

Corporate Sustainability Report 2024

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Profim Revo sofa, Provim Revo table,
Profim AccisPro , Profim ElliePro , Profim Fan, Profim Nu, OFFECCT Wind, Connection Harp

Delivering lasting value

As we close 2024, I am pleased to share Flokk's annual sustainability report. Sustainability is central to who we are and how we operate. It's not just a goal – it's a mindset rooted in our Scandinavian design heritage and a commitment to creating lasting value for our customers, partners, and the planet.

Products with focus on high-quality, functionality, and sustainability have defined Flokk's history. Circular design principles have shaped the development of iconic products for our brands like HÅG and RH, and these values are the foundation for our portfolio. In 2024, we continued to integrate these principles into our acquired brands, such as Profim and OFFECCT. These efforts go beyond environmental impact – they also enhance product performance, reduce costs over the lifecycle, and reinforce trust with increasingly sustainability-conscious customers.

Our manufacturing facilities play a vital role in our environmental impact. In 2024, we took important steps to better understand the opportunities for improvement across our production sites. We have identified areas where investments are needed to modernise and optimise processes, and we are committed to implementing these changes to reduce energy use, minimise waste, and enhance resource efficiency. Importantly, these improvements align with sound business principles, enhancing operational efficiency while preparing us to meet the growing demands of a competitive and sustainability-driven market.

These improvements will ensure that Flokk remains at the forefront of sustainable manufacturing, with facilities that reflect the values embedded in our products. Our ambition in the coming years is to further reduce our environmental footprint while maintaining the quality and craftsmanship our customers expect all while delivering measurable business returns.

In 2024, our carbon emissions per unit increased by 117% compared to 2023, while the share of renewable electricity in our energy mix declined from 91% to 80%. This change reflects the integration of emissions data from recent acquisitions with higher gas consumption and reliance on standard grid electricity, as well as our continued efforts to enhance Scope 3 reporting and ensure greater transparency in our climate impact assessment.

Sustainability is more than materials and processes – it's also about people. In 2024, we deepened our focus on employee well-being and professional growth through new training and development opportunities. A key area of focus has been the integration of our US colleagues into Flokk's HSE framework, including risk assessment and safety measures. By implementing consistent practices across geographies, we are fostering a unified approach to health, safety, and well-being. Our teams are the foundation of our success, and we continue to prioritise creating an inclusive and supportive workplace that fosters innovation.

We also value the strong partnerships we've cultivated with our suppliers, customers, and other stakeholders. Sustainability is a shared responsibility, and these collaborations are key to our success, and ensuring that Flokk remains resilient and adaptive in a fast-changing world.

As we look ahead, sustainability remains a cornerstone of Flokk's business. Our efforts drive innovation, efficiency, and resilience, aligning with market expectations and long-term success. By building on our design heritage, modernising manufacturing, and prioritising our people, we are shaping a sustainable future. While challenges remain, collaboration, innovation, and a clear focus on our values will guide us forward.



Henning Karlsrud,
Chief Executive Officer

Flokk Sustainability Strategy

Sustainability is central to Flokk’s purpose and guides our long-term approach to responsible growth. In response to accelerating environmental and social challenges, we continue to strengthen our role as a trusted partner, focused on delivering meaningful, lasting value for all stakeholders.

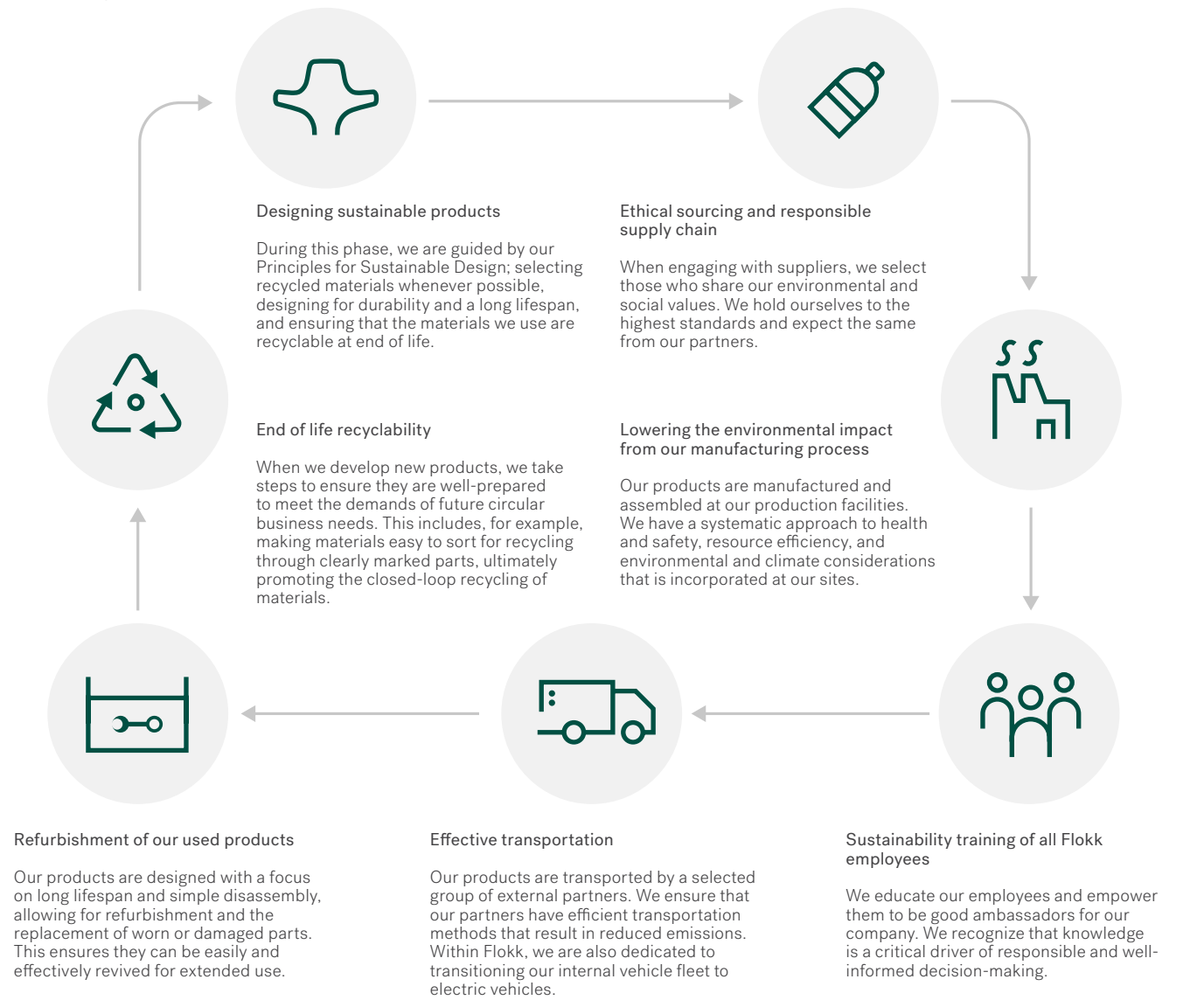
We go beyond designing exceptional products. Our strategy is to drive long-term improvements across the entire value chain. Sustainability is a core responsibility embedded in how we operate, ensuring that business success supports environmental and social progress.

Our core corporate values are:

HUMAN-CENTRED
SUSTAINABLE
INNOVATIVE

Sustainability is deeply rooted in our value chain




















Our commitment to sustainability flows through every step of our value chain. Guided by our ESG framework, centered around Environment, Social, and Governance, we take action in the following areas:



FLOKK SUSTAINABILITY STRATEGY AND GOALS ARE CENTRED AROUND THE THREE PILLARS OF ESG; ENVIRONMENT, SOCIAL AND GOVERNANCE

Our commitment is driven by measurable goals and KPIs across our ESG framework, which support our mission to create value while minimizing negative impacts. These KPIs span across key areas that contribute to a more sustainable, equitable future for all stakeholders, focusing on:

- **Environmental protection:**
Reducing emissions, optimizing energy use, and increasing the share of renewable energy.
- **Circular economy:**
Expanding the use of recycled materials and promoting closed-loop processes in our design and production.
- **Responsible supply chain:**
Building partnerships with ethical and transparent suppliers.
- **Care for people and communities:**
Fostering a culture of diversity, safety, and inclusion throughout our organization.
- **Corporate and sustainability governance:**
Upholding accountability and ethical practices across all operations.

Focus area	Measured through	Results				Status	Target 2030	
		2021	2022	2023	2024			
	ENVIRONMENTAL PROTECTION							
	Greenhouse gas emissions	CO ₂ e emissions per unit [kgCO ₂ e/unit]	3.48	4.35	5.16	10.71		2.14 (-50% vs 2015)
	Renewable energy	Share of renewable electricity [%]	83.4%	88.1%	90.5%	79.7%		100% by 2030
	Waste management	Total waste material recycled ratio [%]	70.1%	70.1%	72.6%	78.8%		85% by 2030
	Chemicals	Share of EPD products with GREENGUARD Gold [%]	45.2%	n.a.	82.4%	76.4%		100% by 2030
		Share of Standard Non-specialised fabrics certified/ compliant with EU Ecolabel [%]	42%*	42%*	69 %	83 %		100% by 2030
	*) share of Standard fabrics							
	CONTRIBUTE TO A CIRCULAR ECONOMY							
	Designing sustainable products	Share of recycled materials in main products (main products sold by 80% revenue)	n.a.	n.a.	28.4%*	41.7%***		40% by 2030
	*) coverage: 30% of products from Røros, Næssjø, Turek with EPD ***) coverage: 52% of products from Røros, Næssjø, Turek with EPD							
Recycled & recyclable materials, including packaging	Amount of recycled plastics used in our products [tonnes]	1 328	1 262	1 027**	1 064****		1 500 by 2025	
) coverage: plastic articles from Røros, Næssjø, Turek **) coverage: plastic articles from Røros, Næssjø, Turek								
	RESPONSIBLE SUPPLY CHAIN AND ETHICAL SOURCING							
	Promoting decent working conditions in our supply chain	Signed CoC for Business Partners [% of APV]	43 %	86 %	97 %	97%		95%
	No human right violations in our supply chain	Number of detected violations through supplier appraisal and HRDD process	0	0	0	0		0
	CARE FOR PEOPLE & COMMUNITIES							
	Creating a great place to work and thrive	Working environment score from Engagement @Flokk	6.8	n.a	7.2	n.a.		8.0
	Safe and healthy workplace	# of fatalities	0	0	0	0		0
		# of high consequence injuries	0	0	0	0		0
One diverse, equitable and inclusive Flokk	Working environment score from Engagement @Flokk	n.a.	n.a.	8.0	n.a.		8.0	
	CORPORATE GOVERNANCE							
	Responsible business partner	Reported incidents of corruption (#)	0	0	0	0		0
	Risk assessment	# of material risk items reported to BoD	n.a.	0	0	0		0
	Cybersecurity	Information security breaches with material impact (#)	0	0	0	0		0

Sustainability Goals 2030

Flokk’s 2030 sustainability goals define our direction for reducing environmental impact, strengthening social responsibility, and supporting ethical business practices across our value chain. These goals are aligned with leading global frameworks, including the European Green Deal, the UN Sustainable Development Goals, and the EU Taxonomy.

We monitor progress against our goals through structured tracking and regular reviews. This ensures transparency in how we manage environmental and social performance, and helps us adjust our approach where needed to stay on course.

ENVIRONMENT

Our environmental targets towards 2030 are as a minimum in line with the ambitious European and National targets - indicated with an equal sign (=). Additionally, we have set several differentiator targets unique to our company, with even higher ambitions than expected, indicated with a plus (+).

In 2024, we launched revised targets in our Sustainability Report 2023, updating the original 2030 environmental targets set in 2019 to reflect the increased scope we face due to organizational growth. Throughout 2024, we have actively communicated these revised targets both internally and externally to ensure alignment

and understanding across our stakeholders. These revised targets are designed to be ambitious yet realistic, accounting for recent acquisitions by adjusting target figures or timelines as needed.

Our targets reflect the current scope of our operations. Any changes in scope, due to acquisitions or other factors, may lead to adjustments in our goals. New additions to our scope will be measured against the same baseline as the rest of Flokk. Flokk is indirectly responsible for impacts from Scope 3, which may be influenced by unforeseen circumstances such as geopolitical and/or financial instability.



CLIMATE TARGETS – GHG (CO₂e) EMISSIONS AND ENERGY

- = Reduce CO₂e emissions per produced unit by 50% by 2030 vs 2015 [kgCO₂e/unit] - (Scope 1,2,3)*
- = Reduce CO₂e emissions per revenue by 50% by 2030 vs 2015 [tCO₂e/MNOK] - (Scope 1,2,3)
- + 100% renewable electricity at our premises by 2030 - (Scope 2)

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
- Reducing air and road travel
- Improve our packaging design, logistics and goods transportation
- Continue and identify new energy efficiency efforts across all sites
- Purchasing renewable electricity certificates for all locations
- Investing in on-site renewable energy generation
- Reducing supply chain environmental impact

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



RESOURCES & CIRCULAR ECONOMY – MATERIALS AND WASTE

- + Increase share of recycled materials in main products to an average of 40% by 2030 (80% revenue)
- + 30% recycled & recyclable plastic packaging by 2030 (by 2025 for markets with compliance)
- = 100% FSC® Certified Wood / All Factories FSC® Chain of Custody Certified by 2030
- + 85% of our waste will be material recycled by 2030



Flokk's contribution to:

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



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

- Migrate post-consumer recycled materials into 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



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 products with EPD must be certified with GREENGUARD Gold by 2030
- + 99% of purchase value >100k NOK must include signed Flokk's Environmental Requirements by 2025
- = 100% of all Standard Non-specialised fabrics must be certified/compliant with EU Ecolabel by 2030

Flokk's contribution to:

- UN Sustainable Development Goal 3

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

- Update our purchasing criteria to mirror EU Ecolabel and roll-out to suppliers
- Increase our chemical control at suppliers
- Improve follow up of our supply chain



Sustainability Goals 2030

CARE FOR PEOPLE & COMMUNITIES

At Flokk, we foster an inclusive and equitable environment where employees are empowered to grow, collaborate, and innovate. Our “Inspire Great Work” vision guides us in creating opportunities for personal development and well-being across

diverse backgrounds. Recognizing that our actions extend beyond Flokk, we prioritize human rights, safety, and ethical practices throughout our operations and supply chain.



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, Flokk Furniture, Connection and 9to5 Seating by 2025
- 100% of all suppliers of direct material to Røros, Nässjö, Turek, 9to5 Seating, Connection and Flokk 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
- Facilitate sharing of best practices and experiences from Flokk entities in local communities, and promote 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
- Conduct risk review of all our production sites in accordance with our HSE policy
- Secure and maintain focus on employee's 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 an even further safe and healthy physical working environment



DIVERSITY, EQUITY AND INCLUSION

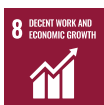
- Secure DEI awareness training for all employees, also as part of Flokk’s Onboarding process. 100% completion rate by 2025
- At least one female candidate in the last phase of recruitments for leadership positions by 2025
- Minimum payment of maternity leaves in all parts of Flokk’s organisation
- Paid co-partner leave of 10 business days post-partum
- A female population of 45%, and female leaders representing 40% of all leaders of Office employees by 2025
- Close possible 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 KPI's, and communicate actions to improve address the findings
- Establishment of Flokk DEI task-force corporate agenda



CORPORATE AND SUSTAINABILITY GOVERNANCE

Our governance approach integrates the latest standards, ensuring that our operations reflect best practices in ESG. By aligning with global frameworks like the UN Global Compact, we uphold principles of ethical conduct, transparency, and

accountability. Through rigorous oversight, we build trust and promote sustainable practices that drive positive impact.



ESG GOVERNANCE MODEL

- Review ESG initiatives and report progress to Flokk Group Management
- Ensure ESG continues to be a separate agenda point at all Group Board meetings
- Yearly review of Group policies with approval from Board of Directors
- Zero incidents of corruption or ethical violations.
- Strive for 100% completion on employee policy training program on key policies (Code of Conduct for Employees, HSE policy, Anti Bribery and Corruption, Anti-Money Laundry, Delegation of Authority, Information Security, Sanction policy, Diversity, Equity and Inclusion policy)
- Improve data quality and accessibility for sustainability reporting
- Ensure compliance with relevant reporting initiatives and frameworks
- 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 monitor and 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

Our commitment to sustainability extends through the knowledge and engagement of our employees. By empowering our teams, we strengthen our capacity to meet our long-term goals through informed, ethical, and responsible decisions.



To achieve this, we:

- Enhance knowledge sharing: We provide internal training, sharing forums, and accessible learning platforms to foster sustainability competence across our organization.
- Communicate transparently: Through honest and transparent communication with both internal and external stakeholders, we ensure alignment with Flokk's sustainability goals and values.

Flokk's contribution to:

- UN Sustainable Development Goals 16 and 17

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

- Continue lifting both our internal & external communication
- Continue lifting the competence on sustainability new ways; sharing forums, e-Learning System



Environmental Protection

Flokk’s four-decade legacy of structured environmental focus positions us as a pioneer in developing sustainable furniture solutions. Since 1990, we have shown our commitment to the environment by hiring a full-time environmental manager—a forward-thinking move implemented years before environmental performance became a mainstream concern. Our primary environmental focus is to:

- Reduce climate impacts from our operations

THE ENVIRONMENT – BACKGROUND

In 1993, Flokk established three key environmental focus areas: Climate, Resources, and Health. We have achieved several milestones, such as being one of the first office chair manufacturers in Europe to receive ISO 14001 certification and to publish Environmental Product Declarations (EPDs).

Each year, we raise our ambitions. As Europe’s market leader in office seating, we use our position to scale up efforts that reduce our environmental impact and drive positive change.

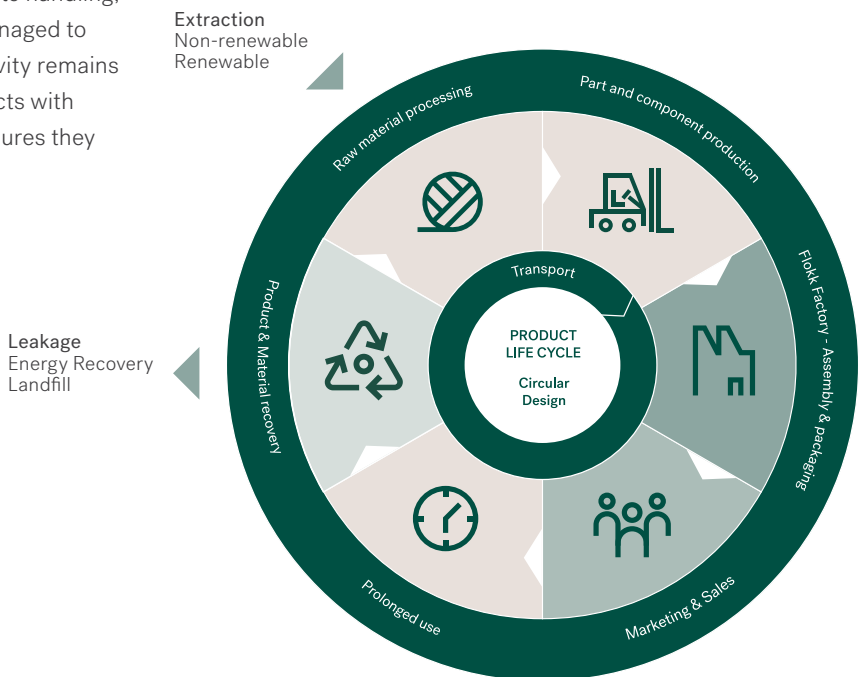
THE ENTIRE LIFE CYCLE COUNTS

More than 90% of the environmental impact of our products occurs before the materials and components even reach our factories. This impact is largely due to material choices, material use, and production processes, which are decided during the design phase. Because of this, our design teams focus on making sustainable choices early in the process. This commitment extends through procurement, ensuring responsible sourcing of raw materials and components.

This philosophy is supported by offering good customer service and spare parts for repairs and designing products for easy disassembly and resource recovery at the end of a product’s life cycle.

Our environmental responsibility extends to all stakeholders involved in the life cycle of our products, and we consider all of them as part of our sustainability journey.

We prioritise sustainability in the later stages of the product life cycle as well. Final assembly, packaging, waste handling, logistics, sales, and distribution are carefully managed to improve our environmental performance. Longevity remains a cornerstone of our approach: designing products with enduring functionality and lasting aesthetics ensures they age with dignity and have a long service life.





Climate

Reduced carbon footprint and energy consumption

Resources

Reduced use of materials and minimised waste

Health

Reduced chemical use and no hazardous substances

REDUCING THE CLIMATE IMPACT FROM OUR OPERATIONS

ENVIRONMENT MANAGEMENT SYSTEMS

Flokk demonstrates its commitment to environmental management through ISO 14001:2015 certification at five of its seven production sites, providing a structured approach to managing environmental impacts. The U.S. West Coast production facility is certified under the ANSI/BIFMA e3 Furniture Sustainability Standard, and the U.K. production site holds FISP certification through the Furniture Industry Sustainability Programme.

Flokk's Environmental Policy, endorsed by the CEO, reflects the Group's dedication to continuously minimising environmental impacts throughout its operations.

Each year, significant environmental aspects are identified within the Group's ISO-certified scope through comprehensive assessments of operational activities that could influence the external environment. These assessments lead to targeted goals that support long-term environmental objectives and are tailored to each specific certified site.

The process is a collaborative effort involving local managers and employees, with quarterly progress monitored by Flokk Group Management.

The environmental goals for 2024 were based on aspect analyses of the factories at Røros, Nässjö, Turek, Mirfield and Zhongshan, as well as the head office in Oslo.



CLIMATE – GHG (CO₂e) EMISSIONS AND ENERGY

Flokk remains committed to improving energy efficiency and reducing its carbon footprint. In 2024, a more comprehensive assessment of our GHG emissions led to refined historical data quality, expanded Scope 3 coverage with additional categories, and the integration of emissions data from acquisitions – Stylex (Delanco) in 2024 and Flokk Furniture (Zhongshan) retrospectively for 2020-2024. These efforts ensure a more complete and transparent representation of our environmental impact.

Our GHG and energy indicators are measured against a 2015 baseline, when Flokk systemised data collection. Since then, continuous improvements in data quality and coverage have strengthened the reliability of our performance claims as our footprint evolves.

As part of our commitment to data accuracy, we have retrospectively adjusted our 2023 emissions figures, resulting in an 11% increase from last year’s reported values from 4 994 to 5 541 tCO₂e. This adjustment reflects:

- Corrections to 2023 air travel data.
- Expanded Scope 3 coverage, and
- Newly integrated acquisitions, including Zhongshan’s electricity emissions.

These updates have slightly adjusted our previously reported Scope 2 and 3 KPIs for 2020-2023, establishing a higher revised baseline for 2023.

In 2024, further Scope 3 expansion and newly integrated acquisitions significantly impacted reported emissions by incorporating previously unaccounted sources. Notably:

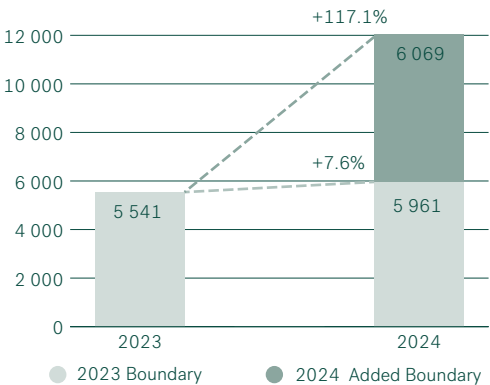
- Emissions from fuel for heating and electricity increased due to the energy mix in Delanco and Zhongshan.
- Purchased materials from a single supplier accounted for 29% of total Scope 3 emissions.
- Upstream transportation contributed 9% of Scope 3 emissions.

While these additions increased reported emissions, they primarily reflect improved data coverage rather than actual emissions growth. Without these updates, 2024 emissions would show a considerably smaller increase.

To improve comparability in future reports, Flokk will integrate retrospective data for newly included sources, ensuring consistency and a more comprehensive emissions profile.

The graph below illustrates the impact of expanded 2024 reporting boundaries (Delanco + Scope 3 expansion) versus emissions under 2023 boundaries, with further breakdowns provided on the next pages.

Flokk's GHG emissions, market based [tCO₂e].
Comparison 2023 vs 2024 reporting boundaries



Total tCO ₂ e	Units produced	kg CO ₂ e/unit	tCO ₂ e/MNOK revenue	kWh/unit	MWh/MNOK revenue
12 030	1 123 640	10.71	2.81	21.6	5.7
+ 117% since 2023 + 507% since 2015	+ 3% since 2023 + 143% since 2025	+ 107% since 2023 + 150% since 2015	+ 94% since 2023 + 67% since 2015	+ 11% since 2023 - 12% since 2015	+ 2% since 2023 - 41% since 2015

Our indicators will become increasingly accurate as more Flokk brands are integrated into our reporting systems in the coming years.

- CO₂e emissions per unit increased by 107% since 2023. However, within the 2023 boundary, the actual increase was only by 4.2%.
- Despite a 3% increase in produced units and 12% revenue growth since 2023, our intensity metrics continue to deteriorate, highlighting areas for further reduction efforts.
- Share of renewable electricity decreased by 12%, and renewable energy usage declined by 21%.
- Share of fossil fuel use for heating and processes increased by 31%, underscoring the need for targeted mitigation measures.
- Given these developments, interim goals for 2025 have been adjusted to align with Flokk’s 2030 reduction targets.

Climate – GHG (CO₂e) Emissions and Energy

Targets:

- Reduce CO₂e emissions per unit and per revenue by 50% by 2030 (vs 2015)
- 100% renewable electricity at our premises by 2030

Measures / KPIs:

- Reduce Energy consumption per unit and per revenue by 40% by 2030 (vs 2015)
- 50% renewable energy by 2030
- 20% fossil fuels for heating & processes by 2025

KPI	Goal 2025	Goal 2024	Results		
			2024	2023	2022
CO ₂ e emissions per unit [kgCO ₂ e/unit] - (Scope 1,2,3) 2.14 by 2030	9.28	4.29	10.71 (+107.3%)	5.16 (+18.6%)	4.35
CO ₂ e emissions per revenue [tCO ₂ e/MNOK] - (Scope 1,2,3) 0.84 by 2030	2.48	1.24	2.81 (+94.1%)	1.45 (-1.6%)	1.47
Energy consumption per unit [kWh/unit] - (Scope 1,2) 40% by 2030	20.44	18.71	21.57 (+10.7%)	19.49 (+22.0%)	15.98
Energy consumption per revenue [MWh/MNOK] - (Scope 1,2) 40% by 2030	5.41	5.18	5.67 (+2.2%)	5.54 (+1.1%)	5.48
Share of renewable electricity (Scope 2) 100% by 2030	83%	94%	79.7% (-11.9%)	90.5% (+2.7%)	88.1%
Share of renewable energy vs total consumption - (Scope 1,2) 50% by 2030	38%	46%	35.3% (-21.0%)	44.7% (-3.1%)	46.1%
Share of Fossil fuels for heating and processes [MWh] - (Scope 1) 20% by 2025	20.0%	24.4%	36.9% (+31.1%)	28.1% (+19.5%)	23.6%

Measures & Results 2024	Status	Measures 2025
Investigate further need for local energy team / integrate ISO 50001 at Turek Result: Flokk terminated its ISO 50001 certification to be more efficient and less formal on energy efficiency measures, thus energy teams on sites no longer ISO requirement. Flokk will continue its energy management through ISO 14001 work, and be EED compliant by carrying out energy audits EN 16247 in each qualifying country.	✓	
Carry out Energy Audits EN 16247, both for EED compliance and identification of efficiency measures Result - Nässjö: done Result - Turek & Mirfield: preparing for energy audit	✓ ➔	Carry out Energy Audits EN 16247 at Turek, Mirfield, Hawthorne and Norway
Create added value business cases on prioritised energy saving potentials. Continue search for energy saving potentials Result - Røros - Solar panels 1st year production: 618 MWh / Factory LED change: 50% / Light control during holidays / Smarter control heating & ventilation / Leakage in truck area fixed Result - Turek - Factory LED change: 98% / Air sleeves sealed truck loading docks Result - Nässjö - Roof insulation 2 out of 3 sections done / Capturing excess heat from compressed air done / LED change: 98%	✓ ➔	Create added value business cases on prioritised energy saving potentials. Continue search for energy saving potentials
Measuring with focus on data processing and installation of energy meters where possible Result - Røros: meters installed for Solar Panels, Powdercoating, Air-compressors and Water cleansing.	✓ ➔	Continue / implement measuring with focus on data processing at all factories and installation of energy meters where possible: Turek: Potential if introducing smart control with BMS (Building Management System) Mirfield & Hawthorne: Identify potential through external Energy Audit
Investigate installation of solar panels + business case study Result - Røros: Already installed - monitoring 1st year performance Result - Turek: Investigation ongoing Result - Hawthorne: Already installed - continue investigate expansion Result - Nässjö: offer received - to be investigated	✓ ➔	Continue investigate installation of solar panels + business case study. Investigate expansion & ensure efficiency on current installations

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 2024 are as follows - Scope 1: GHG, IEA, EPA, Defra / Scope 2: IEA, EPA, Defra, Fjärrvärmens lokala miljövärden 2024 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 figures on following pages are based on absolute numbers as available.

Flokk uses Greenstone+, a sustainability data management tool, to gather and calculate data. We focus on gathering actual data and use assumptions/estimates only if actual data is not obtainable (e.g., electricity consumption for a showroom). 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 figures on following pages are based on absolute numbers as available.

GHG (CO₂e) EMISSIONS

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

	2015	2022	2023	2024 (Added Boundary)	2024 (2023 Boundary)
Scope 1 - Direct emissions	796	1 893	2 090	2 597	1 968
Fuel for heating and processes (Burning oil, Natural gas, LNG)	264	1 102	1 376	1 908	1 296
Fuel for sales and service travels	532	791	714	689	672
Scope 2 - Indirect emissions	187	725	616	1 111	563
District heating	25	109	132	124	124
Electricity	162	616	484	987	439
Scope 3 - Other indirect emissions*	998	2 858	2 835	8 322	3 430
Cat. 1: Purchased goods and services (New 2024)	0	2	2	3 443	0
Cat. 4: Upstream transportation and distribution (New 2024)	0	0	0	1 052	0
Cat. 5: Waste generated in operations	17	181	112	151	90
Cat. 6: Business travel	265	304	521	726	696
Cat. 9: Downstream transportation and distribution	716	2 370	2 200	2 951	2 644
Total [tCO ₂ e]	1 981	5 476	5 541	12 030	5 961
Change from year to year			1.2%	117.1%	7.6%

*) 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 does not yet report this as the accounting of indirect use-phase emissions is optional, no direct use-phases emissions are associated to our products.

117.1% INCREASE IN TOTAL CARBON EMISSIONS

The total emissions increased by 117.1%, mainly due to expanded data coverage, including acquisitions and Scope 3 updates. However, within the 2023 boundary, the actual emission growth was 7.6%.

24% INCREASE IN SCOPE 1 CO₂e EMISSIONS

Scope 1 emissions increased 24% since 2023, due to adding natural gas use at Stylex, despite a 4.8% LNG reduction at Turek. Acquisitions relying on gas-powered heating and processes (Mirfield, Turek, Stylex) have steadily driven emissions since 2015, underscoring the need for efficiency measures and lower-carbon energy solutions.

80% INCREASE IN SCOPE 2 CO₂e EMISSIONS

Scope 2 emissions increased 80% since 2023, mainly due to adding standard grid electricity at Stylex, despite a 5.6% overall district heating reduction.

69% OF FLOKK'S GHG EMISSIONS ARE SCOPE 3

Flokk continues to improve its Scope 3 emissions data, where the largest climate impact lies. The 2024 expansion, including two new categories and enhanced data coverage, resulted in a 194% increase in reported Scope 3 emissions vs 2023.

- Category 1 (Purchased goods & services): Data from one supplier alone contributed 3 439 tCO₂e (28% of total), including energy, freight, materials and waste.
- Category 4 (Upstream transportation & distribution): Added freight data for Røros, Nässjö and Turek, contributing 1 052 tCO₂e (9% of total) (road 65%, marine 32.5% and air 2.5%).
- Category 5 (Waste generated in operations): Despite a 30% increase of total waste amount, emissions remained low at 151 tCO₂e (1.3% of total), due to a 70% reduction in Defra waste emission factors.
- Category 6 (Business travel): Air travel (97%) dominated emissions, which increased 39% due to more travelling, acquisitions and better data accuracy.
- Cat. 9 (Downstream transportation and distribution): 34% increase due to acquisitions and expanded coverage, contributing 2 655 tCO₂e (road 93.6% and marine 6.4%).

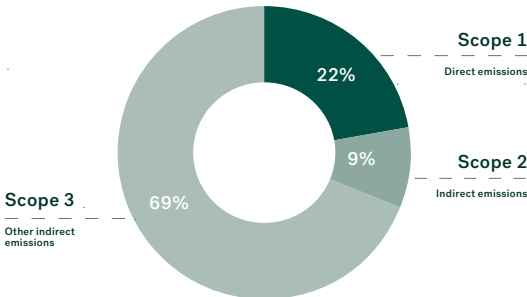
LOCATION-BASED EMISSIONS (SCOPE 2)

- In 2024, our Scope 2 location-based emissions amounted to 3 246 tCO₂e (district heating: 299 tCO₂e, electricity: 2 958 tCO₂e).
- The lower market-based district heating emissions (-58%) are due to emission factors of the respective providers. The high difference in electricity (-67%) shows the significance of our 100% renewable electricity target.

BIOGENIC EMISSIONS

Since 2019, our factory at Røros has used biodiesel instead of burning oil. In 2024, a fire in the oil heater led to a permanent discontinuation of oil heating, with a more sustainable solution underway. Biodiesel emissions are accounted as zero in Scope 1. Biogenic emissions [tCO₂e]: 2019: 5.5 | 2020: 3.4 | 2021: 23.0 | 2022: 5.3 | 2023: 5.0 | 2024: 0.

Flokk's GHG emissions in 2024, market-based



Greenhouse gas emissions are distributed on 3 areas – Scope 1,2,3 – set by the Greenhouse Gas Protocol. While having complete coverage for Scope 1 and Scope 2 (according to the Scope of the annual report), we just partly cover categories 1, 4, 5, 6, and 9 of Scope 3. We believe Scope 3 at full coverage represents more than 90% of Flokk's entire emissions. In 2024, 78% of Flokk's GHG emissions originated from indirect sources.

ENERGY

Flokk's energy consumption [MWh]

	2015	2022	2023	2024 (Added Boundary)		2024 (2023 Boundary)	
				[MWh]	[MJ]	[MWh]	[MJ]
Fossil fuel sources:	3 500	7 995	8 868	11 711	42 159 600	8 315	29 933 839
• Burning oil	333	0	0	0	0	0	0
• Natural gas	1 046	383	281	3 527	12 697 200	180	649 260
• LNG	0	4 423	5 688	5 420	19 512 000	5 420	19 513 296
• Propane	0	51	47	86	309 600	36	130 550
• Diesel	2 064	2 337	1 814	1 546	5 565 600	1 546	5 565 734
• Petrol	57	800	1 038	1 132	4 075 200	1 132	4 074 998
Renewable fuel sources:	0	21	4	0	0	0	0
• Biodiesel	0	21	4	0	0	0	0
District heating	1 237	1 705	1 804	1 662	5 983 218	1 662	5 983 218
Electricity:	6 628	10 678	10 531	10 868	39 123 904	9 223	33 203 567
• Electricity (Grid)	6 628	10 565	10 401	10 273	36 983 725	8 629	31 064 717
• Electricity (On-site production)	0	129	150	762	2 743 650	762	2 743 650
• Electricity (To grid)	0	-17	-20	-168	-603 472	-168	-604 800
Total energy consumption [MWh]	11 366	20 398	21 207	24 241	87 266 722	19 200	69 120 624
Change from year to year			4.0%	14.3%		-9.5%	

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

12% LOWER ENERGY CONSUMPTION PER UNIT SINCE 2015

- In 2024, energy consumption per unit increased by 11% compared to 2023, primarily due to expanded reporting scope and the inclusion of gas-powered heating and processes at Delanco.
- Since 2015, energy consumption per unit has been reduced with 12% (compared to 21% in 2023 and 35% in 2022), despite a 143% in production volumes. Recent trends show an increase in energy consumption due to gas dependency in newly acquired sites.

14% INCREASE IN ENERGY CONSUMPTION SINCE 2023

- The acquisition of Delanco accounted for 20% of total energy consumption, making it the second-largest contributor after Turek (40%). All other factories reported slight reductions.
- The share of renewable energy declined to 35% (from 45% in 2023), driven by reliance on standard grid electricity at Delanco and Zhongshan and the phase-out of bio-diesel at Røros. Flokk remains committed to reaching 50% renewable energy by 2030. Biogas has been identified as a potential lower-carbon alternative that may be worth investigating.

31% INCREASE IN FOSSIL FUELS SINCE 2023

- Fossil fuel consumption increased due to propane and natural gas use at Delanco, despite a 5% reduction in LNG consumption at Turek.
- In 2024, the share of fossil fuels for heating and processes increased to 36.9% (from 28.1% in 2023), highlighting the need for targeted measures to meet the 20% target by 2030.
- Flokk continued its transition to a greener car fleet, maintaining 15% electrical cars and increasing plug-in hybrids to 16%, leading to a 15% reduction in diesel use and 9% increase in petrol consumption. Electricity consumption for charging cars increased by 85% compared to 2023.

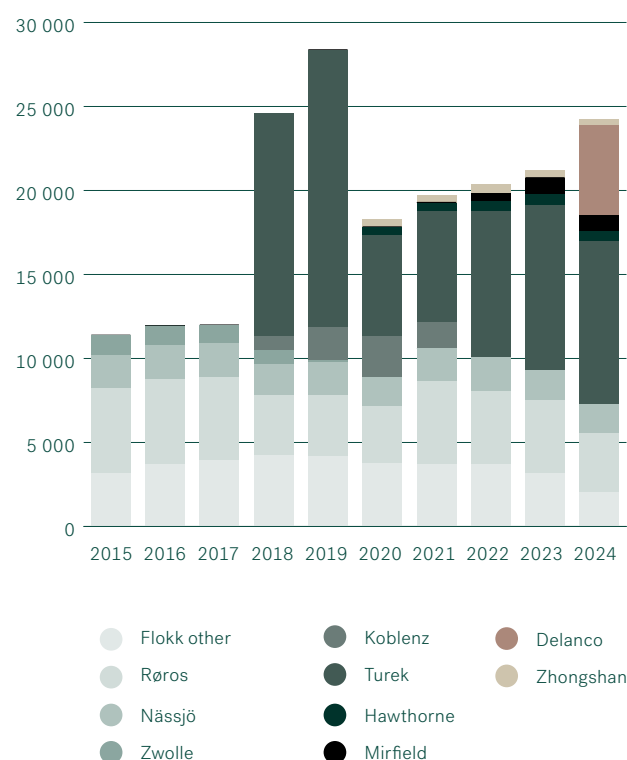
64% INCREASE IN ELECTRICITY CONSUMPTION SINCE 2015

- Electricity now accounts for 45% of Flokk's total energy consumption, maintaining stable levels over the past three years

despite acquisitions. This can be explained by the reliance on gas as an energy source at several of those premises.

- 79.7% of electricity consumption is from renewable sources, keeping electricity-related emissions at only 8.2% of total GHG emissions. Flokk remains committed to achieving 100% renewable electricity across all operations by 2030.

Flokk's energy consumption, subdivided [MWh]



Contributing to a Circular Economy

In 2024, Flokk's GRI scope production sites successfully manufactured over one million products, with an estimated average weight of 15 to 20 kg per unit. This level of production reflects a significant demand for raw materials and components, particularly in an industry that traditionally utilises chemicals, paints, adhesives, textiles, foams, and plastics. We recognise that our material choices play a crucial role in driving resource efficiency, minimising waste generation, and managing the chemical composition of our products.

Aligned with our sustainability practices and guided by our Principles for Sustainable Design, we strive to contribute to the circular economy by:

- Developing sustainable products - designed for longevity and durability that can be easily repaired, reused, and recycled
- Incorporating recycled materials into our product designs and packaging
- Minimizing waste from our operations



DEVELOPING SUSTAINABLE PRODUCTS

OUR 5-III PRINCIPLES FOR SUSTAINABLE DESIGN

Since 1993, Flokk's sustainable design approach has been guided by our five (5) circular design criteria, forming the core framework for both product design & development and product lifecycle maintenance. These criteria remain as relevant today as when they were first introduced.

By adhering to these criteria and selecting optimal solutions, we aim to create sustainable products with high performance across our three (III) key environmental focus areas. This integrated approach is known as 5-3.

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 and durable designs
- High quality
- Easy replacement of worn-out or broken parts
- Reduce the need to replace our chairs

5. Design for disassembly

- No glues, staples or non-accessible screws
- Simple dismantling
- Easy to sort materials for recycling with marked parts

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

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SUSTAINABLE DESIGN IN ACTION:

2024 PRODUCT LAUNCHES

Released in October 2024, Profim Snap epitomises Flokk's Principles for Sustainable Design of low weight, fewer components, optimal materials, long lifespan, and design for disassembly, with a focus on climate, resources, and health. Profim Snap aligns contemporary workplace needs with environmental responsibility, offering an office seating solution that seamlessly blends style, comfort, and sustainability.

This approach is evident throughout its design. With tool-free assembly and a click-in backrest system, Profim Snap simplifies both setup and end-of-life disassembly, ensuring all materials can be recycled. Its replaceable upholstery, secured with string rather than glue, extends the product's life by enabling easy replacement of worn parts, thus encouraging prolonged use. This design ensures users can adapt their seating to evolving needs without discarding the entire product.

Environmental impact is further reduced using recycled materials. For example, the Profim Snap 21H configuration achieves a total recycled content by weight of 44%.

Each Profim Snap comprises 1.91 kg of post-consumer recycled polypropylene, meaning an average of 75 shampoo bottles are given a second life in each unit produced. Additionally, using recycled materials over virgin saves 200 litres of fresh water per unit.

Through EPD certification, we can confidently calculate that the carbon footprint of Profim Snap 21H is 34% lower than a version without recycled materials. This is a saving of 27 kg of CO₂ per unit that can help our customers reduce their carbon footprint if they choose furniture from Flokk.

Design, for us, goes beyond aesthetics. It's through our industrialised design process that we ensure our products embody both visual appeal and environmental responsibility. This approach allows us to create products with clear sustainability advantages while ensuring scalability for efficient production. Profim Snap moves seamlessly through our assembly lines, reflecting our commitment to quality and efficiency at every stage.

50% recycled materials reduces the environmental impact of the HÅG Capisco*

91 kg CO₂e

33 kg CO₂e

58kg CO₂e saved for
every HÅG Capisco* made

CO₂e is calculated using EPD methodology according to EN15804 +A2 and is from the product stage (A1-A3)

*HÅG Capisco 8106
classic saddle seat

Case study of the sustainable office

Let's review the remarkable impact our HÅG Capisco chair has for our customers!

By incorporating 50% recycled materials, we've effectively reduced carbon emissions from 91kg CO₂e to 33kg CO₂e. This remarkable reduction of 58kg, compared to the use of traditional virgin materials, highlights our commitment to sustainability while ensuring uncompromised quality, comfort, and performance.

To put it in perspective, this emission reduction is equivalent to the CO₂e emissions generated by an average car consuming 25 litres of petrol fuel.

Let's envision the scale of these savings when outfitting an entire office with chairs crafted from recycled materials. The potential environmental benefits are truly astounding!

DESIGNED FOR SAFETY, LONGEVITY AND DURABILITY

We take pride in crafting furniture that exceeds industry standards, designed for longevity and durability. Our commitment to customer satisfaction ensures that our products are not only safe but also delivered in impeccable condition. With advanced technical expertise, combined with a dedication to honesty and responsibility, our goal is to provide customers with a sense of safety and comfort every time they choose a Flokk product.

To uphold these principles, all Flokk products undergo rigorous testing in accordance with international standards, ensuring compliance with health, safety, stability, and strength requirements. These standards guide design,

dimensions, safety impact, and material selection, with continuous evaluation throughout the product development phase before reaching the market. This thorough approach ensures that Flokk products are carefully assessed for potential improvements on health and safety impacts, aligning with our ten-year guarantee on most of our products.

All our products come with detailed user manuals and instructions for safe use, maintenance, cleaning, and recycling.

Flokk defines a "Risk/Safety Claim" as an incident in which a customer sustains an injury while using our product. While such cases are rare, each one is closely monitored through our rigorous case management system.

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

2024		2023		2022	
Number	PPM*	Number	PPM*	Number	PPM*
2	1.78	1	0.37	1	0.36

Target each year: 0
No major customer injuries in 2024. 2 minor incidents of injury of customer is registered

*PPM = Part per millions.
Number of injuries is divided by the number of produced chairs and multiplied with 1 000 000

ENVIRONMENTAL CERTIFICATIONS –
ECO LABEL STRATEGY

Certifications are a crucial way to showcase our environmental commitment, publicly reinforce our performance, and guide customers toward informed decisions. The demand for verified credentials has risen significantly, particularly in larger tenders and projects, making certifications indispensable.

Navigating the diverse landscape – with over 500 “green” certificates in Europe alone – can be complex. Some labels apply to entire businesses, while others are product-specific. Certain certifications focus on the usage phase only, while others address the product’s entire lifecycle. They can also differ in scope, from national to global. At Flokk, we select certifications that comprehensively cover the most critical areas for our operations. When

acquiring new companies and brands, we often inherit their local ecolabels, which, over recent years, has resulted in a multitude of certifications that are both resource-intensive and costly to maintain.

In 2022, Flokk developed a clear Environmental Certification Strategy to streamline our environmental certificate range into a universally applicable set covering all brands in every market. Flokk now prioritises the EU Ecolabel as its primary Type I ecolabel, complemented by EPD (Environmental Product Declarations) and GREENGUARD Gold certifications.

By 2024, several of our products had earned the EU Ecolabel distinction, and we remain committed to advancing our Environmental Certification Strategy in the coming years.



EU ECOLABEL

The EU Ecolabel is an ISO 14024 Type I environmental label and serves as the official ecolabel of the European Union. It recognizes products and services that have a reduced environmental impact throughout their entire life cycle — from raw material extraction to production, use, and disposal. This label promotes environmental excellence and encourages companies to develop high-quality, environmentally friendly products.

We have 9 product families that are EU Ecolabel certified.



ENVIRONMENTAL PRODUCT DECLARATION (EPD)

We calculate and publish the environmental performance of our products throughout their life cycle in Environmental Product Declarations according to ISO 14025 Type III. EPDs are increasingly recognised in the furniture industry for their ability to document and communicate quantitative, transparent, and comparable environmental indicators such as carbon footprint, energy consumption, and the share of recycled materials. In 2019, a new standard, +A2, was introduced for furniture, covering a larger part of the life cycle - cradle-to-cradle - compared to the previous +A1 standard, limited to cradle-to-gate. All our new EPDs in 2024 were according to the +A2 standard.

We have EPDs for 81 product families in total, with 62 of them complying with the +A2 standard.



GREENGUARD GOLD

To ensure that our products do not harm indoor air quality by emitting hazardous gases (specifically volatile organic compounds like formaldehyde found in glue), we test them according to the requirements of the UL GREENGUARD Environmental Institute.

We have 59 product families certified with GREENGUARD, of which 51 are also certified with GREENGUARD Gold.



MÖBELFAKTA

Möbelfakta is a Swedish ISO 14024 Type I ecolabel scheme based on three requirement areas: quality, environment, and corporate social responsibility. It sets external requirements such as CEN and ISO standards for quality, follows the environmental criteria of the Swedish Environmental Management Council, and bases its corporate social responsibility element on the ten principles of the UN Global Compact.

We have 65 product families with Möbelfakta certification.



THE NORDIC SWAN ECOLABEL

The Nordic Swan Ecolabel is an ISO 14024 Type I ecolabel awarded to furniture 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.

We have one product family with the Nordic Swan Ecolabel.



BLUE ANGEL

Blue Angel is an ISO 14024 Type I ecolabel and has been the official environmental label of the German Federal Government for over 40 years. It is an independent and credible label that sets stringent standards for environmentally friendly products and services, promoting both environmental protection and consumer interests.

We have 11 product families that are Blue Angel certified.



CRADLE TO CRADLE™

The Cradle to Cradle Certified™ program is an ecolabel that assesses several aspects of a product, including its safety for humans and the environment, and its design for future life cycles. Designers and manufacturers are guided through a continuous improvement process, evaluating products across five quality categories: material health, material reutilization, renewable energy and carbon management, water stewardship, and social fairness.

We have one product family that is Cradle to Cradle™ certified at the Bronze level.

DESIGNED FOR SUSTAINABILITY

Flokk partnered with Mesh Youngstorget, a vibrant coworking hub in central Oslo, to help them achieve their sustainability goals while creating a dynamic, adaptable workspace. As part of the Mesh Community's vision for innovative work environments, our collaboration focused on delivering furniture solutions that combine functionality, durability, and environmental responsibility.

Flokk provided 742 products from 16 product families, with 95% Environmental Product Declaration (EPD) certification. This ensured precise tracking of environmental impact while supporting Mesh's commitment to sustainable practices.

Key results include:

- 39% Recycled materials: Over a third of materials used in our products were sourced from recycled content.
- 65% Reduced environmental impact: The use of recycled materials resulted in CO₂ emissions being reduced by over 26 000 kg compared to standard alternatives.

Durability and adaptability also play a pivotal role. With easily replaceable parts and long-term warranties, Flokk's furniture reduces waste and supports a circular approach, extending product lifecycles.

Our products are crafted for longevity, ease of disassembly, and recyclability, aimed at reducing total cost of ownership (TCO) and environmental impact.



We design our products to exceed the highest customer expectations in comfort, quality, and aesthetics, while minimizing their carbon footprint



HÅG Tion 2100

94% post-consumer plastic shells

97-98% recycled aluminium



Through this collaboration, Flokk showcases how our long-lasting, ergonomic designs not only support employee well-being but also help businesses like Mesh create inspiring spaces that foster creativity and community.

By contributing to a reduced carbon footprint and lowering long-term ownership costs, our designs deliver environmental consciousness and value in equal measure.

INCORPORATING RECYCLED & RENEWABLE MATERIALS IN OUR PRODUCT DESIGNS AND PACKAGING

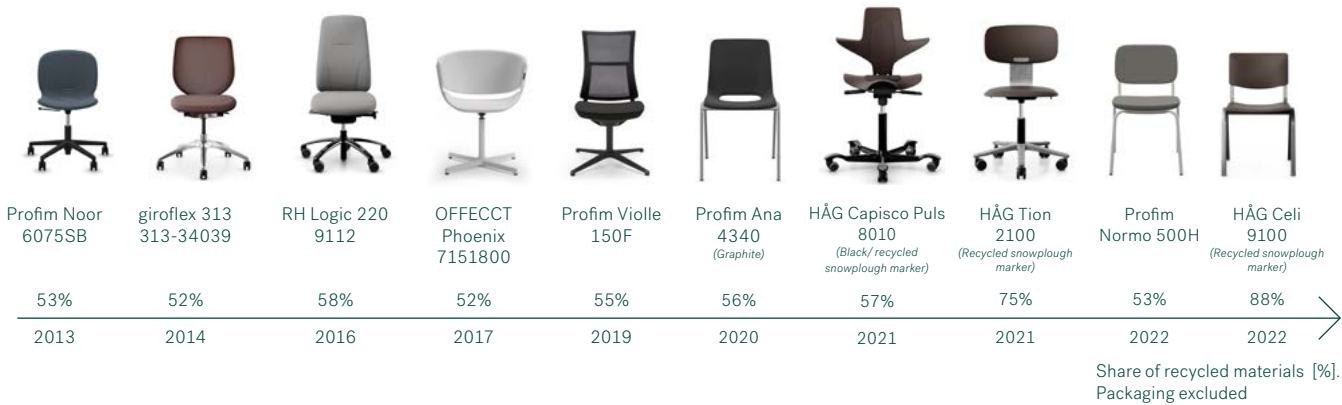
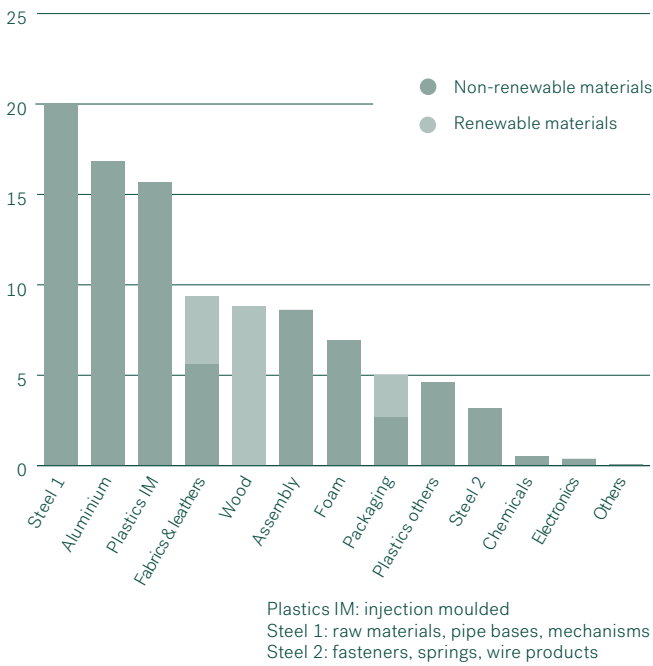
Flokk strives to develop products with a closed life cycle, ensuring that materials used in our products can be recycled or reused at the end of their service life. This approach reduces the demand for new resources and minimizes waste. We design with resource efficiency as a priority, using recycled and renewable materials wherever feasible.

Our strategy focuses on increasing the use of recycled materials, identifying recycled plastic, aluminium, and steel as key resources. By doing so, we place value on otherwise wasted resources and reduce energy consumption during processing.

Our long lasting and high-quality products require the use of robust materials such as metal and engineering plastics, which limits the use of renewable materials like wood due to high-volume demands. Recycled plastics often have inferior cosmetic and technical properties compared to virgin plastics. For visual or critical components that need a broad colour range or high strength, we may need to use virgin plastics, as recycled plastics are typically available in grey or black, though colour-sorted recycled plastics are becoming more common. Regardless, we ensure that all materials we use are recyclable.

14.9% of our annual purchased value (turnover) for Direct Material is allocated to renewable materials including wool, leather, cardboard and wood (2023: 12.3%).

Distribution of Flokk's 2024 annual purchased value (turnover) for Direct Material [%]



Share of recycled materials

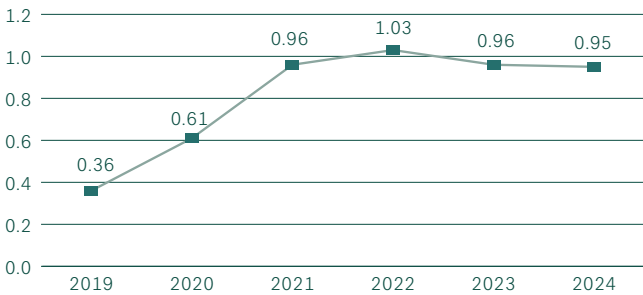
Flokk offers a wide range of products with a high share of recycled materials. Here is our top ten products launched since 2013, with most containing 52-58%, but two of our products stand out with 75% (HÅG Tion 2100) and 88% (HÅG Celi 9100). We remain committed to improve the share in both new launches and our existing portfolio. Currently, the average recycled material share for Flokk's main products (accounting for 80% of revenue) is approximately 42%, based on products with an EPD (~53% of HÅG, RH, Giroflex, OFFECCT, Profim, Malmstolen & Connection, excluding 9to5 and Stylex) and 2023 sales figures. As we expand EPD coverage to remaining brands, this figure is expected to decrease due to lower verified recycled content. The material composition of our products, including the share of recycled materials, is transparently declared in our Environmental Product Declarations (EPDs).

PLASTICS

Polypropylene (PP) remains our preferred plastic material due to its lower environmental impact compared to other alternatives, offering reduced CO₂e emissions and fewer chemical additives. We aim to maximise the use of post-consumer recycled PP to enhance circularity. By assigning value to plastic waste, we stimulate profitable collection and recycling, contributing to further carbon footprint reductions. Notably, post-consumer recycled plastics have been incorporated into our products since 1995.

In 2024, we saw a 3.6% increase in recycled plastics used in products sold (2024: 1 064t vs 2023: 1 027t), falling short of our 1 300-tonne target. This was due to lower sales volumes and variations in product mix affecting recycled content. Continuing our efforts from 2023, we focused on increasing recycled content in new products, which has led to slower progress in integrating recycled plastics to the existing portfolio.

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



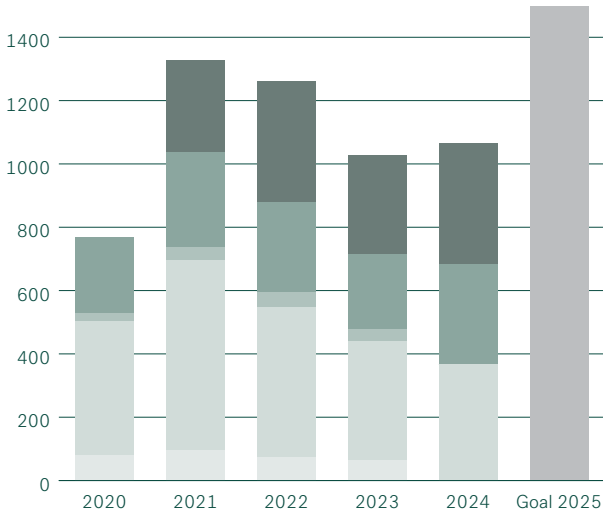
For the average quantity of recycled plastics used per produced unit, we include recycled data from all Flokk core brand divided by Flokk total produced units.

1 383 tCO₂e

saved in 2024
by using recycled instead of virgin plastic

A significant portion of our material use includes virgin polyamide (PA), where we see an opportunity for improvement. We plan to explore the migration to recycled PA as part of our broader commitment to increasing the share of recycled plastics in our materials. Additionally, we are addressing cases where the inclusion of PAGF (glass-filled polyamide) is necessary, acknowledging its effect on recyclability and striving to balance performance with sustainability goals.

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



Total	770	1 328	1 262	1 027	1 064	1 500
Post-consumer	477	643	553	459	592	670
Post industrial	293	685	708	569	472	830

Profim RH RBM HÅG BMA

In 2024, we continued our brand consolidation efforts, merging BMA and RH under the RH brand, and RBM and Profim under Profim. The figures presented above reflect the brands prior to these mergers. A notable development this year is the increased share of post-consumer plastics in our recycled plastic materials, marking a positive shift towards enhanced circularity compared to previous years.

METALS

In 2024, our die-cast aluminium parts at Røros, Nässjö, and Turek sites contained 98.6% recycled content, maintaining the same high quality, durability, and finish as virgin material. For extruded aluminium parts, the recycled content was 27.7%, bringing our total recycled aluminium share to 94.8%. Notably, one of our key suppliers of extruded aluminium now offers 88% recycled content, which we plan to gradually integrate into our portfolio over the coming years.

In the steel market, most recycled steel is reserved for the construction and automotive industries limiting its availability for furniture manufacturing. We are actively working to increase the share of recycled steel from our key steel supplier, who currently provides 20% recycled content. Additionally, we are improving our supply chain transparency to better understand the origin of our steel and are committed to increasing the use of recycled steel and fossil-free solutions in the near future.

UPHOLSTERY COVERING MATERIALS

We remain steadfast in our pursuit of high-quality, environmentally responsible upholstery options, promoting the ones made from a single material, such as 100% wool or 100% post-consumer recycled polyester whenever possible.

Since 2021, we have been collaborating with one of our main textile suppliers and our Turek factory on a circular closed-loop project. Our aim is to repurpose our own waste textiles from production, transforming them into yarns and textiles for reintegration into our collection in near future. In 2024, we continued exploring other reuse options, engaging with additional recycling facilities while analysing our in-house textile waste to identify opportunities for further closed-loop solutions.

Balancing the requirement for a reputable eco-certification with the demanding performance needs of high-intensity environments — such as hospitals — can often be challenging to achieve. Although fully eliminating the options that don't carry eco-labels from our collection proved challenging in 2024, we are determined to intensify our efforts throughout 2025 while continuing exploring promising alternatives to PVC and chrome-tanned leather.

Wherever the EU Ecolabel for textile is not achievable due to its stringent cut-off criteria, we ensure a consistent level of environmental performance by selecting options that carry alternative reputable certifications, such as Oeko-tex® Standard 100 or Blue Engel for leather.



By 2030, our goal is for every standard non-specialized fabric we provide to either carry the EU Ecolabel award for textiles or meet the EU Ecolabel criteria for furniture, and we progressed from 69% in 2023 to 83% in 2024.

FOREST MATERIALS

The wood used in our products is traceable and sourced from responsibly managed forests, reflecting our commitment to upholding the highest standards of sustainable forestry. Our facilities in Turek, Mirfield, and Nässjö hold FSC® Chain of Custody certification, while Røros was granted certification in February 2025. During 2024, Turek supplied 156.1 tonnes of FSC®-certified material, while Mirfield provided 1.7 tonnes.

We aim to have every Flokk factory carry FSC® Chain of Custody certification by 2030, ensuring that 100% of the forest materials in our products satisfy rigorous traceability standards.

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.

Packaging used including recycled amount [tonnes]*

Packaging	2022	2023	2024
Cardboard - Total	1 186	1 797	1 670
Cardboard - Recycled	742	630	614
Plastics - Total	77	65	59
Plastics - Recycled	1	1	1
EPS - Total	6	4	5
EPS - Recycled	-	-	-
Others; tape etc - Total	150	127	98
Others - Recycled	17	15	15
Total	1 420	1 993	1 832
Total Recycled	760	646	630

*Numbers for Røros, Nässjö, Turek excluding Hawthorne and Mirfield.

We see considerable potential in becoming more efficient in our use of packaging materials in general and see this as an opportunity to improve going forward. We have also initiated efforts on transitioning our plastic packaging to recycled plastics. We are aiming for 30% recycled plastic packaging by 2030.

Flokk is a member of several national takeback schemes, such as Grønt Punkt in Norway, NPA in Sweden, DPA in Denmark and Interzero in Poland. In these countries, we annually report the amount of packaging we place on the respective markets and pay a corresponding fee. This fee ensures that packaging waste is collected and recycled within these specific markets. As a “Control Member” of Grønt Punkt, we also require our Norwegian suppliers to be members, ensuring producer responsibility in our supply chain.



Resources - Materials, Waste, Chemicals

Targets:

- 40% share of recycled materials in main products by 2030 (80% revenue)
- 30% recycled & recyclable plastic packaging by 2030
- 100% FSC® Certified Wood / All Factories FSC® Chain of Custody Certified by 2030
- 85% of our waste will be material recycled by 2030
- 100% GREENGUARD Gold on all EPD products by 2030
- 99% of purchase value >100k NOK must include signed Flokk's Environmental Requirements by 2025
- 100% Standard Non-specialised fabrics with EU Ecolabel by 2030

Measures / KPIs:

- 1 500 tonnes of recycled plastics used in our products by 2025
- Increase total recycled share of aluminium to 95% by 2025
- Increase recycled share of steel to 40% by 2030
- 60% of our hazardous waste will be material recycled by 2030

KPI	Goal 2025	Goal 2024	Results		
			2024	2023	2022
Share of recycled materials in main products by 2030 (sold by 80% revenue)	40% by 2030	40% by 2030	41.7% ●	28.4	NA
Amount of recycled plastics used in our products [tonnes]	1 500 t	1 300 t	1 064 t (+3.6%) ●	1 027 t (-18.6%)	1 262 t
Number of factories FSC® Chain of custody certified	4 out of 7	4 out of 5	4 (Nässjö, Turek, Mirfield, Røros in Feb'2025) ●	3 (Nässjö, Turek, Mirfield)	1 (Turek)
Share of our waste being material recycled (production sites)	80%	75%	78.81% (+8.6%) ●	72.6% (+3.5%)*	70.1%
Share of our hazardous waste being material recycled	36%	57%	31.1% (-45.0%) ●	56% (+34.2%)	42.1%
Share of EPD products with GREENGUARD Gold	100% by 2030	100% by 2030	76.4% ●	82.4%	NA
Share of Standard Non-specialised fabrics certified/compliant with EU Ecolabel	85%	75%	83% ●	69%	42% (share of Std fabrics)

* The reported share of material-recycled waste for 2023 has been slightly adjusted from 72.5% to 72.6% in this year's update, following the inclusion of retrospective data from Zhongshan.



Profim Revo,
Profim Chic Lounge

	Measures & Results 2024	Status	Measures 2025
MATERIALS	Scale use of snow plough material: Feasibility study on use in castors Result - Not economically viable as a standalone business case. On hold pending improved feasibility	✗	Explore alternative product offerings utilising (new) surplus material for Flokk injection moulded components
	Plan other product offerings with colored post-consumer recycled polypropylene Result - Progress in an ongoing project to introduce colored PCR plastics from discarded blueberry/avocado bins in back/seat of a best-sellers. Samples prepared for technical performance tests	➡	Continue feasibility study for best-seller project
	Investigate PUR alternatives as part of ongoing development projects Result - Three new products with mesh options launched in Feb'2025 (RH Mereo, HÅG Tion, Malmstolen R3)	✓	Continue PUR alternative investigation in ongoing development projects
	Commit to Grønt Punkt 'Control membership' – recruit non-members in our supply chain Result - Supplier list updated, outreach not completed due to capacity constraints	➡	Continue efforts to recruit non-members
	Achieve FSC® Chain of custody certification for Røros factory Result - Certificate received in Feb'2025	✓	Maintain FSC® Chain of custody certification at certified factories
WASTE	Røros: Follow-up on new waste handler to ensure hard plastic scrap recycling Result - Hard plastic scrap now material recycled through a new partnership	✓	
	Røros: Prepare business case for aluminium waste recycling / bracketing Result - business case approved; implementation set for summer 2025	✓	Follow-up on implementation and measure impact
	Monitor adoption of Flokk's Waste Handling procedure at all sites Result - Not yet performed due to capacity constraints	➡	Continue follow-up on implementation across locations
	Hawthorne & Mirfield: Expand sorting of additional waste fractions Result - Hawthorne: 9 fractions sorted. Landfill increased by 1.9% Result - Mirfield: 5 fractions sorted. Energy incineration remains stable at 77.4%	➡	Hawthorne: Expand sorting. Identify landfill reduction measures Mirfield: Expand sorting. Investigate energy incineration reduction measures
		➡	New Delanco & Zhongshan: Follow up on waste sorting, all fractions
	Turek: Investigate textile from key supplier for recycling into textile fibres for Flokk products Result - Ongoing investigation into textile reuse options, engaging with recycling facilities and analysing in-house textile waste to identify closed-loop opportunities	➡	Continue exploring opportunities for repurpose textile waste within our product collection
	Turek: Improve Textile + Mixed waste material recycling rate Result - Textile waste reduced by 10.1%, Mixed waste by 9.9%	✓	Continue efforts to reduce waste and increase material recycling rates
CHEMICALS	Continue mapping of plastic packaging at all sites and continue replacement process Result - Three plastic bags with 100% recycled content identified at Turek through M3 Master Data clean-up project, totaling 1.3 tonnes of recycled plastic annually	➡	Continue mapping at all sites through M3 Master Data clean-up project. Investigate consolidation of successful recycled plastic packaging suppliers to replace those unable to provide recycled alternatives
	Reduce no of chemicals at production sites Result - Røros: increase of 11 (202 in total, 139 in mechanical workshop), 1 more on candidate list (5 total) Nässjö: ~99.5% chemicals related to glue used in three RH products Turek, Hawthorne, Mirfield: chemical overview in place	✓	Continue reducing chemicals at production sites leveraging the transition to new iChemistry chemical management system
	Follow up on RH spray glue and Malmstolen glue process, and investigate for improvements in production Result - Improvements are product-dependent, but new equipment/robot installed Q1'2024 may enhance glue efficiency	✓	Investigate improved glue usage with new equipment/robot installed Q1'2024. Assess if ongoing RH Extend product design improvement project can reduce or eliminate glue usage
	Continue investigate chrome usage in brands. Follow up ongoing discontinuation plans, including chrome tanned leather Result - Mapping of chrome components accelerated via M3 Master Data clean-up project Result - Discontinuation plans proposed for components at Turek; castors, frames, hangers, columns, neckrests Result - Discontinued chrome leather for Giroflex	✓	Continue mapping of chrome usage through M3 Master Data clean-up (Røros, Nässjö, Turek, Mirfield), with full overview expected by end of 2025 Follow up on discontinuation plan at Turek for possible approval and initiation Introduce chrome free leather for Profim, phase out color by colore depending on stock
	Implement and roll-out new Environmental Requirements to suppliers Result - Rolled out to 323 suppliers, with 41% signing in 2024	✓	Follow up on securing signatures from all suppliers

MINIMIZING WASTE FROM OUR OPERATIONS

At Flokk, we are committed to responsible waste management, integrating it into our strategic environmental goals and regulatory compliance. This approach aligns with the evolving expectations of our stakeholders, customers, and communities. We continuously strive to reduce total waste volumes and increase material recycling.

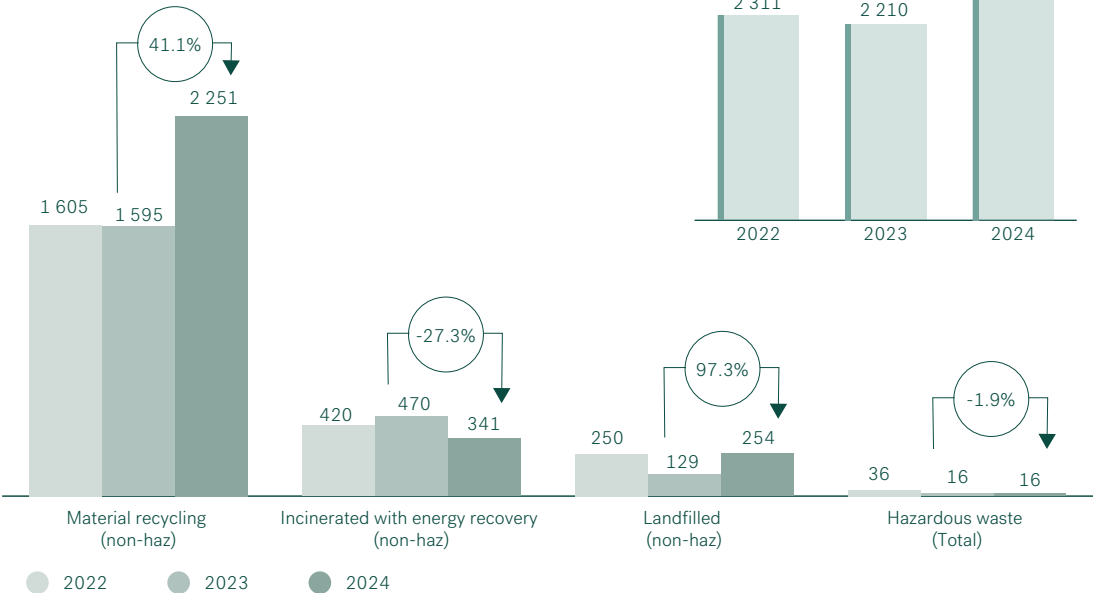
In 2024, total waste generation increased by over 650 tonnes (+30% vs 2023), primarily due to expanded reporting scope that now includes waste generation at Delanco. Zhongshan was also added, yet maintains an exceptionally low waste production rate, successfully eliminating metal and cardboard waste by reusing metal scrap for internal purposes (e.g., jigs, tools, and fixtures) and repurposing all cardboard for cargo protection. However, this has unintentionally led to an increase in cardboard waste at Hawthorne.

We observe a positive trend with higher recycling rates and reduced total waste generation, particularly in the fractions textile and cardboard in Turek, wood in Nässjö, and steel,

cardboard and wood at Røros. Hawthorne remains the exception, with notable increases in both steel and cardboard waste, though most of it was directed to material recycling.

Hazardous waste accounted for 0.5% of total waste output (2023: 0.7%), with 31.1% of hazardous waste materials recycled (2023: 56.5%). Total waste to landfill increased to 9.0% (2023: 6.0%).

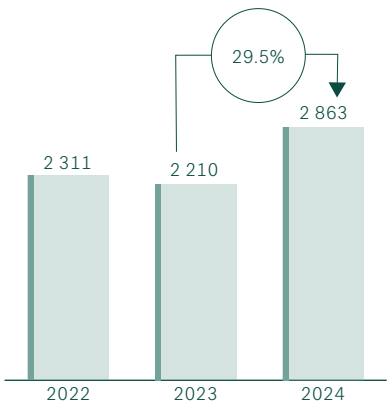
Waste fraction generated at Flokk factories [tonnes]



KEY HIGHLIGHTS OF OUR WASTE MANAGEMENT:

- Waste generation linked to our products includes packaging, protective materials for transport, and used products. Protective covers are essential, particularly for our chairs, to prevent damage during transportation and maintain product quality
- Robust waste collection and sorting systems have been implemented across all factories, with waste data tracked as part of our ISO 14001 management processes. These metrics are monitored at site level and reviewed quarterly at the corporate level to drive improvements.
- Our Environmental Requirements request that suppliers commit to minimising their waste volumes. We have scaled down the return of cardboard packaging to selected suppliers and prioritise recycling over reuse due to quality and damage concerns

Total waste generated at Flokk factories [tonnes]



2024 WASTE PERFORMANCE DATA:

- 2 251 tonnes of non-hazardous production waste were diverted from disposal through material recycling, while 596 tonnes were disposed of (341 tonnes incinerated with energy recovery, 254 tonnes sent to landfill)
- 15.7 tonnes of hazardous waste were handled in compliance with local and national Waste Regulations and delivered to approved reception facilities
- The largest waste fractions consisted of cardboard (35.0%), steel (21.6%), wood (17.4%) and mixed waste (14.7%)
- Minor adjustments in waste data compared to previous reports due to retrospectively added waste fractions from Zhongshan and Oslo HQ

In 2024, there were no spills or environmental leakages from any Flokk facility.

PROGRESS IN MATERIAL RECYCLING INITIATIVES

We continue to see a steady increase in waste directed to material recycling, driven by:

- Improved sorting processes at all production sites
- Identification of new recyclable fractions
- Regular spot checks and continuous employee training to ensure awareness and adherence to updated recycling practices

The integration of new factories has introduced some fluctuations in our overall recycling performance. However, through targeted improvement measures and a focus on identifying new opportunities, we remain on track to achieve our corporate goal of 85% material recycling by 2030.

Waste fractions at Flokk factories* in 2024 [tonnes], including hazardous waste breakdown:

	2024
Non-hazardous waste	2 890
Material recycling	2 287
Incinerated with energy recovery	341
Landfilled	262
Hazardous waste	16
Material recycling	5
Incinerated with energy recovery	8
Landfilled	3
Total [tonnes]	2 905

*All disposal operations mentioned are offsite. In 2024, we added retrospective data from 2020-2023 for our Zhongshan factory, further enhancing the accuracy of our reporting

CHEMICALS - HEALTH

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

SUPPLIERS

We hold our suppliers to strict standards when it comes to chemical use. By updating our chemical requirements, we’re gaining a clearer picture of the substances they rely on, allowing us to stay ahead of potential risks. This proactive approach helps us prevent hazardous chemicals from ever reaching the market.

PRODUCTION AND OFFICES

Our employees’ wellbeing is always top of mind. To maintain a safer work environment, we keep a detailed record of every chemical on our premises and make sure everyone has easy access to Material Safety Data Sheets.

PRODUCTS

Every year, we carefully review our existing product range to identify opportunities for improvement, with particular attention to health-related aspects. We set strict requirements for materials like glue and paint, ensuring the absence of harmful substances such as formaldehyde and bisphenol. We’re exploring new solutions when it comes to upholstery padding materials, such as algae-based and other biogenic materials. We rigorously test the polyurethane foam we produce ourselves, and when buying it we source the ones certified against reputable standards such as Oeko-Tex® or CertiPUR®. A large part of our product portfolio is already GREENGUARD Gold certified; a guarantee that the products contribute to a healthy indoor climate by not emitting hazardous gases. Our long-term target is to have 100% GREENGUARD Gold on all products with EPDs.

To give customers a more genuine, tactile experience, we prioritize using raw, authentic materials - like tumbled aluminium or pure wool - that feel true to their origins. By embracing mono-material solutions, we also simplify recycling and improve circularity. For many years now, we have completely excluded what we consider “banned” materials - such as glues, PVC, flame retardants, and chrome surface treatments - from all newly introduced products, while simultaneously phasing them out of older products.

We are actively exploring better alternatives that deliver the same quality and aesthetics:

- New polyester powder coatings with a metallic look, matching the shiny finish and tough surface obtained from chroming.
- Smart solutions to avoid the use of glue in upholstery.
- Wool and polyester fabrics to eliminate the need for flame retardants. Wool is naturally flame-retardant, and the structure of polyester fibres provides flame-retardant properties without chemical additives.
- Water-based wood lacquer and powder coatings for metal, helping keep Volatile Organic Compound (VOC) emissions as low as possible.
- PVC-free coated fabrics, ensuring we have the best options ready for the healthcare sector.

By being transparent about our material choices and continually seeking better alternatives, we give our customers the information they need to make well-informed decisions that support long-term well-being and environmental responsibility.

Responsible Supply Chain and Ethical sourcing

At Flokk, we recognize the far-reaching impact of our procurement decisions on communities, ecosystems, and industries. As such, we are dedicated to embedding sustainability, integrity, and social responsibility into every aspect of our supply chain management.

To uphold this commitment, we implement a rigorous supplier selection and development process designed to drive positive transformation and maintain robust oversight throughout our supply chain. Our approach prioritises:

- Ensuring fair and decent working conditions
- Practicing responsible and sustainable sourcing

PROMOTING FAIR AND DECENT WORKING CONDITIONS

When engaging with suppliers, we select those who share our environmental and social values. This selection process is not just about transactions; it's about forging lasting relationships built on mutual commitment to a responsible supply chain and ethical sourcing. We hold ourselves to the highest standards and expect the same from our partners.

To uphold our commitment to transparency, accountability and ethics, we have developed a rigid supplier selection and development process.

FLOKK SUPPLIER SELECTION AND DEVELOPMENT PROCESS

1. SUPPLIER SELECTION

- We employ a rigorous appraisal process that includes the evaluation criteria to their management, environmental performance, and corporate social responsibility in addition to quality and delivery aspects.
- Suppliers are scored based on these criteria.
- We have certain mandatory requirements for our suppliers that include being ISO 14001 certified (or equivalent), adherence to our Code of Conduct, environmental standards, and screening against sanction lists.

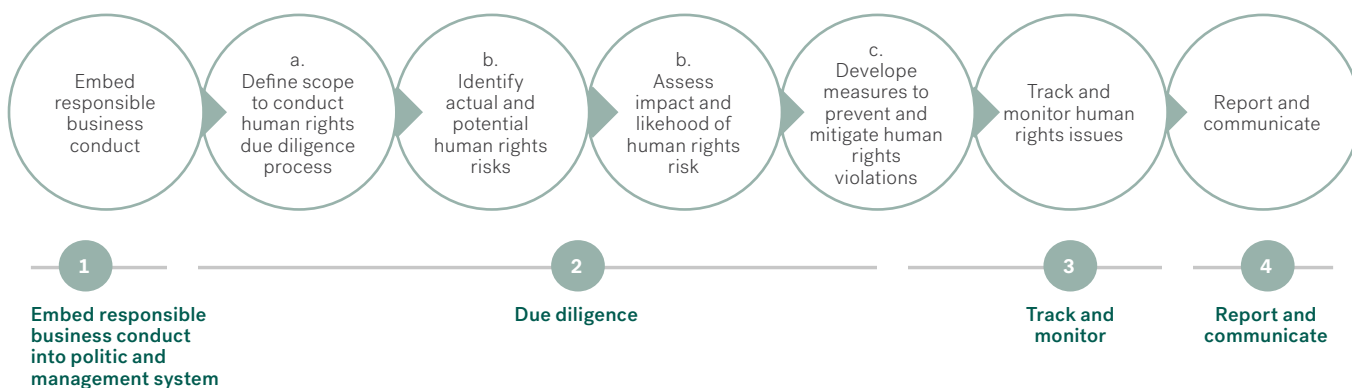
2. ACTION PLAN

- Following the supplier appraisal, tailored action plans are crafted to boost performance across various domains.
- Progress is tracked through Flokk Supplier Performance Meetings, focusing on quality, delivery, and risk.
- Environmental and social impacts are also examined, with risk graded on a scale of 1 to 5, prompting immediate action if necessary.

3. ANNUAL ASSESSMENT

- Comprehensive evaluations take place during Flokk Supplier Performance Meetings.
- Suppliers with low performance in critical areas, located in higher-risk regions/ countries, are subject for re-evaluation.
- Our re-evaluations process ensure ongoing compliance with our standards and could involving a full appraisal or focused examination.
- Low-performing suppliers undergoing a re-evaluation, receive regular follow-ups through monthly separate Supplier Risk Meetings.

Our supplier appraisal process Supplier Performance Meetings are designed to prevent, detect, assess and minimize risk related to human right violations in our supply chain.



Our business conduct is rooted in our core values and is outlined in our Responsible Business Conduct, Code of Conduct for Business Partners and our Human Right policies. These documents highlight our commitment to promoting a safe working environment free from discrimination, forced labour, and child labour for our employees, partners, customers, and communities.

We are adhering to the core principles outlined by the United Nations (UN) and the International Labour Organization (ILO), including the Ten Principles of the UN Global Compact.

RESPONSIBLE SOURCING

We are committed to maintaining oversight of our supply chain through transparent reporting, fostering supplier collaboration and development, and conducting ongoing monitoring and assessments aligned with the Flokk supplier development process.

At Flokk, we uphold a strict zero-tolerance policy towards any instances of human rights violations, bribery, corruption, or money laundering. Our supplier selection and development procedures are integral to our goal of achieving the level of insight and oversight essential for us to operate as a responsible and trusted manufacturer.

Furthermore, we have launched several key initiatives to support our overarching supply chain strategy, including:

- Focus to establish competitive regional suppliers
- Integrating Flokk processes in our acquisitions
- Transparent reporting of our progress
- Investment and implementation of technology

LOCALISATION

Flokk has laid a solid groundwork with local, competitive suppliers who align with our principles of transparency. As a global organisation with manufacturing operations in China, the US, and Europe, we recognise the importance of a balanced supplier mix — combining both global and local or regional partners. Identifying strong local alternatives to suppliers in different regions provides several advantages, including:

- Mitigating risks associated with remote suppliers and lengthy supply chains
- Minimizing the likelihood of production disruptions, as demonstrated by the pandemic
- Reducing the climate impact of our supply chain, particularly regarding long-distance transportation

In 2024, we transferred all tools from a Swiss supplier to suppliers closer to our manufacturing in Poland.

Origin of Flokk suppliers of Direct Material, measured as % of the total annual purchased value (turnover) to our sites Røros, Nässjö, Turek, Hawthorne, Mirfield, Delanco and Zhongshan



INTEGRATING FLOKK PROCESSES IN OUR ACQUISITIONS

A key priority of our procurement strategy is to streamline and consolidate our supplier base by focusing on high-performing, strategic partners. As we continue to acquire and integrate new brands into the Flokk Group, we proactively manage the incorporation of additional suppliers into our supply chain to ensure alignment with our standards and objectives. To maintain robust control and transparency across our supply chain, we focus on:

- Swiftly transitioning new suppliers' contractual relationships to align with Flokk's standard terms and conditions during integration.
- Ensuring all new suppliers formally commit to Flokk's Code of Conduct.
- Effectively onboarding suppliers and local procurement teams into Flokk's methodologies for supplier appraisal, evaluation, terms & conditions and development.

During 2024, we continued this development and compliance to our processes for our 9to5 brand and started with our

newly acquired brand Stylex as well. The substantial growth resulting from acquisitions introduces numerous new suppliers to Flokk.

Our supplier selection criteria extend beyond price considerations, focusing on total performance and Total Cost of Ownership, which include factors such as transportation, cost of capital, and cost for tools

In response to the expansion of our supplier network, we have proactively undertaken a significant consolidation effort to reduce complexity and mitigate risks. This approach has been particularly emphasized in 2024, with continued efforts to further compress the suppliers supporting our European manufacturing locations, as well as those used for our US-based brand, 9to5, and our Chinese suppliers. The aim is not only to enhance efficiency but also to decrease reliance on a multitude of smaller suppliers in our supply chain.

TRANSPARENT REPORTING OF OUR PROGRESS

Flokk's core Direct Material suppliers play a pivotal role in providing components across key material categories, including foam, plastics, aluminium, steel, fabrics and leather, wood, and assembly services. These suppliers are responsible for managing their own supply chains, including sourcing raw materials and critical components. Upholding the principles outlined in our Code of Conduct, Flokk maintains zero tolerance for corruption. Furthermore, our Environmental Requirements and Code of Conduct for Business Partners extend comprehensively to include the supply chains of our suppliers, ensuring that our sub-suppliers adhere to the same stringent standards.

In 2024, we continued to prioritise our key Polish suppliers by conducting comprehensive supplier appraisals and further reinforcing adherence to our Code of Conduct. Additionally, we initiated the implementation and signing of our Code of Conduct with suppliers for our newly acquired brand, Stylex, in the US. Moving into 2025, we will continue this initiative, striving to have our Code of Conduct signed by suppliers to achieve close to 100% coverage of the annual purchased value (APV) from our main suppliers.

Notably, in 2024, there were no confirmed incidents leading to the termination or non-renewal of contracts with business partners due to violations related to corruption, providing us with the opportunity to address less substantial risks, such as those related to low delivery performance.

Another key aspect of supply chain control involves tracking and overseeing signed Code of Conducts. Our Code of Conduct for Business Partners outlines the ethical standards and expectations we uphold in our partnerships. In 2024, a key initiative was expanding the number of suppliers with signed Codes of Conduct, including Stylex. Despite the addition from Stylex, the percentage of Direct Material suppliers with signed Code of Conduct was kept on similar level of 97% of the annual purchased value for this reporting year.

Number of signed CoC's and % of total APV* (APV > 100 000 NOK)

Category	Number of signed CoC's	% of total APV
Packaging	27	87%
Wood	31	89%
Chemicals	15	92%
Steel 1	80	97%
Plastics IM	45	98%
Steel 2	32	98%
Fabrics & Leather	90	98%
Plastics others	36	99%
Foam	31	99%
Aluminium	37	99%
Assembly	10	100%
Electronics	6	100%

Region	Number of signed CoC's	% of total APV
Scandinavia	78	100%
E. Europe	105	99%
W. Europe	88	97%
Asia	72	96%
North America	97	87%

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 2025 (measured in signed CoCs), broken down by type of business partner and region.

*APV - Annual Purchase Value = turnover

INVESTMENT AND IMPLEMENTATION OF TECHNOLOGY

As our organization continues to grow, the complexity of our operations increases, emphasizing the need for scalable, transparent tools and solutions. In line with our broader initiative to digitize and enhance process integration, we made significant progress with the introduction of a Supplier Risk Management Tool in 2024. This tool is a critical part of our strategy, providing a scalable solution that helps us proactively identify and mitigate potential risks across an expanding supplier base. It enables comprehensive monitoring, assessment, and management of the key elements essential to maintaining the integrity of our supply chain.

In 2024, we also successfully transitioned one of our US-based companies, 9to5 Seating, from their previous ERP system to the Flokk Group's centralized ERP system, M3.

This move has greatly enhanced visibility across our operations and supplier networks and improving data accessibility.

Looking ahead, we are exploring the integration of the Integrity Next EUDR tool to ensure compliance with the new European Union Deforestation Regulation (EUDR) once it is enforced. This step will further enhance our ability to track, assess, and report on environmental and social risks within our supply chain, reinforcing our commitment to responsible sourcing and compliance. The implementation of these tools is not only about meeting immediate needs but about positioning our organization for scalable growth. They provide us with the visibility, flexibility, and control necessary to sustain and expand a resilient, ethical, and compliant supply chain as we move forward.



HÅG SoFi mesh, OFFECCT Carry On, OFFECCT Soundwave Jasmine



Care For People & Communities

Flokk is acknowledged for cultivating a work environment that is inclusive, sound, and secure for all our employees, where individuals from different backgrounds representing various perspectives are welcomed and valued. We consistently strive to uphold our business operations with the highest ethical standards, fostering trust and respect among all stakeholders.

We are adhering to the core principles outlined by the United Nations (UN) and the International Labour Organisation (ILO), including the Ten Principles of the UN Global Compact. By aligning with these global standards, we set the dedication to ethical practices high on our agenda as we strive towards being an attractive employer by:

- Creating a positive workplace that values diversity, equity, and inclusion
- Contributing to local job creations
- Prioritising the safety and well-being of our employees

CREATING A POSITIVE WORKPLACE THAT VALUES DIVERSITY, EQUITY, AND INCLUSION

CULTIVATING THE FLOKK CULTURE

At the core of our progress and accomplishments stands our invaluable team of employees, the driving force propelling our success. Anchored in our values of innovation, human-centred focus, and sustainability, our employees play an instrumental role in transforming our vision into reality.

Central to our vision is the ambitious goal to "Inspire great work." We firmly believe that by nurturing an environment where innovation, creativity, and a sense of purpose flourish, we empower individuals and teams to reach their utmost potential.



Flokk Marketing Team

We firmly believe that knowledge plays an important role in shaping a business culture that enables people to thrive and grow. As our organization expands geographically, the significance of training and competence development is becoming increasingly evident.

As outlined in our Code of Conduct for employees, we hold all our employees to the highest standards, expecting them to serve as Flokk ambassadors who treat colleagues, business associates, the environment, and other stakeholders with respect and courtesy. Our company values set clear expectations for attitudes and behaviours. We have ingrained our focus on values through our trust-based leadership approach, emphasizing these values in annual appraisal dialogues and facilitating targeted mandatory training programs for all employees via our digital competence platform, Learning@Flokk.

For 2024, we have had specific focus on the following training:

- Strategy awareness; Training for all leaders in Flokk giving them a good understanding for further communication to own employees.
- Engagement survey 2023; Follow-up training for all leaders an aligned approach to the results and next steps.
- Change management; A program for all leaders focusing the different stages typical in a change process.
- Navigating in the matrix; Training for all leaders to get an understanding of the matrix complexity and what it entails.
- Code of Conduct awareness training; tailored training for employees of our US company, Stylex and our Chinese based activity, Flokk Furniture both aligning to our ethical standards.

We unequivocally distance ourselves from corruption and bribery, actively supporting free competition, fair trade, and the principles of freedom of association and collective bargaining. This commitment extends to ensuring voluntary labour without the threat of penalty or similar coercion and we do not employ individuals below the age of 15 years.

Notably, in 2024, we had no employees categorised as child labour/young employees in any part of Flokk.

DIVERSITY, EQUITY AND INCLUSION (DEI)

In Flokk, we whole heartedly embrace diversity, recognising its inherent value and positive impact. Our commitment to fostering a diverse workforce is reflected in our active promotion of various diversifying factors such as gender, experience and cultural background. In 2024, we continued the dedicated DEI task force activities such as our diverse cultural week initiative. We still focus our gender diversity development and remain vigilant, acknowledging that different segments of our value chains still display varying levels of such diversity.

Gender development (% split of total FTEs)		
	2023	2024
Female	40%	41.1%
Male	60%	58.9%

Percentage of employees per gender category

Age	Female	Male
Below 30 years	13%	12%
Between 31-50 years	55%	54%
Over 51 years	32%	34%

Percentage of individuals within Group Management in these diversity categories

Age	Female	Male
Below 30 years	0%	0%
Between 30-50 years	0%	44%
Over 51 years	11%	44%

Our focus on inclusivity is highlighted by the ongoing measurement and monitoring of organisational Key Performance Indicators (KPIs) directly tied to DEI. We are somewhat content with our current state but continue to maintain a strong focus on continuous improvement year-by-year. Our annual activity roadmap guide the implementation of concrete actions throughout the organisation in line with our commitment to DEI.

Gender split of leadership positions in Flokk (%)

	2023	2024
Female	32%	34%
Male	68%	66%

- In 2023, we established a DEI task force, bringing together representatives from all parts of Flokk. In 2024, our DEI focus elements have included:
- Critically assessed and challenged the recruitment processes.
 - Ensured that inclusive language and diverse imagery have been safeguarded in all written Flokk material including webpages.
 - We analysed feedback from our Engagement@Flokk survey and used the insights to identify concrete actions across the organisation.
 - Continued focus and analysis of potential pay-gaps in similar roles and positions.
 - Ensured available parking spaces at all Flokk sites accommodating employees and/or visitors with disabilities.

Ratio of the basic salary and remuneration of women to men for each employee category

	Female salary in % of men's salary 2024
Office employees	94.9%
Production employees	96.4%

Ratio of the basic salary and remuneration of women to men for each employee category

	2024
Female managers' salary in % of men's salary	92%

In Flokk we have no employees earning less than an adequate wage.

FLOKK DEI PROGRAMME
CONSISTS OF:



POLICY

Flokk has established a dedicated DEI policy with the goal of fostering an inclusive and secure environment, enabling all our employees to fulfil their maximum potential.



TRAINING

Groupwide DEI awareness training around our DEI policy



TARGETS

Groupwide DEI targets are set, followed up and measured operationally, and approved by the Board of Directors



INITIATIVES

DEI Programme part of the overall business strategy with leadership support.

Implementation of DEI initiatives are driven by our DEI task force, and are connected to and aligned with our business' policy, values, and strategy.

At the core of our organisational philosophy is a steadfast belief that the true strength of our company resides in the diverse perspectives, backgrounds, and experiences that each of our employees brings to the table. At Flokk, we take great pride in the rich tapestry of global representation among our employees. We truly recognise that all DEI elements together

are driving forces behind innovation and success. Hence, we embrace the unique qualities and varied cultural perspectives collectively contributing to the uniqueness of our workplace. Truly valuing this diversity not only fosters a more inclusive and supportive environment but also positions Flokk and our employees to thrive in an ever-evolving global landscape.

Total number and rate of new employee hires / employee turnover during 2024, by region and age groups

Region/Country	Total employees, end 2024	New employees; Age below 30	New employees; Age 30-50	New employees; Age over 50	Total starters	Turnover rate
Australia (Sydney, Melbourne)	3	0	1	0	1	33.3
Belgium (Brussels)	6	0	0	0	0	0.0
Canada	0	0	0	0	0	0.0
China (Shanghai)	112	4	17	1	22	19.6
Czech Republic	2	0	1	0	1	50.0
Denmark (Copenhagen)	17	1	0	1	2	11.8
France (Villemorin)	17	4	0	0	4	23.5
Germany (Düsseldorf)	41	2	1	1	4	9.8
Mexico	3	1	1	0	2	66.7
Norway (Bergen, Oslo, Røros, Stavanger, Trondheim)	265	4	8	0	12	4.5
Poland (Turek, Warsaw, The Czech Republic)	712	2	2	1	5	0.7
Singapore (Singapore)	4	0	0	0	0	0.0
Romania	1	0	0	0	0	0.0
Sweden (Göteborg, Nässjö, Stockholm)	171	4	6	1	11	6.4
Switzerland (Opfikon)	16	0	0	0	0	0.0
The Netherlands (Rotterdam)	23	4	0	0	4	17.4
UK (London-Brixton&Clerkenwell)	70	1	5	0	6	8.6
USA (Virginia, Washington DC, Hawthorne)	415	18	34	12	64	15.4
Total	1878	45	76	17	138	7.4

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)	3	0	0	3	0
Belgium (Brussels)	6	0	0	6	0
Canada	0	0	0	0	0
China (Shanghai, Guangzhou, Hongkong)	108	4	0	112	0
Czech Republic	2	0	0	2	0
Denmark (Copenhagen)	16	1	0	15	2
France (Villemorin)	12	5	0	17	0
Germany (Düsseldorf)	36	5	0	38	3
Mexico	3	0	0	3	0
Norway (Bergen, Oslo, Røros, Stavanger, Trondheim)	260	5	0	245	20
Poland (Turek, Warsaw)	692	20	0	710	2
Singapore (Singapore)	4	0	0	4	0
Romania (is counted in Poland, and hired in Poland - works in Romania)	1	0	0	1	0
Sweden (Göteborg, Nässjö, Stockholm)	168	3	0	170	1
Switzerland (Opfikon)	16	0	0	15	1
The Netherlands (Rotterdam)	20	3	0	18	5
UK (London-Brixton&Clerkenwell)	69	1	0	70	0
USA (Virginia, Washington DC, Hawthorne) (total 415 which includes 79 production workers (hired by agency))	336	79	0	410	5
Total women	669	57	0	700	26
Total men	988	65	0	1040	13
Total employees	1752	126	0	1839	39

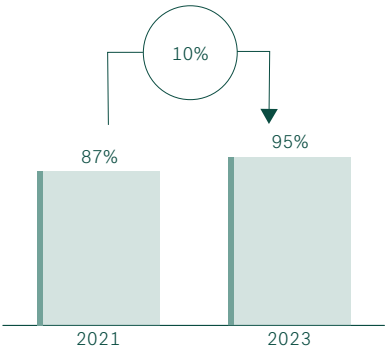
FLOKK'S ENGAGEMENT SURVEY – Engagement@Flokk

As part of our commitment to cultivating a secure, respectful, and inclusive workplace, Flokk conducts Engagement Surveys every second year. The most recent survey was conducted in 2023, where we exceeded our 90% target response rate, reaching an impressive 95%.

While no new survey was conducted in 2024, we have focused on implementing the agreed-upon measures from the 2023 survey. Through a structured, team-based follow-up process, we continue to reinforce the positive aspects of our company culture while introducing improvements at both team and site levels to further strengthen our working environment.

In our engagement survey, we measure specific Key Performance Indicators (KPIs) associated with key areas of focus within Flokk. Consequently, from last years' survey we have incorporated a distinct focus, and questions aimed at capturing employees' perceptions of our DEI initiatives.

Response rate of Flokk Group engagement survey



Engagement survey results

	2021	2023	Target
Response rate	87%	95%	90%
Inclusion	n.a.	8.0	8.0
Working environment	6.8	7.2	8.0
Work-life balance	7.0	7.5	8.0
Leadership	7.3	7.6	8.0

As the Engagement survey did not take place in 2024 as we conduct such every two years, we refer below to the 2023 survey results and feedback given.

The survey revealed improvements across all six thematic factors measured, again marking a positive trend. This proves our strong commitment to actively leveraging survey results for further improvements.

The number of survey participants has increased over the years stemming from incorporating employees from acquired companies. We experience that our newly acquired companies share no history as to employee surveys; hence this is very positively received.

Leaders at various tiers play a pivotal role in driving survey follow-up, fostering a sense of collective responsibility and engagement in all parts of Flokk.

One noteworthy observation is the high level of trust our employees place in our engagement survey process. This trust underlines the effectiveness of our approach and the value our employees sees in actively participating in shaping the organisation's culture and work environment.



FREEDOM OF ASSOCIATION

In The Netherlands, all employees fall under a metal electro association collective agreement as a basis for the salary adjustment process. This due to our former production entity in Zwolle. In Belgium, we must, as per law, adhere to the local inflation when adjusting salaries. In Norway, 53% and in Sweden, 55% of our employees fall under collective agreements. The non-unionised employees in Flokk have the same compensation & benefit set-up as the employees covered by the collective agreements.

At the Polish production site, we have external representation from a union. However, there is no applicable collective agreement negotiated. Dialogue and interaction

with internally elected employee representatives takes place regularly.

In our US based company, Stylex, we have a unionised environment for all production employees representing 65% of the workforce. In our other US based company, 9to5 Seating, and in most of our commercial market organisations, we have local working environment committees in place. Employees can raise issues and concerns in these fora. When acquiring a company, we strive to establish equal compensation & benefit schemes adhering to Flokk's Compensation Policy.

Ethical Business Practices - Human Rights and Anti-Corruption

	2023	2024
On-site Audits for Human Rights Compliance in Supplier Network	17	12
Human rights violations recorded in value chain	0	0
Recording instances of anti-corruption violations	0	0
Reported whistleblower incidents	0	2

CONTRIBUTING TO LOCAL JOB CREATIONS

Our commitment to responsibility transcends the boundaries of our business operations. At Flokk, we take pride in being recognised as a cornerstone employer at our European production sites. This is a distinction attributed to our significant presence and influence in the local communities surrounding these sites.

We actively engage in initiatives aimed at fostering community development and supporting local projects through collaboration with community organisations and stakeholders. We strive to make meaningful contributions to the well-being and progress of the areas where we have a presence. In the year 2024, our contributions included:

- Providing apprenticeships to young individuals as a vital component of their education
- Sponsoring local sports and cultural activities, reinforcing our commitment to cultural and recreational vibrancy
- Organising employee half day volunteer “Giving back” activities to clean-up surroundings of Flokk premises
- Encouraging employee involvement in local business initiatives on behalf of Flokk, fostering a sense of shared responsibility and community engagement
- Facilitating employee participation in local political community boards

- Participating in local business interest organisations ensuring our voice is heard in matters impacting the local community as well as Flokk
- Demonstrating a positive approach to the integration of refugees by offering employment opportunities at our sites in collaboration with social security offices, thereby contributing to the broader societal goal of fostering inclusivity and support

Through these varied efforts, we strive to create a positive and lasting impact on the communities we serve, aligning our actions with our commitment to ESG targets and community building.



PRIORITISING THE SAFETY AND WELL-BEING OF OUR EMPLOYEES

As an employer, Flokk places a strong emphasis on health and safety. Employees can feel secure knowing that their well-being is a priority, and that the company actively promotes a healthy workplace, both physically and psychologically.

Health, safety, and the working environment (HSE) are essential aspects of Flokk's management system, which is based on recognized risk management standards, including ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM AND ORGANISATION

Flokk's commitment to Health, Safety, and Environment (HSE) is embodied in a proactive culture driven by engaged Group Management and active employee participation. Our goal is to ensure that our employees leave work as healthy as when they arrived, with a primary focus on prevention, where the responsibility rests with the employer. We have a target of zero injuries and register all work-related injuries for our full-time, part-time, temporary, and contracted workers.

All employees of Flokk, including contracted workers, are entitled to a secure working environment. Flokk promotes workers' health by supporting local non-work-related initiatives. Overall, our operations are based primarily in countries where public healthcare services offer comprehensive coverage. In countries where this is not the case, we provide supplementary health insurance.

The HSE culture is supported by our Group Management and organized through HSE managers and safety deputies at each production unit and Flokk location.

SYSTEMATISED HSE APPROACH - HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

For Flokk, systematic HSE practices involve proactive risk identification, incident reporting, adherence to legal requirements, and continuous improvement. Regardless of our performance, we prioritize staying ahead, conducting risk analyses, internal audits, safety inspections, and establishing objectives and competence requirements annually in alignment with our Groupwide HSE policy.

To embed HSE throughout the organization, we follow up on action plans, track responsible individuals, and set deadlines. This ongoing process results in an enhanced risk assessment approach that employees seamlessly integrate into their work, actively participating in issue detection and proposing or taking relevant actions.

This leads to an ongoing enhancement and regular updating of the HSE risk assessment process. Employees see it as an integral part of their work, as they are at the forefront of identifying issues and suggesting or implementing appropriate actions.

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



WORK-RELATED HAZARDS AND PREVENTATIVE MEASURES

We have identified three main areas of work-related hazards with potential to cause injury or ill health:

- Physical (example: hit by objects, fall from height)
- Ergonomic (example: improperly adjusted workstation)
- Related to work-organisation (example: shift work, excessive workload demands)

Workplace – Health & Safety

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

KPI	Goal 2025	Goal 2024	Results		
			2024	2023	2022
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	9.6** ●	6.0	6.2
Number of recordable work-related injuries	0	0	33** ●	16	17

Measures & Results 2024	Status	Measures 2025
Continue with existing preventive HSE work and prevent future accidents:		
Strengthen HSE awareness across the organization. Result – Successfully completed the "Safety Matters" program at the Hawthorne production unit.	✓	Initiate "Safety Matters" program at the Delanco production unit.
Expand the scope of the HSE e-learning program to include new production sites/employees. Result – The HSE e-training has been translated into Norwegian, Swedish, Polish, Spanish, and Mandarin to enhance safety understanding among production workers. The training is completed for production workers in Norway, Sweden, Poland, China and the UK.	➔	Finish the HSE e-Learning program for remaining production workers in US and Mexico.
Ensure 100% completion of HSE Road Safety e-training for all employees in the Commercial organization. Result - 66 % of employees in the commercial organization have completed training.	➔	Ensure 100% completion of HSE Road Safety e-training for all employees in the Commercial organization.

* Recordable work-related injury rate = Total number of recordable injuries x 1 000 000 / Total hours worked.

Number of hours worked in 2024: 3 444 541 2023: 2 682 354. Working hours for non-employees are not included.

** The number of accidents has increased due to the expanded number of production sites in scope, whereof Stylex represents the majority of the increase. Work-related accidents rate have increased due to a greater focus on reporting. The types of the 33 work-related injuries are as follows: 14 - Strain, 8 - Hit by an object, 3 - Cut injury, 1 - Allergic dermatitis, 7 - Other

None of the identified hazards contributed to high-consequence injuries in 2024.

MITIGATING INJURIES

To mitigate the likelihood of these work-related injuries, we have initiated the following preventative measures:

- Mandatory HSE training for all new employees that covers safety rules, HSE incident registration and work-related hazards.
- Special training in specific high-risk activities.
- Safety tours, internal audits, and spot checks.
- Registration and investigation of unsafe conditions and near misses.
- Workstations are designed and organised to prevent injuries without compromising effective operations.
- Remove exposure of chemicals.
- Job rotations to prevent repetitive strain injuries.

WORKERS PARTICIPATION IN HSE WORK

Employee involvement in the working environment is crucial for maintaining safety and well-being. Working Environment Committees, consisting of both worker and management representatives, meet regularly to address safety concerns and make decisions. Employees are actively involved in risk management, identifying hazards, safety audits and contributing to incident follow-ups to prevent future accidents.

OCCUPATIONAL HEALTH SERVICES

Flokk has well-established occupational health services, fostering transparent communication between company representatives and external health services. Employees are informed about the following services:

- Attendance at follow-up meetings for employees on sick leave to tailor rehabilitation programs.
- Active engagement in health, safety, and working environment initiatives, including surveys and action plan preparation.
- Evaluation of health and welfare aspects of working time arrangements.
- Addressing issues related to facilitating employees with reduced functional capacity.

REPORTING UNSAFE CONDITIONS AND INCIDENTS

Workers can protect themselves from potential harm or ill health by reporting unsafe conditions or incidents through Flokk's Total Quality Management System (TQM). Reports can be made by notifying their manager or using the mobile app, ensuring a streamlined reporting process. To protect against reprisals, Flokk has a Whistleblower Process in place, allowing employees to report unacceptable conditions anonymously, if preferred.

Flokk Corporate & Sustainability Governance

At Flokk, governance is the foundation of how we operate, make decisions, and fulfill our responsibilities. Our approach to governance is grounded in doing business ethically, transparently, and sustainably. It reflects our focus on creating long-term value, building trust with stakeholders, and contributing positively to society and the environment.

Our governance principles guide our actions and ensure alignment with our values and strategic goals. Through a well-structured governance framework, we aim to:

- Uphold our position as a trusted business partner for stakeholders.
- Promote ethical decision-making and prevent illegal or unethical practices.
- Proactively manage risks and identify opportunities

UPHOLDING OUR ROLE AS A TRUSTED BUSINESS PARTNER

Flokk's governance framework is built around three core principles: transparency, accountability, and ethics. These principles guide how we engage with stakeholders and conduct our operations.

Transparency: We keep stakeholders informed about our strategies, performance, and decision-making processes. Open communication channels foster trust and ensure stakeholders have a clear understanding of our actions.

Accountability: We align our decisions and activities with our stated values and objectives. Clearly defined roles, responsibilities, and performance metrics enable us to deliver on our commitments effectively and consistently.

Ethics: Integrity is at the heart of our governance. We ensure our practices comply with legal standards and reflect strong moral principles. This applies to how we interact with employees, partners, customers, and communities.



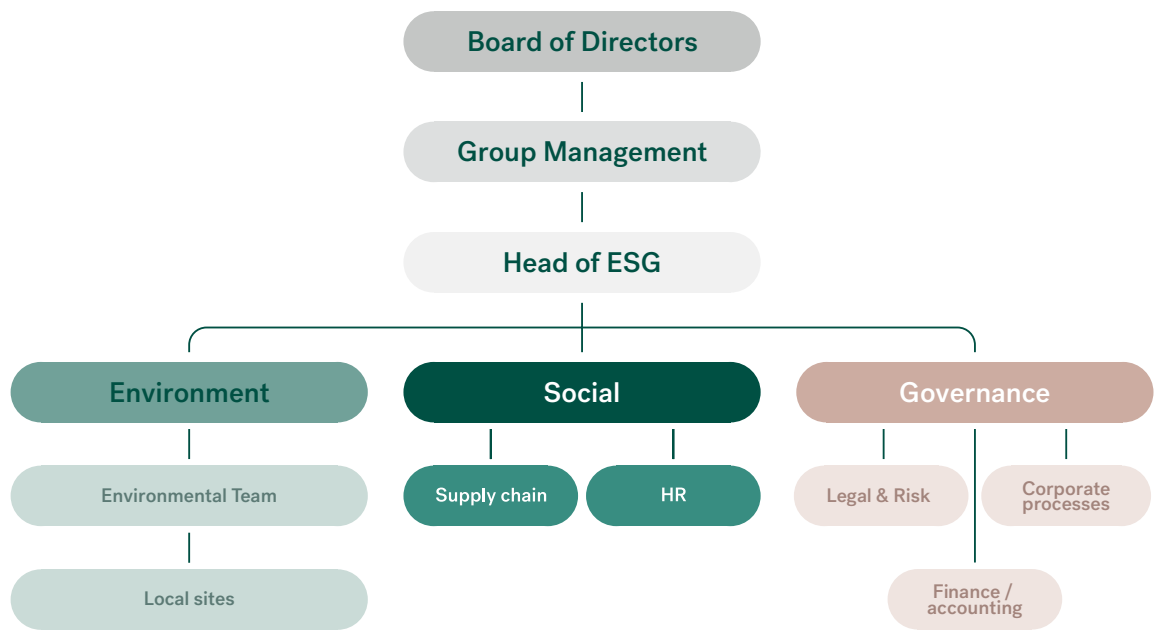
RH Extend

ROLES & RESPONSIBILITIES:

Flokk’s sustainability governance structure is designed to deliver long-term value by clearly defining roles and responsibilities at every level of the organization.

This governance framework enables us to maintain accountability, manage risks effectively, and align

sustainability with our broader business objectives. By embedding sustainability into our governance practices, we aim to build trust, foster innovation, and create long-lasting positive impact for our stakeholders and the wider community.



	Board of Directors	The Board provides oversight of Flokk’s sustainability strategy, ensuring alignment with the company’s overall vision and guiding key decisions.
	Group Management	Group Management sets strategic priorities and provides direction, ensuring sustainability remains a core part of Flokk’s business operations and long-term objectives.
	Head of ESG	The Head of ESG leads the implementation of the sustainability strategy, coordinates efforts across environmental, social, and governance domains, and prepares materials for decisions, reporting, and performance reviews.
	Environmental, Social, and Governance domains	These teams implement specific policies and plans in their respective areas, driving sustainability initiatives across the organization.
	Local	Local teams integrate Flokk’s sustainability objectives into day-to-day management, ensuring alignment with overarching goals and translating strategy into practical actions.

PROMOTING ETHICAL DECISION-MAKING

Flokk takes a clear and uncompromising stance against all forms of corruption. Our business practices are guided by strict ethical standards, reflecting our commitment to being a trusted and respected partner for all stakeholders. In alignment with international frameworks such as the UN Global Compact and ILO Conventions, we uphold our responsibility as a reliable and principled employer. This approach is central to safeguarding our reputation and ensuring the well-being of our employees, partners, and stakeholders.

ANTI-BRIBERY & ANTI-CORRUPTION

Flokk’s ethical practices are underpinned by a suite of policies designed to ensure compliance with international regulations and promote responsible behavior across our organization and value chain.

Key Policies:

- Code of Conduct for Employees: Guides employees in maintaining the highest ethical standards in their day-to-day activities. It covers compliance with laws, ethical business practices, and expectations for integrity.
- Code of Conduct for Business Partners: Establishes clear expectations for our suppliers, contractors, and other partners, ensuring alignment with Flokk’s values and adherence to environmental, social, and governance principles.
- Anti-Money Laundering Policy: Protects against the misuse of funds and ensures compliance with financial regulations.

- Anti-Bribery and Corruption Policy: Prohibits bribery, facilitation payments, kickbacks, and other corrupt practices across all levels of the organization and partnerships.
- Anti-Trust Policy: Ensures fair competition and compliance with antitrust regulations in all markets where Flokk operates.
- Whistleblower Policy: Offers a secure, anonymous channel for reporting unethical or illegal activities without fear of retaliation.
- Sanction Policy: Incorporates rigorous screening processes to ensure business activities comply with international sanctions.

Performance Highlights (2024):

- Zero recorded incidents of corruption.
- No employee dismissals or disciplinary actions related to corruption.
- No legal cases, fines, or sanctions related to corruption involving Flokk or its employees.

INFORMATION SECURITY

As cyber threats grow increasingly sophisticated, Flokk prioritizes robust information security measures to safeguard the confidentiality, integrity, and availability of our data. Our comprehensive strategy is designed to ensure resilience and protect both our operations and stakeholders.

Core principles and initiatives:

- Information Security Management System (ISMS): A structured framework guiding our efforts to manage and mitigate security risks effectively.
- ISO 27001 Certification: Reflecting our adherence to internationally recognized information security standards.
- Continuous Improvement: Regular assessments, along with internal and external audits, drive ongoing enhancement of security protocols.

- Technical Protections: Implementation of advanced technical barriers to safeguard systems against cyber threats.
- Employee Training and Awareness: Cybersecurity training, including attack simulations, ensures employees are equipped to recognize and respond to threats.
- Proactive Monitoring and Threat Detection: Continuous monitoring enables the early identification and mitigation of potential security risks.
- Incident Response and Management: Defined processes allow for swift action to minimize impact in the event of a security breach.
- Integration with Risk Management: Information security is fully integrated into Flokk’s broader risk management framework.

IMPLEMENTING CORPORATE GOVERNANCE

Achieving Flokk's strategic goals and adapting to a changing business environment requires the seamless integration of people, policies, and systems. This approach embeds

sustainability at the core of our organization, fostering resilience and efficiency in meeting our environmental, social, and governance objectives.



POLICIES:

Flokk has established a robust set of Group Policies that provide a strategic framework for guiding our organizational conduct. These policies are reviewed and approved annually by the Board of Directors to ensure their relevance and alignment with the precautionary principle. Compliance with these policies is mandatory for all employees, regardless of employment type, reinforcing a unified approach across the organization.

Our policies are essential tools for identifying and mitigating risks. They include defined procedures for risk assessment and management, enabling Flokk to proactively address challenges. In addition to setting ethical and responsible guidelines for behavior, these policies integrate environmental and social considerations into our governance. We have prioritized a core set of policies that are applicable across all locations and entities within Flokk:

- Code of Conduct (Employees and Business Partners)
- Diversity, Equity, and Inclusion Policy
- Health, Safety, and Environment (HSE) Policy
- Anti-Money Laundering Policy
- Anti-Bribery and Corruption Policy
- Sanction Policy
- Information Security and Privacy Policy
- Environmental Policy
- Business Continuity & Crisis Management policy



SYSTEMS:

Flokk's Total Quality Management (TQM) System serves as the centralized repository for all steering documents, policies, and procedures. As the backbone of our operations, this system enables us to deliver on our commitments to quality, innovation, and reliability.

The TQM system provides:

- Streamlined Operations: Centralizing critical documents ensures consistency and efficiency.
- Transparency and Accountability: Teams have efficient access to essential information, enhancing decision-making.
- Continuous Improvement: Regular updates to documents and procedures drive innovation and compliance.

In addition to the TQM system, Learning@Flokk supports employee development through an engaging and personalized e-learning platform. Its user-friendly interface and tailored learning paths ensure that team members stay informed and aligned with Flokk's values and objectives.



PEOPLE:

At Flokk, we recognize that policies must translate into meaningful action. To achieve this, we prioritize empowering our employees through comprehensive training and awareness programs. These initiatives ensure that everyone within our organization understands and upholds Flokk's shared values.

- For new employees: Policies are a core part of the onboarding process, ensuring that every new hire gains a solid understanding of Flokk's guidelines and expectations from the start.
- For existing employees: Policies are integrated into our e-learning modules and reinforced during annual individual development talks. This continuous learning process keeps employees updated on any changes and ensures alignment with our strategic priorities.

We believe that knowledge drives responsible and informed decision-making. Through this structured approach to training, we equip every individual at Flokk to embody our principles and contribute to our collective success.

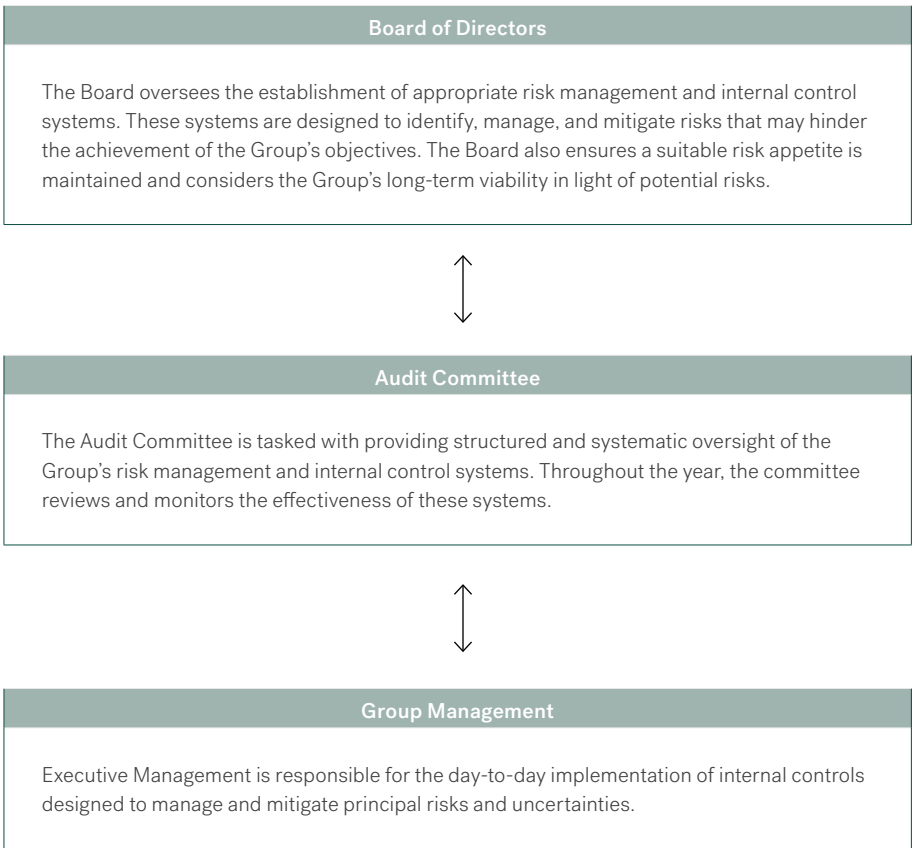
RISK AND OPPORTUNITY MANAGEMENT

Effective risk management is essential for delivering strategic objectives and ensuring the sustainable growth of our business. As we navigate business uncertainties, a structured risk management approach allows us to proactively respond to, mitigate, and manage risks while capitalizing on opportunities. Our geographical footprint, broad product portfolio, and relationships with customers and suppliers play a vital role in mitigating material risks to the Group's sustainable growth and long-term shareholder value.

RISK MANAGEMENT APPROACH AND GOVERNANCE

Risk and uncertainty are inherent in business operations, potentially impacting financial, operational, or reputational performance. The Board of Directors is ultimately responsible for overseeing risk management and defining the Group's risk appetite. Each year, the Board reviews principal and emerging risks and ensures a robust risk management framework is in place. This enables effective prioritization and management of risks within set appetite levels.

The Board annually evaluates the effectiveness of the Group's risk management and internal control systems. The governance framework supports clear ownership and delegation of responsibilities, ensuring the seamless flow of information across the Group.



ENTERPRISE RISK MANAGEMENT PROCESS

Our enterprise risk management process integrates across the Group, supporting the achievement of strategic objectives. The annual risk assessment combines a top-down and bottom-up evaluation to assess the likelihood and potential impact of risks at the Group level. Senior business and functional leaders contribute through workshops, interviews, and surveys, which are consolidated into the Group Risk Library.

The risk universe is a dynamic foundation that evolves with new and emerging risks. A standardized risk-scoring methodology ensures consistent reporting and evaluation. Executive Management reviews and validates identified risks, which are subsequently submitted to the Audit Committee and Board for final approval.

Each principal risk is assigned to a risk owner, who ensures sufficient mitigation actions are in place to maintain risks within the agreed thresholds.

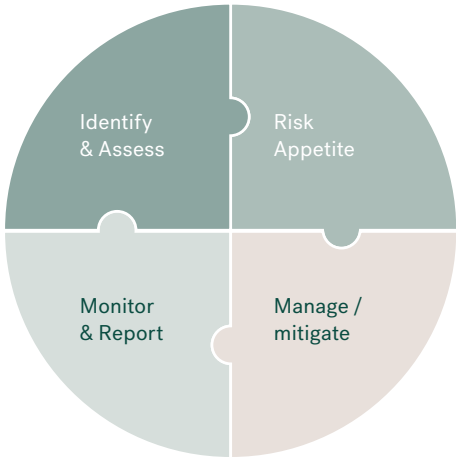
At Flokk, we conduct comprehensive Climate Risk Assessments to identify key risks and emerging opportunities driven by the growing public awareness of climate change. These assessments are aligned with the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations and are based on insights from interviews with key personnel across the organization.

Based on available insights, Flokk facilities and suppliers are not currently identified as being in regions with significant physical climate risks. Our focus is on understanding and addressing business risks associated with climate change, while exploring opportunities to adapt and grow sustainably.

Given the nature of Flokk’s operations, including its production footprint, inbound value chains, and material consumption, nature-related risks have been assessed as low. As part of our commitment to ongoing improvement, we are exploring the adoption of nature risk assessments aligned with the Taskforce for Nature-related Financial Disclosures (TNFD) for 2025.

FUTURE FOCUS: ENHANCING RISK ASSESSMENTS

In light of Flokk's recent acquisitions, we will update our Climate Risk and Opportunity Assessments to ensure it accurately reflect the evolving dynamics of our operations and value chains. This proactive approach will help us adapt to changing risks while identifying opportunities to lead in climate resilience and sustainable growth.



RISKS AND OPPORTUNITIES CATEGORIES

- Strategic
- Operational
- ESG
- Market
- Finance & Treasury
- Human Resources & Health and Safety
- Information Security
- Legal & Compliance

CLIMATE RISK ASSESSMENT OUTCOMES:

- Corporate KPIs defined & monitored to ensure we continue to reduce our cradle to gate climate emissions
- Environmental Goals for 2030 reviewed & progress tracked
- Further 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
- Benefits of 5-III principles for sustainable design proven in further product categories through new launches; Profim Snap (easy-chair), OFFECCT Circulus (modular sofa)

RISK AND OPPORTUNITY MANAGEMENT

Risks and Opportunities – Environmental, Social and Governance

	Themes	Identified Risks	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 & new categories. • Tap into strong innovative capability to develop new service concepts • Advice customers on setting environmental purchasing criteria • Lift performance level at suppliers by setting strict environmental requirements through new Integrity Next Portal • Continue migration of post-consumer recycled material in existing products • Counter labour arbitrage by high industrialization rates & owned IP • Less travel and lower emissions • Higher efficiency with digital meetings • Global Fight against financial crime
		Climate	
		Resources	
		Health	
S	Responsible Supply Chain - operations of suppliers and tiers	<ul style="list-style-type: none"> • Growing supply chain - number and distribution • Compliance level among suppliers • Events challenging global supply chains • Compliance to new standards such as EUDR is challenging. 	<ul style="list-style-type: none"> • Build corporate value for stakeholders with supply chain transparency • Driving change for social responsibility
	Social Responsibility & Human Rights - own + business partners	<ul style="list-style-type: none"> • Harassment • Diversity, Equity and Inclusion • Freedom of Association and the Right to Collective Bargaining 	
	Health and Safety - Workplace	<ul style="list-style-type: none"> • Fatalities/ Lost time injury frequency (LTIFR) • Repetitive strain injuries • Forklift driving • Fire at own premises 	
	Health and Safety - Customers	<ul style="list-style-type: none"> • Injuries at customer • Customer satisfaction • Chemical exposure • Reputation 	
G	Integrity, Risk and Compliance	<ul style="list-style-type: none"> • Compliance with new regulations or expectations from relevant stakeholders within the three defined areas of ESG • Local laws & regulations • Secure conducting business in compliance to internal policies and procedures • Sanctions & Trade barriers 	<ul style="list-style-type: none"> • Adequately address long-term risks • Promote investor confidence • Responsible investment
	Suppliers Management	<ul style="list-style-type: none"> • Data quality and accessibility • Control in all Tiers levels 	
	Commercial	<ul style="list-style-type: none"> • Restrictions of selling products in specific/new markets due to stricter requirement for documentation purposed (e.g. EUDR) • Reputational risk 	
	Cybersecurity and Privacy	<ul style="list-style-type: none"> • Cyber attacks • Secure data privacy and security law • Stability of the production systems 	

Activity to minimize risk and follow up opportunities

- ISO 14001 - environmental management system
 - Energy Audits EN 16247 (EED compliance)
 - Codes of Conduct for employees and business partners
 - Environmental 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 lifetime and easy disassembly for reuse & recycling
 - Quantified targets for annual consumption of post-consumer recycled material in production (both closed material loop & low carbon footprint materials)
 - Eco labelling – EU Ecolabel, EPD, GREENGUARD Gold, FSC (EUDR)
 - Environmental Policy
 - Risk reduction Production sites - Management system Risk module
 - Waste Management
 - Chemical management – iChemistry & MSDS archives – SCIP compliance
 - Environmental Requirements to Suppliers
 - Supply Chain Management, supplier appraisals and compliance screening
 - ESG included in Due diligence & acquisitions processes
-
- Supplier development strategies
 - Supplier appraisal process
 - Tracking of KPIs on supplier performance and risk assessment, signing of CoC
 - Implementation of supplier mgmt. and risk assessment tool Integrity Next
 - Sanction screening process, sanction tool and sanction policy
-
- Human Rights Policy
 - Code of Conduct for employees
 - Code of Conduct for Business Partners
 - Diversity Equity and Inclusion Policy and employee task force
 - IDT - Individual Development Talk with Mid-year review
 - Training & e-learning in Learning portal – Learning@Flokk
 - Trade unions & working environment committees –close cooperation, regular meetings
 - Regular working environment surveys – Engagement@Flokk
 - Human Right Due Diligence
-
- Health & Safety Policy
 - Risk management
 - Internal Audits and Safety tours
 - HSE e-learning for all employees
-
- Test reports according to international standards with requirements covering safety, stability and strength
 - Product certificates according to Eco labelling - free for hazardous chemicals
 - Customer training in proper use of products
-
- Enterprise risk management
 - Finance Policy
 - Quality Policy
 - Health & Safety Policy
 - Environmental Policy
 - Delegation of authority Policy
 - Flokk's Code of Conduct
 - Corporate policies (Sanctions, Anti-Bribery and Anti-Money Laundering)
 - Learning programs
-
- Code of Conduct – Business Partners
 - Suppliers Management tool
 - Supplier performance meetings
 - Supplier selection process
-
- Certified with ISO 9001 Quality Management System, ISO 14001 Environmental Management Systems, ISO 27001 Information Security and Privacy
 - Brand Geo Policy
-
- Information Security and Privacy Policy
 - Procedure for cyber security
 - Guidelines for Personal Data Protection
 - Learning programs



Profim Normo

Materiality Assessment

A key component of Flokk's sustainability strategy and reporting is the transparent identification and disclosure of areas where the company can make a meaningful impact – both positive and negative – on the environment, society, economy, and people. This process is fundamental to guiding our strategic priorities and is driven by insights gathered from internal and external stakeholders. By identifying evolving material risks and opportunities, we aim to navigate the complexities of a rapidly changing global landscape, including societal shifts and evolving legislation that reflect heightened public expectations in all our markets.

MATERIAL IMPACTS AND STRATEGIC PRIORITIES

Material topics are those that represent the most significant impacts an organization has on society and the environment. In 2021, Flokk partnered with The Governance Group (now Position Green Group) to update our materiality assessment in alignment with the GRI Standards 2021 concept of double materiality. This approach evaluates both:

- Strategic priorities: How sustainability factors impact Flokk's operations, financial performance, and long-term resilience.
- External materiality: How Flokk's operations, products, and practices impact society and the environment.

The updated 2021 assessment included:

- Internal Engagement: In-depth interviews with Group Management to identify strategic priorities.
- External Perspectives: Engagement with key partners such as Nordea, The Confederation of Norwegian Enterprise (NHO) - Furniture & Interiors, Skift (a business-led climate initiative and CEO network), and Circular Norway (a promoter of circular economy transformation).

The process examined the full range of impacts across the furniture industry value chain, identifying those with significant and independent positive effects, such as fully circular products integral to our business model. Reducing negative impacts or outperforming the industry average were not sufficient to qualify

as positive impacts under this framework. Following this rigorous evaluation, a final list of Flokk's material impacts and strategic priorities was validated with input from ESG stakeholders and Group Management through workshops.

UPDATE FOR CSRD COMPLIANCE

As part of Flokk's preparations to meet the requirements of the Corporate Sustainability Reporting Directive (CSRD), we will conduct an updated materiality assessment. This update will align with the directive's emphasis on double materiality and enhance our ability to report transparently on sustainability impacts and risks. This process will ensure Flokk remains aligned with evolving EU regulatory standards and expectations for comprehensive sustainability disclosures.

REPORTING STANDARD & PERIOD

This year's sustainability report has been prepared in accordance with the GRI Standards 2021 and covers the period of financial year 2024. Financial and sustainability reporting have been aligned, with both set for publication on May 5th, 2025.

REPORTING SCOPE

The scope of this sustainability report encompasses the entities listed in Note 18 of the financial reporting.

Environmental	Social	Governance
<p>Material impacts:</p> <ul style="list-style-type: none">1. GHG-emissions• Climate impacts from supply chain (S)• Climate impacts from own productions and operations (S) <p>2. Circular economy</p> <ul style="list-style-type: none">• Contributions to a circular economy (P)• Material use in products and packaging• Waste/pollution impacts in productions and operations <p>3. Chemical impacts in supply chain (S)</p>	<p>Material impacts:</p> <ul style="list-style-type: none">1. Local job creation and employment offerings (P)2. Working conditions in supply chain• Labour rights violations• Health, safety and working environment <p>Strategic priorities:</p> <ul style="list-style-type: none">• Diversity, Equity and Inclusion• Health, safety and working environment in own operations (S)• Health and Safety Customers (P)	<p>Material impacts:</p> <ul style="list-style-type: none">1. Influence on sustainable public procurement practices and regulations (S)(P)2. Illegal or unethical practices in supply chain <p>Strategic priorities:</p> <ul style="list-style-type: none">• 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 with stakeholders across our value chain is critical to delivering on Flokk's sustainability ambitions, user-centered innovation, and operational performance. We engage stakeholders through structured and ongoing dialogue to understand their expectations, assess risks and opportunities, and evaluate how our activities affect them. This includes both internal and external stakeholders.

In addition to commercial and regulatory stakeholders, Flokk is committed to contributing to broader societal outcomes, including the advancement of human rights for vulnerable groups.

Flokk's stakeholders include individuals and entities that influence or are affected by our business activities across the value chain. This covers both those directly involved in our operations, and those indirectly impacted through our products, services, or broader societal footprint. We consider stakeholder expectations and concerns as part of how we manage risk, create value, and identify opportunities.

- 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 Regulators
- 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
- 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
- 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 Seating 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
Neurodesign	Explore how design & architecture can positively influence human psychology, cognitive performance, creativity and wellbeing, through state-of-the-art neuroscience tech	University College London, Institute of Behavioural Neuroscience	2023 - 2027
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, Indidium + various suppliers	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
INTERNAL		
Owners	Triton is committed to achieving sustainable, long-term returns on investment by creating value in their portfolio companies across different economic cycles.	Triton follows up on ESG requirements and guidelines with Flokk through structured, regular dialogue. This includes: Monthly result calls, Monthly PC ESG calls, Quarterly performance reviews (financial reporting and ESG reporting), Annual ESG reporting, Triton annual ESG forum, Annual action plan review, ESG on BoD agenda.
The Board and Group Management	The Board is dedicated to ensuring that Flokk's activities are aligned with the company's mission and values across all aspects of the organization and its value chain.	The Board meets every two months, with additional meetings attended by the CEO, CFO, and relevant members of Group Management (GM) as needed. GM maintains regular communication with the Board.
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 characterised 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.
EXTERNAL		
Customers - dealers, importers, end users	Flokk has three main customer groups: dealers, importers, and end users. In addition, we have important commercial influencers such as the A&D community, physiotherapists, etc. Dealers represent the public face of the company vis-à-vis end customers and users, and exercise considerable influence over the company's reputation as most of our sales goes through our dealers (indirect distribution).	The Customer Survey is typically sent out once a year. 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.
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 reviewing 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.
Local communities	Flokk is an important employer in several of the local communities we have operation and strive 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.
Industry associations	A - The Confederation of Norwegian Enterprise (NHO), Furniture & Interiors. B - Norwegian design industry cluster Plusslab/+LAB.	A - Annual General Meetings, Board meetings. B - Participation in Expert group for sustainability and circular business models.

Key topics 2024	Response
INTERNAL	
<p>Three highlights from Triton's ESG agenda in 2024:</p> <ul style="list-style-type: none"> i. CSRD Readiness: Preparing for compliance with the Corporate Sustainability Reporting Directive (CSRD), ii. Product Certifications and Environmental Product Declarations (EPDs) iii. Strengthening efforts to reduce carbon emissions and adherence to the European Energy Efficiency Directive 	<ul style="list-style-type: none"> i. CSRD preparations by conducting Double Materiality Assessment and Gap Assessments ii. Expansion of EPDs: In 2024, Flokk added 30 new EPDs across product portfolio, iii. Carbon Reduction Initiatives and EED Compliance: Flokk actively tracks and reports on energy consumption and carbon emissions, working toward compliance with the EED.
<ul style="list-style-type: none"> i. Governance and risk oversight ii. Operational and financial performance: iii. Market and regulatory compliance: 	<ul style="list-style-type: none"> i. Annual updates to governance policies. ESG performance is reviewed regularly ii. Oversight of the alignment of corporate activities with Flokk's strategic direction, supported by certified quality management standards (ISO 9001, ISO 14001, ISO 45001). iii. Monitoring regulatory changes and standards impacting Flokk's operations, with an emphasis on maintaining compliance.
<p>Leadership Development Programs completed: Strategy awareness training, engagement survey follow-up training, Change Management training and a program as to how to navigate in a matrix organisation. 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. Newly acquired companies have been through Code of Conduct training.</p>	<p>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. Either in paper format or digitally. Regular Townhall Meetings take place four times a year, and departmental meetings are held at least every second month.</p>
EXTERNAL	
<p>Integration of our acquired brands to common ERP and CRM system to have same processes and control, 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). Set up EDI solutions between defined dealers and Flokk. Use AI to check orders before Customer Service takes over the order for order entry.</p>	<p>Flokk HUB and re-organising the order flow process in Flokk in total. New KPI reports are made to measure response time for 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. Measurements show that incorrect orders from dealers account for the largest share of workload in Customer Service.</p>
<p>Increase the level of signed Code of Conducts. We have also rolled out a new Environmental Requirement to suppliers to our European brands. We continued the re-appraisal of key suppliers from Poland. Big tool transfers were carried out within Aluminum and Plastics to new suppliers..</p>	<p>We are willing to listen to our suppliers in difficult situations and they appreciated an open discussion with us.</p>
<p>Flokk continues to contribute financially to culture and sports projects, and other socially related activities at our local sites. 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.</p>	<p>Flokk continues to play a central role through community engagement:</p> <ul style="list-style-type: none"> • Supporting local communities by offering apprenticeships, organizing clean-up activities, and sponsoring local sports and cultural events. • Encouraging employees to participate in local political boards and business interest organizations, ensuring Flokk's positive influence in local matters. • Collaborating with social security offices to integrate refugees into the workforce, contributing to inclusivity and social cohesion.
<p>A - Pilot member of "Leading on Environment and Quality" project. EPD practice improvement. Position statements ahead of EFIC sessions (through NHO).</p> <p>B - Downstream innovation, circular economy.</p>	<p>A - Promotion of best practice for environmental criteria when purchasing office furniture, through EPDs.</p> <p>B - Valued insight into mechanics & pitfalls of circular business models.</p>

GRI-Index

This report has been prepared by Flokk in accordance with the GRI Standards 2021 for the financial year 2024.

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 content of the GRI report was collaboratively developed, proofread, subjected to formal review, and granted approval by Flokk Group Management. While the report has not undergone external verification, Position Green Group conducted an independent gap analysis of our GRI 2020 report vis-à-vis the GRI Standards for 2021, ensuring alignment for forthcoming reports. We will adhere to the timeline of CSRD for companies in the so called "wave two".

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 7 | Ensure access to affordable, reliable, sustainable and modern energy for all |
| 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 | Organisational 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 organisation for social responsibility |
| 7.4.3 | Building social responsibility into an organisation'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 2024 to 31. Dec 2024
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			
General disclosures								
GR12: General Disclosures 2021	2-1 Organisational details							
	2-1-a	Legal name	Cover					6.3.10 6.4.1- 6.4.5 6.8.5 7.8
	2-1-b	Nature of ownership and legal form	12-14, 74					
	2-1-c	Location of headquarters	5, 160					
	2-1-d	Countries of operation	19, 160					
	2-2 Entities included in the organisation's sustainability reporting							
	2-2-a	Entities included in sustainability reporting	19, 74, 148					7.5.3 7.6.2
	2-2-b	Entities included in financial vs sustainability reporting	148					
	2-2-c	Consolidating information of multiple entities	148					
	2-3 Reporting period, frequency and contact point							
	2-3-a	Reporting period for / frequency of sustainability reporting	148					7.5.3 7.6.2
	2-3-b	Reporting period for financial reporting	148					
	2-3-c	Publication date of the report	148					
	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	110-113, 122, 124-125					
	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	8-9, 19, 56-57					6.3.10 6.4.1- 6.4.5 6.8.5 7.8
	2-6-b	Value chain	8-9, 19, 102, 126-130 149-151					
	2-6-c	Other relevant business relationships	104-107 132-137					
	2-6-d	Significant changes in 2-6-a,b,c compared to previous reporting period	6-8, 30-36, 126-130					
	2-7 Employees							
	2-7-a	Total number of employees	5, 9, 33, 132-137				8	6.3.10 6.4.1- 6.4.5 6.8.5 7.8
	2-7-b	Total number of various types of employees	30-36, 132-137					
	2-7-c	Methodologies & assumptions to compile data	132-137					
	2-7-d	How to understand data under 2-7-a,b	132-137					
	2-7-e	Significant fluctuations in number of employees	132-137					
	2-8 Workers who are not employees							
	2-8-a	Total number of workers who are not employees	132-137				8	6.3.10 6.4.1- 6.4.5 6.8.5 7.8
	2-8-b	Methodologies and assumptions to compile data	132-137					
	2-8-c	Significant fluctuations in number of workers who are not employees	132-137, 142					
	2-9 Governance							
	2-9-a	Governance structure	12-14, 140-141				8	6.2 7.4.3 7.7.5
	2-9-b	Committees of highest governance body responsible for decision making	12-14, 140-141					
	2-9-c	Composition of highest governance body and its committees	12-14, 140-141		Not applicable	No employees in Flokk Holding AS		

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			UN SDGs No.	ISO 26000	
			Requirement omitted	Reason	Explanation			
GRI2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body							
	2-10-a	Nomination and selection processes	12-14					6.2 7.4.3 7.7.5
	2-10-b	Criteria used for nominating and selecting	12-14					
	2-11 Chair of the highest governance body							
	2-11-a	Is chair of highest governance body a senior executive	12					6.2 7.4.3 7.7.5
	2-11-b	If so, explain functions, reasons, conflict mitigation	12	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	12-17, 140-141				8	6.2 7.4.3 7.7.5
	2-12-b	Role of highest governance body in overseeing due diligence	12-17, 140-141					
	2-12-c	Role of highest governance body reviewing effectiveness of 2-12-b, frequency	141					
	2-13 Delegation of responsibility for managing impacts							
	2-13-a	How highest governance body delegates responsibility	12-17, 140-141				8	6.2 7.4.3 7.7.5
	2-13-b	Process and frequency to report to highest governance body	12-17, 140-141					
	2-14 Delegation of responsibility for managing impacts							
	2-14-a	Responsibility & process of highest governance body for reviewing and approving reported information	152				8	6.2 7.4.3 7.7.5
	2-14-b	If highest governance body not responsible, explain reason for this	NA	b.	Not Applicable	GM is responsible		
	2-15 Conflicts of interest							
	2-15-a	Processes for highest governance body to prevent and mitigate	13, 144					6.2 7.4.3 7.7.5
	2-15-b	If and how conflicts of interest are disclosed to stakeholders	13, 144					
	2-16 Communication of critical concerns							
	2-16-a	How communicated to highest governance body	144-147					6.2 7.4.3 7.7.5
	2-16-b	What communicated to highest governance body	55, 144-147					
	2-17 Collective knowledge of the highest governance body							
	2-17-a	Knowledge, skills, and experience of highest governance body on sustainable development	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	12-17				17	6.2 7.4.3 7.7.5
	2-18-b	Independency & frequency of evaluations	14, 150					
	2-18-c	Actions taken based on evaluations	14, 152					
	2-19 Remuneration policies							
	2-19-a	Remuneration policies for highest governance body and senior executive	12-15				8	6.2 7.4.3 7.7.5
	2-19-b	How remuneration policies relate to objectives and performance	12-15					
	2-20 Process to determine remuneration							
	2-20-a	Process for designing remuneration policies and for determining remuneration	12-15, 89-91				8	6.2 7.4.3 7.7.5
	2-20-b	Stakeholders' involvement in remuneration	12-15				17	
	2-21 Annual total compensation ratio							
	2-21-a	Ratio of the annual total compensation	67-69, 78	Ratio	Information unavailable	Must get info processed from HR for next years' reporting		
	2-21-b	Percentage increase in annual total compensation ratio	67-69, 78	Ratio	Information unavailable	Must get info processed from HR for next years' reporting		
	2-21-c	Understanding data & data compilation	67-69, 78	Data processing	Information unavailable	Must get info processed from HR for next years' reporting		

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			UN SDGs No.	ISO 26000	
			Requirement omitted	Reason	Explanation			
GR12: General Disclosures 2021	2-22 Statement on sustainable development strategy							
	2-22-a	Statement from highest governance body or most senior executive	6 (CEO), 12-14, 33-34, 101, 104-107				8	4.7 6.2 7.4.2
	2-23 Policy commitments							
	2-23-a	Policy commitments for responsible business conduct	140-143				16	4.4 6.6.3
	2-23-b	Specific policy commitment to respect human right	126-130, 132-133, 142, 148				16	
	2-23-c	Links to the policy commitments	www.flokk.com/global/support/other_flokk_policies					
	2-23-d	Policy commitments level of approval	143					
	2-23-e	Extent to which policy commitments apply to organisation and business relationships	143					
	2-23-f	How policy commitments are communicated	143					
	2-24 Embedding policy commitments							
	2-24-a	Embedding policy commitments for responsible business conduct	143				16	
	2-25 Processes to remediate negative impacts							
	2-25-a	Commitments on remediation of negative impacts	102, 126-127, 142-143					6.3.3 6.5.5 7.3.1
	2-25-b	Approach to identify and address grievances	102, 142-143					
	2-25-c	Other processes on remediation of negative impacts	102, 116-127, 142-143					
	2-25-d	Stakeholders' involvement in grievance mechanisms	116, 142					
	2-25-e	Effectiveness of grievance mechanisms and other remediation processes	116, 149-151					
	2-26 Mechanisms for seeking advice and raising concerns							
	2-26-a	Describe the mechanisms for individuals	140, 142					
	2-27 Compliance with laws and regulations							
	3-3	Management of Environmental compliance	6, 102, 126-130, 148					
	2-27-a	Total number of significant instances of non-compliance with laws and regulations	142					4.6
	2-27-b	Total number and monetary value of fines for instances of non-compliance with laws and regulations that were paid	142					
	2-27-c	Significant instances of non-compliance	142					
	2-27-d	Determination of significant instances of non-compliance	142					
	2-28 Membership associations							
	2-28-a	Industry & membership associations, participation in advocacy organisations	149-151	Advocacy organisations	Not applicable	Flokk is not member of any advocacy organisations		
	2-29 Approach to stakeholder engagement							
	2-29-a	Approach to stakeholder engagement	149-151					5.3
	2-30 Collective bargaining agreements							
	2-30-a	Percentage of total employees covered by collective bargaining agreements	137				8	5.3
	2-30-b	Employees not covered by collective bargaining agreements	137					

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	148					
	3-2	List of material topics	148					
Economic Performance (& Climate Risk)								
GRI 3: Material Topics 2021	3-3	Management of material topics	12-14, 102-107					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	38, 40, 56-57, 66-67, 98	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	144-147				13	6.5.5
Procurement Practices								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-103, 126-130					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	126				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	142, 144-145					
GRI 205: Anti- corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	143, 129				16	6.6.1-6.6.3 6.6.6
	205-3	Confirmed incidents of corruption and actions taken	142, 129					
Materials								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-105, 108-109, 114, 122					
GRI 301: Materials 2016	301-1	Materials used by weight or volume	119-121				12, 15	6.5.4
	301-2	Recycled input materials used	119-122					
Chemicals								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-105, 108-109, 114, 122, 125					
Energy								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-104, 108-109, 110-114					
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	112-113				12, 13	6.5.4-6.5.5
	302-3	Energy intensity	112-113					6.5.5
	302-4	Reduction of energy consumption	112-113					
Emissions								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-105, 108-109, 112-113					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	112-113				12, 13	6.5.5
	305-2	Energy indirect (Scope 2) GHG emissions	112-113					
	305-3	Other indirect (Scope 3) GHG emissions	112-113					
	305-4	GHG emissions intensity	112-113					
	305-5	Reduction of GHG emissions	112-113					

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	102-105, 108-109, 114, 122, 124-125			12, 14, 15	6.5.3-6.5.4
GRI 306: Effluents and Waste 2016	306-3 (2016)	Significant spills	124-125				
Waste							
GRI 3: Material Topics 2021	3-3	Management of material topics	102-105, 108-109, 114, 122, 124-125			12, 14, 15	6.5.3-6.5.4
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	124-125				
	306-2	Management of significant wasterelated impacts	124-125				
	306-3 (2020)	Waste generated	124-125				
	306-4	Waste diverted from disposal	124-125				
	306-5	Waste directed to disposal	124-125				
Supplier Environmental Assessment							
GRI 3: Material Topics 2021	3-3	Management of material topics	102-103, 126-130				
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	126			12	6.3.5 6.6.6 7.3.1
	308-2	Negative environmental impacts in the supply chain and actions taken	129				
Employment							
GRI 3: Material Topics 2021	3-3	Management of material topics	102-103, 132-137			8	6.8.1-6.8.3 6.8.7 6.8.9
	401-1	New employee hires and employee turnover	134-135	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	102-103, 138-139			3, 8	6.4.6 6.8.8
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	138				
	403-2	Hazard identification, risk assessment, and incident investigation	139				
	403-3	Occupational health services	139				
	403-4	Worker participation, consultation, and communication on occupational health and safety	139				
	403-5	Worker training on occupational health and safety	139				
	403-6	Promotion of worker health	138-139				
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	139				
403-9	Work-related injuries	139					
Diversity and Equal Opportunity							
GRI 3: Material Topics 2021	3-3	Management of material topics	30-36, 102-103, 132-137				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	30-36, 132-137			5	
	405-2	Ratio of basic salary and remuneration of women to men	132-137	Significant locations of operation is missing	Information unavailable		Must get info processed from HR for next years' reporting

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	126-130, 132-137					
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	126-130, 132-137				8	6.3.10 6.4.4
Child Labour								
GRI 3: Material Topics 2021	3-3	Management of material topics	126-130, 132-137					
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	126-130, 132-137				8	6.3.10 6.4.4
Forced or Compulsory Labour								
GRI 3: Material Topics 2021	3-3	Management of material topics	126-130, 132-137					
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	126-130, 132-137				8	6.3.10 6.4.4
Supplier Social Assessment								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-103, 126-130					
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	126-130				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	126-130					
Customer Health and Safety								
GRI 3: Material Topics 2021	3-3	Management of material topics	116					
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	116				3	6.7.1- 6.7.2 6.7.4- 6.7.5 6.8.8

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