

**IN THE STATE OF SOUTH CAROLINA
BEFORE THE DEPARTMENT OF ENVIRONMENTAL SERVICES**

**IN RE: HEALTHCARE SC, LLC
AND HEALTHCARE US CO., LTD.
FAIRFIELD COUNTY**

INTERIM CONSENT AGREEMENT

The South Carolina Department of Environmental Services (“Department”) and Healthcare SC, LLC (“Healthcare SC”) and Healthcare US Co., Ltd. (“Healthcare US”), without the adjudication of any issues of fact or law, and without agreement with or admission of the Findings of Fact or the Conclusions of Law except as necessary for enforcement of this Interim Consent Agreement, and upon the consent of the parties, agree to the terms of this Interim Consent Agreement as follows:

FINDINGS OF FACT

WHEREAS, Healthcare SC and Healthcare US agree to the following findings of the Department:

1. Healthcare US is the owner of a property located at 1 Mlily Way, Winnsboro, Fairfield County, South Carolina (“the Site”), which includes a facility for memory foam and spring mattress production under the MLILY brand.
2. Healthcare US purchased the property in November 2018. Healthcare SC is a U.S. manufacturing subsidiary of Healthcare US, its parent corporation, which is headquartered in Tennessee.
3. On August 16, 2026, a fire ignited at the Site causing destruction to the majority of the facility.
4. According to U.S. Environmental Protection Agency findings, the facility’s memory foam manufacturing process includes the precise mixing of polyols and isocyanates with water, catalysts, and surfactants in an industrial process. The reaction creates an exothermic (heat-producing) reaction and generates heat and carbon dioxide gas, causing the liquid to foam and expand rapidly. According to the facility’s Tier 2 Report submitted in March 2026, the facility stores several industrial chemicals including toluene diisocyanate (“TDI”), lupranate 5100 isocyanate (“MDI”), several reactive industrial polymers (polyols), and surfactants. TDI and MDI are both listed as CERCLA hazardous substances in 40 CFR § 302.4.
5. On August 17, 2026, the Department responded to the Site. Firefighting run-off water had exited an onsite retention pond and entered Mill Creek. Visual observations along

Mill Creek indicated impacts to Mill Creek with milky white and lavender-colored discoloration. Approximately three miles of Mill Creek were visually impacted. A response contractor hired by Healthcare SC installed an earthen dam across Mill Creek on the evening of August 17, 2026. Containment and collection of impacted surface water began the evening of August 17, 2026, and has continued throughout the response.

6. Mill Creek discharges into Jackson Mill Creek Reservoir located approximately four miles downstream of the facility. Jackson Mill Creek Reservoir provides drinking water to the town of Winnsboro. The Department is not aware of any adverse impacts to the drinking water.
7. Hazardous substances and other chemicals remain on the Site. Ongoing maintenance is necessary to prevent future environmental impacts. As set forth below, continuing actions by Healthcare SC, through its contractor(s), are necessary to prevent future environmental impacts and shall be performed until a comprehensive order or agreement is issued or entered into by the Department to address environmental consequences of the fire and destruction of the facility.

IT IS THEREFORE AGREED, under the authority of S.C. Code § 48-1-10, et seq., that Healthcare SC and Healthcare US shall perform the following actions:

1. Maintain physical security for the Site.
2. Use appropriate best management practices to control the release of sediment and water and prevent damage to downstream or adjacent properties during decommissioning of the earthen dam;
3. Until the earthen dam is safely decommissioned, continue de-watering or other similar actions in Mill Creek sufficient to prevent overtopping or failure of the dam or other uncontrolled release from the dam;
4. Continue dewatering, maintenance, and other similar actions sufficient to prevent stormwater retention pond overtopping and other potential discharge from the Site;
5. Properly contain, characterize, and dispose of or transport to alternate locations for reuse all hazardous substances and raw materials contained on or generated on the Site or offsite; and
6. Properly manage, treat, and dispose of all collected water and soil, including but not limited to runoff or stormwater generated by weather events.

IT IS FURTHER AGREED that the Department reserves the right to take any and all actions necessary to address any emergency; that the Department also reserves the right to enter into a further binding consent agreement or other agreement with any potential responsible party pursuant to the South Carolina Hazardous Waste Management Act, S.C. Code Ann. § 44-56-10 et seq. and Comprehensive Environmental Response, Compensation, and Liability Act 42 U.S.C. § 9601 et seq. as amended; to undertake enforcement action for documented violation(s) of any statute, regulation, or permit, including but not limited to the issuance of a consent order or administrative order and assessment of civil penalties; and to take other legal action, including for injunctive, remedial, or equitable relief.

IT IS FURTHER AGREED that this Interim Consent Agreement will continue in effect until superseded by a Consent Agreement between the Department and any responsible entit(ies), an additional order of the Department, or until terminated by the Department with written notice to Healthcare SC and Healthcare US.

IT IS FURTHER AGREED that Healthcare SC and Healthcare US shall remain responsible for complying with other applicable federal, state, or local laws in addition to performing the requirements of this Interim Consent Agreement.

IT IS FURTHER AGREED that the execution date of this Interim Consent Agreement is the date this Agreement is signed by all parties.

**FOR THE SOUTH CAROLINA DEPARTMENT
OF ENVIRONMENTAL SERVICES**

Henry Porter, Deputy Director
South Carolina Department of Environmental Services

Date: _____

FOR HEALTHCARE SC



Jiangang Li
Title: Manager

Date: 9.4.2026

 **FOR HEALTHCARE US**

Changwei Lin
Title: Director

Date: 2026.9.4