CORPORATE GOVERNANCE REPORT 2021

Trelleborg is a publicly traded Swedish limited liability company listed on Nasdaq Stockholm Large Cap. Trelleborg applies the Swedish Corporate Governance Code and presents its 2021 Corporate Governance Report in this section. No deviations from the Code have been reported. The auditor's review was conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement.

Annual General Meeting 2021. The 2021 Annual General Meeting took place on April 22, 2021, in Trelleborg. Due to the Coronavirus pandemic, the Meeting was conducted without physical presence, with shareholders exercising their voting rights exclusively by postal voting. According to the voting list prepared, approximately 72 percent of the votes in Trelleborg were represented at the Meeting.

After the Meeting, the Chairman outlined the resolutions adopted at the Annual General Meeting in a recorded address. The President reported on the operations, and the Chairman of the Nomination Committee and Trelleborg's auditor reported on their respective activities during the year.

There was the possibility for shareholders to address written questions to Trelleborg's management prior to the Meeting.

The complete minutes and information on the 2021 Annual General Meeting are available at www.trelleborg.com.

The resolutions passed by the Meeting included the following:

» The dividend according to the Board's proposal of SEK 5.00 per share.

» Re-election of Board members: Hans Biörck, Gunilla Fransson, Johan Malmquist, Peter Nilsson, Anne Mette Olesen and Jan Ståhlberg, as well as the election of new Board member Monica Gimre. Susanne Pahlén Åklundh declined re-election.

» Re-election of Hans Biörck as Chairman of the Board.

» Re-election of Deloitte AB as auditor.

» Remuneration for the Board members and the auditor.

» The Board's remuneration report for fiscal year 2020.

» Nomination process for the Nomination Committee.

» Change in Articles of Association.

Extraordinary General Meeting 2021. An Extraordinary General Meeting was held on December 28, 2021. This Meeting was also held by postal vote, with no physical participation. According to the voting list prepared, approximately 67 percent of the votes in Trelleborg were represented at the Meeting.

The resolution that was passed by the Meeting was:

» To authorize the Board to resolve on the acquisition of own shares for the period until the next Annual General Meeting.

The complete minutes and information on the 2021 Extraordinary General Meeting are available at www.trelleborg.com.

Trelleborg's 2022 Annual General Meeting will be held on April 27, 2022, in Trelleborg. For information on shareholders and the Trelleborg share, refer to pages 12–13 and www.trelleborg.com.

Nomination Committee for the 2022 Annual General Meeting. According to a resolution by the 2021 Annual General Meeting, the Chairman of the Board is to contact the five largest shareholders

WORK OF THE BOARD OF DIRECTORS IN 2021

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Board meetings		1 Report from Board Committees, report from the auditor, report from the President, Year-end report, proposed dividend, sustainability issues, risk management, legal requirements and insurance coverage, decision on the President's remuneration. Presentation by the business area president of Trelleborg Wheel Systems. 2 Annual report 2020.		3 Report from the Board Committees, report from the President, interim report, investments, acquisitions and divestments. 4 Statutory Board meeting.		
Audit Committee		M	M	M M		
Remuneration Committee		M	M			
Finance Committee				M		M

M = Committee meetings.

registered as owners in terms of votes by the end of August each year to ask that they appoint one member each to the Nomination Committee for the next Annual General Meeting. If any shareholder declines to appoint a member, the Chairman shall request that the next shareholder in turn appoint a member. The Nomination Committee can decide that the Chairman of the Board will be included in the Nomination Committee, but not be appointed Chairman.

No payment is made to members of the Nomination Committee.

The Nomination Committee for 2022 held three minuted meetings and maintained continuous contact up to and including February 17, 2022. As a basis for the Nomination Committee's work, the Chairman of the Board presented a report on the work of the Board, which included an internal evaluation of the work and function of the Board, as well as holding meetings with the President and two Board members.

The Nomination Committee's guidelines for the selection of candidates to be nominated to the Board specify that they shall possess knowledge and experience relevant to Trelleborg's operations. The Diversity Policy applied for the Group's Board of Directors is item 4.1 in the Swedish Corporate Governance Code. The objective is that the Board of Directors, considering Trelleborg's operations, stage of development and conditions in general, is to have a suitable composition, characterized by diversity and breadth as regards the expertise, experience and background of the members elected by the Annual General Meeting, and that an even gender balance is to be sought.

The Nomination Committee took into consideration the Diversity Policy when preparing its proposal for the election of Board members ahead of the 2021 Annual General Meeting, which resulted in the Board composition presented on pages 62–63.

The Nomination Committee's proposals to the 2022 Annual General Meeting will be published in the official notification and on www.trelleborg.com.

Board of Directors 2021. In 2021, Trelleborg's Board of Directors comprised seven members elected by the Annual General Meeting, including the President. Employees elect three representatives and one deputy to the Board of Directors. The Group's Chief Financial Officer attends the Board meetings as does the General Counsel, who serves as the Board's secretary. Other members of Group Management participate in Board meetings when necessary.

For further information on Board members, refer to pages 62–63 and Note 10, page 88.

Work of the Board of Directors. The Board held 11 meetings during the year, including one statutory Board meeting. The Board of Directors is responsible for establishing Trelleborg's overriding targets, developing and following up the overall strategy, deciding on major acquisitions, divestments and investments and continuously monitoring operations. The work of the Board follows an annual plan. Recurring issues at Board meetings include reports from the Board Committees, reports from the President, interim reports, structural issues and sustainability issues, as well as resolutions on the President's remuneration and evaluation by the Board of Directors.

In addition to the Board meeting, a study trip was made to a couple of the Group's entities in Sweden.

The President presents a report on the operations' performance at scheduled Board meetings. The Board conducts reviews with the auditor when audit reports are to be considered. The auditor also has meetings with the Board of Directors without the presence of Group Management.

The Audit Committee briefs the Board of Directors on work related to the whistleblower system.

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
5 Report from the Board Committees, report from the President, interim report, sustainability issues, investments.		6 Report from the President, update on digitalization initiatives, strategy issues, financial targets, introduction of a green bond, sustainability issues, acquisitions and divestments, presentation by the business area presidents of the Trelleborg Sealing Solutions and Trelleborg Industrial Solutions business areas.	7 Acquisition issues. 8 Report from Board Committees, report from the auditor, report from the President, interim report, strategic plan 2022–2024, acquisitions and divestments, investments, succession planning, sustainability issues, Board evaluation.	9 Financial Targets, capital structure.	10 Notification of Extraordinary General Meeting for resolution on authorization for the buyback of shares. 11 Report from Board Committees, report from the auditor, report from the President, strategic plan for 2022–2024, plan for the Annual Report, Board evaluation, Excellence programs, acquisitions and divestments, investments.
M			M		M
			M		M
M		M		M	

Trelleborg's Board complies with the Swedish Corporate Governance Code's requirements stipulating that the majority of the Board members elected by the General Meeting must be independent in relation to Trelleborg and company management, and that at least two of these are also to be independent in relation to Trelleborg's major shareholders.

The Chairman of the Board is responsible for evaluating work on the Board and in relation to management. It is an annual, systematic and structured process. In 2021, a survey was conducted and all members were also interviewed by the Chairman. The results from these interviews were presented and discussed by the Board and Nomination Committee, forming the basis for evaluating the size and composition of the Board. The evaluation focused on the Board activities in general and, to a certain degree, on the contributions made by individual Board members, including the Chairman. The evaluation for 2021 shows that the work of the Board is deemed to have functioned well. Board evaluations carried out in previous years have distinctly influenced the work of the Board and committees.

Board Committees. For the past number of years, the Board has established three committees from within its ranks; the Audit, Remuneration and Finance Committees.

Audit Committee. Recurring issues at Audit Committee meetings are accounting issues, interim reports, financial reports, work plans for and regular reporting from the Internal Control staff function, legal requirements, risk management, and reports from the auditor.

The Audit Committee is to also represent the Board by keeping itself informed in matters relating to the audit of the annual report and the consolidated financial statements, reviewing and monitoring the auditor's impartiality and independence, and providing assistance when preparing proposals regarding the appointment of auditor for approval by the Annual General Meeting. The Audit Committee is also to represent the Board by monitoring the Group's work in relation ERM issues and IT and IT-related security issues. The Committee is also to represent the Board by monitoring day-to-day financing operations, and annually reviews and makes proposals for changes to the Treasury Policy.

In 2021, seven meetings of the Audit Committee were held.

Remuneration Committee. Recurring issues at Remuneration Committee meetings are remuneration principles and evaluation, goals and outcome of variable salaries and long-term incentive programs, succession planning and leadership development. The Remuneration Committee also prepares the annual remuneration report.

In 2021, four meetings of the Remuneration Committee were held.

Finance Committee. Recurring issues at Finance Committee meetings are strategic issues concerning financing, the Group's financing scope and acquisitions and divestments.

In 2021, five meetings of the Finance Committee were held.

Refer to the illustration on pages 56–57.

Auditor 2021. The Annual General Meeting resolved that the auditing firm Deloitte AB shall be Trelleborg's auditor for a period of one year.

See page 59 for further information.

Group Management 2021. In 2021, Group Management held four meetings. Normally, the meetings take place over a few days to allow time for presentations and discussions. These meetings focused on the Group's strategic and operational performance and budget follow-up. In addition, several reviews and regular checks took place concerning the performance of operations in relation to, for example, contingency plans for the pandemic, major orders, potential acquisitions, risk management and so forth.

Trelleborg's operations are organized into three business areas. They consist of about 20 business or marketing units, which in turn comprise approximately 40 product or function areas. The organization is based on the principle of decentralized responsibility and authority.

Each legal unit, which does not necessarily reflect the operating units, has its own Board of Directors that focuses on regulatory compliance, among other aspects.

In March 2021, the *Businesses Under Development* reporting segment was discontinued, since its operations had been largely divested or were intended to be divested during 2021. It had been formed at the end of 2019 and comprised a number of operations that were considered to require strategic review with the aim of improving their positions and profitability within 12 to 24 months.

Sustainability reporting. Trelleborg has prepared its sustainability report in accordance with the Global Reporting Initiative (GRI) guidelines. The Sustainability Report includes the statutory sustainability statement, which is prepared as a separate report to the annual report in accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act. The scope of the Sustainability Report and the statutory sustainability statement is outlined in the index overview for the GRI Standards on page 135.

Internal culture. Trelleborg applies an approach involving far-reaching 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 coworkers make the commercial decisions, ensure that these are handled correctly with a balanced approach to risk-taking. As a means of support, the individual business areas regularly follow up the results of their business units' operations, similar to the manner in which Group Management follows up the business areas as part of a well-established work process.

Core values. Trelleborg is a global Group characterized by individual and cultural diversity and shared value systems are therefore particularly important. The core values are long-term commitments, which, when coupled with Trelleborg's business concept, goals and strategies, guide the Group in making decisions and conducting business. The core values are:

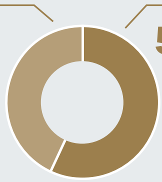
- Customer focus: Working in partnership, we aim to add value for our customers, as well as for Trelleborg.
- Innovation: We promote an innovative attitude and corporate culture. Innovation is a key driver for our growth.
- Responsibility: We all share responsibility for our company as a whole and for its results.
- Performance: We shall perform better than our competitors.

Diversity. Trelleborg works to achieve a balanced mix of ethnicities, ages and genders in its operations. The Group's Diversity Policy recognizes that diversity is a strength for the Group. Enhanced diversity and inclusion has the potential to further drive Trelleborg's performance and results, both at team level and individually. Refer to pages 41–42.

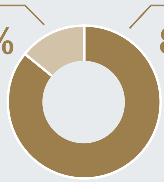
MEMBERS OF BOARD COMMITTEES AT DECEMBER 31, 2021

AUDIT COMMITTEE	REMUNERATION COMMITTEE	FINANCE COMMITTEE
Gunilla Fransson, Chairman	Hans Biörck, Chairman	Hans Biörck, Chairman
Hans Biörck	Johan Malmquist	Johan Malmquist
Monica Gimre	Anne Mette Olesen	Jan Ståhlberg
Jan Ståhlberg		

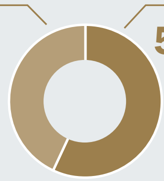
GENDER DISTRIBUTION IN THE BOARD OF DIRECTORS [1]



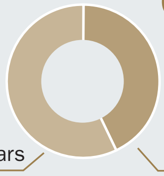
BOARD'S NATIONALITY [1]



DEPENDENCE IN RELATION TO MAJOR SHAREHOLDERS OR POSITION [1]

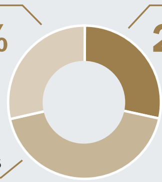


AGE DISTRIBUTION ON THE BOARD OF DIRECTORS [1]



BOARD MEETING ATTENDANCE [1]

TIME ON THE BOARD OF DIRECTORS [1]



[1] Board members elected by the Annual General Meeting, including the President and CEO.

NOMINATION COMMITTEE FOR THE 2022 ANNUAL GENERAL MEETING

Name/Representing	Share of votes, % Aug 31, 2021	Share of votes, % Dec 31, 2021
Ragnar Lindqvist, Dunker Foundations	54.10	54.10
Per Trygg, Lannebo Funds	2.45	2.47
Anna Sundberg, Handelsbanken Funds	2.04	2.24
Jan Särlvik, Nordea Funds	0.77	0.88
Emilie Westholm, Folksam	0.85	0.79
Total	**60.21**	**60.48**

AUDITOR'S REMUNERATION

SEK M	2021	2020
Deloitte		
Audit assignment	23	24
Audit activities other than audit assignment	1	2
Tax consultancy services	0	0
Other services	0	1
Other auditors		
Audit assignment	6	5
Audit activities other than audit assignment	0	0
Tax consultancy services	–	–
Other services	–	0
Total	**30**	**32**

AUDITOR 2021

Hans Warén

Authorized Public Accountant

Auditor of the Trelleborg Group since the 2017 Annual General Meeting.

Partner of Deloitte AB since 1998.

Qualifications: Graduate in business administration. Authorized Public Accountant since 1992.

Other assignments: Axfood, Industrivärden and SKF.

Born: 1964.