

Sustainability report

As a leading player in the online rug industry, Rugvista takes responsibility for promoting a more sustainable future.

We work systematically to reduce our impact on people and the environment, with the ambition of generating long-term value for both society and Rugvista. In 2024, we conducted a double materiality analysis in accordance with the CSRD, integrating both financial and sustainability-related aspects. The analysis forms a key foundation for this report, which has been prepared to reflect upcoming regulatory requirements and to strengthen the transparency and quality of our sustainability disclosures. The report outlines how we address our most material topics – and how our sustainability work drives long-term growth and business value.


Content

Sustainability report

- 24 LEAD.CHANGE – Rugvista's sustainability strategy
- 25 Rugvista's value chain
- 26 UN Global Goals for Sustainable Development
- 27 Sustainability management
- 27 Memberships, frameworks, and certifications
- 28 Materiality analysis
- 30 PLANET
- 38 PEOPLE
- 44 GOVERNANCE
- 46 Sustainability risks

This report has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 6, and based on the GRI Standards 2021, which are available on our website, rugvistagroup.com. The reporting period covers January 1 to December 31, 2024. This report is published annually and presented alongside our financial reporting. Our previous sustainability report was published in April 2024.





Our sustainability report highlights how we are working toward a more sustainable rug industry – from responsible sourcing and long-term supplier relationships to reducing our environmental impact. By improving working conditions, developing circular solutions, and using materials and resources more efficiently, we strive to offer quality rugs in a more sustainable way.

Ebba Ljungerud

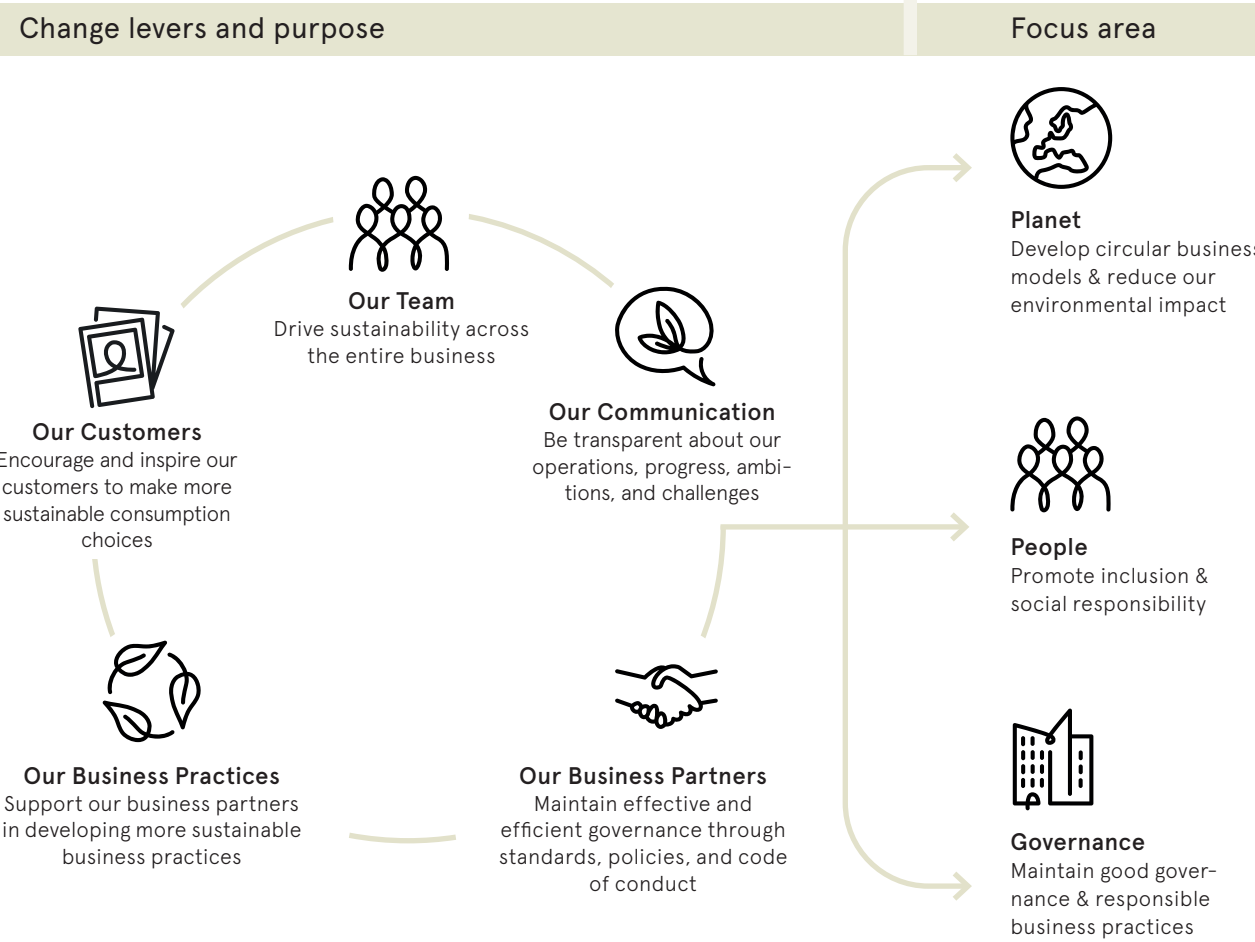
Interim CEO, Rugvista Group AB

LEAD.CHANGE

– Rugvista’s sustainability strategy

Our sustainability strategy, LEAD.CHANGE, focuses on three strategic areas: Planet, People, and Governance. These areas reflect our material sustainability topics, risks, and opportunities, and are critical for driving a sustainable transition in our industry.

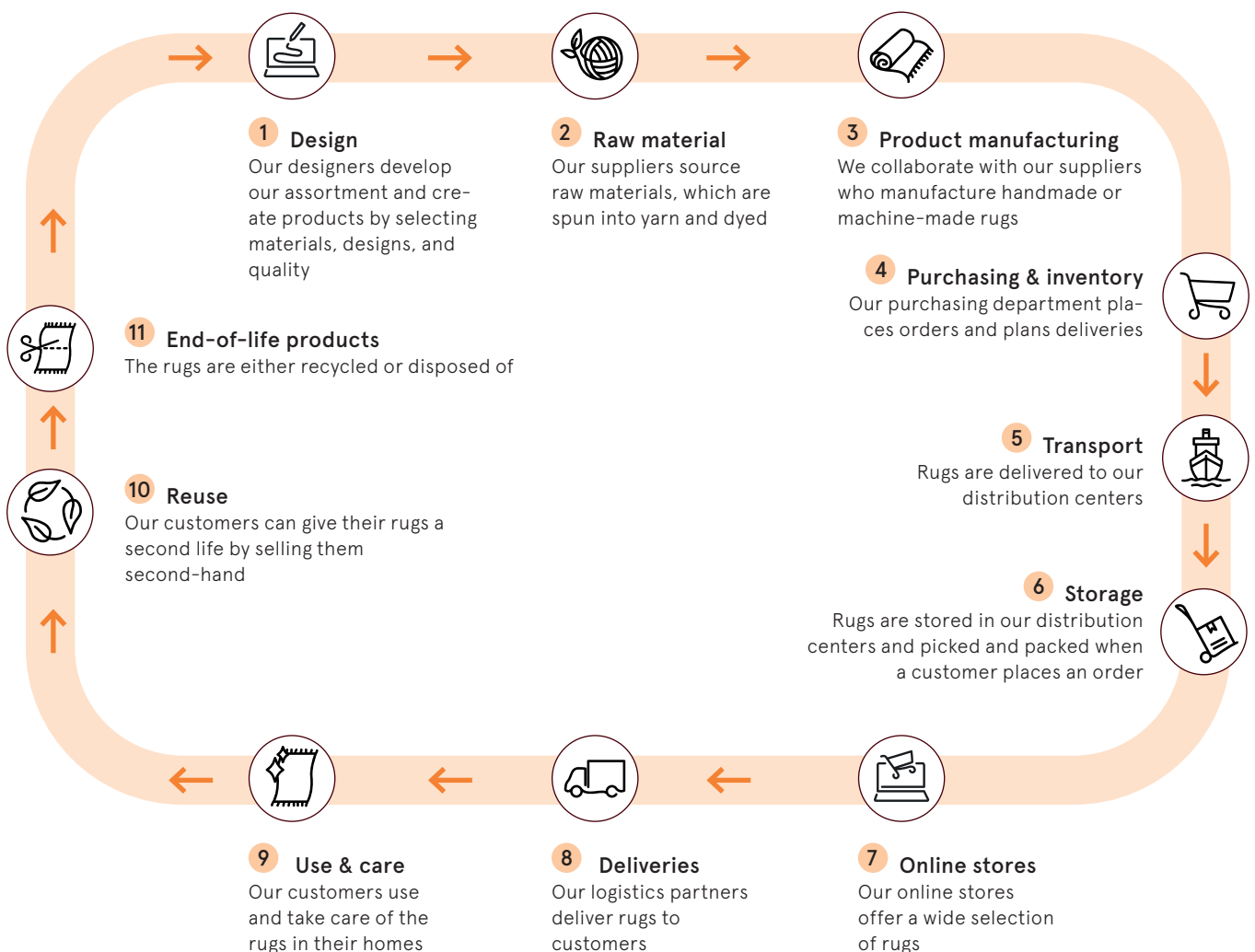
To enable meaningful change, we work through five change levers: our team, our customers, business partners, business practices, and communication. By strengthening and activating these levers, we aim to build a more sustainable and resilient business model - while contributing to positive development for both people and the planet.



Rugvista's value chain

Our value chain covers the entire life cycle of our rugs – from design and material selection to production, distribution, and reuse. We actively work to develop circular solutions and implement more sustainable processes at every step. Through responsible material choices and initiatives that promote reuse and recycling, we aim to reduce our environmental impact and extend the lifespan of our rugs.

For more information, see the section on Resource use and circular economy, page 34.



The UN Sustainable Development Goals

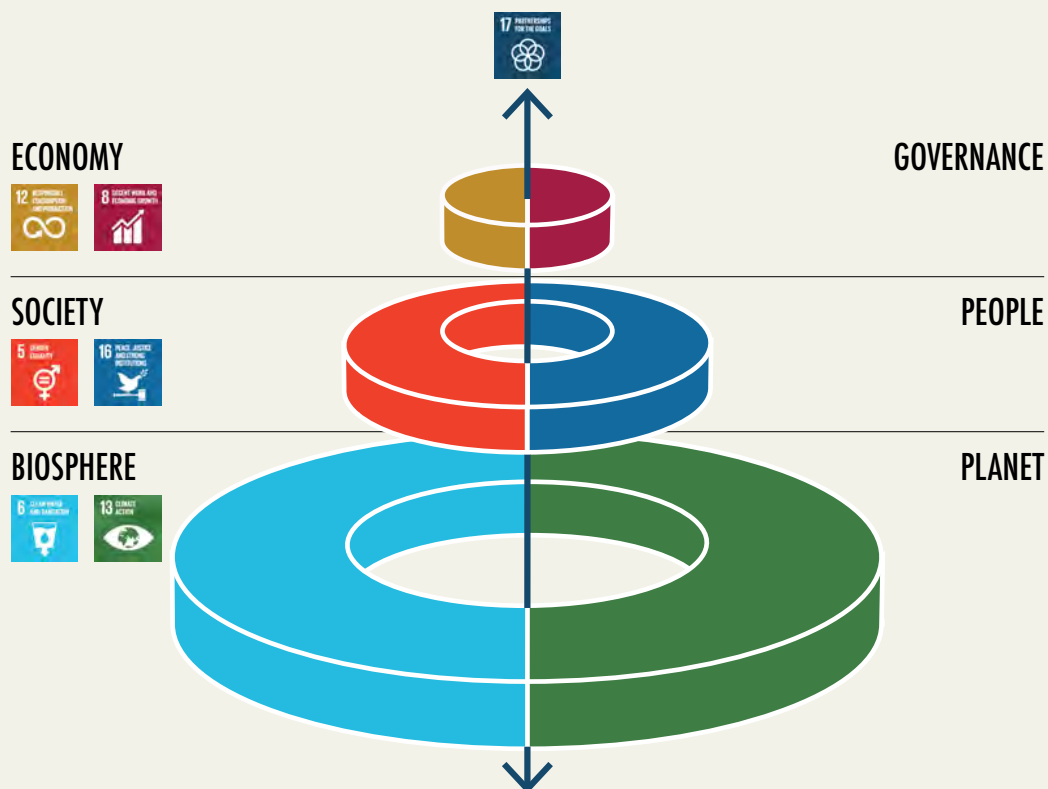
The UN Sustainable Development Goals are a central part of Rugvista's sustainability strategy and long-term ambitions. We focus on seven goals where we have the greatest potential to make an impact and drive positive change. These goals form the foundation of our three focus areas – Planet, People, and Governance – and guide our efforts toward a more sustainable and responsible business throughout the value chain.

The UN Sustainable Development Goals are also a key element of the 2030 Agenda for Sustainable Development. We use the "Wedding Cake" model, developed by the Stockholm Resilience Centre, to illustrate how economic development relies on social and environmental systems.

The model shows how the biosphere (Planet) forms the foundation, as a healthy planet is a prerequisite for all life and economic activity. Society (People) is built on this foundation and reflects how we interact with people across the entire value chain – from employees and suppliers to customers and local communities.

The economy (Governance) sits at the top and represents how our business must evolve sustainably through responsible governance, transparency, and stakeholder collaboration.

Rugvista focuses on goals 5, 6, 8, 12, 13, 16, and 17, where we have the greatest opportunity to make a difference. By integrating this model into our strategy, we ensure that our sustainability work is cohesive and drives positive change across multiple levels.



Sustainability management

Rugvista drives its sustainability efforts through clear policies, guidelines, and measurable goals that guide both employees and suppliers. By integrating sustainability requirements into our processes and collaborations, we ensure responsible business practices and continuous improvement.

The board delegates operational responsibility for sustainability efforts to the CEO and the management team, who are accountable for integrating sustainability into strategy, operations, and risk management. The Chief Organization & Sustainability Officer (COSO) leads our sustainability work, ensures implementation across the business, and reports directly to the CEO. The Sustainability Manager, reporting to the COSO, is responsible for operational execution and works cross-functionally to drive sustainability initiatives throughout the organization.

COSO presents the company's sustainability performance to the Board annually - including progress toward sustainabi-

lity targets, material topics, and compliance with regulatory requirements. Sustainability-related risks and opportunities are continuously discussed within the management team and reported to the board when relevant.

Rugvista ensures compliance through independent third-party audits of the supply chain via amfori BSCI and Label STEP. All employees receive sustainability training as part of their onboarding and participate regularly in efforts through daily work, meetings, and workshops.

Membership, frameworks, and certifications

To ensure responsible operations, Rugvista is affiliated with several international initiatives and certification programs. These partnerships support our work in sustainability, supplier responsibility, and material selection. A summary of our partnerships is provided below.

Amfori BEPI is an initiative aimed at improving environmental performance in the supply chain, focusing on sustainable resource use and reducing environmental impact during production.

Amfori BSCI works to improve working conditions in global supply chains through third-party audits on behalf of its members. The initiative monitors suppliers' compliance with social standards and brings together over 2,400 companies around a common code of conduct to support sustainable business relationships.

Care & Fair is a non-profit initiative within the rug industry that promotes education for rug knotters' children, provides adult education for women, and offers free healthcare in vulnerable regions.

Good Wool Collective is a Swedish initiative that promotes sustainable wool production.

GRS (Global Recycled Standard) and RCS (Recycled Claim Standard) ensure that recycled materials are traceable and meet social, environmental, and chemical requirements for more sustainable production.

Label STEP is a non-profit organization that promotes improve living conditions for rug weavers. Through third-party audits of production sites and home weavers, along with training in health, finance, and social issues, they contribute to a fairer industry.

OEKO-TEX® Standard 100 guarantees that products meet strict ecological requirements and are free from harmful chemicals at levels that could pose a risk to human health.

RISE Chemical group - Through our membership, we receive guidance on chemical management and environmental legislation. Our suppliers follow the group's restricted substances list in line with EU legislation.

Science Based Targets initiative (SBTi): Since 2021, our climate goals have been approved by the initiative, ensuring our greenhouse gas reduction efforts align with the Paris Agreement.

Swedish Trade is the employer organization for retail companies and works to improve conditions within the industry.

Textile Exchange is a global organization driving sustainable development in textile fibers, materials, and supply chains.

UN Global Compact - Since 2020, we have participated in this global initiative, which promotes sustainable business practices and social responsibility.

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

Materiality analysis

Our operations impact people, the environment, and the economy across the entire value chain. Creating long-term value requires a balanced and effective interaction between these factors. Our sustainability efforts are extensive, which is why we focus on the areas where we have the greatest opportunity to drive positive change.

Corporate Sustainability Reporting Directive

The CSRD is the EU's framework for standardizing and strengthening corporate sustainability reporting. Our work to prepare for the CSRD has been central to optimizing our business processes and deepening our understanding of the factors that are critical to Rugvista's success in the short, medium, and long term.

In 2024, we refined our materiality analysis in line with the European Sustainability Reporting Standards (ESRS). Building on previous assessments, we expanded the impact perspective and integrated financial materiality, providing deeper insights into where we can make the greatest difference.

Double materiality analysis and material topics

This work has provided a clearer picture of the most critical risks and opportunities for both Rugvista and our stakeholders. To enable a more focused strategy, we have reduced the number of material topics to five key areas, allowing for more targeted action where it has the greatest impact.

The analysis is based on a systematic mapping of actual and potential impacts, as well as an assessment of risks, opportunities, and possibilities across the entire value chain, with stakeholder dialogue playing a central role.

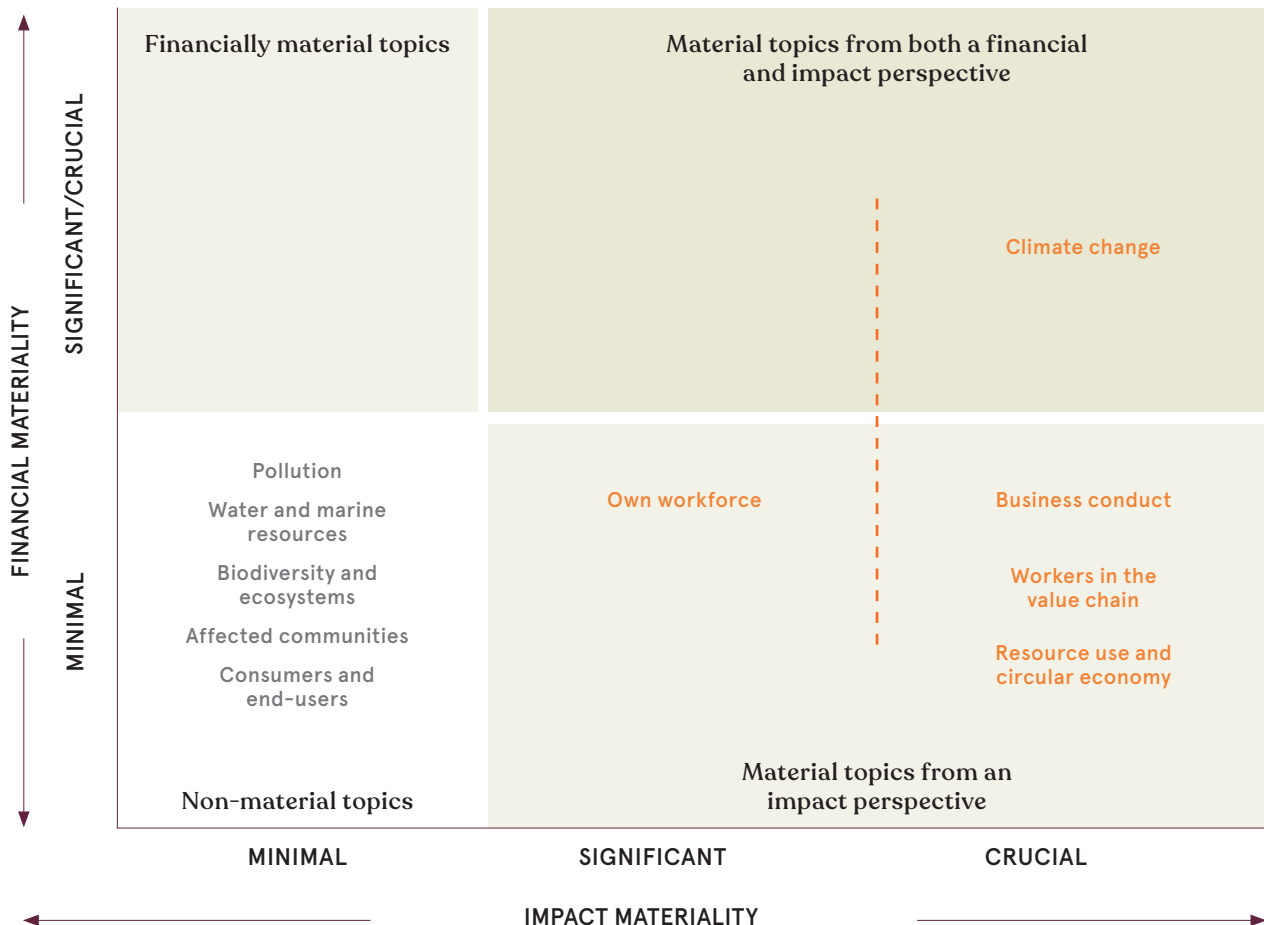
This year's report presents the topics identified as material from both a financial and impact perspective, reflecting our commitment to transparency and regulatory compliance.

Overview of Rugvista's Double Materiality Analysis (DMA)

<div>01</div> <div>Review of the 2023 materiality analysis</div> <div>In 2024, we reviewed the 2023 materiality analysis to identify the most relevant sustainability topics. By mapping our value chain and business model, and engaging in stakeholder dialogue – including expert interviews, workshops, and customer surveys – we gained deeper insights into both our business and the rug industry. Nature was identified as a key stakeholder.</div>	<div>02</div> <div>Identification of impact, risks, and opportunities</div> <div>Actual and potential sustainability impacts, risks, and opportunities were identified through industry and business analysis, a review of the value chain, and insights from stakeholder dialogues. To ensure a consistent assessment and incorporate the financial perspective, we introduced a structured scoring system with clearly defined thresholds.</div>	<div>03</div> <div>Assessment of significant impact</div> <div>The collected data was analyzed to identify the most significant sustainability topics. All topics and subcategories were evaluated using the established scoring system. Impacts, risks, and opportunities were assessed based on their severity, likelihood, and financial impact, resulting in a prioritization of the most material topics.</div>
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Below are Rugvista's material topics as identified in the 2024 double materiality analysis (DMA). The diagram illustrates which sustainability issues are considered material for Rugvista, based on both financial significance and sustainability impact. Topics in the upper right quadrant are material from both perspectives, while those in the lower right or upper left quadrants are material from either a financial or an impact perspective. Topics that were not assessed as material are located in the bottom left quadrant.





Planet



A sustainable rug industry requires reducing resource consumption and environmental impact across the entire value chain – from design and material selection to production and circular end-of-life handling. Our greatest climate impact occurs during raw material extraction and manufacturing, while emissions, water use, and land use also affect the environment. Through innovation, efficient resource management, and circular solutions, we aim to reduce our environmental footprint and support a more sustainable future.

FOCUS AREA

Climate change

Climate change is one of the greatest challenges of our time and has a direct impact on both society and our business. Through our materiality analysis, we have identified climate change as one of the most business-critical and environmentally significant topics for Rugvista. We have a clear responsibility to drive progress toward a more sustainable textile industry and reduce our climate impact through strategic material choices and close collaboration with our suppliers.

Key impact areas	Goal 2030
Scope 1 & 2 (company vehicles, electricity, district heating)	Halve absolute CO ₂ e emissions (baseline 2019)
Scope 3 (business travel, commuting)	Halve CO ₂ e emissions per employee (baseline 2019)
Scope 3 (purchased goods, supplier energy use, upstream transport)	Halve CO ₂ e emissions per square meter of purchased rug (baseline 2021)

Reducing our climate impact is a strategic priority and is driven by three main factors. First, reducing our environmental impact and contributing to global climate goals is essential. Second, it strengthens our long-term competitiveness and resilience by future-proofing the business against increasing climate-related risks. Third, it involves meeting growing demands from customers, investors, and regulators – a prerequisite for maintaining a strong market position and long-term competitiveness. Against this backdrop, we have set emission reduction targets in line with the Science Based Targets initiative (SBTi). Our goal is to reduce our greenhouse gas emissions in Scope 1 and 2 by 46% by 2030, using 2019 as the baseline year. We have also committed to identifying and reducing our emissions within Scope 3, with a particular focus on lowering the climate impact from materials and production.

Calculation methodology & transparency

Rugvista's carbon emissions calculations are based on the Greenhouse Gas Protocol (GHG Protocol) using documented emission factors from established sources such as UK DEFRA and Ecoinvent. We are committed to transparency in our calculation methods and continuously work to improve our methodology in line with developments in the field. All data is externally reviewed for reliability. A summary of our total climate impact by reporting category is available on page 33.

Scope 1 & 2

Rugvista's CO₂e emissions within Scope 1 and 2 include emissions from our own vehicles, as well as electricity and heating consumption at our facilities in Malmö, where both our office and warehouse are located. Since the LED lighting replacement in our warehouses in 2021, energy consumption has remained stable with no major changes. In 2024, emissions within Scope 1 increased slightly due to an investment in a new truck. Electricity consumption and heating remained at similar levels compared to the previous year, with the exception of a newly leased warehouse, which contributed to a slight increase in overall energy usage. Since 2019, we have reduced our CO₂ emissions by 60.3%, meaning we have already met our SBTi target in this category. In 2025, we will further refine our targets to drive continued improvements.

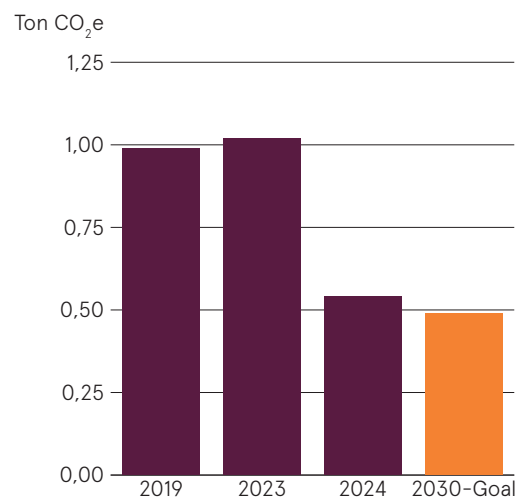
Scope 3

Scope 3 includes the indirect greenhouse gas emissions occurring in Rugvista's value chain and represents a significant part of our total climate impact. These emissions include those from purchased materials and services, fuel and energy-related activities, as well as upstream and downstream transportation. In addition, emissions from business travel and employee commuting are included.

Business travel & employee commuting

In 2024, emissions from both commuting and business travel decreased, with the largest reduction in car travel. This reduction was primarily driven by more employees choosing sustainable alternatives, such as public transportation and electric vehicles. To meet our goal of halving emissions per employee, we will need to continue developing and implementing effective measures.

Tonnes of CO₂e emissions from business travel and commuting (per employee)



Supply chain and upstream transport

In addition to the SBTi targets, Rugvista has set a goal to halve CO2e emissions from purchased materials per square meter of rug by 2030, using 2021 as the baseline year. The calculations include emissions from purchased goods, fuel and energy-related activities with suppliers, as well as upstream transportation and distribution. Materials continue to account for the largest share of our Scope 3 emissions, followed by emissions related to the manufacturing process with suppliers. For more information on our efforts to reduce the impact of materials, see page 35.

We annually collect and analyze energy use and emissions from our suppliers. The calculations are based on actual emission values or the share of the supplier's production attributable to Rugvista. Data is collected through questionnaires and externally verified. In addition to materials, the calculations also include emissions from packaging and secondary materials, such as latex.

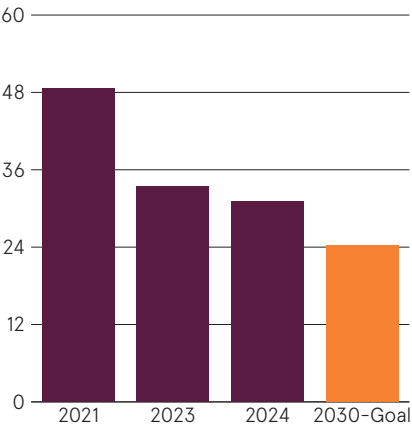
To ensure more relevant and accurate follow-up, we adjusted our target in 2024 to cover only CO2e emissions per square meter of purchased material. Previous calculations were based on purchased rugs per square meter sold, but since sales volume does not directly influence actual emissions during production, we have adapted the measurement method to better reflect our true climate impact.

Inbound and outbound deliveries

All transportation, both inbound and outbound, is carried out through our logistics partners. We work closely with them to support efforts to minimize the environmental impact of transportation. Through ongoing dialogue and follow-up, we ensure that sustainability aspects are integrated into logistics solutions. To effectively measure and track progress, we compare emissions from different freight providers and analyze our impact over time. This monitoring allows us to identify areas for improvement and move toward more resource-efficient and climate-smart transportation solutions.

Inbound transport: CO₂e emissions per square meter of purchased rug: 0.61 kg
Outbound transport: CO₂e emissions per square meter of sold rug: 1.15 kg

CO2e-emissions per rug purchases (per sqm)



Returns

Returns are included in the calculation for upstream transportation and are part of our efforts to improve the customer experience and reduce environmental impact. By optimizing product information, we help customers make more informed purchasing decisions, thereby reducing the need for returns. All returns are recorded and analyzed to identify recurring causes, such as production deviations. Quality checks are conducted both by suppliers and at our warehouse to detect and address deficiencies at an early stage. In 2024, the return rate was 14.3%, an improvement of 0.6 percentage points compared to the previous year.



Rugvistas climate impact by reporting category

Emission source according to GHG protocol's reporting categories	Data source	Emissions factor	Ton CO ₂ e 2024	Ton CO ₂ e 2023	Ton CO ₂ e 2021 (base year scope 3)	Ton CO ₂ e 2019 (base year scope 1&2)	Percentage of share 2024
Scope 1							
Company cars	Odometer readings	UK government's greenhouse gas conversion factors	2,65	0,23	8,00	9,70	0,01%
Scope 2							
Disting heating	Invoices	Beis, 2021	100,34	82,20	46,00	219 (Accounted in total)	0,22%
Electricity (location-based)	Invoices	UN 2022, IPCC 2006	7,33	4,82	100,00		
Electricity (market-based)	Invoices	UN 2022, IPCC 2006	42,30	0,20	Accounted together with location-based		0,09%
Scope 3							
3.1 Purchased material and energy related activities	Supplier questionnaire and invoices	Ecoinvent, 2022	40 893	36 171	60 055	N/A	89,84%
3.1 Fuel and energy-related activities	Supplier questionnaire	UN 2022, IPCC 2006	2 041	2 405	7	N/A	4,48%
3.3 Fuel and energy-related activities not included in scope 1 or scope 2	Supplier questionnaire	UK DEFRA	11,15	11,28	N/A	N/A	0,02%
3.4 Upstream transport and distribution	Supplier questionnaire	UK DEFRA	865	713	3 037	N/A	1,90%
3.5 Waste	Invoices	Avfall Sverige	23,19				0,05%
3.6 Business travel	Employee questionnaire	UK DEFRA	21,56	23	4	67 - Accounted together with 3.7	0,05%
3.7 Commuting	Employee questionnaire	UK DEFRA	41,64	76	17		0,09%
3.9 Downstream transport and distribution	Supplier questionnaire	UK DEFRA	1 476	1 660	Accounted together with 3.4	N/A	3,24%
Total (Market Based)			45 517	41 142	63 274		

FOCUS AREA

Resource use and circular economy

In a circular economy, products are designed to minimize environmental and climate impact, extend their lifespan, and allow for repair when needed. When a product reaches the end-of-life, it should be designed to allow for easy recycling. To support this, we focus on three critical phases: design, use, and recycling. These phases span the entire value chain, with the most impactful decisions made at the design stage.

Key impact areas	Goal 2030
Purchased rugs made from more sustainable materials Certified, reused, recycled, or recyclable materials	50% of the total purchased weight
Packaging Material	100% should consist of recycled or bio-based material

1. Design phase – the foundation for a more sustainable rug

Up to 80% of a rug’s total environmental and climate impact occurs during the production phase, making the design phase critical for reducing impact and enabling circular systems. The choice of raw materials, fiber composition, and production methods directly affects the product’s environmental performance, quality, and recyclability. The use of chemicals also plays a key role, as certain treatments can hinder recycling and negatively affect both the environment and human health. By making conscious choices during the design stage, we lay the foundation for a more sustainable product with a longer lifespan. Learn more about our material choices on pages 35–36.

2. Usage phase – extended lifespan through proper care and circular business models

Extending a product’s lifespan is a key factor in reducing the environmental and climate impact of the textile industry, as emphasized in the EU Strategy for Sustainable and Circular Textiles. We help our customers extend the life of their rugs by providing clear care instructions. In 2025, we will evaluate

the possibility of providing estimated lifespans for our rugs, further supporting customers in making informed and sustainable purchasing decisions. On our website, customers can explore a carefully curated selection of older, unique rugs that have been sourced from around the world and restored with care. Read more about these below.

As part of our circular efforts, we also offer our customers the opportunity to resell their Rugvista rugs free of charge via Tradera RE:USE. This helps extend the rugs’ lifecycle and reducing the environmental impact of the textile industry.

3. Recycling phase – a new beginning for textile resources

When a rug reaches the end of its lifecycle, it should ideally be recycled into new textiles, a process known as fiber-to-fiber recycling, where the fibers are used to create thread, yarn, fabric, and other textile products.

The recyclability of a rug depends on several factors, with one of the biggest challenges being material blends, which can complicate the process. Local recycling infrastructure also play a crucial role. In 2025, we will focus on deepening our understanding of material recyclability.



Older rugs are restored and given new life

Rugvista’s older rugs* carry a rich history and have been part of the rug industry’s tradition long before circularity became an established concept. Through careful restoration and traditional craftsmanship techniques, these unique wool rugs are preserved and given new life as valued pieces in new homes.

To highlight each rug’s unique character, several proven techniques are applied. Colored Vintage rugs undergo a meticulous

cleaning process and are dyed to create a more contemporary look. Patina rugs are gently trimmed and shaded to accentuate a naturally aged aesthetic. Patchwork rugs are created by combining sections of older rugs into new patterns and sizes, resulting in a unique and characterful appearance.

We also offer restored, unique rugs that are up to 100 years old. These rugs go through a thorough cleaning process and are then naturally dried in sunlight – a traditional method used for generations to preserve the fibers’ quality and structure.

* Older rugs are defined as rugs that are 20 years or older

Strategic material choices to reduce environmental impact

Textile materials have a significant environmental impact that extends far beyond carbon emissions, affecting biodiversity, land use, animal welfare, and other factors. Making well-informed material choices requires a holistic view of environmental impact factors throughout the entire value chain — fiber by fiber. Through close collaboration with our suppliers, we have both the opportunity and responsibility to drive progress toward a more sustainable and resource-efficient textile industry.

Rugvista's material matrix

Our material matrix was developed in 2023 and is based on the Higg Materials Sustainability Index (MSI) and Textile Exchange's Preferred Material Matrix (PFMM). It serves as a strategic tool for our designers and buyers, guiding them in selecting fibers with documented lower environmental impact.

In 2024, we intensified our collaboration with suppliers to explore opportunities for replacing conventional materials with certified alternatives in line with our matrix. At the same time, we have deepened our knowledge through engagement with industry organizations, giving us a clearer understanding of both the opportunities and challenges associated with different textile fibers.

The transition from conventional to certified materials is a complex process that encompasses everything from material sourcing and certification requirements to production and labeling, while ensuring alignment with business strategy decisions.

By prioritizing the highest environmental impact and collaborating with suppliers who are actively working toward more sustainable production, our goal is to gradually replace conventional materials with certified alternatives. This helps create

a more transparent value chain and reduces our climate and environmental impact where we can make the most difference.

THE MATERIALS IN OUR RUGS

Wool

Wool is a durable, biodegradable fiber with a long lifespan. However, its production is resource-intensive and associated with sustainability challenges such as high methane emissions, animal welfare concerns, and land use.

Since recycled wool is currently not a viable option for rug manufacturing due to the fibers being too short, we see RWS-certified wool as the best choice to ensure traceability and high environmental standards. During the year, we joined the Good Wool Collective, an initiative where industry stakeholders collaborate to identify proven methods for reducing the environmental impact of wool. We have mapped suitable suppliers and plan to begin sourcing certified wool in 2025.

Cotton

Cotton is a natural and biodegradable fiber, but its cultivation requires large amounts of water and chemicals, resulting in significant environmental impact. To reduce resource use, we prioritize recycled cotton where possible. Recycled cotton has proven to be both available and well-suited for rug manufacturing.

Jute

Jute is a natural, biodegradable plant fiber that is durable and has a long lifespan. As no certified jute with documented lower environmental impact is currently available, we continue to monitor developments together with suppliers and industry organizations.



Polyester

Polyester is a durable, low-maintenance fiber that is well-suited for rugs. As it is derived from crude oil, we prioritize recycled polyester to reduce the use of virgin fossil-based materials. Most of our suppliers have demonstrated the ability to weave rugs using recycled polyester, and in 2025, we will intensify efforts to accelerate this transition.

Polypropylene

Polypropylene is commonly used in our machine-woven rugs and is valued for its color fastness, stain resistance, and luster. Like polyester, polypropylene is made from fossil-based raw materials, and unfortunately, the availability of recycled polypropylene for rug manufacturing remains limited. In 2025, we will continue working with suppliers and industry organizations to explore opportunities for recycled or bio-based alternatives.

Viscose

Viscose, also known as rayon, is a semi-synthetic fiber derived from cellulose. The manufacturing process involves multiple chemical steps, but the end product combines properties of both natural and synthetic fibers. As viscose rugs make up a small share of our assortment, we have not yet initiated discussions with suppliers regarding more sustainable alternatives.



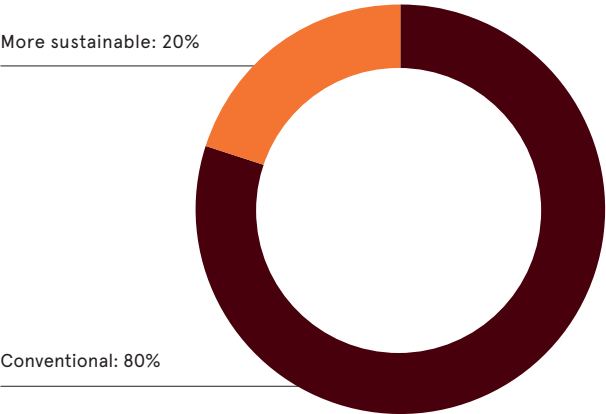
PVC

PVC is a durable and low-maintenance synthetic material used in rugs for both indoor and outdoor environments. It is water-resistant, easy to clean, and slip-resistant, making it suitable for high-traffic areas. As PVC is made from fossil-based raw materials, we are closely following the development of more sustainable and recycled alternatives.

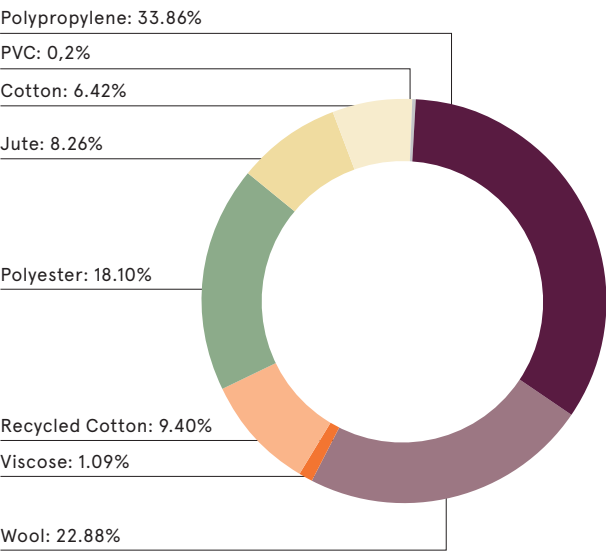
Goals and strategic insights

Rugvista has set a target for 50% of the total purchased volume to consist of more sustainable materials by 2030. We recognize that this transition is a long-term process and that we have an important journey ahead. To drive meaningful change, we must focus our efforts where they have the greatest impact – by carefully selecting materials, deepening supplier collaboration, and strengthening sustainability knowledge within the rug industry. With a clear strategy and long-term actions, we are creating the right conditions to achieve our targets and promote more sustainable material use across the entire value chain.

Purchase of more sustainable material (% of weight)



Purchasing by material category (% of weight)



A holistic approach to environmental impact

Value chain

All newly produced rugs are manufactured by independent suppliers, primarily in Asia and Europe, who have signed our Code of Conduct and Animal Welfare Policy, and committed to complying with the chemical restrictions outlined in the REACH regulation. OEKO-TEX certification serves as verification of this compliance through external testing. In 2024, 87% of the purchased volume was certified, based on the share of newly produced rugs. For the remaining products, testing is conducted in independent laboratories.

Suppliers undergo external audits that review aspects such as environmental permits, waste management, water management, and the use of natural resources. In 2024, no serious environmental incidents were reported.

We collect data and measure the waste generated by our suppliers during production, as well as the types of packaging used for our rugs. In 2024, 30% of our suppliers used packaging that contained at least 20% recycled plastic. We continue to encourage and support our suppliers in reducing their environmental impact and transitioning toward more circular solutions. Through regular follow-ups, we help our suppliers develop more resource-efficient and sustainable processes.

Although biodiversity, water management, and emissions to water, soil, and air are no longer listed as separate material topics, they remain an integral part of our work on resource management and circular economy. By gradually introducing materials with lower environmental impact, in line with our material matrix, and by strengthening our suppliers' ability to manage resources more responsibly, we contribute as effectively as possible to minimizing impacts in these areas.

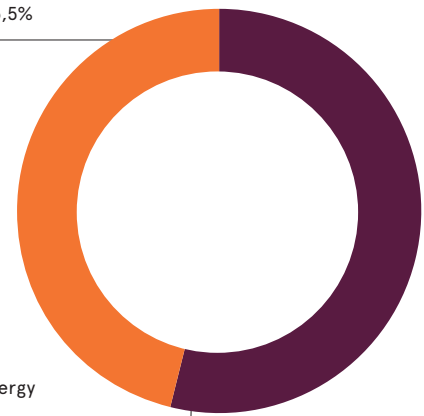
Our own operations

Waste from our own operations accounts for only a small share of the total environmental impact compared to that generated by our suppliers. However, since we have direct control over our waste management, we expanded our measurements this year to gain a better understanding. Our data shows that most of the waste consists of soft plastic, hard plastic, and corrugated cardboard, the majority of which is material recycled through our waste management partner. In connection with the establishment of our new warehouse in 2025, we will explore opportunities to further increase the share of material recycling and optimize waste management.

Distribution between waste sent for incineration with energy recovery and material recycling

Material recycling: 65,5%

Incineration with energy recovery: 34,5%



Our packaging primarily consists of plastic and corrugated cardboard, designed to protect rugs during transport and to streamline handling across the supply chain.

During the year, we conducted tests to increase the proportion of recycled material in our plastic packaging, with a focus on maintaining durability and functionality. Special emphasis was placed on ensuring that the packaging performs optimally in our shrink-wrapping machines, which are used to minimize plastic use and optimize deliveries to customers.

In 2024, 30% of our plastic packaging consisted of recycled material. Test results show that this share can be increased to 47% by 2025. Through continuous testing and follow-up, we are working to balance resource efficiency and product protection, while reducing environmental impact — with the goal of achieving 100% fossil-free packaging by 2030.



People



People in our value chain are at the core of our business. We actively promote social responsibility, diversity, and inclusion – both within our own organization and across our supply chain. This includes supporting sustainable development in the regions where we and our suppliers operate, as well as strengthening skills development and inclusion within our own organization. Social responsibility and human rights are integrated into our business model and are embedded throughout our operations – from our internal organization to the supply chain and the communities in which we are present.

FOCUS AREA

Own Workforce

We strive to create a safe and inclusive workplace where employees can thrive and grow. As part of our sustainability efforts, we have identified social dialogue, health and safety, education and skills development, working hours, diversity, and the prevention of abusive treatment as the most critical areas – given their significant impact on our employees and operations.

Key impact areas	Goal 2030
Good working conditions and well-being	Achieve an Employee Net Promoter Score (eNPS) of 60 by 2030
Education and skills development	Ensure at least one employee development meeting per year for each employee
Equal treatment and opportunities for all	Achieve gender equality in company management – target share of women: 40-60%

Employee engagement

We value employees' insights and encourage open dialogue between teams and management. Through surveys, workplace meetings, and meetings with the safety committee and employee representatives, we gather feedback that informs decisions and initiatives to address both actual and potential impacts.

Our monthly eNPS surveys provide a comprehensive view of employee sentiment by identifying strengths and areas for improvement. The result for December 2024 was -14 (previous year: 31), reflecting a decline compared to 2023. We have identified the underlying causes and will implement improvement measures in 2025.

We apply the Top 2 Box Score model, which tracks the percentage of responses in the top two rating levels in a survey. This enables us to regularly monitor performance in the four pillars of our employee development and work environment framework.

Our annual OSA (organizational and social work environment) survey provides deeper insights into the work environment and helps us identify improvement areas that enhance inclusion and support a positive company culture. The results form the basis for targeted initiatives and functional-level action plans, ensuring continuous improvement of our workplace environment.

Grievance mechanism

We provide an external, independent whistleblowing system via 2Secure, enabling employees to anonymously report serious or suspected violations. The channel is accessible through the intranet and is outlined in our whistleblower policy. Reported cases are handled by People & Organization, with the CLO, CEO, or the Board involved when necessary. Clear protective measures are in place to safeguard confidentiality and prevent retaliation.



Our Framework for Employee Development and Work Environment

The framework supports leaders in recruitment, organizational development, and employee growth, and is built around four dimensions of our employer value proposition: skills development, training & feedback; work environment, health & safety; culture, colleagues & inclusion; and compensation & benefits. Through systematic follow-ups, we ensure that our efforts lead to long-term improvements. Below, we present the key results for each dimension of the framework.

Skills development, training, and feedback

We have structured evaluation and development processes that link individual performance and development opportunities to Rugvista's overall goals. Regular feedback, calibrated performance evaluations, transparent salary criteria, and individual development plans help create a motivating and transparent work environment.

During the year, performance and development discussions were held for 81% of employees. Discussions with warehouse staff were postponed until spring 2025 to avoid the company's peak season in autumn 2024. On average, 13 (11) hours of training were conducted per employee – an increase of 2 hours per FTE.

Top 2 Box Score:

Goal: >85% are satisfied with their personal feedback and development plan
Result: 87% (86%)

Work environment, Health, and Safety

Our goal is to provide a safe and healthy workplace with zero workplace accidents. We identify and mitigate risks, analyze incidents, and take preventive action. In 2024, three workplace accidents with minor injuries and two near misses were reported (6 previous year). This positive development reflects the impact of our structured work environment efforts. However, we continue to work purposefully toward our zero-accident vision. Sick leave decreased to 4.3% (6.5%)

in our warehouses and 2.4% (2.9%) among office employees – a result we attribute to our work environment initiatives and health-promoting activities such as massage, yoga, and a generous wellness allowance.

Top 2 Box Score:

Goal: >85% are satisfied with work environment and equipment.
Result: 86 % (91 %)

Culture, colleagues, and inclusion:

We strive to foster an inclusive and safe workplace where everyone feels respected and engaged. Openness, diversity, and social dialogue are key to our success. We have a zero-tolerance policy for violence and harassment, and no incidents were reported in 2024. During the year, we strengthened our efforts by establishing an Inclusion Committee and joining the global initiative Diversity Charter. Our team consists of approximately 100 employees from over 30 countries, contributing to an inclusive workplace enriched by diverse perspectives and experiences.

Top 2 Box Score:

Goal: >85% understand our culture and values.
Result: 79% (87%)

Compensation and benefits:

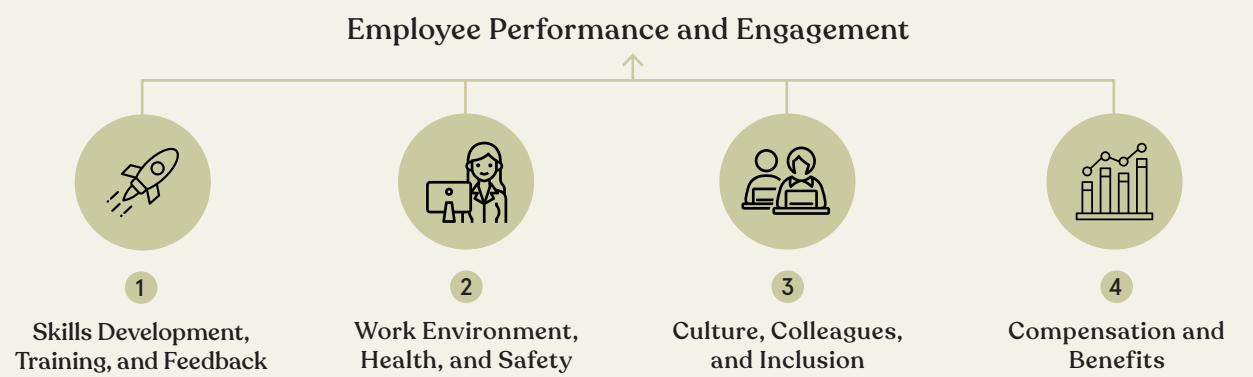
All Rugvista employees are covered by collective agreements. Office employees are compensated according to our internal employee framework, while blue-collar employees are compensated in accordance with the collective agreement. We offer wellness allowances, benefits that support a sustainable lifestyle, and subsidized public transportation. Rugvista is a member of Svensk Handel and has collective agreements with Handelsanställdas Förbund and Unionen.

Top 2 Box Score:

Goal: >75 % are satisfied with compensation and benefits.
Result: 78 % (81 %)

Our framework for employee development and work environment

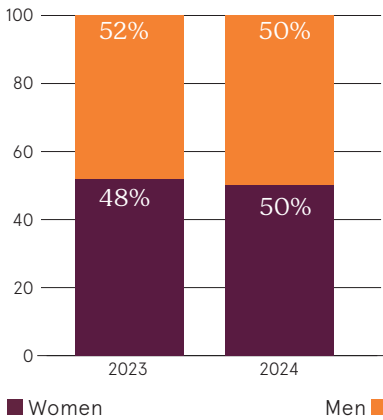
The framework supports leaders in recruitment, organizational development and employee growth, and encompasses four key dimensions of our employer offering:



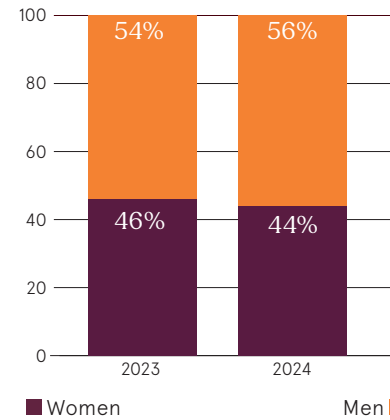
GENDER DISTRIBUTION

The average number of full-time employees during the period from January to December was 98.6 (90.2), with women representing 49.8% (47.6%) of the total workforce.

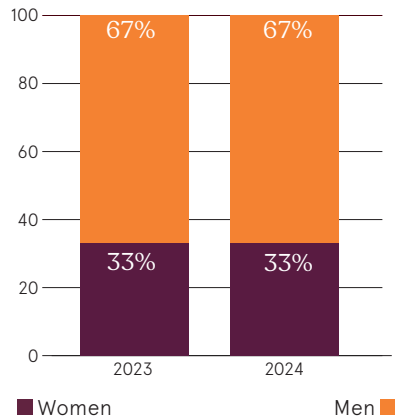
Employees



Management Team



Board of Directors



Employee age distribution (%)

	2024
<30	17%
>30 - <50	67%
>50	16%
Total	100%

Key figures - own organization

KPI	Goal 2030	Result 2024	Result 2023
Training hours per employee	16	13	11
Sick leave, warehouse employees	3%	4,3%	6,6%
Sick leave, office employees	3%	2,4%	2,9%
Employee turnover (%)	10-20%	11,5%	10,6%
Accidents / Near-misses	0	5	6

FOCUS AREA

Workers in the value chain

Our operations affect not only our own employees but also the many workers across our supply chain. Ensuring fair and ethical working conditions is a business-critical issue that reflects our social responsibility and has a direct impact on our credibility and our supplier relationships.

We have identified the following areas as material for workers in our value chain: secure employment, social dialogue, working hours, fair wages, collective bargaining, measures against violence and harassment, gender equality and equal pay, health and safety, as well as education and skills development.

These factors have a significant impact on worker well-being and working conditions in the countries where our suppliers operate. We work actively to ensure that our suppliers comply with international labor standards and conduct regular audits to identify and address risks such as unsafe working conditions, forced and child labor, and limitations on trade union rights. In collaboration with organizations such as amfori BSCI and Label STEP, we promote better working conditions and fairer wages while supporting initiatives that enhance transparency and responsible production.

Our ambition is to strengthen working conditions throughout the supply chain by creating better conditions for the people who contribute to our business through dialogue, training initiatives, and regular audits.

Supplier assessment of social conditions

Rugvista's supplier assessment is a key part of our efforts to safeguard human rights and ensure good working conditions in the supply chain. Through a structured process, we identify and manage risks that may affect workers' rights. Our assessment is based on guidelines of amfori BSCI and Label STEP, as well as our own internal processes. All suppliers undergo regular third-party audits within the framework of these initiatives.

LabelSTEP

LabelSTEP is a non-profit organization and our long-term partner in fair trade for handmade rugs. They conduct regular audits of both small production facilities and home-based weavers within our supply chain to ensure fair working conditions and promote the well-being of weavers. This work has increased transparency and improved understanding of working conditions.

In 2024, we intensified our efforts to encourage suppliers to open their supply chains for review by Label STEP, leading to improved compliance with social standards.

Despite progress, challenges remain in some parts of the region, particularly regarding living conditions and working conditions for women. Through Rugvista's continued purchasing and support efforts via Label STEP, important social programs have been implemented, including initiatives focused on workplace environment, health, and safety.

With wages above the industry average. In 2025, this work will continue with further audits and a deeper dialogue with

suppliers to ensure continued improvement and responsible production.

amfori BSCI

In 2024, amfori BSCI audits were conducted at 22 of our suppliers in Turkey, Egypt, and India. The results show a clear improvement, with 78% of the audits receiving an A or B rating, compared to 63% the previous year. We have seen an increased understanding of social and environmental requirements, and more suppliers are actively engaging in improvement efforts.

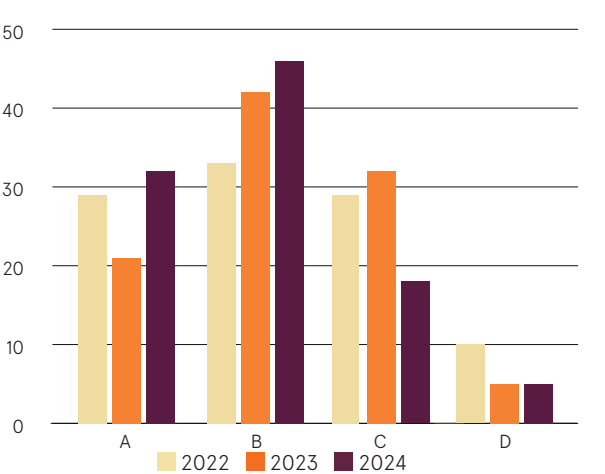
At the same time, challenges remain. In Turkey, low minimum wages contribute to long working hours, and some suppliers attempt to circumvent accurate recording of actual working hours. Together with amfori, we continue to push for improvements — although the change process is slow and requires ongoing follow-up.

Some suppliers have yet to ensure that their subcontractors have received and implemented our Code of Conduct, despite their commitment to passing it on. This is a key part of the code and a prerequisite for long-term improvements in working conditions and compliance throughout the value chain.

Thanks to our assessment framework and amfori's whistleblower system, Speak for Change, we were able to identify serious transparency deficiencies in a potential supplier and, as a result, chose not to initiate a collaboration.

We continue to work systematically to strengthen compliance, increase transparency, and ensure improvements through clear action plans and continuous follow-up.

Rating distribution for all suppliers affiliated with amfori BSCI (%)







Governance



Responsible business conduct is a fundamental part of our operations and critical to long-term success. We promote transparency, ethical business practices, and regulatory compliance through clear policies, codes of conduct, and regular audits.

FOCUS AREA

Responsible business

By building long-term relationships with suppliers, we promote both economic stability and sustainable working conditions within the supply chain. Our procurement practices aim to ensure fair working conditions and a safe work environment. We strive to foster a strong culture of integrity and responsibility throughout the organization and among our business partners, strengthening both our sustainability efforts and our business ethics.

Key impact areas	Goal 2030
Responsible business and compliance	100% of all suppliers must have signed the Code of Conduct
Transparency	100% of all Tier 2 subcontractors must be mapped.
Corruption and bribery	Identify all incidents of corruption.

CODE OF CONDUCT AND OTHER POLICIES

Our codes of conduct, policy documents, and internal guidelines form the foundation of our sustainability work and risk management. All policies and guidelines are reviewed annually.

Our sustainability-related policy documents include:

- Rugvista’s Code of Conduct for employees
- Rugvista’s Code of Conduct for suppliers
- Rugvista’s Anti-Corruption Policy
- Rugvista’s Whistleblower Policy
- UK Modern Slavery Act Policy

Compliance with rules and regulations

We set clear expectations for the Board, management, and employees to follow our ethical guidelines, corporate principles, and applicable legislation. Upon employment, all employees are required to sign our Code of Conduct, and for suppliers, approval of the Code of Conduct for Business Partners is mandatory. In 2024, Rugvista reported no material instances of non-compliance with applicable laws or regulations. There were also no fines or sanctions related to regulatory violations. We assess significant deviations based on their impact on our business, financial performance, stakeholders, and any legal consequences.

Prevention of corruption

Corruption risk remains a challenge in some of our supplier regions. Rugvista has a zero-tolerance policy for corruption, and our work is guided by clear codes of conduct and internal guidelines that define expectations for both employees and business partners. To ensure compliance, we provide continuous training in ethical business practices for relevant roles across the organization. In 2024, no confirmed cases of corruption were reported. No employees were dismissed or disciplined due to corruption, and no business relationships were terminated or not renewed due to corruption-related violations. Furthermore, no legal proceedings related to corruption were initiated against Rugvista or any of our employees.

Transparency in the supply chain

To ensure responsible business practices and long-term sustainable partnerships, a thorough understanding of our suppliers and their working conditions is essential. Rugvista collaborates with approximately 20 suppliers, primarily in Asia and Europe,

where we prioritize partnerships that support long-term development and compliance with sustainability requirements. All production facilities are subject to regular third-party audits through amfori BSCI or Label STEP. Before initiating new partnerships, we conduct a thorough risk assessment, with a particular focus on working conditions and environmental impact. Suppliers are also expected to ensure transparency regarding their production facilities and subcontractors.

We actively work to map our Tier 2 suppliers to increase transparency in the supply chain. In 2024, we mapped 88% of our Tier 2 suppliers (up from 79%), excluding non-rug suppliers.

In the long term, our goal is to achieve full supply chain transparency beyond Tier 1 and Tier 2. Through structured follow-ups and close collaboration, we continuously work to improve social and environmental standards across the supply chain.

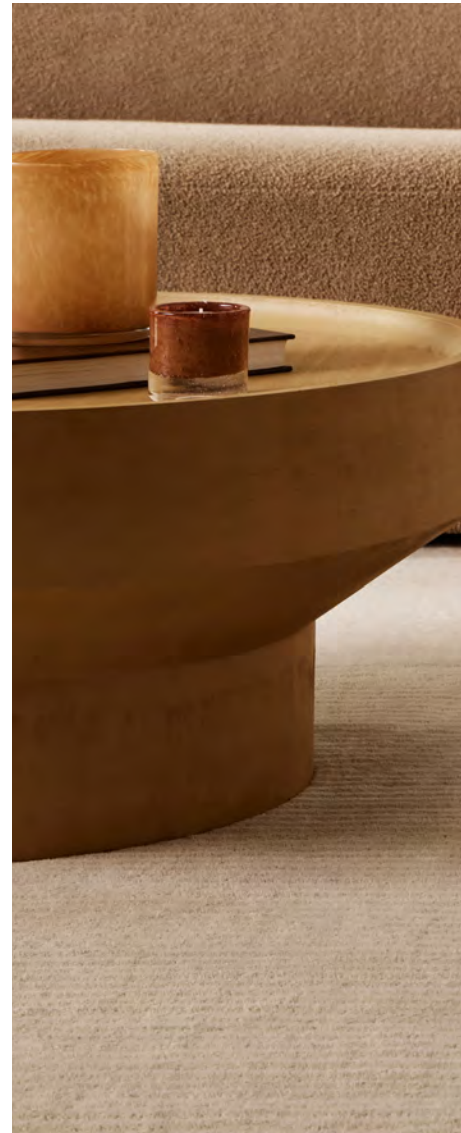
External whistleblower function

To strengthen transparency and accountability in the supply chain, we offer an external whistleblower system through 2Secure. The system is available to workers at our suppliers and enables anonymous reporting of suspected irregularities or violations of the Code of Conduct. All cases are handled confidentially and assessed in accordance with our whistleblower policy. In 2024, no reports were received through the whistleblower channel.



Sustainability Risks

Sustainability risks can arise across the business and include environmental, social, and business ethics-related risks. We categorize these risks under our three focus areas: Planet, People, and Governance.



Through a structured sustainability approach, we strengthen our ability to identify and manage sustainability risks on an ongoing basis. Some risks can be addressed through internal procedures and controls, while others — such as political or cultural factors — require broader, industry-wide efforts.

Long-term partnerships and continuous dialogue with suppliers are crucial for mitigating risks and strengthening our impact. The most significant sustainability risks for Rugvista are outlined below, with more detailed information provided under each focus area in this report.

FOCUS AREA PLANET:

Resource scarcity

Rugvista's operations depend on natural resources such as silk, cotton, wool, and water. The depletion of these resources can lead to limited availability, rising prices, and production disruptions. A linear business model further increases this vulnerability.

Risk mitigation: Rugvista actively works to reduce its climate impact by increasing the use of recycled, reused, and certified materials. At the same time, we are pursuing initiatives to implement more circular processes across the value chain.

Emissions to water, air, and soil

Textile production affects the environment through water and chemical use, as well as emissions generated during manufacturing and transportation. Deficiencies in suppliers' handling of raw materials and waste can also pose compliance risks and affect Rugvista's reputation.

Risk Mitigation: Rugvista works to increase transparency in the supply chain through regular audits that cover emissions and chemical management. In parallel, we are evaluating opportunities to increase the share of certified materials.

Climate change caused by greenhouse gas emissions

The textile industry contributes to greenhouse gas emissions, for example through methane from wool production. Climate change affects supply chains and may negatively impact business stability and profitability.

Risk mitigation: Climate targets have been set in line with the SBTi, and Rugvista is working to identify materials and products with proven lower climate impact.

FOCUS AREA PEOPLE:

Labor rights and social risks in the supply chain

Rugvista's supply chain extends to low-cost countries where



the risk of deficiencies in labor rights includes challenges such as lack of freedom of association, low wages, unsafe working conditions, and excessive overtime.

If not addressed responsibly, these issues can affect the company's reputation, stakeholder relationships, and ultimately business operations.

Risk mitigation: Rugvista works to ensure that suppliers comply with the company's Code of Conduct, which includes requirements for working conditions, a ban on child and forced labor, and the right to fair compensation. Compliance is monitored through third-party audits, regular dialogue, and training initiatives.

When deficiencies are identified, action plans are developed together with suppliers, with a focus on improvement rather than immediate termination of the partnership. However, in cases of serious violations where the supplier shows no willingness to address the issues, the collaboration is discontinued.

FOCUS AREA GOVERNANCE:

Product Safety

Customer expectations regarding product safety are high. Rugvista's rugs comply with the REACH regulation, but any

violations may lead to sales bans and sanctions.

Risk mitigation: Rugvista works through long-term supplier partnerships and conducts regular checks of chemical content, both through supplier documentation and random sample testing.

Corruption and unethical business conduct

Production in low-cost countries involves risks of bribery and corruption, which can affect both regulatory compliance and the company's reputation.

Risk mitigation: Rugvista has a zero-tolerance policy for corruption and continuously works to strengthen the Code of Conduct, conduct regular follow-ups, and ensure that a global whistleblower channel is available.

Political and social risks

Geopolitical events, trade restrictions, and conflicts can impact the supply chain and production stability.

Risk mitigation: Rugvista works to diversify its supplier base, conduct risk analyses, and strengthen collaborations with amfori and Label STEP to ensure long-term stability in the supply chain.

The auditor's statement regarding the statutory sustainability report

To the general meeting of shareholders in Rugvista Group AB (publ), org.nr 5590377882

Assignment and division of responsibility

The Board of Directors is responsible for the sustainability report for the financial year 2024 on pages 22–47 and for ensuring that it has been prepared in accordance with the Swedish Annual Accounts Act.

Focus and scope of the review

Our review has been conducted in accordance with FAR's recommendation RevR 12, The Auditor's Opinion on the Statutory Sustainability Report.

This means that our review 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 review provides us with a sufficient basis for our opinion.

Statement

A sustainability report has been prepared.

Malmö 14 April 2025

Ernst & Young AB

Hanna Fehland

Auktoriserad revisor

