



## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT



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## A MESSAGE FROM THE CEO

2021 has brought its share of multiple industry, economic, supply chain and social issues facing businesses across the world. ABC Technologies Inc. and its affiliates (collectively “ABC”) has continued its strong focus on providing a safe and rewarding work environment for our workforce, particularly during the multiple waves of a global pandemic, while at the same time adjusting to the ever-changing impacts of the headwinds facing our industry that seem to challenge our business daily. Despite a difficult macro-environment this year, the ABC’s global team has faced these issues head-on and they have only strengthened our resolve to push ahead with our environmental social governance agenda.

Over our long history, ABC has focused on building and improving the fundamentals of our business to allow us to strengthen our capabilities during both good times and bad. Our company is built on a foundation that is held together by the business principles of strong corporate governance, health & safety, employee engagement and supplier relationships that are at the heart of our ESG program. These principles have allowed ABC to continue its success and growth in an environment where many struggle. We are proud of our achievements so far in 2021, such as our Initial Public Offering (“IPO”), record new business wins with our customers globally, and a strong focus on further improving our environmental efforts in the areas of material, process and product.

I am pleased to introduce our third annual environmental, social, governance report and excited by the ongoing achievements we have made across the organization. I invite you to explore the many programs and initiatives we have made over the past year on our continuing journey to be a benchmark corporate citizen. We are proud of our continued ESG program progress during the past year and looking forward accomplishing even more during the coming year.

President & Chief Executive Officer





ABC Technologies Head Quarters



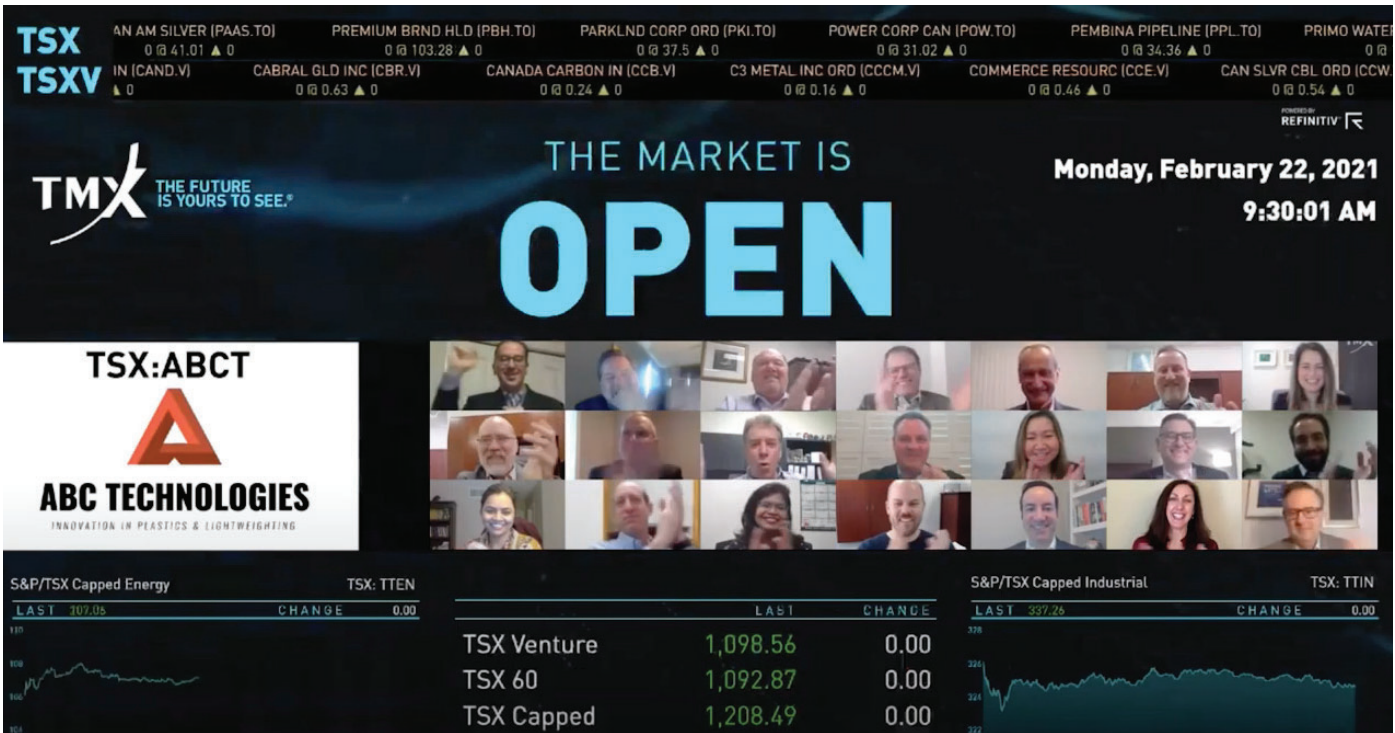
# COMPANY OVERVIEW

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. ABC was a privately owned Canadian company from 1974 until February 2021, when shares of ABC Technologies Holdings Inc., the parent corporation to ABC Technologies Inc. became publicly listed for trading on the Toronto Stock Exchange, the premier Canadian public market.



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' TSX Opening Day Bell Ceremony.

## ABC NOW A PUBLICLY TRADED COMPANY



Following nearly 47 years of private ownership, first by the founding Schmidt family and then more recently by Cerberus Capital Management, ABC Technologies took the important step of listing as a public company on the Toronto Stock Exchange in early 2021. This listing brings with it broader exposure to the public investment community, where commitment to widely accepted ESG standards have become important investment tenets for many in the market. ABC is focused each day on upholding the commitments outlined in our annual ESG reports as we strive to operate in a manner that reduces our environmental impact on the planet while maximizing the impact we have for our employees and stakeholders.

ABC Technologies' President and CEO, Todd Sheppelman, said: *"2021 was a monumental year for ABC as we achieved an important milestone of becoming a public company. ABC's position as a leading provider of automotive lightweighting solutions is an exciting opportunity for the public market and this listing marks the next big chapter in ABC's nearly 50-year history. Along with the support of our new majority owners, Apollo, this listing provides a great platform for our ongoing growth as we continue to execute on our plan for ABC to be the leader in delivering high value-add, technical plastics and lightweighting innovations to our global customer base."*





ABC Technologies' Six Drivers of ESG Framework.

## ESG PROGRAM OVERVIEW



ABC Technologies' fiscal year 2021 ("FY2021") 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 2021 (July 1, 2020 – June 30, 2021). Content in this report covers all ABC operations, including manufacturing, technical and customer centers, and administrative offices in 33 locations 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](mailto:esg@abctech.com)



ABC Technologies' Plant 4, Querétaro, Mexico.



Below are few examples of the awards and recognitions ABC has recieved related to our ESG efforts.



# 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.



## 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
- CAMSC Corporation of the Year
- CAMSC Procurement Business Advocate of the Year Award
- WBE Supplier Diversity Leader
- GM Top Diversity Performer – Gold Award
- WBE Supplier Diversity Champion
- FCA Diversity Excellence Award



## CUSTOMER CARE

- **GM Customer Care & After Sales Delivery - Certificate of Excellence\***
  - 9 Platinum Awards
  - 12 Gold Awards
  - 1 Silver Award



## TECHNOLOGY

- Henry Ford Technology Award



## HEALTH AND SAFETY

- **Canada's Safest Employer Award\***

\* See the following page (9) for further information regarding these awards





QUALITY:

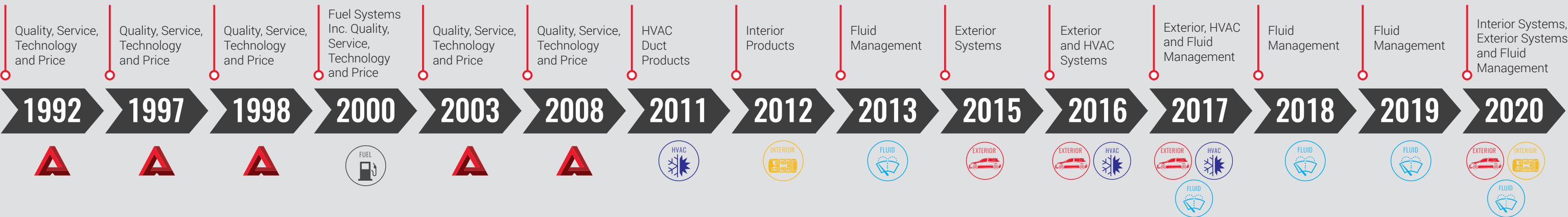
ABC TECHNOLOGIES RECOGNIZED BY GENERAL MOTORS AS WINNER OF COVETED OVERDRIVE AWARD AND NAMED SUPPLIER OF THE YEAR WINNER IN 5 PRODUCT LINES

ABC Technologies was recognized as a GM Overdrive Award winner as well as a multi-category Supplier of the Year award winner in General Motors’ 29th annual Supplier of the Year awards. ABC Technologies was one of only 26 companies to be selected for the prestigious Overdrive award in 2020, its second time being selected for the award, this time for launch excellence.

First presented in 2012, GM’s Overdrive Award is a distinction reserved for suppliers who display outstanding achievement within GM’s Global Purchasing and Supply Chain organization’s key focus areas, including sustainable value streams, total enterprise cost and profitability, safety, launch excellence, accelerating innovation and nurturing relationships. GM also recognized 122 of its best suppliers from 16 countries for performance in the 2020 calendar year in the Supplier of the Year awards. The annual awards highlight global suppliers that distinguish themselves by exceeding GM’s requirements, in turn providing GM customers with innovative technologies and among the highest quality in the automotive industry.

ABC Technologies is one of only a handful of companies in the entirety of the global automotive supplier industry to win this prestigious award 15 times and this is its 6th year in a row receiving a Supplier of the Year (“SOTY”) recognition from GM and 9th in the last 10 years. While ABC has won multiple SOTY awards from GM in a single year, this year ABC won in an unprecedented 5 categories – Garnish Trim, CATT (Cargo Systems), Exterior Moldings, Floor Consoles, and Wiper Systems.

HISTORY OF ABC TECHNOLOGIES’ GM SUPPLIER OF THE YEAR AWARDS



CUSTOMER CARE:



GM CUSTOMER CARE & AFTERSALES PLATINUM, GOLD & SILVER CERTIFICATE OF EXCELLENCE

ABC Technologies was presented with 7 awards in recognition for outstanding on-time shipping performance to General Motors customer care and aftersales. This was a testament to all the awarded teams that exemplified the dedication and commitment to serve customers like General Motors with excellent customer service.

COMPLETE LIST OF SHIPPING LOCATION CITY AWARD LEVEL:

- ABCOR Filters Inc. Toronto, ON **Gold**
- Grupo ABC De Mexico Sa De Cv Ramos Arizpe, CZ **Gold**
- MSB Plastics Ltd Etobicoke, ON **Gold**
- ABC Group Interior Systems Inc Etobicoke, ON **Gold**
- ABC Group Product Development Brampton, ON **Gold**
- ABC Climate Control Systems Inc Etobicoke, ON **Platinum**
- Salga Associates Concord, ON **Platinum**

HEALTH AND SAFETY:



CANADA'S SAFEST EMPLOYER AWARD: BEST HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT PROGRAM

ABC was amongst the top finalist for the 2020 Excellence Award from the Canadian Occupational Health & Safety Magazine for “Best Health, Safety and Environment Management Program.” This award is open to organizations across Canada and recognizes excellence in environmental protection in concordance with health and safety management.

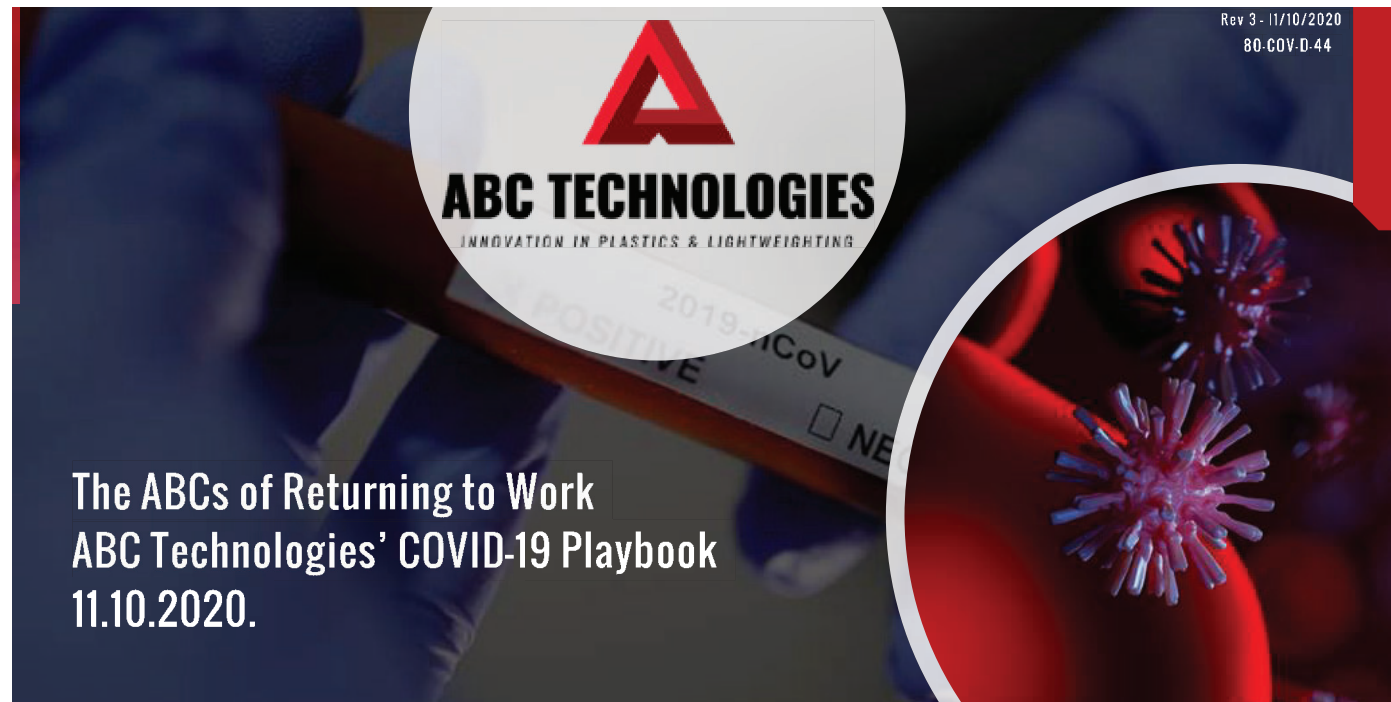




# ONE YEAR REFLECTION INTO **COVID-19**

In a matter of weeks, the COVID-19 global pandemic profoundly changed how we live, work, and connect. During this unprecedented time, the company's highest priority was protecting the health and safety of its employees and surrounding communities. Without missing a beat, ABC team members pulled together to implement the systems and processes necessary to ensure the safety of our workers while minimizing operational disruptions.





## COVID-19 PLAYBOOK



The backbone of any successful crisis response is a set of well-defined policies and procedures to guide consistency across operational activities. A cross-functional team comprised of Environmental Health and Safety (“EHS”), Human Resources (“HR”), legal, and operations coalesced to quickly develop and launch ABC’s COVID-19 playbook. This document provides comprehensive guidance for a wide range of key activities and is informed by leading medical organizations (Centers for Disease Control and Prevention and World Health Organization), local legislation, and industry health and safety best practices.

The foundation of the playbook is the risk mitigation strategy which is comprised of six key areas and is based on the hierarchy of control methodology. Each of these strategies directly addresses the health and safety of employees that return to work through critical activities such as temperature screening, contact tracing, and personal protective equipment (“PPE”). The comprehensive and thoughtful guidance provided in the playbook enabled ABC to successfully protect the health and safety of its workforce while minimizing disruptions to operations.

## COVID-19 EMPLOYEE PORTAL



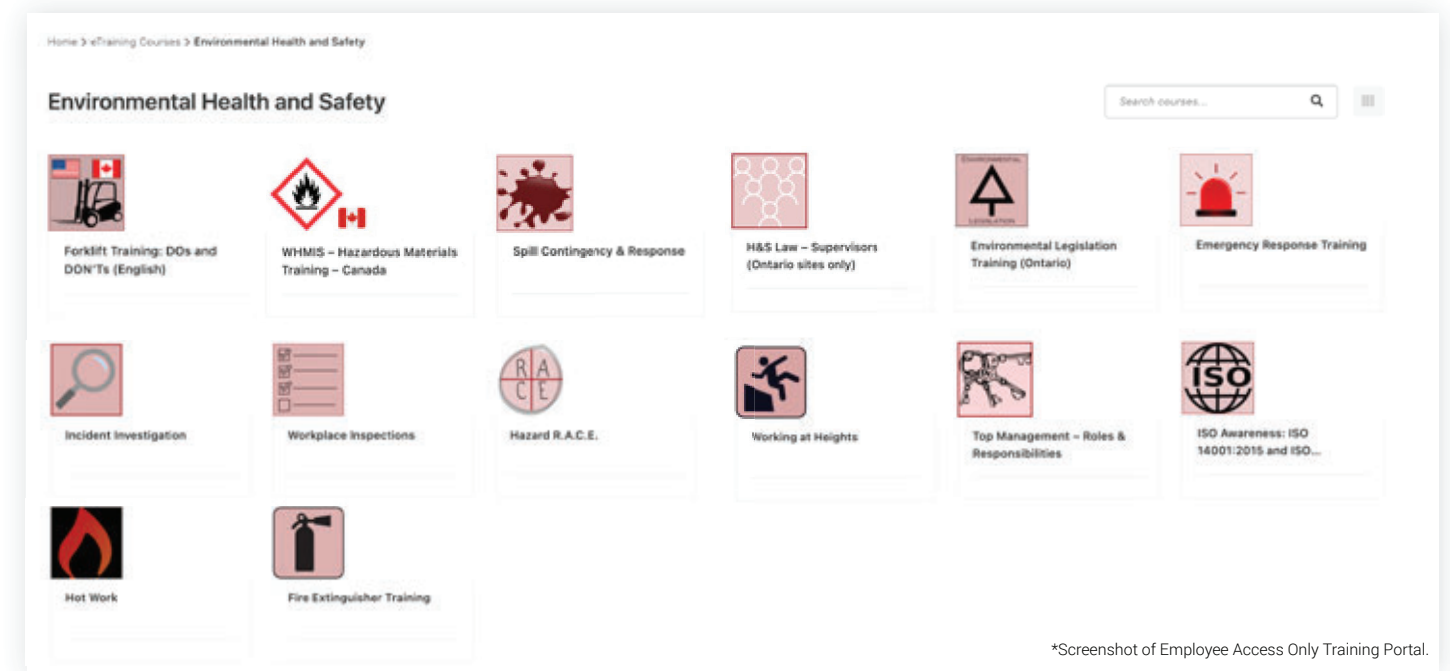
A COVID-19 employee portal was constructed in a matter of weeks to act as a hub for efficiently disseminating critical information to employees across the globe.

Following initial launch, continuous improvements were made to the employee portal. The suite of EHS training topics were added ranging from high-risk tasks for plant staff to ensuring the management of the Company (the “Management”) remains informed of international standards and regulations for their respective regions and facility activities.

To ensure effective continued use and synergy with ABC training standard procedures, employee progress tracking and tools were developed to assist EHS and HR staff on continued conformance to set frequency of training refreshers.

Since its inception in 2020, the employee portal has slowly grown from a response to an unplanned change into a vital element in the EHS communication and onboarding process in FY2021. Corporate EHS has greater confidence in ensuring a corporate wide standard while reaching facilities across the globe. An additional benefit in this method of training is the ease of access and facilitation of training that might have otherwise not been possible due to conflicting schedules or incompatible time zones.

### CURRENT TOPICS INCLUDE:



\*Screenshot of Employee Access Only Training Portal.



EMPLOYEE PORTAL  
CONTINUED



The portal provided a wide range of information, including:

- Remote work assistance, including global roll out of new collaboration tools and expanded VPN capacity;
- Environmental Health and Safety remote format trainings;
- Return to work screening questionnaires, health & safety measures and returning worker expectations;
- Health benefits coverage;
- Eemployee assistance program;
- Supporting Lessons Learned initiatives to ensure injury / incident prevention.

GLOBAL MEASURES

As guided by leading medical organizations (Centers for Disease Control and Prevention and World Health Organization), local legislation, and industry Health and Safety best practices, extensive risk mitigation strategies were implemented with the intent to standardize a process for ensuring employee safety and well-being.

The responsibility of maintaining a safe work environment is not taken lightly. ABC has been diligently developing engineering, administrative and PPE controls. Unfortunately, some hazards cannot be completely eliminated or substantially reduced by any ABC act or initiative.

The principals of the Hierarchy of Control laid the foundations in developing the following Risk Mitigation Strategies to ensure the safety of our people:



EMPLOYEE  
OUTREACH  
AND TRAINING



PRE-SCREENING  
ENTRY PROCESS



DISINFECTION  
PROCEDURES



SAFETY  
BEHAVIORS  
AND PRACTICES



PROTECTIVE  
EQUIPMENT AND  
CONTROLS



GLOBAL  
CONFORMANCE

ABC'S INITIATIVES HAVE BEEN DESIGNED TO MEET THE FOLLOWING CONTROL LEVELS



ELIMINATION:

- While elimination is the most effective at reducing hazards, in the case of hazards related to biological agents, it is outside of ABC's abilities to eliminate such hazards.
- Elimination would be removing vectors of transmission from the workplace, for instance, by instituting Work-from-home options which may not be the appropriate action for all of the ABC's operations.



ENGINEERING  
CONTROLS:

Favored for controlling existing worker exposures in the workplace and designed to remove the hazard at the source. These may include, but are not limited to:

- Adjusted cell layout;
- Plexi-glass separators; and
- Plastic curtain separators.



ADMINISTRATIVE  
CONTROLS:

These may include, but are not limited to:

- IR and daily COVID-19 screening,
- Social distancing guidelines,
- Remote Meeting/training guidelines; etc.



PPE:

- Based on a hierarchy of control methodology, ABC maintains the opinion that the last line of defense from any hazard is at the personal level, i.e. PPE.
- To ensure a robust COVID-19 program, ABC continues to make PPE available for employees in order to take every precaution necessary to protect our employees and vigorously enforce their usage.



## PROPER IDENTIFICATION OF ALL MAJOR POTENTIAL SCENARIOS



ABC was quick to recognize the contrasting issues in identifying quarantine requirements and criteria across the globe. At the onset of the pandemic, it was clear that there were many regional approaches that were not always mutually consistent.

ABC instituted a 'Global Scenario' approach to ensure utmost care and due diligence in quarantining positive / suspected individuals and properly identifying workplace transmissions. Each identified scenarios contained specific subset of site-specific mitigatory steps prescribed so as to prevent the spread of the virus and perform effective contact tracing.

## VALIDATING OUR EFFORTS – GLOBAL CONFORMANCE



To ensure effective implementation, ABC sites were audited on their performance and continued employee engagement in effort to continually improve these newly instituted programs and processes.

The 'Global Conformance' auditing program criteria / approach was developed on the basis of official information and guidance from the jurisdictional health & safety government agencies, local and regional health agencies, taking into consideration the expectations of our customers and suppliers.

## MITIGATING RISK FROM THE WORKPLACE AND PROTECTING OUR EMPLOYEES TO THE FULLEST EXTENT



The program and procedures implemented not only allowed Management to determine where efforts needed to be reallocated, it also meant:

- The elimination of guesswork and honor systems in favor of hard evidence of implementation / conformance;
- Global effectiveness and auditing to confirm if our measures across the globe are properly scaled;
- Instant feedback on ease / challenges of adapting our measures on a plant specific level; and
- Maintaining a dialogue and opening up another avenue of communication with our employees to field their concerns as they continue to change.

## PAID TIME OFF FOR VACCINATION APPOINTMENTS



At ABC, the health and safety of our employees is extremely important. Throughout the current COVID-19 pandemic, ABC has given ample information on the vaccine and accommodated employees with paid time-off in case their vaccine appointments fell within working hours. These initiatives have improved employee health and morale and undoubtedly reduced our absenteeism rates.

## LEADERSHIP INVOLVEMENT & THE FORMULATION OF THE EMERGENCY RESPONSE TEAM



Todd Sheppelman, President & CEO and Doug Ford: Premier of Ontario, speaking at MSB Plastics Manufacturing Ltd, Toronto, Ontario.

During the COVID-19 pandemic, ABC's Management and the Board of Directors held and continues to hold regular meetings to provide status updates on the effects of COVID-19 in the industry and the impact to the business, including the reduction in production volumes, and shutdowns of facilities by our OEM customers and suppliers. Leadership reacted to each development with a plan and action that were properly communicated to all the manufacturing staff. At the height of the COVID-19 pandemic, the leadership team made the decision to implement work-from-home arrangements for employees who could continue their functions remotely. The ABC Health and Safety team led the project to ensure all essential staff had the supplies and PPE required to keep them safe while at any ABC locations.



## INTRODUCTION

### LEADERSHIP INVOLVEMENT CONT.

To ensure ABC had a proper emergency response team at the corporate level, the Company established a Management-level emergency response team consisting of representatives from the Management, HR, Safety, Operations, IT and Legal departments. This emergency response team played an instrumental role in the timely development and dissemination of internal communications (including through the ABC Employee Portal) to ensure ABC communicates information effectively with all employees. This emergency response team was also responsible for overseeing travel restrictions and instituted appropriate chains of approval for various functions performed during the COVID-19 pandemic.

Team meetings took place daily during the peaks of the pandemic, and then weekly once a better handle of the situation was in place. As a result of the formation of the emergency response team, ABC has decided to make the team a permanent function within ABC with improved structure, standards, roles, and responsibilities to tackle various future emergencies (e.g. fire, medical, violence, natural disasters. etc.).

## EMPLOYEE HEALTH AND WELL-BEING

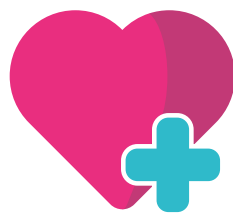
While the COVID-19 pandemic continues to pose challenges, our employees remain at the forefront of our priorities. The following programs ensured our employee's health and wellbeing were supported:

### FINANCIAL WELLBEING



- Assisted employees to apply for government subsidies, such as the Canada Emergency Wage Subsidy ("CEWS") and the Work-Sharing agreements.

### PHYSICAL WELLBEING

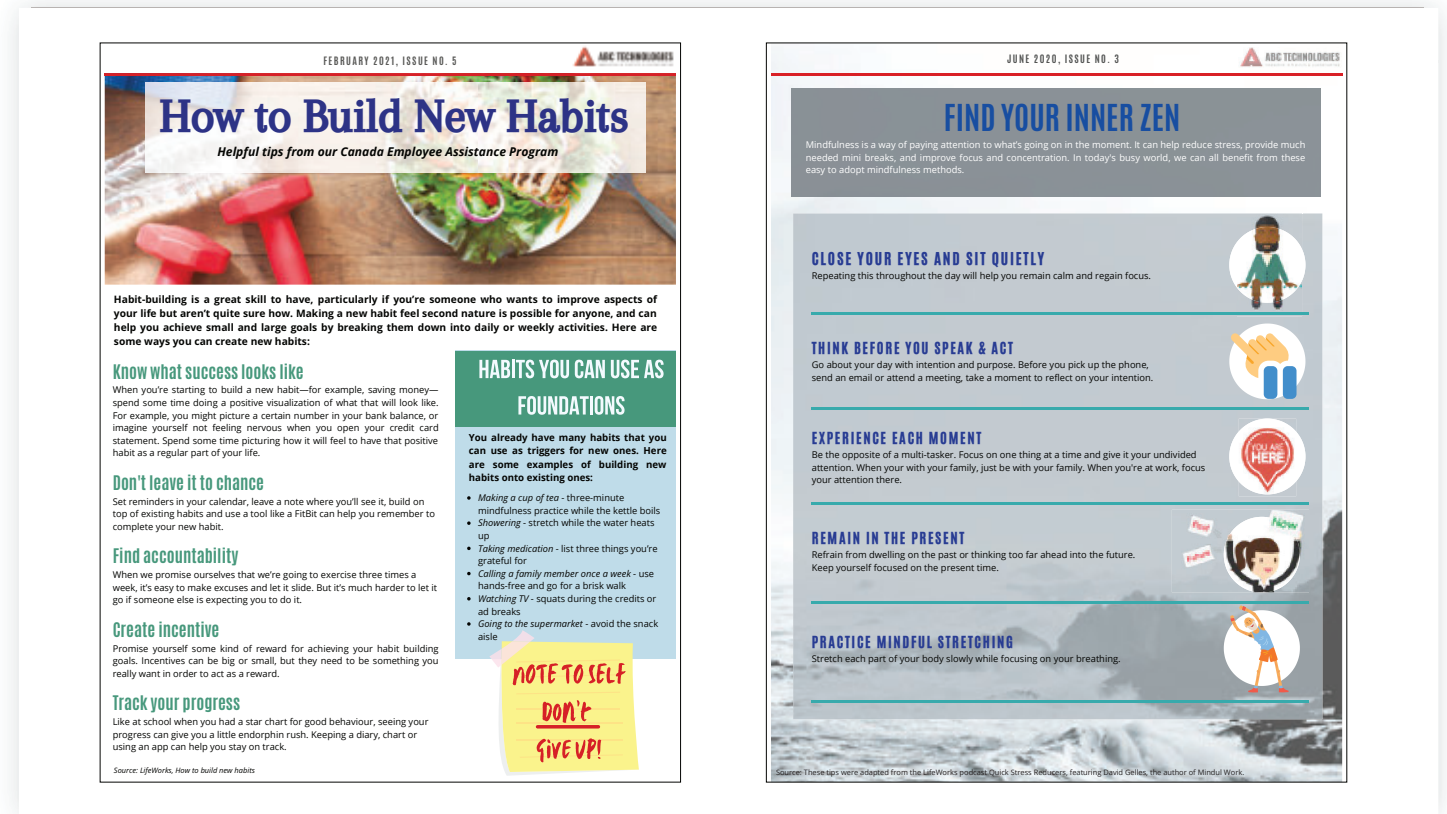


- Implemented robust health and safety measures.
- Rolled out a work-from-home policy.

### EMOTIONAL WELLBEING



- Implemented many ways to keep employees informed: CEO messages, employee portal, and HR & Wellness newsletters.
- Promoted the use of our Employee Assistance Program.



Sample from Good Vibes Newsletters.

## GLOBAL INTERNAL NEWSLETTER

During tough times, maintaining a positive outlook and celebrating every achievement, big or small, is a key factor in moving forward stronger than ever. The "Good Vibes Global Newsletter", lead by the Total Rewards Team, first launched in April 2020 and is a true collaborative effort with input from our employees across the globe. Its focus was to connect our global locations at a time when feelings of isolation and lack of communication was at an all-time high. Highlighting success stories, offering health and wellness tips, and showcasing individual employee efforts were just a few of the ways we engaged employees and boosted morale. It was exactly what ABC needed and reminded us that we are truly all in this together. ABC has created six issues to date and will continue to do so moving forward.



Good Vibes Newsletter, Issue 2



Good Vibes Newsletter, Issue 3



Good Vibes Newsletter, Issue 5



## EMPLOYEE EXPERIENCES DURING THE PANDEMIC

### CORPORATE LEVEL



#### RONITTE ANIDJAR

CREATIVE MARKETING SPECIALIST | TORONTO, ON

*"Over the last year, working from home has had its ups and downs, but ABC made the transition from in-person to online effortlessly. The access to additional resources that were made quickly available, continued to make my department's online work environment efficient and productive. Our team's communication has become better than ever, and the private environments have increased our productivity with fewer office distractions."*

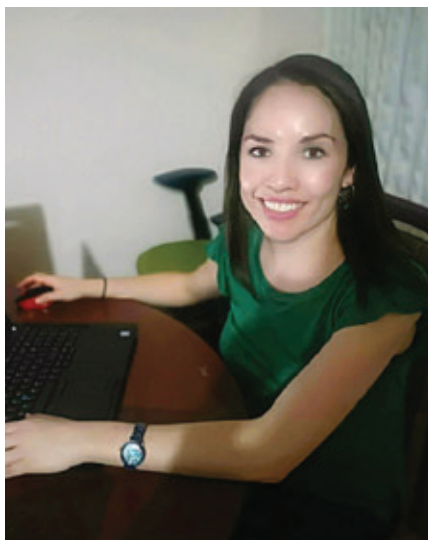
### PLANT LEVEL



#### MANJIT WARAICH

SHIPPING TEAM MEMBER | ABC CLIMATE CONTROL

*"As an employee of ABC CCSI I feel the safety measures in our building had the biggest impact. Now more than ever we need to be safe at home and at work. Even though we had a pandemic year, the company followed government guidelines to ensure our safety, every day. All safety training was held virtually which was very convenient."*



#### CLAUDIA ARCINIEGA

ASSISTANT CONTROLLER | MEXICO

*"We are going through difficult times in the world and we are facing a different stage in our lives. Our families and friends around us keep us optimistic and positive to face any challenge in life and work. Thanks to technology, it has been possible to be in contact with my family. Through video calls and messages, it is possible to be in touch to give us support as well as to remain united and calm in the face of this unfortunate world situation."*

## IT RESOURCES TO ENABLE WORK-FROM-HOME

With the COVID-19 pandemic introducing the need to pivot overnight to a work-from-home model, the IT team executed a number of initiatives to facilitate these changes, including the following noteworthy items:



- Adding sufficient VPN capacity to appropriately scale remote access to internal IT resources. This investment in hardware and software also improved our business continuity capabilities.
- Expediated a project to migrate users from Skype for Business to Teams. Teams has become a key resource for users to collaborate in a virtual workplace environment.

## RAPID TESTING AT ABC PLANTS



ABC Product Development COVID-19 Communication Boards.

ABC established a program to conduct rapid testing at the plants to protect our employees in high-risk hot zones, such as our Product Development ("PD") Plant located in Brampton, Ontario, Canada.

The rapid testing program at PD ran for approximately two weeks in April/May 2021 in collaboration with the Health & Safety department, senior management at the plant, and Workplace

Medical Corp. – an organization that conducts ABC's Medical Surveillance Program.

Overall, the initiative was effective in a variety of ways – employees felt more comfortable coming back into work, gave the ability to detect positive cases before entry into the plant, which in turn limited the exposure to COVID-19 and provided a safe workplace for employees.





# 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.





ABC Product Development ,Toronto, Canada

# 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.

In FY2021, ABC Technologies re-launched the process to become ISO-45001 certified after our delay due to COVID-19 restrictions within many of our operating jurisdictions. Stage one audits were completed for 5 of our facilities with good results and some room to continually improve our Health and Safety (“H&S”) systems so that we can further our dedication to protecting our employees at work. As we progress with our 45001 ambitions, our goal is to be fully ISO-45001 certified by Spring 2022.

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 2022 (“FY22”) to advance our overall injury and incident prevention performance.

## OUR FY22 GOALS



**ZERO RECORDABLE INJURIES**



**IDENTIFY AND ELIMINATE ALL HAZARDS AND RISKS FROM OUR BUSINESS ENVIRONMENT**

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:



**RE-IMPLEMENT 5S AND SOLIDIFY (ORGANIZATIONAL AND HOUSEKEEPING METHODOLOGY);**



**OBTAIN ISO-45001 CERTIFICATION; AND**



**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.



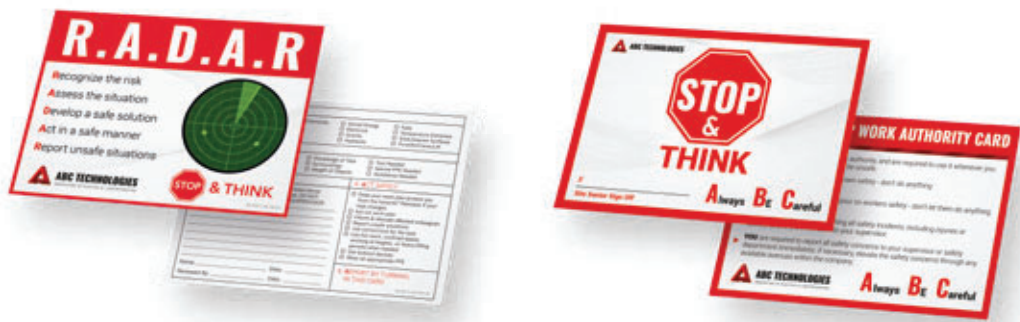
CONTINUOUS IMPROVEMENT INITIATIVES



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 2020/2021:

- 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; see pg. 29);
- 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.

As COVID-19 changed the way training had to be presented (due to limited in-person gatherings) ABC created a training portal using the newly implemented employee portal (Eportal). The new training portal allowed all employees of ABC Technologies to have the ability to complete workplace related trainings either at work or at home and at their own pace. All that is needed is the employee-specific login information and a computer or smartphone. The training portal has helped ensure that all employees remain compliant with their required training and their respective intervals, while maintaining best COVID-19 prevention practices.



The figure below illustrates the types of training available through the Eportal.

FY2021 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	H&S Law – Supervisors*
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*			

\* Denotes training courses available on the Eportal

COMMUNICATIONS AND REPORTING

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

**Annually**

- H&S goals and objectives letter from CEO, H&S Policy, Corporate 14001/45001 Management Review

**Quarterly**

- Town hall meetings

**Monthly**

- Management review
- Plant employee meetings
- Safety statistics and trends posted at H&S boards and sent out to Management team,
- Safety messages, Safety Committee meetings, Board meetings,
- Operations meetings

**Weekly**

- Serious incident Management review meetings, H&S top focus plants for high incident rates, MyABC portal
- Safety talks

**Daily**

- Tailgate meetings

**Other**

- Safety Lessons, Lessons Learned, Corporate-wide environmental health & safety review meetings (bi-weekly)



ABC Product Development ,Toronto, Canada

PARTICIPATION IN THE ONTARIO HEALTH & SAFETY EXCELLENCE PROGRAM



The Workplace Safety & Insurance Board’s (“WSIB”) excellence program provides a roadmap to improve safety systems in the workplace and includes up to five topics which focus on eliminating or controlling a hazard.

As an Ontario based program, seven of ABC’s Ontario area facilities participated in the program with successful results. All seven facilities qualified for rebates based on topic completion, with some sites completing the program during the first cheque run in the spring and others to receive their rebates during the second cheque run in the fall.

The topics chosen were beneficial in preparing for ISO 45001 certification along with continually improving our health and safety program and receiving acknowledgement from the Workplace Safety and Insurance Board as being a member of the accredited program.

**MSB PLASTICS MANUFACTURING DIVISION**

23 Disco Rd.  
Etobicoke, ON Canada

Health and Safety Excellence Member

January 13, 2020

**ABC CLIMATE CONTROL SYSTEMS DIVISION**

54 Bethridge Rd.  
Etobicoke, ON Canada

Health and Safety Excellence Member

February 20, 2020

**ABC TECHNOLOGIES ADMINISTRATIVE DIVISION**

2 Norelco Drive  
North York, ON Canada

Health and Safety Excellence Member

January 20, 2020



A MESSAGE FROM OUR DIRECTOR OF HEALTH, SAFETY & ENVIRONMENT

“

ENZO SORRENTINO

Director of Health, Safety & Environment

*We believe that any incident of personal injury is not acceptable, and we must never be satisfied with today's safety performance, and to continual drive improvement in our incident prevention processes, safety culture and the overall health and safety management system.*

”



HEALTH & SAFETY KPIS: YEAR-OVER-YEAR CHANGE

Measure	FY18-19	FY19-20	FY20-21
DART	-2%	-53%	7%
Total Case Incident Rate	20%	-31%	16%
Lost Time Incident Rate	-20%	-55%	0%



EMPLOYEE  
ENGAGEMENT

Employee Working on shop floor at ABC Automotive Systems, London, Kentucky





Employees at Supreme Tooling Group, Toronto ON



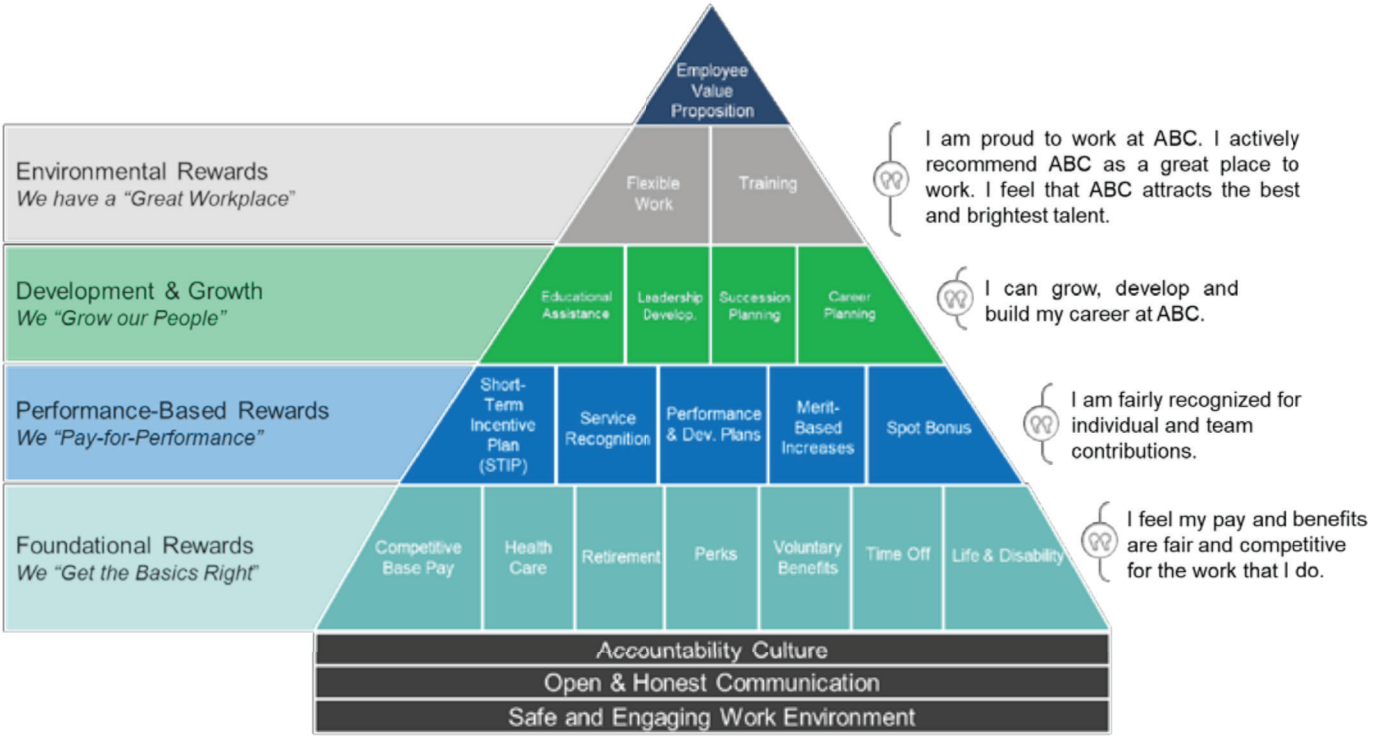
# EMPLOYEE ENGAGEMENT

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:

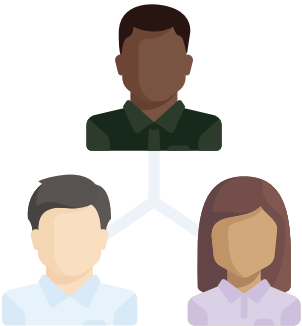
- Position our total rewards’ offerings to achieve our goal of being highly competitive within our industry.
- Prioritize our engineers and top talent when addressing compensation and talent management opportunities.
- Adjust the hourly wage schedules to drive significant reductions in turnover and attract 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. This includes addressing and bringing solutions to day-to-day issues that arise. The Employee Engagement Committee involvement will support the lines of communication within the Company and support improvements on 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 Mother and Father’s Day events, Canada Day celebration, and more. While the committee is in the infancy stages, we are encouraged to see this initiative take-off over the next few months and years.

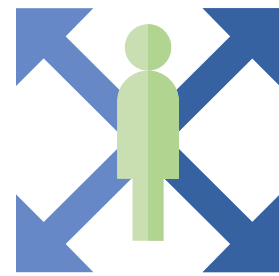


RECRUITING AND RETAINING TOP TALENT



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.



Employees working at ABC Product Development in Toronto, Ontario.

LEADERSHIP & SUCCESSION



We recently started strengthening 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.



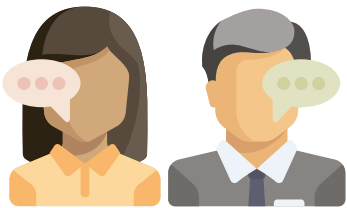
# PERFORMANCE OPTIMIZATION DISCUSSIONS (POD)



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, and 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.

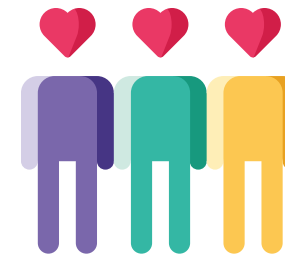
We offer differentiated benefits and rewards to address the unique market conditions in our international locations. For example, in Mexico, we provide on-site cafeteria services, access to medical services and various bonus/ incentive programs to enhance our market competitiveness and drive employee 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 new and improved Paid Time Off (“PTO”) policy for all Canadian salaried employees, to be implemented on July 1, 2021, ensures this vision is a reality. 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 will all federal and local regulations governing the regions in which we operate. In FY20, we took 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. We recognized the achievements of women who are making a difference at ABC across our international locations on International Women’s Day and we paused our operations to take a strong stance against discrimination through a company-wide moment of silence in support of the Black Lives Matter movement. 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 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 ABC Product Development ,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 road just initiates 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 accrue employee data, book vacations 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 still remains a challenge for us in many of regions in which the Company operates. This has impacted 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, 2021:

Global Headcount	Regional Headcount
Total <b>6,264</b>	Canada <b>2,048</b>
Temporary Staff <b>1%</b>	U.S. <b>1,873</b>
Joint Venture <b>1,450</b>	Mexico <b>1,733</b>
	ROW <b>610</b>

ABC WIN (WOMEN'S INITIATIVE NETWORK)



The ABC Women's Initiative Network is a new platform at ABC that the team has been proactively working on since the beginning of March. The network was created because the team wanted to provide women with a platform to learn from each other through advice, mentorship, and educational events hosted in collaboration with our partner, non-profit organization, Catalyst. Their mission is to improve the workplaces for women by offering resources such as research, tools, and access to events. Leaders of ABC WIN are working on promoting more of these resources to those who join their network. Leaders have been meeting virtually to plan the execution of the network, which is still in its initial stages- and each member has been a solid contributor to its foundation.

The network itself will be based on panel discussions, webinars and bringing in people from Catalyst to coordinate some discussions. Part of the discussions will be based on people's experiences, how they got into leadership, and their progression.



OUR MISSION

*The mission of the ABC Women's Initiative Network is to cultivate a diverse and inclusive professional community that supports and encourages women to advance their skills and leadership potential, improve overall work culture and eliminate barriers to gender equality through networking, collaboration, discussion, mentorship and professional development.*





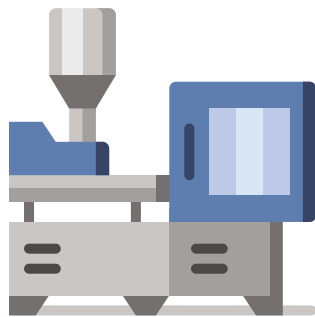


**PRODUCTS  
MADE FOR OUR  
CUSTOMERS**





## 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 precise 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. This ranges from: clean technologies, the use of bio-composite materials, recycled carbon reinforced plastics, and variable cooling to reduce the cycle time of blow molded parts. 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 highlight five different project case study examples that explain the initiatives undertaken and the sustainable benefits / advantages achieved.

These include:

- 1 *Bio-Composites: Additives for Sustainability*
- 2 *Clean Technologies (self-cleaning plastics)*
- 3 *Recycled Carbon Fiber as a Replacement for Steel\**
- 4 *Variable Cooling\**
- 5 *ABC's Resin and Product Recyclability*

## BIO-COMPOSITES: ADDITIVES FOR SUSTAINABILITY



We have successfully evaluated bio-composite as a replacement opportunity against polypropylene currently filled with fossil-fuel based minerals. As a result, we have seen lower mass, reduced cycle time, energy usage, and certain improved material mechanical properties, while meeting stringent customer requirements.

Traditional fillers such as either fossil-fuel or mineral based are heavier than bio-based counterparts and are derived from processes that may be environmentally taxing and non-renewable. By increasing the adoption of bio-based fillers, future automotive parts can rely on a sustainable source with a lower environmental impact.

ABC is continuing to develop other materials and processing capabilities to increase our use of environmentally sustainable materials and help OEM's work towards a more sustainable future.

### Key Benefits:

- Reduction of part weight by up to 15%
- Ease of processing
- Reduction of Cycle Time by up to 20%
- Reduction of energy consumption by ~20% as the machine runs at lower temperatures to melt a bio-composite

## CLEAN TECHNOLOGIES



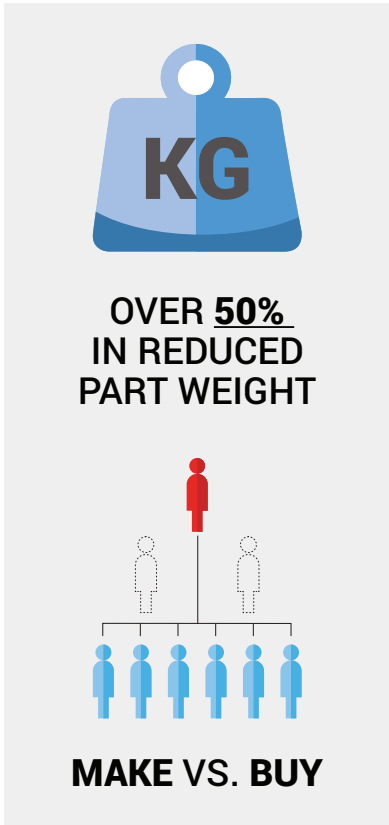
Self-cleaning properties are desirable in plastics used in automotive applications, especially in ride-sharing industry when safety enhancement from health threat is requested. ABC Technologies has been carrying out projects in this field with selected partners for creating structures with these characteristics.

### Specific Objectives:

- Clean polymeric materials: virgin or composite parts that:
- Enhance bacteria/fungal resistance
  - Self cleaning property
  - Stain resistance



RECYCLED CARBON FIBER  
AS A REPLACEMENT FOR  
STEEL\*



In the future, vehicles will increasingly rely on lightweight and high-strength composites as a solution for providing excellent fuel economy and extending vehicle range for both ICE and BEV. Recently, engineering fillers like carbon fiber have revolutionized the plastic industry by their capability to bring higher performance and reliability.

ABC has identified areas for replacing steel in some of our current product offerings as an opportunity to significantly reduce the weight to address growing fuel efficiency demands by leveraging ABC's capabilities by incorporating recycled carbon fiber as a potential filler for thermoplastics.

ABC Technologies will continue to develop lightweight solutions that enable better fuel economy and extend vehicle range.

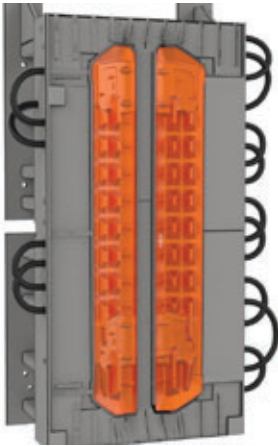
Key Benefits:

- 50% weight reduction compared to steel alternative for certain applications.
- Make vs. Buy
- Recycled Fibers have significantly lower CO2 emissions than Primary Fibers or Metals

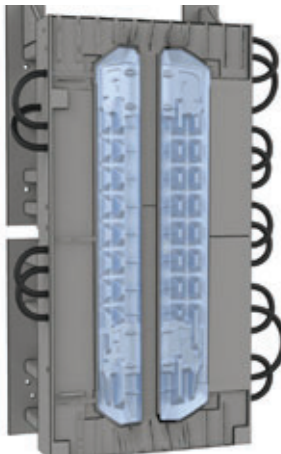


Chopped Recycled Carbon Fiber Material

VARIABLE COOLING\*



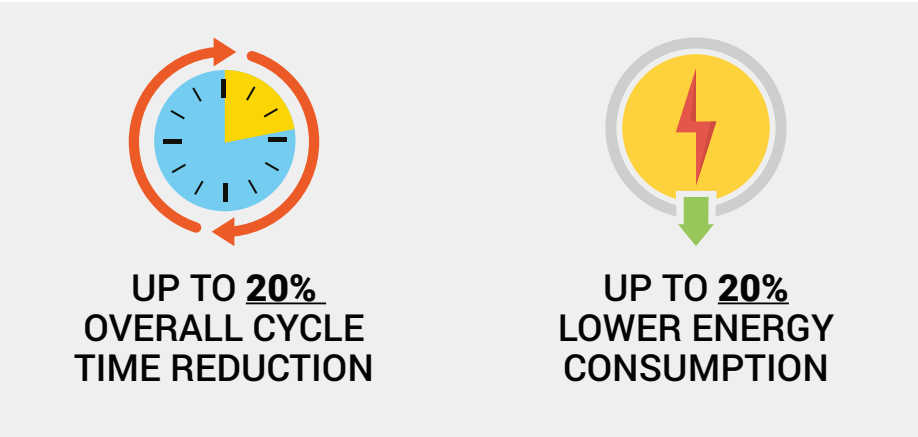
High Temperature  
Blow Mold Cycle



Cool Temperature  
Blow Mold Cycle

Blow molding applications, such as running boards and bumpers, generally require longer cycle times which can become further extended if the object requires textures or wordings to be formed on its surface.

ABC has identified an opportunity to optimize the cooling process where the tool goes through a predefined cyclic heating and cooling period to maximize the heat removal while still delivering the same acceptable part quality. The tool only requires an elevated temperature to form textures or wordings at the beginning of the process when the parison touches the tool surface. After this period, the temperature of the tool can be lowered based on the cooling policy dictated by the optimization model to accelerate the heat transfer phenomenon. Currently, comprehensive validation has been performed, and detailed analysis are complete. In parallel, we are continuing to explore further ideas to better optimize the variable cooling process as a continuous improvement initiative.



Production:

- Seen increased productivity of more than 20% which is an increase of 132 more running boards per day from one machine

Environmental:

- Reduce energy consumption by up to 20% as a result of lowering the heating requirement of the tool



PRODUCT RECYCLABILITY

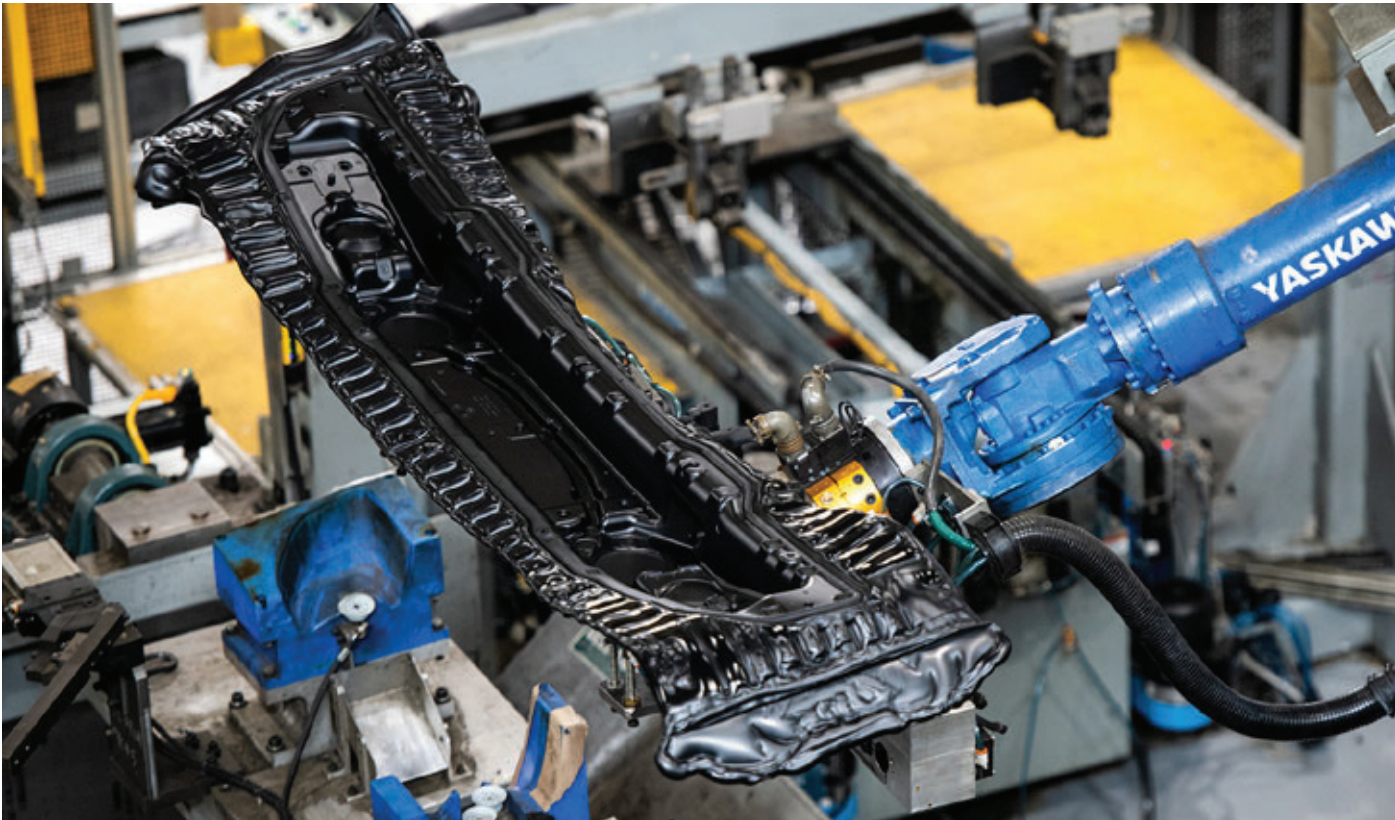
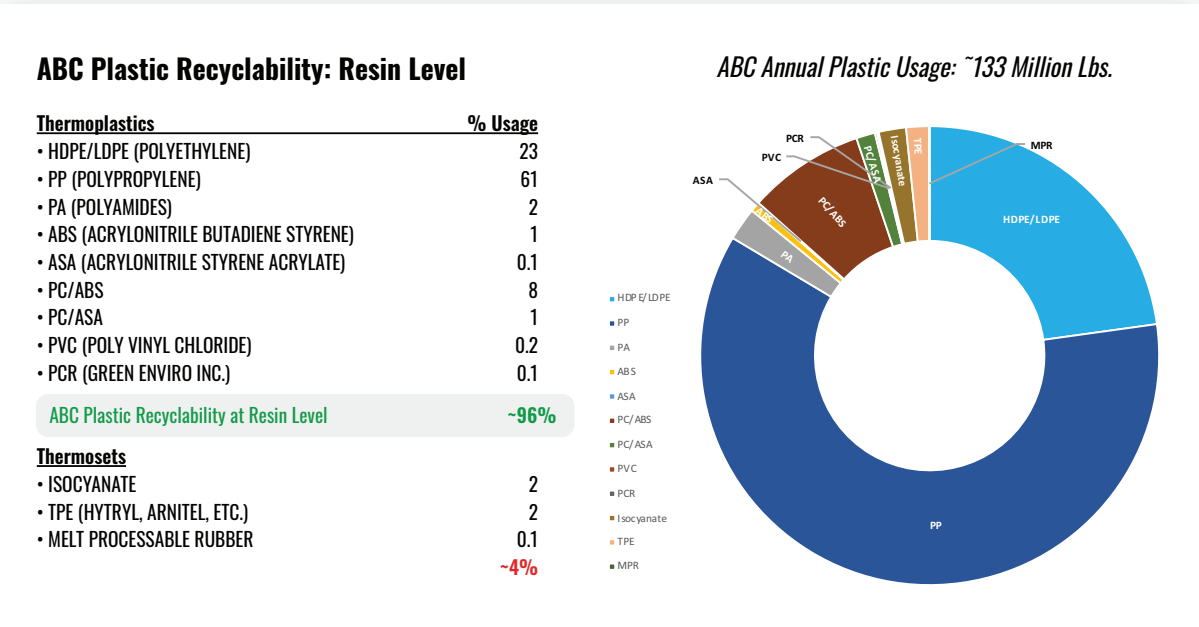


The Advanced Product Development Team was tasked to investigate the overall recyclability of all of ABC’s resins and products, and to summarize the findings in a clear and concise manner. This exercise was performed by identifying all of the resins used at ABC, the usage of each type of resin (e.g. HDPE, 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 almost indefinitely. 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%.**



Blow molded bumper with trimmings to be recycled and re-used. at ABC Product Development, Toronto, Ontario.

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 actively exploring 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.



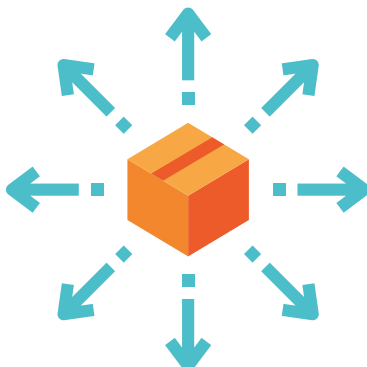


**SUPPLY CHAIN  
MANAGEMENT**

Mold development and testing at Supreme Tooling Group, Toronto, Ontario.



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 of 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 15 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.



Plant 5 Shipping Docks in Ramos, Mexico.

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.



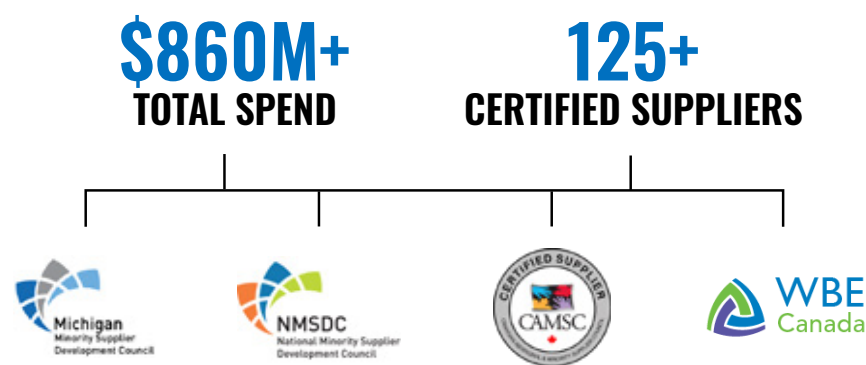
**TODD SHEPPELMAN**  
PRESIDENT & CEO

*“ABC has a Supplier Diversity Program and awards contracts to underrepresented suppliers that meet our contractual requirements. We are partners with the Michigan Minority Supplier Development Council (MMSDC), the National Minority Supplier Development Council (NMSDC), the Canadian Aboriginal and Minority Supplier Council (CAMSC), and Woman Business Enterprise Canada (WBE). In partnering with different groups of suppliers, we hope to level the playing field, increase market competition, and boost economic activity for certified businesses”*



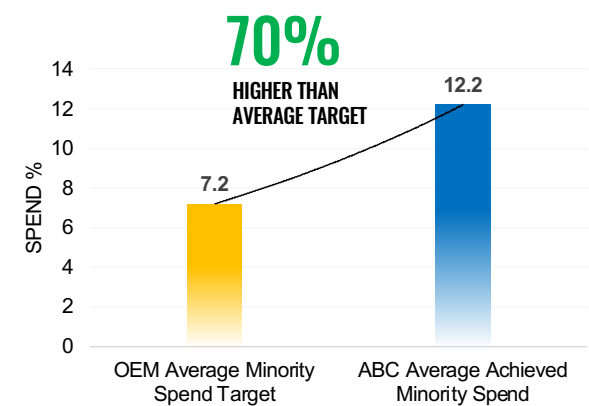


SUPPLIER DIVERSITY  
CONTINUED



Between 2012-2021, ABC has a minority supplier spend of over \$860 million and over 125 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 70% higher than the OEM average target.



ABC not only connects with certified suppliers but has helped suppliers receive their certification as well. Over 40 companies have become certified through WBE, and over 55 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 “Top Corporation in Supplier Diversity” which will be announced as part of WBE Canada’s 2021 Excellence Awards being held on November 10th, 2021. 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



ABC Technologies Inc. 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 FY21



Over the course of the last fiscal year, the automotive industry as well the global supply chain faced unprecedented headwinds. These challenges ranged from the following: global semiconductor shortage, COVID-19 pandemic, winter storms Uri and Viola, resin shortage, OEM and supplier productions shutdowns, and the global logistic issues with the lack of available shipping containers.

The winter storms Uri and Viola caused the closure of major Gulf Coast refineries exacerbated an already COVID-constrained resin supply shortage and pushed resin prices to historically high levels. The storm also caused additional production stoppages across OEM and supplier factories in the Southeastern US. Although the winter storms impact lasted in Q3 only, the supply chain disruption such as the semi-conductor shortage and resin prices, are expected to continue well into FY22.

However, on a positive note, the consumer vehicle demand remains exceptionally strong due to pent-up demand and ABC is positioning itself to operate at full capacity once OEM productions schedule resumes. ABC has also been working with our customers to procure semi-conductor components for the next 16 months. This will help ease some of the pressure on the OEM’s and help get production ramped up again.





# 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



### GUIDED BY ETHICS AND DRIVEN BY GOVERNANCE

The Code was last updated in February 2021, when ABC Technologies listed its common shares for trading on the Toronto Stock Exchange. In addition, concurrently with 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": Diversity & Inclusion Policy, Whistleblowing Policy, Insider Trading Policy, and Social Media Policy (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.

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 Compliance Committee reports on the matters related to compliance with the Code 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 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 Company provides periodic refresher training on the Policies.

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



CODE OF ETHICS AND  
BUSINESS CONDUCT  
CONT.

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.

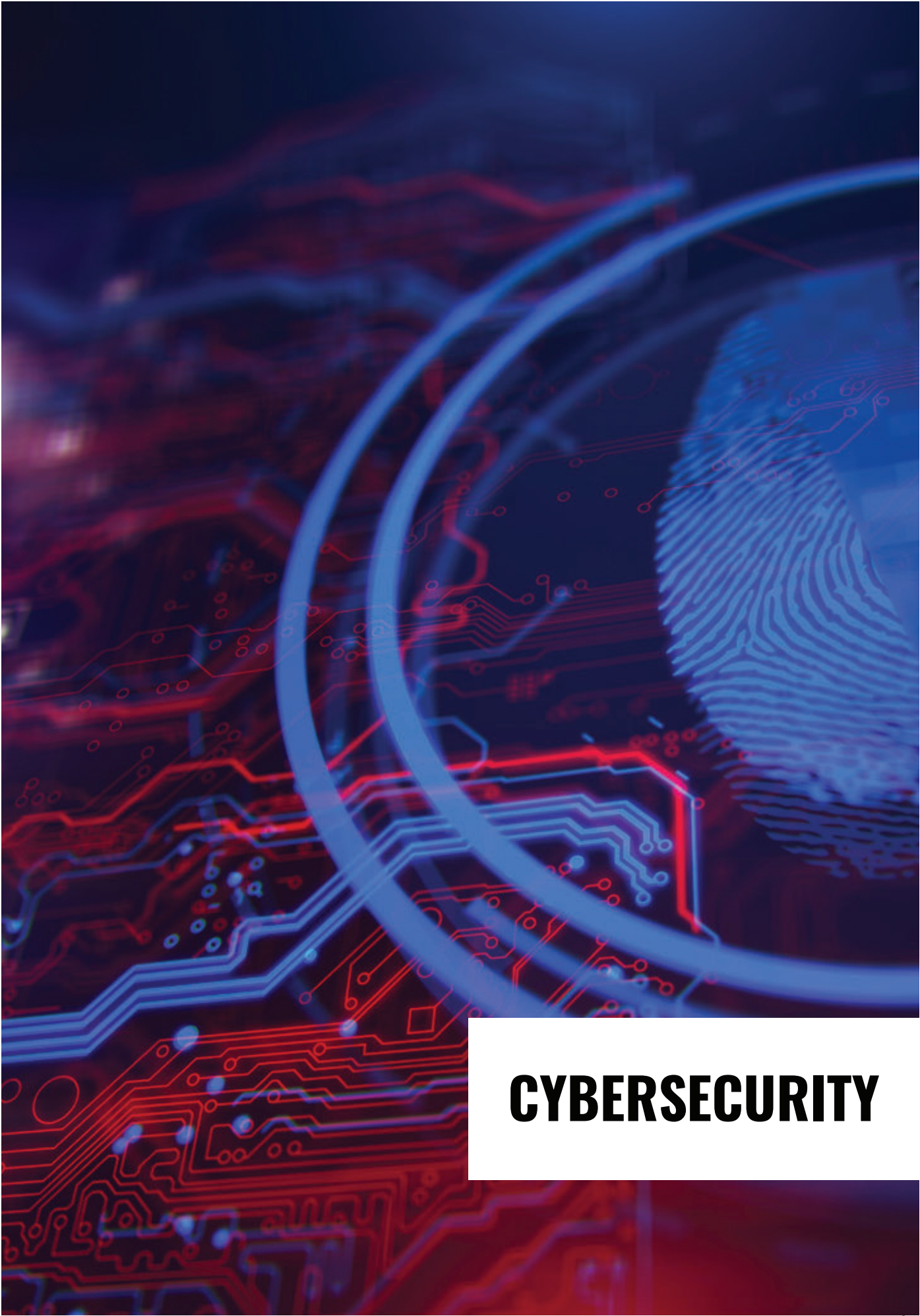
The full text of the Code as well as of the Whistleblowing Policy and the Insider Trading Policy is available on the Company’s website.

ABC Technologies has established and makes available to its Employees an independently operated Ethics Hotline. The Ethics Hotline is accessible 24 hours a day, seven days a week in all jurisdictions in which the Company conducts business. An Ethics Hotline report can be made unanimously online or by phone in the local language. Reports made to the Ethics Hotline are thoroughly reviewed and investigated, if warranted. The Code and the Company’s Whistleblowing Policy ensure that employees can report actual or suspected violations of the Code or other issues without fear of reprisals. The Code expressly prohibits reprisals in respect of an employee making a good-faith report.

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 endeavours. 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 and the management discussion and analysis, all prepared in accordance with the applicable standards, on the Company’s profile on [www.SEDAR.com](http://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.

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 email 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



**500,000** emails based on content

SOCIAL MEDIA POLICY



ABC Technologies recognizes the growth of the internet and how it provides unique opportunities for individuals and organizations to participate in interactive discussions and share information on wide variety of social channels such as Facebook, LinkedIn, Twitter, Instagram, YouTube, chatrooms, content communities, wikis etc. Social media use by ABC Technologies' employees may form part of their job duties and is a normal activity in their personal lives. However, there are some challenges this may bring to an organization if employees are not made aware of the impact social media can have.

As a result, ABC Technologies established and implemented a social media policy for employees on April 5th, 2021. The purpose of the policy was to avoid loss of productivity and distraction from employees' job performance, to ensure that the company's IT and communications systems are used appropriately and to minimize business and legal risks, including legal risks related to securities laws and regulations governing disclosure of material information applicable to ABC Technologies in virtue it being a public company.

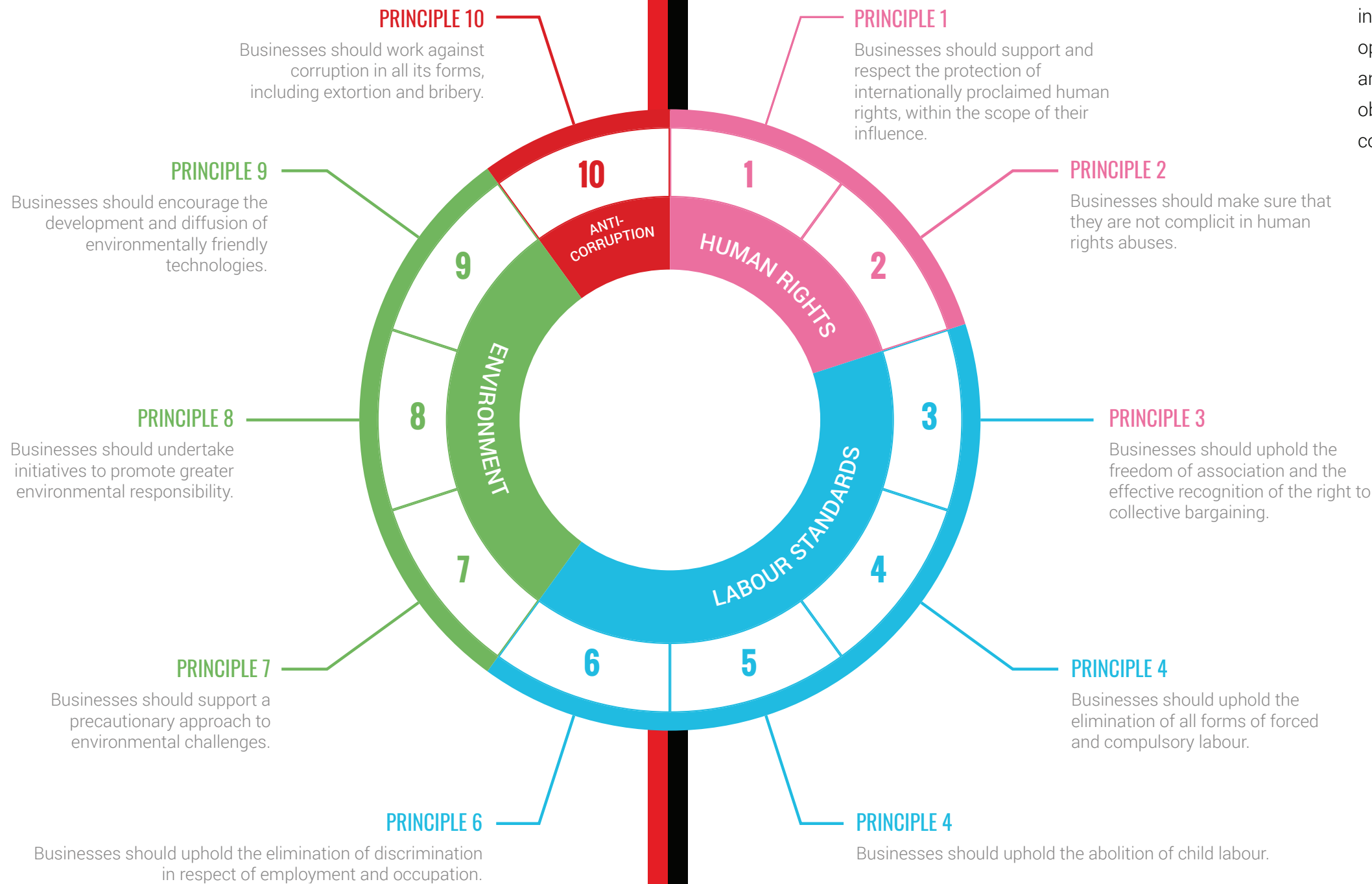


UNITED NATIONS GLOBAL COMPACT AGREEMENT

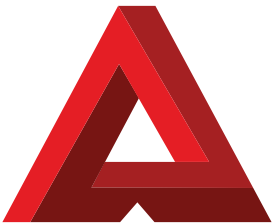
The United Nations Global Compact (“UNGC”) is a pact that encourages businesses worldwide to adopt and maintain sustainable and socially responsible policies, and to report on their implementation.

The UNGC is a principle-based pact for businesses, stating ten principles in the areas of human rights, labor, the environment, and anti-corruption.

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



ABC TECHNOLOGIES' COMMITMENT TO THE UN GLOBAL COMPACT



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.





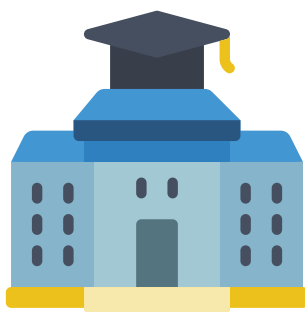
## COMMUNITY ENGAGEMENT



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:

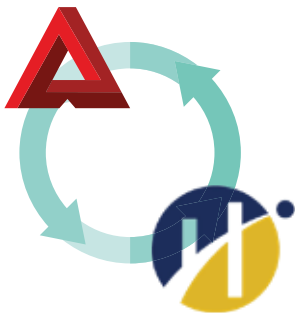
Calendar Year	# of Total Co-ops/ Apprenticeships
2018	12
2019	26
2020	13
2021	13*

*\*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.



COMPETITIONS

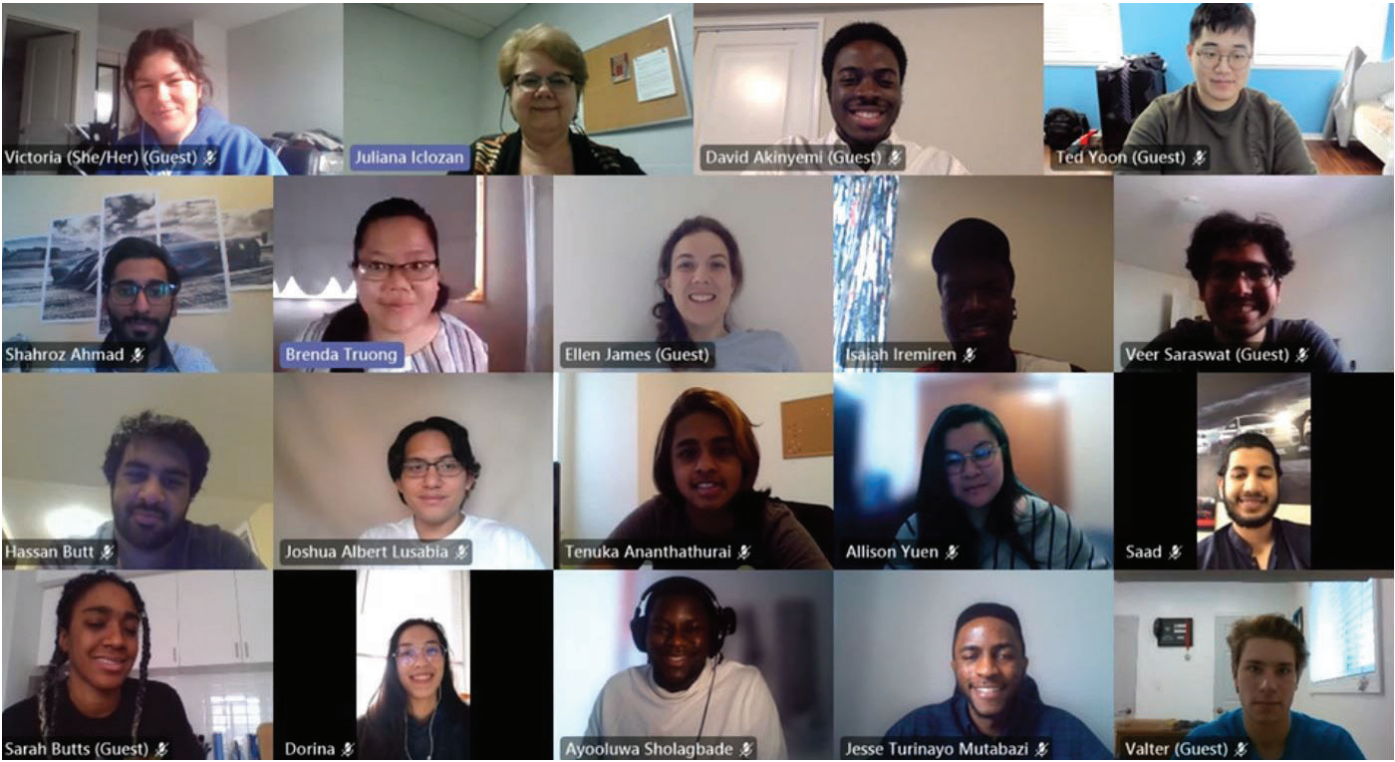


ABC Technologies’ has been supporting the Industrial Design Program at Humber College for 34 years. Final year students in the bachelor’s program compete in teams to develop solutions to real world challenges outlined by ABC as a project for one of their courses. The competition runs for eight-weeks 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 presentations are given at ABC’s Head Office to a jury of employees from various departments and the top teams are given an award by executive management. However, due to the pandemic in the last year, the competition was held virtually.

*“Even with the adversities of having to takes things virtual, the students had done an exceptional job on their final deliverables for the competition as they were able to adapt to the changes by leveraging their existing creative abilities to problem solve.” – Harman Gill, Industrial Design & Marketing Manager*

We also support the Engineering Students’ Society at the University of Ontario Institute of Technology by sponsoring their Internal Engineering Competition. This competition allows engineering students to engage in a friendly competition that tests each student’s professionalism, entrepreneurship and presentation skills. ABC was privileged to sit on the judging panel for this event.





Engineering Manager from ABC Climate Control and Engineering students at Ontario Tech University during virtual Lunch & Learn.

WOMEN IN ENGINEERING (WIE) LUNCH AND LEARN



During FY21, ABC Technologies held three virtual events with the University of Ontario Tech School in conjunction with our Women in Engineering program. Two of the events, held on November 19th, 2020 and March 15, 2021 were led by Melanie Griffith, Corporate HR Manager and the third event was led by Neela Valluar, Senior Program Manager in our Air Induction Business Unit on March 8, 2021. Neela provided students with updates on ABC Technologies and her role in the Air Induction Business Unit.

The HR events held were to support the University students with career development and support with resume preparation and interviewing skills and there were approximately 75 students that attended each of these virtual workshops. We look forward to continuing our relationship with the University of Ontario Tech.



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



### **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 recover these children 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.

- We believe it is important to support children in need in the communities where we conduct business and have made donation of \$20,000 USD.

### **360 Kids Organization**

- The organization began over 30 years ago and has continued to offer programs and support to both families and their children, including homeless and at-risk youth in the York Region of Ontario, Canada.
- The name “360°kids” refers to the comprehensive approach that the organization takes to assisting at-risk youth and surrounding them with care, recognizing that these kids need a wide range of

supports to help them rebuild their lives.

- In FY21, ABC made a donation of \$10,000 CAD and was also the presenting sponsor of the “At-Home 360 Experience” program. We look forward to being the presenting sponsor again in FY22.



Todd Sheppelman presenting the “At Home 360 Experience” as a sponsor.



### **Make-a-wish Foundation**

- We believe it is important to support children in need in the communities where we conduct business, including the Greater Toronto Area and across the globe.
- The Make-a-wish Foundation produces a Hospital Activity Book that is designed for sick or injured children ages 4 to 12 who are in-hospital and/or going through medical treatments.
- An editorial advisory panel, including child life specialists, developed the book to ensure activities are not only fun for children, but are specifically

designed for professionals to communicate with children about their thoughts, fears, and feelings. The activities range from simple dot to dot coloring to more advanced puzzles. The Hospital Activity Book for Children is distributed to over 1,400 locations across Canada, including hospitals, medical support centers, police departments, and counselling agencies.

- Copies of the publication are provided free of charge to children and professionals in the medical industry.
- ABC purchased three sponsorships totaling over \$3,265.70 USD and a cross-functional ABC team worked together to design and create an original centerfold activity image for the book.

### **ABC Technologies Partners With FLAG Charity To Support Frontline Workers & Restaurants In The Detroit Area**



To honour our long-time partnership with General Motors (“GM”), ABC donated to charities in GM’s hometown.

This holiday season, ABC had the great opportunity to partner with Front Line Appreciation Group (“FLAG”) Charity to support front line health-care workers from Beaumont Royal Oak Hospital and small restaurant owners in the Detroit, Michigan area. Our partnership with FLAG was a great effort to support front-line health care workers dealing with COVID-19, and small restaurant owners in the area who have faced losses because of the pandemic. On Thursday December 10, 2020, 66 doctors and nurses received lunch and dinner meals through our partnership with FLAG. ABC donated to the

organization, and then FLAG used the proceeds to purchase meals from La Marsa Mediterranean restaurant, which were then served to staff at Beaumont Royal Oak’s 6C and 6E units.

FLAG of Metro Detroit’s mission is to uplift and show appreciation to front-line workers, while supporting local businesses. Throughout the pandemic, front line workers have been working harder than ever to care for patients. Business owners have also been working hard to keep their businesses alive amidst public safety concerns.

Every holiday season, ABC Technologies and General Motors meet to celebrate our long-time partnership. However, because of restrictions of the pandemic, ABC and GM chose to pay homage to this relationship instead, by donating to charitable causes in the hometown of General Motors- Detroit.



Matrix Human Services

- This year ABC Technologies donated \$1,000 USD to Matrix Human Services - a non-profit organization whose mission is to improve the lives of disadvantaged individuals in East Michigan, through educational, social and legal support services.



Over the past few months, the difficulties of the pandemic have been felt by many. The spirit of unity and being there for each other has been needed more than ever, and this holiday season we were really honoured to play a role in supporting those in need.



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.

360 Kids	Spanish Association Against Cancer (AECC)	Ärzte ohne Grenze (Doctors Without Borders)	ASAMIS Local Association for disabled people	Children are People
Etobicoke Children's Centre	Hazard Analysis Pinball Foundation	Hockey Village India Foundation	Home Safe	Canadian Tire Jumpstart
Knight Table	McKenzie Health Foundation	Oxford Kids Foundation	The Redwood	Ronald McDonald House
Seva Food Bank	Shining Through Centre for Children with Autism	Sick Kids Foundation	Bärenherz Stiftung	The Back Pack Club
	Toys for Tots Program	Veterans Services	Yellow Brick House	

SELECTED PLANT LEVEL HIGHLIGHTS

PLANT 1-3 SAN JUAN DEL RIO, MEXICO

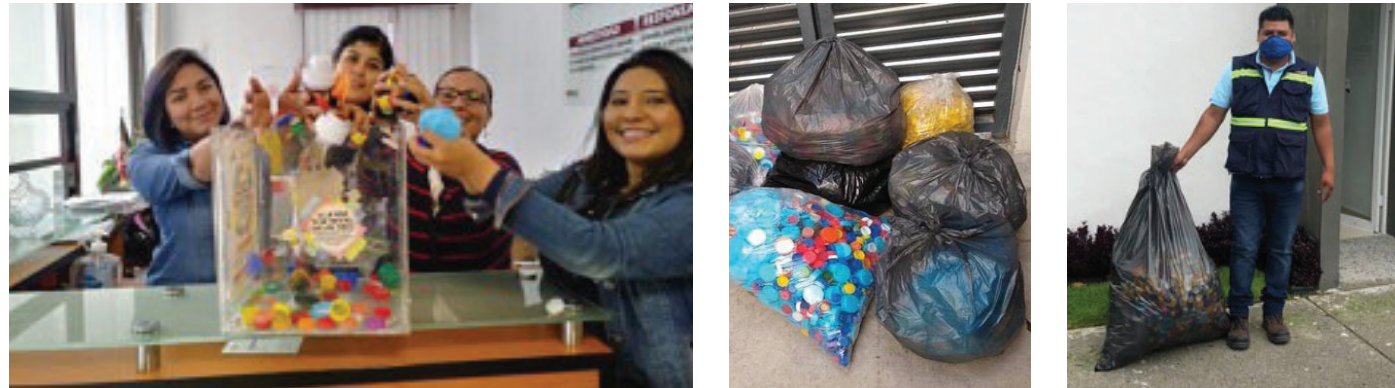


Cleaning, Care, and Restoration of Green Areas

- San Juan del Río Plant carried out the cleaning, care and reforestation of a green area at home and / or within the communities that make up ABC San Juan Plant. The commitment and collaboration made this activity a way of caring for nature, the world, and above all teach the family the benefit and satisfaction of doing social work.



## PLANT 1-3 SAN JUAN DEL RIO, MEXICO CONTINUED



### **Bottle Cap Collection To Support The Banco De Tapitas Foundation (Plant 1-3)**

- Throughout the year, the San Juan del Río plant, in collaboration with all employees, collects plastic caps for the Banco de Tapitas Foundation. With the collection of these caps, the donations accumulated are put towards the payment for chemotherapy treatments and/or medicine for children with cancer. This is ABC's second consecutive year supporting the Banco de Tapitas Foundation.



### **Donation to Grupo Reto", "Damas Azules" and "Movimiento Rapunzel" to fight cancer**

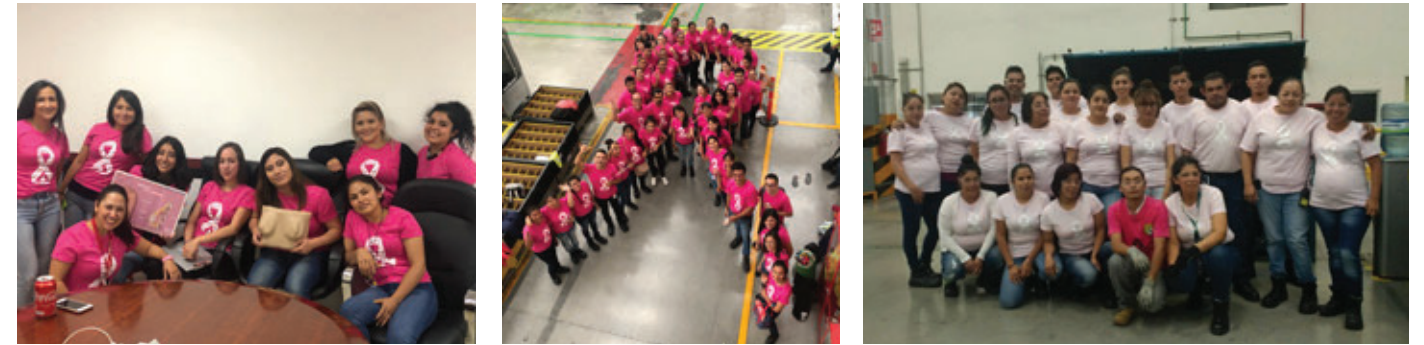
- During October, the San Juan del Río plant donated clothes, accessories, paper and hair to the Foundation "Grupo Reto", "Damas Azules" and "Movimiento Rapunzel" to benefit the fight against cancer.



### **Ceiling Lamp & Electrical Equipment Donation**

- Plants 1-3 Donated 50 ceiling lamps for classrooms and electrical equipment for students at the University of San Juan del Río.

## PLANT 4 QUERÉTARO, MEXICO



### **International Breast Cancer Day**

- ABC bought pink t-shirts and sold them to the staff to raise money for the Damas Azules Cancer Association. A total of \$20,646.50 Pesos was donated.



### **Valentine's Day**

- On February 14th, ABC staff brought valentine's day flowers to be sold to employees. The money that the staff raised was used to buy toys for the orphaned children at the AMMI association.

### **World Earth's Day Commemoration**

- ABC Technologies & CONAFOR, 400 trees delivered to employees.
- ABC Technologies & SEDESU, recycled 47kg in home appliances.



### **Manos Que Ayudan Association**

- Every 2 months, the Manos Que Ayudan Association came to Plant 4 to sell bread and cookies to the employees. This provided a working experience for all the staff from Manos Que Ayudan Association who were persons with disabilities.



## PLANT 4 QUERÉTARO, MEXICO CONTINUED



### High School 5 Generation

- ABC provided in-person classes to help with scholarships on Sundays. 17 students graduated and all of them are still working at ABC.



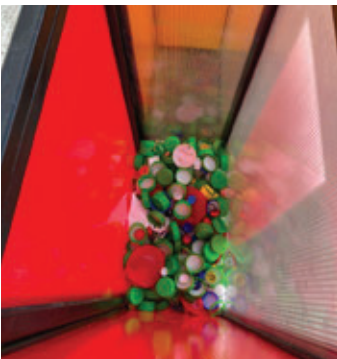
### ABC Land

- Throughout the summer, ABC hosted “ABC LAND” activities with the children of ABC employees to learn about ABC in a fun way.



### International Against Violence Day

- The plant held an event to raise awareness by speaking out about psychological help for people who suffer from violence. All proceeds were donated to the women RUHAMA Association.



### Bottle Cap Collection To Support The Banco De Tapitas Foundation (Plant 4)

- From August 2019 - June 2021, the Plant 4 employees, collected “Little” plastic caps for the Banco de Tapitas Foundation. With the collection of these caps, the money raised are put towards the payment for therapy treatments and/or medicine for people with cancer.



RAMOS, MEXICO



***“Mexican’ Kermesse with Sense” (Pandemic Relief***

- Children from “Ejercito de Salvación” homes were facing increased hardship during the COVID-19 pandemic as part of the relief effort, ABC donated and set up computers for the students to take online classes and donated food and beverages to those in need.



***Quality Family Events***

- Over the last year, ABC Ramos began setting up special events and activities for employees to spend quality time with their families. Some activities included school visits, afore visits, hair-cut day, car wash day and many more.



***Adopt a Tree Day***

- Employees at ABC Ramos participated in the “Adopt-a-tree” program on February 2021 to help save our planet and produce the most important chemical to keep us alive, oxygen.



***Children’s Day***

- On April 2021 Employees went to a temporary home to celebrate a time of happiness by bringing such treats such as food, candies, and cake.





# 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 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 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 Technologies Inc. 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.
- Preserve natural resources, reduce solid waste, improve energy efficiency and reduce carbon emissions.
- Responsibly manage all aspects of its business to ensure compliance obligations are met.
- Regularly identify objectives for continual improvement; prioritize and implement action plans; monitor and measure progress.
- Influence environmental protection among suppliers and contractors.
- Educate, train, and motivate employees to carry out tasks in an environmentally responsible manner and hold all ABC Technologies 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 FY2021  
1% electricity and solid waste reduction goals



Baseline was calendar year 2020

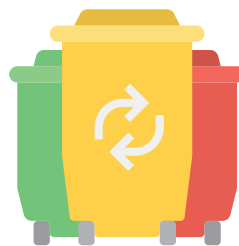


Goal is absolute



Electricity:

Goal was almost met. However, due to pauses in reduction initiatives the total reduction achieved was 0.9 %.



Waste:

Goal was met, however due to the impacts of COVID-19 and other issues impacting the automotive industry, this may have been due to lower production volume and plant shutdowns.

ECO EFFICIENCY  
CONTINUED

New goal moving forward:



1%  
ANNUAL  
REDUCTION



Electricity & Waste:

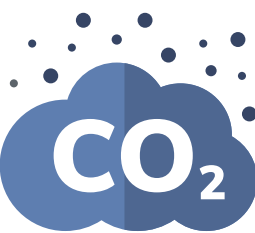
1% annual reduction for electricity and waste, absolute

Facilities:

Includes all Tier 1 Facilities, offices not included

Over the next 3 years, we will reduce carbon emissions every year by 2% compared to the previous year.

Data Calendar Year 2020



Emissions:

- Scope 1: (includes 50% of AIES): 10,918 CO2e, metric tonnes
- Scope 2: (includes 50% of AIES): 83,343 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.

Implementation of eco-efficiency reduction initiatives are coordinated at both corporate and site levels to ensure a systematic and customized approach. At the corporate level, the VP of Business Planning manages energy-related risks and opportunities and drives an energy reduction performance meeting with participation from all sites on a monthly basis. At the site level, a company-wide Continual Improvement (CI) center ("ABCi CLUB"), accessible via the company intranet, is used to track and share improvement initiatives. Employees that make CI contributions are recognized during town hall meetings, statement of business meetings, or social events on a regular basis.



## COMPANY WIDE ENERGY REDUCTION CASE STUDIES FOR FY2021

### 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.

### POLYURETHANE COMPOSITE BOARD (PCB) MATERIAL WASTE REDUCTION FROM 8% TO 7%

On the PCB Line for Load Floors, a significant amount (8%) of raw material (such as fiberglass, PU chemicals, honeycomb paper, carpet) went into waste. The idea was to reduce each raw material waste and decrease the annual waste cost by at least 15%. This waste reduction will also have a huge positive environmental impact. Direct & Indirect waste for each component material was defined, monitored, and calculated, and trainings provided to the line personnel. Trials were performed to reduce the Direct waste especially on PU usage and changes were monitored to ensure there were no side effects on the quality of parts. This resulted in a waste reduction from 8% to 7%.



**ECO-EFFICIENCY**  
CASE STUDIES



PCB Material Trimmings, ABC Plant 4 Queretaro, Mexico.

Bumper Assembly at ABC Product Development Brampton, Ontario.



COMPANY WIDE ENERGY REDUCTION CASE STUDIES CONT'D

REPROCESSING OF HDPE CHUNKS



In the past, HDPE (High Density Polyethylene) chunks were discarded and sent to the land fill for an additional cost. Our team found that HDPE chunks can be diverted from landfill by regrinding and pelletizing the chunks to be reused. By reprocessing the chunks, we can reduce our waste generation, save on initial cost of buying resin HDPE and avoid landfilling cost. An estimated **150,000 lbs of HDPE chunks** can be reprocessed annually.



**150,000lbs  
OF HDPE CHUNKS  
REPROCESSED ANNUALLY**

CDP SUMMARY



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. Additionally, in 2020 ABC provided additional information regarding its carbon emissions and water consumption.

ENVIRONMENTAL INITIATIVES

BEE PROGRAM



This is ABC’s first year using the ‘Bee’ program. It is an online platform used to report to certain OEM’s such as Honda and Toyota. Its aim is to help suppliers use less energy, water, and 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.

SUPPLIER PARTNERSHIP FOR THE ENVIRONMENT



ABC is now 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.

WASTE REDUCTION



Since 2020, ABC’s waste reduction plan is to reduce our total waste by 1% annually. To help us reach our goal we will mandate new KOIs to track our monthly waste consumption to include hazardous waste, recycled waste, landfill diversion and disposal methods. Setting KOI markers will allow for easy identification of where more effort and improvement will be required. We have several projects and initiatives in place and are optimistic we will hit our waste reduction goal for the coming years.



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