



## DEAR FRIENDS & NEIGHBORS,

From the time Roy Richards, Sr. founded Southwire Company in 1950, he understood building a successful business meant more than just making money. Like any other company, Southwire has experienced periods of prosperity and times of challenge. Through it all, with the commitment and dedication of the Richards family and the employees of Southwire, Mr. Richards' vision and values have endured. I am proud to say they still guide our company today.

In recent years, we've faced challenges to our business caused by the global economy, and the past year was no different. Despite these challenges, we continue to make considerable progress towards becoming a more sustainable Southwire. In 2011, strategic acquisitions brought diversification, resulting in new product and service lines, to which we have already added value, and expanded shares within existing markets. These efforts, coupled with our unmatched ability to consistently deliver innovative products and services to our core markets, resulted in an economic rebound for Southwire and enabled us to build worth for our key stakeholders. Some key highlights in 2011 included:

**ENERGY EFFICIENCY** – With a goal of improving our energy efficiency by 10% over our 2010 baseline by 2020, we have already improved 3% from that baseline.

**SAFETY** – Our recordable injury and illness performance rate improved from 2.74 to 2.52, and 39% of our original US manufacturing and customer service centers have achieved OSHA Voluntary Protection Program (VPP) Star certification. However, we have much work to do to achieve our goal of 2.0 recordable injury rate.

**ZERO LANDFILL** – Landfill disposal from our manufacturing facilities decreased only slightly from our 2010 level as we face the task of finding more innovative solutions for managing some of our more challenging waste streams.

**EMPLOYEE WELLNESS** – We achieved a 26% improvement over 2010 in the number of employees passing all biometric screening measurements. These free screenings have enabled at-risk Southwire employees to engage in personalized, medically-supervised programs designed to manage current health issues and help prevent future health problems.

Each year, I welcome the opportunity to share with you both our successes and opportunities for improvement. Thank you for your interest in our company and its sustained success.

Sincerely,

Stu Thorn, CEO

## OUR GOALS

In 2007, we established our initial set of sustainability goals and targets with associated time frames around the key principles of Building Worth, Growing Green, Living Well, Giving Back and Doing Right. Each year since 2008, we have reported on our progress. Along the way, we have refined some of our goals as we continue to discover new ways to develop and improve our products and processes and better understand the needs of our people and communities.

We have also taken the opportunity to more fully engage with our customers, suppliers, peers and other stakeholders by soliciting their ideas and gaining a more complete understanding of the challenges we all face.

**While we are encouraged by our successes, we know that we can never view the job as done, and there will always be more challenges ahead. Therefore, we continue to look for additional opportunities for improvement.**

Because 2010 marked the end date of some of our original Sustainability goals, we published a new set of goals in our 2011 Sustainability Update. In the update you are reading now, we are sharing our progress toward reaching our new goals.

## OUR PERFORMANCE

2011 AT A GLANCE	
Total Revenue	\$5.2 billion
Factories	19
Distribution Centers	11
Countries with Operations	3
Employees	4,500
Pounds Copper Processed	791 million
Pounds Aluminum Processed	425 million

## OUR BUSINESS

**At Southwire, we deliver power... responsibly... to people worldwide.**

We provide a full line of wire and cable products for a wide range of applications. As an industry leader in product innovation, we are continually working with our customers to develop products and services that simplify installation, save time and money and improve product performance. Each of our divisions focuses on serving a specific group of customers.

**ELECTRICAL** – The Electrical Division sells a wide variety of copper and aluminum wire products, as well as other products used by electrical contractors. These products include building wire, metal clad cable, flexible cord, electronic and security cable, flexible metallic or liquidtight non-metallic conduit, telephone power cable, Maxis™ tools and more. Residential, commercial and institutional construction projects represent our primary markets.

**ENERGY** – The Energy Division offers a full line of low, medium, and high voltage cable products that move power from the generation source to homes and buildings. Southwire offers solutions for numerous underground and overhead distribution and transmission applications.

**INDUSTRIAL** – Our industrial products support a broad range of applications such as power generation, transit, wastewater treatment facilities, petrochemical plants, mining, refineries, liquefied natural gas terminals, the automotive industry sector and institutional campuses such as hospitals and universities. We offer a complete set of industrial products, including medium voltage power cable, tray cable, armored cable, mining cable and transit cable.

**OEM** – Our OEM Division provides aluminum rod, copper rod, and wire and cable to customers who manufacture their own products for various markets, such as electrical equipment, industrial machinery, household appliances, automotive wiring, HVAC equipment, water pumping equipment and alternative energy.

**SCR TECHNOLOGIES** – Southwire has designed and developed state-of-the-art systems that produce high-quality copper and aluminum rod with the lowest operating costs. Today, half of the world's continuous casting electrolytic tough pitch (ETP) copper rod is produced using our technology.

## OUR VISION

**We will sustain our company in a fiercely competitive industry by believing in and supporting our employees who, in turn, will ensure our performance exceeds that of our competitors, by:**



**BUILDING WORTH** Our success depends on our customers' success. We will build worth for our shareholders, customers and other stakeholders by achieving the lowest cost, highest quality and best service in our industry. To do this, we must lead our core markets with superior products, grow steadily, spend wisely, keep debt low and protect our investments.



**GROWING GREEN** We will reduce our environmental footprint, even as we grow. By so doing, we not only will sustain our business, but we also will help sustain the communities in which we work and the world in which we live.



**LIVING WELL** We will preserve and enhance the lives of our employees by building and sustaining a workplace that is satisfying, meaningful and fun. In doing so, we will make certain that safety and health are always top priorities and will never forget to treat each other with dignity and respect.



**GIVING BACK** Our neighbors depend on us, just as we depend on them. We will strive to improve the quality of life in the communities in which we work. This goes beyond providing jobs and paying taxes. It also means giving to those in need, not only with our time and talent, but also by sharing our financial resources.



**DOING RIGHT** We will foster a culture guided by ethical values. We will not forget to live up to those values, even when it might be difficult. And, when we make mistakes, we will be transparent and responsive to our critics.

## OUR STAKEHOLDERS

**At Southwire, we are committed to our employees, our communities, our customers, our suppliers and the environment.**

**OUR EMPLOYEES** – We owe our success to our people. Through the talent, hard work, creativity and dedication of our employees, Southwire has thrived for more than 60 years.

**OUR COMMUNITIES** – We have facilities spanning North America, and we embrace the opportunity to give back to the communities where we live, work and raise our families.

**OUR CUSTOMERS** – Our success is tied to that of our customers. We take pride in assuring our customers are shipped quality products in a timely manner.

**OUR SUPPLIERS** – We depend on the support of our suppliers. Only through collaboration can we help each other achieve our respective sustainability and business goals.

**THE ENVIRONMENT** – At Southwire, we respect the environment. We operate in a responsible manner and remain diligent in our efforts to reduce our environmental impact.



### QUESTIONS? COMMENTS?

This pamphlet presents the highlights of our sustainability performance. More details can be found on our website at [www.southwire.com](http://www.southwire.com). Also, feel free to contact us if you have comments or questions at [sustainability@southwire.com](mailto:sustainability@southwire.com).



SUSTAINABILITY UPDATE 2012

# OUR LEGACY



# BUILDING WORTH



# GROWING GREEN



# LIVING WELL



# GIVING BACK



# DOING RIGHT



In 1937, at the age of 25, Roy Richards, Sr. founded Richards and Associates, which manufactured and installed electric power poles, soon becoming the nation's second largest contractor serving the Rural Electrification Administration (REA). But, as World War II progressed, REA construction stalled. After joining the war effort and serving as a captain in the US Army, Richards returned home to find, because of post-war shortages of wire, little progress had been made in bringing electric power to the area. With a particular customer in mind, Richards dreamed of bringing power to rural western Georgia.

**“My grandmother is 85 years old and she has never had the pleasure of sitting under an electric light in her own house,”**

Richards told a manufacturer who questioned him about his irritation with the three-year delay in wire delivery to the area.

In March 1950, with 12 employees and second-hand equipment, Southwire Company began producing wire in Carrollton, Georgia. From these humble beginnings, Richards built the company that today stands as one of the world's largest wire and cable manufacturers, posting sales of more than \$5 billion annually.

A visionary and highly-principled man, Richards recognized early on that building a successful company meant more than just making a profit. Long-term, sustainable success would require Southwire taking care of its employees, giving back to the community, planning for the future and dealing fairly with customers and suppliers. Today, this philosophy still holds true.

Maintaining profitability ensures Southwire's future and affords us the opportunity to grow green, give back, live well and do right.

**Our success is contingent upon meeting our customers needs and to do so, we strive to provide the best service, highest quality and lowest cost in our industry.**

And, with the quality and creativity of our employees and their steadfast commitment to building worth, our success will be sustained.

### COLLABORATIVE EFFORT

Collaboration at each step of the value chain is an important part of building worth. By working collaboratively with our key suppliers, we will identify and pursue shared sustainability targets that will help us manage and mitigate risks arising from economic, environmental and social developments around the world. In addition to these targets, Southwire will continue to identify and work with its suppliers and customers to develop and deliver products and solutions designed to improve efficiency and safety, and to reduce environmental impact. Through this collaboration, we will hope to understand how to best build worth and provide the cleanest, safest and most efficient products.

OUR GOALS	2011 STATUS
<b>Supply Relations</b> – Conduct resource supply assessments with our top 20 suppliers based on spend and collaborate to identify and pursue sustainability objectives and targets by 2015.	Program under development.
<b>Product Development</b> – Actively incorporate sustainability principles in the research and development of new products and services.	Considerations defined and targets set.

Southwire's respect for the environment extends beyond just complying with environmental laws and regulations. We operate each of our facilities in a manner that protects and minimizes impacts to the environment, and we actively look for opportunities to improve and expand upon our environmental stewardship. To that end, we establish aggressive targets that drive our actions and results.

Central to our growing green effort is our commitment to eliminating waste that would otherwise go into landfills. While our progress has slowed recently as we work to identify solutions for our more challenging waste streams, we are committed to achieving our goal through creative and innovative problem-solving at every level.

**We also remain committed to finding new ways to reduce energy and consume less water.**

Last year, having met most of our prior goals, we reset the baseline figures for measuring our progress and set new goals through 2020. Through disciplined execution of our action plans and on-going monitoring and measurement of our progress, we will continue to minimize our environmental footprint, even as we grow our business.

OUR GOALS	2011 STATUS
<b>Waste</b> – Achieve and maintain zero-landfill status by end of 2017.	6% reduction compared to 2010
<b>Energy</b> – Increase energy efficiency from 2010 baseline by 10% by end of 2020.	2011 energy efficiency improved by 3%.
<b>Water</b> – Increase operational water use efficiency from 2010 baseline by 10% by end of 2020.	2011 water use efficiency declined by 7%. Water use issues were identified mid-year and corrected by end of 2011.

**The strength of Southwire lies in the talent, determination and quality of our people.**

By focusing our efforts on improving the health and safety of our employees, embracing diversity and inclusion, and fostering open and honest communication, we create an environment where our people can live well and succeed.

### WORLD CLASS SAFETY & HEALTH

Establishing a culture of safety and health requires more than slogans and awareness campaigns. Investment in equipment safety upgrades, implementation of robust management systems and engagement of our employees in behavior-based safety has yielded injury-reducing improvements within our operations. Southwire's focus on preventative health and personal wellness is helping to drive life-long patterns of healthy living. Through our Living Well program, we provide localized wellness committees, annual weight loss challenges, flu shots, healthy food options in our vending machines and cafeteria, and exercise programs for adults and children.

OUR GOALS	2011 STATUS
<b>Operational Safety</b> – Achieve and maintain a recordable injury and illness performance rate of 2.0 by 2012.	2.52 recordable rate for 2011.
<b>Health &amp; Wellness</b> – Establish a health and wellness awareness campaign that includes education, training and nutritional advice by end of 2012.	Implemented in 2011.

### COMMUNITY INVOLVEMENT

Through the time and talents of its employee volunteers, Southwire's Project GIFT® (Giving Inspiration for Tomorrow) provides community-building programs, disaster relief drives and other efforts. In 2011, Southwire's Back-to-School giveaway placed bags of school supplies in the hands of more than 5,000 students, and Project GIFT Blackshirts helped collect 6,500 toys for Toys for Tots.

### PROGRESS IN EDUCATION

Known as 12 for Life®, Southwire's unique partnerships with Carroll County (Georgia) Schools and Florence City Schools (Alabama) encourage students to stay in school by combining classroom instruction with part-time employment, life skills training and mentorship.

**At the close of the 2010-11 school year, 304 students had graduated from the program, far exceeding our original goal of 175 graduates by the end of 2012.**

Education remains core to our giving back strategy as we continue to cultivate partnerships with local schools, community colleges and universities striving to develop future generations of leaders and innovators.

OUR GOALS	2011 STATUS
<b>Education</b> – Annually participate with academic institutions to promote sustainability initiatives within communities in which we operate.	Formal program not yet established.

### ETHICS AND TRANSPARENCY

**The importance of trust in relationships cannot be overvalued. As a company, we rely on our employees, suppliers, customers, communities, and shareholders.**

Conducting our business with integrity builds and fosters the trust necessary to ensure the continuing and sustainable relationships we have developed over the years and rely on to deliver quality products to our customers.

Southwire's commitment to ethical business practices starts at the top and is formally outlined in its code of ethics – aptly entitled *Do the Right Thing*. Periodically reviewing the relevancy, accuracy and scope of our policies helps ensure we are consistently setting the highest standards for business conduct.

### JUST ASK

Even in the best of environments, however, we are aware that ethical lapses can occur. That is why we offer the Ethics Hotline and the Just Ask system, which provide employees with a readily-available, easy-to-use and confidential means for reporting any information about suspected violation of an ethics standard.

OUR GOALS	2011 STATUS
<b>Governance</b> – Update our code of ethics, expand training and provide annual testing by end of 2011.	Code of Ethics review and update underway. Ethics training completed for all employees.
<b>Assurance</b> – Obtain independent, third-party financial audits every year and environmental audits every two years.	Independent financial audit completed in 2011. Environmental audit cycle completed in 2011.