

This Section 172 (1) statement applies to all direct and indirect subsidiary companies (“the Company”) of Trelleborg AB (publ) incorporated in the United Kingdom and was included in the statutory financial statements for the year ended 31 December 2019 of the companies listed in Appendix 1.

Section 172(1) statement

The directors of the Company must act in accordance with the duties detailed in section 172 of the Companies Act 2006 which is summarised as follows:

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decision in the long term;
- b) The interest of the company’s employees;
- c) The need to foster the company’s business relationships with suppliers, customers and others;
- d) The impact of the company’s operations on the community and the environment;
- e) The desirability of the company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between members of the company.

A key feature of the Trelleborg Group’s culture and core values is effective corporate governance with the purpose of supporting the Board of Directors and management of each Group Company to increase customer benefits and achieve greater value and transparency for shareholders.

Trelleborg is a global Group characterised by individual and cultural diversity and shared value systems are therefore particularly important. The Core Values, Customer focus, Innovation, Responsibility and Performance, are long-term commitments, which, when coupled with Trelleborg’s business concept, goals and strategies, guide the local directors in making decisions and conducting business. In particular, the Core Value of Customer Focus refers to working in partnership with and aiming to add value for our customers, as well as for the Company.

Trelleborg’s Code of Conduct reflects the Ten Principles of the UN Global Compact, the general concepts expressed in the International Labour Organisation (ILO) conventions, the OECD Guidelines for Multinational Enterprises and the UN Declaration of Human Rights. The Code of Conduct is relevant to everyone in the organisation, regardless of position and is valid in all markets and at all times.

Trelleborg encourages suppliers, sales agents, consultants and other business partners to adopt the UN Global Compact principles as they are reflected in the Code of Conduct.

The Code of Conduct emphasises and summarises existing Trelleborg Group policies and directives and should be applied as a support tool laying down the basic rules and principles on which day-to-day work is based. It covers key areas of compliance, resources, diversity and social engagement. The annual financial statements of Trelleborg AB also contain further information on the impact of Trelleborg’s operations on the community and environment.

It is the duty of Trelleborg managers to include Code of Conduct in employee training. Every new employee should be given the opportunity to read and discuss the Code. Trelleborg regularly conducts training, in e-learning format as well as in classic classroom format, and provides information to support the Code of Conduct.

Trelleborg applies an approach involving decentralized responsibility to drive and implement the Group's strategy. The Group's operating activities are pursued through independent operational units with responsibility for profit, balance sheet and cash flows. Local managers and their co-workers make the commercial decisions, ensure that these are handled correctly and with a balanced approach to risk-taking. As a means of support, individual Business Area management regularly follows up the results of their Business Units' operations, similar to the manner in which Group management follows up with the Business Areas as part of a well-established work process.

As part of their induction directors are provided with information on their duties. It is expected that the directors recognise that in a large Group such as Trelleborg the directors fulfil their duties partly through a governance framework that delegates day to day decision making to them and the employees of the Company through a formalised delegation of authority.

All Trelleborg employees are invited to participate in an annual employee engagement survey, the results of which are reviewed by the directors together with the subsequent actions the Company take to reinforce the Company's values and ensure there is the right culture to meet the strategic needs of the business.

The Company is a wholly owned subsidiary of the ultimate parent company Trelleborg AB (Publ). As such engagement with members is driven by the wider corporate structure.

Further details on Trelleborg Group's Corporate Governance, Core Values, Code of Conduct and annual consolidated financial statements can be found at www.Trelleborg.com.

Appendix 1

The S172 report was included in the annual statutory financial statements of the following companies:

Trelleborg Sealing Solutions UK Limited

Trelleborg Offshore UK Limited

Trelleborg Industrial Products UK Limited

Trelleborg Wheel Systems UK Limited

Trelleborg Marine Systems UK Limited

Trelleborg Retford Limited

Trelleborg Rochdale limited

Gall Thomson Environmental Limited

Trelleborg Westbury Limited (previously Klaw Products Limited)