

creating better environments

SUSTAINABILITY REPORT 2023

FORBO FLOORING SYSTEMS

WE CREATE BETTER ENVIRONMENTS

At Forbo Flooring Systems, we create better environments in all spaces where people work, live, interact, relax, heal, learn, and play. Our vision is steadfast, serving as the cornerstone of our identity.

We aspire to be your trusted partner, offering fully circular flooring solutions crafted from renewable raw materials and simplifying your journey to select sustainable flooring options aligned with your values.

Embracing circularity forms the heart of our sustainability endeavors, embodied in our philosophy, "Going Round to Move Forward." Achieving complete circularity in the flooring industry is a substantial challenge, but we firmly believe that actions speak louder than words. We commit ourselves to reducing our carbon footprint, increasing the use of recycled materials, and addressing every aspect of the value chain.

The realization of our mission is made possible by the dedication of our personnel. Our foremost commitment is to provide a safe work environment that safeguards the health and well-being of our employees, customers and other stakeholders. This commitment is the pathway to realizing our sustainability objectives.

Furthermore, ethical governance is crucial to protecting the long-term interests of all our stakeholders. That's why we consistently raise our standards of accountability and proactively take measures to identify and mitigate any risks.

In this year's sustainability report, we share our progress over the past year and look ahead to the work we have yet to do.



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A scenic landscape photograph of a wooden boardwalk winding through tall, golden-brown grass dunes. The sun is low on the horizon, creating a bright glow and long shadows. The sky is blue with scattered white clouds. The boardwalk is made of wooden planks and leads the eye from the foreground into the distance.

INTRODUCTION

MESSAGE FROM JEAN-MICHEL WINS

I am delighted to present our 2023 Sustainability Report, a display to our commitment to sustainability and responsible corporate citizenship. This year's report marks a significant milestone for us as we embrace a new format in accordance with Environmental, Social, and Governance (ESG) principles, reflecting our dedication to transparency, accountability, and the greater good.

At the heart of this report lies a sense of pride in our collective achievements. We recognize that these accomplishments are not merely statistics but the culmination of the dedication exhibited by our employees. It is their commitment that fuels our ambition, enabling us to make substantial achievements in our sustainability journey.

This report covers several key areas, driving positive change and setting new benchmarks within our industry. Our 'Going Round, Moving Forward' philosophy underscores our commitment to circular economy principles, emphasizing the importance of sustainable practices that consider the entire lifecycle of our products. This philosophy has not only guided our decision-making but has also become a driving force behind our innovative solutions.

One of the biggest achievements mentioned in this report, is the fact that as of 2023, our Marmoleum product range is climate positive from cradle to gate without offsetting. Through meticulous planning and collaborative efforts, we have not only reduced our carbon footprint but have also actively contributed to climate positivity.

Additionally, we successfully implemented our 'Back to the Floor' program across 13 countries. This initiative ensures that our decisions

are grounded in the realities of our operations. By facilitating direct engagement with our core processes, we empower our customers to make informed choices that align with their sustainability goals.

Furthermore, our focus on reducing greenhouse gas emissions (CO₂) within our factories has yielded significant results. We were the first in the industry with LCA-based EPDs. That innovative forward thinking has led to Forbo Flooring Systems being the first in the industry in 2023 to achieve climate positive Marmoleum flooring from cradle to gate without offsetting. By implementing innovative technologies and adopting energy-efficient practices, we have made substantial progress towards our carbon reduction targets. This demonstrates our commitment to sustainable manufacturing and reinforces our role as industry leaders driving positive change.

As we continue to face the challenges of a rapidly evolving world, we remain focused on our commitment to sustainability. This report not only outlines our achievements but also proves our dedication to creating a more sustainable future. We invite you to discover the stories of innovation, collaboration, and determination that define our sustainability initiatives.

Thank you for your continued support and partnership as we work together toward a greener tomorrow.



Jean-Michel Wins
Executive Vice President Flooring Systems

« We have not only reduced our carbon footprint but have also actively contributed to climate positivity. »

KEY ACHIEVEMENTS IN 2023

We take pride in our key achievements, driven by sustainability principles. We prioritize minimal impact materials, opt for biobased solutions, and design Fast Flooring products for easy recycling. Actively engaging in take-back initiatives, we take steps to minimize waste and contribute to a circular economy, reducing our environmental footprint.



-36%

Scope 1 and 2 GHG emissions,
since 2019



37%

Recycled content
on average per
product



100%

clean electricity



50%

of the materials in our products
were **certified biobased**, recycled, and/or abundant minerals



13

countries offering **Back to the Floor** - our take-back and recycling service program



100%

of our CO₂ emissions
measurement systems
follow the **Greenhouse Gas
Emission Protocol**



1ST

manufacturer in the market with
all Marmoleum being
climate positive (cradle to gate
without offsetting)



3

product categories (linoleum,
vinyl and textile) **offer Fast
Flooring*** solutions

KEY ACHIEVEMENTS IN 2023

Our key achievements are made possible by adhering to a set of guiding principles:

1. Utilizing minimal, green, or recycled raw materials and resources

We prioritize the use of raw materials with minimal impact, sourced sustainably or recycled. This commitment reflects our dedication to reducing our environmental footprint from the foundation of our processes.

2. Favoring biobased solutions

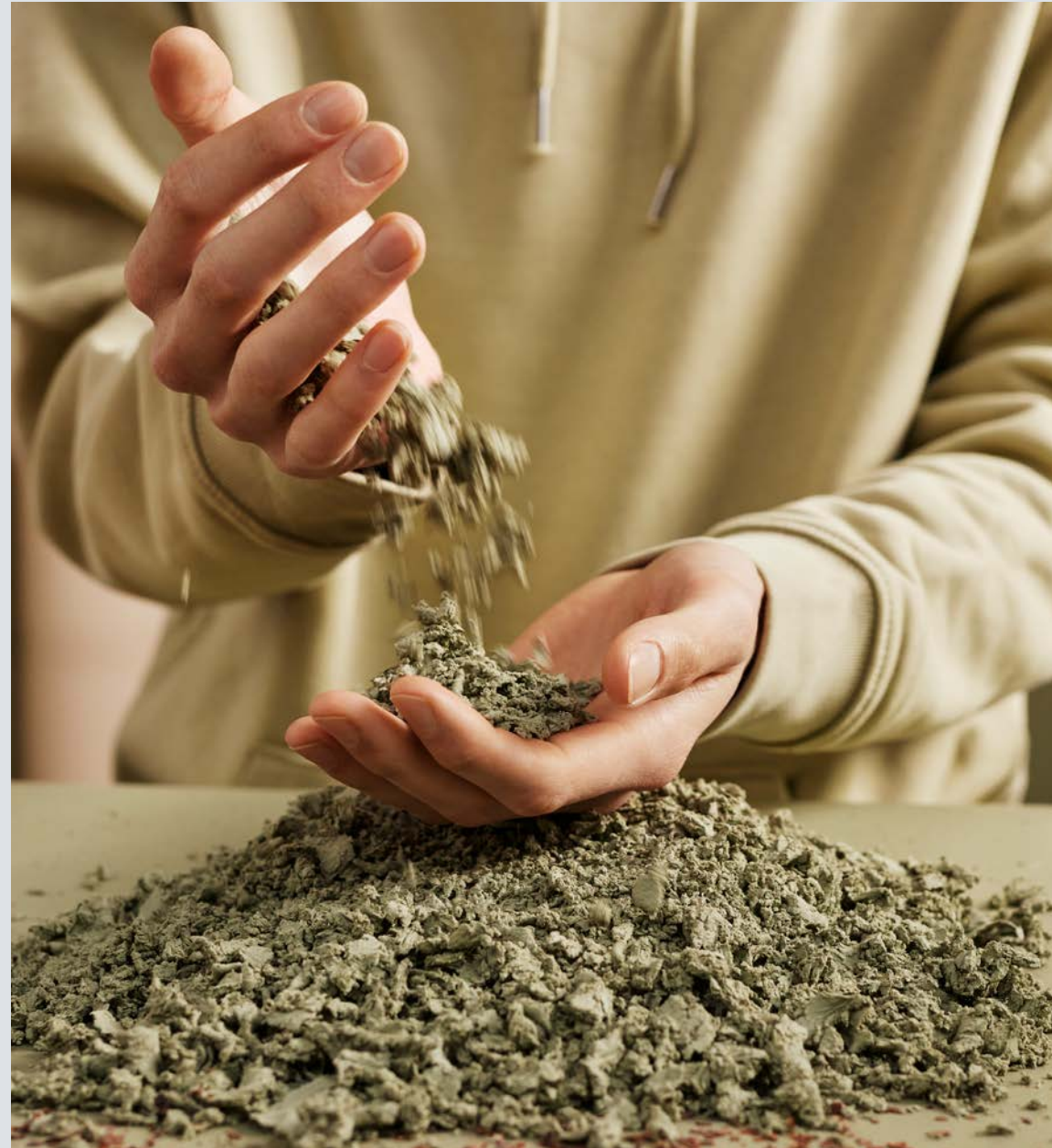
In our commitment to sustainability, we choose biobased solutions as the preferred option. This strategic choice allows us to produce climate-positive Marmoleum from cradle to gate without relying on offsetting measures, contributing to a more environmentally friendly production process.

3. Designing Fast Flooring products

Recognizing the importance of end-of-life considerations, we aim to create products that are environmentally friendly during use and easy to recycle at the end of their lifecycle. This includes the development of safe and easily recyclable Fast Flooring products across all categories.

4. Active pursuit of take back initiatives

In our ongoing efforts to minimize waste and reduce the consumption of virgin raw materials, we actively engage in take-back initiatives. By reclaiming and reusing products, we contribute to a circular economy, actively mitigating the impact of waste on the environment.



ABOUT US

Forbo Flooring Systems

Flooring Systems delivers comprehensive, installation-ready flooring solutions globally. We have 15 production facilities in 7 countries and distribution companies in 27 countries. The division has sales offices in Europe, the Americas, and Asia/Pacific. The headquarters of the Flooring Systems division is in Assendelft, the Netherlands. World-wide, the Flooring Systems division is close to dynamic markets, making it the first choice as a local partner for customers that have similar global requirements.

The quality, longevity, and performance of our products and services, as well as our focus on offering sustainable and circular solutions, reflect the quality and stability of our relations with our business partners. All our floor covering production sites in the Netherlands, United Kingdom, Russia, France, Germany and Switzerland that are considered most material in terms of their environmental impact and accounted for in this report are ISO-9001 and ISO-14001 certified.

Product portfolio

Forbo Flooring offers an extensive selection of environmentally friendly natural linoleum, including key brands like Marmoleum® for sheet, tile, and plank options; Marmoleum Click® for floating floors; Marmoleum Sport® for indoor sports floors; and Marmoleum Ohmex® for anti-static panels. Furniture Linoleum® and Bulletin Board serve as surfacing materials for various applications. Impresa® is a notable addition with printed linoleum featuring wood or concrete design.

Our diverse collection extends to innovative vinyl floor coverings, such as Allura® and Effekta® for luxury tiles and planks, Eternal® for heterogeneous vinyl, Sphera® for homogeneous vinyl, Step® for slip-resistant vinyl, Sarlon® for acoustic vinyl, Modul'up® for loose lay vinyl sheet, Colorex® and Sphera® for static dissipative vinyl floors, and Novilon® for residential vinyl flooring.

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



Market sectors

Forbo Flooring Systems produces linoleum, vinyl, and textile floor coverings, along with building and construction (B&C) adhesives and leveling compounds primarily for commercial projects. Some products are also available for residential consumers through retailers specializing in floor covering and interior decoration. The brand Eurocol represents a portion of the building and construction adhesives in DIY stores.

Our diverse product portfolio offers comprehensive, ready-to-install solutions for global buildings. Our floor coverings have been installed in various sectors, including public buildings, education facilities, and healthcare institutions, demonstrating durability and functionality over the years.

Today, our floor coverings are increasingly popular in retail, hospitality, leisure, and commercial offices, allowing for customizable designs. We also serve specific sectors like the high-tech industry (data centers, IT, and pharma environments) and the transport sector (railways, automotive, and marine) for carriages, coaches, and vessels.

Building and construction adhesives are active across these sectors, extending to ceramics (floor and wall applications), parquetry, wooden floor coverings, and sports floor installation materials for both indoor and outdoor sports.

REPORTING FRAMEWORK, STANDARDS AND SCOPE

Reporting framework and standards

Forbo Flooring's sustainability report is developed following the Global Reporting Initiative (GRI) and aligns with 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.

Reporting scope

The environmental data published in this report encompasses our 11 floor covering manufacturing sites located in the United Kingdom, the Netherlands, Russia, France, and Switzerland. Additionally, it includes our three building and construction adhesives (B&C) operation sites in the Netherlands, Germany, and Russia, unless otherwise stated. The Social and Governance data in this report cover all our manufacturing sites, as well as our worldwide sales offices and warehouses.

The figures in this report may differ from previous reports on several points. This is because we have transitioned from a generic LCA methodology to a methodology based on the GRI approach.

Forbo Eurocol

In this reporting year, we incorporate data and outcomes from our building and construction adhesive business unit Forbo Eurocol, wherever feasible. This Business Unit, responsible for the manufacture of adhesives, primers, and levelling compounds used in the installation of various floor and wall products, differs from our business of producing and selling floor coverings. Consequently, the numerical figures may not always align seamlessly in a straightforward manner. As we move forward, future reports will provide a more detailed breakdown of the building and construction adhesives activity, offering a more nuanced understanding of its specific contributions and impact.

People, planet, profit

Since 2009, Flooring Systems has been dedicated to sustainability through our annual Sustainability Policy. Rooted in the 1986 UN declaration, this policy champions the 'triple bottom line' – 'people,' 'planet,' and 'profit.' Our commitment to this holistic approach is evident through these three core initiatives:

People

In the realm of 'people,' we have chosen to hold ourselves to the standards of the SA8000 standard. This benchmark aligns with the conventions of the International Labor Organization (ILO) of the United Nations, international human rights standards, and national legislation. By adhering to these rigorous guidelines, we ensure that our workforce and the communities we operate in are treated with fairness and respect.

Planet

Our circular framework tackles a comprehensive array of environmental challenges across our value chain, spanning greenhouse gas emissions, waste, water, packaging and materials. This framework comprises five pivotal steps:

- Product development and design
- Longevity and ease of maintenance
- Sourcing and raw materials
- Recycling and end of life
- Production and distribution

In summary, this framework underscores our commitment to addressing environmental issues holistically, promoting sustainable practices at every stage of our operations.

Profit

In the domain of 'profit,' Flooring Systems stands resolute in harnessing its market position to actively cultivate a sustainable profile. Leveraging our economic stability and profitability, we drive continuous improvement and foster a culture of sustainability. Our commitment to business integrity, risk management, and risk assessment is not just a peripheral aspect; it's an integral part of Forbo's organizational processes. These considerations are meticulously woven into every decision-making process, ensuring that our pursuit of profit is ethical, sustainable, and enduring.

OUR AMBITION

Our Flooring Systems tagline – creating better environments – expresses our awareness, commitment, and efforts when it comes to sustainability. We strive to help create a better world for our planet and the people living on it. As a company, we are committed to meeting our obligations to future generations. We do this by taking concrete steps to be as environmentally-responsible as possible. To become a zero-waste company that executes the guiding principles of the circular economy.



Sustainability objectives

Our strategic direction is based on three main objectives:

- 1 Transform the linear economic business model to meet the principles of the circular economy model.
- 2 Contribute to creating better indoor environments and healthier buildings.
- 3 Support social equity and fair treatment of employees.

To ensure that our sustainability strategy does not just project to distant horizons, we have created a program with clear targets that we aim to achieve by 2025.

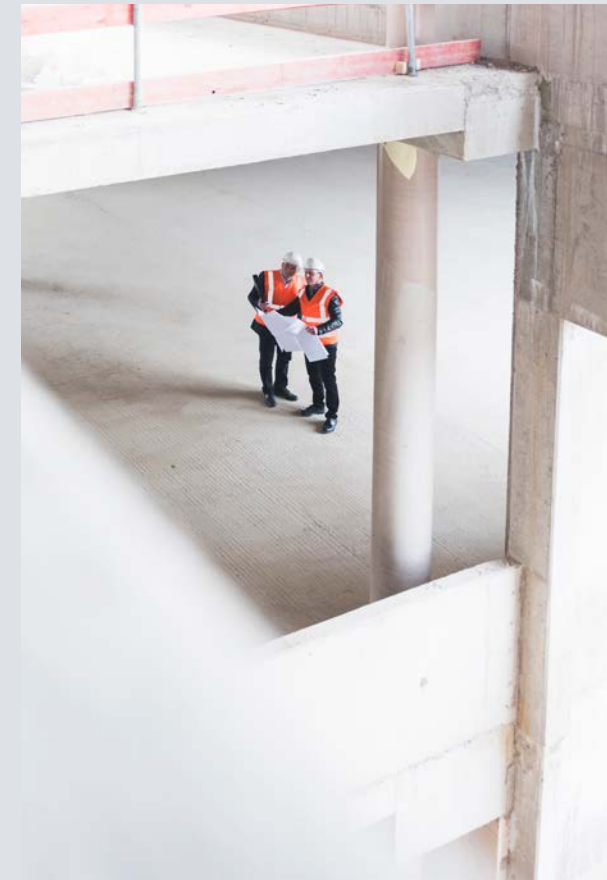
2025 Sustainability Program

Our 2025 Sustainability Program extends well beyond the initial stages of the product life cycle, encompassing our aspirations for reuse, recycling, take-back initiatives, and the implementation of pilot programs for reclaiming post-consumer floor coverings.

Through our 2025 Sustainability Program, we have adopted an all-encompassing approach that considers the entire life cycle, surpassing our activities in manufacturing and sales. Our strategy now incorporates product development, design, sourcing, manufacturing, distribution, floorcare, maintenance, repair, and the recovery of installation waste, emphasizing the importance of reuse and recycling as integral components of our updated strategy.

2030 Sustainability Program

Next year, we plan to develop a new sustainability strategy and program for 2030, which will include many of the same topics with more ambitious objectives.



SUSTAINABILITY TARGETS

Environmental targets

Our environmental program for 2025 encompasses five essential targets ranging from reducing greenhouse gas emissions to increasing recycled content in every product category.

These five core themes reflect our commitment to a more sustainable business operation, involving not only concrete actions to reduce our own carbon footprint but also endeavors to enhance the environmental performance of our entire supply chain with the aim of achieving a positive impact on the environment.

Social targets

Our social program for 2025 rests on three pillars: enhancing living spaces, taking care of our own workforce, and ensuring fair treatment of workers in the value chain.

For a more detailed overview, please refer to the social section of this report. The targets that we set for 2025 are largely aligned with the social policies of Forbo Group and can be found in the latest annual report. This includes topics like health and safety, recruitment, and employee engagement. To complement this and go even further, we have set ourselves two extra social ambitions for 2025; 'Child Labor and Conflict Mineral Due Diligence Policy' and 'Lost Time Injury Frequency Rate'.

Governance targets

Beyond the scope of our 2025 Program, we have set forth specific governance targets. These targets are instrumental in ensuring that our business operations and decision-making processes align with the highest standards of corporate governance.

They encompass a wide range of measures designed to promote transparency, accountability, and ethical conduct throughout the organization.



100%
Clean electricity in
all manufacturing
plants*



>95%
Of product waste
from production is
recycled*



>75%
Of raw material
suppliers adhere
to environmental
sustainability
criteria*



>20%
Recycled content
in every product
category*



-20%
Scope 1 & 2
GHG emissions*



DEI
Updated Diversity,
Equity and Inclusive
policy in place in all
entities **



≤10
Lost Time Injury
Frequency Rate*



ACTIVE
Child Labor and
Conflict
Mineral Due
Diligence Policy



ISO9001
Quality Management
System continuously
improved **



ACTIVE
Whistleblower
policy **



ISO14001
Environmental
Management System
improved



SA8000
Social
Accountability
Management
System improved *

Base year 2019

* Applies to all our production sites

** Applies to all our productions sites and sales offices

OUR FRAMEWORK AND FOCUS TOPICS

Materiality assessment

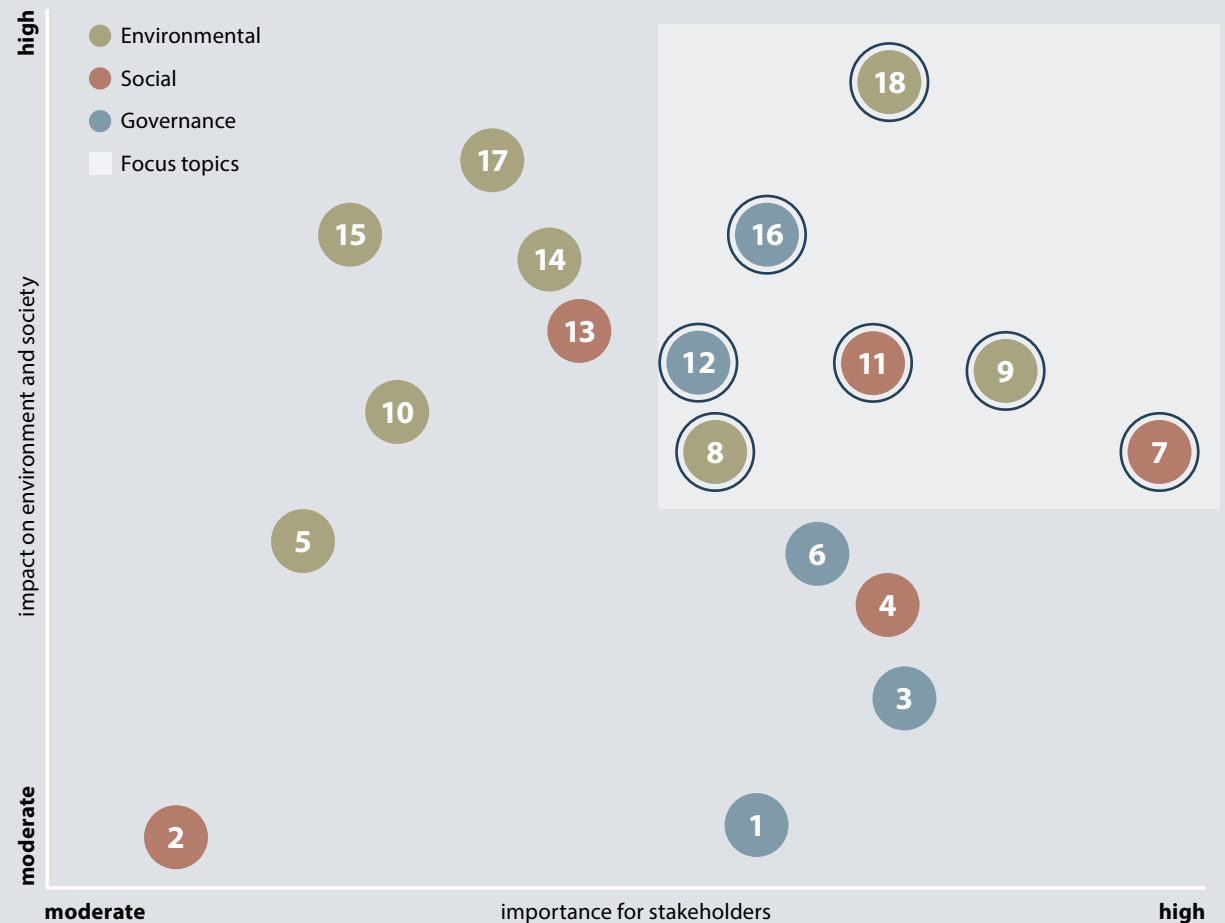
At Forbo Flooring Systems, we regularly engage with our stakeholders to ensure that our sustainability priorities remain on the right track. In the most recent materiality assessment, conducted in the fiscal year 2022, we identified 18 primary ESG (Environmental, Social, and Governance) topics, detailed in Table 1.

The majority of these material topics are integrated into our 2025 Sustainability Program and Corporate Policy, while others are addressed through entity-level strategies. This comprehensive assessment, involving a diverse range of stakeholders, considered our environmental impact as evaluated by our internal experts, as well as the importance of these topics to our internal and external stakeholders, including our business partners.

The plotted matrix, reflecting the input from our stakeholders, validates our commitment to pursuing our sustainability strategy. It's noteworthy that all aspects are rated as highly important, underscoring the significance of every ESG question in the eyes of our stakeholders. However, it's particularly gratifying to observe that a low carbon profile, portfolio quality, and a safe and healthy environment, which are foundational to our business, rank among the highest criteria.

ESG topics

- | | | |
|---------------------------|-----------------------------|-------------------------------------|
| 1 Management of risks | 7 Human rights | 13 Healthy indoor environment |
| 2 Public engagement | 8 Non-fossil based products | 14 Waste management |
| 3 Customer privacy | 9 Transparency | 15 Recycling post-consumer flooring |
| 4 Diversity and inclusion | 10 Recycled content | 16 Quality |
| 5 Sustainable packaging | 11 Health & safety | 17 Circular flooring products |
| 6 Legal compliance | 12 Corporate governance | 18 Carbon footprint |



Our focus topics

All 18 ESG (Environmental, Social, and Governance) topics are very important to us. In this chapter, we highlight the seven top priorities. In the appendix of this report, you will find an overview of all topics along with references to the respective chapters in this sustainability report detailing our approach to these topics.

Carbon footprint ¹⁸

This year we have reviewed the carbon footprint of our company, with specific attention to Scope 3. Our corporate carbon footprint calculation has transitioned from the Life Cycle Assessment (LCA) method to a more rigorous approach aligned with the operational control framework of the GHG Protocol. Additionally, we have included emissions from employee commuting, vehicle leasing, and business travel, as well as emissions associated with capital goods.



Transparency ⁹

Transparency is critical to achieving sustainability. Transparency demands that companies share information about the contents of their products, how they are made and the impact they may have on the environment, users and the community. As early as 1996, Forbo Flooring Systems began working with Leiden University in The Netherlands, to establish a transparent overview of every possible impact of our linoleum products.

Today, we offer impact information for every Forbo product by Life Cycle Assessments and Environmental Product Declarations that are independently reviewed. We believe that human health and ecology should also feature in our assessments. Forbo Flooring Systems is unique in including human health and eco-toxicity impacts in our EPD's as well.

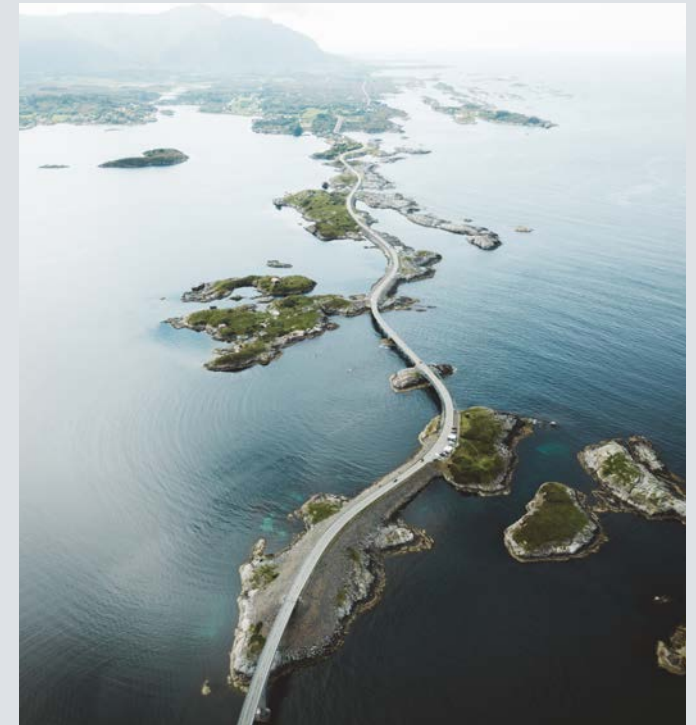
Non-fossil based products ⁸

Biobased materials will be instrumental in accelerating the transition to a net zero economy, not just for our linoleum portfolio but also for a wide range of other products. At the core of Forbo's commitment to sustainability lies a longstanding tradition of employing biobased materials, which are the essential components of linoleum. These materials are sourced from renewable origins, primarily plants, and encompass linseed oil, wood flour, jute, and natural resins. This commitment to quality is a hallmark of our approach.



Quality ¹⁶

Forbo Flooring Systems is committed to customer satisfaction by being a reliable organization providing high-quality products and services. As of 2013, Forbo Flooring Systems certified all their global sales organizations according to the ISO 9001 standard, which was rare for the flooring industry. Typically, organizations only certified sales offices at local production premises, but we chose to include both the sales organizations outside of Europe and the European organizations without production locations in the certification.



Corporate governance ¹²

The Forbo Code of Conduct sets out our most important business principles and basic values. It is central to the way we protect and develop our reputation and is founded on the principles of compliance, health and safety. The Forbo code of conduct describes how we are to behave and is based on the guiding principles of the 'Forbo Way to Win'. It not only ensures compliance with the applicable laws and regulations wherever we do business, but it also goes beyond compliance by demonstrating our commitment to acting ethically and with integrity in every situation while at the same time respecting people's rights as individuals. We expect this of every single employee, everywhere, every day. We also expect this from all our business partners. High standards in our relationships are the foundation for lasting success.

Health and safety 11

Taking care of the physical and emotional well-being of our employees and stakeholders is as important as employee safety. Although it is imperative to have a good absenteeism protocol, prevention and promotion of a good and healthy life style is increasingly important too. Therefore, we run a number of programs to promote the health and well-being of our employees.

Safety isn't just a priority; it's fundamental to our operations, which we have captured in our safety policy document. While we invest in systems and equipment upgrades, we place a special emphasis on behavioral nuances in our workspace because most accidents occur during daily routines.

We actively encourage our team members to voice concerns and highlight potentially hazardous situations, no matter how minor they seem. Our 'stop-and-go' cards are tools for anyone unsure about a particular procedure or workflow. Comprehensive training and coaching are provided to every employee, whether they work on the factory floor or in our corporate offices.



Human rights 7

Forbo Flooring Systems considers social accountability a foundational pillar of its sustainability efforts. As part of our commitment to fostering social equity and ensuring the fair treatment of workers throughout our supply chain, we have embraced the social accountability standard – SA 8000. This standard is grounded in the labor principles of the Universal Declaration of Human Rights and the International Labor Organization (ILO) conventions. In addition to our SA8000 certifications, we have set forth comprehensive policies to detect, prevent, and mitigate child labour and conflict minerals risks.



COLLABORATIONS AND ACKNOWLEDGEMENTS

Our partners

Forbo Flooring Systems actively collaborates with international associations and organizations to establish pilot projects and alliances aimed at testing and introducing innovations and new developments. This strategic engagement is especially significant in the context of advancing initiatives for the circular economy.

Our partnerships extend to prominent entities such as:

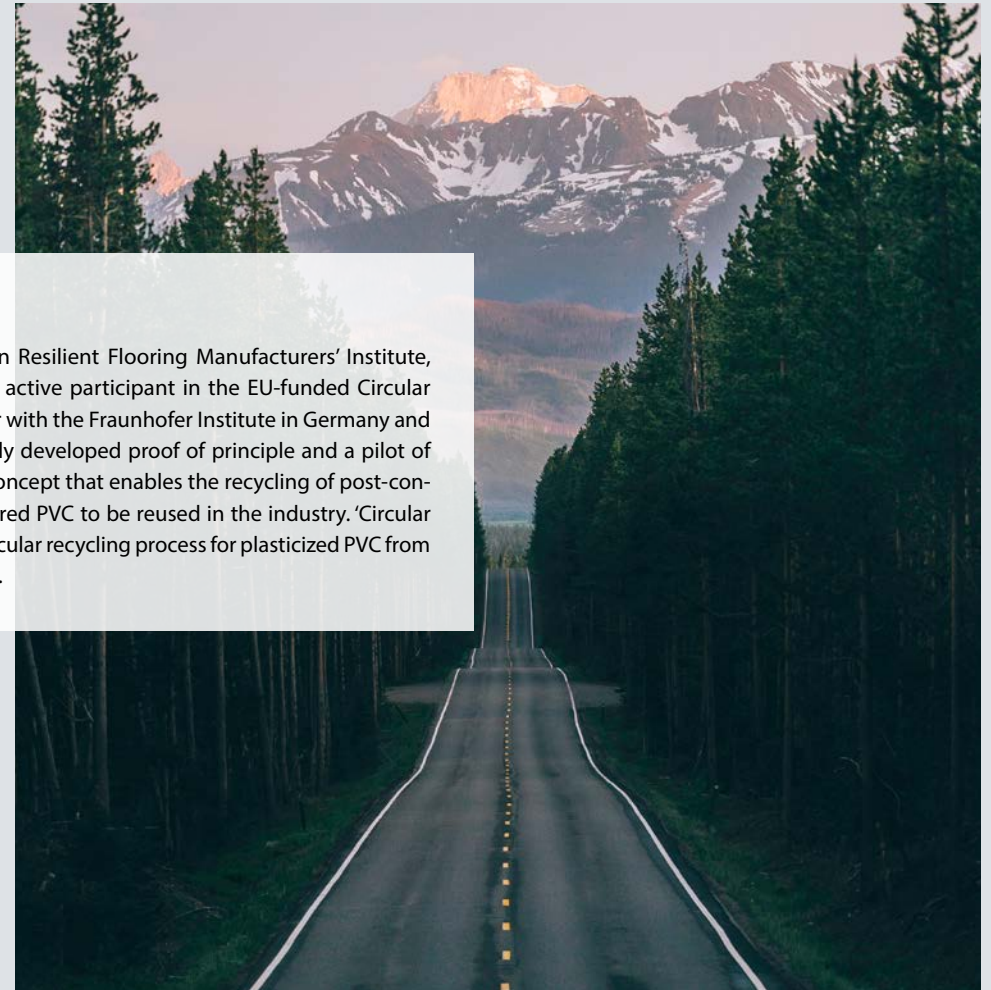
- European Resilient Flooring Manufacturers' Institute (ERFMI)*
- European Floor Covering Association (EuFCA)*
- European Carpet and Rug Association (ECRA)
- Multilayer Modular Flooring Association (MMFA)
- Various national industry and trade associations European Committee for Standardization (CEN) through national member committees
- The Floorcovering Committee of the International Organization for Standardization (ISO)

In addition, we forge cooperations with esteemed universities and innovative start-ups. Through these collaborative efforts, we strive to consistently enhance the environmental profile of both our company and product portfolio.

By working hand-in-hand with these diverse stakeholders, Forbo Flooring Systems remains committed to driving progress in sustainability, fostering responsible business practices, and contributing to the broader goals of creating a more circular and environmentally-conscious future.

Collaboration

Through ERFMI, the European Resilient Flooring Manufacturers' Institute, Forbo Flooring Systems is an active participant in the EU-funded Circular Flooring project that, together with the Fraunhofer Institute in Germany and other partners, has successfully developed proof of principle and a pilot of the proven vinyl dissolution concept that enables the recycling of post-consumer vinyl waste into recovered PVC to be reused in the industry. 'Circular Flooring' aims to establish a circular recycling process for plasticized PVC from post-consumer waste flooring.



* Forbo Flooring Systems is chairman of this organization in 2023



ENVIRONMENT

COMMITTED TO PROTECTING **THE PLANET**

The flooring industry undeniably has a notable environmental impact, starting from the extraction of raw materials to the end-of-life of the product. We firmly believe that it is our responsibility to tackle this issue, not only for the benefit of our planet but also to secure a better future for the generations to come. After all, this earth is the only one they will have, and we are determined to do everything within our capacity to safeguard it.

PROGRESS IN 2023 ON OUR ENVIRONMENTAL TARGETS



Base year 2019

Note: these targets were established in 2019 for our Sustainability Program 2025.



The UN's commitment to sustainable development is encapsulated in the 17 Sustainable Development Goals (SDGs), established in 2015 with the ambition of achieving them by 2030. Within the framework of our environmental strategy, we specifically concentrate on five of these SDGs. This section dives into the details of how our initiatives directly contribute to these goals, providing insight into our dedicated efforts to support the broader global agenda for sustainability.





1928 Founding of Forbo

through the merger of three European linoleum factories

1995 contributed to the first LCA in the industry

together with the Swedish Council for building research

2000 Founder LCA in flooring industry

in collaboration with Leiden University, confirming the low carbon footprint of Marmoleum



2008 Public environmental report

disclosing performance and ambitions to all our stakeholders

95 years of creating better environments

For over a century, our mission has been to create floor solutions that not only serve today's needs but also safeguard the world for tomorrow.

Sustainability isn't just a goal for us; it's the essence of everything we do. We aim to make the world greener, healthier, and more livable with our circular flooring solutions.

In our sustainability journey, you will find a timeline of our initiatives over the years.

2014 Entire portfolio phthalate-free

leading the industry towards a healthy indoor environments

2013 Introduction full fast flooring vinyl

allowing for end of life reuse & recycling

2011 Launch of post-installation take-back services

in the USA, Sweden, the Netherlands

2010 Reduced Scope 1 & 2 GHG emissions by 45%

by switching to green electricity in all plants



2020 Launch Sustainability Program 2020-2025

with targets on the key environmental and social topics



2021 Successful recycling of 20-year-old Marmoleum

into a new floor in Assendelft, in collaboration with Delft University of Technology



2022 Back to the Floor all over Europe

introduction of our takeback service in Norway, Finland, Germany, Belgium, and Denmark

2023 Climate Positive verification

Marmoleum cradle to gate without offsetting, and introduction of Marmoleum Cocoa with end of Life recycled content

2024 Start developing a new sustainability strategy

and program for 2030

2018 Switched to biogas in Bamber Bridge

Tessera carpet tiles now manufactured without fossil energy

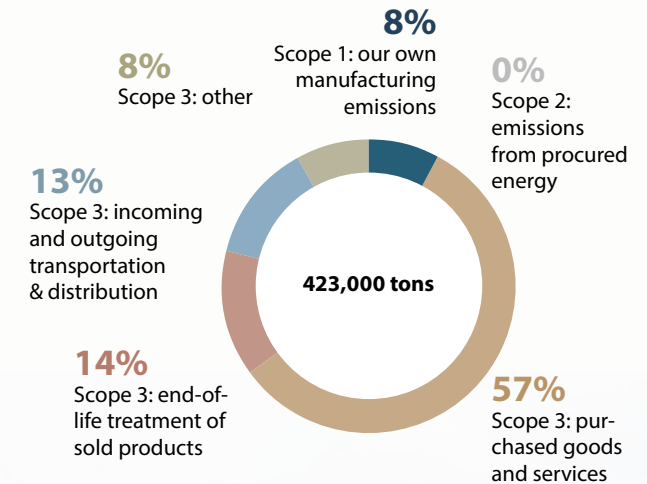
The climate is changing. So are we.

Climate change arguably poses the biggest risk of our time - to people, to communities, to ecosystems, and to businesses. Decarbonizing our operations and value chain to become net-zero is a key strategic priority that touches every aspect of our company. It is a transformative undertaking, one that poses many challenges the upcoming decades. Although we have quite the journey ahead, we are proud of what we've achieved so far. We have been walking the decarbonization path in Scope 1 & 2 for over 15 years and our Sustainability Program 2025 has accelerated the pace. This year we've also established a new baseline for our scope 3 GHG emissions following the GHG Protocol, gaining better insight into our hotspots and take appropriate action.

Our impact on the climate in 2023

This year, we have reviewed the carbon footprint of our company, with specific attention to Scope 3. Our corporate carbon footprint calculation has moved away from the LCA method and has become more rigid, as it is now in line with the operational control approach of the GHG Protocol. In addition, we have added emissions from employee commutes, car leasing, and business travel, as well as CO₂ emissions from capital goods.

Our CO₂ footprint in 2023



The breakdown shows that a majority of our fossil carbon footprint comes from the raw materials we procure, our own manufacturing, and the processing of our products at end-of-life.



Our path to net zero

To tackle these emissions, we have developed a net zero strategy that rests on four interrelated pillars:

1. Removing and storing carbon in our products with biobased materials

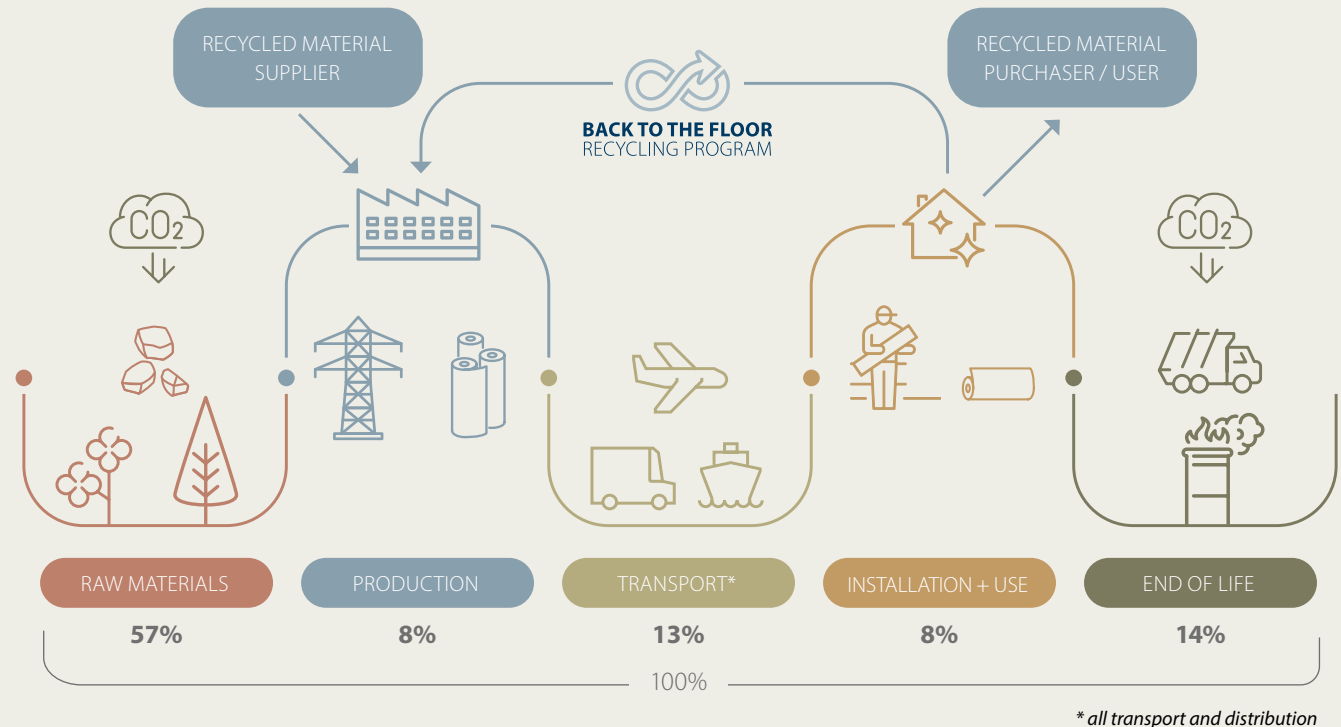
The biggest emissions hotspot for our company comes from production of the raw materials we procure. That is why one of our core Scope 3 reduction pillars is increasing the use of biobased (rapidly renewable) materials in our products. Biobased materials take up and store carbon (C) from the air, transforming carbon dioxide (CO₂) into oxygen (O₂). This carbon removal is called biogenic carbon uptake. It is a significant portion of our positive climate impact.

Marmoleum even became climate positive this year, because the biogenic carbon that is taken up by the biobased materials amounts to more than all fossil emissions that occur during its sourcing and production (cradle to gate).

To account for the carbon removals in our value chain correctly, we await GHG Protocol's Land Sector and Removals Guidance and SBTi's Forest, Land, and Agriculture Guidance (FLAG), which work closely together to release a rigid carbon accounting standard for removals in 2024.

2. Accelerating the energy transition at our manufacturing sites

The emissions from our own operations, also referred to as Scope 1 & 2, are under our direct control and are a core focus area for every manufacturing sites. In 2010, a noteworthy transition to clean electricity occurred, resulting in the exclusive presence of scope 2 emissions from city heating (waste) that we procure. To get to net zero emissions in Scope 1 & 2 we set an intermediate -20% target for 2025 when we introduced our sustainability program in 2020, which we have surpassed this year. With the introduction of our new sustainability strategy, we will accelerate that reduction path, focusing not only on process optimizations and electrification, but also on collaborations on new clean energy sources with the local industries around our sites. To learn more about our Scope 1 and 2 emission reductions, please refer to the chapter 'Energy & GHG Emissions' in Step 3 of our environmental framework.



3. Engaging with suppliers to find low-carbon raw material options

It matters where and from whom we procure our materials. Some suppliers simply produce with cleaner energy or can offer lower carbon material alternatives. Currently, our raw material emissions are primarily based on industry averages, but we are in the process of gaining insight into supplier-specific emissions as well. This means we ask suppliers to provide specific Lifecycle Assessments, allowing us to evaluate the carbon footprint of a material objectively and choose suppliers with the best-performing offerings.

4. Transitioning to a circular business model: circulating products and materials at their highest value

Becoming circular as a company tackles the two biggest categories of our GHG emissions, which is why it's a core part of our environmental strategy. On the one hand, becoming circular keeps end-of-life floor coverings from incineration, eliminating emissions that would come from burning the material. On the other hand, because the recovered materials would be reused or recycled in a new product, there is no need to produce new, energy-intensive virgin materials, which form the biggest portion of our environmental impact.

Our ideal recycling & reuse model is closed-loop, meaning that we would use our own recovered end-of-life materials to create a new Forbo Flooring Systems product. However, if we cannot recycle or reuse the material ourselves, we work with other industries.

METHODOLOGY

CIRCULARITY AT THE CORE OF OUR ENVIRONMENTAL FRAMEWORK

In this section, we explain our methodology with regards to The Greenhouse Protocol and our Life Cycle Assessment, as well as our 5-Step Circularity Framework.

The Greenhouse Gas Protocol

We utilize the greenhouse gas emissions measurement and management framework as a leading tool in our efforts to address climate change. Developed jointly by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), this protocol offers a standardized methodology for measuring our carbon footprint and taking actions to reduce our contribution to climate change.

It is widely adopted across the globe, enabling businesses, governments, and organizations like ours to quantify emissions from diverse sources. By doing so, we ensure transparent and comparable data, which is pivotal in formulating effective climate strategies and reducing the environmental impact of our collective activities.

Life Cycle Assessment

Life Cycle Assessment (LCA) is a valuable tool for evaluating potential environmental impacts throughout a product's life cycle. This approach allows us to comprehensively examine the environmental implications associated with a product, encompassing its entire journey from the acquisition of natural resources to the production and use stages, and finally, to waste management, which includes disposal and recycling.

When we refer to a 'product,' we encompass a broad spectrum, including goods, technologies, and services. Our commitment to LCA is a reflection of our dedication to understanding and minimizing our environmental footprint in all aspects of our operations. We disclose LCA in our EPDs.



5-Step Circularity Framework

The environmental challenges in our value chain go beyond greenhouse gas emissions and include complex and interrelated topics like waste, water, packaging, materials, and biodiversity. To encompass all these topics, we are grouping our environmental communication using a five-step circular framework that covers the following steps:

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

The outstanding work on the circular economy by the Ellen MacArthur Foundation is a major source of inspiration for our strategy. Along these stages we continuously evaluate options to refuse, reduce, reuse, repurpose, and recycle, also referred to as the 5Rs, as key goals to eliminate waste and pollution, circulate products and materials at their highest value, and regenerate nature.

OUR APPROACH AND RESULTS

PRODUCT DEVELOPMENT AND DESIGN

We are dedicated to developing and designing flooring solutions that prioritize value creation during use and beyond, with a dual focus on environmental sustainability and user satisfaction.

Our primary goal is to craft flooring solutions using renewable and recycled materials, allowing us to deliver products that contribute to environmental well-being while enhancing user experiences. This commitment is pursued through three fundamental approaches:

Assessing, disclosing, and improving product impact: LCAs and EPDs

We meticulously assess and transparently disclose the environmental footprint of our products. This empowers our customers to make informed choices aligned with their environmental values.

Developing Fast Flooring solutions that are made to go round

We innovate with Fast Flooring solutions tailored for enduring performance. These solutions not only simplify installation and maintenance but also contribute to a reduction in material waste, promoting sustainability throughout the product lifecycle.

Future-proof designs

Our focus on crafting designs that are both enduring and aesthetically pleasing encourages users to cherish and maintain their flooring over time. This emphasis on durability reduces the need for frequent replacements, minimizing the overall environmental impact.

In this way, we strive to provide flooring solutions that harmonize with the environment and cater to the diverse needs of our users.



**Going Round Moving
Forward video**

Product development and design

We aspire for our floor coverings to extend their utility beyond a single lifetime. To accomplish this, we engineer products that yield value throughout their initial use and persist far beyond, all the while prioritizing the environment and user experience. We pursue this objective through three fundamental strategies: rigorously assessing and transparently disclosing our products' environmental footprint, innovating with loose-lay solutions tailored for long-lasting performance and crafting enduring and beautiful designs.

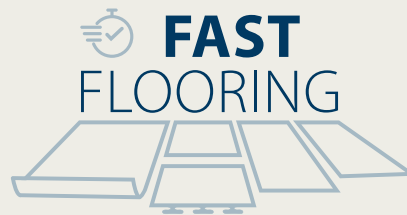
Assessing, disclosing, and improving product impact: LCAs and EPDs

Throughout our company, we use life cycle assessments (LCAs) to identify and continuously improve the sustainability performance of our products in all lifecycle stages, from raw material extraction to end of life. LCAs have a rich history within Forbo Flooring Systems: we conducted our first LCA in 2000 in collaboration with the Leiden University (Netherlands). Back then, it was revolutionary, as it was the first time a flooring manufacturer was able to mathematically determine the impact of the entire lifecycle of its linoleum products. Not long after, in 2000, we were the first to also add ecological and human toxicity impacts to our LCAs. Today we perform our LCA calculations to the latest international standards, of which we are closely involved in the development.

We disclose the results of our life cycle assessments in Environmental Product Declarations (EPD) for specific products. An EPD is transparent and specific, third-party-verified, and follows a uniform and internationally standardized format. They are invaluable to architects, planners, and building owners as they can be incorporated into sustainable building design tools and life cycle assessments of a building. Forbo Flooring Systems continues to publish third-party certified EPDs for all its individual floor covering products. By the end of 2023, 47 Flooring Systems products had been EPD-certificated and published. All the LCA calculations were third-party verified by UL Environment and are based on the product category rules (PCR) set out in the EN-15804, EN-16810, and ISO-14025 standards.

Developing Fast Flooring solutions that are made to go round

Forbo Flooring Systems Fast Flooring solutions offer glue-free floor coverings that are not only quick and easy to install but also sustainable due to their reusable and/or recyclable nature. The absence of glue allows for easy removal at the end of their usable lives, with many products ready for recycling through our 'Back to the Floor' program. Produced in Europe using 100% clean energy and in ISO 14001-certified facilities, our solutions adhere to high environmental standards. They are also phthalate-free, contributing to healthier indoor environments. Stress-reducing designs, high light reflectance values, and dementia-friendly options are also available.



Future-proof designs

At the heart of our approach to designing flooring solutions lies our unwavering commitment to sustainability and a deep-seated dedication to meeting the diverse needs of our customers. We understand that the modern discerning consumer seeks more than just a visually pleasing

surface – they also require practicality, durability, and an eco-conscious choice. This drives us to place our customers' demands at the forefront of our creative process, in conjunction with the essential functionality of the flooring. Our overarching objective is to elevate the quality of

interior spaces by offering sustainable flooring solutions that not only align with the desires and requirements of those who inhabit them but also leave a positive impact on the environment. Our approach is firmly anchored in four core principles that define our ethos.



1. Timeless visual appeal

Our flooring solutions are thoughtfully designed to have a timeless and neutral visual appeal. We understand that floors are an integral part of interiors, requiring designs that will remain stylish for years. This not only ensures lasting beauty, but also minimizes environmental impact by reducing the frequency of replacements.

2. Future-ready functionality

Our design strategy extends beyond the present use of a space. We anticipate future changes in a building's function, aiming for flooring solutions that are flexible and adaptable to evolving user needs. Whether it's an office becoming a creative workspace or a living area transforming into a home school, our flooring solutions remain relevant, prolonging the sustainability of the space.

3. Enhancing well-being and atmosphere

We acknowledge the pivotal role of creating the right atmosphere, both mentally and physically, in any space. Our flooring solutions contribute to the well-being of occupants in living, working, and recreational environments. We prioritize elements such as acoustics, lighting, and overall ambience to create flooring solutions that offer comfort and tranquility while enhancing aesthetics. This fosters an environment where people feel comfortable and can perform at their best.

4. Custom made solutions

Custom floor designs, as offered through our Custom Flooring program, extend beyond adding a personal touch to interior spaces. In addition to empowering customers to create unique designs like zebra prints, corporate logos, and special patterns, custom flooring also contributes to the reduction of cutting waste during installation. By precisely tailoring the floor to fit the designated space, we can accurately match the required materials to specific dimensions, minimizing unnecessary surplus and waste. This approach not only emphasizes the aesthetic aspects of our floor designs, but also underscores our commitment to sustainability and efficient resource utilization in the production process.

INTERVIEW

Jason Holmes: Green design Principles have replaced the linear approach

Jason Holmes is Head of Design (Textiles) at Forbo Flooring Systems. His role is to manage the creative design process for the textile products Forbo produces.

Jason told us about the sustainability principles his department follows and the exciting initiatives they implemented in 2023.

Sustainability in daily operations

Jason highlights how sustainability and circularity are at the core of everyday design processes: “The traditional linear approach to design (take/make/waste) was abandoned, for me, by our adoption of Green Design Principles back in 2010. Yes, functional, design-led, fit-for-purpose products are what we provide, but myself and my team now deliver these with due care, attention and prominence of design inputs including circularity and sustainability – a design game changer.”

Key 2023 achievements

The past year has seen many key sustainability projects for Jason and his team, most notably the development of carpet tile collections using a new yarn system that is 90% recycled, providing a finished product that contains over 75% recycled content.

Jason adds: “Flotex Next is another product initiative that, although not design related, is worth mentioning, as it is the first loose lay/adhesive-free textile flooring. We will use this in our

next collection of Flotex as it aids circularity, ultimately offering contaminate-free backing and providing next generation post-consumer materials, which will minimise future raw material take. This collection will also be the first collection where we employ a hybrid approach to manufacture across digital and rotary screen printing.”

Future focus on lower embodied carbon

Going forward, Jason anticipates that a focus on lowering embodied carbon – the amount of carbon emitted in the production of a product – will be a key consideration: “Right now, the move towards lower embodied carbon is of prime concern and is the driving force of developments, particularly in our tufted products and the yarn we use to make them.”

He adds: “Moving forward I see the growing use of carbon budgets in buildings becoming a given. This will have massive influence, ultimately dictating material/product choice for specification. That will require a step change in how we design. Currently, we understand how to measure a product’s sustainability criteria and design in order to continually improve those numbers, but when the numbers become a fixed target at the outset, then that becomes the focus of the design brief. The ability to design within these constraints whilst still achieving the right aesthetics is an opportunity.”



Jason Holmes, Head of Design (Textiles)

“Moving forward I see the growing use of carbon budgets in buildings becoming a given. This will have massive influence ultimately dictating material/product choice for specification.”

OUR APPROACH AND RESULTS

SOURCING AND RAW MATERIALS

In our commitment to ensuring the sustainability of our products, we uphold the most stringent standards in the sourcing and selection of materials. Our dedication to environmental responsibility is underscored by third-party verifications through assessments like LCAs (Life Cycle Assessments), EPDs (Environmental Product Declarations), and HPDs (Health Product Declarations).

We use three interrelated strategies to push the environmental transition, based on the product category:

Maximizing the use of biobased materials

Bio-based materials are integral to advancing the transition to a net zero economy, not only for Marmoleum but also across various products. Forbo's sustainable ethos is rooted in a history of using bio-based materials like linseed oil, wood flour, jute, and natural resins as key ingredients for Marmoleum.

Making sure the materials in our products are recyclable

In our dedication to sustainability, we prioritize enhancing the usability, reusability, and recyclability of our non-biological products. PVC, a key component in many of our premium vinyl floors and textile backings, offers a distinct advantage. Its ability to be melted down and recycled multiple times without significant degradation allows it to remain in the recycling loop for extended periods. This not only reduces the demand for new PVC production but also minimizes associated energy consumption and greenhouse gas emissions, while preventing PVC disposal in landfills or through incineration.

Increasing the amount of recycled content

In addition to procuring renewable and recyclable materials, we are dedicated to augmenting the percentage of recycled content in our products. This commitment serves to mitigate the disposal of materials in landfills or incineration and diminishes the reliance on extracting virgin resources. The recycled content in our products is derived from two main sources: recycled materials obtained from external partners and materials recycled from our own products. These recycled materials may originate from our production processes or be sourced from the market through our 'Back to the Floor' program.



Maximizing the use of low-impact materials

In order to reduce our environmental impact, we take responsibility for ensuring that our raw materials are as environmentally friendly as possible. We strongly prioritize responsible sourcing from our suppliers and have implemented various measures to ensure more sustainable packaging.

Monitoring the environmental ambitions of our suppliers

This year, our supply chain team has taken significant strides towards embedding environmental sustainability within our vendor rating process, a vital component of partnership with Forbo Flooring Systems. In this process, suppliers are evaluated based on their level of transparency and their commitments to environmental stewardship. These criteria have become indispensable aspects of the contractual agreements we establish with our suppliers, encompassing the effective management and control of various key elements, including:

- Quality
- Environmental impacts
- Anti-corruption
- Human rights
- Health and safety
- Social accountability (SA8000 standard)
- Community relations
- Financial risk

Notably, the stipulations related to quality, environmental responsibility, and ethical sourcing practices are subjected to regular review and updates. In addition to these commitments, we also actively support our suppliers in participating in carbon reduction programs, aligning their efforts with mandatory industry standards, and contributing to the development of a more sustainable supply chain.

These requirements have fostered increased dialogue and collaboration with our suppliers, as we collectively seek avenues for continuous improvement and sustainable progress.

Raw materials – as green as possible

We use three interrelated strategies to push the environmental transition, based on the product category:

- we aim to maximize the use of biobased materials
- we try to increase the amount of recycled content
- we want to make sure the materials in our products are recyclable.

This ensures we have multiple options in place that are always in line with the values of our customers.

Maximize the use of biobased materials

Biobased materials will play a crucial role in expediting the transition to a net zero economy, not only for linoleum products but also for various other products.

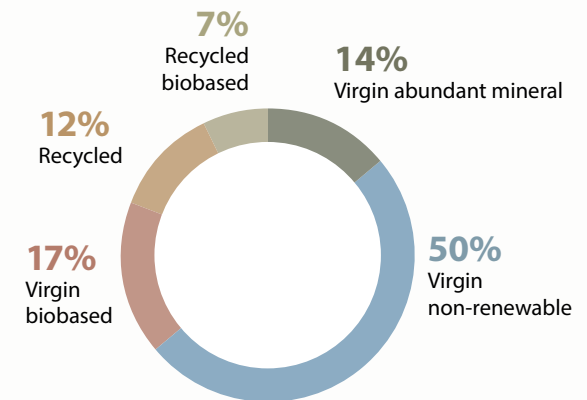
At the heart of Forbo's sustainable DNA is a rich history of using biobased materials, the key ingredients for linoleum. Biobased materials are derived from renewable sources, often plants, and include linseed oil, wood flour, jute, and natural resins.

Recyclable materials

In our commitment to sustainability, we focus on maximizing the usability, reusability, and recyclability of our non-biological products. A key component in many of our high-quality vinyl floors and textile backings is PVC, which possesses a unique advantage. PVC can be melted down and recycled many times without significant degradation. This property allows the material to remain in the recycling loop for extended periods, reducing the need for new PVC production and the associated energy consumption and greenhouse gas emissions. Additionally, it helps prevent the disposal of PVC in landfills or through incineration.

At the end of their life cycles, our products have several recycling options. Our preferred approach is recycling the materials back into our own products through our 'Back to the Floor' initiative, often referred to as a 'closed-loop' system.

Raw materials source



50% of the materials we used were biobased, recycled, or an abundant mineral

Increasing the amount of recycled content

As well as sourcing renewable and recyclable materials, we are committed to increasing the proportion of recycled content in our products. This helps prevent materials from ending up in landfills or being incinerated and reduces the necessity for extracting virgin resources. The recycled content in our products originates from two primary sources: recycled materials from external partners and materials recycled from our own products, which may come from our production process or be sourced from the market through our 'Back to the Floor' program.



Recycled content 2023

Product	% linoleum recycled content
Marmoleum Sport	50%
Marmoleum tile 2.0 & 2.5 mm	49%
Marmoleum 2.5 tile Slate / Walton	48%
Marmoleum 2.0 tile Piano (MCT)	48%
Marmoleum Decibel	46%
Impressa	46%
Marmoleum Ohmex	44%
Marmoleum 2.5 tile Striato / Textura	44%
Marmoleum sheet 2.0 & 2.5 mm	43%
Marmoleum sheet Striato/Uni/Textura 2.5	43%
Impressa (North America)	43%
Bulletin Board	43%
Cork Linoleum	42%
Corkment	40%
Marmoleum FR2	40%
Striato FR	31%
Furniture Linoleum	28%
Marmoleum Click	17%

Product	% vinyl recycled content
Colorex Plus	69%
Allura Ease 0.7/5.0mm	32%
Allura Click pro 0.55/5.0mm	28%
Allura Puzzle 0.7/5.0mm	28%
Colorex Classic	25%
Step	24%
Allura Flex 0.55/4.0mm	22%
Allura Flex 1.0/5.0mm	22%
Eternal	20%
Sarlion Trafic 15dB	18%
Sarlion Trafic 19dB	18%
Allura Dryback 0.7/2.5mm	17%
Trafic Modul'Up 19dB	16%
Allura Decibel 0,8	16%
Allura Dryback 0.55/2.2mm	15%
Compact Modul'Up	15%
Sphera	<5%
Sphera SD EC	<5%

Product	% textile recycled content
Tessera Create Space 1	75%
Tessera Diffusion	66%
Tessera Contour	66%
Tessera Struktur 1 / Struktur 2 Linear	65%
Tessera Perspective	65%
Tessera Barcode	64%
Tessera Inline	62%
Tessera Basis Pro / Teviot	62%
Tessera Chroma	61%
Tessera Layout / Outline	61%
Tessera Cloudscape	61%
Needlefelt	50%
Flotex tile / plank	49%
Coral Brush	23%
Flotex Acoustic Plus	22%
Coral Welcome	20%
Flotex sheet	20%
Coral Duo	18%
Coral Classic	9%
Flotex Edge Modular	<5%

INTERVIEW

Bastiaan Janse: Sustainability in our supply chains

Bastiaan Janse is VP of Supply Chain at Forbo Flooring Systems. He is responsible for identifying, qualifying and contracting 3rd party suppliers, as well as for raw materials, logistics, energy and packaging, sourced products and professional services. We spoke to him about how sustainability is embedded within Forbo's business model.

Sustainability as a fundamental business dimension

"I am of the opinion that duality of economic success and sustainability progress go hand-in-hand," says Bastiaan. "Sustainability is one of the fundamental business dimensions, like quality, service and cost competitiveness. This is inherent to our product offering and global business model. I see it as our role to ensure progress on sustainability both upstream and downstream in our supply chain by setting adequate standards and achieving those jointly with our business partners."

Supplier relationships key for reducing Scope 3 emissions

Bastiaan notes that thanks to work to reduce Scope 1 and 2 emissions, Scope 3 emissions – the emissions not directly caused by the company, but within its sphere of influence along its value chain – now represent the largest portion of Forbo's emissions. "This is something we're actively targeting through our choice of suppliers and by encouraging suppliers to reduce their own carbon emissions."

For example, Bastiaan mentions that one of the key achievements for 2023 was "confirmation that all our direct 3rd party suppliers are adhering to Forbo Flooring Systems supplier requirement standards on environmental, social, anti-corruption and quality."

He adds: "also, for our vinyl products, suppliers are making progress to decrease their environmental footprints, which is historically less common in the petrochemical market."

Future plans for Forbo's supply chains

Bastiaan cites several factors that might shape the future of sustainability in the sector, including "public sector demanding more transparency on sustainability footprint of our supply chain, e.g. Best Practice PVC Australia and EPD Korea."

Bastiaan also mentions new regulations coming in for city transport in Europe and European legislation on ESG goals and mandatory due diligence and reporting. He believes that Forbo is well-placed to meet these future challenges: "I believe our teams have what they need to influence and drive our sustainability agenda."



Bastiaan Janse, VP of Supply Chain

"Economic success and sustainability progress go hand-in-hand."

OUR APPROACH AND RESULTS

PRODUCTION AND DISTRIBUTION

Our commitment extends beyond the use of sustainable materials. We strive to maximize the overall sustainability of our products. In pursuit of this goal, we are actively progressing towards a zero-waste production cycle and endeavoring to create products with the highest possible recycled material content.

Our flooring solutions are designed to be as environmentally-friendly as possible, from inception to end-of-life. In line with this commitment, we ensure that our products are manufactured using 100% clean electricity whenever available. This approach allows us to produce genuinely CO₂-neutral products without relying on offsetting measures.

Energy

Our focus on reducing Scope 1 & 2 emissions centers around transforming the energy profile of our manufacturing sites. All electricity used in our plants is sourced from clean sources, and ongoing investments target increased efficiency and decreased reliance on gas and diesel in our processes. In 2023, our energy mix comprised natural gas, renewable & nuclear electricity, diesel oil, biogas, and district heating, with a notable decline in our use of natural gas since 2019.

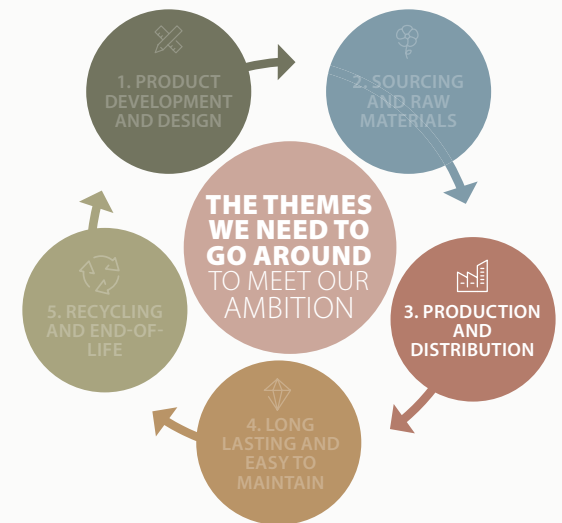
Waste

Minimizing waste in our production is essential to safeguarding the environment. In our journey toward becoming a zero-waste company, our manufacturing sites diligently focus on reducing waste generation from the outset. In instances where obsolete materials persist, our objective is to identify the most valuable reuse or recycling solutions, ensuring every effort is made to prevent their disposal in landfills.

Water

We emphasize sustainable practices in the manufacturing of our floor coverings. Notably, our linoleum and vinyl products feature a manufacturing process that is not water-intensive, with zero water usage, reflecting our dedication to resource efficiency.

Within our textile product category, water is introduced during yarn production, especially in dyeing processes.



Production and distribution

As a production company, we make things people love. We also have an impact on the environment that we need to eliminate. That is why we work hard to transition to the cleanest energy sources and lowest-carbon solutions in the value chain, why we continuously design out waste from our processes, and why we commit to being good stewards of water.

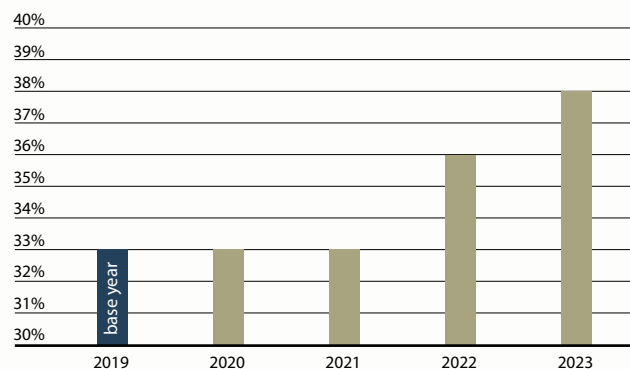
Energy

The energy usage in our manufacturing sites is the main contributor to our Scope 1 & 2 emissions, which is why we work hard to accelerate the transition to clean energy sources. We make sure that all electricity in our plants comes from clean sources, and we continue to invest in increasing efficiency and decreasing the share of gas and diesel in our manufacturing processes.

In 2023, our main energy sources were natural gas, renewable electricity, diesel oil, biogas, district heating and other electricity. Specifically our natural gas usage, which was 61% of our energy breakdown in 2019, has seen a notable decline. A noteworthy example is our production facility in Coevorden. Read more about this in our success stories.

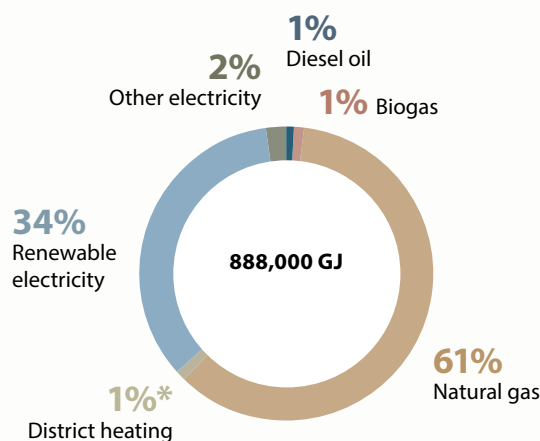
Our total energy usage in 2023, which is influenced by production volumes, was slightly down, whereas our energy efficiency was up: in comparison with 2019, we used 7% less energy per square meter (SQM) flooring we produce.

Share of clean energy in our plants



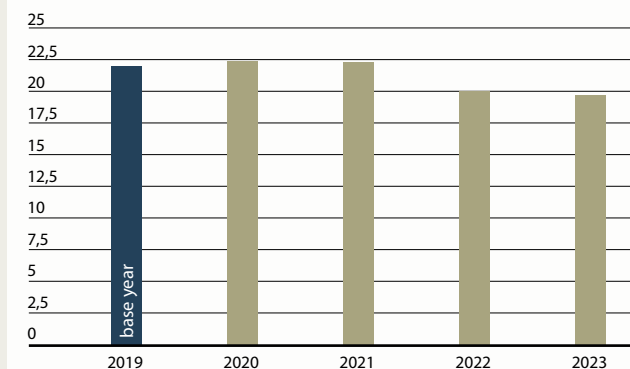
Note: Eurocol included in 2022 and 2023

Energy usage in 2023 in our plants



*All figures in the graph are rounded

Energy efficiency (MJ/SQM) in our flooring production plants



Note: Eurocol excluded



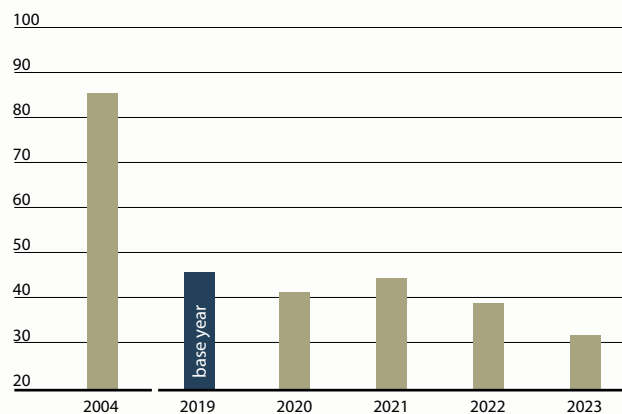
Reducing Scope 1 and 2 emissions

The GHG emissions in our production sites stem directly from the energy we use. Compared to the base year 2019, there has been a 36% reduction in Scope 1&2 emissions, as indicated by the graph. This is due in part to the gas reduction in Coevorden, as detailed in the success stories.

The Scope 2 emissions have been recalculated this year using historical grid emissions factors from the European Environment Agency. This gives a more accurate picture of our GHG reduction than earlier reports.

Scope 1 and Scope 2 emissions of our plants

36% reduction versus base year 2019 (in T/CO₂)



Note: Eurocol is only included for 2022 and 2023

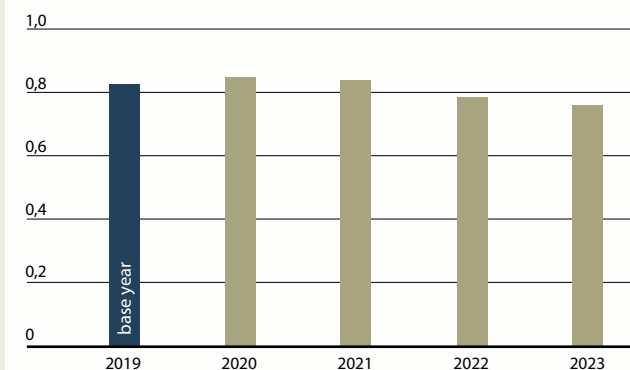
In 2020 we introduced our Sustainability Program 2025, setting a target to reduce emissions by 20%. This year, we surpassed that target and reached 36% in comparison with 2019. As we increase our ambition in our next sustainability strategy, we will further accelerate that reduction path and move towards net zero.

Emissions per square meter

Because production volumes can fluctuate, we also look at Scope 1 & 2 emissions per square meter produced. Since 2019, those have gone down by 7%, further confirming our greenhouse gas emissions reduction efforts are paying off.

Scope 1 and Scope 2 emissions of our flooring products

7% reduction versus base year 2019 (in kg CO₂/m²)



Note: Eurocol is excluded

Scope 3 emissions

This year the greenhouse gas emissions have been calculated and disclosed following the GHG Protocol.

Value chain emissions

For an in-depth overview of our emissions, please refer to the tables below.

Scopes and categories	MTCO ₂ e 2022	MTCO ₂ e 2023
Scope 1: Total direct emissions from owned/controlled operations		
Direct emissions from owned/controlled operations, of which stationary combustion in plants	38,642	31,775
Direct emissions from owned/controlled operations, of which lease car emissions ***	2,390	2,390
Scope 2: Total Indirect emissions from the use of purchased electricity, steam, heating, and cooling (market based)		
Indirect emissions from the use of purchased electricity (market based)	-	-
Indirect emissions from the use of purchased heating, of which the heating would otherwise be considered waste *	336	298
Scope 2: Total Indirect emissions avoided from the use of purchased electricity, steam, heating, and cooling (location based)	24,206	21,180
Upstream Scope 3 emissions		
Category 1: Purchased goods and services	244,758	237,697
Category 2: Capital goods ***	8,727	8,727
Category 3: Fuel- and energy-related activities (not incl. in Scope 1 or Scope 2) ***	7,043	5,794
Category 4: Upstream transportation and distribution	19,979	19,516
Category 5: Waste generated in operations	6,579	3,440
Category 6: Business travel ***	341	341
Category 7: Employee commuting ***	2,019	2,019
Category 8: Upstream leased assets **	-	-
Downstream Scope 3 emissions		
Category 9: Downstream transportation and distribution ***	31,119	34,217
Category 10: Processing of sold products ***	18,736	19,521
Category 11: Use of sold products	-	-
Category 12: End-of-life treatment of sold products	58,400	56,903
Category 13: Downstream leased assets	-	-
Category 14: Franchises	-	-
Category 15: Investments	-	-

* Applicable for Giubiasco and Eurocol Erfurt.

** Not applicable to Forbo Flooring Systems

*** These numbers are recalculated every three years (2022-2025) because little change is expected in between

Scopes and categories	MTCO ₂ e (biogenic) 2022	MTCO ₂ e (biogenic) 2023
Scope 1: Direct biogenic CO₂ emissions from owned/controlled operations	354	362
Scope 2: Indirect biogenic CO₂ emissions from the use of purchased electricity, steam, heating, and cooling	-	-
Scope 3: Upstream Indirect biogenic CO₂ emissions		
Category 1: Purchased goods and services	-46,348	-47,512
Category 2: Capital goods	-	-
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	-	-
Category 4: Upstream transportation and distribution	-	-
Category 5: Waste generated in operations	-	-
Category 6: Business travel	-	-
Category 7: Employee commuting	-	-
Category 8: Upstream leased assets**		
Scope 3: Downstream Indirect biogenic CO₂ emissions		
Category 9: Downstream transportation and distribution	-	-
Category 10: Processing of sold products	-	-
Category 11: Use of sold products	-	-
Category 12: End-of-life treatment of sold products	17,155	17,495
Category 13: Downstream leased assets **	-	-
Category 14: Franchises **	-	-
Category 15: Investments**	-	-

Waste

Reducing waste in our production is crucial for protecting the environment. As we move towards becoming a zero-waste company, our manufacturing sites work hard to reduce waste creation in the first place. For any of the obsolete materials that remain, we aim to find the highest-value reuse or recycling solution and do everything we can to prevent them from ending up in landfills.

Reducing waste creation

We realize that the best way to become a zero-waste company is to prevent waste from being created in the first place. All our factories work with internal yield targets and foster a culture of efficiency to make sure as little waste is created as possible. To support this, they are ISO9001 certified and work with rigid quality management processes to prevent errors in production.

One notably high-yield manufacturing line is the one used to produce Sphera homogenous vinyl. While most flooring manufacturers use 'back-scraping' to produce homogeneous vinyl – meaning they scrape off a portion of the produced material to get the right thickness – Sphera is produced at the right dimensions from the start. This reduces manufacturing waste of Sphera to near zero, which should be the end solution or goal of any manufacturing process.

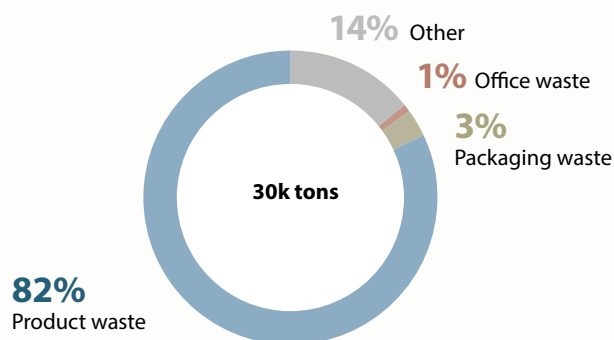
Recycling waste

There will always be a small portion of waste created in our production process. To make sure these otherwise wasted materials are put to good use, we have invested heavily in internal recycling lines in our plants as well as in external partnerships for the materials we are not able to use ourselves.

The government has categorized the majority of our factory waste as non-hazardous, but a small amount requires extra caution. We make sure to offer any hazardous waste to our waste management partners according to regulation, and we monitor regularly whether it is treated correctly by them.

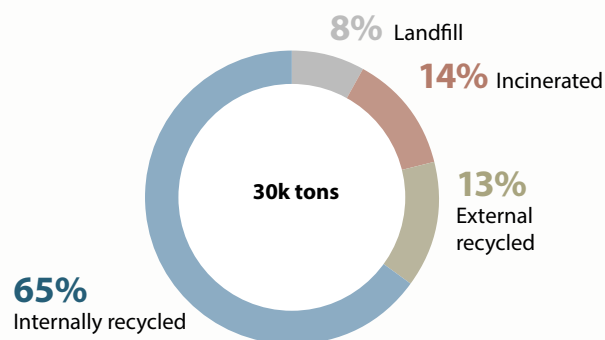
The waste we generated in our plants in 2023

82% of the waste we created was product waste



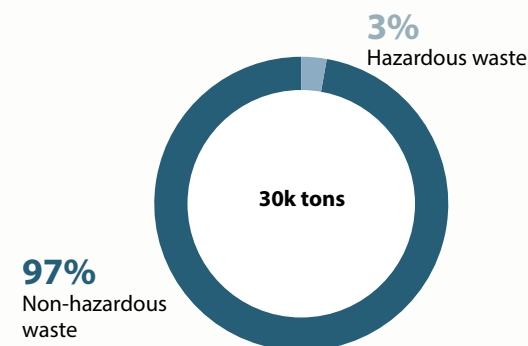
The waste streams from our plants in 2023

78% of the waste we created was recycled



Share of (non-) hazardous waste in our plants in 2023

97% of our factory waste in 2023 was non-hazardous



Water

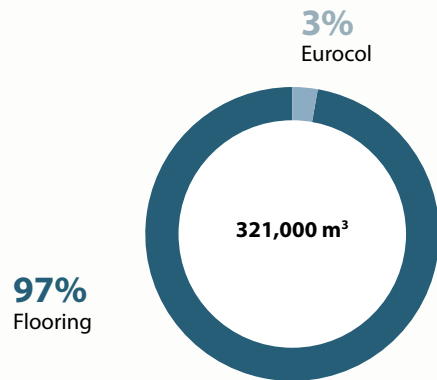
We prioritize sustainable practices in our floor covering production. Notably, our linoleum and vinyl products boast a non-water-intensive manufacturing process. No water is used in these processes, underscoring our commitment to resource efficiency.

In our textile product category, water comes into play during yarn production, particularly in dyeing processes.

For needlefelt and Flotex, water is used sparingly, demonstrating our dedication to limiting environmental impact.

In our building and construction adhesive activities, water is part of the composition of the product.

Water withdrawn from our plants



INTERVIEW

Bregje Smulders: Climate positive Marmoleum

“Being climate positive means that in the production of our Marmoleum floors, we have not only reduced our CO₂ emissions to zero but have also gone a step further by sequestering CO₂. So, climate positivity goes beyond climate neutrality. I am exceptionally proud of this accomplishment.”

Initial assessments

The initial assessments to achieve climate positivity took place in October of last year. “We knew that in 2023, new environmental product declarations (EPDs) for our product categories had to be developed. We then collectively examined life cycle analysis (LCA) calculations: where do we stand, and how far can we go? Our LCA expert precisely identified the improvements we had already made and demonstrated where further progress was feasible. Can we surpass ‘climate neutral’? The conclusion was that this was indeed possible.”

Remarkable achievement

“This remarkable achievement has been made possible through all the optimization and efficiency layers implemented across Forbo in terms of energy reduction, recipe optimization, and process efficiency,” said Bregje. “Consider, for example, the insulated drying rooms, which are now intelligently regulated. Additionally, we optimized our transportation. For instance, we utilize low-CO₂-emission vehicles and collaborate with environmentally-conscious transportation partners. We are also reducing our ecological foot-

print by using renewable energy sources. And let’s not forget, we now employ a product formulation with a biobased origin. More linseed oil directly translates to increased CO₂ sequestration.”

Leading worldwide

Bregje explains the significance of this achievement: “The move to climate positivity is a pivotal part of our Forbo-wide strategy to become a market leader in sustainability. Marmoleum is the flagship product in our sustainable portfolio. The fact that this product is now climate positive is groundbreaking. It means we are globally leading in the sustainability of flooring. What’s wonderful is that this achievement has been reached across the Business Unit Linoleum. It’s truly a collective accomplishment.”

Not the final destination

One can hardly surpass ‘climate positive.’ Nevertheless, according to Bregje, this is not the final destination. “There is always room for improvement. Recently, we introduced the first product with recycled material from used Marmoleum floors. It’s a milestone that we want to expand upon. Work is underway to optimize the recipe, incorporating more linseed oil into it. This further enhances the CO₂ sequestration per square meter. Moreover, I believe we can utilize more recycled materials, for instance, by sourcing raw materials from recycled origins. There is definitely room for further progress in that area.”



Bregje Smulders (centre) and her colleagues

Bregje Smulders,
Product & Sustainability
Manager Linoleum

‘Climate positivity goes beyond climate neutrality. I am exceptionally proud of this accomplishment’

OUR APPROACH AND RESULTS

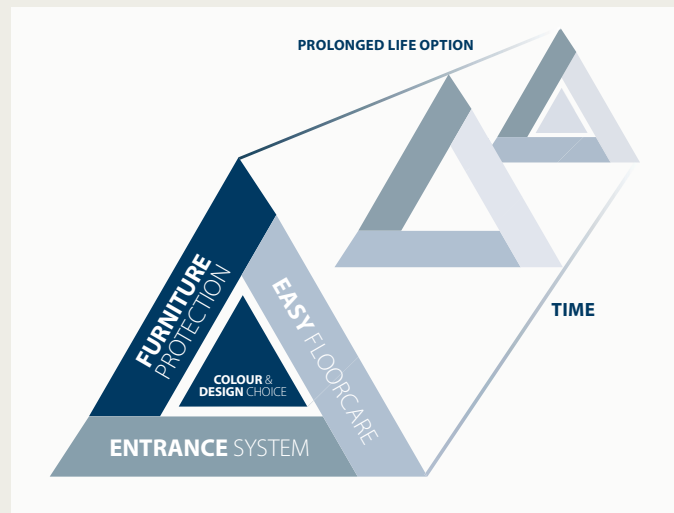
LONG LASTING AND EASY TO MAINTAIN

Durability and longevity are interconnected – the less energy expended in creating, installing, removing, repairing, and recycling products, the lower our overall energy consumption. This principle underlies the design of our flooring solutions, crafted to endure challenging environments while remaining easy-to-clean, leading to a substantial reduction in cleaning costs.

Additionally, we provide short-term solutions that are reusable, promoting sustainability through their repeated use.

To extend the lifespan and thus ensuring a better environmental footprint of our floors there are four key factors that need to be considered:

- Colour and design choice
- Entrance systems
- Furniture protection
- Cleaning & maintenance



Long-lasting and easy to maintain

The best product is the one that's never replaced: the longer a floor covering can be used, the less energy is wasted on creating, installing, removing, repairing, and recycling them.

That's why we work hard to make floors that are easier to maintain and can withstand wear in the most stressful environments. For decades to come.

To extend the lifespan of our floors, three key factors need to be respected: entrance systems, furniture protection and cleaning and maintenance. In the graphic, each of these factors is represented by one side of the triangle. The three factors are inter-dependent and once they are all in place, the life of the flooring is prolonged, even after many years of use, as illustrated by the elongated prism.

Furniture protection

Using suitable furniture leg protection for tables and chairs protects flooring against damage. The use of protective caps or felt pads on the base of the furniture prevents surface scratches.

Entrance systems: protecting the surface before you've entered

An astonishing finding from independent laboratory research is that up to 80% of the dirt entering a building enters through the wheels of wheeled traffic, such as wheelchairs and pushchairs. This finding emphasizes the urgent need for measures to reduce the influx of dirt into indoor spaces.

To combat this challenge, a thoughtfully designed entrance flooring system is essential. Not only does such a system promote cleanliness, but it also acts as a guardian for the floor, preventing potential structural damage. Notably, products like Forbo Coral and Nuway entrance flooring systems have undergone independent testing, demonstrating their ability to effectively remove and retain up to a remarkable 95% of all dirt and moisture introduced into a building via foot traffic.

Cleaning and maintaining floors the easy way

A good cleaning and maintenance regime not only extends the lifespan of the floor but also promotes healthy indoor air. Establishing a proper cleaning and maintenance regime for flooring extends its lifespan, promotes healthy indoor air, and reduces costs over time. How often it should be cleaned depends on the footfall, hours of use, hygiene standards, and the environment in which it is installed. To avoid chemical damage, cleaning products with a high pH should be avoided. Neutral pH cleaning solutions have a gentle effect on the surface finish of linoleum, although inadequate rinsing may cause cracking and discoloration of the flooring.

Color and design choice

The design and the color choice influence the appearance over time. In a school with heavy footfall and little time for cleaning, it is recommended to use a more marbled design in softer tones. This is important for the durability of the floor.



INTERVIEW

Thomas Kjær: Extending product life with sage advice

Thomas Kjær is the Technical Manager for Forbo Flooring Systems Denmark.

He supports clients to ensure the service life of their flooring products is as long as possible.

Advice for longevity

We spoke to Thomas about how his role in promoting sustainability. He shares: “A long product service life contributes to a lower environmental impact, and the correct use of cleaning chemistry and tools also minimises negative impacts on employees and the indoor climate.”

He explains: “I advise architects/designers, contractors, building owners and end users during the use phase. In order to keep the floor for longer, it is important to always address floor protection using entrance flooring. Choosing the right colour and pattern also avoids intensive cleaning and maintenance.”

“It takes specialists knowledge to ensure we provide the best advice and solutions for our products. For example, Thomas advises customers on the correct use of maintenance chemicals. As well as having a better environmental impact daily, it also means there’s less residue on the product at the end of use”

Thomas also provides information about Environmental Certificates, EPDs and take-back options, to make people aware of all the latest possibilities.

Emerging trends

“Moving towards full circularity of our products is clearly a big attention point, and solutions to solve this are in big demand,” says Thomas. “Increased demands from stakeholders and increased legislative regulation will have consequences on how we work, and it is important that we adapt to this.”

Future plans

“Sustainable solutions are the future,” says Thomas, “right from sorting installation waste to demolition of building structures. Developing and implementing industry-wide end-of-life solutions will be challenging but, in the end, the most sustainable solution in all senses.”

Reflecting on Linoleum, he says: “In the light of the truly unique product that Linoleum is, the full reuse of end-of-life Linoleum will be a reality one day. As well as being bio-based this product has all it takes to be true circular product in the spirit of the inventive Frederick Walton.”



Thomas Kjær,
Technical Manager for Forbo Flooring Systems
Denmark

“A long product service life contributes to a lower environmental impact.”

OUR APPROACH AND RESULTS

RECYCLING AND END-OF-LIFE

To achieve true sustainability, we're committed to closing the loop. By continually enhancing our offerings, we find ways to recycle them at the end of their life through local recycling schemes. Our floors are designed using recycled materials, ensuring they can be repurposed both today and tomorrow. We strive for fully recyclable flooring materials and actively support economically viable take-back schemes.

Back to the Floor: reuse and recycling as a service

Until flooring can go fully circular on a global scale, we have started developing solutions on a regional scale by actively offering installation waste take-back programs in instances where this is the most sustainable option, taking into consideration the carbon footprint of the necessary logistics. This way, we can overcome current limitations and prepare for the future. Our 'Back to the Floor' programs are currently running in 13 countries.



Recycling and end-of-life

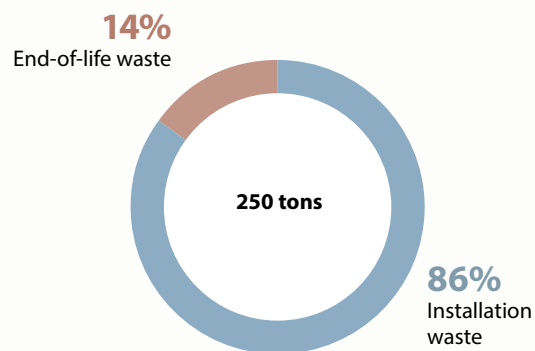
Achieving true sustainability requires us to complete the circle. We are committed to this goal by consistently enhancing our modular offerings and devising ways to recycle them at the end of their life. Collaborating with local recycling initiatives, we contribute to the circular economy. Our commitment extends to designing floors crafted from recycled materials, allowing your old floors to find new purpose today and tomorrow.

Our aim is to ensure that flooring materials are entirely recyclable, while also championing economically viable take-back schemes. Recognizing the limitations of infinite recycling for some materials, we are actively working on finding the most sustainable solutions we can. This results in products that incorporate up to 75% recycled content sourced from materials like fishnets and post-consumer waste.

With the majority of take-back being installation waste the challenge lies into the receiving it back as clean as possible in order to bring it back into our production cycle. When returned waste from a project site is contaminated the material is recycled externally, still ensuring a purposeful utilization. With education and instructions we strive to keep out coffee cups or other building materials.

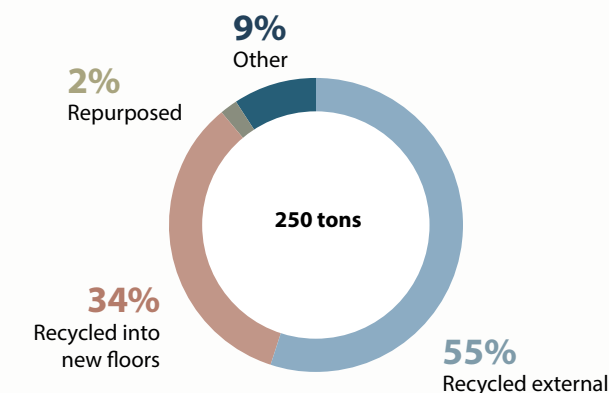


Take-back service from our flooring products



Note: Eurocol is excluded

Destination of the post-consumer waste from our take back service in 2023



Note: Eurocol is excluded



Back to the Floor: reuse and recycling as a service

To become truly sustainable, we need to close the loop. We do that by continuously improving our modular offerings and finding ways to recycle them at their end of life. Our target is to re-use or recycle 95% or more of product waste. The fifth and final of our key challenges is all about recreating value at the end of the cycle.

Every year, our circular-ready flooring offering is expanding. Loose-lay installation, for example, makes it possible to take back used products without contamination of glue and screed, making products easier to re-use or recycle.

Until flooring can go fully circular on a global scale, we have started developing solutions on a regional scale by actively offering installation waste take-back programs in instances where this is the most sustainable option, taking into consideration the carbon footprint of the necessary logistics. This way, we can overcome current limitations and prepare for the future. Our 'Back to the Floor' programs are currently running in 13 countries.



BACK TO THE FLOOR RECYCLING PROGRAM



Video hospital post-installation
Charleroi



Video end-of-life Marmoleum

INTERVIEW

Yves Timmermans: Helping customers reach their sustainability goals

Yves is Technical Sales Support Manager (Belux) at Forbo Flooring Systems. He keeps the sales team informed about new product launches, prepares and updates product specifications, manages maintenance and installation advice and more. He's also responsible for sustainability and take-back programs in the Belgian market.

We spoke with Yves about how he and the sales team help customers meet their sustainability goals.

Growing demand for more sustainable flooring options

The Belux region in particular is now seeing a greater demand for more environmentally-friendly floor coverings. Yves explains: "Sustainability and global warming is very important in the Belgian building market. Architects, constructors and end-users are all trying to make the right choices."

A new tool called "TOTEM" is being brought in by the Belgian government to measure the impact of buildings.

"In the first half of 2024, it is expected that architects and builders will be obliged to use the tool in all public projects. The environmental impact of floor coverings has become very important in the architect's decision process," said Yves. Therefore, the work of Yves and his team in providing accurate sustainability information to customers will become even more important.

Supporting customers with take-back schemes

A large part of Yves' role involves organising take-back schemes, where installation offcuts are taken back and reused or recycled.

Highlights from 2023 include taking back cut-offs from the installation of 110,000m² of Sphera/Sarlon/Step and 8,000m² of Flotex tiles at the Grand Hopital De Charleroi, as well as take-back of Marmoleum cut-offs for a 17,000m² project in Howest Brugge – both still ongoing projects.

Future challenges and opportunities

Looking forward, Yves expects to see more take-back schemes for smaller projects: "Our take-back service currently focuses only on returning cutting remnants in large projects. It will be a challenge to return cut-offs from small installations as well. In time, this will also be expected, as every little effort contributes to a better climate."

He also sees end-of-life solutions for flooring as a key issue going forward: "We're receiving more and more requests to take back old end-of-life flooring. Because those are usually glued down, it currently means they are difficult to take back and recycle. Taking responsibility for all EOL flooring will become important in the years to come."



Yves Timmerman,
Technical Sales Support Manager

**“Every little effort
contributes to a
better climate.”**

SUCCESS STORIES

Flotex Next

The Flotex Next adhesive-free flocked flooring combines the incredible performance of Flotex with the benefits of a loose lay installed floor. Not having to use installation adhesive makes Flotex Next very suitable for busy areas: installation time is reduced, and there is minimal disruption or lingering adhesive odors. Flotex Next can be walked on immediately after installation.

With Flotex Next, only a very short time is needed to prepare the substrate, and the installation itself requires a limited number of operations. Only minimal preparation of the subfloor is required, and the application of the adhesive and the drying time of the glue do not have to be taken into account. A new floor can be installed with minimal downtime or even without closing the premises.



Sphera

In order to make sustainable vinyl flooring, at Forbo Flooring Systems we sometimes do things that defy convention. One example is how we make our homogeneous vinyl Sphera. The traditional way to make flooring like this is to take off over 10% of the backing at the end of the line to achieve the right thickness.

Our state-of-the-art production method has been engineered for efficiency so as to only produce very minimal waste. Any waste produced is then re-used in the backing of our heterogeneous vinyl. This is a great example of how higher amounts of recycled content are not automatically better when minimum waste and re-use are taken into account. This product is sustainable due to its inherent qualities:

- New state-of-the-art production techniques ensure consistent product quality.
- 'Zero waste' technology + clean energy = one of the most sustainable production in the world for homogeneous vinyl.
- 100% phthalate-free and very low emissions for a healthy indoor environment.

EPD

This year, we published the first EPDs based on the new EN15804 standard. This is a standard for the sustainability of products in the construction sector, which defines the core product category rules (PCR) for Type III environmental declarations. In November 2019 a new revision of the standard was published. The EN 15804+A2 replaced the A1 revision, (EN15804+A1), which was published and has been in force since 2013. The new document introduces several substantial changes that will affect the way EPDs in the construction sector are made. The main goal of the A2 revision is to align the standard-based EPDs with the Product Environmental Footprint (PEF) formats.



Marmoleum Cocoa

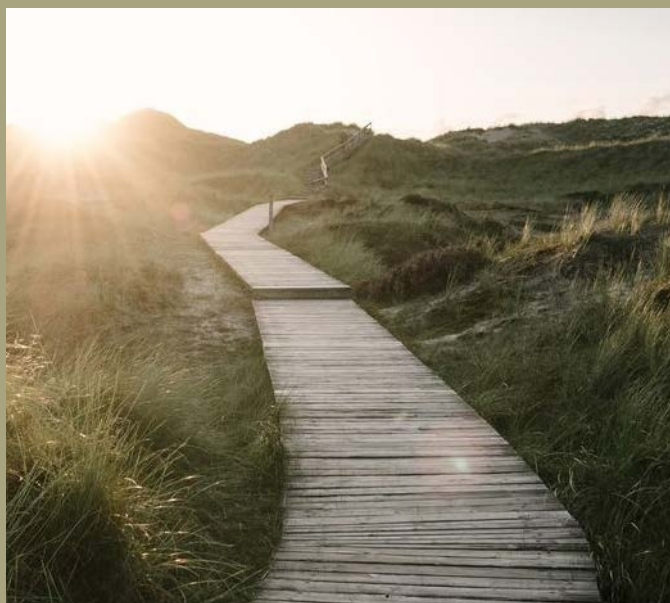
In our ongoing commitment to sustainability, we proudly introduce a remarkable addition to our flooring collection: Marmoleum Cocoa. This unique collection showcases our dedication to sustainability and aligns with the growing demand for future-proof products from our customers.

Marmoleum Cocoa, with its special composition of ground upcycled cacao bean shells and recycled Marmoleum floors, embodies our 'end-of-life (EOL) recycling' initiative. Not only is this in line with our sustainability strategy, but it also has a positive impact on the environment. Each square meter of this product absorbs more CO₂

than is emitted during production, contributing to a cleaner and more sustainable future.

The development of Marmoleum Cocoa came with its share of challenges. The complex process of reclaiming and recycling old floors, with varying materials and potential contaminants, required careful attention. It was not always possible to reclaim and recycle all floors.

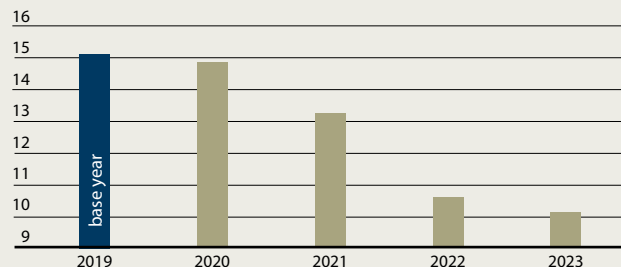
Marmoleum Cocoa represents a significant step forward in our sustainability efforts. We remain committed to developing products that not only reflect our sustainability goals but also contribute to a better and cleaner future for all.



CO₂ reduction Coevorden

In our Coevorden factory, we have replaced two afterburners in the past two years, resulting in more than a 25% reduction in emissions compared to 2019. The third afterburner was also replaced in 2023. Additionally, in 2023, all three afterburners were replaced with static filters and gas-fired thermal oil heaters, leading to a 50% reduction in CO₂ emissions from smoke exhaust.

33% reduction in natural gas at Coevorden plant (MJ/SQM)



Video Topshield pro

Marmoleum Topshield Pro

In the realm of sustainability, design, and functionality, Marmoleum has consistently demonstrated its excellence. Recent advancements have further enhanced its environmental benefits, appearance retention, and user experience. Marmoleum Topshield Pro represents the outcome of sustainable flooring solutions.

Central to this achievement is the upgraded surface finish, meticulously developed using

the latest technologies and informed by our years of experience. This enhanced finish not only prolongs the flooring's appearance but also simplifies the cleaning process, aligning with our commitment to environmental responsibility. The transition from Topshield2 to Topshield Pro marks a significant innovative leap, affirming Marmoleum's standing as the premier natural flooring choice.



Micronisation project team (from left to right) : Christophe, Isabelle, Pascal, Béatrice, Nadège, Lilian, Baptiste, Matthieu, Kriss.

Micronisation vinyl

At our vinyl production site in Reims, thanks to the new micronization installation, we can convert crushed PVC (10-12 mm chips) into a fine powder of a few microns. This powder is derived from residual materials from various production workshops and the reuse of scraps from our own installation at customer locations (take-back program). The micronized powder product is extracted in various particle sizes (up to 600 microns) and immediately integrated into different stages of our production process on our main automated line.

The first phase of this project presented challenges in controlling the processing of the powder and understanding its behavior. The fibrous nature of the powder makes it difficult to transport and store, but we are continuously working on optimization.

This project is the result of collaboration across various departments, including engineering, research and development, production, procurement, quality control, maintenance, methods, and planning. The upcoming phase, scheduled for the summer of 2024, aims to install a new sorting machine and grinding facility, further increasing our capacity for high-quality grinding.

Forbo Reims is now equipped to share its acquired expertise with other factories considering the implementation of this innovative technology.



Coral Move Lightweight

At Forbo Flooring Systems, we provide a range of floor solutions for the transportation sector. With the introduction of Coral Move Lightweight, we offer a lightweight alternative. In the transportation sector, particularly in the context of train flooring solutions, the weight of the floor covering is of paramount importance. The aim is often to keep the overall weight of a vehicle as low as possible, as lighter vehicles generally consume less energy. Coral Move Lightweight stands out with an innovative construction that significantly reduces the total weight by 44% compared to Coral Move. Additionally, Coral Move Lightweight is composed of 41% recycled material and 14% biobased material. The sustainable yarns used in this flooring are made entirely from regenerated materials.

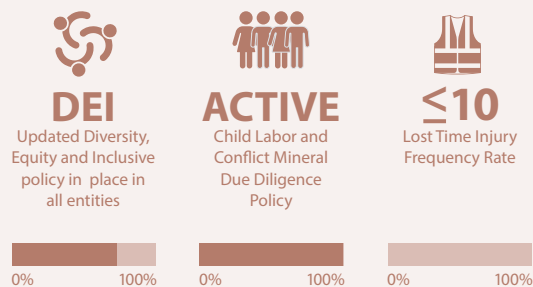


SOCIAL

COMMITTED TO CREATING A HEALTHY AND SAFE ENVIRONMENT

As people spend a significant amount of their time indoors, it is crucial to provide a high-quality and healthy indoor environment. At Forbo, we address all aspects that contribute to the safety, hygiene, and well-being of our customers. This includes supplying low-emission floor coverings, using safe raw materials, and offering products with allergen-free properties and advanced cleaning and maintenance features.

FIGURE 2: PROGRESS ON OUR SOCIAL TARGETS IN 2023



Note: these targets were established in 2019 for our Sustainability Program 2025.



The UN's commitment to sustainable development is encapsulated in the 17 Sustainable Development Goals (SDGs), established in 2015 with the ambition of achieving them by 2030. Within the framework of our environmental strategy, we specifically concentrate on five of these SDGs. This section dives into the details of how our initiatives directly contribute to these goals, providing insight into our dedicated efforts to support the broader global agenda for sustainability.



WE CREATE BUILDINGS WITH FOCUS ON HEALTH, SAFETY, AND WELL-BEING

Dynamics of a building

In modern buildings, the focus is on enhancing occupant well-being. The demand for flexible spaces that adjust to user preferences is rising, with timeless colors and materials allowing walls and floors to transform.

Our approach to building dynamics, through color and materials tailored to each space's purpose, contributes to a balanced and stimulating work environment. Flooring is no longer just functional - it actively supports occupant well-being in modern office spaces.

People

Forbo Flooring Systems has the mission of creating better environments. We are realizing this by focusing our product development & design on people and their behavior in buildings. We use five key dynamics to group the function of the space and the wellbeing needs of people therein.

Product

In all our floor coverings, the color, the look & feel and product specifications are considered to ensure a coordinated fit in every dynamic. This philosophy is integrated across the complete portfolio, from linoleum to vinyl to textile flooring.

Function

In this way, Forbo Flooring Systems ensures complete and coordinated flooring solutions that enhance the overall user experience, contributing to a healthier and more functional environment in every segment and for every application.

The significance of a healthy indoor environment

In a world where over 54% of the population resides in urbanized areas, we find ourselves spending approximately 80-90% of our time indoors, a trend that is only expected to rise.

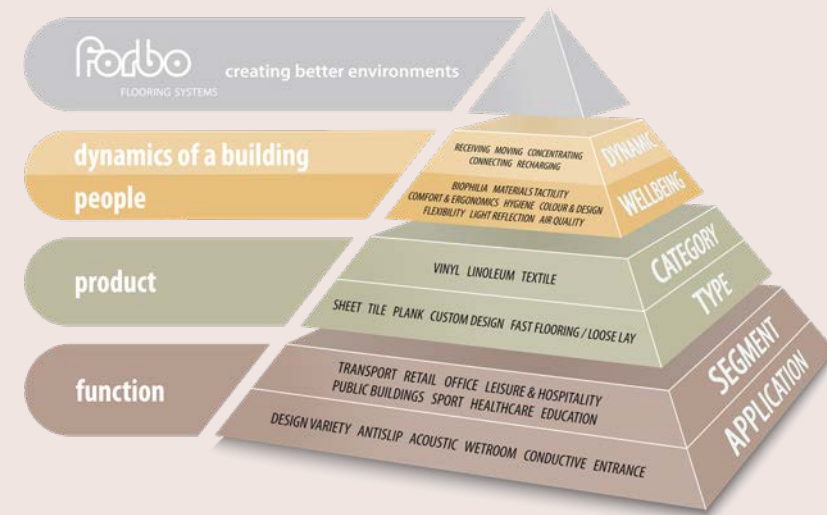
Given that our floors are an integral part of the indoor spaces where people live, interact, and work, our mission is to create and provide products that actively contribute to the well-being and comfort of individuals.

We not only provide Environmental Product Declarations (EPDs) for all our products but also offer Health Product Declarations (HPDs) that detail the impact of our flooring on both human health and the environment.

Allergy-free flooring

Our Marmoleum floors have been awarded the prestigious "Seal of Approval" from Allergy UK, and with proper cleaning, they contain no allergens or dust mites. Independent tests prove that MRSA and Staphylococcus aureus do not multiply on Marmoleum. Marmoleum is made from natural ingredients that are inherently resistant to microbial growth. Thanks to these natural raw materials, particularly linseed oil, Marmoleum has the ability to inhibit bacterial growth.

Flotex is the only textile floor covering to receive the Allergy UK Seal of Approval™. Thanks to Flotex's unique construction, allergens are trapped in the densely packed fibers, reducing the number of allergens in the air. These allergens are then safely and easily released into standard vacuum cleaners during cleaning.



Dynamics of a building



INTERVIEW

Dorothe Kessels: Creating lasting products through great design

Dorothe Kessels is Director of Global Design at Forbo Flooring Systems. She's worked at Forbo for over 20 years. Before that, she specialised in surface design at the Design Academy in Eindhoven, the Netherlands and spent years working as a freelance designer for numerous international brands.

We spoke to Dorothe about how Forbo's design principles help to create long-lasting, fit-for-purpose products.

Design approach

"My role is to coordinate all designers in the Forbo Flooring Systems organization and make sure that we speak the same design language, that we start from common trends and that our Marmoleum, vinyl and textile collections are colour-coordinated. Together with marketing, I safeguard the visual identity of our company to strengthen our brand. Design guidelines ensure that our visual expressions are consistent. For example, at trade shows, on the web, and in our photography," says Dorothe.

Key design concept – Dynamics of a Building

A guiding principle in our design at Forbo is the "Dynamics of a Building" concept. Dorothe explains: "Our Dynamics of a Building philosophy analyses how people behave in buildings and how this can contribute to users' well-being. Forbo Flooring Systems' mission is to create better environments, and our designs and products can contribute to a positive sense of wellbeing in a space."

The Dynamics of a Building concept is key to creating lasting products. As Dorothe puts it: "We can find sustainable solutions in smaller collections or timeless designs but any product, whether it's a car, a chair or a floor, will certainly last longer if there is an emotional connection to it and if it is loved and cared for by its users."

Approach to sustainable design going forward

When asked about future sustainability trends in the industry, Dorothe says: "There is a trend towards using materials that originate from nature instead of highly processed synthetic materials. Therefore, architects and designers will demand transparency of materials to determine if they contain harmful ingredients. We can already see the introduction of a 'digital product passport', an electronic record containing all data and information about a product, from the initial raw materials to the finished product." She also adds "Although this may sound controversial for a designer, rejecting or reducing products is where we can have the greatest sustainable impact."



Dorothe Kessels,
Director of Global Design at Forbo Flooring Systems

"We need to ask ourselves if the products we are designing and manufacturing are fit for purpose and if they are really wanted and needed."

TAKING CARE OF OUR WORKFORCE

Prioritizing safety: our fundamental commitment

Safety is not just a priority for us; it's a fundamental aspect of our operations, and we've documented it in our safety policy. While we invest in system and equipment upgrades, we also place special emphasis on addressing behavioral nuances within our workspace. This is essential because the majority of accidents occur during daily routines.

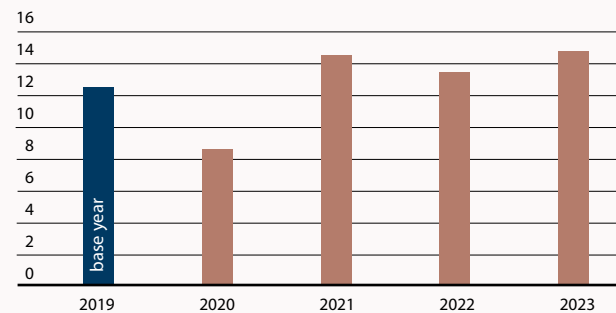
We actively encourage our employees to voice their concerns and report potentially hazardous situations, no matter how minor they may seem. We provide 'stop-and-go' cards as tools for anyone uncertain about a specific procedure or workflow. Comprehensive training and coaching are offered to all employees, whether they work on the factory floor or in our corporate offices.

To measure the effectiveness of our safety efforts, we rely on the following key performance indicators:

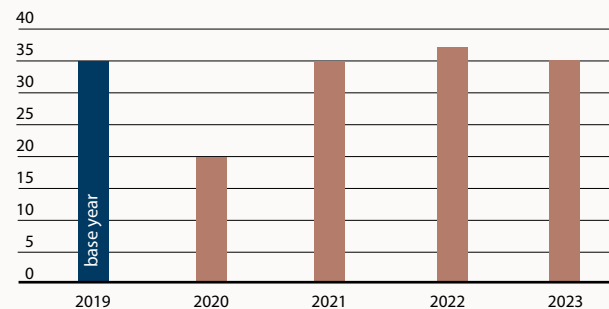
- Lost Time Injury Frequency Rate (LTIFR)
- Number of Lost Time Accidents

These indicators are meticulously tracked at all our locations worldwide and by senior management, providing personalized feedback. The LTIFR in 2023 resulted in 14,7. The total number of lost days due to work accidents: 745. Annual evaluations help us gain broader insights and take actionable measures.

Lost time injury frequency rate in our plants (LTIFR)



Lost time accidents in our plants



Employee health & wellbeing

Taking care of the physical and emotional well-being of our employees is just as crucial as ensuring their safety. Although having a robust absenteeism protocol is imperative, the prevention and promotion of a healthy lifestyle are increasingly important as well.

We have implemented a variety of programs to enhance the health and well-being of our employees. These programs may vary depending on the entity and country. Some examples of our initiatives to promote a healthy lifestyle include:

- Smoking cessation programs; since 2022, all of our production sites in the Netherlands became completely smoke-free in an effort to provide a healthier environment for everyone.
- Sponsoring fitness activities both indoors and outdoors, as well as supporting sports activities by sponsoring Flooring Systems running, biking, and tennis clubs.
- Encouraging the consumption of healthy food in our company restaurants.
- Regularly monitoring and assessing the well-being of our employees.
- Offering routine medical check-ups and well-being assessments.
- Conducting employee surveys.



Diversity and inclusion

Diversity in the workplace at Forbo has always encompassed a variety of individuals from different backgrounds. On the other hand, diverse experiences, educations, skills, beliefs, and personalities contribute to diversity in the workplace.

As a forward-thinking company, Forbo aims to proactively and consciously utilize the diversity of the population as a resource for the company's success. Such structures are often more open to new ideas and, thanks to their diverse makeup, tend to be more flexible. This ensures that all employees have equal opportunities and feel welcome to contribute and actively participate.

Despite our complex technical production and physically demanding manufacturing, we can consider many aspects of diversity. Embracing diversity and flexibility in team configurations and work models also en-

hances the appeal of a company for achieving a good work-life balance for future employees and professionals.

As in many technical industries, female employees at Forbo are often found in areas such as finance, administration, human resources, marketing, and procurement. In the Forbo Flooring division, women frequently hold positions that are sales or design related.

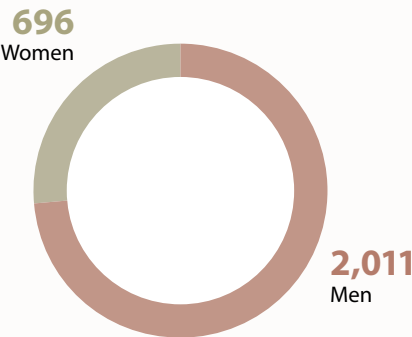
Forbo is strongly committed to the inclusion of individuals living with disabilities and collaborates with relevant companies and institutions in various countries to promote their integration into the workforce and corporate world. In this way, we strive to fulfill our social responsibility in diverse ways.

Our employees	2023
Total number of headcounts by December 31, 2023	2,814
Number of our employees that work parttime	251
% of promotions from within in senior management positions	3

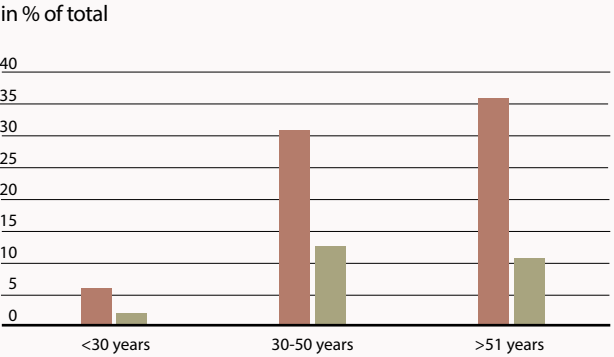
Concerns and grievances procedure

At Forbo Flooring Systems, run an independent, third-party-certified compliance with the Social Accountability Standard SA8000. A grievance procedure is available to at least 85% of our employees in the Netherlands, France, the United Kingdom, Russia, and Switzerland, as well as to all of our employees in the production entities. SA8000 therefore provides another confidential means of communication that fosters exchanges on issues that are sensitive or hard to express. This approach is only sustainable if every single concern or non-conformance is addressed quickly and systematically. To do so, we have implemented a standardized procedure to handle complaints.

Number of our employees that are male and female



Age structure



Diversity

Number of heads

2,814
Total workforce

32
Apprentices /
trainees

22
handicapped
employees

Employee training and education

The division-wide annual performance review provides a starting point and an appraisal for training. In this appraisal, individual training requirements are matched with the training needs indicated in the Flooring Systems strategy as well as any legal training requirements that are in place. Flooring Systems operates a wide range of training formats, from management development to the enhancement of factory floor skills. For specialist training, our employees can attend seminars and conferences or follow one of the educational courses offered by expert institutions and learning centers. On-the-job training for our production and warehousing operators includes:

- Site and company introduction
- Hazard identification, control, and risk assessment
- Job safety analysis
- Job-specific training

Several local and international training programs are in place. The development of learning and training programs is evaluated every year, with improvements implemented whenever we see opportunities to do so. In 2023, we continued the use of e-learning modules, which is an important element in our employee training. We also continued our webinar learning sessions for our external audiences. The total spend on external training costs: CHF 1.15 million.

In 2023, the following international training programs have been conducted:

- Leadership principles course for management
- Flooring Systems' STEP strategy execution process, to help and facilitate teams using this methodology
- SA8000 module in order to improve knowledge on this standard
- Sustainability training, supporting our 'Sustainability 2025 program' as well as our 'Going Round, Moving Forward' campaign on circularity
- Product knowledge programs for new collections, features, and USP's, e.g. Allura and Circular Marmoleum Cocoa
- Code of Conduct full program e-learning as part of the introduction program as well as a refresher course for all our employees
- A cyber security program for new employees and a number of modules for all employees in the target group
- Trainings on competition law (for new target group employees), prevention of corruption and respect at work.

In the Flooring Systems strategy, the people objectives include programs to continuously improve and standardize knowledge and skills in the division, as well as reducing time to knowledge for new employees, with a focus on sales.

In addition, programs are included to identify, develop, and retain talents, as well as create challenging and attractive workplaces for high performers. In this context, the updated succession planning & talent mapping process was launched in the last quarter of 2023.

Company culture

Forbo Group culture is embedded in the Forbo Way to Win (FWW) values program. The Forbo Group and the senior management of the two divisions, Flooring Systems and Movement Systems, developed this to apply to the entire company.

The program has been rolled out within the organization, and today forms part of the induction program for new employees at Flooring Systems. In the Forbo Way to Win, we have defined three core values that each encompass three guiding principles: inspiring, daring and caring. The Forbo Group and its two divisions are proud that their activities are part of everyday life. Its products and services connect with people in professional and private environments to contribute to their lives.

With our global reach and connection to local communities, we are proud to experience a longstanding relationship with our employees, many of whom across the world have been part of our organization for many years. We cherish the diversity of our organization and the inclusive culture we pursue.



Attractive employer

Employees with specific expertise, a good education, motivation, and commitment are crucial to our success. Physical and mental well-being in the workplace are fundamental prerequisites for this. All employees should feel equally valued and supported in their diversity, without any form of discrimination, and be able to unleash their potential within the group. Forbo offers local and international development opportunities where craftsmanship, engineering, design, and sales find common ground. It supports hybrid and part-time work models, invests in numerous training and further education opportunities, and promotes health aspects in the workplace.

Forbo collaborates closely with local universities in many countries in the Flooring Systems department, often with design students and architects in training. Forbo is deeply committed to the training of young, motivated high school graduates, and the same applies to the promotion and recruitment of apprentices, with all professions being

open to all genders in principle, and the same requirements being in place. Apprentices are trained in the following professions: products and applications, sustainability, sales and marketing, finance, operations, software application programs, project management, content and implementation of the strategy. Another important task is to pass on the knowledge and experience accumulated by the older generation to the younger generation in a sustainable manner. Potential employees are primarily reached through various digital channels.

Engagement with the community

Forbo is dedicated to enhancing the quality of life within our communities and society as a whole. We embrace our social responsibility and consider it a solemn commitment.

We actively engage with local authorities, institutions, advocacy groups, and educational bodies, especially in the proximity of our significant

production facilities. Through this, we foster genuine partnerships that promote innovation and creativity in addressing social and sustainability challenges.

Charity and donations

By offering product donations and providing assistance in the installation of floor coverings, we empower organizations in need to bolster their participation in construction or infrastructure projects. Social engagement is fostered through long-lasting partnerships with social organizations and cooperative programs.

On a global scale, we judiciously allocate financial resources to support social and charitable organizations or relief agencies, addressing urgent crises or local emergency situations. Local businesses and employees around the world enthusiastically engage in philanthropic activities and extend their support to projects that aim to enhance social and public health through team-based events.



INTERVIEW

Wendy Rijkhoff: Purpose is important to employees

Wendy is International Training Manager at Forbo Flooring Systems. She established and manages the international Forbo Academy, with learning programs focused on strategic topics such as leadership principles, strategy execution, sales excellence, sustainability and more.

She spoke to us about how sustainability and positive impact are key aspects to employee engagement.

Positive impact and employee engagement go hand-in-hand

As Wendy tells us, “at Forbo, people are our most important asset.” Wendy’s role is to give employees “the opportunity to grow, increase their motivation and develop their talents to further their contributions and job satisfaction.”

So where does purpose and sustainability come into this? “Purpose is becoming more important, and employees expect their employer to take ambitious actions to improve their sustainable performance. Employee engagement increases when employees have opportunities to make a positive impact on the environment,” says Wendy.

Successful product training in 2023

Looking back at the year just gone, Wendy is especially proud of the training program she and her team developed for the new Circular Marmoleum Cocoa product. “We developed the training with a truly global team who all have this collection in their hearts:

the information was right and the enthusiasm in the story telling made the difference.”

Looking forward: using sustainability ambassadors

One way to improve employee engagement on sustainability topics at Forbo would be to make use of sustainability ambassadors, suggested Wendy.

“Practical steps could involve making use of sustainability ambassadors within our organization – on one hand, to inform employees on company goals related to sustainability, the actions that are being taken and the results that are being obtained. And on the other hand, to liaise with employees to gather their ideas on what more could be done and which aspects they value as priorities.”

From the inside out

As a parting thought, Wendy shares: “Sustainability has increasingly become part of the DNA of our employees. It is time for our customers and other stakeholders to learn and experience this more and more, so that together we can create a better environment.”

In a final insight, Wendy urges a collective effort to create a better environment. “Sustainability has become part of our employees’ DNA, and it’s time for others to learn and experience it, contributing to a better world.”



Wendy Rijkhoff, International Training Manager

“Employee engagement increases when employees have opportunities to make a positive impact on the environment.”

ENSURING FAIR TREATMENT OF WORKERS IN OUR VALUE CHAIN



Using a universal standard to manage social accountability: SA8000

Forbo Flooring Systems considers social accountability a foundational pillar of its sustainability efforts. As part of our commitment to fostering social equity and ensuring the fair treatment of workers throughout our supply chain, we have embraced the Social Accountability Standard – SA8000. This standard is grounded in the labor principles of the Universal Declaration of Human Rights and the International Labor Organization (ILO) conventions.

Our SA8000 certification underscores our dedication to upholding critical human rights and ethical working conditions across our global supply chain. This includes areas such as prohibiting forced and child labor, ensuring workplace health and safety, preventing discrimination, ensuring fair pay, and preserving the right to collective bargaining. We view the standard not just as a guideline but as a complement to the national labor laws worldwide. To this end, we qualify our suppliers based on satisfying SA8000 requirements.

Through the SA8000 standard, we proactively oversee our suppliers, ensuring each link in our chain meets our standards for fair treatment. Our team is actively involved in confirming adherence to these standards.

Due diligence on child labor and conflict minerals

In addition to our SA8000 certifications, we've set forth comprehensive policies to detect, prevent, and mitigate child labor and conflict mineral risks.

We take the following approach to manage any risks of child labour in our supply chain:

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 the supply chain.

2 Risk assessment

Our buyers evaluate the risk associated with each supply chain for each 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.

SUCCESS STORIES



SAMS Scrapstore

Located in Blackburn in the UK, SAMS Scrapstore is an organization dedicated to collecting materials that would otherwise end up in landfills. They distribute these materials to community groups, individuals, and schools for recycling and reuse, particularly in craft projects. For several years, Forbo has been a steadfast supporter of SAMS, supplying flooring for both their business premises and the local community. SAMS plays a crucial role as part of Community & Business Partners, offering invaluable support to local businesses and individuals through mentoring, coaching, and consultancy services.



Designing for dementia environments

Age-related changes and impairments can make it more difficult to understand and navigate the built environment. Impairments may be sensory, mobility, or cognition-related (or sometimes a combination of them). This can affect people's functioning, behaviour, independence and ultimately, their quality of life.

Forbo has partnered with the Dementia Services Development Centre (DSDC), an international center that draws on 25 years of global research and practice, to identify which products in our portfolio can contribute to improving the quality of life for people living with dementia.

The Flooring Industry Training Association

We proudly collaborate with the Flooring Industry Training Association (FITA), an independent non-profit organization dedicated to providing specialized training for the floorcovering industry. As the exclusive manufacturer offering a joint course with FITA, our ambitious aim is to have 100 fitters successfully complete the training program annually. Additionally, we have been sponsoring 'The Contract Flooring's Apprentice of the Year' for several years. This initiative recognizes and supports the dedication and accomplishments of flooring apprentices throughout the UK.



FeelGood @Work

This initiative is designed to improve various aspects of the workplace. This year, an in-depth assessment of areas in need of improvement was conducted, with active employee engagement and valuable input. This comprehensive assessment resulted in the systematic consolidation of suggested improvements, enabling the establishment of clear priorities and a meticulously detailed financial plan. To ensure transparency and accountability, a monthly status dashboard has been implemented to provide stakeholders with up-to-date information on our progress.

The selected improvement projects have already commenced and are expected to deliver measurable impacts on our workspaces. These projects encompass enhancements to office layouts and workstations within our production and logistics areas.

FEELGOOD
@WORK

Opkikker Foundation

The 'Opkikker' Foundation is dedicated to providing moments of carefree joy to families with an ill family member. Each year, the foundation extends its support to approximately 2,000 families. Forbo has contributed by donating vinyl flooring for their simulator room, adding to the comfort and ambiance of the space.

Collaboration with students

In collaboration with TU Delft students specializing in product design, we explored ways to make our sample books more sustainable and circular. Sample books are vital for material selection, but we wanted to rethink their use.

Students visited our company, gained insight into our business and sustainability goals, and got to work. They brainstormed alternatives to sample books, interviewed architects, and individually worked on projects.

After 20 weeks, they presented innovative solutions, including prototypes and ideas for more sustainable sample books. These insights will enhance our future sample books and make them more sustainable.



Forbo Flooring Systems Family Day 2023: A distinctive blend of connection and celebration

Forbo Flooring Systems orchestrated a momentous Family Day, marking its return after several years. This event served as a unique opportunity to acquaint family members with the distinctive world of Forbo Flooring Systems. In and around the premises of the world's largest linoleum factory, an array of carefully curated activities were crafted to make this day truly memorable.

The factory, warehouses, and offices were meticulously presented, complemented by a radiant sun. The guided tours garnered significant participation, with a new group, accompanied by a colleague, embarking on a journey every fifteen minutes. The remarkable level of enthusiasm

and attentive engagement resulted in tours extending beyond the initially planned duration. Attendees also explored freely accessible areas, such as the cross dock warehouse, featuring not only a wonderful product presentation but also an engaging activity for creatively inclined visitors.

With a participation count surpassing 400, an atmosphere teeming with liveliness, and an abundance of enthusiastic responses, the event undeniably achieved resounding success. Countless smiling (painted) faces exited the premises, foreshadowing numerous linoleum-themed presentations in the coming days.

GOVERNANCE

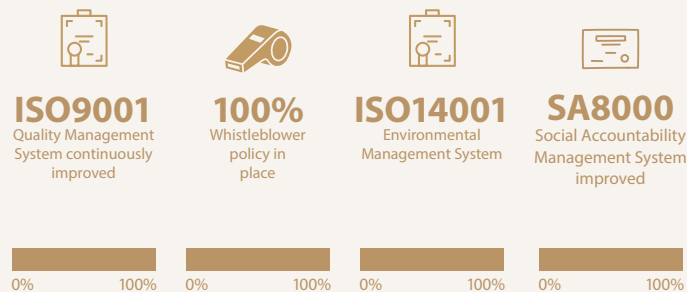
A modern office interior with a colorful geometric patterned wall, wooden pillars, and people working at a round table. The room features a vibrant, multi-colored geometric pattern on the wall, wooden pillars, and a round yellow table with white chairs. A man in a blue shirt is walking through the frame, and two people are seated at the table working on laptops. A red ottoman is in the foreground, and a blue pendant light hangs over the table.

STRENGTHENING GOVERNANCE FOR SUSTAINABLE GROWTH

At Forbo Flooring Systems, we recognize the paramount importance of ethical governance in safeguarding the long-term interests of all our stakeholders. Our commitment to accountability remains unwavering, and we actively pursue measures to identify, assess, and mitigate any potential risks that may affect our operations.

The Forbo Code of Conduct encompasses our key business principles and core values. It ensures not only compliance with laws and regulations at every location of our business operations but goes beyond that. It demonstrates our commitment to act ethically and with integrity in every situation while respecting the rights of individuals. We expect this from every employee as well as all our business partners.

FIGURE 2: PROGRESS IN 2023 ON OUR GOVERNANCE TARGETS



Note: these targets were established in 2019 for our Sustainability Program 2025.



ORGANIZATIONAL STRUCTURE

Organization of the company

The development and production of the product portfolio is managed by four separate business units: linoleum, vinyl, textile, and building and construction adhesives. The sales and marketing organizations are divided into four regions: North Central Europe, Southern Countries, the Americas and Asia/Pacific. Business units and sales regions work together in a matrix structure. They are supported by central functions that include finance, IT, sustainability, marketing, global procurement & logistics, quality, HR, and business development.

Management team

Forbo Flooring Systems' management is headed by Jean-Michel Wins as Executive Vice President. There are vice presidents for the four business units and the four sales regions. In addition, there are vice presidents for finance, IT, procurement and business development, as well as directors for global quality marketing and HR.

Sustainability organization

Our sustainability initiatives are delegated to the different business units and sales organizations and overseen by a central sustainability team under the leadership of the Vice President of Business Development & Marketing. Every financial year, our manufacturing sites and sales organizations develop Sustainability Year Plans with projects on key issues. Progress is monitored in quarterly sustainability reviews.

Sustainability policy document

Our Sustainability Policy document, which has received endorsement from the Flooring Systems' Executive Vice President, outlines our commitment to the triple bottom line. We strive to strike a balance between the ecological, social, and economic aspects of sustainability, as detailed in this report.

Many of our manufacturing plants adhere to ISO-9001, ISO-14001, and SA8000 standards, while our sales organizations comply with ISO-9001. They are obligated to continually enhance their sustainability performance by formulating annual improvement programs.

This practice is now an integral part of our 'Sustainability 2025' program, which is a cornerstone of our sustainability strategy. Our Global Sustainability Program Manager internally assesses goal setting and improvement progress.

Sustainability is a mandatory category for our business units and sales regions, integral to our 'Sustainability 2025' program's monthly progress assessment.

As a division, we also establish goals for our R&D departments, aligning them with the three core principles of our Sustainability Policy. Our strategy execution program, 'Areas of Action' (AoA), measures progress on the sustainability year plan for our business units, sales regions, and central functions, among other important aspects.



Code of Conduct

The Forbo Code of Conduct sets out our most important business principles and basic values. It is central to the way we protect and develop our reputation and is founded on the principles of integrity, transparency, and fairness. The Forbo code of conduct describes how we are to behave and is based on the guiding principles of the 'Forbo Way to Win'. It not only ensures compliance with the applicable laws and regulations wherever we do business, but also goes beyond compliance by demonstrating our commitment to acting ethically and with integrity in every situation, while at the same time respecting people's rights as individuals. We expect this of every single employee, everywhere, every day. We also expect this from all our business partners. High standards in our relationships are the foundation for lasting success.

Throughout the reporting year, we maintained our efforts to further develop our conscious awareness of what we do. We did this by again repeating and reinforcing awareness of the contents of the Code of Conduct, competition law, and anti-corruption principles, and through the uncompromising implementation of the risk management process. All were conducted via mandatory e-learning modules for our senior management, middle management, and responsible employees. The Forbo Code of Conduct is also part of our induction program for new employees, and can be found and downloaded on our corporate website.

Management systems 9001 and 14001

In 2013, Forbo Flooring Systems made a remarkable decision. They certified global sales organizations according to the ISO 9001 standard, something that rarely occurs in the flooring industry. Typically, only the sales offices at local production sites were certified, but we chose to include both the sales organizations outside of Europe and the European organizations without production sites in the certification. This commitment to quality and uniformity resulted in a growing culture of excellence within the company. Two recertifications took place, with the latest one in April 2022, in accordance with the ISO 9001:2015 standards.

At Forbo Flooring Systems, we recognize the paramount importance of environmental responsibility. That's why we have chosen to implement ISO 14001, an Environmental Management System (EMS), that provides us with a well-structured framework to establish and maintain an effective EMS.

This internationally recognized standard offers us a comprehensive set of guidelines and best practices, ensuring that we systematically identify, assess, and manage our environmental impacts across all facets of our operations. By adhering to ISO 14001, we can not only align our practices with environmental objectives but also guarantee compliance with environmental regulations. Moreover, it empowers us to continuously enhance our environmental performance, making it an integral part of our organizational culture.

Preventing and detecting corruption

At Forbo, we are steadfast in our commitment to preventing corruption. We understand that corruption distorts competition, increases costs, erodes trust among customers and suppliers, and jeopardizes jobs. For these reasons, we strictly reject any form of corruption and maintain a zero-tolerance approach.

Our Code of Conduct, specifically the "Integrity: Zero Tolerance for Any Form of Corruption" section, forms the basis of our anti-corruption efforts. We prohibit any offering, giving, or accepting of bribes, including unfair commissions or gifts to customers, agents, suppliers, public officials, or business partners. Forbo employees must report any gifts they receive to their superiors. If these gifts exceed a certain value, they must either decline them or, if declining is inappropriate due to local customs, accept them on behalf of Forbo and hand them over to their superiors. Furthermore, we strictly prohibit donations to political parties, political organizations, or holders of political offices.

When establishing new business relationships, we rigorously assess our business partners. This assessment includes desk analyses, consultation of global databases, risk analysis utilizing sources like Transparency International's "Corruption Perceptions Index," and self-declarations from our business partners. We also work to contractually secure adherence to our Code of Conduct or an equivalent code by our business partners.

Our internal compliance reviews, overseen by the Corporate Compliance Officer, periodically assess adherence to these processes to ensure compliance. In the most recent reporting year, we conducted specific compliance reviews with no findings related to corruption.

Forbo Integrity Line and whistleblower protection

We prioritize an environment of trust, transparency, and responsibility. Therefore, we provide the Forbo Integrity Line, a secure channel for reporting information about wrongdoing, corruption, or unethical behavior within the organization. This channel is prominently featured on all our websites and offers stakeholders a confidential avenue to report concerns or provide feedback. Individuals who raise concerns through the Forbo Integrity Line are protected from any form of retaliation.

Risk management and risk assessment

The central rules are contained in the Articles of Association, the Organizational Regulations, and the Regulations of the Committees of the Board of Directors. The following information is set out in line with the Directive on Information relating to Corporate Governance ('DCG') and the relevant publications of SIX Swiss Exchange.



ANNEX

GRI CONTENT INDEX

Statement of use	Forbo Flooring Systems Flooring Systems has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	8, 64 & annual report
	2-2 Entities included in the organization's sustainability reporting	8 & annual report
	2-3 Reporting period, frequency and contact point	An adjustment of data history was required for scope 1 to 3 GHG emissions. The report discloses data adjustments within the related chapters. Changes have been necessary due to data enhancement or a change of the applied methodology
	2-4 Restatements of information	There are no restatements of information.
	2-5 External assurance	Forbo Flooring Systems Flooring Systems has not had this report externally assured.
	2-6 Activities, value chain and other business relationships	Annual report
	2-7 Employees	Annual report
	2-8 Workers who are not employees	Annual report
	2-9 Governance structure and composition	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	Executive Leadership Team is responsible for reviewing and approving reported sustainability information
	2-15 Conflicts of interest	Annual report
	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
	2-21 Annual total compensation ratio	Annual report
	2-22 Statement on sustainable development strategy	Forbo Flooring Systems is committed to the United Nations Sustainable Development Goals (SDGs) as a pathway to bring about sustainable development that addresses shared global challenges

	2-23 Policy commitments	Annual report and page 62, 63, 64
	2-24 Embedding policy commitments	Annual report
	2-25 Processes to remediate negative impacts	Annual report
	2-26 Mechanisms for seeking advice and raising concerns	Annual report
	2-27 Compliance with laws and regulations	Annual report and page 62, 63, 64
	2-28 Membership associations	15
	2-29 Approach to stakeholder engagement	Annual report
	2-30 Collective bargaining agreements	Annual report
GRI 3: Material Topics 2021	3-1 Process to determine material topics	12
	3-2 List of material topics	12
	3-3 Management of material topics	13-14
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual report
	201-2 Financial implications and other risks and opportunities due to climate change	Annual report
	201-3 Defined benefit plan obligations and other retirement plans	Annual report
	201-4 Financial assistance received from government	Annual report
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not reported
	202-2 Proportion of senior management hired from the local community	Not reported
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Annual report
	203-2 Significant indirect economic impacts	Not reported
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Not reported
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Covered by our Supply Requirements Document, not externally reported
	205-2 Communication and training about anti-corruption policies and procedures	Annual report
	205-3 Confirmed incidents of corruption and actions taken	Annual report
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annual report
GRI 207: Tax 2019	207-1 Approach to tax	Annual report
	207-2 Tax governance, control, and risk management	Annual report
	207-3 Stakeholder engagement and management of concerns related to tax	Annual report
	207-4 Country-by-country reporting	Annual report

GRI 301: Materials 2016	301-1 Materials used by weight or volume	27, for transparency this information is also published in our Environmental Product Declarations (EPD)
	301-2 Recycled input materials used	27-28, for transparency this information is also published in our Environmental Product Declarations (EPD)
	301-3 Reclaimed products and their packaging materials	41
GRI 302: Energy 2016	302-1 Energy consumption within the organization	31
	302-2 Energy consumption outside of the organization	Not reported in MJ but as CO ₂ -equiv. Scope 3 emissions
	302-3 Energy intensity	31
	302-4 Reduction of energy consumption	31, 32, 46
	302-5 Reductions in energy requirements of products and services	31, 32, 46
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	35
	303-2 Management of water discharge-related impacts	Not reported
	303-3 Water withdrawal	35
	303-4 Water discharge	Not reported
	303-5 Water consumption	35
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Forbo Flooring Systems does not own, lease or manage any sites adjacent to or in areas of high biodiversity value
	304-2 Significant impacts of activities, products and services on biodiversity	We have not identified our activities or products as having significant impacts on biodiversity. Forbo Flooring Systems is committed to sourcing materials and engaging in manufacturing operations that support biodiversity. With this, we are committed to developing a circular economy and use of recycled and biobased materials.
	304-3 Habitats protected or restored	Forbo Flooring Systems does not have programs of this kind
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Forbo Flooring Systems does not have operations in areas with IUCN Red List species and national conservation list species habitats
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	32-33
	305-2 Energy indirect (Scope 2) GHG emissions	32-33
	305-3 Other indirect (Scope 3) GHG emissions	32-33
	305-4 GHG emissions intensity	32-33
	305-5 Reduction of GHG emissions	32-33
	305-6 Emissions of ozone-depleting substances (ODS)	Forbo Flooring Systems measures these emissions annually through our environmental metrics program, but they are de minimis and we do not report them publicly.
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Forbo Flooring Systems does not currently report on this. It plans to formalize this process in the coming years.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	34
	306-2 Management of significant waste-related impacts	34
	306-3 Waste generated	34
	306-4 Waste diverted from disposal	34
	306-5 Waste directed to disposal	34

GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Forbo Flooring Systems screens all raw material suppliers annually. This is not reported externally.
	308-2 Negative environmental impacts in the supply chain and actions taken	Forbo Flooring Systems screens all raw material suppliers annually. This is not reported externally.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Annual report and page 53
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Forbo Flooring Systems does not currently report on this information
	401-3 Parental leave	Not reported
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not reported
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	52
	403-2 Hazard identification, risk assessment, and incident investigation	52
	403-3 Occupational health services	Annual report
	403-4 Worker participation, consultation, and communication on occupational health and safety	Annual report
	403-5 Worker training on occupational health and safety	54
	403-6 Promotion of worker health	53
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53
	403-8 Workers covered by an occupational health and safety management system	53
	403-9 Work-related injuries	52
	403-10 Work-related ill health	Not reported
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	53
	404-2 Programs for upgrading employee skills and transition assistance programs	53
	404-3 Percentage of employees receiving regular performance and career development reviews	Annual report
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Not reported
	405-2 Ratio of basic salary and remuneration of women to men	Not reported
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Not reported
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Forbo Flooring Systems uses Supplier Requirements Documents to assess suppliers. This includes SA8000. No incidents reported
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Forbo Flooring Systems uses Supplier Requirements Documents to assess suppliers. This includes SA8000. No incidents reported
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Forbo Flooring Systems uses Supplier Requirements Documents to assess suppliers. This includes SA8000. No incidents reported
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	In place, not reported

GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No incidents reported
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Annual report
	413-2 Operations with significant actual and potential negative impacts on local communities	Annual report
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Forbo Flooring Systems uses Supplier Requirements Documents to assess suppliers. This includes SA8000.
	414-2 Negative social impacts in the supply chain and actions taken	Forbo Flooring Systems uses Supplier Requirements Documents to assess suppliers. This includes SA8000. No incidents reported
GRI 415: Public Policy 2016	415-1 Political contributions	Not reported
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	We publish Health Product Declarations (HPD) for our products
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We publish Health Product Declarations (HPD) for our products
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	We have DoP's, CE-mark & UKCA-mark for our products
	417-2 Incidents of non-compliance concerning product and service information and labeling	Not reported
	417-3 Incidents of non-compliance concerning marketing communications	Not reported
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Open channels to report in place, no incidents reported

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