

# Southwire Canada 2023 Forced Labor Report



## Introduction

This report has been produced by Southwire Canada Company (“**Southwire**” or the “**Company**” or “**our**” or “**we**”) for our fiscal year ending December 31, 2023 and describes the steps taken to identify and prevent risks of forced labor and child labor in our processes for the sale of goods into Canada, the import of goods into Canada, and the provision of services in Canada. This report marks the first annual report prepared by Southwire as a response to Canada’s recently enacted *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

## Our Commitment

Respect for human rights is a fundamental Southwire principle, and one that all Southwire team members, suppliers, contractors, and other business associates are expected to honor. Southwire and its suppliers, contractors, and other business associates are expected to uphold the human rights of all individuals associated with their organizations and have a zero-tolerance policy for human trafficking, forced labor, and child labor. In 2017, Southwire affirmed our commitment to human rights and labor principles when we became a signatory to the United Nations Global Compact.



Our guiding principles, including our commitment to Doing Right, are embodied in five core sustainability tenets:

1. **Growing Green** – We prioritize meaningful environmental action and sustainable best practices to secure a vibrant future for our business for future generations.
2. **Living Well** – As a multigenerational company poised for sustainable growth, it is our ambition to make Southwire a great place to work today – and for generations to come.
3. **Giving Back** – We enthusiastically share our time, talent, and financial resources to help uplift those in need.
4. **Doing Right** – Our vision says it all: We Deliver Power...Responsibly®. At Southwire, that means we stay true to our company’s legacy of acting with honesty and integrity and treating one another with mutual respect. This applies to all aspects of the way we operate.
5. **Building Worth** – Southwire proudly serves a variety of industries with innovative products and services – backed by exceptional quality and more than seven decades of expertise.

Since 2007, Southwire has published annual Sustainability Reports, which detail this commitment. See [Sustainability | Southwire](#) for more information.

As a testament to our culture of Doing Right and our commitment to a strong Ethics and Compliance program, Southwire was recently named by Ethisphere as one of the 2024 World’s Most Ethical Companies.

## Steps Taken to Prevent and Reduce Risks of Forced Labor and Child Labor

We took the following steps in 2023, among others, to prevent and reduce the risk of forced labor and child labor in our business and supply chains:

1. All Southwire team members completed training on our Code of Business Conduct, which includes modules on ethical conduct, reporting, and non-retaliation. Additionally, people managers were trained on their role in the Ethics and Compliance program.
2. Southwire continued to enhance its speak-up and investigation programs, which encourage all team members and people who do business with Southwire to raise concerns or questions and ensures that all reports are investigated appropriately.
3. We conducted an enterprise-wide celebration of Ethics and Compliance Week, which emphasized the importance of a culture of integrity and educates team members on the importance of Doing Right and speaking up. Additionally, one day of the programming was focused on human rights and modern slavery.
4. We conducted an enterprise-wide survey of all team members that focused on ethical culture for the purpose of understanding strengths and identifying opportunities to enhance our culture.
5. Suppliers and other vendors were subject to Southwire's Supplier Code of Business Conduct and our Human Rights and Prevention of Human Trafficking Policy.
6. Suppliers and other vendors were subject to compliance risk screenings in advance of being engaged and on a continuous basis as applicable based on risk. The process screens for sanctions, unfair labor practices, financial misconduct, world-wide regulatory and enforcement watch lists, and negative media. In 2023, the compliance risk matrix used for this process was reviewed and updated by a cross-functional team to ensure that it appropriately captured risk.
7. Southwire's Internal Audit team conducts annual reviews of supplier contracts.
8. Southwire distributed to all team members our quarterly Doing Right Insight newsletter. The Company also distributed to all suppliers and other vendors our quarterly Business Partner Ethics & Compliance Newsletter.
9. Southwire provided to team members an assortment of compliance-related resources on its Doing Right employee intranet site. Among the resources is a guide for spotting red flags of human trafficking.
10. Southwire's Ethics and Compliance team conducted site visits to various locations. Additionally, a third-party firm conducted responsible sourcing audits of higher-risk overseas suppliers.
11. Southwire conducted a review of its supply chain in connection with the U.S. Uyghur Forced Labor Protection Act (UFLPA).
12. Southwire hosted a program for team members on sex trafficking and what attendees could do to spot signs in their personal and professional lives.

## Structure, Activities, and Supply Chains

Southwire Canada Company is a privately held company that sells electrical wire and cable products and services in Canada. Southwire Canada Company employs approximately 150 team members in multiple locations in Canada, including two distribution centers and a corporate office located in Mississauga, Ontario.

Most products sold by Southwire Canada Company are manufactured in the United States by a U.S. affiliate of the Company. Additionally, Southwire's supply chain includes various other international suppliers of equipment, components, and other items. Suppliers are subject to due diligence, monitoring, auditing, and various policies, as summarized below. Southwire voluntarily removed any relationships with entities in the Russian Federation in 2022.

## **Policies, Governance and Due Diligence Processes**

At Southwire, we foster a culture guided by the ethics of mutual respect, integrity, and honesty. We are committed to supporting those values in every aspect of our business and working lives, and we promise transparency and responsiveness when challenges arise. This sentiment applies to all aspects of the way we operate – driving us to model effective leadership, practice sustainable sourcing, and power ethical and responsible business practices, in and beyond our Company’s walls. All Southwire policies listed below contain detailed instructions for how to report any suspected non-compliance. Southwire provides multiple channels for reporting, including to supervisors and managers, People & Culture (HR) representatives, and our in-house dedicated Ethics and Compliance Office. We also have our Doing Right Helpline, which is managed by an independent third party. It is a channel for team members, vendors, and any other individuals to report worldwide in their local language using an online platform, by phone, or by text. Reports also may be made anonymously, if desired. Once reported, Southwire assesses the information and determines the further investigation and additional actions to be taken.

Core policies include:

### **Code of Business Conduct**

Southwire’s Code of Business Conduct is a multifaceted policy which serves to provide team members a guide on expected behavior. The Code includes messages from the Company’s Chief Executive Officer and Chief Ethics and Compliance Officer, as well as sections covering Company commitments; the Ethics and Compliance program; the obligation to report, how to report, and non-retaliation; compliance with laws; fair competition; anti-corruption; conflicts of interest; non-discrimination and anti-harassment; proper use and protection of information and assets; environment, safety, and health; trade controls; and political activity. In addition to this Code, Southwire also publishes detailed, stand-alone policies on an assortment of compliance areas.

### **Supplier Code of Business Conduct**

Similar to the Code of Business Conduct for team members, the Supplier Code of Business Conduct serves to provide similar requirements for our suppliers. This Supplier Code sets forth our commitment as well as standards and expectations for suppliers. Our goal is to ensure that all levels of our business, including our suppliers, share our commitment to driving success through ethical decision-making, compliance, and integrity. The Supplier Code applies to all companies or individuals providing goods or services to Southwire. It addresses similar topics to the Code and other policies pertaining to Southwire team members including sections on freely chosen employment and child labor.

- **Freely Chosen Employment** - Suppliers must comply with Southwire's human rights and prevention of human trafficking policies. They must not use forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, or slave labor. They also must not engage in trafficking of persons, including transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. They must not place unreasonable restrictions on their workers’ freedom of movement in their facilities or ability to voluntarily resign their employment in accordance with local or national laws or regulations. They must investigate and not ignore “red flags” or circumstances that suggest that any of their workers or contractors may possibly be trafficked or forced to provide labor or services. They and their agents may not hold or otherwise destroy, conceal, confiscate, or deny access by their workers to their identity or

immigration documents, such as government-issued identification, passports, or work permits, unless such holdings are required by law.

- **Child Labor** - They must comply with all local and national laws on minimum working age, and not use child labor. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace learning programs, which comply with all laws and regulations, is permitted. They must not permit workers under the age of 18 to perform work that is likely to jeopardize their health or safety, including night shifts and overtime.

### **Human Rights and Prevention of Human Trafficking Policy**

In addition to the requirements of the Codes for team members and suppliers, respectively, this policy is applicable to all Southwire team members and other affiliates, wherever located worldwide, and all business associates (suppliers, distributors, sales representatives, contractors, partners, consultants, etc.) wherever located. It provides additional details on the requirements. For example, the policy provides that it is the Company policy that all team members of Southwire and all affiliates must never engage in human trafficking, forced labor, or child labor. To ensure compliance with this policy, Southwire: (1) conducts reasonable, risk-based due diligence on our business associates and other third-parties; (2) engages business associates using written contracts that include appropriate anti-human trafficking, anti-forced labor, and anti-child labor protections; (3) periodically requests written certifications and other information concerning the use of these practices in making the products and components supplied to it; (4) monitors for potential “red flags” indicating possible misconduct in this area; and (5) periodically provides training for relevant parties on this policy.

### **Third Party Compliance Risk Screening Policy**

This policy includes a robust, risk-based, third-party compliance risk screening process. This process is designed to ensure that designated third parties are properly screened for certain compliance risks before Southwire agrees to work with them and at risk-based intervals after the relationship has started.

## **Assessing and Managing Risk in Labor and Supply Chain**

Southwire is committed to proactive measures to ensure all team members hired to work for the Company in any level are subjected to screening. Recruiting for all open roles is handled by the People and Culture (HR) department in-house. All candidates are pre-screened to ensure their eligibility to work, including that citizenship, legal residency, work permit, and legal working age requirements are met. Third parties who do business with Southwire also are obligated to meet such requirements. Additionally, third parties are screened in conformance with Southwire’s Third-Party Compliance Risk Screening Policy.

## **Remediation Measures**

Contained in all of Southwire’s ethics and compliance related policies are instructions on when and how to report issues. In addition to this, all Southwire offices and facilities have posters and other materials posted in prominent locations with instructions on when and how to report. While we have not identified any instances of forced labor or child labor and have therefore not taken any remediation measures, should a situation of non-compliance regarding forced labor or child labor, or any other ethics violation be reported, an investigation will be performed and appropriate measures to correct the situation will be administered.

## **Training**

Southwire team members receive regular training on governing policies. Team members in positions of authority or management receive specific training to their particular level of responsibility. Third parties are notified of ethics and compliance topics through quarterly electronic newsletters.

## **Assessing Effectiveness**

While the Company has taken great effort to educate our team members and third parties on risks and our requirements surrounding ethics, honesty, fair business practices, and the identification and prohibition of forced labor or child labor in our own operations as well as our supply chain, we realize we must remain vigilant. We conduct annual reviews of our Ethics and Compliance program and develop and implement enhancements to our program every year.

## **Approval and Attestation**

This report was approved pursuant to subparagraph 11(4)(a) of the *S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") by the Board of Directors for Southwire Canada Company.

In my capacity as a Director of Southwire Canada Company, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular to section 11, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate, and complete in all material respects for the purposes of the Act for the reporting year listed above.

I have the authority to bind Southwire Canada Company



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Richard A. Stinson  
President and Director  
Southwire Canada Company  
May 21, 2024