

Corporate Sustainability report 2021



This sustainability report is originally a part of Flokk's annual report.
The GRI index at the end of the document refers to pages in the full
annual report as well as this sustainability report.
The page numbering mirrors the original document.

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The Environment and Corporate Social Responsibility

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

We aspire to be an environmentally conscious market leader whose circular products, services and processes are resource, energy and water efficient, generate minimum greenhouse gas emissions, do not present a risk to health or the environment and result in minimal waste generation. We are committed to our ongoing efforts with a focus on climate, resources and health to minimize the total environmental impact of the Group. And as our company is constantly growing, we see also through acquisitions the opportunity to scale these efforts. This will strengthen our power and ability further, to make an even greater difference.

In 2021, we have managed to reduce our carbon emissions per unit by 16% since 2015, due to a high share of 86% renewable electricity and a 201% increase of units produced in that same period. We see a positive trend in reaching the long-term target of an average of 60% recycled materials in our products. The focus going forward will be for Flokk to continue to improve and continue to grow as a pioneer within sustainability, working with both internal and external value chains. We will impose even stricter environmental requirements on all our suppliers, who must also submit to our ethical guidelines, which include human rights, working conditions, bribery, corruption, sanctions and animal welfare.

We are highly aware of our responsibility as a producer beyond merely generating profits from selling smart seating solutions. With ESG at the core of our strategy, we wish to be a responsible social operator and to preserve natural resources and the people involved – by helping to protect people’s rights, health and wellbeing, taking care of our common environment and practicing corporate social responsibility.

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



Lars I. Røiri
Chief Executive Officer

Materiality and Boundaries

One important element of our sustainability report is to determine the topics on which it is relevant for us to communicate to our stakeholders. These are topics which reflect Flokk's significant economic, environmental and social impacts. Important part of this work is to identify both internal and external viewpoints and inputs over time. We must not only adapt to the increased impact from the growth of our organisation, but also to a rapidly changing society and legislation, with requirements and expectations that are increasing in line with greater public awareness in every market.

MATERIAL TOPICS

Flokk's annual procedure on materiality analysis is to calibrate our defined set of significant topics for both the company and external stakeholders. This is done by Flokk management, with selected members of Group Management (GM) involved.

This years' report follows the GRI Standard 2016.

MATERIAL IMPACTS AND STRATEGIC PRIORITIES

In 2021, Flokk engaged The Governance Group to facilitate an update of our materiality assessment according to the new GRI Standard 2021, which has revised the concept of materiality. The materiality assessment involved in-depth interviews with both internal and external stakeholders. A final list of Flokk's strategic priorities and where we have the most impact to the environment and society, both positive and negative, was agreed upon and calibrated with Flokk and selected GM managers. From next year on, Flokk will report on these Material Impacts and Strategic Priorities, rather than disclosing information on Material Topics as in this year's report.

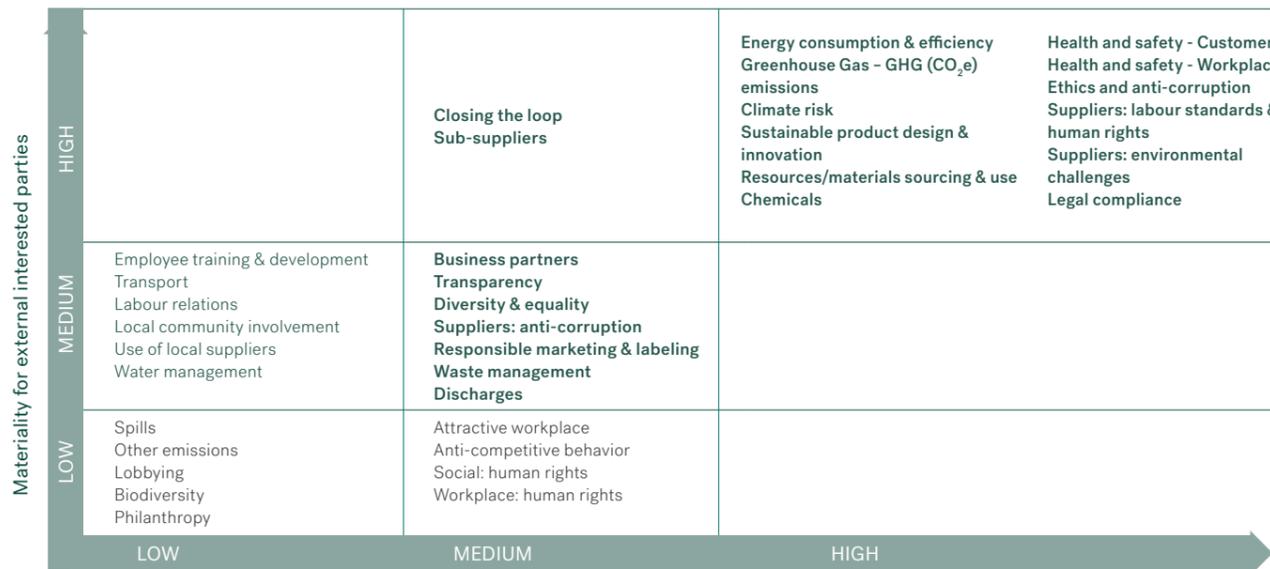
REPORT SCOPE

In this years' sustainability report, 9to5 Seating is covered partly. The largest workplaces covered by this report are the factories at Røros, in Nässjö, Turek and Hawthorne and the head office in Oslo.

The report presents primary data for Flokk's entire workforce in Norway, Sweden, The Netherlands, Switzerland, Denmark, Germany, Belgium, Austria, The Czech Republic, France, the UK, Poland, China, Singapore, Australia, Canada, and the USA.

Important topics for the report

- The Environment – background, management, strategy
- Climate – Energy consumption & efficiency, Greenhouse gas - GHG (CO₂e) emissions
- Climate risk
- Resources – materials, waste, closed loop
- Chemicals – products, production, suppliers
- Health and safety – customers, workplace
- Ethical guidelines – code of conduct, anti-bribery & corruption
- Responsible supply chain – human rights, transparency
- Product design – liability, certification



Materiality for Flokk corporation

In the Materiality matrix, all relevant topics related to sustainability are present, classified in order of materiality for Flokk and external interested parties. The significant topics (high-high) are reported directly in accordance with guidelines from the GRI Standards.

Stakeholders – Dialogue

Collaboration among stakeholders across our complete value chain is essential for us to fulfill our high ambitions on sustainability, human factors & aesthetic innovation. We systematically accumulate knowledge through various channels. We consider what is expected of us and our deliveries, and what impact our products, our production and operations have on internal and external stakeholders.

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

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

INVOLVEMENT IN ORGANISATIONS

We are active members and contributors of:

- The Confederation of Norwegian Enterprise (NHO) through the trade association the Federation of Norwegian Industries, Furniture & Interiors – Furniture Committee, of which our CEO, Lars I. Røiri, is deputy member of the Board
- Through NHO, member of the German federation of furniture manufacturers, BSO, and the European Furniture Industries Confederation (EFIC)
- Member of Skift, a business-led climate initiative & CEO network, established to accelerate the transition to a low carbon economy
- Norwegian Rooms furniture cluster, of which our VP Group Marketing, Marianne Otterdahl Møller, is a Board member, and where our VP Sustainability, Atle Thiis-Messel, participates in their Expert group for sustainability and circular business models
- The revision of the EN 1335 standard for office furniture at national and European level
- Participation in the CEN Work Group 10 'Requirements and tools for furniture circularity', aiming to standardise Circular Economy (CEN - European Committee for Standardization)
- Various local & regional bodies round our production facilities, including TIG (Turek Chamber of Economy)

Involvement in projects

Project	Goal / Findings	Partners	Timeline
Community work hub	Pilot project of a reuse & replace system for community co-working spaces, allowing users to change their work environment from home, but spare the commute to work	OBOS GoGood	2021 →
Hållbar Interiör	Development of design criteria, ranking & certification of the sustainability of interior architecture and furnishing	RISE, Tengbom architects, Federation of Swedish Furniture Industries, Indicum + various suppliers	2021 →
Low-carbon interior projects	Furnishing & publication of ZEB Lab, Norway's most sustainable building. Similar for Ørsted's less waste Polish headquarter	ZEB Lab/NTNU, Ørsted	2021
POCOplast	Collaboration to utilize post-consumer plastics from aquaculture before lost in nature, value chain focus	NCE Aquatech, Bellona, Plasto, Empower, NOPREC, SINTEF	2020 →
Adapt AI	Process development for upstream Aluminium production, to enable higher post-consumer recycled content while maintaining mechanical properties & downstream processing needs	Norsk Hydro ASA, SINTEF, Raufoss Technology AS, IDT AS	2020- 2023
Circular textiles ecosystem	Circular textile solutions for seating application	RISE, Volvo, Artex, Bogesunds + 8 additional partners	2020 - 2021
InCharge	Remote charging for IOT applications	SINTEF, Nordic Semiconductors, Cisco	2019 - 2021
Leading in Environment & Quality	Tackle sustainability challenges Increase our competitive strength	Federation of Norwegian Industries + 22 companies	2017 →

Stakeholder Matrix

Stakeholders	Mutual influence / impact	Forum for dialogue – Frequency	Key topics 2021	Response
INTERNAL			INTERNAL	
Owners	Private equity firm Triton AB's purpose is to achieve the greatest possible return on investment by creating sustainable, long-term value in their portfolio companies, through changing economic cycles.	Triton maintains a clear, structured dialogue with Flokk through monthly video calls, quarterly performance reviews and an annual ESG forum. Flokk reports to Triton on key ESG KPI's biannually.	Three highlights from Triton's ESG agenda in 2021: A - Reduction in energy consumption and comply with the European Energy Efficiency Directive (EED) B - Include add-ons in ESG program C - Reduce numbers of recordable work-related injuries	A - Flokk reports energy consumption and carbon emission to Triton, complies with EED through ISO 50001 B - Turek and Hawthorne added to Triton ESG KPI reporting scope in 2021 C - Higher level in 2021 at 15 vs 8 in 2020, due to increased reporting scope
The Board and Group Management	The Board strives to ensure that the company acts ethically in all parts of the organisation and throughout the value chain.	Bimonthly Board meetings, attended by CEO, CFO, and other members of Group Management (GM) when relevant. The Board only works with the company via GM. As part of the established ESG Forum, Flokk reviews ESG performance quarterly. ISO Management Review is integrated in the ESG agenda, in which VP Sustainability reports status to GM.	Innovation, digitalization, brand strategies for acquired brands, strategic governance. Market communication of environmental benefits. Preparations for ISO 50001:2018 recertification audit at Røros production site.	Raised level of innovation in portfolio development, including key sustainability topics. Continued migration of post-consumer recycled material in component production. A continuous surge in marketing communication on sustainability for 2021. Flokk sites at Oslo, Røros, Nässjö and Germany were ISO 50001:2018 recertified in February 2022.
Employees and trade unions	Flokk employees influence the company through their productivity, creativity, competence and involvement. Flokk as a company influence its employees through personal development activities, compensation & benefit schemes, general working conditions as well as the company culture. Additionally, Flokk influences the employees' immediate environment: family, friends etc.	The employees are heard via various formal bodies linked to the trade unions, Board work, working environment committees, Corporate Executive Council etc. Our corporate culture is characterized by dialogue, transparency, trust and mutual respect. All employees conduct annual personal development talks, setting objectives and personal development goals all linked to Flokk strategy and the department's action plan.	Due to the continued Covid 19 pandemic, focus has been paid to infection control measures to minimize impact on business and employees, all in cooperation with the Unions and the local working environment committees. In 2021, we have conducted our biannual working climate survey, which was initially planned for 2020. All employees were invited to answer the survey, and we obtained 82% response rate. We have continued to develop Learning@Flokk with new digital training programs. We will implement Learning@Flokk for all production workers during 2022. Learning has become an integrated part of our Induction Program for all new employees.	We emphasize keeping our employees updated on business status, important decisions, and progress in relation to goals. We have monthly newsletters for all employees at Røros, Turek and Nässjö sites. Regular General Meetings take place four times a year, and departmental meetings are held at least every second month.
EXTERNAL			EXTERNAL	
Customers - dealers, importers, end users	Flokk has three main customer groups: dealers, importers and end users. Dealers represent the public face of the company vis-à-vis end customers and users, and exercise considerable influence over the company's reputation.	Customer Survey has not been sent out due to COVID-19 situation. We will send out mid 2022.	Integration of 2 brands and common ERP and CRM system in our factory in Turek to have equal handling and carry through of the customer order processes. Integration of Flokk HUB to simplify order process to our dealers (B2B) and to end customers (B2C).	Lean order handling by re-organizing the order process has been carried through 2021. Flokk HUB and re-organizing the order flow process in Flokk in total. New KPI reports are made to measure response time towards our dealers.
Suppliers and their workers	Develop suppliers through a close cooperation. Focus on improving Low-performing suppliers, increase business with High performing suppliers. Supplier Performance include Quality, Delivery, Risk (including environment and CSR) and Cost, and are key elements of strategic decisions and executions.	Meetings with key suppliers are held at least 2 times per year: Review performance, improvements and opportunities. Supplier Performance and risks are internally followed up monthly. As soon as a supplier is identified as a low performing supplier, we target this supplier to increase performance with a higher frequency of follow-ups, and new business might be put on hold.	During 2021, main activities were moving of production location for our Giroflex (Switzerland) and Offecct (Sweden) brands to our Polish factory in Turek.	Based on these relocations we are now focusing on localising suppliers closer to our Polish factory for a more efficient value chain.
Local communities	Flokk is an important employer in the local communities of Nässjö, Turek and Røros. Through this we participate in the development of the business sector in the regions.	There is close cooperation on matters that affect the communities and the company. The company holds important positions, and actively participates in municipal and local business sector projects. It is important for Flokk to show engagement and act as a responsible business partner.	Flokk continue to contribute financially to culture and sports projects in the local communities of Røros and Nässjö. Due to covid restrictions in Poland active support in social initiatives were put on hold in 2021.	Flokk is a member of the Norwegian Mass Customization Cluster at Røros, Norway's leading professional environment in mass customization production. Flokk has of today the chairman of the Board. In Nässjö, sustainability and social development have been focused on in several projects.
NGOs and organisations	Flokk is a member of Ethical Trade Norway (ETN) and collaborates with environmental organisations where relevant. We support Hold Norge Rent through membership.	Representatives of the purchasing and sustainability departments are invited to seminars and courses run by ETN. We actively participate in the environmental foundation ZERO's Fossil Free plastics forum.	ETN has high focus on gaining control of a responsible supply chain in our dialogues. In 2021, we continued to work with, and financially support, ZERO on surveying potential and possible solutions of fossil free plastics.	Our annual reporting to ETN is integrated in this corporate sustainability report. We share our experience on increasing use of post-consumer recycled plastics with ZERO's Fossil Free plastics forum.
Industry associations	A - The Confederation of Norwegian Enterprise (NHO), Furniture & Interiors. B - Norwegian Rooms furniture cluster.	A - Annual General Meetings, Board meetings. B - Board member in the cluster, quarterly Board meetings. Participation in Expert group for sustainability and circular business models	A - Pilot member of "Leading on Environment and Quality" project. EPD practice improvement. Position statements ahead of EFIC sessions (through NHO). B - Downstream innovation, circular economy.	A - Promotion of best practice for environmental criteria when purchasing office furniture, through EPDs. B - Tailored academic training on MBA level for 5 employees

The Environment – Background

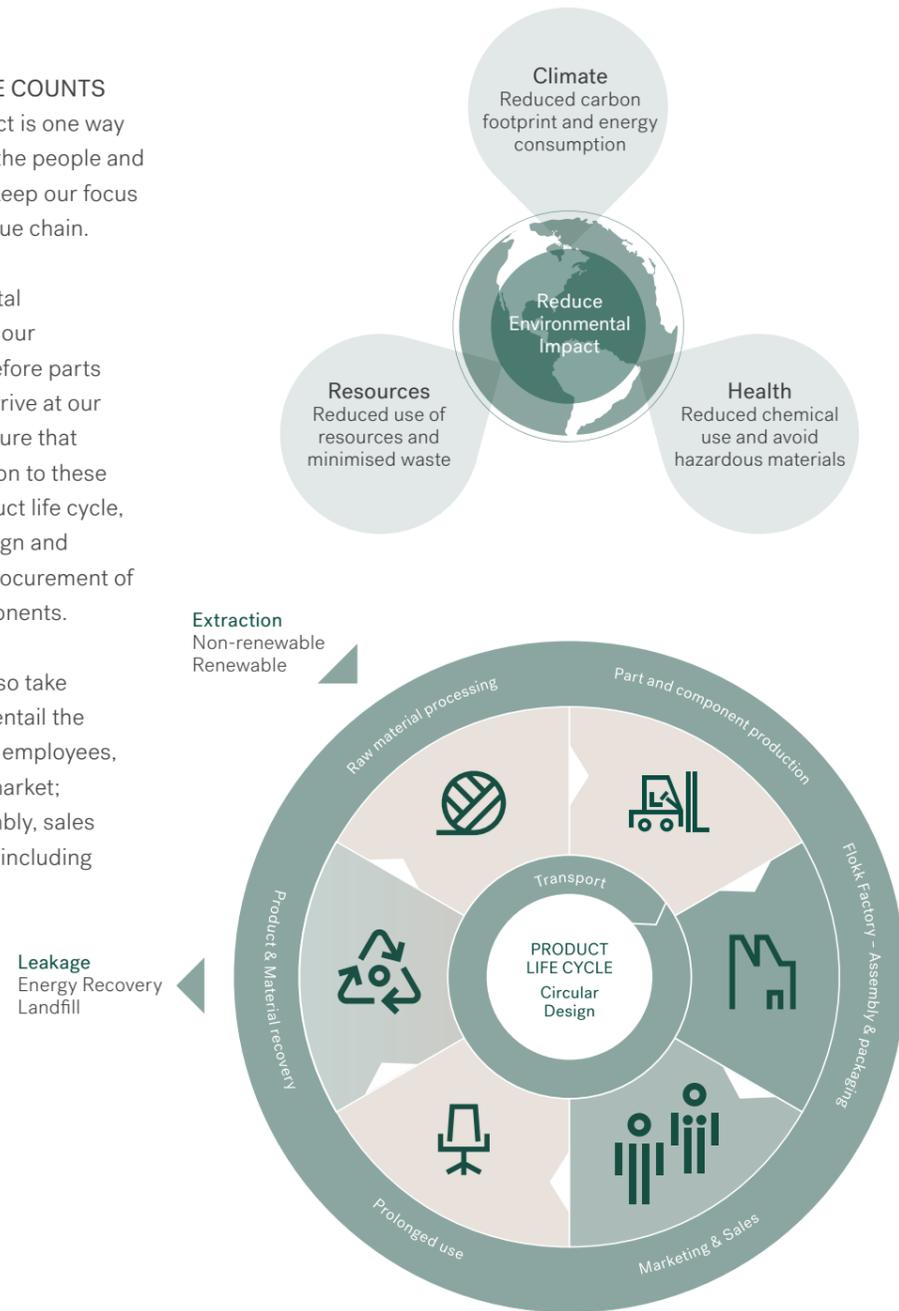
Sustainability has been a high priority for the company for nearly 40 years. In 1990, we were the first company in Norway to employ a full-time environmental manager – long before customers and the general public showed an interest in the environmental performance of companies and products in general. Early on, we established our three focus areas – climate, resources and health. Flokk have several milestones as sustainable pioneers; the first office chair producer in Europe to be ISO 14001 certified (1999), and the first office chair producer to declare products with EPDs – Environmental Product Declarations (2004) and to obtain the Nordic Swan Ecolabel (2010). Over the last years, we have grown to become the office seating market leader in Europe, and we are now able to scale our ongoing efforts to reduce our impact, and thus make a significant difference.

THE ENTIRE LIFE CYCLE COUNTS

Our environmental impact is one way or the other linked to all the people and entities involved, so we keep our focus throughout the entire value chain.

More than 90% of the total environmental impact of our products is generated before parts and components even arrive at our factories, and we make sure that we pay particular attention to these early phases in the product life cycle, such as our product design and development, and our procurement of raw materials and components.

The remaining phases also take high priority, since they entail the greatest exposure to our employees, our customers and the market; these are our final assembly, sales and distribution phases, including outbound transport.





Circular Design

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

PRINCIPLES FOR SUSTAINABLE DESIGN - REDUCING ENVIRONMENTAL IMPACT

5 CIRCULAR DESIGN CRITERIA

- 1. Low weight**
 - fewer materials – weight optimisation
 - smart dimensioning
- 2. Few components**
 - integrated functions – resource efficient – fewer tools
 - simpler assembly – less packaging and transport
- 3. Right choice of materials**
 - increased use of recycled and renewable materials
 - no harmful chemicals
- 4. Long life span**
 - reduce need to replace our chairs – timeless design
 - high quality – flexible adjustments for multiple use –
 - easy to reuse – changeable wearing parts
- 5. Design for disassembly**
 - keep materials in closed loop – easy to dismantle
 - easy to sort for recycling with marked parts



3(III) FOCUS AREAS

- I. Climate** – reduced carbon footprint and energy consumption
- II. Resources** – reduced use of materials and minimised waste
- III. Health** – reduced chemical use and avoid hazardous substances

Sustainable Design and Innovation Recognitions in 2021

- HÅG Capisco Puls recycled Snow plough markers edition – 2 awards:
 - Winner of 'Household & Leisure Product of the Year' at the Plastics Recycling Awards Europe 2021, Amsterdam
 - Mixology Awards – Product of the Year 2021 – Task Furniture

Sustainability Management and Strategy

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

HUMAN-CENTRED
SUSTAINABLE
INNOVATIVE

Flokk has pursued triple bottom line principles since 1990. With the majority of our production & inbound value chains in Central- and Northern Europe, our sustainability focus has been on environment. We use cradle-to-grave CO₂e emissions pr net sales as the KPI for this on corporate level. From previous analysis, as an industrial company, we know that the vast majority of our environmental footprint is associated with the materials processed and used in our products. Knowing this is a key lever to succeed for Flokk, we will continue to improve practices according to our circular design criteria.

However, our sustainability focus is not limited to environmental aspects. Beyond responsibility for the sustainability section of our design philosophy, the Sustainability Department is responsible for a defined set of broad sustainability measures across all departments and locations. The resulting sustainability strategy is integrated into the Group's three-year strategy plans. The Sustainability Department is part of the Products & Brands organisation, and reports to SVP Products & Brands.

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

ESG - ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG is an important part of the Group's work on compliance, driven by our urge to always do better, and by various regulations and demands from the outside world. The Group's owners share this interest and follows the company ESG performance & progress closely. Our work strives to incorporate ESG into our strategy to ensure long-term financial results. In addition, our employees, customers, partners, and other stakeholders want us to maintain high standards for the environment, social conditions and corporate governance. Reporting on ESG is defined as a separate process and positioned under the Finance department.

An important part of the compliance work is to ensure that the Group has good processes for following up new rules and regulations related to ESG. At the same time, we must ensure that data in the company's ESG reporting is reliable and accurate, and that ESG is integrated in our ongoing risk assessments. By actively minimising risk, we will create security for our owners, customers, and other stakeholders. In addition, we are convinced that companies that work strategically with compliance and risk management over time will gain benefits in the form of improved efficiency and increased profitability.

ENVIRONMENTAL & ENERGY MANAGEMENT SYSTEM

The Group is ISO 14001:2015 certified, and two production sites are ISO 50001:2018 certified. Flokk complies with EU's EED – Energy Efficiency Directive.

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

The environmental & energy goals for 2021 were based on aspect analysis of the factories at Røros and in Nässjö, as well as the head office in Oslo and sales offices in Germany. The Turek site will be integrated into our management systems during 2022.

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



Sustainability Management

Long-term goal:
Continuous improvement

Measures 2021	Status	Measures 2022
Follow up outcomes of Climate Risk Assessment 2019 Results - Monitoring KPI's to reduce climate emissions (CO₂ emissions per revenue, share of renewable electricity, tonnes recycled plastics per units) - Follow up on Sustainability Goals 2030 - Implemented environmental data management tool - Circular design principles implemented in Turek	✓	Annual review and update of Climate Risk Assessment
Flokk GRI report 2021 to be compliant with EU NFRD (Non-Financial Reporting Directive) Results - We have rethought our strategy to await the new EU legislation CSRD - The Corporate Sustainability Reporting Directive, and report accordingly when this is required from GRI 2023	➔	Prepare for CSRD reporting for GRI 2023
Turek included in ESG reporting scope, will be included in GRI scope 2021 as well Results - Turek: complete ESG and GRI reporting scope 2021. Hawthorne (9to5): complete ESG and partly GRI reporting scope 2021	✓	Hawthorne: complete GRI reporting scope 2022
Sustainability Data Management tool - sign contract with Greenstone+ and implement for ESG and GRI reporting 2021 Results - Greenstone+ rolled-out & implemented for ESG reporting 2022. Not ready for GRI reporting 2021	✓	Further develop Greenstone+ for GRI reporting. Investigate potential for use as Site data management tool
Quality assure pilots for the corporate M3 (ERP) development - BOM on demand with sustainability attributes & Supplier Portal Results - successful pilot for streamlining BOM-to-EPD creation	➔	Ongoing development. Next steps to quality assure the 2022 scheduled pilots
Continue 5-III transition and implementation at new acquisitions Results - 5-III implemented at Turek	✓	Investigate 5-III implementation at 9to5
Measure actual use & effect of 5-III in innovation processes Results - not prioritised	●	
Develop more specific and context based 5-III Circular Design criteria for various product segments	➔	Measures 2021 continued due to lack of capacity

Sustainability communication highlights 2021

- Flokk 2030 Sustainability goals presented through meetings, articles, videos and online visibility
- Flokk hosted an online panel discussion called Creating a Circular Society: Turning trash into treasure during Stockholm Design Week in February
- Flokk collaboration with various stakeholders on producing chairs from collected and discarded snow plough markers gained attention in many countries
- Several repair guides produced and published for our products, extending the lifespan of our products
- The most ambitious product launch campaign of the year, HÅG Tion, was based around the innovative new ways of working with recycled materials
- Collaboration with Norwegian sustainability influencers Fæbrik

Sustainability Goals 2030

With most of our production & inbound value chains traditionally in Central- and Northern Europe, our sustainability focus has been on environment since early years. As we increase our global footprint, we work to complement the sustainability focus on social and governance conditions. Flokk's strategic goals and targets on environment towards 2030 are defined to ensure we contribute to the achievement of the global targets as

set e.g. by the EU European Green Deal, UN Sustainable Development Group and the UN Convention on Climate Change. They also reflect our learnings and experiences from working on our environmental goals for 2010-2020, some of the results described in last years GRI report. We see the ongoing crises of climate change, biodiversity, plastic waste and over-consumption as opportunities to make a difference.

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



CLIMATE TARGETS – GHG (CO₂e) EMISSIONS AND ENERGY

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

Flokk's contribution to:

- UN Sustainable Development Goals nos. 7 and 13
- The EU's 2-degree target to cut greenhouse gas (GHG) emissions by 40% by 2030

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

- Replacing fossil fuels with renewable sources such as heat pumps run on green electricity
- Reduce use of district heating
- Switch our car fleet to zero/low emission vehicles (electric and plug-in hybrid)
- Reduce air travel, replace with web meetings
- Improve our packaging design, logistics and goods transportation
- Continue our energy efficiency gains at all sites
- Purchase renewable electricity at all sites (hydro, wind, solar)
- Lower the impact from our Supply chain



HEALTH – CHEMICALS

- = Products and their manufacture must be free of chemical contents that are hazardous to the environment and/or health, according to Globally Harmonized System of Classification and Labelling of Chemicals
- = 100% of all standard fabrics must be certified with the EU Ecolabel by 2022

Flokk's contribution to:

- UN Sustainable Development Goal no. 3

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

- Redefine & update our purchasing criteria starting this year 2022
- Increase our chemical control at suppliers through digitalization
- Improve follow up of our supply chain performance through digitalization



RESOURCES & CIRCULAR ECONOMY – MATERIALS AND WASTE

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

Flokk's contribution to:

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

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

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



COMPETENCE – COMMUNICATION

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

Flokk's contribution to:

- UN Sustainable Development Goal no. 17

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

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

* Scope 1 – Direct emissions (fuel for heating and sales/service cars)
 Scope 2 – Indirect emissions (district heating and electricity)
 Scope 3 – Other indirect emissions (air travel and goods transportation)



Risk and Opportunity Management

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

The framework for business risk management in Flokk is based on an Interest Parties Analysis, by identifying threats and opportunities for stakeholders' external and internal issues with impact on Flokk's strategy. This framework determines how to identify, handle and follow-up business risks and opportunities for the Group. The key strategies and operational risks are followed up closely through action plans and regular reporting. The Board is regularly briefed on this work.

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

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

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

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

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

- Materiality analysis – set of significant topics defined through survey, internal & external interviews, and workshop on risks & opportunities
- ESG (Environmental, Social, Governance) Forum – a strategic sync/status meetings between Group Management and managers for Corporate Processes, HSE, Sustainability, Legal & Risk, and Insurance
- Environmental and Energy aspect analysis – procedure to define elements of Flokk's activities, products, or services that (can) interact(s) with the environment, evaluating our abilities to make a difference
- Climate risk assessment – climate-related impacts that have the potential to generate substantive changes in operations, revenue or expenditure are covered



CLIMATE RISK ASSESSMENT

As of 2019, a separate Climate Risk Assessment is conducted. The aim is to identify key risk elements, as well as the opportunities that arise from growing awareness of climate change in the general public. In the exercise, the information is provided in line with the recommendations from the Taskforce for Climate-related Disclosures (TCFD) and is based on interviews with key personnel from within Flokk's organization.

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

Climate Risk Assessment Outcomes:

- Corporate KPI's defined to ensure we continue to reduce our cradle to gate climate emissions
- New Long-Term Environmental Goals for 2030 concluded
- Strengthened market communication & public visibility with our sustainability ethos, performance leadership in providing low carbon products
- Improved digital infrastructure to document & generate environmental data for internal analysis and for tenders
- Circular design principles implemented in the Profim/Turek operation acquired in 2018
- Monitoring & pilot testing for future circular business models extended, and the commercial setup for expansion strengthened

Risk and Opportunity Management

Risks and Opportunities – Environmental, Social and Governance

Themes	Identified Risks	Opportunities	Risk Management	
Environmental issues – own activities and operations, including R&D	Environmental incidents & accidents	<ul style="list-style-type: none"> • Capitalize from long standing effort on leading low carbon furniture • Tap into strong circular design capabilities through new products • Tap into strong innovative capability to develop new business models & service concepts • Advice customers on setting environmental purchasing criteria • Continue migration of post-consumer recycled material in existing products • Counter labour arbitrage by high industrialization rates & owned IP • New market segments - Home office • New product segments - Home office • Less travel and lower emissions • Higher efficiency with digital meetings • Global Fight against financial crime 	<ul style="list-style-type: none"> • Sustainability topics included in Due diligence merging & acquisitions • Environmental & Energy Policy • Code of Conduct – Employees • ISO 14001 & 50001 - environmental & energy management system (EED compliance) • Environmental & Energy Aspect Analysis • Circular design principles (5-III) & supporting design tools to ensure products with minimised GHG emissions and resource use, with long life time and easy to disassemble for reuse & recycling • Quantified targets for annual consumption of post-consumer recycled material in production (both closed material loop & low carbon footprint materials) • Risk reduction Production sites - Management system Risk module • Waste Management • Research projects & business model tests ongoing to explore circular solutions • Chemical management - EcoOnline & MSDS archives – SCIP compliance • ECO labeling • Supplier dialogue to avoid value chain disruptions • Digitalisation development speed • Supplier Appraisal • Environmental Requirements to Suppliers • Code of Conduct – Business Partners • Supplier Performance monitoring & Supplier audits • Supply Chain Management digital tool (to be implemented) • Shorter supply chain & dual sourcing of high/critical volumes • Sanction Policy, Anti-Bribery & Corruption Policy, Anti Money Laundering Policy • Flag material supply chain implications from the Russia-Ukraine conflict • Screen all suppliers regularly to eliminate the risk doing business with sanctioned or criminal entities/individuals 	
	Climate			<ul style="list-style-type: none"> • Global warming from GHG emissions • Inefficient energy consumption • Energy & heating emissions • Transportation & travel emissions • Dirty energy mixes
	Resources			<ul style="list-style-type: none"> • Overconsumption • Material scarcity • Waste generation • Barriers for full implementation Circular Economy
Responsible Supply Chain – operations of suppliers and tiers	Health	<ul style="list-style-type: none"> • Use of chemicals harmful to health and/or the environment • Pandemic • Nuclear events and radiation 	<ul style="list-style-type: none"> • Growing supply chain - number and distribution • Lack of signed Code of Conduct – Business Partner • Pandemic or other events challenging global supply chains • Sanction management. Russia-Ukraine Conflict 	
Social Responsibility & Human Rights – own + business partners	<ul style="list-style-type: none"> • Negligence of terms of employment • Discrimination • Harassment • Diversity 	<ul style="list-style-type: none"> • Build corporate culture around Flokk's vision & values • Good working environment 	<ul style="list-style-type: none"> • HR Policy & mandatory Code of conduct – Employees • Code of Conduct – Business Partners • Diversity Policy • Employee Management System - People@Flokk • IDT - Individual Development Talks, Training & e-learning • Trade unions & working environment committees/survey 	
Health and Safety – Workplace	<ul style="list-style-type: none"> • Lost time injury frequency • Strain - work exhaustion • Chemicals exposure • Fire at own premises 	<ul style="list-style-type: none"> • Low sick leave • Good work environment • Pioneer company 	<ul style="list-style-type: none"> • Health & Safety Policy • Risk reduction HSE cases registered - Management system case Module • Internal Audits • Safety Rounds • HSE as e-learning as part of induction program all employees 	
Health and Safety – Customers	<ul style="list-style-type: none"> • Injuries & strain • Chemicals exposure • Customer satisfaction • Reputation 	<ul style="list-style-type: none"> • Safe products for customer during use • No claims • Good reputation 	<ul style="list-style-type: none"> • Technical tests according to international standards with requirements concerning ergonomics, usability, safety, stability and strength • Eco labeling - free of hazardous chemicals • Customer training by salespersons in proper use of products • Customer Service Module in CRM 	
Compliance – Legal – Internal	<ul style="list-style-type: none"> • Local laws & regulations • New markets • Secure conducting business in compliance to internal policies and procedures 	<ul style="list-style-type: none"> • Market access • Safe products • Competent staff • Do things correct the first time • Low risk for penalties 	<ul style="list-style-type: none"> • External Market Requirement • Internal audits • Technical tests according to international standards with requirements concerning ergonomics, usability, safety, stability and strength 	
Governance – Investments	<ul style="list-style-type: none"> • Investment decisions insufficient • Unacceptable levels of risk -> involved in legally or ethically questionable practices • Negative reputation 	<ul style="list-style-type: none"> • Promote investor confidence • Responsible investment • Good reputation • Growth • Return of investment 	<ul style="list-style-type: none"> • Enterprise risk management • Finance Policy • Quality Policy • Health & Safety Policy • Environmental & Energy Policy • Delegation of authority Policy • Code of Conduct – Employees • Code of Conduct – Business Partners • EU Taxonomy compliance 	
Governance – Governance practices	<ul style="list-style-type: none"> • Insufficient governance policies and practices • Lack of long term risks 	<ul style="list-style-type: none"> • Good governance policies and practices encourage shareholder engagement • Adequately address long-term risks 	<ul style="list-style-type: none"> • Certified with ISO 9001 Quality Management System, ISO 14001 & 50001 - Environmental & Energy Management Systems (EED compliance) • Internal audits 	



Climate – GHG (CO₂e) Emissions and Energy

Flokk's pursuit of improving energy efficiency and reducing our carbon footprint in 2021 was characterised by getting an intensive overview of our GHG (Greenhouse Gas) emissions.. The combination of a new hire to our sustainability team focusing on energy and climate matters and the purchase of a sustainability data management tool, Greenstone+, led to the most inclusive data collection thus far. Greenstone+ will not only increase systematisation in data collection and processing but as well support including more processes in our scope 3 reporting.

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

For the year 2021, and retrospectively 2020, the performance of our production sites in Turek, Poland (Profim acquired 2018, operational control 2020), and Hawthorne, US (9to5 Seating acquired Nov 2019) was included. This has led to an increase in our produced units, energy consumption, and GHG emissions.

The reported numbers in the climate chapter differ from the previous year's report due to Greenstone+ using different accounting methodologies and emission factors than our old tool CEMAsys. We have also included more sales offices and showrooms in the reporting scheme and added the two new production sites. Additionally, historic data were quality-checked and corrected, as well as efforts in the traceability of the origin of data were increased.

Total tCO ₂ e	Units produced	kg CO ₂ e/unit	kWh/unit	tCO ₂ e/MNOK revenue	MWh/MNOK revenue
4 906	1 388 487	3,6	14,4	1,5	6,1
+ 7% since 2020 + 150% since 2015	+ 11% since 2020 + 201% since 2015	- 1% since 2020 - 16% since 2015	+ 1% since 2020 - 41% since 2015	- 4% since 2020 - 10% since 2015	+ 1% since 2020 - 36% since 2015

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

Climate – GHG (CO₂e) Emissions and Energy

Long-term goals:

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

KPI	Goal 2022	Goal 2021	Results		
			2021	2020	2019
CO ₂ e emissions per unit [kgCO ₂ e/unit] - (Scope 1,2,3)	3,38	3,7% down	3,56 (-0,8%)	3,59 (-38,7%)	5,85
Energy consumption per unit [kWh/unit] - (Scope 1,2)	14,0	2,7% down	14,41 (+0,9%)	14,28 (-32,5%)	21,16
CO ₂ e emissions per revenue [tCO ₂ e/MNOK] - (Scope 1,2,3)	1,42	3,7% down	1,50 (-3,9%)	1,57 (+47,4%)	1,06
Energy consumption per revenue [MWh/MNOK] - (Scope 1,2)	6,1	2,7% down	6,13 (+0,5%)	6,10 (+58,9%)	3,84
Share of renewable electricity (Scope 2)	89%	96%	85,7% (-7,4%)	92,6% (-2,2%)	94,7%
Share of renewable energy vs total consumption (Scope 1,2)	50%	2,5% up	46,1% (+3,3%)	44,7% (-7,8%)	48,4%
Use of Fossil fuels for heating [MWh] (Scope 1)	3 393	20% down	4 525 (+6,8%)	4 237 (+217,7%)	1 334

Measures 2021	Status	Measures 2022
Set up local energy teams. Establish corporate and site energy management plans Result - Local Team set up at Røros, Nässjö and Germany Result - Corporate and Røros energy management plan established	✓	Set up local energy team at remaining site Turek. Establish energy management plan at remaining sites
Create ownership for the team members and assign responsibilities	➔	Ongoing, measures continued
e-Learning course for all Energy management personnel	➔	Measures continued due to lack of progress & capacity in 2021
Crystalize and start implementing scheme for internal energy audits Result - Initial planning done	➔	Ongoing, finalise internal energy audit plan
Implement 2020 findings - continue search for energy saving potentials vs Goals 2030 Result - Nässjö: presence control in warehouse postponed further Result - Germany: measures postponed until external Energy Audit 2022	➔	Implement missing findings. Continue search for energy saving potentials, including Turek
Search for savings in ventilation systems including heat recovery all sites vs Goals 2030 Result - Røros: identified saving measures	✓	Continue search for savings in heating/ventilation systems, including Turek. Røros action: Smart control of heating/ventilation vs warm/cold weather
Map-out potential for efficiency gains in transport of goods	➔	Adjust measure 2021 to focus more specific on packaging efficiency
Define scheme + install energy meters for high consumption/volume equipment in factories	➔	Await results from external Energy Audit Reports from Nässjö, Røros and Germany, and adjust accordingly

The retrospective addition of the two factories in 2020 had a substantial effect on our KPIs compared to 2019. In general, the KPIs per unit decreased, and the ones per revenue increased. The increase of 217.7% (2020) in the use of fossil fuels for heating is attributed to the factories as well. In 2021, the GHG indicators slightly decreased, while the energy indicators showed a minimal increase. The inclusive reporting reduced our share of renewable electricity in 2021. Nevertheless, the goal of reaching 100% in 2025, is still within reach. Flokk does not use any carbon offsets to meet our long-term targets.

41% LOWER ENERGY CONSUMPTION PER UNIT

While the produced units have increased by 201% since 2015, the energy consumed per produced unit is 41% lower than in 2015. A result of many efficiency gains. We see a small increase of 1% since 2020, due to the return to normal business activities and the inclusive reporting of the offices and showrooms.



GHG (CO₂e) EMISSIONS

Flokk's GHG emissions, market based (*) [tCO₂e]

	2015	2016	2017	2018	2019	2020	2021
Scope 1 - Direct emissions	796	811	901	900	1 058	1 774	1 614
Fuel for heating (Burning oil, Natural gas, Propane, Biodiesel)	264	200	193	170	334	846	856
Fuel for sales and service travels	532	611	708	731	724	928	758
Scope 2 - Indirect emissions	187	306	249	237	187	289	545
District heating	25	20	52	48	69	64	99
Electricity	162	286	197	189	117	226	446
Scope 3 - Other indirect emissions	981	1 204	1 300	1 350	1 960	2 526	2 748
Employees air travel	265	293	251	199	796	183	130
Goods transportation	716	911	1 049	1 152	1 164	2 343	2 618
Total [tCO₂e]	1 964	2 321	2 451	2 488	3 205	4 589	4 906
Change from year to year		18,2%	5,6%	1,5%	28,8%	43,2%	6,9%

(*) for location based GHG emissions, see GRI Index disclosure 305-2

7% HIGHER TOTAL CARBON EMISSIONS

Operations in 2021 bounced back after the drop in 2020 bringing the produced units to 2019 levels (excluding Turek and Hawthorne). Due to the retrospective addition of the two new production sites in 2020, the effect of Covid-19 is not evident in our numbers. Finally, our emissions increased by 7% in total, but the emissions per unit went down by 1%.

18% REDUCTION IN CO₂e EMISSIONS FROM FUEL FOR SALES & SERVICE TRAVELS SINCE 2020

- Emissions have increased steadily since 2015, with a 74% increase in 2020, compared to 2015. Although sales activities decreased due to Covid-19, the addition of the Turek factory counterbalanced the reduction.
- The 18% reduction from 2020, indicates the ongoing change of doing business during Covid-19, in addition to measures such as the electrification of our car fleet.
- Hawthorne did not report any fuel usage for travels. We expect to see an increase/counterbalance once those emissions are reported for the following years.

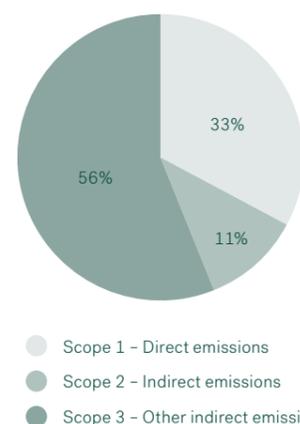
89% INCREASE IN SCOPE 2 CO₂e EMISSIONS

- The emissions of our district heating usage increased by 56% mainly due to corrected accounting at our new headquarters in Oslo.
- Our electricity emissions nearly doubled due to the inclusive reporting (adding new offices, correct accounting of HQ building emissions) and the phase-out of the Koblenz factory (not having green electricity for 2021).

56% OF FLOKK'S GHG EMISSIONS ARE INDIRECT EMISSIONS

- From 2015 to 2021 our flight emissions steadily decreased except in 2019, where we came across an outlier caused by improved reporting and the acquisition process of Hawthorne (around 200 tCO₂e).
- Due to Covid-19, we experienced a significant reduction in flight emissions in 2020 (-77% vs 2019) and in 2021 (-29% vs 2020).
- With the addition of the factories in Turek and Hawthorne, we see an increase of 101% in emissions from goods transportation from 2019 to 2020. The rise in 2021 (12%) is a result of the increased unit output (11%).

Flokk's GHG emissions in 2021, market based



Greenhouse gas emissions are distributed on 3 areas - Scope 1,2,3 - set by the Greenhouse Gas protocol. We only cover our daily business, and NOT the impact from all our upstream activities - Scope 3 - which represent more than 90% of Flokk's entire emissions. Scope 3 is however somewhat covered in our EPDs - Environmental Product Declarations.

ENERGY

Flokk's energy consumption [MWh]

	2015	2016	2017	2018	2019	2020	2021
Fossil fuel sources:	3 500	3 567	3 921	3 847	4 214	7 922	7 552
• Burning oil	333	56	86	59	1 139	1 226	772
• Natural gas	1 046	1 077	1 020	888	194	2 979	3 714
• Propane	0	0	0	0	0	33	38
• Diesel	2 083	2 360	2 688	2 751	2 702	3 439	2 662
• Petrol	38	74	127	150	179	245	365
Renewable fuel sources:	0	0	0	0	22	14	91
• Biodiesel	0	0	0	0	22	14	91
District heating	1 237	1 311	1 297	1 186	1 442	1 334	1 703
Electricity	6 628	7 070	6 750	6 186	5 905	8 612	10 655
• Electricity (Grid)	6 628	7 070	6 750	6 186	5 905	8 480	10 489
• Electricity (On-site production)	0	0	0	0	0	162	189
• Electricity (To grid)	0	0	0	0	0	-30	-23
Total energy consumption [MWh]	11 365	11 948	11 967	11 218	11 583	17 882	20 002
Change from year to year		5,1%	0,2%	-6,3%	3,3%	54,4%	11,9%

76% INCREASE IN TOTAL ENERGY CONSUMPTION

Flokk's strategy of phasing out acquired factories (Zwolle and Koblenz) and moving production into existing factories affects the total energy consumption. The big leap in 2020 is due to the addition of Turek and Hawthorne. Acquiring new brands will add up to the total consumption. Nevertheless, our consumption per unit went down by 41% vs 2015, underlining the effectiveness of our consolidation approach.

46% of all the energy used by Flokk comes from renewable sources. The long-term goal is to have 75% of all energy consumed coming from renewable sources by 2030. The phase-out of fossil fuel-based heating and 100% renewable electricity will contribute to this target.

NO FOSSIL FUELS FOR HEATING BY 2025

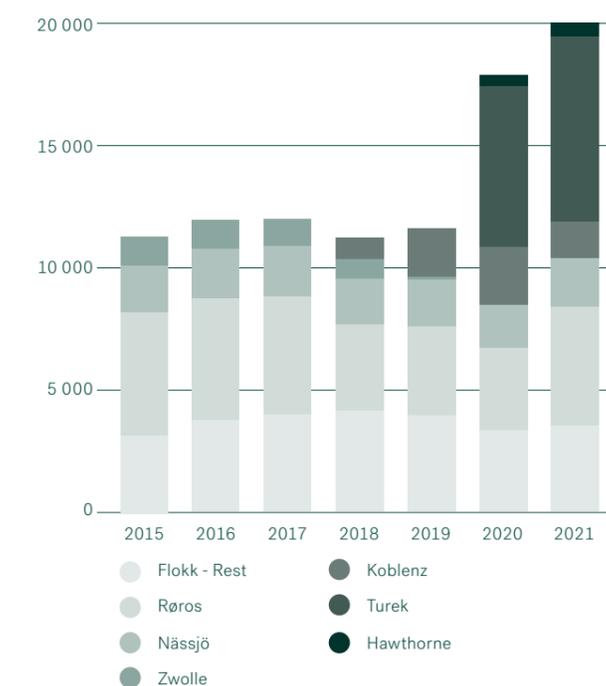
The use of fossil fuels has increased significantly due to the addition of Turek and Hawthorne. Flokk has the ambition to completely remove fossil fuels and respective CO₂e emissions from our Scope 1 activities by 2025, therefore increased efforts are needed, including a reassessment of the target.

61% INCREASE IN ELECTRICITY CONSUMPTION SINCE 2015

Electricity represents 53% of our total energy use but only 9% of our total GHG emissions, thanks to 86% renewable electricity at our premises.

The reduction from 93% in 2020 is due to more inclusive reporting and phasing out of Koblenz. The long-term goal is to reach 100% renewable electricity in total by 2025.

Flokk's energy consumption, subdivided [MWh]



Resources – Materials, Waste, Chemicals

In 2021, Flokk's GRI scope production sites produced close to one and a half million new products. With an estimated average weight of 15-20 kg per product, our operations naturally require large quantities of raw materials and components. The furniture industry uses chemicals in paints and glue, and in the production of textiles, foam and other plastics.

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



Resources - Materials, Waste, Chemicals

Long-term goals:

- 60% share of recycled materials in our products by 2030 | 100% recycled & recyclable plastic packaging by 2025
- 1 500t recycled plastics in our products by 2025
- Recycled Aluminum: 95% moulded and 75% extruded | 50% recycled Steel by 2025 or 50% fossil-free Steel
- 100% FSC® certified wood and factories by 2030 | 85% of our waste will be material recycled by 2025
- No hazardous chemical contents in our products or their manufacture | All standard fabrics certified with EU Ecolabel by 2022

KPI	Goal 2022	Goal 2021	Results		
			2021	2020	2019
Amount of recycled plastics used in our products [tonnes]	1 450t	1 000t	1 328t (+72,5%) ●	770t (+12,7%) ●	683t (+17,5%) ●
Average quantity of recycled plastic used per unit [kg/unit]	1,21	2,03	1,14 (-36,2%) ●	1,78 (+22,1%) ●	1,46 (+27,5%) ●
Number of factories FSC® Chain of custody certified	2 out of 4	2 out of 3	1 (Turek) ●	1 (Turek) ●	0
Share of our waste being material recycled	75%	82%	Flokk: 70,1% (-0,6%) Røros: 92,4% (+1,0%) Nässjö: 55,6% (-5,6%) Koblenz: 67,4% (+0%) Turek: 53,9% (-5,1%) ●	Flokk: 70,5% (-8,8%) Røros: 91,5% (+3,0%) Nässjö: 58,9% (-7,2%) Koblenz: 67,4% (+2,3%) Turek: 56,8% ●	Flokk: 77,3% (+10%) Røros: 88,8% (+2,3%) Nässjö: 63,5% (+14,3%) Koblenz: 65,9% (-4,3%) ●

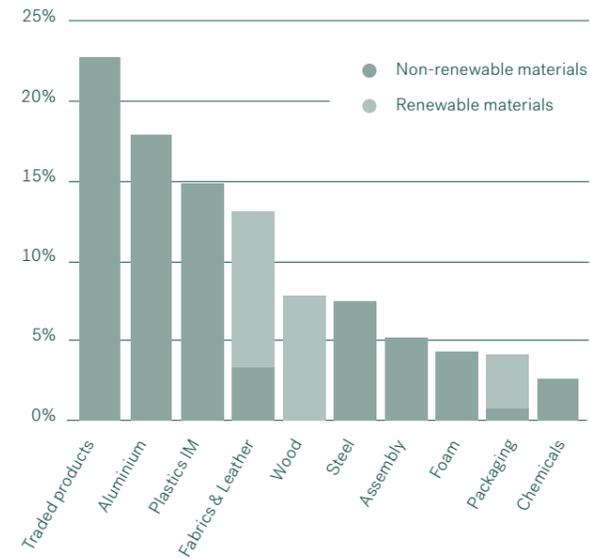
Measures 2021	Status	Measures 2022
MATERIALS		
Feasibility study on launching ocean plastics, investigate property improvement with supplier	➔	Low priority, on hold
Scale use of snow plough material beyond limited edition Result - Industrial pilot started on 8 tonnes batch	✓	Launch industrialised HÅG Capisco Puls. Launch other product offerings
Launch HÅG Tion (Essence Task) with colored recycled polypropylene Result - HÅG Tion launched Q3'2021	✓	Launch HÅG Celi (Essence C&C) with colored recycled polypropylene
Investigate alternatives to/limited use of PUR foam in Essence development project Result - HÅG Tion launched with thin PUR foam solution	✓	Investigate PUR alternatives as part of ongoing development projects
Commit to our Grønt Punkt 'Control membership' - recruit non-members in our supply chain	➔	Measure 2021 continued - recruit non-members in our supply chain
Nässjö factory FSC® Chain of custody certified	●	Measure 2021 continued due to capacity challenge
WASTE		
Røros: Continue search for hard plastic recycling partner Result - 15 tonnes of hard plastic energy incinerated. Negotiating agreement with new waste handler	➔	Clarify potentials for hard plastic recycling with new waste handler, contract to be signed 2022
Nässjö: Search for partners to recycle wood waste Class 1 vs energy incineration Result - Hard to find wood Class 1 recycling partner; 41,9t energy incinerated (2020: 13,1t)	➔	Continue search for partners to recycle wood waste Class 1 vs energy incineration. Sorting focus: EEE-waste
Establish common Flokk procedure on waste handling across sites.	➔	Flokk corporate procedure on waste handling ongoing, to be landed 2022
Follow up sorting through quarterly spot-checks Result - Quarterly spotchecks are integrated into Flokk internal audit plan	✓	
Kick-off plastic packaging campaign - "Reduce, Recycled, Return & Reuse!" Result - Mapping of plastic packaging used in Flokk started - Nässjö: replaced plastic protection w/ fabric, saving 4-500 plastic bags/year	➔	Complete mapping of plastic packaging used. Initiate sourcing and scale up
CHEMICALS		
Reduce no of chemicals at production sites Result - Røros: 19 removed (214 in total), 4 less on candidate list (0) / 30 less with Prio-criteria (72) - Nässjö: increased from 78 to 107 due to including Production Development, however no new process chemicals	✓	Continue reduce no of chemicals at production sites
Replace chromed surfaces in portfolio, scale the use of Metal Silver & Steel Gray powder coatings Result - RBM Eminent tables introduced with Metal Silver & Steel gray	✓	Replace chromed surfaces on RBM Standard Folding table. Seek to scale
Define KPI and target for glue consumption in Nässjö as input to PM (Product Maintenance) Result - input given to PM Tech portfolio analysis, prio list to be made in 2022	➔	Follow up PM prio list with target to reduce number of products using glue
Update Environmental Requirements with regard to chemical content - to ensure healthy materials	➔	Measures 2021 continued as we first needed to define Flokk Environmental Certification regime (done Q2'2022)

MATERIALS

21% of our annual purchased value (turnover) for direct material is allocated to renewable materials (including wool, leather, cardboard and wood). Our long lasting and high-quality products require construction with strong materials like metal and engineering plastic, thus renewable material as wood is less adapted to our high-volume needs.

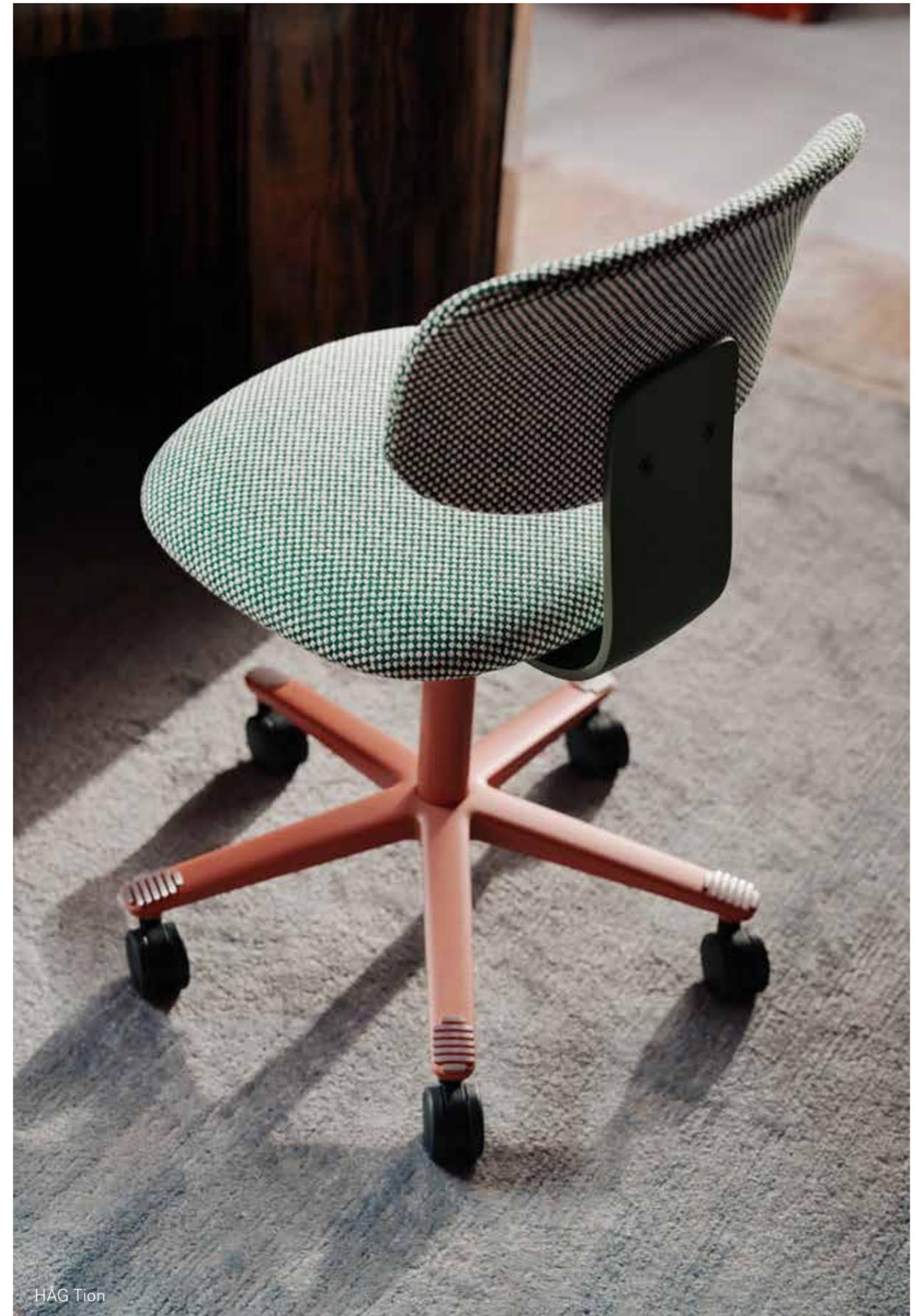
Our strategy is to increase our use on recycled materials – defining recycled plastic, aluminium and steel as key resources. This way we put a value on resources astray and consume less energy for processing. However, the cosmetic and technical properties of recycled plastics are poorer than those of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

Distribution of Flokk's 2021 annual purchased value (turnover) for direct material



Share of recycled materials

Today, our best chairs contain 50-60% recycled material. Quite a few of our latest launches even exceed our long-term target – 60% share of recycled materials in average. Our products' material composition, as well as the share of recycled materials, are declared in EPDs – Environmental Product Declarations.



HÅG Tion

PLASTICS

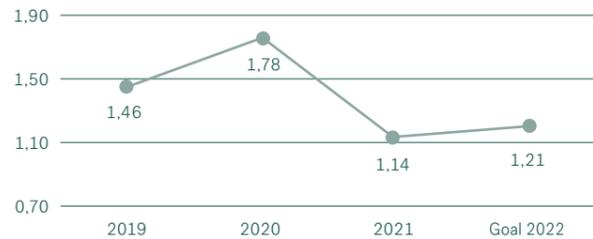
Polypropylene (PP) is our main choice of plastic material. This is due to the environmental benefits compared to other plastic alternatives – such as less CO₂e emissions and additives. In addition, we aim to use as much post-consumer recycled PP as possible. Then we also set value on plastic waste thus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

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

In 2021, we also launched the HÅG Capisco Puls made from collected broken snow plough markers in Norway. We identified this material source during a research project 2018-2020 with SINTEF. In 2021, Flokk has piloted high volume industrialisation in collaboration with the new established value chain.

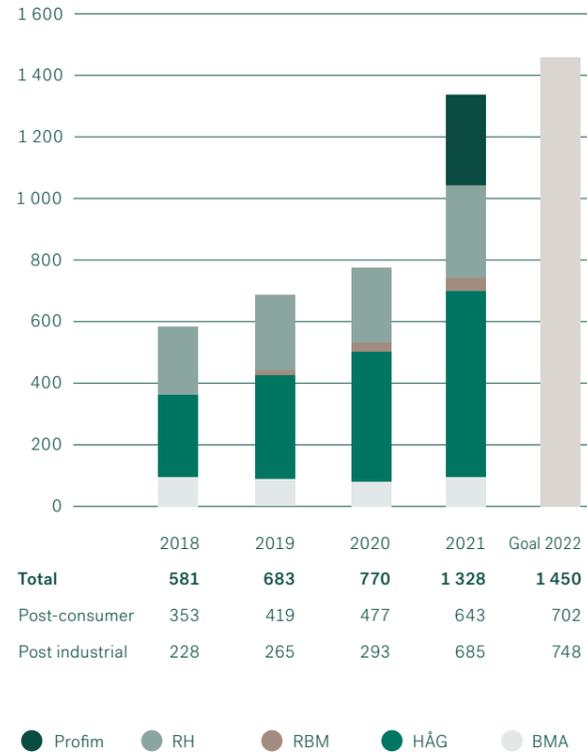
In our ongoing work to migrate recycled plastic into our existing portfolio, we see great potential in further boost now that this work has also started in Turek.

Average quantity of recycled plastics used per produced unit [kg/unit] (incl. RH, RBM, HÅG, BMA and Profim)



HÅG Tion plastic model and its unique colour palette of post-consumer recycled plastics.

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



1 726 tCO₂e
 saved in 2021
 by using recycled instead of virgin plastic

METALS

Our die-cast aluminium parts contain an average of 95% recycled aluminium – the quality, durability and finish is just as good as for virgin material. Today, our extruded aluminium parts contain about 30% recycled aluminium. However, in 2022, we are launching a product where this share will increase to 75%.

We use 20-40% recycled steel in our products. With improved technology and collaboration with suppliers, we hope to increase this amount year on year. We will also investigate fossil-free steel initiatives for future use.

FABRICS & LEATHER

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

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

In 2021, we collaborated with one of our main textile suppliers and our Turek factory in a circular closed-loop project. Our goal is to make use of our own waste textiles from production, for re-use in yarns and textiles to be integrated back into our collection in near future. This work continues in 2022.

38 out of our 52 standard fabrics are certified under at least one of the ecolabels EU Ecolabel, Oeko-tex®, The Blue Angel, Cradle to Cradle™ and Greenguard Gold.

Our target is EU Ecolabel on all our standard fabrics by 2022. We see the need to reassess this target as we add new brands to our scope and the total number of standard fabrics increases. In 2021 only 22 out of 52 fabrics had EU Ecolabel (2020: 9 out of 18). All new textiles introduced in our new standard collection going forward will have the EU Ecolabel.

PACKAGING

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

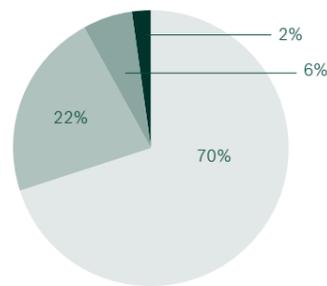
In 2021, our two factories in Scandinavia sent a total of 1 325 tonnes of packaging out into the market (29% up since 2020: 1 030 t). This consisted of 88% cardboard (2020: 89%), 8% plastics (2020: 7%), 1% expanded polystyrene (EPS) (2020: 1%) and 3% other materials such as tape, bubble wrap, etc (2020: 3%). Numbers for Koblenz, Turek and Hawthorne not accounted for.

In 2021, we used 111,1 tonnes of plastic packaging (48% up/down since 2020: 75,3t). We have initiated efforts to transition all our plastic packaging to post-consumer recycled plastics. We are aiming for 100% recycled & recyclable plastic packaging by 2025.

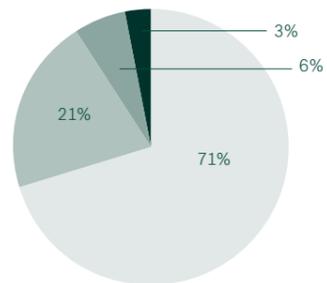
Flokk is a member of several national takeback schemes, such as Grønt Punkt in Norway and FTI in Sweden. Each year, we report how much packaging we send out into the market and pay a charge on this basis. The charge ensures that old packaging is collected and recycled. As a “Control Member” of Grønt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



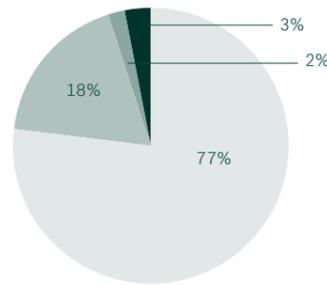
Factory waste [tonnes]



2021: Total 1 356 tonnes
OBS: Incl. Røros + Nässjö + Koblenz + Turek



2020: Total 1 192 tonnes
OBS: Incl. Røros + Nässjö + Koblenz + Turek



2019: Total 954 tonnes
OBS: Incl. Røros + Nässjö + Koblenz



WASTE

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

WASTE FROM PRODUCTS

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

WASTE FROM OPERATIONS AND OFFICES

Another source of waste generation is from our production processes and daily office routines. As far as our own factories are concerned, we have an efficient waste management plan in order to improve the systems for both collecting and sorting waste. Our waste sorting reflects as a minimum how the waste fractions are handled at our waste disposal contractors. As part of our Environmental Requirements, our suppliers commit to have a plan to minimise their waste volumes. We have scaled down returns of cardboard packaging to selected suppliers and recycle rather than reuse, due to quality and damage issues.

In 2021, 70% of our production waste (mostly steel and cardboard) was material recycled (2020: 71%), while 22% was incinerated with energy recovery (2020: 21%). The remaining percentage of hazardous waste is declared pursuant to the requirements of local and national Waste Regulations and delivered to an approved reception facility. The information concerning the waste disposal methods have been given by our waste disposal contractors and is continuously updated in follow-up meetings.

We have had a steady increase on waste to material recycling as a result of improved sorting on all sites, through identifying new recyclable fractions, performing spot checks and keeping our employees updated with new information. With the addition of the factory in Turek, we now see a decrease. We will have high focus on identifying improvement measures during the coming integration in 2022.

Waste fractions at Flokk factories in 2021 [tonnes], including hazardous waste breakdown.

	2021
Non-hazardous waste	1 897
Material recycling	1 356
Incinerated with energy recovery	429
Landfilled	112
Hazardous waste	38
Material recycling	0
Incinerated with energy recovery	32
Landfilled	6
Total [tonnes]	1 935

CHEMICALS

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

SUPPLIERS

We have strict standards on use of chemicals for our suppliers, which must commit to fulfilling our requirements in order to be a supplier to Flokk. We are evaluating new tools (supplier rating and management system) to improve the handling of chemicals at our suppliers for the entire supply chain.

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

PRODUCTION AND OFFICES

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

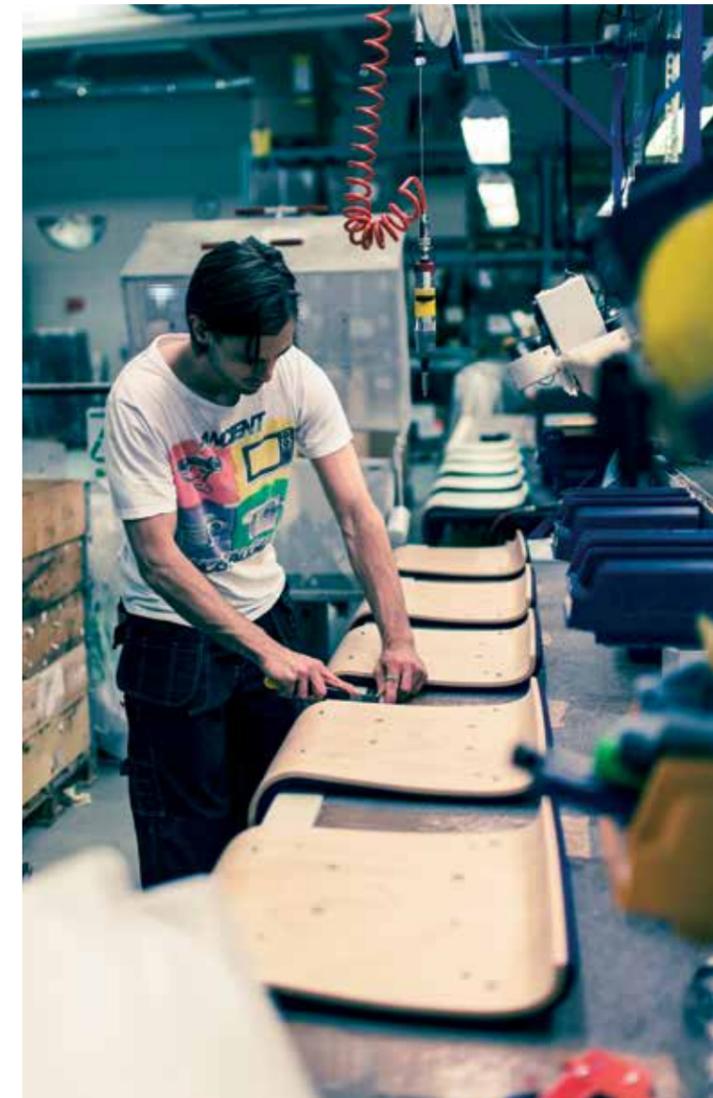
PRODUCTS

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

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

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

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



Circular Economy – Closed Loop

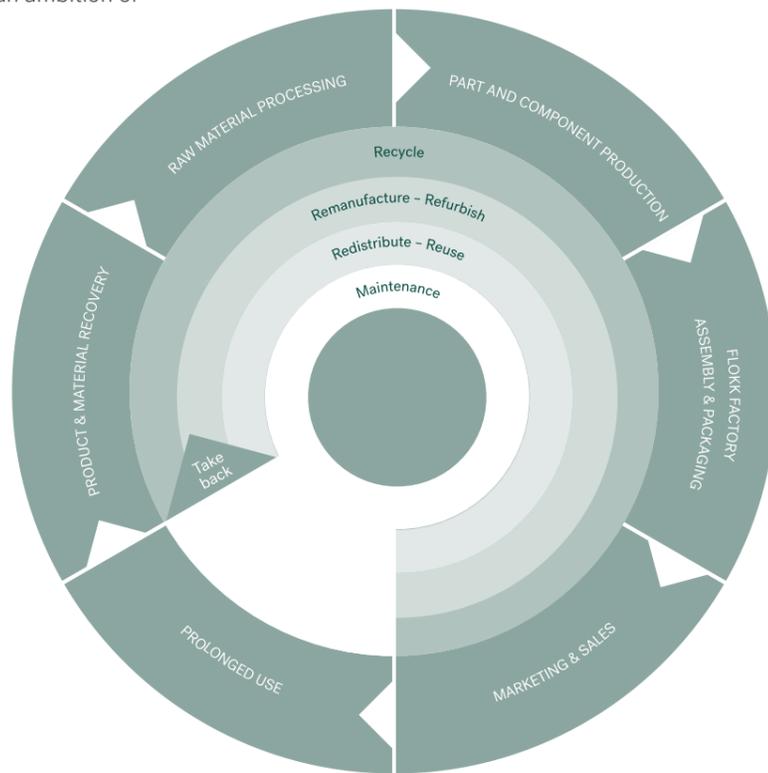
Flokk is working on solutions to encourage that our products are responsibly taken care of, after its first customer no longer uses it. Flokk’s ambition is to be a preferred circular product supplier, enabling our partners and customers to efficiently reuse, refurbish and recover our “recycle-ready”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

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

In the Netherlands, we have practiced the circular economy for several years and built up a system for taking back used chairs. Our partner Opnieuw has a dedicated disassembly line where returned chairs are dismantled. Parts and components are controlled and cleaned, then reused in “second life” chairs. Defective parts are sent back to suppliers for recycling

into new raw material. Our Dutch sales organization has also become a significant supplier of secondhand chairs in the market.

We have explored various circular business models such as furniture-as-a-service and new buy-back offerings. These are some of the emerging business models in our industry. We follow the development closely through our running pilot and innovation projects, delivering insights for our long-term business and product development.



Circular Economy

Long-term goals:

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

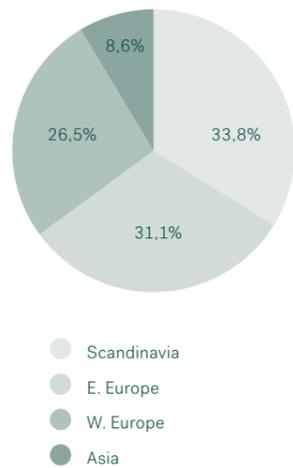
Measures 2021	Status	Measures 2022
Establish minimum 3 more furniture-as-a-service pilot implementations Result - Our pilot with OBOS and GoGood went into operation Q3 2021 due to Covid delays. No further pilots established	●	Harvest learnings from ongoing FAAS Pilot as well as ongoing circular business in the Dutch and Swedish markets. Sharpen communication on Flokk circular value proposition
Pilot certified re-use/refurbish program for Scandinavia Result - We signed a new agreement in Sweden covering re-use and refurbish for our Offect brand.	✓	Package existing service offering to increase customer awareness. Harvest learnings from refurbish partners in Sweden and NL to secure preparedness for expansion



Responsible Supply Chain

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

Percentages of the 2021 annual purchased value (turnover) for direct material used in our significant locations of operation that is spent on local suppliers (European) and Asian suppliers (for purchases exceeding NOK 100 000):



LOCALISATION

As our main operations are spread across Northern and Western Europe, we regard our European suppliers as local suppliers (91.4% of total significant – 9to5 excluded), since they deliver to all our sites in various amounts and categories.

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

Flokk has a certain number of suppliers in low-cost countries in Eastern Europe and Asia. For the smaller number of suppliers in Asia, we had a particular focus on them during 2021 where we decided to do a re-evaluation of these suppliers with focus on compliance to our Code of Conduct including international regulations concerning human rights and working conditions. Even though Flokk managed through

2021 without major production standstills, the pandemic has demonstrated the vulnerability of remote suppliers & long supply chains. Flokk is now focusing on minimizing exposure to Asian suppliers with defined reshoring projects.

SUPPLIER SELECTION

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

All new suppliers to Flokk need to fulfil the minimum requirements we have in our supplier appraisal audit and are screened based on environmental and social criteria. A new format for our supplier appraisals was introduced December 2021 and put much more focus on social responsibility, environment and quality. All new Flokk suppliers must sign our Code of Conduct - Business Partners and Flokk Environmental Requirements. We generally sign 3-year agreements with our main suppliers and 82% of our annual purchased value is under contract with a signed code of conduct.

SUPPLY CHAIN CONTROL - FOLLOW-UP AND ASSESSMENTS

There have been many challenges in our supply chain during 2021, mostly related to the Covid 19 situation and availability of raw materials. We have had high focus on availability of materials in our production units and to foresee any possible disruptions in the supply chain. Together with our suppliers, we managed to keep our production units running with minor disruptions only.

Main activities in 2021: Moving both Giroflex and Offecct supply chain into our production site in Turek, Poland.

Due to the Covid 19 situation we were not able to visit as many suppliers as we usually do. Instead, we used our digital platforms for follow-ups.

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

Supplier Performance Status – SPS

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

When a supplier or sub-supplier is identified as a low performer, we coordinate mitigation measures to close the deviation. Repeated low performance can put suppliers in the "New Business on Hold" category - no suppliers categorized here in 2021. Flokk has zero tolerance for corruption, and we try to ensure that suppliers exercise environmental responsibility, have a shared respect for human rights and offer good working conditions.

Based on our close and constant dialogue with key suppliers, none of them was considered to have negative environmental or social impacts and no measures had to be taken. As no new suppliers were added in 2021, no new suppliers were screened for environmental or social impacts.

SUPPLIER RE-EVALUATION

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

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

In 2021, we re-assessed 18 Asian suppliers with focus on social responsibility related issues. No major gaps were discovered and minor gaps are followed-up with an action plan. Potential risks for our Asian suppliers are that workers do not have as open environment for union associations and collective bargaining.

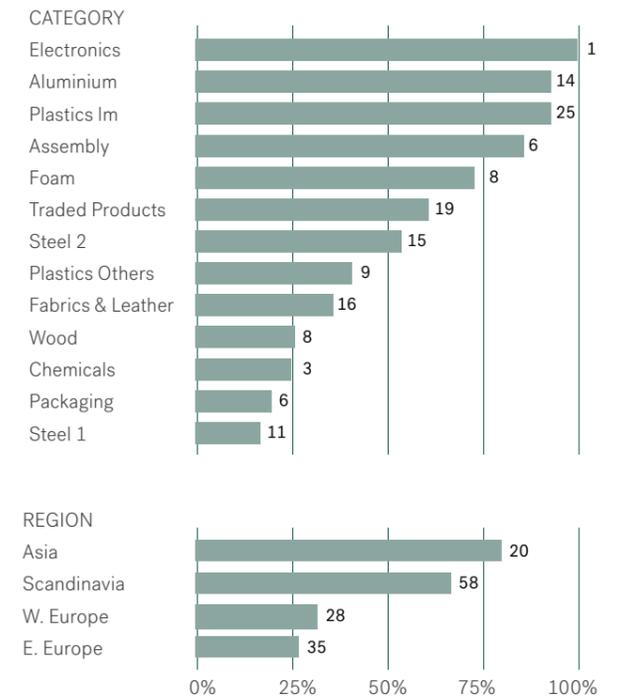
As Flokk has many Polish suppliers mainly transferred from the acquisition of Profim, a re-evaluation of top suppliers in Poland will be carried out during 2022.

SUPPLY CHAIN MANAGEMENT TOOL

When growing as an organization, the complexity increases and the need to find efficient and transparent tools and solutions also grows. As part of a wider effort to digitalize and create deeper integration of our processes, we are developing and plan to introduce a Supplier Portal during 2022 to manage supply chain interactions, cooperation and information sharing more easily. Supplier performance tracking tool is also under development.

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

No. of signed CoC's and % of total APV (APV > 100 000 NOK)



Steel 1: raw materials, pipe bases, mechanisms
Steel 2: fasteners, springs, wire products

Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to in 2021 (measured in signed CoC's), broken down by type of business partner and region.
*APV - Annual Purchase Value = turnover

Our Employees

As a company, Flokk represents a safe and stable working environment. We act responsibly with respect to our customers and society in general. We support and follow the principles of the UN Global Compact. In relation to our employees, we have gathered the company's principles, values, standards, and rules of ethical behavior in our Code of Conduct.

We expect our employees to act as ambassadors and to treat colleagues, business associates, the environment and other stakeholders with respect and courtesy. We clearly distance ourselves from corruption and bribery and support free competition and fair trade.

Due to the continued Covid 19 pandemic, focus has been paid to infection control measures to minimize impact on business and employees, all in cooperation with the Unions and the local working environment committees. Each site and country have their own plans and actions according to local needs and their national Covid 19 regulations. We have continued to stay close to and support our employees during another challenging pandemic year. Late 2021, we implemented a specific Remote Work Policy throughout Flokk. This to meet the needs and expectations of a more dynamic/flexible work situation following the pandemic.

In 2021, we have conducted our biannual working climate survey, which was initially planned for 2020. All employees were invited to answer, and we obtained 82% response rate. Generally, we see very positive results of the survey. In late 2021 and 2022, all teams will create department/site action plans based on the results.

As of December 2021, the company had 1 799 employees (including 9to5 Seating). The percentage of women has increased from 33,7% to 40,2%. We are content with this development, but we still have a way to go to reach our target level of 42% by 2024. In 2021, a Policy for Diversity, Equity and Inclusion was developed. Two times per year we measure organisational KPI's specifically linked to diversity development. In 2022, we will develop a roadmap to implement concrete actions throughout the organisation linked to Diversity, Equity, and Inclusion.

All our employees are directly employed by Flokk. In general, we have very few temporary employees. However, in November and December, we experience seasonal fluctuations and peaks in production, and therefore need to increase our workforce with some temporary employees to meet market demands. These employees stay in the company less than three months.

All employee data has been collected from our HRIS systems, People@Flokk, where all employee data is kept.

In 2020, we implemented Learning@Flokk, a digital learning platform. Mandatory training programs are completed through this tool.



Number of employees by employment contract, region and gender

Region	Permanent employee	Temporary employee
Australia (Sydney, Melbourne)	5	0
Austria	1	0
Belgium (Brussels)	8	0
Canada	3	0
China (Shanghai, Guangzhou)	14	0
Denmark (Copenhagen)	14	0
France (Villepinte)	12	1
Germany (Dusseldorf)	48	7
Norway (Bergen, Oslo, Røros, Stavanger, Trondheim)	297	11
Poland (Turek, Warsaw, Czech Republic)	794	26
Singapore (Singapore)	4	0
Sweden (Göteborg, Nässjö, Stockholm, Tibro and Stenungsund)	188	8
Switzerland (Koblentz, Opfikon)	18	2
The Netherlands (Rotterdam)	21	0
UK (London -Brixton & Clerkenwell)	17	2
USA (Virginia, Washington DC)	2	0
Total women	557	33
Total men	889	24
Total employees	1 446	57



Number of employees by employment type and gender

Employment type	Full-time	Part-time
Total women	559	31
Total men	418	14
Total employees	1 458	45

Anti-Bribery & Corruption

We conduct our business with high ethical standards and a view to always being a respected and trusted business partner for all our stakeholders. This is essential for our company, our reputation and for our employees. It represents our core values. Flokk expects all employees to avoid situations that may lead to a conflict between the company's interest and their own personal interests. Bribery or corruption in any form is unacceptable. However, in case of any misconduct, we have a clear whistle blower policy and routines as how to handle. This is set out in Flokk's Code of Conduct. By 2022, we aim to complete all code of conduct training in Learning@Flokk where we can track and follow up as to the different training programs offered.

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

POLICY AND PROCEDURE COMMUNICATION

Flokk's guidelines for anti-bribery & corruption are communicated to all employees and Group Management. As part of the onboarding process, all new employees complete a digital Code of Conduct program in Learning@Flokk. They also receive a document with extracts of the most important policies such as our People Policy, Quality, Environmental & Energy, HSE, Internal Communication and IT Policies.

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

POLICY AND PROCEDURE TRAINING

Our digital learning platform, Learning@Flokk, was implemented late 2020 and provides dedicated digital training for our employees. A mandatory code of conduct learning program was the first to be launched end 2020, and during 2021 all white-collar workers invited have conducted this training. The next step is to ensure our blue-collar workers and employees in Poland conduct this training. In addition, a specific training program for targeted groups is under preparation. In 2022, we will continue to launch training programs both mandatory and voluntarily. Tailor made set ups are made available to make the training relevant also for our colleagues in production.

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

	Number	Percentage
Norway	8	100%
Sweden	1	100%
Poland	1	100%
Germany	1	100%
Total Managers	11	100%

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



Production site, Røros

Workplace - Health and Safety

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

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM AND ORGANISATION

All Flokk employees, including contracted workers whose work and/or workplace is controlled by Flokk, in all activities, at all workplaces, are entitled to a safe and appropriate working environment – in which they are just as healthy when they leave work, as when they arrived. The responsibility lies with the employer, focusing primarily on prevention.

We achieve this through systematic HSE work, of which the core aspects are management, a solid organisation and the enabled participation and involvement of all employees. Top management guides daily operational HSE work which is centrally coordinated by an HSE manager and executed by HSE managers and Safety deputies in each production unit.

SYSTEMATISED HSE – HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

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

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

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

The workers have possibility to shield themselves from work situations they believe could cause injury or ill health by reporting unsafe conditions into Flokk's Total Quality Management System (TQM) or notifying their direct

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



Workplace – Health & Safety

Long-term goals:

Zero number of fatalities + Zero high-consequence work-related injuries

KPI	Goal 2022	Goal 2021	Results		
			2021	2020	2019
Number of fatalities	0	0	0 ●	0	0
High-consequence work related injuries	0	0	0 ●	0	0
Rate of recordable work-related injuries*	0	0	6,0** ●	13,0	11,2
Number of recordable work-related injuries	0	0	15 ●	8	8

Measures 2021	Status	Measures 2022
Continue with existing preventive HSE work and prevent future accidents:		
Increase registration of unsafe condition from 53 to 80 Result: 56, slightly increased	➔	Continue in 2022, same target: 80
Complete HSE e-Learning program for all new employees Result: HSE training is now e-learning and part of the induction program for all new employees.	✓	Adjust and tune the HSE e-Learning program for all employees

* Recordable work-related injury rate = Recordable work-related injury number x Working hours/1,000,000
Number of hours worked in 2021: 2 499 358 (2020: 614 644). Working hours for non-employees are not included, although figures include injuries for both employees and non-employees.
**Decrease in rate of recordable work-related injuries due to high increase in number of working hours due to Group wide reporting scope. The types of the 15 work related injuries are as followed: 2 - hit by an object, 2 - fall, 3 - cut by knife/staple, 6 - ergonomic workstation (improperly adjusted workstation, awkward movements). None of these injuries happened to non-employees in 2021.

WORK-RELATED HAZARDS

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

None of the identified hazard contributed to high-consequence injuries in 2021.

Safety tours, internal audits as spot checks, registration of unsafe conditions are some of the preventive tasks undertaken to eliminate work-related hazards and minimize risks using hierarchy of controls. In addition, workstations are designed and organised to prevent injuries without compromising effective operations. Avoid heavy lifting, avoid walking/standing at hard flooring by use of soft cover, and remove exposure of chemicals as examples. Job rotations are also introduced for variation of tasks.

WORKER TRAINING AND OCCUPATIONAL HEALTH TRAINING

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

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

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



Production site, Nässjö

PROMOTION OF WORKERS HEALTH

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

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

PREVENTIVE ACTIVITIES

Injuries and occupational diseases

All staff at Flokk's premises (employees or not) are stimulated to work preventively and to report unsafe conditions as work-related hazards and hazardous situations, also including sensed fear and fear of disease.

Workstations are designed and organised to prevent injuries without compromising effective operations. This allows us to do early risk assessment, act and reduce the risk of serious injury. To prevent repetitive strain injuries, employees have opportunity to vary their tasks during job rotation.

Despite our preventive activities, the number of recordable work-related injuries needs to be reduced. The target is always 0 injuries. The number is at a higher level in 2021 (15) compared with 2020 (8) and 2019 (8). This is due to the implementation of Group Wide reporting. The rate has been improved in 2021 due to a higher number of working hours.

Chemicals

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

OCCUPATIONAL HEALTH SERVICES

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

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

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

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

Product Liability

CUSTOMER HEALTH AND SAFETY

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

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

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

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

2021		2020		2019	
Number	PPM*	Number	PPM*	Number	PPM*
1	0,40	1	2,00	4	7,31

Target each year: 0
No major customer injuries in 2021. 1 potential incident with potential for injury of customer is registered

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

LABELLING

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

ENVIRONMENTAL CERTIFICATIONS

The use of certifications is an important communication of our strong environmental commitment and performance to the general public, and in guiding our customers to make the right choices. With more than 500 "green" certificates in Europe alone, these are very difficult waters to navigate. Some certificates relate to business and corporates, and others to products. Some focus solely on the user phases, while others cover the entire life cycle. Some are national, and some are global.

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



ENVIRONMENTAL PRODUCT DECLARATION – EPD

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

Flokk has EPDs for more than 30 products



THE NORDIC SWAN ECOLABEL

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

Flokk has 35 Nordic Swan Ecolabeled product families



GREENGUARD GOLD

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

Flokk has 27 products certified with GREENGUARD Gold



MÖBELFAKTA

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

Flokk has 54 products with Möbelfakta certification



CRADLE TO CRADLE™

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

Flokk has 3 products that are Cradle to Cradle™ certified, Bronze level



BLUE ANGEL

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

Flokk has 7 products that are BLUE ANGEL certified

GRI-Index

This report has been prepared in accordance with the guidelines from the Global Reporting Initiative (GRI) – the GRI Standards 2016: Core option.

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

The GRI report content has been both contributed to, proofread, formally reviewed and approved by Flokk Group Management (GM). The report has not been externally verified.

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

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

In 2021, our ambition was to be compliant with EU NFRD – Non-Financial Reporting Directive. We have rethought our strategy to await the new EU legislation CSRD – The Corporate Sustainability Reporting Directive, and report accordingly when this is required from GRI 2023.

UN SDGs – Sustainable Development Goals

No 3	Ensure healthy lives and promote well-being for all at all ages
No 7	Ensure access to affordable, reliable, sustainable and modern energy for all
No 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
No 12	Ensure sustainable consumption and production patterns
No 13	Take urgent action to combat climate change and its impacts
No 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
No 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
No 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
No 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

ISO 26000 – Guidance on Social Responsibility

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

Disclosure number	Disclosure title	Page	Direct answer to aspects / Notes	UN SDGs	ISO 26000
GENERAL DISCLOSURES					
Organisational Profile					
102-1	Name of the organisation	Cover			
102-2	Activities, brands, products, and services	23-36, 60			
102-3	Location of headquarters	152			
102-4	Location of operations	5-8, 10-11, 38-39, 134-135			
102-5	Ownership and legal form	13-14, 76			
102-6	Markets served	5-8, 10-11, 38-39, 106-107, GRI-index	Main customer groups: dealers, importers and end users		
102-7	Scale of organisation	6-8, 38-43			
102-8	Information on employees and other workers	136-137		SDG No 8.	6.3.10 6.4.1-6.4.5 6.8.5 7.8
102-9	Supply chain	134-135			
102-10	Significant changes to the organisation and its supply chain	5, 10-11, 38-43, 134			
102-11	Precautionary Principle or approach	GRI-index	Flokk is committed to complying with the precautionary principle, stated in our Environmental & Energy Policy signed by CEO		
102-12	External initiatives	105, 113-115, 134-135, GRI-index	Member of ETN - Ethical Trade Norway. Flokk Code of Conduct in accordance with the UN Global Compact. Long-term environmental goals contributing to EU 2-degree target and selected numbers of the UN Sustainability Development Goals. Member of Hold Norge Rent. Supporting ZERO Fossil free forum		
102-13	Membership of associations	105-107			
Strategy					
102-14	Statement from senior decision maker	10-11, 41-42, 103			4.7 6.2 7.4.2
102-15	Key impacts, risks and opportunities	10-11, 41-42, 116-119			
Ethics and integrity					
102-16	Values, standards, principles and norms	13-14, 39-41, 112, 136, 138		SDG No 16.	4.4 6.6.3
Governance					
102-18	Governance structure	13-19, 112			
102-20	Executive-level responsibility for economic, environmental, and social topics	15-16, 18, 112			
102-26	Role of highest governance body in setting purpose, values, and strategy	13-19, 112			
102-32	Highest governance body's role in sustainability reporting	104, 146			6.2 7.4.3 7.7.5
102-35	Remuneration policies	14-15, 70-71, 77, 80, GRI-index	a. iv - clawbacks N/A. a. v - same retirement scheme for all employees, including Group Management (GM). b. For 2021, the senior executives' bonus programs were related to further integration of acquisitions, organisational development, financial targets and commercial development targets. Several members of GM had individual targets related to ESG activities		

Disclosure number	Disclosure title	Page	Direct answer to aspects / Notes	UN SDGs	ISO 26000
Stakeholder Engagement					
102-40	List of stakeholder groups	105-107			
102-41	Collective bargaining agreements	GRI-index	In The Netherlands, all employees fall under a furniture association collective agreement as a basis for the salary adjust process. In Norway 51.6% and in Sweden 49.9% of our employees are members of a Union. All employees are covered by bargaining agreements leading to the initially same percentage adjustment. We have external representation at the production Site in Poland, however there is no applicable collective agreement negotiated. We practice Union interaction through an internal setup with employee representatives.	SDG No 8.	5.3
102-42	Identifying and selecting stakeholders	105-106			
102-43	Approach to stakeholder engagement	106-107			
102-44	Key topics and concerns raised	106-107			
Reporting Practice					
102-45	Entities included in the consolidated financial statements	7, 47-48, 76			
102-46	Defining report content and topic Boundaries	104-105			
102-47	List of material topics	104			
102-48	Restatements of information	GRI-Index	Recalculation due to new data available: Climate/Energy data changes due to new data processing tool Greenstone+ with new assessment of data, varying emission and conversion factors. Inclusive reporting with more offices (e.g. Zurich showroom) or correct accounting (e.g. Oslo district heating added). Larger scope, including factories in Turek (Profim) and Hawthorne (9to5). Retrospective correction of some historic data: mistakes in the old tool (CemaSys), or better traceability through bills (e.g. Rotterdam office). Rate of recordable work-related injuries value for 2020 was calculated wrong in GRI 2020 (19,5), now adjusted for (13). Waste figures for 2020 changed as Turek is added retrospective from that year. Total packaging weight for 2020 has been corrected. Amount of recycled plastic figures for 2019/2020 changed due to more accurate data available.		7.5.3 7.6.2
102-49	Changes in reporting	104			
102-50	Reporting period	GRI-Index	2021		
102-51	Date of previous report	GRI-Index	2020		
102-52	Reporting cycle	GRI-Index	Annual		
102-53	Contact point	151			
102-54	Claims of reporting in accordance with the GRI Standards	GRI-Index	This report has been prepared in accordance with the GRI Standards 2016: Core option		
102-55	GRI content index	146, GRI-index			
102-56	External assurance	146, GRI-index	The report has not been independently verified. However, The Governance Group (TGG) has performed an independant gap analysis of our last GRI report 2020 towards GRI Standards to ensure compliance		
MANAGEMENT APPROACH (DMA)					
103-1	Explanation of the material topic and its Boundary	104, GRI-index for each material topic	General approach in the Materiality and Boundaries chapter. Specific approach in respective material topic chapters and GRI-index		
103-2	The management approach and its components	104, 112, GRI-index for each material topic	General approach in the Materiality and Boundaries chapter. Specific approach in respective material topic chapters and GRI-index		
103-3	Evaluation of the management approach	112			

Disclosure number	Disclosure title	Page	Direct answer to aspects / Notes	UN SDGs	ISO 26000
MATERIAL TOPICS					
Economic Performance & Climate Risk					
DMA		13-15, 112, 114-115			
201-1	Direct economic value generated and distributed	13, 39, 44, 46, 68-69, GRI-index	i. Payment costs by country 2021 [MNOK] - Total: 83,4. Norway: 37,9 / Sweden: 4,2 / Denmark: 8,4 / The Netherlands: 5,7 / Belgium: 5,9 / Germany: 16,9 / UK: 2,3 / France: 0,7 / Switzerland: 8,4 / Singapore: 0,5 / China: 4,0 / USA: 0,0 / Australia: 0,5 / Poland: (12,8) / Latvia: 1,7 / The Czech Republic: 0,0 / Canada: (0,7) / Austria: (0,2)	SDG No 8.	6.8.1-6.8.3 6.8.7 6.8.9
201-2	Financial implications and other risks and opportunities due to climate change	116-119		SDG No 13.	6.5.5
Procurement Practices					
DMA		112, 134-135			
204-1	Proportion of spending on local suppliers	134		SDG No 8. SDG No 12.	6.6.6 6.8.1-6.8.2 6.8.7
Anti-corruption					
DMA		112, 138			
205-2	Communication and training about anti-corruption policies and procedures	135, 138			
205-3	Confirmed incidents of corruption and actions taken	GRI-Index	a. No incidents of corruption have been registered in 2021 b. No confirmed incidents in which employees were dismissed or disciplined for corruption in 2021 c. No confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption in 2021 d. No public legal cases regarding corruption brought against our company or our employees in 2021	SDG No 16.	6.6.1-6.6.3 6.6.6
Materials					
DMA		108, 111-112, 124			
301-1	Materials used by weight or volume	126		SDG No 12.	6.5.4
301-2	Recycled input materials used	128-129		SDG No 15.	
Chemicals					
DMA		108, 112-113, 131, 135, 143			
Energy					
DMA		108, 112-113, 120			
302-1	Energy consumption within the organization	120-123, GRI-index	a. Total fuel consumption from non-renewable sources: 27 186 455 MJ (Burning oil, Natural gas, Propane, Diesel, Petrol) b. Total fuel consumption from renewable sources: 329 094 MJ (Biodiesel) c. No heating and cooling consumed d. No heating, cooling, and steam sold e. Total energy consumption: 72 005 681 MJ f. Greenstone+, a sustainability data management tool, is used to gather and calculate data g. Conversion factors of Greenstone+ used, based on DEFRA		6.5.4-6.5.5
302-3	Energy intensity	120-121, 123, GRI-index	Energy intensity is drawn by including all relevant sources of energy covered by scope 1 and 2 within the organization		
302-4	Reduction of energy consumption	120-121, 123, GRI-index	Greenstone+, a sustainability data management tool, is used to gather and calculate data. Energy reduction figures are based on absolute numbers as available		6.5.5

Disclosure number	Disclosure title	Page	Direct answer to aspects / Notes	UN SDGs	ISO 26000
Emissions					
DMA		108, 112-113, 120			
305-1	Direct (Scope 1) GHG emissions	120-123, GRI-index	<ul style="list-style-type: none"> b. Gases included in the calculations: CO₂, CH₄, N₂O, SF₆, HFCs and PFCs c. No biogenic carbon dioxide emissions to report as there is no combustion or biodegradation of biomass e. Source of emission factors: GHG 2021, IEA 2021, DEFRA 2021 f. Flokk uses the operational control approach for its carbon audit g. Greenstone+, a sustainability data management tool, is used to gather and calculate data 		
305-2	Energy indirect (Scope 2) GHG emissions	120-123, GRI-index	<ul style="list-style-type: none"> a. Location-based emissions - District heating: 293 tCO₂e, Electricity: 2 549 tCO₂e c. Gases included in the calculations: CO₂, CH₄, N₂O, SF₆, HFCs and PFCs e. Source of emission factors: IEA 2021, DEFRA 2021, Fjärrvärmens lokala miljövärden 2020 (www.energieforetagen.se) [market-based DH emission] f. Flokk uses operational control approach for its carbon audit g. Greenstone+, a sustainability data management tool, is used to gather and calculate data 	SDG No 12, SDG No 13	6.5.5
305-3	Other indirect (Scope 3) GHG emissions	120-123, GRI-index	<ul style="list-style-type: none"> d. Upstream: Business air travel, Downstream: Transportation and distribution f. Source of emission factors: GHG 2021, DEFRA 2021 		
305-4	GHG emissions intensity	120-123, GRI-index	GHG emissions intensity is drawn by including all relevant sources of GHG covered by scope 1, 2, and 3 within the organization.		
305-5	Reduction of GHG emissions	120-123, GRI-index	For b. (gases included) / e. (calculation tool) -> see direct answer in Disclosure 305-1 Emission reduction figures are based on absolute numbers as available		
Effluents and Waste					
306-2	Waste by type and disposal method	130		SDG No 12	
306-3	Significant spills	GRI-Index	There has been no leakages to the environment in 2021	SDG No 14, SDG No 15	6.5.3-6.5.4
Environmental Compliance					
DMA		10-11, 104, 112, 118-119, 140-141			
307-1	Non-compliance with environmental laws and regulations	GRI-Index	1 case registered at Røros - TQM id 6287 - related to problematic handling of dust waste from the grinding of footbases - which our existing and other waste handlers refuse to receive. Dust waste is for the time being stored locally at Røros. Case is still under investigation with actions continuing in 2022	SDG No 16	4.6
Supplier Environmental Assessment					
DMA		112, 134-135			
308-1	New suppliers that were screened using environmental criteria	134-135		SDG No 12	6.3.5, 6.6.6, 7.3.1
308-2	Negative environmental impacts in the supply chain and actions taken	135			
Occupational Health and Safety					
DMA		112, 140-143			

Disclosure number	Disclosure title	Page	Direct answer to aspects / Notes	UN SDGs	ISO 26000
403-1	Occupational health and safety management system	140			
403-2	Hazard identification, risk assessment, and incident investigation	140-143			
403-3	Occupational health services	143			
403-4	Worker participation, consultation, and communication on occupational health and safety	140-143			
403-5	Worker training on occupational health and safety	140-143			
403-6	Promotion of worker health	143			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	143			
403-9	Work-related injuries	141, GRI-index	<ul style="list-style-type: none"> f. Injuries are registered for all full/part time and temporary workers, both employees and non-employees. However, working hours for hired personel (non-employees) are not included, since we don't have any method for registering this yet g. Number of working hours is given by working hour registration system related to salary. All kind of work related to Occupational and health incidents are registered and defined into different categories during investigation. The data have been compiled based on the formula: Rate of high-consequence work-related injuries excl fatalities = (Number of high-consequence work-related injury excl fatalities / Number of hours worked) x 1,000,000 	SDG No 3, SDG No 8	6.4.6, 6.8.8
Supplier Social Assessment					
DMA		112, 134-135			
414-1	New suppliers that were screened using social criteria	134-135		SDG No 8, SDG No 16	6.3.3-6.3.5, 6.6.1-6.6.2, 6.6.6, 6.8.1-6.8.2, 7.3.1
414-2	Negative social impacts in the supply chain and actions taken	135			
Customer Health and Safety					
416-1	Assessment of the health and safety impacts of product and service categories	144		SDG No 3	6.7.1-6.7.2, 6.7.4-6.7.5, 6.8.8
Socioeconomic Compliance					
419-1	Non-compliance with laws and/or regulations in the social and economic area	GRI-index	No cases registered in 2021	SDG No 16	4.6, 6.7.1-6.7.2, 6.7.6

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



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