



## Modern Slavery Act Transparency Statement

At Flokk we are against of modern slavery in all its forms, and we are committed to ensuring that there is no slavery or human trafficking in our business. Accountability and transparency are two of Flokk's key corporate values and this statement demonstrates Flokk's commitment to ethical behaviour by implementing and improving upon practices designed to combat modern slavery.

This statement is provided by Flokk Ltd in accordance with section 54, first paragraph of the Modern Slavery Act 2015 (the "Act") to describe the steps that have been taken by Flokk Group to combat modern slavery and human trafficking. The statement has been approved by Flokk Ltd Board of Directors on September 26, 2022 and cover the financial year 2021.

### Organization

Flokk is a 'House of Brands' offering a wide range of seating solutions, tables, and accessories for working spaces. Being a market leader, we feel responsible to work towards a future with a healthy climate and conscious resource consumption. We therefore continuously strive to push the standards for sustainable design and production.

As a house of brands, Flokk combines the heritage and expertise of ten distinct brands, each with their own story to tell, but united by a common goal of creating innovative designs with a strong focus on the health and wellbeing of the users and the communities around them.

Flokk Limited is fully owned by Flokk Holding II AS. Flokk has a structure of 35 legal entities with 16 sales offices worldwide, with our products currently being sold in more than 50 countries. Throughout our operating companies, Flokk employs over 1 800 employees.

### Supply chain

The foundations of our supply chain consist of people, industries and sectors, which are generally understood to be at a low risk for slavery or human trafficking practices. We recognise that certain sectors within our supply chain, such as our Asian suppliers may be at a higher risk. We are therefore dedicated to inspecting and monitoring our supply chain and will determine appropriate steps in the event that we recognise there may be a higher risk of slavery or human trafficking.

Unfortunately, the COVID-19 outbreak in 2020 has put restraints on our ability to perform on-site inspections, but we seek to proceed as soon as the travel restrictions in Asia are lifted.

### Policies

We are highly aware of our responsibility as a producer beyond earning money from selling smart seating solutions. We wish to be a responsible social operator, and to preserve the people involved by helping to protect people's rights, health and wellbeing, and practicing corporate social responsibility. We therefore do not tolerate any form of modern slavery or human trafficking in any part of our business and are committed to implementing and improving upon practices to combat modern slavery and human trafficking in our supply chains and throughout our business.

Our policies and commitments, along with the due diligence, training and reporting steps described in this statement reflect our on-going commitment to act ethically and with integrity in our business relationships and to monitor our internal systems to prevent slavery and human trafficking in our business.

We observe all international standards and principles relating to human rights within our business, including the International Bill of Human Rights, the UN's Guiding Principles on Business and Human



Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the Children's Rights and Business Principles.

Our policies are developed within relevant departments following a process of stakeholder consultation, cross-departmental information sharing and senior management review and approval. We provide a clear policy framework, which is communicated to our operating companies via our intranet, newsletters, onsite training and emails.

We strive to ensure that any risks and opportunities associated with modern slavery or human trafficking are managed consistently across the whole Flokk and that our policies are implemented across our companies and locations and with our suppliers. We provide ongoing support to encourage and facilitate implementation of the policies by our operating entities, and regularly review the implementation of our standards to identify and address areas for improvement.

These governing documents are applicable to Flokk and are available in our quality system.

- Code of Conduct for Employees
- Code of Conduct for Business Partners
- Supplier Approval Procedure
- Whistleblower procedure
- Employees handbook
- Policy for Diversity, Equity & Inclusion

## Risk assessment

Our Enterprise Risk Management (ERM) includes the assessment of business integrity risks including human rights in Flokk's business.

We demonstrate our work ethics in the way we operate, such as respecting human rights, employee rights and international labour law. Flokk employees must support and respect human rights, employee rights and international labor law, both within their own actions and operations and in the supply chain.

There shall be no forced, bonded or involuntary prison labour in Flokk. All labour must be voluntary without threat of penalty or similar. Employees shall not be required to lodge deposits or identity papers in any form and shall be free to leave Flokk after reasonable notice.

Employees, without distinction, shall have the right to join trade unions of their own choosing. Employee trade union representatives shall not be discriminated and where the trade union is recognised by Flokk shall have access to carry out their representative functions in the workplace. Where the right to freedom of association and/or collective bargaining is restricted under law, Flokk shall facilitate and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

Flokk considers the minimum age for employment as not lower than the age of completion of compulsory schooling as set by national law, and in any event not lower than 15 years of age.

We cascade our expectations and requirements for human rights protections to our suppliers and subcontractors. These requirements are included in our CoC for Business Partners.

## Supplier contractual terms

Flokk expects suppliers to treat workers and employees with respect and fairness, to have suitable anti-slavery and human trafficking policies and procedures in place, and to act and in accordance with applicable laws. We work actively with both existing and new suppliers and sub-suppliers for all first-



tiers to have a sustainable profile in order to ensure that all of our suppliers have a shared respect for human rights. We also obtain assurance that new suppliers exercise environmental responsibility, have a shared respect for human rights and offer good working conditions.

To ensure alignment between our values and ethics and those of our suppliers, Flokk has in place a code of conduct for Business Partners to show what we expect of our distributors, suppliers and other partners in Flokk's value chain. The code of conduct is based on key UN Principles and covers human rights, workers' rights, the environment and corruption. Flokk aims to continuously improve policy and practice that supports business partners in complying with our code of conduct.

Accordingly, our suppliers must either agree to adhere to our policies and codes, or confirm their adherence to their own codes of business conduct that comprise the same principles. We are implementing a "right to audit" clause in our standard terms of conditions to allow for oversight of compliance with these provisions and any Business Partner must be able to document compliance with the principles of the code of conduct at Flokk's request.

We have implemented a program to include a contractual commitment to the prevention of slavery and human trafficking in renewals and new agreements with our procurement partners and direct suppliers.

Further, we have reviewed and improved our primary procurement on-boarding process in which we have included reporting on prospective suppliers' commitment to anti-slavery and human trafficking practices.

## Supplier Performance

We hold monthly Supplier Performance meetings to monitor and evaluate supplier status and results on issues regarding Quality, Delivery and Risk, including environmental and social factors with a negative impact on society, labour market practices and human rights. When a supplier is low performing, we coordinate temporary measures to close the deviation. Repeated low performance can put suppliers in the "New Business on Hold" category or result in a supplier exit if not amended. In 2021, no suppliers were assessed for, or were considered to have, negative environmental or social impacts.

## Suppliers in risk countries

To ensure compliance to our Code of Conduct over time we do a re-evaluation of a population of suppliers based on risk level (e.g. based on region). During 2021 the decision was to conduct a re-evaluation of our Asian suppliers where we used a mix of on-site and Teams meetings due to the COVID situation. This process includes supplier appraisals reflecting the UN Global Compact, action plans and the possible exit of suppliers that do not fulfil Flokk's requirements. The assessment has different levels of approach based on volume and other risks elements of the suppliers. The Decision within Flokk is to minimize exposure to this region even further where a re-shoring project has started with defined actions.

## Training and awareness

Business ethics is one of main focus of Flokk's trainings to bring awareness about business integrity and preventing unethical behaviour.

Aligned with this approach, all members of Flokk are required to conduct their activities in accordance with our codes and policies, including our Code of Conduct for Employees which gathers Flokk's principles, values, standards and rules of ethical behaviour. In addition to reading and signing the document, all our employees must complete a code of conduct e-learning course.



We require our personnel to act according to the highest standards of honesty and integrity as well as comply with all legal and regulatory requirements, which extend to the protection of human rights and the prohibition of forced labour and human trafficking.

### Whistleblowing

We are committed to building a culture of trust where employees are comfortable to ask questions, seek guidance, raise concerns and report suspected violations. Flokk will safeguard whistleblowers. Any reports of unacceptable conditions shall be treated as confidential, and the whistleblower's identity shall be protected from any form of retaliation. Protection in this respect means that Flokk will not remove, suspend, threaten, harass, or discriminate against an employee who reports such conditions.

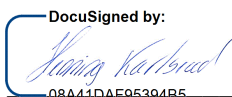
### Future Endeavours

During the course of 2022, we will continue to monitor our practices and supply chains to develop and strengthen our commitment to human rights matters including the elimination of slavery and human trafficking. Flokk intends to:

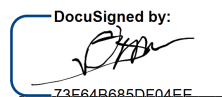
- Ensure training to all relevant staff on business ethics, including new acquisitions
- Implement a compliance management tool to ensure control of sustainability and social responsibility practices throughout the value chain

In addition, Flokk has increased and will increase even more its focus on Diversity, Equity and Inclusion to avoid discrimination and harassment. Flokk is an equal opportunity employer, and we ensure individuals have the same opportunities for employment and promotion based on their ability, qualifications and suitability for the work. We aim to create a safe, respectful and inclusive place of work where all employees can contribute to living our values, achieving sustainable business results and realize their full potential. In Flokk we shall have no discrimination when hiring, compensating, giving access to training, promoting, terminating or retiring employees based on ethnic affiliation, social or ethnic origin, nationality, civil status, pregnancy, age, physical ability, religion, political opinions, union membership, gender, gender-crossing identity or expression, sexual orientation, or other character traits that are protected by applicable legislation.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Flokk's anti-slavery and human trafficking statement for the financial year of 2021. It was approved by directors of Flokk Limited on 26 of September 2022, and will be published on Flokk Ltd website in October 2022.

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