

Energy & Environmental Management System (EEMS) Policy

1. Purpose and Commitment

Virco is committed to responsible energy use, environmental protection, and continual improvement in sustainability performance. This Energy & Environmental Management System (EEMS) Policy establishes the framework through which we manage energy consumption, reduce environmental impacts, comply with applicable obligations, and integrate sustainability into operational decision-making.

2. Organizational Boundary Determination

To ensure consistent and transparent reporting, the organizational boundary for energy and environmental performance is defined using the following methodology:

Virco operates four main facilities which contain its headquarters, showrooms, all manufacturing operations and all warehousing operations. One facility is in Torrance, California. The remaining three facilities are in Conway, Arkansas. Boundary percentages are calculated based on the total square footage of all buildings under operational control.

3. Energy Management System (EnMS) Policy

Virco maintains an Energy Management System designed to foster a culture of continual improvement in energy performance. At minimum, our EnMS includes:

3.1 Monitoring and Tracking

- Systematic monitoring and tracking of energy consumption and performance indicators.
- Use of measurements and data analysis to evaluate progress toward objectives and targets.

3.2 Energy Audits

- Periodic energy audits to identify efficiency opportunities, operational improvements, and equipment upgrades.

3.3 Objectives, Targets, and Action Plans

- Establishment of measurable energy objectives and targets aligned with organizational goals.
- Development and implementation of action plans to achieve these targets.

3.4 Policies and Procedures

- Documented procedures to ensure effective management of energy usage within operational control.
- Requirements for purchasing energy-efficient equipment, systems, and energy-using devices.

3.5 System Performance and Management Review

- Regular management reviews to evaluate EnMS performance, ensure adequate resources, and confirm top management commitment.
- Documentation of review outcomes and improvement actions.

4. Environmental Management System (EMS) Policy

Our Environmental Management System ensures responsible stewardship of natural resources and compliance with environmental obligations. At minimum, our EMS includes:

4.1 Environmental Policy & Leadership Commitment

- A formal environmental policy endorsed by top management.
- Leadership commitment to environmental protection, pollution prevention, and continual improvement.

4.2 Context of the Organization

- Evaluation of internal and external issues that influence environmental performance.
- Consideration of stakeholder needs and expectations.

4.3 Environmental Aspects, Risks & Compliance Obligations

- Identification and assessment of environmental aspects and associated risks.
- Determination and fulfillment of applicable legal and regulatory compliance obligations.

4.4 Objectives, Targets & Action Plans

- Establishment of environmental objectives and targets consistent with the organization's strategic direction.
- Implementation of action plans to achieve these objectives.

4.5 Operational Control Measures

- Procedures and controls to manage significant environmental aspects.
- Integration of environmental considerations into operational planning and procurement.

4.6 System Performance & Management Review

- Documented management reviews to evaluate EMS performance, compliance status, and improvement opportunities.

4.7 Continuous Improvement

- Demonstration of ongoing improvement in environmental performance through data, audits, and corrective actions.

5. Demonstration of System Effectiveness

To validate the effectiveness of the Energy and Environmental Management System, the organization shall demonstrate:

5.1 Monitoring and Measurement

- Use of monitoring and measurement tools to evaluate the success of action plans.
- Assessment of progress toward achieving energy and environmental objectives and targets.

5.2 Management Review

- Evidence that top management actively supports the EnMS and EMS.
- Review of system performance, resource needs, risks, opportunities, and continual improvement actions.

6. Policy Communication and Availability

- This policy is communicated to all employees, contractors, and relevant stakeholders.
- It is made available to the public upon request and posted in accessible locations.
- All personnel are expected to understand their roles in supporting this policy.

7. Continual Improvement

Virco is committed to continually improving our Energy and Environmental Management System by:

- Enhancing energy performance and reducing environmental impacts.
- Integrating sustainability considerations into business planning and operations.
- Encouraging innovation, employee engagement, and responsible resource use.

Energy and Environmental Policy

1. Policy Statement

Virco is committed to responsible stewardship of energy and environmental resources in support of our mission to deliver high-quality products while operating safely, efficiently, and sustainably. Our vision is to continually improve our environmental performance, reduce our energy footprint, and contribute positively to the communities in which we operate. These commitments reflect our core values of integrity, innovation, accountability, and respect for people and the environment.

This policy establishes the framework for setting, implementing, and reviewing our environmental and energy objectives and targets. It guides our decision-making and operational practices across all activities, products, and services.

2. Scope and Applicability

This policy applies to all employees, contractors, operations, and facilities under the control of Virco. It is appropriate to the nature and scale of our manufacturing processes, including fabrication, powder coating, material handling, and administrative operations.

3. Commitments

3.1 Continual Improvement

Virco is committed to continually improving our energy performance and environmental impact by:

- Reducing energy consumption through efficient technologies, optimized processes, and responsible operational practices.
- Identifying opportunities to minimize waste, emissions, and resource use.
- Reviewing performance metrics and updating objectives regularly.

3.2 Compliance Obligations

Virco will comply with:

- All applicable local, regional, and national environmental and energy regulations.
- Industry standards, customer requirements, and voluntary commitments to which we subscribe.
- Best practices for safe, efficient, and environmentally responsible operations.

3.3 Framework for Objectives and Targets

This policy provides the foundation for establishing measurable environmental and energy objectives, including:

- Reducing electricity and natural gas consumption.
- Improving equipment efficiency.
- Minimizing environmental impacts associated with production processes.
- Enhancing sustainability through innovation and operational excellence.
- Objectives and targets will be reviewed annually to ensure relevance, effectiveness, and alignment with organizational goals.

4. Energy and Environmental Practices

To support this policy, Virco has implemented and will continue to expand the following initiatives:

4.1 Facility Lighting Efficiency

- Replaced outdated metal halide high-bay fixtures with energy-efficient LED lighting.
- Installed motion sensors on all fixtures to ensure lights automatically turn off when not in use.
- Upgraded office lighting by replacing fluorescent fixtures with LED panels.

4.2 Equipment and Motor Efficiency

- Utilize premium-efficiency motors for repairs and replacements.
- Install inverters or soft-start systems where feasible to reduce power consumption and improve motor performance.

4.3 Powder Coating Department Improvements

- Optimized line utilization by maximizing conveyor loading, enabling the line to operate only 2–3 days per week while maintaining productivity.
- Installed thermocouples in multiple oven zones to improve temperature monitoring and control.
- Enhanced burner efficiency, allowing ovens to idle more effectively, reducing natural gas usage.