Flokk's Transparency Act Statement 2025

Financial year 2025 | Published 30 June 2026

1. About the business

1.1 About this statement – scope and delimitation

This statement has been prepared in accordance with Section 5 of the Norwegian Act on Business Transparency and Work on Fundamental Human Rights and Decent Working Conditions (the Transparency Act), and is issued by Flokk Holding AS (org. no. 932 736 578) as a consolidated statement for the Flokk Group.

Flokk Holding AS (hereinafter "Flokk"), as a Norwegian company, is obligated to report and provide a statement in accordance with the Norwegian Transparency Act, section 5, on its account of due diligence carried out following the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

As Flokk is reporting its financial statements under the Norwegian Accounting Act and is permitted to do so in English, this statement is also published in the English language.

The statement covers due diligence assessments for the entire Group's operations, supply chain and business partners. This includes all subsidiaries inside and outside Norway, the manufacturing operations in Norway, Sweden, Poland, the United Kingdom, China, the USA and Mexico, and the sales operations in the Group's markets globally. Foreign Group companies are not independent reporting entities under the Transparency Act but are fully included in the Group's due diligence assessments and in this statement.

The following Norwegian companies are reporting entities under Section 2 of the Transparency Act, cf. Section 3 letter a, and are covered by this statement:

- Flokk AS (org. no. 928 902 749) – meets all threshold values on a standalone basis
- Flokk Holding AS (org. no. 932 736 578) – covered as parent company, cf. Section 3 letter a, second sentence

The other Norwegian Group companies – Flokk Holding IV AS, Flokk USA Holding AS, Sundveien AS and Malmstolen AS – do not meet the conditions for "larger enterprise" under Section 3 letter a of the Transparency Act and are not independent reporting entities. Their operations are nevertheless covered by the Group's due diligence assessments and by this statement.

The statement has been approved and signed by the Board of Directors and the CEO of the reporting entities, cf. Section 5, third paragraph, of the Transparency Act and Section 3-5 of the Norwegian Accounting Act. It is made available on flokk.com, and is referenced in the annual report of each of the covered companies.

The statement applies to the financial year 2025 and is updated as of 23 June 2026. It is updated annually by 30 June and otherwise upon material changes in the Group's risk assessments.

1.2 Organisation and operations

Flokk is a leading European manufacturer of office furniture, headquartered in Oslo. The Group has manufacturing sites in Norway (Røros), Sweden (Nässjö), Poland (Turek), the United Kingdom (Mirfield), China (Zhongshan), the USA (Hawthorne, Delanco, Reno) and Mexico (Tecate). Products are sold in more than 80 countries under the brands HÅG, RH, Profim, Giroflex, 9to5 Seating, Stylex, Malmstolen, Connection, OFFECCT and Via.

At year-end 2025, the Group had 1,934 employees. The Via brand was integrated into the Group in 2025 and represents an expansion of the business footprint in the North American market. Due diligence assessments related to Via were initiated during the year; integration status is described further in chapter 3.

1.3 Policies and management systems

Flokk works according to the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises (revised 2023). These are reflected in the Group's Code of Conduct for both employees and suppliers, and are included in all contracts with business partners.

The business is certified to the following standards:

- ISO 9001 (quality): 5 factories
- ISO 14001 (environment): 5 factories
- ISO 27001 (information security): 2 factories
- ISO 45001 (health and safety): 2 factories

1.4 Anchoring and responsibility

Responsibility for due diligence assessments and sustainability is clearly anchored in Flokk's organisation:

- HR is responsible for own employees
- Procurement is responsible for the supply chain
- The SVPs of HR and Procurement are both members of Group Management
- Group Management and the Board receive regular reporting on due diligence work

Operational work is carried out by local HR and Procurement functions in the matrix organisation. Sustainability is part of the Group's strategic objectives, and through this work Flokk contributes to global goals for climate and environment, human rights, health and safety.

2. Due diligence assessments – method and process

2.1 Our framework

Flokk conducts due diligence assessments in line with the OECD Guidelines for Responsible Business Conduct. We follow the recognised six-step model for due diligence: identification and prioritisation of risk, implementation of measures, follow-up and effectiveness measurement, communication, and remediation in the event of actual adverse impacts. Anchoring in governance and culture is described in section 1.4.

Due diligence assessments build on information from internal processes in HR, Procurement and Compliance, systematic supplier mapping through IntegrityNext, supplier audits, employee surveys, risk framework and whistleblowing channels.

2.2 Risk methodology

Risks are assessed along two dimensions: severity (scope, irremediability and impact on rights holders) and likelihood. The risk picture is based on the following sources:

- IntegrityNext data for the supplier base's self-reported conditions
- Geographical risk indices, including the ITUC Global Rights Index and the World Bank's governance indicators
- Sector-specific risk matrices from OECD and UNGP for the furniture and manufacturing industries
- Internal data from HSE systems, the whistleblowing channel, the risk framework and supplier audits

We distinguish between inherent risk (before measures) and residual risk (after measures). The residual risk is what is reported in the tables under sections 2.6 and 2.7.

2.3 Stakeholder dialogue

Meaningful dialogue with stakeholders is a prerequisite for sound due diligence assessments and runs as a common thread through all six steps. In 2025, Flokk has carried out the following dialogue activities:

Own employees

Dialogue with employees takes place through bi-annual employee conversations, an annual employee survey and structured trade union cooperation at all manufacturing sites. All managers practise an open-door approach and encourage employees to raise matters on an ongoing basis. In addition, we have the following formal forums:

- Site management meetings at each site, where questions and dialogue are actively encouraged
- Group Committee: Representatives of the trade unions in Norway and Sweden meet with Group Management twice a year
- Monthly cooperation meetings between local management and the trade unions, where operational status, personnel and organisational changes, and cooperation on the Engagement Survey and projects are reviewed
- Department-level meetings between department managers and the local union representative

Suppliers

We conduct ongoing dialogue with suppliers regarding expectations and requirements for human rights, working conditions, environment and business ethics through our Code of Conduct. The dialogue takes place through assessment processes, contract negotiations and follow-up meetings. The Via supplier base has been included in the same dialogue from 2025, and the follow-up is described in section 3.2.

Local trade unions and employee representatives

Flokk supports the right of employees to freedom of association and collective bargaining in line with national legislation and international labour standards. Where there are employee representatives or trade unions, Flokk conducts structured dialogue with these. Employees have the right to organise, to join trade unions of their own choosing, and to participate in collective bargaining without fear of reprisal. Partnership cooperation is an integrated part of Flokk's operating model and includes regular meetings, established whistleblowing mechanisms and cooperation on the Engagement Survey.

Local communities and industry networks

Flokk's manufacturing sites are in several cases cornerstone businesses in their local communities, particularly at Røros and Nässjö. The Site Management teams are responsible for developing local cooperation, including with business associations, study and university centres and industry clusters. We have extensive cooperation with schools (information to pupils, work placements, summer students) and with NAV and equivalent actors regarding work try-outs and language practice.

2.4 Linkage analysis

In line with the updated guidance from the Norwegian Consumer Authority (December 2025), Flokk explicitly distinguishes between three forms of linkage to adverse impact:

- Caused by Flokk: Adverse impact for which Flokk's own actions are the direct cause
- Contributed to by Flokk: Cases where Flokk's actions, combined with the actions of others, lead to adverse impact
- Directly linked to Flokk: Adverse impact at business partners or suppliers connected to Flokk's products or services, where Flokk has neither caused nor contributed to the impact

This distinction determines which measures are expected of Flokk, and is incorporated as a separate column in the risk tables in sections 2.6 and 2.7.

2.5 Prioritised risks in 2025

Based on the assessment of severity and likelihood, and taking into account Flokk's linkage to each issue, we prioritise the following risk areas for particular follow-up in 2025:

- Working conditions and freedom of association in the supplier base in Asia, where inherent risk is highest and where residual risk is still assessed as medium despite IntegrityNext monitoring, signed CoC and regular supplier follow-up
- HSE and human rights in the integration of Via in the USA, where Flokk's established management systems are not yet fully rolled out

Follow-up on measures for the prioritised risks is set out in the tables below and in chapter 3.

2.6 Own employees – assessed risk and measures

Topic	Linkage	Risk	Actual impact	Measures taken	Effect / result
Discrimination and harassment	Caused / Contributed to	Low	No reported incidents in 2025	Mandatory Code of Conduct training (93 % completion); anonymous whistleblowing channel; active cooperation with trade unions	No reports in 2025; high completion rate maintained

Topic	Linkage	Risk	Actual impact	Measures taken	Effect / result
Psychosocial working environment	Caused	Low	No reported incidents	Bi-annual employee conversations; anonymous employee survey; department-level action plans from 2025	Strengthened line responsibility; improved department-level insight
Health, Safety and Environment (HSE)	Caused	Medium	Inherent risk in production expansion (Via, USA)	HSE training at all sites; Working Environment Committee activities; Occupational Health Service follow-up; dedicated HSE review for Via	Increased HSE awareness; integration of Via in progress
Ergonomic strain	Caused	Low	No identified cases	Work methodology and job rotation; product adjustments as needed; ergonomic adaptation via Occupational Health Service	Preventive effect; low absence rate
Work-related absence	Caused	Low	Acceptable level	Sick-leave procedures at all sites; follow-up in management meetings	Stable absence levels; focus on presence and well-being
Freedom of expression and whistleblowing	Caused	Low	No reported incidents	Open-door policy; internal and external whistleblowing channel; training in whistleblowing procedures; updated whistleblower policy (EU Directive / CSRD)	No reports in 2025; clear procedures and protection against retaliation
Data privacy	Caused	Low	No breaches	GDPR training; process for handling and storage of personal data	Strong compliance across the Group
Pay and working hours	Caused	Low	No identified cases	Centrally managed follow-up of annual pay-gap analysis	Pay-gap analysis with no inappropriate adjusted differences
Freedom of association	Caused	Low	No breaches	Active involvement of trade unions at all manufacturing sites	Strong tripartite cooperation maintained

2.7 The supply chain – assessed risk and measures

We systematically follow up on our suppliers through IntegrityNext, which covers assessments on human rights, working conditions, environment and business ethics. Suppliers in Asia and selected other high-risk countries receive particular follow-up, with on-site visits and audits for selected suppliers. When deviations or areas for improvement are identified, we develop corrective measures in cooperation with the supplier. The Via supplier base is included from 2025, with full assessments to be completed during 2026.

The assessments below cover direct material suppliers. Indirect suppliers – logistics, IT services, staffing agencies, cleaning and other services – are assessed at a higher level of abstraction based on sector and geographic risk, and are addressed through the Group's standard contracts containing CoC requirements.

Topic	Linkage	Risk	Actual impact	Measures taken	Effect / result
Freedom of association	Directly linked	Medium (Asia) / Low (Europe, USA)	No deviations, but inherent risk	Mapping at contract initiation; ongoing monitoring via IntegrityNext	Reduced exposure; zero registered deviations
Discrimination and harassment	Directly linked	Medium (Asia) / Low (Europe, USA)	No deviations, but inherent risk	IntegrityNext monitoring; supplier CoC; audits	Increased awareness; no reported incidents
Child and forced labour	Directly linked	Medium (Asia) / Low (Europe, USA)	No high-risk suppliers identified	Contractual requirements and mapping; follow-up via IntegrityNext	Zero tolerance maintained
Working conditions and pay	Directly linked / Contributed to (via price negotiation)	Medium (Asia)	No breaches recorded in 2025	Supplier assessments in EU, China and USA; signed CoC; expanded mapping in progress	Commitment secured through signed CoC; follow-up of prioritised suppliers
HSE at suppliers	Directly linked	Medium	No accidents or fatalities reported	HSE requirements in CoC; follow-up via IntegrityNext and audits	Compliance in line with policy
Environmental impact	Directly linked	Medium (Asia) / Low (Europe, USA)	No deviations, but inherent risk	Local supplier selection to reduce climate footprint; environmental requirements incorporated in supplier CoC	Reduced transport dependency; linkage to ESRS S2 maintained
Corruption and transparency	Directly linked	Medium (Asia) / Low (Europe, USA)	No deviations or findings	Quarterly screening against international sanctions lists; CoC requirements	No deviations registered

3. Results and effects of the measures

3.1 Own employees

- No reported breaches of human rights or GDPR in 2025

- 93 % completion rate for Code of Conduct training in 2025
- HSE training carried out at all manufacturing sites, including Via
- Whistleblower policy updated in line with the EU Directive and CSRD
- Pay-gap analysis carried out at Group level – no inappropriate adjusted differences
- 40 % women on the Board of Flokk Holding AS
- 38 % female managers across the Group

Employee survey 2025

The employee survey in 2025 achieved a 96 % response rate. The main findings show that employees are most proud of Flokk's products, cooperation with colleagues, working conditions and sustainability profile. Identified areas for improvement are communication, training and development, and organisational culture following multiple organisational changes and increasing turnover.

The results are followed up through two parallel tracks. Each manager prepares department-level action plans together with their employees. In addition, working groups at each site have developed concrete action plans, with measures such as more all-hands meetings and short sharings, reorganisation of the social committee, ensuring proper workspaces when transitioning from open-plan offices, strengthening internal information channels, a competence day at Røros, and establishing a Site Management Team for the headquarters with a mandate that includes strengthening trust in management.

3.2 The supply chain

- 675 of 905 direct material suppliers have signed our Code of Conduct (CoC)
- 98 % of the purchasing value for direct material is covered by signed CoC
- 430 of 905 direct material suppliers are monitored via IntegrityNext
- 25 supplier assessments completed in 2025 (2.8 % of the supplier base); no assessments resulted in an action plan
- No high-risk suppliers identified in the established supplier base
- Supplier mapping for Via initiated and included in the figures above
- Supplier assessments carried out in the EU, China and USA

3.3 Follow-up on risks identified in the 2024 statement

The risks prioritised in the 2024 statement, and the status of follow-up in 2025, are as follows:

- Freedom of association in the Asia supplier base: Expanded IntegrityNext monitoring and updated CoC requirements. No breaches identified in 2025.
- HSE at manufacturing sites: HSE training rolled out to all sites, including the newly acquired Via. Inherent risk is assessed as unchanged; residual risk reduced.
- Corruption in high-risk countries: Quarterly sanctions screening implemented. No deviations registered.

3.4 Process for new acquisitions

Newly acquired companies are integrated into Flokk's due diligence processes following a standardised schedule: signing of the Group's Code of Conduct and supplier CoC within three months of acquisition, mapping of the supplier base and initiation of IntegrityNext monitoring within six months, and full due diligence assessments completed within twelve months. The Via brand was acquired in 2025 and follows this schedule; the assessments will be completed in 2026.

After the balance sheet date, Spec Furniture Inc. (Canada) was consolidated into the Flokk Group (April 2026). Spec is included in the due diligence assessments from 2026 and will be described in next year's statement.

4. Remediation of actual breaches

Flokk has established procedures for remediation in the event that actual breaches of human rights or decent working conditions occur. These include:

- Immediate escalation to the Compliance Officer and Group Management
- Dialogue with the affected party and supplier to cease and remedy the adverse impact
- Requirement for a corrective action plan from the supplier with deadlines and verification
- In serious cases: termination of the supplier relationship after review of alternatives
- Documentation and follow-up to prevent recurrence

In 2025 no material breaches were reported that triggered remediation measures. The whistleblowing channel is available to employees, suppliers and other stakeholders, and whistleblowers are guaranteed protection against retaliation.

5. Linkage to sustainability reporting (CSRD/ESRS)

From the financial year 2027 onwards, Flokk will be subject to sustainability reporting requirements under the Norwegian Accounting Act (CSRD/ESRS). The Transparency Act statement complements this reporting and does not replace it. Particularly relevant is the linkage to:

- ESRS S1 (Own workforce) and the assessments under section 2.6
- ESRS S2 (Workers in the value chain) and the assessments under section 2.7
- ESRS S4 (Affected communities) and the stakeholder dialogue described under section 2.3

The updated OECD Guidelines (2023) emphasise the connection between adverse environmental impact and adverse impact on people. Flokk takes this connection into account in its sustainability work, and reference is made to the Group's sustainability report for further information.

6. Information requests

Requests for information under Section 6 of the Transparency Act may be addressed to:

Flokk AS

Drammensveien 145, 0202 Oslo, Norway

info-no@flokk.com

+47 22 59 59 00

Requests are answered in writing within three weeks of receipt, cf. Section 7 of the Transparency Act. In 2025, Flokk received no information requests.

7. Approval

The Board of Directors and the CEO of Flokk Holding AS and Flokk AS confirm by their signatures that this statement has been considered by the Boards and that it provides a fair representation of the Group's due diligence assessments under the Transparency Act for the financial year 2025.

Place and date: Oslo, 29 June 2026

For Flokk Holding AS:

DocuSigned by:
6840191911A349B...
Lars Ivar Røiri
Chair of the Board

Signed by:
Joachim Solbakken Espen
FC2416DDF629472...
Joachim Solbakken Espen
Board member

Signed by:
Kristine Landmark
E10CA4C7A84640E...
Kristine Landmark
Board member

Signed by:
Pernille Bonser
F3413A2E6971456...
Pernille Bonser
Board member

Signed by:
Sten Thomas Hofvenstam
29348F7D4E4B40F...
Sten Thomas Hofvenstam
Board member

Signed by:
Henning Karlsrud
08A41DAF95394B5...
Henning Karlsrud
CEO

For Flokk AS:

Signed by:
Henning Karlsrud
08A41DAF95394B5...
Henning Karlsrud
Chair of the Board and CEO

Signed by:
Anette Furunes
DCF0C3E1ED824CA...
Anette Furunes
Board member

Signed by:
Elisabeth Barrie
D3B790367009435...
Elisabeth Barrie
Board member

Signed by:
Kjersti Karine Kildal
9215081D54DA430...
Kjersti Karine Kildal
Board member

DocuSigned by:
Lillevi E. Øglænd Ivarson
ED3906A0705548D...
Lillevi Elisabeth Øglænd
Ivarson
Board member

Signed by:
Mats Hjorthol
9B11BC5482AA4B8...
Mats Thun Hjorthol
Board member