

# COMMITTED TO SUSTAINABILITY

The responsible use of resources of every kind is a guiding principle at Forbo. We are committed to the protection of the environment and we invest in concepts that contribute to a sustainable future for us and for society at large. As a responsible manufacturer and employer, Forbo sets benchmarks for health and safety, the environment, and quality. That is why innovative ideas, research and development are the driving forces behind our business concept.

## Social dimension

Forbo fosters a performance culture in order to meet the high expectations of our customers and business partners as well as the demands we make on ourselves. That is why we promote the necessary capabilities and competences at all organizational levels, and support this internally with seminars and further training activities.

The divisions provide internal training in a wide range of areas covering products and applications, sales and marketing, finance, operations, project management, strategy implementation, as well as instruction in Forbo's values. Continuous intensive training in health and safety includes measures relating to accident prevention, risk awareness, and occupational health and safety, as well as general ongoing preventive activities.

At Group level, Forbo has established an internal management training program in collaboration with the University of St. Gallen as well as other external partners and internal experts. This practice-oriented training program for senior managers and persons in key





positions consists of a first training week that includes various modules in areas ranging from management and sales to marketing and operations.

A second training week expands on this and includes leadership modules, focusing on areas of strategy implementation and leadership such as dealing with organizational and team changes as well as performance management. A third training week, building on this foundation, deals mainly with topics regarding the implementation of strategy across different organizational levels. This is combined with appropriate tools to aid communications and collaboration in international, culturally diverse teams.

#### **Ecological dimension**

Protection of the environment and the generation of ecological added value are important factors in all Forbo's development and investment decisions. Our customers also demand efficient and sustainable products and services. Both divisions are meeting these demands by offering purely natural products in their product portfolios.

In Inoleum, Flooring Systems offers a floor covering made from up to 98% renewable raw materials, of which 73% are renewable within ten years. Inoleum is CO<sub>2</sub>-neutral (cradle to gate, without compensation) and made from natural raw materials: linseed oil, natural resin, wood flour and powdered limestone, 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 and is biodegradable. In addition to this, Inoleum is made from about 45% recycled material, which lowers the consumption of primary raw materials accordingly.

The Tessera Struktur 1 carpet tile collection is based on new microtufting technology and consists of 100% regenerated Econyl yarn made from scrap and waste from carpets, and yarn and fibers from fishing nets and car hubcaps. Thanks both to the composition of the raw materials in the recycled yarn and the substrate material and to the production process that uses 100% renewable energy, this collection is a leading performer among our textile products in terms of its environmental footprint.



Vinyl floor coverings acquire their elasticity, pliability, and flexibility from plasticizers. Flooring Systems uses phthalate-free plasticizers of the latest generation. Vinyl floor coverings also contain up to 25% recycled material in relation to their total product weight. Within the framework of our 'back to the floor' program, we collect offcuts of our vinyl coverings as well as waste material from our own production and put these back into the production of new coverings, for example for the substrate layer of carpet tiles and Flotex – the washable textile flooring. Flooring Systems gets 100% of the electricity used at its production locations from renewable energy sources.

At Movement Systems, too, we are working on the further development of phthalate-free plasticizers in the manufacture of PVC conveyor belts.

With the BioBelt, Movement Systems has developed 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 the

BioBelt, oil-based raw materials and synthetic-technical materials have been largely substituted by materials made from renewable, plant-based raw materials that are biodegradable.

In order to maximize environmental compatibility and at the same time increase the product advantages, Movement Systems has patented a special coating that significantly reduces the friction between the underside of the belt and the slider bed compared with conventional conveyor belts. In the meantime, Movement Systems has launched new generations of these energy-saving conveyor belts that are even more efficient. The AmpMiser™ 2.0 conveyor belts 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 of up to 50% are achieved for the overall systems.

Another of our aims is to continually improve the sustainability and efficiency of our own activities. 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 the reduction and efficient recycling of waste material in order to reduce the burden on the environment. A wide range of certifications confirm these efforts. 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

Floor coverings are part of our everyday lives and define our living, leisure, and working spaces. Whether as a direct end customer, building contractor on a major project, architect or installer, for every stakeholder group the topic of sustainability plays an important role in the decision-making process. It is therefore important for Flooring Systems to differentiate itself from its competitors with readily understood and convincing arguments, including where sustainability is con-

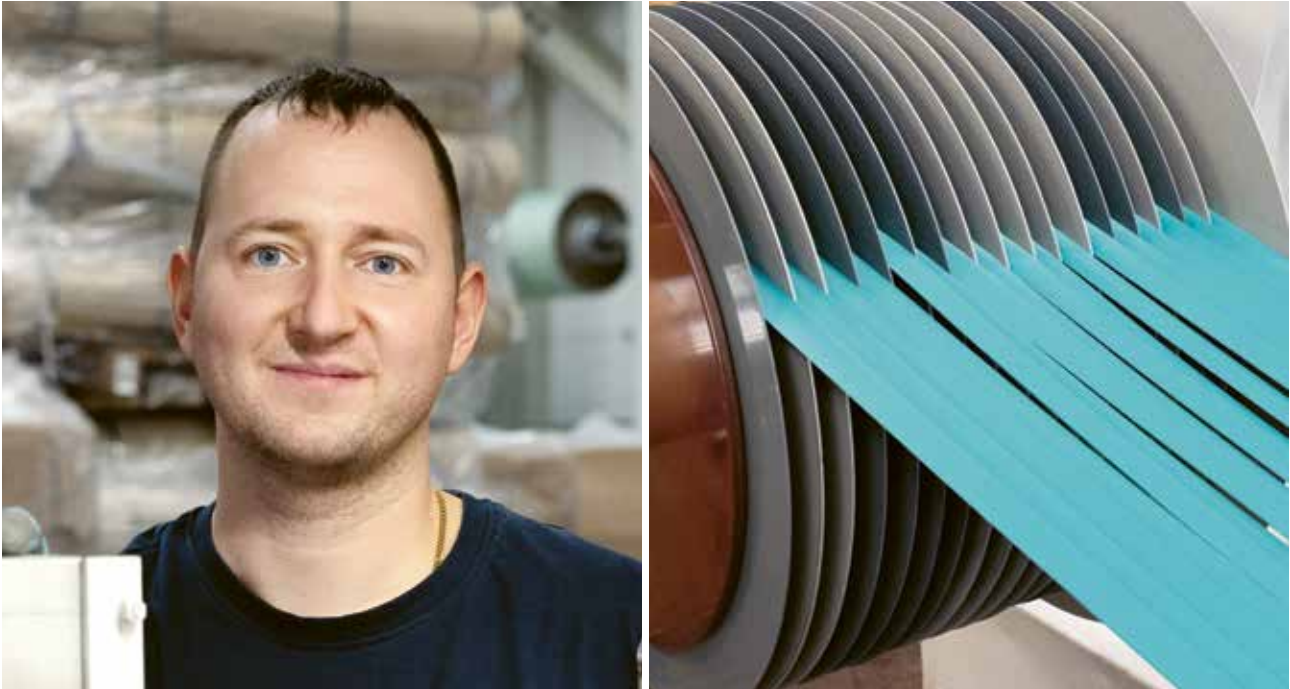
cerned. To do this, we apply the holistic approach of a 'circular economy', placing great emphasis on CO<sub>2</sub> neutrality and foregrounding the concepts of reduce, reuse, renew and recycle, especially in operational contexts.

For the manufacture of vinyl floorings at our production site in the Netherlands, we set up a pilot installation to evaluate and implement a new afterburner filter technology for processing waste air from recirculation ovens. The new technology will gradually replace the existing installations in the coming years. This innovation will make it possible to reduce CO<sub>2</sub> emissions by around 1200 tonnes per year.

The return programs for post-consumer waste materials (gate to recycle) in the Netherlands, Great Britain, Sweden, and France generate return amounts of 325 tonnes per year. The types of waste taken back include floor coverings from demolished buildings and material disposed of in renovation work, but also offcuts from new installations.







#### MOVEMENT SYSTEMS

Movement Systems' resource management is based on the continuous improvement of consumption efficiency through the development and targeted implementation of measures to optimize consumption of electricity, gas, oil, and water. Alongside ongoing energy-saving measures, energy recovery is an important factor, i.e. the use of energy released in the downstream incineration plant for heating. In order to reduce water consumption and avoid unnecessary waste, Movement Systems is increasingly using closed water circulation systems. Some of the waste water can be used in another production step in order to minimize water requirements. The reduction and productive reuse of waste material is increasingly the focus of Kaizen and sustainability initiatives. Cutoffs from the belts we produce in certain countries 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 by external partners as a material for use in their production. Some of the waste from plastic modular belts as well as polyurethane and

polyamide cutoffs from flat belts is recycled back into our own production.

During the upgrade and capacity expansion at the manufacturing site for Prolink module belts in Denmark, the focus of our ecological considerations was on saving, recovering, and reusing energy. Thanks to the newly installed heat recovery system in the production facility, process energy can be reused to heat the offices and production building. In the new cooling units on the roof, water is cooled directly by the ambient air, relieving the strain on the refrigeration system and allowing substantial savings in kilowatt hours. The refrigeration units also use an environmentally friendly propane-based coolant. The reduction in CO<sub>2</sub> emissions through savings in primary energy consumption amounts to over 800 tonnes per year.

### **Economic dimension**

As a listed company, Forbo also engages intensively with the economic dimension of sustainability. Compliance is enormously important for the reputation and positioning of a company. We are successful as a company when we meet the expectations of customers, when employees are enthusiastic and committed, and when we create added value in the long term for our shareholders.

Forbo's Code of Conduct is based on the principles of integrity, transparency, and fairness and describes how we should conduct ourselves. It sets out our most important business principles and basic values and is of key importance in determining how we should protect and continue to enhance our reputation. It shows our commitment to behaving ethically and with integrity and respecting individual rights. We expect our own employees and our business partners to abide by these principles. Maintaining high standards in our business relations is the foundation for enduring success.

Also in the year under review, we constantly maintained our efforts to ensure responsible conduct: we continued to strengthen awareness of a variety of compliance topics through e-learning modules and systematically implemented risk management processes.

This enabled us to deepen understanding of the Code of Conduct, competition law and anticorruption guidelines in refresher courses for existing employees and training for new employees, with a stronger focus on data protection and IT security. IT security measures were covered in several e-learning modules, which dealt with phishing protection, recognition of phishing e-mails, handling passwords and caution in the use of social media, as well as the general subject of fraud. Phishing e-mails were simulated to further increase awareness.

