TAKING STEPS TOGETHER

IN 2019, WE BECAME A CERTIFIED B CORPORATION®. This certification was one step in our journey to connect with our community and our customers, and to make sure that our values aligned, to meet our triple bottom line of people, planet, and profits. Being a B Corp® means you have to pass the Impact Assessment offered by B Labs®, a nonprofit that supports people using business as a force for good. It also means that we are required to release a yearly report to inform on our initiatives and our progress.

When we originally planned an Earth Day release of our Impact Report, we had no idea our country and our industry would be facing the current challenges. Workers have been furloughed, stores have been closed, and our friends and families fear for their health. Each day feels scary and uncertain.

We hope this Impact Report is a reminder that not all news is bad.

I truly believe that the bedding industry, and the American economy, can emerge from this crisis stronger and smarter than ever before. We can take stock of ourselves and our customers to grow together and create a better future of business. We have been reminded that what really matters is taking care of our homes and taking care of each other.

Our 2020 Impact Report is the next step on our journey to take care of more than just business. Read it over and then let us know how we can continue to use business as a force for good.

Sincerely,
Sam Malouf
Co-Founder and CEO

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“Our founders, from the beginning, have strived to create a culture where people want to come to work and be part of the organization.”
INTRODUCTION

ABOUT MALOUF

A LEADER in the furniture and bedding industry, Malouf offers a wide range of innovative products, including mattresses, adjustable bed bases, furniture, pillows, sheets, mattress protectors, bed frames, and mattress toppers. Malouf products are available in over 15,000 retail partner locations in the U.S. and its growing international team now serves over 25 countries.

We’ve built our business with strong partnerships and dedicated employees. From our corporate headquarters in Logan, Utah to our distribution centers and fulfillment locations in North Carolina, Ohio, and Texas, we’ve created a unique culture that brings out the best in every employee.

OUR MISSION

To unite our compassion and ambition to positively impact how people sleep, work, and help each other.

OUR VISION

At Malouf, we work hard to realize our three-fold vision: 1) to lead our industry with happy, well-rested customers, 2) to create a fulfilling place for employees to contribute and grow, and 3) to unite our community against child sexual exploitation.

OUR VALUES

OWN IT

Daily actions determine our future. Take pride, ownership, and responsibility for actions and the results that follow.

ACT WITH INTEGRITY

Be transparent, honest, and ethical in all interactions with employees, customers, and partners.

THINK BIG PICTURE

A winning team works from the same game plan. Recognize the value of your work and how it connects and contributes to the entire organization.

DO MORE WITH LESS

Excel at using available resources to optimize performance. A frugal mindset enables us to be resourceful, self-sufficient, and innovative.

MAKE IT FUN

It’s always a good thing when people like coming to work every day. We don’t take ourselves too seriously, and we reward hard work with fun and a little bit of adventure.

WORK TO WIN

Growth and success come from a combination of hard work and smart work. Apply talent, strategic thinking, and hustle to deliver results that keep us competitive.

BETTER EVERY DAY

Commit to giving your best every day to achieve our goals. Do not settle for business as usual. Seek out opportunities to improve skills, master tasks, and gain new knowledge.

BE KIND

Thoughtful actions promote a positive, energizing, and optimistic environment. Be helpful, practice compassion, and give people the benefit of the doubt.

“...working at Malouf is the people and values. I have a lot of friends at work, and I love being surrounded by people who are all working toward a common goal and value kindness, fun, and work-life balance.”

— Anonymous Employee

Food for the kitchen growing in an on-site greenhouse. A diverse product line up means there is a product for every sleeper. Our product development team selects the finest materials to ensure a great night’s sleep.
We strive to ensure every child lives with freedom, hope, justice, dignity—and sleeps in a safe home.
Building an Engaged Community to End Human Trafficking

OnWatch™ is an internationally recognized campaign designed to educate people on the physical, emotional, and behavioral signs of child sex trafficking and how to respond when they see something.

ONWATCH™ TRAINING
Over 3,000 people completed the training between January 2019 and March 2020. Our free online training is available at iamonwatch.org. We also partner with several organizations to educate people in person.

ONWATCH™ ADVOCATES
We created the OnWatch™ Advocate Program to encourage business participation with the OnWatch™ training. A business becomes an OnWatch™ Advocate when 90 percent of its employees complete the training. All certified companies receive a badge that represents their commitment to end child sex trafficking.

Casper’s Ice Cream, a family-owned and operated business in Richmond, Utah, trained 100 percent of its employees and was the first company to become a Certified OnWatch™ Advocate.

“When the Malouf Foundation invited us to participate in the OnWatch™ Advocate Program, it seemed like the right time to make a plant-wide commitment to support the cause. We believe in the work of the Malouf Foundation and are looking for ways we can support this program in the future.”

— Kyle Smith, President, Casper’s Ice Cream

Renewed Hope for Child Abuse Survivors

WE LAUNCHED Rooms Restored™ at our fifth-biannual Las Vegas Forging Freedom event in January 2020.

Rooms Restored™ unites businesses, advocacy centers, and community members to renovate children’s bedrooms to remove the physical triggers of abuse and create a new space that supports the healing process.

The Malouf Foundation initiates the bedroom makeover process by connecting the participating party with an advocacy center in their area, who then finds a potential candidate. Afterward, the business or community members can perform the bedroom makeover according to the child’s specific needs.

“Rooms Restored™ is a new and innovative program that’s already making a difference to child abuse survivors across the country. When a business or community gets involved, they show their support and commitment to a child’s recovery. They give the child a strong feeling of hope and a sense of security—and that’s when true healing happens.”

— Terryl Warner, Director, Cache County Victim Services and Children’s Justice Center

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PAGE LEFT: Participants at a Forging Freedom event at Las Vegas Market. PAGE RIGHT: Malouf founders Sam and Kacie participate in a Rooms Restored™ bedroom makeover. Malouf donated bedding for the makeover while other businesses provided the furniture and decorations.
ART FOR CAPSA is an annual art auction and benefit dinner. We host this event every fall to support Citizens Against Physical and Sexual Abuse, a nonprofit in Cache Valley, Utah that provides personalized services to individuals and families affected by abuse.

In November 2019, we helped raise $33,619 at the fourth-annual Art for CAPSA event. All proceeds went toward CAPSA’s free clinical therapy program offered to immediate and secondary survivors of abuse and sexual assault. From November 2019 to March 2020, CAPSA provided 1,835 hours of therapy services to people in the Cache County and Bear Lake areas.

“Every donation to CAPSA is evidence to survivors of domestic violence and sexual assault that someone cares about them. Abuse is isolating and scary, but a caring community gives them the courage to start their healing journey. The funds we receive from Art for CAPSA help us provide our clients with support, expertise, and tools to be free from abuse.”

– Jill Anderson,
Executive Director, CAPSA
Empowering Law Enforcement to Fight Online Child Exploitation

WE WORK CLOSELY WITH the Internet Crimes Against Children Task Force, whose mission is to investigate and prosecute individuals who abuse and exploit children online.

For National Human Trafficking Prevention Month 2019, we helped collect funds for ICAC to equip them with better technology and resources to rescue children and catch online predators.

Through our fundraising efforts and support from the community, we raised $117,255 for ICAC and disbursed these funds between three agencies.

The Utah ICAC Task Force utilized its funds to carry out strategic operations. Between February and April 2019, they performed over 200 forensic exams on digital devices, conducted more than 50 child sexual exploitation investigations, and arrested over 10 online predators.

$109,755
UTH ICAC TASK FORCE

$5,500
IDWESTERN U.S. LAW ENFORCEMENT AGENCY

$2,000
WESTERN U.S. LAW ENFORCEMENT AGENCY

Standing Together Against Human Trafficking

THE MALOUF FOUNDATION teamed up with It’s a Penalty and its partners for a global awareness campaign during the 2020 Super Bowl to fight human trafficking and exploitation.

It’s a Penalty educates, equips, and empowers millions of people through its campaigns during major sporting events, such as the Commonwealth Games, the Olympics, and the Super Bowl.

HOW WE HELPED MAKE A DIFFERENCE

We supported the 2020 Super Bowl campaign by providing marketing materials and documenting the campaign activities.

CAMPAIGN IMPACT

From January to March 2020

338
million people reached through media coverage during the campaign launch

4.2
million travelers reached through campaign film on American Airlines flights

19.3
million passengers reached through campaign film on American Airlines and British Airways flights

47
traffickers arrested

22
trafficking victims rescued

4
children identified from NCMEC’s list of missing children in Miami

CAMPAIGN PARTNERS

Uber
MA
MALOUF FOUNDATION

AHLAI
IHG
21
GIVES
THE MALOUF FOUNDATION recognizes the value of a good night’s rest but realizes not everyone has access to comfortable bedding or even a bed to call their own. We fulfill this primary need through our parent company, Malouf, that donates bedding to dozens of causes every year. Our main goal is to provide comfort to children and families in need so they can rest well and lead healthier lives.

A Company Culture Centered On Giving

GIVING BACK to the community is an integral part of Malouf company culture, and one way we invest in this philosophy is through our Charitable Time Off Program.

Malouf employees can use company time to participate in service projects and fundraising events for organizations within the Malouf Foundation’s charity network. This way, employees can make service a high priority without disrupting their work-life balance.

In 2019, Malouf employees contributed over 318 hours of service. They assisted with a variety of projects, like preparing bedrooms at domestic violence and abuse shelters, assembling care packages for children transitioning into foster care, and handing out pillows to elementary school children for back to school.

In addition to the CTO program, Malouf donates a substantial amount of paid employee time for foundation-related projects—totaling nearly $290,000 in 2019.

“Malouf encourages us to be better every day, and there’s no better way to do that than by serving others. Whenever I volunteer, I walk away from that experience feeling like I’m the one who benefited. The CTO program gives everyone an incredible opportunity to give back and help those in need.”

— Luke Madsen, Malouf Employee
Our main goal is simple: we want to help you sleep better.

We create options for every sleeper—which means you have a lot of choices. At Malouf, we innovate fresh ways to bring you comfort because our main goal is simple: we want to help you sleep better.

We’ve refined modern products, infusing unique foams with natural materials and improving the features and usability of adjustable bed bases. We’ve explored the globe, hunting for artisanal bedding honed through generations of practice in Italy, France, and Egypt. And, we’ve innovated—creating patents, researching new products, and building a vertically integrated company.

Our product lineup includes natural and sustainable options like bamboo charcoal, TENCEL®, and natural latex foams. We compress and roll most of our foam products for a smaller shipping impact and negotiate returned product into donations rather than reshipping to a distribution center. Because sleeping better means more than just finding the perfect products—it means trusting companies to make responsible choices.

We attainable luxury, incredible variety.
**Why We Love TENCEL™**

**WE USE ONE RESOURCE** more than any other—TENCEL™ cellulosic fibers. It’s more absorbent than cotton, softer than silk, and cooler than linen. And the best part? It’s incredibly sustainable.

**MAXIMIZING CLOSED-LOOP PRODUCTION**

Created by Lenzing Group in Austria, TENCEL™ Lyocell fibers are the peak of efficient fabric production. Lenzing uses REFIBRA™ technology in a closed-loop process to reduce resources and energy usage and practice a high level of environmental protection and resource preservation.

We use TENCEL™ in all our soft goods, including sheets, protectors, pillow covers, mattress covers, and topper covers. Our research and development team has focused on replacing other fibers with TENCEL™ to bring the incredible quality of the fiber to our customers.

**SUSTAINABLE PRODUCTION**

TENCEL™ is created in an environmentally responsible, closed-loop production process, which transforms wood pulp into cellulosic fibers with high resource efficiency and low ecological impact. This award-winning, solvent-spinning process recycles process water and reuses the solvent at a recovery rate of more than 99 percent.

**BIODEGRADABLE**

All TENCEL™ standard Lyocell fiber types have been certified as biodegradable and compostable.

**BOTANIC ORIGIN**

TENCEL™ Lyocell fibers are derived from sustainable wood sources, harvested from certified and controlled sources following the stringent guidelines of the Lenzing Wood and Pulp Policy. Wood and pulp used by the Lenzing Group comes from natural forests and sustainably managed plantations.

“TENCEL™ is a great way to add a sustainable option to your sleep environment. It comes in a sheet set and as a cover on many of our pillows.”

“It’s more absorbent than cotton, softer than silk, and cooler than linen.”
Rethinking Our Impact

THIS YEAR, we launched a line of CBD-infused pillows, a new product with a unique story. Our in-house graphic design team researched existing CBD products, and we saw this as an opportunity to further our commitment to more sustainable packaging.

Companies approach CBD from every angle—super techy to very organic to very clean. After visiting our farm in Denver, Colo. and seeing first-hand the organic method of farming and cultivation, we knew we wanted to take a similar approach.

The line of CBD pillows come in an unbleached, undyed cotton bag with a patent-pending wooden button closure. An attached paperboard hangtag holds the organically grown CBD-oil spritzer, and additional hangtags include more information about CBD and the Malouf Foundation.

We’re celebrating a natural product with reusable, plastic-free packaging—our second after the 2018 TripleLayer™ Down Pillow. We are currently assessing how similar changes can be made to our other product lines, starting with all sheet sets.

Minimizing Our Shipping Footprint

WE ARE ALWAYS LOOKING for creative ways to increase efficiency and focus on our green initiatives. Using a compressed and rolled packaging method, rather than the traditional flat packaging method, allows for increased effectiveness and a reduced carbon footprint. We can ship 3.8 times the amount of product in a single container compared to those who solely flat pack their mattresses. Plus, the compressed mattresses easily fit in most cars and are much easier to carry and maneuver around the house.

Our CBD Pillow Collection consists of three different styles: Zoned ActiveDough™, Zoned Dough™, and Shoulder Zoned Dough™. Each pillow includes a CBD infusion and a soothing sage scent, a refreshing CBD spritzer, and a natural cotton cover.

WE PROVIDE OUR CUSTOMERS with the option to donate all undamaged mattress returns to local charities rather than ship them back to us. This process helps provide premium products to those in need while also reducing the associated shipping emissions and supplies.

EASIER INSTALLATION

MORE EFFICIENT SHIPMENTS

FITS IN MOST CARS

ALLOWS FOR GREATER INVENTORY

REPURPOSING RETURNS
We know that good business comes from good relationships, so we treat customers as friends and employees as family.

A Culture of Caring

We know that good business comes from good relationships, so we treat customers as friends and employees as family. We foster a culture of working hard, living healthy, eating great, having fun, and giving back. The warmth and creativity of our teams create a collaborative and dynamic environment. Executives and managers care about individual team members and make connection a priority, and employees are supported in exploring individualized methods to achieve high-level goals. We believe in creating an environment that creates engaged employees. Our approach to total care and happiness means our customers receive exceptional service from people producing their best work.
Taking Care of Our Employees

AT OUR HEADQUARTERS, we include an on-site gym and salon, free daily lunches, and beautifully designed facilities so employees can be healthy, happy, and connected. Employee well-being is a substantial focus for leadership, and we offer additional benefits that remove stress and replace it with security. We provide comprehensive insurance with 100-percent, employer-paid premiums for employees and their entire family and a 401(k) with a 5/4 employer match.

INVESTING IN WELLNESS
We have a young and active staff and provide fitness classes and a full on-site gym. The gym was an upfront investment that adds huge value and helps keep our employees healthy and focused. There is also a salon onsite, and employees are given one free service of their choice per month. Our salon promotes overall wellness and work-life balance.

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THE WOMEN OF MALOUF: The Women of Malouf organization has a mission to empower successful women by leveraging our full talents, capitalizing on leadership opportunities, finding solutions to important issues, and driving meaningful change.

Our vision is to create a supportive, progressive environment for women through a framework of leadership opportunities and empowering events so that female employees continue to grow at Malouf through critical life and family stages.

During the company’s process of becoming a Certified B Corporation, we adopted one of the United Nation’s Sustainable Development Goals. Out of 17 options, Malouf leaders chose Gender Equality.

Our primary goal is to support and advance diversity and inclusion in the workplace. Here are some of our highlights from 2019:

1. SPEAKER SERIES: The Women of Malouf Speaker Series started last year. Our first speaker was co-founder Kacie Malouf, followed by Stephanie Pack of the Economic Development Council of Utah. These events encourage the company to come together with a strong focus on professional development.

2. LEADERSHIP BOOK CLUB: The Women of Malouf Leadership Book Club focuses on impactful books by thought leaders in business. It also encourages readers throughout the company to open our minds to new ideas and experiences.

3. NEWSLETTER: These inspirational pieces build our community as women and as Malouf employees. Each edition shares a theme to help us focus on company values and unity. It’s important to note that the year 2020 marks the 100th anniversary of the passage of the 19th Amendment guaranteeing and protecting women’s constitutional right to vote. Many victories have been won since that historic moment. And many more victories are in our power to win.

In the words of Anne Frank, “How wonderful it is that nobody need wait a single moment before starting to improve the world.”

Meet the Women of Malouf

“Our primary goal is to support and advance diversity and inclusion in the workplace.”
CEO SAM MALOUF understands the power of a shared meal, so in our Logan headquarters nearly 300 employees share a daily lunch with made-to-order dishes provided by the Malouf Kitchen. The pillars of scratch cooking, sustainability, and freshness guide the rotating menu of more than 30 items.

We’re big believers in the garden-to-table philosophy. On our property, there’s a one-acre farm, 40 fruit trees, and a greenhouse.

We currently offset our yearly food bill by more than $10,000 dollars with the food we produce on-site. As the company grows, we’re utilizing our full-time gardener to expand to eight acres—shooting for at least 80 percent self-reliance.

In our gardens, regenerative agriculture will lead the way. We’re preparing for planting, improving our soil with compost from kitchen scraps, and planting nitrogen-fixing crops.
Sustainability Council

WE’VE FORMED an Environmental Sustainability Council made up of employees across departments to evaluate the effects we’re having on our planet. That includes analyzing our packaging for less plastic use, our facilities for ways we can conserve, and our manufacturing to build on our natural and sustainable raw material sourcing.

The Sustainability Council partnered with the executive team to build six goals that guide our initiatives.

REDUCING WASTE: Reduce landfill waste produced by 25 percent by 2022. Appoint a representative to research recycling best practices in their Malouf location and educate staff on those practices and the benefits.

REDUCING WATER USAGE: Reduce water use by 10 percent on a per-employee basis. Educate staff on water conservation initiatives and how they can make a difference.

PACKAGING: Analyze packaging to determine where sustainable choices can be made. Perform cost-benefit analysis of alternative packaging options and begin incrementally implementing findings by 2020.

MESSAGING: Expand sustainability messages across all brands and increase customer participation with blog, social campaigns, and partnerships. Implement on flagship brand by September 2019 and sister brands by 2020.

PERSONAL: Educate the Malouf staff on how to adopt sustainable practices in their own homes. Create five-minute segments to be presented monthly at company-wide weekly morning meetings and by 2021 create an hour-long, annual company training on a sustainability practice.

FACILITIES USAGE: Investigate alternative energy sources to spread the net-zero benefits of our Logan headquarters to U.S. distribution centers. We will implement changes to become 100 percent net-zero by 2035.

Malouf invests in sustainable initiatives—like reusable dishes, solar panels, and employee education—to further our commitment to the environment and decrease our footprint.

Moving Forward

Joining this amazing B Corp™ community has made one thing clear—we’ve got room to grow. Now, with these inspiring models to follow and new resources at our fingertips, we’re more ready than ever to move forward.

Our partnerships make us stronger every day. Thank you to all our retail partners and customers who continue to stick with us in these wild times. Let’s move forward together.
Annual Impact Report
2020