



## Dear Friends & Neighbors,

In 2010, we celebrated the 60th anniversary of our company's founding by Roy Richards, Sr. A man of vision, Mr. Richards, spent his life building a thriving community in Carroll County, GA.

That spirit remains with us today as we continue on our journey to a sustainable Southwire. In 2007, we charted a roadmap — a set of tough goals — to guide us on that journey. We have made significant progress toward achieving most of these goals and, in some instances, we have exceeded them, including:

- 71% reduction in waste sent to landfills (goal is 100% reduction);
- 36% reduction in water use (goal was 15% reduction);
- 13% reduction in carbon footprint (goal was 10% reduction);
- 178 students graduated from 12 for Life® (goal was to graduate 175 by 2012); and
- 99% participation in health screenings.

There are some goals we haven't reached. For example, while we did reduce our carbon footprint by 13%, we became less efficient during this period and our carbon intensity actually increased. So, continuing to reduce our carbon footprint while increasing our efficiency remains a significant goal to work toward.

Of course, that is not our only goal. We know there is always room for improvement. While this update highlights our achievements and shortfalls over the past few years, it also summarizes a new set of goals that will move us further toward achieving a truly sustainable company. Our vision is to not only conduct our activities in a socially responsible manner, but also to search for simple and innovative ways to improve efficiencies and sustainable practices for ourselves and our stakeholders. We continue working hard to achieve our current goals and to identify new ones — all in our relentless pursuit of sustainability so we may enjoy at least another 60 years of success.

Sincerely,

Stu Thorn, CEO

## SOUTHWIRE Our Sustainability Goals

### BUILDING WORTH

**Create long-term value by identifying opportunities and managing risks arising from economic, environmental and social developments.**

**Supply Relations:** Conduct resource supply assessments with our top 20 suppliers based on spend and collaborate to identify and pursue sustainability objectives and targets by 2015.

**Product Development:** Actively incorporate sustainability principles in the research and development of new products and services.

### GROWING GREEN

**Implement enterprise sustainability efforts to reduce our environmental impact and to produce savings, growth and efficiency.**

**Waste:** Achieve and maintain zero-landfill status by end of 2017.

**Energy:** Increase energy efficiency from 2010 baseline by 10% by end of 2020.

**Water:** Increase operational water use efficiency from 2010 baseline by 10% by end of 2020.

### LIVING WELL

**Prioritize the safety and health of our workforce to achieve top decile performance for our industry.**

**Operational Safety:** Achieve and maintain a recordable injury and illness performance rate of 2.0 by 2012.

**Health & Wellness:** Establish a health and wellness awareness campaign that includes education, training and nutritional advice by end of 2012.

### GIVING BACK

**Demonstrate social responsibility in the communities in which we operate.**

**Education:** Annually participate with academic institutions to promote sustainability initiatives within the communities in which we operate.

### DOING RIGHT

**Develop and adhere to "best practice" internal policies and assure compliance with the law, ethical standards and international norms.**

**Governance:** Update our code of ethics, expand training and provide annual testing by end of 2011.

**Assurance:** Obtain independent, third-party financial audits every year and environmental audits every two years.

## SOUTHWIRE Our Business

Southwire delivers power to millions of people worldwide. We provide a full line of electrical wire and cable products for a wide range of applications. We continually work with our customers to develop products that simplify installation, save time and money, and improve product performance. Our corporate structure centers around four distinct segments — Electrical, Energy, OEM (Original Equipment Manufacturing) and SCR® (Southwire Continuous Rod), each focusing on a specific group of customers.

## SOUTHWIRE Our Stakeholders

We cannot stand alone. Southwire's success is tied to its stakeholders.

**COMMUNITIES** — While Southwire gives back through the jobs it provides, products it manufactures and taxes it pays, those are just the basics. We also share our time, abilities and financial resources with our communities.

**CUSTOMERS** — Our customers look to their suppliers to help meet their sustainability initiatives. In response, we work with our customers to provide information, share ideas and seek new ways of improving sustainability and find a competitive edge for ourselves and our customers.

**EMPLOYEES** — To be successful, companies must be responsive to customer needs, offer innovative technology and react nimbly to competition. By fostering a workforce that is diverse in talent, experience and ideas, we continue to meet these criteria.

**REGULATORS** — Operating in a regulated environment, we know open communication with regulatory agencies is key. By being forthright, proactive, transparent and responsive, we continue to build positive relationships with our regulators.

**SHAREHOLDERS** — Our shareholders understand the responsibility we have to future generations. With their support, Southwire is on a path to a more sustainable future.

**SUPPLIERS** — Southwire's sustainability is linked to supply partners. Accordingly, we share ideas and innovations with our suppliers to help achieve our mutual sustainability goals.

## OUR PERFORMANCE

### 2010 at a glance

Total Revenue	\$4.3 billion
Factories	19
Distribution Centers	11
Countries with Operations	3
Employees	4,200
Pounds Copper Processed	790 million
Pounds Aluminum Processed	350 million

## SOUTHWIRE Our Vision

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



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



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



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



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



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

## OUR COMMITMENT

“ We expect each and every Southwire employee to join us in our commitment to sustainability. We believe sustainability starts by building worth, growing green, living well, giving back and doing right. We're not perfect, but with that recognition, we strive even harder to reach that goal. At Southwire, we are part of our communities, here in Carrollton and in the cities and towns of each of our manufacturing facilities and customer service centers. By the choices we make and the actions we take, we contribute to our local and national communities.”

— Denise Quarles  
VP of Environmental Affairs



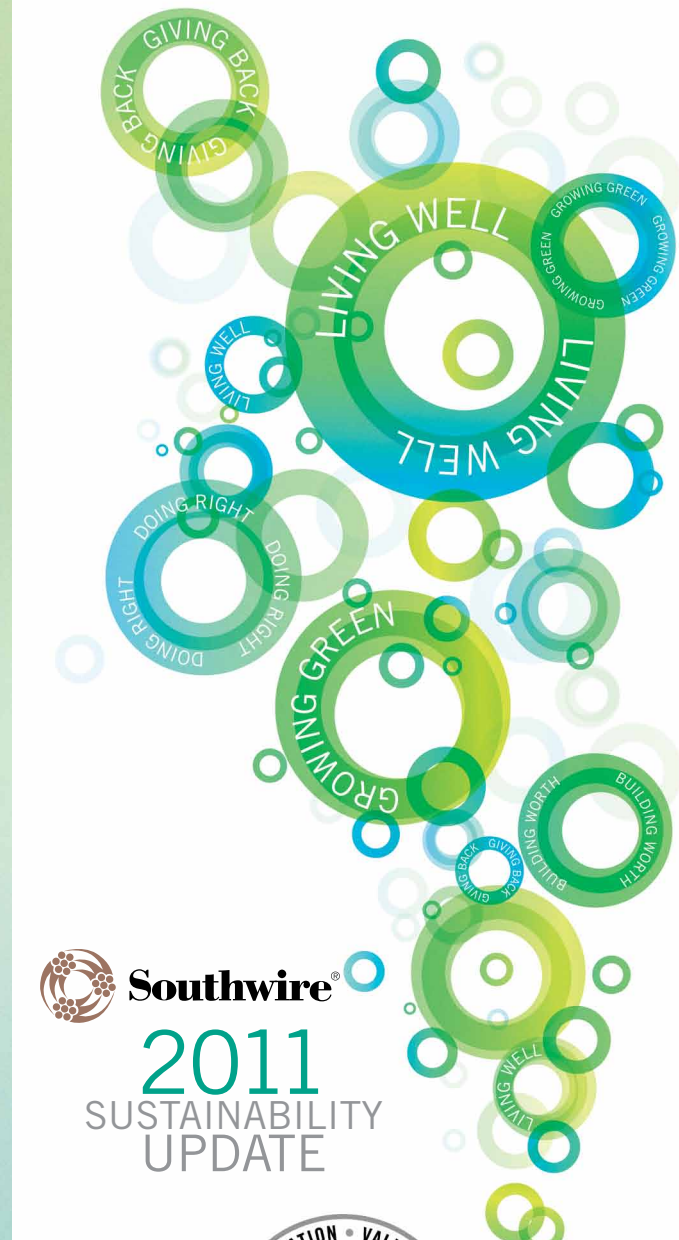
### QUESTIONS? COMMENTS?

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

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2011  
SUSTAINABILITY  
UPDATE



## OUR LEGACY

**OUR ROOTS TRACE BACK TO 1937**, when Roy Richards, Sr., then age 25, started a company to erect power poles. During its first two and a half years, Richards and Associates strung 3,500 miles of cable, becoming the nation's second largest Rural Electrification Administration (REA) contractor. As World War II halted all REA construction, Richards joined the US Army and eventually reached the rank of Captain. He returned home from the war to find that many of the power poles erected by his company stood wireless for months because of post-war shortages in wire. During discussions with one wire manufacturer, he learned that it would be three years before the company could deliver wire to western Georgia. Seeing that there was a need in the market, Richards decided the only way to ensure a steady supply of wire was to make it himself.

On March 23, 1950, Southwire Company started producing wire with 12 employees and second-hand equipment. Two years later, the company had shipped five million pounds of wire and had doubled its plant size. Teaming with special people such as Major A. A. Case, Margaret Braswell, Pete Cofer, Jim Griffin, Roger Schoerner and many other talented and dedicated individuals, Richards was able to transform the company from a dream of helping to bring electricity to rural Georgia into a leader in the wire and cable industry.

As a visionary, Richards knew that his company's success was tied to its employees and the community. He understood that building a successful company meant more than just making a profit. To achieve true success, Southwire needed to take care of its employees, give back to the community, plan for the future and deal fairly with customers and suppliers. That philosophy holds true today.



## BUILDING WORTH

### CONTINUED BUSINESS SUCCESS

Although the economy has contracted and wire markets have shrunk, Southwire continues to position itself for the long term through acquisitions. These acquisitions enabled Southwire to make strategic decisions concerning product manufacturing that have increased market share by keeping costs low while sustaining volumes. The quality of the company's employees and their commitment to the company's vision of building worth provide a foundation for building toward many years of sustainable success.

### FORWARD-LOOKING

With Southwire's strategy for sustainability and its experience in manufacturing wire and cable products, the company will continue on the path of building worth by respecting and engaging all of its stakeholders and by seeking new opportunities to grow and expand its business through innovation and effective use of its resources.

OUR GOALS	2010 STATUS
Grow profitably	Achieved based on five-year moving average sales and profits
Maintain a strong financial condition	Maintained investment grade profile throughout 2010
Remain a leader in core markets	Achieved



## GROWING GREEN

### ENVIRONMENTAL STEWARDSHIP

In 2007, Southwire established a number of goals designed to minimize its environmental footprint. Most of our original goals had a 2010 end date. As shown in the table below, we achieved our performance goals to reduce water use, improve company fleet mileage and improve the fuel efficiency of our contract carriers. In addition, we are continuing to work toward our landfill reduction and site remediation goals. Admittedly, there are a few areas where we fell short of our 2010 goals. While we reduced our carbon emissions by 13%, our carbon intensity actually increased. Also, we did not establish a wildlife sanctuary in 2010. After further exploration, we decided to consider other Southwire facility locations for the wildlife sanctuary and site evaluations are currently ongoing.

### TOWARD A GREENER COURSE

While we are pleased with our successes, we know we cannot be content. We must now focus on the new goals that we have set forth in this update in our continuing effort to achieve a more sustainable future.

OUR GOALS	2010 STATUS
Achieve zero-landfill status by 2017	Reduced landfill waste 71% from 2007 baseline
Eliminate lead additives from wire and cable product insulation and jackets by 2010	Product portfolio now includes RoHS compliant no lead alternatives*
Reduce carbon footprint by 10% by 2010	Carbon footprint reduced 13% from 2007 baseline*
Reduce water use by 15% by 2010	Water usage reduced 36% from 2007 baseline*
Improve contract carrier freight fuel mileage by 10% by 2010	Fuel mileage increased 10.6% from 2007 baseline
Improve company fleet mileage by 25% by 2010	Mileage improved 25% over 2005 baseline
Establish wildlife sanctuary at Carrollton headquarters by 2010	Location being reevaluated
Obtain regulatory approvals for site remediation at legacy locations	Regulatory approval achieved at four of five sites

\*Status does not include facilities acquired in 2010.



## LIVING WELL

### WORLD-CLASS SAFETY

Southwire's goal is to reach world-class safety performance by 2012. That is an aggressive goal that we believe can best be attained through a behavioral based safety (BBS) program. The key elements of BBS are active employee participation and individual responsibility. Employees are expected to assume responsibility for their safety. And, our employees have done just that! Through the BBS program, safety teams have worked to identify and correct unsafe conditions, acts and behaviors that could lead to unsafe outcomes.

### PREVENTIVE CARE

Clearly, we want our employees and their loved ones to receive good medical care when they get sick. We think it is equally important, however, to try and prevent illness through a commitment to wellness. Getting and staying fit will help employees and their families stay healthy and productive—good for them and good for Southwire. In 2010, Southwire kicked off a biometric screening program for all employees to help identify warning signs of potential health problems. With almost all employees having participated in the screening program and now being offered information and assistance to help manage any identified issues, we hope that a commitment to wellness will be firmly established throughout the company and the health and productivity of all employees improved.

OUR GOALS	2010 STATUS
Improve employee and leadership diversity	58% of 2010 hires were diversity candidates
Achieve world-class lost work injury & illness rate (0) performance by 2012	2010 LWC = 0.31
Achieve world-class recordable injury & illness rate (2.0) performance by 2012	2010 recordable = 2.74
Achieve OSHA VPP certification in all U.S. factories & warehouses by 2012	32% complete**
Increase percentage of goods and services from minority- and women-owned businesses	58% improvement over 2007 baseline
Ensure employees and their families exceed the national average rates for healthy screenings.*	Employee biometric screening instituted in 2010

\*\*Indicates revised goal. \*Status does not include facilities acquired in 2010.



## GIVING BACK

### 12 FOR LIFE®

Beginning in 2007, Southwire and Carroll County Schools created the 12 for Life® program to provide at-risk students with real jobs, allowing them to earn wages and credit toward high school diplomas. Southwire employees provide guidance and support to these students through a one-on-one mentoring program. The 12 for Life® program now includes Heard County students and a sister program has been established in Florence, AL with Florence City Schools. We have already achieved our 2012 graduation goal and look forward to achieving further success.

### COMMUNITY INVOLVEMENT

Employees from our manufacturing facilities, corporate offices and service centers gave their time and talent in support of our local communities in 55 company-sponsored events and activities during 2010. These events included back-to-school giveaways, Toys-for-Tots® donations, food and clothing drives, United Way projects, Special Olympics events, educational programs, service organization participation, Salvation Army® kettle drives, youth sports team coaching, various parades and more.

OUR GOALS	2010 STATUS
Graduate 175 students from the 12 for Life® program by the end of 2012	178 students graduated since 2007 start of program
Annually increase community involvement through Project GIFT®*	Participated in 55 events during 2010

\*Indicates revised goal.



## DOING RIGHT

### GOVERNANCE

How an organization leads and manages itself in relation to its stakeholders is vital to its sustainability. In today's information age, even private companies like Southwire cannot expect to operate in isolation. We are linked to our employees, suppliers, customers, regulators, shareholders and the communities in which we operate. To be successful, Southwire must have open lines of communication, operate in an ethical manner and deal fairly with each of these stakeholders.

### JUST ASK

Southwire provides employees the opportunity to ask questions and offer comments to corporate leadership. Employees submit inquiries via e-mail. Questions and comments are then forwarded to the appropriate departments for answers. Employees who provide their names are answered directly. General questions regarding company wide issues are included in daily Southwire Source e-mails, Southwire Network News and our Inside Southwire newsletter.

OUR GOALS	2010 STATUS
Train all management employees in ethics program every two years	All departments trained in 2009 & 2010
Survey all management employees on ethics at least once a year	All management employees surveyed in 2010
Achieve unqualified outside audit opinion on annual financial results	Achieved in 2010
Board notification and follow-up on all ethics concerns raised	All concerns communicated in 2010
Notify community of any regulatory actions or reportable incidents	Details regarding all regulatory actions (2 in 2010) posted on our website