

**Kuntz Electroplating Inc.**

# **Sustainability Report**

**2024**



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# Corporate Governance



**“It’s a commitment to our neighbors 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.”**

“For KEI sustainability is about making a commitment. It’s a commitment to the environment that we will endeavor 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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# Corporate Beliefs



Figure 1 – Corporate Beliefs of KEI

# 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

KEI's first priority continues to be the safety and well-being of employees and their families. Our support network includes our onsite Health Centre including a full-time Registered Nurse, Employee and Family Assistance Plan (EFAP), expanded health benefits with an additional \$1000 dedicated to mental health supports, and digital access to health care.

For 2024, we continued to focus on our company wellness belief that "wellness is about adding years to life and life to years" and look forward to activities that will focus on the six dimensions of our Wellness Wheel – Physical, Social Sustainability, Nutritional, Psychological & Emotional, Intellectual, and Spiritual. For half the year, we had a wellness calendar that had something scheduled on it every day of the month. Postings went out each week with information on how each day could be celebrated or what activities could be done on those days. We had wellness games every Friday for employees to participate in. Another action we took was creating a quiet room for employees to sit in when they wanted quiet time to themselves.



**(a) Wellness Wheel**

# Charitable Contributions

KEI and its employees believe in supporting the community. KEI donated to various local initiatives in 2024 including St. Mary's Hospital, KidsAbility, Canadian Mental Health, Operation Christmas Child and Hospice Waterloo Region. Since 2012, KEI has partnered with Canadian Blood Services in the Partners for Life program. This year we celebrated several employees who have donated blood on more than 50 occasions. By joining this program KEI has committed to saving lives through blood donations as a team.

We continue to do our in person charitable events including our annual in-house employee United Way campaign to raise money for our community. Since 2007, our employees supported our local 570 AM City News/Salvation Army Christmas Toy Drive with hundreds of toys donated at our annual Adult's Christmas Party.



**(b) Toys donated by KEI or Christmas Toy Drive**

# Sustainable Development Goals

The Sustainable Development Goals (SDGs) addresses some of the world's major concerns such as food security, human health & welfare, accessible & quality education, decent work & economic growth, responsible consumption & production, and biodiversity conservation through environmental protection. The government is responsible for prioritizing and implementing approaches that will meet the SDGs. However, these approaches require collaboration from industries, institutions, organizations and society.

The year 2024 has been a rebuilding year for our business and we continue to strive for improvements in the sustainability and development sector. KEI is aware of the SDGs and believe they are relevant to our business activities.

## 03

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### Good Health & Well Being

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. Furthermore, the processing group and the environmental services group collaborate on alternate chemistries that reduce the overall business risk.

## 08

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### Decent Work and Economic Growth

KEI is helping achieve SDG #8 by achieving higher levels of economic productivity through innovative approaches, diversification and technological upgrading.

## 04

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### Quality Education

KEI continues to focus on employee education and training programs (CEF, Powder Coating specialists and skilled trades) programs that align with SDG #4 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.



**Figure 2 – Sustainable Development Goals 3, 4 and 8 (United Nations, n.d.)**



# Business Growth & Opportunities

In 2024, KEI, made huge steps on its journey to offer new, environmentally friendly alternative finishes to our customers. We have seen significant business growth with the addition a new powder coating line in early 2024 and a large increase in our current chrome requirements in July 2024. KEI also expanded further with the installation of a new anodizing line in 2024, aiming to be commissioned in early 2026.

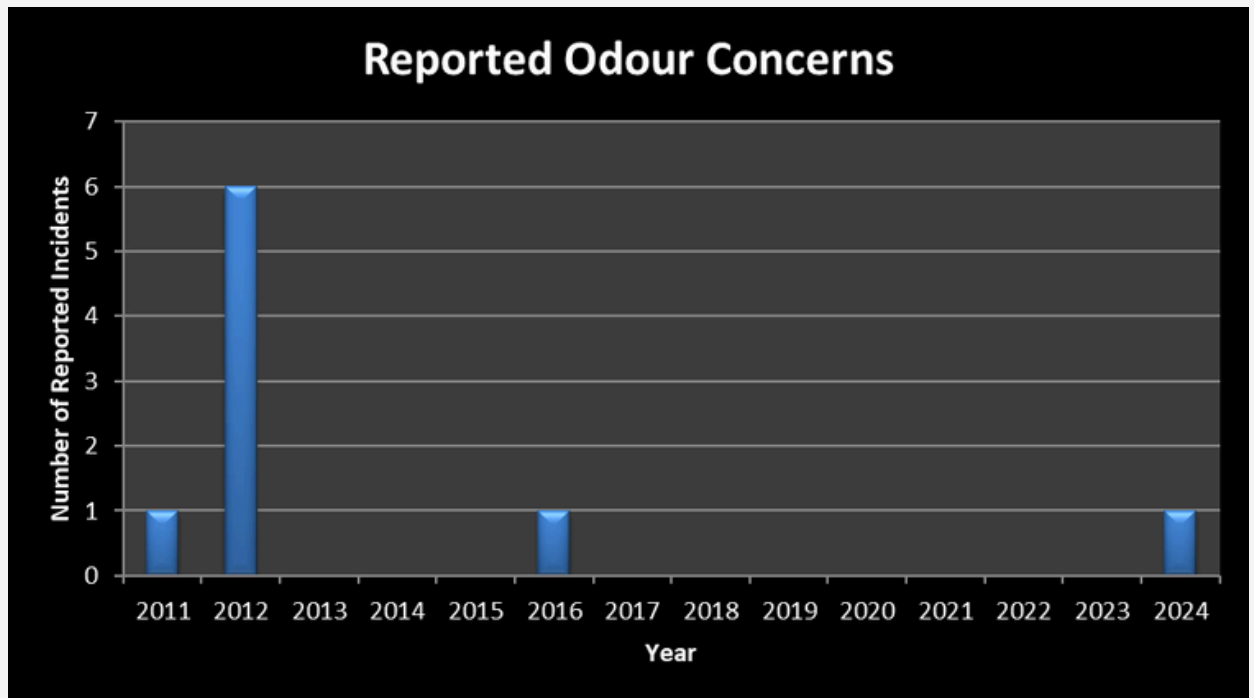
With the expansion of alternative finishes and the increase in demand, KEI increased its workforce substantially in 2024, as we continue to support our community's economic growth. We continued to focus our efforts in the areas of employee engagement and improving in operational efficiencies across all areas of our business operations, using our established Key Performance Indicators (KPIs) to focus on improvement activities. KEI strategically plans 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

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 odor complaints on record since 2012, see Figure 3. The odor complaints in 2016 and 2024 were investigated internally and source of these odors were not from KEI. This was acknowledged by the Ministry of the Environment, Conservation and Parks.



**Figure 3 – Reported Odour Concerns (KEI, 2024)**

## 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 such as the CASF Conference; CASF Golf Tournament and other education events. Additionally, CASF is building partnerships with academic institutions that offer student employment opportunities, which we support holistically by providing employment 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 75+ years, KEI has weathered economic recessions, black outs, and pandemics as examples, 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](http://www.kuntz.com).

# Emergency Preparedness & Response

Due to the nature of KEI's business activities and compliance obligations, we have an Emergency Response Plan that contains policies and procedures on how to deal with different types of emergencies 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, we have a fully trained Emergency Response Team (ERT) who deal with emergencies that may arise from our day-to-day operations, which includes but is not limited to: red alerts, chemical alerts, medical alerts and acts of violence.

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/AED and Spills & Fire Management. Trainings are done in the forms of engaging activities and table top discussions on various response related scenarios.

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 4. Plus, 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 Fire Drills are executed on an annual basis.

Emergencies are built into KEI's risk management approaches to minimize risks so that KEI will not have a catastrophic event. As part of KEI's contingency planning, KEI has an Emergency Response Plan that would be activated should an environmental emergency situation occur.



(a)

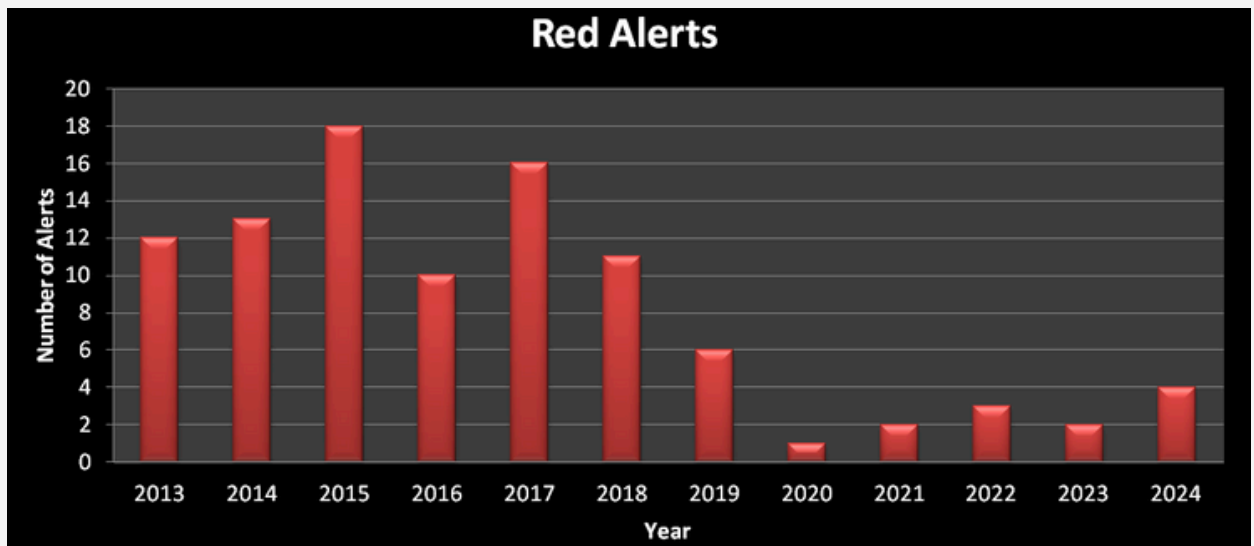


(b)



(c)

**ERT Members Monthly Training Pictures. Picture Credits (a), (b) and (c) – Kuntz Electroplating Inc.**



**Figure 4 – Red Alerts (KEI, 2024)**

## Energy Management

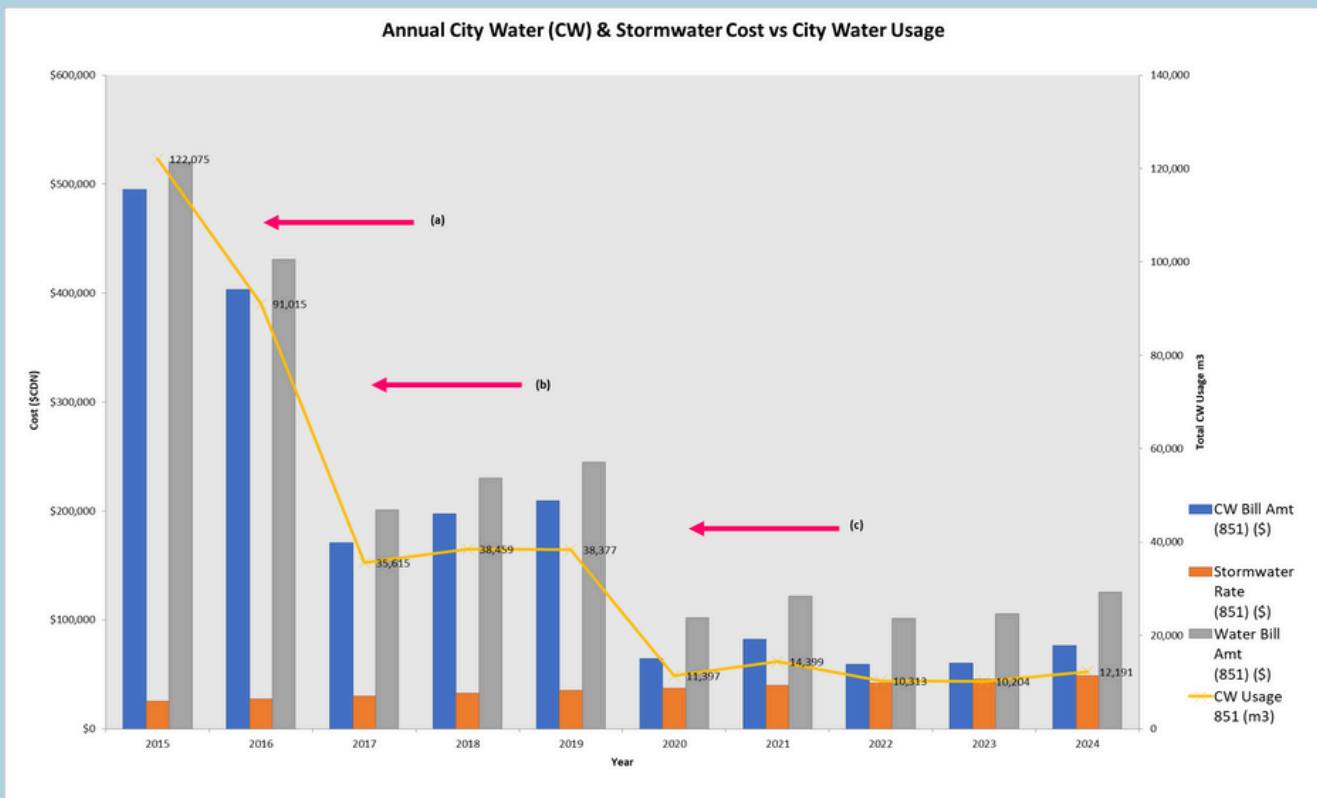
Since 2009 KEI has been a CIPEC Leader, and have worked to improve energy usage throughout the facility through program initiatives such as facility re-lamping, procurement of energy efficient rated (EER) equipment, installation where possible of variable frequency drives (VFD's). We have an embedded energy management team (EnMT) that monitors the procurement and use of commodities throughout the facility. As such, strategic energy management is an integral part of our sustainability plan whereby we continue to review our energy data management, energy supply, energy demand, and energy use. The strategic energy management plan includes these information outputs.

## Energy Improvements

In 2024, 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.

# 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, see Figure 5. The sustainability team is working together to reduce city water usage by 20% more in the coming years.



**Figure 5 – Trends in City Water Usage 2015-2024 (KEI, 2024)**

Three drops noticed from the graph –

(a) Installed new softener trains A1 & A2. Longer run time, less regen (less city water)  
4 smaller softeners converted to polishing softeners.

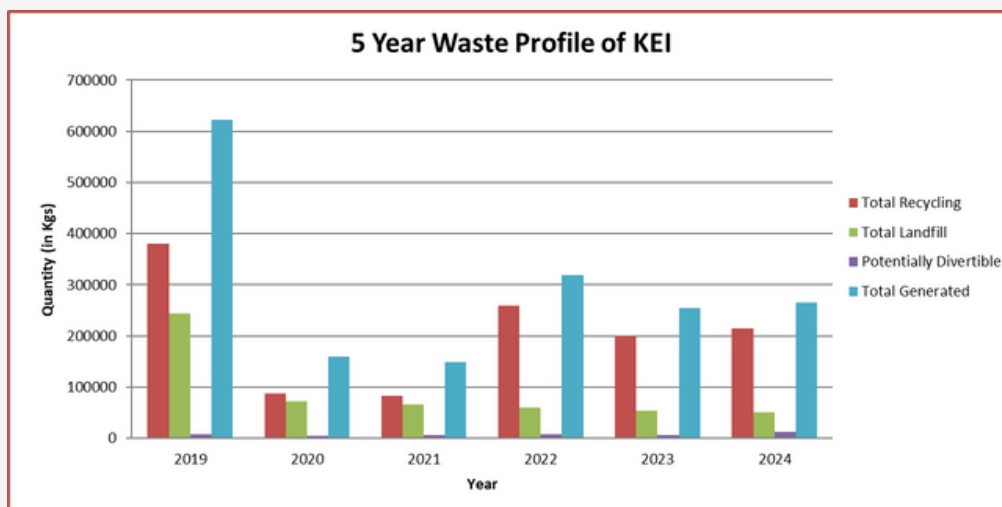
(b) Installed 3 RO units to recover reject water from primary RO units (stopped using city water for all regens in Dec. 2016) and only use recovered water from Primary RO units.

(c) Stopped using city water for cooling towers Nov. 2019. This resulted in an approx. 66% reduction. Reduction showing is larger as a result of COVID shut-down and reduced staffing.

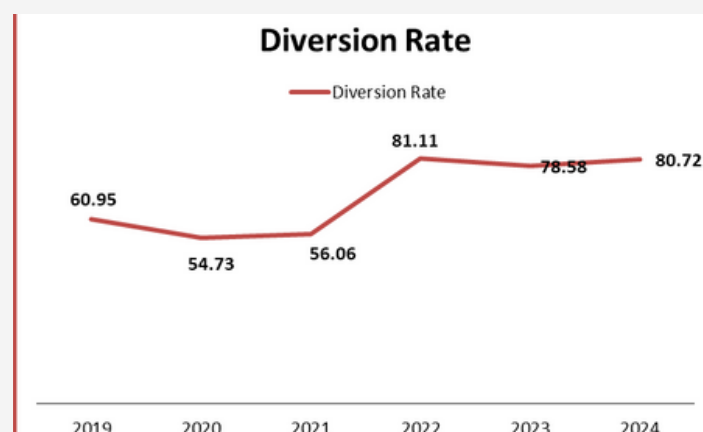
# Investing in Diversion Programs

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.

There has been a gradual reduction in waste going to landfill and increase in waste recycling at KEI, see Figure 6. This resulted in increase in KEI's overall waste diversion rate as elaborated in Figure 7, that shows trends in KEI's diversion rate since 2019. In 2024, KEI started outsourcing the green bin to a third party hauler who has broader acceptance criteria in their organic recycling program. This helps KEI achieve sustainability goals as the Government of Ontario is planning to ban organic waste from landfills in the near future.



**Figure 6 – 5 Year Waste Profile of KEI (KEI, 2024)**

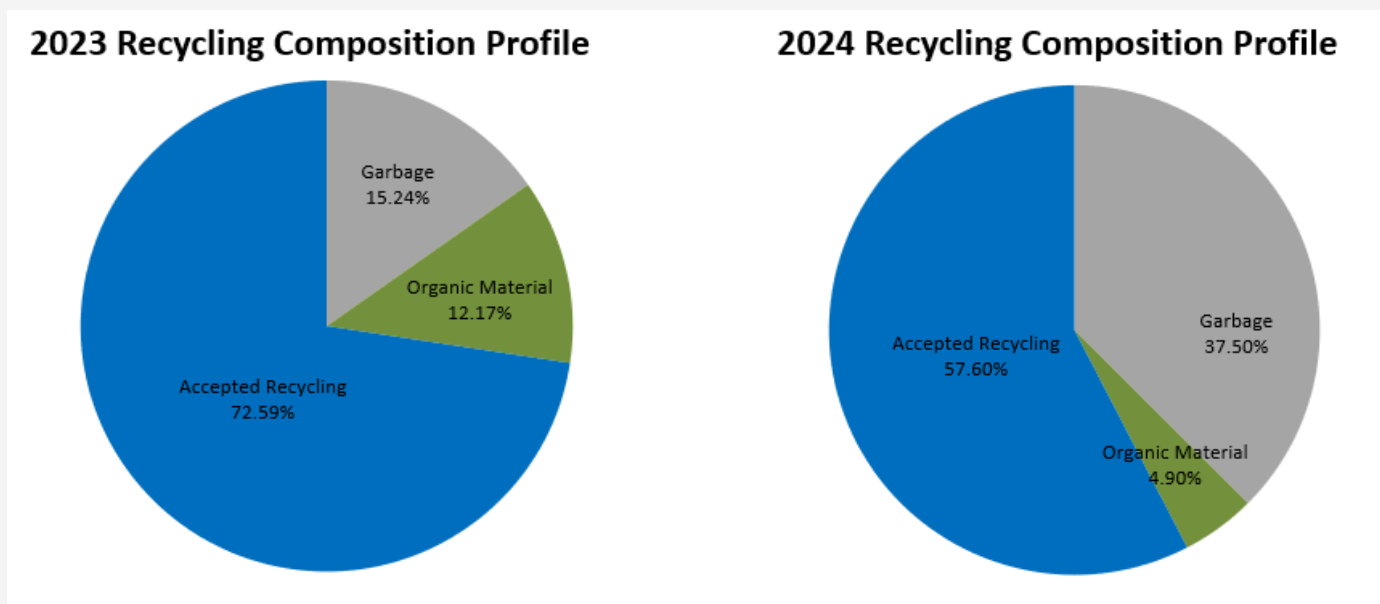


**Figure 7 – Trends in Diversion Rate (KEI, 2024)**



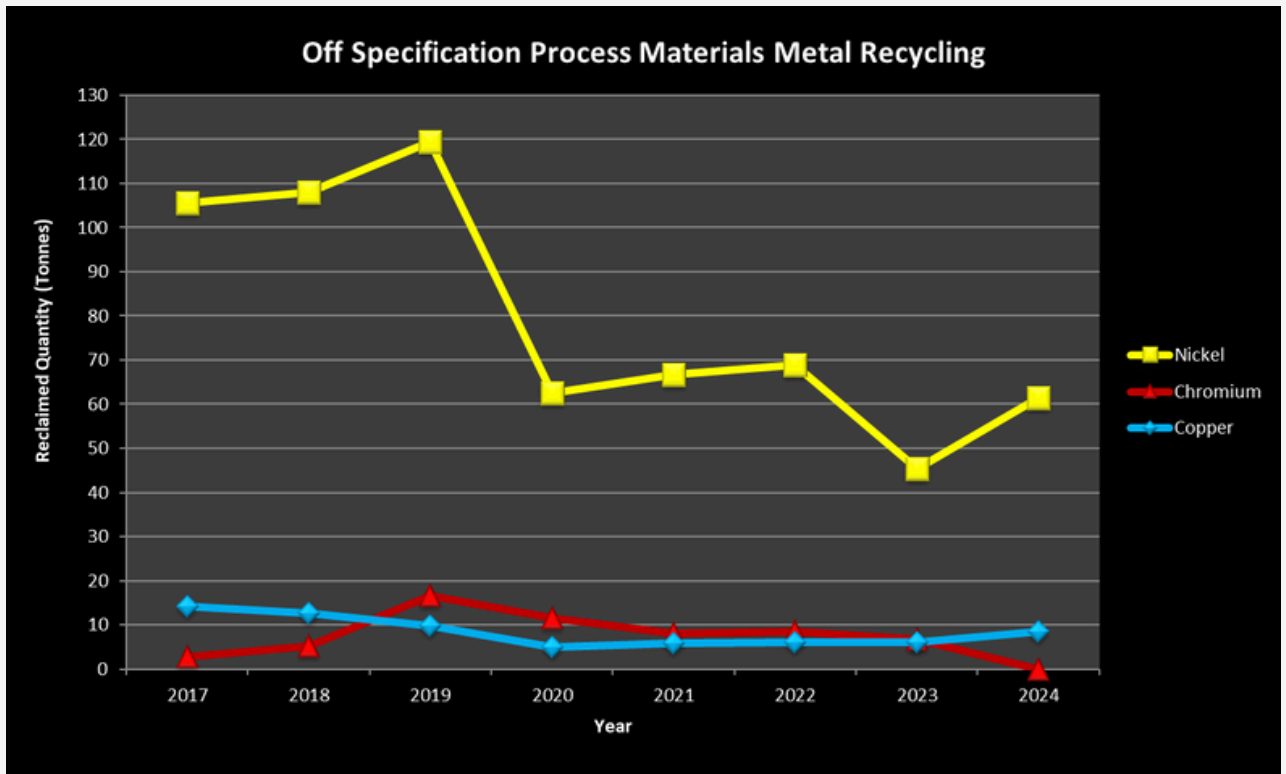
As shown in Figure 8, KEI's 2024 recycling composition rate is 57.60% with a garbage rate of 37.50% and organics rate of 4.90%. By comparison to 2023 results, KEI met its objective to put more organic materials into the proper collection stream by 59.74%. Further comparisons show that we could not achieve improvement in our garbage contamination rate in the recycling stream in 2024, but the diversion rate has gone up to 80.90% by ~2% . We are further aiming to reduce the contamination in the recycling stream by 10% for the next year (2025). KEI tried to divert the nitrile gloves which contributes to 5% to the total waste generated but this initiative was economically not feasible at this time for the company.

KEI has been contributing to better diversion programs to increase the diversion rate throughout the years. Additionally, educating all employees and contractors to place organic waste in the green collection bins thereby improving our waste contamination rate.



**Figure 8 – Recycling Composition Profile 2023 & 2024 (AET, 2024)**

In addition, our objective from off specification process materials is to reclaim and recycle as much as we can. In 2024, we were able to return 8.51 tonnes of copper metal for recycling, 61.33 tonnes of nickel metal to the refinery for repurposing, and 0 tonnes of chromium went out as the receiving recycling facility had to close down due to bankruptcy, see Figure 9. Our recycling volumes continue to be down from previously reported years due to ongoing global supply chain interruptions.



**Figure 9 – Off-Specification Process Materials Metal Recycling (KEI, 2024)**

## 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 2024, KEI recycled 485 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 ratio of 95%: 5 %. The inventory for non-returnable packaging is kept to the lowest quantity possible.

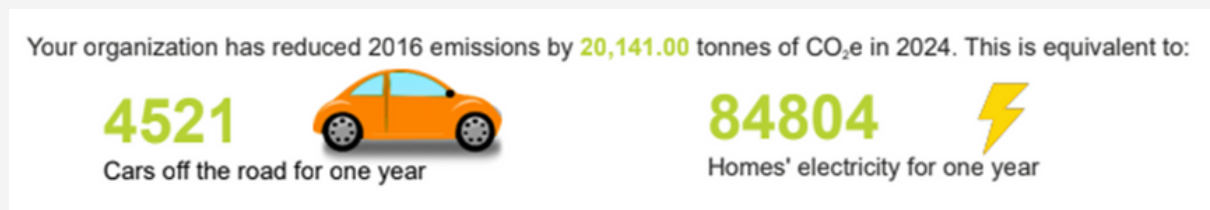
# Industry Association

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.

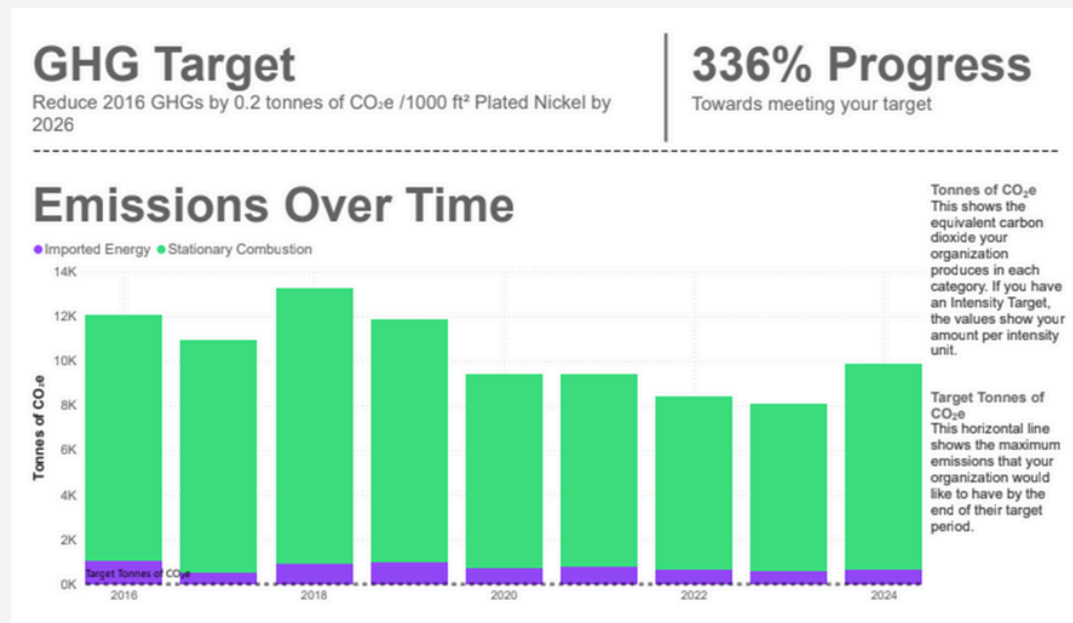
As an active CASF member, our team attends Lunch & Learns and educational events to help members keep abreast of new and/or amended compliance obligations, educational opportunities and other sector specific changes or requirements. We actively engage at a high level with the government on policy decisions, 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) 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 20,141 tonnes CO<sub>2</sub>e absolute reductions in GHG emissions, see Figure 10. The reductions achieved in GHG emissions are equivalent to 4,521 cars off the road for a year.



**Figure 10 – GHG Reduction (Sustainable Waterloo Region, 2024)**



**Figure 11 – GHG Progress Report (Sustainable Waterloo Region, 2024)**

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, they have implemented an apprenticeship program for Millwrights and Electricians, and Certified Electroplater Finisher (CEF) as these skill sets are an essential part of ongoing success. In 2024, we created additional training videos (e.g., ERT member training, Plant-wide trainings) to ensure ongoing skills development.

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.

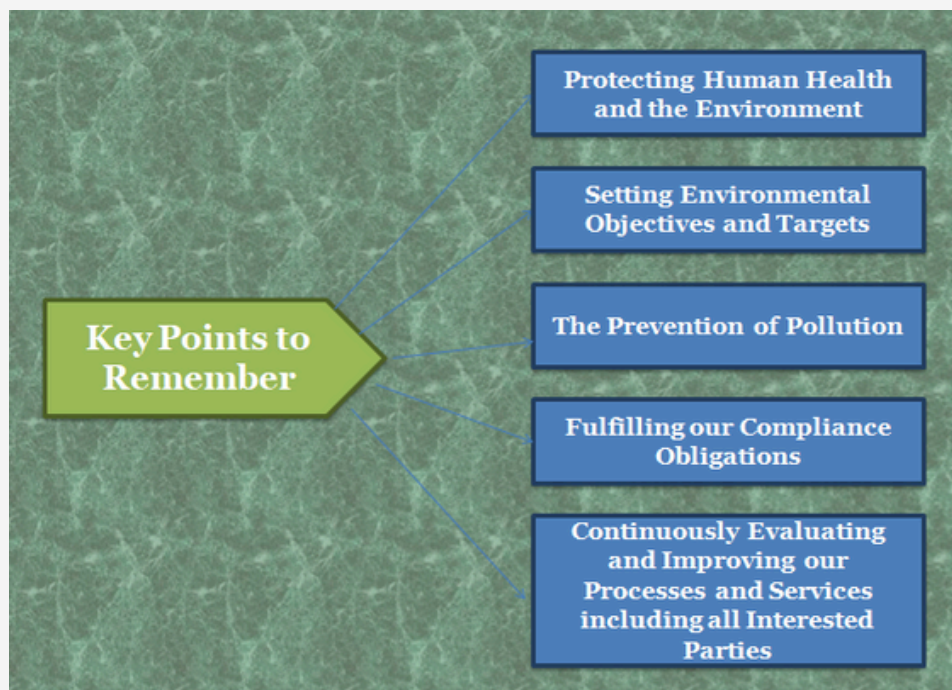
# Continuous Improvements

Operational excellence and our commitment to continually improve are Core Values of KEI, such that we continued to have measurable successes in 2023 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 12).



**Figure 12 – Sustainability Key Points (KEI, 2024)**

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](http://www.kuntz.com)



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