

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, alongside general ongoing preventive activities.

The health and safety of its employees in the workplace is of prime importance to Forbo and is the focus of various local training programs aimed at reducing and preventing accidents. A range of activities took place during the reporting year with the aim of improving the health of employees and reducing health risks. Among the subjects discussed were ergonomics in the workplace and fitness, along with the promotion of related activities, and access to free medical check-ups.

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 train-





ing 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.

Forbo works closely with universities in many countries – Flooring Systems engages mainly with students of design and architecture, Movement Systems with graduates of technology and chemistry faculties and of application-specific courses. Forbo cares about the training of young, motivated school leavers. A basic

principle applying to the promotion and recruitment of trainees is that the apprenticeships offered by Forbo are open to all applicants, irrespective of gender, and the same requirements are placed on everybody. During the reporting year, the company hosted trainees in commercial occupations, logistics, mechatronics, electronics, and plastics technology. Another important task is to ensure continuity through the transfer of know-how and experience assimilated over the years by the older generation for the long-term benefit of younger recruits.

DIVERSITY AND INCLUSIVITY

A binding commitment set out in the Code of Conduct is that Forbo does not tolerate any form of discrimination on the grounds of race, gender, belief, religion, background, disability, age, sexual orientation, political opinion, or other characteristics.

As a future-oriented company, Forbo prefers to draw on the wider diversity of the population as a resource for the success of the company. Organizations that



take this approach are often more open to new ideas and, thanks to the diversity of people they employ, generally more flexible. Despite our complex technical production processes and the physically demanding work they entail, we do our best to take many aspects of diversity into consideration. The lived experience of diversity and flexibility in working models also reinforces the attractiveness of a company for future employees and specialists from home and abroad.

At Forbo, in common with companies in many technical industries, female staff work mainly in finance, administration, human resources, marketing and purchasing. In Flooring Systems, roles in the design and sales departments are often occupied by women. It is worth highlighting in this regard that two very successful Forbo plants are run by women.

Forbo is also strongly committed to the inclusion of people with disabilities. We are working in a number of countries with the relevant companies and institutions to promote their integration into the world of work and business.

Environmental dimension

Protection of the environment and the generation of environmental 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 entirely natural products in their product portfolios.

In linoleum, Flooring Systems offers a floor covering made from up to 98% renewable raw materials, of which 73% are renewable within ten years. Linoleum is CO₂-neutral (cradle to gate, without offsetting) 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 environmental balance, is regarded as the most environmentally friendly resilient floor covering available and is biodegradable. In addition to this, linoleum 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, which 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 January 2023, a new Ecofiber conveyor and processing belt was launched that saves primary raw materials by using a tension member made of PET recycle. Recycled polyester yarns are obtained from used beverage bottles, which are first separated by color, then thoroughly cleaned, and finally shredded once



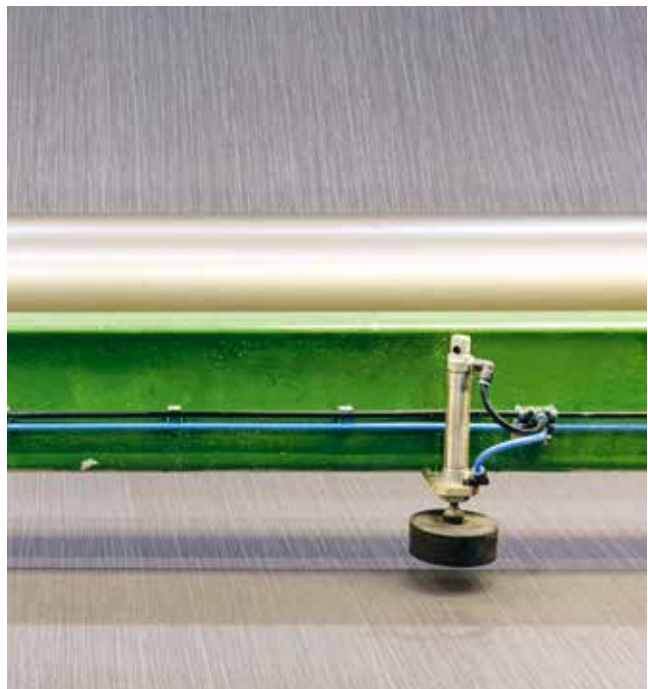
the labels and caps have been removed. The flakes obtained in this process are washed again, melted down and made into pellets, which can be used as the starting material for various types of yarn. The quality obtained is identical to that of primary materials, whilst saving valuable resources. At the same time, the process uses far less energy and therefore cuts down on CO₂ emissions.

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. Movement Systems has now 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 optimizing 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, the topic of sustainability plays an important role in the decision-making process for every stakeholder group. It is therefore important for Flooring Systems to differentiate itself from its competitors with persuasive, easy-to-understand





arguments, including where sustainability is concerned. To do this, we apply the holistic approach of a 'circular economy', placing great emphasis on CO₂ neutrality and foregrounding the concepts of reduce, reuse, renew and recycle, especially in operational contexts.

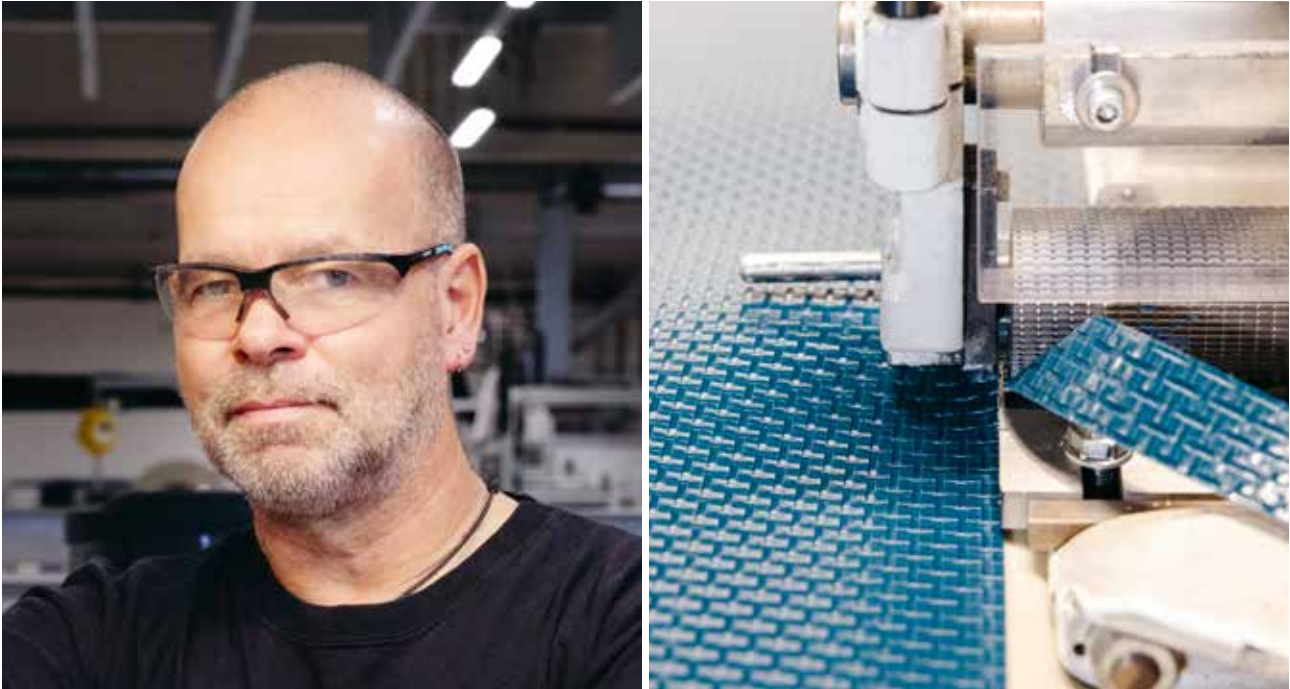
For the manufacture of vinyl floorings at our production site in the Netherlands, we set up a pilot installation last year to evaluate and implement a new after-burner filter technology for processing waste air from recirculation ovens. The new technology will gradually replace the existing installations in the coming years. Further installations were made during the reporting year. This innovation will enable CO₂ emissions to be reduced by around 1,200 tonnes per year.

The return programs for post-consumer waste materials (gate to recycle) in the Netherlands, France, Great Britain, Sweden, and the USA generated return amounts of 364 tonnes in the reporting year. The types of waste taken back include floor coverings from de-

molished 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 wastewater 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 are 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 environmental 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 enabling substantial savings in kilowatt hours. The refrigeration units also use an environmentally friendly propane-based coolant. The savings in primary energy consumption reduce CO₂ emissions by 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.

In the year under review, we also 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 using social media with caution, as well as the general subject of fraud. Phishing e-mails were simulated to further increase awareness.

The reporting year saw the introduction of an e-learning module that looked in detail at the topic of respectful behavior as outlined in the Code of Conduct and raised employees' awareness of subjects including discrimination, bullying, and sexual harassment in the workplace.

