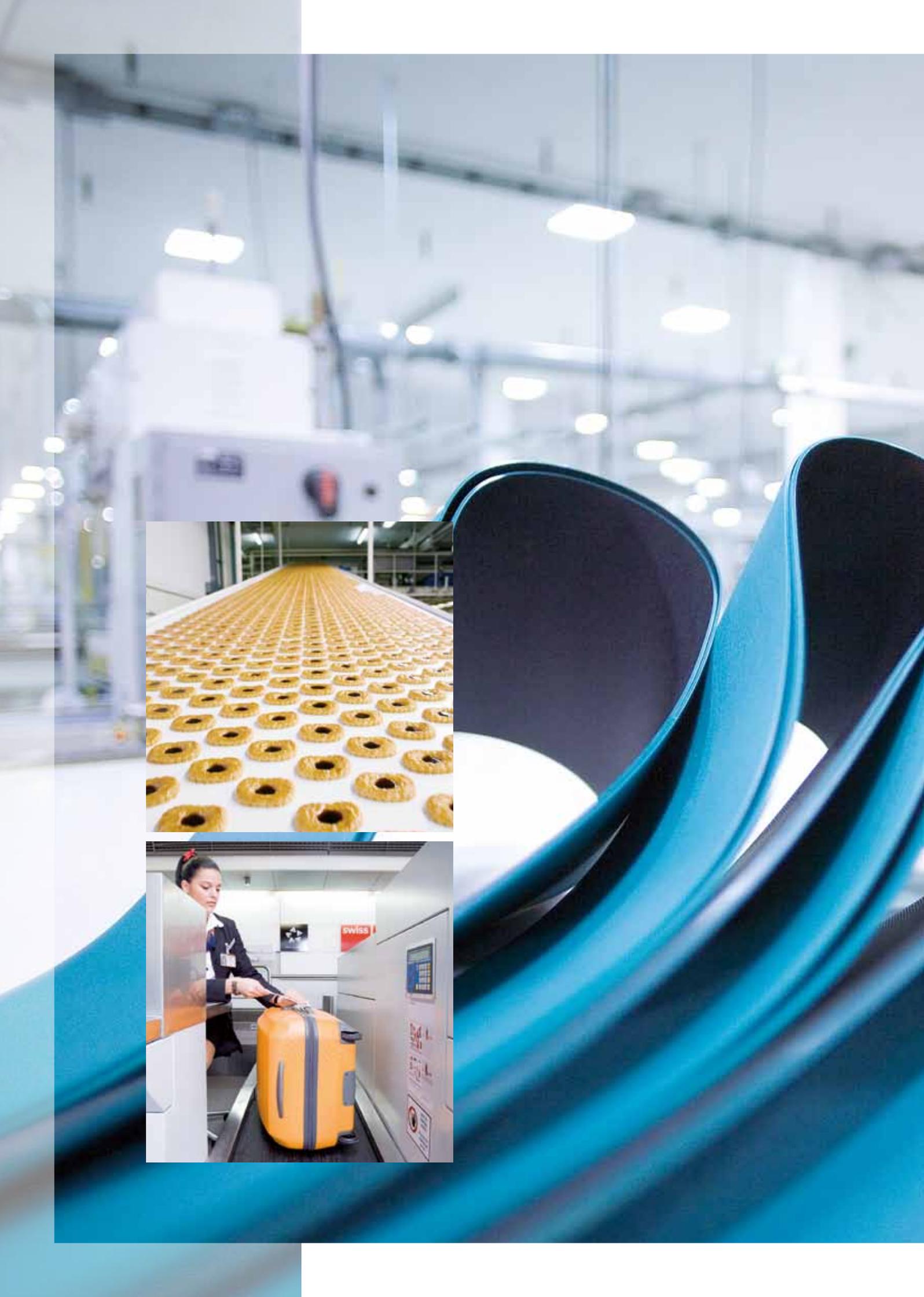
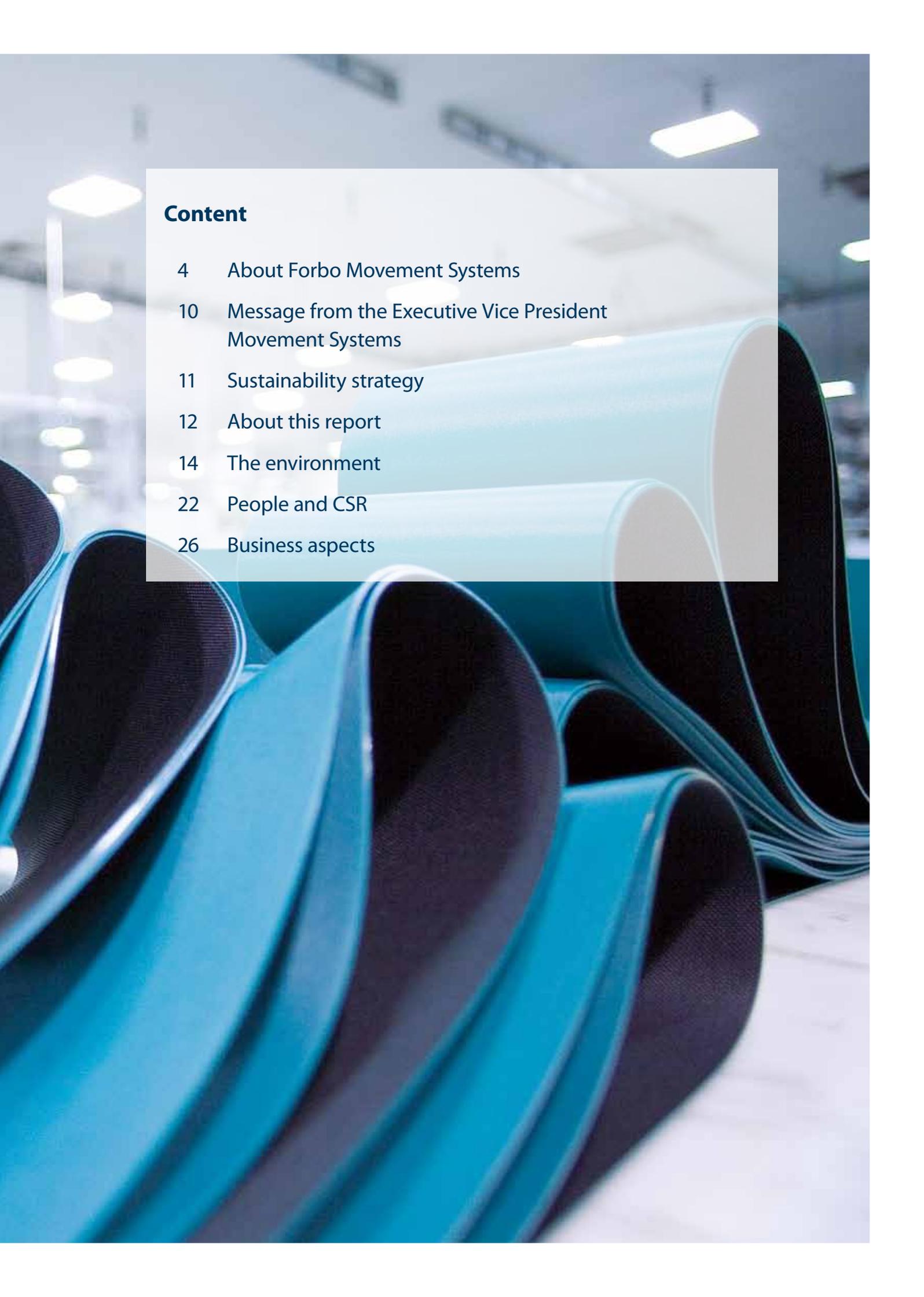




FORBO MOVEMENT SYSTEMS **SUSTAINABILITY REPORT 2019**





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Movement Systems
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Not always obvious at first glance, but Forbo Movement Systems ensures that your intralogistics and production workflows run to perfection. Our solutions are very efficient, precise and reliable. As an expert in the development of industry-specific and future-facing solutions for drives, conveyor systems and manufacturing logistics, our services are in demand all over the world.



ABOUT FORBO MOVEMENT SYSTEMS

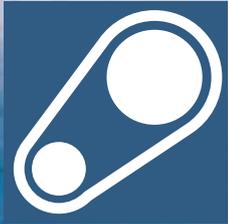
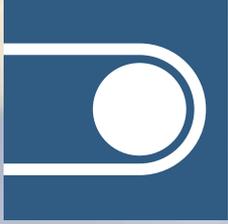
Forbo Movement Systems is a division of the Forbo Group. The company's headquarters are located in Baar, Switzerland, in the Canton of Zug. The company is listed on the SIX Swiss Exchange. Forbo is a global player whose two divisions, Forbo Flooring Systems and Forbo Movement Systems, serve a wide variety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

The Movement Systems division has become a leading global provider of high-quality conveyor and processing belts, plastic modular belts, first-class power transmission belts and both timing and flat belts made of synthetic materials. These belts are used in a wide variety of applications in both industry and commercial enterprises and service companies, for instance as conveyor and processing belts in the food industry, as treadmills in gyms or as flat belts in letter sorting systems.

Movement Systems employs around 2,400 people. Our international network of branches and service partners means we have warehouses and workshops in over 80 countries.

Forbo Movement Systems

Forbo Siegling Pty. Ltd. (Australia)	Forbo Siegling GmbH (Germany)	Forbo Siegling România S.R.L. (Romania)
Forbo Siegling Austria GmbH (Austria)	Forbo Siegling Movement Systems India Pvt. Ltd. (India)	Forbo Siegling CIS LLC (Russia)
Forbo Siegling Brasil Ltda. (Brazil/50%)	PT Forbo Siegling Indonesia (Indonesia)	Forbo Siegling s.r.o. (Slovakia)
Forbo Siegling Canada Corp. (Canada)	Forbo Siegling Italia S.p.A. (Italy)	Forbo Siegling Iberica, S.A.U. (Spain)
Forbo Siegling Chile S.A. (Chile/50%)	Forbo Siegling Japan Ltd. (Japan)	Forbo Siegling Svenska AB (Sweden)
Forbo Siegling (China) Co., Ltd. (China)	Forbo Korea Ltd. (Korea)	Forbo International SA (Switzerland)
Forbo Movement Systems (China) Co., Ltd. (China)	Forbo Siegling SDN. BHD. (Malaysia)	Forbo Siegling (Thailand) Co. Ltd.
Forbo Siegling Colombia S.A.S (Colombia)	Forbo Siegling S.A. de CV. (Mexico)	Forbo Hareket ve Zemin Sistemleri Ticaret Limited Şirketi (Turkey)
Forbo Siegling Česká Republika s.r.o. (Czech Republic)	Forbo Siegling Nederland B.V. (Netherlands)	Forbo Siegling (UK) Ltd. (United Kingdom)
Forbo Siegling Danmark A/S (Denmark)	Forbo Siegling Ltd. (New Zealand)	Forbo Siegling, LLC (USA)
Forbo Siegling France S.A.S (France)	Forbo Siegling Poland sp. z o.o. (Poland)	



Products and market

The increasing globalization of markets requires an innovative approach to production, materials flow and logistics; conveyor belts, processing belts and power transmission belts often play a key role in this process. We keep the world turning with these products. We connect flows of goods and people in factories and supermarkets, in bakeries and airports, at logistics centers, print shops and other facilities.

Our products

siegling transilon conveyor and processing belts

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

siegling transtex conveyor belts

... are multi-layered, fabric-based belts with a particularly robust design, and are therefore the preferred solution for heavy-duty conveying.

siegling extremultus flat belts

... are multi-layered and fabric-based power transmission belts, or belts made from homogeneous materials. When used for power transmission and conveying, they optimize power transmission and numerous production processes.

siegling prolink modular belts

... are plastic modules connected by hinge pins and with various designs. They are often ideal for combining conveying and processing.

siegling proposition timing belts

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

Our main markets are

- Food industry
- Logistics, airports
- Industrial production
- Raw materials
- Textile industry
- Paper industry
- Printing industry
- Sport and leisure
- Tobacco industry
- ▶ Food processing, agriculture and packaging sectors
- ▶ Intralogistics, distribution centers, baggage sorting
- ▶ Automotive, tires, chemicals, energy, steel- and metalworking industries
- ▶ Building materials, wood and stone
- ▶ Yarn manufacturing, nonwovens, textile printing
- ▶ Paper production and processing as well as letter sorting
- ▶ Rotary printing, sheet-fed printing, digital printing and post-press
- ▶ Treadmill belts, belts for ski lifts and other leisure activities
- ▶ Raw tobacco and cigarette manufacturing



Germany
Siegling Transilon
production

Switzerland
Siegling Extremultus
production

USA (Huntersville)
Siegling Transilon
production

Denmark
Siegling Prolink
production

USA (Charlotte)
Siegling Transtex
production

Japan
Siegling Transilon,
Siegling Extremultus
production



Mexico
Siegling Extremultus
production

Brazil
Siegling Transilon,
Siegling Extremultus
production

China (Pinghu)
Siegling Transilon
production

China (Shenyang)
Siegling Transilon,
Siegling Transtex
production

Production sites and sales network

Americas

- Argentina
- Bolivia
- ▲ **Brazil**
- Canada
- Chile
- Colombia
- Costa Rica
- Dominican Republic
- Guatemala
- ▲ **Mexico**
- Panama
- Peru
- Puerto Rico
- Uruguay
- ▲ **USA**
- Venezuela

Europe and Africa

- **Austria**
- Belarus
- **Belgium**
- Bulgaria
- Czech Republic
- ▲ **Denmark**
- Estonia
- Finland
- **France**
- ▲ **Germany**
- Greece
- Hungary
- Iceland
- **Italy**
- Latvia
- Lithuania
- **Netherlands**
- Norway
- **Poland**
- Portugal
- Romania
- Russia
- Slovakia
- Slovenia
- Spain
- Sweden
- ▲ **Switzerland**
- **Turkey**
- **UK**
- Ukraine
- Egypt
- Kenya
- Morocco
- Nigeria
- South Africa
- Tunisia

Asia/Pacific

- Bangladesh
- ▲ **China**
- Hong Kong
- **India**
- Indonesia
- Iran
- Israel
- ▲ **Japan**
- **Malaysia**
- Pakistan
- Philippines
- **South Korea**
- Sri Lanka
- Syria
- Taiwan
- **Thailand**
- UAE
- Vietnam
- **Australia**
- **New Zealand**

- ▲ Production/sales/service center
- Sales/service center

Countries with their own Forbo Siegling branches are indicated in bold.

All current addresses and contact details can be found at www.forbo.com/movement/en-gl

MESSAGE FROM MARC DEIMLING

Executive Vice President Movement Systems

Reconciling the interests of the company, people and the environment is fundamental to our operations and global corporate strategy. Therefore, sustainability enjoys a high priority in the way we do business throughout our value chain. This report outlines the work we've been doing on sustainability.



We believe that practising sustainability is a goal that's in tune with the zeitgeist. It includes proactively taking responsibility for the way we act, not just one dimensionally but in ecological, societal and financial terms. Our objective is to weigh up the interests of the company, people and the environment on a continual and consistent basis way into the future.

We want to be fair to people and the environment by improving technologies and processes and enhancing our products in a specific way.

Our workforce develops, manufactures and sells our products and comes up with ideas and ways of making our products and processes better. Which is why, it goes without saying, that we respect these people and their rights. This manifests itself in the regard in which we hold them and the fair way they are treated, as well as in the establishment of and compliance with high labor standards across the world. We ensure health and safety standards are kept to, encourage vocational training and upskilling and follow an extensive and defined compliance guideline. Because of their long service lives, our conveyor and power transmission belts are resource friendly and

exceptionally efficient. Although they are actually considered to be expendable parts, they often do their job reliably for years, or even decades. With a consistent drive for quality and new product developments, we help our customers to make their own processes more effective and energy efficient. At the same time, we keep the use of critical materials to a minimum. For the first time, we're publishing an overview of the raw materials here in order to be more transparent.

By auditing our production facilities, we're consistently focusing on energy management and environmental aspects during production. In 2019, a sustainability council was set up at management level with all the regions and roles included. The goal was to collect key performance indicators that were easier to compare and analyze based on uniform standards. In the future, these will help us to identify improvement potential even more accurately.

We're committed to improving our company's resource efficiency even further.

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

Marc Deimling
Executive Vice President

FORBO MOVEMENT SYSTEMS' SUSTAINABILITY STRATEGY

In an age of global warming and in which natural resources are becoming increasingly scarce, we stand by our commitment to future generations and recognize the resulting need for action. Which is why treating resources responsibly is one of Movement Systems' fundamental principles.

We are committed to protecting the environment and to continuously investing in a sustainable future. As a responsible manufacturer and employer, Forbo sets very high standards in terms of health, safety, the environment and quality. Sustainable development and contributing to a better environment are key components of all business activities.

Movement Systems is committed to acting in accordance with the definition of sustainable development as adopted by the United Nations Commission on Sustainable Development (General Assembly Resolution) in 1987.

Under this definition, development is sustainable if it "meets the needs of the present generation without compromising the ability of future generations to meet their own needs and choose their lifestyle."

For the purposes of evaluating and enshrining accountability for these actions, the company's activities are examined from three perspectives by the Global Reporting Initiative (GRI):

The environmental dimension:

How are actions to reduce the environmental impact of the company's processes and products controlled and implemented?

The social dimension:

How are social justice and corporate governance defined and implemented at the company?

The economic dimension:

How does the company position itself as a sustainable operator in the market by harnessing its economic stability and profitability to make continuous improvements?

Movement Systems fosters a sustainable mindset under all three of these headings in that its conduct is guided by the following principles at all times:

- Consideration of sustainability aspects in every business decision we take;
- Regular monitoring and verification of our sustainability performance;
- Commitment to continuous improvements;
- Promoting sustainability throughout our value chain; we expect our suppliers and customers to do the same;
- We make sure that all employees are familiar with our sustainability strategy and that they work hard towards implementing and improving it.

ABOUT THIS REPORT

The purpose of this sustainability report from Forbo Movement Systems is to explain to both the public and all our stakeholders how we live up to our responsibility to both people and the environment. It draws on the reporting structure laid down by the Global Reporting Initiative (GRI) and provides an overview of the environmental, social and economic aspects of corporate governance.

The report is not just a way of documenting our activities but also improving our performance on an ongoing basis.

The report gives an overview of our sustainability performance through the end of 2019.

Stakeholder involvement

Efficient and continuous involvement by our stakeholders forms the cornerstone of the services we offer as a company and for reporting on our sustainability performance. Over the years, we have talked to lots of stakeholder groups in order to secure support from the local community for our business.

We pick the stakeholders we talk to based on areas where our operations have a direct or indirect impact. Due to the impact of our environmental activities, we also liaise regularly with both local and national environmental protection authorities. The social and economic dimensions of our corporate governance are reflected in our dialogue with trade unions and trade associations.

We communicate with our stakeholders in a number of different ways

- Internal stakeholders: regular meetings
- Customers: a variety of feedback programs and surveys
- Regulatory authorities (national, regional and local): participation on committees and regular liaison regarding compliance with environmental and safety regulations
- Environmental and non-governmental organizations (NGOs): meetings, participation on committees and regular contact
- Suppliers: regular meetings and audits
- Unions: constructive collaboration and regular meetings
- Cities, towns and districts: participation on committees, open-house days at our production sites, plus participation in charity events and activities at schools
- Trade and industry associations: memberships and collaboration

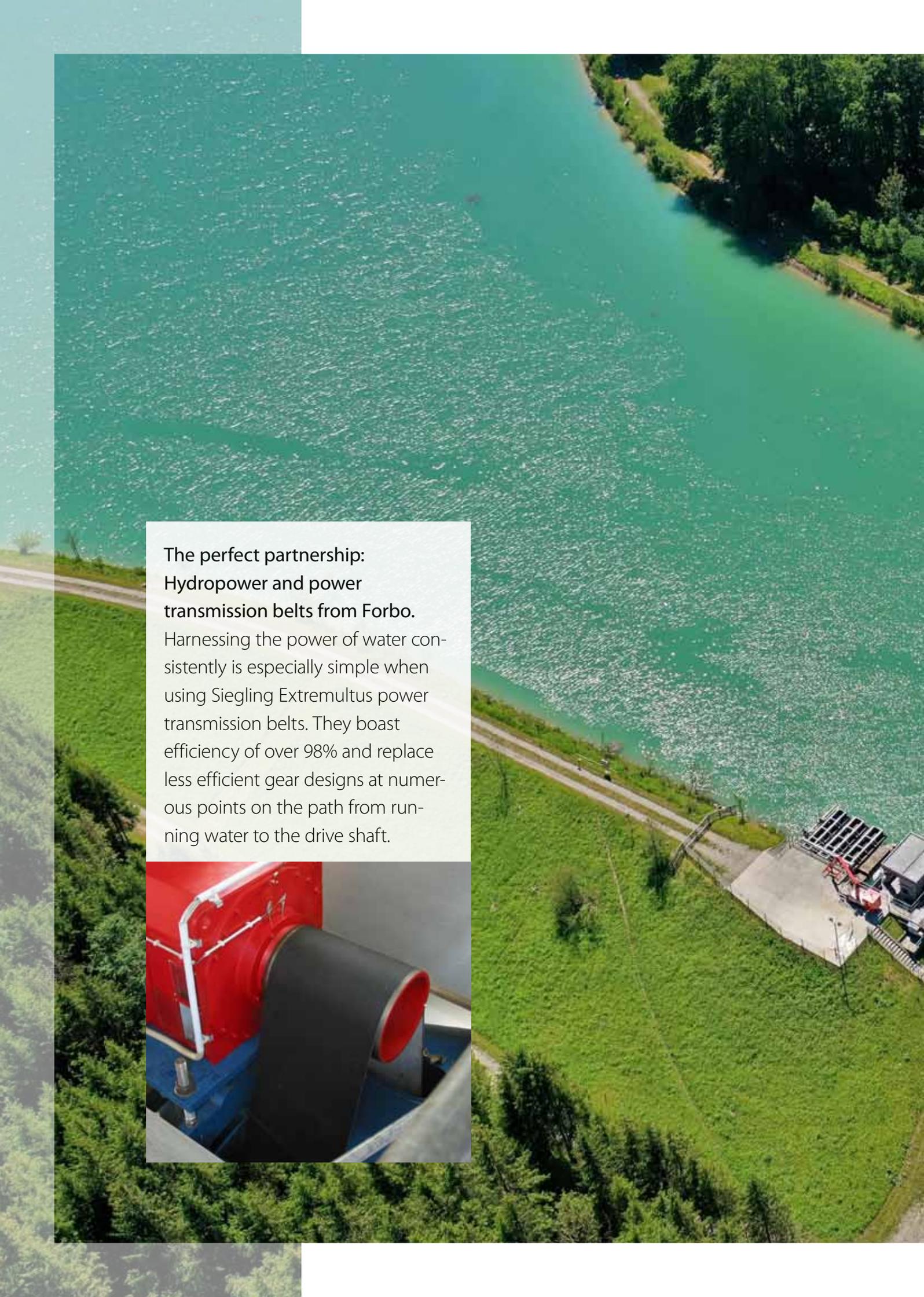
Scope of report

Unless otherwise stated, the environmental data in this report are limited to our ten production sites in Germany, Switzerland, Denmark, the United States, Mexico, Brazil, Japan and China. This report doesn't include any environmental data on our global sales branches and warehouses.

All the information on social aspects refers to the production, sales and warehousing sites in Germany.

The objective of a sustainability council, convened in 2019 at management level and including all regions and roles, is to define appropriate key performance indicators and roll them out globally.

Financial aspects are looked at from an international perspective.

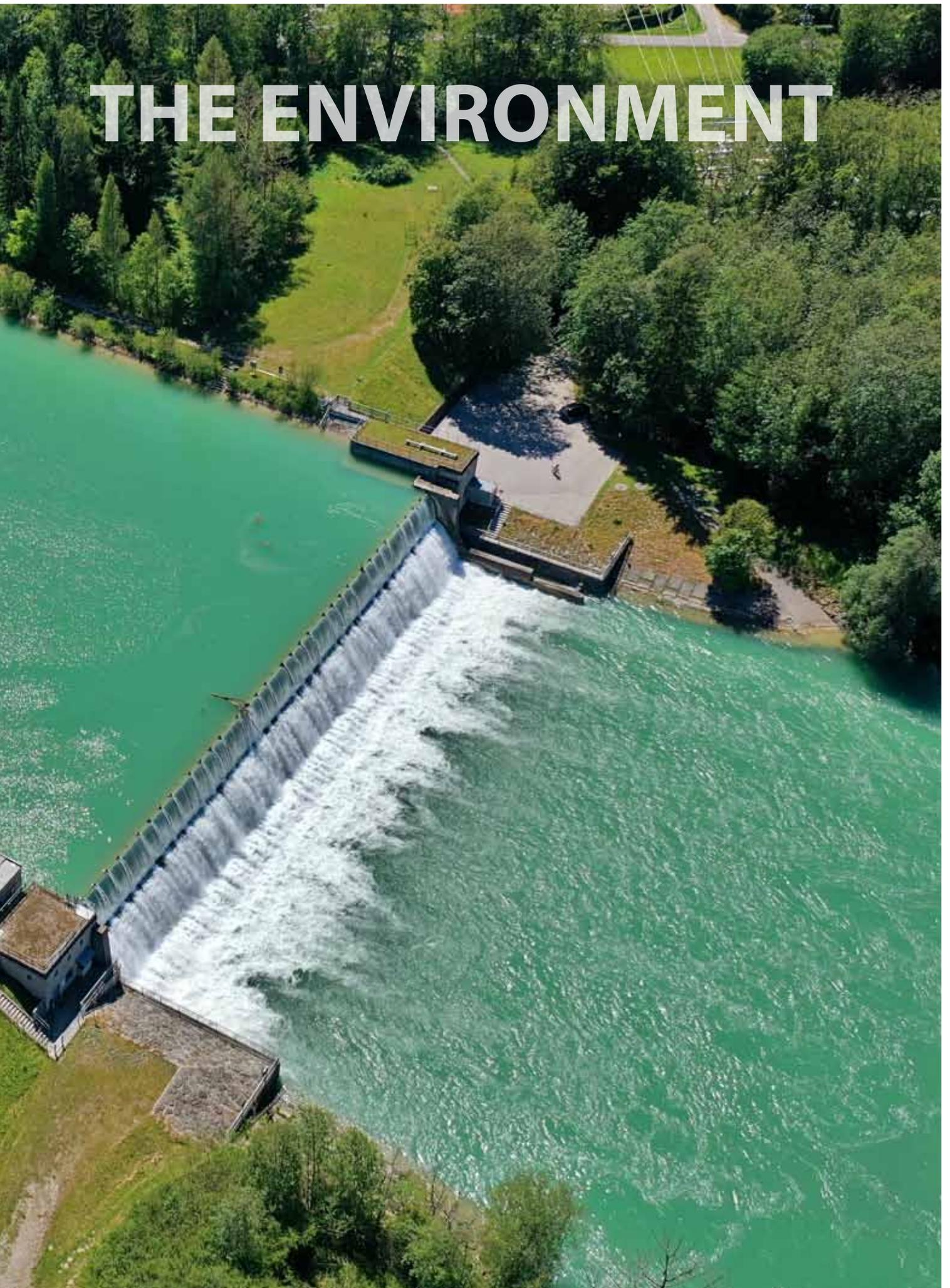
An aerial photograph of a large reservoir with turquoise water, surrounded by green hills and a dam structure. A power plant building is visible on the right side of the dam.

**The perfect partnership:
Hydropower and power
transmission belts from Forbo.**

Harnessing the power of water consistently is especially simple when using Siegling Extremultus power transmission belts. They boast efficiency of over 98% and replace less efficient gear designs at numerous points on the path from running water to the drive shaft.



THE ENVIRONMENT



COMMITTED TO THE FUTURE

At Forbo Movement Systems, we walk the walk when it comes to responsible environmental stewardship. Our environmental efforts are not limited to mere compliance with the relevant health, safety and environment regulations. We are committed to minimizing both resource consumption in the production process and consumption by the products themselves, while at the same time increasing product utility.

Our resource management is based on continuously improving consumption efficiency, which we achieve by conceiving and systematically implementing measures to optimize the consumption of electricity, gas, oil and water. Another important factor besides continuous energy savings is energy recovery, i.e. harnessing energy freed by the thermal afterburner for heating and/or for power generation. To reduce water consumption and to avoid unnecessary consumption, we use closed loop water systems in particular. Used water can in many cases be re-used in a second production step in order to minimize consumption. Reduction and meaningful recycling of remnants are always in focus when we pursue kaizen and sustainability initiatives. For instance, in some countries, the waste produced from cutting the edges of belts we produce is sold on to other companies for re-use in their production workflow(s). Our sites in North America collect material using filters, which is then processed by external partners as a material for use in their production processes. In some cases, waste from plastic modular belts and polyurethane are re-introduced into our own new production processes.

Certified environmental management system

In order to secure environmental protection as a business objective and to systematize our environmental efforts, we have introduced an ISO 14001-certified environmental management system at our key European sites. Its functionality is verified through regular internal and external audits. The environmental protection coordinator reports directly to the Managing Director. We plan to implement similar systems at all production sites in the coming years. Some key figures collected from our global operations already show that we are on the right track internationally too.

Environmental aspects of production

Energy-efficient production

Global consumption statistics for electricity are continuously collected and monitored at all production sites and for the various high-volume product groups.

› 20% reduction in specific energy consumption since 2013



* 2013 = 100%

Water consumption

Our manufacturing processes require little water. In addition to consumption by our staff, only small quantities are required for cleaning and the cooling towers.

› 28% savings in specific water consumption since 2013



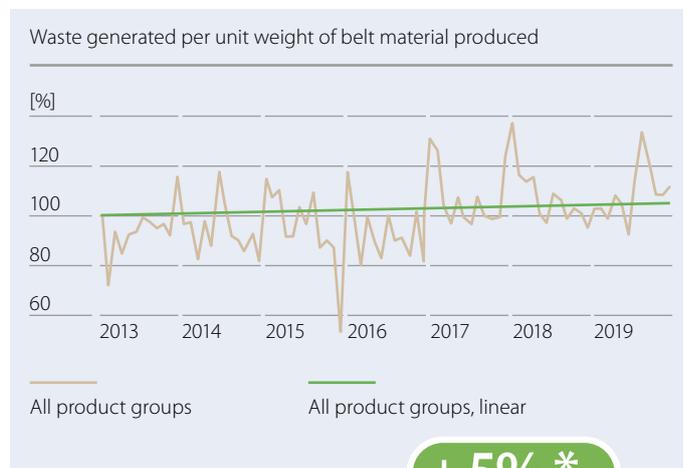
-28%*

* 2013 = 100%

Waste generated

Unavoidable waste from start-up processes in the large production plants or from cutting processes is disposed of in an environmentally friendly manner, for example via waste-to-energy applications.

› 5% increase in the specific waste generated since 2013



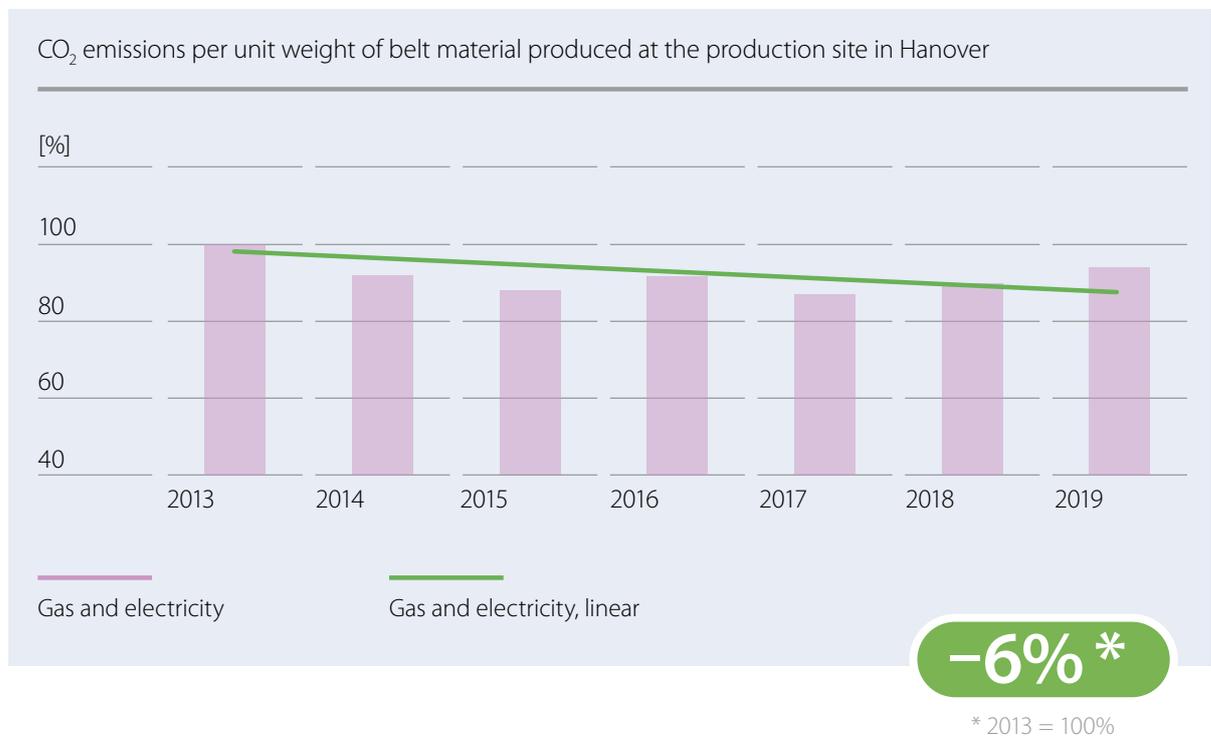
+5%*

* 2013 = 100%

Emission of air pollutants

Alongside electricity, natural gas is another major resource we require to operate our production lines. When planning optimization measures, these consumption levels are at the forefront of our considerations. Our main production site in Hanover consumes the most.

> 6% reduction of specific CO₂ emissions since 2013



Raw materials used

As a company in the plastics processing segment, Forbo Movement Systems places top priority on handling chemicals responsibly. We comply with legal stipulations and regulations at both a state and regional level. For example, in Europe, only REACH-compliant products are processed, whose defined quality is checked and continuously corroborated by physical/chemical inspections in our laboratory on incoming batches.

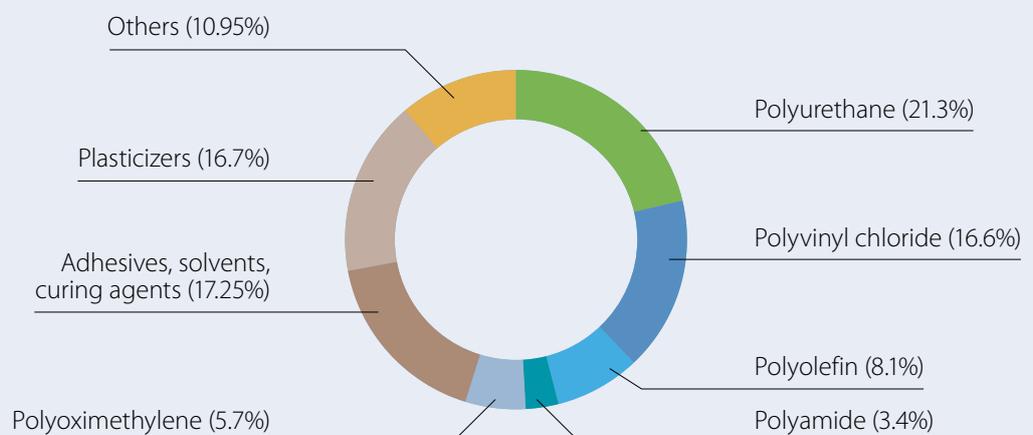
Opportunities to substitute hazardous materials and feedstock with lower risk ones are looked at consistently and questioned and documented in regular external audits.

In terms of harmful emissions, our production facilities are inspected by national supervisory authorities regularly to ensure compliance with legal thresholds.

Our Bio Belt™ conveyor belts already offer a patented alternative to belts made exclusively of synthetic materials. To manufacture them, petroleum-based raw materials and synthetic materials have largely been replaced by materials from renewable plant-based feedstock. Due to subsequent biodegradation, these belts even create one of the essential prerequisites for fulfillment of the cradle-to-cradle principle.



Plastics used in 2019*



* European production facilities

The EU's regulation on chemical substances (CLP) divides substances classified as carcinogenic into three categories:

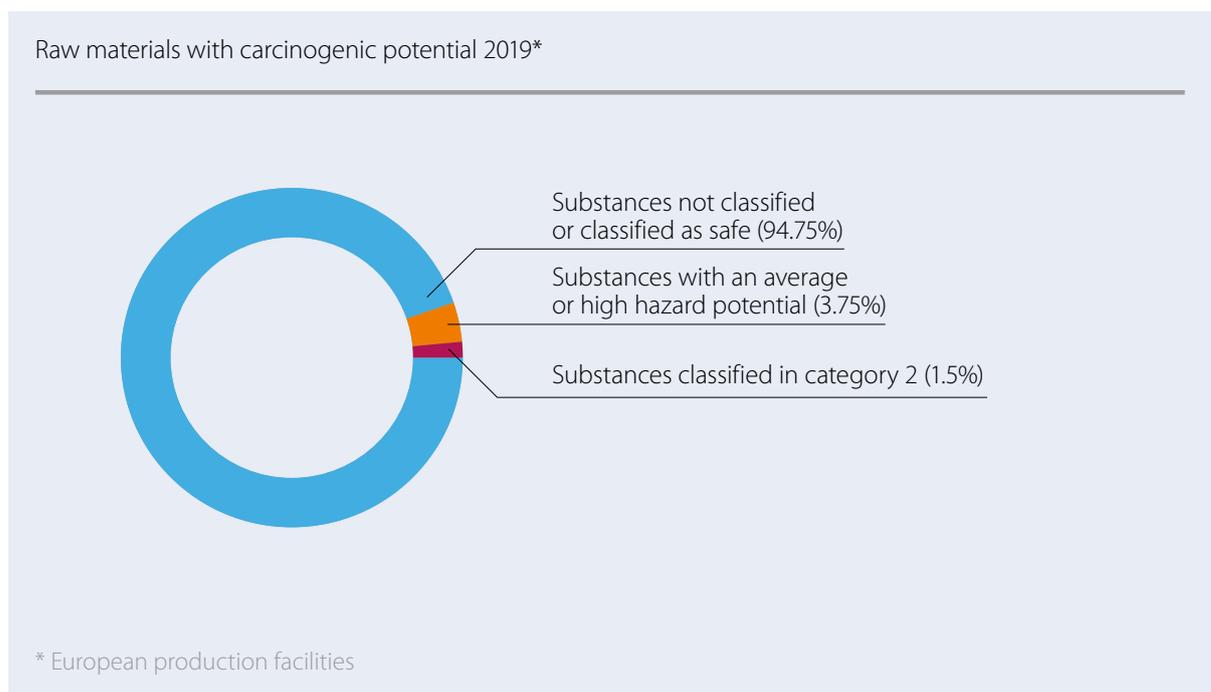
- Category 1A: Substances known to be carcinogenic to human beings
- Category 1B: Substances that are probably carcinogenic in human beings

Forbo Movement Systems does not use category 1A and 1B substances (known to be or probably carcinogenic).

- Category 2: Substances that are suspected of being carcinogenic in human beings (without any proven causal link);

Only very small quantities of substances in this category are used. They are only used if their properties are absolutely vital for production reasons or the belt material is not fit for purpose in any other way.

We're constantly examining whether we can substitute critical materials and feedstock for those with a lower risk and scrutinizing and documenting these through regular external audits.



Environmental aspects of belt use

Forbo Movement Systems' conveyor belts and power transmission belts are used in countless applications worldwide. Due to their long service lives and the energy-efficient way they function, they save on resources in many of the places they operate. At the same time, choosing them allows often more compact machinery designs so that these can be made by using fewer materials and less energy.

Energy-efficient flat belts

Among other benefits, flat belts are characterized by the considerably greater efficiency that they offer compared to V-belts.

In V-belts, energy losses are caused by flexing action in the material, by edge friction and by other design-related properties.

› Efficiency > 98% at high drive power



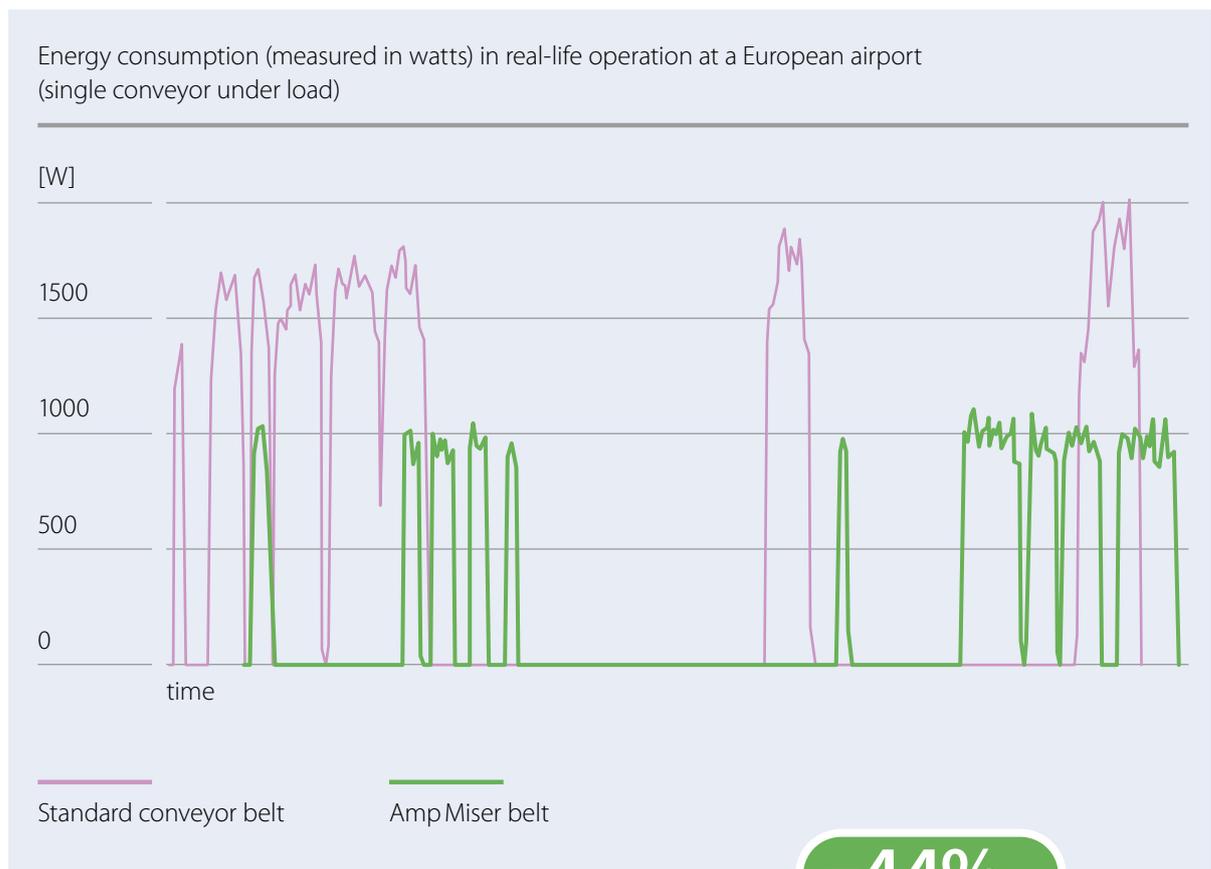
Source: Bundesanstalt für Materialprüfung, Berlin

Amp Miser™ 2.0 – energy-saving conveyor belts

Due to its significantly reduced coefficient of friction, the Amp Miser™ 2.0 belt design comes into play at the point where the energy losses of a conveyor system are usually greatest – at the friction pairing between the underside of the belt and the slider bed. Equipping the underside fabric with our patented Texglide results in a low friction layer that provides permanent dry lubricating action, thereby also minimizing energy needs.

Amp Miser™ 2.0 conveyor belts provide maximum benefit in applications where materials are conveyed continuously and where many belts are in operation: at airports and in logistics or distribution centers. Energy savings of up to 50% were measured in total for conveying systems like these.

› up to 50% savings in operating power



**A motivated workforce
guarantees quality**

At Forbo, fairness is part of the corporate culture we actively engage in. It's one of the reasons why our products and services consistently achieve such high standards. After all, quality can't be assured merely by controlling processes or final testing.



PEOPLE AND CSR



PEOPLE IN FOCUS

Employees at Forbo Movement Systems are pivotal to our company's success. Their health and safety are a valuable asset for us, as vocational training and upskilling programs. Forbo is committed to the fair treatment of all employees, and strives to abide by internationally recognized standards of fairness, honesty and integrity. Not only that, we also strive to make a positive contribution to the welfare of society at large, and to the local communities where our company operates.



Health

Forbo Movement Systems attaches great importance to the health and safety of its employees and of those otherwise affected by the company's operations or its products. We follow both the letter and the spirit of health and safety regulations everywhere we operate. People-friendly working conditions are a matter of course at Movement Systems.

Labor law

Forbo complies with all German and international labor laws and conventions. Forbo recognizes the right of employees to join labor unions and similar associations. The representatives of these trade unions or associations are not discriminated against. There is no forced or compulsory labor at Forbo. Employees receive standard employment contracts, their working hours are limited, and they receive appropriate compensation. Forbo never employs children.

Discrimination and harassment

Forbo is committed to keeping its work environment free from discrimination and harassment. Forbo does not tolerate any form of discrimination based on race, gender, creed, religion, origin, disability, age, sexual orientation, political views or similar personal attributes.

Professional development

Forbo encourages personal development of its workforce, in particular by offering upskilling courses, additional challenges to increase job satisfaction, job rotation and training for managers.

The company founded Forbo Movement Systems Academy as part of its human resources development initiative. The Academy teaches both specialized technical knowledge and general skills. Specialized training courses are provided through an e-learning platform to which employees have continuous access. Each training course has the same structure. In addition to a synopsis and the training materials themselves, each course also contains a test that the participant must pass in order to successfully complete the course. The courses are currently offered in five different languages.

Selecting suppliers

The process and levels of responsibility when selecting suppliers are governed by the binding rules set out in our supplier selection policy. In addition to standard criteria such as price, quality and service, ethical criteria are also questioned and evaluated. We expect partners in our supply chain (and their upstream suppliers, subcontractors and service providers) to comply with the minimum social standards that apply in their country and with the principles of the United Nations Global Compact Initiative. These include workers' rights to collective bargaining, equal opportunities in terms of recruitment and employment, no forced and child labor and a responsible approach to the environment.

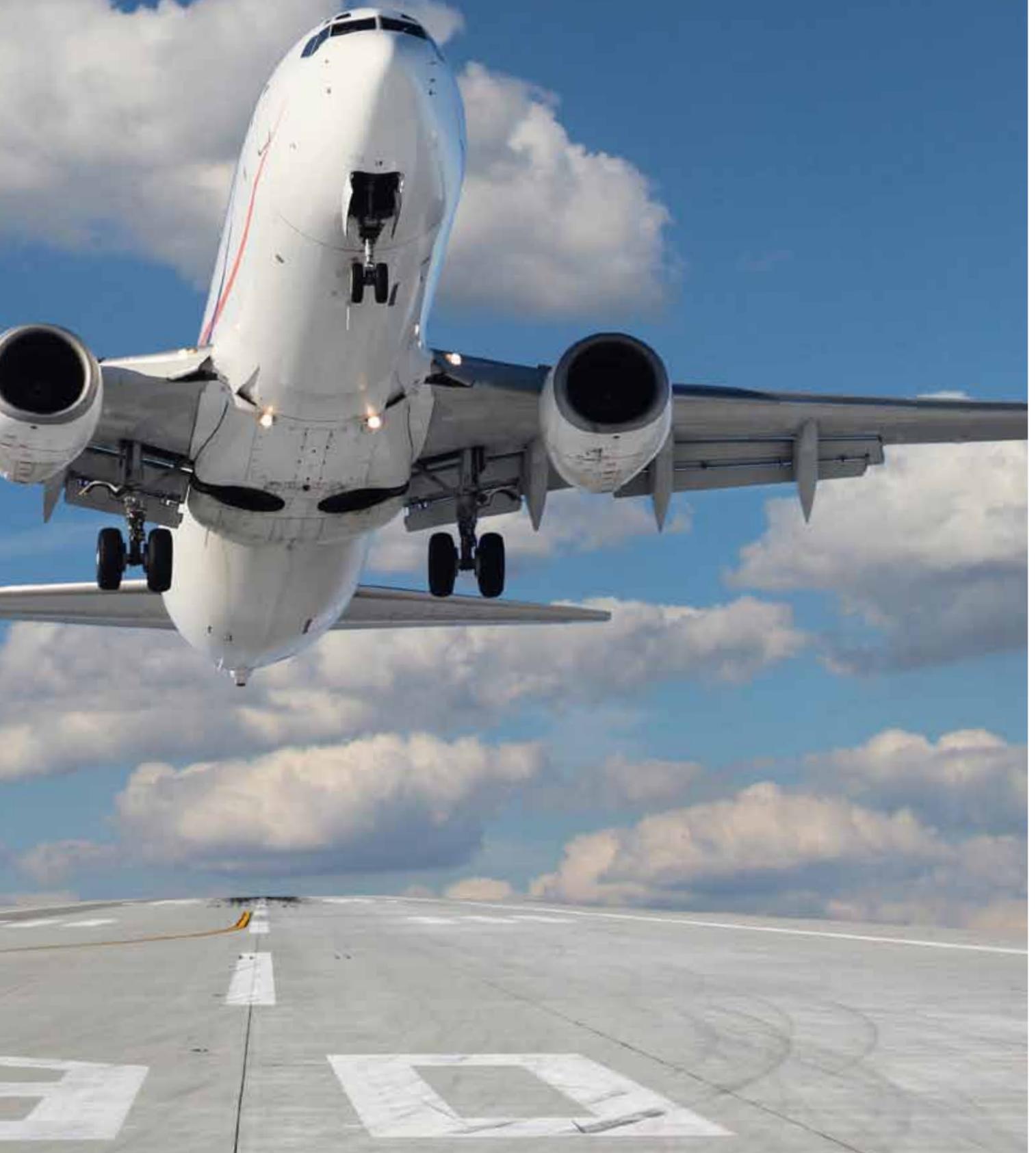
Child labor, violations of human rights, local laws and regulations or breaches of compliance policy, such as corruption, are just some of the things that rule out any collaboration.

Environmentally friendly innovations at Forbo Movement Systems that bring financial rewards too

Amp Miser™ 2.0 conveyor belts are one example. In logistical processes where a lot of material needs to be moved, these belts provide up to 50% savings in energy consumption and CO₂ emissions.



BUSINESS ASPECTS



ENSURING COMMERCIAL SUCCESS

Having a strong commercial base is a prerequisite for developing a sustainable organization. We plan to continue building on this base by producing continuous innovations and by optimizing the design, service level, performance, range and quality of our portfolio for all stakeholders. In pursuit of this objective, we will act responsibly and within the framework set by our guidelines for corporate governance, risk and crisis management, our code of conduct, and by international laws and regulations.

Business integrity

Forbo Movement Systems stands for values like integrity, honesty and equality in all areas of its business, and expects the same of its business partners – direct and indirect ones alike.

Forbo's code of conduct applies to all our employees, and clearly stipulates that the company does not engage in any dubious or corrupt business practices, nor does it tolerate such practices. The Code of Conduct is part of the Forbo training program and is mandatory for all employees who participate in this program.

Risk assessment and management

Risk assessment and management form an integral part of the organizational processes at Movement Systems, and are taken into account in all decision-making processes. Periodic risks, financial risks and specific hazards are identified and evaluated internally by third parties. After pinpointing and evaluating the risks, we apply risk management methods from one or more of the following main categories:

- Avoid (eliminate)
- Reduce (mitigate)
- Spread (outsource or insure)
- Accept (accept and budget for)



Power of innovation

Not only does Movement Systems offer many different kinds of conveyor and power transmission belts, but its specialist expertise makes it a reliable partner for integrated solutions, making it an outstanding innovation partner for systems builders and end customers alike. Minute details and the way these interact with a particular application and the materials applied often play a key role when developing new products. We are constantly investing significant resources in expanding our product portfolio and in building specific applications for complex systems.

This consistent developmental process spawned the launch of new products across all groups. They generate added value to our customers' production lines and processes and increase efficiency at the same time.

Three new or extended series of Prolink plastic modular belts are used in various food processing applications. These include a permeable belt for long cooling lines when manufacturing tortillas, baked goods and pieces of dough during the cooling and drying process or an exceptionally hygienic and easy-to-clean belt for packaging machinery in dough processing. And then there's a belt with a special surface coating for conveyors on which fruit, vegetables, meat and pizzas are packaged.

Our Transilon and Transtex conveyor belts also have impressive new belts for special logistics applications, processing freshly harvested vegetables, whole processing lines in industrial laundry facilities in hospitals, hotels and cruise ships, as well as industrial digital printers, particularly for large format printers and tile printing machines. The Extremultus flat belts also have an elastic belt type, which, thanks to its smooth tracking and low friction coefficient, has a whole host of benefits in e-commerce fulfilment centers for instance.

A new digital development was our app, which was designed to accompany our Siegling Blizzard heating press's written instructions and make handling easier to understand.

The Movement Systems Academy upskilled our global workforce by teaching new process and product expertise.

Financial position

Our strong global presence, a robust financial base and a strategy consistently implemented allow us to forge ahead with our expansion into growth markets.

Siegling – total belting solutions

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MOVEMENT SYSTEMS