

Corporate Sustainability Report 2022

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The Environment and Corporate Social Responsibility

Flokk has had a strategic focus on sustainability for nearly 40 years. We have always led the way in our industry through the design, production, and promotion of sustainable products and efficient operation of our production sites and value chains.

Flokk strives towards responsible business conduct that respects people, society and the environment. Flokk's strategic goals and targets for 2030 are defined to ensure we contribute to the achievement of the global targets as set e.g., by the EU European Green Deal, UN Sustainable Development Group, and the UN Convention on Climate Change.

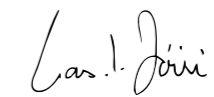
The practical consequence of this aspiration is that our products, services, and processes must be resource-, energy- and water- efficient, must generate minimum greenhouse gas emissions, cannot present a risk to health or the environment and must result in minimal waste generation. We are committed to the constant pursuit of improvements on these parameters, with principles for sustainable design (5-III) at the core of our efforts. As our company is constantly growing, we capture the opportunity to scale these efforts also through applying them on business we acquire and integrate. This spreading of best practice strengthens our power and ability further to make an even greater difference.

In 2022, we have managed to reduce our carbon emissions per unit by 0.3% since 2015, due to a high share of 93% renewable electricity and a 165% increase of units produced in that same period. We see a positive trend in reaching the long-term target of an average of 60% recycled materials in our products. Keeping sustainability our primary differentiator, we aim to grow the company while at the same time improving our environmental performance. Beyond our own in-house activities, we are continuously imposing stricter environmental requirements on all our suppliers.

Our priority on environmental aspects stems from the privilege of having the vast majority of production & value-

chains in central and northern Europe & thereby within well matured legislative systems. But we acknowledge that sustainability entails more than this; there is also an S and a G in ESG. Increasing legal & stakeholder requirements as well as expansion into new geographies imply, we must also continue to further strengthen our efforts further within social responsibility and governance. We strive to be a responsible social operator, to preserve natural resources and the people involved – by helping to protect people's rights, health and wellbeing, taking care of our common environment and practicing good social responsibility. Our Code of Conduct applicable also to our suppliers, include human rights as labour law, diversity, equity & inclusion, working conditions, bribery, corruption, sanctions and animal welfare.

Flokk has a clear corporate identity and a positive reputation. We encourage our employees to be good ambassadors for the company by conducting themselves in an ethical and responsible manner, with consideration of external stakeholders and the society in which we operate. These attitudes must be apparent in everything we do, throughout our value chain, from the sourcing of raw materials and product development, through sales, production, after-sales service and end-of-use.



Lars I. Røiri
Chief Executive Officer

Materiality Assessment

One important element of our sustainability strategy and reporting is to disclose information on where Flokk as a company already has - and can potentially have - the most impact, both positive and negative, to the environment and society, economy and people. Large part of this work is to identify both internal and external viewpoints and inputs over time, thus identifying material risks and opportunities associated with Sustainability. We must not only adapt to the increased impact from the growth of our organisation, but also to a rapidly changing earth, society and legislation, with requirements and expectations that are increasing in line with greater public awareness in every market.

MATERIAL IMPACTS AND STRATEGIC PRIORITIES

Material topics are topics that represent an organisation's most significant impacts on society and the environment. In 2021, Flokk engaged The Governance Group (now Position Green Group) to facilitate an update of our materiality assessment according to the new GRI Standard 2021 concept of double materiality; how sustainability factors impact Flokk (strategic priority), and how Flokk impacts society and the environment (external materiality). Flokk's previous materiality assessment from 2018 was a result of a comprehensive process involving interviews and workshops including managers from all business areas and disciplines at Flokk, Group Management included.

The 2021 materiality assessment involved in-depth interviews with both internal and external stakeholders. Internally, selected Group Management managers were interviewed. External interviews were carried out with Nordea - one of Flokk's key banking partners, The Confederation of Norwegian Enterprise (NHO) - Furniture & Interiors, Skift - a business-led climate initiative & CEO network and Circular Norway - politically independent promoter of the transformation of Norwegian business to a circular economy.

A long list of impacts the furniture industry is associated with was discussed and rated based on severity throughout the value chain in all the interviews. To count as a positive impact, it should be a substantive and independent positive effect that is integral to the business model or product/service e.g. providing fully circular products etc. Reducing negative

impacts or performing better than industry average did not count as a positive impact in this context.

A final list of Flokk's strategic priorities and where we have the most impact to the environment and society, both positive and negative, was finally agreed upon and calibrated with Flokk ESG stakeholders and selected Group Management managers through extensive workshops.

REPORTING STANDARD & PERIOD

This year's report has been prepared by Flokk in accordance with the GRI Standards 2021 for the period 2022. Reporting is done annually. The financial and sustainability report is aligned. The publication date is 22th of May 2023.

REPORTING SCOPE

The entities listed in Note 18 in the financial reporting are included in the sustainability reporting with exception of Habitat Ltd and Connection Seating Ltd. The exception of those two entities is due to incomplete integration into common ERP system and IT platform because of Covid and travel restrictions.

In this year's sustainability report, the largest workplaces are covered: Røros and Head Office (Norway), Nässjö (Sweden), Turek (Poland) and Hawthorne (9to5 Seating in US). The report presents primary data for Flokk's entire workforce in Norway, Sweden, The Netherlands, Switzerland, Denmark, Germany, Belgium, Austria, The Czech Republic, France, the UK, Poland, China, Singapore, Australia, Canada, and the USA.

Environmental	Social	Governance
Material impacts: 1. GHG-emissions • Climate impacts from supply chain (S) • Climate impacts from own productions and operations (S) 2. Circular economy • Contributions to a circular economy (P) • Material use in products and packaging • Waste/pollution impacts in productions and operations 3. Chemical impacts in supply chain (S)	Material impacts: 1. Local job creation and employment offerings (P) 2. Working conditions in supply chain • Labour rights violations • Health, safety and working environment Strategic priorities: • Diversity, Equity and Inclusion • Health, safety and working environment in own operations (S) • Health and Safety Customers (P)	Material impacts: 1. Influence on sustainable public procurement practices and regulations (S)(P) 2. Illegal or unethical practices in supply chain Strategic priorities: • Illegal or unethical practices in own operations

Flokk Material impacts and Strategic priorities related to sustainability. (P) – Positive impacts. (S) – Strategic impacts.

Stakeholders – Dialogue

Collaboration among stakeholders across our complete value chain is essential for us to fulfill our high ambitions on sustainability, human factors & aesthetic innovation. Stakeholders are identified through systematically accumulated knowledge through various channels. We consider what is expected of us and our deliveries, and what impact our products, our production and operations have on internal and external stakeholders. Flokk also has a commitment to society and includes our stakeholders in the work to contribute to the improvement of human rights for selected vulnerable groups.

Our stakeholders are entities or individuals in boards, but also people throughout the value chain who have an impact on our business and operations, or who are affected by our activities, products, and services, with the risks and opportunities inherent therein:

- Owners and Investors/Bank/Insurers including Individuals and entities
- The Board and Group Management including Individuals and entities
- Colleagues, New employees and Contracted workers
- Trade unions
- Consultants
- Customers - Dealers, Importers, End users
- Competitors
- Public, Media
- Local communities, Neighbours and Vulnerable groups
- Suppliers, Partners and Transporters
- NGOs and organisations
- Authorities and Regulatory bodies
- Industry associations
- Academia

INVOLVEMENT IN ORGANISATIONS

We are active members and contributors of:

- The Confederation of Norwegian Enterprise (NHO) through the trade association the Federation of Norwegian Industries, Furniture & Interiors – Furniture Committee, of which our CEO, Lars I. Røiri, is deputy member of the Board
- Through NHO, member of the German federation of furniture manufacturers, BSO, and the European Furniture Industries Confederation (EFIC)
- Member of Skift, a business-led climate initiative & CEO network, established to accelerate the transition to a low carbon economy
- +LAB / Norwegian design industry cluster, with regular participation in expert groups and on panels
- The revision of the EN 1335 standard for office furniture at national and European level
- Participation in the CEN Work Group 10 'Requirements and tools for furniture circularity', aiming to standardise Circular Economy (CEN - European Committee for Standardization)
- Various local & regional bodies round our production facilities, including TIG (Turek Chamber of Economy), which affects the improvement of the functioning of local business, including social issues
- In US, 9to5 is member of Business and Institutional Furniture Manufacturers Association (BIFMA), a not-for-profit trade association for infrastructure of engineering and materials standards

Involvement in projects

Project	Goal / Findings	Partners	Timeline
MaxSense	Development of human anatomical avatars using AI techniques to predict muscular tone and tension, for optimization of workspace design & human-computer interaction.	SINTEF, Nordic Semiconductors, SATS, NxTech, UiO	2022->
Community work hub	Pilot project of a reuse & replace system for community co-working spaces, allowing users to change their work environment from home, but spare the commute to work	OBOS GoGood	2021 →
Hållbar Interiör	Development of design criteria, ranking & certification of the sustainability of interior architecture and furnishing	RISE, Tengbom architects, Federation of Swedish Furniture Industries, Indicium + various suppliers	2021 ->
POCOplast	Collaboration to utilise post-consumer plastics from aquaculture before lost in nature, value chain focus	NCE Aquatech, Bellona, Plasto, Empower, NOPREC, SINTEF	2020 ->
Adapt AI	Process development for upstream Aluminium production, to enable higher post-consumer recycled content while maintaining mechanical properties & downstream processing needs	Norsk Hydro ASA, SINTEF, Raufoss Technology AS, IDT AS	2020 - 2023
Circular textiles ecosystem	Circular textile solutions for seating application	RISE, Volvo, Artex, Bogesunds + 8 additional partners	2020 - 2021
Leading in Environment & Quality	Tackle sustainability challenges Increase our competitive strength	Federation of Norwegian Industries + 22 companies	2017 →

Stakeholder Matrix

Stakeholders	Mutual influence / impact	Forum for dialogue – Frequency	Key topics 2022	Response
INTERNAL			INTERNAL	
Owners	Triton Partners' purpose is to achieve the greatest possible return on investment by creating sustainable, long-term value in their portfolio companies, through changing economic cycles.	Triton expect us to follow up ESG requirements and guidelines by maintaining a clear, structured dialogue with Flokk through monthly video calls, quarterly performance reviews and an annual ESG forum. Flokk reports to Triton on key ESG KPIs biannually.	Three highlights from Triton's ESG agenda in 2022: A - Reduction in carbon emissions and comply with the European Energy Efficiency Directive (EED) B - Establish ESG strategy including subsidiaries C - Involve The Board by establishing process for yearly update of Governance policies and Risk review by Board	A - Flokk reports energy consumption and carbon emission to Triton, complies with EED through ISO 50001 B - Quality assured Turek and Hawthorne added to Triton ESG KPI reporting scope in 2021 C - 13 policies are approved by Board before published
The Board and Group Management	The Board strives to ensure that the company acts ethically in all parts of the organisation and throughout the value chain.	Bimonthly Board meetings, attended by CEO, CFO, and other members of Group Management (GM) when relevant. The Board only works with the company via GM. As part of the established ESG Forum, Flokk reviews ESG performance quarterly. ISO Management Review is integrated in the ESG agenda, in which VP Sustainability reports status to GM. The Board is involved in a new process to annually approve Governance policies and review risk analysis.	Innovation, digitalization, brand strategies for acquired brands, strategic governance. Market communication of environmental benefits. Preparations for ISO 14001 and ISO 9001 follow-up audit and ISO 50001:2018 recertification audit at Røros production site.	Raised level of innovation in portfolio development, including key sustainability topics. Continued migration of post-consumer recycled material in component production. A continuous surge in marketing communication on sustainability for 2022. Flokk sites at Oslo, Røros and Nässjö were ISO 50001:2018 recertified in February 2022.
Employees and trade unions	Our employees influence Flokk through their productivity, creativity, competence, involvement, and engagement. Flokk, on the other hand, influence its employees by offering personal and professional development activities, compensation & benefit schemes, sound working conditions as well as a sense of belonging through the company culture. Additionally, Flokk influences the employees' immediate external environment such as family, friends, and the local communities where we are represented.	The employees actively participate in various formal bodies linked to the trade unions, Board work, working environment committees, Corporate Executive Council etc. Our corporate culture is characterized by open and transparent dialogue, trust and mutual respect. All employees conduct annual personal development dialogues with their direct manager, setting objectives and personal development goals all linked to Flokk's strategy and the department's action plan	Due to the pandemic years, we experienced that our office employees handled their forced home office working situation very well. We have thus implemented a Remote Work Policy in close cooperation with the unions and working climate committees. Leadership Development Programs completed: DEI Awareness training, Remote Management and Flokk's Leadership Requirements. The action plans agreed following the Engagement@Flokk survey in 2021 has been focused on site and department levels. Additional digital training programs linked to Flokk's Core Competence Requirements: IT & Information Security and Health, Safety & Environment training. Learning@Flokk has been made available for our production colleagues at Røros and in Nässjö.	We emphasize keeping our employees updated on business status, important decisions, and progress in relation to goals. We have monthly newsletters for all employees at Røros, Nässjö and Turek sites. Regular General Meetings take place four times a year, and departmental meetings are held at least every second month.
EXTERNAL			EXTERNAL	
Customers - dealers, importers, end users	Flokk has three main customer groups: dealers, importers, and end users. Dealers represent the public face of the company vis-à-vis end customers and users, and exercise considerable influence over the company's reputation.	The Customer Survey will be sent out mid-2023. We will also strive to integrate a survey via Super office. Gives our dealers the possibility to rate Flokk immediate after they have got a reply from us. Low response rate on the original survey forces us to find new channels for measuring the customer satisfaction.	Integration of 2 brands and common ERP and CRM system in our factory in Turek to have equal handling and carry through of the customer order processes. Integration of Flokk HUB to simplify order process to our dealers (B2B) and to end customers (B2C). We have started to integrate ERP and CRM system in Mirfield, UK and this work will be finalized in May 2023.	Lean order handling by re-organizing the order process has been carried out through 2022. Flokk HUB and re-organizing the order flow process in Flokk in total. New KPI reports are made to measure response time towards our dealers and to measure the reason for why the customer must contact us. This is done via tags with reason for contact, in Super Office. Actions for improvements will be taken according to more specified measurements.
Suppliers and their workers	Agreements are signed with the suppliers before new business are awarded, including sanction list check. We have a mutual understanding and discussion on what we require and what the supplier can agree to. Focus on Supplier Performance e.g. Quality, Delivery, Compliance, Risk including environmental and social factors with a negative impact on society, labour market practices and human rights. Deviations will need an action plan with the supplier.	Key suppliers: we have frequent meetings at least 2 times per year: Review performance, improvements and projects. Supplier Performance and risks are internally followed up monthly. Low performing suppliers: we have actions to increase performance with a higher frequency of follow-ups, and new business might be put on hold.	During 2022, main activities were related to heavy fluctuations in raw material prices and electricity where we had to agree to extraordinary changes. We also started a re-appraisal of key suppliers from Poland to have them approved according to the latest standard.	We are willing to listen to our suppliers in difficult situations and they appreciated an open discussion with us.
Local communities	Flokk is an important employer in the local communities of Røros, Nässjö and Turek, and target to be an attractive employer on the local job market. Through this we participate in the development of the business sector in the regions and support organisations of voluntary workers.	We have a close cooperation on matters that affect the communities and the company. Flokk employees hold important positions, and actively participates in municipal and local business sector projects. It is important for Flokk to demonstrate true engagement and act as a responsible business partner.	Flokk continues to contribute financially to culture and sports projects in the local communities of Røros, Nässjö and Turek. Through our DEI focus, we also try to reach out to vulnerable groups in society that may need special attention to enter working life such as refugees and young adults who both need language training and work experience.	Flokk continues to play a central role in the Norwegian Mass Customisation Cluster at Røros, Norway's leading professional environment in mass customization production. Site Manager at Røros is chairman of the Board at the Regional Business Association, and Board member of NHO Trøndelag. In Nässjö, sustainability and social development have been focused on in several municipal projects. In Turek, we support the local community with financial donations to Ukrainian refugees, orphanages, charity sports events, and product donations to schools and police stations.
NGOs and organisations	Flokk is a member of Ethical Trade Norway (ETN) and collaborates with environmental organisations where relevant. We support Hold Norge Rent through membership.	Representatives of Flokk ESG key personnel are invited to seminars and courses run by ETN. We actively participate in the environmental foundation ZERO's Fossil Free plastics forum.	ETN has high focus on gaining control of a responsible supply chain in our dialogues. In 2022, we continued to financially support ZERO on surveying potential and possible solutions of fossil free plastics.	Our annual reporting to ETN is integrated in this sustainability report. We share our experience on use of post-consumer recycled plastics with ZERO's Fossil Free plastics forum
Industry associations	A - The Confederation of Norwegian Enterprise (NHO), Furniture & Interiors. B - Norwegian design industry cluster Pluslab.	A - Annual General Meetings, Board meetings. B - Board member in the cluster, quarterly Board meetings. Participation in Expert group for sustainability and circular business models	A - Pilot member of "Leading on Environment and Quality" project. EPD practice improvement. Position statements ahead of EFIC sessions (through NHO). B - Downstream innovation, circular economy.	A - Promotion of best practice for environmental criteria when purchasing office furniture, through EPDs. B - Tailored academic training on MBA level for 5 employees

The Environment – Background

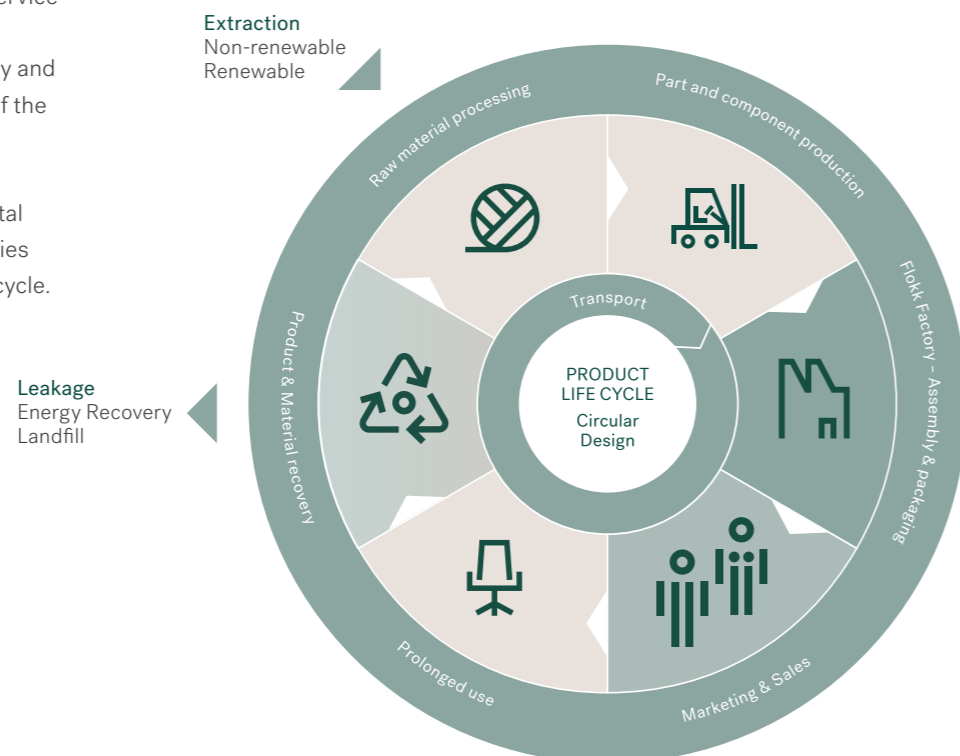
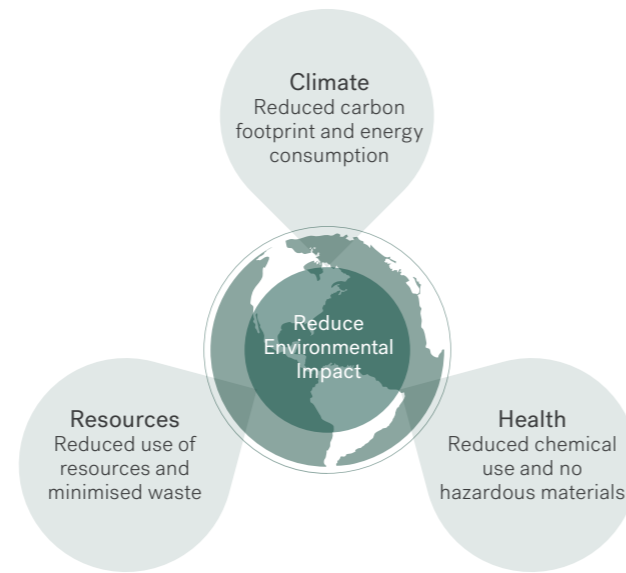
The environment has been a high priority for the company for almost 40 years. In 1990, we were early adopters and employed a full-time environmental manager - long before customers and the general public showed interest in the environmental performance of companies and products in general. We established our three focus areas early on – climate, resources and health. Flokk has several milestones as sustainable pioneers; among the first office chair producers in Europe to be ISO 14001 certified, to declare products with EPDs - Environmental Product Declarations and to receive the Nordic Swan Ecolabel. Over the last few years, we have grown to become the market leader for office seating in Europe and we are now able to scale our ongoing efforts to reduce our impact and thus make a significant difference.

THE ENTIRE LIFE CYCLE COUNTS

More than 90% of the total environmental impact of our products is generated before parts and components even arrive at our factories. Effectively, the impact is down to material choice and consumption, as well as the production processes. This is all decided during the design processes, we pay particular attention in these earliest phases in the product life cycle. The decisions are followed through by our procurement of raw materials and components.

The remaining phases also receive high priority. Final assembly and our downstream value chain such as packaging, waste handling, logistics, sales & distribution is important, as this is where we have exposure to employees in operations. Ensuring products feature great functionality, lasting aesthetics and age with dignity, are targeted drivers for long service life. Offering good customer service and spare parts for repair, and having designed the products for disassembly and recovery of the resources at the end of the lifecycle closes it responsibly off.

One way or the other, the environmental impact is linked to all people and entities involved, through all stages of the lifecycle. We consider them all.



Circular Design

In 1993, we defined five (5) circular design criteria, the sustainable design framework for our product development and product maintenance, and these are still valid. By designing properly and choosing the best solutions for each of these criteria, we have great potential to achieve a sustainable product with improved performance in each of our three (III) focus areas. We call this 5-III.

FLOKK'S PRINCIPLES FOR SUSTAINABLE DESIGN – REDUCING ENVIRONMENTAL IMPACT

5 CIRCULAR DESIGN CRITERIA

- 1. Low weight**
weight optimisation – resource efficient solutions – lower transportation costs – easy handling
- 2. Few components**
integrated functions – modularity – fewer tools – less processes – simpler assembly – less packaging, storage, and transportation
- 3. Right choice of materials**
no harmful chemicals and substances – increased use of recycled and renewable materials – use of recyclable materials
- 4. Long life span**
lasting & durable designs – high quality – easy replacement of worn-out or broken parts – reduce the need to replace our chairs – circular economy: maintain, reuse, refurbish
- 5. Design for disassembly**
no glues, staples or non-accessible screws – simple dismantling with commonly available tools – easy to sort materials for recycling with marked parts – keep materials in closed loop



3(III) FOCUS AREAS

- I. Climate** – reduced carbon footprint and energy consumption
- II. Resources** – reduced use of materials and minimised waste
- III. Health** – reduced chemical use and no hazardous substances

Sustainable Design and Innovation Recognitions in 2022

- HÅG Tion – Finalist in 'Household & Leisure Product of the Year' at the Plastics Recycling Awards Europe 2022, Amsterdam
- Red Dot award HÅG Tion
- Green Good Design Award for HÅG Tion
- Good Design Award for HÅG Sofi
- HÅG Tion and Offecct Thelma shortlisted for Dezeen Awards
- Offecct Soundsticks – Best Partitions of the Year Award at the 2022 Prize Designs for Modern Furniture and Lighting from The Chicago Athenaeum. 100 percent made from recycled materials.
- Stylepark Selected Award for Profim Revo
- Editorial coverage of Giroflex G150 in Wallpaper, OnOffice and Monocle that ranked the chair among top 20 design objects for 2022

Sustainability Goals 2030

Sustainability is an integrated part in all our operations, and our commitment is implemented in Flokk's corporate strategy, frameworks, and processes. The fulfilment of our sustainability strategy, policies, and procedures is systematically monitored through our internal sustainability management system. At Flokk, we are highly committed to ensuring compliance with legislation, such as the OECD guidelines for multinational corporations, and the UN's Global Compact. Flokk's strategic goals and targets remain focused towards 2030 and are defined to ensure contribution to the global targets as set,

e.g. by the EU European Green Deal, the UN Sustainable Development Group, the EU Taxonomy, the Transparency Act, and the UN Convention on Climate Change. Our goals and targets also reflect our learnings and experiences from working on our sustainability goals for 2010-2020, some of the results described in our GRI report 2020. We see the increasing focus from various stakeholders on human rights and labour law as well as the ongoing crises of climate change and biodiversity as opportunities to make a difference.

Environment

Our environmental targets towards 2030 are as a minimum in line with ambitious European and National targets - indicated with an equal sign (=). On top of this we have set several differentiator targets that are unique for our company with even higher ambitions than expected - indicated with a cross (x):



CLIMATE TARGETS – GHG (CO₂e) EMISSIONS AND ENERGY

- = Reduce CO₂e emissions per unit [kgCO₂e/unit] by 55% by 2030 (vs 2015) - (Scope 1,2,3) *
- = Reduce CO₂e emissions per revenue [tCO₂e/MNOK] by 55% by 2030 (vs 2015) - (Scope 1,2,3)
- x Reduce energy consumption per unit [kWh/unit] by 40% by 2030 (vs 2015) - (Scope 1,2)
- x Reduce energy consumption per revenue [MWh/MNOK] by 40% by 2030 (vs 2015) - (Scope 1,2)
- x 100% renewable electricity at our premises by 2025 - (Scope 2)
- x 75% renewable energy by 2030 - (Scope 1,2)
- = 0% fossil fuels for heating & processes by 2025 - (Scope 1)

Flokk's contribution to:

- UN Sustainable Development Goals 7 and 13
- The EU's 1.5-degree target to cut greenhouse gas (GHG) emissions by 40% by 2030

Selection of decided measures to reach our long-term goals:

- Replacing fossil fuels with renewable sources
- Transition to a green car fleet by 2025
- Reduce air travel
- Improve our packaging design, logistics and goods transportation
- Continue our energy efficiency efforts at all sites
- Purchase renewable electricity at all sites, or invest in on-site renewable generation
- Lower the impact from our Supply chain

* Scope 1 – Direct emissions (e.g., fuel for sales/service cars)
 Scope 2 – Indirect emissions (e.g., purchased electricity) – Market based
 Scope 3 – Other indirect emissions (e.g., business travel)



RESOURCES & CIRCULAR ECONOMY – MATERIALS AND WASTE

- x Increase share of recycled materials used in the products to an average of 60% by 2030
 - x 1 500 tonnes of recycled plastics used in our products by 2025
 - x 100% recycled & recyclable plastics in all plastic packaging by 2030
 - x Increase recycled share of aluminium to 95% (moulded) and 75% (extruded) by 2025
 - x Increase recycled share of steel to 50% by 2025 and/or 50% fossil-free steel by 2030
- = 100% FSC® Certified Wood / All Factories FSC® Chain of Custody Certified by 2030
- x 85% of our waste will be material recycled by 2025
- x Products in core markets will be distributed with clear obligations on end-of-first-use handling:
 - x 75% of HÅG, RH, Giroflex by 2030 (30% by 2025)
 - x 50% of Flokk integrated brands by 2030

Flokk's contribution to:

- UN Sustainable Development Goals 12, 14 and 15
- The EU Plastics Strategy launched in January 2018

Selection of decided measures to reach our long-term goals:

- Migrate post-consumer recycled materials in portfolio and new projects
- Explore and phase-in new post-consumer material streams and resources astray
- Set requirements and collaborate with suppliers on raw materials and their processes
- Circular optimisation criteria in all R&D projects
- Establish systems for product traceability
- Establishing external partners for take-back & refurbishment on a global scale
- Implement Circular Business Models as add-on to existing business



HEALTH – CHEMICALS

- = Products and their manufacture must be free of chemical contents that are hazardous to the environment and/or health, according to Globally Harmonized System of Classification and Labelling of Chemicals
- = 100% of all standard fabrics must be certified with the EU Ecolabel by 2025**

Flokk's contribution to:

- UN Sustainable Development Goal 3

Selection of decided measures to reach our long-term goals:

- Redefine & update our purchasing criteria
- Increase our chemical control at suppliers through Supply Risk Management tool
- Improve follow up of our supply chain performance through Supply Risk Management tool

** Revised from 2022 to 2025, due to the addition of new brands to our scope and the increase of total number of standard fabrics



Sustainability Goals 2030

People & Communities

Guided by our vision “Inspire Great Work”, we strive to make a positive impact on our customers, our employees and in the local communities we are a part of. We recognize that as a global business, we have an increasing opportunity to create

positive impacts in the communities where we operate, within our organization, and across our value chain. At Flokk, we are committed to conducting business ethically and sustainably, as we strive to create a brighter future for all.



SOCIAL HUMAN RIGHTS

- 100% of all employees having signed Flokk’s Code of Conduct, in addition to management training and e-learning courses for office employees in Flokk Shanghai, Habitat Furniture and 9to5 Seating by 2025
- 100% of all suppliers of direct material to Røros, Nässjö, Turek, 9to5 Seating, Connection and Habitat Furniture having signed the Code of Conduct for Business Partners by 2030

Flokk’s contribution to:

- UN Sustainable Development Goals 3 and 8

Selection of decided measures and initiatives to reach our long-term goals:

- Ensure highly ethical business conduct by all Flokk employees and Flokk Supply Chain by adhering to the provisions of the ILO and UN Global Compact
- Yearly review and follow up risk in the supply chain through supplier appraisal and supplier risk assessment



ETHICS AND WORK ENVIRONMENT

- Develop a communication channel in accordance with the Transparency act for external parties, and secure access to a confidential reporting channel for employees
- Facilitate sharing of best practices and experiences from Flokk entities in local communities, and promote a selected activities to build communication around (internally/externally)
- Continue the sequence of Engagement@Flokk every other year and safeguard the agreed activity plans and improve the overall Flokk ENPS score
- Zero fatalities and Zero high-consequence injuries
- Secure and maintain focus on employees’ work-life balance

Flokk’s contribution to:

- UN Sustainable Development Goal 3

Selection of decided measures and initiatives to reach our long-term goals:

- Safeguard that any work-related misconduct or other wrongdoing is reported, and that employees and external parties have a confidential channel to raise concerns for review and investigation
- Continuing building a strong and sound company culture and foster company pride to leverage, support and promote Flokk’s ESG related initiatives
- Address feedback from Engagement@Flokk for continuous improvements related to working environment, leadership and Diversity, Equity and Inclusion activities
- Continue striving for and even further safe and healthy physical working environment



DIVERSITY, EQUITY AND INCLUSION

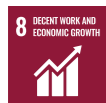
- Secure DEI awareness training for all employees, also as part of Flokk’s Onboarding process. 100% completion rate by 2025
- At least one female candidate in the last phase of recruitments for leadership positions by 2025
- Minimum payment of maternity leaves in all parts of Flokk’s organisation
- Paid paternity leave of 10 business days post-partum
- A Flokk Female population of 45% & Female leaders representing 40% of the workforce by 2025
- Close the gaps in wage differences for same role and position in all parts of Flokk

Flokk’s contribution to:

- UN Sustainable Development Goals 5 and 8

Selection of decided measures and initiatives to reach our long-term goals:

- Track and transparently on organisational KPIs, and communicate actions to improve address the findings



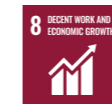
Corporate and Sustainability Governance

At Flokk, it is fundamental that business is conducted in an ethical and responsible manner. We believe that sustainability isn’t just good for the planet – it is good for business and organisations too. We drive business and sustainability performance through proactive, systematic and integrated processes, and share our progress openly in our annual sustainability report.

We work continuously for compliance with human rights for our employees and in our supply chain according to the ILO provisions and UN Global Compact. We operate according to

our ethical principles and our values. Flokk does not accept any forms of corruption or violation of human rights.

Flokk has a well-established human rights policy and ethical guidelines (Code of Conduct for Employees and Code of Conduct for Business Partners) describing our work with both human rights and decent working conditions. Our ethical guidelines laid out in our Code of Conduct oblige both us and our suppliers to comply with human rights and a sustainable business. Our principles stated in our Code of Conduct are an integral part of all our agreements



ESG GOVERNANCE MODEL

- Yearly review of key policies with approval from Board of Directors
- Ensure updated policy training program on key policies (Code of Conduct for Employees, Anti Bribery and Corruption, Anti-Money Laundry, Delegation of Authority, Information Security, Sanction policy, Diversity, Equity and Inclusion policy)
- All our production sites to adhere to Flokk HSE policy, and conducted e-Learning program
- Review ESG initiatives and reported regularly to Flokk Group Management
- Improve data quality and accessibility for sustainability reporting
- No significant/material business impact caused by cyber attacks

Flokk’s contribution to:

- UN Sustainable Development Goal 8

Selection of decided measures and initiatives to reach our long-term goals:

- Define roles, responsibility, key personnel and processes in ESG Governance Framework to ensure execution, follow up and reporting of ESG strategy
- Ensure compliance and proactively adapt to regulatory changes related to ESG/sustainability reporting and unexpected events
- Safeguard the Flokk way of working by integrating new subsidiaries in accordance with Governing subsidiary policy



COMPETENCE – COMMUNICATION

- Achieve our long-term goals through professional and multi-stakeholder partnerships and initiatives
- Our employees should be ambassadors for, and have in-depth knowledge of, our Environmental & Energy Policy, performance and goals
- Educate our markets through trustworthy and transparent communication on our sustainability performance

Flokk’s contribution to:

- UN Sustainable Development Goal 17

Selection of identified measures and initiatives to reach our long-term goals:

- Identify value creating & differentiating projects where we can participate externally
- Continue lifting both our internal & external communication
- Continue lifting the competence on sustainability new ways; sharing forums, e-Learning System

Sustainability Management and Strategy

Flokk's company values are intended to spotlight our culture and practices and ensure sustainability awareness as a key aspect of our operations. Our core corporate values are:

HUMAN-CENTRED
SUSTAINABLE
INNOVATIVE

At Flokk, we are proud to have had sustainability at the heart of our business strategy for almost four decades. We believe that it is our responsibility to not only create high-quality, sustainable products but also to conduct our business in an ethical and responsible manner.

Flokk's strategic goals and targets for 2030 are defined to ensure we contribute to the achievement of the global targets as set e.g. by the EU European Green Deal, UN Sustainable Development Group and the UN Convention on Climate Change, and to ensure we commit to, and follow the principle key United Nations (UN) and International Labour Organisation (ILO) conventions and documents, including the Ten Principles of the UN Global Compact. It is fundamental that business is conducted in an ethical and responsible manner. Flokk works continuously for compliance with human rights both with our employees and in our supply chain.

The company vision INSPIRE GREAT WORK embraces this holistic approach to sustainability.

Within our focus on environmental aspects, we use cradle-to-grave CO₂e emissions per net sales among the KPIs on corporate level. From previous analysis, as an industrial company, we know that the vast majority of our environmental footprint is associated with the materials processed and used in our products. Knowing this is a key lever to succeed for Flokk, we will continue to improve practices according to our circular design criteria. Extending beyond carbon footprint and materials, the Environmental Department is responsible for a broad set of measures across all departments & locations. The department is part of the Flokk Design organization and reports to SVP Flokk Design.



Alongside the environmental measures, a broad set of measures to control and improve social & governance aspects across all departments & locations, is coordinated by the Head of ESG and Finance Development. This function reports to Group CFO.

The resulting sustainability strategy is integrated into the Group's three-year strategy plans.

SUSTAINABILITY MANAGEMENT SYSTEM

Policies Commitments

Flokk is committed to complying with the precautionary principle, stated in our Governance policies, reviewed and approved annually by the Board. It is also stated in our Environmental & Energy Policy, signed by our CEO.

The objective of our governing policies is to enable the Group to act in accordance with relevant laws and requirements within Environment, Social and Governance, and in the best interest of our business.

All Group Governing documents is placed on the web application TQM Enterprise and stored electronically. As a principle all employees should have read access to the system. The governing document owner is responsible for launch, distribution, and communication. Governing documents should be communicated to the organisation ensuring relevant stakeholders are informed and trained.

We strive to ensure that any risks and opportunities associated within ESG are managed consistently across the whole Flokk Group, and that our policies are implemented across our locations, our acquired companies and with our suppliers. We provide ongoing support to encourage and facilitate implementation of the policies by our operating entities, and regularly review the implementation of our standards to identify and address areas for improvement. Reporting on ESG (Environment, Social and Governance) is defined as a separate process and positioned under the Finance department.

Flokk commits to provide for or cooperate in the remediation of negative impacts that the organisation identifies it has caused or contributed to. All request/grievance to Flokk will be received and followed up through defined processes depending on consignor.

In 2021 and 2022, no compliance instances occurred where Flokk was charged with monetary fines or non-monetary sanctions.

Environment and Energy

Flokk is ISO 14001:2015 certified and two production sites are ISO 50001:2018 certified. The production unit in US is ANSI/BIFMA e3 Furniture Sustainability Standard certified. Flokk complies with EU's EED – Energy Efficiency Directive.

Flokk's Environmental & Energy Policy, signed by our CEO, state our commitment to work continuously to minimise our environmental impact. Each year, the Environmental Department defines the Group's significant environmental & energy aspects through annual reviews of operational factors that potentially impact the external environment. Annual goals are derived from long term environmental goals and aligned with the respective sites. The process is executed in close cooperation with local employees and the people in charge, and the status is followed up each quarter by Flokk Group Management.

The environmental & energy goals for 2022 were based on aspect analysis of the factories at Røros, Turek, Hawthorne and in Nässjö, as well as the head office in Oslo and sales offices in Germany. Germany will not be part of Flokk ISO scope from 2023, but still comply with EED through external energy audits. The planned 2022 integration of Turek into our management systems was postponed to 2023 due to covid uncertainty related to resource use and long-term travel activities. Flokk decided that it was more appropriate to keep the existing local ISO certificates instead of merging.

Management Review

Flokk's environmental and social compliance and performance, and the efficiency and results of Flokk's management approach to all material topics are evaluated in the ISO Management Review by Group Management including CEO every annual ISO certification audit, followed up with actions if needed, with the aim to continually improve.

Sustainability communication highlights 2022

- Collaboration with Mover – the work's first plastic-free sportswear brand
- Full production launch of snowplough Capisco Puls
- Stockholm Design Week Exhibition Connect – central focus on sustainability and sustainable products, with three panel discussions on sustainability
- New series of Flokk articles covering all aspects of what makes furniture sustainable
- Repair guide publishing continues (23 new guides in 2022, bringing total to 100)
- Research collaboration with Hydro enabling radically reduced carbon footprint of HÅG Celi. Published with films & articles on our own as well as Hydro's channels



Sustainability Management

Long-term goal: Continuous improvement

Measures & Results 2022	Status	Measures 2023
Annual review and update of Climate Risk Assessment Results - Risk assessment not updated, however, progress on outcomes pursued: - Reporting on Corporate KPIs defined to reduce our climate emissions - Long-Term Environmental Goals for 2030 reviewed - Strengthened market communication & public visibility with our sustainability ethos, performance leadership in providing low carbon products - Improved digital infrastructure to document & generate environmental data for internal analysis and for tenders - 5-III principles for sustainable design implemented at Turek - Monitoring & pilot testing for future circular business models	➔	Annual review and update of Climate Risk Assessment. Prepare reporting on KPI: '% sales on products covered by EPD's' (already reporting on Corporate KPIs: 'kg CO ₂ e pr NOK net sales', 'Average quantity of recycled plastic used per produced unit [kg/unit]' and '% of electricity consumption renewable')
Prepare for CSRD reporting for GRI 2023 Results - We have prioritised our resources on transition to the new GRI Standards 2021, and will prepare CSRD compliance within deadline 2025	➔	Prepare for CSRD reporting for GRI 2025
9to5 US: complete GRI reporting scope 2022 Results - Partly done. We only had 2021 data available for Hawthorne supply chain, included in this report.	✓ / ➔	9to5 US: complete GRI reporting scope 2023, including supply chain data. Connection UK: prepare partly GRI reporting scope 2023.
Further develop Greenstone+ Sustainability Data Management tool for GRI reporting. Investigate potential for use as Site data management tool Results - Greenstone+ not found sufficient for either GRI reporting tool or Site data management tool due to its limitations. Tool does not fulfill Flook needs.	✓	Limit Greenstone+ use to carbon accounting and ESG reporting. Develop Power BI solution for Site data management.
Quality assure pilots for corporate M3 (ERP) development - BOM on demand with sustainability attributes & Supplier Portal Results - Pilot for linking Harvest manually collected EPD data with M3 living data put on hold. Supplier portal pilot efforts replaced by Supply Risk Management tool, to be implemented 2023.	➔	Corporate M3 (ERP) development - BOM on demand: Continue develop Harvest EPD creation tool. Prepare for live EPD data in M3. Implement Supply Risk Management tool.
Continue 5-III transition and implementation at new acquisitions - Investigate 5-III implementation at 9to5 Results - Lack of capacity to formally implement 5-III at 9to5, they use their own internal eco design tool in the meantime	➔	5-III transition and implementation at new acquisitions. Prepare for 5-III implementation at 9to5. Investigate Connection
Develop more specific and context based 5-III Circular Design criteria for various product segments Results - Soft seating segment identified as first prio	✓ / ➔	Measures 2022 continued due to lack of capacity. Focus on adjusting 5-III for Soft seating segment
Follow up on increased focus, requirements and reporting on ESG initiatives from various stakeholders Results: Head of ESG and Finance Development as a new role in the company to ensure an coherent ESG strategy	✓	Improve internal follow ups and continue to share success stories of our of ESG initiatives
		New measure: Initiate project and start working with suppliers in 9to5 to adhere to Flokk Code of Conduct for Business Partners
		New measure: Implementaiton and training of 9to5 employees on key policies (HSE, Diversity Equity and Inclusion, Anti-money Laundering, Anti-Bribery & Corruption, Sanction Policy, Information Security and Privacy Policy)



Offecct Carry on,
Änglanda skolan, Sweden

Risk and Opportunity Management

As a sizeable manufacturer of goods, Flokk holds the power as well as the privilege & responsibility to contribute to the addressing of the climate crisis, as set out by the International Panel on Climate Change. Beyond being unethical, failing to contribute could lead to challenges in recruiting talent, lost competitive strength in a market with increasing emphasis on environmental performance, and it could ultimately make the company subject to taxation or other legal limitations. To turn this to the company's strength has been Flokk strategy for years. ESG is therefore at the core of our strategy, and as such, is also a focal point for our Risk & Opportunity management.

The framework for business risk management in Flokk is based on an Interest Parties Analysis, by identifying threats and opportunities for stakeholders' external and internal issues with impact on Flokk's strategy. This is achieved through a proactive approach where risk management is an integral part of all significant decision-making processes in Flokk. The framework determines how to identify, handle and follow-up business risks and opportunities for the Group. The key strategies and operational risks are followed up closely through action plans and regular reporting. The Board is regularly briefed on this work. No critical concerns were specially addressed and communicated to the highest governance body during the reporting period.

In accordance with the Norwegian Transparency Act, Flokk works continuously to map and uncover risks of breaches of the law both internally and in the supply chain and to ensure implementation in all the company's business areas and management systems.

The following principles apply to risk management in Flokk:

- Minimise financial losses
- Minimise reputational damage, negative media coverage and loss of market share
- Ensure compliance with laws and regulation
- Ensure that business operations and opportunities are balanced against associated risks through formalisation of processes, controls, and routines
- Ensure staff satisfaction and retention
- Minimise significant injuries and avoid fatalities to employees or third parties, such as customers or suppliers
- Ensure data protection and GDPR, avoid cyber-attack and have stable network
- Minimise environmental damage and ensure energy consumption according to strategy

Risk elements valued are not limited to those with financial impact. Wherever financial impact is quantifiable it is included in the assessment. Opportunities and investments are always subject to business cases unless legal requirements apply.

Flokk is seeking to continuously grow both organically and through M&A. The company acquired Profim, Poland in 2018, 9to5 Seating, US/China in 2019 and Connection, UK in 2022 which all have affected the Group positively. We have strengthened our market position and pursue a strategy to spread our best practices to new acquisitions, including ESG practices. Stronger financial foundation enables us to accelerate our sustainability efforts further. This was highly visible with the 2022 product launches for Profim, that all are designed according the Flokk's principles for sustainable design 5-III.

Nonetheless, a global structure and the expansion of production, sales and distribution (in which the entire value chain and all our suppliers are addressed) entails both risks and opportunities, when it comes to upholding the market perception of Flokk being the pioneer in sustainability.

Excluding 9to5 and Connection, 91.4% of Flokk's inbound value chains are located within EU/EEA. This caters for low social risk and provides us with the privilege of focusing strongly on the environmental element of ESG. Significant effort is spent onshoring the last volumes from Asia to EU/EEA and on ensuring that the value chains that remain in Asia, are compliant with OECD and UNGP directives. Going forward, the approach will be similar for 9to5 and Connection. An ESG network is established to coordinate efforts and monitor progress.

Group risk management is performed in several ways at different levels and scope:

- Stakeholder Analysis – threats and opportunities identified for both external and internal issues with impact of strategy
- Materiality assessment – set of significant topics and strategic priorities defined through survey, internal & external interviews, and workshop on risks & opportunities
- Supplier Risk and Performance – general overview of significant risks to people, society and the environment in our supply chain, based on information from reliable external sources and other available information. Each supplier should be free for sanctions and comply by signing Flokk's Code of Conduct for Business Partners
- ESG (Environmental, Social, Governance) Forum – a strategic sync/status meetings between Group Management and managers for Corporate Processes, ESG, HSE, Environment, Legal & Risk, and Insurance
- Environmental and Energy aspect analysis – procedure to define elements of Flokk's activities, products, or services that (can) interact(s) with the environment, evaluating our abilities to make a difference
- Climate risk assessment – climate-related impacts that have the potential to generate substantive changes in operations, revenue or expenditure are covered
- Nature risk assessment – to be prepared in 2023 with the aim to be conducted in 2024
- Information Security Risk Assessment – to verify that no necessary controls have been omitted, a comparison of the controls set in ISO 27001, Annex A (Reference Control Objectives and control).
- Human Risk and Labour Law - own employees' compliance with respect to human rights, discrimination and labour law for own employees in all Flokk's locations and countries will be carried out in 2023.
- Health and Safety – secure that potential risks that might be a threat to the running business are identified, evaluated, and followed up
- Chemical risk assessment to have a full understanding of the nature, magnitude and probability of a potential adverse health or environmental effect of a chemical, considering both hazard and exposure

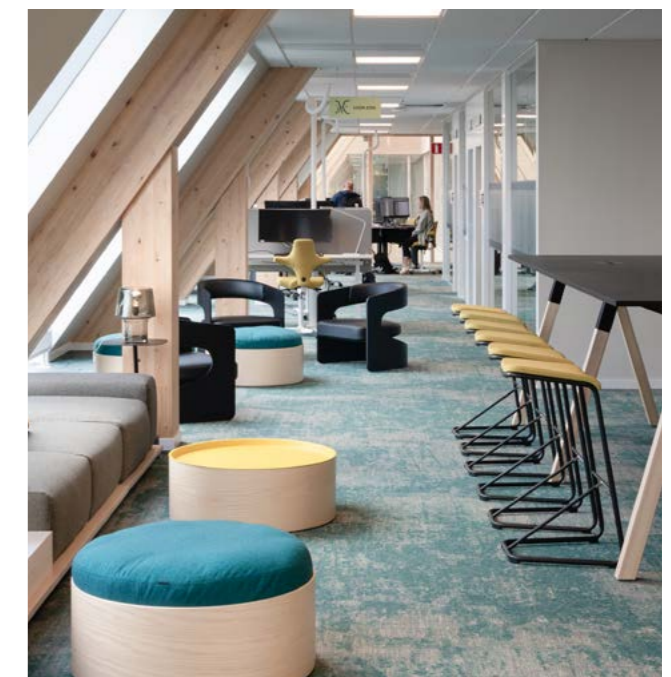
CLIMATE RISK ASSESSMENT

We conduct Climate Risk Assessment with the aim to identify key risk elements, as well as the opportunities that arise from growing awareness of climate change in the general public. In the exercise, the information is provided in line with the recommendations from the Taskforce for Climate-related Disclosures (TCFD) and is based on interviews with key personnel from within Flokk's organization.

No Flokk facilities or suppliers have been judged to be situated in areas with high risk of physical impact of climate change. Our focus is on the business risks from climate change and the opportunities associated with this challenge.

Climate Risk Assessment Outcomes:

- Corporate KPIs defined to ensure we continue to reduce our cradle to gate climate emissions
- Long-Term Environmental Goals for 2030 reviewed
- Strengthened market communication & public visibility with our sustainability ethos, performance leadership in providing low carbon products
- Improved digital infrastructure to document & generate environmental data for internal analysis and for tenders
- 5-III principles for sustainable design implemented in the Profim/Turek operation acquired in 2018
- Monitoring & pilot testing for future circular business models continued



Risk and Opportunity Management

Risks and Opportunities – Environmental, Social and Governance

	Themes	Identified Risks	Opportunities	Activity to minimize risk and follow up opportunities	
E	Environment - own activities and operations, including R&D	Environmental incidents & accidents	<ul style="list-style-type: none"> • Capitalize from long standing effort on leading low carbon furniture • Tap into strong circular design capabilities through new products • Tap into strong innovative capability to develop new business models & service concepts • Advice customers on setting environmental purchasing criteria • Lift performance level at suppliers by setting strict environmental requirements • Continue migration of post-consumer recycled material in existing products • Counter labour arbitrage by high industrialization rates & owned IP • New market segments - Home office • New product segments - Home office • Less travel and lower emissions • Higher efficiency with digital meetings • Global Fight against financial crime 	<ul style="list-style-type: none"> • ESG included in Due diligence & acquisitions processes • Environmental & Energy Policy • Flokk's Code of Conduct • ISO 14001 & 50001 - environmental & energy management system (EED compliance) • Environmental & Energy Aspect Analysis • Principles for Sustainable Design/Circular design criteria (5-III) & supporting design tools & guidelines to ensure products with minimised GHG emissions and resource use, with long life time and easy to disassemble for reuse & recycling • Quantified targets for annual consumption of post-consumer recycled material in production (both closed material loop & low carbon footprint materials) • Risk reduction Production sites - Management system Risk module • Waste Management • Research projects & business model tests ongoing to explore circular solutions • Chemical management - EcoOnline & MSDS archives – SCIP compliance • Eco labeling – EU Ecolabel, EPD, GREENGUARD Gold, FSC • Separate Environmental Requirements to Suppliers • Code of Conduct – Business Partners • Supplier Appraisals, Supplier Chain Management and Performance • Screen all suppliers regularly to eliminate the risk of sanction breach 	
		Climate			<ul style="list-style-type: none"> • Global warming from GHG emissions • Inefficient energy consumption • Energy & heating emissions • Transportation & travel emissions • Dirty energy mixes
		Resources			<ul style="list-style-type: none"> • Overconsumption • Material scarcity • Waste generation • Barriers for full implementation Circular Economy
S	Responsible Supply Chain - operations of suppliers and tiers	Health	<ul style="list-style-type: none"> • Use of chemicals harmful to health and/or the environment • Pandemic • Nuclear events and radiation 		
		Social Responsibility & Human Rights - own + business partners	<ul style="list-style-type: none"> • Negligence of terms of employment • Discrimination • Harassment • Diversity, Equity and Inclusion • Freedom of Association and the Right to Collective Bargaining 	<ul style="list-style-type: none"> • Build corporate culture around Flokk's vision & values • Good working environment • Transparent use of statistics 	<ul style="list-style-type: none"> • HR Policy & mandatory Flokk's Code of conduct • Code of Conduct – Business Partners • Diversity Equity and Inclusion Policy • Employee Management System - People@Flokk • IDT - Individual Development Talks, Training & e-learning • Trade unions & working environment committees/survey
		Health and Safety - Workplace	<ul style="list-style-type: none"> • Fatalities • Lost time injury frequency (LTIFR) • Repetitive strain injuries • Chemicals exposure • Fire at own premises 	<ul style="list-style-type: none"> • Low sick leave • Good working environment • Pioneer company in ergonomics 	<ul style="list-style-type: none"> • Health & Safety Policy • Preventive and risk reduction HSE cases registered • Internal Audits and Safety tours • HSE e-learning for all employees
		Health and Safety - Customers	<ul style="list-style-type: none"> • Accidents & repetitive strain injuries at customer • Chemicals exposure • Customer satisfaction • Reputation 	<ul style="list-style-type: none"> • Safe products • No claims • Good reputation 	<ul style="list-style-type: none"> • Technical tests according to international standards with requirements concerning ergonomics, usability, safety, stability and strength • Eco labeling - free of hazardous chemicals • Customer training in proper use of products
G	Compliance - Legal - Internal	<ul style="list-style-type: none"> • Local laws & regulations • New markets • Secure conducting business in compliance to internal policies and procedures • Cyber attack 	<ul style="list-style-type: none"> • Market access • Safe products • Competent staff • Do things correct the first time • Low risk for penalties 	<ul style="list-style-type: none"> • External Market Requirement • Internal audits • Technical tests according to international standards with requirements concerning ergonomics, usability, safety, stability and strength 	
		Investments	<ul style="list-style-type: none"> • Investment decisions insufficient • Unacceptable levels of risk -> involved in legally or ethically questionable practices • Negative reputation 	<ul style="list-style-type: none"> • Promote investor confidence • Responsible investment • Good reputation • Growth • Good return of investment 	<ul style="list-style-type: none"> • Enterprise risk management • Finance Policy • Quality Policy • Health & Safety Policy • Environmental & Energy Policy • Delegation of authority Policy • Information Security and Privacy Policy • Flokk's Code of Conduct • Code of Conduct – Business Partners • EU Taxonomy compliance
	Governance practices	<ul style="list-style-type: none"> • Insufficient governance policies and practices • Lack of identifying and/or understanding long-term risks 	<ul style="list-style-type: none"> • Good governance policies and practices encourage shareholder engagement • Adequately address long-term risks 	<ul style="list-style-type: none"> • Certified with ISO 9001 Quality Management System, ISO 14001 & 50001 - Environmental & Energy Management Systems (EED compliance), ISO 27001 Information Security and Privacy • Internal audits • Corporate policies (Sanctions-, Anti bribery- and Anti Money Laundering- Policies) and policies employee training 	



Climate – GHG (CO₂e) Emissions and Energy

Flokk's pursuit of improving energy efficiency and reducing our carbon footprint in 2022 was characterised by getting an intensive overview of our GHG emissions.

The year 2015 marks the baseline year for our GHG and energy indicators, as from that year onwards we systemised our data collection. We steadily increased the quality and coverage of our data, making our performance claims more reliable and transparent as our footprint expands.

In 2022, we worked on correctly accounting for the past years, retrospectively adding data for the years 2018 and 2019, due to the acquisition of Profim. Additionally, we included the electricity consumption of our electric car fleet in our accounting and added retrospectively where possible. Furthermore, we added train travels to Scope 3 Cat. 6 (Business travel) and refined our data for Cat. 7 (Downstream transportation and distribution) for the year 2022. The newest change in our footprint is the accounting of Cat. 5 (Waste generated in operations). The retrospective accounting of waste emissions thus affected our baseline and the KPIs based on GHG emissions.

At Flokk, we are continuously revising our targets and KPIs. As a next step, we want to set targets according to the Science Based Targets initiative and commit to Net-Zero. For that we need a complete overview of our Scope 3 emissions thus

making estimations where actual data is not obtainable. In the process we will rethink and redefine our current GHG targets and KPIs and adjust our baseline if needed. Currently, Flokk does not use any carbon offsets to meet our long-term targets.

The reported numbers in the climate chapter differ from the previous year's report due to retrospective adding of data described in the previous passages. Additionally, historic data were quality-checked and corrected, as well as efforts in the traceability of the origin of data were increased. Some of the changes are corrected electricity values in 2021, added green electricity certificates and thus changing the emissions, and better estimations for showrooms without data. The greatest adjustment is the correct accounting of liquified natural gas (LNG) at our factory in Turek, which was previously reported as natural gas resulting in too high consumption values due to heating value conversion.

Total tCO ₂ e	Units produced	kg CO ₂ e/unit	kWh/unit	tCO ₂ e/MNOK revenue	MWh/MNOK revenue
5 223	1 266 182	4.3	15.8	1.4	5.2
+4% since 2021 +165% since 2015	-12% since 2021 +165% since 2015	+18% since 2021 -0.3% since 2015	+14% since 2021 -36% since 2015	-9% since 2021 -16% since 2015	-12% since 2021 -46% since 2015

Performance indicators per MNOK refer to revenue for the whole Group (including all brands), while the indicators for CO₂e emissions and energy consumption only regard the GRI report scope. The indicators will progressively become more accurate as more Flokk brands become integrated into our reporting systems over the coming years.

Flokk uses operational control as consolidation approach for emissions. Gases included in the calculations are CO₂, CH₄, N₂O, SF₆, HFCs and PFCs. The sources of the emission factors for 2022 are as follows: Scope 1: GHG, EPA, Defra / Scope 2: IEA, EPA, Defra, Fjärrvärmens lokala miljövärden 2021 for marked-based district heating emissions in Sweden / Scope 3: GHG, EPA, Defra.

GHG emissions intensity is drawn by including all relevant sources of GHG covered by Scope 1, 2, and 3 within the organisation. Emission reduction figures are based on absolute numbers as available.

Flokk uses Greenstone+, a sustainability data management tool, to gather and calculate data. Flokk focuses on gathering actual data, and uses assumptions/estimates (e.g., electricity consumption for a showroom) only if actual data is not obtainable. Conversion factors are provided by Greenstone+, based on DEFRA.

Energy intensity is drawn by including all relevant energy sources covered by Scope 1 and 2 within the organisation. Energy reduction figures are based on absolute numbers as available.

Climate – GHG (CO₂e) Emissions and Energy

Long-term goals:

- Reduce CO₂e emissions per unit and per revenue by 55% by 2030 (vs 2015)
- Reduce Energy consumption per unit and per revenue by 40% by 2030 (vs 2015)
- 100% renewable electricity at our premises by 2025
- 75% renewable energy by 2030
- 0% fossil fuels for heating & processes by 2025

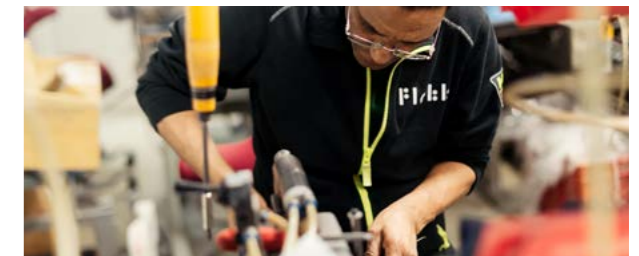
KPI	Goal 2023	Goal 2022	Results		
			2022	2021	2020
CO ₂ e emissions per unit [kgCO ₂ e/unit] - (Scope 1,2,3)	3.97	3.38	4.26 (+17.8%)	3.62 (-6.0%)	3.84
Energy consumption per unit [kWh/unit] - (Scope 1,2)	15.68	14.0	15.81 (+14.3%)	13.83 (-2.1%)	14.13
CO ₂ e emissions per revenue [tCO ₂ e/MNOK] - (Scope 1,2,3)	1.32	1.42	1.40 (-8.8%)	1.54 (-6.4%)	1.64
Energy consumption per revenue [MWh/MNOK] - (Scope 1,2)	5.0	6.10	5.21 (-11.5%)	5.89 (-2.5%)	6.04
Share of renewable electricity (Scope 2)	96%	89%	93.3% (+8.5%)	86.0% (-6.6%)	92.0%
Share of renewable energy vs total consumption (Scope 1,2)	51%	50%	47.7% (-0.6%)	47.9% (+5.8%)	45.3%
Use of Fossil fuels for heating and processes [MWh] (Scope 1)	3 053	3 393	4 579 (+27.7%)	3 586 (-4.8%)	3 766

Measures & Results 2022	Status	Measures 2023
Turek: Set up local energy team. Establish energy management plan at remaining sites Result - Local energy team set-up started, establishing moved to 2023 Result - Corporate energy management valid for all ISO 50001 sites, no site specific plans needed	➔ ✓	Turek: Set up local energy team
Create ownership for the team members and assign responsibilities Result - Clear responsibilities at ISO 50001 sites	➔	Turek: Discuss and create responsibilities at Turek
e-Learning course for all Energy management system effective personnel Result - Training performed end of 2022, integration into e-learning platform planned	➔	Integrate training as course module into e-learning platform
Implement scheme for internal audits according to ISO 50001 Result - Audit plan implemented for ISO 50001 sites	✓	
All sites: Continue search for energy saving potentials Result - Turek: Heat recovery from compressors and paint shop Result - Røros: Improvements of air compression Result - Nässjö: Contious change to LED lighting	➔	Continue search for energy saving potentials (e.g., continue change to LED lighting)
Search for savings in ventilation systems including heat recovery all sites	➔	Continue search for savings in heating/ventilation systems
Focus on packaging efficiency Result - Turek: Mapping of packaging situation and improvement potential	➔	Continue measure
Define scheme + install energy meters for high consumption/volume equipment in factories Result - Røros: Increased metering + data collection/processing (e.g. Power BI)	➔	Continue measure with focus on data processing at all factories and installation of energy meters where possible
		New measure all sites: Investigate installation of solar panels + business case study

The retrospective addition of the years 2018 and 2019 for our Turek factory, the previously mentioned various correction such as the correct accounting of LNG, and the addition of Cat. 5 (waste generated in operations) to our Scope 3 emissions impacted our KPIs. The intermediate goals set in 2022 are therefore not anymore a good metric as they were based on the old numbers. The intermediate goals 2023 were adjusted and based on the current numbers. Due to a decreased unit output of 12% compared to 2021, our intensity metrics per unit worsened. A positive trend is visible in our intensity metrics per revenue and our share of renewable electricity at our premises. Our share of renewable energy slightly decreased by 0.6%. Our usage of fossil fuels for heating processes increased by 28%, indicating the need for increased efforts.

36% LOWER ENERGY CONSUMPTION PER UNIT

While the produced units have increased by 165% since 2015, the energy consumed per produced unit is 36% lower than in 2015. A result of many efficiency gains. We see an increase of 14% since 2021, due to the decrease of produced units by 12% compared to 2021 and the addition of new processes in our factories.



GHG (CO₂e) EMISSIONS

Flokk's GHG emissions, market-based [tCO₂e]

	2015	2020	2021	2022
Scope 1 - Direct emissions	796	1 835	1 616	1 836
Fuel for heating and processes (Burning oil, Natural gas, LNG)	264	901	850	1 061
Fuel for sales and service travels	532	935	766	775
Scope 2 - Indirect emissions	187	349	530	328
District heating	25	89	121	119
Electricity	162	260	409	209
Scope 3 - Other indirect emissions*	990	2 632	2 873	3 059
Cat. 5: Waste generated in operations	9	107	125	92
Cat. 6: Business travel	265	183	130	295
Cat. 7: Downstream transportation and distribution	716	2 342	2 618	2 672
Total [tCO₂e]	1 973	4 816	5 020	5 223
Change from year to year			4.2%	4.0%

* Not applicable for Flokk: Cat. 10: Processing of Sold Products, Cat. 13: Downstream Leased Assets, Cat. 14: Franchises and Cat. 15: Investments.
For Cat. 11: Use of Sold Products, Flokk decided not to report in this year's report as the accounting of indirect use-phase emissions is optional, no direct use-phases emissions are associated to our products.

LOCATION-BASED EMISSIONS (SCOPE 2)

- In 2022, our Scope 2 location-based emissions amounted to 2 664 tCO₂e (district heating: 301 tCO₂e, electricity: 2 363 tCO₂e).
- The lower market-based district heating emissions (-61%) are due to better knowledge on emissions factors of the respective providers. The difference in electricity (-91%) shows the significance of our 100% renewable electricity goal.

BIOGENIC EMISSIONS

- Since 2019, our factory at Røros uses biodiesel instead of burning oil. While biodiesel emissions are accounted as 0 in Scope 1, the biogenic emissions are as follows: 2019: 5.5 tCO₂e, 2020: 3.4 tCO₂e, 2021: 23.0 tCO₂e, 2022: 5.3 tCO₂e.
- Flokk did not report any biogenic emissions in previous annual reports.

4% HIGHER TOTAL CARBON EMISSIONS

Although we experienced lower produced units (-12% vs 2021) our total emissions increased by 4%. This is due to multiple factors such as the addition of processes in our factories or increased sales travels.

14% INCREASE IN SCOPE 1 CO₂e EMISSIONS

- Emissions have increased steadily since 2015, due to the acquisition of Profim and their factory, heavily relying on LNG for processes.
- Fuel usage for our sales and service travels increased by 1% compared to 2021, indicating constant sales activities.
- In 2021, propane was wrongly included in the fuel for heating and processes. Fuel used for our forklifts is accounted for in our services activities.

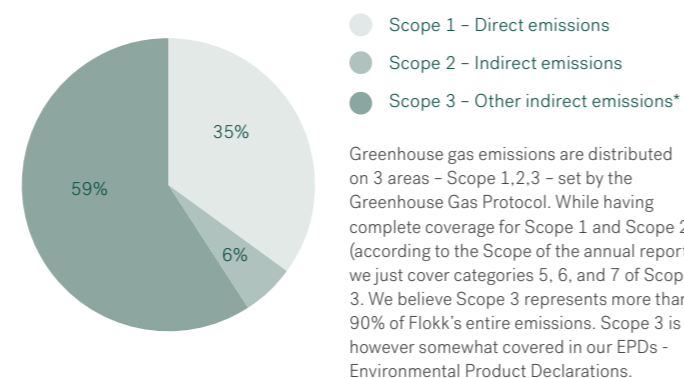
38% DECREASE IN SCOPE 2 CO₂e EMISSIONS

- The emissions of our district heating usage decreased by 2%.
- Our electricity emissions nearly halved (-49%) compared to 2021 due to the phase-out of our factory in Koblenz, and more offices/showrooms switching to green contracts.

59% OF FLOKK'S GHG EMISSIONS ARE INDIRECT EMISSIONS

- Flokk is continuously working on getting the complete overview on our GHG emissions. As a furniture company, our biggest impact lies in our Scope 3 emissions. Our Scope 3 emissions increased by 6%.
- Including more Scope 3 categories will increase our carbon footprint. Adding Cat. 5 (waste generated in operations) added 92 tCO₂e to our 2022 emissions, 2% of the total. We are continuously working on our waste management (see following chapter).
- In 2022, our business travels increased again by 127%, an expected trend after the lifting of travel restrictions. Nevertheless, Flokk needs to increase efforts again to bring emissions down.

Flokk's GHG emissions in 2022, market-based



ENERGY

Flokk's energy consumption [MWh]

	2015	2020	2021	2022 [MWh]	2022 [MJ]
Fossil fuel sources:	3 500	7 484	6 652	7 685	27 665 755
• Burning oil	333	1 226	772	0	0
• Natural gas	1 046	319	248	156	561 258
• LNG	0	2 221	2 566	4 423	15 923 646
• Propane	0	33	38	51	182 689
• Diesel	2 083	3 439	2 662	2 322	8 358 912
• Petrol	38	245	365	733	2 639 250
Renewable fuel sources:	0	14	91	21	75 398
• Biodiesel	0	14	91	21	75 398
District heating	1 237	1 494	1 851	1 762	6 341 774
Electricity:	6 628	8 702	10 612	9 922	35 720 749
• Electricity (Grid)	6 628	8 571	10 446	9 793	35 256 043
• Electricity (On-site production)	0	162	189	146	524 761
• Electricity (To grid)	0	-30	-23	-17	-60 055
Total energy consumption [MWh]	11 366	17 694	19 205	19 390	69 803 677
Change from year to year			8.5%	1.0%	

No cooling and steam consumed. No heating, cooling, and steam sold.

71% INCREASE IN ENERGY CONSUMPTION SINCE 2015

- This is due to our recent acquisitions, as seen in the graph below. Through efficiency gains and relocating production to more efficient production sites we achieved a decrease of our energy consumption per unit by 36% since 2015.
- Although our number of produced units fell in 2022 compared to 2021, our energy consumption stayed constant (increase by 1%).
- The correct accounting of LNG influenced the energy numbers as well as the retrospective addition for our Turek factory for the years 2018 and 2019.
- 48% of all the energy used by Flokk comes from renewable sources. The long-term goal is to have 75% of all energy consumed coming from renewable sources by 2030.

120% INCREASE IN FOSSIL FUELS SINCE 2015

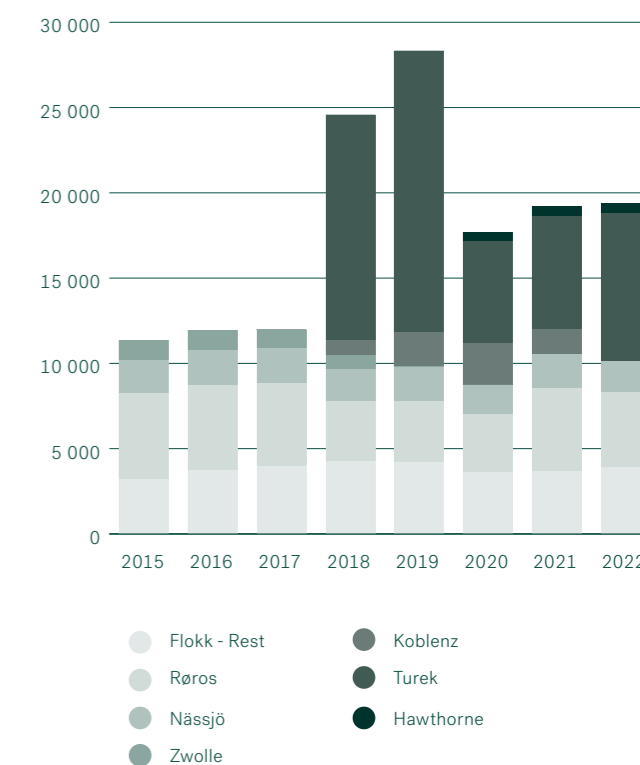
- The use of fossil fuels has increased significantly due to the addition of our factory in Turek being highly dependent on LNG for their processes.
- Flokk has the ambition to completely remove fossil fuels for heating and processes and respective CO₂e emissions from our Scope 1 by 2025. We see the need to redefine this target and will do so when setting targets in accordance with the Science Based Targets initiative.

50% INCREASE IN ELECTRICITY CONSUMPTION SINCE 2015

Electricity represents 55% of our total energy use but only 2% of our total GHG emissions, thanks to 93% renewable

electricity at our premises. The increase from 86% in 2021 is due the closing of our factory in Koblenz and more sales offices/showrooms switching to green contracts. The long-term goal is to reach 100% renewable electricity at our premises by 2025.

Flokk's energy consumption, subdivided [MWh]



Resources – Materials, Waste, Chemicals

In 2022, Flokk’s GRI scope production sites produced close to 1,3 million new products. With an estimated average weight of 15-20 kg per product, our operations naturally require large quantities of raw materials and components. The furniture industry uses chemicals in paints and glue, and in the production of textiles, foam and other plastics.

Our design choices and supplier selection have a large impact and directly influence the efficient use of resources, the amount of waste we generate, and the chemical content of our products. That is why we seek to develop products with reduced weight, fewer numbers of parts, and an increased share of recycled materials. We reduce the number of chemicals in use and seek to identify and substitute unwanted chemicals in our products, in our production, and in our supply chain, without diminishing the properties of our products. We develop easy to disassemble products and work on solutions and business models to ensure that our products are returned, reused, and recycled. We focus to close the loop, by increasing the share of recycled materials used and recovered.



RBM Noor

Resources - Materials, Waste, Chemicals

Long-term goals:

- 60% share of recycled materials in our products by 2030 | 100% recycled & recyclable plastic packaging by 2030
- 1 500t recycled plastics in our products by 2025
- Recycled Aluminum: 95% (moulded) and 75% (extruded) | 50% recycled Steel by 2025 and/or 50% fossil-free Steel by 2030
- 100% FSC® Certified Wood / All Factories FSC® Chain of Custody Certified by 2030 | 85% of our waste will be material recycled by 2025
- No hazardous chemical contents in our products or their manufacture | All standard fabrics certified with EU Ecolabel by 2025

KPI	Goal 2023	Goal 2021	Results		
			2022	2021	2020
Amount of recycled plastics used in our products [tonnes]	1 365 t	1 450 t	1 298 t (-2.3%)	1 328 t (+72.5%)	770 t
Average quantity of recycled plastic used per unit [kg/unit]	1,09	1,21	1,06 (+10.7%)	0,96 (+55.6%)	0,61
Number of factories FSC® Chain of custody certified	3 out of 5	2 out of 4	1 (Turek)	1 (Turek)	1 (Turek)
Share of our waste being material recycled	78%	75%	Flokk: 74.6% (+6.3%) Røros: 93.1% (+0.8%) Nässjö: 53.1% (-4.4%) Turek: 65.9% (+22.1%) Hawthorne: 70.4% (est.)	Flokk: 70.1% (-1.6%) Røros: 92.4% (-1.7%) Nässjö: 55.6% (-5.6%) Koblentz: 67.4% (est.) Turek: 53.9% (-4.9%) Hawthorne: 70.4% (est.)	Flokk: 71.3% Røros: 94.0% Nässjö: 58.9% Koblentz: 67.4% Turek: 56.8% Hawthorne: 70.4% (est.)

	Measures & Results 2022	Status	Measures 2023
MATERIALS	Scale use of snow plough material: Launch industrialised HÅG Capisco Puls. Launch other product offerings Result - Industrial pilot 2021 on 8 tonnes batch succeeded and sold commercially with Capisco Puls. At YE 2022, 22 tonnes of this material pass through the established value chain.	✓	Launch HÅG Tion and HÅG Celi with snow plough material. Plan other product offerings
	Launch HÅG Celi with colored post-consumer recycled polypropylene Result - HÅG Celi launched Q3'2022	✓	Plan other product offerings with colored post-consumer recycled polypropylene
	Investigate PUR alternatives as part of ongoing development projects Result - No relevant opportunities during 2022	➔	Continue investigate PUR alternatives as part of ongoing development projects
	Commit to our Grønt Punkt 'Control membership' - recruit non-members in our supply chain Result - Not done due to capacity challenge	➔	Measure continued - recruit non-members in our supply chain
	Achieve Nässjö factory FSC® Chain of custody certification	●	Measure continued due to capacity challenge, new resource hired in 2023
WASTE	Røros: Clarify potentials for hard plastic recycling with new waste handler, contract to be signed 2022 Result - Found partnership with Oceanize for material recycling starting Jan'2023	✓	Røros: Follow-up waste handler/Oceanize to ensure correct handling of waste stream
	Nässjö: Search for partners to recycle wood waste Class 1 vs energy incineration Result - Wood is burned in Nässjö's district heating system which our factory is connected to	➔	Nässjö: Investigate the impact of recycling wood versus incineration for district heating. Tracking focus on WEEE.
	Finalise Flokk corporate procedure on waste handling across sites Result - Flokk common Waste Handling procedure + Waste Handling plan done Nov'22	✓	Follow up on how sites and locations adopt the new Waste Handling procedure
	Complete mapping of plastic packaging used. Initiate sourcing and scale up of recycled plastic packaging Result - Mapping started, procedure to change articles implemented, process started at Røros	➔	Complete mapping of plastic packaging used. Initiate sourcing and scale up
CHEMICALS	Reduce no of chemicals at production sites Result - Røros: 4 added (218 in total), 5 more on candidate list (5), 67 less with Prio-criteria (5) Nässjö: decided to focus reduction of chemicals towards reduce use of glue in products	✓	Continue reduce no of chemicals at production sites. Prepare overview at Turek
	Define KPI and target for glue consumption in Nässjö as input to PM (Product Maintenance) Result - Action plan to reduce glue at Nässjö not yet clear	➔	Measure continued - Give input and follow up PM prio list with target to reduce number of products using glue
	Replace chromed surfaces in RBM portfolio Result - Complete RBM table collection chrome surfaces replaced with Metalsilver and Steelgray powder coatings	✓	Investigate chrome usage in all brands
	Update Environmental Requirements with regard to chemical content - to ensure healthy materials Result - Slow progress due to capacity challenge. However, the fundament for the new environmental requirements mirroring Flokk Environmental Certification range was ready Dec'22	➔	Finalise new Environmental Requirements for roll-out to suppliers, decide on format for supplier dialogue.

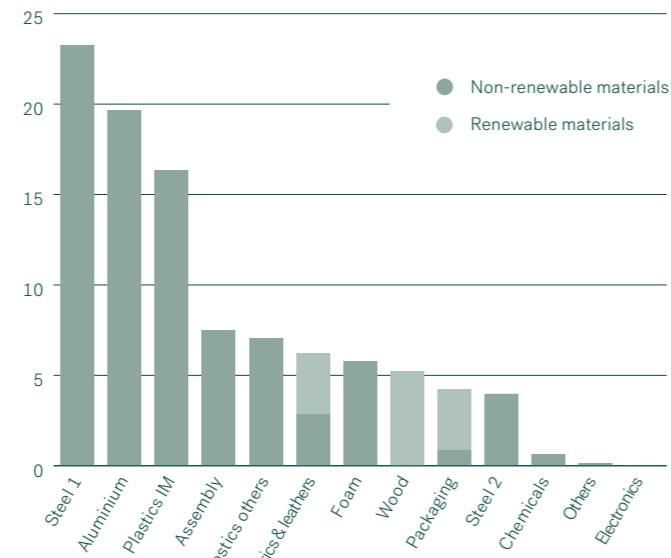
In this year's annual report, we adjusted our "Average quantity of recycled plastic used per unit" KPI. While in the previous years we just considered selected brands (where we had the complete overview) for this KPI, now we included all brands of the report's scope. The KPI thus better reflects now the company. The goal for 2023 was therefore adjusted, and the goal of 2022 is not representative anymore as it was based on the old numbers.

MATERIALS

Our long lasting and high-quality products require construction with strong materials like metal and engineering plastic, thus renewable material as wood is less adapted to our high-volume needs. 12% of our annual purchased value (turnover) for Direct Material is allocated to renewable materials including wool, leather, cardboard and wood (2021: 21%). We suspect much lower share in 2022 vs 2021 due to the use of incorrect, far too low values for steel. Will be followed up towards GRI 2023.

Our strategy is to increase our use on recycled materials – defining recycled plastic, aluminium and steel as key resources. This way we put a value on resources astray and consume less energy for processing. However, the cosmetic and technical properties of recycled plastics are poorer than those of virgin plastics. For visual or critical components that require a wide colour range or great strength, we sometimes need to use virgin plastics since recycled plastic is mostly available in grey/black. In any case we must ensure that the materials we use are recyclable.

Distribution of Flokk's 2022 annual purchased value (turnover) for Direct Material



Plastics IM: injection moulded
 Steel 1: raw materials, pipe bases, mechanisms
 Steel 2: fasteners, springs, wire products



Share of recycled materials (%).
 Packaging excluded.

Share of recycled materials

Over the years, our best chairs have been made of +/- 50% recycled materials excluding packaging. Today, we are proud that two of our latest launches even exceed our long-term target of 60% recycled materials on average with good margins. Our products' material composition, as well as the share of recycled materials, are declared in EPDs – Environmental Product Declarations.

Share of recycled materials in the timeline above is now without packaging (last year included packaging) due to easier communication of chair performance, resulting in differing values from last year's report.



HÅG Tion

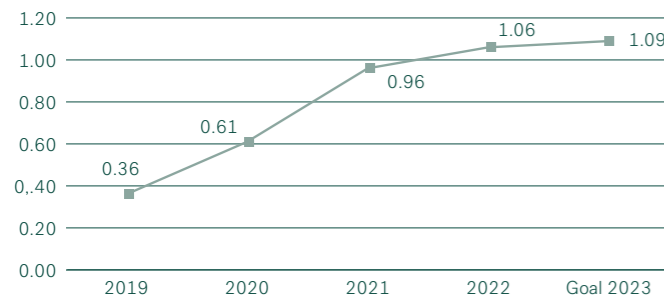
PLASTICS

Polypropylene (PP) is our main choice of plastic material. This is due to the environmental benefits compared to other plastic alternatives – such as less CO₂e emissions and additives. In addition, we aim to use as much post-consumer recycled PP as possible. Then we also set value on plastic waste thus stimulate profitable collecting and recycling, as well as additional reduction in carbon footprint. We introduced post-consumer recycled plastics into our products as far back as 1995.

In 2021, we had a breakthrough on our efforts to increase the share of recycled materials, by launching colour sorted post-consumer recycled plastics for the first time with the HÅG Tion. In 2022, we launched HÅG Celi using the same recycled plastic range.

Through 2022 we have scaled up the use of material from discarded snowplow markers in production of new chairs. At year-end, 22 tonnes of this material is passing through the established value chain, the color & quality will be available also on the recently launched HÅG Tion and HÅG Celi, beyond on

Average quantity of recycled plastics used per produced unit [kg/unit]



By industrialising the use of discarded snowplow markers in 2022, we are soon ready to launch a wider portfolio beyond HÅG Capisco Puls, first out is HÅG Celi and Tion in 2023.

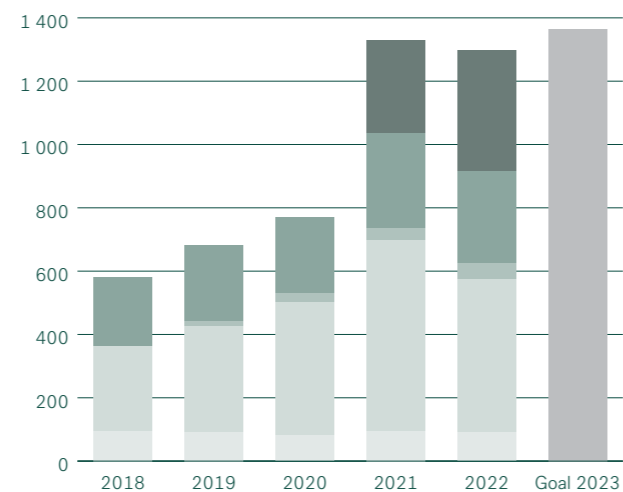
1 687 tCO₂e

saved in 2022
by using recycled instead of virgin plastic

HÅG Capisco Puls that was first out. With this, the effort not only attracts attention to use of post-consumer recycled materials at large but represents sustainability at scale in its own right.

In our ongoing work to migrate recycled plastic into our existing portfolio's virgin plastic components, we see great potential in further boost now that this work is progressing in Turek. For the average quantity of recycled plastics used per produced unit, we have this year included data from all Flokk core brands (previous scope: units produced in sites Røros, Nässjö and Turek only). This results in values which differ from last year but now allow us to track the pr. unit value across all brands. With increased knowledge of our brands' portfolio and usage of recycled plastic, along with the migration of recycled plastics, this value will increase steadily over coming years.

Total amount of recycled plastics used in our products [tonnes]



	2018	2019	2020	2021	2022	Goal 2023
Total	581	684	770	1 328	1 298	1 365
Post-consumer	353	419	477	643	580	610
Post industrial	228	265	293	685	718	755

● Profim ● RH ● RBM ● HÅG ● BMA

METALS

Our die-cast aluminium parts contain an average of 95% recycled aluminium – the quality, durability and finish is just as good as for virgin material. Today, our extruded aluminium parts contain about 30% recycled aluminium. However, in 2022, we launched the HÅG Celi containing extruded aluminium parts, with a recycled share of at least 75%.

Previously, we had access to a share of 20-40% recycled steel. But with the latest developments in the steel market, we see that most of the available recycled steel is now reserved for the construction sector. Today we know that our realistic share of recycled steel is limited to around ± 3%. We hope to continuously increase this amount. In parallel, we are currently collaborating with our key steel supplier on fossil-free solutions for near future possible use.

FABRICS & LEATHER

We strive to make responsible choices for our standard collection of fabrics and leathers. In our textile program we offer a carefully curated selection of high quality, durable textiles made of wool and synthetics, along with a mixture of wool/synthetic.

Our choices are filtered through our environmental principles. We strive to include mono-materials made from 100% wool or 100% post-consumer polyester and chrome-free tanned leather.

Since 2021, we have collaborated with one of our main textile suppliers and our Turek factory in a circular closed-loop project. Our goal is to make use of our own waste textiles from production, for re-use in yarns and textiles to be integrated back into our collection in near future. This work had good progress in 2022 with a special focus on fiber-to-fiber recycled yarns made into textiles.

47 out of our 59 (80%) standard fabrics are certified under at least one of the ecolabels EU Ecolabel, Oeko-tex®, The Blue Angel, Cradle to Cradle™, Greenguard Gold and Möbelfakta.

Our target has been EU Ecolabel on all our standard fabrics by 2022. However, this target is now revised to 2025, due to adding new brands to our scope resulting in larger number of standard fabrics. In 2022, only 25 out of 59 (42%) fabrics had EU Ecolabel (2021: 22 out of 52 (42%) / 2020: 9 out of 18 (50%)). When harmonizing standard collections across brands we emphasize sustainability performance as one of the main drivers when reducing or adding new collections.

All new textiles introduced in our new standard collection going forward will have the EU Ecolabel, except for PU coated fabrics, where it is not possible to comply with EU Ecolabel, only Oeko-tex®. We are in the process of defining the strictest requirements for these types of fabrics. We are urging for the replacement of all non-ecolabeled fabrics by 2023.

WOOD

The wood used in Flokk's products originates from traceable and sustainably managed forestry. As members of FSC® Norway, we are committed to upholding the highest standards of responsible sourcing. In Nässjö, 100% of the wood we use is FSC® Mix, which includes a combination of FSC® certified forests, recycled materials, and controlled wood that adheres to FSC® rules. Our Turek facility is FSC® Chain of Custody certified and sold 223,6 tonnes of certified wood in 2022.

By 2030, we target all our factories to be FSC® Chain of Custody certified, and that 100% of the wood we purchase will be FSC® certified.

PACKAGING

Our products are delivered to customers either fully assembled with limited use of packaging material or stacked together or knocked down in cardboard boxes.

In 2022, our two factories in Scandinavia sent a total of 1 220 tonnes of packaging out into the market (9% down since 2021: 1 325 t). This consisted of 89% cardboard (2021: 88%), 7% plastics (2021: 8%), 0.5% expanded polystyrene (EPS) (2021: 1%) and 3% other materials such as tape, etc. (2021: 3%). Numbers for Turek and Hawthorne not accounted for.

In 2022, we used 90 tonnes of plastic packaging (23% down since 2021: 111 t). We have initiated efforts to transition all our plastic packaging to post-consumer recycled plastics. We are aiming for 100% recycled & recyclable plastic packaging by 2030.

Flokk is a member of several national takeback schemes, such as Grønt Punkt in Norway and FTI in Sweden. Each year, we report how much packaging we send out into the respective markets and pay a charge on this basis. The charge ensures that old packaging is collected and recycled. As a "Control Member" of Grønt Punkt, we also require our Norwegian suppliers to be members, ensuring producer responsibility in our supply chain.



WASTE

Our waste management system is assessed each year during the annual ISO 14001 audits.

WASTE FROM PRODUCTS

Waste generation directly linked to our products takes the form of packaging, protective materials for transport, and used products. Due to a high risk of damage, we need to protect our chairs with various types of protective covers. We do see significant potential to improve our use of packaging materials.

WASTE FROM OPERATIONS AND OFFICES

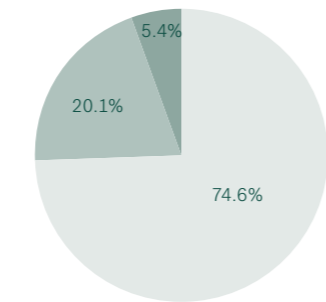
Another source of waste generation is from our production processes and daily office routines. As far as our own factories are concerned, we have an efficient waste management plan in order to improve the systems for both collecting and sorting waste. Waste-related data is collected as part of our ISO 14001 routines, monitored by the factories, and discussed quarterly on a corporate level. In 2022, our factory in Hawthorne started the data collection process, thus some data needed to be estimated (est.). To ensure consistency, waste data for that factory was estimated for the years 2020 and 2021 as well (based on the 2022 numbers) and retrospectively added.

Our waste sorting reflects as a minimum how the waste fractions are handled at our waste disposal contractors. The information concerning the waste disposal methods have been given by our waste disposal contractors and is continuously updated in follow-up meetings.

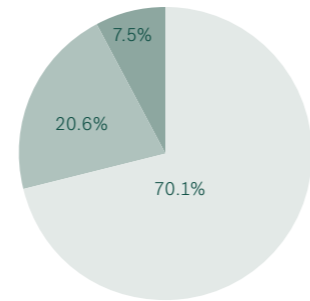
Waste fractions at Flokk factories (Røros, Nässjö, Turek, and Hawthorne) in 2022 [tonnes], including hazardous waste breakdown.

	2022
Non-hazardous waste	2 120
Material recycling	1 592
Incinerated with energy recovery	418
Landfilled	109
Hazardous waste	34
Material recycling	13
Incinerated with energy recovery	14
Landfilled	6
Total [tonnes]	2 154

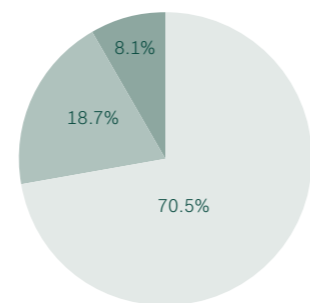
Factory waste [tonnes]



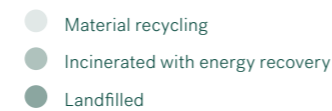
2022: Total 2 154 tonnes
Incl. Røros + Nässjö + Turek + Hawthorne (est.)



2021: Total 2 178 tonnes
Incl. Røros + Nässjö + Koblenz + Turek + Hawthorne (est.)



2020: Total 1 953 tonnes
Incl. Røros + Nässjö + Koblenz + Turek + Hawthorne (est.)



Due to increased knowledge one waste stream fraction in our factory at Røros was changed resulting in a higher share of recycling of hazardous waste, this was done retrospectively as well. All disposal operations mentioned in the table below are off-site.

As part of our Environmental Requirements, our suppliers commit to have a plan to minimise their waste volumes. We have scaled down returns of cardboard packaging to selected suppliers and recycle rather than reuse, due to quality and damage issues.

In 2022, 1 592 t of our non-hazardous production waste was diverted from disposal (material recycling), while 527 t was directed to disposal (418 t incineration with energy recovery, 109 t landfill). The remaining amount of hazardous waste (34 t) is declared pursuant to the requirements of local and national Waste Regulations and delivered to an approved reception facility. The biggest waste fractions were cardboard (32.5%), steel (31.1%), and mixed waste (15.2%).

We have had a steady increase on waste to material recycling as a result of improved sorting on all sites, through identifying new recyclable fractions, performing spot checks and keeping our employees updated with new information. With the addition of new factories, we see fluctuations and decreases through the years, but with further focus on identifying improvement measures we are on track of reaching our corporate goal of 85% material recycling waste by 2025.

In 2022, there has been no spills or leakages to the environment.

CHEMICALS

Our chemical management system is assessed each year during the annual ISO 14001 audits.

SUPPLIERS

We have strict standards on the use of chemicals for our suppliers, which must commit to fulfilling our requirements in order to be a supplier to Flokk. With the planned 2023 implementation of a new Supplier Risk Management Tool, we aim to improve the handling of chemicals at our suppliers for the entire supply chain.

We believe that we can be more proactive towards our suppliers in our efforts to avoid and handle any cases of hazardous chemicals found in products on the market.

PRODUCTION AND OFFICES

We must ensure that our employees are not exposed to harmful substances. We keep inventory of all chemicals in use at our facilities, and their respective MSDS (Material Safety Data Sheets) are readily available. We use EcoOnline to monitor and evaluate the risks associated with those chemicals every year and undertake substitution of chemicals that may have undesirable effects.

PRODUCTS

Choosing the right materials includes avoiding chemicals that are hazardous to health and the environment. For many years we have not used what we call "banned" materials in any of our new products, such as glue, PVC, flame retardants and chrome surface treatment of chair and table legs. This applies for all but special and minor product roles. We devote a lot of effort to developing attractive alternatives, such as:

- New polyester powder coatings with metal look – matching the shiny finish and tough surface obtained from chroming
- Smart solutions to avoid the use of glue in upholstery
- Using wool and polyester fabrics to avoid the use of flame retardants. Wool is a natural flame-retardant and the structure of polyester fibers provides flame-retardant properties without chemical additives
- Use of water-based wood lacquer and powder coating for metal coating to keep the emissions of Volatile Organic Compounds (VOC) as low as possible

Every year, we analyse our existing portfolio for possible product improvements, including health considerations. For our older portfolio, we set strict requirements concerning the components of glue and paint, which might otherwise contain substances such as formaldehyde and bisphenol. Our standard PUR foam articles comply with the strict requirements of the Nordic Swan Ecolabel, and do not contain any harmful substances. Special attention is given to substitutions of special fabrics containing PVC and chromed surfaces.

Our most important chair collections are GREENGUARD Gold certified; a guarantee that the products contribute to a healthy indoor climate by not emitting hazardous gases.

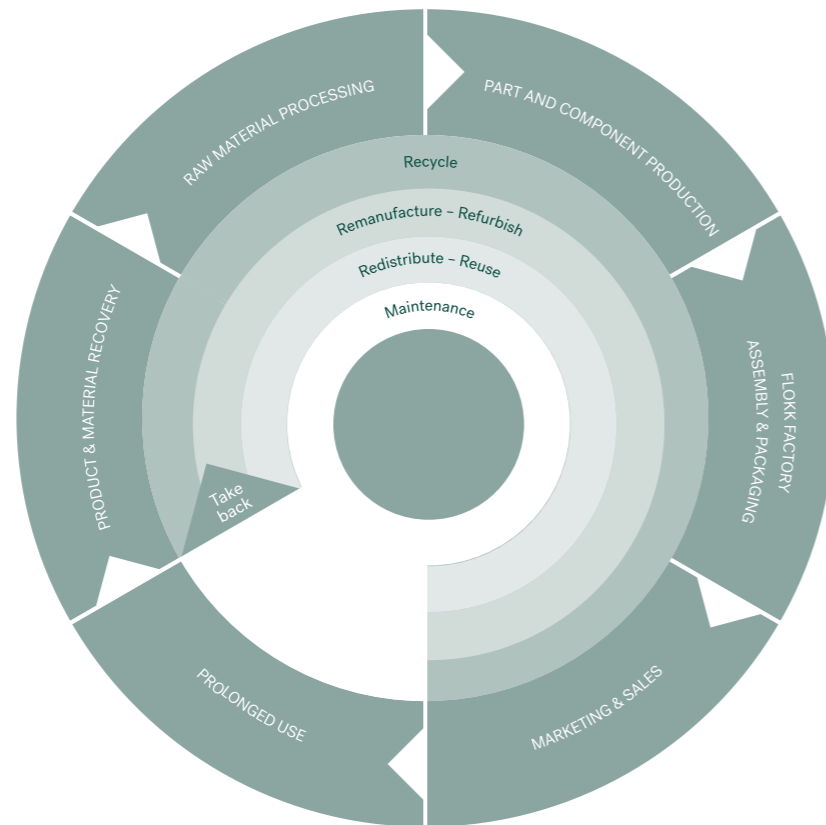
Circular Economy – Closed Loop

Flokk is working on solutions to encourage that our products are responsibly taken care of, after its first customer no longer uses it. Flokk’s ambition is to be a preferred circular product supplier, enabling our partners and customers to efficiently reuse, refurbish and recover our “recycle-ready” products.

We include circular business model feasibility in our design criteria for new product development, ensuring that future products are ready for future circular business needs as well as optimised within the existing business logic. In addition, we are exploring how to ensure full traceability of our chairs and work towards an ambition of a circular value chain.

In the Netherlands, we have practiced the circular economy for several years and built up a system for taking back used chairs. Our partner Opnieuw has a dedicated disassembly line where returned chairs are dismantled. Parts and components are controlled and cleaned, then reused in “second life” chairs. Defective parts are sent back to suppliers for recycling into new raw material. Our Dutch sales organization has also become a significant supplier of secondhand chairs in the market.

We have explored various further circular business models such as furniture-as-a-service and new buy-back offerings. The true value of these models in terms of improved sustainability remains to be seen, as it rests on the extent to which they stimulate longer service life. This development is followed closely through our running pilot and innovation projects, delivering insights for our long-term business and product development.



Circular Economy

Long-term goals:

- Explore Circular Business Models
- Products in core markets will be distributed with clear obligations on end-of-first-use handling: 75% of HÅG, RH, Giroflex by 2030 (30% by 2025) and 50% of Flokk integrated brands by 2030

Measures & Results 2022	Status	Measures 2023
Harvest learnings from ongoing FAAS (furniture-as-a-service) Pilot as well as ongoing circular business in the Dutch and Swedish markets. Sharpen communication on Flokk circular value proposition Result: The market for FAAS has matured in such a way that our traditional dealer channel has started offering this service to the end customers in addition to outright sale and leasing solutions. Flokk will therefore support its traditional channel and not diversify into a specialized FAAS channel with whom we were driving pilots. The market has however not embraced the FAAS solution to the extent previously anticipated	✓	We will follow the development in the market and continue the Pilots started in addition to supporting our traditional dealer channel
Package existing service offering to increase customer awareness Harvest learnings from refurbish partners in Sweden and NL to secure preparedness for expansion Result: The awareness around refurbish is increasing and Flokk has explored a number of ways to support this trend	✓	Flokk has an indirect business model but is setting up Pilots in Sweden and Norway to support Flokk certified refurbish partners on specific brands

Product Liability & Certifications

CUSTOMER HEALTH AND SAFETY

Our aim is to deliver safe products in perfect condition, and we are committed to ensuring our customers' complete satisfaction. With our level of technical expertise, combined with our honesty and responsibility, our aim is for our customers to be safe and comfortable every time they choose a Flokk product. We demand high quality in everything we do, so a Flokk product is built to withstand stress and to last, minimizing risk of injury to the user.

For these reasons, all Flokk products are tested according to specific international standards, with requirements pertaining to healthy and ergonomic execution, safety, stability, and strength. The standards we meet stipulate guidelines for design, dimensioning, safety impact and material choice, and are subject to continuous evaluation and testing throughout the product's development and use phases before the products reach the market. Flokk's products are therefore 100% assessed for potential improvements regarding health and safety impacts. This support Flokk's ten-year guarantee on most of our products.

Flokk has defined "Risk/Safety Claim" as a customer being injured while using our product. There have only been a handful of such cases, but when they do occur, they are followed up closely in our management case handling system.

Risk/Safety Claims – number of customers injured while using a Flokk product

2022		2021		2020	
Number	PPM*	Number	PPM*	Number	PPM*
1	0.36	1	0.40	1	2.00

Target each year: 0
No major customer injuries in 2022. 1 potential incident with potential for injury of customer is registered

*PPM = Part per millions.
Number of injuries is divided of number of produced chairs and multiplied with 10⁶

LABELLING

All our products have labels providing information concerning existing standards and certifications. They are also delivered with detailed user manuals and instructions for safe use, maintenance, cleaning, and recycling.

ENVIRONMENTAL CERTIFICATIONS

The use of certifications is an important communication of our strong environmental commitment and performance to the general public, and in guiding our customers to make the right choices. There is also an increasing demand from larger tenders and projects and customers in general for companies to provide specific certifications in order to qualify.

With more than 500 "green" certificates in Europe alone, these are very difficult waters to navigate. Some certificates relate to business and corporates, and others to products. Some focus solely on the user phases, while others cover the entire life cycle. Some are national, and some are global.

The environmental certifications chosen by Flokk comprehensively cover important aspects and areas. More details are available at our website: www.flokk.com.



EPD - ENVIRONMENTAL PRODUCT DECLARATION

Our products' environmental performance throughout their life cycle is calculated and published in EPDs - Environmental Product Declarations (Type III). EPDs are rapidly gaining recognition in the furniture industry, due to their ability to document and communicate quantitative, transparent and to some degree comparable environmental indicators from cradle to gate, such as carbon footprint, energy consumption and share of recycled materials.

Flokk has EPDs for 33 families of products



THE NORDIC SWAN ECOLABEL

The Nordic Swan Ecolabel (Type I) for furniture is awarded to products that meet strict environmental, quality and health requirements. The use of harmful chemicals is strictly regulated, and a high content of recycled materials is required. In 2010, HÅG Capisco became the first office chair in the world to qualify for the Nordic Swan Ecolabel.

Flokk has 22 Nordic Swan Ecolabeled product families



GREENGUARD GOLD

To ensure that our products are not harmful to the indoor climate by emitting hazardous gases (specifically VOCs - volatile organic compounds - such as formaldehyde in glue), they are tested according to the requirements of the UL GREENGUARD Environmental Institute.

Flokk has 28 families of products certified with GREENGUARD Gold



MÖBELFAKTA

Möbelfakta (Type I) is a Swedish certification scheme based on three requirement areas: quality, the environment and corporate social responsibility. This scheme sets external requirements such as CEN and ISO standards for quality and follows the environmental criteria of the Swedish Environmental Management Council, while the corporate social responsibility element is based on the ten principles of the UN Global Compact.

Flokk has 43 families of products with Möbelfakta certification



CRADLE TO CRADLE™

The Cradle to Cradle Certified™ program is an ecolabel that assesses several aspects, such as a product's safety for human beings and the environment, and design for future life cycles. Designers and manufacturers are guided through a continuous improvement process to evaluate a product through five quality categories – material health, material reutilisation, renewable energy and carbon management, water stewardship, and social fairness.

Flokk has 5 products that are Cradle to Cradle™ certified, Bronze level



BLUE ANGEL

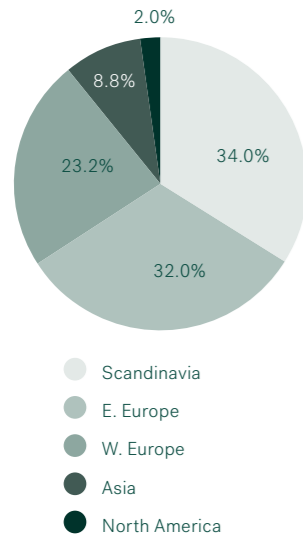
The Blue Angel (Type I) has been the ecolabel of the German Federal Government for more than 40 years. It is an independent and credible label that sets stringent standards for environmentally friendly products and services. The Blue Angel promotes the concerns of both environmental protection and consumer protection.

Flokk has 7 families of products that are BLUE ANGEL certified

Responsible Supply Chain

At Flokk, we aim to choose suppliers who share our environmental and social values, as the basis for long-term sustainable relationships. When signing contracts with new suppliers they are made aware of our focus in these areas, as they need to sign our Code of Conduct and our Environmental Requirements document. With more than 90% of our products' environmental impact being related to the phases before parts and components even arrive at our factories; the choice of suppliers is crucial to our work towards minimizing environmental and social impacts. Reported data is from 2022 except for 9to5 where we only have data for 2021, still included though.

Percentages of the 2022 annual purchased value (turnover) for direct material used in our significant locations of operation that is spent on local suppliers (European) and Asian suppliers (for purchases exceeding NOK 100 000):



The Direct Material suppliers of Flokk are mainly supplying us with components in the following main categories of materials: Foam, Plastics, Aluminum, Steel, Fabrics & Leather, Wood and Assembly services. Our suppliers are responsible for their individual supply chains of raw materials and other ingoing components. Our Flokk Environmental Requirements and our Code of Conduct for Business Partners also apply for their supply chains.

LOCALISATION

As our main operations for our European production sites are spread across Northern and Western Europe, we regard our European suppliers as local (89.3% of total significant – 9to5 excluded), since they deliver to all our sites in various amounts and categories. For 9to5, the main portion of the suppliers (92%) are delivering from China and North America.

As we continue our strategy of acquiring and integrating other brands into the Flokk Group, new suppliers will come into our supply chain. We are dedicated to moving the contractual relations with these new suppliers towards Flokk's standard terms and conditions as soon as possible as part of the integration process. 9to5 is our next priority.

Flokk has a certain number of suppliers in low-cost countries in Eastern Europe and Asia. For the smaller number of suppliers in Asia, we had a particular focus on them during 2021 where we decided to do a re-evaluation of these suppliers with focus on compliance to our Code of Conduct including international regulations concerning human rights and working conditions. Even though Flokk managed through 2021 without major production standstills, the pandemic has demonstrated the vulnerability of remote suppliers & long supply chains. Flokk is now focusing on minimizing exposure to Asian suppliers with defined reshoring projects.

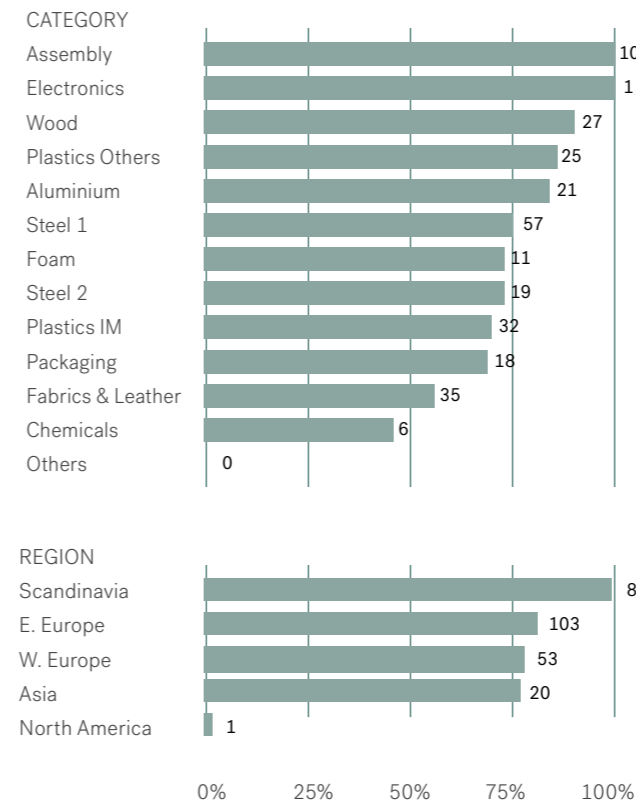
SUPPLIER SELECTION

With a significant growth through acquisitions comes many new suppliers to Flokk. Our strategy is to consolidate the number of suppliers we use with focus on high performing suppliers. Our supplier decision is therefore not based solely on price but based on total performance and Total Cost of Ownership (transport, cost of capital, overhead, etc.).

Since last reporting period, we did a significant compression of our suppliers to reduce complexity and risk in 2022. Compared to 2021 when we moved the supply chain and production of Offecct from Sweden to Poland, the focus in 2022 turned to localise these suppliers closer to our production facility in Turek. The supplier compression will continue in the coming period as well as the relocation of suppliers.

Another significant activity from last reporting year was an increase in signed Code of Conducts. Even when including our new brand 9to5 for this reporting year, the signed Code of Conducts for Direct Material suppliers went from 43% up to 86%.

No. of signed CoCs and % of total APV (APV > 100 000 NOK)



Plastics IM: injection moulded
Steel 1: raw materials, pipe bases, mechanisms
Steel 2: fasteners, springs, wire products

Total number and percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to in 2022 (measured in signed CoCs), broken down by type of business partner and region.
*APV - Annual Purchase Value = turnover

All new suppliers to Flokk need to fulfil the minimum requirements we have in our supplier appraisal audit and are screened based on environmental and social criteria. All new Flokk suppliers must sign our Code of Conduct - Business Partners and Flokk Environmental Requirements, stating which substances we do not want to have in our products as for instance PVC and chrome and that child labour/young workers have significant risk for incidents and is not allowed. We generally sign 3-years agreements with our main suppliers, and 83% of our annual purchased value is under contract with a signed code of conduct.

During 2023, we will establish processes for supplier selection and evaluation for 9to5 as well.

SUPPLY CHAIN CONTROL – FOLLOW-UP AND ASSESSMENTS

2022 has been a recovery year after Covid. The first quarter we still experienced issues at the suppliers mainly due to availability of raw material, capacity and logistics related issues. For the following quarters, business slowly came back to normal and all our suppliers' KPIs came back to required levels.

By conducting thorough and strict audit of new suppliers, we prevent the risk for potential environmental and social impacts.

During 2022 we started to assess the Polish suppliers using our supplier appraisal process. The plan is to go through all major suppliers during 2022 and 2023. So far, we have not encountered any red flags during these appraisals.

In 2022, there were no confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.

SUPPLIER PERFORMANCE MEETING (SPM)

As part of our procurement policy, we hold monthly SPS meetings to monitor and evaluate supplier and sub-supplier status and results on issues regarding Quality, Delivery and Risk, including environmental and social factors with a negative impact on society, labour market practices and human rights.

In 2022, we developed a supplier risk assessment tool where we evaluate the suppliers based on country, commercial, environmental and compliance (CoC) risk. We score the suppliers per individual risk and prioritize them from 1-5, where 5 is equal to immediate actions required. In this analysis we can see from the re-assessment we did of our Asian suppliers, that some suppliers do not have collective bargaining for their employees. We understand that we cannot get the same commitment in China for

these questions, but we will let them understand what our requirements are.

In our re-evaluations of Asian suppliers done in 2021 and in our re-evaluations of Polish key suppliers that started in 2022, we have not discovered any risks for child labour, compulsory or forced labour. To reduce exposure to Asian suppliers, in 2022 we initiated a project to re-shore volumes from China to Europe. Projects have been identified and we have started to re-shore volumes back to Europe.

When a supplier or sub-supplier is identified with a significant risk, we coordinate mitigation measures to close the deviation. Repeated low performance can put suppliers in the "New Business on Hold" category. No suppliers were categorised accordingly during 2022, giving us the opportunity to work with less significant risks such as low delivery performance. Flokk has zero tolerance for corruption, and we try to ensure that suppliers exercise environmental responsibility, have a shared respect for human rights and offer good working conditions.

Based on our close and constant dialogue with key suppliers, none of them was considered to have negative environmental or social impacts and no measures had to be taken. As no new suppliers were added in 2022, no new suppliers were assessed for environmental or social impacts.

SUPPLIER RE-EVALUATION

The environmental footprint is very important for Flokk, and it starts in our value chains and the suppliers we choose to cooperate with. Suppliers treating their workers in a fair way is equal as important for Flokk and our suppliers need to live up to laws, regulations and our standards and requirements.

As we aim at having long-term cooperation with our suppliers and high performing suppliers, it is important to not only focus on evaluating new suppliers before signing contract but also to re-evaluate our present suppliers over time. To ensure our suppliers being compliant to our terms, conditions and Code of Conduct over time we have updated our process to involve an annual re-evaluation of a systematically agreed population of suppliers, based on non-conformance or region.

As Flokk has many Polish suppliers mainly transferred from the acquisition of Profim, a re-evaluation of top suppliers in Poland started during 2022 and will continue through 2023.

SUPPLY RISK MANAGEMENT TOOL

When growing as an organisation, the complexity increases and the need to find efficient and transparent tools and solutions also grows. As part of a wider effort to digitalise and create deeper integration of our processes, we progressed on our efforts to introduce a Supplier Risk Management Tool during 2023 that will manage data collection, supply chain risks, interactions, cooperation and information sharing more easily. Plan for 2023 is to land last formal decisions and start implementing the tool.

This is also linked to an effort to consolidate our procurement management approach, in order to have more consistent supplier evaluations, relationships and routines.



giroflex 150

Our Employees

Flokk represents a safe and stable working environment. We seek to conduct our business with a high ethical standard to be a respected and trusted business partner for all our stakeholders. We also expect high ethical behaviour from all our employees. We support, are committed to, and follow the principle key United Nations (UN) and International Labour Organisation (ILO) conventions and documents, including the Ten Principles of the UN Global Compact. In relation to our employees, we have gathered the company's principles, values, standards, and rules of ethical behavior in our Code of Conduct which is read and signed by all employees.

We aim to create a safe, respectful and inclusive place of work where all employees can contribute to living our values, achieving sustainable business results and realise their full potential. We expect all our employees to act as Flokk ambassadors and to treat colleagues, business associates, the environment and other stakeholders with respect and courtesy. Our company values express a certain set of expectations as to attitude and behavior and we expect our employees to communicate respectfully, using an inclusive language, towards all colleagues and externals, regardless of title or position level. All mandatory training programs are completed through our digital competence platform Learning@Flokk.

We clearly distance ourselves from corruption and bribery and support free competition and fair trade as well as the freedom of association and collective bargaining. There shall be no forced, bonded or involuntary prison labour in Flokk. All labour must be voluntary without threat of penalty or similar. Employees shall not be required to lodge deposits or identity papers in any form and shall be free to leave Flokk after reasonable notice.

Flokk considers child labour/young workers as high risk of incidents. We intend to contribute to effective abolition of the minimum age for employment as not lower than the age of completion of compulsory schooling as set by national law. In any event not lower than 15 years of age. In 2022, we had no workers categorised as child labour/young workers in any part of the company.

In early 2022, we continued to stay close to and support our employees related to the pandemic. We continued supporting our approach to Remote Work throughout Flokk, however making sure it was well adapted to the business needs of the company, but also meeting the needs and expectations of the workforce as to flexibility. During 2022, we have continued to follow up and focus agreed actions per site and department following the 2021 Engagement@Flokk survey.

As of December 2022, the company had 1 608 employees (including 9to5 Seating). The percentage of women has increased from 40.2% to 40.9%. We are content with this development, but we still have a way to go to reach our target

level of 45% by 2025. We continue to measure and follow up organisational KPI's specifically linked to diversity development. We have a clear direction and roadmap to continue our implementation of concrete actions throughout the organisation linked to Diversity, Equity, and Inclusion.

All our employees are directly employed by Flokk. In general, we have no non-guaranteed hours employees, very few temporary employees and part-time workers. However, in November and December, we normally experience seasonal fluctuations and peaks in production, and therefore need to increase our workforce with some temporary employees to meet market demands. These employees stay in the company less than three months. This was not needed in 2022 due to lower market demand than usual. The most common type of non-contractual employees are Business to Business contracts with individuals, such as above-mentioned seasonal production workers and apprentices.

All employee data has been collected from our global personnel HRIS system, People@Flokk, except data from 9to5 Seating which has been provided manually. People@Flokk provides complete employee data sorted by defined categories. We also use People@Flokk to support Flokk's leadership processes, and HR analytics. For all manning reporting, including non-contractual, we use number of head counts (HC) and number of full-time equivalents (FTE) as per end of the reporting period.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

In The Netherlands, all employees fall under a furniture association collective agreement as a basis for the salary adjust process. In Belgium we must adhere to the local inflation when adjusting salaries as per law. In Norway 51.6% and in Sweden 49.9% of our employees are members of a union. All employees are covered by bargaining agreements leading to the initially same percentage adjustment. We have external representation at the production site in Poland, however, there is no applicable collective agreement negotiated. We practice union dialogue and interaction through an internal setup with employee representatives, and we compare market data. In the US and our commercial markets in general, there are working

climate committees in place, where employees can raise issues and concerns.

In the countries where we have collective agreements, we ensure that nonunionised employees have the same compensation and benefit set up as the unionised employees.

SALARY

Ratio of the basic salary and remuneration of women to men for each employee category (not including figures for 9to5 Seating and Flokk Poland):

	Female salary in % of men's salary	Male
Office employees	74%	100%
Production employees	98%	100%

DIVERSITY AND EQUAL OPPORTUNITY

Percentage of individuals within the organisation's governance bodies in these diversity categories:

Age	Female	Male
Below 30 years	0%	0%
Between 30-50 years	0%	33%
Over 50 years	11%	56%

Percentage of employees per employee category in these diversity categories:

Age	Female	Male
Below 30 years	43%	57%
Between 30-50 years	40%	60%
Over 50 years	36%	64%

Total number and rate of new employee hires / employee turnover during 2022, by region and age groups

Region/Country	Total employees, end 2022	New employees; Age below 30	New employees; Age 30-50	New employees; Age over 50	Total starters	Turnover rate
Australia (Sydney, Melbourne)	2	1	2	1	4	200.0
Austria	0	0	0	0	0	0.0
Belgium (Brussels)	5	1	0	0	1	20.0
Canada	1	1	0	0	1	100.0
China (Shanghai, Guangzhou)	15	1	8	0	9	60.0
Denmark (Copenhagen)	14	1	1	0	2	14.3
France (Villepinte)	15	4	1	0	5	33.3
Germany (Düsseldorf)	44	3	2	1	6	13.6
Norway (Bergen, Oslo, Røros, Stavanger, Trondheim)	294	9	21	1	31	10.5
Poland (Turek, Warsaw, The Czech Republic)	797	23	51	3	77	9.7
Singapore (Singapore)	3	0	0	0	0	0.0
Sweden (Göteborg, Nässjö, Stockholm)	173	13	16	4	33	19.1
Switzerland (Opfikon)	22	2	2	2	6	27.3
The Netherlands (Rotterdam)	20	8	1	1	10	50.0
UK (London-Brixton&Clerkenwell)	13	0	0	0	0	0.0
USA (Virginia, Washington DC, Hawthorne)	190	0	0	0	0	0.0
Total	1 608	67	105	13	185	13.0

Number of employees by employment contract, type, region and gender

Region/Country	Permanent employees	Temporary employees	Non-guaranteed hours employees	Full-time employees	Part-time employees
Australia (Sydney, Melbourne)	2	0	0	2	0
Austria	0	0	0	0	0
Belgium (Brussels)	5	0	0	5	0
Canada	1	0	0	1	0
China (Shanghai, Guangzhou)	15	0	0	15	0
Denmark (Copenhagen)	14	0	0	13	1
France (Villepinte)	15	0	0	15	0
Germany (Düsseldorf)	44	0	0	42	2
Norway (Bergen, Oslo, Røros, Stavanger, Trondheim)	293	1	0	277	17
Poland (Turek, Warsaw, The Czech Republic)	745	52	0	796	1
Singapore (Singapore)	3	0	0	3	0
Sweden (Göteborg, Nässjö, Stockholm)	171	2	0	173	0
Switzerland (Opfikon)	22	0	0	17	5
The Netherlands (Rotterdam)	18	2	0	14	6
UK (London-Brixton&Clerkenwell)	13	0	0	13	0
USA (Virginia, Washington DC, Hawthorne)	190	0	0	177	13
Total women	617	26	0	612	31
Total men	934	31	0	951	14
Total employees	1 551	57		1 563	45

Workplace - Health and Safety

The health, safety and working environment (HSE) is an essential aspect of Flokk's management system, based on the requirements of ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM AND ORGANISATION

Flokk's HSE culture consists of an engaged top management who facilitates an active HSE organization with involvement from employees. All Flokk employees, including contracted workers whose work and/or workplace is controlled by Flokk, in all activities, at all workplaces, are entitled to a safe and appropriate working environment – in which they are just as healthy when they leave work, as when they arrived. The responsibility lies with the employer, focusing primarily on prevention.

Top management facilitates a HSE organisation which is centrally coordinated by an HSE manager and executed by HSE managers and Safety deputies in each production unit.

SYSTEMATISED HSE – HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

For Flokk, systematic HSE work means staying one step ahead, identifying risks, register HSE incidents, secure compliance with legal requirements and implementing actions – always, no matter how well we perform.

To anchor HSE aspects throughout the organisation, in compliance with Group HSE policy and legal requirements, we perform yearly risk analysis and regular internal audits as safety inspections, determine objectives and competence requirements. We follow up on action plans with responsible people and deadlines.

This results in a continuously improved and updated risk assessment process; which employees take as a natural part of their work – they are the frontline regarding detecting issues and proposing or taking relevant action. The most critical risks are escalated and addressed with the Group Management through HSE organisation in ESG forum, as a strategic part of Flokk's Risk management Framework.

The workers have possibility to shield themselves from work situations they believe could cause injury or ill health by reporting unsafe conditions, as one of several defined HSE incidents. All HSE incidents are reported directly, into Flokk's Total Quality Management System (TQM) or by notifying their direct manager. They can report directly into TQM with a

mobile app. Workers can protect themselves against reprisals through Flokk's Whistle Blower Process ensuring employees' right to report unacceptable conditions. Reporting can also be done anonymously in TQM.



Workplace – Health & Safety

Long-term goals:
Zero number of fatalities + Zero high-consequence work-related injuries

KPI	Goal 2023	Goal 2022	Results		
			2022	2021	2020
Number of fatalities	0	0	0	0	0
High-consequence work-related injuries	0	0	0	0	0
Rate of recordable work-related injuries*	0	0	6.2**	6.0**	13.0
Number of recordable work-related injuries	0	0	17	15	8

Measures & Results 2022	Status	Measures 2023
Continue with existing preventive HSE work and prevent future accidents:		
Increase registration of preventive unsafe condition from 56 to 80 Result 2022: 208	✓	Continue in 2023, increase target: 220
Adjust and tune HSE e-Learning program for all employees Result: HSE e-training is part of the Induction Program for all new employees since 2021, however lack of capacity in 2022 to further improve by translating into mother languages	➔	Continue adjust and tune the HSE e-Learning program for all employees by translating into mother languages (Norwegian, Swedish and Polish) to secure better understanding for production workers. Target: 100% of employees performing HSE e-training

* Recordable work-related injury rate = Recordable work-related injury number x Working hours/1 000 000
Number of hours worked in 2022: 2 749 934 (2021: 2 499 358). Working hours for non-employees are not included, although figures include injuries for both employees and non-employees.

** Almost same level or slightly increase in rate of recordable work-related injuries due to unfortunately 2 more injuries in Flokk.
The types of the 17 work related injuries are as followed: 12 - hit by an object, 1 - fall, 2 - cut by knife/staple, 2 - ergonomic workstation (improperly adjusted workstation, awkward movements). None of these injuries happened to non-employees in 2022.

WORK-RELATED HAZARDS

Identified work-related hazards with potential to cause injury or ill health are: Physical (hit by objects, cut by knife/ staple, fall from height) / Ergonomic (improperly adjusted workstation) / Related to work-organization (shift work, excessive workload demands).

None of the identified hazards contributed to high-consequence injuries in 2022.

Safety tours, internal audits as spot checks, registration of unsafe conditions are some of the preventive tasks undertaken to eliminate work-related hazards and minimize risks using hierarchy of controls. If an HSE incident occurs, we need to understand why it happened and avoid it happening again. Therefore, all HSE incidents must be registered and analyzed for preventative purposes. In addition, workstations are designed and organised to prevent injuries without compromising effective operations. Avoid heavy lifting, avoid walking/standing at hard flooring by use of soft cover, and remove exposure of chemicals as examples. Job rotations are also introduced for variation of tasks.

WORKER TRAINING AND OCCUPATIONAL HEALTH TRAINING

In general, all managers are responsible for addressing training requirements and information relating to their employees, work, and workplace. The resulting working conditions should allow all personnel (employees or not) to perform their job in a competent, safe, and healthy manner.

HSE e-training is mandatory for all new employees. It is part of Flokk's induction program, which includes safety rules, HSE incidents registration, work related hazards, alongside sustainability and corporate responsibility issues. All staff in production receive safety instructions and HSE training before they start working. The HSE training is to strengthen performance, and to introduce refreshment training for all employees on a regular basis.

Employees are provided with special training in specific high-risk activities such as Hot Work and Forklift driving. These competences are registered and followed up in a separate competence database in our Total Quality Management System (TQM).



Production site | Nässjö, Sweden

PROMOTION OF WORKERS HEALTH

Flokk encourage all our employees to stay healthy and live an active life through physical activities. We have local health programs, canteens offering healthy food and we run health initiatives. This also includes focus on alcohol and drug abuse.

In general, we operate in countries where the public health care provides all necessary services. That is the main reason why we have not chosen to provide extra health care insurance.

PREVENTIVE ACTIVITIES

Injuries and occupational diseases

Safety tours, internal audits as spot checks, registration of unsafe conditions/near misses are some of the preventive tasks undertaken to eliminate injuries and occupational diseases.

All kind of work related to Occupational and health incidents shall be registered and investigated as preventive activities to reach our "0 injuries" target. The target is always "0 injuries" and are registered for all full time/part time and temporary workers, both employees and non- employees.

All staff at Flokk's premises (employees or not) are stimulated to work preventively and to report unsafe conditions as work-related hazards and hazardous situations, also including sensed fear and fear of disease. Workstations are designed and organised to prevent injuries without compromising effective operations. This allows us to do early risk assessment, act and reduce the risk of serious injury. To prevent repetitive strain injuries, employees have opportunity to vary their tasks during job rotation.

Despite our preventive activities, the number of recordable work-related injuries needs to be reduced. Unfortunately, the number is at a higher level in 2022 (17), compared with 2021 (15) and 2020 (8). The rate is also slightly higher in 2022 (6.2) compared with 2021 (6.0). Compared to 2020 (13.0), the figures are halving, and a positive trend, considering the integration of acquired companies into a Flokk HSE culture. The data have been compiled based on the formula: Rate of high-consequence work-related injuries excl fatalities = (Number of high-consequence work-related injury excl fatalities / Number of hours worked) x 1 000 000. Number of working hours is given by working hour registration system related to salary.

The challenge for 2023 is to reduce the number of recordable work-related injuries with increased focus on preventive activities as:

- increase registration of unsafe conditions, and
- securing better HSE understanding for production workers by translate HSE e-learning program to mother languages

Chemicals

Employees are not exposed to harmful substances to present knowledge. We undertake a yearly risk assessment with each chemical used in our facilities and substitute the chemicals that have undesirable effects. All chemicals with known harmful effects have been replaced with non-toxic alternatives.

OCCUPATIONAL HEALTH SERVICES

Occupational health services are well established within the organization, with open and transparent dialogue between company representatives and external occupational health services. All employees are aware of the services provided, as follows:

- Attendance of follow-up meetings related to employees on sick leave, in order to customize rehabilitation programs
- Attendance of meetings focused on general risk analysis and risk minimizing HSE work in combination with providing expertise related to safety aspects
- Participate in minimum one Working Environment Committees a year
- Offers of mandatory training and competence in relation to HSE work
- Participation in safety inspection rounds
- Follow-up on advised ergonomic practices

Working Environment Committees are in place at production units and HQ, with equal numbers of workers and management representatives present, alongside unions representatives. The workers are selected by elections. These committees normally meet 4-6 times per year, and decisions are normally taken by majority votes. Management can use double voting unless an agreement is reached. Agenda will cover following topics:

- Active participation in the company's health, safety, and working environment work. Participation in surveys, preparation of action plans and giving advice on priorities and measures
- Evaluation of the health and welfare aspects of working time arrangements
- Review of all reports on occupational hygiene and measurement results
- Addressing issues concerning the facilitation of employees with reduced functional capacity
- Preparation of an annual report
- Providing expertise related to safety aspects as noise, air quality, emergency preparedness including fire rescue and first aid training to name a few

Anti-Bribery & Corruption

In Flokk, we conduct our business with high ethical standards and a view to always being a respected and trusted business partner for all our stakeholders. We adhere to UN's Global Compact and the ILO Conventions as a committed and trustworthy employer. This is essential for our company, for our reputation and for our employees and direct stakeholders. It is embedded in our company Core Values.

Flokk expects all employees to avoid situations that may lead to a conflict between the company's interests and their own personal interests. Bribery or corruption in any form is unacceptable. This includes all forms of bribery, extortion, facilitation money, kickbacks and improper private or professional benefits to customers, also including agents, contractors, government officials, suppliers, or employees of any such party. This is stated in a separate Anti Bribery & Anti-Corruption Policy, Sanction Policy, Anti-Money Laundering Policy and in Flokk's Code of Conduct which is signed by every Flokk employee and by Flokk's business partners. New in 2022 is implementing a screening process protecting Flokk from becoming involved in business activities with a third party who may be subject to trade sanctions. All new customers, dealers or business partners are checked if they are on any of the relevant sanction lists by the responsible department in the Group.

In case of any misconduct, we have a clear whistle blower policy and routines as to how to handle. Intended users of the whistle blower process are involved in the design, review, operation, and improvement of the process.

We track all Code of Conduct digital training for employees in Learning@Flokk to ensure full completion at any time. Signed Code of Conduct for business partners are tracked by the procurement department in House of Control, our internal system for digital storing of contracts with external parties.

Flokk's Total Quality Management System (TQM) is available for all employees and contains all specific policy and procedural documentation such as the Code of Conduct and the Anti-Bribery & Corruption policies. In case of uncertainty about compliance with these policies, all employees can seek guidance in TQM. Guidance can also be sought from line managers or members of Group Management or Site Management.

COMMUNICATION OF THE POLICY

Flokk's guidelines for Anti-Bribery & Corruption are communicated to all employees, Site Management teams and Group Management.

Our anti-corruption measures are specifically targeted towards the units that are most vulnerable (sales and purchasing). Our whistle-blower procedure describes how employees should report any suspected internal corruption or other types of misconduct which they may be aware of, including our direct business partners.

POLICY TRAINING

All employees in Flokk and Group Management have signed our Code of Conduct, which also contains the anti-bribery content. In addition, all employees, except 9to5 and employees in Poland, have undergone digital training through Learning@Flokk.

As part of the onboarding process, all new employees must complete a digital Code of Conduct training program in Learning@Flokk. In addition, digital programs ensure awareness and training around Flokk's Core Competences such as IT & Information Security and HSE.

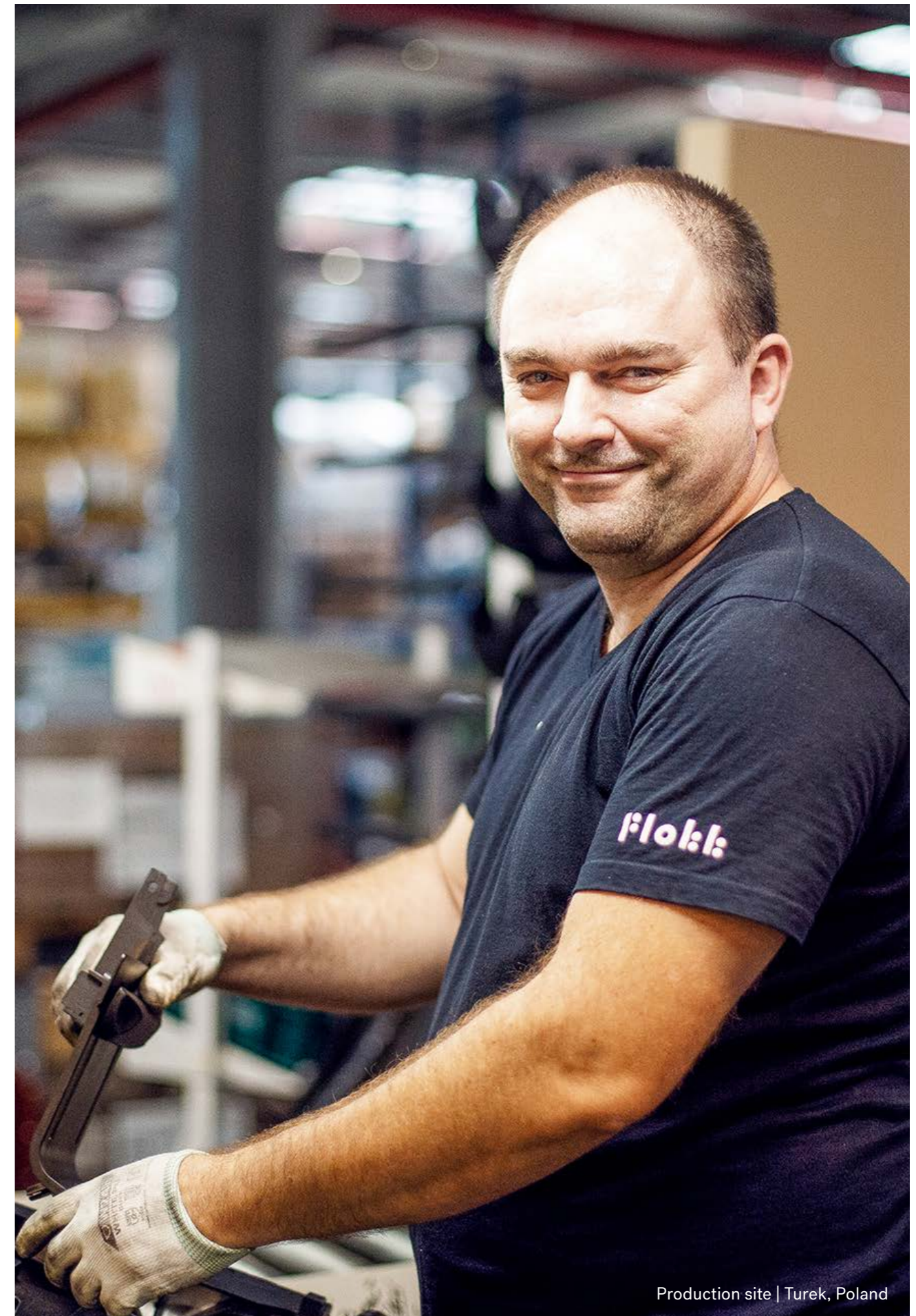
Learning@Flokk is a system that gives us the possibility for monitoring and tracking course completions for all employees and making reports to relevant stakeholders for follow up.

INCIDENTS

In 2022, no incidents of corruption have been registered, there were no confirmed incidents in which employees were dismissed or disciplined for corruption, and there were no public legal cases regarding corruption brought against our company or our employees.

	Number	Percentage
Norway	7	100%
Sweden	1	100%
Germany	1	100%
Total Managers	9	100%

Total number and percentage of Group Management that have received both communication and training on our Group's anti-corruption policies and procedures, by region.



Production site | Turek, Poland

GRI-Index

This report has been prepared by Flokk in accordance with the GRI Standards 2021 for the period 2022.

GRI is a voluntary international network and is the most widely used international framework for reporting on corporate sustainability, enabling comparisons between companies within the same and different industries.

The GRI report content has been both contributed to, proofread, formally reviewed and approved by Flokk Group Management. The report has not been externally verified. However, The Governance Group (now Position Green Group) did perform an independent gap analysis of our GRI report 2020 towards GRI Standards 2021 to ensure 'in accordance' for future reports. We will do a new gap analysis of our GRI 2022 report towards GRI Standards 2021 during 2023.

A list of GRI topics and disclosures is provided in the following pages, with references to where the topics are discussed in this report.

We link our reported GRI disclosures to both UN SDGs – Sustainable Development Goals and the ISO 26000 – Guidance on Social Responsibility, with cross-references in the GRI-index. This way the reader gets an overview of how our sustainability work is correlated with these two important guidelines for acting responsible towards the environment and social responsibility.

UN SDGs – Sustainable Development Goals

No 3	Ensure healthy lives and promote well-being for all at all ages
No 5	Achieve gender equality and empower all women and girls
No 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
No 12	Ensure sustainable consumption and production patterns
No 13	Take urgent action to combat climate change and its impacts
No 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
No 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
No 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
No 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

ISO 26000 – Guidance on Social Responsibility

4.4	Ethical behavior
4.6	Respect for the rule of law
4.7	Respect for international norms of behaviour
5.3	Stakeholder identification and engagement
6.2	Organizational governance
6.3.3	Human rights Due diligence
6.3.4	Human rights risk situations
6.3.5	Avoidance of complicity
6.3.10	Fundamental principles and rights at work
6.4.1-6.4.2	Labour practices
6.4.3	Employment and employment relationships
6.4.4	Conditions of work and social protection
6.4.5	Social dialogue
6.4.6	Health and safety at work
6.5.3	Prevention of pollution
6.5.4	Sustainable resource use
6.5.5	Climate change mitigation and adaptation
6.5.7	Protection of the environment, biodiversity and restoration of natural habitats
6.6.1-6.6.2	Fair operating practices
6.6.3	Anti-corruption
6.6.6	Promoting social responsibility in the value chain
6.7.1-6.7.2	Consumer issues
6.7.4	Protecting consumers' health and safety
6.7.6	Consumer service, support, and complaint and dispute resolution
6.8.1-6.8.2	Community involvement and development
6.8.3	Community involvement
6.8.5	Employment creation and skills development
6.8.7	Wealth and income creation
6.8.8	Health
6.8.9	Social investment
7.3.1	Social Responsibility Due diligence
7.4.2	Setting the direction of an organization for social responsibility
7.4.3	Building social responsibility into an organization's governance, systems and procedures
7.5.3	Types of communication on social responsibility
7.6.2	Enhancing the credibility of reports and claims about social responsibility
7.7.5	Improving performance
7.8	Voluntary initiatives for social responsibility

Statement of use:	Flokk AS has reported in accordance with the GRI Standards for the period 01. Jan 2022 to 31. Dec 2022
GRI 1 used:	GRI 1: Foundation 2021
Applicable GRI Sector Standard:	Household durables - Manufacturing of furniture (not yet available at the time of printing)

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			UN SDGs No.	ISO 26000
			Requirement omitted	Reason	Explanation		
GRI2: General Disclosures 2021	2-1 Organisational details						
	2-1-a	Legal name	Cover				
	2-1-b	Nature of ownership and legal form	13-14, 78				6.3.10 6.4.1- 6.4.5 6.8.5 7.8
	2-1-c	Location of headquarters	160				
	2-1-d	Countries of operation	5-7, 10-11, 38-39, 140-142, 160-161				
	2-2 Entities included in the organisation's sustainability reporting						
	2-2-a	Entities included in sustainability reporting	7, 47-48, 78, 106				
	2-2-b	Entities included in financial vs sustainability reporting	106				7.5.3 7.6.2
	2-2-c	Consolidating information of multiple entities	106				
	2-3 Reporting period, frequency and contact point						
	2-3-a	Reporting period for / frequency of sustainability reporting	106				
	2-3-b	Reporting period for financial reporting	10, 106				7.5.3 7.6.2
	2-3-c	Publication date of the report	106				
	2-3-d	Contact point for questions	158				
	2-4 Restatements of information						
	2-4-a	Restatements of information made from previous reporting periods, reasons and effects	124-127, 129-130, 132, 134-135				
	2-5 External assurance						
	2-5-a	Policy and practice for seeking external assurance	152				7.5.3 7.6.2
	2-5-b	Information if sustainability reporting has been external assured	152				
	2-6 Activities, value chain and other business relationships						
	2-6-a	Sectors in which organisation is active	23-36, 62				
	2-6-b	Value chain	5-7, 10-11, 38-39, 108-110, 140-142				6.3.10 6.4.1- 6.4.5 6.8.1- 6.8.5 7.8
	2-6-c	Other relevant business relationships	107-109, 112-115, 116-118, 140-142, 144				
	2-6-d	Significant changes in 2-6-a,b,c compared to previous reporting period	5, 10-11, 38-44, 140-142				
	2-7 Employees						
	2-7-a	Total number of employees	6-7, 144-145				
	2-7-b	Total number of various types of employees	38-44, 144-145				6.3.10 6.4.1- 6.4.5 6.8.5 7.8
	2-7-c	Methodologies & assumptions to compile data	144-145				
	2-7-d	How to understand data under 2-7-a,b	144-145				
	2-7-e	Significant fluctuations in number of employees	41-42, 144-145				
	2-8 Workers who are not employees						
	2-8-a	Total number of workers who are not employees	144-145				6.3.10 6.4.1- 6.4.5 6.8.5 7.8
	2-8-b	Methodologies and assumptions to compile data	144-145				
	2-8-c	Significant fluctuations in number of workers who are not employees	144-145, 150				
	2-9 Governance						
	2-9-a	Governance structure	13-19, 116-117				
	2-9-b	Committees of highest governance body responsible for decision making	13-19, 116-117				6.2 7.4.3 7.7.5
	2-9-c	Composition of highest governance body and its committees	13-19, 41-43, 116-117	c.vi. under-represented social groups	Not applicable	No employees in Flokk Holding AS	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			UN SDGs No.	ISO 26000
			Requirement omitted	Reason	Explanation		
2-10 Nomination and selection of the highest governance body							
2-10-a	Nomination and selection processes	13-19, 116-117					6.2 7.4.3 7.7.5
2-10-b	Criteria used for nominating and selecting	13-19, 116-117	b.ii. Diversity / iii. Independence	Information unavailable	Must get information from Triton for next years' reporting		
2-11 Chair of the highest governance body							
2-11-a	Is chair of highest governance body a senior executive	13					6.2 7.4.3 7.7.5
2-11-b	If so, explain functions, reasons, conflict mitigation	13	b.	Not applicable	CEO not member of the board		
2-12 Role of the highest governance body in overseeing the management of impacts							
2-12-a	Role of highest governance body in setting purpose, values, strategies, policies and sustainable development goals	13-19, 116-117				8	6.2 7.4.3 7.7.5
2-12-b	Role of highest governance body in overseeing due diligence	13-15, 16-19, 117					
2-12-c	Role of highest governance body reviewing effectiveness of 2-12-b, frequency	117					
2-13 Delegation of responsibility for managing impacts							
2-13-a	How highest governance body delegates responsibility	13-19, 116-117				8	6.2 7.4.3 7.7.5
2-13-b	Process and frequency to report to highest governance body	14, 116-117					
2-14 Delegation of responsibility for managing impacts							
2-14-a	Responsibility & process of highest governance body for reviewing and approving reported information	14, 42, 106, 152				8	6.2 7.4.3 7.7.5
2-14-b	If highest governance body not responsible, explain reason for this	14, 42, 106, 152	b.	Not Applicable	GM is responsible		
2-15 Conflicts of interest							
2-15-a	Processes for highest governance body to prevent and mitigate	13, 150					6.2 7.4.3 7.7.5
2-15-b	If and how conflicts of interest are disclosed to stakeholders	13, 14, 42, 150					
2-16 Communication of critical concerns							
2-16-a	How communicated to highest governance body	120-121					6.2 7.4.3 7.7.5
2-16-b	What communicated to highest governance body	60, 120-121					
2-17 Collective knowledge of the highest governance body							
2-17-a	Knowledge, skills, and experience of highest governance body on sustainable development	43, www.flokk.com/global/about-us/investors/flokk-group				17	6.2 7.4.3 7.7.5
2-18 Evaluation of the performance of the highest governance body							
2-18-a	Processes for evaluating performance of highest governance body	13-15				17	6.2 7.4.3 7.7.5
2-18-b	Independency & frequency of evaluations	15, 152					
2-18-c	Actions taken based on evaluations	15					
2-19 Remuneration policies							
2-19-a	Remuneration policies for highest governance body and senior executive	14-15, 72-73, 79, 82				8	6.2 7.4.3 7.7.5
2-19-b	How remuneration policies relate to objectives and performance	14-15					
2-20 Process to determine remuneration							
2-20-a	Process for designing remuneration policies and for determining remuneration	14-15, 93-95				8	6.2 7.4.3 7.7.5
2-20-b	Stakeholders' involvement in remuneration	14-15					
2-21 Annual total compensation ratio							
2-21-a	Ratio of the annual total compensation	71, 82	Ratio	Information unavailable	Must get info processed from HR for next years' reporting		
2-21-b	Percentage increase in annual total compensation ratio	71, 82	Ratio	Information unavailable	Must get info processed from HR for next years' reporting		
2-21-c	Understanding data & data compilation	71, 82	Data processing	Information unavailable	Must get info processed from HR for next years' reporting		

GR12: General Disclosures 2021

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			UN SDGs No.	ISO 26000
			Requirement omitted	Reason	Explanation		
2-22 Statement on sustainable development strategy							
2-22-a	Statement from highest governance body or most senior executive	10-11, 40-43, 105, 112-115				8	4.7 6.2 7.4.2
2-23 Policy commitments							
2-23-a	Policy commitments for responsible business conduct	116-117				16	4.4 6.6.3
2-23-b	Specific policy commitment to respect human right	42, 106, 112-115, 122, 140-142, 144-145, 150					
2-23-c	Links to the policy commitments	www.flokk.com/global/support/other_flokk_policies					
2-23-d	Policy commitments level of approval	116					
2-23-e	Extent to which policy commitments apply to organisation and business relationships	116					
2-23-f	How policy commitments are communicated	116					
2-24 Embedding policy commitments							
2-24-a	Embedding policy commitments for responsible business conduct	116-117				16	
2-25 Processes to remediate negative impacts							
2-25-a	Commitments on remediation of negative impacts	116-117, 120-121, 150				6.3.3 6.5.5 7.3.1	
2-25-b	Approach to identify and address grievances	116-117, 150					
2-25-c	Other processes on remediation of negative impacts	116-117, 120-121, 150					
2-25-d	Stakeholders' involvement in grievance mechanisms	138, 150					
2-25-e	Effectiveness of grievance mechanisms and other remediation processes	108-109, 138					
2-26 Mechanisms for seeking advice and raising concerns							
2-26-a	Describe the mechanisms for individuals	150					
2-27 Compliance with laws and regulations							
3-3	Management of Environmental compliance	10-11, 106, 116-117, 140-142					
2-27-a	Total number of significant instances of non-compliance with laws and regulations	116				4.6	
2-27-b	Total number and monetary value of fines for instances of non-compliance with laws and regulations that were paid	116					
2-27-c	Significant instances of non-compliance	116					
2-27-d	Determination of significant instances of non-compliance	13, 116, 150					
2-28 Membership associations							
2-28-a	Industry & membership associations, participation in advocacy organisations	107-109	Advocacy organizations	Not applicable	Flokk is not member of any advocacy organizations		
2-29 Approach to stakeholder engagement							
2-29-a	Approach to stakeholder engagement	107-109					5.3
2-30 Collective bargaining agreements							
2-30-a	Percentage of total employees covered by collective bargaining agreements	144-145				8	5.3
2-30-b	Employees not covered by collective bargaining agreements	144-145					

GR12: General Disclosures 2021

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			UN SDGs No.	ISO 26000
			Requirement omitted	Reason	Explanation		
Material topics							
GRI 3: Material Topics 2021	3-1	Process to determine material topics	106				
	3-2	List of material topics	106				
Economic Performance (& Climate Risk)							
GRI 3: Material Topics 2021	3-3	Management of material topics	13-15, 116-117, 112-115				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	13, 39-40, 46, 48, 62-63, 70-71, 102	b. Flokk states sales and assets per countries but not results	Confidentiality constraints	The distribution of sales revenues is listed in Note 6 – segment information. Due to highly competitive sensitivity, Flokk is not publishing direct economic value generated and distributed (EVG&D) per country	8 6.8.1-6.8.3 6.8.7 6.8.9
	201-2	Financial implications and other risks and opportunities due to climate change	120-123				13 6.5.5
Procurement Practices							
GRI 3: Material Topics 2021	3-3	Management of material topics	116-117, 140-142				
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	140			8, 12	6.6.6 6.8.1-6.8.2 6.8.7
Anti-corruption							
GRI 3: Material Topics 2021	3-3	Management of material topics	116-117, 150				
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	141, 150			16	6.6.1-6.6.3 6.6.6
	205-3	Confirmed incidents of corruption and actions taken	141, 150				
Materials							
GRI 3: Material Topics 2021	3-3	Management of material topics	110-111, 116-117, 128				
GRI 301: Materials 2016	301-1	Materials used by weight or volume	130			12, 15	6.5.4
	301-2	Recycled input materials used	130, 132-133				
Chemicals							
GRI 3: Material Topics 2021	3-3	Management of material topics	110, 116-117, 135, 141, 149				
Energy							
GRI 3: Material Topics 2021	3-3	Management of material topics	110, 116-117, 124				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	124-125, 127			12, 13	6.5.4-6.5.5
	302-3	Energy intensity	124-125, 127				6.5.5
	302-4	Reduction of energy consumption	124-125, 127				
Emissions							
GRI 3: Material Topics 2021	3-3	Management of material topics	110, 116-117, 124				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	124-126			12, 13	6.5.5
	305-2	Energy indirect (Scope 2) GHG emissions	124-126				
	305-3	Other indirect (Scope 3) GHG emissions	124-126				
		GHG emissions intensity	124-126				
	305-5	Reduction of GHG emissions	124-126				

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			UN SDGs No.	ISO 26000
			Requirement omitted	Reason	Explanation		
Effluents (and Waste)							
GRI 3: Material Topics 2021	3-3	Management of material topics	134-135				
GRI 306: Effluents and Waste 2016	306-3 (2016)	Significant spills	134-135			12, 14, 15	6.5.3-6.5.4
Waste							
GRI 3: Material Topics 2021	3-3	Management of material topics	134-135				
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	134-135			12, 14, 15	6.5.3-6.5.4
	306-2	Management of significant wasterelated impacts	134-135				
	306-3 (2020)	Waste generated	134-135				
		Waste diverted from disposal	134-135				
	306-5	Waste directed to disposal	134-135				
Supplier Environmental Assessment							
GRI 3: Material Topics 2021	3-3	Management of material topics	116-117, 140-142				
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	140-142			12	6.3.5 6.6.6 7.3.1
	308-2	Negative environmental impacts in the supply chain and actions taken	141				
Employment							
GRI 3: Material Topics 2021	3-3	Management of material topics	116-117, 144-145			8	6.8.1-6.8.3 6.8.7 6.8.9
	401-1	New employee hires and employee turnover	144-145	Gender is missing	Information unavailable	Must get info processed from HR for next years' reporting	
Occupational Health and Safety							
GRI 401: Employment 2016	3-3	Management of material topics	116-117, 146-149				
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	146			3, 8	6.4.6 6.8.8
	403-2	Hazard identification, risk assessment, and incident investigation	146-149				
	403-3	Occupational health services	149				
	403-4	Worker participation, consultation, and communication on occupational health and safety	146-149				
	403-5	Worker training on occupational health and safety	146-149				
	403-6	Promotion of worker health	149				
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	149				
403-9	Work-related injuries	149					
Diversity and Equal Opportunity							
GRI 3: Material Topics 2021	3-3	Management of material topics	40-43, 116-117, 144-145				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	40-43, 144-145			5	
	405-2	Ratio of basic salary and remuneration of women to men	144-145	Significant locations of operation is missing	Information unavailable		

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			UN SDGs No.	ISO 26000
			Requirement omitted	Reason	Explanation		
Freedom of Association and Collective Bargaining							
GRI 3: Material Topics 2021	3-3	Management of material topics	140-142, 144				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	140-142, 144			8	6.3.10 6.4.4
Child Labor							
GRI 3: Material Topics 2021	3-3	Management of material topics	140-142, 144				
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	140-142, 144			8	6.3.10 6.4.4
Forced or Compulsory Labor							
GRI 3: Material Topics 2021	3-3	Management of material topics	140-142, 144				
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	140-142, 144			8	6.3.10 6.4.4
Supplier Social Assessment							
GRI 3: Material Topics 2021	3-3	Management of material topics	116-117, 140-142				
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	140-142			8, 16	6.3.3- 6.3.5 6.6.1- 6.6.2 6.6.6 6.8.1- 6.8.2 7.3.1
	414-2	Negative social impacts in the supply chain and actions taken	141-142				
Customer Health and Safety							
GRI 3: Material Topics 2021	3-3	Management of material topics	138				
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	138			3	6.7.1- 6.7.2 6.7.4- 6.7.5 6.8.8

For comments and questions on Flokk's work and reporting on the environment, energy and corporate social responsibility, please contact:



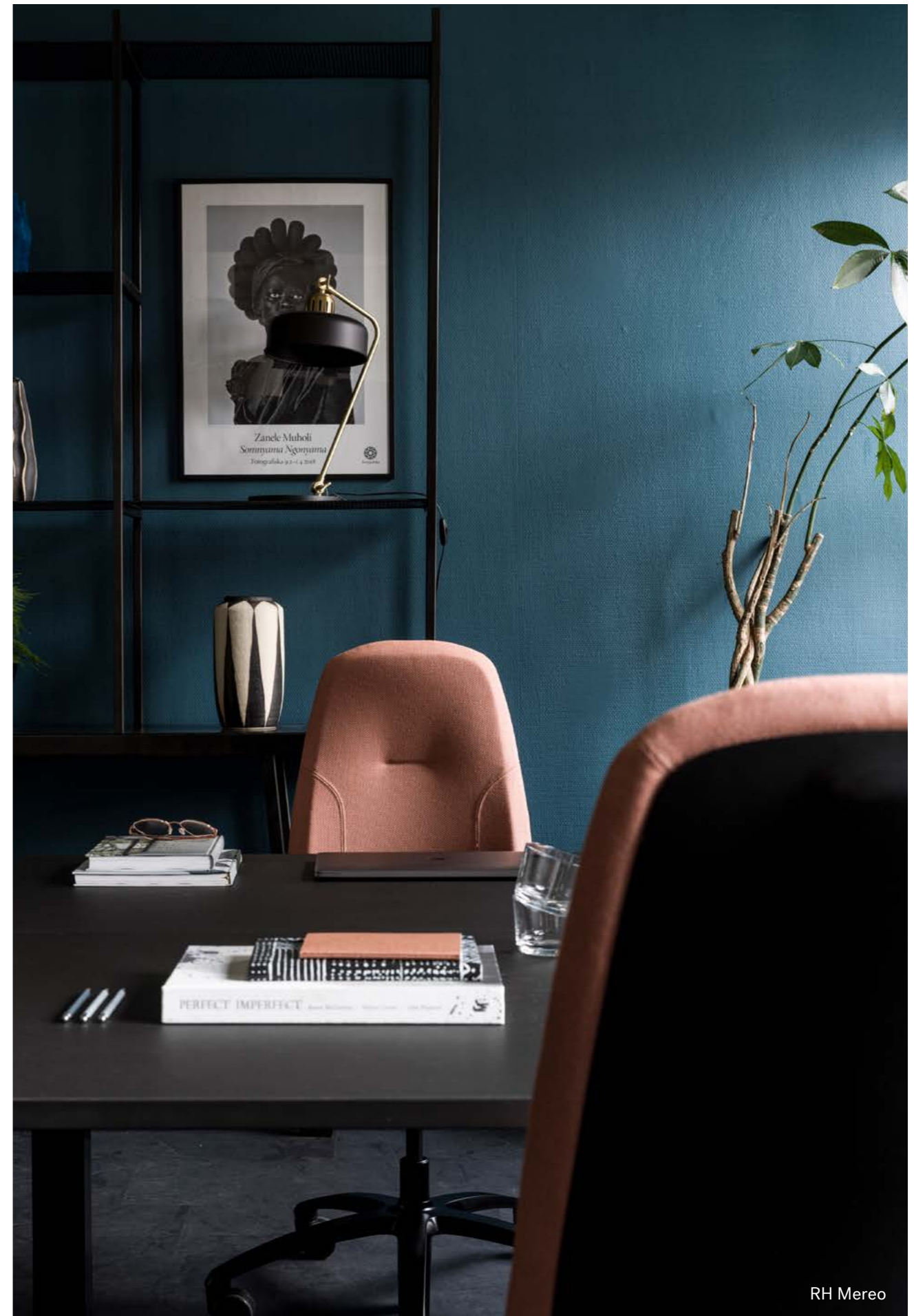
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Flokk / Attention

Print

Network

ENVIRONMENTALLY FRIENDLY PRINTING

This printed material is produced as environmental friendly as possible.

Both the paper and ink we use is Cradle to Cradle™ certified, made entirely without any harmful chemicals and heavy metals in accordance with the banned list of chemicals.

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Flokk is the leading manufacturer of high-quality workplace furniture in Europe, developing a growing family of global brands. We are the proud owner of product brands HÅG, Offecct, Giroflex, RH, Profim, 9to5 Seating, BMA, RBM, Connection and Malmstolen. A structured focus on the environment through several decades has enabled us to be a leader in the development of sustainable furniture.

Our head office is in Oslo, Norway, with main production sites at Røros (Norway), in Nässjö (Sweden), Turek (Poland) and Hawthorne (USA). In addition, we keep sales offices in Norway, Sweden, Denmark, Germany, Belgium, the Netherlands, UK, France, Switzerland, Poland, USA, Singapore, China and Australia. Flokk products are sold in more than 80 countries worldwide. About 1 800 employees work together to realize the vision of Flokk: Inspire great work.