



Sustainability Agenda

2023

“Our journey towards sustainability has no final destination. We're committed to taking new steps each day, building upon our past efforts with unwavering determination - For a brighter future.”

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Background

Sustainability in Company Strategy: A Growing Trend

The Economist Intelligence Unit (EIU) found in a survey that 57% of top executives believe that the benefits of efforts to achieve sustainability outweigh the costs. PwC's June 2022 Global Consumer Insights Pulse Survey found that, for 30% of consumers, environmental factors like a company's emissions reduction commitments often or always influence their decision to purchase a product or service from that company.

According to Sphera, an ESG performance and risk management software, found that around 87% of companies have committed to integrating sustainability into company strategy and about 71% have committed to integrating sustainability into product development.

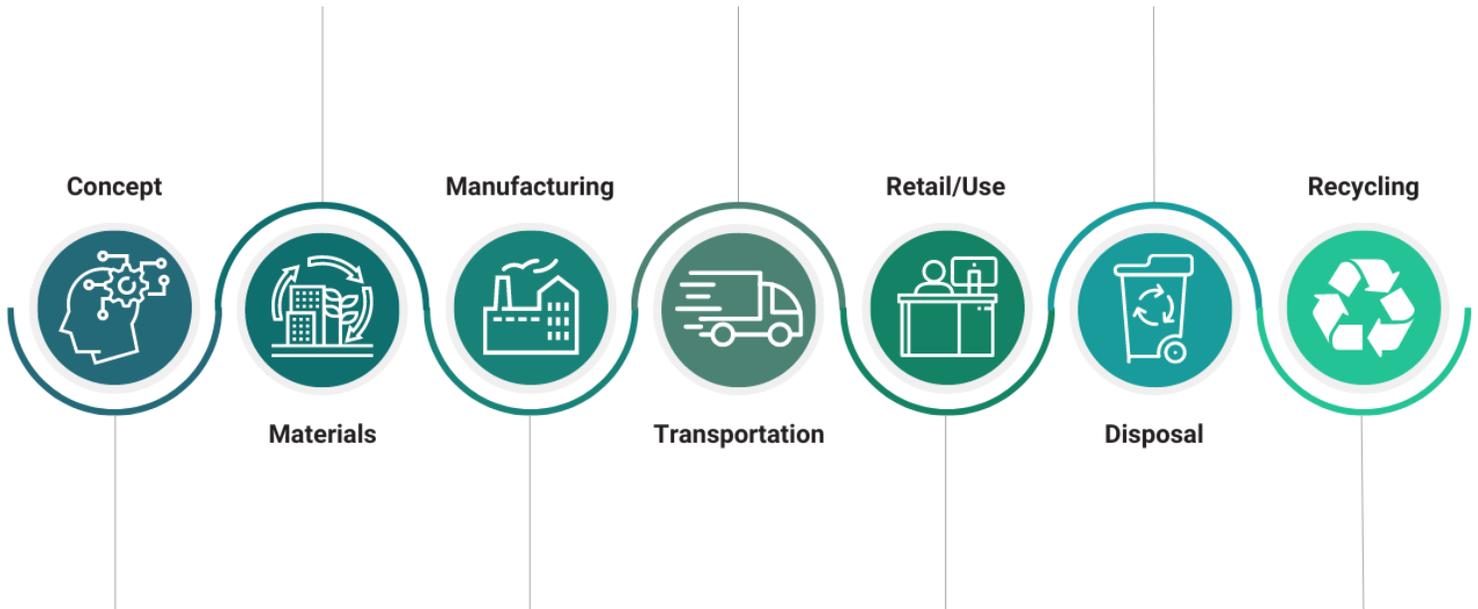
Why Sustainability Matters to Flic?

At Flic, we believe that sustainability is not just a buzzword or a passing trend, but an essential part of our mission to simplify life and empower people with technology. As a company that creates physical controllers and smart home devices, we recognize that our products can have a significant impact on the environment, from the materials used, to the way the products are packaged and shipped to customers. We take a unique approach to sustainability by designing products that deliver maximum functionality in a minimal footprint. Our products are significantly smaller than many alternatives, and this goes beyond just saving space.

We have included sustainability as a core value of Flic, and we are committed to integrating sustainable practices into every aspect of our operations. Just as our mission, simplifying people's lives with innovative products, we see sustainability as vital for maintaining the health of our planet. For instance, Flic buttons streamline tasks in smart homes, like adjusting lights and managing entertainment systems. Similarly, sustainable practices, such as minimizing waste helps conserve resources and decrease pollution. Additionally, efforts like eco-friendly packaging and sustainable logistics simplify challenges for future generations, ensuring a healthier planet. Our vision at Flic is to be Stockholm's most attractive hardware development company, and we believe that sustainability is a crucial factor in achieving this goal.

To achieve our sustainability goals, we have developed a comprehensive list of tasks that encompasses all aspects of our business, from product design to manufacturing and supply chain operations. Our sustainability agenda document outlines our goals and tasks for achieving them, including short-term and long-term goals, metrics for measuring progress, and timelines for implementation. Through our sustainability agenda, we aim to promote sustainable production and consumption patterns, reduce waste and carbon emissions, and contribute to a circular economy. We recognize that sustainability is a journey, and we are committed to continually improving our practices and making a positive impact on the environment and society.

Life Cycle Thinking at Flic



Technology

As a technology driven company, Flic recognizes the impact of the industry on sustainability. While technological innovation brings significant benefits, it also contributes to electronic waste and energy consumption. Flic can address these challenges by focusing on creating longer-lasting products and implementing take-back programs. The company can prioritize energy-saving production and material conservation processes, ensuring that its products not only have cutting edge technology but also minimize environmental impact.

Flic's technological innovation can help transform social patterns of lifestyle and revolutionize smart homes, while also addressing the issue of disposability of electronic gadgets. As governments around the world implement regulations to hold manufacturers responsible for the disposal of electronic waste, Flic can take a proactive approach by creating products that have a longer lifespan and are easier to recycle.

By prioritizing sustainability in its operations and products, Flic can not only reduce its environmental impact but also potentially create new markets by providing low-cost technology in emerging markets. For instance, our Flic buttons are designed to consume minimal power, utilizing energy-efficient technologies that reduce overall environmental impact. As a company that values innovation, Flic aims to lead the way in creating a more sustainable future for the technology industry. Take, for example, our integration in manufacturing facilities where Flic buttons are employed for streamlined equipment control and process automation.



Manufacturing Industry De-Fossilization

As a manufacturer, Flic understands the impact of heavy industry on global carbon emissions. With one-fifth of global carbon emissions coming from this sector, it is crucial that we take action to mitigate our environmental impact. By focusing on areas where carbon emissions can be significantly reduced or avoided, we can help keep global warming under control.

Flic recognizes the need to decarbonize and reduce our carbon footprint. We can achieve this by exploring green hydrogen, electrification, and replacement of fossil raw materials with renewable ones. Through co-processing renewable and circular raw materials, Flic can increase the renewable capacity and enable the production of lower-emission products. Additionally, we can utilize carbon capture technology to capture emissions from existing energy assets and reform current hydrogen production processes.

At Flic, we are committed to producing lower-emission products by utilizing renewable and circular raw materials. By taking proactive steps towards decarbonization, we can not only reduce our environmental impact but also demonstrate our commitment to sustainability and responsible business practices.

Transportation and Logistics

The transportation and logistics sector, which is integral to our supply chain and product delivery, is directly impacted by the growing regulatory demands to curb greenhouse gas emissions and rising costs of fossil fuels. We acknowledge that the transportation sector accounts for a significant percentage of energy consumption, with CO₂ emissions from delivery traffic estimated to increase by 32% from 2019 to 2030 in the world's largest cities.

Flic is actively engaged in the deployment of energy-saving and alternative energy-driven vehicles, aircraft, and other modes of transportation during shipments, demonstrating our commitment to achieving cost savings, enhancing public relations, and ensuring regulatory compliance. To align with industry leaders such as UPS and FedEx, who have successfully integrated hybrid-electric and compressed natural gas trucks into their delivery fleets and implemented efficient route planning software, Flic is implementing similar strategies. By doing so, we aim to reduce our carbon footprint and optimize our supply chain efficiency.

Inspired by the successful practices of postal companies in Austria, Finland, and France, Flic plans to introduce a comprehensive carbon compensation program for all mail and parcels, without requiring customers to make specific requests. This program will be complemented by other environmentally friendly measures, including the use of recyclable materials in our products. Drawing inspiration from initiatives like CTT Portugal Post's Correio Verde and Deutsche Post DHL Express Envelopes, which utilize recycled materials, Flic recognizes the potential impact of such small steps in minimizing our environmental footprint and fostering sustainable growth. Additionally, Flic intends to implement a "slower but greener" strategy to improve environmental performance. By extending the delivery timeline, as successfully demonstrated in Sweden's postal system, we can significantly reduce the need for air transportation of letters, thereby achieving cost savings and emissions reductions simultaneously.



Retail and Consumer

Sustainability has gained widespread attention since the release of “An Inconvenient Truth”, the 2007 Academy Award-winning documentary on global climate change by former US Vice President Al Gore. This was followed by a Nobel Peace Prize for Gore and the United Nations Intergovernmental Panel on Climate Change. With sustainability now a global concern, consumers are increasingly factoring it into their purchasing decisions, making it a crucial consideration for consumer-facing businesses like Flic.

Flic recognizes the growing demand for sustainable products and the impact it has on consumer behavior. In response, the company is committed to taking responsibility for its impact on the environment and ensuring its products are sustainable. Flic understands that consumers are now looking for more than just products that are free from flaws and contamination. They also want products that meet health, safety, environmental, and ethical standards.

To achieve these sustainability goals, Flic aims to be transparent about its operations and work towards sustainability within the company and with its suppliers. The company can offer sustainable packaging and products that align with a smart and healthy lifestyle. This approach can enhance the Flic brand and appeal to environmentally-conscious consumers, leading to higher margins.

Recycling of Waste Plastic

Plastic recycling is a must for two reasons. One, it reduces the need to use new fossil resources in plastic production. And two, while plastics recycling can reduce plastics pollution, circulating the material in the plastics value chain multiple times can also reduce the carbon emissions resulting from incineration and the end of plastics’ life cycle.

Flic is considering options to potentially incorporate recycled plastics into products and packaging, as part of our ongoing exploration to reduce reliance on virgin plastic. This consideration aligns with our goals of reducing our carbon footprint and potentially contributing to principles of the circular economy. Additionally, Flic aims to explore opportunities to increase the proportion of renewable content in plastics. By investigating the production of plastics from renewable raw materials, Flic could potentially reduce or even eliminate dependence on fossil fuels in plastic production.

We at Flic are currently collaborating with El-Kretsen to help us improve our e-waste management practices, enhance our sustainability efforts, comply with regulations, and strengthen our brand reputation in terms of environmental responsibility.

Flic is also considering implementing a take-back program for the products. This program would collect used Flic products from customers and properly recycle them to ensure they do not end up in landfills or oceans. Partnering with recycling facilities can ensure that Flic's products are recycled properly, rather than being downcycled to lower-value plastic products.

Circular Business Models

Becoming more circular in business is the next big leap that will see us move away from the linear model. For Flic, becoming more sustainable and circular in business practices is crucial to reducing our environmental impact and staying ahead of consumer demands. Electronics waste is a growing problem, and Flic can take steps to reduce their contribution by designing products for reuse, repair, and recycling. This not only benefits the environment but can also lead to cost savings and brand differentiation.

We should look at how Flic impacts people. How it was made. Who's making it? What their environment looks like, and then all the way through to how it's delivered, and who are our customers. What happens after the consumer buys it as well? How do we start to design into the future of a product and then, that sort of finds its way to the social impact side of the humans that are our customers and our communities around where we do business, where we produce our things?

The current economic model is not sustainable and is based on a linear model of take-make-replace, which depletes resources and damages the environment. The EU aims to move towards a circular economy model, and Flic can play a role in this transition by designing more sustainable products and addressing the environmental impact of our products throughout their life cycle. This will lead to more resource-efficient and circular products, benefiting both the environment and Flic's bottom line.

Carbon Accounting

To remain relevant in a net-zero economy and meet the climate targets set out in the Paris Agreement, businesses must significantly reduce their emissions starting immediately. As a company committed to sustainability, Flic recognizes the importance of taking immediate and concrete steps to reduce our carbon footprint. We understand that measuring our emissions accurately is crucial for legal compliance and identifying new business opportunities. To this end, we are prioritizing carbon accounting across our entire value chain, as this typically accounts for 90% of business emissions.

We also understand that reducing emissions is not just about mitigating risks and combating climate change; it is also about attracting customers, employees, and investors who value sustainability. Studies show that sustainability is a key factor for almost half of consumers when making purchasing decisions, while two-thirds of employees prefer working for companies with strong environmental policies. By prioritizing carbon management and reducing our environmental impact, we can not only meet our sustainability goals but also secure a competitive advantage in the marketplace.

To ensure that we are making progress towards our sustainability goals, we are tracking various outputs and outcomes in communities, the marketplace, and individuals. We assign indicators to these outcomes and assess whether we are seeing the outputs we hoped for, then track the outcomes. This allows us to monitor the number of orders going to customers, the amount of product that includes sustainable attributes, sets of materials that are using more sustainable alternatives to conventional material, and more.



Sustainable Logistics and Beyond: Flic's Holistic Approach to Economic, Social, and Global Challenges

Flic's Sustainable Logistics Operations: Challenges and Solutions

As a company, Flic recognizes the critical role of logistics operations in achieving our sustainability goals. We understand the challenges of managing sustainable logistics, but we have successfully maintained a consistent supply chain for the past decade by manufacturing our products in Taiwan. However, with the introduction of new products such as Flic Twist and Hub Mini, we have started manufacturing in Malaysia. To ensure sustainable logistics, we have minimized our carbon footprint by shipping products within the US from our US based warehouse. In Europe, the launch of a new warehouse in Germany has reduced shipping distances, contributing to our sustainability efforts. The rest of the world's shipments are carried out from our main warehouse based in Stockholm.

We understand that continuously assessing and improving our logistics operations is essential as we grow and expand into new markets. To align our business operations with our sustainability goals, we can minimize shipping distances, use eco-friendly packaging, and partner with sustainable logistics providers. Additionally, we can explore sourcing raw materials locally to further reduce our carbon footprint and support local economies. For Flic to maintain its position as a leader in the technology industry, sustainable logistics operations are crucial.

When it comes to the decision to open a new warehouse, several factors come into play, such as growth projections, distribution needs, market demand, customer locations, shipping costs, tax and customs regulations, the availability of skilled labor, infrastructure and budget. Potential regions for us to consider could include Southeast Asia, where many electronics manufacturing companies have operations, or Europe, where we have already established a presence. We would need to conduct a thorough analysis to identify potential locations that offer the most benefits in terms of cost and efficiency. By minimizing shipping distances, using eco-friendly packaging, and partnering with sustainable logistics providers, we can optimize our logistics operations to achieve our sustainability goals and continue to be a responsible business.

Economic Sustainability at Flic: Driving Value and Innovation

At Flic, we recognize that economic sustainability goes hand in hand with our commitment to environmental responsibility. Our goal is to create long-term value for our stakeholders while contributing to a sustainable future. To achieve this, we aim to implement a range of initiatives and strategies centered around revenue growth, cost efficiency, innovation and product development, market responsiveness, customer value and satisfaction, responsible investment and decision-making, and circular economy initiatives.

- Revenue Growth:

Introduce innovative, sustainable products and services that address customer needs and preferences, driving demand and revenue growth. Expand market reach and increase annual revenue through strategic partnerships, market penetration, and targeted marketing campaigns.

- Cost Efficiency:

Streamline supply chain operations, including sourcing sustainable materials and optimizing transportation logistics, to minimize costs and environmental impact. Optimize operational efficiency through lean manufacturing practices, energy-efficient processes, and waste reduction measures, aiming to reduce costs by 5% annually.

- Innovation and Product Development:

Collaborate with stakeholders, including customers, suppliers, and industry partners, to drive innovation and ensure that our products align with evolving market demands and sustainability standards. Invest in research and development, focusing more on sustainable product innovation and technology advancements.

- Customer Value and Satisfaction:

Prioritize customer satisfaction by delivering high-quality products, exceptional customer service, and personalized experiences. Measure customer satisfaction through surveys and feedback mechanisms, aiming for a customer satisfaction rating of 4 or higher on Trustpilot.

- Circular Economy Initiatives:

Implement a product take-back program to facilitate the recycling and repurposing of our products, reducing waste and promoting a circular economy. Explore partnerships with recycling and remanufacturing companies to extend product life cycles and minimize environmental impact.

By pursuing these measurable goals and implementing targeted strategies, we are committed to advancing economic sustainability while driving innovation, value creation, and positive social and environmental impacts.



Social Sustainability at Flic: Empowering Communities

At Flic, we are committed to fostering social sustainability by actively engaging with our employees, customers, communities, and stakeholders. We believe that our success goes beyond financial performance and is intrinsically tied to the well-being and empowerment of people. By integrating social sustainability into our operations, we aim to create a lasting positive impact on society. Our efforts encompass various aspects, including employee well-being, community engagement, fair labor practices, and philanthropic initiatives.

- Employee Well-being and Development:

Provide a safe, inclusive, and supportive work environment that promotes employee well-being, mental health, and work-life balance. Offer opportunities for professional growth, skill development, and career advancement through continuous learning initiatives. At Flic, we are committed to creating a vibrant and enjoyable workplace environment. We organize regular team-building activities, such as team lunches, annual conferences, and afterwork sessions to foster a sense of camaraderie and promote a fun atmosphere. Additionally, we encourage open communication and celebrate achievements to ensure that every member of our team feels valued and motivated.

- Community Engagement and Collaboration:

Engage with communities through educational institutions, internships, thesis opportunities to projects aligned with Flic's values and mission. Engage in at least 1 University-based project annually, focusing on education, environmental conservation, or social empowerment.

- Fair Labor Practices:

Ensure fair and equitable treatment of all employees, adhering to labor laws, and promoting diversity, inclusion, and equal opportunities. Collaborate with suppliers and contractors who share our commitment to fair labor practices and ethical sourcing. Start to assess and audit our supply chain to identify and address any potential social sustainability risks or violations.

- Diversity and Inclusion:

Foster a diverse and inclusive work environment that values and respects individual differences, promoting equal opportunities and leveraging diverse perspectives for innovation and success. Flic presently embodies a highly diverse and internationally inclusive organization, with over 50% of employees hailing from different countries and backgrounds, representing a wide range of ethnicities and diversities. Flic aims to maintain the high diversity representation across all levels of the organization.

- Product Accessibility and Affordability:

Ensure that our products are accessible to a wide range of customers, including individuals with disabilities or special needs, by incorporating universal design principles.



Strive to make our products affordable and offer flexible pricing options to reach a broader customer base and enable wider adoption of sustainable technology solutions.

- **Social Innovation and Impactful Products:**

Foster social innovation within our product development processes, aiming to create solutions that address societal challenges, improve quality of life, and promote sustainable lifestyles. Measure the social impact of our products by assessing their contribution to areas such as energy efficiency, resource conservation, health and well-being, and social inclusion.

By pursuing these measurable social sustainability goals and implementing comprehensive strategies, we demonstrate our commitment to social responsibility and drive positive change within the company and the communities we serve.

Contributing to Global Sustainability: Flic and the UN SDGs

At Flic, we recognize the significance of the United Nations' Sustainable Development Goals (SDGs) in addressing the world's most pressing social, economic, and environmental challenges. As a smart home smart button manufacturing company based in Sweden, we are committed to aligning our operations with the SDGs and contributing to their achievement. Here is how our efforts are related to and support specific SDGs:

- **Goal 3: Good Health and Well-being**

Flic's applications in personal safety, healthcare, and sports contribute to ensuring the safety and well-being of individuals. By offering reliable and easy-to-use devices for personal safety, we help protect users in various situations, promoting a sense of security and well-being.

- **Goal 4: Quality Education**

Flic's applications in the education sector can enhance classroom management, improve student engagement, and support innovative teaching methods. Our solutions, particularly in the smart office and healthcare sectors, have the potential to enhance education and training opportunities. By facilitating efficient communication, task management, and resource utilization, we support improved learning experiences and knowledge sharing.

- **Goal 8: Decent Work and Economic Growth**

Flic's focus on lone workers, industry, retail, and smart office solutions aligns with the goal of promoting decent work and economic growth. By providing tools that enhance productivity, streamline workflows, and ensure the safety of workers, we contribute to creating conducive work environments and fostering sustainable economic growth.

- **Goal 9: Industry, Innovation, and Infrastructure**

Flic's versatile applications across industries demonstrate our commitment to driving innovation and advancing infrastructure. By enabling remote control, automation, and



data-driven decision-making, we empower businesses to improve operational efficiency, enhance customer experiences, and contribute to sustainable industrial development.

- Goal 11: Sustainable Cities and Communities

Flic's contributions to smart office solutions, retail, and industry align with the goal of building sustainable cities and communities. By integrating smart technologies, and improving resource management, we support the creation of intelligent and sustainable urban environments.

- Goal 12: Responsible Consumption and Production

Flic is committed to responsible consumption and production. We prioritize eco-friendly materials, minimize waste during manufacturing, and design products for durability and recyclability, promoting sustainable consumption patterns.

- Goal 13: Climate Action

Flic actively supports climate action through our smart home solutions. By empowering individuals to make conscious choices to choose sustainable products that come in eco-friendly packaging, we help reduce greenhouse gas emissions and contribute to global efforts to combat climate change.

- Goal 17: Partnerships for the Goals

Flic's collaboration with businesses, industries, and various sectors signifies our commitment to fostering partnerships for sustainable development. By working together with stakeholders, sharing knowledge and expertise, and integrating our solutions into broader sustainability initiatives, we actively contribute to the achievement of the SDGs.

It is evident from the range of applications and solutions offered by Flic, as well as our dedication to safety, well-being, productivity, and sustainability, that our efforts are closely aligned with multiple SDGs. By leveraging our innovative technology and partnering with various industries, we can continue to make a meaningful impact, supporting the global agenda for sustainable development and creating positive change in the world.

At Flic, by embracing the SDGs, we are not only working towards our own sustainability objectives but also playing our part in addressing the broader global challenges. We are dedicated to driving positive change, building a more sustainable world, and leaving a lasting legacy for future generations.

Together, with our stakeholders and partners, we are confident in our ability to make a meaningful contribution to the United Nations' Sustainable Development Goals. Through innovation, responsible practices, and collaboration, Flic is committed to creating a more sustainable and inclusive future for all.

Flic Sustainability Goals

Flic's commitment to sustainability is rooted in the idea of creating products that are environmentally responsible and have a minimal impact on the planet. In order to achieve this, We have decided to incorporate sustainable design principles into the product development process and aim to design a supply chain that prioritizes environmental sustainability and reduces the environmental impact of the supply chain. We have also made a conscious decision to use eco-friendly paper-based materials for packaging, which have a lower environmental impact than traditional packaging materials. Additionally, we are exploring options for repurposing or recycling waste generated during the manufacturing process, aiming to minimize our environmental impact and contribute to waste reduction efforts.

Our sustainability goals are based on our core values, mission, and vision, as well as industry standards and regulations, and environmental impact assessments. We carefully consider the feasibility of achieving these goals and the potential benefits to our business, such as cost savings, improved brand reputation, and increased market opportunities. The idea is that we could be known as the sustainable leader and that would obviously create more conversations with buyers because they are going to be reaching out for those products. Who are they going to think of? They'll think of Flic.

Short-Term Goals

- **Short term goal 1: Achieving carbon-neutral transportation and shipping process by the end of 2026**

Flic's first short-term goal is to achieve a carbon-neutral transportation and shipping process by 2026, offsetting all carbon emissions associated with these activities, and aligning with the Paris Agreement's target of limiting global warming to below 2°C and the United Nations Sustainable Development Goals to promote sustainable communities. This critical step towards becoming a net-zero business demonstrates our commitment to reducing environmental impact, and contributing to the global effort to combat climate change. Achieving this goal will significantly reduce our carbon footprint, improve supply chain efficiency, enhance our reputation as a socially responsible and environmentally conscious business, and inspire others.

- **Short term goal 2: Sustainable packaging design of all products by the end of 2026**

For the second short-term goal, Flic aims to design all of its packaging sustainably by 2026 as using sustainable materials and designing packaging that is easy to recycle would minimize our environmental impact and reduce the amount of waste that ends up in landfills or oceans. This goal aligns with our commitment to sustainability and will appeal to customers who prioritize eco-friendly products that come in eco-friendly packaging. Additionally, sustainable packaging can reduce costs and improve efficiency in the supply chain, leading to long-term financial benefits for the company. This goal aligns with our value of accessibility, as sustainable packaging makes its products accessible not only to customers who are environmentally conscious but also to those who may not have access to proper waste disposal facilities.

Long-Term Goals

- **Long term goal 1: Aiming to transform into a Green product, with the ultimate aim of becoming a Net Zero business by the end of 2030**

For the first long-term goal, Flic chose to transform into a Green product by 2030 with the ultimate aim of becoming a Net Zero business because it aligns with our commitment to sustainability and reducing their environmental impact. By becoming a green product, we can demonstrate to customers that our products are environmentally friendly and contribute to a healthier planet. Additionally, becoming a Net Zero business will allow us to completely eliminate our carbon emissions, which is crucial in the fight against climate change. Achieving these goals will position us as a leader in sustainable manufacturing and attract customers who prioritize environmentally friendly products.

- **Long term goal 2: Enhancing Sustainable Material Practices by the end of 2030**

Flic's second long-term goal is to explore strategies for enhancing sustainable material practices, considering alternatives to single-use plastic, with a focus on reducing environmental impact. While aligning with our commitment to sustainability, these efforts aim to reduce our carbon footprint and waste generation, potentially contributing to a circular economy. Furthermore, this initiative may resonate with the United Nations Sustainable Development Goals, particularly those related to sustainable production and consumption patterns, and the reduction of marine pollution. By pursuing this goal, we aim to increase our market share and build a positive brand reputation while also making our products more accessible to customers who prioritize sustainability, thus contributing to our ultimate goal of becoming Stockholm's most attractive hardware development company.

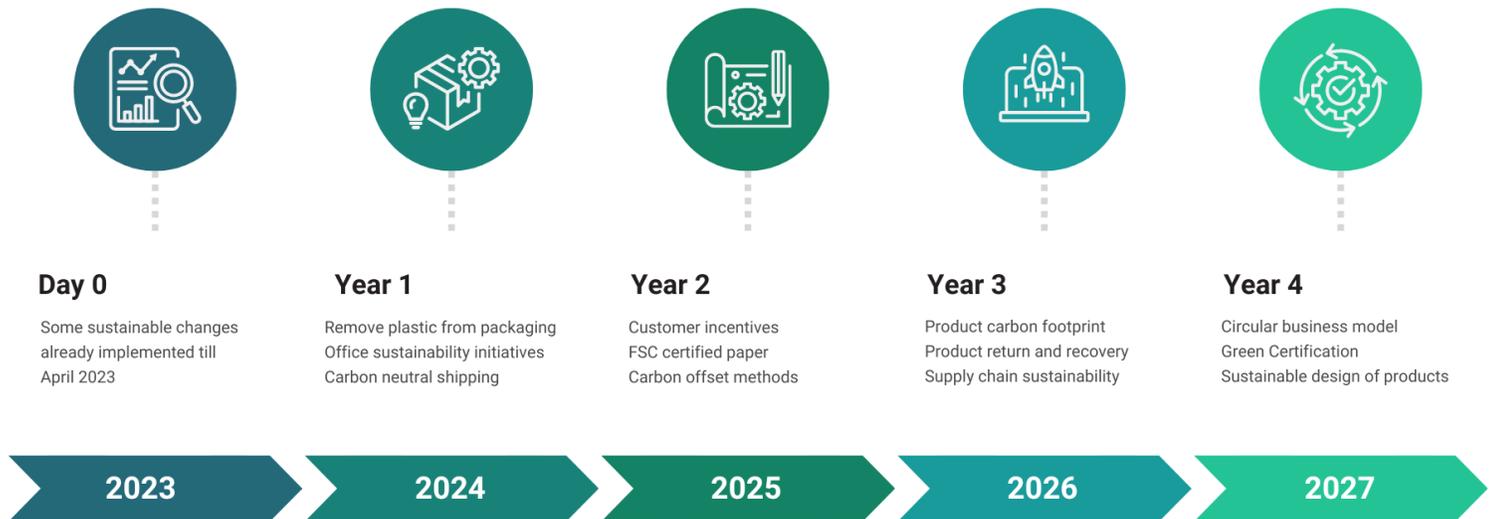
Flic Sustainability Plan

Flic's sustainability plan is derived from a cost-benefit analysis, leading to a matrix that involves a list of tasks that need to be completed to reach all the sustainability goals. The matrix involves four major factors, including the time needed to complete a task, the resources needed to complete a task, the social values completing a task would bring to Flic, and which sustainability goals each task is majorly linked to. With the help of the matrix, various charts were generated for visual representation, showcasing the feasibility of tasks based on the time needed, resources needed, and value added to the company. In the charts, the horizontal axis represents the time in months needed to complete a task, while the vertical axis represents the resources needed, defined as the total amount of cost that Flic needs to pay out in order to make the change happen. These items include salaries, licenses, hardware, development cost, component cost, certification, etc. The color of the bubbles represents the sustainability goal that a particular task is more closely related to, and the size of the bubble represents the sustainable social value that would be added to the company after the completion of the task.

Since these tasks are planned for the future, and actual values will vary during the implementation of these tasks, all the factors are represented in relative terms with respect to each other. The vertical axis representing the resources needed does not represent the actual amount of resources, but instead, it shows how a task would be more or less cost-consuming compared to other tasks. For example, a task ranked at 5 would require resources 5x more than a task ranked at 1. The ranking is provided from 0 to 10, with 0 representing the least value and 10 being the maximum. A similar ranking pattern is used for the value added to the company as well. The value added to the company represents the social, environmental, and financial values completing a task would bring to the company.

Flic's commitment to sustainability is evident from the very start, with a comprehensive 1 year plan that outlines every small task necessary to achieve short and long-term goals. As a small company, we understand the value of sustainable changes that can be implemented with limited resources and time, without sacrificing the quality of our products. Despite our size, we believe that even the smallest changes can have a big impact, and we are fully committed to making every effort to reduce our environmental footprint. While we may not have the resources to make significant changes today, we have a clear vision for the future and a determination to achieve it. With a few years of experience and data behind us, we are confident that we will have the resources and knowledge to make even greater strides toward sustainability.

Sustainability Timeline



Day 0 Sustainability Plan:

Sustainability Tasks Already Implemented/underway until April 2023

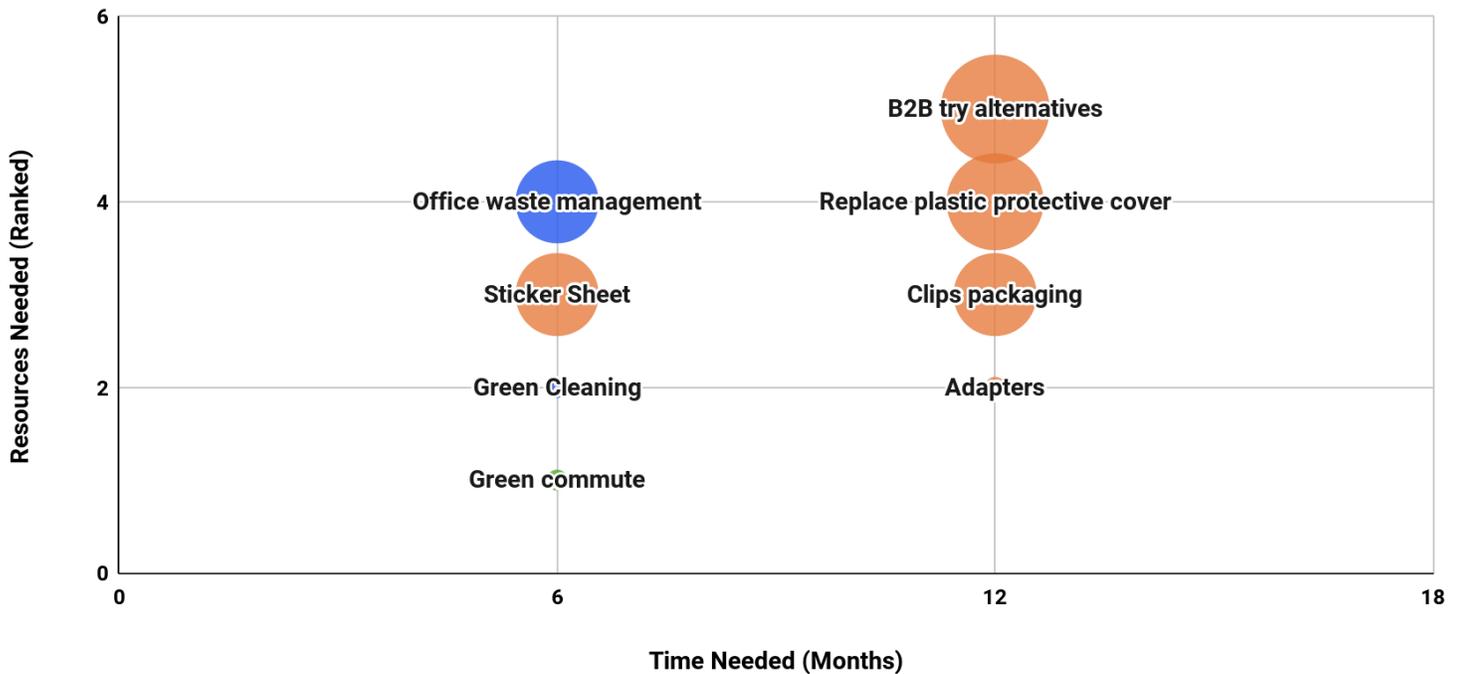
- **Eco-Friendly Packaging:** Introducing the Flic Twist and Hub Mini with packaging made entirely from paper, and ensuring recyclability, resulting in a 100% avoiding the plastic usage for new and upcoming packaging.
- **Recycled Shipping Envelopes:** Transitioning to shipping envelopes made with 60% recycled content, FSC certified, and featuring clear recycling instructions. This change promotes sustainability and offers 10% cost reduction compared to previous envelopes.
- **Optimized Box Size:** Implementing a new smaller box size, reducing excess air shipped by 25%. This optimization significantly decreases CO2 emissions per shipment, benefiting both the EU and global destinations, resulting in a 25% reduction in packaging volume and associated emissions.
- **Plastic-Free Protections:** Replacing single-use plastic with corrugated cardboard for plastic protection rolls and eco-friendly paper-based tapes for packaging, resulting in a 100% reduction in plastic usage for protection materials.
- **Transition to Paper-Based Sealing Tapes:** Replacing traditional plastic sealing tapes with eco-friendly paper-based tapes, reducing reliance on non-biodegradable materials and aligning with Flic's broader sustainability objectives, resulting in a 100% reduction in plastic usage for sealing purposes.

1 Year Sustainability Plan:

Flic's 1 Year Sustainability Plan

Size of the bubbles represent the value added to the company (Social/Environmental/Economical)

● Short Term Goal 1 ● Short Term Goal 2 ● Long Term Goal 1



The following tasks are planned to be initiated within the first year and expected to be finished by the end of the years to help getting close to the short term and long term goals:

- **Sticker sheet**

Description: Currently, the sticker sheets are packed in plastic pouches. The proposed change involves shifting to eco-friendly packaging made from paper.

Metric: We will track the percentage of sticker sheets that are transitioned to the new paper-based eco-friendly packaging.

Projection: Our goal is to convert 100% of sticker sheets to the new paper-based packaging, completely eliminating the use of plastic pouches for sticker sheets.

Impact on Flic: This change will eliminate plastic usage for sticker sheets, aligning with our sustainability goals by reducing the overall plastic usage from the packaging by 10%.

- **Green cleaning**

Description: Leveraging green cleaning products in office use.

Metric: Volume of green cleaning products used.

Projection: Transition 80% of office cleaning products to green alternatives, reducing our chemical waste by 30%.

Impact on Flic: Promotes a healthier work environment for employees, aligning with Flic's commitment to sustainability and employee well-being.

- **Office waste management**

Description: The proposed change involves setting up a waste station at the office where waste can be separated into different categories.

Metric: Measure the percentage of waste effectively separated into different categories at the waste station in the office.

Projection: Establish a waste station where all waste can be properly segregated into recyclables, compostables, and general waste.

Impact on Flic: By implementing a waste station for segregation, we can significantly improve our waste management practices, increase recycling rates.

- **Green commute**

Description: Encourage green commute to and from work.

Metric: Percentage of employees using green commute options.

Projection: Increase green commute participation by 25% through incentives.

Impact on Flic: Reduces Flic's carbon footprint by promoting environmentally friendly commuting options for employees, aligning with Flic's commitment to sustainability.

- **Adapters**

Description: Currently, adapters are individually wrapped in plastic pouches, then packed inside a paper box. The change aims to eliminate plastic from adapter packaging.

Metric: Track the percentage of adapters packaged without plastic.

Projection: Shift to plastic-free packaging for all adapters.

Impact on Flic: Aligns with sustainability goals, and appeals to eco-conscious customers by reducing overall plastic usage from the packaging by 5%.

- **Clips packaging**

Description: Substituting the plastic packaging of metal clips with more sustainable alternatives.

Metric: Quantity of sustainable alternatives for metal clip covers implemented.

Projection: Replace 100% of plastic clip packaging with sustainable alternatives, reducing overall plastic waste from packaging by 5%.

Impact on Flic: Reduces plastic waste associated with Flic's packaging and supports sustainable materials sourcing, aligning with Flic's commitment to eco-friendly practices.

- **B2B try alternatives**

Description: Identify environmentally-friendly solutions for the Flic 2 tray.

Metric: Identification of environmentally-friendly tray solutions.

Projection: Implement 30% eco-friendly trays, reducing virgin plastic usage in trays by 30% and reducing overall virgin plastic usage by 5%.

Impact on Flic: Enhances the sustainability of Flic's packaging materials, aligning with Flic's commitment to eco-friendly practices.

- **Replace plastic protective cover**

Description: Our initiative focuses on replacing plastic materials with sustainable alternatives in various product covers like Hub, Flic buttons, USB and IR.

Metric: We will track the implementation of sustainable to replace current plastic covers, measure the percentage of plastic materials replaced with alternatives.

Projection: Our goal is to replace 100% of plastic covers and materials by reducing overall plastic usage by 15% in packaging.

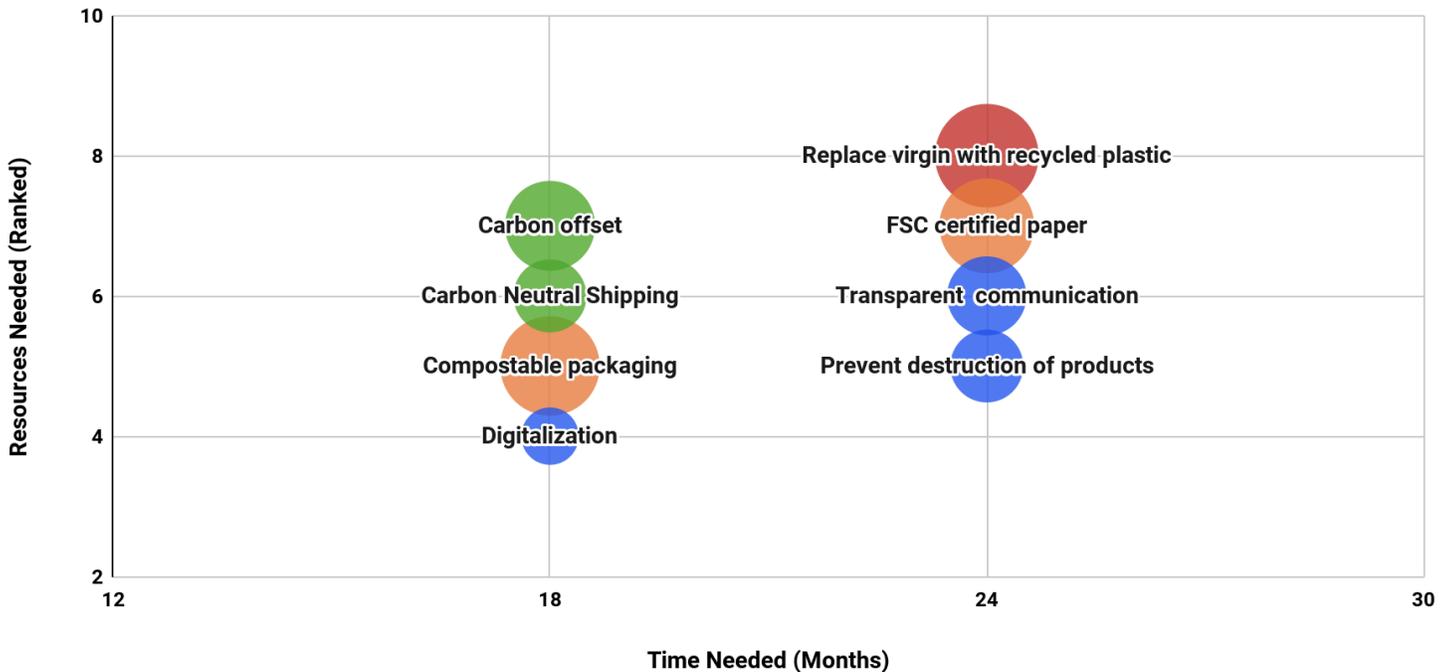
Impact on Flic: This initiative aligns with Flic's sustainability goal of reducing plastic usage.

2 Year Sustainability Plan:

Flic's 2 Year Sustainability Plan

Size of the bubbles represent the value added to the company (Social/Environmental/Economical)

● Short Term Goal 1 ● Short Term Goal 2 ● Long Term Goal 1 ● Long Term Goal 2



The following tasks are planned to be initiated within the first 2 years and expected to be finished by the end of 3 years to meet the short term goals and help getting close to the long term goals as well:

- **Carbon offset**

Description: Identify methods for offsetting carbon emissions.

Metric: Quantity of carbon emissions offset.

Projection: Offset 30% of company's carbon emissions through verified carbon offset projects.

Impact on Flic: Helps mitigate Flic's carbon footprint, showcasing Flic's commitment to environmental responsibility.

- **Digitalization**

Description: Minimize paper consumption by transitioning to digital platforms.

Metric: Reduction in paper consumption.

Projection: Achieve 50% reduction in paper consumption through digital platforms adoption.

Impact on Flic: Reduces the environmental impact of Flic's operations by minimizing paper usage and promoting digital alternatives, aligning with Flic's commitment to sustainability.

- **Carbon neutral shipping**

Description: Give customers the choice of carbon-neutral delivery options.

Metric: Percentage of customers choosing carbon-neutral delivery options.

Projection: Achieve 30% adoption of carbon-neutral delivery options, reducing transportation emissions by 30%.

Impact on Flic: Reduces the carbon footprint associated with shipping Flic products, aligning with Flic's sustainability goals.

- **Compostable packaging**

Description: Redesign packaging to include materials such as paper and compostable materials.

Metric: Adoption of paper and compostable materials in packaging.

Projection: Transition to 100% packaging materials made from paper and compostable materials.

Impact on Flic: Reduces the environmental footprint of Flic's packaging, aligning with Flic's commitment to sustainability.

- **Prevent destruction of products**

Description: Prevent destruction of products by adding disassembly and disposal instructions.

Metric: Percentage of products with disassembly and disposal instructions.

Projection: Include disposal instructions in 50% of product and packaging, reducing improper disposal.

Impact on Flic: Encourages responsible product disposal practices, prolonging the life cycle of Flic products also aligning with Flic's commitment to sustainability.

- **FSC certified paper**

Description: Establish a program focused on obtaining FSC certification and transitioning to the use of FSC-certified paper in all packagings.

Metric: Measure the percentage of FSC-certified paper used in packaging and paper-based materials.

Projection: Obtain FSC certification for all applicable products and transition to the use of FSC-certified paper, aiming for 100% compliance within two years.

Impact on Flic: By obtaining FSC certification and using FSC-certified paper, we demonstrate our commitment to responsible forest management and sustainable paper sourcing practices.

- **Transparent communication**

Description: Establish a program focused on transparency, customer take back incentives, and effective communication of sustainability initiatives.

Metric: Track customer engagement in the take back programs like returning the products, and evaluate the effectiveness of sustainability communication efforts.

Projection: Enhance transparency by sharing implemented sustainable changes, implement customer incentives like take back programs, aiming for a 30% engagement within two years.

Impact on Flic: By prioritizing transparency, communicating sustainability and offering customer incentives, we will build trust with customers, increase engagement in sustainability efforts.

- **Replace virgin with recycled plastic**

Description: Explore opportunities to reduce the use of virgin plastic in products and potentially transition to recycled plastic alternatives.

Metric: Progress towards reducing the usage of virgin plastic.

Projection: Investigate the feasibility of reducing the use of virgin plastic in products and potentially transitioning to recycled plastic alternatives.

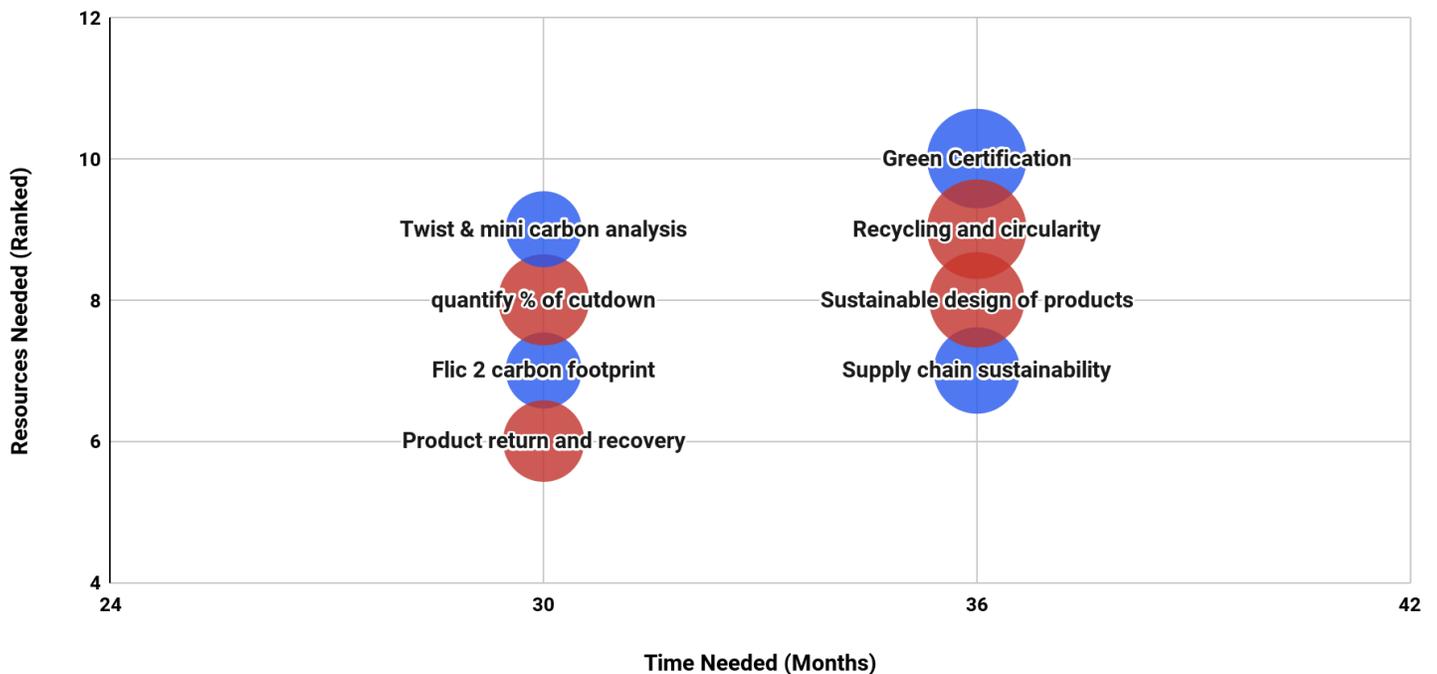
Impact on Flic: By exploring options to reduce virgin plastic usage, we aim to potentially lessen the environmental impact of Flic products, in line with Flic's commitment to sustainability.

3 Year Sustainability Plan:

Flic's 3 Year Sustainability Plan

Size of the bubbles represent the value added to the company (Social/Environmental/Economical)

● Long Term Goal 1 ● Long Term Goal 2



The following tasks are planned to be initiated within the first 3 years and expected to be finished by the end of 4 years to meet the Long term goals:

- **Flic 2 carbon footprint**

Description: Assessing the carbon emissions associated with the Flic 2 product lifecycle.

Metric: Quantification of carbon emissions associated with Flic 2.

Projection: Reduce carbon emissions associated with Flic 2 by 30% through supply chain improvements.

Impact on Flic: Demonstrates Flic's commitment to reducing the environmental impact of its products, enhancing Flic's sustainability credentials.



- **Quantify % of cutdown**

Description: Evaluate the reduction of plastic and paper achieved through new sustainable packaging designs.

Metric: Reduction in plastic and paper usage.

Projection: Reduce virgin plastic and paper usage by 70% through sustainable packaging designs.

Impact on Flic: Reduces the environmental footprint of Flic's packaging materials, contributing to Flic's overall sustainability efforts.

- **Product return and recovery**

Description: Implement a process to recover products including electronics and packagings in an eco-friendly manner.

Metric: Quantity of the products recovered.

Projection: Recover and recycle 50% of products in an eco-friendly manner.

Impact on Flic: Promotes the responsible disposal and recycling of electronic components used in Flic products, supporting circularity.

- **Twist & Mini carbon analysis**

Description: Assess the carbon emissions associated with the production and use of Twist and Hub Mini products.

Metric: Quantification of carbon emissions associated with Twist and Hub Mini.

Projection: Reduce carbon emissions associated with Twist and Hub Mini products by 50% through design and manufacturing optimizations.

Impact on Flic: Demonstrates Flic's commitment to reducing the environmental impact of its products, enhancing Flic's sustainability credentials.

- **Supply chain sustainability**

Description: Establish a program focused on industrial decarbonization by responsible supply chain practices, and sustainable logistics operations.

Metric: Measure the reduction in carbon emissions across production operations, evaluate supplier adherence to responsible sourcing, and track the impact of logistics operations.

Projection: By optimizing logistics operations for reduced environmental impact, aiming for a 50% reduction in carbon emissions and improved supply chain sustainability within three years.

Impact on Flic: By prioritizing responsible supply chain practices we will significantly reduce our carbon footprint and minimize the environmental impact of our operations.

- **Green certification**

Description: Implement green certifications to communicate the sustainability of products and packaging effectively.

Metric: Adoption of recognized green certifications for products and packaging.

Projection: Utilize green certifications across all product lines and packaging materials to communicate sustainability.

Impact on Flic: Enhances Flic's sustainability credentials by providing transparent information to consumers about the environmental impact of products and packaging.

- **Sustainable design of products**

Description: Establish a program focused on sustainable design and product sustainability, incorporating sustainable materials into product design and manufacturing processes.

Metric: Measure the percentage of sustainable materials used in product design and manufacturing.

Projection: Implement sustainable design practices and incorporate sustainable materials into product manufacturing, aiming for a 30% reduction in environmental impact within three years.

Impact on Flic: By adopting sustainable design practices and utilizing sustainable materials, we will reduce environmental impact, and enhance the eco-friendliness of our products.

- **Recycling and circularity**

Description: Establish a program focused on exploring recycling and circular economy initiatives aimed at potentially reusing recycled materials in production, including product plastics, electronics, and packaging.

Metric: Measure progress by tracking the incorporation percentage of recycled materials into new products and packaging.

Projection: Explore the feasibility of implementing systems to potentially reuse recycled materials in product manufacturing and packaging, with a goal of finishing the investigation within three years.

Impact on Flic: By exploring recycling and circular economy approaches, we aim to potentially minimize waste, reduce environmental impact, and promote resource efficiency throughout our product lifecycle.

End Goal

As Flic continually progresses on its sustainability journey, achieving our sustainability goals signifies the successful implementation of sustainable practices that actively diminish our environmental footprint, enhance social responsibility, and bolster economic viability. This could involve reducing greenhouse gas emissions, reducing waste usage, promoting fair labor practices, and engaging in philanthropic efforts to support communities and address social issues.

Achieving our sustainability goals will have a significant impact on our business, including improving our reputation and brand image, attracting new customers who prioritize sustainability, and driving innovation by developing new sustainable products and technologies. In addition, we will be better positioned to adapt to changing market conditions and regulatory requirements, and to drive innovation by developing new sustainable products and technologies.

Achieving sustainability goals is not only about reducing environmental impact and improving social responsibility; it also creates a ripple effect of positive impacts throughout our value chain. By committing to long-term responsible practices, we can build trust and loyalty among customers and stakeholders, drive innovation, and create new business opportunities. Employees are often more motivated by working for an environmentally and socially responsible company, leading to increased engagement and productivity. Achieving sustainability goals also allows us to play a critical role in addressing global challenges, inspiring others to adopt sustainable practices, and future-proofing our business against climate change, resource scarcity, and social unrest.

However, achieving sustainability goals is an ongoing process for Flic. Even after we reach our targets, we must continue to monitor and improve our sustainability practices to maintain our progress and stay ahead of emerging sustainability challenges.

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