



ABOUT FORBO MOVEMENT SYSTEMS

Forbo Movement Systems is a division of the Forbo Group. The company's headquarters are located in Baar, Switzerland, in the Canton of Zug. The company is listed on the SIX Swiss Exchange. Forbo is a global player whose two divisions, *Forbo Flooring Systems* and *Forbo Movement Systems*, serve a wide variety of industries.

The Forbo Movement Systems division has become a leading global provider of high-quality conveyor and processing belts, plastic modular belts, first-class power transmission belts and both timing and flat belts made of synthetic materials. These belts are used in a wide variety of applications in both industry and commercial enterprises and service companies, for instance as conveyor and processing belts in the food industry, as treadmills in gyms or as flat belts in letter sorting systems.

Forbo Movement Systems employs around 2,400 people. Our international network of branches and service partners means we have warehouses and workshops in over 80 countries.

Forbo Movement Systems

Forbo Siegling Pty. Ltd. (Australia)	Forbo Siegling GmbH (Germany)	Forbo Siegling Poland sp. z o.o. (Poland)
Forbo Siegling Austria GmbH (Austria)	Forbo Siegling Movement Systems India Pvt. Ltd. (India)	Forbo Siegling România S.R.L. (Romania)
Forbo Siegling Brasil Ltda. (Brazil/50%)	PT Forbo Siegling Indonesia (Indonesia)	OOO Forbo Siegling CIS (Russia)
Forbo Siegling Canada Corp. (Canada)	Forbo Siegling Italia S.p.A. (Italy)	Forbo Siegling s.r.o. (Slovakia)
Forbo Siegling Chile S.A. (Chile/50%)	Forbo Siegling Japan Ltd. (Japan)	Forbo Siegling Iberica, S.A.U. (Spain)
Forbo Siegling (China) Co., Ltd. (China)	Forbo Korea Ltd. (South Korea)	Forbo Siegling Svenska AB (Sweden)
Forbo Movement Systems (China) Co., Ltd. (China)	Forbo Siegling SDN. BHD. (Malaysia)	Forbo Siegling Schweiz AG (Switzerland)
Forbo Siegling Colombia S.A.S (Colombia)	Forbo Siegling S.A. de CV. (Mexico)	Forbo Siegling (Thailand) Co. Ltd.
Forbo Siegling Ceská Republika s.r.o. (Czech Republic)	Forbo Siegling Nederland B.V. (Netherlands)	Forbo Hareket ve Zemin Sistemleri Ticaret Limited Şirketi (Turkey)
Forbo Siegling Danmark A/S (Denmark)	Forbo Siegling Ltd. (New Zealand)	Forbo Siegling (UK) Ltd. (United Kingdom)
Forbo Siegling France S.A.S (France)	Forbo Siegling Norge AS (Norway)	Forbo Siegling, LLC (USA)



Products and market

The increasing globalization of markets requires an innovative approach to production, materials flow and logistics; conveyor belts, processing belts and power transmission belts often play a key role in this process. We keep the world turning with these products. We connect flows of goods and people in factories and supermarkets, in bakeries and airports, at logistics centers, print shops and other facilities.

Our products

siegling transilon

conveyor and processing belts

... are multi-layered and fabric-based belts, or belts made from homogeneous materials. They ensure efficient materials flow and economical process flows in all areas of light conveyor technology.

siegling transtex

conveyor belts

... are multi-layered, fabric-based belts with a particularly robust design, and are therefore the preferred solution for heavy-duty conveying.

siegling extremultus

flat belts

... are multi-layered and fabric-based power transmission belts, or belts made from homogeneous materials. When used for power transmission and conveying, they optimize power transmission and numerous production processes.

siegling prolink

modular belts

... are plastic modules connected by hinge pins and with various designs. They are often ideal for combining conveying and processing.

siegling proposition timing belts

... are form-fit belts made from homogenous plastics and with various tension members; they are perfect for challenging acceleration, timing and positioning processes.

Our main markets are

- Food industry
- Logistics, airports
- Industrial production
- Raw materials
- Textile industry
- Paper industry
- Printing industry
- Sport and leisure
- Tobacco industry

- ► Food processing, agriculture and packaging sectors
- Intralogistics, distribution centers and baggage sorting
- ▶ Automotive, tires, chemicals, energy, steel- and metalworking industries
- ▶ Building materials, wood and stone
- ► Yarn manufacturing, nonwovens and textile printing
- ▶ Paper production and processing as well as letter sorting
- ▶ Rotary printing, sheet-fed printing, digital printing and post-press
- ▶ Treadmill belts, belts for ski lifts and other leisure activities
- Raw tobacco and cigarette manufacturing



Production sites and sales network

Americas

- Argentina
- Bolivia
- Brazil
- Canada
- Chile
- Colombia
- Costa Rica
- Dominican Republic
- Guatemala
- Mexico
- Panama
- Peru
- Puerto Rico
- Uruguay
- ▲ USA
- Venezuela

Europe and Africa

- Austria
- Belarus
- Belgium
- Bulgaria
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- ▲ Germany
- Greece
- Hungary
- Iceland
- Italy
- LatviaLithuania
- Netherlands
- Norway
- Poland
- Portugal

- Romania
- Russia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- UK
- Ukraine
- Egypt
- Kenya
- Morocco
- Nigeria
- South Africa
- Tunisia

Asia/Pacific

- Bangladesh
- ▲ China
- Hong Kong
- India
- Indonesia
- Israel
- ▲ Japan
- Malaysia
- Pakistan
- Philippines
- South Korea
- Sri Lanka
- Taiwan
- Thailand
- UAE
- Vietnam
- Australia
- New Zealand

- ▲ Production/sales/service center
- Sales/service center

Countries with their own Forbo Siegling branches are indicated in bold.

All current addresses and contact details can be found at www.forbo.com/movement/en-gl

FOREWORD FROM MARC DEIMLING

Executive Vice President Movement Systems

One of Forbo's key principles is to treat resources of any kind responsibly. We're committed to protecting the environment and invest in concepts that enable a sustainable future for us and society. The difficult situation caused by the Covid 19 pandemic has not changed our resolve to make our own operations consistently more sustainable and efficient.



Last year, business was very far from being back to normal. However, despite the ongoing challenges involving the supply and value chains, the 2021 financial year was a successful one. We compensated for the steep decline in demand in some cases during 2020 by achieving robust sales growth.

Despite the pandemic, we responded to the resulting demand on our production and fabrication sites successfully.

Despite these challenges, we have undertaken capacity expansion in product lines and markets with above-average growth, based on cutting-edge technologies that increase efficiency and reduce CO₂ emissions.

We place emphasis on maintaining high labor standards and treating our workforce fairly. We encourage vocational training and upskilling programs by developing new offerings and following a well-established compliance guideline. We've also achieved considerable success in using resources efficiently. While our products are being used, they often help cut our customers' carbon

footprint too. Despite both local and global success stories in this respect, we're not resting on our laurels.

Our sustainability council embarked on a materiality analysis to identify the environmental and sustainability issues that our company should focus on over the next few years. Together with external partners, stakeholders were asked which environmental and sustainability issues they consider relevant to Forbo Movement Systems.

More key performance indicators and the appropriate monitoring processes will be developed for these key issues.

In other words, we'll continue to pursue our path, with a clear target in mind, towards becoming a more sustainable company.

Marc Deimling

Executive vice president

FORBO MOVEMENT SYSTEMS' SUSTAINABILITY STRATEGY

In an age of global warming and in which natural resources are becoming increasingly scarce, we stand by our commitment to future generations and recognize the resulting need for action. Which is why treating resources responsibly is one of Movement Systems' fundamental principles.

We are committed to protecting the environment and to continuously investing in a sustainable future. As a responsible manufacturer and employer, Forbo sets very high standards in terms of health, safety, the environment and quality. Sustainable development and contributing to a better environment are key components of all business activities.

Movement Systems is committed to acting in accordance with the definition of sustainable development as adopted by the United Nations Commission on Sustainable Development (General Assembly Resolution) in 1987.

Under this definition, development is sustainable if it "meets the needs of the present generation without compromising the ability of future generations to meet their own needs and choose their lifestyle."

For the purposes of evaluating and enshrining accountability for these actions, the company's activities are examined from three perspectives by the Global Reporting Initiative (GRI):

The environmental dimension:

How are actions to reduce the environmental impact of the company's processes and products controlled and implemented?

The social dimension:

How are social justice and corporate governance defined and implemented at the company?

The economic dimension:

How does the company position itself as a sustainable operator in the market by harnessing its economic stability and profitability to make continuous improvements?

Movement Systems fosters a sustainable mindset under all three of these headings in that its conduct is guided by the following principles at all times:

- Consideration of sustainability aspects in every business decision we take;
- · Regular monitoring and verification of our sustainability performance;
- Commitment to continuous improvements;
- Promoting sustainability throughout our value chain; we expect our suppliers and customers to do the same;
- We make sure that all employees are familiar with our sustainability strategy and that they work hard towards implementing and improving it.

ABOUT THIS REPORT

The purpose of this sustainability report from Forbo Movement Systems is to explain to both the public and all our stakeholders how we live up to our responsibility to both people and the environment. It draws on the reporting structure laid down by the Global Reporting Initiative (GRI) and provides an overview of the environmental, social and economic aspects of corporate governance.

The report is not just a way of documenting our activities but also improving our performance on an ongoing basis.

The report provides an overview of our sustainability performance until the end of 2021.

Stakeholder involvement

Efficient and continuous involvement by our stakeholders forms the cornerstone of the services we offer as a company and for reporting on our sustainability performance. Over the years, we have talked to lots of stakeholder groups in order to secure support from the local community for our business.

We pick the stakeholders we talk to based on areas where our operations have a direct or indirect impact. Due to the impact of our environmental activities, we also liaise regularly with both local and national environmental protection authorities. The social and economic dimensions of our corporate governance are reflected in our dialogue with trade unions and trade associations.

We communicate with our stakeholders in a number of different ways

- Internal stakeholders: regular meetings
- Customers: a variety of feedback programs and surveys
- Regulatory authorities (national, regional and local): participation on committees and

- regular liaison regarding compliance with environmental and safety regulations
- Environmental and non-governmental organizations (NGOs): meetings, participation on committees and regular contact
- Suppliers: regular meetings and audits
- Unions: constructive collaboration and regular meetings
- Cities, towns and districts: participation on committees, open-house days at our production sites, plus participation in charity events and activities at schools
- Trade and industry associations: memberships and collaboration

During a comprehensive materiality analysis, stakeholders from various groups (customers, suppliers, public bodies, associations and employees) were asked which sustainability aspects they believe are essential to Forbo Movement Systems.

The sustainability council and external experts analyzed the responses. This process resulted in the following 11 key issues that Forbo Movement Systems will concentrate on over the next few years:

- · Sustainability management For example, strategy, development of goals, measures and performance indicators
- Corporate culture For example, collaboration in the company and with business partners based on mutual trust, local implementation of the code of conduct etc.

- External communications on sustainability For example, information in the public domain about sustainability, focusing on sustainability when communicating with customers and business partners
- Sustainable products and services For example, sustainable raw materials, energy consumption when using products, service lives, product recycling
- Recruiting and retaining employees For example, our attractiveness as an employer, fair working conditions, regular feedback, employee involve-
- Health and safety in the workplace For example, by making workspaces ergonomic, managing stress levels, providing access to medical examinations and sports programs
- Training

For example, encouraging talented people, expanding the range of training courses, providing a structured evaluation process for requirements etc.

- Internal communications on sustainability For example, providing information about sustainable development goals and measures, suggestion management, offering opportunities to become involved in sustainability programs
- Energy efficiency For example, of buildings, production processes, manufacturing equipment and IT hardware
- Resource consumption For example, resource-friendly production, prevention of waste
- Sustainable supply chain For example, by incorporating sustainability considerations into the procurement process and in management of supplier relationships

Key performance indicators and the appropriate monitoring processes will be developed for these key issues and measures required to achieve the objectives will be created. The sustainability council will coordinate implementation of the measures and monitor progress frequently.

Scope of report

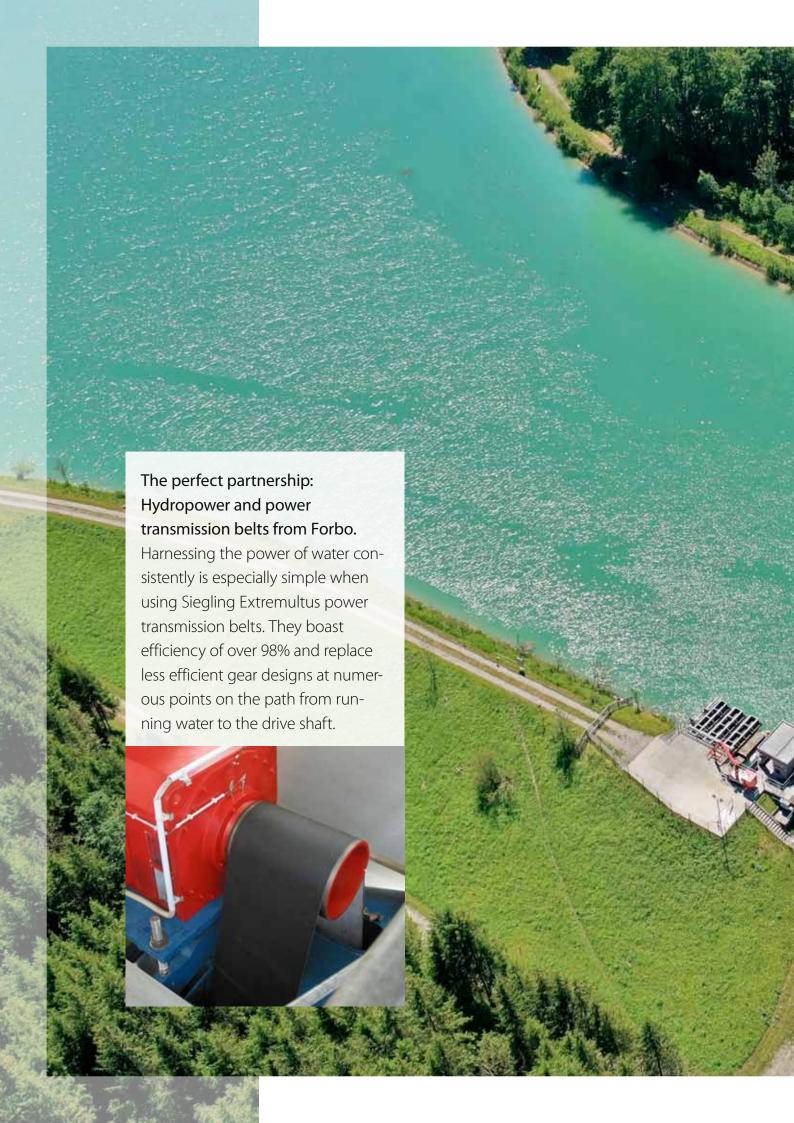
Unless otherwise stated, the environmental data in this report are limited to our ten production sites in Germany, Switzerland, Denmark, the United States, Mexico, Brazil, Japan and China. This report doesn't include any environmental data on our global sales branches and warehouses.

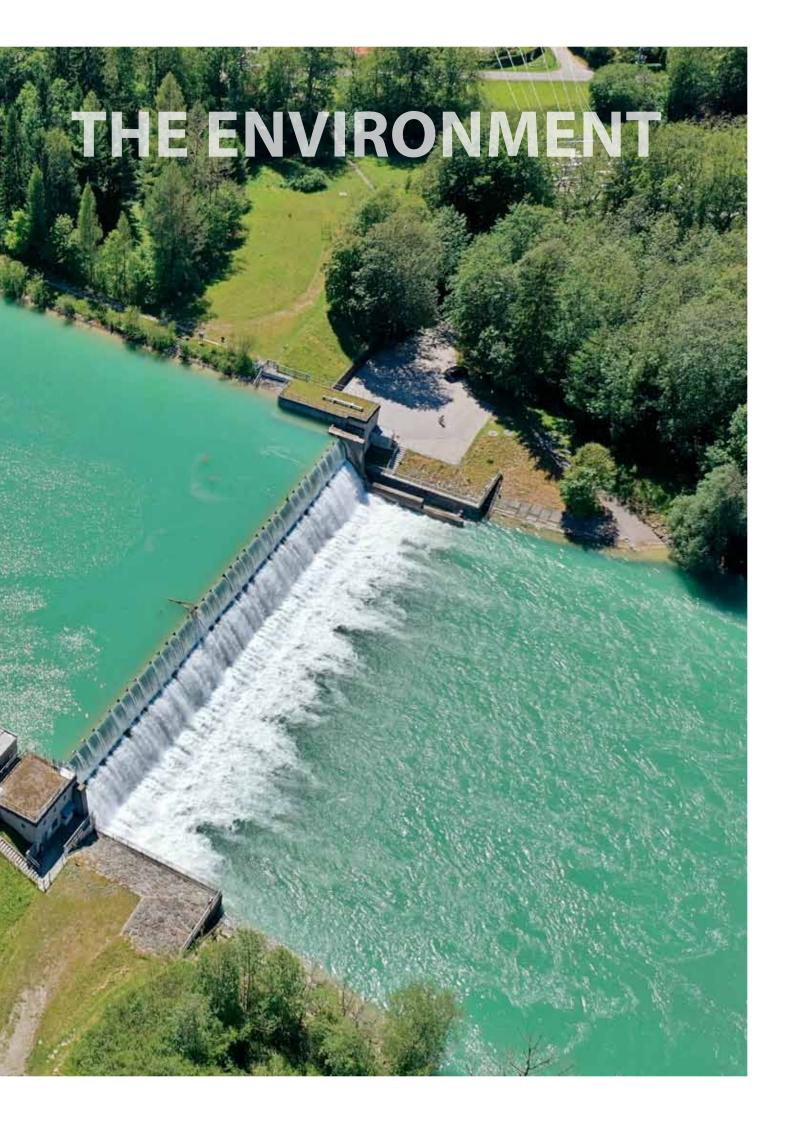
Of the 11 key issues from the materiality analysis, our sustainability council has defined five core focuses for which global performance indicators will now be produced:

- Sustainable products and services
- Resource consumption
- Energy efficiency
- Sustainable supply chains
- Safety in the workplace

All the information on social aspects refers to the production, sales and warehousing sites in Germany.

Financial aspects are looked at from an international perspective.





COMMITTED TO THE FUTURE

At Forbo Movement Systems, we walk the walk when it comes to responsible environmental stewardship. Our environmental efforts are not limited to mere compliance with the relevant health, safety and environment regulations. We are committed to minimizing both resource consumption in the production process and consumption by the products themselves, while at the same time increasing product utility.

Our resource management is based on continuously improving consumption efficiency, which we achieve by conceiving and systematically implementing measures to optimize the consumption of electricity, gas, oil and water. Another important factor besides continuous energy savings is energy recovery, i.e. harnessing energy freed by the thermal afterburner for heating and/or for power generation. To reduce water consumption and to avoid unnecessary consumption, we use closed loop water systems in particular. Used water can in many cases be re-used in a second production step in order to minimize consumption. Reduction and meaningful recycling of remnants are always in focus when we pursue kaizen and sustainability initiatives. For instance, in some countries, the waste produced from cutting the edges of belts we produce is sold on to other companies for re-use in their production workflow(s). Our sites in North America collect material using filters, which is then processed by external partners as a material for use in their production processes. In some cases, waste from plastic modular belts and polyurethane are re-introduced into our own new production processes.

Certified environmental management system

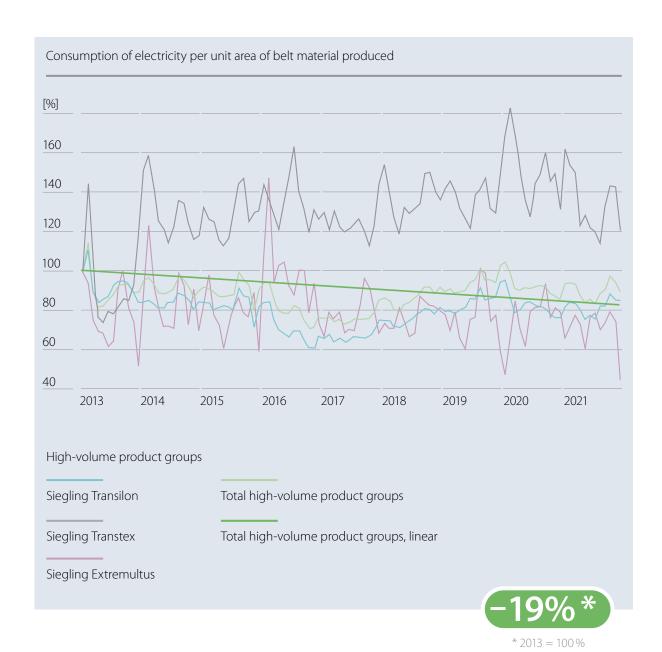
In order to secure environmental protection as a business objective and to systematize our environmental efforts, we have introduced an ISO 14001-certified environmental management system at our key European sites. Its functionality is verified through regular internal and external audits. The environmental protection coordinator reports directly to the Managing Director. Some key figures collected from our global operations already show that we are on the right track internationally too.

Environmental aspects of production

Energy-efficient production

Global consumption statistics for electricity are continuously collected and monitored at all production sites and for the various high-volume product groups.

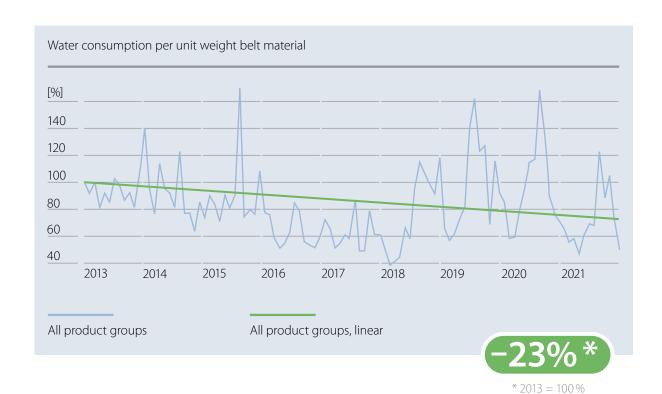
> 19% reduction in specific energy consumption since 2013



Water consumption

Our manufacturing processes require little water. In addition to consumption by our employees, only small quantities are required for cleaning and the cooling towers.

> 23% savings in specific water consumption since 2013



Waste generated

Unavoidable waste from start-up processes in new large production plants in recent years or from cutting processes is disposed of in an environmentally friendly manner, for example via waste-to-energy applications.

> 6% increase in the specific waste generated since 2013



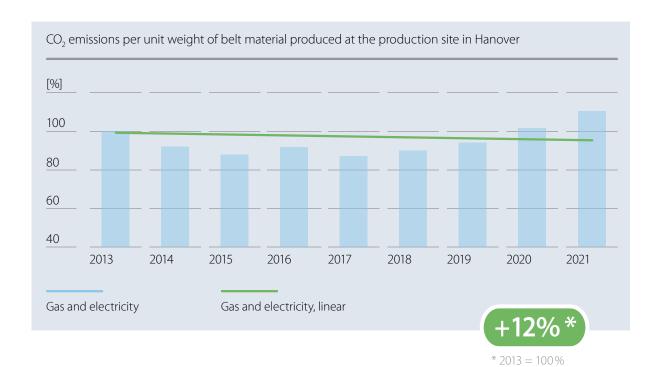
* 2013 = 100 %

Emission of air pollutants

Alongside electricity, natural gas is another major resource we require to operate our production lines. When planning optimization measures, these consumption levels are at the forefront of our considerations. Our main production site in Hanover consumes the most.

A relatively large amount of energy is required to produce PVC belts. The rise in energy consumption due to superior growth in the logistics segment led to an increase in carbon emissions.

> 12% increase of specific CO₂ emissions since 2013



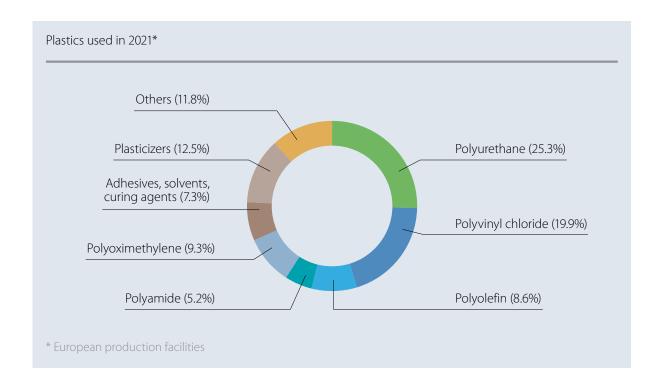
Raw materials used

As a company in the plastics processing segment, Forbo Movement Systems places top priority on handling chemicals responsibly. We comply with legal stipulations and regulations at both a state and regional level. For example, in Europe, only REACH-compliant products are processed, whose defined quality is checked and continuously corroborated by physical/chemical inspections in our laboratory on incoming batches.

Opportunities to substitute hazardous materials and feedstock with lower risk ones are looked at consistently and questioned and documented in regular external audits.

In terms of harmful emissions, our production facilities are inspected by national supervisory authorities regularly to ensure compliance with legal thresholds.

Our Bio Belt™ conveyor belts already offer a patented alternative to belts made exclusively of synthetic materials. To manufacture them, petroleum-based raw materials and synthetic materials have largely been replaced by materials from renewable plant-based feedstock. Due to subsequent biodegration, these belts even create one of the essential prerequisites for fulfillment of the cradle-to-cradle principle.



The EU's regulation on chemical substances (CLP) divides substances classified as carcinogenic into three categories:

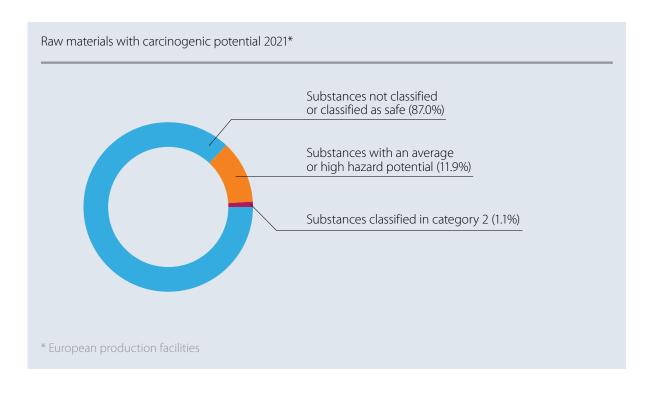
- Category 1A: Substances known to be carcinogenic to human beings
- Category 1B: Substances that are probably carcinogenic in human beings

Forbo Movement Systems does not use category 1A and 1B substances (known to be or probably carcinogenic).

- Category 2: Substances that are suspected of being carcinogenic in human beings (without any proven causal link);

Only very small quantities of substances in this category are used. They are only used if their properties are absolutely vital for production reasons or the belt material is not fit for purpose in any other way.

We are constantly examining whether we can substitute critical materials and feedstock for those with a lower risk and scrutinizing and documenting these through regular external audits.



Environmental aspects of belt use

Forbo Movement Systems' conveyor belts and power transmission belts are used in countless applications worldwide. Due to their long service lives and the energy-efficient way they function, they save on resources in many of the places they operate. At the same time, choosing them allows often more compact machinery designs so that these can be made by using fewer materials and less energy.

Energy-efficient flat belts

Among other benefits, flat belts are characterized by the considerably greater efficiency that they offer compared to V-belts.

In V-belts, energy losses are caused by flexing action in the material, by edge friction and by other design-related properties.

> Efficiency > 98% at high drive power



Source: Federal Institute for Materials Research and Testing (BAM), Berlin

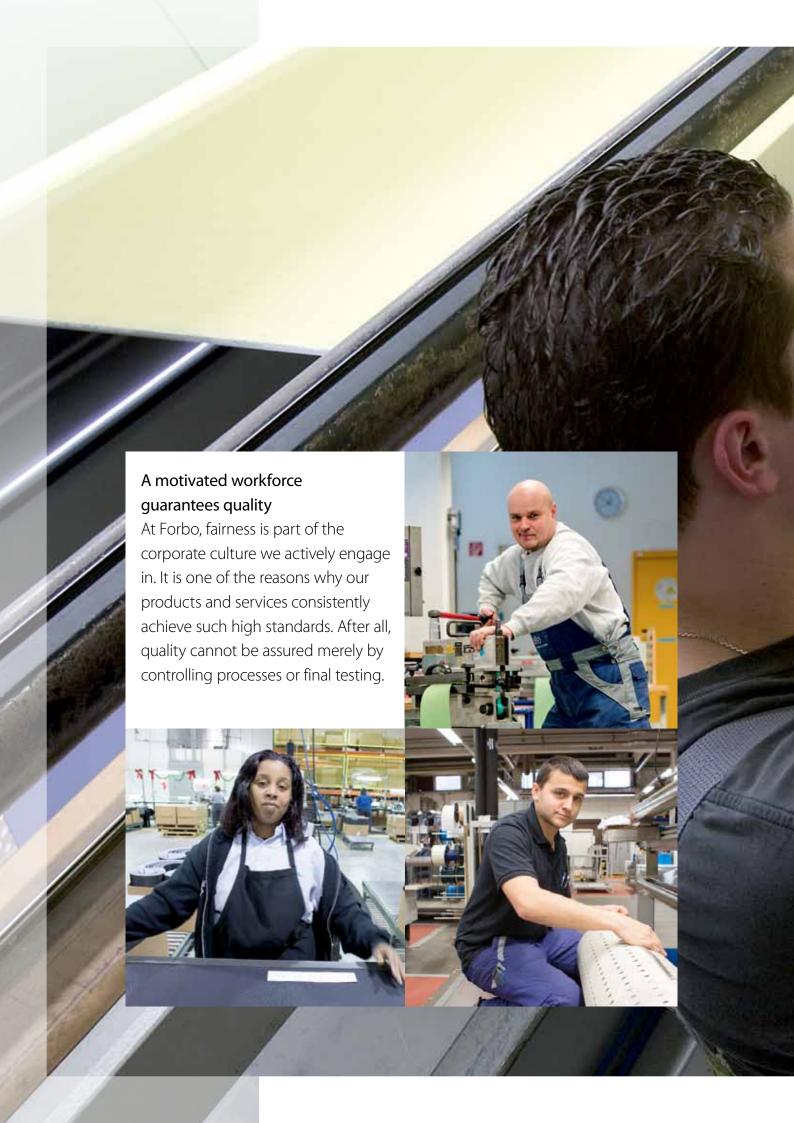
Amp Miser™ 2.0 energy-saving conveyor belts

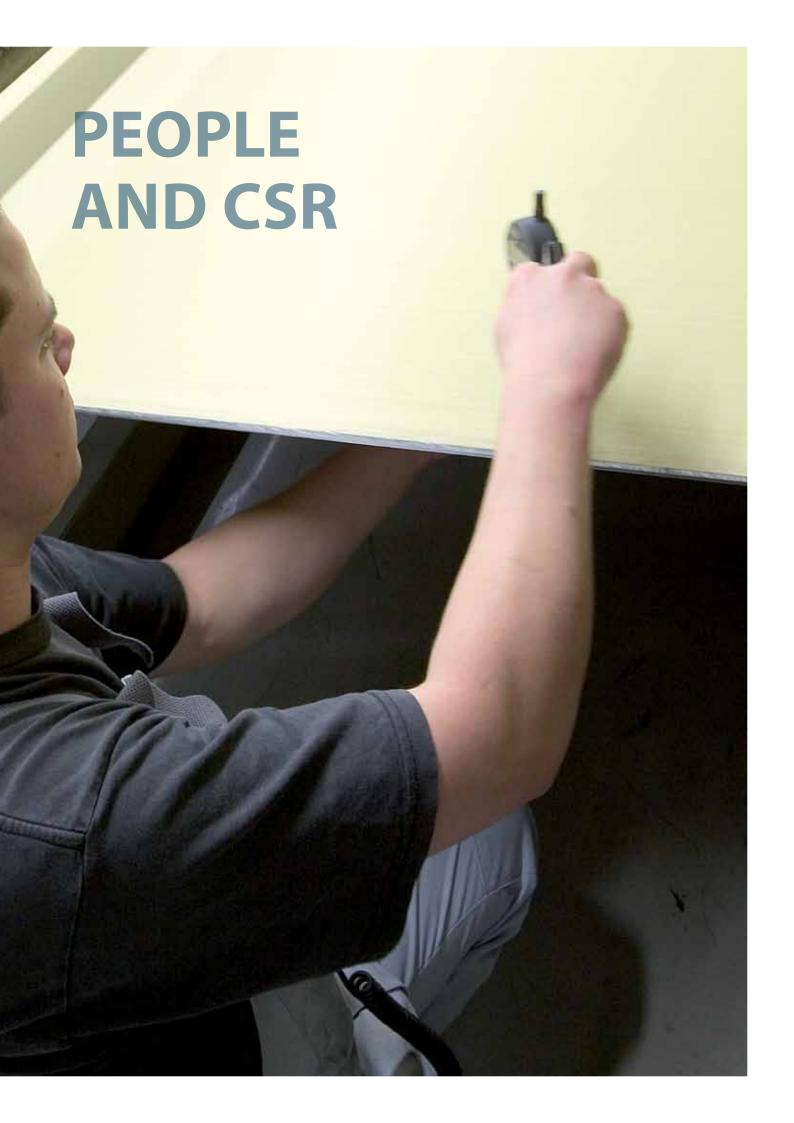
Due to its significantly reduced coefficient of friction, the Amp Miser™ 2.0 belt design comes into play at the point where the energy losses of a conveyor system are usually greatest – at the friction pairing between the underside of the belt and the slider bed. Equipping the underside fabric with our patented Texglide results in a low friction layer that provides permanent dry lubricating action, thereby also minimizing energy needs.

Amp Miser™ 2.0 conveyor belts provide maximum benefit in applications where materials are conveyed continuously and where many belts are in operation: at airports and in logistics or distribution centers. Energy savings of up to 50% were measured in total for conveying systems like these.

> up to 50% savings in operating power







PEOPLE IN FOCUS

Employees at Forbo Movement Systems are pivotal to our company's success. Their health and safety are a valuable asset for us, as vocational training and upskilling programs. Forbo is committed to the fair treatment of all employees, and strives to abide by internationally recognized standards of fairness, honesty and integrity. Not only that, we also strive to make a positive contribution to the welfare of society at large, and to the local communities where our company operates.



Health

It goes without saying that people-friendly working conditions are a given at Forbo Movement Systems. Keeping our employees, business partners or anyone involved with our company's products fit and healthy is one of our top priori-

We comply with local health and safety legislation. This is particularly important during the covid 19 pandemic and it is an enormous responsibility for us as a company. Our employees were given regularly updated guidelines and instructions to keep them informed about national and regional regulations. In organizational terms, we responded flexibly and pragmatically to situations and regulations regarding working hours and geographies. By offering options such as remote working, staggered shifts, providing protective face masks, issuing sanitizers and taking other organizational steps, we were able to protect employee health successfully.

Labor law

Forbo complies with all German and international labor laws and conventions. Forbo recognizes the right of employees to join labor unions and similar associations. The representatives of these trade unions or associations are not discriminated against. There is no forced or compulsory labor at Forbo. Employees receive standard employment contracts, their working hours are limited, and they receive appropriate compensation. Forbo never employs children.

Discrimination and harassment

Forbo is committed to keeping its work environment free from discrimination and harassment. Forbo does not tolerate any form of discrimination based on race, gender, creed, religion, origin, disability, age, sexual orientation, political views or similar personal attributes.

Professional development

Forbo encourages personal development of its employees, in particular by offering upskilling courses, additional challenges to increase job satisfaction, job rotation and training for all levels in the organization.

The company founded the Forbo Movement Systems Academy as part of its human resources development initiative. Within this program, specialized technical knowledge and general skills are tought through an e-learning platform to which the employees have access at all times. Each training course has the same structure. In addition to a synopsis and the training materials themselves, each course also contains a test that the participant must pass in order to successfully complete the course. The courses are currently offered in five different languages.

Selecting suppliers

The process and levels of responsibility when selecting suppliers are governed by the binding rules set out in our supplier selection policy. In addition to standard criteria such as price, quality and service, ethical criteria are also questioned and evaluated. We expect partners in our supply chain (and their upstream suppliers, subcontractors and service providers) to comply with the minimum social standards that apply in their country and with the principles of the United Nations Global Compact Initiative. These include workers' rights to collective bargaining, equal opportunities in terms of recruitment and employment, no forced and child labor and a responsible approach to the environment.

Child labor, violations of human rights, local laws and regulations or breaches of compliance policy, such as corruption, are just some of the things that rule out any collaboration.





ENSURING COMMERCIAL SUCCESS

Having a strong commercial base is a prerequisite for developing a sustainable organization. We plan to continue building on this base by producing continuous innovations and by optimizing the design, service level, performance, range and quality of our portfolio for all stakeholders. In pursuit of this objective, we will act responsibly and within the framework set by our guidelines for corporate governance, risk and crisis management, our code of conduct, and by international laws and regulations.

Business integrity

Forbo Movement Systems stands for values like integrity, honesty and equality in all areas of its business, and expects the same of its business partners - direct and indirect ones alike.

Forbo's code of conduct applies to all our employees, and clearly stipulates that the company does not engage in any dubious or corrupt business practices, nor does it tolerate such practices. The Code of Conduct is part of the Forbo training program and is mandatory for all employees who participate in this program.

Risk assessment and management

Risk assessment and management form an integral part of the organizational processes at Forbo Movement Systems, and are taken into account in all decision-making processes. Periodic risks, financial risks and specific hazards are identified and evaluated internally by third parties. After pinpointing and evaluating the risks, we apply risk management methods from one or more of the following main categories:

- Avoid (eliminate)
- · Reduce (mitigate)
- Spread (outsource or insure)
- Accept (accept and budget for)



Power of innovation

Not only does Forbo Movement Systems offer many different kinds of conveyor and power transmission belts, but its specialist expertise makes it a reliable partner for integrated solutions, making it an outstanding innovation partner for systems builders and end customers alike. Minute details and the way these interact with a particular application and the materials applied often play a key role when developing new products.

Despite still limited in-person contact with customers, which is important during development and trial phases of products specific to particular applications, we've launched new products for various segments across all product lines, for instance:

- Regarding the Transilon range, curved belts for large laundry and logistics equipment with a low friction coefficient and in antistatic designs.
- A belt, which is exceptionally resistant to hot water and frequent cleaning, especially for the dough production and processing industry, as well as for sushi production involving sticky rice.

A belt was produced for the chocolate industry that's ideal for use in long cooling tunnels.

- We created a roughened belt surface for our robust Transtex belts, which is the number one choice for facade panels in housing construction.
- Modules with excellent force transmission in a wide range of industrial applications and good grip were added to series 8 of our Prolink plastic modular belts.
- The new Prolink series 17 is perfect for industrial applications, such as parcel sorting and processing corrugated cardboard and paper.

• Our Extremultus product line was expanded to include antistatic conveyor belts for weaving and spinning mills and offers superior grip for the paper, packaging and printing industries so that products are positioned exactly.

Business position

In 2021, sales grew significantly and were above pre-pandemic levels on a currency-adjusted basis. All regions and product lines contributed to growth. Sales in Europe, as well as in North and South America increased the most and slightly less so in the Asia-Pacific region.

The majority of the markets in Europe saw double-digit growth. In particular, countries that were seriously affected the previous year, were noticeably stronger. Germany and Switzerland posted very good sales growth, although they were less affected than others in the previous year. The growth markets in Poland and Russia are also encouraging.

In the North and South American region, it was primarily the US and Mexico that contributed to growth. Despite major challenges in finding skilled workers after the upturn – especially for fabrication – the US achieved double-digit sales growth. The new site in Colombia has developed well.

In the Asia-Pacific region, the core market of China, as well as Australia and India, contributed with a double-digit rise to the growth in sales. Japan and smaller sites in Southeast Asia equally reported pleasing rises in sales.

Siegling – total belting solutions

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