



TEMPUR-PEDIC

ADAPT  
MEDIUM

TEMPUR+SEALY

# TPX CORPORATE SOCIAL VALUES SNAPSHOT

# 2023 CSVR SNAPSHOT

We are pleased to share highlights from our 2023 Corporate Social Values Report (CSVR) with our employees, our shareholders, our customers, our suppliers, and other interested stakeholders. This snapshot provides a high-level overview of our approach and progress related to our key Environmental, Social, and Governance (ESG) priorities.

**For additional information regarding all our ESG initiatives please refer to the full 2023 CSVR located [here](#) on our [Investor Relations Webpage](#).**

We have again aligned our sustainability reporting with the SASB Standards and the United Nations Sustainable Development Goals (SDGs). In 2022, we also took the first steps to align to the Task Force on Climate-Related Financial Disclosure (TCFD) framework to provide our stakeholders additional insight into how we manage climate-related risks and opportunities. **Please see the Appendix for additional details.**

Below are some highlights of the progress we made on our priorities in the trailing twelve months ended September 30, 2022<sup>1</sup>

<sup>1</sup>We have also included specific subsequent initiatives that occurred after the end of September 30, 2022, which we have endeavored to note as such.



## ENVIRONMENT

- Improved the percent of waste diverted from landfills from our U.S. wholly owned manufacturing operations to 100% as of September 30, 2022, compared to 96% as of September 30, 2021
- Expanded our commitment to achieving zero landfill waste to include our corporate offices and our research and development facilities by 2025
- Achieved a 3% reduction in greenhouse gas emissions per unit produced at our wholly owned manufacturing and logistics operations compared to the prior year, furthering our progress towards our goal of achieving carbon neutrality by 2040
- Substantially aligned our sustainability reporting to the Task Force on Climate-Related Financial Disclosures (TCFD) framework
- Formalized our ESG processes and stances in a new [Environmental Policy](#)

## PURPOSE

- Launched our new Sealy® Naturals™ mattress collection made with sustainable and responsibly sourced materials, including organic covers made with long-lasting hemp, organic cotton, lightweight modal, and 100% natural latex

- Continued to bring industry-leading innovation to market that provides consumers with higher quality sleep at a variety of price points, including the new U.S. product launches of Sealy Posturepedic® Plus, Stearns & Foster®, and Sealy® FlexGrid™
- Contributed over \$1 million through the Tempur Sealy Foundation and donated more than 8,300 mattresses worth approximately \$13.7 million

## PEOPLE

- Completed the implementation of a new global ERP system, which is expected to fortify our cybersecurity and drive long-term efficiencies across our global operations
- Increased the percentage of our U.S. employee base that self-identifies as a minority from 47% to 49%, and increased the percentage of our U.S. employee base that identifies as female from 30% to 32%
- Increased the percentage of women on our Board of Directors from 33% to 43%
- Embedded ESG performance as a metric in executive leadership's 2022 compensation program

# OUR APPROACH TO SUSTAINABLE BUSINESS PRACTICES

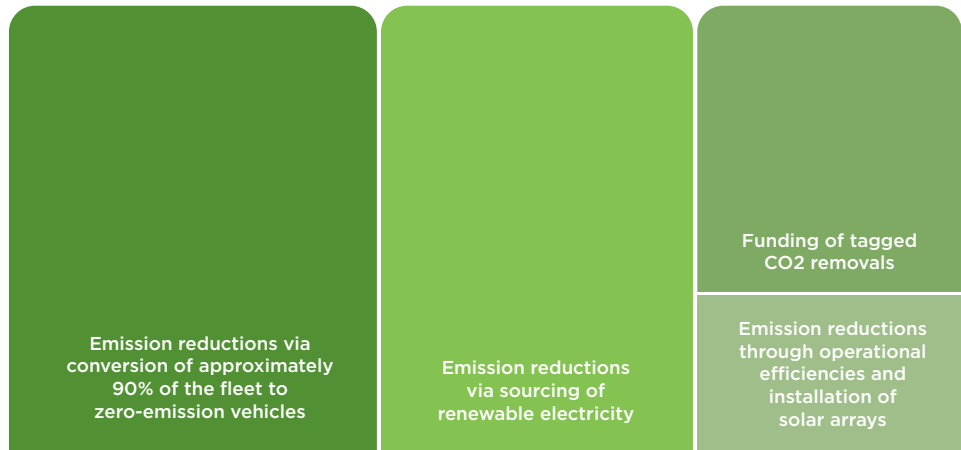
## ENVIRONMENTAL INITIATIVES

### ENERGY AND GHG EMISSIONS

#### CARBON NEUTRAL

Our objective is to reduce or offset 100% of Scope 1 and 2 greenhouse gas emissions and achieve carbon neutrality in our operations by 2040.

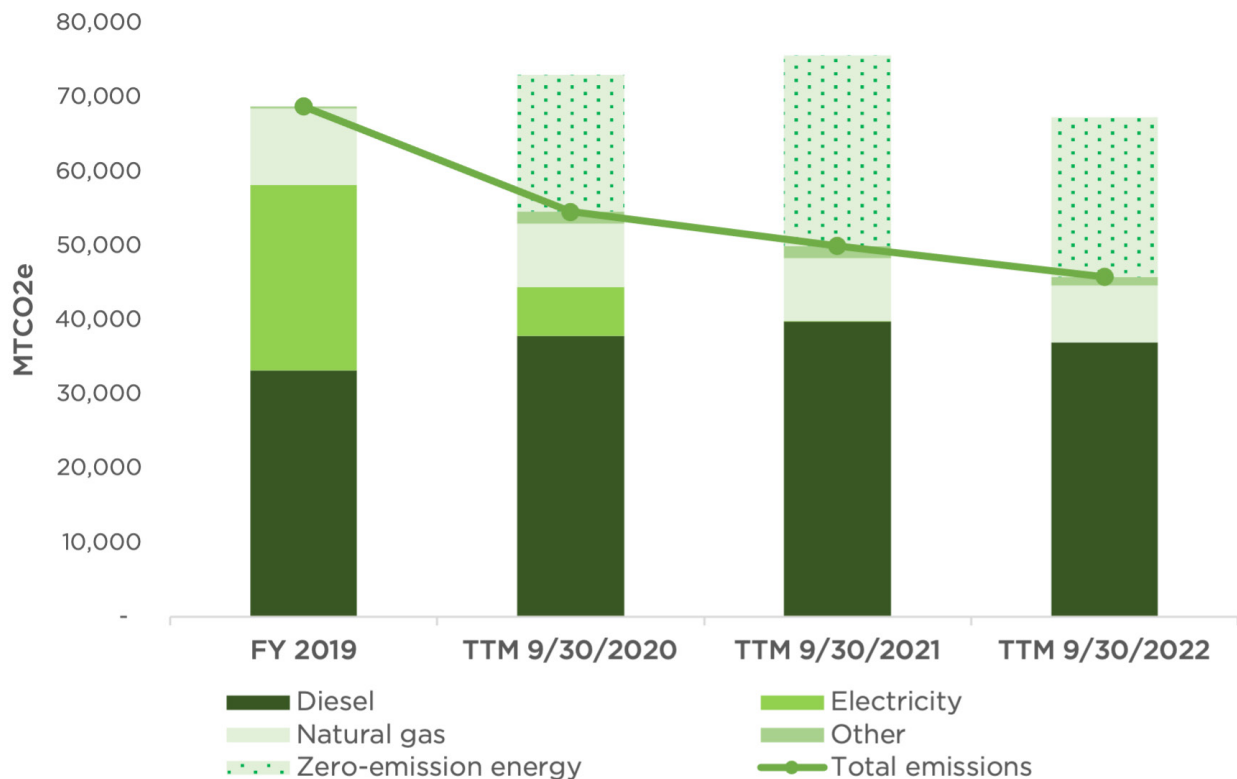
### CARBON NEUTRAL BY 2040 ROADMAP\*



\*Indicative roadmap uses 2021 data as a baseline - these values are estimates and subject to change

Estimated GHG emissions associated with natural gas, electricity, diesel, and propane from Operations in 2022 were 45,827 MTCO2e, a reduction of 7.7% over the same period in 2021.

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



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



## RESOURCE CONSERVATION

The integration of renewable energy and energy efficiency practices across our operations is critical to achieving our sustainability and operational objectives. In 2022, we invested in increased resource efficiency and improved our production and distribution processes across our operations.

**100% of our wholly owned global manufacturing facilities were powered by renewable energy in the trailing twelve months ended September 30, 2022.**

## FLEET FUEL-EFFICIENCY IMPROVEMENTS

In 2022, we added 10 trailers with three fuel saving features: low-resistance tires, underbody skirts, and auto-inflating tire systems to our U.S. fleet, and expect to add additional trailers in 2023 as supply chain constraints lessen. Additionally, in 2022, we added 22 model year 2023 tractors that have an estimated 0.48 mile-per-gallon (mpg) fuel efficiency improvement over the vehicles that they replaced.

**This will result in an estimated annual savings of approximately 16,356 gallons of diesel fuel. This in turn is expected to result in an estimated reduction in CO2 emissions of 167 metric tons.**

## ZERO-EMISSIONS VEHICLES

In 2021, we participated in a Class 8 electric truck pilot program in the U.S. Utilizing an electric Class 8 tractor can reduce emissions by more than 60% compared to a diesel tractor, and when paired with renewable energy, can result in zero-emission transportations. The goal of the pilot program 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. A significant reduction in fleet emissions is a key part of our roadmap to achieve carbon neutrality by 2040.

## ENVIRONMENTAL CERTIFICATIONS

### OPERATIONS ENVIRONMENTAL CERTIFICATIONS

#### ISO 14001 CERTIFIED

AT OUR FACILITIES IN NEW MEXICO, VIRGINIA, AND DENMARK

#### ISO 9001 CERTIFIED

AT OUR FACILITIES IN VIRGINIA AND DENMARK

#### ISO 50001 & 45001 CERTIFIED

AT OUR FACILITY IN DENMARK

CONVERTING OUR EXISTING ISO 18801 CERTIFICATION TO AN

#### ISO OHS 50001 & 45001 CERTIFIED

AT OUR FACILITY IN VIRGINIA

Our foam-pouring facility located in Denmark is currently STeP by OEKO-Tex® certified in the following categories: chemicals, environmental conditions, environmental management system, social responsibility, quality management system, and safety.

Our foam-pouring facility in Mountain Top, Pennsylvania, has obtained Global Organic Latex Standards (GOLS) certification for its latex production process. Further, inputs to our process at all points of the upstream supply chain are also GOLS certified. By achieving this certification, we and our suppliers have met the following criteria for certain latex products:

- 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

## PRODUCT CERTIFICATIONS

We are launching an all-new TEMPUR® mattress collection in our international markets in 2023. We expect that each mattress included in this new lineup will be OEKO-TEX® MADE IN GREEN certified, indicating that each mattress meets the stringent criteria set forth by the STANDARD 100 by OEKO-TEX® and STeP by OEKO-TEX® certifications.

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

- Our newly launched Sealy® Naturals™ mattress collection has received the GreenGuard® Gold certification, and is pursuing an Eco-INSTITUT Certification
- All 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-Pedic® retail mattresses made in our Dan-Foam facility are TÜV Certified

## SUSTAINABLE SOURCING AND HUMAN RIGHTS

### LUMBER SUPPLY CHAIN MANAGEMENT

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

### ANNUAL DILIGENCE OF CONFLICT MINERALS USED IN OUR PRODUCTS

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 (e.g., 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 "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.

### HUMAN RIGHTS POLICY

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

### 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.

### SUPPLY CHAIN COMPLIANCE

**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.** 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, 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.

## RECYCLING AND WASTE MANAGEMENT

We are continuously improving our understanding of our resource usage and are making efforts to improve the tracking and monitoring of those resources.

U.S. manufacturing recycling efforts in the trailing twelve months ending September 30, 2022, were equivalent to:

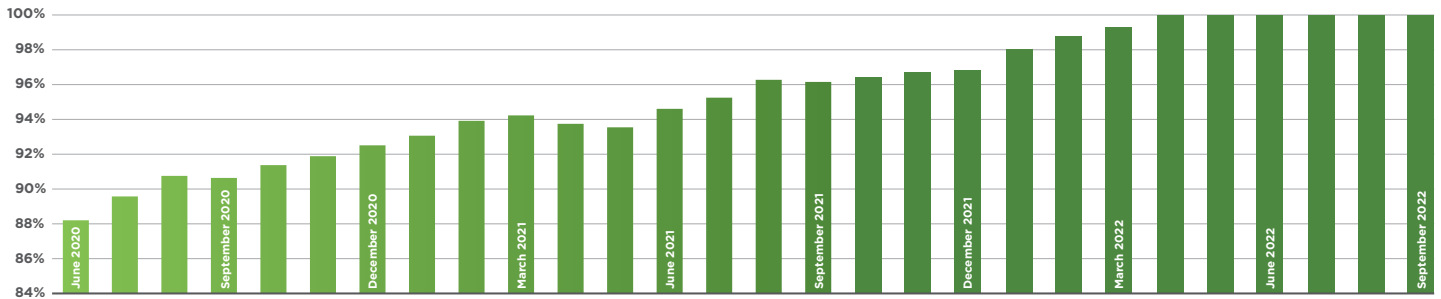
SAVING **110,416** BARRELS OF OIL

PLANTING **791,314** trees

AND AVOIDING **47,479** tons OF CO<sub>2</sub>E



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



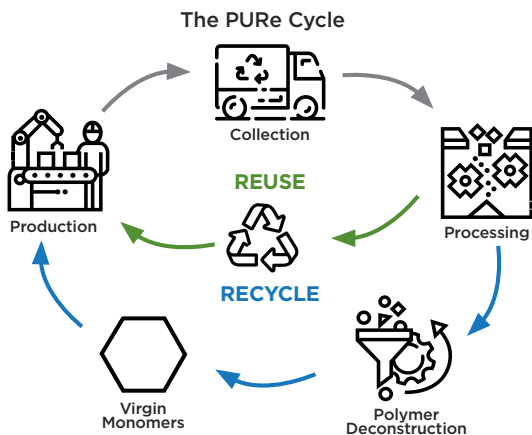
\*100% waste diverted as permitted by local and state regulations

### WASTE MANAGEMENT

**In the trailing twelve months ended September 30, 2022, 100% of our waste from our wholly owned U.S. manufacturing facilities was recycled or used in energy generation, a 6% improvement from prior year.**

**After achieving zero landfill waste at our manufacturing sites in 2022, we extended our commitment to achieving zero landfill waste to our corporate offices and R&D labs worldwide.**

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 we can increase the recyclability of our products.



In the U.S., we recycle 100% of the Tempur-Pedic® products returned to us. This equated to over 1.6 million pounds of foam and 500,000 pounds of metal recycled in the trailing twelve months ended September 30, 2022.

**1.6M POUNDS** OF FOAM RECYCLED

**500,000 POUNDS** OF METAL RECYCLED

### PRODUCT AND PACKAGING USE OF RECYCLED COMPONENTS

We utilized 86% recycled steel innersprings for our Tempur, Stearns & Foster, and Sealy products for the trailing twelve months ending September 30, 2022.

Internationally, our cardboard packaging for our Tempur products utilizes recycled fibers, with 78% of our packaging comprised of these recycled fibers in 2021. In 2022, we transitioned to mattress foil packaging that is 100% recyclable and made from at least 50% recycled material.

### PRODUCT QUALITY AND SAFETY

**To manage risks associated with the management of chemicals, we comply with all state and EPA regulatory requirements, conduct scenario analyses in case of an accidental spill, provide safety materials and training to employees at the facilities, and 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.

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

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

# SOCIAL INITIATIVES

## CHARITABLE GIVING

Since its launch in 2017, the Tempur Sealy Foundation has provided 51 grants to 13 grantees totaling more than \$3.5 million in charitable contributions to local, national, and international organizations that support this mission.

**51 GRANTS** TO 13 GRANTEES

MORE THAN **\$3.5 MILLION**  
IN CHARITABLE CONTRIBUTIONS

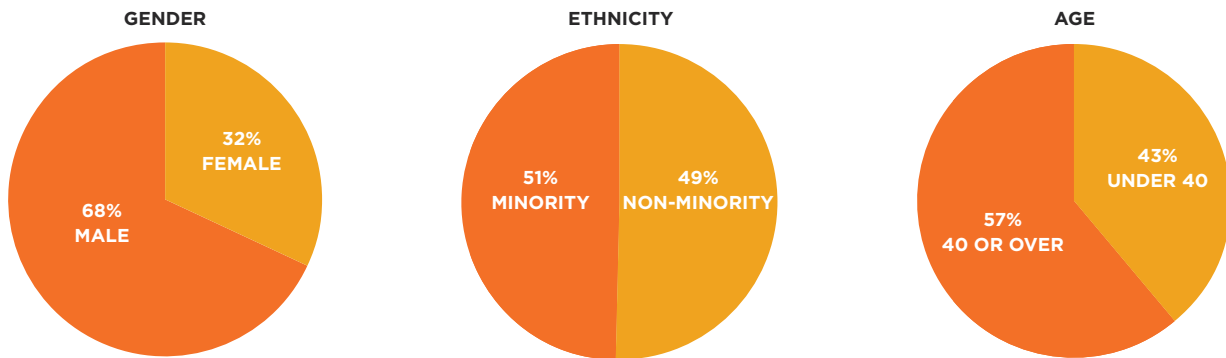
Since 2011, we have  
donated more than

**228,000** MATTRESSES  
TO CHARITIES INCLUDING  
**>8,300** DONATED IN 2022

## DIVERSITY, EQUITY, AND INCLUSION

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



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 regularly and adjust as warranted
- Participate in external, community-based activities sponsored by local organizations, including those that assist women, minorities and veterans

## DIVERSE MARKETING INITIATIVES

It is important to us to design advertising campaigns that are reflective of our diverse consumer demographics and increase access to quality sleep surfaces. As a result, **we are thoughtful in our casting decisions to ensure we hire a broad range of talent that is reflective of our consumers, including striving for balanced representation in gender, ethnicity, background, age, and body type.** We are taking steps to better serve our Spanish-speaking customers in the U.S. In 2021 and 2022, we developed and implemented a bilingual marketing program, which includes offering select in-store marketing materials in Spanish.

The availability of product information in both English and Spanish delivers an accessible shopping experience that empowers Spanish-speaking consumers on their purchase journey.

## MANUFACTURING AND LOGISTICS EMPLOYEE HEALTH AND SAFETY

Our health and safety 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.

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

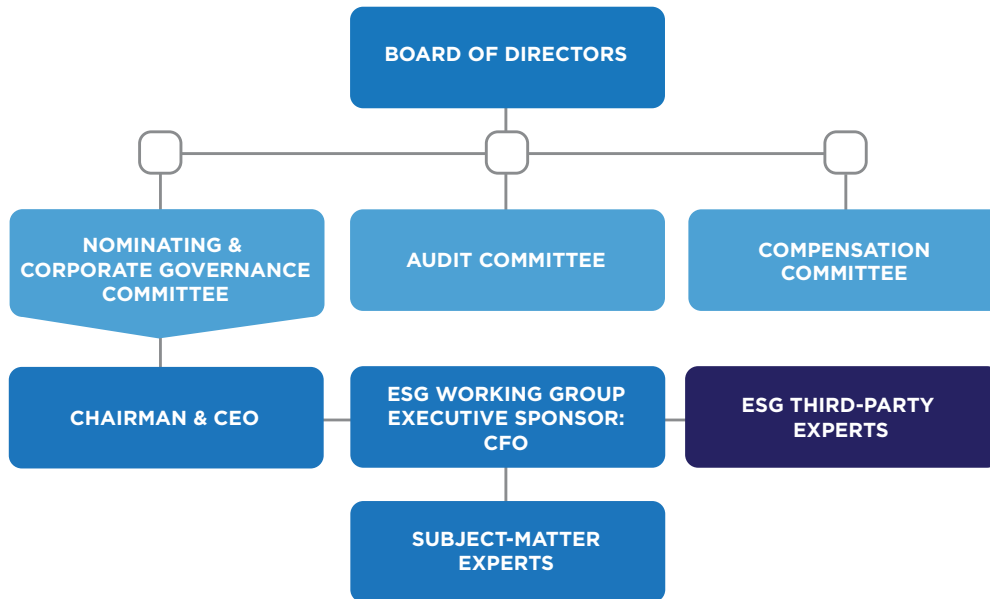
U.S. Tempur Sealy manufacturing health and safety initiatives include on-site physical therapy at no cost to the employee at all manufacturing facilities, a behavior-based safety program that offers employees one-on-one coaching and feedback, use of quantitative ergonomic assessments to help identify where processes can be improved to reduce MSD 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. We have also made investments in the latest equipment and safety technology for the U.S. corporate fleet.



# GOVERNANCE INITIATIVES

## BOARD OVERSIGHT OF ESG

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 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, inclusion and diversity initiatives, and human rights considerations. Executive officers are held accountable for ESG performance through the Company’s performance-based long-term equity incentive plan. In both 2021 and 2022, ESG metrics 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 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.

### 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. 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.

Additionally, we recently completed the implementation of a new ERP system, which is expected to significantly increase the accuracy of the IT Audit Logical Access Control using templated role security and a simplified user management process.

### CODE OF BUSINESS CONDUCT AND ETHICS

We have a [Code of Business Conduct and Ethics](#) that applies to our entire organization. **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.



# APPENDIX

## ESG DATA TABLE

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

For further information on the below topics, please refer to the page numbers located in our 2023 Corporate Social Values report which you can find [here](#).

TOPIC	TRAILING 12-MONTH PERIOD ENDED SEPTEMBER 30, 2022*	TEMPUR SEALY DISCLOSURE IN THE 2023 CORPORATE SOCIAL VALUES REPORT
<b>ENVIRONMENT</b>		
<b>RESOURCE CONSERVATION</b>		
Estimated Total GHG Emissions — Scope 1 and 2 (MTCO <sub>2</sub> e)	45,827 MTCO <sub>2</sub> e	Pgs. 11-12 “Carbon Neutral by 2040”
Change in Total GHG Emissions (%) vs. the Trailing 12-Month Period Ended September 30, 2021	-7.7%	Pgs. 11-12 “Carbon Neutral by 2040”
Electricity Use (millions of kWh)	62.7M kWh	Pgs. 11-12 “Carbon Neutral by 2040”
Natural Gas Use (MMBTU)	143K MMBTU	Pgs. 11-12 “Carbon Neutral by 2040”
Diesel Use (millions of gallons)	3.5M gallons	Pgs. 11-12 “Carbon Neutral by 2040”
<b>WASTE MANAGEMENT (U.S. WHOLLY OWNED MANUFACTURING ONLY)</b>		
Waste recycled or used in energy production (%)	100%	Pgs. 18-21 “Waste Management”
Change in waste recycled or used in energy production since September 30, 2021 (%)	+4%	Pgs. 18-21 “Waste Management”
Returned Tempur Pedic products that were recycled (%)	100%	Pgs. 18-21 “Waste Management”
<b>KEY DOCUMENTS</b>		
<a href="#">Environmental Policy</a>		
<b>PURPOSE</b>		
<b>CHARITABLE GIVING</b>		
Total monetary and in-kind donations (\$)	-14.7M	Pgs. 4-5 “Letter From the CEO” and pgs. 34-37 “Charitable Giving”
<b>OUR PEOPLE</b>		
<b>BOARD COMPOSITION</b>		
Total directors	7	<a href="#">2022 Proxy Statement</a> and <a href="#">Investor Relations website</a>
Average age as of March 24, 2022 (years)	62.6	<a href="#">2022 Proxy Statement</a>
Average tenure (years)	6.7	<a href="#">2022 Proxy Statement</a>
Independent Directors (%)	71%	<a href="#">2022 Proxy Statement</a>
<b>BOARD COMPOSITION BY GENDER (%)</b>		
Female	43%	Pgs. 39-45 “Ethics & Diversity”
Male	57%	Pgs. 39-45 “Ethics & Diversity”

## ESG DATA TABLE CONTINUED

BOARD COMPOSITION BY ETHNIC DIVERSITY (%)		
Minority	14%	Pgs. 39-45 “Ethics & Diversity”
Non-minority	86%	Pgs. 39-45 “Ethics & Diversity”
<b>OUR TEAM</b>		
<b>TOTAL EMPLOYEES</b>		
Full-time Employees (#)	-12,000	Pgs. 39-45 “Ethics & Diversity”
U.S. Employees (%)	58%	Pgs. 39-45 “Ethics & Diversity”
Non-U.S. Employees/Located Offshore (%)	42%	Pgs. 39-45 “Ethics & Diversity”
<b>WORKFORCE BY GENDER (%)</b>		
Female	32%	Pgs. 39-45 “Ethics & Diversity”
Male	68%	Pgs. 39-45 “Ethics & Diversity”
<b>EXECUTIVE LEADERSHIP BY GENDER (%)</b>		
Female	17%	Pgs. 39-45 “Ethics & Diversity”
Male	83%	Pgs. 39-45 “Ethics & Diversity”
<b>U.S. WORKFORCE ETHNIC DIVERSITY (%)</b>		
Minority	49%	Pgs. 39-45 “Ethics & Diversity”
Non-minority	51%	Pgs. 39-45 “Ethics & Diversity”
<b>EXECUTIVE MANAGEMENT ETHNIC DIVERSITY (%)</b>		
Minority	17%	Pgs. 39-45 “Ethics & Diversity”
Non-minority	83%	Pgs. 39-45 “Ethics & Diversity”
<b>EMPLOYEE HEALTH &amp; SAFETY</b>		
Employees in manufacturing/logistics completing health and safety training (%)	100%	Pgs. 46-49 “Wellness—Health and Safety”
<b>ETHICS &amp; COMPLIANCE</b>		
Employees and contractors trained on Code of Business Conduct and Ethics (%)	100%	Pgs. 39-45 “Ethics & Diversity”
<b>KEY DOCUMENTS</b>		
<a href="#">Code of Business Conduct &amp; Ethics</a>		
<a href="#">Conflict Minerals Policy</a>		
<a href="#">Supplier Code of Conduct</a>		
<a href="#">Human Rights Policy</a>		
<a href="#">Governance Ethics Line Information</a>		
<a href="#">General Privacy Policy</a>		

\*Unless otherwise noted

## SUSTAINABILITY 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.

**For further information on the below topics, please refer to the page numbers located in our 2023 Corporate Social Values report which you can find [here](#).**

TOPIC	DESCRIPTION	SASB CODE	TEMPUR SEALY DISCLOSURE IN THE 2023 CORPORATE SOCIAL VALUES REPORT
<b>Energy Management</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1 CG-BF-130a.1	See Carbon Neutral by 2040 on pgs. 11-12
<b>Wood Supply Chain Management</b>	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party-certified forestlands, (3) percentage by standard, (4) percentage certified to other wood fiber standards, and (5) percentage by standard	CG-BF-430a.1	See Lumber Supply Chain Management on pg. 22 and Due Diligence on Timber on pg. 24
<b>Data Security</b>	Description of approach to identifying and addressing data security risks  (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	CG-MR-230a.1 CG-MR-230a.2	See Ethics and Risk Management on pgs. 40-45  There were no material data breaches involving PII in 2022
<b>Labor Practices</b>	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1	See People, Development, and Training on pgs. 50-51
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	CG-MR-310a.2	
<b>Workforce Diversity &amp; Inclusion</b>	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	See Diversity, Equity and Inclusion on pgs. 39-40
<b>Product Sourcing, Packaging, &amp; Marketing</b>	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2 CG-BF-250a.1	See Chemical Supply Chain Management on pg. 22
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	See Product and Packaging on pgs. 22-26
	(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 Lumber Supply Chain Management on pg. 22
<b>Product Life Cycle Environmental Impacts</b>	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	CG-BF-410a.1	See Waste Management on pgs. 18-21 and see Sustainability-Driven Products on pg. 30
	(1) Weight of end-of-life material recovered and (2) percentage of recovered materials recycled	CG-BF-410a.2	See Waste Management on pgs. 18-21
<b>Management of Chemicals in Products</b>	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 on pg. 22
	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	CG-BF-250a.2	See Chemical Supply Chain Management (100% VOC free) on pg. 22



## TASK FORCE ON CLIMATE-RELATED DISCLOSURES (TCFD)

In 2022, we took our first steps to align our sustainability initiatives with the TCFD framework, which are reflected in the table below. We expect to broaden and deepen our TCFD alignment and disclosure over time as our initiatives continue to grow and evolve.

TCFD Pillar	TCFD Disclosure Recommendation
<p><b>Governance</b> Disclose the organization's governance around climate-related risks and opportunities.</p>	<p>a. Describe the Board's oversight of climate-related risks and opportunities.</p> <ul style="list-style-type: none"> <li>- <b>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.</b></li> </ul> <p>b. Describe the management's role in assessing and managing climate-related risks and opportunities.</p> <ul style="list-style-type: none"> <li>- <b>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 both 2021 and 2022, ESG metrics collectively accounted for 10% of the annual performance-based restricted stock unit awards.</b></li> <li>- <b>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.</b></li> </ul>
<p><b>Strategy</b> 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>	<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"> <li>- <b>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.</b></li> <li>- <b>The risks identified throughout this process are transitional risks related to supply chain disruption and physical risks associated with natural disasters.</b></li> <li>- <b>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.</b></li> <li>- <b>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.</b></li> <li>- <b>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.</b></li> </ul>

TCFD Pillar	TCFD Disclosure Recommendation
<p><b>Strategy</b> 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>	<p>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p><b>- We expect to address this topic in future ESG reporting.</b></p> <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> <p><b>- We expect to address this topic in future ESG reporting.</b></p>
<p><b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>a. Describe the organization's processes for identifying and assessing climate-related risks.</p> <p><b>- 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.</b></p> <p>b. Describe the organization's processes for managing climate-related risks.</p> <p><b>- 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.</b></p> <p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p> <p><b>- Please see above statements.</b></p>
<p><b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<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> <p><b>- We expect to address this topic in future ESG reporting.</b></p> <p>b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <p><b>- Between October 1st, 2021, and September 30th, 2022, our global wholly owned manufacturing and shipping operations consumed 62.7M kWh of electricity, 143K MMBtu of natural gas, and 3.5M gallons of diesel. Estimated GHG emissions associated with natural gas, electricity, diesel, and propane from these operations were 45,827 MTCO<sub>2e</sub>, or 6.3 kgCO<sub>2e</sub> per unit produced, a reduction of 7.7% over the same period last year using a consistent methodology.</b></p> <p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p> <p><b>- 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.</b></p> <p><b>- 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 by the end of 2022.</b></p> <p><b>- 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.</b></p>

## FORWARD-LOOKING STATEMENTS

This report may be deemed to include statements that are “forward-looking” within the meaning of the federal securities laws, which include information concerning one or more of the Company’s plans, objectives, goals, strategies, and other information that is not historical information. When used in this report, the word “believe,” “expect,” “anticipate,” “hope” and variations of such words or similar expressions are intended to identify such statements. Any forward-looking statements contained herein are based upon current expectations and beliefs and various assumptions. These forward-looking statements include, without limitation, statements relating to the Company’s expectations regarding sustainability goals; 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.