Tessy

ANNUAL STEWARDSHIP REPORT 2024

reporting year

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Message from our CEO & President

The year 2024 marked another milestone for Tessy as we continued to strengthen our technical capabilities and expand our facilities, reinforcing our position as a leader in end-to-end precision plastics manufacturing. Our long-term investments are yielding results, demonstrated by our recognition by the 2024 Plastics News Sustained Excellence Award, a testament to our unwavering commitment to innovation and excellence. We have continuously expanded our capabilities from micro-molding to enhanced vertical integration working seamlessly with our subsidiaries Tessy Tooling and Tessy Automation.

In 2024, we successfully produced fully traceable medical devices with tight tolerances, and quality-controlled through in-line CT scanning across hundreds of parameters. Additionally, we developed one of our most complex products to date, featuring over 20 components and integrating liquid chemistry filling, lyophilization, and kitting and assembly, all within a single facility. As we push the boundaries of life-saving medical and diagnostic device production, we collaborate closely with customers to develop high-quality, intricate solutions. To meet the evolving needs of the medical and pharmaceutical sectors, we have incorporated Liquid Silicone Rubber molding within the last few years alongside thermoplastics molding, enabling greater functionality for complex devices. Our unparalleled solutions enable customers to streamline supply chains, enhance efficiency, and uphold the highest quality standards.

Thank you for being part of our journey.

None of these accomplishments would be possible without the dedication and expertise of our employees. With over 50 years of experience, we continue to prioritize our people, fostering an environment where each individual can thrive. In 2024, we launched our in-house Supervisor Academy, equipping front-line managers with tools and resources to support their teams effectively. Additionally, we introduced a quarterly profit-sharing program, ensuring that every employee shares in the success of our company.
As we expand our production lines, employee safety remains our top priority. To reinforce our safety culture, we established a cross-functional Safety Committee, empowering employees to actively reduce risks and promote best practices among their peers. The progress we have made reflects the collective effort of our entire team.
Together, we will continue to drive innovation and shape the future of precision plastics manufacturing.
As part of our commitment to sustainability, we recognize the far-reaching effects of climate change on our operations, supply chain, customers, and beyond. In 2024, we set near-term Science-Based Targets to reduce greenhouse gas emissions across our direct and indirect operations, taking decisive action to help prevent the worst effects of climate change.
By doing so, we join more than 8,000 businesses striving toward ambitious climate goals, including several of our customers and suppliers. We invite our customers and suppliers to collaborate with us as we build upon our decades of experience in integrating sustainable practices throughout our value chain.
We are pleased to present this year's Annual Stewardship Report, which highlights our initiatives and progress based on our commitments to People, Planet, and Product.

Roland Beck, Owner & *CEO*

Stafford Frearson, *President*

Tessy Plastics Corp

We are a family-owned, full-service contract manufacturer specializing in custom injection molding and the assembly of complex medical and consumer products.

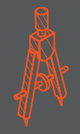
We support a wide range of industries, with a strong emphasis on healthcare, diagnostics, and personal care. We pride ourselves in delivering end-to-end solutions, including product prototyping, tool building, precision molding, automated assembly, chemistry integration, and final packaging. As the parent company of Tessy Shanghai, Tessy Automation, and Tessy Tooling, we offer global manufacturing capabilities, in-house automation solutions, and advanced tooling expertise, offering full vertical integration and streamlined production.

We are expanding capabilities in the manufacturing of fully finished medical devices and pharmaceutical and diagnostic products, particularly those that require the integration of complex chemistries. With our continuous investment in cleanroom facilities, innovative molding and automation technologies, and advanced chemistry-handling processes, we are committed to staying at the forefront of medical manufacturing technology and delivering high-value, compliant solutions to our global customer base.

Who We Are

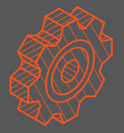
R&D

Dedicated team of experts to create groundbreaking solutions



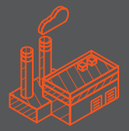
Engineering

Design for the full range of molding, automated assembly, sustainability, and new technology



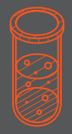
Fabrication

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



Manufacturing

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

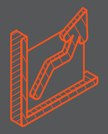


Diagnostics

Chemistry manufacturing of pharmaceutical and diagnostic products

Quality Control

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



Lifecycle Management

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

Subsidiaries

Shanghai, China
2 Facilities • Medical • Wholly owned subsidiary

Tessy Tooling - Erie, PA
1 Facility • Acquired in 2019 • Wholly owned subsidiary

Tessy Automation - Meadville, PA
1 Facility • Acquired in 2019 • Wholly owned subsidiary

Tessy Plastics Corp.
Headquarters: Skaneateles, NY
1 Facility
Medical

Central NY Locations

Elbridge, NY Campus
3 Facilities • Medical, Pharmaceuticals & Diagnostics, and Consumer

Auburn, NY
2 Facilities • Pharmaceuticals & Diagnostics

Baldwinsville, NY
1 Facility • Consumer

Webster, NY Campus
3 Facilities • Warehousing

Tessy Automation

Custom Automation Solutions

Tessy Automation plays a critical role in Tessy's vertically integrated manufacturing model, enhancing the end-to-end capabilities offered to our customers. Automation brings advanced engineering and system integration into close collaboration with molding, assembly, and packaging processes. This strategic connection allows us to deliver seamless, highly efficient manufacturing solutions under one roof. The newly launched Solution Center at Tessy Automation exemplifies this synergy, serving as a dedicated hub for rapid prototyping, concept testing, and automation design. Equipped with 3D printing, PLC testing stations, and vision-guided robotics, including the ARS FB500 flexible feeder and AI-powered inspection systems, the Solution Center accelerates development cycles and reduces design iterations.

Engineers have access to hundreds of mechanical, pneumatic, and electrical components for real-time testing and integration. By enabling same-day prototyping and in-house validation, the center empowers Tessy Automation to deliver tailored, high-performance automation systems faster and more sustainably. The Solution Center strengthens Tessy's ability to meet complex customer needs while driving operational excellence across our vertically integrated manufacturing ecosystem.

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. Tessy Shanghai scored a Silver sustainability rating from Ecovadis. It is ISO 13485 and ISO 14001 certified, ensuring rigorous quality and environmental systems management. In 2024, Tessy Shanghai successfully completed FDA onsite audit with no findings and maintained FDA registration for the ISO class 8 clean rooms and a white room for medical manufacturing.

At Tessy Shanghai, we offer end-to-end solutions. From initial design and 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.

Tessy Tooling

Complicated Molds Made Easy

Tessy Tooling is a precision tooling company, providing turnkey customized solutions for the medical, pharmaceutical, and consumer markets – from designing initial tooling concepts to constructing production-ready molds that meet tight tolerance specifications for high-volume manufacturing.

In 2024, Tessy Tooling moved into the recently acquired facility with energy efficient features such as LED lighting with motion and occupancy sensors. Energy saving windows bring in a flood of natural light and improve employee morale. With the move, Tessy had the rare opportunity to redesign the manufacturing floor from a blank slate. We created a workflow tailored exactly to our processes and the addition of advanced equipment like the new laser welder, Hwacheon 1300B vertical milling machine, Hy-Tech lathe, and the Current EDM hole popper.

This expanded in-house capability saves time as we no longer need frequent trips across town for specialized welding or other services.

We have gained control, precision, and significant reductions in downtime. 2025 will be just as exciting with the rollout of real-time scheduling to the floor, providing teams with the most critical visibility to our projects. Quality and on-time deliveries will remain top priorities as we continue to build on this momentum.

Our Journey to the 2024 Plastics News Sustained Excellence Award

Tessy has been honored with the reporting year 2024 *Plastics News Sustained Excellence Award*, marking 25 years of innovation, growth, and outstanding service since receiving the Processor of the Year Award in 2000. Sustained Excellence winners are judged on three criteria: financial excellence, one key person who has remained at the company and plays a key role, and one extraordinary new development since winning Processor of the Year.

Under the leadership of our CEO, Roland Beck, who succeeded his father and our company founder, Henry Beck, Tessy has transformed from a regional manufacturer into a global leader in plastic injection molding and contract manufacturing. Our strategic pivot in 2004 toward high-precision medical products launched the evolution into being a vertically integrated company, now generating over $460 million in annual sales with a workforce of 1,800 employees worldwide. Today, we operate nine facilities in New York, two in Pennsylvania, and maintain an international presence in Shanghai. Our team supports a total of over four hundred injection molding presses across 3.2 million square feet of space.

Tessy rapidly transformed its facilities to produce 10 million test kits per month during the COVID-19 pandemic—demonstrating our agility and commitment to public health.

In 2020, we integrated injection molding, freeze-drying chemistries, assembly, kitting, and direct shipping of the test kits to the distributors, streamlining the production process. Our extensive experience in manufacturing complex medical devices has positioned us as a leader in fully finished medical device production. Looking ahead, Tessy remains dedicated to expanding in the medical device sector, driving innovation, delivering customer value, and maintaining our commitment to excellence.

2000
Tessy is presented the Plastics News, Processor of the Year Award

2010
1st CDP Submission

2013
1st EcoVadis Assessment

ISO 14001 Certification Achieved

2015
J&J Sustainability Award US & China

2018-Present
CDP A List (Water)

EcoVadis Assessment Silver Rating

2022
United Nations Global Compact Commitment

2023
EcoVadis Assessment Gold Rating

2024
Tessy sets Science Based Targets

Tessy is presented the Plastics News, Sustained Excellence Award

EcoVadis Assessment Gold Rating

It's amazing to see how far Tessy has come in the past 52 years. What started as a small vision has transformed into something truly extraordinary, and I couldn't be more proud of my son, Roland, and the Tessy team on this accomplishment. From the very beginning, the dedication to innovation, quality, and service has been the heart of Tessy, and that shows true to the prosperity of the company today. I am grateful to be part of the Tessy journey and look forward to the company's continued success.

- Henry Beck, *Founder of Tessy Plastics Corp.*

We are very focused on the medical device industry, which we see as one of the most promising growth opportunities over the next three to five years. Moving beyond supplying sub-assemblies, our goal is to evolve into a full-service finished device assembler. We pride ourselves on the value that we bring to our products—it's not just about transforming plastic into components, but about the extra work and innovation we deliver to maximize value for our customers.

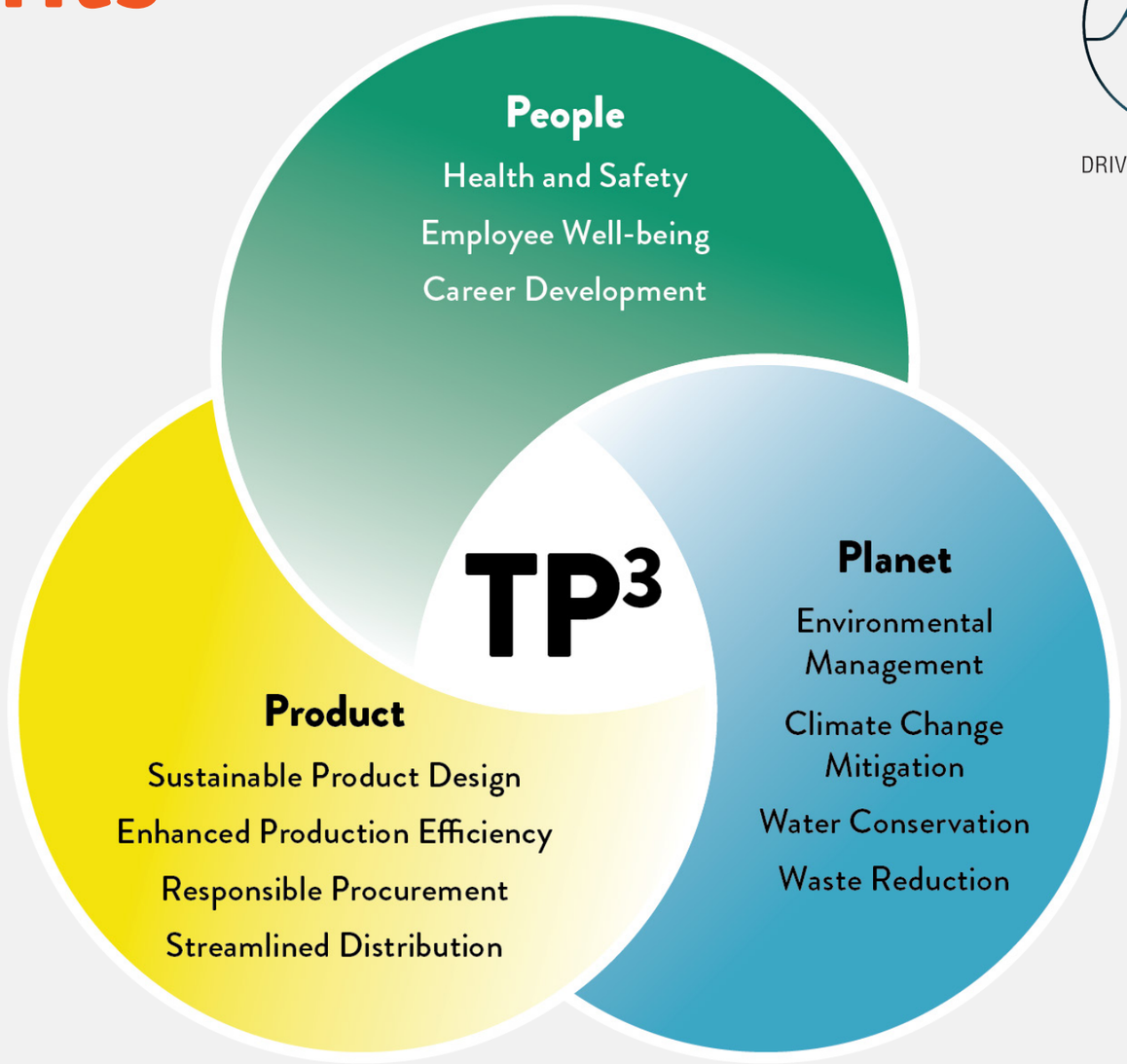
– Stafford Frearson, *President of Tessy Plastics Corp.*

Our Commitments

Tessy is guided by our TP3 framework People, Planet, Product. We recognize that investment in TP3 drives innovation and creates value for Tessy, its partners, and extended community. We strive to ensure that we provide well-rounded support to our people to perform at their highest-level. We go above and beyond just meeting customer specifications by manufacturing complex products efficiently and while reducing our impact to the environment.

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. Our commitments are aligned with the UN Sustainable Development Goals 3, 8, 9, 12 and 13. We are committed to achieving our SBTi approved near-term science-based emissions reduction target.

See more details in our Goals, Data Tables, and SASB Index Report 2024.



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

WE SUPPORT

UN GLOBAL COMPACT

2024 at a Glance

10.2B parts produced

1.3B parts assembled

400+ injection molding machines

130+ automation lines

36.7MWh of low carbon energy credits purchased

10MWh of hydropower energy used

80% of waste diverted from landfilled

55K employee learning tasks completed

25% of employees promoted from within

25% TRIR (Total Recordable Injury Rate) reduced since 2022

Science-based target to reduce carbon emissions set

Supervisor Academy Launched

Our Notable Awards and Certifications

GOLD 2023 ecovadis Sustainability Rating

GOLD | Top 5% ecovadis Sustainability Rating NOV 2024

Water CDP A List 2024

CDP Discloser 2024

ISO 13485:2016 CERTIFIED SMITHERS QUALITY ASSESSMENTS

ISO 14001:2015 CERTIFIED SMITHERS QUALITY ASSESSMENTS

PEOPLE:

Putting People First

As a family-owned company, Tessy's values are firmly rooted in putting people first. Several employees have worked here for decades, growing with the company and taking on leadership responsibilities, including our CEO and the President. You can find our CEO meeting with all of the employees during his monthly rounds and asking for their feedback to make Tessy better. 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.

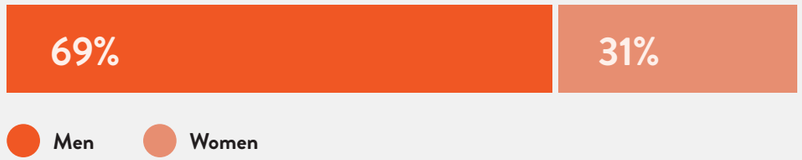
Employee Well-Being:
Providing competitive wages, benefits, and support systems.

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

Our Employees



Age Group of our Employees

Health and Safety

Ensuring a safe environment for employees has always been Tessy's priority. In 2023, we set a goal to reduce our company wide Total Recordable Incident Rate (TRIR) by 20% over the next 5 years compared to 2022. In 2024, we reduced the TRIR by 25% compared to the baseline. To achieve this, we launched and refreshed several initiatives to promote a culture of safety.

Risk Assessment

A detailed health and safety risk assessment for all of Tessy's production facilities was completed in 2023 by a third-party expert. This included general site and work practice observation, employee and management interviews, job hazard analysis, and programmatic review. The risk assessment provided positive feedback on Tessy's well-maintained facilities and knowledgeable employees. It also recommended opportunities for improvement, which we began addressing in 2024 by updating our procedures on health and safety. Making these improvements further prepares Tessy to meet the requirements for ISO 45001 certification for Occupational Health and Safety in the near future.

Safety Committee

In 2024, a Safety Committee was launched to empower employees to lead world-class safety culture through self-education and consultation with fellow workers and management. The Safety Committee is a cross-functional team representing employees from all plants and shifts, along with the EHS team. The committee holds regular meetings to discuss suggestions and concerns from employees and recommend corrective action. Any employee can now use the hazard identification form to alert the Safety Committee about hazardous conditions they observe, enabling early detection and action to reduce safety risks. The committee continuously expands its knowledge base on various safety topics, shares key information with peers, and serves as role models by actively promoting and implementing safety measures.

Moving forward, we will continue to improve our health and safety program by implementing risk and injury prevention strategies and drive employee engagement.

Training

In 2024, Tessy revitalized our mission to empower all employees to promote a healthy and safe environment. One element of this mission was to implement improved adult learning models with a mixture of in-person and virtual training: throughout 2024, employees completed over 790 in-person health and safety activities and over 12,200 training courses through our interactive electronic Learning Management System. We strengthened the adoption of Environmental, Health and Safety training into ongoing skills through programs such as the new hire orientation to start employees on the right foot. Similarly, taking advantage of our new, in-house Supervisor Academy, a health and safety-focused session was created to give managers the tools and confidence to lead with the safety culture mindset. Supervisors, as the first level of leadership, play a pivotal role in shaping employees' experience with health and safety. Their position allows them to effectively reinforce management's commitment to these principles while actively fostering worker participation. The Supervisor Academy led to an average 17% increase in supervisors' confidence in their role with TP3.

In 2024, two high-impact training programs were refreshed: Forklift Training and First Responder Training. Forklifts play a crucial role in high-volume manufacturing, and at Tessy, thousands of pallets are moved daily using forklifts. Given the significant risks associated with forklift operations, particularly the potential severity of impacts, proactive safety measures are essential. To ensure safe driving practices from the outset and emphasize prevention over reactive lessons learned, we refreshed our classroom training curriculum and expanded the Train-the-Trainer program to include all Warehouse Supervisors. This initiative encompasses core competencies, an extended training period, and regular reassessments to ensure continuous improvement in forklift safety.

Tessy's First Responder program offers employees the opportunity to earn certification in First Aid, CPR, and AED administration, equipping them with skills to provide immediate care to injured colleagues and ensure a swift response. While this program has been in place for many years, in 2024, we refreshed the training program, including the training curriculum and training materials. We also rolled out awareness training for all employees to share what helpful actions they can take as a bystander when an injury takes place.

Over 12,900 in-person and virtual training courses on Health and Safety completed by Tessy employees in 2024.

Employee Well-Being

We strive to support our employees' success by implementing a comprehensive approach to employee well-being. Starting with financial well-being, our compensation and benefits package helps attract and retain high-caliber talent in the industry. Employees are automatically enrolled in a retirement plan with the option to opt out. Tessy matches the first 4% of the employee contribution to the retirement plan. Tessy regularly provides information on available resources such as webinars and one-on-one calls with financial planning experts.

Each eligible employee receives free individual health care insurance, adjustable based on each employee's needs. During the 2024 health insurance Open Enrollment period, Tessy launched a $10,000 basic life insurance policy at no cost to the employees. Eligible employees can access Paid Family Leave and Disability benefits in line with the New York State regulations and unpaid leave of absences in accordance with the Family and Medical Leave Act. In 2024, 88% of employees who took parental leave returned to work after the leave. Employees and their family members can get free and confidential mental health support 24/7 through the Employee Assistance Program. Employees can also use the facility gym at a reduced cost. In 2024, quarterly profit sharing with employees was launched to recognize employees in Tessy's shared success.

To support an inclusive and supportive work environment for all of our employees, we set the goal of transitioning anti-harassment training into a self-paced and interactive platform in 2023. By the end of 2024, the platform was fully functional, and all employees completed their annual anti-harassment training on the new platform.

Recognizing that managers have a critical role in the well-being of the employees that report to them, we launched the "Supervisor Academy" in 2024 for managers at all levels to reinforce technical and interpersonal skills. The training was custom designed for managers to learn strategies that will improve employee satisfaction, engagment and promote continous learning for themselves and the employees on their teams. Supervisors confidence in their ability to resolve conflicts increased by 22% after attending the Academy. Managers gained decision-making, communication, and conflict resolution skills that can be applied to guide teams effectively and promote employee well-being. The training also emphasized maintaining a safe work environment while delivering products on time. Regular training will be developed and launched specifically to help managers lead their teams effectively. In 2024, 36% of managers completed the Supervisor Academy, and we are well on our way to reaching 100% by 2030.

Managers completed the Supervisor Academy in 2024

36%

Career Development

Tessy has a defined strategy and overall mission to strengthen and support employee growth, as well as to shape the learning culture. Employee learning programs provide growth in key areas such as technical skills, institutional knowledge, soft skills, and leadership. These learning programs 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 align employee learning programs with overall Tessy goals, using the latest technology and industry best practices to train, measure data, and drive continuous improvement.

Career Pathways

In 2024, Tessy added a career management module as part of new employee onboarding so that each employee can better understand the pathways to be successful at Tessy. The training shares expectations regarding employee performance, emphasizing two-way feedback between employee and supervisor. The training also includes how to prepare for the annual performance evaluation, discussing professional development opportunities, and become eligible for internal promotions. As in previous years, 100% of the employees and supervisors completed an annual performance evaluation in 2024 and promoted nearly 25% of employees from within.

Learning Management System

We continually evaluate training programs, identify knowledge gaps, incorporate succession planning, and provide career progression through meaningful training opportunities. An anonymous, voluntary annual survey distributed to all employees revealed an 11% increase in the perception of cross-training opportunities at Tessy, demonstrating meaningful progress toward fostering a culture of continuous learning and skill development. Over the past year, Tessy employees successfully completed more than 55,000 training tasks through our electronic Learning Management System (eLMS), which is approximately two tasks per employee per month. The eLMS improved productivity and supported Tessy's sustainability effort by saving time and paper.

In 2025, we will expand the interactive digital training offered through the eLMS to include soft skills training. We will continue to integrate eLMS with hands-on and job-specific training.

The electronic Learning Management System:

Saved an estimated nine thousand hours through the streamlined digital training process.

Increased rate of training completion to 5.25 days to complete the required training by all employees.

Eliminated approximately 78,000 sheets or 780 lbs. of paper!

Building Skills from the Ground-Up

Tessy proactively develops and implements targeted apprenticeship programs to bridge the skills gap and strengthen the company overall. The apprenticeship program engages experts as mentors, who collaborate with participants through a structured system, benefiting both participants and mentors.

Mold Maker Apprenticeship Program

The Mold Maker Apprenticeship Program was launched in 2022 in collaboration with the New York State Department of Labor and supported by the Millions of Dollars for Apprenticeships initiative and the State University of New York. Four apprentices graduated completing 8,000 hours of rigorous training in 2024. The apprentices completed college-level courses on machine tools and shop math, gaining essential skills in scientific molding, laser welding, Computer-Aided Design (CAD) and Computer-Aided Manufacturing (CAM). They successfully built their own injection mold ready for production. Three new apprentices were recruited in 2024 to begin their journey in precision molding making in 2025.

Process Technician Apprenticeship Program

A skilled Process Technician can drive seamless operation of injection molding machines, collaborate with multiple departments, and quickly address any challenges. After re-launching the apprenticeship program in 2023 with an updated syllabus, six employees enrolled in the program by early 2024, getting direct experience rotating across departments. The rotations include Automation, Quality Control, Set-up, Material Handling, Maintenance, Molding, and Tool Room. Each apprentice is assigned a mentor at the Plant Manager level to provide guidance and support throughout the program. Set to graduate in 2025, the apprentices have expressed over 90% satisfaction level.

Community Engagement

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 “Machines 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.

Syracuse University Visits Tessy

In October of 2024, Tessy proudly hosted a class of 14 Industrial Design students from Syracuse University for an in-depth tour of one of our manufacturing facilities. The visit provided the students with a comprehensive overview of the injection molding and assembly process, beginning with the arrival of raw materials and progressing through plastic processing, part production, and multi-component assembly. The tour also included insights into our quality procedures, preventative maintenance practices, warehousing strategies, and logistics operations—offering students a full-spectrum view of a manufacturing workflow.

At Tessy, we value the opportunity to connect with local schools and universities, as these interactions play a key role in inspiring and educating the next generation of technical professionals. Welcoming students into our facility not only showcases the complexity and innovation of our processes, but also supports workforce development in the Greater Syracuse area. By engaging with curious, forward-thinking students like those from Syracuse University, we hope to foster interest in manufacturing careers and contribute to the strength and sustainability of the regional economy.

Women in STEM Day at The Museum of Science & Technology

In May 2024, Tessy partnered with the Manufacturers Association of Central New York (MACNY) to participate in the "Women in STEM" series hosted by the Museum of Science & Technology (MOST) in downtown Syracuse. The series featured group activities that gave middle school girls hands-on experience with Science, Technology, Engineering, and Math (STEM) projects, while encouraging them to explore career opportunities in these fields. As one of the local manufacturers leading the Saturday morning sessions, Tessy is proud to help inspire the next generation to pursue careers in STEM. This not only contributes to building a skilled future workforce but also strengthens our role as a leader in education and innovation.

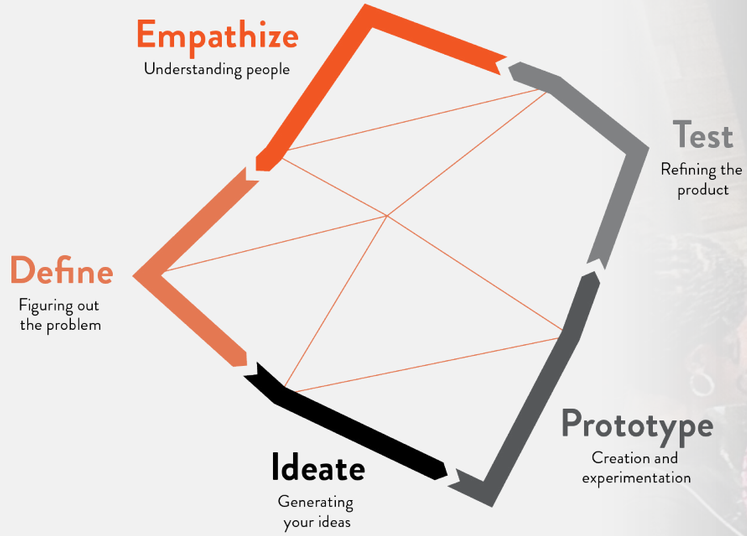
Tessy's activity was led by three women: Camille Loperfido (Director of Quality), Eva Alexander (Training & Development Coordinator), and Grace Oswald (Integrated Marketing & Account Manager). The activity challenged students to think through the Design Thinking as it relates to the daily operations and processes of a contract manufacturer like Tessy. The students were presented with a real-life scenario – their table partner is on their way to school, and it starts to rain.

The challenge is to design and build a prototype that keeps their table partner and belongings dry while meeting the following criteria:

- Prototypes must be small enough to fit in a backpack or bag for ease of access at any time.
- Easy to deploy and operate.
- Accommodate their table partner's preferences and needs.

In December, ten women in STEM at Tessy guided students through an engaging hands-on session on plastic molding to create their own keychains. The students rotated through eight interactive stations, where they explored the properties of polymorph resin, learned about the molding process, and discovered techniques for maintaining product quality.

DESIGN **THINKING**



As part of the experience, students precisely measured the required amount of resin, selected a colorant of their choice, and molded their keychains. They then assembled the keychains by attaching the key rings and used a caliper to ensure the final product met quality standards. Throughout the process, they documented their actions and observations, deepening their understanding of the material and manufacturing methods.

In just a few hours, the students successfully completed compression molding of a commonly used item, applying scientific principles in a practical setting. These interactive sessions proved to be both inspiring and enriching for students and facilitators alike.

PLANET:

Reducing Environmental Impacts

Tessy strives to minimize the impact on our environment and is guided by our Environmental Health and Safety Policy. All our facilities implement an Environmental Management System (EMS) to identify and prioritize actions on reducing our environmental impact. The EMS is based on the ISO 14001:2015 standard and we have maintained certifications for all our facilities for over 10 years. Every three years, an independent third party assesses the effectiveness and adequacy of the EMS in meeting the requirements of the ISO Standard through a recertification audit process. The recertification process examines corporate policies and procedures, statutory and regulatory requirements, progress towards continual improvements, and effectiveness of the corrective actions. In 2024, we obtained recertification with zero non-conformities following an 8.75-day on-site audit during which over eighty employees were interviewed.

To maintain compliance with all the applicable environmental regulatory requirements, we conduct an independent third-party audit every three years. The audit assesses federal and state level compliance on air source emissions, petroleum and chemical bulk storage, hazardous material usage, hazardous waste handling and disposal practices, wastewater discharge activities, and stormwater discharge. After completing the comprehensive audit in 2023, we worked on opportunities for improvement in 2024 to strengthen our internal processes.

We specifically work on:

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.

100% of our facilities

- are ISO 14001: 2015 certified
- complete an environmental compliance audit every three years

Climate & Energy

The year 2024 surpassed 2023, becoming the warmest year in recorded history. The widespread socio-economic and ecological impact of climate change impacts on our business operations, customers, and suppliers. In line with our commitment to manage risks from climate change to our business while reducing Greenhouse Gas (GHG) emissions, Tessy set near term science-based targets (SBT) to reduce our GHG emissions in 2024.

Tessy commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2022 base year. Tessy also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, upstream and downstream transportation and distribution, and end of life treatment of sold products by 25% within the same timeframe. Our SBT sets us on an ambitious path to reducing our emissions from direct and indirect sources, which will require strong collaboration with both customers and suppliers.

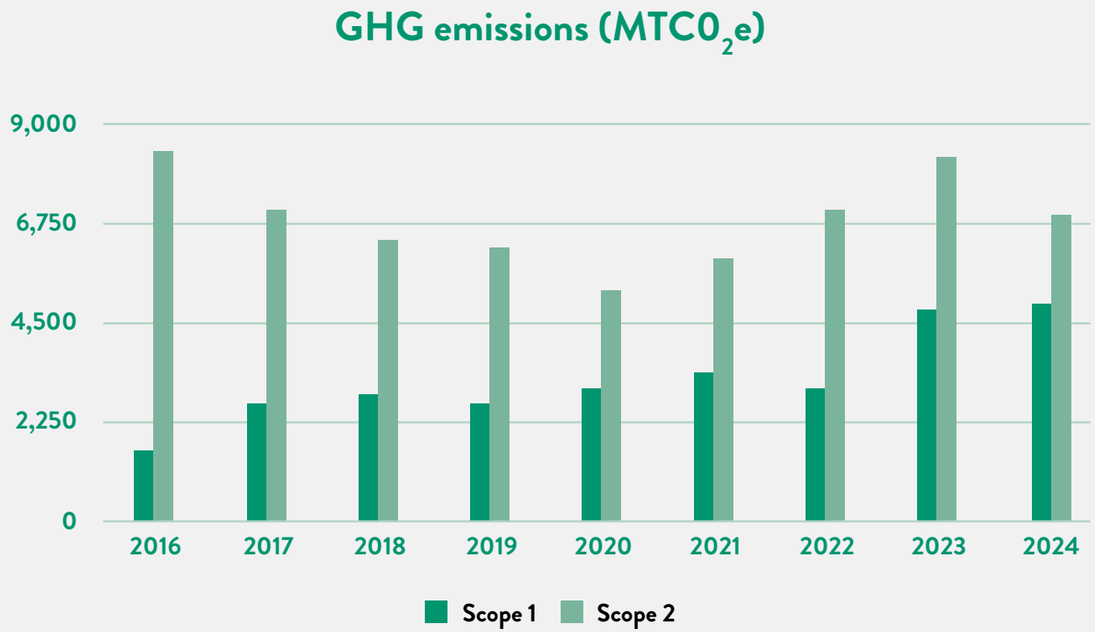
A-

Tessy CDP Climate Score

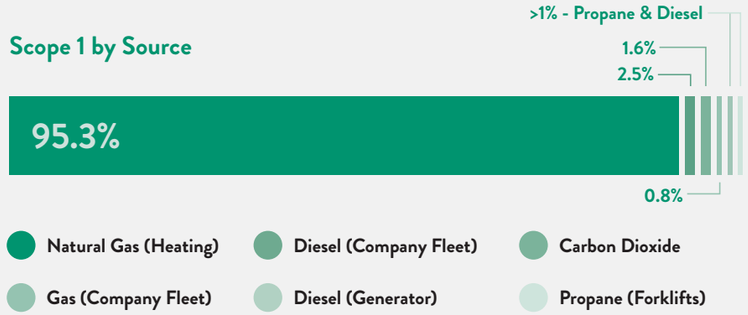
C	C	C
PLASTIC PRODUCT MFG	NORTH AMERICA	GLOBAL AVERAGE

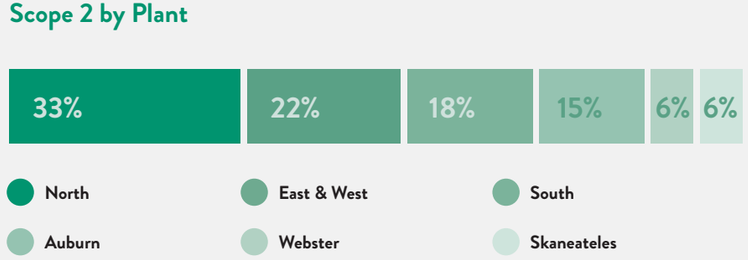
Average Sector Scores

Tessy sets near-term science-based targets to reduce GHG emissions from our direct and indirect operations.



Climate & Energy





Scope 1 and 2

Our Scope 1 emissions mainly come from natural gas used to heat our facilities. Emissions from company vehicles, generators, and forklifts that use propane also contribute to the Scope 1 emissions. Our Scope 2 emissions are from our electricity consumption. To reduce our Scope 1 and 2 emissions, we apply different energy conservation measures such as insulation, PASCO building management system, LED lighting system, using energy efficient machinery, and using speed doors.

In 2024, Tessy added fifteen electric and two hybrid injection molding presses. By increasing cavitation of the molds, we have enhanced our energy efficiency in three production lines. In our warehouse facility in Webster, we converted fluorescent light bulbs to LED lights, which is estimated to save 1.4 kWh annually or 154.61 metric tons of CO_2e. We expanded our purchase of low carbon energy certificates to reduce our Scope 2 market-based emissions. We sourced 9,996 mWh of energy from hydropower and 36,688 MWh of low carbon energy certificates. In 2024, our scope on emissions increased by 1% while our market Scope 2 emission decreased by 17%.

Scope 3

Scope 3 emissions are indirect emissions, upstream and downstream from our operations. Emissions from Category 1: Purchased Goods and Services are the largest contributor to our Scope 3 emissions, followed by Category 4 and 9: Upstream and Downstream transportation and Category 12: End-of-life Treatment. Among the purchased goods and services, emissions from purchasing raw material such as resin contribute significantly to Category 1 emissions. Reducing our emissions from these sources not only supports us in achieving our science-based targets but also our customers' targets. To reduce our emissions from these categories, a strong collaboration with customers, who often select suppliers and the type of resin, is critical.

We are committed to working with our customers to reduce Scope 3 emissions through:

Prototyping products with lower carbon footprint, including end-of-life treatment.

Collaborating with customers to identify suppliers that use energy efficient technologies.

Automating production process that reduce waste, raw material, and energy use.

Reducing packaging and excessing material during production and transportation.

Streamline transportation to reduce emissions per product transported.

Our Scope 1 and Scope 2 (location and market-based) and partial Scope 3 emissions are verified by a third party and disclosed through the EcoVadis and CDP assessment platforms. We scored an A- in CDP Climate assessment compared to a global average of C.

Water

Our business operations are dependent on access to reliable and clean water. We are committed to reducing our impact on the local waterways and providing clean water for our business operations including drinking, sanitation, and hygiene in all our facilities. We ensure 100% of the employees have access to Water and Sanitation facilities. We implement our sustainable water management policy through our standard operating procedures on wastewater management, housekeeping and maintenance, material handling, and maintenance.

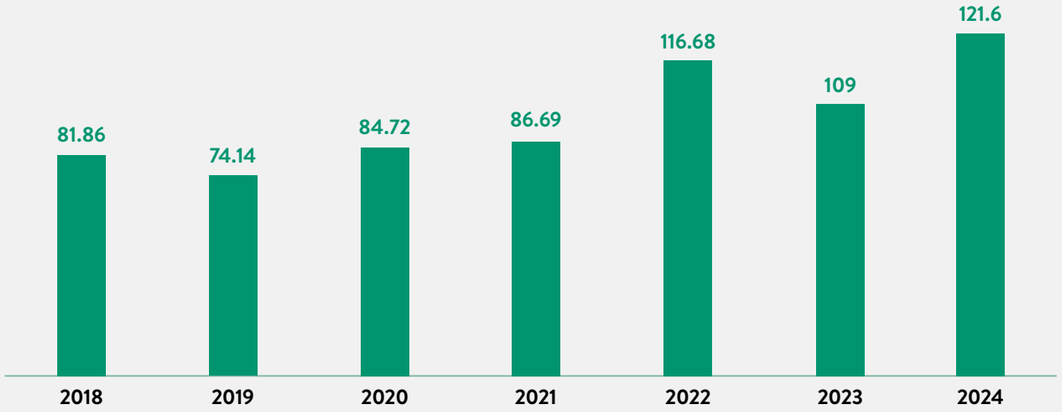
Every year we conduct an annual water risk assessment using the WWF Water Risk Filter considering physical risks such as water availability, water quality, and regulatory risks in different climate change scenarios. Our Tessy facilities are located in the water abundant Central New York which has lower water availability risk basin wide. We minimize our impact on the surrounding water by not discharging any industrial waste in the water. In 2024, we maintained 100% water regulatory compliance such as State Pollutant Discharge Elimination System.

We follow the Operation Clean Sweep program, which is designed to prevent resin pellet, flake, and powder loss from entering into the local ecosystem. All the employees responsible for preventing resin loss and are trained in the methodologies recommended by Operation Clean Sweep.

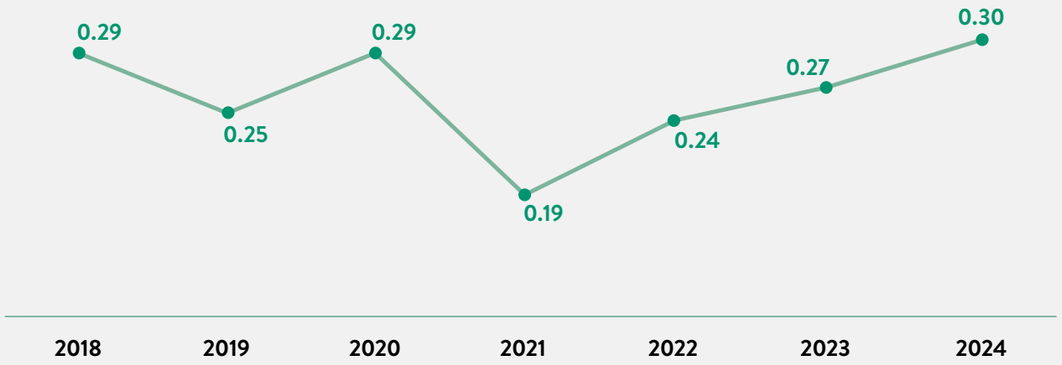
We use closed-loop water cooling system's that reuses water to cool the equipment by recirculating it through the water-cooling towers, we seek to reduce water intensity (water withdrawal by revenue) by 10% by 2030 from the 2020 baseline.
In 2024, Tessy consumed 121.6 Megaliters across all of our facilities, which is verified by a third party and disclosed on the CDP platform.

In 2024, we are among the top 102 companies out of 6500+ disclosing companies that achieved CDP Water A list – top 2% globally.

Water Withdrawal (Megaliters)



Withdrawal Intensity by Revenue (Megaliters/Million $)



Waste Reduction

Reducing waste requires using raw materials efficiently, repurposing generated waste, and managing end-of-line treatment of the waste that cannot be repurposed. Waste reduction is a priority for Tessy throughout our operations. We use hot runners during production to minimize the waste generated when purging the equipment. All of the purged resin is recycled in our facilities or through our recycling partners. In 2025, we plan to expand our capability to mechanically recycle scrapped resin.

All of employees are trained on waste streams and what they can do to reduce waste and how to manage the waste produced in our facilities. All our clean room garments are either reused (laundered) or recycled. We reuse cardboard boxes used for external packaging and use reusable plastic totes.

All waste streams are profiled to ensure waste management compliance. In 2024, one of our Environmental, Health and Safety Specialists achieved their Certified Hazardous Materials Manager certification, which signifies commitment to public safety and environmental stewardship. We manage our hazardous and non-hazardous waste with trusted partners.

In 2015, we set a goal of 1lb of waste per employee per day by 2025 and in 2024 we were close to meeting that goal at 1.37 lbs per employee per day. We have renewed our efforts to increase awareness and improve our processes to reduce waste to reach the goal of one lb. of trash per employee per day.

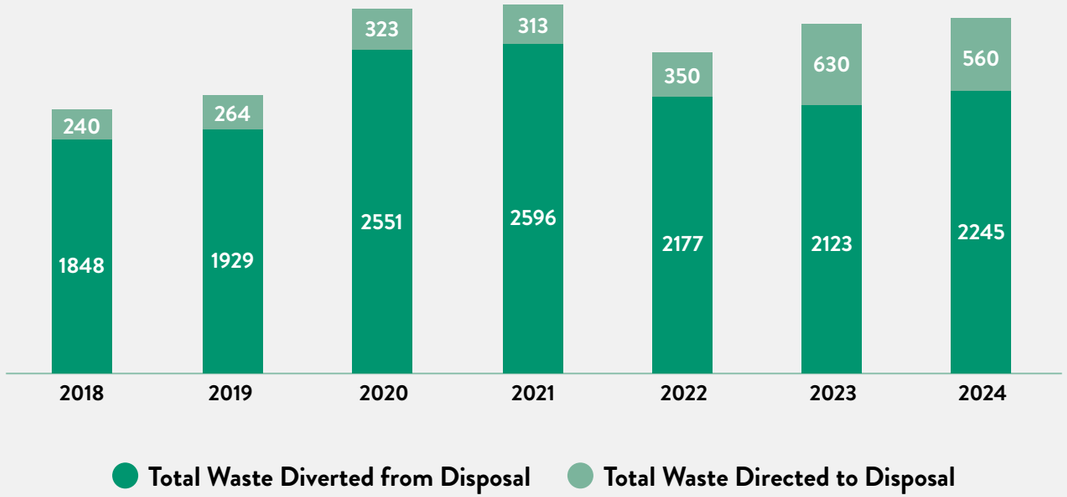
In 2024, we diverted 80% of our waste from the landfill by recycling it and we generated 4.61 tons of hazardous waste.

Our waste reduction goals are:

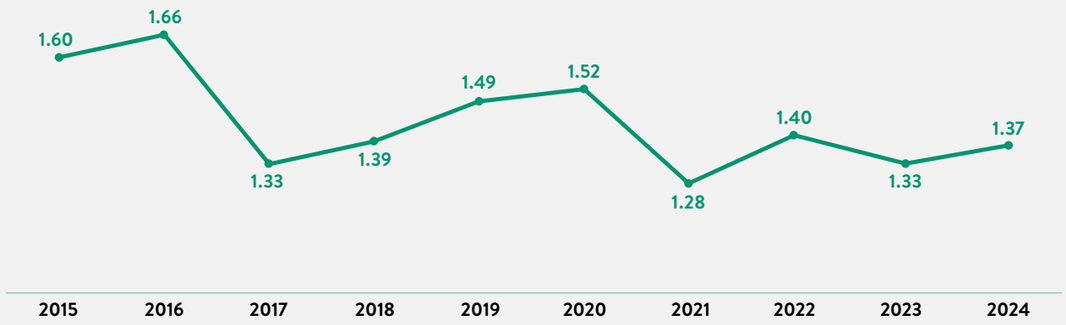
Limit trash to 1lb per employee per day by 2025

Seek zero waste to landfill certification by 2030 for 50% of our sites

Operational Waste (Metric Tons)



Trash per day per employee (lbs)



Tessy

PRODUCT:

Redefining Quality Standards

For more than 50 years Tessy has taken on complex projects while maintaining the highest quality of products. We ensure superior quality control and speed to market through our comprehensive engineering and research and development. Our markets include Medical, Pharmaceutical, Human and Animal Diagnostics, Consumer Healthcare, Consumer, and Food Packaging products, which allows us to leverage our expertise over a wide range of products.

Through our Quality Management System, we achieve our highest standards in product quality, exceed customer expectations, and meet all the regulatory requirements. Our facilities are ISO 13485:2016 certified, compliant to Global Food Safety Initiative (GFSI) 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.

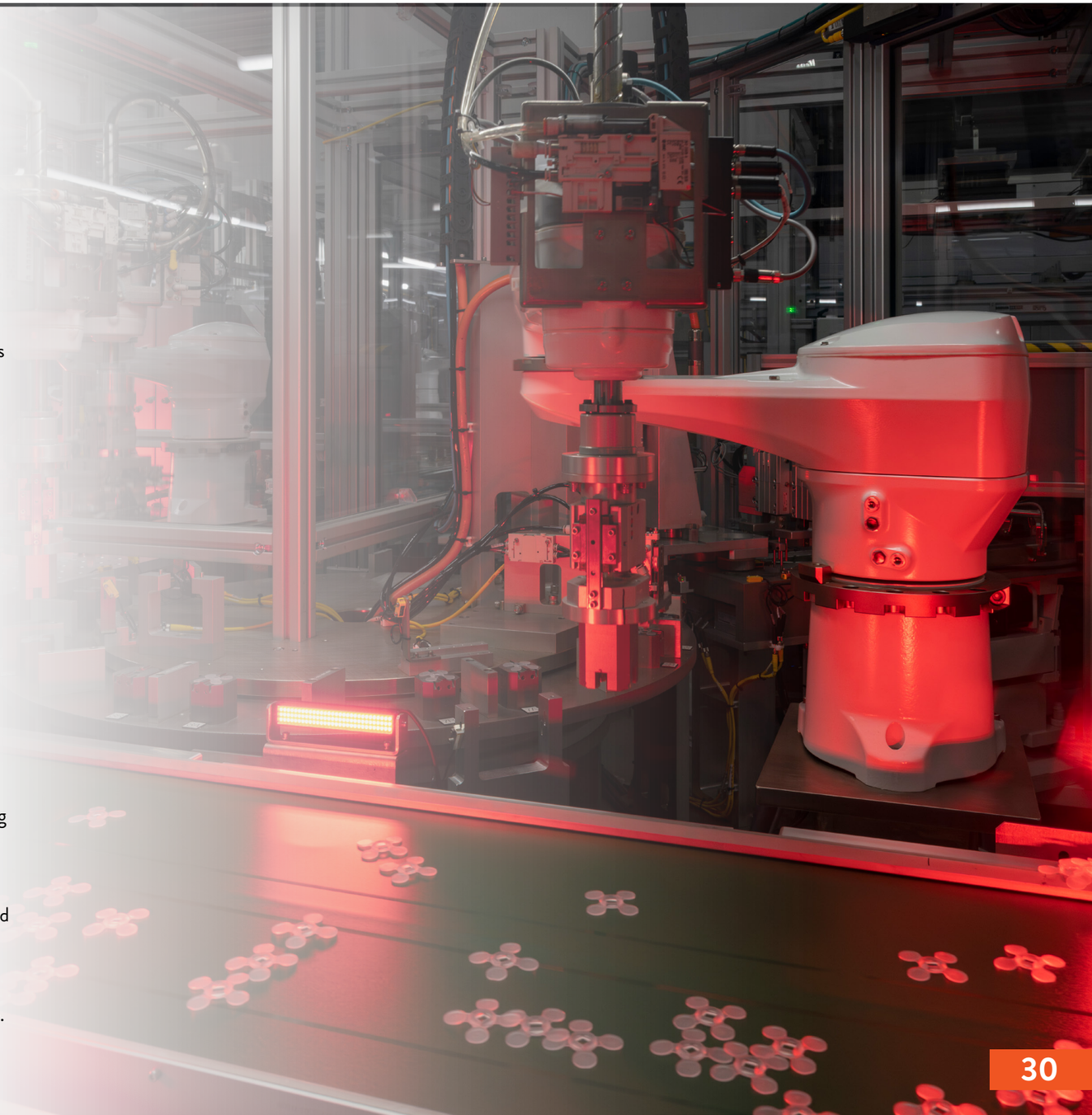
From Concept to Capability: Building the Foundation for LSR Excellence

With technology and innovation being one of our core values at Tessy, we are consistently seeking opportunities to refine our processes and implement industry-leading solutions. One of our latest initiatives involves expanding our expertise in Liquid Silicone Rubber (LSR) molding to meet the evolving needs of the medical and pharmaceutical markets. LSR's unique properties, such as biocompatibility and resistance to chemical and thermal degradation, making it an ideal choice for medical devices. However, unlike traditional injection molding processes, it requires a different approach to achieve production efficiency and tight tolerances for medical devices.

At the 2024 LSR Conference in Minneapolis, MN, our Chief Engineer, Ben Passetti, shared valuable insights into our transition from thermoplastics to LSR molding. His presentation outlined key lessons learned, practical strategies for overcoming industry challenges to mold LSR. Our structured, multi-phase transition began with extensive research and active participation in industry events to gain deeper insights into LSR processing. Acknowledging the unique requirements of LSR molding, we invested in specialized equipment and comprehensive training programs to ensure proficiency among our installation technicians, machine operators, mold designers, and process engineers.

To further optimize operations, we refined mold qualification procedures to align with the distinct characteristics of LSR molding. The implementation of advanced virtual molding analysis software, such as SigmaSoft and MoldFlow, allowed us to simulate and validate mold designs with greater precision and efficiency. We successfully integrated LSR molding into our automation systems to enhance production efficiency and scalability, enabling us to meet growing market demand.

Our commitment to continuous improvement remains steadfast, driving ongoing investments in emerging technologies and advanced education initiatives. By embracing innovation and refining our expertise, Tessy continues to position itself as a leader in LSR molding and manufacturing excellence.



Customer Health and Safety

As a contract manufacturer for medical, pharmaceutical, and diagnostics products, the health and safety of the end-user is one of our highest priorities.

Our FDA regulated 330,000 sq. feet of ISO class 8 certified clean room facilities produce:

Medical devices:
Air way management, biopsy products, cardiovascular, minimally invasive surgical devices, and vascular access products.

Pharmaceuticals and diagnostics:
Point-of-Care testing and veterinary diagnostics

Our team of quality experts, supported by the latest technology, ensures that every product leaving our facilities meets our high-quality standards. As we expanded into Class II and Class III FDA-regulated device space, we encountered growing demands for full traceability and closed-loop quality control—requirements that could not be met through conventional inspection methods alone. To address this challenge, we implemented in-line CT scanning for 3D inspection of internal geometries and laser-engraved 2D barcodes for traceability.

After completing all the required testing in 2023, we successfully manufactured and shipped the first set of finished medical devices with in-line verification and full traceability in early 2024. This advanced surgical device, designed for minimally invasive surgeries, consists of numerous precision-engineered components with tight tolerances. The achievement marks the culmination of years of collaboration, transitioning from hand-assembled parts to a fully automated process that precisely controls the orientation, placement force, and insertion depth related to a full-scale medical device used in minimally invasive surgery. Simultaneously, we integrated in-line CT scanning to analyze various parameters for each component without compromising the integrity of the device. This leap in automation and quality control is essential for ensuring the reliability and effectiveness of finished medical devices in patient care.

Looking ahead to 2025, we are expanding the scope of our Quality Management System beyond medical devices, pharmaceuticals, and human diagnostic kits to include Food Safety and Animal Diagnostic manufacturing. As part of this initiative, we are actively working toward achieving Global Food Safety Initiative (GFSI) certification in 2025 and pursuing a USDA license for Animal Diagnostics in 2026.

The precision-driven processes, robust quality infrastructure, and cross-functional expertise established in 2024 are now being leveraged to elevate standards across all regulated industries we serve. This strategic expansion positions Tessy as a leader in integrated, multi-market compliance, reinforcing our commitment to excellence.

Sustainable Product Design

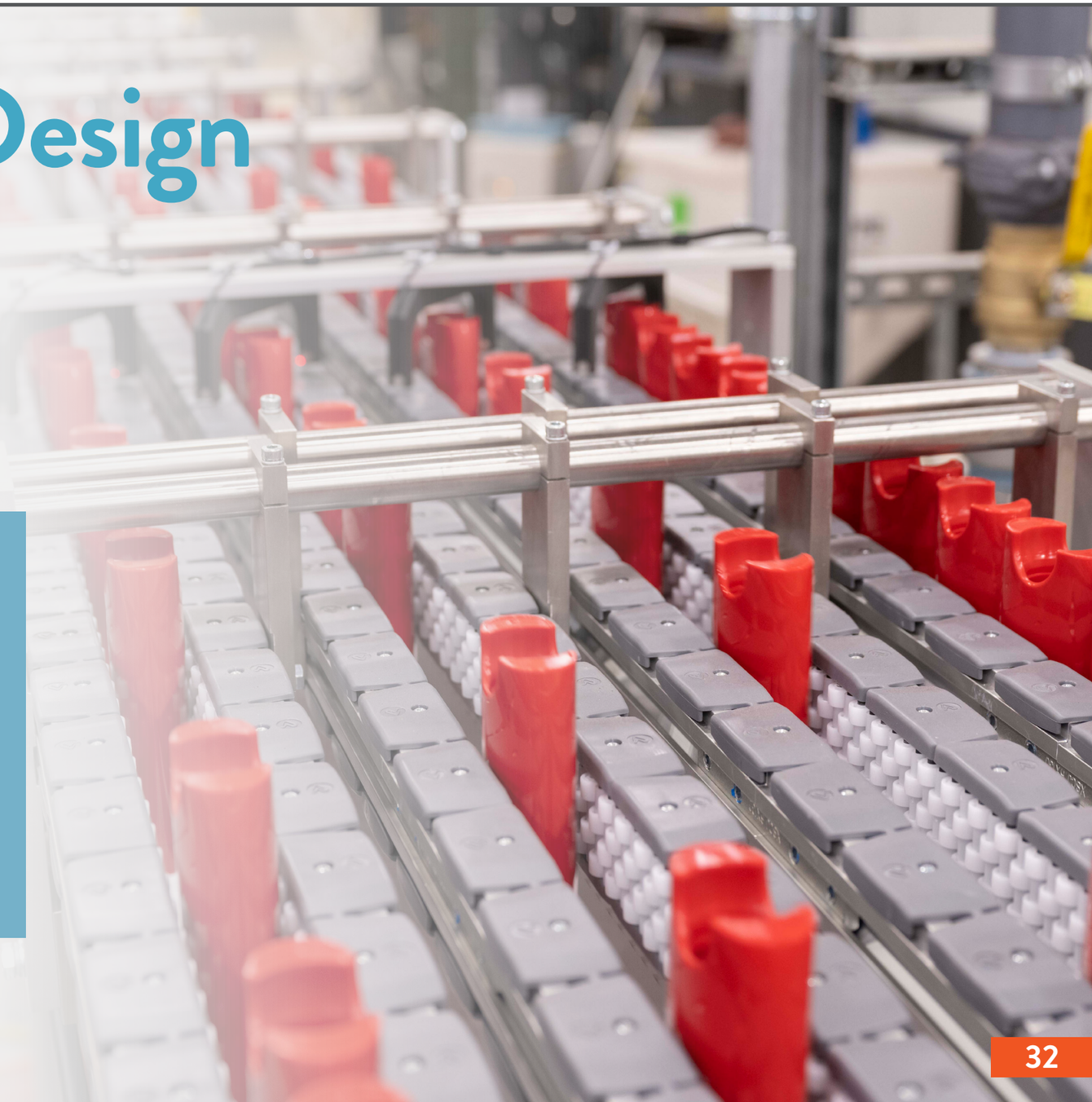
As a custom high-volume manufacturer, we work in lockstep with our customers to reduce the environmental impact of the products we manufacture. Our dedicated R&D team collaborates with customers not just before the product development phase but also identifies areas for continuous improvement throughout the lifetime of the project. This enables us to find innovative solutions to the challenges, often reducing environmental impacts and saving costs. Our R&D team has patented sustainable designs that increase recyclability or reduce raw material in commonly used materials. These designs include stackable containers, cosmetic containers, eco-pumps, and turret caps.

To support our customers in developing sustainable products, we focus on:

Trialing different raw materials including recycled and bio-based resins, and assessing its impact on the function, aesthetics, costs, and environment.

Exploring options to use less raw material in different components of the product or "light weighting."

Improving recyclability of the product by using single material, easily removable or eliminating additional labels, or adding recyclability information.



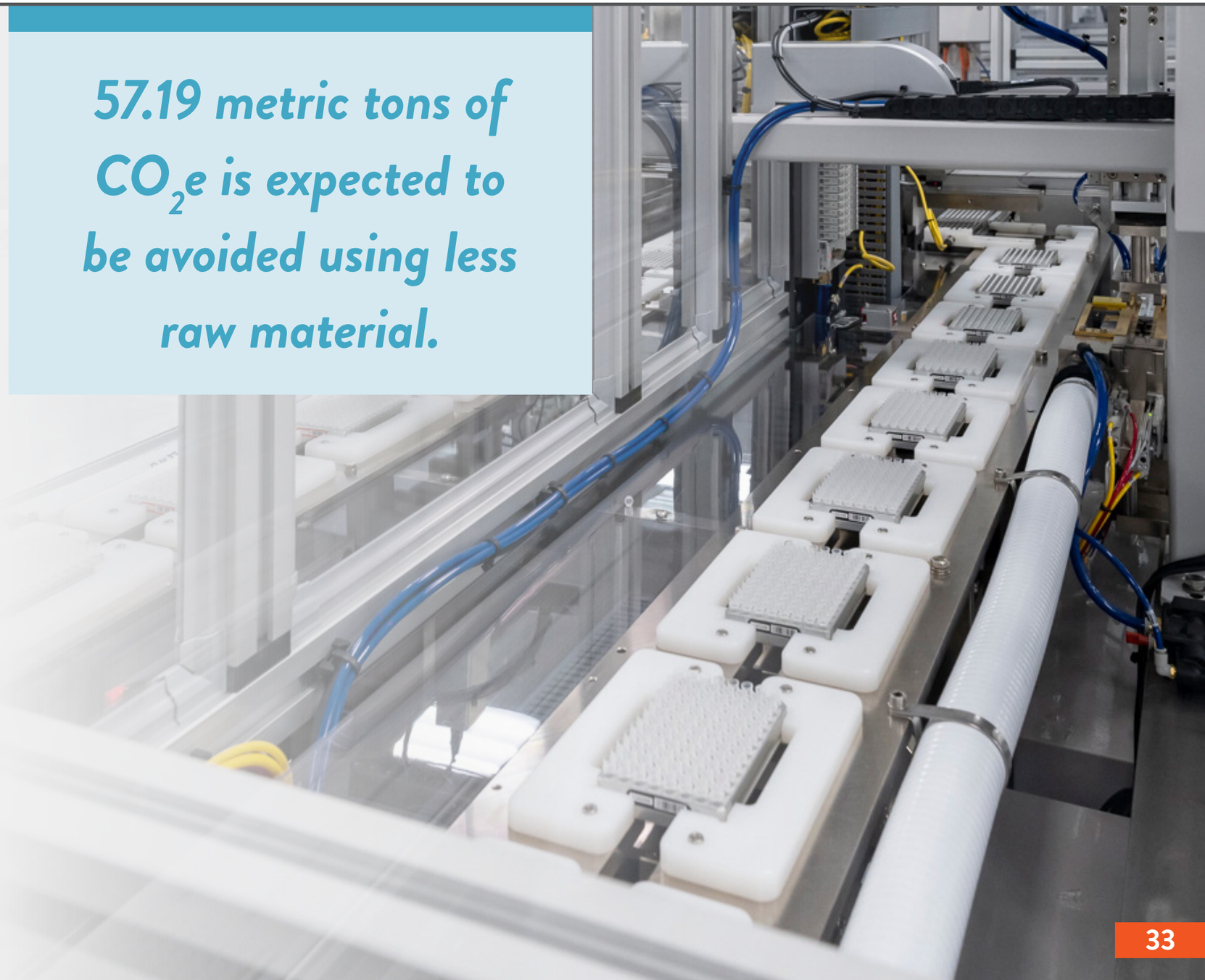
Less is More

A small plastic screw may seem insignificant but when you manufacture over 125.7 million parts a year, every incremental change has the potential to make a major impact. The screw is critical in the functioning of the overall container such as how quickly the container can be filled and then dispensed. By changing the design of the screw, the engineers at Tessy eliminated a tenth of a gram per screw. They optimized integrity such that it reduced the quantity of resin while increasing the speed with which the product can be filled. Through this initiative, 57.19 metric tons of CO_2e is expected to be avoided.

Integrating chemical solutions into our products

Diagnostic product requirements must be precise to ensure accurate and consistent results, whether for human or animal health applications. One of our product lines previously relied on a purchased chemical solution that required dry ice cooling during transportation. In 2024, Tessy began producing this in-house solution using raw materials, eliminating the need for dry ice. With robust QC and QA processes in place, the internally produced chemical solution is now fully integrated into the medical diagnostic device production line. Our chemistry labs are fully equipped to prepare solutions in volumes up to five hundred liters, which are then assembled into molded components. The product line also updated its packaging design to eliminate printed pamphlets, reducing paper usage by 4.8 metric tons annually and avoiding approximately 1.42 metric tons of CO_2e emissions.

57.19 metric tons of CO_2e is expected to be avoided using less raw material.



Enhanced Production Efficiency

Our continuous improvement strategy prioritizes producing quality parts with fewer resources and shorter time. Tessy implements this strategy across both new and existing production lines by developing custom tools and automated assembly systems to enhance performance. Even in long-established lines, Tessy integrates the latest advancements in injection molding and automation to improve operational efficiency. Our team specializes in complex injection molding, high-speed automation, quality, and research and development.

Our ability to drive production efficiency is strengthened by:

Rapidly prototyping small-scale production and assembly lines using 3D printed tools and parts in our R&D labs.

Performing virtual mold analysis using the latest technology.

Maintaining and repairing molds in dedicated tool rooms located in the same facility as the production line and equipped with laser welding.

Automating labor-intensive processes using over one hundred automation cells.

Leveraging the expertise of our in-house tool shop and automation shop - Tessy Tooling and Tessy Automation.

Consolidating supply chain via in-house chemistry batch production and lyophilization (freeze drying).

Tessy's Breakthrough: Revolutionizing High-Complexity Manufacturing

In the last few years, Tessy has become one of the few companies capable of producing highly complex pharmaceutical and diagnostic products—all within a single facility. More than 50% of our production lines go far beyond simple "shoot and ship" manufacturing, seamlessly integrating advanced processes into high-volume production.

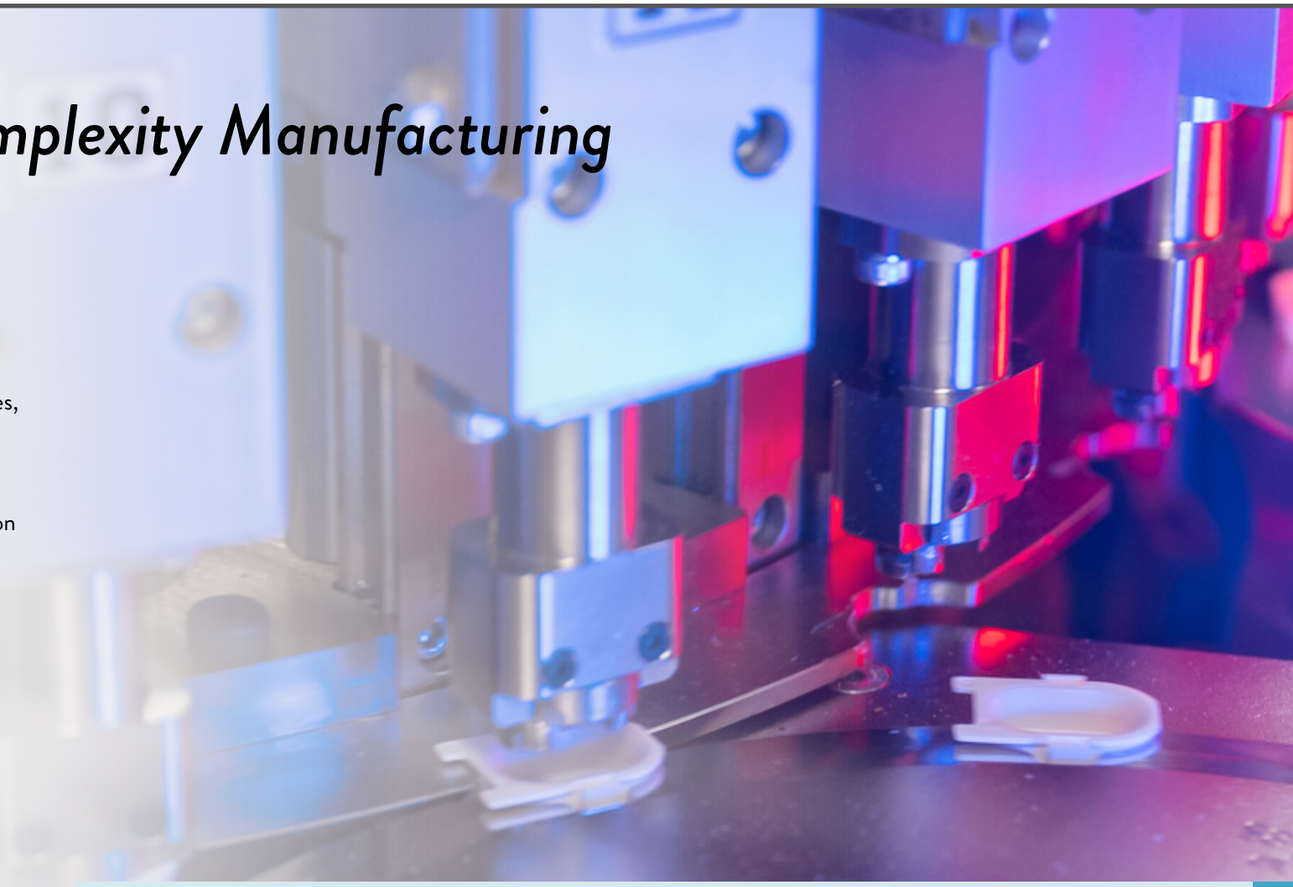
Advanced manufacturing capabilities include:

- **Two-shot molding using different raw materials**
- **Laser etching and heat staking onto glass slides**
- **Bulk solution preparation with pH, osmolarity, and conductivity measurements and controls**
- **Custom chemical recipe development, formulation, and optimization**
- **Automated in-line processes for liquid chemical filling and dispensing**
- **Large-scale freeze-drying for product preservation and shelf life enhancement**
- **Micro-molding of intricate components**
- **Automated kitting and final packaging, shipped directly to distribution warehouses**

Our ISO 8 cleanroom technical manufacturing labs are outfitted with advanced instrumentation and infrastructure to support high-throughput, precision driven production. Key equipment includes walk-in cold storage units, PCR hoods, NanoDrop spectrophotometers, high-speed centrifuges, programmable drying ovens, particle analyzers, sonifier, and a walk-in chemical fume hood designed for safe handling of volatile reagents. The facility is equipped with four lyophilization units each capable of processing over 1,000 96-well PCR plates per cycle, enabling scalable and consistent support for large-volume diagnostic production.

Innovation in medical diagnostics and consolidating supply chain.

In 2024, we piloted the production of a medical diagnostic kit, representing one of our most complex projects to date. Our fully integrated production line streamlines every critical stage of manufacturing twenty different components into one complete kit. From chemical solution preparation and injection molding to liquid filling, freeze-drying, kitting, and final assembly, all under one roof. This approach also reduces environmental impact by minimizing transportation and packaging waste. Tessy remains committed to advancing high-precision manufacturing, fostering innovative production methodologies, and reinforcing our dedication to environmental sustainability.



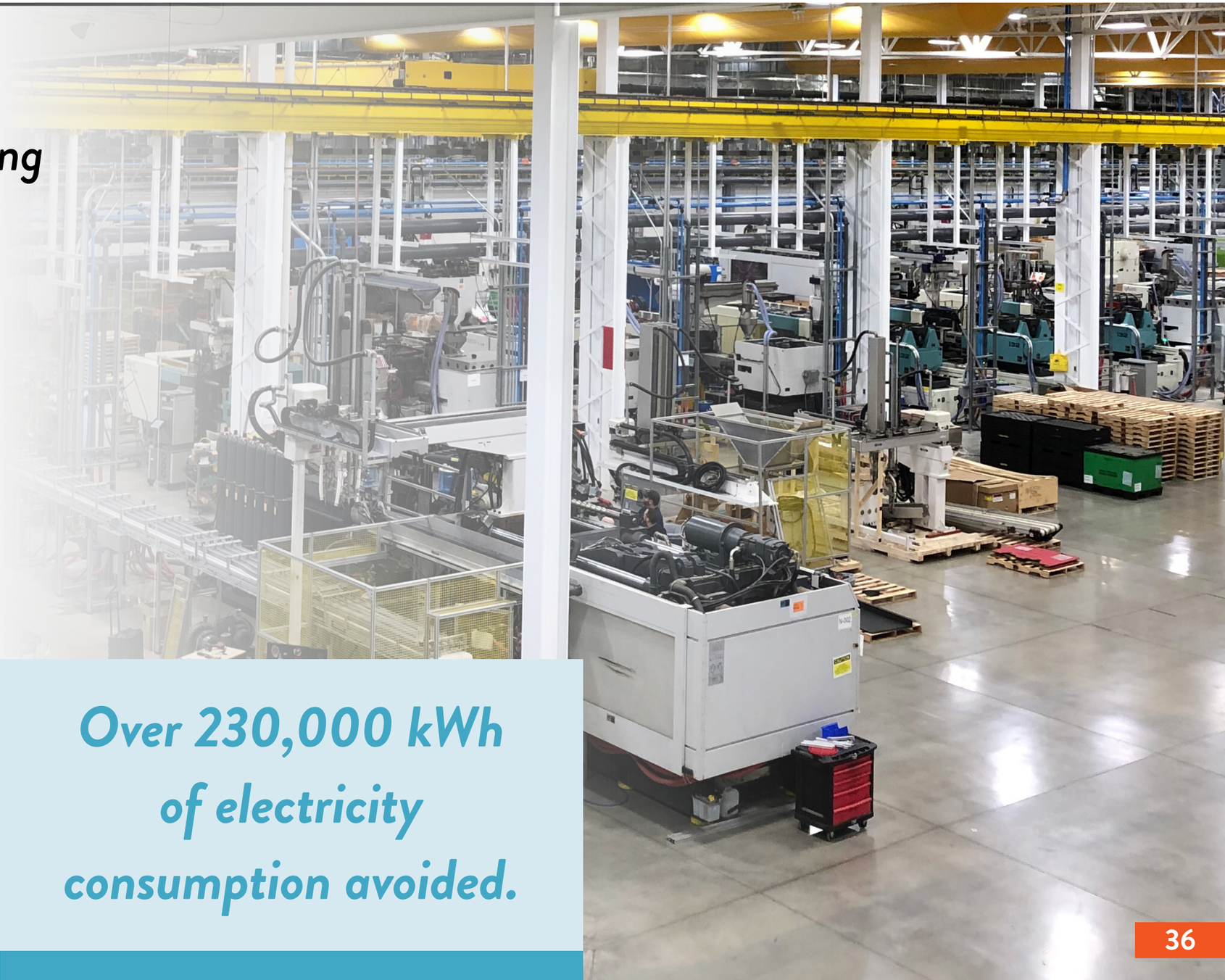
Manufacturing 20 different components and assembling them into one kit within one facility.

Precision Meets Innovation: High-Cavitation Injection Molding

In the world of high-volume manufacturing, efficiency and quality often feel like competing forces. The number of cavities in an injection mold dictates how many parts roll off the production line with every cycle—but scaling up does not always guarantee success.

At Tessy, we took on the challenge of high-volume manufacturing years ago, pushing the boundaries of precision and production capacity. One of our lines operates 80-cavity and 120 cavity molds, delivering nearly one billion parts for a leading medical diagnostic device manufacturer. These molds are long-term investments that undergo rigorous testing to ensure flawless performance.

Upgrading molds is not simply about increasing output. It requires meticulous planning to maintain part quality across every cavity, ensuring uniform heating, cooling, and pressure distribution. In 2024, we upgraded three production lines, increasing cavitation, slashing production hours by 8,000 and cutting electricity consumption by 230,000 kWh. The result is an estimated reduction of 25.4 metric tons of CO_2e emissions, reinforcing our dedication to sustainable manufacturing through precision and efficiency.



Over 230,000 kWh of electricity consumption avoided.

Responsible Procurement

Tessy is committed to fostering a transparent, ethical, and sustainable supply chain, ensuring that our suppliers align with our vision for responsible corporate practices. Guided by our Sustainable Procurement Policy, we collaborate with our suppliers to uphold quality standards and also meet our environmental and social responsibility criteria. Tessy selects suppliers based on key benchmarks in quality assurance, environmental health and safety, and corporate social responsibility. Our supplier agreements include a Supplier Code of Conduct, which defines Tessy's policies on anti-corruption, human rights protections, and environmental impact mitigation. In 2024, 100% of our target suppliers formally signed the Code of Conduct.

To support continuous improvement, we evaluate our suppliers through the EcoVadis Supplier Engagement Module—a rigorous, evidence-based sustainability assessment platform. The EcoVadis assesses the policies, procedures, and reporting practices of the company and provides recommendations for improvement. It also provides suppliers with informational resources for mitigating risks associated with environmental impact, human rights and labor practices, ethical business conduct, and supplier engagement. In 2024, over 70% of our assessed suppliers achieved "Good" status or a higher score. Our policy on diversity of suppliers encourages procurement from Small, Minority, and Women-owned businesses. In 2024, 40 diverse suppliers were part of our supply chain: 24 Small Business Enterprises, 10 Women-Owned Business Enterprises, 3 Veteran-Owned Small Businesses, 1 Service-Disabled Veteran-owned Small Business, and 2 Minority-owned Businesses.

Through our Conflict-Free Mineral Policy, we continue to map raw materials in our Tier 1 supply chain to ensure we are not sourcing minerals (tin, tantalum, tungsten, and gold) that fund armed groups in the Democratic Republic of Congo and the adjoining countries. We voluntarily support the Dodd-Frank Act that is directed at reducing the source of funding for armed groups that commit human rights abuse.

Over 70% of our assessed suppliers achieved "Good" status or higher on their Ecovadis Assessment.

Going further together with our partners

By participating in "Return to Refill" service by Riverdale Global, **we returned 207 colorant drums and 3,273.2 lbs. 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 twelve metric tons of CO_2e in 2024.**

By adjusting the size of the packaging boxes, **our supplier was able to reduce the total number of pallets needed for transportation by 7%.**

Streamlined Distribution

Every year, Tessy transports over a million metric tons of product to various regions around the world. How we transport our products plays a crucial role in our environmental impact. Our team of packaging specialists, warehouse managers, and shipping experts work together to ensure timely delivery while maintaining efficiency.

Our approach includes:

Analyzing and evaluating packaging and distribution solutions based on product design.

Designing custom packaging to minimize excess materials across the supply chain.

Assembling and packaging finished products directly for delivery to customers' distribution centers, reducing transit time and distribution points.

Utilizing reusable and returnable pallets and boxes, particularly for domestic shipments.

Optimizing transportation methods to lower carbon emissions, such as prioritizing sea routes over air freight.

In 2024, we expanded the use of plastic totes, which can be reused multiple times, reducing reliance on cardboard and wooden pallets. As in previous years, Tessy continues to manage shipments strategically, ensuring full truckloads rather than partial or half-load transports.

Over the past few years, Tessy has rapidly expanded its production lines and increased production volumes. To efficiently manage the movement of molds and internal inventory, we enhanced the functionality of our internal dashboards, improving scheduling processes and overall efficiency.

This report contains forward-looking statements. Forward-looking statements give current expectations or forecasts of future events and are not guarantees of future performance. They are based on management's expectations 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 statements. 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 2024 data or 12-month approximate values based on available data from reporting facilities in New York often made in reliance on third-party supplier information.

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