





ABOUT THIS REPORT

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Southwire publishes sustainability reports annually; our current sustainability report covers calendar year 2015 for all information provided. As a private company, we proudly share our sustainability journey and progress in this report, which is published in accordance with the Global Reporting Initiative (GRI) G4 core option guidelines. We did not externally assure any data in this report.

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Our GRI Content Index for this 2015 sustainability report is located here.

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We published our <u>most recent report</u>, covering calendar year 2014, in August of 2015. At that time, Southwire was in the midst of integrating operations related to our Coleman acquisition, and that report primarily highlighted information for pre-integration Southwire. This current report covers the integrated company.

If you have any questions or comments about this report, please contact Rebecca Cranford, Senior Vice President of Sustainability, Safety and Environmental, at sustainability@southwire.com.



ABOUT THIS REPORT

CEO LETTER



Dear Friends, Colleagues and Neighbors,

At Southwire, we deliver power to customers around the world. We lead our industry with innovations that increase profitability, efficiency and safety. But, while creating and delivering a high-quality product is important, there are several key components that solidify our position as both an industry leader and a great place to work. This collection of components (or as we like to call them, tenets) makes up our commitment to what we call sustainability and allows us to grow our deep roots as a company.

In that spirit, we are proud to present our 2015 Sustainability Report, an assessment that dives into all areas of sustainability at Southwire and unearths our most significant impacts and opportunities. The findings of this assessment detail Southwire's sustainability goals and strategies, which align with our five tenets of Building Worth, Growing Green, Living Well, Giving Back and Doing Right.

2015 was an exciting year for Southwire, highlighted by solid business results, significant gains within our sales channels, and special recognition from some of our biggest customers. Through the efforts of our outstanding team, some of our most notable accomplishments included:

 The successful acquisition and integration of our new facility and team in Huntersville. North Carolina:

- The implementation of SAP for sales and order processing;
- The milestone of gaining 100% of Lowe's business;
- Our recognition as Home Depot's Electrical Supplier of the Year;
- The 10-year anniversary of Project GIFT;
- The introduction of a harmonized total rewards platform.

On a personal note, I announced my retirement and helped transition Rich Stinson as Southwire's President and CEO, which became effective on January 1, 2016. I am proudly joining the ranks of Southwire's retirees and am grateful to remain part, now as an alumni, of such a remarkable company.

I am extremely proud of all that we have accomplished throughout my career, but, above all else, I am thankful for the strong and sustainable culture we built together which will solidify Southwire's industry-leading influence for generations to come.

Sincerely,

Stu Thorn

Chief Executive Officer (2001-2015)



ABOUT THIS REPORT

STAKEHOLDER ENGAGEMENT & MATERIALITY

G4-24, G4-25 •

Southwire regularly engages the following stakeholder groups: customers, suppliers, shareholders and board members, regulators, non-governmental organizations (NGOs), community members and Southwire employees. We identify stakeholders through interviews with executive leadership, the Southwire environmental leadership committee, the sustainability committee of the Southwire board of directors, and through various other employee interviews. We select stakeholders based on their knowledge and understanding of Southwire's overall operations, industry positions, regulatory history and community involvement.

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Internal Stakeholders

Stakeholder engagement—a business imperative for Southwire—occurs in many ways. We invest in a number of mechanisms to engage our employees:

- Employee Engagement Survey. Independently administered every 18 months, this voluntary survey delivers a better
 understanding of our employees' wants and needs, allowing periodic adjustments to management systems and
 approaches.
- **Semi-annual Pulse Checks**. Administered internally at our manufacturing and service center facilities, these surveys provide status updates on the four lowest-scoring categories in our most recent employee engagement survey.
- Monthly <u>Sounding Board</u> Meetings. We randomly invite employees to have dinner with Southwire executives—
 including our chief executive officer, chief operating officer, executive vice president of human resources and other
 key leaders in the organization—to discuss emerging thoughts, ideas and concerns about how the company is
 operating.
- **Just Ask.** Via online access, paper drop box or call in, employees have the ability to ask questions and/or offer thoughts and suggestions concerning Southwire policies, procedures or practices, 24 hours a day, seven days a week.
- Operational Perfection at Southwire (OPS). This program drives total employee involvement in operational excellence
 in manufacturing. Through OPS, employees participate regularly in teaming activities that engage them to identify
 problems and implement solutions that improve our operations.

Learn more about our employee engagement programs.

External Stakeholders

Southwire's external stakeholder engagement centers on extensive employee involvement and membership in industry organizations and associations as well as various civic, environmental, health and safety organizations across our geographic footprint. Other key external stakeholder engagement opportunities include interactions with customers, suppliers and community members in the following ways:

- Customer Engagement. We regularly engage our customers through mechanisms such as satisfaction surveys, user
 forums, trade shows, scorecard reviews and site visits. These interactions help us better align our products and
 services to meet customer needs.
- Supplier Relationships. Southwire also regularly engages our suppliers through sustainability surveys, on-site audits
 and meetings to best understand the risks and opportunities present throughout our value chain.
- Community Advisory Panel. In Carrollton, Georgia, a core manufacturing site and the location of our corporate
 headquarters, we garner input from a community advisory panel comprised of key community leaders from a variety
 of organizations. This panel includes five members from a cross-section of the community who gather to discuss
 potential partnership opportunities or issues that may pertain to Southwire and our impact on the community.
- Community Update Meeting. Each year, Southwire's chief executive officer hosts a luncheon, inviting over 100
 community and business leaders in the Carrollton, Georgia area, to discuss the company's performance, future plans
 and community impact. This meeting enables the open exchange of questions, answers, thoughts and ideas between
 community and Southwire leaders.

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In 2014, Southwire completed a materiality assessment to identify and prioritize our most significant sustainability topics. As part of this assessment, we conducted extensive industry research and a benchmarking analysis of competitors, customers, suppliers and aspirational peers. We engaged internal and external stakeholders through interviews and surveys to determine the significance of material topics and recommendations for managing sustainability. We then synthesized our findings to identify Southwire's most material sustainability topics.

As part of our stakeholder engagement for the materiality assessment, we interviewed the following groups:

Internal		External	
•	Senior Leaders (8)	•	Customers (4)
•	Southwire Board Sustainability Committee (4)	•	Community Members (5)
		•	Regulator (1)
		•	Industry Specialist (1)

Additionally, we launched two versions of a materiality survey—one for employees and the other for external stakeholders. We sent out 207 internal requests and 137 external requests. Our response rates were high—68 percent internal and 46 percent external—with responses from the following groups:

- Employees (141)
- Customers (20)
- Suppliers (36)
- Government Officials (7)

Through the materiality assessment process, we identified 22 sustainability topics for consideration. By charting their significance to internal and external stakeholders, we ultimately determined 14 of these topics to be material for Southwire. As a result of developing this report, we decided to combine the two supply chain topics—Sustainable Supply

Chain and Supplier Relations—for a more holistic and effective management approach. The remaining 13 topics constitute the foundation of our 2014 and 2015 sustainability reports. We will continue to monitor and communicate our progress on these topics in future reporting.

G4-27 ▼

During Southwire's materiality assessment interviews, our stakeholders shared comments, feedback and insights about our business. The key topics and concerns raised by the following stakeholders included:

- Customers. As customers continue to place more resources in creating a sustainable supply chain, Southwire should
 engage and build relationships with sustainable suppliers, enact a supplier code of conduct, audit key suppliers and
 identify potential conflict minerals in the supply chain. Customers also would like Southwire to forge strategic
 partnerships with industry associations and customers to drive sustainability in the wire and cable industry.
- Community Advisory Board. Southwire should focus on the most challenging production issues, such as energy, water quality and water usage. The Community Advisory Board also believes Southwire's programs such as 12 for Life, the Southwire Engineering Academy (SWEA) and the Southwire Sustainable Business Honors Program strengthen the community by improving the skills and knowledge of individuals entering the local job market.
- Industry Associations. Southwire should analyze its environmental footprint, including supply chain, greenhouse gas
 emissions, water use and energy use. Additionally, the company should continue to support its community
 commitment through time and talent.
- Southwire Leadership. The executive team and committees identified waste as the most significant environmental
 issue for the company. Additional topics raised included product innovation, employee health and well-being, and the
 need to strengthen supply chain management.
- All stakeholders mentioned that Southwire needs to be more transparent about the work the company is doing and the environmental, social and governance metrics the company tracks.

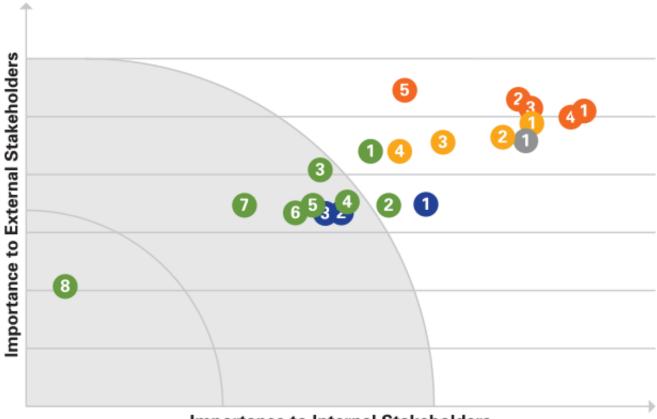
Through this stakeholder engagement process, Southwire has developed and refined our Sustainability Scorecard with goals and metrics to help manage our material topics, and committed to developing this GRI G4 Core report to share our progress in these important areas.

MATERIALITY AND BOUNDARY

G4-19, G4-20, G4-21 •

Material Topics

We have organized our 13 material topics, shown at the top right of the matrix, in alignment with the five pillars of our corporate sustainability vision. Please see the Materiality Matrix below for the boundary associated with each material topic.



Importance to Internal Stakeholders

Building Worth

Technology & Innovation

Investing resources in sustainable product innovation.

Boundary: Inside - Southwire (Post-Integration**); Outside - Customers

Product Responsibility

Prioritizing sustainable attributes in products and packaging; minimizing or eliminating the use of materials with negative health impacts and maximizing reuse of materials at end of life.

Boundary: Inside - Southwire; Outside - Customers; Contractors

Sustainable Supply Chain

Sustainable sourcing and the procurement of sustainable materials for Southwire's products and processes. Includes communicating Southwire's sustainability goals with suppliers and setting clear expectations on sustainability performance through assessments and policies.

Boundary: Inside - Southwire; Outside - Suppliers (North America, South America and Asia)

4 Industry Partnerships

Partnering to improve access and sustainability of products and services in the industry.

Boundary: Inside - Southwire; Outside - Industry Organizations (United States); Customers

Growing Green

Energy Usage

Reducing energy intensity and increasing use of alternative and renewable sources.

Boundary: Inside - Southwire; Outside - Customers; Suppliers (North America, South America and Asia)

Waste

Reducing the amount of waste to landfill and increasing responsible waste management.

Boundary: Inside - Southwire; Outside - Customers; Contractors

Water Quality

Reducing the release of chemical and physical contaminants into bodies of water such as rivers, streams and lakes.

4 Environmental Remediation

Transparency and responsibility with regards to environmental remediation and maintaining remediated sites.

5 Environmental Product Declarations (EPDs)

Assessing the environmental impact of products while providing buyers/customers with an effective framework for making direct product comparisons.

6 Water Usage

Reducing the total water withdrawn and being responsible about the impact on water sources. Using recycled and lower quality water whenever possible.

Emissions

Reducing greenhouse gas emissions, fine particulate matter released into the air and toxic air emissions. Includes emissions as a result of transportation (of product and workforce).

Global Climate Change

Being an active and constructive participant on this issue, including effective pricing signals to accelerate energy efficiency improvements, renewable energy deployment, and cross-economy GHG emission reductions.

Living Well

Workplace Safety & Health

Providing employees with safety education and equipment, as well as safe working conditions.

Boundary: Inside - Southwire (Post-Integration**); Outside - Southwire Contractors

Employee Wellness

Making resources available to promote the health and well-being of employees.

Boundary: Inside - Southwire

Employee Engagement

Promoting a positive and unified culture by encouraging open communication, collaboration and employee ownership of initiatives and social programs.

Boundary: Inside - Southwire (Post-Integration**)

4 Talent Acquisition & Development

Attracting talent through Southwire's website, sustainability program, competitive benefits and general outreach; providing employees with opportunities to advance their skills, experience and career through training, development programs, development plans, coaching and more.

Boundary: Inside – Southwire (Post-Integration**); Outside – Educational Institutions where Southwire has recruiting efforts

Diversity

Promoting diversity (ethnic, cultural, generational, etc.) in Southwire's board of directors, suppliers and employee population.

Boundary: Inside – Southwire; Outside – Suppliers (United States); Educational Institutions where Southwire has diversity initiatives

Giving Back

Communities

Providing meaningful dialogue and engagement, employment and prosperity in the communities in which Southwire operates.

Boundary: Inside – Southwire; Outside – Municipalities where Southwire operates; Educational Institutions where Southwire has partnerships (Carroll County, Georgia and Lauderdale County, Alabama)

Charitable Partnerships & Donations

Leveraging Southwire's resources and expertise to create a positive societal impact through partnerships and programs to provide education, products and services to those in need.

Employee Volunteerism

Fostering opportunities for Southwire employees to "give back" through community involvement, skills-based volunteerism and monetary giving/match programs, while providing a structure for measuring the ROI of these efforts.

Doing Right

Ethics & Transparency

Ensuring education and policies are in place to promote ethical behavior, as well as the means to safely and anonymously report transgressions; reporting company performance accurately, including challenges and opportunities for improvement.

Boundary: Inside - Southwire (Post-Integration**); Outside - General Public

- *Pre-Integration reflects Southwire data and information prior to the integration of Coleman Cable operations.
- **Post-Integration reflects Southwire data and information including the newly acquired Coleman Cable operations.



ABOUT OUR COMPANY

ACQUISITIONS

G4-13, G4-23 •

In 2015, Southwire's acquisitions strengthened our portfolio of innovative and sustainable products.

Our company:

- <u>Purchased substantially all the assets of Seatek Company, Inc.</u>, the leading manufacturer of hand tools and motorized
 equipment designed to cut metal-clad and armored cables;
- Took ownership of ABB's Huntersville, North Carolina plant;
- Purchased the intellectual property of GSN Technologies; and
- Completed the integration of Coleman operations into our Strong and Sustainable culture.

In addition to manufacturing assets, the Seatek acquisition includes patents, trademarks and brand names such as Roto-Split® and Roto-Flex™. It brings a variety of products in the armored cable cutter, cable stripper, motorized cutter and labor-saving tools category to the Southwire hand tool product line. While Southwire's acquisition of Seatek is a recent development, our collaboration on innovative projects spans several years; we collaborated with Seatek in the past to ensure customers have a safe way to cut metal conduit. This acquisition transferred production from Connecticut to Carrollton, Georgia.

Our newly acquired Huntersville plant expands Southwire's lineup of products manufactured in the United States and helps to strengthen North America's power transmission infrastructure. This Energy Division facility produces high-voltage cable, which distributes massive amounts of electricity and renewable energy—including wind and solar—in support of the nation's smart grid initiative. The 240,000-square-foot plant is three years old and features state-of-the-art technology for producing high-voltage and extra high-voltage underground transmission cables ranging from 230kV to 400kV. By using an existing structure rather than building a new one, Southwire minimized our environmental impact.

The acquisition of the intellectual property of GSN Technologies brings a new dimension to Southwire in the field of electrical design and construction. The software system, Southwire BEM™ (Building Electrical Model), brings electrical design to the field to reduce time and expense in construction. Learn more about our 2015 innovation highlights.

Throughout 2015, Southwire continued to integrate Coleman facilities and employees into the company's operations and culture.



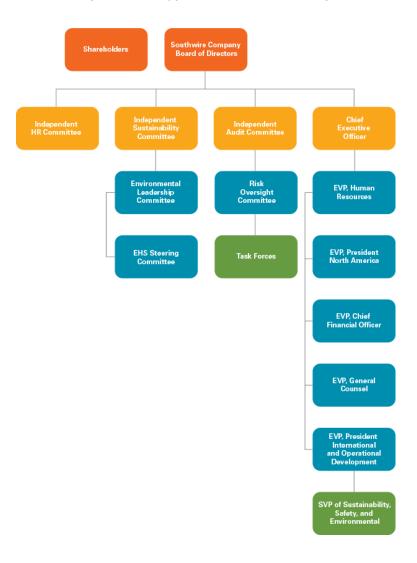
ABOUT OUR COMPANY

GOVERNANCE

G4-34 **•**

Strong corporate governance ensures accountability and good management practices across the organization.

As a family-owned company, shareholders consider potential reputational risk for them, their children and their grandchildren. Southwire's leadership is committed to maintaining the highest level of financial and business integrity. Clear communication up and down the organization supports Southwire's robust governance structure.



Southwire works to model our governance structure on publicly owned companies, incorporating a majority of independent directors on the board and requiring financial accountability. We strive to implement this model while continuing to benefit from the flexibility and confidentiality that come with private ownership.

Southwire's shareholders, the Richards family, and board of directors determine the company's strategic direction. Our board includes 11 members: three are shareholders, one represents top management and seven—a majority—serve as independent directors elected to the board by the company's shareholders. While Southwire is a family-owned company, we take pride in our independent leadership.

Our Risk Oversight Committee, with three executive sponsors, brings together 12 individuals from different functions across the company to look at risk from various perspectives. The committee meets quarterly, and information flows both up to the board and back down. Southwire forms task forces to address the greatest identified risks, such as cybersecurity or resource scarcity.

Southwire has a strong internal sustainability structure and culture of accountability that cascades down throughout our company via tactical committees and groups. As a progressive private company, Southwire has had a Sustainability Committee of the board of directors for more than a decade. This committee regularly reviews our sustainability practices and provides guidance as needed. Southwire's Environmental Leadership Committee focuses on the company's environmental issues, while the EHS Steering Committee sets Southwire's environmental, health and safety strategy. Working teams, such as Environment, Health and Safety, and other special teams meet monthly and regularly report their progress. Southwire's senior vice president of sustainability, safety and environmental provides quarterly updates to the Sustainability Committee and our full board of directors regarding initiatives.

External audits can assure business accountability. Southwire has a goal to assure the accuracy and integrity of financial, environmental and safety management systems by completing annual third-party financial audits every year and environmental, health and safety audits every two years. An external auditor reviews Southwire's financial statements to provide an accurate, unbiased report of the company's financial condition, helping to ensure integrity in our fiscal reporting. Because Southwire is privately owned, our financial statements are not publicly available. However, the board scrutinizes the company's financial performance carefully, with a close eye on profitability, strategy and business ethics.



ABOUT OUR COMPANY

EMPLOYEE COMPOSITION

G4-10, G4-11 •

As of year-end 2015, Southwire Company, LLC employed more than 7,000 people in the United States, Canada, Mexico, Honduras, United Kingdom, and China. Collective bargaining agreements covered approximately 3.5 percent of our full-time employees.

Salaried Total Employee Type Hourly **Full-Time Employees** 4,789 1,758 6,547 Male 3,905 1,236 Female 884 522 Part-Time Employees-All in US 0 615 615 0 Male 344 Female 271 0 **Region Breakdown** Hourly **Salaried Total United States** 4,397 1,579 5,976 Male 3,540 1,125 Female 857 454 Canada 35 96 131 Male 34 56 Female 1 40 Mexico 83 18 101 39 Male 15 Female 44 3 **Honduras** 274 48 322

Region Breakdown	Hourly	Salaried	Total
Male	149	28	
Female	125	20	
Asia	0	17	17
Male	0	9	
Female	0	8	
Grand Total PT & FT	5,404	1,758	7,162



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.

Southwire is growing our business in a strong, sustainable manner. We deliver unparalleled innovative products and services, a practice that enables our company to flourish. We seek to reach our greatest potential by continually evolving to match our customers' needs and goals.

Southwire's effort to grow responsibly creates shared value by benefitting all of our stakeholders. To continue our legacy of Building Worth, Southwire focuses on the following material topics, each detailed in this report:

Technology & Innovation

Product Responsibility

Sustainable Supply Chain

Industry Partnerships

SUSTAINABILITY SCORECARD

The Sustainability Scorecard below highlights our Building Worth goals and progress:

Goals	Baseline	2014 Status	2015 Status
Deploy the Southwire Supplier Sustainability Manual throughout the supply chain with onsite audits and performance monitoring in place for 100% of key suppliers by year-end 2016.	0 of key suppliers	5 of 25 key suppliers	17 of 26 of key
	(2014)	(20%)	suppliers (65%)

Goals	Baseline	2014 Status	2015 Status
Incorporate sustainability principles (including reusability) into the research of at least 65% of all new R&D projects by year-end 2016.		51% of projects; 52% of spend	46% of projects; 80% of spend
Improve customer efficiency by providing innovative products that improve productivity and reduce waste.	N/A	Strategy underway	Strategy underway
Develop and implement a consistent framework that measures and improves customer experience and creates a sustainable competitive advantage by year-end 2017.	N/A	Team formed	Customer experience partner selected, final approval pending



BUILDING WORTH

TECHNOLOGY & INNOVATION

Investing resources in sustainable product innovation

G4-DMA, G4-PR5 •

Our Approach

Southwire believes innovation delivers value to our customers and ensures our sustained success as a company. Each innovation is an opportunity to grow our market share and improve the lives of customers and end users.

We stay abreast of evolving industry standards and requirements, and innovate in advance of pending changes. We also listen to and observe our customers and product end users to identify innovation opportunities. Through extensive firsthand research, Southwire takes a comprehensive approach to understanding our customers' needs and behaviors. We closely examine the entire product life-cycle, paying special attention to the product's design, installation methods and use. We strive to make the customer experience seamless, so we integrate our solutions as much as possible—thereby enhancing customer productivity and ensuring the highest standards of user safety.

Southwire's Sustainability Scorecard includes goals that directly connect innovation and customer experience. One goal is to improve customer efficiency by providing innovative products that improve productivity and reduce waste, leading to cost savings and enhanced profitability. We are currently developing our strategy to accomplish this goal. Another goal is to develop and implement a consistent framework that measures and improves customer experience and creates a sustainable competitive advantage by year-end 2017. Consequently, we plan to launch Voice of the Customer in 2016, a new customer service survey that measures satisfaction.

Research and Development

Our strength in technology and innovation stems from our dedication to Research and Development (R&D). Southwire grounds its culture in its rich history and tradition of cultivating new ideas and creating customer solutions, and it remains an integral part of our collective fabric today. The Southwire Cofer Technology Center houses our world-class R&D team, which communicates with each division to learn what solutions to pursue to solve our customers' most pressing problems. Our divisions communicate the desired solutions based on insights gained from observing and experiencing customers' use of its products.

Innovation differentiates Southwire in the marketplace, and we include environmental considerations into our product development approach. We examine six sustainability criteria as we consider each new product effort:

- Minimizing the amount of resource materials, including those that impact our carbon footprint
- Minimizing or avoiding the use of hazardous materials;
- Using as much recycled material as possible;
- Minimizing environmental impact during use phase of product;
- Making our products for renewables as cost-effective as we can; and

Developing products with a smaller carbon footprint.

After a performance evaluation by the respective division president, a Specifications Committee formally manages the approval and launch of product innovations, ensuring that the product can be manufactured and its performance consistency maintained. Staffed by Manufacturing, Marketing, and R&D; the team manages the long-term integrity of any product innovation as it moves from development to full-scale production.

Southwire's innovation is a very successful interweaving of the product managers' understanding of the customers' needs and R&D's conquering the science necessary to implement a product design that satisfies those needs.

2015 Innovation Highlights

Industrial Division

Southwire's Industrial Division, in conjunction with Applied Software and Southwire's Electrical Division, developed and released the <u>Southwire BEM™</u> (Building Electrical Model) software in 2015. This revolutionary innovation automates electrical design and installation, a process that—until now—required a complicated web of communication between the project engineer, contractor, CAD designer and field workers. BEM™ software, a type of BIM (Building Information Model) solution, will reduce the entire design and installation process to a fraction of the traditional time. As a result, labor efficiency will drastically improve.

OEM Division

Southwire's OEM Division saw a number of developments in 2015. We completed torsional testing on multi-conductor wind turbine tray cable, broadening our offering in the wind systems marketplace. The company received approval for 125-degree EPDM battery cable insulation, used throughout the automotive industry. We launched an ultra-low temperature trailer cable designed specifically for the truck trailer industry, providing a more reliable cold-weather solution for those working in extreme climate conditions. Finally, we released the EZ-In™ Shielded Mini-Split Cable to the HVAC market, allowing for protection from interference when running mini-split cable alongside communications cable. The shielding blocks electrical interference from occurring between the two side-by-side cables.

Our EZ-In™ Mini-split Cable received an Innovation Award at the 2015 Air-Conditioning, Heating and Refrigeration (AHR) Exposition in Chicago. While most cables cannot run from the outside of a dwelling to the inside without violating electrical codes, the mini-split cable can. As an additional benefit, wiring the mini-split reduces extra materials.

Electrical Division

Our SIM*pull* Solutions[®] products and services best exemplify our innovation in the Electrical Division. Our SIM Technology[®] products provide a variety of benefits for our customers, including:

- Elimination of the cost, mess and need to dispose of added lubricants, since they are "No Lube®" products—installed without the use of supplementary lubrication at the job site.
- Reduction in labor on certain wire and cable installations as well as the time needed to install the cable by eliminating the use of a pulling lubricant during installation. By reducing the pulling effort, customers can improve safety for those individuals at the job site.
- Less confusion and higher productivity. Our SIMpull® feeder wire solutions are color-coded to identify specific circuits, minimizing costly installation errors and making the entire process safer.
- Elimination of reels, reducing potential injuries associated with heavy lifting on the job site.

In 2015, Southwire introduced the <u>SIMpull™_Reel™_maneuverable payoff</u>. Electrical Construction & Maintenance magazine selected the system as Product of the Year in the Wire & Cable (Accessories & Equipment) category for its labor-reducing design. In contrast to traditional reels, we designed the SIMpull™ Reel™ maneuverable payoff so that a single person can safely and efficiently maneuver a 6,000-pound reel through tight spaces on a job site and pull off the reel right beside electrical equipment/conduit.

Southwire also introduced the MC-PCS Duo™ cable, which won the prestigious 2015 NECA Showstopper Award. This product, specifically designed for use with energy efficient LED lighting, combines power conductors and 0-10 volt dimming control conductors into one cable, reducing labor and installation costs. MC-PCS Duo™ cable also features circuit identification printed directly on the armor, eliminating any confusion about the cable construction under the armor.

Energy Division

Our Energy Division supports the utility industry with innovative products and solutions, such as Southwire's Intelligent Grid monitoring technologies that provide wide-area situational awareness of a utility's power system. Monitoring critical components and actual environmental conditions along the line allows utilities to increase capacity, improve reliability and optimize generation, which also reduces carbon emissions. For 2015, Energy Division innovations included:

- Insulator Monitoring System. Developed by EPRI and licensed by Southwire, the Insulator Monitoring System—composed of RF sensors, a base station and the Southwire Information Management System—provides real-time information on the contamination level for insulators. The data helps prevent unplanned outages and reduces the frequency of unnecessary cleaning activities. Read more in our highlight story.
- ZTACSR/VR2®. This product is the first and only high-capacity overhead conductor on the market that provides the documented anti-galloping properties of VR2® conductor, our standard-capacity anti-galloping conductor. Galloping is an aerodynamic instability caused by ice-coated conductors, resulting in violent motion. Galloping causes millions of dollars of damage and prolonged power outages every winter. Applications for the conductor include new lines and reconductoring of existing lines that have reached their capacity limit.
- Braided Flexible Connector. Part of a new line of Substation Engineered Solutions, Southwire designed highperformance, Braided Flexible Connectors to compensate for a variety of mechanical properties while delivering minimum resistance values.

Tools and Assembled Products Division

Our Tools and Assembled Products Division sets new standards in delivering the most comprehensive project and sales solutions in the industry. Innovation and quality are at the core of what we do, shaped by the collaboration with our network of contractors who share ideas. This process results in products that fill a void in the market. For example, the award-winning Maintenance PRO™ Smart Multimeter creates a connection between the user's phone and meter via Bluetooth® wireless, allowing the user to monitor the meter from a safe distance and anticipate problems before they occur. Because many problems occur during hazardous weather events, the technology's potential to reduce occupational injury is considerable. With these benefits, the Smart Multimeter won the 2015 NECA Showstopper award.

Engineered Products

From systems that produce copper and aluminum rod to electrical controls, power management solutions and manufacturing support services, Southwire's Engineered Products Division serves a variety of specialty customers.

In 2015, we proudly announced two new areas of innovation and focus:

- The <u>SCR® Ultra-D™</u> Aluminum Degasser demonstrates Southwire's continued dedication to innovation and technology within our Engineered Products Division. The Ultra-D™ Aluminum Degasser uses ultrasonic waves to eliminate porosity in the finished product by reducing hydrogen gas levels as well as removing harmful inclusions, including alkali metals such as lithium, sodium and potassium. The Ultra-D™ eliminates the use of environmentally harmful gasses, drives a wider production range while focusing on flexible operation and lowers operating and maintenance costs for aluminum static mold and continuous casting systems, including SCR® aluminum rod lines,
 - installed worldwide.
- SCR[®] is in the advanced stages of integrating ULTRA-G™, which is an ultrasonic grain refining technology that will eliminate the use of chemical grain refiners resulting in significant improvement in cost and quality. ULTRA-G™ also reduces the negative environmental impact during the solidification process of aluminum alloys.
- The <u>SMARTphase</u> solar micro-inverter converts direct current to alternating current, which ultimately feeds an electrical grid that delivers power to residential and small commercial businesses. Micro-inverters increase system performance, safety, monitoring visibility and system uptime. SMARTphase micro-inverters have a flexible software-based system that provides more economic, efficient and flexible alternatives in the marketplace.

Our Performance

We share our advances through the Southwire network, newsletters, digital or industry trade press releases, our internal email, advertisements, universities and trade shows. We also share them with our industry partners, such as the National Electrical Contractors Association (NECA).

Southwire Division	Active Patents	Patents Acquired in 2015	2015 Innovation Awards
Engineered Products	56	2	None
Energy	82	1	None
Industrial	1	0	None
Electrical	81	6	 SIMpull Reel system. Grand Prize Winner, 2015/16 MAX Awards, which honor the biggest innovations in the state of Georgia across all industries Product of the Year, Electrical Construction & Maintenance magazine MC-PCS Duo™ Cable. 2015 NECA Showstopper Award
OEM	3	0	 EZ-In™ Mini-split Cable. Innovation Award at the 2015 Air-Conditioning, Heating and Refrigeration (AHR) Exposition EZ-In™ Mini-Split Cable. Ranked #2 by Contracting Business (Dec. 2015), Favorite Products of 2015
Tools & Assembled Products	99	11	 MaintenancePRO™ Data Logging Digital Multimeter. Showstopper award at 2015 NECA show for our 15190T
Total	322	20	

Additionally, customer labor efficiency, reduced user injury rates and Southwire's market strength demonstrate our excellence in delivering new technology and innovations to customers. We also measure return on investment for our innovations. Since Southwire is a private company, we choose not to disclose these metrics.

G4-EN27 ▼

Year	Percent of projects incorporating sustainability principles (Goal: 65%)
2014	51% of projects; 52% of spend
2015	46% of projects; 80% of spend



BUILDING WORTH

PRODUCT RESPONSIBILITY

G4-DMA

Prioritizing sustainable attributes in products and packaging; minimizing or eliminating the use of materials with negative health impacts and maximizing reuse of materials at end of life

Our Approach

Innovating and manufacturing sustainable products provide better value to our customers by minimizing harmful materials, reducing or eliminating waste at the job site and decreasing installation-related injuries and illnesses. This gives Southwire a competitive advantage.

Product responsibility drives much of Southwire's innovation, and many of the innovations that we brought to market in 2015 align with our product responsibility objectives to:

- Prioritize sustainable attributes, including safety, in products and packaging;
- Minimize or eliminate the use of materials with negative health impacts; and
- Reuse materials at the end of a product's useful life.

Prioritizing Sustainable Attributes

Southwire set a goal to incorporate sustainability principles, such as reusability, into at least 65 percent of all new research and development (R&D) projects by year-end 2016. When designing new products, we consider our <u>six</u> <u>sustainability criteria</u>; every division has a development team tasked with integrating these sustainability criteria into our new products. During development, we test the products' sustainability and capacity for responsible performance at our world-class <u>Cofer Technology Center</u>. Additional personnel from our environmental, legal and sourcing departments scrutinize various aspects of the product prior to public release.

Our SIMpull Feeder Management System exemplifies Southwire's focus on product responsibility. This system combines the best products and services in the SIMpull Solutions product and service portfolio to help contractors improve safety and efficiency on the job site while also reducing many forms of waste, including packaging. It served as the foundation for further innovation, specifically our new SIMpull REEL™ Maneuverable Payoff System, which can improve safety when moving, setting up and paying off feeder cable reels inside buildings or structures. This innovation revolutionizes the job site by allowing one person on flat surfaces to safely move a reel that weighs up to 6,000 pounds without the need for pallet jacks or other equipment. All of our reels utilize a single, tear-off protective plastic package with a rip-chip system. The rip-chip offers a safer, more efficient means to remove the plastic cover, eliminating the need for electricians to use knives or other sharp tools.

We brought several other notable products to market in 2015 that exemplify our commitment to product responsibility: the Maintenance PRO™ Smart Multimeter and MC-PCS Duo™ Power and Control/Signal Cable. The Smart Multimeter can predict issues in the field before they occur. Because a large number of malfunctions occur during dangerous emergency conditions, this innovation has the potential to reduce occupational injuries among contractors. MC-PCS Duo™ cable was specifically designed for use with energy efficient LED lighting. This product combines power conductors and 0-10 volt

dimming control conductors into one cable, reducing labor and installation costs. MC-PCS Duo™ cable also features circuit identification printed directly on the armor, eliminating any confusion about the cable construction under the armor.

Minimizing Materials with Negative Health Impacts

While the majority of Southwire's business is in North America, we do provide products to offshore customers and serve customers that sell into overseas markets. Therefore, we monitor market trends and requirements globally. To maximize our potential customer base, reduce inventory and be ever-better stewards of the environment, we are working with our suppliers to eliminate chemicals of concern identified in European Union REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation and the European Union directive for the Restriction of Hazardous Substances (RoHS).

We plan to develop insulating compound alternatives to better manage the content of our products in response to our customers' perception of the end user effects. We continue to increase in-house formulation and compounding capability and invest in the necessary equipment needed to meet this goal.

Reusing Materials at End of Life

The Southwire Tools and Assembled Products Division participates in Extended Producer Responsibility (EPR) programs across North America. These programs seek to identify environmental costs and impacts that arise throughout a product's life-cycle. Together with this program, we developed products and packaging more compatibly designed for collection and recycling. The Product Care Association, call2recycle.org and several other organizations collaborate with us to help manage the life-cycles of retail tools, lighting, timer, packaging and lawn and garden products.

Building on our EPR program experience, we plan to launch internal compliance with the Waste Electrical and Electronic Equipment Directive (WEEE), a European end-of-life regulation. WEEE encourages the collection, treatment, recycling and recovery of electrical and electronic equipment waste. This falls in line with our longstanding tradition of going beyond regulatory requirements. The WEEE Directive will primarily influence our Tools and Assembled Products Division's operations.

For utilities ordering materials with wood or steel reels, we established a return program. Through this program, customers have 12 months to return the reel for credit, creating an opportunity for shared financial and environmental benefits between Southwire and our customers. After the customer returns the reels, we refurbish them through a partnering vendor and ship them with new product. To see this program's performance, see G4-EN28 below. In 2014, we launched an internal team to develop end-of-life processing programs for key customers by year-end 2016. Their objective is to expand recycling and like-kind exchange programs. Possibilities include copper and aluminum recycling and programs to take back wire and cable scraps.

Our senior vice presidents of research and development and sustainability, safety and environmental ensure that product responsibility continually progresses. They update our chief executive officer every two months on the status of our current goals. We assess our product responsibility by taking into account consumer feedback and satisfaction, as well as sales performance. We also publish progress on our sustainability goals every quarter.

To ensure the quality, integrity and transparency of our product responsibility, we committed to producing EPDs for 25 products in key markets by year-end 2018. These declarations will help our customers understand the environmental impacts of our products.

Our Performance

G4-EN27 ▼

Year	Percent of projects incorporating sustainability principles (Goal: 65%)
2014	52% of spend; 51% of projects
2015	46% of projects; 80% of spend

G4-EN28 ▼

Year	Recyclable Reel Program (Energy Division): Recyclable Wooden & Steel Reels Returned*
2013	49,710
2014	40,711
2015	40,481

^{*}Includes units recycled through our reel supply partner



BUILDING WORTH

SUSTAINABLE SUPPLY CHAIN

Sustainable sourcing and the procurement of sustainable materials for Southwire's products and processes; includes communicating Southwire's sustainability goals with suppliers and setting clear expectations on sustainability performance through assessments and policies

G4-12 **v**

Extensive vertical integration of our supply chain limits complexity and helps us guarantee a stable and steady source of inputs for our operations. Additionally, this enables Southwire to apply our sustainable business practices directly to processes that might otherwise fall outside our sphere of immediate influence.

Southwire relies on three main groups for a strong, adaptable supply chain: raw materials providers, logistics and contractors. The primary raw materials in our supply chain include metals, such as copper and aluminum, and a wide array of compounds and plasticizers used to coat our wire and cable (such as PVC, XLPE, rubber and CPE). Most of these materials come from suppliers in North America, South America and China.

G4-DMA ▼

Our Approach

Focusing on sustainable supply chain management aligns with our ethical values and business goals. Additionally, customers look favorably upon supply chains that are transparent, well managed and devoid of ethical incidents.

Southwire manages supply chain sustainability through:

- Governance
- Strategic sourcing
- Supplier relations
- The Southwire Supplier Sustainability Program
- Human rights policies
- Logistics
- Supplier diversity

Governance

Southwire's executive vice president of strategic sourcing, logistics and energy manufacturing oversees our supply chain sustainability. Southwire also evaluates our Strategic Sourcing Department on the sustainability of our supply chain.

Strategic Sourcing and Logistics

Logistics are the most complex and extensive aspect of our supply chain. Effectively managing this complexity drives down costs for our customers and reduces our environmental impact. To the extent practical, we strategically source raw materials closer to the appropriate manufacturing plant to limit distance traveled, and we use intermodal transport whenever possible. Historically, we have sourced approximately 95% of aluminum from the United States to reduce freight costs, which in turn decreases our carbon footprint.

We encourage our carrier contractors to participate in the EPA's Smart Way Program in alignment with our fuel efficiency expectations. This program creates a win-win-win outcome: our carriers save on fuel costs, our logistics expenditure declines and the environment benefits from diminished carbon intensity. Carrier membership is dependent upon improvement from baseline statistics in various categories. To see our performance on the topic, see G4-EN19 below.

Supplier Relations

Southwire recognizes the critical role suppliers play in our ability to deliver reliable value to customers. We select our suppliers according to their reputation and demonstrated service, quality, innovative technology and price. To ensure our operations proceed without disruption, we work to uphold preferred status with our suppliers by maintaining steady demand.

We collaborate extensively with the suppliers of our most significant inputs—copper and aluminum—to identify potential risks and opportunities. For example, we participate in the Copper Club, hold a series of meetings with the American Copper Council, attend the Center for Copper and Mining Studies (CESCO) annual conference and meet with metals suppliers throughout the year.

Supplier Sustainability Program

Along with our supplier relations initiatives, we actively manage our Supplier Sustainability Program, which includes 26 critical raw material (excluding metals) suppliers based on volume of spend, criticality and risk. These suppliers account for 68 percent of raw material spend (excluding metals) and are located in North America (22 suppliers) and China (4 suppliers).

Through Our Supplier Sustainability Program, we:

- Request participants submit environmental, social and governance information annually;
- Ensure all participants complete an annual sustainability survey; and
- Conduct an on-site audit of participants' environmental, social, governance and quality management systems.

The <u>Southwire Supplier Sustainability Manual</u>, updated in 2014, details our expectations with respect to quality, environmental, social and governance practices in our supply chain. In both 2014 and 2015, we distributed the manual to 100 percent of suppliers in the Supplier Sustainability Program. Companies acknowledge they have read the manual prior to or concurrent with Southwire's on-site audits.

Human Rights Policies

Southwire released our <u>human trafficking</u> and <u>conflict mineral</u> policies in 2015, a development that aligns with our focus on supply chain sustainability. These policies demonstrate to our stakeholders that we actively address these pressing social issues, and we associate with organizations that share our concern. Southwire also requires all suppliers to complete a self-assessment outlining whether their materials comply with human trafficking laws and conflict minerals reporting templates, if applicable.

To communicate further our commitment to responsible procurement, Southwire completed a draft of its Supplier Code of Conduct in 2015 and rolled it out to our suppliers in January 2016.

Supplier Diversity

We consider supplier diversity an important aspect of a sustainable supply chain. Operating under Southwire's Strategic Sourcing department, our <u>Supplier Diversity program</u> ensures that Southwire identifies:

- Qualified small business and businesses owned and operated by minorities, females or veterans in our strategic sourcing and procurement processes; and
- Opportunities to foster the development and advancement of diverse businesses, when and where practical.

Southwire joined the Georgia Minority Supplier Development Council (GMSDC), through which we have access to the national database of certified minority suppliers.

Some of our larger customers, particularly utilities, have their own supplier diversity goals. To help them attain those goals, we commit to collaborating with diverse businesses and continually assess our progress. To that end, we report our expenditures monthly or quarterly to our top utility customers. In addition, Southwire is developing a Supplier Diversity webpage that will include quarterly spend results.

To enhance our focus on supplier diversity in 2015, we held training sessions for our buyers and propose to provide similar training for our sales and operational personnel in the future. We identified internal supplier diversity champions and plan to recognize them for their efforts.

Looking forward, we plan to create sourcing requirements for all purchases of products or services valued over \$10,000 that are not covered under contractual obligations. Under the new guidelines, and wherever feasible, our buyers must obtain three quotes, one of which must come from a diverse supplier.

To increase supplier diversity presence in underdeveloped business categories, we intend to create strategies to engage LGBT (lesbian, gay, bisexual and transgender), veteran-owned and HUBZone (Historically Underutilized Business Zones) businesses.

Our Performance

Indicators •

SUPPLIER SUSTAINABILITY PROGRAM

By the end of 2015, Southwire completed audits at 65 percent (17 of 26) of our key suppliers, nearly achieving our goal of auditing 70 percent of our suppliers a year early. This puts us on track to meet our ultimate goal to audit 100 percent of our key suppliers by the end of 2016.

G4-EN19 ▼

LOGISTICS

Year	Freight Spend with Smart Way Carriers
2011	55%
2012	60%
2013	64%
2014	76%

Year	Freight Spend with Smart Way Carriers
2015	73%

SUPPLIER DIVERSITY

Goal	2015 Progress
Increase dollars spent with diverse suppliers by 5% year- over-year	37%

Other metrics that we track with respect to supplier diversity:

Goal	2014	2015
Average dollars spent on diverse supplier (millions)	\$94	\$129
Diverse businesses as percent of supplier base	10%	11%



BUILDING WORTH

INDUSTRY PARTNERSHIPS

Partnering to improve access and sustainability of products and services in the industry

G4-DMA ▼

Our Approach

Industry partnerships provide us an opportunity to stay at the forefront of an evolving market and advance our industry as a whole. Southwire strongly supports and participates in industry associations that champion our key customers' needs. Our partnerships enable us to improve access and sustainability of products and services in the industry by:

- Giving a voice to customers;
- Increasing awareness of our sustainable innovations;
- Assuring product safety and sustainability; and
- Sharing our expertise with policy makers.

Southwire also uses our associations with industry organizations as opportunities for Giving Back to budding apprentices.

G4-16 ▼

Our engineers and leaders work to maintain and create our industry partnerships. In 2015, we proudly participated in the following organizations:

Organization	Southwire's Role		
Aluminum Association	Health and Safety CommitteeBuilding and Construction Committee		
American National Standards Institute (ANSI)	 Past Chairman of ANSI C119 on high temperature operation of conductor connectors 		
ASTM International	 Past Chairman of B01 Committee on Conductors 		
	 Advise on standards creation for bare wire products in North America 		

Organization	Southwire's Role			
Canadian Standards Association	 Participate in standards development for utility wire & cable products in Canada 			
Council for Harmonization of Electrotechnical Standardization of the Nations of the Americas (CANENA)	THSC 20, Building Wire and CableTHSC 20, Wire and Cable Test MethodsCSA			
Copper Club	Board of Directors			
Copper Development Association	Board of DirectorsPast Wire and Cable Section Chair			
International Council on Large Electric Systems (CIGRE)	 Past Convener of B2.04 WG on High Temperature Operation of Conductors Contributing Editor to the CIGRE international Overhead Lines book Participating in multiple overhead and underground working groups developing recommended International Grid design practices 			
Electrical Manufacturers' Club	Board of Directors			
Electro Federation Canada	Board of Directors			
Independent Electrical Contractors (IEC)	Platinum Level Sponsor			
Institute of Electrical and Electronics Engineers (IEEE)	 Flexible Cord and Electrical Vehicle Committee UL STP 62 Committee Industrial Ethernet Committee 			
IEEE Industry Applications Society (IEEE/IAS)	 Petroleum and Chemical Industry Committee (PCIC) 			
IEEE Power and Energy Society (IEEE/PES)	 Overhead lines committee, multiple working groups Substations committee, multiple working groups Contributing to the development of wire and cable system design for overhead lines and substations 			

Organization	Southwire's Role		
	 Member of the Long Range Planning Board (LRP) 		
IMARK Group	 Former Member of Manufacturers Advisory Council 		
Industry Data Exchange Association, Inc. (IDEA)	Chairman of the Board of Directors		
Insulated Cable Engineers Association (ICEA)	President		
	 North American cable manufacturers association writing standards for utility cable systems 		
International Association of Electrical Inspectors (IAEI)	 Code Panelist for IAEI Section Meetings 		
International Cable Federation	 President and Board of Directors 		
National Armored Cable Manufacturer's Association	Association Chair		
National Electrical Contractors Association (NECA)	Premier Partner		
National Electric Energy Testing Research and Applications	Founding member		
Center (NEETRAC)	 Serve on both the Advisory Committee and Board 		
	 Advise and drive testing, research and development of application guides for utility power systems 		
National Electrical Manufacturers Association (NEMA)	 Board of Directors 		
	Executive Committee		
	 Codes and Standards Officer/Past Chair 		
National Fire Protection Association (NFPA)	NEC Code Making Panel Panelist		
North American Association of Utility Distributors (NAAUD)	Past Chairman – Supplier Advisory Council		
	 Develop relationships between utility distributors and manufacturers 		
Rocky Mountain Electrical League (RMEL)	 Share current event topics relevant to the utility industry 		

Organization	Southwire's Role			
Northwest Public Power Association (NWPPA)	 Share current event topics relevant to public power entities in the Northwest 			
Plastic Pipe Institute	Chair (Conduit Division)			
	 Share industry best practices related to the plastics industry 			
	 Participate in standards development for conduit and underground task groups for conduit 			
Society of Automotive Engineers (SAE) International	Cable Standards Committee			
	 ISO TC22 SC3 WG4 USAG Automotive Electrical Cables Committee 			
Technical Subcommittee on Specialized Wiring Systems – C231(ICCM06)	CEC Task group on Application of Rule 4-006			
The electrical training ALLIANCE (previously called NJATC)	Platinum Trading Partner			
Utility Supply Management Association (USMA)	Supplier Advisory Board Member			
	 Share best supply channel practices pertaining to the utility industry 			
Utility Purchasing Management Group (UPMG)	Supplier Advisory Board Member			
	 Share best supply channel practices pertaining to the utility industry 			
Wire Association International (WAI)	 Board of Directors 			
	 Executive Committee Member 			
	 Vice Chair of the Membership Committee 			
	 Member of the Education Committee 			
	 Member of the Membership Committee 			
	 Previous WAI President, WAI First Vice President, Finance Committee Chairman 			

Giving a Voice to Customers

Another goal is to develop and implement a consistent framework that measures and improves customer experience and creates a sustainable competitive advantage by year-end 2017. Consequently, we plan to launch Voice of the Customer in 2016, a new customer service survey that measures satisfaction. Listening to customers helps us maintain industry leadership. As we engage our customers and other industry interest groups through these associations, we request feedback on our products' performance and identify needs or gaps around products that may or may not exist. For example, Southwire collaborated with the Electric Power Research Institute (EPRI) to successfully commercialize EPRI transmission line monitoring technology and substation monitoring systems. By working with organizations like EPRI, Southwire gains insight into the evolving market as well as access to the latest technologies.

Southwire works alongside its peers to provide application expertise for new products, or simply standard products that require some knowledge or training for optimal use. Southwire also makes available various toll-free hotlines for wire and cable applications and provides easy-to-use mobile apps with which users can design wire and cable applications and installations.

Increasing Awareness of Our Sustainable Innovations

Southwire products help eliminate hazards to contractors' lives; therefore, industry partnerships offer a venue to share our safe and sustainable innovations with end users. In a 2012 brand study, Southwire identified that it did not have strong relationships with younger, less experienced electricians. In late 2014, Southwire entered into a partnership that gained momentum throughout 2015 with the electrical training ALLIANCE (previously called NJATC). This investment in future electrical contractors exposes them to innovative ways to install wire and, ultimately, creates preference among this audience for Southwire products and services.

In 2015, Southwire proudly became one of eight National Electrical Contractors Association (NECA) Premier Partners. As a premier partner, we have unique opportunities to share how products like the SIMpull REEL™ system and the CoilPAK™ payoff reduce physical strain as well as waste at the job site. Through NECA and the Independent Electrical Contractors, we support Joint Apprenticeship and Training Committee (JATC) and SkillsUSA—programs that train apprentice electricians. By introducing each new generation of apprentices to our products, we maximize our efforts to make the industry safer and more sustainable.

Sharing Our Expertise with Policy Makers

Few are more familiar with the impacts of wire and cable products than Southwire. It is our responsibility to share our knowledge and expertise in the development of new industry policies and standards. Our partnerships improve our ability to connect with the industry's decision-makers.

Southwire's customers benefit from our involvement in policy discussions; our knowledge of pending code changes enables us to swiftly alter any soon-to-be non-compliant products. By anticipating these changes, we allot ourselves ample time to implement the appropriate changes to product components or construction. This enables Southwire to supply products to our customers without the interruption or risk of non-compliant or outdated products.

Assuring Product Safety and Sustainability

While our status as an industry leader pushes us to rigorously test our products internally, our industry affiliations help us add an extra layer of assurance to the development of new products—a reflection of our fundamental commitment to safety and quality. When we innovate, we fully understand how our products perform because we test products in partnership with certification companies such as UL. This type of collaboration helps us ensure our products are safe before introducing them to the market.

Giving Back to the Community

Industry partnerships also offer Southwire the opportunity to give back to the community. Through our affiliations with these organizations, we donate time, products, personnel (for training and demonstrations) and our expertise.

We often donate the supplies for continuing education and training events we host with our industry partners such as the Independent Electrical Contractors (IEC), NECA and JATC. For example, we provide supplies for "wire-offs"—events in which electricians compete to wire systems.

Contractors often have continuing education requirements. To help contractors remain certified, Southwire works in conjunction with our industry partners to host events that count toward those requirements. We also donate employee hours to train contractors through product demonstrations.

Our Performance

G4-EC1 ▼

Rather than setting a specific goal or target, customer and market needs dictate where and when Southwire engages in industry partnerships. When we do engage in these partnerships, we measure success by tracking product revenue and EBITDA but, as a privately held company, choose not to share this information publicly.



GROWING GREEN

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

Southwire maintains a deep commitment to growing our business in an environmentally responsible manner. We recognize that our planet's natural resources are finite and that our success depends on conscientious use of these resources. To this end, our core operations integrate environmental priorities.

Through our 2014 materiality assessment, Southwire identified the following material topics:

Technology & Innovation

Product Responsibility

SUSTAINABILITY SCORECARD

Our Growing Green goals in our Sustainability Scorecard include:

Goals	Baseline (year)	2014 Status	2015 Status
Implement ISO 14001 or equivalent environmental management systems at all manufacturing and warehouse locations worldwide by year-end 2020.	0 of 36 locations (0%) (2014)	0 of 36 locations (0%)	3 of 37 locations (8%)
Achieve zero-landfill status at all locations by year-end 2017.	0 of 36 locations* (0%) (2007)	11 of 36 locations* (31%)	22 of 53 locations** (42%)
Increase energy efficiency from 2010 baseline by 10% by year-end 2020.	9.40 Adj. MMBtu/ton (2010)	7% over baseline	8% over baseline

Goals	Baseline (year)	2014 Status	2015 Status
Increase water use efficiency from 2010 baseline by 10% by yearend 2020.	269 gal/ton (2010)	33% over baseline	26% over baseline
Provide customers with environmental impact data for our products through the development of Environmental Product Declarations for top 25 products in key markets by year-end 2018.		0%	0%
Offer key customers recycling and/or like-kind exchange programs for processing end-of-life Southwire products by year-end 2016.	Limited customers	Strategy underway	Strategy underway
Publicly report sustainability data consistent with Global Reporting Initiative (GRI).	N/A	Achieved	Achieved

^{*} Only manufacturing and warehousing facilities are included in this statistic (excludes offices) **Includes manufacturing facilities, warehousing facilities, and offices

Learn more about Southwire's approach to Growing Green here.



GROWING GREEN

ENERGY USAGE

Reducing energy intensity and increasing use of alternative and renewable sources

G4-DMA ▼

Our Approach

Southwire strongly commits to environmental stewardship, and reducing our energy usage makes good business sense. Many of our customers also consider energy reduction an important priority and look to Southwire both to manage our own energy use and provide thorough and accurate data. We regularly respond to customer inquiries about our energy usage and initiatives toward energy efficiency improvements.

We completed energy audits at three Southwire facilities in 2015. Looking forward, our top 10 plants, which account for approximately 80 percent of Southwire's energy use, represent the greatest opportunity to address energy consumption. With respect to our product mix, we realigned and consolidated some of our plant production equipment in order to maximize operational efficiency. In addition, as we upgrade or modify equipment, we seek to utilize the most energy-efficient technology when possible.

Southwire manages energy use through:

- Goal setting
- Governance
- Policies
- Partnerships
- Internal benchmarking
- Teams
- Accountability and communication

Goal Setting

We set a goal of reaching a 10 percent improvement in our energy efficiency over our 2010 baseline by 2020. This goal pushed our employees to look for ways to reduce energy usage, and we achieved our target in 2012. Despite minor setbacks in 2014 due to supply chain adjustments and changes in product mix, Southwire is considering how to strengthen this goal to achieve even higher levels of energy efficiency.

GOAL

reduction versus 2010 baseline (intensity basis)

Governance

Management of our energy use begins with our individual plants, and our environmental director manages our energy performance data. These units report to our divisional leadership, which in turn reports to our executive vice president of international and operational development.

Policies

Southwire first issued its <u>EHS Policies and Principles</u> document in 1994. Since then, we updated the document three times, including in 2015, in recognition that new issues arise over time. In this document, we state our commitment to "maximize the energy efficiency of our existing operations and save energy to the greatest feasible extent."

Partnerships

We are working to further improve our energy management by engaging with outside firms to help identify additional energy-saving opportunities across our top energy-consuming facilities. Presently, each manufacturing plant manages its energy consumption on an individual basis, making it difficult to achieve a standardized approach and quantify the impact of each facility's separate actions. With our new approach, we review consumption versus production and complete energy audits at select locations to identify potential savings opportunities for energy use, dollars and CO₂ emissions.

Internal Benchmarking

We internally benchmarked our water usage to determine the performance spectrum at Southwire facilities. This approach helps us to identify best practices as well as detect situations where a location's water systems may be out of balance. We plan to replicate this approach to encourage plants with relatively higher energy footprints to identify opportunities to reduce energy usage as well.

Teams

In the fall of 2015, our top leaders in operations met to draw up a five-year strategic plan to increase capacity and productivity and reduce costs, energy and scrap. From this summit sprang an energy reduction team; though still in early stages, this team includes our environmental director, engineering director and three plant managers. As the company grows, this group aims to improve energy efficiency through a combination of capital investment and updated operational practices.

Accountability and Communication

Divisional leadership attends monthly updates on Southwire's energy usage; our board receives a quarterly briefing. Company-wide and individual plant energy performance data are summarized and shared with divisional, plant and environmental staff on a monthly basis. We also keep employees up to date by posting monthly infographics on our progress on Southwire News Network.

Our Performance

At Southwire, we track energy consumption as well as energy efficiency. To manage our energy usage performance, our facilities track electricity and gas, both Scope 1 and Scope 2. We restated our 2014 data to reflect post-integration Southwire.

G4-EN3 ▼

ENERGY CONSUMPTION

Energy Consumption (Gigajoules)	2013	2014	2015
Total fuel consumption from nonrenewable sources	1,438,300	1,932,500	2,155,500
Total fuel consumption from renewable sources	Not quantified	Not quantified	340
Total electricity consumption	1,774,700	1,794,200	1,746,100
Heating consumption	0	0	0
Cooling consumption	0	0	0
Steam consumption	0	0	0
Electricity sold	0	0	0
Heating sold	0	0	0
Cooling sold	0	0	0
Steam sold	0	0	0
Total Energy Consumption	3,213,000	3,726,700*	3,901,600

^{*}Increase above 2013 usage due to acquisition of Coleman. Energy intensity actually fell during this period.

ENERGY INTENSITY TREND

Year	Energy Intensity (MMBtu/ton)	% Change (Intensity Basis)
2010	9.40	N/A
2011	9.14	3% reduction from baseline
2012	8.46	10% reduction from baseline
2013	8.45	10% reduction from baseline
2014	8.75	7% reduction from baseline
2015	8.69	8% reduction from baseline

For the underlying technical assumptions associated with our energy data, please review our **GRI content index**.



GROWING GREEN

WASTE

Reducing the amount of waste to landfill and increasing responsible waste management

G4-DMA ▼

Our Approach

Southwire maintains our commitment to diverting waste streams from the landfill, a commitment that started by listening to the values of our customers. West coast utilities, in particular, actively manage waste and recognize suppliers who do as well; Southwire won a customer green supplier recognition award shortly after announcing our goal to send zero waste to landfills. In the case of scrap items such as PVC, steel, copper and aluminum cable, recycling provides a win-win scenario: we retain valuable raw materials and pay less to send waste to the landfill.

Our Growing Green strategy to reduce our environmental footprint, even as we grow, remains as important to the collective fabric of our company as it was when we began our journey toward a more sustainable future. We are integrating our newly acquired Coleman plants into our waste management plan and practices, and we have already seen improvements at our new locations, though we are unable to quantify the full impact of this improvement as baseline data are unavailable.

Southwire manages waste through:

- Goal setting
- Governance
- Programs
- Partnerships

Goal Setting

Southwire's environmental practices include proactively managing operational waste. In 2007, we set an aggressive goal to send zero waste to landfill by the end of 2017. To achieve this goal, we actively identify our different waste streams, segregating valuable recyclable materials and making simple changes where possible. We continue to improve our practices and processes as we make progress on our overall goal.

Beyond managing operational waste, we also set a goal to offer key customers recycling and/or like-kind exchange programs for processing end-of-life Southwire products by the end of 2016. Achieving this goal will help to eliminate waste downstream in our value chain.

Governance

Our environmental group manages all data related to our waste streams, while our plants and division leaders are responsible for developing new strategies to minimize waste. Plants use teams, such as the Problem Plastics team, a Zero Landfill team or an OPS team, to actively look for opportunities to reduce waste in their facilities. Southwire also kicked off a Growing Green team in 2015 whose first initiative focused on waste minimization efforts in our office buildings.

Programs

Within our extended value chain, we evaluated packaging entering our facilities and worked with suppliers to minimize those materials. Among our own products, we reduced packaging and other waste material as well. For example, our SIMpull Solutions[®] require zero spools, rags or buckets of added lubricant, eliminating waste at customer job sites. Additionally, we have instituted take-back programs that give credit for returned material.

Partnerships

In 2014, Southwire contracted with a national waste management partner to help us to better assess risks associated with waste management and suggest alternate routes for waste streams. This arrangement helps us operate more efficiently: rather than each plant managing the cost of waste, we now run our costs through a central data system. Finally, our partner helps us more accurately track monthly waste generation at our Southwire operating facilities. They provide data and progress updates for all of our sites, as well as weekly feedback on any specific issues that arise.

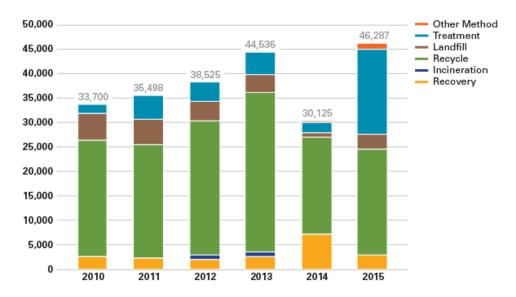
Our Performance

PROGRESS TOWARD ZERO WASTE TO LANDFILL

	2014	2015
% Reduction from Baseline	94%	90%
Facilities Achieving Zero Waste to Landfill	11	22

G4-EN23 ▼

TOTAL WASTE GENERATED (TONS)*



^{*}Prior to 2015, waste data represent pre-integration Southwire. 2015 data cover the combined company.

2015 WASTE BY TYPE (TONS)

Waste Type	Hazardous	Non-Hazardous	Total
Recovery	34.28	2,955.11	2,989.40
Incineration	8.31	0	8.31
Recycle	0	21,624.26	21,624.26
Landfill	7.16	3,169.79	3,176.95
Treatment	259.64	17,000.95	17,260.59
Other Method	0.23	1,227.39	1,227.62
Total	309.62	45,977.51	46,287.13

G4-EN28 ▼

	2013	2014	2015
Recyclable Reels Returned*	49,710	40,711	40,481

^{*}Includes units recycled through our reel supply partner



LIVING WELL

We will preserve and enhance the lives of our employees by building 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 treat each other with dignity and respect.

At Southwire, we believe that strong, sustainable companies stem from thriving individuals. We encourage our employees to challenge themselves in their professional and personal development, and we seek to provide opportunities and resources to enable their growth.

Southwire's enduring strength comes from our people. We care for the Southwire family and, in return, they care about and create Southwire's lasting success. We have identified five material topics related to Living Well. Click on the links below to read about Southwire's approach and 2015 performance.

Workplace Safety and Health

Talent Acquisition and Development

Employee Engagement

Employee Wellness

Inclusion

SUSTAINABILITY SCORECARD

The Sustainability Scorecard below highlights our Living Well goals and progress.

Goals	Baseline (Year)	2014 Status	2015 Status
Implement a certified safety management system (OSHA Voluntary Protection Program [VPP] or Occupational Health and Safety Assessment Specification [OHSAS] 18001) at all manufacturing and warehouse locations by year-end 2022.	11 of 36 locations	11 of 36 locations	14 of 37 locations
	(2014)	(31%)	(38%)

Goals	Baseline (Year)	2014 Status	2015 Status
Achieve an OSHA Total Recordable Injury Rate for global operations of less than 1.0 by year-end 2018.	2.20 (2013)	2.37	2.25
Achieve 20% reduction in contractor injury rates by year-end 2018.	2.42 (2013)	2.00 (17% reduction)	1.56 (36% reduction)
Improve employee health and well-being across all Southwire locations by achieving:			
 95% voluntary participation in biometric screenings by year-end 2017. 	• 95%	• 95%	• 98%
 Overall employee average rating of "B" on biometric screens by year-end 2018. 	• C+	• B	• C+
 100% access to Healthy Choice options at all locations by year-end 2017. 	• 51% (2013)	• 51%	• 78%
Invest in leadership skills and knowledge through the implementation of the following training and development initiatives:			
 200 supervisors graduating from Leading in an OPS Culture by year-end 2018. 	• 50	• 50	• 50
 200 managers graduating from Southwire Management Training by year-end 2018. 	• 0	• 0	• 0
 150 senior leaders graduating from Southwire Leadership Academy by year- end 2018. 	48(2014)	• 48	• 71
Foster employee engagement through a targeted 90% voluntary participation in annual Southwire engagement survey by year-end 2017.	74% (2013)	85%	85%
Achieve a 40% improvement in the number of females in the workforce by year-end 2017.	21% (2014)	21% (0% over baseline)	22% female (5% over baseline)
Improve diversity within the "high potential" pool of future senior leadership by 20% by year-end 2017.	30% (2014)	30% (0% over baseline)	30% (0% over baseline)



LIVING WELL

WORKPLACE SAFETY & HEALTH

Providing a safe working environment for our employees and contractors through the elimination of hazards and the implementation of safety training, procedures and equipment

G4-DMA ▼

Our Approach

Workplace safety and health remain Southwire's primary concern for all of our employees and contractors. Southwire manages safety as a matter of principle—employees' and contractors' well-being matters most. Effectively managing workplace safety and health constantly improves working conditions, which in turn improves our employees' quality of life. At Southwire, we recognize the important role our employees play in differentiating us from our competition by ensuring we consistently deliver the best quality product to our customers in a timely manner. Failing to deliver a safe and healthy working environment puts our recruitment and retention of the highest quality employees at risk—and is not consistent with our company value system. When our employees are safe and healthy, Southwire performs best.

Southwire Culture of Zero Continuum

Safety has always been core to Southwire's culture. As a means to plot our path to excellence, in 2015 we established the Southwire Culture of Zero Continuum to help our leaders move the organization across the safety systems continuum—from reactive to proactive, and then from systems-based to world class. Recognizing that each Southwire location may find itself at a different place on the continuum, this tactic offers a "meet them where they are" approach to safety planning and execution. The continuum will play a very important role in future Environmental, Health and Safety (EHS) planning processes, serving as a strong method for identifying the locations most in need of support and guidance in the following areas outlined in the continuum:

- Leadership commitment;
- Responsibility and accountability;
- Organization and structure;
- Communication and training;
- Incident management;
- Hazard identification and controls;
- Work practices and behavior; and
- Measurement and monitoring.

Clearly describing excellence and accountability in each of these areas will enable employees across the organization to continue to enhance safety performance. We adhere to FranklinCovey's 4 Disciplines of Execution—focus, leverage, engagement and accountability—to place a hyper focus on the five locations experiencing the most injuries. Each facility

will have their own performance targets aimed at progressing the organization across the continuum towards excellence and, ultimately, fewer injuries. The continuum will help Southwire better measure, track and trend how an individual facility is progressing along the continuum of EHS excellence toward management system certification. Our goal is zero injuries, period.

Governance

Reflecting our emphasis on governance, we hold leaders to the highest level of accountability for workplace safety and health. Responsibility starts with the Sustainability Committee of our board and our chief executive officer, and cascades down to Southwire's EHS steering committee. Additionally, all plant and location managers participate in weekly conferences to report their performance on workplace safety and health metrics, review safety incidents and present best practices. Our operations leadership team convenes monthly to set strategies and review progress on implemented action plans at all Southwire facilities with the support and guidance of our safety teams.

Policies and Compliance

A vast network of policies, starting with our EHS policy, guides our operational safety. In 2015, Southwire began integrating our EHS policies with our corporate management systems. This more comprehensive system will form the foundation of future workplace safety and health management initiatives, such as our new internal efforts to comply with ISO 14001 and OHSAS 18001/ISO 45001. In addition to policies, Southwire's <u>safety guidelines</u> outline requirements for corporate personnel and visitors to our facilities.

Goals

To continue to improve our safety performance, Southwire has set three aggressive long-term goals covering both employees and contractors:

- Certification of Safety Management Systems. Implement one of the following certified safety management systems
 at all manufacturing and warehouse locations by year-end 2022: OSHA Voluntary Protection Program (VPP),
 Occupational Health Safety Assessment Specification (OHSAS) 18001 (soon to become ISO 45001) or an in-country
 equivalent
- Employee Safety. Achieve an OSHA Total Recordable Injury Rate for global operations of less than 1.0 by year-end 2018.
- Contractor Safety. Achieve 20% reduction in contractor injury rates by year-end 2018.

Certification of Safety Management Systems

Safety management systems enable Southwire to achieve and sustain success in workplace safety and health. Southwire committed to implementing and certifying a safety management system at each of our locations by 2022. Currently, close to 40% of Southwire sites meet this goal.

Within our U.S. operations, Southwire is working to certify all manufacturing and warehouse operations within the OSHA Voluntary Protection Program (VPP) program which consists of: management commitment, employee involvement, hazard prevention and control and safety training. Operations outside of the United States will certify against the Occupational Health and Safety Assessment Specification (OHSAS) 18001 (soon to be ISO 45001) or an in-country equivalent standard, such as our Tecate, Mexico facility, which is certified under Mexico's Secretaría del Trabajo y Previsión Social Empresa Segura program.

Contractor Safety Initiatives

Southwire holds on-site contractors to the same standards as employees and evaluates their safety performance before they arrive using our pre-qualification program. To pre-qualify, contractors must achieve a grade of either A or B for the following requirements:

- Experience modifier
- Written safety program
- Safety guestionnaire

- Evaluation reports
- Drug/alcohol & background checks
- T- RAVS (training documents)

We tailor these requirements to the contractor's type of work. After pre-qualification, we host contractor safety orientations to help them learn our internal environmental, health and safety requirements. We also implemented an electronic reporting system for contractor incident investigations and inspections.

Health and Safety Committees

We implemented our new key performance indicator that measures percent environmental, health and safety (EHS) involvement for all of our manufacturing and warehouse operations. This measure captures the total percentage of the workforce engaged in Safety, Health and Environmental committees, teams or other hazard identification and mitigation strategies. Establishing this new indicator in 2015 allowed us to set an 80 percent participation rate target for 2016. Monitoring participation rates enables us to better identify and manage opportunities for improvement.

Training

In 2015, we aimed our strategic learning focus at increasing organizational capability in the areas of workplace ergonomics and human performance error management techniques. Throughout the year, we convened location leaders, including safety and engineering support staff, at technical "skill builders"—events designed to improve working knowledge and skills in these fundamental areas. Through this learning, our plants have been able to reduce workplace risk in these and other areas.

Our Performance

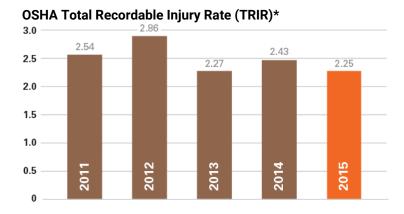
We believe in the adage, "you can't manage what you don't measure." Therefore, we track a wide variety of performance metrics related to workplace safety and health. In 2015, we added a series of leading indicator data to enable a more proactive assessment of our safety performance. One focus area in our leading indicator reporting was near misses. We also track but do not publicly report OSHA citations/violations.

The acquisition of Coleman Cable resulted in an increase in Southwire's injury rate. We spent much of 2015 integrating our newly acquired locations into our current workplace safety and health processes and policies and continuing to gather data.

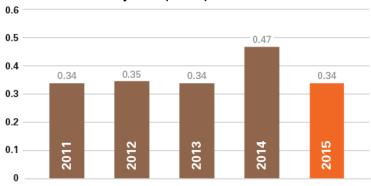
G4-LA5 •

Among our various manufacturing plants and distribution facilities, our employees actively participate on health and safety committees and teams, including emergency preparedness, ergonomics, job safety analysis, hazard recognition, incident investigation, sustainability, environmental, behavior based safety, lockout/tagout, machine guarding, first responders and steering committees. These teams are made up of 324 management staff and 895 hourly personnel, which represents approximately 17 percent of our total workforce.



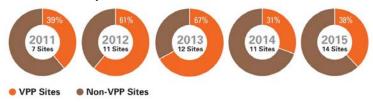


OSHA Lost Work Day Rate (LWDR)*



*Number of incidents (200,000)/hours worked.

VPP Sites or Equivalent**



**In 2014, the number of VPP Star sites decreased due to a facility closure.

Southwire's 2014 acquisition of Coleman Cable increased the total number of sites, resulting in a significant decrease in the percentage of VPP or equivalent certified sites. In 2015, Southwire acquired a plant in Huntersville, North Carolina, bringing the total number of sites to 37.

G4-LA7 ▼

Southwire measured occupational illness rate for the first time in 2015, despite no evidence of high incidences in the past, and continues to monitor injury and illness trends through our corporate Safety and Health department. For 2015, we again found no discernable trend in occupational illness. Should any trend in occupational illness arise, we will manage it through our existing risk mitigation processes.

G4-LA8 🔻

Southwire's pre-integration operations have no trade unions. We are currently working to understand and address any safety and health topics outlined in agreements within our newly acquired union-represented locations.



LIVING WELL

TALENT ACQUISITION & DEVELOPMENT

Attracting talent through Southwire's website, sustainability program, competitive benefits and general outreach; providing employees with opportunities to advance their skills, experience and career through training, personal development programs and plans, coaching and more

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G4-DMA ▼

Our Approach

As Baby Boomers leave the workforce, experts estimate that the United States may soon have a personnel deficit of 20 million. Both Generation X and Millennials will need to take leadership positions—Millennials at a younger age than previous generations of leaders. In the past, leaders spent time learning on the job; in the future, employees will need to learn more quickly before taking leadership roles. For Southwire to attract and retain employees and develop leaders to continue our prominent role in the market, we must leverage technology, give employees experiences they would not receive elsewhere and help employees connect to our culture. We plan to enhance our talent acquisition management and development through our new Human Capital Management partnership with SAP SuccessFactors starting in July 2016.

Recruiting

We developed our current recruiting process in 2014 and completed the implementation throughout all Southwire locations in 2015. This new process seeks to strengthen our talent acquisition and track the status of recruits through weekly reporting. The formal programs we established provide a consistent recruiting platform throughout Southwire. We now process professional openings in a consistent, structured manner, supported by a recruiting software and applicant tracking system that tracks applications and key metrics such as:

- Time to hire
- Candidate diversity
- Total cost of recruitment for open positions
- External offers accepted versus rejected
- The number of positions filled internally versus externally

We also track turnover rates and conduct exit interviews to determine the reasons employees leave and the consequent cost of employee turnover for the organization.

Leveraging technology for professional recruiting became a key objective in 2015. In the fourth quarter, activities to implement and launch a new recruiting software and applicant tracking system were set for launch in the first quarter of

2016. Social media recruitment and branding campaigns will become recruiting platforms for attracting candidates to Southwire.

Southwire continued to enhance our college recruiting and college relations programs in 2015. Southwire Professional Staffing joined the Georgia Association of College and Employers (GACE) as a participating member. Additionally, college-recruiting activities continued at Georgia Tech, Southern Poly, North Carolina A&T, Auburn and Purdue, as well as the University of West Georgia, Mercer University, Mississippi State, University of Georgia, Indiana University of Pennsylvania and Slippery Rock University. In 2015, Southwire established relationships with Clemson University, Georgia State, University of Alabama and the University of Mississippi.

Southwire enhanced and expanded the Engineering Co-op program to include the Electrical Division and the Corporate Logistics Group. The Co-op program has expanded from six co-op students to 25 students. Our Corporate Accounting and Finance department created a Finance Rotational Program to recruit eight entry-level new hire students graduating in May 2016.

Partnerships previously developed with Georgia Tech's Office of Minority Educational Development (OMED), Auburn University's 100 Women Strong, North Carolina A&T's Engineering School and the University of West Georgia (where we sponsor the Southwire Sustainable Business Honors Program) continue to strengthen Southwire's branding and community relations in a mutually beneficial manner. For example, some Southwire Sustainable Business Honors Program students intern at Southwire, providing us with an emerging talent pipeline.

Our other educational recruitment programs include the Southwire Engineering Academy and the 12 for Life® program. Southwire actively works with students in these programs to increase their familiarity with a variety of working environments, while affording Southwire opportunities to train and develop a potential source of future leaders and technical support ready for immediate professional assignments with limited on-the-job training after graduation. To learn more about these two programs, visit our Giving Back section.

Performance Acceleration

External research indicates that engaging in conversation and developing corrective actions is more effective than ratings systems. In 2014, rather than adopting a ratings system, we introduced Performance Acceleration, a framework for informal and formal feedback between managers and employees. In 2015, Southwire built on this framework by launching Performance Acceleration for all salaried employees; we trained 325 leaders on this process. Once we train 100 percent of salaried personnel managers, we will also train newly promoted leaders and new hires.

The Coaching Guide, rolled out in 2014, acts as a catalyst to the Performance Acceleration process by helping employees better understand their personal strengths and gaps to close. The process focuses on the Essences of Southwire—leadership skills and attributes unique to the Southwire culture—and articulates the specific implications these leadership traits have for fostering our culture and driving high performance. We also developed a performance guide for managers that illuminates how certain behaviors, competencies, and creating a "line of sight" for employees to connect to Southwire's vision and strategy contributes to our company's success. As part of the roll out, Southwire completed training across the organization.

Executive Leadership Assessments

In 2014, we administered executive leadership assessments that included personalized growth plans to one-third of the executive leadership team. While we had plans to assess an additional third in 2015, we put this program on hold while we launched our Performance Acceleration program. In 2016, we will continue our executive leadership assessments.

Southwire Leadership Academy

We established a leadership academy to augment and develop leadership traits, enhance succession management planning and groom individuals through a production management approach. Southwire aspires to graduate 150 senior leaders by the end of 2018. We identified 22 high-potential leaders to attend in 2015, and 25 more will participate in the Leadership Academy in 2016.

Emotional Intelligence

The body of work surrounding emotional intelligence suggests that it accounts for approximately two-thirds of a person's success in a leadership role. To assess and build the emotional intelligence of Southwire's future leaders, RocheMartin's Emotional Capital Assessment was introduced to the Leadership Academy. In order to build these key competencies, the

weeklong academy includes group exercises to build awareness and acceptance by the participants. After the event, oneon-one coaching is provided for participants to help them learn their emotional intelligence strengths and opportunities for development as they grow in their leadership competencies.

Alumni Experience

Taking place approximately six months after the week-long Southwire Leadership Academy, the Alumni Experience is designed to immerse future leaders of Southwire in a "Day in the Life of the CEO," which uses real examples of a CEO's life and the challenges of running a business with competing and sometimes conflicting priorities. The attendees gain an understanding of what it means to lead an organization with the size and complexity of Southwire. The program gives particular focus to Southwire's distinguishing characteristics as an organization: driving for results, creating a caring culture, and investing in the communities in which it operates. The design of the Alumni Experience encapsulates building these traits as fundamental to the success of the organization's leadership.

Training

Southwire offers a series of professional skills development courses through our web-based learning management system. In 2015, the system underwent major revisions that enable us to better track, trend and analyze utilization.

To train hourly employees for new opportunities, we analyzed various positions, created a list of associated competencies required and matched employees based on their skill set and role.

Our Performance

G4-LA10 ▼

TALENT MANAGEMENT

To maximize our dynamic talent management processes, we set three central long-term goals:

Goal	2014 Baseline	2015 Performance
Graduating 200 supervisors from Leading in an OPS Culture by year- end 2018	50 graduates	0 graduates
Graduating 200 managers from Southwire Management Training by year-end 2018	0 graduates	0 graduates
Graduating 150 senior leaders from Southwire Leadership Academy by year-end 2018	48 graduates	70 graduates

G4-LA11 ▼

In 2015, 21 percent of Southwire's salaried managers participated in the voluntary performance acceleration program, falling short of our goal of 25 percent.



LIVING WELL

EMPLOYEE ENGAGEMENT

Promoting a positive and unified culture by encouraging open communication, collaboration and employee ownership of initiatives and social programs

G4-DMA ▼

Our Approach

Engaging employees creates a win-win situation for Southwire: employees feel connection to and meaning in their work, which drives our financial bottom line through increased productivity and initiative. Southwire's approach to employee engagement intertwines with talent development. By offering unique professional development opportunities, employees enhance their skills, increase their comfort taking risks and heighten levels of engagement.

Southwire partners with a third party to conduct our employee engagement survey every 18 months, which identifies areas of strengths and areas for opportunities within the company. We provide this anonymous, online survey to all full-time Southwire employees. Based on the results of this assessment, the company's leaders create goals and plans to sustain success in areas of high achievement and to develop stronger engagement in those categories which have been identified for improvement. Read more about how we respond to the results of our employee engagement surveys in our highlight story.

Southwire's employee engagement score goal is 80 percent favorable or higher; survey creator PwC states that scores of at least 74 percent show high employee engagement. We also carefully monitor the number of voluntary survey responses we receive to offer insight into the robustness of our engagement. Our target participation rate is 90 percent. See Our Performance below for our scores.

Between formal engagement surveys, we complete Pulse Checks approximately every six months to measure progress in categories with our lowest scores. In December 2015, we completed our most recent employee engagement Pulse Check, focused on the four categories in the 2014 survey with our lowest engagement scores: communication, vision and strategies, career development, and training. We share our results via electronic Pulse Check Boards in each of our facilities.

We take the results of our engagement surveys very seriously. Our 2014 survey demonstrated a need for Southwire to help employees better understand their link to our mission and vision. In response, we designed initiatives to place greater focus on "creating a line of sight" from employees to the company's vision. Then-CEO Stu Thorn created an employee video about Southwire's vision and strategy; leaders pre-screened the video and then worked with employees to ensure understanding. Southwire urged managers to sit down and converse more often with employees. We also established a Performance Acceleration feedback program to communicate with employees on where they stand and how they can grow. A follow-up Pulse Check in 2015 revealed a jump from 65 percent to 73 percent in our employee engagement rate.

Our Performance

Indicators ▼

Year	December 2014 Engagement Survey	June 2015 Pulse Check	December 2015 Pulse Check	Pulse Check Goal
Participation Rate	85%	71%	76%	75%
Engagement Score	65%	71%	73%	75%



LIVING WELL

EMPLOYEE WELLNESS

Making resources available to promote the health and well-being of employees

G4-DMA ▼

Our Approach

Our greatest asset is the Southwire family, and we can proudly say that multiple generations work for us. Our heritage as a family-owned company inspires us to treat our employees like family and contribute to their physical and emotional well-being. Healthy workers are essential to maintaining our competitive advantage and an attractive culture. Therefore, we have implemented a number of robust initiatives.

Southwire Total Rewards

In 2015, a platform for engaging in conversations with our employees about Southwire Total Rewards for their entire well-being was born, extending into our inclusivity strategy of providing choice and offering a broad range of rewards to support diverse family needs and structures.

Southwire offers a broad portfolio of rewards to promote emotional, physical and financial well-being. In order to arrive at this comprehensive offering, we began by asking how we could connect Southwire families to these rewards and how we could garner action to maximize them. Rather than simply listing all the benefits, we connected an action for employees. It is not just about offering medical benefits, it is about "Focusing on my Health." It is not just about paying for time off, it is more about "Living my Life." Join us on the journey of how we are engaging Southwire families with their Total Rewards and continuing these conversations for years to come.

Employee Engagement

We connect employee well-being with leadership at the highest level: our senior director of Living Well reports to our executive vice president of human resources, who reports directly to our chief executive officer. For more on our Southwire's governance structure, <u>click here.</u>

We relaunched our health committees to further assist employees in integrating healthy practices in their lives. In 2015, Southwire had 22 active committees and plans to launch more in newly acquired locations in 2016. Active committees implemented family fun days, health recordkeeping challenges and weight maintenance/loss challenges.

In 2015, we conducted our annual biometric screenings with a 98 percent participation rate and screened more than 1,000 additional employees. Tobacco use and weight management are areas Southwire focuses on for improving physical health. Tobacco use increased 1.7 percent company-wide, but tobacco use among people screened for the past three consecutive years was down 1 percent from the prior year. On February 1, 2016 Southwire launched "Quit for Life" to assist employees in their effort to stop smoking. With respect to weight management, approximately 80 percent of Southwire employees have borderline or high-risk BMI compared to a 69 percent national average, even after 7,333 pounds were lost in 2015. The journey continues with the 2016 weight loss challenge currently underway.

On-Site Support

Research shows the importance of making health easy for employees by creating a health-oriented environment. Southwire gives employees the opportunity to make healthy choices through:

- Tobacco-free Policies. All Southwire locations prohibit smoking and other use of tobacco on Southwire property.
- Medical Facilities. In the Carrollton, Georgia area, home to 41 percent of our workforce, we offer an on-site medical
 center and pharmacy that has operated for more than 20 years. Not only are our services comprehensive, but they are
 also cost-effective.
- Nutrition Programs. Southwire presents nutritious options in our on-site cafeteria and vending. We list healthful
 vending options at a reduced price to encourage their consumption; track healthy purchases to better understand and
 accommodate employee preferences; and offer payroll deduction at vending locations to improve access.
- Exercise Programs. We have on-site fitness centers or, in some cases where such centers are not established, provide fitness club membership stipends. Aside from exercise equipment, our state-of-the-art fitness center in Carrollton also coordinates group fitness and education classes, team sports and company athletic leagues. Intramurals include volleyball, softball, basketball, flag football and more. We track employee participation to better understand the effectiveness of our efforts to engage employees in physical fitness. We also held our first, wildly successful youth baseball camp in the summer of 2015, hosted by two-time World Series winner and 1978 World Series MVP Bucky Dent. More than 60 participants attended, including numerous parents from the Southwire family. Read more in our highlight story.
- Weight Loss Programs. Studies indicate that even moderate weight loss can make a positive impact in an individual's personal health. As a highly competitive employee population, challenges and competitions are great motivators for our employees. To this end, we run group and individual weight loss challenges and provide rewards such as Fitbit activity trackers or, in the case of our Lose to Cruise program, free cruise trips to successful participants. Other programs include New Year, New You, New Wardrobe, which offers winners gift cards to their favorite retail outlets and Viva Las Vegas, which affords the winner a free trip to Las Vegas, the Grand Canyon or other pre-selected locations.
- Living Well Lottery. This program rewards employees who proactively work to integrate healthy habits into their lifestyle. Employees who have a BMI below 30 and do not use tobacco enter into a lottery, the winners of which receive free health care for a year.

Our Performance

Indicators ▼

To achieve our goals related to employee well-being and health, we track the following data against our long-term goals. Our biometrics participation was particularly notable in light of recent acquisitions, which added over 800 employees.

Goal	Baseline	2014 Status	2015 Status
95% voluntary participation in biometric screenings by year-end 2017	95%	95%	98%
Overall employee average rating of "B" on biometric screens by year-end 2018 (against 4 measures)	C+	B-	C+
100% access to Healthy Choice options at all locations by year-end 2017	51% (manufacturing and warehouse operations only)	51%	78%

TOTAL REWARDS

Over 5,000 employees—all but nine of those eligible—selected their packages online, falling just short of our goal of 100 percent participation.

FITNESS CENTER USAGE

Our facilities' utilization rate for 2015 was 34 percent, with some variation by season.

WEIGHT LOSS PROGRAMS

In 2015, we held two weight loss challenges with a combined total of 658 participants. Through these challenges, participants cumulatively lost 7,348 pounds.



LIVING WELL

INCLUSION

Creating an environment among Southwire's board and employee population where individuals from diverse backgrounds (ethnic, cultural, generational, economic, etc.) feel included and comfortable expressing varied thoughts and perspectives

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G4-DMA ▼

Our Approach

According to the U.S. Census Bureau, minority groups will comprise over 50 percent of the U.S. population by 2044. Additionally, the definition of family continues to evolve. Companies actively promoting an inclusive culture will be more attractive to the shrinking candidate pool. For this reason, Southwire maintains our strong commitment to promoting a culture of inclusivity for diverse individuals.

In 2015, we conducted an Executive Development workshop on the changing demographics across the globe and specifically in America, based on the work of Paul Taylor. <u>According to Pew Research</u>:

Diversity expands beyond physical characteristics to include diversity of thought and perspective, which cultivates a more innovative and creative environment. At Southwire, we believe an inclusive culture enables talent to flourish and encourages our employees to reach their highest potential. We believe that if we strive for inclusion, diversity will naturally follow. Weaving employees into our community regardless of their background demonstrates to all potential candidates that they have a home at Southwire. Simply stated, Southwire wants employees to feel empowered, see diversity and experience inclusivity.

"Demographic transformations are dramas in slow motion and America is in the midst of two right now. Our population is becoming majority non-white at the same time a record share is going gray. Each of these shifts would by itself be the defining demographic story of its era. The fact that both are unfolding simultaneously has generated big generation gaps that will put stress on our politics, families, pocketbooks, entitlement programs and social cohesion."

Southwire continues to develop and deploy tools and resources to connect employees with new perspectives. Whether the program is relatively young, such as the <u>Southwire Women's Network</u>, or mature, such as Sounding Board, which connects employees with executive management, the programs span a wide spectrum for greater impact.

Data Monitoring and Reporting

We report diversity measurements along with national benchmarks quarterly to Southwire's board of directors and senior leadership. To objectively determine the inclusivity of Southwire's culture, we track a variety of metrics.

- Our employee engagement survey, which measures the Southwire employee experience, enables us to track inclusion.
 For example, we ascertain whether there are differences in how various demographics respond to the questions and whether the experience aligns with Southwire's values.
- Our quarterly Human Capital Dashboard measures average years of service, percentage of female employees, average age, percentage of minorities, biometric grades and turnover of high potential employees.

Our Performance

G4-LA12 ▼

Looking ahead, Southwire aims to increase inclusion in various ways. In 2014, we developed the following inclusion goals:

Goals	2014 Baseline	2015 Performance
Achieve a 40% improvement in the number of females in the workforce by year-end 2017	21% female	22% female (5% improvement)
Improve diversity within the "high potential" pool of future senior leadership by 20% by year-end 2017	30% of High Potentials	30% diversity (0% improvement)



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 by sharing our financial resources, but also by sharing our time and talent.

Southwire focuses on creating shared value—enhancing our competitiveness while enhancing the economic and social conditions in the communities where we operate. Southwire's approach to Giving Back seeks to positively affect the communities where we operate; to give time and talent in excess of financial contributions; and to benefit our customers' communities, where we can. As community partners bettering the quality of life in the communities where we operate, we build goodwill.

Our Giving Back activities, therefore, center on three main areas: communities, employee volunteerism and charitable partnerships and donations. Communities was identified as a material topic:

Communities

Programs

12 for Life®

This award-winning cooperative education program for at-risk students combines traditional classroom instruction with jobs inside our manufacturing plant. By providing students with classroom instruction, on-the-job training, key work/life skills, mentoring and employment opportunities, Southwire helps participants stay in school, graduate and become successful, productive members of the workforce. Learn more on our <u>Communities</u> page.

Project GIFT® (Giving Inspiration for Tomorrow)

Southwire's signature employee volunteer program, <u>Project GIFT</u>[®], celebrated its tenth anniversary in October 2015. This program, a registered 501(c)(3) nonprofit, serves as the umbrella program for many of Southwire's charitable- and service-related initiatives, such as Toys for Tots and Back to School. Employees become "Blackshirts" —named for the coveted shirts they earn—by volunteering in two or more community service events per year. Today, there are 645 Project GIFT®Blackshirts who volunteered 8,863 hours across our communities in 2015.

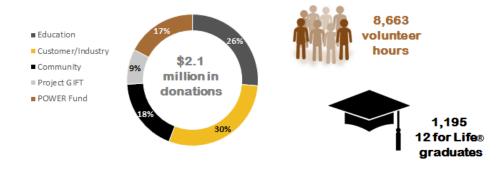
The program started in Waveland, Mississippi with nine volunteers bringing Christmas to families devastated by Hurricane Katrina. In 2016, Southwire launches the Project GIFT® app to connect our volunteers and engage others to get involved in our efforts of improving our communities.



We achieved several milestones in 2015:

- Toys for Tots. Through the program, we collected 5,083 toys.
- Back to School. We reached our goal of hosting Back to School events at all of our communities a year earlier than
 planned, with all 24 Southwire communities participating in our Back to School program. Together, we distributed
 more than 21,000 bags of school supplies. Additionally, some locations provided free eye and allergy screenings.
- Giving Back Coordinators. Southwire has 30 Giving Back coordinators who volunteer to lead and organize events across our locations in addition to their full time role. These Coordinators demonstrate a passion and go above and beyond to make it possible for Southwire employees to engage in the Project GIFT® Seeking to network and share ideas, 15 of the company's giving back coordinators from the United States, Canada and Honduras attended the first-ever Giving Back Summit in Carrollton, Georgia.

Read more about Southwire's Giving Back programs here.



G4-S01 •

SUSTAINABILITY SCORECARD

By tracking and evaluating our efforts, we assess the positive impacts and areas for growth. Southwire's Giving Back goals and progress are listed below:

Goals	Baseline	2014 Status	2015 Status
Advance and improve educational opportunities and outcomes by working with educational institutions to achieve the following:			
 Increase graduation rates among "at risk" teenagers though 12 for Life by graduating 2,020 students from the program by year- end 2020. 	• 851 (June 2014)	892 (December 2014)	• 1,195
 Expand Southwire Engineering Academy to other regional locations in North America by year-end 2020 	• 1	• 1	• 1
 Graduate first cohort from Southwire Sustainable Business Honors MBA program by year-end 2017. 	• 0	• 0	• 0
Increase volunteerism with the communities in which we operate by achieving 50% improvement in Project GIFT® Blackshirt participation across Southwire by year-end 2018.	451 volunteers	492 volunteers (9% over baseline)	645 volunteers (43% over baseline)
Ensure Southwire engages proper mix of charitable donations, community investments and commercial initiatives through annual benchmarking of existing practices.	CECP Benchmark	_	CECP Survey Complete
Complete Back-to-School events at each Southwire manufacturing location by year-end 2016.	14 of 25 locations (56%)	17 of 24 locations (71%)	24 of 24 locations (100%)



GIVING BACK

COMMUNITIES

Providing meaningful dialogue and engagement, employment and prosperity in the communities in which Southwire operates

G4-DMA ▼

Our Approach

Southwire's success relies on thriving communities, so we continuously work to listen to, learn from and collaborate with the communities in which we operate. By providing educational opportunities, Southwire enhances employment prospects for community residents while identifying a future talent pool for our company. Roy Richards Sr., Southwire's founder, was instrumental in establishing this culture, which we bolster through several collaborative programs.

Community Advisory Panel

Southwire stimulates dialogue with the community though our Community Advisory Panel. This panel includes five members from a cross-section of the Carrollton community who gather to discuss a variety of issues—particularly environmental ones—that may pertain to Southwire and our effect on the community.

12 for Life®

Southwire set a long-term goal to increase graduation rates among at-risk teenagers through 12 for Life® by graduating 2020 students from the program by year-end 2020.

Prior to 2007, the opening year of our 12 for Life® program, Carroll County's graduation rate hovered at 64 percent, meaning one student in three starting the first grade that year would not graduate. Since Southwire's employment opportunities require candidates with diplomas or GEDs, Southwire devised strategies to reverse this trend by collaborating with Carroll County schools. This partnership spawned our award-winning 12 for Life® program.

This program serves the community by providing opportunity, education and employment for at-risk youth. It emphasizes that education opens doors to success. The program combines traditional classroom instruction with jobs inside our manufacturing plants. Students earn wages for their work and, most importantly, learn skills they will need after graduation.

Since the program's inception, our partnership expanded to include the Florence City Schools in Alabama. In January 2015, the Council for Leaders in Alabama Schools named the 12 For Life®program of Florence City Schools a Banner School. The state of Georgia and the White House also adopted 12 for Life® as a model for increasing graduation rates.

Southwire Engineering Academy (SWEA)

Southwire aims to increase the number of students pursuing degrees in science, technology, engineering and math (STEM). SWEA, a partnership between Southwire and Carrollton High School, focuses on STEM subjects and provides hands-on experience for students to work with our teams on value-added problem-solving projects, data analysis, value stream mapping and more. In 2015, Southwire provided 4,977 training hours to students in this program. We aspire to expand the Southwire Engineering Academy to other regional locations in North America by the end of 2020.

Southwire Center for Manufacturing Excellence and Skilled for Life

The Southwire Center for Manufacturing Excellence at West Georgia Technical College imparts manufacturing and maintenance skills to students and serves as the inspiration for Southwire's Skilled for Life program in our Machinery Services Group (MSG). Through the Skilled for Life program, students work for MSG and gain invaluable industry experience. The Southwire Center for Manufacturing Excellence also helps some participants attain their GED in order to work for our company.

Southwire Sustainable Business Honors Program

The Southwire Sustainable Business Honors Program, a partnership with the University of West Georgia, seeks to boost the number of candidates with sustainability backgrounds for high-level executive positions. The academic portion of the program combines business and sustainability learning. In just four years, participants can obtain bachelor's and master's degrees in business administration, along with a certificate of sustainability. Additionally, Southwire pairs participants with product managers and division presidents in order for them to receive hands-on experience.

Southwire's contribution includes up to 40 percent of the Southwire program management's time (during the heart of the semester) and approximately \$1.1 million to the partnership. We aspire to graduate the first class from the Southwire Sustainable Business Honors program by the end of 2018.

Our Performance

G4-EC8 •

Southwire aims to advance and improve educational opportunities and outcomes by working with various state and local educational institutions to achieve the following:

Goals	2014 Baseline	2014 Status	Goal (year)
12 for Life Graduates	851 (June 2014)	892 (December 2014)	2020 (2020)
Southwire Engineering Academy Locations	1	1	>1 (2020)
Cohorts Graduating from Southwire Sustainable Business Honors Program	0	0	1 (2018)

In addition to our long-term goals, Southwire tracks the number of participants or graduates for each program. In 2015, our programs benefited the following:

- Southwire Engineering Academy: 90 participants / 70 graduates
- Southwire Center for Manufacturing Excellence: 146 participants / 39 maintenance certifications
- Skilled for Life: 4 participants



DOING RIGHT

We 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 ensure Southwire's financial health and longevity, we foster our commitment to ethical business practices. Doing Right underpins every aspect of our company. Southwire upholds our obligation to operate responsibly while maintaining our excellent reputation with our customers, suppliers, regulators and the communities that we serve. Through our culture, we expect our employees to live this approach daily.

Through our 2014 materiality assessment, Southwire identified the following material Doing Right topic:

Ethics and Transparency

SUSTAINABILITY SCORECARD

Southwire's Sustainability Scorecard highlights our Doing Right goals and 2015 progress:

Goals	Baseline	2014 Status	2015 Status
Assure the accuracy and integrity of financial, environmental and safety management systems by completing annual third-party financial audits every year and environmental, health and safety audits every two years.	Annual	Complete	Complete
Implement online Code of Ethics training and conduct employee survey annually for 100% of the employee population by year-end 2015.	Annual	Survey in process	Completed in Q1 2016
Develop Southwire Code of Conduct policy for suppliers and contractors by year-end 2015.	None	In progress	To be completed in 2016
Develop and deploy Human Trafficking and Conflict Minerals Policies by year-end 2015.	None	Draft Complete	Published

Learn more about Southwire's focus on Doing Right here.



DOING RIGHT

ETHICS & TRANSPARENCY

Ensuring education and policies are in place to promote ethical behavior, as well as the means to safely and anonymously report transgressions; reporting company performance accurately, including challenges and opportunities for improvement

G4-DMA ▼

Our Approach

Ethics and transparency are the foundation of our strong, sustainable company. By operating in an ethical, transparent manner, we earn our license to operate and minimize risk to our company's reputation. Customers compare suppliers according to their own standards or compliance requirements. Southwire monitors and mitigates risks by engaging suppliers, adhering to and creating policies to support standards and providing robust ethics training to employees.

At Southwire, our leadership espouses the highest levels of integrity and employees follow their example. Read about Southwire's strong governance structure and practices.

G4-56 •

We demonstrate our commitment to ethical business practices by publishing and providing all employees with an uncompromising ethics statement. During orientation, we introduce our code of ethics, entitled "Do the Right Thing," to all new employees through a 10-minute introduction video from our chief executive officer.

Ethics Training

At Southwire, we strive to go beyond compliance requirements. During our ethics refresher meeting, we share examples of practices that technically comply with the law but do not live up to our values or the spirit of the law. We make it clear that these types of scenarios run counter to our culture and clash with the positive reputation we have with our stakeholders.

Prior to 2016, all salaried employees participated in a review course every two years to keep our ethical practices at the forefront of their professional lives as well as introduce them to compliance topics, such as bribery and anti-trust. Beginning in 2016, all employees, both salaried and hourly, will receive comprehensive annual ethics training.

We firmly reject any corrupt business activity and take measures to ensure our business activities internationally advance without ethics incidents. Southwire provides anti-corruption training to a significant number of executives and other salaried employees who are based outside the U.S. (particularly beyond North America) or travel abroad for business purposes. We prepare them for encounters with corrupt activities through mandatory training conducted in our employees' native language to guarantee clarity. This training includes safety protocols which, combined with our travel policies and procedures, allows us to track the locations of our employees as they travel and, if necessary, to swiftly extract an employee in the case of an in-country emergency.

Ethics Survey

Southwire did not quite meet our internal goal to implement an online Code of Ethics training and conduct an employee survey annually for 100 percent of the employee population by year-end 2015. However, as a result of additional IT support, Southwire was able to complete these tasks in Q1 2016. In the annual ethics survey, all salaried individuals indicate if they or anyone they know has violated ethics requirements or laws. We have few incidents, violations or litigation.

Policies

To reaffirm our commitment to ethical business, we developed and implemented our <u>conflict minerals</u> and <u>human</u> <u>trafficking</u> policies in 2015. We drafted a Southwire Code of Conduct policy for suppliers and contractors in late 2015 and debuted our full supplier code of conduct in January 2016. This policy builds on the practices Southwire established in the past, such as the legal department screening all new suppliers and customers to ensure they demonstrate ethical practices.

Transparency

For greater transparency, we publish our annual sustainability report and <u>engage our stakeholders</u> in a variety of ways, such as through our Community Advisory Panel in Carrollton. This panel gathers to discuss any issues that may pertain to Southwire and our impact on the community. Through our ethics and transparency, we are doing more than just the right thing—we are strengthening our business.

Our Performance

G4-EN24 ▼

TRANSPARENCY

In the infrequent case of a spill, we notify the authorities and inform leadership via email as soon as possible. For any high-visibility events, we inform the public via local press releases. For more information on our number and volume of letters as well as other regulatory actions in 2015, click here.



SOUTHWIRE HIGHLIGHTS

STORIES



Southwire Unveils BEM™ Software

Southwire recently signed an agreement with Applied Software, a member of the Autodesk Reseller Network, to be the exclusive reseller of Southwire's new line of building information modeling software products that will dramatically improve back office and field productivity.

Southwire BEM™ (Building Electrical Modeling) software is revolutionary for the electrical industry because it takes what has always been a very manual process and automates it. The BEM solution is built on the software platform Southwire recently acquired from GSN Technologies.

"BEM is a comprehensive and fully-integrated solution that delivers streamlined automation to every step of the installation process – starting from the cable takeoff, through the feeder schedule, installation planning and ultimately, through all of the required procurement steps," said Jerry Nestler, founder of GSN Technologies and Southwire BEM technical expert. "BEM fills a critical gap within BIM (Building Information Modeling)."

Southwire has been partnering with its customers to better understand the opportunities that software and electronic solutions provide to the wiring process. Prior to introducing its new BEM Software Solutions, Southwire spent time enhancing the company's ability to provide software and other electronic solutions through its industry-leading mobile apps and innovative line of tools.

"The BEM software solution is a major jump forward for building information modeling and fills the gap between raceway physical design, cable takeoffs, and installation planning," said Jeff Herrin, president of Southwire's Industrial Division. "The partnership with Applied Software is a logical next step to our becoming a leading partner for design and installation services for our industrial channel partners and their customers."

"The addition of a true electrical software solution further extends our investment in developing a full suite of solutions designed to improve productivity, profitability and safety for electrical contractors," said Norman Adkins, president of Southwire's Electrical Division. "We are excited about the potential this investment has to take this new capability into the field and back office in a way like never before."

"Southwire clearly understands the electrical design process from start to finish," said Richard Burroughs, president of Applied Software. "This product is comprehensive in its functionality, from design to analysis, and modeling to construction.

It opens up so many opportunities for our electrical customers to be on the leading edge of their industry as they leverage this product with Revit, AutoCAD, BIM360 and NavisWorks applications."

Applied Software, in conjunction with its partner network, will provide nationwide sales coverage, training and support for the product line.



SOUTHWIRE HIGHLIGHTS

STORIES



EZ-In™ Mini-Split Cable Wins Innovation Award

At the 2015 Air-Conditioning, Heating and Refrigeration (AHR) Exposition in Chicago, Southwire received an Innovation Award for its EZ-In™ Mini-Split Cable.

Committed to solving a customer's problem, Jeff Watts, vice president of sales and OEM product development, collaborated with engineering to create a comprehensive solution.

"We created EZ-In Mini-Split Cable after a customer presented a problem to me about the wire they were currently using," said Watts. "Our product is an armored cable used to install mini-split heating and cooling systems, but the innovation is in the application."

According to Watts, mini-split cable must run from the outside of a dwelling to the inside, and most cables on the market cannot make this transition without violating electrical codes or requiring additional labor. Southwire's EZ-In Mini Split Cable, on the other hand, is able to make the transition without violating the National Electric Code or requiring any additional labor, making it the only mini-split cable of its kind in the HVAC industry.

In addition to this innovation, EZ-In Mini-Split Cable eliminates the use of conduit or cable trays and the need to run two cables through a junction box. It improves the ease and efficiency of both residential and commercial installations and ensures that all installations are up to code. Furthermore, the product saves time by eliminating extra materials.

Each of these advantages proves the company's commitment to offer comprehensive and innovative solutions to its customers. "Southwire sets itself apart because we don't just offer the most comprehensive wire and cable offering in the business, but we offer solutions beyond wire and cable," said Watts. "Southwire has a relentless pursuit of end user satisfaction and continues to bring state-of-the-art value added services to its customers."

For excelling within the areas of innovation and application value, Southwire was one of 10 companies – out of more than 160 entries – to be named a category winner at the 13th AHR Expo Innovation Awards. These awards seek to recognize products that best enable industry practitioners to provide safe, healthy, efficient and comfortable environments.

Since winning the award, numerous manufacturers, industry publications and customers have contacted Southwire to congratulate the company, and other customers have shown an interest in offering the product in their stores.

In the future, Watts plans to further enhance EZ-In Mini-Split Cable based on new equipment and demand in the HVAC market, and Southwire's OEM Division will continue to look at each of its markets to strategically produce innovative products and value-adding solutions.



SOUTHWIRE HIGHLIGHTS

STORIES



The Southwire Women's Network

The Southwire Women's Network strives to make our environment more inclusive for women. This newly formed group focuses on the development of current and future women leaders through educational and networking events. In 2015, the group kicked off with the Leadership Series featuring two Southwire Board Directors to learn from their journeys as successful business leaders and women.

The Women's Network also hosted a <u>career development workshop</u> led by Ginny Clarke, author of <u>Career Mapping</u>. The event was attended by over 300 salaried professionals and live streamed to other Southwire locations. Ginny provided a perspective of how to create your own course to develop a portfolio of skills through a pathway of career experiences.

The network also began establishing ties with Womenetics in 2015, a career development organization with a vision of advancing women in the workplace. After a successful pilot with high-potential women from Southwire, the network plans to purchase a Womenetics membership in 2016 to expand the access across the company.

The Women's Network set clear goals for each event with defined metrics for success:

2015 Events	<u>Target</u>	<u>Actual</u>
Network Event	20% female attendance	50%
	75% favorable response	90%
Career Mapping	40% female attendance	48%
	20% male attendance	53%
	75% favorable response	94%



SOUTHWIRE HIGHLIGHTS

STORIES



Progress Through Collaboration

The Energy Division recently launched a new Insulator Monitoring System that helps prevent unplanned outages, disruption from loss of generation and generation re-dispatch, and reduces a utility's operation and maintenance costs. The new system, which was developed by EPRI and licensed by Southwire, provides real-time status on insulator contamination levels from anywhere there is an Internet connection.

"This new Insulator Monitoring System provides accurate, real-time information on the contamination level for insulators, which can be used to address the issue before flashover occurs. Traditionally, utilities address this issue with scheduled cleanings. However, using Southwire's system, cleaning schedules can be optimized using condition-based maintenance so they are only performed when needed, thus reducing cost and outages," said Mark Lancaster, Director, Intelligent Grid & Energy Solutions for Southwire Company.

The Southwire Insulator Monitoring System consists of several parts.

RF Sensors

Wireless sensors that measure the leakage current across the insulator and transmit the data to a base station using 2.4 GHz 802.15.4 compliant wireless. These sensors were developed and tested by EPRI in numerous installations over the course of eight years. The sensors come in two configurations, for post-type and line insulators, and work on glass, ceramic and polymer materials, both coated and uncoated.

Base station

The base station aggregates and records sensor and weather data, and then transmits that data to a customer-specified control system (SCADA) or Southwire hosted monitoring system. Multiple communication methods can be provided, including cellular, satellite or direct wired Ethernet or DNP3 to the Utility SCADA system.

Southwire Information Management System

The heart of the system is the proprietary algorithms that interpret the data collected by the sensors. The algorithms and alarm thresholds are the result of hundreds of hours of laboratory and field testing. Southwire can provide full data monitoring and alarm notifications using our Southwire Information Management System, or work with a utility to license and integrate the algorithms into their own asset or condition based maintenance systems.



SOUTHWIRE HIGHLIGHTS

STORIES

The Power Rangers: Bringing Fun to Work

Employees are Southwire's most important resource; much more than that, they are family. As such, Southwire looks for new and innovative ways to make employees feel at home. Following the results of a recent Employee Engagement Survey, Energy took steps to help bring the fun back to work and ensure that employees were being recognized for their contributions toward achieving division goals. As a result of these efforts, the Power Rangers were formed.

The Power Rangers consists of division employees who volunteer their time to create celebrations for division achievements and look for ways to help bring fun into the work day. Among their tasks, the Power Rangers provide small birthday gifts to Energy employees; coordinate "Random Acts of Funness", like bringing in an ice cream truck on a hot Summer day; and coordinate large celebrations for division achievements, like having Waffle House cater a breakfast or planning a Family Fall Festival.

In addition to division achievements, the Power Rangers also coordinate individual recognitions through the Hard Hat program. Each employee in the division is provided a hard hat. Throughout the year, his or her manager and peers may award him or her stickers of achievement. At the end of the year, the Power Rangers give those who have earned the most stickers a monetary award.

"Ultimately, our goal as a division is to let our employees know that they are appreciated and that their efforts are recognized," said Allison Thrash, Southwire's Marketing Manager. "We don't always say thank you as often as we should for an employee's hard work but, through the Power Rangers, we are able to express our gratitude for the efforts each person in the division puts forth to help achieve our goals."



SOUTHWIRE HIGHLIGHTS

STORIES

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Bucky Dent Baseball Clinic

On July 3, Southwire's Living Well Fitness Center welcomed former Major League Baseball player Bucky Dent. Dent and a few members of his team traveled to Carrollton, Ga to conduct a baseball clinic for the Southwire community. Despite the rain, the event hosted more than 60 participants, including parent volunteers. "I have never felt so warmly welcomed," said Dent, after meeting those who attended.

Georgia's very own Bucky Dent is a former New York Yankees starting shortstop and manager. He earned two World Series rings in 1977 and 1978 and was voted MVP in 1978. Dent is remembered for hitting a home run in the tie-breaker game against the Boston Red Sox, which led to the Yankees' win at the end of the 1978 season.

With the help of parents and staff, Dent coached a successful baseball clinic. He and his team worked with the young athletes, showing them successful techniques and providing advice on teamwork and game etiquette. "These kids and their parents are truly thanking us for being here, but I feel like I should thank you for letting us come," said Dent.

Shona Yaws, Southwire Living Well Manager, echoed Dent's sentiment. "Living Well was so pleased to host an event for the entire family," said Yaws. "Even though "baseball" was the theme, we had girls and boys participating, it got parents involved... even grandparents came to see a baseball legend. Everyone seemed to have a great time. I hope this leads to more Living Well family events in the future."



SOUTHWIRE HIGHLIGHTS

STORIES



2015 EHS Conference

In October 2015, the Corporate Environmental, Health and Safety (EHS) department hosted Southwire's annual EHS conference at the newly-opened Courtyard Marriott in Carrollton, Georgia. The event, which was attended by manufacturing plant and customer service center (CSC) EHS representatives, consisted of three days of training in EHS strategy and vision, best practices and regulatory compliance topics.

At the conference, attendees participated in a Q&A lunch session with outgoing President and CEO Stu Thorn where he reflected on his time with the company, offered words of encouragement and shared some of his personal goals for the future. The highlight of the conference was a recognition dinner attended by Southwire leadership in addition to EHS staff. Incoming President and CEO Rich Stinson shared his vision of EHS performance, and Charlie Murrah, Executive Vice President and President of the Energy Division, gave an inspirational keynote address.

The following plants and service centers were recognized and awarded at the conference for their hard work and outstanding achievements in 2014:

The **Heflin Plant** received the Eagle Award in recognition of its outstanding EHS performance. Heflin is an OSHA VPP (Voluntary Protection Program) Star site and had previously achieved zero-waste-to-landfill status. Heflin did not have any OSHA recordable injuries during 2014. Further, the plant received no environmental, health or safety citations and did not have any reportable environmental incidents during the year.

The **Power Cable Customer Service Center (CSC)** received the Top Performing CSC award for 2014. Similar to Heflin, the Power Cable CSC is an OSHA VPP Star site, has achieved zero-waste-to-landfill status and did not have any recordable injuries during the year. Also, Power Cable had no EHS citations and no reportable environmental incidents for 2014.

The **Tecate Plant** received the 2014 Most Improved award. Tecate reduced their recordable incident rate from 3.58 to 1.58—a greater than 50% reduction. Though they are still working to meet their goals, the facility has made significant strides toward achieving zero-waste-to-landfill. Tecate is also certified by the Mexican labor department's Empresa Segura workplace safety program (similar to OSHA VPP). The facility did not have any reportable environmental incidents and was not issued any environmental, health or safety citations during the year.

TRC Honduras received the 2014 Integration award as the top performing plant integrated into Southwire as part of the Coleman Cable acquisition. Honduras achieved a recordable incident rate of 0.96 for the year and attained zero-waste-to-landfill status. Honduras successfully maintained no EHS citations and no reportable environmental incidents throughout the year.



SOUTHWIRE HIGHLIGHTS

PERFORMANCE DASHBOARD

10F8
NECA PREMIER
PARTNERS

300 ACTIVE PATENTS

Our MC-PCS Duo™ Cable
WON THE
2015
NECA SHOWSTOPPER AWARD

280%
OF ALL NEW R&D
PROJECT SPEND IN 2015
INCORPORATED SUSTAINABILITY PRINCIPLES
(including reusability)

AUDITED 65% of the suppliers in our Supplier Sustainability Program

In 2015, Southwire's CUSTOMERS RETURNED

40,481\bar{z}

SOUTHWIRE HAS REDUCED ENERGY INTENSITY

7.6%

From 2014 to 2015,
SOUTHWIRE DOUBLED OUR
ZERO-WASTE-TO-LANDFILL
locations from
11 To 22

38% Of our manufacturing plants have OSHA VPP OR

EQUIVALENT CERTIFICATIONS

THE SOUTHWIRE
LEADERSHIP ACADEMY
has graduated

SENIOR
LEADERS
THROUGH 2015

In 2015, Southwire achieved an ENGAGEMENT SCORE OF 7300 NEARLY HITTING OUR TARGET OF 75%

98% Southwire employees
PARTICIPATED IN
BIOMETRIC SCREENINGS IN 2015

22% FEMALES

BACK-TO-SCHOOL EVENTS AT 100% OF OUR MANUFACTURING LOCATIONS, up from 56% in 2014

AS OF 2015

12 FOR LIFE

HAS GIVEN CO

1,195 GRADUATES

an opportunity to thrive

Southwire achieved our GOAL OF IMPLEMENTING CODE OF ETHICS TRAINING FOR OF OUR EMPLOYEES

CONFLICT MINERALS AND HUMAN TRAFFICKING POLICIES



GRI CONTENT INDEX

The disclosures for our 2015 Sustainability Report are listed below.

GENERAL STANDARD DISCLOSURES

GRI Indicator	Description	Location	
Strategy and Analysis			
G4-1	Statement from the most senior decision-maker of the organization	CEO Letter	
Organizational Profile			
G4-3	Name of the organization	Southwire Company LLC	
G4-4	Primary brands, products, and services	About Our Company, Technology & Innovation	
G4-5	Location of the organization's headquarters	Carrollton, Georgia	
G4-6	Countries where the organization operates	Southwire operates in six (6) countries: United States, Canada, Mexico, Honduras, United Kingdom, and China.	
G4-7	Nature of ownership and legal form	Southwire Company, LLC, a Delaware limited liability company, is the primary operating entity in the Southwire group of companies, which includes both domestic and international companies. It is the heir to the 60-year-old Southwire legacy of responsible and sustainable business practices.	

G4-8	Markets served	About Our Company
G4-9	Scale of the organization	About Our Company: To maintain the confidentiality afforded a private company, Southwire chooses not to publicly report total capitalization or quantity of products and services provided.
G4-10	Total number of employees by employment contract and gender	Employee Composition
G4-11	Percentage of total employees covered by collective bargaining agreements	Employee Composition
G4-12	Organization's supply chain	Sustainable Supply Chain
G4-13	Changes in organization's size, structure, ownership or its supply chain	Acquisitions
G4-14	Precautionary approach to risk management	Southwire does not address the precautionary principle.
G4-15	Externally developed charters, principles or initiatives to which the organization subscribes	None
G4-16	Membership in associations or organizations	Industry Partnerships
Identified Materia	I Aspects and Boundaries	
G4-17	Entities included in the organization reports	Southwire is a private company. We do not report publicly our financial statements, nor the entities within our operational control.
G4-18	Reporting principles for defining report content	Stakeholder Engagement & Materiality
G4-19	Material aspects identified in defining report content	Stakeholder Engagement & Materiality
G4-20	Material aspects within the organization	Stakeholder Engagement & Materiality
G4-21	Material aspects outside the organization	Stakeholder Engagement & Materiality
G4-22	Restatements of information provided in earlier reports	Energy data were revised with a different conversion factor. The number of recyclable reels now includes both wood and steel units recycled by Southwire and through our reel supply partner.

G4-23	Significant changes from previous reporting periods in scope and aspect boundaries	Acquisitions
Stakeholder Engagement		
Stakeholder Engagement		
G4-24	Stakeholder groups engaged by the organization	Stakeholder Engagement & Materiality
G4-25	Identification and selection of stakeholders to engage	Stakeholder Engagement & Materiality
G4-26	Organization's approach to stakeholder engagement	Stakeholder Engagement & Materiality
G4-27	Key topics and concerns raised during stakeholder engagements	Stakeholder Engagement & Materiality
Report Profile		
G4-28	Reporting period	About This Report
G4-29	Date of the last report	This is our second report in accordance with the Global Reporting Initiative. Past annual sustainability reports (dated 2007 to 2014) are available in Report Downloads.
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions regarding the report	Rebecca Cranford, Senior Vice President, Sustainability, Safety and Environmental, <u>Contact Us</u>
G4-32	GRI Content Index	G4 Core
G4-33	External assurance	No data in this report have been externally assured.
Governance		
G4-34	Governance structure	<u>Governance</u>
Ethics and Integrity		
G4-56	Organization's values, principles, standards and norms of behavior	Ethics & Transparency

SPECIFIC STANDARD DISCLOSURES

GRI Aspect	Material Topic	GRI Indicator	Description	Location
<u>Economic</u>	·		·	
Economic Performance	Industry Partnerships	G4-DMA	Management approach	Industry Partnerships
Economic Performance	Industry Partnerships	G4-EC1	Direct economic value generated and distributed	Industry Partnerships
Indirect Economic	Technology & Innovation	G4-DMA	Management approach	Technology & Innovation
Impacts Indirect Economic Impacts	Technology & Innovation, Communities	G4-EC8	Significant indirect economic impacts, including the extent of impacts	Technology & Innovation, Communities
<u>Environmental</u>				
Energy	Energy Usage	G4-DMA	Energy Use	Energy Usage
Energy	Energy Usage	G4-EN3	Energy Use	Energy Usage; Information obtained from utility bills (not verified by outside party), estimates used where data unavailable; Energy consumption calculated based on 1,025 Btu/cf natural gas (2013 average per US Energy Administration), 91,420 Btu/gal propane (Alternative Fuels Data Center, 2014), 1,054.2 Joules/Btu, 3.6 MJ/KWh
Energy	Energy Usage	G4-EN5	Energy Intensity	Energy Usage; Energy Intensity was calculated based on MMBtu per ton of production where: Electricity = MWh x 3.412 MMBtu/MWh x (source-site factor); Gas = MMcf 1025 MMBtu/cf x (source-site factor), for electricity and natural gas consumed

inside the organization

Energy	Energy Usage	G4-EN6	Reduction of energy consumption	Energy Usage
Emissions	Sustainable Supply Chain	G4-DMA	Management approach	Sustainable Supply Chain
Emissions	Sustainable Supply Chain	G4-EN19	Reduction of greenhouse gas (GHG) emissions	Sustainable Supply Chain
Effluents and Waste	Waste	G4-DMA	Management approach	<u>Waste</u>
Effluents and Waste	Waste	G4-EN23	Total weight of waste by type and disposal method	<u>Waste</u>
Effluents and Waste	Ethics & Transparency	G4-DMA	Management approach	Ethics & Transparency
Effluents and Waste	Ethics & Transparency	G4-EN24	Total number and volume of significant spills	Ethics & Transparency
Products and Services	Technology & Innovation, Product Responsibility	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Technology & Innovation, Product Responsibility
Products and Services	Product Responsibility, Waste	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed, by category	<u>Product Responsibility</u> , <u>Waste</u>
	Sustainable Supply Chain	Indicators_	Percentage of key suppliers with environmental, social, governance and quality management systems audited by Southwire	Sustainable Supply Chain
Labor Practices and Decen	it Work			
Occupational Health and Safety	Employee Wellness	G4-DMA	Management approach	Employee Wellness
Occupational	Workplace Safety	G4-LA5	Percentage of total	Workplace Safety & Health

Health and Safety	& Health		workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	
Occupational Health and Safety	Workplace Safety & Health	G4-DMA	Management approach	Workplace Safety & Hea
Occupational Health and Safety	Workplace Safety & Health	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities, by region and by gender	Workplace Safety & Hea
Occupational Health and Safety	Workplace Safety & Health	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Workplace Safety & Hea
Occupational Health and Safety	Workplace Safety & Health	G4-LA8	Health and safety topics covered in formal agreements with trade unions	Workplace Safety & Hea
Training and Education	Talent Acquisition & Development	G4-DMA	Management approach	Talent Acquisition & Development
Training and Education	Talent Acquisition & Development	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Talent Acquisition & Development
Training and Education	Talent Acquisition & Development	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Talent Acquisition & Development
Diversity and Equal Opportunity	Inclusion	G4-DMA	Management approach	Inclusion

Diversity and Equal Opportunity	Inclusion	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Inclusion
	Employee Engagement	G4-DMA	Management approach	Employee Engagement
	Employee Engagement	Indicators	Voluntary participation rate in employee engagement survey	Employee Engagement
	Employee Wellness	Indicators_	Percent voluntary participation in biometric screenings, overall employee average biometric grade, and percent of locations with Healthy Choice options	Employee Wellness
Society				
Local Communities	Communities	G4-DMA	Management approach	<u>Communities</u>
Local Communities	Communities	G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Giving Back
Product Responsibility				
Product and Service Labeling	Product Responsibility	G4-DMA	Management approach	Product Responsibility
Product and Service Labeling	Technology & Innovation	G4-PR5	Results of surveys measuring customer satisfaction	Technology & Innovation