

# 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, 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.

## 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 is integrated into both strategic and everyday 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 serve as a foundation in 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 Embellence Group, regardless of whether products are manufactured on sites or purchased. Policy covers our own operations as well as the sourcing and procurement of externally supplied products and services as well as supply chain relationships. This policy defines Embellence Group's approach to managing and reducing our environmental footprint throughout the entire value

chain. The foundation in which Embellence Groups Sustainability & Environmental policy relies on is the Environmental Social and Governance framework (ESG).

## 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 by 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 recognize our responsibility to create sustainable value for our customers, employees, partners, and society at large while respecting people, society and 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 Groups' 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 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.



## 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 in our entire value chain, both upstream and downstream.

## Framework and governance

In order to create a sustainable way of working means taking the environment, social and financial aspects into account in our business decision making and integrating in the entire value chain. Embellence Group sustainability activities encompass the entire value chain and are integrated into both strategic and everyday activities and permeate all our operations. The foundation of our view on social responsibility is the UN's conventions on human rights, which we are fully committed to. We work to actively promote human rights throughout our value chain to ensure that not only us, 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 we affect. 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 prioritize 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 to annually review our impact, risks and opportunities to ensure that sustainability is integrated into Embellence Groups corporate governance matters and strategic deci-

sions within Embellence Group. Embellence Management team is responsible that all business activities in 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. Target to achieve goals will be outlined by 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 minimizing 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 that acts as a foundation in 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 and advance reuse and support the transition toward a more circular economy. Embellence Groups sustainability commitments cover our own workforce and workers in the value chain as well as sustainable governance

- Ensure commitment within Embellence Group and entire supply chain to the ten principles in the United Nations Global Compact by upholding our Code of Conduct. Strategically incorporate Embellence Group's policies and work closely with our own and supplier's workforce to ensure compliance with 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 adopting self-assessment and perform audit both scheduled and without prior notice.
- Monitor and follow up on all discrimination cases within Embellence Group. Target of zero reported cases encourage 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 work environment.
- An annual strategic competence development plan for all employees of Embellence Group to promote and encourage self-development for 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 reaching our goal to reduce emissions in line with the Paris Agreement to reduce global warming. Compliance with law and regulation in countries we operate in is minimum achievement. Embellence Group's carbon footprint intensity measure (CO<sub>2</sub>e/MSEK in revenue) is the leading performance indicator in our strategic decision making in everything we do. Continuously we identify, evaluate and incorporate more sustainable alternatives in energy use, materials or partners within the supply chain that follow our path. Ambition is high and goes beyond constant improvement where we see that successful environmental performance is driven by participation and transparency.

- CO<sub>2</sub> emissions - Embellence Group has committed to follow the SBT path to reduce CO<sub>2</sub> emissions within Scope 1 & 2 with 50% by 2030. To achieve target, we measure our emissions according to the Greenhouse Gas Protocol.
- Material and products - At Embellence Group we prioritize suppliers, products and materials with low environmental impact, considering the whole lifecycle. 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 last a long time. We will explore and evaluate new solutions and encourage new technology and replace materials with better alternatives and designs to optimize material usage. We engage and encourage our business partners to come up with new ideas.

- Waste – Embellence Group are committed to reduce waste yearly by 5% by 2030. We will continuously strive towards minimizing waste from our operations. Any discharge or disposal must take place with the highest national standard regarding preserving the environment. We accurately measure generated waste and explore optimal ways of recycling or disposing of our waste. The entire production and supply chain is involved collaboratively to find new ways of reducing waste throughout the value chain.
- Energy consumption and renewable energy – weather manufacturing of products take place within Embellence Group subsidiaries or affiliates, 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 - 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 always 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.



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