



**COASTAL
AUTOMOTIVE**

2022 SUSTAINABILITY REPORT

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SUSTAINABILITY AT COASTAL AUTOMOTIVE

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 stakeholders.
- 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.

PEOPLE

THE COASTAL METHOD OF PEOPLE MANAGEMENT SUSTAINING OUR PEOPLE

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

But compensation and safety are just the fundamentals. More than a paycheck, people want their work to have meaning, and meaningful work empowers people to grow both psychologically and socially.

Since our founding in 2007, this reality has driven our choices on how we lead our business. We are committed to creating an environment where our employees can do great work 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 both personally and professionally.



PERSONAL DEVELOPMENT

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



COLLABORATIVE PLANNING

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.





THE CAREER PATH LESS TRAVELED

An Interview With Coastal Automotive's Director of Operations, Toby Curry

Every year, I look forward to welcoming dozens of Careerline Tech Center (CTC) seniors to the plant. I see it as a chance to show off our culture, engage the community and have a lot of fun. Many of our production employees are Careerline Tech alums, so the tour often turns into a reunion. Plus, at the end of the day, the students go home holding a piece of a Tesla Model Y—our IMPAXX™ energy management foam.

It's more than just a tour—it's an opportunity to share our purpose and mission. We've worked hard to build an environment at Coastal Automotive that sets us apart from bigger manufacturers in the area, and I want students to understand that a great career is about more than a paycheck. It's impressive to see students getting into manufacturing and engineering, and for them to already be seriously thinking about their futures.

This year, 96 students in four groups were able to observe our entire manufacturing process. I was very open with the students about the challenges employers in Holland face. We talked about how to strike a healthy balance when implementing automation into the production process, and we also discussed how local supply chains usually cost more at first, but do more to build community engagement in the long run.

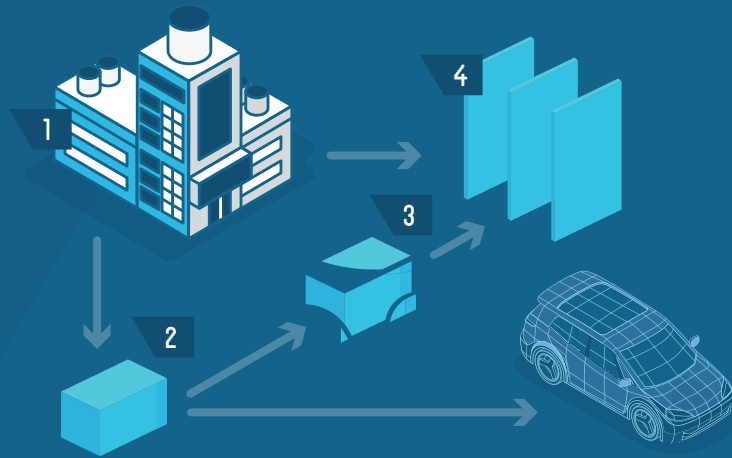
Our success with the Careerline Tech visits have led to more intensive job shadowing opportunities. Over several months, job shadowers receive special instruction on project and operations management, and our hope is that the experience will encourage them as they start their own careers in manufacturing.



PLANET

IMPAXX™ MATERIAL RECYCLING PATHWAY

Much of our energy management products utilize IMPAXX, a highly engineered extruded polystyrene foam. XPSs are versatile plastics, which can be recycled for several different applications.



1 Material suppliers manufacture IMPAXX foam for Coastal Automotive.

2 Coastal Automotive utilizes IMPAXX to manufacture energy management solutions.

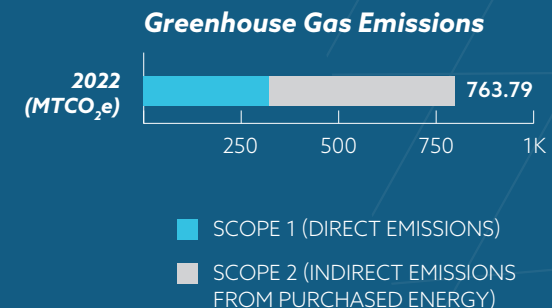
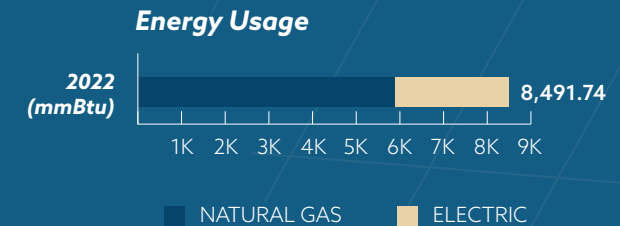
3 **100%** of unusable foam or scrap from our manufacturing process is collected and shipped to our recycling partners.

4 Our recycling partners use the recycled material to make other polystyrene-based products. One of the largest uses of our recycled material is in the manufacturing of insulation boards for construction.

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. In alignment with that goal, each year we conduct energy usage and carbon footprint audits based on industry best practices. Data from our first year of monitoring (2022), is available below:

2022 FOOTPRINT IN NUMBERS

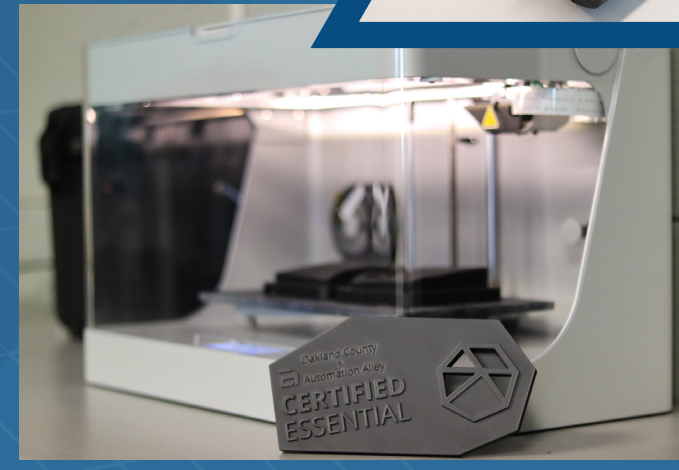
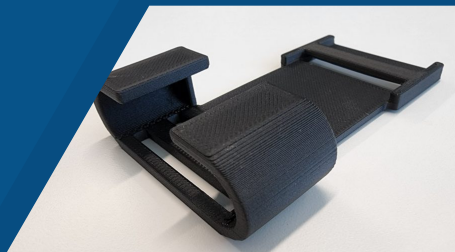


PROSPERITY

CREATING A CULTURE OF GIVING

Our community dedication creates a culture of giving at Coastal. One of our favorite Thanksgiving traditions is ordering a surplus of turkeys for Gateway Mission. We celebrate the holidays by sharing turkeys—both with our employees and with neighbors experiencing homelessness.

Another cause close to Coastal Automotive is the public safety of the communities where we work. In 2022, Coastal became a corporate-level sponsor of the local K-9 Unit. Often decked out in bullet-proof vests, the dogs participate daily in fighting crime by tracking down missing children, detecting narcotics and assisting in area-wide sweeps alongside their handlers. "Our employees loved participating in the fundraiser event this year, and we were excited to participate in the fun while improving safety in our community," said CFO Mark McConnell.



PROJECT DIAMOND

Coastal is proud to be a member of Project DIAMOnD (Distributed Independent and Agile Manufacturing on Demand), the country's largest distributed 3D printing network. The project was born from the shortage of PPE during COVID. By mobilizing a network of 300 printers throughout Michigan, they're prepared to respond quickly to urgent needs where 3D printing can offer a creative solution.

Earlier in 2022, Project DIAMOnD called on its networking, including Coastal Automotive, to print tourniquet clips to support emergency aid for those injured from the conflict in Ukraine. Finished clips are shipped to Denmark for final assembly as part of a partnership with a Danish 3D printing organization before final delivery to Ukraine.



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 as a business, 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 local non-profit organizations in both Holland and Rochester Hills. And every year, team members can nominate new local charitable causes to support.



INDUSTRY ADVOCACY

The company's leadership team takes an active role in the Original Equipment Suppliers Association as well as the BAMA Group.

THE ROAD AHEAD

Coastal Automotive is investing the hard work to become a more sustainable company, and we're committed to being transparent about this process with our customers, vendors, employees and the communities where we work. Here's what we have planned for the road ahead:

- 1 Develop a long-term sustainability roadmap with milestones to guide future policy decisions.
- 2 Continue to monitor greenhouse gas (GHG) emissions while implementing innovative interventions according to industry best practices.
- 3 Increase the amount of data we collect for evaluation with CDP or EcoVadis reporting tools to improve transparency with our partners.
- 4 In alignment with our values, set aggressive but attainable goals for each bottom line: people, planet and prosperity.

Please visit coastal-automotive.com/sustainability for current news and updates on our sustainability projects.



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



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