

Increased Profitability

Sustainable Product Case Study – Forbo Linoleum

A Culture of Long Term Commitment to Optimized Environmental Performance. Forbo Linoleum manufacturers and sells linoleum floorcovering, wallcovering, and finishing for office furniture. The company attributes the following superior economic performance to its sustainable practices allowing it to compete better in the global market (Forbo internal data 2001-2011):

- **EBIT (operating result) performance as a percentage of sales averages 14% better over 10 years than any of its top competitors.**
- **Internal profitability shows its sustainable products' EBIT level performance more than double, as a percent of sales, those of traditional products.**
- **Five year share price performance is 100% greater than its three largest competitors.**

Forbo Linoleum is a SMaRT Platinum Certified Sustainable Product. SMaRT is approved for LEED certified green buildings globally and Green Star in Australia & New Zealand. SMaRT is the leadership Standard and Environmental Product Declaration independently recognized by the Leadership Standards Campaign led by the National Wildlife Federation, Sierra Club, Perkins+Will, Corporate Responsibility Association, and Eaton.

SMaRT is like LEED for products, covers the global supply chain, requires life cycle assessment, and just like LEED is transparent and consensus having been through four successful national votes of approval. Key parties among the thousands of professionals that helped develop and approve SMaRT were leading environmental groups, States of California, Minnesota, and Wisconsin, and leading global purchasers and manufacturers like Perkins+Will, Gensler, Philips, and the carpet, fabric, apparel, furniture, flooring, and building industries. All products can be SMaRT Certified. The successful sustainability standards are organic products, LEED, FSC and SMaRT since they require substantial pollution reductions, are consensus, transparent, and have credible, independent, global third party certification and auditing. The global sustainable product market leaders are SMaRT Certified.

This Forbo case study is part of Wall Street due diligence released at the NYSE documenting that SMaRT, LEED, FSC Wood are more profitable, less risky, & preferred by investors, with the added value measured by the consensus Green Building & Sustainable Manufacturing Underwriting Standards. SMaRT complies with the forest certification requirements of the Lacey Due Care Standard providing a defense to Lacey Act strict criminal liability for sale of illegally logged wood.