

Siegling – total belting solutions

SUSTAINABILITY REPORT 2022

FORBO MOVEMENT SYSTEMS



CONTENT

1

**MESSAGE FROM
THE DIVISIONAL HEAD**

2

**OUR AMBITION.
OUR WAY.**

3

KEY ACHIEVEMENTS IN 2022

4 GENERAL

- 4.1 Scope of report
- 4.2 Materiality analysis
- 4.3 Focus topics
- 4.4 Organizational profile
 - 4.4.1 The Movement Systems division: a global player
 - 4.4.2 Our global footprint
 - 4.4.3 Our products: solutions as diverse as our customers
 - 4.4.4 Our main markets: industries and applications
 - 4.4.5 Key financials

5 DIMENSIONS OF SUSTAINABILITY

- 5.1 Our top priorities - mid-term goals
- 5.2 Environment
- 5.3 Sustainable products and services
- 5.4 Social
- 5.5 Governance

1

MESSAGE FROM THE DIVISIONAL HEAD

In this sustainability report, we are looking back on the 2022 financial year. The year was defined by the ongoing COVID-19 pandemic, disruptions to supply chains and material shortages. The impact of climate change became increasingly apparent. Extreme weather in the form of heatwaves, persistent drought and floods are an urgent reminder for us to join forces and take decisive action against global warming. Increasing prioritization of sustainability on a global scale is an important response to this development.

The negative ecological consequences of climate change globally are noticeable on the market. There is an increased demand for more recycling and stepping up collaboration along the value chain. Our customers are considering the sustainability footprint of a product to be important more and more frequently. The result is a rising demand for environmentally friendly products and services. Sustainability is becoming an important performance indicator when suppliers are selected. It is integral to our business practices and our global strategy at Forbo Movement Systems, which has successfully guided us for decades. We drive this topic throughout the industry by engaging with all stakeholders on impactful activities and leads by example. Our ambition is to become a role model in the industry when it comes to saving resources to improve the quality of our lives, protecting our ecosystem and preserving natural resources for future generations. As an innovative market leader with business operations all over the globe, we believe that sustainability is a goal shared by everyone involved so that we can supply and develop durable high-quality products. In this way, we can actively support our customers' own environmental performance.

Superior, interdisciplinary expertise is what defines us. Our philosophy is to empower individuals to contribute their ideas and expertise to leverage the maximum potential and combined strengths. Our mindset is innovative, and we are open to new and innovative approaches. The whole Forbo Movement Systems team at all levels delivers on our deep-rooted values in terms of reliability and sustainability and strives to continuously improve its processes and technologies.

We incorporate sustainability into all business operations and consider it's impact in all critical business decisions. We established a sustainability council to monitor the progress of our initiatives and take decisions. Its remit is to look at sustainability management, energy, waste, recycling, sustainable materials, health and safety, internal and communications, employees and training, sustainable supply chains and sustainable products and services. It is important that sustainability is not sidelined and merely cosmetic. It needs to be an integral part of our business strategy and involve strong commitment whenever personal agreements on objectives are made. In 2022, an important milestone was the first time calculation of the corporate carbon footprint, which is the basis for our initiatives. Our report shows the goals we have set for the next few years. It provides a transparent and comprehensive picture of our commitment to shaping a sustainable future. This is our responsibility to the society and the next generations.

We are committed to making a difference.



Thank you for your interest.

A handwritten signature in white ink that reads "Marc Deimling". The signature is fluid and cursive.

Marc Deimling

Executive Vice President Movement Systems

2 | **OUR AMBITION. OUR WAY.**

OUR AMBITION.

As an innovative market leader with business operations all over the globe, we are the experts when it comes to specifically developing and supplying durable, high-quality products. In this way, we can actively support our customers' own environmental performance. The whole Forbo Movement Systems team at all levels delivers on our deep-rooted values in terms of reliability and sustainability to consistently improve our processes and technologies. We are aware of our social impact and committed to making a difference by operating as sustainably as possible. We are a role model in the industry when it comes to saving resources to improve the quality of our lives, protecting our ecosystem and preserving natural resources for future generations.

OUR WAY.

We care. We incorporate sustainability in all business operations and consider it in all critical business decisions. We also drive sustainability throughout the industry by engaging with all stakeholders on impactful activities and leading by example.

Our mindset is innovative, and we are open to new approaches. We are passionate about what we do. Superior, interdisciplinary expertise is what defines us – as well as our hands-on mentality.

3 | KEY ACHIEVEMENTS IN 2022

We calculated our corporate carbon footprint (Scope 1 and Scope 2) for the first time.

A divisional council was established and a dedicated team was put in place to drive all activities towards our sustainability targets.

Official certification from independent German inspection body TÜV confirmed the accuracy of the online calculator, our Amp Miser™ belts' energy efficiency and lower carbon emissions compared with standard belts.

We collect the environment, health and safety (EHS) data on a monthly basis in the plants to ensure continuous improvement regarding performance failure.



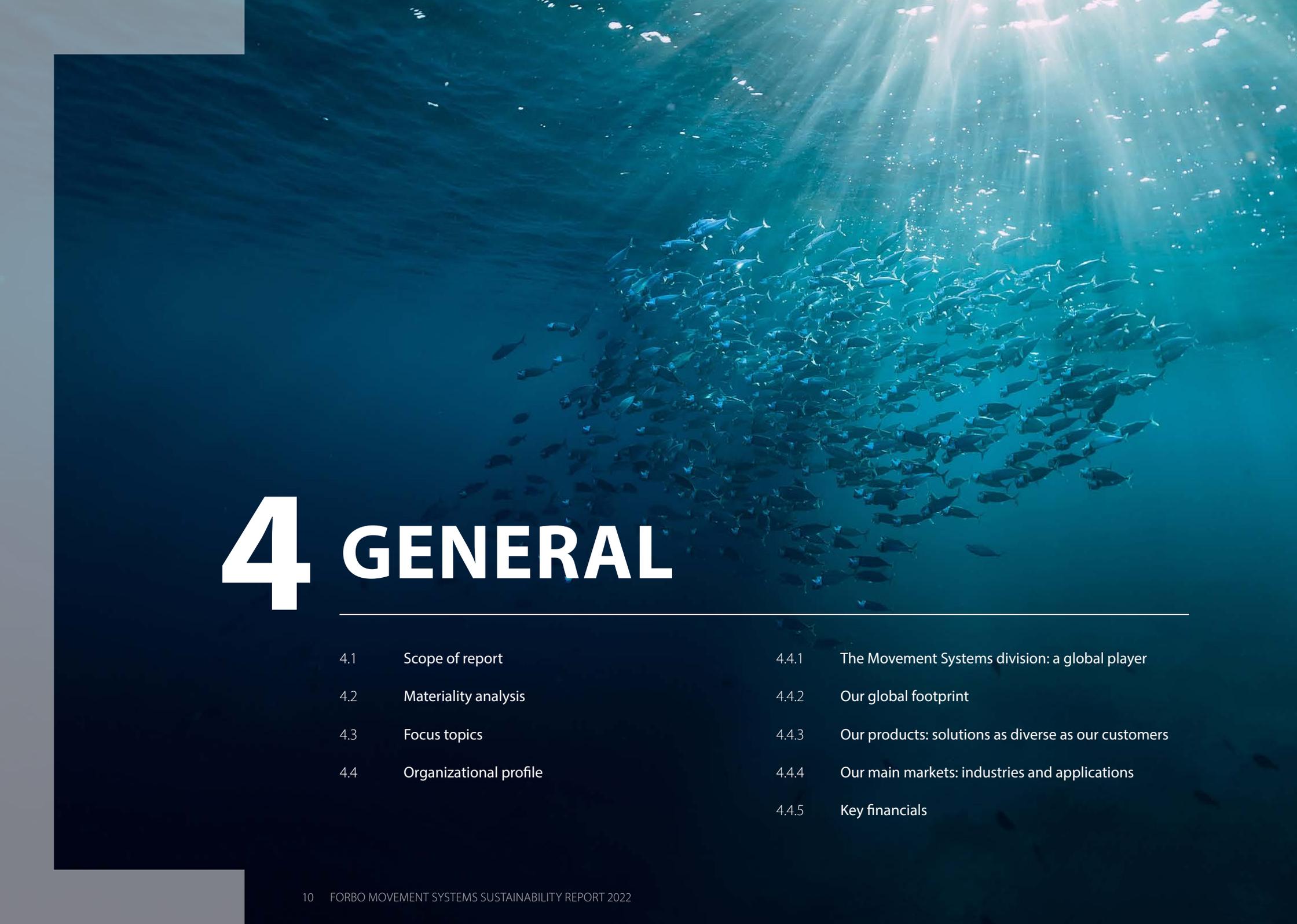


We are increasingly interacting with stakeholders regarding post-industrial and post-consumer recycling opportunities for our belts from an environmental, technical and financial standpoint.

We further deepened our sustainability strategy and defined our mid-term goals.

We enhanced safety reporting by frequently including it in management board meetings and focusing on the lost time injury frequency rate (LTIFR) that is now calculated for all sites in this report.

Transilon ECOFIBER belts were launched. The product is made of fabric from recycled PET yarns. At the same level of quality as the primary material, yarns made of recycled polyester (rPET) save valuable raw materials.



4 GENERAL

4.1 Scope of report

4.2 Materiality analysis

4.3 Focus topics

4.4 Organizational profile

4.4.1 The Movement Systems division: a global player

4.4.2 Our global footprint

4.4.3 Our products: solutions as diverse as our customers

4.4.4 Our main markets: industries and applications

4.4.5 Key financials

4.1 | **SCOPE OF REPORT**

The purpose of this sustainability report from Forbo Movement Systems is to explain to all our stakeholders how we live up to our responsibility to both people and the environment.

Unless otherwise stated, the environmental and social data in this report are limited to our ten major production and fabrication sites in Germany, Switzerland, Denmark, the United States, Japan and China. Brazil and Mexico are not in scope.

This report does not include any environmental and social data on our global sales branches and warehouses.

We created a new environment, health and safety data collation process that produces a new base line for our data in the 2022 sustainability report. Therefore, the data from the past is not comparable to the data in this report.

MEMBERSHIPS

- European Committee for Standardization (CEN) TC188 – conveyor belts
- GATE - The Alliance of the Airport Industry
- European Hygienic Engineering & Design Group (EHEDG)
- American Society of Baking (ASBE)
- BEMA – Baker Equipment Manufacturers and Allieds
- German federal of energy consumers (VEA - Bundesverband der Energie-Abnehmer e.V.)
- Regional network for energy efficiency and climate protection (REGINEE – REGionale Netzwerke für EnergieEffizienz und Klimaschutz)

APPLICABLE STANDARDS

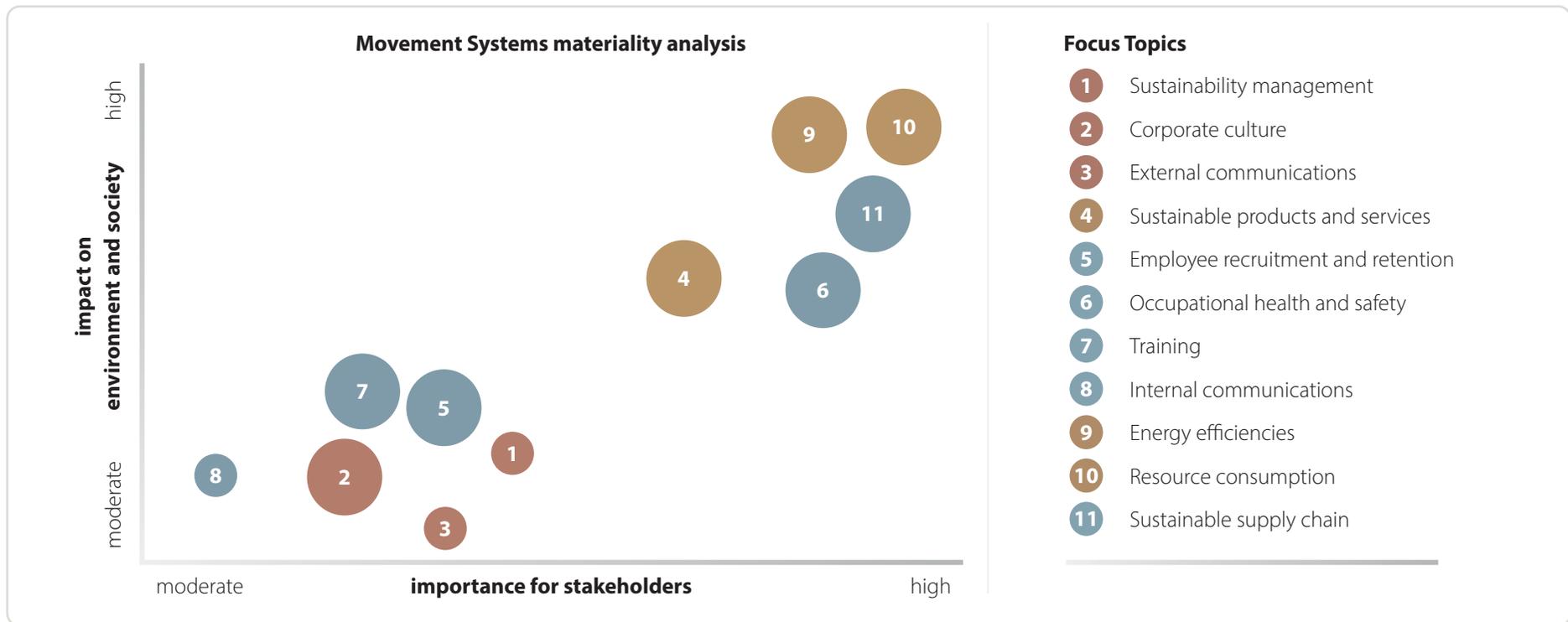
The report is based on the Global Reporting Initiative's Universal Standards and covers the social, environmental and financial performance of our business.



4.2 | MATERIALITY ANALYSIS

We conducted a materiality analysis in 2021 to help define the focus of our sustainability activities. Internal and external stakeholders, such as customers, suppliers, public bodies, associations and employees were involved and they assessed the relevance of sustainability topics. As result, 11 sustainability focus topics were identified as of high importance to Forbo Movement Systems and its stakeholders. The materiality analysis was conducted via numerous interviews and a broad-scale online survey.

An internal breakdown reviewed the results of the materiality analysis. It interpreted the relevance of issues concerning materials on the environment and society from an inside-out standpoint and concerns stakeholders have regarding the defined material issues from an outside-in standpoint.



- 1 **Sustainability management:** Establishing a strategy to drive sustainability throughout the company in a structured way.
- 2 **Corporate culture:** Living up to our values and creating a joint understanding of sustainability.
- 3 **External communications:** Doing good and talking about it. It defines where we place information on sustainability and how we incorporate it in our interactions with business partners.
- 4 **Sustainable products and services** are the result of our continuous commitment to sustainability.
- 5 **Employee recruitment and retention:** In an era where skilled professionals are in short supply, it is even more vital to find new, talented people and retain valued employees.
- 6 **Health and safety** in the workplace is crucial and consistently monitored.
- 7 **Training:** Providing training courses to create an organization that learns, is open and collaborative.
- 8 **Internal communications:** Embedding sustainability throughout the company by raising awareness.
- 9 **Energy efficiencies** need to be driven throughout business operations.
- 10 **Resource consumption:** Resource-efficient production and fabrication with an avoidance of waste.
- 11 **Sustainable supply chain:** Considering sustainability in procurement processes and in managing relationships with suppliers.

In terms of our sustainability drive, the focus topics are given the most attention. The size of the bubbles shown on the diagram indicates Forbo Movement Systems' priority level.

In particular, the survey confirmed just how relevant environmental issues are. The topics in this report are based on the results of this analysis. The next update of the materiality matrix is scheduled for 2025.



“Interacting with our stakeholders underpins product and process innovations.”

4.3 | FOCUS TOPICS

The sustainability council defined nine focus topics from the 11 key topics in the materiality analysis, which are as follows:

 WASTE	 ENERGY	 EMPLOYEES AND TRAINING	 SUSTAINABLE SUPPLY CHAIN	 CODE OF CONDUCT
 SUSTAINABLE MATERIALS	 HEALTH AND SAFETY	 CORPORATE CULTURE	 RISK MANAGEMENT	

The environmental topics have been specified. Energy efficiency was renamed energy to include renewables too. Resource consumption was split into waste and sustainable materials. As sustainable materials has now been split up, the sustainable supply chain now comes under the social dimension.

In terms of the social dimension, we focus on health and safety, formerly occupational health and safety and a sustainable supply chain. Employee recruitment, retention and training have been combined to form one focus topic: employees and training. Corporate culture is also considered.

Regarding governance, we decided to place risk management and the Code of Conduct at the heart of the dimension. The materiality analysis did not specifically require this move but we believe these aspects are vital to the way we do business and ensure we operate smoothly.

Nowadays, we view these aspects as ways of boosting engagement and embedding sustainability in our organization in order to share our values and mindset. However, they do not have a direct positive impact on the environment or society.

We will look at sustainable products and services separately as these are the result of our commitment and boost both our own and our customers' sustainability performance.

By developing key performance indicators and creating targets, we will gradually deal with these as well. The sustainable supply chain is now clearly linked to the social dimension as the sustainable materials we procure are part of the sustainable materials aspect of the environmental dimension.

We have also included governance as a dimension because it is essential to obtain a full sustainability picture and, what is more, provide a general framework for the way we conduct business and deal with risks.



4.4 | ORGANIZATIONAL PROFILE

4.4.1 The Movement Systems division: a global player

We are a global industry leader in total belting solutions. We supply high-quality conveyor belts and processing belts as well as plastic modular belts, power transmission belts, and timing and flat belts made of synthetic materials for all branches of the industry and service companies worldwide.

Forbo Movement Systems is a division of Forbo Group, which is listed on the SIX Swiss Exchange. The company's headquarters are located in Baar, Switzerland, in the Canton of Zug. Its two divisions, Forbo Flooring Systems and Forbo Movement Systems, serve a whole variety of industries and markets.

Around 2,500 people are working on delivering winning solutions. Our international network of branches and service partners covers more than 80 countries with warehouses and workshops. Customers can count on over 300 points of sale and service facilities around the world when they do business with us.

The division is headed by Marc Deimling as Executive Vice President. There are vice presidents for the four product lines and the four sales regions. In addition, there are vice presidents for finance & controlling, for IT, operations, HR, quality as well as directors for global business development and marketing.

Our expertise is backed by more than 100 years of experience. In 1919, Ernst Siegling founded the company in Hanover, Germany. Chrome leather upright belts and other innovative power transmission products went into production for the first time. This laid the foundations of our business today. Consistent innovations, product and process developments have made us what we are today, a global industry leader in total belting solutions. As a tribute to its legacy and to preserve its values, the headquarter of the company's division is still based at the same place it was founded. Today, we still produce a range of our innovative conveyor, processing and power transmission belts at exactly this location, while we are consistently invest in state of the art production technology in all our plants across the globe.



1919

Ernst Siegling founds the company in Hanover, Germany. Chrome leather upright belts and other innovative power transmission products go into production.



Company founder, inventor and engineer Ernst Siegling (1891 – 1954).



1955

Construction of a new plant and start of production in Hannover-Vahrenheide.



1954

Helmut Siegling (1922 – 2006), son of the company's founder, takes over as the company's CEO.



1961

An idea is born regarding a conveyor belt for light materials handling: a new product line is developed bearing the Transilon brand name.



1982

Launch of the new Siegling logo.



1975

Transilon conveyor and processing belts go into production at the plant in Fukuroi, Japan. (The production facility is extended in 1982).



1994

Swiss corporation Forbo International SA take over shareholder interest.



1995

The plastic modular belts go into production under the Prolink brand name.



2005

Commissioning of the European fabrication center in Malacky, Slovakia.



1999

Commissioning of the world's largest plastic calendar for coating conveyor and processing belts (production width 4.5 m).



2019

The centenary. An exceptional milestone for our company and all the people who work in it.



2008

Takeover of the PVC conveyor belt segment from Fenner Dunlop (Georgia Duck) and marketing of the new product group under the Transtex brand name.

Development of a conveyor belt (Amp Miser™) with a particularly low friction coefficient that dramatically cuts energy consumption.



2018

Opening of a new site in Pinghu, China, with production/fabrication, sales and management.



1930–1940

Successful launch of the first flat belts with adhesive coatings and the first electrically conductive belts for spaces with an explosive risk.



1943

Invention of the first multilayer flat belt made of nylon and chrome leather, patented under the Extremultus brand name.



1956

Foundation of EXTREMULTUS, Inc. with sales and fabrication facilities on Long Island, N.Y. (USA). Relocation to Englewood, N.J. in 1960.



1970

A second plant is constructed in Garbsen as a fabrication facility.



1993

Production is started at the Carolina Manufacturing Center (CMC) in Huntersville, N.C. (USA).

1997

The Forbo Siegling (Shenyang) Belting Ltd. production facility in China is founded and commissioned (photo).

Extension of the production facility for thermoplastic power transmission belts and machine tapes in Wallbach, Switzerland.



2007

New corporate and management culture with a global outlook: Siegling Belting becomes Forbo Movement Systems.

2013

Forbo Siegling develops a bio-degradable conveyor belt made of renewable materials.

Commissioning of a new 5-meter-wide machine to coat conveyor and processing belts in Hanover.



2021

Production of a new Fullsan homogenous belt type starts in Hanover, Germany.





forbo

4.4.2

OUR GLOBAL FOOTPRINT

OUR PRODUCTION AND FABRICATION SITES

Forbo Movement Systems operates 10 production sites and 6 assembly operations across the world.



BRAZIL
ITAPEVI



JAPAN
FUKUROI



DENMARK
LUNDERSKOV



GERMANY
GARBSEN*
HANOVER



CHINA
SHENYANG
PINGHU



MEXICO
TLALNEPANTLA



SLOVAKIA
MALACKY*



SWITZERLAND
WALLBACH



USA
CHARLOTTE NC
HUNTERSVILLE NC

*fabrication only

OUR SALES AND SERVICE CENTERS

With 300 service points close to its customers, Forbo Movement Systems can offer reliable and economical assembly and repairs – wherever you are located. Our experienced engineers can provide advice and solutions tailored to your application locally.



All current addresses and contact details can be found via the QR code.

4.4.3

OUR PRODUCTS: SOLUTIONS AS DIVERSE AS OUR CUSTOMERS

Forbo Movement Systems' conveyor, processing and power transmission belts ensure that logistics and production workflows run efficiently.



SIEGLING TRANSILON CONVEYOR AND PROCESSING BELTS

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



SIEGLING **TRANSTEX** CONVEYOR BELTS

Multi-layered, fabric-based belts with a particularly robust design, and therefore ideal for heavy-duty conveying.



SIEGLING **PROLINK** MODULAR BELTS

Different types of modules made of homogenous plastics and connected with hinge pins. They are often ideal for combining conveying and processing.



SIEGLING **EXTREMULTUS** FLAT BELTS

Multi-layered, fabric-based power transmission belts, or belts made from homogenous materials. When used for power transmission and conveying, they optimize power transmission and lots of production processes.



SIEGLING **FULLSAN** HOMOGENOUS BELTS

Homogenous, thermoplastic, polyurethane belts ideal for exceptionally hygiene-critical applications. All Siegling Fullsan belts are protected from contamination by oil, grease and bacteria.



SIEGLING **PROPOSITION** TIMING BELTS

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

4.4.4

OUR MAIN MARKETS INDUSTRIES AND APPLICATIONS

Our high-quality belts are used in a variety of ways in manufacturing and in the retail and service sectors, for example as conveyor and processing belts in the food industry, as treadmills in gyms or as flat belts in letter sorting systems.

FOOD INDUSTRY

Food processing, agriculture
and packaging sectors



LOGISTICS

Intralogistics, distribution
centers and baggage
sorting



INDUSTRIAL PRODUCTION

Automotive, tires, chemicals, energy, steel- and metal-working industries



PAPER INDUSTRY

Paper production and processing as well as letter sorting



RAW MATERIALS

Building materials, wood and stone



PRINTING INDUSTRY

Rotary printing, sheet-fed printing, digital printing and post-press



TEXTILES INDUSTRY

Yarn manufacturing, nonwovens and textile printing



SPORTS AND LEISURE

Treadmill belts, belts for ski lifts and other leisure activities



4.4.5

KEY FINANCIALS

We believe it is our responsibility to safeguard the interests of our shareholders by being transparent and issuing frequent reports on our business.

For key financial figures, please visit the Forbo Group's website:



[https://www.forbo.com/corporate
/en-gl/investors/key-figures/p36wjc](https://www.forbo.com/corporate/en-gl/investors/key-figures/p36wjc)





5 DIMENSIONS OF SUSTAINABILITY

- 5.1 Our top priorities - mid-term goals
- 5.2 Environment
- 5.3 Sustainable products and services
- 5.4 Social
- 5.5 Governance

“In times of global warming and increasing shortages of natural resources, we stand by our commitment to future generations.

We are aware of our environmental and social impact and committed to making a difference by operating at the most sustainable level possible.”

Marc Deimling

Executive Vice President
Movement Systems

5

DIMENSIONS OF SUSTAINABILITY

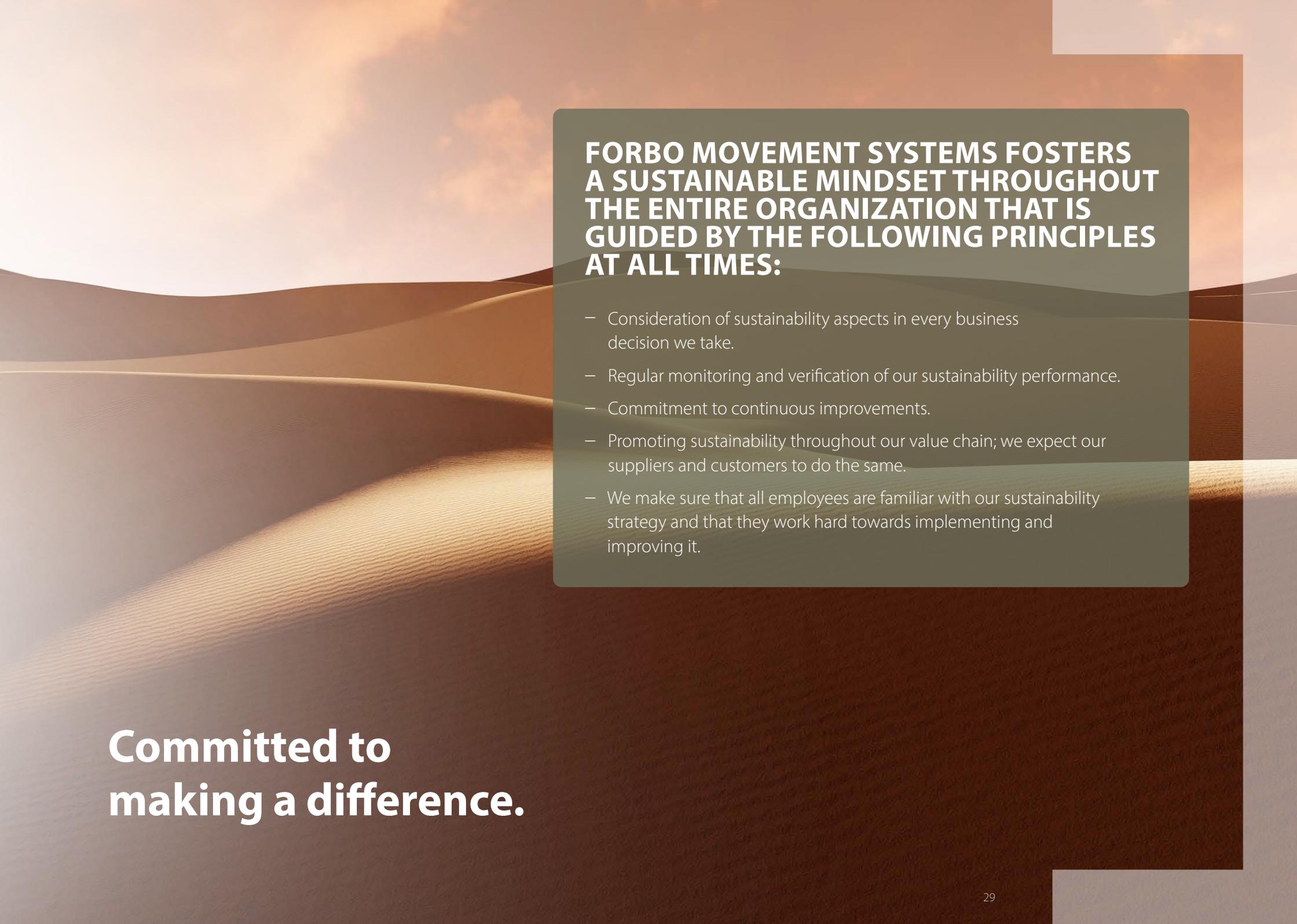
As an innovative market leader and responsible manufacturer and employer, Forbo Movement Systems sets very high standards in terms of health, safety, the environment and quality. We recognize the need to act. That is why treating resources responsibly is one of the Forbo Movement Systems' fundamental principles, as well as investing in R&D capacities to develop sustainable products.

We are 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."

In order to evaluate and incorporate responsibility for these actions, the company's activities are examined from three perspectives by the Global Reporting Initiative (GRI): The environmental dimension (E), the social dimension (S), and the governance dimension (G).

In the chemical industry, we are a global player that produces belts from composite materials. As a result, we constantly investigate to find solutions that make our products more environmentally friendly and allow us to operate responsibly. This is especially the case today when climate change is increasingly making itself felt and the fact that plastics do not compose quickly is contributing to the pollution of our planet. It goes without saying that social and governance dimensions are also very important. However, making our operations and products sustainable is the most effective way of ensuring the world itself is more sustainable. We follow the five R's of sustainability: refuse, reduce, reuse, repurpose, and recycle to create a more eco friendly future.

We care. Sustainability management provides the framework for the programs at Forbo Movement Systems. It drives sustainability proactively within the organization and is spearheaded by the sustainability council. The sustainability roadmap provides a structured approach to the current initiatives and those in the pipeline.



**FORBO MOVEMENT SYSTEMS FOSTERS
A SUSTAINABLE MINDSET THROUGHOUT
THE ENTIRE ORGANIZATION THAT 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.

**Committed to
making a difference.**

5.1 | OUR TOP PRIORITIES MID-TERM GOALS

Our mid-term goals cover a timescale of 2023+. To reflect the achievements we look back on and build on in future, our sustainability goals are very specific.

1 TO DISPLAY A CARBON-NEUTRAL PRODUCT PORTFOLIO

Our goal is to consistently develop and increase sustainable, resource friendly products that provide sustainability performance benefits in terms of product-use phases and/or that are easier to recycle.

3 TO MOVE TOWARD BEING A ZERO-WASTE COMPANY

- To reuse/recycle at least 95% of Prolink (plastic modular belts) and Fullsan (homogeneous TPU belts) production waste.
- To reuse/recycle all office waste at EU sites.

2 TO USE RENEWABLES

To ensure 25% of electricity consumption is based on renewable energy by 2025.

4 TO ACTIVELY CONTRIBUTE TO THE CIRCULAR ECONOMY

- To develop take-back programs and recycling concepts to positively impact the end-of-life phase of our products.
- To gradually increase the use of recycled raw materials in the Transilon (multi-layered, fabric-based belts) and Extremultus (flat belts) ranges.
- To consistently increase the recycled proportion of post-industrial waste.

5 TO ENSURE ETHICAL AND SUSTAINABLE SUPPLY CHAIN MANAGEMENT

- Ensure that suppliers have a sustainability program to decrease their environmental footprint and improve social standards.
- Guarantee that 20% of the materials procured consist of 10% recycled materials or renewables at least.

7 TO ENSURE WE ARE A SOCIALLY RESPONSIBLE, DIVERSE AND INCLUSIVE COMPANY WITH TALENTED EMPLOYEES

- Ensure equal opportunities and inclusion on gender, age, ethnicity and people with special needs.
- Consistent improvement of health and safety at Forbo Movement Systems and a 20% reduction in the LTIFR based on 2022 figures.

6 TO ENSURE THAT ALL EMPLOYEES ARE INVOLVED IN SUSTAINABILITY

- Ensure that regular circular economy and sustainability training will be given to all employees.
- Sustainability program fully implemented throughout the whole organization.

8 TO ACHIEVE A COMPETITIVE EDGE VIA SUSTAINABILITY

Forbo Movement Systems is a role model in the industry, providing sustainable and circular solutions to its customers.



OUR FOCUS: ENVIRONMENT



DIMENSIONS OF SUSTAINABILITY

5.2 | ENVIRONMENT

We pull out all the stops to conduct research into, develop and improve our products consistently so that sustainability is incorporated in all our product lines and processes. We are constantly looking for opportunities to integrate sustainable raw materials into our products. We improve our internal processes on an ongoing basis, investigate ways of preventing and reducing waste and liaise with partners along our downstream and upstream supply chain to provide pioneering solutions.

Our resource management is based on continuously improving consumption efficiency, which we achieve by coming up with 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. In many cases, waste water can be reused during a second production stage and therefore minimize consumption. Reduction and practical recycling of remnants are always in focus when we pursue kaizen and drive our 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 workflows. 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. Waste from plastic modular belts and polyurethane are re-introduced into our own production processes.



ENERGY

- Renewable energy sources
- Energy efficiency



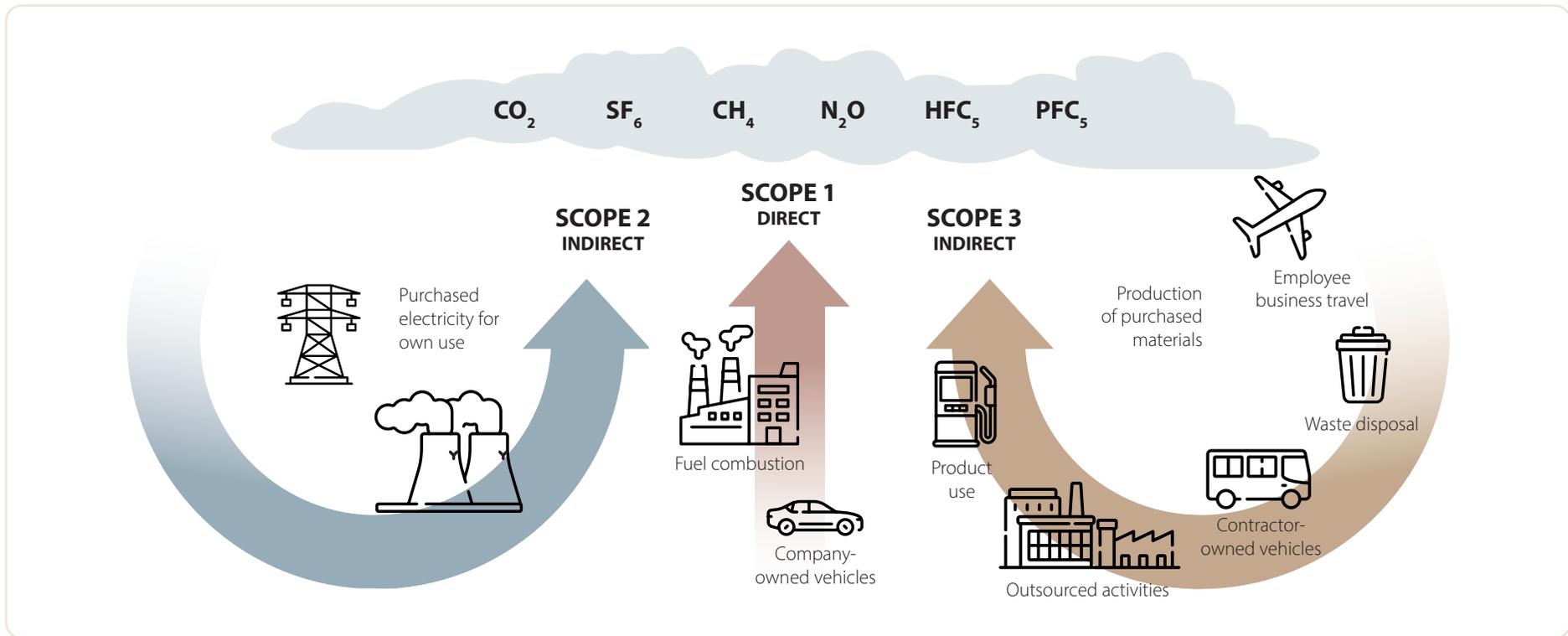
WASTE

- Refusal and reduction of waste
- Recycling of waste



SUSTAINABLE MATERIALS

- Recycled input material usage
- Renewable material usage
- Bio-based raw materials and packaging



Forbo Movement Systems' corporate carbon footprint (CCF) in 2022 was calculated in accordance with the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol divides the emission sources to be accounted for into three scopes. Scope 1 includes direct emissions generated by combustion processes within the company. Scope 2 and 3 comprise the indirect emissions caused by external energy procurement (Scope 2) and all other upstream and downstream activities (Scope 3), e.g. the use of raw materials, logistics processes or downstream product use.

Forbo Movement Systems calculated a corporate carbon footprint for Scope 1 and Scope 2 for the first time. The CCF for 2022 is 28,355 tonnes. In relation to the production quantity, this results in a specific footprint of 4.59 kg CO₂e/m². The CCF can be divided into 54.7% Scope 1 emissions and 45.3% Scope 2 emissions. Sites that did not have documented process emissions have been calculated based on the best comprehensible emission protocol from our production sites. Hanover is the main driver as the site produces the biggest quantities and fabrication sites only have a minor impact on total carbon emissions.

WE ARE ISO 14001 AND ISO 50001 CERTIFIED

ISO 14001: To enshrine environmental protection as a business objective and to make our environmental initiatives more systematic, we launched an ISO-14001-certified environmental management system at our key European sites. Frequent internal and external audits verify its performance. The environmental protection officer reports to the CEO.

ENERGY CONSUMPTION 2022

The total energy consumption was 1,029,696 GJ. 2% of total energy consumed in 2022 came from renewable energy sources. Around 17% of the electricity purchased consists of renewables. Light fuel oil accounted for almost two thirds of fuel consumption. We are consistently endeavoring to increase this share.

EN ISO 50001



“We manufacture products that do not just improve our own sustainability performance, but our customers’ too.”

Marc Deimling

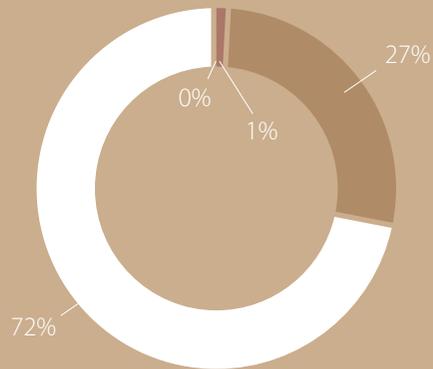
Executive Vice President
Movement Systems



ENERGY

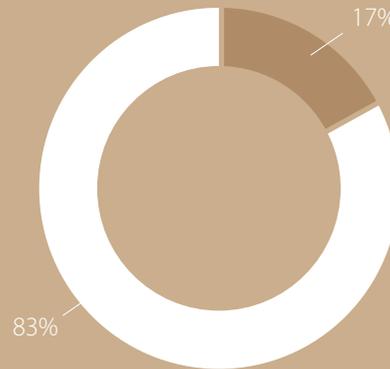
Total fuel consumption in 2022 was 882,580 MJ. Forbo Movement Systems did not use renewable fuel sources in 2022. Light fuel oil accounted for two thirds of fuel consumption.

Total fuel consumption by source of energy [MJ]



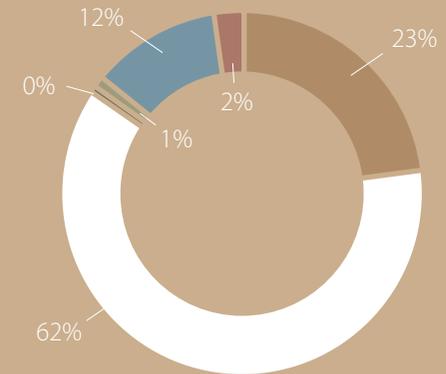
- car diesel consumption
- natural gas consumption
- light fuel oil consumption
- car gas consumption

Total electricity consumption [MJ]



- from renewable sources
- from non-renewable sources

Total energy consumption by source of energy [MJ]



- natural gas consumption
- light fuel oil consumption
- car gas consumption
- car diesel consumption
- electricity from non-renewable sources
- electricity from renewable sources

ENERGY EFFICIENCY

EN ISO 50001: The German sites are the drivers when it comes to launching an EN ISO 50001 energy management system. The goal is to cut energy consumption consistently. A dedicated energy management team develops long-term strategies to ensure this goal is achieved. Participation in the German regional network for energy efficiency and climate protection (REGINEE – REGionale Netzwerke für EnergieEffizienz und Klimaschutz) helps us gain from the experience of other companies and vice versa. The steps we take to cut energy consumption are based on increasing awareness of the areas where consumption is caused. The improvements trialed in Hanover (Germany) and Garbsen (Germany) are in future to be transferred to other sites. New processes are also planned: these include using energy emitted from the afterburner for heating purposes and a new control system for compressed air.

Our plants continuously replace illuminants by energy efficient LEDs. For instance in 2022, Germany realized an annual CO₂ reduction of 35,5t by fostering the replacement of illuminants with LEDs.

In our production plant in Japan and in our main Chinese plant, investments have been confirmed and planning started to realize energy efficiencies in the next few years. One aspect will be exhaust gas cleaning and using exhaust gas to operate machines.

In our fabrication site in Germany and the production site in Denmark a solar power system has been ordered that is scheduled to start operating in 2023.

In Denmark, two injection molding machines with frequency-controlled hydraulic pumps were purchased, which have demand-based power consumption.

RENEWABLE ENERGY SOURCES

In 2022, solar power systems at dedicated European sites were installed. That will help achieve our target to increase the proportion of renewables used.

WASTE

REFUSAL AND REDUCTION OF WASTE

Each order requires selecting a roll with the most appropriate dimensions and it needs to be cut in the best possible way to reduce wastage. To improve on the number of remnants in the fabrication process, we rolled out globally a cutting optimization tool at our fabrication sites.

All our employees play a role in reducing waste, whether they work on the production line or in an office. We all contribute to the total waste produced.

Digitalization projects positively impact our paper consumption in offices.

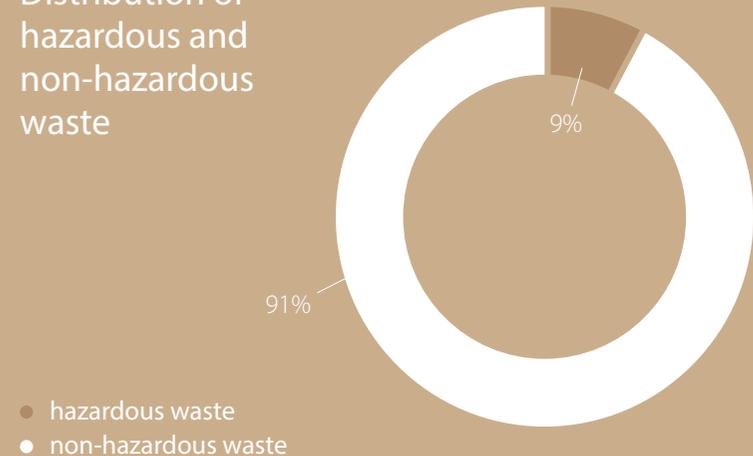
RECYCLING WASTE

For our homogenous products in our Fullsan, Prolink and Extremultus ranges, we recycled post-industrial waste directly. To minimize production waste overall, we degranulate waste and recycle granules and include them in regular production. We aim to increase the recycling rate for post-industrial waste, but want to cut the level of production waste wherever possible.

We encourage people to separate waste at our sites so that it is returned to the loop and not incinerated.

Hazardous waste accounts for 9% of our total waste. We treat this waste category responsibly and continuously check whether there are non-hazardous alternatives that could be a valid replacement to reduce our share of hazardous waste.

Distribution of hazardous and non-hazardous waste





SUSTAINABLE MATERIALS

RENEWABLE MATERIAL USAGE

Our conveyor belts are made of composite materials, which means that opportunities for including renewable raw materials in our products are limited.

Much of our packaging consists of renewable material because we use cardboard and wooden boxes to ship our products in.

BIO-BASED RAW MATERIALS

We are striving to integrate validated bio-based raw materials, such as bioTPU, bioPVC or bioPEBA in our product portfolio. We are also consistently scouting the market for bio-based alternatives and liaise with suppliers to see ways of making these materials match our material specifications.

RECYCLED INPUT MATERIAL USAGE

In 2022, fabrics from recycled PET yarns used in our products were validated and we launched Transilon ECOFIBER belts made of these fabrics.



DIMENSIONS OF SUSTAINABILITY

5.3

SUSTAINABLE PRODUCTS AND SERVICES

Due to our sustainability commitment, we can manufacture products that do not just improve our own but also our customers' sustainability performance by reducing carbon emissions, or supporting the closed-loop concept.

To boost trust in the sustainability claims we make, we collaborate with independent partners to certify the benefits. It goes without saying that our claims are based on proper scientific testing methods, but we want external certification to validate the trust that the market has already placed in us.

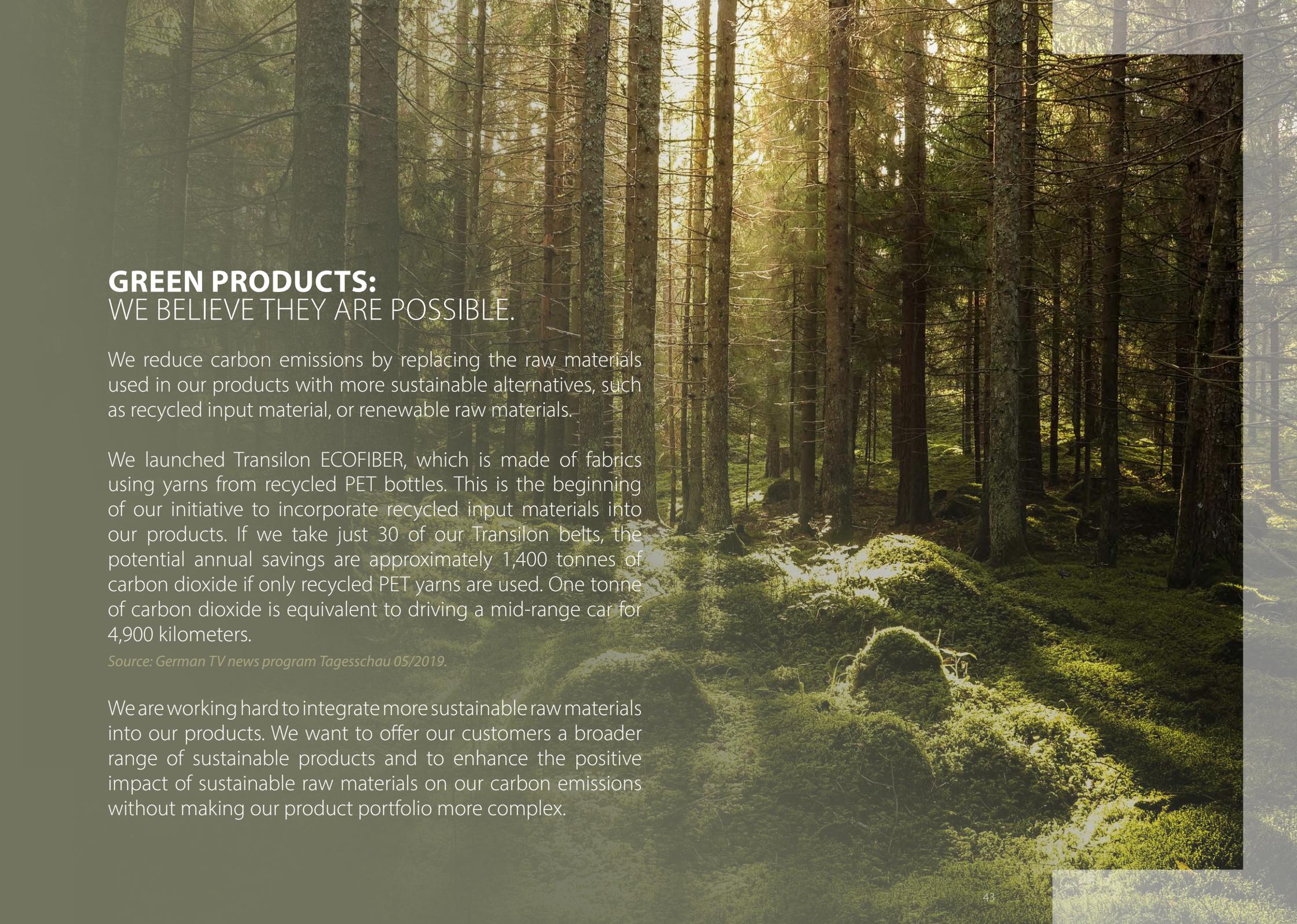
GREEN PRODUCTS

SUSTAINABLE SERVICES

SUSTAINABLE PERFORMANCE PRODUCTS

END-OF-LIFE RECYCLING





GREEN PRODUCTS: WE BELIEVE THEY ARE POSSIBLE.

We reduce carbon emissions by replacing the raw materials used in our products with more sustainable alternatives, such as recycled input material, or renewable raw materials.

We launched Transilon ECOFIBER, which is made of fabrics using yarns from recycled PET bottles. This is the beginning of our initiative to incorporate recycled input materials into our products. If we take just 30 of our Transilon belts, the potential annual savings are approximately 1,400 tonnes of carbon dioxide if only recycled PET yarns are used. One tonne of carbon dioxide is equivalent to driving a mid-range car for 4,900 kilometers.

Source: German TV news program Tagesschau 05/2019.

We are working hard to integrate more sustainable raw materials into our products. We want to offer our customers a broader range of sustainable products and to enhance the positive impact of sustainable raw materials on our carbon emissions without making our product portfolio more complex.

SUSTAINABLE PERFORMANCE PRODUCTS

Focusing the design of our products on sustainability characteristics also has a positive impact on the carbon footprint, for instance, by reducing the resource consumption required during a product's service life. Other examples are lower water requirements for cleaning the belts or lower energy consumption to operate them.

Product durability and performance of the belt pays off, both to our customers and the environment. Our belts are an eco friendly and efficient alternative to other methods of transportation, such as vehicles, particularly in applications where lots of products are conveyed.

EASY RELEASE

Some products tend to adhere to belts or are intrinsically sticky. In this case, conveyor and processing belts are required that guarantee reliable release from the belt at transfer points and therefore help avoid malfunctions. With their excellent durability as well as particularly good cleanability, Transilon and Prolink belts contribute to the sustainability of your systems. Downtime is minimized, cleanability is improved and consequently water consumption can be reduced.

EXTREMULTUS POWER-TRANSMISSION BELTS

These belts were developed by closely liaising with users and OEMs and can all handle up to 5,000 kW. At the same time, they are very durable, elastic and shock- and vibration-absorbent. The belt velocities up to 200 m/s are no problem. In addition to other advantages, Extremultus flat belts have an efficiency >98% and are much more efficient than V-Belts. In V-belts, energy losses occur, not just due to flexing in the material, but also due to friction at the sides and other aspects associated with the belt design. Moreover, our flat belt generates considerably less operating noise than V-Belts or V-ribbed belts.



AMP MISER™

These are energy-saving belts. Due to their significantly lower coefficient of friction, the Amp Miser™ belt is ideal where a conveyor's energy losses are the greatest - the friction pairing between the underside of the belt and the slider bed. Adding our patented Texglide to the underside fabric results in a low-friction layer that acts as a permanent dry lubricant and therefore minimizes energy consumption. Amp Miser™ 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.

PATENTED SMARTSEAL

This in-house developed prevents oil, grease and water, and therefore bacteria, from penetrating the belt's carcass. At the same time it prevents fluff from protruding at the edges. With high demands for hygienic conveyor belts made of synthetic materials and fabric tension members, our Smartseal belts improve the durability of the product and meet hygiene standards (HACCP).

SUSTAINABLE SERVICES

In addition to sustainable products, we provide a global network of highly skilled service teams to increase our products' service lives in any location. Instead of replacing belts, we extend their useful lives by repairing them wherever feasible.

Service staff trainings in basic sustainability concepts offer our customers added value by extending the belts' lifetimes, identifying machines' energy efficiency potential and changing belt settings in customers' sites.

END-OF-LIFE RECYCLING

We as a manufacturing company are part of the chemical industry. We are aware that it is our responsibility to look after products at the end of their useful lives. We are at the start of a long journey, but eager to invest in identifying technically and financially sound solutions. There is a long way to go, but we will pursue this path with others. With colleagues, public bodies, suppliers and customers we will move forward step by step to close the loop.

DIMENSIONS OF SUSTAINABILITY

5.4 | SOCIAL DIMENSION

Our employees are key to the success of our company. Their health and safety are paramount. In our sites around the globe, this aspect enjoys high priority and is vital to good business practices that ensure efficient and sustainable business processes inside the company and across all interfaces. Forbo is committed to fair treatment of all employees and strives to uphold internationally recognized standards of fairness, honesty and integrity. We work closely with existing suppliers and develop new suppliers to decrease considerable risks to people and the planet. In addition, we strive to make a positive contribution to the well-being of society and the local communities in which our company operates.



EMPLOYEES AND TRAINING

- Employee training (academy)
- Recruitment (hiring highly skilled and motivated individuals who contribute to our growth and success)



HEALTH AND SAFETY

- Occupational health and safety processes
- Employee assistance program
- Monitoring of lost time injury frequency rate
- Quality, environmental, health and safety policy in place
- Customer benefits (low noise belts)



SUSTAINABLE SUPPLY CHAINS

- Responsible sourcing
- Supplier assessment and audits
- Code of Conduct



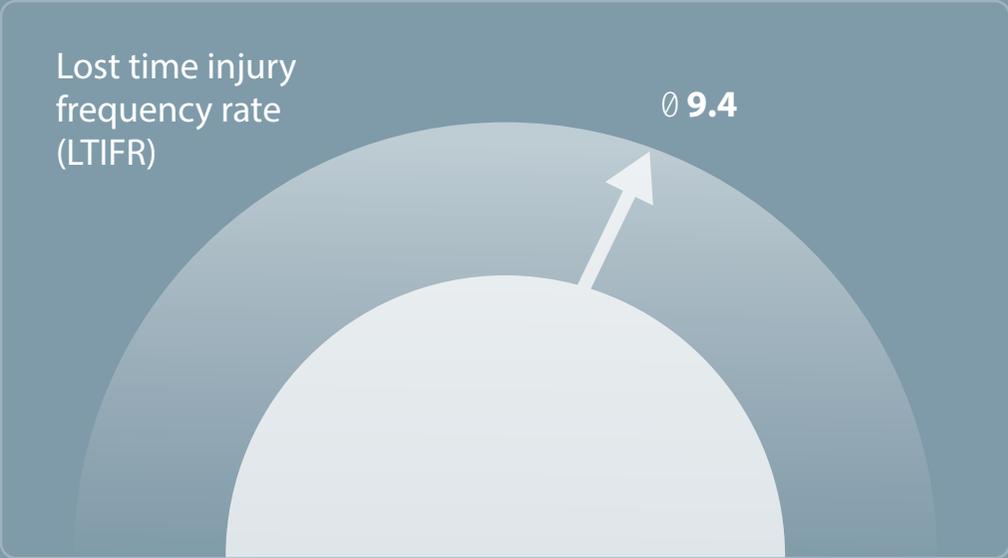
CORPORATE CULTURE

- Forbo Way to Win
- Employee involvement



Lost time injury
frequency rate
(LTIFR)

0 9.4



HEALTH AND SAFETY

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 priorities. We comply with local health and safety legislation. This was 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.

Occupational health and safety processes are continuously improved.

A healthy workplace equals a healthy mind and body. Employees in Germany, Austria and Switzerland can use the independent employee assistance program. A third party platform offers support on a number of personal matters, such as caring for people at home all the way to financial issues.

The Lost Time Injury Frequency Rate formula equals the lost time incidents multiplied by one million, divided by the total hours worked on a rolling 12-month basis. This indicator is reported to top management every month as part of our safety reporting system. We continuously analyze all potential sources for accidents and occurring incidents. We initiate appropriate measures to improve our overall safety performance. The growing safety awareness of our workforce is key to lowering the total accident frequency rate.

0 9.4
LTIFR
IN 2022

EMPLOYEES AND TRAINING

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 established the Forbo Movement Systems Academy as part of its human resources development initiative. Within this program, specialized technical knowledge and general skills are taught 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.

Our Forbo Movement Systems Academy pursues our vision of creating a global quality standard of knowledge and skills. We want to offer all our employees a range of courses to suit their needs. Our goal is to foster their strengths and capabilities to create the best-in-class solution for our customers and support, attract and retain skilled and motivated people.

CORPORATE CULTURE

Forbo Group culture is embedded in the Forbo Way to Win values program. This covers the entire organization and has been developed by the senior management of the Forbo Group. The program has been rolled out within the organization and today forms part of the induction program for new employees at Movement Systems. In the Forbo Way to Win, we have defined three core values that each encompass three guiding principles: inspiring, daring and caring. These principles are part of our everyday working life.

Thanks to our global reach and links to local communities, we are proud to have longstanding relationships with our employees, many of whom have belonged to our organization all over the world for many years. We cherish the diversity of our organization and the inclusive culture we pursue.

We have embarked on a journey to embed sustainability, step by step, in our everyday lives to an even greater extent.

SUSTAINABLE SUPPLY CHAIN

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.

SUPPLY CHAIN LEVERS

- Responsible sourcing.
- Supplier assessment and audits.
- The Code of Conduct applies to our business partners and ensures that our vendors comply with the International Labor Organization's standards.

DIMENSIONS OF SUSTAINABILITY

5.5 | GOVERNANCE

A strong commercial base is vital when developing a sustainable organization. Our goal is to deliver consistently on innovations and optimize 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 our guidelines on corporate governance, risk and crisis management and our Code of Conduct. At any time, we respect local and international laws and regulations.



**RISK
MANAGEMENT**



**CODE OF
CONDUCT**

RISK MANAGEMENT AND RISK EVALUATION

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. 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)**

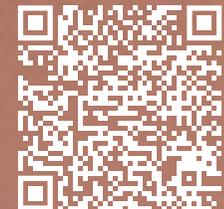
CODE OF CONDUCT

Forbo's Code of Conduct applies to all our employees.

It 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 Group training program and is mandatory for all employees who participate in this program.

The Forbo Group assesses risks annually and analyzes business processes within the organization for the divisions. Risk evaluation includes internal controls and business risks as well as specific issues regarding fraud and corruption. The process is accompanied by an independent third-party assessment. For more information on our risk management, please see our annual financial report.





MOVEMENT SYSTEMS

SUSTAINABILITY REPORT 2022

FORBO MOVEMENT SYSTEMS

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