

SUSTAINABILITY REPORT

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LETTER OF CEO

Over the past years, we have realized the importance of reducing the impact on the earth's resources and conserving them for future generations.

At Tayco, we believe in reducing the impact of our operations on the earth's resources. We are proud to say that we have helped to impact the environment and society, now is the time to continue implementing changes and solutions because we believe our future depends on every small action we take today.

As a company, we need to become more conscious of every small action, how it impacts the world and what we leave behind for future generations. We are 100% committed to continue reducing our environmental footprint, including paper usage and chemical emissions.

Our Team members inside North America have demonstrated adherence to this cause. In the same way, we are committed to providing a health company that values diversity, inclusion, and well-being.

We trust in the power of people, and we believe that by fostering a culture of respect, learning, and collaboration in our company, we can help build a better world every day.

OUR VISION / OUR HISTORY

At Tayco, we believe in making the workplace better for our customers.

Since 1976 we have been a Canadian modern office furniture manufacturer. Based in Toronto, we supply North America with our high-quality furnishings. Tayco's product offering and services have evolved with the changing demands of the marketplace. We listen to our customers and take enormous pride in integrating their feedback into designs and solutions that work with current corporate budgets. Tayco's commitment to innovation and modern office furniture design has yielded a comprehensive portfolio of office systems, desks, storage, tables, and seating. Our team is driven by a desire to exceed client expectations consistently.

OUR VALUES

OWNERSHIP

We accept responsibility for achieving the best quality results, drawing on and strengthening our skills, collaborating successfully, and contributing to the drive, energy, and creativity of Tayco.

EFFICIENCY

We endeavor to be efficient: from how we plan, prioritize and execute work: to the safety with which we work to how we wisely utilize resources.

ENJOYABLE EXPERIENCES

We embrace the power of positivity and ensure we all contribute to an enjoyable work experience. We believe positive environments lead to more collaborative teams, higher productivity, and increased health.

PROGRESSIVE

We actively seek new ideas and challenge ourselves to be more creative and innovative. We embrace learning and continuously find ways to improve ourselves, our teams, our environment, and our processes.

AT A GLANCE

(Please refer to the image attached)

MEMBERSHIPS

With Team Members from over 41 countries, Tayco's innovative workplace policies provide an exceptional workplace and enjoyable culture that not only brings its diverse workforce together but also results in Team Members that are more engaged and invested in their careers with Tayco. These efforts that foster a positive workplace culture also result in Team Members that are more likely to be champions of the brand and more likely to provide the exceptional Customer service that is integral to Tayco's business.

We understand that manufacturing can significantly impact the environment, and we are making a conscious effort to reduce our footprint in everything we create. It is rewarding for our employees, suppliers, and customers to have the following Memberships:

BIFMA Member

BIFMA is the not-for-profit trade association for business and institutional furniture manufacturers. Since 1973 BIFMA has been the voice of commercial business furniture, promoting sustainability through the life cycle of commercial furniture.

Tayco's Cosmo Systems: Components, Desking and Panels, Cosmo Casegoods storage (non-wood), Metro Desking (non-wood), Conference (non-wood) Tables, and Casegoods (non-wood) products receive demonstrated compliance for LEVEL®2 certification and ANSI/BIFMA e3-2020 Furniture Sustainability Standard.

CCDI – Canadian Center of Diversity and Inclusion Member

The Canadian Centre for Diversity and Inclusion (CCDI) is a made-in-Canada solution designed to help employers, diversity, and inclusion/human rights/equity, and human resources practitioners effectively address the full picture of diversity, equity, and inclusion within the workplace. Founded and run by experienced diversity and inclusion practitioners, CCDI focuses on practical, sustainable solutions that help employers move toward true inclusion. Effectively managing diversity, inclusion, human rights, and equity is a strategic imperative for all Canadian organizations wishing to remain relevant and competitive.

Great Place to Work and Best Workplaces in Manufacturing Certified.

Great Place to Work is the global authority on high-trust, high-performance workplace cultures. Through proprietary assessment tools, advisory services, and certification programs, GPTW recognizes the world's Best Workplaces in a series of national lists, including those published by The Globe & Mail (Canada) and Fortune

magazine (USA). Great Place to Work provides the benchmarks, framework, and expertise needed to create, sustain, and recognize outstanding workplace cultures.

The Best Workplaces™ in Manufacturing list is based on direct feedback from employees of the hundreds of organizations that Great Place surveyed to Work®. The data has a 90% confidence and a plus or minus 5% margin of error.

Tayco is thrilled to be on the 2022 List of Best Workplaces™ in Manufacturing through Great Place to Work® Canada and continues to be dedicated to providing even more unique, enjoyable experiences for its Team Members.

EMC – Excellence in manufacturing consortium

Excellence in Manufacturing Consortium (EMC) is a unique not-for-profit organization dedicated to helping manufacturers grow and become more competitive at home and worldwide.

EMC has grown to become Canada's largest manufacturing consortium and, with over 1,000 hands-on industry events annually, is the most active manufacturing organization in North America.

HSEP – Health and Safety Excellence Program Member

The Health and Safety Excellence Program is a WSIB performance-based rewards program that is designed to provide businesses with a clear road map to improving their health and safety processes and systems.

Participants create a safer workplace by implementing safety changes that will decrease accidents while improving the company culture.

BNI – Black North Initiative Member

The BlackNorth Initiative was created by *The Canadian Council of Business Leaders Against Anti-Black Systemic Racism* to combat anti-Black systemic racism in Corporate Canada. The initiative challenges senior Canadian business leaders to commit their companies to specific actions and targets designed to end anti-Black systemic racism and create opportunities for all those in the underrepresented BIPOC community.

ENVIRONMENTAL -

Paper Usage

(I am not sure about this part if we should mention this, as we increase our paper consumption)

Item#	Description	2022	2021
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8630-0016	8.5 x 11 CANARY PAPER	25	20
8630-0018	8.5 x 11 WHITE PAPER	75	75
8630-0021	11 X 17 WHITE PAPER	3	0

Packaging - KRISTY

Recycling – PHILLIP

We are committed to reducing the environmental impact of our business through implementing a blue bin program in the office and lunch rooms.

This year, we were able to recycle 1,269 MT of wood, 1,880 Yds of Cardboard, 2,680 Yds of Sawdust, and 1,110 Yds of Steel/aluminum. These efforts align with our objective to optimize resources and minimize the impact of packaging and manufacturing processes.

Efficient Lighting – EDWARD

After replacing of all HID outside lighting to LED panel in July 2018 followed by changing of fluorescent lamps to LED in main hallway and paint line, Tayco has finally completed the project of remodeling the Plant's General Lighting Installation. In this big project, Tayco has replaced the 850 existing eight-foot light fixtures with 409 LED panels (plus 26 LED Night Lights in whole plant). All these projects were to fulfill the same goal: "Conserving energy and saving money while providing more light in every workspace"

Plant's General Lighting took two years. It began in January 2019 and we had to pause the project January 2020 till July 2020 due to lack of supplies. (Not enough LED panels)

Since all these installations were part of a grand improvement project at Tayco, we made sure to make them all as efficient as possible. We have expanded the areas covered by timer. Now **293 of 409** installed LED panels (**71.64%**) can be controlled by timer.

Savings: By replacing of 850 CFL with 409 LED panel, Tayco has reduced the energy consumption from 102 KW to 55.215 KW

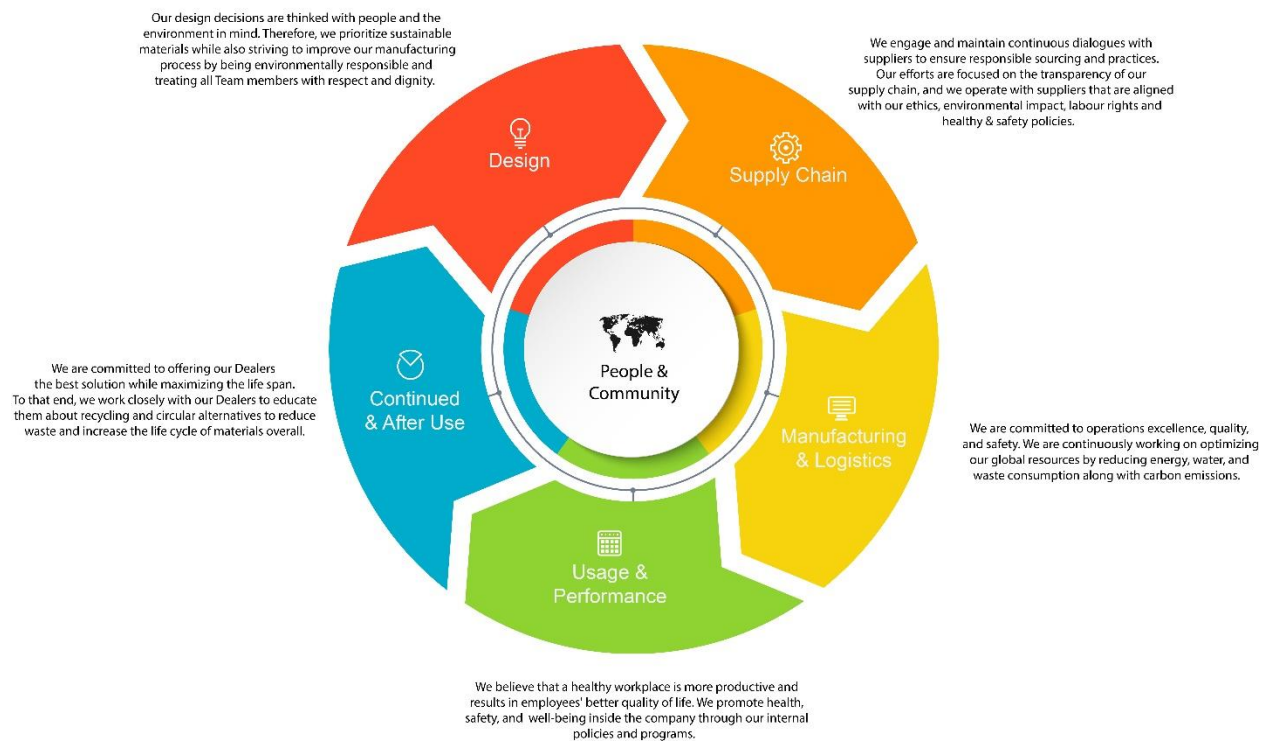
- **This means electricity usage is reduced to 54.13% of the initial amount**
- **This reduces the electrical bill by about 45.87%**
- **By implementing timers Tayco has been saving an additional 11%**

OUR GOALS

DESIGN FOR SUSTAINABILITY

At Tayco, we're committed to doing our part to make the world a better place.

We design sustainable and environmentally conscious products while considering the social and economic impact of our company decisions. We can accomplish this through our design-led approach, which means taking an active role in assessing how our product choices affect everything from material selection to waste reduction.



As part of our design-led approach, we consider the environmental, social, and economic impact of every product we create. We do this by making sure our products are made with materials that are sourced responsibly and sustainably, and that our manufacturing process is environmentally friendly.

OPERATIONAL PERFORMANCE

Suppliers

As part of Tayco's commitment to our community, we ensure that all companies who supply goods to us adhere to strict supplier guidelines surrounding ethical practices for their employees. We believe that ethical practices are the foundation of a thriving economy, by working with suppliers who value the well-being of their workers, we can help build a stronger future for everyone.

Wood

Our particle board is sourced from suppliers who support reforestation programs, including Tafisa, which has been granted Eco-Certified Composite Grademark Program (ECC) Certification. Additionally, all particle board is 100% recycled.

Fabric

Fabric made from post-consumer recycled material is an important part of Tayco's product line, and we are proud to offer post-consumer recyclable material in the majority of its fabric offerings which allows us to reduce waste.

Metal

All of our aluminum and steel components are 100% recyclable.

Paint Line Pre- Treatment Process

Powder coat paint is used across all metal components to significantly reduce waste, this process allows for high-quality finishes on metal parts.

This year, we started using a new chemical to clean the parts before painting. The new chemical works with ambient temperature and does not require to be heated through a heat exchanger/boiler compared to the old chemical/process. The implementation of the new pre-treatment process results in significant energy/fuel savings, reduction in emissions, and waste generation.

Waste

We process all of our wood waste into wood chops and send them to energy plants, greenhouses, and wood pellet manufacturers.

Laminate Waste: The old process of cutting laminates with semi-automatic saws, generated 6 x 40 yards per week of solid laminate recycled waste in our process.

The introduction of the Automatic Homag cutting cell allowed to grind the laminate waste into big chunks and compacted the recycled laminate waste to 3 x 40 yards per week resulting in a reduction in the dumping fee, and fuel energy savings, and reduction in emissions.

PEOPLE AND COMMUNITY

As of October 31, 2022, Tayco employed more than 220 people, Tayco is an inclusive workplace that values diversity with staff from over 41 countries. Our current staff consists of the following Team members:

- # Office Employees: 70
- # Union Employees: 158
- # Temporary Team Members: 14

Canadian Centre Diversity and Inclusion

At Tayco we value the diversity of our employees. Tayco is committed to building an inclusive environment where Team members, Dealers, sales representatives, and Clients feel represented and valuable. Tayco Panelink LTD. promotes inclusiveness in the workforce, management, and corporate governance bodies; inclusiveness education is also available to all employees during their orientation.

In July 2020, Tayco became an Employer Partner with the Canadian Centre for Diversity and Inclusion (CCDI), which provides us with several benefits that will support us on our diversity and inclusion journey. One of these benefits is access to CCDI's Knowledge Repository, an e-library with over 1,000 documents containing Canadian-specific and international diversity and inclusion research, reports, toolkits, news, and, most importantly, recorded webinars.

Local donations

Volunteers

Tayco recognizes it is our responsibility as a good corporate citizen to help strengthen the communities in which we live and work. We encourage our employees to become involved in their communities, lending their voluntary support to programs that enrich the quality of life and opportunities for all citizens.

We have had two team members participate this year:

Shameka Thompson has started volunteering at Free for All Food Bank in Brampton. She spent her volunteer day (May 16, 2022) training on the processes of how to receive the food donations, and package them to be given away to those in need.

Nicole Chapman volunteered for a Girl Guides of Canada day camp. She used her volunteer day (June 3, 2022) to purchase and prepare the groceries and prepare all the crafts and games for the girls to participate in.

In addition, fewer regular donors during the COVID-19 pandemic, has resulted in the smallest donor base in a decade and has stalled efforts by Canadian Blood Services to replenish a critically low national blood inventory. To recover, the organization is shining a light on the need for 100,000 new donors to join Canada's Lifeline this year to ensure patient needs can be met.

In order to support Canadian Blood Services, we invite Tayco Team Members to use their Volunteer Day for the purposes of donating blood.

IDEA Committee

To further Tayco's inclusion journey, the Inclusion, Diversity, Equity, and Accessibility (IDEA) Teams have been established. The IDEA Team is a functional committee comprised of Black, Indigenous, People of Colour and LGBT2Q+ Team Members. The Team will assist in the deployment of Tayco's diversity and inclusion strategy. The committee's purpose is also to provide a collaborative approach to inclusion, acting as diversity advocates and champions.

Tayco has an active I.D.E.A Committee that assists in the deployment of Tayco's diversity and inclusion strategy by acting as diversity advocates and champions. The IDEA committee hosts monthly initiatives to raise awareness and promote diversity & inclusion in the workplace.

Social Committee

The dynamic Social Committee hosts over 10 Social Committee events per year to foster corporate culture and strengthen relationships among employees.

Engagement Committee

Tayco's active Engagement Committee is in charge of increasing employee engagement overall. Some of the committee's responsibilities include completing annual engagement surveys and focusing on initiatives to promote engagement based on survey results. In addition, the committee makes suggestions for improvement based on Team Member feedback.

PEOPLE

Wellbeing, Health, And Safety – EMC

We know how important it is to promote a healthy and safe workspace to our employees. Therefore, we constantly support our members to live their best by applying well-being, health, and safety philosophy.

Tayco Panelink Ltd. is a member of WSIB's Health & Safety Excellence Program (HSEP).

WSIB (the Workplace Safety & Insurance Board) upholds an external health and safety standard for all Ontario employers and, through this program, assists employer's on the path to improving their health and safety policies and procedures.

External Health and Safety Management Standard

As part of the HSEP, Tayco Panelink Ltd. must choose five topics at the beginning of the calendar year from the WSIB Employer's Guideline to which the Company will create, review and/or revise a standard/policy. These policies are then shared with the Joint Health and Safety committee, followed by the policies implementation and training.

The topics for HSEP 2021 were as follows:

- An improvement upon the Hazard Recognition process, including Hazard Recognition, Hazard Reporting, and Workplace Inspections
- Create a policy and standardize the process for Risk Assessment.
- Ensure compliance with full COVID-19 protocols.
- Improve upon the Pre-Use Checklist process for the metal shop.
- Develop a policy and program for health & safety communication

On March 31, 2021, Tayco achieved 100% of the program scope for the 2020 Health and Safety Excellence Program, which achieved Tayco a full premium rebate of \$12,400.52.

Reduction of Injury Rate

All injuries resulting from an employee seeing a doctor or losing time from work must be reported to the Workplace Safety and Insurance Board (WSIB). At Tayco this year we achieved our milestone of **600 days** without an approved Lost Time Accident as of April 18, 2022.

Tayco is below the Institutional Furniture Manufacturing (NAICS: 337127) lost time injury rate as per the Workplace Safety and Insurance Board (WSIB), which reports that the lost time injury rate for Institutional Furniture Manufacturing (NAICS: 337127) is 1.47 in 2021. In 2021 Tayco's lost-time injury rate was 1.02.

Employee Wellness Program

At Tayco Panelink Ltd., we encourage all our employees to take an active role in their health and wellbeing. Our program includes:

- My Wellness Connection - A monthly eblast to all employees which provides health, eating, and exercise tips. These eblasts are also printed and are made available for Employees to take home. Each month, employees take all of the print outs home.
- Tayco's Mental Health Handbook – a document which promotes understanding ones mental fitness and the services available when it comes to mental health
- Wellness Promotion Blitz – various weeks/activities which promote wellness for Team Members:
 - o Week of April 25th – Wellness Week in partnership with our benefit brokers this week gives suggestions for daily activities which boost wellness.
 - o Week of May 2nd – Mental Health Awareness Week
 - o Mental Health Training for Managers (Two part, four module training held on May 6th and 13th)
 - o Month of June - Social Committee Wellness Month

We believe that healthy employees are happy and more likely to have a long and successful career at Tayco.

Labour And Human Rights

Tayco Panelink Ltd. makes it an utmost priority to protect and respect the rights of Human Resources at all levels, including local, national, and global. Tayco Panelink Ltd. ensures that forced or involuntary labour is not supported in any form, that employment is voluntary, and that child labour is not used or supported. Labour and Human Rights are and always will be a high priority, and any deviation from this will not be tolerated. CEO of Tayco and the VP of Human Resources ensures that the Labour and Human Rights code is always enforced.

Tayco Culture

Tayco is dedicated to providing an atmosphere free from barriers to promote equity and diversity. We celebrate and welcome the diversity of all employees, stakeholders and external personnel. It is the policy of Tayco to foster an environment that respects people's dignity, ideas and beliefs, thereby ensuring equity and diversity in employment. We demonstrate our commitment to this by providing a supportive work environment and a corporate culture that welcomes and encourages equal opportunities for all employees. As such, Tayco is dedicated to promoting diversity within the workplace.

All Team Members' actions regarding hiring, compensation, promotion, benefits, job assignments, transfers, lay-offs, return from lay-offs, company sponsored programs or events, etc. will be taken without regard to race, colour, creed, religion, sex, gender identity, gender expression, family status, age, language or national origin.

Tayco will ensure that employees and stakeholders are culturally aware and strive to continue to improve our core values by:

- Allowing awareness of one's cultural view.
- Encouraging positive attitudes towards cultural differences.
- Obtaining knowledge of different cultural practices and beliefs.

Hiring Practices

Tayco is committed to recruiting and retaining a qualified workforce. By valuing a diverse workforce, Tayco is committed to hiring practices that are fair and equitable. Tayco will always hire the most qualified candidate for a position. We will ensure that the search and hiring process is fair and equitable so the appropriate qualifications of each candidate are the only criteria upon which a hiring or promotion decision is made.

Governance

Senior Leadership Team: Kevin Philips, Nicole Chapman.

The Senior Leadership Team at Tayco is fully committed to setting the standards for sustainability and creating a work environment that is healthy, safe, and inclusive.

Our Senior Leadership Team sets the course for our core sustainability initiatives and establishes organization-wide policies and standards. They lead strategic planning and critical decision making, manage budgets and maintain important strategic partnerships oriented to our core values and goals.

Tayco's dedicated HR Team is accountable for delivering safe, efficient, inclusive, and positive employee experiences. Our Human Resources Team ensures Tayco's core values and principles are constantly applied, and it is continuously looking after employees to guarantee Tayco is delivering a healthy environment with enjoyable experiences to guarantee the general well-being and safety of employees. Nicole Chapman, Krystina McKay, Julie Nguyen

Purchasing – supplier code of conduct

We believe in the power of supporting our local economy and giving back to the communities that support us. That's why we carefully select our suppliers of materials, who share our commitment to sustainability and a responsible approach to business. We work with suppliers that are committed to using sustainable practices and have a code of conduct in place.

Sustainability Emily Boland, Sunny Singh, Kevin Philips, Kristy Russell

Our Sustainability Team is dedicated to ensuring that Tayco practices are aligned with our responsible and sustainable goals. The Team provides strategic direction and policy, ensures the company and its leadership are kept abreast of current concerns and shares industry best practices across all departments. We strive to be leaders in our industry by developing and maintaining positive, ongoing relationships with the environment, people and communities where our operations and dealers are located.