



## SUSTAINABILITY REPORT

2019

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

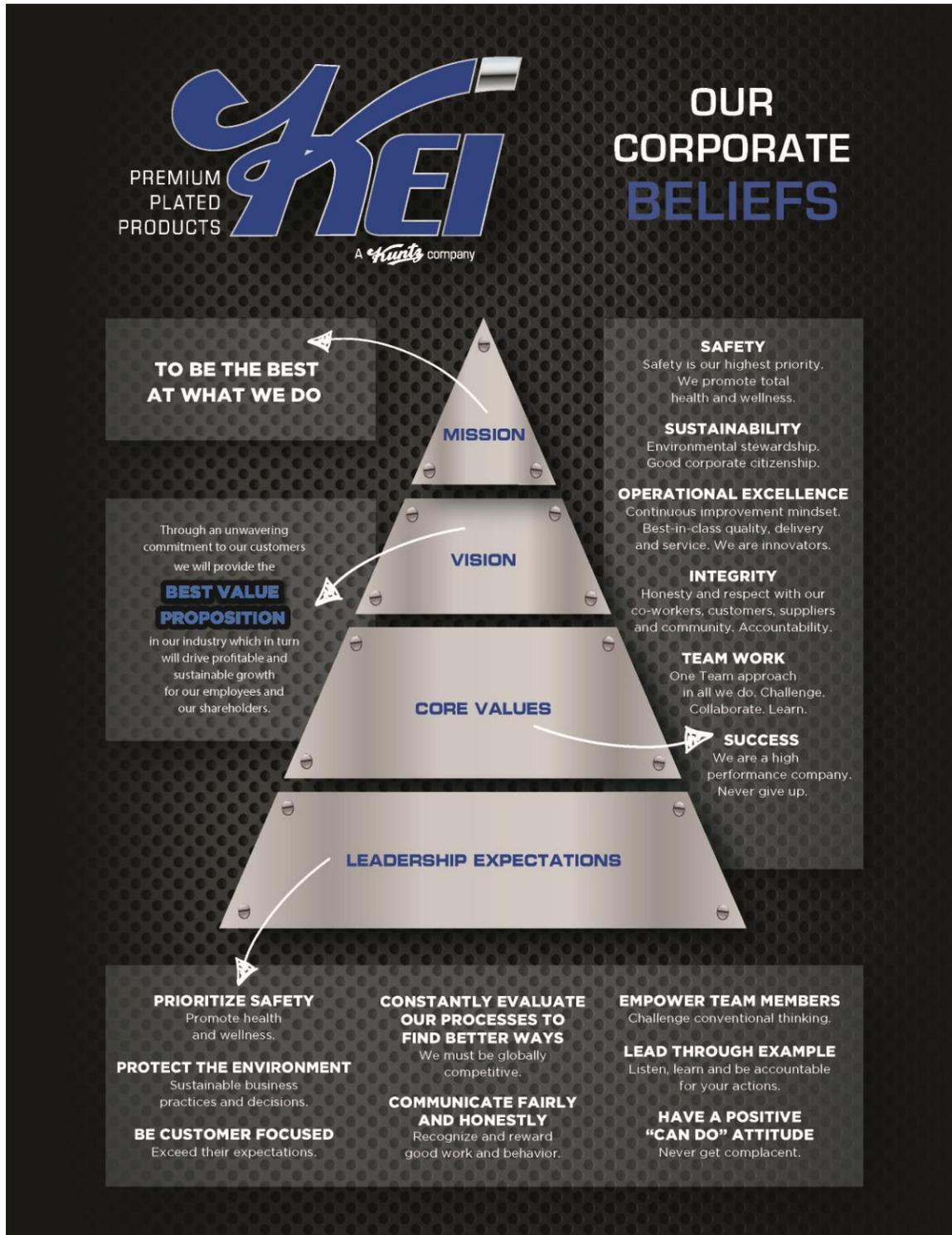


Figure 1. Corporate Beliefs. (KEI, 2018)

## **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.

## Employee Wellness



KEI's first priority remains the safety and wellbeing of its 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 continue to focus on the 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 get involved and win prizes throughout the year. In 2019, we introduced a new EFAP program to our employees – Morneau Shepell with its new LifeWorks program in an effort to assist our employees to lead happier, healthier, more productive lives through the application of innovative technology (mobile-first user technology).



## 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. And our community support does not end here! Each fall, our employees continue to support our local Salvation Army *“One Warm Coat” Campaign* 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 vulnerable populations in the community through the [Toasty Toes](#) campaign, which is a program to help collect socks for the homeless, the [Community Living’s Franklin Centre](#) through the donation of milk bags for milk bag beds for our region’s homeless.

Through additional outreach programs KEI employees support local charitable organizations such as [Samaritan’s Purse/Operation Christmas Child](#), and [Food4Kids](#)

[Waterloo Region](#). Operation Christmas Child helps ‘bring joy and hope to children in desperate situations’ (Samaritan’s Purse, 2019). Utilizing free office space at KEI, the volunteers and staff help fill shoeboxes with gifts that are donated to children affected by poverty, and disease as examples so they are not lost or forgotten (Samaritan’s Purse, 2019).

At our 2019 March communication meetings, Kelly Sue Oberle, Chief Passion Development Officer from [Food4Kid Waterloo Region](#) shares her experiences with our employees about food insecure children in the community. We hear about

- a 7 year boy wanting to talk to her, to ensure she had the logistics of where to deliver his food package as he was quite concerned he would not receive it
- the Grade 1 student who pleads with the office not to send her home sick prior to her food bundle delivery; and
- the adult male whose mother never ate dinner with them at the table because they were food insecure and she did not want the children to know.



Her stories resonate throughout the room, as the unfortunate reality for these children is that they often do not know when they'll get to eat next. Food4Kids supports 517 children, at a cost of \$10,000.00/week for food supplies. Kelly-Sue and her team of volunteers prepare packages of food containing 16-20 items and deliver them to the school each Friday. These bags are placed in each child's backpack to reduce any stigmatization related to the food donation program. Kelly-Sue, a person with great empathy and passion, continues in her mission to ensure severely food insecure children have enough food to sustain themselves during the weekends and over school breaks such as Christmas, March break and the summer months. Kelly-Sue is thankful to KEI for allowing her to share her information with such a large group of people and from her conversations with the employees she made mention that there was a lot of interest in volunteering and donation options. As such, we encourage KEI employees to continue to support hungry children in the community.

## Sustainable Development Goals (SDGs)

The Sustainable Development Goals seek to address some of the world's biggest challenges such as ending poverty and hunger in all its form everywhere. Governments are responsible for prioritizing and implementing approaches that will meet the SDGs. However, these approaches require collaboration from businesses as well as civil society. The SDGs are relevant to our business and in 2019 through our charitable donations and education and training programs (CEF, Powder Coating specialists and skilled trades) we support improvements that are helping achieve SDG #1 No Poverty, SDG #2 Zero Hunger, SDG #3 Good Health and Wellbeing and SDG #4 Quality Education. As part of our Corporate Beliefs, and long established history in the community, we will continue to support local initiatives that help improve opportunities for our employee's and members of our community.



**Figure 2.** Sustainable Development Goals (United Nations, n.d.).

## Business Growth and Opportunities

During 2019, KEI continues to grow and expand their business opportunities with the addition of a state of the art powder coating system. Our team members attend training held by the Powder Coating Institute that has representatives from industry, suppliers, and applicators. Experts in the industry introduce our team members to the basics of powder coating equipment operation as well as 'best practices' for coating in our work environment. Some of the topics included are hands on operator training, care and maintenance of pumps and guns, review of common quality issues, and throughput and quality improvements. Given our history and experience in surface finishing parts, there was also some discussion on algae growth in the rinses that were outside of the pre-designed course materials.

## Compliance Obligations

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.

## Environmental Compliance Approval (ECA)

As part of KEI's ECA consideration has to be given not only to the emissions from our tall stacks, but also odors. Over the years, KEI has invested significantly in infrastructure and process changes to improve air quality and eliminate offensive odors that would cause discomfort to any member of our community. As such, we have a robust maintenance program that supports our ECA compliance requirements. Because of our committed efforts to our compliance obligations, KEI has no complaints on record since 2012.

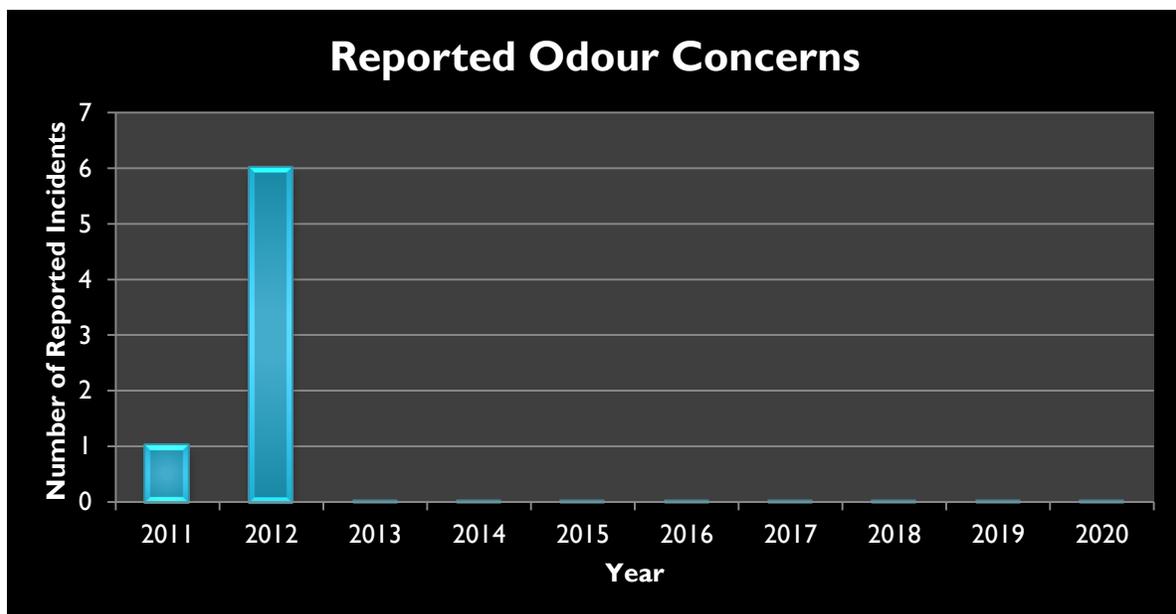


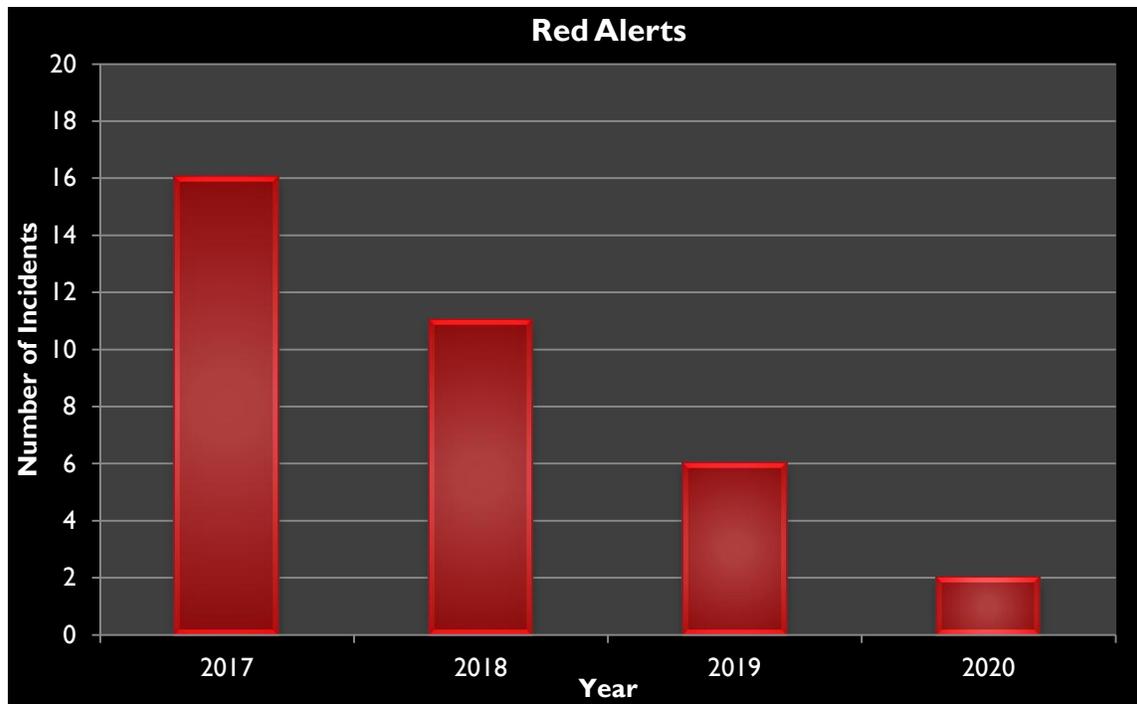
Figure 3 Reported Odour Concerns (KEI, 2020)

## **Community awareness**

KEI informs the community on surface finishing and their plans to be a sustainable business through our Reflections Newsletter, public speaking engagements, and plant tours. The 'audience' is provided 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. More information about KEI can be found at [www.kuntz.com](http://www.kuntz.com).

## **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. Our Corporate Belief 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 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: red alerts, chemical alerts, medical alerts, power outages and violence in the workplace. KEI's ERT meet on a monthly basis to review safety concerns, past events, and to do training in the areas of Communication, Risk Management, Mental Health First Aid and Awareness, First Aid/CPR and Spills Management. In the event of an environmental emergency, KEI will make the public aware in accordance with their Communication Policy and Procedure. Furthermore, KEI's 444 Occurrence Review committee reviews the alerts, proposes actions for improvements. Because of the actions taken to reduce fire related events, KEI is seeing a decrease in RED alerts.



**Figure 4.** RED Alerts (KEI, 2020)

### **Water Savings and Reductions**

Surface finishing is a commodity heavy process that requires the use of water. As such, KEI strives to be efficient and make reductions in our water usage, where possible. Throughout 2019, nickel recovery ion-exchange systems were installed to reduce the amount of water being used for our nickel plating processes. The implementation of this equipment reduces KEI's soft water usage by 5,748 gallons/day. The added benefit to this water saving strategy is that we were able to reclaim 185 kg/day of nickel sulfate (liquid form), which is then returned back into the nickel plating process.

### **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**

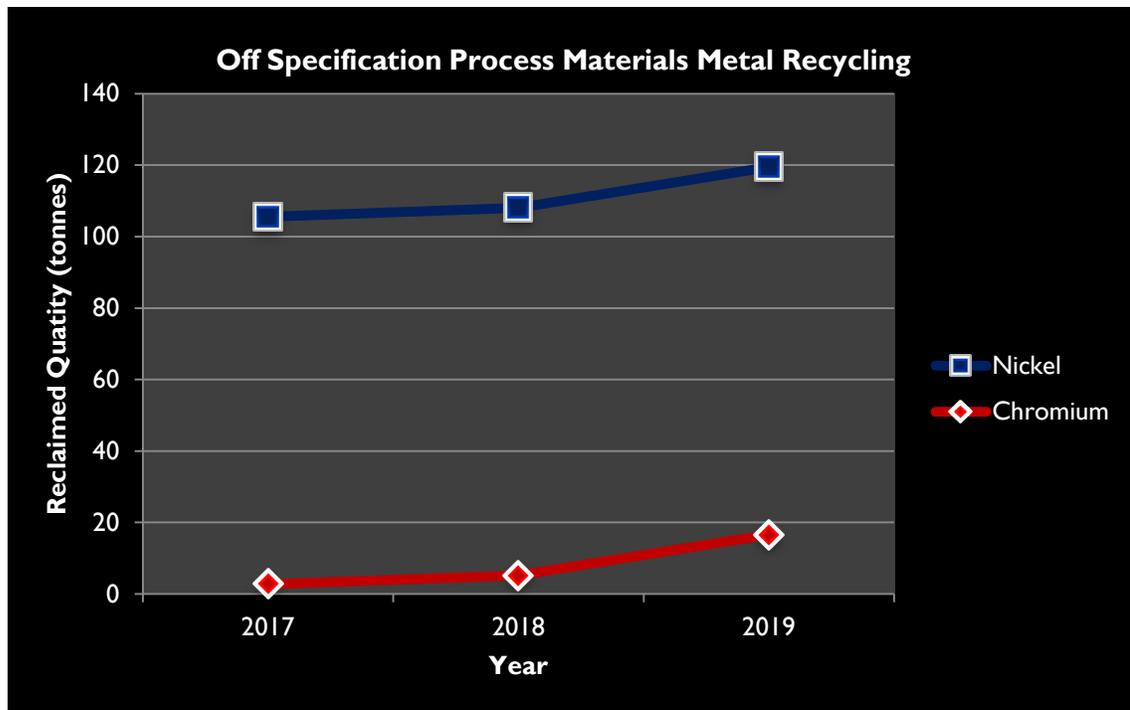
In 2019, we continued to purchase energy efficient HVAC system(s) where possible. Through project work, KEI installed additional EER rated HVAC equipment and continue energy improvements through the installation of additional Variable Frequency Drives (VFDs) on production equipment and auxiliary equipment where possible.

## **Investing in Diversion 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. From the 622,826 kg of materials produced for disposal, an estimated 379,642 kg of material was sent to a diversion program.

In addition, our objective from off specification process materials is to reclaim and recycle as much as we can. In 2019, we were able to return 119.5 tonnes (119,448 kg) of nickel metal to the refinery to be reclaimed, and 16,565 kg of chromium was sent to the recycler to be used in stainless steel production.



**Figure 5.** Off Specification Process Materials Metal Recycling (KEI, 2019)

### 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 2019, KEI recycled 1,871 kg 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. The association 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 keep abreast of new and/or amended compliance obligations, educational opportunities and other sector specific changes or requirements. We actively engage at a high level with the government on policy decisions and tools and instruments to help achieve compliance strategies that meet the government and industry requirements. Our most active initiatives continue to be the National Pollutant Release Inventory, the OBPS program (federal carbon program) and Metal Finishers Industry Standard.

### **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 276.7 tonnes CO<sub>2e</sub> GHG absolute reduction in GHG emissions, see Figure 5



**Figure 6.** 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. 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. In 2019, the

focus was on training employees on the principles of powder coating in support of our new powder coating process.

KEI strongly 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. As a result of COVID-19 restrictions, some programs have gone from in-person learning to online learning platforms. As such, KEI continues to support learning and training initiatives through the online learning approaches. Furthermore, we successfully train employees in the millwright and electrical apprenticeship programs. This offers employees real-life hands on training. The benefit to KEI by having highly skilled in-house staff, allows for real time troubleshooting and problem solving capabilities, which means that we are able to address process related concerns in a timely manner.

## Continuous Improvement

One of our main objectives is to continually improve and we saw measurable successes in 2019 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

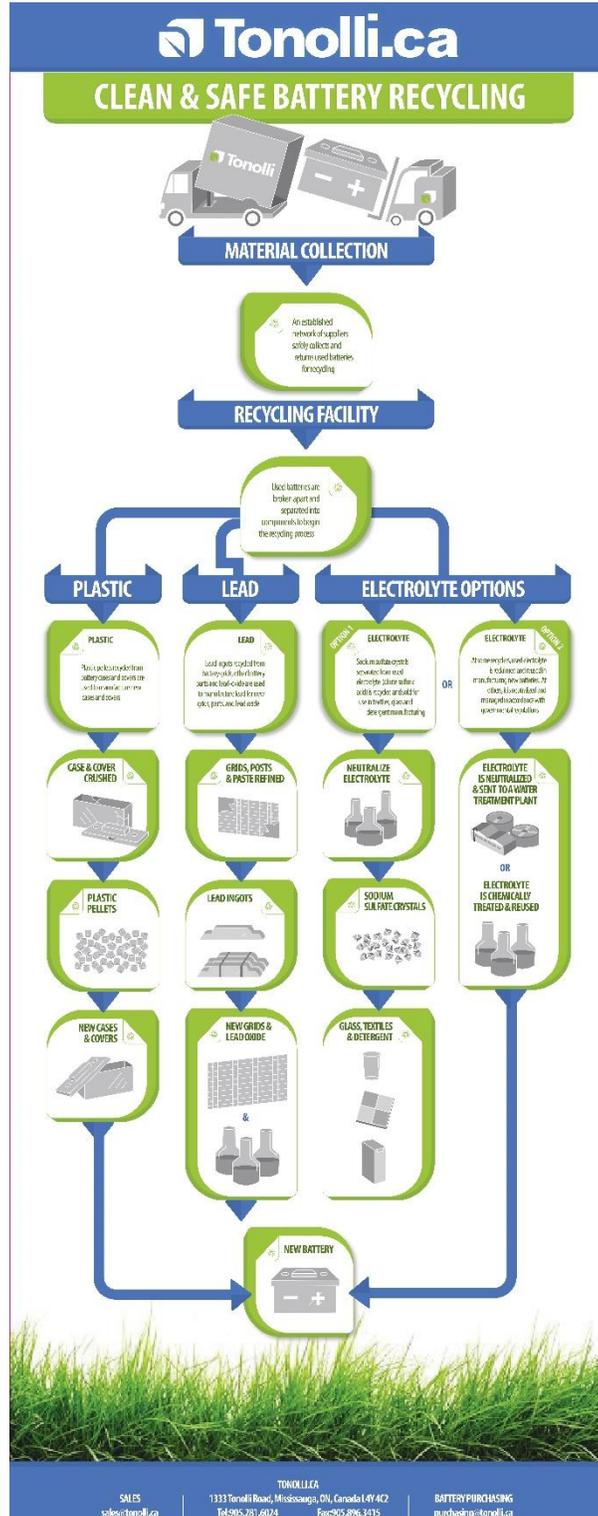
In summary, Sustainability is one of KEIs Core Values and is supported by our Sustainability Policy.



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*

# APPENDIX A



## REFERENCES

Regional Sustainability Initiative. (2019). *2019 A year in review*.

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