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Sustainability Best Practices: *A Case Study Series*

Overview

Southwire is committed to corporate sustainability by implementing it throughout all aspects of its business. The company started by expanding its corporate vision of “delivering power responsibly.” The following five elements form the basis of Southwire’s overall sustainability platform.¹

- 1. Building Worth**—for shareholders, customers, employees, and society in general
- 2. Growing Green**—reduce environmental footprint even as the company grows
- 3. Living Well**—provide a satisfying workplace and make safety and health concerns a top priority
- 4. Giving Back**—share financial resources with the community (beyond providing jobs and paying taxes)
- 5. Doing Right**—foster a culture guided by ethical values

With these guiding principles, Southwire developed specific goals for all areas of its business, including the environment and business practices.

Implementing A Vision of Corporate Sustainability

Case Analysis: Benefits, Decision Factors, and Business Practices

What is the business case for committing to corporate sustainability? What resources can a company use to guide decisions to reduce its environmental impact? Southwire, a leading wire and cable manufacturer, views corporate sustainability as the framework for every aspect of business.

Based in Carrollton, GA, Southwire developed its sustainability platform by creating broad, big picture goals (see column at left) and specific environmental goals. The company’s commitment to reducing environmental impact developed after discovering environmental remediation issues at several of its facilities. As a result, Southwire modified business practices and has created a vision for long-term sustainability.

With ambitious and aggressive environmental sustainability goals, Southwire aims to reduce its environmental impact while continuing to expand its business. Specifically, the company wants to achieve the following benchmarks:²

- ✓ Achieve zero landfill status by 2017
- ✓ Eliminate lead additives from all Southwire products by 2010
- ✓ Reduce carbon footprint 10% by 2010
- ✓ Reduce water consumption 15% by 2010
- ✓ Improve contract carrier freight fuel mileage 10% by 2010
- ✓ Improve company fleet mileage 25% by 2010
- ✓ Establish wildlife sanctuary at Carrollton, GA, headquarters by 2010
- ✓ Obtain regulatory approvals for site remediation at legacy locations
- ✓ Choose metal suppliers that are conscious of their environmental impact

The Business Case for Sustainability

Southwire has found that its sustainability initiatives are driven not only by its customers, but also by the social, economic, and environmental benefits.

Winn Wise, Senior Vice President of the Construction Segment at Southwire, articulated the main reason why Southwire is pursuing sustainability:

“We are a big company in the electrical industry. We understand that we are not only responsible for our own activities, but we are keenly aware of the influence we have on our suppliers, the effect that we have on the communities in which we operate, as well as our duty to provide green alternatives to our customers. That being said, the social, economic and environmental drivers for sustainability made the business case easy to embrace.”

Many Southwire customers, especially utilities, are seeing increasing pressures to reduce their greenhouse gas emissions and other environmental impacts.

Denise Quarles, head of the Sustainability Initiative at Southwire, expressed why customer needs impacted company to take the lead on sustainability:

“Not only have we embraced the business case for sustainability, we have embraced a culture of transparency about our actions and our results. In fact, we publish our report on our corporate website. Some of our larger customers, like utilities, are participating in the [Carbon Disclosure Project](#).¹ As a result, they are asking us to submit information for their reports on that issue,” Quarles said.

Because Southwire’s customers are active in sustainability, the company benefits by taking a leadership role in sustainability. The company’s sustainability platform, mission, goals, and programs help maintain its leading edge in the electrical manufacturing industry.

Quarles said, “It’s important to use our sustainability goals as a springboard to set new goals and to expand on the ones we presently have. I’m confident we will continue to grow as a stronger, more profitable company with our sustainability management platform.”⁴

* The Carbon Disclosure Project (CDP) is an independent, non-profit, “which holds the largest database of corporate climate change information in the world.” They collect information on corporate carbon emissions annually on behalf of institutional investors, purchasing organizations, and government bodies. Corporations participating in the CDP must obtain carbon emission information from their suppliers, which is why Southwire submits information for their customers.

“We linked every business function into our sustainability management system. And when you look at our sustainability platform, it represents the fundamental nature of how we operate our business.”³

—Winn Wise



Reduced Environmental Impact

After discovering environmental remediation issues at several company facilities, Southwire committed to reducing environmental impact. The company also decided to get out of the copper smelting business and address their remediation issues “candidly and aggressively.”

Now that Southwire relies on copper and aluminum suppliers, it aims to select metal suppliers working to reduce their own environmental impact.⁵ The company established energy, carbon emissions, water, and solid waste baselines in 2007 and 2008.⁶

Wise described Southwire’s commitment to reducing environmental impact:⁷

“The environment we live in has to be protected. We see it as critically important for our children, great grandchildren, and many generations to come. As a privately held company with six shareholders—all children of the founder—our owners are interested in not just the financial bottom line, but Southwire’s entire sustainability platform.”



Sustainable Business Practices

Southwire’s most aggressive environmental goal is achieving zero landfill status by 2017. The company believes it is important to set goals that stretch the limits of what currently seems possible, as it increases the potential for innovative approaches. Southwire established a solid waste inventory, or baseline, and is actively pursuing several initiatives to reduce the amount of materials that get disposed of in landfills.⁸

Quarles described the company’s efforts to reduce landfill waste:⁹

“Corporate-wide, we understood our baseline by facility. Then, we drilled down into the details to better understand our waste streams and formed teams. Each team is now on task to find out where the waste is coming from and how to reduce, reuse, or recycle so we can achieve our goal of zero landfill status by 2017.”

In the first half of 2008, Southwire reclaimed 10% of metal, wood, and plastic waste.¹⁰ The company is also trying to increase the recycled content in the products it manufactures.

According to Quarles, “As we re-engineer and develop new products, we understand we are responsible for providing our customers with environmentally friendly solutions. Where possible, our wire and cable has a limited amount of recycled material. The amount is limited due to material availability and product quality.”¹¹

Another important aspect of eliminating landfill waste is reducing packaging. Southwire performs packaging audits of its suppliers and urges them to reduce or eliminate unnecessary packaging.¹² Southwire also looks for ways to reduce its own packaging and make the remaining packaging more recyclable. Southwire also works with customers to reclaim wire and cable reels for reuse at the plant. For utility customers, it is moving toward reel-less packaging and shrink wrap.¹³

“As we re-engineer and develop new products, we understand we are responsible for providing our customers with environmentally friendly solutions.”

—Denise Quarles

Endnotes

- ¹ “Southwire 2008 Sustainability Report”, Southwire, Inc.
- ² Southwire, Op. Cit.
- ³ Winn Wise, personal interview, February 23, 2009.
- ⁴ Denise Quarles, Op. Cit.
- ⁵ Southwire, Op. Cit.
- ⁶ Denise Quarles, personal interview, February 23, 2009.
- ⁷ Winn Wise, Op. Cit.
- ⁸ Denise Quarles, Op. Cit.
- ⁹ Denise Quarles, Op. Cit.
- ¹⁰ Southwire, Op. Cit.
- ¹¹ Denise Quarles, Op. Cit.
- ¹² Southwire, Op. Cit.
- ¹³ Winn Wise, Op. Cit.

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