

Sustainability Report

Rugvista is one of Europe's leading online rug retailers. Our mission, *We help people to a home they love*, entails a responsibility for how our products are developed, produced, and distributed.

Our impact arises across multiple stages of the value chain, from material selection and manufacturing to logistics and use by customers. Sustainability is therefore an integral part of our business and a core element of how we build Rugvista for the long term. We focus on the areas where our impact is greatest and where we have the strongest ability to drive improvement.

To strengthen transparency and traceability in the value chain, we have continued to develop our sustainability efforts and reporting. In 2025, Rugvista was certified according to GRS and RCS. The certification covers our handling and traceability of certified materials within the supply chain and enables the sale of products that meet the respective standards.

The report describes how we work with our most material sustainability topics, the targets we have set, and how progress is monitored through key metrics and concrete actions.

About the report

This sustainability report has been prepared in accordance with the Swedish Annual Accounts Act (Chapter 6). The reporting is based on the GRI Standards (2021). A GRI Content Index, including our Statement of Use, is published separately on rugvistagroup.com. The report covers Rugvista's own operations as well as material parts of the value chain, including the supply chain and logistics. The reporting period covers 1 January–31 December 2025. The report is published annually and is presented together with Rugvista's financial reporting. The previous sustainability report was published in April 2024.

“Combining design, quality, and responsibility is central to how we develop Rugvista. To me, sustainability is about focusing on the areas where we can make a real difference, from material choices and climate impact to working conditions in the supply chain. With clearer priorities and increased transparency, we strengthen both our business and our responsibility.”

Ebba Ljungerud, CEO Rugvista Group AB

Rugvista's sustainability strategy

Sustainability is a guiding principle in Rugvista's operations and shapes how we make decisions, develop our assortment, and collaborate across the value chain. Our approach aims to create long-term value by balancing sustainability ambitions with customer experience and competitiveness.

In 2025, we further developed our sustainability strategy and clarified our focus in the areas where our impact and business risks are greatest. The strategy is structured around three focus areas – Planet, People, and Governance – which reflect our most material sustainability topics and form the basis for targets, priorities, and follow-up.

- **Planet** covers our efforts to reduce environmental and climate impact through sustainable material choices, resource efficiency, reduced emissions, and an increased focus on circular solutions.
- **People** focuses on working conditions in the supply chain as well as a safe and inclusive work environment within our own organization.
- **Governance** covers responsible business conduct through codes of conduct, clear requirements, and structured follow-up. This means that work within Planet and People is carried out with clear governance, systematic follow-up, and in accordance with applicable regulations.

We implement the strategy through clear requirements in the supply chain, the material matrix as a guiding tool for product and material choices, validated climate targets, and continuous monitoring of key metrics. The priorities are based on Rugvista's double materiality assessment and are integrated into the company's risk management and strategic governance. Identified sustainability risks and opportunities form the basis for actions and follow-up and are reported in the Planet, People, and Governance sections, as well as specifically in the Sustainability Risks section.

The UN Sustainable Development Goals

Rugvista is a participant in the UN Global Compact and operates in line with the initiative's ten principles on human rights, labour standards, environment, and anti-corruption. The UN Sustainable Development Goals (SDGs) provide an overarching framework for our sustainability strategy.

Our prioritization of the Sustainable Development Goals has evolved over time. In 2025, we refined our selection of priority goals based on our double materiality assessment and our evaluation of where Rugvista has the greatest impact and the strongest opportunity to contribute in a measurable way.

Below, we present the Sustainable Development Goals that Rugvista prioritizes for the period 2025–2030, and how these are linked to our focus areas and targets.

Priority Sustainable Development Goals 2025–2030



SDG 12: Responsible consumption and production

Linked to: Resource use and circular economy (Planet)

Focus: Material choices and circular solutions

2030 target: 50% more sustainable materials (share of purchased weight)

See section Planet



SDG 13: Climate action

Linked to: Climate change (Planet)

Focus: Emissions reduction in our own operations and in the supply chain

2030 targets: -50% in Scope 1–2 emissions (base year 2019), Halve CO₂e per sqm of purchased rugs (base year 2021)

See section Planet



SDG 8: Decent work and economic growth

Linked to: Own workforce and workers in the value chain (People)

Focus: A safe and inclusive work environment internally, as well as social compliance, audits, and improvement plans among suppliers

2030 targets: Employee Engagement Index (EEI) 85, 100% of suppliers covered by our code of conduct and third-party audits

See section People



SDG 16: Peace, justice and strong institutions

Linked to: Responsible business conduct (Governance)

Focus: Transparency in the supply chain, anti-corruption, and responsible business relationships

2030 target: Full transparency across Tier 2 suppliers and zero tolerance for corruption

See section Governance

Rugvista's sustainability work is conducted in close collaboration with external initiatives and industry organizations. In addition to the priority Sustainable Development Goals, we also contribute to other goals through initiatives such as promoting equality and inclusion. These efforts are reported within Planet, People, and Governance but are currently not defined as priority SDGs.

Sustainability governance

Rugvista's sustainability work is governed through policies, codes of conduct, and measurable targets that are integrated into the company's strategy, risk management, and operational processes.

Our governing documents are based on international frameworks such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights (UNGP), the ILO's core conventions, and the OECD Guidelines.

The Board of Directors holds overall responsibility for sustainability governance. Operational responsibility is delegated to the CEO and the Management Team. The Chief Organization & Sustainability Officer (COSO) leads the sustainability work and reports to the CEO. The Sustainability Manager, who reports to the COSO, is responsible for day-to-day implementation and drives the work cross-functionally within the organization.

The COSO presents the company's sustainability work to the Board of Directors annually, including material topics, target achievement, and regulatory compliance. Sustainability-related risks and opportunities are monitored on an ongoing basis within the company's risk management framework.

Compliance in the supply chain is ensured through third-party audits conducted via amfori BSCI and Label STEP, as well as through training initiatives that support continuous improvement among suppliers. All employees receive sustainability training as part of their onboarding and are covered by the company's code of conduct.

Memberships, frameworks and certifications

Rugvista participates in several international initiatives and certification programmes that support our work on supplier responsibility, material choices, and regulatory compliance. These collaborations contribute to increased transparency, clearer requirements, and continuous improvement across the value chain.

amfori BEPI: An environmental initiative that supports suppliers in improving resource efficiency, chemical management, and reducing environmental impact through structured monitoring and self-assessment.

amfori BSCI: A global initiative for social compliance that strengthens working conditions in the supply chain through a shared code of conduct, risk assessments, training programmes, and third-party audits.

Care & Fair: A non-profit initiative within the rug industry that finances schooling, healthcare, and adult education in regions where hand-knotted rugs are produced.

Diversity Charter: A network and initiative that promotes increased diversity and inclusion in the workplace through knowledge sharing, training initiatives, and joint commitments related to equal treatment and non-discrimination.

Good Wool Collective: A Swedish initiative that promotes sustainable wool production through improved animal welfare, traceability, and collaboration across the value chain.

GRS (Global Recycled Standard) and RCS (Recycled Claim Standard): Certifications that verify and track recycled materials and set requirements for social, environmental, and chemical aspects of production.

Label STEP: A non-profit organisation that works to improve working conditions in the handmade rug industry through third-party audits, monitoring, and training initiatives for producers and home-based weavers.

OEKO-TEX® Standard 100: A product certification that verifies that materials meet strict requirements for chemical content and are tested for substances that may be harmful to human health.

RISE Kemikaliegruppen: An industry network that provides guidance on chemical management and environmental legislation. Compliance with the group's restricted substances list, in line with EU regulations, is a requirement for Rugvista's suppliers.

Svensk Handel (Swedish Trade Federation): A trade and employer organization representing retail companies in Sweden, providing support in labour law, collective agreements, training, statistics, and public affairs related to the long-term competitiveness and sustainability of the retail sector.

Textile Exchange: A global organization driving the development of more sustainable fibers, materials, and supply chains through industry collaboration and standard-setting.

UN Global Compact: A global initiative for responsible business based on ten principles covering human rights, labour standards, environment, and anti-corruption.

Read more about our collaborations at <https://www.rugvistagroup.com/sustainability/collaborations-and-memberships/>

Value chain and double materiality assessment

Rugvista’s value chain forms the basis of our double materiality assessment. By analyzing where in the value chain our impact, as well as our business risks and opportunities, arise, we can identify and prioritize the sustainability topics that are most material to the company.

Value chain

The value chain covers the entire lifecycle of our rugs, from design and material choices to production, transport, sales, and use by customers. The largest share of our environmental and climate impact arises from materials and manufacturing in the supply chain.

To reduce this impact, we work with clear supplier requirements, the development of more sustainable material choices, and initiatives that strengthen circularity through reuse and recycling. The value chain is a key foundation for our priorities within Planet, People, and Governance.



Double materiality assessment

In 2024, Rugvista conducted a double materiality assessment based on the principles of ESRS and CSRD. The assessment continues to form the basis for our sustainability priorities.

Although Rugvista is not currently subject to CSRD, we continue to develop our sustainability reporting in line with the principles of the EU regulatory framework. This work strengthens our ability to identify and manage sustainability-related risks and opportunities, while contributing to increased transparency and more structured reporting.

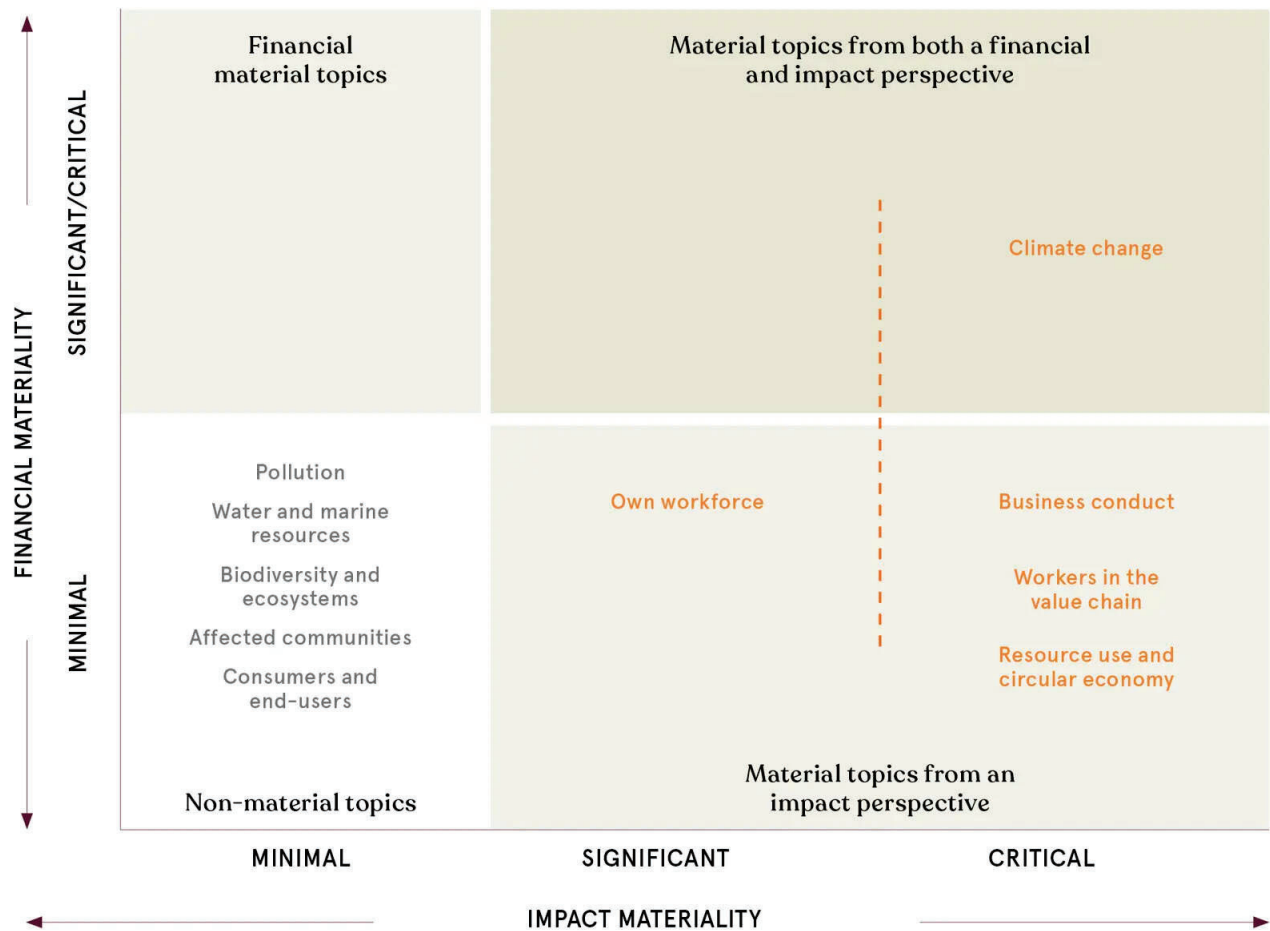
The assessment was based on a systematic mapping of actual and potential impacts, as well as an evaluation of financial risks and opportunities across the value chain. Stakeholder dialogue, internal workshops, and analysis of the business model were central components of the process.

The results have provided a clearer prioritisation of Rugvista’s most material sustainability topics and form the basis for our strategy, targets, and follow-up. The identified topics include both those that are material from an impact perspective and those that are financially significant to the company.

Process for the double materiality assessment



Below, Rugvista's material topics are presented based on the double materiality assessment (DMA). The diagram shows which topics have been assessed as material from an impact perspective, a financial perspective, or both.





Planet



Rugvista's environmental strategy is underpinned by the principle that responsible business practices are a prerequisite for long-term value creation. Our objective is to decouple growth from resource use through optimized material choices and more circular flows. By switching to materials with lower carbon footprints, we mitigate our primary impact within the value chain and contribute to sustainable development.

Material topic

Climate change

Climate change is Rugvista's most material sustainability topic and is directly integrated into our business strategy, risk management, and long-term competitiveness. Reducing our carbon footprint is a business-critical priority to future-proof the company, meet increasing demands for transparency, and contribute to sustainable development.

Impact area	2030 targets	2025 outcome	Status
Scope 1 & 2 Company vehicles, energy, and district heating	Halve absolute CO2e emissions (base year 2019: 228.70 tons)	102.40 tons	2030 goal met - new goal set in 2026
Scope 3 Business travel and employee commuting	Halve CO2e emissions per employee (base year 2019: 1.21 tons)	1.09 tons	Increased from 2024
Scope 3 (Purchased goods, energy use at suppliers, upstream transportation)	Halve CO2e emissions per square meter of purchased rug (base year 2021: 48 kg/m ²)	24.54 kg/m ²	2030 goal met - new goal set in 2026

Current goals extend to 2030 and are based on scientific methodology to support the Paris Agreement's 1.5-degree goal. Goals achieved ahead of schedule in 2025 will be reviewed and updated in 2026.

Calculation method, boundaries and comparability

Our climate calculations follow the GHG Protocol and cover Rugvista Group according to the principle of operational control. The organizational boundary encompasses our own operations and relevant emissions within the value chain, including those related to suppliers and raw materials. The calculations are based on emission factors from established sources such as UK DESNZ and Ecoinvent and are updated annually. In 2025, we increased the share of primary data from suppliers and further refined our approach to the collection and calculation of climate data. This has reduced our reliance on secondary data and provided more accurate results that better reflect our actual climate impact.

This year's outcome shows an overall positive development, largely driven by strengthened data quality and an increased share of primary data. This, in turn, affects comparability with previous years, as historical figures have not yet been recalculated. In 2026, we will establish new base years in conjunction with a revision of several sustainability and climate goals. In this process, we will also recalculate historical comparison figures where relevant to ensure robust and consistent follow-up going forward.

Climate data (Scope 1-3) for the reporting period 2025 has undergone an external independent review by a climate consultant. The review has covered the calculation basis, data sources, and plausibility checks according to the GHG Protocol's methodology. The review covers the climate calculations and not the narrative text in the report. A full account of Rugvista's climate impact per reporting category can be found at the end of this chapter.

Scope 1 & 2 - Own operations

Scope 1 and 2 cover emissions from company vehicles, energy use in warehouses and offices, and district heating. These emissions account for less than 1% of Rugvista's total climate impact, but represent areas where we exercise direct operational control. In 2025, previous warehouse operations were consolidated into a unified headquarters and logistics center in Malmö. The new facility is constructed in accordance with BREEAM certification requirements. The property is equipped with a solar panel system, enabling the production of renewable electricity and more efficient energy management.

Against the background of the move to a unified headquarters and logistics center in Malmö and the fact that Rugvista's 2030 goal for emission reduction in Scope 1 and 2 has been met ahead of schedule, a new base year and a new emission goal will be established in 2026 to ensure consistent and accurate follow-up.

Scope 3 - Indirect emissions

Scope 3 comprises indirect emissions within the value chain and accounts for approximately 98% of our climate impact. These include purchased goods and services, energy use at suppliers, upstream and downstream transportation, waste, business travel, and employee commuting.

Scope 3 is primarily driven by emissions in the raw material stage (93%), including the extraction and processing of fibers, followed by factory-related emissions from our manufacturing partners (2.5%). Waste is described in more detail in the section Resource Use and Circular Economy.

Supply chain and material selection

Our work with Scope 3 is centered on the three areas where we possess the greatest opportunity to exert an impact: material selection, factory-level emissions from suppliers, and transportation. In 2025, we deepened our dialogue with our strategic suppliers and increased the share of primary data in our calculations through enhanced data collection. The work also comprises concrete preparations for the introduction of Digital Product Passports (DPP).

The next step is to more accurately correlate material and supplier data to enable prioritization of the right actions, with a rigorous focus on the segments of the value chain that account for the highest emissions.

Main area Scope 3	Methodology	Progress 2025	Strategic benefit
Production partners (factory emissions)	Systematic collection and verification of emission data through supplier visits and questionnaires.	Increased collection and verification of emission data and readiness preparations for Digital Product Passes (DPP).	Enables early detection of deviations, drives supplier development and enhances transparency towards customers.
Materials & transport	Calculation per square meter of purchased rug.	Increased the share of primary data for materials and within the value chain.	Ensures that emission reductions align with the roadmap towards 2030.
Material selection	Collaboration with strategic partners for the substitution of conventional materials.	Deepened collaboration with key suppliers with a focus on actions that yield the greatest impacts.	Mitigates our climate impact through actions in the most emission-intensive segments.



Certification as an enabler (GRS & RCS)

During the year, Rugvista achieved its own certification according to the Global Recycled Standard (GRS) and the Recycled Claim Standard (RCS), both of which verify the recycled fiber content in our products. For us, this forms the foundation for an unbroken value chain based on trust – from recycled raw materials to the customer receiving their rug. The certification is a strategic enabler that allows us to verify our environmental claims with high precision and communicate transparently with our customers.

Through this initiative, we strengthen our market position and ensure our preparedness for future requirements regarding transparency and product labeling. As a direct result of this work, we expect to begin labeling specific products as certified on our website during 2026, facilitating informed choices for our customers.

Transportation and returns

All transports take place through external logistics partners and we utilize primary data for all flows. This means that our emission calculations are based on actual transport data (such as fuel type, driving distance, and filling degree), which ensures high precision in our CO2 reporting.

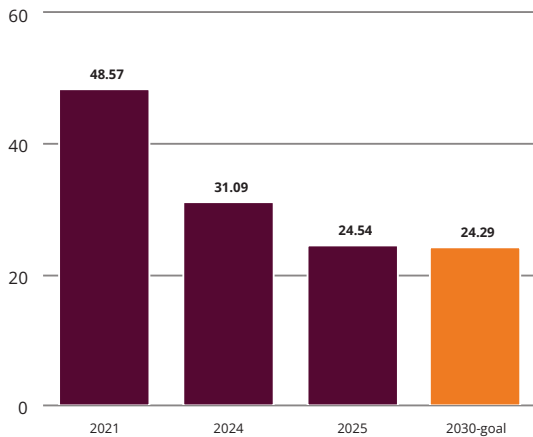
In 2025, our total emissions from outgoing transports decreased by 38 percent in absolute terms, despite sales volume increasing by 19 percent measured in square meters sold. This represents a clear decoupling between growth and climate impact in our outgoing transports. The main reason is a strategic transition from air freight to road transport, which reduced emissions from air freight by approximately 59 percent. Changes in our carrier mix during the year also contributed to reducing emissions. Overall, the climate intensity per square meter sold decreased by 48 percent.

As the return rate has increased slightly, we are initiating a cross-functional project in 2026 to analyze the underlying causes and identify measures to mitigate return flows.

We report our emissions per square meter to provide a representative picture of our efficiency, regardless of volume growth. Total climate impact per reporting category can be found at the end of this chapter.

Key figures	Unit	Outcome 2024	Outcome 2025
Inbound transports	kg CO2e/sqm purchased rug	0.61	0.55
Outbound transports	kg CO2e/sqm sold rug	1.15	0.60
Return rate	%	14.3%	14.8%

Kg CO2e from rugs purchased



CO2e per kg of purchased rug is an intensity metric that illustrates how our emissions develop independently of volume growth. It provides a transparent representation of changes in CO2e related to purchased materials, factory-level emissions, and upstream transport.



On site in the wool value chain

Wool is one of our most important natural materials, but also the fiber in our range that has the greatest climate footprint. At the same time, upstream traceability in the value chain is often limited, which makes it difficult to fully ensure environmental consideration, social conditions, and animal welfare. In India, where most of our wool originates, the availability of certified wool is currently limited.

To meet these challenges, we initiated a project in 2025 with a focus on increased transparency.

Through site visits to Indian sheep farms, washing facilities, and spinning mills, we have gained a deeper understanding of how wool is handled and where the greatest environmental impacts occur.

This knowledge makes it possible to work more strategically with improvements, for example through regenerative methods directly at farm level.

The work continues in 2026 together with suppliers and experts. Our goal is to achieve full traceability down to the farm level and thereby take active responsibility for reducing GHG emissions from wool where we can have the greatest impact.

Business travel and employee commuting

At the end of the year, we entered into an agreement with an external travel agency service to ensure compliance with our guidelines and enable systematic follow-up of business travelers' climate impact, including ongoing access to primary emissions data.

To promote more sustainable commuting, we continue to offer subsidized public transportation cards and the opportunity to lease electric bicycles at a favorable price. In connection with the move to new premises, we have also installed more charging stations and offer subsidized charging to facilitate the transition to electric vehicles.

"Reducing our climate impact through lower emissions is a business-critical priority, but to create a sustainable business model we need to consider the entire life cycle of our rugs. This means taking a holistic approach to how our products are designed, used and ultimately recycled - a circular journey that we describe in more detail in the next section."

Tove Palm, Sustainability Manager

Rugvista's climate impact by reporting category

Emission source in accordance with the reporting categories of the GHG Protocol	Data source	Emission factor	Ton CO2e 2025	Ton CO2e 2024	Ton CO2e 2021 (base year scope 3)	Ton CO2e 2019 (base year scope 1&2)	Share in % 2025
Scope 1							
Company cars	Based on odometer	DESNZ, 2025	2.44	2.65	8.00	9.70	0,0%
Electricity (on-site solar power)	Actual from suppliers	Primary data	0.00				
Scope 2							
District heating	Invoices	Energiföretagen, 2024	98.75	100.34	46.00	219 (Reported in total)	0,2%
Electricity (location-based)	Invoices	AIB 2024, DESNZ 2025	1.09	0.68	100.00		
Electricity (market-based)	Invoices	Vattenfall EPD	0.12	0.19	Reported together with location-based		0,0%
Scope 3							
3.1 Purchased goods and services	Supplier questionnaires, invoices, purchase data	Ecoinvent, 2023	47,410	40,893	60,055	N/A	93.0%
3.1 Purchased goods and services (supplier manufacturing)	Supplier questionnaires	UN 2022, IPCC 2006	1,273	2,041	Reported together with 3.1	N/A	2.5%
3.3 Fuel- and energy-related activities not included in Scope 1 or 2	Supplier questionnaires	DESNZ, 2025	13.33	11.15	7.00	N/A	0.03%
3.4 Upstream transportation and distribution	Actual from supplier	Primary data	1,127	865	3,037	N/A	2.2%
3.5 Waste	Invoices	DESNZ, 2025	0.84	0.11			0.0%
3.6 Business travel	Employee questionnaires	DESNZ, 2025	56.22	22	4	67 (Reported with 3.7)	0.1%
3.7 Employee commuting	Employee questionnaires	DESNZ, 2025	49.80	42	17		0.1%
3.9 Downstream transportation and distribution	Actual from suppliers	Primary data	918	1,486	Reported together with 3.4	N/A	1.8%
Total (Market Based)			50,950	45,463	63,274		100.0

Material topic

Resource use and circular economy

Every fiber and every piece of packaging represents an invested resource. For Rugvista, the circular economy entails taking responsibility for how these resources are utilized, preserved, and extended throughout the product's entire life cycle. The circular transformation is characterized by significant complexity and places high demands on strategic prioritization, structured follow-up, and transparent communication with customers, suppliers and the organization.

Impact area	2030 targets	2025 outcome	Status
Purchased rugs made of more sustainable materials Certified, reused, recycled, or recyclable	50% of total purchased weight	20.31%	According to plan
Packaging materials Own packaging	100% recycled or bio-based material	47%	According to plan

Framework for circular design

During 2025, we initiated the development of an internal framework – Design for Circularity. The purpose is to establish a structured model for integrating circular principles into design, purchasing, and supplier processes. The work is being carried out incrementally, from analyzing circular potential and regulatory requirements to establishing principles, goals, and practical implementation.

Year	Focus	Activity
2025	Analysis & Dialogue	Category-specific analysis of circular potential and dialogue with suppliers and certification bodies in preparation for Digital Product Passports (DPP).
2026	Framework, goals & implementation	Finalizing the <i>Design for Circularity</i> framework, updating circular goals, and commencing implementation in design and purchasing processes.

Our unique rugs: Innate circularity meets new requirements

Our handmade, unique rugs represent, in many respects, the most sustainable form of consumption. They are crafted from natural materials, possess a long lifespan, and carry an inherent second-hand value that makes them rarely exit the circular loop. From a resource use perspective, these products are already pioneers.

However, during 2025, we faced challenges in how these unique handicrafts align with future regulatory frameworks and circular certifications. Standardized industrial production models often create complexity for vintage products where each rug has its own history. Our work continues in 2026, where our ambition is to find methods that actually reward our unique rugs rather than excluding them. We aim to ensure that the unique nature of the handicraft is recognized in new standards so that transparency and artisanal traditions can coexist.

Implemented and ongoing circular initiatives 2025

In parallel with our strategic analysis, we have executed concrete actions during the year to reduce resource consumption and increase the share of circular materials in our operations. Below is a summary of both the improvements achieved in 2025 and the ongoing initiatives contributing to enhanced circularity.

Packaging materials

The share of recycled plastic in our own packaging increased from 30 percent to 47 percent. This reduces the use of fossil-based plastic and mitigates emissions within Scope 3.

Suppliers' packaging

During 2025, the share of suppliers using at least 20 percent recycled material in their packaging increased. The change was achieved through structured dialogue with relevant suppliers.

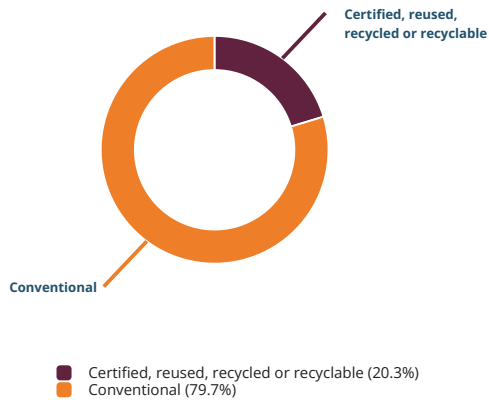
Collaboration with Mjuk

During the year, a partnership was initiated with the circular platform Mjuk. The purpose is to provide rugs with transport damage or aesthetic defects the opportunity for resale as an alternative to disposal.

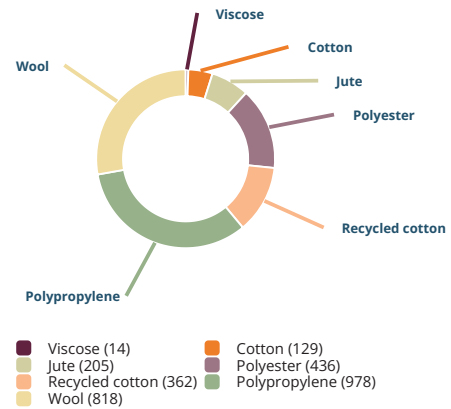
Rugvista RE:USE

Through our collaboration with Tradera, Customers on the Swedish market can sell their Rugvista rug at no cost via the platform. The initiative facilitates life-cycle extension and supports circular use. The usage is currently limited, but the possibility is available and communicated through our Swedish website.

Purchase of sustainable material



Purchases by material category, tonnes

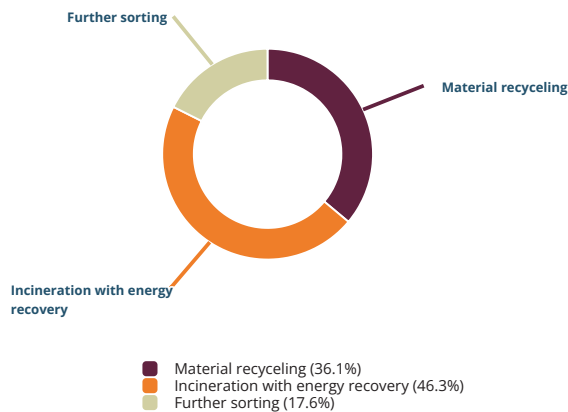


Waste from own operations

Our internal waste volume is minimal relative to production, but we strive to ensure responsible management where we exercise direct operational control. The majority of our internal waste consists of soft plastic, hard plastic, and corrugated cardboard.

With the relocation to our new warehouse in 2025, we are accelerating our efforts. The building's BREEAM certification sets stringent requirements for the facility's waste infrastructure, providing the optimal framework to maximize source separation and mitigate the volume of unsorted waste.

Waste own operations



Environmental impact in the supply chain

Beyond emissions related to raw materials, a significant portion of our environmental impact occurs in the production stage. This makes close collaboration, clear requirements, and rigorous supply chain monitoring essential. All suppliers, both new and existing, are subject to our minimum requirements. These include that suppliers are socially third-party audited, have signed our Code of Conduct, and comply with our Animal Welfare Policy and REACH Chemical Policy. We also require transparency and information regarding the next tier in the chain (at least Tier 2).

Chemicals and certification

Chemical management is a priority area, driven by both upcoming product information requirements (DPP) and customer expectations. In 2025, 86% (67%) of suppliers of newly manufactured rugs were certified according to OEKO-TEX. For products that still lack external certification, we ensure compliance through testing in independent laboratories. We also support prioritized suppliers in the work of executing and completing relevant certification processes.

Data-driven evaluation and management

In 2025, our annual supplier survey was expanded to strengthen transparency around the origin of raw materials (Country of Origin) and refine data within areas such as energy use, water consumption, and waste management. In 2026, the assessment will be further developed by integrating factory-related environmental impact as a structured parameter in our supplier evaluation. This

improves comparability between suppliers and provides a more systematic basis for dialogue and prioritization of actions that mitigate environmental impact in the supply chain.

Audits and handling of deviations

New suppliers are screened based on environmental criteria as part of our onboarding process. All new suppliers during the year underwent such screening. Existing suppliers are monitored through external audits, which include environmental modules with assessment of compliance with environmental legislation, permits, chemical management, and waste management. Identified deviations are addressed through corrective action plans (CAP) with follow-up alongside the supplier.

Significant environmental impact refers to suppliers where screening or audits have identified serious violations of environmental legislation, systematic deficiencies in environmental management, or a risk of significant negative environmental impact. In 2025, no suppliers with significant environmental impact were identified.

Below is the environmental result table for suppliers. It is new for 2025, hence there is no comparison data from previous years.

Supplier assessment and results - Environment

Indicator	Result 2025
New suppliers screened based on environmental criteria	2 (100%)
Suppliers assessed for environmental impact	100%
Suppliers identified with significant environmental impact	0%
Supplier relationships terminated due to environmental deficiencies	0%



Dialogue for future requirements

In 2025, we visited our prioritized suppliers in India. The purpose was, among other things, to prepare our suppliers for upcoming regulatory requirements while gaining insight into the producers' own perspectives on the transition. The visits provided a deeper understanding of how production is organized and how, for example, production waste is already utilized to a significant extent as a resource.

We also noted that the suppliers in several cases possess more detailed environmental data than has previously been reported. At the same time, it became clear that full transparency throughout the material chain remains a challenge. The work therefore continues in close dialogue with the suppliers to strengthen traceability, transparency, and data quality.



People



Employees and workers in our supply chain are fundamental to Rugvista’s operations and long-term value creation. We work to ensure safe, fair, and inclusive working conditions, both within our own organization and across the supply chain.

Material topic

Own workforce

An engaged and competent organisation is essential to Rugvista’s continued development. We strive to provide a safe and supportive work environment where employees have the conditions to contribute and grow. The most material topics for our own workforce are social dialogue, health and safety, training and skills development, working hours, and diversity.

Impact area	2030 targets	2025 outcome	Status
Good working conditions and well-being	Achieve an Employee Engagement Index (EEI) of at least 85	EEI: 79	Ongoing
Training and skills development	The employee development framework to be fully implemented for all employees across the Group	79% compliance with the framework	Ongoing according to plan
Equal treatment and equal opportunities for all	Balanced gender distribution (40–60%) in the Management Team	62.5% women, 37.5% men (as of 31 December 2025)	Ongoing

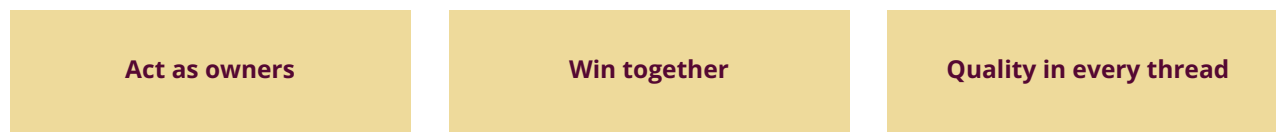
Employee engagement and work environment

Our employees drive the development of the business, strengthen the customer experience, and contribute to Rugvista's long-term competitiveness and profitable growth. To succeed in our mission to help people create a home they love, we rely on a culture characterised by engagement, quality, and collaboration.

During 2025, we continued to develop our employer offering and to promote a safe, inclusive, and supportive work environment. Employee insights are an important part of our governance and are captured through recurring surveys, workplace meetings, and ongoing dialogue with managers and safety representatives. This feedback is used to inform priorities and drive concrete improvement actions.

Culture and values

Culture is a central part of how we lead and develop the business. It is reflected in how we collaborate, make decisions, and interact with our customers, and is essential for translating strategy into concrete action. During the year, we introduced new values to clarify expectations, strengthen accountability, and create a clearer link between strategy and execution:



To ensure that the values become an integrated part of the business, we have established a Values Committee that, together with People & Organization, drives implementation across the organisation.



Enhanced governance of employee engagement

During 2025, Rugvista further developed its approach to monitoring employee engagement in order to create more cohesive and business-aligned governance of the factors that influence well-being, motivation, and retention. As part of this, the Employee Engagement Index (EEI) was introduced as the primary key metric. EEI is based on four dimensions:

- Overall experience
- Pride
- Motivation
- Intention to stay.

The index is based on a five-point scale and converted into a score between 0 and 100. The first measurement was conducted in Q4 2025 and established a baseline. From 2026 onwards, EEI will be monitored on a quarterly basis. eNPS will continue to be measured annually to ensure comparability over time.

EEI results 2025

The first EEI measurement resulted in a score of 79, which, according to our interpretation model, corresponds to a good and stable level of engagement. Motivation was the strongest dimension, while overall experience, pride, and intention to stay were at stable

levels. Rugvista's target is to reach at least 83 by 2028 and at least 85 by 2030. The analysis also indicates potential to improve organisational clarity and strengthen cross-functional collaboration.

Improved eNPS during the year

In Q4 2025, eNPS reached 18, representing a clear improvement compared to -14 in the previous year. The result reflects the efforts made during the year to strengthen organizational structure, collaboration, and clarity.

Diversity and inclusion

Rugvista has an international organization with employees from a wide range of backgrounds and countries. In 2025, we established an Inclusion Committee that meets regularly and works to strengthen inclusion and employee participation across the organisation. As part of this work, we conducted internal surveys to capture employee perspectives and identify areas for improvement. Rugvista is also a member of the Diversity Charter and operates in line with the initiative's purpose of promoting inclusion and equal treatment in the workplace.

A concrete outcome of this work is that, in 2026, Rugvista will offer language courses in Swedish and German to facilitate integration and support greater inclusion for employees who do not speak the language of the country in which they live and work.

Employee development framework

Rugvista has an employee development framework that provides structure to the dialogue between managers and employees through structured feedback, goal-setting and performance reviews, individual development plans, calibration across managers, salary reviews, and at least quarterly check-ins.

In 2025, the framework was fully implemented for 79% of employees. Ensuring consistent implementation across the organization is a prioritized development area. On average, employees completed 19 hours of training during the year (excluding temporary staff), an increase of 6 hours compared to 2024. This means that our long-term target of at least 16 hours has already been exceeded. Several training initiatives were linked to our new logistics centre. With a new learning platform being implemented in 2026, the ambition is to maintain 16–20 training hours per employee per year through to 2030.

Attracting, developing, and retaining the right skills and capabilities is essential to Rugvista's continued development and ability to execute its strategy. In 2026, we will therefore further develop the framework to strengthen structured skills development, continuous learning, and long-term career development within the company.

"Our culture is defined by curiosity, accountability, and a drive to perform. It forms the foundation for how we create value, both today and in the long term."

Patricia Rajkovic Widgren, Chief Organization & Sustainability Officer

Compensation and collective agreements

Rugvista is covered by collective agreements for both white-collar and blue-collar employees. For white-collar employees, individual salary setting is applied in accordance with the applicable collective agreement, while salary development for blue-collar employees follows the agreed increases resulting from annual negotiations. As part of our work on equal treatment, we conduct an annual pay review to identify and address any unjustified pay differences.

We offer a wellness allowance, benefits that support a sustainable lifestyle, and subsidized public transport for commuting. Rugvista is a member of Svensk Handel (the Swedish Trade Federation) and has collective agreements with Handelsanställdas Förbund and Unionen.

Organizational and social work environment

The annual OSA survey (Organizational and Social Work Environment survey) complements the EEI and provides deeper insights into workload, recovery, psychological safety, and leadership. In 2025, the response rate was 81%. The results show consistently strong levels across all areas. Areas for improvement have primarily been identified in workload, recovery, and skills development, where there is potential for further improvement. The results form the basis for prioritized actions at both team and functional levels.

Preventing workplace harassment is a priority within our work environment efforts and is monitored on an ongoing basis, as well as through the OSA survey. In 2025, no cases were reported.

Health, safety, and sick leave

Rugvista works systematically to promote a safe and healthy work environment through risk assessments, preventive measures, and incident monitoring. In 2025, sick leave decreased to 1.7% (4.3%) for blue-collar employees and to 0.9% (2.4%) for white-collar employees, meaning that we have already achieved our 2030 targets. The number of accidents and incidents also decreased to 2 (5). This development is assessed to be clearly linked to our systematic and long-term work environment efforts.

As part of our health promotion initiatives, we also established a new gym at our premises in Malmö during the year, available to all employees. We also offer free yoga sessions and group training activities during lunchtime.

Grievance mechanisms and whistleblowing

Rugvista provides an external and independent whistleblowing channel that enables employees and other stakeholders to report suspected misconduct or serious breaches, including anonymously. The channel is available via the intranet and is governed by our whistleblowing policy. Reports are handled by People & Organization and, where necessary, escalated to relevant functions such as the CLO, CEO, or the Board of Directors. All cases are handled in accordance with established procedures that ensure confidentiality, due process, and protection against retaliation.

In 2025, no reports were received through the whistleblowing channel.



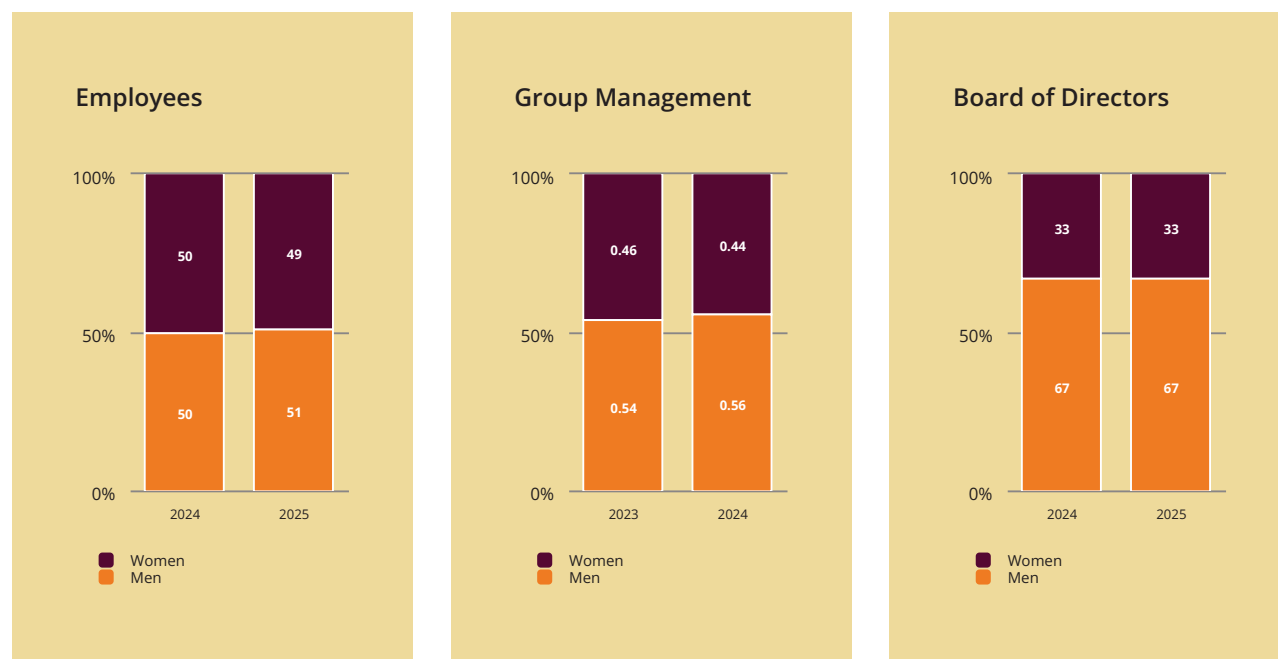
New premises and 20 years of growth

In 2025, Rugvista moved into new premises in Malmö and Berlin. The new environments are designed to enhance collaboration, efficiency, and employee well-being. In Malmö, the new warehouse and logistics centre have enabled more modern workflows and improved conditions for both productivity and the work environment.

In connection with the move, we also celebrated Rugvista's 20th anniversary together with employees and external partners and stakeholders. It was an opportunity to recognize the shared journey that has shaped the company, while also looking ahead with a continued focus on growth, operational development, and long-term value creation.

Workforce structure and composition

As of 31 December 2025, Rugvista had a total of 103 employees, measured as headcount, of whom 49% (50%) were women. The average number of full-time equivalents (FTEs) during the period January–December was 93.7 (98.6).



The distribution of employees, Board of Directors, and Group Management refers to headcount as of 31 December 2025.

Composition of total workforce

(FTE, average 2025)	FTE
Employees	93.7
Temporary agency staff	17.6
Total	111.4

Employment type and employment level

(headcount as of 31 December 2025)	Number
Permanent employees	97
Fixed-term employees	6
Full-time	97
Part-time	6
Total number of employees	103

Age distribution of employees (headcount as of 31 December 2025)

	2025
<30	16%
>30 - <50	65%
>50	19%
Total	100%

Key metrics and target tracking - employees and work environment

	Goal 2030	Result 2025	Result 2024
Training hours per employee	16	19	13
Sick leave - warehouse	3%	1.7%	4.3%
Sick leave - office	3%	0.9%	2.4%
Employee turnover (%)	10-20%	13.5%	11.5%
Accidents / incidents	0	2	5



Material topic

Workers in the value chain

Every product we purchase is the result of people's work in several stages of our value chain. For Rugvista, it is a fundamental principle that working conditions in production should be responsible and fully aligned with our requirements. Since almost all production takes place outside Sweden and largely outside the EU, regulatory frameworks and oversight often diverge from domestic conditions. This places high demands on structured supplier governance and clear social requirements within our purchasing process.

Supplier management and requirements

Our expectations of suppliers are defined in our Supplier Code of Conduct, which outlines basic rights for workers in the supply chain. These requirements encompass working hours, compensation, health and safety, freedom of association, and the strict prohibition of child and forced labor. These standards are communicated during onboarding and form the basis for our ongoing monitoring.

Compliance is followed up through external frameworks and audits, as well as ongoing supplier dialogue. For the majority of our supplier base, we utilize amfori BSCI. For suppliers of handmade rugs, we engage Label STEP, which also covers smaller production units and home-based weavers.

The audits are conducted in accordance with our Supplier Code of Conduct and aim to monitor compliance and identify serious violations. When deviations are identified, corrective action plans (CAP) are established and followed up within the agreed timeframe. Serious or recurring deficiencies may lead to stricter measures and, in the absence of improvement, a review of the business relationship.

Our approach is to drive continuous improvements together with our suppliers over time, rather than considering compliance as a static state.

Risk profile and identified deficiencies

The results for 2025 indicate that basic labor law requirements are generally respected by our suppliers. At the same time, recurring deficiencies are identified that are typical for the industry and the regions where production is situated. These deviations mainly concern deficiencies in governance and systems rather than violations of fundamental rights.

During the year, the most frequent deviations concerned:

- Discrepancies between statutory minimum wages and estimated living wage levels
- Working hours and overtime, particularly related to documentation and compliance with local thresholds.
- Basic working conditions, such as sanitary facilities, access to first aid, and emergency procedures

These areas are prioritized in the dialogue with the affected suppliers and are addressed through corrective action plans with the support of Label STEP and amfori BSCI.

During the year, amfori BSCI further developed its approach to following up on deviations, entailing clearer requirements for documentation of implemented measures and more structured verification during follow-up audits. Suppliers are also offered targeted training addressing identified deficiencies. The objective is to enhance follow-up mechanisms over time and ensure that corrective actions yield tangible improvements. Furthermore, we have initiated similar collaboration with Label STEP to reinforce and streamline the monitoring of identified deviations within their framework.

Audits and results - amfori BSCI

The results from the amfori BSCI assessments are presented in the table below. The change compared to the previous year is mainly attributable to a slightly modified supplier base and minor deviations that affected the grading.

The results serve as a basis for prioritizing action plans and follow-up within identified risk areas. No Zero Tolerance¹ incidents were identified during the year.

amfori BSCI	2023	2024	Result 2025
Share A+B	66.7%	94.1%	85.7%
Share C	27.8%	5.9%	15%
Share D	5.6%	0%	0%
Zero Tolerance incidents	0%	0%	0%

¹ Zero Tolerance encompasses the most severe violations, such as child labor, forced labor, or immediate danger to the lives and health of employees.

Audits and results - Label STEP

The audits are conducted in accordance with Label STEP's established methodology and underpin our ongoing monitoring of compliance. The findings serve as a foundation for dialogue with suppliers and for identifying and prioritizing remedial measures. The audit scope encompasses parameters largely aligned with amfori BSCI – such as occupational health and safety, wages and compensation, working hours, the prohibition of child labor and forced labor, non-discrimination, and requirements related to transparency.

At the same time, Label STEP maintains a specialized industry and supply chain focus for rug and textile production, ensuring that requirements and follow-up points are tailored specifically to the artisanal nature of the production process. No critical non-compliances were identified in 2025.

Grievance mechanisms and whistleblowing in the value chain

Suppliers enrolled in amfori BSCI have access to amfori's dedicated whistleblower function, Speak for Change. During the previous reporting period, this system contributed to the identification of significant transparency deficiencies in a potential supplier, resulting in a strategic decision to forego the partnership.

For other suppliers and stakeholders in the value chain, Rugvista maintains an independent, third-party whistleblowing channel available on our corporate website. In 2026, we will intensify our efforts to increase awareness and accessibility of this channel throughout the supply chain. In 2025, no cases were identified through these systems.





Governance



Responsible business conduct is a prerequisite for Rugvista’s long-term value creation and for the trust of customers, investors, and business partners. Within Governance, we work to ensure transparency, ethical business conduct, and compliance through clear codes of conduct, supplier requirements, and structured monitoring. Governance provides the framework for our sustainability work and ensures that activities within Planet and People are integrated into the company’s governance, monitoring, and risk management, and are conducted in accordance with applicable regulations.

Material topic

Business conduct

Rugvista’s business is built on long-term relationships with suppliers and other business partners. Through responsible sourcing practices, clear requirements, and continuous monitoring, we work to promote good working conditions, responsible business relationships, and continuous improvement across the supply chain.

We also work to strengthen awareness of business ethics and responsible conduct throughout the organisation. This includes preventive measures, clear internal guidelines, and mechanisms to identify, report, and address deviations.

Impact area	2030 targets	2025 outcome	Status
Responsible business conduct and compliance	100% of all suppliers to have signed Rugvista’s Code of Conduct	100%	Achieved – continuously maintained
Transparency	100% of all Tier 2 suppliers to be mapped	100%	Achieved – continuously maintained
Corruption and bribery	All identified incidents to be investigated and addressed	No incidents identified	Ongoing

Codes of conduct and governing documents

Rugvista's codes of conduct and policy documents are key governance tools to ensure ethical business conduct and compliance within both our own organisation and the supply chain. These documents define the requirements and expectations applicable to employees, suppliers, and other business partners. Policies and guidelines are reviewed regularly and updated as needed.

Key governing documents include:

- Rugvista's code of conduct for employees
- Rugvista's code of conduct for suppliers
- Rugvista's anti-corruption policy
- Rugvista's whistleblowing policy
- UK Modern Slavery Act statement

Rugvista's Board of Directors, management, and all employees are subject to the company's Code of Conduct and are expected to act in accordance with our ethical guidelines, company principles, and applicable laws. The Code of Conduct is communicated upon employment and is available to all employees. Compliance is monitored through internal controls, training initiatives, and established reporting channels.

For suppliers, signing the Supplier Code of Conduct is a requirement as part of the business relationship. Compliance is monitored through third-party audits and structured dialogue related to identified risks and areas for improvement.

Compliance with laws and regulations

Rugvista works to ensure compliance with applicable laws and regulations, as well as internal governing documents. This includes internal controls and ongoing monitoring of relevant risks related to sustainability and business conduct.

In 2025, Rugvista had no material cases of non-compliance with laws and regulations. There were also no fines or sanctions related to regulatory breaches.

Anti-corruption and prevention

Corruption risks may arise in some of the regions where our suppliers operate. Rugvista has zero tolerance for corruption and works proactively through clear guidelines, requirements for business partners, and training initiatives for relevant roles within the organisation.

In 2025, no confirmed cases of corruption were identified. There were no reported cases of employees being dismissed or subject to disciplinary action due to corruption, and no business relationships were terminated or not renewed due to corruption-related breaches.

Transparency in the supply chain

Transparency in the supply chain is a key part of Rugvista's work on responsible business conduct. We work with a limited number of strategic suppliers, prioritising long-term partnerships and continuous improvement in social and environmental compliance.

All production facilities are subject to regular third-party audits conducted through amfori BSCI or Label STEP. Prior to entering into new partnerships, we conduct risk assessments with a particular focus on working conditions, environmental impact, and compliance with our requirements.

To strengthen traceability and integrate sustainability risks into our supplier governance, we work systematically to map the supply chain beyond Tier 1. During the year, we mapped 100% of our Tier 2 suppliers as part of our risk-based due diligence process. The next step is to continue mapping Tier 3 and Tier 4, with a focus on the parts of the value chain where sustainability risks are assessed to be greatest. This work aims to progressively increase transparency, strengthen risk assessments, and ensure responsible business relationships across the value chain.

External whistleblowing function

Rugvista provides an external whistleblowing service via 2Secure, enabling anonymous reporting of suspected misconduct or violations related to our codes of conduct. The service is available to both employees and workers within our supply chain. All reports are handled confidentially and assessed in accordance with Rugvista's whistleblowing policy. In 2025, Rugvista received no reports through the whistleblowing channel.

Sustainability risks

Rugvista's most significant sustainability risks have been identified through the double materiality assessment and are linked to our focus areas: Planet, People, and Governance. These risks include both environmental and social impacts, as well as financial and business implications for the company.

In addition to business-specific risks, Rugvista is also affected by external factors such as regulatory changes, geopolitical developments, and trends in global supply chains.

Through clear requirements, structured monitoring, and long-term partnerships, we work systematically to identify, assess, and manage these risks. The most material risks and our overall approach to managing them are outlined below.

Focus area Planet

Climate change

Rugvista's climate impact primarily arises in the value chain, particularly in the production of materials such as wool and cotton, as well as in transport. Increasing regulatory requirements, evolving customer expectations, and climate-related disruptions in the supply chain may affect costs, delivery capability, and long-term competitiveness.

Risk management: Climate targets aligned with the Paris Agreement, ongoing monitoring of emissions across the value chain, and steering of material choices through Rugvista's material matrix. Climate data is also used in supplier dialogue and follow-up. *See the Planet section for more information.*

Resource use and circular economy

Rugvista's products rely on natural raw materials such as wool and cotton. Limited availability, price volatility, or increasing regulatory requirements may affect costs and access to materials in the supply chain.

Risk management: Increasing the share of certified and recycled materials, as well as developing more resource-efficient and circular solutions. Material use is monitored through purchasing data and supplier dialogue. *See the Planet section for more information.*

Focus area People

Workers in the value chain

Rugvista's rugs are manufactured by suppliers in several production countries, primarily in India and Turkey. In these regions, there is a risk of inadequate working conditions, including in areas such as occupational health and safety, working hours, wages, and freedom of association. Such issues may affect Rugvista's reputation, business relationships, and regulatory compliance.

Risk management: All suppliers are required to comply with Rugvista's Code of Conduct. Compliance is monitored through third-party audits, supplier dialogue, and corrective action plans where deficiencies are identified. Rugvista also conducts its own supplier visits and works with suppliers on improvement plans based on audit results. Audits are primarily conducted within the frameworks of amfori BSCI and Label STEP. *See the People section for more information.*

Own workforce

Risks related to workload, working conditions, and access to skills may affect employee well-being, engagement, and the company's long-term development.

Risk management: Working conditions and engagement are monitored through employee surveys, dialogue between managers and employees, and a systematic approach to the work environment. The results are used to inform improvement actions and organizational development.

See the People section for more information.

Focus area Governance

Responsible business conduct and compliance

Failure to comply with laws, regulations, or internal guidelines may lead to sanctions, business risks, and reputational damage.

Risk management: Codes of Conduct for employees and suppliers, internal controls, training initiatives, and established reporting channels. Compliance is monitored through internal controls and supplier audits. *See the Governance section for more information.*

Corruption and unethical business conduct

Operations in certain supplier regions entail increased exposure to corruption risks in business relationships.

Risk management: Zero tolerance for corruption, clear policies, training initiatives, and an external whistleblowing service for reporting suspected breaches. *See the Governance section for more information.*

Political and social risks

Geopolitical developments, trade restrictions, conflicts, and social unrest in supplier regions may affect the supply chain, production stability, and delivery capability.

Risk management: Diversification of the supplier base, ongoing risk assessments, and collaboration with external initiatives such as amfori and Label STEP.

See the Governance section for more information.

The auditor's statement regarding the statutory sustainability report

To the General Meeting of Rugvista Group AB (publ), reg. no. 559037-7882

Assignment and division of responsibilities

The Board of Directors is responsible for the sustainability report for the year 2025 on pages 15–39 and for ensuring that it has been prepared in accordance with the Annual Accounts Act in its version applicable prior to 1 July 2024.

Scope and focus of the examination

Our examination has been conducted in accordance with FAR's recommendation RevR 12, *The auditor's opinion on the statutory sustainability report*. This means that our examination of the sustainability report has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination provides us with a sufficient basis for our opinion.

Statement

A sustainability report has been prepared.

Malmö on April 14, 2026
Ernst & Young AB

HANNA FEHLAND

Authorized Public Accountant

