

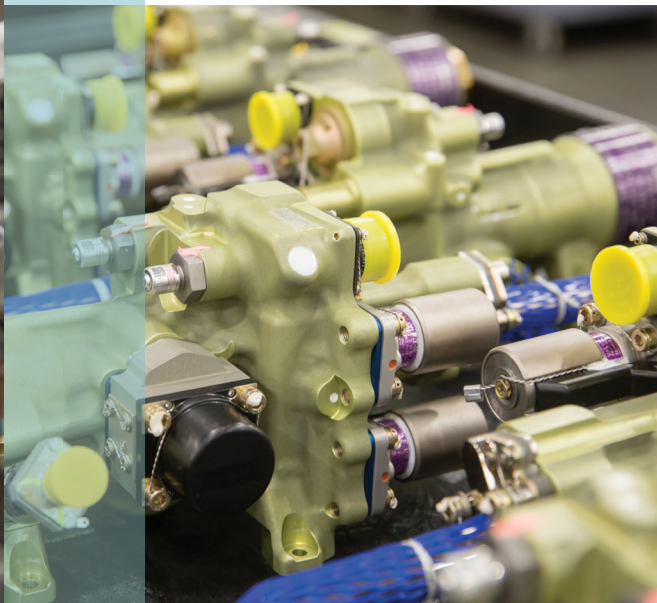
ORION

UNITING EXCELLENCE
WITH OPPORTUNITIES



ANNUAL REPORT

2019





» CREATING PATHWAYS FOR SUCCESS



I didn't see a path out of the cycle I had been living, but Orion has given me something to be proud of. I had forgotten that I have a good work ethic, and Orion gave me the chance to rediscover myself.

- Jessica
Orion Participant

JERRY CHASE 2019 MESSAGE FROM ORION INDUSTRIES PRESIDENT & CEO

Since joining Orion, as President and CEO on April 29, 2019 I've been working with Orion team members to dig deep and learn about the mission and business of Orion. After a year on the job, as impressed as I was when I joined, after getting to know the Orion team, mission and business better I am even more impressed than ever. I'm very proud to be part of such a great company!

While Orion is a recognized leader in providing high quality parts for the aerospace industry it is our mission that is at the heart of all we do. We leverage our top-notch Aerospace business to train Program Participants with challenges to employment in the skills that are in demand in the job market.

We create paths to employment through building self-esteem, mentoring, training, education, and community services. Our mission changes lives, families and the communities where we live.

Despite challenges in the Aerospace Industry during 2019 our business remained healthy and we are pleased to report we placed 125 people, through our transitional and customized employment programs. Our efforts in 2019 earned Orion three community impact awards, from the Auburn Area Chamber of Commerce, Seattle Business Magazine, and the Center for Advanced Manufacturing Puget Sound (CAMPS). These awards are further confirmation of the value that Orion provides through our mission.

Also during the year, to allow us to better focus on our core transitional employment model we transferred our Ability One contract with the US Army in Fort Eustis, VA, along with 100% of our employees to our partner, ServiceSource. Similarly we transferred our Auburn-based American Sign Language (ASL) Microsoft



Disability Answer Desk to Microsoft who took this capability in house. We are proud to say that all of our team members were offered jobs with Microsoft and most accepted.

As I write this letter in May of 2020, I'd be remiss if I didn't mention what Orion is doing to address the challenges presented by COVID-19. As we gradually resume operations, the health and safety of our employees, their families and communities is our top priority. Following advice from the Centers for Disease Control and the King County Department of Public Health, we have put in place new health and safety precautions such as staggered shifts, spread-out work areas, and strict limitations on gatherings. Face coverings are required and provided to those who don't bring their own. We are also encouraging and providing for everyone who is able to telecommute to do so.

The impact on the Aerospace Industry of COVID-19 will be with us a long time. Knowing this, we are taking the positive and necessary steps at Orion to remain healthy, strong, and competitive in our business and to serve our vitally important mission for many, many years to come.

From all of us here at Orion, we wish you and your families good health and safety.

-Jerry Chase
President & CEO



Orion gives a chance to people who don't think that they have a chance. And with my role as a CNC Mills Mentor, in Orion's Manufacturing Training Program, I get to play a part in helping someone get into a career.

- Josh Miller
Orion Mentor

PARTS SHIPPED
1,500,000

CUSTOMER ORDERS
160,000

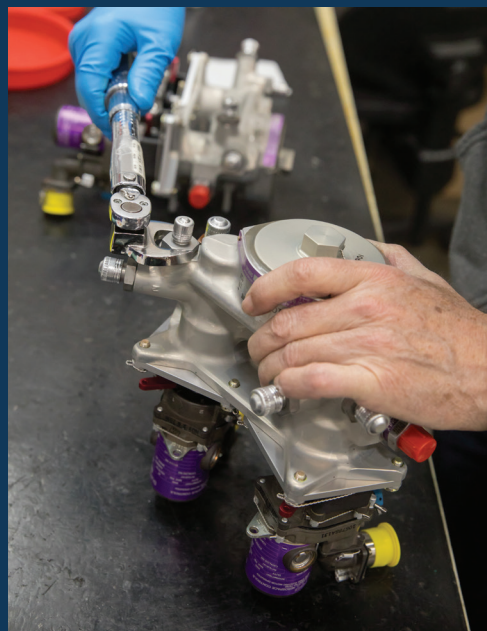
DIFFERENT TYPES OF PARTS SOLD
14,000

» AEROSPACE

MANUFACTURING EMPLOYEES
355

DELIVERY RATE
98%

QUALITY RATE
99.95%



MANUFACTURING

A PERIOD OF TRANSITION

Changes big and small defined Orion in 2019. We welcomed Jerry Chase as our new President & CEO. Organizational changes were made in order to follow a refocused direction. And Orion unveiled a new look and fresh way to tell our story through updated branding.

Orion is one of the largest aerospace companies in the Puget Sound region. We supply precision-machined parts and sub-assemblies to top tier OEMs around the world. From our locations in Auburn and Mukilteo, WA, we provide metal component fabrication, machining and assembly, and produce wire harness and panel assemblies. We are known for our commitment to excellence and have been recognized as a three-time Boeing Global Supplier of the Year award recipient and have received several other industry awards.

We are proud of the work we do but it is our social mission that drives us. Orion provides support to those in our community who have barriers to employment by helping them gain the skills they need to secure meaningful work at a living wage. Our aerospace manufacturing business provides both the financial support and training opportunities that allow our program participants to thrive. We use operations in our aerospace division as a platform to teach the technical skills that are in-demand in the job market. Our manufacturing staff includes 85 trained mentors who work

one-on-one with program participants while teaching both technical skills and soft skills.

Mentors are in place in each stage of our production process, and participants have an opportunity to receive training in multiple areas.

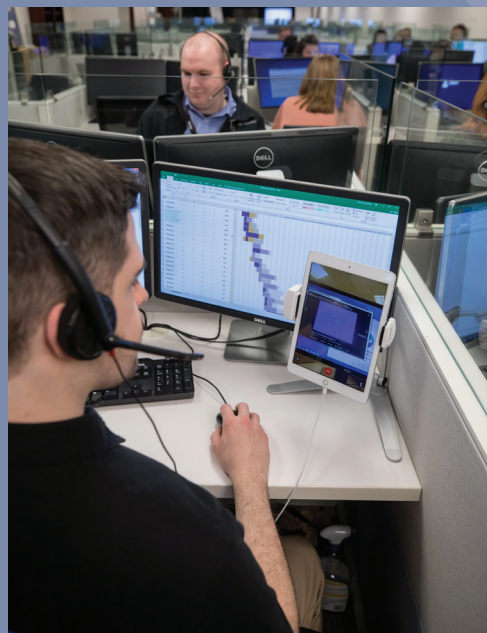
Not only was 2019 a period of transition for Orion, it was a challenging year for the aerospace industry. Orion maintained our focus on providing quality training opportunities to those in our community who were most at-risk. Decisions made at every level of the organization included an evaluation of how to best serve the mission. Our focus was recognized and rewarded with three community impact awards, from the Auburn Area Chamber of Commerce, Seattle Business Magazine, and the Center for Advanced Manufacturing Puget Sound (CAMPS).



Orion is really my first work experience. I've learned what it takes to do a job, and how to meet expectations. I learned not to be afraid to ask for help. Whenever I found myself in a place where I didn't know what the next step was my mentor would take the time to show me the right way to do something.

- Max
Orion Participant

» CONTACT CENTERS



CONTACT CENTERS WITH TRANSITION COMES OPPORTUNITY

During 2019, to allow us to better focus on our core transitional employment model, we transferred our Ability One contract with the US Army in Fort Eustis, VA, along with 100% of our team members to our partner, ServiceSource. Similarly we transferred our Auburn-based American Sign Language (ASL) Microsoft Disability Answer Desk to Microsoft who took this capability in house. We are proud to say that 100% of our team members were offered jobs with Microsoft and most accepted.

Our Contact Centers did amazing work over the years, providing customer service and call center support for companies including Microsoft, MultiCare, Premera Blue Cross, the US Army, Seattle Times, and the Washington Department of Fish & Wildlife.

At Orion's Auburn location our agents staffed Microsoft's Disability Answer Desk, providing support for Microsoft's products and their customers with disabilities. Our agents provided American Sign Language (ASL) support via video chat for Microsoft customers with hearing impairments.

Orion agents also provided technical support for the blind community. Partnering with BeMyEyes, an app that uses smart phones, Orion agents provided support for our client's blind customers.

By hiring staff with a shared background and employing assistive technologies, Orion empowered people with disabilities, on both sides of the call.

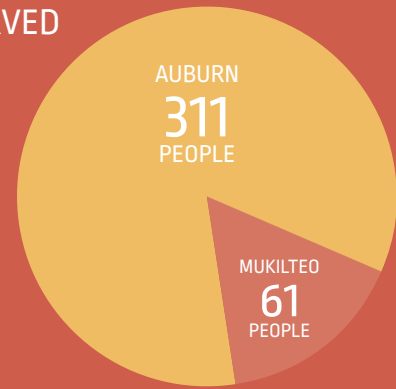
Orion helped pioneer the role of assistive technology in improving business results and consumer experiences, providing meaningful interactions and opportunities to an underserved population.

As Orion transitioned our Contact Center Services business in 2019, we worked closely with our team members, partners and customers to make sure that the transition went well. Working together, we provided uninterrupted service to all of our customers. The graceful transition and positive outcomes we were able to achieve for everyone involved is a testament to the quality and commitment of our staff and partners.

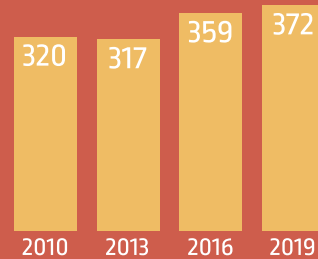




PEOPLE SERVED
372



ORION HAS SUPPORTED
2,393
PEOPLE IN OUR TRAINING
PROGRAMS OVER 10 YEARS



» TRAINING & EMPLOYMENT



In 2019, we worked to define our Theory of Change. We know that supporting participants to gain employment is the most important outcome of our programs. And we also want to recognize the many additional outcomes including skills acquisition, reduction in barriers and increased self-esteem as critical pieces of our programs and services.

- Kathy Powers
Vice President of Services

PEOPLE PLACED IN JOBS
125

RETENTION RATE
87%

AVERAGE WAGE
\$15.13



TRAINING & EMPLOYMENT A FOCUS ON STRENGTHS

Orion continued to concentrate our resources on our strengths in 2019. As Orion welcomed Jerry Chase, our new President & CEO, we continued to offer training and services to people in our communities with limited access to jobs, helping them find long-lasting careers.

Within our transitional training programs, program participants work one-on-one with a mentor and are also supported by instructors and vocational counselors. Participants receive technical training as well as soft skills training. Our training programs include manufacturing, office skills / administration, and custodial services. Once a participant approaches the end of their training, they work with an Orion job developer who will help them create a resume, practice for interviews, and assist them in a job search.

Orion's DDA services include Individual Employment, School to Work, and Community Inclusion programs. We support individuals with intellectual and developmental disabilities in King and Snohomish counties by opening pathways to employment and enabling them to be a contributing part of their community. We were proud to become a King County vendor for our DDA services in 2019.

Propelled by a shift in work statement, we made the difficult decision to eliminate our internal light assembly work crew and move all of our Mukilteo based Developmental Disabilities Administration programs to the community. As we concluded the internal

supported work program, we worked with each impacted participant, their family and support system to locate appropriate services and supports in the community.

In 2019 Orion helped 125 program participants locate community employment. Through the year Orion worked with 55 employers, matching our program graduates with their hiring needs. Orion also provided follow-up services to support participants and employers for 90 days after placement. Training, placement and follow-up services are all provided at no charge to the participant or employer.

Orion's transitional employment training model is nationally recognized by organizations such as REDF and Stand Together.

Locally, Orion's unique blend of business and services was recognized with three community impact awards in 2019, from Seattle Business Magazine, the Center for Advanced Manufacturing Puget Sound (CAMPS) and the Auburn Area Chamber of Commerce. The recognition of the work we do for our community serves to validate what we already know; the work we do each day changes lives.



» SUCCESS STORIES

MECHELLE BEING PART OF THE TEAM AT FIVE GUYS

One of the things that helps Orion be successful locating good job matches is that we take the time to get to know our program participants, finding out what their skills and interests are. We use that to determine the kind of job that will work best and match the employers needs.

In working with Mechelle we asked her what type of work she thought she might enjoy, and for her the answer was a no-brainer — Mechelle responded, “I love Five Guys Burgers and Fries!”

We set Five Guys Burgers and Fries as a goal and worked with Mechelle to create a resume. Her employment consultant spent time conducting practice interviews with Mechelle and working with her to improve

her conversational skills. Then Orion identified a number of potential similar employers in the community and started the job search process — but for Mechelle only one would make the cut.

“We went to Five Guys to drop off a resume, and I was hired on the spot!” Mechelle exclaimed.

Hired as a part-time food prep crew member, Mechelle learned her job in weeks and has since been given new tasks and responsibilities. Mechelle explained, “I get to do everything here! I chop up the lettuce, onions, potatoes, bacon, and other foods that will be used.”

When I sat down to interview Mechelle she was excited and proud and was looking forward to going to work. Mechelle related, “I enjoy being part of the team and helping.”

We can all relate to that. Congratulations Mechelle!

SHAYNE THE “PURR-FECT” POSITION

Meet Shayne, an Orion Community Inclusion client. Community Inclusion is a service we provide for individuals that are of retirement age, or younger, who have longer paths to employment. One thing you need to know about Shayne: he really, really likes cats.

Shayne lives in a group home. His group home provides a safe environment and everything he needs. No cats are allowed, however.

Shayne’s job coach at Orion recognized that he opens up and responds well around cats, and to her it seemed that cats enjoyed being around Shayne as much as he liked being around cats. Shayne’s job coach worked with him, helping him to land a volunteer position at Purrfect Pals in his hometown of Arlington, WA. The volunteer position is a win-win for all involved. Shayne gets all the kitty time he needs, playing with each cat. And the time that Shayne spends

playing with the cats helps them become socialized, making them better prepared for adoption.

Shayne also helps with light housekeeping tasks around the building, including window washing. However, Shayne loves his time playing with the cats best.

Shayne is a great example of the opportunity that Orion can help create.

It’s good for the community to have this volunteer role be staffed by a person who has such enthusiasm and commitment. Shayne is contributing doing something he truly enjoys, and it’s obviously great for the cats!

Great job, Shayne!



Shayne, Orion Community Inclusion client.



Shane, Orion Manufacturing Training graduate.

» SUCCESS STORIES

SHANE LEARNING TO BELIEVE

Shane first came to Orion in 2009 as a High School Student. He was in a transition program as part of his special education curriculum, and came to Orion to gain work experience.

Motivated to find a better job, Shane joined Orion again in 2019, entering the Manufacturing Training Program. He developed new skills in clamp block and mechanical assembly, inventory, and took Orion's shop math and measurements classes. Though he started off shy, he learned more, and his confidence grew.

Layne Norris, one of Shane's mentors had a big impression on him, putting him at ease by taking the time to talk with him. Shane made an impression on the mentors that he worked with as well. Leanne Smith, his mentor in Clamp Block Assembly, said, "I could see Shane's confidence growing as

he learned more. Once he became more comfortable his shyness melted away."

Observing his progress, his Orion job developer, Lavada Kindle, knew Shane needed a company with a great culture. They landed on Defense and Aerospace Business Solutions (DABS). Now he works on packaging for shipping and is proud to earn his own paycheck.

Beka Cupps, Shane's supervisor at DABS, described the support that Orion provides, saying "Lavada has checked in on Shane and I, making it easier to keep everyone on the same page. Good communication has helped Shane be successful in understanding expectations."

Shane's hard work and growth earned him Orion's 2019 Graduate of the Year award. Shane said, "At Orion I learned to always do my best. I learned to believe in myself."

We believe in you too Shane. Great work.

JOEY UPDATING SKILLS

Joey is a US Army Veteran who wanted to find help transitioning to the civilian workforce. Orion was brought to Joey's attention by his case manager in the VA program. At Orion Joey received training in the Office Skills and Customer Service Training Program. He found it valuable to be able to spend time learning the various Microsoft Office products in depth.

"Being a veteran, sometimes it can be very difficult to be reoriented to a new work environment," Joey related. "Technology is where it is at now, and if you don't have the skills, you can be in the dark. My barrier was a lack of knowledge, but Orion helped me to upgrade my knowledge and gain the skills that I need with the software and computer applications that are required in an administrative area."

Joey's experience in the Army was with a tank battalion, and he credits Orion's

staff with being able to help him identify the skills that are transferrable to civilian employment, and with identifying the areas that he needs to work on. Joey also has done bookkeeping and accounting work. While his foundation was strong, he knew that updating his skills with the Microsoft products would add value to a skillset that he had considered outdated. His eventual goal is to work in the insurance industry as a claims adjuster. With his automotive background, and his previous administrative experience, he feels like that job would be a perfect fit.

"I recommend that all veterans who have an opportunity to do so come to Orion Industries. Orion will help you be successful in your transition from veteran life into civilian life."



Joey, Orion Office Skills and Customer Service Training graduate.



» COMMUNITY NEWS



Many times I've seen someone who perhaps thought they had little hope be able re-engage and become a valuable team member for an employer. Orion provides value to our community, and being recognized for our impact is phenomenal.

- Chris Hedegaard
Marketing & Communications Manager

WHO WE SERVE

VETERANS

8%

LIVING AT OR BELOW FEDERAL POVERTY LEVEL

96%

INDIVIDUALS WITH ONE OR MORE DISABILITY

82%

OCTOBER 24, 2019

Orion receives Community Impact award from Seattle Business Magazine

Seattle Business Magazine recognized Orion's Training and Employment program with a Silver honor in their annual Community Impact Awards in Job Training. Having worked with more than 2,300 individuals in our program and placing almost 1,000 people in new careers, Orion is proud of our tradition of serving the community.

The award was presented at an awards banquet, held at the Grand Hyatt Seattle, on October 24th, 2019. The Community Impact Awards honor Washington State businesses and organizations that are having a tangible and measurable effect on their communities in areas such as job creation, workforce development, volunteer efforts or innovative business models that promote social goals. Honorees in all award categories were featured in the November 2019 issue of Seattle Business Magazine.

Orion Industries believes that everyone should have the opportunity to work. We offer hope and create paths to employment through building esteem, mentoring, training, education, community services and successful businesses. That has been our mission since 1957!

We achieve our mission through training in our world-class aerospace manufacturing business and through community employment services. As a result of our success over the past ten years, we have supported over 2,300 people through our training programs and placed almost 1,000 individuals into careers. Each day we know we are part of something important — restoring pride in people who need it most.

SEPTEMBER 25, 2019

Orion receives Community Impact award from Auburn Area Chamber of Commerce

Orion was recognized at the Auburn Area Chamber of Commerce Spotlight awards on September 25, 2019. Alongside several outstanding organizations in our community, we were honored to receive the Connect Impact Award for our Training and Employment Program. Thank you to the Auburn Area Chamber of Commerce and congratulations to all nominees, finalists, and winners.



NOVEMBER 14, 2019

Orion receives Community Impact award from Center for Advanced Manufacturing Puget Sound (CAMPS)

Orion rounded out the year with a third Community Impact award. We were recognized by CAMPS for the positive results we achieve in providing manufacturing training to those in our community who have barriers to employment. We know that good jobs can change lives. Orion helps train and then place people into living wage jobs — it's what we do every day.

PARTNERS

Ability One

Aerospace Futures Alliance

Aerospace Joint Apprenticeship Committee

Developmental Disabilities Administration

Division of Vocational Rehabilitation

Labor & Industries

REDF

Seattle Jobs Initiative

Stand Together

Veterans Administration

Washington State Board
for Community and Technical Colleges

Workforce Development Council of Seattle-
King County

Workforce Training and Education
Coordinating Board

ACCREDITATION

CARF

Employment Planning Services

Community Employment Services:
Employment Supports

Community Employment Services:
Job Development

Aerospace Certifications

The Boeing Company D1-4426

Model Based Definition (MBD)

ISO9001/AS9100

Certified by TUV: USA in the following
standards: ISO 9001:2008 & AS9100C

Contact Center Certifications

ISO/IEC 27001:2013

Certified by Coalfire in the following
standard: ISO/IEC 27001:2013

HIPAA Compliant

PCI Compliant



ORION

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