



## Supplier Code of Conduct

**INSERT DATE**

### **A. INTRODUCTION AND EXPECTATIONS**

At Sleep Country Canada Inc. (“Sleep Country Canada” and “Dormez-vous”) we are committed to conducting our business ethically, in a socially responsible and environmentally sustainable manner, and in compliance with the highest industry standards and all applicable laws, regulations and codes. Sleep Country Canada must insist that its Suppliers conduct all of their business activities (both in Canada and internationally) in compliance with these same high standards.

This Sleep Country Canada Supplier Code of Conduct (the “Supplier Code”) applies to all suppliers that we do business with (whether based in Canada or elsewhere). This Supplier Code will ensure that our business partners have a clear understanding of our expectations and requirements. We require that our Suppliers take all necessary steps to ensure that they strictly comply with this Supplier Code and that they ensure that their employees and their own suppliers are fully aware of, and comply with, these requirements.

### **SPECIFIC SUPPLIER STANDARDS**

All Suppliers must comply with all applicable laws and regulations that govern their activities in the local areas, provinces/states and countries in which they are located, have operations or engage in import or export activities. They must also meet or exceed industry standards in all of their operations. Below are specific requirements relating to: (i) quality, safety and environmental compliance of products and services; (ii) workplace standards; and (iii) general ethical business practices. All prospective and existing Suppliers and their operations, facilities, employees, contractors and sub-contractors and sub-suppliers must comply with these requirements and take appropriate pro-active steps to ensure continuing ongoing compliance.

#### **(i) *QUALITY, SAFETY AND THE ENVIRONMENT***

We expect that our Suppliers supply products and/or services that strictly comply with Sleep Country Canada’s specifications and meet or exceed industry standards and all applicable legal and regulatory requirements, including those relating to health, safety and the environment. Further, Suppliers are expected to supply only products and/or services that, when used as intended, are safe for employees, consumers, and the environment. Suppliers will cooperate fully with Sleep Country Canada when any concerns or potential concerns arise and take all appropriate steps to address any health, safety, environmental or regulatory issues associated with their products and/or services. This includes: immediate notification of Sleep Country Canada as soon as the Supplier becomes aware of an issue or potential issue, and where directed by us or required by law, notification of regulators and/or our customers, as well as, where appropriate or advisable, undertaking of product recalls. We must stress that in light of the extreme importance Sleep Country attaches to these issues, we require our Suppliers to always be pro-active on these issues and err on the side of protecting our employees, consumers, the environment and the Sleep Country brand. In order to ensure compliance with these expectations, we require that our Suppliers take all appropriate steps to ensure that their

employees, contractors and sub-contractors and sub-suppliers are fully informed of these requirements and their importance, to ensure that any issues or potential issues are promptly escalated to the appropriate level of management.

(ii) ***SUPPLIER WORKPLACE STANDARDS***

**Safe and Healthy Environment**

Suppliers and their sub-suppliers must provide their employees and contractors with a safe and healthy work environment that complies with all local laws, regulations and codes and the highest of industry standards. The same applies for any housing or other facilities, provided or managed for their employees or contractors.

**No Forced Labour**

All workers (whether employees or contractors) must be voluntary, and you are required to respect the right of employees to decide to work or not. Suppliers must not use forced labour of any kind, whether they be prisoners, indentured workers, or otherwise.

**No Child Labour**

Suppliers and their sub-suppliers will not use child labour in any of their operations. Employees and contractors must be at least the age at which compulsory schooling has ended (with the exception of student employment allowed by local laws) or the minimum age mandated by local laws, whichever is greater. Further, all workers and contractors must be at least 14 years of age.

**No Harassment or Abuse**

All workers must be treated with respect and dignity. Physical, sexual, psychological or verbal harassment or abuse, including the use of physical punishment, is strictly prohibited.

**No Discrimination**

Workers must not be subject to discrimination (including in relation to hiring, salary, benefits, promotion, advancement, discipline, termination or retirement), on the basis of gender, race, religious or personal beliefs, age (other than normal and legally allowed hiring or retirement limitations), disability, sexual orientation, maternity or marital status, nationality, political opinion, union participation, social or ethnic origin or membership in any legal organization (or any other grounds specified by applicable Human Rights codes or laws).

**Reasonable Working Hours**

Suppliers must maintain reasonable working hours, consistent with local industry standards and all applicable laws. Workers must not be required to work more than the legally prescribed limits, are expected to be appropriately compensated for overtime, and shall have at least one day off for every seven-day period and be provided with leave and vacation entitlements consistent with all applicable laws.

**Wages and Benefits**

Suppliers must pay the higher of the prevailing local industry wage or the legally-mandated minimum wage. Suppliers must also provide all legally mandated benefits.

### **Freedom of Association and Collective Bargaining and Resolution of Disputes**

Suppliers must respect the right of employees to free association and collective bargaining to the extent required or allowed by local law. In addition, Suppliers must maintain a fair and reasonable dispute resolution process to allow workers to voice workplace grievances without the fear of reprisal.

#### **(iii) ENVIRONMENT/SUSTAINABILITY**

Suppliers must be committed to principles of environmental sustainability and must conduct their business using progressive environmental practices and take active steps to preserve and protect the well-being of the environment, including complying with all applicable laws and regulations in respect of protecting the environment and maintaining procedures for notifying local authorities in the event of an environmental event relating in any way to Supplier's operations.

Further, Suppliers must be committed to continuous improvement of their manufacturing and supply chain processes with a view to reducing their impact on the environment. Without limiting the obligation on Suppliers to independently take these steps, Suppliers must also cooperate with Sleep Country and take all steps reasonably requested by Sleep Country in this regard.

Suppliers must be committed to good environmental stewardship in general and where local law requires a Supplier to participate in any environmental stewardship programs, Supplier must strictly comply with all requirements and provide us with any and all information or documentation relating to the programs that we request.

Upon request from Sleep Country, Supplier must promptly provide Sleep Country with all data, information, business records, reports or analyses it has undertaken to implement good environmental stewardship or which it has access to in order for Sleep Country to assess and validate Supplier's adherence to these principles.

#### **(iv) GENERAL BUSINESS PRACTICES**

##### **(a) CONFLICTS OF INTEREST**

Our employees owe primary loyalty to Sleep Country Canada and are bound by a Code of Ethics and Business Practices which requires them to avoid placing themselves in an actual, potential or perceived situation of conflict of interest. A conflict of interest arises when an employee (or their family member, friend or acquaintance) has a personal or financial interest in a proposed action, even if the action is advantageous to Sleep Country Canada. Employees are not permitted to participate in decisions where they may have a conflict of interest. Further, Suppliers must not take any action where a Sleep Country Canada employee's personal or financial incentives or interests may impair their judgment or ability to make sound and unbiased business decisions in our best interest. We expect Suppliers who do business or seek to do business with Sleep Country Canada to respect these ethical principles and to not offer business courtesies (such as gifts and entertainment) that exceed reasonable amounts. Supplier financed Sales incentive contests, where Sleep

Country employees may receive prizes or other personal benefits, may be permitted with advance approval from Sleep Country at the executive level.

**(b) COMPLIANCE WITH ANTI-CORRUPTION LAWS**

Suppliers must strictly comply with all applicable anti-corruption and anti-bribery laws in all jurisdictions in which they carry on business of any kind, including the *Corruption of Foreign Public Officials Act* (Canada). Any contravention of any kind whatsoever will not be tolerated as it would be inconsistent with our business principles and could have material negative impact on Sleep Country Canada's brand. Suppliers are expected to immediately notify us of any such issues that arise in their business, including if they become aware of any situation where a Sleep Country Canada employee or contractor takes an inappropriate action in this regard.

**(c) CONFIDENTIALITY, PRIVACY AND INTELLECTUAL PROPERTY**

Suppliers will not disclose to others or use for their own purposes or the benefit of third parties, any Sleep Country Canada trade secrets, intellectual property, data, customer information, confidential information, knowledge or designs. Suppliers will respect the privacy of personal information they collect, use or disclose in any way related to their business relationship with Sleep Country Canada and strictly comply with all applicable privacy laws, as well as their own Privacy Policy and Sleep Country Canada's Privacy Policy. Suppliers must also respect the intellectual property and other legal rights of third parties.

**B. ENGAGEMENT, MONITORING AND COMPLIANCE**

All Suppliers must carefully review the Supplier Code and ensure that its obligations are appropriately disseminated to their employees, contractors and subcontractors. As a condition of doing business with Sleep Country Canada, Suppliers must agree to strictly comply with the Supplier Code, either by completing the attached form or by signing an agreement with Sleep Country Canada which incorporates the Supplier Code. Sleep Country Canada reserves the right, as a condition of continuing to do business with Sleep Country Canada, to require Suppliers to re-certify compliance with the Supplier Code as and when requested.

We reserve the right to periodically verify and monitor Supplier compliance with the Supplier Code. Suppliers must maintain complete and accurate business records and provide Sleep Country Canada or a designated agent of Sleep Country Canada with reasonable access to facilities, records and workers for compliance inspection purposes. Further, once per calendar year (or more frequently if Sleep Country reasonably believes that there may be a compliance issue), upon one hundred and twenty (120) hours' written notice, Sleep Country or its agents (the "Compliance Auditors") may conduct an audit at Supplier's premises during normal business hours. Supplier shall fully cooperate with the Compliance Auditors.

Sleep Country Canada may (without penalty to Sleep Country Canada, and in addition to any other rights that Sleep Country Canada may have under contract or otherwise) cancel purchase orders or terminate contracts and/or the business relationship with a Supplier who fails to comply with the Supplier Code or to promptly remediate a situation of non-compliance within a reasonable timeframe following our request to do so.

### **C. QUESTIONS**

If you have any questions regarding the Supplier Code, please submit them to Craig DePratto, Chief Financial Officer, Sleep Country Canada, at [craig.depratto@sleepcountry.ca](mailto:craig.depratto@sleepcountry.ca) .

### **D. REPORTING VIOLATIONS**

Any person who believes that a violation to the Supplier Code may have occurred, or is about to occur, is required to report the relevant information in confidence to Craig DePratto, Chief Financial Officer, Sleep Country Canada, via email at [craig.depratto@sleepcountry.ca](mailto:craig.depratto@sleepcountry.ca)

We will promptly investigate any reported violations and take all appropriate steps relating to the investigation results.

## SUPPLIER CERTIFICATION

On behalf of the Supplier referenced below, I confirm that I have received a copy of the Sleep Country Canada Supplier Code of Conduct dated **INSERT DATE** that I have read and understood its contents and I certify that our organization is in compliance with the Code and that our organization will continue to comply with the Code. I further confirm that a copy of the Code will be shared with all appropriate employees, contractors and sub-contractors of our organization that are involved in any business activities relating to Sleep Country Canada and that they will be advised of the requirement to fully comply with the Code.

Supplier: \_\_\_\_\_

Authorized Signature:

\_\_\_\_\_

Date: \_\_\_\_\_

*I confirm that I have the authority to bind the Supplier (in my capacity as owner, principal or authorized officer)*

Name of Signatory: \_\_\_\_\_

Title of Signatory: \_\_\_\_\_