

SUSTAINABILTY REPORT 2025

Davey Textile Solutions Inc.



TABLE OF CONTENTS

- 3** Dedication
- 4** Message from the Executive Team
- 6** About Davey Textile Solutions Inc.
- 8** Environmental Sustainability
- 15** Social Responsibility
- 19** Ethical Governance
- 22** Future Outlook
- 23** Contact



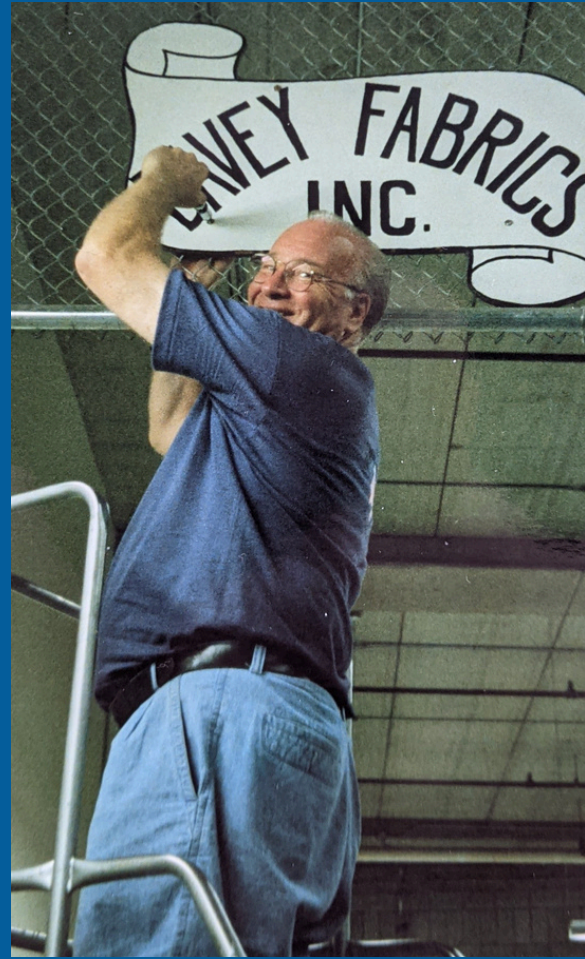
IN MEMORY OF AL DAVEY

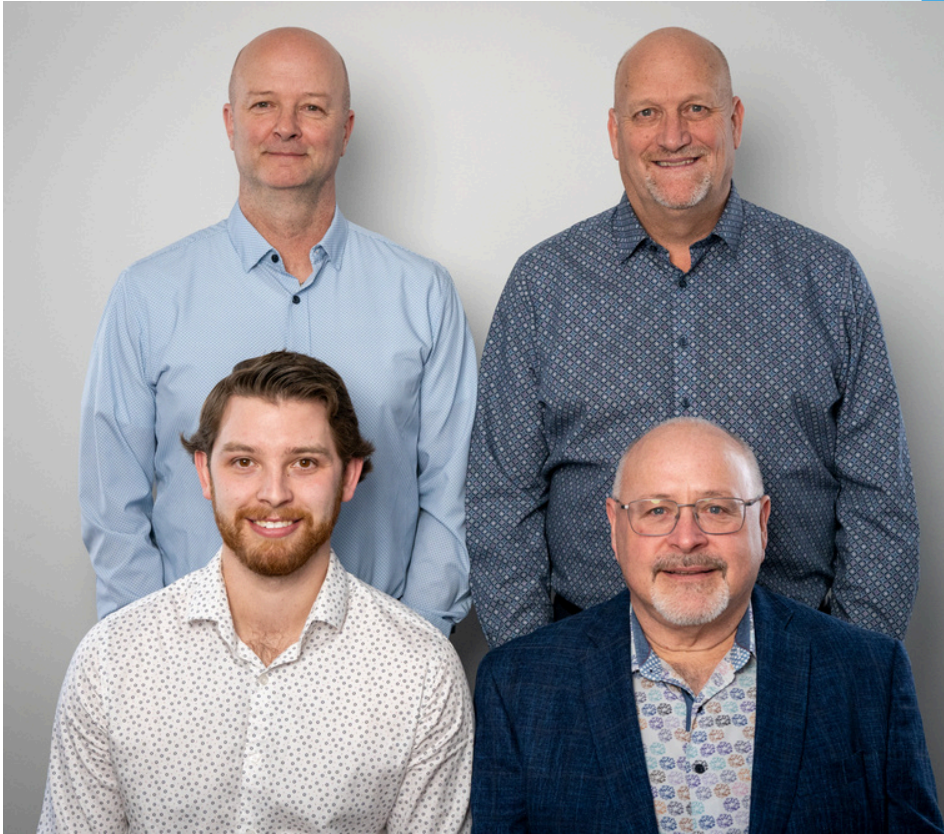
APRIL 21, 1937 - OCTOBER 22, 2025

We dedicate this report to our beloved founder, Al Davey. Al was the heart and soul of Davey Textile Solutions, the visionary who laid the foundation for everything we do today. His leadership, warmth, and unwavering dedication shaped our company into the family it is now.

To many of us, Al was more than a founder — he was family, a mentor, a friend, and a source of inspiration. His welcoming smile and genuine care touched the lives of everyone who walked through our doors. His legacy will continue to guide us as we carry forward the values he instilled in our company.

Al's presence will be deeply missed, but his spirit will forever remain a part of Davey Textile Solutions.





Back row: Jim Davey (CFO),
Grant Davey (President)
Front row: Tyson Davey (Financial Controller),
Dan King (VP Operations)

MESSAGE FROM THE EXECUTIVE TEAM

At Davey Textile Solutions, sustainability is not an obligation — it is a responsibility we actively choose to lead. As a Canadian textile manufacturer operating in an evolving regulatory, environmental, and economic landscape, we believe industry leadership is achieved not only through strong performance, but through collaboration, transparency, and a willingness to help shape the path forward for our sector.

In 2025, we continued to strengthen our position as a leader in sustainable textiles in Canada. Our formal acceptance into the Government of

Canada's Net-Zero Challenge and the advancement of our comprehensive net-zero plan reflect our commitment to measurable, long-term climate action. While expanding our production capacity to meet growing global demand, we remained focused on improving efficiency, reducing waste, and maintaining stable emission intensity — demonstrating that growth and responsibility must progress together.

Beyond our own operations, we are proud to contribute to broader industry progress. Our Sustainability, Training and Production Coordinator,





Lauren Degenstein, co-chairs the Environment and Sustainable Development Committee, helping guide sustainability dialogue and priorities across the Canadian textile industry. Davey Textile Solutions also continues to play a lead role in the CTIA Extended Producer Responsibility (EPR) pilot project, advancing practical solutions for textile circularity and demonstrating how manufacturers can responsibly recover value from pre-consumer waste.

We are equally committed to leadership through engagement and knowledge sharing. In 2025, our team presented at national sustainability forums, including industry conferences and circular economy events, and actively participated in collaborative summits alongside partners across textiles, recycling, innovation, and policy. These engagements allow us to share lessons learned, challenge conventional approaches, and ensure that sustainability initiatives remain grounded in manufacturing reality.

Our progress is anchored by our people. We continue to invest in employee health and safety, workforce development, and ethical governance, while fostering a culture that encourages innovation, accountability, and continuous improvement. From digital quality systems and automation to supplier compliance and stakeholder engagement, we are building a resilient organization capable of delivering sustainable performance over the long term.

As we look ahead, our focus remains clear: advancing toward net zero, preventing waste before it is created, strengthening circular solutions, and contributing meaningfully to the future of Canada's textile industry. Guided by the values instilled by our founder and driven by an engaged, forward-thinking team, we remain committed to leadership that delivers both impact and integrity.

— *The Executive Management Team*
Davey Textile Solutions Inc.



ABOUT DAVEY TEXTILE SOLUTIONS INC.

Davey Textile Solutions Inc. (DTS) is a manufacturer of high visibility, flame resistant webbing as well as a converter and authorized distributor of retroreflective silver materials. DTS offers services through a 40,000 ft² manufacturing facility and warehouse located in Edmonton, Alberta, Canada and a distribution warehouse in Houston, Texas, USA. We presently serve customers globally and continue to expand by partnering with representatives in local markets.

VISION

The global leader in sustainable textile innovation through technology and our people.

MISSION

Keeping you safe through innovative textile solutions with a commitment to quality and service.



VALUES

01

DEDICATED

Our employees are committed to creating innovative products to protect people.

04

PASSION

We are passionate about continually improving our products and serving our customers.

02

FAMILY

We treat our employees like family and take care of each other.

05

QUALITY

Committed to quality products and service excellence.

03

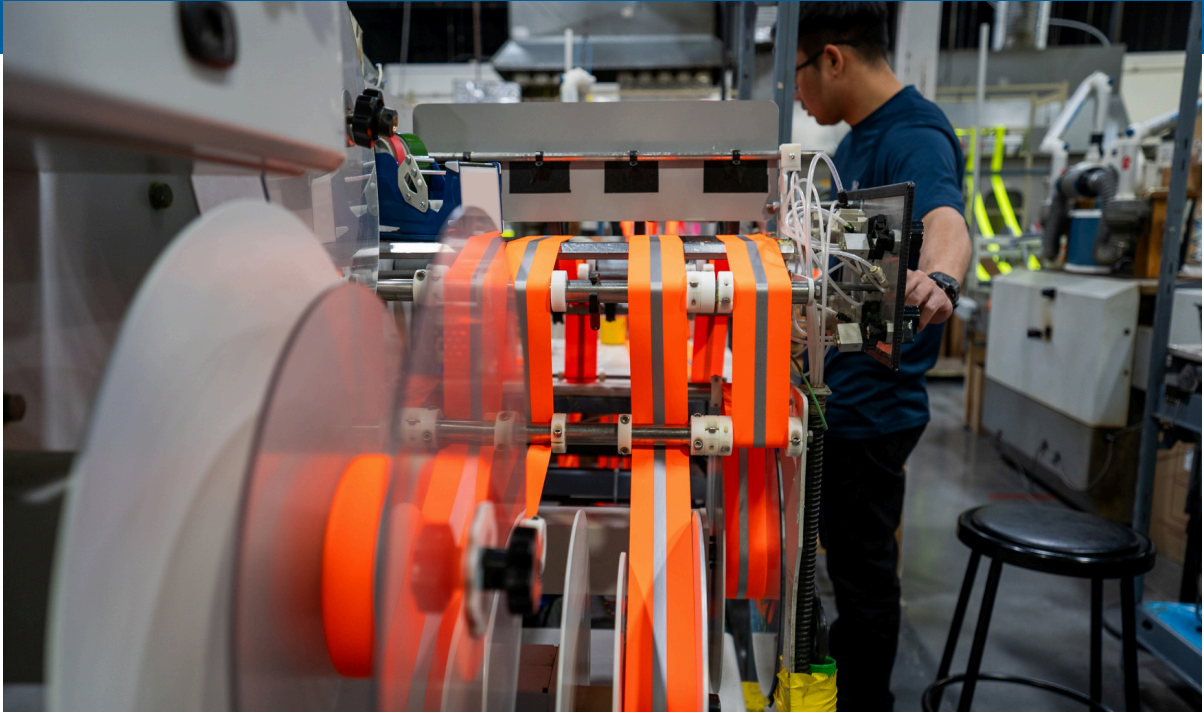
INTEGRITY

We do the right thing by our employees and our customers.





ENVIRONMENTAL SUSTAINABILITY



CLIMATE ACTION

ACCEPTANCE OF NET-ZERO COMPREHENSIVE PLAN

In 2023, DTS committed to the [Government of Canada's Net-Zero Challenge](#), with the goal of achieving net-zero Scope 1 and 2 emissions by 2050. Our formal acceptance by the federal government of our [Net-Zero Challenge Comprehensive Questionnaire](#) in April marks a pivotal step in our emissions reduction strategy. The checklist outlines our set targets for reducing greenhouse gas emissions, linking evidence to our transition toward less energy intensive operations. DTS is now a Bronze tier participant in the Net-Zero Challenge.

NET-ZERO PLAN

In accordance with the requirements of the Net-Zero Challenge, we have developed a formal [net-zero plan](#), defining our Scope 1 and 2 emissions goals as well as current and planned actions to achieve our reduction targets. Our current goals are a 30% reduction in Scope 1 and 2 emissions by 2032 from the baseline year (2022). We plan to achieve this primarily through energy efficiency improvements (e.g., building upgrades, process efficiency) and both major and minor capital retrofits (e.g., heat recovery, on-site solar, heat pumps).





The current scenario takes into account actual most recent GHG emissions and shovel-ready infrastructure projects assuming the current socio-economic factors remain the same. It doesn't currently account for policy and regulations and future availability of high potential infrastructure projects. Therefore, our net-zero plan will be evaluated on an annual basis and updated to reflect regulatory, technological, and economic changes that impact our emissions reduction progress.

Internal calculations of our Scope 1 and 2 emissions for 2025 demonstrated another slight increase carbon equivalent emissions which can be explained by the addition of two new laminator units to our production line. Our challenge remains expanding our productive capacity to fulfill increasing customer demand while meeting our energy reduction targets.

ACCEPTANCE INTO SEMI PROGRAM

Emissions Reduction Alberta's Strategic Energy Management for Industry (SEMI) program was launched late 2024 to provide manufacturers and industrial facilities with knowledge, training, expert advice and funding to achieve emissions reductions and support energy management efforts. It supports program participants with initiatives including energy assessments and audits, energy management

information systems, and capital retrofit expenditures. In April, we completed the first requirement, a Facility Readiness Assessment (FRA), which evaluated our production facility's current energy consumption, equipment use, and readiness to implement two capital retrofit projects, heat recovery units for our finishing ovens and on-site solar panels. The completion of the FRA opens opportunities for funding support for the aforementioned initiatives.

ENERGY AUDIT

Recognizing the need to better understand our current energy consumption practices, we started the energy audit process for our Edmonton manufacturing facility in December. We have contracted a local company, Revolve Engineering, to conduct a thorough energy audit including a detailed energy modelling study to determine how the building can achieve our emissions reduction targets. Energy Conservation Measures (ECMs) such as space heating, process loads, air conditioning, ventilation, and building envelopment will be considered during the assessment. A detailed energy model using IES-VE modeling software will be calibrated to existing utility bills to model the existing billing as well as how each potential ECM will help achieve targeted energy savings. The results of the energy audit are expected to be delivered in Q1 of 2026.



SCOPE 1 AND 2 EMISSIONS (BASELINE YEAR = 2022)

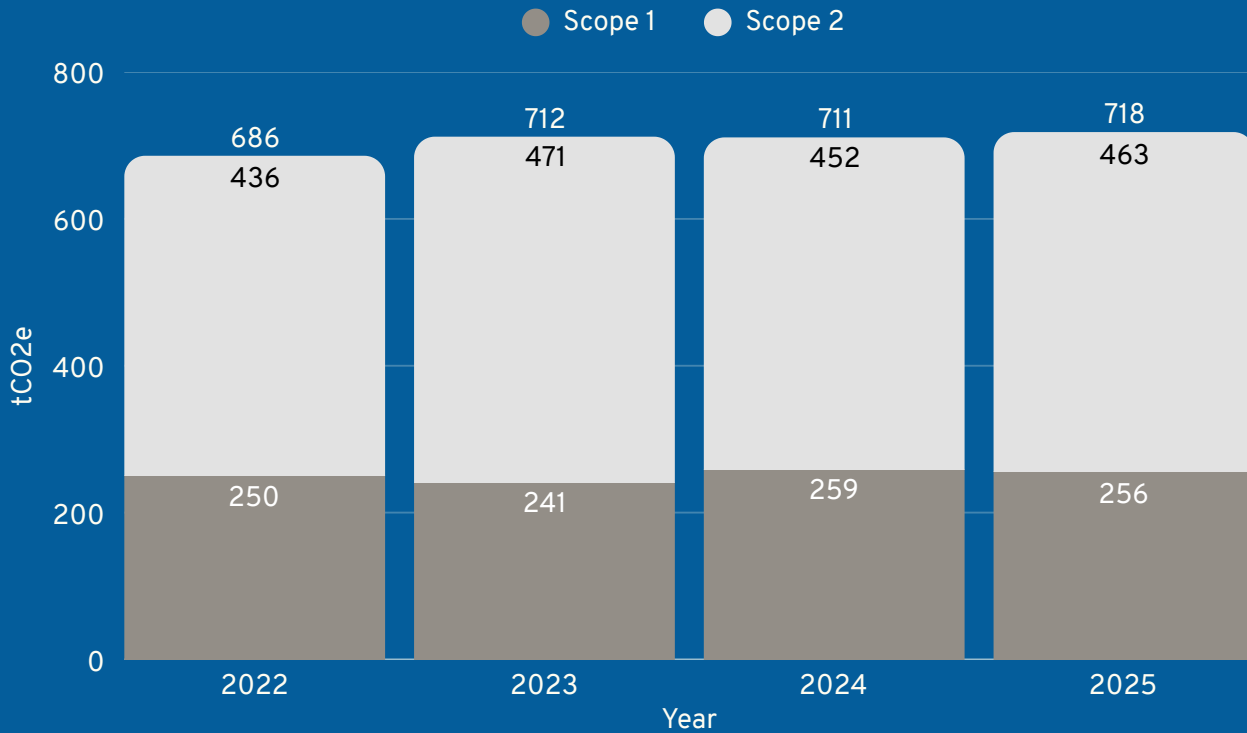


Figure 1: Scope 1 and 2 emissions 2022-2025. Note: May not sum to total due to rounding.

2025 SCOPE 1 AND 2 EMISSIONS

Our emissions increased slightly from 2024 to 2025 from 711 to 718 tCO₂e (Figure 1). While our Scope 1 emissions from natural gas combustion decreased by 3 tCO₂e, the increased emissions are attributed to our Scope 2 purchased electricity emissions which rose by 11 tCO₂e. This increase can most likely be explained by the addition of two lamination units and increased demand from our laser engraving unit which required greater uptime than we have seen since purchasing the unit.

Despite our overall emissions growing, when we take into account our productive output in 2025 compared

to the previous year, we see a decrease in our emission intensity. As demonstrated in Table 1 below, we exceeded production quantities compared to last year by approximately 1.37 million meters. With only a slight increase in overall emissions, this indicates that we have been able to produce more while keeping the emission intensity close to the same level.

Year	Production (million meters)	Emission Intensity (gCO ₂ e/meter)
2023	12.87	55.30
2024	11.63	61.12
2025	13.00	55.24

Table 1: Emission intensities (gCO₂e) by year and production volume.





WASTE REDUCTION

ALBERTA RECYCLED PLASTIC LUMBER INITIATIVE

Since 2024, we have sent our waste plastic yarn dye tubes to Alberta Recycled Plastic Lumber (ARPL) where they are ground down, mixed and dried with other plastics, pressure melted and then extruded into a lumber-shaped mold. The resulting plastic lumber can be used in a variety

of applications including benches and decking, offsetting the need for virgin materials.

In 2025, we sent over 36,990 dye tubes, equaling 3,594 kg of high-density polyethylene (HDPE) diverted from landfill. In a full-circle moment, we purchased 100% recycled lumber from ARPL to replace the stands for our winders in the lamination department.





NEW WASTE SERVICE PROVIDER

In November, we transitioned to [Re]Waste waste management services and joined their Landfill Diversion Program. Through the program, [Re]Waste processes comingled, non-recyclable waste by sorting it on-site and diverting materials from landfill through recycling. Based on each load's composition and quality, materials may be sent to end-use markets or to single-stream recyclers for further processing. Switching to [Re]Waste will provide us with statistics on our waste generation so that we can more easily understand our main sources of waste and better plan for waste reduction and future diversion strategies.

AUTOMATED DEFECT DETECTION

In addition to our efforts to divert waste generated in our production plant from landfill, our bigger goal is to prevent this waste from being created in the first place. This is why we are working with local engineering firm, BJM Controls, to develop automated camera-based inspection systems for our major equipment to detect defects on our greige, finished, and laminated fabric trims. These defects include width issues, edge defects, missed weft insertions, and centering of the retroreflective silver on the fabric trim. The inspection system works by

comparing a standard image to the image the camera is capturing in real time, triggering an alert when a non-standard image (i.e., a defect) is detected. An operator can then intervene to fix the issue causing the quality defect. In instances where the equipment can turn off when a defect is detected (e.g., during the weaving process), additional defective material is prevented from being made. When defects are detected during a continuous production process (e.g., during finishing or lamination processes), the operator can more immediately address the issue to minimize the total amount of waste generated.

Currently, we are in the testing phase of the inspection system implementation. Additional testing and rollout of the systems in 2026 will allow us to compare our total defects before and after implementation to understand how the systems have reduced our material waste.



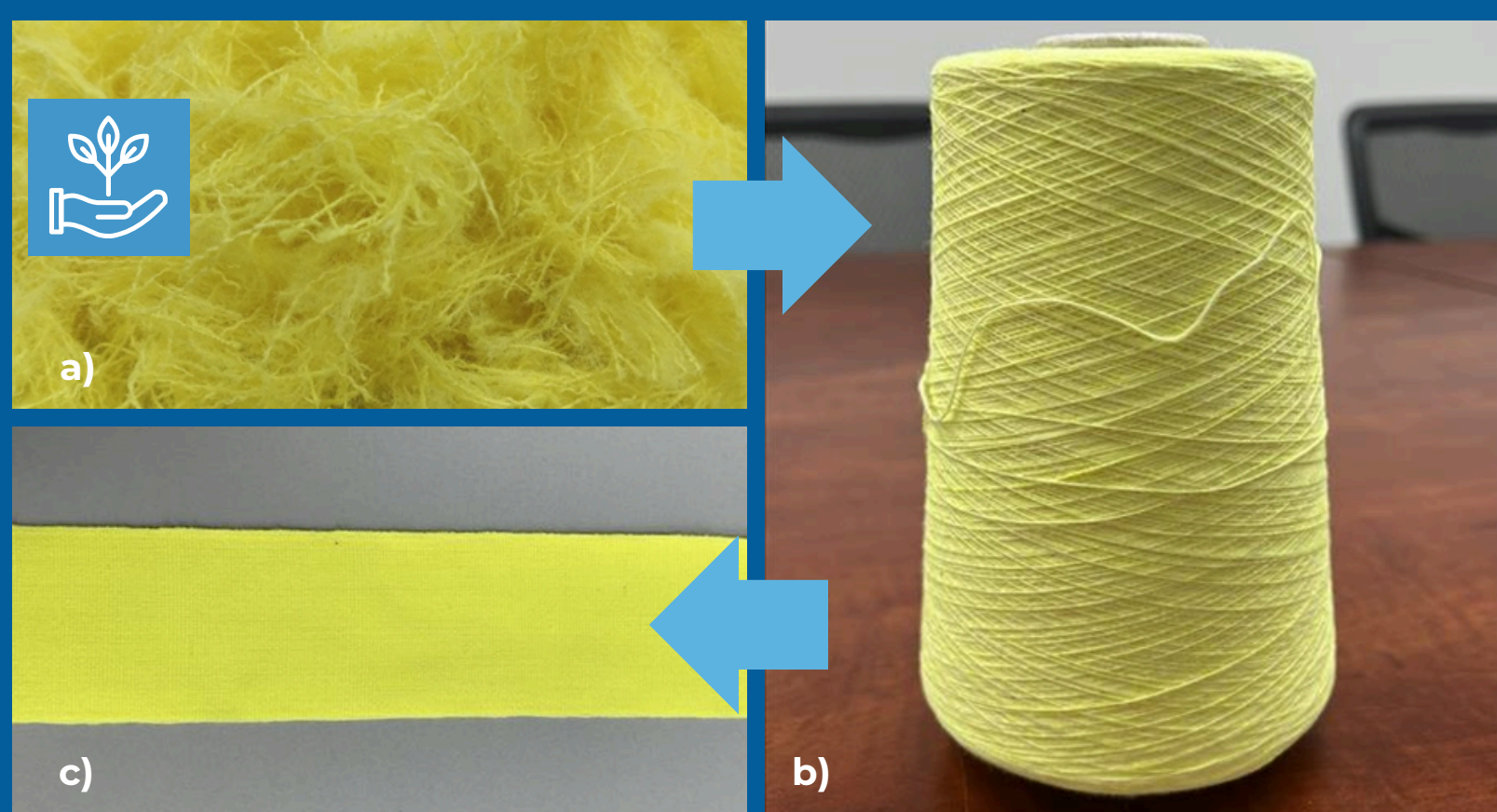


Figure 2: a) Fibre shred resulting from mechanical recycling; b) yarn spun with 20% recycled fibre; c) woven fabric with the 20% recycled fibre inserted in the weft direction.

RECYCLING PILOT

Through 2025, we have continued to be an active participant in the Canadian Textile Industry Association's Extended Producer Responsibility (EPR) Alliance, supported by funding from Environment and Climate Change Canada (ECCC). The first pilot project, launched by the EPR Alliance in 2024, involves the mechanical recycling of DTS's pre-consumer textile waste into a new textile product with a proportion of recycled fibre.

After encountering challenges with achieving a uniform, quality fibre shred from the initial shredding process, we pivoted to a smaller lab-scale mechanical shredder to better understand the pre-processing steps required to obtain a fibre shred suitable for yarn spinning. Several trials

were conducted to optimize the size and orientation of the fabric feedstock.

Our project partners at CTT Group successfully obtained a fibre shred that was spun into a yarn with 20% recycled content. We achieved further success in incorporating the yarn in the weft direction of our trim to produce a woven fabric that withstood heat resistance testing (Figure 2).

The next steps for the project are to repeat these recycling steps for a larger volume of trim and extend the testing to the finishing and lamination stages of our production process. The findings of the project not only open opportunities for DTS to recover valuable materials from the waste stream but also demonstrate the wider circularity opportunities available to manufacturers in the Canadian textile industry.





BACKHAULING OUR SHIPMENTS

As a customer of Lynden Transport, we utilize their backhaul shipping option for our shipments to the US. The trucks – traveling from Texas to Alaska and back – stop at our Edmonton manufacturing facility and load up our converted trim for the trip back to our distribution center in Webster, Texas, utilizing what would have been an otherwise empty shipment.

ASTech AWARD NOMINATION

The ASTech Awards honour outstanding achievements in science and technology innovation in Alberta.

We were once again nominated in 2025 for an ASTech Award, this time in the category of Advanced Manufacturing, alongside Dr. Patricia Dolez and team from the University of Alberta and Dupont for our work on a graphene-based end-of-life sensor for structural firefighters PPE garment systems.

While we did not take home the win, the nomination is a testament to our commitment to innovation and advancing technology to protect workers. Check out these [conference proceedings](#) to learn more about the the graphene-based end-of-life sensor.





SOCIAL RESPONSIBILITY

HEALTH & SAFETY

2025 VS 2024 SAFETY METRICS

Health and Safety performance remained stable in 2025, with total reported events decreasing slightly from 61 in 2024 to 59 in 2025 (Table 2). Notably, near miss reporting increased from 10 to 13, reflecting stronger hazard recognition and a proactive approach to identifying risks before they result in injury. Injury outcomes improved modestly, with total injuries decreasing from 5 to 4, and reductions in first aid and medical aid cases.

The single lost time day in 2025 was associated with a delay in reporting that affected the timing of medical follow-up. This underscores the critical importance of timely reporting to ensure prompt care and minimize work disruption. Overall, these trends suggest effective early hazard identification and intervention to prevent harm.

Indicator	2024	2025	Trend
Total Incidents	61	59	-2
Hazard I.D.'s	38	36	-2
Near Misses	10	13	+3
Injuries	5	4	-1
First Aid	2	0	-2
Medical Aid	1	0	-1
Lost Time Claims	0	1	+1
Lost Time Days	0	1	+1
Property Damages	5	5	0

Table 2: Health and safety performance metrics for 2025 compared to 2024.





WEAVING ROOM HYGIENE ASSESSMENT

The addition of 8 new looms in 2024, along with supplier changes to our yarn, led to an increase in respirable particles within our Warping and Weaving departments. Through a targeted cleaning program implemented in early 2025, respirable particulate levels in our weaving room dropped from 18% to 11% of the Occupational Exposure Limit (OEL). This significant reduction demonstrates our commitment to maintaining a safe and healthy work environment. We have continued this scheduled cleaning program to ensure respirable particulate levels will remain well below the OEL.

BIS SAFETY IMPLEMENTATION AND IMPACT

The BIS Safety software was introduced in mid 2025 to enhance the ease and accessibility of incident reporting, pre-use inspections, and other health and safety related administrative requirements. Following implementation, near miss reports increased, and hazard identification remain strong, indicating that BIS supports a more proactive and prevention-focused safety culture. While total incident numbers remained stable, BIS's user-friendly interface and comprehensive reporting capabilities have contributed to improved reporting quality, accountability, and follow-up actions,

strengthening overall health and safety management.

JHSC MEMBERS

The Joint Health and Safety Committee (JHSC) meets quarterly to review health and safety metrics, discuss workplace concerns, and support ongoing hazard identification and corrective action follow-up. Committee members include representatives from different departments and shifts to ensure broad site coverage and to incorporate multiple perspectives when addressing safety concerns across all operational areas.

Management members:

- Jim, CFO
- Jess, Health & Safety
- Jovita, Day Shift Laminating Team Lead

Employee members:

- Lauren, Sustainability & Training/Production Coordinator
- Jeniffer, Night Shift Laminating Team
- An, Afternoon Shift Weaving Team

EMPLOYEE METRICS & ENGAGEMENT

EMPLOYEE METRICS

Our overall team grew from 77 employees in 2024 to 85 in 2025 due, in part, to our increased machinery and productive capacity. Three of





these were new positions including a Quality-Compliance Coordinator, afternoon shift Laser/Weaving Production Technician, and Warehouse Assistant. These positions were added in response to our growing productive capacity and the need to meet increasing customer demands. Our employee retention rate also increased from 87% in 2024 to 89.6% in 2025.

NEW HIRE THROUGH YOUCAN

One of our new team members was

hired through YOUCAN Youth Services. YOUCAN is a non-profit charity dedicated to helping young people on their path to economic independence. Utilizing YOUCAN Youth Services strengthens our social sustainability by fostering inclusive hiring practices and providing job opportunities for young professionals.

QUALITY COMPLIANCE COORDINATOR

Rigorous quality standards are critical to us as a manufacturer of components for protective garments. Therefore, in December, we created the Quality Compliance Coordinator position, a new role to supplement our Quality Control team. The Quality Compliance Coordinator is responsible for ensuring our internal quality procedures align with external customer needs, regulatory requirements, and standards. In addition, the Coordinator will manage

85

Number of employees.

3

Number of new positions.

89.6%

Employee retention rate.





our non-conformance reporting and supplier oversight to promote transparency and accountability throughout our value chain.

EMPLOYEE ENGAGEMENT

We had another exciting year full of opportunities to engage our employees in team building and socialization. A few notable highlights from 2025 include:

- February Kindness Week
- Summer Fun Days
- Davey Day at the Edmonton Valley Zoo
- Annual Heritage Potluck
- Christmas week activities and dinner celebration
- Sales Education & Training Week in March

EMPLOYEE UPSKILLING

For four weeks, our production teams participated in the Joint Advancement Certification for Supervisors and Frontline Workers training led by the Excellence in Manufacturing Consortium (EMC). The program is designed to develop essential skills needed in a manufacturing workplace, including problem solving, communication, collaboration, adaptability and innovation. While Team Leads developed their own coaching and mentorship skills in this program, they had opportunities to apply the learnings immediately to members of their teams who concurrently received their own training.



COMMUNITY ENGAGEMENT

CHARITABLE DONATIONS

Once again, we were happy to support our local community during the holiday season by collecting donations for the Edmonton Food Bank and Santa's Anonymous. This year we collected over 50 toys and 255 pounds of food to be distributed to families in need.

In the summer months, we were proud to also support the following charities through golf tournament participation and hole sponsorship:

- Little Warriors
- Pilgrims Hospice Society
- Martha O'Bryan Center





ETHICAL GOVERNANCE



STAKEHOLDER ENGAGEMENT

CUSTOMER ENGAGEMENT SURVEY

In order to better understand the challenges and needs of our customers, we conducted a stakeholder engagement survey at the Banff Energy Safety Canada conference in April. The survey enabled us to gather valuable feedback from our partners including industry challenges, needs, and where customers see the market advancing in terms of innovation and sustainability. This process ensures our R&D and sustainability initiatives align with stakeholder expectations and continues to deliver value to the

customer by informing which initiatives to focus our resources.

SUPPLIER COMPLIANCE AGREEMENT

We introduced a Supplier Compliance Agreement outlining compliance requirements and workplace standards for our suppliers, covering regulatory adherence, ethical labour practices, and environmental responsibility. The Agreement requires suppliers to certify their compliance or report what products or materials do not adhere to our standards. According to the Agreement, suppliers must comply with the following:

- Non-hazardous product compliance
- Conflict minerals exclusion
- EU chemical regulations adherence





- California Proposition 65 compliance
- Exclusion of persistent pollutants and PFAS
- Forced or slave and child labour prohibition
- Adherence to our Workplace Code of Conduct

The Supplier Compliance Agreement strengthens our governance framework by ensuring ethical sourcing and compliance with sustainability standards. This agreement helps us maintain transparency and accountability in our supply chain.

NEW MEMBERSHIPS

In April, we became members of the Excellence in Manufacturing Consortium (EMC), Canada's largest organization working to connect and support manufacturers. Through our membership with EMC we have established strategic partnerships, attended and presented at various events, and utilized various webinars and training sessions.

We also joined Technology Alberta as members in July. Technology Alberta helps support the growth of Alberta's entrepreneurial advanced technology businesses through knowledge sharing, community building and networking, and talent finding. Membership in such organizations supports continuous improvement,

helps us build collaborative networks, and opens up opportunities for further company growth.

AUTOMATION AND EFFICIENCY

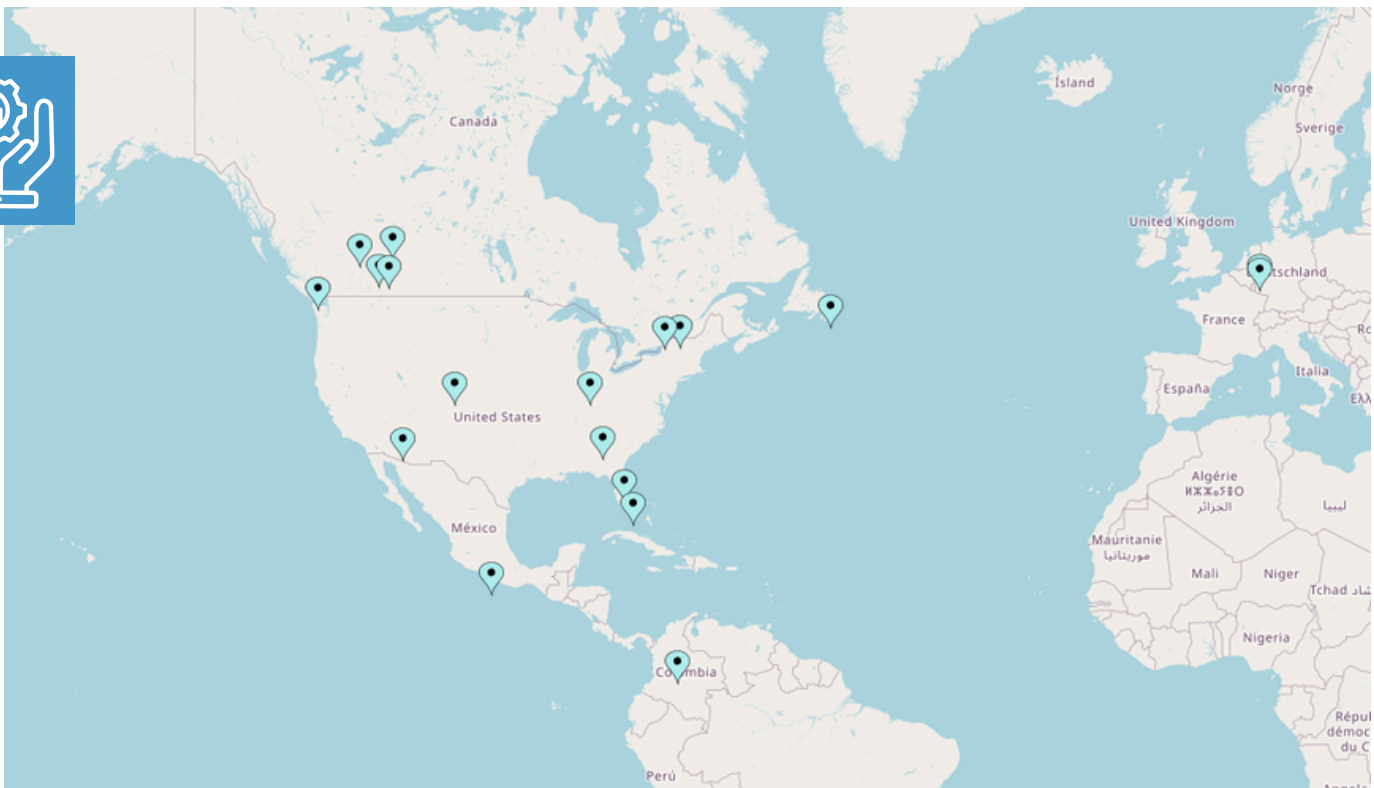
AP AUTOMATION

We completed our transition to a fully automated accounts payable (AP) system in 2025. Not only does this switch streamline our financial operations, reduce errors, and improve transparency but enables more accurate tracking and reporting on expenditures related to our sustainability initiatives while also significantly reducing paper usage.

HACKATHON PARTICIPATION

As an industry partner, we participated in the Industrial Additive Manufacturing Hackathon Challenge, a joint event hosted by the Alberta Additive Manufacturing Network, the Manufacturing & Export Enhancement Cluster and Red Deer Polytechnic. We worked with three student teams to address various operational problems that could be solved by a jig or fixture. The students all delivered impressive solutions which we are deploying in our production departments. One project to redesign our retroreflective silver castors, led by two University of Alberta students, Armin Hassanirad and Chinedu Ifediorah, won 2nd place in the Hackathon!





TRADE SHOW & CONFERENCE ATTENDANCE

CANADA

- Excellence in Manufacturing Forum, Edmonton AB
- Chartered Professionals in Human Resources Conference, Edmonton AB
- Upper Bound 2025, Edmonton AB
- Institute of Textile Science Symposium, Edmonton AB
- Energy Safety Canada, Banff AB
- Recycling Council of Alberta Conference, Jasper AB
- Canadian Council for the Americas Alberta, Calgary AB
- CTIA Conference and Expo, Gatineau ON
- Health and Safety Professionals Canada Professional Development Conference, St. John's NL
- Western Cities HR Conference, Nanaimo BC
- Canadian Circular Economy Summit, Montreal QC

MEXICO

- Mexican Petroleum Congress, Acapulco GE

USA

- IDEA25 Sustainability in Nonwovens Conference, Miami Beach FL
- TechTextil North America 2025, Atlanta GA
- Community Summit North America, Orlando FL
- Advanced Textiles Expo, Indianapolis IN
- iP Utility Safety Conference and Expo, Glendale AZ
- National Safety Council Safety Congress & Expo, Denver CO
- ASSP Safety 2025, Orlando FL

COLOMBIA

- Colombian Council of Security 58th Congress of Safety, Health & Environment, Bogotá DC

GERMANY

- Cellulose Fibres Conference, Cologne NRW
- A+A 2025, Düsseldorf NRW





FUTURE OUTLOOK

In 2025, we made meaningful progress toward our sustainability goals, setting the stage for an ambitious journey ahead. As we look to 2026, our focus intensifies on advancing toward net zero, implementing robust waste prevention/reduction measures, and improving production efficiency across all operations. Our commitment to employee health and safety remains paramount, with ongoing initiatives to foster a safe and supportive workplace. Investing in employee training will continue, ensuring our team is equipped for both present demands and future innovations.

By further integrating automation and digital solutions, engaging stakeholders, and strengthening partnerships with industry groups, we aim to accelerate our progress and amplify our positive impact. These efforts will be reinforced by ongoing improvements in our quality assurance frameworks and transparent reporting practices. We are dedicated to advancing sustainable practices and fostering partnerships that drive both environmental and organizational resilience, ensuring that our momentum continues well into the future.





CONTACT US

1-888-484-4888

daveytextiles.com

sales@daveytextiles.com

10505-169 Street

Edmonton, Alberta

T5P 4Y7 Canada