



TEMPUR + SEALY

TSI CORPORATE SOCIAL VALUES
REPORT JANUARY 2020



COMPANY PROFILE

Tempur Sealy International, Inc.,¹ is the world's largest bedding provider. We develop, manufacture, and market bedding products, which we sell globally. Combining a proud history and groundbreaking innovation, we hold some of the most highly recognized brands in the industry, including Tempur®, Tempur-Pedic®, Sealy® featuring Posturepedic® Technology, and Stearns & Foster®.

Our international headquarters is located in Lexington, Kentucky. In 2018, we generated approximately \$2.7 billion in net sales. As of October 31, 2019, we had approximately 7,300 employees, approximately 4,600 of whom are located in North America and 2,700 in the rest of the world. For financial reporting purposes, we operate in two segments: North America and International. Our North America segment consists of Tempur and Sealy manufacturing and distribution subsidiaries and licensees located in the U.S. and Canada. Our International segment consists of Tempur and Sealy manufacturing and distribution subsidiaries, joint ventures, and licensees located in Europe, Asia-Pacific, and Latin America. We utilize four research and development centers, one in Denmark and three in the United States, and a product testing facility in the United States. We have traditional wholesale and direct distribution networks across the globe, including a growing number of our own Tempur-branded retail stores. We also maintain a growing e-commerce business. Our focus is to become a true omnichannel distributor so that our products are available wherever our customers want to shop. Our supply chain includes many sources outside of the United States.

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>.

¹When 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

We have made a Company-wide decision from the top of our organization to commit to global efforts to improve our environment and communities. To that end, we have enlisted the same innovative spirit that has guided our world-class bedding business to the top of the industry in our drive to achieve world-class sustainability and environmental initiatives. The wheel below sets forth the values our leadership has embraced.



We have begun our journey of clarifying the scope and framework of our vision and goals and are pleased to share these efforts for the first time in a comprehensive way with our shareholders, customers, business partners, fellow industry participants, and the general public. This TSI Corporate Social Values Report (this "Report") provides a snapshot of our existing initiatives. We recognize that we have work ahead of us to clarify the scope and framework of our vision and goals, which include developing baseline metrics and aspirational targets as we align our values with existing initiatives and future investments. 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.



ENVIRONMENT

Tempur Sealy is committed to protecting and preserving our environment. As part of this commitment, we leverage well-established practices and processes within the Company and also continually seek to identify additional areas of opportunity and focus.



WASTE MANAGEMENT

Recycling Partnership in United States. We are committed to reducing waste. We are currently partnered with Northstar Recycling to help track waste and recycling, reduce our waste, and increase our recycling in most of our manufacturing facilities, distribution centers, and corporate offices in the United States.

Waste Reduction and Recycling Efforts. Our global waste reduction efforts include the following:

Zero Landfill Goal. We strive to achieve zero landfill waste at each of our foam manufacturing facilities and are proud to report that we have either achieved this goal or nearly achieved this goal at two such production plants in each of the last few years. Of note, our subsidiary in Australia is a founding member of the Soft Landing Product Stewardship Scheme, which aims to bring the number of mattresses brought to landfills in Australia down to zero within five years; to achieve this, it diverts waste mattresses from landfills and strips the components for reuse, developing a closed-loop material recovery system for mattresses.

Recycling. We currently recycle materials such as cardboard, wood, foam, steel, plastic, textiles, and aluminum and continue to evaluate additional recycling opportunities.

Scrap Management Program. We have a scrap management program to assist teams at each of our facilities with waste reduction efforts.

Signs at Facilities. In order to help provide recycling information to all of our employees, we post pictures in our facilities depicting materials that need to be recycled with captions in the each of the languages used by the employees at each facility.

Energy Saving Results from Recycling in the U.S. We are proud to report that in 2019 we recycled 85% of our waste from all of our North American facilities. Our recycling efforts in 2018 were equivalent to saving 16,000 barrels of oil, 51,000 trees, 16 million kilowatt hours electric, 3,000 tons of CO₂, and 21 million gallons of water.



California Efforts. We have partnered with Mattress Recycling Council, which is a member of the International Sleep Products Association, to participate in the Sleep Products Sustainability Program (SP2) in our Richmond and Los Angeles, California, production plants. We expect SP2 will help us reduce waste, emissions, and energy consumption while increasing operational efficiencies at these two facilities. We anticipate applying lessons learned from SP2 to our other U.S. production facilities.

RePURpose (REUSE + RECYCLE = RePURpose). A consortium of leading Danish companies, including our subsidiary Dan-Foam ApS, have joined forces to create new ways to reuse and recycle polyurethane scrap and potential returned products. The Danish Innovation Fund is funding two research programs that will run in parallel for three years. We hope to have positive results to share with you in the future.



RESOURCE CONSERVATION

Environmental Management System and ISO 14001 Certifications. We are committed to managing our resources effectively. We are ISO 14001 certified at three of our four foam manufacturing facilities. These facilities are located in Aarup, Denmark; Albuquerque, New Mexico; and Duffield, Virginia. Our assembly facilities throughout North America currently use the Riskonnect Integrated Risk Management Solutions™ software. This software improves the control structure, productivity, transparency, and sustainability of key business workflows in order to decrease strategic, compliance, operational, and personnel risk.

Aarup, Denmark, Facility Certifications. In addition to being ISO 14001 certified, we are proud to report that our foam manufacturing facility in the Aarup, Denmark, facility is also ISO 9001 certified, ISO 50001 certified, and OHSAS 18001 certified.

Duffield, Virginia, Facility and the ENERGY STAR Challenge. We are also proud to report that our foam manufacturing facility in Duffield, Virginia, met the ENERGY STAR challenge in December of 2019. In 2015 our Duffield, Virginia, plant partnered with the U.S. Environmental Protection Agency (EPA) and initiated an ENERGY STAR challenge program. 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. Energy cost savings are also a long-term benefit.



The Duffield team committed to a ten (10) percent energy reduction program over a 5-year period and has achieved a 37% reduction in energy consumption per pound of chemical processed since 2015. To meet these program requirements, the Duffield, Virginia, plant has invested in:

- Variable-speed chillers
- New LED lighting with daylight harvesting and occupancy sensors
- Variable-speed air compressors
- New “cool roof” installation
- Integrated building control system
- Large high-volume low-speed fans to reduce temperature stratification throughout the facility

Mountain Top, Pennsylvania, Facility and Waste Water Treatment. In 2012, our Mountain Top, Pennsylvania, facility invested in its internal waste water treatment plant to effectively purify the water that results from our production processes. From 2013 through 2019, this waste water treatment process has resulted in the reduction of greenhouse gases by 2,900 metric tons of CO₂ emissions and in the processing of 27-million gallons of water to the point the water can be safely returned to the natural water cycle through the local publicly owned treatment works.

Lumber Suppliers. All three of Tempur Sealy’s foundation base lumber suppliers are Sustainable Forestry Initiative (SFI), Forest Stewardship (FSC), or Canadian Standard Association (CSA) certified.

Energy Usage Reduction Efforts. In addition to the energy conservation efforts described above, we are committed to further reducing our energy consumption, emissions, water consumption, and waste. Our first step toward achieving this goal is to attain a better understanding of our current practices across all of our manufacturing facilities and distribution centers. We now have the ability to track our electricity usage, water usage, and waste water output so that we effectively measure in order to achieve our goals.

Additional resource management efforts include:

LED Lighting. We are currently transitioning to energy-saving LED lighting in all of our production and assembly facilities. At present, approximately 70% of our facilities in the United States utilize LED lighting.

Energy Load Shifting Programs. Our foam manufacturing facilities in New Mexico, Arizona, and Mountain Top, Pennsylvania, participate in energy load shifting programs with their local municipalities. During times of peak demand, each plant will adjust operations—shutting down high-consumption processes during times of peak demand to support high-priority facilities such as hospitals, schools, and emergency services.

Product Insourcing. Through product insourcing at our Duffield, Virginia, plant, this facility has been able to avoid 3,600 metric tons of CO₂ emissions in 2019.



LEED Certified Headquarters. Our 126,000 square foot corporate headquarters building is Leadership in Energy and Environmental Design (commonly referred to as LEED) certified. We have water-saving faucets, hand dryers, mostly recyclable building materials, high efficiency vehicle preferred parking, water-efficient landscaping, carpeting made from post-consumer recycled nylon carpet, and energy-saving LED lighting.

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 in North America such that our North American fleet meets or exceeds all federal and state environmental guidelines. Fuel efficiency and emissions legislation is largely administered to the tractor and trailer manufacturers, and we strive to ensure that our fleet is compliant with all deployments of new tractors and trailers through our relationships with these lessors.

Trailers. In 2018, we retired over 20% of our trailers and replaced them with newly manufactured trailers. Despite the fact that Phase 2 of the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) regulations was never formally passed, our new trailers meet the proposed requirements, and we have incorporated three of the five available fuel efficiency technologies (low-resistance tires, underbody skirts, and auto-inflating tire systems) in our fleet.



Tractors. In 2018, we also replaced a majority of our existing Class 8 tractor fleet with 2019 model year tractors that are more fuel efficient. While the earlier model tractors were fully compliant with all environmental guidelines, we expect meaningful improvements in fuel efficiency with the new tractors.

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

Going forward, we will collect data, continue to monitor all emissions and fuel efficiency legislation, and partner with industry leaders to meet or exceed these requirements. Current legislation outlines fuel-efficiency improvements for both tractors and trailers in the calendar years beginning 2021, 2024, and 2027, and we anticipate that our fleet will be compliant with the efficiency targets set for these dates.



PRODUCT & PACKAGING

Repurposing Materials. We are always looking for ways to repurpose or upcycle what might otherwise become waste. For example, we repair damaged pallets rather than disposing of them. Our manufacturing facility in Denmark is exploring ways to recycle foam trim scrap by converting trim into the basic building blocks of foam production and using these building blocks in new foam formulations. This is an initiative our Denmark facility is undertaking, and is also part of a collaborative project called RePURpose.

Replaced Double-Walled Boxes with Corner Inserts. In the past, our shipping containers were comprised of two full corrugated cardboard boxes with one nested inside of the other in order to increase the containers' strength. We now use a single-wall box with corrugated cardboard inserts in the corners, which enables us to obtain the same stacking strength with approximately 45% less cardboard material.

Recycling. We constantly monitor and pursue opportunities to foster recycling, including the use of recycled materials in our products. For example, innersprings used in the Sealy Response, Hybrid and Stearns & Foster products are manufactured using approximately 99% recycled steel. Our new product development center in Trinity, North Carolina, recycles all of the mattresses it uses in testing, thus reducing the waste stream by approximately 2,000 mattresses annually. Our Duffield, Virginia, plant has partnered with Knoxville Recycling for the removal of pallets that cannot be repaired.

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 reduce fuel usage and greenhouse gas emissions associated with our transportation operations.

Annual Audit of Conflict Minerals. We are required to 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 (e.g., tin, gold, tungsten, tantalum) that originate in the areas covered by the conflict minerals regulations.

Affiliations. 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 and chemicals to mattress recycling. As members of this group, we also participate in interactions with the U.S. Environmental Protection Agency and the U.S. Consumer Product Safety Commission.



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.



COMMUNITY ENGAGEMENT

Volunteering. Tempur Sealy believes 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.

In Lexington, Kentucky, our corporate office often leverages volunteering as a team-building activity, working together to carry out our Company values. In 2018, Tempur Sealy volunteers provided support for organizations including:

- Habitat for Humanity
- Ronald McDonald House
- Lexington Rescue Mission
- God's Pantry
- Sunrise Children's Services
- Lexington Humane Society
- And many more



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, including:

Offering a Comprehensive Portfolio of Brands and Products. As the world's largest bedding provider, Tempur Sealy develops, manufactures, and markets mattresses, adjustable bases, pillows, and other products. Our Tempur, Tempur-Pedic, Sealy, Stearns & Foster, and Comfort Revolution brands and products are tailored to meet the broad range of consumer needs, tastes, preferences, and budgets...and to help make truly great sleep available to them.

Groundbreaking Innovation. Informed by our substantial investments in consumer and sleep research, and enabled by our uniquely experienced product development team, Tempur Sealy has a longstanding history of developing product innovations. Our most recent TEMPUR-breeze^o and TEMPUR-Ergo^o Smart Base with Sleeptracker^o innovations help address the two most acute problems that prevent consumers from getting the quality sleep they need—sleeping hot and snoring—and build upon a product legacy of sleep-enhancing innovations that include our revolutionary and NASA-inspired TEMPUR^o Material and Sealy Posturepedic Technology.

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

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

Our Sealy Response and Hybrid Innerspring Mattresses, Sealy Conform Essentials, and Sealy Cocoon are CertiPUR-US^o certified. CertiPUR-US^o certified foams are:

- Made without ozone depleters
- Made without PBDEs, TDCPP, or TCIP ("Tris") flame retardants
- Made without mercury, lead, and other heavy metals
- Made without formaldehyde
- Made without phthalates regulated by the Consumer Product Safety Commission
- Low VOC (Volatile Organic Compound) emissions for indoor air quality (less than 0.5 parts per million)



Many of our Tempur retail mattresses made in our Denmark facility are TÜV Certified. A total of 66 models are covered by the following mattress family certifications:

- TEMPUR Original family
- TEMPUR Sensation family
- TEMPUR Cloud family
- TEMPUR Hybrid family
- TEMPUR Topper family

As required by the TÜV certification, the foams used for these mattresses are certified “LGA-tested for contaminants” (20 foam grades). Our certified “LGA-tested for contaminants” foams are:

- Made with GWP (Global Warming Potential) friendly blowing agents (H₂O, CO₂)
- Made without halogenated flame retardants
- Made without any heavy metals
- Made without organic tin (BDTL, TNT, etc.)
- Made without formaldehyde
- Made without phthalates
- Low VOC (Volatile Organic Compound) emissions for indoor air quality (less than 0.5 parts per million)

The foams are produced under regular monitoring by the TÜV/LGA with strict limits for:

- CMR compounds (carcinogenic, mutagenic, and reproduction toxic)
- Formaldehyde
- Tetramethylsuccinonitrile (TMSN)
- Styrene
- Aromatic amines
- Odor

Certifications Achieved by Our Mountain Top, Pennsylvania, Facility. Our Mountain Top, Pennsylvania, facility is and historically has been a latex pouring plant. The materials poured and used in this facility have passed a series of certification requirements covering a spectrum from rainforest protections to organic materials sourcing. We are proud to report that this facility has achieved the following certifications and standards:

OEKO-TEX® Standard 100 Certified. This certification tests for known harmful substances at a level safe for infants and children, including heavy metals, formaldehyde, plasticizers, solvents, and volatile organic compounds.



FSC® Certification–Forestry Stewardship. This certification follows the chain of custody for natural latex showing responsible sourcing from plantation to product.

Rainforest Alliance Certification. This certification ensures natural latex is sourced to maintain biodiversity and support strong forests and thriving communities.

Global Organic Latex Standard (GOLS). This standard outlines requirements for our latex products from plantation through all stages of processing and production. To achieve the GOLS standard, our latex products must contain more than 95% of certified organic raw material.

TFI Aachen GmbH. This certification ensures that our latex product is free of butadiene, heavy metals, formaldehydes, PCPs, Pesticides, VOC and Nitrosamines emissions, and tin organic compounds.

Broad Geographic and Omnichannel Distribution. In line with our commitment to improving sleep for more people around the world, Tempur Sealy’s brands and products are sold worldwide, and via the industry’s most expansive network of third-party retailers, online outlets, and company-owned stores and websites.

Beyond our product development and commercial endeavors, Tempur Sealy also strives to have a positive impact within society and within the communities in which our employees work and live. Consistent with this ambition, the Company and our employees are active in the areas of Charitable Giving and Community Engagement.



CHARITABLE GIVING

Tempur Sealy’s 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.

In December 2019, we made the largest single charitable contribution in the Company’s history—100,000 shares of common stock with a value of more than \$8 million. Tempur Sealy marked the contribution by making an initial donation of \$200,000 to four Lexington, Kentucky, area charities that focus on children and families in need.

The contribution will be used in part to fund the long-term needs of the Tempur Sealy Foundation, which supports children’s charities in Central Kentucky.



Mattress Donations in United States. The Tempur Sealy mattress donation program helps us deliver on our 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, the Company has donated more than 200,000 mattresses to charities.

Many different types of charities have benefitted from this program, including:

- Veterans Homes
- Military Charities
- Homeless Shelters
- Childrens Homes
- Transitional Housing
- Elderly Homes
- Firehouses
- Special Needs Homes

Organizations that have received Tempur Sealy mattress donations include Ronald McDonald House Charities, American Cancer Society Hope Lodges, the American Red Cross, Boys Town, and St. Jude Children’s Research Hospital.

Support of U.S. Military Organizations. We take particular pride in being able to provide a great night’s sleep to those who, through their service, allow us to sleep safely at night. Each month, Tempur Sealy donates multiple truckloads of mattresses to active-duty military Special Operations Forces (SOF) soldiers, sailors, and airmen. This “Operation Shut Eye” donation program is executed in partnership with Ashley HomeStore.

The “Operation Shut Eye” commitment made by the Company is to donate 15,000 Tempur-Pedic mattresses to this deserving group. To celebrate Veterans Day 2019 and mark its 10,000th donated mattress for this initiative, the Company delivered two truckloads of mattresses to a Special Ops unit at Fort Campbell, Kentucky.

Special Ops units that receive donations include Navy SEALs, Army Green Berets and Rangers, Air Force Combat Controllers, Marine Raiders, and other SOF units. Since October 2014, there have been more than 150 donations benefiting more than 75 SOF units nationwide including Alaska and Hawaii.

Supporting Victims of National Disasters. Since 2017, Tempur Sealy has also committed nearly \$10 million in product donations to victims of natural disasters, including hurricanes, floods, and wildfires.



Mattress Donations by Dan-Foam. While much of the activity referenced above is focused in the United States, the Company's facilities around the world also engage in philanthropic activities in their local markets. In Denmark, the Company's Dan-Foam facility has, for several years, donated mattresses and pillows to the Danish association "Julemærkehjem," which owns five homes in scenic areas that provide residential treatment programs to vulnerable children who have experienced bullying, social isolation, obesity, and other adjustment issues. Since 2017, all of their facilities have featured mattresses and pillows donated by Dan-Foam.

In 2017 and 2018, Dan-Foam donated pillows and bicycle saddles to an oncologic department at the local hospital to help patients in treatment and fitness programs to recover after cancer treatments.

Tempur Sealy Foundation. The Tempur Sealy Foundation is focused on supporting charities that assist children and families in Central Kentucky. The Foundation creates long-lasting relationships with the organizations it supports. Currently, the Company provides annual cash grants to the following organizations:

- Ronald McDonald House Charities of the Bluegrass
- Lexington Rescue Mission
- Sunrise Children's Services
- KVC Kentucky (children's services)

Our partnership with these organizations is not limited to Foundation grants. Tempur Sealy and our employees are proud to volunteer with these organizations, consistently donating time and resources to support them and their important work in the Lexington community.

Pancreatic Cancer Research. As part of our ongoing commitment to Pancreatic Cancer research—a cause the Company has supported since 2009—Tempur Sealy has raised more than \$3 million for the Pancreatic Cancer Action Network.



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, to train and develop future leaders and corporate citizens, and to encourage diversity and inclusiveness.



WELLNESS: HEALTH & SAFETY

Health and Safety Policy.

We are committed to a safe and healthy work environment. To that end, we adopted the following global safety policy and post it worldwide in all our business locations. The policy is translated into the appropriate language(s) at each location.

Risk Management Systems.

We are OHSAS 18001 certified at our foam manufacturing facilities in Denmark and Duffield, Virginia. Our goal is to transition to ISO 45001 certified by 2022 at these facilities and at our Albuquerque, New Mexico, research and

development facility. Our North American assembly facilities currently use the Riskconnect Integrated Risk Management Solutions™ software. This software improves the control structure, productivity, transparency, and sustainability of key business workflows in order to mitigate risks (and potential related costs) associated with employee health and safety issues.

Health and Safety Reporting. Our U.S. operations are subject to the Occupational Safety and Health Act of 1970 (“OSH Act”), and our European operations are subject to similar laws. Our leadership receives monthly reports on the Mattress and Manufacturing Industry metrics provided annually by the U.S. Bureau of Labor Statistics. We continually evaluate how to improve the health and safety of our operations.

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!"



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.

70/20/10 Program. Tempur Sealy uses the 70/20/10 learning and development model and believes formal learning provides the foundation and framework upon which informal learning builds. Formal training at Tempur Sealy includes, but is not limited to, internal training programs, professional and industry conferences, and the education assistance program.

Emerging Leaders Program. Additionally, at the corporate offices, we promote the growth of Tempur Sealy's entry-level professionals 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.

Town Hall Meetings. At Tempur Sealy, we recognize the importance of both external transparency with our shareholders, customers, and other stakeholders, and internally with our workforce. To the latter end, we hold quarterly Town Hall Meetings at our corporate headquarters and take the opportunity 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.

Team-Bonding Programs. We recognize the value in team-bonding activities within departments to strengthen communication, collaboration, and relationships among department employees. We encourage departments to host events and activities where our employees can interact with and work alongside one another in different environments.

Employee Satisfaction Surveys. In order to monitor the general attitudes and satisfaction of our workforce, we conduct annual employee surveys. For example, we surveyed U.S. salaried employees and our international supervisors in 2019, and we are proud to report that of those surveyed, 89% responded and 87% of those that responded would recommend Tempur Sealy as a good place to work. We value these surveys and use them as an opportunity to evaluate where we can further improve.



Freedom of Association and Collective Bargaining. Tempur Sealy maintains an open-door policy under which each associate 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, including HIV and AIDS), medical condition (cancer/genetic characteristics and information), national origin (including language use restrictions), sex (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.

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. This program has assisted 152 employees for a total of over \$100,000 since the fund began December 1, 2016.



ETHICS & DIVERSITY

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.

Code of Business Conduct and Ethics. We have a Code of Business Conduct and Ethics that applies to our entire organization. Our policy can be located at this link: <http://investor.tempursealy.com/corporate-governance>. All employees are required to review and answer questions relating to this policy on an annual basis.

Supplier Code of Conduct. We have a Supplier Code of Conduct that applies to our suppliers, vendors, and their subcontractors. Our policy covers topics such as ethics, laws and regulations, corruption, audits, compensation, working hours, child labor, discrimination, harassment, freedom of association and collective bargaining, conflict minerals, health and safety, and environment.



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 cyber security, 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.

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.

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 includes 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.

Diversity. We have a diverse global workforce that includes a range of skillsets, perspectives, backgrounds, ethnicity, gender, and qualifications.

Global Workforce. Tempur Sealy has approximately 7,300 employees, approximately 4,600 of whom are located in the United States. Of our domestic employees, 30% are female and 70% are male. In addition, 47% of our U.S. workforce has self-reported as a minority and 48% of our U.S. workforce is over the age of 40.

Board of Directors. We have a total of eight Board members, two of whom are women. In line with our strategic objectives, our directors demonstrate attributes and experience that are conducive to representing the best interests of our stockholders, including a range of skillsets, perspectives, backgrounds, ethnicities, genders, and qualifications.

Executive Management Team. Our executive management team consists of six Caucasian men and one Asian man.

Senior Management Team. Our senior management team consists of two women and one man.