



Environmental Policy

1. Purpose

As a global leader in the design, manufacture, and distribution of bedding products, Somnigroup International Inc.¹ welcomes our corporate responsibility to be stewards of the environment. We strive to lessen our impact on the environment across our global operations through a variety of initiatives.

Included among these initiatives are projects to improve the sustainability of our full product lifecycle, from the sourcing of raw material inputs through the end-of-life disposal process. Climate change is an important global issue, and we are committed to reducing our environmental footprint and encouraging our suppliers to do the same.

To align with our core values, Somnigroup:

- Complies with or exceeds all relevant environmental laws and regulations
- Drives awareness of our sustainability initiatives internally and externally
- Implements sustainability initiatives that align with the U.N Sustainable Development Goals (SDGs) 12 and 13 that address responsible consumption and production and climate action, respectively
- Continually seeks to reduce our greenhouse gas emissions and decrease our landfill waste

2. Environmental Management System

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

- We are ISO 14001 certified at our three Tempur-Pedic® foam-pouring facilities located in Albuquerque, New Mexico; Duffield, Virginia; and Aarup, Denmark. In addition to being ISO 14001 certified, our manufacturing facilities in Virginia and Denmark are ISO 9001 certified
- Along with being ISO 14001 and 9001 certified, our Dan-Foam operations are STeP by OEKO-Tex® certified in the following categories: chemicals, environmental conditions, environmental management system, social responsibility, quality management system, and safety

We mitigate our impact on the environment through multiple strategic initiatives that involve waste reduction and implementing efficient use of energy and natural resources.

3. Climate Change and Energy Management

We have established the goal of achieving carbon neutrality by 2040 through fully reducing or offsetting our Scope 1 & 2 greenhouse gas emissions from our wholly owned manufacturing, retail, and logistics operations.² We utilize renewable energy, energy conservation, carbon credits, and fleet fuel efficiency to help us achieve our carbon neutrality goal.

4. Waste Management

We are committed to zero landfill waste at each of our wholly owned Tempur and Sealy manufacturing facilities across our U.S., Tempur Europe, Canada, and Mexico operations. We are working with third parties worldwide to identify potential opportunities to recycle or upcycle used foams and exploring opportunities for the development of new channels for end-of-life mattress materials. We have implemented training for our employees to highlight the importance of recycling, created new processes for market digitalization efforts to reduce paper usage, and are continually looking to reinvent the packaging of our products to reduce the amount of material needed.

5. Chemicals

All chemicals and foam components used in our mattresses are qualified prior to use in our manufacturing processes to ensure that they do not pose a risk to our employees or our customers. We comply with the U.S. Securities and Exchange Commission's "conflict minerals" disclosure and reporting requirements. We verify that our raw materials and finished goods meet the content and emissions standards for volatile organic compounds (VOCs) and other potentially hazardous substances.

6. Governance and Reporting

The Nominating and Corporate Governance Committee of our Board of Directors oversees our practices and positions related to ESG. This committee is composed entirely of independent members of Somnigroup's Board, and regularly receives updates from management on the Company's sustainability initiatives. We have appointed an executive sponsor who is responsible for driving ESG initiatives across the organization, inclusive of our sustainability initiatives. ESG performance is also embedded as a metric in the compensation of executive leadership. Executive officers are held accountable for the Company's ESG performance through the Company's performance-based long-term equity incentive plan.

We will continue to document and communicate our progress through:

- Our annual Corporate Social Values Report and Annual Report on Form 10-K
- Monitoring and reporting our environmental performance against targets and objectives on a regular basis
- Engaging with stakeholders to solicit feedback that feeds into the continuous improvement of our sustainability strategy
- Updates to our executive leadership and the board of directors on ESG initiatives

Sustainability is about investing in the future, and at Somnigroup International Inc. we are committed to investing in sustainable business practices.