

FXI

# Corporate Responsibility Report



2023 - 2024



# About This Report



This 2023-2024 Corporate Responsibility Report marks FXI's inaugural publication, providing an overview of our sustainability performance in 2023 and outlining our objectives and priorities for the future. In this report, we address significant sustainability challenges and opportunities, highlighting our approach to sustainable management practices, systems, and policies.

As a leading provider of sleep and comfort solutions, FXI is dedicated to supporting our customers and communities through a diverse range of products, including mattresses, toppers, and pillows, offered via various retail channels and a growing portfolio of owned brands.

This Report (the Report), focuses on environmental stewardship, social responsibility, and corporate governance (ESG), presenting FXI's sustainability performance. Unless otherwise noted, the metrics cover activities during the 2023 reporting year (January 1, 2023 – December 31, 2023).

We are committed to staying informed about evolving ESG reporting requirements and will adjust our practices to align with updated standards and guidelines. While the data presented in this report has not undergone external assurance, we are working to improve our ESG reporting processes. Certain disclosed metrics may be updated, and while we do not anticipate significant changes, some adjustments may be material.

## **Forward-looking statements:**

This document may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. When we use words such as “believes”, “expects”, “anticipates”, “estimates”, “may”, “plan”, “will”, “goal”, or similar expressions, we are making forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections about future events and are therefore subject to risks and uncertainties, which could cause actual results to differ materially from the future results expressed.

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# 1

## About FXI

- Letter From the CEO
- Leadership Commitment
- Overview of FXI

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As we reflect on 2023, I am incredibly proud of the progress FXI has made on our sustainability journey. This year was a pivotal moment as we committed to reducing our greenhouse gas emissions in line with the Science Based Targets Initiative (SBTi), a global framework for businesses to align decarbonization ambitions with the Paris Agreement's climate goals. This commitment reinforces our dedication to reducing our carbon footprint, improving resource efficiency, and helping our customers achieve their own sustainability goals.

Our approach to sustainability extends beyond environmental impact. We are steadfast in our commitment to the safety, well-being, and growth of our employees, whose dedication drives our success and ability to fulfill our commitments. FXI is equally devoted to supporting our communities, creating comfort for those in need through community service and charitable donations. Caring for our people and communities is fundamental to who we are.

This report highlights the actions we have taken over the past year, from advancing climate goals to fostering a safe and supportive workplace. I am deeply grateful for the dedication of our team and the trust of our stakeholders as we continue our journey toward a more sustainable, resilient future. Thank you for your interest and partnership. Together, we are building a legacy of environmental stewardship, accountability, and compassion.

Sincerely,

  
Harold Earley

—— ” ——

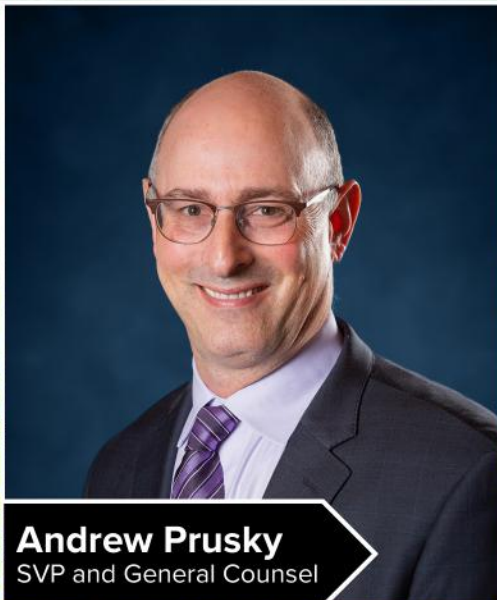


**Harold Earley**

President and Chief Executive Officer

# Leadership Commitment

At FXI, our leadership is dedicated to advancing ESG principles throughout the organization. ESG serves as a guiding framework, ensuring our decisions align with our values of sustainability and responsibility. To achieve these goals, we have established Sustainability Sub-Committees and functional groups dedicated to identifying improvement opportunities, developing strategic initiatives, and planning for a more sustainable future. These groups are instrumental in driving continuous improvement and reinforcing our commitment to making a meaningful impact on our industry and communities. Through these efforts, we aim to deliver solutions that support our customers and contribute to a more sustainable future.



## Overview of FXI



FXI is a leading producer of sleep and comfort solutions, operating across OEM, finished goods, and engineered solutions segments. Our portfolio includes mattresses, toppers, and pillows sold through diverse retail channels, while our innovations serve markets such as home, healthcare, electronics, industrial, personal care, and transportation. From enhancing sleep and furniture comfort to protecting car passengers and sensitive electronics, our products meet diverse needs with reliability and impact. With facilities strategically located across the U.S. and Mexico, we can reach 97% of U.S. customers within 48 hours—empowering our partners with quality solutions that reimagine comfort and performance.



Approximately  
**3,000**  
Employees



Approximately  
**665**  
Customers



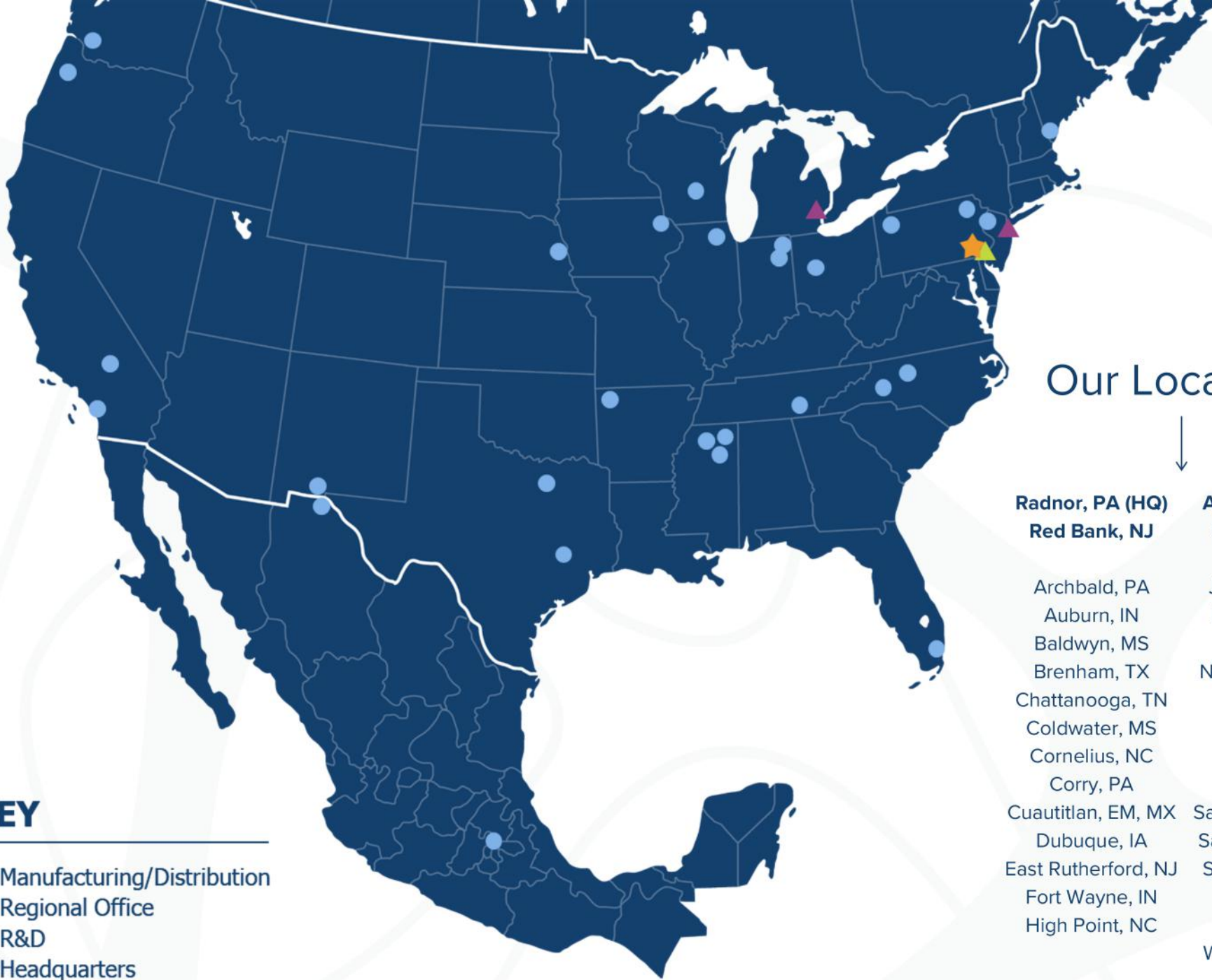
**35**

Locations, including office buildings and manufacturing sites



**200+**

Patents awarded for FXI's technology and innovations



## Our Locations



<b>Radnor, PA (HQ)</b>	<b>Aston, PA (R&amp;D)</b>
<b>Red Bank, NJ</b>	<b>Southfield, MI</b>
Archbald, PA	Juarez, CH, MX
Auburn, IN	Longview, WA
Baldwyn, MS	Miami, FL
Brenham, TX	Newburyport, MA
Chattanooga, TN	Omaha, NE
Coldwater, MS	Orange, CA
Cornelius, NC	Portage, WI
Corry, PA	Portland, OR
Cuautitlan, EM, MX	San Bernadino, CA
Dubuque, IA	Santa Teresa, NM
East Rutherford, NJ	Spencerville, OH
Fort Wayne, IN	Terrell, TX
High Point, NC	Tupelo, MS
	West Chicago, IL

### KEY

- Manufacturing/Distribution
- ▲ Regional Office
- ▲ R&D
- ★ Headquarters

Note that the locations listed above reflect offices and manufacturing locations that were operational for all or a part of 2023.



# Recognition and Commitments



## Climate Disclosures



Bronze Medal for our 2024 EcoVadis submission, a global platform assessing companies' ESG performance



B score from CDP for FXI's 2023 Climate Change disclosure, surpassing the industry average of C.

## Certifications



USDA BioPreferred, ensuring a minimum 22% bio-based content in our EcoRest Visco grade, which exceeds these standards with 33% renewable content.



CertiPUR-US Biobased, guaranteeing at least 25% bio-based material. We also produce CertiPUR-US Certified foams, which are free from heavy metals and other harmful chemicals.

## Climate Commitments

FXI has committed to Science Based Targets and joined the DOE's Better Plants Program and Better Climate Challenge. We aim to cut Scope 1 and 2 emissions by 50% and improve energy intensity by 25% by 2032 (from a 2022 baseline). Additionally, we will set a Scope 3 target through supplier engagement to reduce value chain emissions.



## Diversity and Inclusion



FXI utilized Syndio to conduct a pay equity analysis assessing gender and race, and we use Circa to ensure our job postings reach diversity-focused and compliance-related platforms, including state unemployment sites.



# 2

## Material ESG Topics

- Double Materiality Assessment
- Materiality Matrix

# Double Materiality



In 2024, FXI completed a double materiality assessment as part of our ESG reporting process, to identify the most significant topics for our stakeholders and anticipate ESG issues impacting our business now and into the future. This assessment will be repeated every three years to ensure alignment with evolving stakeholder expectations and regulatory standards.

Our double materiality approach evaluates topics from two perspectives:

- **Impact materiality:** The significance of topics for people and the environment
- **Financial materiality:** The influence of topics on FXI's financial performance and position.

## Methodology

### Step 1: Establish Scope and Boundaries

We began by defining the scope and boundaries for the assessment, encompassing FXI's entire value chain - from direct operations to upstream and downstream activities. This approach mirrors the Company's GHG accounting boundary, ensuring consistency across all ESG reporting activities.

### Step 2: Key Stakeholder Identification & Engagement

Key stakeholders were identified internally and externally:

- **Internal stakeholders:** Surveys were conducted with select employees and investors, and interviews were held with top executives.
- **External stakeholders:** Engagement included interviews with a major customer (downstream) and three top suppliers (upstream).

### Step 3: Identifying Relevant ESG Issues

We utilized established sustainability frameworks (e.g., GRI, SASB, TCFD) and regulations like CSRD to identify relevant ESG issues. This thorough review produced a long list of topics reflecting current and emerging ESG topics.

### Step 4: Prioritizing Material Issues

To prioritize ESG issues, stakeholders assessed each topic from two perspectives:

- **Financial Materiality:** The impact on FXI's financial performance, including revenue, costs, assets, liabilities, and access to capital.
- **Environmental & Social Materiality:** The impact of FXI's operations on the environment and society, including climate change, social equity, and community well-being.

### Integrating Double Materiality into Strategy

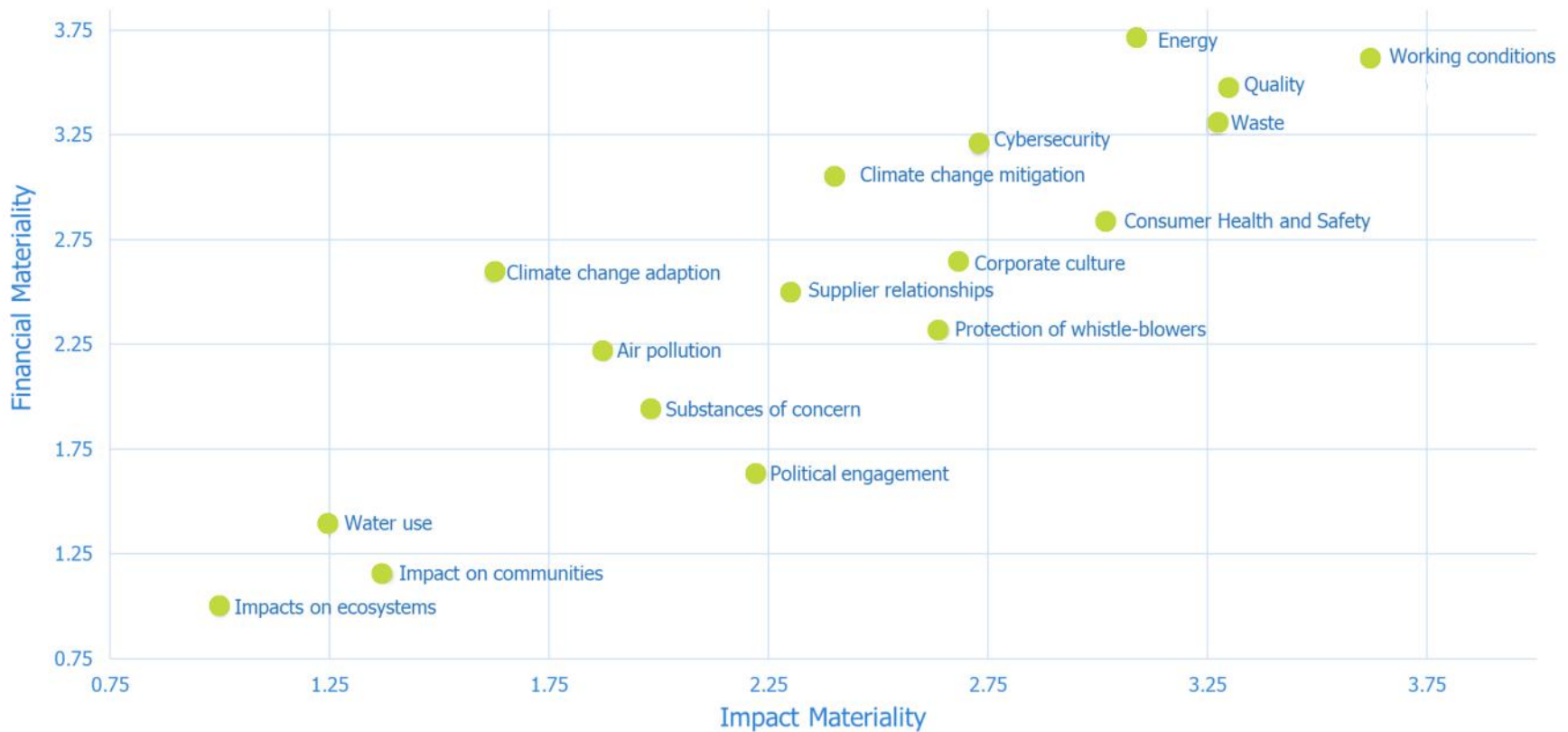
The insights from this assessment are being integrated into FXI's strategy, risk management, and decision-making processes. The findings will inform future ESG reporting and disclosures and ensure FXI remains transparent and accountable in our sustainability journey.



# Materiality Matrix



a. The materiality matrix below illustrates ESG issues based on both the impact of a company's operations on environmental, social, and governance factors (impact materiality, x-axis) and the potential influence of those external ESG factors on the company's financial performance (financial materiality, y-axis), essentially considering both how a company affects the world around it and how external ESG issues could affect the company itself. Topics in the top-right quadrant are the most critical, significantly influencing both sustainability and financial performance, while topics near the origin have lower materiality. Key material topics that have risen to the top for FXI are working conditions, energy, waste, quality, and cybersecurity.



# 3

## Environmental Initiatives

- Product Initiatives
- FXI's Footprint
- Comments



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## Sustainability in our products

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Replacing fossil-based materials with renewable bio-based materials can have a lower environmental impact. FXI's EcoRest foam, made with bio-based materials, holds both USDA-BioPreferred Certification and CertiPUR-US Certifications, demonstrating compliance with rigorous environmental and performance standards. For example, EcoRest Visco grade foam contains 33% bio-based material, significantly exceeding the minimum bio-content certification requirements described above. A life cycle assessment (LCA) comparing soy polyol to petroleum-based polyol highlighted the carbon reduction benefits of using bio-based materials. Looking ahead, FXI is committed to exploring additional forms of bio-content for our product lines, further reducing environmental impact and supporting a circular economy.

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## Strategic partnerships

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Every day in the U.S. over 50,000 mattresses are discarded, posing a significant environmental challenge. With more than 75% of mattress components being recyclable, there is immense potential to reduce waste through end-of-life design and material choices. Recognizing this opportunity, FXI has partnered with the Mattress Recycling Council (MRC), a nonprofit organization operating mattress recycling programs in states that have passed mattress recycling laws, to advance mattress recycling initiatives, decrease landfill dependency, and explore solutions for a circular economy. Through active employee representation on the MRC Board, FXI is helping to drive efforts to divert mattresses from landfills and advocate for expansion of mattress recycling legislation.



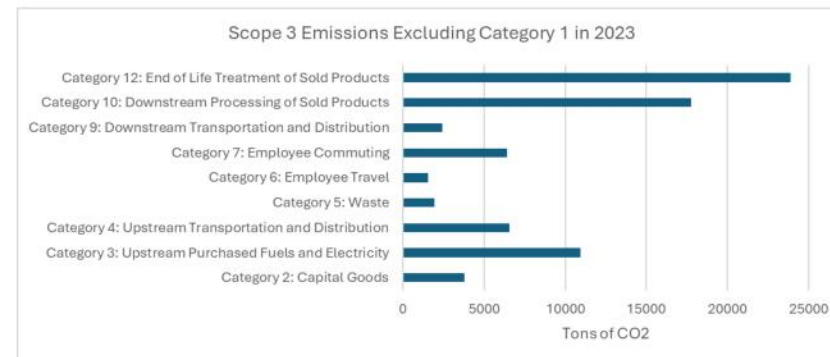
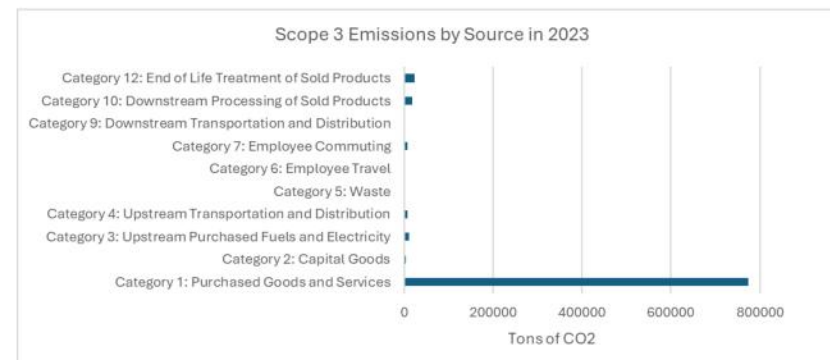
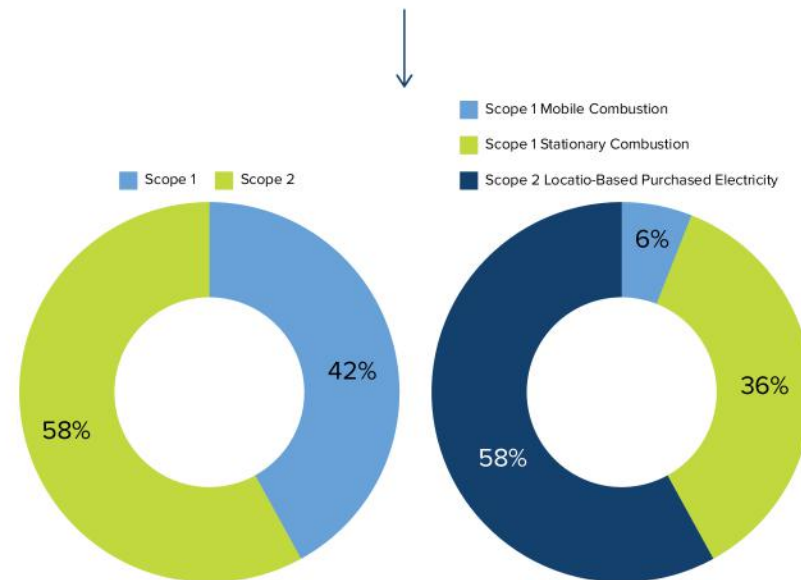
# FXI's Footprint

**Emissions Overview:** FXI calculates its GHG emissions across Scope 1, 2, and 3 using the Persefoni carbon accounting platform, aligned with the Greenhouse Gas Corporate Accounting Protocol. This robust framework ensures consistency and accuracy in tracking FXI's environmental impact.

- **Scope 1 emissions:** These originate from direct fuel consumption. Of these, 86% result from stationary combustion, such as natural gas used for heating at FXI's facilities, while the remaining 14% come from mobile combustion in the Company's owned fleet vehicles.
- **Scope 2 emissions:** These are indirect emissions generated from purchased electricity consumed at FXI's sites.
- **Scope 3 emissions:** Representing approximately 95% of FXI's total emissions, Scope 3 encompasses upstream and downstream activities, such as purchased goods and services and product end-of-life.

FXI calculates a full GHG inventory annually, with results reported in the Company's Sustainability Report based on year-end 2023 data. This comprehensive approach not only ensures accurate measurement but also provides actionable insights to guide FXI's sustainability strategy.

## Analysis of FXI's emissions



# Metrics and Targets

FXI is proud to strengthen our commitment to sustainability by aligning with the Science Based Targets initiative (SBTi) to guide our climate action efforts. We have also joined the U.S. Department of Energy's Better Plants Program and the Better Climate Challenge, pledging to reduce our GHG emissions by 50% and energy intensity by 25% by 2032 compared to 2022 levels.

To meet these ambitious targets, FXI is partnering with third-party sustainability consultants to identify and implement impactful projects throughout our operations. Key initiatives currently under evaluation include:

- **Integrating AI controls** into HVAC systems to optimize energy use
- **Addressing compressed air leaks** to improve operational efficiency
- **Upgrading to LED lighting** to reduce energy consumption
- **Exploring solar energy opportunities** to enhance renewable energy

These initiatives demonstrate significant progress on FXI's journey toward a more energy-efficient and sustainable future, aligning with global climate goals and reinforcing our leadership in environmental stewardship.

# GHG Reduction Efforts

## Case Study: Enhancing Truck Efficiency Through Load Optimization

In 2022, FXI launched a load optimization project to improve transportation efficiency for a key customer, continuing these efforts through 2023. The initiative focused on maximizing cube space by increasing the pallet load count per truck from 9 to 12 - a 33% improvement in load capacity. This optimization resulted in the elimination of 141 full truckloads annually, significantly reducing transportation emissions and fuel consumption. The project saved over 115,000 miles of travel and more than 20,000 gallons of diesel fuel, leading to a reduction of 322 metric tons of CO<sub>2</sub>e emissions.



## Case Study: Switching to LEDs

In 2023, FXI made significant strides in reducing carbon emissions and improving energy efficiency by transitioning our facilities to more energy-efficient LED lighting. With a long-term goal of converting all facility lighting to LEDs, FXI ensures that every lighting upgrade prioritizes LED technology. The 2023 conversions alone led to a reduction of 572 metric tons of CO<sub>2</sub>e, highlighting the environmental benefits of this initiative.



## Case Study: Transitioning to Rail for More Sustainable Shipping

In 2022, FXI launched a sustainability-focused transportation initiative with its third-party logistics partner to explore opportunities for converting truck shipments to rail. This initiative targeted routes best suited for intermodal transport, optimizing both environmental and operational performance. By 2023, FXI had successfully shipped 196 intermodal loads over more than 330,000 transit miles, resulting in a reduction of 280 metric tons of CO<sub>2</sub>e emissions. The achievement underscores FXI's commitment to decarbonizing its supply chain and aligns with its Science Based Target.





## FXI's Climate Commitments



### Science Based Targets Initiative (SBTi)

FXI has committed to setting a Science Based Target (SBT) and submitted its targets to the Science Based Targets Initiative (SBTi) for validation. This step underscores our dedication to aligning with global climate goals and taking actionable steps to reduce our environmental impact.

### Department of Energy (DOE)

FXI is a proud participant in the DOE's Better Plants Program and Better Climate Challenge, pledging to achieve a 50% reduction in GHG emissions by 2032 compared to 2022 levels, and a 25% reduction in energy intensity by 2032 compared to 2022 levels. These commitments span 25 facilities throughout the U.S. reflecting FXI's robust approach to decarbonization.



## Department of Energy (DOE) Commitments

### Better Climate Challenge

GOAL

**50%** Reduction within 10 years

COMMITMENT

**25** Facilities

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### Better Plants Challenge

GOAL

**25%** Reduction in energy intensity

COMMITMENT

**25** Facilities

Note that the sites committed reflect only U.S. manufacturing locations.

# Waste Management



FXI is dedicated to reducing waste across our operations by reusing and recycling scrap foam to minimize landfill contributions. We repurpose foam for our cluster pillows, and externally, we sell reclaimed foam for applications like carpet cushion and other cluster foam products. These efforts minimize landfill waste and promote circularity in our operations.



## Analysis of our Waste

Waste sent to landfill	4,125 Tons
Hazardous Waste	35 Tons
Non-hazardous Waste	305 Tons
Scrap foam recovered and reused internally	69,000 Tons
Scrap foam recovered and sold externally	2,780 Tons

# Reducing Air Pollution



At FXI, environmental responsibility is central to our mission. We are committed to reducing our environmental footprint, particularly by minimizing air pollution and hazardous emissions associated with the polyurethane foam manufacturing process. Our efforts focus on reducing volatile organic compounds (VOCs), which are by-products of traditional foam production. Through innovative technologies and dedicated processes, we have set a new industry standard for eco-friendly manufacturing. The production of polyurethane foam typically involves chemical reactions that release VOCs and hazardous air pollutants (HAPs). Many competitors still rely on auxiliary blowing agents (ABAs), which contribute to these emissions. These pollutants can have harmful effects on both the environment and human health, and meeting regulatory requirements, such as the Clean Air Act, poses an ongoing challenge for the industry. FXI has taken a different approach through our proprietary Variable Pressure Foaming (VPF™) technology. This innovative process uses an enclosed chamber to control pouring conditions, capturing nearly all emissions and directing them into carbon beds for safe containment. By eliminating the need for hazardous auxiliary blowing agents (ABAs), VPF™ exceeds Clean Air Act requirements and significantly reduces air pollution. Beyond environmental benefits, the technology allows precise control over foam properties through air pressure adjustments, ensuring consistent, high-quality products. Our commitment to VPF™ reflects a broader dedication to setting new industry standards and leading positive change in sustainable manufacturing. FXI continues to demonstrate that operational excellence and environmental stewardship can go hand-in-hand, shaping a cleaner, more responsible future for foam production.



# 4

## Social Initiatives

- Health and Safety
- Diversity and Inclusion
- Employee Benefits

# Health and Safety



At FXI, the health and safety of our employees and environmental sustainability are integral to our operations. Our Environmental Health and Safety (EHS) program is designed to ensure a safe, efficient, and compliant workplace while driving continuous improvements across our facilities.

- 7** Locations are DQS certified for ISO 9001
- 3** Locations are DQS certified for ISO 14001
- 5** Locations are ITAF 16949 Certified



FXI's Environmental Health and Safety (EHS) program embodies our steadfast commitment to our employees' well-being, operational excellence, and environmental stewardship. We foster proactive communication through bi-weekly EHS calls, where plant managers and leadership teams review safety incidents, share best practices, and discuss root cause analyses and regulatory compliance. Our comprehensive training programs include monthly schedules and job-specific training to ensure that all manufacturing roles remain current with essential training and certifications.

At the end of 2023, FXI achieved an outstanding Total Recordable Incident Rate (TRIR) of 0.96—well below the industry average of 3.7—demonstrating our strong commitment to workplace safety. This achievement is the result of our comprehensive injury and illness prevention plan, which protects employee health, enhances operational efficiency, boosts morale, ensures compliance with safety regulations, and reduces workers' compensation claims.

Regular regional action plan calls, led by our EHS regional representatives across the United States and Mexico, work to align our facilities on continuous improvement opportunities and address corrective and preventive actions. Furthermore, we conduct annual internal audits to assess our safety and environmental performance. We achieved an average safety score of over 88% and an environmental score of 94% in 2023, with culture audits added in 2024, scoring at 80% year-to-date.

FXI boasts a chemical technical team that continually researches low-emission manufacturing options, while our hazardous waste practices maintain small or very small quantity generator status. Employees actively participate in local emergency planning committees, and employees at our sites are certified in Haz-Mat, DOT, and spill response, including field scenario exercises and quarterly incident drills.

A TRIR under 1 is an impressive accomplishment. With an industry average of 3.7, we have outperformed other industry participants and demonstrated our commitment to the safety of our employees.

## FXI's 2023 Health and Safety Record

Total Recordable Incident Rate (TRIR) **0.96**

Lost Time Injury Rate (LTIR) **0.37**

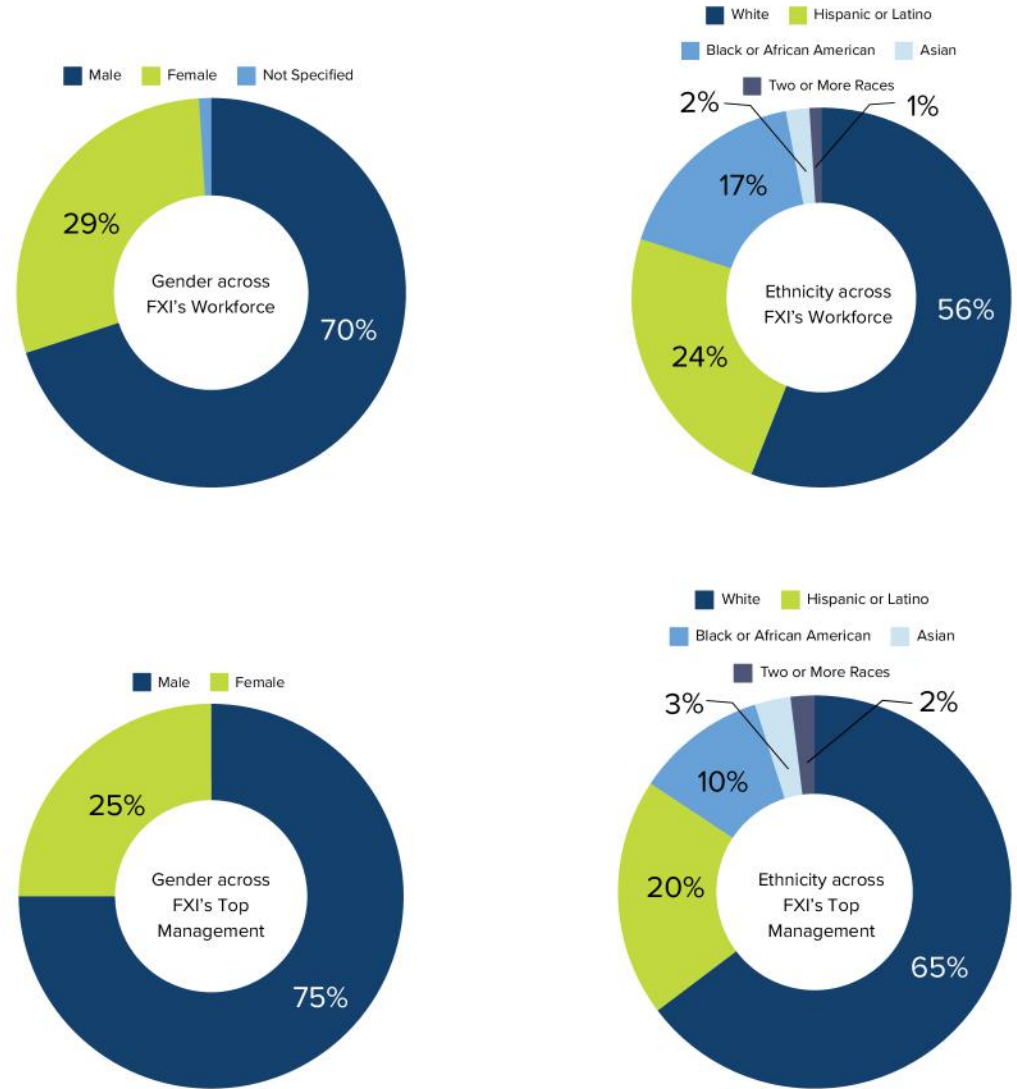
Number of Recordable Incidents **31**



# Pay Equity Analysis

FXI conducted a gender pay equity analysis in 2024 across all countries, as well as a race and ethnicity pay equity analysis for the United States, to confirm that our employees are paid equitably, accounting for relevant factors such as the applicable job, department, level, tenure, and location regardless of race, ethnicity, and gender. In the 2024 analysis, no systemic pay inequities for gender or race were found. Pay equity analyses are one aspect of a larger plan to support and develop diverse talent and to compensate all employees fairly. A significant part of this plan to help achieve our goals is a partnership with a D&I Job Aggregator, which helps us build a diverse workforce. In addition, FXI has committed to equitable hiring practices, completing annual unconscious bias training, using gender-neutral language in job postings, and partnering with underserved minority organizations. We will adjust pay and practices, as necessary, to correct for unintended pay differences and market competitiveness. We will continue to review our processes and analyses so that we can consistently review and report on our equitable pay and practices globally.

## Analysis of FXI's Workforce





## Employee Assistance Program

FXI offers an Employee Assistance Program (EAP) through Carebridge Corporation, providing free and confidential support to employees and their families 24/7. The program includes mental health assistance with licensed clinicians, offering in-person or virtual counseling for issues like stress, anxiety, grief, and substance abuse. Life management solutions are available for everyday needs, such as childcare, eldercare, legal support, and wellness resources. Financial and educational planning support helps employees manage budgets, reduce debt, and access learning opportunities for personal growth. Virtual resources, including the Carebridge EAP app and online tools, provide convenient access to self-care tips, mindfulness practices, and other helpful materials.

## Leadership Training

FXI empowers employees through leadership training, skill-building workshops, and career development programs. We partner with Thayer Organization for Executive and Senior Leadership Development and offer the Leader Academy to cultivate purpose-driven leadership at all levels. Programs like Purline University standardize processes, while Frontline Leadership Training hones managerial skills across the company. Additionally, interview training ensures ethical, fair hiring practices. With Tuition Reimbursement and college partnerships for internships, FXI supports continuous learning and innovation to drive success.



# Providing Comfort to Those in Need



FXI is dedicated to supporting underserved communities through product donations and employee volunteerism. In 2023, we launched our community service program, encouraging all employees to participate in 4 hours of fully-paid community service. We increased from 4 to 6 hours of fully-paid community service time in 2024, empowering employees to give back. FXI also donates mattresses, pillows, toppers, and play forts to communities in need.



Providing Comfort  
to Those in Need

**3,745**

Hours of time  
donated to the  
community by FXI  
employees



**\$855,000**

In charitable  
donations, including  
value of in kind and  
monetary donations



# 5

## Governance Initiatives

- Governance Policies
- Cybersecurity

# Governance Overview

FXI's governance structure is led by its Board of Directors, with the CEO reporting directly to the Board. ESG initiatives are managed through functional support teams and an ESG Steering Committee, both overseen by an internal ESG advisor and reporting to the CEO. Our commitment to strong governance is further reflected in comprehensive policies.

## Corporate Policies

### Code of Conduct

FXI maintains a comprehensive Code of Conduct that is updated on an annual basis to reflect any changes in the law or FXI policies. All salaried employees are trained annually on the Code of Conduct and are required to acknowledge the Code at the time of their training. FXI takes violations of the Code of Conduct seriously and engages in prompt and thorough investigations of alleged infractions.

### Antitrust Practices

FXI's policies and position on antitrust is contained in the Company's Code of Conduct. All salaried employees are trained annually on the Code of Conduct and are required to acknowledge the Code at the time of their training. In addition, the General Counsel conducts training specific to antitrust issues on a periodic basis for all employees who may be exposed to anti-trust issues.

### Whistleblowing

FXI provides employees with multiple avenues for reporting any alleged inappropriate or illegal actions. Those avenues are detailed in the Code of Conduct, the Anti-Harassment Policy, the Employee Handbooks and on posters displayed in all FXI locations. FXI's EthicsPoint Hotline allows employees to make anonymous reports, which are reported to the Legal Department. FXI has zero tolerance for retaliation of any kind and retaliation for whistleblowing is a terminable offense.

### Workplace Harassment and Violence Prevention

FXI has detailed and comprehensive Anti-Harassment Policy. Harassment training is conducted on a bi-annual basis for all FXI employees. As explained in the Anti-Harassment Policy, employees have access to multiple avenues to report alleged harassment, including, but not limited to, FXI's EthicsPoint Hotline, which allows employees to make anonymous complaints. All complaints are promptly and thoroughly investigated and appropriate employment actions are taken. FXI has a zero-tolerance policy for workplace violence or threats of violence. FXI's Workplace Violence Policy is available on the FXI's intranet and in the Employee Handbook. The Policy is consistently applied across FXI.

### Anti-Corruption Practices

FXI does not engage in payments of any form to public or government officials, or to any individual for the purpose of obtaining or retaining business or to obtain any favorable business advantage. FXI's policies on anti-corruption are detailed in the Code of Conduct. All salaried employees are trained annually on the Code of Conduct and are required to acknowledge the Code at the time of their training.

### Human Rights

FXI's Human Rights Policy and Statement sets forth FXI's commitment to respect the right of all people, including, but not limited to, strictly prohibiting forced or involuntary labor, operating safe and secure workplaces and prohibiting child labor. FXI's EthicsPoint Hotline allows employees to report any violations of human rights to the Legal Department. In addition, FXI is committed to an open dialogue with its employees and their representatives. FXI employees are free to join, organize or form labor unions and to bargain collectively.



## Cybersecurity



FXI upholds a comprehensive cybersecurity program designed to protect the confidentiality, integrity, and availability of its information systems and data. This program encompasses advanced technologies, robust policies, and clear responsibilities that establish guiding principles for safeguarding against potential threats. It applies to all FXI information, systems, facilities, programs, networks, and data—whether created, processed, or transmitted—and extends to all technology users within the organization. Aligned with industry-standard frameworks, the program aims to mitigate risks associated with theft, loss, misuse, damage, or abuse of FXI's digital assets. It fosters a secure environment by defining best practices for system use and data protection. Vendor partners are also expected to demonstrate security policies and practices that provide equivalent protection, including when accessing or processing FXI assets on-site, remotely, or through subcontractors. A security breach compromising FXI's systems could result in data loss, reduced system usability, and potential business impacts, particularly regarding contractually sensitive information. Therefore, it is essential that all users strictly adhere to FXI's cybersecurity program and uphold its standards to ensure ongoing protection and operational integrity.

# 6

## Report Details

- Framework Alignment
- Conclusion

# FXI UN SDG Alignment



At FXI, our ESG initiatives align with the UN Sustainable Development Goals (SDGs), seeking to drive meaningful progress within our industry and contributing to global sustainability. Through our programs and strategies, we aim to make a positive impact on the environment, society, and our business, ensuring our efforts support a more sustainable future for all.

The United Nations Sustainable Development Goals (UN SDGs) are a set of 17 global goals adopted by all United Nations Member States in 2015 as part of the 2030 Agenda for Sustainable Development. These goals address a wide range of interconnected issues, including poverty, hunger, health, education, gender equality, clean water, and climate action. The SDGs provide a comprehensive framework for countries, businesses, and individuals to work towards a more sustainable and equitable future. Organizations often highlight their efforts aligned with specific SDGs to showcase their commitment to responsible and sustainable business practices.

## FXI ESG Activity

In 2024, FXI conducted a global gender pay equity analysis and a U.S. race and ethnicity pay equity analysis. The analysis found no pay inequities based on gender, race, or ethnicity.

In 2024, FXI identified efficiency projects, including AI-driven HVAC controls, LED lighting, compressed air leak remediation, and solar. Implementation is planned for 2025 with anticipated reductions in overall emissions.

FXI maintains policies prohibiting forced labor, modern slavery, child labor, and human trafficking.

FXI maintains policies prohibiting the discrimination of any individual regardless of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

FXI is reducing waste by reusing and selling scrap foam. Additionally, we have partnered with the Mattress Recycling Council to drive mattress recycling in the industry.

FXI has committed to Science Based Targets (SBT) and ongoing carbon reduction efforts. We are tracking our greenhouse gas (GHG) emissions year-over-year to ensure progress toward our sustainability goals.

## UN SDG



## Report Scope

The content contained within this ESG Report reflects the activities of FXI throughout the 2023 calendar year, unless specifically stated otherwise. In certain cases, data estimation and extrapolation may be used when deemed necessary.

## 2023 SASB

Our 2023/2024 ESG Report has been prepared in alignment with the Sustainability Accounting Standards Board (SASB) Standards. This alignment underscores our commitment to transparency and accountability in addressing material ESG topics relevant to our industry. SASB, a globally recognized framework, provides investors, stakeholders, and other key audiences with decision-useful information about our sustainability performance and its impact on long-term value creation.

## SASB Index

The following disclosure is aligned to the Sustainability Accounting Standards Board (SASB) framework for the sector denoted as “Household and Personal Products (CG-HP).” FXI will continue to evaluate the disclosure of additional topics as these emerge, considering relevance, availability of high-quality data, and competitive sensitivities.

Disclosure Topic	Metric	SASB Code	Units	BrightView Metric / Disclosure Location
<b>Water Management</b>				
	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	CG-HP-140a.1	Megaliters	1) 73.3, 2) 3.72; 32.03%
<b>Product Environmental, Health and Safety Performance</b>				
	Discussion of process to identify and manage emerging materials and chemicals of concern	CG-HP-250a.3	n/a	FXI 2023-2024 Corporate Responsibility Report: p. 9 and p. 15
<b>Packaging Lifecycle Management</b>				
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	CG-HP-410a.2	n/a	FXI compresses and hyper-compresses select products to reduce packaging and improve cube space on our trucks. See p. 17

# CONCLUSION



FXI's commitment to sustainability reflects our dedication to environmental stewardship, social responsibility, and strong governance. These principles are integral to our business success and to fostering well-being in the communities we serve. Throughout this Report, we have demonstrated the concrete steps FXI is taking to embed sustainability across our operations, from reducing greenhouse gas emissions and optimizing energy efficiency to fostering an inclusive workplace and driving innovation in circular design.

Over the past year, we have reached key milestones in advancing our ESG strategy. While we are proud of these accomplishments, we acknowledge that sustainability is a journey requiring ongoing learning, innovation, and partnership. As we look to the future, we are resolute in pursuing ambitious goals that align with global sustainability priorities, including the Science Based Targets initiative.

At FXI, we recognize our responsibility extends beyond manufacturing sleep and comfort products. We are shaping a future where our materials contribute to sustainable solutions, our operations minimize environmental impact, and our actions strengthen the communities we touch. Together with our employees, customers, and partners, we are building a resilient, purpose-driven future that balances performance with responsibility.

We extend our gratitude to everyone who shares in our mission and supports us in advancing our vision for a sustainable tomorrow. By working together, we amplify our impact and create meaningful change.

FXI's Sustainability Team  
December 2024





## THANK YOU FOR YOUR ATTENTION

ANY QUESTIONS?

 [www.fxicom](http://www.fxicom)

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