

# Dreams Limited

## Slavery and Human Trafficking Statement

### Introduction

Dreams Limited is the UK's Most Loved bed retailer; manufacturing, selling and delivering beds across the UK. Since opening the first Dreams store in 1985, the business has expanded to over 200 stores nationwide including an online presence. In total Dreams delivers around 550,000 customer orders a year and has over 2,200 employees.

The company trades under 3 brands, Dreams, Sleep and Snooze, Feather & Black.

Dreams opened its own manufacturing operation in Oldbury in 2006, which makes up to 10,000 mattresses, bases and headboards per week and operates its own 2-man home delivery network.

Dreams is in the business of 'Serving the nation with beds they love. For life. In life'. The company believe the bed is the most important space in the home and is committed to giving customers so much more than a great night's sleep. They are there for people through every stage and key milestone in life.

It is important to us that our customers know that we are opposed to modern slavery and human trafficking in all its forms and that they are confident that we, and our suppliers, treat our employees fairly and with dignity and respect. Furthermore, Dreams will not work with any business that has been found to be knowingly involved with either modern slavery or human trafficking.

On the 2<sup>nd</sup> August 2021 the company's parent was acquired by Tempur Sealy International, Inc.

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 (the "Act") and constitutes the slavery and trafficking statement for the last financial year ending 24 December 2021 for Dreams Limited.

### Governance

The Executive Team, led by the Chief Executive Officer, Jonathan Hirst, set the strategic direction for responsible sourcing and ethics. The agreed strategy is overseen by the Chief Operating Officer, Paul Solly, who has accountability for human rights and responsible sourcing performance across the group.

Beneath the Executive Team we have established a cross-functional Human Rights working party, consisting of senior managers from across the business who are responsible for implementing strategy and ensuring human rights are core to the future of the business.

## Company Structure

Dreams is a bed, mattress and furniture retailer based in High Wycombe, UK. To support our business, we have:

- Bedquarters (Head Office) in High Wycombe with around 200 employees, including the Customer Services team of around 50 employees.
- A manufacturing centre for mattresses, divan bases and headboards, based in Oldbury with around 180 employees.
- Three warehouses in the West Midlands.
- 11 home delivery centres located around the UK with around 150 delivery vans and crew. There are around 700 employees in our supply chain network.

## Our Supply Chain

The nature of Dreams global supply chain operations is complex and varied- ranging from raw material suppliers that supply our Bed Factory to finished goods sourced domestically and globally. The risk of modern slavery can vary in supply chains for certain product types and for differing geographical territories. As a business we recognise that there is the potential for slavery and human trafficking risks in all our sourcing and procurement operations. It is important that our internal assessment processes recognise these risks within each supply chain, allowing us to take proactive and immediate action where we deem necessary.

All direct goods for resale and Bed Factory material suppliers complete a Self-Assessment Questionnaires (SAQ). The results of the SAQ along with a consideration of the type of supplier, manufacturing activities undertaken and country of origin, informs the follow up actions to be taken. The SAQ assessment is an important tool that helps provide supply chain transparency and assess potential slavery and human trafficking risk.

In addition to the supplier SAQ, Dreams requires suppliers to undergo an ethical audit prior to the commencement of business. The supplier must demonstrate it can meet ethical standards and requirements. Dreams utilises its own in-country teams and approved third-party audit providers to identify slavery indicators at factory level. The audit programme provides clear visibility of identified risk, which allows the group to take immediate action for the instances highlighted and informs where further development and training for suppliers is necessary.

The risk of modern slavery and human trafficking within Dreams far reaching supply chains presents a difficult challenge to the company. However, the Dreams Group is committed to continuing to work with our partners and suppliers to increase awareness and mitigate the risk of slavery and human trafficking within our supply chain.

## Our Internal Risk

Within our own operations we have robust processes in place to ensure our direct employees have been recruited legally. We also require the flexibility of temporary workers

in some areas depending on fluctuations in demand, for example at distribution centres and at our Factory.

We have designed a checklist scoring system for our recruitment partners to adhere to for us to continue working with them. The Modern Slavery checklist was then integrated into our process for setting up any new recruitment agencies to ensure they meet the required standards prior to them becoming a partner.

For existing recruitment partners, we have created a process to conduct annual reviews with them which includes sending out the Modern Slavery checklist, reviewing those scores, and working with each agency to ensure they are developing their own modern

All scores are at a good level with each recruitment partner, and we are now working alongside our partners on any improvements until we do our annual check again at the beginning of 2023.

### **Goods Not for Resale (“GNFR”) & Services Providers**

The business has c.600 suppliers, c.60% of these suppliers are for materials and goods which are for use within the company “GNFR” or Services. These suppliers sit across many areas such as Marketing, Media, Finance, Logistics, Property etc. Many are well-known large companies and organisations, while others are more local to our locations and needs.

During the last 12 months we have reviewed our GNFR, and Services Supplier base and risk rated them in regard to their modern-day slavery risk, considering industry, services provided, size and location of operations. Using this data, we will engage with these providers using several tools including SAQ questionnaires which will be designed for this type of supplier base to understand and validate their commitment to managing modern day slavery risk within their operations. Where suppliers do not have sufficient controls or processes in place a remedial action plan will be agreed, and Dreams will support the supplier to meet the requirement within an agreed timescale, if following that timescale and review the supplier cannot meet Dreams requirements, any business with that supplier will be suspended until the requirements are met and validated.

Suppliers with a High or Medium risk rating based on industry, services provided, size and location of operations will receive their initial SAQ and guidance at the end of Q3 2022 with 4 weeks to complete and return, these will be reviewed and work with the suppliers will commence where required with an aim to completing this by the end 2022

Suppliers with a Low-risk rating will be contacted during Q1 2023 to provide their MDS compliance evidence, further work including SAQ’s will be issued if required.

### **Awareness and Training**

It is important for everyone within our business to understand the risk of modern slavery and how to recognise potential flags.

Our Whistle Blowing programme “Speak Up” is managed by our Risk & Human Resources teams. We have posters promoting and encouraging colleagues to report anything they

are concerned about (including potential Modern Day Slavery concerns), which can then be investigated internally or passed to the relevant authorities if necessary.

We have sourced and designed a full training programme for all employees to understand the risk of modern slavery and how to recognise potential flags both in work and in their wider community. This training included an additional module for managers in our areas of the business that require temporary workers to ensure they are confident in how to escalate should they have any concerns. This included a video, produced by the Gangmasters and Labour Abuse Authority (GLAA), shows three different ways of addressing a potential case of Modern Slavery and the consequences of each course of action. The training was hosted online and tracked at individual level to ensure 100% completion. The training has also been embedded into our induction programme to ensure all new colleagues receive the same level of training on an ongoing basis.

We have also enhanced our internal auditing process of personal details that may identify potential exploitation and therefore help us raise potential issues to the relevant authorities. A clear process has been defined and documented to ensure consistency of the process and an escalation channel through the Modern Slavery Committee. The initial audit highlighted a potential concern which upon investigation was found not to be an issue; providing confidence in the new process both historically and for the future.

We realise that some companies within our supply chain may not have considered the risk of modern slavery within their own business and supply chains. We are committed to helping them understand and reduce Modern Day Slavery in their own supply chain risks which in turn helps us. So, looking ahead we will provide specialist training for our teams who source product and work closely with our suppliers to reduce the risk further in our supply chain.

## **Effectiveness**

The complexities and hidden nature of modern slavery make it very difficult to know if the actions being taken are effective. There have been no known cases highlighted within the business or the supply chain.

By learning more about our supply chains, further risks of modern slavery will be identified, and we recognise that our policies and processes will have to continually evolve to minimise any negative human rights impacts on vulnerable people within our supply chain.

## **What's next?**

- Consider the increased risk of modern slavery in certain raw material supply chains and due diligence plans Dreams will need to introduce for those materials
- During 2023 Investigate auditing supply chains of our import factories, focusing on where factories use 3<sup>rd</sup> parties to manufacture finished componentry.
- Roll out the Goods for Sale system to the GNFR suppliers

**Board of Directors Approval**

Dreams will never knowingly enter into business with any organisation involved in slavery, forced labour or human trafficking.

This statement is approved, on behalf of the Board of Directors of Dreams Limited, by the Chief Financial Officer.

**Kim Zaheer**  
**Chief Financial Officer**

Statement published 24 June 2022