

# Sustainable value creation

A responsible attitude towards the management of resources is one of the fundamental values at Forbo. We are committed to protecting the environment and continuously investing in a sustainable future. As a manufacturer and employer conscious of its responsibilities, Forbo sets very high standards for health, safety, environment, and quality.

## Social dimension

Forbo cultivates a high-performance culture to fulfill the high demands of our customers and business partners as well as our own demands on ourselves. This is why we promote the necessary capabilities and competences on all organizational levels and support this internally with seminars and further training activities.

This means that the divisions provide internal training in a wide range of areas regarding products and appli-

cations, sales and marketing, finance, operations, project management, strategy implementation, and the Forbo values. On the Group level Forbo has successfully established an internal management training program in collaboration with the University of St. Gallen, other external partners and internal experts. This practice-oriented advanced training program for senior managers as well as persons in key positions consists of a first training week that includes various modules from management, sales and marketing as well as operations. A second training week building on this contains additional leadership modules, and focuses on strategic implementation and leadership themes such as dealing with organizational and team changes as well as performance management.

## Ecological dimension

Protection of the environment and the generation of ecological added-value are important factors in all of Forbo's development and investment decisions. Our customers also demand efficient and sustainable products and services.



Both divisions have purely natural products in their product portfolio. With linoleum, Flooring Systems offers a floor covering made of 97 percent renewable raw materials. Linoleum is made from the natural raw materials linseed oil, natural resin, wood flour, and limestone dust as well as jute and pigments. A natural product through and through which, in view of its long service life and positive ecological balance, is regarded as the most environmentally friendly resilient floor covering available. At the end of its long service life it can be composted, as it is biodegradable.

With the BioBelt, Movement Systems is the first conveyor belt manufacturer worldwide to develop a biodegradable conveyor belt whose physical and dynamic properties are equal to standard belts. The same applies to its performance and long service life. In BioBelt products, oil-based raw materials and synthetic-technical materials have been largely substituted by materials from renewable, plant-based raw materials. In order to maximize environmental compatibility and at the same time increase the product advantages, Movement Systems patented a special coating (AmpMiser) that significantly reduces the friction between

the underside of the belt and the slider bed compared with conventional conveyor belts. Conveyor belts coated with AmpMiser display their advantages most clearly where goods are being continuously conveyed and many belts are in use, for example at airports or in logistics and distribution centers. For this type of application, energy savings for the overall systems of up to 40 percent are achieved.

With these two innovative products Movement Systems won the silver medal at the prestigious SolVin Award, an international competition that takes place every three years to honor the most innovative PVC solutions.

We have also made it our aim to continually shape our own activities more sustainably and efficiently. We do this by using less material and energy to realize equivalent or even better solutions. Both divisions are working constantly on the optimization of production processes in terms of water and energy consumption, reduction of emissions, reuse of heat generated in the production process, and in the reduction, and the efficient recycling of waste material in order to reduce the



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burden on the environment. At the same time, we are working on innovative ideas regarding the materials used in the production process as well as new application techniques.

## FLOORING SYSTEMS

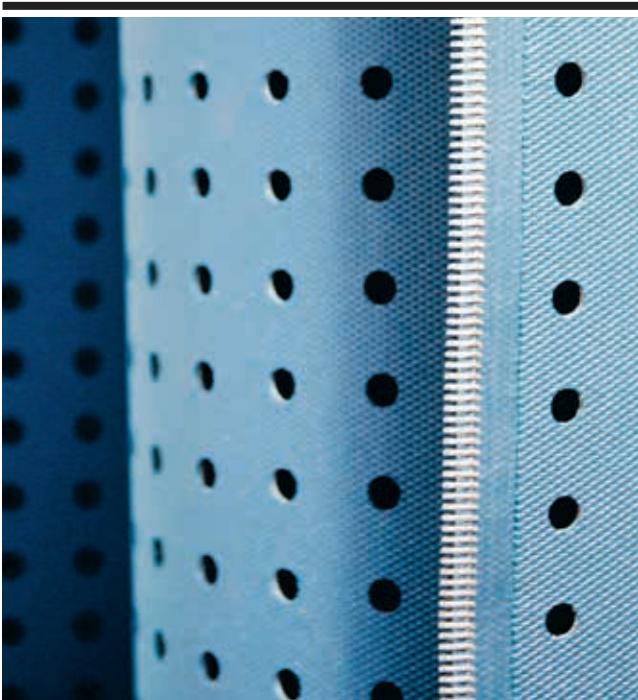
Flooring Systems focuses its sustainability activities on the four terms: reduce, renew, reuse, and recycle. Reducing the amount of material used and the energy consumed in a production process as well as keeping waste material as low as possible make the greatest impact. At present, 97 percent of the electricity consumed at our production locations comes from renewable energy sources. In the reporting year, just under 80 percent of the waste material from our own production processes was reused as raw material or recycled (by Forbo itself for other product groups or by external third parties as a raw material). Viewed over all product groups, the proportion of material reused and recycled is 24 percent. For some years now increasing attention is being paid to the reuse of sections of waste material left over after the installation of the flooring. At present such recycling programs are offered in the Netherlands, Sweden, Great Britain, and North America. In the

reporting year, for example, more than 140 metric tons of flooring material found their way back into the production process.

In order to be able to apply a measurement value to the sustainability of its products, Flooring Systems works with the life cycle assessment method. This is a method used to measure the environmental impact in various impact categories of a product per square meter from production, through the usage phase, right up to disposal.

## MOVEMENT SYSTEMS

Movement Systems' resources management is based on the continuous improvement of consumption efficiency by the development and the targeted implementation of measures for the optimization of electricity, gas, and water consumption. Alongside saving energy, energy recovery is an important factor, i.e. the use of energy released in the downstream incineration plant for the purposes of heating and/or power generation. In order to reduce water consumption and avoid unnecessary waste, Movement Systems is increasingly using closed water circulation systems. Some of the





used water can be used in another production step in order to minimize water requirements. In Germany it was thus possible to significantly reduce the annual water consumption per square meter of finished material. The optimization of a cooling water plant with a newly programmed control system led to savings of around 60 percent in terms of kilowatt-hours. The reduction and productive reuse of waste material is increasingly the focus of sustainability initiatives. Cut-offs from the belts we produce in Germany and in Switzerland are sold to other companies to be reused in their production. The locations in North America collect sanding dust in filters which is then processed as material by external partners in their production. Some of the waste from plastic modular belts and polyurethane offcuts are recycled back into our own production.

Various certifications and calculations on lifecycle costs are the central factors in the decision to purchase our products.

Another ever-present issue at Forbo is safety in the workplace, which is generally founded on three pillars: work methods, processes, and employees. Various ini-

tiatives were also launched in this regard in the reporting year in order to refocus attention on a wide range of issues. Examples include the 5S work organization concept, which optimizes all areas of work organization in production and finishing, and the reporting of small incidents or near-misses, which can reveal hidden uncertainties and possible hazards.

#### **Economic dimension**

As a listed company, Forbo is also concerned with the economic dimension of sustainability. Compliance is enormously important for the reputation and positioning of a company. Forbo has continued its efforts, among other things, with regard to training in the code of conduct, competition law and anti-corruption principles, as well as further reinforcing the risk management processes.

