



# 2022 ESG Report



This report contains various forward-looking statements and information that are based on management's belief as well as assumptions made by and information currently available to management. Although Encore Wire believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Such statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected. All data and policies discussed in this report are relevant to Encore Wire, both as a single-site campus and as an enterprise-level organization.

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# About this Report

This report summarizes Encore Wire's sustainability progress and commitment to managing Environmental, Social, and Governance (ESG) factors. We are committed to doing the right thing and focusing on our core values of professionalism, stewardship, and service. We also understand the importance of documenting our initiatives to show transparency and accountability in our efforts. We support the call for standardization of ESG reporting, and as such, we have provided our response at the end of this report to the Sustainability Accounting Standards Board (SASB) disclosure for the Electrical & Electronic Equipment Industry.

# Message from Executive Leadership

Sustainability is a vital part of Encore Wire's rich history and long-term commitment to our community. Our corporate culture, which is grounded in efficiency, rigorous cost management, and unparalleled customer service, has provided us the opportunity to grow into a leader in our industry. Our environmental, social, and governance (ESG) initiatives over the past decade, from our Zero Waste initiative to our Target Zero safety initiative to our deep-rooted culture of 'doing the right thing,' have allowed us to produce and deliver innovative, high-quality products to our customers.

The results of our initiatives and experience have demonstrated that responsible ESG and sustainability performance are fundamental to the future health of our company. In 2022, we formalized an ESG strategy that encapsulates our existing sustainability practices and sets goals for additional prioritized areas of focus. The following are some of our key achievements from this process:

- Conducted a Materiality Assessment and identified and prioritized our material ESG topics
- Developed a strategy for our high priority topics with specific goals, objectives, and plans for measuring our progress
- Published our first formal ESG Report outlining our ESG achievements to date and our plans for our future progress

These accomplishments have formalized our commitment to sustainability.

For 33 years, our innovative spirit and commitment to excellence have raised the level of expectations for our customers. We are dedicated to upholding this high standard and continuing to improve our position as a sustainable and responsible company in our industry.



**Daniel L. Jones**

Chairman, President, and CEO



**Bret J. Eckert**

Executive Vice President and CFO

# Executive Summary

Encore Wire is committed to effectively managing ESG within our business strategy and decision-making not only because we believe it is the right thing to do, but also because it enables us to better serve our stakeholders and community long term. Integrating ESG into our corporate strategy strengthens our performance and resilience now and into the future.

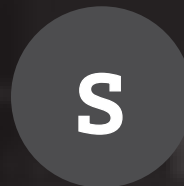
Our rich history of 100% organic growth continued in earnest in 2022. We opened Plant 7, our repurposed distribution center, adding over 400,000 square feet of manufacturing capacity. Our business remains strong, and we are increasing our leadership position as a key manufacturer in the transition to cleaner energy sources. We are continuously working to improve our business and incorporating our ESG Strategy is an exciting step in our sustainability journey.

Encore Wire has collaborated with stakeholders and experts to create a strategy that builds on our values, our history of good corporate citizenship, and our management of ESG risks and opportunities. This strategy identifies five focus areas where we believe we can have the most impact. We have developed goals, objectives, and detailed work plans for tracking our performance, and will continue to search for ways to enhance our performance.



## Environmental

Our commitment to the management of our environmental impacts



## Social

Our relationship and reputation with stakeholders and communities



## Governance

Our internal system of practices, controls, and procedures for corporate governance





# About Encore Wire

## From Humble Beginnings, Creating a Bright Future

Encore Wire began its legacy in 1989 as a 68,000 square-foot industrial warehouse building in McKinney, Texas. With the support and dedication of our employees, customers, and community, we have grown to over 3 million square feet under roof, currently situated on approximately 200 acres of our 460-acre campus. Today, Encore Wire is a leading manufacturer of a broad range of copper and aluminum electrical wire and cables, supplying power generation and distribution solutions to meet our customers' needs today and in the future. The Company focuses on maintaining a low cost of production while providing exceptional customer service, quickly shipping complete orders coast to coast. Our products are proudly made in America at our vertically integrated, single-site Texas campus. The principal customers for Encore Wire's products are wholesale electrical distributors who sell building wire and a variety of other products to electrical contractors.



### 1989

Founded in McKinney, TX in a 68,000 sq. ft. industrial warehouse

### 1994

Encore Wire expands its product line into commercial wire; adds Plant 2; Secondary Public Offering

### 1998

Added Copper Rod Mill

### 2001

Encore Wire expands its product line again; adds Plant 3, Circuit Wire

### 2006

Encore Wire grows again; adds Plant 4, Armored Cable

### 2008

Adds Plant 5, Industrial Wire

### 2012

Adds Plant 6 and introduces Aluminum Building wire to its product line

### 2016

Encore Wire expands its Armored Cable plant for a total of 321,000 sq. ft.

### 2022

The previous Distribution Center is converted to Plant 7, a Commercial and Industrial plant at 460,000 sq. ft.

The state-of-the-art Employee Center opens, incorporating Encore Wire's on-site medical clinic, recruiting and training departments, as well as an employee gym

### 1992

Initial Public Offering; NASDAQ: WIRE

### 1997

Added Distribution Center

### 1999

Added Plastic Mill

### 2004

Encore Wire expands its Distribution Center to 420,000 sq. ft. and adds railroad track/system

### 2007

Corporate headquarters

### 2010

Encore TechLab is born! The LEED® Platinum Certified R&D Center is the first of its kind in North Texas

### 2014

Encore Wire expands its aluminum plant for a total of 452,000 sq. ft.

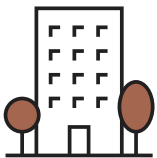
### 2021

Encore Wire builds a new Service Center at 720,000 sq. ft., almost double the size of the previous facility



Encore Wire operates from a single campus in McKinney, Texas, and manages all corporate activities, including sales, manufacturing, inventory, logistics, and delivery from this campus. This single-site campus advantage allows us unparalleled operational flexibility.

## Encore Wire at a glance



**Single Site  
Campus**  
MCKINNEY, TEXAS



**\$36.91**  
EARNINGS  
PER SHARE



**1,682**  
ENCORE WIRE  
EMPLOYEES



**\$717.8**  
MILLION  
NET INCOME



## Our Values Drive Everything We Do

### A company founded on Faith, Family, and Work

Even though we're an industry-leading public company, our culture is grounded in old-fashioned values. Accountability, trust, and loyalty are imprinted in our DNA. We train our employees to do the right thing, regardless of the circumstances.

Encore Wire is highly focused on responding to customer needs, with an emphasis on building and nurturing strong customer relationships. We seek to establish customer loyalty by targeting an industry-leading order fill rate and rapidly handling customer orders, shipments, inquiries and, when appropriate, returns.

## Service

Seize every opportunity to serve

Demonstrate 100% positive attitude

We're better together

## Professionalism

Represent Encore Wire with integrity & class

Be prepared

Live by the Golden Rule

## Stewardship

Actively ensure safety

Take pride in your work & your workplace

Pay attention to detail



## ESG at Encore Wire

**At Encore Wire, we have a rich history of ‘doing the right thing’ – whether it comes to the environment, our employees, the community, or the way we conduct our business.**

We believe that responsible ESG management has a positive influence on our long-term business resilience and performance. We are committed to managing our ESG priorities because we believe that it will improve our risk management systems, create a competitive advantage, and address stakeholder concerns. Now more than ever, understanding the risks and opportunities that go along with our changing world is crucial to our continued long-term business success.

We have thoughtfully considered these risks and opportunities and what they might mean for our business. From an environmental standpoint, future deterioration of the environment due to climate change or increased severe weather-related events associated with climate change could affect both our operations and the

operations of our suppliers and customers. Encore Wire could experience disruptions or limitations to water or power access. Our suppliers may face similar challenges, which could impact our supply chain. Demand for our products may be impacted regionally as local climates adapt to global environmental changes.

However, the global transition to a low carbon society also provides significant opportunities for our business. As a company, we are well positioned to respond to increasing demand resulting from the impending transition to a sustainable economy, and we are playing an important role in electrifying the future. Our products distribute power from the transmission grid to the wall outlet or switch, and everything in between. We see increasing focus on ESG as an opportunity for Encore Wire to solidify our position as an industry leader, and our strategy was designed to effectively manage our ESG risks and opportunities.

## Stakeholder Outreach and Materiality Assessment

Encore Wire's ESG strategy accounts for our stakeholders' input and sets the path for future projects and capital plans with lasting influence and impact, enabling us to maximize our long-term value.

In 2022, we conducted a Materiality Assessment by engaging with internal and external stakeholders on the ESG risks and opportunities that they consider to be most impactful to our business. The results of this assessment established the context, justification, and purpose for our ESG strategy.

The ESG Priorities Matrix below displays the results of our Materiality Assessment, combining the findings of our stakeholder outreach with internal and third-party expertise, and industry research.

Our Materiality Assessment is based on Global Report Initiative's (GRI) methodology that consists of four steps:

1. Understand the organization's context
2. Identify actual and potential impacts
3. Assess the significance of the impacts
4. Prioritize the most significant impacts for reporting

GRI's first three steps consider the business' impacts in everyday activities and how those can be translated to ESG topics. In Encore Wire's assessment, internal and external stakeholders and experts were interviewed about ESG and how it relates to current operations and future plans. For step four, we took the ESG topics that were identified during previous steps and prioritized them. This resulted in a final list of material ESG topics that we intend to update on an annual basis. The Encore Wire Materiality Assessment was conducted as an in-person workshop with key stakeholders in attendance at our McKinney, Texas campus.



The materiality matrix measures our impact on each topic versus the relative impact each topic has on our value. The relative positioning of each topic is based on stakeholder engagement during the Materiality Assessment. The list of priority issues contained within this Materiality Assessment is not exhaustive of all of Encore Wire's risks and opportunities. This analysis is subject to change and will be updated as needed to reflect the state of our current business.

## ESG Strategy Development

Following the Materiality Assessment, we established focus areas based on the topic prioritization. Within each of these focus areas, we have clearly identified and set high-level goals, objectives, and an implementation plan with measurable targets for tracking our progress on goal achievement.

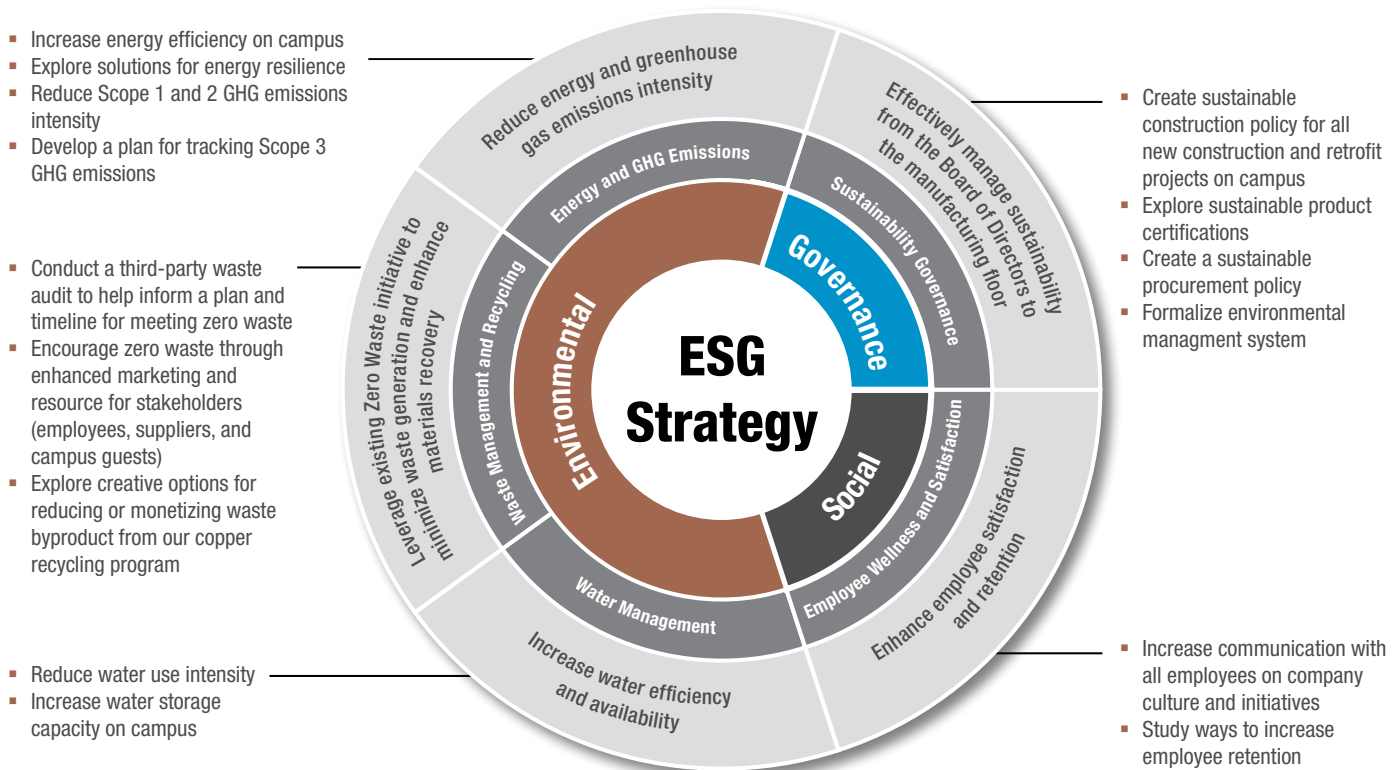
## ESG Governance Framework

The Encore Wire Board of Directors (the “Board”) established the Sustainability Committee in 2021 to assist the Board in its oversight of environmental and social strategy, risks, and risk mitigation. The committee is comprised of our independent directors, and have board responsibility and oversight. The Sustainability Committee provides oversight of the executive management of Encore Wire related to:

- Guiding the creation of Encore Wire’s general ESG Strategy, as well as developing, implementing, and monitoring initiatives and policies at Encore Wire based on that strategy
- Overseeing communications with investors and other stakeholders of Encore Wire with respect to ESG matters
- Providing efficient and timely disclosure of ESG matters to internal and external stakeholders.

The Sustainability Committee is guiding our ESG Strategy by considering current and emerging ESG trends that may affect Encore Wire’s operations, performance, or public image. This committee’s responsibility is to provide oversight and make recommendations on how our policies, practices, and disclosures can be improved.

To provide structure to the ESG Strategy, a tracking tool has been implemented to monitor progress towards the goals outlined later in this report. This tool will be continually updated and progress will be reported in subsequent ESG Reports.



# Environment: Reducing Our Impact

As a leader in our industry, we recognize that our activities have an impact on the environment. That's why we continually examine our processes and products to identify changes that will improve our campus, our home in McKinney, Texas, and the overall environment. We are committed to promoting environmental awareness, minimizing our impact, and protecting the environment. For more information, see our [Global Environmental Policy](#).



Our Zero Waste initiative has recycled millions of pounds of non-manufacturing related material since its creation in 2016. In 2022, we recycled over 4 million pounds of wood, over 1 million pounds of cardboard, 190 thousand pounds of shrink-wrap, and over 78 thousand pounds of plastic or aluminum bottles and cans.

We attempt to recycle all reels and cradle pallets used to ship our products. We receive scrap reels from jobsites and used cradle pallets via freight, all of which are repaired or recycled for reuse by a local supplier. Shipping materials that are damaged beyond repair are used for compost. In 2022, we repaired nearly 14,000 damaged reels.

**In 2022, we recycled 81% of total waste generated on campus.**

We recycle 100% of on-site copper scrap.

## Waste Management and Recycling

### Why it Matters

As an industrial manufacturer, Encore Wire recognizes the advantages of effectively managing waste and recycling process materials as much as possible. We pride ourselves on our low-cost production capabilities that are in part due to the resource use efficiency of our manufacturing processes. We manage several recycling programs that keep a significant amount of manufacturing byproduct out of landfills as we seek to minimize waste as part of our broader environmental management system.

## Our Goals

On a day-to-day operational basis, we incorporate progressive recycle-and-reuse programs, along with waste-reduction practices. In 2016 we created our Zero Waste initiative and since then have made significant progress in reducing our waste streams.

Our goal is to leverage our existing Zero Waste initiative to minimize waste generation and enhance materials recovery. We plan to do this by:

- Conducting a third-party waste audit of current practices against Encore Wire's Zero Waste initiative to help inform a plan and timeline for meeting zero waste
- Encouraging zero waste through enhanced marketing and resources for stakeholders (employees, suppliers, and campus guests)
- Exploring creative options for reducing or monetizing waste byproduct from our copper recycling program.



## Materials Recovery

Copper scrap generated on-site from the manufacturing of copper rod and finished product is collected, recycled, and reused to make new copper rod. Additionally, our Scrap Purchase Program allows us to purchase insulated wire and bare copper to be reclaimed through a chopping process. All copper products that are bought undergo rigorous testing to guarantee the quality of the copper and to maintain the quality in our finished products. We exhaust all efforts to make sure that no other metals have been mixed in with the copper, assuring that the final product is of the highest quality. Gaylord Boxes, which are used to collect and ship repurchased copper wire back to us, are also recycled.

We attempt to recycle all reels and cradle pallets used to ship our products. We receive scrap reels from jobsites and used cradle pallets via freight, which are repaired or recycled for reuse by a local supplier. Shipping materials that are damaged beyond repair are used for compost.

Polyvinyl chloride (PVC) reclaimed from our production lines is sold to companies who use it to manufacture handles, covers, matting, hoses, lawn edging, and other outdoor landscape products. All our PVC jacketing is lead-free and Restriction of Hazardous Substances Directive (RoHS) compliant. RoHS regulations limit or ban specific substances, such as hexavalent chromium, polybrominated biphenyl (PBB), lead, cadmium, mercury, and polybrominated diphenyl (PBDE) flame retardants in new electronic and electric equipment. Encore Wire products comply with the RoHS and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations.

## Minimizing Waste Generation

In order to substantially reduce the amount of emulsion waste that is shipped offsite, we have installed two evaporators on campus. Emulsion wastes are created during metal cutting processes and are becoming increasingly expensive to discard. Evaporators separate clean distilled water from the oils, so that only the oils must be disposed of, drastically reducing the amount of waste produced that must be shipped offsite and reducing our environmental impact.

**Our products comply with the Restriction of Hazardous Substances Directive that limits or bans specific substances such as hexavalent chromium, polybrominated biphenyl, lead, cadmium, mercury, and polybrominated diphenyl flame retardants in new electronic and electric equipment.**



## Water Management

### Why it Matters

Encore Wire recognizes that water is a precious resource and that access to safe water and sanitation is essential to the health of our communities. We believe access to clean, fresh water is a human right, and we actively implement systems and management programs to minimize local use and mitigate unintentional discharge.

Water is a particularly limited resource in North Texas as this region is affected by droughts. Increasing the efficiency of water usage in the manufacturing process will help Encore Wire reduce risk of water shortage and enhance our water resilience.

### Reducing water use intensity

We have planted drought-resistant plants on our campus to conserve water usage and will continue to make the transition to fully drought-resistant, native plants for our new landscaping. This reduces the amount of water we use on the non-essential aspects of our campus, while still enhancing the campus atmosphere.

### Sourcing water on-site

We source most of our water on-site using our campus well. This provides water access for use in our manufacturing processes and helps alleviate stress on municipal water supplies.

### Our Goals

Our goal is to increase water efficiency and availability.

We plan to do this by:

- Reducing water use intensity
- Increasing water storage capacity on campus

These steps will make our manufacturing processes more efficient and help to mitigate risks associated with water availability and water demand.

**In 2022, 85% of our water usage was sourced from our campus well.**

**We have reduced irrigation water consumption by 50% with our native, drought-tolerant landscape.**

## Wastewater Management

Discharges of process wastewaters to the municipal water district are in accordance with local sewer ordinances and permit. At our rod mill, we installed a caster water recycle/reuse system to eliminate discharges to the municipal wastewater treatment system. This “zero discharge” process is part of the facility’s wastewater permit.

### Rainwater capture

Our Leadership in Energy and Environmental Design (LEED) Platinum certified Research and Development Center collects storm water and runoff in a 35,000-gallon tank to be used to water our landscape.



## Sustainable Construction

### Why it Matters

Construction of buildings and infrastructure has a large impact on the environment. Sustainable building and retrofitting technologies that were once considered cutting edge are now becoming standard. Encore Wire's single-campus model presents the opportunity to retrofit and repurpose existing buildings and to scale sustainable construction practices company-wide. Incorporating sustainability into construction and retrofit decisions helps Encore Wire effectively manage the environmental impact of enduring infrastructure.

### Our Goals

We are in the process of creating a sustainable construction policy to be immediately incorporated into new construction and building retrofits. As part of this process, we are evaluating sustainable construction practices with third-party experts and various sustainable building certifications for elements to incorporate. These include:

- Minimizing energy consumption through installation of efficient building envelope, heating, ventilation, and air conditioning (HVAC), and light-emitting diode (LED) lighting and fixtures
- Reducing water consumption through the installation of rainwater capture infrastructure
- Prioritizing local sourcing and vendors where possible
- Considering process design for efficient movement of product across the production process.

Our target is to incorporate the new sustainable construction policy into new construction and retrofits by the end of 2023.



**100% of new construction and retrofits will follow our new sustainable construction policy once finalized in 2023.**

**In 2010, the Encore TechLab® became the first LEED Platinum certified Research and Development center in North Texas.**

### Building Retrofits

In 2022, we completed two building retrofit projects on our campus. We converted the previous Distribution Center into Plant 7, a commercial and industrial plant. We also repurposed an old manufacturing plant into our beautiful new multi-purpose Employee Center. This building is home to some of our employee benefits including our on-site medical clinic and employee fitness center. Additionally, we kept a portion of the original manufacturing floor for hands-on employee training. Even though retrofitting these buildings was the more expensive option, we chose this option to avoid the environmental impacts associated with total demolition and construction of new infrastructure.



## LEED Platinum Encore TechLab®

In 2010, the Encore TechLab® became the first LEED Platinum certified Research and Development center in North Texas. This state-of-the-art facility was thoughtfully constructed with recycled materials and Forest Stewardship Council (FSC) certified woods produced from 100% rapidly renewable Bamboo grasses. During the construction process, we utilized low-VOC adhesives, sealants, paints, carpets and composite wood to maintain a green indoor environment. In addition to its environmentally-friendly bamboo furniture and terrazzo flooring, made entirely of recycled materials, the TechLab® also utilizes an abundance of natural light due to the use of glass in the exterior design. Preferred parking spaces for fuel-efficient and low-emission vehicles are available in the parking lot of the Encore TechLab®. Drought-resistant plants were utilized in the design and installation of the site landscape in order to conserve water usage.

Finally, and most notably, the Encore TechLab® utilizes roof-mounted solar collectors for the building's electrical power and hot water generation to meet the requirement for on-site renewable energy. These collectors are powered by Encore's own SmartSun® photovoltaic wire. We lead by example by using our renewable energy products that help in the energy transition from fossil fuels to renewable energy.

## Energy and GHG Emissions

### Why it Matters

Copper is a key component of some of the world's most important decarbonization solutions. Because of copper's electrical conductivity and low reactivity, it is a critical input for electrical vehicles, solar power, wind power, batteries for energy storage, and renewable energy distribution infrastructure. These decarbonization solutions will continue to be critical to society and Encore Wire is well-positioned as a key supplier.

As we continue to expand operations to meet the demand of the energy transition, we recognize that manufacturing this wire and cable can be an energy-intensive process. We are committed to continually find ways to make our operations and manufacturing process more energy efficient and resilient.

### Encore Wire's GHG emissions in 2022:

**Scope 1 (direct): 19,843**

**Scope 2 (indirect): 50,217 (location-based)**

**In metric tonnes of carbon dioxide equivalent.**



## Our Goals

Our goal is to reduce energy and greenhouse gas (GHG) emissions intensity. Our objectives are to:

- Continue increasing energy efficiency on campus
  - Monitoring energy and setting a target for reducing energy intensity will help Encore Wire increase energy efficiency on campus.
- Explore solutions for energy resilience
  - Avoiding power blips could help save Encore Wire time, money, and materials. We are exploring options for self-generated power, controlling continuity of power flow to machines, and other potential solutions.
- Reduce Scope 1 and Scope 2 GHG emissions intensity
  - GHG emissions-intensity metrics normalize emissions based on a specified unit (e.g., products, revenue), allowing Encore Wire to manage GHG emissions while expanding operations.
- Track Scope 3 GHG emissions
  - Developing a Scope 3 inventory will help Encore Wire understand the company's value chain GHG emissions and where reduction opportunities are possible.

We have conducted a baseline of our emissions footprint and have engaged with a third party to establish quantitative energy intensity and GHG emissions intensity targets by 2024.



## GreenConnect™ Products

Our products distribute power from the transmission grid to the wall outlet or switch, and everything in between. **GreenConnect™** is our suite of products that provide power generation and distribution solutions for Solar, Electric Vehicle Charging (EV), Battery Storage, Wind, and Utility Transmission.

## Air Emissions Control Systems

Encore Wire currently does not meet the minimum threshold required to report greenhouse gas (GHG) emissions under EPA's GHG Reporting Program, but we have implemented air emissions control systems into our manufacturing processes to mitigate Scope 1 emissions.

Our Baghouse Filtration System is a very important part of our rod mill. This system captures particles, produced from the copper melting in the furnace, to reduce our impact on air quality.



## On-site Renewable Energy

The Encore TechLab utilizes roof-mounted solar collectors for the building's electrical power and hot water generation. These collectors are powered by Encore's own SmartSun® photovoltaic wire, a GreenConnect® product.

## Energy Saving Measures

Encore Wire continues to deploy intelligent lighting solutions across its campus. In addition to the replacement of over 4,000 light fixtures with highly-efficient LEDs, Encore Wire has installed advance lighting controls to further increase the energy savings potential. Additionally, the extended life and directional nature of LED provides equal or greater amount of light for any given area, ensuring a safe work environment for our employees.

## Product Lifecycle Management

### Why it Matters

Organizations around the world are transitioning from a linear “take, make, waste” model to a more circular, closed loop production model. Encore Wire is contributing to this circular economy through our various materials recovery programs. We continue to manage the environmental impact of our products during their full lifecycle – from design and sourcing to the manufacturing, selling, reusing, and recycling stages – to minimize our waste.

### Our Approach

Copper is the principal raw material used in manufacturing our products. Raw material inputs for our manufacturing process include copper cathode, copper scrap, PVC thermoplastic compounds, cross-linked polyethylene (XLPE) plastic compounds, aluminum, steel, paper, and nylon.

Our single-site campus has tremendous benefits for managing product lifecycle impacts. Because our production process is vertically integrated, the environmental impacts and costs of the middleman are eliminated. We strive to waste no materials between steps of manufacturing because everything is done on-site, and we use exactly the quantity needed. We are proud of this unparalleled operational flexibility and the precision with which we maximize the utility of the input materials in our manufacturing.

Encore Wire’s Zero Waste initiative and Scrap Purchase Program (detailed in the [Waste Management section](#) of this report) help us manage the lifecycle impact of our products. Our Zero Waste initiative helps to optimize the materials we use by reducing waste from our manufacturing processes. The Scrap Purchase Program helps extend the life of copper that might otherwise end up in a landfill.

### Vertical Integration



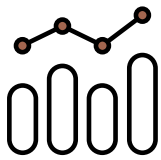


## Product Certification

Moving forward, we plan to consider eco-certifications for our products (see the [Sustainability Governance section for details](#)). Having certified sustainable products will help Encore disclose and promote sustainability in

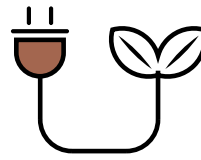
a credible and universally understood manner. We are also creating a sustainable procurement policy in part to help manage environmental impacts and opportunities in the supply chain including the lifecycle impacts of purchased products.

## Product Solutions



### DATA CENTERS

Our manufacturing scale and flexibility, coupled with our value-added services, drive job site efficiencies as data center requirements continue to increase in size, speed to completion, and product diversity.



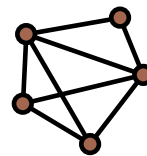
### RENEWABLES

GreenConnect™ products provide power generation and distribution solutions for Solar, Electric Vehicle Charging (EV), Battery Storage, and Utility applications.



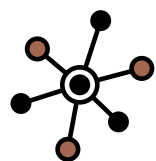
### HEALTHCARE

Our diversified product portfolio is well positioned to supply mission-critical healthcare facility expansion and upgrades while powering lifesaving equipment.



### COMMERCIAL

In addition to traditional commercial applications, smaller-scale power generation/distribution investments and onsite renewable energy will require capacity expansion and upgrades to distribution infrastructure.



### INDUSTRIAL

Our products are designed for a wide-range of applications including oil and gas, petrochemical, battery plants, wastewater, and automotive manufacturing, just to name a few. Continued focus on on-shoring manufacturing should spur continued demand.



### RESIDENTIAL

In addition to traditional residential applications, onsite renewable energy, battery storage, and EV charging solutions will require capacity expansion and upgrades to distribution infrastructure.



# Social: Creating and Upholding Social Value

At Encore Wire, we believe that fostering an environment that values safety, employee satisfaction, diversity and inclusion, and stakeholder engagement makes us a stronger company. We encourage our employees to do the right thing under any circumstance and to conform to our [Code of Business Conduct and Ethics](#). Beyond our campus, we strive to create and uphold value by responsibly sourcing our materials in conformance with our [Supplier Code of Conduct](#).

Our [Global Human and Labor Rights Policy](#) details our long-standing policies that protect and respect the rights of our employees, stakeholders, and the community. In November 2021, we released our [Occupational Health and Safety Policy](#) to promote optimal health and safety for our employees. We have outlined below our responsible practices that strive to protect the people who work for us and who are impacted by our business.

## Employee Wellness and Satisfaction

### Why it Matters

Encore Wire understands that an energized and satisfied workforce is vital for success. We believe that fostering a culture for our employees that values wellness, inclusion, mutual respect, and opportunity for advancement makes us a better employer.

## Competitive Wages and Benefits

Encore Wire is committed to providing a living wage that provides an adequate standard of living for all employees and complies with all applicable federal and local wage regulations, including minimum wage and overtime. We utilize multiple third parties to benchmark our employee compensation by job classification to ensure that our compensation packages remain competitive relative to our industry and geographic location.

**In 2022 we saw a 58% decrease in the number of separations during the first 90 days of employment.**

## Our Goals

Our goal is to enhance employee satisfaction and retention. We will do this by:

- Increasing communication with all employees on company culture and initiatives
- Studying ways to increase employee retention



In addition to a competitive living wage, Encore Wire provides its employees with a robust benefits package. Included in this benefits package are attractive medical plans, opportunities for incentives and annual bonuses, and a 401(k)-retirement savings plan for all employees. We do not currently employ any contract workers on the manufacturing floor. All on-site workers are employees of Encore Wire and have access to the same benefits.

Encore Wire has set up programs such as tuition assistance, specialized training, housing assistance, employee loans, and production incentives. Long-term incentives, like a long-term deferred cash plan, are available for Encore Wire's salaried manufacturing supervisors, further motivating employees to advance their career at Encore Wire.

## On-Site Health Clinic and Fitness Center

Encore Wire understands how the health of our employees impacts not only their work, but their family life, too. Encore Wire offers an Occumed On-Site Clinic with a nurse practitioner for employees and their immediate families. This clinic allows us to immediately respond to workplace safety incidents and, for many, provides basic health screenings and treatment equal to those at a general practice facility. Encore also has an on-site fitness center, "EncoreFit," where employees can enjoy state-of-the-art fitness equipment. Both the health clinic and fitness center are housed in the new employee center that opened in 2022.



## Ongoing Health and Wellness Programs

Encore Wire also offers a wide range of health and wellness programs to assist employees and their families with making good lifestyle choices and improving overall health. These programs include regular healthcare fairs, monthly campus-wide get-fit challenges, and a pre-shift stretching initiative. The stretching initiative, started in 2022, has led to a reduction in injury rates and on the job fatigue. This practice also provides a dedicated time for employees to discuss safety, quality and other feedback with their coworkers and supervisors before their shift. Encore Wire is also a non-smoking campus, and we have made a concerted effort to replace unhealthy food and energy drinks that are typical in vending machines with healthier alternatives.

## Chaplain Services

Encore Wire utilizes a workplace chaplain service to provide personalized and proactive employee care. Chaplains are neutral from company operations and conversations with them are strictly confidential. Chaplains make regular visits to the campus worksite to interact confidentially with employees and build a relationship of trust. We have found that chaplains provide not just mental health and emotional support, but also financial, health, and safety support. Chaplain Care Teams are available 24-hours a day, 365-days-a-year for emergency care in the event of an individual or family crisis, and they work closely with Encore Wire to coordinate chaplain assistance.

## Employee Training and Engagement

Encore Wire believes the development of talent and growth of human capital is vital to our success. We recruit and identify candidates that fit our culture of success. We then train them on our Standard Operating Procedures and job responsibilities through our 90-day hands-on training program. This training and continuing education platform is designed to teach our employees how to succeed in their roles, improve or introduce new relevant skill sets, and foster opportunities for internal advancement.

We value open and honest communication and its impact on employee retention. We have created multiple opportunities to provide feedback up and down our

management chain, including 30-, 60-, and 90-day evaluations for new employees, formal yearly evaluations, and ad hoc opportunities to provide feedback as they may wish.

All employees are in contact with their supervisors daily and can provide feedback through our employee engagement kiosks. Employees may choose to respond anonymously and can provide human resources or safety feedback that is reviewed daily.

**In 2022, we saw a 7% drop in recordable injuries for employees on the job less than a year.**

## Workplace Safety and Security

### Why it Matters

We believe that our employees are our most valuable resource and that their observations, feedback, and communication are critical to our success. We view our compliance with safety standards and regulations as the minimal threshold for keeping our workers safe, and we continuously improve our world class safety environment embraced by all employees at Encore Wire.

### Our Approach

Encore Wire strives to protect human and labor rights where we operate and to ensure that our employees, customers, suppliers, and vendors are treated with consideration and respect. We are committed to providing a safe and healthy work environment following the guidelines set forth in the [Ten Principles of the United Nations Declaration of Human Rights and the UN Global Compact](#).

Encore Wire aims to provide a workplace that is free from harassment, intimidation, violence, and other unsafe conditions due to threats, both internal and external. Security safeguards for employees are provided as necessary and are maintained with consideration for employee privacy and safety.

As outlined in our [Occupational Health and Safety Policy](#) released in 2021, all employees are expected to perform their duties consistent with site-specific safety policies, environmental rules, and applicable regulations as well as Encore Wire best practices.

**Encore Wire monitors trends and performs analyses to create plant-specific performance improvement plans. This ensures that recognized hazards are eliminated for creation of the safest work experience for our employees.**

**For the year ending on December 31, 2022, we experienced the following near miss frequency rate (NMFR), total case incident rate (TCIR), and fatality rate (FR) at our campus:**

Year	NMFR	TCIR	FR
2020	8.2	4.0	0.0
2021	13.2	3.4	0.0
2022	7.3	3.0	0.0

## **Environmental, Health, and Safety (EHS) Program**

Our EHS programs invest significant resources to equip all employees to be successful at Encore. Our training prepares our employees to identify risk, conduct safety assessments, and perform safety observations. Encore Wire understands that leaders who are equipped to identify risk and take immediate action to protect employees are vital to the health of our company. Our goal is to nurture a collaborative partnership between leadership and production employees to not only identify and eliminate risk, but also to foster a culture of caring for one another.

## **Target Zero Initiative**

For the health and safety aspects of our EHS platform, we have established our Target Zero initiative to promote a world class safety culture by empowering employees through engagement, respect, integrity, and a commitment to do the right thing. The cornerstones of our Target Zero initiative are the “Courage to Care” and “Stop Work Authority” policies. Courage to Care encourages employees to engage and coach each other when an at-risk condition or act is observed. Stop Work Authority empowers all employees to immediately stop work if equipment is not safe to operate or if risk cannot be controlled or eliminated.

## **Engagement: Our Culture of Caring**

We recognize the importance of consultation and cooperation between management and employees to effectively implement our health and safety policies. Reviewing EHS programs and their associated wellness, safety, and security metrics is the main avenue for collaboration between leadership, office staff, and employees on the manufacturing floor. Employees are encouraged to submit safety concerns through the Employee Portal kiosks located in the breakrooms across campus. Executive leadership regularly reviews recent wellness, safety, and security metrics to improve our policies.

Each quarter, plant safety improvement plans are reviewed to ensure progress is being made to reduce risk to employees and promote our safety culture. The safety leadership team annually reviews the EHS programs and policies. Any necessary modifications are communicated to employees. Production employees are continuously engaged through weekly safety observations and assessments to better understand how we can improve our culture of safety, mutual respect, and inclusion.

**Our total case incident rate has decreased 25% since 2020.**

## Diversity and Inclusion

### Why it Matters

Since 1989, Encore Wire has been built on the foundation that a culture of respect, decency, and diversity fosters an environment for success. The diversity of Encore Wire's employees is a tremendous asset: a workforce with varied personal and professional backgrounds, perspectives, and experience strengthens the Encore Wire team.

### Our Approach

Encore Wire is an equal opportunity employer and maintains a policy of non-discrimination with respect to all employees and applicants for employment. Employment decisions, subject to Encore Wire's business requirements, are based solely on an individual's qualifications, merit, and performance and abide by the same principles that guide our vision of inclusion.

## Promoting the Rights of Women and Minority Groups

Encore Wire is committed to promoting the rights of women and minority groups, and supporting equal treatment for all our employees, customers, and stakeholders, without regard to race, religion, national origin, citizenship, age, gender identity, sexual orientation, marital status, genetic information, physical or mental disability, or membership or application for membership in a uniformed service.

**In 2022, 62.8% of our workforce self-identified as Hispanic or Latino, Native American, Pacific Islander, Asian, Black, or African American, or of two or more races.**

**1.7% of our workforce were disabled workers**

**4% of our workforce were military veterans**

## Equal Employment Opportunity to Persons with Disabilities

Encore Wire is also strongly committed to complying with the [Americans with Disabilities Act \(ADA\)](#) and other federal and state legislation designed to ensure equal employment opportunities to persons with disabilities. Encore Wire prohibits discrimination on the basis of disability and will make reasonable accommodations for the known physical or mental disabilities of qualified applicants or employees.

## Harassment and Discrimination Protections

If an employee feels they are being harassed or discriminated against, they may file a confidential complaint. No hardship, loss of benefits, or penalty may be imposed on an employee as punishment for filing a good faith complaint of discrimination or responding to a complaint of discrimination, appearing as a witness in the investigation of a complaint, serving as an investigator or otherwise cooperating in a workplace investigation.

## Stakeholder Engagement

### Why it Matters

Stakeholder engagement played a significant role in the creation of our ESG Strategy. As is standard in a GRI Materiality Assessment, both internal and external stakeholders were interviewed at the beginning stages of the ESG Strategy creation to learn about perceptions of different ESG risks and opportunities. As our strategy matures and evolves, we plan to continue to keep engaging our stakeholders.

### Our Approach

Encore Wire is dedicated to being a proactive member of our community and we strive to ensure that our business conduct is sustainable, minimizes impact, and considers the interests of all parties, as we recognize that our business affects many more stakeholders than just our employees. Stakeholders in Encore Wire's business practices include, but are not limited to, local organizations and residents in our community, suppliers, consumers of our products up and down the value chain, investors, and Board members.



We engage with our numerous stakeholders to inform and improve our feedback mechanisms. Encore Wire has a [Policy for Confidential Submission of Complaints or Concerns](#) that can be utilized to raise a concern about Encore Wire's accounting, internal controls or disclosure controls and procedures, auditing matters, or violations of the [Code of Business Conduct and Ethics](#). Complaints and concerns may be submitted anonymously by either mailing or emailing a written description of the complaint or concern to the Audit Committee Chairman. If an employee were to witness a violation of our [Occupational Health and Safety Policy](#), or has suspicion that a violation may occur, it is requested that they report it immediately and may do so anonymously by calling Encore Wire's Stakeholder Hotline at 1-214-733-5007.

Additionally, we will periodically review and update our [Global Human and Labor Rights Policy](#) to reflect any material change in laws or regulations impacting our operations, or in such cases where we see an opportunity to expand our human and labor rights efforts.

Stakeholders are encouraged to communicate any violations of the standards we hold our company to so that we can continuously improve our policies. Confidentiality is a priority, and all reports will be treated confidentially to the fullest extent possible.

## Engaging with Our Employees and Community

In McKinney, Texas, we work directly with our neighbors and local residents, foundations and local organizations, state and federal officials, municipal water and fire

**Encore Wire values employee engagement as it fosters our culture of caring and trust amongst our employees.**

**Encore Wire donated over \$500,000 to non-profit organizations in 2022.**

officials, planning and zoning commissions, city councils, and various municipal committees. When appropriate, we are committed to discussing human rights, labor rights and other local issues related to our business with our community leaders and local stakeholders. We encourage our employees and partners to participate in company-sponsored volunteer events and to take advantage of our programs that sponsor local charities. Our financial contributions and community service efforts align with Encore Wire's core values and support causes that reflect our company culture. We provide donations and sponsorships that enable organizations to build strong foundations and continue to do great work in our local communities. For more information on Employee Engagement, please refer to [the Employee Wellness and Satisfaction section](#).

## Engaging with our Investors

We maintain a vibrant and active investor relations platform, engaging with analysts and shareholders through email and phone correspondence, campus visits, public fireside chats, conference attendance, and non-deal road shows.



## Engaging with our Industry

As a way to engage with the value chain, Encore Wire proudly participates in numerous professional and industry-related organizations, as detailed in our [Global Human Labor Rights Policy](#).

## Conflict Minerals

### Why it Matters

As a U.S. public company, Encore Wire is subject to the reporting requirements of the U.S. Securities and Exchange Commission (SEC). The SEC aims to prevent the use of certain “Conflict Minerals” that directly or indirectly finance, or benefit armed groups in The Democratic Republic of the Congo (DRC) or adjoining countries (as defined in the Dodd-Frank Act).

We are committed to avoiding the use of Conflict Minerals in compliance with the reporting obligations of Section 1502 of the Dodd-Frank Act, as well as the related rules and regulations issued by the SEC. In accordance with Rule 13p-1 under the amended Securities Exchange Act of 1934, Encore Wire has been required since 2014 to annually file a Specialized Disclosure Form regarding conflict minerals, [Form SD](#).

Addressing Conflict Minerals concerns is not only a legal requirement, but also an important risk management strategy. Over time, Conflict Minerals reporting requirements may affect the sourcing, price, and availability of our products. We may also face reputation challenges if we are unable to verify the origins for all Conflict Minerals used in our products, or if we are unable to conclude that our products are “conflict free.”

More broadly, preventing the use of Conflict Minerals is important to Encore Wire and our stakeholders because we do not wish to contribute to political unrest.

### Our Approach

Encore Wire does not tolerate the use of raw materials that directly or indirectly contribute to armed conflict or human rights abuses in any of its products. We review our products to ascertain whether they contain Conflict Minerals. We have no reason to believe that any tin, or any other components, contained in the Covered Products originated in the Covered Countries. Covered Products for Encore Wire are the products that contain tinned copper conductors or a tin derivative in their insulation. For more information on how we came to this conclusion regarding our use of conflict minerals, see [Form SD](#).

As our supply chain is complex, it is vital to monitor minerals of concern. Although we work hard to ensure that all our raw materials are sourced from companies with strong human and labor rights initiatives, we cannot guarantee that all our partners’ and suppliers’ business conduct will always meet or exceed our high standards. We are working hard to stay on top of the regulatory requirements, and we continue to strive to be a leader on this topic. More information on how we engage with our suppliers and manage our supply chain can be found in the Supply Chain Management section of this report.

# Governance: Doing the right thing

Successful companies are backed by strong governance that enables them to run efficiently, be resilient to challenges and new opportunities, and turn a profit. Encore Wire's history and reputation for providing quality products and outstanding customer service is due to the strong governance at our core and woven throughout our company.

## Sustainability Governance

### Why it Matters

Encore Wire is committed to operating as a responsible corporate citizen and we conduct business in alignment with our principles. We know that maintaining a strong reputation as an industry leader is based on our conduct. We know that being a responsible, trustworthy company means having the right corporate governance structure in place to oversee the business. Encore Wire maintains more information on our Corporate Governance on our investor website. Material risk factors are disclosed in our Annual Report.

## Our Goals

Our goal is to effectively manage sustainability from the Board of Directors to the manufacturing floor. We are focused on implementing the right structures and systems to support this effort, including formalizing policies for initiatives we already execute. We aim to meet our goal by:

- Developing a sustainable construction policy focused on minimizing energy and water consumption, prioritizing local sourcing, considering process design, and employee well-being (see detail in Sustainable Construction section above)
- Evaluating opportunities for sustainable product certifications to help promote our product sustainability in a credible and universally understood manner
- Creating a sustainable procurement policy that incorporates social, economic, and environmental impacts and opportunities into procurement decision making
- Formalizing our Environmental Management System (EMS) to help codify and institutionalize environmental compliance best practices that we already have in place within the organization

### March 2021

We released our first Global Human and Labor Rights Policy to increase transparency into our long-standing policies that protect and respect the rights of our employees, stakeholders, and community.

### October 2021

We released our first Global Environmental Policy to highlight our ongoing commitment to environmental compliance, preservation, and minimizing our environmental impact.

### November 2022

Our Sustainability Governance Committee met to review and ultimately endorse our new ESG Strategy.

### August 2021

The Board of Directors established the Sustainability Committee to assist the Board in its oversight of environmental and social strategy, risks, and risk mitigation. The role of the Sustainability Committee is described in more detail in the "Governance Approach" subheading under the ESG at Encore Wire section of this report.

### November 2021

We released our Occupational Health and Safety Policy to increase transparency into our long-standing commitment to provide a working environment that promotes optimal health and safety for our employees.



## Risk Management

Our Board of Directors has the following four committees:

- Audit Committee
- Nominating and Corporate Governance Committee
- Compensation Committee
- Sustainability Committee

The Board oversees Encore Wire's risk management, ensuring that our risk management practices are consistent with its corporate strategy and are functioning appropriately. The Board does not have a separate risk committee, but instead believes that the entire Board is responsible for overseeing Encore Wire's risk management. The Board conducts certain risk oversight activities through its committees. The Audit Committee oversees Encore Wire's compliance risk. The Nominating and Corporate Governance Committee's role in risk oversight includes recommending director candidates who have appropriate experience that will enable them to provide competent oversight of our material risks. The Compensation Committee monitors the risks to which our compensation policies and practices could be subject to. The Sustainability Committee sets and monitors risks related to environmental, social and governance matters.

The Board helps ensure that management is properly focused on risk by, among other things, reviewing and

discussing the performance of executive management and conducting succession planning for key leadership positions at Encore Wire. The Board also takes an active role in monitoring cyber security risks and is committed to the prevention, timely detection, and mitigation of the effects of any such incidents at Encore Wire. In addition to regular reports from each of the Board's committees, the Board receives regular reports from Encore Wire's executive leadership on our material risks and the degree of its exposure to those risks.

## Cybersecurity

Our Board of Directors oversees our information security risk management. Executive management briefs the Board of Directors on our efforts regarding information security at each board meeting. Our entire company is regularly audited by an independent third party for top information security standards and we are currently SOC 2 compliant. We maintain a 24x7 security monitoring operation as well as an information security risk insurance policy. Encore Wire implements information security through the use of third-party security solutions as well as a robust training framework that includes employees and encompasses enhanced training for specialized personnel and continuing education for our employees with access to vital systems or sensitive data.



## Sustainable Procurement

Our products are American made. For more information, see the [Supply Chain Management section](#).

## Product Quality and Safety

### Why it Matters

At Encore Wire, the quality and safety of our products is of the utmost importance. Because of the wide variety of projects our cable and wire are used in, from healthcare facilities to data centers to renewable energy solutions, countless individuals are counting on our products to safely deliver their needs. From a business longevity and growth standpoint, having products that are innovative, high quality, and safe is the avenue to economic success. By providing innovative products that a customer cannot purchase anywhere else, we can create strong, long-lasting customer relationships.

### Our Approach

At Encore Wire, we are committed to maintaining strong relationships with our customers and delivering high quality electrical building wire and cable. We work hard to produce the highest quality wire and cable in the industry. All of our products are American made. Each product meets or exceeds the various Underwriters Laboratories (UL), American Society for Testing Materials (ASTM), Insulated Cable Engineers Association (ICEA), and National Electrical Manufacturers Association (NEMA) standards.

**Our ability to create custom product offerings to the specifications of our customers gives us a significant competitive advantage in the market.**

## Strong Customer Relationships

Encore Wire is highly focused on responding to customer needs, with an emphasis on building and maintaining strong customer relationships. We establish customer loyalty by targeting an industry-leading order fill rate and rapidly handling customer orders, shipments, inquiries and, when appropriate, returns. The speed and completeness with which we fill orders are key competitive advantages and are critical to the marketing of our products.

## Quality

Our team of production and quality personnel are highly trained, continuously improve our processes, and consistently build the best quality products in the marketplace. Copper products that are bought through our Scrap Purchase Program undergo rigorous testing to ensure the quality of the copper and to maintain the quality in our finished products. We exhaust all efforts to make sure that no other metals have been mixed in with the copper, assuring that the final product is of the highest quality.

## Innovation

Encore currently has multiple patents and patent-pending innovations that range from process improvements to packaging solutions. Some of our notable innovations include our color-coded labeling system, SmartColorID, SmartCount marks that help users accurately cut lengths of wire, and our ReelPayoff, the industry's first self-spinning wooden reel. Encore pioneered the widespread use of color feeder sizes of commercial wire and colors in residential non-metallic cable. The colors have improved on-the-job safety, reduced installation times for contractors, and enabled building inspectors to inspect construction projects rapidly and accurately.

## Business Ethics

### Why it Matters

Organizations that have ethics at the core of their business foster an upstanding company culture and a positive public reputation. Additionally, companies with strong business ethics are more likely to avoid legal entanglements. Obeying the law, both in letter and in spirit, is the foundation on which Encore Wire's ethical standards are built. Encore Wire has a long-standing commitment to conduct its business in compliance with all applicable laws and regulations and in accordance with the highest ethical principles. We pride ourselves on doing the right thing and among our guiding principles are honesty, integrity, and quality in all that we do. Encore Wire expects that each employee, officer, and director will use good judgment, high ethical standards, and honesty in all business dealings.

### Our Approach

Our [Code of Business Conduct and Ethics](#) explains our values and principles on legal compliance, conflicts of interest, insider trading, competition and fair dealing,

**Encore Wire has been selected twice by Forbes as one of "America's 100 Most Trustworthy Companies." We were first named in 2012 to the list, which praises companies that refrain from fraudulent practices and are transparent and consistent.**

discrimination, confidentiality, and more. No gifts should ever be offered or accepted by Encore Wire employees, directors, or family members of employees. Encore Wire makes commercial decisions based on its best interests and the interests of its stockholders. These decisions are made independently of, and free from, any understandings or agreements with any competitors and in full compliance with all applicable antitrust laws and regulations. All employees, officers and directors must avoid any conduct that violates, or which might appear to violate, antitrust laws. In our employee training process, we provide each of our employees and officers with a copy of our Code of Business Conduct and Ethics and require that they adhere to the principles detailed in that code, including complying with the laws of the jurisdictions in which we operate. A violation of our Code of Business Conduct and Ethics may result in penalties, including disciplinary action and termination.

## Addressing Unethical Behavior

Employees are encouraged to talk to supervisors, directors, or other appropriate personnel about observed illegal or unethical behavior and how to navigate a particular situation. Employees, officers, and directors should report any violations of laws, rules, regulations or the Code of Business Conduct. Encore Wire's [Policy for Confidential Submission of Complaints or Concerns](#) outlines the reporting process for all violations of the law and the Code of Business Conduct and Ethics. While we do not provide specific training on human trafficking and slavery, our Code of Business Conduct and Ethics explains the resources we have available if an employee needs guidance with respect to a legal or ethical dilemma.

## Anti-trust Laws

All employees, officers, and directors must avoid any conduct that violates, or which might appear to violate, antitrust laws. This includes any understanding, agreement, or consultation with competitors regarding prices, terms of sale, division of markets, allocations of customers or any other activity that restrains competition among sellers and purchasers.



## Political Advocacy

As a policy, Encore Wire does not use corporate funds for political advocacy. We do not directly make any campaign contributions, political party contributions, engage with lobbyists, or participate in any Political Action Committees that provide funding to any political organization, political party, or individual candidate for local, state, or federal office. In 2022, we spent \$0 on direct political advocacy.

## Supply Chain Management

### Why it Matters

Effective supply chain management is a key business practice, especially for organizations that rely on suppliers and partners for key raw materials and inputs. Materials shortages or supply chain interruptions could impact our business, underscoring the importance of a well-managed supply chain.

## Our Approach

At Encore, we work hard to nurture our supplier relationship. As detailed in the [Business Ethics section](#), Encore Wire is dedicated to conducting business in a lawful and ethical manner. We disclose pursuant to the California Transparency in Supply Chains Act of 2010. It is our expectation that our suppliers conduct themselves in the same lawful and ethical manner. All partners and suppliers are expected to have their own code of conduct and adhere to our [Supplier Code of Conduct](#).

## Managing Supplier Conduct

On a quarterly basis, we review and monitor our long-term supplier's sustainability efforts through a third-party platform. New and shorter-term engagements are reviewed periodically, following an initial screening. Encore Wire performs due diligence and requests updates from any of our partners and suppliers who we believe may be in violation of our policies. We plan to monitor priority non-conformance and associated corrective action rates for supplier compliance with this policy and continue to reserve the right to terminate any engagement with a partner or supplier who does not adhere to our guidelines.



## Human Rights

Our long-term suppliers have been selected over the years utilizing a screening process that includes human and labor rights considerations. Many of our raw materials are mined and undergo a refining or fabrication process, with most of our inputs sourced in North America. Although we work hard to ensure that all our raw materials are sourced from companies with strong human and labor rights initiatives, we cannot guarantee that all our partners' and suppliers' business conduct will always meet or exceed our high standards.

Encore Wire has never and will not employ forced, slave, coerced or child labor. In addition, Encore Wire will not knowingly engage with a partner or supplier that, directly or indirectly, employs child labor, forced labor or persons who have been trafficked into employment. We define child labor as services performed by individuals under the age of sixteen. We will not tolerate the involvement of our suppliers in human trafficking and slavery. Although we do not maintain a formal verification, audit or certification process with respect to our suppliers' compliance with human trafficking and slavery laws, we will quickly investigate any reports alleging human trafficking and slavery in our supply chain. We will take immediate action against any supplier that we find to have violated our supplier expectations.

## Materials Sourcing

The principal raw materials used by Encore Wire in manufacturing its products are copper cathode, copper scrap, PVC thermoplastic compounds, XLPE compounds, aluminum, steel, paper, and nylon, all of which are readily available from a number of suppliers.

Encore Wire produces copper rod from purchased copper cathode and copper scrap in its own rod fabrication facility. Encore Wire reprocesses copper scrap generated by its operations as well as copper scrap purchased from others.

Encore Wire purchases aluminum rod from various suppliers for aluminum wire production. Encore Wire also compounds its own wire jacket and insulation compounds. The process involves the mixture of PVC raw material components to produce the PVC used to insulate Encore's wire and cable products. The raw materials include PVC resin, clay, and plasticizer. During the last year, Encore Wire's plastic compounding facility produced the vast majority of Encore's PVC requirements.

# Looking Forward

This report summarizes Encore Wire's sustainability progress, outlines the steps we have taken in 2022 to formalize our ESG Strategy, and demonstrates how we plan to integrate ESG factors into our business strategy and decision-making process moving forward. We are proud of what we have accomplished and look forward to the lasting influence and impact the new ESG Strategy will have on our company.

# Sustainability Accountability Standards Board (SASB) Disclosure Index

## Electrical & Electronic Equipment

Table 1 Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	RESPONSE	UNIT OF MEASURE	SASB QUESTION CODE
<b>Energy Management</b>	Total energy consumed	842,034	Gigajoules (GJ)	RT-EE-130a.1
	Percentage of electricity from the grid	99.95	Percentage (%)	
	Percentage of renewables	0.05	Percentage (%)	
<b>Hazardous Waste Management</b>	Amount of hazardous waste generated	0.20	Metric tons (t)	RT-EE-150a.1
	Percentage recycled	98.83	Percentage (%)	
	Number of reportable spills	0	Number	RT-EE-150a.2
	Aggregate quantity of reportable spills	0	Kilograms (kg)	
	Quantity recovered	0	Kilograms (kg)	
<b>Product Safety</b>	Number of recalls issued	0	Number	RT-EE-250a.1
	Total units recalled	0	Number	RT-EE-250a.2
	Total amount of monetary losses as a result of legal proceedings associated with product safety	0	Reporting currency (\$USD)	
<b>Product Lifecycle Management</b>	Percentage of products by revenue that contain IEC 62474 declarable substances	Encore Wire does not disclose percentage of products by revenue. However, 100% of our products comply with RoHS and REACH declarations, ensuring 100% compliance with the IEC 62474 declarable substances list.	Percentage (%) by revenue	RT-EE-410a.1

TOPIC	ACCOUNTING METRIC	RESPONSE	UNIT OF MEASURE	SASB QUESTION CODE
<b>Product Lifecycle Management</b>	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Not applicable to Encore Wire's business.	Percentage (%) by revenue	RT-EE-410a.2
	Revenue from renewable energy related and energy efficiency-related products	Encore Wire sells a number of GreenConnect products ( <a href="#">see the Energy and Emissions section of the 2022 ESG Report</a> ) that are intended to be used for renewable energy related purposes; however, because we cannot verify the end use of these products, we cannot provide specific revenue data. All products we sell have the potential to be used for energy transition/ electrification purposes.	Reporting currency (\$USD)	RT-EE-410a.3
<b>Materials Sourcing</b>	Description of the management of risks associated with the use of critical materials	See the Critical Minerals Section of Encore Wire's 2022 ESG Report.	N/A	RT-EE-440a.1
<b>Business Ethics</b>	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	See the Business Ethics Section of Encore Wire's 2022 ESG Report.	N/A	RT-EE-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	0	Reporting currency (\$USD)	RT-EE-510a.2
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	0	Reporting currency (\$USD)	RT-EE-510a.3

Table 2 Activity Metrics

ACTIVITY METRIC	RESPONSE	UNIT OF MEASURE	SASB QUESTION CODE
<b>Number of units produced by product category</b>	Encore Wire does not disclose units produced. We manufacture a broad range of copper and aluminum electrical wire and cables, supplying power generation and distribution solutions to meet our customers' needs today and in the future.	Number	RT-EE-000.A
<b>Number of employees: full-time</b>	1,682	Number	RT-EE-000.B
<b>Number of employees: part-time</b>	3	Number	
<b>Number of employees: temporary</b>	0	Number	
<b>Number of employees: contract</b>	0	Number	



At Encore Wire, we understand that your success is the foundation of our success. That's why we work tirelessly to understand and exceed your expectations, to consistently perform at the highest levels, and most importantly, to keep our promises.

For more information visit [www.encorewire.com](http://www.encorewire.com)

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