



Global  
Supplier  
Sustainability  
Manual



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## **Section 1.0 – Introduction**

### **1.1 Purpose**

This manual describes the Supplier Sustainability requirements necessary to support a successful relationship between Southwire and its suppliers. This manual supplements but does not replace or alter terms and conditions covered by purchase documents (including purchase orders), national contracts, blanket orders, specified warranty agreements, International Supplier Operating guide or any requirements set forth in Southwire's engineering drawings, standards or specifications.

### **1.2 Scope**

This manual applies to all suppliers of raw material (including metal), packaging material, wire, MRO (Maintenance, Repair and Operations) goods, resale goods, contract services and shipping services. This manual does not apply to vendors, such as agents, utilities and providers of legal services. It outlines the minimum activities and quality performance required of Supplier's management system and requirements for the delivery of product, material or service. We intend to work with suppliers who have demonstrated a commitment to quality and continuous improvement in the product or material they produce or service they provide. Basic requirements are summarized as follows:

- Supplier must be capable of providing defect-free material and product on-time that meet applicable specifications and requirements.
- Suppliers must notify Southwire of any planned changes to the design, specifications, process, or, when applicable to Southwire, manufacturing site in advance of delivery to Southwire.
- All Southwire product design changes will be communicated to Supplier by the Purchasing Agent or designated Engineer. Proof of capability may be requested in order to provide assurance the product will meet the new or modified design specifications.

### **1.3 About Southwire: Vision, Pillars and Principles**

Southwire leads the industry with innovative products that simplify installation, saving our customers time and money. Southwire has the right wire and cable solution for any commercial, residential, industrial or utility application. If Southwire does not have the solution, we'll design it and make it to order.

Southwire's corporate structure, centers around four distinct manufacturing segments—Energy, Electrical, OEM (Original Equipment Manufacturing) and SCR® (Southwire Continuous Rod), each focusing on a specific group of products and customers.

Our Energy Division sells a full line of low, medium and high-voltage cable products that move power from the generation source to buildings and homes. Customers include investor-owned utilities, rural electric cooperatives, municipalities, contractors and utility distributors.

Our Electrical Division products distribute power inside homes and buildings. The Electrical Division's products move power exactly where it is needed, whether it's Romex® brand building wire, copper or aluminum MC, copper AC or flexible, metallic or liquid tight conduit or 600-volt or 24-kilovolt wire.

Our OEM Division sells wire and rod to customers who manufacture such products as automobile wiring harnesses, insect screening, transformers, electric motors, HVAC equipment, appliances and industrial equipment.

Our SCR® Technologies Division has been the technological leader in continuous cast copper and aluminum rod manufacturing since the 1960s. More than half of the continuous-casting copper rod capacity in the world uses our technology—which means most of the world's copper wire passes through technology provided by Southwire.



## **SOUTHWIRE VISION**

**At Southwire, our products deliver power, and so do our people. 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:**

### **Southwire's Five Pillars**

#### **Building Worth**

Our success depends on our customer's 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 doing so, 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.

#### **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.

#### **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.

#### **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.



## **OPERATIONAL PERFECTION AT SOUTHWIRE**

Southwire's operating philosophy is known as Operational Perfection at Southwire (OPS). OPS are the way we conduct business and are described in the vision and principles listed below.

We will relentlessly drive for Operational Perfection at Southwire (OPS) in order to stay ahead of the competition by:

- Leading the way on quality, service and cost by building quality into our products, processes and procedures.
  - Maintaining a safe work environment that is enjoyable and engaging.
  - Maximizing our output using the least amount of resources.

### **OPS Principles**

#### **SAFETY**

Avoiding injuries will always come before everything else. Safety is everyone's responsibility.

#### **FLEXIBILITY**

Equipment & processes designed to meet changing customer expectations.

#### **VISIBILITY**

Just by looking around, it will be obvious what must be done.

#### **FLOW**

Production will move continuously in response to customer needs.

#### **TOTAL EMPLOYEE INVOLVEMENT**

Everyone is encouraged & expected to: Team Together, Contribute Ideas and Be Agents of Positive Change.

#### **ORDERLINESS**

Create & maintain a clean, organized workspace. Follow clear standards & procedures. Protect the environment at every turn.

#### **FIX PROBLEMS ONCE & FOR ALL**

Eliminate repetitive frustrations by finding the root cause.



## **Section 2.0 – Supplier Development and Continuous Improvement**

### **2.1 Supplier Development**

Southwire expects Supplier to continuously improve their capabilities to prevent defects, reduce variation and improve their systems.

Southwire is prepared to assist Suppliers to better understand and appreciate the value of the following Southwire requirements, as requested by Supplier or deemed necessary by Southwire for:

- ISO 9001.
- Southwire Material Standards.
- Southwire Global Supplier Sustainability Manual and All Referenced Documents.
- Operational excellence methodologies, philosophies and principles including Lean Manufacturing and Six Sigma.
- Supplier Audits.
- Supplier Evaluations.
- Supplier Corrective Action Requests (SCARs).

### **2.2 Continuous Improvement**

Southwire defines “continuous” as an uninterrupted sequence over time. Thus continuous improvement is a constant effort to improve business efficiency through refining service, product, material and processes. Southwire asks its supplies to promote a continuous improvement environment in which every employee is given the opportunity, on a day to day basis, to solve problems, create and implement solutions and eliminate errors.

Supplier Corrective Action Requests (SCAR) will be issued by Southwire as a result of audit findings or in the event defective material is shipped to Southwire operations. Supplier must address SCARs in a timely and thorough manner, outlining specific investigative findings and corrective actions resulting from a root cause analysis. Actions taken to address SCARs must address system and/or process changes that will result in continuous and sustained improvements.

Suppliers must place first priority on defect prevention in addition to detection, in order to ensure Southwire receives defect-free product and material. Suppliers must actively participate in mistake-proofing applications such, as Statistical Process Control (SPC) as a proactive approach in achieving a high process capability index (Cpk) and the associated reduction in variation.

## **Section 3.0 – Supplier Selection and Performance Monitoring**

Southwire utilizes controlled methods through which suppliers are evaluated, selected and monitored. A supplier’s ability to comply with Southwire’s Sustainability Manual will be evaluated and periodically monitored using a defined performance assessment methodology.

### **3.1 Initial Selection of Supplier**

At Southwire’s discretion and as part of Southwire’s initial and ongoing monitoring and development of its suppliers, Southwire requires information and data regarding the current state of Supplier’s business practices as specified in the Supplier Pre-Qualification Questionnaire (SPQ), New Supplier Form (Domestic, International, or Canada) and Supplier Self-Assessment Form (SSA) where applicable. To ensure accurate data is maintained, Southwire, at its discretion, may periodically request updated information from suppliers.



Southwire may choose to conduct an on-site assessment of Supplier's organization to verify the accuracy and completeness of the previously mentioned documents in the paragraph above. Southwire, with advanced written notification, may also choose to involve a third-party for on-site assessments. The Supplier Self- Assessment Form may be used any time by Southwire to assess Supplier compliance with the requirements of the Supplier Sustainability Manual.

### **3.2 Quality**

Suppliers are expected to have a robust quality system that promotes defect-free product and material through prevention, monitoring and continuous improvement of the system.

Southwire prefers to engage in business with suppliers that have a Quality Management System (QMS) that complies with the most recent ISO 9001, or, if requested, segment specific standards such as ISO/TS 16949 for automotive quality management systems. Supplier is strongly encouraged to have their quality management systems certified by an accredited registrar, and Supplier must provide copies of all active and applicable certificates.

### **3.3 Product/Material/Service Quality**

Suppliers are responsible for the quality of their product, material and/or service and their goal must be to ship product and material with zero defects on-time to Southwire facilities. Suppliers are responsible for providing product, material, service and any raw material certifications to meet all Southwire current requirements, specifications and drawings as identified on or referenced in the purchasing document, national contract, this Supplier Sustainability Manual (SSM) and other Southwire documentation as agreed to with Supplier.

### **3.4 Supplier Performance Monitoring**

At Southwire's discretion, Supplier will be monitored and evaluated on a quarterly basis as defined by the Southwire Score Card (SSC).

A score will be issued and communicated to Supplier on a quarterly basis in the form of an SSC. If applicable, the SSC may also outline the action(s) necessary to address any deficiencies. Review of Supplier's scores, performance, future business plans, competitive pricing and strategy will be conducted with suppliers, as deemed necessary by Southwire. The Supplier Self-Assessment will also be used to determine Supplier's status as well as other defined criteria.

If Supplier loses its Quality Management Systems Certification, regardless of reason, will no longer be considered a highly rated supplier until a corrective action plan is developed, implemented and Certification is renewed. It is Supplier's responsibility to promptly notify Southwire if a certification is revoked or renewed.

Suppliers that do not show improvement or the willingness to improve with the assistance of Southwire may be downgraded to a lower status. As a result, Supplier could potentially lose current business and future opportunities.

Suppliers receiving a low rating will be expected to provide a satisfactory corrective action plan, and whenever possible, Southwire will *not* buy from a low rated supplier and will search for alternate sources immediately. Southwire will work with a willing supplier to help provide any necessary assistance to help resolve the problem(s) upon request of the Supplier or at Southwire's discretion. However, if Supplier does not meet Southwire improvement requirements in a reasonable amount of time may be removed altogether from the Southwire Supplier Database.



Supplier rating is a key indicator of the effectiveness of Supplier's management systems. A highly rated supplier gains the benefit of having opportunities for forthcoming projects, while a poorly rated supplier may see a reduction and/or loss in present and future business opportunities.

## **Section 4.0 – Supplier Management**

### **4.1 Quality Planning**

Suppliers should implement quality planning activities to communicate and provide timely, defect free product, material and process development. The purpose of this process is to satisfy all of Southwire's requirements through producing a quality plan that will ensure the timely and effective development of the required product, material, or service.

It does this by focusing on:

- Candid quality planning.
- Evaluation of the product, material, or service output to determine if Southwire's requirements are satisfactorily met.
- Continuous improvement of the product, material and process design systems and the overall quality planning system.
- Simultaneous design and process engineering activities
- Determination and mitigation of potential failures and risks, through mistake-proofing techniques.

### **4.2 Suppliers' Control of Their Suppliers (Tier II Control)**

Suppliers are responsible for the quality of secondary product, material and service provided or produced by their suppliers (i.e. Tier II Suppliers).

Suppliers are encouraged to require that their Tier II suppliers:

- Maintain, operate and comply with a vigorous Quality Management System that, at a minimum, is compliant with the latest version of ISO 9001 or equivalent.
- Maintain a product/material approval process that is similar to the process described in Section 4.4 of this manual.
- Meet Southwire specifications, where applicable, and that traceability is maintained to facilitate ease of recall, when required by Southwire.
- Encourage the use of Diverse Businesses.
- Establish management systems that foster responsible use of environment resources.
- Adhere to laws stated Section 11 of this manual.

With written consent, where appropriate, and at its discretion, Southwire may:

- Require the use of specific Tier II suppliers.
- Evaluate, audit and/or visit Tier II suppliers' facilities.

Supplier remains responsible for its quality performance and its Tier II suppliers' quality performance even if Southwire has provided assistance or otherwise engaged with Supplier and its Tier II suppliers.

### **4.3 Quotation Requests and Purchase Order Acknowledgments**

In the event that Southwire approaches Supplier for quote, the Request for Quotation Form (RFQ) will include the necessary information to complete the quote in its entirety. Southwire requires Supplier to





acknowledge receipt of the request and associated documentation, and the actual quote must be returned within the agreed time period in order to be considered. If the required quote is a sealed bid, it must be returned to the Purchasing Agent directly. If the bid does not contain all necessary documentation or is not clear, Supplier must contact Southwire directly.

Southwire expects to receive a sales confirmation for receipt of the Purchase Order(s) from Supplier within two working days. The Purchase Order may be accepted either by signing and returning the acknowledgement or by shipping in, whole or in part, the product, material, or service.

#### **4.4 Product/Material Approval Process**

Southwire expects Supplier to develop and maintain a product/material approval process, which will demonstrate to Southwire that Supplier is complying with design specifications and can run production efficiently while consistently satisfying Southwire's needs. Southwire may at any time request proof that Supplier has done its due diligence in ensuring that all of Southwire's needs can be met before production orders are submitted and produced.

#### **4.5 Notification to Southwire of Process/Product/System/Change**

Suppliers must notify the respective Southwire Purchasing Agent and Engineer, who will in turn involve the necessary Southwire personnel of any significantly planned changes to the design, process, specifications, material, or processing site before production is actually delivered to a Southwire facility. Southwire may request data that the product or material has not been negatively impacted by the change and that Southwire should not anticipate any negative change to its expected quality or productivity levels.

### **Section 5.0 – Process Controls**

#### **5.1 Statistical Process Controls and Process Capability**

*This section applies only to those suppliers who are manufacturers or processors.*

All suppliers should work towards demonstrating an ability to maintain processes to manufacture product in a state of statistical control during each stage of manufacture and release. Statistical techniques should be employed throughout the manufacturing process where excessive variation results in non-conformance. This must be demonstrated to ensure all start-up checks, in-process checks and final audits are being adhered to before shipment to Southwire. Supplier should make continuous improvements to processes and procedures and:

- Exhibit process control requirements as listed in the Raw Material Standard or Purchase Order, as an example, but not limited to, Statistical Process Controls (SPC).
- Demonstrate proficient application and knowledge of the process control.
- Utilize and demonstrate the process capability to assess machine fitness to produce product. Capability studies should be used during the initial stages of product introduction to assess whether or not a process and or machine is capable of meeting the specifications. A state of statistical control must be attained prior to calculation and evaluation.
- Utilize Control Charts to be used in real time, in production and as an integral part of the decision-making process.
- Apply mistake-proofing methodologies, supplier controls, preventive tool and equipment maintenance programs, and other improvements must be considered to improve processes that are not capable.

#### **5.2 Preventive and Predictive Maintenance**

*This section applies only to those suppliers who are manufacturers or processors.*



Supplier should identify key process tooling and equipment requiring preventive maintenance and provide the appropriate resources to maintain them in advance of problems occurring. Supplier's system must include:

- Scheduled maintenance activities on all key equipment, tooling, safeguards and any other equipment that would have an effect on production.
- Proper packaging and preservation of tooling resources.
- Availability of replacement parts for key equipment and manufacturing tooling.

Supplier is encouraged to develop predictive maintenance practices based on past maintenance data, which predict when the condition of equipment or tooling will wear or breakdown, so action can be taken prior to a failure. Predictive maintenance schedules should be based on a review of appropriate items, including tool wear, correlation of SPC or similar process control, data for preventive maintenance activities, important characteristics of perishable tooling and/or fluid analysis (where applicable per manufacturer's recommendations).

### **5.3 Contingency Plan**

Southwire requires suppliers to establish contingency plans that guarantee the delivery of contracted product, material, or service within the terms of the Purchase Order in the event of an emergency. Contingency plans, at a minimum, should address utility interruptions, labor shortages, key equipment failure, natural disasters and field returns. Supplier should review and update their contingency plan at least on an annual basis and send the plan or proof of review to the Vendor Management Team at [vendor.request@southwire.com](mailto:vendor.request@southwire.com).

### **5.4 Supplier Records**

Supplier must maintain adequate records of all inspections and tests for a product, material or service for five years after payment, or shorter with written approval from Southwire. Southwire may ask to review these records as part of inspection, verification and/or performance review.

## **Section 6.0 – Traceability, Identification, Packaging and Scheduling**

Supplier shall meet the traceability, identification, packaging and scheduling requirements set forth by the applicable Purchase Order, Supplier Agreement, or Master Product Supply Agreement. Unless agreed upon differently Southwire expects Supplier to ship the Purchase Order in its entirety in one shipment.

### **6.1 Product/Material Traceability**

In the event Southwire requests Supplier to provide batch/lot numbers, Supplier is required to have a batch/lot number identification system that distinguishes one lot from another when shipping material. Each batch/lot of material should be clearly identified on the material packaging, on the delivery paperwork and on Material Certifications. When required and communicated by Southwire, material batches/lots must be traceable to raw material lots as identified by Supplier's sub-suppliers. When Supplier has been notified by Purchasing that their documents must adhere to the Supplier Barcode Labelling Specification, the batch/lot number must appear on the label per the stated requirement.

Material Certifications or Certificates of Analysis (C of As) must reference the Southwire Raw Material Standard and Revision Number. Material Certifications or C of As must accompany the shipment and be included with the packing list in order to accommodate acceptance of the delivery in Receiving at Southwire



### **6.1.1 Miscellaneous Shipping Order**

On any occasion in which a supplier or contractor of services needs to remove Southwire-owned product or material from a Southwire facility for problem resolution or required services, a Miscellaneous Shipping Order (MSO) shall be created and provided to Supplier. Southwire, when applicable, will include the Return Authorization number (RMA) to accompany the MSO.

## **6.2 Identification**

Delivery identification requirements must include but are not limited to:

- A packing list detailing part number, quantity, batch/lot number (when required) and purchase order number.
- Labeled cartons.
  - All labels and characters must be legible, of adequate size, and include but are not limited to:
    1. Southwire Part Number identification and Revision Level
    2. Name of Manufacturer
    3. Job Number, Date Code [Week & Year of Manufacture (when applicable)]
    4. Southwire Purchase Order Number and corresponding line Item
    5. Description and Quantity of Parts per Carton / Bag

Any deviation from the packaging standards within this manual must first be communicated to the Southwire Purchasing Agent, who must agree to the change(s) prior to the supply of product or material.

### **6.2.1 Barcoding**

Southwire prefers to receive, inventory, issue and move its product and material using barcodes. As Southwire requires barcodes for incoming product or material, Supplier must adhere to the requirements defined on the Supplier Barcode Labeling Specification. It is Southwire's intent to ultimately have all suppliers adhere to this Specification as Southwire rolls out the barcode requirements to more Southwire locations and suppliers.

## **6.3 Packaging**

Southwire expects Supplier's packaging methods to ensure adequate and safe arrival of the product or material and facilitate safe handling and ergonomics, while marking, packing and shipping product or material set forth by Southwire and in accordance with applicable laws.

### **6.3.1 Handling and Ergonomics**

When possible or unless specified, we expect our suppliers to ship the Purchase Order in its entirety in one shipment and:

- All containers and packaging must be designed with consideration given to ergonomics and ease of part removal. Appropriate consideration must be given to unit load height restrictions, weight restrictions, carton disassembly and other requirements, which may affect ergonomics and worker safety.
- Ideally, all containers designed to allow individual manual handling should not exceed Health & Safety (H&S) requirements of 45 lbs. maximum weight, even if palletized.
- Packages that are greater than 45 lbs. in weight should be designed in such a way that they will enhance mechanical movement and discourage individual manual handling.



### **6.3.2 Pallets**

Southwire's preferred means of base packaging are wooden pallets. In order for Southwire to continue reducing its environmental footprint, we require, when pallets are used as the base packaging system that the pallets are:

- Structurally sound.
- Parallel to the corresponding side.
- Not missing boards.
- Not losing nails.
- Not distorted.
- Not containing broken boards.
- Recyclable.
- Reusable.

### **6.3.3 Contaminated Pallets and Packaging**

Along with assuring condition and quality of product or material is satisfactory, pallets received from applicable international supplier locations must be free from contamination as explained in the Master Product Supply Agreement.

### **6.3.4 Restricted Product/Materials**

All product or material, including packaging and shipping material, must comply with all applicable U.S. Federal and state regulations. Supplier will provide Southwire with a current MSDS (or SDS) for any materials that are subject to hazard communication requirements under 29 CFR 1910.1200 in advance of purchase and/or delivery to Southwire. The MSDS (or SDS) shall be in compliance with all US Occupational Safety and Health Standards and UN Globally Harmonized System of Classification and Labeling of Chemicals (GHS) requirements. Before a hazardous material (i.e. material subject to MSDS/SDS requirements) can be purchased by Southwire or used by a contractor on Southwire property, the material must be reviewed and approved by the site environmental and safety coordinators. Southwire purchasing agents will not issue a purchase order for hazardous material or on-site contractor services until this material has been approved.

## **6.4 Scheduling**

Items that Southwire and Supplier have established shipping frequencies for, will be created to ensure proper planning capability. Supplier must ship the exact quantities within the defined allowable tolerances (unless agreed differently), dates and times specified on the release.

If, for any reason, Supplier is unable to meet the communicated schedule, Supplier must (i) promptly notify Southwire Purchasing personnel and the Materials Management Manager at that location and (ii) receive written authorization from Southwire for any under-shipment or late shipment.

Supplier may be required to make up all under-shipments via supplier paid premium transportation on Southwire authorized carriers to meet the originally scheduled destination window.

Supplier is solely responsible for supplier-caused premium transportation or transportation costs for product or material returned due to early and/or over-shipment.



#### **6.4.1 Consignment**

In the event Southwire asks Supplier to provide product or material on consignment, the product or material must be stored within Southwire facilities until such time the product or material is required. Payment terms for consignment purchases must be agreed upon by Southwire and Supplier prior to implementing a consignment program.

### **Section 7.0 – Non-Conforming Product/ Material Control and Corrective Action**

#### **7.1 Advanced Notification of Shipment of Suspect Material**

If and when Supplier detects non-conforming product or material prior to shipment to Southwire, Supplier must promptly determine the extent of the problem and take immediate corrective action. If suspect product or material is inadvertently released to ship or is first discovered after shipment, Supplier must promptly notify the Quality Manager at the receiving facility, as well as the Purchasing Agent, and identify the non-conforming shipment of product or material and the suspect condition.

As an option, Supplier may request a deviation by completing a Supplier Deviation Request (QPD74021) and forwarding it to the Quality Manager at the receiving facility and Purchasing Agent for approval prior to receipt of product or material at Southwire. Southwire is not obligated to accept the proposed deviation. Upon prior notification and where practical, the suspect product or material will be held at the Southwire facility and returned to Supplier for corrective action.

#### **7.2 Supplier Rejections**

Any product or material found to be out of specification will be rejected and subjected to a Material Review Board (MRB) meeting for corrective action. In all cases, issues found will be documented on a SCAR and forwarded to Supplier.

Supplier is expected to undertake all necessary steps to ensure that the non-conforming product or material is contained immediately and that Southwire receives correct replacement product or material to fulfill the original Purchase Order requirements as agreed upon by the Purchasing Agent.

#### **7.3 Product and Material Return to Supplier**

If Southwire rejects the product or material, Supplier will be given the option to have Southwire scrap or return the product or material. In either event, related charges will be subjected and detailed in section 7.5.

#### **7.4 Supplier Corrective Action Request (SCAR)**

Southwire may issue a SCAR for a variety of reasons, including:

- Non-conforming product or material discovered at Southwire or at Southwire's customer's facility.
- Habitual late deliveries.
- Continual over/under shipments.
- Incorrect product/material delivered.
- Inadequate or incorrect containers/packaging received.
- Lack of shipping and/or certification paperwork.
- Lack of timely response to corrective actions.



If Supplier receives a SCAR, Supplier must promptly identify the root cause(s) of the identified problem and implement a corrective action in order to prevent recurrence of the identified problem, including preventive measures to avoid the same problem from occurring in the next delivery of product or material.

Supplier must complete and return the SCAR within 30 days or the specified time as recorded on the SCAR. Southwire may grant extension requests for good cause as demonstrated by Supplier.

Southwire shall promptly notify Supplier if any aspect of the SCAR response is not acceptable. Southwire will not accept a SCAR response if it believes the likelihood of recurrence has not been eliminated or significantly reduced. Failure to effectively respond to a SCAR in a timely manner may adversely affect current and future business and may lower the status of Supplier.

### **7.5 Accountability and Cost of Quality**

Suppliers are selected based on their ability to provide defect-free product and material on-time, product knowledge, manufacturing expertise, and responsive and proactive customer support that is cost-effective. Suppliers are accountable and responsible for all costs by Southwire as the result of Supplier's delivery of out-of-specification or otherwise defective, product or material. Southwire may seek cost compensation for any fees and costs associated with the late deliveries and deficiencies of defective product and material.

All costs are calculated using standard man-hour labor rates established by Southwire. Appropriate credits are issued to Supplier through the Accounting Department in cooperation with Purchasing.

## **Section 8.0 – Supplier Invoicing**

Southwire pays based on the information and terms on the Purchase Order. The invoice must follow the Purchase Order exactly. Shipment against a Purchase Order is deemed acceptance of the Terms and Conditions on the Purchase Order. Supplier must notify the Purchasing Agent of any changes or discrepancies prior to shipment, so a corrected Purchase Order can be issued.

### **8.1 Invoicing Detail**

In order to expedite the review, approval and payment process, Southwire requires all suppliers to submit invoices that include (where applicable):

- Southwire Purchase Order Number.
- Southwire Assigned Vendor Number.
- Invoice Date.
- Invoice Number.
- Quantity Shipped.
- Purchase Order Unit of Measure.
- Unit Price and Extended Price.
- Total Tax Amounts.
- Discount Due Date and Amount.
- Purchase Order Payment Terms.
- Purchase Order Product/Material Description and/or Southwire Material Number.
- Purchase Order Line Item Number.
- Supplier Bill to Address and AR Contact Details.
- Southwire Delivery Address.



## **8.2 Bill to Address**

Southwire requires all domestic invoices and concerns regarding invoices to be directed to:

Email: [Accounts.Payable@Southwire.com](mailto:Accounts.Payable@Southwire.com)

Telephone: 1-800-444-2900

International invoices:

Email: [Intlap@Southwire.com](mailto:Intlap@Southwire.com)

Telephone: 1-800-444-2900

**SOUTHWIRE**  
Southwire Company  
PO Box 4000  
Carrollton, GA 30112

## **Section 9.0 – Environmental, Health & Safety**

Southwire encourages Supplier to position action programs in place as responsible stewards of the environment, and at a minimum, Southwire expects Supplier to:

- Provide safe working conditions for all employees, contractors, vendors and customers.
- Adhere to all applicable Federal/National, State/Regional and Local laws, regulations governing Environment, Health and Safety (EH&S) and Employment.
- Minimize the environmental impact of their operation.
- Limit use of natural resources and promote sustainable natural resource practices.
- Expect and communicate these EH&S requirements to their suppliers.

### **9.1 Responsible Environmental Management**

Southwire requires, when feasible, Supplier to report product structure, material and substance information for existing and new product or material before initial product and material delivery. Suppliers should report the hazardous constituent content of all product and material sold to Southwire in writing associated with each shipment in accordance with US OSHA Hazard Communication requirements. Suppliers must report the REACH and RoHS compliance status and, when applicable, meet all California Proposition 65 notification requirements for all product and material sold to Southwire.

Suppliers are further encouraged to have implemented a comprehensive environmental management system. Southwire may choose to make this a requirement for certain suppliers, as deemed necessary by Southwire. Compliance and/or certification to ISO 14001 is preferred but not required at this time.

#### **9.1.1 Environmental Policy**

Suppliers should have an environmental policy:

- That management defines and endorses the policy.
- That is relevant to the activities, product, material and service of the organization.
- That shows commitment to continual improvement and prevention of pollution.



- That should be documented, communicated to all employees and readily available to the public.

### **9.1.2 Environmental Goals and Plans to Improve**

Suppliers should also have annual goals, and plans to achieve these goals, that support the Environmental Policy, such as:

- Reducing water use.
- Reducing energy use.
- Reducing pollution.
- Reducing the packaging associated with your product and material, while ensuring safe and secure delivery.
- Reducing the concentration and/or toxicity of the ingredients in your product and material.
- Other goals to appropriate to the organization and supportive of the Environmental Policy.

## **9.2 Responsible Safety Management**

Southwire strongly encourages its suppliers to maintain a comprehensive health and safety management system that implements safe working practices, controls occupational hazards and risks and prevents workplace injuries and illnesses.

In addition, Southwire advocates work environments that foster employees' health and safety awareness through education, training and the promotion of a healthy life style.

Contractors providing frequent service on Southwire premises or categories for work that have been identified to have a health and safety risk may be required to enroll in ISNetworld via [www.isnetworld.com](http://www.isnetworld.com).

## **Section 10.0 – Diversity**

Southwire supports the development, utilization and growth of Diverse Businesses. We expect all of our suppliers to do the same.

Southwire will expect suppliers to develop and submit Supplier Diversity Performance Plans. Supplier will be given an advanced written notification along with ample amount of time to develop requested material.

## **Section 11.0 – Ethics**

### **11.1 Conflict Minerals**

Supplier is expected to ensure that the product, and material supplied to Southwire are Democratic Republic of Congo (DRC) conflict-free [do not contain metals derived from “conflict minerals”; columbite-tantalite (tantalum), cassiterite (tin), gold, wolframite (tungsten), or their derivatives such that they do not directly or indirectly finance or benefit armed groups through mining or mineral trading in the Democratic Republic of the Congo or an adjoining country]. Supplier is expected to establish policies, due diligence frameworks and management systems, that are designed to accomplish this goal.





### **11.2 Business Conduct**

We fully expect all suppliers, whether domestic or international, to abide by their local, state/region and federal/national laws, rules, regulations, and similar requirements regarding working conditions, child labor, hiring practices, and any compliance requirements set forth in the terms and conditions of purchase documents (including purchase orders), national contracts, blanket orders, specified warranty agreements, or any requirements set forth in Southwire's engineering drawings, standards, or specifications.

### **11.3 Conflict of Interest**

Supplier must disclose any potential conflicts of interest to Southwire for review prior to entering into any business transaction. A conflict of interest exists any time there is a choice between a personal interest (financial or otherwise) and the interests of Southwire. A conflict may arise with suppliers that employ or are partially or fully controlled by a Southwire employee or family member. Suppliers, their employees or their family members cannot receive improper benefits through the relationship with Southwire or allow other activities to conflict with acting in the best interests of Southwire.

### **11.3 Gifts and Entertainment**

Suppliers must not give any personal fees, gifts, favors, other compensation or business courtesies that are intended to influence, or appear to influence, a business decision. Southwire maintains high standards in this regard and is sensitive to even the appearance of improprieties. Suppliers failing to observe this guidance could be disqualified from conducting business with Southwire. Suppliers must not:

- Provide gifts, meals, or entertainment in violation of Southwire's standards for the receipt of such by its employees. Meals and entertainment must be related to a business purpose and a representative from Supplier must be present.
- Offer gifts of cash or cash equivalents, such as gift cards, securities in a company, or personal loans, which are prohibited.

### **11.4 Fraud**

Suppliers must not willfully conspire to deceive during the course of business with Southwire:

- Suppliers must guarantee that all merchandise sold to Southwire does not infringe on any patent, trademark, or copyright and will provide, upon request, all necessary licenses.
- Suppliers must ensure that all merchandise is accurately marked or labeled with its country of origin and other labeling information in compliance with the laws of the country in which the merchandise was manufactured and the countries in which the merchandise will be sold.
- Suppliers must ensure that all timecards, payroll and overtime documentation and other records at the facility accurately reflect manufacturing conditions at the facility.
- Supplier providing fraudulent documentation, or statements with a willful intent to deceive will be in direct violation of these standards.



### **11.5 Questions or Concerns**

Suppliers, their employees, or their subcontractors must report any questionable behavior by Southwire employees or suppliers. Fraudulent financial reporting, misappropriation of assets, corruption and other fraud related malfeasance, illegal activity, fiscal waste or abuse, or other suspected violations by any party may be reported by contacting Southwire's Ethics Hotline at 1-833-380-8820.

### **11.6 Whistleblower Protections and No Retaliation**

Southwire's Anti-Retaliation Policy prohibits retaliation in any form against a person for reporting a compliance or ethical issue or for any other reason. Southwire's goal is to have a work environment where employees and suppliers feel safe to report issues without fear of retaliation or retribution. Southwire expects its suppliers to protect an individual's right to report misconduct or noncompliance with regulations or other ethical issues.

| Revision Date  | Revision Description |
|----------------|----------------------|
| March 27, 2014 | New Release          |



### **Definitions:**

1. Certificate of Analysis - An authenticated document, issued by an appropriate authority,
2. Cpk – Statistical measurements of the process capability in terms of its design specifications (limits) and performance (variability). Used in quality control, CpK takes into account both accuracy (centering) and precision (dispersion) and helps determine the cause of failures and the need for changes in the product design, tooling, or the manufacturing process.
3. Diverse businesses – Businesses that are small, historically utilized business (HUB) zone, woman-, minority-, and veterans- owned and operated (As defined by Southwire)
4. Lean Manufacturing – Doing more with less by employing 'lean thinking.' Lean manufacturing involves never ending efforts to eliminate or reduce 'muda' (Japanese for waste or any activity that consumes resources without adding value) in design, manufacturing, distribution, and customer service processes.
5. Material – The matter from which something can be made. Material can include but is not limited to raw and processed material, components, parts, assemblies, sub-assemblies, fuels, lubricants, coolants, cleaning agents, and small tools and accessories that may be consumed directly or indirectly.
6. Pre-Qualification Form – A form used to determine if a supplier is qualified to conduct business with Southwire (As defined by Southwire)
7. Process/System – Sequence of interdependent and linked procedures which, at every stage, consume one or more resources (employee time, energy, machines, money) to convert inputs (data, material, parts, etc.) into outputs.
8. Product – A good, idea, method, information, object or service created as a result of a process and serves a need or satisfies a want. It has a combination of tangible and intangible attributes (benefits, features, functions, uses) that a seller offers a buyer for purchase.
9. Purchasing Agent – Administrator who assists in selection and purchase of goods and services by gathering and screening information about products, prices, and suppliers. He or she may also solicit bids from vendors and make awards of purchasing contracts. (Buyer)
10. Quality Management System - A system by which an organization aims to reduce and eventually eliminate non-conformance to specifications, standards, and customer expectations in the most cost effective and efficient manner
11. Six Sigma – Originally developed in 1986 by Motorola, the business management strategy is now used in many different industries in an effort to improve the quality of products or services produced by the business through the removal of defects and errors. The strategy



involves creating groups of people within the business or organization who have expert status in various methods, and then each project is carried out according to a set of steps in an effort to reach specific financial milestones.

12. Statistical Process Control – Application of statistical methods and procedures (such as control charts) to analyse the inherent variability of a process or its outputs to achieve and maintain a state of statistical control, and to improve the process capability.
13. Supplier Database – is a large databank for all of Southwire’s direct suppliers (As defined by Southwire).
14. Supplier Self-Assessment Form – A form used to evaluate a supplier based on responses to the form (As defined by Southwire).
15. Tier II Suppliers – a supplier for Southwire’s Tier I direct supplier (As defined by Southwire).

Works Cited Upon Request



## Acknowledgement


By signing this acknowledgement, Supplier has read, understands, and will fulfill Southwire's expectations and requirements for suppliers as set forth in this Global Supplier Sustainability manual.

|   |   |               |
|---|---|---------------|
| _____<br>Company Name                             | _____<br>Signature & Title                        | _____<br>Date |
| <b>Southwire Company</b><br>_____<br>Company Name | _____<br>Kurt Hennelly<br>EVP, Strategic Sourcing | _____<br>Date |



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| Company Name                             | Signature & Title   | Date                  |
|--|---|-----------------------|
| <u>Southwire Company</u><br>Company Name | <br>Kurt Hennelly<br>EVP, Strategic Sourcing | <u>2/9/15</u><br>Date |