











ANNUAL STEWARDSHIP REPORT

Reporting Year 2023





							
Table of Contents	Message from the President and the CEO	Celebrating 50 Years	Who We Are	Our Commitments	People: Putting People First	Product: Redefining Quality Standards	Planet: Reducing Environmental Impacts

3

Message from the
CEO and the President

4

Celebrating 50 Years

5

Who We Are

7

Our Commitments

8

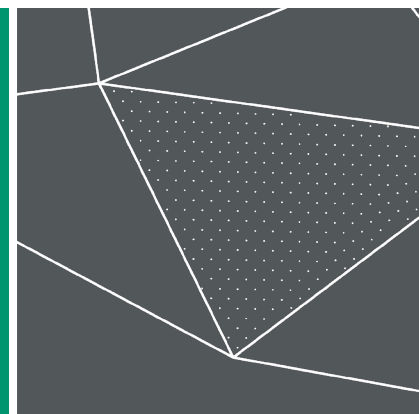
People: Putting
People First

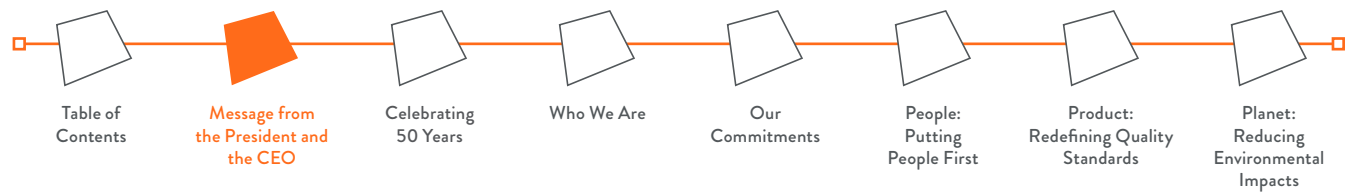
14

Product: Redefining
Quality Standards

23

Planet: Reducing
Environmental Impacts





On 23 March, 2023, we celebrated 50 years as a family-owned global contract manufacturing company specializing in injection molding and assembly solutions. The year also marked the seamless transition at the helm of the company: Roland Beck, who has steered Tessy since 2002, transitioned from the role of President to that of CEO. Simultaneously, Stafford Frearson, formerly Vice President of Engineering, assumed the mantle of President. In our new roles, we remain committed to excellence guided by our company's mantra – People, Planet, and Product.

From humble beginnings—a small team operating out of a 16,000-square-foot building in Elbridge, New York founded by Henry Beck - we have evolved into a global force. Today, Tessy boasts fourteen state-of-the-art facilities across Upstate New York, Pennsylvania, and Shanghai. Our commitment to quality and efficiency has enabled us to continually enhance our services for clients in the medical, pharmaceutical, diagnostic, and consumer healthcare markets. Our capability on end-to-end fully automated manufacturing and in-house assembly and leveraging cutting-edge technologies, sets us apart. We not only design precision molding and automation systems, but also construct molds and assembly lines in-house.

Our legacy is built on our family values. We stand with employees who have been part of Tessy's journey for decades as they pass on the torch to their next generation. We both spent years learning from the ground up. Our investment in talent development is unwavering. Our teams undergo rigorous training across various departments, including Engineering, Automation, and Production. This holistic approach equips us to swiftly adapt to customer demands and anticipate the evolving skills required at Tessy. In 2023, we embarked on several strategic initiatives, including the implementation of an electronic learning management system and apprenticeship programs. These endeavors empower our workforce, ensuring that they stay at the forefront of industry trends and technological advancements. Our success story is intertwined with the trust of our customers in the healthcare and consumer industries. We take immense pride in collaborating with them to produce high-quality parts that meet stringent requirements while prioritizing shared sustainability goals. As a steadfast long-term partner, we continually push the boundaries of innovation. Over the past two decades, our production lines have undergone remarkable evolution, resulting in increased efficiency and volume. The seamless integration of assembly and packaging has been pivotal to our success.

In 2023, a notable milestone was reached: the successful production qualification of a precise medical device utilizing CT scanning. This noteworthy accomplishment, executed within a large-scale manufacturing setting, highlights our dedication to superior quality.

However, our achievements are set against the backdrop of unprecedented global challenges. The year 2023 marked the warmest year on record, and our planet faces extraordinary climate-related risks. Now, more than ever, large-scale sustainable solutions are imperative to safeguard our environment and protect both people and economies. Our decades of experience in integrating sustainable practices across our value chain motivates us to build strong collaboration with partners who share our vision of a healthy planet for all. Our goal is clear: to work with our customers and suppliers to reduce our environmental impacts to reduce carbon emissions and contribute to a healthier planet. In 2023, we completed an inventory of our indirect carbon emissions (Scope 3) and are actively developing a robust climate strategy.

As we look ahead, Tessy remains committed to innovation, sustainability, and customer satisfaction. We are proud of our legacy and excited about the future. Together, we will continue to shape the landscape of contract manufacturing, delivering excellence with every product we create.

Thank you for being part of our journey.

Sincerely,



Roland Beck, Owner & CEO



Stafford Frearson, President

Celebrating 50 Years

2020
COVID-19 pandemic
kicks Tessy into
high gear serving
the diagnostic
and technical
manufacturing sector

2005
Tight-tolerance,
high-volume assembly
for a minimally invasive
surgical devices,
transitioning Tessy
into next generation
of medical programs

2000
Tessy combines
molding & assembly
capabilities to gain
first high-volume
consumer project.
Establishes Shanghai
facilities becoming a
global supplier

1994
Tessy becomes a
high-volume
manufacturer

1973
Tessy founded
by Henry Beck

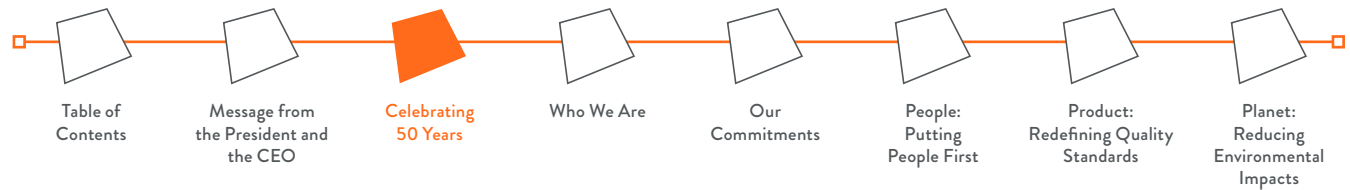
2023
Tessy celebrates
50th anniversary.
Roland Beck
becomes CEO and
Stafford Frearson is
appointed President

2019
Tessy acquires
Automation Shop
and Tool Shop in
Pennsylvania

2003
Roland Beck
becomes President

1998
Tessy encounters
tight tolerance
manufacturing

1976
Tessy embarks
medical
manufacturing



Our journey has been defined by the pursuit of excellence, fueled by the passion and ingenuity of our incredible team and the support of our cherished customers and partners. We look forward to another 50 prosperous years as we continue to advance our skill set and bring cutting edge technology to the forefront.



Our business has become more than just an injection molding company. We are now a full-service contract manufacturer providing end-to-end solutions for companies we partner with. We are able to help develop the end product with our customers, design the molding and automation systems, internally build those molds and assembly lines, and ultimately operate those lines to the high standards of our global medical and consumer customer base.

– Roland Beck, *Owner & CEO*

As a leading plastic manufacturer, we are dedicated to upholding the highest standards of environmental responsibility by integrating sustainable practices throughout our entire business model. From sourcing eco-friendly materials to optimizing production processes for minimal environmental impact, we strive to ensure that every aspect of our operations aligns with our commitment to preserving our planet for future generations.

– Stafford Frearson, *President*

Who We Are



R&D

Dedicated team of experts to create groundbreaking solutions



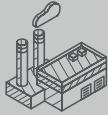
Engineering

Design for the full range of molding, automated assembly, sustainability, & innovative technology



Fabrication

Design and build tools, end-of-arm tooling, integration & complex assembly automation



Manufacturing

Full range of molding, post-molding operations, testing & packaging



Diagnostics

Chemistry manufacturing of pharmaceutical and diagnostic products



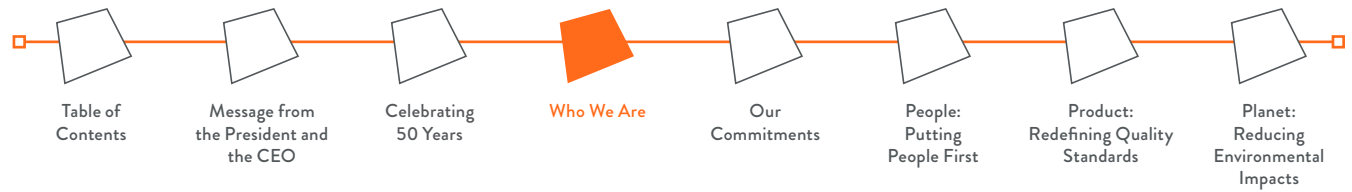
Quality Control

Top-of-the-line credentials, testing validation, bio safety quality control lab

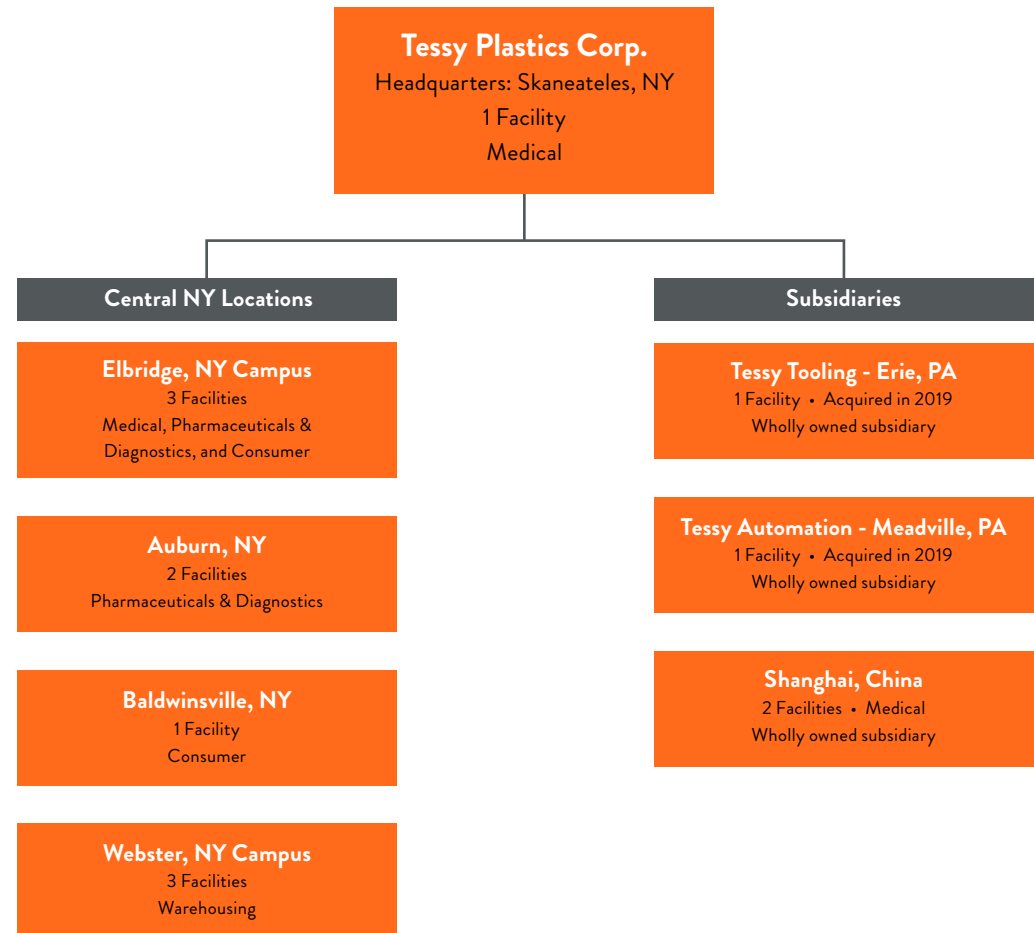


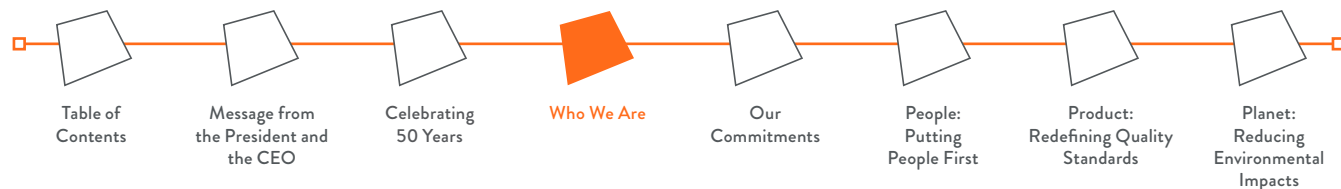
Lifecycle Management

Best-in-class quality, forecasting modeling, efficient transition from manufacturing & production support



We are a family-owned custom contract manufacturer specializing in plastics processing, complex assembly, precision tooling, and automation design & build. Our team delivers end-to-end solutions, raising the bar with every problem we solve.





Tessy Tooling: Complicated Molds Made Easy

Tessy Tooling is a precise tooling company, providing turn-key customized solutions for the medical, pharmaceutical, and consumer markets. Our team of over twenty-five skilled engineers and tool makers excel in designing initial tooling concepts and constructing production-ready molds that meet tight tolerance specifications for high-volume manufacturing. Leveraging our extensive expertise, we guide the entire process—from material selection to fully assembled medical devices and consumer products.

In 2023, Tessy Tooling achieved a significant milestone by acquiring its own 30,000 sq. ft. facility. This strategic move not only streamlines our processes but also grants us operational control over sustainability initiatives. With this new space, Tessy gains creative autonomy in molding projects, allowing us to sample and debug tools “as built” directly at our Erie, PA facility. The new office space and tool shop will be a welcome addition for collaborative and highly customized projects. Energy efficient projects such as LED lighting with occupancy sensors, roof insulation and air handlers have been planned for the new facility.

Tessy Automation: Custom Automation Solutions

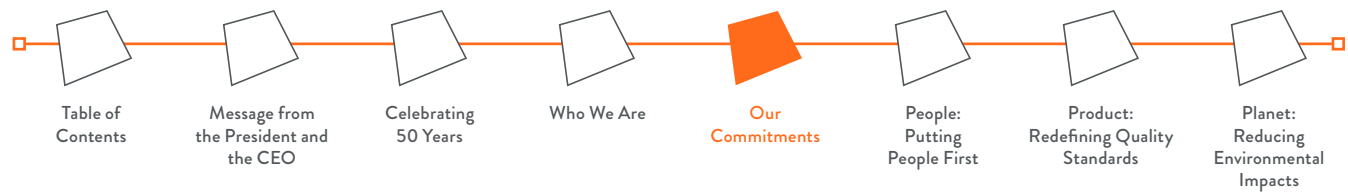
Tessy Automation, through a strategic blend of in-house capabilities and regional partnerships, delivers both “built-to-print” solutions and fully customized automated systems. These advanced automated systems are cost efficient, enhance quality, and significantly improve energy efficiency and material utilization. We manufacture state-of-the-art assembly automation equipment including sub-assemblies, press-side automation, robotic integration, vision inspection, indexing systems, power and free conveyor systems, and continuous motion systems.

Each piece of equipment is designed for optimal performance and precise process control. Keeping sustainability top-of-mind, we build equipment with minimal maintenance requirements and efficient utilization of process floor space. Our exceptional engineers, known as “Automation Architects,” leverage innovative technology to achieve high-volume production without the need for costly product modifications. Furthermore, our systems seamlessly adapt to varying product sizes, enhancing employee safety throughout the manufacturing process.

Tessy Shanghai: Bringing Tessy’s ingenuity to the Asia Pacific Market

Strategically situated at the heart of an economic hub, Tessy Shanghai is dedicated to serving the medical device and bio-science sectors. Guided by Tessy’s core values—People, Planet, and Product—our Shanghai facility embodies innovation, precision, and commitment to excellence. Notably, it holds the Ecovadis sustainability rating of Silver. It is ISO 13485 and ISO 9008 certified, ensuring rigorous quality management. Additionally, we maintain FDA registration and undergo regular inspections along with three ISO class 8 clean rooms and a white room for medical manufacturing.

At Tessy Shanghai, we offer end-to-end solutions. From initial design & development to full-scale production we execute the entire manufacturing process alongside our customers. Our capabilities extend to producing components and subassemblies, including sterilization and product release services. Our molding expertise encompasses micro-molding, Liquid Injection Molding (LIM) inserts, two-shot molding, and over molding across machines ranging from 5 to 500 tons. We excel in both semi-automated and fully automated post-molding assembly processes. Specialties include a variety of printing technologies, welding, finishing, product testing, and packaging solutions.

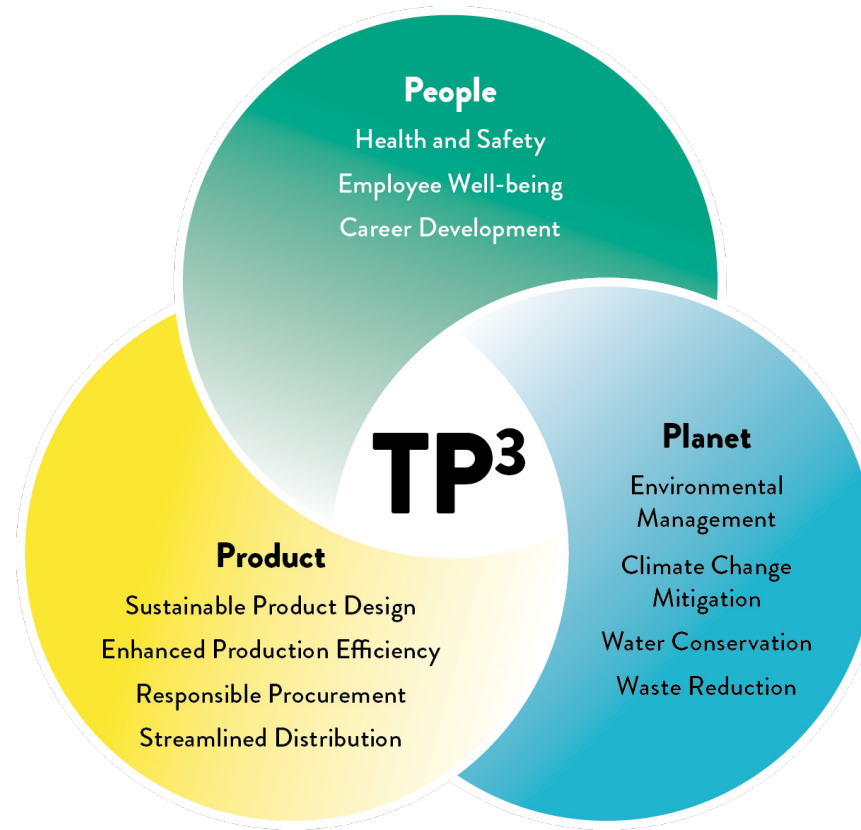


Our framework for stewardship is People, Planet, Product or TP3 for short. We are committed to the United Nations Global Compact and the ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. Every day, our choices are guided by how we can enable our employees to perform at their best by prioritizing their health and safety, supporting their well-being, and providing resources for career development.

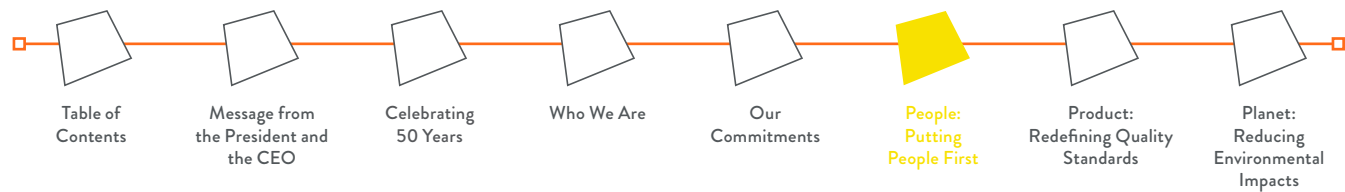
As a contract manufacturer, we strive to meet customer requirements for products that touch the lives of millions of people. We strive to integrate sustainable choices throughout the value chain from product design, production efficiency, sourcing materials responsibly and streamlining distribution. Our environmental management system sets our robust foundation to monitor and reduce our carbon emissions and waste generation, while conserving water resources.

In 2023, we achieved the Ecovadis Gold Medal for our efforts on labor and human rights, environmental impact, ethics and sustainable procurement. We scored in the 95th percentiles among our peers in the plastic manufacturing industry!

Our commitments are aligned with the following Sustainable Development Goals. See more details in our Goals, Data Tables, and SASB Index Report 2023.



People: Putting People First



Tessy's foundation rests on the strength of its people. Tessy's success, even throughout the most challenging times, stands as a testament to the wisdom of the people-first principle. The enduring legacy of employees who contributed during Tessy's early days persists as their children and grandchildren actively contribute to our company's ongoing growth. From the initial group of employees in 1973 to over 1,200 people work at Tessy today - every single person has contributed to the prosperity of the company.

Guided by our human rights policy, we remain steadfast in creating a safe and nurturing work environment that fosters employee well-being and supports their professional development.

We focus on:

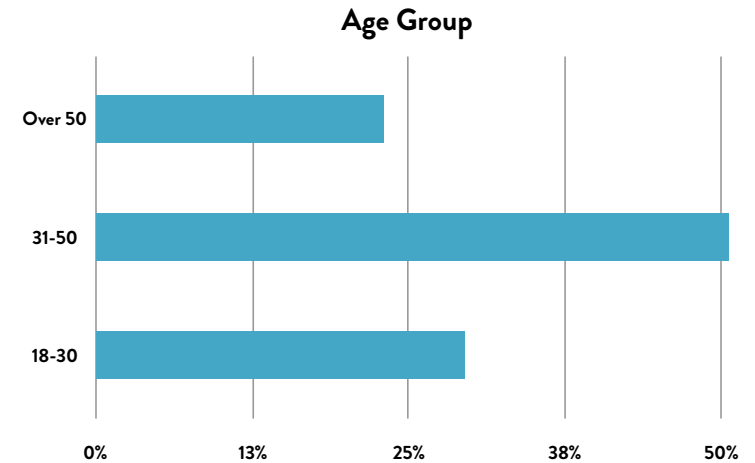
Health and Safety: Conducting continuous risk assessments of potentially hazardous conditions, implementing risk mitigation, and capacity building on safe work procedures.

Employee Well-Being: Providing competitive wages, benefits, and support systems.

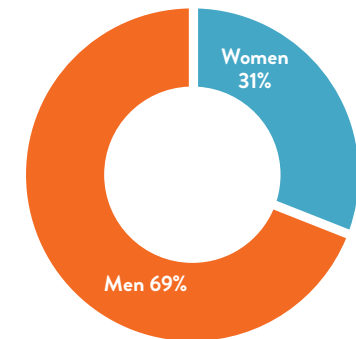
Career Development: Supporting employee growth through training, apprenticeships, and career planning.

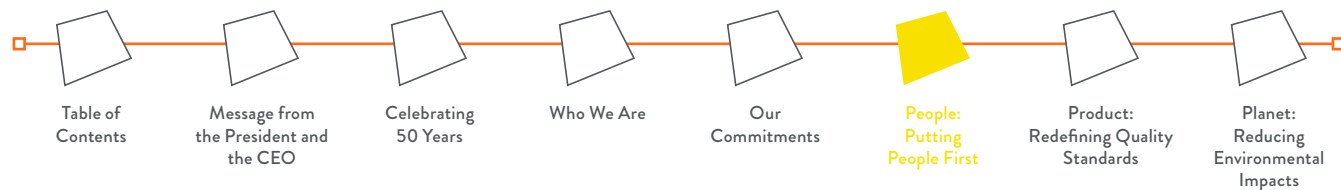
Community Engagement: Supporting local organizations and efforts that uplift community spirit.

Our people at a glance



31% of our employees are female





Safety has always been a key priority for Tessy, we work to ensure that we provide the most healthy and safe environment we can for our employees. Throughout the organization, we emphasize the importance of understanding and prioritizing safe work practices in all operational activities.

In 2023, we refreshed our commitment to employee health and safety by setting a goal to reduce our company-wide Total Recordable Incident Rate by 20% over the next 5 years using 2022 as a baseline.

Our first step in progressing towards this goal was to bring in a third party consultant for a detailed compliance audit of our existing health and safety management system across all facilities, including general site and work practice observation, employee and management interviews, and program review. We have committed to conducting these compliance audits on a rolling 3- year schedule, the same as we do for our environmental management system, to track and verify improvement over time.

This audit and its deliverables will be used as our initial gap assessment and help us prioritize our future road map based on risk. From here we are now working on improving existing programs or creating new programs where deficiencies have been identified, alongside developing and implementing new or improved training programs.

This process began in the latter half of 2023 initially with the refreshing of our orientation and new hire training program. Our Human Resources, Quality Assurance, and Environmental Health and Safety departments came together to improve the training material itself, the resources and knowledge base for those delivering the training , and the delivery method of the training as we have now transitioned to our new electronic learning management system.

Moving forward we will continue to improve our programs with a focus on risk and injury reduction strategies, drive employee engagement, and place additional emphasis on prevention through design.

100% of the sites assessed for health and safety risks

Employee Well-being

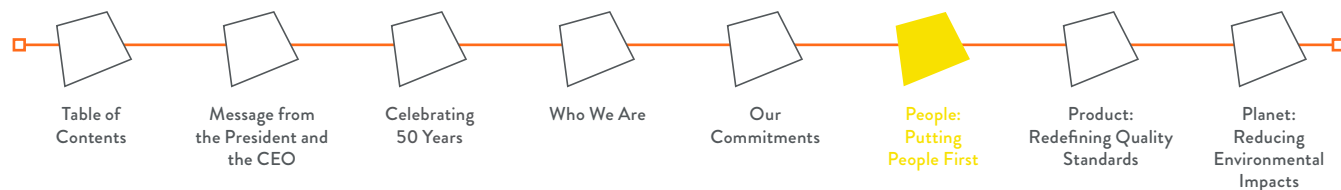
As we celebrate our 50th Anniversary, we know nurturing our employees' well-being has been the key to our success. Our programs are geared toward setting up our employees for success. We achieve this by cultivating an enabling environment that allows our employees to perform at their highest potential.

Our compensation and benefits package attract top talent and we support employees in their journey at Tessy. We make retirement planning easier by automatically enrolling employees in the 401K plan and matching the first 4% of their contribution to the plan. This effort has seen a steady increase of employees actively preparing for their retirement since its initiation. We regularly provide information on retirement planning tools such as webinars and one-on-one support with financial planning experts. In 2023, 96% of Tessy's employees are actively preparing for their retirement by contributing to their 401K account.

Each eligible employee receives free individual healthcare insurance, which can be adapted based on their needs. We promote a healthy lifestyle by providing access to a gym membership at a reduced cost in our facilities. Through our Employee Assistance Program, any employee can receive free and confidential mental health support for themselves or their families all year-round. Our paid family leave policy is aligned with the New York State's policy. In 2023, 92% of the employees that took the parental leave program returned to work after the leave.

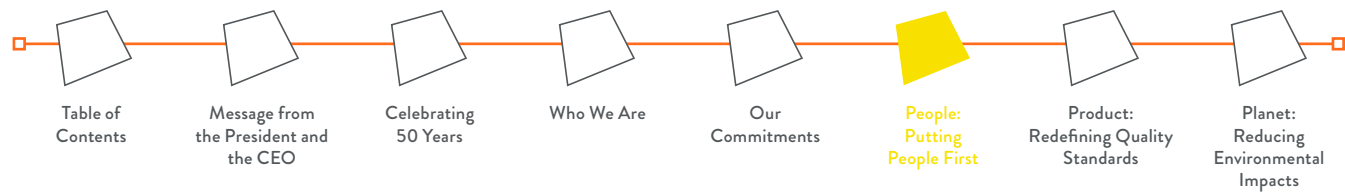
In 2023, we set up the following goals to ensure we provide an inclusive and supportive work environment to all of our employees. Recognizing that managers have a critical role in the well-being of the employees that report to them, we are launching a training program that will focus on management at all levels to reinforce technical and interpersonal skills, ensuring that supervisors are well equipped to support and lead their teams. All employees will receive anti-harassment training annually through our recently launched electronic learning management system (eLMS).

Over the coming years, we will continue to monitor and report on our progress toward these goals.



100% by 2025

- managers complete leadership and management training
- employees trained on anti-harassment training via eLMS



In our mission to strengthen and support employee growth and shape the learning culture, we continually evaluate training programs. We identify knowledge gaps, incorporate succession planning, and provide career progression through meaningful training opportunities. Employee learning programs provide growth in key areas such as technical skills, institutional knowledge, soft skills, and leadership, and they have proven to help increase employee safety, retention, morale, and engagement – improving the health and well-being of the individual as well as the organization as a whole. We use the latest technology and industry best practices to train, measure data, and drive continuous improvement through the future.

Supervisor Support and Performance Evaluations:

Over the last year, supervisors have gained visibility into the training status of their employees. This knowledge and resulting employee-supervisor interactions have led to a 7% increase in the agreement with the statement, “My Supervisor is supportive of my continued learning” since the launch of the LMS (Learning Management System). Each year, we ensure that all of our managers conduct performance reviews of their direct reports and discuss their professional development pathway. In 2023, we met our goal of 100% of our employees receiving their annual performance evaluation.

100% of employees received their performance evaluation in 2023

Promoting from Within:

Tessy prides itself on promoting from within the company. In 2023, our internal hire rate was 20.75%. Several of our senior executives and managers have performed various roles within Tessy and continue to flourish in their careers. This unique growth opportunity is only possible because we are rooted in our family values.

The Document and Learning Management System (LMS), launched in July 2023, has transformed training processes, and fostered a culture of growth and learning at Tessy.

Key highlights include:

Culture Shift: A 7% increase was seen in the belief regarding a growth-oriented culture.

Confidence Boost: A 17% increase occurred in the agreement with the statement: “I am confident in my role and responsibilities due to job-specific training received.”

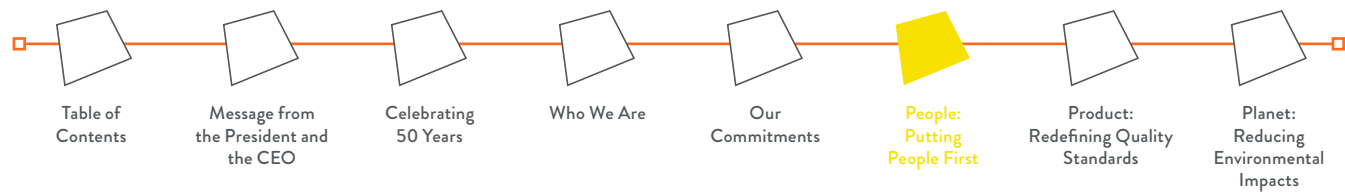
Training Efficiency: Employees now finish their mandatory training within an average of 6 days, ensuring timely task completion and proficient job performance, which in turn prevents future non-conformities.

Employee Engagement: 100% of active employees participated in interactive classroom training to understand the LMS impact, functionality, and navigation.

Onboarding Efficiency: New employees now receive LMS training during orientation, ensuring immediate access to documents and resources.

Training Metrics: In the 7 months post-launch, employees completed an average of 11.5 courses, totaling 4.1 hours of training per employee.

Continuous Improvement: Ongoing training will address skill gaps and enhance competency and confidence.



Cultivating a culture of learning and growth

We recognize that investing in our workforce is essential for ensuring the long-term sustainability and growth of the company. Given the current shortage of skilled labor in the manufacturing industry, Tessy has proactively developed and implemented targeted apprenticeship programs. These programs serve as a strategic solution to bridge the skills gap. Not only do Tessy's apprenticeship initiatives provide a clear professional development pathway for each apprentice, but they also contribute to the overall strength of the company. By engaging seasoned experts as mentors, Tessy fosters a collaborative environment where valuable knowledge and skills are shared.

Mold Maker Apprenticeship Program

In 2022, Tessy Plastics launched the Mold Maker Apprenticeship Program in collaboration with the New York State Department of Labor. Each apprentice undergoes a four-year program that combines on-the-job training (OJT) with academic coursework. Upon successful completion of 8,000 hours of rigorous training, apprentices receive certification recognized by both the state of New York and the United States. As of 2023, four dedicated apprentices are well

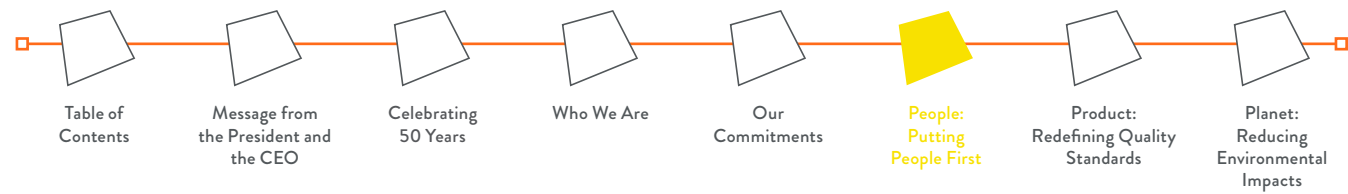
on their way to completing this comprehensive program. Their journey has been supported by grants from the Millions of Dollars for Apprenticeships initiative and the State University of New York. Throughout the program, they have completed college level courses such as machine tools and shop math while sharpening their essential skills on, CAD (Computer Aided Design), CAM (Computer Aided Machining), scientific molding, laser welding, grinding and milling, and assembly. Their hard work, combined with guidance from experienced mentors, has culminated in the successful construction of their own injection mold, ready for production. Anticipated to graduate early in 2024, these apprentices are poised to contribute to meeting the growing demand for intricate mold making.

Process Technician Apprenticeship Program

As our company's injection molding machine count continues to grow, the demand for skilled Process Technicians is on the rise. To enhance efficiency in our complex manufacturing process, Process Technicians collaborate with multiple departments to streamline workflows, promptly address challenges, and ensure the seamless operation of injection molding machines.



This involves mastering various processes and proactively identifying potential bottlenecks. In 2023, we re-launched the 2-year Process Technician Apprenticeship with an updated syllabus. The program includes an introduction to injection molding and rotations across departments including Automation, Quality Assurance, Set-up, Material Handling, Maintenance, Molding, and the Tool Room. This program aligns with our goals of minimizing scrap while enhancing production performance.



Tessy holds a deep appreciation for the communities in Central New York, where we have established roots over the past five decades. Each year, we actively contribute to fostering community spirit through a range of educational and recreational initiatives. One such endeavor is our ongoing support for the “Machine and Makers” exhibit at the Museum of Science and Technology. This interactive exhibit offers thousands of visitors an immersive experience, showcasing how mechanical devices are utilized in industrial automation processes.

In 2023, we seized the opportunity to engage with students from the School of Computing and Applied Technologies at Onondaga Community College during their career showcase event. Our Tessy team demonstrated innovative technology, including a six-axis robot, a mini

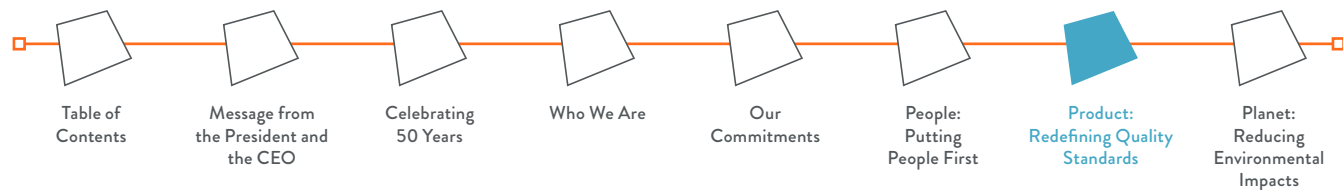
gantry slide system, and a Programmable Logical Controller test bench. Hundreds of students had the chance to interact with 3D printed molds, mold parts, and assemblies, as well as explore a Computer Aided Design station.

Additionally, Tessy hosted a group of students enrolled in the Industrial and Interaction Design course at Syracuse University. During a guided tour, these students gained firsthand insights into the injection molding process, high-volume manufacturing, and assembly techniques. Our commitment extends beyond these events—we remain dedicated to creating ongoing opportunities for community members to explore innovative technologies and discover potential career paths.



Touring Tessy’s Baldwinsville manufacturing facility was immensely helpful in that it took the students from academic concepts to real life applications.

– Mr. Robert Tanchak, *Instructor, Industrial and Interaction Design at the Syracuse University*



Since 1973, Tessy has continuously grown its capacity to take on more complex projects while maintaining the highest quality of products. As a custom contract manufacturer, we provide end-to-end solutions in plastics processing. Our capabilities include product design & development, rapid prototyping, tool design & build, medical automation design & build, plastic injection molding, and complex medical & consumer device assembly. We provide superior quality and speed to market through our comprehensive engineering and research & development. Our markets include Medical, Pharmaceuticals & Diagnostics, Consumer, and Consumer Healthcare.

Our Quality Management System ensures that we achieve our highest standards of product quality, exceed customer expectation and meet all the regulatory requirements. Our facilities are ISO 13485:2016 certified, compliant to the American Institute of Baking (AIB) food safety standard and current Good Manufacturing Practice.

When manufacturing our products, we focus on:

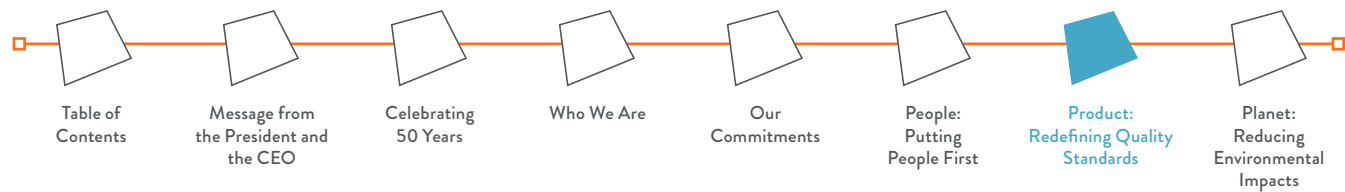
Customer Health and Safety: Ensuring consistent quality of products through strategic control procedures

Sustainable Product Design: Designing products with efficient raw material use promoting circular systems (recyclable and biodegradable)

Enhanced Production Efficiency: Automating processes to increase efficiency, repeatability, and to decrease waste

Responsible Procurement: Engaging upstream suppliers on social and environmental issues

Streamlined Distribution: Using efficient distribution process and routes to reduce our environmental impact



Customer collaboration spotlight

Our mission to exceed customer expectations is built on strong collaboration and partnership with our customers. In creating a space for knowledge and growth we often provide opportunities for our customers to train alongside our technical teams on the production floor. This fosters a strong relationship and understanding with our customers as we take on new projects, overcome challenges, and celebrate accomplishments.

We have initiated a two-week Plastics Immersion Program for our customers, where a few participants can shadow the entire manufacturing process – from material handling, set-up, production, tool maintenance, and post molding operations. With this deeper understanding of our processes, we work with our customers to quickly problem solve any issues while taking on more intricate projects. In 2023, two participants joined the program and spent two weeks at Tessy.



We collaborated with Tessy to develop a two-week immersive training program for younger engineers to gain injection molding knowledge; something that most colleges do not offer. The first student came back with a marked improvement in her plastics knowledge that has enabled her to communicate better with her supplier and make her a much more effective development engineer. No way she would have been able to function at the speed and level we needed her to without Tessy!

- Tessy's medical customer

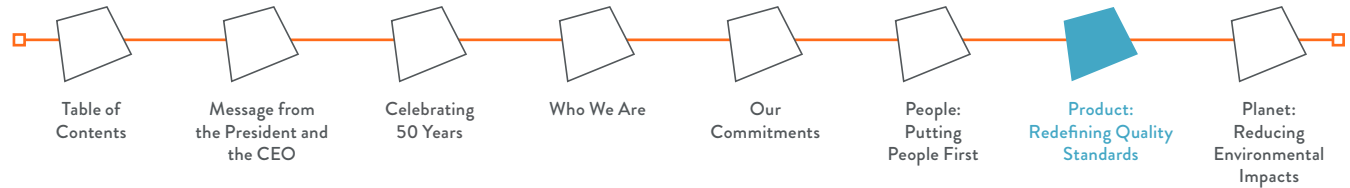
Tessy's efforts have given me a whole new perspective to bring back to our team. The guidance and knowledge Tessy has shared will be a game-changer for my career, and with our team moving forward. I am truly grateful for the well-rounded experience.

- Tessy's medical customer trainee

As a contract manufacturer for medical, pharmaceutical and diagnostic parts, end-user customer health and safety is one of our highest priorities.

Our FDA regulated 319,856 sq. feet of ISO 8 certified clean facilities have been producing:

- ▶ **Medical devices such as airway management, biopsy products, cardiovascular, minimally invasive surgical devices, and vascular access products.**
- ▶ **Pharmaceuticals and Diagnostics such as Point-of-Care Testing and Veterinary Diagnostics**

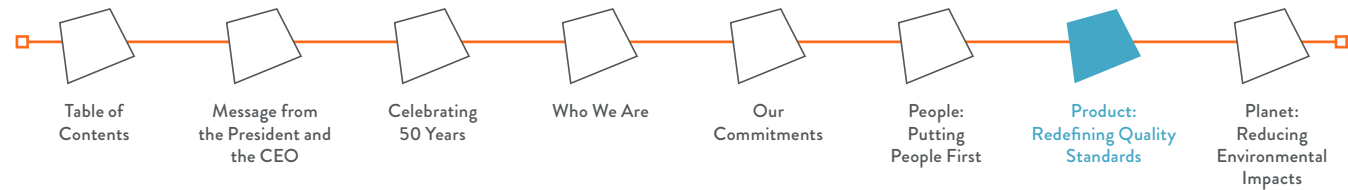


Our Team of Next Gen Inspection and Traceability: First of its Kind

One of our long-term endo-surgical device customers took us up on our saying “Give us your most difficult challenges” to the next level. The product is a minimally invasive surgical device, requiring tight tolerances. Historically being assembled by hand, Tessy took on the challenge to fully automate product manufacturing—all while developing a process that would increase quality, efficiency, and cost-effectiveness. In the last 15 years, we have increased cavitation of in line micro-molded components, eliminated human intervention from assembly, and reduced cycle time.

In the past few years we have been working with the Tessy Automation team and our customers to integrate CT scanning technology into the production line. In doing so, each product receives a laser engraved 2D barcode that can be traced throughout additional quality control processes and downstream distribution. The estimated annual capacity of this production is nearly double the capacity of the previous production line. This next generation inspection and traceability enables better customer health and safety protections. Tessy is proud of the team for rising to the challenge and seeing it into fruition.





Reducing the environmental impact of our manufactured product begins with a design for sustainability. As a contract manufacturer we rise to meet the sustainability goals of our customers by bringing on our dedicated R&D team to test different options. We prototype multiple design iterations rapidly to identify a broad range of potential solutions and find the best path forward.

Specifically, we work with our customers to:

- ▶ Trial different raw materials including recycled and bio-based resins, and assess its impact on the function, aesthetics, costs and environment
- ▶ Explore options to use less raw material by light weighting the product
- ▶ Promote circular economy improving the recyclability of the product by using single material, easily removable label, and adding recyclability information

Tessy's Patented Sustainable Designs

Our exceptional team has tested and patented designs that increase recyclability and reduce raw materials in commonly used products. Integrating these designs can support our customers in achieving their sustainability goals.



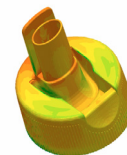
Patent: Cosmetic Containers

Patent Holder: Dave Young

Description: Aesthetically pleasing double shelled cosmetic container

Features: Uses less resin and lowers cost

2018



Patent: Turret Cap

Patent Holder: Jim Weishaar and Mark Bartlett

Description: Leak proof flip top cap for dispensing liquid products such as lotion and gel

Features: Eliminates the need for additional seals and manufacturing processes

2023

2017

Patent: Stackable Wipe Container

Patent Holder: Dave Young and Vincent Pilletter

Description: Injection Molded Stackable wipe container instead of blow molded container

Features: Moisture tight seal and volumetrically efficient for shipping



2020

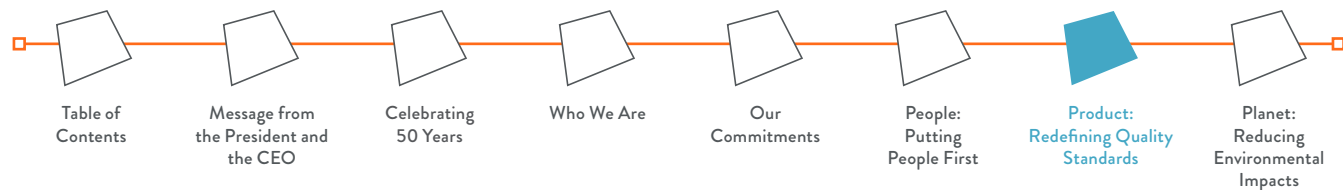
Patent: Eco-pump

Patent Holder: Benjamin Passetti, Richard Smith, Brian Anderson, Adam Paul Valle

Description: Leak proof fluid dispenser pump for products such as shampoo and lotions

Features: 100% recyclable, eliminates unnecessary packaging





Using Recycled Resin

Recycled Resin conserves natural resources needed for the extraction of raw materials, uses less energy to produce compared to virgin resin, and diverts waste from landfills. It has a 1.5 times smaller carbon footprint compared to virgin resin. Using recycled resin is one of the critical strategies in manufacturing to reduce environmental impacts and meet our customers commitments to the US Plastics Pact.

The integration of recycled resin into our products necessitates rigorous testing to ensure it meets all quality specifications without compromise. Securing an adequate supply of recycled resin presents a common challenge for maintaining an uninterrupted production process. In 2023, we successfully completed two trials for our customers, utilizing Post-Consumer Recycled resins that are expected to replace approximately 3.5 million pounds of virgin resin and avoid 5,777 metric tons of CO₂e annually.

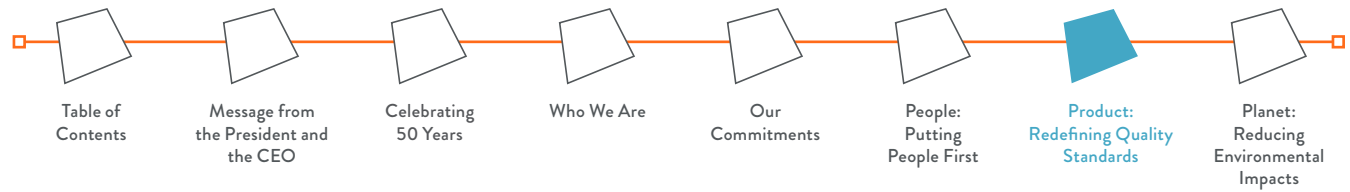
By collaborating closely with our suppliers and customers, we actively contribute to a circular economy.

5,777 metric tons of CO₂e expected to be avoided every year





Over 100 complex automation cells



Over the years we have proven repeatedly that our approach results in time, resources and energy efficiency. Our ability to perform virtual mold analysis, design for manufacturing and assembly, and build in-line production and assembly automation cells sets us apart in our industry. Based on the product requirements we can custom design equipment and production lines that optimizes performance and reduces scrap.

Our dedicated R&D team can rapidly prototype a small-scale production and assembly line using 3D printed tools and parts. We leverage our dedicated R&D lab with three injection molding machines to identify innovative solutions to complex problems such as adding pharmaceutical & diagnostic chemistry processes to our production and assembly lines.

Faster and Effective Mold Repair

Tessy prides itself in providing an end-to-end manufacturing service to our customers.

Injection molding machine maintenance is critical to producing quality parts every time.

Over time, the heavy steel molds require repairs that can delay production. In the past, repairing

mold components using traditional welding techniques was ineffective because the amount of heat applied often

changed the properties of the mold itself. Recognizing this challenge, Tessy has invested in Laser welding technology and building in-house expertise. Laser welding allows for high precision and control using Computer Numerical Control to repair a faulty/damaged part as small as 0.01 millimeters! As the technology uses very little filler, post welding operations are much more efficient. Repairing the molds in-house also eliminates emissions associated with transporting the mold to a distant repair facility. Thus, this process reduces the amount of steel used to repair molds and transportation to another facility.

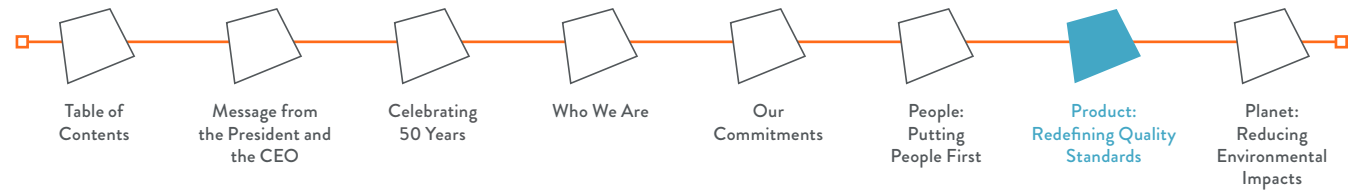
Over 2,200 kg of CO₂e expected to be avoided annually using laser welding technology

21 suppliers assessed through Ecovadis and 11 onsite audits completed.

Our Diverse Suppliers in 2023

- **26 Small Business Enterprise**
- **9 Women Business Enterprise**
- **3 Veteran-Owned Small Business**
- **1 Service-Disabled Veteran-owned Small Business**
- **2 Minority-owned Business**

¹ According to documentation we have received from our Tier 1 suppliers in 2022, no “conflict minerals” that originate from Democratic Republic of the Congo, Congo Republic Central Africa Republic, Tanzania, Sudan, Burundi, Zambia, Angola or Uganda are intentionally added or known to be present in their product.



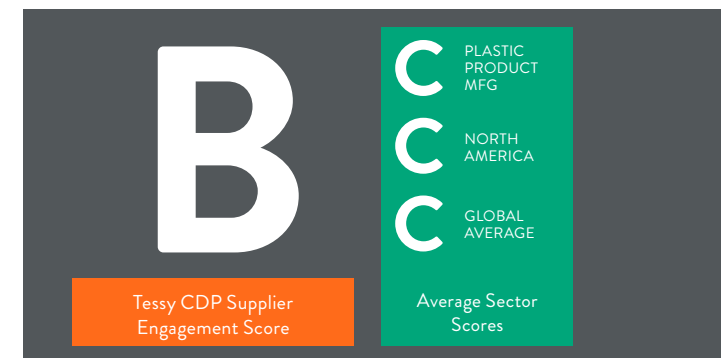
Our suppliers play a vital role in our success and we value their commitment toward shared values of protecting the planet and upholding human rights. Our Sustainable Procurement Policy guides our team in ensuring that raw materials meet our quality standards while meeting our environmental and social standards. Our supplier selection process is based on meeting or exceeding criteria on quality, environmental health and safety, and corporate social responsibility and sustainability. Our supplier agreement includes the Supplier Code of Conduct that outlines Tessy’s policies on anti-corruption, human rights, and environmental impacts. In 2023, 100% of target suppliers have signed the code of conduct.

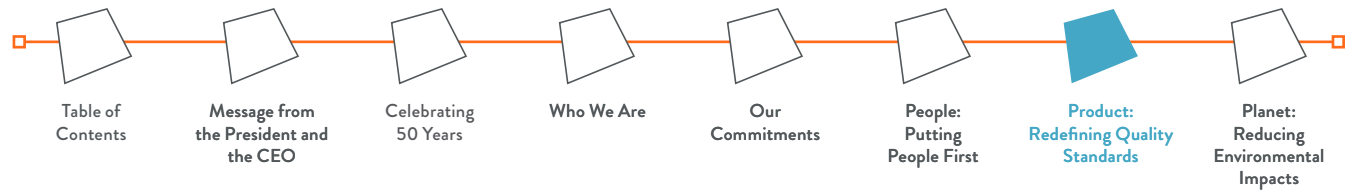
We assess our targeted suppliers through Ecovadis Supplier Engagement Module – an evidence-based sustainability rating platform and through on-site audits. In 2023, 21 suppliers completed the Ecovadis assessment, which identified potential risks and informational resources on how to mitigate those risks related to the environment, human rights and labor, ethics and supplier engagement issues.

Our policy on diversity of suppliers encourages procurement from Small, Minority and Women Owned Businesses. In 2023, 41 diverse suppliers were part of our supply chain.

Our Conflict Mineral policy supports the Dodd-Frank Act that is directed at reducing the source of funding for armed groups that are committing human rights abuses and contributing to conflict in the Democratic Republic of the Congo and neighboring countries, which is in part funded through the mining of cassiterite, columbite-tantalite (coltan), wolframite, gold, and their derivatives tin, tantalum, and tungsten (3TGs). Working with our suppliers, we map the raw materials used in our customers components to determine if they include any of the conflict minerals. 100% of our Tier 1 Suppliers have been assessed as Conflict Mineral Free!¹

Our Supplier Engagement efforts on climate change have been recognized by CDP based on how we are collaborating with our supplier on climate action. We achieved a supplier engagement score of B compared to a Global Average of C.





Going further together with our partners



By participating in “Return to Refill” service by Riverdale Global,

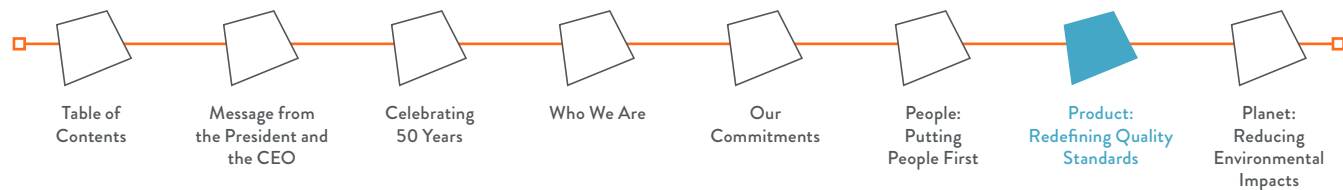
**we returned 178 colorant drums
and 1,549lbs of color was reused**

for new batches of the same color.

By purchasing re-refined base oil and reclaiming used oil with Safety-Kleen,

**we avoided approximately
21 metric tons of CO₂e in 2023.**

Streamlined Distribution

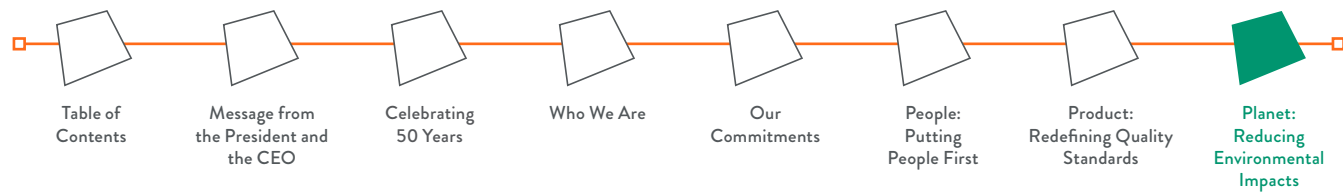


Our sustainability approach extends beyond raw materials and production into packaging and distribution. We strive to reduce the number of downstream activities and optimizing distribution systems, which has the triple benefit of saving time, resources and reducing environmental impact. By evaluating our customer's needs, we design the best assembly solutions that flow seamlessly into a custom packaging process that aligns with the distribution system. Our inventory management system works in tandem with production outputs and product demand forecast. This results in timely shipment of products in full truck loads maintaining the cadence of shipment to meet customer demands.

We specifically work with our customers and internal experts to:

- ▶ Analyze and evaluate product design for assembly, packaging, and distribution solutions
- ▶ Develop custom design for packaging that eliminate the need for additional packaging across the supply chain
- ▶ Implement in-house packaging where possible to ship finished products direct to the customer's distribution centers, reducing the time and number of distribution points
- ▶ Use reusable and returnable pallets and boxes, especially for domestic customers
- ▶ Optimize transportation modes to reduce carbon emission, for example, sea routes instead of air

In 2023, we changed the shipment box size volume by 5% for one of our customers. This enabled us to add about 10% more product in each box, reducing the carbon footprint of transportation per unit of the product.



Tessy is committed to reducing the impact we have on our environment and being a responsible steward of our environment. All of our facilities are certified to the ISO 14001:2015 Environmental Management System (EMS) standard. We use the system as a toolset to continuously identify and target environmentally detrimental aspects of our business, and plan actions on reducing the impact across our business operations.

We reduce our impact on the environment by:

- ▶ **Decreasing our energy consumption and greenhouse gas emissions intensity by using energy efficient equipment, processes, and building materials**
- ▶ **Reducing our water withdrawal intensity by using closed loop water cooling systems, and maintaining water quality standards**
- ▶ **Minimizing hazardous and non-hazardous waste by reducing, reusing, recycling, and reclaiming materials**

Through our Environmental Health and Safety policy, we are committed to complying with all applicable environmental regulatory requirements. To ensure applicable federal and state level compliance, we conduct a third-party audit every three years on the topics: air source emissions, petroleum and chemical bulk storage, hazardous material usage, hazardous waste handling and disposal practices, wastewater discharge activities, and stormwater discharge. The audit includes comprehensive site visit to each facility, personnel interviews and review of environmental procedures and records.

Our overarching environmental goals are:

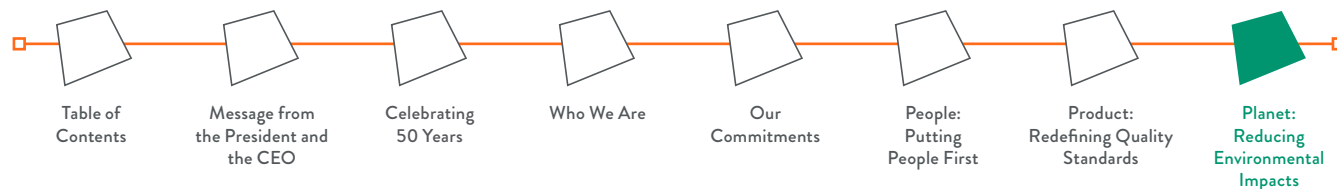
- ▶ **Maintain our ISO 14001:2015 Environmental Management System certification**
- ▶ **Conduct a third-party environmental compliance audit every three years**

In 2023, we completed the annual surveillance audit for the EMS and maintained our ISO 14001:2015 certification for all our facilities with zero non-conformities. We completed a third-party environmental compliance audit to ensure our practices meet the legal requirements.



100% of our facilities

- are ISO 14001: 2015 certified
- completed an environmental compliance audit



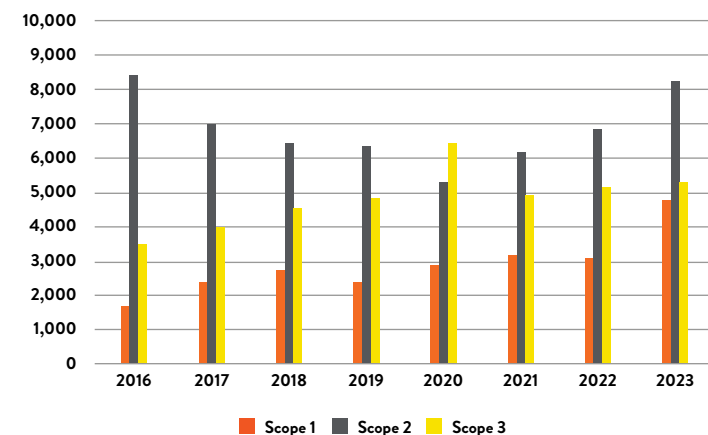
Climate change has a widespread socio-economic impact globally, that affects us and our customers. We are committed to managing risks from climate change to our business while reducing our Greenhouse Gas emissions. In 2017, we set the target to reduce our Scope 1, 2 and 3* GHG emissions intensity (by per unit revenue) by 2030 from the base year 2016 by 60%. While we were making progress towards our target, we recognized the need to reassess our goals and rise to meet the call for urgent action on climate change at all levels. This call was further underscored as the year 2023 became the hottest year on record.

In 2023, we embarked on a project to conduct full emissions inventory across all our subsidiaries and reassess our emissions reduction targets in accordance with the Science Based Targets. Our initial findings indicate that we follow the industry trend of Scope 3 (Indirect) emissions being the largest source of our emissions. Thus, it is critical to work with our customers and suppliers to reduce our shared emissions. As we develop our climate transition plan, we will continue to focus on strategic customer and supplier collaboration.

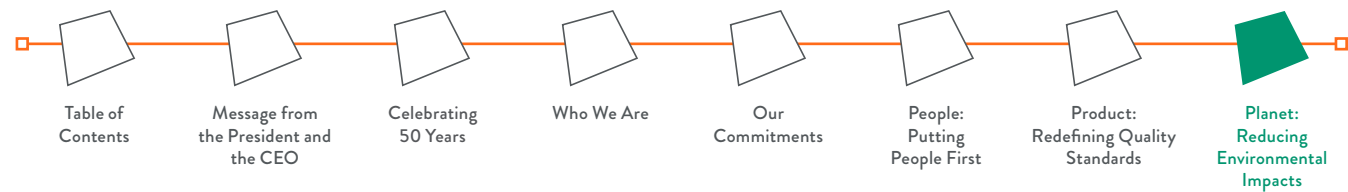
Our short-term climate goals are:

- Submit our near-term emission reduction goals to Science Based Targets initiative by 2024
- Develop our climate transition plan by 2025

GHG emissions (MTCO₂e)

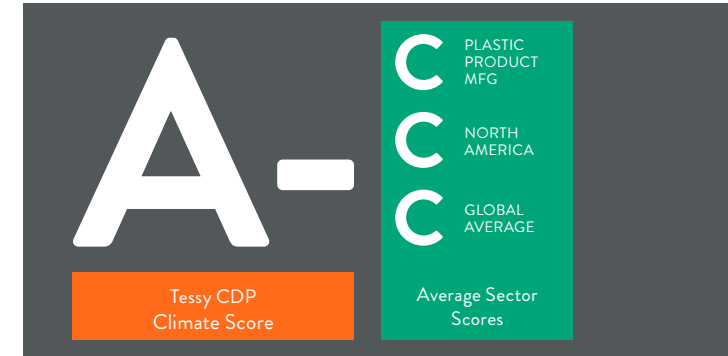


* includes third party trucking, employee commute and business travel only.

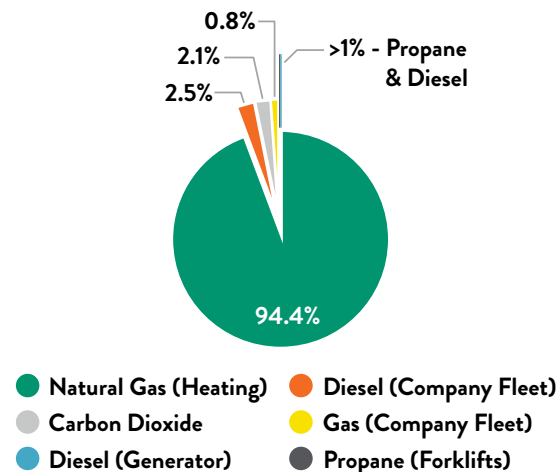


In 2023, our total emissions Scope 1 (Direct), Scope 2 (Electricity, Market-based) and Scope 3 (Third party trucking, employee commute, and business travel), increased by 17% from our facilities. This increase in emission is due to the addition of our newest facility in Webster, New York. With the growth of our production, it is imperative that we strive to improve our energy efficiency measures. We sourced 10,264 MWh of energy from hydropower and 28,183 MWh of Renewable Energy Credits, which is 37% of our electricity. Our location and market-based emissions are verified by a third party and disclosed through the Ecovadis platform and report to CDP. We are among the top 18% of companies in the plastic manufacturing sector with a score of A-, compared to a global average of C.

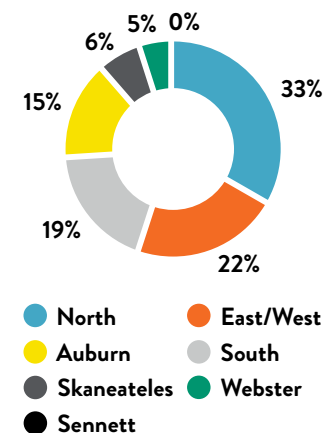
We continued to implement emission reduction activities in our facilities. In 2023, we added twenty-six more electric presses and currently 79% of our injection molding presses are electric! In addition, we purchased more fuel-efficient vehicles to our company fleet and currently 40% of our vehicles are either hybrid or plug-in hybrid vehicles. Our building renovation projects integrated energy saving options in our facilities. Our Baldwinsville facility expansion included installation of LED lights with motion sensors, and wall and ceiling insulation to reduce energy use. We also reused air handlers and construction materials, extending the life of materials and keeping them out of landfills.



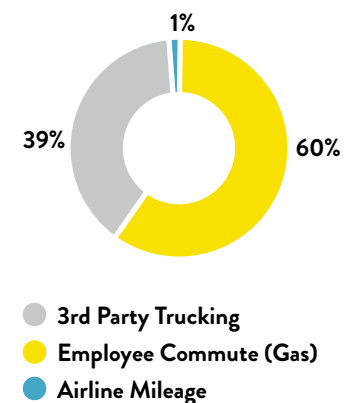
Scope 1 by Source

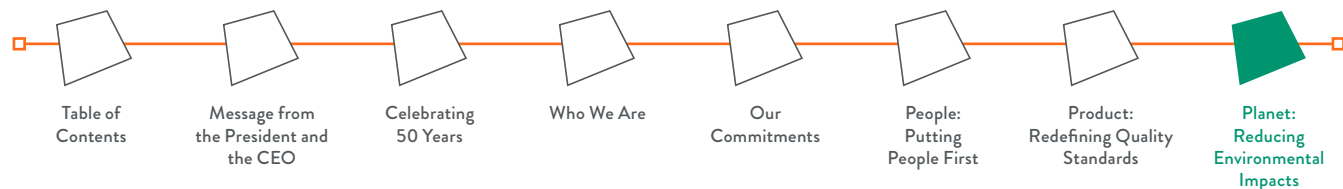


Scope 2 by Plant



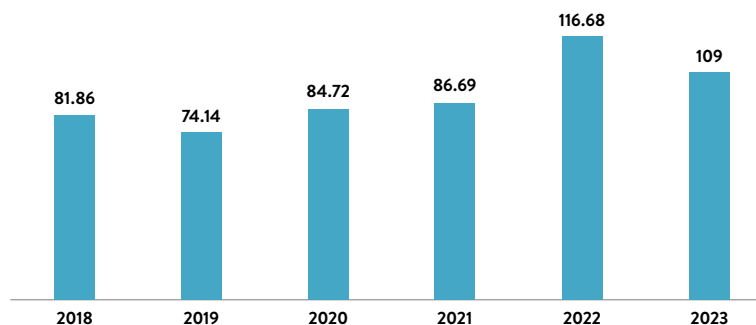
Scope 3 by Activity



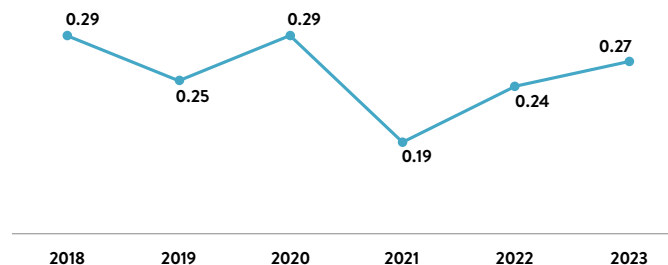


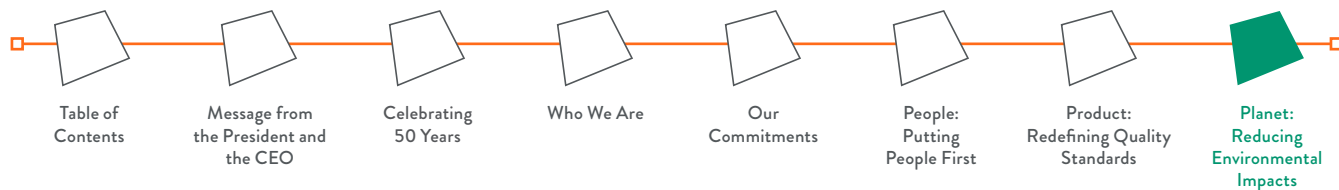
Guided by our sustainable water management policy, we are committed to reducing our impact on the local waterways and managing our wastewater discharge in full compliance with local and national regulations. We follow the Operation Clean Sweep program which is designed to prevent resin pellet, flake, and powder loss entering the local ecosystems. We guarantee access to water safe for drinking, sanitation, and hygiene in all our facilities. Our business operations are dependent on access to reliable and clean water. Thus, we conduct an annual water risk assessment using the WWF Water Risk Filter considering climate change, water availability, and regulatory risks.

Water Withdrawal (Megaliters)



Withdrawal Intensity by Revenue (Megaliters/Million \$)

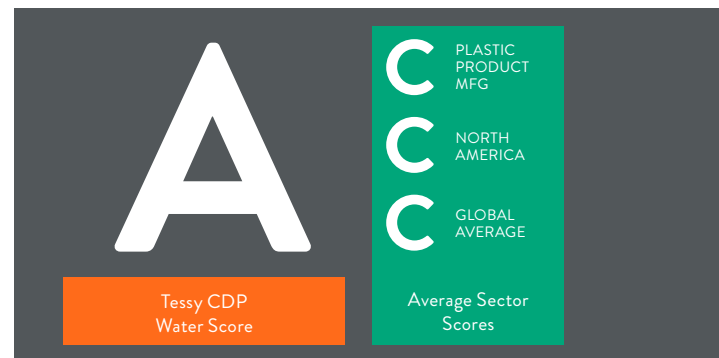


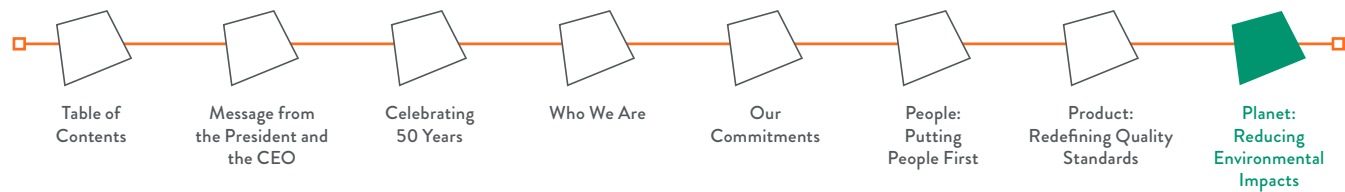


In 2023, we updated our water-related goals in our EMS to:

- **Maintain 100% water regulatory compliance such as State Pollutant Discharge Elimination System**
- **100% employees trained on Operation Clean Sweep by 2025**
- **Ensure 100% of the employees have access to Water and Sanitation facilities**
- **Reduce water intensity (water withdrawal by revenue) by 10% by 2030 from the 2020 baseline**

We optimize water use through our closed loop water cooling systems that reuses water. In 2023, we used 109 Megalitres across all our facilities. In an effort towards greater transparency, our water withdrawal data is now verified by a third party, which is reported to CDP Water. In 2023, Tessy was among the 101 companies out of 4,815 disclosing companies that achieved a CDP Water A-List Score, placing us in the top 2% of the companies globally!





Proper waste management, with a goal to reduce our waste, is a priority for Tessy. Waste is generated across different departments and everyone plays a role in reducing waste - from employees on the production floor to the administrative employees. From day one, new employees learn about what they can do to reduce, reuse, and recycle waste at Tessy during orientation. Our operations integrate waste management in different processes, for example using hot runners to reduce machine purge and recycle scrap in our facilities when possible. We also provide waste segregation containers to streamline waste management. We continue to recycle 100% of resin used to purge the injection molding machines and all of the clean room garb. All waste streams are profiled by the Environmental Health and Safety Specialist and managed through a combination of waste management service providers.

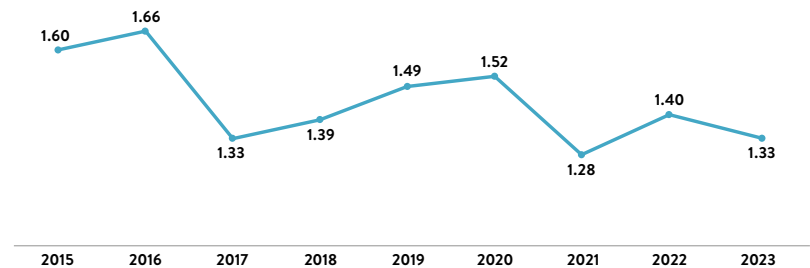
Our waste reduction goals are:

- Limit trash to 1lb per employee per day by 2025
- Seek zero waste to landfill certification by 2030 for 50% of our sites

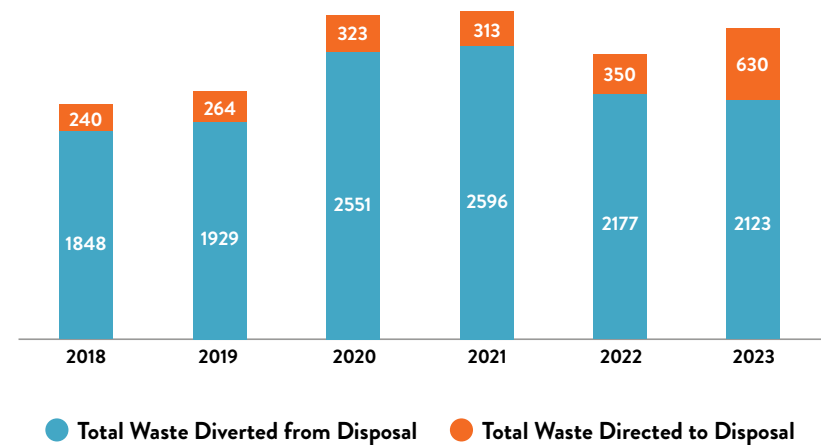
In 2015, we set a goal of 1lb of waste per employee per day by 2025 and in 2023 we were close to meeting that goal at 1.33lbs per employee per day. We have renewed our efforts to increase awareness and improve our processes to reduce waste to reach the goal of 1lb of trash per employee per day.

Our percentage of waste diverted from landfill decreased from 86% in 2022 to 77% in 2023. This is due to the construction debris in our various facilities. Without factoring in the construction debris, our regular business operation waste diversion from landfill is 85%. We continue to minimize hazardous waste generated to less than 5 metric tons.

Trash per day per employee (lbs)



Operational Waste (Metric Tons)





This report contains forward-looking statements. Forward-looking statements will give current expectations or forecasts of future events and are not guarantees of future performance. They are based on management's expectation and involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statement. While Tessy believes all information in this report is accurate, such information is made without any warranty or guarantee and shall establish no legal duty on the part of Tessy, its subsidiaries, and affiliates. Metrics represent 2023 data or 12-month approximate values based on available data from reporting facilities and are often made in reliance on third-party supplier information.

Tessy Plastics Corp.

700 Visions Drive
Skaneateles, NY 13152

[Tessy.com](https://www.tessy.com)