

EVERREST

IMPACT REPORT

2021

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A WORD FROM CLAUS

2021 was – yet another – turbulent year. Not just for us but for countless others who have all felt the consequences of overlapping crises in each their nature and severity.

It is said that life gets shaped during headwinds, and I believe the same goes for successful organizations. Because of the global supply chain crisis and repeating lockdowns around the world, our organization and business model has been put to the test. During this period, we have come to realize two very essential things: there is always room for improvement and most importantly - the key to our success lies within the hands of our employees. We have always been a people-driven organization both in terms of employees and strong business relations but in hard times the things that really matters gets so much clearer. I would like to use this opportunity to thank the EverRest team and all our business partners for their efforts getting us through this storm – you have all done an amazing job.



A NEW NORMAL

Every cloud has a silver lining and I believe that the recent years' events have demonstrated a need to modernize the way we think and the way we build organizations. People have had a chance to reconsider how they live their lives, and from an employer perspective this has led to changed expectations from both employees and society. Challenging status quo is always positive and personally I believe we are in a situation now where we cannot go back to what was before.

As a people-driven organization, it is obvious to us that we need to embrace this new normal to retain our wonderful colleagues and competitive business model. Our values remain, but the scene has changed. We take this very seriously and work on different initiatives to accommodate and support our employees' needs and wishes.

"OUR VALUES REMAIN, BUT THE SCENE HAS CHANGED."

PROOF OF CONCEPT

Until now, EverRest has been solely focused on sourcing products within the bedding category, such as mattresses, pillows, and toppers, but during the years we have built so much confidence in our business model and organization that we now have the courage to expand our product range into new categories. Therefore, I am very happy to share that we will soon also be able to assist our customers in efficient sourcing of furniture for both bedroom and living room.

PART OF SOMETHING BIGGER

In 2021 Malouf Companies became the majority owner of EverRest. Even though the decision felt right from the beginning, it is always a bit nerve-racking to enter such partnerships, because you never really know how things will work out until everyday life hits. Fortunately, now that we have been working together for almost a year, I must say that this feels like a match made in heaven. We are experiencing great synergies and are looking forward to unfolding our partnership in the future.

With a lot of ups and downs we have managed to deliver good results and this report will show you our development, efforts, and accomplishments for 2021.

Thank you.

A handwritten signature in white ink, appearing to read "Claus Løvgreen". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

Claus Løvgreen
CEO of EverRest

WE ARE EVERREST

EverRest has been in the bedding industry for more than two decades.

We are a trusted sourcing partner for some of the largest bedding retailers globally. We manage the entire supplier network and take responsibility for quality control of all our products. In addition, we are deeply engaged in our customers and their product portfolios and serve as close partners in their continual development.

Wellness, comfort and sleep quality have always been at the core of our business. From day one, we have specialized in memory foam products in the form of mattresses, pillows and mattress toppers. Based on our experience, we are currently working on expanding our product categories, and in the near future our customers will be able to source furniture for the living room and bedroom through Everrest.

At EverRest, we always work proactively and with an open mind. Using our values as our compass, we confidently take on the challenges of the future, knowing that the solutions are out there. Maybe not today or tomorrow, but we will keep looking until we find it.

EVERREST X MALOUF™

In 2021, Malouf became the majority owner of EverRest ApS. Malouf is a large, American interior company, and just like EverRest, they are determined to help ensure people across the world a good night's sleep. Their products are available in more than 15,000 retail locations in the U.S. and in 56 countries worldwide.

They are centred around strong social values, working hard to create a fulfilling workplace for their employees. Furthermore, through the Malouf Foundation, they are deeply involved in the fight against child sexual exploitation, specifically sex trafficking and online abuse. A great cause, which we can only applaud.

Malouf is a certified B Corporation, a testimony to their heightened sense of responsibility towards both people and planet.

At EverRest, we are proud to be involved with such an ambitious organisation and are deeply inspired by all their hard work. We look forward to seeing where our cooperation will take us both.

OUR BRANDS AND PRODUCT LINES

WELLPUR

Wake up rested and refreshed with WELLPUR®. WELLPUR® was developed in cooperation with JYSK. WELLPUR® mattresses and pillows with pressure-relieving memory foam shape precisely to the contours of your body allowing it to rest in a natural and optimal position. The foam reduces pressure on muscles and joints and allows blood to flow freely so you avoid tension. WELLPUR® mattresses and pillows are suitable for allergenics as dust mites cannot live in foam. Also, both mattresses and pillows are certified according to Standard 100 by OEKO-TEX®.



MOODS

MOODS is our design line which combines classic Scandinavian design with a fresh touch of young contemporary colours. Fuelling good moods.

NATURE

NATURE is our nature inspired line which combines Scandinavian design heritage, linen and bamboo charcoal foam. A true touch of nature.

NO LIMIT

NO LIMIT is our signature line in which an abundance of the most advanced technologies come together to ensure the optimum sleeping conditions. All wrapped in Scandinavian design. Literally with no limit.

FUSION

FUSION is our down/foam fusion line combining the finest of nature with our softest foam - for a heavenly sleep.

ColumnaMed

ColumnaMed is the health care line of EverRest, developed in collaboration with health care experts. By using the best pressure distributing memory foam the line offers optimal sleeping conditions.

OUR IMPACT

GOING FROM NEGATIVE TO POSITIVE

At EverRest, we are very aware of the fact that as a company bringing products into the world, we have an impact. From the raw materials used to produce the foam used in our mattresses, to the gas that fuels the ships transporting our products, and the people bringing our designs to life at the factories. Everything we do impacts the planet and the people on it, in one way or another. And similarly, as a large corporation, with millions of products produced every year, our changes can make a significant impact around the world. We want to make sure that our impact is as positive as possible and that it grows better as the days, months and years go by.



MAKING IT EASY TO MAKE THE RIGHT CHOICES

We have clear objectives that we wish and work to reach, and we must acknowledge that we hold a unique position. As a sourcing partner managing the whole supplier network and taking responsibility for quality control of all products, we must approach this task differently than many other companies. To lower and improve our impact, we are reliant on our customers making responsible decisions. Based on our market insights and expert knowledge of this industry, it is our finest task to enable our customers to make the right decisions. We must guide them and teach them about the solutions available and most importantly, provide those solutions.



FUTURE OUTLOOK AND NEW SOLUTIONS

For us, the thing that matters the most is that when our consumers go to sleep at night, they lie down on a bed and pillow that supports them in the best way possible. Today, the best material for that is memory foam. If that is not the case in the future, we are prepared to change our outlook and materials. Therefore, we spend a lot of time and resources staying up to date on recent research and scientific developments in our field, so we can be ready to swiftly implement new materials and solutions in our product lines.



OUR SUPPLY CHAIN

At EverRest, we know that we cannot become a more responsible company without our suppliers. It is therefore of high importance to us that we build and maintain strong supplier relationships, based on trust and mutual respect. This creates the best preconditions for transparency and progress. As such, we work with a small base of suppliers. In 2021, we only had 3 active suppliers in Tier 1. All new suppliers must go through a thorough approval process, as described further in the description of our due diligence process on the following pages.

It is a requirement that all suppliers have a BSCI audit or similar, with a score of at least a C rating. It is our goal that all our Tier 1 suppliers are close to an A rating in their BSCI audit by 2030.

All our active Tier 1 suppliers in 2021 are located in China. To allow for regular factory visits and assistance, we have set up a small China division with a dedicated team. The team will help our suppliers with remediation, if their BSCI audit finds any non-compliances.



OUR DUE DILIGENCE

EverRest is part of an extensive value chain. Throughout this value chain, we directly and indirectly influence both social and environmental conditions. This may be in a positive as well as a negative manner.

Our due diligence process is the combination of our systematic processes and procedures set out to take responsibility for any risks of adverse impacts and the potential consequences if these risks turn into reality.

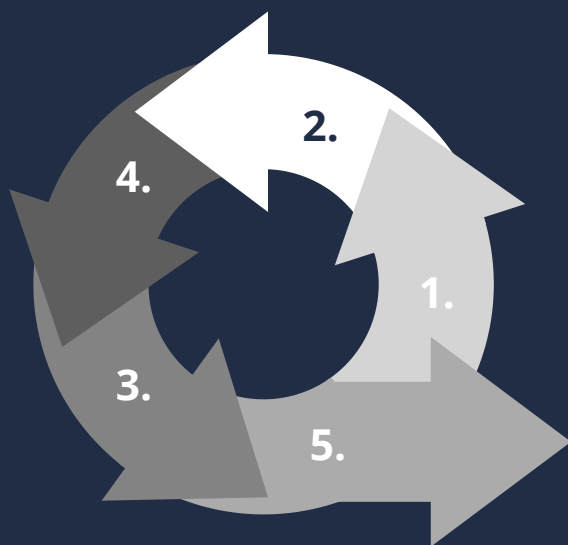
Through our due diligence process, we identify these risks and take action to prevent and remediate them when necessary and possible.

The due diligence process is especially relevant when we establish new partnerships with new suppliers, as we don't have the full understanding of how they work yet, like we do with our existing suppliers, with whom we already have a strong relationship and good understanding of.

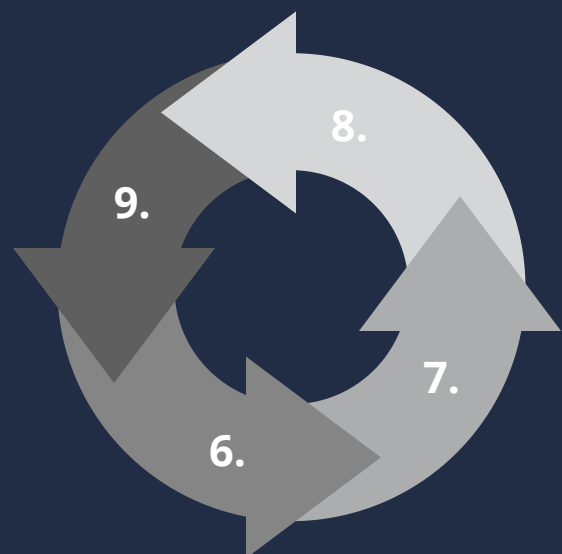
OUR DUE DILIGENCE PROCESS

Our due diligence process is an ongoing process and differs slightly depending on whether we are dealing with a new or existing supplier. The process is repeated annually and every time we consider taking on a new supplier.

NEW SUPPLIERS



EXISTING SUPPLIERS



NEW SUPPLIERS

1. ESTABLISH NEED FOR NEW SUPPLIER

Before we reach out to a potential new supplier, the need for a new supplier is established between the buyer and the compliance team. It is important that no new suppliers are taken on by a single person alone.

2. PRE-SCREENING COMPLIANCE

If it is decided that we do have a need for a new supplier, we begin a pre-screening process. Our compliance team sends the supplier a Non-Circumvention, Non-Disclosure Agreement (NCNDA). If this is accepted by the supplier, we request that they send us any valid audit reports and/or certificates. All suppliers must have a third party social audit, and the audit report must be approved by the compliance team. If the potential new supplier has scored lower than a BSCI C rating or equivalent, they will not be approved.

In certain instances, an audit by an EverRest auditor can also be accepted, depending on the size of the supplier and the significance of the potential new business relationship.

3. IMPLEMENTATION OF POLICIES

We ask all suppliers to sign and return the following policies and documents to us:

- Code of Conduct
- Child Labour Policy
- Chemical Restrictions
- Anti-corruption Policy
- Anti-Slavery Policy
- Environmental Policy
- Ethical Sourcing Requirements
- Our QMS manual and agreement
- The NCNDA
- Our Supplier manual



Policies signed by all suppliers

The policies and documents follow all applicable international regulations and guidelines and are aligned with key customer requirements.

4. Visit or self-assessment

After both parties have reviewed and accepted the documents and conditions, the process proceeds with an onsite visit by a member of the EverRest team. Here it is inspected that the supplier lives up to our CSR and quality requirements. If a visit is not possible, the supplier must fill out and return a self-assessment questionnaire along with picture evidence.

In the case of an unsatisfactory visit or self-assessment questionnaire, we will not proceed with the supplier.

5. Approval of supplier

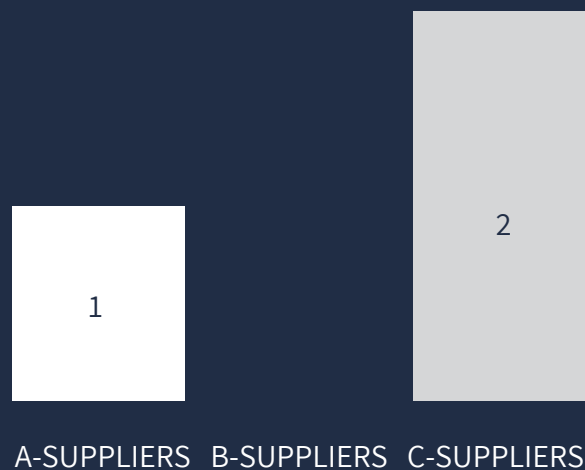
Once the supplier has been accepted by the compliance team, the buyer is free to place any orders. In some instances, the supplier will also need to be approved by the customer for whom the order is placed.

EXISTING SUPPLIERS

6. SEGMENTATION

All suppliers are segmented into A, B and C-suppliers on an annual basis. The segmentation is based on turnover and strategic considerations. This segmentation is done to allow for prioritization of efforts. A-suppliers will have to meet the highest CSR and compliance requirements and receive the most attention and assistance from EverRest. All new suppliers are C-suppliers for the first year unless they are a strategically important supplier from the beginning.

Among our active suppliers, we have 1 A-supplier, which is our primary supplier, and 2 C-suppliers.



7. AUDIT PROGRAM

We have developed an audit program to ensure that we focus most of our efforts on our most important suppliers, so we can minimize our risks and make the most positive impact on our supply chain.

- All A and B-suppliers are required to have a third party audit.
- All C-suppliers must either fill out a self-assessment questionnaire or receive a compliance visit by a member of the EverRest compliance team.

8. FOLLOW UP

- All A and B-suppliers will receive a follow up on any non-compliances.
- C-suppliers will not be followed up.

9. REMEDIATION

- All A-suppliers will receive on-site training to eliminate any non-compliances.
- All B-suppliers will receive guidance on non-compliance issues through e-mails and calls.
- All C-suppliers will be given instructions on where they can find assistance to remediate their issues.

OUR PRODUCTS

Our products are the core of EverRest. They allow us to fulfil our mission, ensuring that people lie down on a mattress that provides them with the right support for a good night's sleep.

Out of everything we do and all parts of our business, our products and the production of them is the thing that creates the biggest impact, environmentally and socially. We are therefore very focused on doing what we can to deliver safe products, of high quality, at the right price, with an impact that grows smaller year by year.

MEMORY FOAM – SUPPORTING SLEEP SINCE 1966

Ever since we became part of the bedding industry, memory foam has been our preferred material for our mattresses, pillows and mattress toppers. It is a price competitive and comfortable material that provides people with the support they need during the night to take on the challenges of tomorrow.

Memory foam is not a perfect material. And we're not sure such a material exists. Memory foam is made from polyurethane, a synthetic material that is currently not easily recycled, and not in a form that allows for circular use of the material. We hope a solution is found in the near future and remain eager and open to implementing the initiatives necessary to make circularity a possibility and a reality.

In the meantime, we limit waste and deadstock by only having made-to-order production. We also incorporate new solutions in our products, such as adding springs to decrease the amount of foam used. The focus for us has always been to make safe, affordable and comfortable products made from high quality materials that prolongs the product lifespan, and thereby reduces the need for new material.

MATERIALS

We have yet to map our materials use, but we know that memory foam is by far our biggest material posting, as these make up the majority of our products. This is followed by our fabric covers that are made from a variety of materials, such as polyester, nylon, TENCEL™ LYOCELL, modal and viscose. We aim to change the materials used for our fabric covers, so that by 2025 they are made from the best materials available at that time from an environmental and social perspective.



TENCEL™ LYOCELL - COMFORTABLE SLEEP WITH LESS RESOURCES

At EverRest we love to use the innovative regenerated cellulose fibre TENCEL™ Lyocell in the covers of our products. The material is soft to the touch, cooling, breathable and to make everything even better, it also has multiple environmental advantages.

First and foremost, the trees used for the raw material all derive from certified sustainable forestry. This means that the production does not contribute to deforestation or destruction of biodiversity in the areas where the trees are cut down. Lyocell is produced in a closed loop system, where both water and solvents are reused.

The system used by LENZING AG for the production of TENCEL™ Lyocell reuses more than 99% of the water and solvents, which contributes to maintaining the quality of soil and groundwater in the areas where it is produced. The solvents used in the production are all organic and non-toxic.

HIGH QUALITY

Comfort and quality are the highest priorities when it comes to our products. If our products are not durable or comfortable, they will be disposed too quickly, and that is in no one's interest. That just generates waste and leads to an increased resource use.

We are therefore very proud of our low complaints and defect numbers, which are a result of high quality requirements and regular quality tests by independent third-parties. The requirements are set by our customers and enforced at our places of production.

PACKAGING

To some, packaging appears to be a dispensable solution that uses a lot of resources, including plastic and cardboard. But to us, they play a huge part in keeping our transportation at a minimum.

In their full form, mattresses take up a lot of space. All our mattresses and toppers are vacuum-wrapped and rolled to ensure that we can fill containers to maximum capacity and keep roundtrips at a minimum.

All pillows are packed and shipped in cardboard made from either recycled materials, wood originating from responsibly managed forests or a mix of the two. We thoroughly inspect our packaging providers' certifications to make sure they are valid and up to date.



PRODUCT SAFETY

People spend one third of their life in their bed. They should go to sleep feeling safe and secure, knowing that their bed is free from any potentially dangerous or harmful substances.

By signing our Chemical Restrictions, all our suppliers commit to comply with the EU legislation on harmful substances, REACH. In the case that our customers have higher restrictions, these are followed.

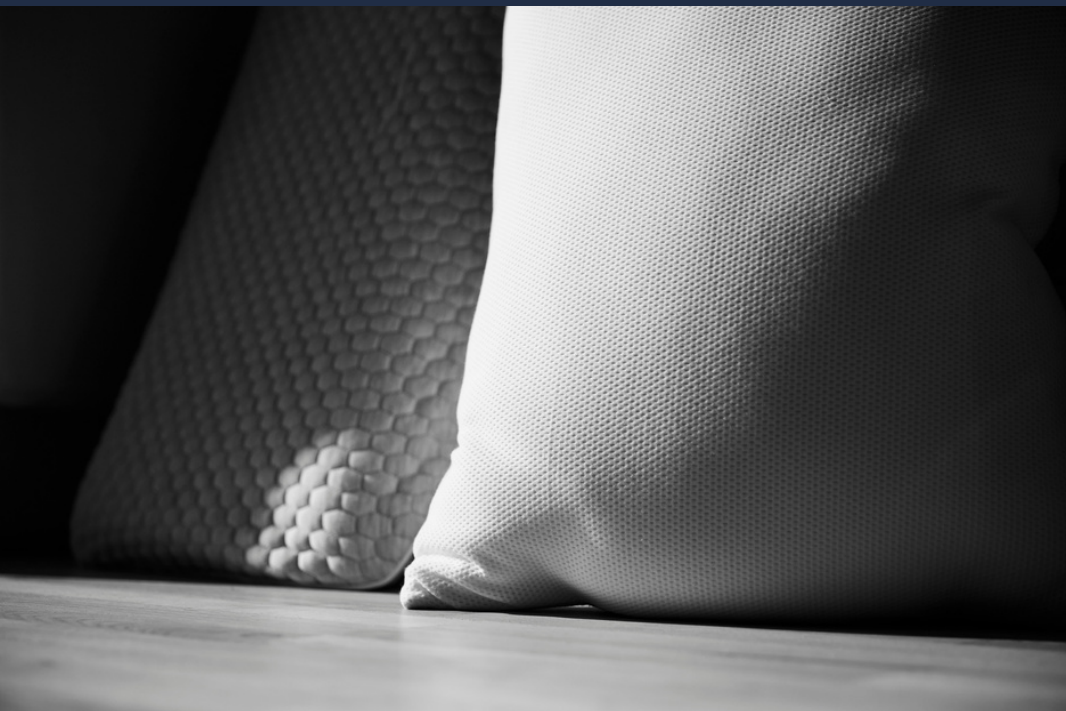
All EverRest products are certified with Standard 100 by OEKO-TEX[®], a standard that goes beyond the restrictions of REACH and our customers. All our suppliers are CertiPUR labelled, which we value and see as a testament to their dedication to safe and healthy products.

CERTIPUR

CertiPUR is a voluntary test- analytics- and certification program for PU foam used in beds and furniture. All PU producers can apply for the CertiPUR label. If they wish to have a product certified, they send samples to an independent test laboratory, where it is tested against the CertiPUR requirements. If the sample passes the test, the product can become labelled. A labelled product is:

- Made without heavy metals such as mercury, lead, or cadmium
- Made without carcinogenic or allergenic dyes as described by EU legislation
- Made without phthalate plasticisers
- Made without substances that cause cancer or may cause heritable genetic damage
- Emitting low levels of VOCs (volatile organic compounds)

Control tests are performed each year, to ensure the foam continues to conform with the CertiPUR standard.



STANDARD 100 BY OEKO-TEX®

All our products are Standard 100 by OEKO-TEX® certified. OEKO-TEX® is a widely known textile certification. If a product carries the Standard 100 by OEKO-TEX® label, it means that every component, i.e. every thread, button and other accessories, has been tested for harmful substances.

The test is conducted by independent OEKO-TEX® partner institutes on the basis of the extensive OEKO-TEX® criteria catalogue. They test for numerous regulated and non-regulated substances, which may be harmful to human health. In many cases the limit values for the STANDARD 100 go beyond national and international requirements.

The criteria catalogue is updated at least once a year and expanded with new scientific knowledge or statutory requirements.

OUR PEOPLE

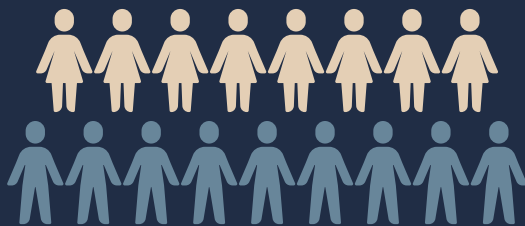
The employees of EverRest are our biggest drivers of development. Both in business and sustainability. We cherish them deeply and take our responsibility as their employer very seriously and work hard to establish a safe and healthy environment, where people thrive, progress, and laugh every day.

DIVERSITY

At EverRest, we take pride in having a mixed group of people, contributing with their individual insights and qualities. We are convinced that this creates the best conditions for innovative ideas and new ways of working.

GENDER DISTRIBUTION

OVERALL ORGANISATION



MANAGEMENT LEVEL



FULL-TIME

(NO MANAGEMENT RESPONSIBILITY)



PART-TIME

(NO MANAGEMENT RESPONSIBILITY)



AGE DIVERSITY

AVERAGE AGE	<25 YEARS	>50 YEARS
37,8	2	4

SENIORITY

AVERAGE YEARS OF EMPLOYEMENT	NEW HIRES IN 2021	EMPLOYED MORE THAN 5 YEARS	ENDED EMPLOYEMENT IN 2021
1,6	4	0	4

Employees of EverRest have great flexibility and are allowed to work remotely and at the hours that fit their schedule best. But we cherish each other's company, so we regularly have a Friday beer on our balcony and prioritize a shared lunch, which is partly paid for by EverRest.

In 2021, we had no accidents leading to long term sick leave.

Cooperation and equality define our organisational culture, where the next solution can come from a student worker and the CEO empties the dishwasher.

In 2021, we have hired a new employee who will have time dedicated to mental health at work and the general working conditions at EverRest. We look very much forward to learn more about the identified opportunities for improvement and new ideas.

We are not afraid of challenging the traditional ways of work and will be open to trying new formats and working methods if it creates value to our employees and does not compromise the quality of their work or our performance.

A WORD WITH OUR EMPLOYEES

“I like to work at EverRest, because of the high level of freedom and flexibility. You do not have a manager breathing down your neck but are merely trusted to deliver and do your best. This creates great opportunity for developing new skills and challenging myself in my work, while I also get a wide variety of tasks so I am sure not to get bored with repetitive work.

The atmosphere is laid back and casual, and perfectly complemented by the surroundings. It would be a shame not to mention the perfect location and great office facilities. It is those small things that make the whole difference.”

“EverRest provides a thorough and detailed onboarding program where you tour the entire organisation and get a good understanding of all the departments. My colleagues are sweet, skilled and very welcoming. We use each other for multiple purposes, be it a laugh and inside joke or professional advice.

And then there are all the extra perks: free parking for cars and bikes right outside the door, an amazing view, great coffee, clean and modern offices, sufficient technological facilities such as phones, computer, multiple screens and a sit/stand desk, delicious lunch every day and the occasional Friday beer.”

“The best thing about working at EverRest is by far my great and competent colleagues. We all seem to thrive in the buzzing and informal environment, with plenty irons in the fire. Management is both present, attentive, and most importantly available.

The flat organisational structure makes for quick and easy decision making, which eases most projects and makes it easier to make the deadline. You get a lot of responsibility and an equal amount of trust, something I personally appreciate, because it heightens my motivation. And of course – the best view in all of Aarhus!”

THANK YOU FOR READING OUR 2021 IMPACT REPORT.

THIS REPORT WILL BE UPDATED ANNUALLY.

WE WELCOME ANY FEEDBACK AT CSR@EVERREST.COM