

FY23 ENVIRONMENTAL SOCIAL GOVERNANCE REPORT



ABC TECHNOLOGIES
MOLDING THE FUTURE

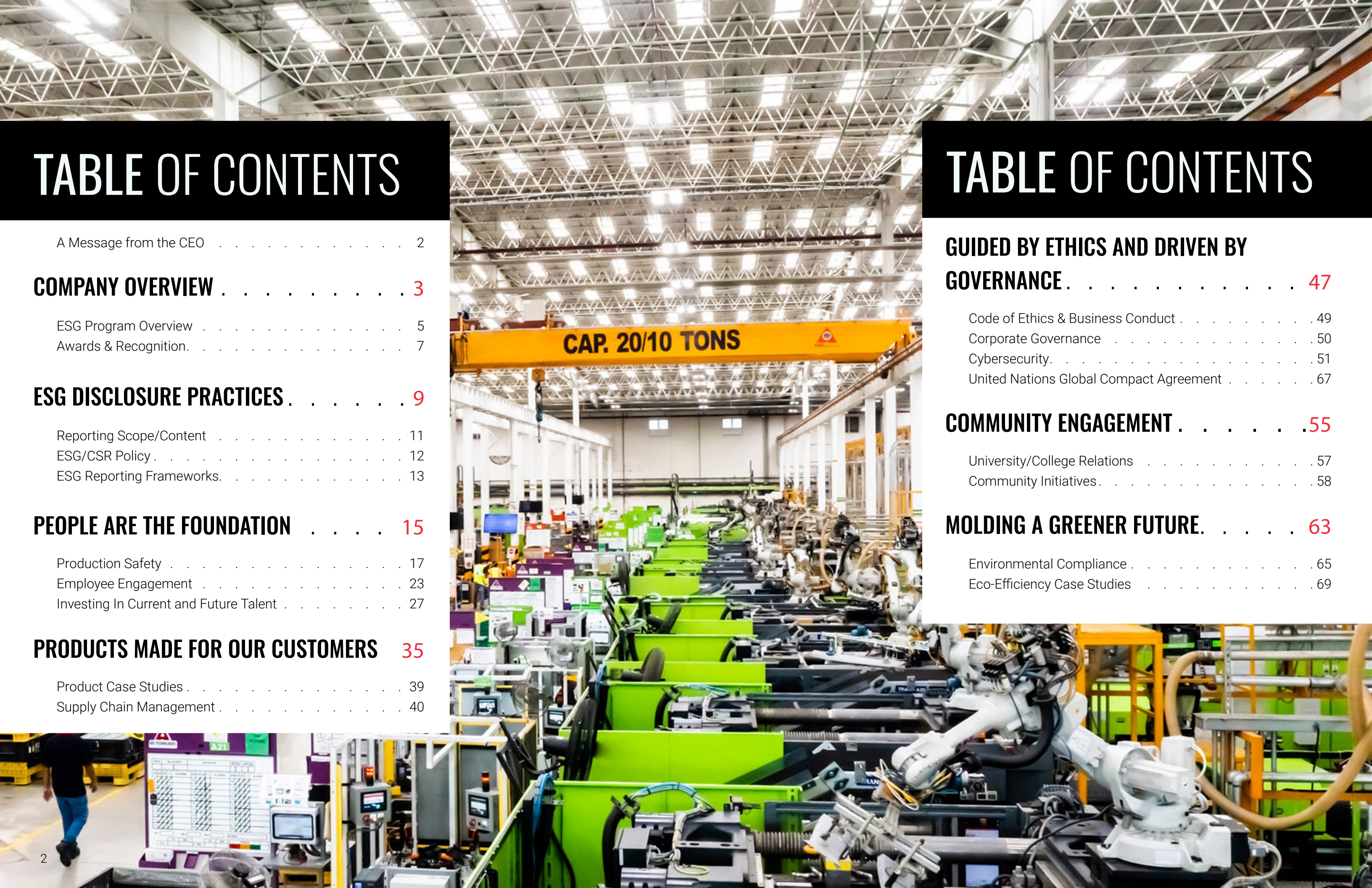


TABLE OF CONTENTS

A Message from the CEO	2
COMPANY OVERVIEW	3
ESG Program Overview	5
Awards & Recognition.	7
ESG DISCLOSURE PRACTICES	9
Reporting Scope/Content	11
ESG/CSR Policy	12
ESG Reporting Frameworks.	13
PEOPLE ARE THE FOUNDATION	15
Production Safety	17
Employee Engagement	23
Investing In Current and Future Talent	27
PRODUCTS MADE FOR OUR CUSTOMERS	35
Product Case Studies	39
Supply Chain Management	40

TABLE OF CONTENTS

GUIDED BY ETHICS AND DRIVEN BY GOVERNANCE.	47
Code of Ethics & Business Conduct	49
Corporate Governance	50
Cybersecurity.	51
United Nations Global Compact Agreement	67
COMMUNITY ENGAGEMENT	55
University/College Relations	57
Community Initiatives.	58
MOLDING A GREENER FUTURE.	63
Environmental Compliance	65
Eco-Efficiency Case Studies	69



A MESSAGE FROM THE CEO

Thank you for your interest in ABC Technologies Environmental, Social and Governance (ESG) Report for our 2023 fiscal year.

At the core of our ESG program is a foundation of ethical business principles, corporate governance, health & safety, employee engagement and supplier relationships. We continue to serve our valued customers, make infrastructure investments focus on operational excellence and strive to keep our people safe. ABC’s growth potential, winning spirit, team togetherness and willingness to do good help to embody our new vision: Molding The Future. For society and the environment, Molding The Future is about caring about our impact and doing it in a socially responsible way.

We maintain on the path to become carbon neutral on our direct and indirect emissions (Scope 1 and Scope 2) by 2035. This commitment is another step towards living in a world with zero emissions. With five decades of proven business success, we are proud to continuously refine our methods to gain a better understanding of our actions and the role they play in shaping the industry. Our past performance demonstrates our ability to change with the times and to lead rather than follow. I am confident that ABC Technologies will reach to greater and greener heights in the years to come.

The ambitious ESG goals and benchmarks we have set as an organization are fully supported by our senior leadership team and are embedded into company and personnel performance targets. These targets are communicated throughout our enterprise, monitored, executed, and undergo post-implementation analysis, ensuring completion and implementation targets are met and maintain high standards.

Here is a small sample of some of our 2023 ESG achievements:

- Increased our EcoVadis sustainability score by 8 points and achieved a silver rating status.
- Achieved ISO 45001:2018 certification for Tier 1 ABC legacy sites.

At ABC, we also believe in being active and visible partners in our communities. Our manufacturing and support locations regularly participate in local charitable, community giving, and volunteer initiatives. I am appreciative of the time and effort put in by our teammates across the globe to lift others up and make our company shine.

I am excited by the ongoing achievements we have made throughout ABC Technologies and pleased to present you with our fifth annual Environmental, Social and Governance Report. I invite you to explore the many ESG programs and initiatives completed and underway at ABC. We are proud of our progress during the past year and look forward to accomplishing even more as we enter 50 years of operations in 2024.

TERRY CAMPBELL
President & Chief Executive Officer



ABC PUSHES AHEAD ON ITS GROWTH TRAJECTORY



ABC’s growth trajectory and is supported by Apollo Global Management, Inc. and Oaktree Capital Management, L.P.

The company has expanded its operations four times in under two years. In In 2022, ABC acquired dlhBowles, Inc., and certain of its subsidiaries, followed by the acquisition of Karl Etzel GmbH and SAM-GmbH. In 2023, ABC had a successful acquisition of WMG Technologies Holdings Inc. (now Windsor Mold Inc.) and certain of its subsidiaries and following the end of the Company’s fiscal year 2023, in August 2023 the Company announced an agreement to acquire the North American business of Plastikon Industries which closed in the third calendar quarter of 2023.

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



COMPANY OVERVIEW



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



We cover every facet of the plastics processing technologies, systems and components for the global automotive industry – Interior Systems, Exterior Systems, HVAC Systems, Fluids & Other. Ranked as one of the top industrial automotive Tier One suppliers 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 reliable performance.



six DRIVERS OF ESG

1. **COMMUNITY** ENGAGEMENT
2. MADE FOR OUR **CUSTOMERS**
3. PLUGGED INTO THE **ENVIRONMENT**
4. DRIVEN BY **GOVERNANCE**
5. POWERED BY **PEOPLE**
6. GUIDED BY **ETHICS**



ABC Technologies' Six Drivers of ESG Framework.

ESG PROGRAM OVERVIEW



ABC Technologies' fiscal year 2023 ("FY2023") Environmental, Social and 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 2023 (July 1, 2022 – June 30, 2023). Content in this report covers all ABC operations, including manufacturing, technical and customer centers, and administrative offices globally including locations in Canada, United States of America, Mexico, Brazil, Spain, Poland, China, Germany, and Japan.

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

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



AWARDS AND RECOGNITION

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

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



QUALITY

- Daimler Master Of Quality Award
- GM Overdrive Award
- GM Supplier of the Year
- NTN Driveshaft Inc. – Outstanding Supplier of the Year Award
- Stellantis “Outstanding Quality” Recognition
- Stellantis Supplier of the Year
- Toyota Certificate of Achievement - Quality
- Toyota RAV4 Excellent Launch Award



DIVERSITY

- Canadian Aboriginal and Minority Supplier Council (CAMSC) Awards Finalist – Procurement Business Advocate & Social Good
- Nissan Supplier Diversity Certificate
- Women Business Enterprises (WBE) – Winner : Most Diversity Program Improved Supplier



CUSTOMER CARE

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



TECHNOLOGY

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



HEALTH AND SAFETY

- Canada’s Safest Employer Award Nominee



ESG

- Silver EcoVadis 2023 Sustainability Rating



ESG DISCLOSURE PRACTICES

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

ESG DISCLOSURE AT ABC

REPORTING SCOPE

The editorial content of this report generally covers the subject matter for FY2023 (July 1, 2022 – June 30, 2023) and is limited to operations owned by ABC Technologies. The data has been included for all the facilities and joint ventures as well, except for our new affiliate companies through recent acquisitions. All metrics related to ABC manufacturing, climate change and water, as well as workforce and financial data, refer to the fiscal year ended June 30th, 2023, unless specified otherwise.

PRESENTATION OF CONTENT

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



ESG/CSR POLICY



The content of this report and many of our sustainability initiatives are supported by our Environmental, Social and Governance (ESG) Policy of ABC and by ABC’s Code of Business Conduct and Ethics. Our policies guide ABC Technologies’ operations for sustainable performance in accordance with the core values of the Company. Global operations correspond to high ethical standards and local/International law to ensure a balance between creating high-quality products and maintaining a socially responsible business. We facilitate a positive impact through strategic collaboration with different organizations, creating and innovating high-performance products, maintaining transparency as well as holding ourselves accountable to the Company’s ESG Policy. By engaging with stakeholders, we ensure an open platform of communication to produce innovative ideas to keep our commitments to current and future ESG goals. We are dedicated to our six ‘drivers’ of Corporate Social Responsibility (“CSR”) that align with the Company’s scope of operations and practices, and the executive team are committed to include consideration of all CSR related issues in all business strategies, insuring a culture of sustainability.

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

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

REPORTING FRAMEWORKS



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

UNITED NATIONS GLOBAL COMPACT



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

CARBON DISCLOSURE PROJECT (CDP)



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

NQC SUPPLIER ASSURANCE



ABC has been reporting on the NQC platform since 2015 on several different areas such as compliance and ethics, diversity, environment, governance, health and safety, social responsibility and trade compliance. Our latest score increased our previous result by 3 points in their system.

ECOVADIS



ABC Technologies started reporting to EcoVadis platform on our environmental, social, governance topics since 2018. Some of our customers use the EcoVadis reporting platform to set targets for their suppliers. In FY23, ABC achieved a silver sustainability rating, after improving by 8%. ABC is confident to continually improve after assessing areas that require improvement, while putting plans in place to address that improvement.

M2030 BEE PROGRAM



We report our ESG related progress on M2030 Bee platform as a part of our disclosure practices to include the different energy saving and environmental projects that are happening in our plants worldwide. It is an online platform used to report to certain OEM’s such as Ford, GM, Honda and Toyota. Its aim is to help suppliers use less energy, water, materials, and reduce their carbon emissions in the supply chain. By using the program, we will be able to communicate and demonstrate sustainability improvements and carbon reductions to key customers. It also gives us access to a community of other automotive suppliers with proven initiatives to improve and meet our targets.

PEOPLE ARE THE FOUNDATION

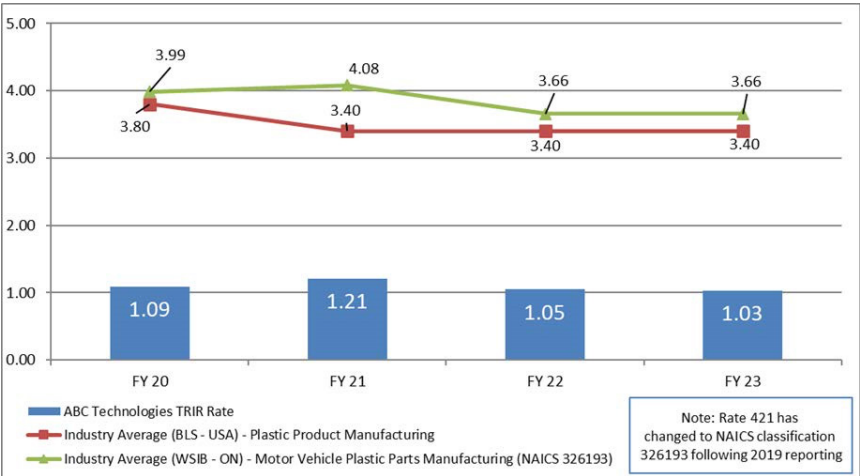
The employees at ABC Technologies are the foundation for the growth and success of the Company. We are committed to safe working conditions, offering skills and career development, and an inclusive and respectful working environment. ABC Technologies is committed to ensure all employees are treated fairly,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

PRODUCTION SAFETY

HEALTH & SAFETY
MANAGEMENT PROGRAM




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




Following delays in obtaining ISO 45001:2018 certification due to COVID-19 and other related challenges, after the stage 2 audits in FY23, ABC has officially obtained the internationally recognized standard as of January 2023. ISO 45001:2018 accreditation will continue to help us improve our system for the safety of all employees and other individuals who visit ABC Technologies properties soon.

OUR FY2024 GOALS


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 2024 of the Company to advance our overall injury and incident prevention performance.



REDUCE HAND INJURIES BY A MINIMUM 15% FROM FY23



REDUCE ENERGY USAGE BY 3% FROM FY23



IMPROVE OVERALL CARBON DISCLOSURE PROJECT SCORE BY ONE RANKING LEVEL

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



1

SAFETY TALKS – CONDUCT 12 SAFETY TALKS PER MONTH (1 PER SHIFT PER WEEK)



2

HAZARD REPORTING – IDENTIFY, REPORT AND CORRECT 1 HAZARD PER 2000 HOURS WORKED



3

MANAGEMENT INSPECTIONS – PERFORM 2 MANAGEMENT SAFETY INSPECTIONS PER MONTH

HEALTH & SAFETY POLICY

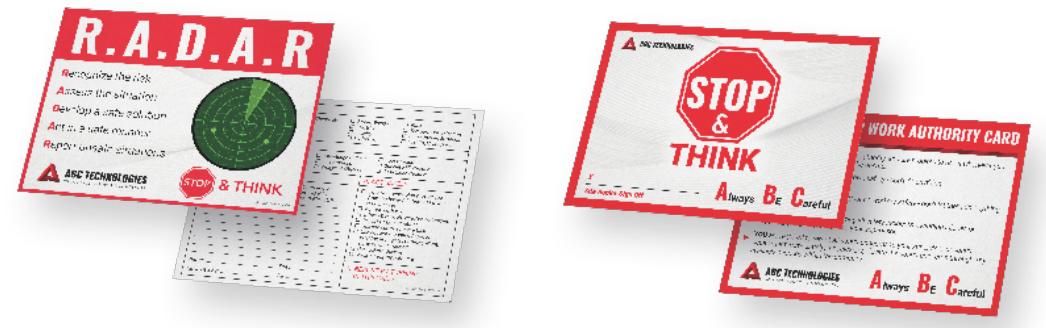
ABC Technologies is committed to providing and maintaining a healthy and safe workplace for all employees, contractors, and visitors. Our Health & Safety Policy sets forth our expectations for management, supervisors, and employees to continuously strive towards improving our health & safety system. 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 FY23:

- 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 toolbox talks
- RADAR (Non-routine work hazard assessment program) (see below)
- Safety alerts
- Serious Six; (A program that establishes safety requirements for high-risk activities that can lead to serious injury.)
- Stop and Think! Stop work authority cards



Employee Training - ABC Ramos, Mexico

EMPLOYEE TRAINING PROGRAMS



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

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

See the following page for the FY2023 Training Course List

FY2023 ENVIRONMENTAL HEALTH & SAFETY TRAINING COURSE LIST

Acknowledgment of SWI*	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*	Environmental Legislation Training*	Ergonomics/ Musculoskeletal	ESG Awareness*	Fall Arrest/Fall Protection	Fire Extinguisher Safety*	First Aid and CPR
Forklift and Propane Handling	Forklift Do's and Don'ts*	Forklift Recertification (Practical)	H&S Law – Managers*	H&S Law – Supervisors*	Hazard Analysis*	Heat Stress	Hot Work*
Incident Investigation*	ISO 14001/45001 Awareness*	JHSC Roles & Responsibilities	Lockout/Tagout	Machine Safety and Guarding	Manual Material Handling*	Non-Negotiable/ Serious Six*	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 several periodical H&S initiatives:

Annually



- EHS Goals and Objectives
- Environmental, V&H, ESG, Biodiversity and H&S Policy Updates
- Corporate 14001/45001 Management Review
- Internal ISO 14001 Audits

Quarterly



- Town Hall Meetings
- Board of Director Meetings

Monthly



- Incident Listing Communications
- Corrective action report status
- Safety committee meetings

Weekly



- Safety Talks
- Corporate EHS meetings

Daily



- Tailgate meetings
- T3 meetings (plant level)

Other

- Safety Lessons
- Lessons Learned
- Corporate wide environmental Health & Safety review meetings (bi-weekly)
- EHS updates on company website
- Events of the month (i.e., Earth day, H&S month, etc.
- Global ESG Committee meetings (bi-monthly)

A MESSAGE FROM OUR DIRECTOR OF HEALTH, SAFETY & ENVIRONMENT

ENZO SORRENTINO

Director of Health, Safety, & Environment

We are committed to fostering a positive work environment for all our teammates by creating a world-class safety culture and doing our best to be stewards of social responsibility.



HEALTH & SAFETY KPIS: YEAR-OVER-YEAR CHANGE

Measure	FY2020-2021	FY2021-2022	FY2022-2023
Total Incident Rate	1.21	1.05	1.03
Lost Time Incident Rate	0.18	0.32	0.26

In FY2023, ABC Technologies legacy facilities surpassed FY22 with the best Total Incident Rate (TIR) in company history and surpassed our previous best of 1.29 by **20.2%**.

These results were a team effort by all our employees globally through preventative reporting of hazards and near misses before an injury event took place. While we are proud of the results for the previous fiscal year, we know that 0 recordable injuries is our ultimate goal and are dedicated to continually improving our health and safety systems to ensure the safety of all our employees.



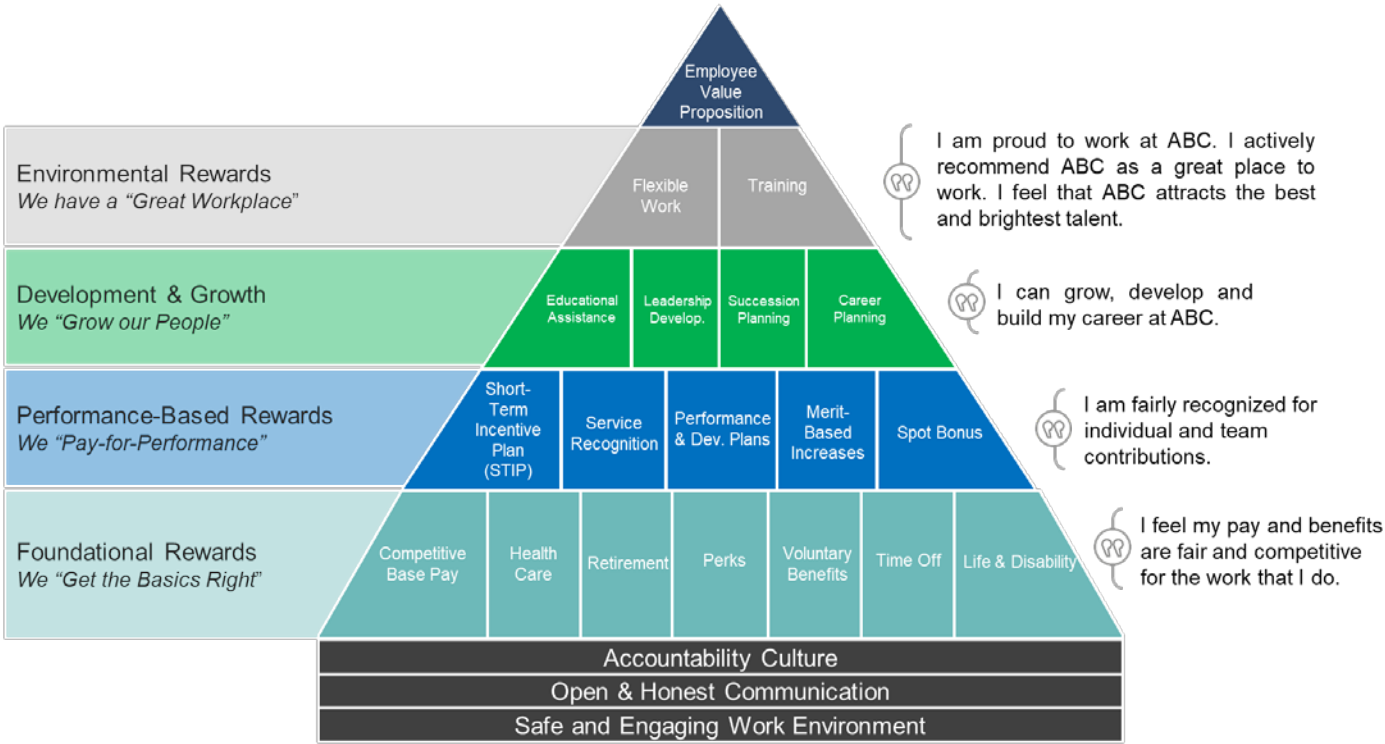
EMPLOYEE ENGAGEMENT

The Global Engagement Survey is used for assessing point-in-time employee sentiment, collecting data, and implementing actionable insights. The Global Engagement Survey measures the engagement of the company’s employees to analyze the data and take action to improve employee engagement levels.

The survey is conducted and hosted by a third-party to ensure our employee’s feedback is kept confidential. This global process applies to all employees (salaried and hourly) and does not apply to any student, co-op, consultant, contractor, or agency providing a resource or services.

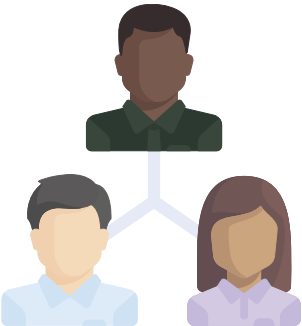
In 2022-23, we significantly enhanced our engagement survey process based on employee and HR feedback with have implemented the following standards:

- Global Engagement Survey should be conducted annually.
- An annual global data cut-off date should be identified and communicated for each survey year.
- Employee data and organizational reporting structures should reflect accordingly to the survey cut-off date.
- The timeline to complete the survey should be 2 weeks.
- All salaried employees should be asked the same set of core survey questions.
- All hourly employees should be asked a smaller sub-set of core survey questions to ensure relevance.



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

EMPLOYEE ENGAGEMENT COMMITTEE "REVVING UP THE FUN AT WORK"



- All employees (salaried and hourly) should be asked the same demographic questions.
- The survey should be translated and available in local languages, based on project resourcing.
- Reporting should be available within 15 business days of survey closing.
- Action planning should take place 30-60 days after the survey reports are available.

In 2023, significant strides were made to address the key concerns of the previous year’s engagement survey (previously called Employee Opinion Survey – EOS)

In 2023, we launched a new campaign on social media called #destinationemployer. We believe we are a great employer who is perhaps not as well known as some of our competitors. We created more regular social posts in 2023 – highlighting our company, employee events, and our community engagement work.

EMPLOYEE RECOGNITION

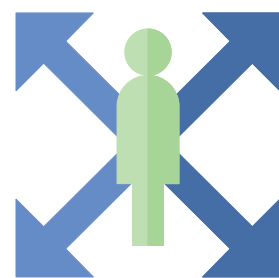


Based on our last Global Engagement Survey, we heard that we needed to recognize our employees more often and in more meaningful ways. To this end, in 2023, we launched a new annual tradition “Employee Appreciation Month”. This was celebrated at all our sites globally in the month of May. This past year we also provided leaders and HR with ABC Technologies “Thank You Cards.” These cards are to thank employees who have gone beyond to help a teammate, the company, or our customers. These initiatives along with our community engagement events are designed to foster a longer-term culture of recognition at ABC Technologies.

We also ran numerous events to further engage our employees and increase the effectiveness of our company communications.

- Delivered Quarterly Town Hall meetings
- Provided Plants with standards content for Monthly Plant Manager Meetings
- Celebrated Culture Day to embrace the rich diversity of our employees
- Hosted various employee events to increase employee visibility to our executives

GLOBAL TALENT MANAGEMENT



Talent management is strategy used by an organization to effectively recruit, hire, develop, and retain employees. Employees who are motivated to do their best work and are aligned to the business are more likely to grow in their roles and become leaders in the future.

In 2023, significant strides were made in Talent Management. The Six Principles of Talent Management include:

- Alignment with strategy
- Internal consistency
- Management involvement
- Cultural embeddedness
- Employer branding through differentiation
- Balancing global and local needs

Talent Management alignment goes deeper than just putting people into the positions they’re best suited for. Alignment strategy looks at the business’s mission and vision and puts people in places that best direct the company to maintain both. A global talent assessment was

completed at the Plant level as well as in our corporate offices in 2023. We then worked with our leaders to understand our critical roles and pro-actively plan for any new business requirements. We also completed a workforce plan to review our retirement eligible community so we could plan accordingly for this potential attrition.

For internal consistency, we delivered a new Talent Assessment form to evaluate our talent. We designed a standard assessment process and template to evaluate our employee’s based on clear definitions of performance, potential and ability to take on a more senior or more complex technical or leadership role. This exercise was completed by the local leaders with the support of their HR Managers, validated by our regional leadership team and then calibrated with our executive leadership team. The outcome was a global 9 Box of our top talent.

We then worked with our executives to complete a succession plan for their direct reports. We leveraged the insights from the global 9 box, identified successors for each key role as well as emergency / interim replacements for all critical roles in our plants.

Significant strides and results were accomplished by our Talent Management team in 2023, and the organization now has increased visibility and awareness of our talent risks and has put mitigation plans in place for our critical manufacturing roles. These steps help us ensure business continuity and mitigate any possible impact to our customer commitments. Our goal is to continue to promote from within and only hire externally for specific expertise we may not have in our existing employee base.

PERFORMANCE MANAGEMENT



Performance Management is a tool for supporting the work performance and productivity of individuals, teams, and organizations. Our performance management policy defines the process of achieving organizational goals through the effective management of individuals and teams. It outlines the company’s expectations, standards, and feedback mechanisms for employees and people leaders. It outlines what needs to be performed and how employees are expected to interact within the company. It also connects the performance activities to the strategic vision and objectives of the organization.

INVESTING IN CURRENT AND FUTURE TALENT

PERFORMANCE MANAGEMENT CONT'D



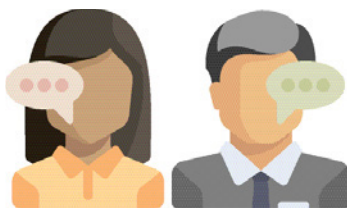
An employee’s performance should be based on the employee’s ability to

- fully perform all tasks outlined in their job description (job expectations), and
- deliver against their individual performance goals (the “what”), and
- the behavioral expectations for all employees in the company (the “how”)

People Leaders and employees should work together each new fiscal year to establish their individual performance objectives and to review the behavioral expectations of all employees at ABC Technologies.

In 2023, a new standard Global Job Description template was launched. We offered two versions of this template, one for office and one for our plant employees. The only difference is the “Working Conditions” section which clearly defines EHS, Supervisor responsibilities, security and housekeeping which is more extensive for our manufacturing locations. By moving to this new global standard, we can ensure all employees have a clear understanding of their role, the work they are expected to deliver and how they are expected to conduct themselves in our offices.

EMPLOYEE DEVELOPMENT



In 2023, we also focused on providing critical resources to our leader and employees to support their development needs. Our goal is to ensure we support the development of our employees. In addition to compliance training tied to our governance requirements, technical and product training, we also significantly expanded our training offerings in 2023. We delivered 70+ new learning opportunities on the following categories: Career, Finance, Inclusion, Leadership, Lean, Microsoft, Quality and Wellness.

We also invested in our global leaders and global HR team to ensure we provided an increased level of support with some additional tools and resources. Some examples include interview guide for leaders, new Interview template and standard interview questions, how to have career conversations, 30-60-90 Day check in for new hires, performance management – useful phrases for leaders, etc.

EDUCATIONAL ASSISTANCE PROGRAM



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 and 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, over 30 employees have participated and been reimbursed through the program.

In 2023, we received 16 applications for Education Assistance. Thirteen of these were from our plants and 3 were from our corporate offices. All were approved based on the criteria of our program and our approval process. Of these 16 employees who were approved, 12 were pursuing a professional designation/ certification and 4 were approved to complete a university/college course.

INVESTING IN EMPLOYEES AND OUR COMMUNITIES

In 2023, we significantly increased our focus on investing in our people and our communities post the pandemic. Our focus was to drive a higher level of engagement in our employees and re-energize our community giving campaigns. Here are a few highlights of some key investments in 2023.

- December 2022 – Member, Canadian Association of Career Educators and Employers
- January 2023
 - Signed a host agreement with CareerEdge for internships
 - Catalyst Regional Supporter, to accelerate progress for women through workplace inclusion
- February 2023 – FIRST Robotics Team Sponsorship
- March 2023 – International Women’s Day celebrations
- April 2023 – Earth Day celebrations throughout ABC and not just in our plants, we extended it to the kids, too, including a coloring and drawing contest at Southfield! Tree planting also occurred in the Windsor, Ontario, Canada area.
- April 2023 – Ontario Skilled Trades Competition, Bronze Partner
- May 2023 – Employee Appreciation Month
 - Weekly events scheduled through the month at our locations
 - May 2023 – Culture Day
- June 2023 – Brazil and Mexico plants celebrated World Environment Day with tree plantings, ensuring our commitment to the environment

EMPLOYEE BENEFITS



Our focus is to develop globally consistent, market-relevant programs to enhance organizational performance, and recognize and reward employees for their significant contributions. We commit to providing a fair and competitive total rewards package that will attract, retain, and engage employees at all levels. Our Total Rewards programs, structures and decisions are aligned with the business strategy and HR strategy. To become the “Destination Employer,” 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.)
- 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 based on being an employee of ABC.

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

PTO SALARY - CANADIAN EMPLOYEES



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

DIVERSITY AND INCLUSION



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

COMMITMENT TO
NONDISCRIMINATION AND
ANTI-HARASSMENT



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



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

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



Our HR department is facing an exciting transformation of Human Capital Management (“HCM”) system in all our global locations, bringing us the opportunity to support our business expansion and consolidate our processes and HR systems around the globe, to offer our employees and stakeholders a world class HR services. This path was initiated back early 2020, following an implementation plan of 2.5 years to launch this system around the globe with different modules, that will expand our HR capabilities and offer our employees a full digital experience.

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

EMPLOYEE TURNOVER



Employee turnover remains a challenge, especially in our plants within the first 90 days. We have worked diligently over the last year to have more touch points with the new hires to ensure they are onboarded successfully. In addition, we are in the process of rolling out employee engagement committees at all sites so that our team members’ ideas and opinions can be heard. We seek to provide open and transparent communication so that prospects and new hires alike can see that when they decide to join the ABC family that they, too, are Molding The Future. For them, it is an invitation to join a winning and rewarding culture.



EMPLOYEE PROFILE

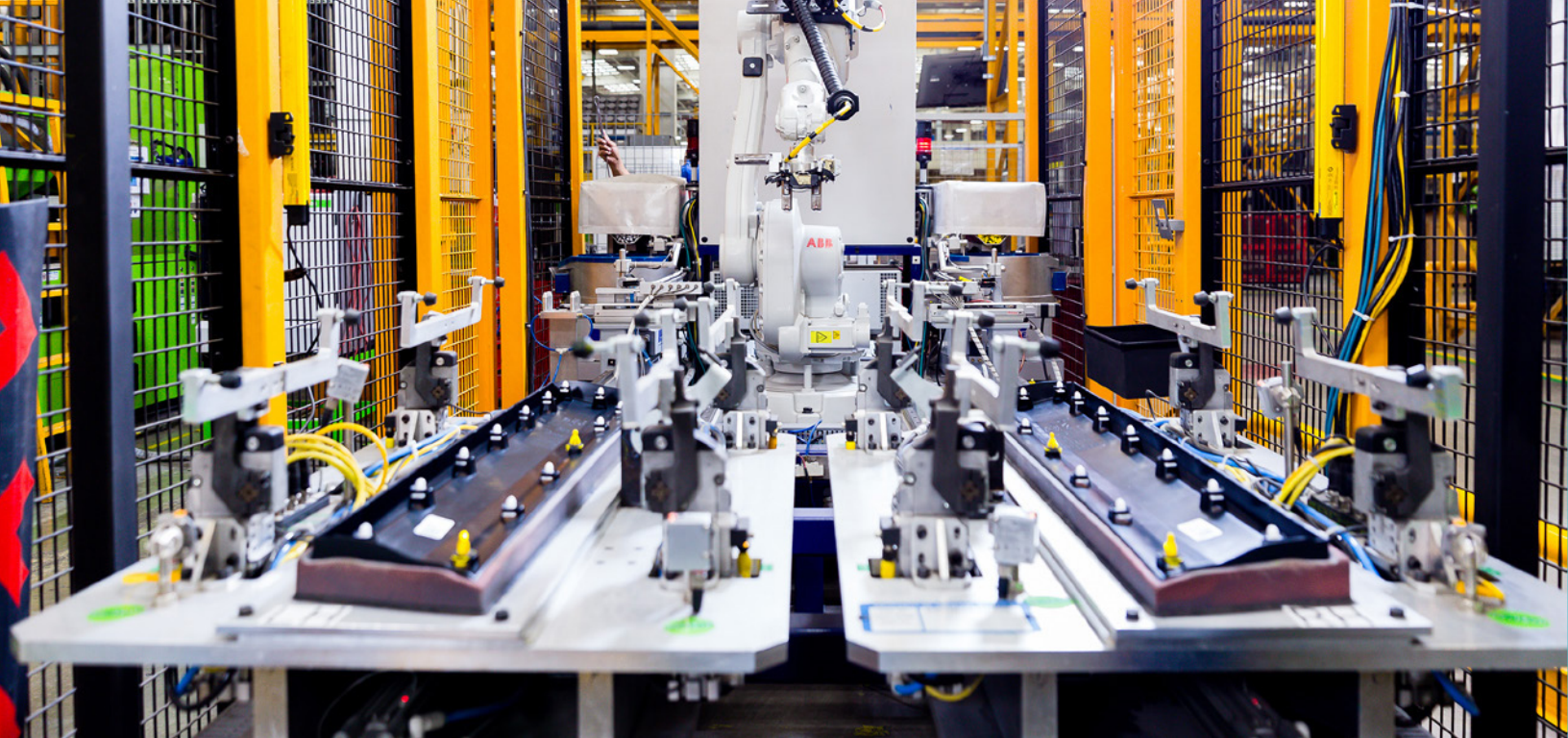
As of June 30, 2023:

Region	Headcount by Region
Europe	563
Asia	12
USA	2,797
Canada	2,197
Mexico/Brazil	4,722
Total	10,291

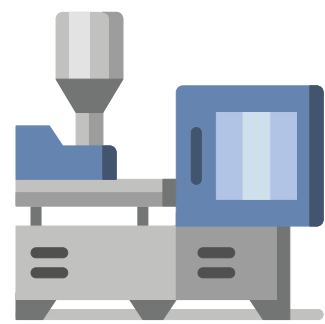


PRODUCTS MADE FOR OUR CUSTOMERS

**PRODUCTS
MADE FOR OUR
CUSTOMERS**



PRODUCT OVERVIEW

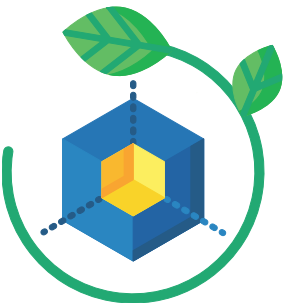


ABC Technologies is responsible for making innovative products tailored to exceed the expectations of our customers. To achieve the highest level of customer satisfaction, we focus on excellence in design, quality, advanced engineering, supply chain management, lean manufacturing, and flawless launch activities. We are committed to implementing operational improvements, innovation of products and processes that position our customers and us 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 to address potential risks and opportunities. Impacts evaluated include the following:



Product Chemical Content

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



Ergonomics and Safety

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



Product Recyclability

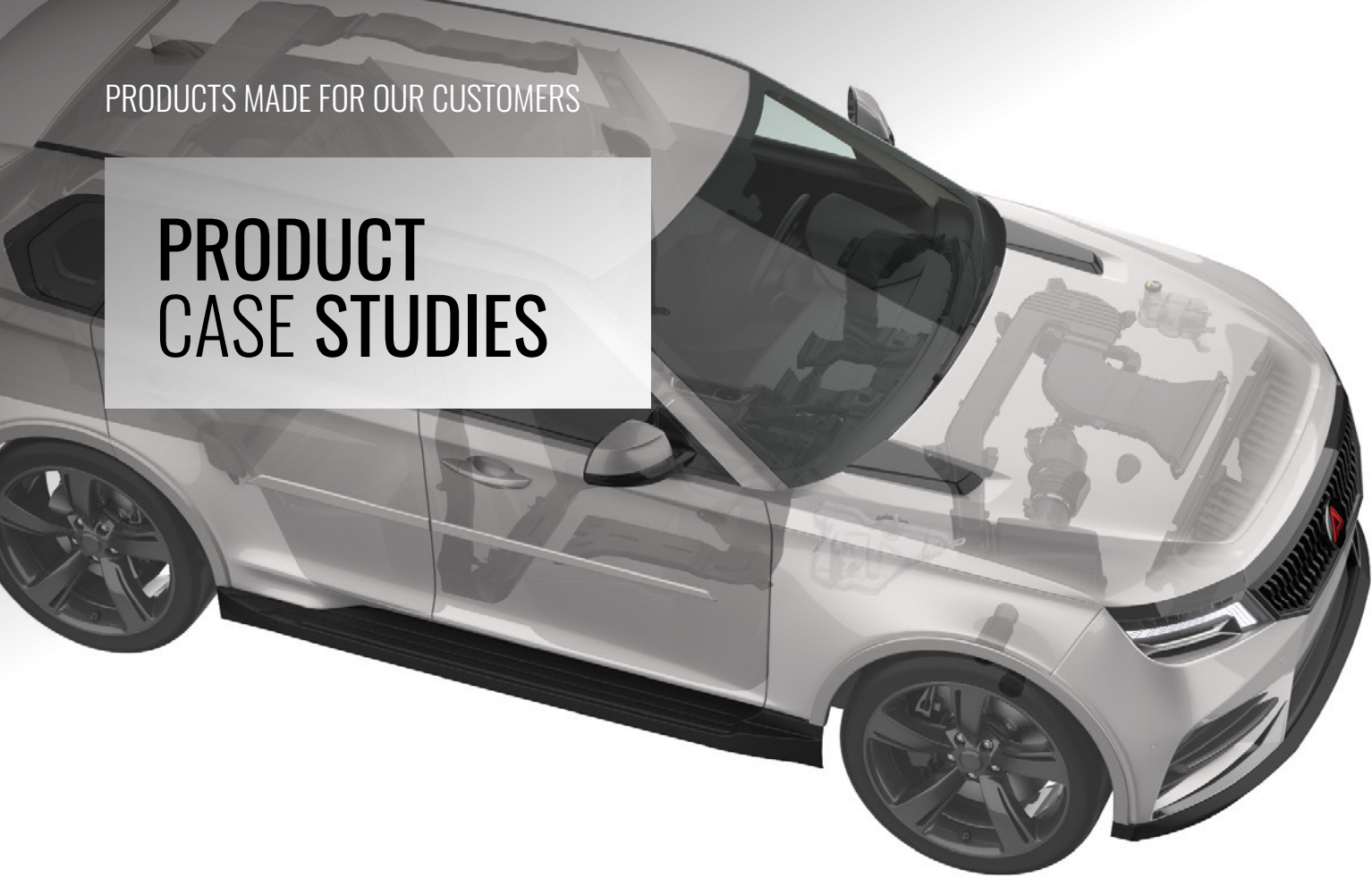
- Determine if the use of recycled material is feasible.
- Decide if selected materials maximize end-of-life recyclability.



Energy and Waste

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

PRODUCT CASE STUDIES

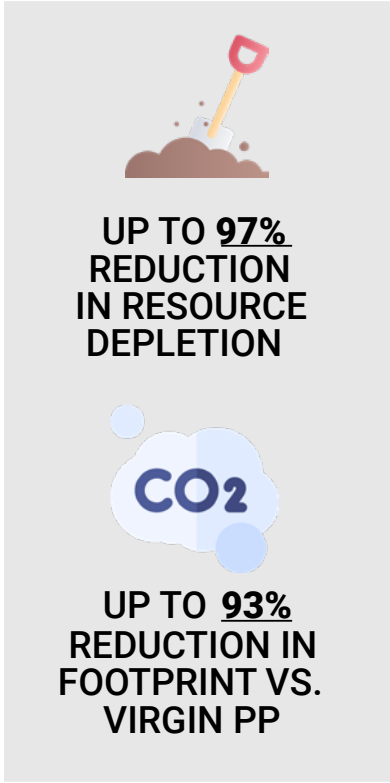


At ABC, there are several internal projects being implemented to address the sustainable aspects of product design. ABC continues to push the narrative to a more sustainable future, not just for ABC, but for our customer and supplier base as well.

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

- 1 Post Consumer Recycled (PCR) Sustainable Material
- 2 Bio-based Resin and Product Recyclability

100% POST CONSUMER RECYCLED MATERIAL: ADDITIVES FOR SUSTAINABILITY



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

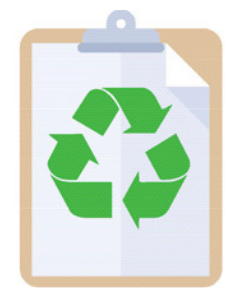
ABC Technologies has always embraced the addition of regrind materials and partially recycled content into our products for more sustainable manufacturing practices.

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

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



PRODUCT RECYCLABILITY

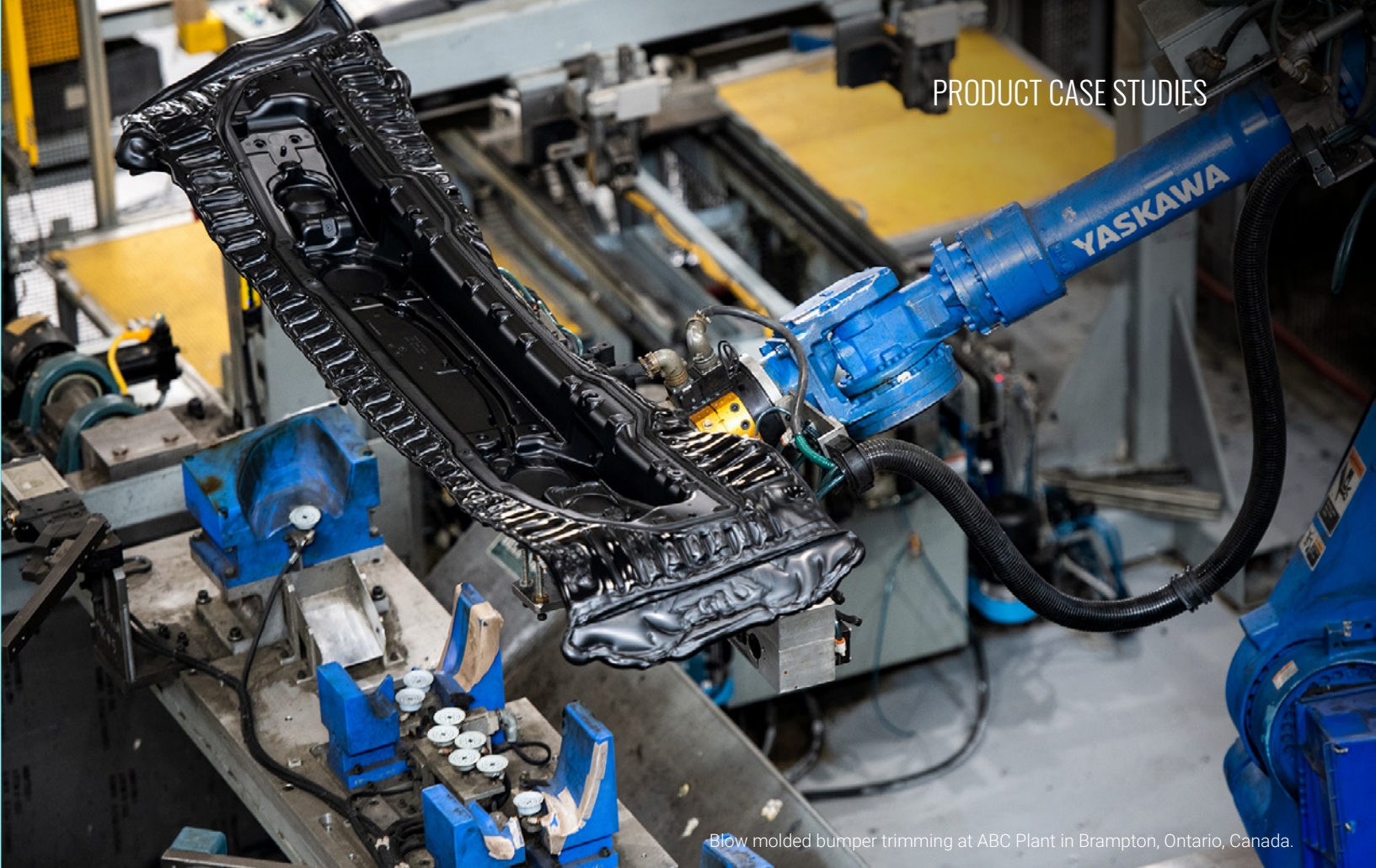
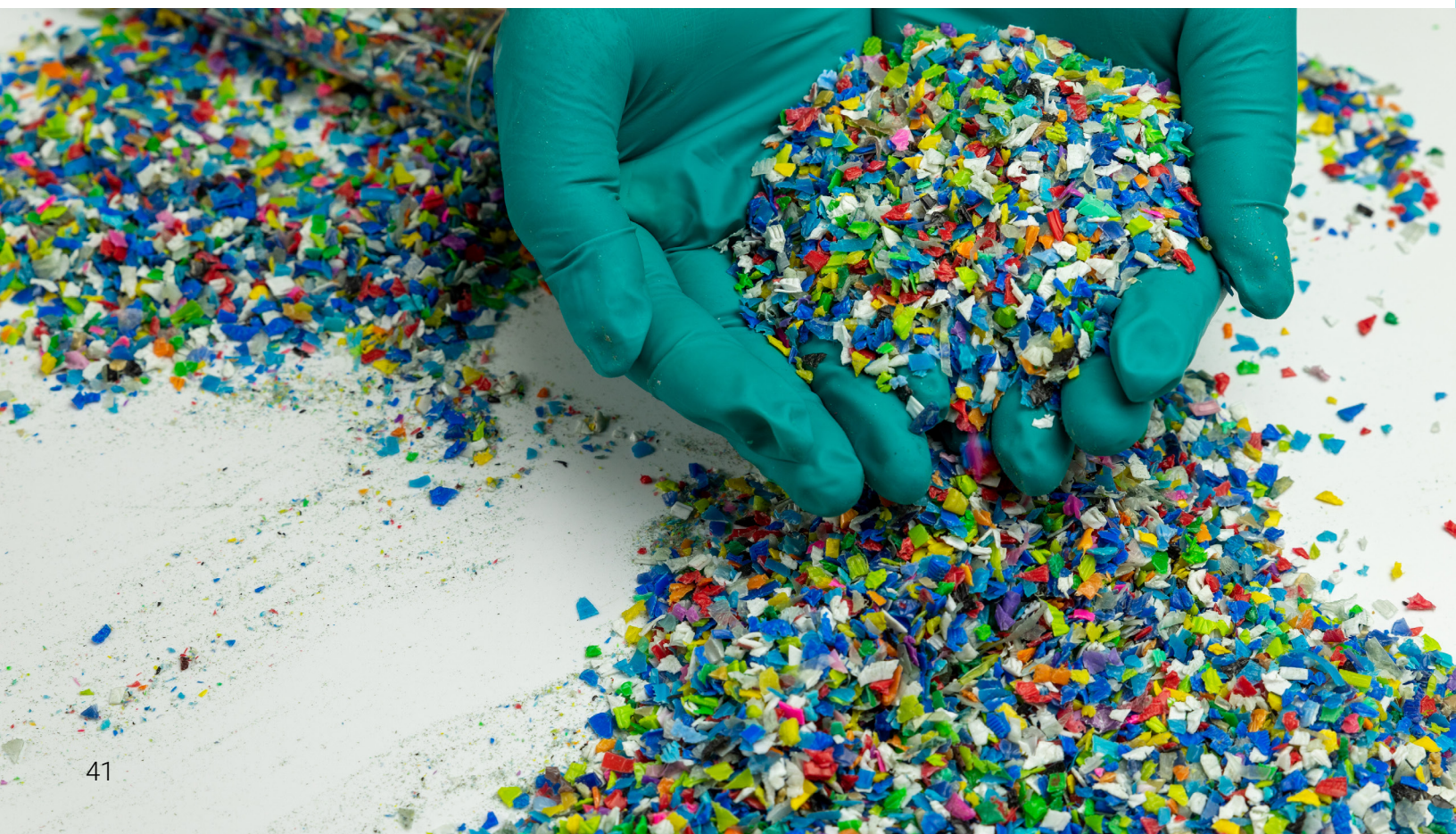


RESIN RECYCLABILITY



The Advanced Product Development Team has investigated the overall recyclability of all of ABC’s resins and products. 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. The team was able to identify the product and resin relationships and if there were any other secondary processes that affected the recyclability of the finished part.

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



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

PRODUCT RECYCLABILITY

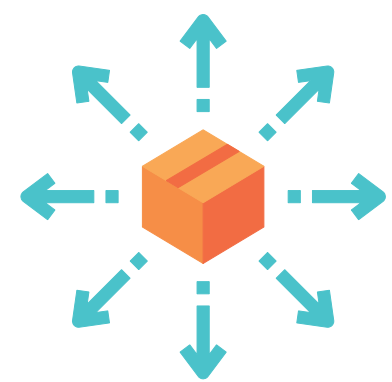


At the product level, the percentage of recyclability drops a bit further and that’s mostly due to secondary processes after or during the manufacturing of the actual original parts. Those secondary processes include painting, welding, addition of curable gases/mixtures to the melt stream, etc. Once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

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

SUPPLY CHAIN MANAGEMENT

RESPONSIBLE SUPPLIERS



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

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

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

SUPPLIER MANAGEMENT & AUDITING



ABC has a team of employees to manage suppliers, with team members broken down by separate areas of operations including supplier quality, logistics assistance, packaging, tooling, and capital expenditures.

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

SUPPLIER MANAGEMENT
& AUDITING
CONT'D

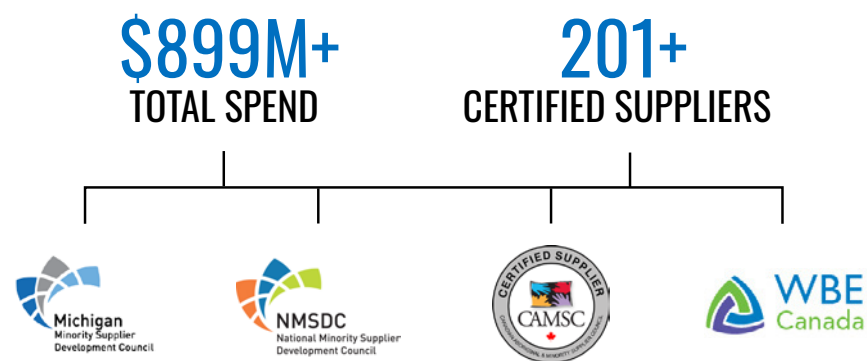
In 2023 we also began working with a third party to monitor ESG topics throughout our supply base. This will include surveys being sent out to all suppliers to understand their ESG policies and procedures and working with suppliers to improve where required. A Supplier Code of Conduct has been drafted and will be distributed to suppliers to communicate both our and our customers' expectations for the supply chain. This will help us to understand ESG risks throughout our supply chain as well as improving our EcoVadis and SAQ scores.

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 us and minority-owned businesses.

In the first half of 2023, ABC had a minority supplier spend of over \$29 million from 81 certified suppliers.



We strive to exceed our OEM customers' expectations for supplier diversity targets by exceeding our own. In 2023 ABC is on pace to exceed minority spend targets at Ford, GM, Honda, Stellantis and Toyota.

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

CONFLICT MINERALS



The Company is committed to ensuring that parts and assemblies in our products, regardless of where they are assembled or sold, are free from conflict minerals. To that end, ABC has engaged its suppliers to investigate their supply chains 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.



GUIDED BY ETHICS AND DRIVEN BY GOVERNANCE

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



CODE OF ETHICS AND BUSINESS CONDUCT



The Code has significantly expanded and continues to evolve. In addition, the Company's Board of Directors has approved and adopted the following which alongside the Code and the Environmental Social Governance Policy constitute the Company's "Core Policies": the Diversity & Inclusion Policy, the Whistleblowing Policy, the Insider Trading Policy, the Anti-Corruption Policy, the Fraud Risk Management Policy, the Social Media Policy, the Image Bank Use Policy, the Flexible Work Policy, and the Disconnecting from Work Policy - Ontario (collectively, the "Policies"). ABC has also adopted a Statement of Commitment Against Violence and Harassment in the Workplace, which together with the Policies serves to embody the Company's commitments to doing business in an open, honest, and ethical manner.

In FY2023 the Company conducted an enterprise overhaul of its processes and policies re-affirming the Company's commitment to compliance with international laws and standards prohibiting illegal child labour practices and prohibiting all forced labour.

In FY2023 the Company launched a comprehensive program of compliance training offered to all its salaried employees. As part of this program, Company's employees are assigned compliance training courses on a variety of rotating compliance topics on the quarterly basis. The courses are designed for the Company and are conducted by a third-party service who also allows the Company to track completion of the courses. The administration of the compliance training program is a joint responsibility of the Legal and HR departments of the Company.

ABC Technologies' Legal department and if necessary, the ABC's Compliance Committee struck on the ad hoc basis, is responsible for administering the Code and the Policies. The Human Resources department assist the legal department in administering the compliance training program and the Company's Internal Audit department assist the legal department with auditing and monitoring, and conducting internal investigations. The matters related to compliance with the Code are reported to the Nominating and Corporate Governance Committee of the Company's Board of Directors, which in addition to reviewing general compliance matters may update the Policies as needed. ABC Technologies' Human Resources department ensures that all

CODE OF ETHICS AND BUSINESS CONDUCT CONT'D



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

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

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

CORPORATE GOVERNANCE



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 and approved by our Chief Executive Officer. An IT Steering Committee has been established and meets regularly to plan the organization's technology direction, monitor progress of initiatives and review risks to the business.

GOVERNANCE CONT'D



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.
- We have documented an incident response plan and have conducted exercises to evaluate the organization's ability to respond.

DATA

Every quarter our security solutions block:



Over **60,000** DNS requests flagged as security risk are blocked automatically on any given month.



6 MILLION emails based on reputation of the sender



500,000 emails based on content

UNITED NATIONS
GLOBAL COMPACT



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

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

- HUMAN RIGHTS
- LABOUR STANDARDS
- ENVIRONMENT
- ANTICORRUPTION

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

OUR COMMITMENT
TO THE UN GLOBAL
COMPACT AGREEMENT



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

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

THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

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



**COMMUNITY
ENGAGEMENT**

OVERVIEW

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

UNIVERSITY/ COLLEGE RELATIONS



The attraction and retention of qualified co-op students, interns and new graduates is increasingly important to our success. We partner with post-secondary institutions to hire co-ops/interns for work placements in our corporate and plant environments.

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 through our candidate conversion rates (co-op/intern to full-time) and modify/improve our initiatives based on the feedback we receive from participants.



COMMUNITY ENGAGEMENT



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.

PLANT LEVEL

LOCAL LEVEL COMMUNITY SERVICE ORGANIZATIONS SUPPORTED BY ABC

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

SELECTED PLANT LEVEL HIGHLIGHTS:

TOYS FOR TOTS & DONATIONS TO THE LOCAL SHELTER



ABC Kentucky participated in two events that had direct impact on their community. The first event was the 'Toys for Tots' drive which is an amazing event entering into its 76th year in the state. The ABC team came together to donate and collect toys for children that are less fortunate. The Kentucky team also took donations to a location shelter to help give back to the community in need.

The ABC Southfield, Michigan location again held a toy drive to provide toys to The Children's Center in Detroit Southfield anticipated matching their 2022 contributions of nearly \$3,000 USD of gifts and gift cards.

UNITED WAY CAMPAIGN

ABC Windsor team was part of the United Way Campaign the unites our team members and gave them an opportunity to donate, volunteer and be part of a larger mission that directly impacts the community where they live and work.



SELECTED PLANT LEVEL HIGHLIGHTS CONT'D

ABC MEXICO RAISES FUNDS TO HELP PAY FOR A CHILDS CANCER TREATMENT (Teletón Hospital)

ABC's Mexico facilities continue the initiative to raise funds for a child with cancer and its employees organized several activities to raise funds such as selling baked goods, holding raffles, hosting concerts, and donating food and gifts to help Victoria, a three-year-old girl who requires support with chemotherapy treatment. The treatments are done at Hospital Infantil Teletón de Oncología, one of the four oncology-pediatric hospitals in the world.



ABC TECHNOLOGIES
LO LOGRAMOS!
por **VICTORIA**

Las plantas de México: Querétaro, San Juan y Ramos nos unimos y logramos la meta de recolectar \$100,000 para sus quimioterapias.

SELECTED PLANT LEVEL HIGHLIGHTS CONT'D

PANTRY DELIVERY TO THE ELDERLY IN SAN JUAN DEL RIO

The employees of ABC San Juan organized the delivery of pantry (basic foods) to Casa San José, a nursing home in the community. They were very happy and grateful to ABC for the support they receive every year.



SELECTED PLANT LEVEL HIGHLIGHTS CONT'D

WORKSHOPS FOR ABC EMPLOYEES IN MEXICO

ABC's Ramos Plant and Querétaro Plant organized a wonderful event for their local communities, including tours of the plant operations to highlight plastics and lightweighting processes and invited family members and children to learn a little more about the company. ABC Brazil organized soccer and basketball tournaments to welcome the community and family members to be part of positive sports habits to enjoy a safe experience.



MOLDING A GREENER FUTURE

ABC Technologies is committed to protecting the environment, fulfilling compliance obligations, and continually improving the Environmental Management System (EMS) to enhance its environmental performance. We are committed to environmental protection and stewardship throughout the lifecycle perspective, which has been helping us to understand and prioritize our actions towards continuous improvement.

We recognize that pollution prevention and resource conservation are critical factors of a sustainable environment, and we use EMS tools for manage our risks and opportunities. 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, as well as our willingness to protect the environment, be more efficient regarding our natural resources, 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. For the next years, we are planning to start controlling our Scope 3 – this priority will be under ABC Decarbonization Roadmap in a medium-term.

All plants across the globe must be audited through Environmental Compliance Audit assessment, which keeps our operations in compliance with laws and local requirements. Any compliance issues identified are reported immediately to management team, in order to take actions to quickly solve any inconsistency and it is closely monitored until completed using EMS tools.

ENVIRONMENTAL POLICY



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

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

Employees globally are communicated this policy to increase their awareness and promote continual improvement and protection of the environment.

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.

With the mergers and acquisitions that have happened in FY23, the baseline carbon footprint increased. Scope 1 emissions accounted for 14,865 tCO2 eq and Scope 2 emissions accounted 75,292 tCO2 eq. Even with the acquisitions of companies in the last fiscal year, the site still achieved a negative reduction in net CO2 eq emissions by 1%. Our continual improvements in energy efficiency and renewable energy procurement have led the way to reduce our overall electrical consumption.

To further drive these goals, ABC Technologies has announced a goal associated with the reduction of on-site energy usage by 3% in FY24 as compared to FY23. Along with another goal of improving overall CDP score by one ranking level in the next submission period.



Baseline was calendar year 2022



Goal is absolute

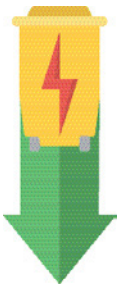


Electricity:
Goal for reduction was successfully met by having a total of 1% reduction of Global Scope 2 (electricity) emissions.

ECO EFFICIENCY CONTINUED

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

New Goals Moving Forward:



**3%
ANNUAL
REDUCTION**



Electricity & CDP:
reduce 3% energy, improve one ranking level CDP

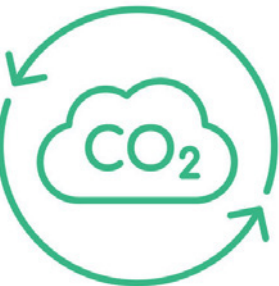
Facilities:
Includes all Tier 1 Facilities, offices not included

Data Calendar Year 2022



- Emissions:**
- Scope 1: 14,865 CO2e, metric tonnes
 - Scope 2: 75,292 CO2e, metric tonnes

COMMITMENT TO CARBON NEUTRALITY ON DIRECT/INDIRECT EMISSIONS BY 2035



ABC announced its commitment to become carbon neutral in our direct and indirect emissions (Scope 1 and Scope 2) by 2035. Our teams have been working hard developing our robust strategic plan to achieve this goal as soon as possible. In this fiscal year, we have started making good progress improving controls and quality data, started mapping Scope 3 emissions and started our decarbonization roadmap, where we could already identify potentially savings and great opportunities to be more efficient and greener in a short-term across the enterprise. Our priorities and actions to become carbon neutral 2035 are totally aligned with our core mission and our business strategy.

UPCOMING COMPANY WIDE CASE STUDIES

OVERVIEW

ABC is continually investing in our operations to systematically reduce carbon emissions, raw material consumption, improve energy efficiency and waste reduction. The following case studies provide a sample of the many initiatives we are excited about or have completed enhancing Eco Efficiency in our process and generate impressive cost savings.

RAW MATERIALS CONSUMPTION REDUCTION

ABC Technologies is committed to lightweighting our products. Through a global focus on machine processing parameters, increased monitoring of part weights, and introduction of mold design changes, ABC Facilities have reduced their resin consumption by more than 4 million pounds. The team at the ABC Grand Rapids Plant in Michigan, is to be commended for achieving 1.2 million pounds of part weight reduction in FY23.



ECO-EFFICIENCY CASE STUDIES

CARBON

COMPONENT FREIGHT
REDUCTION



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

REDUCTION IN
COMPRESSED AIR USAGE



ABC Technologies facilities have worked with their local and long-distance suppliers to reduce the impact of transportation of our incoming components across the globe. Through strategic initiatives such as pack density increases, reductions in logistical movements, and resourcing products to local vendors ABC Technologies has reduced its global environmental footprint. In FY23, the Company reduced 20.8 tons of CO2e Offset, resulting in USD \$312,000 in savings.

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

The ABC Mississauga Plant in Ontario, Canada developed a method to reduce the amount of compressed air used in their facility. The team noted that during a typical cycle, the machines were exhausted compressed air through a ½" manifold, which resulted in a loss of over 358 cfm during each cycle. The team reprogrammed the machines to no longer exhaust through this manifold, resulting in savings of USD \$28,000. This is equivalent to 200 cfm lost per shift. These actions have helped to reduce the runtime of the plant compressors, and consequently, reducing their footprint by over 7 tons of CO2.

ENERGY

ENERGY REDUCTION
IN KENTUCKY

SOLAR PANELS
IN MEXICO

ABC Kentucky is working on converting all their metal halide series lights into LED fixtures, in addition to installing motion sensors with auto-off features. These upgrades to the facility will save an impressive USD \$38,557 annually. Further, they are making strides to improve their regrind process, wherein they will set their grinders per-job rather than keeping them on permanently.

Three of our Mexico facilities have plans to install solar panels in FY24, with another three planning to retrofit in FY25. These solar panels will provide clean energy for our plants and reduce the load on the local energy grid while providing an impressive USD \$724,705 in yearly energy savings.

ENERGY CONT'D

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

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

WASTE

WOOD PALLET RE-USE



ABC San Juan del Rio in Mexico found a way to reduce their waste and recycle materials received from their suppliers. Every year they receive components and other materials on wooden pallets. These pallets are typically in good condition and the team decided to repurpose them to ship service parts from the facility. This simple action has resulted in the reduction of over 1,200 new pallets purchased to ship service parts, and the plant no longer needs to find ways to dispose of the pallets coming in from their vendors.

IN PROCESS WASTE
REDUCTION

The ABC Querétaro Plant in Mexico has implemented cost savings activities to reduce waste in their processes. Through the application of Six Sigma methodologies, they have been able to reduce the amount of catalyst, glue, and carpet required in the facility. These savings add up to more than USD \$125,000 in material costs. Added benefits include the reduction in landfill for these waste products and the decrease in carbon footprint by not bringing excess materials into the plant.

WASTE DIVERSION
TO RECYCLING



The ABC Etobicoke Plant in Ontario, Canada was previously paying their recycling processor freight and weight charges to landfill the byproducts of their processes. The team began a program to separate and identify their waste streams by material type. All waste material along with plastic trays from overseas electronic components are now being sent to a new recycling processor who provide a rebate for the value of the recycled material. This program has resulted in the diversion of more than 188 tons of waste.

A THANK YOU FROM THE ESG REPORT TEAM

Thank you for taking the time to read the ABC Technologies Environmental, Social and Governance (ESG) Report for our 2023 fiscal year.

We continue to develop our ESG goals and the impact it has both internally within our organization and how we operate and externally to the ecosystem.

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

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

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

