



Sustainability Report

2022



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A Letter from the President

In recent years, Creative Foam has focused on strengthening our vision, mission, values, commitment, and our sustainability model.

In 2022, we developed the “Strategic Value Contract” that will act as a commitment to our stakeholders. This contract was created with input from across the enterprise, shared with, and supported by all. I am proud of the energy level we have seen as this strategy was communicated.



We truly have a diverse workforce covering a multitude of cultures and languages and I am impressed how we work all together on making this Strategy become reality. Inclusion is one of our key values and during the last few months I have seen the power of that in action.

FOCUSED • SUSTAINABLE • GROWTH • +

Sustainability is a core component as Creative Foam develops solutions, interacts with customers and suppliers and understands its overall footprint within the communities we operate in and the industries we serve.

Where previous models of sustainability focused on Economics, Social and Environmental, research has pointed to success in targeting 4 quadrants: Social, Ecology, Financial Acumen, Critical Thinking, Creativity and Innovation.

As an organization, we take great pride in working to perform excellently within each quadrant. We ensure conformance to internationally recognized and accepted corporate governance, which is vital to any sustainability model. Throughout our efforts, we ensure transparency exists among all stakeholders including government, employees and society in a holistic sense.

In 2022 we developed a Sustainability Committee to aid in accelerating our efforts going forward. We are committed to doing our part to align ourselves with Agenda 2030 and the 17 Sustainable Development Goals to work towards a sustainable future for all humanity.

**THE NEED TO
PROVIDE OUR
SOLUTIONS IN A
SUSTAINABLE
WAY TO OUR
CUSTOMERS
IS JUST AS
IMPORTANT
AS ANY OTHER
COMMITMENT**

OUR VISION

To be the most prominent and renowned convertor of solution solving products, who exceeds customer expectations by providing flawless and timely solutions.

OUR VALUES

BE INCLUSIVE	Make a difference as a TEAM, work collaboratively and support others in our effort to greatness. Constantly strive for perfection and quickly learn from our mistakes.
BE INVENTIVE	Never stop learning and push the TEAM to strive towards sustained excellence. Aim to provide our customers with the most creative solution in the market.
BE RESPONSIBLE	Maintain an equitable relationship with our customers, employees, stakeholders, and communities as we develop as a TEAM.
BE RELENTLESS	Demand more from yourself and the TEAM than you think is imaginable, this will drive change and only then will we achieve our goals.

OUR MISSION

Holistically educate and inspire our customers to benefit from our technical manufacturing expertise, emerging technologies and breadth of material offerings in an environmentally conscious manner.

OUR COMMITMENT

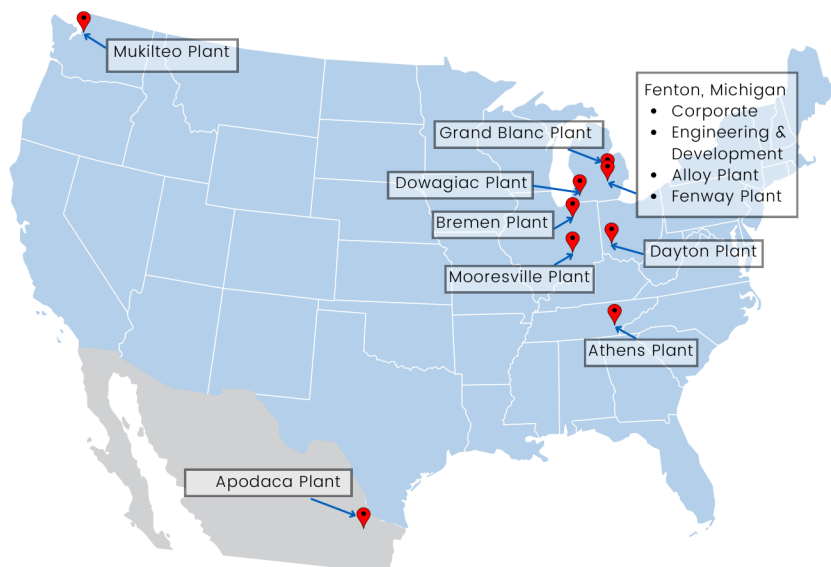
Through concerted efforts, acknowledgment that change is necessary, and our willingness to accept personal responsibility, we will drive meaningful environmental improvements across the organization.

About Creative Foam

Creative Foam Corporation was founded in 1969 by the late Dr. Peter T. Swallow as a manufacturer and supplier of custom engineered die cut, formed foam, nonwoven and multi-material component solutions to the transportation and healthcare markets. With offices and facilities throughout United States and Mexico, Creative Foam features over one million square feet of production space to provide solutions to its customers.

Creative Foam's Transportation Division is focused on providing solutions to continually evolving vehicle issues, primarily related to noise, vibration or harshness along with sealing, airflow or insulation concerns.

Our Healthcare Division offers strong capabilities in RF (Radio Frequency) welding which enables Creative Foam to deliver application solutions to consumable medical products such as sequential compression wraps, temperature regulating devices and body comfort pads. With extensive capabilities in foam encapsulation, molding/coating, in-house materials testing and a Class 8 cleanroom, the Healthcare Division also provides products and services for medical imaging applications, patient-positioners and table pads.



Years of Experience



2 Markets Served



12 Locations



1600 Employees

Sustainability Committee Members

BRENDA SWALLOW

Corporate EHS Manager

Brenda is an Environmental/Sustainability Professional with over thirty-five years of experience. She is responsible for developing and executing objectives for and overseeing the environmental and sustainability systems across all of Creative Foam.

KAITLIN CLINANSMITH

Corporate EHS Coordinator

Kaitlin joined Creative Foam in 2016 and quickly grew in the field of Health, Safety & Environmental. She has completed numerous trainings & certifications over the years including most recent in OSHA, Sustainability & GRI Standards Reporting.

CHRISTOPHER DANTE

Vice President Purchasing & Supply Chain

Chris is a process-driven Procurement leader with over 33 years of experience in the Automotive arena. Prior to joining the Creative Foam team Chris' experience is highlighted by career progression and tenure with Textron, Lear Corporation, IAC Group, and Adient.

DIANNA HARRIS

Materials Specialist & Corporate Lab Manager

Dianna is a materials engineering professional with over 30 years of technical experience in selecting, developing and testing materials. As leader of our corporate laboratory, she is an integral part of our corporate engineering team supporting all Creative Foam departments. She is committed to supporting Creative Foams sustainability goals.

BILL WHALEN

Chief Financial Officer

Bill is an experienced CFO with over 20 years, with financial responsibility for global private companies ranging from \$100M to \$2+ billion, primarily for industrial and distribution. Bill has had responsibility for Finance, Information Technology, Cost Estimating, Purchasing and Human Resources functions. Bill is a CPA, with a BS from Duquesne University, and an MBA from the University of Virginia.

SUSAN HECKER

Vice President of Human Resources

Susan is an accomplished Human Resources Professional with over twenty-five years of experience in large corporations mainly in the automotive industry, overseeing hundreds of employees across multiple locations. Susan is responsible for developing and executing strategies to sustain Creative Foam's continuing growth.

MARIO GONZALEZ

Vice President of Operational Excellence, Quality & PMO

Mario is an experienced and Goal-oriented professional in Quality, Manufacturing and Continuous Improvement systems, with over 20 years of experience in the Automotive industry and a strong background in systems implementation.

Our Sustainability Model



Social

Our priorities will remain ensuring the occupational health and safety of our employees, investing back into our communities and promoting diversity and inclusion.



Ecology

Protect our natural resources by managing our physical environment, supporting the living within our ecological limits and becoming carbon neutral by 2030.



Financial Acumen

Our long-term economic growth will be conducted in a manner that doesn't negatively impact the other aspects of our model.



Critical Thinking, Creativity and Innovation

In today's rapidly changing world, critical thinking, creativity, and innovation are all essential skills for our day-to-day activities at Creative Foam.



THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) or Global Goals are a collection of 17 interconnected goals that serve as the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace, and justice.

The SDGs are a call for action by all countries – poor, rich, and middle-income – to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.





Our Progress

Creative Foam supports multiple SDGs through company programs, individual facility outreach events, and our "Creative Crusaders" charity team formed to aid in the communities in which we operate.



Together, our employees volunteer their time to fundraise, serve, participate and make donations to aid those in need year-round. Some highlights include:

Employees Benefit From:

- Wellness Program
- Employee Assistance Program
- Mental Health Resources
- Comprehensive Healthcare Plans
- Safety Committees at each facility

Fundraising, Volunteering & Donations to:

- Child & Family Services
- Food & Housing
- Emergency Relief
- Animal Shelters
- Schools
- Cancer Charities
- Veterans

...and more!



3 GOOD HEALTH
AND WELL-BEING



10 REDUCED
INEQUALITIES



Our Progress



Employee Experience Survey

Creative Foam has communicated a positive/motivating vision of the future.

57%

40%

In the past 6 months I have seen an improvement in communication.

48%

48%

I would recommend Creative Foam to others as a great place to work.

62%

33%

Response Rate.

47%

56%

I would recommend CF to others.

56%

62%

■ Agree
 ■ Disagree
 ■ Jun-22
 ■ Jan-23
 ■ Jun-22
 ■ Jan-23

4 QUALITY
EDUCATION



10 REDUCED
INEQUALITIES



Our Progress

Creative Foam has two programs to support higher education and help eliminate the financial burden on our families.

Tuition Reimbursement

- Available to full-time, non-union employees after 6 months of service.
- 100% Reimbursement of tuition and fees up to \$5,000 per year

\$156,724

REIMBURSED TO OUR EMPLOYEES

Dr. Peter T. Swallow

Founder's Education Fund

Renewable annual scholarship available to children and grandchildren of Creative Foam employees.

8 NEW SCHOLARSHIPS
AWARDED ANNUALLY

77 STUDENTS
HAVE RECEIVED
SCHOLARSHIPS

\$750,000
AWARDED TO DATE





Our Progress

Creative Foam hires and offers competitive wages based on education, skill level, and experience for each position, regardless of gender.

Regular benchmarking activities are conducted to make sure we keep our gender equality in tact.

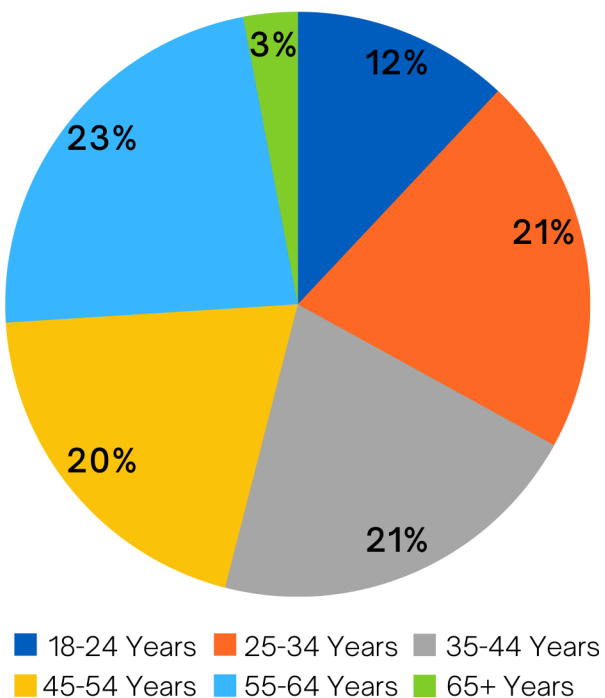
Compensation Program

- Competitive wages
- Flexible work schedules
- World-class benefits to all employees including:
 - Comprehensive benefit plans
 - Employee assistance plan
 - 401K with company match
 - Wellness program
 - Training
 - Educational assistance
 - Promote from within where possible

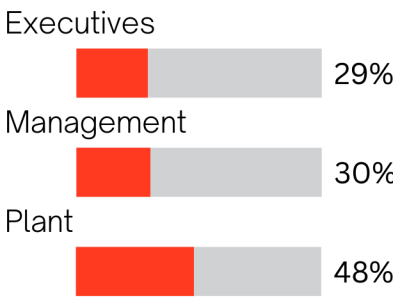
Ethnic Diversity

African American	19%
Asian	4%
Biracial	1%
Caucasian	59.5%
Indian	1%
Latino	14.5%
Pacific Islander	1%

Population by Age Group



Female Population



Our Progress

Creative Foam understands that responsible sourcing has become an integral aspect of sustainable development and has made significant strides in our responsible sourcing efforts.

Some of the actions implemented during the past years are:

- Developed and communicated our Supplier Sustainability policy.
- Included Sustainability requirements to onsite assessments and Suppliers Self-Assessments.
- Included sustainability indicator in the Supplier Monthly score card.

We understand the importance of responsible sourcing and its impact to the environment, society, and our business, CFC regularly review and update, our suppliers governing ethical conduct and responsible behavior in order to support our sustainable and continued success, one of our goals for 2023 is to launch a program to assure that we have a complete and accurate data on the greenhouse gas (GHG) emissions associated with our supplier base, we are targeting to reduce carbon emissions and stop the waste in the work stream. This aligns with our goals to deliver a better future





Our Progress

24.85M kWh

2022 Total Energy Used

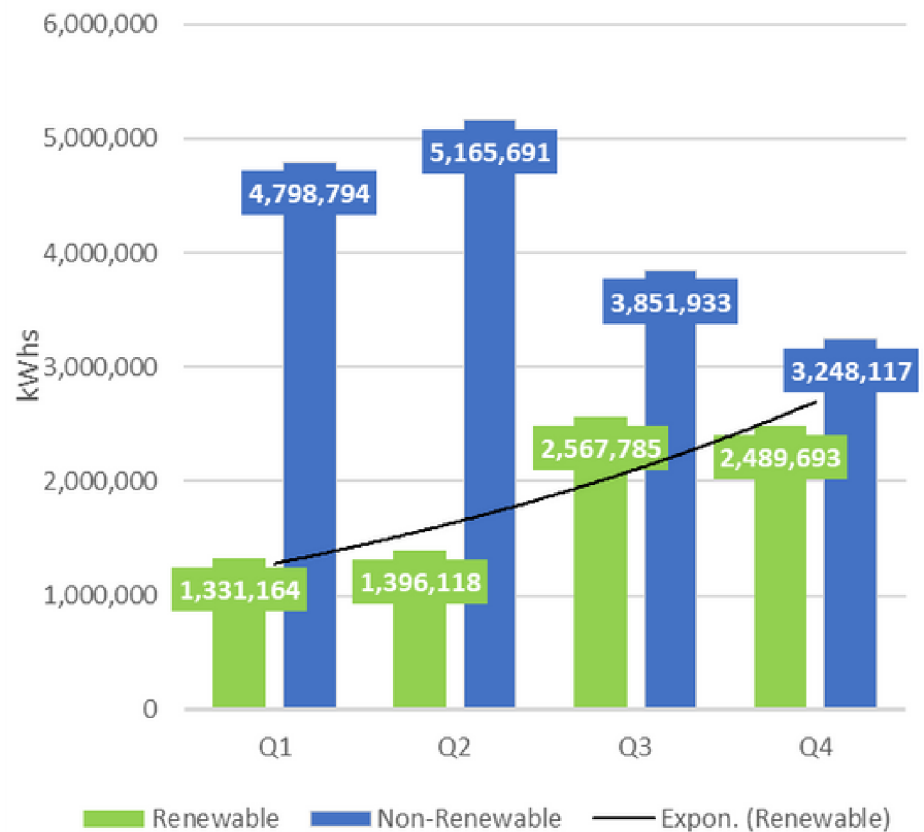
5%

Direct Renewable Energy

27%

Renewable Energy Credits

CY2022 Electricity Comparison



6 CLEAN WATER AND SANITATION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



Our Progress

Reverse Osmosis

- Implemented a water system to recycle the water through the use of reverse osmosis to manufacture production parts on our fusion lines.
- Previous process consumed 64082 gallons of water annually.
- Revised process reduced our water consumption to 70%, at 44857 gallons annually.

Rapid Fusion Molding

- Rapid fusion will significantly reduce the consumption of water, estimated at 40% less to cool molds during production.

Storm Water Prevention

- Implemented at each location.
- Conducted spill scenario testing to validate our reaction plan.
- Purchased drain covers for the Shipping and Receiving docks to prevent a spill from entering storm drains and contaminating our waterways.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



15 LIFE ON LAND



Our Progress

Mukilteo Recycling Project

In collaboration with Washington State University

Our Mukilteo facility is working with Washington State University to recycle the approximately 60 cubic yards of waste generated each production day. Previous efforts have been rejected by 'Materials Recovery Facilities' (MRF) due to the unique mix of materials present.



Actual sample of plan 2 repurposed particle board.

Project Development Timeline

Visited by multiple recyclers unable to assist our efforts due to the mix of materials.

WSU proposed plans

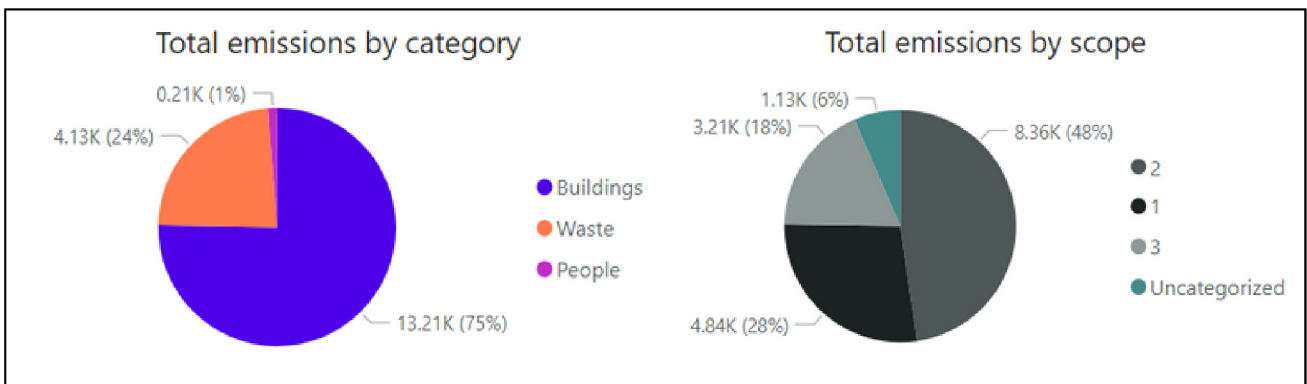
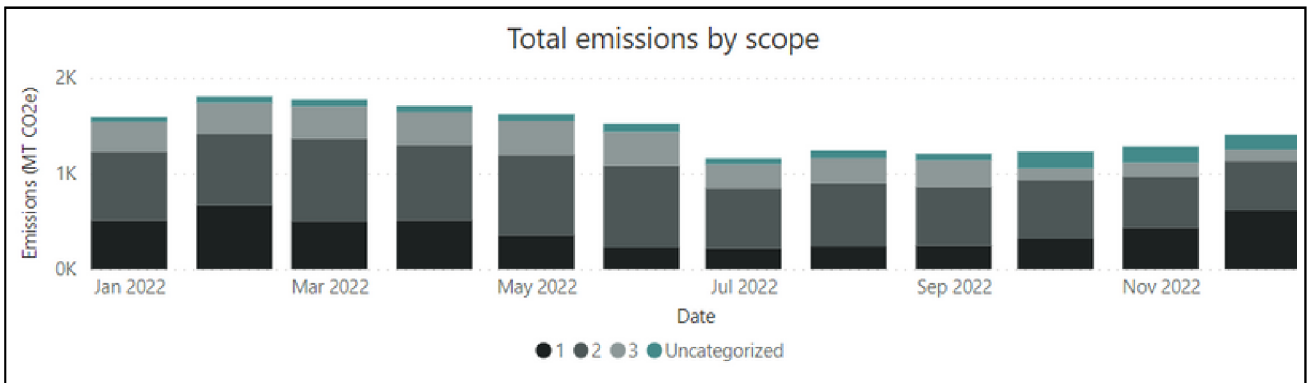
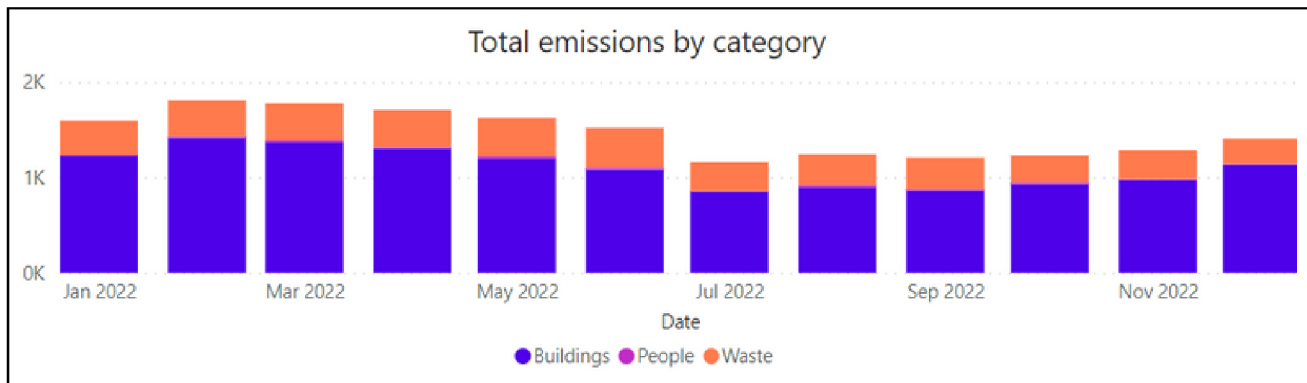
1. **Steam treatment**
creating re-purposed fiberboard (10 years out)
2. **Combine with wood particles**, creating re-purposed particle board (5 years out)
3. **Combination with carbon fiber dust**, creating re-purposed pellets that can be injection molded.

June: Project completion and implementation anticipated with scrap transfer for processing to begin shortly afterwards.



WASHINGTON STATE
UNIVERSITY

Scope 1, 2, and 3 Emissions



17.55K	14%	51.57M	15M
Total emissions (MT CO2e)	Total waste diversion rate	Total energy use	Total water usage

2022 Accomplishments



Sustainability Committee

- Formed August 2022.
- Monthly meetings held.



Training

- Global Sustainability and Corporate Social Responsibility.
- Corporate Sustainability: Understanding and Seizing the Strategic Opportunity.



Data Analytics

- Implementation of Sustain Life software.
- Emissions tracking and mapping.



Renewable Energy

- Renewable Energy Credits (REC's) purchased for 6 Michigan locations.
- 8 of 13 locations using renewable energy.
 - Total 2022 consumption 24.85M kWh.
 - Annual 31% renewable.



Recycling

- Waste project with Washington State University.



2023 Targets



Sustainability Committee

- Quarterly reviews.
- Integrate GRI, and SASB Reporting Standards into 2023 report.



Training

- Global Reporting Initiative (GRI) Standards.
 - Completed Jan 2023.



Data Analytics

- Sustainability Supplier Assessments to be developed in Sustain Life including Scope 1, 2, and 3 data.
- Utilize road-mapping in Sustain Life to track goal progress.



Renewable Energy & Carbon Offsets

- Apodaca to evaluate implementation of solar panels.
- Investigate opportunities for carbon offsets.



Recycling

- Turn MSW MRF waste into value-added products using disk refining methods.



Responsible Sourcing

- Partner with our material suppliers to increase recycled content for fibrous materials.



A glass globe is positioned on the right side of the image, resting on a mossy branch. The globe shows the continents of North and South America. The background is a soft, out-of-focus bokeh of green and yellow light, suggesting sunlight filtering through leaves. The entire image is framed by a thin blue border.

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