



**COASTAL
AUTOMOTIVE**

2021 SUSTAINABILITY REPORT



TABLE OF CONTENTS

	SUSTAINABILITY AT COASTAL GROUP		2-3
	PEOPLE	Sustaining Our People	4-5
		Investing in People	6-7
	PLANET	IMPAXX™ Material Recycling Pathway	8
		Environmental Impact	9
	PROSPERITY	Sustaining Our Communities	10
		Coastal Community Initiatives	11
	THE ROAD AHEAD	Our Ongoing Sustainability Commitment	12-13



SUSTAINABILITY AT COASTAL GROUP

PEOPLE / PLANET / PROSPERITY

As members of our communities, nation, and planet, we accept our responsibility to protect the places we do business and to enhance the lives of all the people who partner with our company.

WE BELIEVE THE FOLLOWING TO BE TRUE:

- 1 Sustainable businesses are the foundation of the world's economic engine.
- 2 Economic success is not the purpose of a sustainable business but rather the way in which we fund our future—a vehicle to empower people and protect our planet.
- 3 A sustainable business has:
 - A purpose that serves its customers.
 - Equity, compassion and opportunity that serve its team members.
 - Partnership that serves its suppliers.
 - The responsibility to manage the inextricable links between our business, environment and community.
 - Prosperity that serves its investors and funds its future.

We are dedicated to sustainability as a robust interconnection among our people, our planet and our prosperity, which serves our community. We pledge to conduct our business in alignment with our environmental principles, with an ongoing commitment to being both a great place to work, and a trusted neighbor and business partner.

We want to be accountable to our commitments, which is why in our strategic planning, we will be transparent about our intentions and set measurable targets we can track for year-over-year progress. In addition, we will share what we learn about successful sustainability measures and be advocates of best practices within our industry among our community partners.

In this document you will find our vision, our current actions and an honest assessment of where we are today. We are doing many things well, but we are not done, and we know it.



PEOPLE

THE COASTAL METHOD OF PEOPLE MANAGEMENT

SUSTAINING OUR PEOPLE

We believe that work empowers people to grow: intellectually, physically, emotionally and socially. As people satisfy their need to grow, the organization where they work grows too. And the more an organization provides meaningful work, the more people will grow.

People deliver their best when they are thriving both at work and at home. Starting with the most basic needs—from entry-level to senior management—all of our people enjoy competitive wages, company-sponsored retirement options, access to high-quality health care and safe working conditions.

Fair compensation and safety are just the fundamentals and don't address all of the needs of people at work. More than a paycheck, people want their work to have meaning. Work is not a necessary evil that we must endure so that we can afford to go about the other parts of our life. Work has the potential to be a meaningful and joyful part of a person's life.





Since our founding in 2007, this reality has driven our choices on how to lead our business by supporting and investing in the lives of everyone associated with our business. We are committed to creating an environment where our employees can do meaningful work in a culture of partnership with opportunities for continuous development.

INVESTING IN PEOPLE



SERVANT LEADERSHIP

Leaders exist to serve their team members. As such, we select, review, assess and develop our leaders in alignment with 7 principles of servant leadership: listening, empathy, growing people, awareness, influence on others, looking ahead and team building.



JUSTICE ON THE JOB

While we have policies for guidance, we recognize that the strict interpretation of a policy does not always ensure justice. We listen, weigh the facts, and work hard to make just decisions to resolve workplace conflicts.



EDUCATION

We provide internal training and support continuous learning for employees, a practice that encourages our people to grow personally and professionally.





PERSONAL DEVELOPMENT

Every employee receives four yearly development reviews where employee and manager/team leader collaborate on plans for improving job skills and progressing in career goals.



COLLABORATIVE PLANNING

A diversity of thought brought to each problem is an opportunity to enrich the solution. In company planning we work to include the input of all employees via surveys, focus groups, and team meetings.

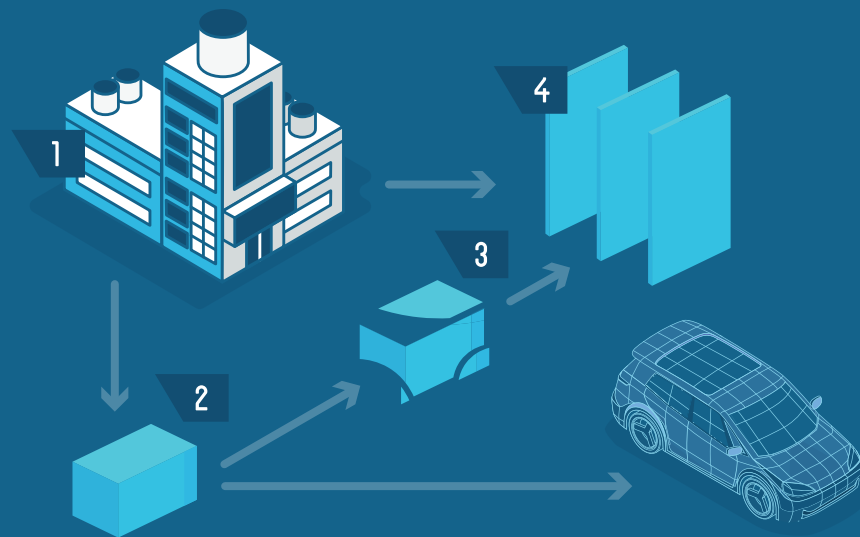


BENEVOLENCE FUND

The benevolence fund is an employee-run, voluntary contribution fund that makes financial gifts to team members in need.

IMPAXX™ MATERIAL RECYCLING PATHWAY

The vast majority of our energy and acoustic management products utilize IMPAXX™, a highly-engineered extruded polystyrene. XPSs are versatile plastics, which can be recycled for a number of different applications.



ENVIRONMENTAL IMPACT

Since our founding, Coastal Automotive has made sustainable and responsible practices an integral part of how we run our business. We're excited to continue that commitment by regularly assessing our environmental impact year-over-year.

Starting in 2022, Coastal Automotive is committed to setting five-year measurable environmental impact goals and making yearly progress towards those goals. These initiatives will include practices designed to reduce impact throughout our entire manufacturing process—from raw materials to delivered products.

WASTE TARGETS

By the end of 2022, we will also establish five key metrics that will help us track progress towards our five-year environmental impact goals.



CARBON
DIOXIDE



WATER



ELECTRICITY



GAS
USAGE



LIFE CYCLE
MATERIALS
WASTE

PROSPERITY



SUSTAINING OUR COMMUNITIES

In business terms, prosperity is often measured as profit. But profit is not the purpose of our business—rather it is how we fund our future and make our business sustainable for all stakeholders. With profit we acknowledge the investment of our owners, we bring the best products and services to our customers, we invest in our team members, we enhance our supply chain, and we partner with the communities in which we work. If we are not prosperous we can do less of these good things.

And with specific respect to our communities, it's reciprocal: businesses prosper in healthy communities and prosperous communities cause businesses to flourish. This relationship between community and business underscores one of our key sustainability philosophies: as we prosper, it's our responsibility to serve our community as best we can in big and little ways.

COASTAL COMMUNITY INITIATIVES



COMMUNITY EVENT SUPPORT:

Coastal is a regular supporter of local events and needs, including Christmas and Thanksgiving parades, and many more.



CHARITABLE GIVING:

Coastal Automotive supports a number of local non-profit organizations in both Holland and Rochester Hills, including House of Providence and Adopt A Family with Volunteers of America Michigan. And every year, team members have the opportunity to nominate new local charitable causes to support.



OESA

Coastal Automotive's leadership team takes a leading role in the Original Equipment Suppliers Association.



LEADERSHIP INSTRUCTION AND MENTORING:

Coastal executives and managers provide leader training and mentoring in local university programs as well as supporting publicly offered leadership training programs.



EXECUTIVE ROUNDTABLE:

Coastal executives lead a meeting of 50 local senior executives dedicated to finding best practices for managing our businesses.



WEST MICHIGAN ECONOMIC DEVELOPMENT:

We both donate to and sit on this advisory board, which guides community growth and investment.

THE ROAD AHEAD

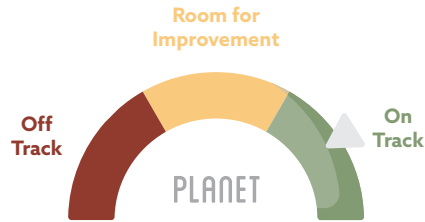
OUR ONGOING SUSTAINABILITY COMMITMENT

We are excited to journey down the path of becoming a more sustainable, environmentally responsible company. In prioritizing the needs of our environment, society, and the economy, we are starting small and scaling up our efforts over time. By being transparent about our success, we hope to join in the community of businesses sharing lessons learned for mutual benefit. Likewise, we will also be transparent about our failures so that others can offer guidance.

The following gauges depict the management team's overall assessment of progress towards our sustainability goals. We chart our progress in terms of the three pillars: people, planet, and prosperity.



PEOPLE measures our progress on multiple targets towards making Coastal a great place to work.



PLANET measures our progress towards a full assessment of the life cycle of our products and a full assessment of our facilities' carbon footprints.



PROSPERITY measures our positive impact as a trusted neighbor and business partner in all of our communities.



**COASTAL
AUTOMOTIVE**

[COASTAL-AUTOMOTIVE.COM/SUSTAINABILITY](https://coastal-automotive.com/sustainability)



The paper used to print this report is made with FSC-certified 100% post-consumer fiber manufactured and processed chlorine-free with 100% renewable green electricity. The paper also bears a Carbon Neutral Plus and Green Seal certifications, ensuring a reduction in carbon emissions and environmentally preferable packaging and mill processes.