



ABC TECHNOLOGIES

INNOVATION IN PLASTICS & LIGHTWEIGHTING



CORPORATE SOCIAL RESPONSIBILITY REPORT

ABOUT THIS REPORT

ABC Technologies’ FY2019 Corporate Social Responsibility (CSR) Report details our CSR program’s performance and progress toward facilitating our core mission — to be 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 2019 (July 1, 2018 – June 30, 2019). This is our first CSR report and it is our goal to produce an updated report annually. Content in this report covers all operations, including manufacturing, distribution, and administrative offices, in 37 locations globally including Canada, United States of America, Mexico, Brazil, Spain, Poland, China, Germany and Japan.

All dollar amounts herein are in United States Dollar.

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

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A MESSAGE FROM THE CEO

ABC Technologies' FY2019 Corporate Social Responsibility (CSR) Report details our CSR program's performance and progress toward facilitating our core mission — to be the “Premier Supplier of Custom Engineered Technical Plastics” for our global customers enabling continual Innovation in Lightweighting Technology Solutions.

Corporate social responsibility (CSR) is ABC's commitment to manage the social, environmental and economic effects of our operations responsibly and in line with expectations of our customers, employees, owners and the overall social environment. CSR is a critical part of ABC's approach to corporate governance and touches every part of the business, including engineering, human resources, manufacturing, supply chain, finance, health and safety, and more.

As part of our ongoing commitment to our CSR activities, we are committed to:

- Policies and expectations that assure we operate internally and externally with all our employees, customers and partners using ethical business practices
- Reinvesting profits in health, safety and environmentally responsible programs
- Supporting charitable organizations in the communities in which we operate
- Promoting equal opportunities and a safe work environment for all employees regardless of location, background, race, religion, gender or social orientation

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

Todd Sheppelman

President & Chief Executive Officer



ABC Plastic Moulding Circa 1974.

COMPANY OVERVIEW

A privately owned Canadian company since 1974, ABC Technologies 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 - Fluid Management, HVAC Distribution Systems, Flexible Products, Interior, Exterior, and Air Induction Systems. Ranked as one of the top industrial automotive blow-molders and injection-molders in North America, our manufacturing processes include Blow and Injection Molding, Thermoforming, Sheet Extrusion, Interior/Exterior Painting and Material Compounding. We provide comprehensive support services, from advanced research and development to overall project management.

Our distinction is our vertical integration. We produce products from concept to production for a constantly growing number of unique automotive components and systems. The research and development, materials, design, testing, tooling, machines, processing technologies, and secondary assembly systems are all supplied and controlled within our own company. To our customers this means faster development, increased design flexibility, improved efficiencies in manufacturing and assembly, significant cost savings, enhanced quality and performance.



ABC Technologies' Six Drivers of CSR Framework.

CSR PROGRAM OVERVIEW



ABC Technologies is committed to having a positive impact by supporting the environment, customers, our people, and community members. Our program is anchored by our Corporate Social Responsibility (CSR) Policy, which guides ABC Technologies' operations for sustainable performance in accordance with the core values of the company. The policy sets forth the six 'drivers' of CSR that align with the company's scope of operations and practices, including (1) our people, (2) customer centered products/innovation, (3) business ethics, (4) corporate governance, (5) community involvement & development, and (6) environmental sustainability. The executive team is committed to including consideration of all CSR related issues in all business strategies, ensuring a culture of sustainability.

Additionally, ABC Technologies is a signatory to the UN Global Compact, an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies and practices, and to report on their implementation. It is the world's largest corporate sustainability initiative with over 13,000 participants, from over 170 countries. The ten principles are in the areas of human rights, labor, the environment, and anti-corruption.



AWARDS AND RECOGNITION

Globally, ABC Technologies has been recognized for the value we bring to our automotive customers. The awards and recognition we continually receive is a testament to the hard work and passion of our people. Since 1992, ABC Technologies has won over 100 awards.

Our focus on the quality of service, diversity in the workplace as well as with our supplier base and overall customer care are a result of our CSR initiatives within ABC Technologies.

2018 GM Supplier of the Year Awards Night.



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



QUALITY

- NTN Driveshaft Outstanding Supplier of the Year
- **GM Supplier Of The Year***
- GM Supplier Quality Excellence
- Wards Auto Interiors '10 Best Interiors Award'
- FCA Supplier Of The Year



DIVERSITY

- Nissan Supplier Diversity
- FCA Supplier Diversity Award
- GM Top Diversity Performer Platinum
- Toyota Certificate of Achievement
- **CAMSC Corporation of the Year***
- CAMSC Procurement Business Advocate of the Year
- WBE Supplier Diversity Champion



CUSTOMER CARE

- **GM Customer Care & After Sales Delivery - Certificate of Excellence***
- GM Overdrive Award

* See the following page (7) for further information regarding these awards

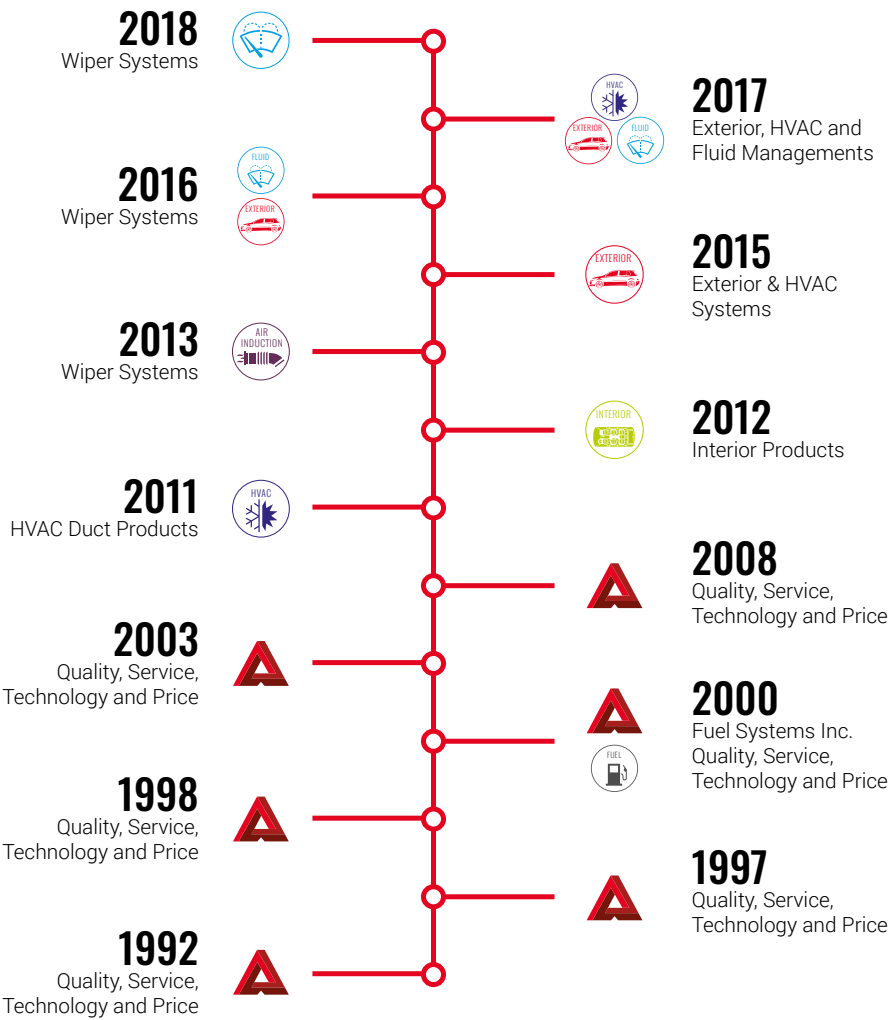
QUALITY:

ABC TECHNOLOGIES HAS BEEN AWARDED GM SUPPLIER OF THE YEAR AWARD 13 TIMES



General Motors’ supplier of the year award is presented to General Motors’ suppliers who exhibit best-in-class performance across many facets. This is a clear reflection of ABC Technologies’ contribution in a mutual effort to provide GM customers with the best vehicles and services in the industry. ABC Technologies has the distinct honor of being recognized with 13 awards by GM across multiple business units and will continue to deliver quality service and parts within our growing partnership with General Motors.

HISTORY OF ABC TECHNOLOGIES’ GM SUPPLIER OF THE YEAR AWARDS



DIVERSITY:

CAMSC CORPORATION OF THE YEAR



Within the last five years alone, ABC Technologies’ CAMSC certified minority suppliers spend amounted to over \$160 million. This was achieved by helping business owners become certified suppliers to ABC Technologies’ diverse supply base. Suppliers are regularly invited to bid on projects and services. As a result, more than 43 companies are now CAMSC certified, supplying goods and services to both ABC Technologies as well as to other tiers.

CUSTOMER CARE:

GM CUSTOMER CARE & AFTERSALES PLATINUM CERTIFICATE OF EXCELLENCE



ABC Climate Control Systems in Toronto, Canada was awarded in recognition for outstanding on-time shipping performance to General Motors customer care and aftersales. This was a testament to the team at Climate Control Systems that exemplified the dedication and commitment to serve customers like GM with excellent customer service.



POWERED BY PEOPLE

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

ABC Tech Centre 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.

We set the following goals and objectives in FY19 to further advance our overall injury and incident prevention performance.



ZERO RECORDABLE INJURIES



IDENTIFY AND ELIMINATE ALL HAZARDS
AND RISKS FROM OUR BUSINESS
ENVIRONMENT

Moving forward, the program has a goal to become certified to the **ISO-45001** certification in 2020. Obtaining this certification will enable the program to receive formal recognition for the best practices utilized across operations.



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 and safety system and for an injury free work environment through rigorous accident/injury prevention processes including violence and harassment. We will comply with all applicable safety laws and regulations and take all reasonable measures to prevent personal injury, occupational illness and damage/loss of company assets.

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.

HEALTH & SAFETY PROGRAM
STAFF RESPONSIBILITIES



We believe that clearly delineating responsibilities at each staff level ensures that employees are aware of their responsibilities and expectations for supporting the achievement of organizational safety goals. The Health & Safety Program Responsibilities framework below lays out responsibilities for each staff level and is routinely communicated.

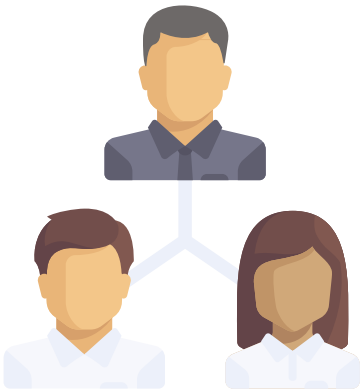
Management

The management team is committed to the prevention of occupational illness and injury, in both the workplace and in the use of our products and services. The management team is responsible to develop, implement and maintain a health and safety management system with procedures for implementing these policy objectives and ensure that safe and healthy work conditions are maintained and legislated requirements and industry standards are being followed.



Supervisors

Supervisors are accountable for the health and safety of the workers they supervise and that machinery and equipment are in safe operating condition. It is the responsibility of every supervisor to ensure that safe and healthy work conditions are maintained. The supervisor must ensure that all established company safe work practices, legislated requirements and industry standards are being met and followed.



Employees

It is the responsibility of every employee to work safely and to report all unsafe or unhealthy conditions to their supervisor immediately. Every employee must protect his or her own health and safety by working in compliance with the law and with safe work practices and procedures established by the company.



Visitors and Subcontractors

It is the responsibility of all visitors and subcontractors to abide by the ABC Technologies health and safety management.



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 2019.

- Monthly corporate “Always Be Careful” safety message
- Pre-shift tool box talks
- Near miss & hazard reporting incentive (pizza party for every 150 reported & corrected)
- Safety alerts
- 90% corporate safety audit objectives
- 2 JSA’s per general manager per plant per month
- Serious Six
- RADAR (Non-routine work hazard assessment program) (see below)
- Stop and Think! Stop work authority cards (see below)



EMPLOYEE TRAINING PROGRAMS



ABC Technologies provides health & safety training courses (see below), each of which are 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, biannually), 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.

FY2019 HEALTH & SAFETY TRAINING COURSE LIST				
Accident Investigation	Aerial Platform (Scissor Lift)	Arc Flash	Compliance Obligations in Canada	Confined Space Awareness
Confined Space Entry	Contractor Safety	Crane Safety	Due Diligence	EMS Awareness Training
Ergonomics / Musculoskeletal	Fall Arrest / Fall Protection	First Aid & CPR	First Aid & CPR (Renewal)	Fire Extinguisher Safety
Forklift & Propane Handling	Forklift Recertification (Practical)	Hazard Analysis	Lockout/Tagout	Machine Safety and Guarding
Manual Material Handling	Personal Protective Equipment	Spill Containment	Supplier/Contractor Environmental Compliance Form Training	Transportation of Dangerous Goods (TDG)
	WHMIS 2015-GHS Refresher	Working at Heights (Ladder Safety)	Workplace Inspection	



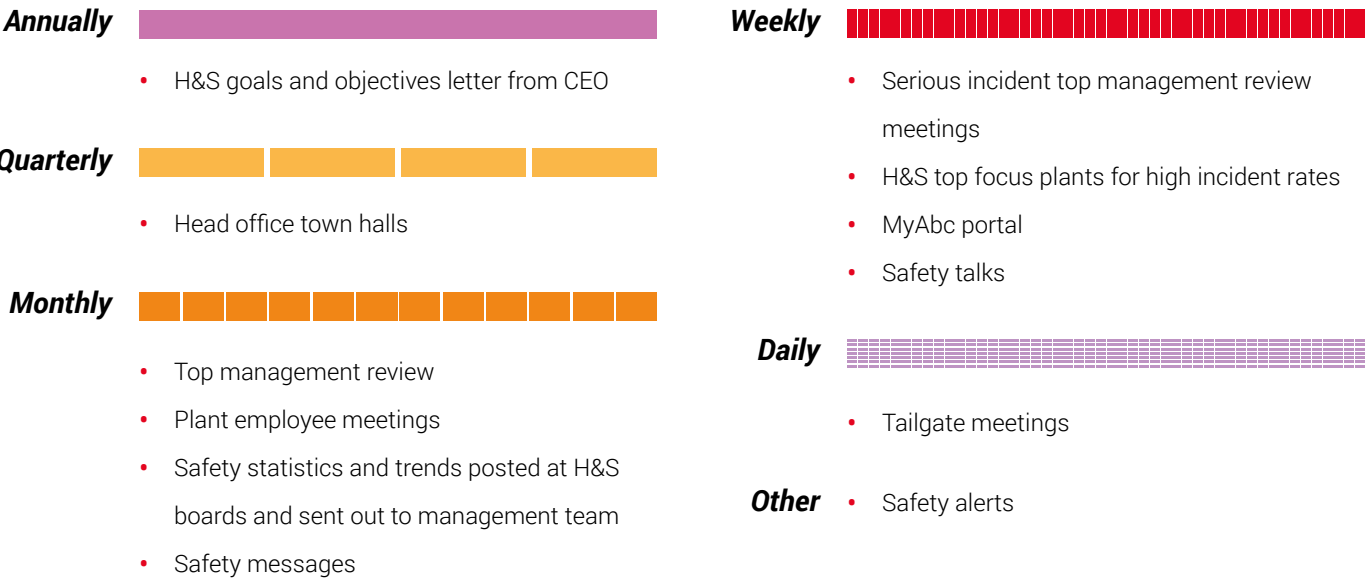
David Ellacott (CHRO) speaking during the May 2019 Town Hall.

COMMUNICATIONS AND REPORTING



Frequent, proactive, and transparent communication is critical to achieving health & safety program goals and objectives. ABC Technologies' believes that keeping employees informed about key issues and progress updates will enable well rounded superior performance throughout our operations.

We utilize various methods and formats to deliver health & safety information to our employees in key timeframes, including:



A MESSAGE FROM OUR DIRECTOR OF HEALTH, SAFETY & ENVIRONMENT

"In support of ABC's commitment to health and safety, we continually monitor our performance by measuring both leading and lagging indicators.

While we are aware that incident rates are lagging indicators, we do acknowledge that they are also a key indicator. Over the past several years our incident rates have been trending downward, however, regrettably we did see an upward trend last FY in two indicators noted below. Our lost time injury rate has continued to trend downward and our (TRIR) total recordable injury rate is three to four times lower than the US and Canadian industry averages. Nevertheless, one injury is one too many.

We understand that outstanding health and safety performance is a journey of continual improvement and never being satisfied, and we as an organization will continue on this path."

Enzo Sorrentino
Director of Health, Safety & Environment



HEALTH & SAFETY KPIS: YEAR-OVER-YEAR CHANGE				
Measure	FY16-17	FY17-18	FY18-19	FY19-20
Total Recordable Incident Rate	-33.8%	-47%	23.9%	-24.4%
Loss Time Case Rate	-1.1%	-39.8%	-18.9%	-60.5%

Note: FY19-20 results are Year-To-Date



EMPLOYEE ENGAGEMENT

We recognize that to attract, retain, and engage employees, we must have competitive pay and benefits programs combined with a great work environment. To this end, we are embarking on a journey to raise the bar in all areas to ensure we have a compelling value proposition to share with current and prospective employees.

We have developed an Employee Value Proposition (EVP) Framework that outlines the package of compensation, benefits, and work environment initiatives that we offer employees in exchange for their performance and commitment to the company. This Framework is part of our long-term strategy designed to enhance our competitiveness from both an employee and business perspective.

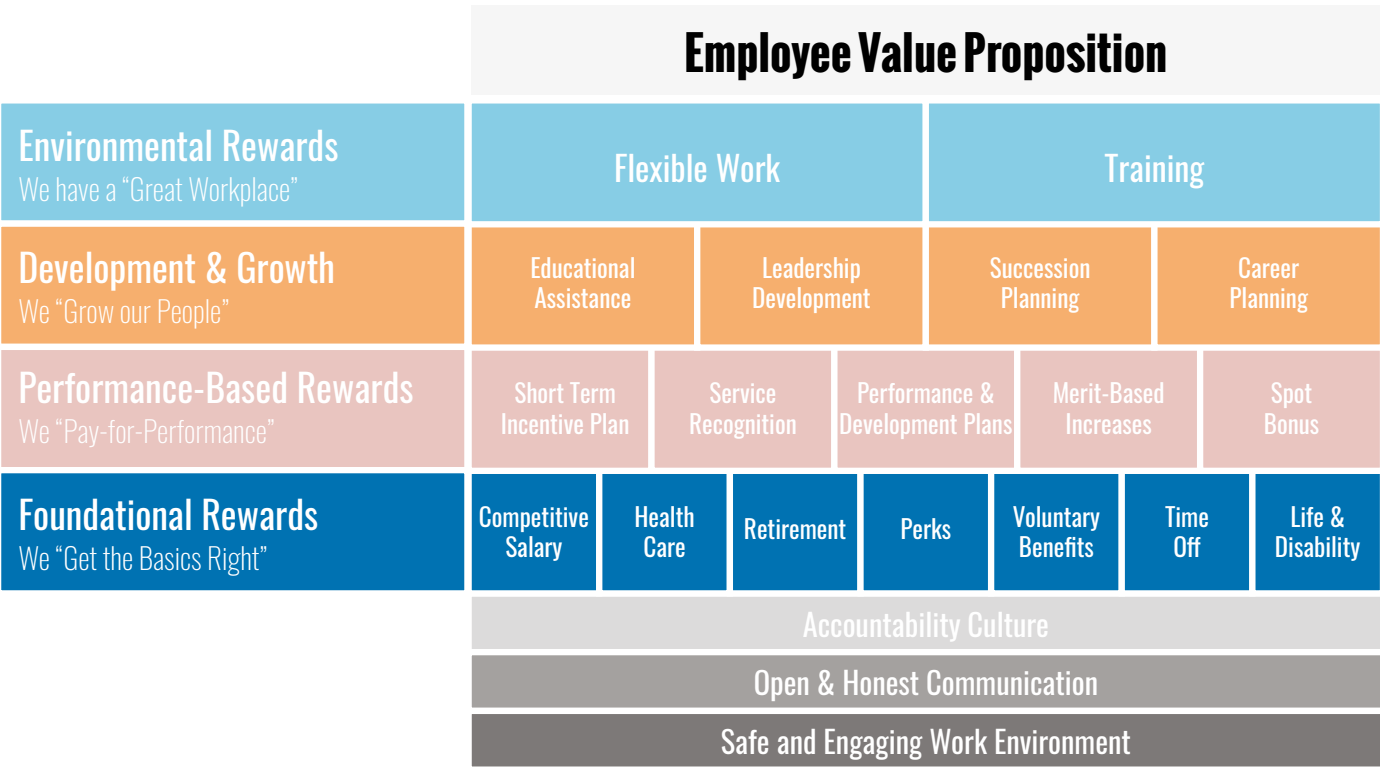
Our EVP Framework aims to achieve the following benefits:

- Position our total rewards’ offerings to achieve our goal of being highly competitive within our industry
- Prioritize our engineers and top talent when addressing compensation and talent management opportunities
- Adjust the hourly wage schedules to drive significant reductions in turnover and attract better qualified hires (when required)
- Implement talent management processes and tools to enhance employee skills, engagement and drive a culture of accountability

Our EVP is designed to make ABC Technologies an even better place to work, and specific initiatives will be launched to drive a consistent workplace experience for employees across the globe.



ABC Plastic Moulding 35th Anniversary.



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

RECRUITING AND RETAINING TOP TALENT

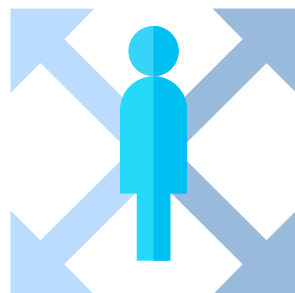


Maintaining a top caliber workforce requires that everyone have an equal opportunity. We give all prospective candidates equal employment opportunities, without regard to race, color, national origin, ancestry, citizenship status, religion, sex, reproductive status (including pregnancy, childbirth, or related medical conditions), age, disability, veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by law. This applies to all employment decisions, including recruiting, hiring, and terms and conditions of employment.

We comply with all applicable labor and employment laws, including those for working conditions, wages, hours, breaks, freedom of association and benefits. Additionally, we respect the human rights of our employees and our various stakeholders and are committed to supporting their protection and preservation throughout our global operations.

ABC Technologies is committed to the attraction and selection of the best talent for all roles. We strive to employ consistent hiring practices across our network to ensure external/ internal candidates are treated with dignity and respect, and that objective hiring decisions are made across all phases of our recruitment cycle.

TALENT MOBILITY



We believe in “growing from within” and investing in employees who choose to grow with us. As part of our commitment, we are piloting a new internal job posting program to ensure that all salaried opportunities are made visible, and all internal employees are provided the first opportunity to apply to, and be considered for, these open roles. The pilot has launched in June 2019 and our intention is to implement this program in all global locations.

EMPLOYEE & LEADERSHIP DEVELOPMENT



In January 2019, we implemented a new Educational Assistance Program for employees working in our US and Canadian locations that provides tuition reimbursement to eligible employees (\$3,500 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. The per employee reimbursement amount will remain the same in FY20, however the program will be expanded beyond Canada and the US.

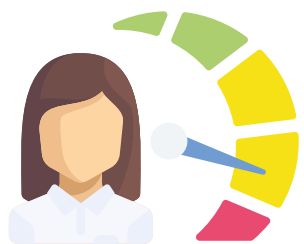
We also launched leadership training to our Executive Leadership Team (ELT) audience in 2018. In FY20, we are planning to implement targeted development programs designed to improve overall leadership skills and drive a culture of responsibility and accountability across all levels.

LEADERSHIP & SUCCESSION



We recently launched our first formal Talent Assessment Process to assess, discuss, and calibrate talent working in our five Engineering Business Units. The goal of this initiative was to identify our top-talent for development and future leadership and/ or career advancement opportunities. In the future, we will identify critical roles across our business and identify and develop potential backfills for these positions.

PERFORMANCE MANAGEMENT



We are evolving to a “pay-for-performance” culture where employees are measured and assessed based on the achievement of individual performance objectives and the demonstration of core leadership behaviors. We have piloted a new Performance Management approach in July 2019 that will help to improve individual and organizational support by:

- Identifying and communicating performance goals to employees
- Providing regular feedback
- Assisting employees in their career development

EMPLOYEE BENEFITS



Our focus is to develop globally-consistent, and market-relevant programs to enhance organizational performance, and recognize and reward employees for their significant contributions. We commit to providing a fair and competitive total rewards package that will attract, retain, and engage employees at all levels. Our total rewards programs, structures and decisions are aligned with the business strategy and HR strategy. In order to become the “employer of choice”, we strive to provide total rewards programs that are market competitive and meet employee needs, which include:

- Competitive base salary that is reviewed every year
- Performance based annual incentive plans that are available to all employees
- Comprehensive group benefits plans that meet the diverse needs of employees (e.g. life insurance, extended health care, medication, dental care, LTD, STD, vision care, paramedical services, etc.)
- Retirement and savings plans to help employees prepare for the financial future



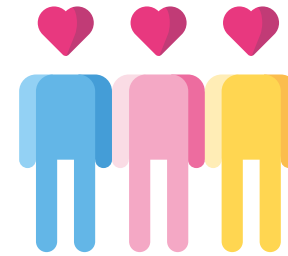
2019 Car Raffle at Climate Control Systems.

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 huge car purchase discount just for 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.

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 with all federal and local regulations governing the regions in which we operate.

Our immediate goal is to develop strategic partnerships with post-secondary institutions so we can continually improve the percentage of women engineers and skilled tradespeople working at ABC Technologies. We will continue our journey to establish ourselves as a best-in-class employer with a global, diverse workforce and an inclusive workplace.

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 or the Corporate Human Resources (HR) Department. The Company will promptly review all reports and conduct a follow-up investigation, if appropriate.

PLANT 4 TURNOVER & ABSENTEEISM CASE STUDY


In July 2017, HR management at Plant 4 in Mexico recognized that high employee turnover and absenteeism were significant issues that needed to be addressed immediately. Analysis showed that turnover was primarily due to fierce competition for top talent and a lack of employee training.

To address this issue, the HR team identified **eight initiatives** to systematically reduce turnover and improve retention. The objective was to “Be the best place to work & improve our workers’ life.” Two years after these initiatives were put into place, the results were extremely impressive:



The eight initiatives are as follows:

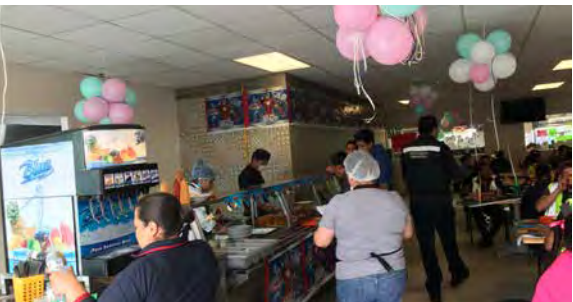
1. LABOR STABILITY



Action Taken:

- 1. Improve the process to hire and onboard
- 2. Regular meetings to communicate goals, objectives, and strategies to employees
- 3. Every two months, select 10 hourly employees to have breakfast with the general manager and share feedback


2. EFFICIENT WORK



Action Taken:

- 1. Provide free transportation to work for employees
- 2. Facility improvements including new training rooms and refurbishing the cafeteria
- 3. HR directly engages with employees on the shop floor to address any concerns


3. IMPROVE LEADERSHIP



Action Taken:

- 1. Provide 9-month MATURE training program, focusing on group leaders and supervisors
- 2. Provide situational leadership for managers


4. TALENT DEVELOPMENT



Action Taken:

- 1. Increase internal employee promotions, with 170 from FY18-FY20
- 2. Develop an annual training plan for each worker according to their job description and assessment
- 3. Ensure each employee receives 40 hours of training per year

5. RECOGNITION & DEVELOPMENT



Action Taken:

- 1. Employees can apply to receive 50% high school tuition assistance. The program has supported 4 generations with 38 graduates since inception.
- 2. Every month the plant recognizes perfect attendance with a bonus & once a year holds a special event: BBQ prepared by the managers.
- 3. Be in my shoes program - Once a month, 2 administrative employees complete 1 hour of operator work. The operator trains the administrative employees, and the objective is to motivate the operator, and recognize their work.

6. STAR TEAM



Action Taken:

- 1. The star team is a very effective tool for continuous improvement, and is formed with each of the members of the operational area, including: safety leader, quality leader, continuous improvement leader, cost leader, and team leader.
- 2. Each leader is responsible for monitoring the needs of the team and each area of the plant must support leaders of the star team. Once a month, the star team has a presentation with the manager's team to share results of their work including absenteeism, cost, and improvement updates.

7. WELLNESS



Action Taken:

- 1. Dental program - Once a year, two dentists come to the plant and provide free services for any employee
- 2. A doctor and nurses are always onsite for medical issues
- 3. Weight loss contest – During 2 months, the collective plant lost 411,382 pounds!

8. SOCIAL RESPONSIBILITY



Action Taken:

- 1. 400 trees were to provided to employees on Earth Day
- 2. Summer ABC land provides different types of activities for the children of employees
- 3. Sold t-shirts and raised \$15,634 to donate to the Cancer Association

ABC TECHNOLOGIES GLOBAL EMPLOYEE PERFORMANCE FY18 VS. FY19



ABC Technologies has had a strong year in overall employee performance. Global employee headcount increased by 552 from FY18 to FY19 and turnover dropped significantly by 27%. There are two key initiatives that are being implemented that have contributed to the reduction in turnover. These include:



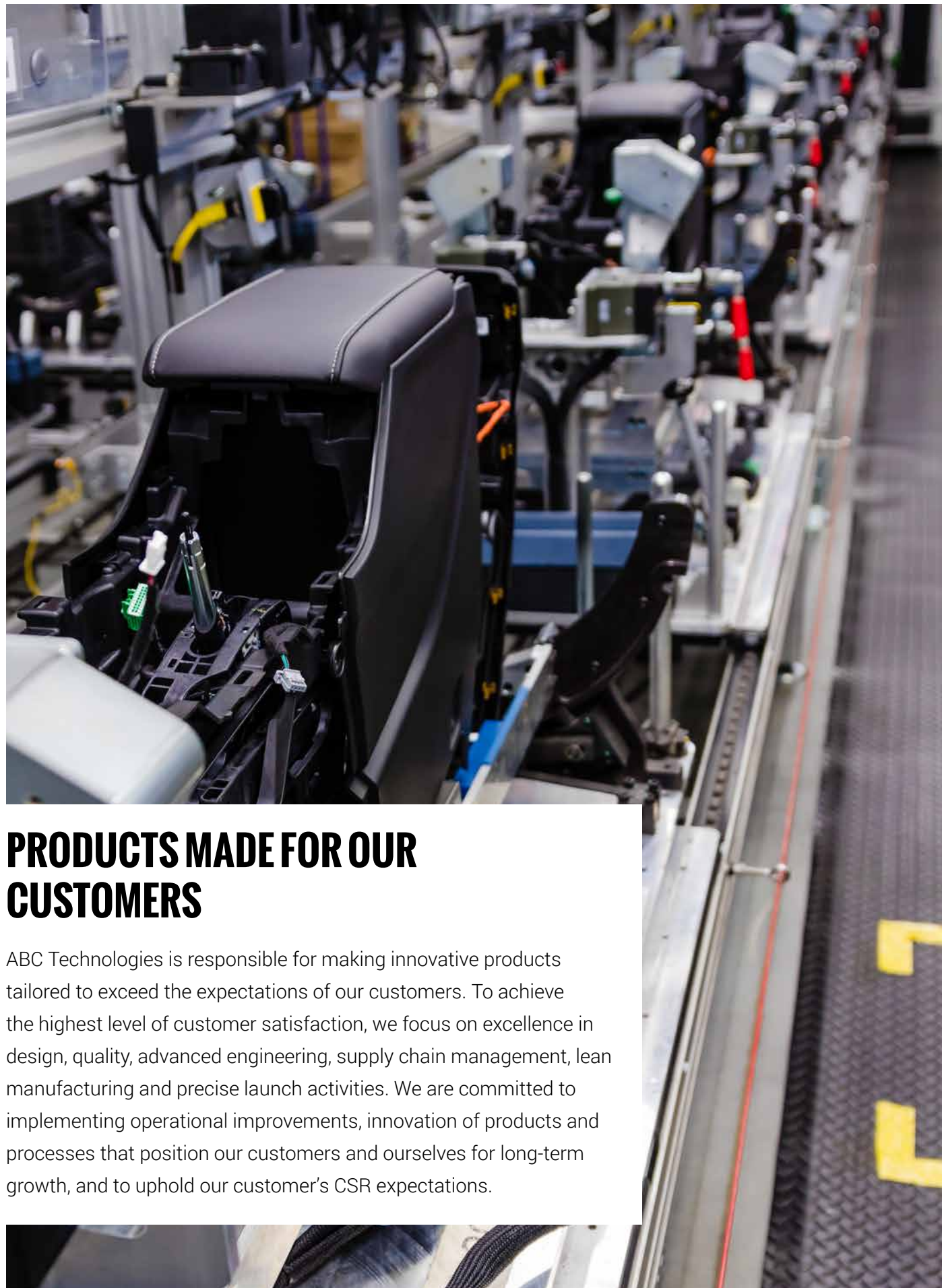
Initiation of the Employee Value Proposition program in North America, as mentioned on page. 17.



Transitioning temporary workers to full-time employees.

Regionally, the strongest improvements in turnover were in the US and Mexico. In Canada our annualized Employee Turnover Trailing Twelve Months is 15%, which is well below the average within the industry and has remained consistent over the years. In FY20 we are targeting 12% for Canada, which would put us in a position of being 'best-in-class' amongst our competitors.

Overall, for FY20 we will continue our initiatives to improve employee turnover and focus on employee engagement programs to retain our talent.



PRODUCTS MADE FOR OUR CUSTOMERS

ABC Technologies is responsible for making innovative products tailored to exceed the expectations of our customers. To achieve the highest level of customer satisfaction, we focus on excellence in design, quality, advanced engineering, supply chain management, lean manufacturing and precise launch activities. We are committed to implementing operational improvements, innovation of products and processes that position our customers and ourselves for long-term growth, and to uphold our customer's CSR expectations.

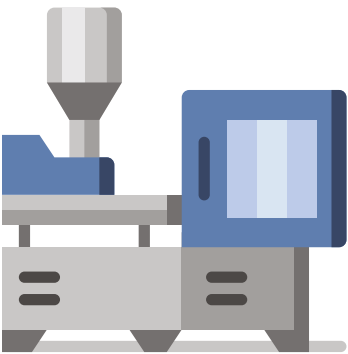


State-of-the-art console assembly line in Tennessee, USA.



ABC Technologies Head Office Showroom.

PRODUCT OVERVIEW



With hundreds of patents on materials technology, products and processing systems, our reputation for product innovation is internationally recognized. Customers use our plastic components and systems, in every area of their vehicles, to pioneer new automotive advancements in performance and sustainability. In addition to the inherent cost savings in tooling, manufacturing and assembly production, ABC Technologies plastic products offer several important functional qualities that directly address sustainability objectives:

- Lightweighting
- Efficient use of space
- Sizing customization
- Vehicle fuel efficiency
- Improved performance, durability and flexibility
- Enhanced permeation and temperature resistance

SUSTAINABILITY CONSIDERATIONS DURING PRODUCT DESIGN



The ABC Product Design Program utilizes a cross-functional, gated, collaborative approach to develop technologically advanced and unique automotive product solutions. At the foundation of this program is the Advanced Product Quality Process (APQP), which consists of a structured six phase approach that is used to ensure effective product design/development and execute a flawless launch that exceeds our customer’s expectations.

As part of the APQP, ABC has developed a structured procedure to review sustainability related aspects and risks for the design, development, and implementation of new products, processes, equipment, and plants. The objective of this procedure is to ensure that appropriate consideration is given to environmental, health and safety aspects in order to address potential risks and opportunities. Impacts evaluated include the following:

Product Chemical Content

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

Ergonomics and Safety

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

Product Recyclability

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

Energy and Waste

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

PRODUCT DESIGN SUSTAINABILITY CASE STUDIES

BIO-POLYMER RESINS



Wood Fiber



Lignin Powder

ABC Technologies is currently developing bio-based parts as an alternative to glass fiber and mineral filled polypropylene applications because there are multiple advantages vs. glass fibers and minerals from an environmental, supply chain, and an application standpoint. The benefits include:

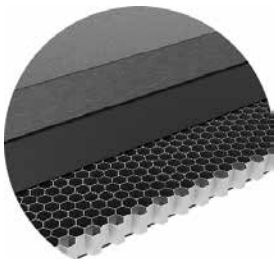
- **Environment:** Bio-polymers extracted from renewable resources
- **Supply Chain:** The second most abundant biomass on Earth and available all year round
- **Lightweight:** Low density vs. glass fibers & minerals (15% lighter)
- **Production:** Low viscosity thermoplastic provides a technical advantage in regards to mold flow

Example use case: Air Box

RECYCLED CARBON FIBER (RCF) WITH POLYURETHANE COMPOSITE BOARD



rCF Hard-Fold Tonneau Cover - In Development



Aluminum Honey Comb / rCF Skin / Polyurethane Coating

ABC Technologies has a commercial-ready lightweight alternative to glass fiber skins used in polyurethane compression molding applications. Our in house polyurethane composite boards are currently being used within our Interior Systems (e.g. Load Floors) but now has a lightweight/strength advantage for exterior applications as well using rCF. Some of the benefits include:

- **Environment:** Provides second life to unused carbon fiber from the aerospace industry
- **Lightweight:** Low overall mass vs. glass fibers (35% - 50% lighter)
- **Production:** Uses existing PCB process equipment

Example use case: Tonneau Covers

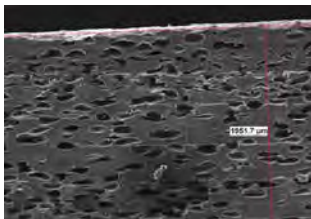
Current hard cover tonneaus use solid core panels with aluminum skins which add to the overall weight. ABC Technologies rCF PCB Tonneau, which is in-development, is a lightweight solution that is capable of supporting a 100kg foot load.

PRODUCT DESIGN SUSTAINABILITY CASE STUDIES CONT'D

CHEMICALLY FOAM BLOW MOLDED DUCTS



Three-piece welded IP system



Small cell size (~180 μm), high cell count, cell shape is elongated

ABC Technologies is currently producing chemically foam blow-molded HVAC ducts that offer our customers a lightweight alternative with added performance benefits.

- **Environment:** Lightweight product contributes to overall fuel and emissions savings. All chemically foam blow-molded materials are reprocessed like conventional materials, which eliminates the need to freight scrap to an external reprocessing site.
- **Lightweight:** Low density vs. conventional ducts (20-30% lighter)
- **Thermal performance:** Foamed product helps insulate against thermal energy lost to the duct system and surrounding environment
- **Acoustic performance:** Foamed product has improved acoustic insulating properties compared to solid conventional materials.
- **Production:** Process can be adapted to existing blow-molding equipment and auxiliary units.

Example use case: Instrument Panel HVAC Ducts

3D BLOW MOLDING HEAD TOOL



Traditional Tooling

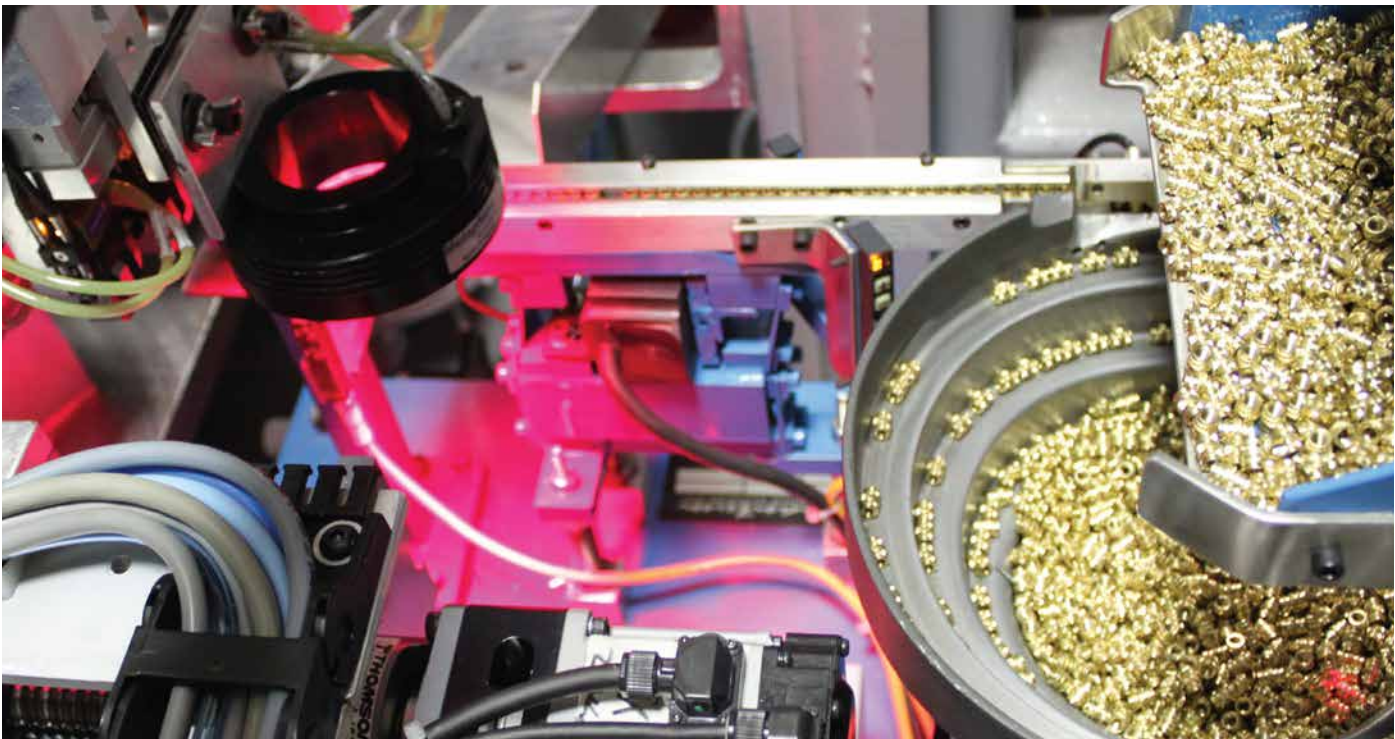


3D Tooling

Standard Blow Molding Head tooling creates a parison with a uniform wall thickness across the cross section of a parison. ABC is in process of implementing 3D Head Tooling which enables a variable thickness across the cross section, resulting in a weight savings by only adding material where required based on customer's performance targets.

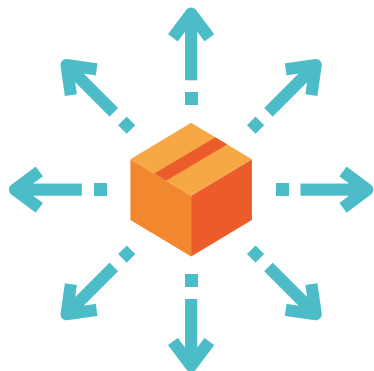
- **Environment:** Reduction in part thickness results in less waste production
- **Lightweight:** Reduction in material use results in overall weight savings
- **Production:** Uses existing blow molding machines with modifications to the tool head

Example use case: Technology can be applied to large complex parts



Supreme Tooling Group built fixture with an automated feeder.

RESPONSIBLE SUPPLIERS



SUPPLY CHAIN MANAGEMENT

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 provides 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 encourages human rights abuses or that support trafficking in persons or the use of child labor or forced labor. Suppliers are expected to demonstrate, upon request, compliance with local, national, and international standards and regulations regarding health, safety, and environmental issues relevant to the supplier's business.

ABC encourages all of our sub-tiers to take the online training provided through AIAG "Supply Chain Corporate Responsibility" training.



Plant 5 Shipping Docks in Ramos, Mexico.

SUPPLIER MANAGEMENT & AUDITING



ABC has a team of 15 employees to manage suppliers, with team members broken down by separate areas of operations including supplier quality, logistics assistance, packaging, tooling, and capital expenditures. The majority of the team is located in North America, although several supplier quality personnel are located in China.

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

SUPPLIER DIVERSITY



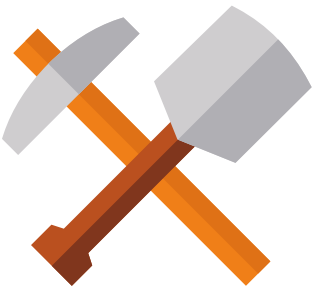
As a company that recognizes the importance of diversity, ABC Technologies awards contracts to under-represented suppliers that meet our contractual requirements. In partnering with different groups of suppliers, we hope to level the playing field, increase market competition, and boost economic activity for certified businesses.

To demonstrate our commitment, we are partners with the Michigan Minority Supplier Development Council (MMSDC), the National Minority Supplier Development Council (NMSDC), the Canadian Aboriginal and Minority Supplier Council (CAMSC), and Woman Business Enterprise Canada (WBE).



ABC Technologies Logistics Manager, Marc Mallais, recieving the 2019 Supplier Diversity Leader Award by WBE Canada.

CONFLICT MINERALS



ABC Technologies Inc. is committed to ensuring that parts and assemblies in our products, regardless of where they are assembled or sold, are free from conflict minerals. To that end, the company has engaged its suppliers to investigate their supply chains in order to provide conflict mineral and smelting data. ABC has provided guidance to suppliers to facilitate this process, including access to key resources such as iPoint Conflict Minerals Platform (iPCMP) and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.



GUIDED BY ETHICS AND DRIVEN BY GOVERNANCE

CODE OF ETHICS AND BUSINESS CONDUCT

The Company holds itself to the highest ethical standards. The Global Code of Ethics and Business Conduct outlines ABC Technologies’ commitments and business ethics procedures, throughout all the jurisdictions that it operates and/or conducts business in. ABC Technologies is committed to doing business in an open, honest, and ethical manner.

The legal department is responsible for administering the

Code and all supporting Policies, including overseeing compliance training, auditing and monitoring, conducting internal investigations, and updating the Code and policies as required. The HR Department is responsible for providing the Code to personnel upon joining the Company. Employees may be asked to review core compliance policies annually, certify they understand the terms and are not aware of any violations, and receive refresher training.

Employees or third parties have the opportunity to report concerns about possible violations of the Code or Policies or to seek guidance on ethics and compliance matters by contacting the General Council or through the Company’s Ethics Hotline. The code strictly prohibits retaliation against those making good faith inquiries or complaints.

ABC Technologies has published a separate document, entitled “Global Code of Ethics and Business Conduct”, which can be found on our website and describes the following governance topics:

Business Responsibilities

- Management responsibilities
- Commitment to obey the law and the code
- Document retention
- Accurate financial records

Responsibilities to employees

- Equal opportunity employment
- Non-discrimination and non-harassment
- Set an appropriate standard
- Labor and employment laws
- Human rights
- Occupational safety and the environment
- Maintaining a safe workplace

Expectations for employees

- Appropriate use of company equipment
- Maintain confidentiality
- Refrain from insider trading
- Refrain from conflicts of interest

Legal obligations

- Compliance with the law
- Avoid corruption
- Immigration law compliance
- Data privacy
- International trade compliance

Responsibilities to third parties

- Our customers
- Ethical sales practices
- Fair dealing with vendors and suppliers

Investigations and anti-retaliation

- Responsibility to report violations



CORPORATE GOVERNANCE

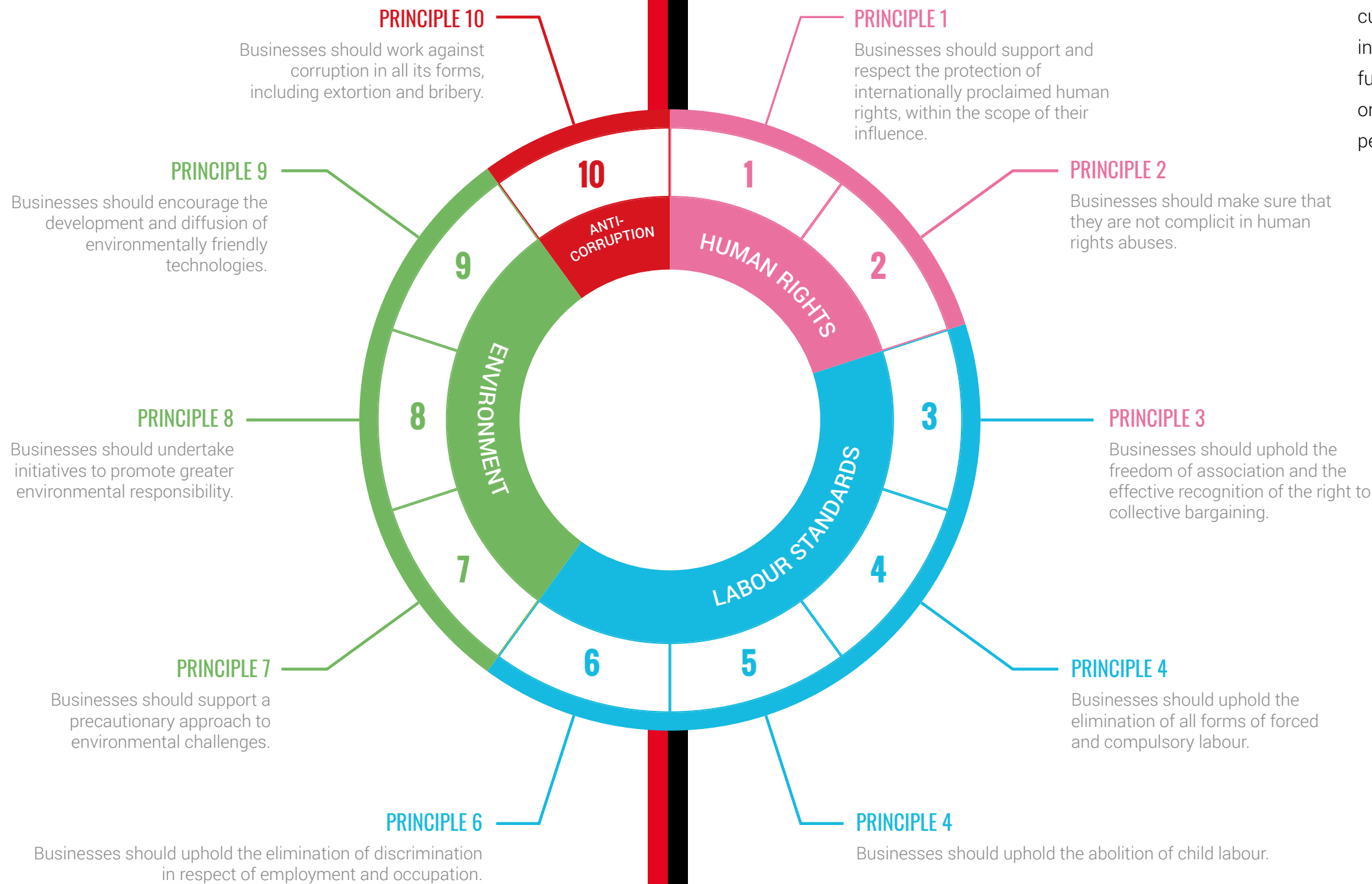
Corporate Governance is required for CSR development and oversight. ABC Technologies is accountable for managing, measuring and reporting our business initiatives and performances. ABC Technologies is committed to providing both transparency and clarity of business endeavors.

UNITED NATIONS GLOBAL COMPACT AGREEMENT

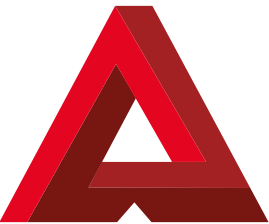
The United Nations Global Compact is a pact that encourages businesses worldwide to adopt and maintain sustainable and socially responsible policies, and to report on their implementation.

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

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



ABC TECHNOLOGIES' COMMITMENT TO THE UN GLOBAL COMPACT



ABC Technologies' intent is to advance these ten principles within the company's sphere of influence. We at ABC Technologies are committed to making the UN Global Compact and its principles part of our business strategy, our corporate culture and integrate the principles into the daily operations. This report fulfills our annual Communication on Progress obligation as required per our commitment to the UNGC.



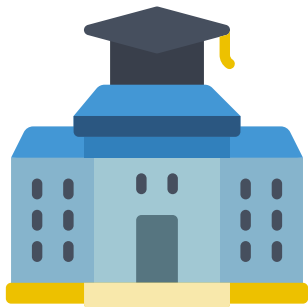
COMMUNITY ENGAGEMENT

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.



Co-op recognition event at ABC Head Office.

UNIVERSITY/ COLLEGE RELATIONS



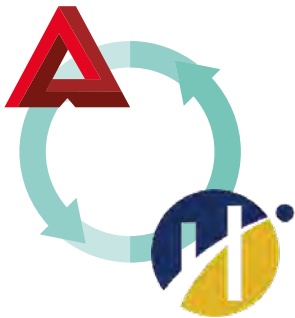
The attraction and retention of qualified co-op students, interns and new graduates is increasingly important to our success. We partner with post-secondary institutions to hire co-ops/interns for work placements in our Corporate and plant environments. More specifically, we hire Industrial Design co-ops (Humber College), Tool&Die, and mechanical apprentices (Sheridan College and Georgian College) as part of a formal apprenticeship program. We regularly hire engineering co-op students (i.e., automotive, mechanical, electrical) from leading engineering schools including; the University of Waterloo, McMaster University, University of Toronto, Ryerson University and the University of Ontario Institute of Technology.

A summary of our annual co-op/ apprenticeships is outlined below:

Calendar Year	# of Total Co-ops/ Apprenticeships
2017	21
2018	12
2019	26

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.

COMPETITIONS

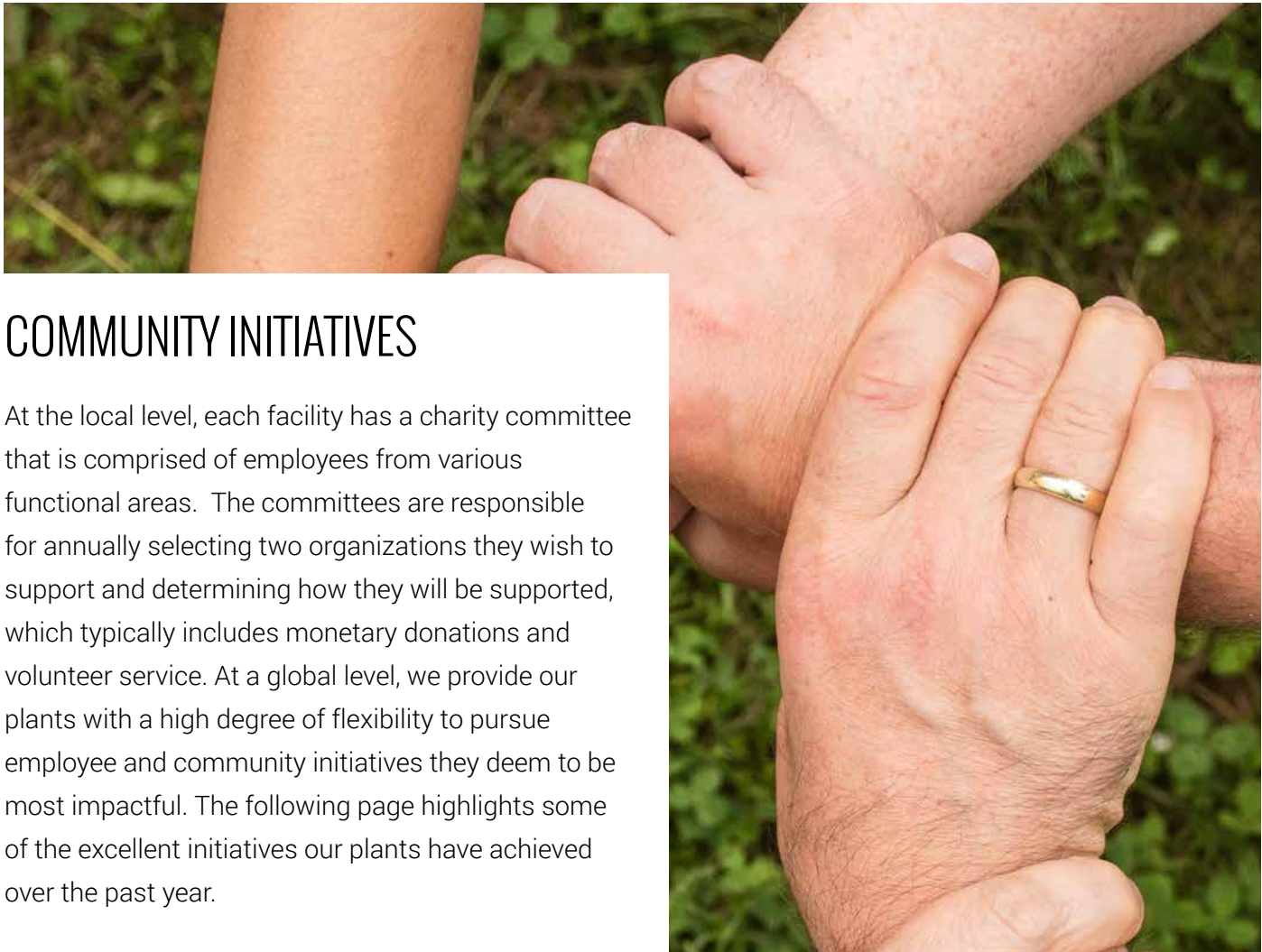


ABC Technologies’ has been supporting the Industrial Design Program at Humber College for over 30 years. Final year students in the Bachelor’s program compete in teams to develop solutions to real world challenges outlined by ABC as a project for one of their courses. The competition runs for eight-weeks and mentors from ABC visit the class on a weekly basis for design reviews. Feedback is provided and helps students get real-world industry perspectives. The final presentations are given at ABC Head Office to a jury of employees from various departments and the top teams are given an award by Executive Management.



2019 ABC Technologies + Humber College Competition Awards Ceremony.





COMMUNITY INITIATIVES

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. At a global level, 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 plants have achieved over the past year.

LOCAL COMMUNITY SERVICE

360 Kids	Etobicoke Children's Centre	Knight Table	Ronald McDonald House	The Back Pack Club
AECC Spanish Association against Cancer	Hockey Village India	McKenzie Health Foundation	Seva Food Bank	Toys for Tots
Arzte ohne Genze	Home Safe	Oxford Kids Foundation	Shining Through Centre for Children with Autism	Veterans Services
ASAMIS Local Association for disabled people	Jumpstart	Hazard Analysis Pinball Foundation	Sick Kids	Yellow Brick House
Children are People	Jumpstart Etobicoke	Redwood	Stiftung Barenherz	

BRAZIL

- Partnered with two local schools to provide internships for 19 apprentices and three technical courses including tooling/machining, mechanic, and administrative.
- Hiring program supports selection of employees from a diverse set of backgrounds including those with disabilities. ABC provides job adaptation where necessary.
- Provides continuing education to employees including both high school equivalency classes and English
- Offers onsite healthcare to employees and their families, including vaccinations and health exams.



SAN JUAN

- Employee engagement initiatives to promote communication and transparency, including “Drink coffee with your General Manager”.
- Charitable giving including ABC bought pink t-shirts which were sold to the staff to donate money to the Cancer Association.
- Donation of lamps for classrooms at the University of San Juan del Río.
- Donation of electrical equipment for practical student learning at the University of San Juan del Río.





PLUGGED INTO THE ENVIRONMENT

ABC Technologies is committed to protecting the environment, fulfilling compliance obligations, and continually improving the Environmental Management System (EMS) to enhance environmental performance. ABC Technologies is committed to environmental protection and stewardship. We recognize that pollution prevention and resource conservation are critical factors of a sustainable environment. All our employees recognize the importance of preserving our natural resources, reducing waste, improving energy efficiency and reducing our carbon emissions. ABC Technologies will continue to educate, train and motivate its employees and suppliers, to carry out tasks in an environmentally responsible manner.



Plant 5 in Ramos, Mexico, with numerous skylights across the rooftop.

ENVIRONMENTAL COMPLIANCE

ABC's commitment to environmental compliance is rooted in our environmental policy. The policy contains three pillars: protecting the environment, fulfilling compliance obligations, and continually improving the environmental management system to enhance environmental performance. The global EHS team, which is comprised of 20+ employees, has primary responsibility for fulfilling the obligations of this policy. Additionally, suppliers, contractors, and visitors are subject to the environmental

policy including relevant procedures and objectives for purchasing requirements and the visitor process guidelines. A company-wide environmental management system (EMS), which achieved ISO-14001 group certification in 2018, is used to systematically maintain environmental compliance requirements across all operations. The EMS is comprised of detailed standards that set forth procedures, responsibilities, communication, training, records, and evaluation

requirements. The system also includes various tools to help manage compliance obligations, including environmental performance evaluations, preventative maintenance (PM) schedules, EMS calendars, and a monitoring and evaluation matrix. Evaluation of compliance is monitored by each plant and the corporate EHS team through regular audits and status reports. Any major compliance issues identified are reported to top management during the monthly management review meeting.



Plant 5 in Ramos, Mexico, utilizing skylights to bring in natural light during the day.

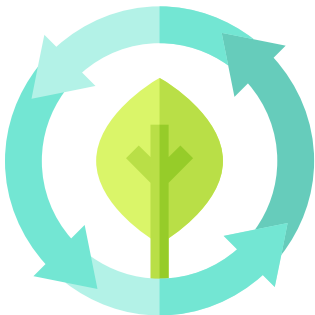
ENVIRONMENTAL POLICY



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

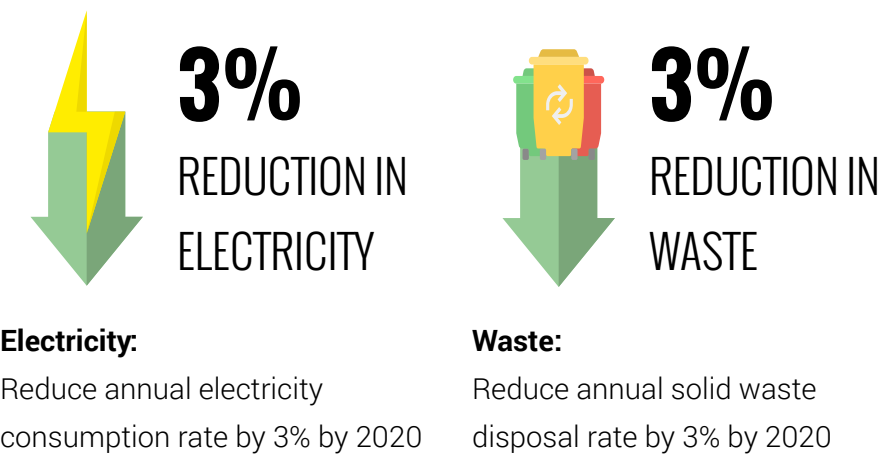
- Top management is committed to include the consideration of environmental issues in all business strategies and initiatives and ensure that protection of the environment is firmly embedded in the company’s culture.
- Prevent and mitigate adverse environmental impacts concerning our activities, products and services.
- Preserve natural resources, reduce solid waste, improve energy efficiency and reduce carbon emissions.
- Responsibly manage all aspects of its business to ensure compliance obligations are met.
- Regularly identify objectives for continual improvement; prioritize and implement action plans; monitor and measure progress.
- Influence environmental protection among suppliers and contractors.
- Educate, train, and motivate employees to carry out tasks in an environmentally responsible manner and hold all ABC Technologies employees accountable on a daily basis for upholding the spirit and intent of this Policy and the Environmental Management System. This Policy is communicated to all staff, contractors and suppliers, and available to the public through selected media.

ECO EFFICIENCY



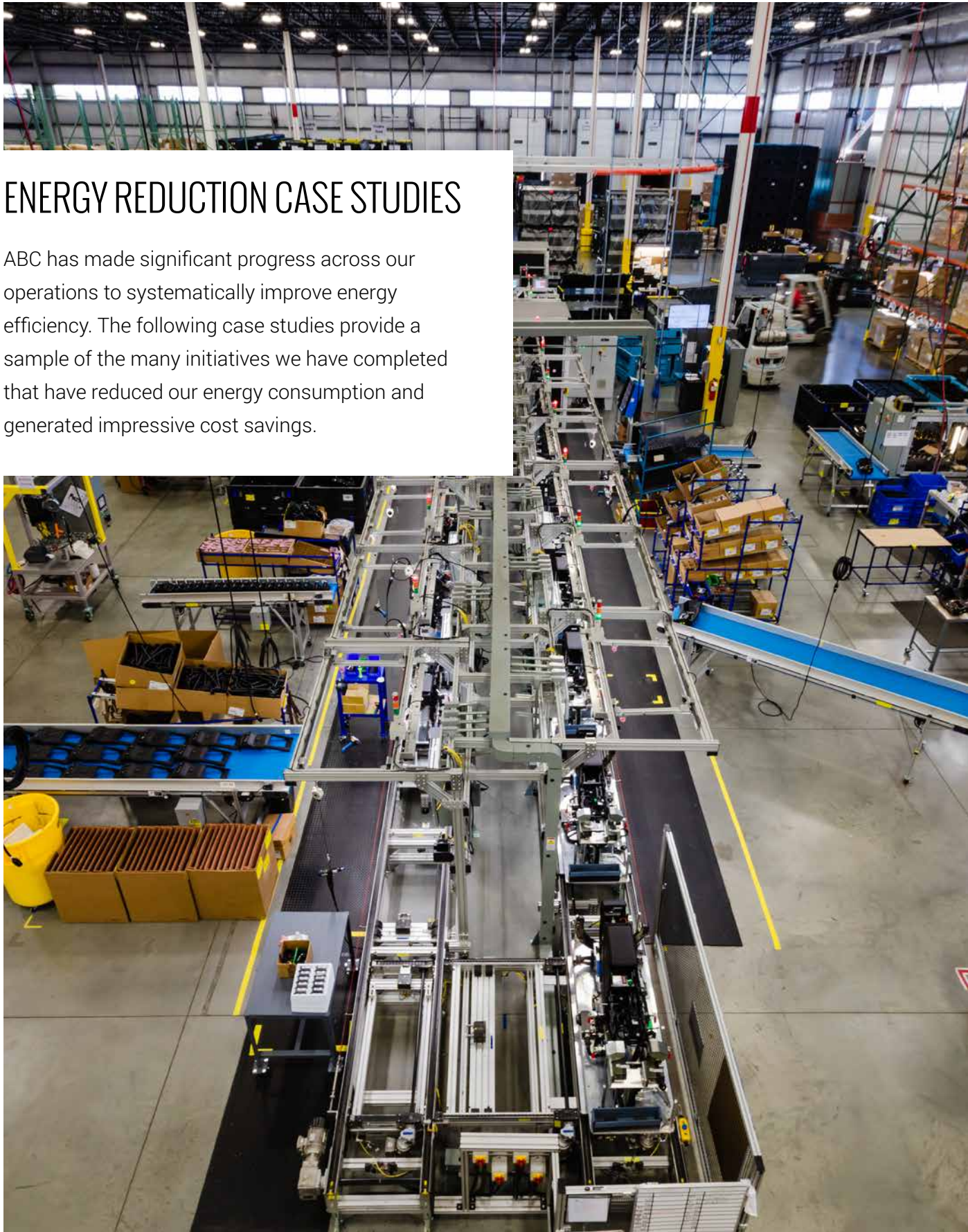
ABC is committed to reducing the environmental footprint of our operations, which is stated in both the environmental and CSR policies, and primarily accomplished through our eco-efficiency program. These efforts are aligned with the company’s strategic business imperatives and can deliver significant financial impacts such as reduced operating costs.

Two eco-efficiency targets have been set at the corporate level for 2020, which apply to all Tier 1 Plants:



Fuel and water reduction targets are site-specific and depend on local operating requirements. For example, only the Mexico operations are located in a water stressed region.

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



ENERGY REDUCTION CASE STUDIES

ABC has made significant progress across our operations to systematically improve energy efficiency. The following case studies provide a sample of the many initiatives we have completed that have reduced our energy consumption and generated impressive cost savings.

Console assembly line at the Tennessee Plant.

COMPANY WIDE ENERGY REDUCTION CASE STUDIES FOR FY2019

ENERGY REDUCTION PROJECTS WITH UTILITY INCENTIVE

Over the past 7 years, various initiatives have been identified including upgrading to LED lighting, installing variable frequency devices (VFDs), compressed air leak detection audits, upgrading chillers, and more which have resulted in over \$1.5M of annual savings. Furthermore, the cost of these projects was offset by the receipt of utility incentives totaling \$943K.



\$1.5M
ESTIMATED ANNUAL SAVINGS



\$943K
TOTAL INCENTIVES

PLANT 4 DEMAND RESPONSE



Plant 4 analyzed energy consumption chronologically on a daily basis using software to determine consumption and cost patterns. The analysis found that the equipment responsible for the highest consumption of energy was operated in all three shifts, including the second shift which occurs during the afternoon when energy pricing is highest. The plant adjusted the operational schedule to use this equipment only during the 1st and 3rd shifts, which resulted in a 10% energy reduction and annual savings of \$112K.



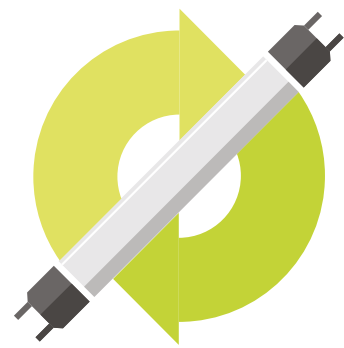
\$112K
ESTIMATED ANNUAL SAVINGS



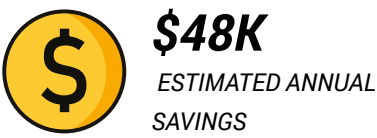
10%
ENERGY REDUCTION

ENERGY REDUCTION CASE STUDIES CONTINUED

2 NORELCO LED LAMP UPGRADE



A lighting analysis was performed to determine the current lamp type, energy consumption, and annual cost. The results revealed 1,639 fixtures that include 4,617 lamps – most of which were T8 lamps – and consumed approximately 876,507 kWh annually. The site underwent an LED lamp upgrade which reduced energy consumption for lighting by 46% and saved \$48,190 in annual energy cost with a 8.4 month simple payback.



THERMAL BLANKETS



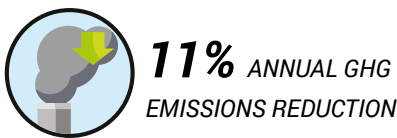
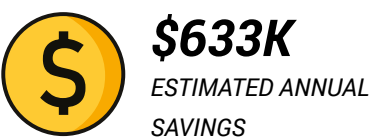
Although injection molding machines were operating as purchased, a review with a thermal gun revealed a high amount of heat loss from the barrel of the machines. The team investigated solutions and identified thermal blankets that can be installed over the machine barrels to improve efficiency and reduce energy consumption. The initiative resulted in annual energy cost savings of \$102,690 with a 6-month simple payback.



ENERGY SAVINGS WORKSHOP



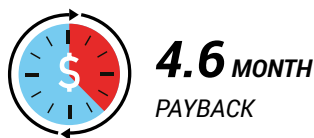
In November 2018, Plant 1-3 in Mexico held an energy savings workshop with one of our customers. The workshop utilized a systematic approach and separated participants into five teams to identify low and no cost opportunities to reduce energy and associated greenhouse gas (GHG) emissions. Operational focus areas included compressed air, water, motors, electricity, lightning, chilled water, and office areas. The treasure hunt resulted in a variety of opportunities that are estimated to generate \$633,011 annual energy cost savings with an average simple payback of 6 months. Additionally, the projects can reduce GHG emissions by 11% annually. To date, 50% of identified initiatives have been implemented.



COMPRESSED AIR AUDITS



Many of the plants have conducted detailed compressed air audits to identify opportunities to reduce energy consumption. For example, results from a compressed air audit at the Humberline plant showed three main opportunities including reduction of system pressure, reduction of leaks, elimination of non-production, modulation and pressure cascade. These initiatives are estimated to generate \$60,400 annual total savings (energy costs and maintenance savings) and a payback of only 4.6 months due to utility incentives that offset upfront costs.



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ABC TECHNOLOGIES

INNOVATION IN PLASTICS & LIGHTWEIGHTING