

Dear Friends, Colleagues and Neighbors,

I'd like to take a moment to reflect on our experiences in 2016, my first year as Southwire's president and CEO. I joined Southwire because I wanted to serve with a company that focused on the long term—one that prepared itself to be at the forefront of its industry for generations—and that's just what I have found.



After taking the time to understand our vision and path for sustainability, we launched a new set of goals in 2017. These align with our five tenets—Growing Green, Living Well, Giving Back, Doing Right and Building Worth. We will begin reporting on our progress against them in the 2017 report. Looking back to 2016, I'd like to highlight a few areas of significant progress:

Safety: Throughout the year, we did a great job of putting new policies, teams and systems in place to identify hazards and mitigate risk throughout the organization, and our efforts haven't stopped.

Strategy: The introduction of our ONE Southwire approach means that we act as a unified company, sharing our values, culture, commitment and processes in order to provide the best solutions for our stakeholders.

Growth Through Investment: We made significant investments through the acquisitions of United Copper Industries, Inc. and Sumner Manufacturing, Inc. in 2016.

Inspiration Through Our Communities: Our more than 800 Project GIFT Blackshirt volunteers participated in over 100 events last year.

Our accomplishments have only been possible through the relentless efforts of our Southwire people. I am extremely proud to lead this great team as we prepare for the next generation of industry-leading success.

Sincerely,

Rich Stinson

Performance Goal	2016 Status
GROWING GREEN	
Implement ISO 14001 or equivalent environmental management systems at all manufacturing and warehouse locations worldwide by YE 2020.	31% complete
Achieve zero-landfill status at all locations by YE 2017.	94% complete
Increase energy efficiency from 2010 baseline by 10% by YE 2020.	8% improvement
Increase water use efficiency from 2010 baseline by 10% by YE 2020.	24% improvement
Provide customers with environmental impact data for our products through the development of Environmental Product Declarations for top 25 products in key markets by YE 2018.	Program on hold
Offer key customers recycling and/or like-kind exchange programs for processing end-of-life Southwire products by YE 2016.	Strategy underway
Publicly report sustainability data consistent with Global Reporting Initiative (GRI).	Complete
LIVING WELL	
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 YE 2022.	38% complete
Achieve an OSHA Total Recordable Injury Rate for global operations of less than 1.0 by YE 2018.	1.71 (22% improvement)
Achieve 20% reduction in contractor injury rates by YE 2018.	41% reduction
Improve employee health and well-being across all Southwire locations by achieving: <ul style="list-style-type: none"> 95% voluntary participation in biometric screenings by YE 2017. Overall employee average rating of "B" on biometric screens by YE 2018. 100% access to Healthy Choice options at all locations by YE 2017. 	<ul style="list-style-type: none"> 98% participation C+ average rating 75% of locations
Invest in leadership skills and knowledge through the implementation of the following training and development initiatives: <ul style="list-style-type: none"> 200 supervisors graduating from Leading in an OPS Culture by YE 2018. 200 managers graduating from Southwire Management Training by YE 2018. 150 senior leaders graduating from Southwire Leadership Academy by YE 2018. 	<ul style="list-style-type: none"> 50 graduates 0 graduates 96 graduates
Foster employee engagement through a targeted 90% voluntary participation in annual Southwire engagement survey by YE 2017.	89% participation
Achieve a 40% improvement in the number of females in the workforce by YE 2017.	20% female
Improve diversity within the "high potential" pool of future senior leadership by 20% by YE 2017.	23.5% diverse

Performance Goal	2016 Status
GIVING BACK	
Advance and improve educational opportunities and outcomes by working with educational institutions to achieve the following: <ul style="list-style-type: none"> Increase graduation rates among "at risk" teenagers through 12 for Life by graduating 2,020 students from the program by YE 2020. Expand Southwire Engineering Academy to other regional locations in North America by YE 2020. Graduate first cohort from Southwire Sustainable Business Honors MBA program by YE 2017. 	<ul style="list-style-type: none"> 1,614 graduates 1 location 0 cohorts
Increase volunteerism with the communities in which we operate by achieving 50% improvement in Project GIFT® Blackshirt participation across Southwire by YE 2018.	95% improvement
Ensure Southwire engages proper mix of charitable donations, community investments and commercial initiatives through the annual benchmarking of existing practices.	CECP Survey Complete
Complete Back-to-School events at each Southwire manufacturing location by YE 2016.	100% of locations
DOING RIGHT	
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.	Complete
Implement online Code of Ethics training and conduct employee survey annually for 100% of the employee population by YE 2015.	Complete
Develop Southwire Code of Conduct policy for suppliers and contractors by YE 2015.	Complete
Develop and deploy Human Trafficking and Conflict Minerals Policies by YE 2015.	Complete
BUILDING WORTH	
Deploy the Southwire Supplier Sustainability Manual throughout the supply chain with on-site audits and performance monitoring in place for 100% of key suppliers by YE 2016.	85% complete; 100% complete for US suppliers
Incorporate sustainability principles (including reusability) into the research of at least 65% of all new R&D projects by YE 2016.	48% of Spend; 41% of projects
Improve customer efficiency by providing innovative products that improve productivity and reduce waste.	Strategy underway
Develop and implement a consistent framework that measures and improves customer experience and creates a sustainable competitive advantage by YE 2017.	OME results implemented in strategic plan

OUR COMPANY

At Southwire Company, LLC—one of North America's leading manufacturers of wire and cable used in the transmission and distribution of electricity—We Deliver Power...Responsibly®. We have more than 7,500 full and part-time employees who work at more than 40 locations throughout the United States, Mexico, Canada, Honduras, China, the United Kingdom and the Netherlands. With approximately \$4.6 billion in net sales in 2016, our products help provide power to millions of people around the world.

Southwire operates 32 plants, 10 customer service centers and several sales and support facilities across the globe that manufacture and distribute a wide range of products. Based on our market approach, the company's corporate structure now revolves around two business groups:

- Construction Systems & Solutions Group (CS&S)
- Power Systems & Solutions Group (PS&S)

The Construction Systems & Solutions Group focuses on residential, institutional and commercial construction segments by offering products and special services with a focus on job site safety and improving installation techniques. CS&S offerings include "in stock" products, material handling resources and made to order options. Southwire's Power Systems & Solutions Group places emphasis on customers in product categories driven by a "made to order" approach, such as energy, industrial and Original Equipment Manufacturer (OEM).



A strong, integrated support function backs the company's business groups, allowing Southwire to sell across product lines more effectively and maximize the value the company brings to our customers.

To learn more about each of Southwire's business groups, visit southwiresustainability.com/about-our-company.

QUESTIONS? COMMENTS?

This pamphlet presents our 2016 sustainability performance highlights. Read our full sustainability report at southwiresustainability.com.

Please contact us if you have comments or questions at sustainability@southwire.com.



2016 SUSTAINABILITY SUMMARY



OUR VISION

At Southwire, our employees are *The People Behind the Power™* of what is possible. We seek to discover, develop and distribute strong and sustainable solutions that exceed the expectations of our stakeholders around the world.

OUR COMMITMENT

Southwire is committed to inspire the lives we touch by developing innovative systems and solutions, exercising environmental stewardship and enhancing the well-being of our communities as *We Deliver Power...Responsibly®* through our core tenets.



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.

Southwire's online sustainability report highlights our approach to manage the following material topics:

- Energy Usage
- Waste

2021 SUSTAINABILITY GOAL

Achieve top decile DJSI (Dow Jones Sustainability Index) performance in operational eco-efficiency in the Electrical Components & Equipment sector.

IN 2016, SOUTHWIRE ACHIEVED
94% 
OF LOCATIONS
ZERO-WASTE-TO-LANDFILL



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.

We have identified five material topics related to Living Well:

- Workplace Safety & Health
- Talent Acquisition & Development
- Employee Engagement
- Employee Wellness
- Inclusion

2021 SUSTAINABILITY GOAL

Achieve best in class safety performance at Southwire.

15 OF 39 
LOCATIONS HAVE
OSHA VPP
or equivalent certifications



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
- Charitable Partnerships & Donations

2021 SUSTAINABILITY GOAL

Enable and engage our workforce in building more sustainable communities.

878 
SOUTHWIRE EMPLOYEES
VOLUNTEERED AS
Project GIFT™ “Blackshirts” in 2016



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.

The Doing Right section of our online sustainability report details our approach to the following material topic:

- Ethics & Transparency

2021 SUSTAINABILITY GOAL

Ensure the highest standard of ethical business practices within all our operations.

Southwire achieved our
GOAL OF IMPLEMENTING
CODE OF ETHICS
TRAINING FOR
100% 
OF OUR EMPLOYEES



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.

To continue our legacy of Building Worth, Southwire focuses on the following material topics, each detailed in our online sustainability report:

- Technology & Innovation
- Product Responsibility
- Sustainable Supply Chain
- Industry Partnerships

2021 SUSTAINABILITY GOAL

Develop and commercialize four breakthrough solutions to customers' sustainability challenges.

 **48%**
OF ALL NEW R&D
PROJECT SPEND IN 2016
incorporated sustainability principles