

## Forbo Flooring Systems' Sustainability Policy

As a global leader in flooring systems, we have a responsibility, to all our stakeholders, to create a better environment. The way we serve and drive the market sets the pace and standard for world-class flooring solutions. Sustainable development and 'creating better environments' is an integral part of all of Forbo Flooring Systems' activities.

The first product of Forbo's founding companies, was linoleum. As a natural product made from renewable natural raw materials that are fully biodegradable and environmentally friendly, we have been at the forefront of sustainable awareness for over 150 years. This global awareness regarding sustainability has grown over the last few decades as it has become more and more clear that global warming and the depletion of natural resources mean we cannot continue as we have in the past if we are to fulfil our obligations to future generations. As a company, we are committed to meeting our obligations to future generations and in doing so acting as a sustainable enterprise.

Forbo underwrites the broad and all-inclusive definition of sustainable development as accepted by the United Nations Commission on Environment and Development, General Assembly Resolution, 1987:

***"Developments that meet present needs without compromising the ability of future generations to meet their needs"***

The United Nation's definition of sustainability recognizes three individual dimensions that together make up a sustainable policy, they are:

- The Environmental dimension - Planet: the way in which measures specific to improving the environmental impact of the processes and products of the company are regulated and executed
- Social dimension - People: the way in which social equity and corporate governance are defined and followed within the company
- The Economic dimension - Profit: the way in which the company organizes its position in the market place to actively develop its sustainable profile by using its economic stability and profitability for continuous improvement

Forbo Flooring Systems supports these dimensions in a constructive and consistent manner through the following principles:

- "Compliance Plus" – a commitment to go above and beyond Government regulations and requirements
- Integrating Sustainability considerations into all our business decisions
- Regular monitoring of progress and review of sustainability performance
- Commitment to continuous improvement
- Promoting Sustainability throughout our value chain, and expecting our suppliers and customers to comply with this
- Ensure that all staff is fully aware of our Sustainability Policy and are committed to implementing and improving it

creating better environments



Forbo Flooring Systems fully commits to being a sustainable partner to all our stakeholders.

A handwritten signature in blue ink, appearing to read "J. Wins", with a large, sweeping flourish at the end.

Jean-Michel Wins  
Executive Vice President, Flooring Systems  
January, 2018

Annex to Forbo Flooring Systems' Sustainable Policy document

## 1. Environmental Policy

As a global leader in flooring systems we have a responsibility, to all our stakeholders, to create a better environment. The way we serve and drive the market sets the pace and standard for world class flooring solutions.

Forbo Flooring Systems protects, invests, and cares for all environments that we touch upon whether it is a work, indoor, or natural environment our goal is to simply optimize our performance now, and for the benefit of our collective futures.

Taking care of the environment is an integral part of the way we do business and the way we promote our activities to our stakeholders. We believe that being environmentally responsible is both the right thing to do as a responsible corporate citizen, and the right thing to do in business. We work to "Compliance Plus" – a commitment to go above and beyond Government regulations and requirements.

We believe investments in people, process, and product that further improve our environmental performance are an investment for our future, not a cost of doing business.

We are committed to creating a sustainable future by constantly seeking ways to minimize the environmental impacts of our products over their whole Life Cycle from raw material extraction till the end of life. Evaluation of all LCA impact categories are carried out, but with a particular focus on reducing the CO2 emissions and the related irreversible climate change caused by global warming.

We shall succeed by:

- Maximizing the efficient use of raw materials by reduce, re-use and recycle
- Reducing the use of energy in all production and business processes, and with all efforts to switch over to renewable energy
- Applying green design principles to all our new products and innovation development programs
- Promoting environmental responsibility towards all our stakeholders
- Only support LCA-based environmental labelling and certifications developed in an open and transparent consensus process and validated through a 3rd party process

## 2. Social Equity Policy

At Forbo Flooring there is an underlying and long standing commitment to ethical trading based upon the belief that business can be both profitable and responsible. We believe that building meaningful long term relationships with employees, customers, suppliers and communities is good business practice for us and is what our customers expect of us. This is, and always has been, the founding principle of our commitment to Social Equity.

Forbo Flooring Systems is firmly committed to the adoption and integration of the following International Labour Organization conventions throughout our global supply chain and into our core business activities.

- Employment is freely chosen
- Freedom of association and the right to collective bargaining
- Working conditions are safe and hygienic
- Child labour shall not be used
- Remuneration shall meet at least minimum legal or industry standard
- Working hours are not excessive
- No discrimination is practiced
- Regular employment is provided
- No harsh or inhumane treatment is allowed

### **Our commitment to our community**

Forbo Flooring recognizes its corporate responsibility to five main groups in its community. We are committed:

#### **To employees**

To respect the rights of all employees, whether directly employed or sub-contracted.

#### **To customers**

To win and retain customers who adhere to business principles consistent with our own by developing and providing services that offer value in terms of price, quality, safety and environmental impact. To be responsive to customer comments and complaints.

#### **To shareholders**

To build shareholder value by consistently increasing earnings. To conduct our operations in accordance with accepted principles of good corporate governance. To provide timely and accurate information to all shareholders on our activities and performance.

#### **To suppliers and business partners**

To seek mutually beneficial relationships with suppliers and joint venture partners. To require that, so as far as is practicable, all of these adhere to business principles consistent with our own.

#### **To the wider community**

To conduct business as responsible corporate citizens, to give proper regard to the health, safety and the environment of local communities, and to be sensitive to and supportive of local cultural, social, educational and economic needs

### **3. Economic Policy**

Central to our objective to become a sustainable organisation is maintaining a strong economic position - this will be enhanced by continuous improvement and innovation in the design, service, performance, scope and quality of our offer to all our stakeholders. Of course this will be achieved respecting all our responsibilities covered by Corporate Governance, risk and crisis management, codes of conduct and compliance with international laws and regulations.

#### **Business integrity**

Forbo Flooring insists on integrity, honesty and equality in all aspects of our business and we seek the same from those with whom we do business, directly and indirectly. No employee may directly or indirectly offer, pay, solicit or accept a bribe or other such payment that may be construed as such, in any form.

#### **Code of Conduct**

The Forbo Code of Conduct applies to all our employees and clearly stipulates that the company will not engage in- or tolerate any disputable or corrupt business practices such as bribery or trust practices and that competition laws are respected all the time. The code of conduct is part of Forbo's education program and is mandatory training for all relevant employees for instance via online training modules.

#### **Risk management**

Risk management and risk assessment is an integral part of Forbo's organizational processes and is included in every the decision making process. Periodically financial and hazard risks are identified and assessed internally or performed by third parties. Once risks have been identified and assessed, all techniques to manage the risk fall into one or more of the following four major categories:

- Avoidance (eliminate)
- Reduction (mitigate)
- Sharing (outsource or insure)
- Retention (accept and budget)