### SAGE Automotive Interiors Sustainability REPORT 2021

DATA FROM 2020



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### Sage is committed to













based on a Sustainable VISSION (

# leaving a legacy and setting a standard of sustainability



**DIRK PIEPER** Chairman of the Sage Automotive Interiors Board & Asahi Kasei Lead Executive Officer

#### A LETTER FROM THE CHAIRMAN OF OUR BOARD

Since Sage's earliest days, one thing was instantly apparent: The mobility industry is changing. With change being the only constant of our business, we knew early on that we needed timeless principles to guide innovation. Sustainability quickly became our primary focus.

Of course, we didn't know exactly what that would look like right away, but over time, we realized sustainability played an important role in every part of our business.

**1. PRODUCT—Creating sustainable products that meet** individual customer needs while balancing performance, function and aesthetics

#### 2. **PROCESS**—**Preserving our natural resources**

#### 3. **MISSION**—Ensuring life success for our associates and communities

As we've kept a pulse on the industry, we don't see sustainability keeping up with change—we see it leading the way. Sustainability is shaping mobility interiors, and our OEM customers and a growing number of consumers are paying attention. This is inspiring because we have always seen sustainability as a team effort. Coming together to conserve and protect our natural resources is what has made—and will continue to make—the greatest impact.





We aim to be the #1 preferred sustainable automotive interior supplier in the new mobility industry.

Knowing all of our automotive customers and consumers have different preferences, we must take the time to understand the direction required to satisfy these desires. OEMs are expanding their definition of sustainability and the requirements for their supply chain. The key drivers of this shift are twofold—new regulations and consumer expectations.

At Sage, we will develop sustainable products that support our customers' desired direction. We will work closely to understand the specific request and drive our process to meet the customer expectation. We will continue to be a good steward of the environment, all while keeping our focus on our long-term mission.

There's nothing stagnant about our environmental activities. As research rolls in, our efforts are continually developed and improved. We welcome new ideas that contribute to our sustainability commitment because we recognize the long-term impact today's decisions will have on our world tomorrow.

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**CHRIS HEARD** President and CEO of Sage Automotive Interiors

# **sustainability** - Our heritage and our future

Sustainability is something that happens one step at a time. To look at the world and recognize its desperate need for sustainability solutions is overwhelming. To try to fix all of them is nothing short of impossible. But we can do something. We have a responsibility to do something.

In the pages to follow, you will see Sage's commitment to sustainability. We've already made considerable achievements that are making a difference for tomorrow. Every plant location has a unique role in this, and we are thankful for each person on our team who is part of the mission and contributing.

Sustainability isn't a dream for the next generation. It is our heritage and will be our legacy for generations to come.



## a story of sustainability



Sage became the first company to have a fully closed-loop process at the fibres stage.

That's the beginning of our sustainability story, and as far as we're concerned, there's no end in sight.

in the textile layer and contains a water-based PU layer

Textile Trunk Cover—a lighter weight alternative to PVC



### a global company committed to sustainability

### One of the most foundational principles at Sage is our commitment to sustainability.

We are constantly seeking alternative methods and setting audacious goals to reduce our carbon footprint and leave a positive impact on the environment.

Sustainability isn't just our manufacturing trend—it's our heritage. What began as a company conviction has grown into renewable design, earth-friendly business practices and a responsibility that has completely transformed how we do business.

The definition of Sustainability differs from one customer to the next, so we customize product solutions to meet the needs of each customer.

We approach sustainability in three ways:





Creating sustainable products that meet individual customers' needs while balancing performance, function and aesthetics



PROCESS

Preserving our natural resources



**MISSION** 

Ensuring life success for our associates and communities





We want to offer sustainable products that are right for each customer. The definition of sustainability differs from one customer to the next, so we customize product solutions to meet the needs of each customer.

#### How we develop sustainable products:

- Balance performance, function and aesthetics with sustainable principles
- Recycled, renewable or biobased raw materials
- Exploring end-of-life usage of our products

- Offer mono-material solutions materials that are designed for easy end of life recycling
- Maintain low VOCs
- Optimize the product life cycle
- Lightweight





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Sage's many efforts toward minimizing our environmental footprint are evidenced in our daily activities throughout each of our global locations. As part of our ISO 14001 standards, Sage has annual targets for waste, water use and energy reduction.

#### How we explore sustainable manufacturing processes

- Use energy efficiently to conserve natural resources
- Manage water footprint efficiently
- Reduce, reuse and recycle materials
- Comply with ISO standards
- Reduce emissions that contribute to climate change







We aim to be the #1 preferred sustainable automotive interior supplier in the new mobility industry.

#### How we define our mission:

- Prioritize health and safety for all Sage associates
- Responsibly steward natural resources in each of Sage's global locations
- Promote diversity and inclusion by providing meaningful jobs and engagement to our global communities
- Create a strong legacy to preserve our natural resources for future generations
- Provide training on sustainable development
- Actively engage in local communities





SAGE CAR MISSION



# global locations







global data manufacturing plants on mission

Our manufacturing plants completed a survey reporting the results of their sustainability efforts throughout 2020. We have compiled those numbers and provided them in this report.



#### **WASTE DIVERTED**

Nearly 7 million pounds (3.1 million kg) of waste diverted from landfills



**FUTURE SUSTAINABILITY** All plants have planned future sustainability initiatives

**RECYCLED PACKAGING** On average, 88% of packaging materials are recycled

#### PERCENTAGE OF PLANTS THAT RECYCLE MATERIALS



recycled, reused or turned into energy



#### **ISO 14001 CERTIFICATION**

All plants have sustainability certification (ISO 14001)

#### **COMMUNITY PROGRAMS**

Plants participate in regional charitable and/or community outreach programs



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# taking recycling even further

post-industrial recycling circle





**PURCHASING RECYCLED PRODUCTS: YARNS AND NON-WOVENS** 

**PRODUCING NEW FABRICS FROM POST-INDUSTRIAL, RECYCLED YARNS** 



## how postindustrial recycling works at Sage

#### PROCESS

- or non-woven products.

Collecting post-processing waste such as scrap yarns, cut selvages of woven and knitted fabrics, partially destroyed and defective woven and knitted face fabrics. Waste consists of 100% PET or CO-PET.

Selling collected waste to partner company, where recycling is possible for fibres which are suitable for carded, combed, Taslan, false-twist yarn technologies

Purchasing recycled products that consist of postindustrial waste for standard production.

Producing new fabrics from post-industrial, wasterecycled yarns and laminating them with recycled non-woven to get a recycled and recyclable product.

#### VALUE

- By closing the loops of materials caught in perpetual cycles, a circular economy replaces the current linear system.
- The sustainable solution is found in reducing energy consumption and pollution by eliminating non-biodegradable waste.



## more ways to achieve energy, waste & water efficiency

The below are various regional plant efforts that may be exclusive for a particular region.

### **MACHINERY/TECHNOLOGY**

- Implement stenter heat exchanger to reduce gas consumption
- Implement electro-flow system station
- Implement variator frequency in oil boiler motor
- Install plastic-free vending machines
- Install motion sensors to turn off unused lights if area is not occupied
- Use LED lights

### **C** RECYCLING AND REUSE

- Use recycled paper for sample cards
- Use recycled material packaging for products
- Recycle cooling industrial water; closed circuit for cooling
- Reuse cardboard tubes
- Recycle selvage yarn
- Use regenerated pallets
- Use fleece made with 100% recycled content
- Reuse heat from the stenter

### **WATER**

- Recover condensate water from steam line to water boiler
- Activate a residual water treatment plant to reuse water into process
- Investigate the cooling water for the air compressors to see if it could utilize the cooling towers or chilled water sump as a cooling source during the winter months
- Add some thermostatically controlled valves to limit the water flow to just what is needed to cool the air compressors

### → WASTE

- Send post-industrial waste product that cannot be reused or recycled to a third party to be used as an energy source
- Sell oil waste to refining facility for reuse





# ongoing sustainability efforts

Just as each plant location across the globe has a unique role in producing materials, each one also has a distinctive responsibility in our pursuit of sustainability. United in our effort to protect the environment while manufacturing the highest quality automotive interiors in the industry, we're all doing our part in different ways. The reports to follow break down the data by region to show the work being done.







#### **Plants:**

- Abbeville, SC USA
- Avalon, SC USA
- Cotton Blossom, SC USA
- Gayley, SC USA
- Sharon, SC USA
- Lerma, México

**WASTE DIVERTED FROM LANDFILLS** 

2,933,283<sup>b</sup> 1,330,515<sup>kg</sup>

**WASTE RECYCLED, REUSED OR TURNED INTO ENERGY** 

7,787,209

3,532,219 kg



#### REGIONAL ECO EFFORTS

**Abbeville plant**: 7% reduction in water consumption per yard of Dinamica<sup>®</sup> product produced

Avalon plant: reusage of chilled water blowdown to cool and fill cooling tower

**Gayley plant:** addition of thermostatically controlled valves to reduce waterflow to what is essential for cooling the air compressors

**Sharon plant:** recycling selvage yarn, which is shipped to a local facility that recycles the polyester yarn for other applications

**Lerma plant:** active residual water treatment plant that incorporates recycled water into processes



### south america

**Plant:** 

SAGE Arujá, Brazil

♦ WASTE DIVERTED FROM LANDFILLS
630,855<sup>Ib</sup>
286,165<sup>kg</sup>





### REGIONAL ECO EFFORTS

Using recycled paper for sample cards

Selling oil waste to refining facility for reuse

Making packaging from recycled product materials



### ENEA region (Europe, Middle East, Africa)

#### **Plants:**

- Apollo, Italy
- MIKO, Italy
- Laroque d'Olmes, France
- Strakonice,Czech Republic
- Agullent, Spain
- Timisoara, Romania

**WASTE DIVERTED FROM LANDFILLS** 

2,842,955 <sup>b</sup> 129,543 <sup>kg</sup>

**WASTE RECYCLED, REUSED OR TURNED INTO ENERGY** 

-O- ENERGY CONSUMPTION FROM RENEWABLE SOURCES

1,182,756<sup>b</sup> 536,489<sup>kg</sup>



**SAGE'S 2 PLANTS IN ITALY** both use 100% renewable energy

and average 12% from photo voltaic.



#### REGIONAL ECO EFFORTS

**Apollo plant**: using SEAQUAL<sup>®</sup> YARN<sup>\*</sup> in production for Fiat Panda

Miko plant: achieving carbon neutrality (Scope 1 and 2 GHG emissions)

Laroque d'Olmes plant: reusing the heat from the stenter

**Agullent plant:** installing air barriers to optimize air conditioning consumption and reduce energy consumption

Timisoara plant: utilizing a closed circuit for cooling

Strakonice plant: purifying nearby river water and using it in plant processes



As we follow our One Sage One Mission policy, we must respect regional assets and the availability of local resources. As a result, sustainability goals vary from region to region as well as one plant to the next. The below are various regional plant efforts that may be exclusive for that region (NA, SA or EMEA).

#### **Conservation**

- Use 100% renewable electricity
- Take on circular economy projects to build our own photovoltaic power plant (LCA study)
- Use own photovoltaic energy 4%
- Upgrade to more energy-efficient equipment
- Reduce monthly greenhouse gas emissions
- Generate emissions reduction projects
- Convert traditional fluorescent light bulbs to LED bulbs
- Operate ESP air cleaning systems

#### Water Conservation

- Decrease water demand in dyeing through cycles
- Conduct leak surveys, quality/waste projects and shutdowns to allow for downtime



#### **Carbon/Waste Reduction**

- Reduce material waste generation across all departments/offices
- Participate in various waste, water and energy projects to meet ISO 14001 objectives
- Find a new sector to collect and reuse textile waste
- Upgrading to high efficiency drives (VFD)
- Recover and sell fabric trim and residual yarn not used in production

#### **Collaboration and Accountability**

- Monitoring as an environmental metric
- Collaborate with vendors on materials they use and send Sage
- Conduct corporate environmental reviews
- Conduct monthly environmental performance reviews
- Set environmental objectives
- Tracking and reporting activities
- Conduct periodic energy audits
- Control climate devices
- Adopt a VPEP Chemical Approval Process for new chemicals



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# a recognized partner

Our sustainability efforts have earned us recognition from the industry's leading organizations.



2018/2019 200+ Million Bottle Award





**Excellence in Corporate Responsibility** Award



**Safety Performance Recognition Award** 





2020 Safety Award



**2020 Award Partnership** for Renault Zoe -**Recycled Seatbelts** 



### Sage is proud to partner with the following charitable and community outreach programs.

#### Holiday

- Bags of Blessings
- Church donation campaigns of toys, clothes, books, etc.
- Spartanburg Salvation Army AngelTree
- Toys for Tots

#### Homelessness & Hunger

- Spartanburg Soup Kitchen
- The Charles Lea Center
- Toccoa Soup Kitchen
- UCMAC Food Bank

#### **Health & Wellness**

- Chamber of Commerce, **Textile Association**
- Dual education to support Help Foundation
- Firenze Children's Hospital, Italy
- Misericordia Project "Raccolta Tappi"
- Providing face masks to cancer patients
- Fundraising campaign to support families with children suffering from cancer
- National Wheelchair Basketball <u>Association</u>
- Red Cross blood donor campaigns
- Relay for Life

our communities « part of our mission

- Shriners Children's Hospital
- St. Baldrick's Foundation
- Upstate Wounded Warriors
- Alzheimer's Association, A Ride to Remember
- Insurance fundraisers to help associates out on leave

#### **STEAM/STEM**

- First Lego League
- Fine Arts Center, Textile Dept

#### **Community Schools and Youth Activities:**

- Slater-Marietta Elementary PTA
- Travelers Rest Festival

- Travelers Rest High School FFA
- Youth Association 10U Football Team
- Foothills Family Resources
- Greer Middle School Choirs
- Heather's Dance Academy
- Big Brothers Big Sisters of the Upstate

#### **Environment:**

- Trees Upstate
- Forest for All–Bosco Sacile–certified by Forest Stewardship Council<sup>®</sup> (FSC)



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# sustainability Terry level

As we work toward our mission of becoming the #1-preferred sustainable automotive interior supplier in the new world of mobility, we understand our customers have their own set of standards. We will continue to develop sustainable products that support their desired direction.

#### **Sustainability Goals**





### **REDUCE CO<sub>2</sub> EMISSIONS**

It's our goal to optimize our performance to reduce emissions.



### **MIKO PLANT BECOMES CLIMATE POSITIVE**

With a strong eco heritage in producing the premium product Dinamica<sup>®</sup>, our Miko location is positioned to pilot sustainability initiatives. Miko's current goal is to capture more CO, than it emits and become climate positive by 2030.

#### **How We're Getting There:**

- Conducting energy usage analysis
- Seeking energy certifications
- Reducing energy usage
- Reducing waste destined for landfills
- Reducing water usage

- Reusing materials
- Recycling materials and resources
- Providing educational sustainability training for associates
- Exchanging sustainable solutions across the group



## International Organization of Standardization (ISO)

Tighter ISO standards are a testament to the importance of life cycle assessment (LCA). In addition to ISO 14040 and 14044, other standards have been added, including carbon footprint (ISO 14067) and water footprint (ISO 14046).

#### The Significance of LCA as It Relates to ISO:

- LCA is used as a basis for Environmental Product Declaration (EPD) per ISO 14025
- LCA is included in the draft standard ISO 14045 ecoefficiency of product
- LCA is used as a guide for addressing environmental issues in product standards (Guide 64)
- LCA is referenced in ISO 14062, which addresses integration of environmental aspects in product design and development
- The results of LCA studies are used to select indicators that present the environmental behavior of firms (ISO 14031) and to identify measures to reduce the impact on the environment





Follow **Sage Automotive Interiors** on LinkedIn to see product spotlights and stay current on company updates and industry events.



Follow **@SageAutomotiveInteriors** on Facebook for company updates, industry trends and events, product spotlights and corporate celebrations.





Follow Sage on social media to stay up to date on industry, product and brand updates.



Follow **@SageAutomotiveInteriors** on Instagram to see what inspires our design team.



Follow @DinamicaByMiko on Instagram to see product imagery and experience a design dialogue surrounding high-end interiors.