



ANNUAL REPORT 2024

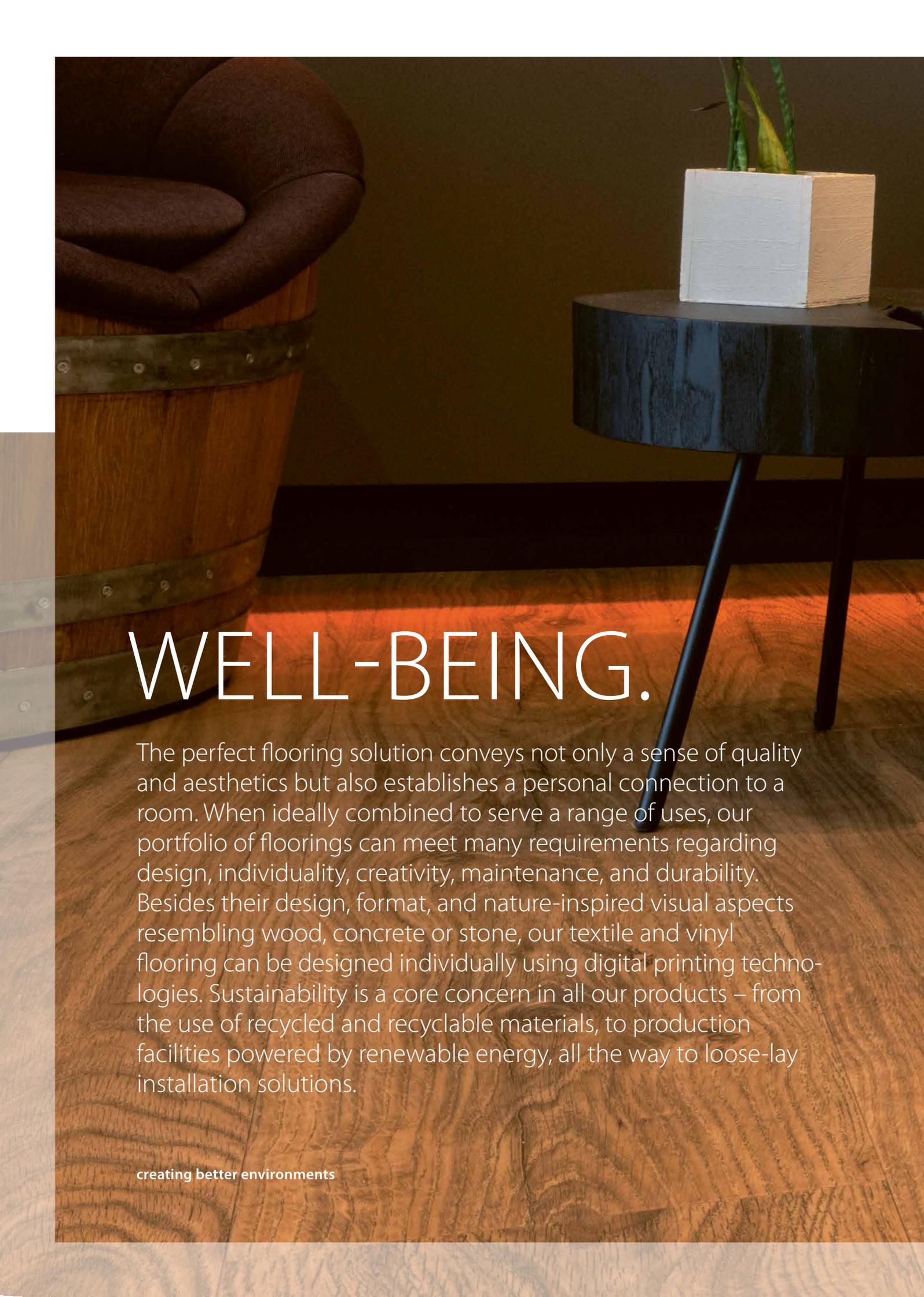
CONNECT.

WELL-BEING.
RELIABILITY.

FORBO IN EVERYDAY LIFE

flooring.movement.

forbo



WELL-BEING.

The perfect flooring solution conveys not only a sense of quality and aesthetics but also establishes a personal connection to a room. When ideally combined to serve a range of uses, our portfolio of floorings can meet many requirements regarding design, individuality, creativity, maintenance, and durability. Besides their design, format, and nature-inspired visual aspects resembling wood, concrete or stone, our textile and vinyl flooring can be designed individually using digital printing technologies. Sustainability is a core concern in all our products – from the use of recycled and recyclable materials, to production facilities powered by renewable energy, all the way to loose-lay installation solutions.

creating better environments



Forbo

FLOORING SYSTEMS



Siegling – total belting solutions

RELIABILITY.

Conveyor belts serve a range of purposes and must ensure that goods flow smoothly and work gets done efficiently. Thanks to our application-specific expertise and close communication with our customers, we understand their changing requirements and needs. Innovative and sustainable developments and production technologies have enabled us to create belts with precisely the properties our customers need, allowing them to sustainably improve their productivity, efficiency, and quality.



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.

For our clients, we offer tailored solutions that stand out for their functionality, quality, design, and sustainability. The company employs about 5,100 people and has an international network of 25 production and distribution companies, 6 fabrication centers, and 47 pure sales organizations in a total of 39 countries. Forbo is headquartered in Baar in the canton of Zug, Switzerland.

WHAT FORBO STANDS FOR

Forbo has stood for sustainability and reliability for many years. Environmental friendliness has a long tradition at Forbo. Since the late nineteenth century, we have been producing linoleum, a biodegradable floor covering made almost exclusively from renewable raw materials. Our linoleum has a negative carbon footprint (cradle-to-gate), making it climate-positive without the need for buying offsetting certificates. We attach great importance to quality and on-time deliveries to our customers and assume corporate responsibility vis-à-vis our employees.

Forbo aims to achieve global leadership positions in clearly defined market segments, based on a customer-centric approach, high service levels, innovation, sustainability, digital transformation, and a strong brand. Forbo has a strong presence in the European and North American markets and is expanding its key positions in growth markets. We continuously invest in product innovation and new applications. At Flooring Systems, we focus on durable solutions that our customers can install easily, require low maintenance, and allow for individual design. At Movement Systems, we invest in capacity expansion and develop innovative conveyor belts in close collaboration with our customers, significantly reducing their energy consumption. In doing so, we make an important contribution to sustainability while simultaneously increasing our customers' productivity.

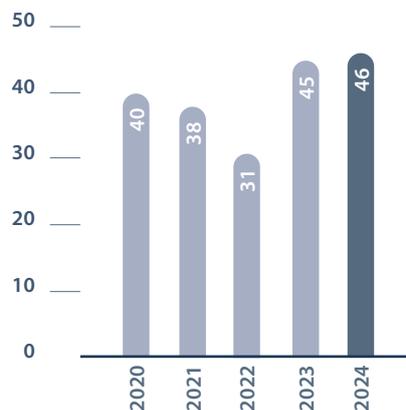
CO₂ net-zero target

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



Investments

CHF million



Free cash flow

CHF million



2024 IN BRIEF

The year 2024 was characterized by a challenging political and economic environment. Geopolitical tensions, particularly the conflicts in Ukraine and the Middle East, shaped the political landscape. The economic situation remained heavily burdened by these uncertainties. In particular, the economies of Europe have suffered, especially those of Germany, the Netherlands, and Sweden. Moreover, China has also underperformed expectations. As a result of these uncertainties, companies were reluctant to invest, and consumer sentiment remained at a low level, especially in the European markets that are important to us. At the same time, great efforts were made to intensify climate protection, curb inflation, and deal with the consequences of high energy costs.

We were unable to isolate ourselves from the effects of this economic environment: on the one hand, our sales suffered from the significant decline in demand, primarily in the European markets and in China. On the other hand, sales were also hit by negative currency effects, particularly on the euro.

We systematically implemented the measures introduced to improve profitability and increase efficiency. We adapted our operational structures to the lower volumes and concluded or pressed further ahead with our strategic investment projects. We introduced new collections and reduced our CO₂ emissions (Scope 1 and 2) by 2.5% per square meter produced. Even in this challenging environment, we generated a solid cash flow.

We have a strong balance sheet, increased our equity ratio further, are debt-free, and increased net cash and cash equivalents further. This gives us flexibility and opens up business opportunities for the future.

Net sales
CHF million

1,122.0

– 1.7 %

in local currencies

EBIT
CHF million

120.6

– 7.2 %

EBIT margin
%

10.7

– 0.4 %POINTS

Profit
CHF million

95.1

– 7.0 %

Net cash
CHF million

109.1

+ 58.1 %

Equity ratio
%

64.1

+ 2.7 %POINTS

Net sales
CHF million



EBIT
CHF million



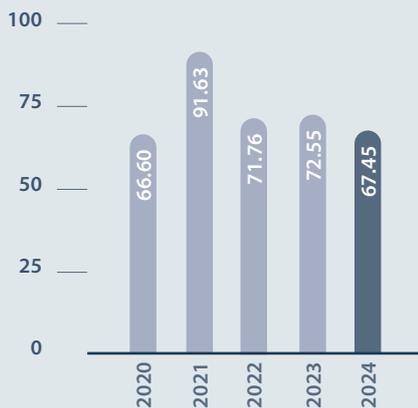
EBITDA
CHF million



Profit
CHF million



Earnings per share
(undiluted) CHF



ROIC
%



-2.5%

Scope 1 and 2
emissions intensity

72%

of the electricity
used comes from
sustainable sources



marmoleum®
climate positive
CRADLE TO GATE

climate-positive
linoleum



Conveyor belt with
bio-based PVC and
plasticizers

TO OUR SHAREHOLDERS



This E. Schneider

Chairman of the Board of Directors

Jens Fankhänel

Chief Executive Officer

Dear Madam, dear Sir

We made significant progress over the past financial year, successfully advancing strategic projects that will strengthen Forbo's competitiveness and create new market opportunities for the future. In doing so, we focused on measures to maintain profitability, improve operational efficiency and increase flexibility, alongside key investment projects. We also successfully launched new products on the market and further improved the sustainability of our business. Our measures have already shown positive results and are giving us confidence as we move forward, despite the adverse market environment.

We look back on a demanding financial year. Global conflicts, political uncertainties, and inflation are dampening consumer sentiment and our clients' willingness to invest. The macroeconomic environment in Europe has not improved, and the expected recovery in China has not yet set in. Only the markets in the U.S. remained stable. Demand in both divisions remained modest: Flooring Systems was affected in particular by a lack of new construction and renovation projects, while Movement Systems was hampered primarily by our customers' caution to invest.

Net sales in local currencies slightly declined

In the reporting year, Forbo realized in an adverse market environment CHF 1,122.0 million (previous year: CHF 1,175.2 million) in net sales, representing a 1.7% decline in local currencies (volume: – 1.1% and price: –0.6%). Because of negative currency effects, this corresponds to a 4.5% decrease in net sales in the corporate currency. The three regions exhibited distinctly different developments in local currencies. In the Americas, net sales in local currencies increased by +4.2%, while in the Asia/Pacific net sales decreased by –0.7% and in the Europe region by –3.9%.

At Flooring Systems, demand was particularly affected by the lack of new construction and renovation projects, as our customers postponed, scaled down, or even cancelled projects due to market uncertainty and persistently high construction costs. Additionally, project shifts continued in favor of energy-saving investments. Net sales decreased by 1.3% in local currencies to CHF 765.6 million (previous year: CHF 796.5 million) – a 3.9% decline in the corporate currency. In this adverse market environment, we had to make slight reductions in sales prices for selected larger projects. In the U.S., we are pressing ahead with investments in the Flotex production line to accommodate market growth for our unique product.

At Movement Systems, the decline in demand is primarily due to our customers' cautious investment behavior as they have reduced their spending in response to subdued customer sentiment. As a result, net sales decreased by 2.7% in local currencies to CHF 356.4 million (previous year: CHF 378.7 million) – a 5.9% decline in the corporate currency. Sales prices were maintained at the previous year's level. Our efforts to increase productivity at our U.S. organization have not yet delivered the expected results. Uncertainties in the European market have prompted our customers to place orders at shorter notice, resulting in delivery bottlenecks. In China, the second production line was successfully commissioned in the fourth quarter of 2024, enabling us to serve the still attractive Asian market even better. The complete modernization of the production facility in Japan is proceeding according to plan.

Double-digit EBIT margin maintained

A double-digit EBIT margin has been maintained despite declining demand, leading to lower sales volumes, and inflation-related increases in personnel costs. This was achieved through adjusted operational structures and efficiency improvements. Furthermore, lower raw material prices had a positive impact on the annual results.

Operating profit before depreciation and amortization (EBITDA) decreased by CHF 13.6 million (–7.6%) to CHF 166.3 million (previous year: CHF 179.9 million). The Group's operating profit (EBIT) was CHF 9.3 million lower (–7.2%) at CHF 120.6 million (previous year: CHF 129.9 million). This resulted in an EBITDA margin of 14.8% (previous year: 15.3%) and an EBIT margin of 10.7% (previous year: 11.1%).

Solid profit margin

The lower operating profit also decreased the Group's profit by 7.0% or CHF 7.2 million to CHF 95.1 million (previous year: CHF 102.3 million), despite a slightly lower tax rate of 21.8% (previous year: 22.4%) and a positive financial result of CHF +1.0 million (previous year: CHF +1.9 million).

Strong balance sheet and solid cash flow

Our balance sheet is strong, and our equity ratio has been further increased to 64.1%. Forbo is debt-free and holds net cash of CHF 109.1 million. Additionally, as of year-end 2024, the company owns treasury shares valued at CHF 56.2 million at market price.

With a solid free cash flow of CHF 91.8 million, net cash and treasury shares increased to CHF 165.3 million as of December 31, 2024. This gives us flexibility and opens up business opportunities for the future.

CO₂ reduction targets defined

Sustainability has a long tradition at Forbo. We have been producing linoleum – a floor covering made almost entirely from renewable raw materials and that is biodegradable – since the late nineteenth century, and as part of the current Forbo Group since 1928. Building on this tradition, we want to improve every year and have therefore significantly expanded our sustainability report. We have set binding targets for key indicators, amongst others for CO₂ emissions. In the year under review, we were able to reduce CO₂ emissions (Scope 1 and 2) per square meter produced by 2.5% compared to the previous year.

Changes in the Board of Directors

This E. Schneider will no longer be standing for re-election as a member of the Board of Directors at the Ordinary General Meeting 2025. He joined the Board in 2004 and was Delegate of the Board of Directors and the Forbo Group's CEO until the end of 2013. From 2014 to the beginning of 2023, he was the Executive Chairman of the Board of Directors of Forbo Holding Ltd. He has been leading the company as Chairman of the Board of Directors since April 2023.

As part of its long-term succession planning, the Board of Directors of Forbo Holding Ltd will propose to the Ordinary General Meeting on April 4, 2025, that Bernhard Merki be elected as Chairman of the Board of Directors of Forbo Holding Ltd.

Steady dividend

Due to the solid free cash flow and strong equity base, the Board of Directors will propose to the Ordinary General Meeting an unchanged dividend as in the previous year of CHF 25 per share for the 2024 financial year.

Priorities and outlook for 2025

Priorities in 2025

Innovative and sustainable products and services, high product availability, and proximity to customers are the key success factors in the current market environment. We are thus actively pursuing our defined sales and marketing activities as well as important operational excellence initiatives. In a geopolitical environment marked by tensions, it is crucial for us to deploy our resources and assets in an entrepreneurial manner.

Forbo will remain with the strategy that has proven to be successful in recent years. We have an attractive product portfolio in both divisions and continue to invest in our sustainable range of products and services as well as in growth markets. Digitalization, as well as new and expanded production technologies, enable us to focus on further increasing our efficiency and making the company more sustainable across the board. Furthermore, we will seize external growth opportunities, provided they allow us to add value in the long term.

Outlook for 2025

In view of our strong and debt-free balance sheet, proven strategy, and leading market positions, we are well positioned to prevail in the challenging market environment. Thanks to our targeted investments and innovations, we will further strengthen our competitiveness and create the necessary basis to benefit from rising demand.

Provided the geopolitical and economic environments do not change significantly, we expect to see a slight year-on-year increase in net sales, in local currencies, and profit for the 2025 financial year.

A thank you to our stakeholders

On behalf of the entire Board of Directors, we would like to express our sincere thanks to our shareholders, customers, business partners, and employees. Your trust, support, and commitment are crucial to our success. Despite being faced with a challenging market environment, we have made substantial progress together and were able to press ahead with our strategic initiatives.

The trust you place in us encourages us to act decisively and ensure sustainable growth, even in times of change. We look forward to continuing this journey with you and thank you for your continued support.

Baar, March 2025



This E. Schneider
Chairman of the Board of Directors



Jens Fankhänel
Chief Executive Officer

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2025

Financial calendar

Ordinary General Meeting
Friday, April 4, 2025

Publication of
Half-Year Report 2025
Tuesday, July 29, 2025

2026

Financial calendar

Publication of
Annual Report 2025
Tuesday, March 3, 2026

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.

	2024	2023	2024	2023
Income statement	CHF m	CHF m	EUR m ¹⁾	EUR m ¹⁾
Net sales with third parties	1,122.0	1,175.2	1,178.2	1,209.7
Flooring Systems	765.6	796.5	803.9	819.9
Movement Systems	356.4	378.7	374.3	389.8
Operating profit before depreciation and amortization (EBITDA)	166.3	179.9	174.6	185.2
Operating profit (EBIT)	120.6	129.9	126.6	133.7
Profit	95.1	102.3	99.9	105.3
Balance sheet	CHF m	CHF m	EUR m ¹⁾	EUR m ¹⁾
Total assets	975.8	901.4	1,024.7	927.8
Operating assets	838.3	801.5	880.3	825.0
Shareholders' equity	626.0	553.7	657.4	569.9
Net cash ²⁾	109.1	69.0	114.6	71.0
Cash flow statement	CHF m	CHF m	EUR m ¹⁾	EUR m ¹⁾
Cash flow from operating activities	135.6	160.0	142.4	164.7
Cash flow from investing activities	-43.8	-44.1	-46.0	-45.4
Free cash flow	91.8	115.9	96.4	119.3
Key ratios	%	%		
ROS (EBITDA/net sales)	14.8	15.3		
Return on invested capital (ROIC) ³⁾	16.0	17.1		
Equity ratio (shareholders' equity/total assets)	64.1	61.4		
Gearing (net debt/shareholders' equity)	-17.4	-12.5		
Employees (as at December 31)	Number	Number		
Total full-time equivalents	5,059	5,190		
Ratios per share	CHF	CHF	EUR ¹⁾	EUR ¹⁾
Earnings per share (undiluted) ⁶⁾	67.45	72.55	70.83	74.68
Equity (undiluted)	443.86	392.76	446.09	404.28
Dividend	25.00 ⁴⁾	25.00 ⁵⁾	26.25 ⁴⁾	25.73 ⁵⁾
Stock market capitalization (as at December 31)	CHF m	CHF m	EUR m ¹⁾	EUR m ¹⁾
Stock market capitalization ⁷⁾	1,121.2	1,565.2	1,177.4	1,611.1

1) Euro values translated at the average annual exchange rate of CHF 0.9523/1 EUR (2024) and CHF 0.9715/1 EUR (2023).

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

3) Operating profit after tax, divided by the annual average balance of shareholders' equity, plus financial liabilities, less cash and cash equivalents.

4) The Board of Directors proposes to the Ordinary General Meeting of April 4, 2025, the distribution of a dividend in the amount of CHF 25.00 per registered share.

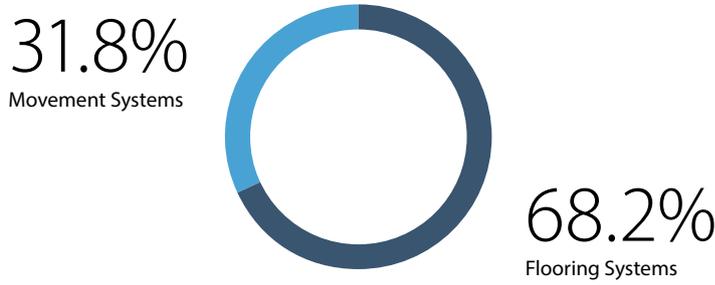
5) Approval of a dividend of CHF 25.00 per registered share at the Ordinary General Meeting of April 5, 2024.

6) See note 11 'Earnings per share' on page 146 of the Financial Report.

7) Total number of shares multiplied by year-end share price.

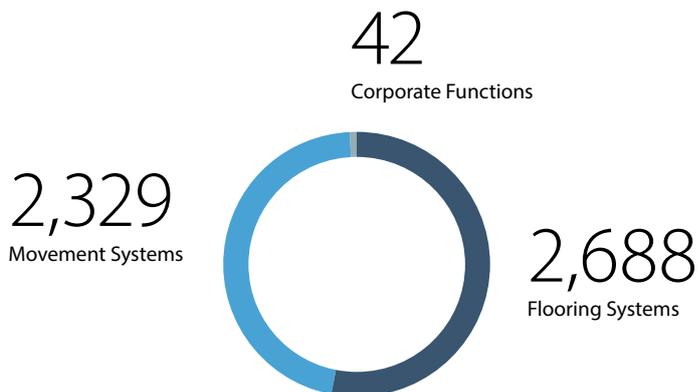
Net sales by division

	2024 CHF m	Change on previous year		In % of total
		in %	in local currencies in %	
Flooring Systems	765.6	-3.9	-1.3	68.2
Movement Systems	356.4	-5.9	-2.7	31.8
Total net sales to third parties	1,122.0	-4.5	-1.7	100.0



Full-time equivalents by division

	2024 number	Change on previous year in %		In % of total
Flooring Systems	2,688	-1.9		53.1
Movement Systems	2,329	-3.3		46.0
Corporate Functions	42	2.4		0.9
Total	5,059	-2.5		100.0



The **Forbo Flooring Systems** division generated net sales of CHF 765.6 million (previous year: CHF 796.5 million), which corresponds to a 1.3% decrease in local currencies (–3.9% in the corporate currency). Demand was heavily influenced by fewer construction projects due to persistently high costs and interest rates. Moreover, customers shifted their spending on renovation projects to energy-saving investments. The division accounted for 68.2% of Group net sales in 2024.

In Europe, the markets in Italy, Spain, and some Eastern European countries experienced positive growth. Great Britain reached the previous year's level thanks to an increase in public sector projects. Germany, Benelux, and Sweden saw significant declines. The building and construction adhesives activity was able to maintain its prior-year level, largely due to the Eastern European markets and the launch of innovative products.

The Americas region grew, due in particular to the U.S. as the main market, while the markets in Canada and Brazil declined. Lower net sales in the Asia/Pacific region were mainly brought on by China and Hong Kong. However, strong growth in Taiwan compensated somewhat, especially from projects in the semiconductor industry. South Korea saw a slight increase in net sales, while Australia and Japan did not reach the previous year's level.

The **Forbo Movement Systems** division reported net sales of CHF 356.4 million (previous year: CHF 378.7 million), a 2.7% decrease in local currencies (–5.9% in the corporate currency). Demand in the globally important customer segment of logistics remained modest. In addition, there was no economic recovery in China, a key market for Movement Systems. The division accounted for 31.8% of Group net sales in 2024.

In Europe, only Eastern Europe realized a growth in net sales. All other European countries experienced varying degrees of declines in their net sales. The modest investment activity of Movement Systems' customers was particularly noticeable in the main market Germany.

In the Americas region, the U.S., as the main market, maintained the previous year's level but was unable to fully capitalize on the positive market environment. Measures initiated to optimize operational processes to improve the on-time delivery and the expansion of corresponding service levels have not yet delivered the expected results. Mexico, on the other hand, saw significant growth derived largely from its well-established food segment.

Asia/Pacific, Hong Kong and almost all South and Southeast Asian markets showed growth in net sales. While Japan managed to maintain its prior-year level, the other established operations, such as Australia and South Korea, saw declining sales. The expected economic recovery in China has not yet materialized, and the country saw a significant decline in net sales.

EBITDA by division

	2024 CHF m	Change on previous year in %	–25	0	25	50	75	100	125
Flooring Systems	123.8	0.5							
Movement Systems	50.8	–22.4							
Corporate	–8.3	5.7							

Continued double-digit EBIT margin

A double-digit EBIT margin could be maintained despite lower demand, declining sales volumes (–1.1%), and inflation-related increases in personnel costs. This was achieved by adjusting operations and increasing efficiency, while lower prices for raw materials also had a positive effect on the annual results.

The Group's operating profit before depreciation and amortization (EBITDA) decreased by 7.6% to CHF 166.3 million (previous year: CHF 179.9 million). The EBITDA of the Flooring Systems division increased

by 0.5% to CHF 123.8 million (previous year: CHF 123.2 million). In the case of Movement Systems, the EBITDA decreased by 22.4% to CHF 50.8 million (previous year: CHF 65.5 million).

The Group posted an EBITDA margin of 14.8% (previous year: 15.3%). The EBITDA margin of Flooring Systems increased by 0.7 percentage points to 16.2% (previous year: 15.5%), and the EBITDA margin for Movement Systems decreased by 3.0 percentage points to 14.3% (previous year: 17.3%).

The Group's operating profit (EBIT) came in 7.2% lower at CHF 120.6 million (previous year: CHF 129.9 million). The Group's EBIT margin declined from 11.1% in the previous year to 10.7% in the year under review.

The operating profit (EBIT) for Flooring Systems increased by 4.3% to CHF 99.0 million (previous year: CHF 94.9 million). Savings in operating costs and lower raw material prices helped improve the EBIT margin despite the negative effects of specific price reductions for major projects, inflation-related increases in personnel costs, and unfavorable currency effects. The EBIT margin increased by 1.0 percentage point to 12.9% (previous year: 11.9%).

The operating profit (EBIT) of Movement Systems declined significantly to CHF 30.4 million (previous year: CHF 44.3 million), due to lower net sales, underutilized plants on account of lower volumes, negative currency effects, and higher inflation-related personnel costs. The organization's performance in the U.S. has not yet met our expectations. Also, the operational improvements at the location in Germany. Volume-related changes in the personnel structure and lower cost of raw materials only partially offset these effects. The EBIT margin decreased by 3.2 percentage points to 8.5% (previous year: 11.7%).

EBIT by division

	2024 CHF m	Change on previous year in %	-25	0	25	50	75	100	125
Flooring Systems	99.0	4.3							
Movement Systems	30.4	-31.4							
Corporate	-8.8	5.4							

Profit below the previous year

Finance costs in 2024 came to CHF 1.7 million (previous year: CHF 3.8 million), mainly as the result of lower interest costs. At the same time, finance income decreased to CHF 2.7 million (previous year: CHF 5.7 million) as lower currency gains offset higher

interest income. Overall, the net financial result came to CHF +1.0 million (previous year: CHF +1.9 million). The tax rate in the reporting year was 21.8% (previous year: 22.4%), slightly below the long-term average. Group profit thus decreased by 7.0% to CHF 95.1 million (previous year: CHF 102.3 million).

Free cash flow

	2024 CHF m	2023 CHF m	-50	0	50	100	150	200
Cash flow from operating activities	135.6	160.0						
Cash flow from investing activities	-43.8	-44.1						
Free cash flow	91.8	115.9						

Solid free cash flow

For the reporting year, cash flow from operating activities amounted to CHF 135.6 million (previous year: CHF 160.0 million). The decreased year-on-year amount is attributable not only to the lower operating result but also to the fact that inventory was significantly reduced in the previous year, while it was

deliberately built up in the year under review, to improve the delivery readiness. The strategic investment projects were systematically completed or advanced so that the cash flow from investments remained virtually unchanged at CHF -43.8 million (previous year: CHF -44.1 million). Free cash flow came to CHF 91.8 million (previous year: CHF 115.9 million).

Investments 2020 – 2024

	Flooring Systems CHF m	Movement Systems CHF m	Corporate CHF m	Total CHF m	
2024	27	18	1	46	
2023	27	18	0	45	
2022	18	13	0	31	
2021	23	15	0	38	
2020	21	19	0	40	

Investments in efficiency and sustainability

During the reporting year, funds were invested particularly in developing the product portfolio, technology, sustainability, and expanding capacities. The Group's total investments in property, plant, and equipment and intangible assets in 2024 came to CHF 46.1 million (previous year: CHF 45.3 million), a slight increase of 1.8%. In total, 57% of the investments were for replacements and 43% for rationalizations and expansions.

Flooring Systems invested CHF 27.1 million during the reporting year (previous year: CHF 26.8 million). As in the previous year, a significant part of this went towards expanding the Flotex flooring plant in the U.S. Investments at the vinyl plant in Coevorden, the Netherlands, were for the homogenous vinyl line to improve product quality in packaging, dimensional stability, and to increase production efficiency. Further

significant investments in vinyl were made at the plant in Reims, France, which when modified can integrate a higher proportion of recycled material into our products and will thus reduce our carbon footprint considerably. Other smaller investments in various production facilities were made to renew equipment and improve production capacity and quality.

Investments in Movement Systems' property, plant, and equipment came to CHF 18.1 million (previous year: CHF 17.8 million). Most of these funds went to modernizing the production site in Fukuroi in Japan. Investments to reduce energy consumption, for example, also went into ventilation systems, further modernizing production facilities, new service centers, and installing additional photovoltaic systems in Europe.

Full-time equivalents by geographic area

	2024 in %	Change on previous year in %	2024 number	
Benelux	18.8	-4.2	949	
Germany	11.9	-5.3	602	
Great Britain/Ireland	9.3	-1.5	473	
France	7.8	-2.2	395	
Switzerland	3.6	0.0	180	
Scandinavia	3.4	-3.9	171	
Other countries Europe	14.6	1.1	743	
Europe	69.4	-2.5	3,513	
USA	11.1	-2.8	560	
Other countries Americas	4.1	2.5	209	
Americas	15.2	-1.4	769	
Asia/Pacific and Africa	15.4	-3.6	777	
Total	100.0	-2.5	5,059	

Prudent personnel management

At the end of 2024, the Forbo Group consisted of 5,059 full-time equivalents, 131 fewer than at the end of the previous year. The changes in equivalent numbers of employees largely reflect market and business trends in the respective countries and regions, with the year-end as the reference date.

Following adjustments to operating structures in the previous year, personnel was managed with due care during the reporting year, with new employees being hired closely in line with business developments. The decline in demand called for adjustments to the workforce and shift models at the production sites as well as to the number of employees in administration and sales.

TWO DIVISIONS WITH LEADING MARKET POSITIONS

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, to consolidate, and/or reinforce market access.
- We are developing a high-performance culture and providing the relevant skills and competences at all levels.

WELL-BEING.**FLOORING SYSTEMS**

The Flooring Systems division offers a sustainable, broad, and attractive product portfolio of environmentally friendly natural linoleum, high-quality vinyl floor coverings, entrance flooring systems, carpet tiles, needle felt, and Flotex, the washable high-tech textile flooring.

Thanks to their excellent technical properties and attractive designs, floor coverings from Flooring Systems are invariably the first choice for public buildings, department stores, hospitals, and other healthcare facilities, schools, libraries, commercial spaces, leisure centers, hotels, restaurants, and cafeterias as well as for applications in the residential market. With a market share of about 70 percent, Forbo is the world leader in linoleum.

Flooring Systems also provides ready-made adhesives for floor covering installations, parquet flooring, and ceramic tiles, leveling compounds for the construction industry, as well as liquid floors under the trade name Eurocol.

RELIABILITY.**MOVEMENT SYSTEMS**

The Movement Systems division is a global industry leader for sophisticated conveyor and processing belts, plastic modular belts, top-quality power transmission belts, as well as timing and flat belts made of synthetic materials. Products from Movement Systems are known under the brand name Siegling. They are used in a wide range of applications in industry, trade, and the logistics sector, including conveyor and processing belts in the food industry, as well as in a wide range of logistics applications, as treadmill belts in fitness studios, and flat belts in mail distribution centers.



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

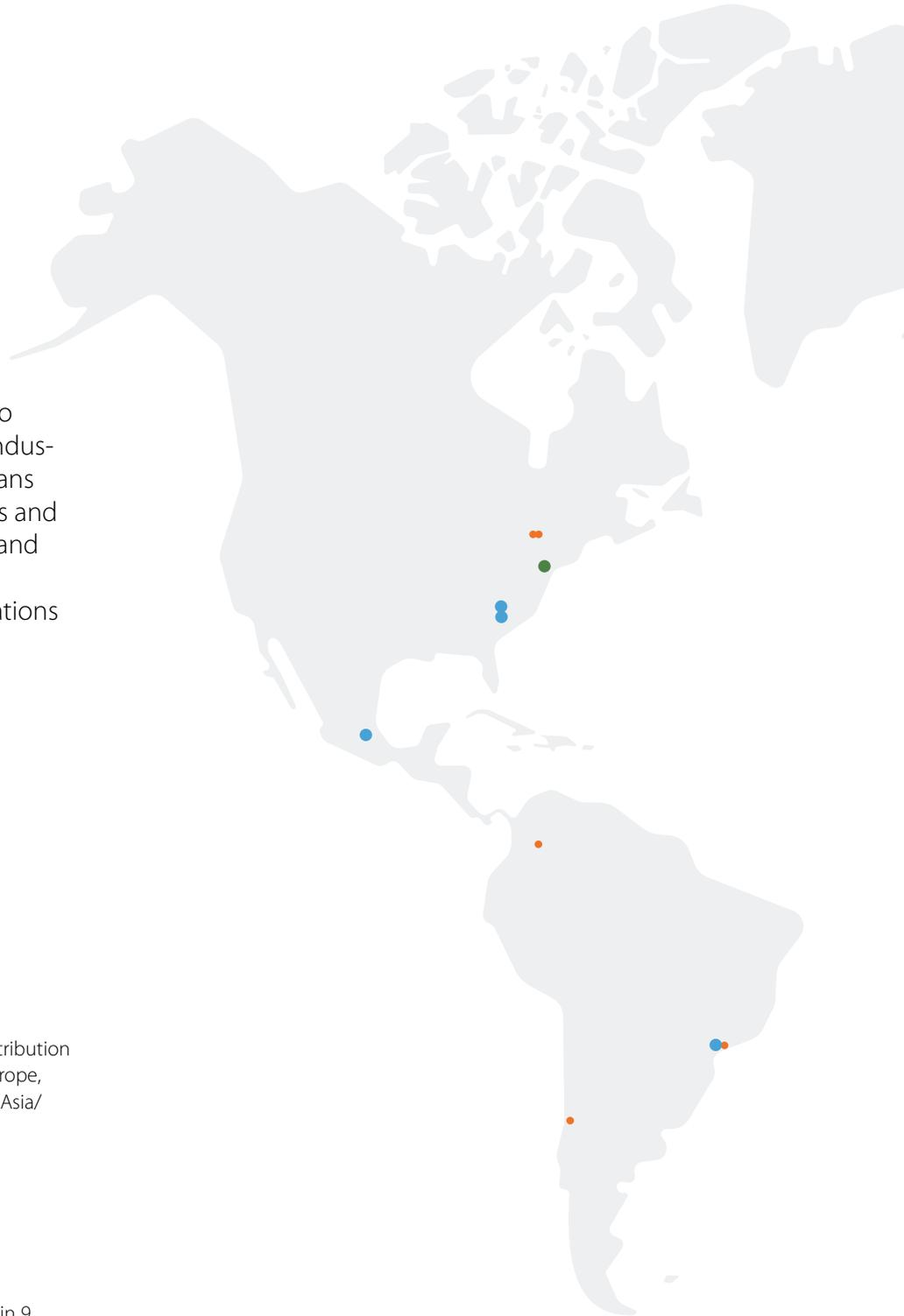
15 production facilities in 7 countries and distribution companies in 27 countries. Sales offices in Europe, North, Central, and South America, as well as Asia/Pacific.

- Floor coverings production facilities
- Building and construction adhesives 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

Individually designed

In interior designs that include floorings, the focus is not only on aesthetics and practical aspects but also on functionality, acoustics, and sustainability. When selecting a particular type of flooring, the technical requirements and an optimal sense of the color, design, and feel of the space become key decision factors. Here, our sustainable flooring solutions can be perfectly integrated into the various areas of a building. This means that every space – be it a sophisticated lobby, stylish restaurant, or fashionable hotel room – can acquire a unique character, thus ensuring that guests feel at home wherever they are.



INNOVATION AND SUSTAINABILITY



Jean-Michel Wins

Executive Vice President
Flooring Systems

'In the 2024 financial year, Flooring Systems launched innovative products, made significant progress in strategic projects, invested in state-of-the-art production facilities and technologies, and promoted sustainability with specific initiatives.

In an adverse economic environment, we were able to maintain our global market position and even expand it in individual markets. The launch of innovative product collections such as 'marmoleum cocoa' and 'flotex next' underlined our commitment to sustainability. Continuous development and a focus on sustainable products allowed us to improve our customers' long-term perception of us. The integration of recycled materials and climate-friendly technologies into our processes is at the heart of our strategy and strengthens our market position.'

Trends and challenges in the regions

The year was marked by an adverse market environment in the construction industry. Market uncertainties and persistently high construction costs led to projects being postponed in favor of energy-saving investments and, in some cases, even to the complete cancellation of construction and renovation projects, which put a strain on demand.

In Europe, 2024 presented us with challenges, especially in key markets such as Germany, France, the Netherlands, Belgium, and Sweden. In contrast, we were able to grow in Italy and Turkey, among other places, and maintain our sales in Great Britain. Public sector projects in Great Britain underlined the importance of our sustainable product lines. The introduction of linoleum in school renovation projects with a stronger focus on reducing CO₂ emissions was particularly successful.

The core segments in the U.S., particularly healthcare and education, recorded a solid recovery in net sales. After a weak previous year, the market delivered a strong performance, particularly in the new construction sector. The 'public space' segment, which includes inter alia airports and conference centers, produced strong results in 2024, thanks to our Flotex product range.

Despite solid growth with conductive floor coverings in Taiwan and major projects in Australia and Southeast Asia, we saw a slight overall decline in the Asia/Pacific region, mainly due to the weakening Chinese market.

Product innovations

Product innovations focused on sustainability, fresh design, and functional versatility, such as easier flooring installation. In the linoleum segment, the new 'marmoleum cocoa' collection proved to be especially impressive thanks to its particularly sustainable and recyclable qualities. The integration of cocoa bean husks gives the material its unique structure and aesthetic. The contemporary design and fresh color scheme make it a timeless flooring solution that works superbly with natural building materials. Its climate-friendly production sets new standards in the industry and was met with positive feedback, particularly in the education sectors.

In 2024, 'marmoleum solid' was introduced as a versatile collection with a modern design, a sound-insulating effect, and a wide range of applications in the education, hospitality, and retail sectors, among others. Its launch met the growing demand for aesthetically versatile and environmentally friendly solutions.

In the vinyl product line, the 'allura' collection has seen some exciting innovations. 'allura click flexcore' is an innovative loose-lay flooring with acoustic properties and a high substrate tolerance. At the same time, the inexpensive 'enduro' collection has been modified to appeal to a broader target group.

With 'surestep' and 'onyx+', both non-slip floor and wall coverings have been developed further to meet the requirements of the healthcare sector and public venues by combining anti-slip properties, a modern design, and sustainability.

Important advances have also been made in the textile product line. 'flotex next', a loose-lay textile floor covering, is easy to install and recycle, making it particularly suitable for high-traffic areas in hospitality and leisure facilities.

Flooring Systems also added two new collections to the Tessera carpet tile range in 2024. Tessera 'basis pro phase plank' offers new design options with its modern stripe design and a variety of neutral and accent colors. It enhances the design options and harmonizes perfectly with the existing colors of the 'basic pro' tiles.

The sustainable Tessera 'topology' collection, made from 'thrive' yarns with 90% recycled material (75% of the total weight), sets new standards in the 'evolve+' series with its high-end design. Its climate-friendly production uses only renewable energies and has a carbon footprint of less than 2 kg/m², compared to that of conventional products with 8 kg/m².

Sustainability

Our core collections now contain at least 20% recycled materials – an important milestone on the way to reaching our sustainability goals in 2030. Further progress was made in reducing CO₂ emissions and recycling production waste.

'The persistently challenging market environment has once again put our flexibility and innovation capability to the test.'

Jean-Michel Wins

Key figures Flooring Systems

Net sales

CHF million

765.6

- 1.3%

in local currencies

EBIT

CHF million

99.0

+ 4.3%

EBITDA

CHF million

123.8

+ 0.5%

Investments

CHF million

27

Innovation rate

Share of new products
in total net sales

6.2%

As part of our 'back to the floor' program, we continued to invest in the circular economy, particularly in the areas of material separation and reuse. Our partnership with local authorities in the EU also promotes end-of-life recycling by reintegrating used flooring into the production chain. Flooring Systems launched a pilot project in the U.S. in 2024 to recycle carpets and, in so doing, stepped up its efforts to conserve available resources. These initiatives not only strengthen our position as a sustainability leader but also give us a significant commercial advantage.

Investments in state-of-the-art facilities and technologies

Flooring Systems made specific investments in state-of-the-art production facilities and technologies during the reporting year. At our production facilities in Coevorden, the Netherlands, and in Reims, France, we expanded our recycling capabilities for processing post-consumer flooring materials. These systems meet the highest industry standards and contribute significantly to the circular economy. In Assendelft, the Netherlands, we introduced various measures that not only boost linoleum's production efficiency but also improve product quality and reduce waste. The expansion of the production site for Flotex floor coverings in the U.S. is progressing according to plan.

Focus on sales and marketing measures

The focus during the reporting year was on intensifying our sales and marketing measures, promoting customer loyalty, and consolidating our market position. In our core European markets, we focused on increasing the use of digital tools and on specific, personalized marketing campaigns. These measures will also support our growth strategy in growth markets such as the U.S. by helping to raise brand awareness.

In addition, we developed training programs for our customers, service technicians, and own personnel to ensure that they know our products thoroughly and can install them correctly. These programs not only strengthen the expertise within our teams but also add value for our customers. A first initiative aimed specifically at architects and building designers has already proven to be highly successful.

Optimistic about 2025

Our vision is to drive sustainable innovations and to further expanding our markets internationally. We are convinced that our investments in sustainability, innovative products, and strong global presence will help us to succeed in the future.

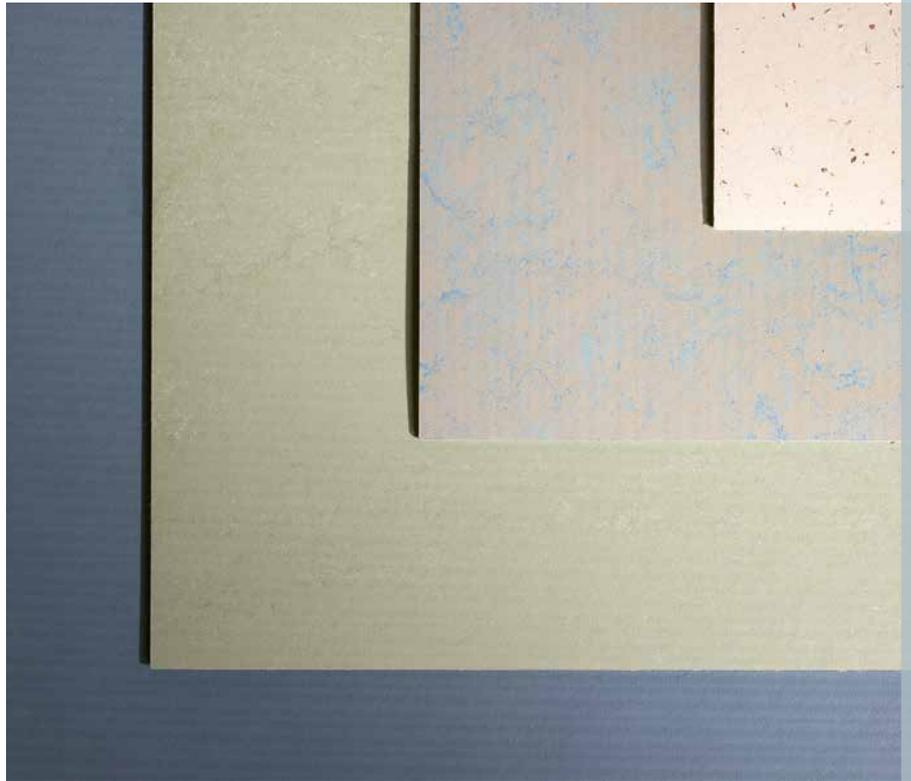
'Our focus on sustainable solutions, operational excellence, and strong customer relationships enabled us to make solid progress despite all the challenges we were facing.'

Jean-Michel Wins



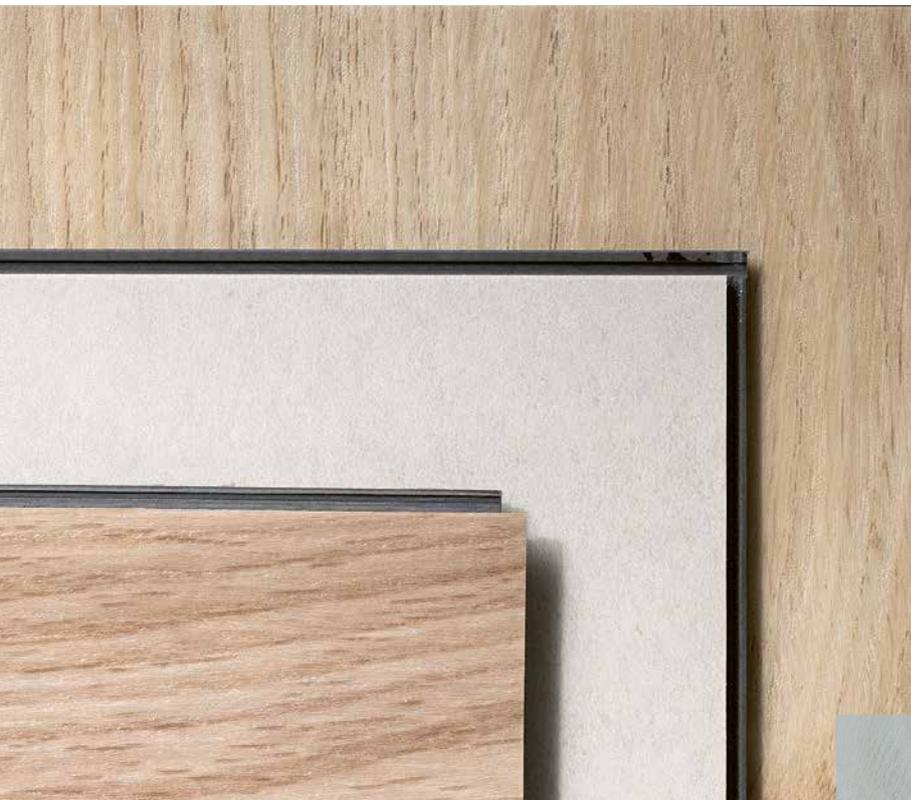


The 'marmoleum cocoa' linoleum collection includes purely natural raw materials and is climate-positive. Interspersed cocoa bean husks give the surface a unique texture.



The 'marmoleum solid' collection features a fully refreshed range of linoleum floor coverings. It contains a fixed share of recycled linoleum made from post-consumer materials and is typically installed in hotels, restaurants, and retail spaces.

The luxury vinyl tiles 'allura click flexcore' consist of a flexible core that compensates for uneven subfloors and can be laid out loosely. It is especially suitable for simple renovations in the catering sector.



With their stripe designs, the Tessera 'basis pro phase' carpet planks enable dynamic color gradients when designing office environments. They contain 62% recycled material.

MOVEMENT SYSTEMS

Hygienically reliable

In the food industry, not only hygiene and precision but also the reliability of belts for processing play crucial roles. Thanks to the diverse nature and specialized surface coatings, the products in our broad portfolio ensure smooth production processes and guarantee first-class product quality in conveying, positioning, heating, cooling, drying, cutting, and packaging. At the same time, our belts meet the highest hygiene standards and are not only oil-, grease-, moisture-, and bacteria-resistant but also require only a minimum of maintenance.



STRATEGIC INVESTMENTS ON TRACK



Marc Deimling

Executive Vice President
Movement Systems

'In the financial year 2024, Movement Systems placed a stronger focus on expanding new markets and implementing strategic initiatives. Implementing a revised airport strategy enabled us to realize significant projects in collaboration with leading system manufacturers. The targeted diversification of raw materials and suppliers ensured that stability was largely maintained despite geopolitical uncertainties, high transport and energy costs, and extended delivery times. With the launch of sustainable and innovative products, like new Transilon 'ecofiber' products and energy-efficient AmpMiser belts, Movement Systems consolidated its position as one of the leading providers of environmentally friendly and future-oriented power transmission and conveyor belt solutions. Stabilizing supply chains, strengthening sustainability initiatives, and increasing operational efficiency will be the focus for Movement Systems in the coming year.'

Mixed results in challenging times

Weak demand in the key logistics customer segment and the fact that the Chinese market has yet to recover are negatively affecting net sales development within Movement Systems. In addition, short delivery times have increasingly become a key purchasing criterion for our customers. As we did not react quickly enough, this had a negative impact on our sales performance.

In the European region, Movement Systems succeeded in launching new products for the recycling industry and successfully establishing them in the French market in particular. The production of electric vehicles calls for an increase in the performance of conveyor belts. With the launch of the heavy-duty S19 Prolink series, we have taken an important step toward specifically serving this promising market. In the reporting year, the service offering was expanded specifically in several regions, such as France, where the opening of the branch in Lyon strengthened the regional presence, and in Vitoria-Gasteiz in Spain, where Movement Systems is able to serve customers locally with the new service center.

In North America, the market environment developed positively, allowing for a slight year-on-year increase in net sales, which however was significantly below expectations due to ongoing organizational challenges. South America was marked by strong sales growth, particularly in food and industrial production. In Colombia, service quality was further improved through the expansion of specific regional partnerships.

At the same time, the Asia/Pacific region focused on securing market share in China and Korea. However, the fact that the Chinese market has yet to recover led to a decline in net sales. In China, Movement Systems established another service location in Chengdu.

New production line and increased efficiency

The new production line in Pinghu, China, was successfully commissioned in the reporting year. This strategic investment laid the foundation for further growth of the Transilon and Transtex product lines and contributed significantly to developing the product portfolio in the long term. At the same time, intensive work was carried out to modernize production processes at several locations. Specific measures to optimize overall equipment effectiveness (OEE) helped to increase production output. Improving OEE will remain a priority in 2025.

Digitalization of sales channels

In the summer of 2024, Movement Systems launched the 'belting depot' digital distribution channel, a new platform for putting inactive inventories on the market at particularly attractive prices. This distribution channel, now available across the Europe region, helps to optimize warehouse structures, reduce invested capital, and provide additional customer touchpoints.

Hygiene for the food industry

The new Fullsan belts are especially effective for hygiene-critical applications in the food industry as they are made from thermoplastic polyurethane and thus offer optimum cleaning properties. The portfolio also includes new versions of the 'positive drive' series for precise product positioning and slip-free operation as well as new versions of the 'flat' series in an unreinforced design. The new ProSnap modules for Prolink plastic modular belts significantly reduce downtimes for assembly, cleaning, and replacement. The ability to open and close the belt quickly without the need for tools significantly increases system efficiency. The polyurethane-impregnated surface of Transilon 'eco-fiber' conveyor belts make them ideally suited for the hygienic transport of foods, such as pasta and baked goods as well as unpackaged foods, into packaging machines. At the same time, they meet all the approval requirements defined by the main health and food authorities. A heat- and wear-resistant Transilon belt for feeding items into and out of ovens in bakeries ensures process reliability, reduces contamination risks and ensures the highest product quality.

'With this multifaceted package of measures, we are optimistic in our outlook for a year full of opportunities and innovations.'

Marc Deimling

Key figures Movement Systems

Net sales

CHF million

356.4

– 2.7%

in local currencies

EBIT

CHF million

30.4

– 31.4%

EBITDA

CHF million

50.8

– 22.4%

Investments

CHF million

18

Innovation rate

Share of new products
in total net sales

3.4%

Innovations for logistics

We are also setting new standards in sustainable logistics applications. With the introduction of the low-noise conveyor belt from the Transtex series, we are offering a low-noise solution that not only meets international noise control standards but also ensures the safe transport of luggage, boxes, and packages on inclined conveyor systems. Through the combination of fabrics made from recycled PET bottles and the bio-based PVC coating, the new logistics model in the Transilon 'ecofiber' product series significantly reduces CO₂ emissions during production, conserves resources, and ensures the highest level of quality and durability.

Precision and efficiency in industrial production

A new 'novov' model has been developed for use as a cutting belt in vacuum systems. As a result, the range of solutions for applications, where the highest precision is essential has been successfully expanded. They guarantee the utmost safety and efficiency while reducing energy consumption at the same time. Two new Transilon belts have been developed especially for the recycling industry. Thanks to their matt protective layer, they reduce light reflection and are ideal for optical sorting systems.

Stabilization and sustainable growth in 2025

Movement Systems consistently implements strategic initiatives to promote growth and increase profitability in the long term. The focus is on supporting our sales activities by ensuring optimal material availability and increasing efficiency, particularly in the U.S. as well as on optimal product availability, especially in Europe.

The planned commissioning of our new plant in Japan marks another milestone that will be crucial for our production capacity and global presence. In addition, we will continue to invest in expanding our digital marketing and sales channels with the aim of gaining further market share and attracting new customers.

At the same time, we will intensify our measures to reduce our carbon footprint and ramp up the use of renewable energies and bio-based raw materials.

In North America and in Asia/Pacific, where the logistics segment – particularly in airport projects – offers promising opportunities, we anticipate a slight recovery. In Europe, a market recovery is not expected in the near future. We also aim to further establish our presence in key markets by means of campaigns for the recycling and automotive industries as well as for food production.

'Whether it is in the food industry, logistics or industrial production, Movement Systems continues to set standards in quality, efficiency, and hygiene.'

Marc Deimling



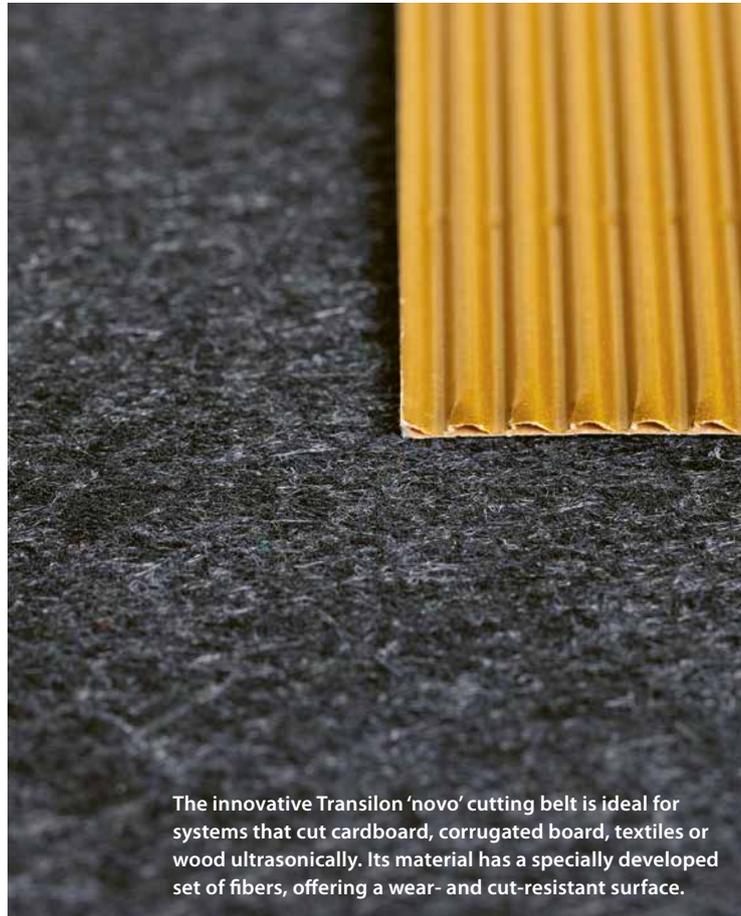


The ProSnap quick-release system enables the belt to be opened and closed quickly and without tools.



In the food industry, Prolink plastic modular belts are removed from the production line for deep cleaning, and it thus must be possible to open and close them quickly and easily.

The Transtex conveyor belt, used at airports and in logistics, is particularly quiet and guarantees by the longitudinal grooves, a reliable transport of goods.



The innovative Transilon 'novo' cutting belt is ideal for systems that cut cardboard, corrugated board, textiles or wood ultrasonically. Its material has a specially developed set of fibers, offering a wear- and cut-resistant surface.

THE FORBO SHARE

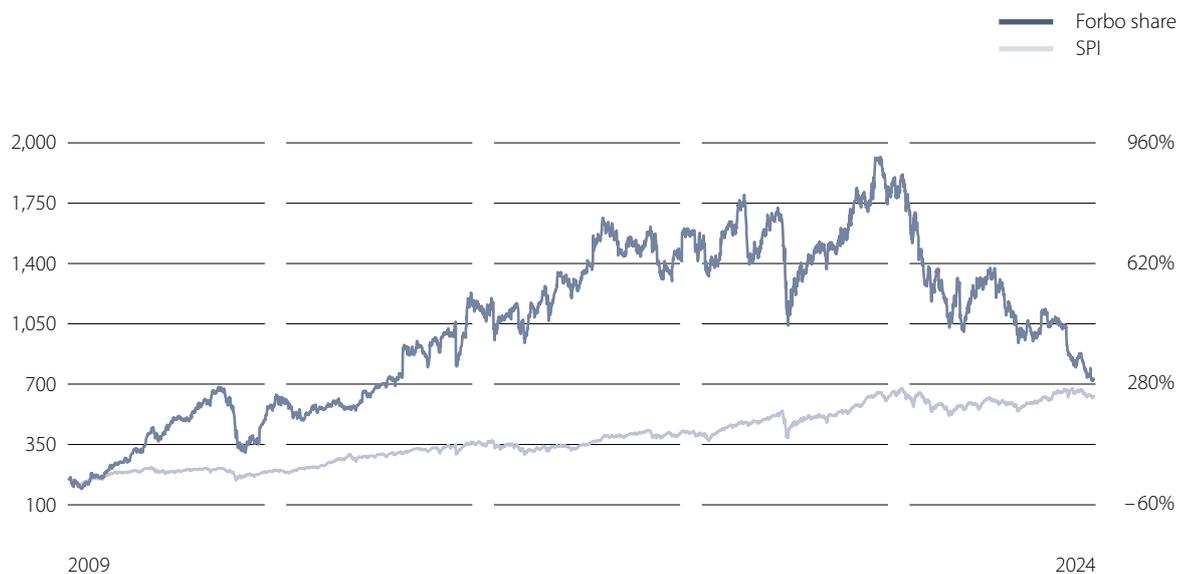
SHARE

Investors started into 2024 with modest expectations following a turbulent stock market in the year 2023. The positive start in January 2024 raised hopes among many of them for a year with more stability. In fact, many international equity markets ended the first half of 2024 in positive territory, supported by interest rate cuts and expectations of economic stimuli in the wake of elections in the U.S. Confidence about further interest rate cuts continued to rise during the second semester, and was also reflected in equity prices. On the other hand, the economic recovery in China had stalled, while geopolitical uncertainties continued to mount in the fourth quarter due to the ongoing conflict in the Middle East.

The Swiss Performance Index (SPI) reached an interim high of around +6% in March 2024 compared to the beginning of the year, before weakening again in April 2024. The renewed rally starting in May 2024 drove the SPI to a high of around +12% in June 2024. But the market then saw a slight downturn, with the SPI ending the year at 15,472 points – an increase of around 6% year-on-year.

Overall, Forbo's share price developed similarly to the SPI during the first few months. In the second semester, however, the Forbo shares lost some ground, closing at CHF 755 at year-end.

The Forbo share in comparison with the SPI



Share capital

		2024 number	2023 number	2022 number	2021 number	2020 number
Issued registered shares ¹⁾		1,485,000	1,485,000	1,485,000	1,650,000	1,650,000
Thereof:						
Shares outstanding		1,410,603	1,407,356	1,412,760	1,424,870	1,579,235
Share buyback programs		0	0	0	150,625	0
Other treasury shares		52,978	56,225	50,821	53,086	49,346
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	165,000	165,000
Thereof:						
Shares outstanding		141,060	140,736	141,276	142,487	157,924
Share buyback programs		0	0	0	15,063	0
Other treasury shares		5,298	5,623	5,082	5,309	4,935
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⁾		444	393	389	339	429
Group profit per share (undiluted) ^{2) 3)}		67.5	72.6	71.8	91.6	66.6
Gross dividend and cash distribution		25 ⁴⁾	25	23	25	20
Gross dividend yield (in %) ^{4) 5)}	High	2.2 ^{4) 5)}	1.8 ⁵⁾	1.2 ⁵⁾	1.2 ⁵⁾	1.2 ⁵⁾
	Low	3.4 ^{4) 5)}	2.6 ⁵⁾	2.3 ⁵⁾	1.7 ⁵⁾	1.9 ⁵⁾
Payout ratio ⁶⁾ (in %)		37	34	32	27	30

Stock market statistics

		CHF	CHF	CHF	CHF	CHF
Share price	High	1,152	1,386	1,922	2,040	1,729
	Low	745	957	1,020	1,498	1,044
	Year-end	755	1,054	1,088	1,870	1,518
Market capitalization (million) ⁷⁾	High	1,711	2,058	2,854	3,366	2,853
	Low	1,106	1,421	1,515	2,472	1,723
	Year-end	1,121	1,565	1,616	3,086	2,505

- 1) Par value per share in 2024, 2023, 2022, 2021, and 2020: CHF 0.10.
- 2) Based on the weighted average of the number of shares as set out in note 11 'Earnings per share' on page 146 of the Financial Report.
- 3) See note 11 'Earnings per share' on page 146 of the Financial Report.
- 4) Proposal of the Board of Directors to the 2025 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) Total number of shares multiplied by the corresponding share price.

SUSTAINABILITY REPORT

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INTRODUCTION



The sustainable production of environmentally friendly products has long been an integral part of our strategy. In the coming years, we will continue to make improvements along the entire value chain and expand our product portfolio with additional environmentally friendly products.

‘Committed to pioneering sustainable innovation’

Consistently sustainable, continuously better

We are proud to present our Sustainability Report for 2024, where we share our progress in driving innovation and operational excellence, while remaining deeply committed to environmental stewardship, social responsibility, and sustainable business practices.

Marmoleum, our flagship bio-based floor covering, has not only set the standard for sustainability but continues to evolve as leading in the flooring industry in this regard. The weighted average of our Marmoleum product range is climate-positive (cradle to gate), with no need for compensation. This means that, throughout its entire production process, Marmoleum captures more CO₂ than it emits, delivering a net reduction in greenhouse gases. This achievement, combined with the recognition of Marmoleum Cocoa’s design excellence at the 2024 German Design Awards, proves that innovation, sustainability, and aesthetic appeal can go hand in hand.

Our dedication to sustainability extends to our industrial belts. In 2024, we released two new versions of our BioBelt, the conveyor belt made from at least 20% renewable raw materials. BioBelt provides a sustainable alternative while meeting the performance standards of traditional belts. And sustainability is not only about the products we offer, but also how we design and produce them to help our customers reduce their environmental impact. Our BioBelt and Amp Miser conveyor belt both have proven to be game changers, reducing energy consumption and lowering operational noise, contributing to both operational efficiency and environmental sustainability.

While we celebrate these successes, we are fully aware that our journey toward a more sustainable future is ongoing. We remain committed to driving innovation, collaborating with our partners, and striving for continuous improvement in all areas of our business. The progress we have made this year strengthens our commitment to building a cleaner, more sustainable world for future generations.

The Board of Directors of Forbo Holding Ltd approved the 2024 Sustainability Report.

This E. Schneider
Chairman of the
Board of Directors

Jens Fankhänel
Chief Executive Officer

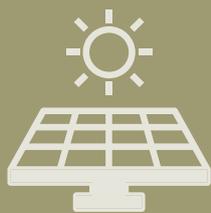
KEY ACHIEVEMENTS/ HIGHLIGHTS 2024

50%

TÜV Rheinland has certified that the AmpMiser conveyor belt reduces energy consumption by up to 50%



Our Tessaera 'topology' carpet tile collection comprises 75% recycled content by weight



Movement Systems has installed two additional photovoltaic systems in 2024, which together could save up to 70 metric tons of CO₂ emissions per year

50%

bio-based, recycled, and/or abundant minerals are used in Flooring Systems' products

83%

of floor coverings sold have third-party-verified Environmental Product Declarations (EPDs)



Two new versions of our BioBelt were released in 2024

UP TO 98%

of our linoleum is made from natural raw materials and it is climate-positive (cradle to gate) without offsetting



Flooring Systems' 'back to the floor' program (take-back and recycling of floor coverings) introduced in 14 countries

FOUNDATION

Our two divisions have been publishing independent Sustainability Reports for several years, with Flooring Systems doing so since 2005. Over time, the content of these reports has continually expanded to reflect our commitment to sustainability. In 2023, Forbo took a significant step by releasing its first combined Sustainability Report. This year, Forbo took another leap and published a more extensive report including CO₂ reduction targets.

Group Sustainability Report

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 in 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.

Sustainability Reports of our two divisions

This Group Sustainability Report is a comprehensive summary of our sustainability initiatives across the entire Group. However, it does not capture every topic explored in the divisional reports. Since our divisions operate in distinct markets with different products, services, and stakeholder demands, they will continue to publish their own comprehensive sustainability reports alongside the Group Report. This approach allows us to meet the transparency expectations of all our stakeholders.

Both divisional reports are available on our website at the following link:

→ www.forbo.com → Sustainability



Sustainability Reports

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



Code of Conduct

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.

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. The manufacture of environmentally friendly products has long been an integral part of our strategy. We offer our customers tailor-made solutions that are characterized by sustainability, functionality, quality, and design. The company employs about 5,100 people and has an international network of 25 production and distribution companies, 6 fabrication centers, and 47 pure sales organizations in a total of 39 countries. Forbo is headquartered in Baar in the canton of Zug, Switzerland. The Group company Forbo Holding Ltd is listed on the SIX Swiss Exchange.

Global reach

Forbo operates on a global scale, enabling proximity to key markets. This worldwide presence positions Forbo as the preferred partner for customers with a similar international footprint.

Flooring Systems has 15 production facilities in 7 countries and sales companies in 27 countries – with sales organizations in Europe, North, Central, and South America, as well as Asia/Pacific.

Movement Systems has 10 production facilities and 6 fabrication centers in 9 countries as well as sales organizations in 32 countries – with over 300 sales and service points worldwide.



Products, markets, and sales channels

Forbo aims to achieve leadership positions in clearly defined market segments, based on customer orientation, high service levels, innovation, sustainability, digital transformation, and a strong global brand. Forbo holds a solid market position in Europe and the USA while expanding significant positions in growth markets. Both business divisions combine technological innovation with a strong market presence, offering products that excel in quality and sustainability.

In Flooring Systems, we focus on solutions that enable easy installation, long-lasting, low-maintenance usage, and customized design. In Movement Systems, we are investing in expanding capacities and developing, in close collaboration with our customers, conveyor belts that significantly reduce energy consumption, contributing to sustainability and enhancing productivity.

Forbo continuously invests in product innovation and new applications. The quality, longevity, and performance of our products and systems are key to building long-standing relationships with our business partners. Attractive product and service offerings, high product availability, reliable delivery quality, and customer proximity are the key success factors that enable us to thrive in the current challenging market environment.



Two divisions

Movement Systems



Flooring Systems



Forbo Flooring Systems

Flooring Systems' products combine functionality and high product quality with innovative designs and easy-to-install solutions. They enhance interiors according to the needs of the users. With each new collection, Flooring Systems makes its products and production processes more sustainable and meets the highest functional requirements. Through active exchanges with designers, architects, building owners, and suppliers, we keep our finger on the pulse of technical innovation and design trends.

Flooring Systems offers an extensive selection of environmentally friendly natural linoleum, including key brands like Marmoleum for sheet, tile, and plank options; Marmoleum 'click' for floating floors; Marmoleum 'sport' for indoor sports floors; and Marmoleum 'ohmex' for anti-static panels. Furniture Linoleum and Bulletin Board serve as surfacing materials for various applications. Our diverse collection extends to innovative vinyl floor coverings, such as 'allura' and 'effekta' for luxury tiles and planks, 'eternal' for heterogenous vinyl, 'sphera' for homogenous vinyl, 'step' for slip-resistant vinyl, 'saron' for acoustic vinyl, 'modul'up' for loose lay vinyl

sheet, 'colorex' and 'sphaera' for static dissipative vinyl floors, and 'novilon' for residential vinyl flooring. In the realm of textile floor coverings, we provide a unique selection, including Flotex – a washable high-tech flooring made from densely packed 6.6 nylon fibers. Brands like Tessera, Coral, and Nuway cater to various needs from tufted carpet tiles and planks to needlefelt and rigid entrance floors. A range of building and construction adhesives, featuring waterborne options for floor coverings and construction applications, levelling compounds, and water barriers under the Eurocol brand completes the portfolio of Flooring Systems. Additionally, our liquid floor coverings – Liquid Design, Beton Design, and Deco Design – are suitable for both flooring and wall covering applications.

Our floor coverings have been installed in various sectors, including public buildings, education facilities, and healthcare institutions, demonstrating durability and functionality over the years. Today, our floor coverings are increasingly popular in retail, hospitality, leisure, and commercial offices, allowing for customizable designs. We also serve specific sectors like the high-tech industry (data centers, IT, and pharma environments) and the transport sector (railways, automotive, and marine) for carriages, coaches, and vessels. Our building and construction adhesives business is active in these areas, as well as ceramics (floor and wall applications), parquetry, wooden floor coverings, and sports floor installation materials for indoor and outdoor sports.

'Design, trends
and sustainability
combined'

Forbo Movement Systems

Movement Systems is a global industry leader in total belting solutions. It supplies high-quality conveyor belts and processing belts as well as plastic modular belts, power transmission belts, and timing and flat belts made of synthetic materials for all branches of the industry and service companies worldwide. As an innovative market leader, responsible manufacturer and employer, Movement Systems sets very high standards in terms of health, safety, environment and quality. Treating resources responsibly is one of the Movement Systems' fundamental principles, as well as investing in R&D capacities to develop sustainable products.

Movement Systems serves industries worldwide across all sectors. Our high-quality belts are used in a wide range of applications in industry, trade, and logistics, including conveyor and processing belts in the food industry and in various logistics applications, as treadmills in fitness studios or as flat belts in mail distribution centers.

Movement Systems maintains direct contact with OEMs and end customers worldwide, also providing tailored on-site services either directly or through trusted partners. This proactive approach minimizes downtime and ensures we can quickly adapt to our customers' specific needs, delivering efficient and responsive solutions.

Our belting expertise is backed by more than 100 years of experience in the production of chrome leather upright belts and other innovative power transmission products. This laid the foundations of the business today. Consistent innovations, product and process developments have made Movement Systems what it is today, a global industry leader in total belting solutions. As a tribute to its legacy and to preserve its values, the headquarters of the company's division are still based at the same place they were founded. Today, Movement Systems still produces a range of innovative conveyor, processing, and power transmission belts at exactly this location, while consistently investing in state-of-the-art production technology in all plants across the globe.

'Belt design
contributes
to sustainability'

ENVIRONMENT

The responsible use of resources is very important to us. We are committed to protecting the environment and investing in projects that contribute to a more sustainable future for us and for society as a whole.



Introduction

Both divisions offer an increasing range of environmentally friendly products. This enables Forbo's customers to reduce their CO₂ footprint. Together we contribute to a more sustainable use of resources. In order to strengthen our commitment to high-quality and sustainable business practices, we have obtained a number of internationally recognized certifications. Our quality management system is certified to ISO 9001 at all Flooring Systems' major production sites. Flooring Systems' main production sites and many of Movement Systems' sites have ISO 14001 environmental management certification, and several of Movement Systems' sites are EN ISO 50001-certified (energy management).

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.

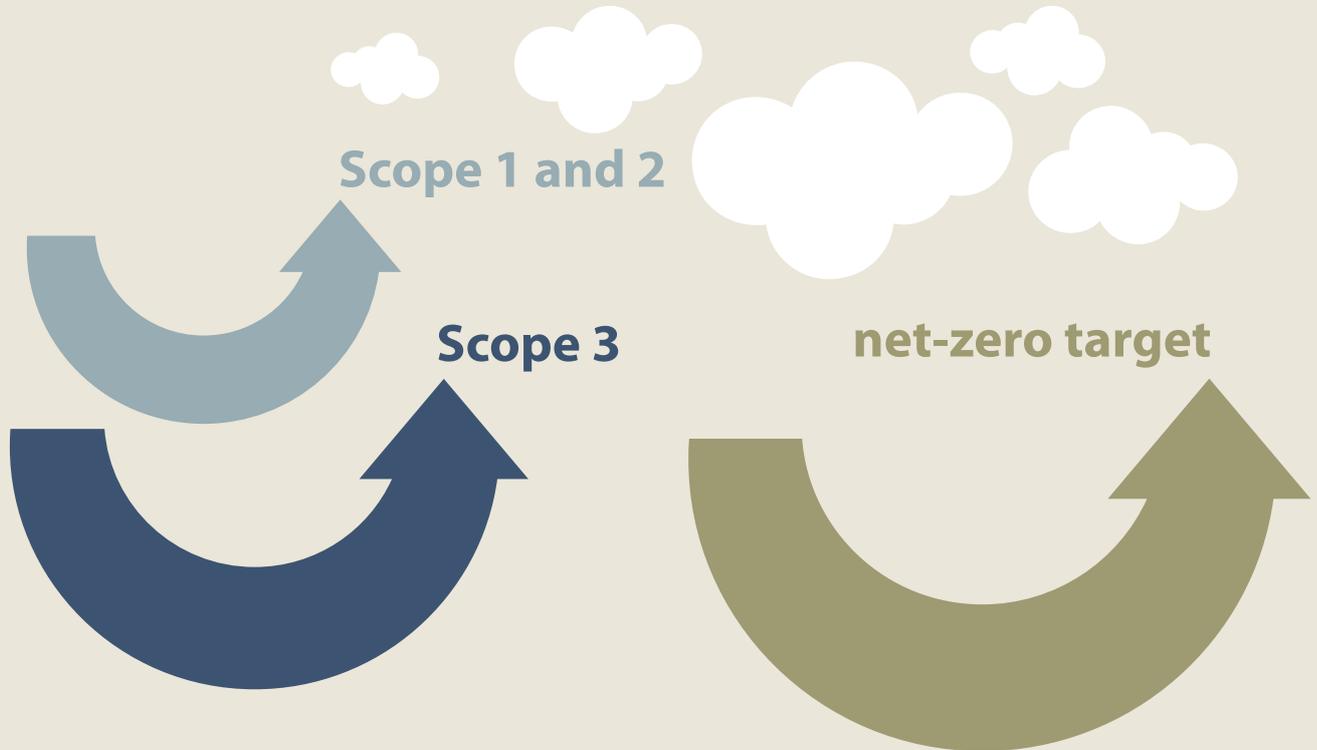
Report scope

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 also includes the 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. Listed intensity values do not take into account the production of building and construction adhesives, as this cannot be measured in square meters and would have very little impact on the overall intensity figures.

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 have been calculated across the entire Group.

Forbo's environmental targets

At Forbo, we are committed to addressing the challenges of climate change through actionable decarbonization initiatives. Our environmental targets are central to our sustainability strategy, which aligns with our broader goal of creating a positive environmental impact across all areas of our business. Building on our track record of CO₂ emission reduction, we are now setting clear, measurable targets to reduce our CO₂ emissions and work towards a net-zero future.

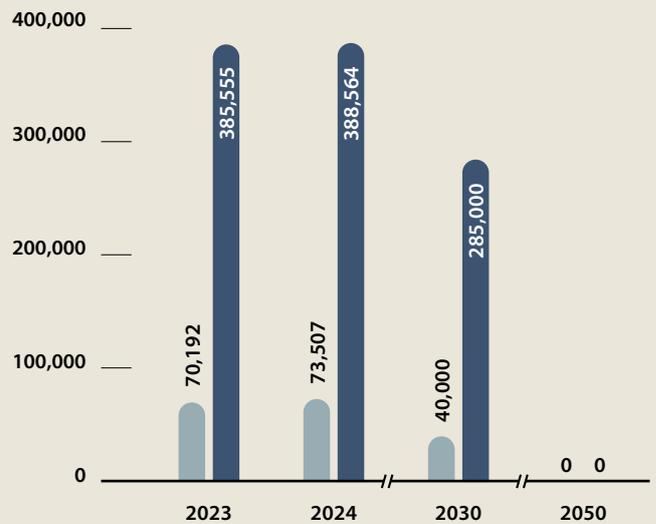


Our Scope 1 and 2 near-term target
 By 2030, reduce our Scope 1 and market-based Scope 2 CO₂ emissions by 43% compared to our baseline 2023

Our Scope 3 near-term target
 By 2030, reduce our Scope 3 CO₂ emissions by 26% compared to our baseline 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)

Forbo's CO₂ emission reduction pathway
 metric tons CO₂(e)



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.

- Scope 1, 2
- Scope 3

Forbo's strategic framework for ESG – climate-related matters

A robust strategy is essential to navigate the complexities of climate change and seize the opportunities it presents. To align our climate-related ambitions with the expectations of our stakeholders, both divisions regularly conduct materiality analyses. The materiality analyses of the two divisions are evaluated and consolidated at Group level. We integrate climate-related matters into our overall business planning process to ensure the delivery of our near-term goals and to set the path towards our long-term ambitions.

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 the company 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 on our business) and impact materiality (the effect of our operations on the environment). It includes the following key steps:

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

For the materiality analysis, Forbo engaged its 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 (financial materiality). 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. 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 ecosystem 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.

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.

MATERIAL RISKS AND OPPORTUNITIES

Climate-related transition risks

Short-term	Medium-term	Long-term	Mitigation
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"> – Ongoing investments in energy- and cost-efficient buildings and production facilities – Energy audits – Leverage government incentives
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"> – Train personnel – Foster collaboration between departments to share expertise and responsibilities – Process streamlining and digitalization
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"> – Energy efficiency programs – On-site electricity generation – Long-term energy contracts – Infrastructure upgrades
Not applicable	Increased transportation costs due to rising CO ₂ emission cost	Same as medium-term	<ul style="list-style-type: none"> – Local production – Alternative transport solutions – Supply chain optimization

Climate-related physical risks

Short-term	Medium-term	Long-term	Mitigation
Disruption of supply chain	Same as short-term	Same as short-term	<ul style="list-style-type: none"> – Supplier diversification (geographically) – Strategic inventory buffer for critical materials – Monitoring system to swiftly identify and respond to disruptions
Damages to production facilities	Same as short-term	Same as short-term	<ul style="list-style-type: none"> – Investment in climate-resilient infrastructure – Effective business continuity plan

Climate-related opportunities

Short-term	Medium-term	Long-term	Exploitation
Increased demand for sustainable products	Same as short-term	Same as short-term	<ul style="list-style-type: none"> – Sustainable product development – Regular life cycle assessment for all product categories – Market the environmental benefits of the products – Customer engagement
Lower operational costs through waste heat recovery	Lower operational costs through waste heat recovery and additional revenue through heat sales	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

Impact materiality

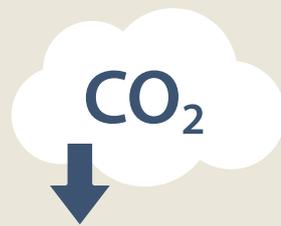
We measure the impact of our business on the climate by regularly calculating Forbo’s carbon footprint (impact materiality). We defined a cross-functional process that allows us to calculate not only our total CO₂ emissions, but also the additional supporting metrics (e.g. share of renewable energy consumption in total, carbon intensity, etc.) which provide us with essential insights to monitor and manage our initiatives. In 2024, we achieved a milestone by integrating the collection and reporting of climate-related data into our financial reporting system. The baseline measurement process consists of three key phases: the data is

collected by the business units from several internal and external sources. It is then uploaded into our financial reporting system, where the data is aggregated. We then calculate the relevant metrics using the most recent GHG emission factors before the data finally flows into the Group reporting. Figures related to impact materiality are disclosed in the ‘environmental metrics’ section.

Forbo’s materiality analysis is an ongoing process and will evolve in line with the latest science developments and best practice. We review our approach regularly, taking into account changes in regulations, technology, and market conditions.

TRANSITION PLAN

Our key levers at a glance



Reducing Scope 1 and 2 emissions



Renewable energy

Operational excellence

Reducing upstream Scope 3 emissions



Responsible sourcing and supplier engagement

Low-impact materials

Alternative transport solutions

Waste reduction

Reducing downstream Scope 3 emissions



Circularity

Alternative transport solutions

Scaling our sustainable products

The mitigation of the widespread adverse impacts of climate change and related damage to nature, people, and also to our business requires sustained GHG emission reductions in all sectors. We are working on reducing our environmental impact at every step of the value chain. Based on the risk and impact assessment, we prioritize climate-related issues according to their potential business and environmental significance, ensuring that climate impacts, risks, and opportunities are embedded into decision-making and long-term planning processes. In this section, we describe Forbo’s

approach to implementing and ensuring the achievement of our net-zero commitment by 2050. Forbo will further reduce its carbon emissions through targeted business measures within its defined roadmaps. Our decarbonization levers include increasing energy efficiency, electrification, fuel switching, use of renewable energies, product change, decarbonization of the supply chain, and introducing take-back programs. For every action we consider, we not only quantify the potential to reduce emissions, but also assess the financial impact. This allows us to understand the inter-

dependencies between our net-zero target and our profitable growth strategy. To ensure we meet our targets, we monitor and track the progress of our actions, enabling us to manage the process appropriately. To oversee the implementation of our transition plan, we have established a governance and reporting structure.

Forbo's employees play a key role in implementing the measures defined in the strategic framework. They for instance took the initiative and created 'the Green Walk' at Flooring Systems' factory in Assendelft, the Netherlands, a dedicated program which highlights that sustainability is everyone's responsibility and, in fact, begins with the things you can influence yourself. We regularly run campaigns on the use of electricity, water, and paper, as well as on how to reduce production and office waste. We also encourage our employees to use environmentally friendly means of transport to get to work. For example, some of our German sites support the 'Jobrad' initiative and the 'Deutschland-ticket'.

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. Since 2004, Flooring Systems has reduced its Scope 1 and 2 emissions by around 80%. We aim to achieve further reductions by following our reduction pathway. Our internal operations' emissions account for 16% 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

A key focus will be a significant reduction in our Scope 2 emissions through a substantial increase in the share of electricity sourced from renewable energy.

In 2024, renewable energy sources accounted for 72% of the electricity used. Movement Systems operates solar energy systems on three production/fabrication halls, with two systems being installed in Germany and Switzerland in 2024. The new 723 solar modules have a capacity of 308 kWp and could save up to 70 metric tons of CO₂ emissions per year. With these installations, Movement Systems increased the total output of solar energy to 530 kWp. Further installations are planned for the near future in Germany and China.

Operational excellence

The elimination of natural gas (Scope 1) from Forbo's own operations remains one of our biggest challenges. For example, drying the kilometers of linoleum produced is an energy-intensive process. The 56 drying rooms at the Assendelft factory, which are 20 meters high, are heated with natural gas. We are already applying a number of business levers, such as technology, to improve our energy efficiency. Over the past three years, for example, the afterburners at the Coevorden plant in the Netherlands have been replaced, significantly reducing the energy required for combustion and cutting CO₂ emissions from flue gas by 50% through the installation of static filters and gas-fired thermal oil heaters. One of our flagship projects in terms of investments in energy-efficient and more environmentally friendly production is the implementation of a new slitting line with a coating and calendaring line for Transilon belts in Fukuroi, Japan. The new line is equipped with a regenerative thermal oxidizer, which reduces primary energy consumption and improves exhaust air purification. Cooling water is provided by a high-efficiency turbo chiller, and a new automated camera inspection system provides fast and accurate visual inspection of product quality, helping to reduce waste. In addition, the production width is variable, which provides additional flexibility and reduces cutting waste. Overall, we expect to further reduce waste and scrap at the Fukuroi site by about 25%. Production is scheduled to start in 2025.

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 71% of Forbo's total carbon footprint. Driving emission reductions throughout our supply chain is essential to meeting our climate targets.

Responsible sourcing and supplier engagement

Forbo is committed to working closely with our suppliers to reduce emissions and encourage transparency in our sourcing decisions. We are convinced that, by implementing the principles of responsible sourcing, we not only have a positive impact on society and the environment, but also contribute significantly to the resilience and reliability of our own supply chain. We require our suppliers to align with our sustainability efforts, ensuring that their operations meet strict environmental, social, and governance (ESG) standards. This includes encouraging our suppliers to report their emissions, set their own GHG reduction targets, and take action to reduce their environmental impact. Compliance with these principles is checked through regular risk assessments and, where necessary, through on-site supplier audits.

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.

At the heart of Forbo’s sustainable DNA is a rich history of using bio-based materials, particularly as key ingredients for our linoleum. In 2024, Flooring Systems closed a project which successfully transitioned over 25 linoleum products to a more sustainable production recipe, reducing our reliance on resource-intensive raw materials. Our Marmoleum consists of up to 98% natural raw materials and does not contain any PVC, PET, synthetic rubber, or plasticizers. Flooring Systems has also developed a linoleum adhesive that uses a bio-based binder, mineral filler, and other natural raw materials. 616 Eurostar Lino Green linoleum adhesive is emission-tested according to the principles of the German Institute for Building Technology (DIBt). Overall, 50% of the materials used at Flooring Systems’ production sites were bio-based, recycled, and/or an abundant mineral in 2024. In line with this, our Tessera Topology collection offers carpet tiles made with solution-dyed nylon with 90% recycled content and has an overall recycling content of 75% by weight, and our modular Flotex backings are made with recycled PVC.

Movement Systems is also committed to using more sustainable materials in production. Movement Systems purchased 195 metric tons of environmentally friendly raw materials in 2024, such as yarns from recycled PET, bio-based PVC, and epoxidized soybean oil (ESO). For example, we use bio-based materials in our BioBelt product range, and we continue to explore new ways to incorporate recycled content in our products, such as the use of 100% recycled PET material in the tension members of the Transilon ‘ecofiber’ belt.

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.

Flooring Systems has developed a take-back program, ‘back to the floor’, which operates in 14 countries and plays a key role in reducing waste. The program includes the take-back of installation waste and the recovery of old floors. In France, for instance, we also reclaim samples and sample books to reuse them or reintroduce them into the production cycle. This initiative helps minimizing the need for virgin raw materials. It also demonstrates Flooring Systems’ commitment to closing the loop on flooring materials, ensuring that its responsibility doesn’t end when the products leave the factory. Our Flotex factory in Ripley, United Kingdom, has a large recycling facility that processes up to 50 metric tons of production waste per week for reuse in the production process, significantly reducing production waste. Our building and construction adhesives activity is also committed to reducing production waste. Powder waste is recycled whenever possible, and measures like resizing powder bags are proving to be highly successful in reducing waste. Our adhesives manufacturing site in Germany was able to reduce powder waste by 64% since 2021.

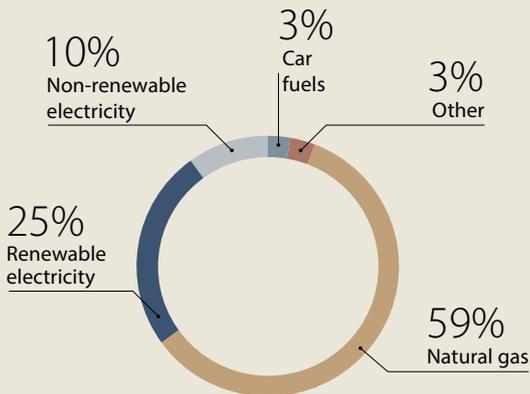
Movement Systems launched a ‘waste and scrap’ project with a goal of reducing production waste by 10% by 2030. This project includes the implementation of a global waste monitoring system and standardized documentation. Employee engagement is also a key part of this initiative, encouraging ideas and raising awareness about waste reduction. In 2024, we piloted a program to give Transilon belts with minor defects a second life, offering them at discounted prices through an online platform to prevent disposal.

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

Through these initiatives, we are not only reducing waste but also creating a more circular production system, contributing to our long-term environmental goals.

Energy usage in 2024

Total 1,367,016 gigajoules



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.

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.

Circularity

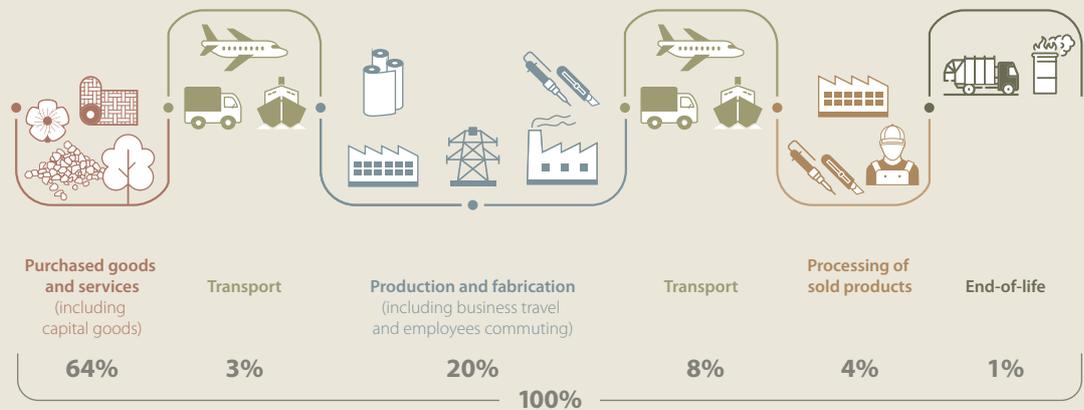
To reduce our downstream GHG emissions, we focus on maximizing the usability, reusability, and recyclability of our products. A key component in many of our high-quality vinyl floors and textile backings is PVC. PVC can be melted down and recycled many times without significant degradation. This property allows

the material to remain in the recycling loop for extended periods, reducing the need for virgin PVC production and the associated energy consumption and greenhouse gas emissions. Movement Systems is also actively exploring ways to take back, recycle, and reuse worn belts. Many of our conveyor belts consist of materials such as PVC and polyester that are bonded together and contain additives that are hard to separate. From a technical point of view, this combination of raw materials is difficult to recycle. As a result, these types of conveyor belts are traditionally disposed of at the end of their useful lives. A project to evaluate the recyclability of our Transilon belts, involving a major customer and a Dutch recycling company, is ongoing.

Alternative transportation solutions

The Scope 3 category ‘transportation and distribution’ accounts for 5% of our upstream and 66% of our downstream emissions. We are currently working to identify potential actions, e.g. switch to nearby suppliers and to environmentally conscious transport companies, to reduce these impacts, and to understand their financial implications. Our linoleum factory in Assendelft is leading the way: all transport on the factory site is by electric vehicles, and the journey of rolls of finished linoleum to the warehouse is emission-free thanks to a 750-meter-long electric overhead conveyor system.

CO₂ footprint per phase of our value chain



Scaling our sustainable products

Through the strategic marketing and scaling of our sustainable products, we aim to drive positive change within the industries we serve. By expanding the reach of these offerings, 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 (LCA) 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 the life 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 from material extraction to production, shipping, consumption, and disposal. They provide increased transparency by enabling comparisons of the environmental impact of similar products, thus enabling informed decision-making. Flooring Systems offers complete Environmental Product Declarations for a wide range of products, including human health and eco-toxicity, informed by the

internationally recognized USEtox method. Our EPDs are verified by UL Solutions against the international ISO 14025 standard.

Movement Systems offers a range of energy-saving conveyor belts that are treated with its patented low-friction Texglide technology. The German inspection body TÜV Rheinland confirmed that Amp Miser 2.0 Energy Saving Conveyor Belts can achieve significant energy and CO₂ reductions compared to common conveyor belts. For their potential to save up to 50% of the energy required for power transmission, our Amp Miser belts received the German Best of Industry Award for the Best Sustainability Project in 2023. In the food industry, belt cleaning consumes vast quantities of water and energy. Special Forbo belts help save resources. The belts’ release capabilities play a big role in making cleaning easier. Easy-to-clean surfaces and geometries, as well as closed belt designs, can cut the water required for cleaning significantly.

Environmental metrics¹⁾

Materials

Materials used	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Virgin	189,875	25,639	215,514	213,512	0.9%
Recycled procured	39,015	287	39,302	32,352	21.5%
Recycled from production (including reclaimed products and materials)	21,017	318	21,335	21,031	1.4%
Total	249,907	26,244	276,151	266,895	3.5%

Non-renewable materials used (abundant minerals)	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Virgin	36,440	410	36,850	39,377	-6.4%
Recycled procured	12,482	0	12,482	5,562	124.4%
Recycled from production (including reclaimed products and materials)	0	0	0	1,660	-100.0%
Total	48,922	410	49,332	46,599	5.9%

Renewable materials used	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Virgin	27,576	1,599	29,175	22,016	32.5%
Recycled procured	17,230	146	17,376	17,176	1.1%
Recycled from production (including reclaimed products and materials)	7,757	225	7,982	2,169	268.0%
Total	52,563	1,970	54,533	41,361	31.8%

Non-renewable materials used (fossil-based, metals, limited minerals)	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Virgin	125,859	23,630	149,489	152,119	-1.7%
Recycled procured	9,303	141	9,444	9,614	-1.8%
Recycled from production (including reclaimed products and materials)	13,260	93	13,353	17,201	-22.4%
Total	148,422	23,864	172,286	178,935	-3.7%

Reclaimed products and materials	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Reclaimed products and minerals	762	0	762	250	204.8%
Total	762	0	762	250	204.8%

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

Energy consumption and energy mix

Fuel consumption (non-renewable sources)	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Gigajoules					
Natural gas	559,153	243,179	802,331	793,919	1.1%
Light fuel oil	11,013	8,865	19,878	19,532	1.8%
Coal	0	0	0	0	0%
Car fuels	29,816	8,152	37,968	43,406	-12.5%
Total	599,981	260,196	860,177	856,857	0.4%

Fuel consumption (renewable sources)	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Gigajoules					
Biogas	8,616	0	8,616	10,437	-17.5%
Total	8,616	0	8,616	10,437	-17.5%

Purchased energy consumption (renewable sources)	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Gigajoules					
Electricity	315,510	29,818	345,327	335,020	3.1%
Heating energy	8,676	0	8,676	4,658	86.3%
Cooling energy	0	0	0	0	0%
Steam energy	0	0	0	0	0%
Total	324,186	29,818	354,003	339,678	4.2%

Purchased energy consumption (non-renewable sources)	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Gigajoules					
Electricity	19,706	118,295	138,001	126,450	9.1%
Heating energy	0	0	0	0	0%
Cooling energy	0	0	0	0	0%
Steam energy	0	4,128	4,128	0	0%
Total	19,706	122,423	142,129	126,450	12.4%

Self-generated energy consumption	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Gigajoules					
Electricity	737	1,354	2,091	819	155.3%
Heating energy	0	0	0	0	0%
Cooling energy	0	0	0	0	0%
Steam energy	0	0	0	0	0%
Total	737	1,354	2,091	819	155.3%

Total energy consumption within the organization	953,225	413,791	1,367,016	1,334,240	2.5%
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Energy intensity

Energy requirement per m² of flooring/belt produced¹⁾	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Megajoules					
Total	19.50	71.69	25.15	26.29	-4.3%

¹⁾ Total energy consumption within the organization (excluding the energy consumption of the building and construction adhesives activity) divided by the number of square meters of flooring/belt produced.

Water

Water withdrawal	Flooring Systems 2024	Movement Systems 2024 ¹⁾	Forbo Group 2024	Forbo Group 2023	Change over previous year
Megaliters					
Groundwater	23.8	not reported	23.8	24.5	-2.9%
Third-party water	276.7	not reported	276.7	297.0	-6.8%
Total	300.6	not reported	300.6	321.5	-6.3%

Water discharge	Flooring Systems 2024	Movement Systems 2024 ¹⁾	Forbo Group 2024	Forbo Group 2023	Change over previous year
Megaliters					
Groundwater	8.7	not reported	8.7	8.9	-2.6%
Third-party water	64.7	not reported	64.7	54.6	18.6%
Total	73.4	not reported	73.4	63.6	15.3%

Water consumption	Flooring Systems 2024	Movement Systems 2024 ¹⁾	Forbo Group 2024	Forbo Group 2023	Change over previous year
Megaliters					
Total	227.2	not reported	227.2	257.9	-11.9%

¹⁾ The manufacturing process for Movement Systems' products is not water-intensive. Closed-loop water systems, which help with reducing unnecessary water consumption, and belts specifically developed for water-saving cleaning, which actively support its customers in their ambitions to use less water, are both reasons why water withdrawal, discharge, and consumption were assessed not to be material for Movement Systems. Movement Systems has accordingly not provided data in this regard.

Greenhouse gas emissions (fossil)

Scope 1 emissions¹⁾	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Stationary combustion	32,217	15,757	47,974	47,318	1.4%
Process emissions	0	2,261	2,261	1,614	40.1%
Mobile combustion	2,390	572	2,962	3,162	-6.3%
Fugitive emissions	0	78	78	3	2,500.0%
Total	34,607	18,668	53,275	52,097⁵⁾	2.3%

Scope 2 emissions (marked-based)²⁾	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Total	350	19,882	20,232	18,095⁵⁾	11.8%

Scope 2 emissions (location-based)³⁾	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Total	29,358	20,938	50,296	47,774	5.3%

Scope 3 emissions⁴⁾	Category	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons						
Upstream	1 Purchased goods and services	225,248	55,012	280,260	266,535	5.1%
	2 Capital goods	8,727	7,144	15,871	18,203	-12.8%
	3 Fuel- and energy-related activities (not included in Scope 1 or 2)	4,923	3,774	8,697	8,316	4.6%
	4 Upstream transportation and distribution	12,528	3,219	15,747	14,094	11.7%
	5 Waste generated in operations	247	89	336	2,830	-88.1%
	6 Business travel	341	4,787	5,128	5,621	-8.8%
	7 Employee commuting	2,019	1,698	3,717	3,669	1.3%
	Total	254,033	75,723	329,756	319,268	3.3%
Downstream	9 Downstream transportation and distribution	36,497	2,280	38,777	37,312	3.9%
	10 Processing of sold products	15,932	446	16,378	16,607	-1.4%
	12 End-of-life treatment of sold products	3,556	97	3,653	12,368	-70.5%
	Total	55,985	2,823	58,808	66,287	-11.3%
Total		310,018	78,546	388,564	385,555⁵⁾	0.8%

¹⁾ Stationary and mobile combustion emissions were calculated using the published DEFRA conversion factors.

²⁾ 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.

³⁾ 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.

⁴⁾ 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).

⁵⁾ Following an adjustment of the emission factors in the reporting year, the corresponding adjustment was also made for the previous year in order to make the figures comparable.

Greenhouse gas emissions (biogenic) ¹⁾

Scope 1 emissions	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Stationary combustion	470	0	470	571	- 17.7%
Process emissions	1,772	0	1,772	1,521	16.5%
Total	2,242	0	2,242	2,092	7.2%

Scope 3 emissions²⁾	Category	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons						
Upstream	1 Purchased goods and services	-69,699	0	-69,699	-53,092	31.3%
	Total	-69,699	0	-69,699	-53,092	31.3%
Down-stream	12 End-of-life treatment of sold products	9,704	0	9,704	9,665	0.4%
	Total	9,704	0	9,704	9,665	0.4%
Total		-59,995	0	-59,995	-43,427	38.2%

Greenhouse gas emissions intensity

Scope 1 and 2 emissions per m² of flooring/belt produced³⁾	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Kilograms					
Total	0.72	6.68	1.37	1.40	-2.5%

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⁾ 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).

³⁾ Total Scope 1 and market-based Scope 2 CO₂ fossil emissions (while excluding the CO₂ emissions of the building and construction adhesives activity) divided by the number of square meters of flooring/belt produced.

Waste

Waste generated	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Product waste	29,265	4,082	33,349	29,019	14.9%
Packaging waste	817	771	1,588	1,288	23.3%
Office waste	334	21	355	322	10.2%
Other waste	4,197	470	4,667	4,490	3.9%
Total	34,613	5,344	39,959	35,119	13.8%

Waste diverted from disposal	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Recycling on-site	22,747	45	22,792	19,191	18.8%
Recycling off-site	4,728	2,214	6,942	4,875	42.4%
Preparation for use on-site	0	3	3	0	0%
Preparation for use off-site	0	186	186	70	165.7%
Other recovery options	0	0	0	0	0%
Total	27,475	2,448	29,923	24,136	24.0%

Waste directed to disposal	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
Incinerated with energy recovery	4,650	1,414	6,064	6,673	-9.1%
Incinerated without energy recovery	337	11	348	882	-60.5%
Landfilled	1,829	1,446	3,275	3,068	6.7%
Other recovery options	322	27	349	361	-3.3%
Total	7,138	2,898	10,036	10,984	-8.6%

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.

On the operational side, Forbo will from 2025 to 2030 incur costs of approximately CHF 10 million, which will be allocated to personnel and organizational costs associated with sustainability efforts, including hiring sustainability and energy managers, R&D staff, and external consultancies for energy efficiency, digitalization, and automation. The budget also includes funding for the development of sustainable products and employee sustainability training.

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	46%	Current emissions (2024)	73,507

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	27%	Current emissions (2024)	388,564

Target methodology

Verified by independent third party	No		
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Target ID

Overall number of active GHG emissions targets	3		
Target number	3 (3)		
Target type	Absolute (long-term target) and net-zero 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 (2024)	462,071

Target methodology

Verified by independent third party	No		
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SOCIAL

As a global company, social responsibility and acting morally and within the law are fundamental principles for Forbo. Our corporate culture with the Code of Conduct and the Forbo values, along with our commitment to our employees and the community, is an important components.



Report scope

Unless otherwise stated, the data published in this chapter covers all our locations, including sales offices and warehouses.

Our employees

Our committed employees are Forbo's most important and convincing ambassadors. They represent Forbo in daily contact with customers and many other stakeholders. It is therefore important at all levels of the organization to understand what the company stands for, what it aspires to achieve, and how employees can contribute to this in their respective areas of work. Accordingly, we communicate regularly both globally and locally using different formats, presentations, and meetings. Together with our employees, we create a working environment that motivates, opens up perspectives, and encourages and challenges employees according to their skills and interests. To manage social accountability, we use the universal standard SA8000. This standard is grounded in the labor principles of the Universal Declaration of Human Rights and the International Labor Organization (ILO) conventions. All major production sites of Flooring Systems are SA8000 certified. Our German Movement Systems sites achieved ISO 45001 (occupational health and safety) certification in 2024.

Corporate culture

Forbo's corporate culture is based on our strategic principles, our Code of Conduct, and our corporate 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. The Code of Conduct achieves this goal with specific content and offers definitive and binding guidance. It contains our most important business principles and values. It is central to how we protect and develop our reputation. It is based on the principles of integrity, transparency, and fairness and aligns closely with the UN Guiding Principles on Business and Human Rights. It describes the way we act and demonstrates our commitment to acting ethically and with integrity in every situation while respecting the rights of the individual. We expect this from every employee as well as from our

business partners. High standards in our business relationships are the foundation for ongoing success.

In order to fully live up to these business principles and values, Forbo offers the opportunity to confidentially, and, if desired, anonymously, report any compliance issues to the Corporate Compliance Officer via 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 reference system for employees, helping them make decisions, guiding their behavior and actions, and building trust and mutual appreciation. They foster a sense of community that promotes loyalty, taking on responsibility, and thus contributes to long-term cooperation. Our employees are committed and convincing ambassadors for our company and the Forbo brand.

Our values are integrated into the feedback and annual review processes and, in addition to introductory training, play a significant role in employee and management training.

Attractive employer

Employees with specific know-how, good training, motivation, and commitment are crucial to our success. Physical and psychological well-being at work is a fundamental requirement in this regard. All employees should feel equally valued and supported in their diversity and be able to develop their potential at the company without any discrimination. Forbo offers local and international career opportunities where craft skills, engineering, design, and sales find common ground. The company offers hybrid and part-time working models, invests in numerous training and education programs, and promotes health in the workplace.

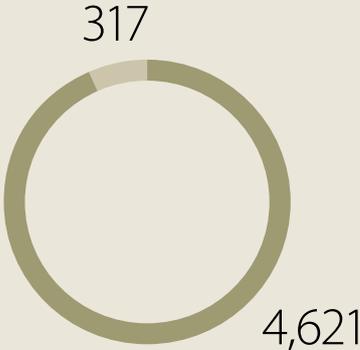
Forbo works closely with local universities in many countries; at Flooring Systems often with aspiring designers and architects, at Movement Systems with graduates of technical or chemical faculties or application-specific vocational courses. Forbo cares about the training of young, motivated graduates. A basic principle applying to the recruitment and promotion of trainees is that the apprenticeships offered by Forbo are open to all applicants, irrespective of gender, and the same requirements are placed on everybody. We offer trainees the foundation for a professional career in mostly commercial, industrial, or technical areas. Another important task is to ensure continuity through the transfer of know-how and experience assimilated over the years by the older generation for the benefit of younger recruits.

Potential employees are primarily addressed through various digital channels. It is important to us to maintain a healthy balance between long-standing, highly experienced, valued, and motivated employees and new team members who inspire others with new ideas, challenge existing procedures and processes, and thus contribute to the continued development of our company.



Forbo employments

Total 4,938



(Total 2023: 5,335; - 7.4%)

- Number of full-time positions (2023: 4,981; - 7.2%)
- Number of part-time positions (2023: 354; - 10.5%)

Continuous development of our employees

Sustainable growth is closely linked to highly trained and motivated staff and utilization of employee potential. A cooperative leadership style, targeted development, and individual functional training programs as well as management and leadership programs promote commitment and support the continued development of the company.

Forbo therefore promotes appropriate skills and competencies at all organizational levels and supports this internally through training and educational activities. Forbo does this in different ways, through e-learning, internal and external webinars, and face-to-face events. The divisions provide internal training in a wide range of areas covering products and applications, sustainability, sales and marketing, finance, operations, software application programs, project management, strategy content and implementation, as well as guidance on Forbo’s values. Continuous, intensive training in health and safety includes measures relating to accident prevention, risk awareness, and occupational health and safety.

Regular training on the Code of Conduct, competition law, the fight against corruption, respectful behavior, and various topics relating to IT security and

data protection is provided across the entire Group. The module on respectful behavior addresses and raises awareness regarding discrimination, bullying, and sexual harassment in the workplace.

Alongside these diverse activities, we support and coordinate regular feedback and development discussions, actively promoting the personal and professional development of employees across all fields of activity, functions, and age groups.

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 for various management levels and people in key positions comprises different weekly training sessions with modules from the areas of leadership, management, sales and marketing, as well as operations. They focus on areas of strategy implementation and leadership in combination with appropriate tools to facilitate communication and collaboration in international, culturally diverse teams.

In addition, Forbo offers external training courses tailored to the individual needs of selected employees.

In 2024, Forbo invested CHF 1.3 million (previous year: CHF 1.5 million) in third-party costs for the training and continuing education of its employees.

Number of positions filled internally at senior management level

Number



(2023: 7; + 14.3%)

Versatile career prospects for specialists and managers

Forbo offers new recruits a wide range of career prospects and development opportunities. In addition, we aim to fill the majority of vacancies requiring specialist knowledge as well as management positions internally. The basis is provided by well-established succession planning processes, which we continue to develop, not only at management level. The continued development of production and manufacturing employees for a wide range of areas of application and the corresponding know-how is essential for us as a manufacturing company.

At management level, possible development steps and directions are discussed based on our feedback and annual reviews, and selective engagement in international, strategic, or larger local projects with specific tasks is facilitated. This supports employees in pursuing a specialist or more management-oriented career path within the company and at the same time promotes intercultural exchange and understanding of global aspects.

Occupational health and safety a high priority

Forbo upholds high occupational health and safety standards to ensure a safe working environment for all employees. The health and safety of our employees in the workplace is also the focus of various local training programs with the aim of reducing the number of accidents or preventing them altogether. Occupational health and safety is a key leadership responsibility that requires ongoing teamwork to build lasting awareness. We therefore encourage all employees to use their knowledge and experience to contribute to responsible and preventive action. Ongoing dialogue on best practices and accident root cause analysis helps enhance safety standards and drive targeted improvements.

Forbo regularly engages with authorities, professional associations, and trade unions. Together with the local works councils, agreements are made in our companies on topics such as personal protective equipment, conduct, mandatory work processes, reporting processes, regular inspections, as well as training and education. Thanks to these efforts, there were no fatal accidents in the reporting year as well. The most relevant KPI for Forbo to measure the progress in occupational health and safety is the Lost Time Injury Frequency Rate (LTIFR). This indicator is also linked to the financial (quantitative) as well as individual (qualitative) targets as part of the variable remuneration.

LTIFR

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

6.0

LTIFR

(2023: 7.3; -17.9%)



Days lost due to accidents

Absence longer than one working day

958

Number of days lost due to accidents

(2023: 1,285; -25.4%)

Developments relating to occupational health and safety are regularly presented at divisional management meetings, where they are then analyzed, and appropriate measures drawn up and implemented. In addition, results and trends are discussed and decisions on further activities are made at Executive Board level.

Forbo is committed to protecting, preserving, and strengthening the physical, mental, and social well-being of our employees. We achieve this through measures and activities in areas such as occupational safety and hygiene, workplace ergonomics, as well as health-related topics such as exercise, sport, and nutrition to promote well-being.

Throughout the reporting year, a large number of activities were carried out with the aim of improving the health of employees or reducing risks to health. Regular optimizations are carried out as part of the modernization of work processes and systems, including the reduction of noise emissions and the use of robots and lifting aids. Aspects relating to workplace ergonomics and fitness were also discussed and related activities were promoted, as was access to free medical check-ups.

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

Forbo values workplace diversity, embracing people of different backgrounds and personalities. Mutual respect is a given in our international and multicultural environment. In addition, different experiences, training, skills, and beliefs ensure diversity in the workplace. We want to continually provide a diverse and inclusive working environment that is characterized by appreciative collaboration among motivated employees.

Our products are manufactured and processed using technically complex production processes and physically demanding fabrication processes. The lived experience of diversity and flexibility in team-based working models also reinforces the attractiveness of our company, which offers a good balance for employees and specialists. Forbo ensures fair treatment of all employees and is 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 the population as a resource. This means employees have equal opportunities and feel welcome to get involved and actively participate.

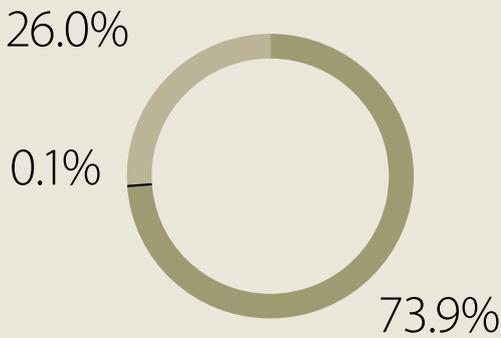
The criteria for salaries comprise personal elements such as training, diplomas, language skills, and relevant professional experience, as well as employer-related factors such as requirements profile, level of responsibility, and specific specialized know-how.

Female employees at Forbo mostly work in the areas of finance, administration, human resources, marketing as well as manufacturing, supply chain, or purchasing. In Flooring Systems, positions in design and sales are often filled by women.

The professional instruction of trainees is important to us. Especially at larger locations with diverse and demanding work areas, we have motivated teams with appropriate professional experience, qualified trainers, and suitable workplaces. We use engaging teaching methods to impart the appropriate skills for the professional, independent, and responsible performance of tasks. 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 works with relevant companies and institutions in various countries to promote their integration into the world of work and business. We therefore fulfill our social responsibility in a variety of ways.

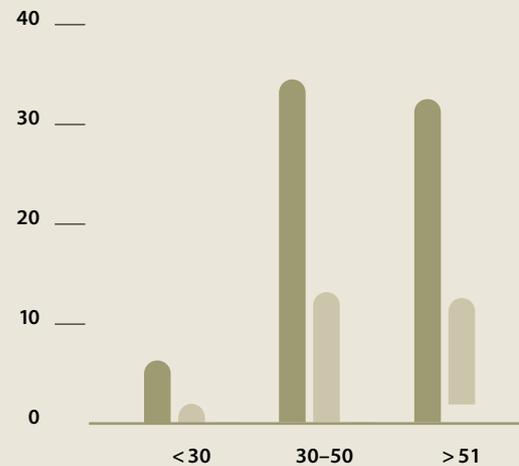
Percentage of women/men/other



- Men (2023: 74.3%)
- Women (2023: 25.7%)
- Other (2023: 0%)

Age structure

In percent



- Men
- Women

Apprentices and trainees

Number



(2023: 50; + 6.0%)

Persons with disabilities

Number



(2023: 84; - 1.2%)

Respectful behavior

Forbo does not tolerate discrimination or bullying and strives to offer its employees a safe working environment free from all forms of violence, including threats, threatening gestures, intimidation, attacks, and similar conduct, at all times. We are committed to fostering a culture of respect, inclusion, and positive collaboration within our organization. As part of this commitment, we conduct comprehensive annual training focused

on respect in the workplace. During the reporting year, approximately 3,400 employees participated in our half-hour online training. This training is designed to promote mutual respect, enhance communication, and ensure a supportive environment for all individuals. In addition, employees are educated on how to report any incidents related to workplace disrespect or misconduct, ensuring that all concerns are addressed promptly and appropriately.

Human rights and responsible sourcing

Our commitment

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. As part of our commitment, we implemented robust measures to prevent human rights violations in relation to our activities.

Responsible sourcing goes beyond legal compliance at Forbo; it is about setting shared standards and addressing challenges within our supply chain. We are convinced that by applying the principles of responsible sourcing, we not only create a positive impact on society 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 contracts 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 adhere to the social standards in their respective country and to have a credible sustainability strategy in place.

We recognize that achieving a fully sustainable supply chain requires collective effort. Therefore, we continuously assess compliance with these principles through regular risk evaluations and, where necessary, conduct on-site supplier audits. Together, we strive towards building a more sustainable and ethical supply chain, benefiting both our business and the communities we engage with.



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

Our Code of Conduct explicitly states that Forbo rejects any form of forced or compulsory labor. We also respect our employees' freedom of association and collective bargaining rights. These are essential for an equal social dialog. We use internal audits to ensure compliance with our global labor and social standards. We also expect fair and ethical employee management from our business partners.

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

Child labor is harmful to children's physical and social development and affects their education. Forbo respects the rights of children and has procedures in place to combat child labor. These processes include due diligence checks and corrective action where necessary. The Code of Conduct sets out the most important business principles and values of the Forbo Group. It emphasizes that Forbo does not engage in any form of child labor. Forbo also requires its business partners to comply with our standards or equivalent standards, including the entire supply chain.

According to Article 964j CO, Forbo is obliged to report annually on its compliance with due diligence obligations with regard to child labor in the supply chain. The supply chain audit initially involves categorizing the countries in which Forbo's suppliers operate, with reference to the UNICEF Children's Rights in the Workplace Index, which establishes a child labor risk assessment for each country. The categories of the index are 'basic', 'enhanced', and 'heightened'. Forbo's suppliers sometimes also operate in countries where the 'due diligence response' is not classified as 'basic' by UNICEF. For these countries, further screening is conducted for all suppliers using a detailed, risk-based approach. Our buyers assess the risk of child labor associated with each procurement category in the respective supply chain. These checks have shown that there is no reasonable suspicion of the use of child labor. Forbo is therefore exempt from the due diligence and reporting requirements in accordance with Article 5 Paragraph 2 of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO). This assessment is reviewed on an ongoing basis.

In order to continue to avoid the risk of child labor in our supply chain, we have taken preventive measures. As part of the supply chain policy, the issue of child labor has been integrated into the current divisional supplier and procurement guidelines as well as into the contracts and agreements with suppliers. 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 Multi-national Enterprises, respectively the UN Guiding Principles for Business and Human Rights. Where we deem it appropriate on the basis of our risk assessment, we also request self-disclosures and certifications from our suppliers and conduct on-site supplier audits. The results and effectiveness of these measures are regularly analyzed to identify potential for improvement.

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 took place involving all Group companies and is continually reviewed.

Prevention of corruption

Our commitment

Corruption distorts competition, leads to higher costs, destroys the trust of customers and suppliers, and ultimately endangers jobs. For these reasons, Forbo rejects any impairment or distortion of competition through corruption in the spirit of zero tolerance.

Concepts and processes

In our Code of Conduct, the chapter 'Business integrity: no tolerance of any form of corruption' forms the basis for our efforts in the field of combating corruption. Forbo prohibits the offering, giving, or taking of bribes in whatever form. This includes improper commission payments or other means of providing improper benefits to customers, agents, suppliers, officials, or business partners. Gifts received by Forbo employees must be brought to the attention of their superiors. Donations to political parties, political organizations, or holders of political office are strictly prohibited at Forbo.

The careful review of business partners is part of the standard process, which includes desktop analyses as well as consultation of global databases, risk analysis using sources such as Transparency International's 'Corruption Perceptions Index', and self-declarations by business partners.

Furthermore, Forbo strives to ensure that the applicability of the Code of Conduct or an equivalent code of conduct of the business partner is contractually secured.

As part of the internal compliance reviews regularly carried out under the leadership of the Corporate Compliance Officer, the adherence to and effectiveness of these processes are checked on a sample basis.

Risk management

From both a geographical and industry-specific perspective, Forbo operates in markets with increased risks of corruption. We therefore take our responsibility to prevent corruption seriously wherever we operate.

Forbo's compliance management system in the area of anti-corruption includes regular online training specifically on anti-corruption and annual online training on the Code of Conduct in general. All employees in areas susceptible to corruption receive specific training.

Reporting compliance issues

Employees and third parties can report concerns via the Forbo Integrity Line, which can be accessed on the Forbo Group website.

The Forbo Integrity Line is a reporting system available in 29 languages that allows employees, contractors, and stakeholders to report concerns related to unethical behavior, policy violations, legal infractions, or any other concerns. Reports are treated with the utmost confidentiality, 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. An anonymous reporting option is available. Our process ensures a safe, transparent process for addressing issues while protecting the reporter from retaliation. Reports can also be sent to compliance@forbo.com, a widely communicated email address for this purpose, or to the local manager, as applicable.

Social commitment

Commitment to the community

For almost 100 years, the Forbo Group, as an employer, has been committed to creating attractive workplaces and, thanks to profitable growth, continually provides added value for regional economies, suppliers, and business partners. In doing so, Forbo assumes social responsibility in a comprehensive sense.

Forbo attaches particular importance to sound training and education as well as equal opportunities for all employees. We employ trainees in a variety of demanding roles with the aim of imparting all the relevant skills that are required for the professional and responsible practice of their chosen profession.

We conserve resources through our sustainable products and the use of green energy.

We work with external institutions to outsource simple work to workshops for disadvantaged people and thus also promote external, inclusive jobs.

Forbo strives to make a positive contribution to the well-being of society and the local communities in which we are active. Forbo is aware of its social responsibility and takes it seriously. Communication and cooperation with local authorities, institutions, interest groups, and educational institutions, especially in the vicinity of larger manufacturing companies, is based on proactive dialog. This creates trustful ways of working together on creative, social, and sustainability-related topics.

Charitable activities

Forbo also contributes to the common good by making individual contributions to support social and environmental projects at both Group and local level.

With product donations and support for flooring installations, we enable institutions in need to gain additional benefit for their commitment.

Social commitment is based on long-term partnerships with social institutions and programs with partners. At global level, selectively targeted funds are directed to social and charitable institutions or to relief organizations to alleviate acute suffering or local disasters. Local companies and employees around the world do charitable work and support social and health promotion projects through team events.

Ambitions

Our ambition when it comes to social responsibility is to be a role model for ethical, environmentally friendly, and socially responsible conduct. We achieve this by encouraging and challenging our employees, offering an appreciative, safe, and progressive working environment, and promoting innovation and a high level of service orientation for our stakeholders. We engage actively for the common good by making individual contributions globally to support social and environmental projects.



GOVERNANCE

Effective governance is the backbone of our strategic framework for ESG, ensuring accountability and informed decision-making. Forbo's Board of Directors and Executive Board actively oversee and integrate sustainability into its business operations.



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 an opinion. The SSC advises and supports the Board of Directors in the strategic development of the company and proposes priorities to the Board of Directors for relevant sustainability topics in the areas of ESG. It supports and assists management in analyzing relevant aspects of sustainability, assessing risks, developing sustainability plans, and with appropriate reporting. It also monitors progress on a regular basis. The SSC brings together expertise and competencies in the areas relevant to the committee based on executive functions at other companies, current directorships at other companies and past positions of responsibility.

In 2024, the SSC addressed the new sustainability reporting requirements under the Swiss Climate Ordinance and approved the new strategic framework for ESG, which sets out our overall ambition, specific short- and long-term targets, and actions to achieve these targets. The strategic framework for ESG is detailed in this report. More information about the SSC is provided in the Corporate Governance Report.

The Executive Board implements the priorities set by the Board of Directors and addresses relevant sustainability topics, including defining the sustainability strategy, targets and activities, at regular Board meetings. The Executive Board reports to the SSC through the CEO. The Corporate Sustainability Officer actively leads and manages the various sustainability initiatives and activities of the divisions and the Group. He reports directly to the Chief Executive Officer. In each of the two divisions, divisional management forms the steering committee for sustainability issues. Both divisions each have a Sustainability Officer.

In June 2024, we conducted a cross-divisional one-day sustainability workshop led by the Corporate Sustainability Officer. The workshop focused on developing the strategic framework for ESG, in particular identifying and defining material ESG topics that lead to a competitive edge. Forbo analyzed the perspectives of customers, shareholders, and employees, identified potential actions to take, and assessed their impact and financial implications. This helped shape our sustainability strategy. In the coming year, a cross-divisional Corporate Sustainability Council, which will meet at least twice a year to discuss current sustainability topics, and which will be chaired by the Corporate Sustainability Officer, will be established. The Council will comprise the Corporate Sustainability Officer, the divisional COOs, and the divisional sustainability teams. Participants from other teams, such as legal and finance, will be invited depending on the topic of the individual meeting.

To encourage achievement of our sustainability goals, 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.

Further details are described on page 65 of this Sustainability Report. 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.



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 26 – 27, 49, 84	
	2-2 Entities included in the organization's sustainability reporting	Page 52, 67	
	2-3 Reporting period, frequency and contact point	Page 48	
	2-4 Restatements of information	Page 63	
	2-6 Activities, value chain and other business relationships	Page 49 – 51	
	2-7 Employees	Page 69, 72	
	2-9 Governance structure and composition	Page 84 ff.	
	2-10 Nomination and selection of the highest governance body	Page 84 ff.	
	2-11 Chair of the highest governance body	Page 84 ff.	
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 76 – 77	
	2-13 Delegation of responsibility for managing impacts	Page 76 – 77	
	2-14 Role of the highest governance body in sustainability reporting	Page 76 – 77	
	2-15 Conflicts of interest	Page 84 ff.	
	2-16 Communication of critical concerns	Page 74	
	2-17 Collective knowledge of the highest governance body	Page 76 – 77	
	2-19 Remuneration policies	Page 65, 77, 108 ff.	
	2-20 Process to determine remuneration	Page 65, 108 ff.	
	2-21 Annual total compensation ratio	Page 65, 108 ff.	
	2-22 Statement on sustainable development strategy	Page 54	
	2-23 Policy commitments	Page 67, 73	
	2-24 Embedding policy commitments	Page 73	
	2-25 Processes to remediate negative impacts	Page 73 – 74	
	2-26 Mechanisms for seeking advice and raising concerns	Page 74	
	GRI 3: Material Topics	3-1 Process to determine material topics	Page 54 – 55
		3-2 List of material topics	Page 55
		3-3 Management of material topics	Page 56 – 59

Standard	Disclosure	Reference
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 127 ff.
	201-2 Financial implications and other risks and opportunities due to climate change	Page 55, 65
	201-3 Defined benefit plan obligations and other retirement plans	Page 127 ff.
	201-4 Financial assistance received from government	Page 127 ff.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 74
	205-2 Communication and training about anti-corruption policies and procedures	Page 74
GRI 207: Tax 2019	207-1 Approach to tax	Page 127 ff.
	207-2 Tax governance, control, and risk management	Page 127 ff.
	207-3 Stakeholder engagement and management of concerns related to tax	Page 127 ff.
	207-4 Country-by-country reporting	Page 127 ff.
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 60
	301-2 Recycled input materials used	Page 60
	301-3 Reclaimed products and their packaging materials	Page 60
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 61
	302-3 Energy intensity	Page 61
	302-4 Reduction of energy consumption	Page 61
	302-5 Reductions in energy requirements of products and services	Page 61
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 57, 59, 62
	303-3 Water withdrawal	Page 62
	303-4 Water discharge	Page 62
	303-5 Water consumption	Page 62
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 63 – 64
	305-2 Energy indirect (Scope 2) GHG emissions	Page 63
	305-3 Other indirect (Scope 3) GHG emissions	Page 63 – 64
	305-4 GHG emissions intensity	Page 64
	305-5 Reduction of GHG emissions	Page 63 – 64
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 58
	306-2 Management of significant waste-related impacts	Page 57 – 59
	306-3 Waste generated	Page 65
	306-4 Waste diverted from disposal	Page 65
	306-5 Waste directed to disposal	Page 65

Standard	Disclosure	Reference
GRI 308: Supplier Environmental Assessment 2016		Page 73
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 69
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 67, 71
	403-2 Hazard identification, risk assessment, and incident investigation	Page 71
	403-3 Occupational health services	Page 71
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 71
	403-5 Worker training on occupational health and safety	Page 71
	403-6 Promotion of worker health	Page 71
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 71
	403-8 The Forbo Group employees covered by an occupational health and safety management system	Page 71
	403-9 Work-related injuries	Page 71
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page 70
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 71 – 72
GRI 406: Non-discrimination 2016		Page 72
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 73 – 74
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 73
GRI 414: Supplier Social Assessment 2016		Page 73
GRI 415: Public Policy 2016	415-1 Political contributions	Page 74

TCFD content index

Statement of use

Forbo has reported the information cited in this TCFD content index for the financial year 2024 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 54, 76 – 77, 84 ff.
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 54, 76 – 77, 84 ff.
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Page 55
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Page 54 – 59
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 54 – 59
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks.	Page 54 – 55
	b. Describe the organization's processes for managing climate-related risks.	Page 54
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Page 54
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 54 – 59, 60 – 65
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions (GHG) and the related risks.	Page 63
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Page 53, 66



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

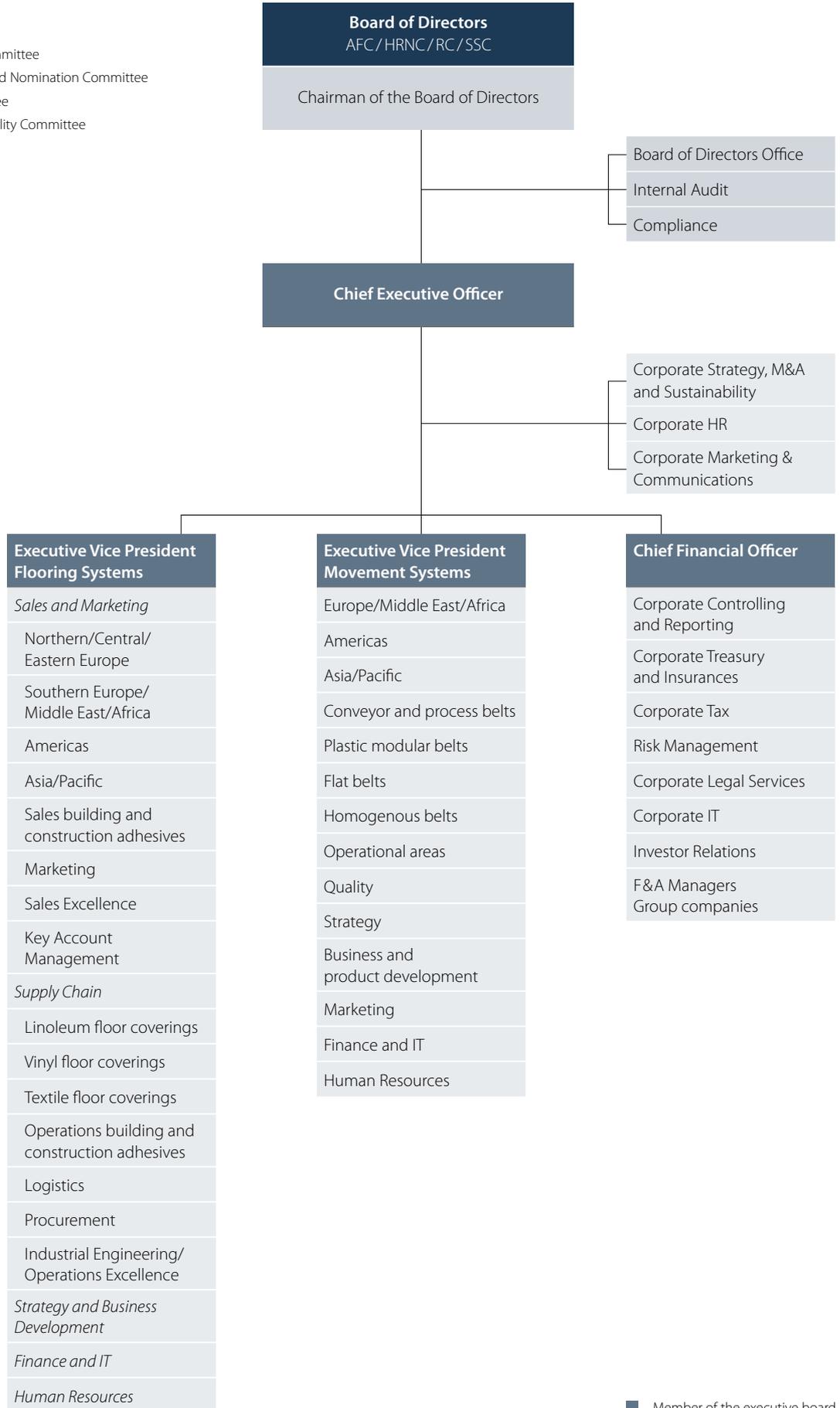
Group structure

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 18. 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 166 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. The two globally operating divisions are structured according to sales region on the one hand (Europe, the Americas, and Asia/Pacific) and, on the other, product lines which are responsible for the development, production, and supply of the respective product portfolios.

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



■ Member of the executive board

Significant shareholders

As of December 31, 2024, 3,496 shareholders were listed in the share register of Forbo Holding Ltd, 790 (18.4%) fewer than in the previous year. As of December 31, 2024, Forbo Holding Ltd knew of the following significant shareholders with a holding of more than 3%:

	31.12.2024 as a percentage
Michael Pieper ¹⁾	27.95
Forbo Holding AG ²⁾	5.01
UBS Fund Management (Switzerland) AG	5 – 10
This E. Schneider	3.23
J. Safra Sarasin Investment Funds AG	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 May 7, 2024, UBS Fund Management (Switzerland) AG reported that it had fallen below the 5% threshold owing to the merger by absorption with Credit Suisse Funds AG and that it holds 112,657 shares, corresponding to 7.59% of the voting rights.

On August 28, 2024, Forbo Holding Ltd reported that it had exceeded the 5% threshold and that it directly or indirectly held 74,438 of its own shares through Forbo Management SA, Baar, corresponding to 5.01% 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, 2024, 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:

- 70.7% were registered in the name of 3,479 shareholders with voting rights
- 24.3% were shares held by banks or SIX SIS AG pending registration of transfer
- 5.0% 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 42 and 43. Further information on the rights of participation associated with the Forbo share can be found on pages 101 and 102 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, 2024, 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.

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 2024 or 2023.

The Ordinary General Meeting of Forbo Holding Ltd on April 1, 2022, decided, based on the audit report by a licensed audit expert, to reduce the ordinary share capital of the company by CHF 16,500 from CHF 165,000 to CHF 148,500 by canceling 165,000 shares with a par value of CHF 0.10 each. It was further resolved to amend the Articles of Association accordingly. The capital reduction was effected, and the new share capital of CHF 148,500 was entered in the Commercial Register on June 21, 2022.

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 115 to 120 as well as on pages 156, 157, and 164 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, Vincent Studer, Dr. Eveline Saupper, This E. Schneider, Claudia Coninx-Kaczynski, Michael Pieper, Bernhard Merki

Members of the Board of Directors

The cut-off date for the following information is December 31, 2024.

With the exception of This E. Schneider, 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. Apart from This E. Schneider, who assumed the additional role of Chief Executive Officer and Chairman of the Executive Board of the Forbo Group on an interim basis from the end of November 2022 until the beginning of March 2023 and who sits on the Executive Board of selected Group companies, in the three business years preceding the reporting period, 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 95 of the Annual Report.

THIS E. SCHNEIDER**Chairman**

This E. Schneider, born in 1952, is a Swiss citizen. He studied economics at the University of St. Gallen (lic. oec. HSG) and at the Graduate School of Business, Stanford University, California, USA. After holding various management positions in Europe and the USA, he joined the Executive Board of Schmidt Agence AG, where he was responsible for strategic planning, operations, and logistics from 1984 to 1990. From 1991 to 1993, he was Chairman and CEO of the publicly listed company SAFAA, Paris. In 1994, he became a member of the Executive Board of Valora, with responsibility for the canteen and catering division. From 1997 to 2002, he was delegate and Vice-President of the Board of Directors of Selecta Group. From March 2004 to December 2013, This E. Schneider was delegate of the Board of Directors and CEO, and from January to April 2014 delegate of the Board of Directors of the Forbo Group. He has been the Chairman of the Board of Directors since the Ordinary General Meeting of 2014.

Independent¹⁾ members of the Board of Directors

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. Alongside his overall responsibility for the Group, he oversees the gypsum business in Europe, the Middle East and Africa, and Latin America, and also the Ceilings Solutions business unit. In addition, he manages the global functions for the digitization, marketing and sales, and supply chain units. He has been a member of the Board of Directors of Forbo Holding Ltd since April 2024.

BERNHARD MERKI

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.

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, Stäubli Holding AG in Pfäffikon, and Tourismus Val Surses Savognin Bivio AG. She is also a member of several Boards of Trustees. She has been a member of the Board of Directors of Forbo Holding AG 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, Gümliigen/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.

The auditors reviewed the activities at other companies.

Board of Directors of Forbo Holding Ltd as per December 31, 2024

	First elected at OGM	AFC	HRNC	RC	SSC
Chairman					
THIS E. SCHNEIDER	2004				C
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					
BERNHARD MERKI	2024		M	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 5, 2024, Jörg Kampmeyer and Bernard Merki were elected to the Board of Directors. After many years of serving on the Board of Directors, Dr. Peter Altorfer decided not to stand for re-election at the 2024 General Meeting and accordingly stepped down from the Board 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 undertakings 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.

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 92.

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 95 and 96.

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 2024, the Board of Directors held eight meetings with members physically in attendance, as well as one telephone conference call. The meetings each lasted a whole day, while the conference call took around one hour. Every Board member participated in at least eight meetings.

The Chairman may invite members of the Executive Board and other senior employees to attend Board meetings for individual items. In the 2024 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 2024 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 95, 96, and 108 to 110.

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 2024 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 90 and 91 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 2024 business year, two one-day meetings and one half-day meeting were held. All members of the SSC were present at at least two 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 90 and 91 of this Annual Report.

Human Resources and Nomination Committee

We refer to the explanations in the remuneration report on pages 108 and 110.

Remuneration Committee

We refer to the explanations in the remuneration report on pages 109 and 110.

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 2024 business year, four 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 94 and 95, and 108 to 110.

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 2024, 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 2024, 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 160 to 163 (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.



Jean-Michel Wins, Andreas Jaeger, Jens Fankhänel, Marc Deimling

JENS FANKHÄNEL**Chief Executive Officer**

Jens Fankhänel was born in 1965 and is a German citizen. He studied at the University of Chemnitz in Germany and graduated in electronic engineering, specializing in automation technology and technical cybernetics. In 1994, he entered professional life at io-Consultants in Germany, first as a Project Manager and later as Director and Business Unit Manager Consulting and Engineering. After eight years, he moved to Swisslog, where he was Managing Director ANZAC from 2002 to 2005. He then worked for Dematic GmbH in Germany as CEO of its Central European Hub from 2005 to 2008, at which point he returned to Swisslog Holding AG for just over three years, holding the post of Managing Director WDS Central Europe. From 2011 to February 2023, he worked at Kardex Holding AG in Switzerland, as Head Kardex Remstar Division until the end of 2018, and as CEO of Kardex Holding AG from 2016 until he left the company. Jens Fankhänel was a member of the Board of Directors of Forbo Holding Ltd from April 2022 until March 2023. He was appointed CEO of the Forbo Group with effect from the beginning of March 2023, and accordingly retired from the Board of Directors at the Ordinary General Meeting 2023.

ANDREAS JAEGER**Chief Financial Officer**

Andreas Jaeger, born in 1972, is a Swiss citizen. He has a degree in Business Administration from the University of Applied Sciences in Zurich and an Executive Master's in European and International Business Law from the University of St. Gallen. He is also a certified public accountant. He began his professional career as an accountant at PricewaterhouseCoopers in 1998 and was promoted to a management position in 2002. He subsequently worked for IBM Business Consulting Services and ifb Suisse as a managing consultant from 2003 to 2006. In 2006, he joined Holcim Group Support Ltd as Corporate Controller, and in 2008 took on the role of Head of Corporate Reporting. From 2012 to 2016, he was Chief Financial Officer at Holcim in Ecuador. Back in Switzerland, he worked as Head of Corporate Controlling at the Geberit Group from 2016 until the end of 2020. Andreas Jaeger joined the Forbo Group in January 2021 as Chief Financial Officer and a member of the Executive Board.

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.

The auditors reviewed the activities at other companies.

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 107.

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 neither contain 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 2024, 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 1, 2022, Regula Tobler took on the role of Auditor in Charge. 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 2024. 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 first day following the respective reporting period and applies until 11:59 pm CET on the day of publication of the Annual and Half-Year Reports. 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 FIMIA. 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 Head Corporate Legal Services, 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 15 of this Annual Report. Further information on the Forbo share is printed on pages 42 and 43 of this Annual Report.

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REMUNERATION REPORT

REMUNERATION REPORT

Introduction

This report complies with the SIX guidance on the Corporate Governance Directive, which came into effect on January 1, 2023. The report consequently meets the requirements of the Swiss Code of Obligations.

Once a year, in a separate and binding ballot, the Ordinary General Meeting approves the maximum sum for the total remuneration to be paid to the Board of Directors for the business year following the Ordinary General Meeting. In addition, a vote is taken on the maximum total amount of fixed remuneration to be paid to the Executive Board for the business year following the Ordinary General Meeting, the amount of short-term variable remuneration (bonus/short-term incentive) to be paid to the Executive Board for the business year preceding the Ordinary General Meeting, as well as the maximum total amount of the long-term participation (long-term incentive) for the Executive Board for the year of the respective Ordinary General Meeting.

The variable remuneration model for the Executive Board with the short-term incentive was supplemented by a long-term participation (long-term incentive) component, effective as of January 1, 2017. This long-term incentive consists of a performance share unit plan. Its aim is to link a significant portion of the Executive Board's remuneration even more closely to the company's long-term success and to make it more responsive to shareholders' interests. Details of the long-term incentive can be found in the chapter 'Elements of remuneration of the Executive Board' on pages 115 to 117. An amendment to the Articles of Association concerning this matter was approved by a large majority at the Ordinary General Meeting on April 6, 2017.

The shareholders will vote separately on the following four compensation motions at the 2025 Ordinary General Meeting:

- Maximum total remuneration for the Board of Directors for 2026
- Maximum fixed remuneration for the Executive Board for 2026
- Short-term variable remuneration of the Executive Board for 2024 (bonus/short-term incentive) – STI
- Maximum total amount of the long-term participation for the Executive Board for 2025 (Long-Term Incentive Plan 2025 – 2027) – LTI

The total remuneration was approved by a large majority in a consultative vote on the 2023 remuneration report at the Ordinary General Meeting of April 5, 2024 (agenda item 5.1). Participants in the 2025 Ordinary General Meeting will also be invited to vote in a consultative ballot on the entire 2024 remuneration report.

Content and methodology for determining the remuneration

The Human Resources and Nomination Committee (HRNC): task and function

The Human Resources and Nomination Committee (HRNC) advises the Board of Directors on exercising its responsibilities for the Group in matters relating to human resources and nominations for both the Board of Directors and the most senior level of management. More specifically, the HRNC formulates personnel policy proposals for appointments to the Board of Directors and to the posts of Chairman, CEO, and other Executive Board members for submission to the Board of Directors. Furthermore, it assesses and approves the proposals of the Chairman of the Board and the CEO regarding Executive Board appointments and employment contracts. It also approves the acceptance of mandates by members of the Executive Board at companies that are not part of the Forbo Group.

The Human Resources and Nomination Committee meets as often as business requires, but at least twice a year. In the 2024 business year, the HRNC held one video conference and four meetings with personal presence, each lasting a couple of hours. No external consultants participated in these meetings.

The Human Resources and Nomination Committee consists of at least two members of the Board of Directors. The Ordinary General Meeting of April 5, 2024, elected Claudia Coninx-Kaczynski (new Chair), Michael Pieper, and Bernhard Merki (new) to the HRNC for the 2024 business year.

The HRNC brings together expertise and competencies in the areas relevant to the committee on the basis of executive functions at other companies, current directorships of other firms, and previous responsibilities/mandates. The relevant information can be found on pages 90 and 91 of this Annual Report.

The Remuneration Committee (RC): task and function

The Remuneration Committee supports the Board of Directors in defining the principles of remuneration policy and in determining the remuneration paid to members of the Board of Directors and the Executive Board out of the total sum of remuneration as approved by the Ordinary General Meeting. It supports the Board of Directors in drawing up participation programs and in all other tasks related to remuneration. The Remuneration Committee formulates appropriate recommendations for submission to the Board of Directors. The Board of Directors may delegate further duties and powers to the Remuneration Committee. The Chairman of the Board of Directors is regularly invited to its meetings in an advisory capacity, as is the CEO in certain circumstances. Agenda items and matters directly affecting the function or the person of the Chairman of the Board of Directors or the CEO are deliberated in their absence.

The Remuneration Committee meets as often as business requires, but at least twice a year. In the 2024 business year, the Remuneration Committee held four meetings with personal presence, each lasting a couple of hours. No external consultants participated in these meetings.

The Remuneration Committee consists of at least two members of the Board of Directors. The Ordinary General Meeting of April 5, 2024, elected Claudia Coninx-Kaczynski (new Chair), Michael Pieper, and Bernhard Merki (new) to the Remuneration Committee for the 2024 business year. The members of the Remuneration Committee are independent (non-executive) members of the Board of Directors, i.e. they have never belonged to the management of Forbo and have no, or only negligible, business relations with the company, though they may be shareholders.

The RC brings together expertise and competencies in the areas relevant to the committee on the basis of executive functions at other companies, current directorships of other firms, and previous responsibilities/mandates. The relevant information can be found on pages 90 and 91 of this Annual Report.

Decision-making process of the Remuneration Committee

The maximum amount of the total remuneration paid to the Board of Directors and the maximum fixed remuneration paid to the Executive Board are usually determined by the Remuneration Committee once a year in the spring for the following business year and are submitted to the Board of Directors for acceptance at its February meeting. The amount of the short-term variable remuneration (bonus/short-term incentive) and the definition and objectives of the long-term participation (long-term incentive) for the Executive Board are determined by the Remuneration Committee once a year in November for the following year.

The Chairman of the Board of Directors is regularly invited to the meetings of the Remuneration Committee in an advisory capacity, as is the CEO in certain circumstances. Agenda items and matters directly affecting the function or the person of the Chairman of the Board of Directors or the CEO are deliberated in their absence. The other members of the Executive Board are not entitled to attend or participate in these meetings.

	Proposal	Acceptance	Approval
Remuneration budget			
Maximum total remuneration of the Board of Directors	RC	BoD	Ordinary General Meeting for the following business year
Maximum fixed remuneration of the Executive Board	RC	BoD	Ordinary General Meeting for the following business year
Short-term variable remuneration of the Executive Board (bonus/short-term incentive) – STI	RC	BoD	Ordinary General Meeting for the preceding business year
Maximum total amount of the long-term participation for the Executive Board (long-term incentive) – LTI	RC	BoD	Ordinary General Meeting for the current business year
Performance targets			
Performance targets – Executive Board regarding short-term variable remuneration (bonus/short-term incentive) – STI	RC	BoD	
Performance targets – Executive Board regarding long-term participation (long-term incentive) – LTI	RC	BoD	
Performance targets – CEO	RC	BoD	

Important changes in 2024

No important changes to the remuneration system were made in 2024 for the Executive Board and the Board of Directors.

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

Forbo's remuneration strategy is geared to long-term and sustainable corporate development. The aim is to remunerate employees appropriately for their achievements, commitment, and performance, 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 managers to those of the shareholders. The portion of the remuneration paid in shares is derived from a fixed remuneration amount.

The members of the Board of Directors receive a fixed remuneration, the amount of which is determined based on whether the member is Board Chairman, a simple Board member, or also a member of one of the Board committees. The remuneration is paid out to members of the Board of Directors partly in the form of locked-up shares in Forbo Holding Ltd.

The members of the Executive Board receive a fixed and a variable remuneration. The fixed remuneration is paid mainly in cash but may also include shares in Forbo Holding Ltd. The portion paid in shares is derived from a fixed remuneration amount. The variable remuneration consists of a short-term remuneration (bonus/short-term incentive – STI) and a long-term participation (long-term incentive – LTI).

The STI is a short-term, performance-related remuneration, at least 50% of which must be taken in the form of locked-up shares in Forbo Holding Ltd (see the description of the management investment plan [MIP] on pages 115 and 116 of this Remuneration Report). The portion paid in shares is derived from a fixed remuneration amount. The bonus is derived from the achievement of individual (qualitative) targets by each Executive Board member and of financial (quantitative) targets by the company. Depending on the function and responsibilities of the Executive Board member in question, these financial targets may be derived from Group and/or divisional objectives. It may not exceed 199% of the fixed remuneration of the individual Executive Board member.

The LTI is a long-term participation plan consisting of a performance share unit plan. At the start of the performance period, each member of the Executive Board is granted a given number of future subscription rights in the form of performance share units (PSUs). One PSU corresponds to a future subscription right to one share. The size of the PSU allocation corresponds to a defined percentage of the fixed remuneration. The PSUs are subject to a three-year vesting period. They are converted into vested shares only on condition that the Group's performance objectives are achieved. At the end of the performance period, the company will determine whether the objectives set by the Board of Directors at the start of the performance period for the performance indicators have been reached. Depending on the degree to which the objectives have been reached, a given percentage of the PSUs will be converted into shares, which are subject to a three-year vesting period up until and including the Long-Term Incentive Plan 2022 – 2024. As from the Long-Term Incentive Plan 2023 – 2025, the PSUs will be converted, after the three-year performance period, into shares that are subject to a vesting period of one year. This was specified by the Remuneration Committee in November 2022.

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

www.forbo.com → Investors → Ordinary General Meeting

Determining the remuneration of the Board of Directors

In order to determine the remuneration of the Board of Directors, the compensation paid to Board members of Forbo Holding Ltd is compared periodically with that paid to Board members of comparable industrial companies based on information that is available from publicly accessible sources and from respected market data providers or is known to Board members from their experience of office in similar companies. Industrial companies are regarded as comparable if they are globally active and domiciled in Switzerland, report sales of between CHF 0.5 and 2.5 billion, have a market capitalization of CHF 1 to 4 billion, and employ 2,000 to 10,000 people, or if they are globally active, publicly listed corporations operating in the same business areas as Forbo. The remuneration for the Chairman of the Board of Directors takes into account that the remuneration is solely in restricted shares as of the 2023 business year, with a vesting period of three years to ensure a long-term orientation for the company. As a general rule, no external consultants are co-opted for determining the remuneration.

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

www.forbo.com → Investors → Ordinary General Meeting

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 is determined based on whether the member is Board Chairman, a simple Board member, or also a member of the Audit and Finance Committee (AFC), the Remuneration Committee (RC), the Human Resources and Nomination Committee (HRNC), and the SCC (Strategy and Sustainability Committee). Of the remuneration, 40% is paid to the Board of Directors in shares in Forbo Holding Ltd. The portion paid in shares is derived from a fixed remuneration amount. These shares have a lockup period of three years. The number of shares issued is determined on the basis of the average price in the ten stock market days after distribution of a dividend or repayment of par value. If no dividend is distributed or no par value repayment made, the average price during the first ten stock market days starting on June 1 of the relevant business year applies. The settlement or payment of the shares usually takes place in November.

For the purpose of reporting the remuneration, the shares issued are valued at fair value on the date of allocation. The total compensation for the members of the Board of Directors also includes a lump sum for expenses plus employer contributions to the usual social insurances.

The Board members do not participate in the management investment plan (MIP).

Chairman of the Board of Directors

The compensation for the Chairman of the Board of Directors is disclosed separately and included under the total remuneration to the Board of Directors. Up until the Ordinary General Meeting of March 30, 2023, the Chairman of the Board of Directors operated as Executive Chairman, performing the additional role of CEO on an interim basis up to the beginning of March 2023. Since April 2023, the Chairman of the Board of Directors has had no executive role. To involve him to an even greater extent in the entrepreneurial risk, he has been solely compensated in shares since the 2023 business year, with the former cash component of the base remuneration being completely omitted. The allocated shares are locked up for a period of three years.

With this share package, all compensations such as short-term and long-term variable remuneration elements are settled. This share package may not be either pledged or assigned and can be sold in three years at the earliest. This compensation model is thus also geared to long-term and sustainable corporate development and is fully consistent with the interests of the company and its shareholders.

The underlying share price used to calculate the number of shares is the weighted average price of the first ten days on which Forbo Holding Ltd shares were traded on the stock market in the calendar year. In 2024, the corresponding market value was CHF 1,014.50 (previous year: CHF 1,150.20). The share package corresponds to annual compensation at market value of CHF 1,500,446 (1,479 shares); previous year: CHF 3,401,141 (2,957 shares). By end of December 2024, this corresponded to a market value of CHF 1,116,645. As in the previous year, no cash compensation has been paid during the year under review.

The total compensation for the Chairman of the Board of Directors came to CHF 1,647,096 for the year under review (previous year: CHF 3,538,614). Contained in this amount and reported in the column 'Other payments' are employer contributions to the usual social insurances, private use of a company car, contributions for accident and health insurance, and location expenses.

Remuneration paid

For the remuneration paid to the Board of Directors in the year under review and the details concerning valuation of the shares, the reader is referred to pages 118 to 120 of this remuneration report.

Determining the remuneration of the Executive Board

Basic principles

In order to determine the remuneration of the Executive Board, criteria such as function, responsibility, and experience are taken into account, and the remuneration paid to Forbo Executive Board members is compared with that paid to Executive Board members in comparable industrial companies. This is based on information that is available from publicly accessible sources and from respected market data providers or is known to the members of the Remuneration Committee from their experience of office in similar companies. Industrial companies are regarded as comparable if they are globally active and domiciled in Switzerland, report sales of between CHF 0.5 and 2.5 billion, have a market capitalization of CHF 1 to 4 billion, and employ 2,000 to 10,000 people, or if they are globally active, publicly listed corporations operating in the same business areas as Forbo. As a general rule, no external consultants are co-opted for determining the remuneration.

Alignment of performance-based remuneration with the corporate strategy

The remuneration strategy of Forbo is geared to its current corporate strategy and linked to the relevant key ratios. This is reflected in the choice of performance criteria that are derived from Group and/or divisional objectives depending on the function of the individual Executive Board member; these include net sales, organic growth, EBIT, return on net assets, and growth in earnings per share. The criteria for determining the remuneration paid to Executive Board members are thus transparent.

The Board of Directors is closely involved in the company's planning cycle. As a rule, the current corporate strategy is subjected to an in-depth review by the Board in the first half of the year. Once it has been confirmed or revised, the strategy is quantified in the three-year medium-term plan, which is 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 are the basis for the detailed budget, which is examined and adopted by the Board of Directors in the fourth quarter.

The Board of Directors assesses the current business year by means of an initial estimate at the end of May and a second estimate in mid-October. On completion of the business year, the extent to which the budget has been reached is checked and deviations are analyzed. The actual amount of the variable remuneration paid out to the Executive Board is determined on the basis of the achievement of these individual targets. The Board of Directors defines the relation between budget target achievement and payment ratio.

The short-term, variable remuneration (bonus/short-term incentive – STI) for the previous year is paid out on completion of the business year and after approval by the shareholders. In the case of the long-term participation (long-term incentive – LTI), the performance share units are allocated after approval by the Ordinary General Meeting; any entitlement arising therefrom is determined in March on completion of the three-year performance period and converted into vested shares.

The contributing factors/performance criteria determining the amount of the payout/share allocation of the variable remuneration components are linked directly to the company's success.

The chart below provides a detailed breakdown of the timeline and the interdependence of the corporate targets and the remuneration.

Planning cycle

	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Ordinary General Meeting				
Corporate strategy				
Reviewing/amending strategy				
Establishing mid-term plan				
Establishing budget				
Working out remuneration				
Defining maximum total remuneration of Board of Directors				
Defining maximum total remuneration of Executive Board				
Approving total remuneration of Board of Directors and fixed remuneration of Executive Board for the following business year by the Ordinary General Meeting				
Setting targets for Executive Board				
Assessing target achievement and proposal for variable remuneration elements of Executive Board				
Approving short-term, variable remuneration of Executive Board for the previous business year (bonus/short-term incentive) – STI				
Approving maximum total amount of long-term participation of Executive Board for the current business year (long-term incentive) – LTI				

■ Decision period

Elements of remuneration of the Executive Board

Remuneration of the members of the Executive Board consists of a fixed base salary and two variable compensation components: the bonus/short-term incentive (STI) and the long-term incentive (LTI).

Fixed remuneration

The fixed base remuneration paid to the Executive Board in the reporting year consists of the gross base salary, private company car use, and social security payments made by the company. The Remuneration Committee may also decide that part of the remuneration will be paid in the form of shares in Forbo Holding Ltd (lockup period of five years).

Short-term variable remuneration (bonus/short-term incentive) – STI

The STI is derived from qualitative (individual) and quantitative (financial) targets, which are defined in accordance with the operational responsibility of the Executive Board member in question. The Board of Directors defines and weights the individual and financial targets.

The qualitative targets are geared to the company's long-term sustainable development and may account for 10% of the bonus/short-term incentive. The remaining 90% depends on the achievement of the financial (quantitative) targets. The main targets for members of the Executive Board are: net sales of the Group and/or a division (40% to 50% of the variable remuneration), as well as EBIT of the Group and/or a division (40% to 50% of the short-term variable remuneration).

Whereas achievement of the financial (quantitative) objectives (90%) can be objectively measured, assessing whether some qualitative objectives (10%) have been met may in certain cases involve discretionary decisions. The qualitative objectives contain a proportion of sustainability elements.

The defined objectives of the short-term variable remuneration are equivalent to 100% target achievement. The maximum target achievement is 145%. If a given threshold for a particular target is not reached, no bonus for that target is paid. Depending on the function, the variable remuneration may be as much as 150% of the fixed remuneration if targets are fully met. If the targets are exceeded, the variable remuneration may be as much as 199% of the fixed remuneration.

The amount of the short-term variable remuneration, which is based on achievement of the individual and Group targets, is set in March after completion of the business year and is submitted to shareholders for approval at the Ordinary General Meeting.

Additional ESG targets as of 2025

For the 2025 business year, the STI specified 10% uniform sustainability targets for the first time. These are made up in equal part of LTIFR and CO₂ reduction for the Group or the respective division. The previous 10% quality 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.

Conversion of remuneration into shares in the management investment plan (MIP)

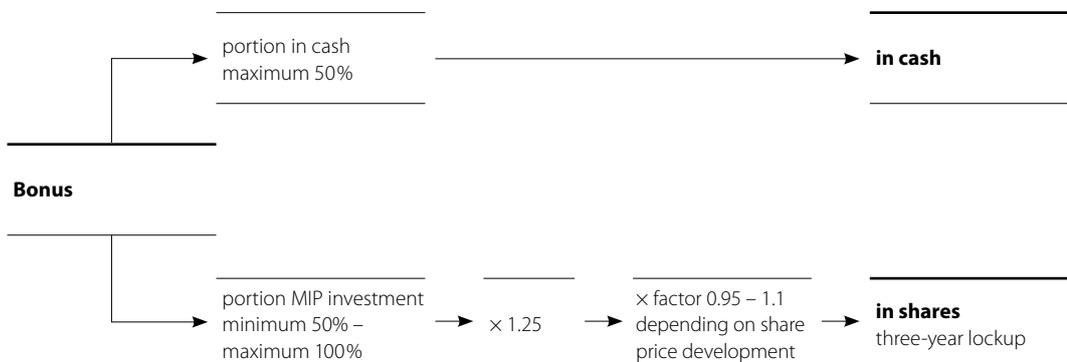
The bonus payment from the bonus/short-term incentive (STI) is linked to the management investment plan (MIP), which was introduced in 2006 and amended in 2012. According to this plan, at least 50% of the annual short-term variable remuneration of Executive Board members must be paid into the MIP. The portion paid in shares is derived from a fixed remuneration amount.

As for the remaining 50% of the annual short-term variable remuneration, the Executive Board members may either draw all or part of it in cash or pay it into the MIP. The Executive Board members may redefine the allocation of this remaining 50% every year. The portion paid in shares is derived from a fixed remuneration amount.

Following the amendment of the MIP, all the sums paid into it will be invested solely in shares in Forbo Holding Ltd as of January 1, 2013. As a first step, the amount invested in the MIP will be increased by 25%, partly in order to take account of the three-year lockup period. In addition, this amount will be multiplied by a factor that tracks the share price movement. This factor is calculated as follows:

$((SPA - SPP)/SPP) + 1$, where 'SPA' stands for the share price applicable for the allocation of shares in the year of allocation and 'SPP' for the applicable share price in the previous year. The upper limit for this factor is 1.1 and the lower limit is 0.95.

The relevant share price for the allocation of shares is calculated based on the unweighted average of the closing prices of the Forbo share in the first 14 trading days in January of the allocation year. The shares are locked up for a period of three years. They cannot be sold or pledged during this time.



Foreign members of the Executive Board may acquire stock awards instead of shares. The stock in question will be transferred after three years.

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

The previous variable model for remuneration of the Executive Board, consisting of a short-term performance-related remuneration (bonus/short-term incentive), was supplemented by a long-term participation plan (long-term incentive), effective from January 1, 2017. The amendment was approved by the Ordinary General Meeting of April 6, 2017.

The aim of the LTI is to link part of the remuneration of the Executive Board even more closely to the company's long-term success.

The LTI consists of a performance share unit plan. At the start of the performance period, each member of the Executive Board is granted a given number of future subscription rights in the form of performance share units (PSUs). One PSU corresponds to a future subscription right to one share. The size of the PSU allocation corresponds to a defined percentage of the Executive Board member's fixed remuneration; the percentage may vary from 34% to 66%. The PSUs are subject to a three-year vesting period. They are converted into vested shares only on condition that the Group's performance objectives are achieved. At the end of the performance period, the company will determine whether the objectives set by the Board of Directors at the start of the performance

period for the performance indicators have been reached. Depending on the degree to which the objectives are reached, a given percentage of the PSUs will be converted into shares after the three-year vesting period. Converted shares are locked up for a period of three years up until and including the Long-Term Incentive Plan 2022 – 2024. As from the Long-Term Incentive Plan 2023 – 2025, they are subject to a vesting period of one year. They cannot be sold or pledged during this time. Immediately on termination of the plan participant's employment contract, regardless of whether the plan participant has terminated the contract or the company has terminated the contract with the plan participant, all PSUs are forfeited.

The relevant share price for the allocation of PSUs at the start of the performance period is calculated based on the unweighted average of the closing prices of the Forbo share in the first 14 trading days in January of the relevant year.

The performance indicators of the LTI are geared to the long-term and sustainable development of the company and consist of three evenly weighted objectives. These are organic growth, the return on net assets (RONA), and growth in earnings per share (EPS) adjusted for the share buybacks. The target achievement is in each case clearly measurable. There are no discretionary elements for the decisions.

The LTI is based on a target achievement of 100%. It is not possible to exceed the maximum target achievement level of 100%. If a member fails to reach a given threshold for an objective, no PSUs are converted into shares for this indicator.

Foreign members of the Executive Board may draw stock awards rather than shares when the PSUs are converted. The relevant shares are transferred after three years up until and including the Long-Term Incentive Plan 2022 – 2024. As from the Long-Term Incentive Plan 2023 – 2025, the relevant shares are transferred after one year.

The degree to which objectives have been achieved is determined in March after conclusion of the three-year performance period.

Actual bonus payments

Readers are referred to pages 118 to 120 of this remuneration report for the amount of the actual short-term variable remuneration (STI) paid to the Executive Board in the year under review and for details of the valuation and allocation of shares. The number of future subscription rights in the form of performance share units for the Executive Board as part of the LTI can also be found on these pages.

There are no option plans.

Employment contracts of the Executive Board members

The employment contracts of the Executive Board members are concluded for an indefinite duration with a maximum period of notice of twelve months.

The Board of Directors can order that lockup periods stipulated in the employment contracts of Executive Board members in connection with the MIP or the long-term incentive be revoked wholly or in part upon the occurrence of defined events (e.g. change of control, termination of employment, retirement, or death).

Should changes in control of the company occur, no additional remuneration or benefits will be paid out.

No severance payments have been agreed with Executive Board members.

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

Remuneration of the Board of Directors

The total remuneration paid to the members of the Board of Directors (without the Chairman) came to CHF 955,922 in the year under review (previous year: CHF 918,325). This sum consists of the base salary in cash (60% of the remuneration), amounting to CHF 516,334 (previous year: CHF 494,195) and the base remuneration in shares (40% of the remuneration) of CHF 379,536 (previous year: CHF 355,287). This corresponds to 359 shares (previous year: 272 shares) at a market value of CHF 1,057.20 each (previous year: CHF 1,306.20). The portion paid in shares is derived from a fixed remuneration amount. This total remuneration includes a lump sum for expenses plus employer contributions to the usual social insurances, which are reported separately in the column 'Other remuneration'.

The remuneration paid to the Chairman of the Board of Directors is explained in detail on page 112 of this remuneration report.

Remuneration of the Executive Board

The total remuneration paid to the members of the Executive Board came to CHF 3,021,190 in the year under review (previous year: CHF 3,991,264), subject to approval of the variable portion by the 2025 Ordinary General Meeting. This sum includes a fixed base salary of CHF 1,589,003 (previous year: CHF 2,116,614) and short-term variable bonus remuneration (STI) of CHF 157,154 (previous year: CHF 364,636), a long-term participation (LTI) of CHF 823,274 (previous year: CHF 911,153) plus the private use of a company car, and employer contributions to the pension fund as well as other usual social insurances, which are reported separately in the column 'Other remuneration'.

The fixed portion of the base salary paid in shares (lockup period of five years) came to CHF 86,404 (previous year: CHF 85,914). The portion paid in shares is derived from a fixed remuneration amount. The portion of the variable remuneration (STI) paid in shares in connection with the MIP (lockup period of three years) came to CHF 114,912 (previous year: CHF 100,614), which is subject to approval by the 2025 Ordinary General Meeting. The portion paid in shares is derived from a fixed remuneration amount.

For the three actual long-term incentive plans, a total of 1,812 future subscription rights in the form of performance share units were issued.

Plan	Allocation of subscription rights	Performance period	Vesting date (PSUs)	Unlocking of shares	Number of PSUs allocated	Value of PSUs in CHF (allocation)
2022–2024	April 2022	2022–2024	April 2025	April 2028	198	360,460
2023–2025	April 2023	2023–2025	April 2026	April 2029	793	911,153
2024–2026	April 2024	2024–2026	April 2027	April 2030	821	823,274

Disclosure of remuneration of the Board of Directors and Executive Board

Remuneration										
For the year 2024 ¹⁾										
(audited)										
Name and function	Base salary						Variable remuneration		Other remuneration ⁹⁾	Total
	Cash			Shares			Bonus/short-term incentive (STI) ²⁾			
	Allocation of performance share units									
	CHF	Number	CHF	CHF	Number	CHF	Number	CHF	CHF	CHF
This E. Schneider, Chairman ⁵⁾	0	1,479	1,500,446						146,650	1,647,096
Michael Pieper, Vice Chairman	86,415	66	69,775						12,968	169,158
Dr. Peter Altorfer, Vice Chairman ⁶⁾	46,250	0	0						3,942	50,192
Claudia Coninx-Kaczynski, member	86,053	65	68,718						15,637	170,408
Jörg Kampmeyer, member ⁹⁾	62,393	48	50,746						3,000	116,139
Bernhard Merki, member ⁶⁾	62,393	48	50,746						3,000	116,139
Dr. Eveline Saupper, member	83,190	64	67,661						12,618	163,469
Vincent Studer, member	89,640	68	71,890						8,887	170,417
Board of Directors total⁷⁾	516,334	1,838	1,879,982						206,702	2,603,018
Executive Board total⁸⁾⁹⁾	1,502,599	103	86,404	42,242	148	114,912	821	823,274	451,759	3,021,190
Of which highest-paid member of Executive Board ¹⁰⁾ (Jens Fankhänel)	600,000	0	0	24,900	39	30,281	398	400,000	210,164	1,265,345

- The remuneration of the Board of Directors and the Executive Board is reported gross before deduction of employee social insurance contributions. The amounts shown in the table are based on the valuation models used and disclosed in the consolidated financial statements.
- The variable short-term remuneration of the Executive Board (STI) corresponds to the actual degree to which targets were reached in 2024 and will be submitted to the April 2025 Ordinary General Meeting for approval. The criterion for determining the number of shares issued for the variable remuneration is the unweighted average of the closing prices of the Forbo share in the first 14 trading days in January of the allocation year in connection with the MIP. The allocation takes place in April (subject to approval by the Ordinary General Meeting) for the period from January to December of the previous year. The value at allocation was CHF 776.43. The shares are locked up for a period of three years.
- The LTI for the Executive Board corresponds to the long-term participation plan for 2024 (Long-Term Incentive Plan 2024 – 2026) and to the number of future subscription rights allocated to the plan in the form of performance share units (PSUs). One PSU corresponds to a future subscription right to one share and is subject to a three-year vesting period.
- 'Other remuneration' includes in particular employer contributions to the usual social insurances, private use of a company car, and lump sum or on-site expenses.
- Please refer to page 112 of this remuneration report for details of the structure of the remuneration of the Chairman of the Board of Directors. These details also contain the criterion for determining the number of shares issued and their lockup periods.
- The 2024 remuneration was paid pro rata temporis for Dr. Petr Altorfer (3 months), Jörg Kampmeyer and Bernhard Merki (both for 9 months each).
- The criterion for determining the number of shares issued for the members of the Board of Directors (for the Chairman see footnote 5) is the average share price in the ten trading days after payment of the dividend or repayment of the par value: CHF 1,057.20. The allocation is made at the discounted tax value of CHF 887.65. The shares are locked up for a period of three years and are reported at market value in the table above.
- The criterion for determining the number of shares issued for the base salary is the unweighted average of the closing price of the Forbo share in the first 14 trading days in January of the allocation year. The shares are allocated in April for the period from May of the previous year to April of the year of allocation. The shares are locked up for a period of five years. The value of the shares allocated was CHF 1,006.14 for 2024 and for 2025 CHF 776.43.
- The criterion for determining the number of shares issued for the variable remuneration is the unweighted average of the closing price of the Forbo share in the first 14 trading days in January of the allocation year. The shares for the STI for the 2024 business year will be allocated in April 2025, subject to approval by the 2025 Ordinary General Meeting. The shares are locked up for a period of three years. The value at allocation was CHF 776.43. Foreign members of the Executive Board may acquire stock awards instead of shares. The stock in question will be transferred after three years.
- The remuneration for 2024 for the CEO Jens Fankhänel is based on a workload of 80%.

RemunerationFor the year 2023¹⁾
(audited)

Name and function	Base salary			Variable remuneration		Other remuneration ⁹⁾		Total	
	Cash	Shares		Bonus/short-term incentive ²⁾		Long-term incentive ³⁾			
		CHF	Number	CHF	Cash	Shares	Allocation of performance share units		
	CHF	Number	CHF	CHF	Number	CHF	Number		CHF
This E. Schneider, Chairman ⁵⁾	0	2,957	3,401,141					137,473	3,538,614
Michael Pieper, Vice Chairman	86,874	53	69,229					12,927	169,030
Dr. Peter Altorfer, Vice Chairman	130,424	68	88,822					17,106	236,352
Claudia Coninx-Kaczynski, member	74,551	46	60,085					14,096	148,732
Jens Fankhänel, member ⁶⁾	31,250	0	0					3,524	34,774
Dr. Eveline Saupper member	81,415	50	65,310					12,318	159,043
Vincent Studer, member	89,681	55	71,841					8,872	170,394
Board of Directors total⁷⁾	494,195	3,229	3,756,428					206,316	4,456,939
Executive Board total⁸⁾⁹⁾¹⁰⁾	2,030,700	82	85,914	264,022	100	100,614	793	911,153	598,861
Of which highest-paid member of Executive Board (Jens Fankhänel) ¹¹⁾	541,667	0	0	0	54	54,332	433	500,000	1,295,332

1) The remuneration of the Board of Directors and the Executive Board is reported gross before deduction of employee social insurance contributions. The amounts shown in the table are based on the valuation models used and disclosed in the consolidated financial statements.

2) The variable short-term remuneration of the Executive Board (bonus/short-term incentive) corresponds to the actual degree to which targets were reached in 2023 and will be submitted to the April 2024 Ordinary General Meeting for approval. The criterion for determining the number of shares issued for the variable remuneration is the unweighted average of the closing prices of the Forbo share in the first 14 trading days in January of the allocation year in connection with the MIP. The allocation takes place in April (subject to approval by the Ordinary General Meeting) for the period from January to December of the previous year. The value at allocation was CHF 1,006.14. The shares are locked up for a period of three years.

3) The long-term incentive for the Executive Board corresponds to the long-term participation plan for 2023 (Long-Term Incentive Plan 2023–2025) and to the number of future subscription rights allocated to the plan in the form of performance share units (PSUs). One PSU corresponds to a future subscription right to one share and is subject to a three-year vesting period.

4) 'Other remuneration' includes in particular employer contributions to the usual social insurances, private use of a company car, and lump sum or on-site expenses.

5) Please refer to page 112 of this remuneration report for details of the structure of the remuneration of the Chairman of the Board of Directors. These details also contain the criterion for determining the number of shares issued and their lockup periods.

6) Please refer to page 106 of this remuneration report for details of the structure of the remuneration of the Chairman of the Board of Directors. These details also contain the criterion for determining the number of shares issued and their lockup periods.

7) The criterion for determining the number of shares issued for the non-executive members of the Board of Directors is the average share price in the ten trading days after payment of the dividend or repayment of the par value: CHF 1,306.20. The allocation is made at the discounted tax value of CHF 1,096.71. The shares are locked up for a period of three years and are reported at market value in the table above.

8) The criterion for determining the number of shares issued for the base salary is the unweighted average of the closing price of the Forbo share in the first 14 trading days in January of the allocation year. The shares are allocated in April for the period from May of the previous year to April of the year of allocation. The shares are locked up for a period of five years. The value of the shares allocated was CHF 1,154.34 for 2023 and for 2024 CHF 1,006.14.

9) The criterion for determining the number of shares issued for the variable remuneration is the unweighted average of the closing price of the Forbo share in the first 14 trading days in January of the allocation year. The shares for the bonus for the 2023 business year will be allocated in April 2024, subject to approval by the 2024 Ordinary General Meeting. The shares are locked up for a period of three years. The value at allocation was CHF 1,006.14. Foreign members of the Executive Board may acquire stock awards instead of shares. The stock in question will be transferred after three years.

10) The remuneration of the Executive Board for 2023 includes the pro rata remuneration relating to the change of CEO.

11) The remuneration was paid pro rata temporis (10 months).

Advances and loans (audited)

As of December 31, 2024, no advances or loans to members of the Board of Directors or the Executive Board were outstanding.

The relevant statutory provisions concerning advances, loans, and employee benefits for members of the Board of Directors and the Executive Board are set out in Chapter IV, pages 11 and 12 of the Articles of Association of Forbo Holding Ltd, which can be downloaded at:

www.forbo.com → Investors → Ordinary General Meeting

Disclosure of shareholdings pursuant to Article 734d CO

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 2024

(audited)

Name and function	Number of shares
This E. Schneider, Chairman	48,039
Michael Pieper, Vice-Chairman 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 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 Executive Board	2,760

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

As at December 31, 2023, 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 2023	
(audited)	
Name and function	Number of shares
This E. Schneider, Chairman	45,513
Michael Pieper, Vice-Chairman and independent ¹⁾ member	414,985
Dr. Peter Altorfer, Vice-Chairman, independent ¹⁾ member	1,579
Claudia Coninx-Kaczynski, independent ¹⁾ member	412
Dr. Eveline Saupper, independent ¹⁾ member	1,330
Vincent Studer, independent ¹⁾ member	1,161
Total Board of Directors	464,980
Jens Fankhänel, Chief Executive Officer	1,380
Marc Deimling, Executive Vice President Movement Systems	219
Andreas Jaeger, Chief Financial Officer	185
Jean-Michel Wins, Executive Vice President Flooring Systems	723
Total Executive Board	2,507

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

Report of the statutory 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 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables and sections marked "audited" on pages 119 to 122 of the remuneration report as well as the sections marked "audited" on pages 89 to 91 as well as on pages 99 to 100 of the corporate governance report.

In our opinion, the information pursuant to Art. 734a-734f CO in the 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, and we have 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 and sections marked "audited" in the remuneration and corporate governance 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.

Report of the statutory auditor



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

A handwritten signature in black ink, appearing to read 'Regula Tobler', written in a cursive style.

Regula Tobler
Licensed Audit Expert
Auditor in Charge

A handwritten signature in black ink, appearing to read 'Joel Wachter', written in a cursive style.

Joel Wachter
Licensed Audit Expert

Zurich, 3. March 2025

Enclosure:

- Remuneration report

FINANCIAL REPORT

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Consolidated balance sheet

		31.12.2024	31.12.2023
Assets			
CHF m	Note		
Cash and cash equivalents	22	109.1	69.1
Trade receivables	12	142.8	138.9
Other receivables		19.5	35.9
Accrued income and deferred expenses		15.3	15.1
Inventories	13	281.6	264.2
Current assets		568.3	523.2
Non-current financial assets	22	2.0	1.9
Deferred tax assets	10	28.4	30.7
Property, plant, and equipment	14/21	293.8	266.6
Intangible assets and goodwill	15	81.7	79.0
Employee benefit assets	18	1.6	0.0
Non-current assets		407.5	378.2
Total assets		975.8	901.4
Shareholders' equity and liabilities			
CHF m	Note		
Current financial liabilities	22	14.6	13.2
Trade payables	22	90.6	86.9
Other current liabilities		23.7	22.4
Current tax liabilities		14.4	16.2
Accrued expenses and deferred income	16	70.0	73.1
Current provisions	17	5.0	7.5
Current liabilities		218.3	219.3
Non-current financial liabilities	22	32.6	26.9
Deferred tax liabilities	10	5.2	7.4
Non-current provisions	17	44.3	44.9
Employee benefit obligations	18	49.4	49.2
Non-current liabilities		131.5	128.4
Total liabilities		349.8	347.7
Share capital	20	0.1	0.1
Treasury shares	20	-0.0	-0.0
Reserves and retained earnings		625.9	553.6
Shareholders' equity		626.0	553.7
Total shareholders' equity and liabilities		975.8	901.4

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

Consolidated income statement

	1.1. – 31.12.	2024	2023
CHF m	Note		
Net sales	5	1,122.0	1,175.2
Cost of goods sold		-737.1	-773.5
Gross profit		384.9	401.7
Development costs	6	-15.3	-15.7
Marketing and distribution costs		-160.3	-168.5
Administrative costs		-86.8	-80.1
Other operating expenses	7	-8.8	-17.2
Other operating income	8	6.9	9.7
Operating profit		120.6	129.9
Financial income		2.7	5.7
Financial expenses		-1.7	-3.8
Profit before taxes		121.6	131.8
Income taxes	10	-26.5	-29.5
Profit		95.1	102.3
Profit attributable to shareholders of Forbo Holding Ltd		95.1	102.3
<i>Earnings per share</i>			
CHF	Note		
Basic earnings per share	11	67.45	72.55
Diluted earnings per share	11	67.45	72.55

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

Consolidated comprehensive income statement

CHF m	1.1. – 31.12.	2024	2023
	Note		
Profit		95.1	102.3
Items that will not be reclassified to the income statement:			
Remeasurements of employee benefit obligations, net of taxes	10	0.6	–11.1
Items that are or may be subsequently reclassified to the income statement:			
Translation differences		7.3	–47.3
Other comprehensive income for the year, net of tax		7.9	–58.4
Total comprehensive income		103.0	43.9
Total comprehensive income attributable to the shareholders of Forbo Holding Ltd		103.0	43.9

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

Consolidated statement of changes in equity

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

2023							
CHF m	Note	Share capital	Treasury shares	Retained earnings	Reserves for employee benefits	Translation differences	Total
January 1, 2023		0.1	-0.0	898.2	49.1	-397.3	550.1
Profit				102.3			102.3
Other comprehensive income for the year, net of tax					-11.1	-47.3	-58.4
Total comprehensive income				102.3	-11.1	-47.3	43.9
Share-based payments	19			4.0			4.0
Treasury shares	20			-11.7			-11.7
Dividend payment				-32.6			-32.6
December 31, 2023		0.1	-0.0	960.2	38.0	-444.6	553.7

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

Consolidated cash flow statement

	1.1. – 31.12.	2024	2023
Cash flow from operating activities			
CHF m	Note		
Profit		95.1	102.3
Income taxes	10	26.5	29.5
Financial result		-1.0	-1.9
Depreciation and impairment of property, plant, and equipment and right-of-use assets	14	44.6	46.4
Amortization and impairment of intangible assets	15	1.2	3.7
Loss from the sale of non-current assets		0.1	0.0
Share-based payments	9	2.2	4.0
Income tax paid		-14.1	-33.0
Decrease (-)/Increase in provisions and employee benefit obligations		-0.5	0.9
Increase (-)/Decrease in trade receivables		-2.4	5.2
Increase (-)/Decrease in inventories		-13.2	29.7
Increase/Decrease (-) in trade payables		2.6	-9.4
Increase (-) in other net working capital		-5.5	-17.4
Net cash flow from operating activities		135.6	160.0
Cash flow from investing activities			
CHF m	Note		
Purchase of non-current assets		-46.1	-45.3
Interest received		2.3	1.2
Net cash flow from investing activities		-43.8	-44.1
Cash flow from financing activities			
CHF m	Note		
Payment of lease liabilities	21	-16.5	-16.7
Decrease of current financial liabilities	22	0.0	-24.6
Interest paid	21	-1.4	-2.4
Purchase of treasury shares		-4.5	-18.1
Proceeds from sale of treasury shares		6.5	6.5
Dividend payment		-35.2	-32.6
Net cash flow from financing activities		-51.1	-87.9
Change in cash and cash equivalents		40.7	28.0
CHF m	Note		
Total cash and cash equivalents at beginning of year		69.1	46.7
Increase in cash and cash equivalents		40.7	28.0
Translation differences on cash and cash equivalents		-0.7	-5.6
Total cash and cash equivalents at year-end		109.1	69.1

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

Notes – accounting principles

1 General information

Forbo Holding Ltd 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 pure sales companies.

Forbo Holding Ltd is a public 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 3, 2025, and released for publication on March 4, 2025. This financial report is subject to approval by the Ordinary General Meeting of April 4, 2025.

2 Accounting principles

The principal 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 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 sums 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 are contained 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 166 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)	
			2024	2023	2024	2023
Exchange rates						
Eurozone	EUR	1	0.9523	0.9715	0.9395	0.9335
USA	USD	1	0.8800	0.8980	0.9030	0.8433
Great Britain	GBP	1	1.1246	1.1170	1.1328	1.0749
Japan	JPY	100	0.5815	0.6387	0.5780	0.5961
China	CNY	100	12.3397	12.7406	12.5405	11.9611
Sweden	SEK	100	8.3015	8.4641	8.1901	8.4011

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 contractu-

ally 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.

Type of product or service

Flooring Systems

Type and time of the fulfillment of performance obligation, significant terms of payment

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 ranging from 30 to 60 days.

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.

Movement Systems

The type and time of the fulfillment of the performance obligation and the terms of payment are identical with those for Flooring Systems.

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.

Earnings per share

The number of shares used for calculating earnings per share is determined on the basis of the weighted average number of the 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 is determined that could have been purchased at the market price 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 and 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 in 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 flow 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. Transaction costs, which are directly attributable to acquisition or issuance, are added in addition 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 liabilities’.

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 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 continuously. 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 revenues. 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 informa-

tion 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 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

As of January 1, 2023, the Group adopted the amendments to IAS1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies'. Although these amendments had no effect on the accounting principles themselves, they did affect the information on the accounting principles disclosed in the consolidated financial statements. The changes require the disclosure of 'material' accounting principles, rather than 'significant' accounting principles, as previously. Group management has reviewed these and updated the information given.

The Group also adopted the amendments to IAS 12 'International Tax Reform – Pillar Two Model Rules' as of January 1, 2023.

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. 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 statements. 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 dividend and interest cash flows can be classified in only one way. 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 is currently analyzing the effect on the consolidated financial statements.

Further accounting standards which had been published by the IASB but only come into effect after January 1, 2025, 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.

Notes

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 Chairman of the Board of Directors and 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 Chairman of the Board of Directors and the Chief Executive Officer assess 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 Chairman of the Board of Directors and the Chief Executive Officer, are identical with the sales reported in the income statement.

Segment information on the reportable segments for the reporting year:

2024	Flooring Systems	Movement Systems	Corporate/ elimination	Total
CHF m				
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
Operating assets	477.4	341.5	19.4	838.3
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)

Segment information on the reportable segments for the prior year:

2023				
CHF m	Flooring Systems	Movement Systems	Corporate/elimination	Total
Total net sales	796.5	378.9	-0.2	1,175.2
Inter-segment net sales	0.0	-0.2	0.2	0.0
Net sales to third parties	796.5	378.7	0.0	1,175.2
Operating profit	94.9	44.3	-9.3	129.9
Operating profit before depreciation and amortization	123.2	65.5	-8.8	179.9
Operating assets	457.8	311.8	31.9	801.5
Capital expenditure ¹⁾	26.8	17.8	0.7	45.3
Full time equivalents (December 31)	2,741	2,408	41	5,190

1) Purchase of tangible and intangible assets (excluding leasing)

Reconciliation of segment information to the income statement and balance sheet:

	2024	2023
CHF m		
Total segment result (operating profit)	120.6	129.9
Financial result	1.0	1.9
Profit before taxes	121.6	131.8
	31.12.2024	31.12.2023
CHF m		
Total operating assets	838.3	801.5
Non-operating assets	137.5	99.9
Total assets	975.8	901.4

Operating assets include 'Trade receivables', 'Other receivables', 'Accrued income and deferred expenses', 'Inventories', 'Property, plant, and equipment', 'Intangible assets and goodwill' and 'Non-current financial assets'. Non-operating assets include 'Cash and cash equivalents' and 'Deferred tax assets'.

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	
	2024 Third-party sales	2023 Third-party sales	2024 Third-party sales	2023 Third-party sales
<i>Regions</i>				
Europe	565.5	598.0	142.9	155.5
Americas	126.7	122.3	122.7	123.1
Asia/Pacific and Africa	73.4	76.2	90.8	100.1
Total net sales to third parties	765.6	796.5	356.4	378.7

Net sales to third parties by country of destination were generated in the following regions:

CHF m	2024 Third-party sales	2023 Third-party sales
Switzerland (domicile)	26.8	28.6
Germany	123.3	137.9
France	125.0	130.1
Benelux	106.2	118.1
Scandinavia	76.4	83.3
Great Britain and Ireland	76.3	75.6
Other countries Europe	174.4	179.9
Europe	708.4	753.5
USA	200.3	190.7
Other countries Americas	49.1	54.7
Americas	249.4	245.4
Asia/Pacific and Africa	164.2	176.3
Total net sales to third parties	1,122.0	1,175.2

In the period under review, sales to no single customer exceeded 10% of total Group sales.

Operating assets are distributed over the following regions:

CHF m	31.12.2024 Operating assets	31.12.2023 Operating assets
Switzerland (domicile)	41.9	39.5
Germany	92.2	89.1
France	64.3	67.2
Benelux	185.2	193.2
Scandinavia	31.9	33.6
Great Britain and Ireland	86.2	80.0
Other countries Europe	53.6	53.3
Europe	555.3	555.9
USA	130.5	110.1
Other countries Americas	25.0	23.5
Americas	155.5	133.6
Asia/Pacific and Africa	127.5	112.0
Total operating assets	838.3	801.5

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, 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, and income from sales of material for recycling purposes. In the prior year, other operating income also included the release of provisions for site remediation.

9 Personnel expenses

	2024	2023
Personnel expenses		
CHF m		
Salaries and wages	276.8	275.7
Social security contributions	67.1	61.1
Employee benefit expenses for defined contribution plans	12.0	12.3
Employee benefit expenses for defined benefit plans	4.8	2.2
Total personnel expenses	360.7	351.3

Salaries and wages include share-based payment expenses of CHF 2.2 million (2023: CHF 4.0 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, 2024, the number of full time equivalents employed was 5,059 (2023: 5,190). The weighted average number of full time equivalents over the year was 5,194 (2023: 5,357).

10 Income taxes

	2024	2023
Income taxes		
CHF m		
Current income taxes	27.1	26.9
Deferred income taxes	-0.6	2.6
Total income taxes	26.5	29.5

Analysis of tax expense

The following reconciliation explains the difference between the expected and the effective income tax expense:

	2024	2023
CHF m		
Group profit before taxes	121.6	131.8
Tax expense at the applicable tax rate	-27.8	-30.3
Applicable tax rate in %	22.9	23.0
Tax effects of:		
Non-tax-deductible expenses	-0.9	-2.1
Tax-exempt income	2.7	0.3
Recognition of previously unrecognized tax losses	0.1	0.0
Utilization of previously unrecognized tax losses	0.0	1.1
Previous-year taxes and other positions	-0.6	1.5
Effective income tax expenses	-26.5	-29.5
Effective income tax rate in %	21.8	22.4

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 origin of the profits or losses in each country. The expected income tax expense is the sum of the expected indi-

vidual 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 by the tax rate applicable in the country concerned.

Capitalized and non-capitalized tax loss carry-forwards
all expire in more than five years:

	2024	2023
CHF m		
Non capitalized	28.8	30.0
Capitalized	20.3	20.2
Total tax loss carry-forwards	49.1	50.2

The following amounts are shown in the balance sheet:

	31.12.2024	31.12.2023
CHF m		
Deferred tax assets	28.4	30.7
Deferred tax liabilities	-5.2	-7.4
Deferred taxes, net	23.2	23.3

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 ob- ligations	Other	Total
January 1, 2023	8.3	4.5	10.4	10.2	7.0	6.2	46.6
Changes recognized in income statement	-2.0	1.7	0.5	-3.6	-0.5	0.7	-3.2
Changes recognized in other comprehensive income					1.3		1.3
Translation differences	-0.8	-0.8	-0.2	-0.5	-0.1	-0.2	-2.6
As at December 31, 2023	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
Netting with deferred tax liabilities							-14.7
As at December 31, 2024							28.4
Deferred tax liabilities							
CHF m	Inventories	Property, plant, and equipment	Provisions	Intangible assets	Employee benefit ob- ligations	Other	Total
January 1, 2023	3.2	6.0	0.1	6.0	0.0	5.2	20.5
Changes recognized in income statement	-0.3	0.5		-1.7		0.9	-0.6
Translation differences	-0.1	-0.3	0.0	-0.5		-0.2	-1.1
As at December 31, 2023	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
Netting with deferred tax assets							-14.7
As at December 31, 2024							5.2
Decrease in net deferred tax assets 2023							-2.8
Decrease in net deferred tax assets 2024							-0.1

As at December 31, 2024, no deferred income tax liabilities on undistributed profits from consolidated companies have been recognized, since this income is deemed to have been reinvested for an indefinite period.

Should there be a distribution, withholding and other taxes might be incurred, which, upon decision, may be provided for accordingly.

Income tax expense and income recognized in the other comprehensive income statement:

CHF m	2024			2023		
	Before tax	Tax expense	After tax	Before tax	Tax expense	After tax
Actuarial losses (-)/gains on employee benefit obligations	1.4	-0.8	0.6	-12.4	1.3	-11.1
Translation differences	7.3		7.3	-47.3		-47.3
Other comprehensive income	8.7	-0.8	7.9	-59.7	1.3	-58.4

Global minimum taxation

The Group comes under the scope of minimum taxation as per the Global Anti-Base Erosion – GLoBE-Pillar 2 rules. Various countries have amended their tax laws since January 1, 2024. In Switzerland, the national supplementary tax was introduced as of January 1, 2024.

The international supplementary tax will come into effect on January 1, 2025. In accordance with the transitional safe harbor test, the Group is not required to deduct supplementary tax during the current reporting year in Switzerland or other countries in which it operates.

11 Earnings per share

Earnings per share are calculated as follows:

	2024	2023
Profit in CHF million	95.1	102.3
Weighted average number of outstanding shares	1,410,356	1,409,775
Weighted average number of outstanding shares used to calculate diluted earnings per share	1,410,356	1,409,775
Basic earnings per share in CHF	67.45	72.55
Diluted earnings per share in CHF	67.45	72.55

12 Trade receivables

	31.12.2024	31.12.2023
Trade receivables		
CHF m		
Accounts receivable	138.0	133.4
Notes receivable	9.2	10.2
Allowance	-4.4	-4.7
Total trade receivables	142.8	138.9

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

	31.12.2024	31.12.2023
Inventories		
CHF m		
Raw materials and supplies	60.0	60.7
Work in progress	99.3	86.0
Finished goods	150.8	146.4
Allowance	-28.5	-28.9
Total inventories	281.6	264.2

Cost of materials recognized in the reporting year came to CHF 395.9 million (2023: CHF 433.7 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, 2023	177.1	715.7	130.7	14.5	1,038.0
Additions	13.5	6.9	7.8	35.4	63.6
Disposals	-4.0	-27.9	-22.1		-54.0
Transfers	1.4	11.3	1.5	-14.9	-0.7
Translation differences	-21.8	-38.6	-6.7	-2.2	-69.3
As at December 31, 2023	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

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, 2023	56.8	598.7	114.9	0.0	770.4
Depreciation	16.3	22.8	7.3		46.4
Disposals	-3.9	-27.9	-22.1		-53.9
Translation differences	-14.2	-32.1	-5.6		-51.9
As at December 31, 2023	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

Net carrying amount					
As at December 31, 2023	111.2	105.9	16.7	32.8	266.6
As at December 31, 2024	125.8	115.3	19.2	33.5	293.8

Included under property, plant, and equipment are right-of-use assets amounting to CHF 49.3 million (2023: CHF 41.7 million). Further information can be found in note 21 'Leasing'.

Maintenance and repair costs amounted to CHF 24.9 million (2023: CHF 23.6 million). The depreciation expense of CHF 46.5 million (2023: CHF 46.4 million) is included in the items 'Cost of goods sold', 'Development costs', 'Marketing and distribution costs', and 'Administrative costs'.

As at 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, 2024, the Group had outstanding purchase orders for capital goods amounting to CHF 11.1 million (2023: CHF 4.6 million).

In the reporting period, the impairment on fixed assets in Russia, recognized in the year 2022, was adjusted, as the actual valuation of these assets resulted in a higher realizable value.

15 Intangible assets and goodwill

Cost on acquisition				
CHF m	Goodwill	Trademarks	Other intangible assets	Total
As at January 1, 2023	78.2	31.9	72.8	182.9
Additions			0.3	0.3
Disposals			-0.5	-0.5
Transfers			0.7	0.7
Translation differences	-3.3	-0.3	-2.7	-6.3
As at December 31, 2023	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

Accumulated amortization and impairments				
CHF m	Goodwill	Trademarks	Other intangible assets	Total
As at January 1, 2023	9.2	26.3	62.5	98.0
Amortization			3.7	3.7
Disposals			-0.4	-0.4
Translation differences	-1.0	-0.1	-2.1	-3.2
As at December 31, 2023	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
Net carrying amount				
As at December 31, 2023	66.7	5.4	6.9	79.0
As at December 31, 2024	67.5	5.7	8.5	81.7

The position 'Trademarks' consists of the trademarks acquired in connection with the acquisition of Bonar Floors in 2008. 'Other intangible assets' consists

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:

	31.12.2024	31.12.2023
Flooring Systems		
Goodwill	64.1	63.3
Trademarks	5.7	5.4
Movement Systems		
Goodwill	3.4	3.4
Total Goodwill and trademarks	73.2	72.1

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. 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.

	2024	2023
EBITDA margin for planning period (following three years)		
Flooring Systems	15–18	16–18
Movement Systems	17–21	18–20
Growth rate to calculate terminal value	1.0	1.0
Discount rate	8.4	9.6

16 Accrued expenses and deferred income

	31.12.2024	31.12.2023
Accrued expenses and deferred income		
CHF m		
Accrued expenses for compensation and employee benefits	36.1	35.3
Other accrued expenses	33.9	37.8
Total accrued expenses and deferred income	70.0	73.1

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, 2024	4.9	42.3	5.0	0.2	52.4
Additions	4.6	0.1	2.1	0.8	7.6
Used during the year	-5.0	-1.7	-1.1	-0.8	-8.6
Released during the year	-0.4	0.0	-2.2	-0.1	-2.7
Translation differences	0.2	0.3	0.1	0.0	0.6
As at December 31, 2024	4.3	41.0	3.9	0.1	49.3
Of which current provisions	2.6	0.6	1.8	0.0	5.0
Of which non-current provisions	1.7	40.4	2.1	0.1	44.3

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 annually 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. 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, 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 28% of the Group's entire pension liabilities. 96% of the liabilities are 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 (BVG), all surpluses belong to the pension plan and hence to its members.

In 2023, the pension fund announced a change to the plan rules according to which a comprehensive conversion rate will be applied from January 1, 2025. This adjustment to the plan resulted in a one-off profit of CHF 2.4 million, which was posted in the 2023 income statement.

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. Access to this plan is available only up to December 31, 2025. In the reporting period, the liability from this plan amounted to CHF 3.8 million (2023: CHF 3.5 million).

actuaries using the projected unit credit method. The fair value of the plan assets was determined as at December 31, 2024, based on the information available when the annual financial statements were prepared. The weighted average duration of the pension plans ('plan duration') is 9.7 years for the United Kingdom, 15.5 years for Switzerland, and 12.8 years for the other countries.

The latest actuarial valuations of the present values of defined benefit liabilities and of service costs were performed as at December 31, 2024, by independent

The principal assumptions underlying the actuarial calculations are summarized as follows:

Actuarial assumptions	2024				2023			
	Switzerland	UK	Other	Weighted	Switzerland	UK	Other	Weighted
Discount rate (in %)	0.9	5.4	2.9	3.7	1.3	4.5	3.1	3.5
Future increases in salaries (in %)	1.8	3.9	2.7	2.2	1.9	3.8	2.9	2.3
Inflation rate (in %)	1.2	3.2	2.0	2.5	1.3	3.1	2.2	2.6
Life expectancy at age of 65 (in years)								
Year of birth 1959								
Men	22	20	21	21	22	21	21	21
Women	24	23	24	23	24	23	24	24
Year of birth 1974								
Men	23	21	23	22	23	21	23	22
Women	25	24	26	24	25	24	26	25

The pension costs for defined benefit plans recognized in the consolidated income statement can be summarized as follows:

Pension costs	2024				2023			
	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
CHF m								
Service cost	1.7	0.5	1.4	3.6	-0.9	0.5	1.5	1.1
Interest costs	0.7	5.7	1.3	7.7	1.1	6.2	1.3	8.6
Interest income on plan assets	-0.6	-5.6	-0.3	-6.5	-1.0	-6.2	-0.3	-7.5
Total pension costs	1.8	0.6	2.4	4.8	-0.8	0.5	2.5	2.2

Changes in pension liabilities under the defined benefit plans:

	2024				2023			
	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
Benefit obligations								
CHF m								
As at January 1	57.3	125.2	43.3	225.8	50.7	132.1	41.3	224.1
Service cost	1.7	0.5	1.4	3.6	-0.9	0.5	1.5	1.1
Employee contributions	1.0	0.0	0.1	1.1	1.0	0.0	0.0	1.0
Interest costs	0.7	5.7	1.3	7.7	1.1	6.2	1.3	8.6
Benefits paid	-2.4	-8.7	-2.1	-13.2	-0.5	-9.4	-2.5	-12.4
Actuarial gains (-)/losses	3.7	-14.7	1.0	-10.0	5.9	0.2	3.3	9.4
Translation differences		6.6	-1.4	5.2		-4.4	-1.6	-6.0
As at December 31	62.0	114.6	43.6	220.2	57.3	125.2	43.3	225.8

Changes in plan assets of the defined benefit plans at fair value:

	2024				2023			
	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
Plan assets								
CHF m								
As at January 1	48.1	123.3	5.2	176.6	44.2	133.8	5.1	183.1
Interest income on plan assets	0.6	5.6	0.3	6.5	1.0	6.2	0.3	7.5
Employer contributions	1.9	0.3	1.7	3.9	1.9	0.3	2.5	4.7
Employee contributions	1.0	0.0	0.1	1.1	1.0			1.0
Return on pension assets (excluding amounts in interest income)	4.1	-12.9	0.2	-8.6	0.5	-3.3	-0.2	-3.0
Benefits paid	-2.4	-8.7	-2.1	-13.2	-0.5	-9.4	-2.5	-12.4
Translation differences		6.5	-0.4	6.1		-4.3	0.0	-4.3
As at December 31	53.3	114.1	5.0	172.4	48.1	123.3	5.2	176.6

Actuarial gains and losses are recognized in the balance sheet under 'Pension liabilities' 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 29.6 million (2023: CHF 28.8 million) out of a total of CHF 220.2 million (2023: CHF 225.8 million) are unfunded.

Changes in the net liabilities of defined benefit plans recognized in the balance sheet:

	2024				2023			
	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
Net liabilities/ Net assets								
CHF m								
As at January 1	9.2	1.9	38.1	49.2	6.5	-1.7	36.2	41.0
Net pension cost	1.8	0.6	2.4	4.8	-0.8	0.5	2.5	2.2
Employer contributions	-1.9	-0.3	-1.7	-3.9	-1.9	-0.3	-2.5	-4.7
Actuarial gains (-)/losses	-0.4	-1.8	0.8	-1.4	5.4	3.5	3.5	12.4
Translation differences		0.1	-1.0	-0.9	0.0	-0.1	-1.6	-1.7
Net liabilities as at December 31	8.7	0.5	38.6	47.8	9.2	1.9	38.1	49.2
Of which employee benefit assets		1.1	0.5	1.6				
Of which employee benefit liabilities	8.7	1.6	39.1	49.4	9.2	1.9	38.1	49.2

Gains and losses of defined benefit pension plans booked in 'Other comprehensive income' for all segments:

	2024				2023			
	Switzerland	UK	Other	Total	Switzerland	UK	Other	Total
Gains and losses recognized as other comprehensive income								
CHF m								
Actuarial gains in the current period:								
Based on adjustment of demographic assumptions	0.0	3.4	-0.2	3.2	0.0	2.3	-0.1	2.2
Based on adjustment of financial assumptions	-3.7	9.4	0.1	5.8	-5.8	-2.4	-1.1	-9.3
Experience adjustment	0.0	1.9	-0.9	1.0	-0.1	-0.1	-2.1	-2.3
Return on pension assets (excluding amounts in interest income)	4.1	-12.9	0.2	-8.6	0.5	-3.3	-0.2	-3.0
Total gains/losses (-) recognized as other comprehensive income before taxes	0.4	1.8	-0.8	1.4	-5.4	-3.5	-3.5	-12.4

Change in the present value of defined benefit liabilities:

	2024			2023		
	+50bp			+50bp		
Sensitivities +50bp	Switzerland	UK	Other	Switzerland	UK	Other
CHF m						
Discount rate	-4.6	-5.1	-2.4	-4.2	-6.1	-2.4
Increases in salaries	1.2	0.0	1.3	1.2	0.0	1.3
Inflation rate	1.0	2.3	1.9	0.9	2.9	2.3
Interest credits on retirement assets	1.1			1.1		
Sensitivities -50bp	-50bp			-50bp		
CHF m	Switzerland	UK	Other	Switzerland	UK	Other
Discount rate	5.2	5.6	2.6	4.6	6.6	2.6
Increases in salaries	-1.2	0.0	-1.1	-1.2	0.0	-1.1
Inflation rate	-0.9	-2.9	-2.4	-0.9	-3.6	-2.1
Interest credits on retirement assets	-1.1			-1.1		

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:

	2024	2023
%		
Shares	23.1	14.4
Bonds	27.7	32.8
Real Estate	21.5	21.7
Other securities	25.5	28.9
Cash and cash equivalents	2.2	2.2
Total plan assets as at December 31	100.0	100.0

'Shares', 'Bonds', 'Real Estate', and 'Other securities' were mainly quoted 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, 2024, there existed the following share-based remuneration elements:

Remuneration of the Board of Directors

The remuneration of the Chairman of the Board of Directors is provided in locked-up shares. The details and figures for this remuneration model are to be found in note 24 'Related-party transactions' of this Financial Report and on pages 164 as well as 118 to 120 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 359 in the reporting year (2023: 272)

Remuneration of the Executive Board

Long-term Incentive Plan

The Long-Term Incentive Plan consists of a performance share unit plan. At the start of the performance period, each member of the Executive Board is granted a given number of future subscription rights in the form of performance share units (PSUs). One PSU corresponds to a future subscription right to one share. The PSUs are subject to a three-year vesting period. At the end of the performance period, the company will determine whether the objectives set by the Board of Directors at the start of the performance period for the performance indicators have been reached. Depending on the degree to which the objectives are reached, a given percentage of the PSUs will be converted into shares after the three-year vesting period. Until and upon completion of the Long-Term Incentive Plan 2022–2024, converted shares are locked up for a period of three years. As from the Long-Term Incentive Plan 2023–2025, they are locked up for one year. The relevant share price for the allocation of PSUs at the start of the performance period is calculated from the unweighted average of the closing prices of the Forbo share in the first 14 trading days in January of the year in which the PSUs were allocated.

Within the framework of the Long-Term Incentive Plan, 138 shares (2023: 90) were allocated in the year under review. The share price at measurement date was CHF 1,006.14 (2023: CHF 1,154.34).

Management investment plan

Short-term variable compensation for the Executive Board is linked to the Management Investment Plan (MIP). According to this plan, at least 50% of the annual short-term variable remuneration of Executive Board members is paid into the MIP. This part is settled in

shares. As for the remaining 50% of the annual short-term variable remuneration, the Executive Board members may either draw all or part of it in cash or pay it into the MIP. They may redefine the allocation of this remaining 50% every year. The shares are locked up for a period of three years.

The portion of variable remuneration 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 at the unweighted average closing price of the Forbo share for the first 14 trading days in January of the year in which they were issued.

The number of shares of Forbo Holding Ltd issued in the year under review under the MIP was 156 (2023: 631). A further 87 shares (2023: 72) were allocated to Executive Board members in the reporting year as part of the fixed base 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 2.2 million in the year under review (2023: CHF 4.0 million).

20 Share capital and capital management

Share capital

As at December 31, 2024, the share capital of Forbo Holding Ltd stood at CHF 148,500 (2023: CHF 148,500), divided into 1,485,000 registered shares with a par value of CHF 0.10 each. Of this amount, 21,419 registered shares without voting or dividend rights continued to be at the disposal of the Board of Directors. Consequently, 1,463,581 (2023: 1,463,581) registered shares were eligible for dividends as at December 31, 2024.

Change of shares issued and outstanding:

	31.12.2024	Change	31.12.2023
	Number	Number	Number
Total shares issued	1,485,000	0	1,485,000
less:			
Treasury shares			
Treasury shares	-52,978	3,247	-56,225
Own shares with no dividend rights	-21,419	0	-21,419
Total treasury shares	-74,397	3,247	-77,644
Total shares outstanding	1,410,603	3,247	1,407,356

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, 2024, amounted to CHF 626.0 million (2023: CHF 553.7 million).

21 Leasing

The table below shows the right-of-use assets recognized under property, plant, and equipment.

The Group is the lessee for various fixed assets, in particular buildings and vehicles.

Right-of-use assets				
CHF m	Land and buildings	Machinery and equipment	Vehicles and other property, plant, and equipment	Total property, plant, and equipment
As at January 1, 2023	31.5	1.1	9.9	42.5
Additions	11.8	0.6	6.3	18.7
Derecognition	0.0	0.0	0.0	0.0
Depreciation	-10.4	-0.7	-5.6	-16.7
Translation differences	-2.1	0.0	-0.7	-2.8
As at December 31, 2023	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

The recognized lease liabilities came to CHF 46.9 million at year-end (2023: CHF 40.0 million), 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:

	2024	2023
Interest from lease liabilities	1.3	0.9
Expenses for short-term leases	3.2	3.2
Expenses for low-value leases	0.7	1.1
Lease payments including interest	17.8	17.6

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 any 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, 2024, totaling CHF 59.0 million (2023: CHF 32.0 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 as 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		
	Fair value through profit or loss	Amortized cost	Total
CHF m			
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

Classification of financial instruments			Carrying amount
CHF m	Fair value through profit or loss	Amortized cost	Total
31.12.2023			
Financial assets:			
Cash and cash equivalents		69.1	69.1
Trade receivables		138.9	138.9
Other receivables		5.9	5.9
Non-current financial assets		1.9	1.9
Financial liabilities:			
Derivative financial instruments	0.1		0.1
Current financial liabilities		13.1	13.1
Trade payables		86.9	86.9
Other current liabilities		11.7	11.7
Non-current financial liabilities		26.9	26.9

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 currency cash transactions, 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 US dollar, the euro, the pound sterling, and the Swiss franc 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. The share of the aggregate cash and cash equivalents managed by Corporate Treasury was around 70% on December 31, 2024. At present, the Group regards a cash level of roughly CHF 60 million as sufficient to meet its payment obligations at all times.

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, 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			

As at December 31, 2023

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	98.6	98.6	98.6			
Liabilities from leasing	40.0	44.3	14.6	11.9	13.2	4.6
Cash outflow from financial derivatives	0.1	0.1	0.1			

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:

	31.12.2024	31.12.2023
CHF m		
CHF	1.7	1.4
EUR	62.1	66.3
USD	25.2	22.0
JPY	9.5	10.8
GBP	8.0	8.2
CNY	7.4	5.6
SEK	2.8	3.4
Other	30.5	25.9
Total trade receivables, before loss allowance	147.2	143.6

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, macro-economic data, and material published by industry-specific market research companies.

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

As at December 31, 2023				
CHF m	Gross carrying amount	Loss allowance	Weighted average loss rate	Credit impaired
Not due	123.0	1.6	1.3%	0.0
Overdue ≤ 30 days	10.5	0.1	1.0%	0.0
Overdue 31 – 90 days	5.5	0.5	9.1%	0.0
Overdue 91 – 180 days	2.6	0.7	26.9%	0.0
Overdue > 180 days	2.0	1.0	50.0%	0.8
Total	143.6	3.9	2.7%	0.8

Changes in valuation allowances for doubtful trade receivables during the reporting year:

	2024	2023
CHF m		
January 1	-4.7	-4.9
Additions	-1.1	-1.3
Release	0.8	0.8
Use	0.7	0.3
Translation differences	-0.1	0.4
As at December 31	-4.4	-4.7

The creation and release of allowances for doubtful trade receivables are included in 'Other operating expenses and income' 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	
	2024	2023	2024	2023	2024	2023
Remuneration	1.8	2.6	0.7	0.7	2.5	3.3
Employer contributions to the pension scheme	0.2	0.3		0.0	0.2	0.3
Share-based payments	0.2	0.2	1.9	3.8	2.1	4.0
Total payments	2.2	3.1	2.6	4.5	4.8	7.6

The compensation paid to the Executive Board consists of a fixed gross base salary in cash, short-term variable remuneration in cash, private use of the company car, and social security payments made by the company. Employer contributions to the pension fund are reported separately. The share-based remuneration paid to the Executive Board consists of the following elements: a fixed base salary portion, which is paid in shares; short-term variable remuneration under 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 2022–2024, 2023–2025 and 2024–2026 (see note 19 ‘Employee participation plan’).

The remuneration paid to the Board of Directors includes a gross base remuneration in cash, employer contributions to the usual social insurances, lump sum and on-site expenses, and private use of a company car (only for the Chairman).

The share-based remuneration paid to the Board of Directors includes a gross base remuneration in shares, consisting, on the one hand, of a 40% portion of the remuneration in shares for the Board members and, on the other hand, of the share-based portion of the remuneration for the Chairman.

As at December 31, 2024 and 2023, 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 annual report, no event occurred that could have a significant effect on the 2024 annual financial statements.

Group companies

(as at December 31, 2024)

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'	Kyiv	—	UAH	2,000,000	100%	S		
United Arab Emirates								
Forbo Flooring Middle East DMCC	Dubai	—	AED	499,000	100%	S		
USA								
Forbo America Inc.	Wilmington, DE	D	USD	19,957,259	100%			H
Forbo America Services Inc.	Wilmington, DE	—	USD	50,000	100%			H
Forbo Flooring, Inc.	Wilmington, DE	—	USD	3,517,000	100%	S		
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 2024, 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 128 to 169) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, 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, together with the requirements of the Swiss audit profession, 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), and we have 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



VALUATION OF INVENTORIES



VALUATION OF INVENTORIES

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.



Key Audit Matter

Inventory as at 31 December 2024 amounted to CHF 281.6 million (31 December 2023: CHF 264.2 million) and represents one of the most material asset positions. Valuation allowance for inventories as at 31 December 2024 amounted to CHF -28.5 million (31 December 2023: CHF -28.9 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 137
- Note 13 – Inventories, page 147

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 tables and sections marked “audited” in the compensation and corporate governance 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 obsolete inventories. Based on this, we critically assessed whether transactions are completely and accurately recorded in the accounts.
- Considering the diverse design of internal control of individual subsidiaries, we tested the efficacy of key controls in connection with the valuation of inventories. In particular, we participated in the inventory stock counts and performed test counts.
- 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.
- Furthermore, in testing the valuation of inventories at lower of cost or net realizable value, we compared costs and sales prices. 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

Regula Tobler
Licensed Audit Expert
Auditor in Charge

Joel Wachter
Licensed Audit Expert

Zurich, 3. March 2025

Consolidated balance sheets

2020 – 2024

	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Assets					
CHF m					
Cash and cash equivalents	109.1	69.1	46.7	93.3	255.8
Current financial assets	0.0	0.0	0.0	0.0	0.1
Trade receivables	142.8	138.9	155.2	153.4	141.4
Other receivables	19.5	35.9	39.2	32.2	39.7
Accrued income and deferred expenses	15.3	15.1	14.3	11.8	13.2
Inventories	281.6	264.2	316.2	262.9	218.5
Current assets	568.3	523.2	571.6	553.6	668.7
Non-current financial assets	2.0	1.9	1.8	0.2	0.2
Deferred tax assets	28.4	30.7	34.3	37.4	45.4
Property, plant, and equipment	293.8	266.6	267.6	294.8	295.7
Intangible assets and goodwill	81.7	79.0	84.9	95.6	100.8
Employee benefit assets	1.6	0.0			
Non-current assets	407.5	378.2	388.6	428.0	442.1
Total assets	975.8	901.4	960.2	981.6	1,110.8

	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Shareholders' equity and liabilities					
CHF m					
Current financial liabilities	14.6	13.2	39.0	50.8	14.1
Trade payables	90.6	86.9	102.5	112.2	94.4
Other current liabilities	23.7	22.4	29.9	30.0	30.4
Current tax liabilities	14.4	16.2	21.2	20.4	16.6
Current provisions, accrued expenses, and deferred income	75.0	80.6	99.0	101.1	96.0
Current liabilities	218.3	219.3	291.6	314.5	251.5
Non-current financial liabilities	32.6	26.9	26.6	31.6	31.1
Deferred tax liabilities	5.2	7.4	8.2	9.8	8.9
Non-current provisions	44.3	44.9	42.7	35.5	46.5
Employee benefit obligations	49.4	49.2	41.0	68.4	89.3
Non-current liabilities	131.5	128.4	118.5	145.3	175.8
Total liabilities	349.8	347.7	410.1	459.8	427.3
Share capital	0.1	0.1	0.1	0.2	0.2
Treasury shares	-0.0	-0.0	-0.0	-0.1	-0.1
Reserves and retained earnings	625.9	553.6	550.0	521.7	683.4
Shareholders' equity	626.0	553.7	550.1	521.8	683.5
Total shareholders' equity and liabilities	975.8	901.4	960.2	981.6	1,110.8

Consolidated income statements

2020 – 2024

	1.1. – 31.12.	2024	2023	2022	2021	2020
CHF m						
Net sales		1,122.0	1,175.2	1,293.2	1,254.0	1,117.7
Cost of goods sold		-737.1	-773.5	-852.4	-803.0	-707.5
Gross profit		384.9	401.7	440.8	451.0	410.2
Development costs		-15.3	-15.7	-15.6	-15.9	-15.2
Marketing and distribution costs		-160.3	-168.5	-178.6	-175.3	-171.3
Administrative costs		-86.8	-80.1	-94.2	-92.8	-86.4
Other operating expenses		-8.8	-17.2	-27.7	-7.2	-15.2
Other operating income		6.9	9.7	7.9	19.2	14.9
Operating profit		120.6	129.9	132.6	179.0	137.0
Financial income		2.7	5.7	0.9	3.0	0.7
Financial expenses		-1.7	-3.8	-2.5	-0.8	-1.6
Profit before taxes		121.6	131.8	131.0	181.2	136.1
Income taxes		-26.5	-29.5	-29.6	-40.0	-29.9
Profit for the year		95.1	102.3	101.4	141.2	106.2

FINANCIAL REPORT

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Balance sheet for Forbo Holding Ltd

		31.12.2024	31.12.2023
Assets			
CHF m	Note		
Cash and cash equivalents		0.1	0.1
Other receivables from Group companies	2	110.0	101.9
Accrued income and deferred expenses		0.0	0.3
Current assets		110.1	102.3
Loans to Group companies	3	0.0	23.2
Investments in Group companies	4	289.3	289.3
Non-current assets		289.3	312.5
Total assets		399.4	414.8

		31.12.2024	31.12.2023
Shareholders' equity and liabilities			
CHF m	Note		
Current liabilities to third parties		0.1	0.1
Other liabilities to Group companies	2	0.0	0.5
Accrued expenses and deferred income		0.3	0.2
Current liabilities		0.4	0.8
Share capital	5	0.1	0.1
Legal profit reserve:			
Legal profit reserve in the narrow sense		15.6	15.6
Reserve for treasury shares	7	0.4	1.2
Treasury shares	7	–70.3	–77.6
Retained earnings		439.5	387.5
Net profit for the year		13.7	87.2
Shareholders' equity		399.0	414.0
Total shareholders' equity and liabilities		399.4	414.8

Income statement for Forbo Holding Ltd

	1.1. – 31.12.	2024	2023
Income			
CHF m	Note		
Financial income:			
From investments in Group companies		20.3	94.8
From securities and current investments		0.0	1.7
Total income		20.3	96.5

	1.1. – 31.12.	2024	2023
Expenses			
CHF m	Note		
Administrative expenses	9	4.2	5.5
Financial expenses	10	2.4	3.8
Total expenses		6.6	9.3
Net profit for the year		13.7	87.2

Notes to the financial statements for Forbo Holding Ltd

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 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.

2 Other receivables from and liabilities to Group companies

'Other receivables from Group companies' comprise the claims on cash pool accounts and 'Other liabilities to Group companies' include primarily the credit balances on cash pool accounts.

3 Loans to Group companies

The loans to Group companies were valued at the rate prevailing on the balance sheet date; unrealized exchange losses were booked, while unrealized exchange gains were not recognized.

4 Investments in Group companies

'Investments in Group companies' are measured at the cost of acquisition less necessary valuation allowances.

As at 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%

5 Share capital

As at December 31, 2024, the share capital of Forbo Holding Ltd totaled CHF 148,500 (2023: 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.

6 Conditional capital

The conditional capital on December 31, 2024, remained unchanged against the previous year at CHF 16,645.

7 Treasury shares

The treasury shares directly held in Forbo Holding Ltd amounting to CHF 70.3 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 0.4 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

8 Share rights

The following share rights were allocated to the Board of Directors:

	31.12.2024	31.12.2024	31.12.2023	31.12.2023
	Number of shares	in CHF m	Number of shares	in CHF m
Allocated to the Board of Directors	1,838	1.9	3,229	3.8

9 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.

10 Financial expenses

The financial expenses reflect primarily foreign currency losses on loans to Group companies.

11 Contingent liabilities

Guarantees and letters of support to third parties in favor of Group companies amounted to CHF 8.3 million at year-end 2024 (2023: 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.

12 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 2024 annual financial statements.

Proposal for appropriation of available earnings of Forbo Holding Ltd

The Board of Directors proposes to the Ordinary General Meeting that the available retained earnings, consisting of:

	2024
CHF m	
Net profit	13.7
Retained earnings	439.5
Treasury shares	– 70.3
Total at the shareholders' meeting's disposal	382.9

be appropriated as follows:

	2024
CHF m	
Distribution ordinary dividend	35.3
To be carried forward	347.6
Total at the shareholders' meeting's disposal	382.9

At the Ordinary General Meeting of April 4, 2025, the Board of Directors will propose an ordinary gross dividend of CHF 25.00 per registered share (2023: 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 2024, 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 178 to 183) 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, together with the requirements of the Swiss audit profession and we have 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 tables and sections marked "audited" in the remuneration and corporate governance 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 skepticism 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.

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 with 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 of the statutory auditor



Report on Other Legal and Regulatory Requirements

In accordance with article 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 financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

A handwritten signature in black ink, appearing to read 'Regula Tobler', written over a light gray rectangular background.

Regula Tobler
Licensed Audit Expert
Auditor in Charge

A handwritten signature in black ink, appearing to read 'Joel Wachter', written over a light gray rectangular background.

Joel Wachter
Licensed Audit Expert

Zurich, 3. March 2025

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Our Annual Report appears in **German** language and in **English** translation and can be downloaded from our website www.forbo.com. The printed German version is authoritative.

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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