

# Code of Conduct



**embellence**  
GROUP

Embellence Group AB guidelines and requirements to work for a sustainable and conscious production with a fair and ethical value chain

# Introduction Embellence Group

Embellence Group, founded in 1905, is a leading European company in interior decoration with a focus on premium brands in the wallpaper segment, complimented by other color and pattern driven interior decoration such as textiles and rugs. Our products are sold in more than 100 markets around the world.

## Expectations on Code of Conduct

The principal aim of our Code of Conduct (hereinafter "CoC") is to help improve environmental, social & working conditions and a sustainable value chain. The range is from the Board of Directors and Executive management team of Embellence Group to all subsidiaries within the group and the supply chain. It is everyone's responsibility to have a positive influence and to adhere to the CoC. Business partners in cooperation with Embellence Group are responsible for communicating CoC to all employees and sub-contractors and their business partners.

The CoC of Embellence Group is mandatory and non-negotiable requirements that all our employees, our suppliers including sub-contractors and business partners must adhere to. CoC relies on mutual respect and trust between our business partners to create an ethical supply chain and a sustainable and conscious production. Embellence Group will not terminate any employment or business relationship for not fulfilling the scope of CoC unless we experience an unwillingness to put effort into complying with CoC. We believe that with good communication and keeping an open mind, we can mutually work with implement CoC successfully.

The CoC describes and sets out the ethical principles of the business carried out and conducted with Embellence Group. We have adopted CoC to ensure that all subsidiaries, affiliates and employees, suppliers, producers and partners are aware of our position on Corporate Social Responsibility (hereinafter "CSR") and what is expected in this regard.

We require all employees within Embellence Group, subsidiaries, affiliates and main partners within the value chain to:

- Read and understand our Code of Conduct.
- Sign a written acknowledgement of understanding.
- Ensure that both the content and the spirit of Code of Conduct are acted upon.

## Scope of the Code of Conduct

The CoC set up outlines the expectations for all our employees at Embellence Group as well as to subsidiaries, affiliates, suppliers and producers including their sub-producers and sub-suppliers. CoC shall apply equally to all employees (permanently employed) and workers (temporarily contracted), whether they are directly employed or hired by an employment agency. CoC should be upheld for both products and services. Our aim is to implement the CoC in close cooperation and continuous dialogue with our business partners, as we strongly believe that we can make a difference together.

This CoC is based on internationally agreed standards, primarily the Ten Principles of the Global Compact within four areas. The fundamental areas cover: Human rights, Work ethics, Environmental requirements and Anti-corruption. CoC is based and reflect our commitment to respect internationally agreed standards.

To further increase the transparency and strive for high business ethics within Embellence Group, CoC also include Embellence Groups whistleblowing function.

## Whistleblowing function

Our company strives to maintain a transparent business climate and high business ethics. We value the safety and respect of everyone affected by our business. Our whistleblowing service is an early warning system to reduce risks. It is an important tool to foster high ethical standards and maintain customer and public confidence in Embellence Group.

The whistleblowing service can be used by individuals who have reasonable grounds to believe that an incident of illegal activity, workplace malpractice or mismanagement or a contravention of CoC has



## AMBITION

At Embellence Group, we believe that environments affect our thoughts and feelings, whether we are at home, at work or on the go. Our ambition is to impact our surroundings through the power of design.

Our ambition is to be a leader in interior decoration with a focus on premium brands in wallpaper, complimented by other color and pattern driven interior decoration such as textiles and rugs.

## FOCUS

Our corporate focus is to ensure the successful long-term development of each of our Brands, while respecting their identity and autonomy.

As a Group we achieve this by providing the resources each Brand needs to develop, design and market their interior decoration products of the highest quality, while utilizing the synergies from the Group's economies of scale.



occurred, is occurring or is likely to occur. The purpose is to alert about serious risks of wrongdoing affecting people, our organization, society, or the environment.

With insurance that there will be no kind of retribution, employees and other stakeholders are encouraged to report any suspected case of misconduct or unethical behavior at any of the companies within Embellence Group. The report can include information regarding criminal offences, irregularities and violations or other actions in breach of EU or national laws, within a work-related context.

Embellence Group's whistleblowing function is set up to allow fully anonymous reporting of any concerns or potential non-compliance. It is important to include information about where and to whom the reported incident occurred. There is no need for proof of your suspicion, hence, all reporting must be done in good faith and not cause psychological harm to anyone.

How it works:

- After submitting a report using whistleblowing function, it will be handled, investigated and followed-up properly and discretely by a mandated person, ensuring anonymity and confidentiality throughout the process
- When you report through our web-based tool you can monitor your case through the portal.
- It is voluntary to share your personal information but remember that this makes you non-anonymous.
- Retaliation of any kind against any whistleblower is a violation of Embellence Group's Code of Conduct and will not be tolerated.

### Legal compliance and Code of Conduct

Embellence Groups CoC and principles are based on and committed to the Ten Principles of United Nations Global Compact, UN's conventions on human rights as well as the OECD Guidelines for Multinational Enterprises. Employee, suppliers and producers must fully comply with all applicable local, national and international laws, rules and regulations including, but not limited to, those relating to basic rights and decent working conditions, health and safety regulations and immigration regulations.

Embellence Group complies with local laws and regulations of each country in which we operate. This CoC sets up a minimum requirement. If provisions in other laws, regulations or rules either local, national or international, have a more stringent position to CSR matters mentioned in this CoC, those shall be observed and complied with. In situations where neither the law nor CoC gives guidance, the UN Global Compact principles shall prevail. In cases of conflict between this CoC and a mandatory local regulation, the regulation shall prevail.

Should Embellence Groups requirements contradict national laws or regulations, the law shall always be complied with and prevail. In such cases, the supplier shall immediately inform Embellence Group.

### Compliance with laws and sanctions

All business activities conducted within Embellence Group must fully comply with local laws and regulations applicable where we operate. Embellence Group is committed to adhering to all sanctions and trade restrictions imposed from time to time by national governments and institutions such as but not limited to the European Union (EU), the United Kingdom, the United States of America and the United Nations (UN). Employees, partners and contractors shall be aware of and act in accordance with such trade restrictions at all times. For avoidance of doubt, this includes, among other, refraining from conducting business with sanctioned countries or physical person where applicable, as well as within specified areas subject to sanctions that may affect our business, products or services.

### Factory approval

Supplier must inform of all factories/manufacturing units intended for Embellence Group subsidiaries. No orders can be placed unless the factory has been accepted. Unauthorized sub-contracting (outsourcing) is a severe breach of our CoC. Details of all factories, including all levels of sub-contracting shall be provided upon request.

## Human Rights

Referring to UN Global Compact's Principle 1 and 2

Fundamental human rights shall be known, understood and respected and be applied equally to all workers, whether employees (permanently hired) or workers (temporarily contracted or casual workers).

### Employees fundamental rights

All employees and workers should be entitled to fundamental human rights, which shall be known, understood, respected and applied equally. Employees and business partners throughout the value chain must be informed of their fundamental rights in a language they understand.

### Health and Safety

The working environment shall be safe and healthy. Adequate steps to prevent accidents and injury to health shall be taken by minimising the causes of hazards inherent in the working environment and by providing appropriate safety equipment.

### Physical abuse

Nobody shall be subject to corporal punishment, physical, sexual, psychological or verbal harassment or abuse.

### Discrimination and equal treatment

There shall be no discrimination, whether active or by means of passive support, whether based on ethnicity, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, maternity or age.

## Labour rights and fair labour conditions

Referring to UN Global Compact principles 3, 4, 5 and 6

### Forced labour

Embellence Group does not accept any form of slavery, forced or compulsory labor or human trafficking in our own operations or business relationships. Nor shall employees or workers be required to lodge deposits or original identity papers upon e.g. starting employment. We are conti-

nuously conducting self-assessments and risk assessments on our suppliers and partners within the supply chain. We are only cooperating with third parties that ensure compliance with this CoC and will not contract or purchase materials from business partners using any type of forced or bonded labor.

### Child Labour

It is strictly forbidden to use children for work in our own facilities or in the operation of any business partner. A child refers to any person below 15 years of age, unless minimum age law stipulates a higher age.

### Freedom of Association

We respect all our employees right to form and join organizations of their choice and to bargain collectively in accordance with the laws of the country in which they are employed. We expect from all partners in supply chain to recognise and respect the right to free association without unlawful interference and reprimands.

### Employee contracts, minimum wages and working hours

At Embellence Group we acknowledge and respect that laws and regulation are different in countries we operate in. We do not engage in suppliers that do not comply with local laws and regulation regarding working hours and minimum wages.

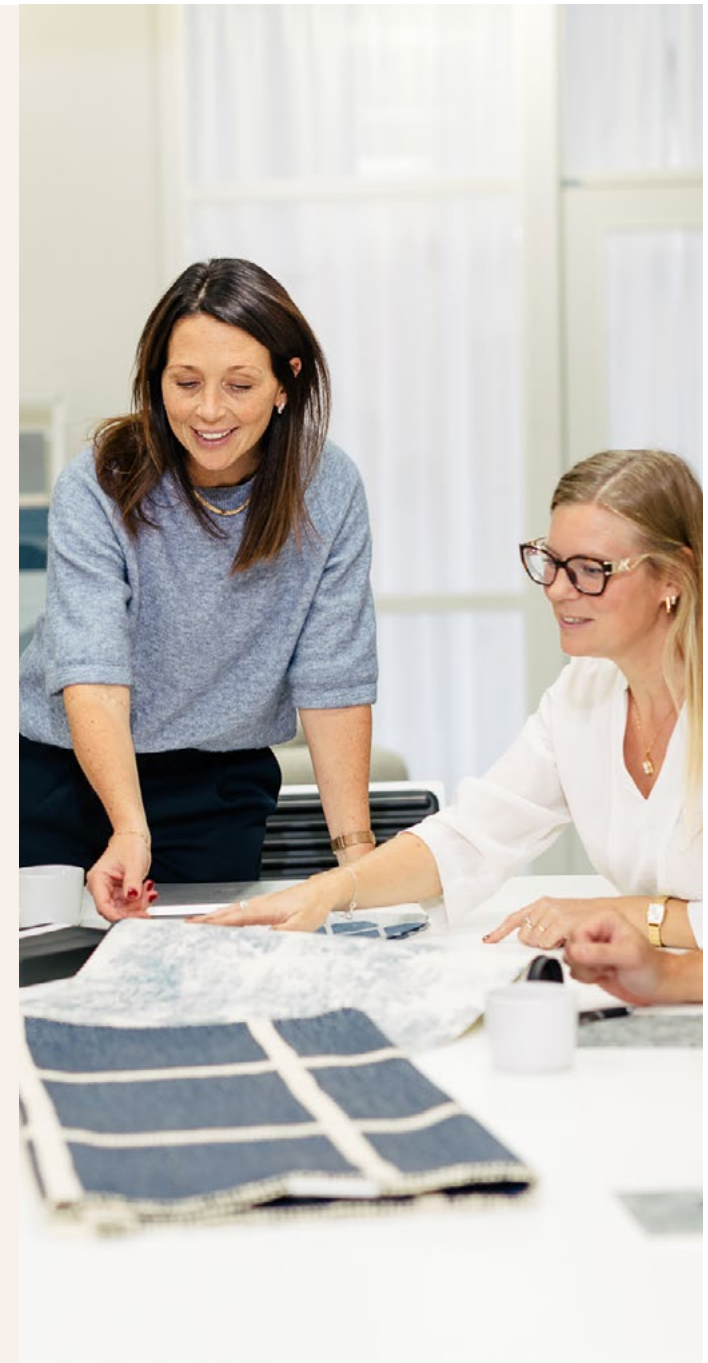
All employees and workers shall have written contracts specifying the terms of employment in a language understood by the employee.

Wages paid for a standard working week always meet at least statutory minimum wage, prevailing industry wage or wage negotiated in collective bargaining agreements, whichever is higher. All employees and workers shall have the right to equal pay for equal work.

Hours of work shall comply with applicable national laws and business standards, overtime shall be voluntary.

### Discrimination and harassment

Embellence Group will not tolerate any kind of discrimination with regard of race, skin colour, religion, political, sexual orientation, gender, national origin or social rank or status. Discrimination or mental harassment is





also a source for unstable social relations and affects not only businesses but also communities negatively. All leaders and managers are responsible for ensuring that these conditions do not exist. It is a responsibility for all individuals within the Embellence Group to behave, preserve and respect these terms. We do not engage in businesses or with suppliers, sub-contractors or any other business relationships where discrimination and harassment are tolerated. Sexual harassment, abuse or unwelcome sexual invites are strictly prohibited and will be followed up with disciplinary actions and reprimands.

### Health and Safety work environment

Embellence Group are committed to ensuring a safe and healthy working environment, both physical as well as psychosocial for all employees as well as for all our partners in the supply chain. Local rules and regulations should be complied with. Risk analysis and incident reporting are systematic and continuously carried out with the purpose of improving our working environment. It is the responsibility of each manager within and partner to Embellence Group to know and comply with all health & safety rules, policies and procedures in their working area. Personal protective equipment is issued whenever needed and must be used. We do not tolerate use of alcohol, narcotics or misuse of medicines during work. It is zero tolerance of any violence or threat against employees, visitors, customers, suppliers or any others at workplace at Embellence Group or at any partners. Managers should be given delegated responsibility to monitor, perform risk assessments and make superiors aware of improvement potentials beyond regulatory imposed processes.

### Sustainability & Environment

Referring to UN Global Compact's Principle 7, 8 and 9

At Embellence Group we are convinced that, through a long-term focus on sustainability with a social, environmental and economic perspective, we can promote lasting, responsible and sustainable development. Our sustainability activities encompass the entire value chain, are integrated into both strategic and everyday activities and permeate all of our operations.

Embellence Group's sustainability agenda – "Embellish with Excellence" – includes the Group's most important environmental, social and ethical aspects. The name captures the Group's main objective. This motto also represents our approach for continually working with a long-term perspec-

tive, and protecting and respecting the environment, society and people. We continuously seek improvements in aspects below and encourage our business partners to follow the same path.

### Material and Product

Best practices for minimising the impact on the environment is a key focus for Embellence Group. The best environmental solutions when developing our business and products should be sought. We will look for and prioritize suppliers, products and materials with low environmental impact, considering the whole lifecycle. We will explore and evaluate new solutions continuously and engage with our business partners to come up with new ideas.

### Energy consumption

We continuously work on reducing energy and improve efficiency in energy consumption. Efforts should be made to reduce energy consumption and to introduce fossil free energy from renewable sources when possible. Environmental impact should be evaluated and always aim to develop sustainable processes and practices.

### Waste management

Amount of waste should constantly strive to be reduced. The waste generated should be treated and handled in the most sustainable way. Always aim to explore new way to optimal reuse, recycle or dispose to reduce footprint. Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials. Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required per national law prior to discharge or disposal. Any discharge or disposal must take place with the highest national standard regarding preserving the environment.

### Chemicals and hazardous substances

A minimum use of hazardous chemicals and substances (e.g pesticides) should be ensured in the operations. However, when such chemicals or substances are used, a safe and correct handling and disposal to protect people and the environment is required.

## Transport and Travel

When choosing transport and travel, we will try to use the one with the lowest environmental impact. When possible, we will conduct meetings without travel, using video and phone conference solutions instead. When ordering services that involve transportation, we will consider all aspects and prioritize methods that minimize the environmental impact.

## Anti-corruption

Referring to UN Global Compact's Principle 10

### Corporate Governance

We believe that creation of sustainable financial value is made by managing business operations in a sound way. Therefore, it is of utmost importance to act in a financially ethical way when running the daily business and transparent and consistent corporate governance practices should be applied.

### Anti-corruption, bribes and gifts

Embellence Group has a zero-tolerance policy towards bribery. We do not accept the offering, request or acceptance of bribes, extortion or money laundering and encourage our employees to avoid situations where loyalty to the company may come into conflict with other personal interests. Neither Embellence Group, our subsidiaries, employees nor anyone acting on our behalf may give, promise, authorize, offer or make available payments or gifts that could affect or appear to affect business decisions or actions.

No employee may offer, ask, give or accept, directly or indirectly, any undue advantage for personal gain from any third party, unless it can be accepted within the boundaries of international and national legislations and accepted business practices.

### Fair competition

We compete for business vigorously but honestly and in compliance with competition laws, we do not engage in illegal industrial co-operation or cartels. We embrace free and open competition. Employees and partners should be careful not to engage in restrictive practices or otherwise act in contravention with anti-trust laws if meeting competitors.

## Fraud, extortion, money laundering and other related crimes

Applicable national and international regulations aiming at preventing, detecting and remedying economic crime and particular fraud, extortion, money laundering and other related crimes, shall be ensured to be followed. Embellence Group is committed to comply with laws against money laundering and terrorism financing which are in place in most countries worldwide. Money laundering occurs when funds or other assets originating directly or indirectly from a criminal offense are placed in the economy, making their source appear legal.

## Consequences and reporting violations

It is the responsibility of Embellence Groups managers to make sure that both the content and the spirit of this CoC are communicated, understood and acted upon within the organisation of Embellence Group, subsidiaries, affiliates and supply chain connected to ensure that employees and partners reveal behaviour that may be non-compliant with CoC. Serious violation will be managed by each business unit's management team. Producers, suppliers or other partners to Embellence Group are encouraged to raise any matter of concern with regards to CoC directly with Embellence Group.

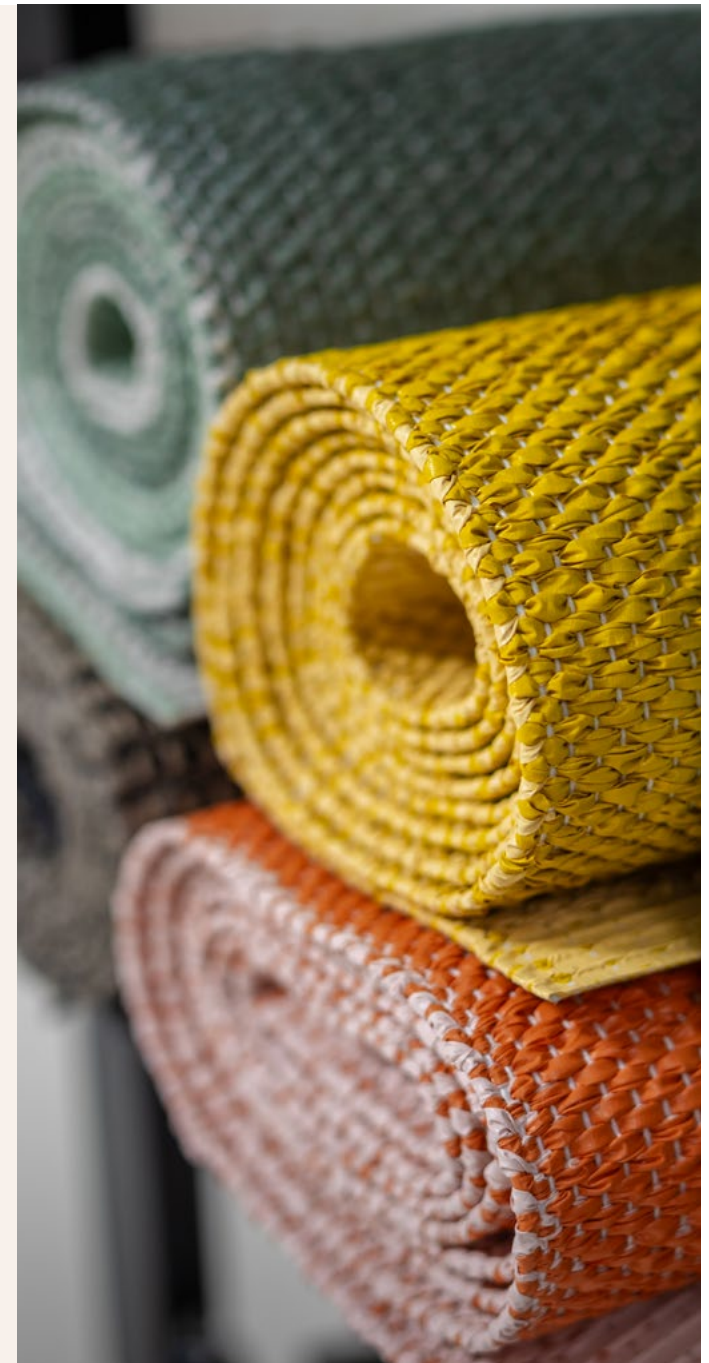
Embellence Group do not automatically terminate employment or engagement agreement if full compliance is not achieved of CoC but is expecting corrective actions within agreed period of time. Hence seriously violations of the CoC may result in direct termination or legal actions. Embellence Group or appointed auditors reserves the right to, at any chosen moment, visit subsidiaries, affiliates, suppliers or partners in order to ensure compliance of this CoC. Such visits can be made both with and without prior notice.

If a suspicion or violation of CoC occurs or is likely to occur, this must immediately be reported to Embellence Group at below contact information, contact closest manager within Embellence group or using the whistleblowing function.

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