



DOWNLITE®

Environmental
Social
& Governance



2022

Prepared by:
Brian Parnes, COO

#THEDOWNLITEDIFFERENCE

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About This Document

This document serves as DOWNLITE's primary report on all **Sustainable, Environmental, Social, and Governance** activities, goals, and overall performance. It will be updated on an annual basis and contain year-over-year performance metrics to track changes over time.

All information contained within this document is relevant to all of DOWNLITE's product categories, which include:

- Bedding – Pillows, Comforters, Mattress Pads, Protectors, Blankets, Throws, Feather Beds, Fiber Beds
- Natural Fill – Down & Feather Fill



Environmental, Social, Governance

“Constant innovation is the key to us providing next-generation sustainability and world-class products.”

BRIAN PARNES, COO

Looking towards the future, DOWNLITE is continuing to invest in ways to make our business better and more sustainable. We are investing in more efficient production equipment, more sustainable chemistries and fabrics, more sustainable packaging, reducing waste, increasing recycling efforts, and more. These efforts are ongoing and part of our continuous improvement cycle.

Each area contained within this document will be updated annually with the latest numbers, new efforts, and future goals to address ES&G categories.

About Us

Our Vision

Inspiring and Enhancing Lives Through Superior Comfort

Mission Statement

To deliver superior comfort solutions that make a positive impact on the lives of our consumers through dedicated teamwork, trust, and respect.

Core Values

Drive Respect & Trust Through Open Communication

Use Persistence & Grit to Guide Decisions

Be the Easiest to Work With & For

Be Good Stewards to Each Other and the Environment

Quick Facts

- Privately Held
- Financially Stable
- Professional Managed
- Quality & Customer Focused

Key Categories

- Premium Adult Bedding
- Performance Fills
- eCommerce
- Drop-Ship

Our Story

We are a multi-generational family business. Dedicated to comfort, innovation, service, and quality.

Founded in the 1800's in Europe as a feather & down processor. We expanded into the USA in luxury bedding in the 1970's and then into outdoor and hospitality.

Our approach is customer and service first, the foundation of #TheDownliteDifference.



Our Leadership

Joe Crawford
CEO

Josh Werthaiser
CFO & President of
Feather & Down Division

Brian Parnes
COO

Linda Howard
SVP, Sales

Beth Mack
CMMO

Sandy Coleman
Director of H.R.



Our Products & Brands

USA Manufacturing Capabilities:

Bed Pillows

Comforters

Mattress Pads

Additional Capabilities:

Pillow & Mattress Protectors

Pillow & Mattress Encasements

Blankets

Throws

Licensed Brands



Our Brands



Our Facilities

DOWNLITE operates multiple world-class facilities within the USA and Canada designed to support our natural fill and bedding businesses.

Mason, OH – Corporate H.Q.

- 210,000 sq. ft.
- Manufacturing & Distribution

Blue Ash, OH

- Down & Feather Sorting & Processing

Kenwood, OH

- 100,000 sq. ft.
- Warehouse & Distribution

Monroe, NC

- 240,000 sq. ft.
- Manufacturing & Distribution

Toronto, ON, Canada

- 50,000 sq. ft.
- Down & Feather

Shanghai, China

- Remote Office – Q.A. & Sourcing



Sustainability Highlights

Waste Reduction & Recycling



210
metric tons
of cardboard
recycled*



11%
reduction in overall
waste*



85MM
bottles annually
are recycled into
polyester fiber fill



177
metric tons of
fiber and fabric
recycled*

DOWNLITE has consistently taken steps to become more sustainable and energy-efficient where possible. From installing LED lighting and automatic on/off sensors in 2015 to recycling efforts and more, sustainability is part of the core of who we are.

For 2023 we've set an **energy reduction goal of 2% versus 2022**, and intend on achieving it through a combination of efforts at each of our facilities.

In addition to sustainability, each year **DOWNLITE contributes tens of thousands of products to charities**, including *Ronald McDonald House®* and *Matthew 25 Ministries®*.

Energy Usage

4%
reduction in
natural gas
emissions
company-wide*

6.8%
energy reduction
at Ohio facilities*

800k
kWh annual energy
reduction w/LED
lights & sensors**

Going Beyond



98%
of our products are certified



certified soaps & chemistries
for domestically processed
down & feather.



working toward STeP & Made
In Green certifications***.

* 2021 vs 2019
** Annual savings since implementation in 2015
*** Not yet certified.

Environmental

Our company was founded on selling high-quality natural products, with Down & Feather as our first product sold. Since then, we've grown and expanded our product offerings, but have not diverted from our dedication to being as responsible toward the environment as we can be.

- Energy & Emissions
- Waste Management & Recycling
- Materials & Packaging



DOWN & FEATHER

Environmental

Energy & Emissions

DOWNLITE transitioned to **LED Lighting**, as well as the use of Automatic On/Off Sensors, in our corporate facility in 2008 and our Down & Feather facility in 2009. Since then we've saved approximately 550,000 kWh annually*. Our North Carolina facility transitioned in 2014, only 1 year after we opened.

While we have expanded our capacity over the past 15 years to meet additional demand, we have only installed **Highly Efficient New Equipment** that utilizes up to **10% less energy** per product manufactured**.

Combined, we've saved **850,000 kWh annually***.

Safe Chemistries

Every year we review our existing chemistries and evaluate new ones to ensure we are environmentally safe. In 2020, we began researching **bio-based chemistries, prints and dyes**, and have begun implementation in 2022.



Packaging

Improving our packaging is a key initiative for DOWNLITE to improve our Scope 3 emissions. Our first big initiative involved rolled pillows in 2015, which allowed us to **reduce materials by up to 55%**. We introduced **potato-starch bags** in 2017. We began migrating away from PVC material into more **sustainable RCX** material beginning in 2019.

We can also **compress products by up to 40%** to get more on a container & reduce the transportation footprint dramatically. That means **less fuel** used to deliver each product.

* Versus traditional lighting, based on national data on wattage per bulb (traditional & LED) x the # of bulbs per facility.

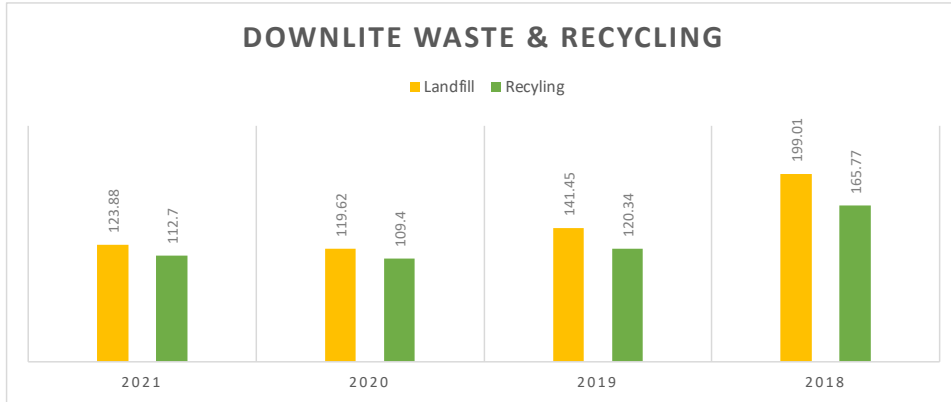
** Energy savings vary by product type – from 1% up to 10%.

Environmental

Waste & Recycling

DOWNLITE is committed to recycling and reusing as much material as possible. At each of our facilities, all fill floor scraps from the production process are re-processed, cleansed, and re-used to ensure minimal waste.

We work with local and regional companies, as well as third parties, to recycle cardboard and other materials and are committed to doing as much as we can to minimize our environmental impact.



Our waste and recycling goals don't end there. In 2023, we expect to increase our recycling efforts by 2% - 3%, and reduce landfill by about the same.

Our Resource Usage

As the largest Down & Feather processor in North America, DOWNLITE's biggest resource usage is water. All of our soaps and chemistries utilized in the process are bluesign® certified, as well as Oeko-Tex® Standard 100 certified to be environmentally and human friendly and prevent water contamination.

Outside of water, light bulbs and machine oils are the only major waste generated in our operations. Light bulbs are collected and recycled.

Chemical Usage

Our primary chemicals used in our domestic manufacturing process are limited to cleaning supplies and machine lubricants. A copy of our chemical list and procedures are available upon request.



Environmental

Natural Materials

DOWNLITE was founded as a Down & Feather processor. **Down & Feather** has been found to be one of the most environmentally friendly materials available in the bedding industry. It is **biodegradable, natural, reusable, and a byproduct of the food industry.**

Aside from Feather & Down, DOWNLITE utilizes cotton in a large percentage of our fabrics. In 2022, we utilized **120 metric tons of certified organic cotton**, further reducing our environmental impact.

Polyester Fiber Fill

For over 20 years, DOWNLITE has used recycled polyester fibers in our products in conjunction with virgin fibers. Since 2019, we have committed to transitioning our supply chain over to use recycled fibers as our primary ingredient. In **2022**, we reached a milestone: approximately **75% of our fibers are recycled**, many of them certified by 3rd parties.

At our USA manufacturing facilities, our usage of recycled fibers has allowed us to save nearly **85,000,000 bottles*** from entering a landfill in 2022 alone.

* 1 ounce of fiber = 1 bottle



Packaging

We utilize cardboard boxes made from at least 20% recycled material. Less than 10% of our boxes are also currently FSC certified.

At least 50% of our vinyl zipper bags have transitioned to use RCX instead of traditional PVC, or replaced with all non-woven material.

Our polybags are made from an average of 50% recycled material.

Social

DOWNLITE has long been committed to providing our employees with a safe, healthy, and family-oriented environment. Our culture is centered on fostering wellbeing and treating employees like part of a large family. This has allowed us to offer high quality and innovative products for over 40 years, and is integral to the next 40 years.

- **Employees**
- **Community**
- **Health & Safety**

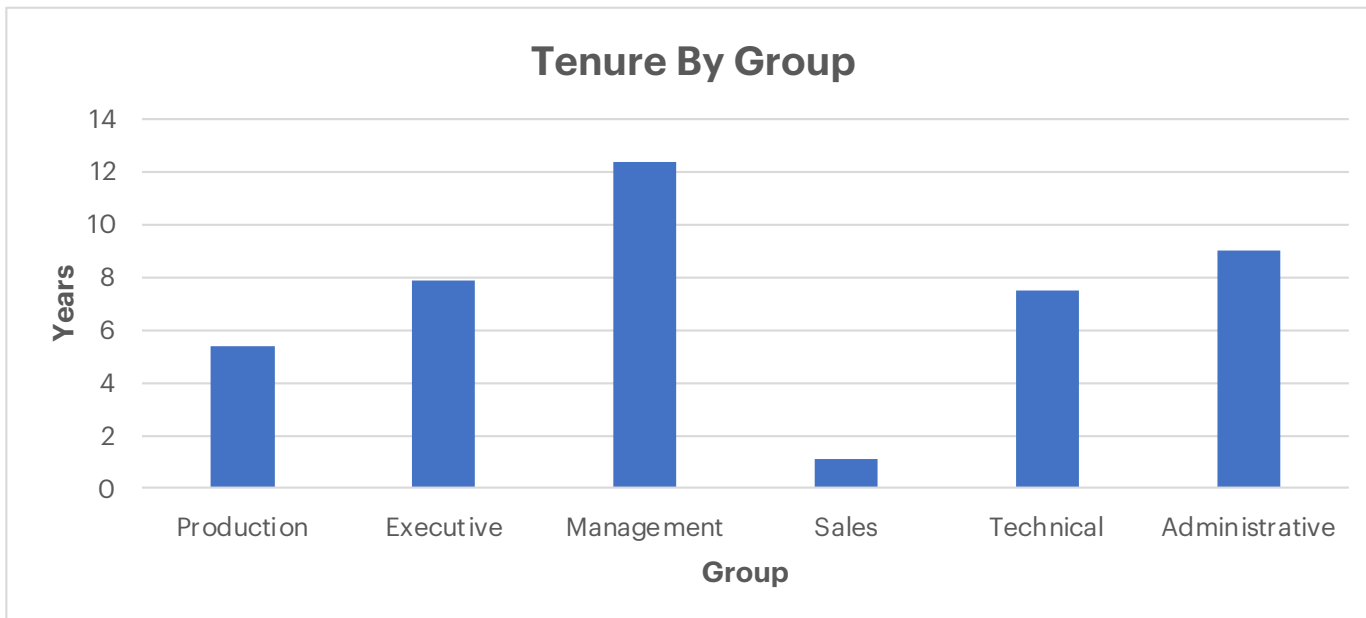
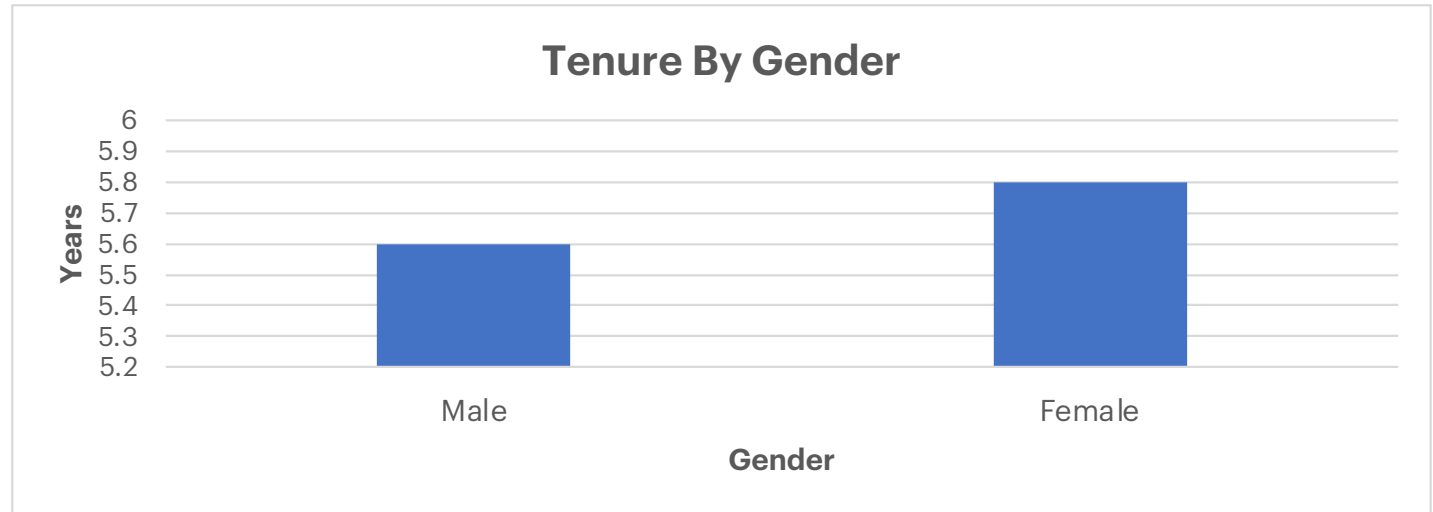


Employee Tenure

DOWNLITE is an equal-opportunity employer and takes pride in the diversity of our workforce, as well as the longevity and institutional knowledge that they have. As of May 2, 2022, DOWNLITE has 351 employees spread across 5 facilities and 2 international offices.

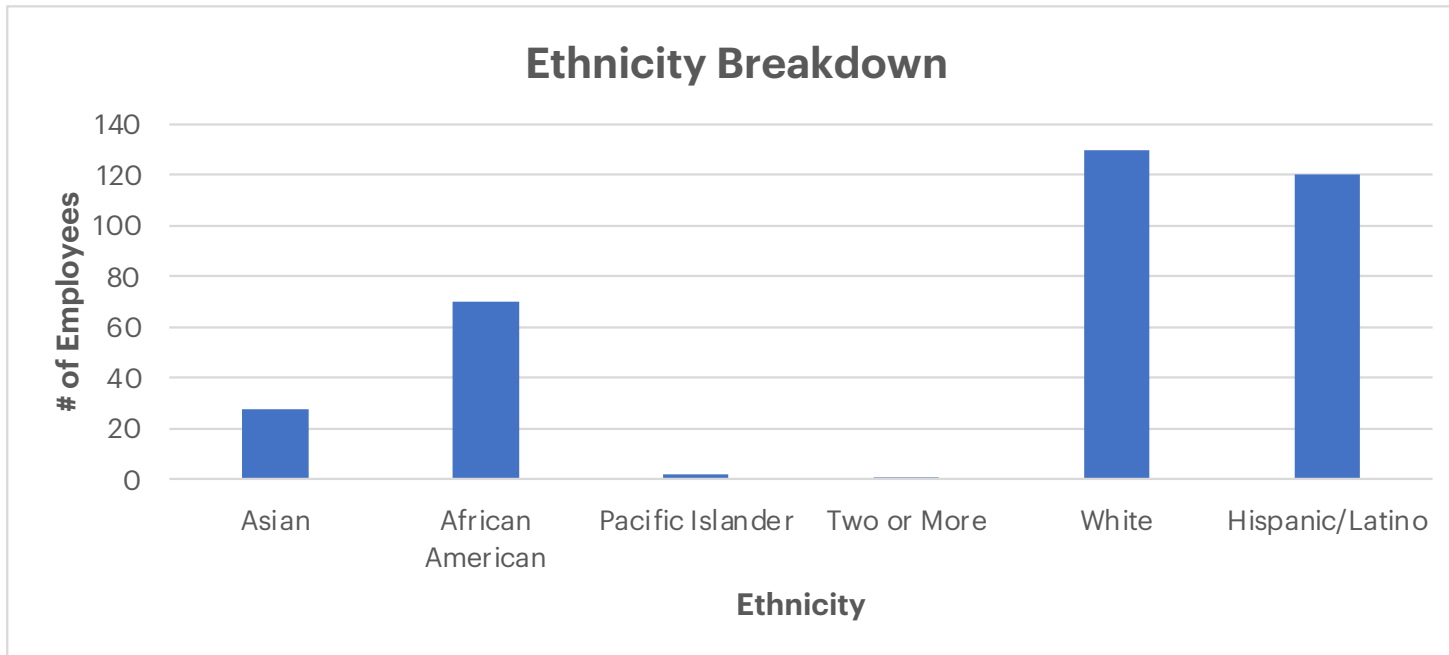
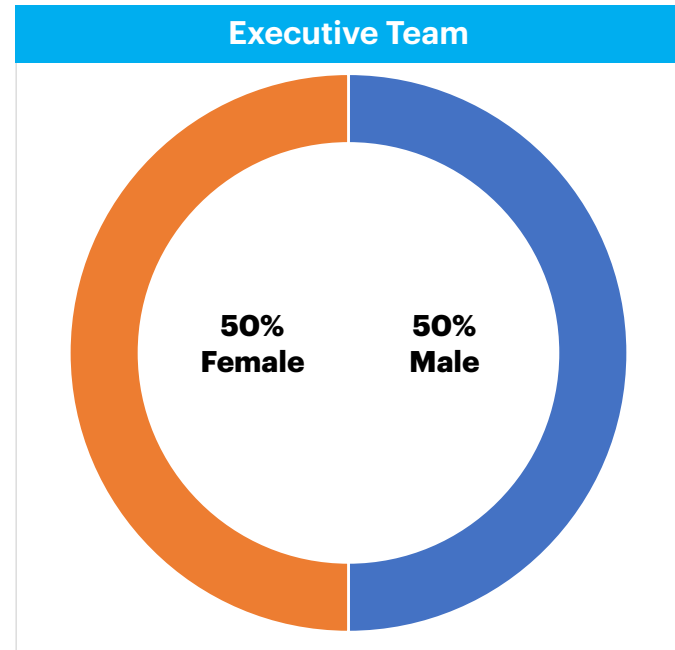
Company-wide average of **5.7 years of tenure.**

Office and Professional average of 9 years of tenure.



Employee Diversity

As a family owned and run business, we have always embraced inclusivity and change. We are proud of today's workforce, which includes an equal leadership team and an overall diverse staff.



All charts and data are as of May 2, 2022 and are subject to change.

Community



We are honored to focus our efforts on these great organizations:



DOWNLITE has been active in the community through donations. Each year we donate thousands of products to charities. We also have made active donations to directly help our employees and their direct communities in times of need.

In 2021, we donated over **2,500 pillows, 1,000 comforters,** and **800 mattress pads** to charities. In 2022, we're on track to donate the same.

We also donated gift cards, pillows, and blankets to those in need after local natural disasters – often through the Red Cross.



DOWNLITE
COMFORT TO THE CORE

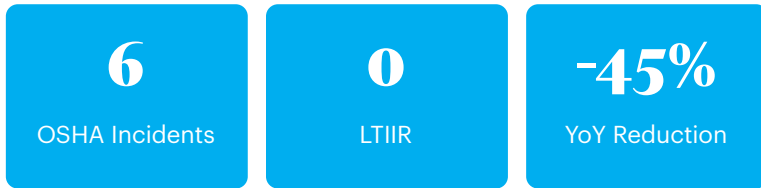
Health & Safety

We believe that our employees are our most important asset. We are committed to a safe, healthy, and injury-free workplace where everyone wants to come to each day.

We have enacted a Safety Committee at each facility that meets monthly to review issues, discuss new safety topics, and ensure that any noted hazards are immediately taken care of. We provide CPR training for our production and warehousing staff, as well as general safety training to all employees.

We also perform 5S audits every week at random to ensure that each facility is meeting or exceeding guidelines.

2022 Safety KPI's



Health Benefits + More

We strive to be an employer of choice in each community we are based in. To reach that goal, and align with our health and safety commitments, we offer these benefits to our employees.

- Medical
- Dental
- Vision
- Voluntary Benefits
- Disability Insurance
- Life Insurance
- Holidays & PTO
- 401K Plan + Match
- HSA
- Flu Shot Clinics
- Employee Wellness Discounts



Governance

All information within this section details DOWNLITE's efforts to ensure proper business oversight, compliance, and continuous improvement.

- **Compliance**
- **Ethics**
- **Corporate Oversight**



DOWNLITE[®]

COMFORT TO THE CORE

Compliance

DOWNLITE adheres to all local, state, and federal laws and guidelines. In addition, we regularly conduct internal audits, as well as 3rd party audits. We also maintain industry-leading certifications and are always actively looking for ways to improve.



Compliance

Certifications and Initiatives



Good Manufacturing Practice (GMP) certification are processes originally established by the U.S. Food & Drug Administration to ensure high standards of safety and quality. DOWNLITE facilities is certified annually for GMP.



CTPAT is a voluntary program with the U.S. Border & Customs Patrol. Designed to protect the integrity and security of the supply chain, DOWNLITE has met and been certified for CTPAT since 2012.



The Higg Index is a suite of tools designed to measure a supply chain's sustainability, as well as change over time. DOWNLITE has participated in this since 2013. Our 2021 score across facilities was 59.3%.



Oeko-Tex® Standard 100 is the world's best-known certifications. It ensures that products have been tested and are free from substances that are harmful to people or the environment. Over 98% of DOWNLITE products are certified.



Sedex® is one of the world's leading platforms for social compliance auditing. Standardizing methods and requirements that can be used across customers. DOWNLITE has been certified since 2021.



bluesign® is a leading platform that ensures suppliers are utilizing the most environmentally and human safe chemistries available.



The Global Recycled Standard (GRS) is a third party certification that verifies the materials came from recycled materials, and that the entire supply chain maintains control throughout.



The Organic Content Standard (OCS) is a certification that the cotton produced has been verified organic, and that the supply chain maintains that integrity and requirement throughout.



DOWNLITE was one of the first companies to become certified under the Responsible Down Standard (RDS). RDS ensures that down & feather comes from a supply chain that follows animal welfare guidelines.



For customers seeking an alternative to RDS, DOWNLITE also offers the International Down Standard (IDS) certification for our down & feather. It follows similar guidelines as RDS to ensure animal welfare.



The Forest Stewardship Council ensures that products come from responsibly managed forests that provide environmental, social and economic benefits.

2023 & 2024 Initiatives



DOWNLITE is hard at work on applying for the Oeko-Tex STeP and Made In Green certifications. We expect that hard to work to pay off and be certified in 2023!

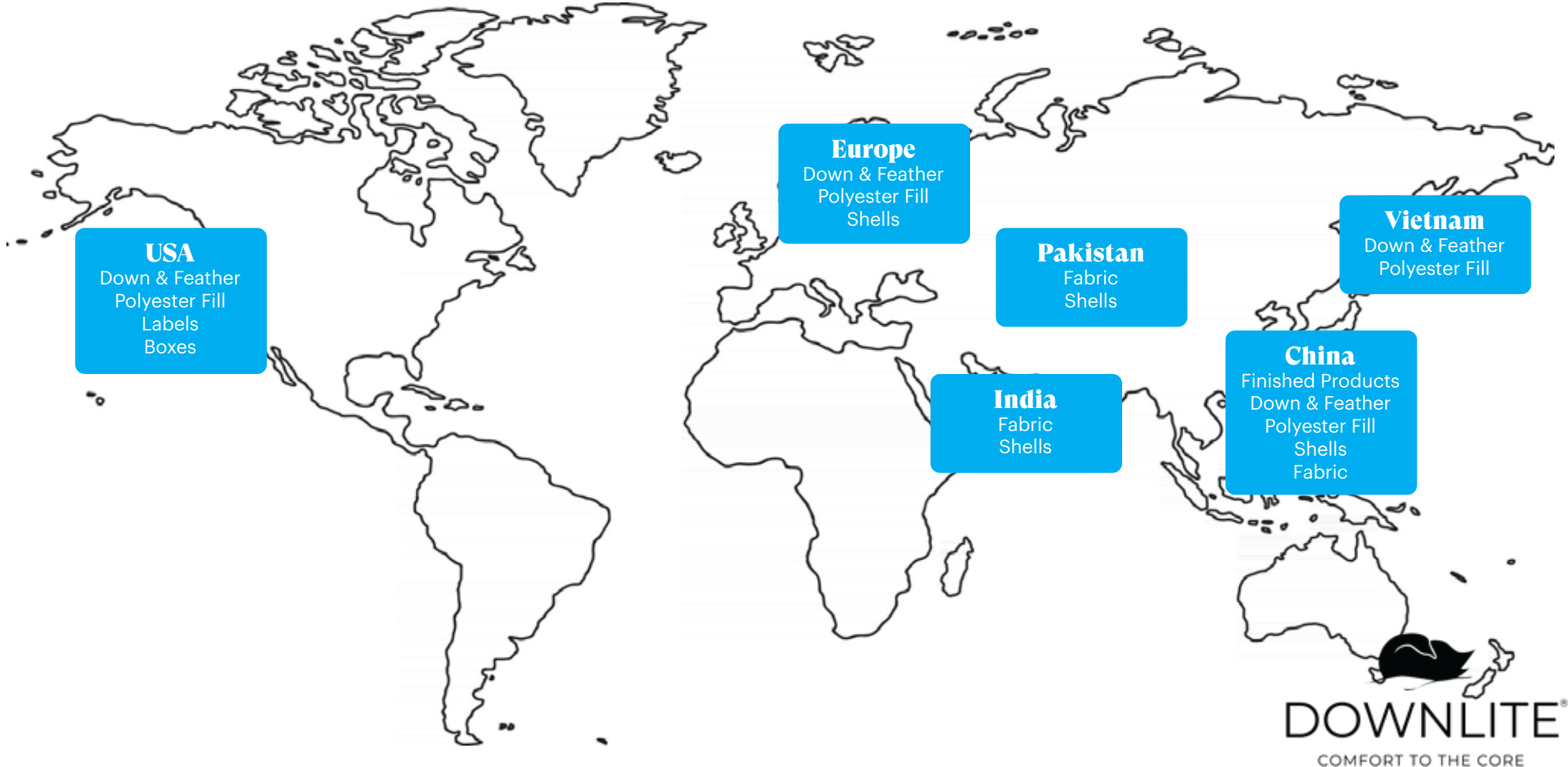


Supply Chain

Since DOWNLITE's founding, we have made it a policy to have a strong and ethical supply chain. Today, we work with suppliers across the globe in key textile regions. Any new suppliers must pass a strict vetting process before we proceed with 3rd party auditing. Once onboard, a supplier must maintain high quality, shipping, and social compliance scores to remain a part of our matrix.

Zero Tolerance Policy

- No Discrimination
- No Child Labor
- No Forced Labor
- No Unethical Behavior
- No Unethical Work Hours
- Fair & Safe Work Environment
- Fair Compensation



Questions?

Contact your sales representative if you have additional questions.

