PLASMAN
DRIVING TO A BETTER TOMORROW

SUSTAINABILITY REPORT

Environmental, Social, and Governance (ESG) performance metrics

We believe that creating a better, more sustainable and inclusive future is our collective responsibility.

A MESSAGE FROM OUR CEO

Plasman is committed to a sustainable future and part of that commitment is a clear focus on ESG (Environmental, Social, and Governance). I am proud to share our most recent Sustainability Report, which highlights the social and environmental progress we have made over the past two years.

In 2022, **49%** of Plasman's global energy was from climate neutral energy sources. Dedicated to being a leader in ESG improvements in the communities we do business, we are steadily driving towards our commitment to being climate neutral across all operations at our manufacturing and office locations by 2028. It's a commitment that is brought to life through the decisions and investments we make in the safety and well-being of our employees, in the environmental efficiency of our products and our operations, and in our support of the communities in which we reside.

Through our core values of ethics and integrity, respect and fair treatment, courage, and communication, we strive to create a better tomorrow as One Driving Force™. Our 2022 Sustainability Report highlights the areas in which we are progressing, and the exceptional achievements of our Plasman team members.

Our focus will continue to be on driving out waste costs, reducing energy, and being a productive community member. I would like to personally thank all of our team members and, in particular, the team dedicated to ESG led by Anna Widerberg (VP Purchasing and Sustainability) based in Gothenburg, Sweden.

David Wiskel
PRESIDENT & CHIEF EXECUTIVE OFFICER

OUR COMMITMENT

FROM ANNA WIDERBERG, VICE PRESIDENT OF SUSTAINABILITY

I am pleased to release the second annual Plasman Sustainability Report. The Report provides insight and details into the current actions Plasman has committed to during the past year and our progress since releasing our first report. It is exciting to show our progress through the actions and dedication of our team members globally in striving towards "Creating a better tomorrow as One Driving Force™."

Plasman's accelerated actions to strengthen their Sustainability commitment with the addition of the Executive Management team position within Sustainability and Purchasing makes me honored to be a part of this team.

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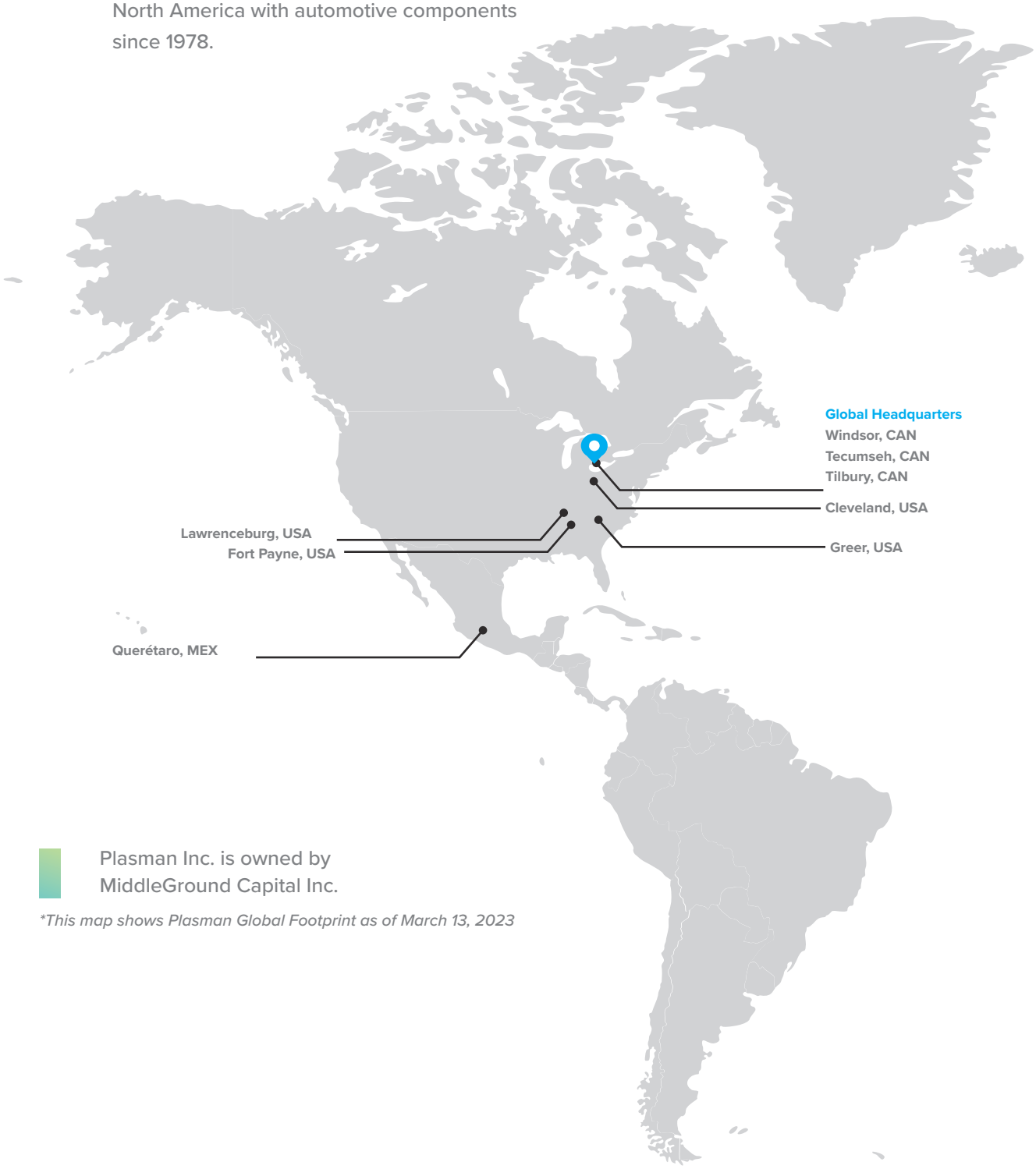
Global Footprint*

Plasman at a Glance

Plasman has supplied OEMs, contract manufacturers, and distributors in Europe and North America with automotive components since 1978.

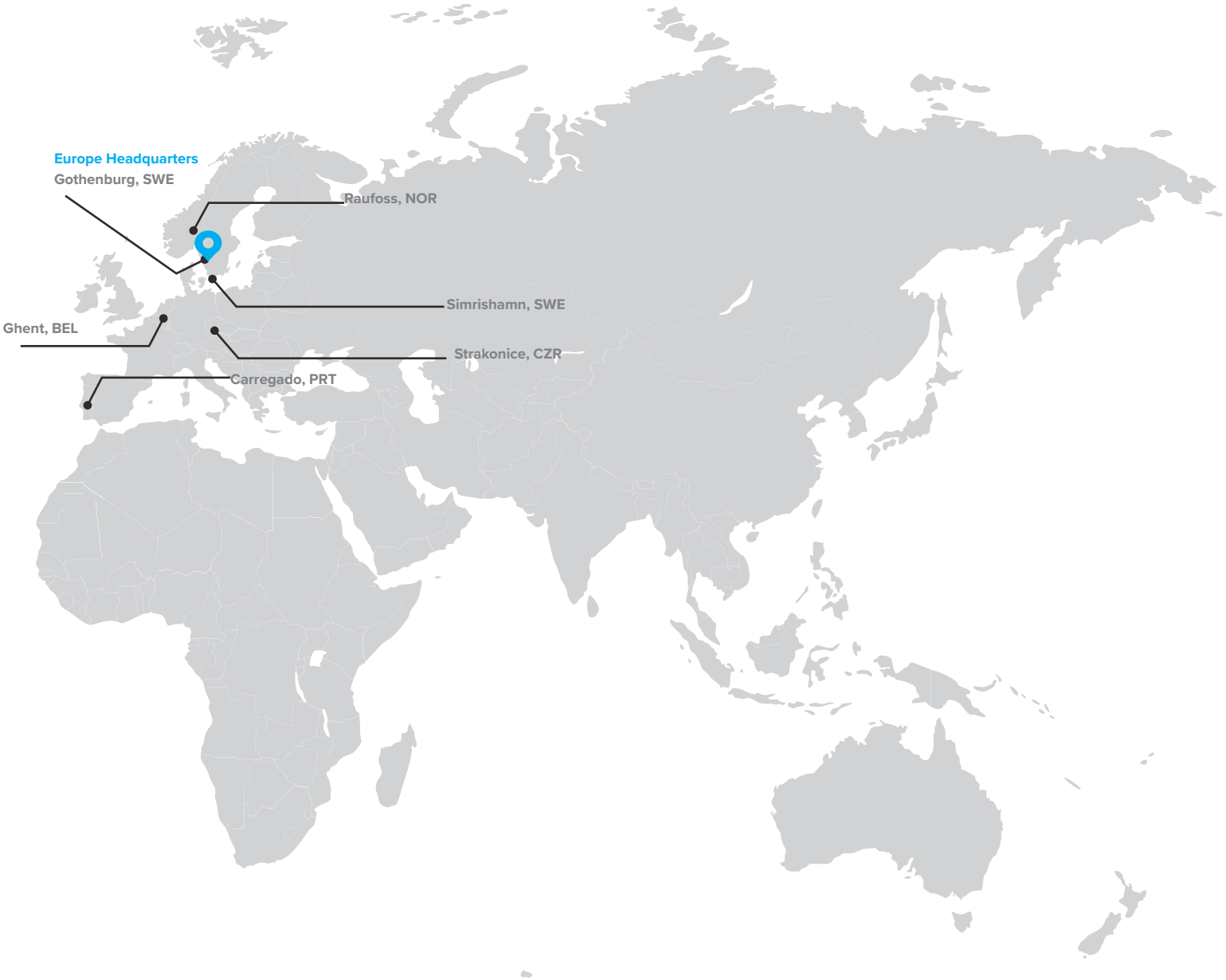


Plasman Inc. is owned by MiddleGround Capital Inc.

**This map shows Plasman Global Footprint as of March 13, 2023*

Locations

We have continued to build upon our product capabilities for over 40 years in order to provide the best value to our customers through innovative processes and world-class manufacturing around the world.



16 Manufacturing Locations. 11 Countries. 4300+ Team Members.

SUSTAINABILITY AT PLASMAN

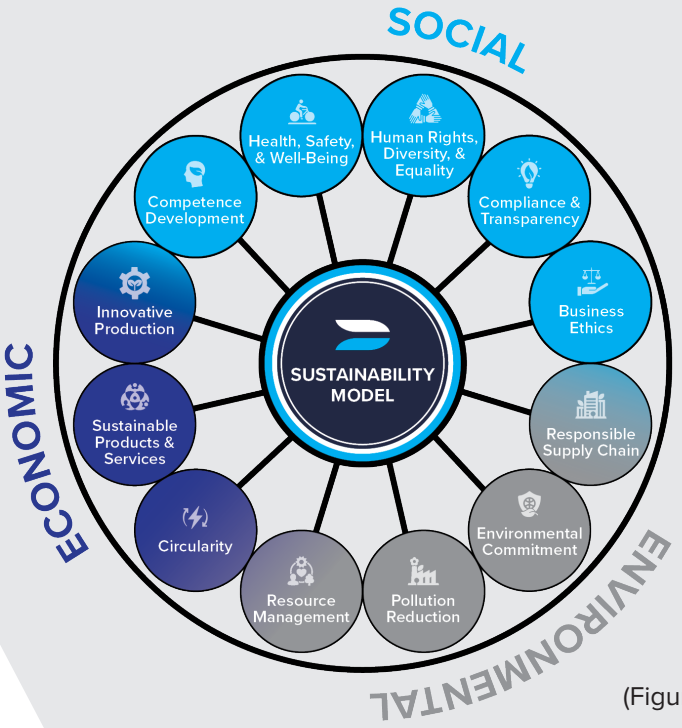
Sustainability is an integral part of Plasman's value system, and our journey focuses on environmental, social, and economic sustainability. We believe integrating these topics into our strategy, operations, and supply chain will support a healthy, diverse, and resilient company for this generation of employees and generations to come.

Developing a sustainability plan at Plasman was a large undertaking and required a globally planned approach. The process began with the creation of two cross-functional teams, one from Europe and one from North America. These teams collaborated with the Global Senior Executive Team to champion the creation of our sustainability blueprint and standards. These regional teams worked with each of our locations to collect input from internal and external stakeholders. Our teams collected data from sustainability discussions with our customers, benchmarked our competitors, and analyzed the legislative landscape. The overall strategy is integrated with the UN Sustainable Development Goals.

Plasman is committed to providing our stakeholders with meaningful information about our business. Metrics include collected environmental, social, and economic data used to create a materiality analysis, and resulted in a gap evaluation and a proposed sustainability roadmap for Plasman. This laid the foundation of what would be known as the Plasman Sustainability Model (Fig. 1). The action areas within the Plasman Sustainability Model are divided into three sectors: Social, Environmental, and Economic Sustainability.

THE PLASMAN SUSTAINABILITY MODEL

The Plasman Sustainability Model consists of 12 action areas that link to the UN Sustainability Development Goals. The 12 action areas are described in this report and drive sustainability within our company and supply chain. These actions are developed and integrated into our cultural practices and we will focus our continuous improvement and innovation efforts to meet a wide range of employee, customer, and community needs.



(Figure 1)

To ensure our success and reinforce sustainability as our top priority, we created a dedicated Sustainability Department at Plasman. This Sustainability Department drives our sustainability work, but a lot of effort and hard work takes place at Plasman manufacturing sites worldwide, including at both world headquarters. At Plasman, we are all participants in making our company sustainable. In 2022, Plasman highlighted the importance of sustainability even more and created a new position within the European Executive Management team responsible for Sustainability and Purchasing.

2022 HIGHLIGHTS

TEAMWORK MAKES the DREAM WORK

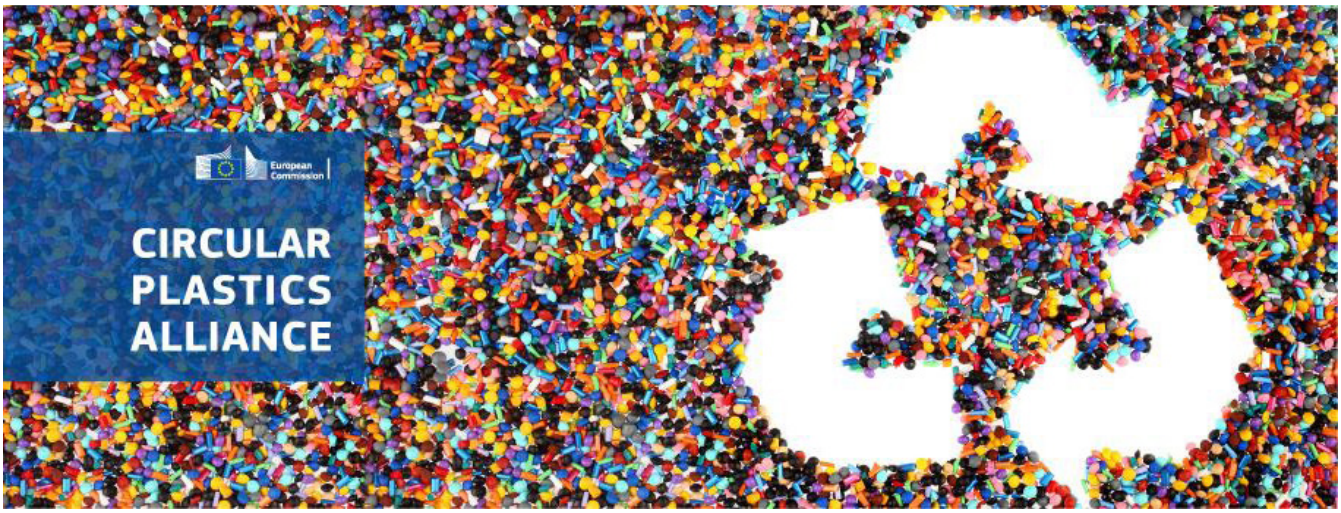
POLESTAR 0 PROJECT

On September 14, 2022, Plasman signed a research agreement with Polestar to start strategic collaboration to create a climate neutral vehicle within the “Polestar 0 Project”. The “Polestar 0 Project” aims to create the first truly climate neutral car by 2030. This project is fully in line with our ambition for climate neutral operations, and it also highlights the importance of involving the entire supply chain, as we all need to collaborate across the value chain. Initially, Plasman will focus on developing, sourcing, and producing a fully climate neutral bumper, but the findings and developments from the “Polestar 0 Project” will allow Plasman the opportunity to expand its partnerships around the topic of sustainability and continue to work together with suppliers and their valued customers.

CIRCULAR PLASTICS ALLIANCE

Plasman has joined the Circular Plastics Alliance, an alliance aiming to boost the EU market for recycled plastics to 10 million tonnes by 2025. Covering the full plastics value chains and including over 300 organizations representing industry, academia, and public authorities, the alliance shows the importance of recycled plastics. Plasman joined the Alliance with the pledge:

In future projects, we will be able to offer a minimum of 25% recycled plastic to our customers. We will always offer as much recycled content as possible to our customers and try to minimize the CO_2 impact of each product. We will promote circularity and design for sustainability. For example, we will use the least amount of different polymers for different applications, targeting that all production waste plastic be reused in a circular system. We will continue to work together with our customers and suppliers to achieve climate neutrality by 2028.



FIRST LCA REPORT IN 2023

Plasman has committed to make an LCA (Life Cycle Assessment) report of a front and rear bumper produced at our sites in Sweden and share the results with customers. The implementation of the LCA will start at the beginning of 2023 and will be carried out in the scope of cradle-to-gate. The focus of our LCA report will be on the global warming potential of the products during their life cycle. Plasman has the ambition to implement LCA for all product types. We believe this is a key step for Plasman to work towards net zero emission within scopes one and two. Plasman will work towards reducing emissions in scope three by communicating our goal toward net zero emission across all supply chains with suppliers, sharing our LCA way of working, and requiring LCA on the products we buy from suppliers as an expectation in the future.

Creating a better tomorrow as One Driving Force™

We believe that creating a better, more sustainable and inclusive future is our collective responsibility.

THE PLASMAN SUSTAINABILITY MODEL- 12 ACTION AREAS

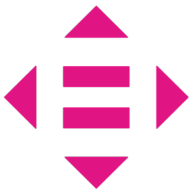
The Plasman Sustainability Model is composed of 12 action areas. The following includes a description of each area, what our goals are for each, and highlights of progress we made in 2022.

HUMAN RIGHTS, DIVERSITY, & EQUALITY

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES



Plasman is committed to the highest standards of human rights, diversity, and equality. We believe diversity fosters innovation and creativity, which improves performance and creates a welcoming work environment.

"Diversity" includes the mixture of differences and similarities that encompasses age, gender, gender identity and expression, sexual orientation, language, ethnicity, nationality, family and marital status, religion and belief, social and economic background, veteran status, education, experience, disability, and any other characteristics that make our colleagues unique. "Employees" are everyone who works at Plasman, which includes permanent employees and temporary employees such as consultants. "Inclusion" occurs when all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization's success. Plasman encourages those behaviors that recognize, understand, and value differences. Without inclusive practices, a diverse environment cannot be achieved. We continuously search for ways to support a welcoming culture for all. We have implemented internal processes that uphold a culture of inclusion and create and manage unbiased practices in the recruitment, development, and retention of employees.

Plasman is commited to:

- Observing all applicable employment, wage, and working hour laws,
- Honoring collective labor agreements, and
- Offering compensation and benefits to all members of our workforce in a fair, objective, and equitable manner.

Applicable laws govern the provisions of compensation and benefits to our employees. We expect that members of our workforce will follow the systems we develop to ensure compliance with those laws. Every manager must understand the laws, rules, and regulations that apply to the people within the organization. We provide compensation that complies with relevant laws and collective labor agreements and will attract, retain, and engage qualified employees with the skills, talents, and experience we need to succeed. We review the applicable compensation and benefits to ensure we remain competitive with other employers in our industry and related labor markets. Compensation decisions are based on performance, contribution, professional competence, company rules, and labor market practice. Plasman has developed specific tools to evaluate our workforce and promote leadership and management development.

diversity

the art of thinking independently
together

As part of Plasman's commitment and mandate to support community initiatives for the growth and sustainable future of children, we have partnered with the UN Refugee Agency (UNHCR). The UNHCR provides humanitarian aid to the children and families of affected populations in Ukraine and other countries in the region.

Plasman is committed to our new partnership and made a monetary contribution on behalf of all Plasman employees to support children and youth who were displaced by the crisis in Ukraine. UNHCR is a global organization dedicated to saving lives, protecting rights, and building a better future for refugees, forcibly displaced communities, and stateless people.

At Plasman, we are a team committed to affecting change, helping those in need, and giving back.

We sincerely hope this situation will be resolved quickly and peace will be restored in Ukraine and around the world.

MOTIVATORS. VOLUNTEERS. PROMOTERS.

Last year, we introduced our Corporate Giving program called MVP. This program focuses on working together on Plasman's commitments to support non-profit, youth-oriented organizations that create safe and healthy environments that promote a sustainable future for children and our new leaders of tomorrow.

The MVP program stands for Motivators, Volunteers, and Promoters and is structured around three pillars: Corporate Giving, Fundraising, and Participating. We introduced MVP to align our Corporate Giving initiatives and each Plasman location's local community involvement as one team for one cause.

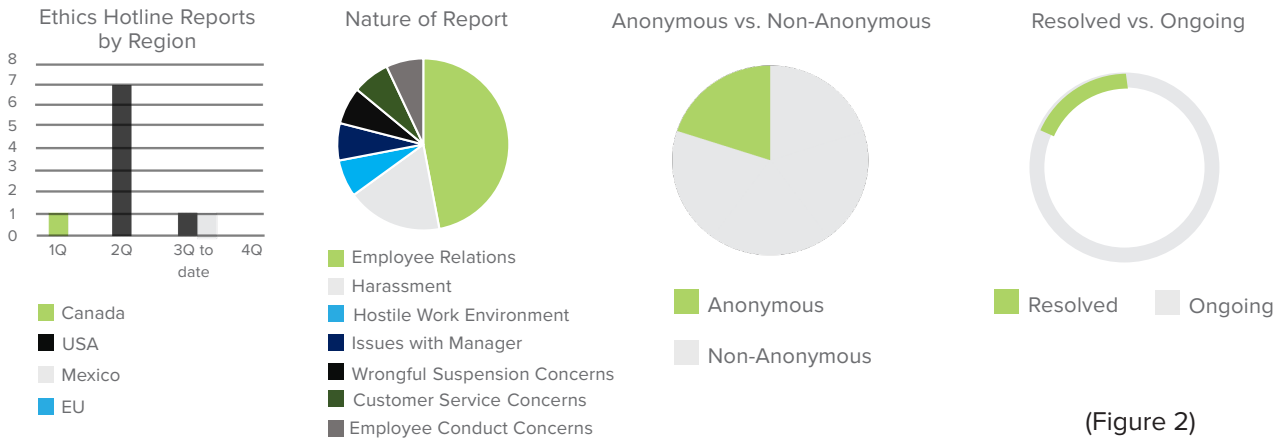
In 2022, MVP had over 800 Plasman team members participate in 45 different charities across the globe and made $80,000 worth of donations.

Plasman pledges to ensure fair working conditions and promote a healthy work-life balance. We follow all applicable regulations and social standards.

At Plasman, being one team and One Driving Force™ is part of who we are. We pride ourselves on our workforce – a workforce built by talented and diverse individuals across the globe. It is through the combined strengths and diversity of our workforce that we will continue to drive forward to a better tomorrow.

We believe that more important than where you're going is who you get there with, which is why we are dedicated to creating a workforce driven by diversity, equity, and inclusion. And together, as One Driving Force™, we will accomplish more than ever imagined.

Since implementing the Plasman Global Hotline across the organization in 2022, we have resolved 80% of reported complaints, with the other 20% of reports ongoing. Our focus is on understanding the nature of these reports. 47% of complaints come from Employee Relations, 18% from Harassment, and the remaining 35% are related to Hostile Work Environments, Issues with Managers, etc.



(Figure 2)

Incidents	Type of Incident	Method of Detection	Final Outcome
180	Email spam/ phishing reported by users	Mimecast Phish Alert Outlook Add-in opens IT Help Desk Sysaid ticket	**No malware.** Known phishers were blocked
27	File System Resource Manager alerts	Window Server system monitoring email alert opens IT Help Desk Sysaid ticket	**No malware.** Suspect files known and AV scan completed after
81	Malware alerts (25 computers), isolated cases	Panda Adaptive Defense 360 dashboard and email alerts	**No malware.** Remedied with detection and blocking or quarantined with removal on reboot device
0	Incidents of attack (IOAs)	Panda Adaptive Defense 360 uses known indicator profiles of events to alert of potential threats	**None detected**
2	Building Security	Strike reader repair/ buzzer reset	**No malware events**
290-180 user reported **= 110 total**			

HEALTH, SAFETY, & WELL-BEING

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

We are fully committed to occupational health and safety standards through policy development, certified management systems, and all applicable legal requirements. Plasman exercises the highest care to ensure our facilities are safe and that we have the necessary personnel and systems to mitigate health and safety risks. We regularly review the content of our employee's health and wellness training and support well-being, including mental health. Plasman also promotes a healthy organizational culture and healthy, active lifestyles.

Plasman's biggest asset is our employees, and to further strengthen our global work environment, the company is aiming for full certification to ISO 45001 at all our plants. In 2021, our European Headquarters and site in Ghent, Belgium, were certified. Last year, our Swedish sites in Simrishamn and Gothenburg and our site in Raufoss, Norway, were certified. The other global locations will follow, starting with the remainder of our European sites during 2023, with Carregado, Portugal, in January and Strakonice, Czech Republic, in June. We will continue with the North American sites in 2023/2024.

Our working environment policy focuses on a healthy, enriching, and sustainable mental and physical work environment. We have systems in place for reporting and monitoring events, such as injuries, accidents, and sick leave. These tasks are performed by our working environment committees. An important part of this work takes place through proactive activities, including training in physical and psychosocial health and ergonomics.

We follow all applicable laws and regulations around working hours and break times, and studies have shown that our wage structure is in accordance with local market standards.

All new employees and consultants are trained in our ethical guidelines and informed about our environmental and sustainability efforts and accomplishments.

We continue to conduct bi-annual employee engagement surveys, and our most important quantitative metrics in the personnel area are staff turnover and sick leave. A review of our diversity and inclusion plan has started. In the competence management area, we have created competence matrices to perform gap analyses and plan for further development actions.

HEALTH & WELLNESS COMMITTEE

FEEL GOOD. LIVE WELL.

In 2022, our Canadian Health & Wellness Committee launched a Step Challenge, encouraging team members at Global Headquarters to stay healthy and active through walking or running.

To support a healthy lifestyle for employees in Strakonice, Czech Republic, 68% of the cost of meals is subsidized by company funds. On top of that, the site made it possible for female employees with small children to work a steady shift every week.

During 2021, our bi-annual employee engagement survey was presented to all team members globally to measure their engagement and solicit their opinions. Branded as “Your Plasman” to communicate the importance of team members using the survey, it was an opportunity for employees to voice their opinions on what we can do together to make our company an even better place to work. In 2022, the focus was on proceeding with the action plans produced from the survey. We will conduct the employee survey again in 2023.

COMPLIANCE & TRANSPARENCY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Plasman is committed to conducting our business in compliance with all applicable laws, rules, and regulations and to the highest standards of ethical conduct. In addition, we pledge to openly communicate information about our sustainability program and to ensure accountable, transparent, and inclusive governance.

Senior Management recognized early on the importance of sustainability to the future of Plasman's growth and standing in the industry. To this end, Plasman established a Sustainability Department in mid-2021, and created two new positions, a Global Sustainability Director and a North America Sustainability Manager. In addition to the Sustainability Department, an internal counsel position was introduced in late 2021. This position is responsible for creating and implementing all of Plasman's internal and external policies. They work closely with the Sustainability Department to ensure changes in standards, whether through internal requirements, customer requirements, or global updates and additions, are incorporated into our policies and communicated to all stakeholders. In 2022, the Global Sustainability Department expanded with a new role – LCA Expert & Sustainability Controller. The reason for this position was the importance and requirements (both legislative and customers) for LCA (Life Cycle Assessment). As well, sustainability data, in general, is constantly increasing.

To assess and follow up on the environmental performance of our products, Plasman aims to implement LCA for all products within European sites in 2023. In 2022, Plasman was committed to implementing a full LCA for a front and rear bumper, which was a customer requirement. The LCA starts at the beginning of 2023 and is carried out in the scope of cradle-to-gate to calculate the global warming potential of the product during the life cycle.

The legislative landscape within all areas of sustainability is a fast-moving area. As a global company, Plasman strives to follow the highest standards within all our locations.

BUSINESS ETHICS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Plasman is implementing policies, procedures, and systems to support ethical business conduct. Examples include fraud prevention, data protection, privacy, anti-trust, and competition, anti-corruption and anti-bribery, anti-boycott and trade compliance, financial responsibility, and anti-retaliation.

We are dedicated to conducting our business with honesty, integrity, and the highest possible ethical standards and in compliance with laws and regulations. To comply with all anti-bribery regulations, Plasman does not make donations to political parties or other governmental entities. All donations to charity, on behalf of Plasman, follow internal procedures.

The continued evolution and integration of computer systems and reliance on technology within automotive manufacturing has introduced new information security issues for OEMs and their suppliers. This change has resulted in enhanced security posture requirements for most manufacturers, as disruptions can be costly.

The Information Security Management System (ISMS) is a fundamental component of the industry security standards and essentially supports information management requirements of all controls and sub-controls, along with examples or direct links to their auditable evidence.

Since email is the most common tool for exchanging information, maintaining the security of email and email systems is a priority for any company.

While smaller companies can rely upon cloud email services with limited protection, it is important that enterprise solutions exist for large companies. Plasman email is supported by Mimecast, an industry-standard secure email gateway provider with the added advantage of supporting secure file exchange with external recipients. The gateway automatically reviews emails for a dozen or more customizable email policies that can accept/reject email that is not compliant, as well as provides automated sandboxing of attachments to investigate for embedded threats. The platform provides IT with comprehensive threat analysis and reporting (Fig 3) and provides users with integrated tools to manage and review their held messages, allowing them to release or block mail from external recipients.

(Figure 3)

COMPLIANCE DEVELOPMENT

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

A competent, skilled workforce is our greatest asset. To this end, Plasman enthusiastically promotes our development as a learning organization. We are working with strategic competence management systems, and support education and learning through access to internal programs, development opportunities, and community partnerships.

In 2022, the plan was to provide condensed sustainability education to provide sustainability knowledge relevant to each employee's position. This task has been started and will continue in 2023, as we didn't have the ability to provide the education to all employees.

The process of developing a global tool for Competence Mapping began in 2022, and implementation will continue to take place during 2023. Our objective is to grow the current performance development application to encompass now-related skills to an individual or job. The new leadership training program that was introduced during 2021 to give all leaders at Plasman a solid and common platform continued in 2022. There is also an alternative leadership training, "Leading Colleagues", for employees in positions without direct reports.

User Training LMS Support - Phishing

Training individual users on the requirements of an ever-changing cybersecurity threat landscape also requires a system. The training must be able to accommodate learning modules and different learning campaigns, provide some mechanism to test user compliance with simulated phishing events and be able to monitor the outcomes of the training among learners over time. Ease of management of users, learner resources, and the training campaigns they are enrolled in are required, as well as a variety of content and the timing of delivery across multidisciplinary groups in different preferred languages. In the case of poor performance, it would be ideal that the learning management system also supports industry standard packaging of content so that third party or in-house content could also be deployed in support of training needs. This maximizes the investment costs of any system.

Plasman IT supports KnowBe4 KMSAT (Fig 4) in two separate instances, with no cost for the second instance dedicated to privacy and ethics compliance training. Learner training is required per cybersecurity insurance requirements, and all employees with email access are required to be compliant with training every year. Users are enrolled through the integration of one of the cloud-based KnowBe4 instances with their email credentials which are managed by their status as employees.

Industry benchmark levels, including the ability to create and manage content within campaigns in different languages are supported. This systemic learning approach evolves with the current threat landscape (e.g. spam vs phishing types) and the malicious techniques users could be exposed to by bad actors

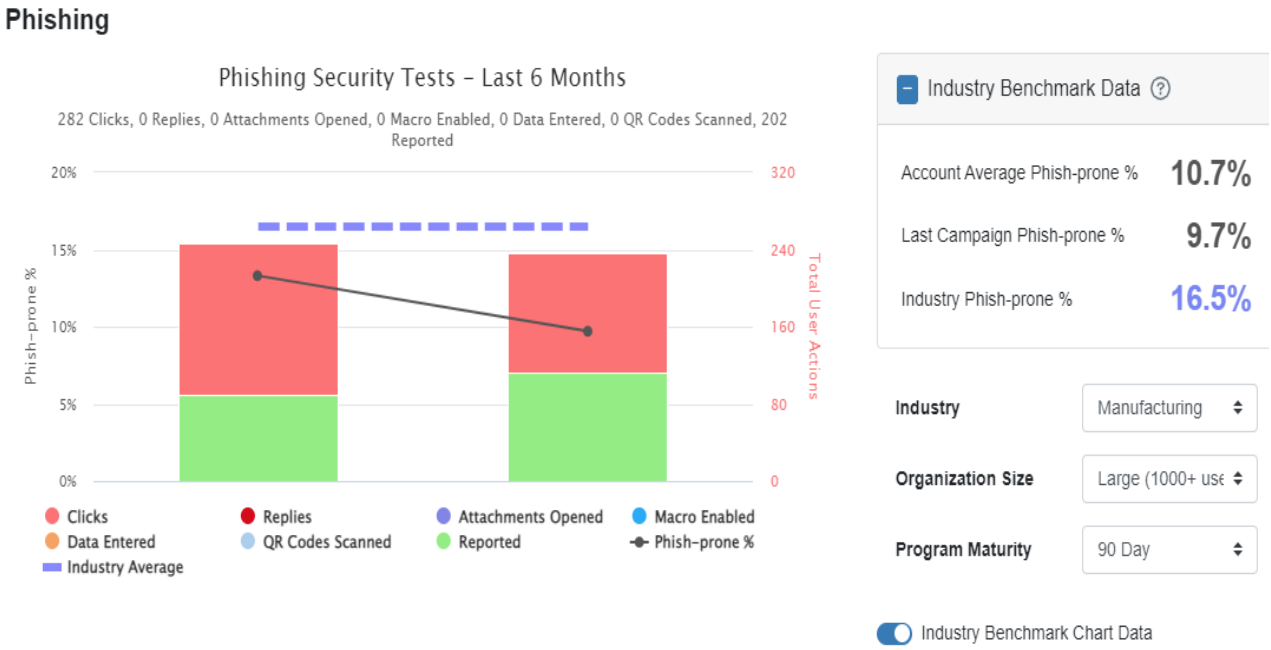


Figure 4: KnowBe4 KMSAT Phishing Campaign Learning Management System

RESPONSIBLE SUPPLY CHAIN

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Working with our supplier partners, ensuring responsible sourcing of raw materials, providing transparency on their origins, and working toward eliminating conflict minerals are at the top of Plasman's agenda. By considering the economic, environmental, and social aspects of our shared logistics systems, we mitigate any adverse effects of the procurement and transportation of both raw materials and finished products. Plasman continually works toward reducing risks in our supply chain, taking into account such global concerns as cybersecurity, data privacy, and risks to stakeholders.

We recently updated our Supplier Code of Conduct and plan to communicate our updated policies with our suppliers in 2023. We actively engage our suppliers in our sustainability journey by communicating our Supplier Code of Conduct and conducting annual sustainability assessments. Suppliers shall strive to reduce their negative environmental impact and consider biodiversity, land use, and deforestation risks within their supply chain.

- **Supplier shall monitor, track, and document their consumption of natural resources such as water, energy, and raw materials.**
- **Supplier shall monitor, track and document their emissions to water, soil, and air, and their waste.**
- **Supplier shall prevent commercial and industrial noise emissions to limit any impact on local communities.**
- **Supplier shall be committed to reducing their greenhouse gas (GHG) emissions over time.**
- **Supplier shall implement responsible handling of potentially hazardous substances, including transportation, storage, and disposal and supply employees with adequate personal protective equipment when applicable.**
- **Supplier shall be committed to reducing their hazardous waste per annum or maintaining recyclability and non-hazardous waste per annum.**
- **Supplier shall support natural resource governance that supports the ecological and legal linkages between Indigenous communities and their community lands, forests, and water resources and undertake to avoid forced eviction and the displacement of local and Indigenous populations, because of its operations.**
- **Supplier shall comply with applicable laws and regulations regarding prohibition or restriction of specific substances (including tantalum, tin, tungsten, gold, and cobalt).**
- **Supplier shall be transparent on raw material origins upon request.**
- **Supplier shall report substances used in the products delivered to Plasman Europe through the International Material Data System (IMDS).**

We will implement our first LCA made with internal resources in Plasman in 2023.

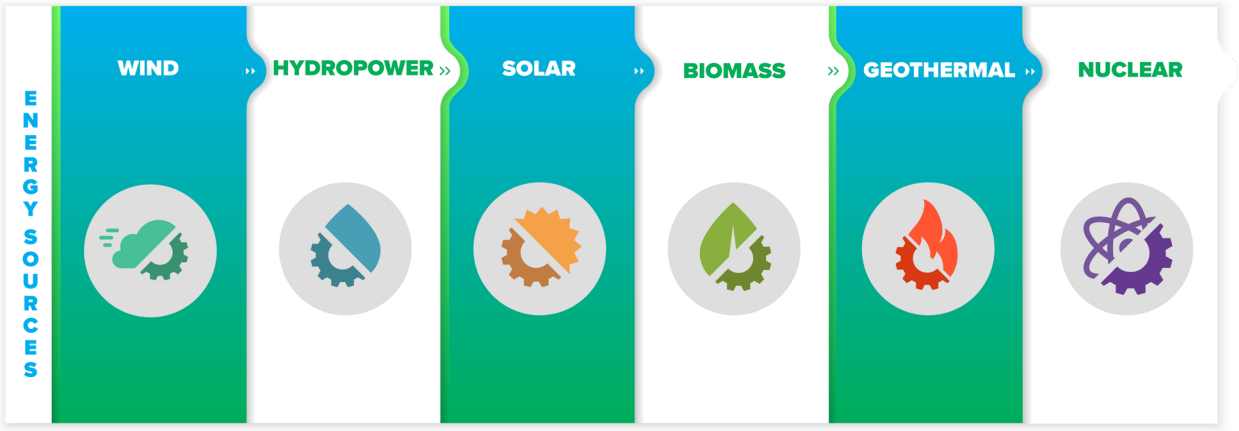
As well, we will plan meetings with suppliers to communicate our LCA way of working and demand LCA on the products we buy from suppliers as an expectation in the future. Our biggest impact is within the supply chain; therefore, we need to work together to help suppliers reach our collective sustainability goals.

A new Supplier Portal launched on Plasman's website in 2022, and the revised Supplier Code of Conduct was released there. In addition, the Plasman Supplier Self Assessment was updated to reflect an increased focus on sustainability, based on the new Supplier Code of Conduct. In 2023, there will be an ongoing process of developing and updating other policies and documents connected to our suppliers. What we see going forward is an increased focus on the complete supply chain, including raw material impact, recycling of materials, new materials, etc. It is clear that sustainability is and will be a key success factor for us as a company, together with our suppliers.

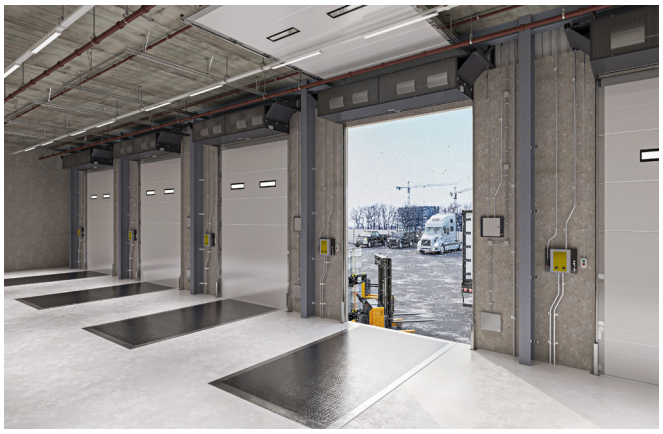
ENVIRONMENTAL COMMITMENT

Plasman continues our commitment to environmental sustainability by developing a long-term environmental strategy, maintaining and expanding our certified environmental systems, including ISO 14001, and implementing and maintaining energy management systems at each manufacturing location. Globally two sites do not have ISO 14001, and the plan is to certify Greer, South Carolina, during 2023 and Windsor Tooling, Canada, during 2024.

As part of Plasman's mission to create a better tomorrow as One Driving Force™, we are committed to building a better, more sustainable, and inclusive future for our employees, customers, and communities. We are driving toward a climate neutral future by changing the way we work with the ambition to transition all global operations to climate neutral energy sources. In celebration of Plasman's upcoming 50th Anniversary, our goal is to be 100% climate neutral by 2028.



In June 2022, our Windsor Tooling site saw an opportunity to reduce natural gas consumption through a municipal government rebate of 85% by partnering with Northern Dock Systems to install two Shipping Door Air Barriers. The Air Barriers create a strong separation between two areas with different temperatures. This implementation has reduced cold drafts, snow, and rain from entering the building, as well as saving 155 MWh on gas compared to gas consumption in 2021.



In North America, our Windsor 1 and 3 Manufacturing sites plant trees annually at their locations during Earth Week.

At our Windsor Tooling site, we replaced six of our rooftop HVAC units in 2022 to Honeywell's energy efficient HVAC solution. We have committed to replacing six units every three years until all our HVAC units are energy efficient.

In Lawrenceburg, Tennessee, in 2022, all the lights were switched to LED. This initiative resulted in 2.3 million kWh of electricity saved - which is equivalent to powering a house for two hours.

As of 2022, 49% of Plasman's global energy was from climate neutral energy sources, including wind, solar, biomass, geothermal, hydropower, and nuclear. For more detailed information about the energy usage at our different sites, see the Sustainability Scorecard on page 40.

By January 2022, most European sites ran on renewable electricity. In addition, in 2022, we replaced natural gas with biogas at our manufacturing site in Gothenburg, Sweden. Starting in 2023, we made an agreement with our district heating supplier in Simrishamn, Sweden, to supply 100% renewable energy.

Our next step is to evaluate our various energy sources globally and start migrating towards climate neutral alternatives. We are using a step-by-step approach by considering availability, pricing, and other factors to reach our Climate Neutral Energy Ambition in all our markets, with the initial focus on European operations. The next step is to make plans to shift natural gas to a renewable alternative in Ghent, Belgium; Strakonice, Czech Republic; and Carregado, Portugal.

A roadmap for the shifts from current energy sources to climate neutral energy sources with all countries where we have operations is the focus for the coming years. In the near and medium future, adopting climate neutral energy sources may initially increase our energy costs, but we are working to offset the impact of such increases through energy use reductions and renewable energy self-generation at some of our facilities. In addition, we are working continuously on energy efficiency initiatives.

For our site in Gothenburg, Sweden, we are discussing alternative energy sources such as solar cells on the roof, generating up to 500kW/hour, as well as LED lighting in the building. In Strakonice, Czech Republic, we have replaced discharge lighting with LED lighting in some workstations.

RESPONSIBLE RESOURCE MANAGEMENT

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

Not only is responsible resource management good for the environment, but it is also good for our overall efficiency. We have developed a long-term climate neutral energy strategy that will reduce our use of non-renewable and climate-adverse energy sources globally. This resource management extends to raw materials and water use as well.

During 2022, we further developed our relationship with our stakeholders and are having in-depth discussions with our suppliers and customers regarding recycled material use. We are offering the recycled material option to our customers as well. In 2022, we became a member of the Circular Plastics Alliance. The Circular Plastics Alliance is an initiative under the European Strategy for Plastics (2018), in particular under Annex III, related to voluntary pledges by industry. The European Commission launched the Circular Plastics Alliance in December 2018 to help plastics value chains boost the EU market for recycled plastics to 10 million tonnes by 2025. The Alliance covers the full plastics value chains and includes over 300 organizations representing industry, academia, and public authorities. New stakeholders can join the alliance by signing its declaration. Plasman pledges that in future projects we will be able to offer a minimum of 25% recycled plastic to our customers. We will always offer as much recycled content as possible to our customers and try to minimize the CO_2 impact of each product. We will promote circularity and design for sustainability. For example, we will use the least amount of separate polymers for different applications, targeting that all production waste plastic be reused in a circular system. We will continue to work together with our customers and our suppliers in order to achieve climate neutrality by 2028.

An example of our attempts towards becoming more circular includes various test phases that have been run to replace recycled material in production at our site in Strakonice, Czech Republic. Attempts to replace the ABS components with 100% recycled material were promising and can be evaluated positively for future implementation. Based on the data collected in Strakonice and the tests carried out with recycled material by Plasman, substituting the ABS component with 100% recycled material saves 1,315.08g of CO_{2e} per vehicle.

In Strakonice, our heat supplier replaced solid fuel (coal) with gas combustion (natural gas).

In Simrishamn, Sweden, we have conducted a different approach to make energy consumption more efficient, such as installing a new air compressor and air dryer, adjusting the factory heating system, and rebuilding the heating dump system. These actions, in addition to other identified strategies, continue to reduce the energy consumption in the plant and will be followed up in 2023. Some future actions include the final installation of piping from the new air compressor, continuing to adjust the factory heating system, and a major job on our compressed air system regarding leak detection.

In our site in Ghent, Belgium, we installed an energy recovery system on the air compressor in 2022. Heat is an inevitable by-product of air compression. The Energy Recovery solutions allow us to reuse that thermal energy, lowering our plant's overall energy consumption. It enables us to save costs while reducing our environmental impact. Since December 2022, we use the heat from the compressor to heat the administrations part of the factory.

POLLUTION REDUCTION

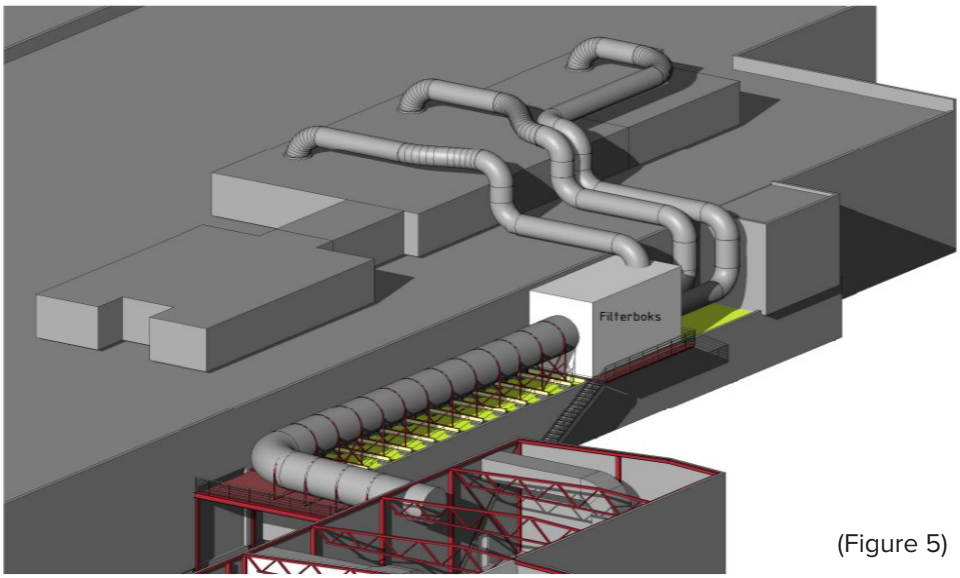
3 GOOD HEALTH AND WELL-BEING

6 CLEAN WATER AND SANITATION

In addition to rigorously following all regulations and industry standards, our climate neutral strategy contributes to reducing our greenhouse gas footprint both our internal operations and across our supply chain. Our capital equipment projects take advanced technologies into account to ensure that we continue to reduce any harmful impacts to both air and water.

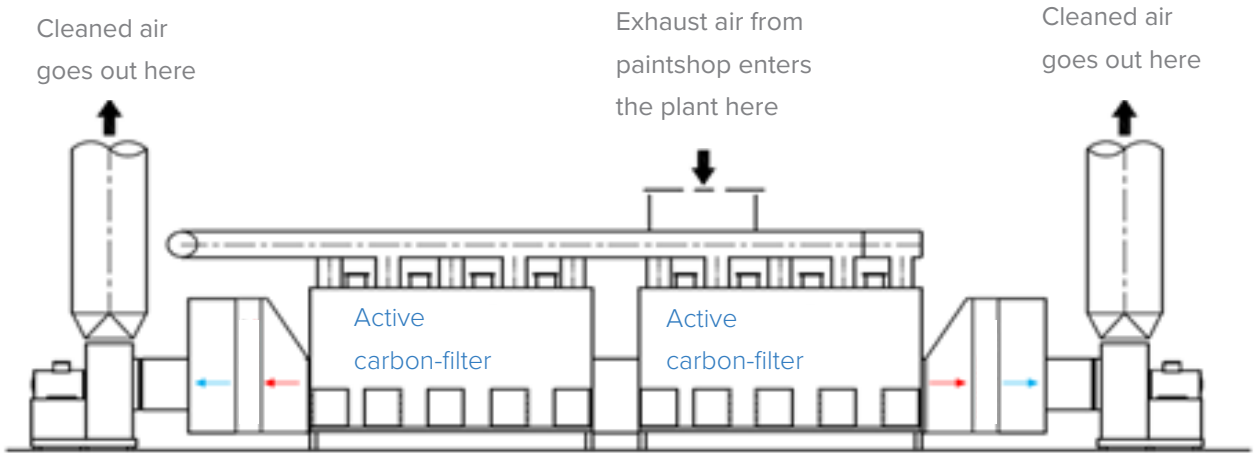
In Raufoss, Norway, we invested in a VOC abatement system to clean the process air and added a heat exchange system to the VOC abatement system to save energy at the same time. Since 2007, our Raufoss site has performed yearly VOC emission measurements on the paint shop, following the Norwegian Environment Agency. In 2021, we bought a VOC abatement system from MIAB (Sweden) and will have it running by the beginning of 2023. The heat recovery system consists of two large heat recovery batteries in the VOC abatement plant and two pre-heating batteries in the Eisenmannn, or air-handling units. The batteries are linked together with a pipeline with glycol, which transports and distributes the recovered heat with the help of pumps and valves. Based on current production hours, this system will recover approximately 810 MW/year. In addition, we have received a grant from ENOVA, which is support from the Norwegian government for green energy projects.

Concept: Exhaust air from primer, base, and clear coat is collected and filtered in a filter box before it continues in a big pipe (Ø2000) down to the treatment plant for VOC.



(Figure 5)

MIAB FD - VOC abatement plant



The plant is 20 meters in length, 10 meters in width, and 5 meters in height.

Total weight is approx. 60 tonnes.

(Figure 6)

Among some of our current or recently completed projects, Plasman performed a paint robot and sprayer nozzle changeover on four robots at our Tilbury, Canada, site in 2020 and 2021. This resulted in improved paint transfer efficiency and a reduction of particulate and VOC emissions by 15% in those units. We continually perform storm and sanitary sewer water sampling at our Tecumseh, Tilbury, and Windsor 3 Manufacturing facilities in Canada to comply with the pollution limits mandated by local bylaws.

At three of our North American paint facilities, a Regenerative Thermal Oxidizer (RTO) performance of 94 to 97% was achieved. The performance standard is 85%; thus, our plants exceed the standard by at least nine percent. All our hazardous waste, including solvents, is recycled and/or redistilled for reuse or reprocessing. In 2023, we are looking into reducing our Electrical Discharge Machining (EDM) sludge waste stream at Windsor Tooling that currently goes to landfill. Our aim is to find a third-party recycler to detect a circular waste stream.

CIRCULARITY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Plasman seeks to understand and optimize the life cycle impact of all our products and processes. We assess and continually improve our end-of-life strategies to reduce waste in all forms and to improve the circularity of our plastic production processes.

By adapting clean and environmentally-sound technologies and strategies, we continuously work toward reducing material, water, and energy consumption. This also includes the reduction of the use of harmful materials wherever possible. The ongoing activities with recycled and bio-based material is described in the section “Responsible Resource Management” (page 30).

Currently, scrap is handled differently at each site, but typically the unpainted scrap is reground at the site and reused, while painted scrap is sent off-site to an external provider for regrinding. Plasman is looking into different ways of optimizing the flows of scrap to avoid down-cycling of this material. In our site in Ghent, we started to separate waste flows for PC (polycarbonate) and PP (polypropylene). This will increase the possibilities to re-use the material without down-cycling.

In Strakonice, Czech Republic, we reduced scrap premium from the planned 2.50% to 2.34%.

Our site in Gothenburg is planning to start a pilot project for reusing all scraps in the site. After completing the pilot project, it will be introduced to other sites.

Before 2022, Plastic scrap generated at Windsor Tooling went to a landfill. Our Mold Manager saw an opportunity to divert this waste from the landfill by using an existing recycling program at our Windsor 1 Manufacturing site.

Plasman is also exploring the increased use of recycled resins to enhance our environmental performance. Working with OEMs, we have been experimenting with various recycling strategies to include recycled resins in the finished product, while ensuring the highest quality and required strength.

Our Cleveland, Ohio, plating facility has pioneered the process of recycling chrome plated parts, thus reducing the amount of these parts destined for a landfill. Parts to be recycled are first finely ground, then a recovery process removes the various metals used in the chroming process. These metals are then sold to an outside recycler, and the resulting plastic is sent off to an outside recycler for repurposing.

SUSTAINABLE PRODUCTS & SERVICES

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Working cross functionally within Plasman's various departments, we continue to make advancements in our products and materials that will allow us to improve the sustainability of our entire product portfolio. Some examples include designing for reduced environmental impact, easier end-of-life recycling, and increased safety.

Plasman is also creating a culture of learning and development across our global organization. We encourage our team members to personally work with us to continue to develop a responsible, sustainable organization. Plasman is using Life Cycle Assessments (LCAs) to investigate and understand the environmental impact of our products. The necessity of LCA is clear and two-fold. First, we need to understand in which phase our products have the largest environmental impact to guide our internal efforts. Secondly, we need to be able to show our customer our environmental impact. This is an ongoing area, and we can clearly see a growing need for LCA.

On September 14, 2022, Plasman joined the "Polestar 0 Project," and signed a research agreement with Polestar to start strategic collaboration to create a climate neutral vehicle. Polestar 0 aims for a climate neutral production car by 2030 and established a collaboration across diverse fields to innovate solutions or advanced engineering to tackle the challenges of achieving a truly climate neutral production car. Along with our partners, Plasman continues to drive the decarbonization of mobility forward by participating in the "Polestar 0 Project". Initially, a cross-functional team at Plasman will focus on developing, sourcing, and producing a truly climate neutral bumper, but the findings and developments from the "Polestar 0 Project" will allow Plasman the opportunity to expand its partnerships around the topic of sustainability and continue to work together with suppliers and their valued customers.

Plasman's Engineering team has been busy working on several projects beginning in 2021 and continuing into 2022 with the goal of reducing our production environmental impact and the human health factors associated with those processes.

An ongoing project focuses on reducing the use of Chrome VI for plated parts. Another process currently being tested and evaluated is the total elimination of the use of Chrome VI in the entire plating process.

As mentioned previously, our Cleveland plating facility has been a pioneer in the process of reclaiming and recycling plated plastic parts. In the past, these parts were destined for the landfill, but we have developed a way to grind these parts, recover all the metal components used to plate them, and then recycle the resulting metal-free plastic for reuse.

Another alternative to chrome plating is Omniluxe™. Omniluxe™ is a patented physical vapor deposition product technology that is an environmentally friendly, flexible, and valuable alternative to chrome plating processes. Omniluxe™ uses thin-film deposition techniques, where a solid material is vaporized in a vacuum environment and deposited on substrates as a pure material or alloy composition coating.

Omniluxe™ allows Plasman to offer an alternative to polymer parts for applying decorative finishes and fulfills the strictest environmental requirements. The method is EU REACH compliant and environmentally safe. Further, an LCA has been performed on Omniluxe™, comparing it to Chrome VI and Chrome III. The LCA showed that for Global Warming Potential, the kg CO_2e, the Omniluxe™ CO_2-footprint is only 2% of the Chrome III.

On top of its environmental benefits, Omniluxe™ also gives designers the freedom to create. Complex shapes and hollow sections can be coated, and there are several gloss options and extensive color-matching possibilities. The material is also flexible to improve the ease of final assembly and reduce noise, vibration, and harshness. As well, that flexibility lowers the risk of scrap during assembly.

Graphene inclusion in resin is currently being evaluated. This involves using ultra-hi-strength graphene (a form of carbon) in the resin mix, which can result in improved product strength combined with reduced weight. This helps achieve a lower environmental impact over the product's useful lifespan.

INNOVATIVE PRODUCTION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

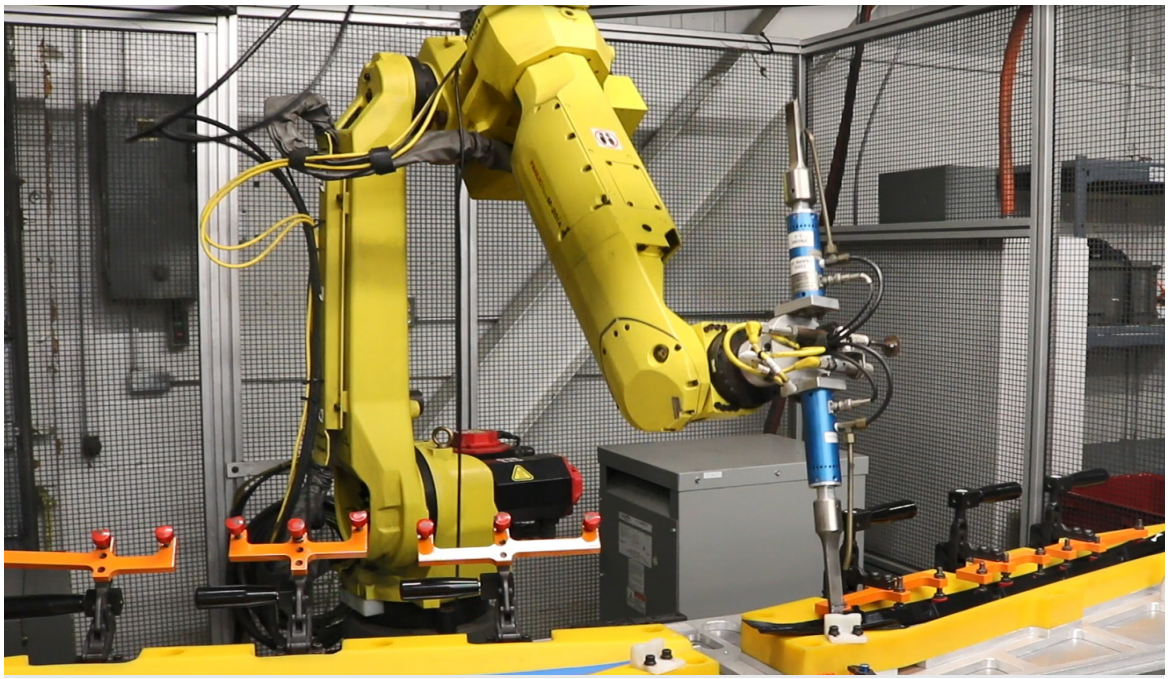
11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

By continually assessing and enhancing our processes, Plasman will enhance our ability to drive profitability improvements. This allows us to set and achieve financial targets.

Making advancements in our equipment technologies allows us to improve product offerings, quality, and output. Further investments in innovation and technology capabilities enable development, expansion, increased sustainability, and reduced risk in our supply chain.

In Gothenburg, Sweden, we installed a new interactive, intelligent system for ventilation. The units have a rotating heat exchanger and adequate capacity to accommodate Sweden's four seasons. When combined with the waste heat generated from the injection molding process, this system can keep the temperature at a set point and intelligently regulate the fresh air and exhaust air flows.



Measure.
Reduce.
Shift.
Offset.

Everything we do reflects our relentless passion for sustainability and finding ways to add value for the betterment of all our stakeholders.

Sustainability Scorecard

		Global	Europe	NA	Global	Europe	NA
Consumption		**2021**			**2022**		
Electricity	MWh	15 200	45 600	106 400	180 522	57 630	122 892
Percentage climate neutral (renewable)[1]		55% (18%)	45% (6%)	59% (23%)	69% (44%)	91% (85%)	59% (24%)
Energy	MWh	126 800	22 900	104 100	106 570	22 052	84 518
Percentage climate neutral (renewable)[2]		13% (13%)	73% (73%)	0% (0%)	14% (13%)	66% (73%)	0% (0%)
Water consumption	m^3	411 900	139 000	272 900	454 219	194 077	260 142
Waste							
Combustible waste	tonnes	1 480	1 480	0	1 021	1 021	0
Waste to landfill	tonnes	3 140	0	3 140	969 469	0	969 469
Hazardous waste	tonnes	2 470	990	1 480	1 663	1 003	660
CO_2 emissions[3]							
CO_2 emission	ton	52 800	3 200	49 600	28 292	8 973	19 319
CO_2	kg/working hours	5,5	1,7	9,3	3,52	3,44	3,60
Accidents							
Accident Frequency Rate, LTA[5]		2,7	3,4	2,0	2	3	1
Accident Frequency Rate, all[6]		8,8	10,6	7,0	8	5,3	2,6

1 Calculated as a weighted region average; 2 Calculated as a weighted region average; 3 Based on electricity and energy consumption; 4 Calculated as an average of the sites measured; 5 Calculated as an average of the sites measures. The accident rate is calculated by multiplying the number of recorded incidents by 200 000, and then dividing that number by the number of work hours in the organization; 6 Calculated as an average of the sites measured. The accident rate is calculated by multiplying the number of recorded incidents by 200 000, and then dividing that number by the number of work hours in the organization.

The Sustainability Scorecard was developed with data collected from each of our sites, and covers the 2022 calendar year. During 2022 Plasman acquired 4 sites (2 in Europe and 2 in NA). This will influence the comparison between the years.

GRI Index

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards. Plasman reports on an annual basis, and this report covers the period of January 1 - December 31, 2022.

Disclosure		Comment	Page number(s)
Organizational Profile			
102-1	Name of organization		Cover page, all pages
102-2	Activities, brands, products, and services		Page 4
102-3	Location of headquarters		Page 4
102-4	Location of operations		Page 4
102-5	Ownership and legal form		Page 4
102-6	Markets served		Page 4
102-10	Significant changes to the organization and its supply chain		Page 40
Strategy			
102-14	Statement from senior decision maker		Page 2
102-16	Values, principles, standards, and norms behavior		Page 20

GRI Index

Disclosure	Comment	Page number(s)
Governance		
102-18 Governance structure		Cover page, all pages
102-40 List of stakeholder groups	Engaging stakeholders is a vital part of Plasman's operations and sustainability management. This is described throughout the report.	All pages
102-42 Identifying and selecting stakeholders		Page 6
102-43 Approach to stakeholder engagement		Page 6
102-44 Key topics and concerns raised		Page 6
Reporting Practice		
102-46 Defining report content and topic boundaries		Page 6
102-47 List of material topics		GRI - Index Table
102-48 Restatements of information		Page 40
102-49 Changes in reporting		Page 40
102-50 Reporting period		GRI - Index Table
102-51 Date of most recent report	2022	
102-52 Reporting cycle		GRI - Index Table

102-53 Questions regarding the report	sustainability@plasman.com	
Materials		
103-1-3 Management approach		Page 6
301-2 Recycled input materials used	Not able to report on percentages as the data is not available.	Page 34
Energy		
103-1-3 Management approach		Page 6
302-1 Energy consumption within the organization		Page 32
Water		
103-1-3 Management approach		Page 6
303-5 Water consumption		Page 40
Emissions		
103-1-3 Management approach		Page 6
305-4 GHG emissions intensity		Page 40
Waste		
103-1-3 Management approach		Page 6
306-3 Waste generated		Page 40

For questions or to learn more, contact us at sustainability@plasman.com

Plasman
Sustainability

We Are
Dedicated to Global
Sustainability Actions