

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, complemented by other colour- and pattern-driven interior decoration products such as textiles and rugs. Our products are sold in more than 100 markets around the world.

Expectations regarding the Code of Conduct

The principal aim of our Code of Conduct (hereinafter referred to as “CoC”) is to help improve environmental, social and working conditions and to promote a sustainable value chain. The scope covers everyone from the Board of Directors and the Executive Management Team of Embellence Group throughout all subsidiaries within the Group as well as the supply chain, and it is everyone’s responsibility to have a positive influence on compliance with and to adhere to the CoC. Business partners working in cooperation with Embellence Group are responsible for communicating the CoC to all employees, subcontractors and their own business partners.

The CoC of Embellence Group sets out mandatory and non-negotiable requirements that all our employees, suppliers (including subcontractors) and business partners must adhere to, and it relies on mutual respect and trust in order to create an ethical supply chain and a sustainable and responsible production. Embellence Group will not terminate any employment or business relationship solely due to failure to fulfil the requirements of the CoC unless there is an unwillingness to actively work towards compliance, as we believe that through good communication and an open mindset, we can work together to implement the CoC successfully.

The CoC defines the ethical principles governing all business conducted with Embellence Group and has been adopted to ensure that all subsidiaries, affiliates, employees, suppliers, producers and partners are aware of our position on Corporate Social Responsibility (hereinafter “CSR”) and the expectations associated with it.

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

- Read and clearly understand our Code of Conduct.
- Sign a written confirmation of understanding.
- Ensure that both the content and the underlying intent of the Code of Conduct are fully respected and applied.

Scope of the Code of Conduct

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

This CoC is based on and reflect internationally agreed standards, primarily the ten Principles of the Global Compact across four areas. The core areas cover: Human rights, Business ethics, Environmental requirements and Anti-corruption. The CoC reflects our commitment to respect internationally agreed standards.

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

Whistleblowing Function

Our company strives to maintain a transparent business climate and high standards of business ethics. We value the safety and dignity of everyone affected by our business. Our whistleblowing service is an early warning system designed to mitigate risks. It is an important tool for promoting high ethical standards and for maintaining 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, mismanagement, or a contravention of the CoC has occurred,



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 wallpaper brands, complemented by other colour- and pattern-driven interior decoration products 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 at the highest quality, while utilising the synergies from the Group’s economies of scale.



is occurring, or is likely to occur. The purpose is to raise awareness of serious risks of wrongdoing affecting people, our organisation, society, or the environment.

With the assurance that there will be no form of retribution, employees and other stakeholders are encouraged to report any suspected instances of misconduct or unethical behaviour at any of the companies within Embellence Group. The report may include information regarding criminal offences, irregularities, breaches, or other actions in violation of EU or national laws, within a work-related context.

Embellence Group's whistleblowing function is designed 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 relates. There is no requirement to provide proof of your suspicion; however, all reporting must be made in good faith and must not cause psychological harm to anyone.

How it works:

- After submitting a report using the whistleblowing function, it will be handled, investigated, and followed up appropriately and discreetly by a mandated person, ensuring anonymity and confidentiality throughout the process.
- When you report through our web-based tool, you can monitor your case via the portal.
- It is optional to share your personal information; however, please note that this will make you non-anonymous.
- Any form of retaliation against a whistleblower is a violation of Embellence Group's Code of Conduct and will not be tolerated.

Legal compliance and Code of Conduct

Embellence Group's Code of Conduct and principles are founded on and aligned with the Ten Principles of the United Nations Global Compact, the UN conventions on human rights, as well as the OECD Guidelines for Multinational Enterprises.

Employees, suppliers and manufacturers must fully comply with all applicable local, national and international laws, rules and regulations, including but not limited to those concerning fundamental rights and decent working conditions, health and safety legislation, and immigration regulations.

Embellence Group complies with the local laws and regulations of every country in which it operates. This Code of Conduct establishes minimum requirements.

Where provisions in other laws, regulations or rules, whether local, national or international, impose more stringent requirements regarding corporate social responsibility than those stated in this Code of Conduct, such provisions shall be observed and complied with. In situations where neither the law nor this Code of Conduct provides guidance, the principles of the UN Global Compact shall prevail.

In the event of any conflict between this Code of Conduct and mandatory local regulations, the local regulations shall prevail.

Should Embellence Group's requirements conflict with national laws or regulations, the law shall always be complied with and take precedence, and in such cases the supplier shall immediately inform Embellence Group.

Compliance with laws and sanctions

All business activities conducted within the Embellence Group must fully comply with the local laws and regulations applicable in the jurisdictions 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 including, but not limited to, the European Union (EU), the United Kingdom, the United States of America (USA) 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 the avoidance of doubt, this includes, among other things, refraining from conducting business with sanctioned countries or individuals where applicable, as well as operating in specified areas subject to sanctions that may affect our business, products or services.

Factory approval

Suppliers must inform us of all factories/manufacturing units intended for Embellence Group subsidiaries. No orders may be placed unless the factory has been approved. Unauthorised subcontracting (outsourcing) is a severe breach of our Code of Conduct (CoC). Details of all factories, including all levels of subcontracting, shall be provided upon request.

Human Rights

With reference to the UN Global Compact Principles 1 and 2.

Fundamental human rights must be known, understood and respected and shall be applied equally to all workers, whether permanent employees or temporary, agency or casual workers.

Employees' Fundamental Rights

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

Health and Safety

The working environment must be safe and healthy. Appropriate measures shall be taken to prevent accidents and health-related injuries by reducing workplace hazards and by providing suitable protective and safety equipment.

Physical abuse

No individual shall be subject to corporal punishment, or to any form of 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, nationality, religion, disability, sex, sexual orientation, trade 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 labour, or human trafficking in either our own operations or our business relationships. Nor shall employees or workers be required to provide deposits or surrender original identity papers when, for example, starting employment. We continuously carry out self-assessments and risk assessments of our suppliers and partners throughout the supply chain.

We only cooperate with third parties that demonstrate compliance with this CoC and do not engage in forced or bonded labour of any kind.

Child Labour

It is strictly forbidden to use child labour in our own facilities or in the operations of any business partner. A child refers to any person under 15 years of age, unless national minimum-age legislation stipulates a higher age.

Freedom of Association

We respect the right of all employees to form and join organisations of their choice and to bargain collectively in accordance with the laws of the country in which they are employed. We expect all supply-chain partners to recognise and respect the right to freedom of association without unlawful interference or retaliation.

Employee contracts, minimum wages and working hours

At Embellence Group we acknowledge and respect that laws and regulations vary between the countries in which we operate. We do not engage with suppliers that do not comply with local laws and regulations regarding working hours and minimum wages.

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

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

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

Discrimination and harassment

Embellence Group will not tolerate any kind of discrimination with regard to race, skin colour, religion, political opinion, sexual orientation, gender, national origin, or social rank or status. Discrimination or psychological harassment is also a source of 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 the responsibility of all individuals within the Embellence Group to behave in accordance with and respect these terms. We do not engage in business or with suppliers, sub-contractors, or any other business relationships where discrimination and harassment are tolerated. Sexual harassment, abuse, or unwelcome sexual advances are strictly prohibited and will be followed up by disciplinary actions and reprimands.

Health and Safety work environment

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

Sustainability & Environment

Referring to the UN Global Compact's Principles 7, 8 and 9.

At Embellence Group, we are convinced that, through a long-term focus on sustainability from 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 day-to-day 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 to continually working with a long-term perspective, and to protecting and respecting the environment, society and people. We continuously seek improvements in the aspects outlined below and encourage our business partners to follow the same path.

Material and Product

Best practices for minimising the impact on the environment are a key focus for Embellence Group. The best environmental solutions in the development of our business and products shall be sought. We will seek to prioritise suppliers, products and materials with a low environmental impact, taking into account the entire life cycle. We will continuously explore and evaluate new solutions and engage with our business partners to develop new ideas.

Energy consumption

We continuously work on reducing energy consumption and improving efficiency. Efforts shall be made to reduce energy consumption and to introduce fossil-free energy from renewable sources where possible. Environmental impact shall be evaluated, and we will always aim to develop sustainable processes and practices.

Waste management

The amounts of waste should constantly be reduced. The waste generated should be treated and handled in the most environmentally sustainable way. Always aim to explore new ways to optimise reuse, recycling or disposal in order to reduce environmental impact. Waste of all types, including water and energy, should be reduced or eliminated at the source or through practices such as modifying production, maintenance and facility processes, material substitution, conservation, recycling and reuse of materials. Wastewater and solid waste generated from operations, industrial processes and sanitation facilities must be monitored, controlled and treated in accordance with national legislation prior to discharge or disposal. Any discharge or disposal must take place in compliance with the highest national standards for environmental protection.

Chemicals and hazardous substances

The use of hazardous chemicals and substances (e.g. pesticides) should be minimised in operations. However, when such chemicals or substances are used, safe and proper handling and disposal procedures are required to protect people and the environment.

Transport and Travel

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

Anti-corruption

Referring to the UN Global Compact's Principle 10.

Corporate Governance

We believe that the creation of long-term sustainable financial value is achieved by managing business operations in a responsible and sound manner. Therefore, it is of utmost importance to act in a financially and ethically responsible way when running day-to-day operations, and transparent, consistent corporate governance practices must be applied.

Anti-corruption, bribes and gifts

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

No employee may offer, request, give or accept, directly or indirectly, any undue advantage for personal gain from any third party, unless such actions are permitted under applicable international and national legislation and align with accepted business practices.

Fair competition

We compete for business vigorously but fairly and in compliance with competition laws and 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 of anti-trust laws when meeting with competitors.

Fraud, extortion, money laundering and other related crimes

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

Consequences and reporting violations

It is the responsibility of Embellence Group's managers to ensure that both the content and the spirit of this Code of Conduct (CoC) are communicated, understood and complied with throughout Embellence Group, its subsidiaries, affiliates and supply chain, in order to ensure that employees and partners report behaviour that may be non-compliant with the CoC. Serious violations will be managed by the management team of the relevant business unit. Producers, suppliers or other partners of Embellence Group are encouraged to raise any concerns regarding the CoC directly with Embellence Group.

Embellence Group does not automatically terminate employment or engagement agreements if full compliance with the CoC is not achieved, but expects corrective actions to be taken within an agreed period of time. However, serious violations of the CoC may result in immediate termination and/or legal action. Embellence Group or appointed auditors reserve the right to, at any time, visit subsidiaries, affiliates, suppliers or partners in order to verify compliance with this CoC. Such visits may be carried out with or without prior notice.

If a suspected or actual violation of the CoC occurs or is likely to occur, this must be reported immediately to Embellence Group using the contact details below, by contacting the closest manager within Embellence Group, or by using the whistleblowing function.

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