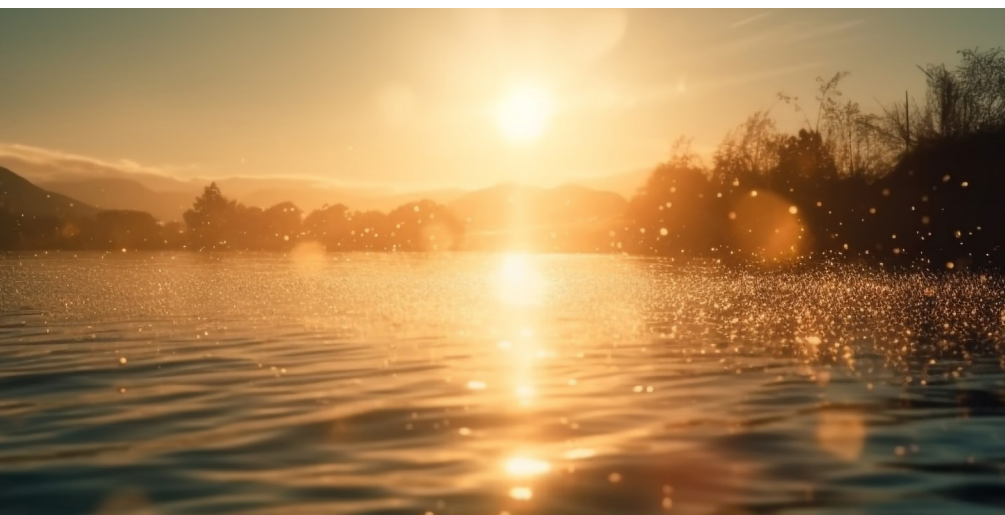




ANNUAL STEWARDSHIP REPORT

Reporting Year 2025





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MESSAGE FROM OUR CEO & PRESIDENT

At Tessy, our mission to deliver quality products that exceed expectations while caring for people and the planet continued to guide us across 2025. It was a year of progress, resilience, and meaningful achievements made possible by our team’s dedication.

Like many, we faced ongoing global supply chain challenges. What stood out to us was how our people responded, working closely with customers and suppliers, finding solutions, and improving our processes so we could keep delivering on time and to the highest standards. That commitment did not go unnoticed. We were proud to receive the Exceptional Collaboration Award from our customer for our work on animal diagnostics production lines, Most Valuable Team Award from another customer for successfully partnering on complex surgical device manufacturing, and the Siemens Healthineers Supplier Award 2025 for competitiveness and collaboration. We also marked a special milestone with one of our largest medical customers of over 20 years by hosting their annual supplier day. These recognitions mean a great deal because they reflect the strength, teamwork, and technical expertise of our people.

We also continued to push forward in how we serve our customers. Our growth into more complex device manufacturing, including raw chemical processing, freeze-drying, and reagent dispensing, positions Tessy uniquely to help bring important, life-improving technologies to market. Combined with our strengths in Liquid Silicone Rubber molding, multi-shot molding, micro molding, and cube molding, we are proud

to support the production of increasingly sophisticated medical devices. Achieving Safe Quality Food certification at our South Plant this year was another important milestone as we expand into food and consumer healthcare applications.

Our people remain at the heart of everything we do. In 2025, we continued to invest in our employees by building on our quarterly profit-sharing program and expanding healthcare benefits to include vision and dental coverage. We also made strong progress in developing our next generation of leaders, with over 90% completing our Supervisor Academy, equipping them with the tools and confidence to lead their teams effectively.

Caring for the planet is not a separate effort at Tessy; it is part of how we operate every day. In 2025, we made progress by improving production efficiency, reducing material use, and rethinking how products are designed and delivered. From increasing output on existing production lines while using less energy per unit to redesigning packaging with our customers to improve recyclability, we are finding practical ways to reduce our environmental footprint. At the same time, we continue to reduce waste and emissions through smarter packaging, returnable systems, and more efficient transportation.

These efforts reflect a mindset we are building across Tessy that looks for continuous improvement and recognizes that sustainability is a journey. Whether it is through innovation in product design, more efficient operations, or stronger partnerships, we are committed to making choices that support both our customers and the environment over the long term. In 2025, we earned our third EcoVadis Gold Medal for our sustainability performance, placing us among the top 5% of the thousands of companies assessed globally.

We are deeply grateful for our employees, our customers, and our partners. 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

WHO WE ARE

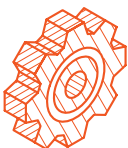
Tessy is a family-owned, full-service contract manufacturer specializing in custom injection molding and the assembly of complex medical and consumer products. We serve a broad range of industries with a core focus on healthcare, diagnostics, and personal care, and pride ourselves on being a true one-stop manufacturing partner: one relationship, one accountable team, and one seamlessly integrated supply chain from inception through production. Everything we do is grounded in four core values: people, technology and innovation, quality, and sustainability. These principles shape how we operate, how we grow, and how we show up for our customers, employees, and communities.

We are committed to leading at the intersection of precision manufacturing, innovation, and compliance, delivering high-value, responsible solutions to a growing global customer base. At the heart of our business is our people, the engineers, technicians, and manufacturing professionals who bring expertise and craftsmanship to every program. We invest in our workforce because exceptional outcomes are built by exceptional teams. Sustainability is equally central, serving as a lens through which we evaluate our operations, investments, and growth, from responsible resource use on the plant floor to the long-term partnerships we build with customers and suppliers.



Custom Engineering

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



Fabrication

Design and build high-precision tools, specialized end-of-arm tooling, complex assembly automation, and custom manufacturing cells



Manufacturing

Full range of molding, post-molding operations, and automated in-line testing. Specialized tech: Liquid Silicone Rubber (LSR), multi-shot, cube molding, and precise micro-molding



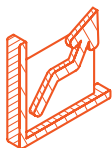
Technical Manufacturing

Turn-key solutions integrating raw chemical processing, exact batch mixing, formulation, industrial lyophilization (freeze-drying), and precise reagent gel dispensing into the devices



Quality Control

Top-of-the-line credentials, rigorous testing validation, state-of-the-art biosafety quality control labs utilizing automated vision and inspection systems, 319,000 sq. ft. of ISO Class 8 Cleanroom



Lifecycle Management

Transition to scaled production using forecasting and best-in-class quality assurance, including final cleanroom sterile pack-out and blister packaging optimized for cost



R&D

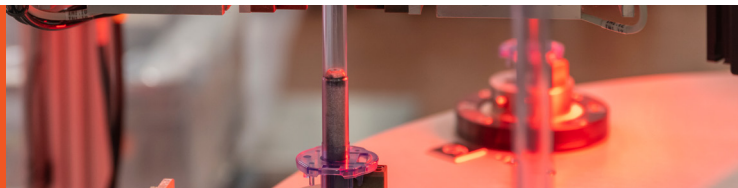
Create and test groundbreaking solutions to meet customer goals, accelerate market readiness through rigorous mechanical, material, and prototype verifications



Continuous Improvement

Consistently refine processes through lean manufacturing to optimize yields and eliminate waste by integrating new automation and digital tech, ensuring long-term efficiency

Medical Devices



We manufacture complex surgical and medical components, including:

- High-precision drug delivery systems
- Endoscopic stapling cartridges
- Surgical waste management systems
- Auto-injectors
- Vascular access products

Diagnostics & Pharmaceutical



We support end-to-end drug delivery and diagnostic kit production with the following:

- Reagent preparation
- Batch mixing
- Lyophilization
- Dispensing
- Filling
- Labeling and serialization

Consumer Products



We design and engineer premium and sustainable consumer goods, such as:

- Deodorant cartridges
- Ergonomic shaving systems
- Functional spice closures
- Precision dispensing and packaging solutions

KEY MARKETS AND APPLICATIONS

Our expertise spans multiple highly regulated and high-performance industries. We continuously refine our capabilities and deliver exceptional results. By working across consumer, healthcare, and life sciences sectors, we create a powerful feedback loop, where innovation, precision, and compliance in one market elevate performance in all others. This cross-industry integration enables us to deliver greater efficiency, higher quality, and more advanced solutions for our customers. We are also investing in growth areas such as fully finished medical device manufacturing and complex pharmaceutical and diagnostic production. Each market we serve strengthens our overall capabilities, enabling us to deliver smarter, more reliable, and highly compliant solutions across the board.

VERTICALLY INTEGRATED

As the parent company of Tessy Shanghai, Tessy Automation, and Tessy Tooling, our vertically integrated model brings together global manufacturing reach, in-house automation, and advanced tooling expertise under a single roof. Driven by our commitment to technology and innovation, we continuously invest in advanced molding and automation capabilities, cleanroom infrastructure, and chemistry-handling processes. Because quality is non-negotiable at every stage, our integrated structure ensures tighter control at every handoff, with the same accountable team overseeing programs from early prototyping and tool building through precision molding, automated assembly, and final packaging. For our customers, this means a measurable competitive advantage. Partnering with Tessy eliminates multi-supplier complexity, compresses development timelines, and delivers complete lifecycle support from inception through production. As an extension of our customers’ teams, we provide speed to market, consistency, and long-term program stewardship that complex products demand.

Subsidiaries

Tessy Automation

A company with a dedicated Solution Center for advanced automation and rapid prototyping, delivering high-performance, fully automated systems faster and more sustainably.

Tessy Tooling

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.

Tessy Shanghai

Bringing Tessy's ingenuity to the Asia-Pacific market, Tessy Shanghai is a full production facility specializing in molding processes such as micro-molding, two-shot molding, and fully automated assembly.

TESSY PLASTICS CORP.

Headquarters: Skaneateles, NY

1 Facility - Medical



Central NY Locations

Elbridge, NY Campus

3 Facilities

Medical, Pharmaceuticals & Diagnostics,
and Consumer

Auburn, NY

1 Facility

Pharmaceuticals & Diagnostics

Baldwinsville, NY

1 Facility

Consumer

Webster, NY Campus

3 Facilities

Warehousing

2025 AT A GLANCE

9.9

billion parts produced

400+

injection molding machines

100%

ISO 14001:2015 certified

130+

automation lines

84%

of waste diverted
from landfill

43%

of the total electricity
consumption backed by
low-carbon energy credits

9%

of the total electricity
consumption matched
by hydropower (vPPA)

90%

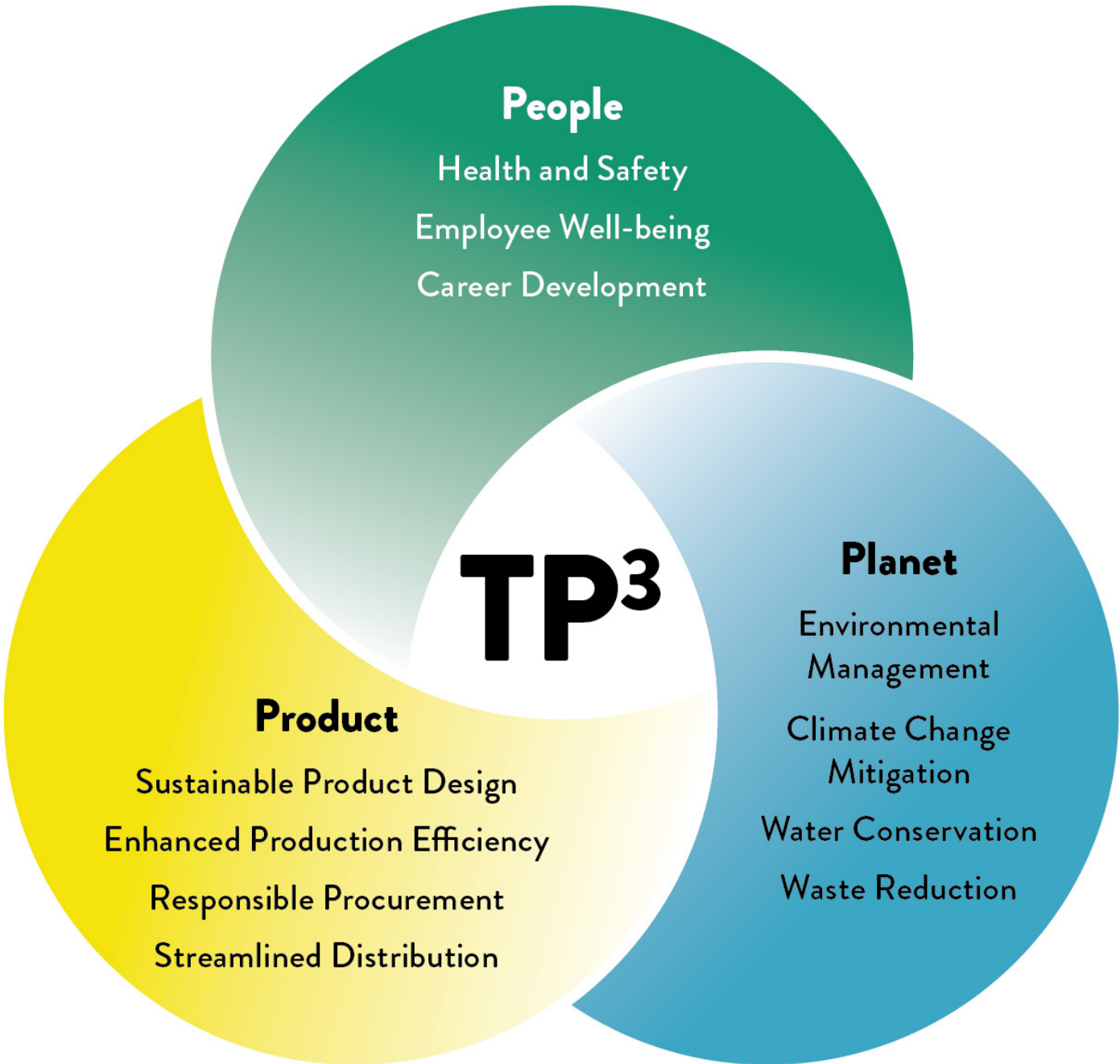
of supervisors completed
the Supervisor Academy

NOTABLE AWARDS AND CERTIFICATIONS



CUSTOMER RECOGNITIONS

- Exceptional Collaboration Award
- Most Valuable Team Award
- Siemens Healthineers Supplier Award 2025
(Competitiveness & Collaboration)



OUR COMMITMENTS

Tessy’s sustainability strategy is anchored in our TP3 framework—People, Planet, and Product. We recognize that strategic investment across these pillars drives innovation and delivers long-term value for Tessy, our partners, and the communities we serve.

We are committed to fostering a supportive environment that empowers our people to perform at their highest potential. By prioritizing their well-being, development, and engagement, we enable a strong and resilient workforce.

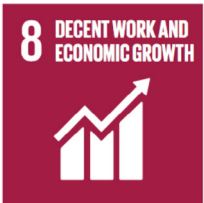
In our operations, we strive to exceed customer expectations by delivering complex, high-quality products through efficient manufacturing processes. At the same time, we are dedicated to minimizing our environmental footprint and advancing sustainable practices across our value chain.

Tessy is a proud participant in the United Nations Global Compact and upholds its ten universally accepted principles in the areas of human rights, labor, environmental responsibility, and anti-corruption.

Our sustainability efforts are aligned with the United Nations Sustainable Development Goals (SDGs), specifically Goals 3 (Good Health and Well-being), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 12 (Responsible Consumption and Production), and 13 (Climate Action).

In addition, we are committed to achieving our Science Based Targets initiative (SBTi)–approved near-term emissions reduction targets, reinforcing our dedication to climate action and measurable progress.

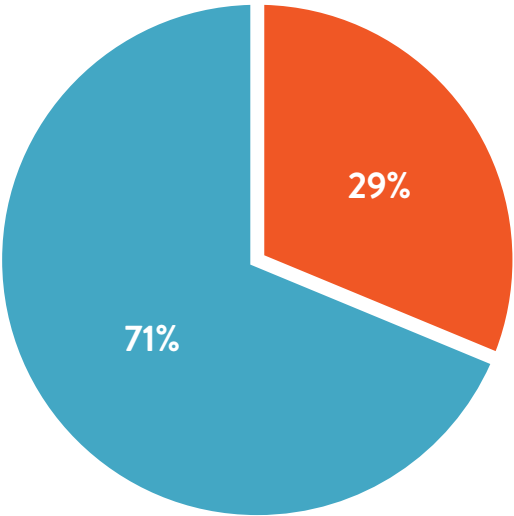
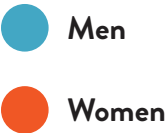
For further details, please refer to our 2025 Goals, Data Tables, and SASB Index Report



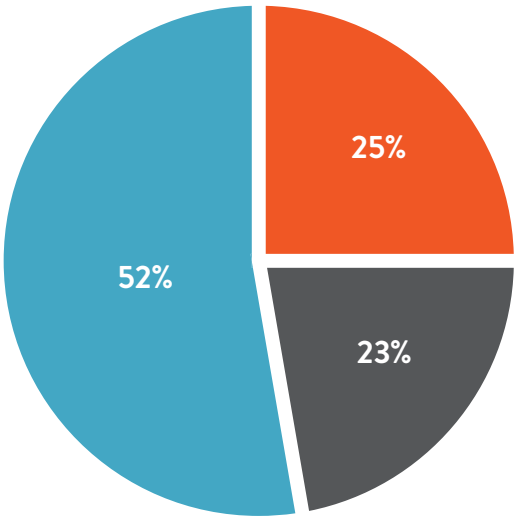
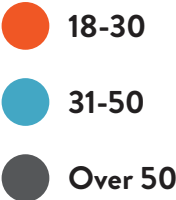
PEOPLE: PUTTING PEOPLE FIRST

Our people are at the center of Tessy’s success and drive Tessy forward into new frontiers. Over the last five decades, Tessy has evolved from a single building to 12 facilities globally. Such growth was only possible because of talented and passionate people who have dedicated their time to Tessy. We strive to create a safe environment for employees while fostering their well-being and professional growth.

Our Employees



Age Group of our Employees



- Health and Safety:** Reducing hazardous conditions and building safe work environments
- Employee Well-Being:** Providing comprehensive 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



HEALTH AND SAFETY

Health and safety remained a core focus throughout 2025, with continued emphasis on building consistent processes, empowering employees, and reducing risk across all operations. We strengthened our safety culture by improving visibility into incidents and proactively addressing hazards before they result in harm.

Safety by Design

Safety is built into the foundation of every new project and capital improvement by incorporating Environmental, Health, and Safety (EHS) principles from the start. With EHS stakeholders engaged at every stage, from inception to execution, we can proactively identify risks, eliminate hazards at the source, and engineer controls into the process before work begins. This proactive approach reduces reliance on administrative controls and personal protective equipment, while creating more sustainable safety outcomes. Embedding safety into design decisions ensures that new processes, equipment, and facilities support safer work practices from day one.

Safety Committee

The Safety Committee was launched in 2024 with the objective to empower employees to actively engage in fostering a culture of safety. Safety committee members educate, motivate, and empower fellow employees to work safely and recognize hazards. By continuously growing their safety knowledge and championing new programs, they have been instrumental in driving initiatives like the employee-led hazard identification program.

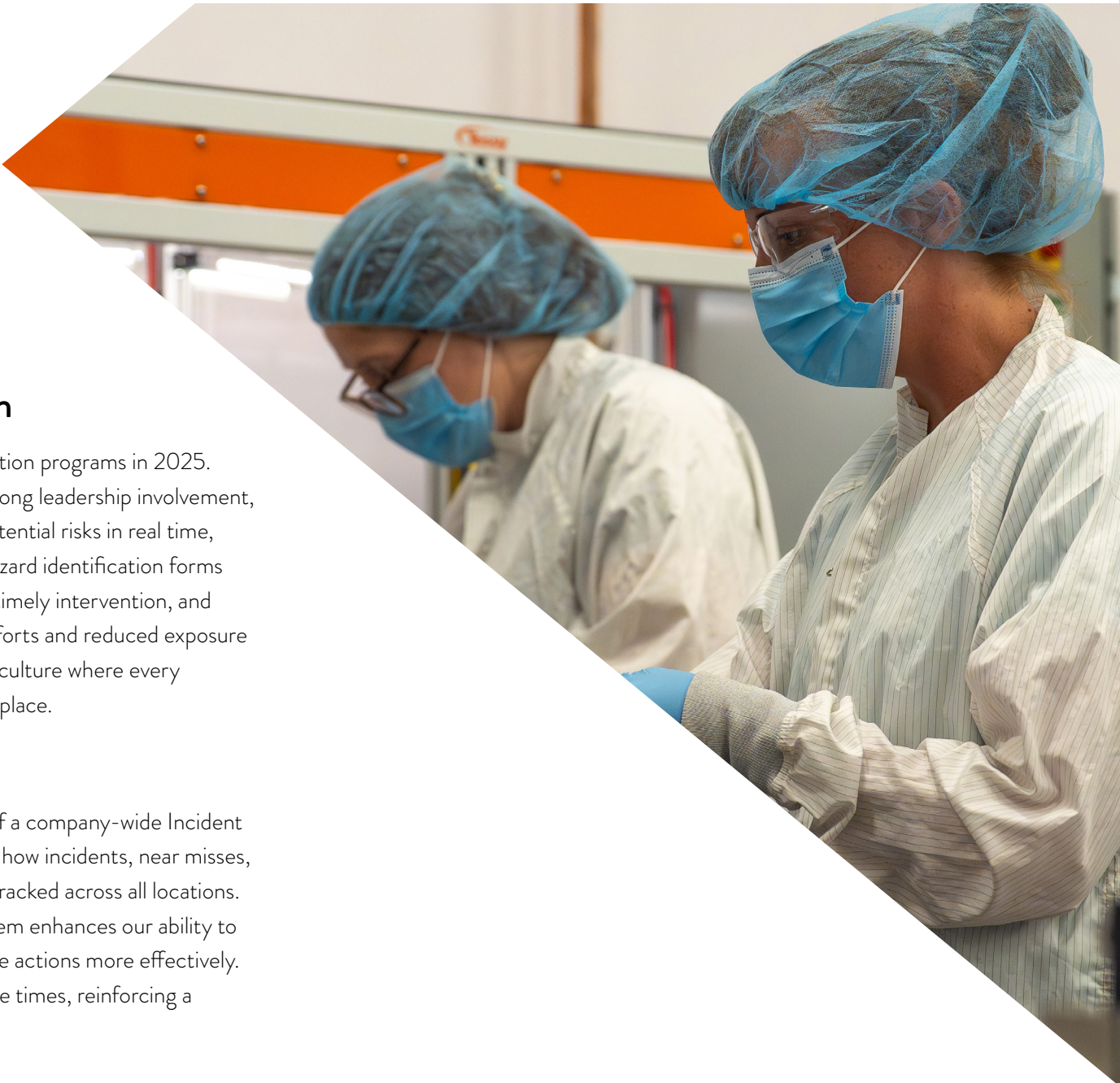
Hazard Recognition and Resolution

We advanced our focus on hazard recognition and resolution programs in 2025. Through targeted training, frontline engagement, and strong leadership involvement, employees are increasingly identifying and addressing potential risks in real time, resulting in a nearly threefold increase in documented hazard identification forms between 2024 and 2025. Emphasizing early detection, timely intervention, and consistent follow-up has strengthened our prevention efforts and reduced exposure to high-risk conditions. These efforts continue to build a culture where every employee actively contributes to maintaining a safe workplace.

Incident Management System

A key milestone was the development and deployment of a company-wide Incident Management System. This unified platform standardizes how incidents, near misses, and hazard observations are reported, investigated, and tracked across all locations. By improving data consistency and accessibility, the system enhances our ability to identify trends, share learnings, and implement corrective actions more effectively. It also supports greater accountability and faster response times, reinforcing a transparent and proactive safety environment.

Together, these initiatives reflect meaningful progress toward continuously improving our health and safety performance while supporting operational excellence.



EMPLOYEE WELL-BEING

We recognize that the physical and mental well-being of our people is critical for a productive and resilient work environment. Our comprehensive benefits program reflects our commitment to our employees. Over the years, our benefits program has evolved to support physical, social, and financial wellness.

Our benefits now include comprehensive health insurance, dental and vision, basic life insurance, paid family leave, and disability benefits. All employees and family members have free access to the Employee Assistance Program, a resource to support health and mental wellness. Employees also have access to the company gym at a reduced rate. All eligible employees are automatically enrolled in the company retirement plan and receive a 4% company match. In 2025, 96% of employees were enrolled in the program.

Employee Recognition

The employee recognition program celebrates personal and professional milestones, including work anniversaries, birthdays, the birth of a child, and weddings. Our Annual Christmas program, which includes a special dinner invitation and gifts for each employee, is a Tessy tradition. Quarterly free pizza truck events at work are quite popular among employees as the seasons change in Central New York. Throughout the year, Tessy sponsored employee participation in family-friendly events for employees to enjoy, such as the New York State Fair, Lights on the Lake, The Wild Animal Park, and the Museum of Science and Technology. Employees also enjoy discounts at local establishments through the Tickets at Work program.

Profit-sharing

In 2025, Tessy shared a significant portion of company profits with employees through its quarterly profit-sharing program. The program recognizes that each employee contributes and shares in Tessy’s success. In addition, all employees received an additional contribution in 2025 based on their years of service, made directly into their retirement account. For many employees who have worked at Tessy for several years, this contribution meaningfully improved their retirement financial well-being.





Key areas of sustained growth were:

- 18% average improvement in participants’ feeling prepared to handle unforeseen challenges in their role, both immediately after training and in long-term follow-up surveys.**
- 17% post-training improvement in confidence resolving conflicts, with a sustained 13% improvement still present during follow-up assessments.**
- 17% post-training improvement in recognizing their role in preparing employees for long-term career success within Tessy, with an 11% sustained improvement in follow-up surveys.**

- 16% post-training improvement in recognizing their role in retaining employees at Tessy, with continued positive impact reflected in follow-up data.**
- 15% post-training improvement in understanding their role in training employees for their departments.**
- 15% post-training improvement in recognizing their role in TP3, with an 11% sustained improvement in follow-up surveys.**
- 14% sustained improvement in leadership confidence more than a year after program participation.**
- 12% sustained improvement in participants’ confidence in providing effective feedback to improve team performance.**

Supervisor Academy

Supervisors have a profound impact on team well-being, making strong, consistent leadership across departments essential to organizational success. The Supervisor Academy is designed to support both new and emerging leaders by delivering practical, hands-on leadership training. Created by an internal, cross-functional team, the Academy is specifically tailored to meet the needs of Tessy’s supervisors. The program focuses on key areas such as communication, accountability, safety, emotional intelligence, and employee development. By the end of 2025, 90% of supervisors had completed the Supervisor Academy.

We evaluated how leadership concepts are translated into day-to-day supervisory practices over time using pre- and post-training, and long-term follow-up surveys. The survey results demonstrated measurable increases in leadership confidence, communication effectiveness, employee development awareness, and safety ownership immediately following the program. Importantly, many of these improvements remained strong or continued increasing more than a year later, indicating that participants were actively applying the concepts in their leadership roles.

The follow-up data indicates that the Supervisor Academy went beyond raising short-term awareness; it contributed to lasting behavioral change and leadership development that continued to influence participants well after the training concluded. In addition, the program contributed to improved supervisor training compliance across the organization, with participation expanding to include directors alongside frontline and middle management leaders. The Supervisor Academy will continue to be offered periodically to support newly hired and newly promoted supervisors.

REFLECTIONS AFTER THE SUPERVISOR ACADEMY



“The class helped me to think from their perspective before talking to them.”

— Brian Linsky, Production



“I’ve learned to slow down, react less on emotion, gather facts, and sit on the facts for a little while longer before making a decision.”

— Shaun Smurthwaite, Leadership



“I think about the Trust Battery whenever I have to speak to an employee I have not had any dealings with. I work on the situation so that when they look back on working with me, they are more likely to trust me in the future.”

— Gretchen Delorenzo, HR

CAREER DEVELOPMENT

Tessy is focused on strengthening employee growth and fostering a strong learning culture. Its learning programs are designed to build capabilities in key areas, including technical skills, institutional knowledge, soft skills, and leadership. In 2025, Tessy continued to strengthen its culture of learning by expanding accessible, job-specific, and hands-on training opportunities across the organization. In 2025, 23.5% of employees were internally promoted. 100% of employees and their supervisors completed annual performance reviews.

Expanding Training through the Learning Management System (LMS)

Tessy focused on creating standardized, engaging, and competency-based learning experiences that support employee growth while improving operational efficiency using LMS. We increased the accessibility and effectiveness of training through the LMS. Learning resources and their associated trainings were systematically assigned to applicable personnel, helping ensure employees received the information most relevant to their roles while strengthening compliance and consistency across departments.

Expanded use of the LMS broadened the range of interactive training available to employees, fostering more engaging and effective learning experiences. Training workflows were streamlined to reduce delays in granting system rights and access to trained employees, improving operational responsiveness while maintaining accountability. Training and Development continued collaborating closely with subject matter experts (SMEs) to ensure training content remained applicable, relevant, and cross-functional.

One key initiative included the creation of new standardized courses for warehouse employees. These interactive Enterprise Resource Planning system trainings provide foundational knowledge before employees are granted system access, helping ensure employees receive consistent instruction while accelerating the transition into hands-on training with supervisors. The training also provides employees with a reusable resource they can reference as they continue developing their roles.

In 2025, employees across Tessy completed significant training and development activities through the Learning Management System:

- 12.6 average training hours per employee
- 46,801 trainings completed
- 33 trainings completed per employee
- 298 active courses available to employees

These metrics reflect Tessy’s continued investment in employee development, operational readiness, and continuous learning.

Apprenticeship Programs

Tessy’s apprenticeship programs develop critical skills in selected participants through structured learning and mentorship activities. The Mold Maker Apprenticeship Program, in collaboration with the New York State Department of Labor and the State University of New York, is an 8,000-hour program. It includes training in scientific injection molding, laser welding, and computer-aided design and manufacturing. For their capstone project, apprentices take ownership of designing and building their own mold, ready for production use. Out of the seven enrolled in the program, five apprentices have completed it since the launch in 2022.



Tessy relaunched the Process Technician Apprentice program in 2023 to meet the growing need for skilled employees for new and complex projects. The program provides apprentices with practical, hands-on experience by rotating them through several departments, including Tool Room, Molding, Material Handling, Maintenance, Quality Control, and Automation. Each apprentice is partnered with a mentor to guide the Process Technician throughout the program. By the end of 2025, four apprentices graduated from the program.

COMMUNITY ENGAGEMENT

As part of our commitment to supporting initiatives that strengthen communities across Central New York and beyond, we champion programs that create meaningful opportunities for our employees to engage and connect with the communities we serve.

Syracuse Annual Heart Walk

In 2025, Tessy was proud to participate in the Annual Syracuse Heart Walk, organized by the American Heart Association. With a team of over 40 walkers and more than \$1,200 raised, our employees showed up with energy, purpose, and a shared commitment to a cause that hits close to home for many of the people in our community. The American Heart Association is the nation's leading nonprofit dedicated to fighting heart disease and stroke, funding lifesaving research, advocating for healthier communities, and empowering people with the knowledge and tools to live longer, healthier lives. The urgency of that mission is hard to overstate. According to the American Heart Association, nearly half of American adults are living with some form of cardiovascular disease, meaning that within any workplace, family, or neighborhood, the odds are high that someone you know has been personally affected.

Events like the Heart Walk are a reminder that the health and well-being of our employees and neighbors matter as much as anything we produce on the plant floor. For Tessy, participation is an expression of our core value of people, a recognition that building a great company means investing in the communities where our employees live, work, and raise their families. We look forward to continuing to grow our presence and impact at events like this in the years ahead.

Museum of Science & Technology Partnership

In 2025, Tessy proudly formalized a lasting partnership with the Museum of Science & Technology (MOST) in Syracuse, New York. As part of this partnership, Tessy sponsored the annual CNY Science & Engineering Fair in addition to being a lifetime sponsor of the Machines & Makers exhibit since 2023. Together, these initiatives reflect our passion for manufacturing, innovation, and developing the next generation of technical talent in Central New York. From the hands-on engineering celebration of Machines & Makers to the young scientists and engineers competing at the CNY Science & Engineering Fair, this partnership reflects our core value of technology and innovation.

Beyond the sponsorship, Tessy hosts an annual Employee Friends & Family Day at the MOST, opening the doors for our team to explore the museum alongside the people who matter most to them. Recognizing our employees means recognizing the families who stand behind them, and this event is our way of saying thank you to both. Partnerships like this one embody our core value of people and our commitment to building a workplace and a community that employees and their families are proud to be a part of.



PLANET: REDUCING ENVIRONMENTAL IMPACTS

Tessy works to minimize its environmental impact by implementing an Environmental Management System (EMS). This system identifies potential environmental risks associated with our operations and manages them through cross-departmental collaboration. Tessy's EMS is ISO 14001:2015 certified, a standard we have successfully maintained for over a decade. In 2025, we completed a surveillance audit that recognized the strength of our training programs, document control systems, and employees' knowledge of Environmental Health and Safety policies.

Following our 2023 environmental compliance audit, we have continued to enhance our processes to ensure adherence to federal and state regulations related to air emissions, hazardous material handling and disposal, and wastewater management. Our next independent third-party compliance audit is scheduled for 2026.

We are committed to reducing our environmental impact by:

- Lowering energy consumption and greenhouse gas emissions
- Reducing water use intensity while maintaining water quality standards
- Minimizing both hazardous and non-hazardous waste

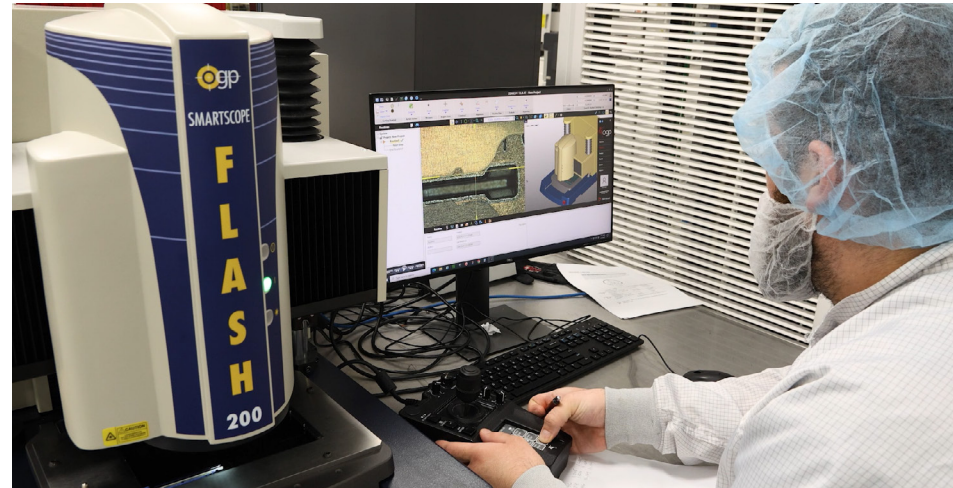


100% of our facilities

- Are ISO 14001:2015 certified
- Complete an environmental compliance audit every three years

SUSTAINABILITY IN ACTION

In 2025, we ran a “Sustainability in Action” survey where employees shared how they were contributing toward Tessy’s goal of reducing environmental impacts:

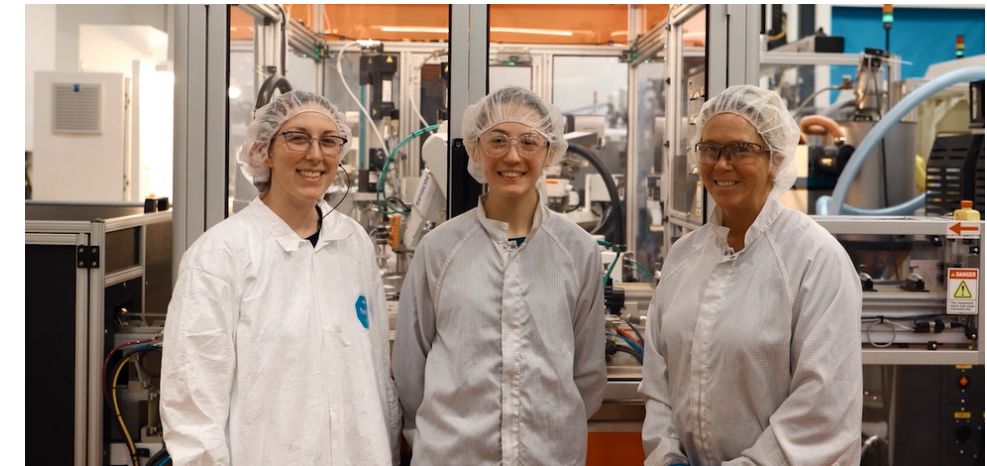


“We track Overall Equipment Effectiveness on assembly lines to optimize throughput and eliminate scrap, while also working with customers to incorporate recycled resins into their packaging.”

— Matthew Mack, Quality

“We are currently working with suppliers to reduce the amount of headspace in boxes and ensure that boxes are the right fit for the application. We have transitioned one product from individual boxes to a Gaylord pack, reducing waste from shipping damage and decreasing cardboard usage. We also work to ensure suppliers have robust recycling and environmental plans in place through audits and questionnaires.”

— Tammie Smith, Quality



“In my customer service role, I handle our recycling workflows. I support my fellow team members and direct customers to ensure we reduce resin and product waste through channels that align with Tessy Plastics’ Environmental Health & Safety Policy”

— Stacey Janosko, Customer Service

“We have been working with the customer and Tessy team to trial a recycled resin blend to decrease both the amount of waste being created and the amount of virgin resin being consumed.”

— Jason Hiser, Program Management

CLIMATE AND ENERGY

The increasing frequency and severity of climate-related events, including extreme heat, wildfires, hurricanes, and storms, underscores the urgency of reducing greenhouse gas (GHG) emissions. In response to these risks and their potential impacts on operations, supply chains, and customers, Tessy established science-based emission reduction targets aligned with global climate goals in 2024.

Tessy is committed to reducing absolute Scope 1 and Scope 2 GHG emissions by 42% by 2030, using 2022 as the baseline year. The company has also set a target to reduce absolute Scope 3 emissions by 25% over the same period, focusing on key categories such as purchased goods and services, transportation and distribution, and end-of-life treatment of sold products.

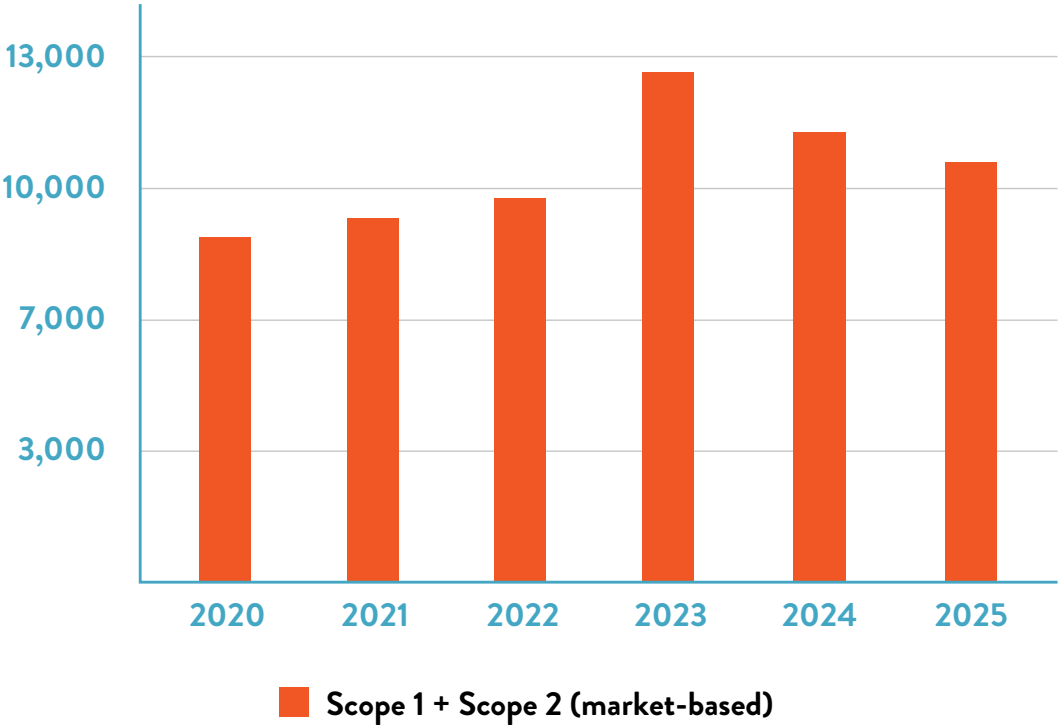
Energy Efficiency and Operational Improvements

To achieve these targets, Tessy continues to advance operational efficiency and reduce energy and material consumption across its facilities. The building energy management system optimizes energy consumption based on real-time operational requirements and daily weather conditions. Critical parameters such as air and cooling water temperature, humidity, and heat exchange are continuously monitored and adjusted, ensuring efficient energy use.

Improvements to building insulation have further reduced energy loss, while investments in energy-efficient technologies have strengthened overall performance. These include the installation of variable speed drives for air compressors, the widespread adoption of electric injection molding presses, and the use of LED lighting systems equipped with motion sensors to minimize unnecessary energy consumption.

Electrification of operations remains a key component of Tessy’s decarbonization strategy. We continue to transition away from fossil fuel-based equipment toward electric alternatives. Currently, approximately 40% of the company’s fleet is hybrid, and more than 90% of forklifts are electric. In manufacturing, the transition from hydraulic to electric injection molding presses is well advanced, with electric models now representing the majority of equipment in use. These efforts support reduced emissions intensity and improved operational efficiency.

GHG emissions (Metric Tons CO₂e)



Emissions Performance and Verification

In 2025, Tessy achieved a 9% reduction in combined Scope 1 and Scope 2 (market-based) emissions compared to 2024. This decrease was primarily driven by changes in the operational boundary for the Webster facilities and an increase in low-carbon energy credits. Despite this year-over-year improvement, combined Scope 1 and Scope 2 emissions for Tessy’s New York facilities were 0.7% higher in 2025 than in the 2022 baseline year, indicating that further reductions will be required to stay on track toward 2030 targets.

Scope 1 emissions at Tessy are primarily associated with natural gas consumption, while Scope 2 emissions are mainly linked to purchased electricity. To ensure

transparency and accuracy, Scope 1 and Scope 2 emissions (both location-based and market-based) are verified by a third party with limited assurance. Selected Scope 3 categories, including employee commuting, third-party trucking, and business travel, are also verified and show a 4% reduction compared to 2024. Comprehensive Scope 3 emissions data are disclosed separately.

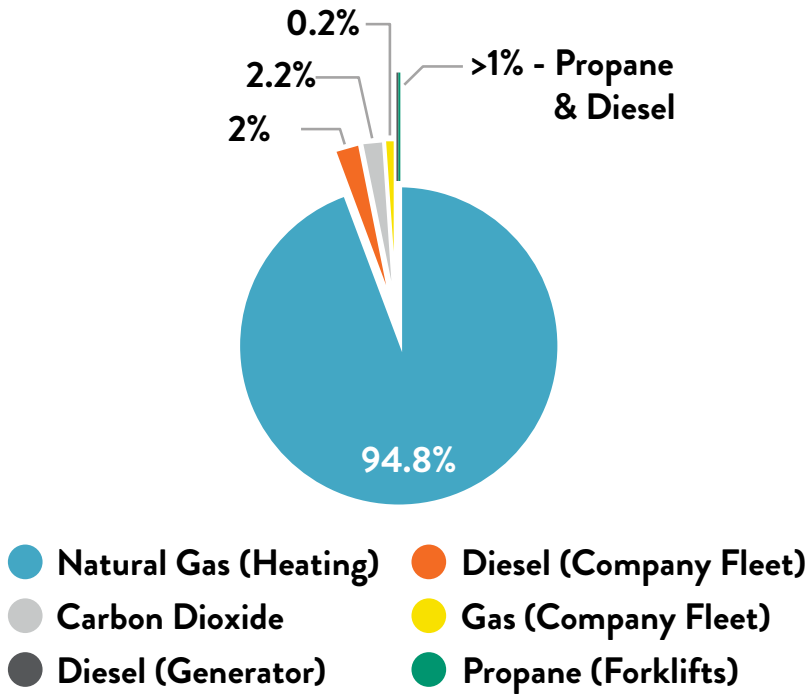
Decarbonization

Tessy recognizes that a substantial portion of its emissions footprint lies within its value chain. The company continues to engage with suppliers and logistics partners to identify opportunities for emissions reduction, improve efficiency, and support the transition to lower-carbon materials and transportation solutions. Product

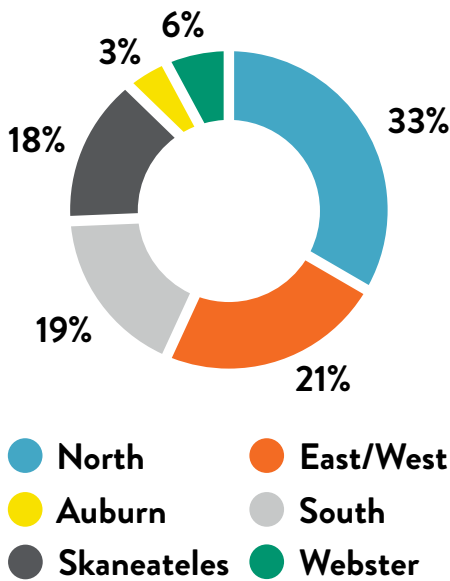
design and end-of-life considerations also play an important role in reducing overall lifecycle emissions.

Looking ahead to 2026 and beyond, Tessy will further strengthen its climate strategy through continued collaboration with customers to test lower-carbon, more recyclable products. The company will also expand the use of automation in manufacturing processes to reduce scrap, optimize raw material usage, and lower energy consumption. These initiatives are expected to contribute meaningfully to reductions in Scope 3 emissions while supporting long-term operational efficiency and sustainability objectives.

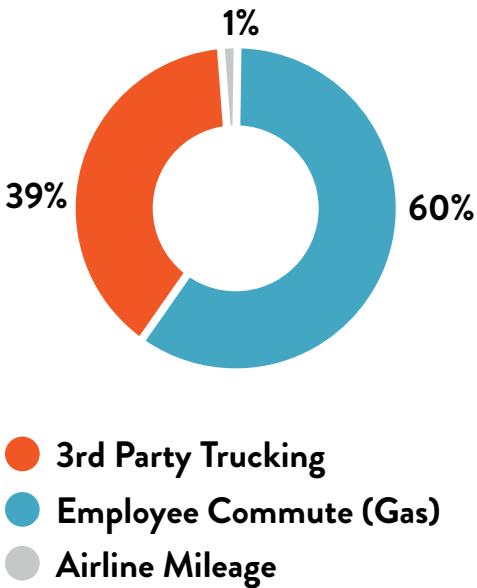
Scope 1 by Source



Scope 2 by Plant



Scope 3 by Activity



WATER

Here at Tessy, high-quality and reliable access to water is essential to the success of our operations. We manage our water with a focus on minimizing environmental impact, ensuring regulatory compliance, and improving operational efficiency. We are committed to reducing water intensity by revenue by 10% by 2030, with 2020 as the base year.

Water use across our facilities remains primarily associated with equipment cooling and process operations. Closed-loop water-cooling systems continue to reduce overall water withdrawal by recirculating water within operations.

Our water management practices are guided by internal procedures and environmental management systems that support compliance with all applicable water regulations, protect local waterways through wastewater management, and

ensure employee access to safe drinking water, sanitation, and hygiene throughout all of our facilities. In 2025, Tessy Plastics maintained compliance with water-related regulatory requirements. One incident of State Pollutant Discharge Elimination System (SPDES) permit exceedance was reported.

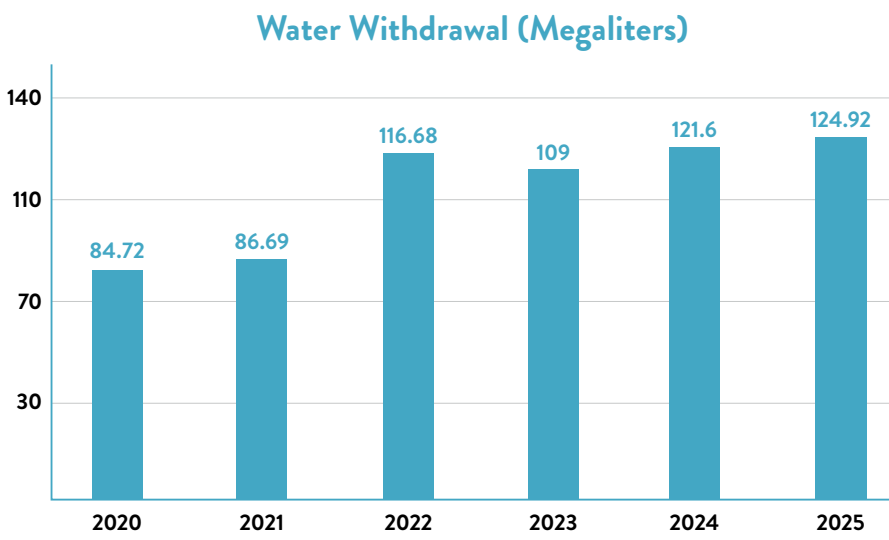
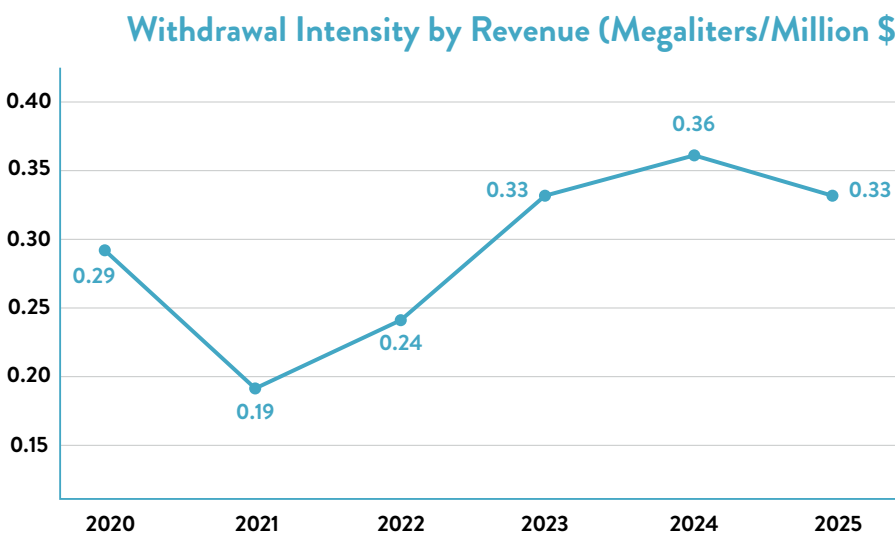
We also continue to implement the Operation Clean Sweep program to prevent resin, pellets, flakes, and powders from entering regional environments. Employees are trained in best practices for material handling and housekeeping to support this effort.

Tessy conducts annual water risk assessments using the WWF Water Risk Filter to assess physical, regulatory, and water-quality risks across our facilities. These assessments aid us in better understanding watershed conditions, identifying possible

vulnerabilities, and assisting long-term water management planning. All Tessy facilities are currently located within areas with relatively low baseline water stress.

While water availability risk remains limited, we continue to monitor changing climate conditions and compliance requirements to maintain long-term resilience.

As part of our ongoing commitment to ensure water and sanitation access for all employees, in 2025, we initiated the Water, Sanitation, and Hygiene (WASH) self-assessment for our facilities. The assessment is designed to evaluate access to safe drinking water, sanitation, and hygiene services and identify opportunities for improvement. This contributes to the UN Sustainable Development Goal 6, which focuses on WASH access for all.



WASTE REDUCTION

Tessy is committed to reducing its waste generation and increasing landfill diversion across operations. Our waste targets are 1) reducing waste generation to 1 pound per employee per day and 2) achieving zero-waste to landfill at 50% of facilities by 2030.

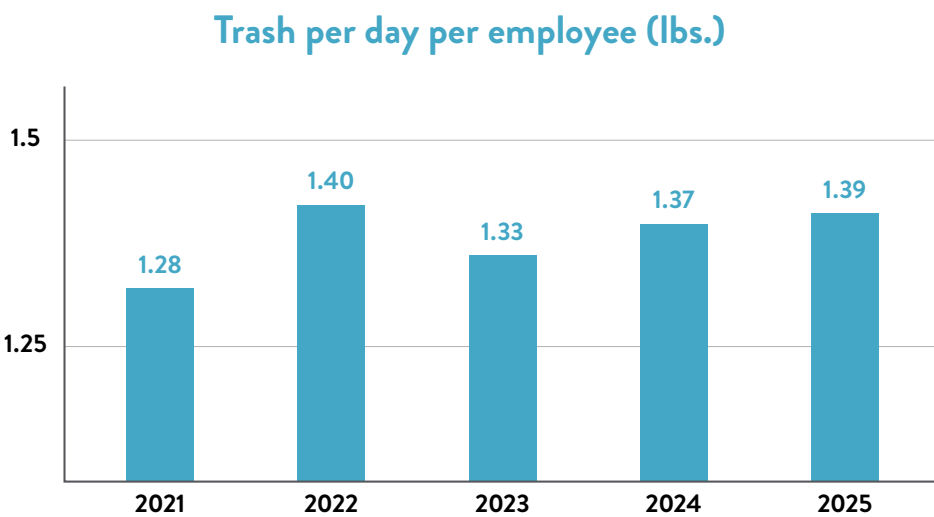
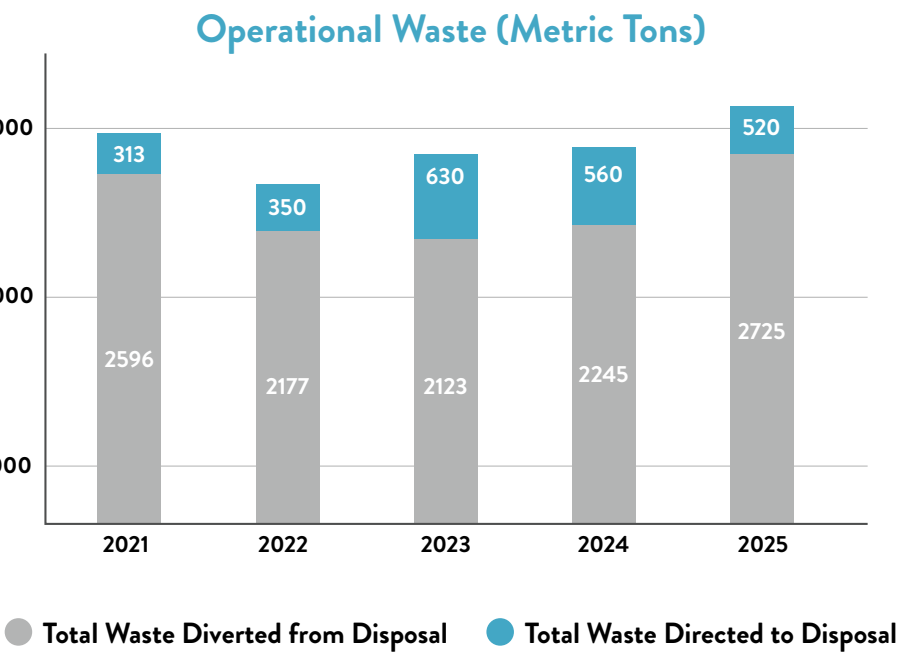
Reducing waste starts with understanding where it is generated. In 2025, Tessy focused on improving internal waste tracking and visibility across the company. At one of our facilities, we reviewed waste stream mapping and identified key sources of waste. The project provided a clearer picture of how materials move through our facility, allowing us to focus on our reduction efforts and improve our waste management and tracking processes.

Tessy continues to implement waste reduction initiatives through reduction, reuse, and recycling. Corrugated cardboard boxes, Gaylord, and pallets are reused where possible, along with plastic totes, to minimize single-use materials. Cleanroom garbs are laundered and reused, reducing textile waste. Materials such as metals, plastics, paper, e-waste, and more are separated, sorted, and managed through established recycling streams.

Waste data tracking systems continue to improve, with a focus on increasing visibility into recycling weights and material types while strengthening internal tracking processes. These efforts support more consistent and accurate data, enabling better performance measurement and the identification of additional opportunities for reduction. Tessy also continues to monitor internal scrap rates as part of its quality and production processes, supporting efforts to reduce material waste at the source and improve overall efficiency.

We continue to work towards limiting our trash to 1 lb. per employee per day; in 2025, our trash generated was 1.39 lbs. per employee per day. Tessy diverted 84% of its waste from landfill through recycling and waste management initiatives in 2025. To help achieve our zero-waste-to-landfill goal, we strengthened our internal expertise in waste management. Our ESG Analyst completed the Total Resource Use and Efficiency (TRUE) certification program, becoming a certified TRUE Advisor. In 2026, we plan to conduct waste audits in our facilities to identify opportunities to improve our waste management practices. Together, these initiatives continue to build on Tessy’s ability to reduce waste, increase landfill diversion, and support our long-term environmental performance goals.

- 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



PRODUCT: REDEFINING QUALITY STANDARDS

Customer Health and Safety

As a contract manufacturer of medical, pharmaceutical, diagnostic, and food safety products, Tessy prioritizes customer health and safety in every aspect of its operations. Our products are used in critical applications where quality, consistency, and regulatory compliance are essential.

Tessy operates FDA-registered manufacturing facilities with over 319,000 square feet of ISO Class 8 cleanroom space. Our Quality Management System (QMS) is certified to ISO 13485:2016 and is built on risk-based principles to ensure product safety, regulatory compliance, and continuous improvement.

We manufacture:

Class II and III medical devices, including minimally invasive surgical and cardiovascular products

Pharmaceutical and diagnostic components, including point-of-care and veterinary diagnostics

Our approach focuses on:

- Robust contamination control strategies within controlled environments
- Advanced automation and inspection technologies to ensure consistency and traceability
- Cross-functional quality oversight to proactively identify and mitigate risk



Highest quality control for medical devices

In 2025, Tessy continued to advance its capabilities in high-precision medical device manufacturing while strengthening its regulatory and quality foundation. A key milestone was the successful expansion into fully finished device manufacturing of complex surgical products. Class II and Class III FDA-regulated medical devices have quality control standards that are difficult to meet with conventional inspection methods. Tessy delivers unparalleled quality control through non-destructive in-line 3D CT scanning of the internal geometries of these medical devices. Our automated processes precisely control the orientation, placement, and depth of the individual parts at high speed. Combining CT scanning and automated processes with laser-engraved 2D barcodes for traceability, our systems enhance our ability to control critical product characteristics.



Performance: Zero field complaints associated with CT-verified product lines

Market Expansion: International markets, including Europe and South Korea, with additional readiness for future market entry

Reinforcing quality and compliance framework

Our Quality Management System was recertified to the ISO 13485:2016 standard with validity through 2028. We expanded the scope of our Quality Management System beyond medical devices, pharmaceuticals, and human diagnostic kits into Food Safety. Our South Plant facility achieved the Safe Quality Food (SQF) certification to support food and consumer healthcare applications. In 2025, Tessy completed two FDA inspections with overall positive outcomes and observations for further improvement. In 2026, Tessy will further advance regulatory capabilities to support animal diagnostics, including USDA-related requirements. These accomplishments reflect Tessy’s continued investment in systems, technology, and processes that protect end users while enabling growth in highly regulated markets.

Strengthening contamination control practices

Clean room operations producing Class II medical devices have elevated patient safety requirements. Maintaining a robust contamination control system is essential to minimize risks. In 2025, Tessy initiated a comprehensive review of its contamination control strategy and practices in our Skaneateles plant. A cross-functional team from quality, engineering, and operations evaluated current practices and identified opportunities for improvement. The review process ensured strong alignment between established procedures and practices, particularly in material handling, housekeeping, and environmental controls. Efforts to date have included enhancing visibility of housekeeping requirements and strengthening documentation practices. A periodic focused review of our practices, such as this one, increases awareness of potential risks at all levels and reinforces high-quality standards. In 2026, Tessy will scale contamination control and inspection strategies across additional facilities and product lines.

Integrating a risk-based approach across the Quality Management System

Complex and highly regulated medical device manufacturing environments have multiple potential failure points. To comprehensively manage these risks, Tessy has initiated the integration of a risk-based approach across its Quality Management System. By identifying potential risks in each step of the manufacturing process of a product, evaluating their impact, and developing mitigation strategies, Tessy is embedding risk management into daily operations. This proactively prevents potential quality issues and prioritizes resources. This work will continue into 2026, with a focus on further standardizing practices and improving consistency across shifts and operations.

By leveraging these technologies and quality infrastructure, Tessy is well-positioned to continue supporting the safe and compliant manufacturing of high-risk medical devices across global markets.

SUSTAINABLE PRODUCT DESIGN

As a trusted partner, we support our customers by transforming innovative, sustainable product design concepts into practical, real-world solutions. Product design decisions, including the selection and quantity of raw materials, as well as their potential for reuse and recyclability, play a critical role in shaping long-term environmental outcomes.

Our R&D laboratory, supported by a team of over 200 engineers, is equipped to rapidly prototype and evaluate product designs. Through iterative testing, the team develops multiple design variations and leverages advanced 3D printing technologies to produce components and tooling, including prototype molds. Our state-of-the-art prototyping and testing capabilities deliver comprehensive feasibility assessments with speed and precision, enabling customers to make informed design decisions early in the development process.

Towards Circularity

We collaborate closely with our customers to evaluate and validate alternative raw material, including post-consumer recycled (PCR) resin and bio-based polymers. In parallel, we assist customers in transitioning toward mono-material packaging solutions, which improve recyclability by enabling more efficient sorting and processing within existing recycling streams. Material selection plays a critical role in determining packaging performance, influencing mechanical properties, aesthetic quality, cost, and overall environmental footprint.

In 2025, Tessy partnered with a consumer goods customer to redesign a multi-material container that previously incorporated polypropylene (PP), polyethylene terephthalate (PET), and high-density polyethylene (HDPE). The objective was to transition to a predominantly single-material solution to enhance recyclability while maintaining functional performance. Tessy developed and tested multiple prototype configurations, optimizing design parameters to preserve structural integrity. This included increasing wall thickness to achieve the required rigidity and modifying the filling approach from bottom-fill to top-fill, simplifying the design and reducing material complexity. The HDPE component of the container was retained where functional requirements necessitated its use.

Following extensive mechanical, functional, and compatibility testing, the redesigned packaging solution is expected to be in full-scale production within the next few years, with projected annual production volumes of approximately 57 million units. This initiative highlights Tessy's role in advancing sustainable packaging design through material innovation and engineering optimization.

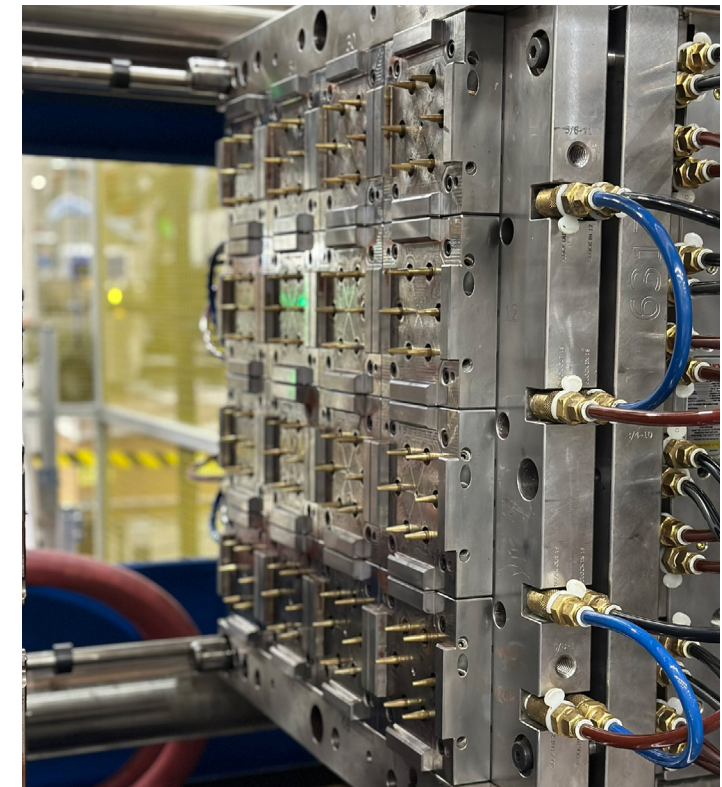
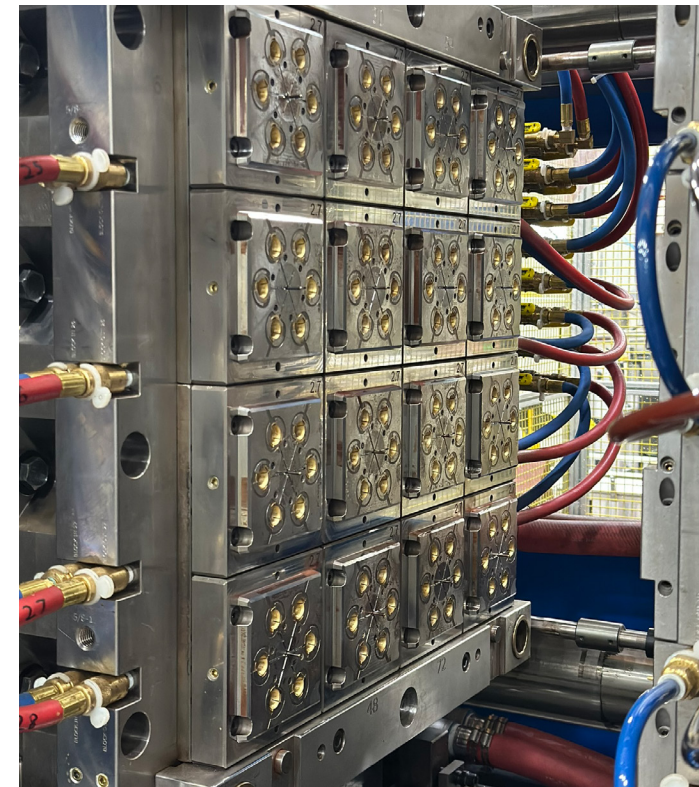


ENHANCED PRODUCTION EFFICIENCY

Improving production efficiency is an iterative process, and Tessy excels in finding innovative solutions on both new and old production lines. Some of Tessy's product lines have been running for over two decades and have evolved by integrating cutting-edge technology. Aligning and fine-tuning process flows, from production and assembly to post-molding operations and product shipments, enables Tessy to gain additional efficiency. Efficiency gains may be one or all three: material, time, and energy.

Streamlining production, automation, and assembly

In 2025, Tessy increased mold cavitation on one production line from 72 to 96 cavities, resulting in a 33% increase in output per cycle and aligning the molding cycle time and downstream automated bagging operations. This optimization reduced idle time, improved line balancing, and enhanced overall equipment efficiency. In addition, a separate production line was relocated to minimize the distance between injection molding and post-molding pad printing, reducing material handling time, work-in-process inventory, and the risk of part damage or contamination. On another line, the assembly process was reconfigured and integrated adjacent to the molding cell, enabling a more continuous-flow manufacturing approach and eliminating several non-value-added handling and interim storage steps. Collectively, these process improvements reduced cycle time, labor, and equipment energy consumption, and the use of secondary packaging materials associated with boxing, unboxing, and transporting semi-finished goods. Tessy's ability to analyze, redesign, and implement these production system optimizations demonstrates strong operational agility toward resource efficiency.



Building a Supercell

Tessy serves customers with diverse and complex requirements, including product lines that support multiple configurations across size, color, and surface finishes. In 2025, a 20-year-old production line was upgraded into a flexible “supercell” configuration, enabling a single work cell to efficiently process multiple product variants. This transformation increased cell utilization from 25% to 75%, significantly improving asset efficiency and reducing idle capacity.

The supercell incorporates integrated barcode scanning technology to verify the correct blister packaging for each configuration, ensuring traceability and adherence to quality standards across product variants. The system is currently undergoing final testing and validation, with production scheduled to commence in 2026.

Once operational, the supercell is expected to deliver sustainability benefits. By consolidating operations into a single, high-efficiency cell, the footprint required for production is projected to be reduced by approximately 30–40%. In addition, streamlined material flow and the elimination of redundant handling steps are expected to reduce work-in-process inventory and associated packaging waste.

This initiative is an example of Tessy's ability to modernize legacy equipment through cross-functional collaboration, driving operational efficiency and resource conservation while supporting long-term sustainable manufacturing practices.

RESPONSIBLE PROCUREMENT

Our sustainability efforts extend to our suppliers to work together to safeguard human rights, prevent corruption, and reduce environmental impacts. We collaborate with suppliers to foster a transparent, ethical, and sustainable supply chain and require adherence to our Supplier Code of Conduct. Guided by our sustainable procurement policy and Supplier Code of Conduct, we screen our suppliers to meet our quality standards as well as environmental and social responsibility criteria.

We assess our key suppliers' sustainability performance using the EcoVadis Supplier Engagement Module. Suppliers are assessed on their policies, procedures, and reporting practices on four thematic areas – environment, labor and human rights, sustainable procurement, and ethics. The platform provides recommendations for improvements and resources to guide the supplier to take concrete steps. In 2025, over 35% of the assessed suppliers were rated as “Advanced” or “Outstanding”, and over 55% were rated as “Good”.

We are committed to the responsible sourcing of minerals throughout our supply chain in accordance with our Conflict-Free Minerals Policy. On an annual basis, we require our Tier 1 suppliers to complete a Conflict Minerals Report to support due diligence efforts and to help ensure that we do not knowingly procure 3TG (tin, tantalum, tungsten, and gold) that are not in compliance with the requirements set forth under the Dodd-Frank Act relating to conflict minerals.

In 2025, 36 diverse suppliers were part of our supply chain: 21 Small Business Enterprises, 9 Women-Owned Business Enterprises, 3 Veteran-Owned Small Businesses, 1 Service-Disabled Veteran-owned Small Business, and 2 Minority-owned Businesses.

We also collaborate with suppliers to find opportunities to lower our environmental impact. We continue to collaborate with Riverdale Global and participate in their “Return to Refill” program. In 2025, we returned 110 colorant drums and 2,411 lbs. of colorant were reused for new batches of the same color. We also partnered with Safety-Kleen’s program on reclaiming used oil and oil filter drums, avoiding approximately 25 metric tons of CO₂e. We work with our customers and suppliers to identify sustainable packaging options for our products, for example, Post-Consumer Recycled content in blister packs and trays. In 2025, 12 different packaging materials contained recycled content.

Through these efforts, we aim to foster a supply chain that is not only efficient and transparent but also socially responsible and aligned with our broader sustainability objectives.

**In 2025, over 35% of the assessed suppliers were rated as “Advanced”
or “Outstanding”, and over 55% were rated as “Good”.**

STREAMLINED DISTRIBUTION

Efficient product movement is a key driver of sustainability, reducing both transit time and unnecessary greenhouse gas (GHG) emissions. Our approach to streamlined distribution begins with a careful evaluation of packaging requirements based on product design, with a strong focus on minimizing material use and eliminating excess packaging. In-house packaging experts collaborate closely with customers and suppliers to test and implement optimized solutions. This includes not only primary and secondary packaging, but also the optimization of tertiary packaging to maximize transport efficiency—ensuring the highest possible product density per pallet or tote. Inventory and shipments are managed to prioritize full truckload deliveries, reducing the number of trips required and lowering emissions across the supply chain.

We actively partner with customers to adopt returnable pallets, totes, and cardboard packaging. By investing in systems that enable the efficient return, reuse, and circulation of these materials, we extend their lifecycle, reduce waste, and minimize reliance on single-use resources, significantly lowering our overall carbon footprint. In recent years, consolidating molding, assembly, kitting, and packaging operations within single, integrated facilities has generated sustainability benefits. For select production lines, this approach allows products to be shipped directly to distribution centers, eliminating intermediate handling steps such as additional storage, transportation, and repeated loading and unloading. By reducing touchpoints and streamlining operations, we achieve meaningful reductions in energy consumption, material waste, and emissions, delivering broad environmental benefits across the value chain.



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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 2025 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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