



SUSTAINABILITY REPORT

2018

Kuntz Electroplating Inc. (KEI)

CORPORATE GOVERNANCE

“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”.

-Michael Kuntz, Executive Vice President Kuntz, Electroplating Inc. (KEI)

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CORPORATE BELIEFS



Figure 1. Corporate Beliefs. (KEI, 2018)

SUSTAINABILITY & QUALITY POLICY

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

As a responsible corporation we are committed to sustainability and operational excellence by

- Protecting human health and the environment;
- Setting quality and environmental objectives and targets;
- The prevention of pollution;
- Fulfilling our compliance obligations;
- Being customer focused;
- Meeting or exceeding our customer requirements through best-in-class quality, delivery and service; and
- Continuously evaluating and improving our processes and services.

In this regard, we have implemented and maintain Quality and Environmental Management systems in which we strive to

- Foster awareness through education and training;
- Improve the socio-economics of our business;
- Integrate sustainable development into our operations;
- Conserve natural resources, and support their sustainable use;
- Reduce the use of toxic substances and the generation of wastes; and
- Promote strategies to reduce, reuse and recycle across all business activities where possible;

The joint efforts of the employees, supervisors, management, contractors, customers, suppliers, and visitors at KEI ensure in the measurable success of the quality and environmental management systems.

WELLNESS/TOTAL HEALTH AT KEI



KEI's first priority is the safety and wellbeing of employees. In 2018, KEI received [Waterloo Region's Healthy Workplace Platinum Award](#) in recognition of our commitment to improving the health of our employees. We believe that *“wellness is about adding years to life and life to years.”* Through the efforts of our Wellness Committee (with members from Senior Management, Supervisory and hourly employees) we established a

Wellness Program called *Passport to Wellness* which includes six dimensions (through group and/or individual activities)) on each aspect of our Wellness Wheel - Physical, Social/Sustainability, Psychological/Emotional, Intellectual, Nutritional, and Spiritual. Employees have the opportunity to win prizes and earn dollars towards their health spending account.



Employees earn wellness points by participating in various healthy activities and have the opportunity to win prizes and earn dollars towards their health spending account. For 2018, 13 participants who reached the platinum level received \$500 for travel and a further \$500 in their health spending account. Overall 45 employees participated in wellness initiatives which included activities such as Health Risk Assessments, attending lunch and learns and other onsite wellness events.

CHARITABLE CONTRIBUTIONS

KEI and its employees believe in supporting the community. Since 1983, KEI employees have supported our local [United Way](#) and in 2012, we 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.

Our community support does not end here! Each fall, our employees continue to support our local Salvation Army *Share the Warmth* winter coat drive to ensure people of all ages are attired properly for the cold weather months; plus toys are donated each Christmas Season to the *570 News - Annual Santa Toy Drive* to ensure “all children throughout the community will have a present to open at Christmas.” We support our local [Toasty Toes](#)

campaign which is a program to help collect socks for the homeless within our community and [Community Living's Franklin Centre](#) through the donation of milk bags for milk bag beds, see Figure 3 for our region's homeless and for disaster relief areas in Haiti.

Milk Bag Bed Mat



Figure 2. Franklin Centre Milk Bag Bed Mat. (Community Living, 2018)

KEI and its employees are very supportive of the community and in 2018 we expanded our community outreach program to support [Samaritan's Purse/Operation Christmas Child](#), [Steps for Kids](#), and [Farwell 4 Hire](#). Operation Christmas Child is a charitable organization that helps 'bring joy and hope to children in desperate situations' around the world (Samaritan's Purse, 2019). The volunteers and staff help fill shoeboxes with gifts that are donated to children affected by conflict, poverty, and disease as examples so they are not lost or forgotten (Samaritan's Purse, 2019). Steps-for-Kids is a community walk to help raise funds and awareness in support of children and youth in the community affected by mental health. The aim of the program is to raise more awareness, inspire real conversations, and end the stigmatization around mental health, see Figure 4.



Figure 3. Lutherwood Steps for Kids. (Lutherwood, 2019)

COMPLIANCE OBLIGATIONS

ENVIRONMENTAL REPORTING

KEI is committed to their compliance obligations both federally and provincially. As such, community members have access to public information through different regulatory reporting portals such as The *National Pollutant Release Inventory* (NPRI), Canada's legislated publicly accessible inventory of pollutant releases (to air, water and land), disposals and transfers for recycling. KEI's NPRI reports can be accessed on the Environment Canada's [NPRI](#) website. KEI also provides an annual summary of [toxic substance accounting](#) under The *Toxics Reduction Act, 2009* whose purpose is to prevent pollution and protect public health and the environment by reducing the use and creation of toxic substances and to inform Ontarian's about toxic substances.

COMMUNITY AWARENESS

KEI engages the community about surface finishing and their plans to be a sustainable business through our Reflections Newsletter, public speaking engagements, plant tours, membership in industry groups and forums and other means. Stakeholders are provided with the history of the organization; our Corporate Beliefs and Core Values; details of our business activities; what the basic electroplating process entails; an introduction to our auxiliary support processes, and an overview of our compliance obligations. In addition, we provide work terms for college and high school students in the following area(s), as examples: AutoCAD, computer programming, environmental & engineering, nursing, electrical and millwright. The work term provides valuable insights and work experience to students make an educated decision for the career pathway they are considering.

EMERGENCY PREPAREDNESS AND RESPONSE

Due to the nature of KEI business activities and compliance obligations, we have an Emergency Response Plan that contains policies and procedures on how to deal with different types of emergency situations at our facility. One of our Core Values is to protect the environment through sustainable business decisions and practices in all aspects of business activities. In support of KEI's commitment to Environmental Stewardship, KEI has dedicated teams of employees committed to process improvements; plus a fully trained Emergency Response Team (ERT) who deals with emergency situations that may arise from our day-to-day

operations, which includes, but is not limited to: fire alerts, chemical alerts, medical alerts, power outages and violence in the workplace. KEI's Emergency Response Team meets on a monthly basis to review safety concerns, past events, and to do training in the areas of Incident Command, Communication, Risk Management, Heat Stress, Mental Health First Aid and Awareness, First Aid/CPR and Spills Management, see Figure 2 as example. In the event of an environmental emergency, KEI will make the public aware in accordance with their Communication Policy and Procedures, and any applicable laws.



Figure 4. Hazmat and Spill Response Training. (KEI, 2019)

ENERGY MANAGEMENT

Since 2009 KEI has been a [CIPEC](#) Leader, and have worked to improve energy usage throughout the facility through program initiatives such as facility re-lamping, procurement of energy efficient rated (EER) equipment, installation where possible of variable frequency drives (VFD's). We have an embedded energy management team (EnMT) that monitors the procurement and use of commodities throughout the facility. EnMT continues to be an integral part of our Sustainability

ENERGY IMPROVEMENTS

In 2018, we continued to purchase energy efficient HVAC system(s) where possible. Through project work, KEI installed additional EER rated HVAC equipment and continued energy improvements through the installation of additional Variable Frequency Drives (VFDs) on production equipment and auxiliary equipment where possible.



INVESTING IN WASTE REDUCTIONS, DIVERSION & RECYCLING PROGRAMS

In 2017, KEI established a 20% diversion rate over a 10 year period with the aim to improve existing programs efficiencies 1-2% per year to reduce Blue Box type materials going to landfill. In 2018, the program focus was on Coffee Cups and Sheet Paper. Our measured results show improvement in our goals for diverting coffee cups, and reducing the amount of sheet paper used throughout the year; however, we did not fully achieve our target improvement to divert sheet paper from landfill. KEI will continue to focus on sheet paper and Kraft paper in 2019 with continued education and training and the implementation of collection containers in identified areas. We'll continue to reduce sheet paper usage through double sided printing, putting electronic tracking systems in place where possible and, print only those items that are really needed.

We have a very successful, large scale recycling program for various mixed metals generated from maintenance and repairs, and off-specification process materials. Through this program all materials are sent out to be recycled as much as possible. As such, in 2018 we recycled, 123,856 kg of various mixed metal products; 100,143 kg of nickel metal was returned to the refinery to be reclaimed, and 3,865 kg of chromium was sent to the recycler to be used in stainless steel production.

The Sustainability team continues to work with our internal and external interested parties to ensure proper collection and movement of recyclable materials. Our ongoing efforts will continue to bring education and awareness to our program initiatives and help divert blue box materials from going to landfill.



FACILITY LIGHTING/BULB RECYCLING

KEI recycling efforts continued throughout 2018, spent bulbs, fixtures and ballasts from facility lighting were sent off site to be recycled. In total 1,717 lbs were recycled.

BATTERY RECYCLING

Industrial batteries collected through KEI's facility wide recycling program are put through a clean and safe recycling program, see **Appendix A** which recycles the lead, plastic, and electrolytic components, and creates 'new' (recycled) batteries. In 2018, KEI recycled 2,065 lbs of automotive and mixed batteries.

SUSTAINABLE PACKAGING/INCOMING PRODUCTS

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

INDUSTRY ASSOCIATION

KEI 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. As an active CASF member, our team attends Lunch & Learns and educational events to help members attend keep abreast of new and/or amended compliance obligations, educational opportunities and other sector specific changes or requirements. Furthermore CASF is actively engaged at a high level with the government on policy reviews.

REGIONAL SUSTAINABILITY INITIATIVE

In 2016, with the help and support of the Regional Sustainability Initiative group, we developed a 10 year reduction target to monitor our GHG emissions. We chose an intensity based metric to help monitor our performance due to forecasted business growth. As a [*Bronze Pledging Partner*](#), we have successfully achieved a 868 tonne GHG absolute reduction in GHG emissions, see Figure 5

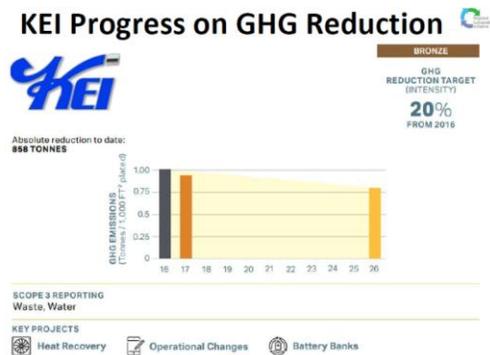


Figure 5. KEI Progress on GHG Reduction.
(Regional Sustainability Initiative, 2019)

As a Regional Sustainability Initiative member we are part of the [Green Economy Hub](#), who has helped us set and achieve our Sustainability targets. As part of our commitment, KEI is part of a collective group reducing their GHG emissions in Ontario. Through networking opportunities, KEI raised awareness to others in our community by participating in the [Green Economy Canada – It’s Possible](#) video and by presenting to the Climate Smart Edmonton group actions and effectiveness we’ve taken on being Sustainable. We continue to evaluate our data and work collaboratively with our associations (CASF, CME, & SWR) and our industry affiliations (KW Hydro) to identify opportunities to continuously improve existing systems where and when possible; plus we continue to purchase state-of-the-art equipment that helps to reduce our carbon footprint.

EDUCATION AND TRAINING

KEI believes in the skills, training and knowledge of its current employee base; and supports continuing education for its employees. We offer the following opportunities for our employees as examples: apprenticeship program for Millwrights and Electricians, [Certified Electroplater Finisher \(CEF\)](#), and GED training. We support 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 electrical 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.



CONTINUOUS IMPROVEMENT

One of our main objectives is to continually improve and we saw measurable successes in 2018 with our “*sustainable*” initiatives. The efforts of our team will continue as we make improvements in the following areas:

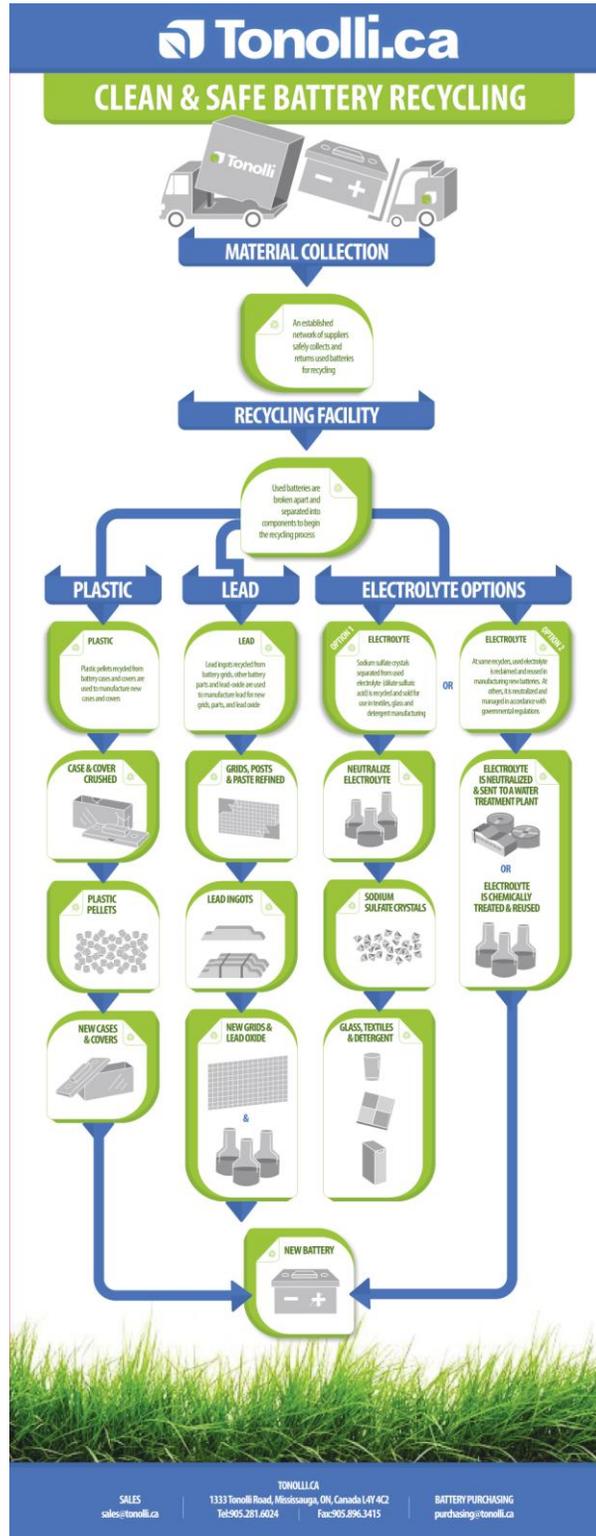
- Continue to support the community through charitable contributions where possible
- Continue to support the community through continued efforts to provide high school and college and/or university students coop placement opportunities, where possible
- Continue to provide KEI employees access to education and training in support of their job duties and responsibilities with the aim for them to grow and learn and be successful in internal job postings and/or transfers
- Continue to discuss and where possible, align annual sustainability program initiatives with KEIs Wellness Wheel Profile and Dimensions and with the UN Sustainable Development Goals and Targets with the aim to provide global awareness on KEIs commitments to being sustainable
- Continue to work with our interested parties in the area of commodity usage and reductions
- Continue to be innovative and evaluate technologies that will improve our business practices and processes resulting in improved usage of incoming raw materials and reduction of waste
- Continue to evaluate our waste streams and identify additional streams for elimination, reduction, and/or diversion

In summary, Sustainability is one of KEIs Core Values and is supported by our Sustainability Policy.



We are fully engaged to protect the environment and to identify new innovations or technologies that will support our continual improvement initiatives in all environmental areas so we can be more sustainable in all our business practices. We work collaboratively with local utility companies, haulers, suppliers, and our customer base to identify additional opportunities in the areas of energy efficiency, resource recovery, and resource diversion as examples.

The Sustainability Team



References

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