Corporate Sustainability Report 2025



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Introduction

Sustainability is an integrated part of Flokk's business strategy and a key driver of long-term value creation. As a design-led industrial group with global operations and a growing footprint through acquisitions, we recognise that environmental, social and governance considerations are essential to our competitiveness, resilience and our ability to maintain trust with regulators and stakeholders.

Our sustainability strategy is built around the principle that responsible business conduct and strong financial performance go hand in hand. We focus on the areas where Flokk has the greatest impact, and where sustainability-related risks and opportunities are most relevant to our business model across our value chain.

In preparation for future reporting under the Corporate Sustainability Reporting Directive (CSRD), Flokk conducted an updated double materiality assessment in 2024. This assessment identified climate change, resource use and circular economy, working conditions in our own operations and in the value chain, and business conduct as our most material sustainability topics. These topics form the foundation for our sustainability strategy, target-setting and reporting, and ensure alignment between sustainability priorities and strategic decision-making.

This report represents an initial step towards CSRD-aligned reporting and is therefore not yet fully compliant with the directive.

Our sustainability strategy is structured around three pillars: Environment, Social and Governance. Within each pillar, we have defined clear priorities, policies and actions supported by measurable targets and KPIs. Environmental priorities focus on reducing greenhouse gas emissions, improving energy efficiency and increasing circular material use. Social priorities centre on safe and fair working conditions, equal opportunities and responsible supply chain practices.

Governance priorities ensure ethical business conduct, robust compliance frameworks and transparent oversight. As Flokk continues to grow through organic development and acquisitions, we place strong emphasis on integration and consistency. New entities are progressively aligned with Flokk's policies, management systems and sustainability targets, ensuring a common approach across the Group while allowing for local implementation where needed.

Through our sustainability strategy, we aim to reduce negative impacts, manage risks, capture opportunities and strengthen Flokk's long-term performance. This work supports our ambition to remain a trusted partner for customers, employees, owners and other stakeholders, while contributing to more sustainable solutions for the office seating industry.





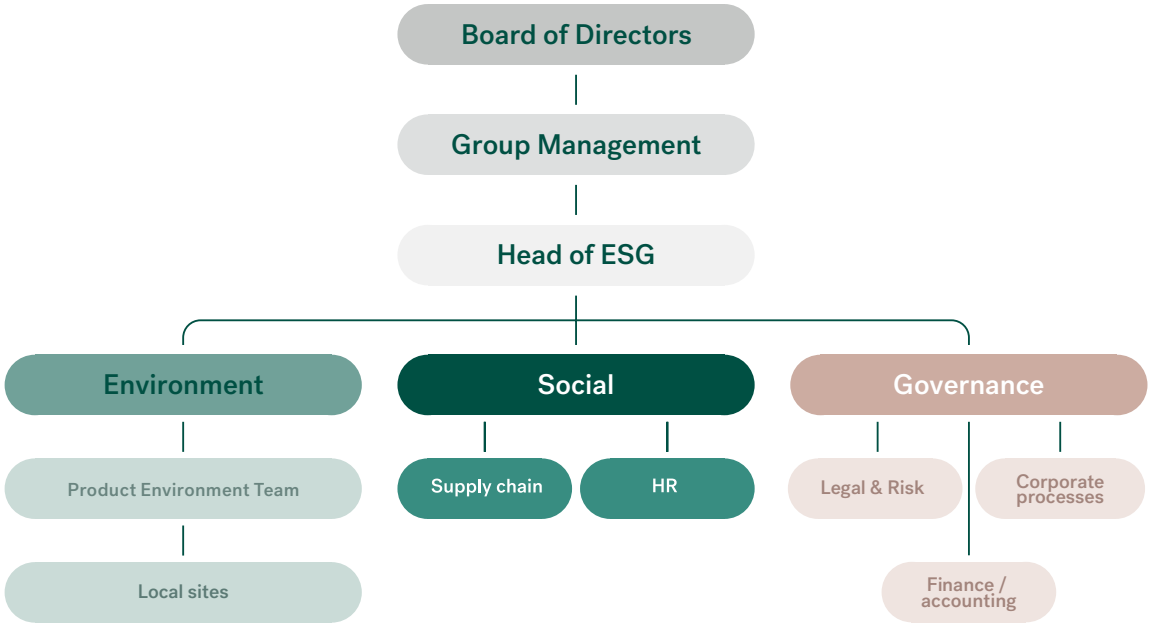


GOVERNANCE AND RESPONSIBILITIES

The effective execution of Flokk's sustainability strategy is supported by a clear governance structure and well-defined roles and responsibilities across the organisation. Oversight is anchored at Board level, with operational responsibility embedded in Group Management and executed through dedicated ESG ownership and functional expertise across environmental, social and governance domains.

This structure ensures accountability, consistency and integration of sustainability considerations into decision-making, risk management and day-to-day operations across the Group.

→ *For further details on our stakeholders, see Sustainability note S1*



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.

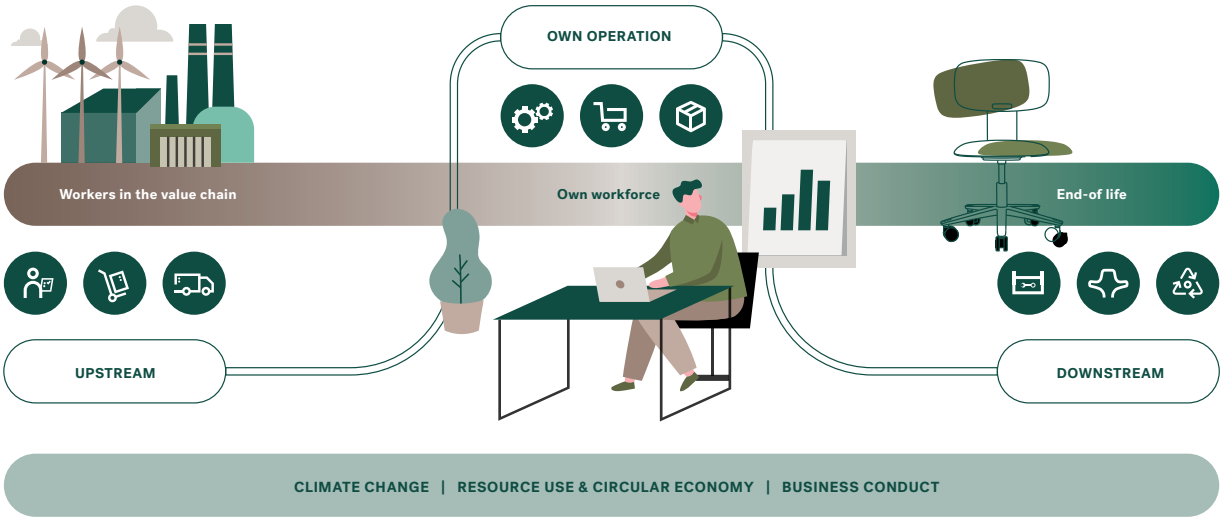
Environmental, Social, and Governance domains

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.

Sustainability in our value chain



Flokk's value chain begins with the sourcing of raw materials such as metals, plastics, fabrics, and wood, and extends through our design and manufacturing processes, logistics and distribution, to the use of our products by customers around the world. At the end of their lifecycle, our products are designed to be repaired, refurbished, reused, or recycled, enabling materials to return into circulation and supporting a more circular economy.

In line with CSRD, we present our value chain across three stages Upstream, Own Operations, and Downstream to illustrate where our activities take place and where we create both impacts and opportunities for more sustainable solutions.

UPSTREAM

Workers in the value chain

We collaborate with suppliers globally and expect them to respect human rights, fair working conditions, and ethical business practices. Through our Code of Conduct for Business Partners and due diligence in line with the Norwegian Transparency Act, we ensure decent labour conditions across the supply chain.

Sustainable materials and inputs

Guided by our Principles for Sustainable Design, we prioritise recycled and responsibly sourced materials such as metals, plastics, fabrics, and wood.

Upstream transportation

Materials and components are transported by selected logistics partners. We emphasise efficiency, reduced emissions, and compliance with our sustainability standards.

OWN OPERATIONS

Designing products for circularity

Our design philosophy ensures products are durable, modular, and easy to disassemble – enabling refurbishment and recycling at end-of-life.

Own workforce

Health, safety, diversity and inclusion are central to Flokk's operations. We maintain a safe and inclusive workplace and engage all employees through sustainability training and competence development.

Manufacturing and environmental impact

Our European and Chinese production facilities are certified under ISO 14001, ensuring systematic management of energy, emissions, and resource efficiency.

DOWNSTREAM

Product use and refurbishment

Our products are designed for a long lifespan. Refurbishment and replacement of parts extend product use and reduce environmental impact.

End-of-life recyclability

At the end of their lifecycle, products can be disassembled and sorted by material, supporting closed-loop recycling and reducing waste.

Downstream transportation

Finished products are distributed to customers via external logistics partners. We select partners who provide efficient, low-emission transport solutions to reduce climate impact.

Material topics

In 2024, Flokk conducted an updated double materiality assessment (DMA) to prepare for future reporting under CSRD. The purpose was to identify the sustainability topics that are most relevant to our business, our stakeholders, and our long-term strategy.

The assessment was guided by the methodology of the European Sustainability Reporting Standards (ESRS) and covered both impact materiality (Flokk's actual and potential impacts on people and the environment) and financial materiality (how sustainability matters may affect Flokk's enterprise value through risks and opportunities).

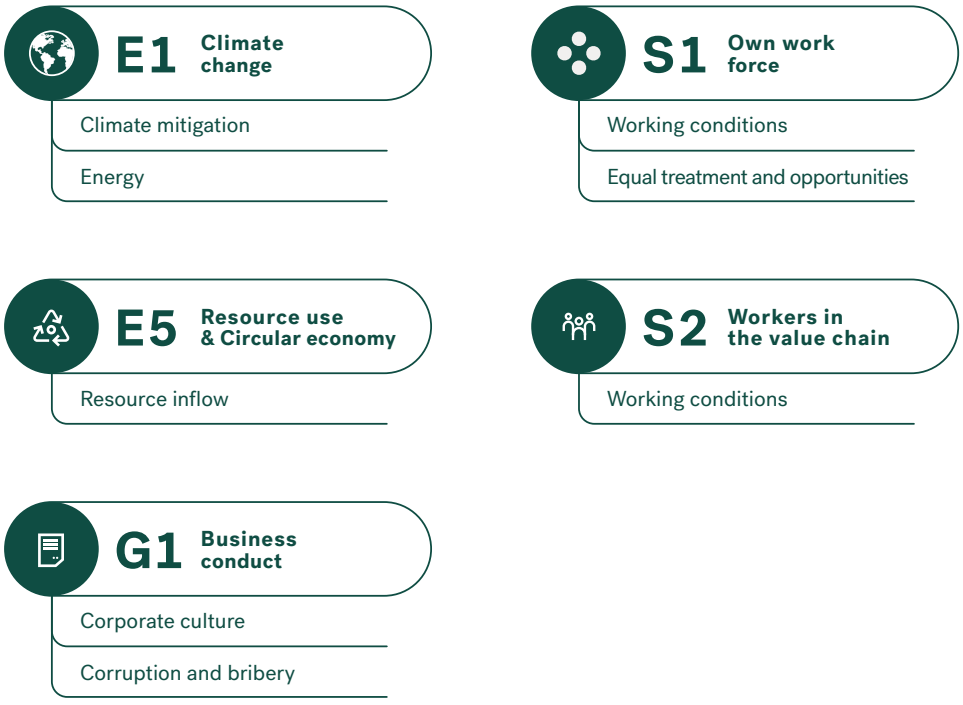
The process included:

- **Stakeholder interviews** with owners, customers, financial institutions, peers, and industry associations to capture external perspectives
- **Internal workshops** with representatives from across the organization to identify and evaluate significant impacts, risks, and opportunities
- **Validation** with senior management in Flokk including CEO, the Audit Committee, and Chairman of the Board to ensure alignment with strategic priorities and governance oversight

This structured approach provided both qualitative and quantitative insights. Topics were scored against thresholds for impact and financial significance, ensuring that only the most relevant issues were identified as material. Topics deemed material is part of forming the foundation of Flokk's sustainability strategy, target-setting, and reporting.

→ For further details on the DMA process and methodology, see Sustainability note S2

Overview of material topics









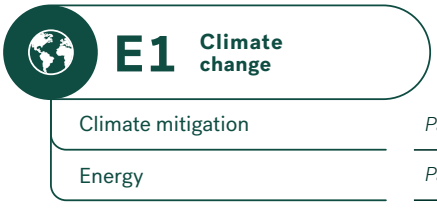
Environmental information

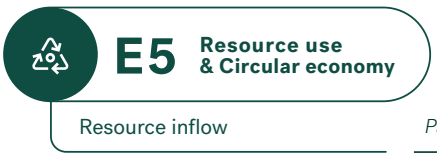
Flokk's environmental approach is built on a long-standing commitment to climate responsibility, resource efficiency, and protection of human health throughout the full product life cycle.

As a design-driven manufacturing group, we recognise that most environmental impact is determined in the early phases of product development. We therefore prioritise material choices, product architecture and production methods that reduce emissions, optimise resource use and support circular solutions.

Our environmental management framework integrates climate mitigation, energy efficiency, responsible material sourcing and chemical management into our operations. This life-cycle perspective guides our sourcing, manufacturing, logistics and product longevity strategies, ensuring that environmental considerations are embedded across the value chain.

The following section provides information on the following disclosures:







Climate change

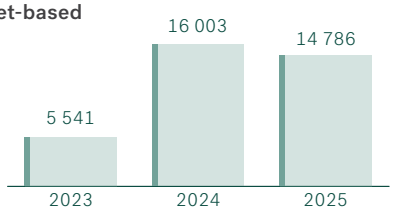
Climate change is one of the defining challenges of our time. At Flokk, it is integrated into how we design, manufacture and deliver our products. As a global office seating manufacturer, the majority of our Greenhouse Gas (GHG) emissions arise from material use, energy consumption in our operations, and logistics across our value chain. We acknowledge this impact and are committed to reducing it through structural improvements embedded in our business model.

Over recent years, we have strengthened our carbon accounting across Scopes 1, 2 and 3 to ensure a comprehensive and reliable emissions baseline. This enables us to prioritise the most material emission sources and translate insight into targeted operational actions. Progress is monitored systematically to drive accountability and continuous improvement.

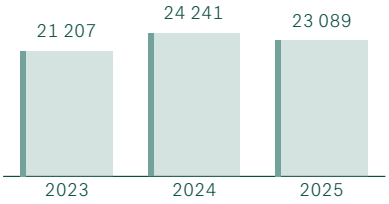
CLIMATE CHANGE MITIGATION		Results 2023	Results 2024	Results 2025	Status	Target 2030
Climate mitigation	GHG emissions per unit produced [$kgCO_2e$/unit] (Scope 1,2,3 market-based)	5.16	14.24	14.51	●	2.14[a]
	GHG emissions per revenue [tCO_2e/MNOK] (Scope 1,2,3 market-based)	1.45	3.74	3.50	●	0.84[a]
Energy	Energy consumption per unit produced [kWh/unit]	19.77	21.57	22.66	●	14.74[b]
	Energy consumption per revenue [MWh/MNOK]	5.54	5.66	5.46	●	5.78[b]
	Share of renewable electricity	90.5%	79.7%	77.0%	●	100%
	Share of renewable energy vs total energy consumption	44.7%	35.7%	35.8%	●	50%
	Share of fossil fuels for heating and processes	28.1%	36.9%	38.6%	●	20%

[a] 50% reduction in GHG Emissions (CO_2e) per unit produced and per revenue vs. 2015 baseline
[b] 40% reduction in energy consumption (MWh) per unit produced and per revenue vs. 2015 baseline

GHG Emissions (tCO_2e)
market-based



Energy Consumption (MWh)



The increase in market-based GHG emissions in 2024 compared to 2023 was primarily driven by improved Scope 3 data coverage and the inclusion of additional operations from acquisitions within the reporting boundary, rather than underlying operational emission growth. The slight reduction in both GHG emissions and energy consumption in 2025 reflects the impact of Flokk's environmental initiatives, combined with lower production volumes and sales. To ensure alignment with the defined Scope and Organizational Boundary applied in our GHG reporting, units produced and revenue used in the 2025 KPI calculations exclude Via Seating, acquired in February 2025, which will be included in future reporting periods.

→ *For more detail, see Climate mitigation and Energy*

Material actual/potential impact on environment and people and financial risk and opportunity

		Localisation of value chain	Time horizon
CLIMATE CHANGE MITIGATION			
Green house gas emissions Negative impact	As a manufacturing company, Flokk contributes to climate change through greenhouse gas emissions from material extraction and production (especially steel, plastics and fabrics), own operations (Scopes 1 & 2 energy use), and downstream logistics and product use.	Upstream Own operations Downstream	Short, medium, long
Demand for products with a lower carbon footprint Opportunity	Growing customer demand for products with a lower carbon footprint. Flokk measures product performance through EPDs, showing some of the industry's lowest footprints. This increases our attractiveness in a growing market segment and represents both an environmental and financial opportunity.	Upstream	Medium, long
ENERGY			
Energy use Negative impact	Energy is used in Flokk's operations, mainly electricity and heating, but also smaller amounts of LNG, diesel and petrol. Suppliers' production of raw materials is also energy intensive. Even if much of Flokk's electricity is renewable, total energy use contributes to emissions and environmental pressure.	Upstream Own operations	Short, medium
Exposure to higher energy costs Risk	Rising energy prices and volatility may increase costs in production and logistics, and indirectly through suppliers.	Upstream Own operations	Medium, long
Energy efficiency & renewables Opportunity	Improvements in energy efficiency and transition to renewable sources lower costs and footprint, and strengthen Flokk's competitiveness.	Upstream Own operations	Medium, long

Definition timeline: Short 0-1 years. Medium: 2-5 years. Long: > 5 years

Climate change

Climate mitigation

Flokk's climate mitigation efforts focus on reducing GHG emissions across Scope 1, Scope 2, and material Scope 3 categories, while embedding low carbon choices throughout product lifecycles, supply chains, and operations. Our approach combines measurable targets, robust management systems, and targeted value chain measures.

We are committed to reducing climate impacts from our operations in line with the goals of the Paris Agreement and the ambition to limit global warming to 1.5°C. Climate change mitigation is a strategic priority for the Group and is integrated into long term business planning, risk management, and product development.

Flokk measures GHG emissions in accordance with the GHG Protocol, covering Scope 1, Scope 2, and material Scope 3 categories. Continuous improvements to data quality and coverage support more informed decision making and credible target setting.



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STRATEGY AND BUSINESS MODEL INTEGRATION

Reducing climate impact is a core element of Flokk's strategy and product development. This work is driven by regulatory requirements, customer and stakeholder expectations, and opportunities linked to sustainable design, low carbon materials, and improved energy efficiency. By combining a value chain perspective with clear operational responsibility, we aim to reduce emissions while strengthening competitiveness and long-term value creation.

POLICY AND COMMITMENT

Flokk is committed to being an industry leader in environmental management. Our Environmental Policy commits us to minimise environmental impact and GHG emissions. Group Management is accountable for implementation and resourcing, and all employees and suppliers are expected to act as ambassadors for these ambitions. We will set clear targets, embed environmental requirements into procurement and contracts, and report transparently on our progress.

ACTIVITIES

Flokk's climate mitigation work is focused on the parts of the value chain where we can make the greatest difference. Rather than isolated initiatives, our activities are designed as a connected set of measures that start with product design, extend through sourcing and logistics, and are supported by governance, data, and supplier collaboration.

Designing low carbon and circular products

The majority of Flokk's climate impact occurs before the materials and components even reach our factories. Emissions embedded in purchased goods and services—particularly direct materials—represent one of the single largest shares of our carbon footprint. This makes product design and material selection our most powerful levers for change.

We continue to embed our 5-III Principles for Sustainable Design—low weight, few components, right choice of materials, long life span, and design for disassembly—to reduce emissions at source. These principles guide decisions on material substitution, recycled content, component reduction, and product longevity. In practice, this means developing lighter products, reducing material complexity, increasing recyclability, and extending product lifetimes, all of which lower emissions from manufacturing, transport, and end of life treatment.

→ For more detail, see Resource use and circular economy

Reducing emissions from transport and distribution

Transport is another significant contributor to Flokk's value chain emissions. Our focus is therefore on building a clearer emissions baseline for logistics and translating this insight into practical improvements. We are working to optimise routes, consolidate shipments to improve load factors, and increase the use of lower carbon transport modes where feasible. At the same time, we are engaging with logistics partners to better understand fuel choices and identify opportunities for emissions reductions upstream and downstream.

Changing how we travel for work

Business travel is an area where behavioural change can deliver fast results. During the year, we strengthened travel governance by introducing clearer booking rules, training, and approval limits to support more sustainable choices. Rail or bus travel is prioritised over air travel, and train journeys under three hours should be chosen instead of flights. When renting cars, battery-electric vehicles are preferred wherever infrastructure allows. Clear booking rules, approval processes and regular monitoring of travel emissions support consistent implementation and accountability across the Group.

Working with suppliers to drive change

Meaningful emissions reductions require close collaboration with suppliers. Environmental requirements are embedded into supplier agreements, setting clear expectations from the outset. Through supplier engagement, we aim to improve transparency, strengthen environmental performance, and support continuous improvement across our supply chain.

Strengthening carbon data and decision making

Reliable data underpins effective climate action. In line with the GHG Protocol and the core principles of relevance, completeness, consistency, transparency, and accuracy, we continued to strengthen our carbon accounting processes in 2025. The launch of the Carbon Accounting Automation Project marks an important step toward more efficient data collection, improved data quality, and better decision support. This enables us to track progress more accurately, focus efforts where impact is greatest, and set credible, science aligned targets.



Connection Tryst

Climate change

GHG emissions, market-based (tCO_2e)

	2015	2023	2024[a]	2025
Scope 1 – Direct emissions	**796**	**2,090**	**2,597**	**2,321**
Fuel for heating and processes (burning oil, natural gas, LNG)	264	1,376	1,908	1,827
Fuel for sales and service travels	532	714	689	494
Scope 2 – Indirect emissions	**187**	**616**	**1,111**	**1,079**
District heating	25	132	124	115
Electricity	162	484	987	964
Scope 3 – Other indirect emissions	**998**	**2,835**	**12,295**	**11,386**
Cat. 1: Purchased goods and services	0	2	3,443	3,328
Cat. 4&9: Upstream & Downstream transportation and distribution	716	2,200	7,975	7,511
Cat. 5: Waste generated in operations	17	112	151	127
Cat. 6: Business travel	265	521	726	420
Total	**1,981**	**5,541**	**16,003**	**14,786**
Change from year to year	–		188.8%	-7.6%

[a] The 2024 figures for Scope 3 Categories 4 and 9 have been restated from 4,003 tCO_2e to 7,975 tCO_2e, resulting in a change to total GHG emissions for 2024. The restatement is due to a change in methodology. Previously, emissions were calculated using primary data only. This did not capture all relevant emission sources. To improve completeness and accuracy, a hybrid method combining primary and spend-based data is now applied.

SCOPE AND ORGANIZATIONAL BOUNDARY

GHG emissions are calculated in accordance with the GHG Protocol Corporate Standard and the Corporate Value Chain (Scope 3) Standard. The organizational boundary is defined using the operational control approach, including all entities and operations over which Flokk has operational control during the reporting year. The scope aligns with the consolidated financial statements, excluding Via Seating, acquired in February 2025, which will be included in future reporting periods.

The inventory comprises Scope 1 and Scope 2 emissions and material Scope 3 emissions across the upstream and downstream value chain.

METHODOLOGY

Scope 1 and Scope 2 emissions are calculated using primary data where available, and estimated data where primary data is not accessible.

Scope 3, Category 1 is currently based on purchased materials from a single supplier and is calculated using supplier-specific emission data obtained directly from the supplier. Categories 4, 5, 6 and 9 are calculated using a hybrid approach, combining primary activity data with spend-based calculations.

Scope 3, Categories 10, 13, 14 and 15 are assessed as not applicable. Categories 2, 3, 7, 8, 11 and 12 are not yet reported.

Methodological assumptions, emission factors, and estimation techniques are documented internally. Flokk is progressively enhancing Scope 3 completeness and data quality through our Carbon Accounting Automation Project to strengthen accuracy and audit readiness in line with CSRD requirements.

GHG EMISSIONS ANALYSIS

In 2025, Flokk's market-based GHG emissions amounted to 14,786 tCO_2e, with Scope 3 emissions accounting for the majority (77%), followed by Scope 1 (16%) and Scope 2 (7%).

The reduction in Scope 1 emissions compared to 2024 reflects lower fuel consumption in heating and processes and company-owned transport, supported by a decrease in units produced and operational initiatives such as delivery route optimisation at the Mirfield site, which reduced the site's fleet mileage by 46%.

Scope 2 emissions decreased year on year, driven by lower electricity and district heating consumption. This trend aligns with site-level efficiency measures, including roof insulation at the Nässjö site, which reduced heat demand, and LED lighting upgrades that delivered a reduction in electricity use. On a location-based basis, Scope 2 emissions amounted to 3,446 tCO_2e, reflecting the average emissions intensity of the electricity grids where energy is consumed.

→ For further details on initiatives supporting reductions in Scope 1 and 2 emissions, see Energy

Scope 3 emissions remain the largest contributor, primarily driven by purchased goods and services and transportation activities, underlining that while internal efficiency measures delivered measurable reductions in Scope 1 and 2 emissions, further progress toward Flokk's climate targets will depend on supplier engagement and expanded Scope 3 data coverage.

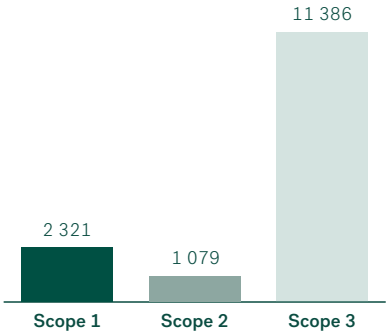
TARGETS AND RESULTS

Flokk's climate mitigation targets focus on reducing GHG emissions across Scopes 1, 2, and 3, measured per unit produced and per revenue generated. The 2030 targets are to reduce CO_2e emissions per unit to 2.14 and CO_2e emissions per revenue to 0.84. These targets represent a 50% reduction compared to the 2015 baseline.

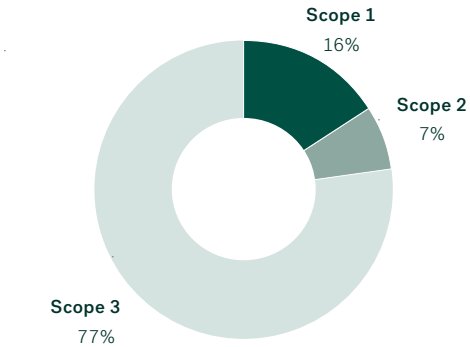
In 2023 and 2024, CO_2e emissions per unit increased from 5.16 to 14.24, while CO_2e emissions per revenue rose from 1.45 to 3.74. The increase in GHG emissions in 2024 compared to 2023 was primarily driven by improved Scope 3 data coverage, and the inclusion of additional operations from acquisitions within the reporting boundary, rather than underlying operational emission growth.

In 2024 and 2025, CO_2e emissions per unit increased slightly from 14.24 to 14.51, and CO_2e emissions per revenue declined from 3.74 to 3.50. The slight reduction reflects the impact of Flokk's environmental initiatives, combined with lower production volumes and sales. Although there is some improvement compared to 2024, emissions intensity remains well above the 2030 targets, and further reductions are required to realign with the climate mitigation pathway.

GHG Emissions in Scope 1, 2 & 3, Market-based (tCO_2e) 2025



Distribution of GHG Emissions, Market-based (tCO_2e) 2025



Energy

Energy use is a significant driver of Flokk's environmental impact and operating costs, particularly in manufacturing, logistics, and building operations. How we source and use energy directly affects our GHG emissions, cost efficiency, and long-term resilience. By improving energy efficiency and increasing the share of renewable energy, we aim to reduce emissions while strengthening the robustness of our operations.

STRATEGY AND BUSINESS MODEL INTEGRATION

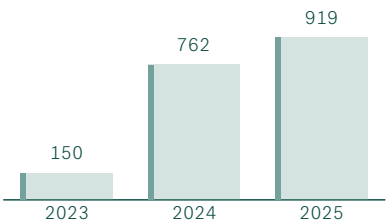
Energy management is embedded in our operations and product design: improving energy performance lowers operational costs, reduces lifecycle emissions and strengthens our position in sustainability-driven markets. Energy considerations are integrated into procurement, R&D and logistics to ensure the business case for lower-carbon solutions.

As of FY2025, our manufacturing facilities operate on

83%

renewable electricity

Renewable Electricity Generated from Solar Panels at Our Factories (MWh)



POLICY AND COMMITMENTS

Flokk's Environmental Policy commits the Group to increase energy efficiency across production, transport and facilities, to prioritise energy-efficient procurement and renewable energy, and to design products that enable low lifecycle energy use. Decision-making follows the precautionary principle, and the policy is implemented and resourced by Group Management.

ACTIVITIES

Renewable energy

Transitioning to renewable electricity is a central element of our climate strategy. Our ambition is to reach 100% renewable electricity across all production sites by 2030. Today, this is primarily achieved through Energy Attribute Certificates, including Guarantees of Origin (GOs) and Renewable Energy Certificates (RECs), which certify that our purchased electricity is matched by renewable generation from renewable sources such as hydro, solar and wind.

Solar panels

Since 2023, solar installations have been operational at selected production sites, including Røros and Hawthorne, contributing to on-site renewable electricity generation. System performance is continuously monitored to ensure efficiency and optimisation. Additional installations and capacity expansions are under evaluation, with investment decisions based on technical feasibility, regulatory conditions and robust business-case assessments.

Delivery route optimisation

At the Mirfield production site, a delivery route optimisation initiative was introduced in 2025 to reduce fuel use and improve transport efficiency. By planning routes further in advance and confirming delivery schedules earlier with customers, unnecessary mileage is avoided and last-minute changes are reduced. Since its launch in January 2025, the initiative has delivered a 46% reduction in vehicle mileage, equivalent to 277,534 kilometres saved compared to 2024, supporting lower fossil fuel consumption and ongoing environmental benefits.

Delivery route optimisation significantly reduced fleet mileage at the Mirfield site by

46%

compared to 2024

Roof insulation

At Nässjö production site, a roof-insulation project was initiated to reduce heat loss and prepare the site for on-site renewable energy. Early results show reduced district-heating use and lower energy consumption per unit produced. Completion of this project is a prerequisite for planned rooftop solar installations.

Heat recovery and improved roof insulation cut district heating use at Nässjö site by

20%

compared to 2024

LED exchange

At Nässjö site, an LED exchange initiative was launched to modernize lighting and significantly reduce energy use across the facility. In 2025, all production areas were converted, including the introduction of presence-controlled lighting in the warehouse, delivering immediate efficiency gains. The project continues through 2026 with the upgrade of office lighting, further strengthening long-term energy performance and lowering electricity consumption per unit produced.

LED upgrades across production site in Nässjö cut electricity consumption by

20%

compared to 2024

Biogenic emissions

Since 2019, our Røros factory has used biodiesel instead of burning oil. Following a fire in the oil heater in 2024, oil heating was permanently discontinued, and a more sustainable solution is being implemented. Biodiesel emissions are accounted as zero in Scope 1. Reported biogenic emissions have declined to zero in 2024 and 2025.

Green car policy

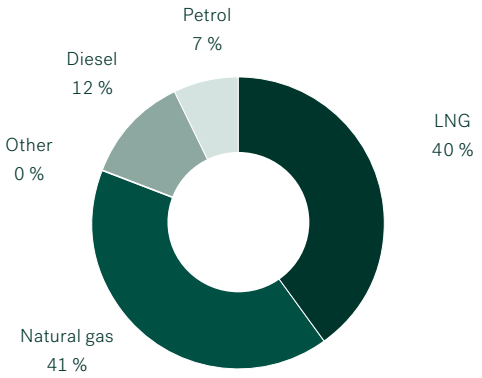
We are accelerating the shift to low- and zero-emission mobility across our European lease fleet. Since 2023, all new leases have moved to battery-electric vehicles, marking a clear step away from fossil-fuel dependency. By aligning vehicle choice with operational need and investing in charging infrastructure, we are reducing transport emissions while building a future-ready fleet that supports our 2030 climate ambitions.

Climate change

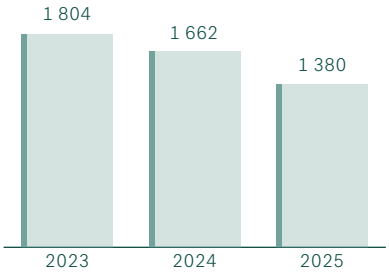
Flokk's energy consumption [MWh]

CATEGORY	2015	2023	2024	2025
Fossil fuel sources	3,500	8,868	11,711	10,974
Renewable fuel sources	0	4	0	0
District heating	1,237	1,804	1,662	1,380
Electricity	6,628	10,531	10,868	10,735
Total energy consumption	**11,365**	**21,207**	**24,241**	**23,089**
Change from year to year			14.3%	-4.8%

Distribution of Fossil Fuel Sources (MWh), 2025



District heating (MWh)



The graphs illustrate how targeted efficiency initiatives contributed to the reduction in energy consumption in 2025. The distribution of fossil fuel sources shows that natural gas (41%) and LNG (40%) remain the dominant fuels, underlining the continued importance of reducing fossil fuel demand through operational measures. The delivery route optimisation initiative at the Mirfield site directly supports this trend, delivering a 46% reduction in fleet mileage and contributing to lower diesel and petrol consumption.

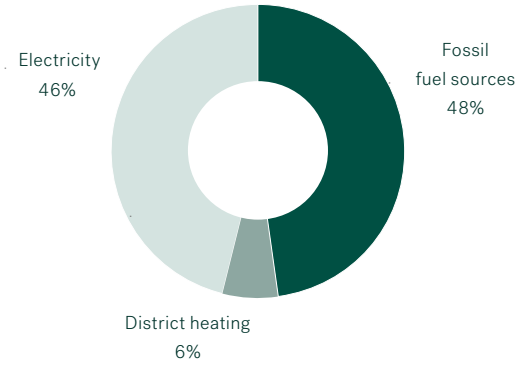
The district heating graph shows a clear downward trend from 2023 to 2025, with a 17% reduction compared to 2024. This decrease aligns with the roof insulation project at the Nässjö site, which reduced heat losses and lowered district heating demand. In parallel, electricity consumption efficiency improvements are reflected in the LED exchange initiative at Nässjö, which achieved a 20% reduction in electricity use compared to 2024.

TARGETS AND RESULTS

Flokk's energy targets focus on reducing total energy consumption, improving energy efficiency, and increasing the use of renewable energy. The 2030 intensity targets are to reduce energy consumption per unit to 14.74 kWh and energy consumption per revenue to 5.78 MWh. These targets represent a 40% reduction compared to the 2015 baseline. In addition, Flokk aims to achieve 100% renewable electricity and a 50% renewable energy share in total energy use by 2030.

In 2024, Flokk's total energy consumption increased compared to the previous year, mainly driven by higher fossil fuel use and the inclusion of additional operations from acquisitions within the reporting boundary. Increased reliance on gas-based energy sources at several sites contributed to a higher share of fossil fuels in heating and processes, while the overall share of renewable energy declined. Electricity consumption rose in line with production growth and continued electrification, including the expansion of electric vehicles. Despite higher production volumes, overall energy efficiency per unit weakened, indicating that energy demand grew faster than efficiency gains in 2024.

Distribution of Energy Consumption (MWh), 2025



In 2025, Flokk reduced total energy consumption by 4.8% compared to 2024. The decrease was mainly driven by lower fossil fuel use and reduced district heating consumption, reflecting improved energy efficiency in heating and production processes following the increase observed in 2024. Electricity consumption remained largely stable, indicating that efficiency gains were offset by ongoing electrification and operational demand. Overall, the reduction suggests that energy efficiency measures began to outweigh growth in energy demand, although continued reliance on fossil fuels highlights the need for further progress toward long-term energy and decarbonisation targets.



HÅG Tribute, Offecct Carry On, Offecct Archipelago, Offecct Falabella, Connection Harp, Connection Hygge

Resource use and circular economy

In 2025, we strengthened our understanding of resource use by improving master data coverage for Scope 3 Category 1 emissions from direct materials.

While supplier-specific emissions data remains limited, internal spend-based analyses and industry benchmarking confirm that direct materials represent the largest share of Flokk's carbon footprint, as is typical for manufacturers of voluminous, material-intensive products such as furniture. This insight is used to prioritise material choices, design improvements, and sourcing initiatives in line with Flokk's Principles for Sustainable Design, focusing actions where they are expected to deliver the greatest environmental benefit over the product life cycle and support long-term carbon reduction targets.

TOPIC	KPI	Results 2023	Results 2024	Results 2025	Status	Target 2030	
Resource use & Circular economy	Share of recycled materials in products (sold by 80% revenue)	28.4% *	41.7% **	**39.8%** ***	●	40%	CO_2e emissions reduction KPI's: Scope 3 Cat 01 Direct Material
	Share of recycled PP - Polypropylene in products	x	x	**52%**	●	60%	
	Share of recycled PA - Polyamide in products	x	x	**34%**	●	50%	
	Share of recycled aluminium in products	x	x	**93%**	●	95%	
	Share of recycled steel in products	x	x	**15%**	●	40%	
	Share of post-consumer recycled plastics in packaging	x	x	**15%** ****	●	35% (65% by 2040)	
	Wooden articles with FSC® claims in products	x	x	**83%**	●	100%	
Certification & Documentation	Number of product families with Type I ecolabel or equivalent environmental certification schemes	x	x	**158**	●	-	
	Number of product families with EPD	x	67	**74**	●	100%	
	Top 50 product families (revenue) with EPD	28%	48%	**52%**	●	100%	
	Share of EPD products with GREENGUARD Gold	82%	76%	**87%**	●	100%	
	Std Non-specialised fabrics certified / compliant with EU Ecolabel	69%	83%	**79%**	●	100%	
	Number of factories FSC® Chain of custody certified	3 (N, T, M)	4 (N, T, M, R)	**4** (N, T, M, R)	●	2026: 5 out of 8	

*) coverage: 30% of products from Røros, Nässjö, Turek with EPD
**) coverage: 52% of products from Røros, Nässjö, Turek with EPD - 387 products
***) coverage: 68% of products from Røros, Nässjö, Turek with EPD - 507 products
****) limited coverage: only 14% of total plastic packaging data - Europe only
X - Data not available

Resource use inflow

STRATEGY AND BUSINESS MODEL INTEGRATION

Resource-efficient inflows are a core element of Flokk's circular business model. As a designer and manufacturer of workplace furniture, our value creation depends on large volumes of plastics, metals, wood, textiles, foam and packaging. Our product strategy combines long product life, repairable and upgradable solutions, and modular design with increasing use of recycled and renewable inputs, embedding circular principles into product design, material selection and production operations.

We focus on:

- Reducing virgin material use per product.
- Increasing the share of recycled and renewable content in key material streams.
- Modularity; consolidation and reuse of components across our portfolio
- Designing for circularity to enable repair, reuse and high-quality material recovery.

Materials are managed through our ISO-based management system, with targets and actions at site level.

POLICY AND COMMITMENTS

Resource use and circular economy are integrated into Flokk's sustainability strategy and environmental governance. Our approach is anchored in group-wide policies that guide how resources are sourced, used, and managed across our own operations and the upstream value chain.

Key frameworks include:

- Environmental Policy, approved annually by the CEO and applicable across the Group, committing Flokk to efficient resource use, reduced emissions, minimal waste and pollution, and avoidance of hazardous substances across the product life cycle.
- Environmental and Product Design Principles (5-III framework), structuring environmental work and product development around the focus areas Climate, Resources and Health, and five circular design criteria: low weight, few components, right materials, long lifespan, and design for disassembly. These principles guide material selection, product design & architecture, and environmental documentation, including Environmental Product Declarations (EPDs).
- Environmental Requirements for Suppliers, defining concrete expectations for environmental compliance and performance, efficient use of energy and raw materials, reduction of pollution and hazardous chemicals, responsible waste management, and continuous improvement.
- Code of Conduct for Business Partners (environmental aspects), setting baseline requirements on legal compliance, pollution prevention, chemical management, and protection of land, biodiversity, and local environments.
- Procurement policies and procedures, requiring environmental performance and sustainability risk to be considered in supplier selection, contracting and follow-up.

Together, these frameworks ensure that resource efficiency and circular economy principles are consistently embedded in product development, sourcing decisions, and supplier engagement.

Material actual/potential impact on environment and people and financial risk and opportunity

		Localisation of value chain	Time horizon
RESOURCE INFLOW			
Use of raw materials Negative impact	Extraction and processing of raw materials (steel, plastics, aluminium, wood, fabrics, foam) generate significant CO_2 emissions and other environmental impacts. Material choices and volumes are decisive for Flokk's footprint, as most of the impact occurs upstream before components reach our factories.	Upstream	Short, medium, long
Supply and cost pressure Risk	Dependency on energy-intensive and volatile raw material markets exposes Flokk to risks of supply disruption and price increases. Increasing demand for low-carbon and recycled materials may further intensify competition and push prices upward, creating cost pressure as regulations and customers raise requirements.	Upstream	Medium, long
Exposure to higher energy costs Opportunity	Increasing use of recycled and certified materials, supported by Flokk's circular design approach, lowers the footprint of products and strengthens attractiveness with customers demanding sustainable solutions. Products are designed for disassembly, enabling easy replacement of wear-and-tear parts, refurbishment, and prolonged life – directly supporting a circular economy.	Upstream Own operations	Medium, long

Definition timeline: Short 0-1 years. Medium: 2-5 years. Long: > 5 years

Our double materiality assessment confirms resource use and circularity as a material topic, with clear links to environmental impact, cost, supply security and access to customers and tenders. Resource considerations are therefore integrated into product and portfolio decisions, procurement strategies and operational planning, and this chapter is aligned with ESRS E5 requirements on resource inflows and circular use of materials.

Resource use and circular economy

ACTIVITIES

Flokk manages resource use through product design, sourcing, operations, and data governance, building on long-standing work with environmental performance and circular product concepts.

Product and material strategy

Prioritising recycled plastics and metals in new and updated products, increasing use of certified lower-impact textiles, foam and other inputs, and applying circular design principles to reduce material use and enable maintenance, refurbishment, upgrades and long product life.

Operational efficiency

Reducing scrap and yield losses through lean methods and process optimisation, improving material utilisation and packaging efficiency, and managing annual environmental targets through ISO-based management systems.

Supplier and value chain engagement

Working with key suppliers on recycled materials and lower-impact solutions and integrating circular capabilities and resource performance into supplier selection and follow-up.

Innovation, pilots and refurbishment

Testing next-generation materials and monitoring advanced recycling technologies, while piloting refurbishment and reuse solutions at local scale to assess technical and operational feasibility.

Master Data, documentation and environmental certificates on products

Using recognised certifications to document and communicate environmental product performance and guide customer choices, with EU Ecolabel as the primary Type I ecolabel in Europe and BIFMA LEVEL as the primary recognised environmental certification scheme in the US. These are complemented by EPDs, GREENGUARD Gold and FSC, ensuring transparent and verified documentation of environmental performance.

In parallel, Flokk is strengthening material and product transparency through its Master Data improvement project, including initiatives to improve the comparability and practical use of EPD data, supported by innovation projects.

PRODUCT ENVIRONMENTAL CERTIFICATIONS

Customers and tender requirements increasingly demand independent, verified and comparable environmental documentation. Our certifications translate Flokk's environmental ambitions into transparent, fact-based, third-party verified data, supporting qualification in major tenders, meeting customer requirements and strengthening our competitive position in key markets.

Flokk's certification strategy ensures coverage across materials, chemicals, emissions, climate impact and responsible sourcing. We prioritise the EU Ecolabel in Europe and BIFMA LEVEL in the United States as our primary multi-criteria environmental certifications. These are complemented across markets by Environmental Product Declarations (EPDs), GREENGUARD Gold and FSC (Forest Stewardship Council) certification, together providing comprehensive third-party documentation of product environmental performance across the product life cycle.

Product families with Type I ecolabel or equivalent environmental certification schemes

158

EU Ecolabel, Swedish Möbelfakta, Blue Angel, BIFMA LEVEL

The EU Ecolabel
is the official ISO 14024 Type I ecolabel of the European Union, awarded to products with third-party verified reduced environmental impact across their life cycle, from raw materials to end of life.

Environmental Product Declarations (EPDs) are ISO 14025 Type III documents that disclose quantified life-cycle environmental data, including carbon footprint, energy use and recycled content. They enable transparent and comparable performance information across products.

FSC (Forest Stewardship Council)
is an international certification for responsible forest management, ensuring wood originates from sustainably managed sources that meet environmental and social standards. FSC supports responsible sourcing, traceability and reduced deforestation risk.

GREENGUARD Gold
certifies low chemical emissions, ensuring products meet strict limits for VOCs such as formaldehyde and support healthy indoor air quality. Our products are tested according to the requirements of the UL GREENGUARD Environmental Institute.

BIFMA LEVEL is an environmental certification for the North American furniture market, based on the ANSI/ BIFMA e3 Furniture Sustainability Standard developed by the Business and Institutional Furniture Manufacturers Association (BIFMA). It evaluates environmental and social impacts of furniture products using a multi-attribute framework and provides credible documentation for US customer and tender requirements.

DATA IN RELATION TO RESOURCE INPUT

Resource inputs are significant for Flokk because we use large volumes of materials in our products. These volumes directly influence our overall resource consumption, environmental impact and exposure to supply-related risks.

The main technical materials in Flokk's products are polypropylene, polyamide, steel, aluminium and PUR foam. Key biological materials include wood (solid wood, particleboard, MDF, HDF and plywood), wool, leather and cotton. In addition, packaging is a significant material stream, primarily consisting of cardboard, plastics and wooden pallets.

Status 2025

- Coverage: ~70% of items with material data (6,511 of 9,320)
- Suppliers: 101 of 291
- Scope: Flokk Europe (limited coverage for Mirfield)
- Exclusions: Flokk US and China. Textiles, chemicals and selected manufactured items

→ For further details on Resources and Data collection, see Sustainability note S4

Master Data improvement project - transparency, traceability and value creation

Flokk has implemented a group-wide Master Data project to ensure high-quality data on materials and products, strengthening transparency, traceability and data quality related to resource use, recycled content and environmental performance. The project supports CSRD reporting and compliance, customer transparency, and commercial decision-making.

By linking material type, weight, country of origin and recycled material share at item level, the framework enables more consistent environmental reporting, improved product development and sourcing decisions, and robust documentation through Environmental Product Declarations (EPDs).

The current scope covers Flokk Europe, focusing on high-volume materials. Ongoing data clean-up is improving quality and usability, with the ambition to expand coverage across the Flokk Group, supporting ESRS alignment and product portfolio improvements as the Master Data clean-up progresses.

Resource use and circular economy

TARGETS AND RESULTS

Flokk monitors progress on resource use and circularity through group-level indicators.

Progress is followed up annually through management review and ESG governance and will be reported in line with ESRS E5 as data coverage and quality continue to improve.

Status 2025

A large share of Flokk's core portfolio is documented through recognised environmental certifications and declarations, providing transparency on material composition, chemical content, durability, and life-cycle impacts. Recycled and renewable materials are increasingly integrated into new products and portfolio updates.

Forward-looking targets

- Increase the share of recycled and renewable content in key material streams (plastics, metals, textiles, wood and packaging) by 2030, compared with 2025.
- Improve material efficiency per product through reduced virgin material use, modularity, and longer product lifetimes.
- Strengthen data quality and expand item-level master data coverage over time, supporting ESRS alignment, consistent resource disclosures and product portfolio improvements as the Master Data clean-up progresses.

HÅG Tion Mesh, launched 2025

70%

recycled material content

Product families with EPD

74

Share of recycled materials



giroflex 313 313-34039	RH Logic 220 9112	OFFECCT Phoenix 7151800	Profim Violle 150F	Profim Ana 4340 *(Graphite)*	HÅG Capisco Puls 8010 *(Black/ recycled snowplough marker)*	HÅG Tion 2100 *(Recycled snowplough marker)*	Profim Normo 500H	HÅG Celi 9100 *(Recycled snowplough marker)*	HÅG Tion Mesh 2340
52%	58%	52%	55%	56%	57%	75%	53%	88%	70%
2014	2016	2017	2019	2020	2021	2021	2022	2022	2025

Share of recycled materials [%].
Packaging excluded

Flokk offers a broad range of products with high recycled content. Among products launched since 2014, most of our top ten contain 52–58% recycled materials, with HÅG Tion/Mesh and HÅG Celi reaching a range of 70-88%. For our main products (80% of revenue), the current average is at target ~40% recycled materials, based on EPD-covered products and 2024 sales. As EPD coverage is extended to additional brands, this average may decrease due to lower verified shares, but material composition and recycled content are transparently reported in our Environmental Product Declarations.



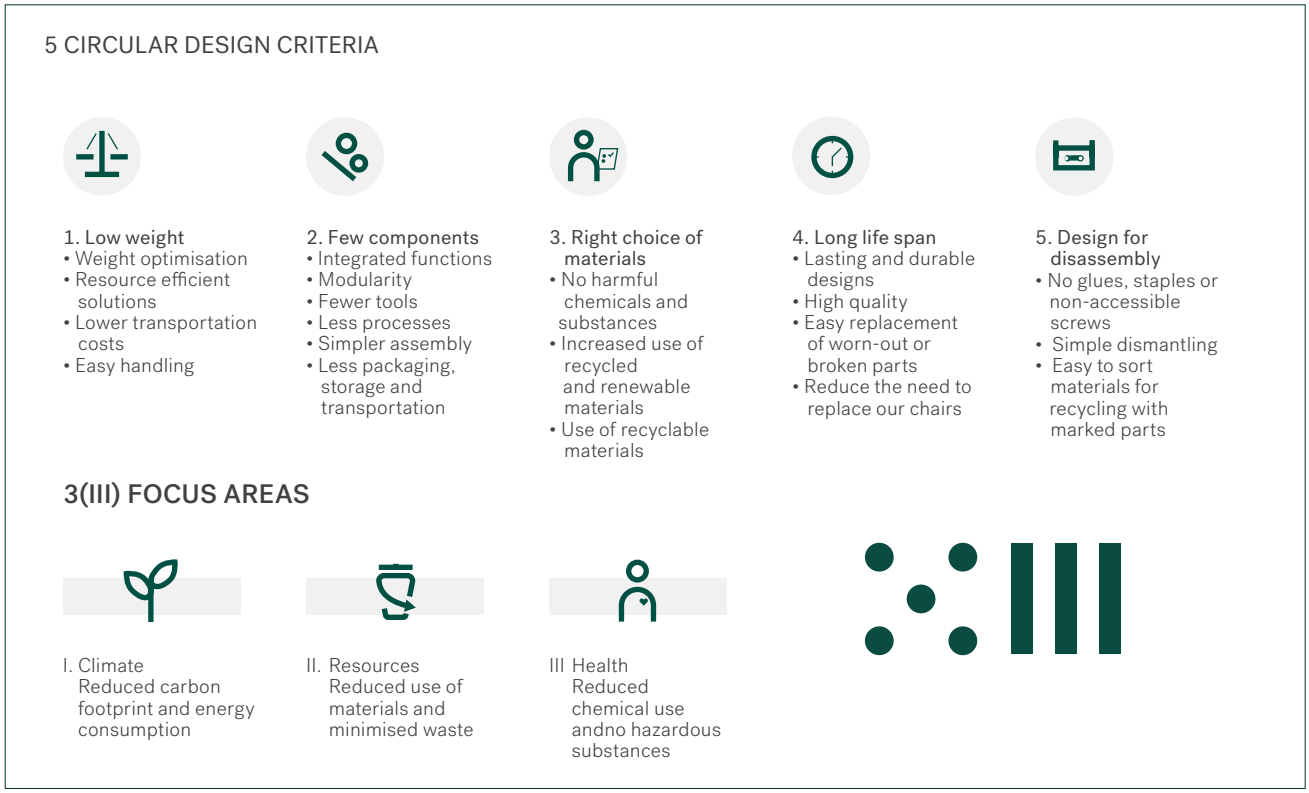
RH Logic 220 Silver

Designing products for circularity and long-term use

Our 5-III Principles for Sustainable Design

Since 1993, Flokk's product development has been guided by our five circular design criteria linked to three key environmental focus areas - our 5-III Principles for Sustainable Design ("5-3"). These criteria shape both new product design and portfolio maintenance, ensuring environmental performance is integrated from concept to end-of-life.

Because the majority of Flokk's climate impact lies in Scope 3 emissions from materials, 5-III is a central driver of our decarbonisation efforts, while also addressing impacts from production, use and end-of-life. In practice, this means developing sustainable products designed for longevity and durability that can be easily repaired, reused and recycled, and increasing the use of recycled materials in products and packaging to reduce embodied carbon.



REPAIRABILITY & REFURBISHMENT

Flokk designs products for easy repair and refurbishment to support long service life and circular use. Modular construction and design for disassembly allow worn or damaged parts to be repaired, replaced or upgraded without compromising safety or performance. Key components are accessible using standard tools, with spare parts available throughout the intended product lifetime.

Refurbishment builds on these principles and extends product life beyond first use, driven by growing customer demand for cost-efficient, lower-impact solutions. Flokk aims to scale up local refurbishment initiatives, reducing resource use and waste while creating additional value for customers. Together, repairability and refurbishment reinforce Flokk's product guarantees and overall circular design strategy.

OFFECCT CIRCULUS - CIRCULAR DESIGN IN PRACTICE

Offecct Circulus exemplifies how Flokk's 5-III design principles are applied in practice to create durable, repairable and circular products for demanding public and office environments. The design objective was to develop a high-quality, long-lasting seating system that combines comfort and flexibility with low material intensity, modularity and full disassembly.



reddot winner 2025
best of the best

reddot winner 2025
sustainable design

Circulus is built around a robust skeletal metal structure with a limited number of components that can be configured into benches, mid-back and high-back solutions, including face-to-face arrangements. Key structural elements are mechanically fastened using standard screws, enabling easy assembly, repair, refurbishment and material separation at end of life. Upholstery is attached without glue, staples or tools, allowing covers to be removed and replaced by hand, extending product life while reducing waste and foam use.

Material choices and construction reflect environmental priorities, including high recycled content in aluminium components (98%), efficient use of materials, and local production and assembly to reduce transport-related impacts. The modular architecture supports long service life, reuse and refurbishment, while maintaining the quality and robustness required for contract use.



As a result of this design-led, circular approach, Offecct Circulus was awarded both the Red Dot "Best of the Best" and the Red Dot Sustainability Award in 2025, demonstrating how Flokk translates environmental ambition into award-winning, commercially viable products.

HIGH QUALITY AND DURABILITY BY DESIGN

Flokk offers long product guarantees to support durability, long service life and efficient use of resources. Guarantee periods vary by brand, product category and usage conditions, with several product families covered by up to 10 years under normal office or home use. For products designed for intensive 24/7 use, shorter guarantee periods apply (e.g. up to 5 years for RH 24/7 models and up to 3 years for Giroflex 24/7 models). Other brands define guarantee periods per product and market. Detailed terms are specified in product documentation and applicable legal conditions. By extending product lifetimes through design for long-term performance, health, safety and maintenance, Flokk helps reduce premature replacement and supports circular economy principles.

Guarantee overview - Flokk brands

BRAND	MAIN PRODUCT SEGMENTS	PUBLICLY COMMUNICATED GUARANTEE (marketing level)	LEGAL GUARANTEE BASIS
HÅG	Task chairs, conference chairs	Up to 10 years	Product- and component-specific guarantee terms apply
RH	Task chairs, 24/7 seating	Up to 10 years (5 years for 24/7 models)	Defined in product documentation and applicable market terms
Profim	Task chairs, soft seating, conference seating	Up to 5 years	Product- and market-specific conditions apply
Giroflex	Task chairs, conference seating, 24/7 seating	Up to 5 years (3 years for 24/7 models)	Component-based guarantee structure
Malmstolen	Ergonomic task chairs	Up to 10 years	Defined per product and use category
9to5 Seating	Task chairs, executive and guest seating	Varies by product	Market-specific legal guarantee terms apply
Stylex	Lounge, collaborative and soft seating	Varies by product	Defined per product, component, and intended use
Connection	Soft seating, booths, micro-architecture	Varies by product	Product- and installation-specific terms apply
OFFECCT	Soft seating, tables, acoustic solutions	Varies by product	Defined per product category and materials



Social information

Flokk's responsibility extends to both our employees and to people across our value chain. We recognize that our ability to deliver on our strategy and long-term goals depends on a strong commitment to people, those directly employed by Flokk, and the thousands of individuals engaged in our supply chain.

Our social responsibility framework is anchored in internationally recognized standards, including the UN's Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Responsible Business Conduct, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

We have adopted a group-wide set of policies that form a comprehensive framework to ensure safe, fair, and inclusive working conditions, prevent risks of human rights breaches, and promote integrity and transparency in our own operations and in our supply chain.

The following section provides information on the following disclosures:

S1 Own work force

Working conditions *Page 124*
Equal treatment and opportunities *Page 129*

S2 Workers in the value chain

Working conditions *Page 132*



HÅG SoFi mesh







Own work force

Our people are central to Flokk's success. With more than 1 900 employees across 20 countries, our workforce represents a wide range of cultures, nationalities, backgrounds, and skills driving innovation and competitiveness. Flokk is committed to building a safe, inclusive, and engaging workplace where employees can thrive, develop, and contribute to our vision: *Inspire Great Work*.

Our People Policy and other supporting frameworks emphasize health and safety, equal opportunities, continuous competence development, and a strong leadership culture.

TOPIC	KPI	Results 2023	Results 2024	Results 2025	Status	Target 2030
Working conditions	# of fatalities and high consequence injuries	0	0	0	●	0
	% of employees responding to Engagement surveys all Flokk employees	95%	n.a.	96%	●	90
	Engagement score in annual employee survey	7.2	n.a.	7.6	●	≥ 8.0
	"Work-life-balance" score in annual Engagement survey	7.5	n.a.	7.4	●	≥ 8.0
	% of employees completed HSE training	95%	97%	98%	●	100%
Equal treatment and opportunities	Unadjusted pay gap (female salary as % of male)	-	92%	95%	●	100%
	% of female managers (leadership responsibility)	32%	34%	38%	●	40%
	% of employees completed Code of Conduct training	72%	91%	93%	●	100%

Working conditions

STRATEGY AND BUSINESS MODEL INTEGRATION

As a manufacturing company with operations across multiple countries, Flokk is exposed to inherent risks related to health and safety, working conditions, and employee well-being. Providing secure employment, fair and locally compliant wages, safe working environments, and a sustainable work-life balance is therefore fundamental to Flokk's business model and long-term performance.

Working conditions are addressed through a long-term and structured approach and are embedded in how Flokk operates and grows.

Health and safety, working time arrangements, work-life balance, and social dialogue are integrated into operational management, local leadership responsibilities, and group-wide governance processes. This supports productivity, employee retention, and resilience across production sites and office locations.

Flokk recognises that employee needs vary across life phases and geographies. Our approach therefore aims to ensure consistent minimum standards while allowing flexibility where appropriate, supporting a ONE Flokk culture across countries, functions, and newly acquired entities.

→ For further details about our employee data, see Sustainability notes

Material actual/potential impact on environment and people and financial risk and opportunity		Localisation of value chain	Time horizon
WORKING CONDITIONS [1]			
Safe and supportive workplace Positive impact Potential negative impact	Flokk promotes secure employment, a right wage, salary-and benefit level locally, sustainable working hour schedules, the importance of health & safety, work-life balance and social dialogue at the workplace. This strengthens well-being and productivity. Regardless of geographical location and local minimum legislation. We practice one set of leadership principals in all our organisation where the trust-based leadership element is a core foundation. We experience such approach further building and strengthening our One Flokk culture.	Own operations	Short, medium, long
Health and safety Risk	As a manufacturing company, Flokk is exposed to inherent risks of workplace accidents and injuries. Although injury rates are low, incidents can occur. Flokk mitigates this risk through proactive HSE efforts such as training, controls, preventive reporting, systematic risk assessments at each location and individual production workstation. Maintaining a strong focus on HSE is essential to safeguarding employees.	Own operations	Short, medium, long
EQUITABLE TREATMENT AND OPPORTUNITIES [2]			
Diversity & inclusion Positive impact	Flokk works to ensure gender equality, equal pay for equal work, organisational diversity and access to relevant training and skills development throughout Flokk. We believe such measures strengthens and enhances culture, innovation and resilience.	Own operations	Short, medium, long
Employer attractiveness Opportunity	At Flokk, we believe in creating environments where meaningful connections and collaboration thrive. Employer attractiveness is rooted in our strong commitment to sustainability and innovation which inspires creativity and supports well-being across workplaces worldwide. We believe that a workplace based on trust and shared company values inspire employees to perform at their best. We believe these factors enhances and strengthens the ONE Flokk culture, innovation and resilience.	Own operations	Short, medium, long

Definition timeline: Short 0-1 years. Medium: 2-5 years. Long: > 5 years

1) Flokk has defined the following material sub-sub topics under the sub topic of Working conditions: Secure employment, working time, adequate wages, social dialogue, work life balance, health and safety.
2) Flokk has defined the following material sub-sub topics under the sub topic of Equal treatment and opportunities: Gender equality and equal pay for work of equal value, training and skills development, diversity.

Own work force

POLICY AND COMMITMENT

Flokk's approach to own workforce matters is anchored in a structured policy framework designed to ensure safe, fair, and inclusive working conditions across all entities.

- **HSE Policy,** committing to a zero-injury culture, risk prevention, and compliance with ISO 45001 and applicable legal requirements.
- **People Policy,** defining our standards for leadership, competence development, workplace behaviour and employee well-being.
- **Labour & Human Rights Policy,** ensuring fair labour practices, social dialogue, and compliance with working time and wage standards in all markets.
- **Code of Conduct,** setting clear expectations for ethical behaviour, integrity, and compliance with laws and internal rules.



giroflex 353 visitor chair

ACTIVITIES

Flokk operationalises its commitments through a combination of preventive measures, continuous monitoring, and employee dialogue.

Health and safety

Flokk maintains a structured HSE management system across all production sites. Key activities include:

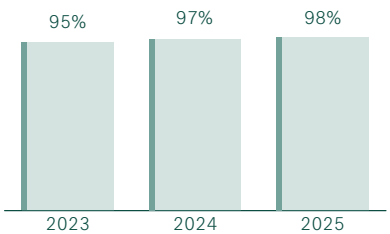
- Regular risk assessments at workstation level, identifying potential hazards and implementing preventive measures
- Mandatory safety training programmes for employees in production and relevant operational roles
- Registration and follow-up of incidents, near misses, and unsafe conditions through a centralised reporting system
- Monthly HSE reporting and continuous monitoring by site management and Group functions
- Newly acquired manufacturing entities undergo structured HSE risk reviews covering production processes, equipment, and workplace-specific hazards

Identified gaps are addressed through local action plans and integration into Flokk's reporting framework. Flokk's long-term ambition remains a zero high-consequence injury culture.

Zero

Fatalities or high consequence injuries at our manufacturing sites and operations

% of our employees completed HSE training



Adequate wages

Flokk provides wages and benefits in line with national legislation, collective agreements and relevant industry standards. Compensation governance is embedded as a Group-wide practice and subject to structured internal controls.

Across all entities, Flokk conducts periodic reviews of compensation and benefits to ensure fairness, competitiveness and compliance.

In addition, during the integration of newly acquired entities, compensation and benefits packages are systematically assessed against:

- Comparable Flokk entities
- Local market benchmarks
- Industry standards

This ensures harmonisation of core principles across the Group while maintaining compliance with local labour law and respecting market expectations. Flokk's central HRIS system supports this governance framework by enabling:

- Consistent payroll data management
- Transparency and auditability
- GDPR-compliant handling of employee data
- Consolidated reporting across the Group

Periodic pay reviews are conducted to identify potential unjustified pay gaps and ensure equal pay for equal work. Flokk does not tolerate unlawful wage deductions, withholding of salary, or any form of financial exploitation.

Social dialouge

Flokk supports the right of employees to freedom of association and collective bargaining in accordance with national legislation and international labour standards.

Where employee representatives or trade unions are established, Flokk engages in structured dialogue and cooperation. Employees have the right to organise, join trade unions of their choice, and participate in collective bargaining without fear of retaliation.

Social dialogue is embedded in Flokk's operating model across all entities and includes:

- Cooperation with employee representatives and unions where applicable
- Regular site meetings and leadership forums
- Annual employee engagement surveys
- Established whistleblowing mechanisms

Employees are encouraged to raise concerns openly through formal and informal channels. Reported concerns are handled in accordance with Flokk's whistleblowing and policy breach procedures, ensuring confidentiality and protection against retaliation.

This approach applies consistently across all Flokk entities. Newly acquired entities are integrated into these dialogue and governance structures as part of standard Group procedures.

Secure employment

Flokk is committed to providing stable and predictable employment conditions across all entities. All employees are provided with written employment contracts in accordance with local legislation and applicable collective agreements.

As a standard operating procedure across the Group, Flokk maintains structured governance over employment terms and working conditions. This includes regular legal compliance reviews, alignment with Group policies, and oversight of employment practices at all sites.

The same framework applies systematically to newly acquired entities. As part of the integration process, employment contracts and employment structures are reviewed and, where necessary, updated to ensure compliance with local legislation and alignment with Flokk's People Policy and Labour & Human Rights Policy.

In addition, all entities operate within Flokk's central HR information system (HRIS). This ensures:

- Standardised employment documentation
- Secure storage of employee data
- Compliance with GDPR and applicable data protection regulations
- Consistent workforce reporting and oversight across the Group

This approach ensures that employment standards are applied consistently across Flokk, while fully respecting national legal requirements and local market practices.

Own work force

Work life balance

Flokk recognises that sustainable performance requires a healthy balance between professional and personal life. Across all entities, we:

- Comply with statutory leave entitlements, including parental leave and sick leave
- Apply internal guidelines supporting flexibility where operationally feasible
- Monitor workload and well-being through structured leadership follow-up
- Assess employee engagement and well-being through regular surveys

A key element of our structured follow-up is the Individual Development Talk (IDT) process, facilitated annually by Group HR and followed up semi-annually.
The IDT provides a structured framework for dialogue between employees and leaders, enabling in-depth discussion of:

- Competence development
- Total workload and capacity
- Well-being and motivation
- Work-life balance considerations

This process allows leaders and employees to address challenges early and agree on concrete follow-up actions where needed.

In addition to individual dialogue, Flokk conducts an annual employee engagement survey across the Group. The survey includes specific questions related to workload, work-life balance, well-being and leadership support.

To ensure representativeness and meaningful insights, strong emphasis is placed on participation. In 2025, Flokk achieved a record-high response rate of 96%, providing a robust and reliable foundation for analysis and follow-up actions.
Survey results are reviewed at Group and local level, and targeted action plans are developed where improvement areas are identified.

Together, the IDT process and the engagement survey provide both qualitative and quantitative insight into employee well-being, ensuring a systematic and data-driven approach to maintaining healthy working conditions across all entities.



Working time

Flokk ensures compliance with applicable national legislation governing working hours, overtime, rest periods and leave entitlements across all entities.

Working time governance forms part of our standard operating procedures and is monitored through local HR processes, management oversight and internal controls.
At production sites, regulated shift systems are designed to balance operational efficiency with employee health and safety. Overtime must be approved and is monitored to prevent excessive workload.

Workload and working time are also addressed through the annual Individual Development Talk (IDT) process and the annual employee engagement survey, which includes specific questions on workload and capacity.

These practices apply consistently across all Flokk entities, including newly acquired companies, while respecting local legal requirements and collective agreements.

Equal treatment and opportunities

STRATEGY AND BUSINESS MODEL INTEGRATION

Equal treatment and equal access to opportunities are central to Flokk's ability to attract, develop, and retain competent employees across markets and functions. As a design- and manufacturing-led company operating in multiple countries, Flokk depends on diverse perspectives, skills, and experiences to drive innovation, resilience, and long-term competitiveness.

Equal treatment and opportunities are therefore integrated into Flokk's people and leadership practices and are not treated as stand-alone diversity initiatives. Gender equality, equal pay for work of equal value, access to training and skills development, and inclusive career opportunities are embedded in recruitment, performance management, leadership development, and succession planning. This approach supports a ONE Flokk culture and enables consistent standards across geographies while respecting local context.

POLICY AND COMMITMENT

Flokk's commitments to equal treatment and opportunities are anchored in group-wide policies that apply across all operations:

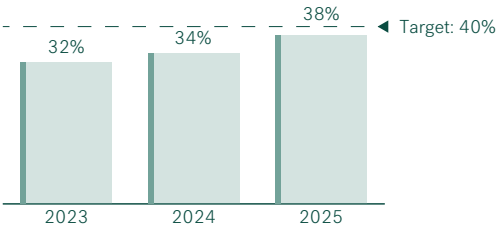
- **Diversity, Equity and Inclusion (DEI) Policy,** setting expectations for inclusion, equal opportunity, and non-discrimination in recruitment, development, and leadership
- **People Policy,** supporting fair treatment, competence development, and age-inclusive employment practices
- **Labour & Human Rights Policy,** committing to non-discrimination and equal opportunities across Flokk's own workforce
- **Code of Conduct,** prohibiting discrimination and harassment and requiring equal treatment regardless of sex, ethnicity, religions etc



HÅG Tion, Connection Spaces

Own work force

% female managers



Gender equality and equal pay for work of equal value
Flokk works systematically to promote gender balance and prevent discrimination.

Recruitment processes are structured to ensure fair evaluation of candidates, and leadership teams are encouraged to consider diversity when building teams. In 2025, women represented 38% of managers with people responsibility, compared to our long-term target of 40%. While we operate in an industry with a high share of male employees in production roles, we continue to work actively to improve gender representation in leadership positions.

Compensation governance includes periodic reviews to identify potential unjustified pay gaps and ensure equal pay for work of equal value.

96%

Completion of Individual Development Talks

Training and skill development
Training and skills development are supported through structured competence development processes, including:

- The annual Individual Development Talk (IDT) and semi-annual follow-up
- Access to training programmes and continuous learning opportunities
- Leadership development initiatives
- Mandatory Code of Conduct awareness training and e-learning modules

These initiatives are designed to ensure equitable access to development regardless of gender, age, background, or role.

All employees formally acknowledge and sign the Code of Conduct upon employment, including employees joining Flokk through acquisitions. Behavioural training sessions are conducted throughout the year for both leaders and employees to reinforce inclusive and ethical workplace practices.



Profim Normo

Diversity

Diversity and inclusion are reinforced through Flokk's structured DEI programme, which consists of:

- A dedicated DEI Policy
- Group-wide awareness training
- Defined DEI targets approved by the Board of Directors
- Leadership-supported initiatives driven by the DEI task force

Mandatory training and ongoing awareness activities strengthen inclusive behaviours and leadership practices across the organisation.

Newly acquired companies and new employees are included in these processes from an early stage to ensure alignment with Flokk's values and expectations.

Flokk also recognises the importance of age-inclusive employment practices. Through provisions in the People Policy, employees above a defined age are offered additional vacation days beyond statutory requirements. This supports sustainable working lives and contributes to retention of experience and competence within the organisation.

Employee engagement and workplace indicators

Flokk conducts its employee engagement survey to monitor a range of indicators, amongst workplace conditions, inclusion, leadership and well-being across all entities.

Results are reviewed at Group and site level and followed up through targeted action plans. Particular attention is given to response rates to ensure representativeness and reliability of the findings. In recent years, participation has remained high, providing a strong basis for analysis and continuous improvement.

The table below presents selected engagement indicators, showing continued positive development and progress towards defined targets, particularly within inclusion and leadership.

KPI	2021	2023	2025	Target
Response rate	87%	95%	96%	90%
Inclusion	n.a.	8	76	80
Working environment	6.8	7.2	77	80
Work-life balance	7.0	7.5	74	80
Leadership	7.3	7.6	80	80

In 2021 and 2023 we used Effectory as external provider. A score of 7,2 in this system can be translated to 72 in the new system provided by Catalyst ONE Engage.

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.







Workers in the value chain

Flokk relies on a global supply chain for raw materials and components, which makes working conditions across our value chain a key responsibility. Risks such as insecure employment, excessive working hours, inadequate wages, and insufficient health and safety standards are particularly present in regions with weaker regulation and enforcement.

Flokk addresses these risks through our Code of Conduct for Business Partners, supplier audits, and long-term collaboration with key suppliers. By setting clear expectations, following up with assessments, and engaging in dialogue, we seek not only to prevent misconduct but also to raise standards over time. This approach helps safeguard workers' rights, strengthens trust with our stakeholders, and ensures that our products are sourced responsibly.

		Results			Status	Target
TOPIC	KPI	2023	2024	2025		2030
Workers in the value chain	% APV* of direct suppliers with signed Code of Conduct	97%	97%	94%	●	95%
	# detected violations of human rights in our value chain	0	0	0	●	0
	# on site supplier audits	17	12	25	●	>20

*APV: Annual purchase value

Working conditions

STRATEGY AND BUSINESS MODEL INTEGRATION

Flokk has worked systematically with responsible sourcing and labour-related risks in the value chain over an extended period. This work has evolved alongside the company's growth and international expansion and reflects a deliberate effort to integrate human rights considerations into core business processes.

Responsible sourcing is embedded in Flokk's procurement, supply chain management, and supplier governance and is not treated as a parallel or stand-alone compliance activity. Human rights and working conditions are considered alongside quality, delivery performance, cost, and operational risk when selecting, evaluating, and managing suppliers. As a manufacturing group with a global supplier base, Flokk recognises that exposure to labour-related risks varies across regions, materials, and production processes. Our business model therefore relies on risk-based prioritisation, long-term supplier relationships, and continuous follow-up rather than short-term transactional sourcing. This approach supports stable supply chains, reduces operational and reputational risk, and enables gradual improvement in working conditions over time.

Responsible sourcing is also integrated into business development and acquisition processes. Newly acquired companies are aligned with Flokk's responsible sourcing framework, including supplier risk management, Codes of Conduct, and follow-up processes. This ensures consistency across the group and supports sustainable business growth as Flokk expands its footprint.

Material actual/potential impact on environment and people and financial risk and opportunity		Localisation of value chain	Time horizon
WORKING CONDITIONS [1]			
Labour standards Potential negative impact	In the supply chain, workers may face risks related to secure employment, excessive working hours, inadequate wages, and poor health & safety conditions. These challenges are particularly relevant in regions with weaker regulation and enforcement.	Own operations	Short, medium, long
Supply chain responsibility Risk Opportunity	Failure to address issues around employment security, wages, working time or health & safety in the supply chain may lead to reputational damage, supply disruptions or loss of customers demanding responsible sourcing. By enforcing supplier requirements on employment practices, wages, working time and H&S, through the Flokk Code of Conduct, audits and partnerships, Flokk can raise standards in the supply chain. This strengthens customer trust and positions Flokk as a preferred partner for responsible sourcing.	Own operations	Medium, long

Definition timeline: Short 0-1 years. Medium: 2-5 years. Long: > 5 years
1) Flokk has defined the following material sub-sub topics under the sub topic of Working conditions: Secure employment, working time, adequate wages, health and safety

BUILDING A RESILIENT AND RESPONSIBLE SUPPLY BASE

SELECTING THE RIGHT PARTNERS

Our supplier base is a strategic asset. We select partners who strengthen our competitiveness and reflect our standards.

All suppliers must:

- Comply with applicable laws and sanctions
- Adhere to Flokk's Code of Conduct
- Meet defined environmental and social requirements
- Deliver consistent quality, reliability, and performance

This ensures stability in our operations and protects our brand.

SETTING EXPECTATIONS

Supplier onboarding is the starting point, not the finish line.

We work actively with suppliers to:

- Improve quality and delivery performance
- Reduce operational and sustainability risks
- Strengthen environmental and social standards

Performance is monitored through regular reviews and structured dialogue.

Where gaps are identified, corrective actions are agreed and followed up.

REVIEWING PERFORMANCE

Supplier risk is assessed annually and adjusted based on geography, category, and performance.

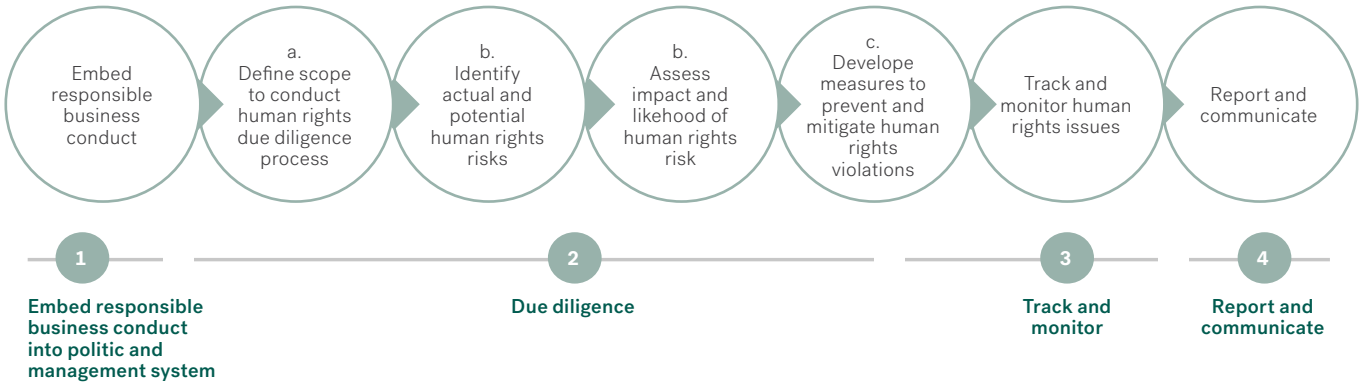
- Low-risk suppliers follow standard review cycles
- Medium-risk suppliers are re-screened every two years
- Higher-risk suppliers receive enhanced monitoring and closer engagement

If expectations are not met, we take decisive action, including re-evaluation of the relationship.

Environment Social Governance

Workers in the value chain

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.



POLICY AND COMMITMENTS

Flokk's approach to workers in the value chain is anchored in group-wide policies and internationally recognised standards, including the OECD Guidelines for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights.

Key frameworks include:

- **Code of Conduct for Business Partners**, which sets minimum requirements for labour standards, wages, working hours, health and safety, and non-discrimination.
- **Labour & Human Rights Policy,** extending Flokk's commitments to the supply chain and explicitly prohibiting forced and child labour.
- **Whistleblower Policy** and grievance mechanisms, providing channels for reporting concerns related to working conditions in the value chain.
- **Process for Managing Policy Breaches,** defining escalation, investigation, and remediation of supplier-related violations.

All suppliers are screened against relevant sanctions lists prior to onboarding and are subject to quarterly re-screening as part of Flokk's ongoing supplier risk management. This serves as a preventive control to reduce exposure to high-risk regions and actors associated with serious human rights and compliance risks.

ACTIVITIES

Flokk applies a structured and risk-based approach to managing working conditions in the value chain. Our approach combines preventive controls, monitoring mechanisms and continuous follow-up.

Supplier selection and onboarding

All new suppliers undergo a structured onboarding process that includes:

- Assessment of management systems, quality performance and social responsibility
- Confirmation of compliance with Flokk's Code of Conduct for Business Partners
- Screening against relevant international sanctions lists
- Verification of ISO 14001 certification (or equivalent environmental management systems) where applicable

Suppliers must formally acknowledge and commit to Flokk's Code of Conduct for Business Partners prior to contract finalisation.

Risk assessment and prioritization
Flokk performs ongoing supplier risk assessments using a risk-based model. Suppliers are evaluated based on:

- Geographic risk exposure
- Industry risk
- Volume and strategic importance
- Environmental and social risk indicators
- Suppliers operating in higher-risk regions or categories are prioritised for enhanced due diligence and monitoring.

Supplier audits and performance monitoring
Flokk conducts regular supplier assessments, including on-site audits in higher-risk regions. Performance is monitored through:

- Annual Supplier Performance Meetings
- Risk scoring (1–5 scale) covering environmental and social criteria
- Follow-up meetings for suppliers with identified gaps
- Re-evaluation of suppliers operating in high-risk regions

Suppliers identified with significant non-compliance are required to implement corrective action plans with defined timelines.

Failure to demonstrate willingness or ability to improve may result in suspension or termination of the business relationship.

Flokk prioritises long-term relationships with suppliers who demonstrate commitment to continuous improvement in labour standards, wages, working time and health & safety practices.

Ongoing dialogue supports gradual improvement over time and reduces the risk of short-term transactional sourcing decisions.

Integration of newly acquired entities
When Flokk acquires new companies, their supplier base is integrated into Flokk's responsible sourcing framework. This includes:

- Alignment with Flokk's Code of Conduct for Business Partners
- Inclusion in supplier risk assessments
- Integration into Supplier Performance Meetings
- Screening against sanctions lists

This ensures consistent governance across the Group as the organisation expands.

94%

of Flokk Annual Purchased Value (APV) of direct suppliers with signed Code of Conduct

100%

of Flokk suppliers are screened agains US, UK, UN sanction lists

Zero

human rights violations recorded in our value chain







Business conduct & governance information

Strong governance and responsible business conduct have long been embedded in Flokk's operations. Our commitment to integrity, transparency and accountability is not driven solely by regulatory requirements, but by a clear understanding that ethical conduct is fundamental to long-term value creation and stakeholder trust.

Strong business conduct and governance are essential to managing risk, maintaining trust with stakeholders, and supporting sustainable growth across our operations and value chain.

The following section provides information on the following disclosures:

G1 Business conduct

Corporate culture *Page 138*

Corruption and bribery *Page 140*



Business conduct

TOPIC	KPI	Results 2023	Results 2024	Results 2025	Status	Target 2030
Corporate culture	% of employees completed Code of Conduct training	72%	91%	93%	●	100%
	% of employees covered by whistleblowing mechanism	n.a.	n.a.	100%	●	100%
Corruption and bribery	# of confirmed incidents of corruption	0	0	0	●	0
	% of employees completed anti bribery & anti corruption training			92%	●	>90%

Corporate culture

STRATEGY AND BUSINESS MODEL INTEGRATION

Corporate culture is a fundamental enabler of Flokk's business model and long-term strategy. As a multinational manufacturing group with ongoing growth and acquisitions, Flokk depends on consistent ethical behaviour, accountable leadership, and trust across the organisation to manage risk and support sustainable performance.

As Flokk grows through international expansion and acquisitions, we recognise the risk of cultural misalignment, inconsistent practices, or weakened focus on responsible business conduct. Corporate culture therefore plays a central role in safeguarding ethical standards across the Group.

Corporate culture is integrated into how Flokk operates and grows, shaping decision-making, leadership practices, and daily behaviour across geographies and functions. A shared culture supports alignment across the Group, reduces the risk of misconduct, and enables early identification and escalation of concerns. This integration strengthens resilience, protects Flokk's reputation, and supports long-term value creation.

POLICY AND COMMITMENTS

Flokk's corporate culture is anchored in group-wide governance frameworks that define expectations for ethical behaviour, leadership conduct, and accountability.

The **Code of Conduct** is the core governance instrument and sets clear requirements for integrity, transparency, compliance with laws and regulations, and respectful behaviour. It applies to all employees, management, and Board members and defines expected standards across the organisation.

The **People Policy** and **DEI Policy** further reinforce Flokk's values by supporting ethical leadership, inclusion, and equal treatment. Additional governance frameworks, including policies on labour and human rights and formal processes for reporting and managing policy breaches, ensure that cultural expectations are supported by clear escalation and accountability mechanisms.

Policies related to business conduct are reviewed and approved by the Board of Directors as part of Flokk's annual governance cycle. This ensures oversight at the highest level and supports continuous alignment with regulatory requirements, business development, and Flokk's long-term strategy.

Material actual/potential impact on environment and people and financial risk and opportunity		Localisation of value chain	Time horizon
CORPORATE CULTURE			
Ethical and inclusive workplace Positive impact	A strong corporate culture promotes ethical behaviour, trust, engagement and compliance. Flokk fosters openness and inclusion through training, reporting channels and systematic follow-up.	Own operations	Short, medium, long
Integration of acquired companies Potential negative impact Risk	As Flokk acquires and integrates new companies, there is a risk of cultural misalignment, misconduct or weaker focus on responsible business conduct. At the same time, integration provides an opportunity to strengthen culture across the value chain by onboarding all employees into Flokk's governance framework, including Code of Conduct training, policy compliance, and reporting systems. Over time, this builds a stronger, unified corporate culture and enhances Flokk's attractiveness as a responsible employer and business partner.	Upstream Own operations Downstream	Medium, long
CORRUPTION AND BRIBERY			
Corruption risk Positive impact	Flokk works to ensure gender equality, equal pay for equal work, organisational diversity and access to relevant training and skills development throughout Flokk. We believe such measures strengthens and enhances culture, innovation and resilience.	Upstream Own operations	Short, medium, long
Prevention of corruption Opportunity	At Flokk, we believe in creating environments where meaningful connections and collaboration thrive. Employer attractiveness is rooted in our strong commitment to sustainability and innovation which inspires creativity and supports well-being across workplaces worldwide. We believe that a workplace based on trust and shared company values inspire employees to perform at their best. We believe these factors enhances and strengthens the ONE Flokk culture, innovation and resilience.	Upstream Own operations	Medium, long

Definition timeline: Short 0-1 years. Medium: 2-5 years. Long: > 5 years

Business conduct

ACTIVITIES

Flokk promotes and maintains its corporate culture through structured governance mechanisms, mandatory training, and continuous monitoring across all entities.

Code of Conduct implementation

The Code of Conduct is embedded as a core governance instrument across the Group.

- All employees complete mandatory Code of Conduct awareness training.
- Employees formally acknowledge and sign the Code upon employment, including those joining through acquisitions.
- Completion rates are monitored at Group level, with a target of 100%.

Anti-bribery and anti-corruption training complements Code of Conduct training and is mandatory for relevant employee groups.

Leadership and behavioural reinforcement

Leaders are responsible for reinforcing ethical behaviour and acting as role models.

Corporate culture is strengthened through leadership communication, behavioural training sessions, and integration of ethical expectations into onboarding and leadership development.

Speak-up culture and reporting mechanisms

Flokk maintains confidential whistleblowing channels available to employees and external stakeholders.

- 100% of employees are covered by a formal whistleblowing mechanism.
- All reported concerns are assessed and investigated through a structured policy breach management process.
- Confirmed incidents of corruption are reported and monitored.

The speak-up framework supports transparency, early risk identification and consistent enforcement of ethical standards across all entities.

Monitoring and integration

Employee perceptions related to trust, inclusion and ethical behaviour are monitored through the annual engagement survey. Results are reviewed at Group and site level and followed up through action plans.

Newly acquired entities are systematically integrated into Flokk's governance framework, including Code of Conduct training and reporting mechanisms, ensuring consistent standards across the Group.

Corruption and bribery

STRATEGY AND BUSINESS MODEL INTEGRATION

Operating with integrity and preventing corruption and bribery are essential to Flokk's ability to compete fairly and operate responsibly across markets. As an international manufacturing company engaging with customers, suppliers, agents, and other business partners globally, Flokk is exposed to risks related to improper influence, unethical conduct, and non-compliance.

Flokk applies a zero-tolerance approach to corruption and bribery and integrates anti-corruption considerations into its governance framework and core business processes. Ethical business conduct is embedded in leadership responsibilities and decision-making across the organisation, ensuring that commercial activities are conducted transparently and in line with applicable laws and standards.

Corruption and bribery risks are particularly relevant in the context of international operations, complex value chains, and business growth through acquisitions. Maintaining consistent standards for ethical conduct as Flokk expands is therefore critical to managing risk, protecting the company's reputation, and ensuring fair competition.

By systematically integrating anti-corruption principles into its business model, Flokk reduces legal and financial risk, strengthens trust with stakeholders, and supports sustainable business growth over time.

POLICY AND COMMITMENTS

Flokk's commitment to preventing corruption and bribery is anchored in a comprehensive set of Board-approved policies that apply across the Group and its value chain. These policies establish clear expectations for ethical conduct, define responsibilities, and support consistent application across geographies and business units.

The **Code of Conduct** sets the overarching standard for integrity, transparency, and lawful behaviour and applies to all employees, management, Board members, and relevant business partners. It establishes zero tolerance for corruption, bribery, facilitation payments, and other forms of improper influence.

This commitment is further detailed through Flokk's **Anti-Bribery and Corruption (ABC) Policy,** which provides guidance on acceptable and unacceptable practices, including gifts, hospitality, conflicts of interest, and interactions with public officials. The ABC Policy is supported by requirements for training, internal controls, and escalation of concerns.

Flokk's governance framework also includes policies addressing related financial crime and compliance risks, such as Anti-Money Laundering (AML) and Sanctions policies. Together, these policies support a preventive and risk-based approach to business conduct and reduce exposure to legal, financial, and reputational risks.

To ensure accountability, policies related to corruption and bribery are reviewed and approved by the Board of Directors as part of Flokk's annual governance cycle. This provides oversight at the highest level and ensures alignment with regulatory requirements, international standards, and Flokk's long-term strategy.

92%

of our employees have completed training on anti-bribery and anti-corruption

ACTIVITIES

Flokk works systematically to prevent, detect, and address corruption and bribery through a combination of training, controls, reporting mechanisms, and governance follow-up. All employees, including those in newly acquired companies, complete mandatory training on anti-bribery and corruption (ABC), anti-money laundering (AML), and relevant aspects of competition law. Training completion is tracked through Flokk's learning platform to ensure full coverage and timely follow-up.

Confidential whistleblowing channels are available for employees and external stakeholders to report concerns related to unethical conduct, including suspected corruption or bribery. Reports are handled independently and in line with established procedures, ensuring confidentiality, protection against retaliation, and appropriate escalation and investigation.

Anti-corruption risks are monitored through regular risk assessments, internal controls, sanctions screening, and periodic reviews. Governance oversight is provided by Group Management, the Audit Committee, and the Board of Directors, including review of risk management processes and approval of key policies.

Through these activities, Flokk seeks to prevent misconduct, ensure compliance with applicable laws and standards, and maintain trust with customers, business partners, and other stakeholders.

Sustainability notes 2025





Sustainability notes

S1

Our engagement with stakeholders

STAKEHOLDER DIALOGUE

Collaboration with stakeholders across our value chain is critical to delivering on Flokk's sustainability strategy, responsible sourcing framework and long-term business objectives.

We engage stakeholders through structured and ongoing dialogue to understand expectations, identify risks and opportunities, and assess how our activities impact people and the environment. Stakeholder input is integrated into our double materiality assessment, risk management processes and strategic decision-making.

As a global manufacturing group with operations in Europe, the US and Asia, Flokk recognises that our business affects – and is affected by – a wide range of stakeholders. Engagement includes both internal and external stakeholders.

In addition to commercial and regulatory dialogue, Flokk is committed to contributing to broader societal outcomes, including respect for human rights, decent working conditions and responsible environmental practices across the value chain.

KEY STAKEHOLDERS	EXPECTATIONS AND PURPOSE	FORMAT
Employees	Our employees are our most important resource. They expect a safe, inclusive and engaging workplace with opportunities for development and fair treatment. Dialogue provides insight into working conditions, well-being, leadership quality and organisational culture.	Annual engagement survey (96% response rate in 2025), Individual Development Talks (IDT), local dialogue meetings, whistleblowing channels, HSE committees, local site management meetings, quarterly business updates.
Trade unions and employee representatives	Expect structured dialogue, respect for freedom of association and transparent consultation on working conditions, organisational changes and business developments.	Formal cooperation meetings, collective bargaining processes where applicable, consultation forums, European Works Council dialogue.
Customers (Dealers, distributors and end-users)	Flokk primarily operates through indirect distribution. Dealers and distributors expect reliable products, transparent environmental documentation and responsible business practices. End-users increasingly expect sustainable, durable and certified solutions.	Regular dealer meetings, tender processes, sustainability data requests, life-cycle assessment discussions, customer visits and performance reviews.
Architects, designers, ergonomists and other influencers	Influence product selection and specification. Expect innovative, design-led and sustainability-documented solutions that meet technical and environmental standards.	Project collaboration, specification dialogue, product presentations, industry events, certification documentation and technical briefings.
Suppliers and workers in the value chain	Suppliers expect clear requirements and long-term cooperation. Workers in the value chain are indirectly affected by Flokk's sourcing decisions. Dialogue aims to ensure compliance with labour standards, working time, wages and health & safety.	Supplier onboarding, Code of Conduct acknowledgement, Supplier Performance Meetings, risk assessments, audits (including on-site audits in higher-risk regions), corrective action plans, supplier risk monitoring.
Owners and banks	Expect transparent governance, risk management and sustainable growth. Dialogue informs reporting, capital allocation and long-term value creation.	Board reporting, quarterly updates, annual report and sustainability reporting, investor dialogue.
Authorities and regulators	Expect compliance with labour law, environmental regulations, trade sanctions and data protection requirements.	Regulatory reporting, compliance audits, industry forums and direct regulatory dialogue where relevant.
Industry organisations and networks	Participation supports knowledge sharing and development of standards related to sustainability, circular economy and climate targets.	Memberships, working groups, collaborative initiatives.
Local communities	Expect responsible operations, safe workplaces and positive local engagement. Flokk contributes to local economic development and community dialogue.	Local business networks, site-level dialogue, cooperation with local authorities and organisations.

INVOLVEMENT IN ORGANISATIONS

Flokk's stakeholders are individuals and entities that influence or are affected by our business activities across the value chain. These include those directly involved in our operations, and those indirectly impacted through our products, services or broader societal footprint. Flokk actively participates in industry associations, networks and standardisation bodies to support responsible business conduct, sustainability development and industry collaboration.

We are active members or contributors to:

- The Confederation of Norwegian Enterprise (NHO) through the Federation of Norwegian Industries – Furniture & Interiors
- Through NHO, the German federation of furniture manufacturers (BSO) and the European Furniture Industries Confederation (EFIC)
- Skift, a business-led climate initiative and CEO network established to accelerate the transition to a low-carbon economy
- +LAB / Norwegian design industry cluster, with regular participation in expert groups and industry panels
- The CEN Work Group 10 "Requirements and tools for furniture circularity", contributing to the development of standardised circular economy frameworks under the European Committee for Standardization (CEN)
- Various local and regional business organisations around our production facilities, including TIG (Turek Chamber of Economy), supporting the development of local business environments and related social matters
- In the United States, 9to5 Seating is a member of the Business and Institutional Furniture Manufacturers Association (BIFMA), a non-profit trade association responsible for developing engineering and material standards for the furniture industry.

S2

Conducting our double materiality assessment

Our double materiality assessment (DMA) from 2024 analysed the impacts, risks and opportunities (IROs) of our own operations and upstream and downstream value chain. IROs are mapped in our value chain as identified, ensuring consideration of both indirect and direct impacts. As part of this process, we performed interviews with internal and external stakeholders, and conducted third-party research, focusing - when necessary - on specific activities, business relationships and geographies that could give rise to heightened risk of adverse impacts. Underlying analyses and inputs that contribute to the DMA (GHG inventory, climate scenario analysis, and more) utilise distinct parameters, and these in turn influence our material outcomes.

DMA METHODOLOGY

In our DMA, we assessed impacts based on the severity and likelihood of the event, and risks and opportunities based on financial magnitude and likelihood. The severity of potential impacts was evaluated with consideration for any mitigating actions that were already in place. The severity of actual impacts was assessed without consideration for any remediating actions. We attributed severity and likelihood scores to all impacts to prioritise these impacts. Severity was scored on a scale of 1-5, based on the average score of the scale, scope and irremediability (for negative impacts only).

We attributed a score to financial risks and opportunities based on magnitude and likelihood. The magnitude criterion scores risks and opportunities based on estimated impacts on operating profit on a scale of 1-5. Likelihood scoring for both impacts and financial risks and opportunities and time horizon is aligned to our global risk management framework and ESRS. Potential impacts as well as risks and opportunities were scored on a scale of 1-4. Actual impacts were scored as a 5.

ALIGNMENT WITH RISK MANAGEMENT PRACTICES

We are working to align the DMA process with our global enterprise risk management (ERM) framework where possible. Group functions perform quarterly risk assessments related to their areas to contribute to the ERM process. DMA outputs related to risk are used as ESG inputs for the ERM.

To ensure the accuracy of the results of our DMA, the IROs were thoroughly validated with internal stakeholders, including risk management professionals responsible for the assessment of Group risks. Furthermore, the results are validated and approved by the Group Management, Audit Committee.

S3

Our contribution to UN Sustainability Development Goals

The overview below links our most material topics and commitments to specific UN Sustainability Development Goals (SDG) targets where Flokk has the greatest opportunity to make a positive contribution, in line with our sustainability strategy and focus areas.

MATERIAL TOPIC	OUR COMMITMENTS AND TARGETS	RELEVANT UN SDG TARGETS
Climate & Energy	Reduce greenhouse gas emissions through improved resource efficiency and transition to renewable energy.	**SDG 7.2** – Increase the share of renewable energy **SDG 13.2** – Integrate climate measures into strategies and planning
Resource efficiency & Circular economy	Improve resource efficiency in production, design for circularity, and promote reuse and recycling.	**SDG 8.4** – Improve global resource efficiency in consumption and production SDG 12.2 – Sustainable management and efficient use of natural resources **SDG 12.5** – Reduce waste through prevention, reduction, recycling
Own workforce – Working conditions	Provide safe and inclusive workplaces, decent work, equal pay, and a zero-injury culture.	**SDG 3.9** – Reduce health risks related to work environment **SDG 5.5** – Ensure women's full participation and leadership **SDG 8.5** – Full employment and decent work with equal pay
Workers in the value chain	Ensure responsible sourcing, human rights due diligence, and fair working conditions across our supply chain.	**SDG 8.7** – Eradicate child labour, forced labour and modern slavery **SDG 10.2** – Promote social, economic and political inclusion **SDG 12.6** – Encourage companies to adopt sustainable practices
Diversity, Equity & Inclusion	Strengthen a diverse and inclusive workplace culture based on equal opportunities.	**SDG 5.1** – End all forms of discrimination SDG 10.3 – Ensure equal opportunity and reduce inequalities
Business conduct & Anti-corruption	Zero tolerance for corruption, bribery, money laundering and anti-competitive practices.	**SDG 16.5** – Substantially reduce corruption and bribery **SDG 16.6** – Develop effective, accountable and transparent institutions
Governance & Transparency	Strengthen risk management, transparency, and CSRD compliance.	**SDG 12.6** – Encourage companies to adopt sustainability reporting **SDG 16.10** – Ensure public access to information

S4

Resource use and circular economy

RESOURCES 2025		
Resource inflows	**Metric Tonnes**	**% of Total**
Material content - Total	15 472	100.0%
Products	13 228	85.5%
Packaging	2 244	14.5%
Biological Materials	3 033	19.6%
Technical Materials	12 438	80.4%
Recycled/Secondary Materials	5 572	36.0%
Resource outflows	**Metric Tonnes**	**% of Total**
Recyclable content - Total (based on same data as inflows)	13 738	88.8%
Products	11 500	86.9%
Packaging	2 238	99.7%

DATA COLLECTION AND METHODOLOGICAL NOTES (RESOURCE INPUTS)

Scope and data coverage

The current dataset covers approximately 70% of items with available material data (6,511 of 9,320 items) and 101 of 291 suppliers and is limited to Flokk Europe. Certain material categories, including textiles, chemicals (such as adhesives) and selected manufactured items, are excluded. Data coverage for the Mirfield site is limited, and no data is currently included for Flokk's operations in the US and China. Full ESRS-compliant disclosure will require 100% item-level coverage across all material categories and geographies, dependent on further progress in the M3 Master Data Clean-Up project.

Methodology

Resource input data is currently derived from a combination of Environmental Product Declarations (EPDs) and internal material master data. Further assessment is ongoing to determine the most reliable methodology, particularly for product categories not yet covered by EPDs.

Double counting risk

There is a risk of double counting where items are used across multiple sites, sourced from multiple suppliers, or internally manufactured using separately reported raw materials. This risk is considered highest for internally manufactured components, particularly at the Røros mechanical workshop, and is being addressed through data harmonisation.

Resource outflows and recyclability

Data on resource outflows and recyclable content is currently limited, as the dataset primarily covers EPD products. For these products, Flokk calculates a theoretical recyclable potential based on EPD material data, which can be aggregated at item, product, brand and annual consumption levels. Full ESRS disclosure will require complete item-level data coverage across the portfolio.

S5 Distribution by country

COUNTRY	<30 years	30-50 years	>50 years	>50 years
Australia		2		
Austria				
Belgium		5	1	1
Canada				
China	11	67	20	20
Czech Republic		2		
Denmark		4	11	11
France	6	8	2	2
Germany	10	14	20	20
Mexico	2	6	1	1
Norway	15	114	130	130
Poland	30	474	156	156
Singapore		1		
Romania			1	1
Slovakia		1		
Sweden	22	76	61	61
Switzerland		6	5	5
The Netherlands	4	6	14	14
USA	91	243	222	222
UK	7	39	24	24
Total	**198**	**1068**	**668**	**668**

Scope of the reporting: table include all entities in Flokk

S6 Gender split of leadership positions in Flokk (%)

GENDER	2023	2024	2025
Female	32%	34%	38%
Male	68%	67%	62%

S7

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

COUNTRY	Permanent employees	Temporary employees	Total HC	Full-time employees	Part-time employees	Female	Male	Unidentified
Australia	2	0	2	2		1	1	
Austria	0	0	0					
Belgium	6	0	6	6		3	3	
Canada	0	0	0					
China	98	0	98	98		52	46	
Czech Republic	2	0	2	2		1	1	
Denmark	15	0	15	14	1	7	8	
France	12	4	16	16		5	11	
Germany	40	4	44	39	5	18	26	
Mexico	9	0	9	9		3	6	
Norway	252	7	259	238	21	90	169	
Poland	648	12	660	658	2	267	393	
Singapore	1	0	1	1		1		
Romania	1	0	1	1			1	
Slovakia (new since 2024)	1	0	1	1			1	
Sweden	158	1	159	157	2	65	94	
Switzerland	10	1	11	10	1	3	8	
The Netherlands	22	2	24	18	6	13	11	
USA	480	76	556	547	9	239	315	2
UK	69	1	70	70		27	43	
Total	**1826**	**108**	**1934**	**1887**	**47**	**795**	**1137**	**2**
%	94%	6%		98%	2%	41%	59%	

Scope of the reporting: table include all entities in Flokk

S8

% of individuals within Group Management in diversity categories

AGE	FEMALE	MALE
Below 30 years	0%	0%
Between 30-50 years	12,5%	12,5%
Over 51 years	12,5%	62,5%
Total	**25%**	**75%**

S9 Certified management systems for occupational health and safety

STANDARD	UNIT BY COUNTRY	NUMBER OF EMPLOYEES
ISO 45001	Poland: Flokk Sp. z.o.o.	660
	Mirfield: Flokk Ltd	70
Sum		**730**

S10 Occupational health and safety

KPI	2023	2024	2025	TARGET
Number of fatalities	0	0	0	0
High-consequence work-related injuries	0	0	0	0
Rate of recordable work-related injuries*	6.0	9.6	6.6	0
Number of recordable work-related injuries	16	33	20	0
Severe human rights impacts within own workforce	0	0	0	0
Number of incidents of discrimination	0	0	0	0

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

Number of hours worked in 2025: 3 018 472 2024: 3 444 541 2023: 2 682 354. Working hours for non-employees are not included.

S11 Wage metrics

KPI	2025
Number of employees paid adequate wages	100%
Unadjusted pay gap (women salary as % of male)	95%

S12 Signed Code of Conduct (% of APV*) from Direct Suppliers

KPI	% signed
Europe	98,00 %
Asia	98,80 %
America	89,90 %

*APV: Annual Purchased Value

S13 Ethical business practices

KPI	2023	2024	2025
Number of supplier audits	17	12	20
Number of human rights violations recorded in value chain	0	0	0

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



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Flokk is a leading European manufacturer of high-quality workplace seating, bringing together a growing portfolio of international design brands. Rooted in Scandinavian design heritage and industrial expertise, we combine craftsmanship, ergonomics and sustainability to create furniture that supports productivity, comfort and well-being.

Our brand portfolio includes HÅG, Offecct, Giroflex, RH, Profim, 9to5 Seating, Stylex, Via, Connection and Malmstolen. Each brand retains its distinct identity and market positioning, while sharing a common commitment to responsible design, durability and performance.

Sustainability has long been embedded in how we design and manufacture our products. Through circular design principles, responsible material choices and continuous improvements in production and logistics, we develop furniture built for long service life with reduced environmental impact.

Headquartered in Oslo, Norway, Flokk operates a global production network spanning Europe, North America and Asia, with manufacturing sites in Røros (Norway), Nässjö (Sweden), Turek (Poland), Mirfield (UK), Zhongshan (China), Hawthorne (USA), Delanco (USA) and Sparks (USA). Our sales organisation covers more than 80 markets worldwide, supported by offices in over 15 countries.

With approximately 1,900 employees, we are united by a shared ambition:

Inspire great work.