

SUSTAINABILITY REPORT 2021

and progress report for the UN Global Compact
(Communication on Progress)

Reporting period: 2020/2021 fiscal year



Since 2019 Forster Group has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.



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MISSION STATEMENT BY THE OWNER AND MANAGEMENT

Dear Readers,

In a difficult market, confronted by social challenges such as the covid-19 pandemic and an increasingly insecure political environment worldwide, it is important to continue to accept our social responsibility as an enterprise.

The FORSTER Group, headquartered at Waidhofen an der Ybbs in Austria and with further locations in Austria, Germany, Switzerland, France, Slovakia and Romania, has been a family-owned business ever since its foundation in 1956.

As a family-run medium-sized company with about 700 employees, we accord particular importance to sustainable action and social responsibility. Consequently, we have introduced in our Group a certified integrated management system (IMS) for quality (ISO 9001), environment (ISO 14001), occupational health and safety (ISO 45001) and sustainability in accordance with ONR 192500 based on ISO 26000 (Guidelines for the social responsibility of organisations).

The current sustainability report provides an overview of our activities with regard to social responsibility, with due consideration of the ten principles of the UN Global Compact, the core subjects of ONR 192500 (ISO 26000), and addressing the 17 UN Sustainable Development Goals (SDGs).

With this report, the FORSTER Group is renewing and enforcing its support for the ten principles of the United Nations Global Compact for human rights, labour practices, environmental protection and combatting corruption.

In this report we describe the measures taken by us to continuously improve integration of the Global Compact and its principles, and the 17 Sustainable Development Goals, in our business strategy, company culture and operations. Furthermore we undertake to communicate such information to our stakeholders by suitable means.



Ing. Christian Forster

Representative of the Executive Board
for the Integrated Management System



Dipl.-Ing. Dr. techn. Robert Reichartzeder

Managing Director

ABOUT THIS REPORT

This Sustainability Report documents the economic, ecological and social performance of the Forster Group in the 2020/21 fiscal year (May 1 to April 30). The fiscal year does not apply to environmental figures (e.g. energy consumption) which refer to the calendar year of 2021.

We use examples to illustrate how sustainability contributes to the long-term success of our company and how we meet our responsibility towards our customers, employees, owners, business partners, neighbours, the public and the environment.

Through our sustainability management system we are committed to adhering to the UN Global Compact principles (see www.unglobalcompact.org), to complying with the requirements of ISO 26000 (Guidelines for the social responsibility of organisations), and to supporting the UN Sustainable Development Goals (see sustainabledevelopment.un.org). Our Sustainability Management System has been certified by an independent accredited certification body under ONR 192500.

This report describes how we meet the requirements imposed by the above standards and guidelines. A matrix attendant to the Report (published as a separate document) indicates how we address the requirements of ONR 192500 (ISO 26000), the principles of the UN Global Compact, the criteria for preparing an UN Global Compact Progress Report, and the objectives of the UN Sustainable Development Goals, broken down by the chapters of this Sustainability Report.

The Report covers the following companies and locations of the Group:

Company	Location(s)
Forster Verkehrs- und Werbetechnik GmbH	Weyrer Straße 135, A-3340 Waidhofen/Ybbs Siebenhirtenstrasse 40-42, A-1230 Vienna
Forster Industrietechnik GmbH	Weyrer Straße 135, A-3340 Waidhofen/Ybbs
Forster Metallbau Gesellschaft m.b.H.	Weyrer Straße 135, A-3340 Waidhofen/Ybbs An der Bahn 3, A-3352 St. Peter/Au
Samodef-Forster Sarl	183, Avenue Georges Clemenceau, F-92000 Nanterre
Forster Archiv- und Verkehrstechnik GmbH	Industriestrasse 6, CH-8618 Oetwil am See
Arbitec-Forster GmbH	Stresemannallee 4b, D-41460 Neuss
FORSTER archivna a dopravná technika s.r.o.	Smaragdová 4, SK-85110 Bratislava

Table 1: Companies within the scope of the Sustainability Report

Not included are Forster Holding GmbH (no operating business), Colberg & Forster GmbH (independent quality management system and not integrated into the Group's IMS), SAFETYCAR KFZ-Service und Reparatur GmbH (car repair shop, managed independently of the other companies) and FORSTER RO S.R.L. (minority interest of 45%).

OUR GROUP OF COMPANIES

COMPANY HISTORY

1956 - 1965

In 1956 Franz Forster took the first step towards creating what has since grown into the Forster Group: he set up shop in a former scythe-making factory where he produced embossed signs under the name of "Franz Forster Metallwarenerzeugung". The product range was quickly extended to traffic signs.



1966 - 1975

Screen-printing technology added a major new impetus to sign production, opening up new opportunities for manufacturing, design and quality. The company expanded to include plastic processing and plastic coating in its range, and it turned out its first displays and merchandising systems. To meet rising demand, new sales offices were established, first in Vienna in 1973, and the second one in Salzburg one year later. In the early 1970s, the company delivered its first overhead directional signs.



1976 - 1985

In 1977 Franz Forster acquired a plant at St. Peter/Au for the production of noise barriers. In 1981, the company opened its new headquarters just outside Waidhofen/Ybbs. Forster started to produce signs for indoor and outdoor use, built up a new focus on shelving systems for libraries and introduced screen printing for engineering products (1985).



1986 - 1995

Forster founded Forster Metallbau GmbH and expanded production at its St. Peter plant. In addition to its emphasis on noise barriers and vendor parts for industries, it diversified into shelving systems.



The decade was punctuated by several new foundations within the Group:

- 1987: Colberg & Forster GmbH at Peine (Germany)
- 1989: Arbitec-Forster GmbH, domiciled at Neuss (Germany)
- 1994: Forster Ecospace Limited in Oxfordshire (UK)
- 1995: Forster Industrietechnik GmbH at Oberland (Austria)

The three Forster companies domiciled in Austria were awarded the ISO 9001 Certificate in the autumn of 1995.

1996 - 2005

In September 2000, the Company set up Forster Archiv- und Verkehrstechnik GmbH in Switzerland, domiciled at Oetwil am See, as well as establishing a sales office at Yverdon for Western Switzerland. The introduction of digital printing launched the Company into new avenues for advertising products. The new technology found applications in all other product ranges offered by Forster, such as imprinted noise barriers and shelves.



2006 - 2015

In 2007, the Company founded Samodef-Forster Sarl to cover the shelving market in France. In May 2008, it established its first operation in Slovakia, Forster archivna a dopravná technika s.r.o., which is successfully marketing noise barriers, traffic engineering products and shelving systems in the country. Since September 2009, Forster Verkehrs- und Werbetechnik GmbH, Forster Metallbau Gesellschaft m.b.H. and Forster Industrietechnik GmbH have an all-encompassing environmental

management system and are certified pursuant to Austrian Standard EN ISO 14001. In May 2015, an integrated management system for occupational health and safety according to OHSAS 18001 (now ISO 45001) was introduced in all three Forster enterprises domiciled in Austria.

2016 - today

In 2019, the requirements of ISO 45001 were incorporated in the integrated management system and a sustainable management system pursuant to ONR 192500 and ISO 26000 was introduced.

The Company first set up in 1956 has grown into a group employing approximately 700 staff in Austria and abroad.

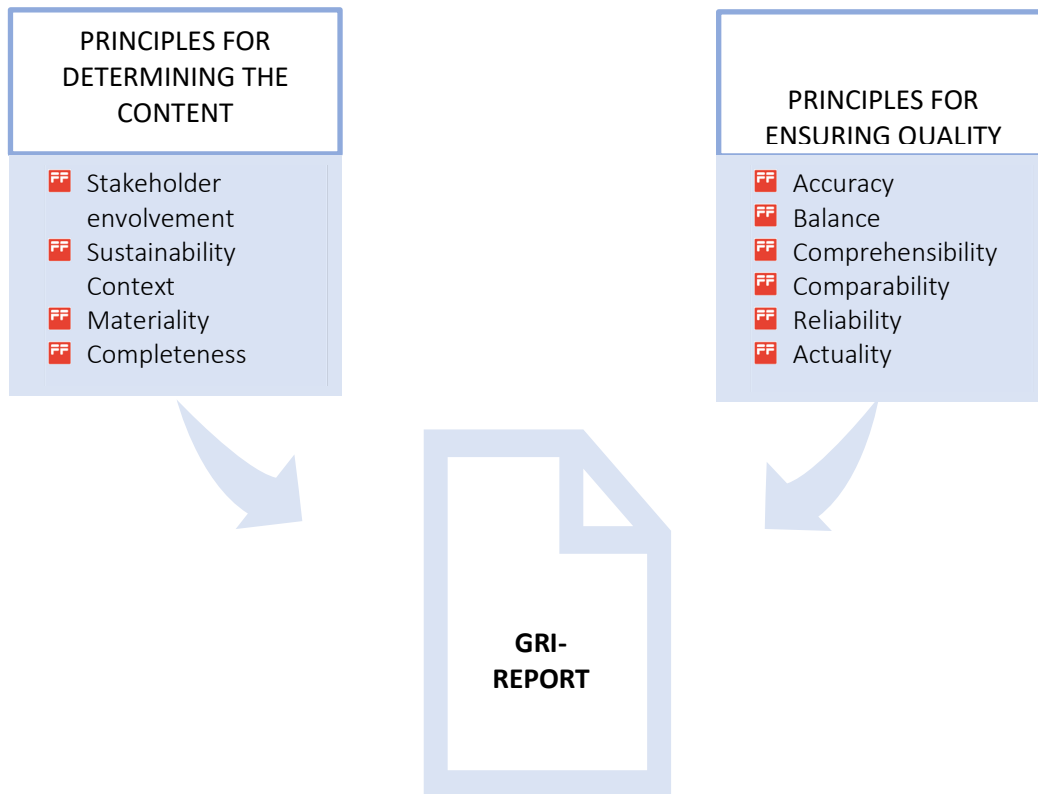


REPORTING PRINCIPLES

The report was prepared with due regard to the following four principles of accountability standard AA1000:

- **Inclusivity (stakeholder involvement)** – Employees should have a say in the decisions that impact on them.
- **Materiality** – Decision makers should identify and be clear about the sustainability issues that matter.
- **Responsiveness (completeness)** – Organisations should act transparently on material sustainability issues and their related impacts.
- **Impact (context)** – Organisations should monitor, measure and be accountable for how their actions affect their broader ecosystems.

With the help of these principles, we decided which issues to include in the report as part of the materiality analysis. The activities and their impact were considered, as were the significant expectations and interests of our stakeholders.



Presentation of the sustainability performance of FORSTER

Fig. 1: Procedure used for preparing the report

The following factors were taken into account in the assessment:

- ✓ comprehensibly assessable economic, ecological and/or social impacts (e.g. climate change or poverty), which have been determined by proven experts or generally recognised expert committees on the basis of well-founded studies;
- ✓ the interests and expectations of stakeholders of the organisation, such as employees or shareholders;
- ✓ the broader economic, environmental and/or social interests and issues expressed by stakeholders, such as non-employees, suppliers, local communities, vulnerable groups or civil society;
- ✓ the most important issues and future challenges of an industry identified by comparable companies and competitors;
- ✓ laws, regulations, international agreements or voluntary agreements that are of strategic importance for the organisation and its stakeholders;
- ✓ core values, policies, strategies, operational management systems, objectives and targets of the organisation;
- ✓ all relevant influencing and risk factors with regard to the issue of sustainability in the course of the provision of works and services in the context of the manufacture of products.

MATERIALITY ANALYSIS



The issues to be assessed within the scope of the materiality analysis were taken from the fields of action of ONR 192500 Annex A (core issues).

The analysis consists of four stages aimed at identifying core issues. To begin with, we pinpointed and assembled a pool of key sustainability issues (core issues of ONR 192500), followed by clarifying for each issue:

1. Importance of economic, environmental and social impact on: –
 - a. business performance,
 - b. business processes,
 - c. delivery chain, and
 - d. the use of our products and services.
2. Importance of these issues for our stakeholders: –
 - a. customers,
 - b. suppliers,
 - c. owners,
 - d. staff members,
 - e. local community, and
 - f. general public.
3. Ways and means for positive influence by:–
 - a. own activities, and
 - b. cooperation with stakeholders.

Lastly, we identified the issues which were found to have the greatest materiality. They were treated as key reporting issues, and the Report includes detailed information on them. In this way, we are responding to issues which our stakeholders are most interested in, and which are of great importance for our company.

The four steps are as follows:

Step 1 – Create a pool of issues

Trends in sustainability management were analysed by examining global economic, social and environmental aspects as well as national and international aspects, standards and comparable sustainability reports in the same industry. Media research and internal status checks (evaluation of key figures, status of implementation of sustainability programmes, etc.) were also carried out.

Step 2 – Determine the priority of problems

In a second step, the documented issues were analysed, and the results of the analysis were quantified for each category to determine the priority of the issues. Based on the importance derived from our analysis, we quantified the degree of relevance to Forster's business (significance of economic, environmental and social impacts) and the degree of influence on stakeholder decision-making. In doing so, we proceeded as shown in the chart below:

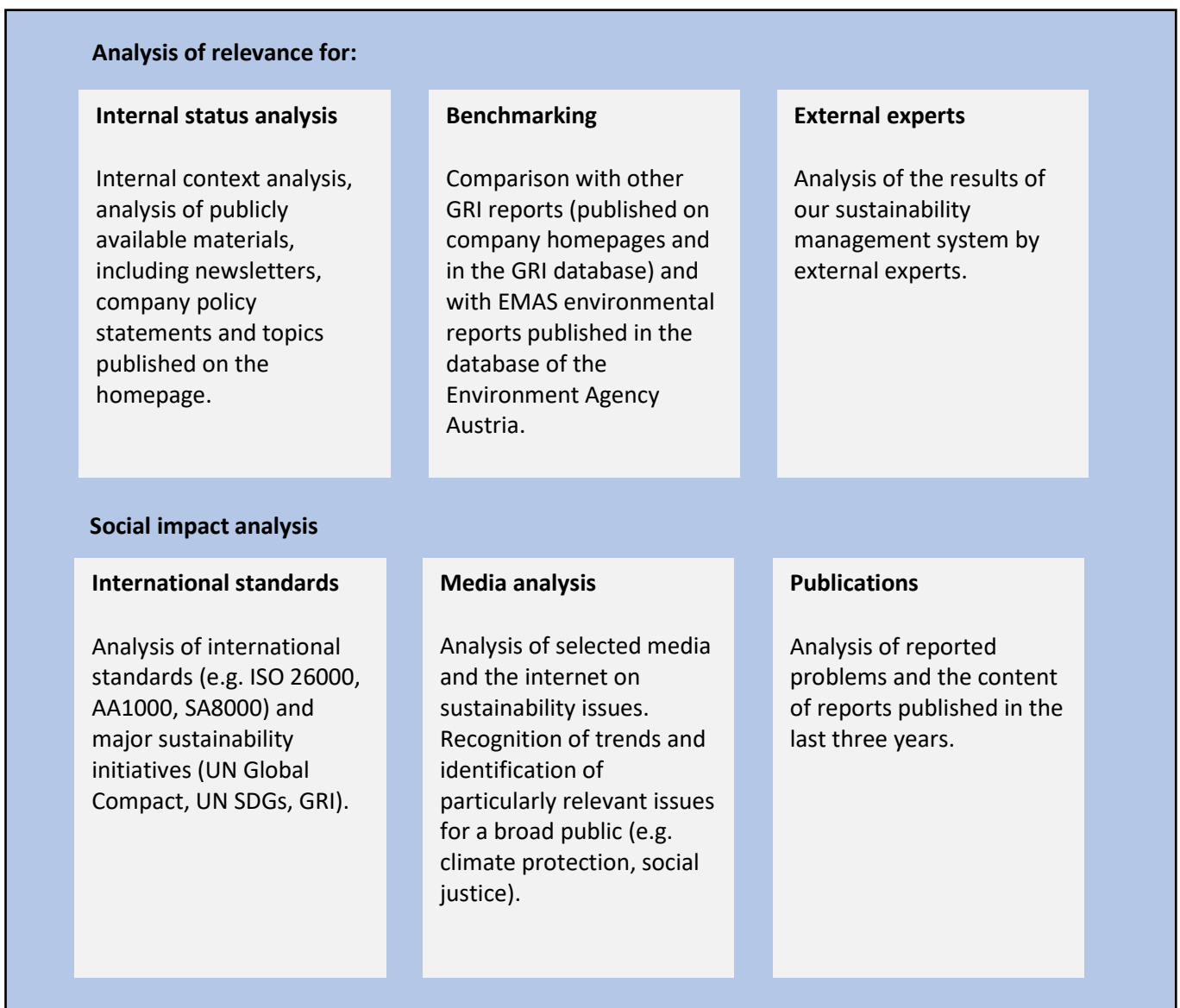


Fig. 2: Prioritisation of key issues

Step 3 – Stakeholder survey

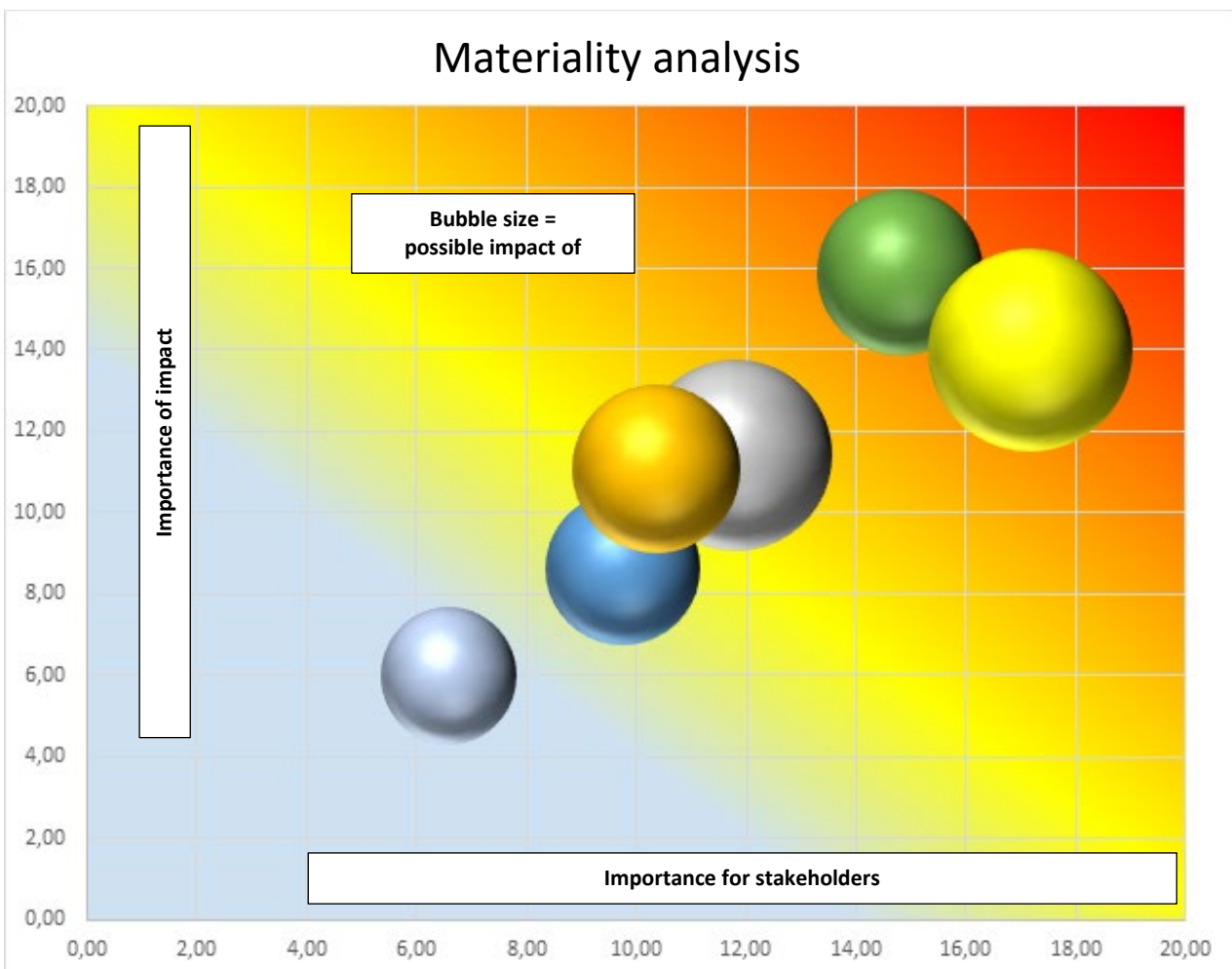
We questioned our employees and external experts in sustainability management on the pool of sustainability issues in order to identify their degree of importance. For each issue, we asked respondents to assess the extent to which they could impact on our efforts to improve our sustainability performance.

In this way, we wanted to ensure that key issues were given sufficient consideration from the perspective of the stakeholders.

Step 4 – Results of the analysis

As a result, this report presents a detailed view of key activities and outcomes for the issues identified by the materiality analysis. As for the three issues selected as the most significant topics, we have adopted them as central report issues and presented them in detail. This includes information, including the background to the issues, the extent of the impact on stakeholders and the most important findings and objectives, and the disclosure of our efforts and activities in sustainability management.

The results of the materiality analysis are shown below:



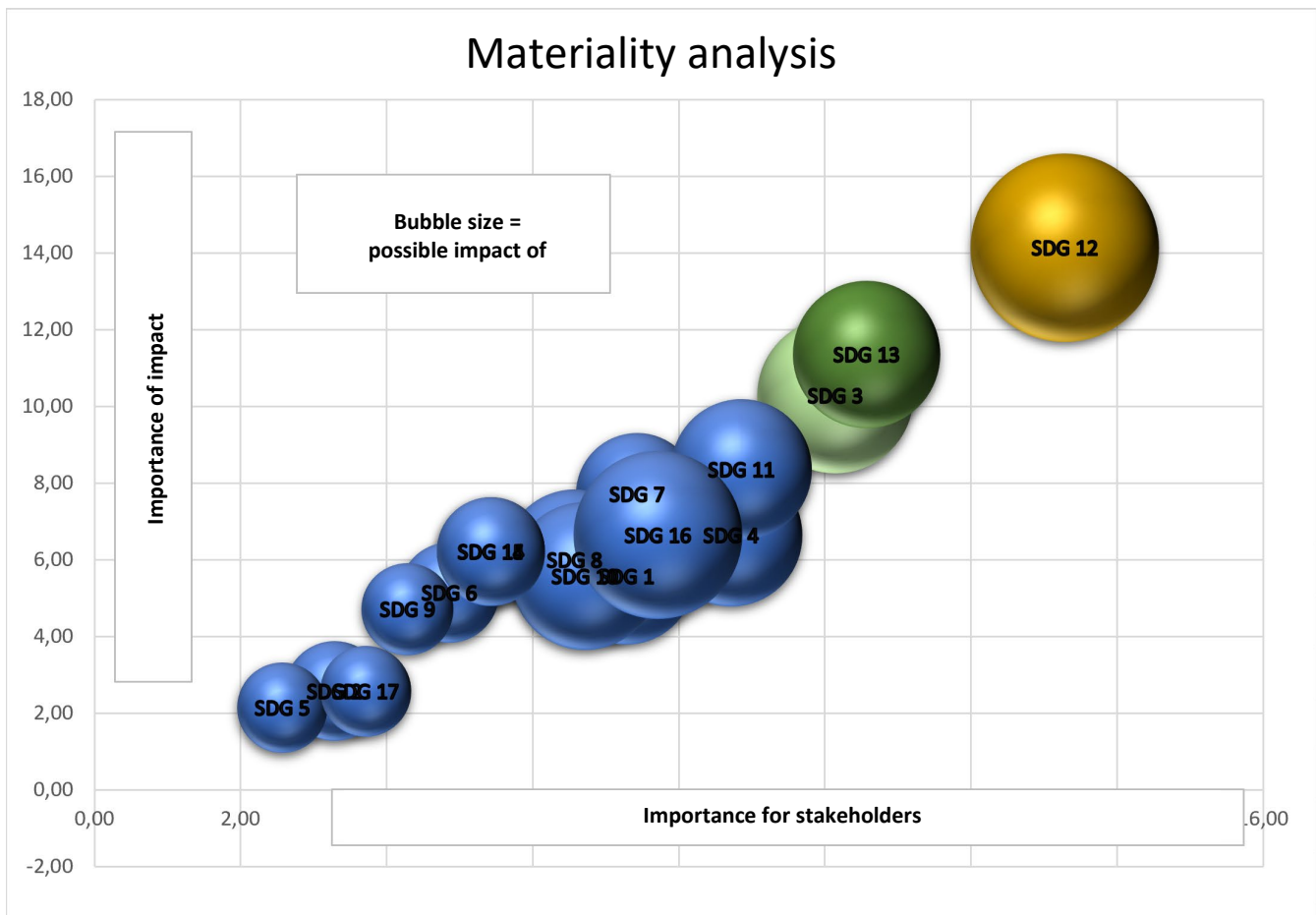
Legend:



Fig. 3: Result of the materiality analysis

Accordingly, “environment” and “inclusion and development of community” were identified as the most material issues for our sustainability management.

Next, the assessments of the various “sub-categories” for the six issues were assigned to the United Nation’s 17 sustainable development goals (SDGs), which produced the following:





The following table lists the SDGs by their importance for our company, with the key goal topping the list:

1.	SDG 12		10.	SDG 10	
2.	SDG 13		11.	SDG 14	
3.	SDG 3		12.	SDG 15	
4.	SDG 11		13.	SDG 6	
5.	SDG 4		14.	SDG 9	
6.	SDG 7		15.	SDG 17	
7.	SDG 16		16.	SDG 2	
8.	SDG 1		17.	SDG 5	
9.	SDG 8		We support the United Nations Sustainable Development Goals		

MATERIAL ISSUES

The two analyses produced two groups of issues, which are treated more exhaustively in the Report under the heading of “material issues” and which are to be given priority in our sustainability management regime:

Sustainable production, sustainable products and climate protection



This group includes the “Environment” issue and, prioritised, SDG 13 “Climate Action”, SDG 12 “Responsible Consumption and Production”, and SDG 11 “Sustainable Cities and Communities”.

Promoting health and social responsibility



This group includes “Inclusion and Development of the Community” and, prioritised, SDG 3 “Good Health and Well-being”, SDG 4 “Quality Education”, SDG 5 “Gender Equality”, and SDG 10 “Reduced Inequalities”.

SUSTAINABLE PORTFOLIO MANAGEMENT

A key tool for managing our product portfolio is the context and risk analysis carried out as part of our sustainability management system.

Due to increasing sustainability requirements in the markets, we regularly reassess existing product ratings and the relevant portfolio. When assessing our products, we enter into a dialogue with relevant stakeholders (customers, suppliers, the public) and obtain external expertise in the assessment of our products through cooperation with universities, technical colleges and independent accredited testing institutes.

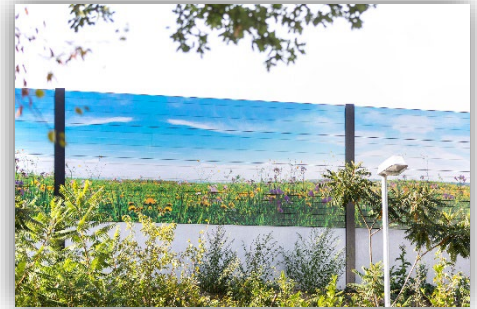
Most of our products have positive effects on the environment and society. Products with a positive social impact are, for example, our traffic guidance systems, which reduce traffic jams and accidents, or our innovative noise barriers, which protect against noise emissions. According to a study carried out by the Graz University of Technology, our noise barriers protect against the following negative effects and thus also have an economic significance:

- ✓ Medical risks
 - Hearing loss
 - Cardiovascular risks
 - Sleep disorders and their effects

- ✓ Psychological effects
 - Anger
 - Interference with activities
 - Psychosomatic symptoms

- ✓ Social impacts
 - Social stratification
 - Communication problems

- ✓ Economic impact
 - Loss of value (housing, real estate)
 - Costs for noise protection measures



Thanks to our Sustainable Portfolio Management, it is ensured that the impact of our products and services is taken into account in upstream and downstream processes.

Moreover, full Life Cycle Assessments (LCA) have been carried out for the following product groups:

- ✓ Shelving systems
- ✓ Single-faced absorbing noise barriers
- ✓ Double-faced absorbing noise barriers
- ✓ Prismatic variable message signs
- ✓ LED traffic signs
- ✓ Aluminium traffic signs

All LCAs have been or will be independently verified and validated by a validation body accredited as an Accountability-as-Assurance Provider.

In addition, supplier management is implemented to monitor the supply chain as part of the implemented sustainability management system.

SUSTAINABLE PRODUCTION



We at FORSTER accord special importance to sustainable production. For this reason, we continuously implement measures to make our production processes as sustainable and environmentally friendly as possible. Measures already taken include:

- Use of metal products with a high content of recycled materials (over 80%),
- long service life of our products (30 years and more),
- use of 100% green electricity at all our locations in Austria,
- part compensation of the carbon emissions caused by our use of natural gas.



Project for a more eco-friendly coating of metal sheeting

A project to improve the production process by an eco-friendlier coating of metal sheeting, implemented last year, serves as an example of the efforts we make to ensure that our production is more environmentally beneficial and sustainable.

A modification of the system allowed us to completely eliminate chromium(VI), a measure that fosters health and safety among our staff and, furthermore, avoids toxic process wastewater.

Moreover, the modification led to the elimination or reduction of other hazardous substances.

In addition, the project aimed to reduce the quantity of the powder applied to the coated surfaces.

To this end, a photothermal measuring method was implemented which checks and if necessary adjusts the layer's thickness after its application. Our tests have found that powder savings of 3-5% can be achieved. In terms of our powder consumption in 2021, this means savings of up to 12 tons.



SUSTAINABLE PRODUCT DEVELOPMENT



TFS is short for Tailor-made Functional Steel, i.e. hot-tip galvanised, organically coated steel fitted with conductor tracks that are embedded in the layer of paint. The tracks turn the steel into an intelligent material. Further functions can be integrated directly in the surface, which opens up novel opportunities for applications.

In this project, FORSTER is a partner of Voestalpine, responsible for printing the conductor tracks. TFS may, e.g., be used in heatable sheets as shelving for kitchens and canteens to keep meals warm.

Compared to traditional products, TFS requires less energy and a lower input of materials (no heating coils). A prototype rack is already in use at the FORSTER canteen at Waidhofen/Ybbs.





FONOCON Silent Solar is doubly beneficial to the environment: not only do the panels screen off noise but they also act as supports for photovoltaic panels. They can be retrofitted as an add-on element to existing noise barriers or used to turn a new barrier into a “solar power plant”. In every-day use, FONOCON Silent Solar has been found to be a particularly resilient system that requires little maintenance, not least because it is easily accessible for the obligatory annual checks (RVS 130371).

Benefits of FONOCON Silent Solar:

- Double use – highly absorbing noise protection combined with energy generation
- No additional space requirements
- Retrofitting – noise screening remains highly effective due to high-absorption surfaces
- Cost savings from twinning with a photovoltaic project
- Easy fitting of the solar modules
- Compatible with all photovoltaic modules on the market
- Quick to connect through integrated cable trays
- Elements can be arranged to fit all requirements



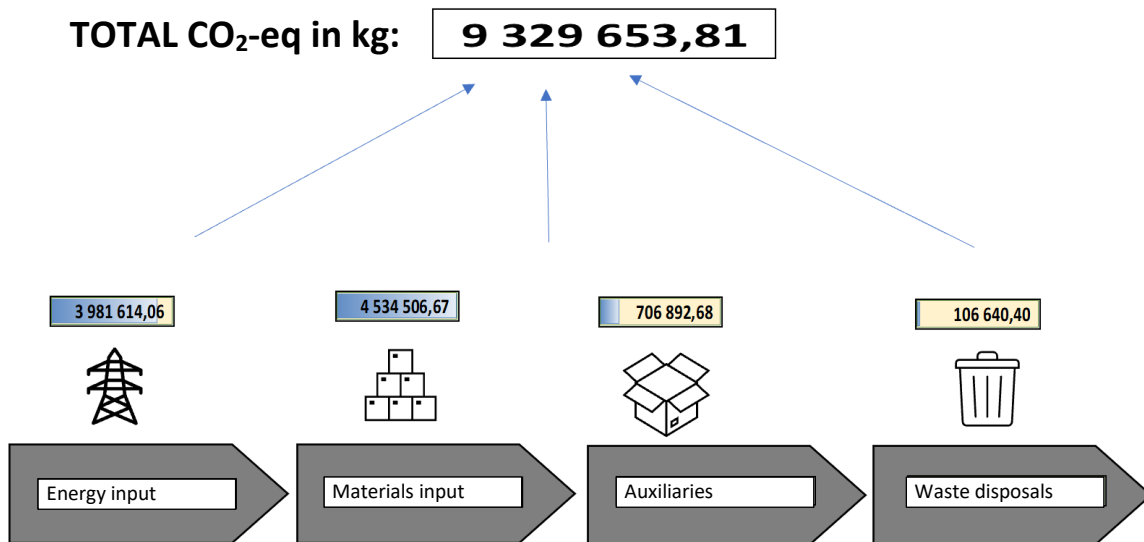


CLIMATE PROTECTION

Our contribution to protecting the global climate is of particular concern to us: in addition to carrying out LCAs for our key product groups, we compute the total carbon footprint of our company within the scope of our integrated management system.

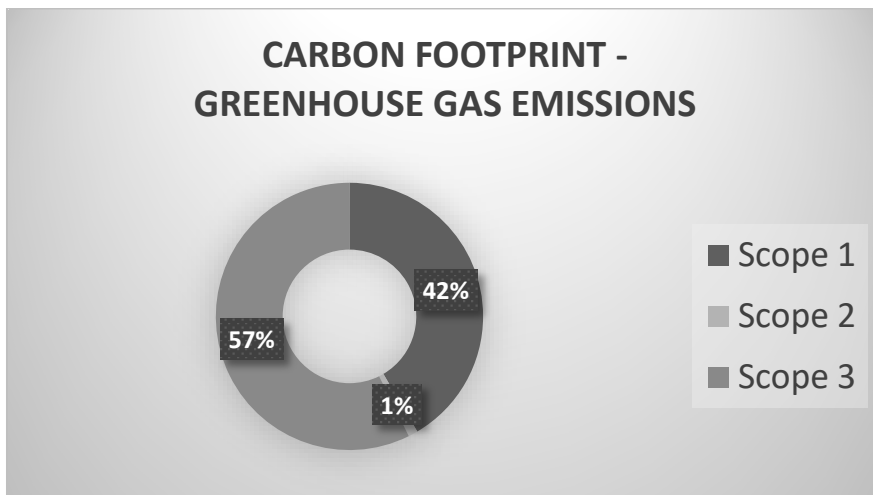
CARBON FOOTPRINT

Greenhouse gas emissions in kg CO₂-eq, including upstream chain (Scope 3)



Our Scope 3 calculations do not include incoming and outgoing travel by staff members, business trips by rail or plane (hardly any are made) and the provision of infrastructure (buildings, production equipment, office and shop furnishings and fittings).

Emissions as broken down by the 3 scopes are as follows:



Scope 1 (energy carriers converted into energy at firm level, such as natural gas or fuels) comprises 42% of the GHG emissions; Scope 2 (purchased energy) makes for just 1% of GHG emissions, since FORSTER uses only green electricity (from hydropower plants).

Scope 3 includes chiefly the input of materials (steel, aluminium) which are responsible for the CO₂ emissions.

In order to avoid GHG emissions as much as possible, we have changed over to CO₂-free electricity from hydropower, and are taking measures to reduce energy consumption on an ongoing basis (e.g. by converting our printing processes).

Moreover, total carbon emissions from diesel and petrol consumption were compensated in the most recent business year. When this compensation is taken into account, our carbon footprint will be reduced as follows:

CO ₂ in kg per year	8 856 039,12
Difference to the figure without compensation	-473 614,69

PROMOTING HEALTH AND SOCIAL RESPONSIBILITY



Our products improve health and well-being

Many of our products have a positive impact on the health and well-being of a large number of people. The most obvious example is noise screening. Our noise barriers prevent harmful noise emissions (see also “sustainable portfolio management”).

The traffic guidance systems developed by our traffic engineering department ensure safe traffic flows, thus not just preventing accidents but also reducing the fuel consumption of motorists, as they cut down on traffic jams.



Our products foster inclusion

For us, inclusion is important not just in-house, but also for our products. One such product which improves inclusion is our range of signs which have braille text incorporated.

In-house we cultivate inclusion by several measures, including the following:



- FORSTER FIT programme (holistic approach that covers body and mind) for staff development, skilling and improving staff health)
- Further benefits for staff members (fruits, midday meals)
- Inclusion of handicapped staff members in workflow processes
- Measures to prevent discrimination in hiring
- Measures to prevent discrimination in pay
- Diversity management



SOCIAL RESPONSIBILITY

Technological innovation and industrial progress have enormously improved the quality of living in the 21st century and spread affluence across broad reaches of the population. Nevertheless, the development has caused unexpected inequalities in several fields. The economic value generated by enterprises through their products and services is closely tied in with individual and social affluence, but faced with ever increasing economic uncertainty, ongoing slow growth on a global scale and intensifying tensions in international commerce, the call for corporate social responsibility is growing apace.

In September 2015, the United Nations member states adopted the UN Sustainable Development Goals (SDGs). These goals aim at long-term development of the international community, and UN members committed to implement them by 2030.

The 17 goals cover a wide range of social issues, including polarisation, inequality and environmental pollution. In order to achieve these goals, countries, enterprises and civil society need to cooperate.

For FORSTER and its stakeholders, the return on social investment is therefore of the greatest importance (see materiality analysis).

With our products we have a particularly positive indirect social impact on the quality of life, safety and security, and health enjoyed by individuals. In this respect, the emphasis needs to be on the reduction of social costs by avoiding congestion and accidents (traffic engineering) and reducing noise emissions which in turn lowers spendings on health (noise protection).

Moreover, FORSTER accumulates a further return on its social investment by its social involvement (sponsoring, educating and training youths) and by distributing over 95% of the value created by FORSTER among its staff members (wages and salaries including social insurance and taxes) and to the general public (state, sponsoring).

It should also be noted that, thanks to an initiative launched with the introduction of sustainability management, 40% of our apprentices and trainees are now female.



We aim to spend 3-6% of our profit on sponsoring projects in the social, sports and cultural fields. In view of an unexpectedly large annual net profit (the result of balance-sheet reassessments) and a slight decline in our relevant spending due to the pandemic (which reduced the number of cultural and sports events), this goal could not be achieved in the 2020/21 fiscal year.

	2020/21 fiscal year		Comparison to 2019/20 fiscal year	
	€ thou	In % of after-tax profit	€ thou	In % of after-tax profit
Sponsoring	32	2.0%	39.50	5.9%



The Forster FIT programme, to be shortly introduced, uses a holistic approach (body and mind) to encourage staff development. It covers skilling measures and schemes to improve the health of our staff (such as common sports activities, low-cost athletic offers, etc.). More detailed information on the programme will be given in the next Report.



FORSTER gives employment to different people from different cultural spheres, of different ages and, thanks to our efforts, an increasing number of young persons and women, as is shown by our personnel parameters:

1. Total employees (in Austria)

	Number	%	Gender		
			m	f	in %
Full-time employees, total:	518	85%	375	143	28%
Part-time employees, total:	63	10%	5	58	92%
In part-time retirement:	17	3%	10	7	41%
Apprentices and trainees:	10	2%	6	4	40%
Total:	608	100%	396	212	35%

2. Average hours spent on education and further training (overall group)

Executives		White-collar employees		Blue-collar employees	
male	female	male	female	male	female
30.3	28	28.7	27.7	36.8	29.9

1. Age structure of employees in Austria

	% of employees		% of employees < 30		% of employees 30-50		% of employees > 50	
	m	f	m	f	m	f	m	f
Forster Verkehrs- und Werbetechnik	65%	35%	10%	8%	30%	16%	25%	11%
Forster Industrietechnik	76%	24%	16%	5%	36%	10%	24%	9%
Forster Metallbau	61%	39%	9%	3%	30%	23%	22%	13%
GESAMT	65%	35%	11%	5%	31%	18%	24%	11%

The parameters for education and further training make it particularly clear that the anti-discrimination measures introduced within the scope of our diversity management are effective. Regardless of their gender and position in the company, all staff members enjoy approximately the same investment in their education and further training.

ECONOMIC IMPACT ANALYSIS

An analysis looking into the value added was carried out for the entire Group. The percentages refer to operating performance.

Value added	2020/21 fiscal year		Comparison to 2019/20 fiscal year	
	€ thou	%	€ thou	%
+ operating performance	96,051.00	100%	99,905.00	100%
– material input	47,794.00	50%	47,480.00	48%
– depreciation	3,169.00	3%	2,947.00	3%
– other expenses	4,145.00	4%	8,775.00	9%
= value added	40,943.00	43%	40,703.00	41%

Distribution of added value	€ thou	%	€ thou	%
a. Staff members	39,063.00	95.4%	39,938.00	98.1%
b. State	266.00	0.6%	96.00	0.2%
c. Owners	1,614.00	3.9%	669.00	1.6%

The analysis finds that more than 95% of the value added within the company are passed on to its staff members (including pay-dependent social insurance contributions and taxes), while less than 4% was allotted to the owner(s) / companies.

All figures were taken from the audited annual financial statement for 2020/21 and the data from the internally audited financial accounts.

It should be noted that sales were expected to be lower due to the covid-19 pandemic. The higher profit was due mainly to a revaluation of current assets.

Altogether the economic impact analysis highlights that the FORSTER Group properly contributes to the fair sharing of the value added within the company, and is thus a factor towards achieving a fairer society, avoiding inequality, avoiding precarious employment relationships (adequate pay) and fostering sustainable economic growth.

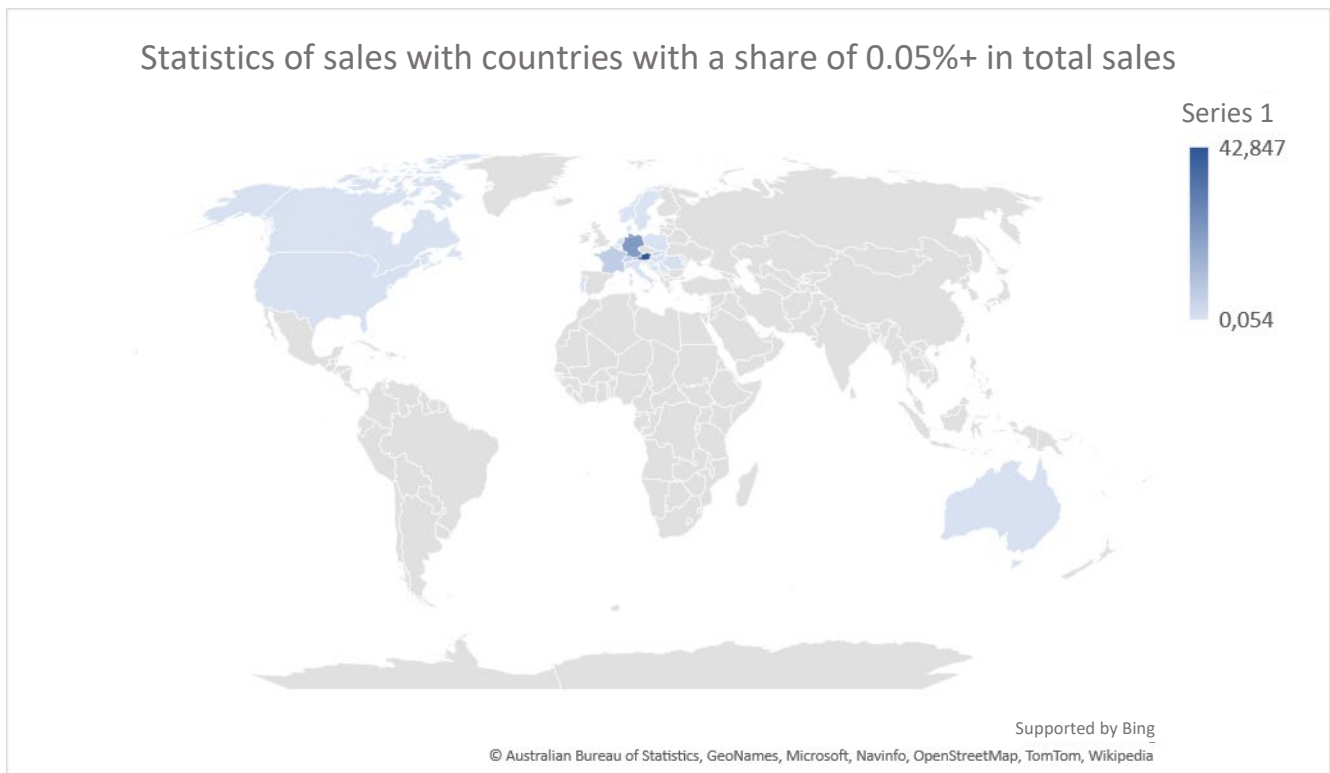
FURTHER PARAMETERS

Our relations with customers and suppliers



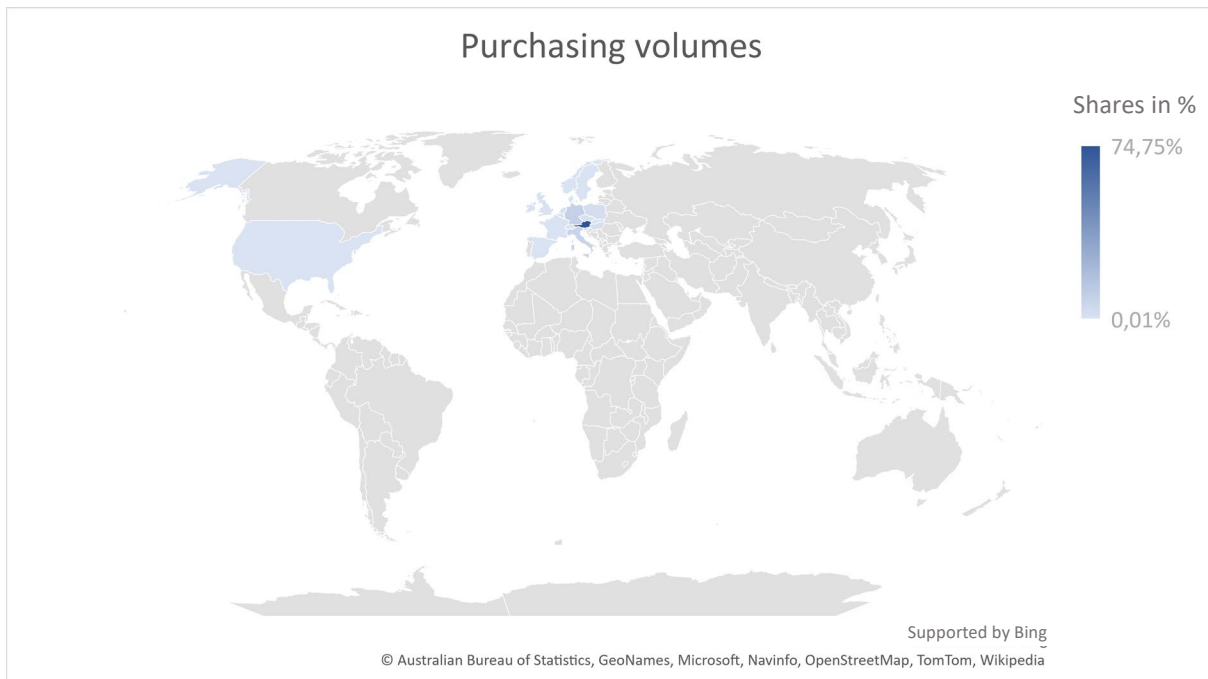
Ninety percent of our sales come from four core markets: Austria, Germany, France and Switzerland. The remaining sales were made in Europe, North America and Australia. Only 0.2% derive from outside these markets (Asia).

A breakdown of our sales is given below:



In view of our social responsibility it may be emphasised that 99.2% of our sales are made in countries that are in the highest quartile of the Human Freedom Index (HFI) and can thus be considered to be unobjectionable with regard to violating human rights.

We obtain more than 90%, in terms of the purchasing value, of our goods and services from Austria, Germany and Italy.



All our procurement markets are unproblematic both in terms of human rights (Human Freedom Index) and in terms of environmental issues. The relevant countries' environmental performance is assessed using the EPI Index (Environmental Performance Index) published by Yale University.

MEMBERSHIP IN THE UN GLOBAL COMPACT



We joined the UN Global Compact in 2020, thereby committing to observing the ten principles of the UN Global Compact and supporting the Sustainable Development Goals set up by the United Nations. In line with this commitment, we are requested to publish an annual progress report on the implementation of these principles in our company.

Below we describe the ten principles in terms of:

- human rights
- labour
- environment
- anti-corruption

and their implementation within FORSTER.



HUMAN RIGHTS

HUMAN RIGHTS



UNGC Principles	1– Businesses should support and respect the protection of internationally proclaimed human rights; and
	2– make sure that they are not complicit in human rights abuses.

Focus on	Fundamental principles and rights at work
	Duty of care
	Discrimination and endangered groups
	Civil and political rights
	Economic, social and cultural rights

Policies and course of action

FORSTER is determined to ensure the rights of workers. We stimulate safety, welfare and security of our staff within the scope of our certified management system for occupational health and safety (ISO 45001).

We make sure that all our operations and parties involved in our delivery chain observe and comply with the fundamental human rights. To this end we have introduced a code of conduct that is mandatory for all FORSTER suppliers as well as for us and our workforce. We have introduced a programme of staff participation to allow our staff to contribute to the development of our company by way of various feedback methods, including an ongoing improvement process and an opportunity for staff members to initiate working groups on issues of relevance to them and implement projects on their own within normal business hours. Thus, a working group was set up to introduce “sustainable and healthy food” at the canteen and to improve the in-house training offer for staff members.

This feedback helps us tackle problems, further improve our processes and raise our sustainability performance in general. All staff members experience dignity and respect. We ensure their inclusion and take various measures in accordance with SDG 10 (reduction of inequalities) to eliminate inequalities. We welcome and take account of differences as we believe that they are our best opportunity for improving our performance. Our staff development programmes provide opportunities to grow both at work and at a personal level.

Moreover, we offer our staff members rebates and financial support for education and research. In order to utilise the potential of young people, we cooperate with other institutions to empower women by a technical training and enable them to contribute to the economy’s active income flows. Our company’s philosophy of inclusion and diversity is based on the reasoning that the best talents should be retained for the company. This has a major impact on the growth of our company.

We consider the human rights aspect for every newly encountered procurement and customer market within the scope of our sustainability management system under ONR 192500, thereby ensuring that our company has made provision to ensure that we are not in any contributory way guilty of human rights violation.



UNGC Principles	3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	4 – the elimination of all forms of forced and compulsory labour;
	5 – the effective abolition of child labour; and
	6 – the elimination of discrimination in respect of employment and occupation.
Focus on	Human development
	Occupational health and safety
	Labour conditions and social protection
	Social dialogue and participation
	Labour relations

Policies and course of action

FORSTER is strictly against all types of violence and forced labour. Our objection extends to prisons, human trafficking, forced labour and all other forms of slavery. In addition, we organise training and explanatory events in our sphere of influence which deal with ethics, discrimination, harassment and similar issues. Our staff members have unimpeded access to health care, receive healthy food (free and fresh fruits, healthy and sustainable meals at the canteen). We regularly check and update our code of conduct. We are strongly against any type of discrimination at the workplace and in all our delivery chains. We concentrate on the human growth of our staff members and offer them education and training in all their forms. We commit to the observance of the highest international standards of health and safety at work. We respect the right to an opinion of one’s own, and accordingly our management teams, staff members and all other stakeholders have an accurate mechanism for the exchange of feedback at their disposal. At our weekly, monthly and annual meetings, all staff members have the right of free speech and are entitled to participate in decision-making. FORSTER advocates the right of staff members to set up a works council and, at locations that have a works council, collaborate with it in all matters of personnel development and occupational health and safety. These measures are bundled within the scope of our occupational health and safety management system, and they strengthen cohesion and trust within our staff members. We provide all staff members with protective equipment and carry out a detailed risk analysis of ongoing staff health and safety. Observance of the regulations on occupational health and safety is mandatory among our subcontractors and monitored by FORSTER within the scope of our integrated management system.



ENVIRONMENT

ENVIRONMENT



UNGC Principles	7– Businesses should support a precautionary approach to environmental challenges;
	8– undertake initiatives to promote greater environmental responsibility; and
	9– encourage the development and diffusion of environmentally friendly technologies.

Focus on	Avoiding environmental pollution
	Sustainable use of resources
	Containing and adapting to climate change
	Protecting the environment and biological diversity and restoring natural habitats

Policies and course of action

FORSTER is fully aware of the environmental impact of its business activities. Consequently, we have introduced an environmental management system under ISO 14001. We are decided to reduce the carbon footprint of our products during their life cycle, achieved by energy savings, the use of green energy and ongoing improvements in the environmental compatibility of our production and a regional approach in our procurement policies.

All these initiatives are feasible only when we give our staff members a suitable training and ensure that regulations are observed. Accordingly, we train our staff members constantly in measures to save energy, strategies to curb climate change and the responsible handling of materials. Progress in implementing these initiatives is monitored by internal and external audits, and our environmental parameters within the scope of our integrated management system.



ANTI-CORRUPTION AND COMPLIANCE



UNGC Principle	10 – Businesses should work against corruption in all its forms, including extortion and bribery.
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Focus on	Fair competition
	Labour conditions and social protection
	Combatting corruption
	Preserving ownership rights
	Fair marketing, objective and unprejudiced information and fair contracting
	Inclusion of community
	Employment and employment relationships

Policies and course of action

FORSTER undertakes to do business solely with parties who respect the company’s ecological, social and ethic standards. Our code of conduct for suppliers, our personnel policy and our guidelines on human trafficking and slavery make our requirements known to our stakeholders. We observe a responsible procurement policy. By entering tailored agreements, we make sure that all our suppliers comply with the following:

- handling business processes in an ethically proper manner and in accordance with the relevant laws;
- ensuring responsible procurement by way of audits, surveys and certification by third parties;
- observing human rights, warranting health and safety among the workforce, abolishing child labour, giving fair treatment to staff members in compliance with all relevant laws.

Staff members of FORSTER have improved their performance over time, the result of a large number of strategies used to educate and train our employees. They have access to the best and most modern educational resources, made available by FORSTER. An exchange of knowledge among staff members further fosters their learning experience. We believe in an integrated and open approach among our employees.

We hold management meetings together with our owner who is the designee of our sustainability, quality, environment and occupational health and safety management system, acting as a key pillar in implementing and meeting our social responsibility, as well as weekly management meetings aimed at a continual improvement of our sustainability performance. Such networking produces synergies and a feeling for assuming responsibilities among our staff members. We are convinced that over the next years we will further fine-tune our guidelines and endeavour to implement measures that are likely to increase our company’s impact on improving sustainability and environment. We define ambitious goals and identify proper strategies to achieve them.



TARGETS OF OUR SUSTAINABILITY MANAGEMENT SYSTEM

Within the scope of our integrated management systems pursuant to ISO 9001, ISO 14001, ISO 45001 and ONR 192500 (ISO 2600) we have chosen ambitious targets with regard to environment, energy, occupational health and safety and sustainability, which we continuously monitor by way of parameters. Below, our targets and their current status are given:

Environment	Energy	Occupational health and safety	Sustainability	Target	Level of achievement
X	x		x	Reduce gas consumption by specified projects	achieved
X	x		x	Reduce electricity consumption by specified projects	achieved
X	x		x	Reduce fuel consumption per kilometre driven	achieved
X			x	Reduce waste that contains solvents	achieved
X			x	Reduce packaging materials by specified projects	achieved
		x	x	Reduce accidents at work	not achieved
		x	x	Reduce absent days per employee	not achieved
X		x	x	Reduce hazardous substances at work	achieved
			x	Social commitment (in % of the operating result)	not achieved
			x	Fair sharing of value added (>95% for employees)	achieved
X			x	Safe products (100% CE-marked)	achieved
X			x	Reduce carbon emission (carbon footprint for entire company, Scope 3)	not yet measurable, as first calculated in this form
			x	Observance of all compliance criteria	achieved
x	x	x	x	Evaluate suppliers (100% for CSR compliance)	achieved

For the targets not yet achieved, measures were defined in the integrated management system to meet them next year.

FORSTER

