

# SUSTAINABILITY REPORT 2023

## FORBO MOVEMENT SYSTEMS

# SIEGLING – TOTAL BELTING SOLUTIONS

At Forbo Movement Systems we provide total belting solutions for the various requirements of a wide range of sectors across the globe. As a global leader and trend-setter in movement systems, we create best-in-class solutions that enable our customers to make their global operations more efficient. But our commitment extends beyond efficiency and competitiveness to driving environmental responsibility. We drive the change by putting all our passion into research and development and continuous improvement in order to increase our customer's sustainability performance.

We are committed to making a difference. By incorporating sustainable practices into our products and operations, we empower our customers to navigate a more environmentally conscious future. We firmly believe that a commitment to sustainability is integral to success, and our solutions reflect this mindset by offering a balance of performance,

environmental responsibility, and service orientation. Our dedication and expertise bring more rewarding perspectives to all our stakeholders.

Our employees are key to the success of our company. Their health and safety are paramount. In our sites around the globe, this aspect enjoys high priority and is vital to good business practices that ensure efficient and sustainable business processes inside the company and across all interfaces. Forbo is committed to fair treatment of all employees and strives to uphold internationally recognized standards of fairness, honesty and integrity.

In this year's sustainability report, we acknowledge the progress we have made in 2023 and look at focus topics for further advancement.



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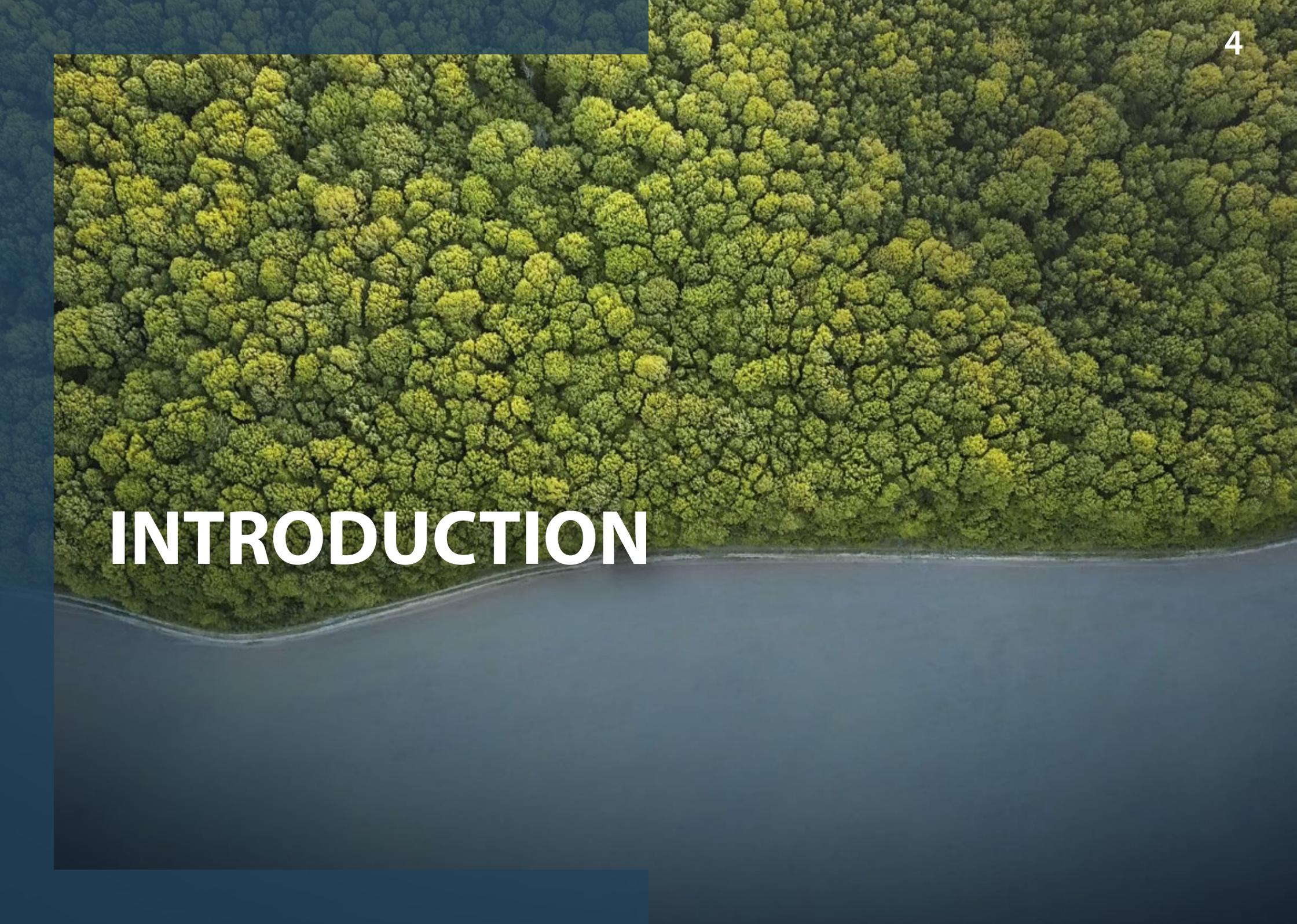
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“Strategic sustainability management means making a positive impact and taking actions step by step.”

Mona Hollborn page 11

An aerial photograph showing a vast, dense forest of green trees on the left, which meets a dark blue body of water on the right. The forest is composed of many small, rounded tree canopies, creating a textured, mosaic-like appearance. The water is calm and reflects the sky. The overall scene is serene and natural.

# INTRODUCTION

# MESSAGE FROM MARC DEIMLING

The year 2023 has seen rising geopolitical and economic challenges. Nevertheless, we have again been able to proceed advance with sound and environmentally friendly development to the benefit of our business partners and stakeholders.

With forest fires, flooding, storms, heatwaves, and cold spells all over the world, it is climate change that has given the world economy the biggest headaches. Which is why I am particularly delighted to present our 2023 report, which details our commitment to a more eco-friendly production, sustainable products and processes and a better future. To achieve our overarching objective, which is to cut carbon emissions, we have taken decisive steps to boost energy efficiency, reduce waste, make procurement sustainable and supply chains stable.

An important milestone in 2023 was the first global recording of our Scope 1-3 emissions. The in-depth overview of our carbon footprint allowed us to take steps to lower emissions at all phases of the value chain.

We developed innovative conveyor belts, which are not just more efficient and reliable, but much more environmentally friendly to produce and use without compromising on quality or performance. German inspection body TÜV Rheinland certified the superior savings potential of Amp Miser belts. As a result, our customers can improve their own

carbon footprint based on a trustworthy document. We received the "Best of Industry Award 2023" in the category "Best Sustainability Project" for our innovative new version of the Amp Miser, an achievement we are very proud of. Some types in this series come with a tension member fabric made of recycled PET. These yarns save valuable raw materials and cut harmful carbon emissions. By prioritizing product quality and recycling capabilities, we ensure durability, which in turn saves resources.

Using renewable energy in our production facilities, optimizing our supply chains, and minimizing waste and energy consumption help to cut our carbon footprint even further.

At Forbo Movement Systems, we actively help our customers to meet their own sustainability requirements. In-depth instructions on the environmentally friendly use and maintenance of our conveyor belts help to optimize operations and cut greenhouse gas emissions.




**Marc Deimling, Executive Vice President  
Forbo Movement Systems**

**«To boost our customers' own environmental performance, we incorporate sustainability in all business operations and consider its impact in all critical business decisions.»**

# KEY ACHIEVEMENTS IN 2023

In 2023, our commitment to sustainability manifested itself in various key achievements that not only reflect our commitment to environmental protection, but also underline the positive impact we strive to make on both a local and global scale.

SCOPE **3** In this reporting year, we are calculating the carbon footprint for **Scope 3 for the first time.**



**100%**  
recycled PET yarn fabrics are used in all versions of ECOFIBER.



**AMP MISER belt types** have been certified by TÜV Rheinland confirming significant energy and CO<sub>2</sub> savings compared to common standard conveyor belts.



**20%**  
**Two new versions of BIOBELT** have been launched containing 20% or more renewable raw materials.



**>800**  
**tonnes of production waste** were recycled globally in our production plants.



**6,724**  
**training sessions** were completed globally.



**926**  
**solar panels** were installed in our locations in Europe – a key step towards a more energy-efficient future.

## OUR AMBITION

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

## OUR WAY

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

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

# TOP PRIORITIES | MID-TERM GOALS

In 2022, Forbo Movement Systems presented for the first time a set of sustainability top priorities and mid-term goals that we commit to. For now, these goals cover a timescale of 2023+. In 2023, we worked on different sustainability initiatives related to our top priorities and goals and provide an update on the progress we made per top priority:

## 1. To display a carbonneutral product portfolio

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

## 2. To use renewables

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

## 3. To move toward being a zero-waste company

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

## 4. To actively contribute to the circular economy

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

1.



- Forbo Movement Systems launched five new versions of Transilon BIOBELT and ECOFIBER in 2023.
- More awareness for our energy-efficient AMP MISER Transilon products could be achieved due to the "Best of Industry Award 2023" that we won in the category "Best Sustainability Project".

2.



- We used 23% renewable electricity. That represents an increase of 27% compared to the previous year.
- 926 Solar panels were installed in 2023 to further increase our share of renewable electricity usage.

3.



- Forbo Movement Systems reused or recycled in total more than 91% of the Prolink in-house production waste.
- 100% of the inhouse production waste from homogenous Fullsan belts was prepared for reuse or has been reused in the production process.
- In 2023, our European sites recycled 27% of the total generated waste, including office waste.

4.



- A recycling project has been started on disused Transilon conveyor belts and production waste of Transilon belts in cooperation with strong partners.
- The recycling quote of post industrial waste increased in 2023.

# TOP PRIORITIES | MID-TERM GOALS

**5. To ensure ethical and sustainable supply chain management**

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

**6. To ensure that all employees are involved in sustainability**

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

**7. To ensure we are a socially responsible, diverse and inclusive company with talented employees**

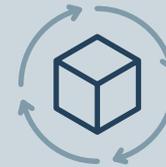
- Ensure equal opportunities and inclusion on gender, age, ethnicity and people with special needs.
- Consistent improvement of health and safety at Forbo Movement Systems and a 20% reduction in the lost time injury frequency rate (LTIFR) based on 2022 figures.

**8. To achieve a competitive edge via sustainability**

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

We will continue to challenge our currently set top priorities and mid-term goals in order to develop an advanced and comprehensive future sustainability pathway for Forbo Movement Systems. Our integrally sharpened strategic approach towards sustainability is going to enable us even more to effectively steer our sustainability activities, put enhanced checks and balances on our targets and drive sustainability proactively throughout the entire organization and along our value chain.

5.



- We have updated our Vendor and Purchasing Policy regarding standards to prevent from violation of human rights or misuse of conflict minerals usage at our suppliers.

6.



- Empower our employees regularly with engaging sustainability training sessions, fostering a deeper connection to the subject while equipping them with the knowledge and practical measures to contribute actively to our shared commitment to a more sustainable future.

7.



- Awareness for diversity and inclusion aspects has been provided in the first step by a training on "respect at work".
- LTIFR has been slightly reduced compared to 2022.

8.



- We move a step beyond legal requirements and have our processes and products voluntarily audited by independent organizations and place food safety at center stage.
- Winning the "Best of Industry Award" in the category "Best Sustainability Project" is a proof for our commitment to sustainability.

# OUR SUSTAINABILITY STORY

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

We are committed to acting in accordance with the definition of sustainable development as adopted by the United Nations Commission on Sustainable Development (General Assembly Resolution) in 1987. Under this definition, development is sustainable if it "meets the needs of the present generation without compromising the ability of future generations to meet their own needs and choose their lifestyle."

In order to evaluate and incorporate responsibility for these actions, the company's activities are assessed from three perspectives by the Global Reporting Initiative (GRI): The environmental dimension (E), the social dimension (S), and the governance dimension (G). In the chemical industry, we are a global player that produces belts from composite materials. As a result, we constantly investigate to find solutions that make our products more environmentally friendly and allow us to operate responsibly. Especially today when climate change becomes increasingly apparent. It goes without saying that social and governance dimensions are also very important. However, making our operations and products sustainable is the most effective way of ensuring the world itself is more sustainable. We follow the five R's of sustainability: refuse, reduce, reuse, repurpose, and recycle to create a more eco friendly future.

We care. Sustainability management provides the framework for the programs at Forbo Movement Systems. It drives this topic proactively within the organization and is spearheaded by the sustainability council. The council consists of different members of our management board and the Executive Vice President and is coordinated by the sustainability manager. The roadmap provides a structured approach to the current initiatives and those in the pipeline.

**Committed to making a difference.**



## STATEMENT

# Action speaks louder than words

Today, as individuals and as a company, we are living in a volatile, uncertain, and complex world. The effects of the climate crisis are becoming increasingly more apparent. According to the World Meteorological Organization, between 2023 and 2027, global temperatures could already exceed the 1.5-degree-Celsius target specified in the Paris climate agreement at least once. The warmest eight years on record were between 2015 and 2022. Such a complex matter as climate change and its negative repercussions on mankind can be overwhelming – or an opportunity to accept the challenge and make a difference.

Conveyor and process belts are used in a wide range of industries. We are seizing the opportunity to evolve as a business, while helping our customers to achieve their own sustainability goals at the same time. Our sustainability performance products are prime examples of the action we are taking.

In 2023, we calculated our corporate carbon footprint (Scope 3) based on the Greenhouse Gas Protocol and included our supply chain in carbon emission calculations for the first time. Due to this new level of transparency, we can quantify and manage steps to reduce our greenhouse gas emissions more effectively. We partnered with a key customer and an innovative recycling company to research opportunities to develop an efficient recycling process for conveyor belts. Photovoltaic systems were installed at sites in Germany and Denmark to increase the proportion of renewables in the electricity consumed at our production and fabrication centers. Since this year, we are offering the Forbo Integrity Line as a safe means of reporting misconduct, corruption, or unethical behavior anonymously. Cyber security and respect at work were added to our in-house training program.

As a global company, it is up to us to help boost sustainability. Therefore, it is vital to identify and prioritize sustainability issues. Which is why we used the materiality analysis to pinpoint the continual improvement issues we want to focus on. And we do so in our own and the interests of future generations.



Mona Hollborn, Global Sustainability Manager  
Forbo Movement Systems, Germany

**“Strategic sustainability management means making a positive impact and taking actions step by step.”**

# ABOUT US

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

## Forbo Move- ment Systems

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

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

## Market segments

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

[More information on page 17](#)

## Business development

Our expertise is backed by more than 100 years of experience when chrome leather upright belts and other innovative power transmission products went into production. This laid the foundations of our business today. Consistent innovations, product and process developments have made us what we are today, a global industry leader in total belting solutions.

As a tribute to its legacy and to preserve its values, the headquarter of the company's division is still based at the same place it was founded. Today, we still produce a range of our innovative conveyor, processing and power transmission belts at exactly this location, while we are consistently invest in state of the art production technology in all our plants across the globe.

## Global footprint

Around 2,500 people are working for Forbo Movement Systems globally. Our international network of branches and service partners covers more than 80 countries with warehouses and workshops. Customers can count on over 300 points of sale and service facilities around the world. The headquarters of the Movement Systems division is in Hanover, Germany.



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

# OUR HISTORY



**1919**  
Ernst Siegling founds the company in Hanover, Germany. Chrome leather upright belts and other innovative power transmission products go into production.



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



**1955**  
Construction of a new plant and start of production in Hannover-Vahrenheide.



**1954**  
Hellmut Siegling (1922 – 2006), son of the company's founder, takes over as the company's CEO.



**1961**  
An idea is born regarding a conveyor belt for light materials handling: a new product line is developed bearing the Transilon brand name.



**1982**  
Launch of the new Siegling logo.



**1975**  
Transilon conveyor and processing belts go into production at the plant in Fukuroi, Japan. (The production facility is extended in 1982).



**1995**  
The plastic modular belts go into production under the Prolink brand name.



**2005**  
Commissioning of the European fabrication center in Malacky, Slovakia.



**2008**  
Takeover of the PVC conveyor belt segment from Fenner Dunlop (Georgia Duck) and marketing of the new product group under the Transtex brand name.



**2018**  
Opening of a new site in Pinghu, China, with production/fabrication, sales and management.



**1930–1940**  
Successful launch of the first flat belts with adhesive coatings and the first electrically conductive belts for spaces with an explosive risk.



**1943**  
Invention of the first multilayer flat belt made of nylon and chrome leather, patented under the Extremultus brand name.



**1970**  
A second plant is constructed in Garbsen as a fabrication facility.

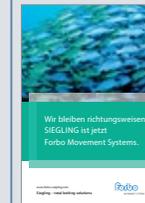
**1956**  
Foundation of EXTREMULTUS, Inc. with sales and fabrication facilities on Long Island, N.Y. (USA).  
Relocation to Englewood, N.J. in 1960.



**1993**  
Production is started at the Carolana Manufacturing Center (CMC) in Huntersville, N.C. (USA).

**1997**  
The Forbo Siegling (Shenyang) Belting Ltd. production facility in China is founded and commissioned (photo).

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



**2007**  
New corporate and management culture with a global outlook: Siegling Belting becomes Forbo Movement Systems.

**2013**  
Forbo Siegling develops a bio-degradable conveyor belt made of renewable materials.

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



**2021**  
Production of a new Fullsan homogenous belt type starts in Hanover, Germany.



# OUR VALUE STREAM

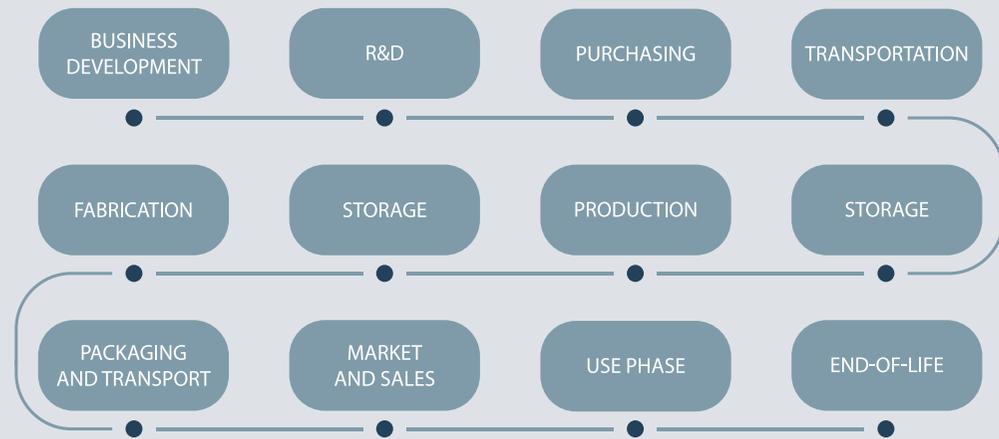
## UNLOCKING OPERATIONAL EXCELLENCE

Our company places huge emphasis on all-embracing customer centricity, which is reflected in our diverse customer landscape. The specific needs of the many regions we operate in, require a precise understanding of the market and open interaction with our customers based on mutual trust.

Our business development team consistently conducts market research to identify new belting requirements. This process does not just include analyzing existing market trends, but also talking to customers directly. Frequent surveys and feedback guarantee that we understand the ever-changing requirements of our customers and respond appropriately. To initiate new market-driven product developments, the results are discussed with our research and development (R&D) experts.

Our procurement department is the point of contact for the R&D team so that raw materials can be purchased in a responsible manner. We have already been working with most of our strategic suppliers for many years. The main product groups' category managers maintain an overview of which suppliers could cover new requirements for raw materials or are prepared to engage in development.

Our global supply chains mean that we factor in longer periods of time to procure our raw materials and stock them at the relevant production sites. As a result, we reduce potential bottlenecks on the raw materials market and ensure efficient production of our belts.



In our production plants, we produce large-sized roll material at high levels of precision. Our global production network enables us to coordinate sites efficiently, improve supply chains, and incorporate technological innovations seamlessly. This does not just create cost savings, but also boosts our agility in adapting to new market conditions.

To quickly deliver a wide variety of conveyor and power transmission belts to the market, our strategy is to keep our rolls in stock close to the target markets and regions. The fabrication centers have high-tech fabrication equipment, can cut large quantities of belt sizes and respond to demanding customer requirements fast and at very high standards of quality.

Finished orders for customers are packaged securely for shipping. Transport is organized by the respective department.

Once customers have received the material, belts are either fitted by them, or by our service technicians. The utilization phase begins.

Recycling belts at the end of their useful lives is exacerbated by the challenge of isolating their individual components and the degree and type of contamination. We are taking various approaches to find technical solutions step by step. The challenges encourage us to conduct further research and development to establish efficient recycling methods and further reduce the environmental impact of waste disposal.

For us, a well-managed value stream is not just a roadmap; it is a strategic tool that fosters continuous improvement, enables sustainable growth, and ensures competitiveness in today's dynamic market landscape.

# OUR PRODUCT LINES



## SIEGLING TRANSILON CONVEYOR AND PROCESSING BELTS

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



## SIEGLING TRANSTEX CONVEYOR BELTS

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



## SIEGLING PROLINK MODULAR BELTS

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



## SIEGLING EXTREMULTUS FLAT BELTS

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



## SIEGLING FULLSAN HOMOGENOUS BELTS

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



## SIEGLING PROPOSITION TIMING BELTS

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

# OUR MAIN MARKET SEGMENTS

## INDUSTRIES AND APPLICATIONS

Forbo Movement Systems' high-performance flat belts and conveyor belts are often indispensable system components.

We offer an extensive product range for diverse demands in the most diverse of industries and guarantee long service lives and excellent efficiency.



### FOOD INDUSTRY

Food processing, agriculture and packaging sectors



### LOGISTICS

Intralogistics, distribution centers and baggage sorting



### RAW MATERIALS

Building materials, wood and stone



### INDUSTRIAL PRODUCTION

Automotive, tires, chemicals, energy, steel- and metalworking industries



### PRINTING

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



### PAPER

Paper production and processing as well as letter sorting



### TEXTILES

Yarn manufacturing, nonwovens and textile printing



### SPORTS AND LEISURE

Treadmill belts, belts for ski lifts and other leisure activities

# REPORTING SCOPE, FRAMEWORK AND STANDARDS

## Reporting scope

Unless otherwise stated, the environmental and health and safety data published in this report concern those production sites, which together account for about 95% of the production volume, as well as the fabrication centers. Our report covers our major production and fabrication sites in China, Denmark, Germany, Japan, Slovakia, Switzerland, and the United States. The sales offices, warehouses and the joint venture in Brazil and Chile were not incorporated. The units included in the scope of the report are considered to be the most significant in terms of the impact of our business.

Unless otherwise stated, the data published in the “About us”, “Social” and “Governance” section of this report apply to all of our locations, including sales offices and warehouses.

## Reporting period and cycle

The reporting period covers the 2023 financial year, which reflects the calendar year. To enhance comparability and to make the development of the key figures visible, Forbo Movement Systems creates a data history and publishes an annual sustainability report.

## Global Reporting Initiative (GRI)

The GRI (Global Reporting Initiative) is an independent, international organization that helps businesses and other organizations take responsibility for their impact, by providing them with the common global language to communicate this impact.

Forbo Movement Systems’ sustainability report is developed in reference to the GRI. The GRI Content Index can be found in the annex. We informed the GRI about the “in reference to” the GRI reporting.

## United Nations Sustainable Development Goals

Forbo Movement Systems follows multiple United Nations Sustainable Development Goals (SDGs). The 17 SDGs provide a comprehensive roadmap for cultivating a more prosperous and sustainable future for all by 2030, designed for both global governmental and organizational application. Realizing the potential of the SDGs relies on global collaboration and unwavering commitment – principles that seamlessly align with our own aspirations.

Forbo Movement Systems analyzed the 17 SDGs in terms of their importance for our business and selected 5 SDGs as priorities.



## Greenhouse Gas Protocol

Forbo Movement Systems reports its Scope 1 to Scope 3 carbon emissions based on the Greenhouse Gas Protocol’s operational control approach.

## Collaboration and acknowledgment

To develop sustainable strategies and solutions, good collaboration with external stakeholders from a range of different areas is a must. Forbo Movement Systems’ most important strategic initiatives, partnerships, and memberships are listed below:

- Ecovadis
- CEN – European Committee for Standardization
- NIBA – The Belting Association
- GATE – The Alliance of the Airport Industry
- IABSC – International Association of Baggage System Companies
- ASBE – American Society of Baking
- BEMA – Baker Equipment Manufacturers and Allieds
- EHEDG – European Hygienic Engineering & Design Group
- Federal German Association of Energy Consumers (VEA – Bundesverband der Energie-Abnehmer e.V.)
- Regional Networks for Energy Efficiency and Climate Protection (REGINEE – REGionale Netzwerke für EnergieEffizienz und Klimaschutz)
- BAVC – German Federation of Chemical Employers’ Associations
- USDA – The U.S. Department of Agriculture
- HACCP – Hazard Analysis Critical Control Point management system for food safety
- NSF – National Sanitation Foundation

# MATERIALITY ANALYSIS

A well-structured materiality analysis is the basis for coherent sustainability management. It clarifies the strategic focus, helps to define suitable targets and key figures, and sets the framework for Forbo Movement Systems' sustainability approach in complex corporate settings.

In 2021, we conducted a comprehensive materiality analysis. We surveyed our internal stakeholders online in several languages on key topics. By making the analysis multilingual and providing online access to it, our employees were able to participate in the analysis regardless of their foreign language skills or locations.

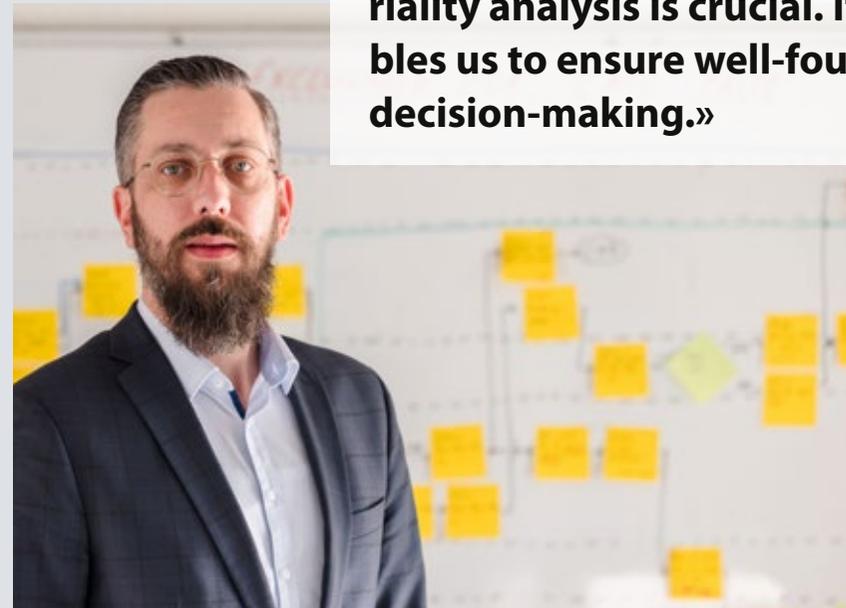
In addition, extensive interviews were conducted with various internal and external stakeholders, such as suppliers, customers, public organizations, associations, and our employees. The multiple perspectives encourage a holistic view on the material topics and allowed us to better understand the topics we needed to prioritize.

During the materiality analysis, 11 themes were identified as essential to us. These were assessed for their importance to our stakeholders and their impact at an environmental and social level.

A double materiality analysis will be conducted in 2024, which will be based on the material topics of the 2021 materiality assessment. The double materiality analysis will outline the impact that Forbo Movement has on the environment and people and describe the risks and opportunities that are created by sustainability-related developments and events for Forbo Movement Systems.

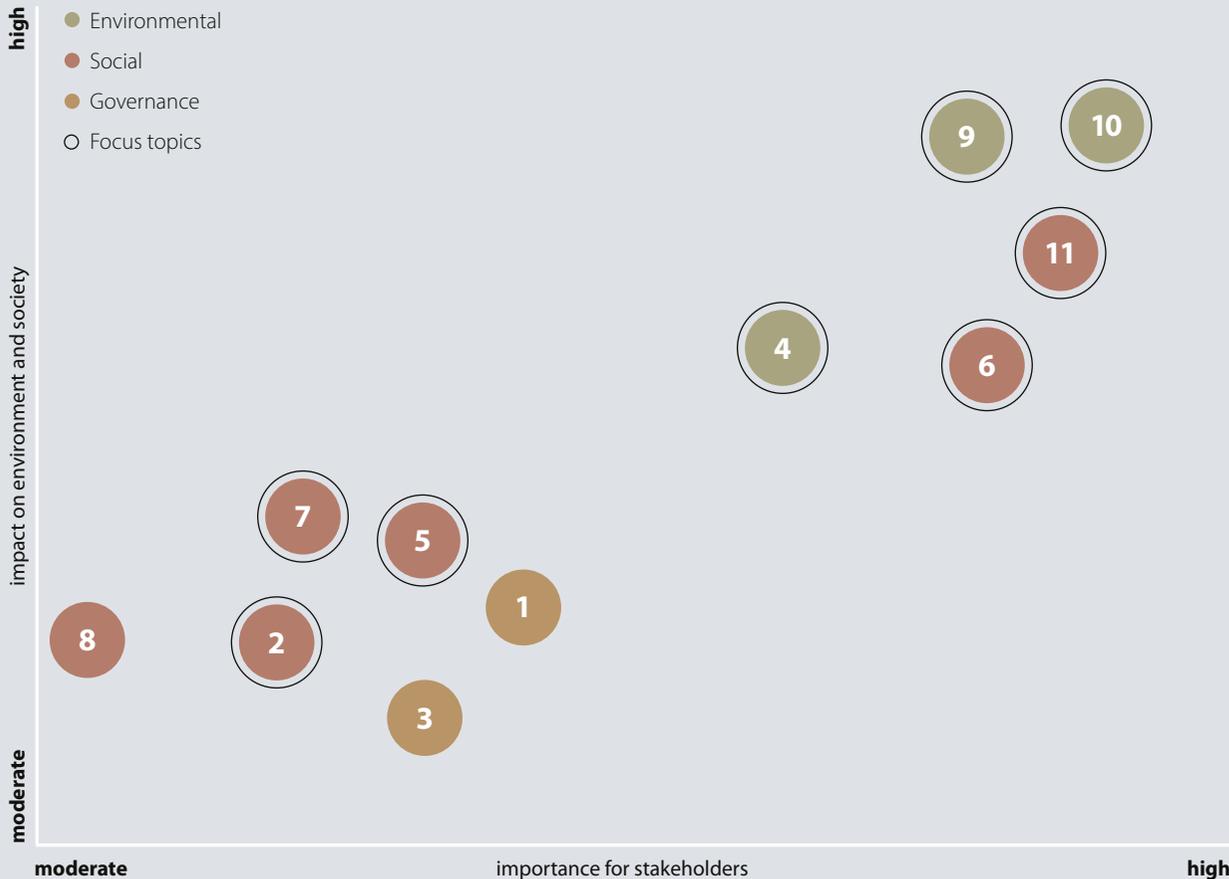
Dr. Sebastian Fritz, Head of Internal Sales and Export Management  
Forbo Movement Systems, Germany

**«To promote sustainable practices in our daily global business operations, conducting a materiality analysis is crucial. It enables us to ensure well-founded decision-making.»**



# MATERIALITY ANALYSIS

Topics that were examined in the materiality analysis:



In terms of our sustainability drive, the focus topics are given the most attention. The frame around the bubbles shown on the diagram indicates Forbo Movement Systems’ priority level. In particular, the survey confirmed just how relevant environmental topics are. The topics in this report are based on the results of this analysis.

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

# FOCUS TOPICS

The sustainability council discussed the results of the materiality analysis and ultimately incorporated nine topics into a sustainability concept. It specifies which topics we are to prioritize. Our sustainability activities are driven by these topics so that we can offer our customers appropriate products and services.



In terms of the environment, we have picked three separate topics from the two focus topics of resource consumption and energy efficiency: **Energy**, **waste**, and **sustainable materials**, in order to manage activities in a nuanced and targeted way.

From the social affairs focus topic, we have clustered topics like internal communications, employee recruitment, retention and training under **employees and training**. **Corporate culture**, **health and safety**, as well as the **sustainable supply chain**, have been incorporated into our concept without any changes.

**Risk management** and **Code of Conduct** have also been added to governance, which the first materiality analysis had not covered in the past.

We see **sustainable products and services** as a result of all our sustainability activities. All our social and ecological initiatives as well as governance, which underpins our business operations, ultimately contributes to our product portfolio.

**Sustainability management** provides the framework for our company's sustainability management and strategy and does not improve sustainability directly.

In the materiality analysis, **external communications** had a lower rating in terms of its ecological and social relevance. Our philosophy is to create content for external communication from our focus topics and share these with our stakeholders. External communications are not a sustainability activity per se.



# ENVIRONMENT

# ENVIRONMENT

We are constantly working to develop and improve our products in order to incorporate sustainability into all our product lines and processes. Part of these products contain sustainable raw materials. We improve our internal processes on an ongoing basis, investigate ways of preventing and reducing waste and liaise with partners along our downstream and upstream supply chain to provide pioneering solutions.

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



## ENERGY

- Renewable energy sources
- Energy efficiency



## WASTE

- Refusal and reduction of waste
- Recycling of waste



## SUSTAINABLE MATERIALS

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



# ENVIRONMENT

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We are committed to the Sustainable Development Goal (SDG) of the United Nations. Forbo Movement Systems analysed the 17 SDGs in terms of their importance for our business and selected defined SDGs as priorities:



Forbo Movement Systems is a global player with numerous production and fabrication sites worldwide. Consequently, we create first-class workplaces at the most diverse locations all over the world. Our products have a positive effect on other industries. Our energy-efficient Transilon Amp Miser conveyor belts decrease energy consumption while belts are running, which cuts carbon emissions.



Forbo Movement Systems emphasizes research and development and is committed to maximum quality standards and a high degree of innovation. We do not just satisfy our customers, but make a key contribution to resource efficiency, a circular economy and long product service lives. Forbo Movement Systems has a global network of service points with very skilled professionals. As a result, customers experience less downtime and our products last longer.



Forbo Movement Systems is working on numerous measures to respond to climate change. We are improving our production processes on an ongoing basis. Our goal is to use resources more efficiently, increase the use of clean and environmentally friendly technologies and deliver regularly innovations. The focus is on energy and emissions, the use of materials and preventing waste. Forbo Movement Systems already has ISO 14001 and 50001 certification at some European sites and is working steadily on making energy and environmental management improvements.



Reaching the SDGs exceeds the capabilities of individual stakeholders by far, which is why Forbo Movement Systems believes it is important to collaborate with a range of bodies from the worlds of business, politics and society.

Forbo Movement Systems is aware of the innovative potential that lies in strategic partnerships and close collaboration with customers, suppliers, academia, and industry initiatives. For instance, in 2023, we started a project on the recyclability of our belts in collaboration with a major customer and a recycling company. Forbo Movement Systems also frequently liaises with suppliers about sustainable raw materials and collaborate with universities and research organizations.

In Germany, Forbo Movement Systems is involved in a further collaborative project with REGINEE – Regionales Netzwerk für Energieeffizienz und Klimaschutz (Regional Networks for Energy Efficiency and Climate Protection). The network is part of the National Energy Efficiency Action Plan (NAPE) and the German government's Energy Efficiency and Climate Protection Networks initiative (IEEKN).

## KEYNOTE

# Opportunities due to climate change

In times of global warming and increasing shortages of natural resources, we stand by our commitment to future generations. We are aware of the profound impact our business has on the environment and society and unwavering in our commitment to making a positive contribution. We see the urgency of addressing climate change not only as a challenge, but also as a time of unprecedented business opportunity.

As an innovative thought leader with business operations all over the globe, we want to make conscious and efficient use of the resources we consume. We address social topics arising from climate change and protect fundamental human rights, such as the entitlement to a healthy environment and to work in safe conditions. We believe that corporate responsibility goes beyond the profit margin. Our commitment to sustainability is not just a moral imperative, but a strategic vision that recognizes the inherent business opportunities that arise from the global shift towards environmentally conscious practices. By aligning our business with the principles of sustainability, we can compete in a market that increasingly values and demands environmentally friendly products and services.

We are aware of our environmental and social impact and committed to making a difference by operating at the most sustainable level possible. We invest in research and development, and are reshaping our business models to be not only resilient but regenerative. From renewable energy initiatives to circular economy practices, we are actively seeking ways of not only reducing our environmental impact but also contributing to the wellbeing of our planet and rights of communities.

Marc Deimling, Executive Vice President  
Forbo Movement Systems

**“As a responsible company, we actively seek innovative solutions and sustainable practices that not only reduce our environmental footprint, but also position us at the top of a rapidly evolving market environment. The urgency of climate change not only demands responsibility, but provides a unique environment for innovation and growth.”**



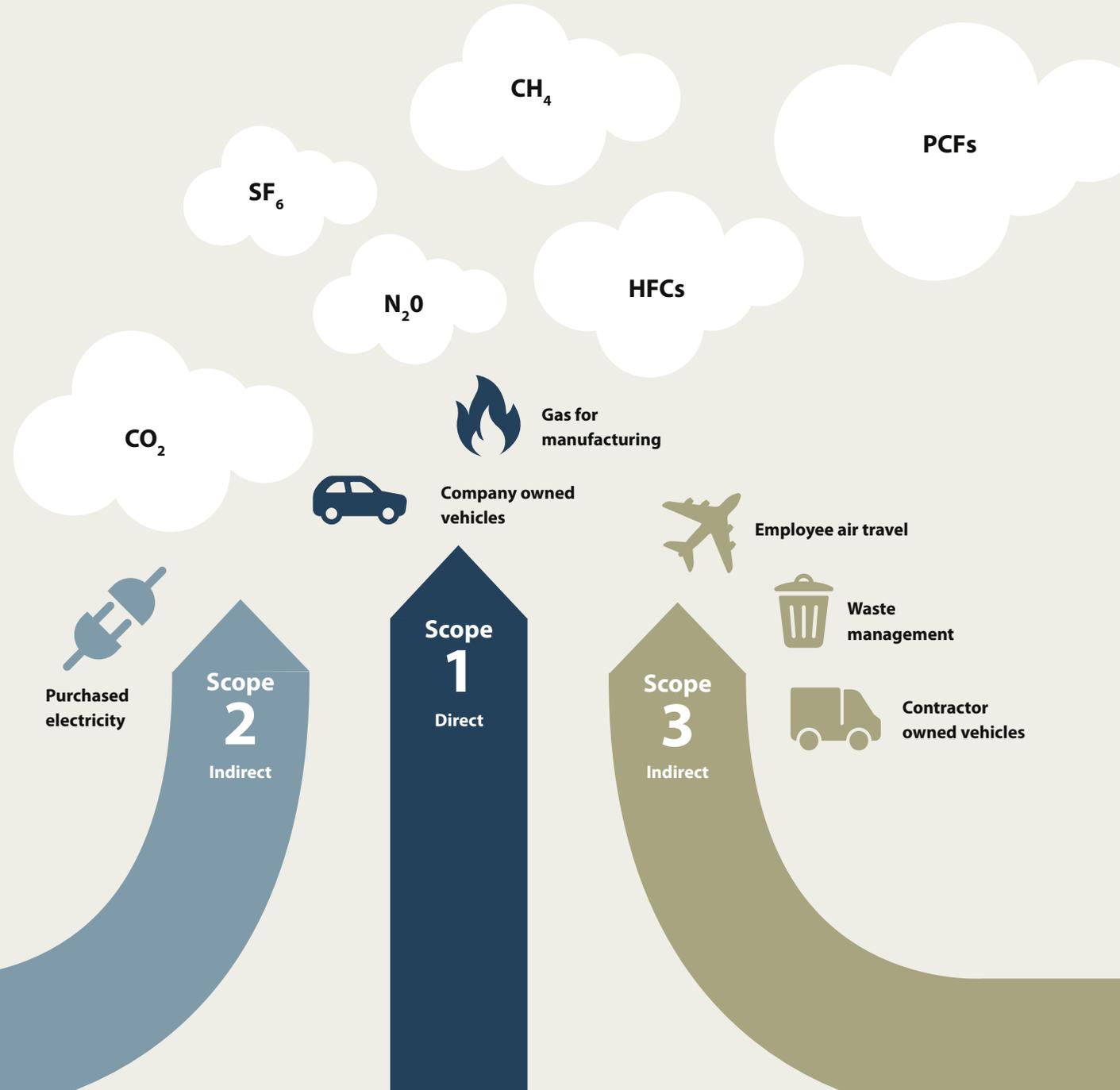
# RESULTS 2023

## CO<sub>2</sub> EMISSIONS

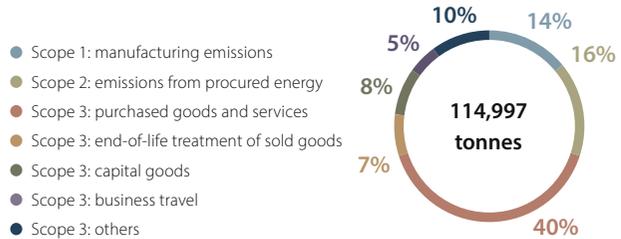
For people, communities, and eco-systems, climate change is one of the biggest challenges of our times. This is why we strive for continuous sustainability development and it is reporting.

In our report on greenhouse gas emissions, we are following the recommendations of the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol divides the emission sources to be accounted for into three Scopes. Scope 1 includes direct emissions generated by combustion processes. Scopes 2 and 3 comprise the indirect emissions caused by the external electricity supply (Scope 2) and our business operations along the supply chain (Scope 3).

We calculated our corporate carbon footprint for Scope 1 and Scope 2 for the first time in 2022. In 2023, we have also calculated our corporate carbon footprint for Scope 3 for the first time. This increased transparency allows Forbo Movement Systems to steer climate-related activities as part of our sustainability management system in a more targeted way and to take action in order to cut carbon emissions consistently.



### Our CO<sub>2</sub> footprint in 2023



### Scope 1 and Scope 2 emissions

In 2023, we improved the process and data quality for both scopes. As a result, we created an enhanced baseline that we will refer to from now on. Consequently, we are reporting higher carbon emissions in 2023 for both scopes compared to last year. For Scope 1, major changes were conducted when calculating the process emissions. Scope 2 was refined too, in order to separate the results by taking a location-based approach and market-based approach, based on the GHG Protocol. Scope 1 and Scope 2 make up 29% of our total carbon emissions in 2023.

**Scope 1 and Scope 2  
Carbon emissions at our sites**

**33,840  
tonnes CO<sub>2</sub>**

**Scope 1 and Scope 2  
Our products carbon emissions**

**6.9 kg CO<sub>2</sub> per  
m<sup>2</sup> produced**



### Scope 3 emissions

These are indirect emissions, that derive from the extraction, production, and processing of the energy sources used, as well as emissions from activities in different areas along the upstream and downstream value chain. Based on the GHG Protocol, these activities are divided into 15 categories. Out of the 15 categories proposed from the GHG Protocol, we have included ten categories in the calculation as being relevant to our business activities.

We identified some 87% that is related to upstream emissions while around 13% stem from the downstream value chain. From all categories, purchased goods and services is by far the most relevant one. It is followed in relevance by capital goods, end-of-life treatment of sold goods and business travels. The other categories have been summarized under the category others.

The materials we purchase are mainly plastics, such as polyester fabrics, polyvinylchloride or polyurethane. These materials inherently mean high carbon emissions, which becomes visible in our Scope 3 purchased goods and services.

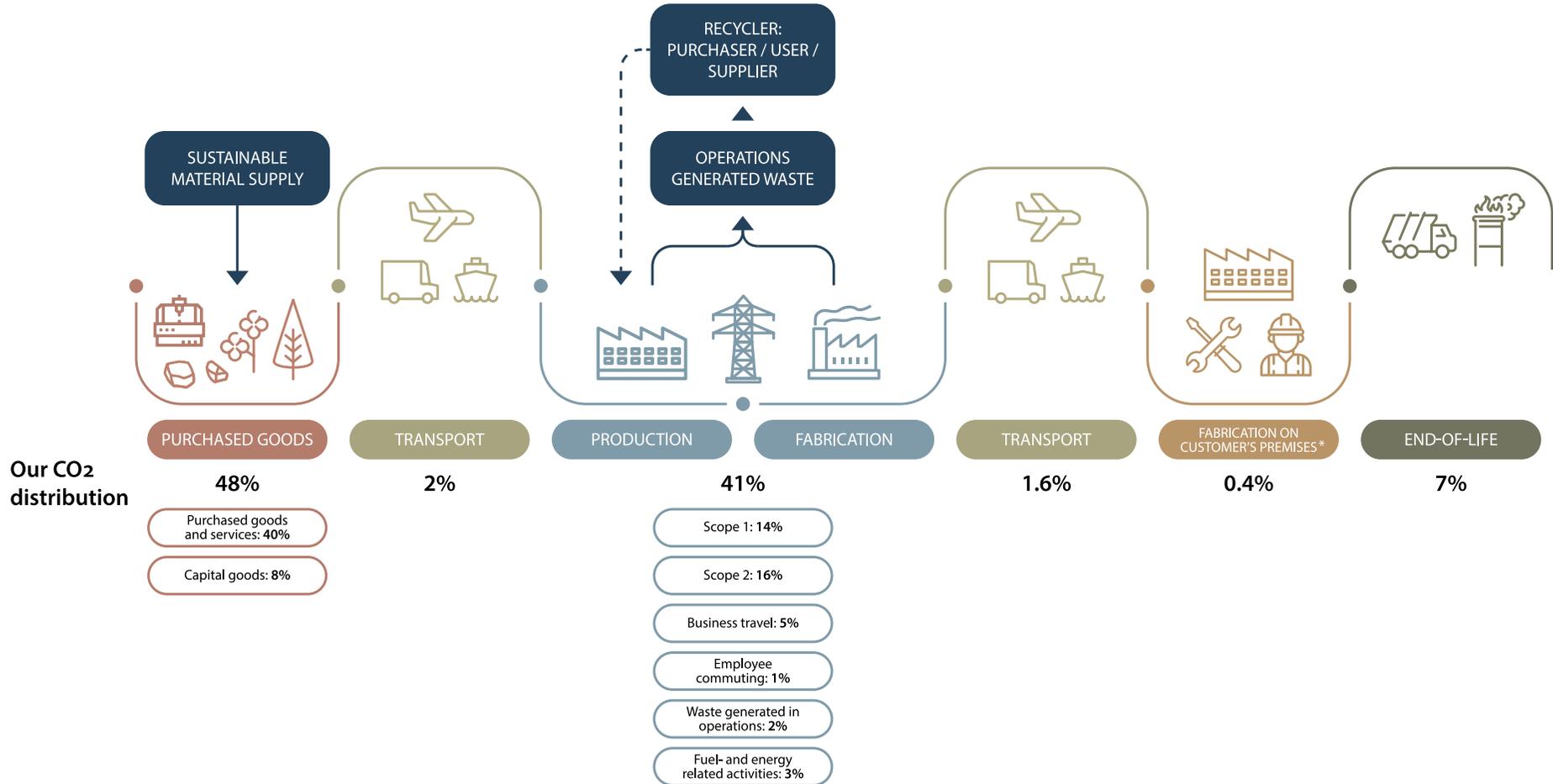
As we are a manufacturing organisation with production and fabrication facilities capital goods are as well an essential category. CO<sub>2</sub> emissions related to capital goods fluctuate, as the investment is counted for the year of the purchase, following the GHG Protocol. One step to reduce investments is a continuous and profound maintenance of the machinery. This is essential to Forbo Movement Systems.

The materials that are input to our products also influence the emissions released at the end-of-life. To make sure our products remain at the end-of-life still a valuable product is a relevant lever to be pulled for reduction of the CO<sub>2</sub> emissions. This is where we have started to partner and look for innovations. Furthermore, Forbo Movement Systems is a truly global organisation and even though numerous meetings have been transferred from personal to online sessions, it is still necessary to visit partners in person, which accounts in our CO<sub>2</sub> balance for business travels.

The insights show the levers we use to reduce our CO<sub>2</sub> emissions.

## Our carbon footprint along the value chain

Our Scope 1 to Scope 3 carbon emissions are clustered along our value chain. This new transparency will enable us to act even more responsibly and choose the right course towards reducing our greenhouse gas emissions and help to protect our planet.



\* Processing of sold goods

# CO<sub>2</sub> EMISSIONS ALONG OUR VALUE CHAIN

For an in-depth overview of our emissions, please refer to the table below:

Scopes and categories	2023 (tonnes CO <sub>2</sub> )	Scopes and categories	2023 (tonnes CO <sub>2</sub> )
<b>Scope 1: Total direct emissions from owned / controlled operations *</b>	<b>16,043</b>	<b>Scope 3: total emissions from extraction, production, and processing of the energy sources used as well as emissions that result from activities along the upstream and downstream value stream</b>	<b>81,157</b>
Scope 1: direct emissions from owned / controlled operations, stationary combustion	13,654	<b>Upstream emissions (Scope 3)</b>	<b>70,793</b>
Scope 1: direct emissions from owned/ controlled operations, mobile combustion	772	Category 1: purchased goods and services	46,345
Scope 1: direct emissions from owned / controlled operations, process emissions	1,614	Category 2: capital goods	9,476
Scope 1: direct emissions from owned / controlled operations, reffridgerant losses	3	Category 3: fuel and energy related activities	3,437
<b>Scope 2: total indirect emissions from the use of purchased electricity, steam, heating, and cooling (market based approach) *</b>	<b>17,797</b>	Category 4: upstream transportation and distribution	2,102
Scope 2: indirect emissions from the use of purchased electricity	17,797	Category 5: waste generated in operations	2,504
Scope 2: indirect emissions from the use of purchased heating, of which the heating would otherwise be considered waste	-	Category 6: business travel	5,279
Scope 2: total Indirect emissions from the use of purchased electricity, steam, heating, and cooling (location based approach)	19,240	Category 7: employee commuting	1,650
		Category 8: upstream leased assets **	-
		<b>Downstream emissions (Scope 3)</b>	<b>10,364</b>
		Category 9: downstream transportation and distribution	1,709
		Category 10: processing of sold products	380
		Category 11: use of sold products **	-
		Category 12: end of life treatment of sold products	8,274
		Category 13: downstream leased assets **	-
		Category 14: franchises **	-
		Category 15: investments **	-

\* Scope 1 and Scope 2: emissions differ from our first-time calculation in 2022. The data were refined, and the calculation approach has been adjusted, to achieve a higher quality of the results.

\*\* not in scope

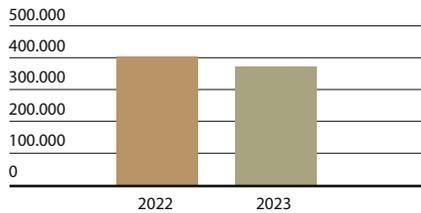
# ENERGY

## OUR PROGRESS

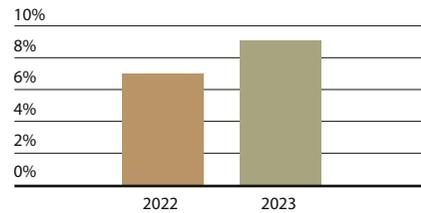
Our total energy consumption in 2023 is also influenced by the actual production volume, which was slightly below that of the previous year. A lower production volume can lead to loss of efficiency as not all parameters can be optimally adjusted during manufacturing and production. For this reason, Forbo Movement Systems cannot evidence any increase in efficiency per produced square meter. In 2023, 75 megajoule (MJ) were used per produced square meter.

Forbo Movement Systems was able to significantly cut total energy consumption in 2023 compared to the previous year and increased the percentage of renewable energy in the global energy mix by 30%. The drop in total energy consumption is based one-third in the electricity sector and two-thirds in the fuel consumption sector.

Development of total energy consumption [GJ]



Share of energy from renewable source



2022 energy data was recalculated retrospectively in 2023 on the basis of new data insights.



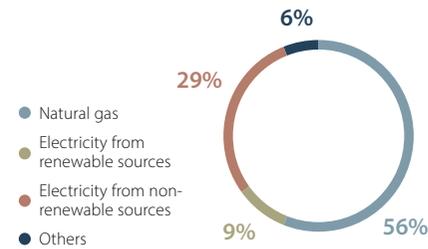
# ENERGY

## OUR PROGRESS

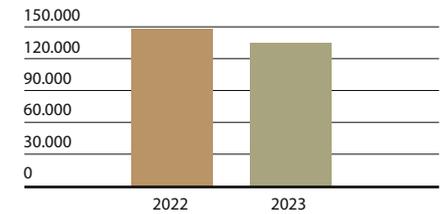


In 2023, Movement System sourced 9% of total required energy from renewables. Use of fuels from renewable sources is not yet possible. The increased proportion in the global energy mix is therefore due to an increase of renewable energy in the electricity mix. The main energy sources for our business activities were natural gas, followed by electricity from renewable and non-renewable energy sources. A small part of the global energy requirement was covered by fuel, such as heating oil or diesel. We source up to 23% electricity from renewable energy sources. This means we are significantly closer to our medium-term aim of reaching 25% renewable energy in our electricity mix.

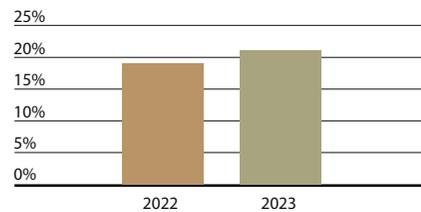
### Energy consumption by energy sources



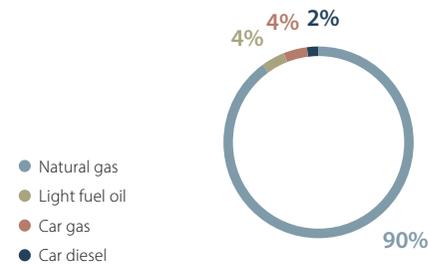
### Development of electricity consumption [GJ]



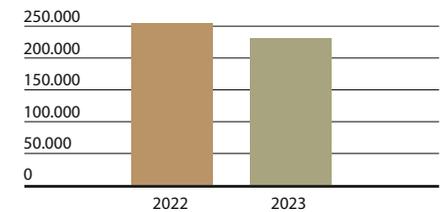
### Share of electricity consumption from renewable source



### Fuel consumption by fuel source



### Total fuel consumption [GJ]



# ENERGY

## OUR INITIATIVES IN 2023

### EN ISO 50001

The German sites are leading within Forbo Movement Systems when it comes to launching an EN ISO 50001 energy management system. The goal is to cut energy consumption consistently. A dedicated energy management team develops long-term strategies to ensure this goal is achieved. Participation in the German regional network for energy efficiency and climate protection helps us gain from the experience of other companies and vice versa. The steps we take to cut energy consumption are based on increasing awareness of the areas where consumption is caused. The improvements trialed in Hanover and Garbsen (Germany) are in the future to be transferred to other sites.



Our plants are continuously working on energy efficiency measures. For example, the first four of 20 temperature control units have been replaced by more energy-efficient units in one of our production halls in Denmark. We have also procured a frequency-converted material system that allows us to regulate the vacuum pumps. We also have installed a cooling system to reduce the load on the refrigeration compressors. These projects and other projects lead to an annual CO<sub>2</sub> reduction of approximately 7 tonnes.

Our site in Pinghu, China, invested in eight new motors on the production, significantly increasing the energy efficiency level by more than 46,000 KWh. A boiler burner was also replaced, leading to a significant nitrogen oxide reduction of more than 3.5 tonnes per year.

Measures were implemented to reduce the use of natural gas in our manufacturing center in Slovakia. This included lowering the heating temperature in the production areas, while still complying with legal temperature limits, and introducing rules for the opening and closing of doors when loading/unloading goods. New doors were installed and the loss of warm air through the flues could be considerably reduced by improved external insulation of the flues.

The Swiss production site has upgraded the ventilation system in the mixing room. The edge extraction system for the chemical drums was connected to the regenerative afterburning system so that solvent vapors can be environmentally disposed of.

Our plants continuously replace illuminants with energy-efficient LEDs. For instance, Germany realized an annual CO<sub>2</sub> reduction of 82 tonnes by fostering the replacement of illuminants with LEDs and another 3.8 tonnes CO<sub>2</sub> is being saved annually by the conversion to LED lights in

our production site in Switzerland.

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

### Renewable energies

Photovoltaic systems were installed on the roofs of our production site in Denmark and our manufacturing center in Garbsen, Germany. A total of 926 solar modules were installed across both sites. An annual CO<sub>2</sub> reduction of 73.5 tonnes will be achieved through these two projects.

We will cover approximately 20% of annual current consumption with the photovoltaic system in Garbsen. The system was connected to the mains in December 2023. The produced electricity will be used 100% for light and production of belts during operating hours. Excess electricity will be fed into the public network outside of operating hours. The system will be connected to the public network so that positive effects will be noted in the coming years. The photovoltaic system in Lunderskov, Denmark, is presented in more detail on the next page.

The available charging points for e-vehicles have been trebled in the European sites. Forbo Movement Systems can increasingly entuse employees for an electric company car. The corresponding charging infrastructure for the further expansion of the company fleet is therefore planned.

### ISO 14001

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





576 solar panels were installed on the roof of the production plant in 2023.



The photovoltaic system at our site in Lunderskov, Denmark, enables us to cut carbon emissions by 27.5 tonnes annually.

## SUCCESS STORY

# Here comes the sun. Empowering sustainability

In June 2023, we embarked on an initiative to improve our operational sustainability by installing a photovoltaic system on our production plant's roof in Lunderskov, Denmark. The installation of a 236 kWp photovoltaic system on the roof of this facility, built in 2020, was not just a technological upgrade. It is a key step toward a more energy-efficient future, independence from conventional energy sources and cutting production costs.

One of this initiative's primary objectives was to decrease our reliance on conventional energy sources. By harnessing the sun's energy to power our production lines, we have significantly reduced our dependence on external energy suppliers. This new independence gives us greater control over our operations, reduces our exposure to volatile energy prices and helps save costs in the long term. But this initiative was about more than just cutting costs.

**Christian Pedersen, Project Manager**  
Forbo Movement Systems, Denmark

**“We took an important step towards a more energy-efficient future, independence from conventional energy sources and reducing our operational cost.”**

Our photovoltaic system expresses our responsibility towards the environment. The electricity we now generate on-site is produced in an environmentally friendly manner without any greenhouse gases. This system means 27.5 tonnes fewer carbon emissions annually and is quantifiable evidence of our commitment to minimizing our carbon footprint.

“During the installation of the photovoltaic system, production continued. Which demonstrates our ability to reconcile environmental responsibility with operational efficiency,” emphasizes Christian Pedersen, Project Manager at Forbo Movement Systems, Denmark. “We fulfilled all our customers' orders – but now in even more environment-friendly way.”

The photovoltaic system in Lunderskov, as one of our sustainability initiatives, is indicative of our broader commitment to environmental stewardship.

# WASTE

## OUR PROGRESS

Waste occurs the moment resources are extracted, during production and fabrication, while the product is being used and at the end of its life. Forbo Movement Systems' responsibility is to manage this waste in the best possible way, prevent, reduce and find ways of recycling it. If no other solutions exist, we ensure that waste is disposed of sensibly and properly.

Our top priority is to conserve all resources by using all materials responsibly. We are fully focused on consuming and recycling products, packaging, and materials without incinerating them and not discharging waste into the soil, water, or air, that harm the environment or people's health.

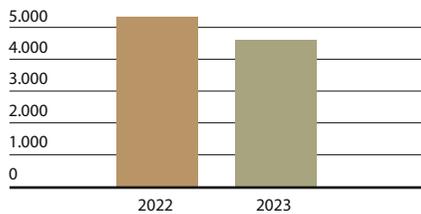
### Progress

In 2023, Forbo Movement Systems cut the quantity of total waste by 16% compared with the previous year. We were able to list the recycling rate of hazardous waste at our production and fabrication sites. We recycled 4% of our hazardous waste by sorting it according to type and discarding it, but we can not differentiate be-

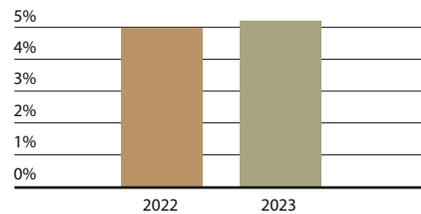
tween material recycling and energy recovery at the moment. This also applies to the recycled percentage of non-hazardous waste. Around one sixth of non-hazardous waste was recycled globally.



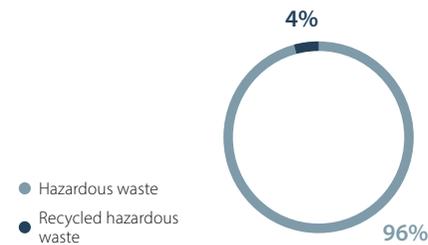
Development of waste [t]



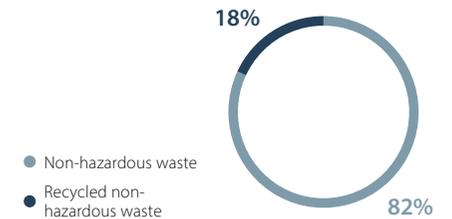
Share of hazardous waste on total waste produced



Share of recycled hazardous waste on total hazardous waste



Share of recycled non-hazardous waste on total non-hazardous waste



# WASTE

## OUR INITIATIVES IN 2023

### Refusal and reduction

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

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

Furthermore, we rolled-out a project that significantly increased the recycled percentage of wooden frames, used to ship our Prolink modules. These are produced in Denmark and stored in our fabrication center in Slovakia, which means frequent shipping between the production sites. The wooden frames are now used multiple times.

### Recycling

A permit was obtained from the Slovakian authorities that allows our employees at the fabrication site to take home and reuse materials collected at the site and recycle them for their own personal use. This means that belt remnants can be turned into car trunk mats, floor mats and other creative items.

Belts that are no longer suitable as processing and conveyor belts because they are faulty, or the wrong sizes, are sold to recycling companies that offer our products for other applications. Instead of generating refuse, a new product is created from our post-industrial waste.

In Hanover, all the waste from the Fullsan product line was collected and forwarded to a recycling company. This company then regranulates our

material. This procedure is possible primarily due to the homogenous nature of the Fullsan material. The regranulated Fullsan material is reused in production. Because it is reused, we can close the loop. A similar method is also adopted during the production of Prolink. At our plant in Denmark, Prolink production waste is fed directly back into production.

It is our top priority to minimize production waste generated by Fullsan and any other product line. Waste already generated is to be used as efficiently as possible however.

At our production site in Lunderskov, Denmark, the collection points for various types of waste were increased to 13. On the one hand, this initiative boosts the plant's recycling rate and, on the other, raises employees' awareness of recycling and how to use resources carefully.

We encourage people to separate waste at our sites so that it is returned to the loop. This is a way of ensuring that we increase the recycled percentage of the hazardous and non-hazardous waste we generate and send less waste for incineration.

Hazardous waste accounted for 4% of our total waste in 2023. We treat this waste category responsibly and consistently check whether non-hazardous alternatives exist so that we can decrease our proportion of hazardous waste.

### Partnering for end-of-life recycling

Many of our conveyor belts have a top layer of PVC and a bottom layer of polyester together with various other additives that facilitate certain belt properties, or belt performance. From a technical point of view, this combination of raw materials is not easy to recycle. We are collaborating

with external partners and research facilities on various initiatives to develop solutions.

We started a key project as part of the SyncUp! Challenge, which was initiated by REWIN West-Brabant, the regional development company that specializes in developing and implementing sustainable recycling solutions.

We are carrying out the project with Vanderlande, a global, Netherlands-based OEM offering logistics process automation for warehouses, airports, and parcel services, and a recycling firm called Vinylrecycling, also from the Netherlands.

Vinylrecycling has in-depth PVC recycling expertise and offers pragmatic ways of processing or reusing this versatile material.

Vanderlande, SynchronUp!, Vinylrecycling and Forbo Movement Systems' endeavors are in tune with our environmental awareness and sustainable business practices. By developing an efficient recycling process for conveyor belts, we want to play a key role in conserving resources and creating a more environmentally friendly future.

# SUSTAINABLE MATERIALS

## Renewable material usage

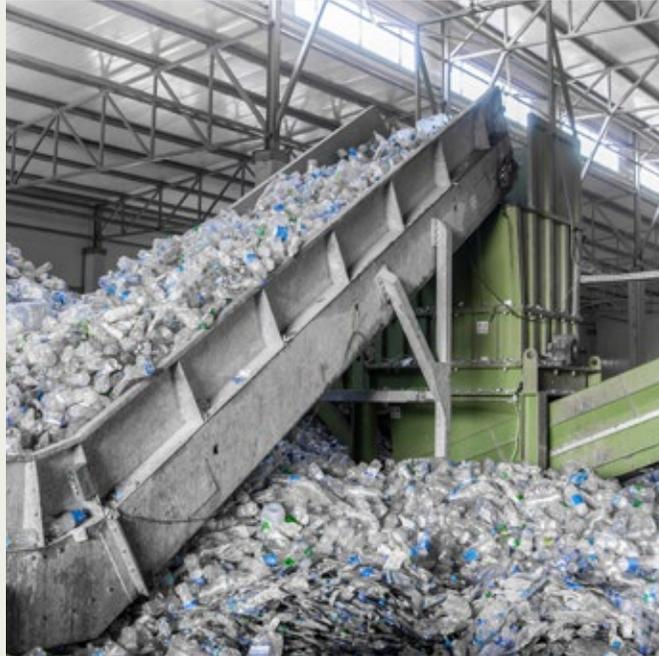
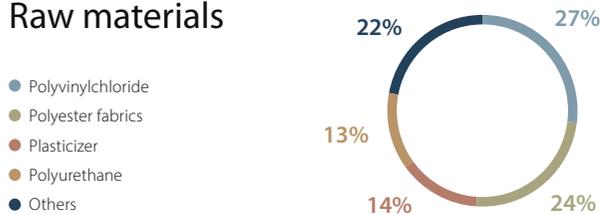
Much of our packaging consists of renewable materials because we use cardboard and wooden boxes to ship our products. Our conveyor belts are made of composite materials, which means that opportunities for including renewable raw materials are limited to specific products.

### Materials used



In 2023, Forbo Movement Systems purchased 19.000 tonnes of input materials for our primary products. Polyester fabrics make up the largest share of raw materials, followed by polyvinyl chlorides, plasticizers and polyurethanes. Around a fifth of the raw materials are reported as "other". This includes additives such as calcium carbonates and soybean oil.

### Raw materials



## Recycled input material usage

In 2023, fabrics from recycled PET yarns used in our products were validated and we launched further Transilon ECOFIBER belts made of these fabrics. Yarns made from recycled PET bottles produce the same high-quality fabrics as virgin yarns made from conventional polyester. Yarns made from recycled polyester allow us to mitigate the impact of vast quantities of discarded plastic bottles that pollute our oceans or end up in landfills worldwide.

## Bio-based raw materials

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



# SUSTAINABLE PRODUCTS AND SERVICES



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

To increase trust in the sustainability promises we make, we collaborate with independent partners to certify the benefits. Our promises are based on proper scientific testing methods.

## GREEN PRODUCTS

## SUSTAINABLE PERFORMANCE PRODUCTS

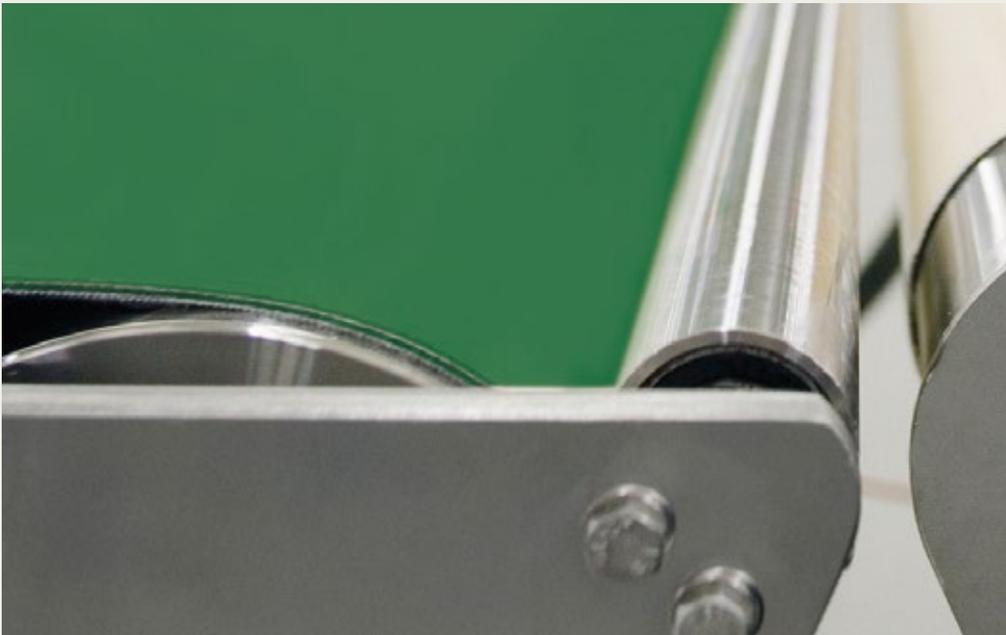
## SUSTAINABLE SERVICES

## END-OF-LIFE RECYCLING

# GREEN PRODUCTS

## WE BELIEVE THEY ARE POSSIBLE

Forbo Movement Systems reduces carbon emissions by replacing the raw materials used in our products with more sustainable alternatives, such as recycled input material, or renewable raw materials. We aim for offering our customers a broader range of sustainable products and enhancing the positive impact of sustainable raw materials on our carbon emissions, without making our product portfolio more complex.



### ECOFIBER

We launched further versions of Transilon ECOFIBER, which is made of fabrics using yarns from recycled PET bottles. This is the beginning of our initiative to incorporate recycled input materials into our products. If we take just 30 of our Transilon belts, the potential annual savings are approximately 1,400 tonnes of carbon dioxide if only recycled PET yarns are used. One tonne of carbon dioxide is equivalent to driving a car with a fuel consumption of 5 litres per 100 kilometers per some 5,000 kilometers.

### BIOBELT

Green used to mean simply a conveyor belt's color. In BIOBELT's case the color refers to the belt's composition. Made of 20% or more renewable raw materials, BIOBELT is the eco-friendly alternative to traditional conveyor belting that can easily replace standard belts in many applications. Developed by a global team of researchers, BIOBELT is the right choice for any conveyor operators who adopt more than just a sustainability mindset, but consistently pursue a sustainability strategy. Successful tests in real-world conditions show that BIOBELT products are just as ideal for airports as for parcel sorting, logistics centers and for industrial production.

# SUSTAINABLE PERFORMANCE PRODUCTS

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

Product durability and performance of the belt pays off, both to our customers and the environment. Our belts are an eco-friendly and efficient alternative to other methods of transportation in intralogistic processes.



## EASY RELEASE

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

## PATENTED SMARTSEAL

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

## EXTREMULTUS POWER-TRANSMISSION BELTS

Drag belts are special developments with exceptional mechanical and electrostatic characteristics that make conveying and handling electronic components safer and more efficient. Easier accumulation with the one of the latest belt versions, which has consistently low friction coefficients on the top face and underside, means energy savings of up to 50% compared with standard types. Thanks to its superior abrasion resistance and stable, fray-free belt edges, the product also has a long service life. What's more, the highly conductive characteristics allow the static electricity generated in the conveyor to be dissipated in a more controlled manner.

## AMP MISER

These are energy-saving belts. Due to their significantly lower coefficient of friction, the Amp Miser belt is ideal where a conveyor's energy losses are the greatest – the friction pairing between the underside of the belt and the slider bed. Adding our patented Texglide to the underside fabric results in a low-friction layer that acts as a permanent dry lubricant and therefore minimizes energy consumption. Amp Miser conveyor belts provide maximum benefit in applications where materials are conveyed continuously and where many belts are in operation: at airports and in logistics or distribution centers. Energy savings of up to 50% were measured in total for conveying systems like these.



See our certificate here

German inspection body TÜV Rheinland certified the superior savings potential of Amp Miser belts.



We received the "Best of Industry Award 2023" in the category "Best Sustainability Project" for our innovative new version of Amp Miser. With this award, MM MaschinenMarkt recognizes innovations and new approaches that excel in meeting the challenges of the present and the future.

## SUCCESS STORY

# AMP MISER – focusing on energy saving

Our goal is to maximize environmental friendliness and increase product value. Which is why we have been successfully conducting research and development by collaborating with OEMs and users for many years. Our energy-efficient Amp Miser conveyor belts are a prime example. Compared with standard conveyor belts, they verifiably save up to 50% of power requirements. They cut electricity consumption, therefore decreasing energy costs and causing lower carbon emissions. Amp Miser belts' friction coefficient is much lower. As a result, they have an impact where a conveyor's energy losses are usually the greatest, by the friction caused between the underside of the belt and the slider bed. Impregnating

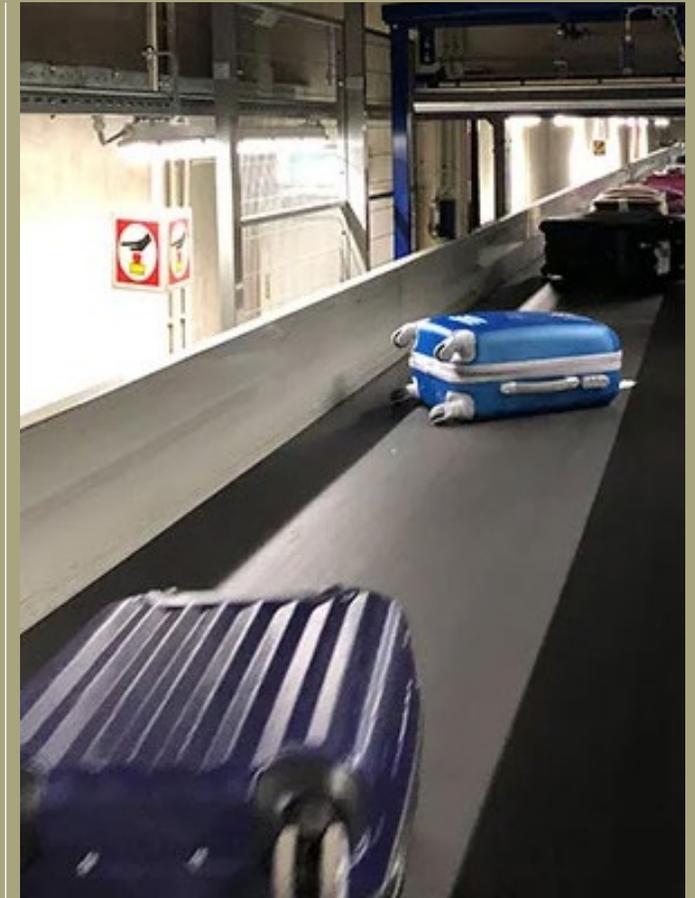
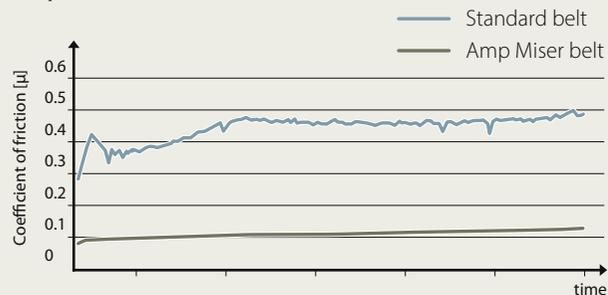


the underside fabric with patented Texglide creates a sliding layer that consistently acts like a dry lubricant, consequently minimizing friction and energy consumption in turn.

The benefits of Amp Miser conveyor belts are seen particularly where products are constantly conveyed and lots of belts are used, such as in airports, logistics and fulfilment centers.

A major sporting goods manufacturer in Belgium procures its conveyors from a general contractor in Holland. Amp Miser replaced the standard, black, PVC belts that were previously fitted to an existing conveyor for boxed sneakers. The subsequent energy measurement revealed savings potential of up to 54%. The lower energy costs automatically mean a better return on investment for the whole system. Capacity can also be increased because more products are conveyed at once – and the energy costs are lower too.

Compared with standard types, in typical applications with long conveyors and heavy loads, **up to 50 % energy savings are possible.**



Schiphol airport is the biggest in the Netherlands. A project to cut energy consumption was started with a baggage conveyor system OEM. Energy losses in a conveyor are normally at their greatest where friction occurs between the underside of the belt and the slider bed. After measuring the energy consumption on the belts previously used, these were replaced by Amp Miser. The subsequent comparative measurement produced energy savings of 40%, while the friction coefficient on the underside stays the same.

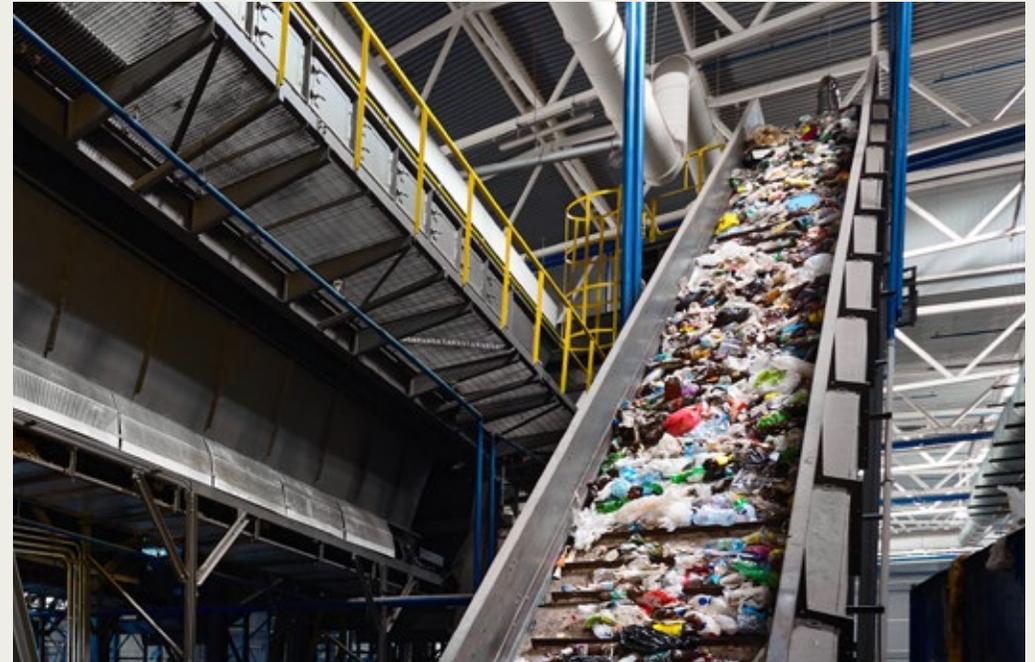
# SUSTAINABLE SERVICES

In addition to sustainable products, we provide a global network of highly skilled service teams to increase our products' service lives in any location. Instead of replacing belts, we extend their useful lives by repairing them wherever feasible. Service staff trainings in basic sustainability concepts offer our customers added value by extending the belts' lifetimes, identifying machines' energy efficiency potential and changing belt settings in customers' sites.



# END-OF-LIFE RECYCLING

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



# SOCIAL



# SOCIAL DIMENSION

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



## HEALTH AND SAFETY



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

## SUSTAINABLE SUPPLY CHAINS



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

## CORPORATE CULTURE



- Forbo Way to Win (company values)
- Employee involvement

## EMPLOYEES AND TRAINING



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

# SOCIAL DIMENSION

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We are committed to the Sustainable Development Goal (SDG) of the United Nations. Forbo Movement Systems analysed the 17 SDGs in terms of their importance for our business and selected defined SDG as priority:



Our employees' health and safety has top priority. Health and safety throughout our processes, from warehousing the raw materials to handling hazardous materials and chemicals all the way to operating machines are fundamental aspects. Employees are provided with the training and information required, as well as safe health and safety equipment. The goal is to prevent any accidents at all and maximize safety.

We offer our customers high-quality, safe products, which have a positive impact on health and safety in their own companies. Examples include using belts that are quiet when they operate on machinery (low noise belts), or where certification above and beyond the statutory standards means greater safety on the customers' premises.

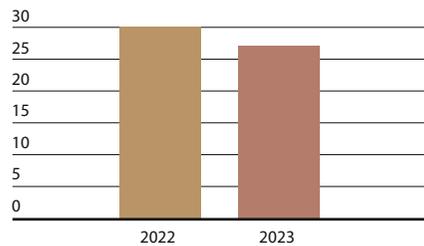


# HEALTH AND SAFETY COMMITMENT TO PRIORITIZING SAFETY

At Forbo Movement Systems, our sustainability policy is supported by safety in the workplace. Health and safety is not just a duty, it is integral to our commitment to our workforce.

We apply the lost time injury frequency rate (LTIFR) and work-related injuries with recorded sick days as our key performance indicators of our » safety initiatives' effectiveness. In 2023 the LTIFR is 10.2. This figure constitutes an improvement of 0.2 in the rate of accidents at work with days lost to sickness worldwide. Furthermore, work related injuries with recorded sick days decreased by 3 incidents in 2023. The number of days lost due to work-related accidents in the reporting year was 547. Our goal is to proceed and extend this trend. By taking specific action to reduce accidents in the workplace, we want to cut the rate of accidents at work with days lost to sickness to 8.9 by the end of 2024. Our long-term vision is one of zero tolerance for accidents at work.

## Lost time injuries



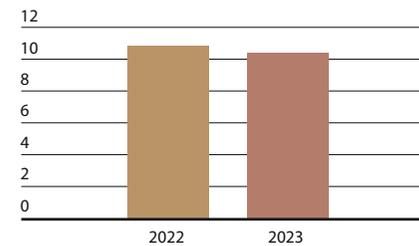
In 2023, to continue reducing accidents at work and therefore the risk to our workforce, numerous measures were drawn up and implemented at our production and fabrication sites worldwide. Our established health and safety policy also supports our objective to cut the number of accidents and prevent any injuries to our employees, or harmful impact on their health. Consistent improvement processes help us to implement company policy. The action taken is proving to be successful and translating into an improvement of the LTIFR.



**Andrea Reinecke, Health and Safety Officer  
Forbo Movement Systems, Germany**

**«Involving and empowering the workforce are the keys to safety.»**

## Lost time injury frequency rate (LTIFR)



The lost time injury frequency rate represents work-related injuries with recorded sick days in relation to the total labour hours worked, multiplied by a million. The baseline 2022 was revised, in favour of an enhanced methodology. The indicator is reported to top management every month as part of our safety reporting system. We consistently analyze all potential sources of accidents and incidents that occur. We initiate appropriate measures to improve our overall safety performance. Our workforce's growing safety awareness is key to lowering the total accident frequency rate.

# OUR HEALTH AND SAFETY INITIATIVES IN 2023

From our perspective, safe working conditions are a basic requirement to operate a business successfully. It is our utmost to guarantee safe working conditions and well-being for our employees, business partners and other stakeholders involved with our products.

We comply with local health and safety legislation. Our employees receive regularly updated guidelines and instructions to keep them well informed about national and regional regulations. In organizational terms, we respond flexibly and pragmatically to individual situations and regulations regarding working hours. By offering options such as remote working, staggered shifts, providing protective face masks, issuing sanitizers and taking other organizational steps, we are able to protect our employees health successfully.

## Training

In 2023, in-depth job-safety analyses were updated and expanded at various sites. Regular training courses on improvements in the working methods are conducted at all our employees' workplaces.

## Investments

We consistently take steps to lower the risk of accidents in the workplace. For instance, in 2023, we replaced the fleet of forklift trucks at our fabrication site in Malacky, Slovakia. Forklift trucks are vital pieces of equipment in our plants. The new forklift trucks come with safety belts and cameras so that drivers can place objects on high warehouse shelves safely. Safety mesh was also fitted to the highest shelves in the warehouse to minimize the risk of pallets slipping and falling.



## Documentation and reporting

Any accident or near-accident at work and the associated corrective action is documented in writing at all our production and fabrication sites. This documentation is sent to the local management team straight away and reported alongside the development of the LTIFR to the top management team each month. As part of this process, the action taken to ensure safety in the workplace is consistently monitored to see whether further action is required.

We foster a positive reporting culture among the workforce to ensure that incidents are reported fairly and openly to line managers. Our employees can rely on quick feedback from managers about incidents. They receive all necessary resources to take preventive action to avoid a repetition of an accident.

## Internal audits

Frequent internal audits help to raise employee awareness of health and safety and risks at workplace. At our site in Huntersville, US, internal audits in different workspaces are carried out every two weeks. Health and safety information is provided periodically to all employees at our sites in Germany and in the US.

## Preparation for ISO 45001 certification

In 2023, we started to prepare for internationally recognized health and safety certification at two sites. In future, this will allow us to act even more professionally within an official health and safety management system.

## Exoskeletons prevent back problems

To prevent back problems and keep employees fitter, we use exoskeletons at our Hanover production and Garbsen fabrication sites. Exoskeletons are mechanical structures that support the muscles while wearers are carrying out physical work. To prevent injuries caused by strain and to maintain performance, they support the body while employees are doing particular types of work.



## Personal protective equipment

We provide our employees with high-quality protective workwear, as well as respiratory masks with special filter systems. This ensures that they have superior protection from potential hazards and can work in a safe environment. The provision of this personal protective equipment underlines our commitment to employee health and safety. At the same time, it allows us to foster a productive and responsible workplace culture in our company.

## Employee assistance program

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

## First-aid kits and defibrillators

We have put first-aid kits in strategic places at all our German sites. This equipment allows fast and effective action should injuries or accidents occur – not just for trained first responders. We have fitted defibrillators in all our departments so that life-saving steps can be taken in an emergency.

## Collaboration with trade associations and special needs authorities

We collaborate closely with trade associations and special needs authorities in Germany. As a result, we are always up to date on safety guidelines and regulations. We talk to trade associations frequently to ensure our health and safety standards are up to date. Consequently, we can guarantee superior levels of safety. We also work closely with special needs authorities so that employees with disabilities are given appropriate support. This collaborative approach helps ensure that these employees are given the help they need to reach their full potential.

## Evacuation drills

Guaranteeing the safety of our employees requires preventive action and specific preparation for any emergencies. Which is why we carry out frequent evacuation drills to ensure that our staff can react quickly and efficiently should one arise. These drills help familiarize people with the evacuation plan and allow realistic simulations of emergencies. A structured analysis of these drills allows us to identify weak points in our evacuation plans and to improve our preparations for emergencies on an ongoing basis.



# SUSTAINABLE SUPPLY CHAIN



As part of corporate due diligence, Forbo Movement Systems prevents the risk of human rights breaches, not just at its own sites, but also along the supply chain. This includes Forbo Movement Systems' relationships with suppliers, customers, and other business partners.

To prevent human rights violations at an early stage, we work with professional suppliers. We also require our suppliers to comply with either the Forbo Code of Conduct, or comparable regulations in their own companies. We encourage honest collaboration with our suppliers and carry out random audits of our business partners.

We do not just select our strategic suppliers based on commercial parameters, but ethical and ecological ones too. We have in-depth guidelines in place to identify, prevent, and mitigate risks associated with child labor and conflict minerals.

Potential suppliers must pledge to respect human rights and working conditions, rule out child labor and treat other cultures and our ecological resources with respect.

We carry out annual audits and report whether good grounds exist to suspect child labor in the regions it procures its feedstock from. This is carried out on the basis of the UNICEF index<sup>1</sup>.

If, for instance, there is good reason to suspect child labor, a predefined process is initiated that eliminates and/or mitigates the risk of potential cases. In situations like these, certification to a recognized standard may be required within a specified period.

Forbo's principles and internal guidelines on respecting human rights and the way employees engage with one another, as well as the relevant social standards, are set out in the Code of Conduct and available to the public on our website.

We also conduct an annual inspection for minerals and metals from areas of conflict and at high risk.

<sup>1</sup>Children's Rights in the Workplace Index, June 2023  
[www.unicef.ch](http://www.unicef.ch)



## Due diligence on child labor and conflict minerals

### 1 Annual supplier checks

We conduct and document annual checks to ascertain if there are reasonable grounds to suspect child labor based on the nature of supply chain.

### 2 Risk assessment

Our buyers evaluate the risk associated with each supply chain per procurement category. Categories with predominantly white collar workers, such as insurance and legal services, are considered low-risk. In addition we refer to UNICEF Children's Rights in the Workplace Index. Suppliers operating in countries with a "basic" score, as per the UNICEF Index, are assumed to be at low risk for child labor. Those in countries with an "enhanced" or "heightened" score undergo additional due diligence.

### 3 Mitigation and prevention

If we find reasonable risk or suspicion of child labor within a supplier's operations, we take the following measures:

- Document details such as product description, supplier name, address, and production sites.
- Achieve recognized 3rd party certification to industry standard best practices.
- Suppliers provide a self-declaration about their labor practices.
- A specific clause on child labor is added to our supplier agreements or contracts.
- We conduct on-site supplier audits at least once every five years to ensure adherence to our standards.

## STATEMENT

# Sustainable products only with sustainable supply chains

**A key objective in Forbo Movement Systems' sustainability drive is to ensure that sustainability governs its supply chains too. This includes the suppliers selected, as well as guaranteeing transparency and ethical conduct.**

In terms of supply chain management, it is our responsibility to incorporate the provisions of the German Supply Chain Act. We are committed to monitoring and guaranteeing human rights and environmental standards along our supply chains while meeting the requirements of flexible supply chain concepts. For instance, we aim to cut carbon emissions from shipments by offering alternatives such as transporting freight by rail or sea, optimizing routes and pooling shipments to prevent empty runs. When we assess and select suppliers, we have included criteria for social and environmental standards in the process. To ensure fair working conditions along the supply chain, we collaborate closely with our suppliers' purchasing departments. For example, we also offer training courses and audits to improve working conditions and the environmental impact. Our procurement policy also includes the gradual introduction of sustainable raw materials and packaging, as well as digitalizing and automating our processes. As a result, we can make sure that our suppliers also act in a socially and ecologically responsible way.



Svantje Kemna,  
Global Purchasing Director  
Forbo Movement Systems, Germany

**“Maintaining a sustainable supply chain is vital to making our belts future proof. Therefore, these endeavors play a key role in achieving our company’s sustainability objectives.”**

## STATEMENT

# We care about each customer requirement, no matter how specific

## Certification – more than statutory requirements

Our customers in the food industry in particular need to be able to count on high-quality belts to make perfect finished goods. Which is why we set the bar in the industry high. We do not just meet statutory requirements, but also have our products certified by NGOs like the EHEDG (EL Class 1 AUX), the NSF or USDA. We are convinced that it is the globalization of the food supply chain above all that requires standardized certification for international trade.

## Low noise products

We have also developed low noise belts for the food industry, which are quieter and therefore have a direct impact on employees work environment.

The objective and results of noise measurements on conveyor belts and other components on the test rig are very different from measurements based on DIN and OSHA standards, each of which analyzes whole conveyors. Measurements on the test rig make both belts and other components comparable with each other in terms of the role they play in the noise a conveyor emits overall.

These findings are becoming increasingly important in view of rising conveying velocities and provide valuable insights that are incorporated into current development projects at Forbo Movement Systems. There is a whole range of belt types that can already be used in noise-sensitive areas. These generate exceptionally low noise when they run over a slider bed or on the return side. As these measurement results suggest, their low noise emissions only mitigate the total noise level of the conveyor if other components (motors, drive chains, bearings, etc.) are not even noisier. We have mobile noise meters to carry out on-site measurements on conveyors.

Exceptionally low noise Siegling Prolink series 8.1 modular belts are equally suitable for superior levels of power transmission and durability. The focus of the low noise modular belts was placed on making cleaning easy and minimizing noise. These characteristics are achieved by a combination of three design attributes: the belt's underside has an enhanced contact surface with the slide rails and the pinion contact that is open toward the top, making cleaning the modules simpler. The special design of the module's shape ensures what is, for modular belts, unusually quiet operation without any rattling. Additionally, a small lug on the hinge minimizes play in tracking direction.



**Imke Brandes,**  
Global Segment Manager Food, a.i. Global Sanitary Compliance Manager  
Forbo Movement Systems, Germany

**“We have our processes and products voluntarily audited by independent organizations and place food safety at center stage.”**



# CORPORATE CULTURE

Forbo's culture is embedded in the Forbo Way to Win values program. This covers the entire organization and today forms part of the onboarding program for new employees at Forbo Movement Systems.

In the Forbo Way to Win, we have defined three core values that each encompass three guiding principles: inspiring, daring and caring. These principles are part of our everyday working life. Thanks to our global reach and links to local communities, we are proud to have longstanding relationships with our employees, many of whom have belonged to our organization all over the world for many years. We cherish the diversity of our organization and the inclusive culture we pursue. We have embarked on a journey to embed sustainability, step by step, in our everyday lives to an even greater extent.



# EMPLOYEES AND TRAINING

In 2023, we carried out 6,724 upskilling initiatives. They include global Forbo Movement Systems Academy qualifications, statutory and general training courses, awarding English licences, international and regional sales force training, as well as conducting management training sessions.

In 2023, around 250 employees completed training courses based on national or international requirements for specific areas, such as the training provided by the European Chemicals Agency (ECHA) on how to handle di-isocyanates correctly. The purpose of these training sessions is to lower health and safety risks.

The division-wide online training courses cover important topics such as cyber security, competition law and the prevention of corruption. All employees complete this training when they join Forbo Movement Systems and then repeat it annually. A new addition in 2023 is online training on respect at work to raise employee awareness of issues such as bullying and engaging with one another in an empathetic way.

There were also specific training programs for management as well as method-driven training. The Forbo Movement Systems Academy (FMSA) will continue to offer product and service training courses that are available to employees on an ongoing basis.

## Training and upskilling initiatives in 2023 at a glance

- Leadership principles course for enhancement of management skills
- Movement Systems' strategy execution process (STEP), to help and facilitate teams using this method
- Product expertise programs for new products and services, features and unique selling propositions
- Code of Conduct course as part of the familiarization program as well as a refresher session for all our employees
- A cyber security program
- Training on competition law, prevention of corruption and respect at work



## 4

### internal promotions

In 2023, four employees were promoted internally to senior management level.



## 6,724

### training sessions

In 2023, 6,724 training sessions were completed globally.



## CHF 371,000

### training costs

In 2023, we spent CHF 371,000 on developing our workforce to enhance our employee's skills, knowledge, and overall performance, thereby fostering professional development and organizational growth. This figure reflects third-party training costs for our employees.

# OUR WORKFORCE

At Forbo Movement Systems, diversity in workplace has always included a diversity of people of different origins, genders, ages, religions, disabilities, and political or sexual orientation. In our commitment to sustainability, the diversity of our workforce proves our values.

Embracing diverse perspectives, backgrounds, and talents, we foster an environment where every individual can grow personally and professionally. We actively collaborate with workshops supporting handicapped individuals, such as Vahrenheider Werstätten, close to our production plant and headquarter in Hanover, Germany, producing the belting sample books.

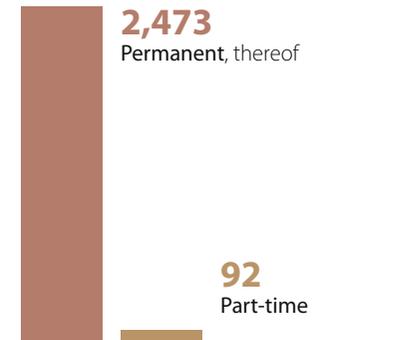
Recognizing that a flexible work environment is essential to adapt to the dynamic needs of our team members, we enable our employees to work part-time and use flexible working time models. This option not only contributes to an improved work-life balance for our employees, but also enhances the well-being of our employees and contributes to the overall efficiency and resilience of our organization.

We regard the diversity of our organization – all the different experiences, educations, skills, beliefs and personalities – as our most valuable asset.



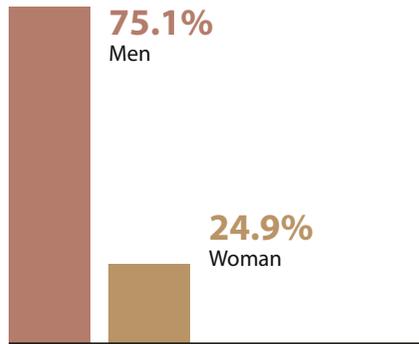
## Our workforce

Total number of heads



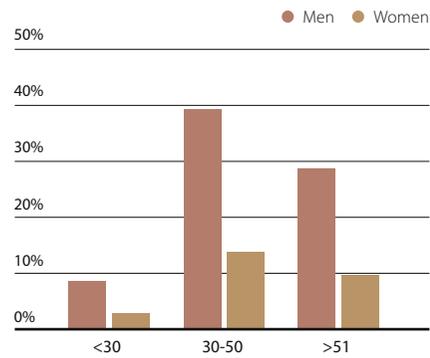
# OUR WORKFORCE

## Share of female and male employees



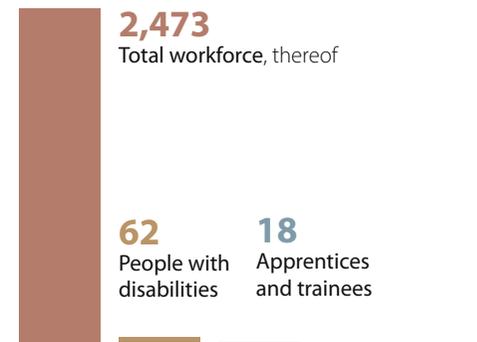
## Age structure

in percent



## Apprentices, trainees, disabled

Number of heads



# GOVERNANCE



# ACT RESPONSIBLY IN GOVERNANCE FRAMEWORK

A strong commercial base is vital when developing a sustainable organization. Our goal is to deliver consistently on innovations and optimize the design, service level, performance, range and quality of our portfolio for all stakeholders. In pursuit of this objective, we will act responsibly and within our guidelines on corporate governance, risk and crisis management and our Code of Conduct. At any time, we respect local and international laws and regulations.



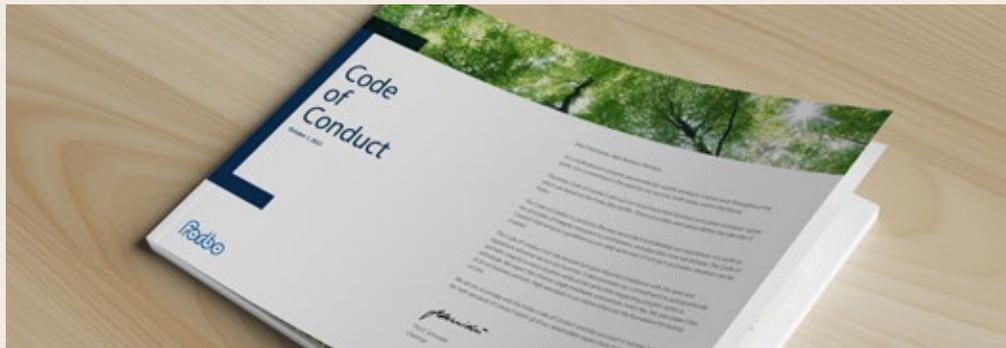
**CODE OF  
CONDUCT**



**RISK  
MANAGEMENT**

## Code of Conduct

Forbo's Code of Conduct applies to all our employees. It clearly stipulates that the company does not engage in any dubious or corrupt business practices, nor does it tolerate such practices. The Code of Conduct is part of the Forbo training program and is mandatory for all employees. The Forbo Group assesses risks annually and analyzes business processes within the organization for the divisions. Risk evaluation includes internal controls and business risks as well as specific issues regarding fraud and corruption.



## Risk management and evaluation

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



# ANNEX



# GRI CONTENT INDEX

**Statement of use** Forbo Movement Systems has reported the information cited in this GRI content index for the period 01.01.2023 to 31.12.2023 with reference to the GRI Standards.

**GRI 1 used** GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>		
<b>1. Organization and reporting practices</b>		
	2-1 Organizational details	Sustainability Report, pages 12-14, Annual Report
	2-2 Entities included in the organization's sustainability reporting	Sustainability Report, page 17
	2-3 Reporting period, frequency, and contact point	Sustainability Report, page 17
	2-4 Restatements of information	Sustainability Report, pages 26, 29, 45
<b>2. Activities and workers</b>		
	2-6 Activities, value chain and other business relationships	Sustainability Report, pages 14-17
	2-7 Employees	Sustainability Report, pages 53-54
<b>3. Governance</b>		
	2-9 Governance structure and composition	Sustainability Report, page 10, Annual Report
	2-10 Nomination and selection of the highest governance body	Annual Report
	2-11 Chair of the highest governance body	Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report
	2-13 Delegation of responsibility for managing impacts	Annual Report
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Report, page 10
	2-15 Conflicts of interest	Sustainability Report, pages 56, Code of Conduct
	2-16 Communication of critical concerns	Annual Report
	2-17 Collective knowledge of the highest governance body	Annual Report
	2-18 Evaluation of the performance of the highest governance body	Annual Report
	2-19 Remuneration policies	Annual Report
	2-20 Process to determine remuneration	Annual Report

# GRI CONTENT INDEX

## 4. Strategy, policies and practices

2-22 Statement on sustainable development strategy	Sustainability Report, pages 17, 23, 44
2-23 Policy commitments	Sustainability Report, pages 56, Annual Report, Code of Conduct
2-24 Embedding policy commitments	Annual Report
2-25 Processes to remediate negative impacts	Sustainability Report, pages 56, Annual Report, Code of Conduct
2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report, pages 11, 56, Code of Conduct
2-28 Membership associations	Sustainability Report, page 17

## 5. Stakeholder engagement

2-30 Collective bargaining agreements	Sustainability Report, pages 56, Code of Conduct
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## GRI 3: Material Topics

3-1 Process to determine material topics	Sustainability Report, page 18-20
3-2 List of material topics	Sustainability Report, page 20
3-3 Management of material topics	Sustainability Report, pages 31, 34, 35, 37-41, 46-56

## TOPIC STANDARDS

### GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed	Annual Report
201-3 Defined benefit plan obligations and other retirement plans	Annual Report
201-4 Financial assistance received from government	Annual Report

### GRI 205: Anti-corruption 2016

205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report, page 52, Annual Report
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### GRI 206: Anti-competitive Behavior 2016

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# GLOSSARY

Term	Definition
Biopolymers	Natural polymers produced by the cells of living organisms.
bioTPU (thermoplastic polyurethane)	Corn-based biopolymer.
bio PEBA (polyether block amide)	Advanced thermoplastic elastomer (TPE) that has very low material density and excellent resilience over a wide temperature range.
bioPVC	New development in which fossil raw materials are replaced 100 percent by a renewable alternative.
Business model	The underlying structure of how a company creates, delivers and captures value.
Carbon emissions	Emissions of CO <sub>2</sub> are from burning oil, coal and gas for energy use, burning wood and waste materials, and from industrial processes. In this report, this term is used in place of greenhouse gas emissions.
Carbon footprint	The total emissions of greenhouse gases (in carbon equivalents) from which-ever source is being measured – be it at an individual, organization or product level.
Carbonneutral	Through carbon offsetting organization to individual are counterbalancing the emissions they produce to make themselves carbon neutral.
Climate Change	A long-term shift in global weather patterns or average temperatures. Scientific research shows that, compared with climate change patterns throughout Earth's history, the rate of temperature rise since the Industrial Revolution is extremely high. Rising temperatures can lead to extreme weather such as droughts, sea level rises and retreating glaciers.
Circular economy	An economy where waste and pollution are designed out, products and materials are kept in use and natural systems are regenerated.
Conventional energy sources	Conventional sources of energy are the ones that are commonly used, and generally non-renewable sources of energy, which are being used since a long time. Examples of conventional sources of energy include oil, natural gas, coal, biomass, and electricity.
Corporate Carbon Footprint	A Corporate Carbon Footprint covers all direct and indirect emissions related to a company's activities. This means that emissions across the entire value chain are included.

Term	Definition
Corporate Sustainability Reporting Directive (CSRD)	The Corporate Sustainability Reporting Directive (CSRD) requires companies to report on the impact of corporate activities on the environment and society, and requires the audit (assurance) of reported information.
End-of-life recycling	End-of-life recycling refers to the process of recovering and reusing materials from products that have reached the end of their usable lifespan, minimizing waste and environmental impact.
Energy efficiency Energy-efficient	Energy efficiency is measured as the amount of energy output for a given energy input. Energy efficiency means the ratio of output of performance, service, goods or energy, to input of energy.
Energy consumption	Energy consumption is the total amount of energy required for a given process and is measured in kilowatt hours (kWh). This includes the use of electricity, gas, diesel, oil, and biomass.
Energy recovery	Energy recovery includes any technique or method of minimizing the input of energy to an overall system by the exchange of energy from one sub-system of the overall system with another, i.e. harnessing energy freed by the thermal afterburner for heating and/or for power generation.
Fuel	Fuel is any material that can be made to react with other substances so that it releases energy as thermal energy or to be used for work.
Global Reporting Initiative (GRI)	The GRI (Global Reporting Initiative) is an independent, international organization that helps businesses and other organizations take responsibility for their impact, by providing them with the common global language to communicate this impact.
Global warming	An increase in the world's average temperature due to human activities, such as burning fossil fuels, that release greenhouse gases into the atmosphere.
Greenhouse gases Greenhouse gas emissions	Gases that trap heat in the atmosphere including carbon dioxide, methane, nitrous oxide and water vapor.
Greenhouse Gas Protocol	The Greenhouse Gas Protocol is the main global standard for public and private sector entities to measure emissions. Its standards apply to operations, value chains, and climate change mitigation actions.
Incineration	Incineration is a waste treatment process that involves the combustion of substances contained in waste materials.

# GLOSSARY

Term	Definition
Key performance indicators (KPI)	Financial and non-financial indicators for the performance of a company.
Landfill	A method of disposal of rubbish, by burying it underground.
Lost time injury frequency rate (LTIFR)	The lost time injury frequency rate formula equals the time lost to incidents multiplied by a million, divided by the total hours worked on a rolling 12-month basis.
Materiality analysis	A materiality analysis is a process that enables a business to identify their most important areas to focus on so that they can be highlighted as a priority, as well as to understand which are of most concern to stakeholders and how they impact the business model (and vice versa). The analysis looks at the impact our business has on the environment and society, as well as the commercial relevance of the issues.
Non-renewable energy sources	Non-renewable sources of energy are the ones that are commonly used and have been used since a long time. Examples of non-renewable sources of energy include oil, natural gas, coal, biomass, and electricity.
Original Equipment Manufacturer (OEM)	Organization that produces goods for other companies to sell under their own name.
Paris Climate Agreement	A legally binding international treaty on climate change adopted by more than 190 countries in 2015. Its goal is to limit global warming to well below 2°, preferably to 1.5° Celsius, compared to pre-industrial levels.
Photovoltaic system	A photovoltaic system is composed of one or more solar panels combined with an inverter and other electrical and mechanical hardware that use energy from the sun to generate electricity.
Polyethylene terephthalate (PET)	Type of plastic used especially to make bottles.
Polyurethane	Any of various synthetic polymers produced by the polymerization of a hydroxyl (OH) radical and an NCO group from two different compounds.
Production waste	Waste generated in connection with production or fabrication and the opposite to consumption waste, which primarily comprise municipal waste and waste comparable to it.
Polyvinyl chloride (PVC)	Synthetic thermoplastic material made by polymerizing vinyl chloride.

Term	Definition
Recycling	Processing materials that would otherwise be thrown away and turning them into reusable material. In closed loop recycling materials from a product are recycled to make the same, or a similar, product without significant degradation or waste. This can be done repeatedly. In open loop recycling materials from a product are used to make a different type of product.
Recyclable; recyclability	A product or material that can be collected, processed and manufactured into a new product.
Resource management	Application of sustainable practices by managing resources in a way that will benefit current and future generations.
Renewable energy	Energy that comes from natural sources that are constantly replenished like wind, water and sunlight.
Renewable raw materials	Renewable raw materials are derived from sources that replenish themselves in short periods of time.
Renewables	Renewable resources or energy sources.
Research and development (R&D)	Set of innovative activities undertaken by companies in developing new services or products, and improving existing ones.
Scope 1 emissions	Scope 1 includes direct emissions generated by combustion processes
Scope 2 emissions	Scopes 2 comprises the indirect emissions caused by the external electricity supply.
Scope 3 emissions	Scopes 3 comprises the indirect emissions caused by our business operations along the supply chain.
Solar panels	Solar electric which is used to produce electricity also known as photovoltaic (PV) systems, solar cells that convert light into electricity.
Supply chain	A network between a company and its suppliers to produce and distribute a specific product to the final buyer.
Sustainable business processes	Designing processes and the built environment in keeping with principles of sustainability.

# GLOSSARY

Term	Definition
Sustainable Development Goals (SDGs)	A collection of 17 interlinked global goals designed to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. They were adopted by the UN in 2015.
TPE (thermoplastic elastomer)	Class of copolymers or a physical mix of polymers (usually a plastic and a rubber) that consist of materials with both thermoplastic and elastomeric properties.
Value chain	A business model that describes the full range of activities needed to create a product or service.
Zero waste	A target of sending no waste for disposal via landfill or burning.

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