



SGI CORPORATE SOCIAL VALUES REPORT 2025



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LETTER FROM THE CHAIRMAN & CEO



We are pleased to present our 2025 Corporate Social Values Report, which reflects our ongoing commitment to the environment, our colleagues, and our communities. This report is a testament to our dedication to adapting and growing our business to keep pace with evolving consumer trends and value creation opportunities, while remaining anchored in our core value of Doing the Right Thing, which has guided the business for more than three decades.

As you will read in this report, we strive to uphold this commitment to Doing the Right Thing in everything we do: improving the health of people worldwide through the power of a good night's sleep, giving back to our communities, taking care of our colleagues, and minimizing our environmental footprint.

Our Board of Directors and executive management team believe the actions we take to support these initiatives fortify the foundation of our business, enhancing shareholder value and support our long-term growth.

Below are some key highlights of the progress we made on our social values initiatives in 2024:

ENVIRONMENT

- Progressed towards our goal of achieving carbon neutrality by 2040 through reducing greenhouse gas emissions at our wholly owned manufacturing and logistics operations by 2% compared to the prior year*
- Maintained zero waste to landfill status at all our U.S. and European manufacturing operations and made progress towards our goal to achieve zero waste to landfill status at 100% of our corporate offices and R&D labs by 2025
- Launched a program to track greenhouse gas emissions within our U.S. retail operations, a key milestone in our path to carbon neutrality by 2040

*This excludes the impact of the new Crawfordsville facility opened in late 2023. Including the impact of new facilities, we reduced greenhouse gas emissions at our wholly owned manufacturing and logistics operations by 0.5% compared to the prior year.

PURPOSE

- Awarded #1 in Customer Satisfaction for both the Online Purchase and Retail Purchase segments in the J.D. Power 2024 U.S. Mattress Satisfaction Study for our Tempur-Pedic brand for the fourth consecutive year for the online category and fifth time in six years for the retail category
- Continued to deliver industry-leading advancements, providing consumers with access to better sleep quality through a diverse portfolio of products, price points, and technologies
- Contributed over \$29 million in product and monetary donations to charitable causes

PEOPLE

- Embedded ESG performance as a factor in executive leadership's 2024 compensation program
- Invested in employee training, professional development, and satisfaction with a variety of initiatives that led to obtaining an Engagement Score of 75% on a comprehensive survey of employee sentiment, surpassing the industry average by 4%
- Continued to implement a comprehensive set of employee health and safety initiatives, resulting in improved manufacturing and logistics employee health metrics

We look forward to sharing additional updates on our progress with you in the future.

Scott Thompson
Chairman, President and CEO





COMPANY PROFILE

Somnigroup International Inc.* (NYSE: SGI) is the world's largest bedding company, dedicated to enriching people's lives through the power of a good night's sleep. With superior capabilities in design, manufacturing, distribution and retail, we deliver breakthrough sleep solutions and serve the evolving needs of consumers in more than 100 countries worldwide through our fully-owned businesses, Tempur Sealy, Mattress Firm and Dreams. Our portfolio includes the most highly recognized brands in the industry, including Tempur-Pedic®, Sealy® and Stearns & Foster®, and our global omni-channel platform enables us to meet consumers wherever they shop, offering a personal connection and innovation to provide a unique retail experience and tailored solutions.

We seek to deliver long-term value for our shareholders through prudent capital allocation, including managing investments in our businesses. We are guided by our core value of Doing the Right Thing and committed to our global responsibility to protect the environment and the communities in which we operate.



● Wholly owned (31) ● Tempur-Pedic® Facility (4) ● Joint Venture (9) ● Licensee (27)

*When used in this report, except as specifically noted otherwise, (a) the terms "Somnigroup," "Company," "we," "our," and "us" refer to Somnigroup International Inc. and its consolidated subsidiaries as of December 31, 2024, including Tempur Sealy, Sherwood Bedding, and Dreams, (b) the term "Tempur Sealy" refers to our Tempur Sealy operations, and (c) the term "Mattress Firm" refers to Mattress Firm Group LLC and its direct and indirect wholly-owned subsidiaries, which Somnigroup acquired on February 5, 2025.

SOMNIGROUP FY24 FAST FACTS



Our global headquarters is in Lexington, Kentucky.



In 2024, we generated approximately \$4.9 billion in net sales.



As of December 31, 2024, we had approximately 13,500 employees, approximately 7,000 of which were in the United States ("U.S.") and 6,500 in the rest of the world. We operated through more than 750 retail stores, 30 ecommerce platforms, 71 manufacturing facilities and 4 state-of-the-art R&D facilities.



Our products are sold in over 100 markets worldwide through our manufacturing and retail subsidiaries, joint venture, and licensee operations. 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 company-owned retail stores and e-commerce businesses.

More information about our business can be found on our website somnigroup.com

NOTE ON THE ACQUISITION OF MATTRESS FIRM

Tempur Sealy International, Inc. acquired Mattress Firm on February 5, 2025. As a result of this acquisition, Tempur Sealy International, Inc. changed its name to Somnigroup International Inc. This current report summarizes Somnigroup initiatives for 2024, a pre-acquisition period, and therefore does not incorporate Mattress Firm or include Mattress Firm in Company sustainability goals or targets, unless otherwise noted. We expect to begin incorporating Mattress Firm into our sustainability reporting in the next report iteration to cover the 2025 reporting period.

ABOUT THIS REPORT & OUR CORPORATE SOCIAL VALUES

At Somnigroup, we understand that our corporate actions significantly affect our communities, employees, and the environment. We are committed to making a positive impact through our products, operations, and corporate initiatives.

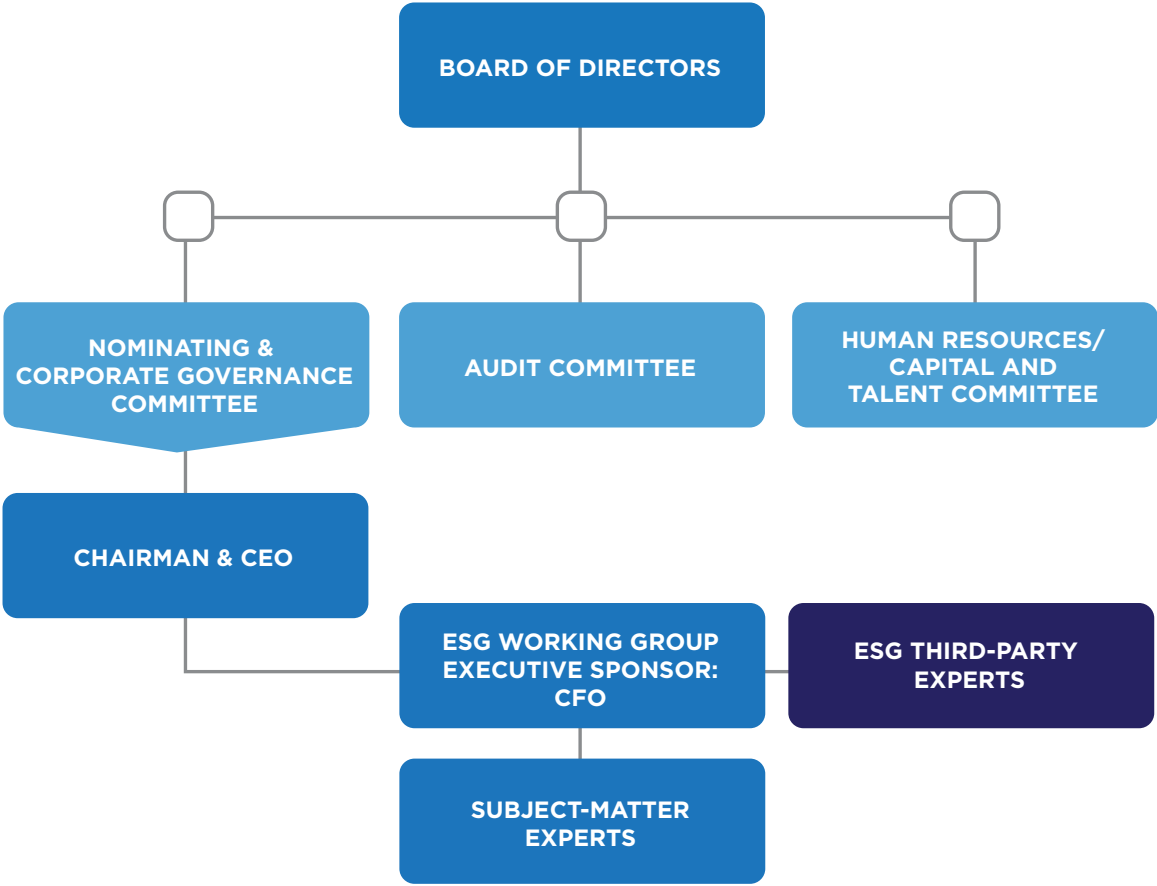
Our Corporate Social Values wheel outlines the values realized by our Board of Directors, executive management team, and global workforce. We believe that our commitment to robust environmental, social, and governance (“ESG”) practices unlocks stockholder value and contributes to our long-term growth by helping us identify and manage associated risks and opportunities most relevant to our business.

The Board oversees the management and operations of the company, including risk assessment, risk management, and risk mitigation strategies. The Nominating and Corporate Governance Committee reviews our ESG practices and positions, ensuring they align with the interests of our business and key stakeholders, and provides oversight on ESG-related matters.



Our 2025 Corporate Social Values Report offers a summary of our current sustainability priorities, initiatives, and progress. To drive transparency in our reporting, we have aligned our disclosures to the SASB Standards most relevant to our business, the suggested disclosures of the Task Force on Climate Related Financial Disclosures (TCFD), and the UN Sustainable Development Goals (UN SDGs). Please see the Appendix for more information.

SUSTAINABILITY GOVERNANCE & OVERSIGHT



Board Oversight

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.

Our internal audit team performed a review of 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.

As part of this oversight, the NCG Committee reviews the effectiveness of management’s strategies and programs in progressing towards the Company’s goals, including with respect to responsible sourcing and waste management.

The Human Resources/Capital and Talent Committee oversees risks related to compensation and initiatives related to talent management.

Management Oversight

Executive officers are held accountable for ESG performance through the Company's performance-based long-term equity incentive plan. ESG performance has been considered in our executive team's annual incentive compensation plan since 2021.

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 which helps inform our approach to sustainability and is overseen by the Chief Financial Officer.

STAKEHOLDER ENGAGEMENT

Ongoing stakeholder engagement is key to our business success and impacts our approach to our key sustainability topics. Here we summarize some of the ways we actively engage with our shareholders and supply chain. Additional information on how we engage with our employees can be found in the Our People chapter.

Shareholder Outreach

Somnigroup 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. See our latest Proxy Statement for more information.

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. Topics include greenhouse gas emissions, waste treatment, recycling efforts, water sanitation, environmental certifications, and social responsibility questions on business conduct and ethics, human rights, and health and safety management.

These reports are reviewed as part of our standard business reviews. The contributors in those reviews typically include the category managers and members of the sourcing leadership team. We believe that our own ESG initiatives, in combination with engaging our suppliers on their own environmental and social initiatives, will drive improved sustainability and social responsibility across our supplier base.



OUR VALUE CHAIN

Our value chain stretches from initial research and development to materials sourcing to the homes of our valued customers who use our products. At each step, we are working to understand the sustainability-related opportunities and impacts that ultimately tie to the long-term success of our business.



1. RESEARCH AND DEVELOPMENT

- Innovate and enhance product designs and manufacturing processes by researching and developing new materials and technologies.
- Test and refine prototypes through rigorous testing to ensure mattresses meet or exceed quality and performance standards.
- Collaborate with industry experts to stay at the forefront of mattress technology and sustainability.



2. SOURCING OF RAW MATERIALS

- Identify and procure high-quality innersprings, chemicals, foams, textiles and other materials from vetted suppliers.
- Conduct due diligence to ensure materials meet quality standards and are sustainably sourced.



3. MANUFACTURING

- Convert raw materials into finished mattresses using advanced machinery and skilled labor.
- Implement quality control and efficiency measures through regular inspections to maintain high standards and optimize production.
- Minimize manufacturing scrap, leverage recyclable inputs, and enhance product's recyclability to reduce waste.
- Utilize renewable energy, where available, to reduce our carbon footprint and promote sustainable manufacturing practices.



4. PACKAGING

- Use sustainable and cost-effective packaging materials to maintain products quality and safety and reduce waste.
- Reduce packaging usage by optimizing design and materials to minimize waste.



5. TRANSPORTATION

- Efficiently transport mattresses and accessories to retailers, warehouses, and customers in various locations.
- Optimize logistics and distribution for cost and time efficiency through optimizing truck capacity utilization and strategic planning.



6. WASTE MANAGEMENT

- Implement waste management systems to properly dispose of or recycle waste.
- Continuously improve waste reduction practices and recycling efforts to maintain zero waste to landfill status.



7. RETAIL

- Develop marketing strategies to promote and sell bedding products effectively.
- Ensure excellent customer service and support.
- Track sales data and manage inventory to meet consumer demand efficiently.



8. CONSUMER USE

- Ensure customer satisfaction through high-quality bedding products.
- Improve the health of people worldwide through the power of a good night's sleep.
- Collect and analyze consumer feedback to enhance product design, functionality, and sustainability for continuous improvement.

ENVIRONMENT

Somnigroup International recognizes that environmental sustainability is integral to our success and long-term growth. We are focused on minimizing our environmental footprint through resource conservation, waste management, and product and packaging initiatives. Our processes and stances on managing our environmental impact are formalized in our [Environmental Policy](#).

We continue to implement strategies that reflect our dedication to sustainable progress. Our commitment to achieving carbon neutrality remains central to our sustainability strategy, as it provides us with important data that can improve efficiency, reduce costs, and boost our brand reputation.

To further this commitment, we are actively investing in renewable energy sources, enhancing energy efficiency across our operations, and adopting innovative technologies that reduce our carbon footprint. We are also engaging with our suppliers and partners to ensure that sustainability is embedded throughout our value chain.

As we move forward in our journey towards carbon neutrality, we will continue to adapt our strategies to meet the evolving needs of our stakeholders and the planet.



CARBON NEUTRAL BY 2040

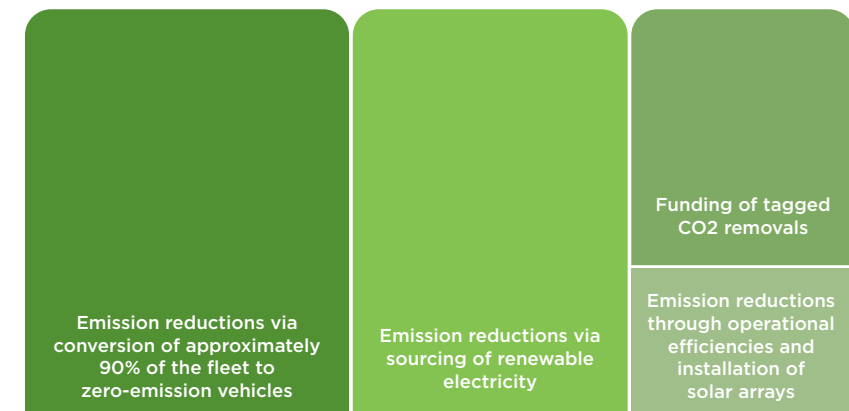
We are committed to achieving carbon neutrality in our global wholly owned operations by 2040. Our objective is to reduce or offset 100% of Scope 1 and 2 greenhouse gas emissions from our wholly owned manufacturing, retail, and logistics operations.

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.

As further evidence of our commitment to transparency related to our climate initiatives, we completed the CDP survey for the first time in 2024.

We have set forth a roadmap to illustrate our path to carbon neutrality. We continuously evaluate the evolving landscape of carbon reduction and offset opportunities to identify our optimal path to net carbon neutrality. We expect to refine our roadmap as needed to remain responsive to shifts in sustainability opportunities and supporting infrastructures worldwide.

CARBON NEUTRAL BY 2040 ROADMAP*



In 2024, our global wholly owned manufacturing and logistics operations consumed 66.2M kWh of electricity, 153.7k 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 43.7K MTCO2e, a decrease of 0.5% over the same period last year and 16% from the base year of 2020. Excluding the new Crawfordsville manufacturing facility opened in 2023, estimated GHG emissions associated with natural gas, electricity, diesel, and propane from these operations were 42.4K MTCO2e, a decrease of 2% over the same period last year.

66.2M KWH
OF ELECTRICITY**

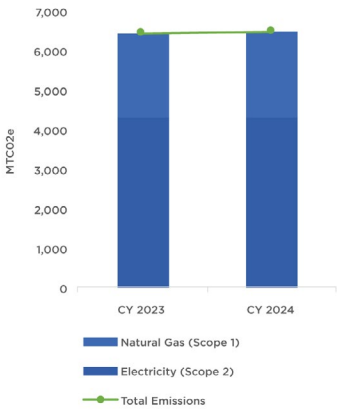
153.7K MMBTU
OF NATURAL GAS

3.4M GAL
OF DIESEL

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

**Excludes Dreams operations.

RETAIL EMISSIONS SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS*



Retail Emissions

In 2024, we launched a key effort to better understand and manage our environmental impact by measuring the carbon emissions across our U.S. retail operations. This endeavor marks a pivotal step in our commitment to transparency and accountability in our sustainability and business practices and to achieve carbon neutrality by 2040. Estimated GHG emissions associated with natural gas and electricity from U.S. retail operations were 6,483 MTCO2e in 2024 compared to 6,428 MTCO2e in 2023. We expect to continue to enhance our efforts to reduce or offset emissions from our retail operations going forward. Now that a baseline has been established, we expect to pursue renewable energy solutions for our retail carbon emissions in future years.

 RESOURCE CONSERVATION

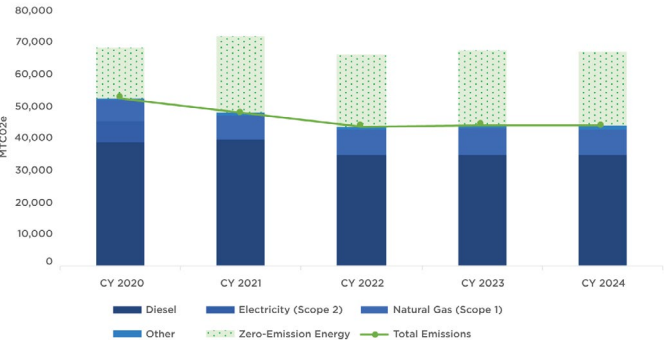
We have further advanced our use of renewable energy sources and energy-efficient practices across our operations, acknowledging their vital role in achieving operational excellence through sustainability. Building on the significant investments made in 2023, we have continued to enhance resource efficiency and optimize production and distribution processes globally. Our focus on continuous improvement drives us to deepen our understanding of resource utilization and to implement advanced tracking and monitoring systems to better manage these resources.

Energy Efficient Equipment

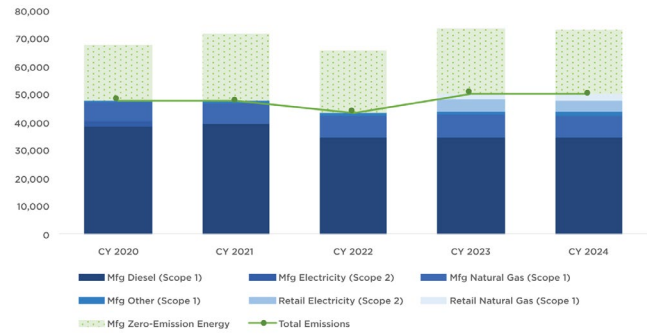
Our foam-pouring facility in Denmark has annual targets for energy consumption and monitors the energy used per unit produced. We have invested in equipment that lowers the facility’s annual electricity consumption by approximately 170,000 kWh. This equipment also transports approximately 111,327 kWh of the excess heat generated by the equipment to the central heating system at the facility annually.

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

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



TOTAL SCOPE 1 AND SCOPE 2 GHG EMISSIONS



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. We have also expanded the use of LED lighting across our international operations. **In 2024, our European bed base manufacturing operations expanded their LED lighting utilization from approximately 67% in the prior year to 81%, and our Dreams operations expanded their LED lighting utilization from approximately 96% in the prior year to 99%.**

Compressed Air

Compressed air is one of the largest usages of electricity in our wholly owned U.S. manufacturing facilities. Since 2021, we have analyzed compressed air programs at over 80% 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.

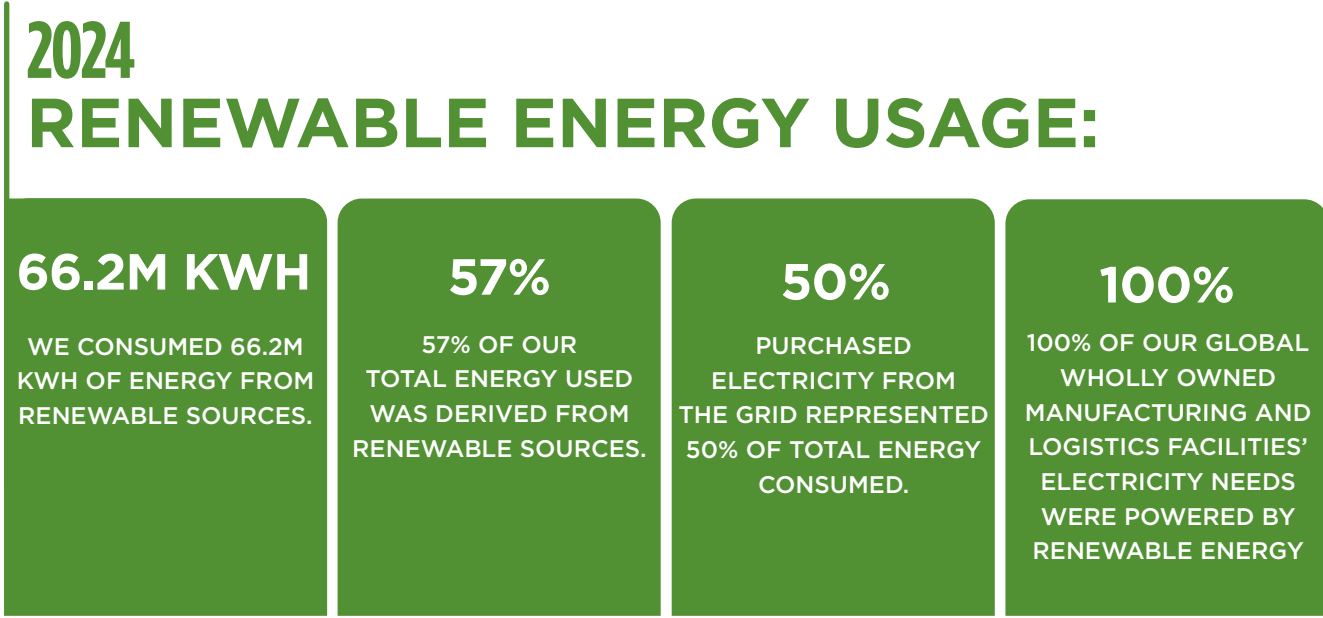
Manufacturing Products In-House
Through product insourcing at our foam-pouring facility in Duffield, VA, we have avoided 2,248 metric tons of CO₂ emissions and eliminated approximately 1,229,621 truck miles in 2024.





Renewable Energy

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



- Solar Energy:** We utilize solar panel arrays to provide power to several of our manufacturing facilities.
- In 2024, the solar array in our Albuquerque, New Mexico facility, Somnigroup’s largest mattress manufacturing operation, **produced 3.3 million kWh of electricity - enough to power 35% 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.
 - The solar array at our foam-pouring facility in Denmark generated energy sufficient to power approximately 13% 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 resulted in approximately 74% of our Denmark operations being powered by solar energy in 2024.

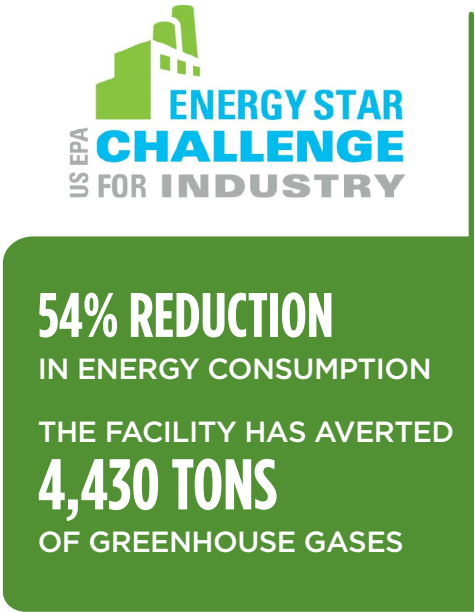
Renewable Energy Certificates: Somnigroup is sourcing renewable energy certificates (RECs) from wind and solar farms across the U.S., Denmark, and Estonia. The RECs are Green-e certified in the U.S. and Canada and are I-REC compliant in Mexico. In the European Union, revision-based documents are provided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

Our efforts in 2024 to expand our emissions tracking to include retail operations have equipped us with the knowledge and tools to integrate renewable energy solutions for all our core operations in future years.

Dreams Energy Management: Our Dreams operations have been driving energy efficiency initiatives to reduce their impact on the environment. Since 2021, Dreams has utilized 100% renewable electricity across its manufacturing, retail, and corporate office operations. In addition to leveraging renewable energy, Dreams introduced a new Energy Management system in 2024 to reduce gas energy consumption and associated CO2 emissions. This initiative is expected to deliver carbon savings of at least 20 tons per year once fully optimized.

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 chemicals processed since 2015.



SUSTAINABLE LAND AND FOREST MANAGEMENT

Carbon Recapture Forestry Program: Tempur Sealy purchased 695 acres of land in 2024 with the goal of reforesting more than 345,000 pine and hardwood trees. We expect this forest will offset 45,000 tons of greenhouse gas emissions once fully matured, meaningfully reducing our net carbon footprint. In addition to representing an opportunity to drive sizeable carbon recapture, we are partnering with Stephen F. Austin University to provide college students with hands-on experiences in reforestation and land management. This partnership also supports student scholarships and assistantships.

Crawfordsville Land Use Plan: Our Crawfordsville manufacturing site is surrounded by undeveloped land and retention ponds spanning over 100 acres. Our land and water management plan for this area involves supporting local wildlife habitats by promoting growth of native prairie plants. This will reduce the long-term maintenance and landscaping costs, provide erosion control while filtering water runoff into the ponds, and introduce a nature trailway. To further our commitment to supporting local wildlife habitats, we have introduced 15,000 fish into one of the retention ponds.

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.

We consistently upgrade our fleet with newer tractor and trailer models that incorporate incremental fuel-saving technologies as they reach the end of their useful life. This ongoing commitment to integrating fuel-efficient features will help us reduce costs and minimize the environmental impact of our logistics operations.

During the years 2018 through 2024, we added or exchanged 533 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 53% of our leased trailer fleet since 2018. During the same period, we also added or exchanged 280 Class 8 tractors with state-of-the art fuel efficiency technologies.

Delivery Initiatives: We are continually looking at methods to improve our delivery operations through optimizing delivery routes, improved utilization of trailer capacity, 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, and they continuously look to refine their distribution center footprint to optimize delivery routes.



Railway Logistics: Our foam-pouring facility in Duffield, VA leverages railways to move raw materials across the U.S. Since 2021, the Duffield 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 foam-pouring facility in Crawfordsville, IN also leverages railways to efficiently move raw materials. This facility will source the majority of its bulk chemicals via rail, significantly decreasing the emissions associated with our supply chain.

Zero-Emission Vehicles
We began our zero-emission vehicles initiative by participating in a Class 8 electric truck pilot program. The goal 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 this program, we gained valuable experience in working with electric vehicle technology.

Building on this experience, we permanently deployed our first zero-emission vehicle in California, which we estimated to result in an annual 34 MTCO2 reduction in emissions. Following this success, in 2024 we deployed our second zero emissions vehicle in New York. We expect to deploy additional zero-emissions vehicles in the next several years.

International Fleet: Our international operations are committed to exploring opportunities to reduce the environmental footprint of the company fleet, including incorporating solar panel technology into our UK truck fleet. We also leverage electric vehicle chargers at certain facilities to further evolve our logistics infrastructure to support zero-emission vehicles.

Our Dreams operations fully converted their company car fleet to 100% hybrid or electric vehicles as of December 2024, up from 81% in September 2023.

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.

75% of our Tempur-Pedic manufacturing facilities have at least two ISO certifications today. Our newest Tempur-Pedic facility in Crawfordsville, IN became fully operational in 2024 and is expected to obtain multiple ISO certifications in the future.

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

Leadership in Energy Environmental Design (LEED) Certified Headquarters: Our 128,000 square foot Tempur Sealy corporate headquarters 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.

Our TEMPUR® mattress collection in many of our international markets 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.



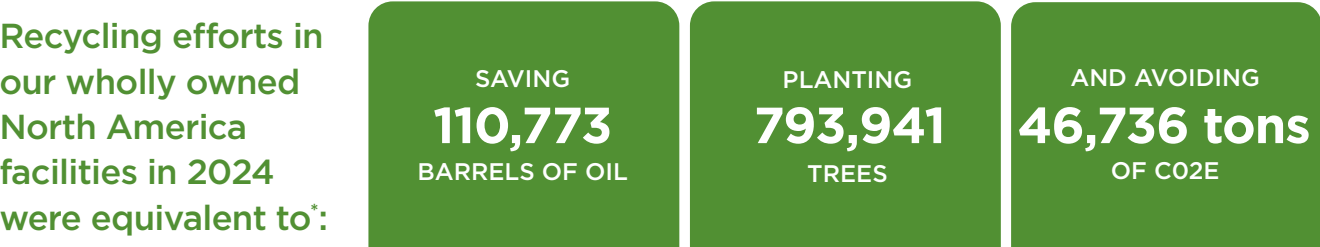


WASTE MANAGEMENT

We are committed to reducing waste through recycling and other waste minimization efforts across our global operations. To ensure effective progress monitoring, we meticulously track waste generated during production and utilize an internal reporting system for continuous assessment.

Additionally, we engage third-party waste management services to gain comprehensive insights into the types and quantities of waste produced across our manufacturing sites, distribution centers, research and development facilities, and corporate offices worldwide. These insights unlock opportunities to enhance the recyclability of operational by-products, furthering our progress towards achieving zero-waste-to-landfill status across our global operations.

In 2024, 100% of our global wholly owned manufacturing facilities operated at zero waste to landfill status.



WASTE REDUCTION AND RECYCLING EFFORTS

Zero Landfill Commitment for Manufacturing Sites

Our wholly owned manufacturing facilities have been operating at zero waste to landfill status since 2023.

100% of our global wholly owned manufacturing waste was diverted from landfill in 2024.

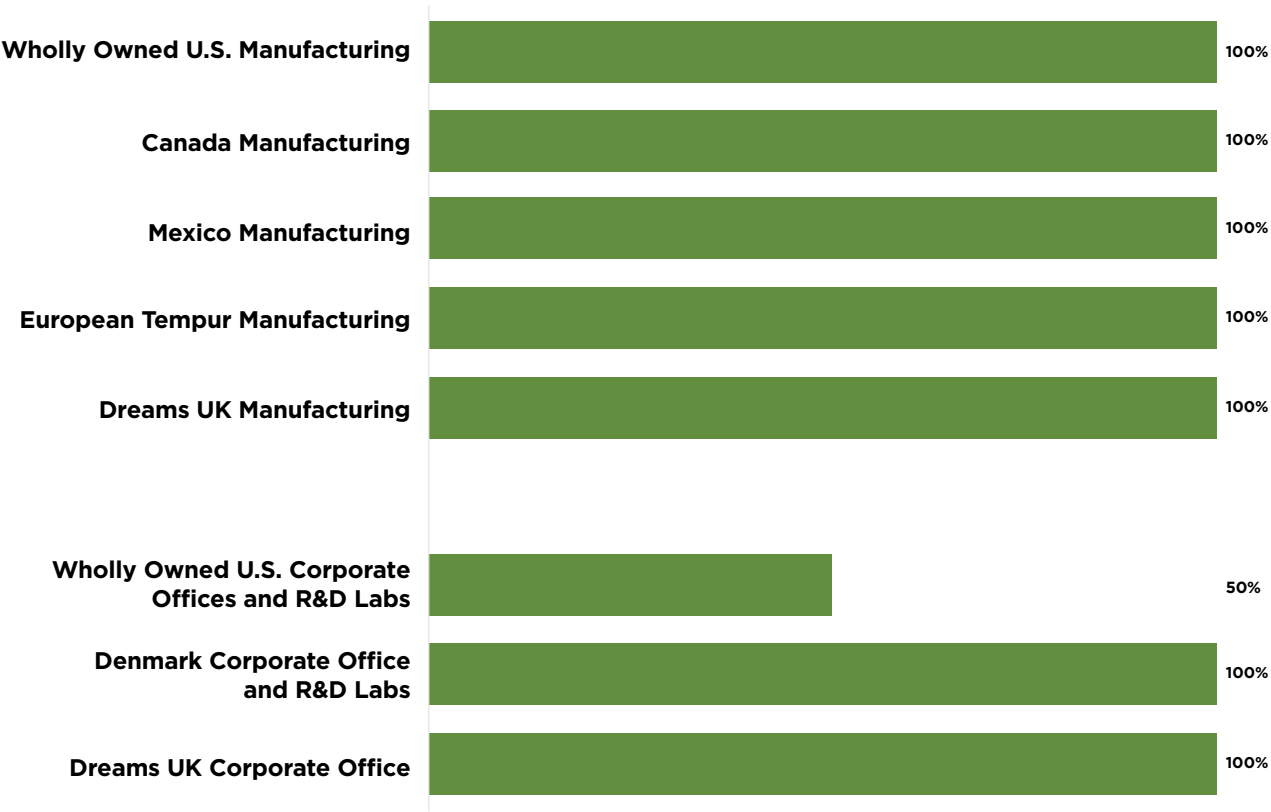
(IN TONS)	U.S.**	CANADA	MEXICO	DANISH FOAM-POURING FACILITY	EUROPEAN BEDBASE MANUFACTURER	DREAMS	TOTAL
Recycled	31,577	1,059	836	4,139	54	583	38,248
Incinerated	2,655	301	21	3,029	50	197	6,253
Landfilled	147	0	0	0	0	0	147
Total	34,379	1,360	857	7,168	104	780	44,648

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 offices 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 2024, we operated at zero waste to landfill status at our corporate office in Trinity, NC, 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: We began tracking pallet utilization across our Tempur-Pedic U.S. distribution channel in 2021, aiming to increase the number of pallets that are returned from customers and reused within our logistics operations. These efforts determined that redesigning the pallets with thicker wood and a firmer construction would extend their useful life, driving improved pallet return and reuse rates. The reconstruction of the pallets resulted in expanded durability, with each pallet now able to be used for at least three turns, relative to the historical average of one turn.

*These figures were calculated using the U.S. EPA greenhouse gases equivalency methodology.
**100% waste diverted as permitted by local and state regulations.

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



We monitor and track pallets using serialization, scanning them on outbound and inbound journeys. Through our partnerships with third-party service providers, pallets can be repaired or sold for end of life recycling. To further increase return rates and achieve our sustainability goals, we continue to collaborate with our customers to identify incremental opportunities to improve pallet returns and reuse in the future.

The culmination of these efforts is reflected in our 2024 pallet return rate of 41%. We are continuing to explore opportunities both within our own operations as well as with our customers to drive continued improvement of our return rates in future years.

By reusing pallets in 2024, we saved 9,376 trees, diverted 1,967 tons of lumber from landfill, and avoided 2,849 metric tons of CO2, the equivalent of removing 181 passenger vehicles from the road.*

Dreams Retail and Delivery Vehicle Waste Reduction Efforts: In 2024, with the support of our recycling partner, Dreams also implemented enhanced waste sorting and management across all site locations. As a result of these efforts, Dreams improved the percentage of their waste recycled company-wide in 2024 from 55% to 75%.

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 international markets.

We have also observed an emerging trend of EPR schemes across various U.S. states in 2024. We are well positioned to comply with U.S. state EPR schemes in future periods.

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.

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

In 2024, 26.7% of Dreams’ customers elected to leverage the recycling service, an 8.3% improvement in adoption compared to 2023. Dreams recycled 167,900 mattresses in 2024 and have recycled over a million mattresses since the program’s inception in 2014.

DREAMS RECYCLED
167,900 MATTRESSES
OVER A TWELVE-MONTH PERIOD

>1,000,000 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 (ABSC) 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. The program has partnered with eight recyclers to collect over 270,000 mattresses for recycling to date, resulting in approximately 4,000 tons of mattress components diverted from landfill.

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 for 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 224,682 products have been meticulously restored to “like new” condition. In 2024, over 25,810 products were salvaged from unnecessary disposal by undergoing refurbishment and made available for resale.

In the U.S., we recycle 100% of the Tempur-Pedic® products returned to us. Combined with other product returns, this equated to over 3.2M pounds of foam and 1.2M pounds of metal recycled in 2024.

3.2M POUNDS
OF FOAM RECYCLED

1.2M POUNDS
OF METAL RECYCLED

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 polyurethane material. Testing is ongoing at our foam-pouring facility in Denmark.

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 1.3 million gallons of water in 2024, which is safely returned to the local publicly owned treatment works.



PRODUCT & PACKAGING

Our unwavering commitment to prioritize the safety of both our consumers and employees is reflected in our efforts to integrate sustainability into our product development process through minimizing manufacturing scrap, maximizing recyclability, and improving material efficiency. This dedication to sustainability and safety extends beyond our products to include our packaging, where we optimize materials to reduce environmental impact while ensuring product integrity. We are continuously evolving our products and packaging to align with environmental stewardship and consumer expectations, as innovation and sustainability go hand in hand.

We integrate sustainability into our global 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 cyclical.



Chemical Safety Oversight and Compliance

Our [Chemical Safety 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) or Forest Stewardship Council (FSC) certified.

In 2024, Dreams’ manufacturing facility became a corporate member of The UK’s Furniture Makers’ Company, earning the prestigious Manufacturing Guild Mark for excellence. Later that year, Dreams achieved the Forest Stewardship Council® (FSC®) certification for all wooden Bed Factory products, an important milestone in their sustainability strategy.

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.

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

We track the sourcing of materials we import into the U.S. to ensure none 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 with existing suppliers. Our diligence efforts ensure compliance with Article 4 of the European Union’s Timber Regulation 2010 and the equivalent UK Regulations. We are also making the necessary changes to our systems and procedures to ensure compliance with the new European Union Deforestation Regulation, which replaces the EU Timber Regulation and comes into effect in December 2025.

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

We utilized 88% recycled steel innersprings and foundation grids for our U.S. Tempur-Pedic, Stearns & Foster, and Sealy products in 2024, a 3% improvement from 2023.



In addition, our product development center in North Carolina recycles or repurposes 100% of the mattresses it uses for durability testing and product evaluation from the landfill, reducing our waste stream by approximately 2,500 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
- Tempur-Pedic® mattresses and pillows produced in our Duffield, VA facility are GreenGuard Gold certified
- 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 as well as OEKO-TEX® Standard 100 Certified
- Many of the products made in our foam pouring facility in Denmark are OEKO-TEX® Standard 100 Certified and OEKO-TEX® STeP certified
- Many of our TEMPUR® retail mattresses made in our Dan-Foam facility are TÜV Certified
- Our Mountain Top facility also obtained maintains FSC® Certification, GOLS - Global Organic Latex and GOTS - Global Organic Textiles certifications

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 in 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 Somnigroup 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, re-use, or repurposing 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: Somnigroup 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 to landfill.

Sustainable Choice Consumer Platform: Our subsidiary in Australia is a founding member of Sustainable Choice, a tracking platform that provides consumers with transparency to brands’ sustainability initiatives.



PURPOSE

At Somnigroup International, our purpose is to improve sleep for more people, every night, all around the world. As a leading designer, manufacturer, distributor, and retailer of bedding products worldwide, we know achieving a great night's sleep is about more than just comfort—it is integral to health, well-being, and an enhanced quality of life. Through our commitment to innovation, ethical business practices, and impactful community engagement, we strive to make a positive difference beyond our products.

Our dedication to consumer well-being, social responsibility, and innovation is at the core of our operations. We continuously invest in sleep research and advance our technologies to further improve the sleep experience. Concurrently, we are growing our community partnerships and volunteer efforts, increasing our charitable contributions, improving consumer health and safety in our products, and ensuring our sustainability initiatives benefit the people and communities we serve.



IMPROVING SLEEP

As quality sleep is vital for health and well-being, we are dedicated to helping people sleep better, perform at their best, and improve their overall quality of life. In addition to enhancing physical resilience in ways such as boosting immune systems and reducing risks of serious conditions, improving sleep quality sharpens cognitive abilities and elevates social and emotional well-being. By leveraging advanced product innovation, providing sleep education, and offering consumer-centric solutions, we consistently expand the horizons of sleep technology.

Consumer-Focused Innovation

Informed by our investments in consumer and sleep research and enabled by our product development team, Somnigroup 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 2024, our Tempur-Pedic® brand was awarded #1 in Customer Satisfaction for both the Online Purchase and Retail Purchase segments in the J.D. Power 2024 U.S. Mattress Satisfaction Study.*



This award marks the fourth-consecutive year that Tempur-Pedic has achieved this distinction in the Online Purchase category and fifth time in six years in the Retail Purchase category. Notably, Tempur-Pedic has been recognized by J.D. Power for seven of the previous eight years among mattresses purchased online and in-store, a testament by consumers to the innovative and high-quality product solutions we provide. With the 2024 study results, Tempur-Pedic is now the most awarded brand in the history of the J.D. Power U.S. Mattress Satisfaction Study.

Sustainability-Driven Products

Our Sealy Naturals 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 2024 award information, visit jdpower.com/awards



Calm Partnership: In 2025, we announced a new partnership between Tempur-Pedic and Calm, a leading sleep and mindfulness app. The partnership combines Calm’s expertise in sleep and mindfulness content with Tempur Sealy’s innovative smart base technology to create an immersive experience designed to help consumers fall asleep faster and wake feeling more refreshed. The Sleeptracker-AI app offers access to Calm’s exclusive Sleep Stories®, soundscapes, and guided sleep meditations, all curated by Tempur-Pedic and Calm. The TEMPUR-Ergo ProSmart Bases allow users to hear and feel this content through the mattress, providing a true multisensory experience that facilitates relaxation and easier sleep. We offer these features to both current and future owners of TEMPUR-Ergo ProSmart Bases at no cost to ensure accessibility.

Our commitment to sleep health education is enhanced by our Sleeptracker-AI® technology. We continue to leverage learnings from our relationship with Sleeptracker-AI users in the U.S. to better understand 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 our ProSmart Base product. 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. Our AI-driven personalized daily insights provide consumers with actionable insights designed to help them achieve higher quality sleep.

IMPROVING CUSTOMER WELLBEING

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 30 biometrics related to sleep health, including their heart rate, breathing rate, and sleep cycle. It uploads personalized sleep analytics and coaching to a customer’s smartphone via the Tempur® Sleeptracker-AI® app, even helping to identify sleep disorders. 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-Adapt™: In 2024, we launched a new line of Tempur-Pedic Adapt mattresses. This collection features next-generation technology designed to provide superior support, pressure relief, and motion cancellation. Our Advanced Relief® material used in these products precisely adapts to the consumer’s body weight, shape, and temperature, offering a unique sleeping experience. Our vertical integration with expert chemists allows us to consistently trial and develop new therapeutic materials to enhance sleep outcomes, such as the advancements included in this refreshed product collection.

TEMPUR-Breeze® and ActiveBreeze®: We launched a new line of TEMPUR-Breeze® mattresses in 2023. 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.

In 2024, we further expanded the distribution of our ActiveBreeze® product, our most customizable cooling system. Featuring our patented dual-zone climate control system, the second generation of ActiveBreeze® includes 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, Somnigroup 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.

*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.

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 Somnigroup brands.

We did not have any product recalls on our Tempur, Sealy, or Stearns & Foster branded mattresses in 2024.

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 across various metrics. We implement a bilingual marketing program in the U.S., 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 commitment to uplifting the communities where we live and work transcends our products. Our financial contributions, product donations, and strategic partnerships are pivotal to our mission of enhancing lives and strengthening communities. We believe that progress is best achieved when we work together, leveraging our combined resources and expertise to create lasting solutions. Our team members are passionate about making a difference, and their dedication is the driving force behind our success.

Somnigroup contributed \$29 million in mattresses and monetary donations in 2024.

Tempur Sealy Foundation

The mission of the Tempur Sealy Foundation (“The Foundation”) is to improve the lives of children and families through investing in high-impact healthcare, social services, and educational organizations that make a positive difference in the lives of those most in need.

In 2024, the Tempur Sealy Foundation invested over \$908,000 dollars in grants and pledges to support organizations serving children and families experiencing poverty, homelessness, medical and mental health crisis, trauma, and addiction.

Supporting our Community: Since its inception, the TSI Foundation has partnered with four primary charity organizations aligned with its commitment to supporting children and families in need in the areas of healthcare, social services, and education. Ronald McDonald House Charities, Lexington Rescue Mission, KVC Behavioral HealthCare Kentucky, Inc., and Sunrise Children’s Services. **Since 2017, the TSI Foundation has invested more than \$1.9 million in funding to advance the missions of these organizations and help ensure the continued delivery of essential services to those most in need.**

Improving Public Health: In partnership with the American Heart Association and UK Kentucky Children’s Hospital, the Tempur Sealy Foundation provided a \$25,000 grant for the purchase of 500 Infant CPR Anytime® Training kits. This life-saving initiative launched in June 2024, recognizing the 100th Anniversary of the American Heart Association and National CPR Awareness month. The kits were distributed to expectant parents and caregivers of infants receiving medical care through the Tempur Sealy Pediatric Sleep Center and Kentucky Children’s Hospital.

Since its launch in 2017, the Tempur Sealy Foundation has provided over 75 grants totaling \$5.2 million dollars in charitable contributions to local, national, and international organizations that support this mission.

>75 GRANTS

**\$5.2 MILLION
IN CHARITABLE
CONTRIBUTIONS**

Early Childhood Education: Tempur Sealy proudly served as the first investor in the Montgomery County Early Learning Center in Crawfordsville, IN, the location of one of our Tempur-Pedic foam-pouring facilities.

We contributed an initial \$500,000, paving the way for others to join this transformative public-private partnership. With space for 124 infants, toddlers, and preschoolers, the center officially opened its doors to children in March 2025. This beautiful facility helps to fill the need for a quality childcare facility for this community, and will serve as a nurturing environment for young learners to thrive for generations to come.

In addition to supporting early childhood education through the Montgomery County Early Learning Center, March 2024 marked the one year anniversary of the opening of the “Tempur + Sealy Children’s Discovery Zone” at the Marksbury Family Branch Library in Lexington, KY. The Marksbury Family Branch, the second largest in the Lexington library system, serves as a vital resource for families living within the greater Lexington community. The “Tempur + Sealy Children’s Discovery Zone” is a cheerful and inviting space where children and their families can learn, play, and grow together.



Since 2013, we have donated more than

**262,000
MATTRESSES TO
CHARITIES INCLUDING
>23,000
DONATED IN 2024**

Dreams Charitable Giving: In 2024, Dreams continued its corporate partnership with Shelter, the UK’s leading homelessness charity. During the year, Dreams focused on raising public awareness of the temporary accommodation crisis, introduced an Employee Volunteering Policy, raised over £178,000 to finance Shelter’s vital services, and donated over £32,000 worth of refurbished product to be sold in their furniture shops.

Product Donations

Our mattress donation program helps thousands of people in need each year. Since 2013, we have donated more than 262,000 mattresses to charities, including more than 23,000 mattresses in 2024. Many different types of charities have benefited from our donation program, including Disaster Relief Organizations, Veterans Homes, Military Charities, and Homeless Shelters.

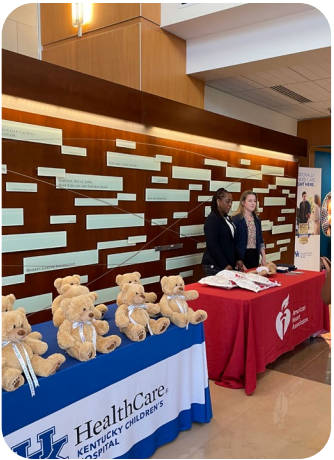


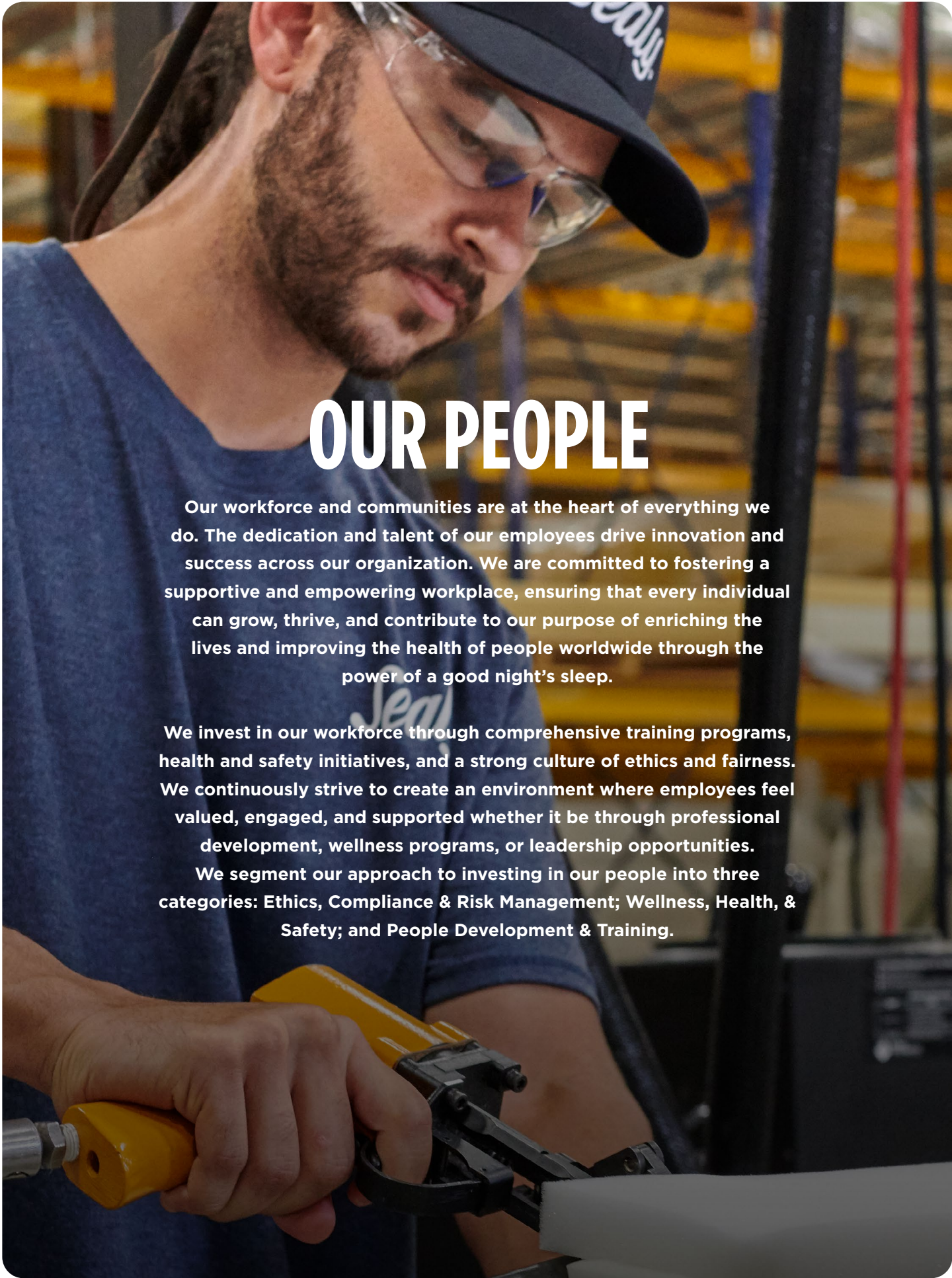
 COMMUNITY ENGAGEMENT

Supporting our communities in ways that drive meaningful change lies at the heart of our core values. Our volunteering efforts not only empower our local communities but also enhance the well-being of individuals and address critical needs. By investing our time and resources into community development, we can drive measurable positive transformation that will have a lasting impact. Our team members actively engage in various community projects. Each effort is a testament to our commitment to building a brighter, more sustainable future for all.

Many of the organizations that we serve have direct ties to our employees, and we encourage participation in both company-led initiatives and individual volunteer efforts. From building homes with Habitat for Humanity to supporting families at Ronald McDonald House, our teams come together to drive positive change in the places we live and work.

As we continue to expand our impact, we remain committed to creating meaningful opportunities for employees to give back, fostering a workplace culture that values service, collaboration, and community investment.





OUR PEOPLE

Our workforce and communities are at the heart of everything we do. The dedication and talent of our employees drive innovation and success across our organization. We are committed to fostering a supportive and empowering workplace, ensuring that every individual can grow, thrive, and contribute to our purpose of enriching the lives and improving the health of people worldwide through the power of a good night's sleep.

We invest in our workforce through comprehensive training programs, health and safety initiatives, and a strong culture of ethics and fairness. We continuously strive to create an environment where employees feel valued, engaged, and supported whether it be through professional development, wellness programs, or leadership opportunities.

We segment our approach to investing in our people into three categories: Ethics, Compliance & Risk Management; Wellness, Health, & Safety; and People Development & Training.



ETHICS, COMPLIANCE, & RISK MANAGEMENT

Ethical business practices and accountability are fundamental to our company's success. We are committed to fostering a workplace culture built on integrity and respect that ensures that all employees feel valued and empowered to contribute. We uphold the highest standards of corporate governance, anti-corruption, and compliance, with all employees undergoing annual training on our [Code of Business Conduct and Ethics](#). Through rigorous policies against discrimination, harassment, and unethical behavior, we reinforce our commitment to accountability and transparency.

RISK MANAGEMENT

Board Oversight: The Board of Directors is responsible for overseeing the management and operations of Somnigroup, including risk assessment, risk management functions and risk mitigation strategies.

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 ESG 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.

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 Tempur Sealy employees received information security training and cybersecurity training in 2024.

Customer, Employee, and Applicant Data: In connection with sales of our products, we regularly collect and process personal information about our customers. We also collect and process applicant and employee personal information as an employer. We have implemented a global data privacy compliance program and have put procedures and measures in place to facilitate adherence to all data privacy laws worldwide, such as:

- The EU General Data Protection Regulation (GDPR)
- The PRC's Personal Information Protection Law (PIPL)
- The California Consumer Privacy Act (CCPA)
- All U.S. data privacy state laws

We ensure that we provide customers, employees, and applicants with a privacy policy at the point of data collection and comply with any applicable consent requirements.



ETHICS AND COMPLIANCE

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

Employee Compliance Trainings: We require our global workforce to complete formal compliance trainings each year. In 2024, applicable employees were required to complete Data Privacy training (CCPA & GDPR), modern slavery training, Payment Card Industry data security training, Code of Conduct training, insider trading training, and 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 decline to join 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.

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.**

Discrimination Policy: Somnigroup 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 unequivocally prohibit any form of discrimination or harassment based on any status or classification protected by applicable federal, state, and/or local laws, which can be found in our 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, Somnigroup conducts a thorough investigation, involving appropriate experts and stakeholders. In the event that a claim is substantiated, we take appropriate corrective actions to ensure accountability, make 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 2024, approximately 18% 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 2024.

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. This team presents its findings to our Board of Directors on a regular basis.

Supply Chain Compliance

The Somnigroup [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 Somnigroup’s business interests.

Compliance Monitoring: Somnigroup utilizes a third-party compliance tool to decrease risk exposure related to 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 Somnigroup.

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 2024, 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

We are committed to fostering an environment where employee well-being, safety, and holistic health are prioritized across all levels of our organization. From our manufacturing floors to our corporate offices, we continuously strive to enhance workplace safety, promote physical and mental well-being, and support a culture of care and accountability. Over the years, we have strengthened our health and safety initiatives by expanding wellness programs and taking proactive risk mitigation strategies. We believe that a healthy and safe workforce is essential, so we proactively and continuously find opportunities to better serve our employees.

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.

STRONGER TOGETHER

ENVIRONMENTAL HEALTH & SAFETY

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

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

- Safety is **EVERYONE'S** responsibility
- All workplace injuries can be prevented
- Management is directly accountable for preventing injuries and occupational illnesses
- We will meet or exceed regulatory, legal, and other requirements
- Working safely is a condition of employment

"SAFETY—IT'S THE RIGHT THING TO DO!"

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 employees' health.

Sleep Well, Live Well: Somnigroup coordinates wellness education and activities with the employees' (and their family members) total health in mind. At its core, the Somnigroup 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 Wellness Programs & Initiatives: We offer programs free of charge to all employees participating in the Tempur Sealy Medical Plan that promote healthy decision-making and living, such as diabetes prevention & management, cost transparency services, and medical integration resources.



Dreams’ Employee Wellness: Dreams Employee Wellbeing survey of their employee base for the second consecutive year. The data collected is being leveraged to identify areas for improvement and develop an action plan for the year ahead.

Dreams 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.

To help foster a culture of trust and open communication, Dreams employee voices are heard through regular listening groups and culture surveys.

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.

Workplace Injury Prevention Services: We offer physical therapy sessions to our employees at more than 20 of our Tempur Sealy U.S. facilities. These 15-minute therapy sessions alleviate musculoskeletal disorders and chronic pain with targeted, hands-on therapy to improve tissue health and provide relief for aches and pains.

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 this 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:

	2024	2023	2022	2021
Employee Injury Rate	3.29	3.79	4.05	3.56
# of Employee Fatalities	0	0	1	0
# of Contractor Fatalities	0	0	0	0
Lost Workday Rate	0.71	1.00	0.86	0.81

The team has implemented a number of initiatives over the past several years that have further enhanced our safety program, resulting in improving trends in our tracked safety metrics. Each wholly-owned Tempur Sealy manufacturing facility staffs full-time safety personnel that perform audits, ensure timely investigations and corrective action creation, and complete all required tasks to maintain compliance with policy and regulatory agencies. The team also conducts monthly ergonomic assessments on production processes and performs weekly audits focusing on employee behaviors and operational floor physical hazards.

Through weekly calls with leadership reviewing any incidents from audits, inspections, or floor safety walks, the team has created applicable network-wide corrective actions. The introduction of new equipment has reduced the risk of manual material handling, with the safety of the new machinery evaluated through our partnership with Advanced Engineering. Additionally, the team has implemented a new online chemical management software that provides better access to chemical safety information and proper inventory across all Tempur Sealy sites. Environmental and sustainability responsibilities have been integrated into site daily activities to drive further understanding, with third party environmental audits to ensure compliance.

*These metrics are calculated using OSHA methodology.

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.

These processes are informed by an Integrated Risk Management Solution. This software solution improves the control structure, productivity, transparency, and sustainability of key workflows to mitigate risks associated with employee health and safety.

U.S. Somnigroup 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.

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

As our people are our greatest asset, we believe investing in their development and success is not only essential to our business but also fosters an engaged and high-performing workforce. By providing employees with upskilling opportunities, leadership development programs, and career advancement, we consistently expand our commitment to continuous learning. Through enhanced training initiatives, we aim to equip our teams with the skills needed to navigate a rapidly evolving industry, drive innovation, and uphold our commitment to excellence.

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.



Professional Development
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.

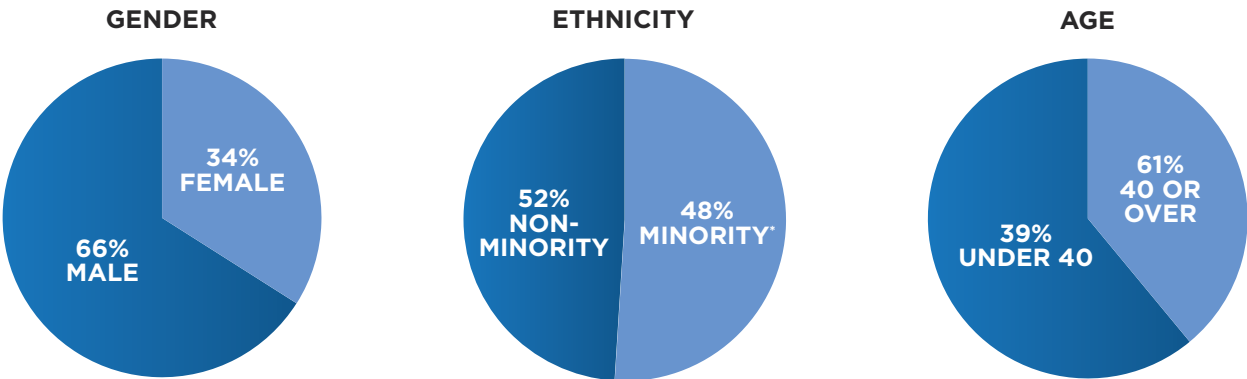
Professional Development Strategy: We believe formal learning provides the foundation and framework upon which informal learning builds. Tempur Sealy uses the 70/20/10 learning and development model. This approach gives employees the opportunity to develop their skills through the combination of job 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 2024, 94% of U.S. salaried employees received a performance review, an improvement of 1% from 2023.

Equal Opportunity Employer

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

Global Workforce: We have approximately 13,500 employees worldwide across our wholly-owned and majority-owned operations, comprised of approximately 7,000 U.S. employees and 5,000 employees in the rest of the world. We also have approximately 1,600 employees at our international joint venture operation.

U.S. Workforce as of 12/31/2024:

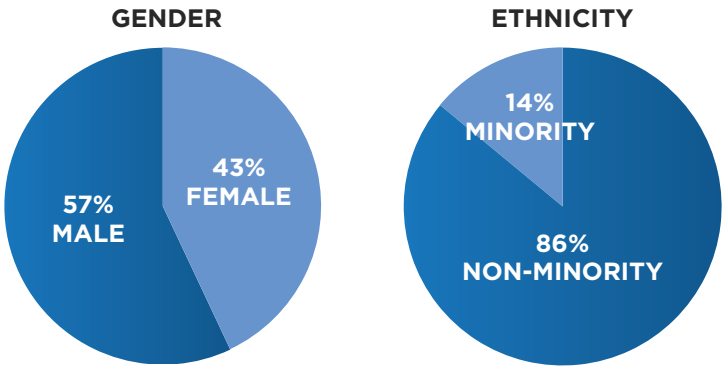


As an Equal Opportunity Employer, we are committed to providing opportunities to all employees and applicants and prohibiting discrimination and harassment. The following are some of the actions that we are taking to realize our commitment to a more diverse workforce:

- Promotion of a qualified slate of candidates during the hiring process based on merit and regardless of background, with the goal of having a workforce that brings diverse experiences and ideas to strengthen our company
- Employ a uniform, global process for determining compensation based on experience and skillsets to remove potential biases
- Analyze gender and minority pay equity periodically
- Participate in external, community-based activities sponsored by local organizations, including those that assist underserved groups

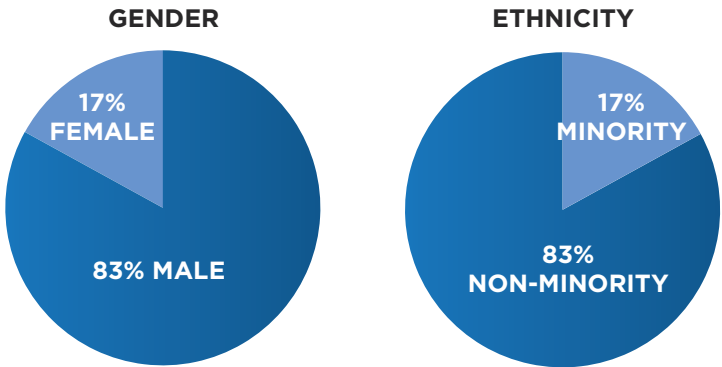
*Our minority employment population is comprised of employees who did not self-identify as 'Caucasian'

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.



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, Satisfaction, and Culture

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

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.**



Tempur Sealy's commitment to employee engagement is unwavering, as evidenced by our Engagement Score of 75%*, surpassing the industry average by 4%**.

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 86% participation in our 2024 salaried employee engagement survey and achieved a 75% 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 video 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.

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

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 534 employees for a total of approximately \$389,000 of employee assistance provided between the inception of the fund in 2016 and 2024.**

Employee Product Purchase Program: One of the many benefits of employment with Somnigroup is the Employee Product Purchase Program, which allows employees to purchase Somnigroup 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 2024, 26% 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	FY2024*	Somnigroup Disclosure
ENVIRONMENT		
RESOURCE CONSERVATION		
Estimated Total GHG Emissions-- Scope 1	43,725 MTCO2e	Pgs. 15 “Carbon Neutral by 2040”
Estimated Total GHG Emissions-- Scope 2	0 MTCO2e	Pgs. 15 “Carbon Neutral by 2040”
Estimated Total GHG Emissions-- Scope 1 and 2 (MTCO2e)	43,725 MTCO2e	Pgs. 15 “Carbon Neutral by 2040”
Electricity Use (millions of kWh)	66.2M kWh	Pgs. 15 “Carbon Neutral by 2040”
Natural Gas Use (MMBTU)	153.7KMMBTU	Pgs. 15 “Carbon Neutral by 2040”
Diesel Use (millions of gallons)	3.4M gallons	Pgs. 15 “Carbon Neutral by 2040”
Percentage of consumed energy from the grid (%)	50%	Pgs. 18 “Renewable Energy”
Percentage of energy used that is derived from renewable sources	57%	Pgs. 18 “Renewable Energy”
Aggregate energy consumption from renewable sources	66.2M kWh	Pgs. 18 “Renewable Energy”
WASTE MANAGEMENT		
Waste recycled or used in energy production (%) in our global wholly owned manufacturing operations as of December 31, 2024 (%)	100%	Pgs. 24 “Waste Management”
Global R&D and corporate offices operating at zero waste to landfill status as of December 31, 2024	75%	Pgs. 24 “Waste Management”
Returned Tempur Pedic products that were diverted from landfill (%)	100%	Pgs. 24 “Waste Management”
KEY DOCUMENTS		
Environmental Policy		
Chemical Safety Policy		
PURPOSE		
CHARITABLE GIVING		
Total monetary and in-kind donations (\$)	~\$29M	Pgs. 40 “Charitable Giving”

*Unless otherwise noted.

ESG DATA TABLE CONTINUED

OUR PEOPLE		
BOARD COMPOSITION		
Total directors (#)	7	2025 Proxy Statement
Average age as of March 31, 2025 (years)	64.9	2025 Proxy Statement
Average tenure (years) as of March 31, 2025	6.8	2025 Proxy Statement
Independent directors (%)	71%	2025 Proxy Statement
Board Composition by Gender (%)		
Female	43%	Pgs. 56 “People Development & Training”
Male	57%	Pgs. 56 “People Development & Training”
Board Composition by Ethnic Diversity (%)		
Minority	14%	Pgs. 56 “People Development & Training”
Non-Minority	86%	Pgs. 56 “People Development & Training”
OUR TEAM		
TOTAL EMPLOYEES (#)		
Full-time Employees (#)	~ 13,500	Pgs. 56 “People Development & Training”
U.S. Employees (%)	49%	Pgs. 56 “People Development & Training”
Non-U.S. Employees/Located Offshore (%)	51%	Pgs. 56 “People Development & Training”
U.S. WORKFORCE BY GENDER* (%)		
Female	34%	Pgs. 56 “People Development & Training”
Male	66%	Pgs. 56 “People Development & Training”
EXECUTIVE LEADERSHIP BY GENDER (%)		
Female	17%	Pgs. 56 “People Development & Training”
Male	83%	Pgs. 56 “People Development & Training”
U.S. WORKFORCE ETHNIC DIVERSITY* (%)		
Minority	48%	Pgs. 56 “People Development & Training”
Non-minority	52%	Pgs. 56 “People Development & Training”

*U.S. workforce demographic data excludes Sherwood.

ESG DATA TABLE CONTINUED

EXECUTIVE MANAGEMENT ETHNIC DIVERSITY (%)		
Minority	17%	Pgs. 56 “People Development & Training”
Non-minority	83%	Pgs. 56 “People Development & Training”
EMPLOYEE HEALTH & SAFETY		
Employees in manufacturing/logistics completing health and safety training (%)	100%	Pgs. 53 “Wellness - Health & Safety”
U.S. manufacturing Employee injury rate	3.29	Pgs. 53 “Wellness - Health & Safety”
# of U.S. manufacturing employee fatalities	0	Pgs. 53 “Wellness - Health & Safety”
# of U.S. manufacturing contractor fatalities	0	Pgs. 53 “Wellness - Health & Safety”
U.S. manufacturing lost workday rate	0.71	Pgs. 53 “Wellness - Health & Safety”
ETHICS & COMPLIANCE		
Employees and contractors trained on Code of Business Conduct and Ethics (%)	100%	Pgs. 46 “Ethics, Compliance & Risk Management”
% of total Ethics Line concerns substantiated	18%	Pg. 48 “Ethics Line”
Employee hardship total funds provided (\$)	\$389,000	Pg. 59 “Employee Hardship Program”
EMPLOYEE ENGAGEMENT AND DEVELOPMENT		
U.S. salaried Employee Engagement Survey Participation (%)	86%	Pg. 58 “Employee Engagement & Satisfaction”
U.S. salaried Employee Engagement Survey Score (%)	75%	Pg. 58 “Employee Engagement & Satisfaction”
U.S. salaried employees who received a performance review (%)	94%	Pg. 55 “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.
*Excludes Sherwood.

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.

TOPIC	DESCRIPTION	SASB CODE	SOMNIGROUP 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 pgs. 16-19
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 standard	CG-BF-430a.1	See Lumber Supply Chain Management & Due Diligence on Timber pgs. 20, 30
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	See Ethics & Risk Management on pg. 45
	(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 2024.
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1	See Our People on pg. 45
	(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 employees	CG-MR-330a.1	See Equal Opportunity Employer on pgs. 56-57
Product Sourcing, Packaging, & Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2 CG-BF-250a.1	See Product and Packaging on pg. 28-29
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	See Product and Packaging on pgs. 31-32
	(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. 30
Product Lifecycle Environmental Impacts	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	CG-BF-410a.1	See Waste Management on pgs. 26-27
	(1) Weight of end of life material recovered, (2) percentage of recovered materials recycled	CG-BF-410a.2	See Waste Management on pgs. 26-27
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. 29
	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 pg. 29

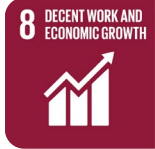
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

TCFD Pillar	TCFD Disclosure Recommendation
Governance Disclose the organization’s governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities. - 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. As part of this oversight, the NCG Committee reviews the effectiveness of management’s strategies and programs in progressing towards the Company’s goals, including with respect to responsible sourcing and waste 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. Describe the management's role in assessing and managing climate-related risks and opportunities. - 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. ESG has been a metric in executive annual compensation since 2021. - 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.	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. - 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. - 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.	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. - We expect to address this topic in future ESG reporting.
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. - We expect to address this topic in future ESG reporting.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	a. Describe the organization's processes for identifying and assessing climate-related risks. - 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. Describe the organization's processes for managing climate-related risks. - 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.
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. - 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.	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. - We expect to address this topic in future ESG reporting.
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. - In 2024, our global wholly owned manufacturing and logistics operations consumed 66.2M kWh of electricity, 153.7K 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 43.7K MTCO2e, a reduction of 0.5% over the same period last year and 16% from the base year of 2020.
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. - 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 2024, we achieved our goal to have zero waste to landfill at each of our Canadian and Mexican manufacturing facilities. - In 2024, we achieved zero waste to landfill status at 75% of our corporate offices and research and development labs.

ALIGNMENT WITH THE U.N. SUSTAINABLE DEVELOPMENT GOALS

Somnigroup 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	SOMNIGROUP ALIGNMENT	REPORT SECTION
	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.	pg. 35 “Improving Sleep”
	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 13,500 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.	pg. 45 “Ethics, Compliance & Risk Management”
	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.	Somnigroup’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.”	pg. 14 “Environment”

ALIGNMENT WITH THE U.N. SUSTAINABLE DEVELOPMENT GOALS
CONTINUED

GOAL	APPLICABLE TARGETS	SOMNIGROUP ALIGNMENT	REPORT SECTION
	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, Somnigroup has published annual Corporate Social Values Reports highlighting our progress on our ESG initiatives.	pg. 24 “Waste Management” Annual CSV Reports
	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.	pg. 16 “Resource Conservation” pg. 64 “Appendix-TCFD”



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, 2024, 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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