

Sleep Country Introduces its Inaugural Environmental, Social and Governance (ESG) Report

Canada's leading sleep partner reinforces Company's commitment to environmental, social and governance initiatives

TORONTO, ON - July 18, 2022 - Sleep Country Canada Holdings Inc. ("Sleep Country" or the "Company") (TSX:ZZZ), Canada's leading specialty sleep retailer, today released its inaugural ESG report. The report highlights the Company's commitment to being a purpose-driven, sustainable business focused on helping people enhance their overall health and wellbeing, driving positive social change and protecting the planet.

"We believe ESG is inextricably linked to our purpose of transforming lives by awakening Canadians to the power of sleep and improving the wellbeing for all. While this is our first report, the underpinnings of our ESG strategy have been in place for decades and reflect our Company's beliefs and what differentiates us as Canada's leading sleep partner," said Stewart Schaefer, President and CEO, Sleep Country.

"We're incredibly proud of what we've accomplished - the enhancements we've made to our customers' experience; product and channel innovations; our work towards creating an equitable, diverse, and inclusive work environment; our recycling and donation program; and our ongoing commitment to transparency, governing responsibly and ethically. We are fully committed to executing our ESG strategy - to providing safe, high quality sustainable sleep solutions to help protect our planet while building an equitable and fair world," said Craig De Pratto, Chief Financial Officer, Sleep Country.

Key highlights of the Company's 2021 ESG Report - across its four key pillars Sleep Well, People Well, Earth Well and Govern Well - include:

Sleep Well: With a goal of being Canada's leading sleep partner and gateway to the world's best sustainable sleep solutions through product quality, innovation and a powerful sleep ecosystem, Sleep Country introduced new and innovative products, improved its customer experience and championed sleep as an essential pillar of wellbeing. A new supplier code of conduct was implemented in 2021 that focuses on the working and labour conditions of suppliers, their factories, and subcontractors to keep our partners accountable to proper treatment of workers and to socially responsible manufacturing processes.

People Well: Recruiting and retaining the most talented people, developing their skills and empowering them to be successful is at the core of the Company's associate value proposition. Through focus groups, ideas and feedback from its associates, the Company developed its Equity, Diversity, Inclusion and Belonging ("**EDI&B**") strategy committed to building an inclusive, respectful, and diverse workplace. A community of caring and giving back to communities where it operates and creating a safe environment that fosters a culture of wellbeing.

Earth Well: Sleep Country is focused on decarbonizing its operations and creating a climate resilient business for the future in alignment with the Company's goal of becoming net zero by 2040. Working with its suppliers and strategic partners to encourage the use of sustainable materials, the Company reported that 91% of the mattresses and foundations it sells contain sustainable materials. In 2021, Sleep Country diverted over 165,000 mattresses and foundations from landfills which resulted in more than 80% of materials being recovered.

Govern Well: The Company strives to meet the highest standards of ethics, compliance, and integrity, while promoting a culture of sustainability, awareness and engagement. In 2021, Sleep Country began integrating its ESG values into its codes of Conduct - 100% of its associates, suppliers and partners signed off on the updated codes.

To view Sleep Country's 2021 ESG Report, please visit https://ir.sleepcountry.ca/download/SCC_2021_ESG_REPORT

About Sleep Country

Sleep Country is Canada's leading specialty sleep retailer with a national retail store network and multiple robust eCommerce platforms. The Company has 287 corporate-owned stores and 20 warehouses across Canada and operates under retail banners: "Sleep Country Canada", with omnichannel operations in Canada excluding Québec; "Dormez-vous" with omnichannel operations in Québec; "Endy", Canada's leading direct-to-consumer online sleep solutions retailer; and recently acquired "Hush", one of Canada's fastest-growing digital retailers. Sleep Country is a purpose-led organization dedicated to transforming lives

by awakening Canadians to the power of sleep and is committed to building a company culture of inclusion and diversity where differences are embraced and valued. The Company meaningfully and positively supports its environment and the communities where it operates through its comprehensive mattress and foundation recycling program that keeps mattresses out of landfills, as well as its bed donation program that contributes new and gently used mattresses and foundations to Canadian charities to help families and children in need get a good night's sleep.

For more information about Sleep Country, please visit www.sleepcountry.ca.

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<https://ir.sleepcountry.ca/2022-07-18-Sleep-Country-Introduces-its-Inaugural-Environmental.-Social-and-Governance-ESG-Report>