



SUSTAINABILITY REPORT

2013

Kuntz Electroplating Inc.

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

-Mike Kuntz, Vice President – Sales & Marketing, Kuntz Electroplating Inc.

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Sustainability Policy

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

KEI is an environmentally, socially and economically responsible corporation. We are committed to sustainable growth. This commitment extends to our employees, our customers, our community and our shareholders. We are dedicated to ensuring the health and safety of our workers, protecting human health, promoting overall wellness, preserving our natural resources and our continuous improvement initiatives. KEI is committed to complying with all applicable legislation that governs our business and industry.

KEI has implemented and maintains health and safety, quality and environmental management programs through which we:

- Ensure the health and safety of all our workers with the use of an internal responsibility system and through the use of industry best practice guidelines
- Are committed to the prevention of pollution
- Continuously evaluate and improve our processes and services to meet or exceed our customer's quality, delivery and service expectations
- Improve the socio-economics of our business
- Conserve energy and natural resources, and promote strategies to reuse and recycle those wastes that cannot be avoided
- Foster wellness, safety, quality and environmental awareness through continuous education and training
- Minimize risks by managing our programs to address the objectives and targets as set out by Senior Management

At KEI, the employees, supervisors, management, contractors, customers, suppliers, and visitors share an equal responsibility in the health and safety of the workplace and in KEI's sustainable development – environmentally, socially, and economically. Our joint efforts will help in the continuous improvement of our operations and help us achieve measurable success.

Industry Association

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

Regulatory Requirements

In 2012, a major initiative to improve air quality and odour was kicked-off. Working closely with the Ministry of Environment KEI's goal was to further reduce air emissions and odour from the facility, and improve internal air quality within the next 4 years. A significant investment was made in 2012 with the purchase and installation of a state of the art NOx Scrubber. Three other initiatives were implemented in 2013: (i) installation of a new state-of-the-art, energy efficient, mechanical pressurization system; (ii) re-zoning and air balancing of the main production facility; and (iii) a major investment was made installing a climate-control system in one of the large plants on site further improving air quality (see Energy Improvements Section).



The state-of-the-art, energy efficient mechanical pressurization system replaced existing mechanical exhaust systems used for heat rejection from an auxiliary equipment room. This system has a built in heat recovery systems to reclaim the heat generated from the equipment during the cold weather months, and returns the heat back into the space, and the production facility to maintain the desired zone temperature and pressure.

The main production facility has been zoned into multiple areas through the installation of walls and roll-up doors to help reduce/eliminate the potential for over pressurization from the wind/air currents when the doors open thus increasing the potential for fugitive odours to be released from the facility.

Charitable Contributions

KEI employees believe in giving back to the community by supporting charitable organizations such as United Way, Salvation Army and 570 News-Santa Toy Drive, as examples. Since 1983, KEI employees have made donations to the local United Way wholly or specific to the charity of their choice. The employees charitable contributions continued in support of the local Salvation Army *Share the Warmth* winter coat drive to ensure people of all ages were attired properly for the cold weather months; plus toys were donated to the 570 News - 8th Annual Santa Toy Drive to ensure “all children throughout the community would have a present to open at Christmas” (570 News, 2013).

KEI has also partnered with Canadian Blood Services in the [*Partners for Life*](#) program which is a nationwide program designed for corporate and community organizations for donating blood, platelets, and plasma. By joining this program KEI has committed to saving lives through blood donations as a team.

Wellness/Total Health at KEI

KEI’s first priority is the safety and wellbeing of their employees. In 2013, KEI received (for a second year in a row) *Waterloo Region’s Healthy Workplace Award Gold Level*. KEI has an established Wellness Program overseen by a Wellness Committee with members from Senior Management, Supervisory and hourly employees. Wellness at KEI is focused on Physical, Social/Sustainability, Psychological/Emotional, Intellectual, Nutritional, Spiritual (see Wellness Wheel).



For example, the Wellness Team provided displays/information for sugar content in different products, sun awareness and healthy food choices; plus they have worked with the cafeteria and installed a vending machine with healthy food and drink options.

Another example was the Pedometer Challenge. Thirty two (32) employees participated in this three (3) week challenge and walked 9,230,775 steps \approx 7,384 km \approx distance of walking to San Francisco California and back.



Projects/Sustainability Initiatives



Facility Re-Lamping/Bulb Recycling

To continue to reduce energy consumption and air emissions, the manufacturing facility continued to be re-lamped from 400 W metal halides to T8-6 bulb fixtures, plus T-12 fixtures are being replaced, and the metal halide outdoor lights were replaced. Energy usage, and air emissions for the facility has been reduced by 330,446 kWh and air emissions by 349 CO_{2e} per year; the latter of which is equivalent to the amount of greenhouse gas released from 48.4 passenger vehicles. The lights, fixtures and ballasts were placed in the appropriate recycling bins or sent off site to be recycled. In total 2,855 bulbs were recycled thus diverting 1,197 kg of glass, 10.5 kg of metal, 18.0 kg of phosphor, and 0.2 kg of mercury.

Energy Improvements

In 2013, KEI changed their HVAC equipment procurement procedure to purchase energy efficient HVAC system(s) where possible. Through project work, KEI installed EER rated HVAC equipment as part of a Climate Control project in one of the polishing departments. The HVAC equipment conditions the air and controls the humidity while at the same time running on less energy. In addition, two additional EER rated systems were purchased to replace older systems that were at the end of their life.



Investing in Recycling Programs

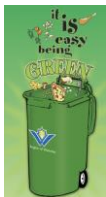
The recycling program for metals, cardboard, process solutions, etc. has been in place for many years and is established to (i) divert/reduce as much materials going to landfill (ii) reduce the use of materials, as much as possible.

Items that are taken out of service during maintenance and repair work, and/or through project work, are separated and placed into the appropriate recycling stream. Through the metal recycling program, 367,604 kg of various metals was diverted from landfill (a 10% increase from 2012);

60,973 kg of nickel metal was returned to the refinery to be reclaimed, 4,518 kg of chromium was sent to the recycler to be used in stainless steel production.



The expansion of the metal recycling program to divert used buffs from landfill resulted in an additional 7,277 kg of materials being diverted from landfill.



Organics Recycling

The organics diversion program has been in place since 2012. The focus in 2013 was on communication, and making improvements to the recycling stations throughout the facility. The Waste Management team worked in collaboration with the Waste collection company on improved signage that identifies what materials can be placed in what collection container. The Waste Management team has been and continues to work with our internal and external housekeeping staff to ensure proper collection and movement of the recyclable waste streams. In past, the waste hauler required recyclable materials to be separated such as paper, plastic and metals. Over the last 12 months, their procedures have changed and all these materials are now collected in a single container thus making it easier in-house for the materials to be diverted. New collection containers have been put in place throughout the facility, and the change in the collection has allowed for new containers to be added without taking up more floor space. We estimate that there will improvements in the diversion rate due to the efforts of all the employees using the new collection containers throughout the facility and to those that administer the program.

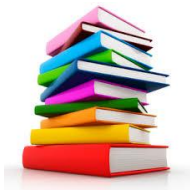
Sustainable Packaging/Incoming products

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



Water Reduction - Recirculation System

On an annual basis our facility uses an average of 55,000 m³ of water for washrooms, cafeteria and other services. City water usage is monitored and trended on a monthly basis and continual improvement efforts are implemented where possible to reduce the volume of water used throughout the facility. This has included in past years water saver toilets, addition of flow restrictors for the process and improving processes that had once through cooling. In 2013 further improvements were made to reduce once through cooling on the seal cooling pumps. This improvement resulted in a 5% reduction or 3649 m³ of city water per year.



Education and Training

KEI believes in the skills, training and knowledge of its current employee base; and supports continuing education for its employees. KEI offers GED training for employees to obtain their Grade 12; we offer an apprenticeship program for Millwrights and Electricians, plus KEI supports continuous learning for any person as it pertains to their job. This includes attendance at workshops, seminars, completion of online courses, or attendance/e-learning through secondary educational institutes. KEI successfully trains employees in the millwright and apprenticeship programs when there is a job opportunity available. These educational opportunities allows the employees to better

themselves by continuing their education, and offers KEI more advanced auxiliary support because the employees are familiar with KEI business activities and processes; and the layout of the facility.

KEI also supports the community by providing work terms for college and high school students in the following area(s), as examples: AutoCAD, computer programming, engineering, nursing, electrical and millwright. The work term provides the students with valuable work experience, and helps them make an educated decision for the career pathway they are considering; plus it helps them to be competitive in the marketplace.



Continuous Improvement

One of our main objectives is to continually improve and we saw measurable successes in 2013 with our “*sustainable*” initiatives. The efforts of our team will continue as we make improvements in the following areas:

- Continue to support the community through charitable contributions where possible.
- Continue to support the community through continued efforts to provide high school and college and/or university students coop placement opportunities, where possible.
- Continue to work with our local utility representatives in the area of energy usage, energy efficiency and energy reduction strategies.
- Continue to evaluate different technologies to reduce water usage.
- Conduct R&D to confirm boiler efficiencies and establish a baseline for the current operations, and to make improvements from the collected data where possible.
- Continue to evaluate technologies that will improve a process that results in a reduction of incoming raw materials, resources depletion, and/or generation of waste
- Continue to evaluate technology to reduce “contaminates” from the facility as defined under the ON Environmental Protection Act.
- Continue to reduce energy through continued re-lamping efforts, purchase and installation of energy efficient climate control HVAC units, and installation/retro fit for with VFD controls where possible.
- Continue to evaluate technologies that will further reduce energy usage throughout the facility.