

FY22 ENVIRONMENTAL SOCIAL GOVERNANCE REPORT



ABC TECHNOLOGIES
INNOVATION IN PLASTICS & LIGHTWEIGHTING

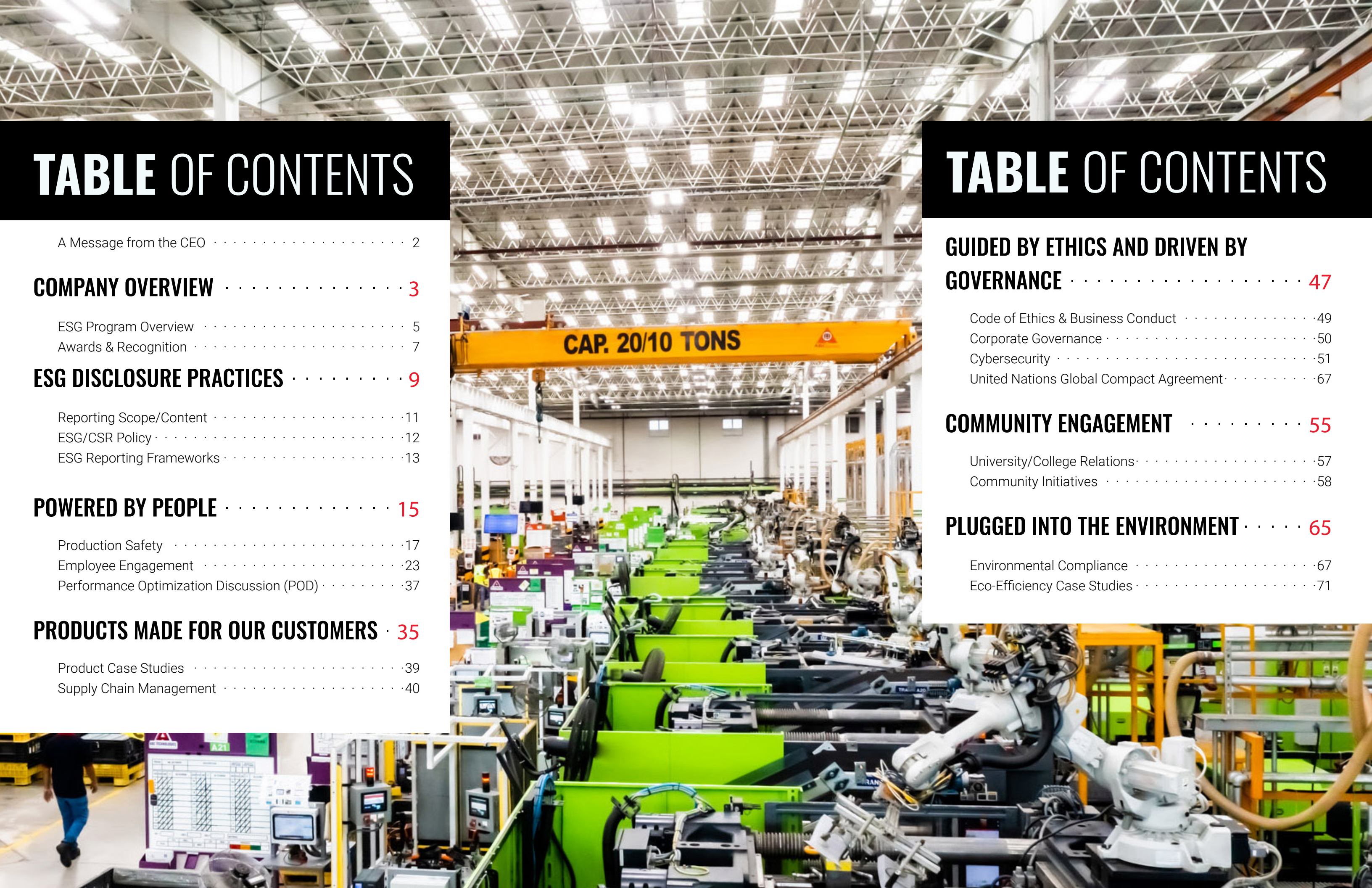


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A MESSAGE FROM THE CEO

Thank you for your interest in ABC Technologies Environmental, Social and Governance (ESG) Report for our 2022 fiscal year.

In 2022, ABC Technologies saw many of the same challenges that we faced in 2021; however, we took several vital learnings and best practices from the early days of the Covid 19 pandemic and were able to continue to serve our valued customers all while keeping our most valuable asset safe, our people.

This year, we made a strategic decision to become carbon neutral on our direct and indirect emissions (Scope 1 and Scope 2) by 2035. This commitment is the beginning of a new, exciting future for us which will be another step towards our vision of a world with zero emissions. After nearly 50 years in business, we continue to lead with our commitment to our environment, social causes, and sound governance. At ABC, we celebrate our rich heritage and imagine how we can build a better, more sustainable, and equitable future.

It is common for companies to publish an ESG report with ambitious goals; it is another matter to follow through and achieve them. Our senior leadership team takes our ESG goals and benchmarks very seriously, and they are embedded into company and personnel performance targets. These targets are communicated throughout our organization, monitored, executed, and undergo post-implementation analysis, ensuring completion and implementation targets are met.

Here is a small sample of some of our 2022 ESG achievements:

- We successfully achieved our energy consumption target from the last reporting year (1% absolute reduction of energy every year).
- Our waste reduction target (1% absolute) for the calendar year of 2021 was achieved successfully.
- Resin usage for the calendar year 2021 is 1% lower than that for the calendar year 2020.

At ABC, we believe in being active participants in our communities. Our manufacturing and support locations participate in local charitable, community giving, and volunteer initiatives.

ABC Technologies is built on a foundation held together by the business principles of strong corporate governance, health & safety, employee engagement, and supplier relationships at the heart of our ESG program.

In conclusion, I am pleased to present you with our fourth annual Environmental, Social, Governance report, and I am excited by the ongoing achievements we have made across the organization. I invite you to explore the many programs and initiatives completed and underway at ABC. We are proud of our continued ESG program progress during the past year and look forward to accomplishing even more during the coming year.

TERRY CAMPBELL
President & Chief Executive Officer



ABC PUSHES AHEAD ON ITS GROWTH TRAJECTORY



The last several years have seen ABC evolve from a family-owned and run business to a publicly listed company after its IPO and, finally, the change of ownership from Cerberus Capital Management, L.P. to Apollo Global Management, Inc. and Oaktree Capital Management, L.P.

This transformation was further enhanced by recent acquisitions supporting the Company's future growth plans. On March 1, 2022, ABC acquired dlhBowles, Inc. This was followed by the acquisition of Karl Etzel GmbH and SAM-GmbH on March 4, 2022. Just before the end of our Fiscal 2022, ABC also signed an agreement to acquire the washer systems business of Continental AG, which is expected to close in Fiscal 2023.

The impacts of these changes, in particular the exposure to a public investment community in combination with the increased scale gained from recent acquisitions, has only deepened ABC's ESG commitments. We will continue to pursue our vision of net zero emissions and focus on industry best practices to minimize environmental impact, while making employee health and safety our top priority.



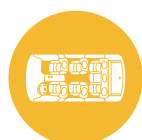
COMPANY OVERVIEW



ABC Technologies Inc. together with its affiliates (collectively, "ABC", "ABC Technologies" or the "Company") is one of the world's leading automotive systems and components manufacturers for the global automotive industry.



We cover every facet of the plastics processing technologies, systems and components for the global automotive industry - Fluid Management, HVAC Distribution Systems, Flexible Products, Interior, Exterior, and Air Induction Systems. Ranked as one of the top industrial automotive blow molders and injection-molders in North America, our manufacturing processes include not only Blow and Injection Molding, but Thermoforming, Sheet Extrusion, Interior/Exterior Painting and Material Compounding. We provide comprehensive support services, from advanced research and development to overall project management.



Our distinction is our vertical integration. We produce products from concept to production for a constantly growing number of unique automotive components and systems. The research and development, materials, design, testing, tooling, machines, processing technologies, and secondary assembly systems are all supplied and controlled within our own company. To our customers this means faster development, increased design flexibility, improved efficiencies in manufacturing and assembly, significant cost savings, enhanced quality and performance.





ABC Technologies' Six Drivers of ESG Framework.

ESG PROGRAM OVERVIEW



ABC Technologies' fiscal year 2022 ("FY2022") Environmental, Social, Governance (ESG) Report details our program's performance and progress toward facilitating our core mission — to be one of the world's leading automotive components and system solutions provider for our global customers by delivering best-in-class products and services that are rooted in cutting edge innovation.

The information presented in this report reflects the operations of ABC Technologies for the fiscal year 2022 (July 1, 2021 – June 30, 2022). Content in this report covers all ABC operations, including manufacturing, technical and customer centers, and administrative offices globally including locations in Canada, United States of America, Mexico, Brazil, Spain, Poland, China, Germany and Japan.

All dollar amounts in this report, unless specifically indicated otherwise, are in United States dollars.

We encourage feedback on this report. Please submit any questions or comments by email to esg@abctech.com



AWARDS AND RECOGNITION

Globally, ABC Technologies has been recognized for the value we bring to our automotive customers. The awards and recognition we continually receive are a testament to the hard work and passion of our people. Since 1992, ABC Technologies has won over 100 awards. Our focus on the quality of service, diversity within our supplier base, and overall customer care is a result of our ESG initiatives within ABC Technologies.

Below are few examples of our awards and recognitions in regards to our ESG efforts, past and present:



QUALITY

- Toyota Certificate of Achievement - Quality x 3
- Toyota RAV4 Excellent Launch Award
- GM Supplier of the Year x 15
- FCA Supplier of the Year
- GM Overdrive Award x2
- FCA "Outstanding Quality" Recognition
- GM Supplier Quality Excellence x7
- NTN Driveshaft Inc. – Outstanding Supplier of the Year Award
- Daimler Master Of Quality Award



DIVERSITY

- Nissan Supplier Diversity Award x 2
- Canadian Aboriginal and Minority Supplier Council (CAMSC) Corporation of the Year Award
- CAMSC Procurement Business Advocate of the Year Award
- Women Business Enterprises (WBE) – Supplier Diversity Leader
- General Motors Top Diversity Performer – Gold Award
- WBE Supplier Diversity Champion
- Stellantis (formerly FCA) Diversity Excellence Award



CUSTOMER CARE

- GM Customer Care & After Sales Delivery - Certificate of Excellence
 - 11 Platinum Awards
 - 16 Gold Awards
 - 2 Silver Award



TECHNOLOGY

- Henry Ford Technology Award
- Automotive News PACE Pilot Finalist
- Business Excellence Award - Brampton Board of Trade - Nominee



HEALTH AND SAFETY

- Canada's Safest Employer Award Nominee



ESG DISCLOSURE PRACTICES

ABC Technologies is committed to publicly reporting on ESG topics on an annual basis. The reporting is not only a reflection of how we manage and measure our progress but also is an indication of how we engage with our internal and external stakeholders around the world.

ESG DISCLOSURE AT ABC

REPORTING SCOPE

The editorial content of this report generally covers the subject matter for FY2022 (July 1, 2021 – June 30, 2022) and is limited to operations owned by ABC Technologies. The data has been included for all the facilities and joint ventures as well, with the exception of our new affiliate companies through recent acquisitions. All metrics related to ABC manufacturing, climate change and water, as well as workforce and financial data, refer to the calendar year ended June 30th, 2022, unless specified otherwise.

PRESENTATION OF CONTENT

ABC Technologies uses the GHG Protocol Corporate Accounting and Reporting Standard, published by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI), as a basis for our methodology for publicly reporting GHG.



ESG/CSR POLICY



The content of this report and many of our sustainability initiatives are supported by our Corporate Social Responsibility (CSR) Policy of ABC.

Our policy guides ABC Technologies’ operations for sustainable performance in accordance with the core values of the Company. Global operations correspond to high ethical standards and local/ International law to ensure a balance between creating high-quality products and maintaining a socially responsible business. We facilitate a positive impact through strategic collaboration with different organizations, creating and innovating high-performance products, maintaining transparency as well as holding ourselves accountable to the Company’s CSR Policy. By engaging with stakeholders, we ensure an open platform of communication to produce innovative ideas to keep our commitments to current and future CSR goals.

We are dedicated to our six ‘drivers’ of corporate social responsibility (“CSR”) that align with the Company’s scope of operations and practices, and the executive team are committed to include consideration of all CSR related issues in all business strategies, insuring a culture of sustainability.

- 1 OUR PEOPLE**
- 2 CUSTOMER CENTERED PRODUCTS/INNOVATION**
- 3 BUSINESS ETHICS**
- 4 CORPORATE GOVERNANCE**
- 5 COMMUNITY INVOLVEMENT & DEVELOPMENT**
- 6 ENVIRONMENTAL SUSTAINABILITY**

The policy can be found on our website, on the about page, under policies & reports here: <https://abctechnologies.com/about>

REPORTING FRAMEWORKS



ABC Technologies reports to a number of different frameworks as part of our disclosure practices, commitments to our own organization, our customers, and shareholders as well as on a voluntary basis to align with other organizations globally to work towards a more sustainable future. There is a lot of work to be done, however, having such reporting channels helps us to better align with our customers, ecosystem of partners/suppliers, and our environment. It brings light to areas that need improvement and highlights areas in which we excel. With this, we can build best practices and set realistic goals to make improvements that are tangible both near term and as a long term strategy.

UNITED NATIONS GLOBAL COMPACT



We are a signatory to this voluntary initiative based on CEO commitments to implement universal sustainability principles and support UN goals. We submit an annual communication of progress report aligned with the Compact's ten Principles.

See more on page [53](#).

CARBON DISCLOSURE PROJECT (CDP)



ABC has been participating in the Carbon Disclosure Project ("CDP") reporting process since 2013 in alignment with our customer's expectations. The information reported provides an overview of our strategy and initiatives to manage various physical and transition climate related risks and opportunities. This includes progress we have made to improve the energy efficiency of our operations and reduce our carbon footprint. The comprehensive CDP climate change and water security reports are submitted annually as a part of our disclosure practices.

NQC SUPPLIER ASSURANCE



ABC has been reporting on the NQC platform since 2015 on several different areas e.g. compliance and ethics, diversity, environment, governance, health and safety, social responsibility and trade compliance. Our latest score brought us silver award on the NQC platform.

ECOVADIS



ABC Technologies started reporting to Ecovadis platform on our environmental, social, governance topics since 2018. Some of our customers use the Ecovadis reporting platform to set targets for their suppliers. Recently, ABC has achieved a bronze level sustainability rating, which we are confident can be improved significantly after assessing areas that require improvement, with plans in place to address it. Relative to other companies within our industry, ABC scored higher overall and within each of the following core areas: environment, labor & human rights, sustainable procurement, and ethics.

M2030 BEE PROGRAM



We report our ESG related progress on M2030 Bee platform as a part of our disclosure practices to include the different energy saving and environmental projects that are happening in our plants worldwide.

This is ABC's second year using the 'Bee' program. It is an online platform used to report to certain OEM's such as Honda, Toyota and GM. Its aim is to help suppliers use less energy, water, materials, and reduce their carbon emissions in the supply chain. By using the program, we will be able to communicate and demonstrate sustainability improvements and carbon reductions to key customers and stakeholders. It also gives us access to a community of other automotive suppliers with proven initiatives to improve and meet our targets. Currently five ABC facilities report using the Bee program.

SUPPLIERS PARTNERSHIP FOR THE ENVIRONMENT



ABC is a member of the Suppliers Partnership for the Environment ("SP"). SP has been a leading forum for global automotive manufacturers, their suppliers, and government partners from around the world. SP provides a forum for members to work together for an automotive industry with a positive environmental impact. By collaborating across the automotive supply chain, they work to advance leading practices in key areas, including sustainable operations, sustainable materials, biodiversity, carbon/energy, EHS, Global Product Chemical Compliance Process Management, and innovation and technology. SP members meet on a quarterly basis and represent organizations from across the automotive value chain, including leading global automakers such as Ford, General Motors, Honda, Stellantis and Toyota.



POWERED BY PEOPLE

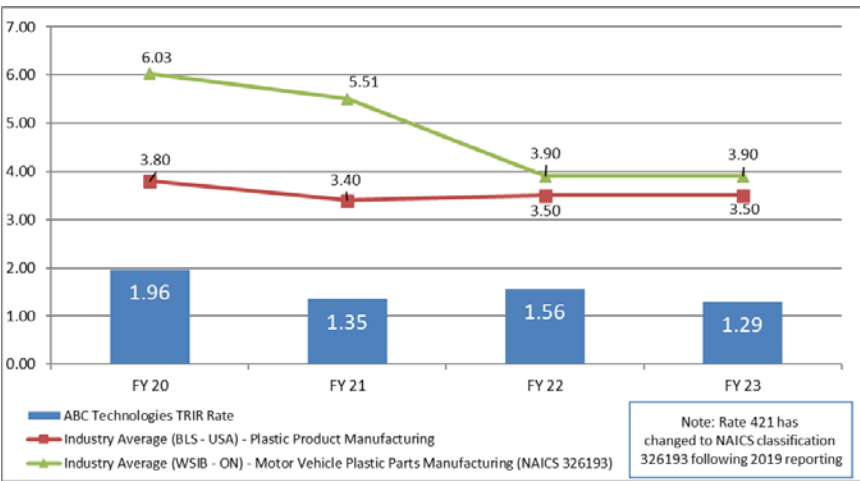
The employees at ABC Technologies are the foundation for the growth and success of the Company. We are committed to safe working conditions, offering skills and career development, and an inclusive and respectful working environment. ABC Technologies is committed to ensure all employees are treated fairly, with dignity and consideration, and that diversity in the workplace is both embraced and highlighted. We will apply fair labor practices, while respecting the national and local laws of the countries and communities in which we operate. ABC Technologies' Code of Business Conduct & Ethics highlights these and other support practices for all our employees.

PRODUCTION SAFETY

HEALTH & SAFETY
MANAGEMENT PROGRAM



Our ongoing philosophy is that one incident which causes a personal injury is one too many. To drive our endless commitment to the health & safety of all our people, ABC Technologies has built a world-class health & safety program that is deeply embedded throughout our manufacturing processes and culture. The comprehensive program is systematically driven throughout all operations and begins with our Health & Safety Policy, which is supported by rigorous continuous improvement initiatives, relevant employee training sessions, frequent communication, and reporting. ABC Technologies’ health & safety program has yielded injury statistics that are consistently lower than industry averages.



Following delays in obtaining ISO 45001:2018 certification due to COVID-19 and other related challenges, ABC has made significant strides in obtaining the internationally recognized standard during FY2022. In FY2022, we continued to improve our health and safety management systems in preparation for stage 2 audits. Towards the end of FY2022 our sites began the stage 2 audit process and at the end of 5 corporate sampling audits, we received an official recommendation for organizational wide certification by our registrar. ISO 45001:2018 will continue to help us improve our system for the safety of all employees and other individuals who visit ABC Technologies properties in the near future.

With our endless commitment to the health and safety of all our people, we have set the following goals and objectives for the fiscal year 2023 of the Company to advance our overall injury and incident prevention performance.



5% INCREASE IN OVERALL ECOVADIS SCORECARD



MINIMUM 15% REDUCTION IN SLIP, TRIP & FALL RELATED INJURIES FROM FY22



MINIMUM 15% REDUCTION IN TOTAL INCIDENT RATE (TRIR) FROM FY22

In addition to the initiatives we have previously undertaken, management has identified the following three objectives as key drivers to our continual improvement and sustainability:



1

RE-IMPLEMENT SLIP, TRIP, AND FALLS PREVENTION PROGRAM



2

REVIEW 4 JOB HAZARD ANALYSIS & STANDARD WORK INSPECTIONS BY SITE PER MONTH, UPDATE ACCORDINGLY, AND REFRESH AFFECTED EMPLOYEES



3

REDUCE WASTE AND ENERGY USE BY 1%

HEALTH & SAFETY POLICY

ABC Technologies is committed to providing and maintaining a healthy and safe workplace for all employees, contractors and visitors. Our Health & Safety Policy sets forth our expectations for management, supervisors, and employees to continuously strive towards improving our health & safety system. Our standards of an injury free work environment, including those related to violence and harassment, are achieved through rigorous accident/injury prevention processes and trainings.

Additionally, the Company does not tolerate substance abuse or intoxication on the job and employees are expected to promptly report any violations of safety rules or guidelines to supervisors.

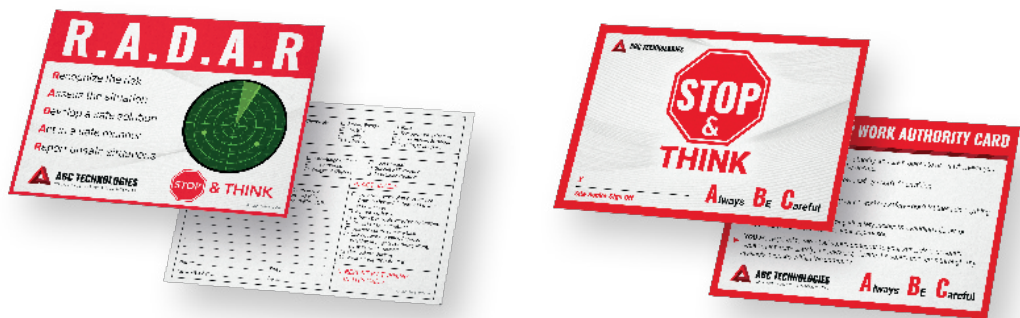
CONTINUOUS IMPROVEMENT INITIATIVES



The pursuit of ongoing improvements is a critical focus for our Company and progress is frequently measured against key operating indicators. The health & safety management team is constantly identifying and implementing a wide range of continuous improvement initiatives to help advance overall goals and objectives.

The following list provides examples of health & safety continuous improvement initiatives undertaken in fiscal years 2021/2022:

- Reimplementation of the slip, trip and fall program
- Reimplementation of the musculoskeletal disorder prevention program;
- COVID-19 safety program
- Lessons Learned Portal
- Eportal (training portal)
- Management of Change; (The procedure and structure of how the EHS Management System addresses, approves and assigns resources for planned/unplanned changes.)
- Monthly corporate “Always Be Careful” safety message
- Pre-shift tool box talks
- Safety alerts
- Serious Six; (A program that establishes safety requirements for high risk activities that can lead to serious injury.)
- RADAR (Non-routine work hazard assessment program) (see below)
- Stop and Think! Stop work authority cards (see below)



Employee Training - ABC Ramos, Mexico

EMPLOYEE TRAINING PROGRAMS



ABC Technologies provides health & safety training courses (see below), each of which is designed to address specific job and task-related risks such as accident/incident investigation, forklift training, and lockout/tagout. Each course has a required and/or suggested training audience and training frequency (e.g., at orientation, annually, bi-annually), which is based on a combination of job description, regulatory requirements, and industry best practices. The courses are taught in-person by a subject matter expert who is either in-house or from an external provider. Additionally, there are also job and activity specific work instructions and training provided to employees at each specific plant.

Since the Eportal was implemented, we have had success in its usage across the Company. The ability to complete training courses at one’s own pace from anywhere they choose via smartphone or computer helps to accommodate our employee’s daily activities. As we continue to return to in-class training sessions, we continue to look for ways to advance our EHS training program using technology as a resource.

See the following page (21) for the FY2022 Training Course List.

FY2022 HEALTH & SAFETY TRAINING COURSE LIST

ISO 14001/45001 Awareness Training*	Aerial Platform (Scissor Lift)	Arc Flash	Compliance Obligations in Canada	Confined Space Entry	Contractor Safety
COVID-19 Return to Work*	Crane Safety	Due Diligence	Emergency Response*	Ergonomics / Musculoskeletal	Fall Arrest / Fall Protection
Fire Extinguisher Safety*	First Aid & CPR	Forklift and Propane Handling	Forklift Recertification (Practical)	Forklift H&S Law – Managers	Forklift Do's and Don'ts*
Hazard Analysis*	Hot Work*	Incident Investigation*	JHSC Roles & Responsibilities	Lockout/Tagout	Machine Safety and Guarding
Manual Material Handling	Personal Protective Equipment	Spill contingency & response*	Supplier/Contractor Environmental Compliance	Top Management Roles & Responsibilities*	Transportation of Dangerous Goods (TDG)
WHMIS 2015 – GHS Refresher*	Working at Heights (Ladder Safety)*	Workplace Inspection*	Acknowledgement of Standard Work Instructions*	Environmental Legislation Training*	H&S Law – Supervisors*

* Denotes training courses available on the Eportal

COMMUNICATIONS AND REPORTING

The Company has instituted a number of periodical H&S initiatives:

Annually	<div><div></div></div> <ul style="list-style-type: none">H&S goals and objectives letter from CEO, Environmental, V&H, ESG, and H&S Policy updatesCorporate 14001/45001 Management Review	Weekly	<div><div></div></div> <ul style="list-style-type: none">Serious incident Management review meetings, H&S top focus plants for high incident ratesMyABC portalSafety talksOperational meetings
Quarterly	<div><div></div></div> <ul style="list-style-type: none">Town hall meetings	Daily	<div><div></div></div> <ul style="list-style-type: none">Tailgate meetings
Monthly	<div><div></div></div> <ul style="list-style-type: none">Management reviewPlant employee meetingsSafety statistics and trends posted at H&S boards and sent out to Management teamSafety messages, Safety Committee meetings, Board meetingsOperations meetingsNon-conformance and corrective actions summaries	Other	<ul style="list-style-type: none">Safety Lessons, Lessons Learned, Corporate wide environmental health & safety review meetings (bi-weekly)

A MESSAGE FROM OUR DIRECTOR OF HEALTH, SAFETY & ENVIRONMENT

ENZO SORRENTINO

Director of Health, Safety, & Environment

We continue to strive toward fostering a safety culture where the value of our people is above all else and is borne in the mindset of all our employees and business partners alike.



HEALTH & SAFETY KPIS: YEAR-OVER-YEAR CHANGE

Measure	FY2019-2020	FY2020-2021	FY2021-2022
DART	-53%	7%	-50%
Total Case Incident Rate	-31%	16%	-17%
Lost Time Incident Rate	-55%	0%	62%

In FY2022, ABC Technologies 1.29 was the best Total Recordable Incident Rate (TRIR) in company history and surpassed our previous best of 1.35 by **4.4%**. In addition, we reduced our slip, trip and fall incidents by **47%** compared to the previous fiscal year. These results were a team effort by all our employees globally through preventative reporting of hazards and near misses before an injury event took place. While we are proud of the results for the previous fiscal year, we know that 0 recordable injuries is our ultimate goal and are dedicated to continually improving our health and safety systems to ensure the safety of all our employees.



Employees at ABC Plant in Brampton, Ontario, Canada.



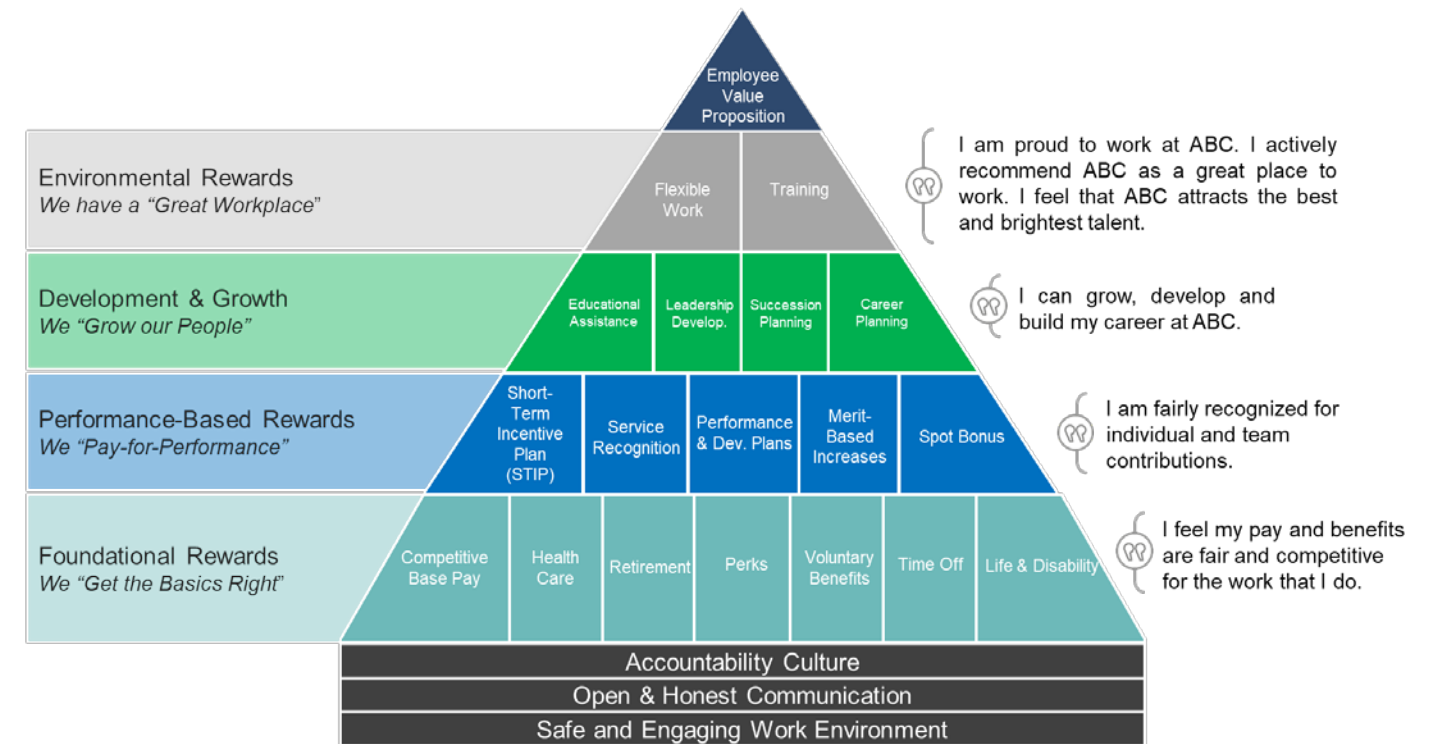
EMPLOYEE ENGAGEMENT

We recognize that to attract, retain, and engage employees, we must have competitive pay and benefits programs combined with a great work environment. To this end, we are embarking on a journey to raise the bar in all areas to ensure we have a compelling value proposition to share with current and prospective employees. We have developed an Employee Value Proposition (“EVP”) framework that outlines the package of compensation, benefits, and work environment initiatives that we offer employees in exchange for their performance and commitment to the company. This framework is part of our long-term strategy designed to enhance our competitiveness from both an employee and business perspective.

Our EVP Framework aims to achieve the following benefits:

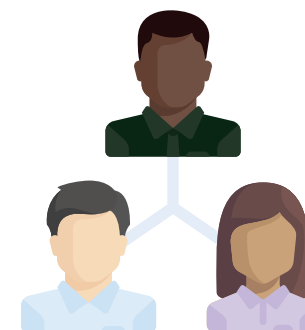
- Position our total rewards’ offerings to achieve our goal of being highly competitive within our industry.
- Prioritize our top talent when addressing compensation and talent management opportunities.
- Adjust the hourly wage schedules to drive significant reductions in turnover and attract better qualified hires (when required).
- Implement talent management processes and tools to enhance employee skills, engagement and drive a culture of accountability.

Our EVP is designed to make ABC Technologies an even better place to work, and specific initiatives will be launched to drive a consistent workplace experience for employees across the globe.



This diagram represents the overall structure of the EVP Framework at ABC.

EMPLOYEE ENGAGEMENT COMMITTEE “REVVING UP THE FUN AT WORK”



The Employee Engagement Committee was launched in some of the ABC plants in March 2021. The purpose of the committee is to help support and drive engagement at ABC Technologies, support the lines of communication within the Company and support improvements in overall employee satisfaction. The Employee Engagement Committee will be involved in promoting actions throughout the Company to help support by driving results in order to maintain a positive work environment.

Some key responsibilities of the Employee Engagement Committee is to support and drive engagement and work with employees and Management on communication. It also focuses on bringing fun into the workplace, as well as to help maintain a positive work environment. Over the course of the last few months, plants have had the opportunity to bring in employee engagement initiatives such as National Hot Chocolate Day, Mother and Father’s Day events, Canada Day celebration, and more.

RECRUITING AND RETAINING TOP TALENT

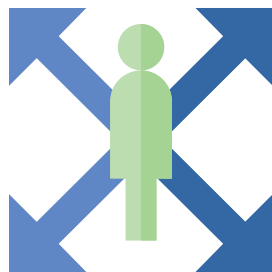


Maintaining a top caliber workforce requires that everyone have an equal opportunity. We give all prospective candidates equal employment opportunities, without regard to race, color, national origin, ancestry, citizenship status, religion, sex, reproductive status (including pregnancy, childbirth, or related medical conditions), age, disability, veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by law. This applies to all employment decisions, including recruiting, hiring, and terms and conditions of employment.

We comply with all applicable labor and employment laws, including those for working conditions, wages, hours, breaks, freedom of association and benefits. Additionally, we respect the human rights of our employees and our various stakeholders and are committed to supporting their protection and preservation throughout our global operations.

This commitment is codified in the Company’s Code of Business Conduct & Ethics. ABC Technologies is committed to the attraction and selection of the best talent for all roles. We strive to employ consistent hiring practices across our network to ensure external/ internal candidates are treated with dignity and respect, and that objective hiring decisions are made across all phases of our recruitment cycle.

TALENT MOBILITY



We believe in “growing from within” and investing in employees who choose to grow with us. Opportunities regularly arise for our employees to be temporarily assigned to support other Company locations. As part of our continued commitment to improving our talent strategy, our internal job posting program has been expanded globally. This ensures that salaried opportunities are made visible, and all internal employees are provided the first opportunity to apply to, and be considered for, these open roles.

EMPLOYEE & LEADERSHIP DEVELOPMENT



Our Educational Assistance Program offers tuition reimbursement to eligible employees (currently, \$3,500 CAD per employee per fiscal year) for successfully completing pre-approved courses at accredited educational institutions. The intent of this program is to provide employees with the opportunity to acquire new skills to improve their performance in their current job and/ or attain the required education to advance their career at ABC Technologies. This program also supports employees in the pursuit of a professional designation. This program is currently available in Canada and the United States but may be expanded to other jurisdictions in the future. Since the inception of the program, 31 employees have participated and been reimbursed through the program. We also launched a new 90-Day Onboarding Program in order to provide new employees with a deep understanding of their role, their team and the company, while helping them build strong working relationships.

LEADERSHIP & SUCCESSION



We continue to strengthen our talent processes in order to better assess, discuss, and calibrate talent across our organization. The first steps included the identification of critical roles and the implementation of a new performance management process. Our goal is to build a strong process that will allow us to identify key talent for future development opportunities and to build strong succession plans for critical roles.



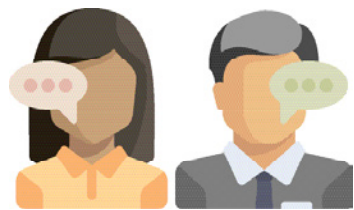
PERFORMANCE OPTIMIZATION DISCUSSIONS (POD)



POD was formally introduced to salaried employees during FY2019. The purpose of this program was to introduce a formal way to motivate and engage employees in the organization in multiple ways, including:

- Enabling strong and sustained performance for all employees;
- Demonstrating a high commitment to quality in both what and how we deliver;
- Rewarding significant achievements and standout performance in kind;
- Empowering employees to drive their own development.

WHAT IS PERFORMANCE OPTIMIZATION?



The major goal in any good performance management system is to ensure that employees’ activities – what they do and how they do them – are in sync with the goals of the organization, while maintaining a motivated and engaged workforce.

The focus of Performance Optimization Discussions (POD) is on regular feedback through effective communication between managers and employees. ABC Technologies POD features:

- A focus on simplicity, both in the overall process and its components
- A strong link to company performance through business related goals
- More frequent feedback to employees on their job activities, behaviours, overall performance and development
- An annual review meeting, to allow you and your employees to stand back from day-to-day pressures and review the job and performance as a whole
- Less focus on the process and more on the conversations.

WHY ARE PERFORMANCE OPTIMIZATION DISCUSSIONS IMPORTANT?



To ensure business success, we all must strive to continually improve individual and team performance.

Each individual employee’s contributions help accomplish ABC’s organizational objectives. Management is responsible to translate the organization’s priorities and performance standards and collaborate with employees to create individual goals and opportunities. Employees are expected to partner as well to plan, monitor and review their performance goals as well as take active ownership to achieve those goals.

Most employees want to be successful contributors. They want to know what is expected of them and how they can most effectively achieve those expectations. Other benefits of effective Performance Optimization Discussions (POD) include:

- Motivated and engaged employees
- Increased retention of good employees
- Reduced costs related to recruiting and training new employees
- Less time dealing with corrective action issues
- Positive departmental reputation as a great place to work

We look forward to the continued success and development of the POD program. The feedback to this program has been quite positive at ABC Technologies.



ABC Technologies Performance Optimization Discussions (POD) Tool

EMPLOYEE BENEFITS



Our focus is to develop globally consistent, market-relevant programs to enhance organizational performance, and recognize and reward employees for their significant contributions. We commit to providing a fair and competitive total rewards package that will attract, retain, and engage employees at all levels. Our total rewards programs, structures and decisions are aligned with the business strategy and HR strategy. In order to become the “employer of choice”, we strive to provide total rewards programs that are market competitive and meet employee needs, which include:

- Competitive base salary that is reviewed every year;
- Performance based annual incentive plans that are available to all employees;
- Comprehensive group benefits plans that meet the diverse needs of employees (e.g. life insurance, extended health care, medication, dental care, dental care, Long-Term Disability, Short-Term Disability, vision care, paramedical services, etc.); and
- Retirement and savings plans to help employees prepare for the financial future

In addition, the Company offers various programs to promote employees’ overall wellbeing, including:

- Employee Assistance Program (“EAP”) that offers confidential consultation services to both employees and their families;
- Service Awards program that recognizes employees’ service and loyalty;
- Recognition program that awards employees for above-and-beyond contributions;
- Unique car discount program that allow employees to benefit from significant car purchase discount available solely on the basis of being an employee of ABC.

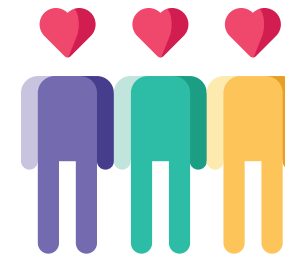
We offer differentiated benefits and rewards to address the unique market conditions in our international locations. For example, in Mexico, we provide on-site cafeteria services, access to medical services and various bonus/ incentive programs to enhance our market competitiveness and drive employee retention.

PTO SALARY - CANADIAN EMPLOYEES



Taking care of our employees’ physical and mental health is essential to any successful organization. At ABC, we value our employees taking time off from work to re-energize, spend time with loved ones and establish work-life balance. Our Paid Time Off (“PTO”) policy for all Canadian salaried employees, was implemented on July 1, 2021. The PTO project team worked diligently to unveil a competitive and attractive policy that was well received by ABC employees. Boasting flexible features and increased vacation quotas the program provides our employees with the freedom and peace of mind to enjoy time away when they need it most.


DIVERSITY AND INCLUSION




Our ability to reach full potential as an organization requires high performing talent that brings unique perspectives, experiences, and ideas to the team. A diverse and deep talent pool enables us to deliver differentiated products and service levels to our customers. Creating an environment where team members feel valued is critical. This includes promoting employee development, actively seeking different perspectives and building various workplace programs. We comply with all federal and local regulations governing the regions in which we operate. We take the time to celebrate the diversity of our workforce and reinforce our commitment to creating and maintaining a culture of respect where everyone feels safe and empowered to bring their best self to work every day. Our goal is to continually improve as we continue our journey to establish ourselves as a best-in-class employer with a global, diverse workforce and an inclusive workplace. The Company has adopted the Diversity & Inclusion Policy crystallizing our commitment to diversity and including principles. The copy of the Diversity & Inclusion Policy is available for all employees on the Company’s MyABC portal.

DIVERSITY
IN CANADA

Diversity has played an important role in ABC's formative history. Since opening its doors, ABC has created a society of mixed languages, cultures and religions, with employees residing from 45 heritage countries and speaking over 42 different languages. ABC is a proud supporter of workplace diversity in both offices and plants which allows its employees to succeed throughout the Company.



45
HERITAGE
COUNTRIES



42
LANGUAGES
SPOKEN

COMMITMENT TO
NONDISCRIMINATION AND
ANTI-HARASSMENT



We are committed to providing a work environment where employees are evaluated based on abilities and quality of work. We do not tolerate harassment, psychological or physical abuse, or physical coercion, including indecent or threatening gestures, abusive tone or language, or undesired physical contact. The Company prohibits offensive racial, ethnic, religious, age-related, or sexual jokes or insults, distributing or displaying offensive pictures or cartoons, or using voicemail, email, or electronic devices to transmit derogatory or discriminatory information. The Company does not tolerate unwelcome sexual advances, requests for sexual favors, or physical or verbal conduct of a sexual nature. The Company also does not tolerate workplace violence or threats. Management team members are always expected to conduct themselves with professionalism. Any employee who has experienced or witnessed discrimination or harassment is expected to immediately report the conduct to a supervisor, a member of the HR team or through the confidential Ethics hotline, maintained for the Company by an independent third-party provider and available to all of employees of the Company in their local languages. The Company will promptly review all reports and conduct a follow-up investigation, if appropriate.



Group Photo of all Employees at Supreme Tooling ,Toronto, Canada

HUMAN CAPITAL SYSTEM –
A PARTNERSHIP WITH UKG
(ULTIMATE KRONOS GROUP)



Our HR department is facing an exciting transformation of Human Capital Management (“HCM”) system in all our global locations, bringing us the opportunity to support our business expansion and consolidate our processes and HR systems around the globe, to offer our employees and stakeholders a world class HR services.

This path was initiated back early 2020, following an implementation plan of 2.5 years to launch this system around the globe with different modules, that will expand our HR capabilities and offer our employees a full digital experience.

As of January 2021, we were able to launch our Payroll and Core HR system in Canada, and by June 2021, we launch another important module, Time and Attendance (“UTA”). These products gave us the opportunity to improve our payroll process timings, provide employee data, accrued PTO, book PTO virtually and access to their payroll data and employment insights to each of our employees at their fingertips over a mobile or desktop access into the system.

EMPLOYEE TURNOVER



Employee turnover remains a challenge, especially in our plants within the first 90 days. We have worked diligently over the last year to have more touch points with the new hires to ensure they are onboarded successfully. In addition, we are in the process of rolling out employee engagement committees at all sites so that our team members’ ideas and opinions can be heard.

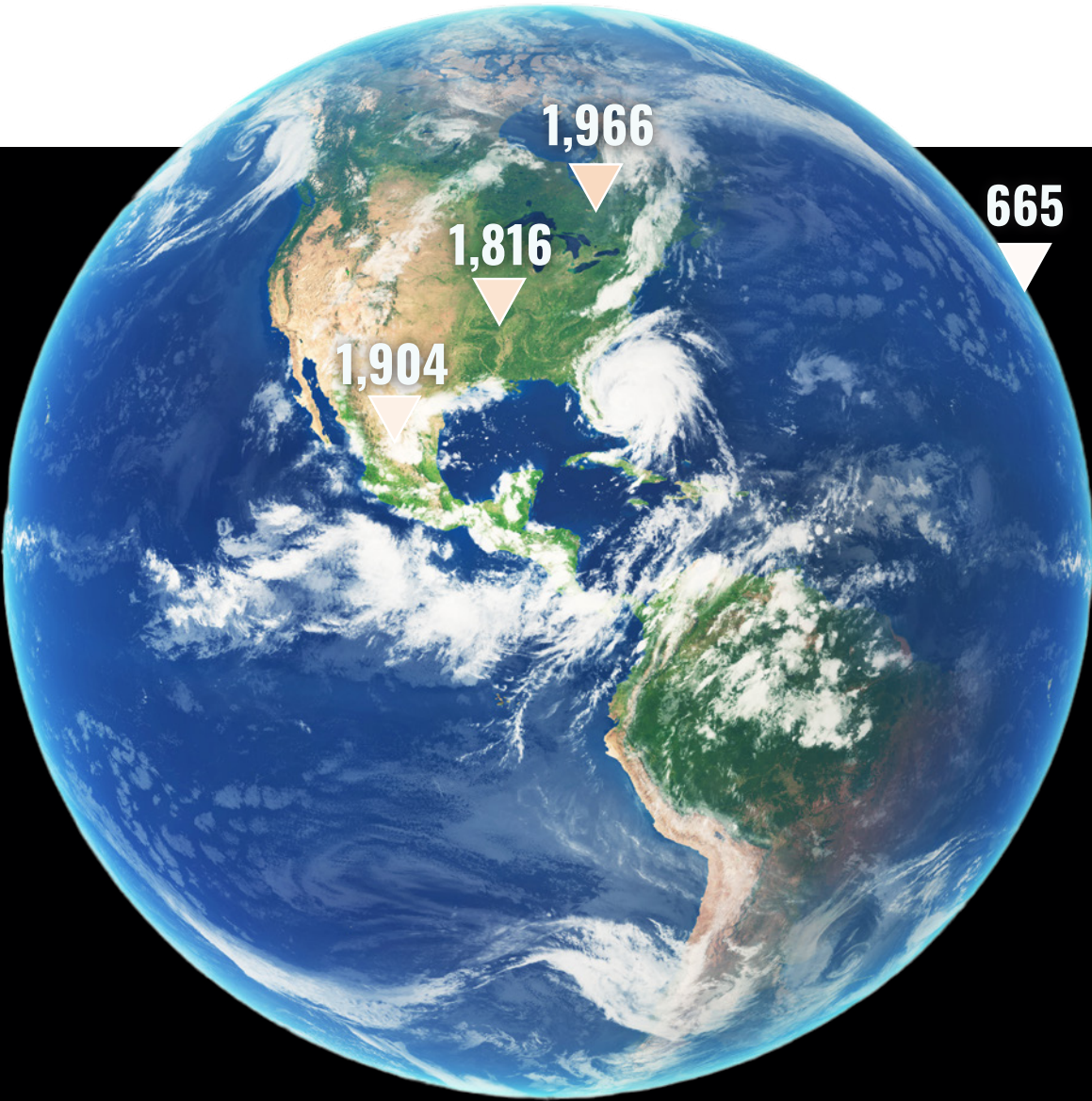
COVID-19 remains a challenge for us in many of regions in which the Company operates. This has impacted on our ability to staff our plants and retain employees. We have several key projects including: Technical Training Centers, Supervisor and Team Lead Trainings, Succession Planning and Talent Assessment, and several Employee Engagement activities that have been kicked off in calendar year 2021. We look forward to developing our ABC employees and preparing them for a very bright future with ABC.



EMPLOYEE PROFILE

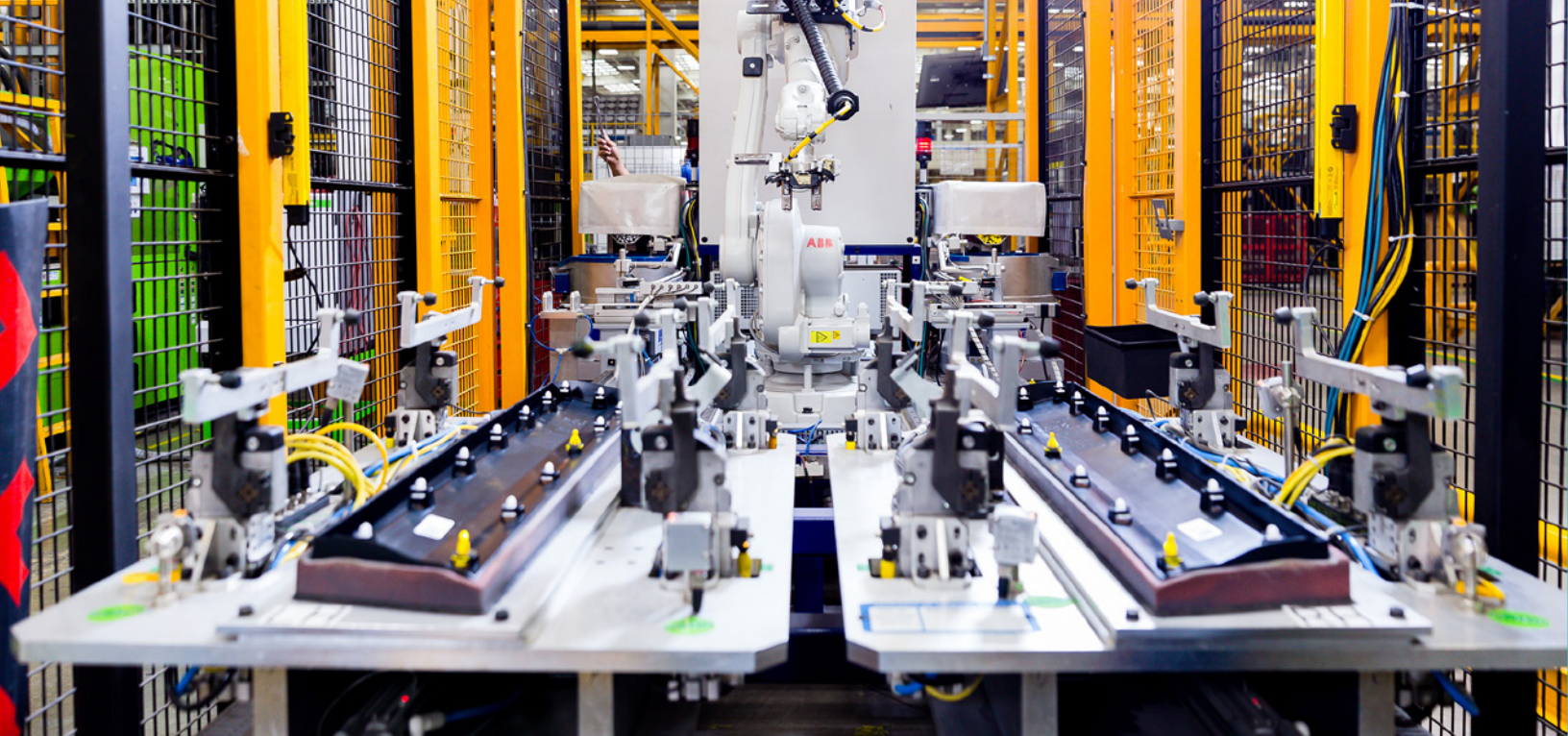
As of June 30, 2022:

Global Headcount	Regional Headcount
Total 6,351	Canada 1,966
Temporary Staff >1%	U.S. 1,816
Joint Venture 1,450	Mexico 1,904
	Rest of the World 665

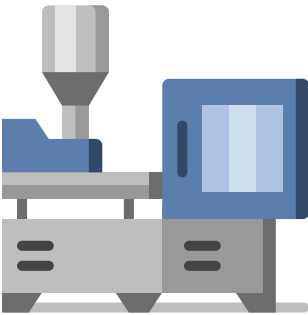




**PRODUCTS
MADE FOR OUR
CUSTOMERS**



PRODUCT OVERVIEW



ABC Technologies is responsible for making innovative products tailored to exceed the expectations of our customers. To achieve the highest level of customer satisfaction, we focus on excellence in design, quality, advanced engineering, supply chain management, lean manufacturing, and flawless launch activities. We are committed to implementing operational improvements, innovation of products and processes that position our customers and ourselves for long-term growth, and to uphold our customer’s ESG expectations.

With hundreds of patents on materials technology, products and processing systems, our reputation for product innovation is internationally recognized. Customers use our plastic components and systems, in every area of their vehicles, to pioneer new automotive advancements in performance and sustainability. In addition to the inherent cost savings in tooling, manufacturing and assembly production, ABC Technologies plastic products offer several important functional qualities that directly address sustainability objectives:

- Lightweighting
- Efficient use of space
- Sizing customization
- Vehicle fuel efficiency
- Improved performance, durability and flexibility
- Enhanced permeation and temperature resistance

SUSTAINABILITY CONSIDERATIONS DURING PRODUCT DESIGN



The ABC Product Design Program utilizes a cross-functional, gated, collaborative approach to develop technologically advanced and unique automotive product solutions. At the foundation of this program is the Advanced Product Quality Process (APQP), which consists of a structured six phase approach that is used to ensure effective product design/development and execute a flawless launch that exceeds our customer’s expectations.

As part of the APQP, ABC has developed a structured procedure to review sustainability related aspects and risks for the design, development, and implementation of new products, processes, equipment, and plants. The objective of this procedure is to ensure that appropriate consideration is given to environmental, health and safety aspects in order to address potential risks and opportunities. Impacts evaluated include the following:

Product Chemical Content



- Assess the chemical compliance status of carry-over content prior to finalized design.
- Evaluate existing content for the presence of Substances of Very High Concern (SVHCs) in support of global legislation.

Ergonomics and Safety



- Evaluate product design for possible health & safety challenges.
- Determine the best manufacturing processes to avoid injuries.

Product Recyclability



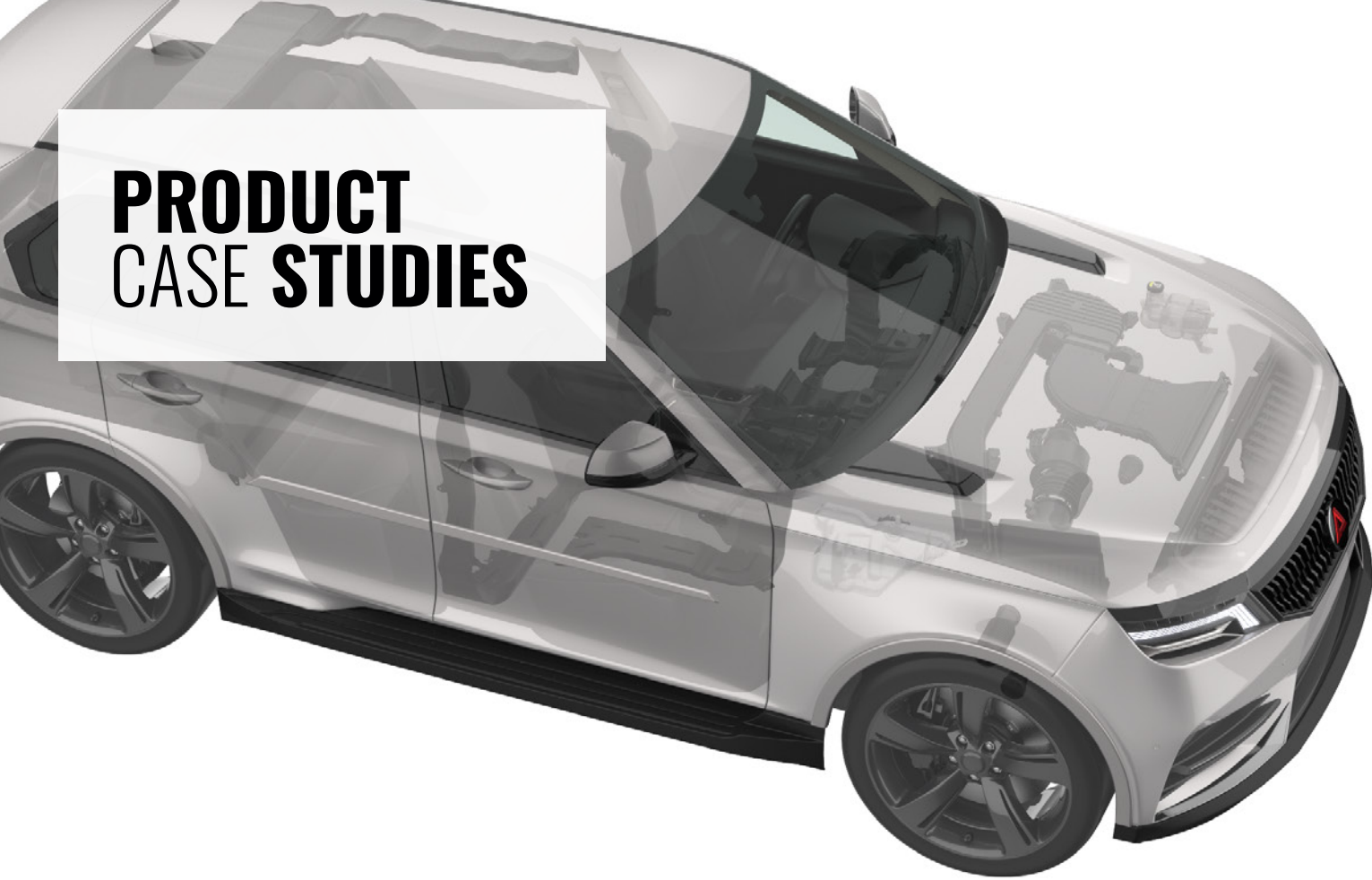
- Determine if the use of recycled material is feasible.
- Decide if selected materials maximize end-of-life recyclability.

Energy and Waste



- Assess manufacturing equipment, materials, and product life cycle for energy usage and minimize where possible.
- Evaluate opportunities for reduction of scrap and manufacturing waste streams.

PRODUCT CASE STUDIES



At ABC, there are several internal projects being implemented to address the sustainable aspects of product design. ABC continues to push the narrative to a more sustainable future, not just for ABC, but for our customer and supplier base as well.

The next few pages will the different project case study examples that explain the initiatives undertaken and the sustainable benefits / advantages achieved.

- 1 100% Post Consumer Recycled (PCR) Sustainable Material
- 2 ABC's Resin and Product Recyclability

100% POST CONSUMER RECYCLED MATERIAL: ADDITIVES FOR SUSTAINABILITY



UP TO **97%**
REDUCTION
IN RESOURCE
DEPLETION



UP TO **93%**
REDUCTION IN
FOOTPRINT VS.
VIRGIN PP

We have a strong focus on improving our sustainable materials portfolio and to minimize the carbon footprint of our products.

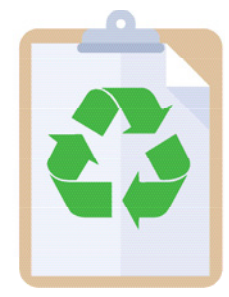
ABC Technologies has always embraced the addition of regrind materials and partially recycled content into our products for more sustainable manufacturing practices.

Additionally, we have now pursued development and use (where possible) of 100% post consumer recycled (PCR) materials to drastically cut our Greenhouse Gas (GHG) footprint while continuing to provide excellent products for our customers.

Our new recycled PP (100% PCR rPP) adhering to UL 2809 Environmental Claim Validation for Recycled Content standards has been trialed with production parts with no negative impacts on performance.



PRODUCT RECYCLABILITY



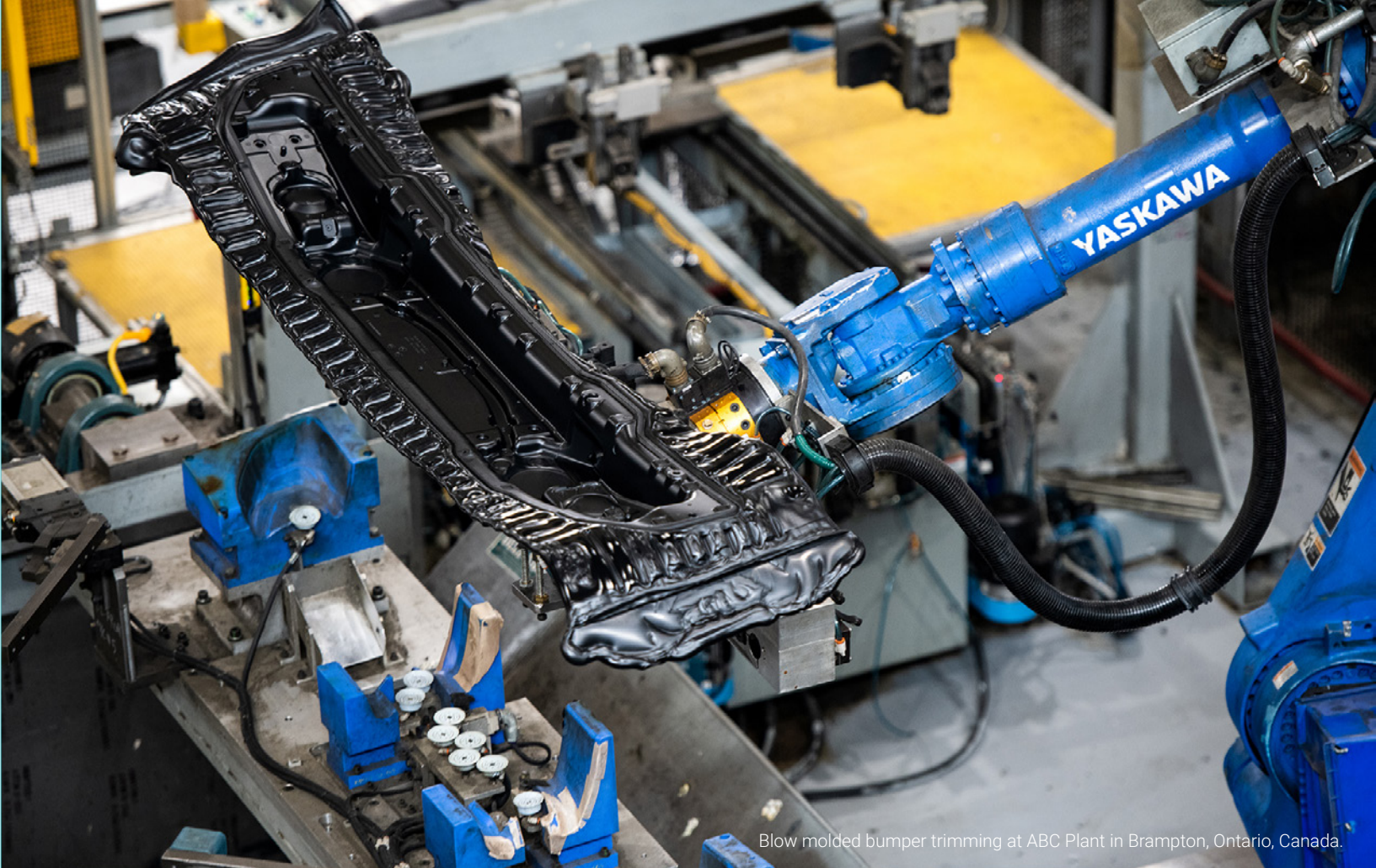
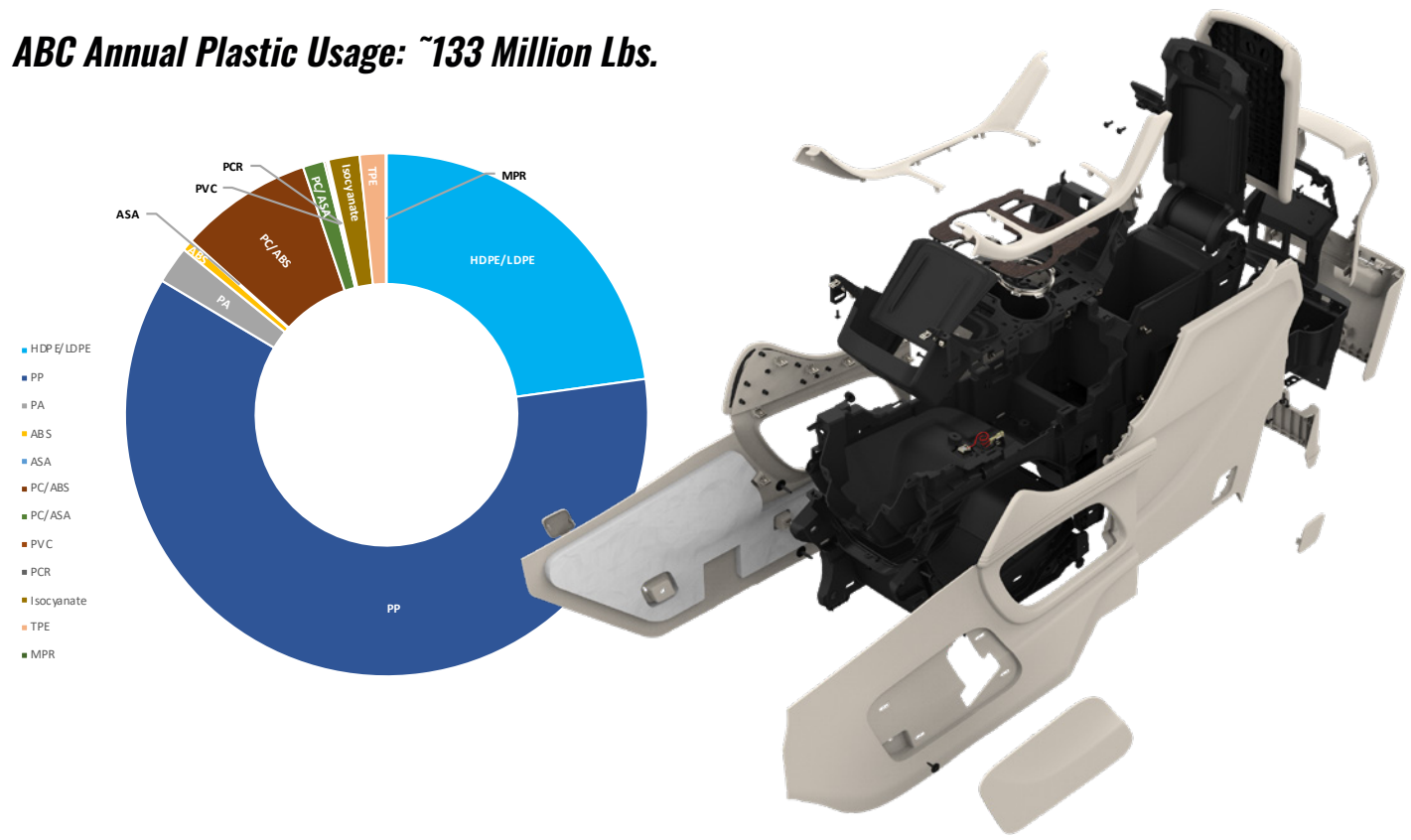
The Advanced Product Development Team was tasked to investigate the overall recyclability of all of ABC’s resins and products, and to summarize the findings in a clear and concise manner. This exercise was performed by identifying all of the resins used at ABC, the usage of each type of resin (e.g. HDPE, PP, etc.), and the recyclability of each one. From there, the team was able to identify which products used which resin, and if there were any other secondary processes that may have impacted the recyclability of the part.

RESIN RECYCLABILITY



Polymers in whole are the most-used materials in the world because they are technically sophisticated, lightweight, and suited for a broad spectrum of uses. ABC Technologies purchases around 133 million pounds of different types of polymers for manufacturing of its products. Around 96.5% of these polymers are from thermoplastics family which can be melted and recast. The remaining 3.5% of the purchased polymers by ABC Technologies are in fact thermosets, meaning that once set there is no possibility of recyclability for the products made of them. So at resin level, ABC Plastic Recyclability stands at 96.5%.

ABC Annual Plastic Usage: ~133 Million Lbs.



Blow molded bumper trimming at ABC Plant in Brampton, Ontario, Canada.

PRODUCT RECYCLABILITY



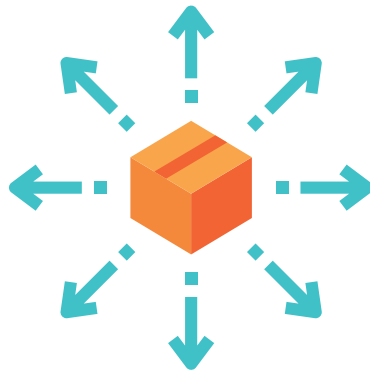
At the product level, the percentage of recyclability drops a bit further and that’s mostly due to secondary processes after or during the manufacturing of the actual original parts. Those secondary processes include painting, welding, addition of curable gases/mixtures to the melt stream, etc. Once the plastic part is painted, it can no longer be recycled via traditional methods. Also, when plastic is physically burned during the welding it no longer has the correct properties to be recycled and need to be disposed of. As per investigation into this matter it has been concluded that at the present, 92% of all manufactured products at ABC can be called recyclable.

ABC is continuing to explore different ways to further increase the recyclability of all manufactured products by looking closely into consortium projects that are directed towards investigating how to recycle coated and painted plastic materials.



SUPPLY CHAIN MANAGEMENT

RESPONSIBLE SUPPLIERS



ABC selects business partners whose values and business practices are compatible with our own high standards. These standards are laid out in the Supplier Quality and Development Manual which provides details about ABC’s expectations and requirements for current and potential new suppliers, including environmental, safety, and sustainability performance.

The environment is a priority to ABC and therefore suppliers are encouraged to be certified to ISO 14001 or working toward certification. Additionally, we will not engage in activities or deal with third parties, in our supply chain or otherwise, that tolerate human rights abuses or that support trafficking in persons or the use of child labor or forced labor. Suppliers are expected to demonstrate, upon request, compliance with local, national, and international standards and regulations regarding health, safety, and environmental issues relevant to the supplier’s business.

ABC encourages all our sub-tiers to take the online training provided by Automotive Industry Action Group, through its “Supply Chain Responsibility” program.

SUPPLIER MANAGEMENT & AUDITING



ABC has a team of employees to manage suppliers, with team members broken down by separate areas of operations including supplier quality, logistics assistance, packaging, tooling, and capital expenditures. The majority of the team is located in North America, although several members of its supplier quality personnel are located in China.

Internal resources are utilized for auditing suppliers, including evaluation of rates, quality, and environmental & safety issues. ABC has a full supplier notice system which covers direct and indirect suppliers and both new and existing suppliers. This system tracks the audit schedule, audit findings, quality notice reviews, and corrective action plans. Currently, auditing efforts are focused on direct suppliers with approximately 2% audited on an annual basis. To date, ABC has not terminated a supplier due to environmental, safety, or other sustainability issues.

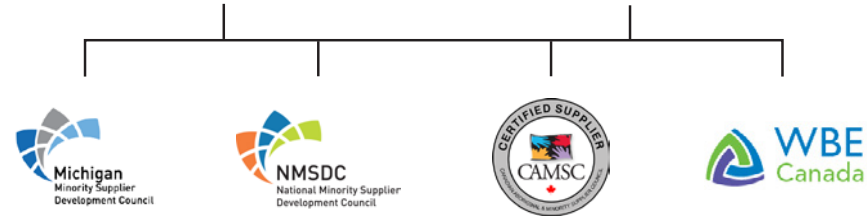
SUPPLIER DIVERSITY



As a company that recognizes the importance of diversity, not just within our workplace, but also our supply base, ABC has developed a Supplier Diversity Development program with a set of best practices for our internal purchasing team. To connect with certified suppliers, ABC has established a network of partners that help bridge the gap between organizations such as ourselves and minority-owned businesses.

\$899M+
TOTAL SPEND

201+
CERTIFIED SUPPLIERS

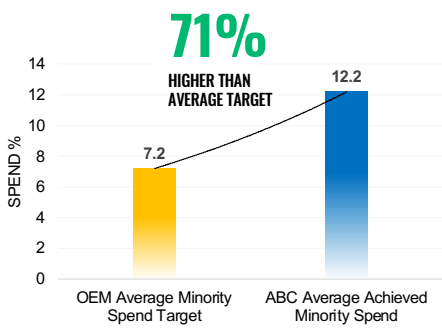


Between 2012-2022, ABC has a minority supplier spend of over \$899 million and over 201 certified suppliers and counting.

We strive to exceed our OEM customers’ expectations for supplier diversity targets by exceeding our own. ABC’s average achieved minority spend was 71% higher than the OEM average target.

ABC not only connects with certified suppliers but has helped suppliers receive their certification as well. Over 67 companies have become certified through WBE, and over 86 through CAMSC with ABC’s assistance and now supplying to not only ABC, but other Tiers as well.

As a result of our on-going efforts, ABC has been recognized by both CAMSC and WBE this year with nominations. For WBE, we have been nominated as a finalist for the “Most Improved Supplier Diversity Program” which will be announced as part of WBE Canada’s 2022 Excellence Awards being held on November 10th, 2022. For CAMSC, ABC’s Diversity Leader, Edet Umoafia, has been nominated for the “Procurement Business Advocate of the Year” Award, to be announced at the CAMSC’s 17th Annual Business Achievement Awards Gala.



CONFLICT MINERALS



The Company is committed to ensuring that parts and assemblies in our products, regardless of where they are assembled or sold, are free from conflict minerals. To that end, ABC has engaged its suppliers to investigate their supply chains in order to provide conflict mineral and smelting data. ABC has provided guidance to suppliers to facilitate this process, including access to key resources such as iPoint Conflict Minerals Platform (iPCMP) and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

SUPPLY CHAIN HEADWINDS IN FY2022



Over the course of the last fiscal year, the automotive industry as well as the global supply chain faced continued headwinds. COVID-19 lockdowns in China and unprecedented raw material pricing pressures lead to a year where the Supply Chain team was pushed harder than any other time. The good news is that at the end of FY2022 the supply chain challenges had subsided to a manageable level as well the cost increase pressure appears to be reversing with a strong FY2023 on the horizon. The consumer vehicle demand continues to be exceptionally strong, and ABC will be ready to meet the demand.



GUIDED BY ETHICS AND DRIVEN BY GOVERNANCE

The Company holds itself to the highest ethical standards. The Company's Code of Business Conduct & Ethics (the "Code") outlines ABC Technologies' commitments and business ethics procedures, throughout all the jurisdictions where it operates and/or conducts business.



CODE OF ETHICS AND BUSINESS CONDUCT



The Code was significantly updated in February 2021, when ABC Technologies listed its common shares for trading on the Toronto Stock Exchange and is being periodically updated to keep all of its components current. In addition, concurrently with, and following the approval and adoption of the latest version of the Code, the Company's Board of Directors has approved and adopted the following which alongside the Code and the Environmental Social Governance Policy constitute the Company's "Core Policies": the Diversity & Inclusion Policy, the Whistleblowing Policy, the Insider Trading Policy, the Social Media Policy, the Image Bank Use Policy, the Flexible Work Policy, and the Disconnecting from Work Policy - Ontario (collectively, the "Policies"). ABC has also adopted a Statement of Commitment Against Violence and Harassment in the Workplace, which together with the Policies serves to embody the Company's commitments to doing business in an open, honest, and ethical manner.

Currently, the Company is developing additional policies, which, when enacted will form part of the Policies, including: an Anti-Corruption policy, designed to provide guidance to its employees, divisions and departments on anti-bribery principles aligned with anti-corruption legislation in all jurisdictions in which it does business, and a stand-alone Conflicts of Interests policy to supplement the conflict of interests principles entrenched in the Code, provide further guidance, and set out procedures designed to help employees of all levels avoid actual or apparent conflicts of interests. The Company is also in the process of engaging a third-party-ran training platform for rolling out Company-wide compliance training, including refresher training on the Company's Policies and the principles they embody.

ABC Technologies' Compliance Committee, together with the Company's legal department is responsible for administering the Code and the Policies, overseeing compliance training, auditing and monitoring, and conducting internal investigations. The matters related to compliance with the Code are reported to the Nominating and Corporate Governance Committee of the Company's Board of Directors, which in addition to reviewing general compliance matters may update the Policies as needed. ABC Technologies' Human Resources

CODE OF ETHICS AND BUSINESS CONDUCT CONT'D



department ensures that all new personnel upon joining ABC reviews the Code and the Policies and certifies their understanding of the Code and the Policies and agreement to comply by the principles and rules set out therein. Employees may be asked to review the Policies annually and certify that they understand the terms and are not aware of any violations.

The Code applies to all directors, officers, and employees of the Company, provides guidance on their ethical and legal responsibilities and sets out the principles and procedures pertaining to: (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) avoidance of conflicts of interest with the interests of the Company, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict; (iii) confidentiality of corporate information; (iv) protection and proper use of corporate assets and opportunities; (v) compliance with applicable governmental laws, rules and regulations; (vi) the prompt internal reporting of any violations of this Code to an appropriate person or person identified in the Code; and (vii) accountability for adherence to the Code.

CORPORATE GOVERNANCE



As a public company, ABC Technologies strives to adopt good Corporate Governance practices and is committed to providing both transparency and clarity of its business endeavors. The Company is accountable for managing, measuring and reporting its business initiatives and performances. The Company has established Compensation, Audit, Nominating and Corporate Governance committees of the Company's Board of Directors. Their respective charters, along with the mandate of the Company's Board of Directors, can be found in the "Investor" section of the Company's website. The Company also regularly files various disclosure documents, including the documents setting out the Company's corporate governance practices, and the Company's financial statements, the management discussion and analyses and annual information forms, all prepared in accordance with the applicable standards, on the Company's profile on www.SEDAR.com and makes copies of most of these documents available on the Company's website.

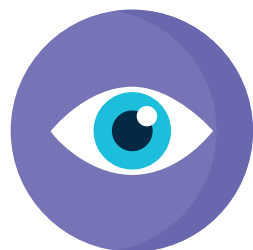
CYBERSECURITY

OVERVIEW



At ABC Technologies, we have developed an enterprise cybersecurity strategy that has been designed using industry accepted frameworks such as NIST Cybersecurity Framework, ISO/IEC 27001, and the ISACA COBIT Framework. The core of the strategy is based on the NIST Cybersecurity Framework five functions: identify, protect, detect, respond, and recover. These functions balance proactive safeguards while preparing for worst-case scenarios.

GOVERNANCE



Our enterprise cybersecurity strategy was developed by our Information Technology department which reports to our Chief Executive Officer. An IT Steering Committee has been established and meets regularly to plan the organization's technology direction, monitor progress of initiatives and review risks to the business.

GOVERNANCE CONT'D



GUIDED BY ETHICS AND DRIVEN BY GOVERNANCE

To appropriately manage cybersecurity risks, our strategy introduces a layered defense model.

- We have defined a thorough set of IT policies, standards, processes, plans and controls to guide our end users and IT staff.
- To combat cybersecurity risks introduced by humans, we have developed a robust information security awareness training program. New hires are required to complete training within 45 days of their start, and all employees complete on-going training throughout the year. We also conduct cybersecurity campaigns and simulations to evaluate the savviness of our users in identifying and appropriately responding to cybersecurity threats.
- We closely manage our perimeter security to protect both our physical and digital environments.
- We have deployed, and we test, technical solutions to protect and monitor threats to our network, endpoints, applications, and data.
- We perform thorough due diligence of third-party technology providers to confirm their cybersecurity programs align with our expectations.
- We leverage machine learning based solutions that detect and prevent anomalous activity.
- We conduct recurring vulnerability scans.

DATA

Every quarter our security solutions block:



Over **30,000** DNS requests flagged as security risk are blocked automatically on any given month.



5 MILLION emails based on reputation of the sender



600,000 emails based on content

UNITED NATIONS
GLOBAL COMPACT



The United Nations Global Compact (“UNGC”) is a pact that encourages businesses worldwide to adopt and maintain sustainable and socially responsible policies, and to report on their implementation.

The UNGC is a principle-based pact for businesses, stating ten principles in the following areas:

- HUMAN RIGHTS
- LABOUR STANDARDS
- ENVIRONMENT
- ANTICORRUPTION

Under the UNGC, companies are brought together with United Nation agencies, labor groups and civil society.

OUR COMMITMENT
TO THE UN GLOBAL
COMPACT AGREEMENT



ABC Technologies’ intent is to advance these ten principles within the company’s sphere of influence. We at ABC Technologies are committed to making the UNGC and its principles part of our business strategy, our corporate culture and integrate the principles into the daily operations.

This report fulfills our annual Communication on Progress obligation as required per our commitment to the UNGC.

THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

- PRINCIPLE 1:** *Businesses should support and respect the protection of internationally proclaimed human rights, within the scope of their influence*
- PRINCIPLE 2:** *Businesses should make sure that they are not complicit in human rights abuses*
- PRINCIPLE 3:** *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining*
- PRINCIPLE 4:** *Businesses should uphold the elimination of all forms of forced and compulsory labour*
- PRINCIPLE 5:** *Businesses should uphold the abolition of child labour*
- PRINCIPLE 6:** *Businesses should uphold the elimination of discrimination in respect of employment and occupation*
- PRINCIPLE 7:** *Businesses should support a precautionary approach to environmental challenges*
- PRINCIPLE 8:** *Businesses should undertake initiatives to promote greater environmental responsibility*
- PRINCIPLE 9:** *Businesses should encourage the development and diffusion of environmentally friendly technologies*
- PRINCIPLE 10:** *Businesses should work against corruption in all its forms, including extortion and bribery*

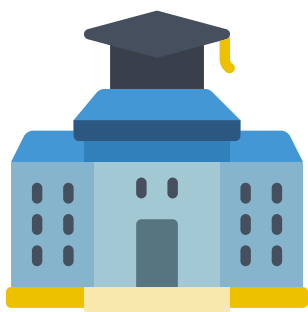


COMMUNITY ENGAGEMENT

OVERVIEW

The ABC Technologies’ global footprint and workforce provides a wide range of opportunities to serve and positively impact the local communities in which we operate. Our community engagement strategy uses a two-pronged approach, which consists of a global component that focuses on Science, Technology, Engineering and Mathematics (“STEM”) and a local component that allows individual facilities to select organizations they wish to support. This blended approach enables ABC Technologies to achieve a coordinated focus at scale while empowering our employees to drive impact at a local level.

UNIVERSITY/ COLLEGE RELATIONS



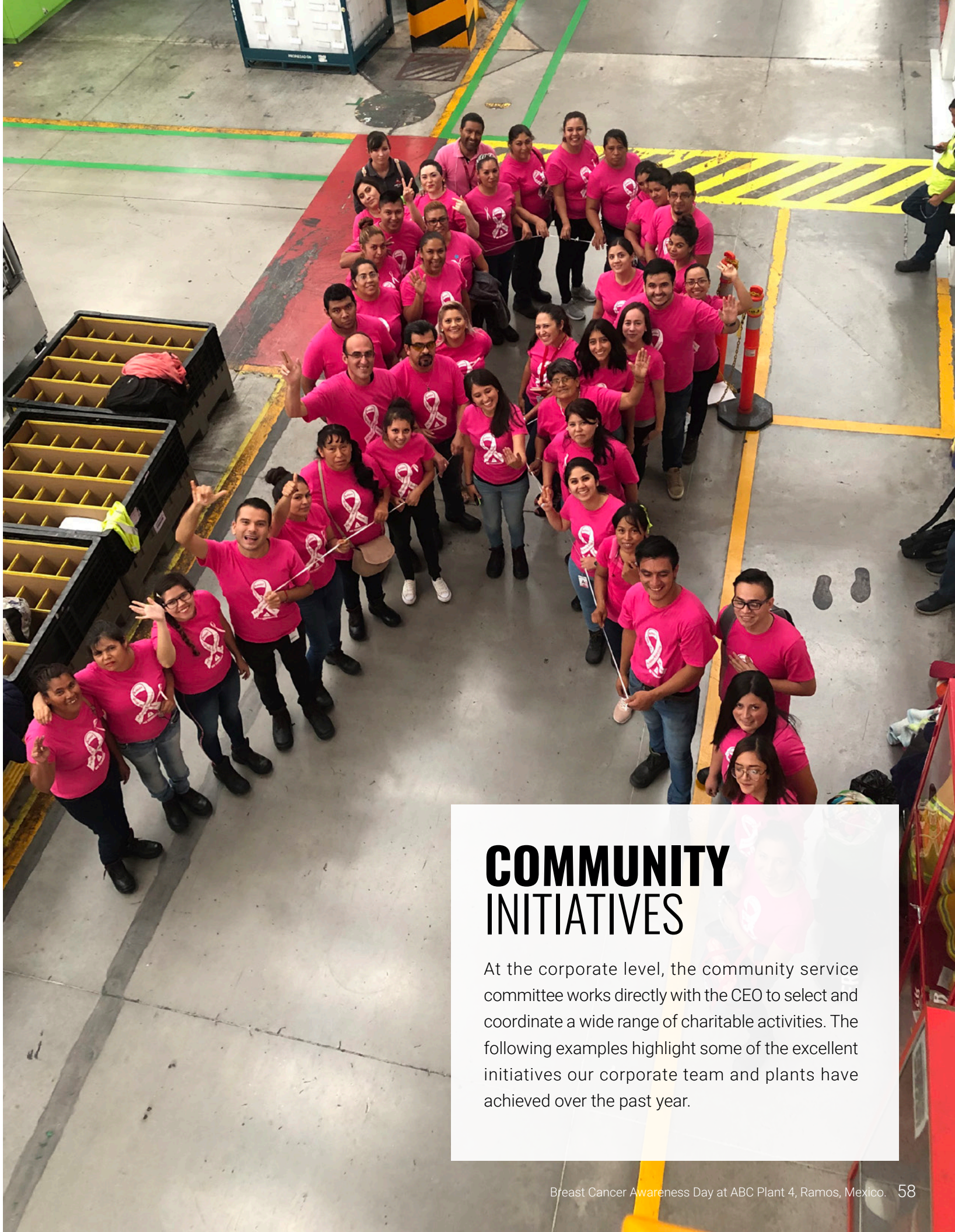
The attraction and retention of qualified co-op students, interns and new graduates is increasingly important to our success. We partner with post-secondary institutions to hire co-ops/interns for work placements in our corporate and plant environments. More specifically, we hire Tool & Die, and mechanical apprentices (Sheridan College and Georgian College) as part of a formal apprenticeship program. We regularly hire engineering co-op students (i.e., automotive, mechanical, electrical, mechatronics) from leading engineering schools including: the University of Waterloo, McMaster University, University of Toronto, Ryerson University, and the University of Ontario Institute of Technology.

A summary of our annual co-op /apprenticeships is outlined below:

Calendar Year	# of Total Co-ops/ Apprenticeships
2019	26
2020	13
2021	13*
2022	17

*Program impacted by COVID-19

Our goal is to make ABC a place where graduates can grow, develop, and achieve their career goals. We are enhancing our college/university relations’ strategy to ensure that we develop targeted, long-term relationships with select schools/ programs who meet the needs of our business. We will measure our progress though our candidate conversion rates (co-op/intern to full-time) and modify/improve our initiatives based on the feedback we receive from participants.



COMMUNITY INITIATIVES

At the corporate level, the community service committee works directly with the CEO to select and coordinate a wide range of charitable activities. The following examples highlight some of the excellent initiatives our corporate team and plants have achieved over the past year.

CORPORATE LEVEL

THE HOSPITAL ACTIVITY BOOK FOR CHILDREN



The Hospital Activity Book for Children began in 1995, and has grown to be a success with distribution to hospitals, medical service units, pediatric centres, victim service units, and many others. ABC is a proud sponsor of a full-page ad within the book, with a colouring activity for children. A portion of the proceeds go to Make-A-Wish Canada.



OXFORD KIDS FOUNDATION



The Oxford Kids Foundation ("OKF") is dedicated to helping children with disabilities, chronic illness, and traumatic injuries have access to therapies and medical care not covered by insurance. We enable these children to receive the therapies they so desperately need but cannot afford. These therapies can help these children recover and give them back the life they deserve. Besides offering these therapies, the OKF conducts scientific studies of complementary therapies at the highest clinical standard. The goal of the OKF is nothing less than a complete change in how these wonderful therapies are viewed by, and integrated into, our medical system and insurance industry.

CORPORATE LEVEL CONT'D

HENRY FORD HEALTH SYSTEM



Every year, the Henry Ford Health System Detroit Institute of Ophthalmology hosts the EyesOn Design Awards for Design Excellence at the summer North American International Auto Show (NAIAS). Our sponsorship covers 2 events, the NAIAS "Best Designed Interior" award and several "Best in Class" vehicles. All proceeds go to the HFHS Ophthalmology Department for research and to use Technology to help assist and educate the visually impaired.

HUMBER COLLEGE INDUSTRIAL DESIGN COMPETITION



ABC Technologies' has been sponsoring the Industrial Design Program at Humber College for 35 years. Final year students in the bachelor's program compete in teams to develop solutions to real world challenges outlined by ABC as a project for one of their courses. The competition runs for eight-weeks and mentors from ABC visit the class on a weekly basis for design reviews. Feedback is provided and helps students get real-world industry perspectives. The final solutions are presented to a panel of judges at ABC. The sponsorship funds go directly towards the students as prize money for 1st, 2nd, and 3rd place and towards the scholarship fund for future students.



PLANT LEVEL

LOCAL LEVEL COMMUNITY SERVICE ORGANIZATIONS SUPPORTED BY ABC

At the local level, each facility has a charity committee that is comprised of employees from various functional areas. The committees are responsible for annually selecting two organizations they wish to support and determining how they will be supported, which typically includes monetary donations and volunteer service. We provide our plants with a high degree of flexibility to pursue employee and community initiatives they deem to be most impactful. The following page highlights some of the excellent initiatives our corporate team and plants have achieved over the past year.

SELECTED PLANT LEVEL HIGHLIGHTS:

TOYS FOR TOTS & DONATIONS TO THE LOCAL SHELTER



For fiscal year '22, ABC Automotive Systems Inc., located in Kentucky, participated in two events that had direct impact on their community. The first event was the 'Toys for Tots' drive which is an amazing event entering into its 75th year in Kentucky. The ABC team came together to donate and collect toys for children that are less fortunate. The Kentucky team also took donations to a location shelter to help give back to the community in need.

MOTHER'S DAY DONATIONS



ABC Technologies in Canada participated in a Mother's Day event in May 2022. Majority of our Canadian plants and the corporate office collected new clothing, food, toiletries, and financial donations for the Red Door Family Shelter. We had a great response from our employees for this community giveback and it was a great opportunity to recognize mothers and children on this special day by giving back and providing hope and help for the families that come through the red doors.

SELECTED PLANT LEVEL HIGHLIGHTS CONT'D

ABC MEXICO RAISES FUNDS TO HELP PAY FOR A CHILDS CANCER TREATMENT



ABC's Plant in Queretaro started an initiative to raise funds for a child named Angel Martínez, who has Acute Lymphoblastic Leukemia, in order to pay for his chemotherapy treatments. The treatments are done at Hospital Infantil Teleton de Oncologia, one of the four oncology-pediatric hospitals in the world. Employees got together to initiate several activities to raise funds such as selling goodies, doing raffles, concerts, and donating food, gifts, and money. Through these activities, the ABC team was able to surpass the initial fundraising goal by over 37% and get Angel the much needed treatment sooner than expected.



SELECTED PLANT LEVEL HIGHLIGHTS CONT'D

PANTRY DELIVERY TO THE ELDERLY IN SAN JUAN DEL RIO

ABC's employees from San Juan del Rio delivered a pantry of items and food to the San José house, housing the elderly, for Christmas. This provided them with much needed essentials and goodies to enjoy the holidays.



TOYS FOR THE CHILDREN IN THE COMMUNITY OF SAN JUAN DEL RIO

ABC's employees gathered gifts for Christmas for over 42 children in the San Juan del Rio community that are living in childrens home.



SELECTED PLANT LEVEL HIGHLIGHTS CONT'D

WORKSHOPS FOR ABC EMPLOYEES IN MEXICO

ABC held several workshops in Mexico for the employees to learn new skills that would help advance their careers, which as a result, will improve their quality of life. Workshops ranged from leadership exercises, to basic statistical problem-solving, effective communication and strategic planning. Classes were also provided to help improve english writing and speaking skills.





PLUGGED INTO THE ENVIRONMENT

ABC Technologies is committed to protecting the environment, fulfilling compliance obligations, and continually improving the Environmental Management System (EMS) to enhance its environmental performance. ABC Technologies is committed to environmental protection and stewardship. We recognize that pollution prevention and resource conservation are critical factors of a sustainable environment. All our employees recognize the importance of preserving our natural resources, reducing waste, improving energy efficiency, and reducing our carbon emissions. ABC Technologies will continue to educate, train, and motivate its employees and suppliers, to carry out tasks in an environmentally responsible manner.



Plant 5 in Ramos, Mexico, utilizing skylights to bring in natural light during the day.

ENVIRONMENTAL COMPLIANCE

ABC’s commitment to environmental compliance is rooted in our Environmental Policy. The Environmental Policy contains three pillars: protecting the environment, fulfilling compliance obligations, and continually improving the environmental management system to enhance environmental performance. The global EHS team, which is comprised of 20+ employees, has primary responsibility for fulfilling the obligations of this policy. Additionally, suppliers, contractors, and visitors are subject to the Environmental Policy including relevant procedures and objectives for purchasing requirements and the visitor process guidelines.

A company-wide environmental management system (“EMS”), which achieved ISO-14001 group

certification in 2018, is used to systematically maintain environmental compliance requirements across all operations. The EMS is comprised of detailed standards that set forth procedures, responsibilities, communication, training, records, and evaluation requirements. The system also includes various tools to help manage compliance obligations, including environmental performance evaluations, preventative maintenance (“PM”) schedules, EMS calendars, and a monitoring and evaluation matrix.

Evaluation of compliance is monitored by each plant and the corporate EHS team through regular audits and status reports. Any major compliance issues identified are reported to Management during the monthly Management review meeting.

ENVIRONMENTAL POLICY



ABC/ ABC Technoliges is one of the world’s leading plastic automotive systems and components manufacturers for the global automotive industry. Management of ABC Technologies is committed to protecting the environment, fulfilling compliance obligations, and continually improving the EMS to enhance environmental performance. To fulfill this obligation, ABC Technologies is dedicated to the following initiatives:

- The Management is committed to include the consideration of environmental issues in all business strategies and initiatives and ensure that protection of the environment is firmly embedded in the Company’s culture.
- Prevent and mitigate adverse environmental impacts concerning our activities, products and services.
- Encourage the reduction of solid waste, improving energy efficiency, reduction in carbon emissions, energy, and water consumption.
- Strive to meet our annual reduction targets in waste and electricity usage.
- Preserve natural resources, reduce solid waste, improve energy efficiency, and reduce carbon emissions.
- Responsibly manage all aspects of its business to comply with environmental obligations.
- Regularly identify objectives for continuous improvement; prioritize and implement action plans; monitor and measure progress.
- Communicate best practices for energy and waste reduction projects with our customers and suppliers.
- Educate, train, and motivate employees to carry out tasks in an environmentally responsible manner and hold all employees accountable on a daily basis for upholding the spirit and intent of this Policy and the Environmental Management System. This Policy is communicated to all staff, contractors and suppliers, and available to the public through selected media.

ECO EFFICIENCY



ABC is committed to reducing the environmental footprint of our operations, which is stated in both the environmental and ESG policies, and primarily accomplished through our eco-efficiency program. These efforts are aligned with the Company’s strategic business imperatives and can deliver significant financial impacts such as reduced operating costs.

Detailed progress of results towards achieving FY2022
1% electricity and solid waste reduction goals



Baseline was calendar year 2021



Goal is absolute



Electricity:
Goal for reduction was successfully met by having a total of 8% reduction.



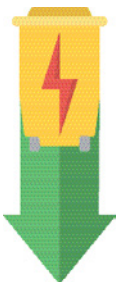
Waste:
Goal was successfully met.

ECO EFFICIENCY
CONTINUED



Implementation of eco-efficiency reduction initiatives are coordinated at both corporate and site levels to ensure a systematic and customized approach.

New Goals Moving Forward:



**1%
ANNUAL
REDUCTION**



Electricity & Waste:
1% annual reduction for electricity and waste, absolute

Facilities:
Includes all Tier 1 Facilities, offices not included

Over the next 3 years, we will reduce carbon emissions every year by 3% compared to the previous year.

Data Calendar Year 2021

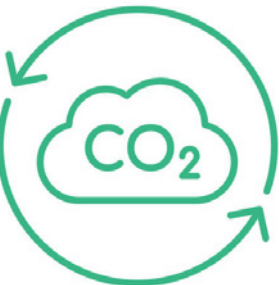


Emissions:

- Scope 1: (includes 50% of AIES): 11,332 CO2e, metric tonnes
- Scope 2: (includes 50% of AIES): 76,288 CO2e, metric tonnes

Fuel and water reduction targets are site-specific and depend on local operating requirements. For example, only the Mexico operations are located in a water stressed region.

COMMITMENT TO CARBON
NEUTRALITY ON DIRECT/
INDIRECT EMISSIONS BY
2035



ABC has announced plans to become carbon neutral in our direct and indirect emissions (Scope 1 and Scope 2) by 2035. While making progress toward achieving this goal, we will need to address the most significant sources of carbon emissions including purchased electricity which currently represent 75% of the total emissions. We are also planning to align ourselves with the Science Based Targets (SBTi) and become a part of the organizations who are combating climate change and limiting global temperature rise to 1.5° C or well below 2° C.



ECO-EFFICIENCY CASE STUDIES

COMPANY WIDE ENERGY REDUCTION CASE STUDIES FOR FY2022

OVERVIEW

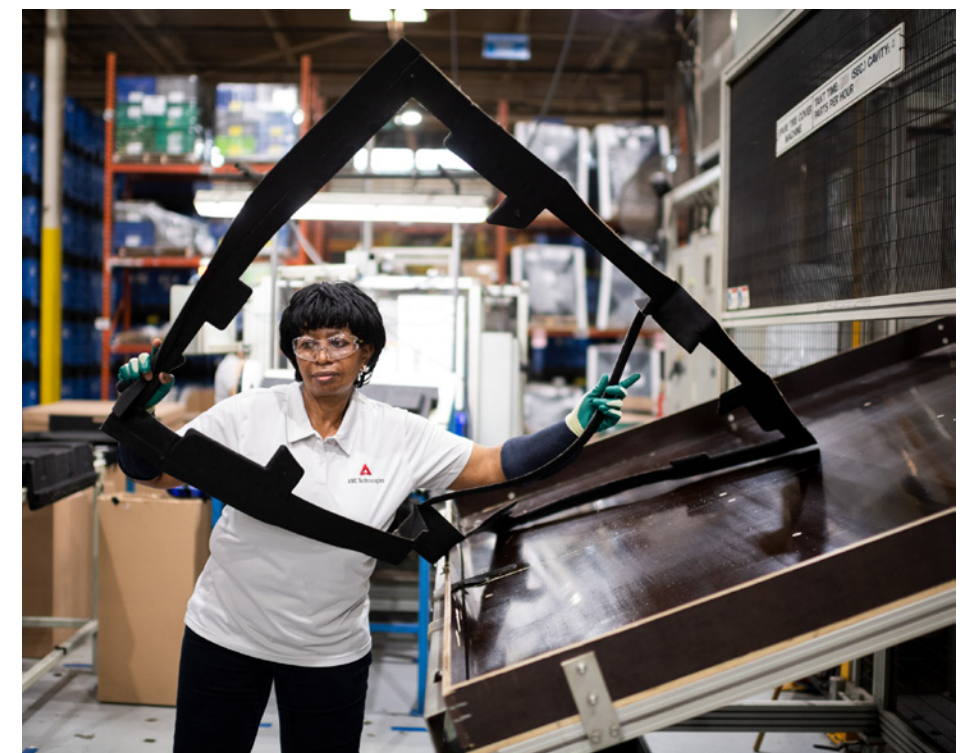
ABC has made significant progress across our operations to systematically improve energy efficiency and waste reduction. The following case studies provide a sample of the many initiatives we have completed that have reduced our energy consumption and waste output and generated impressive cost savings.

REDUCE SCRAP FROM 2% TO 1% ON THE SPARE TIRE COVER LINE



\$17,694
ESTIMATED ANNUAL
SAVINGS

The Scrap rate on the Spare Tire Cover line was 2%, ABC team at Product Development facility made improvements in the line, skid alignment, PM system and re-adjusted the machine parameters. The optimized parameters now made it possible to reduce the scrap rate to 1%, to improve overall process efficiency with an estimated annual savings of USD \$17,694.



Spare Tire Material Trimmings, Product Development Plant, Canada.

COMPANY WIDE ENERGY REDUCTION CASE STUDIES CONT'D

WASTE REDUCTION IN MEXICO PLANT



\$10,916
ESTIMATED ANNUAL SAVINGS

Previously totes were used to store the chemical waste in our Mexico, Queretaro, plant. The totes used to be considered general landfill waste but the plant found a way to reuse and resell the totes, which helped divert waste destined for the landfill and created annual savings of \$10,916 for the Company.



POLYCOMPOSITE BOARD MATERIAL WASTE REDUCTION FROM 7% TO 6%



\$58,063
ESTIMATED ANNUAL SAVINGS

A significant amount (7%) of the raw material e.g. fiberglass, polyurethane chemicals, honeycomb paper, carpet etc. used to go into waste stream. By defining direct and indirect waste for each material, accurately assessing and calculating and gathering data, monitoring and providing training to personnel, it was possible to reduce the waste from 7% to 6%. This effort has brought in \$58,063 worth of annual savings to the Company.



COMPANY WIDE ENERGY REDUCTION CASE STUDIES CONT'D

SOLAR PANEL ROOF REDUCING CO2 CONSUMPTION WHILE PRODUCING 15% OF POWER FOR KARL ETZEL

\$252,000
ESTIMATED ANNUAL SAVINGS

380T CO2e
OFFSET BY ENERGY PRODUCED BY SOLAR POWER

Karl Etzel, one of the recent acquisitions of the Company, has implemented a photovoltaic system on the roof of one of their facilities. Thanks to this, they are able to relieve the environment of over 380 tonnes of CO2 every year from producing 620,000 kWh. This is a significant way to help reduce our emissions, and do better for the environment. This system provides between 10-15% of the power used by the facility, which can also be stored on battery for future use.



SOLAR PANEL INSTALL IN SPAIN FACILITY REDUCES ANNUAL ENERGY CONSUMPTION BY 3%

\$52,000
ESTIMATED ANNUAL SAVINGS

46T CO2e
OFFSET BY ENERGY PRODUCED BY SOLAR POWER

Our Spain plant located in Soria has photovoltaic panels installed as well, which now produce about 161,971 kWh annually from just an initial investment of \$82,000. There are about 260 panels that produce enough renewable energy that is equivalent to 16,971 L/Diesel, or 46T of CO2 per year. All the energy that is produced is self-consumed, accounting for 3% of the facilities total consumption.



A THANK YOU FROM THE ESG REPORT TEAM

Thank you for taking the time to read the ABC Technologies Environmental, Social and Governance (ESG) Report for our 2022 fiscal year.

This past year had its fair share of challenges but also moments of growth, resiliency, and learning opportunities for ABC. We continue to develop our ESG goals and the impact it has both internally within our organization and how we operate and externally to the ecosystem in which we exist in.

We appreciate you taking the time to read the report and encourage you to provide feedback and comments to us so that we can work on improving our reporting.

A special thank you to our Health & Safety, Marketing, Purchasing, Legal, Human Resources team and all the other stakeholders who were involved in contributing to this report.

Please submit any questions or comments by email to esg@abctech.com

