



GLOBAL ENVIRONMENTAL POLICY

OCTOBER 2021



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GLOBAL ENVIRONMENTAL POLICY



Introduction

Encore Wire is committed to environmental compliance and preservation. We recognize that our activities have an impact on the environment. Our goal is to promote environmental awareness, minimize impact, and protect the environment. We seek to benchmark our environmental initiatives against a variety of industrial standards, including waste generation, energy usage, water usage, and emissions.

Since inception, Encore Wire has voluntarily and proactively advanced a wide variety of environmentally conscious reinvestments throughout our campus as part of a comprehensive management system, notably including our baghouse filtration systems, lead-free plastics mill, 30,000 gallon well water system, copper recycling program, and LEED® Platinum Research & Development Center (Encore TechLab®).

More details regarding our history of environmental stewardship can be found in our Green Initiatives Brochure in the Sustainability section of our website at encorewire.com.

Encore Wire seeks to:

- Meet or exceed applicable environmental regulations and requirements
- Minimize waste through reduction, reuse, and recycling
- Measure and monitor our greenhouse gases, emissions, electricity, and water usage annually to ensure we efficiently utilize our resources
- Raise our employees awareness and provide training to enable them to play a vital role in implementing our environmental policy
- Invest in technologies that reduce our environmental impact
- Understand how new and existing vendors, suppliers, and other providers are committed to reducing their impact on the environment
- Continually improve its program by conducting periodic environmental assessments

We understand that our environmental impact is not restricted to our immediate operations. Therefore, we expect our vendors, suppliers, and other providers to have similar policies and management systems in place to evidence our desire to do our best to protect our planet.

ABOUT ENCORE WIRE CORPORATION

Business Overview

Encore Wire operates from a single location in McKinney, TX on a 449 acre, 2.8 million square foot corporate campus. We manage all corporate activity, including sales, manufacturing, inventory, logistics, and delivery, from this campus and maintain no other corporate or manufacturing facilities, either domestically or internationally. All full-time employees report directly to our corporate campus.

Our company manufactures and sells building wire for interior electrical wiring in commercial and industrial buildings, homes, apartments, manufactured housing, renewables, and data centers. Raw material inputs for our manufacturing process include copper cathode, copper scrap, PVC thermoplastic compounds, XLPE compounds, aluminum, steel, paper, and nylon. Copper is the principal raw material used by the Company in manufacturing its products, constituting 78.9% of the dollar value of all raw materials used by the Company during 2020.

Given the nature of our business model, all policies, descriptions of programs and supporting data presented in the following policy apply to Encore Wire both as an enterprise and as a one-campus facility.



ENVIRONMENTAL MANAGEMENT SYSTEM

Environmental Management System Overview

Since our founding in 1989, Encore Wire has put our employees, environment, customers and community first. Today we continue to look at our resources and products to determine how we can make changes to better the environment and our home, here in McKinney, Texas. Our business concept recognizes that a quality product built for longevity could have a lasting effect on the environment. On a day-to-day operational basis, we incorporate progressive recycle-and-reuse programs, along with waste-reduction practices, to ensure that we are protecting our planet. 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 guarantees that all our products comply 100% with RoHS and REACH regulations.

Our Environmental, Health & Safety (EHS) Management System has been designed to determine that all environmental compliance requirements are met, through daily, monthly, quarterly, and annual inspections. Our Environmental Manager is responsible for performing these inspections, which occur throughout our corporate campus and include all plants and facilities owned and operated by Encore Wire. We specifically monitor parts washers, tanks, containment areas, and satellite areas for chemical storage. We also conduct opacity inspections and track our emissions monthly.

Results of the inspections are reviewed with our VP of Operations. Any non-conformities are reviewed with the appropriate plant manager to ensure that they are not repeated in the future. Encore Wire's management team is briefed quarterly on our inspection results. Beginning in August 2021, our board assumed responsibility for our EHS Management System through our newly chartered Sustainability Committee of the Board of Directors. This committee has been tasked with the oversight and improvement of our EHS Management System, as well as overall improvement of our sustainability efforts.

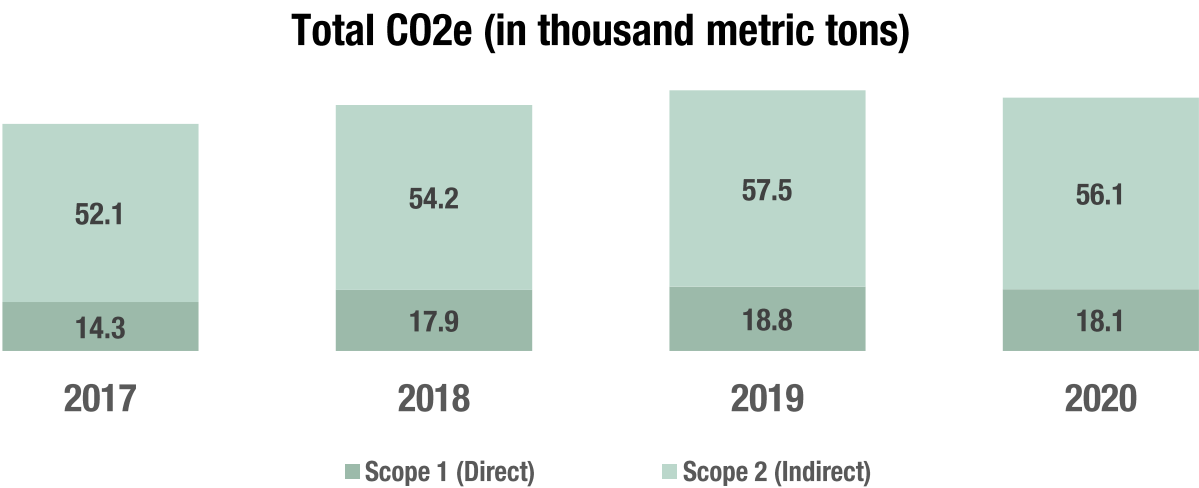
Encore Wire works with a third-party environmental consulting group for the purposes of improving our EHS Management System, environmental compliance, new project approval and inspection auditing services.



ENVIRONMENTAL MANAGEMENT SYSTEM

Air Quality Management

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



In 2020, we decreased our Scope 1 emissions by 3.7% and Scope 2 emissions by 2.5%, for an overall decrease of 2.8% of CO₂e emissions year-over-year.

By the end of 2022, our goal is to significantly reduce Scope 2 emissions by sourcing grid electricity from renewable sources and exploring investments in on-site renewable technologies that may help to reduce our consumption of electricity.

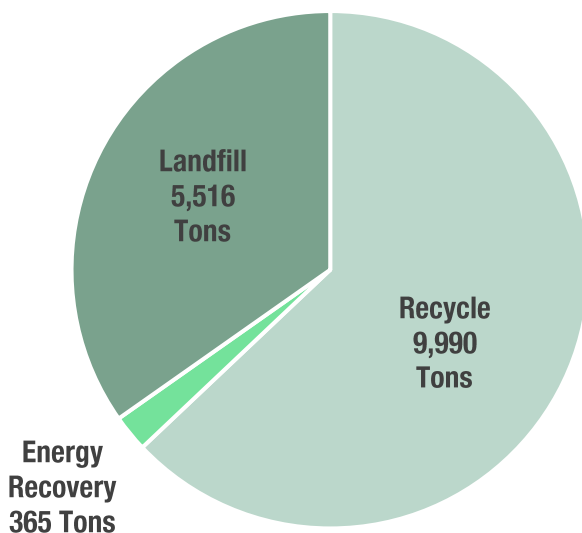


ENVIRONMENTAL MANAGEMENT SYSTEM

Waste Management

As an industrial manufacturer, Encore Wire seeks to minimize waste as part of our broader environmental management system. Notably, we manage several recycling programs that keep a significant amount of manufacturing byproduct out of landfill:

Total Waste in 2020 (in tons)



- Our Copper Scrap program allows us to purchase insulated wire and bare copper to be reclaimed through a chopping process. All copper products that are bought back undergo a rigorous process to guarantee the quality of the copper and to maintain the quality of our finished products.
- Copper scrap generated on-site from the manufacturing of copper rod and finished product are collected, recycled, and reused to make new copper rod.
- 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.
- Beginning in July 2016, our Zero Waste initiative has recycled millions of pounds of non-manufacturing related material, including 10 million pounds of wood, 4.3 million pounds of cardboard, 900 thousand pounds of shrink-wrap, 150 thousand pounds of plastic or aluminum bottles and cans, 60 thousand pounds of inks and solvents, and 45 thousand pounds of baghouse dust and filters.

- We attempt to recycle all reels and cradle pallets used to ship our products. We offer pickup for scrap reels from jobsites and receive 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. We have repaired or recycled 74 thousand damaged reels thus far under our Zero Waste initiative.
- Gaylord Boxes, which are used to collect and ship repurchased copper wire back to us as part of our Copper Scrap program, are also recycled.
- In 2020, we recycled 65% of total waste generated on campus.

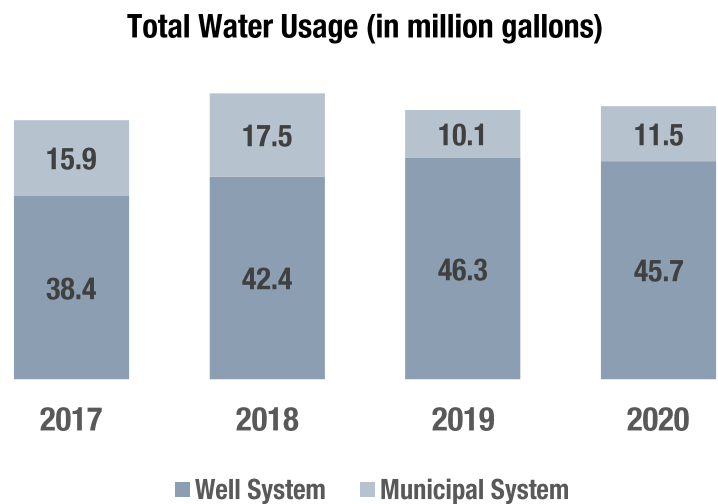
In 2020, we increased tons of waste recycled by 25% and tons of energy recovery by 22% when compared to 2019.

ENVIRONMENTAL MANAGEMENT SYSTEM

Water Management

Encore Wire recognizes that water is our most precious resource, and we actively implement management programs that minimize use and mitigate unintentional discharge. Discharge of any process wastewaters to the municipal water district are in accordance with local sewer ordinances and permit.

- Our campus well system provided 80% of the total water used by our company in 2020, alleviating any stress on municipal water supplies and ensuring access for use in our manufacturing processes.
- There is zero liquid discharge from our copper casting process.
- Our LEED® Platinum certified Research and Development Center collects storm water to be used as flush water in restroom facilities and to water our landscape.
- Drought-resistant plants have been planted on our campus to conserve water usage. We have reduced irrigation water consumption by 50% with our eco-friendly landscape.



Energy Management

Encore Wire is committed to minimizing its use of energy when possible. We have implemented several programs as part of our environmental management system to help reduce our use of electricity.

- 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 have upgraded over 2,000 light fixtures on our campus from Fluorescent to LED. With this conversion, we have reduced campus lighting power consumption by 50%.
- In 2020, we consumed 331.9 Million SCF of Natural Gas and 114.8 Million MWh of Electricity.

80% of the total water used by our company in 2020 came from our campus well system.

ENVIRONMENTAL MANAGEMENT SYSTEM

Climate Change Related Risks & Opportunities

The effects of climate change may have a material adverse effect on our business. 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. We could experience increased operating costs due to new regulatory requirements and increased physical risks to our facilities due to volatile weather. We could experience disruptions or limitations to access of water. 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.

The global transition to a carbon-neutral society may also provide opportunities for our business. Green technology, such as wind and solar electricity generation or electric vehicle manufacturing, may increase demand for copper wiring and other copper-related products, including new potential products from Encore Wire. Rising demand for copper and subsequent increases in copper prices may support our current business by increasing the value of our products in the market.

Implementation and Strategic Planning

In August 2021, Encore Wire created a Sustainability Committee of the Board of Directors to formally oversee our Environmental efforts. This committee will be responsible for overseeing our strategic plans to mitigate the risks and effects of climate change on our business, evaluating new opportunities related to climate change, and determining that applicable laws, regulations and our policies on environmental protection and conservation are upheld. The committee is chaired by and comprised of our independent directors and has board responsibility and oversight, with our EMS head reporting to our CEO and CFO. The committee's main goals for 2022 include:

- Creating and disclosing quantifiable goals and targets as part of a roadmap to improve our environmental footprint
- Increasing energy and water efficiencies on our campus
- Preventing pollution risks created by our operations and reducing CO2 emissions
- Reducing the volume of waste generated and improving waste recovery and recycling
- Obtaining electricity from renewable sources

Encore Wire is committed to engaging with our stakeholders and aims to continuously improve this policy. We will update this policy accordingly following any change in law or regulation impacting our operations, or in such cases where we see an opportunity to expand our environmental efforts.

ENVIRONMENTAL MANAGEMENT SYSTEM

Document History

Version 1.0 - October 2021