

EVERREST

IMPACT
REPORT
2022

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A WORD FROM CLAU

I see a trend. A trend in my reflections of the years gone by. Reading through our Impact Report from 2021 one will notice that I described 2021 as - yet another - turbulent year in business. Not just for us, but for countless others who have all felt the consequences of overlapping crises in each their nature and severity.

I'm sitting here now wanting to open this report with the exact same phrase as I did last year. Because 2022 was indeed – yet another – turbulent year. It is hard to believe that we in 2022 find ourselves in situations where we need to consider how a war can impact our business and how the consequences like inflation and a tense geopolitical situation can potentially affect our business and organization.



Nevertheless, this is reality, and my reflections are beginning to be more about whether turbulence is the new normal and how we as a global organization can cope with that as a condition in the future.

I still believe that successful organizations get shaped during headwinds. EverRest has always been a people-driven organization and that will never change. However, it is my responsibility to make sure our organization is fit for purpose both in terms of the challenges we face but most definitely in terms of reaching our ambitions and exploring the opportunities we see. Therefore, in 2022, we have made some organizational adjustments, which have affected how our teams are organized, and responsibilities and expectations to the different teams have been redefined. It is never easy to go through organizational changes, so I would like to use the opportunity to express my gratitude to the whole EverRest team.

I'm confident that our new way of organizing is key to reaching our goals and that it will bring value to both us and all our business partners.

Thank you.

A handwritten signature in white ink, appearing to read 'Claus Løvgreen', written in a cursive style.

Claus Løvgreen
CEO of EverRest

WE ARE EVERREST

EverRest has been in the bedding industry for more than two decades. We are a trusted product development and sourcing partner for some of the largest retailers in the World. We manage the entire supplier network and take responsibility for quality control of all our products. In addition, we are deeply engaged with our customers and their product portfolios and serve as close partners in their continuous development.

Comfortable sleep has 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, bedlinen and various accessories for the 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 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 product development and 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.

For EverRest, maintaining a close and strong relationship with our suppliers is of great importance. Only through such relationships can we build mutual trust and respect, thus creating a foundation for transparency and progress. In 2022, we had 3 active suppliers in Tier 1, all located in China, which is the same as the year before. We have our own China division teams, which allows us to make regular factory visits and assists with, for instance, remediation of any non-compliances from their audits. We use our due diligence process in selection and approval of new suppliers.

In our carbon accounting for 2022, we have included one of our suppliers. As such, we will also include the results from their BSCI audit in order to use the same example throughout this report. The audit takes into consideration 13 sections, of which 11 were rated A, one was rated C, and one was rated D. This results in an overall C-rating of the supplier's factory, thus living up to our requirements. A few non-conformances were identified during the audit. Corrective actions have been taken for most of the non-conformances, and remediation of the rest is ongoing.

We require that all suppliers are audited against BSCI or similar standards and acquire at least a C-rating. By 2030, our goal is that all our Tier 1 suppliers have or are close to having an A-rating in their BSCI audits.

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.



Employees of EverRest have great flexibility, and we do our best to create a workplace where employees find it easy to combine work and personal life. We cherish each other's company and we get excited by the good spirit when everybody is present in the office. We regularly enjoy each other's company over a beer on our balcony and prioritize a shared lunch, which is partly paid for by EverRest.

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

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.

We did not have any accidents leading to long term sick leave in 2022. We do not currently have a system in place to properly register sick leave, but we plan to set one up in the future.

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



CARBON ACCOUNTING

As we have acknowledged, we, as a production company, contribute to the emission of greenhouse gases. In order to make a change in this regard, however, it is essential that we know just how much we and our supply chain emit. Therefore, we have started making CO₂ calculations. These calculations do not currently comprise all of our suppliers, and we consequently do not have a comprehensive overview of our emissions. Still, it is important for us to share not only our progress but also our status, and as such, the results of carbon calculations for one of our Chinese suppliers have been included in this report. We have calculated our share of their emissions by dividing these emissions with our share of their entire production, which amounts to 3.3%.

For the purpose of the calculations, we have used the Greenhouse Gas (GHG) Protocol. This is the most widely used international standard for measuring GHG emissions. Using it, various kinds of input data are converted into tonnes CO₂-equivalents (tCO₂e) using certain emission factors. The emissions are furthermore divided into three different scopes, covering a company's own direct emissions (Scope 1), its own indirect emissions (Scope 2), and indirect emissions in its value chain (Scope 3). Scope 3 presents a big challenge in terms of data collection processes and structures, making it difficult to obtain the necessary data to make accurate calculations.



RESULTS

As mentioned, Scope 1 includes our own, direct emissions, mainly covering company cars. As we did not own any company cars in 2022, our Scope 1 emissions were 0 tCO₂e.

Scope 2 covers our own, indirect emissions. This involves electricity and district heating in our Aarhus office. In 2022, our Scope 2 emissions were 3.6 tCO₂e, meaning it accounted for 0.3% of our total emissions in that year. Of this, we emitted 1.3 tCO₂e through electricity use and 2.3 tCO₂e through our use of district heating.

SCOPE 2	Unit	2022	tCO ₂ e	Share
Electricity	MWh	8.7	1.3	0.1%
District heating	MWh	31.6	2.3	0.2%
Total			3.6	0.3%

Finally, Scope 3 covers emissions in our value chain. In total, Scope 3 accounted for 99.7% of all our emissions with a total of 1007.7 tCO₂e. These emissions are divided between various categories, of which we have included the following: Business travel, purchased goods and services, parts of downstream transportation, and our supplier’s electricity consumption. It should, however, be made entirely clear that these categories only take into consideration our share of our one supplier mentioned earlier in this section. This means that the numbers do not show our supplier’s total emissions, nor do they encompass all of our Scope 3 emissions.

SCOPE 3	Unit	2022	tCO ₂ e	Share
Transportation				
Flights	km	46,122	8.5	0.8%
Work commute	km	13,686	1.4	0.1%
From our suppliers				
Electricity	MWh	133.4	49	4.9%
Downstream transportation	m ³	3.5	9.4	0.9%
Purchased goods and services	tonnes	67.1	939	92.9%
Total			1,007.7	99.7%

TRANSPORTATION



In 2022, the world opened up again after the pandemic. Among other things, this resulted in more flights than was possible for us the year before. As such, our business travel emissions tripled from 2021 to 2022, resulting in 8.5 tCO₂e in 2022. This makes up 0.8% of our emissions. Business travels do not include taxi, bus, or train.



As we have no company cars, we have instead chosen to look into our employees' commute emissions. In 2022, these accounted for 0.1% of our total emissions with 1.4 tCO₂e.

FROM OUR SUPPLIER



The category purchased goods and services only includes the emissions from our textile purchases from our one supplier included in this report. With this in mind, this is the largest post, making up 92.9% of our total emissions with 939 tCO₂e.



Downstream transportation takes into account our share of our supplier's transportation from their production site to the harbor, which is the only stretch we have data on. This accounts for 0.9% of our total emissions with 9.4 tCO₂e.



We have furthermore decided to include our share of our supplier's electricity consumption, meaning the electricity used to produce our products. This has resulted in 49 tCO₂e, which is 4.9% of our total emissions.

SCOPES	UNIT	2022
Scope 1	tCO2e	0
Scope 2	tCO2e	3.6
Scope 3	tCO2e	1007.7
Total	tCO2e	1011.3

TOTAL

With our Scope 2 and 3 emissions, our emissions in 2022 total to 1,011.3 tCO2e. As mentioned, this is not a comprehensive overview, but it does paint a picture to go by. We expect that these calculations and percentages reflect the nature of our entire emissions, which means that we can use them to consider how we can reduce our Scope 3 emissions, which make up the largest share of our emissions.

It is our aim to continue expanding our carbon calculations to end up with a comprehensive overview of our emissions, allowing us to implement specific and relevant reduction initiatives. This will be done in collaboration with our suppliers, with whom we will work to obtain not only more but also more accurate data.

IN THE FUTURE

As our report shows, we still have some way to go. That is why we have set goals for ourselves that we want to accomplish within the coming years.

We have already mentioned our requirement that all our suppliers are BSCI audited and have at least a C rating. However, by 2030, it is our goal that all of our tier 1 suppliers either have an A rating or are close to having one.

Furthermore, we aim to become GRS certified by 2024. GRS is short for Global Recycled Standard and sets requirements for third-party certification of recycled materials, minimum recycled content percentage, chain of custody, as well as social and environmental practices.

As for the coming year, the goal is to go more into depth with our carbon calculations by collecting more data from our remaining suppliers. Having data from only one supplier has limited our ability to create a useful overview of our emissions and does not suffice when trying to identify areas where we can improve.

It is furthermore our goal to map our materials by 2025 in order to pinpoint how we can optimize our material use.

THANK YOU FOR READING OUR 2022 IMPACT REPORT.

THIS REPORT WILL BE UPDATED ANNUALLY.

WE WELCOME ANY FEEDBACK AT CSR@EVERREST.COM