

Remuneration report 2023

This report describes how the principles for remuneration of senior executives at Trelleborg, adopted by the 2023 Annual General Meeting, were implemented in 2023. The report has been prepared in accordance with the Swedish Companies Act and the remuneration rules issued by the Swedish Corporate Governance Board.

Scope, purpose and deviations

A prerequisite for the successful implementation of Trelleborg's business strategy is that Trelleborg is able to recruit and retain qualified personnel. To this end, it is necessary that Trelleborg offers market-based and competitive remuneration. Trelleborg's principles for remuneration of senior executives enable Trelleborg to offer executives a competitive total remuneration. The principles for remuneration are presented on pages 52–53.

The principles for remuneration of senior executives were unanimously adopted by the 2023 Annual General Meeting. The principles were applied in full in 2023.

The auditor's report regarding Trelleborg's compliance with the principles for remuneration of senior executives is available in the "Corporate governance" section at www.trelleborg.com.

No remuneration was reclaimed or limited, nor did the company refrain from making any payment in 2023.

Share-based remuneration

Trelleborg does not have any long-term share-based incentive plans.

Application of performance criteria

The performance criteria forming the basis for the President and CEO's variable remuneration have been selected to ensure delivery in line with Trelleborg's strategy and to encourage

behavior that is in the long-term interests of Trelleborg. The strategic objectives and short and long-term business priorities for 2023 have been taken into account in the selection of performance criteria. The performance criteria forming the basis for the one-year annual variable salary were Earnings before tax or Earnings before interest and tax (EBT or EBIT), Operating cash flow (OCF) and a sustainability target. The performance criteria for the three-year long-term incentive (LTI) program was Earnings per share (EPS). All performance criteria exclude items affecting comparability.

Further information on executive remuneration

Further information on executive remuneration is available in Note 10 (Employees and personnel costs) on pages 73–74 of this Annual Report. Information on the work of the Remuneration Committee in 2023 is set out in the Corporate Governance Report, available on pages 39–45 of this Annual Report.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in Note 10 on pages 73–74 of this Annual Report.

Information on key developments 2023

The President and CEO summarizes Trelleborg's overall performance in his statement on pages 4–7 of this Annual Report.

1 – TOTAL REMUNERATION OF THE PRESIDENT AND CEO

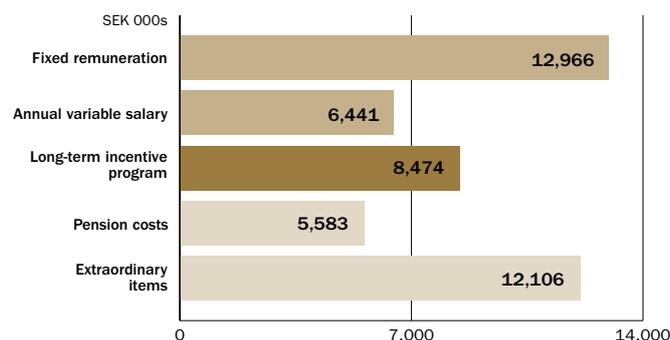
Table 1 below sets out the total remuneration expensed or paid to Trelleborg's President and CEO during 2023 and 2022.

SEK 000s	Year	Fixed remuneration		Variable remuneration			Extraordinary items	Pension costs	Total remuneration	Proportion of fixed and variable remuneration ²
		Fixed salary	Other benefits	Annual variable salary	Long-term incentive program					
Peter Nilsson, President and CEO	2023	12,738	228	6,441	8,474	12,106 ¹	5,583	45,570	41/59 (67/33)	
	2022	12,317	220	7,279	7,559	–	5,363	32,738	55/45	

¹ The President and CEO was awarded compensation for extraordinary performance amounting to SEK 12,106,465 (one year's salary) due to the successful completion of the divestment of the Trelleborg Wheel Systems business area.

² Pension included in fixed remuneration. Extraordinary items are included (excluded) in the variable remuneration.

TOTAL REMUNERATION OF THE PRESIDENT AND CEO



PROPORTION OF FIXED AND VARIABLE REMUNERATION 2023



2A – SHORT-TERM PERFORMANCE AND REMUNERATION OF THE PRESIDENT AND CEO

Table 2A below describes how the criteria for variable short-term remuneration were expensed during the fiscal year.

Remuneration-components	Relative weighting of the performance criteria	a) Measured performance, b) actual award/remuneration outcome and c) target achievement %	
		a)	b)
Peter Nilsson, President and CEO	Earnings before tax(EBT) ³	65%	a) EUR 471.2 M b) SEK 3,475,000 c) 63%
	Operating cash flow (OCF) ³	25%	a) EUR 439.3 M b) SEK 2,119,000 c) 100%
	Sustainability	10%	a) Full achievement b) SEK 847,000 c) 100%

³ Excluding items affecting comparability.

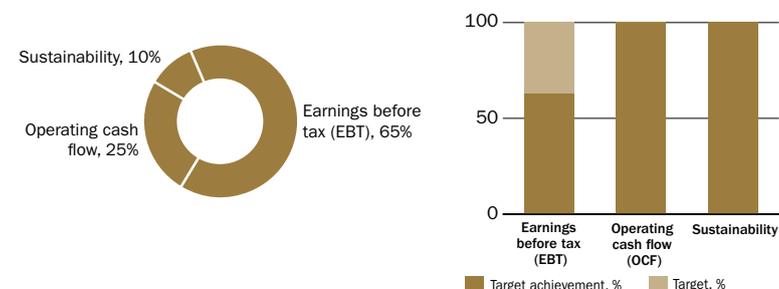
2B – LONG-TERM PERFORMANCE AND REMUNERATION OF THE PRESIDENT AND CEO

Table 2B below describes how the criteria for variable long-term remuneration were expensed during the fiscal year.

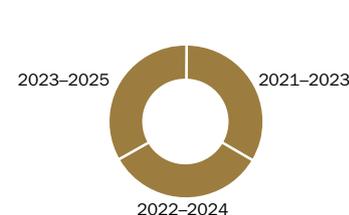
Remuneration-components	Relative weighting of the performance criteria	a) Measured performance, b) actual award/remuneration outcome and c) target achievement %	
		a)	b)
Peter Nilsson, President and CEO	Earnings per share (EPS) ⁴ 2023 (Program 2021–2023)	33.3%	a) SEK 15.75 b) SEK 2,824,000 c) 100%
	Earnings per share (EPS) ⁴ 2023 (Program 2022–2024)	33.3%	a) SEK 15.75 b) SEK 2,824,000 c) 100%
	Earnings per share (EPS) ⁴ 2023 (Program 2023–2025)	33.3%	a) SEK 15.75 b) SEK 2,824,000 c) 100%

⁴ Excluding items affecting comparability.

PERFORMANCE CRITERIA FOR THE PRESIDENT AND CEO – TARGET ACHIEVEMENT



EARNINGS PER SHARE, (EPS) PROGRAM



3 – COMPARATIVE INFORMATION ON CHANGE IN REMUNERATION AND TRELLEBORG PERFORMANCE

Table 3 – Changes in remuneration and Trelleborg’s performance over the last five reported fiscal years.

Annual change	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2023
Executive remuneration					
Peter Nilsson, President and CEO, SEK 000s	-3,860 (-17.2%)	+12,257 (65.7%)	+1,849 (6.0%)	+726 (2.22%)	33,464 ⁵
Trelleborg’s performance					
Earnings before interest and tax (EBIT) ⁶ , SEK M	-376 (-8.1%)	+1,023 (23.9%)	-238 (-4.5%)	+452 (8.9%)	5,518
Earnings per share (EPS) ⁶ , SEK	-1,0 (-8.4%)	3.36 (30.8%)	-0.34 (-2.4%)	1.84 (13.2%)	15.75
Employee remuneration					
Average total remuneration on a full-time-equivalent basis of employees of Trelleborg AB, excluding Group Management, SEK 000s	-64 (-5.6%)	-90 (-8.31%)	-35 (-3.52%)	+155 (+16.16%)	1,112

⁵ Excluding extraordinary items.

⁶ Excluding items affecting comparability.

COMPARATIVE INFORMATION ON CHANGES IN REMUNERATION AND TRELLEBORG’S EARNINGS

