



How did we come to acquire NCFI's Consumer Products Division?

- Brad has been in the chemical/polyurethane industry for 30 years and has known people at NCFI for almost all that time, even before he started with Carpenter
- NCFI had been a good customer of ours in the chemical side for the business they retained (spray foam insulation, concrete leveling, etc.)
- We knew we needed to consider some investments to ensure we could pour flexible foam that Recticel would want in the U.S. & NCFI is an opportunity to jumpstart that process
- NCFI brings capabilities for different widths of foam, densities and color options that can increase new opportunities
- NCFI was running a good, profitable business in its own right, so there was interest even without the Recticel acquisition

What are we doing to meet the demand for sustainable/eco-friendly products?

- This is a big topic for Carpenter, especially in terms of R&D
- European initiative called CSRD required us to catalog our Scope 1 and Scope 2 emissions
 - We are working with consultants and our own people in Europe to monitor, catalog and show how we are reducing these emissions
 - In 2024, we will be dry running the data; in 2025, we will collect the data in seriousness; in 2026 we will report what we're doing to the European Union
- We've taken on many sustainability initiatives
 - Big example:
 - The carpet cushion business allows us to recycle our own foam trim, and we also buy trim from our customers and on the open market
 - We recycle old carpet cushion back into new carpet cushion
 - Last year, we kept about 4 million mattresses from going into a landfill
 - Small example:
 - Switched to LED lighting in our facilities
 - Generates lower consumption of energy and helps reduce our carbon footprint

Thoughts on a paperless Carpenter?

- Digitalization is a very hot topic right now, particularly in the chemicals industry

- Digital data needs to be accessible and usable, and there are still some challenges there
- Digitizing data will probably be looked at on a case-by-case or process-by-process basis
- We should try to reduce paper usage where possible and really ask ourselves if we need to print things

Why does Carpenter require a degree for advancement even if someone might have the experience to make up for not having an actual degree?

- Brad can't speak for Europe, but in the U.S., there is a little bit of a legacy effect where traditionally, a degree meant the degree holder had the right basic level skills for a job
- More often now, we are looking at job openings and asking if a degree is really necessary for success
- Brad believes relevant skills usually trump paper skills, and we are trying to put more thought into relevant, real-life skills

What are we doing to develop and attract outstanding employees?

- We are trying to build out the infrastructure around skills development and training for current employees
- This could be through a Carpenter-type university for specific skills-related activities, similar to how we do cyber training right now and could be combined with more formal continuing education opportunities that are run through a university
- Want to provide our people the right opportunities to grow and improve and advance in their Carpenter careers
- Skills development and advancement are additional benefits for anyone considering a career at Carpenter

Without an official budget, how does Carpenter set objectives?

- The budget process in a typical company often ends up being a large waste of time for very little benefit
- Carpenter operations from a zero-based budget standpoint
 - At the beginning of the year, we assume everything is at zero
 - Decide what we need to spend money on to run the business successfully and grow from there
 - Allows resources to be allocated where they are truly needed rather than assume a set budget for every department each year

What's the difference between Carpenter Heroes, the Medal of Merit and the Carpenter Pantheon?

- Carpenter Heroes recognizes people who go beyond the norm for a customer or colleague
 - Actions with a particular event are acknowledged as a way to say "thank you"
 - More of a one-off thing that deserves recognition
 - Anyone can nominate or be nominated as a Carpenter Hero

- Medal of Merit is recognition for a more extraordinary event or type of activity where an action had a pretty significant impact
 - Often, it's a career or a number of years' worth of sustained efforts/activity that is being recognized
 - Medals of Merit are for employees who are currently active with the company
- The Pantheon represents the "Hall of Fame" at Carpenter
 - The Pantheon recognizes people that had a profound effect on the broader company during their tenure
 - This is not exclusive to people who worked at Carpenter for their entire careers
 - This honor is only for employees who have retired from the company

Thoughts on the 2024 Winter Market in Las Vegas?

- Market lasts about a week and is an opportunity for home goods suppliers to showcase their products
- Our showroom is heavily skewed toward bedding, and our customers can come by the showroom and see and feel our products for themselves
- We get foot traffic and positive press that help bring people in the door
- We feel that the market, particularly for bedding materials but even for furniture, will be like last year – rather flat for all of 2024
 - No projection of an uptick in business
 - Interest rates and inflation play a part in this
 - Upcoming election increases advertising costs, so many companies will likely wait until after the election to spend money on ad placements