



ANNUAL STEWARDSHIP REPORT

Our Sustainability Commitments

REPORTING YEAR 2021





Who we are

Tessy Plastics is a global creator of innovative, superior-quality solutions to both Medical, Pharmaceutical, Diagnostic and Consumer markets. Our comprehensive engineering and R&D provide speed to market and leverage deep experience across a broad range of products.

We were founded in 1973 in the beautiful Finger Lakes region of Upstate New York, and have 3.2 million square feet of FDA/GMP compliant manufacturing facilities in New York, Virginia, Pennsylvania, and China — including more than 306,000 square feet of ISO Class 7 & 8 clean-room manufacturing.

Inside our 2021 report

- Sustainability Initiatives
- Carbon Disclosure Project
 - CDP: Water Security
 - CDP: Climate Change
 - CDP: Supplier Engagement Leader, TP3
- Greenhouse Gas Emissions
- Electricity Use
- Waste Management
- Employee Demographics, Policies, & Safety
- EcoVadis & Corporate Social Responsibility

A Message from Our President

We are grateful to be recognized as a leader in sustainability and corporate social responsibility for another consecutive year. As part of the Carbon Disclosure Project, we submit annual data that supports our efforts toward lowering emissions and decreasing our carbon footprint. With many years of consistency and setting new goals, Tessy is in the top 3% as a Global Supplier Engagement Leader with the CDP.

Continuously finding ways to preserve the environment and improve sustainability across the board is valued heavily by our company. All initiatives spanning from product design & materials to employee practices and safety, contribute to a healthy planet.

As our customers continue to expand their focus on sustainability, we also feel that same responsibility and continue to work internally and with our supply partners to achieve our shared goals. Our job is to lead by example and encourage our partners and other players in the industry to make conscious decisions for a more sustainable future.

This report outlines our sustainability history, practices, goals and achievements as of late. We hope that being able to share this publicly and continuously improve each year is as exciting to you as it is for us!

-Roland Beck



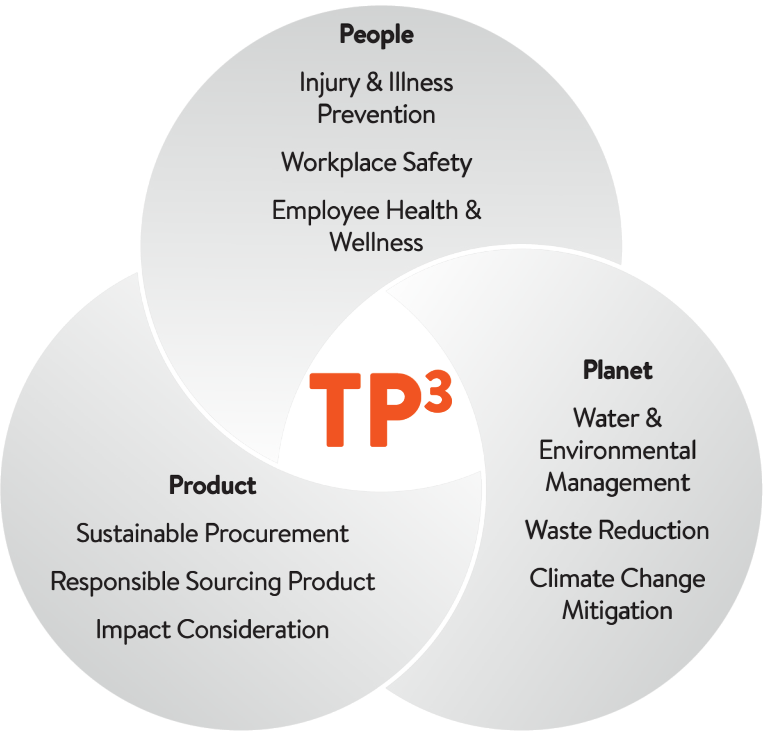
Onward and Upward

We believe our story still has many chapters to be written. Our growth and accomplishments inspire us to keep forging ahead, furthering our commitment to exceeding sustainability standards.

Our Commitments

We know that in order to continue setting the bar for sustainability in our industry, we must continue to raise the bar for ourselves. We're dedicated to never wavering in our goals: going beyond tracking carbon emissions to reduce and eliminate them, asking more of our suppliers, ensuring supply chain integrity, and ultimately, ensuring business sustainability by building these ideas and programs into our business model to achieve business resiliency.

Our Company mantra is People, Planet and Product, or TP3 for short. We take the well-being of stakeholders and the ecosystem very seriously, and ensure we consider them in every aspect of our business. We believe that, as contract manufacturers, it is important to look both up and down our supply chain to consider the impact of our products, and procure raw materials in a sustainable manner.



What's next for us?

What we have on the horizon:

Find opportunities for **continuous improvement**
ISO 13485 and 14001 Programs

Establish **Science Based Targets**
Build our commitment to Climate Action/SDG 13

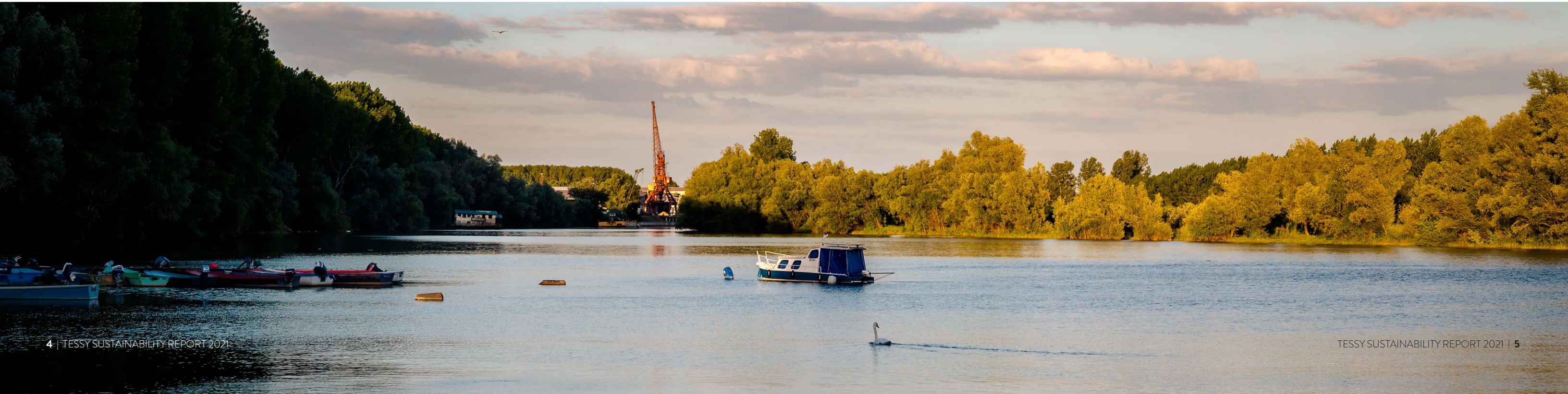
Partner with **Customers and Suppliers**
Increase use of secondary feedstock and alternative low carbon raw materials

Design for **Sustainable Manufacturability**

Maintain **Ingenuity**
Reduce waste and carbon emissions, and protect the life safety of our workforce

Practice **Sustainable Procurement**
Partnership with EcoVadis to achieve Gold Status

End-to-end **Sustainable Process Planning**



Where We Started

Our achievements in creating a more sustainable company have not come without hard work and dedication. While we are now industry leaders in sustainability, we began our journey with a lot of work to do—and a long road ahead.

Over a decade ago, upon failing a Johnson & Johnson Environmental Health & Safety Audit, we decided we needed to make a change. Now, our accomplishments have earned us recognition from Johnson & Johnson in a whole new light. We're recipients of the J&J Sustainable Supplier Award and have earned our place in the J&J Health for Humanity Report—among our many other accolades.

2009
J&J EHS Audit

2010
1st CDP Submission

2012
Healthy Futures
1st EMS Goal Set

2013
1st EcoVadis Assessment
.....
ISO 14001
Certification Achieved

2015
J&J Sustainability
Award US & China

2017
C.S.R. Paying
it Forward

2018–21
CDP A List
.....
EcoVadis Assessment
Silver Rating

EcoVadis Sustainability Rating

After being asked to complete the EcoVadis assessment for the first time in 2013, we used it as a learning opportunity—leveraging it to build our first viable sustainability program and seeking ISO 14001 certification to ensure we maintained our Environmental Management System.

Our efforts in sustainable procurement have not gone unnoticed; Tessy U.S. has received prestigious Silver ratings from EcoVadis in 2015, 2018, 2019, and 2020. Furthermore, Tessy Shanghai has exceeded EcoVadis’ rigorous standards in the China market, achieving a Bronze rating with a score of 59 in 2019.



UN Sustainable Development Goals

We’ve incorporated United Nations Sustainable Development Goals into our TP3 Program, so we can play our part in motivating our industry to contribute to global sustainable development.

3

GOOD HEALTH AND WELL-BEING

Good Health and Well-Being

to protect the quality of life of our people

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Consumption and Production

to ensure sustainability in our products

13

CLIMATE ACTION

Climate Action

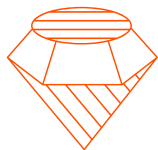
so that we can do everything we can to protect our planet



Supplier Engagement Leader

Tessy has been recognized for its actions and strategies to reduce emissions and manage climate risks in its supply chain in the past reporting year. Over 4,800 companies in total were assessed by CDP and given a Supplier Engagement Rating, based on answers to selected questions about governance, targets, scope 3 emissions, and value chain engagement of their response to the CDP 2021 climate change questionnaire and their overall CDP climate change score.

Tessy is among the top 3% of organizations assessed by CDP, one of almost 160 companies on the Leaderboard this year.



100% of Tier 1 suppliers have been assessed as Conflict Mineral Free



B- PLASTIC PRODUCT MFG.
B- NORTH AMERICA
B- GLOBAL AVERAGE

AVERAGE SECTOR SCORES



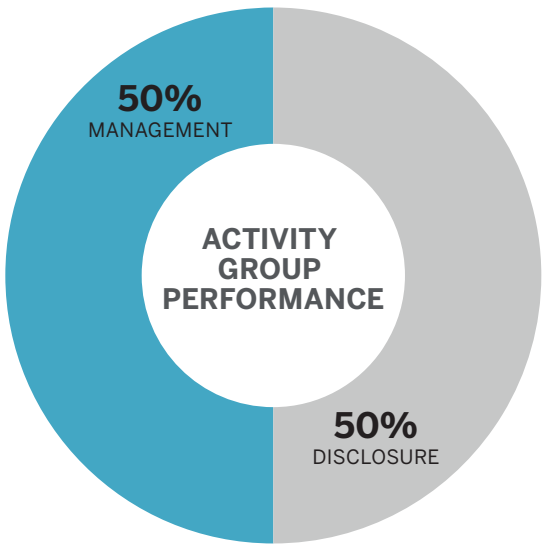
B PLASTIC PRODUCT MFG.
B- NORTH AMERICA
B GLOBAL AVERAGE

AVERAGE SECTOR SCORES

Water Security

Tessy is committed to providing water security.

Access to a reliable supply of sufficient amounts of good quality freshwater is fundamental to achieving our low carbon ambitions. Without improved water resources management, the transition to a low-carbon future, and achievement of the UN’s 2030 Sustainable Development Goals, will be jeopardized.



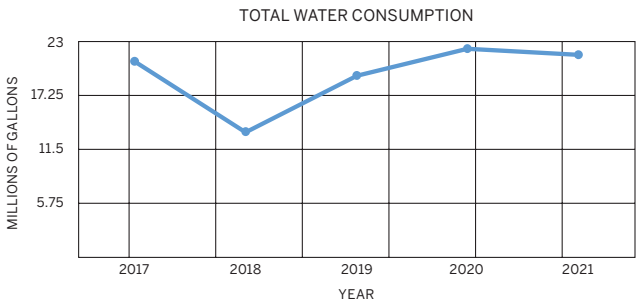
Closed-loop water recycling system for manufacturing



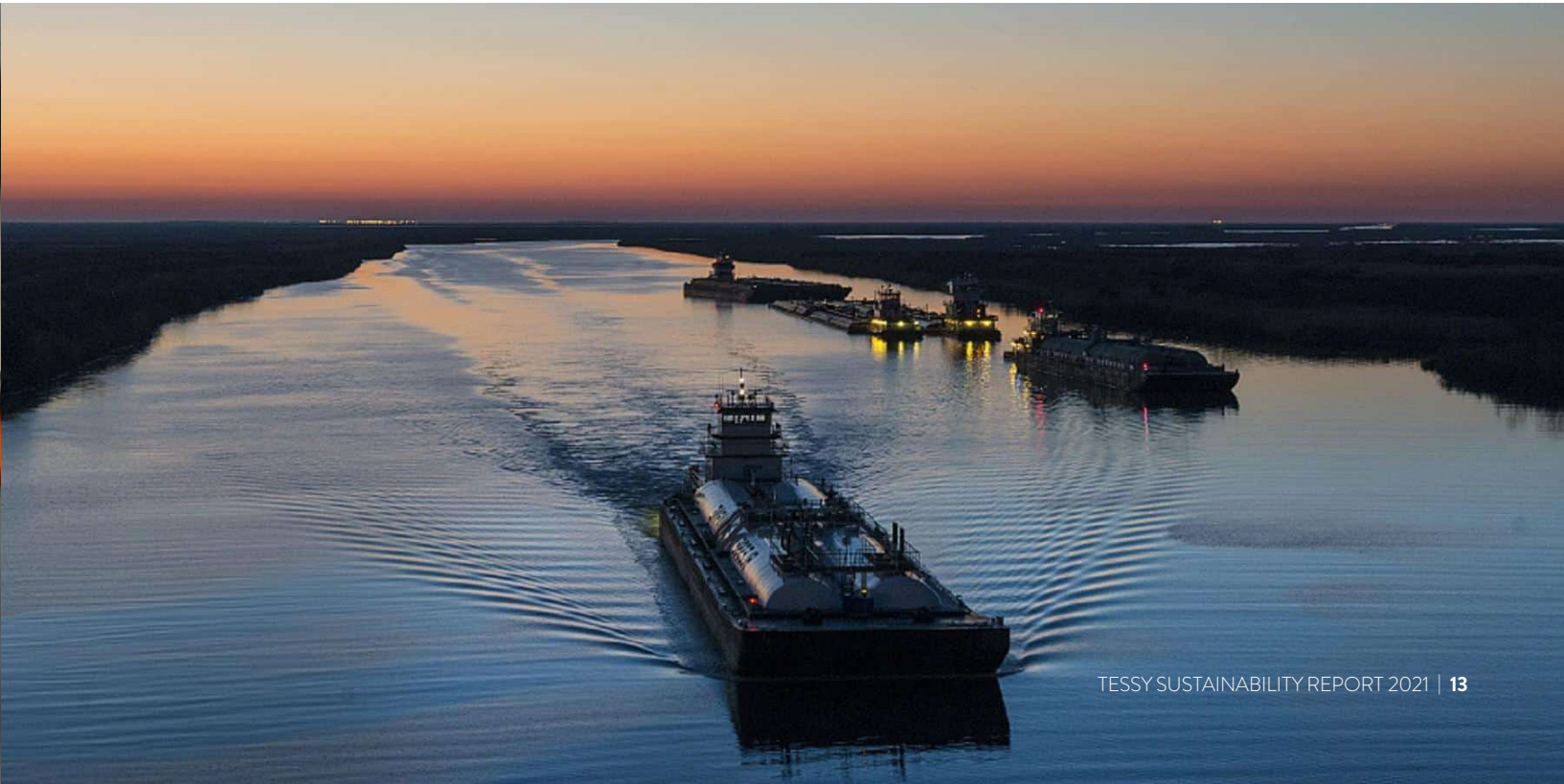
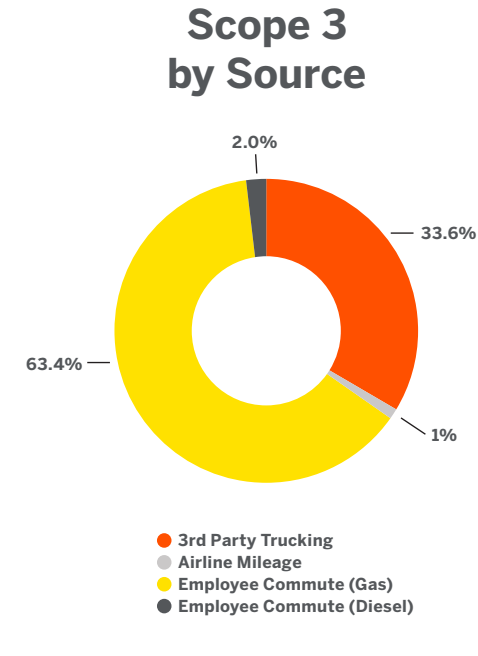
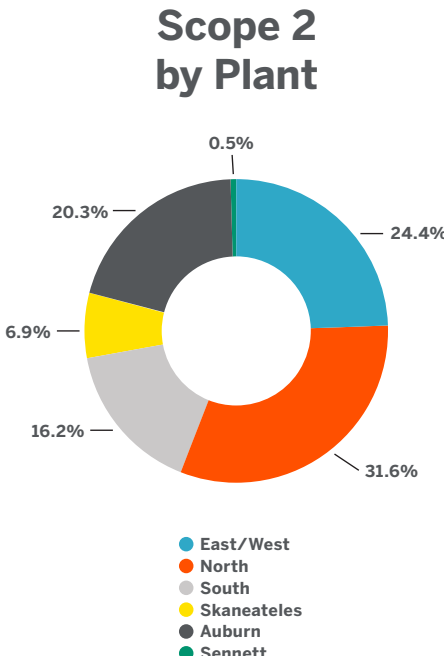
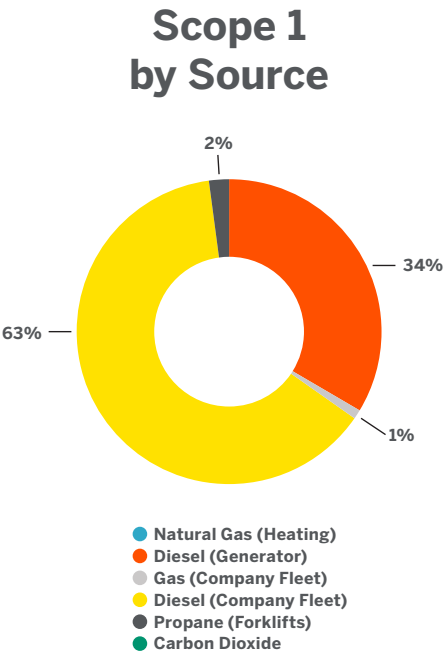
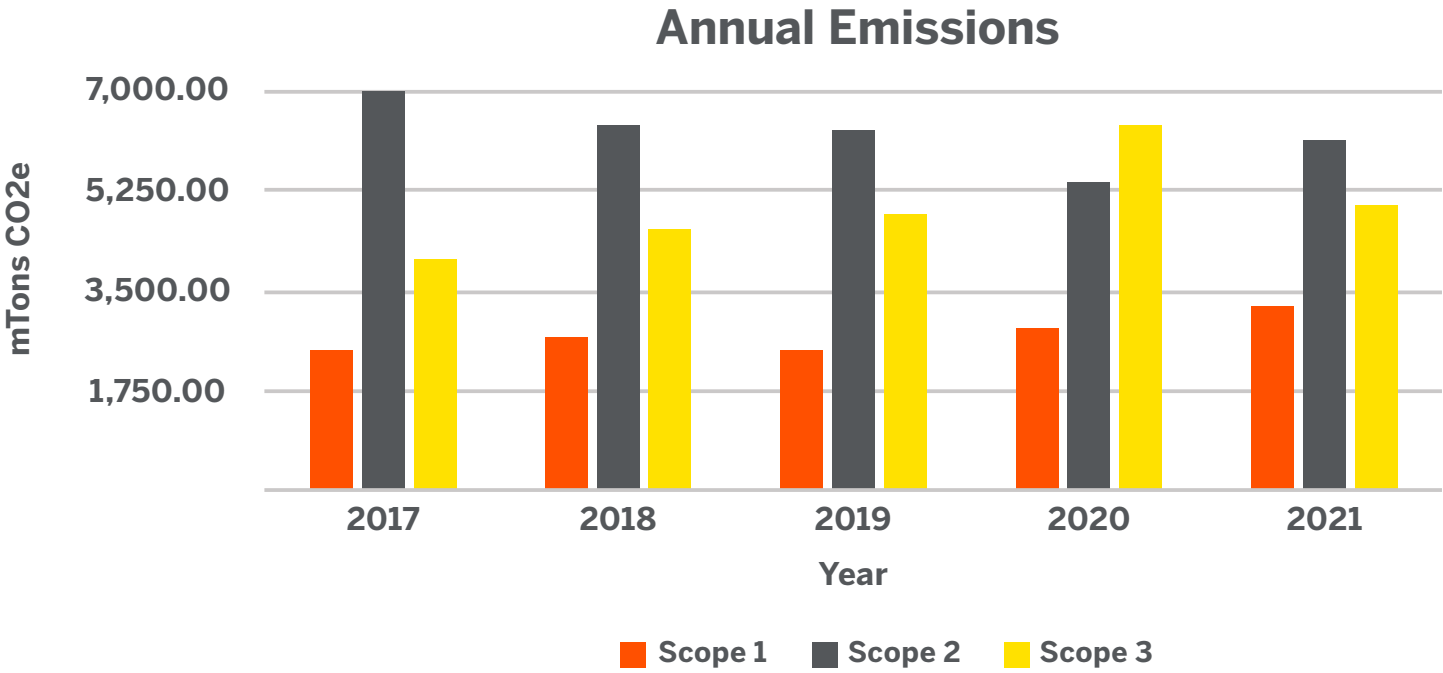
Amonia-N is reduced from our sanitary septic with the use of our Bioclere Wastewater Treatment System



WATER

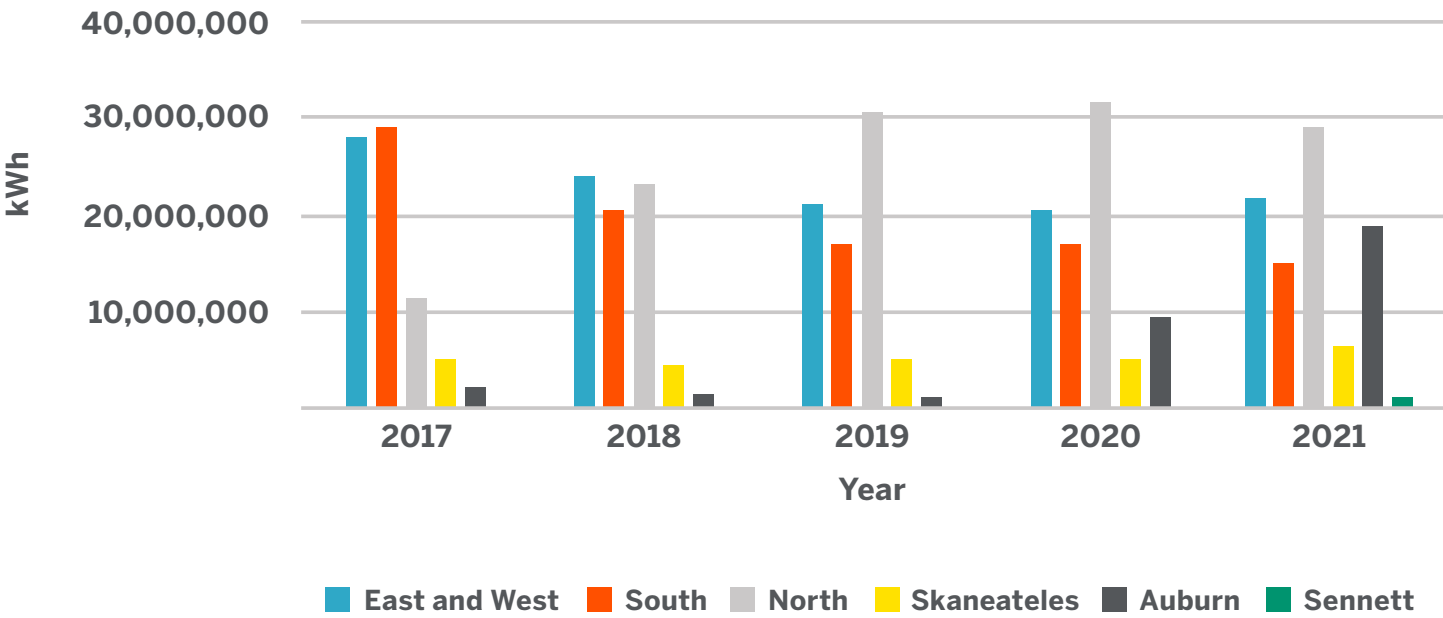


Greenhouse Gas Emissions

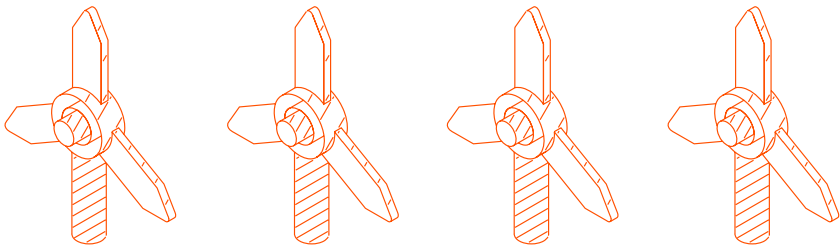


Electricity Use

Electricity Use by Plant

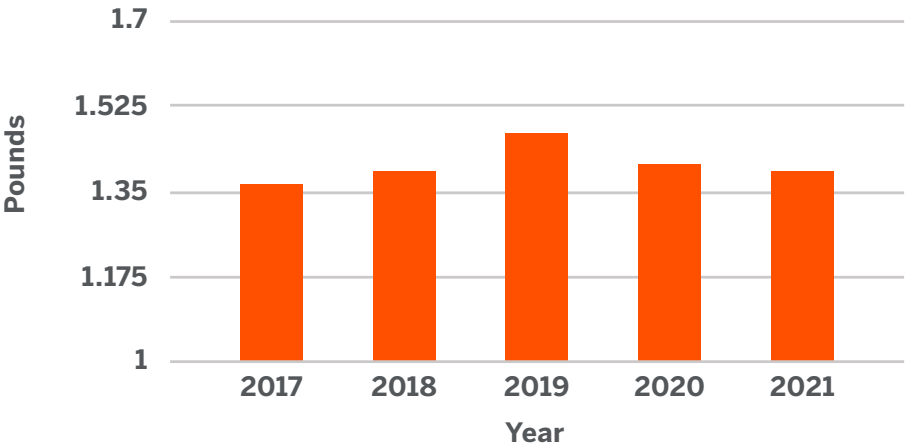


38% of our total electricity in 2021 came from Wind RECs and our Hydro Power Purchase Agreement.
That's 34,852 MWh!

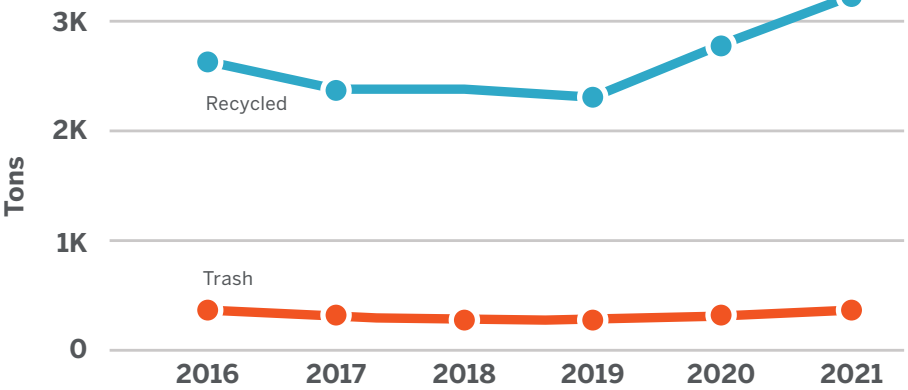
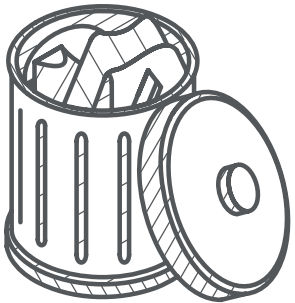


Waste Management

Pounds per Employee per Day



2021: 1.38 lb. of trash per person per day
Target: 1 lb. of trash per person per day



90%
= 3,179.28 tons of our total waste was diverted to recycling facilities



575,541 tons of resin was used in 2021



Reducing Carbon Emissions through Strategic Insourcing

Tessy Plastics' commitment to environmental sustainability has led to innovative approaches that extend beyond just materials and production. By reducing the number of downstream activities in the shipping process for customers, Tessy Plastics not only provides added value to these customers, but also reduces carbon emissions. This approach results in a significant positive environmental impact, as well as improved efficiency and basic financial benefits.

Tessy's Approach

Tessy's in-house approach involves looking for ways in which they can eliminate various aspects involved in transportation, packaging, automation, QA, etc. for the customer. To do this, Tessy Plastics applies its expertise through teams that evaluate the customer's product and their needs. This includes:

Design and Production Plan: Tessy identifies product design improvements to remove waste and provides automation solutions to decrease labor costs.

Analyze & Evaluate: Tessy evaluates the entire product to identify the best assembly solutions.

Packaging: In understanding the production of parts, Tessy can develop a system for packaging developed specifically for that product, eliminating the need for additional packaging across a conventional supply chain.

Packaging & Distribution: In-house packaging allows Tessy to ship finished products direct to the customer or the customer's end-user, reducing the time and number of distribution points while lowering carbon emissions in the process.

Real-World Examples

This approach is more than theoretical. Tessy has already demonstrated the viability of in-sourcing and its contribution to environmental sustainability with a number of customers. The below graphics illustrate this in two different ways:

This first graphic shows how Tessy managed to reduce the carbon footprint for a customer in the pharmaceutical and diagnostics industry by shrinking the number of suppliers and steps in their typical supply chain.

Pharmaceutical Customer Supply Chain Emissions CO₂e Produced in Metric tonnes



Medical Customer Supply Chain Emissions CO₂e Produced in Metric tonnes

Current Supply Chain: 3 STOPS = 5,780



Phase I Supply Chain: 1 STOP = 5,083



The second graphic highlights the value Tessy offers in a different context - continual processes improvement. While Tessy's Phase 1 efforts yielded a reduction in carbon emissions for this medical device customer.

Employee Demographics, Policies, & Safety

Environmental Health & Safety Policy

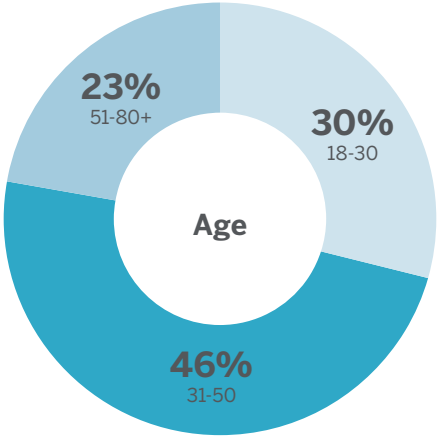
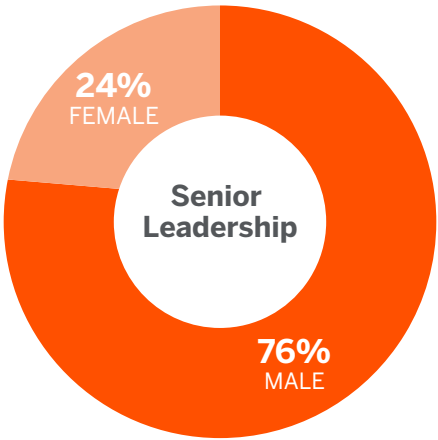
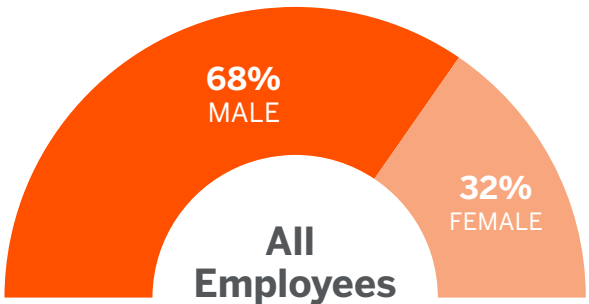
Tessy is committed to managing its business using manufacturing methods and practices that are safe and environmentally responsible which will allow our people and planet to endure. We will comply with all applicable legal and other requirements to prevent pollution and reduce our impact on our surrounding environment while maintaining the health and safety of our employees along with our community. By building awareness of our suppliers, employees, and customers, we will continually improve and reduce occupational injuries, employee illness, waste, energy consumption, and use of natural resources. Our stewardship initiatives and outcomes will be reviewed by Management and annually reported.

Quality Policy

Tessy has recognized that its future growth and success will be based on a commitment to deliver quality products on time. We are dedicated to exceeding our customer's expectations and meeting all regulatory requirements by continually improving the effectiveness of our Quality Management System. We share the common goal of quality in a safe working environment.

Corporate Social Responsibility Policy

Tessy voluntarily supports and complies with the UN Global Compact principles. This is evident by our respect for human rights, fair labor practices, anti-corruption, responsible sourcing of materials and sustainable management of our environment. We will meet all national and international applicable laws, prevailing industry standards and other requirements as it relates to social accountability. We ask the same of our suppliers.



92%
of employees contributed
to a 401K in 2021

All of these employees also
received some company matching

100%
of employees received
annual performance and
career development reviews



PROUD MEMBER
OF MACNY

