



SUSTAINABILITY REPORT

2021

Kuntz Electroplating Inc. (KEI)

Corporate Governance

“For KEI, sustainability is about making a commitment. It’s a commitment to the environment that we will endeavour to reduce our manufacturing footprint and help conserve and preserve wherever possible. It’s a commitment to our neighbours and our community that we care about them, the land we share, the air that we breathe, the water that we drink, and the resources we use. It’s a commitment to our employees and our customers that we will continue to embrace sustainable thinking as a means to improving our business, while recognizing and balancing the needs of growth and profitability, environmental integrity and social equality”.

—Michael Kuntz, Executive Vice President Kuntz, Electroplating Inc. (KEI)

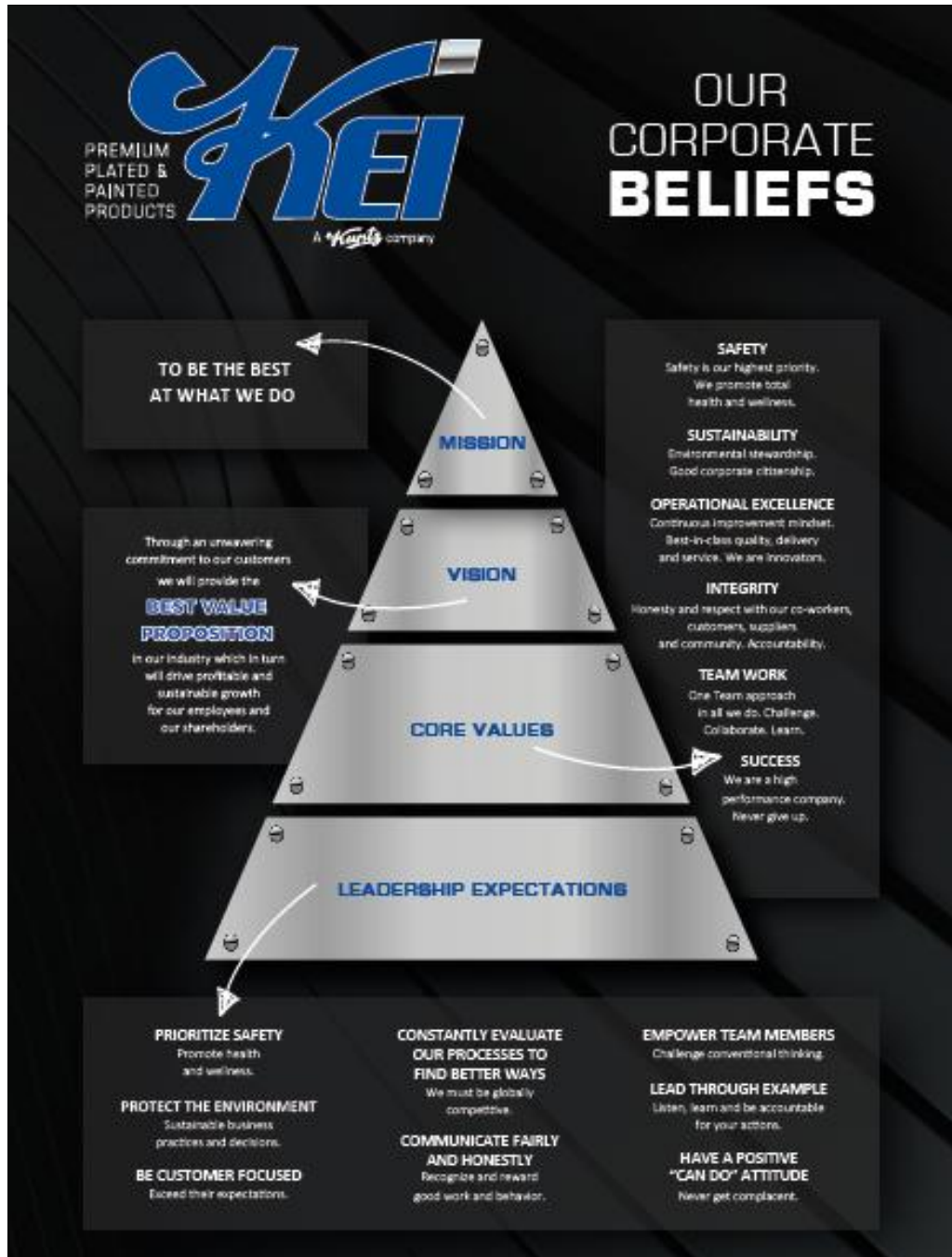
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Figure 1
Corporate Beliefs



Sustainability & Quality Policy

Kuntz Electroplating Inc. (KEI) is one of North America's largest and most advanced suppliers of premium plated and painted interior and exterior components for original equipment manufacturers.

As a responsible corporation, we are committed to sustainability and operational excellence by

- Protecting human health and the environment;
- Setting quality and environmental objectives and targets;
- The prevention of pollution;
- Fulfilling our compliance obligations;
- Being customer focused;
- Meeting or exceeding our customer requirements through best-in-class quality, delivery and service; and
- Continuously evaluating and improving our processes and services.

In this regard, we have implemented and maintain Quality and Environmental Management systems in which we strive to

- Foster awareness through education and training;
- Improve the socio-economics of our business;
- Integrate sustainable development into our operations;
- Conserve natural resources, and support their sustainable use;
- Reduce the use of toxic substances and the generation of wastes; and
- Promote strategies to reduce, reuse and recycle across all business activities where possible

The joint efforts of the employees, supervisors, management, contractors, customers, suppliers, and visitors at KEI ensure in the measurable success of the quality and environmental management systems.

Employee Wellness

Throughout the pandemic, KEI's first priority continues to be the safety and well-being of their employees and families. While the emergence of COVID-19 led to a shift in focus, we have ensured ongoing support is in place for employees. Our support network includes our onsite Health Center, Lifeworks Employee, and Family Assistance Plan, access to our wellness portal, expanded health benefits with an additional \$1000 dedicated to mental health supports, and digital access to health care. As a result of our ongoing efforts, the Greater Kitchener Waterloo Chamber of Commerce honored KEI with the 2022 Health and Wellness in the Workplace, see Figure 2.

Going forward, we will continue to focus on our company wellness belief that “wellness is about adding years to life and life to years” and continue to engage our employees on the six dimensions of our Wellness Wheel - Physical, Social Sustainability, Nutritional, Psychological & Emotional, Intellectual, and Spiritual. Ending 2021 on a positive note, we look forward to holding more in-person events – Blue Jay games, theater events, golf outings and our children’s and adult Christmas parties.



Figure 2.

2022 Health and Wellness in the Workplace Award (Greater Kitchener Waterloo Chamber of Commerce, 2022)

BUSINESS EXCELLENCE AWARDS Gala 2022



Recipient of the 2022 Health & Wellness in the Workplace Award

Charitable Contributions

KEI and its employees believe in supporting the community. Since 1983, KEI employees have supported our local [United Way](#) and in 2012, we partnered with Canadian Blood Services in the [Partners for Life](#) program which is a nationwide program designed for corporate and community organizations for donating blood, platelets, and plasma. By joining this program KEI has committed to saving lives through blood donations as a team. KEI donated to various local initiatives in 2021

including St. Mary's Hospital, Kids Ability, Canadian Mental Health, Toasty Toes, Operation Christmas Child and Hospice Waterloo Region.

Due to public health restrictions ongoing throughout 2020, 2021 and as a result of COVID-19 we were not able to engage in-person to charitable events again this year, in the same manner as in past years. Instead, we engaged in activities such as food trucks and draws like the "17 Days of Christmas" where a charitable donation was made to a charity of the winning employee's choice, and the employee received a \$50.00 gift card. Furthermore, in place of our annual Christmas party event, all employees were gifted for a second year in a row with a \$100.00 gift card to spend or to share. Again this past Christmas, our employees supported our local 570 City News/Salvation Army Christmas Toy Drive with hundreds of toys donated.

Sustainable Development Goals (SDGs)

The Sustainable Development Goals seek to address some of the world's biggest challenges such as ending hunger, improving population(s) health and wellbeing, providing quality education, decent work and economic growth. Governments are responsible for prioritizing and implementing approaches that will meet the SDGs. However, these approaches require collaboration from businesses as well as civil society. The SDGs are relevant to our business and in 2021, through the ongoing pandemic restrictions KEI continued to focus on employee education and training programs (CEF, Powder Coating specialists and skilled trades) programs that align with SDG #4 (see Figure 3) by continuing to support technical training in our employee base, thus supporting ongoing efforts to ensure youth and adults are developing relevant skills that help them be employable across a multitude of sectors. Secondly, KEI is helping achieve SDG #8 Decent Work and Economic Growth (see Figure 3) by achieving higher levels of economic productivity through innovative approaches, diversification and technological upgrading. Lastly, as part of KEI's business activities they have embedded risk management approaches in many facets of the operational activities, and thus strive to reduce releases to air or water in support of SDG # 3 Good Health and Wellbeing (see Figure 3). Furthermore, the progress group and the environmental services group collaborate on alternate chemistries that reduce the overall business risk. As part of our Corporate Beliefs, and long established history in the community, we

will continue to support initiatives that help improve opportunities for our employee's.

Figure 3.

Sustainable Development Goals (United Nations, n.d.)



Business Growth and Opportunities

During 2021, KEI, like most businesses in Canada, continued to experience supply chain interruptions as a result of COVID-19 and other global issues that affected many parts of the economy. This demonstrates the high skill level of KEI employees as they were able to effectively navigate significant business interruptions and achieve KEI's 2021 strategic plan. As such, KEI is able to continue to provide decent employment supporting our community's economic growth. Given that COVID-19 continued throughout 2021, we continued to focus our efforts in the areas of employee engagement and improving in operational efficiencies across all areas of our business operations, using our established Key Performance Indicators (KPIs) to focus on activities with the highest reject rates. This allows KEI to strategically plan based on 'market research', thus improving our business strategies to be able to invest in our employees and business approaches with the aim to remain sustainable and prosperous long-term.

Compliance Obligations

KEI is committed to their compliance obligations both federally and provincially. As such, community members have access to public information through regulatory reporting portals such as The *National Pollutant Release Inventory* (NPRI), Canada's legislated publicly accessible inventory of pollutant releases (to air, water and land),

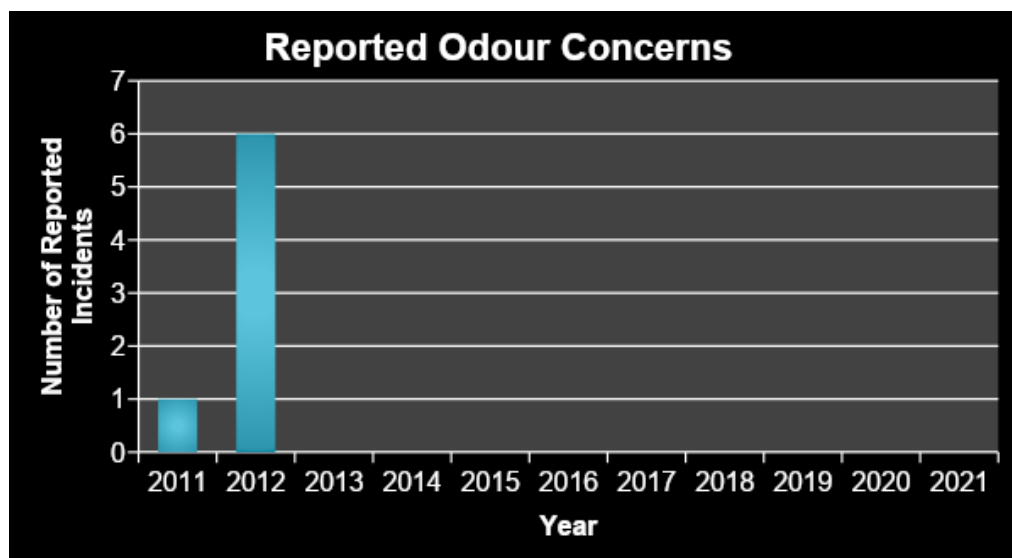
disposals and transfers for recycling. KEI's NPRI reports can be accessed on the Environment Canada's [NPRI](#) website.

Environmental Compliance Approval (ECA)

As part of KEI's ECA consideration has to be given not only to the emissions from our tall stacks, but also odors. Over the years, KEI has invested significantly in infrastructure and process changes to improve air quality and eliminate offensive odors that would cause discomfort to any member of our community. As such, we have a robust maintenance program that supports our ECA compliance requirements. As a result of our committed efforts to our compliance obligations, KEI has no odour complaints on record since 2012, see Figure 4.

Figure 4.

Reported Odour Concerns (KEI, 2021)



Community awareness

KEI has set an industry standard being registered to IATF 16949, ISO 9001:2015 and ISO 14001: 2015 for premium plated and painted products. As part of our story we continue to be a sustainable business partner not only at the community level by actively engaging with community organizations, but also internationally through our collaborative efforts with our suppliers, customers, and international associations. These well-developed relationships allow us to provide timely updates through networking events such as public speaking engagements at the biennial [CASF Conference](#); by

building partnerships with academic institutions that offer student employment opportunities, which we support holistically with coop opportunities.

Our community-based 'audience' is provided with the history of the organization; our Corporate Beliefs and Core Values; details of our business activities; sustainability quality policy key objectives and an overview of our compliance obligations. Given that our business has persevered for more than 70+ years, KEI has weathered economic recessions, black outs, pandemics all of which has provided fundamental changes within our business construct. We encourage community members to join our workforce as there is lots of opportunity for personal growth and technical/professional development in key areas that support our business activities such as skilled trades, analytics, quality assurance and environmental services. For those interested in more information about KEI, it can be found at www.kuntz.com.

Emergency Preparedness and response

Due to the nature of KEI business activities and compliance obligations, we have an Emergency Response Plan that contains policies and procedures on how to deal with different types of emergency situations at our facility. Our Corporate Belief is to protect the environment through sustainable business decisions and practices in all aspects of our business activities.

In support of KEI's commitment to Environmental Stewardship, KEI has a fully trained Emergency Response Team (ERT) who deals with emergency situations that may arise from our day-to-day operations, which includes, but is not limited to: red alerts, chemical alerts, and medical alerts. KEI's ERT meet on a monthly basis to review safety concerns, past events, and to do training in the areas of Communication, Risk Management, Mental Health First Aid and Awareness, First Aid/CPR and Spills Management.

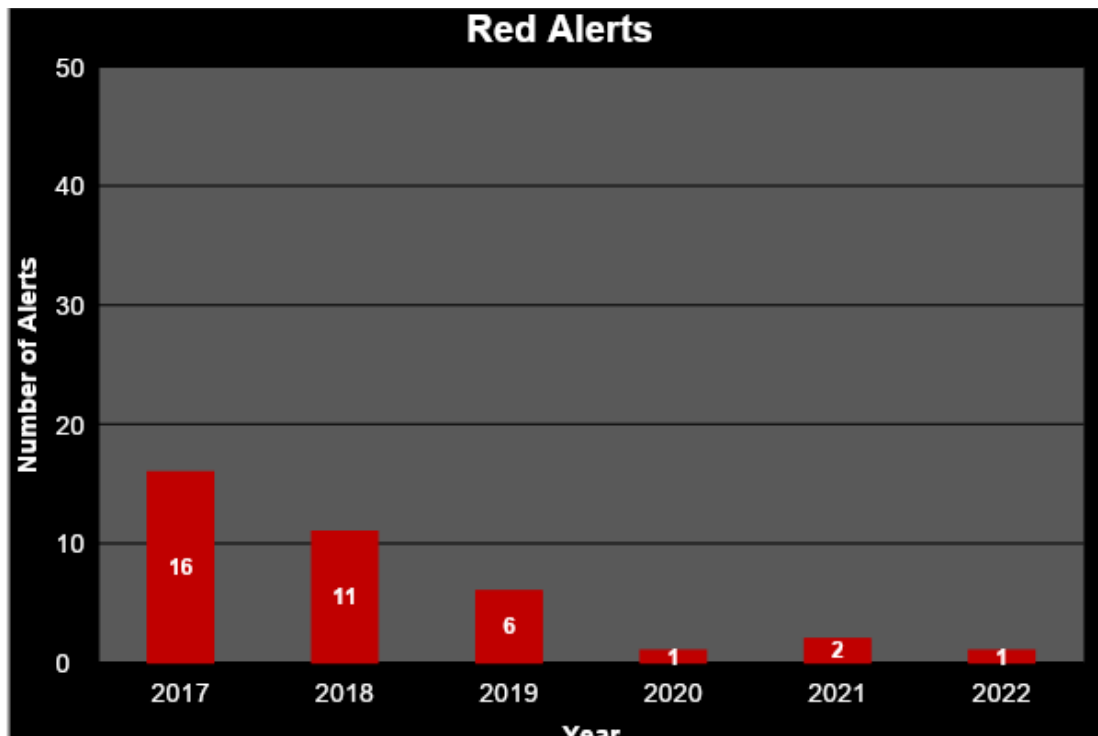
As part of our management program commitments, KEI has a multi-disciplinary committee that reviews the emergency alerts, and proposes actions for improvements. As a result of KEI's ongoing commitment to have a fully trained ERT and review committee, KEI has been able to reduce the number of red alerts, see Figure 5. Additionally, we have been able to provide 'immediate' care and support to our employees who are experiencing life-threatening illnesses (e.g. cardiac arrest) in the

workplace. We collaborate with the Employees Services Group to ensure that policies and procedures such as Evacuation are executed on an annual basis. Furthermore, during the Pandemic period, we worked with the Training department to set-up online training for our ERT members in place of in-person meetings, which were not allowed.

Emergencies are built into KEIs risk management approaches to minimize risks so that KEI will not have a catastrophic event. As part of KEIs contingency planning, KEI has a Communication Policy and Procedure that would be implemented should a community-based environmental emergency situation occur.

Figure 5.

RED Alerts (KEI, 2021)



Water Savings and Reductions

Surface finishing is a commodity heavy process that requires the use of water. As such, KEI strives to be efficient and make reductions in our water usage, where possible.

Energy Management

Since 2009 KEI has been a [CIPEC](#) Leader, and have worked to improve energy usage throughout the facility through program initiatives such as facility re-lamping, procurement of energy efficient rated (EER) equipment, installation where possible of variable frequency drives (VFD's). We have an embedded energy management team (EnMT) that monitors the procurement and use of commodities throughout the facility. EnMT continues to be an integral part of our sustainability

Energy Improvements

In 2021, we continued to monitor our energy usage across all facets of our business activities looking for sources of inefficient energy usage that could be eliminated. Our EnMT took into consideration additional programming for optimal equipment operation during periods of production, winding down/shutting off equipment when the production cycles ends; changing shift structures so that more equipment could be shut off, especially during peak-demands, and merging production processes for additional capacity, thus allowing for other production systems to be shut down. As our sector uses a lot of energy and other commodities, our EnMT is committed to looking at opportunities for improvement in our energy usage.

Investing in Diversion Programs

In 2017, KEI established a 20% diversion rate over a 10 year period with the aim to improve existing programs efficiencies 1-2% per year to reduce Blue Box type materials going to landfill. This is being achieved through our very successful, in-plant collection process and large scale recycling program for various mixed metals generated from maintenance and repairs, and off-specification process materials. Through this program all materials are sorted and sent out to be recycled as much as possible. As shown in Figure 6.1, KEI's 2021 recycling composition rate is 76.19%, with a garbage rate of 13.98% and organics at 9.83%. By comparison to 2020 results, see Figure 6.2, KEI met its objective to put more recyclable materials into the proper collection stream by 1-2%. Further comparisons show that we achieved a 9-10% improvement in our garbage contamination rate. Our next objective based on Figure 6.1 and 6.2 is to improve the proper collection of organic material, specifically wasted food by 3-5%. Educating all employees and contractors to place wasted food in the ORGANIC (Green) collection containers keeps wasted food out of landfill, which aligns with the Ministry of Environment, Conservation and Parks (MECP) commitment to ban wasted food from landfill by 2022. Reducing wasted food going to landfill can help make a difference in our communities as it is a valuable resource that can be used to help feed hungry people in our community; provide feedstock to our farmers, as well it conserves natural resources.

Figure 6.1.
Recycling Composition Profile (KEI, 2021)

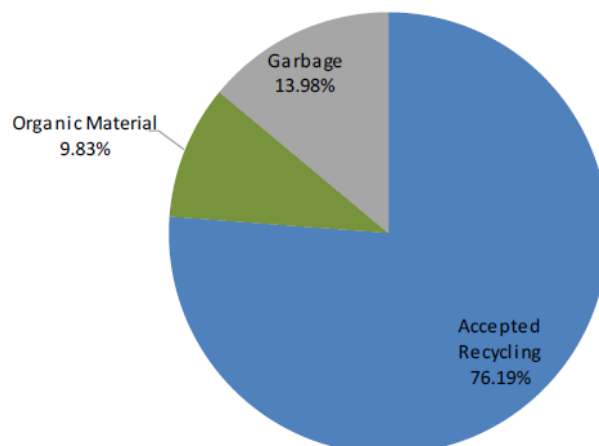
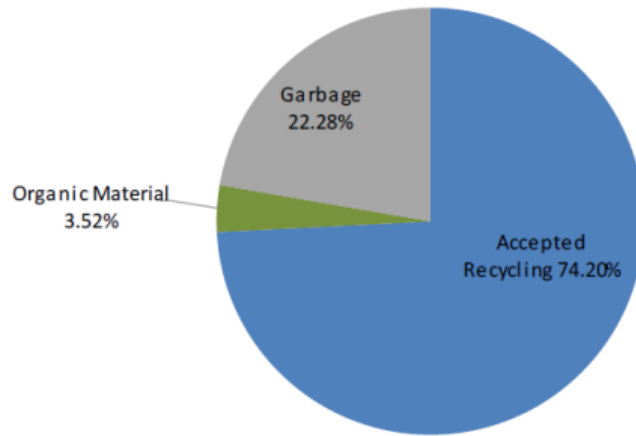
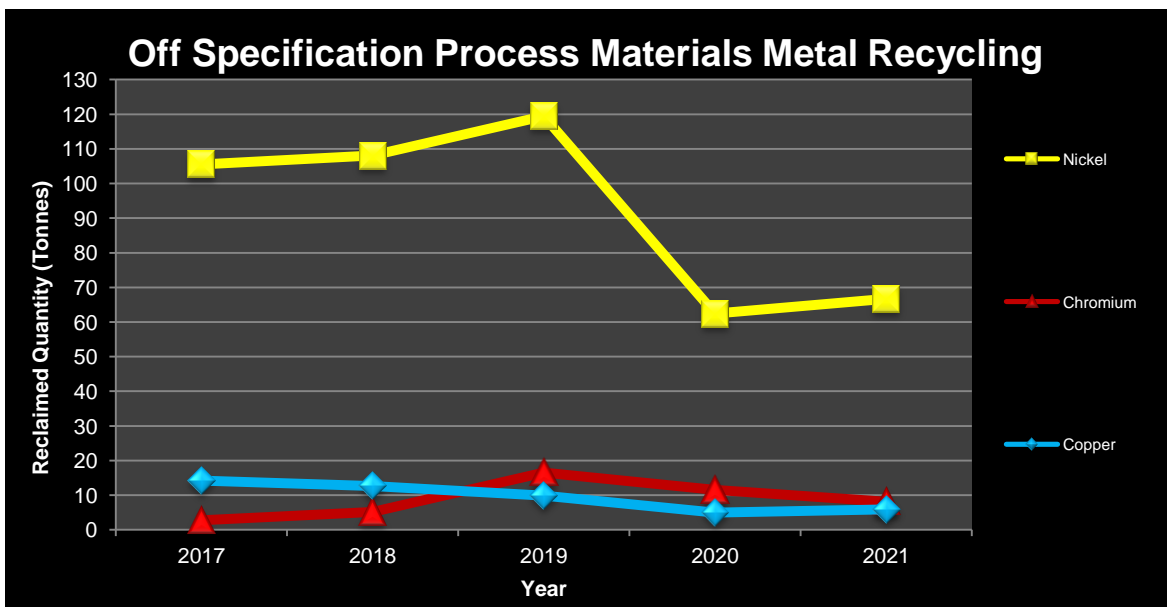


Figure 6.2.
Recycling Composition Profile (KEI, 2020)



In addition, our objective from off specification process materials is to reclaim and recycle as much as we can. In 2021, we were able to return 5.94 tonnes of copper metal for recycling, 66.71 tonnes of nickel metal to the refinery for repurposing, and 8.12 tonnes of chromium went out to be used in stainless steel production, see Figure 7. Our recycling volumes continue to be down from previously reported years due to COVID-19 and ongoing global supply chain interruptions.

Figure 7.
Off Specification Process Materials Metal Recycling (KEI, 2021)



Battery Recycling

Industrial batteries collected through KEI's facility wide recycling program are put through a clean and safe recycling program, which recycles the lead, plastic, and electrolytic components, and creates 'new' (recycled) batteries. In 2021, KEI recycled 748 kg of automotive and mixed batteries.

Sustainable Packaging/Incoming products

We work with our customers and suppliers where we can to use sustainable packaging and recyclable materials. As a Tier 2 supplier we are not able to ask for changes in the substrate materials. We use returnable packaging as much as we can, and in instances where non-returnable packaging is required, recyclable grade materials is used with a blend ration of 95%: 5 %. The inventory for non-returnable packaging is kept to the lowest quantity possible.

Industry Association

KEI and individuals from the Management Team are active members with the [Canadian Association for Surface Finishers \(CASF\)](#). CASF is a volunteer based organization that relies on participation and experience of finishers, suppliers, and decision-makers within the finishing industry. CASF is the principal surface finishing industry association in Canada established to keep suppliers, professional service providers and individuals connected, educated and represented at all levels of government. CASF's goal is to provide a unified voice and to promote the surface finishing sector in Canada. The association works with industry, suppliers, and government agencies to establish an open forum for dialogue for matters that will affect the surface finishing industry.

As an active CASF member, our team attends Lunch & Learns and educational events to help members keep abreast of new and/or amended compliance obligations, educational opportunities and other sector specific changes or requirements. We actively engage at a high level with the government on policy decisions and tools and instruments to help achieve compliance strategies that meet the government and industry requirements. Our most active initiatives continue to be on proposed changes

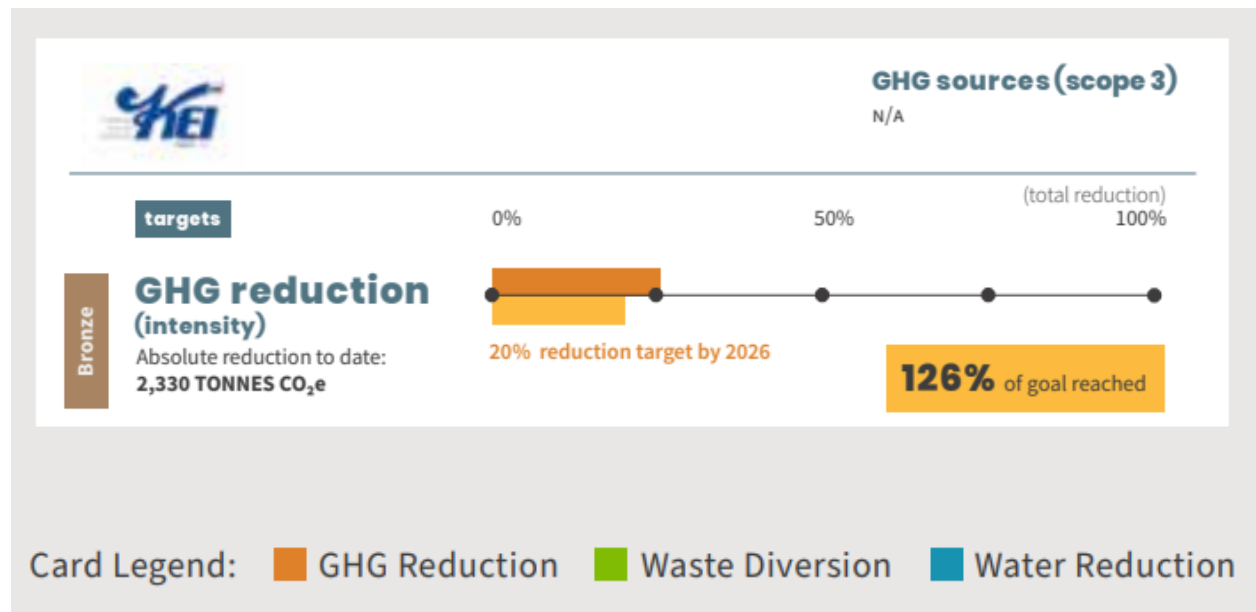
to the Canadian Environmental Protection Act, 1999, chemicals management, emissions reporting (NPRI and GHG) the EPS (Ontario carbon program) and Metal Finishers Industry Standard.

Regional Sustainability Initiative

In 2016, with the help and support of the Regional Sustainability Initiative group, we developed a 10 year reduction target to monitor our GHG emissions. We chose an intensity based metric to help monitor our performance due to forecasted business growth. As a Bronze Pledging Partner, we have successfully achieved 2,330 CO_{2e} absolute reduction in GHG emissions, see Figure 8.

Figure 8.

GHG Reduction (Sustainable Waterloo Region, 2022)



As a Regional Sustainability Initiative member we are part of the [Green Economy Hub](#), who has helped us set and achieve our Sustainability targets. As part of our commitment, KEI is part of a collective group reducing their GHG emissions in Ontario. We continue to evaluate our data and work collaboratively with our associations (CASF, CME, & SWR) and our industry affiliations (KW Hydro) to identify opportunities to continuously improve existing systems where and when possible; plus we continue to purchase state-of-the-art equipment that helps to reduce our carbon footprint.

Education and Training

Our leadership team supports mentoring, job training and continuing education for employees in the workplace and overall professional development. Furthermore, our leadership team has implemented an apprenticeship program for Millwrights and Electricians. As well, they provide opportunities for the employees to become a [Certified Electroplater Finisher \(CEF\)](#) as these skill sets are an essential part of ongoing success. In 2021, because of the ongoing COVID-19 pandemic, KEI's focus was on ensuring all persons working at or attending to our facility were meeting public health recommendations. We successfully moved from in-person training sessions, to online training using platforms such as Zoom. We created additional training videos (e.g., ERT member training) to ensure ongoing skills development until we were able to return to in-person events.

Our objective is to support employee skill development such that they gain knowledge from mentors in the workplace and ultimately be successful in job advancement opportunities. KEI approves attendance at workshops, seminars, attendance at secondary educational institutes. Furthermore, with our established apprenticeship program for Electricians, Millwrights and Plumbers, we work with the Ontario Colleges of Trades to successfully train employees. Supporting the trade programs offers employees real-life hands on training. The benefit to KEI in having highly skilled staff, allows for real time troubleshooting and problem solving capabilities, which means that we are able to address process related concerns in a timely manner.

Continuous Improvement

Operational excellence and our commitment to continually improve are Core Values of KEI, such that we continued to have measurable successes in 2021 with our “*sustainable*” initiatives. The efforts of our team will continue as we make improvements in the following areas:

- Continue to support the community through charitable contributions
- Continue to support the community with student coop placement opportunities with the local academic institutions, where possible
- Continue to provide KEI employees access to education and training in support of their job duties and responsibilities with the aim for them to grow and learn
- Continue to discuss and where possible, align annual sustainability program initiatives with KEIs Wellness Program and with the UN Sustainable Development Goals and Targets with the aim to provide global awareness on KEIs commitments to being sustainable
- Continue to work with our interested parties in the area of commodity usage and reductions
- Continue to be innovative and evaluate technologies that will improve our business practices and processes resulting in improved usage of incoming raw materials and reduction of waste
- Continue to evaluate our waste streams and identify additional streams for elimination, reduction, and/or diversion

In summary, Sustainability is one of KEI's Core Values and is supported by our Sustainability Policy and 'Key Points to Remember' (see Figure 9).

Figure 9.

Sustainability Key Points (KEI, 2021)



We are fully committed to being a sustainable company long-term. We actively employ a strong leadership team that we empower to find innovative solutions and/or technologies that support our Core Value as being a good corporate citizen. Through our operational excellence approaches, we work collaboratively with our key stakeholders in support of our Corporate Beliefs and Quality and Sustainability Policy. More information about KEI can be found at www.kuntz.com

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