



TEMPUR+SEALY

TPX CORPORATE SOCIAL VALUES REPORT

JANUARY 2024



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LETTER FROM THE CHAIRMAN AND CEO



We are pleased to share our 2024 Corporate Social Values Report, a testament to our ongoing commitment to making a positive impact in the world. We understand that corporate responsibility is an evolving journey, and we are dedicated to continually improving our practices to contribute to a better, more sustainable future.

While the Company continues to grow, our most important beliefs remain the same, including our core value of Doing The Right Thing. This has been embedded in our DNA since the founding of Tempur-Pedic U.S. more than 30 years ago, and is ingrained in everything we do, from our mission to provide sleep solutions to customers in over 100 countries, to our efforts to minimize our environmental footprint, to our focus on supporting our employees and our communities.

We know that when we invest in a socially responsible and sustainable future for our organization and our world, we strengthen and fortify our business. Our Board of Directors and executive management team believe that our focus on ESG initiatives unlocks shareholder value and contributes to our long-term growth.

Here are some highlights of the progress we made on our social values initiatives in the trailing twelve months ended September 30, 2023:

ENVIRONMENT

- Achieved zero waste to landfill status at our Canadian and Mexican manufacturing operations and maintained our zero waste to landfill status at our U.S. and European manufacturing operations
- Achieved zero waste to landfill status at 75% of our corporate offices and R&D labs, in line with our goal to achieve zero landfill waste at our corporate offices and R&D labs by 2025
- Progressed towards our goal of achieving carbon neutrality by 2040 through reducing greenhouse gas emissions at our wholly owned manufacturing and logistics operations by 4%* compared to the prior year
- Summarized and published our approach to comprehensive chemical supply management in a [Chemical Safety Policy](#)

*This excludes the impact of new facilities opened in the trailing twelve-month period. Including the impact of new facilities, we reduced greenhouse gas emissions at our wholly owned manufacturing and logistics operations by 1% compared to the prior year.

PURPOSE

- Continued to bring industry-leading innovation to market that provides consumers with access to higher quality sleep at a variety of price points, including the new U.S. product launches of TEMPUR-Breeze®, TEMPUR-Ergo® Smart Base, and Stearns & Foster, and the new international launches of TEMPUR® products
- Contributed approximately \$800,000 through the Tempur Sealy Foundation and donated more than 12,100 mattresses worth approximately \$16.9 million, bringing our ten-year donation total to over \$100 million

PEOPLE

- Increased transparency and expanded disclosures around Employee Health & Safety, Ethics Line, and Employee Satisfaction & Engagement
- Embedded ESG performance as a factor in executive leadership's 2023 compensation program

We look forward to bringing you along on our social values progress in the future.

Scott Thompson
Chairman, President, and CEO



COMPANY PROFILE

Tempur Sealy* (NYSE: TPX) is committed to improving the sleep of more people, every night, all around the world. As a leading designer, manufacturer, distributor, and retailer of bedding products worldwide, we know how crucial a good night of sleep is to overall health and wellness. Utilizing 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 brands include Tempur-Pedic®, Sealy®, Stearns & Foster®, and our popular non-branded offerings consist of value-focused private label and OEM products. At Tempur Sealy we understand the importance of meeting our customers wherever and however they want to shop and have developed a powerful omni-channel retail strategy. Our products allow for complementary merchandising strategies and are sold through third-party retailers, our 700+ Company-owned stores worldwide and our e-commerce channels. With the range of our offerings and variety of purchasing options, we are dedicated to continuing to turn our mission to improve the sleep of more people, every night, all around the world, into a reality.



● Wholly owned (32) ● Tempur-Pedic® Facility (4) ● Joint Venture (8) ● Licensee (27)

TEMPUR SEALY FAST FACTS



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



In 2022, we generated approximately **\$4.9 billion** in net sales.



As of December 31, 2023, we had approximately **12,000 employees**, approximately 7,000 of which were in the United States (“U.S.”) 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 robust wholesale and direct distribution networks across the globe, including **growing company-owned retail stores and e-commerce businesses**.

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>

*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 CORPORATE SOCIAL VALUES

At Tempur Sealy, we recognize that our actions as a company have a profound impact on our communities, our employees, and the environment. We are dedicated to delivering a positive influence through our products, operations, and corporate initiatives. This report reflects our unwavering commitment to doing business with integrity, compassion, and a focus on the greater good.

This commitment 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. The Board is responsible for overseeing the management and operations of the business, including overseeing our risk assessment, risk management functions, and risk mitigation strategies. The Nominating and Corporate Governance Committee reviews our practices and positions relating to ESG issues that may affect the business and key stakeholders and for exercising oversight on matters relating to ESG.



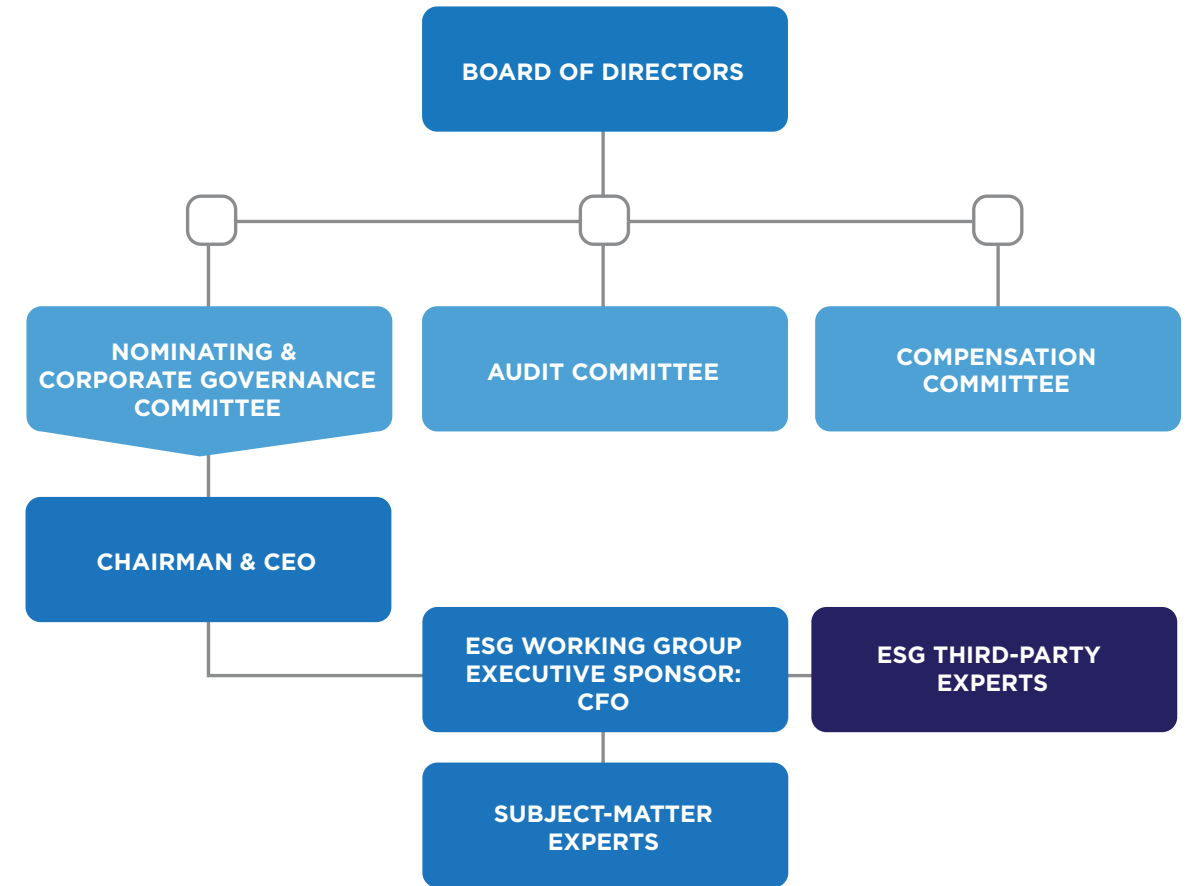
We are continuing our journey of clarifying the scope and framework of our vision and goals, and are pleased to share these ongoing efforts in a comprehensive way with our shareholders, customers, business partners, fellow industry participants, and the public.

Our Corporate Social Values Report provides a snapshot of our existing initiatives and goals. We hope that in reading this report you will gain a deeper understanding of our efforts and engage with us as we continue toward achieving these goals while continuing to improve the sleep of more people, every night, all around the world. Data provided throughout this report covers the trailing twelve-month period from October 1, 2022 through September 30, 2023, unless otherwise specified. We have also included specific subsequent initiatives that occurred after the end of September 30, 2023, which we have endeavored to note as such.

ESG GOVERNANCE AND OVERSIGHT





Our Chairman and CEO has ultimate responsibility for Tempur Sealy's ESG performance. Executive officers are held accountable for ESG performance through the Company's performance-based long-term equity incentive plan. In 2021, 2022, and 2023, ESG performance is a factor in our incentive compensation plan.

Our ESG Working Group is a cross-functional group tasked to operationalize ESG by working with subject matter experts across the business. This group is advised by a third party that brings external ESG insights to help inform our strategic objectives and is overseen by the Chief Financial Officer.





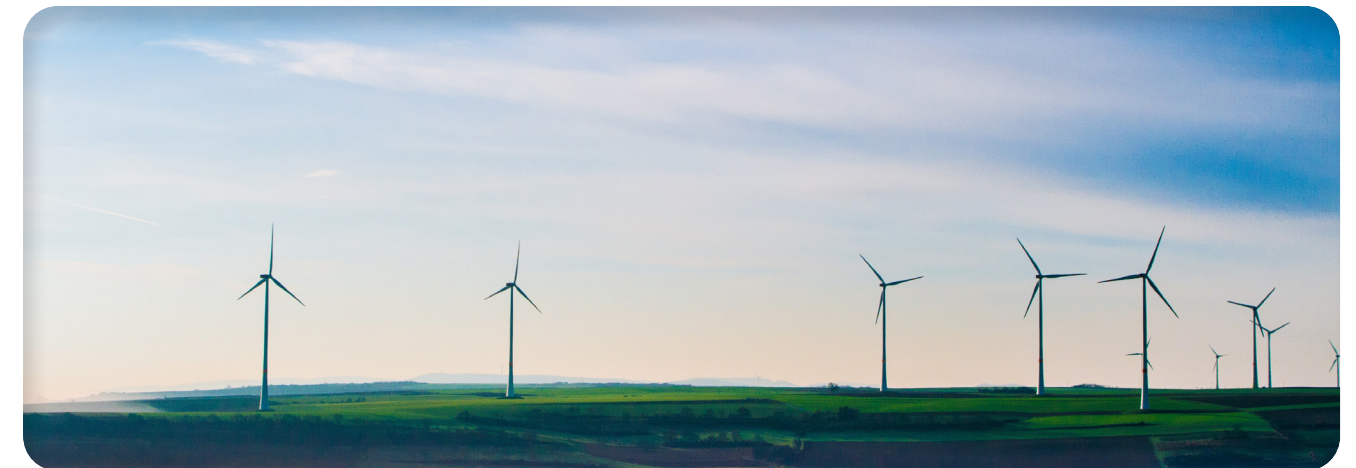
ALIGNMENT WITH THE U.N. SUSTAINABLE DEVELOPMENT GOALS

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:

GOAL	APPLICABLE TARGETS	TEMPUR SEALY ALIGNMENT	REPORT SECTION
 3 GOOD HEALTH AND WELL-BEING	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.	We believe that our products improve our customers' sleep experience to realize health and well-being benefits. We also strive to ensure the health and safety of our employees and facilities.	pgs. 31-35 "Improving Sleep"
 8 DECENT WORK AND ECONOMIC GROWTH	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	We employ approximately 12,000 people worldwide and offer competitive compensation and benefits packages. We believe in investing in our workforce to promote their training and development as corporate citizens and future leaders. We take actions to realize our commitment to a more diverse workforce, including analyzing gender and minority pay equity periodically.	pgs. 41-49 "Ethics & Diversity"
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.	Tempur Sealy's business includes global manufacturing, distribution, and retail operations. We continue to drive growth initiatives worldwide, consistent with our mission "to improve the sleep of more people, every night, all around the world."	pgs. 12-29 "Environment"
 10 REDUCED INEQUALITIES	10.2 By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.	We continue to implement and foster initiatives to increase diversity and inclusiveness in our leadership and broader workforce.	pgs. 41-49 "Ethics & Diversity"

ALIGNMENT WITH THE U.N. SUSTAINABLE DEVELOPMENT GOALS CONTINUED

GOAL	APPLICABLE TARGETS	TEMPUR SEALY ALIGNMENT	REPORT SECTION
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse. 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	We consider the full lifecycle of our products, including sourcing, byproducts, impacts from manufacturing, and end of life after consumer use. We have established goals to reduce our GHG emissions, water, and waste. Since 2020, Tempur Sealy has published annual Corporate Social Values Reports highlighting our progress on our ESG initiatives.	pgs. 20-23 "Waste Management" Annual CSVR Reports
 13 CLIMATE ACTION	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	We are committed to reducing or offsetting our scope 1 and 2 emissions to achieve carbon neutrality in our global operations by 2040. We have also begun to align with the TCFD to better understand and address climate-related risks to our business.	pgs. 14-19 "Resource Conservation" pgs. 56-61 "Appendix-TCFD"





ENVIRONMENT

Tempur Sealy places a strong emphasis on corporate sustainability as part of its commitment to responsible business practices. The Company focuses on reducing its environmental footprint by implementing various resource conservation, waste management, and product and packaging sustainability initiatives across our operations. Our dedication to corporate sustainability aligns with our objective to not only provide high-quality sleep products, but also to do so in an environmentally responsible manner that contributes to a more sustainable future.

Our sustainability processes and standards are formalized in our Environmental Policy. This policy reinforces our commitment to the environment through our environmental management system, governance and reporting structure, and resource efficiency measures.

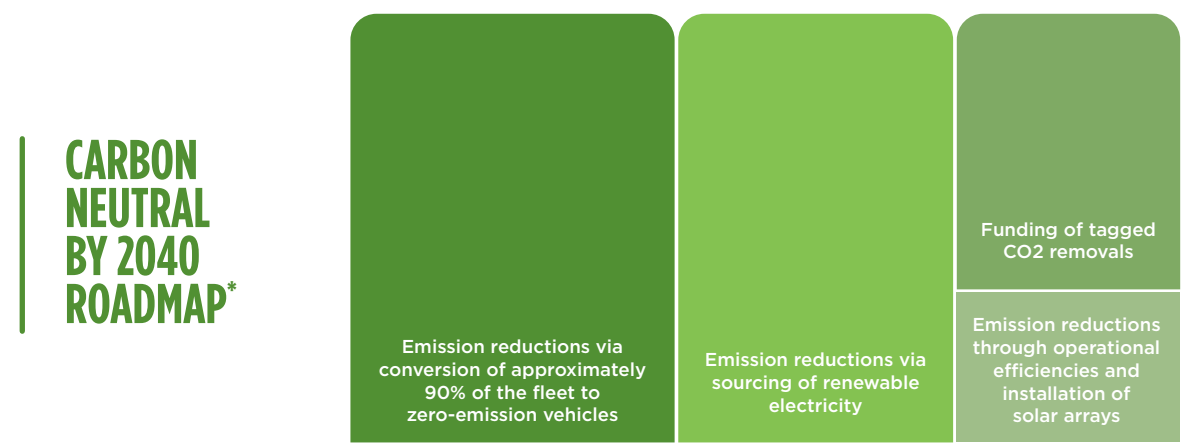
In 2023, we established our Chemical Safety Policy. This policy demonstrates our commitment to ensuring the safety and health of our employees and customers through outlining our approach to comprehensive chemical supply management.

We have taken steps to align our ESG reporting to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations on climate-related disclosures. Please see the TCFD table in the Appendix of this report for more information.

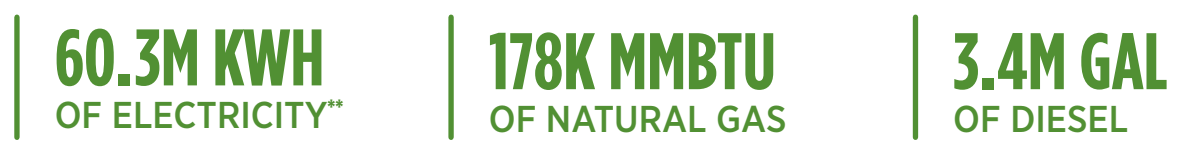
CARBON NEUTRAL BY 2040

We are committed to achieving carbon neutrality in our global wholly owned operations by 2040. Our objective is to reduce or offset 100% of Scope 1 and 2 greenhouse gas emissions from our wholly owned manufacturing, retail, and logistics operations.

We plan to achieve carbon neutrality through absolute Scope 1 and Scope 2 emission reductions from the continued use of renewable energy and operational efficiency improvements, and the use of credible carbon capture initiatives.



In the trailing twelve months ended September 30, 2023, our global wholly owned manufacturing and logistics operations consumed:

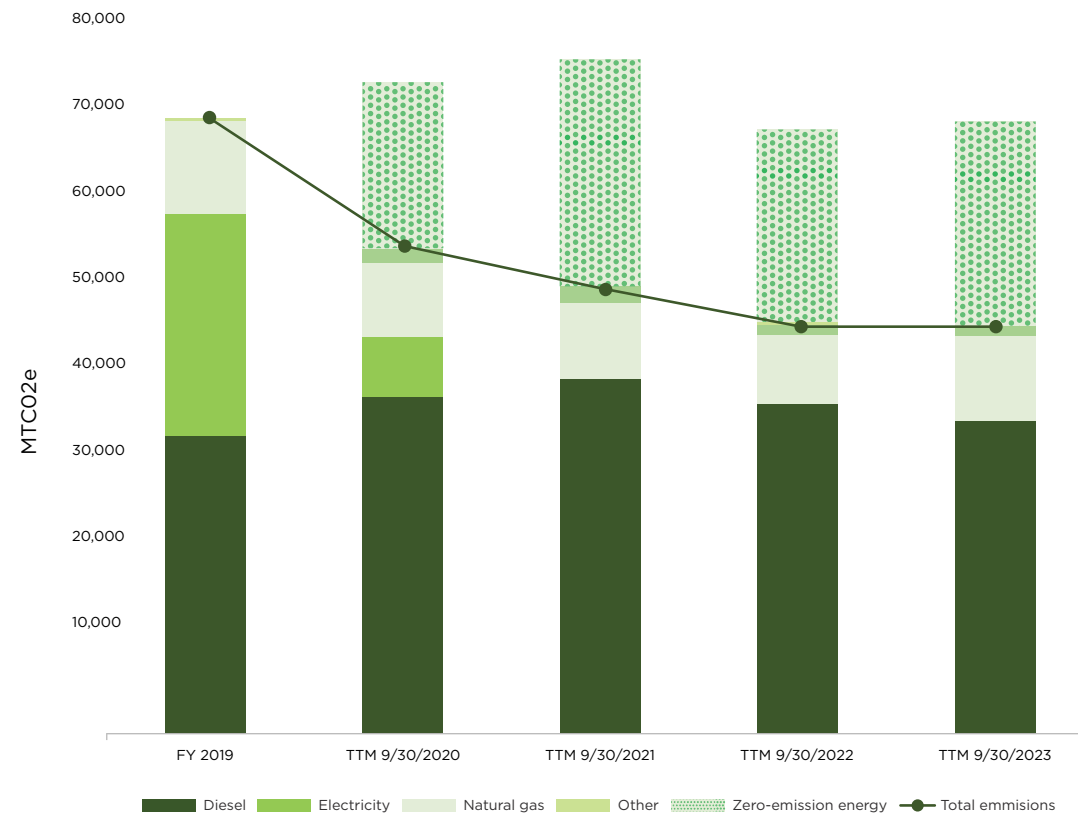


Estimated GHG emissions associated with natural gas, electricity, diesel, and propane from these operations were 45,594 MTCO_{2e}, a reduction of 1% over the same period last year using consistent methodology. Excluding the impact of new facilities opened in the trailing twelve-month period, we achieved an emissions reduction of 4% over the same period last year using consistent methodology.



*Indicative roadmap uses 2021 data as a baseline—these values are estimates and subject to change
 **Excludes Dreams operations

MANUFACTURING AND LOGISTICS OPERATION SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS*



an opportunity to source heating from renewable energy instead of natural gas and expects to work towards implementing this transition in the future.

LED Lighting

We have successfully completed a multi-year process to transition our wholly owned U.S. manufacturing facilities to LED lighting. Today 100% of these facilities incorporate LED lighting, an increase of 30% compared to 2020. We expect to continue to invest in high-efficiency lighting initiatives as our manufacturing footprint evolves. In 2023, we improved the percentage of LED lighting utilized across our international manufacturing footprint. In the trailing twelve months ended September 30, 2023, our foam-pouring facility in Denmark expanded their LED lighting utilization from 44% to 70%, our European bed base manufacturing operations expanded their LED lighting utilization from 50% to 67%, and our Dreams operations expanded their LED lighting utilization from 85% to 96%.

Compressed Air

Compressed air is one of the largest usages of electricity in our wholly owned U.S. manufacturing facilities. Building on our 2021 and 2022 assessments, in 2023 we analyzed the compressed air programs at another 38% of our facilities and we have now analyzed these programs at 83% of our wholly owned U.S. manufacturing facilities. These studies identified annual energy savings opportunities of over 3.2 million kWh. We are leveraging these findings to implement energy savings across our manufacturing footprint.

Energy Load Shifting Programs

Our New Mexico foam manufacturing facility participates in energy load shifting programs with their local municipality. During times of peak demand, the facility optimizes manufacturing processes to support high-priority facilities such as hospitals, schools, and emergency services.

Manufacturing Products In-House

Through product insourcing at our foam-pouring facility in Duffield, VA, we have avoided 1,739 metric tons of CO2 emissions and eliminated approximately 1,022,000 truck miles in the trailing twelve months ended September 30, 2023.

Supply Chain Engagement

We are also extending 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.

As part of our standard supplier management process, we request that our key suppliers provide a report on their ESG initiatives once a year. These reports are reviewed as part of our standard business reviews. The attendees in those meetings typically include the category managers and members of the sourcing leadership team. Survey topics include greenhouse gas emissions, waste treatment, recycling efforts, water sanitation, environmental certifications, and social responsibility questions. We believe that our own ESG initiatives in combination with our process to engage with our suppliers on their own environmental and social initiatives, will drive improved sustainability and social responsibility across our supplier base.

RESOURCE CONSERVATION

We actively integrate renewable energy sources and energy-efficient practices throughout our operations, recognizing the critical role these strategies play in achieving both sustainability and operational goals. In 2023, the Company made significant investments in resource efficiency and enhanced production and distribution processes across our global operations. We also continue to place a strong emphasis on continuous improvement in this area, constantly striving to improve our understanding of our resource usage and implementing efforts to enhance the tracking and monitoring of these resources.

Environmental Policy

We formalized our processes and stances on ESG in an [Environmental Policy](#) to reinforce our commitment to the environment and our sustainability goals. In the policy, we highlight our environmental management system, governance and reporting related to ESG, and initiatives involving energy and waste management.

Energy Efficient Equipment

Our foam-pouring facility in Denmark 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 135,000 kWh. This equipment also transports approximately 195,000 kWh of the excess heat generated by the equipment to the central heating system at the facility. The Denmark facility has identified

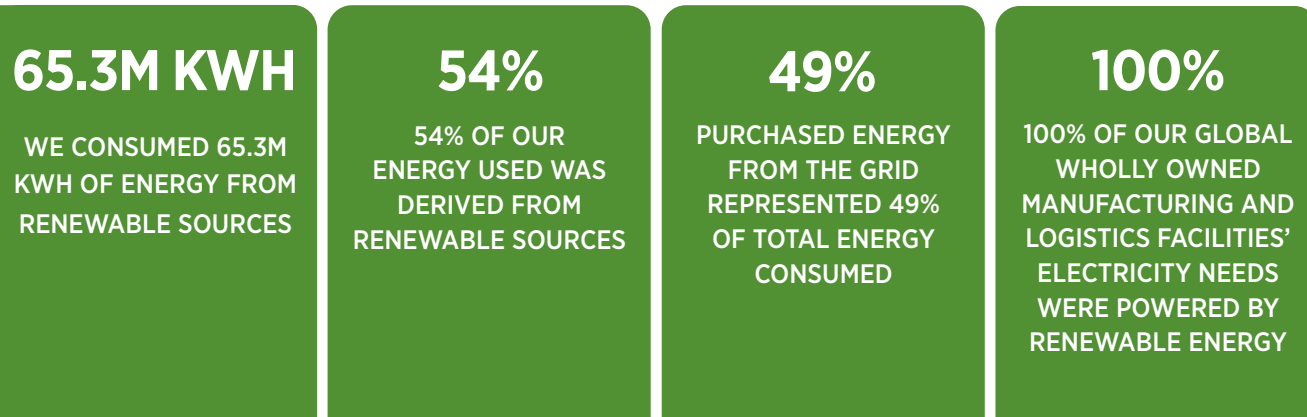
*Values reported in MTCO2e (diesel, electricity, natural gas, other) or MTCO2e avoided (zero-emission energy)



Renewable Energy

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

**2023
RENEWABLE ENERGY USAGE:**



Solar Energy

We utilize solar panel technology to provide power to several of our manufacturing facilities worldwide.

We use a solar array to partially power our foam-pouring facility in Albuquerque, New Mexico, Tempur Sealy's largest mattress manufacturing operation. The solar technology generates sufficient renewable energy to power all mattress assembly lines at this site. **In the trailing twelve months ended September 30, 2023, the Albuquerque solar array produced 4.1 million kWh of electricity to power 37% of the facility's total electricity needs.**

Our European bed base manufacturing operation uses its solar panel array to power a portion of the operation's energy needs. The remaining energy needed is sourced from wind and solar energy.

Our foam-pouring facility in Denmark's solar array generated energy sufficient to power approximately 15% of the facility's operations. In 2023, we began supplementing the energy we generate on-site with sourced energy from a 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 approximately 80% of our Denmark operations being powered by solar energy in future years.

Renewable Energy Certificates

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

ENERGY STAR Challenge

Our foam-pouring facility in Duffield, Virginia achieved the ENERGY STAR Challenge certification in 2019 and continues to use its framework to guide our current conservation programs. The ENERGY STAR Challenge for Industry is a joint program of the Environmental Protection Agency (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 has achieved an approximate 54% reduction in energy consumption per pound of chemical processed since 2015. By meeting the ENERGY STAR Challenge, the facility has averted 4,430 tons of greenhouse gases and saved enough energy to power more than 558 homes in the last year.



54% REDUCTION
IN ENERGY CONSUMPTION

THE FACILITY HAS AVERTED
4,430 TONS
OF GREENHOUSE GASES

FLEET FUEL-EFFICIENCY IMPROVEMENTS

A significant reduction in fleet emissions is a key part of our roadmap to achieve carbon neutrality in our scope 1 and 2 emissions in our wholly owned manufacturing, distribution, and retail operations by 2040.

Trailers

During the years 2018 through 2023, we added or exchanged 534 trailers that incorporate three fuel-saving features: low resistance tires, underbody skirts, and auto-inflating tire systems in our U.S. fleet. In total we have refreshed 52% of our leased trailer fleet since 2018.

Tractors

During the years 2018 through 2023, we replaced or added 280 Class 8 tractors with state-of-the art fuel efficiency technologies in our U.S. fleet.





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.

Over the past several years, these efforts have helped us reduce our fuel usage and greenhouse gas emissions, while also improving service to our customers. Further, our Dreams operations utilize a route planning tool that optimizes delivery routes to minimize fuel usage and greenhouse gas emissions.

Railway Logistics

Our foam-pouring facility in Duffield, VA leverages railways to efficiently move raw materials across the U.S. Since 2021, this facility has converted approximately 25% of the overall truck traffic for bulk chemicals to deliver via rail which has meaningfully decreased the greenhouse gas emissions associated with our logistics operations.

Our new foam-pouring facility in Crawfordsville, Indiana also leverages railways to efficiently move raw materials. We anticipate this facility will source over 75% of the bulk chemicals via rail going forward, significantly decreasing the emissions associated with our supply chain.

Zero-Emission Vehicles

In 2021, we participated in a Class 8 electric truck pilot program in the U.S. The goal of the pilot program was 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. Through our participation, we gained valuable experience in working with key processes associated with electric vehicle technology.

In 2023, we permanently deployed our first zero emissions electric vehicle in California. The electric vehicle replaced a diesel vehicle and is expected to result in an annualized 34 MTCO2 reduction in emissions.

International Fleet

Our international operations are committed to exploring opportunities to reduce the environmental footprint of the company fleet. In 2023, we acquired new vehicles for our UK truck fleet that have a trailer solar panel fitted to each vehicle. These eco-friendly upgrades are expected to decrease the total emissions associated with our logistics operations by approximately 5%. We also leverage electric vehicle chargers at certain facilities to further evolve our logistics infrastructure to support zero-emission vehicles.

Our Dreams operations are integrating hybrid vehicles into their company car fleet. The Dreams car fleet is now comprised of 81% hybrid vehicles as of September 30, 2023, compared to 66% hybrid vehicles as of September 2022 and 31% hybrid vehicles as of September 2021. Dreams aims to fully convert their company car fleet to all hybrid vehicles by 2025. Further, Dreams is exploring opportunities to integrate hybrid or electric vehicle technologies into their commercial distribution fleet.

ENVIRONMENTAL CERTIFICATIONS AND AUDITS

Through pursuing environmental certifications, we obtain independent, third-party audits of our products and processes. This third-party validation of our products and processes ensures the integrity of our operations and creates consistency across our manufacturing and logistics management systems.

International Organization for Standardization (ISO) Certifications

GLOBAL TEMPUR-PEDIC MANUFACTURING FOOTPRINT				
	ALBUQUERQUE, NM	DUFFIELD, VA	AARUP, DENMARK	CRAWFORDSVILLE, IN
ISO 14001	✓	✓	✓	⌚
ISO 9001	✓	✓	✓	⌚
ISO 50001			✓	
ISO 45001		⌚	✓	

⌚ Indicates certification process is planned or in progress for 2024

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.

OEKO-TEX® STeP (Sustainable Textile and Leather Production)

Our foam-pouring facility located in Denmark is OEKO-Tex® STeP certified in the following categories: chemical management, environmental performance, environmental management, social responsibility, quality management, and safety.

We launched an all-new TEMPUR® mattress collection in our international markets in 2023. In many of our key markets, the new lineup is OEKO-TEX® MADE IN GREEN labeled, indicating that each mattress meets the stringent criteria set forth by the OEKO-TEX® STANDARD 100 and OEKO-TEX® STeP certifications.

WASTE MANAGEMENT

We are committed to reducing waste through recycling and waste minimization efforts across our global operations. To ensure progress is monitored effectively, we meticulously track waste generated during production and leverage an internal reporting system for continuous assessment. Additionally, we leverage third-party waste management services to gain comprehensive insights into the types and quantities of waste produced in our manufacturing facilities, distribution centers, research and development facilities, and corporate offices worldwide.

These insights unlock opportunities for further driving the recyclability of operational by-products, furthering our progress towards achieving zero-waste-to-landfill status across our global operations. As of September 30, 2023, 100% of our global wholly owned manufacturing facilities are operating at zero waste to landfill status.

Recycling efforts in our wholly owned U.S. facilities over the trailing twelve months ending September 30, 2023, were equivalent to saving 102,075 barrels of oil, planting 731,540 trees, and avoiding 43,892 tons of CO₂e.*

WASTE REDUCTION AND RECYCLING EFFORTS

Zero Landfill Commitment for Manufacturing Sites

In 2023, our Canadian and Mexican manufacturing facilities joined our wholly owned U.S. and European Tempur manufacturing facilities in achieving zero waste to landfill status.

For the trailing twelve months ended September 30, 2023, 100% of the waste generated at our wholly owned U.S.** and European manufacturing operations was diverted from landfill, 96% of the waste generated at our Canadian manufacturing operations was diverted from landfill, and 91% of the waste generated at our Mexican manufacturing operations was diverted from landfill.

As of September 30, 2023, 100% of our global wholly owned manufacturing waste is diverted from landfill.

(in tons)	U.S.**	Canada	Mexico	Denmark	European bedbase manufacturer	Dreams	Total
Recycled	31,290	1,133	585	4,441	67	444	37,960
Incinerated	2,455	331	63	2,737	62	254	5,902
Landfilled	84	58	65	0	0	0	207
Total	33,829	1,522	713	7,178	129	698	44,069

*These figures were calculated using the U.S. EPA greenhouse gases equivalency methodology.

**100% waste diverted as permitted by local and state regulations.

U.S. manufacturing recycling efforts in the trailing twelve months ending September 30, 2023, were equivalent to:

**SAVING
102,075
BARRELS OF OIL**

**PLANTING
731,540 trees**

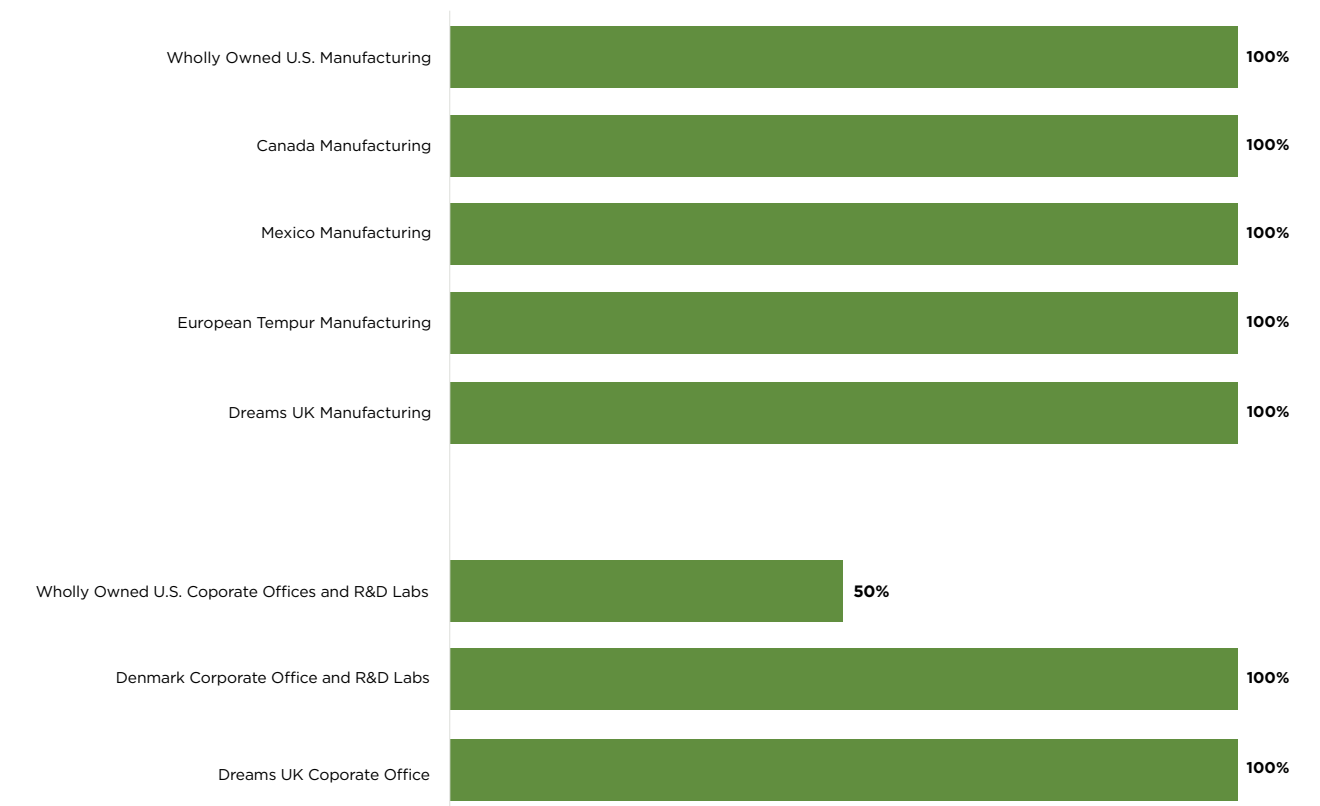
**AND AVOIDING
43,892 tons
OF CO₂E**

Zero Waste to Landfill Commitment for Corporate and R&D Sites

After achieving zero landfill waste at our wholly owned U.S. manufacturing sites in 2022, we expanded our commitment to achieving zero landfill waste at our corporate offices and R&D labs worldwide by 2025.

Waste at our corporate office is primarily comprised of mixed paper products, and waste at our R&D facilities is primarily comprised of test samples, including innersprings, foams, and textiles.

In 2023, we improved our waste streams and waste management practices to achieve zero waste to landfill status at one of our two U.S. corporate offices and R&D labs, our Denmark corporate office and R&D lab, and our Dreams corporate office. We expect to leverage the learnings from converting these locations to zero waste to drive the remaining U.S. corporate office and R&D lab to achieve zero waste to landfill status by 2025.



Employee Training to Reduce Waste

Since 2014, we have implemented programs to highlight the importance of recycling with our employees. Working with our waste management partner Northstar Recycling, 100% of our North American manufacturing sites' zero waste to landfill programs are supported by monitoring and regular refresher training.

Recycled Pallet Initiative

In 2023, we increased our focus on repairing and reusing lumber pallets in our U.S. Tempur Sealy manufacturing and logistics operations. As of September 30, 2023, approximately 40% of our pallets in use at these facilities had been repurposed, which we estimate has equated to saving over 6,000 trees.*

*These figures were calculated using the U.S. EPA Waste Reduction Model (WARM) for "dimensional lumber" methodology

Dreams Retail and Delivery Vehicle Waste Reduction Efforts

In 2023, Dreams began sorting mixed waste bags from their customer delivery vehicles to optimize the recovery of recyclable materials. Dreams also implemented enhanced waste sorting and management in their retail locations. As a result of these strategic sustainability efforts, Dreams improved the percentage of their waste recycled company-wide to 45% of waste recycled as of September 30, 2023.

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 products is becoming increasingly important. We are working with third parties worldwide to identify potential opportunities to recycle or upcycle used foams and are 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.

Global Compliance with Extended Producer Recyclability (EPR) Options

We monitor EPR options across our global markets to ensure compliance with all laws and regulations. In Europe, many of the countries in which we operate have implemented processes relating to product lifecycles in which mattress manufacturers support the funding of recycling end-of-life mattresses. We are an active participant in EPR schemes in our markets.

End of Life Recycling Service

Through our Dreams operations, we offer our customers a recycling service that they can elect to utilize 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.

In the trailing twelve months ending September 30, 2023, 24% of Dreams' customers elected to leverage the recycling service, a 1% improvement compared to 2022.*

DREAMS RECYCLED
116,483 MATTRESSES
OVER A TWELVE-MONTH PERIOD

>899,000 MATTRESSES
RECYCLED SINCE THE PROGRAM'S INCEPTION
IN 2014

Recycle My Mattress Program

Our subsidiary in Australia is a founding member of the Australian Bedding Stewardship Council's Mattress Recycling Program, which strives to partner with social enterprise recyclers to work toward reducing the disposal of mattresses in landfills, and to provide employment and training opportunities for people experiencing barriers to employment.

*Dreams refined this methodology to reflect only applicable orders which disposal could be applied. Prior year recycling rate using the same methodology was 23%.

In the U.S., we recycle 100% of the Tempur-Pedic® products returned to us. Combined with other product returns, this equated to over 1.9M pounds of foam and 500k pounds of metal recycled in the trailing twelve months ending September 30, 2023.

1.9M POUNDS
OF FOAM RECYCLED

500,000 POUNDS
OF METAL RECYCLED



Wastewater Treatment

For over a decade, our foam-pouring facility in Mountain Top, Pennsylvania has had an internal wastewater treatment plant that purifies the water that results from our production processes. **This wastewater treatment process has resulted in the processing of 1.7 million gallons of water in the trailing twelve months ending September 30, 2023, which is safely returned to the local publicly owned treatment works.**



Bedding Returns

We are working around the globe to identify regional recycling opportunities for returns. We continue to work with our distribution partners to expand our recycling efforts of returned Tempur-Pedic products.

Dreams' refurbishment program restores returned or damaged mattresses and other bedding products. Since the inception of Dreams' refurbishment program in September 2013, over 198,000 products have been meticulously restored to "like new" condition. In the trailing twelve months ended September 30, 2023, over 22,000 products were salvaged from unnecessary disposal by undergoing refurbishment and made available for resale.

Polyurethane Recyclability

Our Danish foam-pouring facility, the Danish Technological Institute and several other Danish companies are working to identify methods to reuse and recycle polyurethane foam. As part of this, we are involved in a collaborative effort between industry participants and research and development laboratories, which aims to create full circular recycling of the PUR material. Testing is ongoing at our foam-pouring facility in Denmark.

PRODUCT & PACKAGING

Our commitment to driving sustainability throughout our global operations extends to our product and packaging practices. We have an unwavering focus on prioritizing consumer and employee safety when interacting with our products and actively seek eco-friendly materials and designs to reduce our environmental impact.

In 2023, we formally integrated sustainability into our U.S. product development process. Every new product plan considers the lifecycle of the proposed product and evaluates opportunities to further enhance the sustainability of the new product. Such opportunities include minimizing manufacturing scrap, leveraging recyclable inputs, and enhancing the product's recyclability and cyclicity.



Chemical Safety Oversight and Compliance

The Director of Manufacturing at each foam pouring manufacturing plant has oversight and assigns responsible personnel to manage the updating of chemical inventories, labeling compliance, chemical purchase approval, and the maintenance of related training records.

The internal Hazardous Communication Policy aims to ensure compliance with the US Occupational Safety and Health Administration (OSHA) Hazard Communication Standard 1910.1200. The policy applies to all operations where employees may be exposed to hazardous substances under normal working conditions or during an emergency.

Our Danish facility operates under a Safety Document which complies with the European Seveso Directive's requirements on risk management measures to prevent major accidents involving chemicals and other dangerous substances and to limit their consequences. The Safety Document is approved by the Danish Environmental Authority, the Labor Inspectorate, the Police, and the local Fire Department and describes the risks and the steps taken to minimize these risks to ensure a high level of safety.

Chemical Safety Policy

In 2023, we published our first [Chemical Safety Policy](#). This policy publicly demonstrates how we effectively manage the chemicals used in our products to maintain a healthy and safe work environment for our employees while providing a safe product for our customers. It also reflects our commitment to ensuring safety through comprehensive chemical safety management, compliance with regulations, rigorous product testing, and employee training and preparedness. Further, the policy highlights various certifications for our facilities and products and our dedication to continuous improvement and transparency.

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.

Products manufactured in our U.S. and Canada operations are formulated to comply with California's Proposition 65 law. Similarly, products manufactured in Europe are formulated to comply with the EU's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation, the Persistent Organic Pollutants Regulations 2007, the Biocidal Products Regulation 2012, and our other markets' equivalent legislation.

To ensure compliance, we employ a rigorous product safety program, which includes the utilization of testing labs to monitor our raw materials and products for restricted, limited or otherwise classified as potentially harmful or hazardous substances.

Chemical Safety Strategy

To manage risks associated with the management of chemicals, we do the following:

- Comply with all U.S. state and EPA regulatory requirements
- Comply with all European Union and European Chemicals Agency (ECHA) regulatory requirements
- Comply with the United Kingdom's Health and Safety Executive's regulatory requirements
- Conduct scenario analyses in case of an accidental spill
- Provide safety materials and training to employees at the facilities
- Conduct drills to simulate incident response

To manage risks associated with consumer chemical safety, we employ rigorous product testing to ensure compliance with all applicable safety guidelines and regulations. We collect, model, and evaluate emissions data according to internationally recognized standards and specific recommendations of independent scientists to mitigate any risk to the consumer.

100% of our products we manufacture and sell worldwide meet the content and emission standards for volatile organic compounds (VOCs).

Lumber Supply Chain Management

We source lumber to manufacture our flat foundation bases. The suppliers providing the lumber to manufacture these flat foundation bases at our Tempur-Pedic and Sealy manufacturing facilities worldwide are Sustainable Forestry Initiative (SFI), Forest Stewardship Council (FSC), or Canadian Standard Association (CSA) certified.

TEXTILE SUPPLY CHAIN MANAGEMENT

Global Organic Latex Standard (GOLS) Certification

Our foam pouring facility in Mountain Top, Pennsylvania has obtained GOLS certification for its latex production process. By achieving this certification, we and our suppliers have met the following criteria for certain latex products:

- A minimum of 95% of certified natural rubber latex used in our process is traceable to organic origin
- Does not contain any synthetic latex or non-organic natural rubber latex
- Limits on amount of known harmful substances and greenhouse emissions
- Requirements for environmental management, waste and pollution management, wastewater treatment, energy, water conservation, safe and hygienic working conditions, non-discrimination, and labor law standards



Annual Diligence of Conflict Minerals Used in Our Products

Our [Conflict Minerals Policy](#) outlines our commitment to responsible sourcing, and we undertake an annual due diligence process 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. Our diligence efforts ensure compliance with the U.S. Securities and Exchange Commission’s (SEC) “conflict minerals” disclosure and reporting requirements, including the annual filing of Form SD with the SEC.

Annual Diligence of the Use of Forced Labor from Xinjiang Uyghur Autonomous Region of China

We undertake annual due diligence to ensure that none of the materials we import into the U.S. are mined, produced, or partially manufactured by forced labor from the Xinjiang Uyghur Autonomous Region (Xinjiang), or by an entity on the U.S. Uyghur Forced Labor Prevention Act entity list. Our diligence efforts ensure compliance with Section 307 of the U.S. Tariff Act.

Annual Diligence on the Use of Illegally Harvested Timber In our Products

We undertake annual due diligence on all new suppliers of timber and timber products in the European Union to ensure that only legally harvested timber is used in our products. Annual due diligence efforts are also undertaken in respect of existing suppliers. Our diligence efforts ensure compliance with Article 4 of the European Union’s Timber Regulation 2010 and the equivalent UK Regulations.

Reduced Packaging Materials

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

Compressed Mattress Products

Our product portfolios include compressed mattresses. By compressing mattresses into smaller sizes before shipping, we can reduce the amount of product packaging and the fuel usage and greenhouse gas emissions associated with our transportation operations.

Recycled Product and Packaging Components

We constantly monitor for and pursue opportunities to foster recyclability, including the use of recycled materials in our product and packaging.

We utilized 85% recycled steel innersprings for our U.S. Tempur, Stearns & Foster, and Sealy products for the trailing twelve months ending September 30, 2023.

In addition, our product development center in North Carolina diverts 100% of the mattresses it uses for durability testing and product evaluation from the landfill, reducing our waste stream by approximately 2,000 mattresses annually.

For products manufactured in our Denmark facility, we utilize cardboard packaging made with recycled fibers and recyclable plastic foil packaging.



At our Dreams operations, we are increasing the circularity of plastic packaging to reduce waste. Approximately 83% of all internal plastic packaging and plastic packaging collected from customers is recycled today, and we are exploring opportunities to further expand this initiative.

PRODUCT CERTIFICATIONS

We believe that 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:

- Our Sealy Naturals mattress collection has received the GreenGuard Gold certification
- All polyurethane foam components of Tempur-Pedic®, Sealy®, and Stearns & Foster® mattresses are CertiPUR-US® certified
- Products made in our latex pouring facility in Mountain Top and many of the products made in our foam pouring facility in Denmark are OEKO-TEX® Standard 100 Certified
- Our Mountain Top facility also obtained FSC® Certification, UL GreenGuard® and UL GreenGuard Gold® certifications.
- Many of our TEMPUR® retail mattresses made in our Dan-Foam facility are TÜV Certified

In 2023, we began the process of updating our U.S. R&D laboratories to facilitate the testing required to certify GreenGuard Gold emissions standards. In 2024, we expect to begin certifying various products within our portfolio to the stringent GreenGuard Gold standard, with the objective of partnering with Underwriters Laboratories (UL) to begin the process of certifying all Tempur Sealy U.S. products to GreenGuard Gold emissions standards.

Product Councils, Association Memberships, and Platform Sponsorships

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 a 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 important issues that affect consumer health and safety such as mattress flammability, setting industry health and safety standards, and mattress recycling. As a member of this group, we also participate in interactions with the U.S. Environmental Protection Agency and the U.S. Consumer Product Safety Commission.

International Sleep Products Association (ISPA) Sustainability Council

Representatives of Tempur Sealy sit on both the ISPA Sustainability Council and ISPA Board of Trustees.

Focus areas of the ISPA Sustainability Council include reducing waste from mattress production, limiting the

carbon footprint of mattress production, and identifying methods to improve recyclability and circularity of mattresses. Through these efforts, the council seeks to reduce the bedding industry's impact on the environment through reducing the environmental footprint of the mattress manufacturing processes and end of life programs.

European Council Representation

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

Sustainable Choice Consumer Platform

Our subsidiary in Australia is a founding member of Sustainable Choice, a platform that provides consumers with transparency to brands' sustainability initiatives. In 2023, Sustainable Choice launched a sustainability tracking website that provides consumers with enhanced transparency to brands' sustainability programs.





PURPOSE

Our purpose is to improve the sleep of more people, every night, all around the world. As a leading designer, manufacturer, distributor, and retailer of bedding products worldwide, we know how crucial a good night of sleep is to overall health and wellness. Utilizing 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.

As part of our commitment to improving sleep, we are 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.

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 longstanding 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 2023, our Tempur-Pedic® brand was awarded #1 in Customer Satisfaction for the Online Purchase segment in the J.D. Power 2023 U.S. Mattress Satisfaction Study.*



This award marks the third-consecutive year that Tempur-Pedic has achieved this distinction in the Online Purchase category. Notably, Tempur-Pedic has been recognized by J.D. Power for six of the previous seven years among mattresses purchased online and in-store, a testament by consumers to the innovative and high-quality product solutions we provide.

SUSTAINABILITY-DRIVEN PRODUCTS

Our Sealy Naturals collection is manufactured with natural, sustainable, and responsibly sourced materials.

This collection was thoughtfully designed with our commitment to sustainability and environmental preservation in mind. The Sealy Naturals mattresses feature:

- Covers made with long-lasting hemp, organic cotton, and lightweight modal
- 100% natural latex that excels in delivering comfort, breathability, and support
- An ethically harvested wool blend that is soft, breathable, incredibly comfortable, and naturally flame retardant
- A layer of our DuraFlex™ Pro Edge breathable coils, which provide added airflow for coolness and comfort
- while also increasing support and durability along the edges of the mattress to help maintain shape
- Our Response Pro HD Encased Coils system made with over 90% recycled steel, which is comprised of coils that are individually wrapped to provide whole-body support
- Hand-tufting, which reduces glue usage by 65%

*For J.D. Power 2023 award information, visit [jdpower.com/awards](https://www.jdpower.com/awards)



In 2023, we launched a refreshed Tempur-Ergo® Smart Base powered by Sleeptracker-AI® lineup that features incremental innovation.

In addition to expanded ergonomic benefits, highlighted by an exclusive Lumbar Support, the refreshed line features Sleeptracker 2.0 technology and is equipped with a range of relaxation features to help prepare consumers mind and body for deep, rejuvenating sleep. These relaxation features include Wind Down™ programs, SoundScape™ mode, and Wave Form™ massage, each using frequency and sound to help consumers fall sleep and stay asleep.

Our commitment to sleep health education is enhanced by our Sleeptracker-AI® technology. We are leveraging learnings from our relationship with Sleeptracker-AI 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. For example, we leveraged time in bed before falling asleep data to design breakthrough relaxation features in the ProSmart base product we launched in 2023. We also carried out a survey among our Sleeptracker-AI® user community to gain insights that would help us enhance the user experience and user interface of the Sleeptracker-AI® app. Furthermore, our AI-driven personalized daily insights provide consumers with actionable insights designed to help them achieve higher quality sleep.



IMPROVING CUSTOMER WELL-BEING

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 raise 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.

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-AI® 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 allow a customer to monitor their heart rate, breathing rate, and sleep cycle and uploads personalized sleep analytics and coaching to their smartphone via the Tempur® Sleeptracker-AI® app. The accuracy of our best-in-class sleep tracking was validated by a comprehensive Stanford Medical Research study in 2022. In addition, it features sleep-sensing technology that detects snoring and responds automatically without waking the sleeper.*

*Bed raises once approximately 12 degrees in response to snoring. This may reduce snoring in otherwise healthy individuals who snore due to body positioning.





INNOVATIVE PRODUCT TECHNOLOGY

TEMPUR-Breeze® and ActiveBreeze®

In 2023, we launched a new line of TEMPUR-Breeze® mattresses. The innovative technology included in the new TEMPUR-Breeze® line results in a mattress that feels up to 10 degrees cooler,* providing relief to consumers whose quality of sleep is impacted by sleeping hot.

We expect to expand the distribution of our ActiveBreeze® product, our most customizable cooling system, in 2024. Featuring our patented dual-zone climate control system, the second generation of ActiveBreeze® will include Smart Active Air Technology, which features advanced fans built directly into the Smart Base integrated with the Air Distribution Layer in the mattress. Users can customize their temperature profile through the Sleeptracker® app to maximize their comfort, allowing for deeper, more restful sleep.

Surface-Guard Technology™

Sealy®, Tempur-Pedic®, and Stearns & Foster®

product lines include our innovative Surface-Guard Technology™, to help keep our mattresses safe and clean. Surface Guard is an EPA-registered antimicrobial technology that kills 99% of bacteria on mattress surfaces to protect them from odors and staining.

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®, Tempur-Pedic®, Sealy® Posturepedic®, Stearns & Foster®, Comfort Revolution®, and private label brands and products are tailored to meet the broad range of consumer needs, tastes, preferences, and budgets.

PRODUCT QUALITY AND SAFETY

We champion the industry's most-comprehensive array of product performance, quality, and safety tests.

Our world-class testing and development technology sets the gold-standard for the mattress industry, ensuring that our products exceed the expectations of our consumers and perform to the high standards that we have established and maintained since the first Stearns & Foster mattress was introduced in 1846.

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

*LuxeBreeze® feels up to 10 degrees cooler based on the average heat index increase of TEMPUR-LuxeBreeze® compared to TEMPUR-ProAdapt® models measured over an 8-hour period. ProBreeze® feels up to 5 degrees cooler based on the average heat index increase of TEMPUR-ProBreeze® compared to TEMPUR-ProAdapt® models measured over an 8-hour period.

We did not have any product recalls on our Tempur, Sealy, or Stearns & Foster branded mattresses in 2023.

REACHING A GLOBAL AUDIENCE

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 is important to us to design advertising campaigns that are reflective of our diverse consumer demographics and increase access to quality sleep surfaces. **We are thoughtful in our casting decisions to ensure we hire a broad range of talent that is reflective of our consumers, striving for balanced representation in gender, ethnicity, background, age, and body type.**

We implement 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 inclusive shopping experience that empowers Spanish-speaking consumers on their purchase journey.



CHARITABLE GIVING

Our charitable giving efforts reflect one of the Company's core values: We do the right thing. Tempur Sealy'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 wellbeing 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 on the lives of children and families in need and creates lasting relationships with the organization it supports. In 2023, the Tempur Sealy Foundation donated more than \$800,000 dollars to support organizations serving children and families experiencing poverty, homelessness, medical and mental health crisis, trauma, and addiction and has partnered in new ways to make substantial investments in high-impact projects that will create lasting change for generations to come.

Since its launch in 2017, the Tempur Sealy Foundation has provided over 60 grants totaling more than \$4 million dollars in charitable contributions to local, national, and international organizations that support this mission.

Disaster Relief

Tempur Sealy International works through local, national, and international organizations to provide financial support and product donations to aid in disaster relief, recovery, and rebuilding efforts to support those impacted by natural and other disasters. This year, the Tempur Sealy Foundation honored its commitment to supporting the children and families living in communities impacted by the 2022 flooding in Eastern Kentucky by making a donation to support the building of a new playground at a local community center. We are committed to working alongside partners like Good360 and other local organizations to respond to the needs of communities impacted by disasters.

Since its launch in 2017, the Tempur Sealy Foundation has provided over 60 grants totaling more than \$4 million dollars in charitable contributions to local, national, and international organizations that support this mission.

>60 GRANTS

**MORE THAN
\$4 MILLION
IN CHARITABLE
CONTRIBUTIONS**

Healthcare

Tempur Sealy is partnering with the Kentucky Children's Hospital to build the Tempur Sealy Pediatric Sleep Center. 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.

The new Tempur Sealy Pediatric Sleep Center at Kentucky Children's Hospital will be dedicated to treating children, including children younger than 18 months old in a clinic that is designed to be child-friendly, with staff who are specifically trained to help children feel more comfortable throughout their care. This facility will be one of just a few of its kind in Kentucky and will cut wait times by more than half so children and families will get much needed answers and a plan of care.

Improving Public Health

As access to public park spaces has been shown to enhance quality of life and improve overall health and wellbeing, the Tempur Sealy Foundation has partnered with Town Branch Park to support the planting of over 340 trees in the new 10-acre park located in the heart of downtown Lexington, Kentucky. Town Branch Park will serve as a landmark destination for individuals, children and families to enjoy outdoor activities, art, performances and play, and will enrich the natural landscape through the planting and cultivation of trees native to Kentucky. The Tree Grove will have many public health benefits that include reducing heat island effect, reducing air pollution, improving water quality, and increasing access to nature for underserved neighbors. Park construction commenced in August of 2023 and the park is expected to open in 2025.

Early Childhood Education

The Tempur Sealy Foundation continued its commitment to investing in high-impact education organizations through a gift to the Lexington Public Library Foundation to support the construction of a new local children's library at the largest Lexington-based library system. The new "Tempur + Sealy Children's Discovery Zone" will be a cheerful and inviting space where children and their families will learn, play, and grow for generations to come.





Dreams Charitable Giving

In 2023, Dreams officially announced a corporate partnership with Shelter, the UK’s leading homelessness charity. Dreams and Shelter have a shared belief that having a safe home with a bed of your own should be a fundamental human right. In their first year, Dreams focused on raising public awareness of the temporary accommodation crisis, often dubbed ‘invisible homelessness’ and raised over £100,000 to finance Shelter’s vital services, including its emergency helpline.

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 240,000 mattresses to charities, including more than 10,000 in 2023.** Many different types of charities have benefitted from our donation program, including Disaster Relief Organizations, Veterans Homes, Military Charities, and Homeless Shelters among others.

Since 2011, we have donated more than

240,000
MATTRESSES TO
CHARITIES INCLUDING
>10,000
DONATED IN 2023

 **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. Tempur Sealy 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 national and local organizations such as Habitat for Humanity, the Ronald McDonald House, Sunrise Children’s Services, the American Red Cross, and many 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, to train and develop future leaders and corporate citizens, and to 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 wellbeing, development, equality, and diversity of our workforce.



ETHICS & DIVERSITY

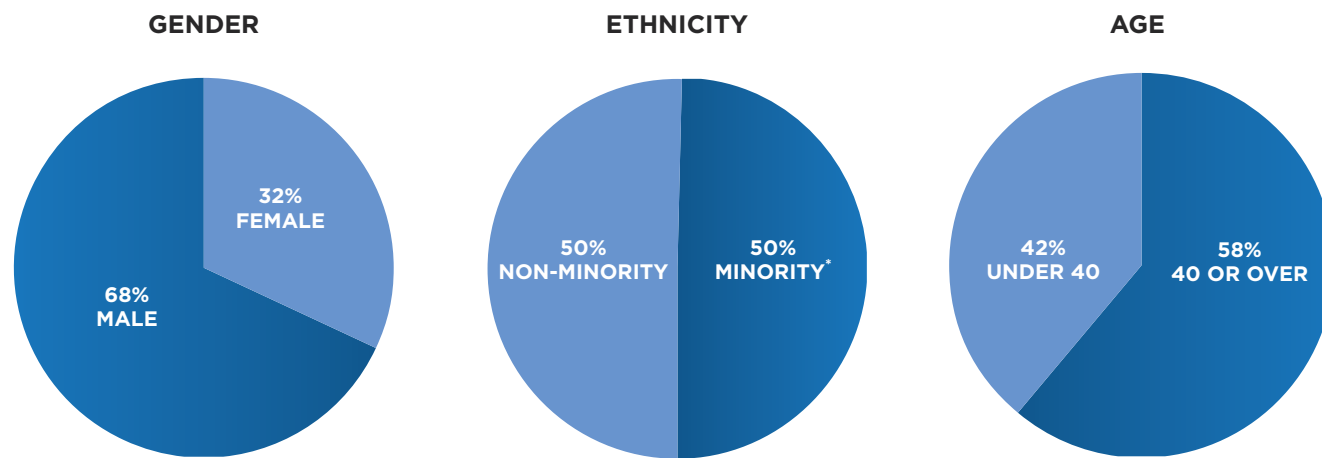
DIVERSITY, EQUITY, AND INCLUSION

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

Global Workforce

We have approximately 12,000 employees, comprised of approximately 7,000 U.S. employees and 5,000 employees 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

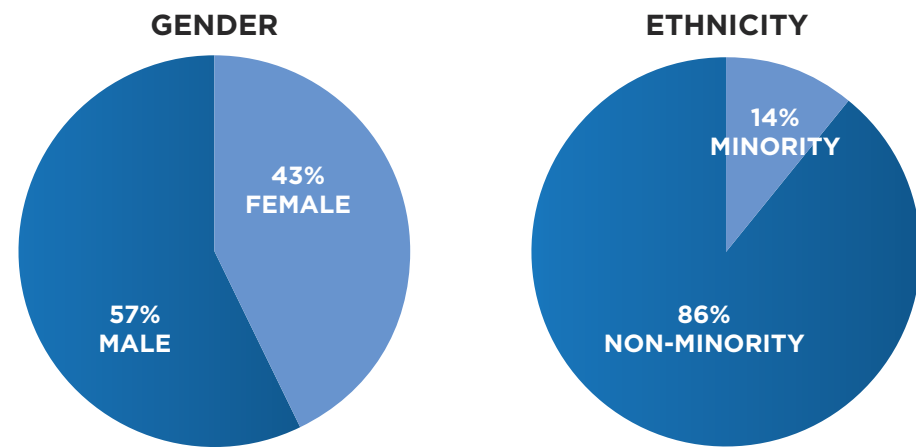


As an equal employment opportunity employer, we are committed to providing opportunities to all employees and applicants and prohibiting discrimination and harassment. The following are some of the actions that we are taking to realize our commitment to a more diverse workforce:

- Promotion of a diverse slate of qualified candidates during the hiring process
- Employ a uniform, global process for determining compensation based on experience and skillsets to remove potential biases
- Outreach with organizations in each of our local communities to increase the flow of minority, female, veteran, and disabled applicants for employment
- Analyze gender and minority pay equity periodically
- Participate in external, community-based activities sponsored by local organizations, including those that assist women, minorities, and veterans

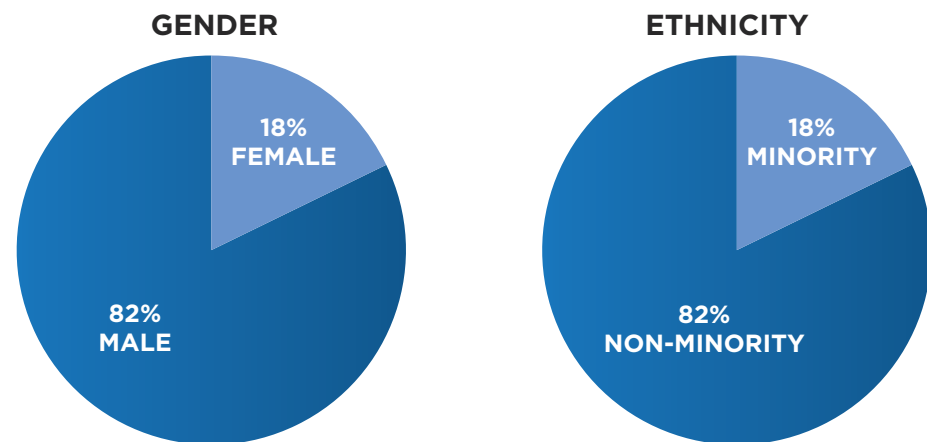
*Our minority employment population is comprised of employees who did not self-identify as 'Caucasian'

Board of Directors



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, ethnicity, gender, 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 Tempur Sealy, including overseeing our risk assessment and risk management functions.

The Board annually reviews management's enterprise risk management process, which is designed to provide visibility to the Board on significant risks including: cybersecurity risks; strategic and operational risks; reputational, brand and legal risks; retailer health risks and environmental, governance and social risks. In conjunction with the Board's oversight of management and operations of the business, management identifies risks directly related to the strategic plan, as well as new and emerging risks.

The Board has delegated primary responsibility for the review and oversight of certain areas of the business to the relevant Board committees that regularly report to the full Board.

The Audit Committee has primary responsibility for independent, objective oversight with respect to our accounting and financial reporting functions, internal and external audit functions and systems of internal controls over financial reporting and oversight regarding the Company's legal, ethical and regulatory compliance, including safety and health, data privacy and cybersecurity risks and compliance with the Foreign Corrupt Practices Act of the United States, the Bribery Act of 2010 of the United Kingdom and similar laws and regulations.

In 2023, our internal audit team performed a review of the information shared in this report.

The Nominating and Corporate Governance ("NCG") Committee has primary responsibility for oversight of risk associated with leadership structure, corporate governance matters, and the Company's ESG practices and positions. The NCG Committee reviews our practices and positions relating to ESG issues that may affect the business and key stakeholders and for exercising oversight on matters relating to ESG. The NCG Committee regularly reviews the effectiveness of management's strategies, programs, and policy implementation with respect to responsible sourcing, climate change, waste management, energy initiatives, corporate governance practices and procedures and stakeholder management.

The Compensation Committee has primary responsibility for oversight of risk related to compensation, diversity, equity, and inclusion initiatives, and human rights considerations.

Shareholder Outreach

Tempur Sealy management and the Lead Director of the Board of Directors conduct annual outreach to 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.

Cybersecurity

Our Audit Committee and Board devote significant time and attention to cybersecurity and cyber incident preparedness and response. Our Audit Committee receives quarterly reports from our Senior Vice President, Chief Information Officer and management on cyber threats 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 our incident response and crisis management plans. The team also provides ongoing information security awareness education, including simulated phishing training, and cybersecurity training for our employees.

100% of salaried employees received Information Security training and Cybersecurity training in 2023.

Customer and Employee Data

In connection with sales of our products, we often collect and process personal data from our customers. We also process employee personal data. We have implemented a global data compliance system and have put procedures and measures in place to facilitate adherence to data privacy regulation such as:

- The EU General Data Protection Regulation (GDPR)
- The California Consumer Privacy Act (CCPA)
- The Virginia Consumer Data Protection Act (VCDPA)
- The Colorado Privacy Act (CPA)
- The Connecticut Data Privacy Act (CTDPA)
- The Utah Consumer Privacy Act (UCPA)



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 2023, applicable employees were required to complete Data Privacy training (CCPA & GDPR), modern slavery training, Payment Card Industry (“PCI”) data security training, Code of Conduct training, and state harassment training.

Freedom of Association and Collective Bargaining

We maintain an open-door policy under which each employee has the right to deal directly with members of management regarding all working conditions. We encourage open dialogue, transparency, and the sharing of ideas to create a collaborative workplace.

We fully respect the right of our employees to join, form (or not join or form) a labor union or other legal organizations of their own choosing, without any fear of retaliation or discrimination 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 unwavering in its commitment to fostering a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment.

We are dedicated to maintaining an inclusive and respectful workplace. We unequivocally prohibit any form of discrimination or harassment based on an individual's:

- | | |
|---|---|
| 1. Race | 14. Gender Identity |
| 2. Religion (including religious dress and grooming) | 15. Gender Expression |
| 3. Ethnicity | 16. Sexual Orientation |
| 4. Color | 17. Marital Status |
| 5. Ancestry | 18. Familial Status |
| 6. Creed | 19. Parental Status |
| 7. Age | 20. Domestic Partner Status |
| 8. Genetic Information | 21. Citizenship Status |
| 9. Disability (mental and physical) | 22. Pregnancy (including perceived pregnancy, childbirth, breastfeeding, or related medical conditions) |
| 10. Medical Condition (including HIV and AIDS, cancer/genetic characteristics, and information) | 23. Military Caregiver Status |
| 11. National Origin (including language use restrictions) | 24. Military Status |
| 12. Sex | 25. Veteran Status |
| 13. Gender | 26. Any other status protected by federal, state, or local law |

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. This policy utilizes the recognized international standards set forth by the United Nations' Universal Declaration of Human Rights and the International Labor Organization. We have a zero-tolerance approach to slavery, human trafficking, and child labor, and we act ethically and with integrity in all our business dealings and relationships. We expect the same high standards from all our contractors, suppliers, and other business partners, and we expect that our suppliers will hold their own suppliers to the same high standards.

Ethics Line

Our risk management strategy includes the monitoring and resolution of disclosures received through our U.S. and international Ethics Line. When a new claim is received through the Ethics Line, Tempur Sealy conducts a thorough investigation, involving appropriate experts and stakeholders. In the event a claim is substantiated we take appropriate corrective actions, ensuring accountability, and making necessary changes to uphold our ethical standards and maintain a culture of integrity within the organization.

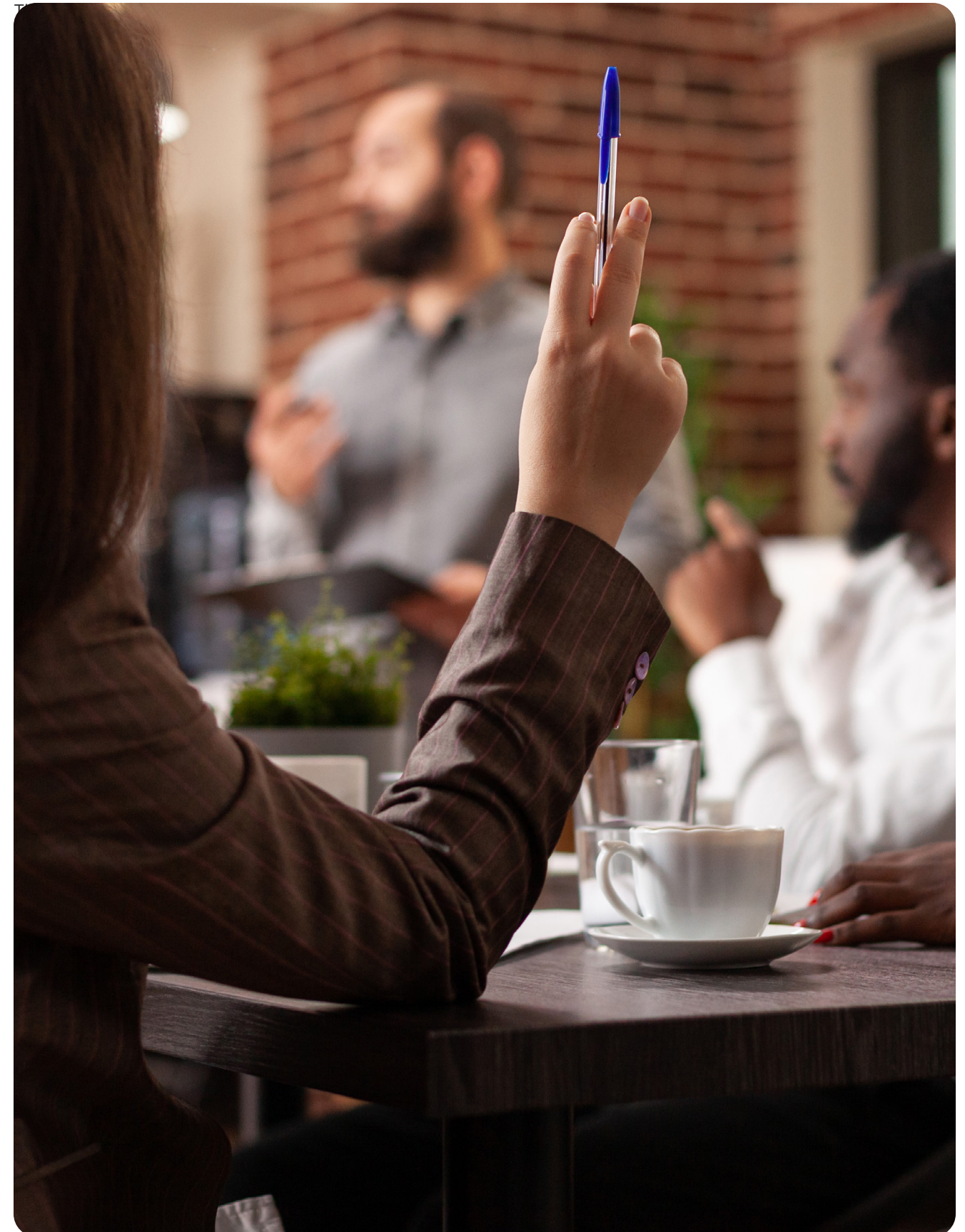
We maintain transparency and oversight in our Ethics Line management process by regularly reporting hotline information and metrics to the Audit Committee of our Board of Directors.

In 2023, approximately 10% of the concerns raised through the Ethics Line were substantiated. The vast majority of concerns raised were related to employee relations. There were no substantiated material concerns raised through the Ethics Line related to financial reporting in 2023.

Internal Enterprise Risk Management

We utilize an enterprise risk management process undertaken on an ongoing 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, 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.



Supply Chain Compliance

The Tempur Sealy [Supplier Code of Conduct](#) outlines the standards we expect all our suppliers to follow. This includes standards for lawful and ethical behavior, labor practices, health and safety, environment, and governance practices. We expect all suppliers to comply with all applicable anti-bribery and anti-corruption laws, including the Foreign Corrupt Practices Act of the United States, the Bribery Act of 2010 of the United Kingdom and all other applicable anti-corruption laws around the world, regardless of local custom or practice. The Supplier Code of Conduct also requires that our suppliers not pay bribes or engage in corrupt practices in order to advance Tempur Sealy's business interests.

Compliance Monitoring

Tempur Sealy utilizes a third-party compliance tool to decrease risk exposure around third-party business partners worldwide. The goal of continuous monitoring related to legal and regulatory concerns is to ensure third-party business partners uphold the same standards and core values as Tempur Sealy.

100% of our new suppliers are screened in this compliance tool.

Vendors found to be in violation are blacklisted from future use. Flags evaluated include watch-list and/or sanctions-list presence, import and export abuses, FCPA violations, slavery and other human rights social issues, and money laundering, bribery, and corruption notifications. On an annual basis, a complete listing of vendors from our global subsidiaries is loaded into the system for continuous compliance monitoring.

Political Contributions

We do not contribute corporate funds to political campaigns. We do participate in industry trade associations, which at times may make political contributions and engage in lobbying. In 2023, we paid approximately \$175,000 to the International Sleep Product association (ISPA) and €15,000 to the European Bedding Industry Association (EBIA).



WELLNESS—HEALTH & SAFETY

Health and Safety Policy

We are committed to a safe and healthy work environment and to our global safety policy.

We provide it worldwide in all our business locations, and the policy is translated into the appropriate language(s) at each location.

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—IT'S THE RIGHT THING TO DO!"

Employee Wellness

With sleep, health, and wellness at the core of what we do every day, we recognize the importance of employee wellbeing and offer a holistic suite of programs and initiatives to support employee's health.

Sleep Well, Live Well

Tempur Sealy coordinates wellness education and activities with the employee's (and his/her family members) total health in mind. At its core, the Tempur Sealy Wellness program seeks to align and prioritize physical health, financial health and mental/emotional health resources. Recent initiatives include on-site flu shots & biometric health screenings, and financial wellness/education sessions. We provide an Employee Assistance Program, which features free counseling sessions, legal and financial advisement, and family care resources.

In addition, 'Sleep Well, Live Well' boards are set up in Human Resource departments in our production facilities and corporate offices. These boards not only provide a hub for wellness education and resources but offer a connection point for employees and Human Resources personnel to provide the optimal employee experience.

TEMPUR SEALY PROGRAMS & INITIATIVES

For all employees participating on the Tempur Sealy Medical Plan, there are programs offered free of charge that promote healthy decision-making and living, such as diabetes prevention & management, cost transparency services, and medical integration resources. For all U.S. employees, the Company has produced Total Rewards statements since 2019 with a focus on educating employees about what is available to them and the qualitative and quantitative values of all benefits and perks.



Dreams' Employee Wellness

Our Dreams operations offers employees access to the Dreams Safety Portal, an app that enables real-time reporting and analysis of employee health and safety risks. Dreams also partners with Retail Trust, a UK-based charity, to offer employees mental health and well-being services alongside responsible financial guidance and tools. For no charge, employees can access emergency non-repayable hardship grants and wellbeing counselors through Retail Trust.

Fitness Centers

Employees have 24/7 access to fitness centers located onsite 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

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 is driven by a team of regional safety managers and on-site safety coordinators.

We diligently track our manufacturing safety rates worldwide and leverage the data to drive continuous safety improvements across our manufacturing footprint.

As part of our effort to closely monitor our safety performance indicators, we tracked the following KPIs* for our wholly owned U.S. manufacturing operations:

TRAILING TWELVE MONTHS END	9/30/2023	9/30/2022	09/30/2021
Employee Injury Rate	3.94	3.96	3.44
# of Employee Fatalities	0	1	0
# of Contractor Fatalities	0	0	0
Lost Workday Rate	0.91	0.89	0.84

We are committed to ensuring the safety and well-being of our employees. We encourage all team members to actively participate in maintaining a safe work environment. If employees have any safety concerns or incidents to report, they are encouraged to discuss them with their direct supervisor, utilize our dedicated Ethics Line for confidential reporting, or in the case of an injury, promptly begin the workers compensation process. All reported concerns are thoroughly reviewed, and necessary changes are made to address and enhance safety measures. This employee feedback is essential in our continuous efforts to create a safe workplace for everyone.

Operations health and safety training is required for 100% of our manufacturing and logistics employees.

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.

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, use of quantitative ergonomic assessments to help identify where processes can be improved to reduce Musculoskeletal Disorders injuries, semi-annual environmental health and safety audits to ensure compliance to internal policies and external regulations, and annual electric audits to ensure all equipment is operating safely.

*These metrics are calculated using OSHA methodology

In recent years, we have upgraded to more recent models of nearly 200 tractors in the U.S., with new safety features, including adaptive cruise control, lane departure mitigation, blind spot warning detection, and collision mitigation. We have also made investments in the latest equipment and safety technology for the U.S. corporate fleet.



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.

Through our learning management system, the Learning Zone, employees can take courses on a variety of individual and leadership development topics. The system also includes courses that assist employees with achieving advanced certification in their specific field. All our professional employees have access to this system and there are thousands of individual modules offered through our partnership with SkillSoft.



Professional Development Strategy

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 the 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. Salaried employees receive performance reviews quarterly. In 2023, 93% of U.S. salaried employees received a performance review.

Emerging Leaders Program

Additionally, at our 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.

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. **We continue to complete annual engagement surveys for all our employees globally, and we develop multi-pronged action plans to address the feedback we receive.**

Our Company's commitment to employee engagement is unwavering, as evidenced by our Engagement Score of 73%, surpassing the industry average by 2%.*

This metric, derived from a comprehensive survey of employee sentiment, reflects the level of enthusiasm, motivation, and commitment that our workforce exudes.

This positive employee sentiment is directly linked to our overall business performance. Engaged employees foster a collaborative and supportive workplace culture, driving innovation, productivity, and customer satisfaction. They are the driving force behind our ability to adapt to evolving market trends and maintain a competitive edge.

We had 87% participation in our 2023 salaried employee engagement survey and achieved a 73% engagement score.

Employee Incentive Compensation

We provide employees with the opportunity to earn performance-based incentive compensation. In addition to allowing employees at all levels of the organization to share in the business's success, it also serves to unite the entire organization under common goals, promoting collaboration and boosting morale.

Town Hall Meetings

We place a strong emphasis on transparency, both externally with our shareholders, customers, and other stakeholders, and internally with our dedicated workforce. To achieve this, we employ various communication channels, including Town Hall Meetings held at our corporate headquarters and audio messages from our CEO. These initiatives serve as platforms for engaging with our employees, providing them with insights into our financial performance, the latest Company developments, strategic initiatives, and industry trends. Typically, we host Town Hall Meetings on a quarterly basis. Our overarching objective is to foster teamwork, enhance communication, and instill a sense of ownership at every level of our organization.

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.

Employee Hardship Program

We have an Employee Hardship Fund to provide financial assistance to employees experiencing extra financial strain. 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 over 340 employees for a total of approximately \$314,000 of employee assistance provided between September 2023 and the inception of the fund on December 1, 2016.**

*The industry standard is established by calculating the mean engagement score across our third-party engagement survey vendor's customer base. Our benchmark comparison is specifically aligned with the Consumer and Durable goods sector.

Employee Product Purchase Program

One of the many benefits of employment with Tempur Sealy is the Employee Product Purchase Program, which allows employees to purchase Tempur Sealy products at significant discounts. Employees are offered discounts on products including mattresses, foundations, pillows, sheets, slippers, etc. The products purchased can be used for the employees' own use, as a gift, or as an extension of the employees' discount to friends and family. **In the trailing twelve months ended September 30, 2023, 38% of Tempur Sealy's eligible U.S. employee base utilized this program.**

Employee Overstock Sale

We strive to utilize all our resources for the benefit of our customers and partners around the globe. Despite our best efforts, at times we may have modest overstock of certain finished goods. To boost employee morale and create pride in the workplace, we provide employees at our manufacturing facilities and corporate offices with the opportunity to purchase these overstock items at a significant discount.



APPENDIX

ESG DATA TABLE

For quick reference, the table below highlights key ESG metrics, policies, and programs discussed in this report and in other public documents.

TOPIC	TRAILING 12-MONTH PERIOD ENDED SEPTEMBER 30, 2023*	TEMPUR SEALY DISCLOSURE
ENVIRONMENT		
RESOURCE CONSERVATION		
Estimated Total GHG Emissions-- Scope 1 and 2 (MTCO2e)	45,594 MTCO2e	Pgs. 13-14 "Carbon Neutral by 2040"
Change in Total GHG Emissions (%)	-1%	Pgs. 13-14 "Carbon Neutral by 2040"
Electricity Use (millions of kWh)	60.3M kWh	Pgs. 13-14 "Carbon Neutral by 2040"
Natural Gas Use (MMBTU)	178K MMBTU	Pgs. 13-14 "Carbon Neutral by 2040"
Diesel Use (millions of gallons)	3.4M gallons	Pgs. 13-14 "Carbon Neutral by 2040"
Percentage of consumed energy from the grid (%)	49%	Pgs. 16-17 "Renewable Energy"
Percentage of energy used that is derived from renewable sources	54%	Pgs. 16-17 "Renewable Energy"
Aggregate energy consumption from renewable sources	65.3M kWh	Pgs. 16-17 "Renewable Energy"
WASTE MANAGEMENT		
Waste recycled or used in energy production (%) in our global wholly owned manufacturing operations as of September 30, 2023(%)	100%	Pgs. 20-23 "Waste Management"
Global R&D and corporate offices operating at zero waste to landfill status as of September 30, 2023	75%	Pgs. 20-23 "Waste Management"
Returned Tempur Pedic products that were diverted from landfill (%)	100%	Pgs. 20-23 "Waste Management"
KEY DOCUMENTS		
Environmental Policy		
Chemical Safety Policy		
PURPOSE		
CHARITABLE GIVING		
Total monetary and in-kind donations (\$)	-17.7M	Pgs. 4-5 "Letter From the CEO"

*Unless otherwise noted

ESG DATA TABLE CONTINUED

OUR PEOPLE		
BOARD COMPOSITION		
Total directors (#)	7	2023 Proxy Statement
Average age as of March 28, 2023 (years)	63.6	2023 Proxy Statement
Average tenure (years)	7.7	2023 Proxy Statement
Independent directors (%)	71%	2023 Proxy Statement
Board Composition by Gender (%)		
Female	43%	Pgs. 41-48 "Ethics & Diversity"
Male	57%	Pgs. 41-48 "Ethics & Diversity"
Board Composition by Ethnic Diversity (%)		
Minority	14%	Pgs. 41-48 "Ethics & Diversity"
Non-Minority	86%	Pgs. 41-48 "Ethics & Diversity"
OUR TEAM		
TOTAL EMPLOYEES (#)*		
Full-time Employees (#)	- 12,000	Pgs. 41-48 "Ethics & Diversity"
U.S. Employees (%)	53%	Pgs. 41-48 "Ethics & Diversity"
Non-U.S. Employees/Located Offshore (%)	47%	Pgs. 41-48 "Ethics & Diversity"
U.S. WORKFORCE BY GENDER (%)		
Female	32%	Pgs. 41-48 "Ethics & Diversity"
Male	68%	Pgs. 41-48 "Ethics & Diversity"
EXECUTIVE LEADERSHIP BY GENDER (%)		
Female	18%	Pgs. 41-48 "Ethics & Diversity"
Male	82%	Pgs. 41-48 "Ethics & Diversity"
U.S. WORKFORCE ETHNIC DIVERSITY (%)*		
Minority	50%	Pgs. 41-48 "Ethics & Diversity"
Non-minority	50%	Pgs. 41-48 "Ethics & Diversity"
EXECUTIVE MANAGEMENT ETHNIC DIVERSITY (%)		
Minority	18%	Pgs. 41-48 "Ethics & Diversity"
Non-minority	82%	Pgs. 41-48 "Ethics & Diversity"

*Excludes Sherwood

ESG DATA TABLE CONTINUED

EMPLOYEE HEALTH & SAFETY		
Employees in manufacturing/logistics completing health and safety training (%)	100%	Pgs. 49-52 "Wellness—Health & Safety"
U.S. manufacturing Employee injury rate	3.94	Pgs. 49-52 "Wellness—Health & Safety"
# of U.S. manufacturing employee fatalities	0	Pgs. 49-52 "Wellness—Health & Safety"
# of U.S. manufacturing contractor fatalities	0	Pgs. 49-52 "Wellness—Health & Safety"
U.S. manufacturing lost workday rate	0.91	Pgs. 49-52 "Wellness—Health & Safety"
ETHICS & COMPLIANCE		
Employees and contractors trained on Code of Business Conduct and Ethics (%)	100%	Pgs. 41-48 "Ethics & Diversity"
% of total Ethics Line concerns substantiated	10%	Pg. 46 "Ethics Line"
Employee hardship total \$\$ provided	\$314,000	Pg. 54 "Employee Hardship Program"
EMPLOYEE ENGAGEMENT AND DEVELOPMENT		
U.S. salaried Employee Engagement Survey Participation (%)	87%	Pgs. 53-54 "Employee Engagement & Satisfaction"
U.S. salaried Employee Engagement Survey Score (%)	73%	Pgs. 53-54 "Employee Engagement & Satisfaction"
U.S. salaried employees who received a performance review (%)	93%	Pgs. 53-54 "Professional Development"
KEY DOCUMENTS		
Code of Business Conduct & Ethics		
Conflict Minerals Policy		
Supplier Code of Conduct		
Human Rights Policy		
Governance Ethics Line Information		
General Privacy Policy		

*Unless otherwise noted

SUSTAINABILITY AND ACCOUNTING STANDARDS BOARD (SASB)

The table below references relevant sections of the report and other sources of disclosure that align with the 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
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1 CG-BF-130a.1	See Environment on pg. 16
Wood Supply Chain Management	(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 standard2	CG-BF-430a.1	See Lumber Supply Chain Management & Due Diligence on Timber pgs. 26-27
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	See Ethics & Risk Management on pgs. 44 & 46
	(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 2023.
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-230a.1	See People, Development and Training on pgs. 53-54
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	CG-MR-310a.2	
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees4	CG-MR-330a.1	See Diversity, Equity, & Inclusion on pgs. 41-42
Product Sourcing, Packaging, & Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2	See Product and Packaging on pg. 25
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	See Product and Packaging on pgs. 24-29
	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by standard	CG-BF-430a.1	See Product and Packaging on pg. 26
Product Life Cycle Environmental Impacts	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	CG-BF-410a.1	See Improving Sleep on pgs. 31-35
	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	CG-BF-410a.2	See Waste Management on pgs. 20-23
Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-BF-250a.2	See Chemical Supply Chain Management and Chemical Safety Strategy on pg. 25
	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	CG-BF-250a.2	See Chemical Safety Strategy (100% VOC free) on pgs. 25-26

TASK FORCE ON CLIMATE-RELATED DISCLOSURES (TCFD)

TCFD Pillar	TCFD Disclosure Recommendation
Governance Disclose the organization's governance around climate-related risks and opportunities.	<p>a. Describe the Board's oversight of climate-related risks and opportunities.</p> <ul style="list-style-type: none"> - The Nominating and Corporate Governance (NCG) Committee, on behalf of the Board, is responsible for reviewing the Company's practices and positions relating to ESG issues that may affect the Company's business and key stakeholders and for exercising oversight on matters relating to ESG, including climate-related risks and opportunities. The NCG Committee regularly reviews the effectiveness of management's strategies, programs, and policy implementation with respect to responsible sourcing, climate change, waste management, energy initiatives, corporate governance practices and procedures and stakeholder management. Additionally, the Audit Committee reviews and discusses with management and internal audit the Company's risk management processes and internal controls over the Company's disclosures surrounding its environmental, social and governance efforts.
	<p>b. Describe the management's role in assessing and managing climate-related risks and opportunities.</p> <ul style="list-style-type: none"> - Our Chairman and CEO has the ultimate responsibility for the Company's ESG performance. Executive officers are held accountable for the Company's ESG performance through the Company's performance-based long-term equity incentive plan. This includes climate-related risk and opportunity management. In 2021, 2022, and 2023, ESG factors collectively accounted for 10% of the annual performance based restricted stock unit awards. - Our ESG Working Group is a cross functional group tasked to operationalize ESG by working with subject matter experts across the Company. One focus of this group is to better understand how climate related risks impact the Company and explore climate related opportunities on the horizon. This group is advised by a third party that brings external ESG insights to help inform our strategic objectives and is overseen by the Chief Financial Officer.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	<p>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <ul style="list-style-type: none"> - Our ESG Working Group has engaged with a third-party sustainability specialist to help us further our ESG program and understand how climate change impacts our business. - The risks identified throughout this process are transitional risks related to supply chain disruption and physical risks associated with natural disasters. - The risks identified throughout this process are transitional risks related to supply chain disruption and physical risks associated with natural disasters. - Loss of suppliers and disruptions in the supply of our raw materials and components could increase our costs of sales and reduce our ability to compete effectively. We maintain relatively small supplies of our raw materials and components at our manufacturing facilities, and any disruption in the shipment of supplies, including climate impacts, could interrupt production of our products. - Damage to a manufacturing facility or distribution center from a natural disaster could impact our operations by reducing the ability to meet our customers' demands. We operate in a highly competitive industry and if we are unable to compete successfully, we may lose customers and our sales may decline. - We have also identified opportunities relating to lower emission energy sources and more efficient use of resources throughout the manufacturing and distribution process. Both areas provide the chance to lessen the Company's impact on the environment while improving operational efficiency and lessening the reliance on and cost of energy used in operations.

TCFD Pillar	TCFD Disclosure Recommendation
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	<p>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <ul style="list-style-type: none"> - We expect to address this topic in future ESG reporting.
	<p>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p> <ul style="list-style-type: none"> - We expect to address this topic in future ESG reporting.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	<p>a. Describe the organization's processes for identifying and assessing climate-related risks.</p> <ul style="list-style-type: none"> - When identifying and assessing climate related risk, our ESG working group categorizes climate related risks as both physical and transitional risks. Once the risks are identified, we assess how the risk will affect the business against different physical and transitional scenarios. During the process we meet with internal key stakeholders and our external sustainability experts to ensure we are identifying key climate related risks to our business..
	<p>b. Describe the organization's processes for managing climate-related risks.</p> <ul style="list-style-type: none"> - We utilize our ERM process to identify risks related to global environmental exposure and site environmental matters. We have an ERM group that manages this process. Their activities include assessing, prioritizing, and measuring the risks, implementing mitigation plans, and auditing the results. This team formally presents to our Board of Directors on an annual basis. In addition to the formal presentation, the executive team and the Board receive updates from the ERM group throughout the year.
	<p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p> <ul style="list-style-type: none"> - Please see above statements.
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<p>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <ul style="list-style-type: none"> - We expect to address this topic in future ESG reporting.
	<p>b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <ul style="list-style-type: none"> - Between October 1st, 2022, and September 30th, 2023, our global wholly owned manufacturing and shipping operations consumed 60.3M kWh of electricity, 178K MMBtu of natural gas, and 3.4M gallons of diesel. Estimated GHG emissions associated with natural gas, electricity, diesel, and propane from these operations were 45,594 MTCO_{2e}, a reduction of 1% over the same period last year using a consistent methodology. Excluding the impact of new facilities opened in the trailing twelve-month period, we achieved an emissions reduction of 4% over the same period last year using consistent methodology.
	<p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p> <ul style="list-style-type: none"> - 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. - In 2022, we achieved our goal to have zero landfill waste at each of our wholly owned U.S. manufacturing facilities and our European Tempur manufacturing facility. - In 2022, we set a goal to achieve zero waste to landfill status at our corporate offices and research and development labs worldwide by 2025. - In 2023, we achieved our goal to have zero waste to landfill at each of our Canadian and Mexican manufacturing facilities. - In 2023, we achieved zero waste to landfill status at 75% of our corporate offices and research and development labs.

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 words “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; including our goal of achieving carbon neutrality in our global wholly owned operations by 2040; 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, 2022, 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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