



ANNUAL REPORT 2025

CONNECT.



FORBO IN EVERYDAY LIFE

flooring. movement.

forbo



DYNAMICS OF BUILDINGS.

Buildings are dynamic spaces where human interactions shape experiences and spaces blend to create diverse atmospheres within a single structure. Flooring defines and connects spaces within a building, serving both functional and aesthetic purposes. We create better environments by putting people and their behaviors at the center of design. Our floors are tailored to sectors such as healthcare, education, retail, offices and hospitality – combining performance, easy maintenance, and contemporary aesthetics. Sustainability is embedded in every product, process, and decision, from responsible material choices to energy-efficient production and installation solutions that promote circular use.

creating better environments



A young child in a red and blue jacket stands next to a large, grey industrial conveyor belt system. The child is holding a green object. The background shows a bright, modern industrial facility with large windows and various pieces of machinery.

FOCUS ON MOTION EXCELLENCE.

Industrial environments depend on the efficient and reliable movement of people, goods, and processes. We design products and services that support critical operations across diverse industries. Through deep application expertise and close collaboration with our customers, we develop tailored solutions that address complex requirements. Our focus on precision, efficiency, and durability – supported by continuous innovation in materials, design, and production – delivers high-performance solutions for drives, conveyors, and manufacturing processes. With a strong commitment to sustainability, we help customers enhance productivity, efficiency, and quality, while reinforcing our role as a trusted global partner.

Siegling – total belting solutions



forbo

MOVEMENT SYSTEMS

FORBO IS A LEADING PRODUCER OF FLOOR COVERINGS, BUILDING AND CONSTRUCTION ADHESIVES, AS WELL AS BELTS FOR POWER TRANSMISSION AND LIGHTWEIGHT CONVEYOR TECHNOLOGY.

We offer our clients tailored, innovation-led solutions distinguished by functionality, quality, design, and sustainability. The company employs about 5,050 people and operates an international network of 25 production and distribution companies, 6 fabrication centers, and 47 dedicated sales organizations across 39 countries.

Forbo is headquartered in Baar, in the canton of Zug, Switzerland.

WHAT FORBO STANDS FOR

We are purpose-driven and committed to embedding sustainability across our business, aligning environmental and social responsibility with innovation and our economic objectives to deliver profitable long-term growth. Sustainability has been an integral part of Forbo's business since the late nineteenth century, notably through our long-standing linoleum business, and continues to shape our strategy and actions today. Our performance is underpinned by the expertise, engagement, and continuous development of our employees.

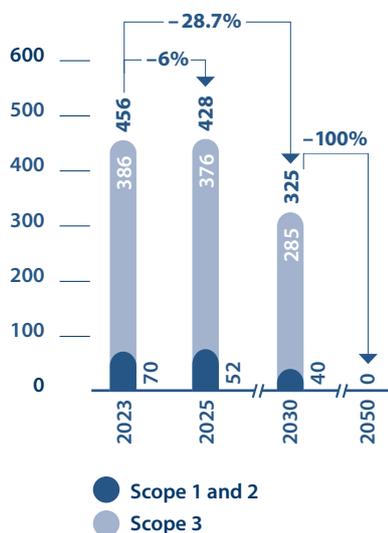
Forbo pursues global leadership positions in clearly defined market segments by delivering exceptional value through customer-focused innovation, sustainable solutions, and digital transformation, supported by a globally trusted brand. Our strong market positions in Europe and the United States reflect our commitment to quality and reliability, while we continue to expand in high-growth regions to meet evolving global demand. Across both divisions, we combine advanced technology with deep market insight to offer products that consistently exceed expectations in performance, design, and environmental responsibility, creating lasting value for our customers and long-term growth for our investors.

At Flooring Systems, we provide long-lasting flooring solutions that combine design, functionality, and sustainability. We are committed to reducing our environmental footprint through circular production methods, the use of renewable materials, and the development of products that contribute to healthier indoor environments.

At Movement Systems, we sustainably expand our production capacities and co-develop innovative conveyor belt solutions with our customers. These solutions reduce energy consumption, improve productivity, and ensure efficient, reliable operations, helping our customers achieve long-term performance and responsible growth.

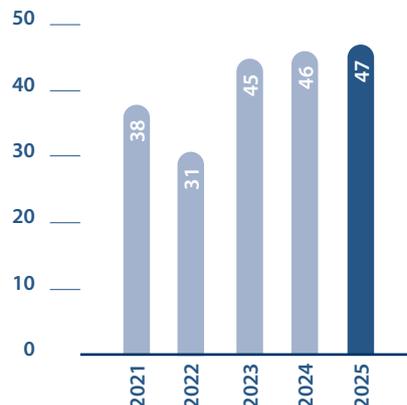
CO₂ net-zero target

CO₂ emission (KT/CO₂e) –
Scope 1, 2 and 3



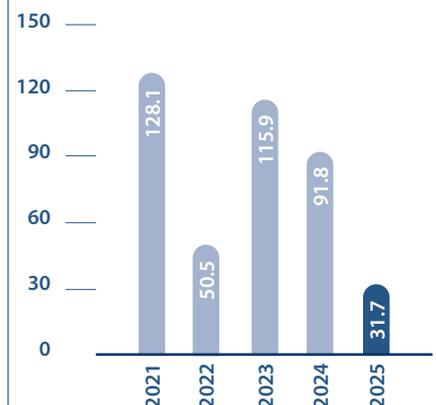
Investments

CHF million



Free cash flow

CHF million



2025 IN BRIEF

The year 2025 was marked by a challenging global environment. Rising tariffs and trade tensions weighed on business confidence worldwide. Europe continued to face structural pressures, including high energy costs and regulatory burdens, while fiscal constraints limited economic flexibility. In the United States, inflation expectations dampened investment and consumption. China's weak construction market and declining exports further slowed growth. This fragile environment also led to a continued appreciation of the Swiss franc.

Operationally, Forbo advanced key initiatives: Movement Systems expanded its manufacturing capacity in Japan, while Flooring Systems strengthened its presence in the United States. These measures reduced exposure to trade barriers and increased supply chain resilience. At the same time, key innovations were brought to market readiness, further strengthening Forbo's long-term competitiveness.

Sustainability remains a core pillar of Forbo's strategy. In 2025, ESG reporting was further strengthened, and progress continued across sustainable products, process optimization, energy efficiency, and circularity.

We continue to report a very strong balance sheet, further strengthening our equity ratio. The Group is debt-free and has a net cash position. This underpins our financial flexibility and supports the disciplined pursuit of value-accretive growth opportunities.

Net sales
CHF million

1,085.4

– 0.3%

in local currencies

EBIT
CHF million

87.8

– 27.2%

EBIT margin
%

8.1

– 2.6% POINTS

Profit
CHF million

68.9

– 27.5%

Net cash
CHF million

90.2

– 17.3%

Equity ratio
%

66.8

+ 2.7% POINTS

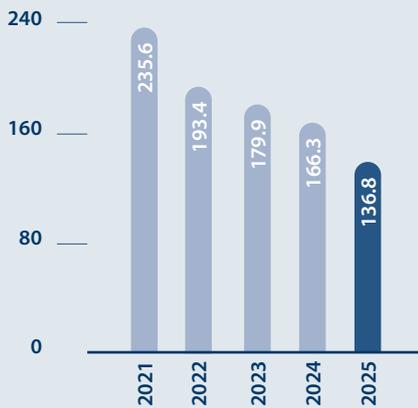
Net sales
CHF million



EBIT
CHF million



EBITDA
CHF million



Profit
CHF million



Earnings per share
(undiluted) CHF



ROIC
%



26%

Forbo Group 26% reduction in Scope 1 and Scope 2 greenhouse gas emissions since 2023 (Base Year)

2.5%

Forbo Group 2.5% reduction in Scope 3 greenhouse gas emissions since 2023 (Base Year)



marmoleum®
climate positive
CRADLE TO GATE

climate-positive
linoleum



Conveyor belt with bio-based PVC and plasticizers

TO OUR SHAREHOLDERS



Bernhard Merki
Chairman of the Board of Directors

Johannes Huber
Chief Executive Officer

Dear shareholders,

As anticipated, the 2025 financial year was shaped by a challenging macroeconomic and geopolitical environment. Rising tariffs and mounting tensions in trade policy caused uncertainty for companies and consumers worldwide. In Europe, the manufacturing industry is undergoing further restructuring as a result of deteriorating local conditions, especially in the form of high energy costs and additional regulatory constraints. At the same time, many European countries are facing significant fiscal pressure, further limiting their economic policy flexibility. In the United States, rising inflation expectations have dampened investment and consumer spending. In China, the construction market remains sluggish, and declining exports to the US are further slowing economic growth. The fragile global environment has caused the Swiss franc to appreciate even more.

Against this backdrop, the Forbo Group placed a clear priority on stabilizing and further strengthening its leadership team in 2025. Following personnel changes on the Board of Directors and the Group Executive Board in 2025, the second half of the year saw significant measures to stabilize the Group and develop its strategy further in the long term. With the election of Bernhard Merki as Chairman of the Board of Directors in April 2025, supported by the experienced interim CFO Peter Germann since October 2025, and of Johannes Huber as Chief Executive Officer, who started on January 1, 2026, the Forbo Group's leadership team has been complete again since the beginning of the year. As of July 1, 2026, the CFO position will also be filled permanently when Heinz Hösli joins the company.

The new leadership team is setting clear priorities to further develop the divisions, accelerate targeted innovation, and enhance operational excellence, with the aim of returning to sustainable, profitable growth and long-term value creation for our shareholders.

In 2025, Forbo made measurable progress in executing its key operational initiatives, consistent with its long-term strategic objectives. **Movement Systems** expanded its manufacturing capacity in Japan, while **Flooring Systems** strengthened its presence in the US. These measures reduced our exposure to trade barriers and strengthened the long-term robustness of our supply chains. At the same time, we successfully brought key innovations to market readiness and strategically expanded our product portfolio, thus increasing Forbo's structural resilience and laying a solid foundation for positive development in the years ahead.

Forbo Group

With net sales of CHF 1,085.4 million in the 2025 financial year, Forbo registered a year-on-year decline of 3.3% (previous year: CHF 1,122.0 million). In local currencies, sales decreased by 0.3%. The development by region was mixed. While sales in Europe increased slightly in local currencies, the Asia/Pacific and America regions both saw slight decreases.

Declining sales, lower capacity utilization, the appreciation of the Swiss franc, and higher costs had a negative effect on the operating result. At the same time, we invested specifically in sales and innovation to ensure growth in the future and strengthen our market position in the long term. Earnings before interest, taxes, depreciation, and amortization (EBITDA) fell by 17.7% to CHF 136.8 million (previous year: CHF 166.3 million). At CHF 87.8 million, earnings before interest and taxes (EBIT) came in 27.2% lower year-on-year (previous year: CHF 120.6 million). This resulted in an EBITDA margin of 12.6% (previous year: 14.8%) and an EBIT margin of 8.1% (previous year: 10.7%).

Flooring Systems achieved net sales of CHF 738.2 million in 2025 (previous year: CHF 765.6 million), a decline of 3.6% (-1.2% in local currency). Sales volumes and prices both fell by 0.6% year-on-year. The operating result declined by 18.7% to CHF 80.5 million (previous year: CHF 99.0 million). The construction and renovation market was sluggish and very competitive during the financial year, particularly in the core European markets. Additional tariffs imposed at short notice on exports from Switzerland and the EU to the US also negatively affected earnings. Steady product innovation, optimized supply chains, and the implementation of key sales initiatives helped the division become even more resilient.

Movement Systems achieved net sales of CHF 347.2 million in the reporting year (previous year: CHF 356.4 million), a decline of 2.6% (+1.7% in local currency). Sales volumes declined by 0.2% year-on-year, while prices increased by 1.9%. The operating result fell by 49.3% to CHF 15.4 million (previous year: CHF 30.4 million). The reluctance among customers in the US to invest led to a decline in sales in the region in local currencies, while sales growth was achieved in Europe and the Asia/Pacific (APAC) region. Sales price increases could not fully offset the higher costs associated with targeted positioning in structurally attractive markets such as food processing and food logistics, airport and aviation applications, and e-commerce.

Profit, cash flow, and investments

As a result of the lower operating result and a lower tax rate of 20.7% (previous year: 21.8%), Forbo generated a profit of CHF 68.9 million (previous year: CHF 95.1 million), corresponding to a decline of 27.5%. Earnings per share (undiluted) decreased by 27.7% to CHF 48.75 (previous year: CHF 67.45). Investments of CHF 47.0 million (previous year: CHF 46.1 million) were financed fully from the operating cash flow of CHF 74.0 million (previous year: CHF 135.6 million).

Balance sheet

Forbo maintains a solid balance sheet. The equity ratio at the end of 2025 was 66.8% (previous year 64.1%). The Group is debt-free and has a net cash position.

Sustainability

Sustainability is a core pillar of the Forbo Group's corporate strategy. A significant proportion of Forbo's products is based on sustainable materials, such as the natural product Marmoleum (linoleum), which is climate positive from cradle-to-gate without offsetting. In 2025, we further expanded our ESG reporting and systematically pressed ahead with implementing our sustainability goals. Sustainable products, energy efficiency, and the circular economy remain integral parts of Forbo's strategy.

Information and motions to the Forbo Ordinary General Meeting**Change to the Board of Directors**

The Board of Directors will propose to the Forbo Ordinary General Meeting the election of Ilias Läber as a new member of the Board of Directors. Ilias Läber is Co-Founder and Managing Partner of SEO Management AG and currently serves on the boards of several companies operating at national and international levels. With Ilias Läber, the Board of Directors will be strengthened by a personality with broad industrial and entrepreneurial expertise relevant to both of Forbo's business units.

All current members of the Board of Directors will stand for re-election for a further one-year term.

Stable dividends

In view of the solid balance sheet and equity ratio, the Board of Directors will propose to the Forbo Ordinary General Meeting an unchanged dividend of CHF 25.00 per share.

Outlook for 2026

We expect the market environment to remain challenging in the 2026 financial year. At present, there are no signs of a broad-based economic recovery. Forbo is pursuing clear strategic priorities: a stronger customer focus, more efficiency in sales, a focus on innovation and operational excellence, and strict cost discipline. This puts Forbo in a good position to respond flexibly to market changes and strengthen the foundation for sustainable, profitable growth.

For the 2026 financial year, Forbo expects slightly lower sales due to currency effects and slightly higher profit than in the previous year.

A thank you to our stakeholders

On behalf of the Board of Directors, we would like to thank our shareholders, employees, customers, and other business partners for their trust, support, and commitment. It is essential for us to be able to rely on you, especially in the challenging current environment, as you provide the basis for Forbo's profitable growth in the short, medium, and long term. We fully appreciate your continued support and confidence in the long-term success of our company.

Baar, March 2026



Bernhard Merki
Chairman of the Board of Directors



Johannes Huber
Chief Executive Officer

2026

financial calendar

Ordinary General Meeting

Thursday, April 2, 2026

Publication of Half-Year Report 2026

Tuesday, July 28, 2026

2027

financial calendar

Publication of Annual Report 2026

Tuesday, March 2, 2027

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ACTIVITY REPORT

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FORBO IN FIGURES

The table below provides a compact overview of the key financial and operational company metrics for the reporting year compared to the previous year.

	2025	2024
Income statement	CHF m	CHF m
Net sales	1,085.4	1,122.0
Flooring Systems	738.2	765.6
Movement Systems	347.2	356.4
Operating profit before depreciation and amortization (EBITDA)	136.8	166.3
Operating profit (EBIT)	87.8	120.6
Profit	68.9	95.1
Balance Sheet	CHF m	CHF m
Total assets	971.9	975.8
Segment non-current assets	380.9	377.5
Shareholders' equity	649.6	626.0
Net cash ¹⁾	90.2	109.1
Cash flow statement	CHF m	CHF m
Cash flow from operating activities	74.0	135.6
Cash flow from investing activities	-42.3	-43.8
Free cash flow	31.7	91.8
Key ratios	%	%
ROS (EBITDA/net sales)	12.6	14.8
Equity ratio (shareholders' equity/total assets)	66.8	64.1
Gearing (net debt/shareholders' equity)	-13.9	-17.4
Employees (as at December 31)	Number	Number
Total full-time equivalents	5,100	5,059
Ratios per share	CHF	CHF
Earnings per share (undiluted) ⁴⁾	48.75	67.45
Equity (undiluted)	457.77	443.86
Dividend	25.00 ²⁾	25.00 ³⁾
Stock market capitalization (as at December 31)	CHF m	CHF m
Stock market capitalization ⁵⁾	1,240.2	1,065.0

¹⁾ Cash and cash equivalents, plus short-term investments, less interest-bearing liabilities, excluding leasing liabilities.

²⁾ The Board of Directors proposes to the Ordinary General Meeting of April 2, 2026, the distribution of a dividend in the amount of CHF 25.00 per registered share.

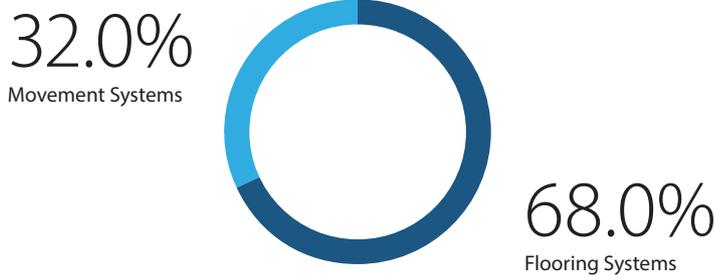
³⁾ Approval of a dividend of CHF 25.00 per registered share at the Ordinary General Meeting of April 4, 2025.

⁴⁾ See note 11 'Earnings per share' on page 180 of the Financial Report.

⁵⁾ Total number of shares less treasury shares multiplied by year-end share price.

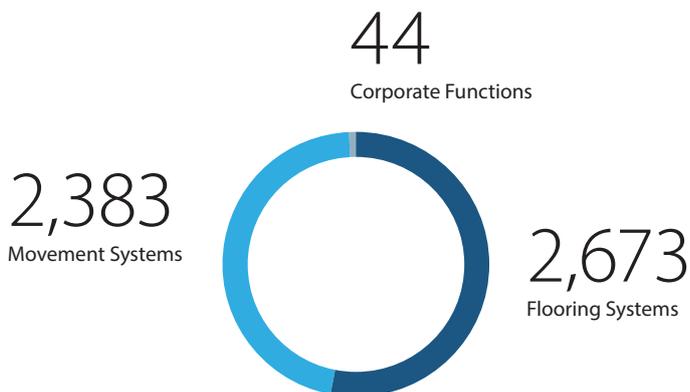
Net sales by division

	2025 number	Change on previous year		in % of total
		in local currencies		
		in %	in %	
Flooring Systems	738.2	-3.6	-1.2	68.0
Movement Systems	347.2	-2.6	1.7	32.0
Total	1,085.4	-3.3	-0.3	100.0



Full-time equivalents by division

	2025 number	Change on previous year		in % of total
		year in %		
Flooring Systems	2,673	-0.6		52.4
Movement Systems	2,383	2.3		46.7
Corporate	44	4.8		0.9
Total	5,100	0.8		100.0



Operating profit

Declining sales, lower capacity utilization, the appreciation of the Swiss franc, and higher costs had a negative effect on the operating result. At the same time, we made targeted investments in sales and innovation to lay the foundation for future growth and to strengthen our market position sustainably. Earnings before depreciation and amortization (EBITDA) decreased by 17.7% to CHF 136.8 million (previous year: CHF 166.3 million). Operating profit (EBIT) amounted to CHF 87.8 million, which is 27.2% lower than the previous year's figure (previous year: CHF 120.6 million). This resulted in an EBITDA margin of 12.6% (previous year: 14.8%) and an EBIT margin of 8.1% (previous year: 10.7%).

EBITDA by division

	2025 CHF m	Change on previous year in %	-25	0	25	50	75	100	125
Flooring Systems	107.4	-13.2							
Movement Systems	36.7	-27.8							
Corporate	-7.3	12.0							

EBIT by division

	2025 CHF m	Change on previous year in %	-25	0	25	50	75	100	125
Flooring Systems	80.5	-18.7							
Movement Systems	15.4	-49.3							
Corporate	-8.1	8.0							

Profit, cash flow, and investments

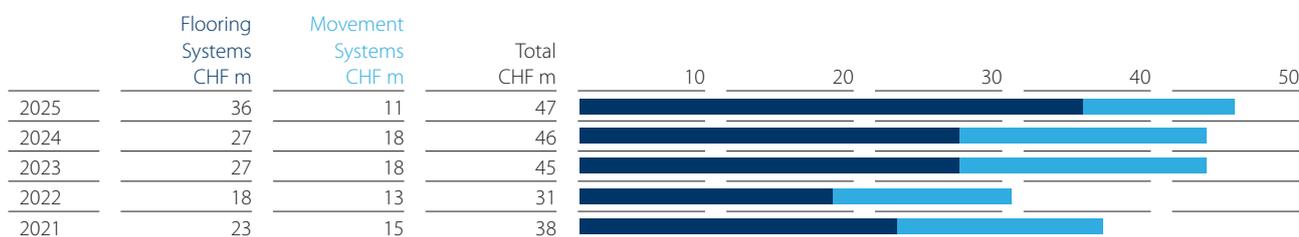
As a result of the lower operating profit and a reduced tax rate of 20.7% (previous year: 21.8%), Forbo generated a profit of CHF 68.9 million (previous year: CHF 95.1 million), corresponding to a decline of –27.5%. Undiluted earnings per share decreased by –27.7% to CHF 48.75 (previous year: CHF 67.45).

The Group's total investments in property, plant, equipment, and intangible assets in 2025 came to CHF 47.0 million (previous year: CHF 46.1 million). They were fully financed by the operating cash flow of CHF 74.0 million (previous year: CHF 135.6 million). In total, 56% of the investments were for replacements and 44% for rationalization and expansions.

Flooring Systems invested CHF 35.6 million (previous year: CHF 27.1 million). As in the previous year, a significant part of this went towards expanding the Flotex flooring plant in the US.

Movement Systems invested CHF 11.4 million (previous year: CHF 18.1 million). A substantial share of these funds went towards modernizing the production site in Fukuroi in Japan.

Investments 2021 – 2025



Free cash flow



Balance sheet and dividend

Forbo continues to have a solid balance sheet. The equity ratio amounted to 66.8% at the end of 2025 (previous year: 64.1%). Forbo is debt-free and has a net cash position as well as treasury shares. Against this backdrop, the Board of Directors will propose to the Forbo Ordinary General Meeting an unchanged dividend of CHF 25.00 per share.

Personnel

At the end of 2025, the Forbo Group consisted of 5,100 full-time equivalents, 41 more than at the end of the previous year.

Full-time equivalents by geographic area

	2025 in %	Change on previous year in %	2025 number	200	400	600	800	1,000
Switzerland	3.5	-2.2	176					
Germany	12.1	2.2	615					
France	7.6	-1.3	390					
Benelux	18.5	-0.6	943					
Scandinavia	3.3	-0.6	170					
Great Britain and Ireland	9.0	-3.0	459					
Other countries Europe	15.7	7.8	801					
Europe	69.7	1.2	3,554					
USA	11.1	1.4	568					
Other countries Americas	4.2	1.9	213					
Americas	15.3	1.6	781					
Asia/Pacific and Africa	15.0	-1.5	765					
Total	100.0	0.8	5,100					

TWO DIVISIONS. ONE STANDARD OF EXCELLENCE.

Forbo operates primarily in business areas in which it has or can achieve a leading global market position – something it has achieved for both Flooring Systems and Movement Systems.

Strategic directions

To be successful in the marketplace as a Group with differently aligned operations, the individual divisions act independently and flexibly, but always along the strategic directions defined for the Group as a whole:

- Based on a pronounced customer focus, a high level of service, innovation, sustainability, digital transformation, and a strong global brand, we are creating global leadership positions in clearly defined market segments.
- Thanks to a strong market orientation, we shape markets and drive profitable growth.
- We are developing significant positions in growth markets.
- We are acquiring companies to extend our product range and to consolidate and/or reinforce market access.
- We are developing a high-performance culture and providing the relevant skills and competences at all levels.

DYNAMICS OF BUILDINGS.**FLOORING SYSTEMS**

Flooring Systems offers a broad, unique, and sustainable portfolio of commercial flooring products and solutions. This includes the natural product Marmoleum (linoleum), which is climate positive from cradle-to-gate without offsetting, high-quality vinyl, premium textile, durable Flotex flooring, and entrance flooring systems. The division also provides a comprehensive range of installation solutions under the Eurocol brand, including adhesives, subfloors, and leveling compounds. Designed for durability and ease of installation, our flooring solutions combine high performance, easy maintenance, and contemporary design. Thanks to innovative functionalities, hygiene benefits, and design flexibility, our products are widely used in healthcare, education, public buildings, retail, and hospitality, as well as in data centers, industrial facilities, and transport applications. With an estimated 70% global market share, Flooring Systems is the world's leading linoleum manufacturer and is extending the use of this versatile material beyond flooring into furniture, interiors, and bulletin boards.

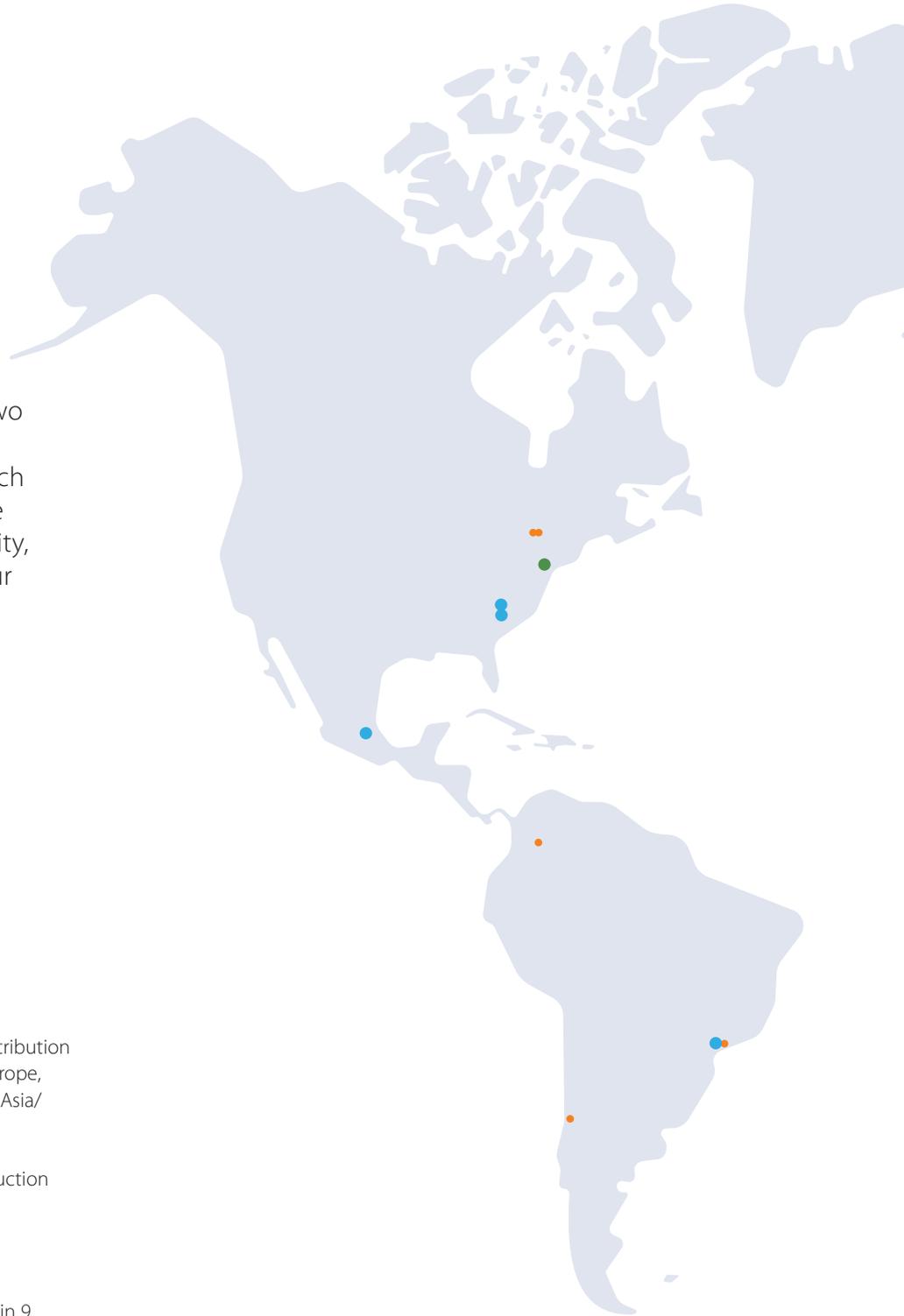
**FOCUS ON MOTION EXCELLENCE.****MOVEMENT SYSTEMS**

Movement Systems is a global industry leader supplying high-quality conveyor and processing belts – including homogeneous (monolithic) and plastic modular systems – along with power transmission belts and timing and flat belts made of synthetic materials. Marketed under the Siegling brand, these solutions serve a broad range of applications across industries – supporting conveying in the food industry (dough processing), in industrial production (recycling), and in logistics (e-commerce). Movement Systems combines global reach with local expertise and works in close collaboration with customers to deliver reliable, efficient, and innovative belting solutions tailored to their needs.



FORBO WITH A GLOBAL REACH

Forbo is a global player, and its two divisions supply a wide range of industries. The Group's global reach means that it is close to attractive markets and customers. The quality, longevity, and performance of our products and systems lead to long-standing relations with our business partners.



Flooring Systems

15 production facilities in 7 countries and distribution companies in 27 countries. Sales offices in Europe, North, Central, and South America, as well as Asia/Pacific.

- Floor covering production facilities
- Building and construction adhesive production facilities
- Other local distribution companies

Movement Systems

10 production sites and 6 fabrication centers in 9 countries and distribution companies in 32 countries. Over 300 sales offices and service points worldwide.

- Production facilities and fabrication centers
- Other local distribution companies



FLOORING SYSTEMS

Connecting spaces

Interiors reflect how buildings are used and experienced throughout the day. Flooring plays a central role in supporting these dynamics, balancing design, performance, and comfort across different zones and levels of use. Selecting the right flooring means aligning performance requirements – such as acoustics, safety, and durability – with color, design, and aesthetics. Our flooring solutions are designed to connect spaces within a building, offering ease of installation and functional benefits tailored to each area. From high-traffic entrances and social spaces to quieter rooms for focus or rest, every environment can be enhanced to support its purpose, creating interiors that feel welcoming, intuitive, and harmonious.



Key figures

Flooring Systems

Net sales
CHF million

738.2

– 1.2%

in local currencies

EBIT
CHF million

80.5

– 18.7%

EBITDA
CHF million

107.4

– 13.2%

Investments
CHF million

36

Innovation rate
Share of new products
in total net sales

9.3%

+ 3.1% Points

INNOVATION AND OPERATIONAL EXCELLENCE

In the 2025 financial year, Flooring Systems strengthened its market position through innovation, sustainability, and operational excellence. Despite challenging market conditions, we secured major accounts and advanced digital customer engagement. Strategic investments in automation, energy efficiency, and new production capacity further enhanced quality, efficiency, and sustainability, positioning the business for long-term value creation.

We introduced new product collections such as Furniture Linoleum, Marmoleum Modular, and Sardon/Modul'up, reinforcing our leadership in loose-lay and circular solutions. Our vinyl ranges contain at least 20% recycled content, Evolve+ carpet tiles exceed 75% recycled inputs, and Marmoleum Cocoa upcycled more than 100 tons of cocoa shells.

Progress through focus and execution

The financial year 2025 was defined by transformation and resilience across Flooring Systems' global operations. The ramp-up of new and upgraded production capacity progressed as planned and was brought into stable operation. The introduction of new product ranges aligned with customer needs, combined with further quality improvements, enhanced service levels and reduced lead times. In parallel, the supply chain organization was reinforced through clearer end-to-end governance, stronger demand planning, and tighter coordination across procurement, manufacturing, and logistics, improving transparency and operational performance.

'In a year marked by volatility, our ability to innovate and execute with discipline proved decisive. By embedding circularity and digitalization into everything we do, we are not only addressing today's challenges but also shaping a more sustainable future for our customers and the industry.'

Jean-Michel Wins

Regional market trends and challenges

The year delivered a mixed regional performance. In Europe, signs of selective recovery emerged, led by Germany, Austria, and Sweden, with continued growth in Italy. France remained challenging, while the UK stabilized amid constrained public-sector demand. North America softened following a strong prior year, with Canada remaining resilient and the US requiring disciplined pricing in response to tariffs. Asia continued to face pressure, particularly in China and South Korea. The project business outperformed daily or short-term sales. Meanwhile, emerging markets such as the Middle East and Ukraine began generating new opportunities.

**Jean-Michel Wins**

Executive Vice President Flooring Systems

Product innovation and portfolio strengthening

Innovation remained central, as we accelerated product life cycle management, prioritized a disciplined development pipeline, and systematically integrated design, performance, and sustainability requirements. We actively developed and optimized the product portfolio, sharpening portfolio clarity, supporting value-based selling, and strengthening positioning in key segments. Our strong launch agenda reinforced our leadership in loose-lay and sustainable flooring solutions. Key introductions included Furniture Linoleum and Marmoleum Modular, as well as the Sarlon/Modul'up PVC range with a minimum of 20% recycled content, alongside the introduction of Eternal Next, a loose-lay general-purpose flooring. In textiles, new and refreshed Tessera ranges exceeded 75% recycled content and were produced using 100% renewable energy. Preparations also progressed for Flotex Planks 3.0 and the Flotex USA satellite plant to support regional growth. Together, these launches and our pipeline developments position us strongly for the future, supported by a robust portfolio of innovations and ongoing collection renewals.

Delivering measurable sustainability impact

We advanced our Sustainability Strategy 2030, with 27% of square meters sold being climate-positive (cradle-to-gate, without offsetting) and five additional carpet tile ranges added to the Evolve+ series, offering industry-leading low-embodied-carbon products. Recycled content across our product portfolio increased further. Moreover, we reduced Scope 1 emissions by 6%, Scope 2 by 98%, and Scope 3 by 3% compared to the 2023 baseline. Logistics decarbonization advanced with fossil-free deliveries in Sweden, while circular initiatives such as the 'Back to the Floor' take-back program, active in 14 countries, resulted in the collection of 902 metric tons of post-consumer flooring waste and adhesive packaging. To ensure transparency and support customers in integrating sustainability into building design, we provide third-party-verified environmental product declarations (EPDs) for a wide range of products.

Investments in safety, facilities, and technologies

Key initiatives included the construction and near-completion of the Flotex USA plant, equipment upgrades in Bamber Bridge (UK), refurbishment in Krommenie (NL), and site maintenance in Château-Renault (FR). Logistics restructuring in the Netherlands delivered productivity gains of over 20%. At the same time, network analytics and global tenders reduced costs, improved service levels, and enhanced container visibility through increased automation. Safety remains a core priority across the Group. Ongoing initiatives to reinforce our safety culture, together with targeted measures in logistics, contributed to further improvements in safety performance.

Sales, marketing, and digital engagement

Commercial execution and digital engagement were further strengthened, enhancing customer proximity, sharpening segment focus, and expanding customer relationship management. We expanded our presence at leading industry fairs such as the Salone del Mobile in Milan, Passenger Terminal Expo in Madrid, and Interzum in Cologne, and partnered with renowned design media including Dezeen to promote Furniture Linoleum and Flotex. We also refreshed our healthcare value proposition and supporting sales assets, expanded engagement with architects, and increased visibility through targeted online campaigns. Digital initiatives advanced further, including broader adoption of CRM systems, the rollout of AI-supported customer tools, enhanced website localization, improved product data management, and stronger integration with external partners. We also launched an internal knowledge-sharing platform and laid the foundations for an enhanced and targeted digital customer experience.

Outlook for 2026

While macroeconomic conditions are expected to remain challenging, our strengthened portfolio, a robust innovation pipeline, expanded production capabilities, and continued progress in sustainable operations position us well for the future. Looking ahead to 2026, we will continue to prioritize sustainability, operational excellence, and strong customer partnerships, underpinned by an uncompromising focus on safety, quality, service reliability, cost discipline, and accelerated innovation. Through customer-centric execution in sales and marketing, and sustained investment in sustainability and digitalization, we are confident in our ability to deliver resilient performance and create long-term value for customers worldwide.

1 Eternal Design Vinyl sheet, for outstanding quality and thoughtful design.

2 Furniture Linoleum, our climate positive and natural surface material.

3 Marmoleum modular, sustainable linoleum tiles and planks in a balanced palette of colors.

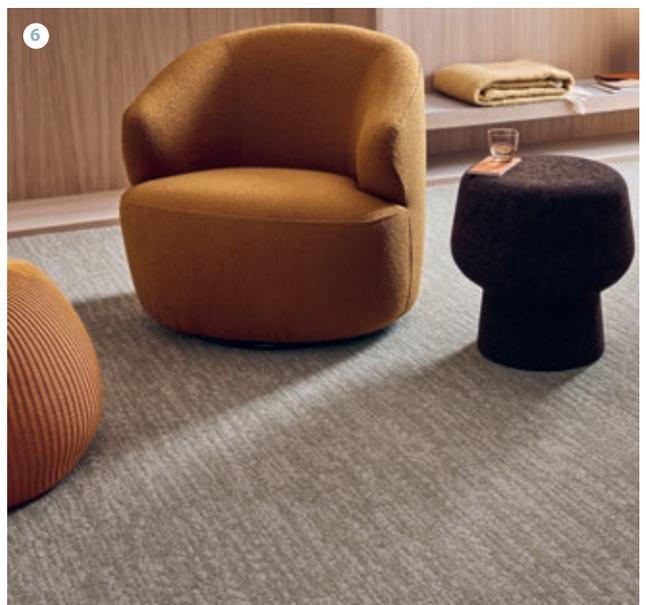
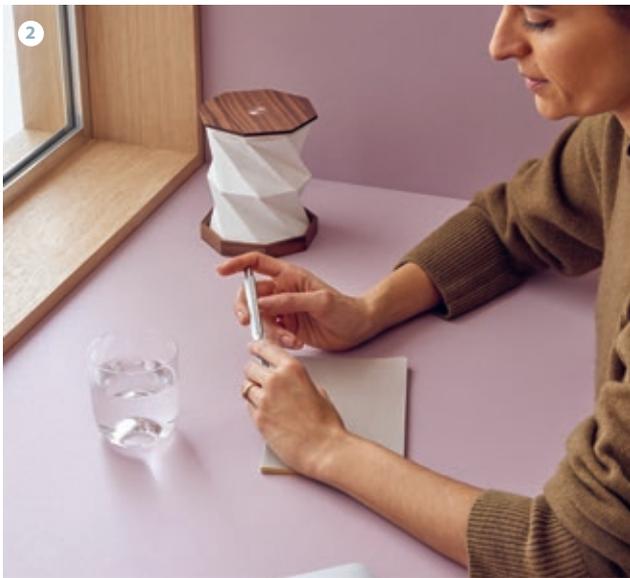
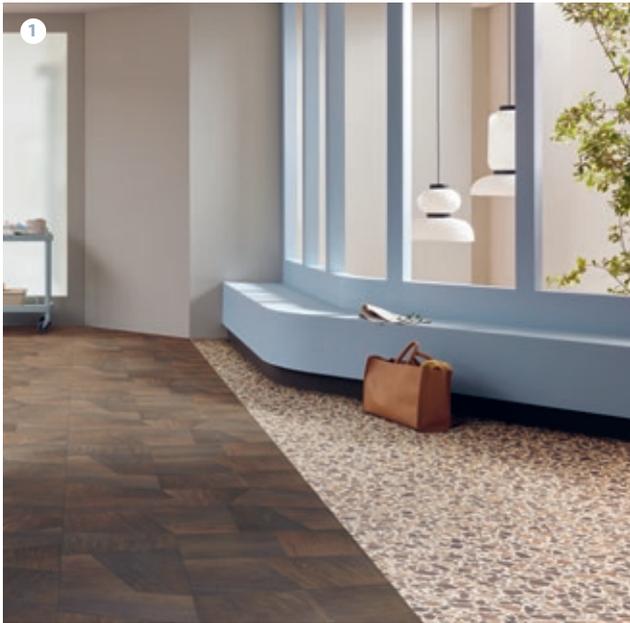
4 Sarlon and Modul'up, our acoustic vinyl, both available as glue down and loose lay installation.

5 Tessera carpet tiles allow you to find solutions for any space.

6 All Tessera collections in the evolve+ series have over 75% recycled content and low embodied carbon of less than 2 kg CO₂ e/m².

'2025 reaffirmed that resilience comes from focus – on sustainability, operational excellence, and strong customer partnerships. With bio-circular innovations and fossil-free logistics on the horizon, we are confident in delivering performance that creates long-term value worldwide.'

Jean-Michel Wins



MOVEMENT SYSTEMS

Transforming performance

In a dynamic market environment, precision, efficiency, and innovation remain key drivers of our progress. Movement Systems strengthens industrial performance through modernized production, regionalized supply chains, and advanced technologies. Investments in the ramp-up of new manufacturing lines, customer-specific solutions, digital customer platforms, and optimized logistics enhance reliability, productivity, and operational excellence. Supported by disciplined execution and data-driven decision-making, we continue to set new standards in belting technology worldwide.



Key figures
Movement Systems

Net sales
CHF million

347.2

+ 1.7%
in local currencies

EBIT
CHF million

15.4

- 49.3%

EBITDA
CHF million

36.7

- 27.8%

Investments
CHF million

11

Innovation rate
Share of new products
in total net sales

3.6%

+ 0.2% Points

TRANSFORMATION AND EXECUTION ACCELERATED

In the 2025 financial year, Movement Systems accelerated its transformation across all regions, strengthening operational resilience and advancing its modernization strategy. The ramp-up of new production capacities and the qualifications of additional product lines increased regional supply chain independence and further improved delivery performance. Targeted investments in innovation, digitalization, and sustainability delivered tangible progress – from eco-innovative material developments and expanded use of renewable energy to the continued evolution of digital customer platforms.

With the launch of the ‘Learning in Movement’ program, employee development became an integral part of our strategic priorities. Supported by enhanced organizational structures, disciplined cost management, and strong regional initiatives, Movement Systems further reinforced its operational foundations.

Progress in a transforming market

The financial year 2025 was marked by transformation and resilience across our global operations. In Pinghu (CN), the ramp-up of the new production line progressed as planned, achieving production qualification and culminating in its official opening in November 2025. The qualification of products previously manufactured in Europe supports our strategy to strengthen regional supply chains. Investments in high-frequency (HF) welding technology for roll-up door fabrication improved operational efficiency and contributed to stronger order intake towards year-end, demonstrating the impact of targeted modernization measures.

Driving sustainability and innovation

Sustainability remained a core strategic priority in 2025. We advanced our bio-based PVC developments and expanded the use of recycled PET yarns, while also testing alternative bio-based raw materials. Additional solar panel installations and the transition to green electricity, where available, supported reductions in Scope 1 and 2 emissions. In logistics, the conversion of selected Asia/Pacific delivery routes from sea to rail transport marked a further step in our decarbonization efforts. These initiatives support our strategic direction and contribute to the continued development of more sustainable solutions across the value chain.



Marc Deimling

Executive Vice President Movement Systems

‘We are driving transformation with focus and resilience: strengthening regional supply chains, modernizing production, and positioning Movement Systems for sustainable growth worldwide.’

Marc Deimling

Digital acceleration and employee development

The digitalization of our sales channels gained momentum in 2025 with the further expansion of the Belting Depot online platform and the implementation of marketing automation. These initiatives strengthened digital customer touchpoints and improved customer communications, enabling a more data-driven approach to market penetration. At the same time, we reinforced our commitment to employee development with the launch of the 'Learning in Movement' program. Offering more than 120 e-learning topics – from soft skills and self-organization to digital tools and emerging technologies – the program fosters continuous learning and long-term employability.

Regional progress and operational efficiency

In North America, the reorganization of the regional footprint and the appointment of key management positions strengthened organizational stability and operational focus. Improved on-time delivery (OTD) drove higher order intake from the third quarter onwards. Across the Americas, the Siegling ProLink Series 19 generated encouraging project momentum as we continued to establish the solution in the automotive sector. At the same time, improved service coverage and strengthened dealer networks supported geographic expansion, enabling us to broaden our market presence despite ongoing global uncertainties.

Outlook for 2026

Looking ahead, our focus remains on stabilizing supply chains and improving profitability. In Transilon production, the focus in 2026 will be on stabilizing the improved on-time delivery (OTD) performance achieved over the past year. Capacity utilization and disciplined cost management remain key priorities, supported by the relocation of energy-intensive products from EMEA to China and increased domestic production in the United States. In 2026, the ramp-up of the new production line in Pinghu (CN) will continue and gradually substitute existing capacity. The full market launch of Siegling Fullsan positive drive (PD) and center drive (CD) belts will further expand our portfolio of hygienic conveyor solutions. Despite ongoing price pressure from US tariffs and intense competition in Asia, our focus on efficiency, innovation, and sustainability provides a strong foundation for continued progress.

1 Ramp up of new production capacities in China and Japan to meet customer delivery times.

2 Custom-developed fiber-forced cutting belt NOVO 30 for vacuum cutting systems.

3 Sustainable Siegling Transilon alternative for logistics applications with bio-based PVC coating and fabric from recycled PET.

4 Customized Siegling Fullsan Positive Drive enabling quick and thorough cleaning.

'Innovation and responsibility go hand in hand. By embracing digitalization and sustainable technologies, we are shaping the future of motion – efficiently, purposefully, and with lasting value.'

Marc Deimling



THE FORBO SHARE

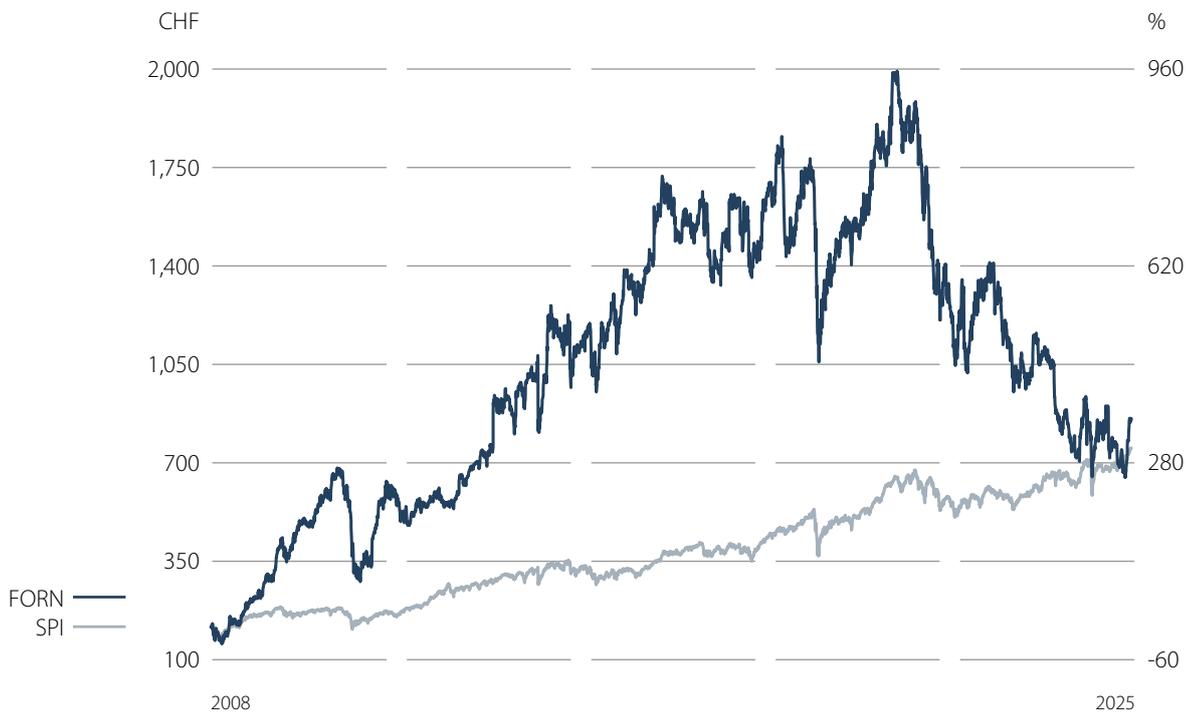
SHARE

After a positive performance on global stock markets in 2024, the 2025 stock market year began with cautious expectations. The positive start in spring 2025 raised hopes among many investors for another successful year. In fact, international stock markets were shaken by the new US tariffs in April 2025 and lost up to 20% within a few days. However, the markets were largely unfazed and recovered completely over the course of the following weeks. In the summer and autumn of 2025, the markets moved sideways, characterized by uncertainties regarding the US tariffs and conflicts in the Middle East. Towards the end of the year, however, global stock markets closed on a positive note with the prospect of further interest rate cuts and positive signals in the economy.

The Swiss Performance Index (SPI) reached an interim high of around +12% in March 2025, before performance plummeted by almost 20% (-7%) in April 2025. The renewed rise from May 2025 brought the SPI back to a level of around +10% in June 2025. This was followed by a sideways trend. The SPI closed the year at 18,239 points, representing an increase of around 18% year-on-year.

Overall, the Forbo share price performed similarly to the SPI in the first few months. At the beginning of March 2025, the Forbo share was up around 8% compared to the SPI. In the second half of the year, however, Forbo shares lost significant ground (30%) compared to the SPI and closed the year at CHF 874, around 3% weaker than the SPI on an annual basis.

The Forbo share in comparison with the SPI



Share capital

		2025 number	2024 number	2023 number	2022 number	2021 number
Issued registered shares ¹⁾		1,485,000	1,485,000	1,485,000	1,485,000	1,650,000
Thereof:						
Shares outstanding		1,418,977	1,410,603	1,407,356	1,412,760	1,424,870
Share buyback programs		0	0	0	0	150,625
Other treasury shares		44,604	52,978	56,225	50,821	53,086
Reserve shares (without dividend rights)		21,419	21,419	21,419	21,419	21,419

Issued nominal capital

		CHF	CHF	CHF	CHF	CHF
Total		148,500	148,500	148,500	148,500	165,000
Thereof:						
Shares outstanding		141,898	141,060	140,736	141,276	142,487
Share buyback programs		0	0	0	0	15,063
Other treasury shares		4,460	5,298	5,623	5,082	5,309
Reserve shares (without dividend rights)		2,142	2,142	2,142	2,142	2,142

Data per share

		CHF	CHF	CHF	CHF	CHF
Group shareholders' equity per share ²⁾		458	444	393	389	339
Group profit per share (undiluted) ³⁾		48.7	67.5	72.6	71.8	91.6
Gross dividend and cash distribution		25.0 ⁴⁾	25.0	25.0	23.0	25.0
Gross dividend yield (in %)	High ⁵⁾	2.6	2.2	1.8	1.2	1.2
	Low ⁵⁾	3.7	3.4	2.6	2.3	1.7
Payout ratio (in %) ⁶⁾		51	27	30	27	27

Stock market statistics

		CHF	CHF	CHF	CHF	CHF
Share price	High	946	1,152	1,386	1,922	2,040
	Low	682	745	957	1,020	1,498
	Year-end	874	755	1,054	1,088	1,870
Market capitalization (million) ⁷⁾	High	1,342	1,625	1,951	2,715	3,366
	Low	968	1,051	1,347	1,441	2,472
	Year-end	1,240	1,065	1,483	1,537	3,086

¹⁾ Par value per share in all years: CHF 0.10.

²⁾ Based on the number of outstanding shares as per balance sheet date December 31.

³⁾ Based on the weighted average number of outstanding shares.

⁴⁾ Proposal of the Board of Directors to the 2026 Ordinary General Meeting.

⁵⁾ Calculated on the basis of a cash distribution in the form of a dividend.

⁶⁾ Gross cash distribution as a percentage of profit.

⁷⁾ Outstanding shares (total number of shares less treasury shares) multiplied by the corresponding share price.

SUSTAINABILITY REPORT 2025

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KEY ACHIEVEMENTS 2025

Purpose-driven and collectively committed

We're proud to share Forbo's 2025 Sustainability Report, a reflection of the collective efforts and passion of our teams. Throughout the year, we've remained steadfast in our dedication to protecting the environment, fostering social equity, and embedding sustainability into every facet of our business. Our dedication continues to shape a more sustainable future. By aligning sustainability with our economic targets, we ensure long-term growth, resilience, and value creation for both our stakeholders and society.

Flooring Systems reaffirmed its commitment to leading the way in sustainable flooring by making tangible progress on its Sustainability Strategy 2030. In 2025, 27% of the square meters sold were climate positive cradle-to-gate without offsetting. We have added more carpet tile collections to the Evolve+ series featuring enhanced sustainability criteria, such as an embodied carbon that is among the lowest in the industry. The average recycled content across our flooring product portfolio has reached 44%. In 2025, Flooring Systems achieved a reduction in Scope 1 emissions of 6% and a 98% reduction in Scope 2 emissions compared to the 2023 base year. Scope 2 emissions have been reduced to a negligible level as they now amount to just 6 metric tons of CO₂. To further reduce its environmental footprint, Flooring Systems actively collaborates with suppliers to lower Scope 3 emissions and in 2025 a 3% decrease was achieved compared to the 2023 base year. This includes efforts to decarbonize raw material sourcing and promote the use of renewable fuels in downstream transport. Initiatives such as Flooring Systems' take-back programs play a vital role in closing the loop and reducing environmental impact.

Movement Systems advanced its strategic sustainability agenda in 2025, reinforcing our ambition to lead in responsible industrial solutions. We introduced two innovative belt solutions featuring multiple sustainability attributes: fabric made from 100% recycled polyester (rPET) and coating derived from bio-based oils from the food industry. This approach reduces reliance on virgin materials, prevents waste, and supports circularity. Movement Systems' dedication to developing sustainable belting solutions was recognized with the VMI Sustainability Supplier Award in 2025. In parallel, Movement Systems achieved a reduction of more than 95% in Scope 2 emissions compared to the 2023 baseline, enhanced energy efficiency through targeted retrofits, and joined the United Nations Global Compact (UNGC).

The progress achieved in 2025 reinforces our commitment to a cleaner and more resilient future. Since establishing our emissions baseline in 2023, Forbo has achieved a 26% reduction in Scope 1 and Scope 2 greenhouse gas emissions, reflecting significant progress toward our decarbonization goals. Our actions reflect our responsibility toward environmental stewardship, human rights, labor standards, and anti-corruption principles, and they strengthen our contribution to the UN Sustainable Development Goals. While we acknowledge the milestones reached in 2025, we recognize that sustainability is a continuous journey. Our dedication to innovation, collaboration, and continual improvement remains firmly embedded across all areas of our operations.

This report has been formally approved by the Board of Directors of Forbo Holding Ltd.



Bernhard Merki
Chairman of the Board of Directors



Johannes Huber
Chief Executive Officer



'2025 has shown the power of collaboration across our divisions. We've progressed our transition plan and embedded sustainability deeper into our strategy. Looking ahead, we stay committed to our goals, strengthening partnerships, and driving sustainable innovation. We keep building on this momentum together, as one Forbo.'

Key achievements

Flooring Systems

27%

of the square meters sold are climate positive cradle-to-gate without offsetting

5

carpet tile ranges included in the Evolve+ series with industry-leading low embodied carbon

Key achievements

Movement Systems

2

new sustainable conveyor belt solutions integrating more than one sustainability feature in one product

VMI

Sustainability Award

received in 2025 for outstanding commitment to the development of sustainable conveyor belt solutions

FOUNDATION

The present Group Sustainability Report meets the legal requirements for transparency on non-financial matters (Article 964a-c of the Swiss Code of Obligations in conjunction with the Swiss Ordinance on Climate Disclosures) as well as due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labor (Article 964j-l of the Swiss Code of Obligations). It was prepared with reference to the guidelines of the internationally recognized standard of the Global Reporting Initiative (GRI) and reflects our concepts and ambitions in relation to ESG – environmental, social, and governance.

Code of Conduct

While this report highlights key aspects of our sustainability journey, it does not capture every detail of our comprehensive Code of Conduct, which aligns closely with the UN Guiding Principles on Business and Human Rights. To fully explore the values and ethical principles that guide us, we encourage you to discover the complete Code of Conduct on our website at the following link:

→ www.forbo.com → Sustainability

Data collection

We have been collecting various kinds of environmental and social data for several years. The collection of relevant data has been gradually expanded in recent years. In 2024, we integrated the collection and reporting of climate-related and social data into our financial reporting tool to improve data consistency and completeness. In preparing this report, we have taken the utmost care to ensure data quality. In some cases, data collection can be a complex task due to limited data as well as limited existing disclosures from suppliers and customers. Despite all efforts to provide accurate and complete data, inaccuracies cannot be completely excluded.



**Code of
Conduct**

OUR COMMITMENT TO SUSTAINABILITY

At Forbo, sustainability is central to our identity, strategy, daily operations, and stakeholder engagement. Forbo aligns its efforts with the United Nations Sustainable Development Goals (SDGs), using them as a global framework to address the most pressing challenges and contribute to a better future by 2030.

Forbo's key sustainability topics are mapped to relevant SDGs and serve as the foundation for environmental, social, and governance (ESG) actions.

Our key levers at a glance¹⁾



- 3** GOOD HEALTH AND WELL-BEING
- 5** GENDER EQUALITY
- 8** DECENT WORK AND ECONOMIC GROWTH
- 9** INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10** REDUCED INEQUALITIES
- 11** SUSTAINABLE CITIES AND COMMUNITIES
- 12** RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13** CLIMATE ACTION
- 15** LIFE ON LAND
- 16** PEACE, JUSTICE AND STRONG INSTITUTIONS
- 17** PARTNERSHIPS FOR THE GOALS

¹⁾ Numbers refer to the UN Sustainable Development Goals (SDGs). The SDGs shown reflect those most relevant to Forbo in the context of our business activities and value chain.

BUSINESS MODELS

Forbo is a leading producer of floor coverings, building and construction adhesives, as well as belts for power transmission and lightweight conveyor technology. We offer our clients tailored, innovation-led solutions distinguished by functionality, quality, design, and sustainability. The company employs about 5,050 people and operates an international network of 25 production and distribution companies, 6 fabrication centers, and 47 dedicated sales organizations across 39 countries. Forbo is headquartered in Baar, in the canton of Zug, Switzerland.

Global reach

Forbo operates globally, with its two divisions serving a broad range of industries. The Group's international presence ensures close proximity to key markets and customers. The quality, durability, and performance of our products and systems form the basis for long-term partnerships with our business partners.

Flooring Systems has 15 production facilities in 7 countries and sales organizations in 27 countries.

Movement Systems has 10 production facilities and 6 fabrication centers in 9 countries as well as sales organizations and service points in 32 countries.



Flooring Systems

- Floor coverings production facilities
- Building and construction adhesives production facilities
- Other local distribution companies

Movement Systems

- Production facilities and fabrication centers
- Other local distribution companies

Products, markets, and sales channels

Forbo pursues global leadership positions in clearly defined market segments by delivering exceptional value through customer-focused innovation, sustainable solutions, and digital transformation, supported by a globally trusted brand. Our strong market positions in Europe and the United States reflect our commitment to quality and reliability, while we continue to expand in high-growth regions to meet evolving global demand. Across both business divisions, we combine advanced technology with deep market insight to offer products that consistently exceed expectations in performance, design, and environmental responsibility, creating lasting value for our customers and long-term growth for our investors.

At Flooring Systems, we provide long-lasting flooring solutions that combine design, functionality, and sustainability. We are committed to reducing our environmental footprint through circular production methods, the use of renewable materials, and the development of products that contribute to healthier indoor environments.

At Movement Systems, we sustainably expand our production capacities and co-develop innovative conveyor belt solutions with our customers. These solutions reduce energy consumption, improve productivity, and ensure efficient, reliable operations, helping our customers achieve long-term performance and responsible growth.

Forbo remains deeply committed to advancing product innovation and developing applications that address evolving market needs. By focusing on quality, durability, and performance, we strengthen long-term customer relationships while reducing environmental impacts across the product life cycle. Key success factors include eco-conscious product offerings, reliable availability, responsible logistics, and close customer collaboration. Together, these elements support both our commercial objectives and our sustainability targets. This foundation enables Forbo to navigate market challenges effectively while delivering sustained value to customers and shareholders.

Forbo’s two divisions



Forbo Group
Net sales 2025

1,085 CHF m

Movement Systems
Share of net sales by division

32%

Flooring Systems
Share of net sales by division

68%

Forbo Flooring Systems

Creating better environments

Flooring Systems is a global provider of high-quality floor coverings that combine design, functionality, and a strong commitment to sustainability. Through continuous innovation and responsible production, we aim to create flooring solutions that contribute to better environments, supporting both the well-being of people and the long-term health of the planet.

We operate through four core business units, three manufacturing flooring – Linoleum, Vinyl, and Textile – and one producing building and construction adhesives. Each offers products tailored to diverse application across mostly commercial sectors like education, healthcare, retail, office, public buildings, leisure & hospitality.

Linoleum – renewable, resilient, responsible

The Linoleum business unit is represented by our renowned Marmoleum brand, with more than 150 years of craftsmanship and innovation behind it. Made from natural and renewable raw materials such as linseed oil, rosin, wood flour, and jute, Marmoleum is a climate positive (carbon negative) floor covering from cradle-to-gate without offsetting. Marmoleum is available in both sheets and tiles. Marmoleum is a preferred flooring solution for high-traffic environments such as educational facilities, healthcare institutions, and public buildings thanks to its durability, hygiene features, and easy maintenance. Its combination of timeless design and strong environmental credentials reflects our commitment to circular production and low-impact manufacturing processes.

Vinyl – performance and design with circular ambition

Our Vinyl range offers a comprehensive portfolio of flooring solutions, including homogeneous and heterogeneous sheet vinyl, luxury vinyl tiles (LVT), and specialist acoustic and safety flooring. These products are developed to meet the most demanding performance standards while providing aesthetic flexibility across a wide variety of applications. Sustainability initiatives focus on the integration of recycled content, phthalate-free plasticizers, and closed-loop recycling systems and also on products that don't need glue to be installed.

Textile – comfort, acoustics, and resource efficiency

The Textile business unit encompasses our Flotex, carpet tiles, and entrance flooring systems, providing solutions that combine comfort, functionality, and resilience. Flotex represents the next generation of flooring: a high-performance surface engineered for durability, comfort, and visual impact. Combining a robust structure with a soft, quiet underfoot, it delivers long-term resilience in the most demanding spaces. Through optimized production processes and the use of recycled and recyclable materials, the Textile business unit supports our circular economy goals. Entrance flooring systems, meanwhile, play a preventive role in sustainable building design by reducing interior cleaning requirements and extending the life of surrounding floor coverings.

Building and construction adhesives – sustainable construction

A range of building and construction adhesives, featuring waterborne options for floor coverings and construction applications, leveling compounds, and water barriers under the Eurocol brand, completes Flooring Systems' portfolio. Additionally, we offer a selection of surface finishing solutions suitable for both flooring and wall applications.

'Sustainability is our foundation. From climate positive linoleum to recycled and reusable vinyl and textile, we design floors that last, reduce emissions, and close the loop. Guided by our 2030 strategy, we are turning circularity into a reality – creating better environments for people and the planet.'



Jean-Michel Wins, Executive Vice President Flooring Systems

Commitment to sustainable progress

Across all four Flooring Systems' business units, our strategy is guided by a clear ambition: to be a trusted partner for fully circular flooring solutions made from renewable materials, making it simple to choose sustainable options. Circularity is at the heart of our sustainability strategy, expressed through our guiding principle: 'Going Round, Moving Forward'. Achieving full circularity in the flooring industry is no small challenge, but we are committed to taking concrete steps to get there. Flooring Systems has developed a comprehensive Sustainability Strategy 2030. This forward-looking roadmap drives progress on sustainable innovation by focusing on three core pillars: reducing CO₂ emissions, enhancing circularity, and putting people at the center of everything we do.

We have set clear ambitions and measurable environmental, social, and governance (ESG) targets to guide our progress. These include cutting greenhouse gas emissions across our operations, increasing the share of recycled and renewable content in our products, and scaling up our take-back and recycling programs. On the social front, our strategy addresses key areas such as health and safety, inclusive recruitment, and employee engagement, ensuring a supportive and empowering workplace culture. Beyond our internal goals, we are committed to contributing to community welfare and collaborating with suppliers to promote responsible sourcing practices. Our governance objectives are designed to uphold the highest standards of corporate integrity, with actions that enhance transparency through life cycle assessments and environmental product declarations (EPDs), accountability, and ethical conduct at every level of our organization.

Our partners

Flooring Systems actively collaborates with international associations and organizations to establish pilot projects and alliances aimed at testing and introducing innovations and new developments. This strategic engagement is especially significant in the context of advancing initiatives for the circular economy. In addition, we cooperate with esteemed universities and innovative start-ups. Through these collaborative efforts, we strive to consistently enhance the environmental profile of both our company and our product portfolio.

Partners

Circular Flooring

European Carpet and Rug Association (ECRA)

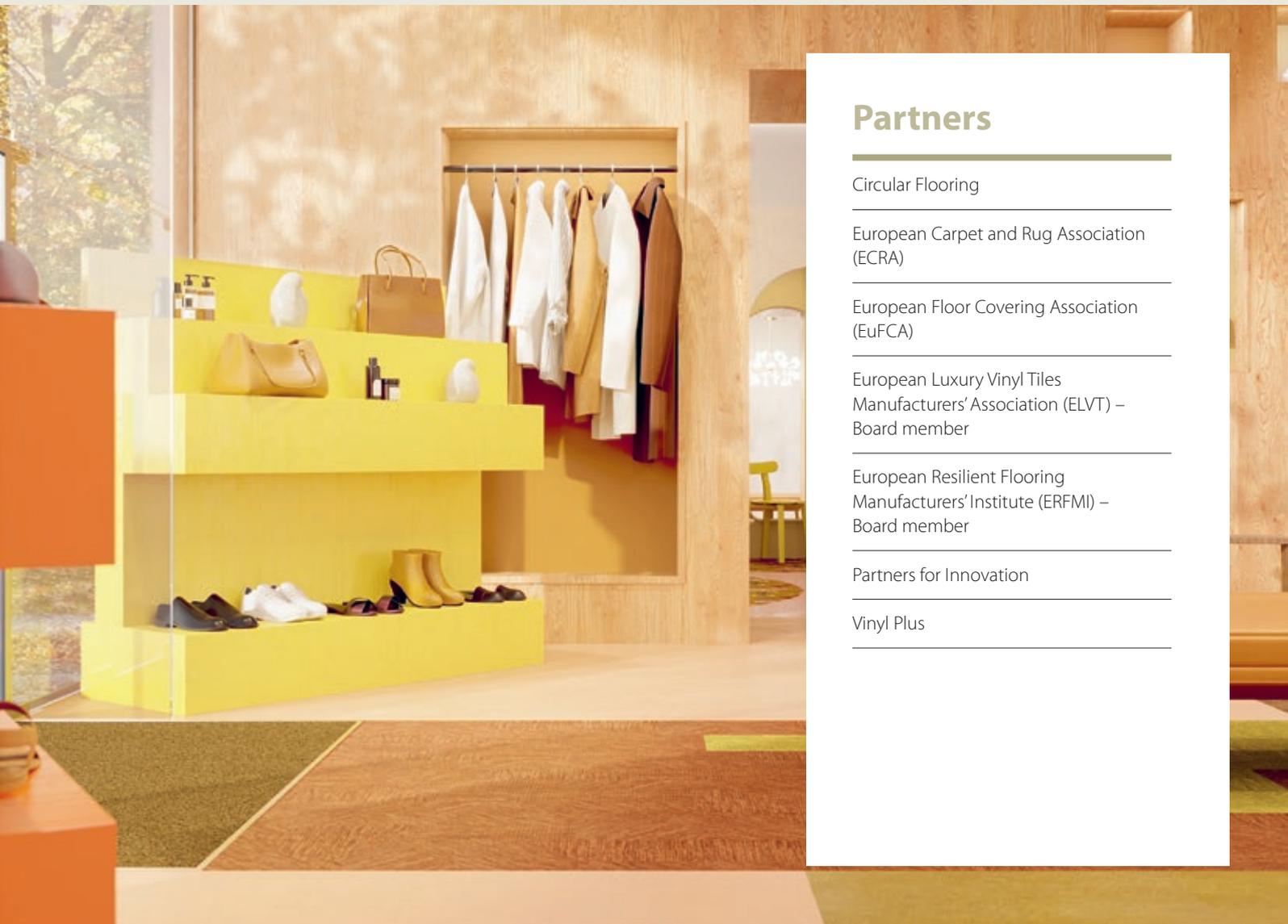
European Floor Covering Association (EuFCA)

European Luxury Vinyl Tiles Manufacturers' Association (ELVT) – Board member

European Resilient Flooring Manufacturers' Institute (ERFMI) – Board member

Partners for Innovation

Vinyl Plus



Leading the way with fossil-free transport in Sweden

While the global transport system is transitioning to renewable energy, Flooring Systems is acting now where it matters most. In Sweden, this meant going fully fossil-free, since May 2025, for all local deliveries and shipments from our central European warehouses to Sweden. Furthermore, since November 2025 fossil-free transport also includes our export and return flows from Sweden. This means that all our post-consumer waste collected through our Back to the Floor program, which we send back to our factories in the Netherlands, is transported with 100% fossil-free deliveries. This achievement makes Forbo Flooring Sweden one of the first in the flooring industry to operate 100% fossil-free transport. This transition is projected to reduce transport-related CO₂ emissions in Sweden by approximately 90% compared to running fully on fossil fuels. It marks a significant milestone that showcases what can be accomplished through focus and collaboration.

How it works

Our approach combines two key solutions: HVO100 renewable diesel and nearsetting logistics. Hydrotreated vegetable oil (HVO100), made from waste products like used cooking oil and animal fats, powers our local deliveries using standard engines. Nearsetting organizes logistics closer to delivery destinations, reducing travel distances and emissions. Both systems are independently verified to ensure measurable climate benefits.

For international transport from our central European warehouses to Sweden, we use a verified HVO bank system. Each month, we calculate our fuel usage and purchase an equivalent amount of HVO100, ensuring transparency and traceability. This is a stepping stone toward our next goal: 'From Bank to Tank', where all transport runs directly on renewable fuel.

This initiative will save approximately 490 metric tons of CO₂ annually and marks the beginning of a broader transition. With Sweden leading the way, other markets are preparing to follow, proving that large-scale, sustainable logistics are not just a vision, but a reality.





Marmoleum Cocoa and a Red Dot for Furniture Linoleum

Over the past year, demand for our Marmoleum Cocoa collection has continued to grow. Its success lies in the perfect blend of color, texture, and story. By incorporating production waste from our own factory and from other industries, as well as materials from our take-back program, such as installation offcuts and uplifted flooring, we create a truly circular product. The natural and renewable ingredients, including upcycled cocoa shells, make Marmoleum Cocoa climate positive from cradle-to-gate without offsetting and a showcase of design meeting sustainability.

In 2025, we also introduced our Furniture Linoleum collection: a surface material made from the same natural ingredients as our flooring. Its composition gives it a uniquely tactile warmth and matte finish that synthetic alternatives can't replicate. Naturally anti-static, soft to the touch, and resistant to fingerprints, Furniture Linoleum is ideal for environments where aesthetics and functionality meet.

Natural beauty – the true colors of linoleum

We offer a minimalist option for our Furniture Linoleum that brings out linoleum's raw, authentic beauty, showcasing only the natural tones and textures of its unique ingredients. Unpigmented linoleum allows the material's purity to shine through in its most honest form.

The renewable raw materials from which Furniture Linoleum is made take up carbon dioxide from the atmosphere during their growth. The photosynthesis of the bio-based materials used in linoleum provides CO₂ uptake that exceeds the emissions caused by transportation and production processing. As a result, each square meter of Furniture Linoleum removes 817 g of CO₂ from the atmosphere and the unpigmented version goes even further, removing 1,150 g of CO₂ per square meter.

Timeless design – honored with Red Dot's highest distinction

We are proud to have received the Red Dot: Best of the Best Design Award 2025 for Furniture Linoleum, which is the highest distinction in the Red Dot Product Design category, reserved for only the most outstanding designs in their field.



Forbo Movement Systems

Global expertise in sustainable belting solutions

Movement Systems is a global industry leader in total belting solutions. We supply industries and service providers worldwide with high quality conveyor and processing belts, plastic modular belts, power transmission and timing belts, and flat belts, all primarily composed of synthetic materials. As an innovative market leader and responsible manufacturer of plastics products, we hold ourselves to the highest standards of health, safety, environmental care, and quality. Using resources responsibly is one of our core principles, as is investing in research and development to create more sustainable products.

Movement Systems offers a portfolio of Siegling belt technologies that optimize material flow and production efficiency. Siegling Transilon and Siegling Transtex conveyor and processing belts provide robust, multi-layered designs for reliable conveying with reduced downtime and energy use. Modular systems like Siegling Prolink enable flexible, resource-efficient processes. For hygiene-critical environments, Siegling Fullsan homogeneous belts resist oil, grease, and bacteria, ensuring safe food and pharmaceutical production. High-performance solutions such as Siegling Extremultus flat belts and Siegling Proposition timing belts enhance power transmission and precision, minimizing waste. Combining durability, efficiency, and hygiene, our products support operational excellence and sustainability through extended service life, lower maintenance, and improved energy efficiency.

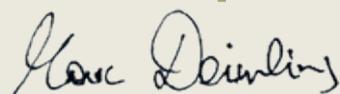
We serve markets worldwide, focusing on segments such as food processing, logistics, manufacturing, pharmaceuticals, and fitness equipment. Our belts are used in food production lines, logistics centers, gym treadmills, and mail distribution facilities, wherever efficient, reliable, and precise movement is essential. Movement Systems maintains close relationships with OEMs and end customers around the world. We provide tailored on-site services, directly or through trusted partners, to minimize downtime and respond quickly to specific customer needs with efficient, reliable solutions.

Committed to making a difference

Sustainability at Movement Systems is anchored in operational excellence and long-term value creation. Our approach combines environmental stewardship with innovation across global operations. We continuously optimize energy use, reduce waste, and modernize infrastructure to support low-emission manufacturing.

Employee engagement and safety are central to our strategy. We foster a culture of continuous improvement, uphold rigorous standards, and empower our workforce through structured training and collaboration. This strengthens resilience and supports sustainable growth. In 2025, we joined the United Nations Global Compact (UNGC), a voluntary initiative where companies commit to align their strategies and operations with ten universally accepted principles on human rights, labor, environment, and anti-corruption. This milestone underscores our ambition to align with globally recognized standards for responsible business conduct and strengthens governance and accountability throughout our global operations and supply chains. Our UNGC commitment builds on a long-standing foundation of responsible practices: environmental stewardship, safe working conditions, and integrity across all activities.

‘Innovation and sustainability go hand in hand. By joining the UN Global Compact, we align our innovation efforts with globally recognized principles on human rights, labor, environment, and anti-corruption. This commitment strengthens our ability to develop technologies and solutions that combine performance with responsibility.’



Marc Richard Deimling, Executive Vice President Movement Systems

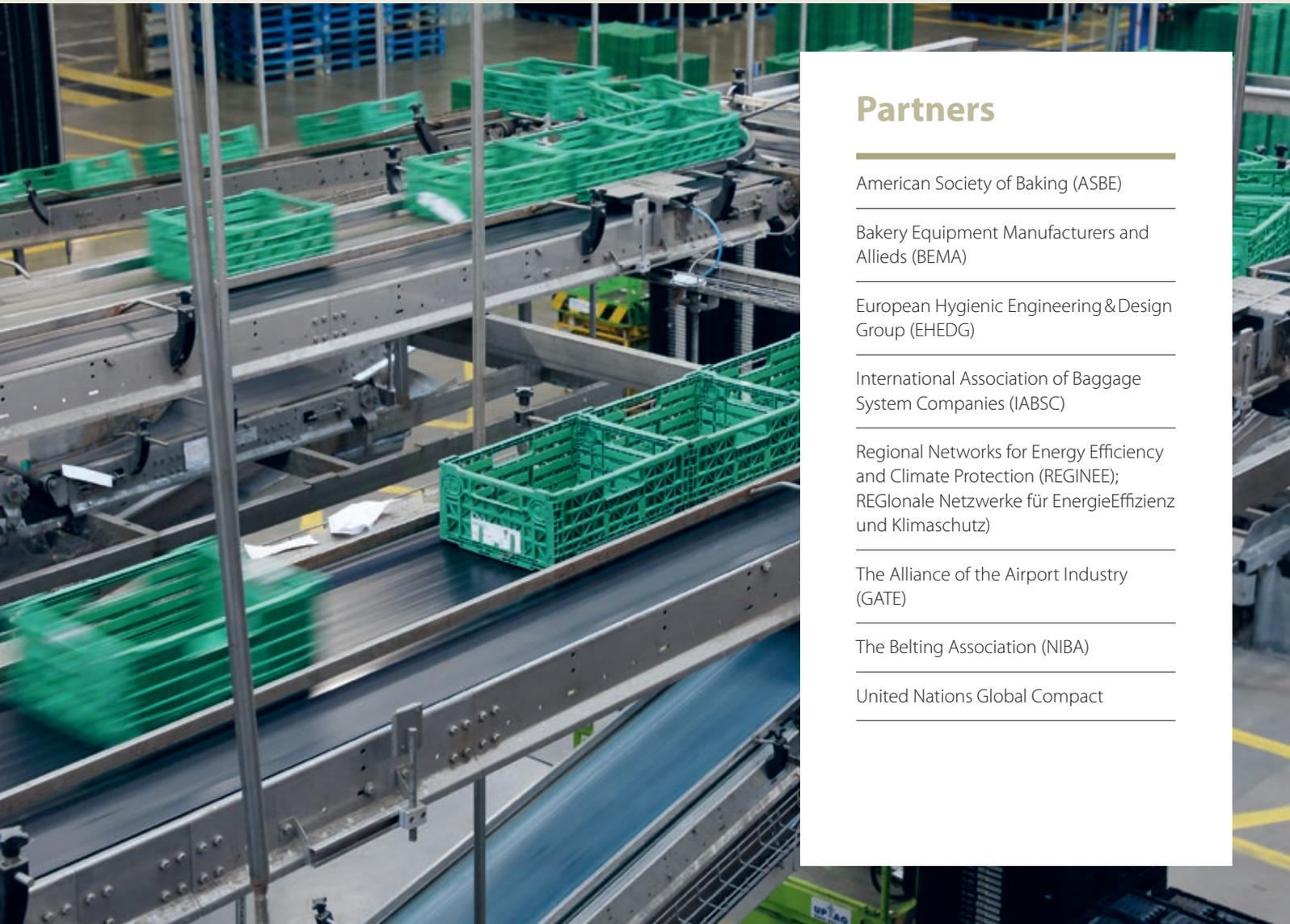
Movement Systems' team at all levels delivers on our deep-rooted values in terms of reliability and sustainability to consistently improve our processes and technologies while considering environmental and social impact. We are committed to making a difference by operating as sustainably as possible and to set an example in the industry regarding resource efficiency, ecosystem protection, and preservation of natural resources for future generations. We care. Movement Systems incorporates sustainability into all business operations and considers it in all critical business decisions. We lead by engaging stakeholders in impactful activities and driving industry-wide change. Our mindset is innovative, and we are open to new approaches.

Movement Systems aligns with additional frameworks relevant to its core industries. These include compliance with U.S. Food and Drug Administration (FDA), National Sanitation Foundation (NSF), United States Department of Agriculture (USDA), and Hazard Analysis and Critical Control Points (HACCP) requirements for food-industry applications. The division also engages with the Bundesarbeitgeberverband Chemie (BAVC) and the Bundesverband der Energie-Abnehmer e.V. (VEA) to stay aligned with regulatory and sector developments.

Sustainability management provides the framework for the programs at Movement Systems. It drives this topic proactively within the organization and is spearheaded by the Sustainability Council, which is a cross-functional body chaired by Movement Systems' management team and coordinated by the divisional sustainability manager. The roadmap we developed provides a structured approach to the current initiatives and future projects.

Our partners

Movement Systems collaborates closely with suppliers and customers to promote responsible sourcing, advance innovation in sustainable materials, and foster circular economy solutions. These relationships, grounded in transparency and shared values, remained stable throughout the reporting period, with the notable addition of our milestone in joining the UN Global Compact.



Partners

American Society of Baking (ASBE)

Bakery Equipment Manufacturers and Allies (BEMA)

European Hygienic Engineering & Design Group (EHEDG)

International Association of Baggage System Companies (IABSC)

Regional Networks for Energy Efficiency and Climate Protection (REGINEE);
REGionale Netzwerke für EnergieEffizienz und Klimaschutz)

The Alliance of the Airport Industry (GATE)

The Belting Association (NIBA)

United Nations Global Compact

New Transilon production line in Japan: a leap towards sustainable manufacturing excellence

Forbo Siegling Japan (FSJ) celebrated a defining milestone with the inauguration of its new Transilon production line, the largest investment by FSJ in 50 years and a decisive step toward innovation-driven sustainability. The ceremony, attended by Movement Systems' Executive Vice President, the Asia/Pacific President, FSJ's leadership team, and key representatives of the Siegling Owners' Association, a network of leading distribution and service partners in Japan, underscored the shared commitment to sustainable growth and technological excellence.

The new coating and calendar lines usher in a new era of precision and digitalization. Equipped with smart control technology, surface monitoring cameras, and coating thickness sensors, they enable real-time quality control, optimize material efficiency, reduce waste, and meet rising demands from industries such as food processing under Japan's revised Food Sanitation Act.

Beyond technology, the project advances Movement Systems' sustainability strategy. Measures such as heat recovery via regenerative thermal oxidizers, the switch to liquefied petroleum gas for thermal oil heating, and natural cooling systems boost energy efficiency and cut environmental impact. In 2025, FSJ adopted certified renewable electricity for its Fukuroi plant. The contract meets GHG Protocol Scope 2 Guidance criteria, enabling a market-based emission factor of 0 g CO₂/kWh. Enhanced hygiene and safety standards result from controlled airflows and dust prevention systems, safeguarding product integrity. Manufacturing accuracy has progressed, with uniform belt thickness and optimized winding tension achieved through state-of-the-art calendaring and torque control.

Together, these improvements ensure superior performance while reducing CO₂ emissions and energy use through resource-efficient technologies. FSJ's new Transilon line embodies Movement Systems' belief that innovation and sustainability go hand in hand, paving the way for a cleaner, smarter, and more resilient future.





Milestone in Scope 2 decarbonization

In the first half of 2025, Movement Systems reached a key milestone in its decarbonization roadmap: all major global production and fabrication sites, representing more than 95% of total production volume, transitioned to electricity procured exclusively from renewable sources under contractual instruments. This achievement is aligned with the GHG Protocol Scope 2 Guidance, applying the market-based approach to ensure transparent, credible, and verifiable emissions accounting.

Renewable electricity sourcing is implemented through region-specific mechanisms that meet stringent quality criteria for exclusive ownership, traceability, and regulatory compliance. For example, in the United States, certified renewable energy certificates (RECs) from hydropower projects regulated by the Southeastern Power Administration are registered and retired via the NC-RETS system. In Denmark, guarantees of origin (GoOs) for Nordic wind power are procured and verified by PwC to ensure authenticity. Swiss operations are fully covered by domestic hydropower, documented according to GHG Protocol and Swiss federal standards, with transparent emission factors published by IWB. At our Pinghu site in China, solar electricity is sourced from regional photovoltaic installations in Zhejiang, documented through blockchain-verified certificates issued by the Beijing Power Exchange Center (BPX).

This strategic transition has resulted in a reduction of Scope 2 emissions by more than 95% compared to our 2023 baseline, positioning Movement Systems on track to meet its 2030 combined Scope 1 and Scope 2 target. Annual verification ensures that certificates cover actual electricity demand, safeguarding integrity and compliance across all verified sites.

Beyond renewable sourcing, Movement Systems remains committed to further enhancing energy efficiency throughout its operations. Through targeted investments in advanced technologies, process optimization, and modern machinery, we continue to reduce overall energy consumption while maintaining sustainable, high-quality production standards.

ENVIRONMENT

Sustainable resource management is central to our values. Through targeted investments, we support projects that foster a more sustainable future for our business and for society as a whole.



Introduction

This section outlines our commitment to transparency and proactive management of environmental matters. It also includes our comprehensive approach to climate-related financial disclosures, in line with the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations. To reinforce our commitment to responsible business practices, Movement Systems and Flooring Systems operate under internationally recognized management standards. 100% of the products manufactured by Flooring Systems and 91% of those produced by Movement Systems are certified to ISO 9001 (quality management systems) and Flooring Systems' main production sites as well as several of Movement Systems' sites have ISO 14001 (environmental management systems) certification. Furthermore, Movement Systems' main German sites and Flooring Systems' site in Reims, France, hold ISO 50001 (energy management systems) certification, supporting our efforts to improve energy efficiency and reduce emissions. Both divisions contribute to European standards through national CEN committees. Additionally, Flooring Systems' site in Reims, France, is scored by EcoVadis and Movement Systems is assessed by EcoVadis at divisional level.

Report scope

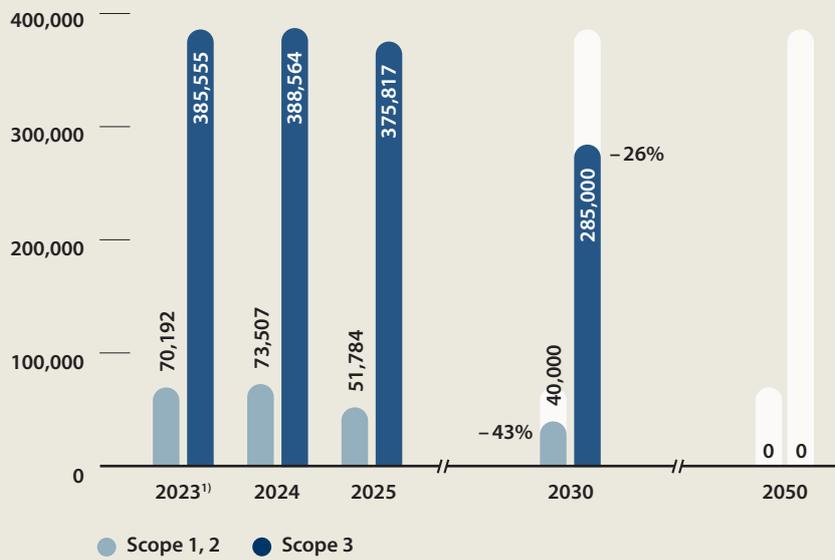
Unless otherwise stated, the environmental data published in this report includes all Flooring Systems' production sites for floor coverings and building and construction adhesives. It includes all major production sites of Movement Systems, which together account for 95% of the production volume, as well as the fabrication centers. The sales offices and the warehouses at a production site are also included. Other sales offices are not included as their contribution to Forbo's environmental footprint is not material. The CO₂ emissions reported are calculated in accordance with the criteria of the Greenhouse Gas Protocol (GHG Protocol Corporate Accounting and Reporting Standard and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard). We used the operational control approach to consolidate GHG emissions. GHG emissions are expressed in metric tons of carbon dioxide equivalent CO₂(e). A carbon dioxide equivalent is a metric measure used to compare the emissions from various greenhouse gases on the basis of their global warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential. The calculation of the CO₂ emissions does not include any GHG trades. Our baseline year is 2023, the year of Forbo's first combined Sustainability Report and the first time Scope 3 emissions were calculated across the entire Group.

Forbo's environmental targets

In 2025, Forbo reaffirmed climate action as a strategic priority. We introduced quarterly CO₂ emission tracking to systematically monitor progress. This builds on the Group-wide CO₂ reduction targets defined in 2024 with a 2030 horizon and the long-term ambition of net-zero emissions by 2050. The Group targets are translated into annual divisional targets and supported by measurable decarbonization initiatives. Performance is tracked against these targets to ensure transparency, accountability, and consistent implementation. Our decarbonization strategy focuses on reducing and mitigating greenhouse gas emissions associated with our products and operations. In parallel, we are committed to balancing unavoidable residual emissions through carbon removal initiatives, including nature-based solutions rooted in the protection, regeneration, and sustainable management of ecosystems.

Forbo's CO₂ emission reduction pathway

metric tons CO₂(e)



¹⁾ Base year.

Our Scope 1 and 2 near-term target

By 2030, reduce our Scope 1 and market-based Scope 2 CO₂ emissions by 43% compared to our base year 2023

Our Scope 3 near-term target

By 2030, reduce our Scope 3 CO₂ emissions by 26% compared to our base year 2023

Our overarching net-zero target

By 2050, work together with our suppliers, customers, and other stakeholders to achieve net-zero CO₂ emissions across our value chain (Scopes 1, 2 and 3)

Scope 1
Direct emissions

Direct greenhouse gas emissions that come from sources owned or controlled by Forbo.

Scope 2
Indirect emissions

Indirect emissions resulting from the generation of purchased energy.

Scope 3
Indirect emissions

All other indirect emissions that occur across Forbo's value chain.



Forbo's strategic framework for climate-related matters

A clear, forward-looking strategy is key to navigating the challenges of climate change and to unlocking the opportunities it brings. At Forbo, both divisions regularly conduct materiality analyses to stay aligned with stakeholder expectations and evolving sustainability priorities. These insights are consolidated at Group level, creating a unified view that informs our decision-making. Climate-related topics are fully embedded in our business planning, helping us deliver on short-term goals while laying the foundation for long-term impact.

Risk management

Our risk management process considers the potential wider implications of climate change on our business activities. The climate risk appetite, its metrics, and associated thresholds are set by the Board of Directors. The Board of Directors ensures that it is aware of the risks to which Forbo is exposed and that appropriate measures are taken to mitigate these risks. It commissions an annual Group-wide risk assessment, and all material topics are regularly discussed with the management and in the different committees. Climate-related risks are considered and mapped throughout our value chain. They are presented as 'cross-cutting' rather than standalone risks in our risk taxonomy. Our business standards integrate climate-related risks across all risk and control management activities supporting our day-to-day decisions. Climate risk manifestations are considered against the short, medium, and long term to understand their relevance across different time spans. This assessment includes a heat map based on our risk metrics and thresholds as well as the probability of occurrence. In connection with climate-related risks, Forbo considers both transitional and physical risks. Our assessment also includes identifying and capitalizing on climate-related opportunities to ensure that we uncover potential for growth and innovation.

Materiality analysis

Forbo's materiality analysis for climate-related matters follows a structured process to assess both financial materiality (the potential impact of climate-related risks and opportunities on our business) and impact materiality (the effect of our operations on the environment). Our materiality analysis is an evolving process, continuously refined to reflect the latest scientific developments and best practices. We regularly review our methodology in response to shifts in regulation, technology, and market dynamics.

Financial materiality

Our financial materiality analysis plays a key role in identifying climate-related factors that could significantly influence our financial performance, strategic decisions, or asset valuations. The analysis includes the following key steps:

- Stakeholder engagement
- Risk identification and categorization
- Scenario analysis
- Impact assessment

We engaged our employees and conducted customer surveys to identify climate-related issues. In a second step, we categorized the findings and evaluated their potential impact on our business to understand how various climate-related changes might affect our business in the short, medium, and long term. By understanding these risks, we can adapt our operations to mitigate the potential future impact. We have defined time horizons consistently with the ones defined in the European Sustainability Reporting Standards ('ESRS'). The short-term view covers up to one year, the medium-term view one to five years, and the long-term view the period from five years onwards. Our scenarios cover climate-related transition risks and physical risks as well as climate-related opportunities, tailored to the impacts we observe across our value chain. We looked at a 1.5°C warming scenario aligned with global climate goals, which focused on potential regulatory changes, such as carbon pricing and shifting market demands for more sustainable products (transition risks). We also considered a more extreme 4°C warming scenario, which examined the physical risks of climate change, such as extreme weather events and supply chain disruptions.

Our scenario analysis is based on the following assumptions:

- **Temperature rise:** by the 2050s, global temperatures are expected to continue rising relative to pre-industrial levels. The estimated magnitude of temperature increase varies between 1.5°C (low global warming scenario) and 4°C (high global warming scenario).
- **Extreme weather events:** climate models project an increase in the frequency and intensity of extreme weather events such as heatwaves, heavy rainfall events, droughts, hurricanes, and wildfires by the 2050s.
- **Sea level rise:** sea levels are expected to rise due to thermal expansion of seawater and melting glaciers and ice caps. By the 2050s, sea level rise projections range from several centimeters (low global warming scenario) to more than 30 centimeters (high global warming scenario), increasing the risk of coastal flooding, erosion, and saltwater intrusion into freshwater sources.
- **Changes in precipitation patterns:** changes in precipitation patterns are projected to continue, with some regions experiencing more frequent and intense rainfall events, while others face increased drought conditions.
- **Impacts on agriculture:** climate change impacts on agriculture are expected to intensify by the 2050s, with changes in temperature, precipitation, and extreme weather events affecting crop yields, water availability, pest and disease pressure, and agricultural livelihoods.
- **Biodiversity loss and ecosystem changes:** climate change is projected to negatively impact biodiversity and ecosystems by the 2050s, with shifts in species distributions, habitat loss, and disruptions to ecological interactions.
- **Health impact:** climate-change-related health risks are expected to increase by the 2050s, including heat-related illnesses, vector-borne diseases, air-pollution-related respiratory problems, and waterborne diseases.
- **Infrastructure vulnerability:** climate change poses risks to infrastructure resilience, with increased exposure to extreme weather events, sea level rise, flooding, and heat stress. By the 2050s, infrastructure assets such as roads, bridges, ports, energy facilities, and water systems may face increased risks of damage and disruption.
- **Economic impacts:** the economic impacts of climate change are expected to become more pronounced by the 2050s, with costs associated with climate-related disasters, damages to infrastructure, impacts on agriculture and ecosystems, and health-related expenses accruing.
- **Social disruption and migration:** climate change may exacerbate social inequalities and increase the risk of displacement and migration by the 2050s, particularly in regions facing climate-related hazards.

Climate-related transition risks

Material topics	Short-term	Medium-term	Long-term	Value chain	Mitigation
Production facilities 	Stricter regulations require the modernization of buildings and production facilities for energy efficiency	Same as short-term	Same as short-term		<ul style="list-style-type: none"> – Energy audits – Technology upgrades/energy efficiency programs – Defined roadmap – Leverage government incentives
Compliance 	Increased effort to ensure compliance with regulatory requirements due to increasing regulation	Same as short-term	Same as short-term		<ul style="list-style-type: none"> – Hiring new and training of existing personnel – Efficiency gains by proactive monitoring of changing regulations – Fostering collaboration between departments to share expertise and responsibilities
Energy 	Rising cost of renewable energy	Rising cost of renewable energy and grid capacity constraints; rising gas grid fees	Same as medium-term		<ul style="list-style-type: none"> – On-site electricity generation – Energy efficiency programs – Long-term energy contracts – Explore infrastructure upgrades
Transportation 	Not applicable	Increased transportation costs due to rising CO ₂ emission cost	Same as medium-term		<ul style="list-style-type: none"> – Explore and implement alternative transport solutions – Supply chain optimization

Climate-related physical risks

Material topics	Short-term	Medium-term	Long-term	Value chain	Mitigation
Value chain 	Value chain disruptions resulting from damage caused by extreme weather events.	Same as short-term	Same as short-term		<ul style="list-style-type: none"> – Supplier diversification – Maintain a strategic inventory buffer for critical materials – Monitoring system to swiftly identify and respond to disruptions
Production facilities 	Damages to production facilities caused by extreme weather events	Same as short-term	Same as medium-term		<ul style="list-style-type: none"> – Investment in climate-resilient infrastructure – Regularly updated business continuity plan

Climate-related opportunities

Material topics	Short-term	Medium-term	Long-term	Value chain	Mitigation
Brand reputation 	Increased sales and enhanced brand reputation through increased demand for sustainable products	Same as short-term	Same as short-term		<ul style="list-style-type: none"> – Customer engagement – Sustainable product development – Regular life cycle assessment for all product categories – Market the environmental benefits of the products
Operations 	Lower operational costs through waste heat recovery	Same as short-term	Same as medium-term		<ul style="list-style-type: none"> – Investment in heat recovery systems to reduce purchased energy consumption – Feasibility study to assess the investment needed and potential revenue generation from heat sales

 Upstream
 Own operations
 Downstream

Impact materiality

We assess the climate impact of our business through regular calculation of Forbo’s carbon footprint. Our cross-functional process enables us to measure not only total CO₂ emissions, but also key supporting metrics such as the share of renewable energy in total consumption and carbon intensity that provide critical insights for managing and optimizing our sustainability initiatives.

In 2024, we reached a significant milestone by integrating climate-related data collection and reporting into our financial reporting system. The process follows three core phases: data is gathered by business units from various internal and external sources, uploaded into our financial system for aggregation, and then converted into relevant metrics using the latest GHG emission factors before being included in Group-level reporting. These figures are disclosed in the ‘Environmental metrics’ section.

In 2025, we further enhanced our reporting processes by introducing quarterly CO₂ tracking and by improving data quality. This allows for more agile internal steering and ensures we remain on track to meet our reduction targets.

Impact materiality

Material topics	CO ₂ emissions 2025 (metric tons)	In % of total CO ₂ footprint	Value chain	Mitigation
Scope 1 & 2 – production and fabrication 	51,784	12%		<ul style="list-style-type: none"> – Improve the energy efficiency of our processes – Shift to renewable energy sources
Scope 3 – purchased goods and services 	272,427	64%		<ul style="list-style-type: none"> – Adopt raw materials with lower carbon impact – Engage with suppliers to enhance transparency on raw materials and drive improvements.
Scope 3 – upstream and downstream transportation 	53,012	12%		<ul style="list-style-type: none"> – Maximize load efficiency and enable proximity to key markets and shorter transport distances – Avoid air freight and switch to renewable fuel transport where financially viable
Scope 3 – processing of sold products and end-of-life 	19,668	5%		<ul style="list-style-type: none"> – Provide service to extend the operational life of conveyor and processing belts – Increase the share of loose-lay floors to facilitate recyclability – Partner with external organizations to develop and scale up end-of-life solutions

-  Upstream
-  Own operations
-  Downstream

Transition plan

Addressing the far-reaching impacts of climate change on nature, people, and our business requires sustained reductions in greenhouse gas emissions across all sectors. Guided by risk and impact assessments, we prioritize climate-related issues based on their potential business and environmental significance, ensuring they are embedded in our decision-making and long-term planning. We are committed to minimizing our environmental footprint at every stage of the value chain.

This section outlines Forbo’s evolving approach to achieving our environmental targets and to reducing climate impact. Our transition plan is not static. It is continuously developed through cross-functional collaboration to generate, evaluate, and implement impactful ideas. We pursue targeted measures within our defined roadmaps, using decarbonization levers such as energy efficiency, electrification, fuel switching, renewable energy adoption, product innovation, supply chain decarbonization, and take-back programs. For each initiative, we assess both the emission reduction potential and the financial implications, enabling us to align climate action with our growth strategy. Progress is closely monitored and tracked to ensure we stay on course. A dedicated governance and reporting structure supports the effective implementation and ongoing refinement of our transition plan.

CO₂ footprint per phase of our value chain



● Scope 1, 2 ● Scope 3

Path to net-zero by 2050

Forbo is committed to reaching net-zero GHG emissions across the value chain by 2050. To ensure progress, we have established interim targets for 2030, aiming to reduce our absolute Scope 1 and 2 emissions by 43% and Scope 3 emissions by 26% using 2023 as the baseline year.

Our targets are aligned with international climate science, ensuring that we contribute to the global effort to limit warming to 1.5°C (Scope 1 and 2) respectively well below 2°C (Scope 3) above pre-industrial levels. We will regularly monitor, report, and adjust our progress to ensure we remain on track to meet these targets and our long-term net-zero commitment.

Reducing Scope 1 and 2 emissions

Reducing emissions from our own operations represents the best opportunity to lead by example in the efforts against climate change. Our internal operations' emissions account for 12% of our total GHG emissions. They mainly arise from stationary combustion and the use of purchased electricity. We are aiming to reduce our internal operations emissions (Scope 1 and 2) by 43% by 2030 from a 2023 baseline.

Renewable energy

To reduce Scope 1 and 2 emissions, we are shifting towards renewable energy sources across our production sites and improving the energy efficiency of our processes. Since March 2025 we have ensured that all electricity comes from non-fossil sources, and we continue to invest in improving energy efficiency while reducing our reliance on gas and diesel fuel. In 2025, our energy mix included natural gas, renewable electricity, diesel oil, biogas, district heating, and nuclear power. Currently, 35% of our energy comes from renewable sources.

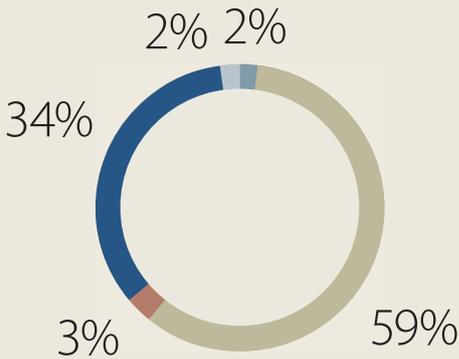
Since 2004, Flooring Systems has reduced its Scope 1 and 2 emissions by more than 80%. We aim to achieve further improvements by following our reduction pathway. In 2025, both Flooring Systems and Movement Systems have made significant progress in lowering Scope 2 emissions through renewable electricity and on-site generation. For Flooring Systems, Scope 2 emissions in 2025 amount to just 6 metric tons CO₂, representing less than 0.01% of total Scope 1, 2, and 3 emissions and are therefore reduced to a negligible level. This achievement is driven by manufacturing products with 100% renewable electricity wherever available. Movement Systems transitioned in 2025 all major production and fabrication sites to electricity from 100% renewable sources, in line with GHG Protocol standards for Scope 2 reporting. This achievement delivered a market-based Scope 2 emissions reduction of over 95% compared to 2023, ensuring alignment with our 2030 target.

In addition to purchasing renewable electricity, Flooring Systems produced 230,871 kWh of self-generated electricity from solar panels at our sites in the Netherlands. Additionally, 1,300 solar panels were operating at Movement Systems sites in Denmark, Germany, and Switzerland, plus 110 in Mexico, by the end of 2025. Flooring Systems' site in Bamber Bridge is powered entirely by renewable energy sources such as wind and biogas, demonstrating a practical approach to achieving net-zero emissions for Scope 1 and Scope 2.

At Forbo, we are progressively transitioning our leased car fleet to hybrid and electric vehicles in the countries where the charging infrastructure allows it. This led in 2025 to a 34% reduction in our direct mobile combustion emissions (Scope 1) compared to 2023.

Energy usage

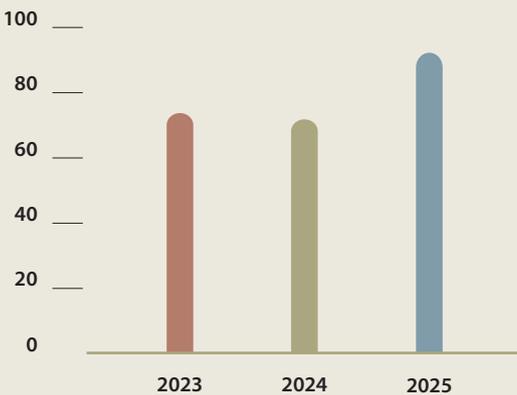
Total 1,313,208 gigajoules



- Natural gas
- Renewable electricity
- Non-renewable electricity (fossil and nuclear power)
- Car fuels
- Other (including biogas, district heating, light fuel oil)

Renewable electricity

Percentage of renewable vs. total electricity



- 2023: 73%
- 2024: 72%
- 2025: 95%

Operational excellence

At Forbo, the elimination of natural gas (Scope 1) from own operations remains one of our biggest challenges.

For example, curing kilometers of Marmoleum at Flooring Systems is highly energy-intensive. The 56 drying stoves at our Assendelft factory, which are 20 meters high, are heated with steam generated by natural gas. We are already applying a number of business levers, such as technology, to improve our energy efficiency. In our vinyl factory in Coevorden, we completed the final phase of a three-year project, replacing the third afterburner and upgrading the VOC oxidizer heat recovery system with an air-to-oil heat exchanger. This type of initiative has contributed to an overall improvement of the energy intensity of Flooring Systems, with a 6% reduction in energy used per square meter of flooring compared to 2023.

At Movement Systems, operational excellence was not only driven by the completion of the new Transilon production line in Japan. In 2025, Movement Systems modernized the granulate drying and conveying system at its Hanover site to enhance energy efficiency and reduce environmental impacts. The retrofit resulted in verified annual electricity savings of 117 MWh and a Scope 2 CO₂ reduction of 51 metric tons. The upgraded system meets state-of-the-art technical standards, ensures spare part availability, and enables reliable maintenance. It reduces downtime and material variances and improves indoor air quality. In 2025, the heat recovery system (HRS) at the site in Wallbach was recommissioned. Based on a pinch analysis, the restored system is expected to achieve an annual substitution of approximately 300 MWh of natural gas-derived energy. The HRS is connected to a thermal storage unit and supplies the building with comfort heating. This measure contributes to improved energy efficiency and supports the site's transition toward lower-emission operations. Furthermore, frequency converters were installed in the re-grinder system at Lunderskov in Denmark to improve energy efficiency. This measure enables demand-driven start-stop operation, helping to reduce electricity consumption during non-production periods. Efficiency improvements in the operational sites combined with the shift to electricity from renewable sources had a substantial positive effect on Movement Systems' emission intensity per square meter. Compared with 2023, emission intensity decreased by 53%.

Reducing Scope 3 emissions

Beyond our direct operations, Scope 3 emissions highlight the environmental impact of our suppliers, customers, and partners. By measuring and managing these emissions, we strengthen accountability and drive collective action for a low carbon future.

Circularity

The environmental challenges in our value chain extend well beyond greenhouse gas emissions, encompassing a broad range of interconnected issues such as waste, water, materials, and biodiversity. Addressing these challenges requires a holistic approach that looks beyond carbon and considers the full life cycle impact of our activities. Circularity provides a powerful framework for tackling these issues, helping to reduce emissions while also minimizing waste, conserving resources, and supporting ecosystem regeneration. By combining technical expertise with strategic ambition, we contribute to the transition toward a low-carbon, circular economy in line with the EU Green Deal and the UN Sustainable Development Goals. In line with this approach, our goals focus on eliminating waste and pollution, keeping products and materials circulating at their highest value, and regenerating natural systems: these principles are inspired by the circular economy framework developed by the Ellen MacArthur Foundation.

To guide our actions at Forbo, we organize our environmental initiatives under a five-step circular framework that covers the entire value chain:

1. Product development and design
2. Sourcing and raw materials
3. Production and distribution
4. Long-lasting and easy to maintain
5. Recycling and end of life

Across these stages, we continuously seek opportunities to apply the 'R-strategies' such as refuse, redesign, reduce, recapture, reuse, repair, refurbish, remanufacture, repurpose, recycle, and regenerate to maximize value and minimize impact.

At Flooring Systems, we design floor coverings that last well beyond their initial use, delivering value across multiple life cycles. To achieve this, we engineer products that prioritize environmental stewardship and user satisfaction. Our fast flooring solutions provide adhesive-free, easy-to-install floor coverings that are designed for reuse and recyclability. With no glue required, these products can be effortlessly removed and reused or recycled at the end of their lifespan. Produced in Europe with 100% renewable electricity and ISO 14001 certified facilities, they meet stringent environmental standards and are phthalate-free, promoting healthier indoor environments. These solutions also include stress-reducing designs, high-light-reflectance options, and dementia-friendly features, ensuring broad usability and comfort.

As part of our strategic commitment to advancing the circular economy within Movement Systems, we are prioritizing initiatives that enhance the sustainability of our product life cycle. This includes the development of robust take-back programs and innovative recycling concepts aimed at improving the end-of-life phase of our products. We are progressively increasing the share of recycled raw materials in our Transilon (multi-layered, fabric-based belts) and Extremultus (flat belts) product ranges. In parallel, we are intensifying efforts to raise the proportion of recycled post-industrial waste while systematically reducing the overall volume of such waste.

Reducing upstream Scope 3 emissions

The majority of Forbo's total GHG emissions derives from our supply chain, with upstream Scope 3 emissions (category 1 – 8) representing 74% of Forbo's total carbon footprint. Therefore, driving emissions reductions throughout our supply chain is essential to meeting our climate targets.

Responsible sourcing and supplier engagement

We actively collaborate with our suppliers to drive down emissions and bring greater transparency to our sourcing practices. Responsible sourcing is a strategic lever for creating positive environmental and social impact while strengthening the resilience of our supply chain.

Sustainability criteria are systematically embedded in procurement and supplier management processes. We expect our suppliers to align with our sustainability objectives by meeting defined environmental, social, and governance standards. We encourage them to transparently report their emissions, to establish their own greenhouse gas reduction targets, and to implement concrete measures to reduce environmental impacts. Suppliers are assessed against criteria covering quality, environmental performance, human rights, labor standards, health and safety, anti-corruption, and social accountability. Regular risk assessments and, where appropriate, on-site audits ensure accountability and support continuous improvement. These requirements are anchored in purchasing conditions, aligned with internationally recognized frameworks, and they form the basis for the structured dialogue with our suppliers.

In 2025, Flooring Systems achieved a 3% reduction in Scope 3 emissions compared to 2023 by enhancing data accuracy. Close collaboration with our suppliers enabled us to replace generic database conversion factors with material-specific emissions data for selected key raw materials. This process is being progressively expanded to additional materials. By refining these inputs, we gained a more precise understanding of the carbon footprint associated with our upstream activities, allowing us to identify and act on targeted reduction opportunities.

To strengthen the role of procurement in achieving our ESG targets, Movement Systems launched mandatory global online training on sustainable procurement for all purchasing employees in 2025. The training focuses on integrating environmental, social, and economic criteria throughout the product life cycle, embedding principles such as transparency, fairness, and circularity into procurement processes. In parallel, sustainability requirements were further reinforced through the update of Movement Systems' General Terms and Conditions of Purchase. These include binding commitments to the principles of the UN Global Compact, environmental management aligned with ISO 14001 within the supplier's means, compliance with Forbo's Code of Conduct, and the identification, mitigation, and reporting of ESG-related supply chain risks.

Highlights Flooring Systems

- 3%

Scope 3 greenhouse gas emissions compared to 2023 baseline

44%

average recycled content across flooring product portfolio

Highlights Movement Systems

100%

of electricity used at our key global production and fabrication sites has come from renewables since March 2025

28%

more self-generated heating energy compared to 2024

Low-impact materials

Forbo is committed to increasing the use of low-impact materials, such as bio-based and recycled materials, to reduce CO₂ emissions related to goods and services Forbo purchased.

We follow three complementary strategies, tailored to each product category:

- Maximizing the use of bio-based materials
- Increasing the amount of recycled content
- Ensuring materials are recyclable

At the heart of our sustainable DNA is a long history of using bio-based materials, especially as key ingredients in our Marmoleum, which consists of up to 98% natural raw materials. Among these there are renewable plant-based materials such as linseed oil, wood flour, jute, and natural resins, which makes Marmoleum unique as it has a CO₂ uptake in the product itself. The photosynthesis process of all plants used in Marmoleum absorbs more CO₂ than is emitted by the transport and production processing of the end product. 27% of the total square meters sold by Flooring Systems in 2025 were climate positive from cradle-to-gate, without offsetting.

We also developed Eurostar Lino Green 616, a linoleum adhesive made with a bio-based binder, mineral filler, and other natural raw materials, tested according to German Institute for Building Technology (DIBt) principles. Additionally, our R&D team continues to explore bio-based alternatives also in other flooring categories. In 2025, around half of the materials used at Flooring Systems' production sites were bio-based, recycled, and/or abundant minerals. The recycled content in our products originates from two primary sources: recycled materials from external partners, including sources like discarded fishing nets and upcycled cocoa husks and materials recycled from our own products, which may come from our production process or be sourced from the market through our 'Back to the Floor' program. This approach allows us to create products containing up to 77% recycled materials, like our Tessera collection. In addition, our modular Flotex backings are produced with recycled PVC.



Movement Systems is also committed to using more sustainable materials in production. We purchased 2,163 metric tons of environmentally friendly materials in 2025, such as fabrics made of 100% rPET yarns, TPU, or PVC made from recycled or bio-based oils derived from the food industry, and epoxidized soybean oil (ESO). Our new belt solutions combine multiple sustainability attributes to maximize environmental benefits. The ECOFIBER fabric is made from 100% rPET, while the coating uses PVC derived from recycled or bio-based oils sourced from the food industry or biofuels. This approach reduces the consumption of valuable raw materials, prevents waste, and supports genuine recycling practices. It contributes to a more circular and resource-efficient value chain.

Waste reduction

Minimizing waste in our manufacturing operations is a key part of our commitment to environmental protection. As we work toward becoming a zero-waste company, our manufacturing sites focus on reducing waste generation at the source. For any waste that remains, we prioritize finding the highest-value reuse or recycling solutions. If recycling materials into our products is not feasible, we seek alternative solutions, including collaboration with external partners for recycling in other products or using waste materials as fillers in other industries. In cases where no other option is available, we work with environmental partners who maximize energy recovery from that waste, ensuring that as little as possible ends up in landfills.

In 2025, Forbo generated 38,839 metric tons of waste, including materials sent for disposal and those diverted through recovery. 72% of Forbo's (79% of Flooring Systems' and 35% of Movement Systems') production waste was reused or recycled, either internally or externally, reflecting our commitment to circularity, resource efficiency, and landfill reduction. To work toward our commitment, we set 2030 targets for both waste prevention and recycling rate, such as Flooring Systems aiming to reuse or recycle 95% of its production waste, and Movement Systems reducing waste generation in its production processes by 10%, compared to the base year 2023.

Showcases for our commitment are innovations like Sphera's nearly waste-free homogeneous floor covering production, where efficient processes minimize waste, which is recycled into new vinyl floor.

At Movement Systems' German site, 17 metric tons of Transilon belt remnants were sent to a specialized recycler. Part of the material was regranulated and used in products such as paddock fences and stable mats, extending material life. Between 2023 and 2025, 256 metric tons of polyethylene (PE) foil used in adhesive product manufacturing were recovered. Where feasible, the foil was reused multiple times before recycling. To prevent landfilling and to support a more sustainable production model, 55 metric tons of ProLink waste were collected in Slovakia in 2025, sorted by polymer type and released for recycling.

96% of waste generated at Forbo's production sites is classified as non-hazardous under national regulations (96% for Flooring Systems and 94% for Movement Systems). The small fraction of hazardous waste is managed with strict compliance and environmental safety in cooperation with trusted partners, ensuring proper disposal and documentation. For example, at Movement Systems' German site, Plastisol was transferred to a recovery partner, avoiding hazardous classification.

Forbo is also committed to minimizing packaging waste. Our product packaging is primarily made from cardboard and recycled plastic and is recyclable at the end of its life. Packaging from purchased raw materials, such as IBC containers and damaged euro pallets, is sold to specialized service providers for cleaning, reconditioning, and reuse.

Employee engagement

Sustainability starts with awareness and individual contribution, which together create collective impact. At Forbo, employees actively participate in initiatives that demonstrate how small actions can make a big difference.

At Flooring Systems, 'The Green Walk' team in Assendelft, the Netherlands, organize various initiatives throughout the year, such as joining global efforts like the 'World Cleanup Day' and 'Netherlands clean', collecting waste on site and in surrounding areas to prevent environmental pollution. Additional initiatives included promoting cycling to work, collecting drink bottles and cans to donate the deposit refund to the food bank and creative reuse projects, such as giving over 150 chairs a second life instead of sending them to landfill.

At Movement System, we actively involve our employees in promoting sustainable mobility. At our German Movement System sites, we support initiatives such as 'JobRad' and the 'Deutschlandticket', enabling climate-friendly commuting and fostering employee engagement in our environmental goals.

Reducing downstream Scope 3 emissions

Our downstream value chain emissions (Scope 3 category 9–15) account for 13% of the total emissions across our value chain. They arise from the processing and end-of-life treatment of sold products, and downstream transportation. To reduce downstream GHG emissions, we focus on maximizing the usability, reusability, and recyclability of our products.

Long-lasting and easy to maintain

The best floor covering is one that stands the test of time: the longer it lasts, the less energy is wasted on creating, installing, removing, repairing, and recycling. That is why at Flooring Systems we focus on crafting floors that are durable, low-maintenance, and capable of withstanding even the most demanding environments for decades to come. Our flooring solutions are designed not just to last, but to maintain their quality with minimal effort, reducing both costs and environmental impact over their lifespan.

Durability is a key driver of sustainability, helping reduce resource consumption and environmental impact over the full life cycle of a floor. To extend the lifespan of our floor coverings, four key factors need attention: furniture protection, entrance flooring systems, cleaning and maintenance, and choosing the right color and design. Flotex is a prime example of long-lasting floor performance, combining a dense nylon pile and waterproof PVC backing to deliver exceptional durability, dimensional stability, and resistance to wear, moisture, and fading. Produced using 100% renewable electricity, Flotex tiles also includes up to 59% recycled content in the backing, reinforcing its role as a sustainable flooring choice.

At Movement Systems, we understand that sustainability is not only about what we produce, but how we support our customers throughout the entire product life cycle. Our global network of qualified service teams plays a vital role in extending the operational life of our conveyor and processing belts. By prioritizing repair over replacement wherever technically feasible, we help reduce material consumption and avoid unnecessary waste. Our service technicians are trained in fundamental sustainability principles, enabling them to identify energy-saving opportunities, optimize belt settings, and support customers in improving the efficiency of their operations.

In partnership with Anker Andersen, Movement Systems delivers durable modular belts for high-speed sorting systems in deposit return schemes. Our Prolink belts withstand demanding conditions and enable smooth, low-maintenance operation. To meet rising demand, we optimized module dimensions and tooling, reducing waste and improving production efficiency. This service-driven collaboration supports long product lifetimes and aligns with both partners' sustainability goals. Thanks to its modular design, Prolink enables easy maintenance by allowing individual belt modules to be replaced without dismantling the entire belt: saving time, reducing waste, and ensuring continuous system uptime.



Recycling and end-of-life

Forbo is committed to closing the loop and achieving sustainability by ensuring that our products can be effectively recycled at the end of their life. Our initiatives help minimize the need for virgin raw materials and extend our responsibility beyond the factory gate. We aim to retain the highest circular value of our products, prioritizing reuse, remanufacturing, repurposing, and recycling over energy recovery.

Designed with both recycled content and future recycling in mind, our floor coverings can be remanufactured or repurposed multiple times. Although not all materials can be endlessly recycled, we remain dedicated to developing the most sustainable, fully recyclable flooring solutions and expanding practical, viable take-back initiatives.

In 2025 alone, Flooring Systems collected 902 metric tons of post-consumer flooring and packaging waste. Our 'Back to the Floor' program, active in 14 countries, plays a key role in reducing waste by collecting installation waste, samples, and used floors. Loose-lay installations, for example, enable us to take back used products without contamination from glue or screed, making them easier to reuse or recycle. PVC, a key component in our vinyl floors, can be melted and recycled multiple times without significant degradation. This allows the material to remain in the recycling loop for extended periods, reducing the need for virgin PVC production and the associated CO₂ emissions.

A key challenge is keeping collected materials clean to reintroduce them into production. Through education and guidance, we prevent non-flooring waste from entering our recycling streams. Contaminated waste is recycled externally to ensure it still serves a useful purpose.

While working toward fully circular flooring globally, we focus on regional solutions that balance recycling with transport-related carbon impacts. In France, for instance, we reclaim samples and sample books by collaborating with local organizations such as ESAT (Work Support Establishments or Services), which provide adapted employment and social support to adults with disabilities. In the Netherlands, Marmoleum offcuts and used floors are sorted by RSC (Recycling Service Centrum) in Amsterdam, a recycling partner that creates inclusive jobs for individuals who face barriers to employment. Beyond environmental impact, these initiatives have a social dimension, creating meaningful employment opportunities for people who cannot work in the regular labor market.

In UK we partnered with the Salvation Army Trading Company to support its take-back scheme and charity furniture shops through donations of reusable Tessera carpet tiles, giving them a second life. Additionally, our construction and building adhesives business launched a circular packaging program in Germany and the Netherlands, offering take-back service for the glue buckets.

As part of our commitment to sustainable production and responsible resource use, Movement Systems is advancing strategic recycling initiatives within the Global Innovations & New Technologies department. The focus is on developing efficient recovery and reintegration processes, supported by advanced separation and processing technologies that enhance material quality and recyclability. We are reprocessing homogeneous post-industrial waste from the Fullsan series, based on single-type extrudable TPU, and using the resulting reggranulate for reintegration into our production. To further improve reuse in our production processes, we are testing the feasibility of calendaring recycled Fullsan, a method not previously applied to this material. Technical trials are assessing mechanical and thermal properties under varying conditions to ensure quality and process compatibility.

Highlights Flooring Systems

100%

fossil-free transportation
for the delivery of our floors
in Sweden

902 t

of flooring and adhesive
packaging collected in 2025
via our 'Back to the Floor'
recycling program

Highlights Movement Systems

100%

recycled PET yarn fabrics
are used in all versions of
ECOFIBER

- 15%

Scope 1, 2, 3 greenhouse gas
emissions compared to 2023
baseline



Alternative transport solutions

Upstream transportation and distribution account for 4% of our Scope 3 emissions, while downstream transportation and distribution account for 10%. We are currently working to identify potential actions, e.g. switching to nearby suppliers and to environmentally conscious transport companies, to reduce these impacts and to understand their financial implications.

In 2025, Flooring Systems transitioned all the local deliveries within Sweden and all shipments from our central European warehouses to Sweden to 100% fossil-free transport. This initiative is projected to reduce downstream transport-related CO₂ emissions in Sweden by approximately 90% compared to conventional fossil fuels. By acting regionally, we overcome current barriers and keep moving forward toward our net-zero goal.

Movement Systems encourages its suppliers to assess the implementation of ISO 14001-compliant environmental management systems at their production sites, as outlined in our General Terms and Conditions of Purchase. This includes evaluating measures to reduce logistics-related emissions as well. Movement Systems contributes to lower transport emissions through a globally distributed production footprint, enabling proximity to key markets and shorter transport distances. In line with our commitment to low-emission logistics, air freight is avoided wherever possible and used only in exceptional cases due to its high carbon intensity. Internal transport is optimized by maximizing load efficiency and minimizing empty or low-load trips, particularly on high-frequency routes such as between our sites in Lunderskov (Denmark) and Malacky (Slovakia).

Scaling our sustainable products

Forbo offers an expanding portfolio of environmentally friendly products, enabling customers to reduce their CO₂ footprint. In line with our sustainability strategy, we promote solutions that support low-impact manufacturing, reduce dependency on virgin fossil-based materials, and meet evolving customer expectations. These efforts are embedded in our broader approach to sustainable product development, which is supported by internal training, cross-functional collaboration, and continuous innovation across our global operations.

Through the strategic marketing and scaling of these products, we aim to drive positive change within the industries we serve. By expanding the reach, we contribute to the overall transition toward more sustainable practices, fostering long-term environmental and economic benefits across our sectors of operation. We also recognize the importance of providing our customers with transparent information on the environmental impact of our products, enabling them to make informed decisions. This is particularly true in the construction sector, which is characterized by intensive GHG emissions.

As a result, Flooring Systems developed standardized life cycle assessments (LCAs) for every product category as early as 2000, in cooperation with Leiden University in the Netherlands. A life cycle assessment is a comprehensive system for measuring the environmental impacts of a product category, based on Product Category Rules (PCRs). An Environmental Product Declaration (EPD) is a summary of the life cycle assessment for a product, covering all stages from material extraction to production, shipping, use, and end-of-life solutions. EPDs provide transparency by allowing comparisons of the environmental impact of similar products. They are critical tools for architects, planners, and building owners, helping them integrate sustainability into building design.

Flooring Systems offers complete EPDs for a wide range of products, including the additional impact categories such as human toxicity and ecotoxicity. In 2025, 84% of our flooring products sold had a published EPD in accordance with EN 15804+A2 and EN 16810 standards, verified by UL Solutions, a leading ISO 14025 program operator for independent third-party verification.

Movement Systems drives product innovations that combine multiple sustainability attributes in one solution. These advances have earned industry recognition, including the VMI Supplier Award 2025. Examples of these advancements include belts for hygiene-sensitive industries with easy-to-clean surfaces and closed designs that cut water and energy use during cleaning. Also the Transilon ECOFIBER range exemplifies our commitment to circularity and resource efficiency. It features tension members made from 100% rPET bottles and selected variants incorporate coating derived from bio-based oils from the food industry. Additionally, our award-winning, TÜV-certified Amp Miser 2.0 conveyor belts treated with patented Texglide low-friction technology deliver energy savings of up to 50% compared to conventional belts, resulting in measurable CO₂ emission reductions across logistics operations.



Environmental metrics¹⁾

Materials

Materials used	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ²⁾	Change % Group ³⁾
Metric tons						
Virgin	177,805	19,880	197,685	215,514	213,512	-7.4%
Recycled procured	44,663	428	45,091	39,302	32,352	39.4%
Recycled from production ⁴⁾	20,797	209	21,006	21,335	21,031	-0.1%
Total	243,265	20,517	263,782	276,151	266,895	-1.2%

Renewable materials used	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ²⁾	Change % Group ³⁾
Metric tons						
Virgin	23,683	1,526	25,209	29,175	22,016	14.5%
Recycled procured	15,970	250	16,220	17,376	17,176	-5.6%
Recycled from production ⁴⁾	7,751	146	7,897	7,982	2,169	264.1%
Total	47,404	1,922	49,326	54,533	41,361	19.3%

Non-renewable materials used (abundant mineral)	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ²⁾	Change % Group ³⁾
Metric tons						
Virgin	30,380	445	30,825	36,850	39,377	-21.7%
Recycled procured	18,970	0	18,970	12,482	5,562	241.1%
Recycled from production ⁴⁾	0	0	0	0	1,660	-100.0%
Total	49,350	445	49,795	49,332	46,599	6.9%

Non-renewable materials used (fossil-based)	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ²⁾	Change % Group ³⁾
Metric tons						
Virgin	123,742	17,909	141,651	149,489	152,119	-6.9%
Recycled procured	9,723	178	9,901	9,444	9,614	3.0%
Recycled from production ⁴⁾	13,046	63	13,109	13,353	17,202	-23.8%
Total	146,511	18,150	164,661	172,286	178,935	-8.0%

Reclaimed from the market⁴⁾	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ²⁾	Change % Group ³⁾
Metric tons						
Total	902	0	902	762	250	260.8%

¹⁾ All sums and changes were calculated using non-rounded figures.

²⁾ Base year.

³⁾ % change 2025 vs. 2023.

⁴⁾ Including recycled from reclaimed products and their packaging materials.

Waste

Waste generated (hazardous and non-hazardous)	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Metric tons						
Product waste	28,464	4,804	33,268	33,347	29,019	14.6%
Packaging waste	714	750	1,464	1,588	1,288	13.7%
Office waste	126	29	155	355	322	-51.9%
Other waste	3,464	488	3,952	4,667	4,490	-12.0%
Total	32,768	6,071	38,839	39,957	35,119	10.6%

Waste classification	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Metric tons						
Hazardous waste	1,184	340	1,524	1,443	1,325	15.0%
Non-hazardous waste	31,584	5,731	37,315	38,514	33,794	10.4%
Total	32,768	6,071	38,839	39,957	35,119	10.6%

Waste diverted from disposal	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Metric tons						
Recycling on-site	22,189	47	22,236	22,792	19,191	15.9%
Recycling off-site	3,816	1,948	5,764	6,942	4,875	18.2%
Preparation for use on-site	0	23	23	3	0	0
Preparation for use off-site	0	120	120	186	70	71.4%
Other recovery operations	0	0	0	0	0	0
Total	26,005	2,138	28,143	29,923	24,136	16.6%

Waste directed to disposal	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Metric tons						
Incinerated with energy recovery	4,264	1,623	5,887	6,064	6,673	-11.8%
Incinerated without energy recovery	344	22	366	348	882	-58.5%
Landfilled	2,116	2,261	4,377	3,275	3,068	42.7%
Other recovery operations	44	28	72	349	361	-80.1%
Total	6,768	3,934	10,702	10,036	10,984	-2.6%

¹⁾ Base year.

²⁾ % change 2025 vs. 2023.

Water

	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Water withdrawal						
Megaliters						
Surface water	8.6	0.0	8.6	0.0	0.0	–
Groundwater	20.5	0.0	20.5	23.8	24.5	– 16.3%
Third-party water	204.2	0.4	204.7	276.7	297.0	– 31.1%
Total	233.3	0.5	233.8	300.6	321.5	– 27.3%
Water discharge						
Megaliters						
Surface water	8.6	0.0	8.6	0.0	0.2	–
Groundwater	5.1	0.0	5.1	8.7	8.9	– 42.9%
Third-party water	63.1	0.4	63.5	64.7	54.6	16.4%
Total	76.7	0.5	77.2	73.4	63.6	21.3%
Water consumption						
Megaliters						
Total	156.6	0.0	156.6	227.2	257.9	– 39.3%

¹⁾ Base year.

²⁾ % change 2025 vs. 2023.

Water efficiency is an integral part of Forbo's operational resource management. Several of Flooring Systems' core manufacturing processes, including linoleum and vinyl production, do not require water, which significantly reduces overall water demand. In textile operations, water use occurs primarily during yarn dyeing for products such as needlefelt and Flotex, where consumption is strictly controlled and kept to a minimum. Water is also used for Eurocol products, where carefully optimized formulations support efficient use. In addition, closed-loop water systems further reduce freshwater consumption and support responsible water stewardship. As Movement Systems' manufacturing processes are not water-intensive, water consumption is not considered a material topic and was therefore not monitored in 2023 and 2024. To enhance reporting consistency within the Forbo Group, Movement Systems initiated water data reporting in 2025, and Flooring Systems expanded its disclosures by initiating the tracking of surface water withdrawals in the same year.

Energy consumption and energy mix

Fuel consumption (non-renewable sources)	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Gigajoules						
Natural gas	537,156	239,639	776,795	802,331	793,919	-2.2%
Light fuel oil	9,980	7,467	17,446	19,878	19,532	-10.7%
Car fuels	12,561	12,468	25,029	37,968	43,406	-42.3%
Total	559,697	259,573	819,270	860,177	856,857	-4.4%
Fuel consumption (renewable sources)	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Gigajoules						
Biomass/Biogas/Bio fuel	8,282	0	8,282	8,616	10,437	-20.7%
Total	8,282	0	8,282	8,616	10,437	-20.7%
Purchased energy consumption (Renewable sources)	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Gigajoules						
Electricity	303,918	144,846	448,764	345,327	335,020	34.0%
Heating energy	8,109	0	8,109	8,676	4,658	74.1%
Steam energy	0	0	0	0	0	0
Total	312,027	144,846	456,873	354,003	339,678	34.5%
Purchased energy consumption (Non-Renewable sources)	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Gigajoules						
Electricity	19,033	2,845	21,878	138,001	126,450	-82.7%
Heating energy	0	0	0	0	0	0
Steam energy	0	4,434	4,434	4,128	0	0
Total	19,033	7,279	26,311	142,129	126,450	-79.2%
Self-generated energy consumption	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Gigajoules						
Electricity	831	1,733	2,564	2,091	819	213.0%
Heating energy	0	0	0	0	0	0
Steam energy	0	0	0	0	0	0
Total	831	1,733	2,564	2,091	819	213.0%
Energy sold	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Gigajoules						
Electricity	0	-92	-92	0	0	100%
Heating energy	0	0	0	0	0	0
Steam energy	0	0	0	0	0	0
Total	0	-92	-92	0	0	100%
Total energy consumption within the organization	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Gigajoules						
Total	899,869	413,338	1,313,208	1,367,016	1,334,240	-1.6%

¹⁾ Base year.

²⁾ % change 2025 vs. 2023.

Greenhouse gas emissions (fossil)

	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Scope 1 emissions						
Metric tons CO ₂ (e)						
Stationary combustion ³⁾	30,877	15,584	46,461	47,974	47,318	-1.8%
Process emissions	0	2,351	2,351	2,261	1,614	45.7%
Mobile combustion ³⁾	1,406	675	2,081	2,962	3,162	-34.2%
Fugitive emissions	0	78	78	78	3	2,500.0%
Total	32,283	18,688	50,971	53,275	52,097	-2.2%
Scope 2 emissions (market-based)⁴⁾						
Metric tons CO ₂ (e)						
Total	6	807	813	20,232	18,095	-95.5%
Scope 2 emissions (location-based)⁵⁾						
Metric tons CO ₂ (e)						
Total	29,065	21,142	50,207	50,296	47,774	5.1%
Scope 3 emissions – Upstream⁶⁾						
Metric tons CO ₂ (e)						
Purchased goods and services	211,926	60,501	272,427	280,260	266,535	2.2%
Capital goods	9,704	4,301	14,005	15,871	18,203	-23.1%
Fuel and energy-related activities not included in Scope 1 or Scope 2	4,680	3,613	8,293	8,697	8,316	-0.3%
Upstream transportation and distribution	12,193	3,541	15,734	15,747	14,094	11.6%
Waste generated in operations	58	65	123	336	2,830	-95.7%
Business travel	315	4,381	4,696	5,128	5,621	-16.5%
Employee commuting	1,614	1,979	3,593	3,717	3,669	-2.1%
Total Upstream	240,490	78,381	318,871	329,756	319,268	-0.1%
Scope 3 emissions – Downstream⁶⁾						
Metric tons CO ₂ (e)						
Downstream transportation and distribution	35,834	1,444	37,278	38,777	37,312	-0.1%
Processing of sold products	15,864	160	16,024	16,378	16,607	-3.5%
End of life treatment of sold products	3,553	91	3,644	3,653	12,368	-70.5%
Total Downstream	55,251	1,695	56,946	58,808	66,287	-14.1%
Total	295,741	80,076	375,817	388,564	385,555	-2.5%

¹⁾ Base year.

²⁾ % change 2025 vs. 2023.

³⁾ Stationary and mobile combustion emissions were calculated using the published DEFRA conversion factors.

⁴⁾ According to GHG Protocol Scope 2 Guidance, the market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). We derived emission factors from our contractual instruments, where applicable, and used the country-specific emission factors from the GaBi (Sphera) database for the remaining sites.

⁵⁾ According to GHG Protocol Scope 2 Guidance, the location-based method reflects the average emissions intensity of grids on which energy consumption occurs. We used the country-specific grid mixed with related emission factors from GaBi (Sphera) database to calculate our location-based CO₂ emissions.

⁶⁾ To calculate our Scope 3 emissions, we used primary data from SAP, Cognos, and other systems, and applied internationally recognized conversion factors (DEFRA and GaBi database).

Greenhouse gas emissions (biogenic) ¹⁾

	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ²⁾	Change % Group ³⁾
Scope 1 emissions						
Metric tons CO ₂						
Stationary combustion	452	0	452	470	571	-20.8%
Process emissions	1,740	0	1,740	1,772	1,521	14.4%
Total	2,192	0	2,192	2,242	2,092	4.8%
Scope 3 emissions – Upstream⁵⁾						
Metric tons CO ₂						
Purchased goods and services	-64,069	0	-64,069	-69,699	-53,092	20.7% ⁴⁾
Fuel and energy-related activities not included in Scope 1 or Scope 2	43	0	43	0	0	0
Total Upstream	-64,026	0	-64,026	-69,699	-53,092	20.6%⁴⁾
Scope 3 emissions – Downstream⁵⁾						
Metric tons CO ₂						
End of life treatment of sold products	9,498	0	9,498	9,704	9,665	-1.7%
Total Downstream	9,498	0	9,498	9,704	9,665	-1.7%
Total	-54,528	0	-54,528	-59,995	-43,427	25.6%⁴⁾

¹⁾ CO₂ related to biomass, known as biogenic CO₂, is reported separately from fossil emissions in accordance with the GHG Protocol and GRI guidelines. For biogenic CO₂, a positive number indicates emissions from the combustion or degradation of biomass, while a negative number indicates sequestration from biogenic sources.

²⁾ Base year.

³⁾ % change 2025 vs. 2023.

⁴⁾ Increase in carbon sequestration.

⁵⁾ To calculate our Scope 3 emissions, we used primary data from SAP, Cognos, and other systems, and applied internationally recognized conversion factors (DEFRA and GaBi database).

Energy intensity ¹⁾

	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ²⁾	Change % Group ³⁾
Energy intensity						
Megajoules/m ²						
Energy consumption per m² of product⁴⁾	19.0	72.1	24.9	25.1	26.3	-5.2%
Megajoules/kg						
Energy consumption per kg of product	4.1	27.1	5.6	5.9	5.9	-5.4%

¹⁾ Total energy consumption within the organization divided by the number of m²/kg of product.

²⁾ Base year.

³⁾ % change 2025 vs. 2023.

⁴⁾ Excluding Eurocol (Flooring Systems' building and construction adhesives business unit).

Greenhouse gas emissions intensity (fossil)

	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group	2023 Group ¹⁾	Change % Group ²⁾
Greenhouse gas emission intensity – Scope 1 and 2						
(market-based)						
kg CO ₂ (e)/m ²						
CO₂ emissions per m² of product³⁾	0.7	3.4	1.0	1.4	1.4	-29.3%
kg CO ₂ (e)/kg						
CO₂ emissions per kg of product	0.1	1.3	0.2	0.3	0.3	-29.1%

¹⁾ Base year.

²⁾ % change 2025 vs. 2023.

³⁾ Excluding Eurocol (Flooring Systems' building and construction adhesives business unit).

Capital deployment for environmental matters (2025 – 2030)

Our capital deployment plan for environmental projects from 2025 to 2030 focuses on improving energy efficiency, supporting renewable energy, and facilitating recycling within the operations. Without increasing the historical average capital expenditures (CAPEX), Forbo will in the period from 2025 to 2030 spend approximately CHF 30 million in CAPEX, which will be allocated to energy metering systems, heat recovery systems, waste gas filtration, photovoltaic systems, building renovations, the development of digitalization and automation technologies, the decarbonization through hydrogen use, and electrification, as well as infrastructure for electric vehicle charging. These investments are designed not only to enhance operational efficiency but also to strengthen the company's long-term competitiveness by prioritizing future-oriented projects with attractive payback profiles.

Proportion of remuneration allocated to sustainability matters (including climate-related matters)

For the 2025 business year, for the first time, two uniform sustainability KPIs have been included in the short-term incentive plans for the Executive Board members and the bonus program for around 150 senior managers.

For the Executive Board members, the short-term incentive (STI) specified 10% sustainability targets; these are made up in equal part of LTIFR and CO₂ reduction for the Group or the respective division. The previous 10% individual qualitative targets remain within the current framework. The other 80% financial (quantitative) targets continue to be composed of net sales and EBIT, and are reduced by a total of 10% of the short-term variable compensation.

For around 150 senior managers across the Group, their short-term variable compensation contains as well in equal parts LTIFR and CO₂ reduction targets (Group-wide targets for corporate employees, divisional-wide targets for divisional employees). Depending on the specific area of responsibility of each individual, the minimum target weight of these KPIs is 5%, maximum 10%.

Both safety and environmental impact are given equal importance.

Environmental targets

GHG emission reduction targets

Target ID

Overall number of active GHG emissions targets	3		
Target number	1 (3)		
Target type	Absolute (near-term target)		
Date target was set	December 9, 2024	Date the target was last revised	December 9, 2024

Target information

Scope(s) covered	1 + 2 (market-based)		
Percentage of in-scope emissions covered by the target	100%		
Base year	2023	Base year emissions	70,792
Target year	2030	Target year projected emissions	40,000
Targeted reduction from base year	43%		
Targeted reduction from current year ¹⁾	23%	Current emissions (2025)	51,784

Target methodology

Verified by independent third party	No		
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Target ID

Overall number of active GHG emissions targets	3		
Target number	2 (3)		
Target type	Absolute (near-term target)		
Date target was set	December 9, 2024	Date the target was last revised	December 9, 2024

Target information

Scope(s) covered	3		
Percentage of in-scope emissions covered by the target	100%		
Base year	2023	Base year emissions	385,555
Target year	2030	Target year projected emissions	285,000
Targeted reduction from base year	26%		
Targeted reduction from current year ¹⁾	24%	Current emissions (2025)	375,817

Target methodology

Verified by independent third party	No		
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Target ID

Overall number of active GHG emissions targets	3		
Target number	2 (3)		
Target type	Absolute (near-term target)		
Date target was set	December 9, 2024	Date the target was last revised	December 9, 2024

Target information

Scope(s) covered	1 + 2 (market-based) + 3		
Percentage of in-scope emissions covered by the target	100%		
Base year	2023	Base year emissions	455,747
Target year	2050	Target year projected emissions	0
Target	100%	Current emissions (2025)	427,601

Target methodology

Verified by independent third party	No		
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¹⁾ Required percentage reduction from the emissions reported for the current year (2025) to achieve the 2030 emissions target.

SOCIAL

At Forbo, acting responsibly, ethically, and within the law is at the heart of everything we do. Our corporate culture, shaped by the Forbo Values and our Code of Conduct, drives our commitment to employees, stakeholders, and communities worldwide. We strive to create a safe, inclusive, and inspiring workplace, while also making a tangible positive impact through social and environmental initiatives across the globe.



Introduction

The social dimension of ESG focuses on the organization's impact on people – employees, customers, suppliers, and the wider community. It encompasses human rights, diversity and inclusion, labor practices, health and safety, community engagement, and social equity across the value chain.

These priorities align closely with the UN Sustainable Development Goals (SDGs), which provide a globally recognized framework for understanding, interpreting, and addressing our social responsibilities. By integrating the SDGs into our social strategy, we aim to foster a positive and lasting impact on people and society. Our initiatives focus on creating fair and safe working environments, promoting diversity and inclusion, supporting local communities, and contributing to equitable economic development. In doing so, we align our business operations and activities with global sustainability standards and stakeholder expectations.

We reaffirm our commitment to health, equality, decent work, reduced inequalities, and collaborative impact across our operations and communities.

Report scope and applied social standards

Unless otherwise stated, the data published in this chapter covers all our locations, including sales offices and warehouses. This wide reporting scope ensures a comprehensive view of our social performance across the entire organization.

To consistently manage and evaluate social accountability across our global footprint, Flooring Systems applies the SA8000® universal standard, which is based on the labor principles of the Universal Declaration of Human Rights and the International Labour Organization (ILO) conventions. By adopting this globally recognized framework, we ensure that our employment practices, working conditions, and human rights commitments are upheld uniformly across all locations. In parallel, we emphasize our commitment to occupational health and safety through the implementation of ISO 45001. 8 Flooring Systems local production sites – located in the Netherlands, in France, Switzerland, and the United Kingdom – are certified to this international standard. Additionally, Movement Systems' production and fabrication sites in Germany also hold ISO 45001 certification, and other Movement Systems production sites across all regions operate in accordance with the same requirements. The consistent application of internationally recognized standards ensures transparency, comparability, and accountability. Together, they demonstrate that our social performance is managed systematically and responsibly throughout the organization.

Our employees

Our committed and dedicated employees are Forbo's most valuable and persuasive ambassadors. Every day, they represent Forbo in their interactions with customers and a wide range of other stakeholders. This is why it is essential, at every level of the organization, that we share a clear understanding of what Forbo stands for, what we strive to achieve, and how each employee can contribute through their individual role and respective area of work.

We maintain an open and ongoing dialogue across the Group – both globally and locally – through various channels and formats, presentations, and meetings. Together with our employees, we create and cultivate a workplace culture that inspires motivation, fosters growth, and encourages everyone to develop and apply their skills and interests to the fullest.

Corporate culture

Forbo's corporate culture is based on our strategic principles, our Code of Conduct, and the Forbo Values. It represents our ambitions regarding what makes us successful and how we work together. It promotes a company-wide, success-oriented culture of ideas and solutions that is based on shared values and leads to verifiable success. The Forbo brand stands for our values, our strong heritage, our high standards, and our solid performance, and creates identification among all stakeholders. The quality, longevity, and performance of our innovative and sustainable products and services reflect the quality and stability of our relationships with our employees and our business partners.

Code of Conduct

Forbo aims to be a role model for ethical, sustainable, and socially responsible business practices. High standards in our business relationships are the foundation for ongoing success. The Code of Conduct achieves this goal with specific content and offers definitive and binding guidance. It aligns closely with the UN Guiding Principles on Business and Human Rights and forms the foundation of our compliance management system, which includes regular training, accessible reporting channels, and oversight by the compliance and legal functions to ensure adherence to all applicable laws, regulations, and internal guidelines that may go beyond minimum legal requirements. It describes the way we act and demonstrates our commitment to acting ethically and with transparency and integrity in every situation while respecting the rights of the individual. We expect this from every employee as well as from our business partners.



To fully uphold our business principles and values – and to ensure a consistent understanding across the organization – Forbo provides comprehensive Code of Conduct training for new employees, followed by an annual refresher course. In addition, Forbo offers the possibility to confidentially and, if desired, anonymously report any compliance concerns to the Corporate Compliance Officer through Forbo’s Integrity Line.

Corporate values

Forbo maintains a high-performance culture that meets the exacting demands of our customers and business partners as well as our own expectations. We therefore promote appropriate skills and competencies at all organizational levels. To identify a strong and comprehensive value culture and to promote a sense of community across the entire Group, we have defined three core values under the ‘Forbo Way to Win’ as guiding principles:



Caring

- Challenging and encouraging oneself and others
- Taking responsibility and making a difference
- Leading by example to shared success

Inspiring

- Developing ideas and seizing opportunities
- Knowing what matters and focusing on it
- Raising enthusiasm and convincing others

Daring

- Taking bold and decisive action
- Giving our all with power and passion
- Achieving goals with determination and stamina

These values serve as a shared compass for our employees, helping them make sound decisions, guiding their behavior and actions, and fostering an atmosphere of trust, mutual respect, and appreciation. They strengthen our sense of community by encouraging accountability, loyalty, and collaboration, which together form the foundation for long-term success.

Our employees embody these principles in their daily work, acting as passionate and authentic ambassadors for our company and the Forbo brand in their daily interactions with customers, partners, and colleagues.

Our values are embedded in our feedback and annual review processes, ensuring they are not only discussed but actively reflected in everyday behavior and decision-making. Beyond introductory onboarding sessions, these values form a key part of both employee and leadership training and development programs, guiding how we lead, collaborate, and grow together.

Attractive employer

Employees with specialized expertise, good training, motivation, and commitment are essential to our success. Ensuring both the physical and psychological well-being of our workforce is a fundamental priority. We strive to create an inclusive environment where every employee feels valued, supported in their diversity, and empowered to reach their full potential – free from any form of discrimination.

Forbo provides a wide range of local and international career opportunities that bring together craftsmanship, engineering, design, and sales. We also offer flexible working arrangements, including hybrid and part-time models, and we invest continuously in training, education, and health initiatives that support professional growth and well-being in the workplace.

Forbo collaborates closely with local universities in many countries. At Flooring Systems, this often involves working with aspiring designers and architects, while at Movement Systems, partnerships focus on graduates from technical or chemical faculties or application-specific vocational programs. We are committed to supporting the education and development of young, motivated graduates.

A fundamental principle in recruiting and promoting trainees is fairness and equal opportunity. All apprenticeships offered by Forbo are open to every applicant, regardless of gender, and the same standards and expectations apply to everyone. We provide trainees with a solid foundation for a professional career across a wide range of areas, including commercial functions, IT, logistics, maintenance, service, engineering, and laboratory work. Our training programs are designed not only to develop technical skills but also to foster critical thinking, problem-solving, and personal growth.

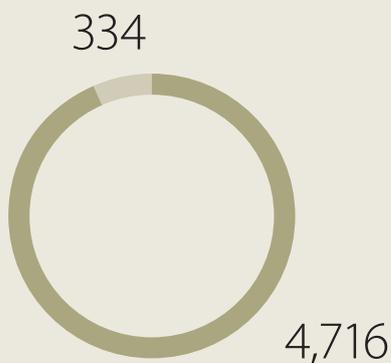
Equally important is ensuring continuity and the preservation of organizational knowledge. We place great emphasis on the transfer of know-how and experience accumulated over many years by long-tenured employees, mentoring and guiding the next generation. This approach ensures that valuable expertise is retained within the company, while simultaneously empowering younger employees to grow and take on increasing responsibilities.

Potential employees are primarily addressed and engaged through a variety of digital channels, allowing us to reach a diverse and talented pool of candidates. We recognize the importance of maintaining a healthy balance between our long-standing, highly experienced, and motivated employees and new team members who bring fresh perspectives as well as specialized expertise in emerging, future-oriented fields. These new colleagues inspire innovation, challenge existing procedures and processes, and help drive the continuous growth and development of Forbo.

By fostering this dynamic mix of experience and fresh ideas, we create an environment where knowledge is shared, creativity is encouraged, and both seasoned and new employees contribute to building a resilient, forward-looking organization.

Forbo employments

Total 5,050



(Total 2024: 4,938; + 2.3%)

-
- **Number of full-time positions** (2024: 4,621; + 2.1%)
 - **Number of part-time positions** (2024: 317; + 5.4%)

Continuous development of our employees

Sustainable growth is closely linked to highly trained, motivated employees and the effective utilization of their full potential. A cooperative leadership style, targeted professional development, and tailored training programs – including management and leadership initiatives – foster employee commitment while supporting the ongoing growth and evolution of the company.

At the administrative and management levels, further development opportunities and career steps are explored during our annual feedback and performance reviews. Selective engagement in local or international tasks or involvement in projects with specific tasks is facilitated. Such experiences support both specialist and management-oriented career paths while promoting intercultural exchange and a deeper understanding of global business perspectives.

The ongoing development of our production and manufacturing employees across a wide range of applications, along with the cultivation of their specialized know-how, is essential to our success as a manufacturing company.

Forbo actively promotes the development of skills and competencies at all organizational levels and supports this internally through a wide range of training and educational initiatives. We contribute in multiple ways, including e-learning, LinkedIn Learning, internal and external webinars, and face-to-face training sessions. Each division provides internal training across diverse areas, including product and application knowledge, sustainability and circularity, value-based selling and marketing, finance, operations (lean management and Six Sigma), software applications, project management, and change management, as well as strategy development and execution according to the STEP methodology. Additional training covers social accountability standards, team leadership and development, and guidance on mental health, as well as Forbo's values. Continuous and intensive health and safety training is also a priority, encompassing accident prevention, risk assessment and awareness, occupational health and safety measures, ensuring a safe and responsible working environment for all employees.

Alongside these diverse initiatives, we facilitate and coordinate regular feedback and development discussions, actively promoting the personal and professional growth of employees across all functions, levels, and age groups.

Coordinated at Group level by Corporate Compliance Officer and Corporate IT, regular e-learning programs were delivered across the entire organization in multiple local languages. These courses cover a wide range of critical topics, including the Code of Conduct, competition law, prevention of corruption, and respect at work – raising awareness of discrimination, bullying, and sexual harassment in the workplace – as well as data privacy and IT security topics.



At Group level, Forbo offers an internal management training program in collaboration with the University of St. Gallen, Switzerland, as well as other external partners, and internal experts. This practice-oriented training program, designed for various management levels – particularly employees with high growth potential and those in key positions – comprises week-long training sessions covering modules from the areas of leadership, management, sales and marketing, as well as operations. The program emphasizes strategy implementation and effective leadership, providing participants with practical tools to enhance communication and collaboration within international, culturally diverse teams. It also cultivates the 'one company, one family' spirit throughout the organization.

In addition, Forbo supports attending seminars and conferences offered by expert institutions, trade and professional associations, learning centers, and offers external training programs tailored to the individual needs of selected employees.

In 2025, Forbo allocated over CHF 1.5 million (2024: CHF 1.3 million) for training purposes to further develop its employees.

Training activities¹⁾ Forbo Group



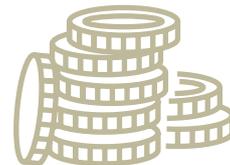
>21,600

training sessions completed
in 2025



>13,500

training hours registered
in 2025



>1,500,000

CHF allocated for training
purposes in 2025

¹⁾ Training sessions and training hours reported in this section refer to Forbo's corporate training programs including topics such as the Forbo Code of Conduct, data privacy, fair competition, prevention of corruption, workplace respect, and IT security. These programs are complemented by health and safety trainings, product-related trainings, and soft skills development initiatives.

Number of positions filled internally at senior management level

Number



(2024: 8; + 37.5%)

Developing tomorrow's leaders

Forbo offers a wide range of career prospects and development opportunities. We aim to fill a majority of vacancies requiring specialist knowledge as well as management positions internally.

The basis is provided by an established talent management and succession planning process which we improve year on year.

At Group level, we continue to prioritize talent management and succession planning as a key component of our social responsibility and long-term organizational sustainability. Our approach focuses on identifying employees with potential to grow – who demonstrate specialist know-how or leadership potential and a commitment to our values – supporting their development in a structured way, and creating opportunities for meaningful engagement across Forbo. These initiatives build the basis for a thorough succession planning with focus on key positions and management levels in the organization.

In 2025, we strengthened our talent identification process to ensure visibility in the organization and to grow the respecting focus population. Personal development plans are tailored to individual strengths and aspirations, combining learning opportunities with on the job experience and mentorship. Our goal is to empower employees to take ownership of their growth and prepare them for future leadership and specialist roles within the Group.



To increase engagement and organizational visibility, we actively involve identified employees in cross-functional projects, innovation initiatives, and special focus topics of business and strategic importance. These initiatives not only provide exposure to diverse business areas but also foster collaboration, knowledge sharing, and a sense of belonging.

Occupational health and safety a high priority

Forbo maintains high occupational health and safety standards to ensure a safe working environment for all employees. The wellbeing and safety of our employees in the workplace is further supported through various local training programs aimed at preventing accidents and minimizing workplace hazards. Occupational health and safety is a core leadership responsibility, requiring continuous collaboration and awareness across all levels of the organization. We therefore encourage our employees to apply their knowledge and experience to promote responsible, preventive actions. Regular dialogue on best practices, combined with thorough accident root cause analyses, helps to strengthen safety standards and drive targeted improvements.

In 2025, Flooring Systems refined its five-year safety strategy, focusing on key areas with the greatest potential impact:

- Unexpected or sudden incidents involving work tools, equipment, and products
- Interactions between personnel and vehicle traffic in warehouses, including forklifts, truck loading/unloading, and slip or fall hazards
- Underestimation of potential risks and unanticipated situations

These initiatives are reinforced at each manufacturing site through monthly ‘toolbox’ talks, where employees review and share best practices and safety standards.

In 2025, Movement Systems strengthened its occupational safety governance across European and Asia/Pacific sites by harmonizing processes and enhancing preventive measures. Key initiatives include:

- Standardized safety risk assessments
- Structured incident and near-miss reporting
- Consistent personal protective equipment protocols
- Targeted safety training programs, including in-house first-aid training

These initiatives are reinforced through quarterly cross-site meetings, which foster knowledge exchange, share best practices, align on common priorities, and drive continuous improvement.

Forbo regularly engages with authorities, professional associations, and trade unions. In collaboration with local works councils, we establish agreements on topics such as personal protective equipment, workplace conduct, mandatory work processes, reporting procedures, and regular inspections, as well as training and education. Thanks to these efforts, the reporting year saw no fatal accidents, maintaining the zero-fatal-accident record from the previous year. The most relevant KPI for Forbo to track progress in occupational health and safety is the Lost Time Injury Frequency Rate (LTIFR) which is also a key performance indicator included in the variable short-term incentive for senior management.

LTIFR

Number of lost time injuries multiplied by 1,000,000, divided by the total hours worked. 12-month moving average of all Forbo Group employees

5.8

LTIFR

(2024: 6.0; -3.3%)

Days lost due to accidents

Absence longer than one working day of all Forbo Group employees

1,045

Number of days lost due to accidents

(2024: 958; +9.1%)



The Group's overall positive LTIFR trend was primarily driven by Flooring Systems, which achieved a rate of 3.7; an improvement of 1.5 compared to the previous year (5.2; – 28.8%). This reflects the continued effectiveness of its safety initiatives and preventive measures. Meanwhile, Movement Systems reported a rate of 8.6, representing an increase of 1.6 compared to the previous year (7.0; + 22.9%). This indicates further potential areas for improvement. The division's activities extend beyond belt production to include additional value-chain steps such as fabricating and customizing belts according to customer orders. These processes may require manual handling, which increases exposure to potential work-related injuries.

Developments in occupational health and safety are regularly presented at divisional management meetings, where they are carefully analyzed, and appropriate measures are developed and implemented. In addition, results and trends are reviewed at Executive Board level, where inputs on further initiatives and strategic actions are provided to ensure continuous improvement across the Group.

We are committed to protecting, preserving, and strengthening the physical, mental, and social well-being of our employees. We achieve this through a comprehensive range of measures and activities, including occupational safety and hygiene, and workplace ergonomics, as well as health-related programs covering exercise, sports, nutrition, and overall well-being.

Throughout the reporting year, numerous activities were carried out to improve employee health and reduce workplace risks. Regular optimizations were implemented as part of the modernization of work processes and systems, including measures such as reducing noise emissions, providing personal protective equipment, and introducing robots and lifting aids. Workplace ergonomics and fitness initiatives were actively supported, promoted through various communication channels, and complemented by access to free medical check-ups. In addition, certain locations established quiet spaces for personal reflection and introduced employee assistance programs to support individuals returning from long-term illness.

In 2025, Movement Systems launched a global newsletter in multiple languages to promote mental and physical well-being in the workplace. It provides practical guidance on stress management, adopting healthier routines, incorporating simple daily habits, and taking mindful breaks. This initiative aims to support a healthier, more engaged, and resilient workforce.

Diversity, inclusion, and equal treatment as part of our social responsibility

Forbo values workplace diversity and embraces people from different backgrounds and with different personalities. Mutual respect is a given in our international and multicultural environment. Our employees bring a broad range of experiences, training, skills, and beliefs, which enriches collaboration and strengthens diversity in the workplace. We are committed to continually providing a diverse and inclusive working environment characterized by appreciative collaboration and motivated employees.

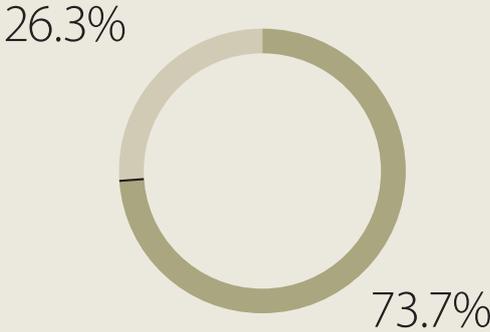
Our products are manufactured and processed using technically complex production methods and physically demanding fabrication processes. The lived experience of diversity and flexibility offered by our team-based working models enhance Forbo's attractiveness and help provide a balanced working environment for employees and specialists. We ensure fair treatment for all employees and are committed to the highest internationally recognized standards of fairness, honesty, and integrity.

As a future-oriented company, Forbo draws on and consciously leverages the diversity of its workforce as a valuable resource. This ensures that all employees have equal opportunities and feel welcome, encouraged to contribute, get involved, and actively participate.

The criteria for salaries comprise personal qualifications such as training, diplomas, language skills, and relevant professional experience, as well as job-related factors such as the role's requirements profile, level of responsibility, and specialized know-how. Certain sites advanced initiatives to strengthen fair treatment, gender-equality practices, and equal pay, helping ensure that all employees are remunerated consistently and in line with market standards for comparable roles.

Within this broader commitment to fostering a balanced workforce, the representation of women across various functions at Forbo reflects meaningful participation and expanding career opportunities for female employees. Women at Forbo predominantly work in finance, administration, human resources, and marketing, as well as manufacturing, supply chain, and purchasing. At Flooring Systems, positions in design and sales are also frequently held by women.

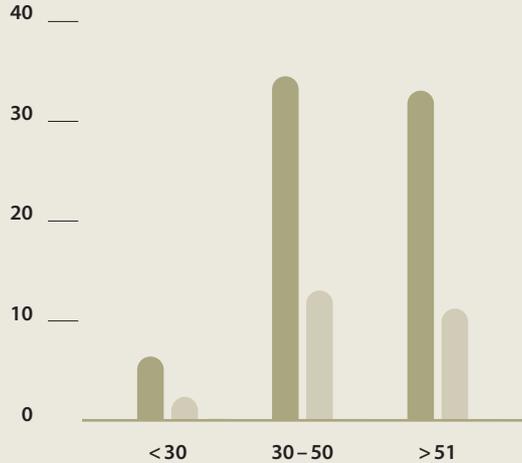
Percentage of women/men



- Men (2024: 73.9%; -0.2%-points)
- Women (2024: 26.0%; +0.3%-points)

Age structure

In percent



- Men
- Women

The professional support and guidance of our trainees is important to us. Especially at larger sites with diverse and demanding work areas, we rely on motivated teams with strong professional experience, qualified trainers, and well-equipped workplaces. Through engaging and practice-oriented teaching methods, we ensure that trainees acquire the skills needed to perform their tasks professionally, independently, and responsibly. We also offer technical and business students the opportunity to complete an internship with us.

Forbo is committed to the inclusion of people with disabilities and collaborates with relevant organizations and institutions in various countries to support and promote their integration into the world of work and business. Whether through direct employment or through outsourced partnerships, we make a tangible contribution to social inclusion and help create meaningful, structured work opportunities in multiple ways.

As part of this broader effort to foster an inclusive and accessible workplace, Forbo actively supports the integration of persons with disabilities. Their contributions span a wide range of roles and reflect Forbo's dedication to providing meaningful employment opportunities. At Flooring Systems, persons with disabilities primarily work in departments such as facility management, logistics, finance, and marketing, as well as sales and services. At Movement Systems, they are mainly employed in office functions as well as in manufacturing and fabrication.

As part of its linoleum take-back program, Flooring Systems collaborates with a sorting company that provides employment opportunities for individuals facing challenges with entering the job market and supports their (re)integration. For the production of company-branded items, the division partners with a foundation that employs people in vulnerable situations, offering them meaningful and dignified work opportunities. In addition, Flooring Systems maintains a partnership with a foundation dedicated to supporting socially disadvantaged individuals through training and job placement initiatives.

For its sampling process, Movement Systems collaborates in Germany with a non-profit organization that employs people with severe mental health challenges, preparing them in a protected environment for (re)entry into regular employment. Other entities work with specialized service providers that employ people with disabilities.

Apprentices and trainees

Number

59



(2024: 53; + 11.3%)

Persons with disabilities

Number

104



(2024: 83; + 25.3%)

Respectful behavior

Forbo maintains a zero-tolerance policy toward discrimination, bullying, and all forms of workplace violence, including threats, intimidating gestures, attacks, or other harmful behavior. We are dedicated to providing a safe and supporting working environment for all our employees.

To foster a culture of respect, inclusion, and constructive collaboration, we conduct comprehensive annual training on respectful workplace behavior. During the reporting year, manufacturing employees participated for the first time, expanding the program's reach and enhancing its overall impact. The training was delivered both as e-learning and through in-person sessions. In total, approximately 5,000 employees (previous year: 3,400) completed such training, which is designed to promote mutual respect, strengthen communication, and reinforce a positive and collaborative work environment.

Additionally, employees receive guidance on the available channels for reporting incidents of disrespect or misconduct, ensuring that concerns can be raised confidentially and addressed promptly and appropriately.

Human rights and responsible sourcing

At Forbo, we take our responsibility to respect human rights seriously, ensuring that these principles are embedded in every aspect of our business operations. Upholding human rights is a collective effort, and we believe that success can only be achieved when all stakeholders actively contribute.

Forbo's human rights and responsible sourcing approach is anchored in international standards such as the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The divisions are responsible for integrating due diligence processes, supplier monitoring, and corrective measures into their operations.

Responsible sourcing at Forbo goes beyond meeting legal obligations. It is about setting shared standards and addressing challenges within our supply chain in partnership with our suppliers. By applying the principles of responsible sourcing, we not only create a positive impact on people and the environment, but also strengthen the resilience and reliability of our supply chain.

We prioritize fair and ethical supplier management as the foundation of our partnerships. Our supplier requirements are part of our contractual agreements and encompass a broad range of criteria, including quality, environmental impact, anti-corruption measures, human rights, health and safety, social responsibility, and financial stability. We expect our suppliers, as well as their upstream suppliers, subcontractors, and service providers, to comply with applicable social standards in their respective countries and to maintain a credible sustainability strategy. We continuously assess compliance with these principles through regular risk evaluations and, where necessary, conduct on-site supplier audits.

Forced labor, freedom of association, and the right to collective bargaining

Forbo unequivocally rejects any form of forced, bonded, or compulsory labor. This principle is explicitly stated in our Code of Conduct and applies to all Forbo entities, suppliers, and contractors worldwide. In the reporting year, no cases of forced or compulsory labor were reported across Forbo's global operations, and no substantiated incidents were identified in our supplier network.

We fully respect the freedom of association and the right to collective bargaining, as laid down in the International Labour Organization (ILO) Conventions No. 87 and No. 98. We believe that open, constructive, and balanced social dialogue is essential to fostering trust, fairness, and shared responsibility across our organization. These principles ensure equal participation and an inclusive dialogue for everyone involved.

To ensure consistent adherence to these principles, Forbo conducts regular internal audits and management reviews that cover compliance with labor and social standards. These reviews are supported by the Corporate Compliance Officer and complemented by external audits where relevant (e.g., in facilities certified under SA8000®). Findings are tracked, and corrective measures are implemented where gaps are identified.

Report on child labor in the supply chain in accordance with Article 964j CO

Forbo condemns all forms of child labor. Child labor endangers the physical, psychological, and social development of children and compromises their right to education and protection. Respect for children’s rights is therefore an integral part of Forbo’s human rights commitment.

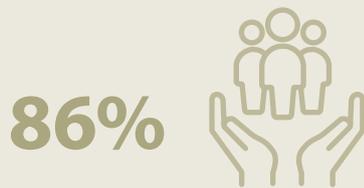
Our Code of Conduct defines the fundamental business principles and values of the Forbo Group, emphasizing that Forbo does not tolerate or engage in any form of child labor, directly or indirectly. This principle also applies to our business partners, who are contractually required to adhere to Forbo’s standards or equivalent international norms throughout their entire supply chain.

In compliance with Article 964j of the Swiss Code of Obligations (CO), Forbo annually assesses and reports on its due diligence obligations regarding child labor in its supply chain. The corresponding risk assessment process follows the requirements of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO) and is designed to ensure the early detection and prevention of potential child labor risks. Forbo systematically evaluates its supplier base using the UNICEF Children’s Rights in the Workplace Index, which classifies countries into three risk categories: basic, enhanced, and heightened. This index serves as the foundation for determining the required level of due diligence.

Suppliers operating in countries rated above the basic risk level are subject to additional screening using a risk-based approach that considers industry-specific exposure to child labor risks, ownership, production structure, and existing certifications and audit results (e.g., SA8000® or ISO 45001). For each procurement category, Forbo’s purchasing teams conduct an individualized child-labor risk assessment, combining the UNICEF index with internal supply-chain data. These evaluations are reviewed by the Corporate Sustainability Officer and updated as necessary. The 2025 assessment confirmed no reasonable suspicion of child labor within Forbo’s supply chain. Forbo is therefore exempt from the due diligence and reporting requirements in accordance with Article 5 Paragraph 2 of the DDTrO. Forbo maintains a proactive review cycle to ensure that this conclusion remains valid. The child-labor risk assessment is updated annually and whenever significant changes occur.

Child labor risk: suppliers based in basic-risk countries¹⁾

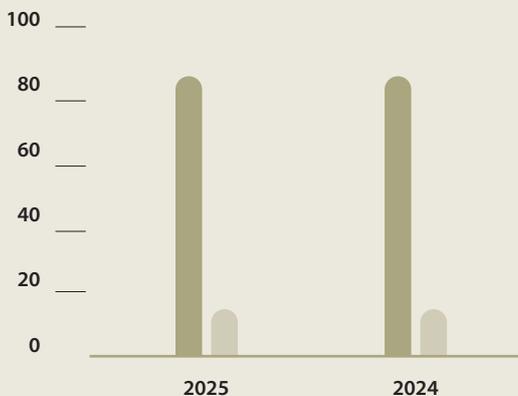
Percent



(2024: 86%)

Supplier child labor risk¹⁾

Total suppliers assessed: 10,400
Percent



- **Basic risk:** 86% (2024: 86%)
- **Enhanced risk:** 14% (2024: 14%)
- **Heightened risk:** 0% (2024: 0%)

¹⁾ Classification according to UNICEF Children’s Rights in the Workplace Index/June 2023.

To continue preventing the risk of child labor in our supply chain, we have implemented measures as part of our supply chain governance framework. The prevention of child labor has been integrated into the current divisional supplier and procurement guidelines as well as into supplier contracts. These policies are based on the ILO Conventions No. 138 on the minimum age and No. 182 on the worst forms of child labor, the ILO-IOE Child Labor Guidance Tool for Business, and the OECD Guidelines for Multinational Enterprises, respectively the UN Guiding Principles for Business and Human Rights. Based on our risk-based due diligence approach, Forbo requires suppliers in higher-risk categories to provide self-disclosure statements, third-party certifications, or equivalent proof of compliance. Where appropriate, we also conduct on-site supplier audits to verify working conditions and documentation. The results and effectiveness of these measures are regularly evaluated and lessons learned from these reviews are used to strengthen policy implementation, enhance supplier engagement, and refine audit criteria.

Report on conflict minerals in accordance with Article 964j CO

Forbo does not exceed the quantities of minerals and metals specified in Annex 1 DDTro and is therefore exempt from the due diligence and reporting obligations with regard to conflict minerals and metals. The evaluation encompasses all Group companies and is regularly reviewed. It involves systematic, documentation-based assessments to identify any potential exposure to tin, tungsten, tantalum, and gold (3TG) minerals. This process includes the review of product specifications, bills of materials, material master data, and customs classifications as well as import declarations.

Prevention of corruption

Corruption undermines fair competition, increases costs, erodes stakeholder trust, and ultimately endangers jobs and long-term value creation. Forbo therefore upholds a zero-tolerance policy toward any form of corruption or bribery. We are committed to conducting all business activities with integrity, transparency, and fairness, ensuring that our competitive success is based solely on the quality and performance of our products and services.

Concepts and processes

The foundation of our anti-corruption efforts is defined in the Code of Conduct, specifically the chapter 'Business Integrity: No tolerance of any form of corruption'. Our approach is guided by international best-practice frameworks such as the OECD Anti-Bribery Convention, UN Global Compact Principle 10, and ISO 37001 (anti-bribery management systems).

Forbo prohibits the offering, giving, soliciting, or accepting of bribes in any form, whether monetary or non-monetary. This includes improper commission payments, facilitation payments, or any other undue advantages to or from customers, agents, suppliers, officials, or business partners.

All gifts, hospitality, or benefits received by our employees must be transparently reported to their line managers. In addition, political donations to parties, organizations, or individuals holding political office are strictly prohibited. Charitable donations are permissible only within the framework of approved corporate social responsibility activities and must be fully documented and auditable.

Forbo ensures that the applicability of its Code of Conduct or an equivalent business partner code of conduct is contractually integrated into all relevant agreements with external partners. Compliance with these obligations is monitored through regular internal reviews, led by the Corporate Compliance Officer, which evaluate adherence and process effectiveness on a risk-based sample basis. Identified gaps trigger corrective measures and, where necessary, targeted re-training or procedural adjustments.

Risk management

From both a geographical and industry-specific perspective, Forbo operates in markets that can exhibit elevated corruption risks, particularly in regions with limited regulatory enforcement or high reliance on intermediaries. Accordingly, Forbo's compliance management system is structured to prevent, detect, and respond to corruption risks.

Corruption risks are assessed using a risk-based approach that combines country-level risk screening with business-specific factors. The Corruption Perceptions Index (CPI) serves as a baseline to classify countries into defined risk categories, which are supplemented by criteria such as the nature of business activities, interaction with public authorities, and transaction complexity. Based on this assessment, suppliers and business activities are prioritized for proportionate due diligence measures. The assessment is reviewed annually and whenever significant changes occur to reflect changes in risk profiles and external benchmarks. In the reporting year, no confirmed cases of bribery or corruption were reported across our operations.

The system also includes regular e-learning programs on anti-corruption for employees in functions with heightened exposure complemented by annual mandatory training on the Forbo Code of Conduct for all employees. Training completion is systematically tracked through Forbo’s corporate learning management system.

Corruption risk: suppliers based in low-risk countries¹⁾

Percent

81%

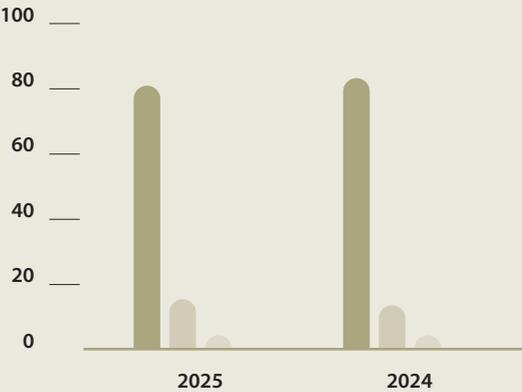
(2024: 83%)



Supplier corruption risk¹⁾

Total suppliers assessed: 10,400

Percent



- **Low risk (CPI score 60 – 100):** 81% (2024: 83%)
- **Basic risk (CPI score 40 – 59):** 15% (2024: 13%)
- **Enhanced risk (CPI score 20 – 39):** 4% (2024: 4%)
- **Heightened risk (CPI score 0 – 19):** 0% (2024: 0%)

¹⁾ Classification according to Transparency International Corruption Perception Index (CPI) 2024.

Reporting compliance issues

Forbo promotes a culture of transparency and accountability. Employees, business partners, and other stakeholders are encouraged to report concerns about possible legal violations, breaches of internal policies, or unethical behavior.

Reports can be made through the Forbo Integrity Line, which is available on the Forbo website. The Integrity Line and associated reporting processes are based on internationally recognized frameworks such as the EU Whistleblower Protection Directive (2019/1937) and ISO 37002:2021 Whistleblowing Management Systems. The Integrity Line is a secure reporting system offered in 29 languages and can be used by employees, contractors, suppliers, and other stakeholders. It allows both named and anonymous reports of suspected misconduct. All reports are treated confidentially, meaning that the details of the report and the identity of the individual making the report are kept private and only shared with those directly involved in the investigation. Reports can also be submitted to compliance@forbo.com, a widely communicated email address for this purpose, or directly to a local manager, depending on the situation. The handling of reports follows a structured process that ensures timely evaluation, impartial investigation, and appropriate corrective action where necessary. Retaliation against anyone who raises a concern in good faith is strictly prohibited. The Corporate Compliance Officer oversees the process and ensures that findings are used to improve internal controls and compliance training.

In 2025, a total of 19 reports (2024: 15 reports) were received through the Forbo Integrity Line and other reporting channels. All reports were reviewed and investigated where necessary.

Social commitment

Commitment to the community

For nearly 100 years, the Forbo Group has been committed to creating attractive and sustainable workplaces. Through profitable growth, we continually generate added value for regional economies, suppliers, and business partners. In fulfilling this role, Forbo embraces social responsibility in a broad and comprehensive sense, contributing positively to the communities in which we operate.

Forbo places particular emphasis on high-quality training and education, as well as equal opportunities for all employees. We employ trainees in a variety of demanding roles, with the goal of equipping them with the relevant skills that are required for the professional and responsible practice of their chosen profession.

In addition, we collaborate with external institutions to outsource simpler tasks to workshops for disadvantaged individuals, thereby supporting inclusive employment opportunities beyond our company.

Forbo strives to make a positive contribution to the well-being of society and the local communities in which we operate. We take our social responsibility seriously and maintain proactive communication and cooperation with local authorities, institutions, interest groups, and educational institutions, particularly around our larger manufacturing sites. This dialogue fosters trust and enables collaborative initiatives on creative, social, and sustainability-related topics.

Charitable activities

Forbo contributes to the common good through individual targeted support for social and environmental initiatives at both Group and local level. By providing product donations and assisting with flooring installations, we enable and help institutions in need to enhance the impact of their work.

Our social commitment is built on long-term partnerships with social institutions and programs, ensuring that support is sustainable and meaningful. At the global level, selectively targeted funds are allocated to social and charitable institutions or relief organizations to address urgent needs, alleviate acute suffering, or respond to local disasters.



Through its wide range of floor covering products, Flooring Systems donates flooring materials worldwide to support a variety of social purposes and initiatives. These donations benefit schools, kindergartens, education centers, mental health drop-in centers, hospitals, shelters for children, and housing for homeless families in certain countries – institutions dedicated to caring for vulnerable individuals facing difficult circumstances such as domestic violence or parental imprisonment. Flooring Systems also provides local support, including donations to community sports clubs. In addition, the division supports talented interior design students from less privileged families, helping them access and pursue education and career opportunities.

Movement Systems places strong emphasis on supporting local charitable initiatives across its regions. In Europe, the focus is primarily on promoting sports-related programs and activities. In the Americas, efforts are directed toward supporting and assisting local homeless shelters and related services. In the Asia/Pacific region, Movement Systems is dedicated to fostering community engagement through various local community support activities.

Across both divisions, Forbo employees worldwide actively participate in charity runs and walks, health-promotion initiatives such as cycling to work and goods-collection and recycling projects. They contribute their time and efforts to meaningful causes and donate their contributions accordingly to support creative reuse projects. Employees also collect waste in surrounding areas to help prevent environmental pollution and promote sustainable mobility by encouraging climate-friendly commuting – demonstrating that even small activities can make a difference. These activities combine team spirit with community support, reflecting the company's commitment to social responsibility in an engaging, thoughtful, and impactful way.

Our social ambition

At Forbo, we strive to be a role model for ethical, socially responsible, and environmentally conscious conduct. We are committed to fostering a supportive, appreciative, safe, and progressive workplace that encourages innovation, personal growth, and a high level of service for our stakeholders.

Our social ambition is to create lasting positive impact for our employees, communities, and partners by promoting inclusion, well-being, and opportunity. We believe business success is inseparable from social responsibility and actively contribute to a fair, supportive, and sustainable society wherever we operate.

Empowering people is at the heart of our approach. We provide meaningful employment, safe and respectful workplaces, and personal development. Beyond our organization, we actively support social and environmental initiatives worldwide, including education, employability, social reintegration, and health-promoting projects.

By embedding social responsibility into our daily operations and decision-making, we strengthen community resilience, support vulnerable groups, and promote equal opportunities. Through individual and collective engagement in social projects, we ensure that our growth leaves a positive and lasting impact on society – locally and globally.

Social metrics

Forbo employments

Employment type	2025 Flooring Systems	2025 Movement Systems	2025 Corporate	2025 Group	2024 Group	Change % Group ¹⁾
Full-time employees	2,402	2,280	34	4,716	4,621	+ 2.1%
Part-time employees	270	55	9	334	317	+ 5.4%
Total	2,672	2,335	43	5,050	4,938	+ 2.3%

Workforce development and inclusion	2025 Flooring Systems	2025 Movement Systems	2025 Corporate	2025 Group	2024 Group	Change % Group ¹⁾
Apprentices/trainees	40	19	0	59	53	+ 11.3%
Persons with disabilities	27	77	0	104	83	+ 25.3%

Gender distribution	2025 Flooring Systems	2025 Movement Systems	2025 Corporate	2025 Group	2024 Group	Change % Group ¹⁾
Male	1,947	1,749	26	3,722	3,652	+ 1.9%
Female	725	586	17	1,328	1,283	+ 3.5%
Neither male or female	0	0	0	0	3	0
Total	2,672	2,335	43	5,050	4,938	+ 2.3%

Age structure	2025 Flooring Systems	2025 Movement Systems	2025 Corporate	2025 Group	2024 Group	Change % Group ¹⁾
Above 50 male	972	678	16	1,666	1,620	+ 2.8%
Above 50 female	329	224	11	564	534	+ 5.6%
Between 30 – 50 male	823	905	10	1,738	1,716	+ 1.3%
Between 30 – 50 female	341	302	6	649	652	- 0.5%
Below 30 male	152	166	0	318	316	+ 0.6%
Below 30 female	55	60	0	115	97	+ 18.6%
Below 30 neither	0	0	0	0	3	0

¹⁾ % change 2025 versus 2024.

Health & safety

Lost time injury frequency rate (LTIFR)	2025 Flooring Systems	2025 Movement Systems	2025 Corporate	2025 Group	2024 Group	Change % Group ¹⁾
Number of lost-workday cases	18	34	0	52	57	- 8.8%
Total hours worked	4,912,074	3,964,394	71,452	8,947,920	9,473,009	- 5.5%
LTIFR	3.7	8.6	0.0	5.8	6.0	- 3.3%

Days lost	2025 Flooring Systems	2025 Movement Systems	2025 Corporate	2025 Group	2024 Group	Change % Group ¹⁾
Number of lost workdays	511	534	0	1,045	958	9.1%

¹⁾ % change 2025 versus 2024.

Employee education programs

	2025 Flooring Systems	2025 Movement Systems	2025 Corporate	2025 Group
Corporate trainings¹⁾				
Training completion count	11,804	9,618	276	21,698
Training hours	7,474	5,906	178	13,558

¹⁾ Training sessions and training hours reported in this section refer to Forbo's corporate training programs including topics such as the Forbo Code of Conduct, data privacy, fair competition, prevention of corruption, workplace respect, and IT security. These programs are complemented by health and safety trainings, product-related trainings, and soft skills development initiatives.

Human rights and responsible sourcing

	2025 Flooring Systems	2025 Movement Systems	2025 Group	2024 Group
Percent				
Child labor risk²⁾				
Suppliers in basic-risk countries	90	74	86	86
Suppliers in enhanced-risk countries	10	26	14	14
Suppliers in heightened-risk countries	0	0	0	0
Total	100	100	100	100
Corruption risk³⁾				
Suppliers in countries with score 60 – 100	84	73	81	83
Suppliers in countries with score 40 – 59	13	19	15	13
Suppliers in countries with score 20 – 39	3	8	4	4
Suppliers in countries with score 0 – 19				
Total	100	100	100	100
Number of human rights issue reports				
Child labor allegation reports	0	0	0	0
Forced/compulsory labor allegation reports	0	0	0	0
Indigenous rights allegation reports	0	0	0	0

¹⁾ Classification according to UNICEF Children's Rights in the Workplace Index 2023.

²⁾ Classification according to Transparency International Corruption Perception Index 2024.

GOVERNANCE

Effective governance is the foundation of Forbo's strategic framework for ESG by ensuring clear accountability and informed decision-making. The Board of Directors and Executive Board maintain direct oversight of sustainability matters and integrate ESG considerations into core business processes, risk management, and strategic planning.



The Board of Directors holds ultimate responsibility for Forbo Holding Ltd's management and strategic direction. Sustainability issues to be dealt with are submitted in advance to the Strategy and Sustainability Committee of the Board of Directors (SSC) for review or opinion. The SSC advises and supports the Board of Directors in the strategic development of the company and proposes priorities for ESG-related matters. It assists management in analyzing sustainability aspects, assessing risks, developing plans, and ensuring appropriate reporting. Progress is monitored on a regular basis. The members of the SSC combine expertise from executive roles, current directorships, and past leadership positions relevant to their mandate.

The SSC recently approved the ESG targets for 2026 as part of the ongoing implementation of the strategic framework for ESG introduced in the previous reporting period. The framework defines our overall ambition, specific short- and long-term targets, and actions required to achieve them. More details on the SSC are provided in the Corporate Governance Report.

The Executive Board implements the priorities set by the Board of Directors and addresses sustainability topics at regular Board meetings, including defining strategy, targets, and activities. The Executive Board reports to the SSC through the CEO. The Corporate Sustainability Officer leads and manages sustainability initiatives across divisions and reports directly to the CEO. Both divisions have a sustainability steering committee led by divisional management and appoint a dedicated Sustainability Officer responsible for coordinating and implementing divisional sustainability initiatives.

In June 2025, we conducted a cross-divisional two-day sustainability workshop led by Forbo's Corporate Sustainability Officer. The workshop addressed potential enhancements to the Sustainability Report, current regulatory challenges, and other ESG-related topics. It aimed to strengthen alignment between the two divisions, share best practices, and ensure readiness for evolving compliance requirements. Key outcomes included agreement on priority areas for improving transparency in reporting, and the identification of opportunities to further integrate ESG into operational processes. Furthermore, a cross-divisional Corporate Sustainability Council, which meets at least twice a year to discuss current sustainability topics, was established. The Council is chaired by Forbo's Corporate Sustainability Officer and includes the divisional COOs and divisional sustainability teams. Depending on the agenda, representatives from other functions, such as Legal and Finance, are invited to ensure comprehensive discussion and decision-making.

Sustainability governance at Forbo provides a consistent framework across our divisions while allowing for division-specific implementation. Global sustainability management is anchored in the Global Strategy and Business Development functions of the divisions, supported by dedicated sustainability structures. Clear sustainability roadmaps, regular progress reviews, and monthly executive-level decision-making ensure consistent implementation, accountability, and alignment with the Group's sustainability targets.

To encourage achievement of our sustainability targets, our short-term variable remuneration plans for the Executive Board members and around 150 senior managers across the Group are closely aligned with Forbo's strategic framework for ESG and according criteria material to Forbo and its stakeholders. They are proposed by the Remuneration Committee and approved by the Board of Directors.

In addition to the equally weighted KPIs (LTIFR and CO₂ reduction) for all plan members, further individual sustainability objectives to foster activities related to short- and long-term health and safety as well as climate targets can be part of individual objectives.

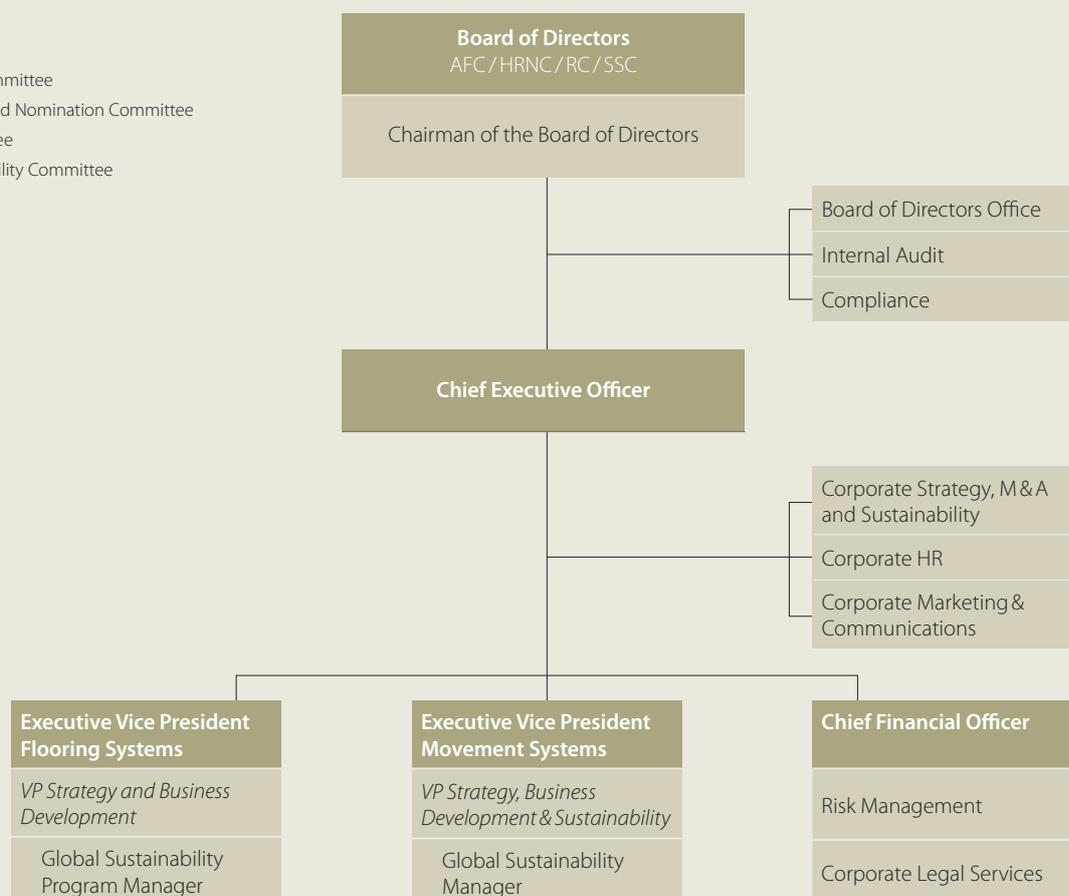
ESG governance structure¹⁾

AFC Audit and Finance Committee

HRNC Human Resources and Nomination Committee

RC Remuneration Committee

SSC Strategy and Sustainability Committee



¹⁾ The chart illustrates the ESG-relevant functions within Forbo. Further details on Forbo's organizational structure are available in the Corporate Governance Report.

ANNEX

GRI content index

Statement of use

Forbo has reported the information cited in this GRI content index for the financial year 2024 with reference to the GRI Standards. GRI 1 used: GRI 1 Foundation 2021

Standard	Disclosure	Reference	
GRI 2: General disclosures 2021	2-1 Organizational details	Page 48 – 49, 100 – 101	
	2-2 Entities included in the organization's sustainability reporting	Page 58, 82	
	2-3 Reporting period, frequency and contact point	Page 58, 82	
	2-4 Restatements of information	No restatement of information	
	2-6 Activities, value chain and other business relationships	Page 48 – 51, 54 – 55	
	2-7 Employees	Page 85 – 92	
	2-9 Governance structure and composition	Page 100 – 101, 108 – 109	
	2-10 Nomination and selection of the highest governance body	Page 108 ff.	
	2-11 Chair of the highest governance body	Page 108 ff.	
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 108 ff.	
	2-13 Delegation of responsibility for managing impacts	Page 100 – 101	
	2-14 Role of the highest governance body in sustainability reporting	Page 100 – 101, 118	
	2-15 Conflicts of interest	Page 108 ff.	
	2-16 Communication of critical concerns	Page 83, 95	
	2-17 Collective knowledge of the highest governance body	Page 100 – 101, 114 – 115	
	2-18 Evaluation of the performance of the highest governance body	Page 157 – 158, 204 ff.	
	2-19 Remuneration policies	Page 80, 101, 131 ff.	
	2-20 Process to determine remuneration	Page 80, 101, 131 ff.	
	2-21 Annual total compensation ratio	Page 80, 131 ff.	
	2-22 Statement on sustainable development strategy	Page 47, 59 ff.	
	2-23 Policy commitments	Page 92 – 94	
	2-24 Embedding policy commitments	Page 92 – 94	
	2-25 Processes to remediate negative impacts	Page 63	
	2-26 Mechanisms for seeking advice and raising concerns	Page 95	
	2-27 Compliance with laws and regulations	Page 46, 83, 92 – 94	
	2-28 Membership associations	Page 51, 55	
	2-29 Approach to stakeholder engagement	Page 61, 82 – 83, 96 – 97	
	GRI 3: Material Topics	3-1 Process to determine material topics	Page 61
		3-2 List of material topics	Page 62 – 63
3-3 Management of material topics		Page 62 – 64	

Standard	Disclosure	Reference
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 161 ff.
	201-2 Financial implications and other risks and opportunities due to climate change	Page 61 – 62
	201-3 Defined benefit plan obligations and other retirement plans	Page 161 ff.
	201-4 Financial assistance received from government	Page 161 ff.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 94, 99
	205-2 Communication and training about anti-corruption policies and procedures	Page 94
	205-3 Confirmed incidents of corruption and actions taken	Page 94
GRI 207: Tax 2019	207-1 Approach to tax	Page 161 ff.
	207-2 Tax governance, control, and risk management	Page 161 ff.
	207-3 Stakeholder engagement and management of concerns related to tax	Page 161 ff.
	207-4 Country-by-country reporting	Page 161 ff.
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 74
	301-2 Recycled input materials used	Page 74
	301-3 Reclaimed products and their packaging materials	Page 71, 74
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 77
	302-3 Energy intensity	Page 79
	302-4 Reduction of energy consumption	Page 77
	302-5 Reductions in energy requirements of products and services	Page 79
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 76
	303-3 Water withdrawal	Page 76
	303-4 Water discharge	Page 76
	303-5 Water consumption	Page 76
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 78 – 79
	305-2 Energy indirect (Scope 2) GHG emissions	Page 78 – 79
	305-3 Other indirect (Scope 3) GHG emissions	Page 78 – 79
	305-4 GHG emissions intensity	Page 79
	305-5 Reduction of GHG emissions	Page 59, 78 – 79
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 69
	306-2 Management of significant waste-related impacts	Page 69
	306-3 Waste generated	Page 75
	306-4 Waste diverted from disposal	Page 75
	306-5 Waste directed to disposal	Page 75
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 67
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 85, 98

Standard	Disclosure	Reference
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 89–90
	403-2 Hazard identification, risk assessment, and incident investigation	Page 89–90
	403-3 Occupational health services	Page 89–90
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 89–90
	403-5 Worker training on occupational health and safety	Page 89–90
	403-6 Promotion of worker health	Page 89–90
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 89–90
	403-8 The Forbo Group employees covered by an occupational health and safety management system	Page 89–90
	403-9 Work-related injuries	Page 89–90, 98
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page 86–88
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 90–91
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 92–93
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 93–94, 99
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 92–93
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Page 99
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 96–97
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 92–94
	414-2 Negative social impacts in the supply chain and actions taken	Page 92–94
GRI 415: Public Policy 2016	415-1 Political contributions	Page 94
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 55, 73

TCFD content index

Statement of use

Forbo has reported the information cited in this TCFD content index for the financial year 2025 in line with the TCFD Final Report (2017) and the TCFD Annex (2021).

TCFD pillar	Recommended disclosure	Reference
Governance	a. Describe the Board's oversight of climate-related risks and opportunities.	Page 60, 100–101, 108 ff.
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 60, 100–101, 108 ff.
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Page 62
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Page 60–73, 80
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 60–64
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks.	Page 60–63
	b. Describe the organization's processes for managing climate-related risks.	Page 60–63
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Page 60
Metrics and targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 60–80
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions (GHG) and the related risks.	Page 59, 63–64, 78–79
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Page 59–81

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

At Forbo, the concept of corporate governance encompasses the entire set of principles and rules on organization, conduct, and transparency that are designed to protect the company's long-term interests. Forbo's aim is to strike a careful balance between management and control. The central rules are contained in the Articles of Association, the Organizational Regulations, and the Regulations of the Committees of the Board of Directors. The following information is set out in line with the Directive on Information relating to Corporate Governance (DCG) and the relevant publications of SIX Swiss Exchange.

Group structure and shareholders

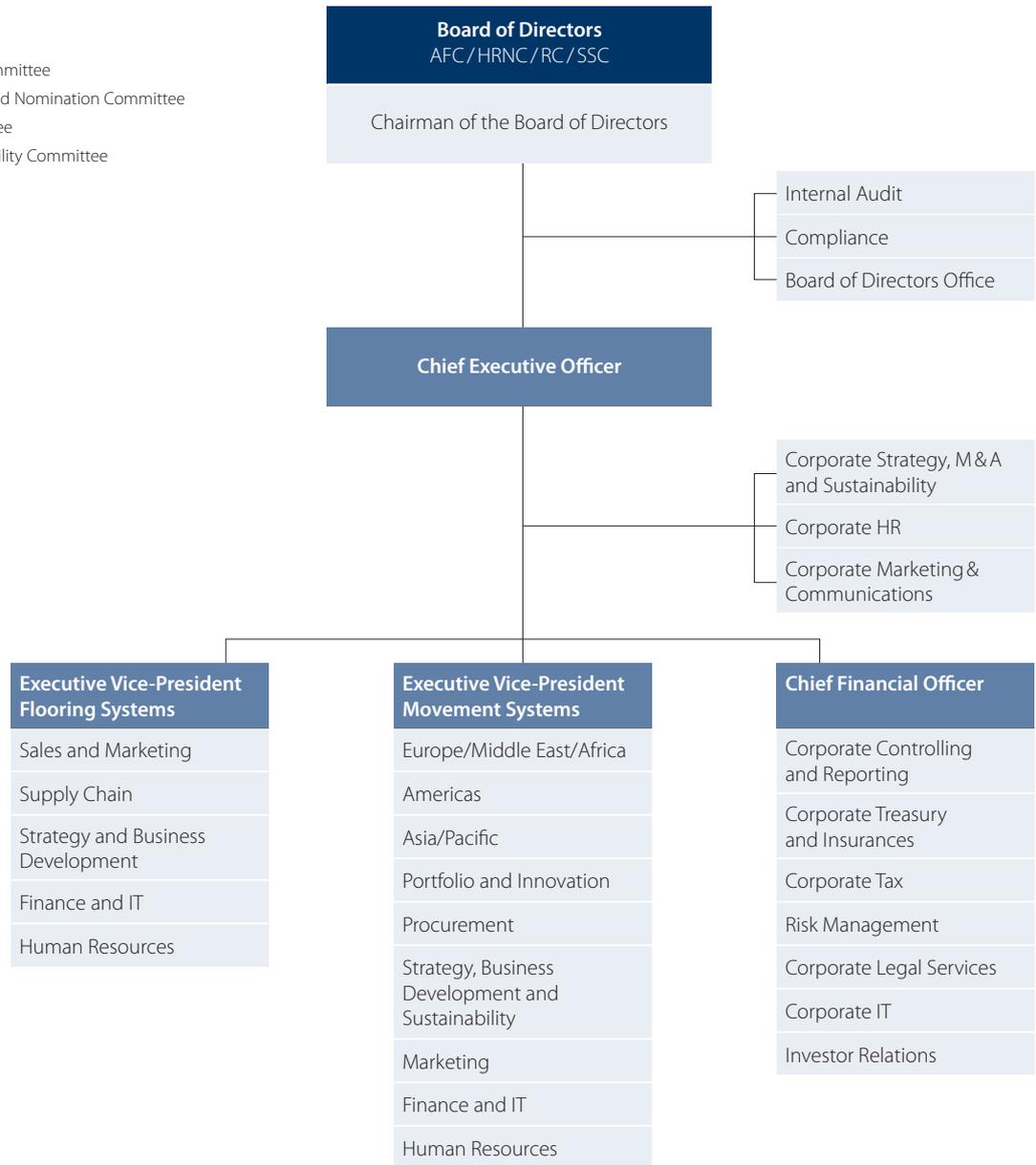
Group structure

Forbo Holding Ltd, domiciled at Lindenstrasse 8, 6340 Baar, is a limited company under Swiss law. The holding company holds all subsidiaries, directly or indirectly, that belong to the Forbo Group. The shares of Forbo Holding Ltd (security number 000354151/ISIN CH0003541510) are listed on SIX Swiss Exchange. A financial overview of the Forbo Group (including market capitalization) can be found on [page 16](#). The scope of consolidation of Forbo Holding Ltd does not include any listed companies. The non-listed companies within the scope of consolidation of Forbo Holding Ltd are listed in the section 'Group companies' starting on [page 200](#) in the financial report section. The company name and domicile, share capital, and percentage of participation, along with information relating to the allocation of the Group company to the Group's businesses, can also be found in that section of this Annual Report.

The top leadership is assumed by the Board of Directors, which is advised by four standing committees in preparation for decisions. As a basic principle, decisions are made collectively by the Board as a whole. The committees deal with clearly defined topics of overriding importance and have a mainly advisory and monitoring role.

The CEO is the Chairman of the Executive Board, to which both Executive Vice-Presidents of the two divisions and the CFO belong. The Group functions responsible for coordinating and implementing Group-wide decisions report to the CEO or the CFO.

AFC Audit and Finance Committee
HRNC Human Resources and Nomination Committee
RC Remuneration Committee
SSC Strategy and Sustainability Committee



Significant shareholders

As of December 31, 2025, 3,697 shareholders were listed in the share register of Forbo Holding Ltd, 201 (5.75%) more than in the previous year. As of December 31, 2025, Forbo Holding Ltd knew of the following significant shareholders with a holding of more than 3%:

	31.12.2025 as a percentage
Michael Pieper ¹⁾	28.06
UBS Fund Management (Switzerland) AG	5 – 10
SEO Management SA	5 – 10
Forbo Holding Ltd ²⁾	4.45
This E. Schneider	3 – 5

¹⁾ Michael Pieper holds his interest directly and indirectly through Artemis Beteiligungen I AG.

²⁾ Forbo Holding Ltd holds its shareholding directly and indirectly via Forbo Management SA.

Disclosure of significant shareholders and significant shareholder groups and their holdings is effected in accordance with the disclosure notices made in the year under review pursuant to Article 120 of the Financial Market Infrastructure Act (FMIA) and the provisions of the Ordinance of the Swiss Financial Market Supervisory Authority on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIO-FINMA).

Below is a summary of the current notified shareholdings published in the year under review:

On March 21, 2025, Forbo Holding Ltd reported that it had fallen below the 5% threshold and that it directly or indirectly held 74,100 of its own shares through Forbo Management SA, Baar, corresponding to 4.99% of the voting rights.

On September 9, 2025, Swisscanto Fondsleitung AG reported that it had fallen below the 3% threshold.

On September 30, 2025, J. Safra Sarasin Investmentfonds AG reported that it had fallen below the 3% threshold.

On December 2, 2025, SEO Management AG reported that it had exceeded the 5% threshold and that it directly or indirectly held 75,659 shares through SEO Master Fund LP corresponding to 5.095% of the voting rights as well as a total of 43,836 sales positions corresponding to 2.952% of the voting rights.

Full disclosure reports and all further published disclosure notices can be consulted on the publication platform of the disclosure office of the SIX Swiss Exchange (www.ser-ag.com → Fundamentals → Notices Market Participants → Significant Shareholders).

Cross-shareholdings

Forbo Holding Ltd has not entered into any cross-shareholdings with mutual capital shareholdings or voting rights.

Capital structure

Share capital

As of December 31, 2025, Forbo Holding Ltd had a fully paid-up share capital of CHF 148,500, divided into 1,485,000 listed registered shares, each with a par value of CHF 0.10. Of this amount:

- 68.94% were registered in the name of 3,686 shareholders with voting rights
- 27.03% were shares held by banks or SIX SIS AG pending registration of transfer
- 4.03% were registered in the share register without voting rights

There are no different categories of shares. Each share entitles the owner to one vote. Further information on the Forbo share can be found on [pages 40 and 41](#). Further information on the rights of participation associated with the Forbo share can be found on [pages 125 and 126](#) of this Annual Report.

By resolution of the Ordinary General Meeting of Forbo Holding Ltd on March 30, 2023, the Board of Directors was authorized to buy back 10% of the share capital over a period of three years either via a second trading line on the SIX Swiss Exchange or by another means. These shares will be definitively canceled. Up to December 31, 2025, the Board of Directors had made no use of this authorization.

Capital band

By resolution of the Ordinary General Meeting of Forbo Holding Ltd on April 5, 2024, the Articles of Association were amended to comply with the new stock corporation law. Changes included, amongst others, the introduction of a capital band. Pursuant to Clause 4a of the Articles of Association ([www.forbo.com](#) → Investors → Ordinary General Meeting), the Board of Directors is entitled, at any time up to December 31, 2028, to apply one or several increases and/or reductions to the share capital within the upper limit of CHF 163,350, i.e. 1,633,500 registered shares with a par value of CHF 0.10 each, and the lower limit of CHF 133,653, i.e. 1,336,500 registered shares with a par value of CHF 0.10 each. Capital reductions may be made via a reduction of the par value of the shares as well as the cancellation of shares. In the event of a capital increase, the Board of Directors shall determine the number of shares, the issue price, the type of contribution, the timing of the issue, the conditions governing the exercise of subscription rights, and the beginning of dividend entitlement.

The capital band was not used in 2024 or 2025.

Conditional and authorized capital

Pursuant to Clause 4 of the Articles of Association ([www.forbo.com](#) → Investors → Ordinary General Meeting), Forbo Holding Ltd has a maximum conditional capital of CHF 16,645, corresponding to 166,450 registered shares to be paid up in full with a par value of CHF 0.10 each. If the conditional capital were drawn on in full, the share capital would increase by CHF 16,645, or 11.2%, from the current level of CHF 148,500 to CHF 165,145. The capital increase takes place in accordance with the Articles of Association through the exercise of option and convertible rights granted in connection with the bonds issued by the company or one of its subsidiaries (no more than 133,160 registered shares), or through the exercise of option rights granted to shareholders (no more than 33,290 registered shares). Except for shareholder options, shareholders have no right of subscription. Holders of option or convertible rights are entitled to subscribe to new share issues. The registration of new shares is subject to the general restriction set out in Clause 6 of the Articles of Association ([www.forbo.com](#) → Investors → Ordinary General Meeting).

There is no authorized capital.

Changes in capital

No changes to the capital of Forbo Holding Ltd were made in 2023, 2024 or 2025.

Participation certificates and non-voting equity securities ('Genussscheine')

Forbo Holding Ltd has issued neither participation certificates nor non-voting equity securities.

Limitations on transferability and nominee registrations

Forbo Holding Ltd does not have any percentage limitations on voting rights. The Board of Directors may only refuse to register shares in the share register if the purchaser of the shares does not expressly declare that he/she has acquired the shares in his/her own name and for his/her own account, that there are no arrangements regarding the redemption or return of the registered shares, that the purchaser bears all risks associated with the shares, and that the disclosure obligations stipulated by the Financial Market Infrastructure Act of June 19, 2015, are complied with.

Pursuant to Clause 6 of the Articles of Association (www.forbo.com → Investors → Ordinary General Meeting), nominees may be entered in the share register with voting rights for up to a maximum of 0.3% of the share capital entered in the Commercial Register. Over and above this limit, nominees are only entered provided the name, address, and shareholding of those persons are disclosed for whose account the nominee holds a total of 0.3% or more of the registered share capital entered in the Commercial Register.

No statutory privileges exist, and there is no restriction on the transferability of the shares of Forbo Holding Ltd.

Convertible bonds and warrants/options

Forbo Holding Ltd has no outstanding convertible bonds nor has it issued any marketable warrants/options. Details of the long-term incentive plan for the Executive Board, under which future subscription rights are outstanding, can be found on [pages 143 to 152](#) as well as on [pages 190, 191](#), and [198](#) of this Annual Report.

Board of Directors

The Board of Directors brings together expertise and competencies in all the relevant areas (in particular, entrepreneurial skills and leadership, industry and technology, strategy, sales and distribution, international markets, sustainability, innovation, digitization, risk management, audit, and financial know-how).



Jörg Kampmeyer, Claudia Coninx-Kaczynski, Bernhard Merki, Dr. Eveline Saupper, Michael Pieper, Vincent Studer

Members of the Board of Directors

The cut-off date for the following information is December 31, 2025.

None of the members of the Board of Directors listed below has held any operational management positions for Forbo Holding Ltd or its Group companies. No member of the Board of Directors was a member of the Executive Board of Forbo Holding Ltd and no Board of Directors member sat on the Executive Board of any of its subsidiaries. There are no significant business relationships between the members of the Board of Directors and Forbo Holding Ltd or its Group companies. The tasks of the Chairman of the Board are described on [page 119](#) of the Annual Report.

Independent¹⁾ members of the Board of Directors

Bernhard Merki **Chairman**

Bernhard Merki was born in 1962 and is a Swiss citizen. He graduated in mechanical engineering with a specialization in plastics engineering at HTL Brugg-Windisch and went on to study industrial engineering at the IMAKA institute in Zurich. Between 1988 and 2013, he held various leading management positions at the Netstal Group in Näfels, for the last ten of those years as CEO. From 2014 to 2018, he was CEO of 4B AG in Hochdorf. Since 2019, he has been the owner of Benara AG, a freelance entrepreneur and a professional and independent member of the boards of directors of several national and international companies. He is the Chairman of EMS-Chemie-Holding AG in Domat/Ems, Rondo Burgdorf AG and Seewer Holding AG in Burgdorf, Georg Utz Holding AG in Bremgarten, Fostag Formenbau AG in Stein am Rhein and FST Beteiligungen AG in Cham. In addition, he is a member of the Board of Directors of Ferrum AG in Schafisheim and IPZ Property AG in Dübendorf. He has been a member of the Board of Directors of Forbo Holding Ltd since April 2024 and was elected as Chairman of the Board of Directors at the Ordinary General Meeting on April 4, 2025.

Michael Pieper **Vice-Chairman**

Michael Pieper, born in 1946, is a Swiss citizen. He studied economics (lic. oec. HSG) at the University of St. Gallen. He has been with the Artemis Group (formerly the Franke Group) since 1986 and has been its owner and CEO since 1989. Since 1986, he has been a member of the Board of Directors at Franke Holding AG and various subsidiaries of Artemis and Franke around the world. He is also a member of the Boards of Directors of Arbonia AG in Arbon, Autoneum Holding AG in Winterthur, Bergos AG in Zurich, Reppisch-Werke AG in Dietikon, and a member of the Supervisory Board of Duravit AG in Hornberg, Germany and Vice-Chairman of the Supervisory Board of Ettlin Aktiengesellschaft in Ettingen, Germany. He was first elected to the Board of Directors of Forbo Holding Ltd in 2000.

Claudia Coninx-Kaczynski

Claudia Coninx-Kaczynski, born in 1973, is a Swiss citizen. She took a degree in law at the University of Zurich (lic. iur.) and earned her Master of Laws (LL. M.) at the London School of Economics and Political Science (LSE). From 2006 to 2011, she managed the business of Färbi Immobilien AG (subsequently Rietpark Immobilien AG) in Zurich as a member of the Board of Directors. Between 2011 and 2014, she implemented various projects for P. A. Media AG and Swisscontent AG in Zurich (including M&A). From 2013 to 2016, she was a member of the Board of Directors of TX Group AG (formerly Tamedia AG), where from 2017 to 2023 she was appointed Chairwoman of the majority shareholder pool. She became a member of the Board of Directors and the Remuneration Committee of TX Group AG, Zurich, again in April 2023. She is also a member of the Board of Directors of Swisscontent AG and a number of other boards of trustees and committees. She has been a member of the Board of Directors of Forbo Holding Ltd since April 2014.

¹⁾ Independent as defined in the 'Swiss code of best practice for corporate governance'.

Jörg Kampmeyer

Jörg Kampmeyer was born in 1968 and is a German citizen. He studied mechanical engineering (Dipl.-Ing.) at RWTH Aachen University and the Norwegian Institute of Technology in Trondheim, as well as economics (Dipl.-Wirt. Ing.) at RWTH Aachen University. He began his professional career in 1998 as a management consultant with Roland Berger before moving on to the Boston Consulting Group in 2000. From 2002 to 2019, he worked for Hilti AG in Liechtenstein, where he held a number of management roles within the Group and in the operational business. In 2011, he was appointed CFO on the Executive Board of the Hilti Group. From 2017 to 2019, he was also head of the European division and in charge of marketing and digitization in the Group. Since 2020, Jörg Kampmeyer has been a managing partner at Gebr. Knauf KG in Germany, and since January 2026, the Chair of the Group's Management Board. He has been a member of the Board of Directors of Forbo Holding Ltd since April 2024.

Dr. Eveline Saupper

Dr. Eveline Saupper was born in 1958 and is a Swiss citizen. She graduated in law from the University of St. Gallen and went on to obtain her doctorate (Dr. iur.). She was admitted to the bar in Zurich and is also a qualified tax expert. She began her career in 1983, working as a tax consultant at Peat Markwick Mitchell (now KPMG) in Zurich. From 1985 to 2017, she worked for Homburger AG in Zurich as an attorney and tax advisor, serving for around twenty years of that period as a partner and for over two years as Of Counsel. In 1990, she worked for an interim period in Chicago as a lawyer with Baker&McKenzie. Since 2017, she has been running her own legal practice. Dr. Eveline Saupper sits on the Boards of Directors of a number of companies, including Clariant AG in Muttenz, Georg Fischer AG in Schaffhausen, and Stäubli Holding AG in Pfäffikon. She is also a member of several Boards of Trustees. She has been a member of the Board of Directors of Forbo Holding Ltd since April 2022.

Vincent Studer

Vincent Studer, born in 1962, is a Swiss citizen. He graduated in economics from the University of Applied Sciences, Bern, and trained as a Swiss certified public accountant. In addition, he has completed various national and international training courses. From 1991 to 2008, Vincent Studer worked at Ernst&Young AG as an external auditor and was head auditor responsible for auditing the statements of national and international companies in various industries. In 2001, he was appointed as partner in the Auditing department. From 2008 to September 2024, he was a partner at the accountancy and auditing firm T+R AG, Gümligen/Bern, where he held a number of positions and was also a member of the Board of Directors from 2015. From 2008 to 2021, he was an Executive Board member and head of the company's auditing department. Since October 2024, he has been the owner of Vincent Studer Conseils Sàrl in Muri, near Bern. Vincent Studer is a member of the Board of Directors of Bank EEK AG in Bern and holds further directorships at various other companies and foundations. He has been a member of the Board of Directors of Forbo Holding Ltd since April 2009.

Board of Directors of Forbo Holding Ltd as per December 31, 2025

	First elected at OGM	AFC	HRNC	RC	SSC
Chairman					
BERNHARD MERKI	2024		M	M	C
Independent ¹⁾ non-executive director					
Vice-Chairman					
MICHAEL PIEPER	2000		M	M	
Independent ¹⁾ non-executive director					
Members					
CLAUDIA CONINX-KACZYNSKI	2014		C	C	
Independent ¹⁾ non-executive director					
JÖRG KAMPMEYER	2024	M			M
Independent ¹⁾ non-executive director					
DR. EVELINE SAUPPER	2022	M			M
Independent ¹⁾ non-executive director					
VINCENT STUDER	2009	C			
Independent ¹⁾ non-executive director					
Secretary of the Board of Directors					
NICOLE GRAF					
Non-member					

OGM: Ordinary General Meeting
AFC: Audit and Finance Committee
HRNC: Human Resources and Nomination Committee
RC: Remuneration Committee
SSC: Strategy and Sustainability Committee
C: Chair
M: Member
¹⁾: Independent as defined by the 'Swiss code of best practice for corporate governance'

Changes to the Board of Directors

At the General Meeting on April 4, 2025, Bernhard Merki was elected as Chairman of the Board of Directors. After many years of serving as the Chairman of the Board of Directors, This E. Schneider decided not to stand for re-election at the 2025 General Meeting and accordingly stepped down from this position from that date.

Statutory regulations governing the number of permissible activities pursuant to Article 626 Paragraph 2 Clause 1 CO

In accordance with Clause 22 of the Articles of Association (www.forbo.com → Investors → Ordinary General Meeting), members of the Board of Directors may hold no more than sixteen mandates outside the Forbo Group, of which no more than five mandates in listed legal entities and a total of no more than eight mandates in legal entities subject to ordinary audit. A mandate is defined as any activity in comparable positions in other under-takings with commercial objects which are not part of the Forbo Group. Mandates with associated companies outside the Forbo Group are deemed to be a single mandate. A comprehensive overview of the other activities can be found on [pages 154 to 156](#) of the remuneration report.

Election and term of office

The members of the Board of Directors are elected in individual votes for a one-year term of office, in accordance with the statutory provisions. A year is defined as the period between two Ordinary General Meetings. In accordance with the Organizational Regulations of Forbo Holding Ltd, members who have reached their 70th birthday resign from the Board of Directors at the following Ordinary General Meeting. The Board of Directors may, however, approve exceptions. In determining the composition of the Board of Directors, importance is attached to the election of independent individuals with international experience in industrial companies as well as in the financial and consultancy sectors.

The Articles of Association of Forbo Holding Ltd do not contain any regulations that deviate from the statutory provisions for the appointment of the Chairman, the members of the Remuneration Committee, and the independent proxy.

Internal organizational structure

The allocation of tasks within the Board of Directors and the composition of the Board committees are shown in the table on [page 116](#).

Decisions are as a general rule taken by the full Board of Directors. The Board constitutes four standing committees from its own ranks – the Audit and Finance Committee (AFC), the Human Resources and Nomination Committee (HRNC), the Strategy and Sustainability Committee (SSC), and the Remuneration Committee (RC) – to deal with clearly defined subject areas of overriding importance. These four committees have mainly advisory and control functions. The members of the AFC, SSC, and HRNC are elected by the Board of Directors on an annual basis and can be dismissed at any time. The members of the RC are elected annually by the General Meeting.

As a rule, the Chairman of the Board of Directors chairs the meetings of the Board and the General Meeting. He plans and conducts the meetings of the Board and the General Meeting. The meetings of the Board and the relevant items on the agenda are prepared by the Chairman. He monitors the execution of the measures adopted by the Board. He is the direct superior of the CEO, is in regular contact with him, and has an advisory and supervisory function. In addition, the Chairman represents the Board and the Forbo Group vis-à-vis the public, the authorities, and the shareholders. The tasks of the Chairman of the Board are set out in the section 'Areas of responsibility' on [pages 119](#) and [120](#).

The Vice-Chairman is tasked with deputizing for the Chairman should the latter be prevented from attending for any reason. In accordance with the Organizational Regulations and actual practice, the Vice-Chairman has no further duties.

The Vice-Chairman is elected by the Board of Directors.

The Board of Directors meets on being convened by the Chairman as often as business requires but at least four times a year. The items on the agenda must be announced at least five working days before the day of the meeting. This notification period may be shortened in urgent cases. In 2025, the Board of Directors held eight meetings with members physically in attendance, as well as four telephone conference calls. The meetings each lasted a whole day, while the conference calls lasted around one hour each. Every Board member participated in all meetings and conference calls.

The Chairman may invite members of the Executive Board and other senior employees to attend Board meetings for individual items. In the 2025 business year, members of the Executive Board and other senior employees participated in the physical meetings of the Board of Directors for the agenda items that affected them. No members of the Executive Board nor any other senior employees participated in the Board meeting held by conference call. External consultants may participate in the meetings of the Board of Directors, the AFC, SSC, HRNC, or RC only in exceptional circumstances to deal with particular items. In the 2025 business year, no external consultants participated in the meetings of the Board of Directors. Participation by external consultants in meetings of the AFC, SSC, HRNC, and RC are listed in the chapters on the AFC, SSC, HRNC, and RC on [pages 118](#), [136](#) and [138](#).

Audit and Finance Committee

The AFC advises the Board of Directors in respect of its duties on behalf of the Group in the areas of financial reporting, the accounting standards and systems used, and decisions with significant financial implications. The AFC monitors the activities of the internal auditors and the external auditors. Moreover, it establishes the audit program of the internal auditors and proposes to the Board of Directors the choice of the external auditors for the attention of the General Meeting. The CEO and the CFO are regularly requested to attend meetings in an advisory capacity, while representatives of the internal and external auditors may attend by special invitation.

The AFC convenes as often as business requires, but at least twice a year. In the 2025 business year, two meetings were held, each lasting about half a day. All members of the AFC were present at both meetings. The members of the Executive Board and other senior employees participated at both meetings for the agenda items that affected them. The external auditors were present for selected items on the agenda of the AFC's meeting on the financial statements and at the meeting to discuss the scope of the audit and the audit fee. The Ernst & Young representatives responsible for internal audit attended the discussions of the internal audit reports at both meetings. No external consultants participated in the meetings of the AFC in the year under review.

The AFC brings together expertise and competencies in the areas relevant to the committee on the basis of current executive functions in other companies, current directorships in other firms, and previous responsibilities/mandates. The relevant information can be found on [pages 114](#) and [115](#) of this Annual Report.

Strategy and Sustainability Committee

The SSC advises and provides support for the Board of Directors on basic questions of corporate strategy and the strategic development of the company. It follows, supports, and reviews the management's preparation with regard to the acquisition and disposal of companies and shareholdings for decision-making by the Board of Directors and helps the Board of Directors to fulfil its responsibilities with regard to monitoring the implementation of strategy. The SSC then engages with topics relating to the environment, social issues, and corporate governance, it supports and assists the management with the analysis of relevant aspects of sustainability, risk assessment, the development of sustainability plans, and with appropriate reporting. It also regularly monitors the progress made.

The SSC convenes at least twice a year. In the 2025 business year, two one-day meetings were held. All members of the SSC were present at both meetings. The members of the Executive Board and other senior employees participated in the one-day meetings for the agenda items that affected them. Neither the external nor the internal auditors were present at the meetings of the SSC. No external consultants participated in any SSC meetings.

The SSC brings together expertise and competencies in the areas relevant for the committee on the basis of current executive functions in other companies, current directorships in other firms, and previous functions in responsible positions. The relevant information can be found on [pages 114](#) and [115](#) of this Annual Report.

Human Resources and Nomination Committee

We refer to the explanations in the remuneration report on [pages 138](#) and [139](#).

Remuneration Committee

We refer to the explanations in the remuneration report on [pages 136](#) and [137](#).

Areas of responsibility

The Board of Directors bears ultimate responsibility for the management of Forbo Holding Ltd. The main duties of the Board of Directors are the following non-transferable and inalienable tasks pursuant to the Swiss Code of Obligations and the Articles of Association:

- overall management of the company and issuing of the necessary directives
- definition of the organizational structure
- determination of accounting, financial controlling, and financial planning principles
- appointment and dismissal of persons entrusted with the management of the company
- overall supervision of the persons entrusted with managing the company, particularly with respect to compliance with the law, Articles of Association, regulations, and directives
- preparation of the Annual Report as well as of the General Meeting and implementation of its resolutions
- preparation of the remuneration report
- filing an application for a debt restructuring moratorium and notification of the court in the event of over-indebtedness

The Board of Directors bears ultimate responsibility for supervising and monitoring the management of the company and is responsible for the corporate strategy. It issues guidelines for business policy and is regularly briefed on the current state of business.

Business to be dealt with by the Board of Directors is regularly submitted in advance to the AFC, SSC, HRNC, and RC, ad hoc committees, or individual members, depending on the subject, for review or an opinion. With the exception of its non-transferable and inalienable tasks, the Board of Directors may transfer tasks and responsibilities in full or in part to individual members of the Board or to third parties.

The Board of Directors is empowered to take decisions on all matters which are not reserved for or transferred to the General Meeting or another body of Forbo by law, the Articles of Association, or regulations.

Tasks of the Chairman of the Board of Directors:

- chairing of the Board of Directors
- preparation and monitoring of the execution of the decisions of the Board of Directors
- representation and positioning of the Group in public
- preparation and submission of strategy-, personnel-, and finance-relevant business matters to the Board of Directors for consultation and decision-making
- regular communication with the CEO and Executive Board, exercising an advisory and supervisory role
- chairing of the Internal Audit and the Compliance Committee

Tasks of the Chief Executive Officer:

- operational management of the Group
- chairing of the Executive Board
- development and operational implementation of strategies
- development and implementation of multi-year planning and budgets
- supporting the Chairman of the Board of Directors in preparing important business matters relating to strategic, personnel, and finance topics

The CEO reports to the Chairman of the Board of Directors and as a rule participates in all Board meetings dealing with topics that are relevant for the exercise of his function. He is not a member of the Board of Directors, though. All business management tasks that are not allocated to the Board of Directors or the Chairman of the Board and that do not require the approval of the Board of Directors are delegated to the CEO and are carried out by him on his own responsibility. The CEO is responsible for ensuring compliance with the provisions of the law, the Articles of Association, and regulations throughout the Forbo Group.

In carrying out his tasks, the CEO is supported by the members of the Executive Board, who report to him. The Executive Board comprises the CEO, CFO, and the Executive Vice-Presidents of both divisions; it is responsible for the long-term success and market-driven management of the Forbo Group.

The members of the Executive Board are responsible for their particular area of activity and also bear joint responsibility for safeguarding the interests of the Group and achieving the financial Group result.

Information and control instruments vis-à-vis the Executive Board

At the meetings of the Board of Directors, any member may request information about any matter concerning the Forbo Group. Outside the meetings, such requests for information are to be addressed to the Chairman. The CEO and the other members of the Executive Board inform the Board of Directors at each regular meeting about the current state of business, important business events, and significant deviations from the budget.

The Chairmen of the AFC, HRNC, SSC, and RC report at the Board of Directors' meetings on the activities of their committees and express the opinions and recommendations of the AFC, SSC, HRNC, or RC on the business items on which decisions are to be taken. Each member of the Board of Directors has the right to inspect the minutes of the AFC, SSC, HRNC, and RC meetings. The Executive Board reports to the AFC through the CFO in consultation with the CEO; it reports to the HRNC, SSC, and RC through the CEO.

The Board is also regularly briefed outside meetings about events and challenges the Group is facing and the general performance of the divisions. In addition, the Chairman and the Vice-Chairman are in regular contact when essential policy issues are involved. For important, particularly urgent events, the CEO informs the Chairman of the Board of Directors immediately.

The Executive Board meets as often as business requires, normally on a quarterly basis. In the 2025 business year, eight meetings were held, with the meetings usually lasting half a day.

The CEO chairs the meetings of the Executive Board. For details concerning the participation of members of the Executive Board in meetings of the Board of Directors and its committees, refer to the sections on internal organization and on the AFC, SSC, HRNC, and RC on [pages 118, 136 and 138](#).

The Board of Directors also fulfills its supervisory and monitoring obligations by means of financial reporting and its role in the planning cycle. The internal and external auditors may assist the Board in this task. However, neither the external auditors nor the internal auditors were invited to any meetings of the Board of Directors in 2025, as there were no special incidents or topics for discussion.

As part of financial reporting, the Board of Directors is informed as a rule once a month in writing about the company's current business performance and earnings situation by means of annotated income statements, key ratios, and deviation analyses.

The Board of Directors is, moreover, closely involved in the company's planning cycle. As a rule, the existing strategy is subjected to a thorough review by the Board of Directors in the first half of the year. The revised strategy is quantified in the three-year medium-term plan, which is normally approved at mid-year by the Board of Directors. Based on the medium-term plan, the Board of Directors sets the budget objectives for the coming business year. These budget objectives form the basis of the detailed budget, which is discussed and adopted by the Board of Directors in the fourth quarter.

The current business year is always assessed in a first estimate at the end of May, and a second estimate is made in mid-October. On completion of the business year, the extent to which the budget has been met is checked and deviations are analyzed. This analysis is used to derive appropriate measures, which are then implemented in the next planning cycle.

Internal audit is effected by Ernst&Young, which has been commissioned for this purpose. Internal audit is administratively subordinated to the Chairman of the Board of Directors, is functionally independent, and reports directly to the AFC.

The audits are conducted in accordance with an annual plan approved by the AFC. A distinction is made between ordinary and special engagement audits. The latter consist of limited reviews, follow-up reviews, compliance audits, and other special engagements. Where necessary, the risks and weaknesses identified in these audits are minimized or eliminated by measures adopted by management and are constantly monitored.

In 2025, eight Group companies were audited by Ernst&Young on the occasion of internal audits. The internal audits included, among others, the audit of control points defined in the framework of the internal control system (ICS) as well as various compliance reviews (including data protection) related to the audited business processes. Lastly, additional risks and controls in connection with the audited business processes were analyzed. Four companies within Forbo Flooring Systems and four companies within Forbo Movement Systems were audited in the course of the internal audits.

By means of self-assessments and management controls by division management, the implementation and reliability of the controls introduced with the ICS were examined to ensure that deviations were identified and that appropriate corrective measures were implemented.

Risk management

The ongoing and systematic evaluation of current and future risks invariably involves identifying and capitalizing on opportunities. Forbo regards risk management as a managerial and working tool designed, among other things, to safeguard the tangible and intangible assets of the Group.

The Board of Directors ensures that it identifies risks and is able to determine and implement suitable measures to overcome them. It has a Group-wide risk assessment carried out annually. As regards business risks, Forbo addresses strategic risks as well as market and financial risks. In the area of market risks, interest and currency risks are centrally monitored and hedged in certain cases. The liquidity and financing of subsidiaries are also monitored centrally.

Forbo has a risk-based insurance coverage in line with industry practice and has appropriately insured in particular operational risks such as property damage, business interruption, and liability. The risks specifically in the areas of property damage and business interruption are examined in the context of periodic risk engineering reports by external experts. For this purpose, production companies are visited at regular intervals, and comprehensive surveys are worked through with local management. Action plans are drawn up and implemented based on the risks identified. These risk engineering audits have been prepared since 1990.

For further details on the assessment of market, liquidity and default risks, refer to the relevant explanations on [pages 194 to 197](#) (note 23 'Financial risk management') of the Financial Report section of the Annual Report.

Compliance

Under the guidance of the Corporate Compliance Officer, Forbo maintains a Compliance Management System developed in line with internationally recognized standards. The Corporate Compliance Officer is an independent role, reporting directly to the Chairman of the Board of Directors of the Forbo Group and forming part of the Compliance Committee along with the CEO of the Forbo Group and the Chairman of the Board of Directors.

The role of Corporate Compliance is to secure and consolidate a culture of ethical conduct throughout the Forbo Group. The Corporate Compliance Officer coordinates various initiatives within the Compliance Management System, supporting the organization's conformity with internal and external rules and regulations. The responsibilities of the role include regularly monitoring the Compliance Management System for effectiveness and compliance with internationally recognized standards and recommending improvements to the Compliance Committee, developing, implementing, and improving specific compliance standards and guidelines in line with the Forbo Code of Conduct and Compliance Strategy, the maintenance of the Forbo Integrity Line, and the assessment of compliance risks as part of the Forbo Group's risk management process.

In consultation with the Compliance Committee, the Corporate Compliance Officer reports on a regular basis to the Audit and Finance Committee of the Board of Directors. He also attends Executive Board meetings where compliance-related matters are on the agenda, taking part in those agenda items.

Executive Board

Members of the Executive Board, other activities, and vested interests

The members of the Executive Board, their nationality, function, training, and professional career, as well as other activities and vested interests, are listed below.

The cut-off date for the following information is December 31, 2025.



Peter Germann (CFO a.i.), Jean-Michel Wins (Executive Vice-President Flooring System), Johannes Huber (CEO), Marc Deimling (Executive Vice-President Movement Systems)

Johannes Huber**Chief Executive Officer (as from January 1, 2026)**

Johannes Huber was born in 1971 and is Austrian by birth and a citizen of Liechtenstein. He studied civil engineering at the Technical University of Vienna and completed a Master of Business Administration (MBA) at INSEAD in Fontainebleau. He began his professional career at Drees&Sommer, where he worked as a Project Manager from 1997 to 2000. From 2001 to 2003, he was employed at The Boston Consulting Group, initially as a Consultant and later as a Project Leader. In 2005, he joined Hilti. Over a period of 21 years, he held a number of senior management positions, including Global After Market Product Manager (2005), Vice President Retail Sales (2006–2007), Sales Vice President (2007–2008) and Executive Vice President Business Unit Diamond Systems (2009–2025). From 2011 to 2025, he was a member of Hilti's Executive Management Team. Johannes Huber was appointed Chief Executive Officer (CEO) of the Forbo Group with effect from January 2026.

Peter Germann**Chief Financial Officer ad interim until June 30, 2026**

Peter Germann, born in 1959, is a Swiss citizen. He holds a degree in economics (lic. oec. HSG) from the University of St. Gallen. He began his professional career at the Arbonia-Forster Group in 1986, where he worked as Divisional Controller and was appointed Chief Financial Officer in 1990. From 1994 to 2024, he served as Chief Financial Officer and a member of Group Management at EMS Group, with a one-year interruption during which he held the position of Chief Financial Officer at Ascom Group. Peter Germann joined the Forbo Group in November 2025 as Chief Financial Officer (CFO) ad interim.

Jean-Michel Wins**Executive Vice-President Flooring Systems**

Jean-Michel Wins was born in 1967 and is a Belgian as well as German citizen. He studied business administration and languages at the IPET in Nivelles, Belgium, and began his professional career in Germany at Calberson GmbH, where he held various specialist functions. He then moved to Simut Sicherheit GmbH for two years, where he was in charge of sales and marketing. From 1992 to 1996, he was Export Manager at Brabus GmbH, and from 1996 to 2002 he held various sales and managerial functions at Hirschmann Electronics. In 2002, he switched to Grammer AG, headquartered in Germany, where he held a number of international sales and senior management positions; in 2009, he was appointed Vice-President responsible for the Offroad Seating Business Unit. As a member of the Executive Board, Jean-Michel Wins took over management of the Movement Systems division in January 2013. He was appointed Head of the Flooring Systems division in January 2018.

Marc Deimling**Executive Vice-President Movement Systems**

Marc Deimling was born in 1970 and is a German citizen. He holds a degree in economics from the Westphalian Wilhelm University in Münster, Germany, and launched his professional career as assistant to the management of M-Tec Textilmaschinenbau GmbH in 1997. In 1999, he moved to Dörries Scharmann Technologie GmbH for six years, where he was Head of the Service Division. From 2005 to 2008, he was a member of management at Gehring GmbH, where he was responsible for the areas of distribution, project planning, project management, production, after-sales, and marketing. He was then Chief Executive Officer at TMS Turnkey Manufacturing Solutions GmbH in Austria until the end of 2017, where he was responsible for finance/controlling, IT, procurement, design, production, quality, after-sales, and marketing. Marc Deimling was appointed to head the Movement Systems division as a member of the Executive Board in January 2018.

Changes to the Executive Board

Andreas Jaeger took over as Chief Executive Officer ad interim of the Forbo Group from Jens Fankhänel, who left Forbo effective April 30, 2025, on February 20, 2025. On November 1, 2025 Peter Germann, on an interim basis, took over as Chief Financial Officer and Chief Executive Officer from Andreas Jaeger, who left Forbo effective October 31, 2025. Forbo furthermore announced on September 4, 2025 that Johannes Huber will assume the role as Chief Executive Officer of the Forbo Group effective January 1, 2026.

Statutory regulations governing the number of permissible activities pursuant to Article 626 Paragraph 2 Clause 1 CO

In accordance with Clause 22 of the Articles of Association (www.forbo.com → Investors → Ordinary General Meeting), members of the Executive Board may hold no more than five mandates outside the Forbo Group, of which no more than one mandate in a listed legal entity and a total of no more than two mandates in legal entities subject to ordinary audit. The acceptance of mandates by members of the Executive Board is subject to prior approval by the Board of Directors. A mandate is defined as any activity on the senior managerial or supervisory bodies of legal entities that are entered in the Swiss Commercial Register or comparable foreign registers and do not belong to the Forbo Group. Mandates with associated companies outside the Forbo Group are deemed to be a single mandate.

Management contracts

Forbo Holding Ltd has concluded no management contracts with third parties.

Compensation, shareholdings, and loans

For information on this subject, refer to the remuneration report from [page 131](#).

Shareholders' participation rights

Voting right restriction and representation

The registration of shares with voting rights in the share register requires the consent of the Board of Directors. Such consent may be withheld if the purchaser does not expressly declare that he/she has acquired the shares in his/her own name and for his/her own account, that there are no arrangements regarding the redemption or the return of the registered shares, that the purchaser bears all risks associated with the share, and that the disclosure obligations stipulated by the Financial Market Infrastructure Act of June 19, 2025, are complied with. Pursuant to the Articles of Association, nominees may be entered in the share register with voting rights for up to a maximum of 0.3% of the registered share capital entered in the Commercial Register. The restriction also applies to shares that are subscribed or acquired through the exercise of a subscription, option, or convertible right. Resolutions on the amendment or abrogation of the clause on the registration of registered shares require a majority of two-thirds of the votes represented at the General Meeting and the absolute majority of the par value of the shares represented.

Pursuant to Clause 12 Paragraph 3 of the Articles of Association (www.forbo.com → Investors → Ordinary General Meeting) shareholders who do not attend the General Meeting in person may be represented by their legal representative or a third party. If the representative is not a legal representative, he/she must be identified by means of a written proxy.

Electronic participation in the General Meeting

Clause 12 of the Articles of Association (www.forbo.com → Investors → Ordinary General Meeting) defines the rules for electronic issuing of instructions to the independent proxy; the precise modalities for this are defined by the Board of Directors. In accordance with Clause 14 of the Articles of Association (www.forbo.com → Investors → Ordinary General Meeting), voting and elections at the General Meeting are in principle conducted electronically, unless the General Meeting decides that the ballot should be in writing or by a show of hands or the Chairman orders such a ballot procedure.

Statutory quorums

The Articles of Association of Forbo Holding Ltd do not provide for quorums that are larger than those stipulated by law for decisions of the General Meeting.

Convening of the General Meeting

The General Meeting is convened in accordance with the statutory provisions.

Agenda

Shareholders who together represent at least 0.5% of the share capital or votes may request that an item be placed on the agenda. This request must be communicated to the Board of Directors in writing, indicating the proposals, at least 45 days before the date of the General Meeting.

Entry in the share register

In accordance with Clause 12 of the Articles of Association (www.forbo.com → Investors → Ordinary General Meeting), the Board of Directors, in its invitation to the General Meeting, announces the cut-off date for entries in the share register authorizing shareholder participation and voting.

Changes in control and defense measures

Duty to make an offer

The Articles of Association of Forbo Holding Ltd contain neither an 'opting-up' clause nor an 'opting-out' clause pursuant to Articles 135 and 125 (respectively) of the Financial Market Infrastructure Act.

Clause on changes of control

As per year-end 2025, no clauses on changes of control existed in agreements or plans involving members of the Board of Directors, the Executive Board, or other members of management.

Auditors

Duration of the mandate and term of office of the Auditor in Charge

KPMG has been the Forbo Group's auditors since 2015. The auditors are elected every year by the Ordinary General Meeting on a proposal by the Board of Directors. On April 4, 2025, Tino Hutter took on the role of Auditor in Charge from Regula Tobler, who had held the position since April 1, 2022. The term of office of the Auditor in Charge is limited to seven years.

Auditing fees

The auditing fees levied by the Group's auditors for auditing the consolidated financial statements, including the statutory audit of the individual financial statements of the holding company and the consolidated subsidiaries, amounted to CHF 0.8 million in the year under review.

Additional fees

The additional consultancy fees that were invoiced by the auditing company amounted to CHF 0.1 million in 2025. These fees were charged, on the one hand, for the provision of support services in connection with the statutory reporting and, on the other hand, on tax topics.

Information instruments of the external auditors

Where required, the external auditors prepare for the Chairman of the Board of Directors, the CEO, and the CFO an annual management letter reporting on their work and the results of their audit at Group level in the year under review. The key points are submitted to the Board of Directors in the form of a comprehensive report. The external auditors also prepare management letters on the subsidiaries they have audited. The AFC assesses and evaluates the proposals and statements thus received and appraises the corrective measures taken by management. At the AFC's invitation, representatives of the external auditors attend the AFC meetings in an advisory capacity. The Chairman of the AFC reports on the activities of the AFC and its assessment of the external auditors at the meetings of the Board of Directors. Any member of the Board of Directors may inspect the minutes of the AFC meetings.

At its meetings, the AFC assesses the performance and fees of the external auditors as well as their independence in both their auditing and their non-auditing capacities. This evaluation is based on the documents prepared by the external auditors and the discussions held with the external auditors in the meetings. It also draws on the evaluation of the CFO, who, if required, obtains the opinion of local management with regard to the audit work for the subsidiaries. The criteria for the evaluation of the external auditors include, in particular, their technical and operational competency, their independence and objectivity, punctual delivery of audit reports, the scope and focus of the audits, and the ability to provide effective and practical recommendations. The assessment by the AFC forms the basis of the proposal made by the Board of Directors to the Ordinary General Meeting regarding the choice of the external auditors.

Blackout periods

Forbo has specified general blackout periods associated with the publication of the Annual and Half-Year Reports. Each general blackout period comes into effect on the 15th of the month prior to the end of the respective reporting period and applies until 11:59 pm CET on the day of publication of the Annual respectively Half-Year Report. The general blackout period covers all Forbo securities and applies regardless of whether or not the persons concerned are in possession of insider information as defined in Article 2 FMIA. The general blackout period applies to all members of the Board of Directors and the Executive Board of Forbo Holding Ltd, all employees at the Forbo Group head office in Baar, Switzerland, the members of the management boards of both divisions and their assistants, and all employees who have insight into the financial figures of a division, and any persons closely associated with them. The Securities Trading Compliance Committee, comprising the CFO, Head Corporate Treasury, and Corporate Compliance Officer, checks the list of those subject to the general blackout periods on a half-yearly basis, amending it as required. In each case, the Securities Trading Compliance Committee gives the persons affected by the general blackout period prior notification by email. During the reporting year, there were no exceptions to the above rules in connection with the general blackout periods.

In addition to the general blackout periods, special blackout periods can be imposed at any time, with the duration, scope, affected personnel, and any exceptions being defined separately in each case.

As an exception, a transaction with Forbo securities is permitted during a blackout period if it is the result of a plan drawn up outside the blackout period, the main details of the transaction (quantity, price, date) were specified beforehand and the transaction cannot be influenced by the person concerned during the blackout period. Any exceptions must be approved by the Securities Trading Compliance Committee, with the approval being given outside the blackout period only.

Information policy

Transparency for investors

Forbo provides objective and periodic communication to its shareholders, the capital market, the media, and the public by reporting in a timely fashion on business trends and activities relevant to the company. The Chairman of the Board of Directors can be contacted directly for such information.

Shareholders receive summary reports on the business year as well as half-year reports. The Annual Report, like all other published documents, is available in printed form as well as online at www.forbo.com → Investors. The General Meeting is an additional source of information. Periodic publication of media releases, the media and analysts' conferences on the publication of the Annual Report and Half-Year Report, and road shows are further information tools for the media and the capital market.

Ad hoc communication

Registration for the automated dissemination of ad hoc releases in accordance with the guideline on ad hoc publicity of the SIX Swiss Exchange is available at the following address:

www.forbo.com → Media → Media releases 'subscription service'

Notification to shareholders takes place through publication in the company's official publication provided no other form of information is stipulated by law. Written notification to shareholders takes place through a simple letter to the addresses listed in the share register.

A financial calendar with the key dates can be found on [page 13](#) of this Annual Report. Further information on the Forbo share is printed on [pages 40](#) and 41 of this Annual Report.

Publications may be ordered by email or telephone:

Email communications@forbo.com

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FOREWORD

Dear Shareholders,

On behalf of the Remuneration Committee, I am pleased to present the 2025 Remuneration Report. Following the moderate approval rate in the previous year's consultative vote, the Remuneration Committee systematically analyzed the feedback received from institutional investors and specifically revised the Remuneration Report accordingly. The aim was to increase the transparency, comparability, and comprehensibility of the remuneration structure as well as the readability of the report itself.

The Remuneration Report has been restructured and organized in a clear way. The remuneration elements of the Board of Directors and the remuneration structure of the Executive Board are disclosed in a detailed and transparent manner. With the appointment of the new Chair of the Board of Directors, the remuneration model was reviewed and adjusted to the current framework conditions.

The variable remuneration elements for the Executive Board (STI and LTI) are based on clearly defined, quantifiable key performance indicators with a direct link to business performance. Target achievement for the 2025 business year is reported separately for the CEO and the other members of the Executive Board. Overall, the Remuneration Report underlines the consistent focus of remuneration on performance, sustainable value creation, and the long-term interests of shareholders.

The target achievement reported for the variable remuneration of the members of the Executive Board shows that business performance in the reporting year as well as in the previous year was below expectations in a difficult economic environment; this is reflected in the level of remuneration. At the same time, this attests to the consistent application of the pay-for-performance remuneration philosophy.

At the 2026 Ordinary General Meeting, you will have the opportunity to provide your consultative vote on this Remuneration Report. The Remuneration Committee welcomes the ongoing dialog with shareholders.

The Remuneration Committee performed its ordinary duties in the year under review. This included reviewing the remuneration programs, determining the remuneration of the Board of Directors and the Executive Board, and defining and assessing the performance targets of the Executive Board. The STI and LTI programs were reviewed against external benchmarks and compared with the remuneration systems at comparable companies. The committee also prepared the voting basis for the 2026 Ordinary General Meeting.

As part of its duties, the Human Resources and Nomination Committee successfully steered the transformation phase and the associated personnel challenges. These include, in particular, the appointment of Bernhard Merki as the new Chair of the Board of Directors, the appointment of Johannes Huber as successor to the CEO, and the interim appointment of Peter Germann as CFO. At the beginning of 2026, the vacant CFO position was also successfully filled with Heinz Hösli. He will start in this function on July 1, 2026. This means that the central leadership positions are filled with individuals with proven, relevant experience, ensuring the continuity of the company's leadership.

Based on the new HR strategy, the committee is taking a structured approach to talent management and succession planning at the senior management level and in the two divisions. The focus is on the systematic identification, promotion, and further development of employees with potential, which will help reliably fill critical positions while also supporting the organization's long-term stability.

On behalf of the Remuneration Committee, I would like to thank you, our valued shareholders, for the trust you have placed in us.

Yours sincerely,



Claudia Coninx-Kaczynski

Chairwoman of the Remuneration/Human Resources and Nomination Committee
Member of the Board of Directors



‘After successfully overcoming personnel challenges, all key positions are now optimally filled. The Board of Directors is convinced that the new leadership constellation creates a solid basis for the long-term and successful development of the Forbo Group. At the same time, the content of the Remuneration Report has been further refined, and its transparency and readability have been clearly improved.’

Claudia Coninx-Kaczynski

Introduction

The Remuneration Report provides an overview of the principles and elements of remuneration for the Board of Directors and the Executive Board of the Forbo Group. It describes the procedure for determining remuneration and contains detailed information on remuneration for both the reporting year and the previous year.

The report provides relevant information for shareholders as a basis for their decision-making and voting on the remuneration of the Board of Directors and the Executive Board at the 2026 Ordinary General Meeting.

The report complies with the SIX guidelines on the Corporate Governance Directive, which entered into force on January 1, 2023. The report consequently meets the requirements of the Swiss Code of Obligations.

Voting topics at the 2026 Ordinary General Meeting

In a consultative vote at the 2026 Ordinary General Meeting, shareholders will vote on the 2025 Remuneration Report and individually on the following four remuneration proposals:

- Maximum total remuneration for the Board of Directors for 2027
- Maximum fixed remuneration for the Executive Board for 2027
- Short-term variable remuneration for the Executive Board for 2025 (bonus/short-term incentive) – STI
- Maximum total amount of the long-term participation plan for the Executive Board for 2026 (long-term incentive plan 2026–2028) – LTI



Remuneration for 2025 at a glance

The total remuneration for the Board of Directors as well as the fixed remuneration, short-term variable remuneration (STI), and long-term participation plan (LTI) for the Executive Board for the year under review are within the maximum limits approved by the shareholders at the Ordinary General Meetings of 2023, 2024, and 2025 respectively.

Board of Directors

Voting topic	Year of OGM		Approval Ordinary General Meeting	Effectively paid out/ allocated
Maximum total remuneration for the Board of Directors for 2025 ¹⁾	2024	CHF	3,200,000	CHF 1,786,009

Executive Board

Voting topic	Year of OGM		Approval Ordinary General Meeting	Effectively paid out/ allocated
Maximum fixed remuneration for the Executive Board for 2025	2024	CHF	2,700,000	CHF 2,290,568
Short-term variable remuneration STI for the Executive Board for 2025	2026 ²⁾	CHF	196,500	CHF 196,402
Maximum total amount of the long-term participation plan LTI for the Executive Board for 2023 (LTI 2023–2025)	2023	CHF	1,000,000	CHF 0 ³⁾

¹⁾ The change in the chairmanship of the Board of Directors (the new Chair of the Board of Directors not holding an executive function and without substituting a new member for the Board member who was elected as Chair) was not yet known at the time of the proposal. Accordingly, the amount of remuneration is now lower.

²⁾ To be proposed at this year's Ordinary General Meeting and paid out/allocated once approved.

³⁾ Target achievement for the LTI plan for the period 2023–2025.

Important changes in 2025

In the reporting year, the remuneration system for the Chair was adjusted as a result of the newly elected Chair of the Board of Directors at the 2025 Ordinary General Meeting. As the new Chair does not have an executive function, his remuneration model has been aligned with the existing model for the other members of the Board of Directors.

With regard to the remuneration for the Executive Board, two sustainability targets were included in the short-term variable remuneration (STI) in the reporting year – a reduction in the lost time injury frequency rate (LTIFR) and a reduction in CO₂ emissions – and weighted at a total of 10 percent. With this approach, Forbo emphasizes the sustainable, responsible, and social orientation of its actions.

Following the moderate approval rate in the consultative vote at the 2025 Ordinary General Meeting, the Remuneration Committee systematically analyzed the feedback received from institutional investors and followed up on the relevant topics. The table below summarizes the main concerns/objections raised by shareholders and proxy advisors as well as Forbo's actions to address them:

Topic	Concerns/objections	Feedback from Forbo
Board of Directors		
Remuneration structure	Desire for greater transparency	The remuneration structure according to membership of Board of Directors committees is set out in detail on page 142 of this report. The actual office held in the reporting year and in the previous year has been newly included in the remuneration table on page 147 of this report.
Remuneration for the Chair of the Board of Directors	Amount of remuneration for the Chair of the Board of Directors	As the Chair of the Board of Directors elected at the Ordinary General Meeting of 2025 does not have an executive function, the remuneration for the Chair of the Board of Directors was adjusted to the existing model for the other members of the Board of Directors. Due to the current phase of transformation, this corresponds to a part-time workload of 50%, which will be reassessed at a later point in time. Further details can be found on pages 142 and 147 of this report.
Executive Board		
Remuneration structure	Desire for greater transparency	The remuneration elements for the Executive Board are described in detail starting on page 143 of this report, and the proportion of each element is shown as a percentage of the total direct remuneration.
Variable remuneration (STI)	Insufficient disclosure of targets for variable remuneration in relation to actual target achievement, resulting in a lack of comparison with company performance. Ideally reported separately for the CEO and other members of the Executive Board.	The performance-based elements of the STI and their weighting for each member of the Executive Board are listed in detail on page 143 of this report. On page 151 , target achievement is reported separately for the CEO and the other members of the Executive Board in relation to the corresponding business results achieved in 2025.
Variable remuneration (LTI)	Insufficient disclosure of targets for variable remuneration in relation to actual target achievement, resulting in a lack of comparison with company performance. Ideally reported separately for the CEO and other members of the Executive Board. As a result, there is no link to long-term shareholder interests versus shareholder value creation.	The performance-based criteria of the LTI and their weighting are listed in detail on page 146 of this report. These apply uniformly to all members of the Executive Board. On page 152 , target achievement is reported separately for the CEO and the other members of the Executive Board in relation to the expiring LTI plan for 2023–2025.

Overall, the readability of the Remuneration Report has been improved with a clear new structure and the addition of charts. Information on the remuneration elements is provided in more detail, and the external mandates of members of the Board of Directors and the Executive Board are clearly listed for the reporting year and the previous year.

Remuneration governance

Responsibilities for remuneration-related decisions are governed by the Articles of Association of Forbo Holding Ltd and the Remuneration Committee Regulations.

The Remuneration Committee: task and function

The Remuneration Committee (RC) advises and supports the Board of Directors (BOD) in formulating the principles of the remuneration policy for the Board of Directors and senior managers and draws up or approves corresponding regulations. Its main tasks include:

- Preparing remuneration recommendations for the Board of Directors and the CEO for submission to the Board of Directors
- Approving proposals by the CEO and the Chair of the Board of Directors for the other members of the Executive Board
- Approving proposals by the Chair of the Board of Directors as well as the Chair of the Remuneration Committee and the Strategy and Sustainability Committee regarding profit-sharing programs
- Setting targets and assessing performance with respect to the Board of Directors, its individual members, and the CEO
- Assessing general guidelines in the area of occupational pensions
- Defining and reviewing compliance with the company's own corporate governance guidelines

The Board of Directors may delegate additional individual tasks and powers to the Remuneration Committee.

The RC consists of at least two members of the Board of Directors. The individual members are elected by the Ordinary General Meeting for a term of office of one year. The Ordinary General Meeting of April 4, 2025, elected Claudia Coninx-Kaczynski (Chair), Michael Pieper, and Bernhard Merki to the Remuneration Committee for the 2025/2026 term of office. The members of the Remuneration Committee are independent (non-executive) members of the Board of Directors, i.e. they have never been members of the Executive Board and have no or relatively minor business relations with the company, but may be shareholders.

The RC convenes as often as business requires, but at least twice a year. In the 2025 business year, the RC held four face-to-face meetings, each lasting a couple of hours. No external advisors took part. Meetings are partially attended by the CEO in an advisory capacity in relation to the Executive Board. Agenda items and matters that directly affect the function or person of the Chair of the Board of Directors or the CEO are discussed without their presence.

Decision-making process and approval of remuneration elements and performance targets

The Remuneration Committee (RC) proposes to the Board of Directors the various elements of the maximum remuneration budget to be approved by the Ordinary General Meeting.

Remuneration elements

Approval and authority level

	RC	BOD	Ordinary General Meeting
Board of Directors			
Determine maximum total remuneration for the business year following the Ordinary General Meeting	proposes	approves	binding vote
Individual remuneration for the members of the Board of Directors	proposes	approves	—
Executive Board			
Maximum fixed remuneration for the business year following the Ordinary General Meeting	proposes	approves	binding vote
Payment of the short-term variable remuneration (short-term incentive, STI) for the business year preceding the Ordinary General Meeting	proposes	approves	binding vote
Maximum total amount of the long-term participation plan (long-term incentive, LTI) for the year of the Ordinary General Meeting	proposes	approves	binding vote
Governance			
Remuneration Report for the business year preceding the Ordinary General Meeting	proposes	approves	consultative vote
Remuneration policy and regulations in line with the Articles of Association	proposes	approves	—

The maximum total remuneration for the Board of Directors and the maximum fixed remuneration for the Executive Board are determined by the Remuneration Committee in the fourth quarter of each year and submitted to the Board of Directors for approval at the beginning of the year for the following business year. The amount, structure, and targets of the short-term incentive (STI) and long-term incentive (LTI) for the Executive Board are determined by the Remuneration Committee once a year in the fourth quarter for the following year.

The STI is calculated at the end of the business year and paid out for the previous year after approval by the shareholders. The payout is linked to the management investment plan (MIP), according to which at least 50% of the amount is to be allocated in shares. In the case of the LTI, the performance share units are allocated after approval by the Ordinary General Meeting; the resulting entitlement is determined at the end of the three-year performance period in February and converted into blocked shares.

Alignment of performance-based remuneration with the corporate strategy

Forbo's remuneration strategy is geared towards its corporate strategy, linked to the relevant key performance indicators and based on the annual budget and medium-term planning. This is reflected in the choice of performance criteria that are derived from Group and/or divisional objectives depending on the function of the respective member of the Executive Board. Details can be found on [pages 143](#) and [146](#) of this Remuneration Report. Factors and performance criteria influencing the amount of the payout/share allocation of the variable remuneration elements are directly linked to the company's success. The prevailing market environment and the current business situation are taken into account when setting targets. The targets are generally designed to be ambitious and reflect a balance between individual contribution, performance, and sustainability.

Forbo aims to strengthen its market position as a leading manufacturer of floor coverings, building and construction adhesives as well as conveyor belts, and to achieve above-average performance. The remuneration system supports this focus by setting ambitious, business-relevant and future-focused incentives.

Performance targets for the Executive Board

	Approval		
	CEO	RC	BOD
Determine and assess achievement of performance targets for the short-term variable remuneration (short-term incentive, STI) of the CEO	—	proposes	approves
Determine and assess achievement of performance targets for the short-term variable remuneration (short-term incentive, STI) of the other members of the Executive Board	proposes	approves	—
Performance targets for the long-term participation plan (long-term incentive, LTI)	proposes	validates and proposes	approves

Planning cycle

The Board of Directors is closely involved in the Group's planning cycle: typically, the existing corporate strategy is reviewed annually by the Board of Directors. The confirmed or revised strategy is quantified by means of the three-year medium-term plan, which is approved by the Board of Directors. Based on the medium-term plan, the Board of Directors determines the budget target for the coming business year. This budget target forms the basis for the detailed budget, which is reviewed and approved by the Board of Directors. The Board of Directors determines how budget target achievement relates to the payout ratio. On this basis, the targets for the variable remuneration elements for the members of the Executive Board are set for the following year.

Planning elements

Decision-making periods

	1st quarter	2nd quarter	3rd quarter	4th quarter
Corporate targets and planning	—			
Review/amend the strategy	—			
Develop medium-term plan	—			
Develop budget	—			

Human resources and nomination topics in relation to remuneration

Decisions related to human resources and nomination are governed by the Articles of Association of Forbo Holding Ltd and the regulations of the Human Resources and Nomination Committee.

The Human Resources and Nomination Committee: task and function

The Human Resources and Nomination Committee (HRNC) advises the Board of Directors on matters relating to human resources and nomination for the Board of Directors and senior managers. Its main tasks include:

- Preparing human resources policy proposals for the composition of the Board of Directors, the Chair, the CEO, and the other members of the Executive Board for submission to the Board of Directors
- Evaluating and approving the proposals of the Chair of the Board of Directors and the CEO regarding the composition and employment conditions of the Executive Board
- Preparing and periodically reviewing the selection criteria for the members of the Board of Directors, the CEO, and the other members of the Executive Board, as well as their succession planning
- Establishing the principles of the human resources policy
- Approving the acceptance of mandates by the Chair of the Board of Directors and the members of the Executive Board at companies outside the Forbo Group (details can be found from [page 154](#) in the section 'External mandates of members of the Board of Directors and the Executive Board' of this Remuneration Report)

The HRNC consists of at least two members of the Board of Directors. They are elected by the Board of Directors for a term of office of one year and one of the members is elected as Chair. The Board of Directors elected Claudia Coninx-Kaczynski (Chair), Michael Pieper, and Bernhard Merki to the Human Resources and Nomination Committee for the 2025/2026 term of office. The members of the HRNC are independent (non-executive) members of the Board of Directors, i.e. they have never been members of the Executive Board and have no or relatively minor business relations with the company, but may be shareholders.

The HRNC convenes as often as business requires, but at least twice a year. In the 2025 business year, the HRNC held four face-to-face meetings, each lasting a couple of hours. No external advisors took part. Meetings are partially attended by the CEO in an advisory capacity in relation to the Executive Board. Agenda items and matters that directly affect the function or person of the Chair of the Board of Directors or the CEO are discussed without their presence.

Expertise and competence

The RC and HRNC combine expertise and competence in the relevant areas – through current board mandates at other companies, executive contacts at other companies, as well as previous responsibilities/mandates. Further information can be found on [pages 114](#) and [115](#) of this Annual Report.

Main activities of the RC/HRNC in the reporting year

Planning elements

Decision-making periods

	1st quarter	2nd quarter	3rd quarter	4th quarter
Corporate targets and planning (proposal by the CEO/ Executive Board – approval by the Board of Directors)				
Review/amend the strategy		■		
Develop medium-term plan		■		
Develop budget			■	
Determination of remuneration (proposal by RC/HRNC – approval by the Board of Directors)				
Executive Board				
Set targets/propose variable remuneration elements (following year)				■
Perform interim assessment of target achievement and performance for the current business year			■	
Assess target achievement for variable remuneration elements for the business year (previous year)	■			■
Determine maximum total remuneration (following year)	■			
Board of Directors				
Determine maximum total remuneration (following year)	■			■
Governance				
Prepare the Ordinary General Meeting/proposal of the Ordinary General Meeting relating to remuneration	■			
Review shareholders' and proxy advisors' feedback on the Remuneration Report		■		
Succession planning for the Executive Board		■		
Deliberate on talent management		■		
Prepare the Remuneration Report			■	
Define RC/HRNC agenda for the following year				■

Principles of remuneration for the Board of Directors and Executive Board

Forbo pursues a remuneration strategy that is geared towards long-term and sustainable corporate development. The aim is to remunerate leaders adequately for their performance, commitment, and the results achieved and thereby encourage their long-term loyalty to the company. The purpose of paying part of the remuneration in the form of shares is to link the interests of the members of the Board of Directors and the Executive Board with those of the shareholders.

Board of Directors

In order to determine the remuneration for the Board of Directors, the remuneration paid to members of the Board of Directors of Forbo Holding Ltd is periodically compared with that paid to members of the boards of directors of comparable industrial companies.

The members of the Board of Directors are compensated solely with a fixed fee to ensure their independence in the performance of their supervisory duties. The amount of remuneration varies by office held, whether as Chair or member, as well as based on membership of Board of Director committees. The remuneration is partly paid to the members of the Board of Directors in the form of blocked shares in Forbo Holding Ltd.

Remuneration details are provided on [pages 142 and 147](#) of this report.

The relevant statutory provisions governing the principles of performance-driven remuneration and the allocation of shares are set out on pages 11 and 12 of section IV of the Articles of Association of Forbo Holding Ltd. These can be found at:

www.forbo.com → Investors → Ordinary General Meeting

Executive Board

On the one hand, the level of remuneration for the members of the Executive Board is determined on the basis of criteria such as individual function, experience in this function, responsibility, and corporate success. On the other hand, the remuneration for the members of the Forbo Executive Board is periodically compared with that of the members of the executive boards of comparable industrial companies.

The total remuneration for the Executive Board consists of fixed remuneration as well as variable cash- and share-based remuneration elements. Variable remuneration is determined to a large extent by the company's operating performance and the degree to which individual members of the Executive Board have met their targets. Remuneration involves balanced consideration not only of short-term success, but also of long-term value creation. Participation plans promote the long-term commitment and entrepreneurial mindset of executives, thereby aligning their interests with those of shareholders.

Remuneration details are provided on [pages 143 to 146 and 149 to 152](#) of this report.

The relevant statutory provisions governing the principles of performance-driven remuneration, the allocation of shares, and the additional remuneration amount for new members of the Executive Board appointed after the Ordinary General Meeting are set out on pages 11 and 12 of section IV of the Articles of Association of Forbo Holding Ltd. These can be found at:

www.forbo.com → Investors → Ordinary General Meeting

Benchmarking and peer groups

The periodic review of the remuneration for the Board of Directors and the Executive Board is based on information from publicly available sources and supported by data from reputable market data providers. It also takes into account the experience of the members of the Board of Directors from mandates in comparable companies. Global industrial companies with headquarters in Switzerland, revenue of CHF 0.5 to 5.0 billion, and a headcount of 2,000 to 10,000 employees are considered comparable, as well as globally active, listed companies that operate in the same areas of business as Forbo. In general, no external advisors are consulted when structuring remuneration.

These peer groups include the following companies:

Arbonia	Autoneum	Bucher Industries	Bühler	Burkhardt Compression
Dätwyler	Dormakaba	EMS-Chemie	Emmi	Feintool
Franke	Geberit	Georg Fischer	Gurit	Interroll
Kardex	OC-Oerlikon	Rieter	Schweiter Technologies	Sonova
Sulzer	Straumann	VAT	V-Zug	Zehnder Group

In the course of the transformation phase and the associated new appointments in both the year under review and the previous year, the Remuneration Committee gained in-depth insights into current market data for various industries and company sizes as part of the relevant selection processes for both the Board of Directors and the Executive Board. The members of the Remuneration Committee have thus come to the conclusion that, on the whole, remuneration is well positioned in the market. For 2025, minor targeted adjustments were made in the case of individual members of the Executive Board. These adjustments in total are well below 1% of the total remuneration paid to the Executive Board.

In general, remuneration is reviewed every three years and adjusted if necessary.

Elements of remuneration for the Board of Directors

Members of the Board of Directors

The members of the Board of Directors receive a fixed remuneration, the amount of which varies by office held, whether as Chair, Vice Chair, or member, and according to membership of the Board of Directors committees of the Audit and Finance Committee (AFC), RC, HRNC, and the Strategy and Sustainability Committee (SSC).

Overview of Board of Directors fees by committee membership

Office	Gross remuneration for 2025 in CHF
Chair of the Board of Directors ¹⁾	750,000
Member of the Board of Directors and one committee	130,000
Vice Chair	20,000
Chair of a committee (RC/HRNC ²⁾ , AFC, SSC)	25,000
Second committee membership	20,000

¹⁾The Chair of the Board of Directors receives a fixed remuneration, which also covers any duties performed as a committee Chair or committee member. Due to the current phase of transformation, this corresponds to a part-time workload of 50%, which will be reassessed at a later point in time.

²⁾In the context of remuneration, the RC/HRNC counts as one committee.

Cash-based remuneration 60%

Cash payment in November (Chair of the Board of Directors in June and November)

Share-based remuneration 40%

Shares in Forbo Holding Ltd
3-year blocking period
Allocation in November

Other remuneration

Lump-sum expenses and social security
Based on remuneration in cash and shares
Settlement in November (Chair of the Board of Directors in June and November)

40% of gross remuneration is paid to the Board of Directors in shares in Forbo Holding Ltd. The shares have a blocking period of three years and cannot be sold or pledged during this period. The shares are allocated at the discounted tax value. Issued shares are measured at fair value at the time of allocation for remuneration purposes. The criterion for determining the number of shares issued is the average price over ten trading days after dividend distribution or par-value repayment. If no dividend is distributed or no par-value repayment is made, the average price over the ten trading days from June 1 of the corresponding business year applies. The detailed total settlement is typically carried out in November; the shares are also typically allocated in November.

The total remuneration paid to the members of the Board of Directors also includes lump-sum expenses of CHF 4,000 and employer contributions to statutory social security (OASI/IV/UI/FAK). The members of the Board of Directors are not covered by the company's pension plan.

Chair of the Board of Directors until the 2025 Ordinary General Meeting

The remuneration of the Chair of the Board of Directors is included in the total remuneration for the Board of Directors. The previous Chair of the Board of Directors, who held an executive function until the 2023 Ordinary General Meeting, was remunerated exclusively in the form of shares – as in the previous year – until his resignation at the 2025 Ordinary General Meeting. This share package may not be pledged or secured and may not be sold until after three years at the earliest.

The price used to calculate the number of shares is the weighted average price during the first ten trading days of the calendar year of the share of Forbo Holding Ltd. The total remuneration also includes employer contributions to statutory social security (OASI/IV/FAK), private use of a company car, contributions to accident and health insurance, and location expenses.

Chair of the Board of Directors from the 2025 Ordinary General Meeting

A new Chair of the Board of Directors was elected at the 2025 Ordinary General Meeting, as the previous long-standing incumbent did not stand for re-election. As the new Chair does not have an executive function, his remuneration model has been aligned with the existing model for the other members of the Board of Directors – as described in the section above. The cash portion is paid out in two installments: one half in June and one half in November. Shares are typically allocated in November.

Elements of remuneration for the Executive Board

Remuneration elements

The remuneration of the members of the Executive Board consists of fixed, variable, and other remuneration elements. The fixed remuneration consists of a fixed basic salary which is mainly paid in cash; it may also include shares in Forbo Holding Ltd. The variable remuneration consists of a short-term remuneration (short-term incentive, STI) and a long-term participation plan (long-term incentive, LTI). Both variable remuneration systems are described in detail from this page to page 146. Other remuneration includes employer contributions to the usual social security schemes (OASI/IV/UI/FAK), occupational pensions, daily accident and sickness benefits, and private use of a company car.

Overview of share of total direct remuneration – based on target level for STI and LTI

The STI before investment in the management investment plan (MIP)

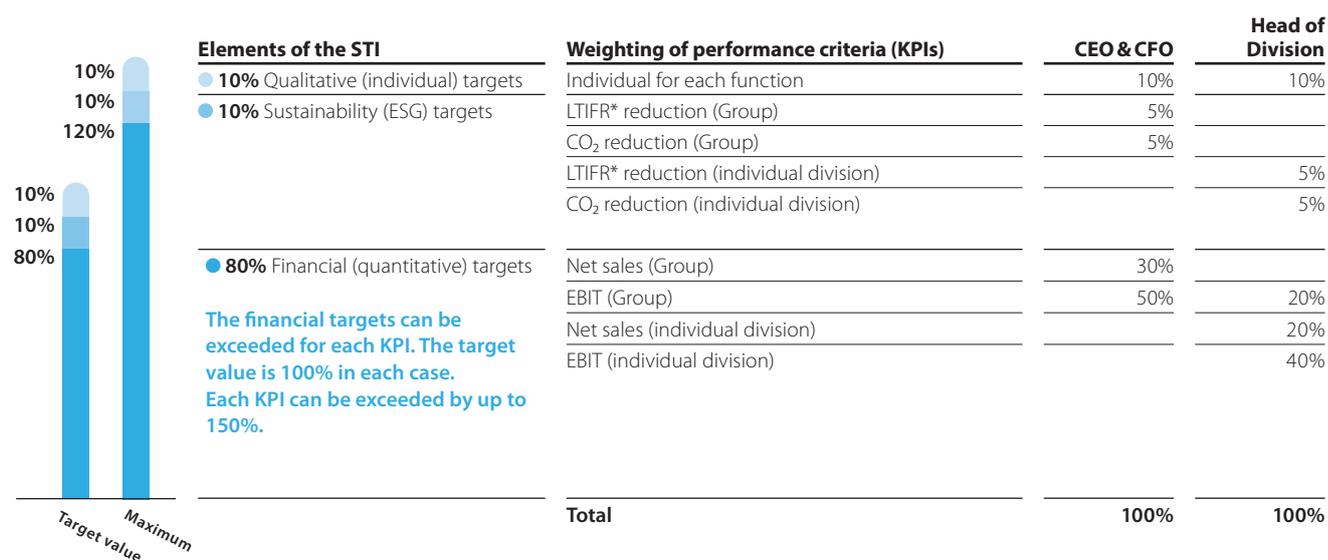
Element	CEO	Executive Board (excluding CEO)
LTI	32.4%	22.5% – 27.3%
STI	32.4%	25.6% – 31.1%
FIXED BASIC SALARY	35.2%	44.5% – 47.4%
Target value = maximum	Total 100%	Total 100% per member of the Executive Board

Fixed remuneration

The fixed remuneration for the Executive Board includes the basic salary, which is paid out in cash. The Remuneration Committee may also determine that part of the basic salary is to be paid in the form of shares in Forbo Holding Ltd (five-year blocking period).

Short-term variable remuneration (short-term incentive, STI)

The STI is a short-term target- and performance-driven remuneration element for the Executive Board. At least 50% of STI target achievement must be remunerated in the form of blocked shares in Forbo Holding Ltd (see the description of the management investment plan (MIP) on [page 144](#) of this report).



* Lost time injury frequency rate based on production sites.

The STI is linked to qualitative (individual), sustainability (ESG), and financial (quantitative) targets, the details of which depend on the responsibility of the respective member of the Executive Board. These can relate to Group and/or divisional targets. The Board of Directors determines and weights these three types of targets.

The targets of the STI correspond to 100% target achievement. This target amount corresponds to a defined percentage of the fixed basic salary, which ranges between 25.6% and 32.4% depending on the Executive Board function. The qualitative targets account for 10% of the STI and relate to defined projects and measures with focus topics for the respective business year, such as strategy implementation, organizational changes, leadership and employee development, and innovation. In the reporting year, an additional 10% in sustainability targets was introduced; these targets contribute to the implementation of the Sustainability Strategy 2030. Half of these relate to the reduction in CO₂ emissions (Scope 1, 2, and 3) and another half to the reduction in the lost time injury frequency rate (LTIFR). The qualitative and sustainability targets cannot be exceeded in the reporting year. The remaining 80% (previously 90%) is geared towards the achievement of the financial targets. The target value per KPI is 100% in each case, whereby each KPI can be exceeded by up to 150%. This means that the maximum degree of target achievement can be 140%.

In the case of the financial targets (80%) and the sustainability (10%) targets, there is a minimum level of target achievement, below which no variable remuneration is paid, and an upper level of target achievement, above which the remuneration component is capped. Depending on the role, the variable remuneration (STI) can amount to up to 127% of the fixed basic salary if the target is fully achieved and the MIP is fully utilized. If the target value is exceeded, the variable remuneration can amount to a maximum of 178% of the fixed remuneration.

While target achievement is clearly measurable for the financial targets (80%) and the sustainability targets (10%), discretionary decisions are possible in some cases when measuring the achievement of individual qualitative targets (10%).

As soon as a plan participant has a terminated employment relationship, the plan participant loses part of their entitlement in the year of departure, as the STI is limited to a maximum of 50% of the target bonus pro rata temporis.

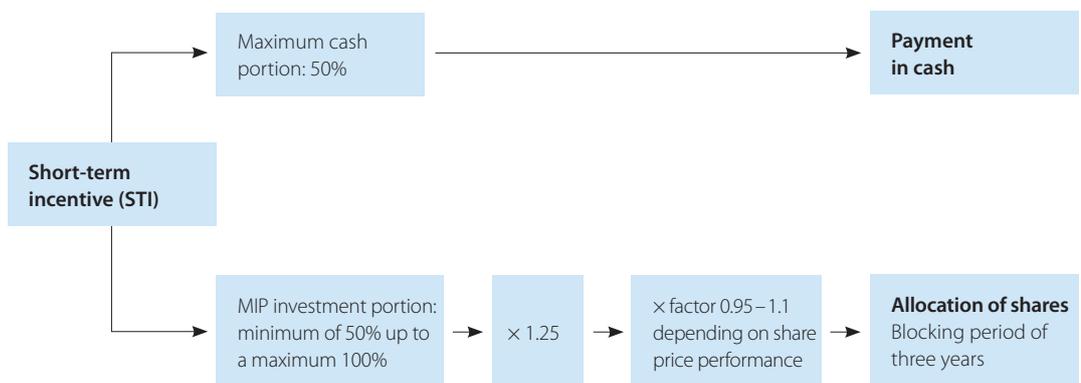
STI – conversion of remuneration into shares under the management investment plan (MIP)

When the short-term incentive (STI) is paid out, at least 50% must be allocated to the MIP. The remaining 50% can be withdrawn in full or in part by the members of the Executive Board in cash or likewise invested in the MIP. Each year, they can decide how this remaining 50% is divided.

The amounts allocated to the MIP are invested in shares in Forbo Holding Ltd. These are subject to a three-year blocking period and cannot be sold or pledged during this period. Foreign members of the Executive Board may purchase share commitments instead of shares, for which the shares are only transferred after three years have elapsed. In order to take into account the three-year blocking period, the amount invested in the MIP is initially increased by 25%. In addition, this amount is multiplied by a factor based on the performance of the share price. This factor is calculated as follows:

$((SPA - SPP)/SPP) + 1$, whereby 'SPA' is the relevant stock exchange price for the allocation of shares in the year of allocation and 'SPP' is the stock exchange price for the allocation in the previous year. This factor is limited at the upper end at 1.1 and at the lower end at 0.95.

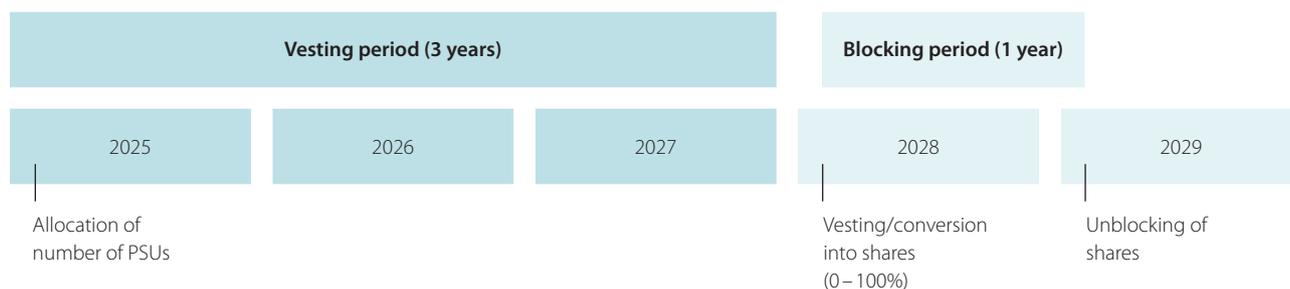
The relevant stock exchange price for the allocation of shares is calculated on the basis of the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective allocation year. The shares are subject to a blocking period of three years. They cannot be sold or pledged during this period.



Long-term participation plan (long-term incentive, LTI)

The LTI is a long-term participation plan consisting of a performance share unit plan. Its aim is to link part of the remuneration for the Executive Board even more closely to the company's long-term success. At the beginning of the performance period, each member of the Executive Board receives a certain number of deferred subscription rights in the form of performance share units (PSUs). These subscription rights correspond to a defined percentage of the fixed basic salary, which ranges between 22.5% and 32.4% depending on the Executive Board function. One PSU corresponds to a deferred subscription right to one share. The PSUs are subject to a three-year vesting period. They are converted into blocked shares and are linked exclusively to the achievement of the targets defined at the Group level. At the end of the vesting period, it is determined whether and to what extent the targets set by the Board of Directors at the beginning of the vesting period have been achieved. Based on the level of target achievement, a corresponding percentage of the PSUs is converted into shares. These are subject to a one-year blocking period (they had been subject to a three-year blocking period for the long-term incentive plan up to and including 2022 – 2024). They cannot be sold or pledged during this period.

Example: long-term incentive plan (LTI) for 2025 – 2027



The relevant stock exchange price for the allocation of PSUs at the beginning of the vesting period is calculated on the basis of the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective PSU allocation year.

As soon as a plan participant has a terminated employment relationship, irrespective of whether the plan participant has terminated the employment contract or the company has terminated the employment contract with the plan participant, all PSUs expire.

When converting PSUs, foreign members of the Executive Board can also subscribe to share commitments instead of shares. The corresponding shares are transferred after one year (after three years for the long-term incentive plan up to and including 2022 – 2024).

Key performance indicators for the long-term incentive plan (LTI)

The key performance indicators for the LTI are geared towards long-term and sustainable corporate development and consist of three equally weighted targets that apply uniformly to all members of the Executive Board and are defined at the Group level. Target achievement is clearly measurable in each case. There is no discretionary component.

Performance criteria (KPIs)	Executive Board (including CEO)
Organic sales growth in percent Group	Weighting: $\frac{1}{3}$
Return on net assets (RONA) Group	Weighting: $\frac{1}{3}$
Growth in earnings per share (EPS) adjusted for share buybacks Group	Weighting: $\frac{1}{3}$
Target value = maximum	100%

The targets of the LTI correspond to 100% target achievement over a term of three years. The maximum degree of target achievement cannot exceed 100%. If a certain threshold of a target is not reached, the PSUs will not be converted into shares for that part.

Employment contracts of the members of the Executive Board

The employment contracts of the members of the Executive Board stipulate an indefinite contract period with a notice period of no more than 12 months.

The Board of Directors may stipulate that holding periods under the management investment plan (MIP) or the long-term incentive (LTI) cease to apply in whole or in part upon the occurrence of certain events (such as change of control, termination of employment, retirement, or death). No additional remuneration or benefits are paid in the event of changes in control of the company.

No severance payments were agreed for members of the Executive Board.

Disclosure of remuneration for the Board of Directors and the Executive Board

Disclosure of remuneration for the Board of Directors

Remuneration

For the 2025 business year¹⁾
(audited)

Members of the Board of Directors	Memberships of committees ⁷⁾				Remuneration fee		Other remuneration ²⁾	Total	
					Cash	Shares ⁵⁾⁶⁾		CHF	CHF
					CHF	Number	CHF		
This E. Schneider, Chair ³⁾⁶⁾			C	0	297	225,631	37,206	262,837	
Bernhard Merki, Chair ³⁾⁴⁾		M	M	C	359,558	378	286,373	4,000	649,931
Michael Pieper, Vice Chair		M	M		89,572	95	71,972	12,943	174,487
Claudia Coninx-Kaczynski, member			C	C	92,663	98	74,245	16,036	182,944
Jörg Kampmeyer, member	M			M	89,572	95	71,972	4,000	165,544
Dr. Eveline Saupper, member	M			M	89,572	95	71,972	12,943	174,487
Vincent Studer, member	C				92,663	98	74,245	8,871	175,779
Total for the Board of Directors⁵⁾					813,600	1,156	876,410	95,999	1,786,009

M = member, C = Chair

¹⁾ The remuneration of the Board of Directors is reported gross, before the deduction of employee social security contributions. The amounts in the table are generally based on the valuation models applied and disclosed in the consolidated financial statements.

²⁾ 'Other remuneration' includes, in particular, employer contributions to the usual social security schemes as well as lump-sum or location expenses.

³⁾ Details on the remuneration structure of the Chair of the Board of Directors can be found on [page 142](#) of this Remuneration Report. These explanations also include the criterion for determining the number of shares issued and their blocking periods.

⁴⁾ For the reporting year, the total remuneration for the Chair elected since the 2025 Ordinary General Meeting includes a pro rata share of three months of the Board of Directors' fees as a member of the Board of Directors and a pro rata share of nine months of the Board of Directors' fees as Chair of the Board of Directors.

⁵⁾ The criterion for determining the number of shares issued for the members of the Board of Directors and the Chair elected since the 2025 Ordinary General Meeting is the average price during the ten trading days after dividend payment or par-value repayment: CHF 757.60. The shares were allocated at a discounted tax value of CHF 636.09. The shares are subject to a three-year blocking period and are reported at fair value in the table above.

⁶⁾ The criterion for determining the number of shares issued for the Chair of the Board of Directors until the 2025 Ordinary General Meeting is the weighted average price during the first ten trading days of the calendar year: CHF 759.70. This market value is decisive for the allocation of shares. They are subject to a blocking period of three years and are reported at fair value in the table above. The discounted tax value is CHF 637.86 per share.

⁷⁾ In the context of remuneration, the RC/HRNC counts as one committee.

Disclosure of remuneration for the Board of Directors

Remuneration

For the 2024 business year¹⁾
(audited)

Members of the Board of Directors	Memberships of committees ⁶⁾				Remuneration fee		Other remuneration ²⁾	Total	
					Cash	Shares ³⁾⁵⁾		CHF	CHF
					CHF	Number	CHF		
This E. Schneider, Chair ³⁾				C	0	1,479	1,500,446	146,650	1,647,096
Michael Pieper, Vice Chair		M		M	86,415	66	69,775	12,968	169,158
Dr. Peter Altorfer, Vice Chair ⁴⁾					46,250	0	0	3,942	50,192
Claudia Coninx-Kaczynski, member			C	C	86,053	65	68,718	15,637	170,408
Jörg Kampmeyer, member ⁴⁾	M			M	62,393	48	50,746	3,000	116,139
Bernhard Merki, member ⁴⁾			M	M	62,393	48	50,746	3,000	116,139
Dr. Eveline Saupper, member	M			M	83,190	64	67,661	12,618	163,469
Vincent Studer, member		C			89,640	68	71,890	8,887	170,417
Total for the Board of Directors⁵⁾					516,334	1,838	1,879,982	206,702	2,603,018

M = member, C = Chair

¹⁾ The remuneration of the Board of Directors is reported gross, before the deduction of employee social security contributions. The amounts in the table are generally based on the valuation models applied and disclosed in the consolidated financial statements.

²⁾ 'Other remuneration' includes, in particular, employer contributions to the usual social security schemes, private use of a company car as well as lump-sum or location expenses.

³⁾ Details on the remuneration structure of the Chair of the Board of Directors can be found on page 142 of this Remuneration Report. These explanations also include the criterion for determining the number of shares issued and their blocking periods. The criterion for determining the number of shares issued for the Chair of the Board of Directors is the weighted average price during the first ten trading days of the calendar year: CHF 1,014.50. This market value is decisive for the allocation of shares. They are subject to a blocking period of three years and are reported at fair value in the table above. The discounted tax value was CHF 851.79 per share.

⁴⁾ The Board of Directors' fees for 2024 have been settled pro rata temporis for Dr. Peter Altorfer (three months), Jörg Kampmeyer, and Bernhard Merki (both nine months each).

⁵⁾ The criterion for determining the number of shares issued for the members of the Board of Directors (for the Chair of the Board of Directors, see footnote³⁾) is the average price during the ten trading days after dividend payment or par-value repayment: CHF 1,057.20. The shares were allocated at a discounted tax value of CHF 887.65. The shares are subject to a three-year blocking period and are reported at fair value in the table above.

⁶⁾ In the context of remuneration, the RC/HRNC counts as one committee.

Disclosure of remuneration for the Executive Board

Remuneration

For the 2025 business year¹⁾
(audited)

	Fixed basic salary			Variable remuneration				Other remuneration ⁵⁾	Total	
	Cash		Shares ²⁾	Short-term incentive (STI) ³⁾		Long-term incentive (LTI) ⁴⁾				
	CHF	Number		CHF	Number	CHF	Allocation of performance share units		CHF	CHF
						Number	CHF			
Total for the Executive Board¹⁾	1,804,931	88	74,362	109,118	87	77,648	473	364,589	435,009	2,865,657
Of which, the highest-paid member of the Executive Board ⁶⁾ (Jens Fankhänel)	609,641	0	0	60,000	0	0	0	0	190,942	860,583

¹⁾ The remuneration for the Executive Board is shown gross, before the deduction of employee social security contributions. The amounts in the table are generally based on the valuation models applied and disclosed in the consolidated financial statements. The fixed basic salary includes cash remuneration for the additional role of the CFO as CEO ad interim.

²⁾ The criterion for determining the number of shares issued for the fixed remuneration is the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective allocation year. The shares are allocated in April for the period from May of the previous year to April of the allocation year. The shares are subject to a blocking period of five years. The corresponding pro rata allocation values were CHF 776.43 for 2025 and CHF 892.50 for 2026.

³⁾ The short-term variable remuneration for the Executive Board (STI) corresponds to the actual level of target achievement for the 2025 business year, which will be submitted to the Ordinary General Meeting in April 2026 for approval. The criterion for determining the number of shares issued for the STI is the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective allocation year in connection with the MIP. The shares are allocated in April of each year (subject to approval by the Ordinary General Meeting) for the period from January to December of the previous year. The corresponding allocation value was CHF 892.50. The shares are subject to a blocking period of three years.

⁴⁾ The LTI for the Executive Board corresponds to the long-term participation plan for 2025 (long-term incentive plan for 2025 – 2027) and the number of deferred subscription rights granted in this connection in the form of performance share units (PSUs). One PSU corresponds to a deferred subscription right to one share and is subject to a three-year vesting period. When calculating the number of PSUs, the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective allocation year also applies. This value was CHF 776.43.

⁵⁾ 'Other remuneration' includes, in particular, employer contributions to the usual social security schemes and private use of company cars.

⁶⁾ CEO Jens Fankhänel's remuneration for 2025 is based on contractual obligations.

Disclosure of remuneration for the Executive Board

Remuneration

For the 2024 business year¹⁾
(audited)

	Fixed basic salary			Variable remuneration				Other remuneration ⁵⁾	Total	
	Cash		Shares ²⁾	Short-term incentive (STI) ³⁾		Long-term incentive (LTI) ⁴⁾				
	CHF	Number		CHF	Number	CHF	CHF			
	CHF	Number	CHF	Number	CHF	Number	CHF	CHF		
Total for the Executive Board	1,502,599	103	86,404	42,242	148	114,912	821	823,274	451,759	3,021,190
Of which, the highest-paid member of the Executive Board ⁶⁾ (Jens Fankhänel)	600,000	0	0	24,900	39	30,281	398	400,000	210,164	1,265,345

¹⁾ The remuneration for the Executive Board is shown gross, before the deduction of employee social security contributions. The amounts in the table are generally based on the valuation models applied and disclosed in the consolidated financial statements.

²⁾ The criterion for determining the number of shares issued for the fixed remuneration is the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective allocation year. The shares are allocated in April for the period from May of the previous year to April of the allocation year. The shares are subject to a blocking period of five years. The corresponding pro rata allocation values were CHF 1,006.14 for 2024 and CHF 776.43 for 2025.

³⁾ The short-term variable remuneration for the Executive Board (STI) corresponds to the actual level of target achievement for the 2024 business year, which will be submitted to the Ordinary General Meeting in April 2025 for approval. The criterion for determining the number of shares issued for the STI is the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective allocation year in connection with the MIP. The shares are allocated in April of each year (subject to approval by the Ordinary General Meeting) for the period from January to December of the previous year. The corresponding allocation value was CHF 776.43. The shares are subject to a blocking period of three years.

⁴⁾ The LTI for the Executive Board corresponds to the long-term participation plan for 2024 (long-term incentive plan for 2024–2026) and the number of deferred subscription rights granted in this connection in the form of performance share units (PSUs). One PSU corresponds to a deferred subscription right to one share and is subject to a three-year vesting period. When calculating the number of PSUs, the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective allocation year also applies. This value was CHF 1,006.14.

⁵⁾ 'Other remuneration' includes, in particular, employer contributions to the usual social security schemes and private use of company cars.

⁶⁾ CEO Jens Fankhänel's remuneration for 2024 is based on a part-time workload of 80%.

Details of target achievement by the Executive Board for the 2025 business year

Many of Forbo's competitors are not listed companies and only publish limited information on financial and performance metrics. Disclosing business-critical and forward-looking targets would therefore entail potential competitive disadvantages for Forbo. For this reason, no details of these targets are disclosed when setting targets; the performance outcomes and the resulting payout factors are communicated at the end of the relevant performance period.

Target achievement of the STI for 2025 – CEO and Executive Board

Before investment in the management investment plan (MIP)

Chief Executive Officer

Target bonus in %	100
Target bonus in CHF	600,000
Maximum target achievement in %	140
Maximum target achievement in CHF	840,000
Actual target achievement in %	10
Actual target achievement in CHF	60,000

Executive Board (excluding CEO)*

Target bonus in %	100
Target bonus in CHF	588,553
Maximum target achievement in %	140
Maximum target achievement in CHF	823,974
Actual target achievement in %	18
Actual target achievement in CHF	105,251

*CFO pro rata for 10 months.

Details of target achievement STI for 2025

Performance criteria	Result	Entry threshold 0%	100% target achievement	Maximum target achievement 150%
Financial targets Group				
Net sales in CHF million	1,085.4			
EBIT in CHF million	87.8			
Financial targets divisions				
Net sales in CHF million	347.2 / 738.2			
EBIT in CHF million	15.4 / 80.5			
Sustainability targets Group				
CO ₂ emissions (metric tons)	427,601.0			
LTIFR*	6.8 / 10.7			
Sustainability targets divisions				
CO ₂ emissions (metric tons)	99,571.0 / 328,030.0			
LTIFR*	6.8 / 10.7			
Qualitative targets				
individual				
Total target achievement of the Executive Board	10% – 20%			

● Actual target achievement

*Lost time injury frequency rate based on production sites.

In line with the annual results, the financial targets were predominantly achieved to a weak degree in the reporting year, with Flooring Systems generally coping better with the challenging economic situation than Movement Systems. In terms of sustainability targets, Movement Systems performed slightly better, as Flooring Systems has been comprehensively promoting sustainability topics and achieving solid performance for several years, further improvements here are more challenging.

The qualitative targets were implemented with solid progress in both divisions, including closer proximity to markets and customers as well as the completion of strategic projects in the USA and Japan.

Target achievement for the LTI plan for 2023 – 2025 – CEO and Executive Board

Share allocation in April 2026

Performance criteria (KPIs)	Achievement	
Organic sales growth in percent Group	Maximum target achievement in % Actual target achievement for the period 2023 – 2025 in %	100 0
Return on net assets (RONA) Group	Maximum target achievement in % Actual target achievement for the period 2023 – 2025 in %	100 0
Growth in earnings per share (EPS) adjusted for share buybacks Group	Maximum target achievement in % Actual target achievement for the period 2023 – 2025 in %	100 0
Achievement for the LTI plan for the period 2023 – 2025 in % (weighting per KPI: 1/3 each)		0

Chief Executive Officer*

Executive Board (excluding CEO)*

Number of defined PSUs for overall plan period 2023 – 2025	433	Number of defined PSUs for overall plan period 2023 – 2025	360
Number of PSUs allocated in shares	0	Number of PSUs allocated in shares	0

*Originally awarded for reporting year.

For the first time since the introduction of the LTI in 2017, the level of target achievement for the current expiring LTI plan for 2023 – 2025 is 0%. In previous periods, the level of target achievement ranged from 11% to 64%. The result of this past three-year period was shaped in particular by the difficult political and economic environment, which was weighed down by considerable uncertainty. As a result of these conditions, many companies – and customers of Forbo – were reluctant to invest, and consumer sentiment remained at a low level in markets that are important to us. Despite these challenges, Forbo has consistently pursued key strategic topics and continued to invest in innovation, sustainability, and digitalization. We have specifically expanded the product portfolio, increased the proportion of recycled and sustainable materials, automated marketing campaigns, and augmented services on customer portals with AI functions.

The three annual targets for the three performance criteria (organic sales growth, return on net assets, and growth in earnings per share) are adjusted to the changed economic environment for each period.

Overview of current long-term incentive plans

A total of 1,046 deferred subscription rights in the form of performance share units are allocated to the three current long-term incentive plans (LTI).

Plan	Allocation of subscription rights	Performance period	Vesting date (PSUs)	Unblocking of shares	Number of PSUs allocated	Value of PSUs in CHF (allocation)
2023 – 2025	April 2023	2023 – 2025	April 2026	April 2029	265	305,924
2024 – 2026	April 2024	2024 – 2026	April 2027	April 2030	308	309,891
2025 – 2027	April 2025	2025 – 2027	April 2028	April 2031	473	364,589

Disclosure of shareholdings of the Board of Directors and the Executive Board pursuant to Article 734d CO

2025 business year

As at December 31, 2025, the individual members of the Board of Directors and the Executive Board (including related parties) held the following number of shares in Forbo Holding Ltd:

Shareholdings in 2025

(audited)

Name and function	Number of shares
Bernhard Merki, Chair	626
Michael Pieper, Vice Chair and independent ¹⁾ member	417,746
Claudia Coninx-Kaczynski, independent ¹⁾ member	680
Jörg Kampmeyer, independent ¹⁾ member	643
Dr. Eveline Saupper, independent ¹⁾ member	2,439
Vincent Studer, independent ¹⁾ member	1,327
Total for the Board of Directors	423,461
Jens Fankhänel, Chief Executive Officer	1,473
Marc Deimling, Executive Vice President Movement Systems	252
Peter Germann, Chief Financial Officer ad interim	0
Jean-Michel Wins, Executive Vice President Flooring Systems	984
Total for the Executive Board	2,709

¹⁾ Independent in accordance with the 'Swiss Code of Best Practice for Corporate Governance'.

2024 business year

As at December 31, 2024, the individual members of the Board of Directors and the Executive Board (including related parties) held the following number of shares in Forbo Holding Ltd:

Shareholdings in 2024

(audited)

Name and function	Number of shares
This E. Schneider, Chair	48,039
Michael Pieper, Vice Chair and independent ¹⁾ member	416,051
Claudia Coninx-Kaczynski, independent ¹⁾ member	477
Jörg Kampmeyer, independent ¹⁾ member	48
Bernhard Merki, independent ¹⁾ member	48
Dr. Eveline Saupper, independent ¹⁾ member	1,394
Vincent Studer, independent ¹⁾ member	1,229
Total for the Board of Directors	467,286
Jens Fankhänel, Chief Executive Officer	1,434
Marc Deimling, Executive Vice President Movement Systems	256
Andreas Jaeger, Chief Financial Officer	236
Jean-Michel Wins, Executive Vice President Flooring Systems	834
Total for the Executive Board	2,760

¹⁾ Independent in accordance with the 'Swiss Code of Best Practice for Corporate Governance'.

Advances and loans

As at December 31, 2025, no advances or loans to members of the Board of Directors or the Executive Board were outstanding.

The relevant statutory provisions governing advances, loans, and pension benefits to members of the Board of Directors and the Executive Board are set out on page 13 of section IV of the Articles of Association of Forbo Holding Ltd. These can be found at:

www.forbo.com → Investors → Ordinary General Meeting

Outlook for 2026

As part of its annual duties, the Remuneration Committee thoroughly reviewed the variable remuneration elements for the Executive Board and recommended the following adjustment to the Board of Directors for approval; this will be applied for the first time for the 2026 business year:

Short-term incentive plan (STI): for the lost time injury frequency rate target (LTIFR) – as part of the sustainability goals – target achievement may in future be a maximum of 150% (previously 100%). This corresponds to a maximum possible STI target achievement of 142.5% (previously 140.0%).

External mandates of members of the Board of Directors and the Executive Board

The following table provides an overview of all external mandates held by members of the Board of Directors and the Executive Board in other comparable companies with an economic purpose within the meaning of Article 626 paragraph 2(1) of the Swiss Code of Obligations (CO), which must be disclosed in the Remuneration Report in accordance with Article 734e CO.

2025 business year

As of December 31, 2025 (audited)

Member of the Board of Directors	Company	Function	
Bernhard Merki	- EMS-Chemie Holding AG, Domat Ems ¹⁾	- Chair of the Board of Directors	
	- Rondo Burgdorf AG and Seewer Holding AG, Burgdorf	- Chair of the Board of Directors	
	- Georg Utz Holding AG, Bremgarten	- Chair of the Board of Directors	
	- Fostag Formenbau AG, Stein am Rhein and FST Beteiligungen AG, Cham	- Chair of the Board of Directors	
	- Ferrum AG, Schafisheim	- Member of the Board of Directors	
	- IPZ Property AG, Dübendorf	- Member of the Board of Directors	
	- Benara AG, Wangen	- Owner and Chair of the Board of Directors	
	<hr/>		
	Michael Pieper	- Centinox Holding AG and Centinox B AG, Hergiswil	- Chair of the Board of Directors
		- Artemis Holding AG, Hergiswil	- CEO/Executive Board
- Franke Holding AG, Aarburg		- Member of the Board of Directors, the Audit Committee and the HR Committee	
<hr/>			
- Franke Technology and Trademark Ltd., Aarburg		- Member of the Board of Directors	
- Artemis Real Estate Holding AG and Artemis Beteiligungen I, III and V AG, Hergiswil		- Member of the Board of Directors	
- Arbonia AG, Arbon ¹⁾		- Member of the Board of Directors	
- Autoneum Holding AG, Winterthur ¹⁾		- Member of the Board of Directors	
- Bergos AG, Zurich		- Member of the Board of Directors	
- Reppisch Werke AG, Dietikon		- Member of the Board of Directors	
- Duravit AG, Hornberg (DE)		- Member of the Supervisory Board	
- Ettlin Aktiengesellschaft, Ettlingen (DE)		- Vice Chair of the Supervisory Board	
- Deutsche Bank, Advisory Board South, Munich (DE) ¹⁾		- Member of the Advisory Board	
- Other mandates on boards of trustees without an economic purpose		- Member	
<hr/>			
Claudia Coninx-Kaczynski	- TX Group AG, Zurich ¹⁾	- Member of the Board of Directors and the Remuneration Committee	
	- Swisscontent AG, Zurich	- Member of the Board of Directors	
	- Other mandates on boards of trustees without an economic purpose	- Vice Chair or member	
<hr/>			
Jörg Kampmeyer	- Gebrüder Knauf KG, Iphofen (DE)	- Managing Partner	

Dr. Eveline Saupper	<ul style="list-style-type: none"> - Clariant AG, Muttenz¹⁾ - Georg Fischer AG, Schaffhausen¹⁾ - Stäubli Holding AG, Pfäffikon - Mentex Holding AG, Schwyz - Other mandates on boards of trustees without an economic purpose 	<ul style="list-style-type: none"> - Member of the Board of Directors - Vice Chair of the Board of Directors - Member of the Board of Directors - Chair of the Board of Directors - Vice Chair or member
Vincent Studer	<ul style="list-style-type: none"> - Bank EEK AG, EEK Real Estate AG, EEK Cooperative Holdings and Employee Welfare Foundation Bank EEK, Bern - Blaser Café Group, Bern - Vincent Studer Conseils Sàrl, Muri bei Bern - Meer AG, Bern - Pension Fund of the Municipal Community Muri bei Bern - Poolprax AG, Bern - Other mandates on boards of trustees without an economic purpose 	<ul style="list-style-type: none"> - Member of the Board of Directors - Member of the Board of Directors - Owner and Chair of the Board of Directors - Member of the Board of Directors - Member of the Board of Trustees - Member of the Board of Directors - Chair or member

Member of the Executive Board	Company	Function
Jens Fankhänel	None	None
Marc Deimling	None	None
Peter Germann	None	None
Jean-Michel Wins	None	None

¹⁾ Listed company.

2024 business year

As of December 31, 2024 (audited)

Member of the Board of Directors	Company	Function
This E. Schneider	None	None
Michael Pieper	<ul style="list-style-type: none"> - Centinox Holding AG and Centinox B AG, Hergiswil - Artemis Holding AG, Hergiswil - Franke Holding AG, Aarburg - Franke Technology and Trademark Ltd., Aarburg - Artemis Real Estate Holding AG and Artemis Beteiligungen I, III and V AG, Hergiswil - Arbonia AG, Arbon¹⁾ - Autoneum Holding AG, Winterthur¹⁾ - Bergos AG, Zurich - Reppisch Werke AG, Dietikon - Duravit AG, Hornberg (DE) - Ettlín Aktiengesellschaft, Ettlín (DE) - Deutsche Bank, Advisory Board South, Munich (DE)¹⁾ - Other mandates on boards of trustees without an economic purpose 	<ul style="list-style-type: none"> - Chair of the Board of Directors - CEO/Executive Board - Member of the Board of Directors, the Audit Committee and the HR Committee - Member of the Board of Directors - Member of the Supervisory Board - Vice Chair of the Supervisory Board - Member of the Advisory Board - Member
Claudia Coninx-Kaczynski	<ul style="list-style-type: none"> - TX Group AG, Zurich¹⁾ - Swisscontent AG, Zurich - Other mandates on boards of trustees without an economic purpose 	<ul style="list-style-type: none"> - Member of the Board of Directors and the Remuneration Committee - Member of the Board of Directors - Vice Chair or member

Jörg Kampmeyer	- Gebrüder Knauf KG, Iphofen (DE)	- Managing Partner
Bernhard Merki	- EMS-Chemie Holding AG, Domat Ems ¹⁾ - Rondo Burgdorf AG and Seewer Holding AG, Burgdorf - Georg Utz Holding AG, Bremgarten - Fostag Formenbau AG, Stein am Rhein and FST Beteiligungen AG, Cham - Ferrum AG, Schafisheim - IPZ Property AG, Dübendorf - Benara AG, Wangen	- Chair of the Board of Directors - Member of the Board of Directors - Member of the Board of Directors - Owner and Chair of the Board of Directors
Dr. Eveline Saupper	- Clariant AG, Muttenz ¹⁾ - Georg Fischer AG, Schaffhausen ¹⁾ - Stäubli Holding AG, Pfäffikon - Mentex Holding AG, Schwyz - Trust Piz Mitgel Val Surses, Savognin (100% subsidiary of Piz Mitgel Management AG) - Tourismus Val Surses Savognin Bivio AG, Surses - Other mandates on boards of trustees without an economic purpose	- Member of the Board of Directors - Vice Chair of the Board of Directors - Member of the Board of Directors - Chair of the Board of Directors - Vice Chair of the Board of Trustees - Member of the Board of Trustees and Chair of the Board of Directors of the subsidiary - Vice Chair of the Board of Directors - Vice Chair or member
Vincent Studer	- Bank EEK AG, EEK Real Estate AG, EEK Cooperative Holdings and Employee Welfare Foundation Bank EEK, Bern - Vincent Studer Conseils Sàrl, Muri bei Bern - Meer AG, Bern - Pension Fund of the Municipal Community Muri bei Bern - Poolprax AG, Bern - Other mandates on boards of trustees without an economic purpose	- Member of the Board of Directors - Owner and Chair of the Board of Directors - Member of the Board of Directors - Member of the Board of Trustees - Member of the Board of Directors - Chair or member
Member of the Executive Board	Company	Function
Jens Fankhänel	None	None
Marc Deimling	None	None
Andreas Jaeger	None	None
Jean-Michel Wins	None	None

¹⁾ Listed company.

Report of the auditor



Report of the Statutory Auditor

To the General Meeting of Forbo Holding Ltd, Baar

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Forbo Holding Ltd (the Company) for the year ended 31 December 2025. The audit was limited to the information pursuant to Art. 734a–734f of the Swiss Code of Obligations (CO) in the tables marked “audited” on pages 147 to 150 and on pages 153 to 156 of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a–734f CO in the accompanying Remuneration Report complies with Swiss law and the Company’s articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Remuneration Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited” in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements, and our auditor’s reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a–734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Tino Hutter
Licensed Audit Expert
Auditor in Charge

Joel Wachter
Licensed Audit Expert

Zurich, 3 March 2026

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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FINANCIAL REPORT

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Consolidated balance sheet

CHF m	Note	31.12.2025	31.12.2024
Assets			
Cash and cash equivalents	22	90.2	109.1
Current financial assets	22	0.5	0.0
Trade receivables	12	138.2	142.8
Other receivables		24.8	19.5
Accrued income and deferred expenses		18.2	15.3
Inventories	13	281.7	281.6
Current assets		553.6	568.3
Non-current financial assets	22	2.8	2.0
Deferred tax assets	10	35.5	28.4
Property, plant, and equipment	14/21	299.4	293.8
Intangible assets and goodwill	15	78.7	81.7
Employee benefit assets	18	1.9	1.6
Non-current assets		418.3	407.5
Total assets		971.9	975.8
Shareholders' equity and liabilities			
Current financial liabilities	22	15.8	14.6
Trade payables	22	78.6	90.6
Other current liabilities		20.9	23.7
Current tax liabilities		13.6	14.4
Accrued expenses and deferred income	16	67.3	70.0
Current provisions	17	7.6	5.0
Current liabilities		203.8	218.3
Non-current financial liabilities	22	31.9	32.6
Deferred tax liabilities	10	14.1	5.2
Non-current provisions	17	33.3	44.3
Employee benefit obligations	18	39.2	49.4
Non-current liabilities		118.5	131.5
Total liabilities		322.3	349.8
Share capital	20	0.1	0.1
Treasury shares	20	-0.0	-0.0
Reserves and retained earnings		649.5	625.9
Shareholders' equity		649.6	626.0
Total shareholders' equity and liabilities		971.9	975.8

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated income statement

	1.1.–31.12.	2025	2024
CHF m	Note		
Net sales	5	1,085.4	1,122.0
Cost of goods sold		-726.8	-737.1
Gross profit		358.6	384.9
Development costs	6	-16.5	-15.3
Marketing and distribution costs		-160.0	-160.3
Administrative costs		-91.1	-86.8
Other operating expenses	7	-7.7	-8.8
Other operating income	8	4.5	6.9
Operating profit		87.8	120.6
Financial income		2.8	2.7
Financial expenses		-3.7	-1.7
Profit before taxes		86.9	121.6
Income taxes	10	-18.0	-26.5
Profit		68.9	95.1
Profit attributable to shareholders of Forbo Holding Ltd		68.9	95.1
<i>Earnings per share</i>			
CHF	Note		
Basic earnings per share	11	48.75	67.45
Diluted earnings per share	11	48.75	67.45

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated comprehensive income statement

	1.1.–31.12.	2025	2024
CHF m	Note		
Profit		68.9	95.1
Items that will not be reclassified to the income statement:			
Remeasurements of employee benefit obligations, net of taxes	10	8.0	0.6
Items that are or may be subsequently reclassified to the income statement:			
Translation differences		-24.5	7.3
Other comprehensive income for the year, net of tax		-16.5	7.9
Total comprehensive income		52.4	103.0
Total comprehensive income attributable to the shareholders of Forbo Holding Ltd		52.4	103.0

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

2025							
CHF m	Note	Share capital	Treasury shares	Retained earnings	Reserves for employee benefits	Translation differences	Total
January 1, 2025		0.1	-0.0	1,024.6	38.6	-437.3	626.0
Profit				68.9			68.9
Other comprehensive income for the year, net of tax					8.0	-24.5	-16.5
Total comprehensive income				68.9	8.0	-24.5	52.4
Share-based payments	19			1.1			1.1
Treasury shares	20			5.4			5.4
Dividend payment				-35.3			-35.3
December 31, 2025		0.1	-0.0	1,064.7	46.6	-461.8	649.6

2024							
CHF m	Note	Share capital	Treasury shares	Retained earnings	Reserves for employee benefits	Translation differences	Total
January 1, 2024		0.1	-0.0	960.2	38.0	-444.6	553.7
Profit				95.1			95.1
Other comprehensive income for the year, net of tax					0.6	7.3	7.9
Total comprehensive income				95.1	0.6	7.3	103.0
Share-based payments	19			2.2			2.2
Treasury shares	20			2.3			2.3
Dividend payment				-35.2			-35.2
December 31, 2024		0.1	-0.0	1,024.6	38.6	-437.3	626.0

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated cash flow statement

	1.1.–31.12.	2025	2024
CHF m	Note		
Cash flow from operating activities			
Profit		68.9	95.1
Income taxes	10	18.0	26.5
Financial result		0.9	-1.0
Depreciation and impairment of property, plant, and equipment and right-of-use assets	14	47.7	44.6
Amortization and impairment of intangible assets	15	1.4	1.2
Gain (-)/Loss from the sale of non-current assets		-0.1	0.1
Share-based payments	9	1.1	2.2
Income tax paid		-22.2	-14.1
Decrease in provisions and employee benefit obligations		-8.3	-0.5
Increase in trade receivables		-2.8	-2.4
Increase in inventories		-13.2	-13.2
Decrease (-)/Increase in trade payables		-9.2	2.6
Increase in other net working capital		-8.2	-5.5
Net cash flow from operating activities		74.0	135.6
Cash flow from investing activities			
Purchase of non-current assets		-44.9	-46.1
Proceeds from the disposal of non-current assets		0.4	0.0
Interest received		2.2	2.3
Net cash flow from investing activities		-42.3	-43.8
Cash flow from financing activities			
Payment of lease liabilities	21	-17.6	-16.5
Interest paid	21	-1.8	-1.4
Purchase of treasury shares		0.0	-4.5
Proceeds from sale of treasury shares		5.1	6.5
Dividend payment		-35.3	-35.2
Net cash flow from financing activities		-49.6	-51.1
Change in cash and cash equivalents		-17.9	40.7
Total cash and cash equivalents at beginning of year		109.1	69.1
Change in cash and cash equivalents		-17.9	40.7
Translation differences on cash and cash equivalents		-1.0	-0.7
Total cash and cash equivalents at year-end		90.2	109.1

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1 General information

Forbo Holding Ltd (the 'Company') and its subsidiaries (together constituting the 'Group') manufacture floorings, construction adhesives, and belts for drive and conveyor technology. The Group has a global network of locations with production and distribution as well as mere sales companies.

Forbo Holding Ltd is a limited company under Swiss law, domiciled in Baar, Switzerland. It is listed on the SIX Swiss Exchange (FORN).

These financial statements were approved by the Board of Directors on March 2, 2026, and released for publication on March 3, 2026. This financial report is subject to approval by the Ordinary General Meeting of April 2, 2026.

2 Accounting principles

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of Forbo Holding Ltd were prepared in accordance with the IFRS Accounting Standards as issued by the IASB and in compliance with Swiss law.

The consolidated financial statements are prepared in Swiss francs. The Swiss franc is both the functional currency and the reporting currency of the Company. Unless otherwise noted, all amounts are stated in millions of Swiss francs (CHF m) and are generally rounded to one decimal place.

The consolidation was done on the basis of the audited financial statements of the subsidiaries prepared according to uniform corporate accounting policies. The reporting date for all Group companies is December 31.

The consolidated financial statements were prepared in accordance with the principle of historical costs, with the exception of:

- derivatives measured at fair value
- pension fund liabilities measured at the net value of the discounted defined benefit obligations less the fair value of the plan assets

The preparation of the consolidated financial statements requires management to make discretionary judgments, estimates and assumptions that can affect the application of accounting methods and reported revenues, expenses, assets, liabilities, and contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates and assumptions. Estimates and the underlying assumptions are being reviewed continually. Revised versions of estimates and assumptions are recognized prospectively. Information about discretionary judgments as well as assumptions and uncertainty involved in estimates is included in note 3 'Critical judgments, estimates and appraisals by management'.

Scope and principles of consolidation

Subsidiaries are companies that are controlled by the Group. The Group exercises control over a company if it is exposed to variable returns from its involvement in the company or possesses rights to the returns and is able to influence these returns by means of its discretionary control over the company. The financial statements of subsidiaries are included in the consolidated financial statements from the point at which control begins.

Goodwill is the excess of the purchase consideration of the business combination and the amount of the non-controlling interest over the identifiable net assets assessed at fair value.

Inter-company transactions, balances, and unrealized gains or losses on transactions between Group companies are eliminated.

Changes in the scope of consolidation

No changes in the scope of consolidation occurred during the reporting period or the prior-year period.

The subsidiaries included in the group of consolidated companies are listed under 'Group companies' (from [page 200](#) of this report).

Foreign currency translation

Transactions in foreign currencies

The individual companies prepare their financial statements in their functional currency. The functional currency is the currency of the primary economic environment in which the company operates and generally corresponds to the local currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Foreign operations

The annual financial statements of foreign Group companies stated in foreign currencies are translated into Swiss francs as follows: assets and liabilities at year-end exchange rates; the income statement and cash flow statement at average exchange rates for the year. Currency translation differences arising from the translation of items at average and year-end exchange rates and from equity capital transactions are recognized in other comprehensive income and taken to profit or loss for the period (reclassified) in the event the foreign Group company is disposed of.

On consolidation, exchange differences arising from the translation of net investments in foreign business operations are recognized in other comprehensive income.

The following exchange rates against the Swiss franc have been applied for the most important currencies concerned:

			Income statement (average exchange rates for the year)		Balance sheet (year-end exchange rates)	
			2025	2024	2025	2024
Exchange rates						
Eurozone	EUR	1	0.9369	0.9523	0.9303	0.9395
USA	USD	1	0.8291	0.8800	0.7917	0.9030
Great Britain	GBP	1	1.0936	1.1246	1.0665	1.1328
Japan	JPY	100	0.5542	0.5815	0.5062	0.5780
China	CNY	100	11.6057	12.3397	11.3103	12.5405
Sweden	SEK	100	8.4662	8.3015	8.6078	8.1901

Net sales and revenue recognition

Revenue from contracts with customers is recognized when the control of the goods or services is transferred to the customer. The revenue is based on the contractually agreed transaction price, i.e. the amount to which the Group can be expected to be entitled in return for the transfer of the goods or services to a customer.

<i>Type of product or service</i>	<i>Type and time of the fulfillment of performance obligation, significant terms of payment</i>
Flooring Systems	<p>The revenue is generated predominantly by the sale of goods that are recognized at a point in time, in accordance with the agreed terms. The sale of goods is based on fixed prices. In some cases, goal-oriented, variable volume rebates are granted. Volume rebates are deducted from sales in the same amount as expected cash outflows. The payment terms are in line with general business terms and conditions, with payment due dates usually ranging from 30 to 60 days.</p> <p>The warranty periods granted for goods are in line with the general business terms and conditions in the sector; in some cases, these may be longer than defined by law. Provisions are made on the basis of the expected cash outflow for known warranty claims and those expected in future.</p>
Movement Systems	<p>The type and time of the fulfillment of the performance obligation and the terms of payment are identical with those for Flooring Systems.</p> <p>Movement Systems, in addition, provides services in connection with the servicing, maintenance, and seamless connection of belting products. These services are recognized separately as revenue at the time the service is provided.</p>

Earnings per share

The number of shares used for calculating earnings per share is determined on the basis of the weighted average number of shares issued less the weighted average number of treasury shares held. To calculate diluted earnings per share, an adjusted number of shares is determined from the total number of shares used to calculate earnings per share plus the potentially dilutive effects of shares from employee incentive plans. To take account of the dilutive effect of employee incentive plans, the number of shares that could have been purchased at the market price is determined on the basis of the cumulative difference between the market price and the strike price of the future subscription rights. The market price used for this purpose corresponds to the average price of the shares in the business year under review.

Income taxes

Income taxes constitute the total of current and deferred income taxes.

Current income taxes are determined on the basis of taxable profits and the applicable tax laws of the individual countries. They are recognized as an expense in the accounting period in which the profits are made.

Deferred tax assets and tax liabilities are measured at the tax rates that are expected to be enacted in the period in which the asset will be realized or the liability will be settled. Current as well as deferred tax assets and liabilities are offset when they arise from the same tax reporting group, relate to the same tax authority, the legal right to offset exists, and they are intended to be settled net or realized simultaneously.

Current and deferred income taxes are recognized as an income tax benefit or expense in the income statement, with the exception of items posted directly to equity or recognized in other comprehensive income. In this case, the corresponding tax effect is also to be recognized directly in shareholders' equity or in other comprehensive income.

Property, plant, and equipment

Land is recognized at cost on acquisition. Land is not depreciated, but allowances are set aside for impairments that have occurred. All other tangible assets are accounted at cost on acquisition less depreciation and impairments incurred with the exception of assets under construction which are only depreciated when they are ready for their intended use and have been reclassified to the relevant category of tangible asset.

Depreciation is calculated according to the straight-line method over the following estimated useful life:

Land and buildings	
Land	no depreciation
Buildings	20 to 40 years
Modifications and installations	5 to 10 years or duration of rental contract
Machinery and equipment	
Machines, equipment and tools	5 to 15 years
Vehicles and other property, plant, and equipment	
Vehicles	5 years
IT hardware	3 to 5 years
Other operational assets	3 to 10 years
Assets under construction	
Assets under construction	no depreciation

If there are signs of an impairment, the recoverable amount of the asset is determined. If the carrying amount exceeds the recoverable value, the carrying amount of the asset is reduced accordingly and the difference charged to the income statement.

Leasing

The Group is the lessee for various items of property, plant, and equipment; buildings and vehicles constitute the vast majority of leasing agreements.

Exceptions are made for short-term leases and for leases for low-value assets used by the company. These lease payments are recognized as expenditure over the lease term.

The Group recognizes right-of-use assets under 'Property, plant, and equipment' and leasing liabilities under 'Financial liabilities' in the balance sheet. Further information is disclosed in note 21 'Leasing'.

Intangible assets and goodwill

The goodwill generated in connection with business combinations is measured at the cost of acquisition less cumulative impairment losses.

The acquisition costs of trademarks, licenses, customer relationships, and technologies acquired in a business combination correspond to the fair value at the date of acquisition.

Intangible assets with an indefinite useful life (goodwill and trademarks) are not subject to amortization but are tested for impairment annually at cash-generating unit level. This is carried out using a standardized method with discounted cash flows for calculating the value in use. Cash flow for the first three years is estimated on the basis of the plan approved by management (detailed planning period). Cash inflows after the detailed planning period are extrapolated to the value of a going concern by means of recoverable earnings. The intangible assets with an indefinite useful life are also subject to impairment testing in the form of sensitivity analyses.

Other intangible assets that are acquired by the Group and have a finite useful life are carried at acquisition or production costs less cumulative amortization and impairments. The amortization of other intangible assets with a finite useful life uses the straight-line method; the following estimated useful lives are applied:

IT software	3 to 5 years
Customer relations	5 to 15 years
Technologies	up to 30 years

Financial instruments

Recognition and initial measurement

Trade receivables are recognized when they occur. All other financial instruments are recognized when the Group becomes a contracting party.

Financial assets (with the exception of trade receivables with no essential financing component) and financial liabilities are initially recognized at fair value. In addition, transaction costs, which are directly attributable to the acquisition or issuance, are added for financial instruments that are not measured at fair value through profit or loss. Trade receivables with no essential financing components are initially recognized at the transaction price.

Classification and subsequent measurement of financial assets

Financial assets are measured and classified in accordance with the following categories:

- ‘Amortized cost’
- ‘Fair value through profit or loss’

Essentially, the financial assets in the Group consist of cash and cash equivalents and trade receivables that are reported at amortized cost using the effective interest method less valuation allowances for expected credit losses. ‘Cash and cash equivalents’ are stated at nominal value. This includes cash on hand, bank accounts, and fixed-term deposits with maturities up to three months from the date of acquisition.

Derivatives are valued at their fair value through profit or loss. The derivatives used are accounted for on the day the trade is conducted. Derivative financial instruments are classified in the balance sheet in ‘Current financial assets’ (or ‘Current financial liabilities’, if applicable).

The Group recognizes allowances for expected credit losses on financial instruments that are reported at amortized costs. The Group applies a permissible, simplified model of valuation allowances (‘provision matrix’) for trade receivables. In this valuation allowance table, expected losses on receivables are determined on the balance sheet date on the basis of past experience of default probability, and of future-oriented expectations based on experience with the customers and market conditions.

The Group considers a financial asset to be in default if it is unlikely that the borrower can pay their obligation to the Group in full without the Group having to take recourse to measures such as the realization of collateral.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified and measured at amortized costs or at fair value through profit or loss. The majority of financial liabilities in the Group are liabilities from leasing contracts. These are measured at amortized costs using the effective interest method. A financial liability is measured at fair value through the income statement if it is a derivative.

Inventories

Inventories are measured at the lower of cost or net realizable value. Cost includes direct material and, if applicable, other direct costs and related production overheads to the extent that they are incurred in bringing the inventories to their present location and condition. The net realizable value constitutes the estimated sales price less all estimated costs up to completion, as well as the related costs of marketing, sales, and distribution.

Inventories are generally measured at average cost.

Shareholders’ equity

Registered shares are classified as share capital at their par value. Payments by shareholders above the par value are credited to reserves.

Treasury shares are deducted at their par value from share capital. The acquisition costs in excess of par value arising on the acquisition of treasury shares are debited to reserves. On the sale of treasury shares, gains or losses compared with the par value are credited or debited to reserves.

Dividends are debited to equity in the period in which the resolution on their distribution is adopted.

3 Critical judgments, estimates and appraisals by management

The application of the measurement and accounting principles requires that circumstances and estimates be assessed, and assumptions be made with respect to the carrying amounts of assets and liabilities. The estimates and the underlying assumptions are based on past experience and other factors regarded as relevant, including expectations of future events that appear reasonable in the given circumstances. The actual results may, of course, deviate from the estimates and assumptions of management.

Estimates and the underlying assumptions are reviewed continually. Revised estimates are recognized prospectively. The following are the main areas in which a significant risk exists in the coming business year regarding a significant adjustment of the carrying value of assets and liabilities.

Impairment tests

Along with the regular periodic review of goodwill and intangible assets with an indefinite useful life, the carrying amounts of fixed and intangible assets with a finite useful life are also always reviewed if due to changed circumstances or other triggering events these amounts can possibly no longer be realized. If such a situation occurs, the recoverable amount is determined based on expected future earnings. This corresponds to either the discounted expected cash flows or the expected net sales price.

Important assumptions in the calculations underlying the impairment tests include growth rates, margins, estimates and management's expectations of the future development of net working capital and discount rates. The actual cash flows may deviate from the planned and discounted values. Likewise, the useful lives may be shortened, or non-current assets impaired, in the event of a change in the use of buildings, machinery and facilities, change or abandonment of locations, or lower-than-expected revenues over the medium term. Further information on this topic can be found in note 14 'Property, plant, and equipment' and note 15 'Intangible assets and goodwill'.

Valuation of pension plan liabilities

Various employee pension plans exist for employees of the Group. In the valuation of defined benefit plans, actuarial assumptions are made to estimate future developments. These include assumptions and estimates relating to the discount rate, the inflation rate as well as assumptions for future wage trends. In their actuarial calculations for determining employee benefit obligations, the actuaries also use statistical information such as mortality tables and staff turnover rates. If these parameters change owing to a change in the economic situation or market conditions, the subsequent results may deviate considerably from the current actuarial reports and calculations. These deviations may have a significant medium-term effect on expenses and income from the employee pension schemes and on other comprehensive income. Further information on this topic can be found in note 18 'Employee benefit obligations'.

Recognition and measurement of provisions

In the conduct of ordinary business activities, a liability of uncertain timing and/or amount may arise. Provisions are determined using available information based on reasonably expected cash outflows. Claims against Group companies may arise that may not be covered, or are covered only in part, by provisions or insurance benefits. Further information on this topic can be found in note 17 'Provisions'.

Income taxes

The Group is obliged to pay income taxes in various countries. Certain key assumptions are necessary in order to determine income tax in the relevant countries. The impact of certain business events on taxation and taxable profit and, hence, the amount of the final taxation cannot be determined definitively. The measurement of current tax liabilities is subject to the interpretation of tax regulations in the relevant countries. The adequacy of this interpretation is assessed by the tax authorities in the course of the final assessment or tax audits. This may result in material changes to income tax expenses. Where the definitive taxation of these business events deviates from the previous assumptions, this will have an impact on the current and deferred taxes in the period in which the taxation is definitively determined. Furthermore, determining whether tax losses carried forward can be capitalized requires a critical estimate of the probability that they can be offset against future profits. This assessment is based on planning information. Further information on this topic can be found in note 10 'Income taxes'.

4 Application of new or amended accounting standards

The Group adopted several minor amendments made by the International Accounting Standards Board (IASB) to existing standards and interpretations, which came into effect on January 1, 2024 and January 1, 2025. The first-time adoption of these revised standards and interpretations had no significant impact on the consolidated financial statements presented here.

In April 2024, the IASB published IFRS 18, which replaces IAS 1 and introduces new requirements for the structure of the income statement. These include defined totals, subtotals, and the categorization of all income and expenses into operating, investing, financing, income taxes, and discontinued operations – the first three of which are new. In addition, management-defined performance indicators and new rules for aggregating and disaggregating financial information must be disclosed. IAS 7 on cash flow statements was also adjusted: the indirect method uses operating profit or loss as the starting point for calculating operating cash flows and options for disclosing dividend and interest cash flows have been eliminated. IFRS 18 enters into effect on January 1, 2027, and is to be applied retroactively. IFRS 18 and the subsequent changes were not applied early to these consolidated financial statements. The Group has performed an initial assessment of the expected impact of IFRS 18 on its consolidated financial statements. While the implementation of IFRS 18 will lead to changes in the presentation of the Group's primary financial statements and certain note disclosures, the standard is not expected to have a material impact on the Group's currently disclosed subtotals in profit and loss, including operating profit. The Group will continue to evaluate the detailed implications as part of its implementation project ahead of the mandatory effective date.

Further accounting standards which have been published by the IASB but only come into effect after January 1, 2026, were not adopted early in the consolidated financial statements. No significant impact on the consolidated financial statements presented here is expected from the first-time adoption of these standards and interpretations.

5 Segment reporting

The Group operates globally in the segments Flooring Systems and Movement Systems. The divisions correspond to the internal management structure and are run separately because the products they manufacture, distribute, and sell differ fundamentally in terms of production, distribution, and marketing.

In the Flooring Systems division, the Group develops, produces, and sells linoleum, vinyl floorings, entrance flooring systems, carpet tiles, needle felt floor coverings, Flotex, the washable textile flooring, and building and construction adhesives as well as various accessory products required for the laying, processing, cleaning, and care of flooring. In the Movement Systems division, the Group develops, produces, and sells high-quality conveyor and processing belts, as well as plastic modular belts, and drive, timing and flat belts made of synthetic materials. Corporate includes the costs of the Group headquarters and certain items of income and expenses that are not directly attributable to a specific segment.

The Flooring Systems and the Movement Systems divisions are reportable segments. The identification of the reportable segments is based on internal management reporting to the Chief Executive Officer of the Group and hence on the financial information used to review the performance of the operational units in order to reach a decision on the allocation of resources.

The internal management reporting is based on the same accounting principles as the external reporting.

The Chief Executive Officer assesses the performance of the reportable segments based on their operating result. The financial result is not allocated to the segments since it is Corporate Treasury that mainly exercises central control over it. Inter-segment sales are transacted at arm's length. The segments apply the same accounting principles as the Group. Sales to third parties, as they are reported to the Chief Executive Officer, are identical with the sales reported in the income statement.

Segment information on the reportable segments for the reporting year:

2025				
CHF m	Flooring Systems	Movement Systems	Corporate/ elimination	Total
Total net sales	738.2	347.3	-0.1	1,085.4
Inter-segment net sales		-0.1	0.1	0.0
Net sales to third parties	738.2	347.2	0.0	1,085.4
Operating profit	80.5	15.4	-8.1	87.8
Operating profit before depreciation and amortization	107.4	36.7	-7.3	136.8
Segment non-current assets	244.5	129.1	7.3	380.9
Capital expenditure ¹⁾	35.6	11.4		47.0
Full time equivalents (December 31)	2,673	2,383	44	5,100

¹⁾ Purchase of tangible and intangible assets (excluding leasing).

Segment information on the reportable segments for the prior year:

2024				
CHF m	Flooring Systems	Movement Systems	Corporate/ elimination	Total
Total net sales	765.6	356.6	-0.2	1,122.0
Inter-segment net sales	0.0	-0.2	0.2	0.0
Net sales to third parties	765.6	356.4	0.0	1,122.0
Operating profit	99.0	30.4	-8.8	120.6
Operating profit before depreciation and amortization	123.8	50.8	-8.3	166.3
Segment non-current assets	233.0	136.4	8.1	377.5
Capital expenditure ¹⁾	27.1	18.1	0.9	46.1
Full time equivalents (December 31)	2,688	2,329	42	5,059

¹⁾ Purchase of tangible and intangible assets (excluding leasing).

Reconciliation of segment information to the income statement and balance sheet:

	2025	2024
CHF m		
Total segment result (operating profit)	87.8	120.6
Financial result	-0.9	1.0
Profit before taxes	86.9	121.6
	31.12.2025	31.12.2024
CHF m		
Total segment non-current assets	380.9	377.5
Current assets	553.6	568.3
Deferred tax assets	35.5	28.4
Employee benefit assets	1.9	1.6
Total assets	971.9	975.8

Segment non-current assets include 'Property, plant, and equipment', 'Intangible assets and goodwill' and 'Non-current financial assets' (equity-accounted investments).

The following table shows net sales to third parties broken down by destination region and by the two divisions that are identical with the reportable segments.

CHF m	Flooring Systems		Movement Systems		Forbo Group	
	2025	2024	2025	2024	2025	2024
<i>Regions</i>						
Europe	561.6	572.0	146.8	145.2	708.4	717.2
Americas	118.9	126.7	114.7	122.7	233.6	249.4
Asia/Pacific and Africa	57.7	66.9	85.7	88.5	143.4	155.4
Total net sales to third parties	738.2	765.6	347.2	356.4	1,085.4	1,122.0

Net sales to third parties by country of destination were generated in the following regions:

CHF m	2025	2024
Switzerland (domicile)	25.0	26.8
Germany	125.6	123.3
France	117.2	125.0
Benelux	104.2	106.2
Scandinavia	77.8	76.4
Great Britain and Ireland	74.5	76.3
Other countries Europe	184.1	183.2
Europe	708.4	717.2
USA	184.4	200.3
Other countries Americas	49.2	49.1
Americas	233.6	249.4
Asia/Pacific and Africa	143.4	155.4
Total net sales to third parties	1,085.4	1,122.0

In the period under review, sales to no single customer exceeded 10% of total Group sales.

Segment non-current assets are distributed over the following regions:

CHF m	31.12.2025	31.12.2024
Switzerland (domicile)	18.5	18.1
Germany	28.9	29.4
France	33.1	32.4
Benelux	97.2	94.5
Scandinavia	15.6	14.6
Great Britain and Ireland	70.9	74.6
Other countries Europe	20.6	19.4
Europe	284.8	283.0
USA	45.7	37.8
Other countries Americas	3.3	4.1
Americas	49.0	41.9
Asia/Pacific and Africa	47.1	52.6
Total segment non-current assets	380.9	377.5

6 Development costs

'Development costs' mainly comprise costs for product development. Costs for manufacturing trials, recipe optimization, and new collections are not reported within 'Development costs'. As in the previous year, no development costs were capitalized during the year under review.

7 Other operating expenses

'Other operating expenses' comprise expenses of different kinds in connection with legal costs, warranty costs, allowances on inventories, taxes on capital, levies based on local legislation, and allowances for doubtful trade receivables.

8 Other operating income

'Other operating income' comprises a range of income, such as the reversal of impairments on fixed assets, income from associated companies, gain on sale of fixed assets and income from sales of material for recycling purposes.

9 Personnel expenses

	2025	2024
Personnel expenses		
CHF m		
Salaries and wages	290.2	276.8
Social security contributions	62.0	67.1
Employee benefit expenses for defined contribution plans	11.1	12.0
Employee benefit expenses for defined benefit plans	4.9	4.8
Total personnel expenses	368.2	360.7

Salaries and wages include share-based payment expenses of CHF 1.1 million (2024: CHF 2.2 million). A bonus program is available for around 150 managers, which is linked to achieving financial targets set for the Group, the divisions, and individual objectives (see also note 19 'Employee participation plan').

As at December 31, 2025, the number of full time equivalents employed was 5,100 (2024: 5,059). The weighted average number of full time equivalents over the year was 5,212 (2024: 5,194).

10 Income taxes

	2025	2024
Income taxes		
CHF m		
Current income taxes	18.5	27.1
Deferred income taxes	-0.5	-0.6
Total income taxes	18.0	26.5

Analysis of tax expense

The following reconciliation explains the difference between the expected and the effective income tax expense:

	2025	2024
CHF m		
Group profit before taxes	86.9	121.6
Tax expense at the applicable tax rate	-20.2	-27.8
Applicable tax rate in %	23.3	22.9
Tax effects of:		
Non-tax-deductible expenses	-1.2	-0.9
Tax-exempt income	0.3	2.7
Recognition of previously unrecognized tax losses	5.6	0.1
Previous-year taxes and other positions	-2.5	-0.6
Effective income tax expenses	-18.0	-26.5
Effective income tax rate in %	20.7	21.8

Since the Group operates in various countries with different tax laws and rates, the expected and effective income tax expense depends every year on the amount of profits or losses in each country. The expected income tax expense is the sum of the expected individual tax expense of all subsidiaries based on the respective tax rates applicable. The expected individual income tax expense in a country is calculated by multiplying the individual profit/loss with the tax rate applicable in the country concerned.

Capitalized and non-capitalized tax loss carry-forwards all expire in more than five years:

	2025	2024
CHF m		
Non capitalized	9.5	28.8
Capitalized	44.8	20.3
Total tax loss carry-forwards	54.3	49.1

The following amounts are shown in the balance sheet:

	31.12.2025	31.12.2024
CHF m		
Deferred tax assets	35.5	28.4
Deferred tax liabilities	-14.1	-5.2
Deferred taxes, net	21.4	23.2

Deferred tax assets and liabilities, tax credits, and tax charges from deferred taxes:

Deferred tax assets							
CHF m	Inventories	Property, plant, and equipment	Provisions	Loss carry- forwards	Employee benefit obligations	Other	Total
January 1, 2024	5.5	5.4	10.7	6.1	7.7	6.7	42.1
Changes recognized in income statement	-1.0	0.9	0.0	0.0	0.6	0.3	0.8
Changes recognized in other comprehensive income					-0.8		-0.8
Translation differences	0.0	0.2	-0.2	0.7	0.0	0.3	1.0
As at December 31, 2024	4.5	6.5	10.5	6.8	7.5	7.3	43.1
Changes recognized in income statement		-0.9	-2.7	5.8	0.1	2.4	4.7
Changes recognized in other comprehensive income					-1.3		-1.3
Translation differences	-0.2	-0.2	-0.1	-0.2	-0.7	-0.6	-2.0
As at December 31, 2025	4.3	5.4	7.7	12.4	5.6	9.1	44.5
Netting with deferred tax liabilities							-9.0
As at December 31, 2025							35.5
Deferred tax liabilities							
CHF m	Inventories	Property, plant, and equipment	Provisions	Intangible assets	Employee benefit obligations	Other	Total
January 1, 2024	2.8	6.2	0.1	3.8	0.0	5.9	18.8
Changes recognized in income statement	-0.2	-0.5		0.7		0.2	0.2
Translation differences	-0.1	0.1	0.0	0.7		0.2	0.9
As at December 31, 2024	2.5	5.8	0.1	5.2	0.0	6.3	19.9
Changes recognized in income statement	-0.3	1.8	0.8	0.1		1.8	4.2
Translation differences		-0.4		-0.4		-0.2	-1.0
As at December 31, 2025	2.2	7.2	0.9	4.9	0.0	7.9	23.1
Netting with deferred tax assets							-9.0
As at December 31, 2025							14.1
Decrease in net deferred tax assets 2024							-0.1
Decrease in net deferred tax assets 2025							-1.8

As at December 31, 2025 and December 31, 2024, no deferred income tax liabilities on undistributed profits from consolidated companies have been recognized, since this income is either tax exempt or deemed to have been reinvested for an indefinite period.

Should there be a distribution, withholding and other taxes might be incurred, which, upon decision, will be provided for accordingly.

Income tax expense and income recognized in the other comprehensive income statement:

CHF m	2025			2024		
	Before tax	Tax expense	After tax	Before tax	Tax expense	After tax
Actuarial losses (-)/gains on employee benefit obligations	9.3	- 1.3	8.0	1.4	- 0.8	0.6
Translation differences	- 24.5		- 24.5	7.3		7.3
Other comprehensive income	- 15.2	- 1.3	- 16.5	8.7	- 0.8	7.9

Global minimum taxation

The Group is within the scope of the Global Anti-Base Erosion (GLoBE) Pillar Two rules. Since January 1, 2024, various jurisdictions in which the Group operates have introduced or amended legislation related to global minimum taxation. In Switzerland, the domestic minimum top-up tax has been in effect since January 1, 2024, while the international minimum top-up tax applies as of January 1, 2025. Based on the transitional safe harbor rules, the Group expects to benefit from the safe harbor in most jurisdictions. For jurisdictions where the safe harbor does not apply, the Group performs the required Pillar Two calculations and recognizes a liability for top-up taxes where necessary. For 2025 and 2024, no top-up tax liability needed to be recognized.

11 Earnings per share

Earnings per share are calculated as follows:

	2025	2024
Profit in CHF million	68.9	95.1
Weighted average number of outstanding shares	1,413,124	1,410,356
Weighted average number of outstanding shares used to calculate diluted earnings per share	1,413,124	1,410,356
Basic earnings per share in CHF	48.75	67.45
Diluted earnings per share in CHF	48.75	67.45

12 Trade receivables

	31.12.2025	31.12.2024
Trade receivables		
CHF m		
Accounts receivable	134.8	138.0
Notes receivable	8.2	9.2
Allowance	-4.8	-4.4
Total trade receivables	138.2	142.8

Information with regard to the Group's credit and market risks and allowances for doubtful trade receivables are found in note 23 'Financial risk management'.

13 Inventories

	31.12.2025	31.12.2024
Inventories		
CHF m		
Raw materials and supplies	62.9	60.0
Work in progress	95.4	99.3
Finished goods	152.9	150.8
Allowance	-29.5	-28.5
Total inventories	281.7	281.6

Cost of materials recognized in the reporting year came to CHF 379.6 million (2024: CHF 395.9 million).

14 Property, plant, and equipment

Cost on acquisition					
CHF m	Land and buildings	Machinery and equipment	Vehicles and other property, plant, and equipment	Assets under construction	Total property, plant, and equipment
As at January 1, 2024	166.2	667.4	111.2	32.8	977.6
Additions	17.1	8.6	9.3	33.9	68.9
Disposals	-2.6	-5.7	-8.6	0.0	-16.9
Transfers	10.6	20.1	1.9	-33.8	-1.2
Translation differences	5.3	9.7	0.8	0.6	16.4
As at December 31, 2024	196.6	700.1	114.6	33.5	1,044.8
Additions	15.4	9.0	10.2	32.9	67.5
Disposals	-6.3	-6.2	-6.6	0.0	-19.1
Transfers	5.2	27.3	1.7	-34.2	0.0
Translation differences	-14.9	-19.2	-2.9	-2.3	-39.3
As at December 31, 2025	196.0	711.0	117.0	29.9	1,053.9

Accumulated depreciation and impairments					
CHF m	Land and buildings	Machinery and equipment	Vehicles and other property, plant, and equipment	Assets under construction	Total property, plant, and equipment
As at January 1, 2024	55.0	561.5	94.5	0.0	711.0
Depreciation	16.0	22.0	8.5		46.5
Reversal of Impairment	-1.0	-0.9	0.0		-1.9
Disposals	-2.4	-5.8	-8.4		-16.6
Translation differences	3.2	8.0	0.8		12.0
As at December 31, 2024	70.8	584.8	95.4	0.0	751.0
Depreciation	16.2	23.4	8.9		48.5
Reversal of Impairment	-0.8				-0.8
Disposals	-5.9	-6.0	-6.5		-18.4
Translation differences	-8.9	-14.9	-2.0		-25.8
As at December 31, 2025	71.4	587.3	95.8	0.0	754.5

Net carrying amount					
As at December 31, 2024	125.8	115.3	19.2	33.5	293.8
As at December 31, 2025	124.6	123.7	21.2	29.9	299.4

Included under 'Property, plant, and equipment' are right-of-use assets amounting to CHF 49.5 million (2024: CHF 49.3 million). Further information can be found in note 21 'Leasing'.

Maintenance and repair costs amounted to CHF 24.7 million (2024: CHF 24.9 million). The depreciation expense of CHF 48.5 million (2024: CHF 46.5 million) is included in the items 'Cost of goods sold', 'Development costs', 'Marketing and distribution costs', and 'Administrative costs'.

As at December 31, 2025 and December 31, 2024, there was no property, plant and equipment for which interest on borrowed capital was capitalized during the preparation phase.

As at December 31, 2025, the Group had outstanding purchase orders for capital goods amounting to CHF 7.8 million (2024: CHF 11.1 million).

In the reporting period, the remaining impairment on fixed assets in Russia, initially recognized in the year 2022, was released, as the actual valuation of these assets resulted in a higher realizable value. The impairment was already adjusted in the prior period to reflect the higher realizable value then.

15 Intangible assets and goodwill

Cost on acquisition				
CHF m	Goodwill	Trademarks	Other intangible assets	Total
As at January 1, 2024	74.9	31.6	70.6	177.1
Additions			0.9	0.9
Disposals			-0.1	-0.1
Transfers			1.2	1.2
Translation differences	0.5	0.3	2.8	3.6
As at December 31, 2024	75.4	31.9	75.4	182.7
Additions			0.4	0.4
Translation differences	-0.8	-0.4	-3.6	-4.8
As at December 31, 2025	74.6	31.5	72.2	178.3

Accumulated amortization and impairments				
CHF m	Goodwill	Trademarks	Other intangible assets	Total
As at January 1, 2024	8.2	26.2	63.7	98.1
Amortization			1.2	1.2
Disposals			-0.1	-0.1
Translation differences	-0.3		2.1	1.8
As at December 31, 2024	7.9	26.2	66.9	101.0
Amortization			1.4	1.4
Translation differences	0.3		-3.1	-2.8
As at December 31, 2025	8.2	26.2	65.2	99.6
Net carrying amount				
As at December 31, 2024	67.5	5.7	8.5	81.7
As at December 31, 2025	66.4	5.3	7.0	78.7

The position 'Trademarks' consists of the trademarks acquired in connection with the acquisition of Bonar Floors in 2008. 'Other intangible assets' consist primarily of the customer relations and technologies acquired as part of the acquisition of Bonar Floors.

Goodwill and intangible assets with an indefinite useful life (trademarks) are distributed among the following groups of cash-generating units:

	31.12.2025	31.12.2024
Flooring Systems		
Goodwill	63.2	64.1
Trademarks	5.3	5.7
Movement Systems		
Goodwill	3.2	3.4
Total Goodwill and trademarks	71.7	73.2

The annual impairment test including sensitivity analyses of the goodwill and intangible assets with an indefinite useful life resulted in the reporting year, as in the previous year, in a value in use that was greater than the carrying amount. In the calculation of the value in use for the detailed planning period, the same expected margins for the operating profit before depreciation and amortizations are assumed as are used for medium-term planning and include past experience as well as future expectations of the management and board of directors. The growth rate upon which the terminal value is based corresponds to the expected level of inflation and the discount rate corresponds to the total weighted cost of capital before taxes, calculated on the basis of a risk-free base interest rate adjusted to include a markup for risk and inflation.

	2025	2024
EBITDA margin for planning period (following three years)		
Flooring Systems	16–17	15–18
Movement Systems	18–19	17–21
Growth rate to calculate terminal value	1.0	1.0
Discount rate	8.6	8.4

16 Accrued expenses and deferred income

	31.12.2025	31.12.2024
Accrued expenses and deferred income		
CHF m		
Accrued expenses for compensation and employee benefits	36.4	36.1
Other accrued expenses	30.9	33.9
Total accrued expenses and deferred income	67.3	70.0

Accrued expenses for compensation and employee benefits mainly comprise overtime accruals and commissions. Other accrued expenses include accrued volume rebates, commissions, premiums, interest, and goods and services received but not yet invoiced.

17 Provisions

Provisions					
CHF m	Warranty provisions	Provisions for legal claims	Personnel provisions	Other provisions	Total
As at January 1, 2025	4.3	41.0	3.9	0.1	49.3
Additions	5.9	0.2	0.8	0.5	7.4
Used during the year	-3.8	-1.1	-0.7		-5.6
Released during the year	-0.1	-9.4	-0.2		-9.7
Translation differences	-0.2	-0.2		-0.1	-0.5
As at December 31, 2025	6.1	30.5	3.8	0.5	40.9
Of which current provisions	4.6	0.7	2.0	0.3	7.6
Of which non-current provisions	1.5	29.8	1.8	0.2	33.3

Warranty provisions are linked to product sales and are based on past experience. The provisions for legal claims relate mainly to liability claims. Personnel provisions comprise possible obligations arising from employment contracts and structural measures. Most of the anticipated cash outflow for the non-current provisions is expected in the next two to five years.

18 Employee benefit obligations

The Group has established several pension plans on the basis of the specific requirements of the countries in which it operates. The Group maintains both, defined contribution and defined benefit plans that insure employees against the risks of death and invalidity and provide old-age pensions.

The liabilities and assets under the main defined benefit plans are assessed by independent actuaries using the 'projected unit credit method'.

Pension plans in the United Kingdom

The Group has two defined benefit pension plans in the United Kingdom. The main one is the Forbo Superannuation Fund (FSF), which accounts for 48% of the Group's total pension liabilities (2024: 48%). The FSF is a pension plan whose benefits are based on the final salary and which pays out a guaranteed pension for life to its members. The composition of the pension liabilities is as follows: 1% to active employees, 30% to deferred members, and 69% to current beneficiaries (2024: 1% to active employees, 29% to deferred members, and 70% to current beneficiaries).

The FSF operates under trust law and is managed and administered by the trustees on behalf of the members in accordance with the terms of the Trust Deed and Rules and relevant legislation. The FSF's assets are held by the trust. Responsibility for governance of the FSF – including investment decisions and contribution schedules – lies with the trustees. The board of trustees must be composed of representatives of the company and plan participants in accordance with the FSF's regulations and British pension law.

The pension plan follows an investment strategy that is geared to the structure of the pension liabilities ('liability-driven investment' approach).

The use of any ultimate surplus is not subject to any restrictions under the FSF's articles of incorporation and can be used freely by the Group. These surpluses are therefore recognized in the balance sheet as assets in accordance with IAS 19 revised.

The FSF is closed to new entrants for years. Employees in the United Kingdom who meet certain criteria are offered a defined contribution plan.

Pension plan in Switzerland

The Group pays contributions to an independent pension fund as part of the occupational pension provision (known in Switzerland as the 'second pillar'). As a minimum benefit, this independent pension fund must provide the beneficiary with an old-age pension at the time of retirement. This pension is paid out of the retirement savings capital at the start of the pension. The Group meets these liabilities through agreements with pension funds that cover the pension liabilities in full.

The pension liabilities of the Swiss Group companies account for 29% of the Group's entire pension liabilities (2024: 28%). 97% of the liabilities are to employees and 3% to beneficiaries (2024: 96% to employees and 4% to beneficiaries).

The Swiss pension system includes guarantees that expose the company to the risk that it may have to provide additional financing, for instance, if the pension fund is unable to meet its obligations or decides to end the insurance relationship. The pension fund guarantees a minimum return and is responsible for the payment of a pension for life once the insurance benefits fall due. As a result of these guarantees, Swiss pension plans are treated as defined benefit plans under IAS 19 revised, even though they contain essential elements of defined contribution plans.

The company cannot participate in any surplus of the pension plan. According to Swiss pension law, all surpluses belong to the pension plan and hence to its members.

Other pension plans

Other notable defined benefit plans exist in France, Germany, Japan, Sweden, and the USA. In the Netherlands, Forbo has also offered an early retirement plan since 2021. The plan in the Netherlands was available to employees only up to December 31, 2025. In the reporting period, the liability from this plan amounted to CHF 2.2 million (2024: CHF 3.8 million).

The latest actuarial valuations of the present values of defined benefit liabilities and of service costs were performed as at December 31, 2025, by independent actuaries using the projected unit credit method. The fair value of the plan assets was determined as at December 31, 2025, based on the information available when the annual financial statements were prepared. The weighted average duration of the pension plans ('plan duration') is 10.7 years for the United Kingdom, 15.5 years for Switzerland, and 11.8 years for the other countries (2024: 9.7 years for the United Kingdom, 15.5 years for Switzerland, and 12.8 years for the other countries).

The principal assumptions underlying the actuarial calculations are summarized as follows:

Actuarial assumptions	2025				2024			
	Switzerland	UK	Other	Weighted	Switzerland	UK	Other	Weighted
Discount rate (in %)	1.2	5.4	3.7	3.9	0.9	5.4	2.9	3.7
Future increases in salaries (in %)	1.6	3.6	2.9	2.0	1.8	3.9	2.7	2.2
Inflation rate (in %)	1.0	2.9	2.1	2.3	1.2	3.2	2.0	2.5
Life expectancy at age of 65 (in years)								
Year of birth 1960								
Men	22	21	21	21	22	20	21	21
Women	24	23	24	23	24	23	24	23
Year of birth 1975								
Men	23	21	23	22	23	21	23	22
Women	25	24	26	24	25	24	26	24

The pension costs for defined benefit plans recognized in the consolidated income statement can be summarized as follows:

Pension costs	2025				2024			
	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
CHF m								
Service cost	2.0	0.3	1.3	3.6	1.7	0.5	1.4	3.6
Interest cost	0.5	5.7	1.4	7.6	0.7	5.7	1.3	7.7
Interest income on plan assets	-0.5	-5.7	-0.2	-6.4	-0.6	-5.6	-0.3	-6.5
Other	0.1			0.1				
Total pension cost	2.1	0.3	2.5	4.9	1.8	0.6	2.4	4.8

Changes in pension liabilities under the defined benefit plans:

	2025				2024			
Benefit obligations								
CHF m	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
As at January 1	62.0	114.6	43.6	220.2	57.3	125.2	43.3	225.8
Service cost	2.0	0.3	1.3	3.6	1.7	0.5	1.4	3.6
Employee contributions	1.2	0.0	0.0	1.2	1.0	0.0	0.1	1.1
Interest cost	0.5	5.7	1.4	7.6	0.7	5.7	1.3	7.7
Benefits paid	-4.6	-8.8	-4.0	-17.4	-2.4	-8.7	-2.1	-13.2
Actuarial gains (-)/losses	-2.4	-1.1	-3.2	-6.7	3.7	-14.7	1.0	-10.0
Other	0.1		-0.3	-0.2				
Translation differences		-6.6	-0.7	-7.3		6.6	-1.4	5.2
As at December 31	58.8	104.1	38.1	201.0	62.0	114.6	43.6	220.2

Changes in plan assets of the defined benefit plans at fair value:

	2025				2024			
Plan assets								
CHF m	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
As at January 1	53.3	114.1	5.0	172.4	48.1	123.3	5.2	176.6
Interest income on plan assets	0.5	5.7	0.2	6.4	0.6	5.6	0.3	6.5
Employer contributions	1.9	0.0	3.7	5.6	1.9	0.3	1.7	3.9
Employee contributions	1.2	0.0	0.0	1.2	1.0	0.0	0.1	1.1
Return on pension assets (excluding amounts in interest income)	2.0	0.5	0.1	2.6	4.1	-12.9	0.2	-8.6
Benefits paid	-4.6	-8.8	-4.0	-17.4	-2.4	-8.7	-2.1	-13.2
Other	-0.1		-0.3	-0.4				
Translation differences		-6.6	-0.1	-6.7		6.5	-0.4	6.1
As at December 31	54.2	104.9	4.6	163.7	53.3	114.1	5.0	172.4

Actuarial gains and losses are recognized in the balance sheet under 'Employee benefit obligations', 'Employee benefit assets' and as 'Other comprehensive income'.

Most of the pension plans are financed in full or in part via externally managed funds. Pension liabilities amounting to CHF 26.1 million (2024: CHF 29.6 million) out of a total of CHF 201.0 million (2024: CHF 220.2 million) are unfunded.

Changes in the net liabilities of defined benefit plans recognized in the balance sheet:

	2025				2024			
Net liabilities/ Net assets								
CHF m	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
As at January 1	8.7	0.5	38.6	47.8	9.2	1.9	38.1	49.2
Pension cost	2.1	0.3	2.5	4.9	1.8	0.6	2.4	4.8
Employer contributions	-1.9	0.0	-3.7	-5.6	-1.9	-0.3	-1.7	-3.9
Actuarial gains (-)/losses	-4.4	-1.6	-3.3	-9.3	-0.4	-1.8	0.8	-1.4
Translation differences			-0.6	-0.6		0.1	-1.0	-0.9
Other	0.1			0.1				0.0
Net liabilities as at December 31	4.6	-0.8	33.5	37.3	8.7	0.5	38.6	47.8
Of which employee benefit assets		1.3	0.6	1.9		1.1	0.5	1.6
Of which employee benefit obligations	4.6	0.5	34.1	39.2	8.7	1.6	39.1	49.4

Gains and losses of defined benefit pension plans booked in 'Other comprehensive income' for all segments:

	2025				2024			
Gains and losses recognized as other comprehensive income								
CHF m	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
Actuarial gains in the current period:	2.4	1.1	3.2	6.7	-3.7	14.7	-1.0	10.0
Based on adjustment of demographic assumptions	0.0	-0.2	0.0	-0.2	0.0	3.4	-0.2	3.2
Based on adjustment of financial assumptions	1.9	1.8	3.0	6.7	-3.7	9.4	0.1	5.8
Experience adjustment	0.5	-0.5	0.2	0.2	0.0	1.9	-0.9	1.0
Return on pension assets (excluding amounts in interest income)	2.0	0.5	0.1	2.6	4.1	-12.9	0.2	-8.6
Total gains/losses (-) recognized as other comprehensive income before taxes	4.4	1.6	3.3	9.3	0.4	1.8	-0.8	1.4

Change in the present value of defined benefit liabilities:

	2025			2024		
	+ 50bp			+ 50bp		
CHF m	Switzerland	UK	Other	Switzerland	UK	Other
Discount rate	-4.3	-5.1	-2.1	-4.6	-5.1	-2.4
Increases in salaries	1.3	0.0	1.1	1.2	0.0	1.3
Inflation rate	1.0	2.8	2.0	1.0	2.3	1.9
Interest credits on retirement assets	1.1			1.1		
Sensitivities + 50bp						
	- 50bp			- 50bp		
CHF m	Switzerland	UK	Other	Switzerland	UK	Other
Discount rate	4.9	5.6	2.2	5.2	5.6	2.6
Increases in salaries	-1.1	0.0	-0.9	-1.2	0.0	-1.1
Inflation rate	-0.9	-2.6	-1.8	-0.9	-2.9	-2.4
Interest credits on retirement assets	-1.0			-1.1		
Sensitivities - 50bp						

The above table describes the effect of the principal actuarial assumptions on pension liabilities. The table shows the effect of an isolated change of a single parameter, assuming that all other parameters remain unchanged. However, sensitivities may differ for individual plans. The sensitivity analysis aims to visualize the uncertainty in valuing pension liabilities under market conditions at the date of valuation. The results cannot be extrapolated owing to possible non-linear effects in the event of changes to the actuarial assumptions. Moreover, the analysis cannot say anything about the likelihood of these changes occurring, nor does it present the view of the Group regarding anticipated future changes in pension liabilities.

Weighted average asset allocation of the defined benefit plan assets as at December 31:

	2025	2024
%		
Shares	23.3	23.1
Bonds	27.2	27.7
Real Estate	21.5	21.5
Other securities	24.8	25.5
Cash and cash equivalents	3.2	2.2
Total plan assets as at December 31	100.0	100.0

'Shares', 'Bonds' and 'Other securities' were mainly quoted and 'Real Estate' mainly unquoted investments. The plan assets did not include any direct shares or other securities of the Forbo Group.

Contributions to defined benefit plans in the following year are estimated at the same level as in the current year.

Other non-current benefits

The Group does not finance any other non-current benefits. The plans for long-service bonuses and other benefits related to years of service are negligible or do not qualify as plans for other non-current benefits.

19 Employee participation plan

As of December 31, 2025, there existed the following share-based remuneration elements:

Remuneration of the Board of Directors

In the reporting year, the remuneration system for the Chair of the Board of Directors was adjusted as a result of the newly elected Chair at the 2025 Ordinary General Meeting. As the new Chair does not have an executive function anymore, the remuneration model has been aligned with the existing model of the other members of the Board of Directors.

The details and figures for the remuneration of the Board of Directors and the Executive Board are to be found in note 24 'Related-party transactions' of this Financial Report as well as 147 to 152 of the Remuneration Report.

The number of shares with a three-year vesting period allocated to the members of the Board of Directors came to 859 in the reporting year (2024: 359). This amount includes the shares allocated to the new Chair since the 2025 Ordinary General Meeting. During the reporting year, the former Chair – who was fully compensated in Forbo shares – received a distinct allocation of 297 shares.

Remuneration of the Executive Board

Long-Term Incentive Plan (LTI)

The LTI is a long-term participation plan consisting of a performance share unit plan. At the beginning of the performance period, each member of the Executive Board receives a certain number of deferred subscription rights in the form of performance share units (PSUs). One PSU corresponds to a deferred subscription right to one share. The PSUs are subject to a three-year vesting period. At the end of the vesting period, it is determined whether and to what extent the targets set by the Board of Directors at the beginning of the vesting period have been reached. Based on the level of target achievement, a corresponding percentage of the PSUs is converted into shares. These are subject to a one-year blocking period (they had been subject to a three-year blocking period for the Long-Term Incentive Plan up to and including 2022 – 2024). They cannot be sold or pledged during this period.

The relevant stock exchange price for the allocation of PSUs at the beginning of the vesting period is calculated on the basis of the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective PSU allocation year.

Within the framework of the LTI, 32 shares (2024: 138) were allocated in the year under review. The share price at measurement date was CHF 776.43 (2024: CHF 1,006.14).

Management investment plan (MIP)

When the Short-Term Incentive (STI) is paid out, at least 50% must be allocated to the MIP. The remaining 50% can be withdrawn in full or in part by the members of the Executive Board in cash or likewise invested in the MIP. Each year, they can decide how this remaining 50% is allocated. The amounts allocated to the MIP are invested in shares of Forbo Holding Ltd. These are subject to a three-year blocking period and cannot be sold or pledged during this period.

The portion of the short-term incentive that is settled in the form of shares is recognized at fair value and reported as a corresponding increase in equity. The shares distributed under the MIP are issued on the basis of the unweighted average of the closing prices of Forbo shares during the first 14 trading days in January of the respective allocation year.

The number of shares of Forbo Holding Ltd issued in the year under review under the MIP was 197 (2024: 156). A further 111 shares (2024: 87) were allocated to Executive Board members in the reporting year as part of the fixed basic salary.

The amount charged to the income statement in application of IFRS 2 for shares issued to the Board of Directors, the Executive Board and employees came to CHF 1.1 million in the year under review (2024: CHF 2.2 million).

20 Share capital and capital management

Share capital

As at December 31, 2025 and December 31, 2024, the share capital of Forbo Holding Ltd stood at CHF 148,500 (2024: CHF 148,500), divided into 1,485,000 registered shares with a par value of CHF 0.10 each. Of this amount, 21,419 (2024: 21,419) registered shares without voting or dividend rights continued to be at the disposal of the Board of Directors. Consequently, 1,463,581 (2024: 1,463,581) registered shares were eligible for dividends as at December 31, 2025.

	31.12.2025	Change	31.12.2024
	Number	Number	Number
Total shares issued	1,485,000	0	1,485,000
less:			
Treasury shares	-44,604	8,374	-52,978
Own shares with no dividend rights	-21,419	0	-21,419
Total treasury shares	-66,023	8,374	-74,397
Total shares outstanding	1,418,977	8,374	1,410,603

At the Ordinary General Meeting of April 2, 2026, the Board of Directors will propose an ordinary gross dividend of CHF 25.00 per registered share, which will lead to an estimated pay out amount of CHF 35.5 million (2024: CHF 25.00 with a pay out amount of CHF 35.3 million). No distribution will be made for treasury shares held by Forbo Holding Ltd or any of its subsidiaries on the record date, which explains why the amount for distribution as ordinary dividends may still change.

Capital management

By capital management, the Group means management of consolidated shareholders' equity as well as optimization of the capital employed. The former includes the fully paid-up share capital, the positions 'Treasury shares', 'Reserves', and 'Translation differences' and, as per December 31, 2025, amounted to CHF 649.6 million (2024: CHF 626.0 million).

21 Leasing

The Group is the lessee for various fixed assets, in particular buildings and vehicles.

The table below shows the right-of-use assets recognized under property, plant, and equipment.

Right-of-use assets				
CHF m	Land and buildings	Machinery and equip- ment	Vehicles and other property, plant, and equipment	Total property, plant, and equipment
As at January 1, 2024	30.8	1.0	9.9	41.7
Additions	14.0	1.8	8.0	23.8
Derecognition	-0.1	0.0	-0.4	-0.5
Depreciation	-10.4	-0.7	-5.9	-17.0
Translation differences	1.2	0.0	0.1	1.3
As at December 31, 2024	35.5	2.1	11.7	49.3
Additions	12.6	0.3	8.0	20.9
Derecognition	-0.4		-0.2	-0.6
Depreciation	-10.7	-0.7	-6.2	-17.6
Translation differences	-1.9	-0.1	-0.5	-2.5
As at December 31, 2025	35.1	1.6	12.8	49.5
			2025	2024
Lease liabilities			47.8	46.9

The recognized lease liabilities are stated in the current and non-current financial liabilities (see note 22 'Financial instruments'). The maturity analysis of the leasing liabilities is reported in note 23 'Financial risk management'.

Details of expenditure and cash flows for leases are shown in the table below:

	2025	2024
Interest for lease liabilities	1.6	1.3
Expenses for short-term leases	3.1	3.2
Expenses for low-value leases	1.0	0.7
Lease payments including interest	19.2	17.8

22 Financial instruments

Classification and fair values

The table below shows the carrying amounts and fair values of financial assets and financial liabilities. It does not contain information on the fair value of financial assets and financial liabilities if the book value constitutes an appropriate approximate value for their current fair value.

The item 'Derivative financial instruments' contains open foreign exchange hedging and swap transactions with a contract value at December 31, 2025, totaling CHF 78.6 million (2024: CHF 59.0 million). The foreign exchange rates can be directly observed or determined. The derivatives are therefore assigned to hierarchy level 2.

The items 'Other receivables' and 'Other current liabilities' are lower than shown in the balance sheet since the direct and indirect tax receivables and liabilities they contain do not qualify as financial instruments.

'Current financial liabilities' and 'Non-current financial liabilities' in essence correspond to the liabilities from leasing.

The carrying amount of the financial assets and financial liabilities valued at amortized cost is a reasonable approximation of the fair value. The Group did not hold any significant financial instruments measured at recurring fair value nor was there any regrouping between the levels of the fair value hierarchy.

Classification of financial instruments	Carrying amount		
CHF m	Fair value through profit or loss	Amortized cost	Total
31.12.2025			
Financial assets:			
Cash and cash equivalents		90.2	90.2
Derivative financial instruments	0.5		0.5
Trade receivables		138.2	138.2
Other receivables		4.3	4.3
Non-current financial assets		2.8	2.8
Financial liabilities:			
Current financial liabilities		15.8	15.8
Trade payables		78.6	78.6
Other current liabilities		11.0	11.0
Non-current financial liabilities		31.9	31.9

Classification of financial instruments			Carrying amount
CHF m	Fair value through profit or loss	Amortized cost	Total
31.12.2024			
Financial assets:			
Cash and cash equivalents		109.1	109.1
Trade receivables		142.8	142.8
Other receivables		4.5	4.5
Non-current financial assets		2.0	2.0
Financial liabilities:			
Derivative financial instruments	0.2		0.2
Current financial liabilities		14.4	14.4
Trade payables		90.6	90.6
Other current liabilities		14.3	14.3
Non-current financial liabilities		32.6	32.6

23 Financial risk management

The Group is exposed to the following risks arising from the use of financial instruments:

- Market risk
- Liquidity risk
- Default risk

The tasks of the Board of Directors include identifying risks, determining suitable measures, and implementing those measures or having them implemented. The Board of Directors in consultation with the Executive Board ensures that risks are dealt with appropriately and that they are duly reported. This approach gives the Board a complete overview of the key risks and measures. This broad overview enables the Group to set priorities and allocate the necessary resources.

The following notes refer exclusively to the risk from financial instruments.

Market risk

This refers to the risk that market prices, above all exchange rates and interest rates, will change. In its day-to-day operations, the Group uses derivative and non-derivative financial instruments to manage the risks and opportunities arising from fluctuations in exchange rates and interest rates. The various risks associated with existing assets and liabilities as well as planned and anticipated transactions are monitored and managed centrally – with due regard to the Group's overall risk exposure. In line with the Group's hedging policy, Corporate Treasury constantly monitors both the risk exposure and the effectiveness of the hedging instruments and issues recommendations with regard to partial or complete hedging of existing risks.

The Group uses derivative financial instruments solely to manage financial risks and not for the purpose of speculation. To hedge its currency risks, the Group uses mainly foreign exchange spot contracts, forward currency contracts, and currency swap transactions. In order to manage counterparty risk, derivative financial transactions are concluded only with first-class banks. The creditworthiness of these institutions is assessed on the basis of evaluations by leading rating agencies.

As in the previous year, no hedge accounting was used in this context in the year under review.

Foreign exchange risk management

Risks arising from short-term currency exposure created by purchases and sales of goods and services (transaction risks) are identified, and selective hedging strategies are implemented in line with an ongoing assessment of exchange rate movements. The Group uses foreign exchange forward and option contracts with maturities of up to 15 months to hedge against transaction risk.

Furthermore, risks associated with the translation of assets and liabilities denominated in foreign currencies (translation risks) are managed by establishing an appropriate financing policy.

A realistic assessment of changes in exchange rates for the most relevant currencies has no significant impact on the result and the equity of the Group from the valuation of transactions with financial instruments.

Interest rate risks

Interest rate risks arise from changes in the fair value of interest-bearing assets and liabilities caused by fluctuations in interest rates. Since these risks may have a negative effect on net financial profit and shareholders' equity, the Group uses derivatives to manage them on a case-by-case basis. A realistic assessment of changes in interest rates has no significant impact on the result and the equity of the Group from the valuation of transactions with financial instruments.

Liquidity risk

Liquidity risk is the risk that the Group may possibly be unable to meet contractually agreed financial obligations that are settled by delivering cash or other financial assets. Group companies need sufficient cash in order to meet their commitments. Corporate Treasury is responsible for managing liquidity. In 2025, the share of the aggregate cash and cash equivalents managed by Corporate Treasury was approximately 60% (2024: 70%).

The maturity structure of the existing financial liabilities is shown in the following table. These liabilities correspond to contractually agreed maturities and represent nominal payment outflows. Inflows and outflows of funds from derivative financial instruments are shown separately.

As at December 31, 2025						
CHF m	Carrying amount	Total cash outflow	Remaining term to maturity up to 1 year	Remaining term to maturity 1–2 years	Remaining term to maturity 2–5 years	Remaining term to maturity over 5 years
Interest-free liabilities	89.6	89.6	89.6			
Liabilities from leasing	47.8	53.2	16.5	15.3	18.8	2.6

As at December 31, 2024						
CHF m	Carrying amount	Total cash outflow	Remaining term to maturity up to 1 year	Remaining term to maturity 1–2 years	Remaining term to maturity 2–5 years	Remaining term to maturity over 5 years
Interest-free liabilities	104.9	104.9	104.9			
Liabilities from leasing	46.9	49.2	14.8	14.7	17.4	2.3
Cash outflow from financial derivatives	0.2	0.2	0.2			

Default risk

Default risk is the risk of financial losses in the event that a customer or the counterparty in a financial instrument fails to meet their obligations. The risk consists mainly of trade receivables and bank accounts or short-term deposits with banks. The maximum amount of the default risk is the book value of the financial assets.

The Group recognizes allowances for expected credit losses on financial instruments that are reported at amortized costs. It assesses at the end of each reporting period whether there is an objective basis for further impairment of a financial asset and whether the allowances made are still appropriate.

The Group considers a financial asset to be in default if it is unlikely that the borrower can pay their obligation to the Group in full without the Group having to take recourse to measures such as the realization of collateral.

Cash and cash equivalents

With regard to counterparty risk exposure to banks, Group-wide directives stipulate that financial investments and other financial transactions are to be made only with first-class banks. Given the credit ratings of these counterparties, the Group does not anticipate any defaults.

Trade receivables

The Group's default risk is affected mainly by the individual characteristics of its customers. Management, however, also takes into account the characteristics of the customer base as a whole, including the default risk of the sector and of the countries in which the customers operate, since these factors may also affect the default risk.

To manage this risk adequately, the financial creditworthiness of various customers is constantly monitored. Credit risks are diversified by the company's broad customer base in various industries and geographic regions and are covered in part by credit insurance policies.

Carrying amounts of trade receivables by currency:

	31.12.2025	31.12.2024
CHF m		
CHF	1.8	1.7
EUR	67.3	62.1
USD	21.6	25.2
JPY	8.4	9.5
GBP	6.9	8.0
CNY	5.5	7.4
SEK	3.8	2.8
Other	27.7	30.5
Total trade receivables, before loss allowance	143.0	147.2

The Group employs a model of valuation allowances ('provision matrix') for trade receivables. In this valuation allowance table, expected losses on receivables are determined on the balance sheet date on the basis of past experience of default probability and of future-oriented expectations based on experience with the customers and market conditions.

The assessment of future-oriented information relating to customers and market environment involves the use of publicly available information, including annual reports, external credit ratings, press releases, macroeconomic data, and material published by industry-specific market research companies.

As at December 31, 2025				
CHF m	Gross carrying amount	Loss allowance	Weighted average loss rate	Credit impaired
Not due	122.1	1.6	1.3%	0.0
Overdue ≤ 30 days	11.9	0.2	1.7%	0.0
Overdue 31 – 90 days	5.0	0.3	6.0%	0.0
Overdue 91 – 180 days	2.3	0.9	39.1%	0.0
Overdue > 180 days	1.7	1.2	70.6%	0.6
Total	143.0	4.2	2.9%	0.6

As at December 31, 2024				
CHF m	Gross carrying amount	Loss allowance	Weighted average loss rate	Credit impaired
Not due	123.8	1.6	1.3%	0.0
Overdue ≤ 30 days	13.3	0.2	1.5%	0.0
Overdue 31 – 90 days	5.3	0.3	5.7%	0.0
Overdue 91 – 180 days	3.1	0.8	25.8%	0.0
Overdue > 180 days	1.7	0.8	47.1%	0.7
Total	147.2	3.7	2.5%	0.7

Changes in valuation allowances for doubtful trade receivables during the reporting year:

	2025	2024
CHF m		
January 1	-4.4	-4.7
Additions	-1.3	-1.1
Release	0.3	0.8
Use	0.5	0.7
Translation differences	0.1	-0.1
As at December 31	-4.8	-4.4

The creation and release of allowances for doubtful trade receivables are included in 'Other operating expenses' in the income statement.

24 Related-party transactions

Compensation paid to members of the Board of Directors and Executive Board:

CHF m	Executive Board		Board of Directors		Total	
	2025	2024	2025	2024	2025	2024
Remuneration	2.1	1.8	0.9	0.7	3.0	2.5
Employer contributions to the pension scheme	0.2	0.2			0.2	0.2
Share-based payments	0.2	0.2	0.9	1.9	1.1	2.1
Total payments	2.5	2.2	1.8	2.6	4.3	4.8

The members of the Board of Directors receive fixed remuneration, the amount of which varies by office held, whether as chair, vice chair or member, and according to membership in committees. 40% of gross remuneration is paid in shares of Forbo Holding Ltd. The total remuneration also includes lump-sum expenses and employer contributions to statutory social security. The members are not covered by the company's pension plan.

The remuneration of the members of the Executive Board consists of fixed and variable remuneration elements. The fixed remuneration consists of a fixed basic salary and other remuneration elements such as employer contributions to the usual social security schemes, accident and sickness schemes, as well as private use of company cars. Employer contributions to the company's pension plan are reported separately. The fixed basic salary is mainly paid in cash; it may also include shares of Forbo Holding Ltd. The variable remuneration consists of a short-term incentive (STI) and a long-term incentive (LTI).

The share-based payments to the Executive Board consist of the following elements: fixed basic salary portion paid in shares; short-term incentive invested in the Management Investment Plan (MIP) for the reporting year; and the future subscription rights, awarded pro rata for the reporting year and weighted in accordance with target achievement in the reporting year in the form of performance share units for the Long-Term Incentive Plans 2023–2025, 2024–2026 and 2025–2027 (see note 19 'Employee participation plan').

As at December 31, 2025 and 2024, the Group had no significant receivables due from or liabilities to related parties.

25 Events after the balance sheet date

Between the balance sheet date and the date of publication of this report, no event occurred that could have a significant effect on the 2025 annual financial statements.

Group companies (as at December 31, 2025)

Group company	Registered office	Currency	Share capital	Equity interest	Flooring Systems	Move-ment Systems	Holding/ services
Australia							
Forbo Floorcoverings Pty. Ltd.	Wetherill Park, NSW	AUD	1,400,000	100%	S		
Forbo Siegling Pty. Ltd.	Wetherill Park, NSW	AUD	7,100,000	100%		S	
Austria							
Forbo Flooring Austria GmbH	Vienna	EUR	72,673	100%	S		
Forbo Siegling Austria Ges.m.b.H.	Vienna	EUR	330,000	100%		S	
Belgium							
Forbo Flooring N.V.	Groot-Bijgaarden	EUR	250,000	100%	S		
Brazil							
Forbo Pisos Ltda.	São Paulo	BRL	16,564,200	100%	S		
Forbo Siegling Brasil Ltda.	São Paulo	BRL	7,008,746	50%		MS	
Canada							
Forbo Flooring Canada Corp.	Halifax	CAD	500,200	100%	S		
Forbo Siegling Canada Corp.	Halifax	CAD	501,000	100%		S	
Chile							
Forbo Siegling Chile S.A.	Santiago	CLP	313,090,945	50%		S	
Colombia							
Forbo Siegling Colombia S.A.S.	Bogotá, D.C.	COP	2,250,000,000	100%		S	
Czech Republic							
Forbo Siegling Česká republika s.r.o.	Liberec	CZK	100,000	100%		S	
Forbo s.r.o.	Prague	CZK	500,000	100%	S		
Denmark							
Forbo Flooring A/S	Glostrup	DKK	500,000	100%	S		
Forbo Siegling Danmark A/S	Brøndby	DKK	33,000,000	100%		MS	
Finland							
Forbo Flooring Finland Oy	Helsinki	EUR	33,638	100%	S		
France							
Forbo Château-Renault S.A.S.	Château-Renault	EUR	1,000,000	100%	MS		
Forbo Participations S.A.S.	Reims	D EUR	5,000,000	100%			H
Forbo Reims SNC	Reims	EUR	3,879,810	100%	MS		
Forbo Sarlino S.A.S.	Reims	EUR	6,415,500	100%	S		
Forbo Siegling France S.A.S.	Lomme	EUR	819,000	100%		S	

S Sales

MS Manufacturing and sales

H Holding/services

D Direct participation of Forbo Holding Ltd

Group company	Registered office	Currency	Share capital	Equity interest	Flooring Systems	Move-ment Systems	Holding/ services
Germany							
Forbo Beteiligungen GmbH	Hanover	D	EUR	15,400,000	100%		H
Forbo Eurocol Deutschland GmbH	Erfurt		EUR	2,050,000	100%	MS	
Forbo Flooring GmbH	Paderborn		EUR	500,000	100%	S	
Forbo Siegling GmbH	Hanover		EUR	10,230,000	100%		MS
Great Britain							
Forbo Flooring UK Ltd.	Derbyshire		GBP	22,000,000	100%	MS	
Forbo Floors UK Ltd.	Kirkcaldy		GBP	4	100%		H
Forbo-Nairn Ltd.	Derbyshire		GBP	8,000,000	100%		H
Forbo Siegling (UK) Ltd.	Dukinfield		GBP	50,774	100%		S
Forbo UK Ltd.	Derbyshire		GBP	49,500,000	100%		H
Westbond Ltd.	Derbyshire		GBP	400,000	100%		H
Hong Kong							
Forbo International Hong Kong Ltd.	Hong Kong		HKD	1	100%		H
India							
Forbo Flooring India Pvt. Ltd.	Delhi		INR	15,000,000	100%	S	
Forbo Siegling Movement Systems India Pvt. Ltd.	Pune		INR	26,000,000	100%		S
Indonesia							
PT Forbo Siegling Indonesia	Kabupaten Bandung		IDR	6,344,580,000	100%		S
Ireland							
Forbo Ireland Ltd.	Dublin		EUR	125,000	100%	S	
Italy							
Forbo Resilienti S.r.l.	Segrate (Milan)		EUR	60,000	100%	S	
Forbo Siegling Italia S.p.A.	Paderno Dugnano (Milan)		EUR	120,000	100%		S
Japan							
Forbo Siegling Japan Ltd.	Tokyo		JPY	330,000,000	100%		MS
Malaysia							
Forbo Siegling SDN. BHD.	Johor Bahru		MYR	2,500,002	100%		S
Mexico							
Forbo Siegling, S.A. de C.V.	Tlalnepantla	D	MXN	24,676,404	100%		MS

S Sales

MS Manufacturing and sales

H Holding/services

D Direct participation of Forbo Holding Ltd

Group company	Registered office	Currency	Share capital	Equity interest	Flooring Systems	Move-ment Systems	Holding/ services
Netherlands							
Forbo Eurocol Nederland B.V.	Zaanstad	EUR	454,000	100%	MS		
Forbo Flooring B.V.	Krommenie	EUR	11,350,000	100%	MS		
Forbo Flooring Coral N.V.	Krommenie	EUR	1,944,500	100%	MS		
Forbo NL Holding B.V.	Krommenie	EUR	13,500,000	100%			H
Forbo-Novilon B.V.	Coevorden	EUR	3,624,000	100%	MS		
Forbo Siegling Nederland B.V.	Spankeren	EUR	113,445	100%		S	
New Zealand							
Forbo Siegling Ltd.	Auckland	NZD	650,000	100%		S	
Norway							
Forbo Flooring AS	Asker	NOK	1,000,000	100%	S		
Forbo Siegling Norge AS	Oslo	NOK	100,000	100%		S	
People's Republic of China							
Forbo Movement Systems (China) Co., Ltd.	Pinghu	USD	25,000,000	100%		MS	
Forbo Flooring (Shanghai) Co., Ltd.	Shanghai	CHF	4,000,000	100%	S		
Forbo Siegling (China) Co., Ltd.	Shenyang	USD	16,221,000	100%		MS	
Poland							
Forbo Siegling Poland sp. z o.o.	Łódź	PLN	600,000	100%		S	
Portugal							
Forbo-Revestimentos, S.A.	Maia (Porto)	EUR	74,850	100%	S		
Romania							
Forbo Siegling Romania S.R.L.	Bucharest	RON	38,000	100%		S	
Russia							
OOO 'Forbo Flooring'	Moscow	RUB	500,000	100%	S		
OOO 'Forbo Kaluga'	Moscow	RUB	158,313,780	100%	MS		
OOO 'Forbo Siegling CIS'	Saint Petersburg	RUB	400,000	100%		S	
OOO 'Forbo Eurocol RUS'	Stary Oskol	RUB	187,181,000	100%	MS		
Slovakia							
Forbo Siegling s.r.o.	Malacky	EUR	1,000,000	100%		MS	
South Korea							
Forbo Korea Ltd.	Seoul	KRW	900,000,000	100%	S	S	

S Sales

MS Manufacturing and sales

H Holding/services

D Direct participation of Forbo Holding Ltd

Group company	Registered office		Currency	Share capital	Equity interest	Flooring Systems	Move-ment Systems	Holding/ services
Spain								
Forbo Pavimentos, S.A.	Barcelona	—	EUR	60,101	100%	S	—	—
Forbo Siegling Iberica, S.A.U.	Montcada i Reixac (Barcelona)	—	EUR	1,532,550	100%	—	S	—
Sweden								
Forbo Flooring AB	Gothenburg	—	SEK	8,000,000	100%	S	—	—
Forbo Siegling Svenska AB	Kållerød (Gothenburg)	—	SEK	1,000,000	100%	—	S	—
Switzerland								
Forbo Management SA	Baar	D	CHF	100,000	100%	—	—	H
Forbo-Giubiasco SA	Bellinzona	—	CHF	100,000	100%	MS	—	—
Forbo Siegling Schweiz AG	Wallbach	—	CHF	100,000	100%	—	MS	—
Thailand								
Forbo Siegling (Thailand) Co. Ltd.	Samut Prakan	D	THB	13,005,000	100%	—	S	—
Turkey								
Forbo Hareket ve Zemin Sistemleri Ticaret Limited Şirketi	Istanbul	—	TRY	17,500,000	100%	S	S	—
Ukraine								
TOB 'Forbo Flooring Ukraine'	Lviv	—	UAH	2,000,000	100%	S	—	—
United Arab Emirates								
Forbo Flooring Middle East FZCO	Dubai	—	AED	499,000	100%	S	—	—
USA								
Forbo America Inc.	Wilmington, DE	D	USD	19,957,259	100%	—	—	H
Forbo Flooring, Inc.	Wilmington, DE	—	USD	3,517,000	100%	MS	—	—
Forbo Siegling, LLC	Wilmington, DE	—	USD	15,455,000	100%	—	MS	—

S Sales

MS Manufacturing and sales

H Holding/services

D Direct participation of Forbo Holding Ltd

Report of the statutory auditor



Statutory Auditor's Report

To the General Meeting of Forbo Holding Ltd, Baar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Forbo Holding Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 162 to 203) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



VALUATION OF INVENTORIES

Key Audit Matter

Inventory as at 31 December 2025 amounted to CHF 281.7 million (31 December 2024: CHF 281.6 million) and represents one of the most material asset positions. Valuation allowance for inventories as at 31 December 2025 amounted to CHF -29.5 million (31 December 2024: CHF -28.5 million). Valuation of inventories is consequently of significance to an understanding of the financial statements.

Inventory is recognized at acquisition or manufacturing costs and periodically assessed in terms of recoverability. There is a risk that for work in progress and finished goods the manufacturing costs exceed the actual sales price less selling, distribution and administrative costs (net realizable value).

Furthermore, determining valuation allowances therefore involves a certain degree of judgment.

For further information on inventories refer to the following:

- Note 2 – Summary of significant accounting policies: Inventories page 171
- Note 13 – Inventories, page 181

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our response

We mainly performed the following audit procedures:

- We obtained an understanding of the process related to the identification and valuation of obsolete inventories. Based on this, we critically assessed whether transactions are completely and accurately recorded in the accounts.
- We assessed the adequacy of the processes to identify obsolete inventories and critically evaluated the basis and methodology used to value these inventories. We verified the calculation of the allowance for obsolete inventories and tested the underlying input parameters.
- We evaluated the design and implementation of key controls in connection with the inventory process.
- We participated in the inventory stock counts and performed test counts.
- We compared costs and sales prices to assess proper valuation of inventories at lower of cost or net realizable value. This was done on a case-by-case basis based on a sample or mass data analysis.

Report of the statutory auditor



Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Tino Hutter
Licensed Audit Expert
Auditor in Charge

Joel Wachter
Licensed Audit Expert

Zurich, 2 March 2026

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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Consolidated balance sheets 2021 – 2025

	31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Assets					
CHF m					
Cash and cash equivalents	90.2	109.1	69.1	46.7	93.3
Current financial assets	0.5	0.0	0.0	0.0	0.0
Trade receivables	138.2	142.8	138.9	155.2	153.4
Other receivables	24.8	19.5	35.9	39.2	32.2
Accrued income and deferred expenses	18.2	15.3	15.1	14.3	11.8
Inventories	281.7	281.6	264.2	316.2	262.9
Current assets	553.6	568.3	523.2	571.6	553.6
Non-current financial assets	2.8	2.0	1.9	1.8	0.2
Deferred tax assets	35.5	28.4	30.7	34.3	37.4
Property, plant, and equipment	299.4	293.8	266.6	267.6	294.8
Intangible assets and goodwill	78.7	81.7	79.0	84.9	95.6
Employee benefit assets	1.9	1.6			
Non-current assets	418.3	407.5	378.2	388.6	428.0
Total assets	971.9	975.8	901.4	960.2	981.6

	31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Shareholders' equity and liabilities					
CHF m					
Current financial liabilities	15.8	14.6	13.2	39.0	50.8
Trade payables	78.6	90.6	86.9	102.5	112.2
Other current liabilities	20.9	23.7	22.4	29.9	30.0
Current tax liabilities	13.6	14.4	16.2	21.2	20.4
Current provisions, accrued expenses, and deferred income	74.9	75.0	80.6	99.0	101.1
Current liabilities	203.8	218.3	219.3	291.6	314.5
Non-current financial liabilities	31.9	32.6	26.9	26.6	31.6
Deferred tax liabilities	14.1	5.2	7.4	8.2	9.8
Non-current provisions	33.3	44.3	44.9	42.7	35.5
Employee benefit obligations	39.2	49.4	49.2	41.0	68.4
Non-current liabilities	118.5	131.5	128.4	118.5	145.3
Total liabilities	322.3	349.8	347.7	410.1	459.8
Share capital	0.1	0.1	0.1	0.1	0.2
Treasury shares	-0.0	-0.0	-0.0	-0.0	-0.1
Reserves and retained earnings	649.5	625.9	553.6	550.0	521.7
Shareholders' equity	649.6	626.0	553.7	550.1	521.8
Total shareholders' equity and liabilities	971.9	975.8	901.4	960.2	981.6

Consolidated income statements 2021 – 2025

1.1.–31.12.	2025	2024	2023	2022	2021
CHF m					
Net sales	1,085.4	1,122.0	1,175.2	1,293.2	1,254.0
Cost of goods sold	-726.8	-737.1	-773.5	-852.4	-803.0
Gross profit	358.6	384.9	401.7	440.8	451.0
Development costs	-16.5	-15.3	-15.7	-15.6	-15.9
Marketing and distribution costs	-160.0	-160.3	-168.5	-178.6	-175.3
Administrative costs	-91.1	-86.8	-80.1	-94.2	-92.8
Other operating expenses	-7.7	-8.8	-17.2	-27.7	-7.2
Other operating income	4.5	6.9	9.7	7.9	19.2
Operating profit	87.8	120.6	129.9	132.6	179.0
Financial income	2.8	2.7	5.7	0.9	3.0
Financial expenses	-3.7	-1.7	-3.8	-2.5	-0.8
Profit before taxes	86.9	121.6	131.8	131.0	181.2
Income taxes	-18.0	-26.5	-29.5	-29.6	-40.0
Profit for the year	68.9	95.1	102.3	101.4	141.2

FINANCIAL REPORT

Financial statements for Forbo Holding Ltd

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Balance sheet

		31.12.2025	31.12.2024
Assets			
CHF m	Note		
Cash and cash equivalents		0.0	0.1
Other receivables from Group companies	2	92.0	110.0
Current assets		92.0	110.1
Investments in Group companies	3	289.3	289.3
Non-current assets		289.3	289.3
Total assets		381.3	399.4

		31.12.2025	31.12.2024
Shareholders' equity and liabilities			
CHF m	Note		
Current liabilities to third parties		0.0	0.1
Accrued expenses and deferred income		0.3	0.3
Current liabilities		0.3	0.4
Share capital	4	0.1	0.1
Legal profit reserve:			
Legal profit reserve in the narrow sense		15.6	15.6
Reserve for treasury shares	6	0.2	0.4
Treasury shares	6	-59.6	-70.3
Retained earnings		413.4	439.5
Net profit for the year		11.3	13.7
Shareholders' equity		381.0	399.0
Total shareholders' equity and liabilities		381.3	399.4

Income statement

	1.1.–31.12.	2025	2024
Income			
CHF m	Note		
Financial income:			
From investments in Group companies		15.4	20.3
Total income		15.4	20.3

	1.1.–31.12.	2025	2024
Expenses			
CHF m	Note		
Administrative expenses	8	4.1	4.2
Financial expenses	9	0.0	2.4
Total expenses		4.1	6.6
Net profit for the year		11.3	13.7

Notes to the financial statements

1 Accounting

These financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations (32nd title of the Swiss Code of Obligations). Forbo Holding Ltd (the 'Company') publishes consolidated financial statements according to a generally accepted accounting standard (IFRS). Therefore, in accordance with the provisions on accounting and financial reporting, the financial statements are presented without disclosure notes relating to audit fees or a cash flow statement.

As of January 1, 2025, the Company amended its accounting policy related to the disposal of treasury shares. Gains and losses from such transactions are now recognized directly in retained earnings. Up to and including the 2024 financial year, these amounts were presented in the income statement within 'financial income' or 'financial expenses'. The amendment ensures consistency with the treatment prescribed for tax reporting purposes. For the financial year 2025, a loss of CHF 4.8 million resulted from the disposal of treasury shares (prior year: CHF 2.4 million).

2 Other receivables from Group companies

'Other receivables from Group companies' comprise the claims on cash pool accounts.

3 Investments in Group companies

'Investments in Group companies' are measured at the cost of acquisition less necessary valuation allowances.

As at December 31, 2025 and December 31, 2024, Forbo Holding Ltd held the following direct investments (indirect investments can be taken from the consolidated financial statements of Forbo Holding Ltd):

Investments in Group companies					
Company	Registered office	Activity	Currency	Share capital (in 1,000)	Equity interest
Forbo America Inc.	US-Wilmington, DE	Holding/services	USD	19,957	100%
Forbo Beteiligungen GmbH	DE-Hanover	Holding/services	EUR	15,400	100%
Forbo Management SA	CH-Baar	Holding/services	CHF	100	100%
Forbo Participations S.A.S.	FR-Reims	Holding/services	EUR	5,000	100%
Forbo Siegling, S.A. de C.V.	MX-Tlalnepantla	Manufacturing and sales	MXN	24,676	< 0.1%
Forbo Siegling (Thailand) Co. Ltd.	TH-Samut Prakan	Sales	THB	13,005	69.1%

4 Share capital

As at December 31, 2025, the share capital of Forbo Holding Ltd totaled CHF 148,500 (2024: CHF 148,500), divided into 1,485,000 registered shares with a par value of CHF 0.10 each. 21,419 registered shares without voting or dividend rights are at the disposal of the Board of Directors.

5 Conditional capital

The conditional capital on December 31, 2025, remained unchanged against the previous year at CHF 16,645.

6 Treasury shares

The treasury shares directly held in Forbo Holding Ltd amounting to CHF 59.6 million on the balance sheet date correspond to the value of all treasury shares valued at cost. The item 'Reserve for treasury shares' reflects the treasury shares held by subsidiaries of Forbo Holding Ltd, amounting to CHF 0.2 million. Overall, the treasury shares held directly and indirectly developed as follows over the period under review:

Treasury shares	Cost CHF m	Number of registered shares
As at January 1, 2024	78.8	77,644
Additions	4.5	5,000
Disposals	-12.6	-8,247
As at December 31, 2024	70.7	74,397
Disposals	-10.9	-8,374
As at December 31, 2025	59.8	66,023

7 Share rights

The following share rights were allocated to the Board of Directors:

	31.12.2025		31.12.2024	
	Number of shares	in CHF m	Number of shares	in CHF m
Allocated to the Board of Directors	1,156	0.9	1,838	1.9

8 Administrative expenses

Administrative expenses included stewardship costs, the fees paid to the members of the Board of Directors, the auditor's fees, and usual administrative costs, mainly for the Ordinary General Meeting, the share register, insurance, and legally required announcements. Forbo Holding Ltd does not employ any personnel.

9 Financial expenses

In 2024, financial expenses included losses arising from the disposal of treasury shares. Following the change in accounting policy effective January 1, 2025, such losses are no longer recognized in the income statement but are recorded directly in retained earnings (see Note 1).

10 Contingent liabilities

Guarantees and letters of support to third parties in favor of Group companies amounted to CHF 8.3 million at year-end 2025 (2024: CHF 8.3 million), of which none were utilized.

The Group companies in Switzerland are treated for purposes of value-added tax as a single entity subject to value-added tax (group taxation regime, Article 13, Federal Act on Value-Added Tax). If one of the Group companies is unable to meet its payment obligations to the Federal Tax Administration, the other Group companies bear joint and several liability.

11 Events after the balance sheet date

Between the balance sheet date and the date of publication of this annual report, no event occurred that could have a significant effect on the 2025 annual financial statements.

Proposal for appropriation of available earnings

The Board of Directors proposes to the Ordinary General Meeting that the available retained earnings, consisting of:

	2025
CHF m	
Net profit	11.3
Retained earnings	413.4
Treasury shares	-59.6
Total at the shareholders' meeting's disposal	365.1

be appropriated as follows:

	2025
CHF m	
Distribution ordinary dividend	35.5
To be carried forward	329.6
Total at the shareholders' meeting's disposal	365.1

At the Ordinary General Meeting of April 2, 2026, the Board of Directors will propose an ordinary gross dividend of CHF 25.00 per registered share (2024: CHF 25.00). No distribution will be made for treasury shares held by Forbo Holding Ltd or any of its subsidiaries on the record date, which explains why the amount for distribution as ordinary dividends may still change.

Report of the statutory auditor



Statutory Auditor's Report

To the General Meeting of Forbo Holding Ltd, Baar

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Forbo Holding Ltd (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 212 to 217) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report of the statutory auditor



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Tino Hutter
Licensed Audit Expert
Auditor in Charge

Joel Wachter
Licensed Audit Expert

Zurich, 2 March 2026

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Our Annual Report in English can be downloaded from our website www.forbo.com.

In this annual report, gender-specific wording has mostly been disregarded solely for the sake of better readability. The masculine forms used are to be understood as gender neutral.

All statements in this report that do not refer to historical facts are forward-looking statements which are no guarantee of future performance. They are based on assumptions and involve risks and uncertainties as well as other factors beyond the control of the company.



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