

# SUSTAINABILITY REPORT 2024 FORBO GROUP



flooring. movement.



# 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 CO<sub>2</sub> 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

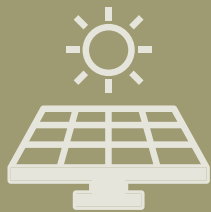
# KEY ACHIEVEMENTS/ HIGHLIGHTS 2024

## 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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](http://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](http://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

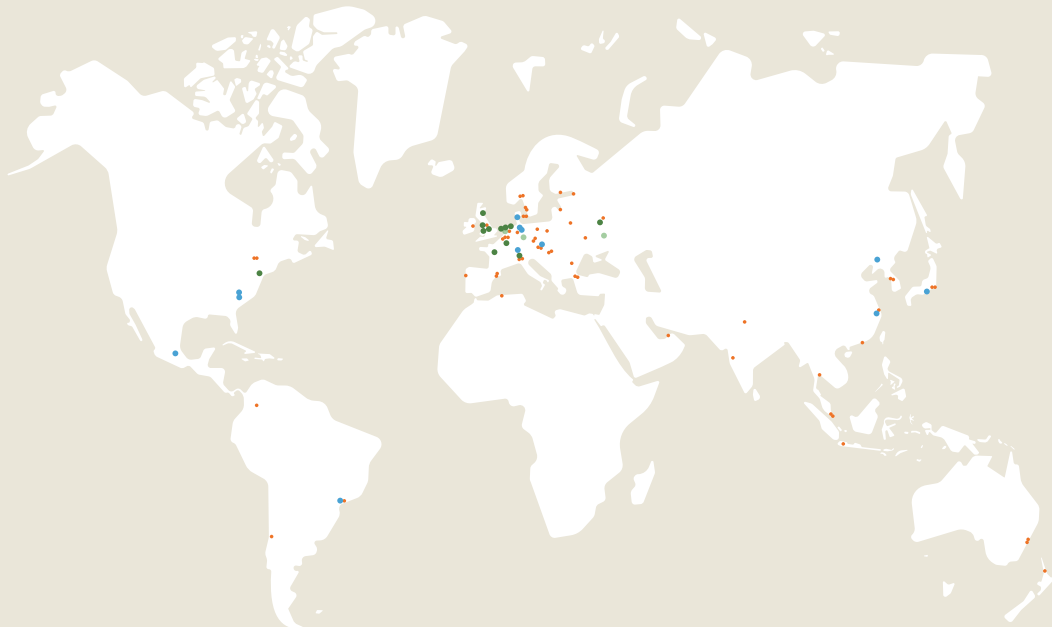
Forbo is a leading producer of floor coverings, building and construction adhesives, as well as belts for power transmission and lightweight conveyor technology. The manufacture of environmentally friendly products has long been an integral part of our strategy. We offer our customers tailor-made solutions 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 CO<sub>2</sub> 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.

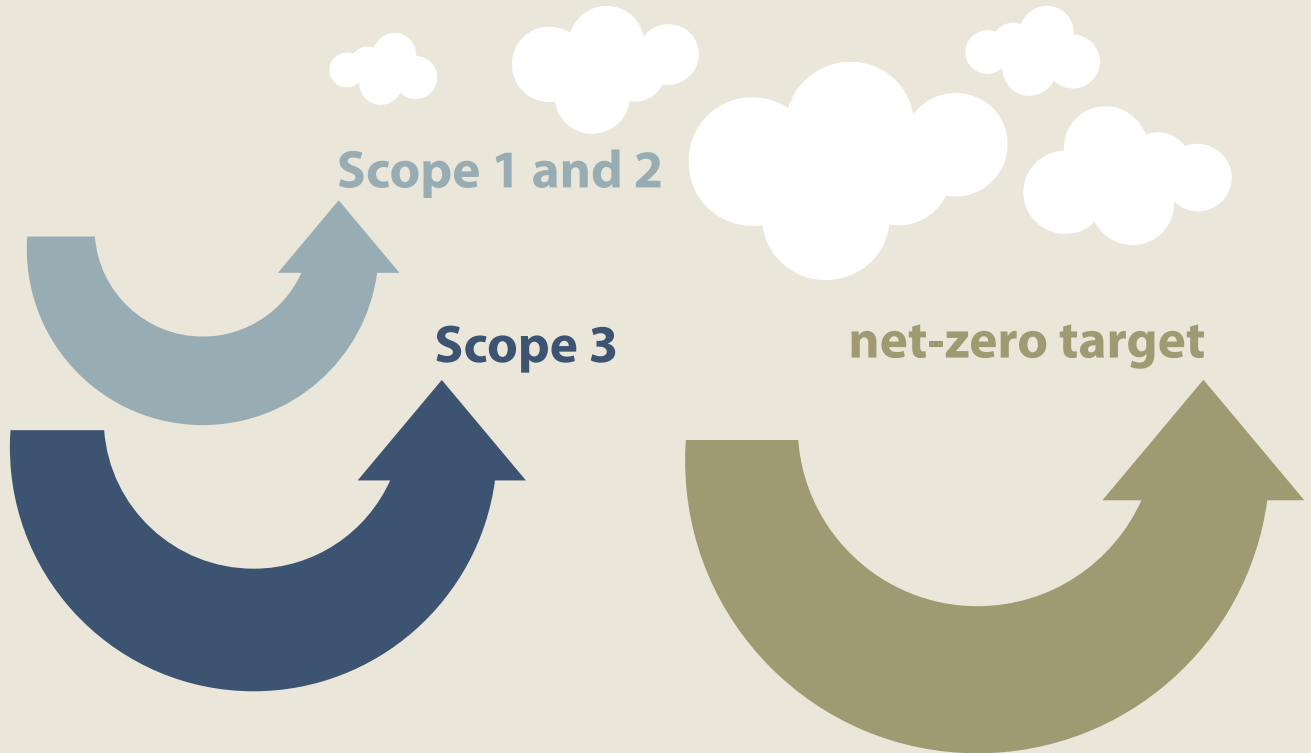
## Report scope

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 CO<sub>2</sub> 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 CO<sub>2</sub>(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 CO<sub>2</sub> 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 CO<sub>2</sub> emission reduction, we are now setting clear, measurable targets to reduce our CO<sub>2</sub> emissions and work towards a net-zero future.

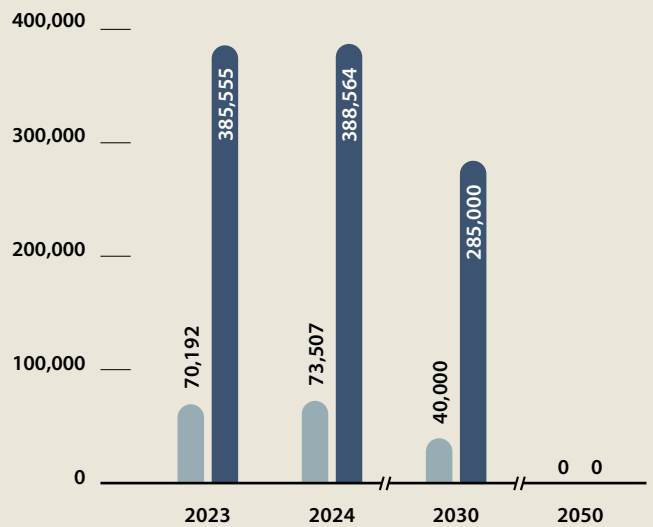


**Our Scope 1 and 2 near-term target**  
 By 2030, reduce our Scope 1 and market-based Scope 2 CO<sub>2</sub> emissions by 43% compared to our baseline 2023

**Our Scope 3 near-term target**  
 By 2030, reduce our Scope 3 CO<sub>2</sub> 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 CO<sub>2</sub> emissions across our value chain (Scopes 1, 2 and 3)

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

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

### 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"> <li>– Sustainable product development</li> <li>– Regular life cycle assessment for all product categories</li> <li>– Market the environmental benefits of the products</li> <li>– Customer engagement</li> </ul>
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"> <li>– Investment in heat recovery systems to reduce purchased energy consumption</li> <li>– Feasibility study to assess the investment needed and potential revenue generation from heat sales</li> </ul>



**Impact materiality**

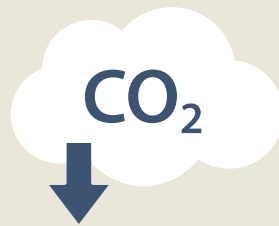
We measure the impact of our business on the climate by regularly calculating Forbo’s carbon footprint (impact materiality). We defined a cross-functional process that allows us to calculate not only our total CO<sub>2</sub> emissions, but also the additional supporting metrics (e.g. share of renewable 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.

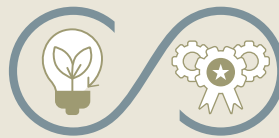
Forbo’s materiality analysis is an ongoing process and will evolve in line with the latest science developments and best practice. We review our approach regularly, taking into account changes in regulations, technology, and market conditions.

**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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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.

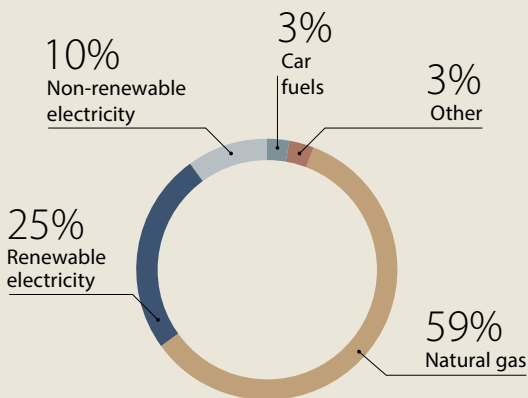
Movement Systems launched a ‘waste and scrap’ project with a goal of reducing production waste by 10% by 2030. This project includes the implementation of a global waste monitoring system and standardized documentation. Employee engagement is also a key part of this initiative, encouraging ideas and 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

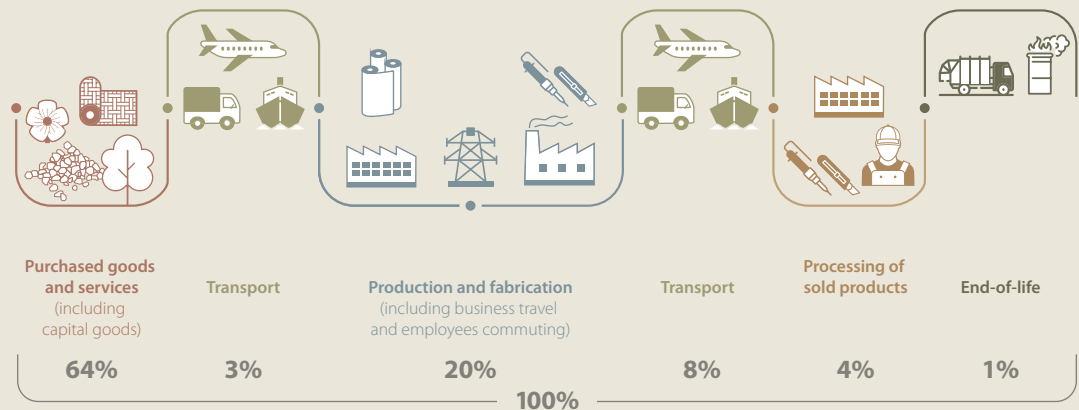
To reduce our downstream GHG emissions, we focus on maximizing the usability, reusability, and recyclability of our products. A key component in many of our high-quality vinyl floors and textile backings is PVC. PVC can be melted down and recycled many times without significant degradation. This property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

**CO<sub>2</sub> 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 CO<sub>2</sub> 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 metrics<sup>1)</sup>

### Materials

<b>Materials used</b>	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%
<b>Total</b>	<b>249,907</b>	<b>26,244</b>	<b>276,151</b>	<b>266,895</b>	<b>3.5%</b>

<b>Non-renewable materials used (abundant minerals)</b>	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%
<b>Total</b>	<b>48,922</b>	<b>410</b>	<b>49,332</b>	<b>46,599</b>	<b>5.9%</b>

<b>Renewable materials used</b>	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%
<b>Total</b>	<b>52,563</b>	<b>1,970</b>	<b>54,533</b>	<b>41,361</b>	<b>31.8%</b>

<b>Non-renewable materials used (fossil-based, metals, limited minerals)</b>	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%
<b>Total</b>	<b>148,422</b>	<b>23,864</b>	<b>172,286</b>	<b>178,935</b>	<b>-3.7%</b>

<b>Reclaimed products and materials</b>	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%
<b>Total</b>	<b>762</b>	<b>0</b>	<b>762</b>	<b>250</b>	<b>204.8%</b>

<sup>1)</sup> All sums and changes were calculated using non-rounded figures.

## Energy consumption and energy mix

<b>Fuel consumption (non-renewable sources)</b>	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%
<b>Total</b>	<b>599,981</b>	<b>260,196</b>	<b>860,177</b>	<b>856,857</b>	<b>0.4%</b>

<b>Fuel consumption (renewable sources)</b>	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%
<b>Total</b>	<b>8,616</b>	<b>0</b>	<b>8,616</b>	<b>10,437</b>	<b>-17.5%</b>

<b>Purchased energy consumption (renewable sources)</b>	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%
<b>Total</b>	<b>324,186</b>	<b>29,818</b>	<b>354,003</b>	<b>339,678</b>	<b>4.2%</b>

<b>Purchased energy consumption (non-renewable sources)</b>	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%
<b>Total</b>	<b>19,706</b>	<b>122,423</b>	<b>142,129</b>	<b>126,450</b>	<b>12.4%</b>

<b>Self-generated energy consumption</b>	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%
<b>Total</b>	<b>737</b>	<b>1,354</b>	<b>2,091</b>	<b>819</b>	<b>155.3%</b>

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

<b>Energy requirement per m<sup>2</sup> of flooring/belt produced<sup>1)</sup></b>	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Megajoules					
<b>Total</b>	<b>19.50</b>	<b>71.69</b>	<b>25.15</b>	<b>26.29</b>	<b>-4.3%</b>

<sup>1)</sup> 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

<b>Water withdrawal</b>	Flooring Systems 2024	Movement Systems 2024 <sup>1)</sup>	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%
<b>Total</b>	<b>300.6</b>	<b>not reported</b>	<b>300.6</b>	<b>321.5</b>	<b>-6.3%</b>

<b>Water discharge</b>	Flooring Systems 2024	Movement Systems 2024 <sup>1)</sup>	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%
<b>Total</b>	<b>73.4</b>	<b>not reported</b>	<b>73.4</b>	<b>63.6</b>	<b>15.3%</b>

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

<sup>1)</sup> 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)

<b>Scope 1 emissions<sup>1)</sup></b>	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%
<b>Total</b>	<b>34,607</b>	<b>18,668</b>	<b>53,275</b>	<b>52,097<sup>5)</sup></b>	<b>2.3%</b>

<b>Scope 2 emissions (marked-based)<sup>2)</sup></b>	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons					
<b>Total</b>	<b>350</b>	<b>19,882</b>	<b>20,232</b>	<b>18,095<sup>5)</sup></b>	<b>11.8%</b>

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

<b>Scope 3 emissions<sup>4)</sup></b>	Category	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons						
<b>Upstream</b>	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%
	<b>Total</b>	<b>254,033</b>	<b>75,723</b>	<b>329,756</b>	<b>319,268</b>	<b>3.3%</b>
<b>Downstream</b>	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%
	<b>Total</b>	<b>55,985</b>	<b>2,823</b>	<b>58,808</b>	<b>66,287</b>	<b>-11.3%</b>
<b>Total</b>		<b>310,018</b>	<b>78,546</b>	<b>388,564</b>	<b>385,555<sup>5)</sup></b>	<b>0.8%</b>

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

<sup>2)</sup> 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.

<sup>3)</sup> 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 CO<sub>2</sub> emissions.

<sup>4)</sup> 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).

<sup>5)</sup> 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) <sup>1)</sup>

<b>Scope 1 emissions</b>	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%
<b>Total</b>	<b>2,242</b>	<b>0</b>	<b>2,242</b>	<b>2,092</b>	<b>7.2%</b>

<b>Scope 3 emissions<sup>2)</sup></b>	Category	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Metric tons						
<b>Upstream</b>	1 Purchased goods and services	-69,699	0	-69,699	-53,092	31.3%
	<b>Total</b>	<b>-69,699</b>	<b>0</b>	<b>-69,699</b>	<b>-53,092</b>	<b>31.3%</b>
<b>Down-stream</b>	12 End-of-life treatment of sold products	9,704	0	9,704	9,665	0.4%
	<b>Total</b>	<b>9,704</b>	<b>0</b>	<b>9,704</b>	<b>9,665</b>	<b>0.4%</b>
<b>Total</b>		<b>-59,995</b>	<b>0</b>	<b>-59,995</b>	<b>-43,427</b>	<b>38.2%</b>

## Greenhouse gas emissions intensity

<b>Scope 1 and 2 emissions per m<sup>2</sup> of flooring/belt produced<sup>3)</sup></b>	Flooring Systems 2024	Movement Systems 2024	Forbo Group 2024	Forbo Group 2023	Change over previous year
Kilograms					
<b>Total</b>	<b>0.72</b>	<b>6.68</b>	<b>1.37</b>	<b>1.40</b>	<b>-2.5%</b>

<sup>1)</sup> CO<sub>2</sub> related to biomass, known as biogenic CO<sub>2</sub>, is reported separately from fossil emissions in accordance with the GHG Protocol and GRI guidelines. For biogenic CO<sub>2</sub>, a positive number indicates emissions from the combustion or degradation of biomass, while a negative number indicates sequestration from biogenic sources.

<sup>2)</sup> 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).

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

## Waste

<b>Waste generated</b>	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%
<b>Total</b>	<b>34,613</b>	<b>5,344</b>	<b>39,959</b>	<b>35,119</b>	<b>13.8%</b>

<b>Waste diverted from disposal</b>	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%
<b>Total</b>	<b>27,475</b>	<b>2,448</b>	<b>29,923</b>	<b>24,136</b>	<b>24.0%</b>

<b>Waste directed to disposal</b>	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%
<b>Total</b>	<b>7,138</b>	<b>2,898</b>	<b>10,036</b>	<b>10,984</b>	<b>-8.6%</b>

### 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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.

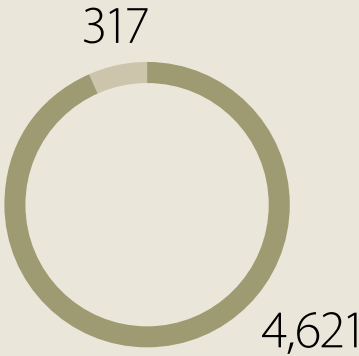
Forbo works closely with local universities in many countries; at Flooring Systems often with aspiring designers and architects, at Movement Systems with graduates of technical or chemical faculties or application-specific vocational courses. Forbo cares about the training of young, motivated graduates. 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.

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### Number of positions filled internally at senior management level

Number



(2023: 7; + 14.3%)

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## 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.

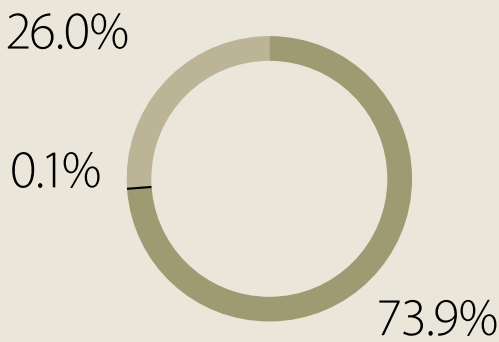
The criteria for salaries comprise personal elements such as training, diplomas, language skills, and relevant professional experience, as well as employer-related factors such as requirements profile, level of responsibility, and specific specialized know-how.

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.

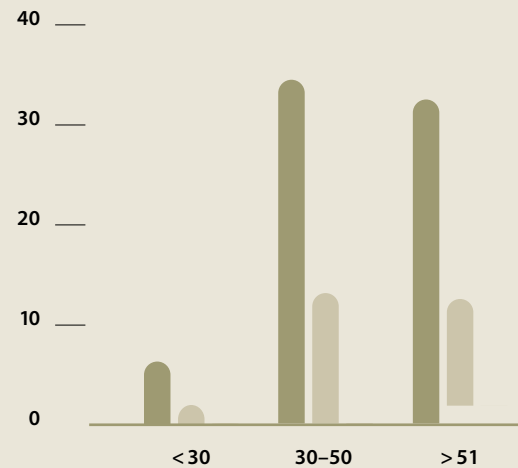
### Percentage of women/men/other



- 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](mailto: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 CO<sub>2</sub> 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	
<b>GRI 2: General disclosures 2021</b>	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	
	<b>GRI 3: Material Topics</b>	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

<b>Standard</b>	<b>Disclosure</b>	<b>Reference</b>
<b>GRI 201: Economic Performance 2016</b>	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.
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Page 74
	205-2 Communication and training about anti-corruption policies and procedures	Page 74
<b>GRI 207: Tax 2019</b>	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.
<b>GRI 301: Materials 2016</b>	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
<b>GRI 302: Energy 2016</b>	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
<b>GRI 303: Water and Effluents 2018</b>	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
<b>GRI 305: Emissions 2016</b>	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
<b>GRI 306: Waste 2020</b>	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
<b>GRI 308: Supplier Environmental Assessment 2016</b>		Page 73
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Page 69
<b>GRI 403: Occupational Health and Safety 2018</b>	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
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	Page 70
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Page 71 – 72
<b>GRI 406: Non-discrimination 2016</b>		Page 72
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 73 – 74
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 73
<b>GRI 414: Supplier Social Assessment 2016</b>		Page 73
<b>GRI 415: Public Policy 2016</b>	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
<b>Governance</b>	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.
<b>Strategy</b>	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
<b>Risk management</b>	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
<b>Metrics and targets</b>	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

