

# Corporate Responsibility 2012



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## About this Communication on Progress 2012

Pages 2-12 are an excerpt from the Trelleborg Annual Report 2012. PricewaterhouseCoopers conducted a limited review of the Trelleborg's Corporate Responsibility activities included in the Annual Report 2012, with a focus on the most significant CR issues. See the assurance report on page 14 or visit [www.trelleborg.com/cr](http://www.trelleborg.com/cr).

# Trelleborg in brief 2012

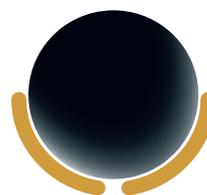
- **Founded in 1905**
- **Sales in 2012: SEK 21,262 M**
- **Employees at year-end 2012: 15,280**
- **Operations in 43 countries**
- **Listed on the Stockholm Stock Exchange since 1964, NASDAQ OMX Stockholm, Large Cap**
- **Head office in Trelleborg, Sweden**

## A world leader in engineered polymer solutions

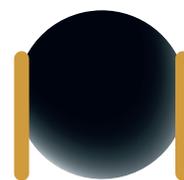
The Trelleborg brand is well recognized throughout the world in a range of market segments. It represents Trelleborg's promise and offering; solutions that **seal**, **damp** and **protect** critical applications in demanding environments. Our innovative solutions accelerate performance for customers in a sustainable way.



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# Blue Dimension™ in action

At Trelleborg, sustainability is part of the business. This is why our Blue Dimension™ concept highlights three things Trelleborg solutions help to protect: people, the environment and infrastructure. Basically, Blue Dimension™ refers to products and solutions that not only satisfy the needs of the customer but also benefit society.



## Blue Dimension™ protects people

At Trelleborg, we develop solutions that protect people in various ways:

- Earthquake bearings
- Brake shims and shear plates in cars for comfort
- Railway damping for a noise-free track environment
- Mounts reducing vibrations in machines and engines
- Material for evacuation slides in aircraft
- Rubber heart of human-powered pumps in villages



## Blue Dimension™ protects the environment

While some of our solutions are designed to preserve nature directly, others help customers reduce energy consumption, increase customer product life and lower maintenance:

- Low compaction agricultural tires to protect soil and save energy
- Wind power components, including offshore wind power
- Solar panel seals
- Low-friction hydraulic seals for energy-saving
- Sealing profiles for doors and windows
- Seals/gaskets for energy efficient plate heat exchangers
- Advanced tunnel seals
- Fenders and other equipment for safe mooring



## Blue Dimension™ protects infrastructure

We design our technologies for bridges, railways, wastewater systems, tunnels and other infrastructure to be long-lasting and cost-efficient:

- Advanced tunnel seals
- Protective bearings in state-of-the-art bridges
- Fenders and other equipment for safe mooring



Read more about Blue Dimension™ at  
[www.trelleborg.com/cr](http://www.trelleborg.com/cr)

# Trelleborg – a positive force for sustainability



The reorientation in society in the direction of sustainability is one of the greatest challenges of our time, and I am pleased to be able to say that Trelleborg and our solutions are, and will continue to be, a positive force in this endeavor. Energy-conserving solutions, components in alternative energy, solutions for wind power and solar cells, and enhanced safety in the ever-more challenging extraction of oil & gas in deep-sea environments are but a few examples of areas in which we add value. The protection of infrastructure such as bridges, tunnels and important buildings represents another of these areas. The collective name we use for the way our solutions support the changeover to sustainability is Blue Dimension™.

This year, we have focused on a smaller selection of central CR performance indicators and the fulfillment of these. The Group has a new organization, but our CR ambitions are unchanged. I would like to emphasize how Trelleborg continues to prioritize improved processes within the framework of our Group-wide program, Manufacturing Excellence, including energy-savings and thus reducing our climate footprint. The responsible management of chemicals in compliance with the EU REACH legislation is another key issue for us.

Our well-established Safety@Work health and safety program continues to ensure that Trelleborg – wherever we are in the world – will be a safe and healthy workplace. Furthermore, we should all abide by a shared set of values and sound ethics. Internally, our Code of Conduct continues to be our most important guiding principle, but we also monitor compliance by suppliers with the Code's principles of responsibility. Moreover, we encourage both suppliers and partners to adopt the UN Global Compact's principles for responsible business practices.

As always, we welcome all viewpoints from all of our stakeholder groups on our CR work and the methods we use to report on the subject. The report on our CR activities following Global Reporting Initiative (GRI) guidelines is continuously evolving and, to reflect the point I made at the start of this column – namely, how sustainability has become an important part of our operation and business – we have highlighted key CR facts relating to our employees and processes in the introductory strategy section of the Annual Report. This is a step in the direction toward our version of a more integrated report.

Peter Nilsson, President and CEO

## Trelleborg and the Global Compact

Since 2007, Trelleborg has been affiliated with the UN Global Compact network, an initiative that promotes responsible corporate practices in the areas of the environment, labor, human rights and anti-corruption.



## External audit and GRI application levels

PricewaterhouseCoopers conducted a limited review of the entire report on Trelleborg's Corporate Responsibility activities in 2012, with a focus on the most significant CR issues. See the assurance report on page 14 or visit [www.trelleborg.com/cr](http://www.trelleborg.com/cr).

Trelleborg reports in accordance with GRI Level B+ and PricewaterhouseCoopers has reviewed and verified the application level. Complete information and the GRI index can be viewed at [www.trelleborg.com/cr](http://www.trelleborg.com/cr).

*The figures given for 2012 are based on continuing operations. Due primarily to the inclusion of the antivibration operation of the former Trelleborg Automotive business area in TrelleborgVibracoustic since July 2012, historical comparative figures have been restated.*

# New targets for the Trelleborg Group

Toward continued increase in profitability and growth.

**New targets.** In 2012, a review of the Group's financial targets was performed resulting in new, more ambitious financial targets that will apply from the 2013 fiscal year. These new targets should be weighed against the Group's ambition to

increase value generation and become a world leader in selected market segments and geographic markets, in addition to an assessment of global growth and adequate financial security.

In 2012, Trelleborg also simplified and focused the Corporate Responsibility (CR) performance indicators to reflect the most important development areas for the Group.

## Organic growth over an economic cycle<sup>1)</sup>

**Target:** The target for the average annual organic growth over an economic cycle is 5 percent. In addition, further growth will occur through complementary acquisitions. This is unchanged compared with the earlier target.

**Fulfillment:** In 2012, organic growth increased 1 percent (9). The Group maintained or improved its market positions despite a slower rate of growth in parts of the world.

## Operating margin over an economic cycle<sup>1)</sup>

**Target:** The target for the operating margin (EBIT margin) is 12 percent<sup>3)</sup>. The former target was an EBITDA margin of 12 percent for continuing operations excluding items affecting comparability.

**Fulfillment:** The operating margin in 2012 rose to 11.0 percent (10.6), due primarily to a relatively stable sales trend and continued favorable efficiency and cost control.

## Return on equity (ROE)<sup>2)</sup>

**Target:** The long-term target for return on equity is 15 percent. This is unchanged compared with the earlier target.

**Fulfillment:** In 2012, return on equity was 12.9 percent (10.4). The improvement compared with 2011 is the result of a higher operating margin and improved income tax and net financial items.

### Corporate Responsibility targets Trelleborg has applied the following main performance indicators since 2012

<b>Environmental management</b>	<p><b>Target:</b> Implement environmental management systems in 90 percent of production units, with ISO 14001 certification for 85 percent.</p> <p><b>Fulfillment:</b> 78 percent (77) of the units are certified; 69 of 88.</p>
<b>Climate</b>	<p><b>Target:</b> Reduce direct and indirect CO2 emissions by at least 15 percent relative to sales by 2015 (base year 2008).</p> <p><b>Fulfillment:</b> Due to the major divestments in 2012, the figure for the base year has been revised (as is the case for all historical CR values). The base value was 14.1 tons/SEK M. In 2012, the value was 11.5 tons/SEK M, an improvement of 18 percent compared with 2008 and of 5 percent since the preceding year.</p>
<b>Safety@Work</b>	<p><b>Target:</b> Occupational injuries and illnesses (defined as Lost Work Cases, LWC, per 100 employees) are to be lower than 3.0 at each production site. The average number of work days lost per injury per year is to be lower than 50 at each site. From 2013, the outcome will be presented as a share of production sites that have met the respective targets.</p> <p><b>Fulfillment:</b> The average outcome in 2012 for these indicators was as follows: the number of LWCs per 100 employees was 2.49 (2.31), while the number of work days lost per injury per year was 25 (26).</p>
<b>Suppliers</b>	<p><b>Target:</b> Work with suppliers who support the applicable parts of the company's Code of Conduct; implementation of self-assessment of suppliers corresponding to 80 percent of the purchase value.</p> <p><b>Fulfillment:</b> In 2012, Trelleborg was close to achieving the target set: 79.5 percent (75) of the suppliers were assessed.</p>
<b>Transparency</b>	<p><b>Target:</b> Continuously develop the company's CR reporting in accordance with Global Reporting Initiative guidelines, at a minimum of Level B+.</p> <p><b>Fulfillment:</b> Once more, the 2012 CR report is compliant with GRI Guidelines, version 3, and is judged by a third party (PwC) to fulfill the requirements for level B+.</p>
<b>In addition, zero tolerance of the following applies:</b>	<ul style="list-style-type: none"> <li>■ bribery, corruption or cartel behavior</li> <li>■ the occurrence of child or forced labor</li> <li>■ the occurrence of discrimination, reported and reviewed.</li> </ul>

<sup>1)</sup> Continuing operations excluding participations in TrelleborgVibracoustic and excluding items affecting comparability.

<sup>2)</sup> Continuing operations, including participations in TrelleborgVibracoustic and including items affecting comparability.

<sup>3)</sup> Corresponds to an EBITDA margin of about 15 percent.

# CR in the Trelleborg Group

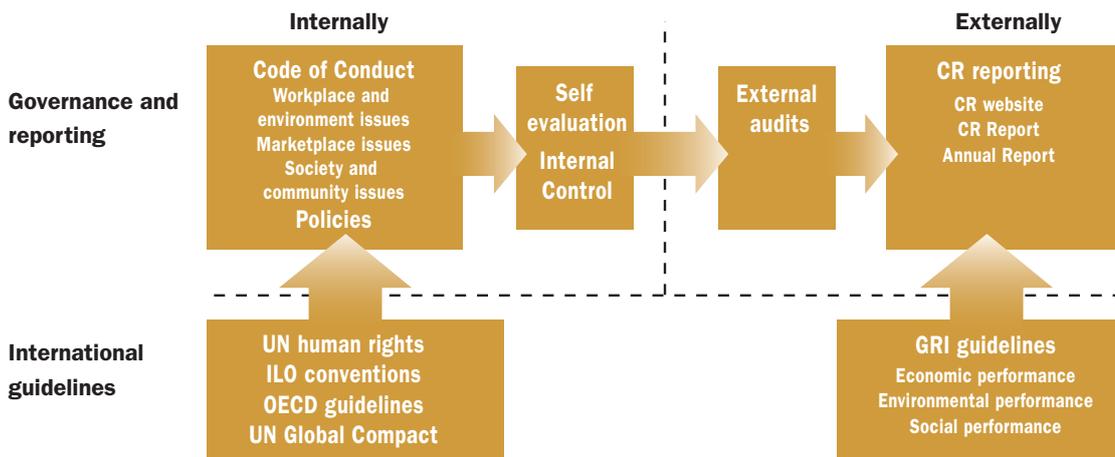
Trelleborg has well-established CR organization, reporting and process.

**CR organization and reporting.** Trelleborg's annual CR reporting complies with the Global Reporting Initiative (GRI) guidelines. Principles for the company's CR reporting are described in detail at [www.trelleborg.com/cr](http://www.trelleborg.com/cr). Both there, and in the annual report to the UN Global Compact, there is a complete index showing exactly how CR reporting complies with Global Reporting Initiative guidelines.

At Board level, the Audit Committee has been assigned to support and monitor the Group's work with CR issues. CR reporting is managed by a group comprising representatives from the Group Corporate Communications, Legal Department, Environment, HR and Purchasing staff functions, and from the Manufacturing Excellence Program, coordinated by the Corporate Communi-

cations staff function. Direct responsibility for issues relating to the environment, and health and safety rests locally with each business unit. Each production plant has an environmental coordinator and a health and safety officer. The central Group function, Environment, a part of the Group Legal Department, is responsible for governance and coordination in environmental issues.

## Trelleborg's CR process



For a detailed overview of Corporate Responsibility in the Trelleborg Group, visit [www.trelleborg.com/en/The-Group/Corporate-Governance/](http://www.trelleborg.com/en/The-Group/Corporate-Governance/)

**Systematic CR work.** Trelleborg's Code of Conduct in the areas of the environment, health and safety and ethics applies to all employees, without exception. The Code of Conduct is based on internationally recognized conventions and guidelines, such as UN Human Rights conventions, ILO conventions, OECD guidelines and the UN Global Compact. Trelleborg's whistleblower policy implies that each employee is entitled, without repercussions, to report suspicions of legal or regulatory violations. The process for submitting Whistleblower messages has gradually

been improved to strengthen employees' integrity and safety, and enable use of their own languages, by telephone or the Internet.

The Code of Conduct provides a basis for the internal CR process, and training in the Code of Conduct is mandatory for all employees. The CR process is largely based on self-assessment and internal audits, such as Safety@Work (see page 6), strengthened by external audits in selected areas, such as ISO 14001 audits in the environmental area.

### Sustainability indexes

In 2012, Trelleborg was included in the following sustainability indexes:

- OMX GES Sustainability Sweden
- OMX GES Sustainability Nordic
- OMX GES Ethical Nordic
- OMX GES Ethical Sweden
- OMX GES Sustainability Sweden Ethical



# An active stakeholder dialog

Trelleborg's stakeholder communication is to be characterized by transparent relations, regular dialog, clarity and a high level of ethics.

The most important stakeholder groups are: *Customers, Suppliers and Partners, Shareholders and Investors, Employees and Society*. Representatives of these groups can regularly specify the sustainability aspects they consider most important for Trelleborg in a *materiality analysis*. Such surveys were conducted in 2007, 2009 and 2012 (see below).

**Channels for stakeholder dialog.** A key communication channel for all of Trelleborg's stakeholders is [www.trelleborg.com](http://www.trelleborg.com), with some 60 associated websites, as is the company's participation in social media, such as Facebook and YouTube, and the blogs *Marine Insights* and *Printing Insights*.

- Customers: Meetings between Trelleborg's representatives and customers. The Group's customer and stakeholder magazine *T-Time*.
- Suppliers and Partners: Supplier visits and supplier audits through surveys.
- Shareholders and Investors: Shareholder service (telephone and e-mail channels), Annual General Meetings, analysts' meetings, meetings with ethical investors.

- Employees: Internal communication channels, such as T-Talk (social intranet launched in 2012), E-Connect (digital newsletter) and Connect (internal magazine), internal courses, trade union cooperation and events.
- Society: Local Open House days, family and sponsorship activities, collaboration with universities and colleges.
- Authorities: Dialog with local regulatory authorities about specific issues. Trelleborg also works through trade organizations at national and European levels.

**Stakeholder meetings in 2012.**

**Examples:**

- Appearance at Nordic Council of Ministers' conference "CSR – a driver of innovation and competitiveness in the Nordic region" in Trondheim, Norway, on October 11, 2012, where Trelleborg was invited to serve as an example of a large Nordic company's commitment to sustainable products, and the conference "I Morgon Grön" (Tomorrow Green) in Stockholm, Sweden, on October 16, 2012 on the same theme.
- Participation in Nordic networking meetings within the scope of N-CSR

(Corporate Social Responsibility best practice) and the UN Global Compact Nordic Network.

- Participation in social innovation workshops on November 16-17, 2012, at Lund University, Sweden, with the aim of creating a platform for addressing social problems through partnerships between companies, entrepreneurs and trade associations.
- An internal week focused sustainable products and solutions, entitled "Blue Dimension Jam", was held between February 20 and 24, 2012. More than 100 proposals were received for how Trelleborg products and solutions can contribute to a sustainable society.
- In October 2012, students in the Master's Program at the International Institute for Industrial Environmental Economics (IIIEE) in Lund, Sweden, once again reviewed Trelleborg's CR report – in workshop form – from the perspective of the stakeholder and presented large and small improvement suggestions.

**Stakeholders' view of Trelleborg's responsibility**

During 2012, a new materiality analysis was performed to identify the aspects of Trelleborg's sustainability work that are considered to be the most important (Trelleborg previously carried out similar materiality analyses in 2007 and 2009). A selection of external and internal stakeholders assess the significance of some 20 relevant aspects, which were sourced mainly from Trelleborg's Code of Conduct, UN Global Compact principles, Global Reporting Initiative guidelines and the Dow Jones Sustainability Index.

The survey provides support for prioritization in CR reporting and for more in-depth stakeholder dialogs. The aspects that were assigned a high priority, both externally and internally, were a number of traditionally central issues for the industry, such as use of hazardous chemicals, energy use and emissions to air and water. Product aspects were also ranked highly, such as the environmental performance of products and product quality and safety. Furthermore, a high value was attached to open and honest communication as well as to corporate governance and transparency. Over time, communication, raw materials and community relations have shown the clearest rise in significance.

**Stakeholders' view of Trelleborg's corporate responsibility**

Very Important  <b>Significance to External Stakeholders</b>  Important	Consumption of raw materials Climate Strategy Corruption and Bribery Supplier practices Community relations	Consumption of energy Use of hazardous chemicals in manufacturing Emissions to air and water Environmental performance of products Product quality and safety Open and honest communication Corporate Governance and Transparency
	Waste recovery Labor/Management Relations Diversity and Non-discrimination Anti-competitive behavior Investment and divestment practices Risk & crisis management Public Policy and Lobbying	Occupational Health and Safety Training and Development Talent Attraction and Retention
	Important	Very Important
	<b>Significance to Company Internally</b>	



# Employee culture based on knowledge development and security

Trelleborg represents an employee and leadership culture characterized by a customer focus, freedom with responsibility, knowledge development, leadership and a local base. Employee motivation and security is based on clear goals, job satisfaction and further development opportunities. The frameworks are provided by the principles in Trelleborg's Code of Conduct concerning secure working conditions, responsibility for the environment, ethical relationships with customers and suppliers, and positive interaction with society.

**Decentralization and knowledge development.** Trelleborg's decentralized structure and culture are based on Trelleborg's close proximity to customers and solutions with high technology and knowledge content. A key feature in strengthening opportunities for best-practice sharing and communication between Trelleborg's highly qualified employees today and in the future, is the Group's social intranet *T-Talk*, which was launched in 2012. T-Talk facilitates collaboration around business opportunities and customer solutions.

Another important step for knowledge development is the *Trelleborg Group University*, launched in 2013, which gathers all programs and courses conducted at Group level, in such areas as leadership, production, purchasing and sales.

**Work environment – health and safety.** Trelleborg's long-standing *Safety@Work* program aims to promote an international safety culture by implementing improvement programs with preventive and corrective measures at all production units. The program strengthens the Group's endeavors to attract, develop and retain talented employees. The program is monitored with selected indicators that aim to reduce the number of work-related injuries, illnesses and absenteeism.

Trelleborg's facilities continue to demonstrate a positive trend in cases of work-related injuries/illnesses (excluding

insourced staff). In 2012, 255 cases (284) resulting in more than one day's absence (= Lost Work Cases, LWC) were reported. The number of LWC per 100 employees per year was 2.49 (2.31), while the number of working days lost per injury per year declined to 25 (26). New targets have been established stating that work-related injuries and illnesses defined as LWC per 100 employees should be lower than 3.0 at each production site. The average number of working days lost per injury per year should be lower than 50 at each site. From 2013, the outcome will be presented as a percentage of the production sites that meet the respective targets.

In 2012, the average number of points in the *Safety@Work* risk model (the points received by a facility based on the model) in audits and self-assessments increased to 882 (848).

The goal is that all of Trelleborg's facilities will have a well-functioning safety committee. In 2012, such committees with representation from plant management were in place at 93 percent (88) of the facilities.

**Absenteeism in Sweden.** In 2012, total absenteeism at the Group's production units in Sweden was 3.9 percent of normal working hours.

**Workplace relationships.** Continuous change processes are taking place in Trelleborg in connection with acquisi-

tions, divestments and rationalizations. Accordingly, a primary task is to provide conditions for change and, with respect for each employee, reduce uncertainty and insecurity, while also ensuring the company's continued competitiveness. Trelleborg always complies with local legislation or collective agreements in relation to lay-off notices.

In 2012, Trelleborg divested two business units (see page 10). Furthermore, Trelleborg's antivibration operations in the former Trelleborg Automotive business area were transferred to the TrelleborgVibracoustic joint venture in July 2012.

**Human rights** comprise fundamental rights and are defined as conventions and declarations in respect of child labor, forced labor, freedom of association and collective agreements, diversity issues and gender equality. All of these areas are addressed in Trelleborg's Code of Conduct. Trelleborg's whistleblower policy entitles each employee, without repercussions, to report suspicions of any legal or regulatory violations. Within the scope of Trelleborg's ERM process for risk identification and evaluation, none of the Group's units have deemed the risk of human rights violations to be significant.

Aside from the environment-related fines described on page 10, no significant cases involving fines or sanctions for non-compliance with legislation or regulations occurred in 2012.

# Anticorruption measures 2013

For a number of years now, Trelleborg has been conducting a Group-wide Compliance Program that covers competition law issues. The program is being continuously developed and new countries and subsidiaries are gradually being included in the additional training courses and other programs in such areas as anti-corruption and trade in products or with countries that are subject to trade restrictions. The aim of the program is to ensure correct behaviour in relation to competition legislation, trade in products

with links to Swedish or foreign defence activities and trade with countries and regimes subject to international sanctions. The program also includes extensive special training and activities as a consequence of the U.K. Bribery Act.

## Why is such a program necessary?

Trelleborg's Compliance Program is a long-term effort. All who represent Trelleborg as a global leader in custom-designed polymer solutions must understand that their conduct is synonymous

with the Group's brand, and it is thus necessary to evaluate their actions on a daily basis.

## What is Trelleborg's view of corruption?

Trelleborg takes a zero-tolerance approach to all forms of corruption. Each and every employee is obligated to comply with the Group's policies, and this program has been designed to clarify exactly what is required. It applies to the highest level of management right down to our middle managers, both in the field and on the shop floor.

**Child and forced labor.** Trelleborg has collaborated with Save the Children for a number of years; a project that is consistent with the company's support for activities for children and young people all over the world, and also strengthens expertise in the area of child labor. In 2012, there were no child or forced labor violations (0).

**Freedom of association.** Trelleborg's policy is to acknowledge trade unions and the right to collective agreements. A total 43.5 percent (46) of Trelleborg's employees at the Group's production units are represented by a trade union through collective agreements.

**Diversity and gender equality.** No discrimination of employees on the grounds of gender, religion, age, disability, sexual orientation, nationality, political views, social background or ethnicity is permitted. In 2012, 8 cases (4) of discrimination were reported and reviewed. Of these, three cases were dismissed, one was withdrawn, two were settled and two are under review.

The third version of the successful mentor program for women participants, and participants from high-growth markets, was concluded in 2012.

**Talent Management** within the Group is aimed at securing a strong talent base for the recruitment of future leaders. The process is designed to effectively match the company's future recruitment requirements with individual career development plans.

**Talent Review Process.** The main purpose of the Talent Review Process is to identify employees with the potential to advance, on the basis of their employee performance reviews, thus ensuring that

the company's leadership recruitment needs are met. Unit and HR managers meet regularly to discuss potential candidates in their own business areas and units. Where necessary, Development Centers are engaged to verify potential and determine development requirements. Employees who are selected receive a personal development plan that follows them along their career path. The talent base and leadership recruitment plan are presented to Trelleborg's Board. Trelleborg aims to nurture internal talents in the best possible manner. The number of management or specialist vacancies internally advertised in 2012 was 165 (186).

**Performance reviews** take the form of coaching to encourage goal fulfillment, motivation, performance and development, and they follow a common structure that was revised in 2012. If an employee demonstrates leadership potential, a career development plan will be established. A new system for coordinating and archiving the reviews was introduced in early 2013. In 2011-12, a total of 4,374 salaried employees, corresponding to 80 percent of salaried employees at levels 1-7\*, participated in performance reviews.

**Training and development.** Trelleborg's fundamental principle for personal development is to offer training that not only increases proficiency, but also strengthens social and financial opportunities for our employees. Under the Trelleborg Group University umbrella that was launched in 2013, this development will be further strengthened at Group level by introducing an overall concept and new training courses. A diversity of training options is offered

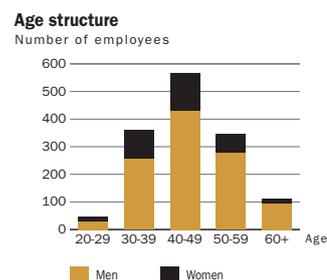
in each business area as well as locally.

In 2012, the average number of training hours per employee was 16.7 (13).

Training in the company's Code of Conduct will continue for all new employees.

**Salary and rewards.** A key factor for ensuring the Group's long-term success is a reward system that recognizes employees' performance. The framework for this is outlined in the global Compensation and Benefits Policy. Management remuneration is described on pages 50-51 in the Annual Report 2012.

## Age and gender at management levels 3-5



The diagram shows the age structure and gender distribution of middle managers at management levels 3-5 in Trelleborg's units. Level 3 corresponds to reporting to the Business Area President. The largest age categories are the 30-39 and 40-49 age brackets.

The proportion of women is highest in the youngest age categories: 34 percent in the 20-29 age bracket, and 29 percent in the 30-39 age bracket. The proportion of women in executive management positions is 0 percent (18) and 29 percent (29) on the Board of Directors.

\*) Levels 1-7 relates to managerial levels, whereby level 1 is the CEO, level 2 comprises those reporting directly to the CEO, and so forth.

# Production culture for efficiency and safety



In Trelleborg's production line, raw materials and components are transformed into finished solutions. The processes require energy, water and chemicals. Trelleborg works consistently to optimize its resource efficiency and prevent and minimize the risks associated with production.

As of 2011, the monitoring of environment and resource indicators now include all of Trelleborg's companies and facilities, including non-manufacturing units. Since major divestments were made in 2012, historical data has been restated to comprise continuing operations only.

Trelleborg has extensive production operations in some 30 countries. In 2012, production took place at 88 remaining facilities, of which 52 are located in Europe, 24 in North and South America, ten in Asia and two in Australia. For some years now, Trelleborg had conducted the successful Group-wide Manufacturing Excellence program at all of its production facilities. The program is based on systematic work toward continuous improvements to achieve world-class status as a manufacturer, with joint indicators linked to the four areas of efficiency, quality, safety and delivery.

**Environmental management.** Another cornerstone of the Group's production facilities is the ISO 14001 environmental management standard. According to the Group policy, all large units must be ISO 14001 certified. At the end of 2012, 69 facilities (68) were certified, corresponding to approximately 78 percent

(77) of all facilities. The target level is certification of 85 percent of facilities.

**Raw materials.** The principal raw materials are polymers (rubber, plastic) and metal components, as well as additives comprising softening agents (oils), fillers, such as carbon black, and vulcanizing agents (sulfur, peroxides). Of the raw rubber consumed, approximately 41 percent (38) is natural rubber and 59 percent (62) is synthetic rubber.

As a chemical user, Trelleborg is affected by the EU REACH regulation. Activities to adapt the Group's operations to REACH in 2012 continued to focus on communication with suppliers and customers regarding REACH-related issues to ensure compliance. At the end of 2012, the list of Substances of Very High Concern (SVHC) had expanded, meaning that the work in this area will remain a high priority.

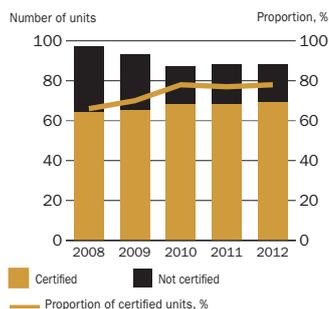
**Energy and climate impact.** A significant portion of the Group's energy consumption and, accordingly, climate impact, is connected to fossil fuel combustion (direct energy and emissions) and purchased electricity, steam and district heating (indirect energy and emissions). Non-production units were also included

in the calculations of total energy use in 2012, which amounted to 859 GWh (888). The total energy use per SEK M was 0.0400 GWh (0.0422), representing more than a 4-percent improvement. Direct energy use was 391 GWh (404).

Total CO<sub>2</sub> emissions in 2012 were 244,600 tons (254,500). Total CO<sub>2</sub> emissions per SEK M were 11.5 tons (12.1), an improvement of 5 percent. Direct CO<sub>2</sub> emissions were 84,600 tons (88,700).

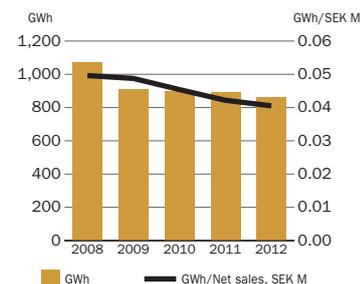
Trelleborg's Energy Excellence Program for systematic energy-efficiency enhancements (part of Manufacturing Excellence) has been introduced at all production units, and has led to lower energy consumption, lower costs and lower CO<sub>2</sub> emissions. During the initial period, between 2008 and 2011, energy consumption declined 13 percent in relation to sales, which surpassed the target set for the period. Energy Excellence is based on self-assessment and the implementation of improvement projects, which is achieved by training coordinators at every unit who, in turn, form teams to introduce cost-saving measures in reference to buildings, compressed air, heating/ventilation, lighting and cooling systems, and so forth. In 2012, activities focused on planning – new

## Environmental Management System



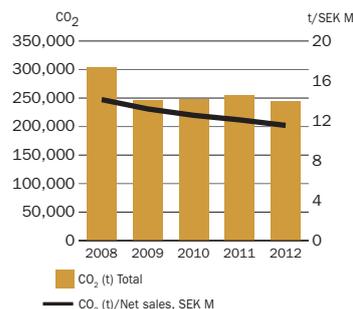
The proportion of certified units was 78 percent, which is approximately the same as the preceding year.

## Energy



The Energy Excellence efficiency program generated clear improvements.

## Climate impact



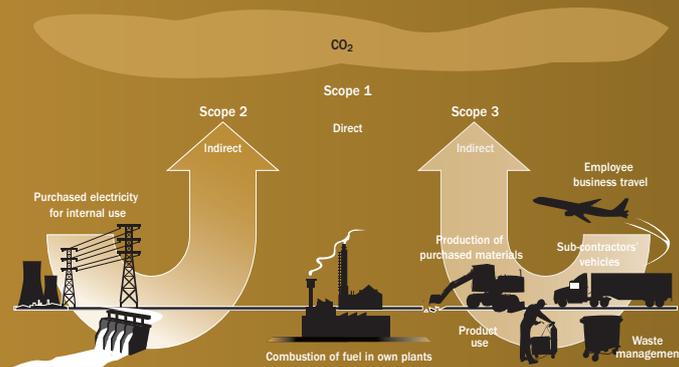
Total CO<sub>2</sub> emissions decreased in absolute and relative terms.

# Trelleborg's "15 by 15" climate-change strategy

Trelleborg's goal is to reduce its direct and indirect carbon dioxide emissions by at least 15 percent, relative to sales, by the end of 2015 ("15 by 15"), based on 2008 as the reference year. The emissions in question are caused by energy produced internally and are included in **Scope 1** of the Greenhouse Gas Protocol (see diagram to the right), as well as those caused by energy purchased for internal use, which corresponds to **Scope 2** (see diagram).

Ongoing Energy Excellence activities have reduced energy consumption in Trelleborg's production since 2009, and simultaneously led to an overall reduction in carbon dioxide emissions in total.

**Scope 3** includes indirect emissions from transport, travel, purchased materials, product use and waste management. Focus on reducing these types of indirect emissions is gradually increasing in Scope 3. Read more about climate-related opportunities and risks at [www.trelleborg.com/en/cr/Strategy](http://www.trelleborg.com/en/cr/Strategy).



incentives and training modules have been added as of 2013 to provide a platform for further energy-efficiency enhancements, and a new energy target is under development for the forthcoming period.

The Group's total energy costs for 2012 were SEK 495 M (469).

The "15 by 15" climate target adopted by Trelleborg in 2009 addresses direct and indirect CO<sub>2</sub> emissions. The reporting of indirect emissions complies with the CDP recommendations, which means that national conversion factors from the Greenhouse Gas Protocol were applied. Since 2007, Trelleborg has also participated in the voluntary reporting process of the CDP where it openly reports all relevant performance indicators and data. On behalf of global investors, the CDP gathers information regarding emissions of greenhouse gases by companies and organizations, as well as the measures they are taking to prevent a negative climate impact, visit [www.cdproject.net](http://www.cdproject.net). In the CDP Annual Report for 2012, Trelleborg received a score of 74 C, compared with 65 C in 2011. The figure is a disclosure score indicating the level of detail and comprehensiveness in a company's disclosure, while the letter is a performance score denoting the level of action taken on climate change. A high-performing company will receive A, A- or B.

**Water.** Water consumption in 2012 was 1.9 million m<sup>3</sup> (2.0). The amount of water extracted per source was 39 percent from drinking water, 30 percent from own wells and 31 percent from surface water. Water in production is mainly used for cooling and cleaning. Major savings have been made since 2008 by using, for example, recycling systems. Emissions to water are limited but mainly comprise organic matter.

**Waste.** The total amount of waste in 2012 was 43,400 tons (45,100). The amount of waste per SEK M was 2.0 tons (2.1). Continuous efforts to identify waste disposal alternatives with a higher degree of recycling and lower cost are ongoing in the local operations. Recycling is carried out by external partners and internally.

In 2012, the Group's total waste management cost amounted to SEK 35 M. The division was 3 percent to internal recycling, 47 percent to external recycling, 14 percent to energy recovery, 31 percent to landfill and 5 percent to other waste management services. Of the

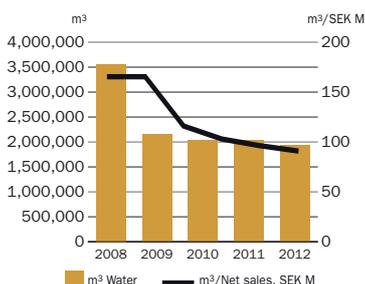
total waste, rubber accounted for slightly more than 27 percent (33). The volume of environmentally hazardous or health-endangering waste requiring special treatment amounted to 3,900 tons (3,700).

**Emissions to air.** In addition to energy-related emissions such as carbon dioxide (see page 8 and above), sulfur dioxide, 263 tons (311), and nitrogen oxides, 42 tons (46), the company's emissions to air primarily comprise volatile organic compounds (VOC). VOC emissions in 2012 totaled 854 tons (1,264). Emissions per SEK M were 0.040 tons (0.060). VOC emissions mainly originate from the use of adhesive agents containing solvents and the manufacturing of printing blankets. Developments in 2012 were focused on projects in progress aimed at reducing emissions, for example, by replacing the solvent constituents in products used in printing blankets. This is one clear example of positive effects on both the environment and the work environment.

## Indicators

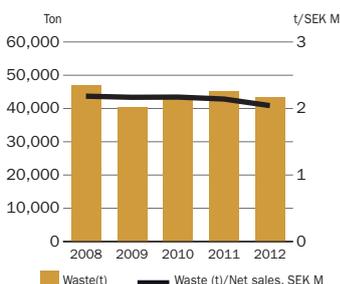
	2012	2011	Related to net sales, SEK M	
			2012	2011
Energy (GWh)	859	888	0.040	0.042
Climate impact (ton CO <sub>2</sub> )	244,600	254,500	11.5	12.1
Water (m <sup>3</sup> )	1,900,000	2,000,000	90.9	96.2
Waste (ton)	43,400	45,100	2.0	2.1
Emissions to air (ton VOC)	854	1,264	0.040	0.060

## Water



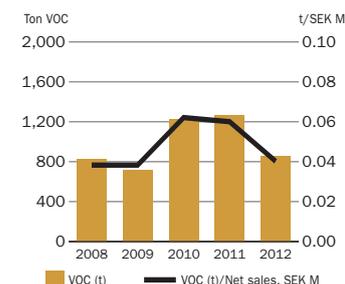
Total water consumption includes water used in production and, for example, sanitary water.

## Waste



The amount of waste declined in absolute terms and relative to sales.

## Emissions to air



Total emissions of volatile organic compounds declined sharply in absolute terms and relative to sales.

**Permits and breaches.** Of companies with manufacturing facilities, 55 percent (57) are required to hold permits under local law. All companies with manufacturing facilities in Sweden, 11 in total, are required to hold permits or report their activities. Renewal applications for environmental permits are currently being processed for 44 companies of 171 (0 in Sweden), of which all are expected to receive the permits requested.

During the year, the terms of permits or local health and safety legislation were breached in some form at 2 facilities (3). Of these, 2 cases (2) resulted in fines. The total cost for fines amounted to approximately SEK 0.02 M (0.17).

**Environmental risks and liabilities.**

2 cases (4) of unforeseen emissions were reported in 2012, corresponding to about 8 m<sup>3</sup> (1). Nearly the entire volume comprised oil.

Historically, the handling of oil and solvents has given rise to soil and groundwater contamination. Remediation of contaminated soil is currently under way at 11 plants (11). Another 12 facilities (12) are expected to require remediation, although the extent of the remediation has not yet been determined. In addition, Trelleborg is participating as one of several formal parties in another 5 cases (5) of remediation (3 in Sweden and 2 in the U.S.), although with a marginal cost responsibility. The Group's provisions for environmental commitments amounted to SEK 55 M (50) at year-end.

When conducting acquisitions and divestments, Trelleborg performs environmental studies of the companies to assess and outline their environmental impact and to identify potential environmental liabilities. In 2012, 11 studies (55) were initiated and performed in conjunction with acquisitions and divestments.



**CR reporting on the Internet**

Visit [www.trelleborg.com/cr](http://www.trelleborg.com/cr) for Trelleborg's complete collection of annual CR reports on the Internet. The website also explains the data collection and accounting policies in detail. Additionally, a comprehensive GRI index is published that explains how the reporting complies with the Global Reporting Initiative guidelines.

# Corporate Responsibility TrelleborgVibracoustic

TrelleborgVibracoustic was formed in July 2012 when Trelleborg and Freudenberg finalized the formation of the 50/50 joint venture in antivibration solutions for light and heavy vehicles.

**Management system.** The first six months of the joint venture were devoted to defining sustainability targets, consolidating existing reporting systems and identifying best practices to ensure that TrelleborgVibracoustic will be able to measure and meet defined targets. The new CSR management system for TrelleborgVibracoustic was officially launched at the end of 2012. It will provide a platform for monitoring performance in the areas of energy consumption, waste management and emissions. The new system enables a comparison of performance measurements with industry target levels, and the establishment of global projects for continuous

improvements with the purpose of minimizing environmental impacts in all regions.

**Healthcare program.** In December 2012, TrelleborgVibracoustics launched its healthcare program. The system is designed to provide opportunities for all employees to improve their health and well-being. 2012 also marked the starting point for a global appraisal system that supports career development and training requirements for employees.

**Products.** Various product development initiatives designed to help customers reduce their noise and emission levels

will continue. One typical example: in 2012, TrelleborgVibracoustic successfully launched a gearbox mount for Audi with an integrated mass damper, resulting in a weight savings of up to 30 percent. The company has also received an order for dampers for the Chevy Spark Electric Vehicle. Without an internal combustion engine, certain vibration frequencies are increasingly evident and this damper is specifically tuned to prevent high-frequency noises reaching the passenger cabin.



# Responsibility for customers and suppliers

Trelleborg's responsibility along the value chain is based on good business ethics: monitoring suppliers, and ensuring the quality and safety of the solutions the Group's delivers. In addition to customer value, many of Trelleborg's products and solutions also have social benefits.

**Suppliers.** Trelleborg's objective is to work solely with suppliers who adopt its quality requirements and business principles. The evaluation of suppliers primarily takes place through Group-wide questionnaires containing questions relating to health and safety, environmental management and social responsibility.

Unsatisfactory responses will be investigated and underperforming suppliers are given a deadline for taking corrective measures. The target for the Group is for each unit to complete a CR evaluation of its suppliers at a level corresponding to 80 percent of the purchase value.

At year-end 2012, suppliers corresponding to about 79.5 percent (75) of the total purchase value had been reviewed.

In 2012, no relations with suppliers (0) were terminated for environmental or social reasons.

**Products.** A new designation, Blue Dimension™, describes the way Trelleborg's products and solutions – aside from the fundamental value their function offers customers – also contribute to society's journey toward sustainability, see examples on page 1.

When developing new products, consideration is always given to legal and customer requirements, such as product liability, and environmental, health and safety aspects during the manufacturing and product use phases where relevant, see diagram. Trelleborg's Environmental Policy also states that the precautionary principle should be taken into account and that the company will, as far as possible, reduce and replace hazardous substances and materials in products and processes. This is in line with work

currently in progress in consultation with customers to replace particularly hazardous substances in existing product formulations in accordance with the EU REACH regulation (see also page 8).

Product development is usually conducted in close collaboration with the customer. Trelleborg provides product information in the form of labeling, safety data sheets, IMDS declarations and environmental declarations corresponding to the requirements set by each customer or market.

Many customers, such as the automotive and construction industries, have specific requirements for the products' environmental features and input parts. Industry or customer-specific limitation lists also exist for chemicals.

**Transportation.** More than 90 percent of Trelleborg's materials and finished products are transported by truck. The Group engages transport companies that can

handle freight in an effective and safe manner. The most significant environmental impact of transport activities is carbon dioxide emissions arising from the use of fossil fuels.

**Recycling.** In Trelleborg's production processes, a significant proportion of the rubber waste that is produced before the material has been vulcanized is recycled, while vulcanized rubber cannot be re-used as a raw material.

At a European level, the recycling of tires has made progress. About ten years ago, only half of all worn tires were collected and the majority went to landfill. Now, 95 percent of all worn tires in Europe are recycled either in the form of material or energy, according to the Swedish tire industry's jointly owned company, the Swedish Tyre Recycling Organisation (SDAB), where Trelleborg has a seat on the Board.



# Responsibility for society and the community

Trelleborg's ambition for its social involvement is to contribute to global development by supporting the local community in which it conducts operations.

**Community involvement.** Trelleborg participates in numerous community activities. At a local level, these involve cooperation with neighbors, interest groups, authorities and sports clubs. A special place has been reserved in Trelleborg's community involvement program for support to young people and their education and tutoring activities, for example, via collaboration with Save the Children and locally by way of the provision of support to handicapped children, scouts and preschools.

In the area of education, Trelleborg collaborates with several universities and schools, which requires regular contact with researchers and students. Trelleborg's collaborative partners include LUISS and Tor Vergata in Italy, Malta University in Malta and the International Institute for Industrial Environmental Economics (IIIEE) in Sweden.

Over the years, many research and degree projects have been carried out at Trelleborg's plants, specializing in such areas as the environment. Trelleborg also has a "learning partnership" with the Lund University School of Economics

and Management, Sweden, involving the sponsorship of two postgraduate appointments.

Trelleborg does not sponsor political or religious organizations. Trelleborg's sponsorship guidelines state that the company prioritizes sponsorship commitments that benefit society and the regions in which the Group operates. Sponsorship must support Trelleborg's values and strengthen the company's relationships with customers and other partners.

**Communication.** One of the central communication goals is to contribute to Trelleborg acting as a good corporate citizen and, in line with this, communicate a relevant image of the operations. Trelleborg's communication is regulated by the company's Communication Policy, which encompasses communication rules for the entire organization, including communication with the stock market. The company's communication must conform to applicable legislation, regulations and standards, be characterized by a close relationship with the company's

stakeholders and be founded on regular contact, clarity and good ethics.

Trelleborg's policy for employee participation in social media, based on the same fundamental values as other communication, contains regulations concerning ethical behavior for all employees representing the company in such channels as blogs and social networks.



## Rädda Barnen

**Trelleborg and Save the Children.** Cooperation extending over several years with Save the Children comprises yearly support, and forms part of Trelleborg's ambition to assume greater global social responsibility by contributing to children's development and education.



## STAR FOR LIFE™

### Strengthens prospects of young people.

From 2013, Trelleborg is cooperating with Star for Life. The idea behind the initiative is to inspire young people to believe in their future and their dreams. The organization is non-profit and has no political or religious affiliation. The program is conducted in periods spanning three years in selected schools. The head coach and other staff train school personnel to continue the work once the program has been completed. Trelleborg's collaboration with Star for Life was initiated with a program in an upper secondary school in Colombo, Sri Lanka.

## ROSEN G>RD INVEST

### Trelleborg stimulates diversity in Swedish business.

Rosengård Invest, based in Malmö, is an investment company that was founded in 2009 by Trelleborg AB in partnership with E.ON, Swedbank and Scandinavian Cap AB. The company focuses on raising venture capital for entrepreneurs who do not have a Swedish background and invests in new and existing companies in the Swedish market.

**Created and distributed value.** Trelleborg's operations generate a financial value that is largely distributed among various stakeholders, such as suppliers of goods and services, employees, shareholders, banks and other creditors, and to society in the form of taxes. The figures below relate to continuing operations for both 2011 and 2012. In 2012, the Group generated SEK 21,727 M (21,174), of which SEK 19,850 M (19,402) was distributed among various groups of stakeholders, as shown in the diagram and specification below.

### Distributed value 2012

**Suppliers:** Payment for material and services, SEK 12,460 M (12,319).

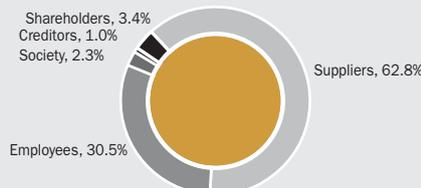
**Employees:** Salaries and benefits, SEK 6,049 M (6,014).

**Shareholders:** Dividend paid in 2012, SEK 678 M (474). Long-term dividend policy: 30-50 percent of net profit for the year.

**Creditors:** Interest expenses SEK 203 M (195).

**Society:** Taxes paid SEK 460 M (400).

### Distributed value, 2012



**Trelleborg supports preschool in Sri Lanka.** Antonio Bianchi House, a preschool in Sri Lanka, is one example of Trelleborg's local community involvement. The school was inaugurated in September 2010 and is located close to Trelleborg's industrial tire and agricultural tire facility in Kelaniya, Sri Lanka. The school, which is operated in collaboration with Child Action Lanka, is for local children whose families would not normally be able to afford to send their children to such an establishment.

# Index

The overview below illustrates how GRI's guidelines, version 3.0, and the UN Global Compact correspond to the various sections of Trelleborg's CR report. A more complete GRI index is available at the Group's CR website [www.trelleborg.com/cr](http://www.trelleborg.com/cr). Text in **bold** denotes GRI Core Indicators. Parentheses denote partially reported GRI indicators. Moreover, the index shows the connection to the ISO 26000 standard and the CDP's Climate Change Program.

	GRI indicators	Connection to principles in UN Global Compact	Pages in the CoP to UN Global Compact	Pages in the Annual Report	Connection to ISO 26000	Connection to CDP's Climate Change Program
<b>Governance and reporting</b>						
Management approach and governance	Governance (EC), EN, LA, HR, SO, PR	1-10	1, 3-4, 12	1, 7, 24-25, 27-31, 34-35, 52-55, 60	6.2-6.8	
CEO's comments	1.1		2	2-3, 57	6.2	
Sustainability audit, sustainability-related impacts, risks and opportunities	1.2		3, 10, 15-17	7, 22-23, 36, 38-41, online	6.2	
Profile of organization	2.1-2.10		Cover, 1, 10, 24-25	Cover, 1, 4-6, 8-20, 22-23, 25-28, 30-31, 36, 44-45, 69, 79-80, 84, 90, 102-103	6.2	
Report parameters, scope and boundary of the report	3.1-3.11		Cover, 2, 5, 8, 24-25	Cover, 34, 52-53, 57-58, 104-105, online		
Index for GRI, Global Compact & ISO 26000	3.12		5, 10, 13, 18-23	36, 58, 100		
Assurance	3.13		2, 14, 24	57, 101	7.5.3	8.6
Governance of sustainability activities	4.1-4.9, (4.10), 4.11	1-10	1-4, 7, 11	7, 24-25, 29-31, 33, 38, 44-54, 57, 59	6.2, 7.5.3	1.1, 2.1, 2.2
External commitments	4.12-4.13	1-10	2, 4, 11-13	52, 53, 57, 59-60, 100	6.2	
Stakeholder dialog	4.14-4.17		5, 12	58, 60	6.2	
<b>Environment</b>						
Material	<b>(EN1), (EN2)</b>	6.5	8-9	34-35	8-9	
Energy	<b>EN3, EN4, EN5</b>	6.5	8	29, 34	8	12.2, 12.3
Climate impact	<b>EN16, (EN18)</b>	6.5	8-9	34-35	7-9	3.3, 7.2-7.4, 8.2-8.3, 8.5
Emissions and waste	<b>EN20, EN22, EN23</b>	6.5	9-10	35, 36	8	
Transports	(EN29)	6.5, 6.6.6	11	59	8	8.2, 15.1
Water	<b>(EN8)</b>	6.5	9	35	8	
Biological diversity	<b>(EN11), (EN12)</b>	6.5		Online	8	
Products	<b>(EN26), (PR1), (PR3)</b>	6.3, 6.5-6.7	1-2, 11	31, 57, 59	1, 7-9	3.2
<b>Workplace and society</b>						
Human rights	<b>(HR2), (HR3), HR4, HR5, HR6, HR7</b>	1-6	6, 11	32-33, 59, online	6.3, 6.4, 6.6	
Working conditions and whistleblower policy	<b>(LA1), (LA2), LA4, LA5</b>	1, 3, 6	6-7	27, 32-33, 79	6.3.10, 6.4	
Diversity and gender equality	<b>(LA13)</b>	1, 6	7	32	6.3, 6.4	
Health and safety	LA6, <b>LA7, (LA8)</b>	1	6-7	29, 32-33, online	6.4, 6.8	
Talent Management	<b>LA10, (LA12)</b>	6.4, 6.8	7	29, 32-33		
Anticorruption, competition issues and fines	<b>(S02), (S03), (S04), S07, S08</b>	10	4, 6-7	32-33, 52-53, 66, 91	6.6, 6.8.7	
Social commitment and position statement	<b>S05</b>	1-10	12	60	6.6, 6.8.3	
<b>Economics</b>						
Socio-economic performance	<b>EC1, EC3, EC4</b>	6.8	12	4, 8, 45, 60, 77, 82		
Total health and safety-related and environmental expenditures	(EN30)	7-9	8-10	34-36	6.5	
Opportunities and risks related to climate change	<b>(EC2)</b>	7	9	35, 38, online	6.5.5	5.1
Fines and sanctions for noncompliance	<b>EN28</b>	8	10	35	6.5	

# Assurance Report

Pages in the Annual Report	Pages in COP
7	3
32-36	6-10
57	2
58	5
59-60	11-12
100	13

## Auditor's Report on review of Sustainability Report

We have been engaged by the management of Trelleborg AB (publ) to review the Corporate Responsibility Report (Sustainability Report) for the year 2012. Our review mainly covers the disclosures on pages 7, 32-36, 56-60 and disclosures specified in the GRI Index on page 100 in the Trelleborg Annual Report 2012. The Board of Directors and Executive Management team are responsible for the company's activities regarding environment, health & safety, social responsibility, and sustainable development, and for the preparation and presentation of the Sustainability Report in accordance with applicable criteria. Our responsibility is to express a conclusion on the Sustainability Report based on our review.

### The scope of the review

We have performed our review in accordance with RevR 6 Assurance of Sustainability Reports issued by Far. A review consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with IAASB's Standards on Auditing and Quality Control and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The criteria on which our review is based are the parts of the Sustainability Reporting Guidelines G3, published by the Global Reporting Initiative (GRI), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed and disclosed. We consider these criteria suitable for the preparation of the Sustainability Report.

Our review has, based on an assessment of materiality and risk, included e.g. the following procedures:

- update of our knowledge and understanding of Trelleborg's organization and activities,
- assessment of suitability and application of the criteria regarding the stakeholders' need for information,
- assessment of the outcome of the company's stakeholder dialogue,
- interviews with management at group level and at selected business units in order to assess if the qualitative and quantitative information stated in the Sustainability Report is complete, accurate and sufficient,
- examination of internal and external documents in order to assess if the information stated in the Sustainability Report is complete, accurate and sufficient,
- evaluation of the design of selected systems and processes used to obtain, manage and validate sustainability information,
- analytical procedures of the information stated in the Sustainability Report,
- assessment of the company's declared application level according to the GRI guidelines,
- assessment of the overall impression of the Sustainability Report, and its format, taking into consideration the consistency of the stated information with applicable criteria,

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the information in the Sustainability Report has not, in all material respects, been prepared in accordance with the above stated criteria.

Trelleborg February 13, 2013  
PricewaterhouseCoopers AB



Eric Salander  
Authorised Public Accountant



Fredrik Ljungdahl  
Expert Member of Far

# Risks in the Corporate Responsibility area

The significant CR aspects in the overview below were identified and prioritized under the direction of our materiality analyses (2007-2012), GRI principles, ISO 14001, laws and other requirements, internal and external expertise, and dialog with authorities and other stakeholders. For more information about risk assessment and processes, see the PDF version of the Annual Report 2012 at [www.trelleborg.com](http://www.trelleborg.com):

- Risk Management
- Internal Control
- Overview of governance in Trelleborg Group

Risk area	Risks	Management	Primary stakeholders
Competition legislation	Infringements damage the company, its reputation and brand. Customers and the company risk being affected financially, and the community may incur additional costs.	Trelleborg's Code of Conduct with associated training for all employees comprises sections that raise the issue of competition in particular. The Group has a special program that concerns competition legislation and revised the whistleblower policy, reporting structure and process that may be used by all employees in the event of suspected irregularities. Since 2006, more than 80 training seminars in competition legislation have been held for the Group's managers and selected functions. These courses, which also address combating corruption, will continue. As part of the settlement with the United States Department of the Navy, Trelleborg has implemented the Trelleborg Corporation Enhanced Compliance and Training Program to further strengthen knowledge of competition legislation among Group employees in the US.	Customers, Suppliers, Employees, Community, Authorities
Corruption	Infringements damage the company, its reputation and brand. Customers and the company risk being affected financially, and the community may incur additional costs.	Zero tolerance. Work on implementing the Code of Conduct continued by focusing more intensely on certain specific sections and by maintaining a high standard in the continuous implementation of activities. Procedures for "Acceptance Letters" issued by the Group's President, whereby employees sign a letter each year to confirm that they will adhere to the Group's steering instruments, have been established.	Customers, Community, Employees
Values and Code of Conduct	Infringements damage the company, its reputation and brand. Customers and the company risk being affected financially and the community may incur additional costs. Clear and positive values and a Code of Conduct provide competitiveness and reduce risks.	Communication, training and monitoring of the Group's values and Code of Conduct. Mandatory for all employees. E-learning program and "Acceptance Letters" from CEO. Whistleblower system accessible to all employees for raising integrity concerns. Telephone or Web access for messages in all company languages.	Employees, Customers, Suppliers, Community, Shareholders, Authorities
Assessment of suppliers	Significant CR-related risks that Trelleborg can influence by imposing requirements in connection with procurement.	Trelleborg's goal is to cooperate solely with suppliers who support the Group's quality requirements and business principles. The assessment of suppliers will primarily be implemented through joint Group self-evaluations. Unsatisfactory responses are investigated. Underachieving suppliers are given a deadline to take remedial measures. An inventory of the Group's large suppliers, from an environmental and social responsibility perspective, has been ongoing since 2009. A new dimension has been added in the form of an evaluation of overall risks, such as credit risks and the risk for production disruptions arising from natural disasters. Since 2011, self-evaluations have been mandatory for each local purchasing unit, through the integration of units in Trelleborg's mandatory "Procure to Pay" process.	Suppliers, Shareholders, Community

Risk area	Risks	Management	Primary stakeholders
Products and applications	In environments with an increased level of risk, products and applications may potentially entail risks for the company.	In the development of new products, consideration is always given to legal and customer requirements, such as product liability, environmental and occupational health and safety aspects. In certain business areas, risks in the product portfolios have been identified and evaluated. Various criteria were assessed, including the product's vulnerability, the size of contracts and the launch of new products and technologies. In the business units for offshore oil/gas, marine fenders and aerospace, a risk management process – Contract Risk Pack – has been in place since 2009. This highlights the risks associated with the product, application or manufacturing process, and links them to the contractual risks. In the future, these processes will be implemented in other business units in the Group. In line with this, auditors from the company's insurance company have carried out risk analyses on several units with a focus on product-related risks. This continued during 2012.	Community, Customers, Suppliers
Products and applications	Market opportunities: Increased interest in cleantech provides new opportunities for products in the areas of "sealing, damping and protecting." In many contexts, Trelleborg's products and applications ensure the protection of people and the environment.	Through Trelleborg's primary task – to seal, damp and protect in demanding industrial environments – the operation's products and solutions contribute to the company's own development and to the development of society by protecting people, environment and infrastructure – Blue Dimension™.	Community, Customers, Shareholders
Legal suitability and quality of supplier agreements	Ensuring the legal suitability and quality of the Group's agreements.	Several processes were initiated to ensure enhanced legal suitability and quality of the Group's contracts. The initiative is supported by the Group Legal Department but is being implemented onsite in the business units. Examples include the production of standard forms, the use of checklists for risk assessments, policies governing liability caps and signing procedures for contracts. The Contract Risk Pack is utilized to ensure the suitability of contracts and the implementation of this continued in 2012. The structure supporting the examination of contracts has been further strengthened through the implementation of a comprehensive examination process that ensures that the majority of contracts are examined in accordance with central guidelines, and in 2012 external resources were added. The guidelines, known as The Eleven Commandments, concern fundamental and prioritized contract issues. Trelleborg Offshore & Construction added a contract manager.	Suppliers, Shareholders
Exposure to natural disasters	Natural disasters threaten production sites and can entail production stoppages	The action program produced as a result of the analysis conducted in 2012 has largely been implemented. The action program has been designed to reduce risks by increasing the protection of production sites, raising the awareness of local management and creating of risks among procedures for being prepared in the event of a natural disaster. Examples of implemented actions are preparedness plans, the overhaul of roof installations and installations of automatic shut-offs for incoming gas.	Shareholders, Employees, Customers
Environmental impact of accidents	If a site were to be affected by an accident, this could have environmental consequences in the form of ground, air and water pollution.	Valuable information about the various risks at our plants is found in different parts of the Group. An improved process that views risks at a general and accumulated level facilitates a better assessment of the impact on the Group. Risk analyses are now conducted at plants in conjunction with property insurance and certification in accordance with ISO 14000, the collection and analysis of chemicals in REACH work, for example, and evaluations of operations as performed by local authorities. After an evaluation, the sites that are considered to have a potential risk for environmental impact have been involved in the risk work, and an action program has been introduced. FM Global, the policy underwriter for assets and loss of production, has collaborated with the local environmental management team to identify existing important hazardous chemicals, how they are used, stored and protected.	Shareholders, Employees, Customers, Community, Authorities
Environmental impact	Inadequate procedures for the management of the operations' environmental aspects can potentially harm the environment and thus the company's reputation and community relationships.	The implementation of ISO 14000 certified environment management systems in all major production units. Internal recommendations for managing specific environmental risks. External and internal environmental audits. The target is to implement environment management systems in 90 percent of production units and to obtain ISO 14001 certification for 85 percent of them.	Community, Employees, Shareholders

Risk area	Risks	Management	Primary stakeholders
Operation-critical plants	A stoppage at a critical site could have financial and other consequences for customers and Trelleborg.	Two of the tools used are Business Impact Analysis (BIA), which studies the site's current risks, and the strategy plan that assesses future opportunities and benefits. The action plan to be applied depends on the results obtained. Sites of high strategic value can, for example, be equipped with water sprinklers or local sprinkler protection in particularly critical site areas to prevent disruptions to production. The process of improving implementation of continuity plans that enhance preparedness for the Group's operations continues. The ERM (Enterprise Risk Management) Board produced a list of critical plants. Specific action plans to significantly raise the level of protection were produced and implementation of the measures commenced at 23 sites. Of these, two facilities were designated at the Highly Protected Risk level, which is the highest risk classification. The aim is to raise a further ten sites to this level in the future. Moreover, specific action plans are produced for 20 sites within the Group with the purpose of significantly raising the level of protection.	Shareholders, Employees, Customers, Community
Raw materials and energy consumption	Increased production costs in pace with rising energy and raw-material prices. Certain raw materials require long-distance transportation.	More efficient use of resources via process and product development through the reduction of waste, waste recycling and energy conservation. Supported by the implementation of the Manufacturing Excellence program (includes Energy Excellence). The program has been particularly successfully regarding energy conservation (see below). Energy Excellence enter a new phase from 2013.	Shareholders, Employees, Customers
Climate	Risk of extreme weather conditions and flooding. Possible property risks and disruption of energy supply, transportation, etc. Increased social requirements on the reduction of climate-impacting emissions.	In 2009, Trelleborg introduced a new climate-change strategy. The Group-wide energy-efficiency program, Energy Excellence, was introduced at all units and is focused on the following areas: heating/ventilation, energy production, lighting, compressed air, general energy control and follow-up. In the period up to 2011, this led to substantial savings in the form of lower energy consumption and lower energy costs. New incentives and training modules have been added as of 2013 to provide a platform for further energy-efficiency enhancements. The Group's total volume of CO <sub>2</sub> emissions has been reduced since 2008.	Shareholders, Community
Chemical handling	Growing demands on product performance and product safety. Increased restrictions and disclosure requirements on input components. Occupational risks and stringent requirements on safety measures in conjunction with the management of hazardous substances. Future requirements on phasing out and substitution with alternatives.	Mandatory evaluation of all chemicals with regard to the environment and health and safety. Recording of all risk chemicals. Fulfillment of requirements in EU REACH regulation. Identification and substitution of arduous chemicals. Internal company phase-out list under development. The work on integrating REACH in 2011-12 continued to focus on communication with suppliers and customers regarding REACH-related issues to ensure compliance.	Employees, Customers, Suppliers, Community, Authorities
Health and safety	Risk to the health and safety of the Group's employees. Injuries and illnesses are costly for the company and lead to losses in productivity.	The Group has its own program, Safety@Work, to assess occupational risks. Follow-up is conducted annually through self-assessments and audits. In 2012, the program continued to generate results in the process of developing a culture of safety.	Employees, Community
Recruit, develop and retain employees	Motivated employees and strong leadership are needed for a long-term, successful business.	Talent management, a focus on internal and local recruitment, leadership training and performance reviews. A new system for coordinating and archiving the reviews was introduced in early 2013. In 2011-12, a total of 4,374 salaried employees, corresponding to 80 percent of salaried employees at levels 1-7, participated in performance reviews (levels 1-7 relates to managerial levels, whereby level 1 is the CEO, level 2 comprises those reporting directly to the CEO, and so forth).	Employees, Community

# UN Global Compact principles

Trelleborg is a signatory to the United Nations Global Compact, a platform for encouraging and promoting good corporate principles and learning experiences in the areas of human rights, labor, environment and anti-corruption. Trelleborg's Code of Conduct serves as an important tool in the Group's Corporate Responsibility work and implementation of UN Global Compact principles 1-10. The Group's whistle-blower policy ensures every employee the right to report suspicions of serious breaches of laws or regulations without any repercussions (see pages 4 and 6 in this report).

## Human rights: Principles 1-2

Principle	Reference to GRI G3 performance indicators	Examples of initiatives that actively promote human rights are:
<b>1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.	(HR2), (HR3), HR4, HR5, HR6, HR7, LA4, LA6, LA7, (LA8), (LA13), SO5, (PR1)	<ul style="list-style-type: none"> <li>■ New targets for the Trelleborg Group (see page 3)</li> <li>■ Human Rights (see page 6)</li> </ul>
<b>2:</b> Businesses should make sure that they are not complicit in human rights abuses.	(HR2), (HR3), HR4, HR5, HR6, HR7, SO5	<ul style="list-style-type: none"> <li>■ Child and forced labor (see page 7)</li> <li>■ Diversity and gender equality (see page 7)</li> <li>■ Responsibility for customers and suppliers (see page 11)</li> </ul>

## Labour: Principles 3-6

Principle	Reference to GRI G3 performance indicators	Examples of initiatives that actively promote labor standards are:
<b>3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA4, LA5, (HR2), (HR3), HR5, SO5	<ul style="list-style-type: none"> <li>■ New targets for the Trelleborg Group (see page 3)</li> <li>■ Workplace relationships (see page 6)</li> </ul>
<b>4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labour.	(HR2), (HR3), HR7, SO5	<ul style="list-style-type: none"> <li>■ Child and forced labor (see page 7)</li> <li>■ Diversity and gender equality (see page 7)</li> </ul>
<b>5:</b> Businesses should uphold the effective abolition of child labour.	(HR2), (HR3), HR6, SO5	<ul style="list-style-type: none"> <li>■ Responsibility for customers and suppliers (see page 11)</li> </ul>
<b>6:</b> Business should uphold the elimination of discrimination in respect of employment and occupation.	(LA2), (LA13), (HR2), (HR3), HR4, (EC7), SO5	

## Environment: Principles 7-9

Principle	Reference to GRI G3 performance indicators	Examples of initiatives that actively promote environmental responsibility are:
<b>7:</b> Businesses should support a precautionary approach to environmental challenges.	(EC2), (EN18), (EN26), EN30, SO5	<ul style="list-style-type: none"> <li>■ New targets for the Trelleborg Group (see page 3)</li> <li>■ Workplace relationships (see page 6)</li> </ul>
<b>8:</b> Businesses should undertake initiatives to promote greater environmental responsibility.	((EN1), (EN2), EN3, EN4, (EN8), (EN11), (EN12), EN16, (EN18), EN20, EN22, EN23, (EN26), EN28, (EN29), (EN30), SO5, (PR3)	<ul style="list-style-type: none"> <li>■ Child and forced labor (see page 7)</li> <li>■ Diversity and gender equality (see page 7)</li> <li>■ Responsibility for customers and suppliers (see page 11)</li> </ul>
<b>9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.	(EN2), (EN18), (EN26), (EN30), SO5	

## Anti-corruption: Principle 10

Principle	Reference to GRI G3 performance indicators	Examples of initiatives that actively promote anti-corruption are:
<b>10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.	(SO2), SO3, (SO4), SO5	<ul style="list-style-type: none"> <li>■ New targets for the Trelleborg Group (see page 3)</li> <li>■ CR in the Trelleborg Group (incl. whistleblower policy (see page 4)</li> <li>■ Anticorruption measures 2013 (see page 79)</li> <li>■ Responsibility for customers and suppliers (see page 11)</li> </ul>

# UN Global Compact advanced criteria

Trelleborg has been part of the UN Global Compact (GC) Programme since 2007. Our Communication progress for 2011 and 2010 qualified for the GC Advanced Level. Previous to that, our Communication on Progress (COP) for 2009 was featured in the GC's Notable COP Program. Trelleborg's intention is to continue the development of our Corporate Responsibility performance and disclosure in the spirit of the Global Compact principles. Read more on our CR Web: [www.trelleborg.com/cr](http://www.trelleborg.com/cr)

The Global Compact Differentiation Programme categorizes business participants based on their level of disclosure on progress made in integrating the Global Compact principles and contributing to broader UN goals. The GC Advanced level aims to create a higher standard for corporate sustainability performance and disclosure.

## Global Compact Advanced level and how it correlates to the Corporate Responsibility work of Trelleborg

### **CRITERION 1: The COP describes mainstreaming into corporate functions and business units**

#### **Reference:**

COP: 1-4, 6-10, 13-14

*Annual Report:* 3, 5, 7, 24, 30-36, 52-53, 57, 100-101

*CR Web:* CR Governance; Performance 2012; About our Reporting

### **CRITERION 2: The COP describes value chain implementation**

#### **Reference:**

COP: 1, 3, 5, 11-12

*Annual Report:* 7, 30-31, 58-60

*CR Web:* CR Governance (Materiality analysis; Stakeholder dialog; Blue Dimension); Performance 2012 (Customers & Suppliers; Society)

### **CRITERIA 3, 6, 9, 12: The COP describes robust commitments, strategies or policies in each of the four issue areas (human rights, labor, environment, anti-corruption)**

#### **Reference:**

COP: 1-12, 14

*Annual Report:* 7, 30-36, 52-55, 57-60, 101

*CR Web:* CR Governance (CEO comment; Governance and organization; Our Values; Code of Conduct; Environmental Policy; Sound business ethics and competition); About our Reporting

### **CRITERIA 4, 7, 10, 13: The COP describes effective management systems to integrate the principles in each of the four issue areas (human rights, labor, environment, anti-corruption)**

#### **Reference:**

COP: 2, 4-12, 15-17

*Annual Report:* 32-36, 38-41, 52-55, 57-60

*CR Web:* CR Governance (CEO comment; Governance and organization; Whistleblower policy; CR risks; Environmental Policy); Performance 2012

### **CRITERIA 5, 8, 11, 14: The COP describes effective monitoring and evaluation mechanisms in each of the four issue areas (human rights, labour, environment, anti-corruption)**

#### **Reference:**

COP: 4-12, 14, 24

*Annual Report:* 32-36, 53-60

*CR Web:* CR Governance; About our Reporting (GRI Index; Scope of the Report; Assurance Report)

### **CRITERION 15: The COP describes core business contributions to UN goals and issues**

#### **Reference:**

COP: 1-12

*Annual Report:* 7, 30-36, 52-53, 57-60

*CR Web:* Performance 2012

### **CRITERION 16: The COP describes strategic social investments and philanthropy**

#### **Reference:**

COP: 12

*Annual Report:* 60

*CR Web:* Performance 2012 (Society)

### **CRITERION 17: The COP describes advocacy and public policy engagement**

#### **Reference:**

COP: 5, 12

*Annual Report:* 58, 60

*CR Web:* CR Governance (Stakeholder dialog; Initiative and networks); Performance 2012 (Society)

### **CRITERION 18: The COP describes partnerships and collective action**

#### **Reference:**

COP: 2, 5, 12, 18-23

*Annual Report:* 57-58, 60, 100

*CR Web:* CR Governance (CEO comment); Performance 2012 (Society); About our Reporting

### **CRITERION 19: The COP describes CEO commitment and leadership**

#### **Reference:**

COP: 2, 4

*Annual Report:* 2-3, 52-53, 57

*CR Web:* CR Governance (CEO comment; Government and organization)

### **CRITERION 20: The COP describes Board adoption and oversight**

#### **Reference:**

COP: 2, 4

*Annual Report:* 2-3, 52-53, 57

*CR Web:* CR Governance (CEO comment; Government and organization)

### **CRITERION 21: The COP describes engagement with all important stakeholders**

#### **Reference:**

COP: 5-7, 11-12

*Annual Report:* 32-33, 58-60

*CR Web:* CR Governance (Stakeholder dialog; Materiality analysis); Performance 2012 (Case stories); Stakeholder room

# GRI Index

Trelleborg's Corporate Responsibility Report for 2012 complies with the Global Reporting Initiative guidelines (version G3).

The following index shows where information can be found, with

- links to the CR report at [www.trelleborg.com/cr](http://www.trelleborg.com/cr)
- the Annual Report 2012 at [www.trelleborg.com](http://www.trelleborg.com), and
- page references to the printed version of the Annual Report.

The index only lists the GRI core and additional indicators on which Trelleborg has selected to report. Additional indicators in *italics*.

Reported: ●  
Partially reported: ◐  
Not reported: ○

Indicators	Annual Report	Report status
<b>1. STRATEGY AND ANALYSIS</b>		
1.1 Foreword: President and CEO Peter Nilsson on corporate responsibility	2-3, 57	●
1.2 Sustainability-related impacts, risks and opportunities	7, 22-23, 36, 38-41, Online	●
<b>2. ORGANIZATIONAL PROFILE</b>		
2.1 Name of the organization	Cover	●
2.2 Primary brands, products and/or services	Cover, 6, 10-20, 22, 27, 30-31, 36	●
2.3 Operational structure	1, 6, 10-20, 36, 84	●
2.4 Location of headquarters	Cover	●
2.5 Countries where the Group operates	Cover, 26-27, 79-80, 102-103	●
2.6 Nature of ownership	Cover, 4-5, 45	●
2.7 Markets served	1, 10-20, 23, 26	●
2.8 Scale of the reporting organization	Cover, 1, 4-5, 8-9, 22, 26-28, 45, 69	●
2.9 Significant changes during the reporting period	1, 6, 8, 10, 12, 14, 16, 18, 20, 25-26, 28, 44, 90	●
2.10 Awards received during the reporting period	5	●
<b>3. REPORT PARAMETERS</b>		
3.1 Reporting period	Cover	●
3.2 Date of most recent report	Cover, 57	●
3.3 Reporting cycle	Cover	●
3.4 Contact persons	Cover, 104-105	●
<b>Scope and boundary of report</b>		
3.5 Process for defining report content	52-53, 58	●
3.6 Boundary of the report	52-53	●
3.7 Specific limitations on the scope or boundary of the report	52	●
3.8 Reporting of entities that can affect comparability from period to period and/or between organizations	Online	●
3.9 Data-measurement techniques and the bases of calculation	52	●
3.10 Explanation of the reasons for and effect of any restatements of information	34, 52	●
3.11 Significant changes in the scope, boundary or measurement methods	52	●
<b>Contents according to GRI</b>		
3.12 GRI Index	36, 100	●
3.13 Policy and current practice regarding external verification	57, 101	●
<b>4. GOVERNANCE, COMMITMENTS AND STAKEHOLDER RELATIONSHIPS</b>		
4.1 Governance structure of the organization	44-45, 47, 52-54	●
4.2 Chairman's position	48	●
4.3 Number of independent, non-executive Board members	47	●
4.4 Mechanisms for shareholders and employees to provide recommendations or directions to the Board or management	52	●

Indicators	Annual Report	Report status
4.5 Linkage between compensation to Board members, senior executives and managers and the organization's performance in terms of financial and non-financial targets	44, 46-51, 53-54	●
4.6 Processes in place for the Board to ensure that conflicts of interest are avoided	46	●
4.7 Processes for determining the qualifications and expertise of Board members	46	●
4.8 Statement of mission, values, code of conduct and principles relevant to sustainability performance, and their status	7, 24-25, 30-31, 33, 52	●
4.9 The Board's procedures for overseeing how the Board addresses and handles financial, environmental and social issues, and how well these are implemented	38, 52, 57	●
4.10 Processes for evaluating the Board's performance, particularly with regard to financial, environmental and social issues	47	◡
<b>Commitments to external initiatives</b>		
4.11 Explanation of how the Group addresses the precautionary approach	59	●
4.12 Externally developed economic, environmental and social charters, principles or other initiatives to which the Group subscribes or endorses	52-53, 57, 59-60, 100	●
4.13 Memberships in associations (such as industry organizations) and/or international advocacy organizations	52	●
<b>Stakeholder engagement</b>		
4.14 List of stakeholder groups engaged by the Group	58	●
4.15 Basis for identification and selection of stakeholders	58	●
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	58, 60	●
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to these	58	●

## 5. MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

<b>ECONOMIC PERFORMANCE INDICATORS</b>		
Disclosure on Management Approach	7, 24-25, 27-31, 52-55, 60	◡
<b>Economic Performance</b>		
EC1 Direct economic value generated and distributed	4, 8, 45, 60	●
EC2 Financial implications and other risks and opportunities due to climate change	35, 38, Online	◡
EC3 Coverage of the organization's defined-benefit plan obligations	77	●
EC4 Significant financial assistance received from government	82	●
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation		○
<b>Market presence</b>		
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation		○
EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation		○
<b>Indirect Economic Impacts</b>		
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit		○
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts		○

<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>		
Disclosure on Management Approach	7, 24-25, 27-28, 30-31, 52-55	●
<b>Material</b>		
EN1 Materials used by weight or volume	34-35	◡
EN2 Percentage of materials used that are recycled input materials	35	◡
<b>Energy</b>		
EN3 Direct energy consumption by primary energy source	34	●
EN4 Indirect energy consumption by primary energy source	34	●
EN5 Energy saved due to conservation and efficiency improvements	29, 34	●
EN6 Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives during the reporting period	34	●
EN7 Initiatives to reduce indirect energy consumption and reductions achieved		○
<b>Water</b>		
EN8 Total water withdrawal by source	35	◡
EN9 Water sources significantly affected by withdrawal of water		○
EN10 Percentage and total volume of water recycled and reused.		○

Indicators	Annual Report	Report status
<b>Biodiversity</b>		
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Online	☹
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Online	☹
EN13 Habitats protected or restored		○
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity		○
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		○
<b>Emissions, Effluents and Waste</b>		
EN16 Total direct and indirect greenhouse-gas emissions by weight	34-35	●
EN17 Other relevant indirect greenhouse-gas emissions by weight		○
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	34-35	☹
EN19 Emissions of ozone-depleting substances by weight		○
EN20 NO, SO, and other significant air emissions by type and weight	35	●
EN21 Total water discharge by quality and destination		○
EN22 Total weight of waste by type and disposal method.	35	●
EN23 Total number and volume of significant spills	36	●
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally		○
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly		○
<b>Products and Services</b>		
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	31, 57, 59	☹
EN27 Percentage of products sold and their packaging materials that are reclaimed by category		○
<b>Compliance with laws and regulations</b>		
EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	35	●
<b>Transport</b>		
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	59	☹
<b>Overall</b>		
EN30 Total environmental protection expenditures and investments by type	34-36	☹
<b>PERFORMANCE INDICATORS FOR LABOR PRACTICES AND DECENT WORK</b>		
Disclosure on Management Approach	7, 24-25, 27-31, 52-55	●
LA1 Total workforce by employment type, employment contract, and region, broken down by gender	27, 79	☹
LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region	27, 32	☹
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations		○
<b>Labor/management relations</b>		
LA4 Percentage of employees Covered by collective bargaining agreements	32-33	●
LA5 Minimum notice period(s) regarding significant operational changes	32	●
<b>Occupational health and safety</b>		
LA6 Percentage of workforce represented in formal work-environment committees	32	●
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	32	●
LA8 Action program relating to serious diseases	Online	☹
LA9 Health and safety topics covered in formal agreements with trade unions		○
LA10 Average hours of training per year per employee by gender, and by employee category	33	●
LA11 Programs for skills management and lifelong learning		○

Indicators	Annual Report	Report status
LA12 Percentage of employees receiving regular career development reviews	33	☐
LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	33	☐
LA14 Ratio of basic salary of men to women by employee category		○
<b>PERFORMANCE INDICATORS FOR HUMAN RIGHTS</b>		
Disclosure on Management Approach	7, 24-25, 27-31, 52-55	●
<b>Investment and procurement practices</b>		
HR1 Percentage and total number of significant investment agreements that have undergone human-rights screening		○
HR2 Percentage of significant suppliers that have undergone human-rights screening, and actions taken	59	☐
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	32	☐
HR4 Total number of incidents of discrimination and corrective actions taken	32	●
<b>Freedom of association and collective bargaining</b>		
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken	32	●
HR6 Operations identified as having significant risk for incidents of child labor and actions taken	32, online	●
HR7 Operations identified as having significant risk for incidents of forced labor and actions taken	32, online	●
HR8 Percentage of security personnel trained in the company's policies or procedures concerning aspects of human rights relevant to operations		○
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken		○
<b>PERFORMANCE INDICATORS FOR SOCIETY</b>		
Disclosure on Management Approach	7, 24-25, 27-31, 52-55	●
S01 Programs and practices that assess and manage the impacts of operations on society/communities		○
S02 Percentage and total number of business units analyzed for risks related to corruption	33	☐
S03 Percentage of employees trained in anti-corruption policies and procedures	33	☐
S04 Actions taken in response to incidents of corruption	33, 52-53	☐
S05 Public policy positions and participation in lobbying	60	●
S06 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country		○
<b>Anti-competitive behavior</b>		
S07 Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcome	67, 91	●
S08 Monetary value of fines and number of sanctions for noncompliance with laws and regulations	32	●
<b>PERFORMANCE INDICATORS FOR PRODUCTS</b>		
Disclosure on Management Approach	7, 24-25, 27-31, 52-55	●
PR1 Life-cycle stages in which health and safety impacts of products and services are assessed and the percentage of products and services subject to such procedures	59	☐
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes		○
<b>Product and service labeling</b>		
PR3 Type of product and service information required by procedures, and percentage of products and services subject to such information requirements	59	☐
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		○
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction		○
PR6 Programs for adherence to standards and voluntary codes concerning market communications		○
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes		○
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		○
PR9 Monetary value of fines for noncompliance with laws and regulations concerning products and services		○

# Scope and reporting principles

**Scope.** The Trelleborg Group's Corporate Responsibility Report is published annually integrated into the Annual Report and as a standalone Report, which also serves as *Communication on Progress* to the UN Global Compact. It covers commitments related to the environment, health, safety and social issues, including business ethics. The aim is that the report shall give an accurate overview of the Group's status and activities in the above areas. The intended target groups are shareholders, investors, employees, customers and suppliers, authorities, the media, students and researchers, and local stakeholders.

Unless stated otherwise, the data presented refers to calendar year 2012. The figures for the preceding year (2011) are shown in parentheses. The report covers all Trelleborg's legal entities where ownership exceeds 50 percent, including all production units, except where otherwise stated. A complete list of the production sites included is provided on this page under the

heading *Production facilities included in Trelleborg's Corporate Responsibility Report 2012*.

**Reporting principles.** Each unit supplies data in accordance with the Group's standard for Corporate Responsibility reporting, and Manufacturing Excellence reporting.

Since major divestments were made in 2012, historical data has been restated to comprise continuing operations only, in line with the financial reporting approach.

The responsible manager for each unit carries ultimate responsibility for the corporate responsibility data provided, while the reporting itself, including data correctness and quality assurance, is carried out under the management of each unit's financial controller/director, also involving environmental, HR, purchasing and other specialists. In addition, quality controls are performed by relevant Group functions, whereby data is compared with figures from prior years

and data from similar facilities, and verified through random sampling against other available information before the information is finally compiled.

The reporting of indirect emissions complies with CDP's recommendations, which means that national conversion factors from the Greenhouse Gas Protocol were applied.

This report is externally assured by PwC, which conducted a limited review of the entire report on Trelleborg's Corporate Responsibility work in 2012. The assurance report is to be found on page 14 in this report.

The report complies with the GRI (Global Reporting Initiative) G3 guidelines for sustainability reporting. PwC confirms the self-assessment that places Trelleborg on level B+. Further information regarding the review for 2012 is available at [www.trelleborg.com/CR](http://www.trelleborg.com/CR). The environmental, sustainability and CR reports from prior years are also available from this website.

## Production facilities included in Trelleborg's Corporate Responsibility Report 2012

### Trelleborg Coated Systems

<b>China</b>	Wuxi
<b>France</b>	Cernay, Steinbach
<b>Italy</b>	Lodi Vecchio
<b>Sweden</b>	Trelleborg I
<b>USA</b>	Morristown, Rutherfordton, Spartanburg

### Trelleborg Industrial Solutions

<b>Australia</b>	Brisbane
<b>Estonia</b>	Kuressaare
<b>Finland</b>	Kiika
<b>France</b>	Clermont-Ferrand, Mirambeau, Prodyn, Sancheville
<b>India</b>	Bengaluru II
<b>Poland</b>	Skoczów
<b>Spain</b>	Izarra, Pamplona, Santander
<b>Sweden</b>	Havdhem, Trelleborg II, Trelleborg III, Värnamo, Örebro
<b>UK</b>	Coventry, Leicester, Manchester, Retford
<b>USA</b>	Aurora, Bristol, Milford, Park Hills, Salisbury, Streetsboro

### Trelleborg Offshore & Construction

<b>Australia</b>	East Bentleigh
<b>Brazil</b>	Macaé
<b>China</b>	Pudong, Qingdao
<b>Czech Republic</b>	Lesina
<b>Germany</b>	Grossheubach, Lathen
<b>Norway</b>	Mjøndalen
<b>Singapore</b>	Singapore
<b>Sweden</b>	Forsheada
<b>The Netherlands</b>	Ede, Hoogezaand, Ridderkerk
<b>UK</b>	Knarborough, Skelmersdale
<b>USA</b>	Clearbrook, Mansfield, Randolph, Rankin Road, West Hardy, Winchester

### Trelleborg Sealing Solutions

<b>Brazil</b>	Santana de Parnaíba, São José dos Campos
<b>China</b>	Shanghai
<b>Denmark</b>	Helsingør
<b>France</b>	Condé-sur-Noireau
<b>India</b>	Bengaluru
<b>Italy</b>	Livorno, Modena, Torino
<b>Malta</b>	Hal-Far
<b>Mexico</b>	Tijuana
<b>Poland</b>	Bielsko-Biala, Czechowice-Dziedzice
<b>Sweden</b>	Ersmark, Gävle, Kalmar
<b>Switzerland</b>	Stein am Rhein
<b>UK</b>	Bridgwater, Cadley Hill, Rotherham, Tewkesbury
<b>USA</b>	Broomfield, Fort Wayne, Hudson, Northborough, Streamwood

### Trelleborg Wheel Systems

<b>China</b>	Xingtai
<b>Italy</b>	Tivoli
<b>Latvia</b>	Liepāja
<b>Sri Lanka</b>	Kelaniya, Malwana
<b>Sweden</b>	Sävsjö

# The World of Trelleborg

## Argentina

Market office: Buenos Aires

## Australia

Production: Brisbane, East Bentleigh, Melbourne  
Development unit: Brisbane  
Market offices: Brisbane, East Bentleigh, Melbourne, Perth, Sydney

## Austria

Market office: Vienna

## Belgium

Market offices: Brussels, Dion-Valmont, Evergem

## Brazil

Production: Jandira, Macaé, Santana de Parnaíba, São José dos Campos  
Market offices: Caxias do Sul, Lençóis Paulista, Macaé, Rio de Janeiro, Santana de Parnaíba, São Paulo, São José dos Campos

## Bulgaria

Production: Pernik  
Market office: Sofia

## Canada

Market office: Etobicoke

## China

Production: Huizhou, Qingdao, Shanghai, Wuxi, Xingtai  
Development units: Shanghai, Xingtai, Wuxi  
Market offices: Beijing, Chengdu, Guangzhou, Hong Kong, Huizhou, Qingdao, Shanghai, Wuhan, Wuxi, Xi'an

## Croatia

Market office: Zagreb

## Czech Republic

Production: Lesina  
Market offices: Rakovník, Prague

## Denmark

Production: Helsingør  
Development unit: Helsingør  
Market offices: Beder, Copenhagen

## Estonia

Production: Kuressaare

## Finland

Production: Kiikka  
Market offices: Espoo, Nokia, Sastamala, Vantaa

## France

Production: Cernay, Clermont-Ferrand, Condé-sur-Noireau, Lyon, Mirambeau, Nantes, Sancheville, Steinbach  
Development unit: Clermont-Ferrand  
Market offices: Cernay, Clermont-Ferrand, Compiègne, Lyon, Maisons-Laffitte, Sancheville, Rochefort

## Germany

Production: Grosssheubach, Lathen  
Development unit: Stuttgart  
Market offices: Duisburg, Erbach/Odenwald, Grosssheubach, Gärtringen, Lathen, Mettmann, Rheinberg, Stuttgart, Willich

## Hungary

Market offices: Budapest, Budaörs

## India

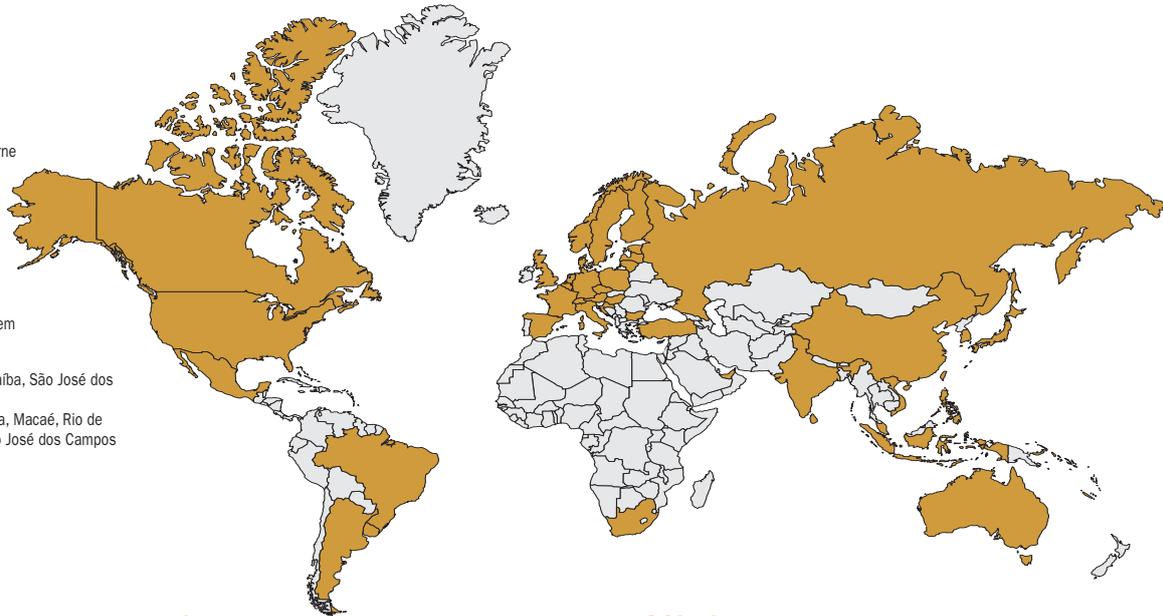
Production: Bengaluru  
Development units: Ahmedabad, Bengaluru  
Market offices: Ahmedabad, Bengaluru, Chandigarh, Chennai, Indore, Jamshedpur, Mumbai, New Delhi, Pune

## Indonesia

Market office: Jakarta

## Italy

Production: Livorno, Lodi Vecchio, Modena, Tivoli, Torino  
Development units: Livorno, Lodi Vecchio, Tivoli, Torino  
Market offices: Cuneo, Livorno, Lodi Vecchio, Milano, Sesto San Giovanni, Tivoli



## Japan

Development unit: Toyo Koto-ku  
Market offices: Kawasaki City, Tokyo, Toyo Koto-ku, Yokohama

## Latvia

Production: Liepaja

## Lithuania

Production: Tauragė

## Malaysia

Market office: Kuala Lumpur

## Malta

Production: Hal Far, Marsa  
Development unit: Hal Far

## Mexico

Production: Tijuana  
Market offices: Mexico City, Monterrey

## Netherlands

Production: Ede, Hoogezaand, Ridderkerk  
Development units: Ede, Ridderkerk  
Market offices: Apeldoorn, Barendrecht, Ede, Lelystad, Ridderkerk

## Norway

Production: Mjøndalen, Spydeberg  
Development unit: Mjøndalen  
Market offices: Leirdal, Mjøndalen, Oslo, Siggerud, Spydeberg, Stavanger

## Poland

Production: Bielsko-Biala, Czechowice-Dziedzice, Skoczów  
Market offices: Łódź, Warsaw

## Russia

Market office: Moscow

## Singapore

Production: Singapore  
Development unit: Singapore  
Market office: Singapore

## South Africa

Market offices: Johannesburg, Cape Town

## South Korea

Development unit: Gyeongang  
Market offices: Busan, Seoul

## Spain

Production: Izarra, Pamplona, Santander  
Development unit: Izarra  
Market offices: Barcelona, Madrid

## Sri Lanka

Production: Kelaniya  
Development unit: Kelaniya

## Sweden

Production: Ersmark, Forsheda, Havdhem, Kalmar, Sävsjö, Trelleborg, Värnamo, Örebro  
Development units: Ersmark, Forsheda, Kalmar, Sävsjö, Trelleborg, Örebro  
Market offices: Jönköping, Kalmar, Trelleborg, Sävsjö, Värnamo, Örebro

## Switzerland

Market offices: Crissier, Stein am Rhein

## Taiwan

Market office: Taichung

## Turkey

Production: Şişli/Istanbul

## UK

Production: Bridgwater, Cadley Hill, Chester, Coventry, Knaresborough, Leicester, Middleton, Retford, Rotherham, Skelmersdale, Tewkesbury  
Development units: Bridgwater, Leicester, Malmesbury, Rotherham, Skelmersdale  
Market offices: Ashby de la Zouch, Bakewell, Brinkworth, Castle Donington, Coventry, Knaresborough, Leicester, Lydney, Malmesbury, Middleton, Rotherham, Skelmersdale, Solihull, Telford

## United Arab Emirates

Market offices: Dubai, Jebel Ali

## Uruguay

Market office: Montevideo

## US

Production: Aurora, Bristol, Broomfield, Clearbrook, Fair Lawn, Fort Wayne, Hudson, Houston, Mansfield, Milford, Morristown, Northborough, Northville, Randolph, Red Lion, Rutherfordton, Salisbury, Spartanburg, Streamwood  
Development units: Broomfield, Fort Wayne, Northborough, Northville, Spartanburg, Streamwood  
Market offices: Aurora, Broomfield, Clearbrook, Colmar, Fair Lawn, Fort Wayne, Fresno, Hanover Park, Houston, Mansfield, Milford, Morristown, Mount Juliet, North Charleston, Northville, Portland, Plymouth Meeting, Randolph, South Haven, Spartanburg, Torrance

## Vietnam

Market office: Ho Chi Minh City

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This list includes locations with Trelleborg units in January 2013. Refer also to <http://trelleborg.com/en/Contacts/Addresses/>



# TRELLEBORG

Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Its innovative engineered solutions accelerate performance for customers in a sustainable way. The Trelleborg Group has annual sales of about SEK 21 billion in over 40 countries. The Group comprises five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. In addition, Trelleborg owns 50 percent of TrelleborgVibracoustic, a global leader within antivibration solutions for light and heavy vehicles, with annual sales of approximately SEK 14 billion in about 20 countries. The Trelleborg share has been listed on the Stock Exchange since 1964 and is listed on NASDAQ OMX Stockholm, Large Cap.

[www.trelleborg.com](http://www.trelleborg.com)