

TEMPUR+SEALY



# TPX CORPORATE SOCIAL VALUES REPORT

JANUARY 2022

Go make something good  
happen today.



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# Letter from the Chairman and CEO



Our commitment to improving the sleep of more people, every night, all around the world was especially rewarding, albeit challenging, during this past year. In 2021, we experienced record demand for our brands and products amid a challenging supply-chain environment. Our global organization came together to deliver creative solutions to the supply-chain disruptions that allowed us to better serve our customers and drive significant growth. The success of our worldwide business over the past year drove significant internal promotion opportunities and created numerous jobs. During this period, we also welcomed Dreams, the UK's largest bedding retailer, into the Tempur Sealy family. Through this acquisition, we established a new platform of long-term growth with a company that has a strong history of supporting its community.

Despite the many changes and challenges that we undertook in 2021, we remained steadfast in our commitment to protecting our communities and the environment. Our global organization continues to embrace our environmental, social, and corporate governance ("ESG") ideals and drive initiatives that further our social values of operating with purpose and protecting our employees, our communities, and the environment.

We firmly believe that ESG initiatives create value for our stakeholders and contribute to the financial success of our business. Below are some highlights of the progress we made on our social values initiatives in 2021:

## ENVIRONMENT

- Improved the percentage of waste diverted from landfills from our U.S. wholly owned manufacturing operations to 94% for the trailing twelve months ended September 30, 2021, compared to 91% in 2020, furthering our progress toward our goal of achieving zero landfill waste by the end of 2022
- Expanded our commitment to achieving zero landfill waste at our wholly owned manufacturing facilities by the end of 2022 to include Canada and Mexico in addition to the original target regions of U.S. and our European Tempur Sealy operations

- Achieved an 8.4% reduction in greenhouse gas emissions per unit produced at our wholly owned manufacturing and logistics operations compared to the prior year, furthering our progress toward our goal of achieving carbon neutrality by 2040
- Installed multimillion-dollar solar panel technology at our largest manufacturing site, located in Albuquerque, New Mexico, and expect to install a large solar panel array at our European Tempur Sealy manufacturing site, Dan-Foam, in 2022

## SOCIAL

- Designed and developed a sustainability-driven mattress line made with responsibly sourced materials that will launch in the U.S. in 2022
- Embedded ESG performance as a metric in executive leadership's compensation for 2021
- The Tempur Sealy Foundation made its largest gift yet in the form of \$2 million to support the establishment of the Tempur Sealy Pediatric Sleep Center at Kentucky Children's Hospital

## GOVERNANCE

- Established Nominating Corporate Governance Committee oversight on our practices and positions relating to ESG issues
- Appointed an executive sponsor responsible for driving ESG initiatives across the global organization
- Increased the ratio of women represented on our Board of Directors by 50% to represent 33% of the Board

Our definition of success continues to be broadly defined and inclusive of our impact on our communities and environment. We look forward to sharing updates on our future social values progress with you.

**Scott Thompson**  
Chairman, President, and CEO

# COMPANY PROFILE

Tempur Sealy<sup>1</sup> is committed to improving the sleep of more people, every night, all around the world. As a global leader in the design, manufacture, and distribution of bedding products, we know how crucial a good night's sleep is to overall health and wellness. Using over a century of knowledge and industry-leading innovation, we deliver award-winning products that provide breakthrough sleep solutions to consumers in over 100 countries.

Our highly recognized brands include Tempur-Pedic®, Sealy® featuring Posturepedic® technology, and Stearns & Foster®, and our non-branded offerings include value-focused private label and OEM products. Our distinct brands allow for complementary merchandising strategies and are sold through third-party retailers, our Company-owned stores, and ecommerce channels. This omnichannel strategy ensures our products are offered wherever and however customers want to shop.

Lastly, we accept our global responsibility to serve all stakeholders, including our community and environment. We continue to implement programs consistent with our responsibilities.

## TEMPUR SEALY FAST FACTS



Our global headquarters is located in **Lexington, Kentucky**.

**\$3.7  
BILLION**

In 2020, we generated approximately **\$3.7 billion** in net sales.



As of December 31, 2021, we had approximately **12,000 employees**, approximately 7,000 of which are located in the United States and 5,000 in the rest of the world.



For financial reporting purposes, we operate in two segments: **North America and International** (Europe and Asia Pacific).



These segments include **manufacturing** and **distribution** subsidiaries, **joint ventures**, and **licensees**.



We utilize **four research and development centers**, one in Denmark and three in the U.S., and a **product testing facility** in the U.S.



We have traditional wholesale and direct distribution networks across the globe, including a **growing number of company-owned retail stores**. We also maintain a growing ecommerce business.

You may find further information about our business in our Annual Report, which can be accessed at <http://investor.tempursealy.com/financial-information/sec-filings>.

<sup>1</sup> When used in this report, the terms "Tempur Sealy," "Company," "we," "our," and "us" refer to Tempur Sealy International, Inc., and its subsidiaries.

## ABOUT THIS REPORT AND OUR VISION

Our commitment to the environment and our communities starts at the top. Our Corporate Social Values wheel sets forth the values our Board of Directors, executive management team, and global workforce have embraced.

We are continuing our journey of clarifying the scope and framework of our vision and goals and are pleased to share these ongoing efforts in a comprehensive way with our shareholders, customers, business partners, fellow industry participants, and the general public. Our Corporate Social Values Report provides a snapshot of our existing initiatives and goals. We hope that you will read this report and engage with us as we continue toward these goals while continuing to improve the sleep of more people, every night, all around the world.



## ALIGNMENT WITH THE U.N. SUSTAINABLE DEVELOPMENT GOALS

Tempur Sealy supports the United Nations Sustainable Development Goals (SDGs) and remains deeply committed to driving progress on select goals closely aligned with our company's priorities. We have identified the six SDGs that most closely align with our ESG initiatives and goals as follows:

### ENVIRONMENT

#### Responsible Consumption and Production + Climate Action

We consider the full life cycle of our products, from where our products are sourced to the byproducts and impacts during production to end of life after consumer use.



### PURPOSE

#### Good Health and Well-Being + Industry, Innovation, and Infrastructure

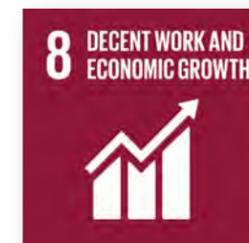
We believe that our products improve our customers' sleep experience to realize health and well-being benefits, and we are committed to making a difference in the communities where our employees live and work.



### OUR PEOPLE

#### Decent Work and Economic Growth + Reduced Inequalities

We believe in investing in our workforce to promote health and safety, train and develop future leaders and corporate citizens, and encourage diversity and inclusiveness.



# ENVIRONMENT

Tempur Sealy leverages well-established practices and processes within the Company and continually seeks to identify additional areas of opportunity to protect and preserve our environment and reduce our global environmental footprint. We segment our approach to protect and preserve the environment into three categories: Resource Conservation, Waste Management, and Product & Packaging. Within each of these segments, we have initiatives that further our progress toward reducing our total global environmental footprint.



## RESOURCE CONSERVATION

Renewable energy and energy efficiency are increasingly important to our own operations and sustainability measures. Across our operations, we are investing in increased resource efficiency and improving our production and distribution processes. Not only do these efforts help address our impact on the climate, but they also improve operational efficiencies and decrease our resource costs. We are continuously improving our understanding of our resource usage and are taking efforts to improve the tracking and monitoring of those resources.

### CARBON NEUTRAL BY 2040

In 2020, we announced our commitment to achieving carbon neutrality in our global operations by 2040. Our aim is to reduce or offset 100% of Scope 1 and 2 greenhouse gas emissions from our wholly owned manufacturing, retail, and logistics operations.



This will reduce both Scope 1 emissions (direct emissions from sources we own or control) and Scope 2 emissions (emissions attributable to the electricity we consume). We plan to achieve this important long-term goal through absolute emission reductions from the continued use of renewable energy and operational efficiency improvements, as well as through the funding of carbon offset initiatives.

We will also extend our sustainability efforts to our global supply chain by encouraging our suppliers to establish their own sustainability goals. Through this initiative, we aim to increase sustainability awareness and initiatives within our supplier base, with the goal of reducing our Scope 3 emissions (emissions from sources we do not directly own or control) and reducing the environmental footprint of our global supply chain.

We achieved emissions reductions in our global footprint in 2021 by focusing on energy conservation, renewable energy, fleet fuel efficiency, and pursuing environmental credits. These initiatives represent the first steps to achieving our goal of carbon neutrality by 2040.

In the trailing twelve months ended September 30, 2021, our global wholly owned manufacturing and shipping operations consumed

**67.3M kWh**

OF ELECTRICITY,

**149.5K MMBTU**

OF NATURAL GAS, AND

**3.9M**

GALLONS OF DIESEL.

Estimated GHG emissions associated with natural gas, electricity, diesel, and propane from these operations were 49,199 MTCO<sub>2</sub>e, or 6.4 kgCO<sub>2</sub>e per unit produced, a reduction of 8.4% over the same period last year using a consistent methodology.<sup>2</sup>

**Energy Conservation Efforts:** In addition to the energy conservation efforts described above, we are committed to further reducing our energy consumption, emissions, water consumption, and waste. During 2021, we monitored our electricity usage and carbon emissions at our manufacturing facilities and distribution centers, adopted target reduction goals, and implemented programs to reduce energy consumption and emissions. We also executed a global review of Tempur Sealy-owned retail sites to understand energy usage, and subsequent reports will include our efforts in this area.

**Energy Efficient Equipment:** the Dan-Foam facility has annual targets for energy consumption and monitors the energy used per unit produced. We have invested in equipment that lowers the facility's electricity consumption by approximately 50,000 kWh and transport approximately 50% of the excess heat generated by the equipment to the central heating system at the facility.

**LED Lighting:** We are currently transitioning to energy-saving LED lighting in all of our production and assembly facilities. At present, approximately 95% of our wholly owned facilities in the U.S. use LED lighting.

For our wholly owned international manufacturing operations, approximately 30% of our Dan-Foam operations and over 50% of our European bed base manufacturing operations use LED lighting.

In 2021, we upgraded lighting at our Plainfield, Indiana, facility, resulting in a reduction of electricity use for lighting of more than 75%. On an annualized basis, this switch to LED lighting is expected to reduce our electricity usage by more than 1.7 million kWh.

**Compressed Air:** After lighting, compressed air is one of the largest usages of electricity in our Sealy assembly plants. We piloted an analysis at one of our U.S. Sealy manufacturing locations to identify opportunities for improvement. Identifying and repairing leaks from the pilot study is expected to save about 250,000 kWh per year per facility. Further optimizations are in process that are expected to yield an additional 140,000 kWh at a site. We plan to extend the pilot approach to all our U.S. Sealy manufacturing facilities over the coming year.



**Energy Load Shifting Programs:** Our U.S. foam manufacturing facilities participate in energy load shifting programs with their local municipalities. During times of peak demand, each facility will adjust operations—optimizing manufacturing processes during peak demand periods to support high-priority facilities such as hospitals, schools, and emergency services.

**Manufacturing Products In-House:** Through product insourcing at our Duffield, Virginia, plant, we have avoided over 2,500 metric tons of CO<sub>2</sub> emissions and eliminated approximately 1.4 million truck miles in 2021.

<sup>2</sup>TSI transitioned to World Resources Institute compliant calculations for emissions. Prior year emissions using the same methodology were 7.0 kgCO<sub>2</sub>e per unit produced.



#### RENEWABLE ENERGY

In addition to the energy conservation efforts described above, we are committed to pursuing opportunities to source from renewable sources and foster regenerative environmental activities.

**Solar Energy:** In 2021, solar panel technology was successfully installed in our Albuquerque, New Mexico, facility, Tempur Sealy's largest mattress manufacturing operation. This technology generates enough renewable energy to power all of Tempur Sealy's Albuquerque mattress assembly lines, which is expected to reduce the annual electric consumption purchased from public utility by more than 3 million kWh.

In addition, our European bed base manufacturing operation uses its solar panel array to power up to approximately 50% of the operation's energy needs. The remaining energy needed to power production is sourced from local hydro energy.

Our Dan-Foam operations have also begun the process of harnessing renewable solar energy. We expect a large solar panel array to be installed on the roof in 2022. The solar energy generated by the array is expected to be sufficient to power approximately 20% of the plant's operations. In addition, we expect to begin sourcing additional energy from a newly built third-party solar park.

The solar energy generated by our solar panel array combined with our sourced energy from the solar park is expected to result in an estimated 90% of our Dan-Foam operations being powered by solar energy beginning in 2023.

**Renewable Energy Credits:** The Company is sourcing renewable energy certificates (RECs) from wind farms across the U.S., Denmark, and Estonia. In the U.S. and Canada, the RECs are Green-e® certified, in Mexico are I-REC compliant, and, in the European Union, revision-based documents are provided to guarantee that the RECs are retired and owned by Tempur Sealy.

**Forestry Project:** In 2021, we began exploring large-scale forestry opportunities that could offset more than half our current Scope 1 and 2 emissions. We are evaluating several locations for long-term carbon capture potential.

**ENERGY STAR Challenge:** Our foam manufacturing facility in Duffield, Virginia, is ENERGY STAR Challenge certified. The ENERGY STAR Challenge program is a joint program of the EPA and the U.S. Department of Energy, with a goal to help protect the environment through the adoption of energy-efficient equipment and practices as well as the reduction of greenhouse gases. The program also provides energy cost savings as a long-term benefit.

The Duffield facility committed to a **10% energy reduction program** over a five-year period and has achieved a **35% reduction in energy consumption** per pound of chemical processed since 2015.

In addition, we've seen year over year an energy cost reduction of 8.3% per square footage, energy consumption reduction per square footage at 1.9%, and 2.4% of carbon footprint reduction per square footage.



By meeting the ENERGY STAR Challenge, the plant has averted more than 17,273 tons of greenhouse gases and saved enough energy to power more than 2,300 homes in the last year.

## FLEET FUEL-EFFICIENCY IMPROVEMENTS

As a bedding and sleep products manufacturer that deploys its own private fleet as the primary means of distributing its products, we partner with lessors of our tractors and trailers, so our North American fleet meets or exceeds all federal and state environmental guidelines.

**During 2020 and 2021, we collected data on the historical mpg of Tempur Sealy's fleet to establish baselines and implement reduction targets in the future.**

**Trailers:** During the years 2018 through 2020, we added or exchanged 390 trailers that incorporate three fuel-saving features: low-resistance tires, underbody skirts, and auto-inflating tire systems. In 2021, we added 108 trailers with these same features and are targeting to add 160 more trailers in 2022.



**Tractors:** During the years 2018 through 2020, we replaced or added 234 Class 8 tractors with state-of-the-art fuel-efficiency technologies. In 2021, we have added 23 model year 2022 tractors that have an estimated 1.0 mile-per-gallon (mpg) fuel-efficiency improvement over the vehicles that they replaced. This will result in an estimated annual savings of

approximately 35,000 gallons of diesel fuel. This in turn is expected to result in an estimated reduction in CO2 emissions of 355 metric tons.

**Delivery Initiatives:** We are continually looking at methods to improve our delivery operations through optimizing delivery routes, reconfiguring truck cube utilization, combining Tempur-Pedic® and Sealy® products for delivery in the same truck, and co-locating manufacturing facilities and distribution centers for Tempur-Pedic® and Sealy® products whenever feasible. These efforts over the past several years have helped us reduce our fuel costs and greenhouse gas emissions, while also improving service to our customers.

**Zero-Emissions Vehicles:** In 2021, we participated in a Class 8 electric-truck pilot program in the U.S. Using an electric Class 8 tractor can reduce emissions by more than 60% compared to a diesel tractor, and when paired with renewable energy, can result in zero-emission transportations. The goal of the pilot program is to verify the emissions-reduction opportunity, derive detailed learnings on electric vehicle operation and maintenance, and better understand which routes would be compatible with electric vehicles. A significant reduction in fleet emissions is a key part of our plan to achieve carbon neutrality by 2040.

**International Fleet:** Our international operations have committed to exploring opportunities to reduce the environmental footprint of the company fleet. In 2021, our Dreams operations began using hybrid vehicles as part of their fleet. By 2026, we expect all company vehicles at Tempur UK to be powered by alternative fuel.

## OPERATIONS ENVIRONMENTAL CERTIFICATIONS

We pursue environmental certifications to validate our efforts by a third party and create consistency in our management systems across our manufacturing and logistics operations.

**International Organization for Standardization (ISO) Certifications:** We are ISO 14001 certified at our three Tempur-Pedic® foam-pouring facilities located in Albuquerque, New Mexico; Duffield, Virginia; and Aarup, Denmark. In addition to being ISO 14001 certified, our manufacturing facilities in Virginia and Denmark are ISO 9001 certified. Our Denmark facility is also ISO 50001 certified and ISO 45001 certified. Our goal is to transition our Duffield and Albuquerque foam-manufacturing facilities to become ISO 45001 certified by the end of 2022.

## Leadership in Energy Environmental Design (LEED)

**Certified Headquarters:** Our 128,000 square foot corporate headquarters building is LEED certified. We have water-saving faucets, primarily recyclable building materials, high-efficiency vehicle preferred parking, water-efficient landscaping, carpeting made from recycled components, and energy-saving LED lighting.



## Sustainable Textile and Leather Production (STeP)

**by OEKO-TEX®:** Our Dan-Foam operations are STeP by OEKO-Tex® certified in the following categories: chemicals, environmental conditions, environmental management system, social responsibility, quality management system, and safety.



## WASTE MANAGEMENT

We are committed to reducing waste, increasing recycling efforts, and identifying trends in waste usage. Globally, we monitor waste from production, use an internal reporting system, and utilize a third-party waste management consultant to help us understand the type and amount of waste produced in our U.S. manufacturing facilities, distribution centers, and corporate offices.

**In the trailing twelve months ended September 30, 2021, 94% of our waste from all of our wholly owned U.S. manufacturing facilities was recycled or used in energy reproduction, a 3% improvement from the prior year. For the same period, 100% of our European Tempur operations' and 70% of our Canadian operations' process by-products, packaging, and other materials are recycled or used in energy generation.**

Recycling efforts in these facilities over the trailing twelve months ended September 30, 2021, were equivalent to:

**111,640**  
BARRELS OF  
OIL SAVED

**800,088**  
TREES PLANTED

**48,005**  
TONS OF  
CO<sub>2</sub>e AVOIDED

### WASTE REDUCTION AND RECYCLING EFFORTS

Our efforts in this area include the following:

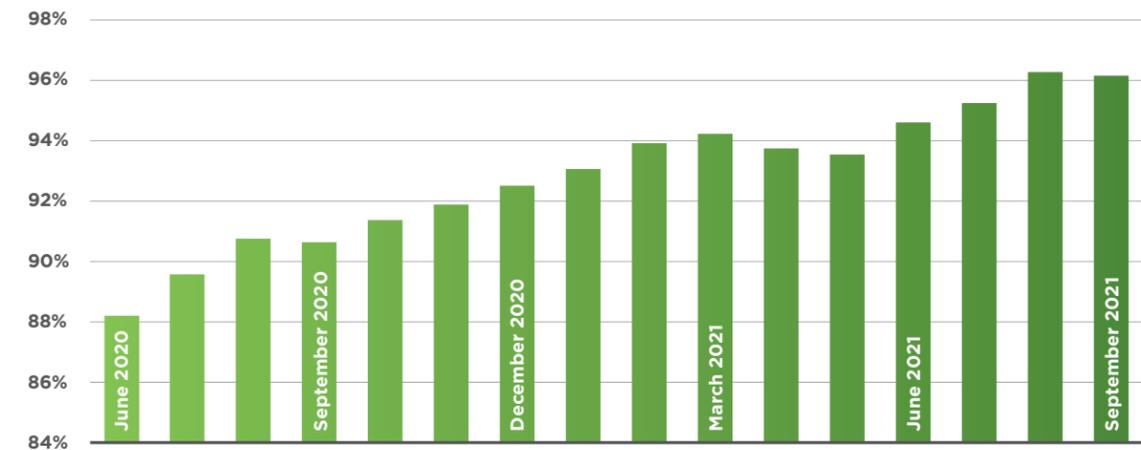
**Zero Landfill Commitment for Manufacturing Sites:** At our manufacturing facilities, we currently recycle materials such as cardboard, wood, foam, steel, plastic, textiles, and aluminum and continue to evaluate additional recycling opportunities.

Globally, we have committed to achieving zero landfill waste at each of our wholly owned U.S. manufacturing facilities and our European Tempur manufacturing facility by the end of 2022.

Additionally, we have broadened our commitment to achieving zero landfill waste by the end of 2022 to include each of our wholly owned Canadian and Mexican manufacturing facilities.

**We continue to achieve progress toward this goal, with an incremental four facilities achieving zero landfill waste this year.**

### U.S. MANUFACTURING WASTE DIVERTED FROM LANDFILL



**Training at Facilities To Reduce Waste:** We have implemented programs to highlight the importance of recycling with our employees. This year, leveraging the training pilots deployed in 2020, we created site-specific action plans to reduce waste and promote recycling. Working with our waste management partner Northstar Recycling, 100% of our U.S. sites have implemented the actions to transition to be zero landfill facilities.

**Zero Landfill Initiative for International Offices and Warehouses:** After achieving zero landfill waste at our Tempur European manufacturing site, we are now reducing landfill waste generated by our Tempur international offices and warehouses. We are in the process of obtaining baseline measures and developing targets to improve waste streams and waste management practices with the goal of decreasing landfill waste and increasing the amount of recycled waste.

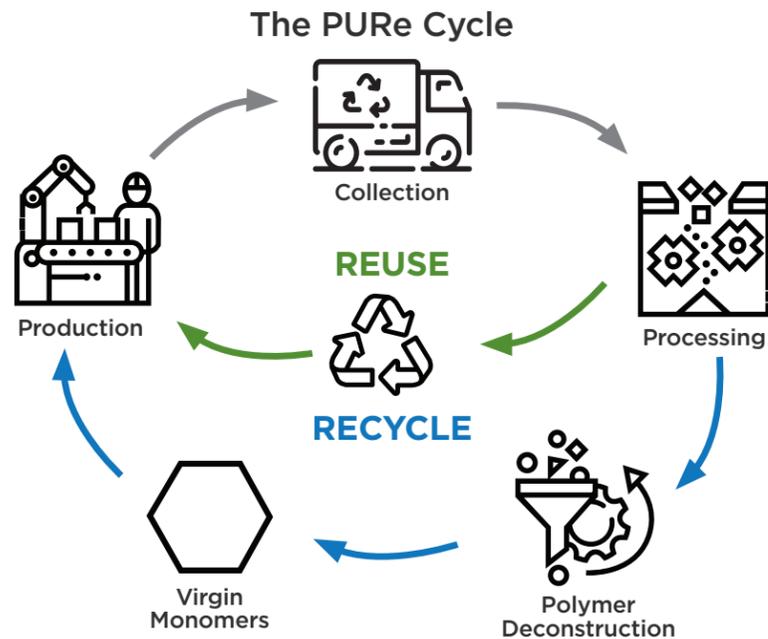
**MATTRESS END OF LIFE**

With a growing global mattress industry and the growth in digitally-native mattress companies offering mattress trials, the industry’s management of end-of-life product is becoming increasingly important. We are working with third parties worldwide to identify potential opportunities to recycle or upcycle used foams and exploring opportunities for the development of new channels for end-of-life mattress materials.

We will use this information to design products with the end-of-life process in mind so that we can increase the recyclability of our products.

**End-of-Life Recycling Service:**

Through our Dreams subsidiary’s operations, we offer our customers a recycling service that they can elect to use once they are ready to dispose of their mattress. Through this program, the reclaimed mattresses are broken down, and each component is recycled or used in energy generation.



**Recycle My Mattress Program:**

Our subsidiary in Australia is a founding member of the Recycle My Mattress Program. Recycle My Mattress partners with social enterprise recyclers to work toward reducing the disposal of mattresses in landfills and to provide employment and training opportunities to people experiencing barriers to employment.

**RePURpose (REUSE + RECYCLE = RePURpose):** In a close collaboration between the Danish Technological Institute and a number of Danish companies, we are working to recycle polyurethane foam in a program called RePURpose.

**Bedding Returns:** We are working around the globe to identify regional recycling opportunities for returns. In 2021, we worked with our distribution partners to expand our recycling efforts of returned Tempur-Pedic® products.

**California Efforts:** We have partnered with the Mattress Recycling Council, a member of the International Sleep Products Association, to participate in the Sleep Products Sustainability Program (SP2) in California production plants to potentially reduce waste, emissions, and energy consumption, while increasing operational efficiencies at these facilities.

**WASTEWATER TREATMENT**

For almost a decade, our Mountain Top, Pennsylvania, facility has had an internal wastewater treatment plant that purifies the water resulting from our production processes. This wastewater treatment process has resulted in the processing of 2.1 million gallons of water in the last twelve months ended September 30, 2021, which is safely returned to the natural water cycle through the local, publicly owned treatment plants.

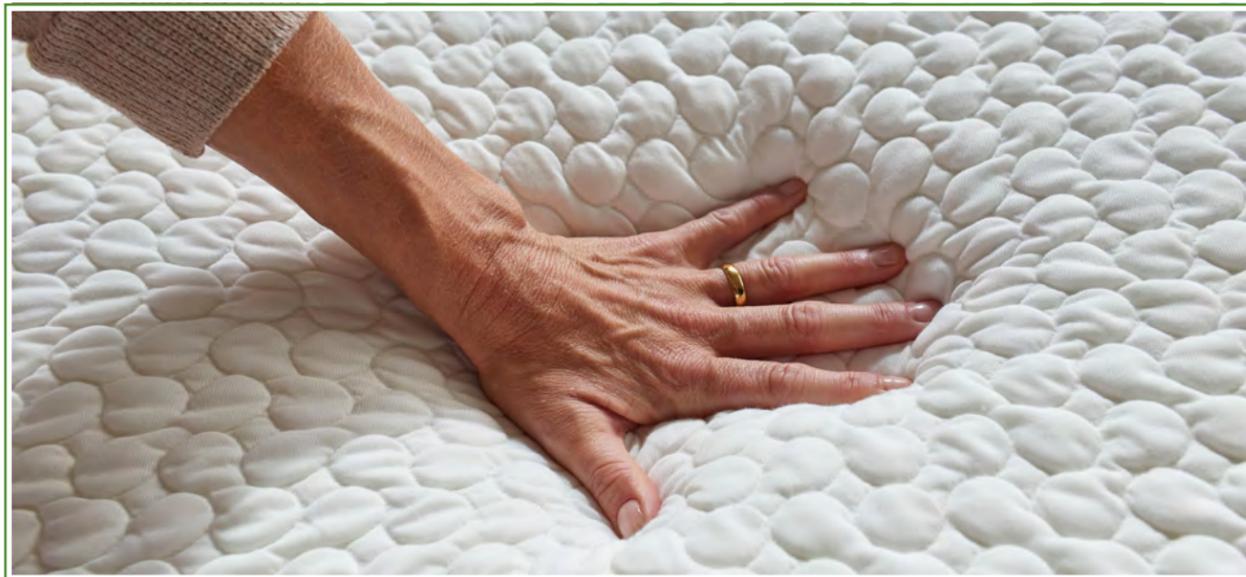


In the U.S., we recycle  
**100%**  
of the Tempur-Pedic®  
products returned to us.  
This equated to over  
**2.3 million**  
pounds of foam and over  
**500,000**  
pounds of metal being  
recycled in the trailing  
twelve months ended  
September 30, 2021.



## PRODUCT & PACKAGING

**Chemical Supply Chain Management:** All chemicals and foam components used in our mattresses are qualified prior to use in our manufacturing processes. As part of the qualification, material safety documentation is carefully reviewed, samples of the materials and their emissions are tested, and pilot runs are conducted at multiple stages for additional testing to ensure that they do not pose a risk to our employees or our customers.



All of our raw materials and finished goods meet the content and emission standards for volatile organic compounds (VOCs).

**Lumber Supply Chain Management:** We source lumber to manufacture our flat foundation bases. All three of Tempur Sealy's internally manufactured flat-foundation-base lumber suppliers are Sustainable Forestry Initiative (SFI), Forest Stewardship Council (FSC), or Canadian Standard Association (CSA) certified.

**Annual Diligence of Conflict Minerals Used in Our Products:** We comply with the U.S. Securities and Exchange Commission's "conflict minerals" disclosure and reporting requirements. We undertake annual diligence to ensure that none of our products include conflict minerals (i.e., tin, gold, tungsten, tantalum) that originate in the areas covered by the conflict minerals regulations. We also include cobalt in our annual due diligence efforts.

### REDUCED PACKAGING MATERIALS

We continuously look to reinvent the packaging of our products to reduce the amount of material needed while ensuring the highest-quality goods for our customers.

**Compressed Mattress Products:** Our product lineup now includes compressed mattresses. By compressing mattresses into smaller sizes before shipping, we are able to reduce the amount of product packaging and the fuel usage and greenhouse gas emissions associated with our transportation operations. In 2021, we increased the number of compressed mattresses we manufacture to serve consumer demand.

### PRODUCT AND PACKAGING USE OF RECYCLED COMPONENTS

We constantly monitor and pursue opportunities to foster recycling, including using recycled materials in our products. **For example, we used 87%-recycled steel innersprings for our Tempur-Pedic®, Stearns & Foster®, and Sealy® products for the trailing twelve months ended September 30, 2021.** Our new product development center in North Carolina recycles 100% of the mattresses it uses in testing, reducing our waste stream by approximately 2,000 mattresses annually.



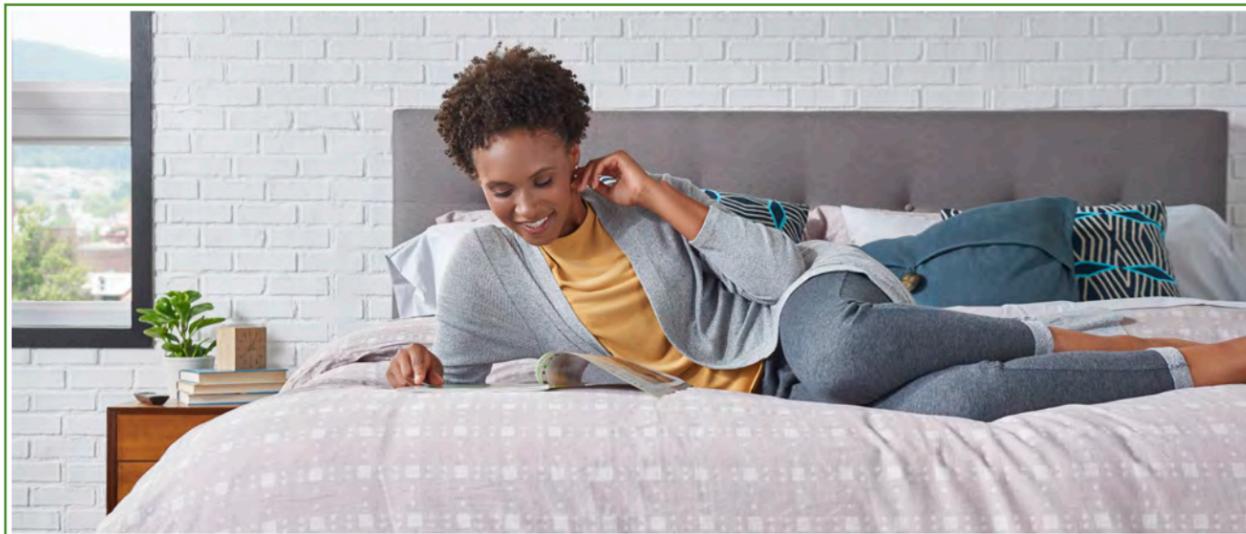
Internationally, our brown packaging boxes for our Tempur-Pedic® products are made from up to 78% of recycled fibers. We are also working on incorporating the use of recycled plastic foil into our packaging process. In 2022, we expect to incorporate at least 50% recycled material into the plastic foil used for the packaging of our products at our Dan-Foam facility.

**Marketing Digitalization Efforts to Reduce Paper Usage:** We have implemented new processes and capabilities this year to reduce printed marketing materials that are distributed into the marketplace. The steps we have taken to reduce printed materials include reducing national promotion printed materials by 12% by implementing a customizable ordering process.

## PRODUCT CERTIFICATIONS

We believe products that improve our customers' sleep experience will facilitate the health and happiness of our customers. As part of improving our customers' sleep experience, we strive to use sustainable materials in our products. We have the following certifications:

- All Tempur-Pedic®, Sealy®, and Stearns & Foster® mattresses are CertiPUR-US® certified.
- Products made in our latex pouring plant in Mountain Top and many of the products made in our Dan-Foam facility are OEKO-TEX® Standard 100 Certified.
- Our Mountain Top plant also obtained FSC® Certification, Rainforest Alliance Certification, TFI Aachen GmbH Certification, and UL GREENGUARD and UL GREENGUARD Gold certifications.
- Many of our Tempur-Pedic® retail mattresses made in our Dan-Foam facility are TÜV Certified.



We are introducing a collection of Sealy®-branded eco-friendly mattresses that we anticipate will have Rainforest Alliance Certification, FSC Certification, OEKO-TEX® Certification, GREENGUARD Gold Certification, and eco-INSTITUT Certification.



## STAKEHOLDER ENGAGEMENT

Many of the challenges we face are shared with our industry peers. We share best practices and work to collectively raise standards by participating and contributing to industry associations and organizations.

Tempur Sealy is an active member of the Sleep Product Safety Council (SPSC), which focuses on sleep product safety and the consumer impact from an industry perspective. Through our affiliation with this group, we engage on issues from mattress flammability to mattress recycling. As members of this group, we also participate in interactions with the EPA and the U.S. Consumer Product Safety Commission.

We also have representatives in the European Bedding Industries' Association and EUROPUR (European Association of Flexible Polyurethane Foam Blocks Manufacturers). Focus areas for these groups include the "Zero Plastics to Landfill" initiative of PlasticsEurope, investments into waste treatment facilities, and reducing the quantity of end-of-life mattresses going into a landfill.

Tempur Sealy management and the lead director of the Board of Directors conduct outreach with top shareholders to solicit, among other things, feedback on our ESG initiatives. Their feedback is reviewed by the executive team and Board of Directors for their consideration.



# PURPOSE

We believe that our products improve our customers' sleep experience so that health and happiness benefits can be realized. As part of our commitment to improving sleep, Tempur Sealy is proud to be making a difference in the communities where our employees live and work through volunteering, improving consumer health and safety in our sleep products, and making charitable and product donations. We segment our approach to making a difference in our communities into three categories: Community Engagement, Improving Sleep, and Charitable Giving. Within each of these segments, we have complementary initiatives that further our drive to make a difference in our communities.



## COMMUNITY ENGAGEMENT

### VOLUNTEERING

We believe that personal engagement and participation in charitable activities is as important as charitable giving. The organizations we support often have close ties to our employees. Many Tempur Sealy employees serve on boards for charitable organizations and are enthusiastic volunteers in the community. The Company supports this hands-on approach to giving back to the communities where we work and live.

Our offices often leverage volunteering as a team-building activity, working together to carry out our Company values. Tempur Sealy volunteers provide support for organizations such as Habitat for Humanity, the American Red Cross, the Ronald McDonald House, and many others.



## IMPROVING SLEEP

Tempur Sealy's stated purpose is "to improve the sleep of more people, every night, all around the world." This commitment manifests itself in everything we do.



### CONSUMER-FOCUSED INNOVATION

Informed by our investments in consumer and sleep research and enabled by our product development team, Tempur Sealy has a long-standing history of developing product innovations that build upon a legacy of sleep-enhancing innovations that includes our revolutionary and NASA-inspired TEMPUR® Material and Sealy Posturepedic® technology.

In 2021, our innovative Tempur-Pedic® brand was awarded a #1 ranking in Customer Satisfaction for both the retail and online mattress categories in the U.S. in the J.D. Power 2021 Mattress Satisfaction Report.<sup>3</sup>



The award marks the third consecutive year Tempur-Pedic® has achieved this distinction for the retail mattress category and the fourth time out of five years overall.

In addition to being ranked #1 in Customer Satisfaction, Tempur-Pedic® earned #1 rankings in the Retail Mattress category for Support, Durability, Comfort, Variety of Features, Price Value, and Warranty, and #1 rankings in the Online category for Durability and Warranty.<sup>3</sup>

**Sustainability-Driven Products:** In 2021, we commenced the design and development of a sustainability-driven mattress product line. **In 2022, we expect to launch a Sealy®-branded eco-friendly mattress collection made with responsibly sourced materials.**



**TEMPUR-Ergo® Smart Base powered by Sleeptracker®-AI:**

We created the TEMPUR-Ergo® Smart Base powered by Sleeptracker®-AI in collaboration with MedTech and BedTech company Fullpower® Technologies. Combined with a body-responsive Tempur-Pedic® mattress, the TEMPUR-Ergo® Smart Base creates a completely integrated sleep system. The smart base has sensors that monitor a consumer’s heart rate, breathing rate, and sleep cycle, and uploads personalized sleep analytics and coaching to their smartphone via the Sleeptracker® app. In addition, it features sleep-sensing technology that detects snoring and responds automatically without waking the sleeper.<sup>4</sup>

<sup>3</sup>For J.D. Power 2021 award information, visit [jdpower.com/awards](http://jdpower.com/awards). <sup>4</sup>Bed raises once approximately 12 degrees in response to snoring. This may reduce snoring in otherwise healthy individuals who snore due to body positioning.

**Surface-Guard Technology™:** Sealy®, Tempur-Pedic®, and Stearns & Foster® product lines include our innovative Surface-Guard Technology™, which builds upon the pioneering mattress protection treatment first developed and used in our products over 10 years ago.

**OFFERING A COMPREHENSIVE PORTFOLIO OF BRANDS AND PRODUCTS**

As the world’s largest bedding manufacturer, Tempur Sealy develops, manufactures, and markets mattresses, adjustable bases, pillows, and other products that are sold worldwide. Our TEMPUR® Material, Tempur-Pedic®, Sealy® featuring Posturepedic® technology, Stearns & Foster®, Comfort Revolution®, and private label brands and products are tailored to meet the broad range of consumer needs, tastes, preferences, and budgets.

**Rigorous Product Testing:** We champion the industry’s most comprehensive array of product performance, quality, and safety tests. The Tempur Sealy suite of industry-standard, proprietary, and patented testing tools and processes—world-class in the mattress industry—ensure that our products consistently live up to the expectations of our consumers and to the high standards that we have established and maintained since the first Stearns & Foster® mattress was introduced in 1846.



As the only mattress manufacturer with a CPSC-Firewall accredited Flammability & Regulatory Laboratory, as well as an industry-leading Analytical & Emissions Testing Lab, Tempur Sealy establishes its commitment to consumer safety. Our patented durability testing and strict testing protocol requirements provide confidence that only the highest quality of products can display our Tempur Sealy brands.

**Diverse Marketing Initiatives:** As a global bedding leader operating in over 100 countries around the world, we deliver our breakthrough sleep solutions to a broadly diversified consumer base. It's important to us to design advertising campaigns that are reflective of our diverse consumer demographics. As a result, we are thoughtful in our casting decisions to ensure we hire a broad range of talent that is reflective of our consumers, including striving for balanced representation in gender, ethnicity, background, age, and body type.



In 2021, we took steps to better service our Spanish-speaking customers in the U.S. We developed and implemented a bilingual marketing program, which includes offering select in-store marketing materials in Spanish. The availability of product information in both English and Spanish delivers an accessible shopping experience that empowers Spanish-speaking consumers on their purchase journey.

### **SLEEP HEALTH EDUCATION**

We are committed to helping consumers adopt a healthier lifestyle by raising consumer awareness of the connection between quality sleep and an overall healthy lifestyle. We have historically raised awareness on the positive impact of a good night's rest through a variety of methods, including through consumer interactions with retail sales associates, partnerships with accredited sleep experts, and educational content across diverse platforms, channels, and publications.

Going forward, our commitment to sleep health education will be enhanced by our Sleeptracker®-AI technology. We are leveraging learnings from our relationship with Sleeptracker® users in the U.S. to take a closer look at sleep trends and behaviors, as well as general sleep issues and interrupters like elevated stress levels and snoring. The insights and data generated will be used to start and nurture conversations with consumers on achieving quality sleep.

### **CONSUMER COMFORT AND IN-STORE SHOPPING CLEANLINESS GUIDELINES**

Consumer comfort has always been at the forefront of how we think about our business, evidenced by the unique, low-pressure shopping experience that we offer in our Company-owned stores. Now more than ever, we are focused on ensuring that our consumers who want to experience our products first-hand feel comfortable while shopping in-store for a Tempur Sealy product.



We built upon our unique combination of robust consumer insights and global industry experience to develop a holistic set of guidelines designed to offer a clean and comfortable in-store experience. Called the Clean Shop Promise®, our industry-leading cleanliness guidelines were implemented in all of our Company-owned stores as soon as they began to open in May 2020 after being closed due to COVID-19 government directives. Additionally, we supported our third-party retail partners through their own store reopenings and continue to support them today by offering the Clean Shop Promise® protocol as a resource.



## CHARITABLE GIVING

Our charitable giving efforts reflect one of the Company's most core values: We do the right thing. The Company's charitable giving includes both product and monetary donations that assist charities and people in need.

We have donated over \$100 million in mattresses, cash, and stock over the last ten years.



### TEMPUR SEALY FOUNDATION

The Tempur Sealy Foundation is committed to improving the health and wellness of our communities through charitable giving initiatives in line with Tempur Sealy's Corporate Social Values. As healthy children and families are the bedrock of healthy communities, the mission of the Tempur Sealy Foundation is to improve the lives of children and families through investing in high-impact healthcare, social service, and educational organizations that make a positive difference in the lives of those most in need.



The Tempur Sealy Foundation makes deliberate investments in established organizations that are making an impact in the lives of children and families in need. The Foundation creates lasting relationships with the organizations it supports.

In 2021, the Tempur Sealy Foundation made its single largest gift of \$2 million to establish the Tempur Sealy Pediatric Sleep Center at Kentucky Children's Hospital.

One in four children are impacted by sleep disorders. Despite the large number of children impacted by sleep disorders, most sleep centers are designed to treat adults. In order to address these challenges, we partnered with the Kentucky Children's Hospital to increase access to a state-of-the-art sleep clinic for Kentucky's children.



#### Supporting Programs that Promote

**Diversity:** We have a number of diversity initiatives underway to support organizations doing important work around diversity, equity, and inclusion. The Tempur Sealy Foundation provided grants to support programs that serve vulnerable children in minority communities, such as Sunrise Children’s Services, among others, as well as new initiatives to recruit foster parents from those communities. The Company has also supported diversity, equity, and inclusion with a grant to support diversity initiatives and scholarship programs at the University of Kentucky.

Through a Tempur Sealy-sponsored program, a Community Engagement Coordinator was established in the West End—a Louisville, Kentucky, community that has historically been impacted by racial and systemic tensions. The Community Engagement Coordinator builds relationships and brings together coalitions of people to address the root causes of child maltreatment in the West End.



#### Beds4Kids Partnership

Dreams is the lead corporate charity partner of Beds4Kids, an organization that helps children and families in the UK in need of beds. Through the partnership, Dreams employees fundraise for and bring awareness to Beds4Kids. Over the last 4 years, Dreams has raised the equivalent of over \$500,000, helping Beds4Kids reach more children in need.

#### Product Donations

Our mattress donation program helps us deliver on our Company purpose of “improving the sleep of more people, every night, all around the world.” Our mattress donations help thousands of people in need each year. **Since 2011, we have donated more than 216,000 mattresses to charities, including more than 7,000 in 2021.** Many different types of charities have benefited from our donation program, including veterans homes, military charities, homeless shelters, and others.





# OUR PEOPLE

As a global organization, our workforce and communities are important to us. We believe in investing in our workforce to promote health and safety, train and develop future leaders and corporate citizens, and encourage diversity and inclusiveness. We segment our approach to investing in our people into three categories: Ethics & Diversity, Wellness, Health & Safety, and People Development & Training. Within each one of these segments, we have complementary initiatives that promote the well-being, development, and diversity of our workforce.



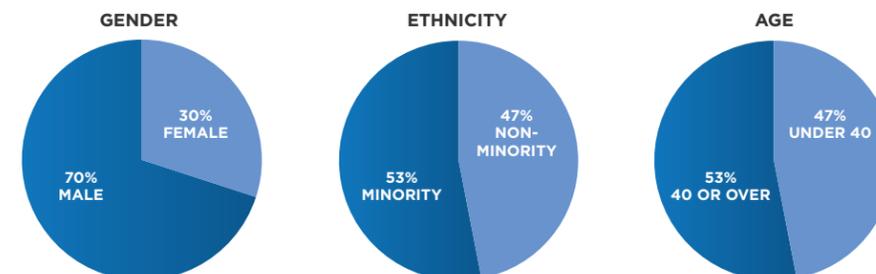
## ETHICS & DIVERSITY

### DIVERSITY, EQUITY, AND INCLUSION

We have a diverse global workforce that includes a range of skill sets, perspectives, backgrounds, ethnicities, genders, and qualifications.

**Global Workforce:** As a result of the growing demand for our products, we were able to create approximately 725 new jobs in 2021. We have approximately 12,000 employees—of these, approximately 7,000 are located in the U.S. and 5,000 in the rest of the world. We are committed to continuing our efforts to ensure that we have a workforce diverse in demographic, thought, and experience.

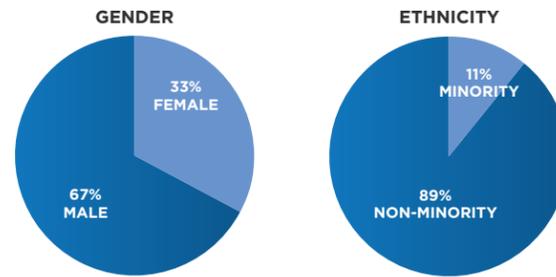
#### U.S. Workforce:



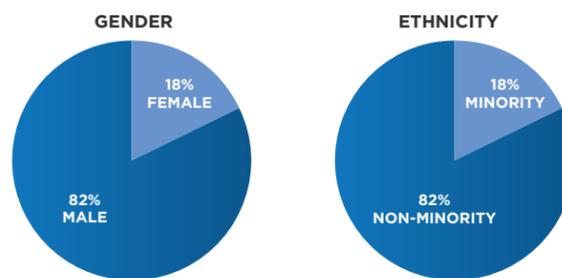
As an Equal Employment Opportunity Employer, we are committed to providing opportunities to all employees and applicants, and prohibiting discrimination and harassment. The following are some of the actions that we take to realize our commitment to equal opportunity employment:

- Promotion of a diverse slate of qualified candidates during the hiring process
- Outreach with organizations in each of our local communities to increase the flow of minority, female, veteran, and disabled applicants for employment
- Periodic gender and minority pay equity analysis
- Involvement in external, community-based activities sponsored by local organizations, including those that assist women, minorities, and veterans

**Board of Directors:** In line with our strategic objectives, our directors demonstrate attributes and experiences conducive to representing the best interests of our stockholders, including a range of skill sets, perspectives, backgrounds, ethnicities, genders, and qualifications.



**Executive Management Team:** Our executive management team is comprised of all executives with a senior vice president title and above.



### ETHICS AND RISK MANAGEMENT

Tempur Sealy is committed to maintaining high standards of corporate governance. We believe our success is tied to being an ethical and respectful corporate citizen.

**Board Oversight:** The Board of Directors is responsible for overseeing the management and operations of the Company, including overseeing its risk assessment and risk management functions. The Board has delegated to the Audit Committee primary responsibility for independent, objective oversight with respect to the Company’s accounting and financial reporting functions, internal and external audit functions, and systems of internal controls over financial reporting and legal, ethical, and regulatory compliance as well as data privacy and cybersecurity risks. The Compensation Committee has primary responsibility for oversight of risk related to compensation matters. The Nominating and Corporate Governance Committee has primary responsibility for oversight of risk associated with the Company’s leadership structure, corporate governance matters, and ESG matters.

**ESG Reporting:** In 2021, we established Nominating and Corporate Governance Committee oversight of our practices and positions relating to ESG issues. In 2021, our internal audit team performed a review of the information shared in this report.

**Cybersecurity:** Our Audit Committee and Board devote significant time and attention to cybersecurity and cyber-incident preparedness and response. At each meeting, our Audit Committee receives reports from our senior vice president, chief information officer, and management on cyberthreats and incident response. These reports address a range of topics, including updates on technology trends, policies and practices, and specific and ongoing efforts to prevent, detect, and respond to internal and external critical threats.

We have a dedicated team that oversees and implements our cybersecurity management, compliance with applicable legal and third-party data protection and data privacy requirements, and incident response and crisis management plans. The team also provides ongoing information security awareness education, including simulated phishing trainings and cybersecurity training for our employees.

**Customer Data:** In connection with the sales of our products, we often collect and process personal data from our customers. We have implemented a global compliance system and have put procedures and measures in place to facilitate adherence to the continuing compliance requirements of data privacy laws such as the EU General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA). We have a privacy policy with additional information available on our brand websites.

**Employee Compliance Trainings:** We require our global workforce to complete formal compliance trainings each year. In 2021, applicable employees were required to complete CCPA data privacy training, GDPR data privacy trainings, ransomware cybersecurity training, Payment Card Industry (“PCI”) data security training, Code of Conduct training, insider trading training, and state harassment training.



**Freedom of Association and Collective Bargaining:** Tempur Sealy maintains an open-door policy under which each employee has the right to deal directly with members of management regarding all working conditions. We respect the right of our employees to join or form (or not join or form) a labor union or other legal organizations of their own choosing, without being penalized for the non-violent exercise of such rights. Where employees are represented by a union, we are committed to establishing a constructive dialogue with their freely chosen representatives and to bargaining collectively in good faith with them.

**Discrimination Policy:** Tempur Sealy is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Actions, words, jokes, or comments based on an individual's race, religion (including religious dress and religious grooming), ethnicity, color, ancestry, creed, age, genetic information, disability (mental and physical), medical condition (including HIV and AIDS and cancer/genetic characteristics and information), national origin (including language use restrictions), gender, gender identity, gender expression, sexual orientation, marital status, familial status, parental status, domestic partner status, citizenship status, pregnancy (including perceived pregnancy, childbirth, breastfeeding, or related medical conditions), military caregiver status, military status, veteran status, or any other status protected by federal, state, or local law, will not be tolerated.

**Code of Business Conduct and Ethics:** We have a [Code of Business Conduct and Ethics](#) that applies to our entire organization. Our policy is available on our Investor Relations website. On an annual basis, 100% of our global employee base receives training on the Code of Business Conduct and Ethics policy.

**Improper Payments and Bribes:** As stated in our Code of Business Conduct and Ethics, we do not tolerate the making of payments or payments in-kind (gifts, favors, etc.) to influence individuals to award business opportunities to us or to make a business decision in our favor, regardless of local custom or practice. On an annual basis, employees receive anti-bribery training that covers the Foreign Corrupt Practices Act (FCPA) and the Bribery Act of 2010 of the United Kingdom (UK Bribery Act). In addition, all affiliates (including third parties, licensees, and joint venture partnerships) must certify they are compliant with all local laws, the FCPA, and UK Bribery Act.

**Human Rights Policy:** We have a [Human Rights Policy](#) that applies to our global organization. The policy is informed by the United Nations Universal Declaration of Human Rights and the International Labor Organization conventions.

**Ethics Line:** Our risk management plan also includes monitoring and addressing matters disclosed through our U.S. and international [Ethics Lines](#) for legal compliance and for accounting irregularities. Information and metrics relating to our hotline are reported to our Board of Directors.

**Internal Enterprise Risk Management:** We utilize an enterprise risk management process undertaken on a quarterly basis pursuant to which we seek to identify various enterprise risks related to product safety/regulatory, global environmental exposure, site environmental matters, IT system interruption and cybersecurity, supply chain matters, business continuity, health and safety incidents, and other matters. We have an enterprise risk management group that manages this process. Their activities include assessing the risks, prioritizing the risks, measuring the risks, implementing mitigation plans, and auditing the results. This team presents its findings to our Board of Directors on a quarterly basis.



## WELLNESS—HEALTH & SAFETY

TEMPUR+SEALY  
**STRONGER  
TOGETHER**  
ENVIRONMENTAL HEALTH & SAFETY

Tempur Sealy will operate in a manner that protects the health and safety of our employees and customers as well as protecting the environment.

The health and safety of employees, contractors and customers is our top priority.

Safety is **EVERYONE'S** responsibility

All workplace injuries can be prevented

Management is directly accountable for preventing injuries and occupational illnesses

We will meet or exceed regulatory, legal and other requirements

Working safely is a condition of employment

**"SAFETY—IT'S THE RIGHT THING TO DO!"**

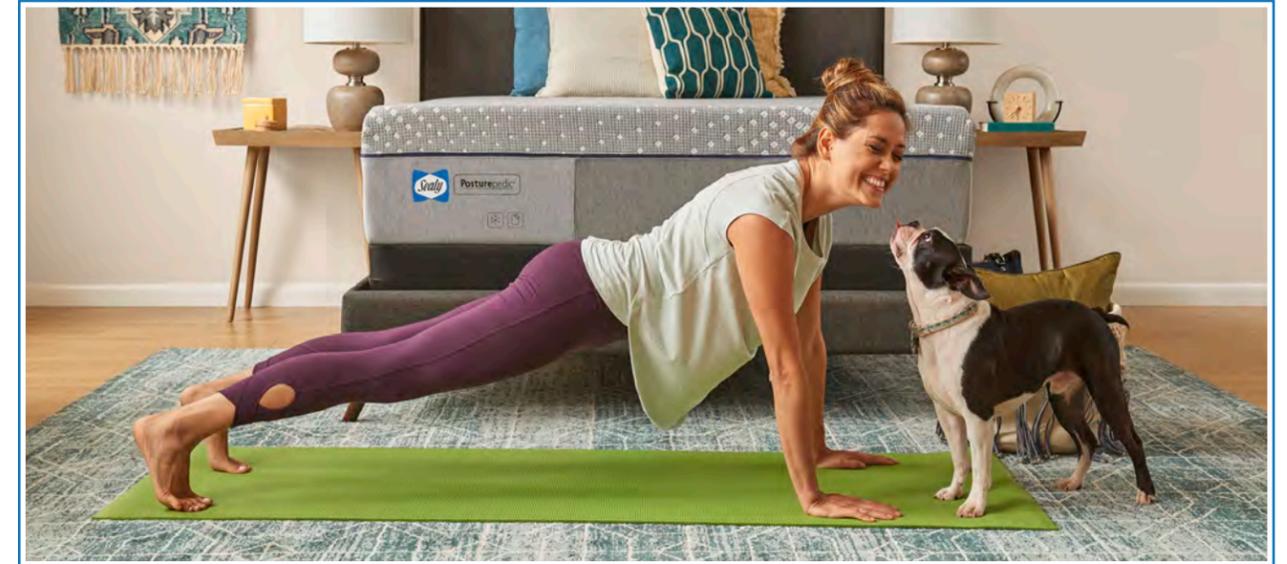
### HEALTH AND SAFETY POLICY

**We are committed to a safe and healthy work environment and are committed to our global safety policy.** We provide it worldwide in all of our business locations, and the policy is translated into the appropriate language(s) at each location.

### EMPLOYEE WELLNESS

With sleep and wellness at the core of our business, we recognize the connection between sleeping and living well and overall health. We offer a number of initiatives to help our employees maintain or improve their health and wellness.

**COVID-19 Employee Safety Initiatives:** We have implemented numerous health and safety measures across our global operations in an effort to minimize the risk of COVID-19 infections, following all local government directives and CDC recommendations. While working in a Tempur Sealy building, unvaccinated employees are required to wear a mask, and all employees are encouraged to maintain physical distancing. Additionally, each employee is subject to a temperature and wellness check each time they enter the building. Hand sanitizer and other sanitizing products are available throughout each building for employee use.



In 2021, we offered free COVID-19 vaccines on-site at all of our offices and manufacturing locations in the United States. We also offered additional pay to employees to get the COVID-19 vaccine and conducted local drawings with a total award of \$100,000 for individuals who received the vaccine.

**Wellness Activities:** Each year, Tempur Sealy coordinates a number of wellness activities (“Sleep Well, Live Well”) at each of its production facilities and corporate offices. Examples include on-site open-enrollment-benefit fairs, biometric health screenings, and financial wellness and retirement planning education sessions. While the pandemic has created some barriers to carrying out these events in person, we provided the information to employees virtually in 2021. We have established an online Virtual Benefits Fair with “booths” of videos and information that will continue to support our employees as we head into the new year.



**Diabetes Prevention and Management:** In 2020, we implemented a new health and wellness program for insurance plan members. At no cost to the member, the prevention program is designed to help employees lose weight, adopt healthy habits, and reduce their risk of developing type 2 diabetes. For members who are currently managing diabetes, we implemented a new health benefit that provides an advanced blood glucose meter, unlimited strips and lancets, and personalized coaching, paid for by Tempur Sealy.

**Fitness Centers:** Employees have 24/7 access to fitness centers located on-site at our corporate locations. Our fitness centers feature 2,000 square feet of cardio equipment, weight machines, free weights, and a yoga room.



**Manufacturing and Logistics Employee Health and Safety: Operations health and safety training is required for 100% of our manufacturing and logistics employees.** We strive to continue to be proactive in our operational health and safety initiatives, which we achieve through setting challenging targets. We have processes in place to track our progress toward those targets across our manufacturing, assembly, distribution, and logistics operations. Our goals are focused on ensuring compliance with health and safety best practices, requiring employee health and safety training for 100% of our applicable employees, raising workplace awareness through safety initiatives, and identifying risk elimination opportunities. Adherence to our health and safety priorities are driven by a team of regional safety managers and on-site safety coordinators.

Our North American assembly facilities currently use an Integrated Risk Management Solution. This software solution improves the control structure, productivity, transparency, and sustainability of key workflows in order to mitigate risks associated with employee health and safety.

Recent U.S. Tempur Sealy manufacturing health and safety initiatives include on-site physical therapy at no cost to the employee at all manufacturing facilities, a behavior-based safety program that offers employees one-on-one coaching and feedback, and semiannual employee health and safety audits to ensure compliance to internal policies and external regulations.

In addition, we have made investments in our U.S. Tempur Sealy logistics organization with the latest equipment and safety technology for the corporate fleet and upgrades to more recent models of nearly 200 tractor trailers with new safety features, including adaptive cruise control, lane departure mitigation, blind spot warning detection, and collision mitigation.

To further our commitment to the health and safety of our manufacturing and logistics employees, we are implementing a technology program designed to improve workplace health and safety across the U.S. The program is offered in the form of training videos accessible via a mobile application. The program has been shown to significantly reduce the frequency and severity of musculoskeletal workplace-related injuries.

#### **EMPLOYEE HARDSHIP PROGRAM**

Tempur Sealy has implemented an Employee Hardship Fund to provide financial assistance to employees experiencing difficulty in meeting basic living needs. Employees who meet the eligibility criteria can apply for assistance from the fund to receive a maximum grant of \$1,000 over a 12-month period.



**The Employee Hardship Program has assisted over 220 employees for a total of approximately \$210,000 between September 2021 and the inception of the fund on December 1, 2016.**



## PEOPLE DEVELOPMENT & TRAINING

### PROFESSIONAL DEVELOPMENT

Our goal is to design and offer development opportunities that improve Company performance by meeting individual learning and development needs and strengthen our culture by reinforcing Company values.

During 2021, we rolled out our new learning management system, the Learning Zone, where employees can take courses on a variety of individual and leadership development topics. All of our professional employees have access to this system, and there are thousands of individual modules offered through our partnership with Skillsoft.



**70/20/10 Model:** We believe formal learning provides the foundation and framework upon which informal learning builds. Tempur Sealy uses the 70/20/10 learning and development model. This approach gives employees the opportunity to develop their skills through a combination of job experience (70%), mentoring (20%), and formal training (10%). Training at Tempur Sealy includes, but is not limited to, formal training programs, leadership development mentorships, professional and industry conferences, and education assistance.

**Emerging Leaders Program:** Additionally, we promote the growth of Tempur Sealy's entry-level professionals at the corporate offices through our Emerging Leaders program. The overarching purpose of this program is to offer opportunities for emerging leaders to engage with other employees and senior leaders through networking, development, and philanthropic activities. We understand the importance of having strong professionals who are well-rounded and active both within Tempur Sealy and the greater community.



### EMPLOYEE ENGAGEMENT AND SATISFACTION

Our goal in this area is to encourage teamwork, communication, and a sense of ownership throughout our global organization.

**Employee Satisfaction and Culture:** In order to monitor the general attitudes and satisfaction of our workforce, we conduct employee surveys. We value these surveys and use them as an opportunity to evaluate opportunities to further improve employee satisfaction. In December 2021, we completed engagement surveys for all of our employees globally, and we expect to continue these engagement surveys annually.

**Town Hall Meetings:** We recognize the importance of both external transparency—with our shareholders, customers, and other stakeholders—and internal transparency with our workforce. We hold Town Hall Meetings at our corporate headquarters and issue audio messages from our CEO to engage with our employees about our financial results, the latest Company news and initiatives, and broader industry information. Our goal is to encourage teamwork, communication, and a sense of ownership through every level of our Company. In general, the Town Hall Meetings are held quarterly.

**All-Hands Meetings:** To further foster engagement and transparency, we hold meetings at each of our U.S. manufacturing and assembly facilities to review upcoming operational changes, health and safety best practices, new product launches, and human resources topics. The important information conveyed at these meetings is made accessible to employees in both English and Spanish to ensure it is understood by all employees.

## APPENDIX: SUSTAINABILITY AND ACCOUNTING STANDARDS BOARD (SASB)

The table below references relevant sections of the report and other sources of disclosure that align with the Sustainability and Accounting Standards Board (SASB) topics most relevant to our company. We are aligning to industry guidelines that relate to our business model, including Building Products and Furnishings and Multiline and Specialty Retailers and Distributors. We will continue to deepen our alignment and disclosure over time.

TOPIC	DESCRIPTION	SASB CODE	TEMPUR SEALY DISCLOSURE
<b>Energy Management</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1 CG-BF-130a.1	See Environment on pgs. 10-25.
<b>Data Security</b>	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	See Ethics and Risk Management on pgs. 38-41.
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	CG-MR-230a.2	There were no material data breaches involving PII in 2021.
<b>Labor Practices</b>	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1	See People, Development, and Training on pgs. 46-47.
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	CG-MR-310a.2	
<b>Workforce Diversity &amp; Inclusion</b>	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees <sup>4</sup>	CG-MR-330a.1	See Diversity, Equity, and Inclusion on pgs. 37-38.
<b>Product Sourcing, Packaging, &amp; Marketing</b>	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2 CG-BF-250a.1	See Product and Packaging on pgs 22-24.
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	See Product and Packaging on pg. 23.
	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, (4) percentage certified to other wood fiber standards, and (5) percentage by standard	CG-BF-430a.1	See Product and Packaging on pgs. 22-23.
<b>Product Life Cycle Environmental Impacts</b>	Description of efforts to manage product life cycle impacts and meet demand for sustainable products	CG-BF-410a.1	See Improving Sleep on pg. 27.
	(1) Weight of end-of-life material recovered and (2) percentage of recovered materials recycled	CG-BF-410a.2	See Waste Management on pgs. 18-21.

## Forward-Looking Statements

This report may be deemed to include statements that are “forward-looking” within the meaning of the federal securities laws, which include information concerning one or more of the Company’s plans, objectives, goals, strategies, and other information that is not historical information. When used in this



report, the word “believe,” “expect,” “anticipate,” “hope,” and variations of such words or similar expressions are intended to identify such statements. Any forward-looking statements contained herein are based upon current expectations and beliefs and various assumptions. These forward-looking statements include, without limitation, statements relating to the Company’s expectations regarding sustainability goals; commitments and programs; business plans; initiatives and objectives; assumptions and expectations; the scope and impact of corporate responsibility risks and opportunities; and standards and expectations of third parties. There can be no assurance that the Company will realize these expectations or that these beliefs will prove correct. Numerous factors, many of which are beyond the Company’s control, could cause actual results to differ materially from any that may be expressed herein as forward-looking statements. These risk factors include the risk factors discussed under the heading “Risk Factors” in Part I, ITEM 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, and as updated from time to time in our other periodic reports filed with the SEC. There may be other factors that may cause the Company’s actual results to differ materially from the forward-looking statements. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.



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