

Fighting Against Forced Labour and Child Labour Report - Tempur Canada

Introduction:

This Report is produced by Tempur Canada Ltd. (“Tempur Sealy” or the “Company” or “we” or “our”) for the financial year ending December 31, 2023 (the “Reporting Period”) and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Company.

This Report has been prepared by the Corporation pursuant to Canada’s new Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”).

Steps Taken to Prevent and Reduce the Risks of Forced Labour and Child Labour

In general terms, the Company took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- Monitored suppliers
- Developed and implemented due diligence policies and procedures to identify and address the use of forced labour and/or child labour in the Company’s activities.
- Developed and implemented anti-forced labour and/or child labour standards /policies

Specific information about current activities will be detailed in this report.

Entity Structure and Business Activities:

As a well-established subsidiary of Tempur Sealy International, our company specializes in the manufacturing, distribution, and sale of premium bedding products to consumers across Canada. Our offerings encompass a diverse range of mattresses, pillows, bed frames, and related accessories, crafted to meet the discerning preferences and needs of Canadian customers.

In line with our commitment to quality and innovation, while the majority of our products are manufactured domestically or in our parent company’s US plants, we also source a select range of items from international suppliers renowned for their expertise and adherence to our stringent standards. These products are imported to enrich our product portfolio and cater to specific demands within the Canadian market.

Our dedication to delivering excellence extends beyond the quality of our products; it encompasses every aspect of our operations, from sourcing raw materials to final delivery. We maintain robust partnerships with suppliers worldwide, ensuring transparency, ethical practices, and compliance with all relevant regulations governing international trade.

Due Diligence Policies and Procedures:

Specifically, Tempur Sealy has established a Supplier Code of Conduct and a Human Rights Policy to delineate the expectations and responsibilities of all employees and suppliers associated with the company.

Furthermore, Tempur Sealy utilizes a standalone compliance tool, Diligent, to mitigate global risk exposure associated with third-party business partners. Annually, a comprehensive list of vendors from subsidiaries (compiled from ERP system-generated reports encompassing disbursements) is uploaded into the system for ongoing compliance monitoring. The objective of continuous monitoring, particularly concerning legal and regulatory matters, is to ensure that third-party business partners adhere to the same standards and core values as Tempur Sealy. Flags indicating potential issues are assessed, including presence on watch and/or sanction lists, import and export infractions, FCPA violations, as well as notifications related to money laundering, bribery, and corruption. Vendors identified as problematic are subsequently blacklisted from future engagement.

Assessing, Managing, and Remediating Risks

The Company uses a risk-based approach to assess and manage the risk of forced labour and child labour within the Company's business activities. We utilize the Corruption Perception Index (CPI) as well as supplier dependency to prioritize the review of third parties. Any supplier identified as problematic would be subsequently blacklisted from future engagement.

During the Reporting Period, the Company took no remediation efforts as no issues of forced labour or child labour were identified in our operations or supply chain.

Training

Tempur Sealy maintains a robust and comprehensive training program that serves as a cornerstone of our ethical business practices. Central to this program is content addressing forced labor and child labor, covering key aspects such as identifying indicators of exploitation, understanding pertinent laws and regulations, and outlining reporting procedures for concerns or violations.

We prioritize providing training on forced labor and child labor to employees in jurisdictions where such education is legally mandated. This strategic focus ensures that our workforce is equipped with the requisite knowledge and skills to effectively recognize, prevent, and address these critical issues. By instilling a culture of awareness and responsibility, we empower our employees to actively contribute to the safeguarding of human rights and the advancement of ethical conduct within their respective communities.

Furthermore, our training program undergoes a comprehensive annual review to ensure alignment with the latest legal requirements, industry standards, and best practices. This diligent review process enables us to identify potential areas for enhancement and to incorporate any necessary updates into our training materials, thereby maintaining the relevance and effectiveness of our educational initiatives.

Assessing Program Effectiveness

The Company has not taken any actions to assess the effectiveness of the above actions to prevent or reduce the risk of forced labour and child labour in the supply chain. We intend to design a thorough assessment of these activities in the future.

Control Management

The Company is registered and functions as a legal entity within Canada, complying with Canadian laws and regulations. However key policies and procedures are maintained and enforced by its parent company in the United States.

This arrangement is not uncommon in multinational corporations, where strategic decisions and core corporate policies are centralized. The parent company sets broad policies which are designed to maintain a consistent operational and ethical standard across all locations, reflecting the parent company's overarching corporate philosophy and strategic goals.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Tempur Canada Ltd.



Name: Daljeet Singh Bagga
Title: Chief Operating Officer
Date: May 28th 2024