

Sustainability & Environmental Policy



embellence
GROUP

Embellence Group AB's commitment, guidelines, and requirements
for operating sustainably with respect for the environment.

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 such as textiles and rugs. Our products are sold in more than 100 markets around the world.

Our promises

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 and are integrated into both strategic and day-to-day activities and permeate our operations. The basis of our efforts is the high-quality products from our brands, which are responsibly manufactured and promote a more beautiful, more inspiring everyday life for people around the globe.

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 perspective, and protecting and respecting the environment, society and people. We continuously seek improvements in all of the aspects further explained below and encourage our business partners to follow the same path. Our Code of Conduct serves as a foundation for our promises and should be adhered to by all employees, the supply chain and business partners throughout the world.

Scope of the Sustainability & Environmental Policy

This policy applies to all subsidiaries within the Embellence Group, regardless of whether products are manufactured on-site or purchased. The policy covers our own operations as well as the sourcing and procurement of externally supplied products and services, including supply chain relationships. This policy defines the Embellence Group's approach

to managing and reducing its environmental footprint throughout the entire value chain. The foundation on which the Embellence Group's Sustainability & Environmental Policy is based is the Environmental, Social and Governance (ESG) framework.

Purpose

The purpose of this policy is to provide a clear framework for how Embellence Group integrates sustainability into all aspects of its business. We are committed to creating long-term value by addressing the three key dimensions of ESG: environmentally, by reducing our climate impact and using resources responsibly; socially, by ensuring safe and inclusive workplaces and respecting human rights throughout our value chain; and through governance, upholding strong ethical standards, transparency, and accountability in our decision-making. By embedding ESG principles into our strategy and daily operations, we aim to drive resilience, foster innovation, and contribute positively to society and the environment while delivering sustainable growth.

As an interior decoration group, we recognise our responsibility to create sustainable value for our customers, employees, partners, and society at large while respecting people, society, and the planet. This policy sets the framework for how we integrate sustainability and environmental responsibility into all aspects of our operations, from product development and sourcing to manufacturing, distribution, and sales. This policy defines Embellence Group's approach to managing and reducing our environmental footprint throughout the entire value chain.



AMBITION

At Embellence Group, we believe that environments affect our thoughts and feelings, whether we are at home, at work or travelling. 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 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 making use of the synergies from the Group's economies of scale.



Implementation

All companies within Embellence Group are expected to embed this policy into their daily operations and decision-making. Managers are responsible for ensuring compliance, and employees are encouraged to actively contribute to achieving our sustainability and environmental ambitions. We will engage with our business partners to ensure our Sustainability & Environmental Policy will be incorporated into our entire value chain, both upstream and downstream.

Framework and governance

Creating a sustainable way of working means taking environmental, social and financial aspects into account in our business decision-making and integrating them throughout the entire value chain. Embellence Group's sustainability activities encompass the entire value chain and are integrated into both strategic and everyday activities, permeating all our operations. The foundation of our view on social responsibility is the UN's conventions on human rights, to which we are fully committed. We work to actively promote human rights throughout our value chain to ensure that not only we, but also our business partners, incorporate sustainable strategic decision-making.

A key part of Embellence Group's sustainability work is the annual assessment of our impacts, risks and opportunities across our operations and value chain. This assessment helps us identify the sustainability matters that are most significant for our business and for the people and environments affected. Our sustainability focus is guided by the areas where our activities have the greatest potential to cause harm or create positive outcomes. These areas include climate change, pollution, resource use and circularity, our own workforce, workers in the value chain, and responsible business conduct. By understanding how our operations influence environmental, social and economic conditions throughout the value chain, we can prioritise actions that reduce negative impacts and strengthen long-term, sustainable value creation.

It is the responsibility of the Board of Directors to ensure that sustainability is integrated into corporate governance within Embellence Group. Embellence Management is responsible for annually reviewing our impact, risks and opportunities to ensure that sustainability is integrated into Embellence Group's corporate governance matters and strategic

decisions within Embellence Group. The Embellence Management team is responsible for ensuring that all business activities in the value chain are compliant with international, EU and national and local regulations. Long-term sustainability and environmental goals are set by the Board of Directors. Targets to achieve the goals will be outlined by the Embellence Management team and approved by the Board.

Sustainability commitments

We are committed to responsible growth that not only delivers profitability but also contributes to social progress while minimising negative environmental impact. Our business is founded on ethical conduct, ensuring full compliance with applicable laws, respect for human rights, and the highest standards of integrity across our operations and supply chain. This is outlined in Embellence Group's Code of Conduct, which acts as a foundation for our way of working. We maintain an open and constructive dialogue with employees, customers, suppliers, and communities, fostering trust and creating shared value with stakeholders. At the same time, we actively promote innovation in products, processes, and materials to enhance resource efficiency, advance reuse, and support the transition towards a more circular economy. Embellence Group's sustainability commitments cover our own workforce and workers in the value chain, as well as sustainable governance.

- Ensure commitment within Embellence Group and the entire supply chain to the ten principles of the United Nations Global Compact by upholding our Code of Conduct. Strategically integrate Embellence Group's policies and work closely with our own and suppliers' workforce to ensure compliance with the Embellence Code of Conduct.
- Contribute positively to the communities where we operate through responsible business practices and social engagement.
- Increase transparency in our supply chain and encourage suppliers to adopt sustainable practices by implementing self-assessments and conducting audits, both scheduled and unannounced.
- Monitor and follow up on all discrimination cases within Embellence Group. A target of zero reported cases encourages an open and inclusive workplace for all employees.

- Monitor and follow up on all work-related incidents and accidents within Embellence Group to create a safe working environment.
- An annual strategic skills development programme for all employees of Embellence Group to promote and encourage self-development and enable employees to reach their full potential.

Environmental commitment

Embellence Group has developed an environmental strategy that must permeate the company's entire business. We are committed to reaching our goal to reduce emissions in line with the Paris Agreement and to reduce global warming. Compliance with laws and regulations in the countries we operate in is a minimum requirement. Embellence Group's carbon footprint intensity measurement (CO₂e/MSEK in revenue) is the primary performance indicator in our strategic decision-making in everything we do. We continuously identify, evaluate and incorporate more sustainable alternatives in energy use, materials and partners within the supply chain that are aligned with our path. Our ambition is high and goes beyond continuous improvement, where we see that successful environmental performance is driven through participation and transparency.

- CO₂ emissions – Embellence Group follow the SBT pathway to reduce CO₂ emissions within Scope 1 and 2 by 50% by 2030. To achieve this target, we measure our emissions according to the Greenhouse Gas Protocol.
- Material and products – At Embellence Group we prioritise suppliers, products and materials with low environmental impact, considering the whole life cycle. This means that the products, if possible, should be made from recycled, renewable and durable materials that are safe, have a low carbon footprint and are long-lasting. We will explore and evaluate new solutions, encourage new technology and replace mate-

rials with better alternatives and designs to optimise material usage. We engage with and encourage our business partners to come up with new ideas.

- Waste – Embellence Group is committed to reducing waste annually by 5% by 2030. We will continuously strive to minimise waste from our operations. Any discharge or disposal must take place in accordance with the highest national standards for preserving the environment. We accurately measure generated waste and explore optimal ways of recycling or disposing of it. The entire production and supply chain are involved collaboratively to find new ways of reducing waste throughout the value chain.
- Energy consumption and renewable energy – Whether manufacturing of products takes place within Embellence Group subsidiaries or affiliates, the aim is to reduce energy consumption, improve efficiency and actively promote sustainable and renewable solutions. We will evaluate the environmental impact of our business decisions and always seek to develop sustainable processes and practices.
- Chemicals and hazardous substances – Minimal use of hazardous chemicals and substances (e.g., pesticides) should be ensured in the operations. However, when such chemicals or substances are used, safe and correct handling and disposal are required to protect people and the environment.
- Transport and travel – When choosing transport and travel, we will always try to use options with the lowest environmental impact. When possible, we will hold meetings without travel, using video and telephone conferencing solutions instead. When ordering services that involve transportation, we will consider all aspects and prioritise methods that minimise the environmental impact.



