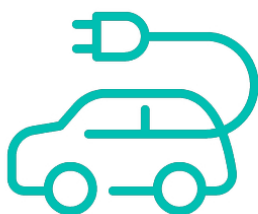# WIRECO

A World Ahead

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

2021 - 2022

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WIRECO

About WireCo

An Overview and Message from Our CEO

WIRECO

Who is WireCo?

WireCo is a world leader in heavy-lift and advanced mooring technologies and solutions. Its products can be found on job sites in more than 130 countries and onboard vessels and offshore installations around the globe. With a rich, 200-year history, WireCo's 3,500 global employees are engaged in all aspects of steel and synthetic rope and netting design, production, and distribution.

218-YEAR HISTORY

130+ COUNTRIES

3,500+ EMPLOYEES

6,800+ CUSTOMERS

1,500+ ENGINEERED DESIGNS

50+ END MARKET APPLICATIONS
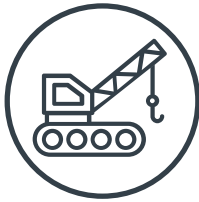
INDUSTRIAL
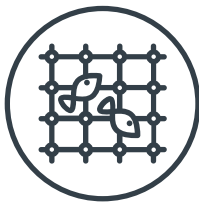
FISHING
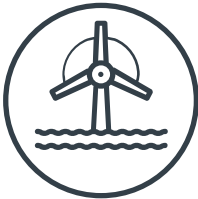
ENERGY

MINING

SPECIALTY MATERIALS

MARITIME

End Markets

WireCo customers and end users represent a diverse community of builders, innovators, and providers. They can be found in some of the most unforgiving environments, where lives and livelihoods are dependent upon their success. From the crane operator maneuvering the 80-meter turbine blade into place on the wind farm in rural Denmark; to the engineer clipped in 200 hundred feet above New York's Hudson River, overseeing the placement of suspension cables on the George Washington Bridge; to the captain of the Icelandic stern trawler, supervising the recovery of a 100-ton catch; these men and women are the true enablers of progress in an increasingly complex world.

WIRECO

Premier Brands

The WireCo family of brands is comprised of some of the most well-respected names in industry.

Union traces its origins to the days of scarcity immediately preceding World War I. Mr. Henry Black organized a small group of Midwestern investors to form the Black Steel and Wire Company in Kansas City, Missouri, to manufacture the wire ropes that he and other industrial leaders were then unable to obtain. The company prospered following the war, was eventually renamed Union Wire Rope, and today is a leader in crane and general purpose ropes used in energy and mining.

Lankhorst began as a maker of natural fiber ropes in Sneek, The Netherlands, at the turn of the Nineteenth Century. In the 200 years since, Lankhorst has grown to become a globally recognized brand and a world-wide supplier of synthetic ropes and mooring lines for the maritime industry.

Casar established itself as an innovator in wire rope design, producing the first eight-strand rope only one year after its founding in Germany in 1949. Today, Casar rope is regarded as the industry premium across various crane end markets.

Euronete is the world's leading supplier of nets and wire and synthetic ropes for the commercial fishing industry. The company grew from humble beginnings near Porto, Portugal, in 1964, and enjoyed steady growth under the leadership of José Luís Reutumba Gramaxo, a former merchant marine captain. Euronete merged with Lankhorst in 1998 to form Lankhorst Euronete Group BV.

(continued)

Premier Brands

(continued from page 5)

Since 1956, **Camesa** has been a leader in mechanical wireline and Electromechanical Cable (EMC) technologies for the energy and mining industries. It introduced EcoSeal, its highly innovative, greaseless EMC, in 2019.

Oliveira, founded in 1825, manufactures premium synthetic and steel wire ropes for the fishing and offshore industries from its facility in Maia, Portugal.

Global Presence

19 Manufacturing Locations ● 13 Distribution Centers

Steel
Synthetics
Engineered Products
Sales and Distribution

48% OF SALES

45% OF SALES

7% OF SALES
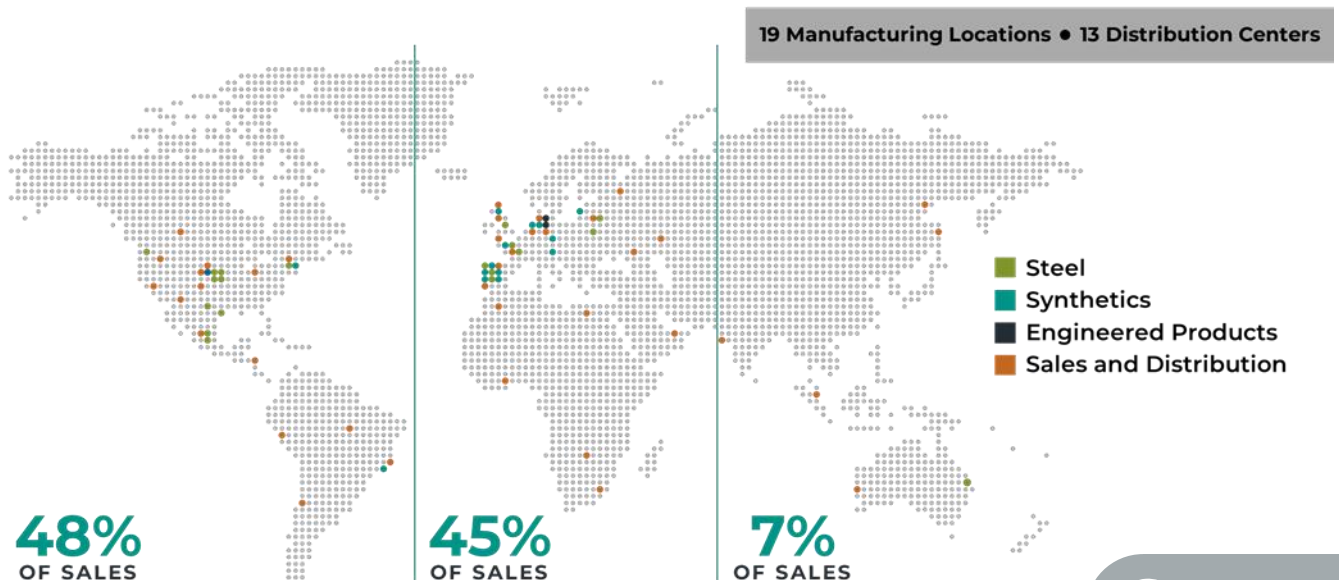
WIRECO

Our History

Throughout its history, WireCo has followed a deliberate strategy to achieve growth and market leadership through the merger of complementary manufacturers. The WireCo Business System, introduced in 2020, provides the common philosophy and methods necessary to unite these disparate entities into one, cohesive, operating company.

1803
Lankhorst family began rope manufacturing business in the Netherlands.

1988
Acquired Union Wire Rope, a wire rope division of Armco Steel.

2005
Acquired Aceros Camesa, located in Mexico, producing wire rope, high carbon wire. World's leading independent producer of EM cables for data logging.

1931
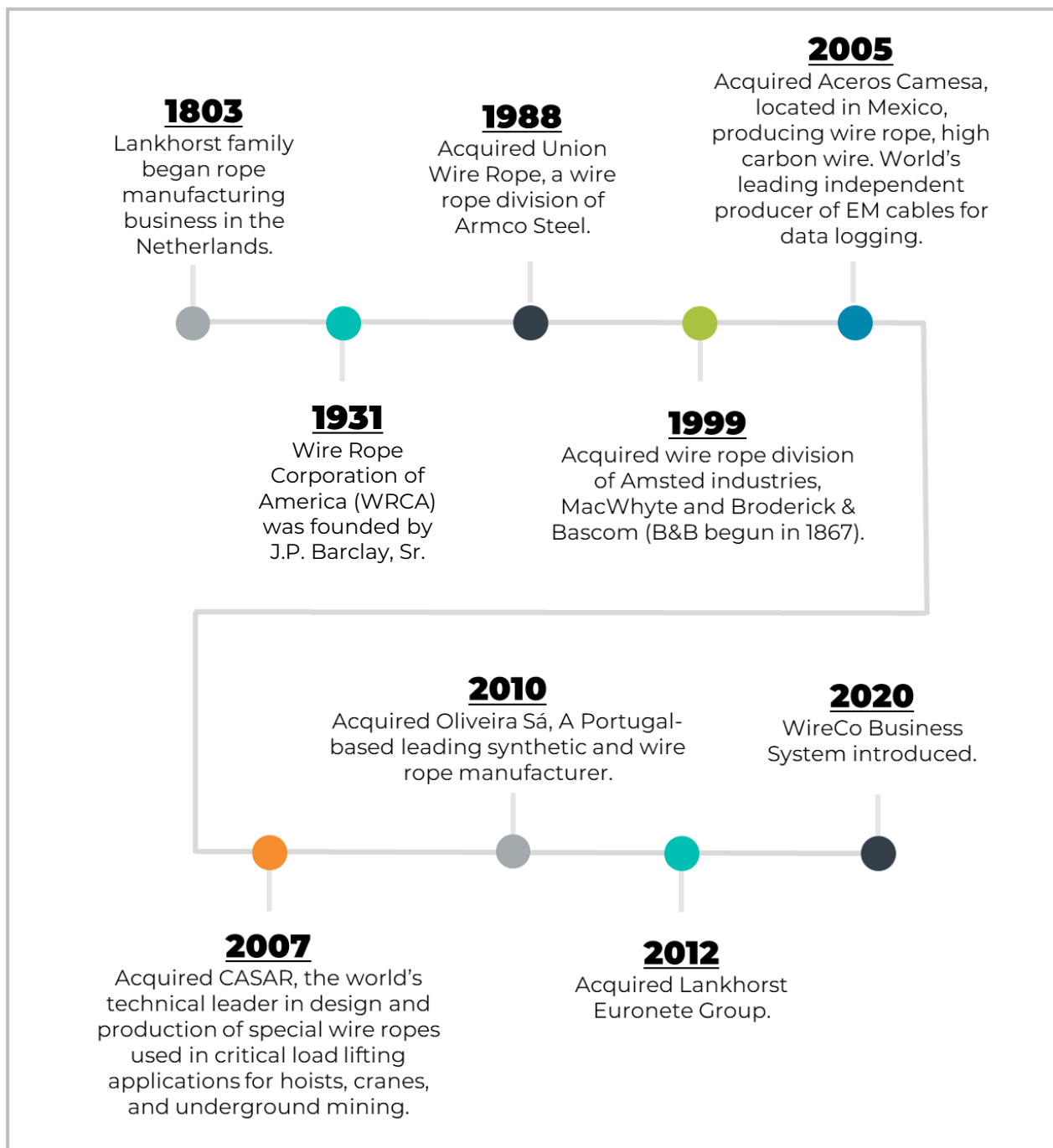Wire Rope Corporation of America (WRCA) was founded by J.P. Barclay, Sr.

1999
Acquired wire rope division of Amsted industries, MacWhyte and Broderick & Bascom (B&B begun in 1867).

2010
Acquired Oliveira Sá, A Portugal-based leading synthetic and wire rope manufacturer.

2020
WireCo Business System introduced.

2007
Acquired CASAR, the world's technical leader in design and production of special wire ropes used in critical load lifting applications for hoists, cranes, and underground mining.

2012
Acquired Lankhorst Euronete Group.

WIRECO

A Message from Our CEO

At WireCo, we believe a responsible business is a forward-thinking one. While we can't predict the future with complete accuracy, we do stay closely attuned to the key trends affecting our business. And, through our strategic planning process, we challenge ourselves to look as far into the future as our data and collective experience will reasonably allow. This helps us evaluate a variety of opportunities that could materialize as world events play out and enables us to take the appropriate actions to derive maximum benefit from them.

As we look to the future, growing, long-term trends toward electrification, alternative energy, and infrastructure investment are particularly interesting. That's because they play directly to WireCo's strengths. Each requires heavy-lift solutions or mooring systems for which the company possesses a long history, industry-leading technical know-how, and a wide portfolio of products. All of this, as well as the broader transition to a carbon-neutral economy, presents our company with tremendous opportunities. But, as we work with our customers to meet them, we cannot contribute to those conditions that gave rise to these opportunities in the first place.

Keith White
Chief Executive Officer

The WireCo Business System, described in this report, guides both our near- and long-term actions in such situations. It distinguishes between those activities required to run the business at peak performance today, and those designed to improve it, so the company can achieve even greater levels of performance tomorrow. These are not mutually exclusive endeavors. Rather, we expect that initiatives undertaken to improve tomorrow's WireCo will eventually inform the standards by which we run today's business. To bring our customers the solutions they need to meet tomorrow's challenges, for example, we need to have a healthy innovation and new-product pipeline in place today. And that pipeline must yield products that require the fewest possible resources to produce and pose the lowest possible environmental impact. Customers increasingly expect this.

(continued)

WIRECO

# A Message from Our CEO

While the growing recognition among governments and corporations of the potential effects of climate change certainly informs our thinking on sustainability, we're proud that it has taken hold as a grass-roots movement at WireCo. As we worked to develop the WireCo Business System in 2020, feedback from team members involved in the effort was loud and clear: In order for WireCo to realize its full potential, we, as an organization, must make a commitment to leave the world a better place than we found it. Sustainability thus became a foundational commitment in the WireCo Business System. While aspirational in nature, this commitment led us to take near-term steps to formalize existing sustainability efforts and begin to lay the foundation for a comprehensive sustainability program.

We're early in our Environmental, Social, and Governance journey, but not at the very beginning. Tremendous work is already taking place in the areas of recycling, responsible sourcing, community engagement, and in our support of sustainable industries. Much has been done, but much certainly remains to do. We look forward to sharing more about those activities in this and future reports.
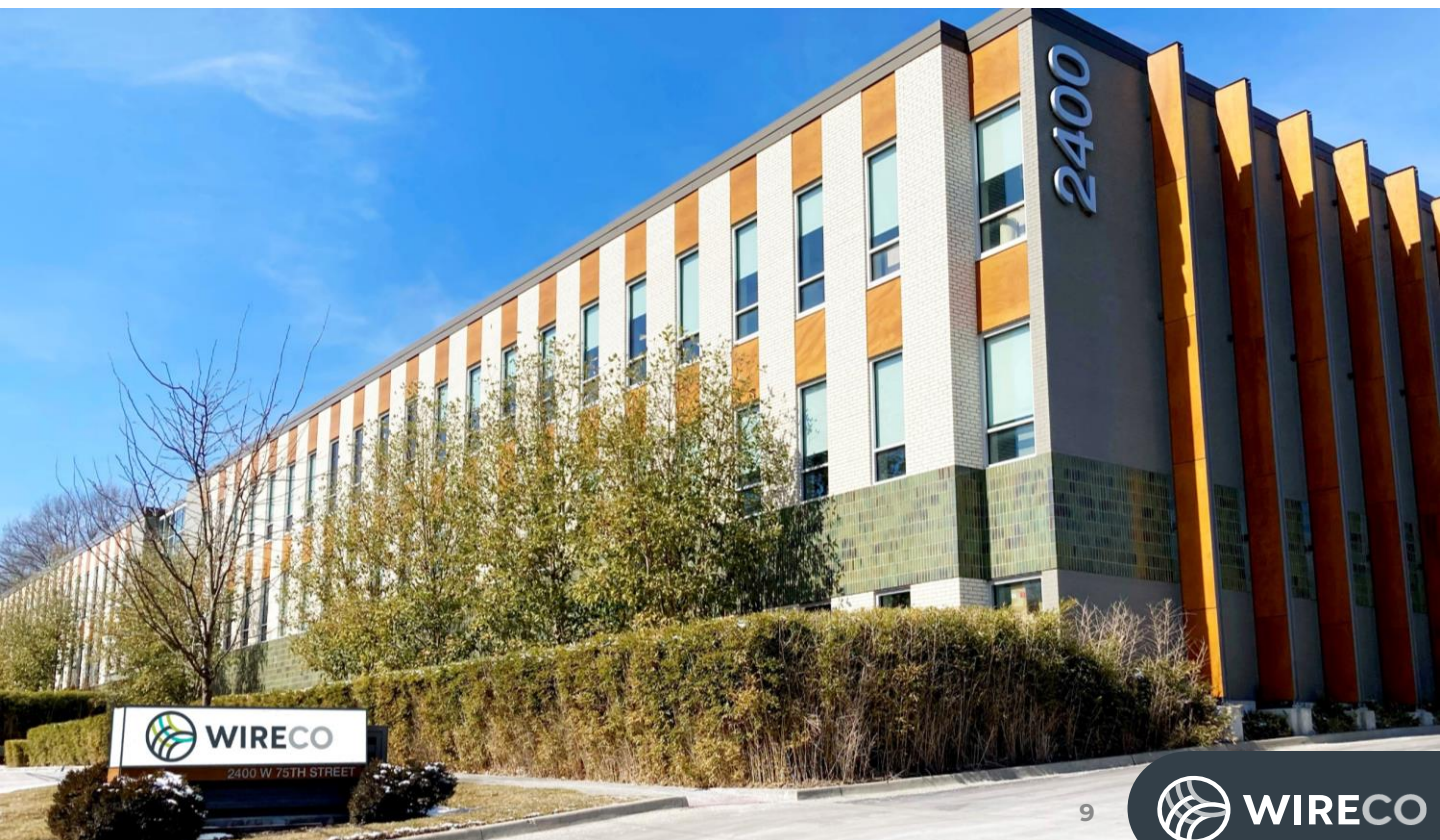
Our Journey

toward sustainability, social responsibility, and sound governance through the WireCo Business System

WIRECO

The WireCo ESG Journey

Environmental, social, and governance (ESG) matters continue to gain prominence in business, and appropriately so. Whether acting individually or in collaboration with like-minded peers, companies possess tremendous capability to help safeguard the environment, lift people and communities to greater levels of prosperity, and uphold and further the rule of law.

It is important that companies exercise this capability. The effects of climate change, to cite one of the more pressing reasons, are increasingly severe and far-reaching. Greenhouse gases exist in our atmosphere at historically elevated levels. The planet is warming as a result. Sea levels are rising. Extreme weather events, likely influenced by climate change, are happening, with greater frequency, yielding increasingly catastrophic outcomes.[1]
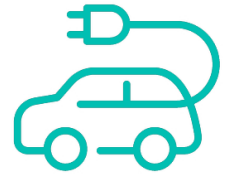
Business leaders can affect positive change to address these and other ESG-related issues. To do so, they must first raise awareness around these topics. Then, leaders must formulate strategies to understand and limit their organization's environmental impact, actively foster a safe and inclusive work environment, and put the appropriate protections in place to guard their company's critical information and reputation.

Whether such actions meet their intended purpose depends largely upon team members' commitment. To gain this, it is critical they understand the *why* behind any change. Leaders must develop a mechanism that will enable their teams to fully grasp the logic behind the company's intended evolution and bridge any gaps between the current and desired future state.

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[1]United Nations Intergovernmental Panel on Climate Change, 2021, *Climate Change Widespread, Rapid, and Intensifying*, 25 February 2022, [https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/]

WIRECO

The WireCo Business System

The WireCo Business System, or WBS, is that mechanism. Launched in 2020, **WBS is WireCo's *why*. It is both an operating system and a statement of purpose.** It sets clear priorities, defines the rules of engagement for business conduct, and sets expectations for how team members will treat one another and those with whom they interact on the organization's behalf. Importantly, WBS does not presume to define individuals' personal values. Instead, it describes those behaviors that, when employed consistently, afford both team members and WireCo the best opportunity to realize their full potential.

From the outset, WireCo leaders recognized that, in order to develop a living system that would drive real results, input from all areas of the business would be required. This process took several months, but was a worthwhile investment, because it ultimately yielded a more robust and enduring solution with the potential to drive change throughout the entire enterprise.

Through this process, it became clear that sustainability and corporate social responsibility (CSR) were areas in which WireCo's stakeholders expected the business to make a commitment to improve. And they held this expectation not because it was fashionable to do so, but because it aligned with their vision for the future WireCo *and* it made good business sense. Sustainability and CSR thus took root as integral parts of WireCo's broader transformation effort, made possible by the implementation of WBS.

The commitment to sustainability, in particular, presented the company both an opportunity and a responsibility. **WireCo's opportunity is to play a critical role in the production of structures and equipment needed to transition the world to a carbon-neutral future.** Its responsibility is to do so without contributing to those conditions that necessitated this transition in the first place. What, then, would be required for WireCo to take full advantage of this opportunity while properly meeting its responsibility?

Strategic Planning

The answer lay, in part, with the strategic planning process WireCo launched in 2021. As with the development of WBS, this was a months-long endeavor, involving team members from across the business. One of the fundamental questions this group sought to answer was, where could the company leverage its strengths to achieve profitable growth?

The *2021-2025 Strategic Plan* provided a comprehensive assessment of high-potential growth areas, in terms of markets to serve and the competitive landscape of each, and a roadmap for how the company could best address them.

WireCo Business System

2021-2025 Strategic Plan

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The plan also directly supported decisions to increase capital spending, invest in key human resources, explore new technologies, and launch a corporate-wide rebranding campaign.

So, while the strategy provided WireCo the tools it needed to attack the opportunity of sustainability, the business lacked the knowledge and skills necessary to build a program to meet its responsibility. To develop these, it turned to the professionals at KKS Advisors.

KKS Advisors
A dss+COMPANY

WIRECO

Leveraging Outside Expertise

KKS is a leading global advisory firm that specializes in the development of sustainable strategies for corporations, foundations, non-governmental organizations, and investment firms. It employs a ground-up, data-driven approach to help companies understand the current state of their ESG efforts and then identify opportunities and set targets for improvement.

WireCo engaged KKS in 2021, following receipt of a grant from the U.S. Trade Adjustment and Assistance Program. Established in 1974, this program provides manufacturers federal resources to support pro-competitive and growth initiatives. WireCo's commitment to embark upon a years-long sustainability journey readily qualified as such an initiative.

KKS employed a four-phase approach. In the first phase, it made a comprehensive, current-state assessment of ESG at WireCo. Consultants reviewed various internal documents, assessed existing ESG-related programs and activities, and interviewed numerous WireCo employees. In doing so, KKS was able to evaluate the extent to which WireCo was, and perceived itself to be, a sustainable company. This would provide an important baseline from which to develop future improvement initiatives.

In the second phase, KKS shifted its focus externally to understand how and where WireCo fit into the broader ESG universe. It captured perspectives and recommendations from various relevant international standards and ESG ratings organizations to gain insights on which ESG-related issues might be material to WireCo by posing either risks to, or opportunities for, the company. These organizations included the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD), the Global Reporting Initiative (GRI), MSCI, EcoVadis, and Sustainalytics. They also included industry associations, industrial peers, and competitors. Based on a comprehensive mapping of information sources and issues, KKS determined where overlap existed on those issues thought to be of greatest importance to businesses like WireCo and could therefore serve as potential focus areas.

WIRECO

Materiality **Matrix**

Next, having completed this external assessment of potential material issues, KKS interviewed key WireCo stakeholders to understand which of these issues they considered most important and potentially impactful. This group included WireCo suppliers, employees, customers, investors, and board members. KKS then aggregated and plotted the data associated with this feedback to create WireCo's Materiality Matrix, a graphical representation of those ESG-related issues around which an internal and external consensus had formed and thus qualified as material. These issues, and their associated definitions, included:

Importance to stakeholders vs. significance of perceived impact on WireCo's business model, the environment, and society. Top-right issues are those assessed to be most material to WireCo.

Environmental

- **Climate Change.** Performance on energy consumption and greenhouse gas emissions. Strategy to improve energy efficiency and to manage and reduce emissions within the value chain.

- **Waste and Air Pollution.** Management of solid, hazardous, and nonhazardous waste, including plastics, chemicals, etc. Strategy and plans to address waste-related risks, opportunities, and impacts. Toxic air emissions, and strategy to reduce toxic releases.

(continued)

Materiality Matrix

The multi-phase **Materiality Assessment** drew upon leading ESG frameworks and standards, interviews with WireCo leadership, information from ESG data providers, and issues identified by competitors and industry associations. This assessment supported the creation of WireCo's **Materiality Matrix**, as well as informed WireCo leadership of those issues most important to the company's stakeholders and the potential impact those issues could have on the business.

WIRECO

Materiality Matrix

Environmental (continued)

- **Water and Wastewater.** Freshwater withdrawal, consumption, and water recycling rate. Strategy and plans to address water consumption and disposal-related risks, opportunities, and impacts.

- **Ecological Impact.** Incidents of non-compliance with environmental permits, standards, and regulations. Processes to assess and manage environmental risks associated with project design, siting, and construction.

Social

- **Product Impact on Customers.** Measures to ensure products and services do not pose health and safety hazards to customers. Corporate initiatives to make products inherently safer.

- **Diversity, Inclusion, and Equal Opportunities.** Employee diversity by age group, gender, and ethnicity. Efforts to increase diversity levels. Non-discrimination in the provision of services, fair employment practices, equal opportunities, and equal remuneration.

- **Employee Attraction and Retention.** Attraction, inspiration, and retention of high-potential, talented professionals. Provision of education, training, and career development for employees.

- **Human Rights and Labor Practices.** Respect of human rights and management of risks associated with child labor and forced or compulsory labor in the company's operations and supply chain. Grievance mechanisms, e.g., freedom of association, collective bargaining, etc.

- **Occupational Health and Safety.** Workplace hazard identification, risk assessment, and incident investigation. Measures to ensure the health and safety of employees at work and foster their wellbeing, e.g., training.

Governance

- **Sustainable Procurement.** Cooperation with suppliers, including companies offering outsourcing services, that respect human rights, labor rights, environment, values, and business principles that govern the operation of WireCo. Supplier audits.

- **Business Ethics.** Compliance with internal and external codes and regulations regarding anti-bribery, anti-corruption, and anti-competitive behavior.

- **Corporate Governance for Sustainability.** Strong governance framework and practices, ESG in corporate strategy and risk management, oversight of sustainability at the board level, transparency over the board and committee structure, as well as member independence, diversity, and compensation.

- **Cyber Security.** Processes in place to protect the company's operation against cyber threats. Information security, protection, and privacy of stakeholder data.

WIRECO

Materiality Matrix

Business Model Resilience & Innovation

- **Business Model Resilience.** Company's responsiveness to key trends, e.g., transition to a low-carbon, climate-restrained economy, and combating ocean pollution. Capacity to manage risks and opportunities associated with incorporating social, environmental, and political transitions into long-term business model planning.

- **Sustainable Product Innovation.** Development of technologies and products to offer new-generation solutions and meet the expectations of evolving markets for sustainable products. Consideration of environmental and social aspects in the R&D process and product design, e.g., resource circularity.

In phase three, KKS analyzed WireCo's existing disclosures related to these issues, both internal and external, to identify gaps and any short-term opportunities for improved reporting.

Recommended Actions

Finally, in phase four, KKS recommended near- and long-term actions the company could take to address its material issues, including additional activity around existing ESG-related initiatives and the launch of a comprehensive sustainability program.

WireCo leadership acted promptly in 2021 to implement many of these recommendations, including:

- **Provide Centralized Guidance on Sustainability.** ESG was made a standing agenda item for all board meetings, and a corporate sustainability leader was hired, reporting directly to the CEO.

- **Make Corporate Purpose Meaningful and Change Public Perception.** WBS crystalized the company's core purpose, while a comprehensive rebranding campaign was launched to bring WireCo's public image more in line with the modern, forward-thinking business it is, not the company it once was.

- **Establish Comprehensive Sustainability Data Management.** KKS consultants surveyed various WireCo manufacturing and distribution sites in multiple countries to determine the extent to which data were available to support key metrics associated with the company's 15 material issues. As anticipated, the results of the survey were mixed, revealing the data to be robust in some sites and nonexistent in others. It will be critical that WireCo enact common ESG data collection practices across its entire enterprise to support future measurement and improvement activities.
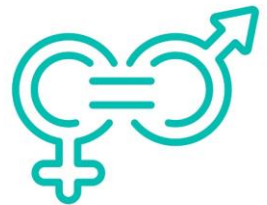
WIRECO

Near-Term Focus

KKS additionally recommended that WireCo identify a subset of material issues on which to focus near-term improvement efforts.

To determine which, the company relied upon insights gained through its strategic planning process. Through this work, the WireCo team identified 80 global manufacturers to benchmark across a variety of competitive categories. These companies, all public, were at varying stages of their respective sustainability journeys, and all had published sustainability reports. This group was eventually narrowed to 32, and team members then reviewed the companies' reports to determine on which ESG-related issues they had made either disclosures or commitments. **This was important to understand, because while WireCo fully intends to focus on its own, highest-priority material issues, leaders didn't necessarily want to find themselves out of step with those peers having similar sustainability aspirations and goals.** As the old proverb teaches, "If you want to go fast, go alone. If you want to go far, go together."

Of the numerous ESG-related issues these companies cited, there was but a short list of those that received commitments. And these issues aligned nearly exactly with those offered by WireCo leaders as meriting near-term focus. They were:

- **Climate Change.** Understand and limit WireCo's environmental impact.
- **Diversity, Inclusion, and Equal Opportunities.** Foster an environment in which all team members can bring their true, best selves to work every day.
- **Occupational Health and Safety.** When it comes to accidents and injuries, "We Choose Zero."
- **Business Ethics.** Obey the law, and be a responsible business partner.

WireCo thus selected these issues as those for which it will set improvement targets for 2023 and beyond. In 2022, the company intends to put the necessary mechanisms in place to collect sufficient data to measure progress against those targets, aligned to the appropriate industry standard, such as GRI or SASB.

WIRECO

Business Model Resilience

and the transition to a green economy

WIRECO

Business Model Resilience

WireCo is a healthy, thriving business. But leaders understand that in order for this to remain the case, the company must continually evolve. To meet the challenges of climate change and a transitioning global economy, leaders must adhere to sound business fundamentals while continually adapting to new realities.

Transition to the Green Economy

Growing consensus in the business community around the need for climate action is indeed encouraging. However, the complete transition to a carbon-neutral economy is projected to take decades. And in that time, demand for cheap, accessible energy will likely grow as less-developed nations seek to modernize. Much of this energy will continue to come from traditional, carbon-based sources, as green alternatives, while promising, remain largely nascent and prohibitively expensive. This "green premium" will be reduced over time as alternative technologies further develop and become more affordable. In the meantime, companies like WireCo, that help drive the world's development through its heavy-lift technologies, will continue to play a role in both the carbon and green economies.
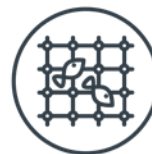
WIRECO

Business Model Resilience

WireCo is ideally positioned to serve both economies. Global trends driving the transition play directly to the company's strengths, including:

- **Electrification.** Nations and industries around the world have committed to achieving net-zero carbon emissions by 2050. This will require that electric power nearly completely displace that provided by fossil fuels. Wider use of electricity will, in turn, require a significant expansion of electrical infrastructure, along with the mining of vaster quantities of copper, nickel, lithium, and other metals to support this build-out.

- **Infrastructure Investment.** Governments are investing in new roads, bridges, rail systems, and broadband capacity to support population expansion and rapid urbanization. At the same time, they are devoting resources to harden electrical grids against the damaging effects of climate change.

- **Responsible Sourcing.** WireCo serves premium customers that are increasingly looking to their suppliers to help them meet sustainability goals. These customers' buying preferences have already begun to shift to those products, and to those suppliers, that offer them solutions to become more sustainable.

INDUSTRIAL

FISHING

MINING

MARITIME

ENERGY

SPECIALTY MATERIALS

Each of these trends is supported by core WireCo industries, as identified through the strategic planning process. And in many cases, the company's most important customers--those with whom the company has committed to grow--are already prominent players in those industries. This means that as those customers do the work necessary to transition the world to a carbon-neutral future, so, too, will WireCo.
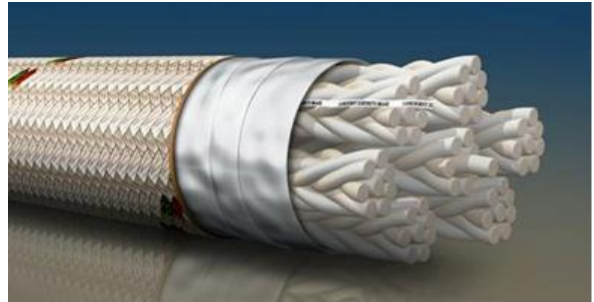
WIRECO

Business Model Resilience
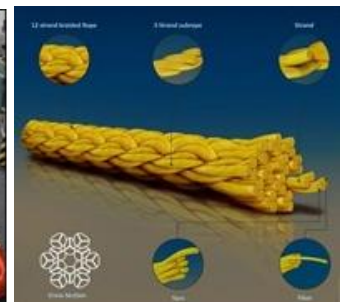
Sustainable Industries

Even as it continues to serve segments of the carbon economy, WireCo is committed to expanding its presence in those sustainable industries leading the green-economy transition.

In offshore wind energy, the assembly, placement, and mooring of wind turbines and supporting installations require solutions that span the full range of WireCo products.

- **Crane ropes** to support heavy-lift systems for harbor and yard operations, support vessels, and offshore installations.

- **Heavy-lift slings** for nacelle installations, offshore substations, and foundations.

- **Mooring systems** for offshore installations.

- **General purpose rope** for rigging equipment and general yard and port operations applications.

- **Towing systems and hardware** for tugs and barges supporting offshore installation construction.

- **Subsea specialty tethers** for keel lines, split tensioners, and load dividers.

- **Mooring lines and rigging hardware** for support vessels.

Lankhorst Offshore Cabral 512 Mooring Lines

**Lankhorst Offshore Lanko Force** Synthetic Slings

WIRECO

Business Model Resilience

Sustainable Industries – Offshore Wind Energy

Perhaps nowhere is WireCo better equipped to help lead the transition to the green economy than in offshore wind energy.

The company's long history serving offshore markets has enabled it to develop highly engineered mooring systems that can withstand the most demanding, open-ocean environments. Through decades of service in the South Atlantic, North Sea, and elsewhere, WireCo's proven technologies have positioned the company, through Lankhorst Offshore, as the world's leading supplier of fiber rope mooring lines to the offshore wind industry.

Offshore wind holds incredible promise as a clean, plentiful alternative to fossil fuel-based energy sources. While today's installed capacity is limited, the quantity of energy provided by offshore wind is expected to grow 10 times to more than 10,000 megawatts by 2030. As this capacity expands and installations move farther offshore, WireCo is ideally positioned to partner with those in the industry driving this growth.

Source: Quest FWE 2020
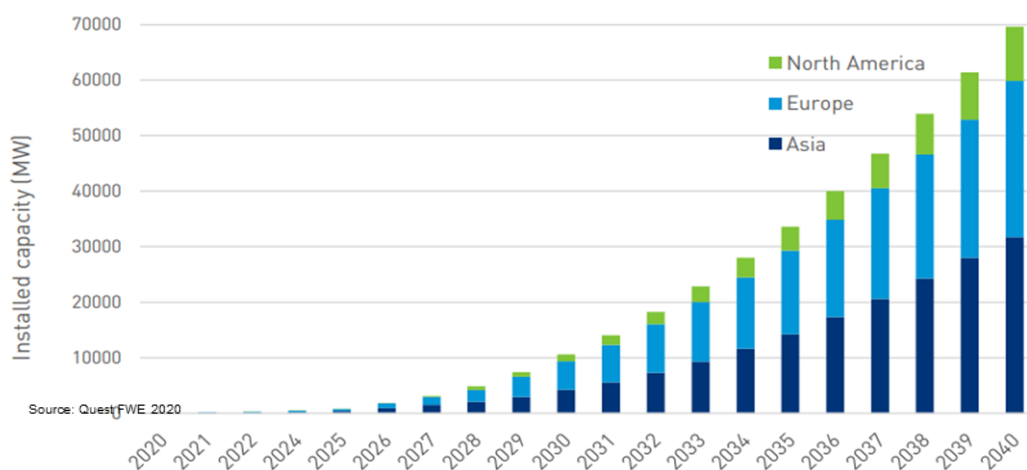
Such partnerships already exist. The WindFloat Atlantic is continental Europe's first floating wind farm. Commissioned in early 2020, the farm consists of three wind turbines installed on semi-submersible, floating foundations, 20 kilometers off the coast of Viana do Castello, Portugal. These turbines, with an installed capacity of 25 megawatts, provide power to the Viana substation via submarine cable. They generate enough power to supply the equivalent of 60,000 users per year, avoiding almost 1.1 million tons of carbon dioxide emissions in the process.

WIRECO

Business Model Resilience

Sustainable Industries – Offshore Wind Energy

Moored at water depths of 85 to 100 meters, the WindFloat is a triangular-shaped semi-submersible floater with a turbine mounted on one of its three columns. Each platform's mooring system consists of three catenary mooring lines of GAMA98® rope, made from Dyneema® DM20®, attached to chain and drag-embedded anchors. This soft catenary system is designed to restrain the platform's horizontal motion. The mooring lines were pre-laid on the seabed prior to the arrival of the platforms and connected using platform mooring connectors, reducing the time needed for platform mooring.

Similar projects using Lankhorst Offshore mooring systems are underway in the waters off Scotland and Norway. The Kindcardine Offshore Wind Farm sits 15 kilometers off the coast of Aberdeenshire, Scotland. It consists of six turbines installed on WindFloat platforms with an installed capacity of 50 megawatts. The TetraSpar Demo is a proof-of-concept project involving a semi-submersible, tetrahedral-shaped turbine mounting system, moored in 200 meters of water at a test site off the coast of Norway.

As these and other opportunities present themselves, WireCo will be well prepared to bring its deep expertise, long experience, and technical know-how to play a prominent role in the world's transition to a carbon-neutral future.

WIRECO

Business Model Resilience

The Adaptive Business Model

WireCo leaders understand that businesses are expected to behave responsibly, irrespective of the industries they serve or the role they may play in any green transition. Increasingly, the ability to attract and retain customers, talent, and investment dollars relies upon a company's commitment to limit its environmental impact, treat people with dignity and respect, and follow fair and legal competitive practices. Companies that fail to keep such commitments will struggle to compete. WireCo has no intention of becoming such a company.

As such, leaders will act responsibly to adjust the company's business model, as needed, ahead of and through the transition to a carbon-neutral economy. This will be important in order to meet customers' changing requirements as they navigate the same transition. The strategic planning process will be the primary mechanism by which leaders make such adjustments. These will share the common purpose of further positioning the company to play to its strengths, create maximum value for those customers able to employ WireCo products and services to greatest benefit, and, in so doing, gain the company enduring competitive advantage.

The need for a business to adapt and change in order to remain viable for the long-term is not new. What arguably is, is the extent to which business model resiliency will determine which companies thrive, or even survive, in a world increasingly affected by climate change. This further underscores the primary importance of strategic planning at WireCo, guided by WBS, and the need to make sound, data-based decisions today in order to secure the best possible tomorrow for all WireCo stakeholders.

To be resilient, WireCo's business model must adhere to certain guiding principles. Among them:

- **Price Leadership.** Fully capture the value the company creates through pricing.

- **High-Margin Business Mix.** Achieve profitable growth by expanding service to high-margin segments and exiting low-margin segments.

- **Technology Leadership.** Deliver products that offer a differentiated technical solution in WireCo's target markets and create competitive advantage.

- **Velocity.** Achieve industry-best lead times by improving manufacturing cycle times for products going into high-margin segments.

WireCo has made important gains in each of these areas since implementing WBS in 2020 and will continue to do so through future strategic planning cycles. No doubt, the business has evolved under WBS in ways that have made it more resilient and better able to navigate an uncertain future.

WIRECO

Our Environment

leaving the world better than we found it

WIRECO

Our Environment

Environmental responsibility at WireCo follows three, complementary lines of effort.

- **Reduce the consumption of resources**, particularly energy and water.

- **Limit the harmful byproducts of consumption**, including hazardous waste and greenhouse gas emissions.

- **Expand the use of recycled materials** in the manufacturing process.

Resource Consumption

As a precursor to reduction, the company must first determine the quantity and type of resources it consumes. This can be achieved most readily by analyzing monthly invoices received from utility providers, an effort already underway. 2021 data across all sites are incomplete, but enterprise estimates can be calculated through a combination of actual and historical usage figures. These estimates facilitate high-level benchmarking and will guide future efforts to set reduction targets. 2022 will serve as WireCo's baseline year. In the interim, leaders at all sites will be required to analyze current and past usage trends to identify any near-term opportunities for reduction.

To understand the extent to which renewable sources comprise WireCo's overall energy mix, the company will again need to work with utility providers. Apart from electricity generated from solar panels installed at certain sites, WireCo lacks the means to determine the sources of the energy it consumes. The company will rely upon the utilities for this information, which will be incorporated with WireCo's larger data collection effort.

Sustainability is about taking responsible action to meet the needs of today's business without compromising its ability to meet future needs. And it's also about leaving our corner of the world better than we found it."

Dan Bozung
Corporate Strategy & Sustainability Leader

WIRECO

Our Environment

Waste and Emissions

Waste is managed in accordance with regulations and ordnances set by the municipalities in which WireCo facilities reside.

Scope 1 and 2 greenhouse gas emissions will be calculated, but not directly measured. WireCo will follow international Greenhouse Gas Protocols to derive emissions mathematically, using actual usage data for electricity and natural gas provided by utilities. As with resource consumption, 2022 will serve as the company's baseline year for these calculations, and reduction targets for 2023 and beyond will be set relative to them.

Recycling

More than 65 percent of the wire the company produces is made from recycled steel rod. This wire is used to manufacture ropes that go to customers serving WireCo's most important end markets, thus contributing to the proportion of products in those markets that were sustainably sourced. WireCo intends to grow this proportion by implementing various sustainable design initiatives under the WBS Innovation Pillar.

In synthetics, scrap rope and yarn is recycled in WireCo's Maia, Portugal, facility for use in new products. Not only does this make financial sense by reducing disposal and raw material costs, but it also creates circularity in the manufacturing process that reduces waste and enables a degree of self-sufficiency. At the same time, recycling is a tremendous point of pride for Maia employees, and it remains an ongoing source of improved engagement and commitment to sustainable principles.

WireCo's Engineered Products business goes even further to give used plastics new life through Lankhorst Recycling, a product line sourced primarily with recycled materials. Based in Sneek, The Netherlands, Engineered Products has been recognized throughout Europe for its leadership in repurposing discarded polyethylene and polypropylene goods for use in construction, agriculture, recreation, and landscaping.

WIRECO

More on Recycling at WireCo

Recycling provides WireCo its best opportunity to participate in the circular economy. The raw materials required to produce wire and synthetic ropes—steel rod and plastic, respectively—lend themselves well to re-use, repurposing, and reproduction through a variety of end-use applications and product lifecycles.

What is it about steel that makes it so highly recyclable?
The obvious answer is its incredible strength and ability to remain intact under physically degrading conditions. Though a rope may incur normal wear and tear through prescribed use and have a finite service life, the steel with which it is made retains its structural properties and can be remanufactured into new products, of the same quality, nearly indefinitely. Wire rope circularity begins well upstream of the production process. WireCo's primary steel suppliers construct their rod with predominantly recycled materials. The company therefore benefits from steel's high recyclability before the material even arrives at WireCo production facilities. Inside the plant, lean manufacturing practices are employed to minimize scrap. Much that is produced is collected and made available for recycling.

Following manufacture and deployment to the field, steel ropes enjoy long, useful lives. Some amount of rope is then immediately recyclable at the end of its service, depending on the type of treatment or coating, if any, that was applied to the rope to meet performance requirements. Here, WireCo has great opportunity to apply new technology and advanced engineering to either remove these coatings or produce them in such a way as to make them more highly recyclable.

Does plastic recycling follow a similar story?
As with steel, plastic retains much of its usefulness through a product's full lifecycle and can be readily repurposed. Scrap can also be easily collected, processed, and used as raw material in the production of new ropes. Then, at the end of a synthetic rope's service life, it can be processed for use in the manufacture of new ropes or other plastic products.

Almost as soon as synthetic yarns began to displace natural fibers for rope production, personnel at WireCo's Lankhorst production facility in The Netherlands understood the possibilities present in recycled plastics. This led to the creation of Lankhorst Recycling Products in 1975, which uses residual material from rope manufacturing and other plastics to produce high-quality, environmentally friendly, recyclable products for a wide range of applications.
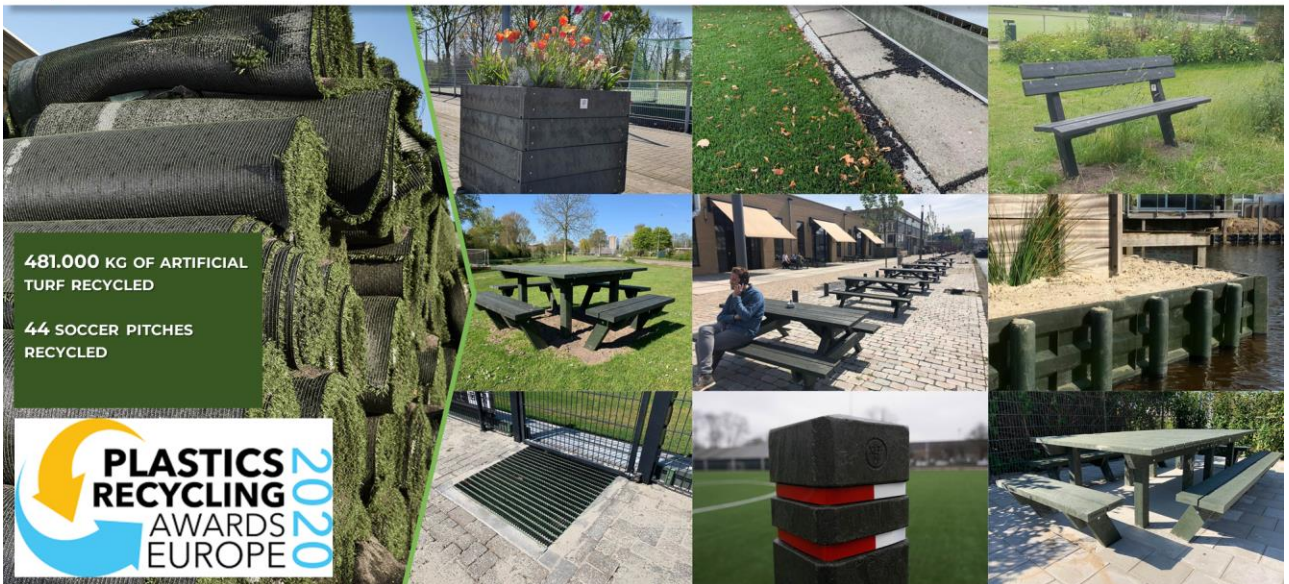
WIRECO

More on Recycling at WireCo

In 2019, Lankhorst partnered with W&H Sports in The Netherlands to form GreenMatter, a joint venture. Through this venture, Lankhorst produces engineered plastic products using recycled artificial turf from sports facilities throughout Europe. This partnership has proven a terrific success, as tons of kilograms of used turf has already been saved from landfills and given new life in a variety of end uses.

Beyond current initiatives, the WireCo team continually seeks new opportunities to expand recycling into more parts of the business. Few other activities create as much direct benefit, in terms of environmental impact, financial performance, supply chain security, and enhanced reputation in the marketplace.

GREENMATTER

RECYCLE THE PRESENT, SAVE THE FUTURE

481.000 KG OF ARTIFICIAL TURF RECYCLED

44 SOCCER PITCHES RECYCLED

PLASTICS RECYCLING AWARDS EUROPE 2020

Future Opportunities

Ongoing initiatives to create additional recycling opportunities at WireCo include:

- **Environmentally friendly treatments and coatings**
- **Expanded use of recycled raw materials through partnerships with key suppliers**
- **Improved recyclability of products at end-of-service life**

WIRECO

Social Responsibility

unleashing the talent of our people
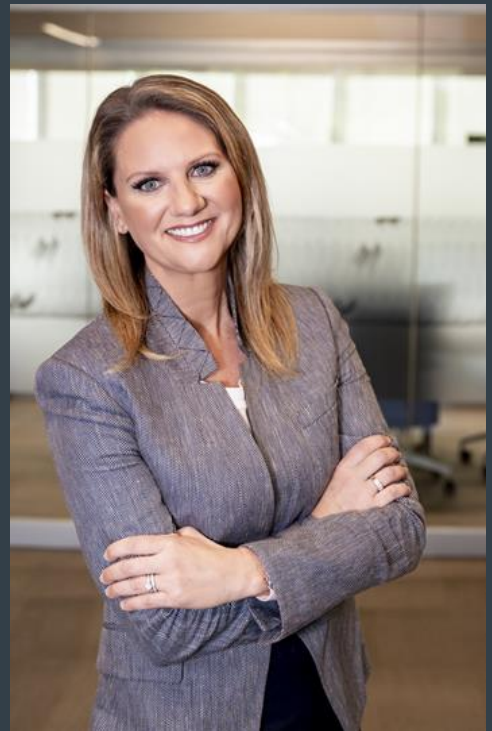
WIRECO

Social Responsibility

Strengths-Based Culture

A focused, engaged workforce is a source of significant competitive advantage for WireCo. This is something the company does not take for granted. From the boardroom to the factory floor, leaders must actively foster a culture in which every team member is inspired to bring his or her true, best self to work. Anything less will mean untold talent and potential will go unrealized, to the detriment of the individual, the team, and the business.

That's unacceptable, and the reason why Unleash the Talent of Our People is the first strategic pillar of the WireCo Business System. Its tenets include:

- **Transform managers into leaders** by enabling them to discover and put into practice their unique strengths and become culture champions.

- **Provide learning and development opportunities** at every step in WireCo team members' careers.

- **Establish clear expectations** for exemplary performance and behavior, and hold people accountable to deliver on their commitments.

- **Promote a safe, desirable workplace** that fosters diversity.

People are more likely to succeed when they're able to play to their strengths. This belief is central to WireCo's leadership philosophy. The company therefore partnered with Gallup-CliftonStrengths to better equip team members to identify and understand their personal strengths, as well as how to leverage those of teammates to achieve the best organizational outcomes possible. Gallup's strengths-based assessment, that defines 34 unique talents in four domains, is built upon of decades of research on some of the world's most successful people. It has proven invaluable to employees' gaining greater self-awareness and to their ongoing personal and professional development.

Brooke Cardarella
Chief Human Resources Officer

"

Unleash the Talent of Our People is one of our WireCo Business System pillars. That's because we believe a culture in which all employees are challenged to bring their true, best selves to work every day is a source of significant competitive advantage. And that requires an ongoing commitment to understand team members' unique strengths and then identify and provide new opportunities for them to further develop those strengths."

WIRECO

Social Responsibility

Diversity and Inclusion

In order for people to play to their strengths, they must first feel included. WireCo is fortunate to enjoy a global team, comprised of members with differing backgrounds from all walks of life. The diversity of viewpoints this provides is a competitive strength, but will only remain so if employees feel valued for their uniqueness, not penalized because of it.

WireCo expressly forbids all forms of discrimination. Any behavior that would cause a team member to feel excluded or threatened due to his or her inherent qualities as an individual is not tolerated. An anonymous hotline is available to all employees to report such behaviors.

The company does not seek homogeneity in its workforce. Rather, it actively seeks to attract a broad slate of candidates that reflects the diversity of the industries WireCo serves and the communities in which its people work and live. Leaders continually evaluate talent management practices to ensure this principle is upheld and make regular reports to the Board of Directors on these practices.

Training

Focusing on one's strengths does not imply that one cannot improve. Everyone can get better, even in those areas in which a person's strengths reside. WireCo therefore invests heavily in training. Whether to develop leadership skills and general business acumen, or to gain additional insight on WireCo strategy and WBS initiatives, numerous offerings throughout the year provide employees multiple opportunities for improvement. These include:

- **Strategic Plan and WBS Overview.** A leadership workshop to better understand strategic planning and to set personal goals that support WBS objectives.

- **Behaviors 101.** A video series in which behavior champions talk one-on-one with other leaders to take a deeper dive into WBS behaviors and the expectations around them.

- **Sandler Sales Training.** A sales system focused on qualification versus closing, value versus cost, and equality in the customer-provider relationship.

- **Strategic Plan Learning Sessions.** Breakout training to review the strategic plan and provide a deeper understanding of the overall strategy for core industry segments.

- **5S Training.** An overview of the 5S methodology: Sort, Set in Order, Shine, Standardize, Sustain.

WIRECO

Social Responsibility

Safety

One area in which WireCo can always improve is safety. It *is* possible to achieve zero injuries, a belief captured in WireCo's "We Choose Zero" safety campaign.

This means the company will not be satisfied until it is injury-free. Significant progress has been made toward this objective, but much work remains. For 2022, WireCo is committed to achieve a Global Total Recordable Incident Rate of 0.80 or better, with 65 percent of sites achieving 0.0. This will require an all-hands effort, led locally by WireCo Safety Committees and at the corporate level by the company's Corporate Health and Safety Leader. Together, this team collects and analyzes hundreds of safety observations made in WireCo facilities each month to better understand potential hazards and devise actions to mitigate them.

Additionally, leaders continually seek to implement simple, effective engineering and administrative controls to better protect employees. The best safety measure a company can implement is that which makes it physically impossible for a team member to get hurt. WireCo is therefore investing substantially in improved machine guarding at a number of sites, with numerous capital improvement projects planned for 2022.

COVID-19 Response

As the coronavirus pandemic enters its third year, WireCo leaders will continue to work with teams around the world to protect the health of employees and that of their families. In doing so, the company will comply with all local regulations regarding the limitation of in-person gatherings, quarantines, vaccination and testing, and mask usage.

For those circumstances not explicitly covered by regulations, WireCo has taken a generally conservative, common-sense approach to enacting measures to limit the spread of disease within the company's facilities. Leaders will continue with this approach in 2022, to include allowing employees to work remotely, when appropriate. Where team members must be physically present to support manufacturing operations, the company will observe the appropriate protocols to ensure their maximum protection and safety.

WIRECO

Committed to Choosing Zero

"We Choose Zero"

When it comes to creating a safe workplace, only the highest standard is acceptable.

Eduardo Gonzalez, WireCo's Corporate Health and Safety Leader, recently reflected on the company's safety mindset of a few years ago.

"We never intend for anyone to get hurt. But I'm not sure we believed zero injuries was actually achievable."

Even with a robust safety program in place, injuries still happened, at an unacceptably high rate. Eduardo and his team thus went to work to raise awareness, implement engineering controls, and improve safety communications throughout the company. They engaged site leaders and began to share safety observations and best practices more widely throughout the enterprise.

Soon, they began to see results, as Total Recordable Incident Rates began to tick downward. A small number of sites even went injury-free for an entire year.

But even with trends moving in the right direction, Eduardo and the team knew they couldn't be satisfied until no one was injured. But was zero injuries just an aspirational goal never to be met and, thus, a commitment the business should not make?

Or, was it exactly the commitment the WireCo team needed to make to build a world-class safety culture?

It was the latter. The "We Choose Zero" campaign followed.

Eduardo explained that, "We had to believe that all injuries were avoidable. And if we believed that, we had to believe it was, in fact, possible to get to zero. And it's okay to say so."

"We Choose Zero" gives ownership of a safe, injury-free workplace to all employees. It's a choice team members make every day. It is not a standard imposed upon the company by the corporate office. Rather, it's a commitment made by every person in every facility to be intolerant of unsafe conditions and an active contributor to a healthy, productive working environment.

Through "We Choose Zero," 17 of 30 manufacturing sites experienced zero injuries in 2021. And a remarkable 14 sites across the broader company had gone two years injury-free by the end of the year. Total Recordable Incident Rates also fell to world-class levels.

Despite the positive trends, Eduardo and his team are not resting on their laurels.

"So long as a single person gets hurt, our job is unfinished."

Total Recordable Incident Rates

3.47 — 2.35 — 1.11 — 0.90

2018 2019 2020 2021

WireCo Safety Calendar 2022
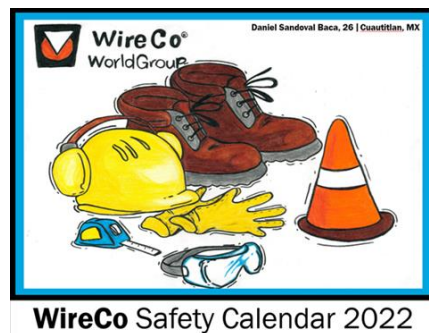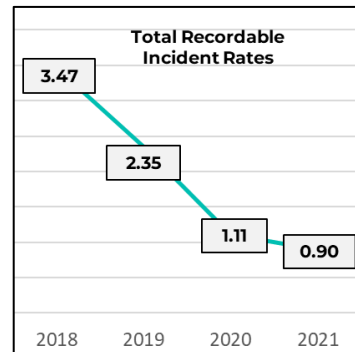
WIRECO

Social **Responsibility**

Community Engagement

WireCo's long-term health relies heavily upon the vitality of the communities around the globe that support it. It is therefore the company's responsibility to be a good neighbor and a responsible citizen, and to invest in communities' collective good through team members' volunteer activities and charitable contributions. Numerous such activities take place at various WireCo locations throughout the year.

The Kirksville, Missouri, team organizes donations for the "Snack Attack Challenge" in support of local schools

Organizers and participants gather for the annual "Shop With a Cop" event in Chillicothe, Missouri

WIRECO

"Better than we found it"

Giving back takes center stage

WireCo team members enjoy giving back to the communities in which they live, work, and play.

This is especially true during the holiday season, when numerous activities take place around the world to support friends and neighbors in need.

In Maia, Portugal, the Lankhorst Euronete team has a long tradition of holiday giving. This year, team members donated Christmas baskets filled with all the essentials for a traditional Portuguese Christmas dinner to the Centro Comunitário Vermoim/Sobreiro, a local community center. The center runs a social canteen that serves people in need from all the parishes in the local area throughout the year.

The Chillicothe, Missouri, team participated in the city's "Shop with a Cop" event, which has taken place annually since 1995. Event organizers use donated funds to help families and children shop for holiday gifts. WireCo volunteers walked children around a local store, helping them pick out presents to give family members.

"This event is the epitome of the holiday spirit," said WireCo's Crystal Kinen. "It was a great opportunity to help our community and those in need. Thanks to everyone that helped make this event such a heartwarming success!"

The Phillystran team in Montgomeryville, Pennsylvania, hosted a canned food drive to support Manna on Main Street, a local food pantry committed to ending hunger in the North Penn area. The pantry provides food, social services, and educational assistance to those in need.

And when the holidays end, engagement activities continue. Events take place throughout the year that provide team members ongoing opportunities to lend time and resources to those communities that support them and their families.

WIRECO

Governance

doing the right thing, even when no one is watching

WIRECO

Governance

Good governance begins with doing the right thing. WireCo therefore endeavors to attract and retain people who are naturally inclined to do so. But even for such people, the right thing might not always be apparent. Some situations may require knowledge or experience to navigate that a team member simply lacks, through no fault of his or her own. The consequences may nonetheless be severe if such situations are mishandled, and the company may be put at risk, even while there exists no malicious intent on the employee's part.

WireCo employs certain safeguards to protect its people and business. These include an active and engaged Board of Directors, company policies, compliance audits, codes of conduct, employee training, and information security systems. Leaders must also set clear expectations for the correct conduct of day-to-day business and ensure team members receive the proper support and instruction for those activities that fall outside the norm. All of these measures are intended to ensure the extended WireCo team acts ethically, follows the law, complies with regulations, and protects confidential information.

Governance

Anti-Corruption and Code of Conduct

Obeying the law, both in letter and in spirit, is the foundation on which WireCo's ethical standards are built. All employees are expected to obey the laws of the cities, states, and countries in which the company operates. Noncompliance with these laws poses significant business and reputational risk to WireCo. The company has therefore put specific policies in place to ensure all employees and partners understand exactly what is required of them.

The WireCo Anti-Corruption Policy details various provisions of U.S. and international laws intended to prevent public and private corruption. These laws include the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the Mexican Federal Law Against Public Corruption, and other related laws. The Anti-Corruption Policy is made available via the WireCo website, and all team members are required to complete annual training to certify their understanding of it. Although employees are not expected to know the full details of these laws, it is important they know enough to determine when to seek advice from supervisors, managers, or other appropriate personnel. To facilitate ease of reporting for any potential violation or to share concerns, posters are hung throughout WireCo facilities that provide local phone numbers, a website, and a QR code for employees to use for direct communication.

The WireCo Anti-Corruption Policy is available at:
https://wireco.com/WireCo-Anti-Corruption-Policy.pdf

The Code of Business Conduct and Ethics covers a wide range of business practices and procedures. Although it does not cover every issue that may arise, the code does provide guiding principles for all WireCo employees and those of its subsidiaries and affiliated companies. All stakeholders must conduct themselves ethically and seek to avoid even the appearance of improper behavior. As with the Anti-Corruption Policy, the Code of Conduct is made available to all members of the extended WireCo team via the company website, and employees are required to complete annual training on it. Through this training, employees are encouraged to contact their supervisor, human resources representative, or the legal department with questions or concerns about the company's policies. WireCo also provides various methods for team members to report potential issues, including mail and e-mail, as well as a third-party ethics line and online reporting tool.

The WireCo Code of Business Conduct and Ethics is available at:
https://www.wireco.com/Portals/0/Documents/Code-of-Business-Conduct-and-Ethics.pdf

WIRECO

Business Ethics & Compliance

Ongoing regulatory compliance requires a structured approach, particularly when a company operates numerous facilities across different countries.

Ultimate responsibility for compliance resides with the CEO, who reports regularly on compliance matters to the Audit Committee of the Board of Directors. Day-to-day management of WireCo's compliance program is overseen the company's Chief Compliance Officer, **Michelle Torline**.

Together with operations and site leaders, Michelle implemented a regular reporting cadence and administrative controls to ensure WireCo remained an active, engaged, and responsible citizen in the communities in which it operates around the world. These measures flowed directly from the "Run the Business" operating philosophy described in the WireCo Business System.

"With so many requirements across so many sites, we had to get ourselves organized," said Michelle. "We didn't want leaders to lose focus on things like safety and quality. But we did need to be sure all of our sites kept current with their various licenses and permits."

Administrative requirements associated with wastewater management, ISO certification, fire prevention, environmental noise, emissions, and other compliance matters shouldn't be viewed as unreasonable burdens, Michelle explained. Rather, they should be considered opportunities for WireCo to demonstrate to municipal officials that it intends to be a reliable business partner.

"It's not just about keeping ourselves of trouble," Michelle said. "It's about protecting the people and environment where we operate and communicating to local officials that we're committed to being good citizens."

Michelle gathers senior operations leaders for a full compliance review each quarter. These meetings focus on requirements coming due in the next six months and are an important part of WireCo's formal certification process. Compliance is carefully documented via certification forms that attest to individual sites' currency for all pending licenses and permits. This quarterly certification process is required to be completed at least two weeks prior to Audit Committee meetings of the Board of Directors.

Michelle continued, "With a regular certification process in place, leaders know what to expect, and we're able to manage compliance issues far more proactively. That's good for our business and for our communities."

> *We want team members to be naturally inclined to **do the right thing**, all the time. But we also want to be sure they've received the proper training to recognize and navigate those situations where the right thing might not be completely obvious. That's an important part of good governance."*

Michelle Torline
General Counsel & Chief Compliance Officer
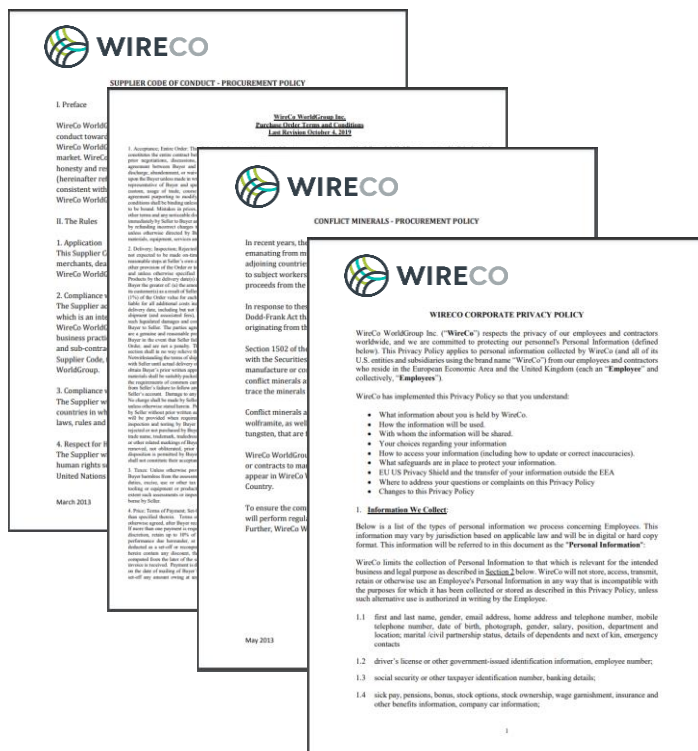
WIRECO

Governance

Responsible Supply Chain

WireCo leaders recognize that legal and cultural requirements vary in a global market. Still, the company expects that all business partners will hold themselves to the same standards of fairness, honesty, and responsibility that WireCo holds itself.

As part of this commitment, WireCo requires that suppliers adhere to the company's:

- **Supplier Code of Conduct**
  https://www.wireco.com/Portals/0/Documents/Supplier-Code-of-Conduct.pdf

- **Supplier Terms and Conditions**
  https://www.wireco.com/Portals/0/Documents/Supplier-Terms-and-Conditions.pdf

- **Conflict Minerals Policy**
  https://www.wireco.com/Portals/0/Documents/Conflict-Minerals-Eng.pdf

Likewise, WireCo also requires that all existing and prospective suppliers complete its comprehensive Supplier Questionnaire to document those businesses' compliance with all applicable regulatory requirements, as well as business ethics and governance best practices. This questionnaire can also be found at the WireCo website.

Governance

Information Security

WireCo adheres to stringent security protocols, not only to protect critical information and networks, but also to comply with various international regulatory standards, such as the European Union's General Data Protection Regulation (GDPR).

The company safeguards confidential data by using a combination of preventative and detective technologies, such as encryption and intrusion detection systems. Additionally, the company has procedures to validate and enforce controls, which are reviewed on a periodic basis. Significant changes to procedures are communicated via team meetings, security awareness e-mails and presentations, as well as companywide e-mail communications.

The company promptly investigates all security, availability, and confidentiality events. It responds to any real or suspected breach of information systems in a timely, coordinated fashion while complying with applicable laws and regulations. The WireCo infrastructure team is responsible for the overall incident response strategy, including planning, development, acquisition, implementation, testing, training, and maintenance for incident response.

Security is everyone's responsibility. To prevent information security incidents, users must know how to identify security threats and take appropriate action to defend networks. Team members are continuously trained on various aspects of information security to reinforce security best practices and to keep them updated on current threats. For example, phishing simulations are performed periodically to test user awareness of newly identified threats.

WIRECO

Forward-Looking Statements

This report contains statements that relate to future events and expectations and as such constitute forward-looking statements. It is important to note that the Company's performance, and actual results, financial condition or business could differ materially from those expressed in such forward-looking statements. Forward-looking statements include those containing such words as "anticipates," "believes", "continues," "estimates," "expects," "forecasts," "intends," "outlook," "plans," "projects," "should," "targets," "will," or other words of similar meaning. Forward-looking statements should not be relied upon as a guarantee of future performance or results, nor will they prove to be accurate indications of the times at or by which any such performance or results will be achieved. The Company undertakes no obligation to update forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial condition or business over time.

WIRECO