

# ANNUAL REPORT CONCERNING THE RISK OR USE OF FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

For the Financial Year Ended December 31, 2024

This annual report (this “**Report**”) on the risk or use of any forced labour or child labour in the businesses and supply chains of Carpenter Co. (“**Carpenter**”), Carpenter Canada Co. (“**Carpenter Canada**”), and E. R. Carpenter, L.P. (“**Carpenter L.P.**” and together with Carpenter and Carpenter Canada, the “**Companies**”): as well as any actions taken by the Companies to monitor, assess, mitigate, and remediate the same, as appropriate, is dated as of May 23, 2025 and is being delivered in respect of the Companies’ financial year ended December 31, 2024 (the “**Reporting Period**”). This Report has been prepared in accordance and compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) and is submitted as a joint report by Carpenter Co. on behalf of the Companies pursuant to Section 2(b) of the Act.

## A. Structure, Activities, and Supply Chains

### Carpenter

Carpenter was incorporated in 1950 under the laws of the Commonwealth of Virginia, and is headquartered in Richmond, Virginia. Carpenter is the parent entity of various subsidiaries in the Carpenter group of companies (the “**Carpenter Group**”), including Carpenter Canada and Carpenter L.P. Carpenter is subject to the supply chain reporting requirements under the California Transparency in Supply Chains Act of 2010.

The Carpenter Group is the world’s largest vertically integrated manufacturer of polyurethane foams. The Carpenter Group also serves a diversified global marketplace with polyurethane chemical solutions, polyester fibers, and insulation materials through a network of more than 70 production locations. The Carpenter Group employs over 6,600 persons across the globe.

Carpenter sells bedding products (mattresses, foam and fiber pillows), pet beds, and expanded polystyrene to Canadian customers, all of which are manufactured by Carpenter in the United States. To manufacture such products, Carpenter L.P. manufactures and sells polypropylene glycol, one of the key raw materials used to manufacture foam, to Carpenter’s North American foam manufacturing facilities, while Carpenter purchases the other foam manufacturing raw materials from major chemical companies that conduct their operations in the United States.

Carpenter employs approximately 2,900 employees at its facilities in the United States.

Carpenter is required to submit a report pursuant to the Act for the following reasons:

1. Carpenter does business in Canada;
2. Carpenter held at least C\$20 million in assets for at least one of its two most recent financial years (i.e. the Reporting Period and the financial year ended December 31, 2023);
3. Carpenter generated at least C\$40 million in revenues for at least one of its two most recent financial years;
4. Carpenter employed an average of at least 250 employees for at least one of its two most recent financial years; and

5. Carpenter is engaged in the sale of goods in Canada and elsewhere.

#### Carpenter Canada

Carpenter Canada was incorporated as “Carpenter Canada Ltd.” under the *Business Corporations Act* (Ontario) (the “**OBCA**”) on December 31, 1990, continued pursuant to the OBCA by Certificate and Articles of Continuance dated February 22, 1991 (as subsequently amended by Certificates and Articles of Amendment dated January 1, 1994), and later continued under the *Companies Act* (Nova Scotia) (the “**Companies Act**”) on February 1, 2000. Carpenter Canada Ltd. later amalgamated with 3038716 Nova Scotia Company (a corporation incorporated under the Companies Act on February 8, 2000) on February 16, 2000, pursuant to the Companies Act, to create “Carpenter Canada Co.”

Carpenter Canada is the sole Canadian subsidiary of Carpenter. Carpenter Canada does not exercise any direct or indirect control over any other corporation, trust, partnership, or unincorporated organization and is not subject to reporting requirements under supply chain legislation in any other jurisdictions.

Carpenter Canada is engaged in the manufacturing of flexible polyurethane foam, which is used to produce bedding and carpet cushioning products that are subsequently sold to various customers in Canada. In conducting its business activities, Carpenter Canada regularly purchases polypropylene glycol from Carpenter L.P. and imports the same into Canada in accordance with the *Customs Act*. In addition, Carpenter Canada purchases its other foam manufacturing raw materials from major chemical companies that conduct their operations in the United States.

Carpenter Canada employs approximately 280 employees at its facilities in: (i) Toronto, Ontario; (ii); Calgary, Alberta and (iii) Montreal, Québec.

Carpenter Canada is required to submit a report pursuant to the Act for the following reasons:

1. Carpenter Canada has a place of business in Canada;
2. Carpenter Canada does business in Canada;
3. Carpenter Canada has assets in Canada;
4. Carpenter Canada held at least C\$20 million in assets for at least one of its two most recent financial years (i.e. the Reporting Period and the financial year ended December 31, 2023);
5. Carpenter Canada generated at least C\$40 million in revenues for at least one of its two most recent financial years;
6. Carpenter Canada employed an average of at least 250 employees for at least one of its two most recent financial years; and
7. Carpenter Canada is engaged in the production of goods in Canada, the sale of goods in Canada and elsewhere, and the importation of goods into Canada.

#### Carpenter L.P.

Carpenter L.P. is a limited partnership formed in 1999 under the laws of the Commonwealth of Virginia. Carpenter L.P. does not exercise any direct or indirect control over any other corporation, trust, partnership, or unincorporated organization and is not subject to reporting requirements under supply chain legislation in any other jurisdictions.

Carpenter L.P. manufactures polypropylene glycol, which is used to produce foam utilized in bedding and carpet cushioning products that are subsequently sold by Carpenter Canada. Carpenter L.P. purchases the raw materials to manufacture polypropylene glycol from major chemical companies that conduct their operations in the United States.

Carpenter L.P. employs approximately 485 employees in its Texas facilities.

Carpenter L.P. is required to submit a report pursuant to the Act for the following reasons:

1. Carpenter L.P. does business in Canada;
2. Carpenter L.P. held at least C\$20 million in assets for at least one of its two most recent financial years (i.e. the Reporting Period and the financial year ended December 31, 2023);
3. Carpenter L.P. generated at least C\$40 million in revenues for at least one of its two most recent financial years;
4. Carpenter L.P. employed an average of at least 250 employees for at least one of its two most recent financial years; and
5. Carpenter L.P. is engaged in the distribution of goods in Canada.

**B. Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour**

During the Reporting Period, apart from the fact that the Companies' Code of Conduct & Ethics prohibits the use of forced labour or child labor in their own operations, the Companies did not take any other steps to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the Companies, or of goods imported into Canada by Carpenter Canada, in particular.

**C. Policies and Due Diligence Processes**

During the Reporting Period, the Companies did not implement any additional policies or due diligence processes related specifically to forced labour and child labour as the Companies do not utilize forced labour or child labour used in any step of the production, sale, or distribution of their goods in Canada and are not aware of any forced labour or child labour elsewhere in their supply chains. The Companies are fully committed to fair employment practices and to following applicable employment law wherever they have operations. This includes complying with laws that prohibit child or forced labour.

**D. Risk of Forced Labour and Child Labour in Activities and/or Supply Chains**

During the Reporting Period, apart from the fact that the Companies' Code of Conduct & Ethics prohibits the use of forced labour or child labor in their own operations, the Companies did not initiate the process of identifying which parts of their supply chains carry a risk of forced labour or child labour being used, given their long-standing relationships with their suppliers.

**E. Remediation of Forced Labour and Child Labour in Activities and/or Supply Chains**

During the Reporting Period, apart from the fact that the Companies' Code of Conduct & Ethics prohibits the use of forced labour or child labor in their own operations, the Companies did not take any other measures to remediate the use of forced labour or child labour in their supply chains, as the Companies

did not initiate the process of identifying which parts of their supply chains carry a risk of forced labour or child labour being used, given their long-standing relationships with their suppliers.

**F. Remediation of Loss of Income in Most Vulnerable Families**

As the Companies did not take any other measures during the Reporting Period to identify the use of forced labour or child labour in their supply chains, the Companies did not identify any loss of income to vulnerable families during the Reporting Period resulting from any such measures, and accordingly, did not take any remediation measures.

**G. Training on Forced Labour and Child Labour**

During the Reporting Period, the Companies did not provide any training to employees regarding forced labour and child labour as the Companies' Code of Conduct & Ethics prohibits the use of forced labour or child labor in their own operations.

**H. Assessing Effectiveness of Forced Labour and Child Labour Prevention Mechanisms**

During the Reporting Period, apart from the fact that the Companies' Code of Conduct & Ethics prohibits the use of forced labour or child labor in their own operations, the Companies did not implement any other policies or put in place any procedures to assess their effectiveness in ensuring that forced labour and child labour are not being used in their supply chains.

**ATTESTATIONS**

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report on behalf of the Companies. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the Reporting Year.

*(signed) "Bradford Beauchamp"*

Bradford Beauchamp

President & CEO of Carpenter Co., Member of the Board of Directors

Chairman of Carpenter Canada Co.

Chairman of Carpenter Urethanes I, LLC, General Partner of E. R. Carpenter, L.P.

May 23, 2025

**Approved by the Board of Directors of Carpenter Co. on Behalf of the Companies on May 23, 2025.**