



■ High-performance solutions that seal, damp and protect in demanding environments

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**Verification of Trelleborg's Corporate Responsibility Report**

The basis for following up Trelleborg's corporate responsibility work is self-assessment in relation to the tGlobal Reporting Initiative guidelines, version G3 (see [www.globalreporting.org](http://www.globalreporting.org)). The third-party audit of performance in 2007 pertains to selected indicators and is a step in the process to ensure continuous improvements in Trelleborg's CR reporting. The audit was performed by Öhrlings Pricewaterhouse Coopers, who also conducted an application level verification in relation to GRI criteria presented below, which confirms the final assessment that places Trelleborg on level B+. For further information regarding the 2007 audit, see page 33.

For the preceding 2006 sustainability report, Trelleborg was placed at application level C in accordance with GRI criteria.

| Report Application Level  | C  | C+                        | B  | B+                        | A   | A+                        |
|---|--|---------------------------|--|---------------------------|---|---------------------------|
| <b>Standard Disclosures</b>   |  |                           |  |                           |   |                           |
| <b>G3 Profile Disclosures</b>   | Report on:<br>1.1<br>2.1 - 2.10<br>3.1 - 3.8, 3.10 - 3.12<br>4.1 - 4.4, 4.14 - 4.15  | Report Externally Assured | Report on all criteria listed for Level C plus:<br>1.2<br>3.9, 3.13<br>4.5 - 4.13, 4.16 - 4.17   | Report Externally Assured | Same as requirement for Level B   | Report Externally Assured |
| <b>G3 Management Approach Disclosures</b>                                       | Not Required   | Report Externally Assured | Management Approach Disclosures for each Indicator Category  | Report Externally Assured | Management Approach Disclosures for each Indicator Category   | Report Externally Assured |
| <b>G3 Performance Indicators &amp; Sector Supplement Performance Indicators</b> | Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental. | Report Externally Assured | Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility. | Report Externally Assured | Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission. | Report Externally Assured |

\*Sector supplement in final version



**About Trelleborg's annual Corporate Responsibility Report\***

Both the CR report (also available at [www.trelleborg.com](http://www.trelleborg.com)) and the CR section in the Group's annual report follow the content structure of Trelleborg's Code of Conduct and are also adapted to Global Reporting Initiative guidelines.

The CR report also functions as a Communication on Progress, the report that Trelleborg, in its capacity as a participant in the UN Global Compact initiative, has undertaken to produce on a yearly basis and which describes the progress of work with the Global Compact's ten principles in the areas of human rights, working conditions, the environment and anticorruption.

Trelleborg's CR data for 2007 have been gathered from the Group's production facilities in accordance with the Group's standard for CR reporting. Each site manager is responsible for assuring the quality of the relevant parameters. Visit [www.trelleborg.com/CR](http://www.trelleborg.com/CR) to access complete corporate responsibility information.

\* For further information regarding CR reporting and the reporting principles used, see page 33.

This symbol indicates that additional, related information is available at [www.trelleborg.com](http://www.trelleborg.com)

Trelleborg AB is a limited liability company. Corporate identity number: 556006-3421. The Group's headquarters are in Trelleborg, Sweden. CR-redovisningen finns även på svenska. Amounts of money are given in Swedish kronor (SEK) throughout. Millions of kronor are abbreviated SEK M. Unless otherwise stated, figures in parentheses relate to the 2006 fiscal year.

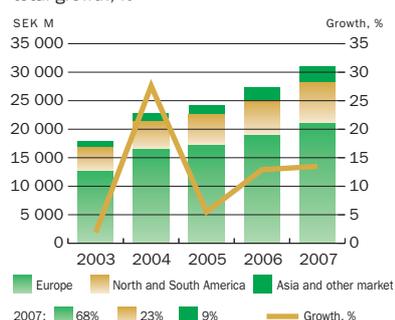
Trelleborg is a global engineering Group, whose leading positions are based on advanced polymer technology and in-depth applications know-how. The Group develops high-performance solutions that seal, damp and protect in demanding industrial environments. Trelleborg AB was founded in 1905 and its headquarters are located in Trelleborg, Sweden. Today, the Group has about 25,000 employees and operations in some 40 countries.

## 2007:

- Trelleborg joined the UN's Global Compact initiative in March 2007.
- Trelleborg's new Code of Conduct was adopted and launched. Training commenced and approximately 80 percent of the initial target group completed the course in 2007. Training of all employees is to continue in 2008.
- Trelleborg was selected to be included in the Dow Jones STOXX Sustainability Index.
- Trelleborg won the FAR SRS (trade association for accountants and financial advisors) prize for Sweden's best separate sustainability report.
- Subsidiaries in France and the US were the subject of competition investigations and Trelleborg consistently assisted the authorities in their investigations. Trelleborg reinforced its existing set of rules and regulations relating to competition with an aggressive action program.
- Measures to prevent and reduce climate-related effects of operations. Ranked fifth in the Carbon Disclosure Project's list relating to the Nordic "carbon dioxide intensive" sector.
- Carbon dioxide emissions increased, but an enhanced energy mix meant that they decreased in relation to sales.
- Expansion of operations increased the environmental impact in absolute terms. In relation to growth, the majority of key figures show a declining trend.

- Percentage of ISO 14001 certified facilities: 74 percent (73)
- Total energy consumption: 1,519 GWh (1,312)
- Proportion of recovered raw material. 3.2 percent (3.0)
- Direct carbon dioxide emissions: 146,200 tons (140,200)
- Indirect carbon dioxide emissions: 123,400 tons (78,000)
- Total amount of waste: 76,600 tons (64,350)
- Degree of recycling: 52 percent (54)
- Work-related accidents: 854 (942) resulting in more than one day's absence
- Work-related injuries/illnesses: 105 (183), a reduction of slightly more than 42 percent.

Net sales by geographical region and total growth, %



### Key figures

|                                   | 2007   | 2006   |
|-----------------------------------|--------|--------|
| Net sales, SEK M                  | 30,971 | 27,284 |
| Operating profit, SEK M           | 1,707  | 1,507  |
| Profit before tax, SEK M          | 1,268  | 1,193  |
| Net profit, SEK M                 | 838    | 766    |
| Earnings per share, SEK           | 9.10   | 8.30   |
| Free cash flow, SEK M             | 518    | 905    |
| Free cash flow per share, SEK     | 5.75   | 10.00  |
| Net debt, SEK M                   | 10,093 | 9,350  |
| Debt/equity ratio, %              | 100    | 96     |
| Return on shareholders' equity, % | 8.4    | 7.6    |
| Average number of employees       | 25,158 | 22,506 |



## **Taking greater responsibility** is an integrated part of our business

In 2007, a dominating theme in public debate was the sharp rise in interest concerning the social and environmental responsibility of the business community. These are issues that have a high priority at Trelleborg, not because we are forced to, but because it is smart from a commercial perspective. People, particularly the young generation, and companies increasingly make financial choices based on the perspective of long-term sustainability.

As the guiding principle for our governance of the company, Trelleborg shall be transparent in relation to all our stakeholders and society. We are therefore emphasizing the Trelleborg Group's focus on corporate responsibility (CR) in matters concerning the work environment, environmental impact, business ethics and social responsibility in many ways. In 2007, we joined the UN Global Compact, and we also encourage our suppliers to work in accordance with the Global Compact's ten principles covering responsible business practices. In our efforts to continuously improve our CR information, we prepared our report in accordance with Global Reporting Initiative's guidelines and were accepted for inclusion in the Dow Jones Stoxx Sustainability Index during the year.

During the year, we launched our new Code of Conduct, which is based on international conventions and agreements in the CR field. We view our new Code of Conduct as an excellent tool to ensure compliance with generally accepted business principles in all of our units globally. We also want the daily work of our employees to be characterized by well-being and to minimize health and safety risks and monotonous work.

Trelleborg's core values – *customer focus, performance, innovation and responsibility* – provide common values for our employees throughout the world. They represent a long-term commitment that guides us in our work and our decisions.

**“We also encourage our suppliers to work in accordance with the Global Compact's ten principles covering responsible business practices”**

The expansion of our operations increased our environmental impact in absolute terms, but in relation to growth, the majority of key figures show a declining trend.

Furthermore, we took clear steps to prevent and reduce the climate-related effects of our operations by initiating a pilot project in the UK and participation in the Carbon Disclosure Project.

At the same time, in light of subsidiaries of Trelleborg

being involved in contexts related to violations of competition law – which is absolutely unacceptable – we focused on how we conduct ourselves in the market. I want to emphasize that our Code of Conduct and other internal rules in this area are extremely clear, and we are investing considerable resources in the form of time, energy and money on training the organization in the regulations and how we should conduct ourselves.

Sustainability is part of our business. Through Trelleborg's primary task – to seal, damp and protect in demanding industrial environments – our business contributes in various ways both positively and innovatively with products and solutions for the development of society in the environment, health and safety areas. A selection of examples of this includes

**“We view the new code as an excellent tool to ensure compliance with generally accepted business principles”**

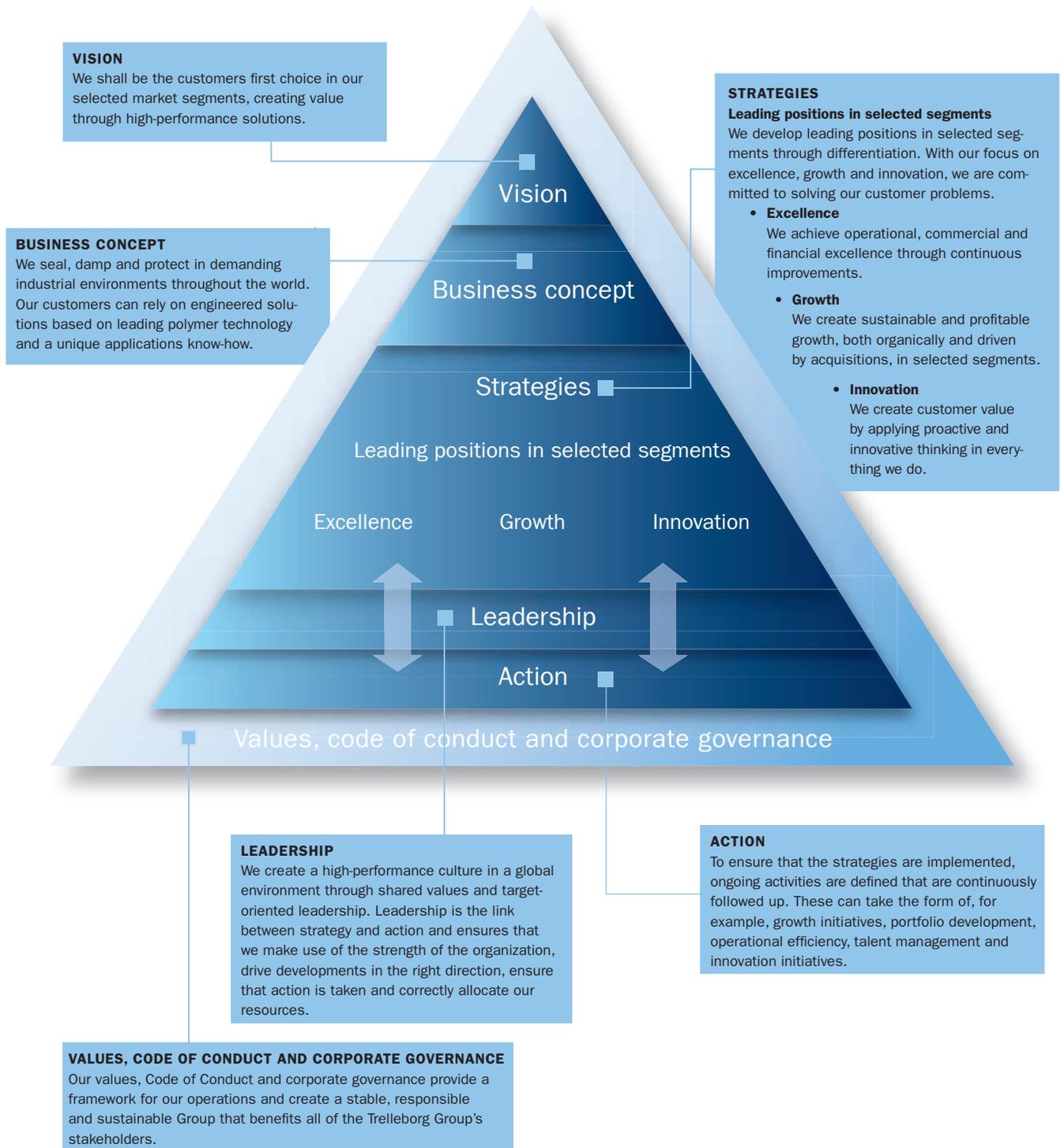
seals for wind power plants, seals for windows and doors that improve the indoor climate and reduce the consumption of power, seals for hydraulic applications that prevent hazardous chemicals from leaking into the surroundings, tunnel seals and rubber membranes in projects that protect cities from flooding, as well as vibration-damping solutions in cars and other vehicles.

Apart from the commercial aspects, Trelleborg will continue to focus on raw materials, energy consumption, the use of chemicals and health and safety in the future.

With the help of continuous improvement, our ambition is to progressively develop our corporate responsibility and how it is reported.

Peter Nilsson  
President and CEO

# Solutions that seal, damp and protect





**Seal, damp and protect**

The Trelleborg Group offers high-tech solutions that meet three primary customer needs: to seal, damp and protect to secure investments, processes and people in demanding industrial environments. These are functions that are vital for customers within selected segments of the global markets for aerospace, agricultural, transportation, automotive, offshore oil/gas, infrastructure/construction and general industry sectors. Based on polymer technology and in-depth applications know-how, Trelleborg develops products and solutions designed to meet specific needs, often in close collaboration with customers.

**Market and applications expertise**

The Group's solutions are used in many different applications and products and are consequently aimed at a large number of customer groups in many different industrial segments. Each business area focuses on selected customer segments and can thereby contribute leading-edge expertise and applications know-how through in-depth knowledge of the customers' situation and needs.

Our decentralized and entrepreneurial spirit provides a strong operational focus and proximity to our customers. Clear, value-based and target-oriented leadership promotes development and innovation.

**Core competence and synergies**

Core industrial expertise and polymer technology pervade all of the business areas, as does the high technology content of the

products, providing added value for our customers. Focused product development, cost-effective production and synergies in purchasing and material flows are decisive to favorable operational results and commercially successful products and solutions. To strengthen the Group's competitiveness, coordination between business areas is sought in all of these areas.

**Our Core Values**

Trelleborg's basic values are summarized in the four guiding principles: *customer focus*, *performance*, *innovation* and *responsibility*. In their daily efforts, Group employees are guided by the culture and values developed over the years. With shared values, a continuity is established, necessary in building and maintaining operations that are successful over the long term.

In conjunction with a well-defined Code of Conduct and distinct principles regulating corporate governance, our values create a strong, sustainable Group for the benefit of all of Trelleborg's stakeholders.



*On a daily basis, the four Trelleborg triangles remind us of our four basic values; customer focus, performance, innovation and responsibility.*

# Sustainability a part of the business



Through its primary task – to seal, damp and protect in demanding industrial environments – Trelleborg contributes positively and innovatively with products and solutions for the development of society in the areas of environment, health and safety.

The growing population and industrialization of the world increases the demand for energy. At the same time, climate changes and the greenhouse effect are imposing demands on cleaner energy and alternative energy sources. Trelleborg delivers sealing solutions for energy equipment that utilize traditional energy sources, as well as new sources, such as bioenergy, solar energy, heat pumps and wind power plants.

Trelleborg's sealing profiles are used in buildings to improve the indoor climate and reduce total energy requirements.

Trelleborg has already developed seals for hydrogen gas pumps to fuel cars driven by fuel cells. Hydrogen gas is explosive and requires complex sealing solutions. When the future environmentally adapted fuel has arrived, Trelleborg stands prepared.

The use of diesel vehicles, which are a more energy-efficient alternative to gasoline-driven vehicles, is expanding and in the US, for example, the proportion of diesel passenger cars sold is expected to double by 2012. Diesel vehicles make more noise and vibrate more, which heightens demand for Trelleborg's complex noise-damping and antivibration systems.

Further examples of how Trelleborg contributes to a better environment are seals for wind power plants, seals for hydraulic applications that prevent hazardous chemicals from leaking into the surroundings, tunnel seals and buildings or entire rubber membranes used in projects that protect waterfront cities from flooding.

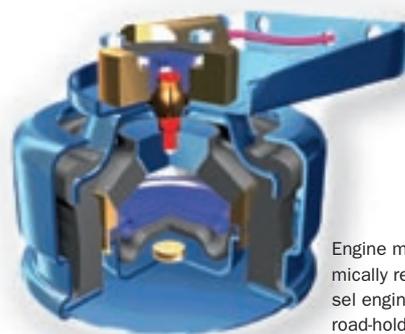
At the same time, risks and effects from our operations exist from an environmental and health and safety perspective. Priorities with regard to the efforts to prevent and reduce these risks are described in further detail in this CR report.



Cylinders fitted with seals from Trelleborg are used to adjust the angle of the rotorblades of a wind power plant.



Trelleborg's sealing profiles for windows and doors are available in a multitude of models. They hold glass sections in place, while the sealing effect saves energy and offers protection from the elements.



Engine mounts from Trelleborg dynamically reduce the vibrations of diesel engines to optimize comfort and road-holding qualities.

# Strategy, **governance** and dialog

Trelleborg's work on corporate responsibility is conducted as a part of the Group's business model and contributes to the achievement of the Group's goals. Shareholders, customers and other stakeholders expect Trelleborg to take responsibility for improving the environmental aspects of its operations and actively contributing to a sustainable society. Accordingly, the objective of the CR efforts is to create added value for the business and its stakeholders, and to achieve our high ambitions with regard to environmental and social responsibility and ethics in organizational and corporate governance matters.



Since 2007, Trelleborg has participated in the UN Global Compact network, an initiative for responsible business practices, focusing on the environment, working conditions, human rights and anticorruption.

## Code of Conduct as the basis of governance in CR issues

In 2007, Trelleborg initiated the training of the organization on a broad front regarding the company's Code of Conduct, our central tool in the areas of the environment, health and safety and ethics. Combined with our rules for corporate governance and our policies, our Code of Conduct forms a framework for our business. The Code applies to all employees, managers and Board members in the Trelleborg Group, in all markets, always and without exception.

## What does Corporate Responsibility entail?

Trelleborg has chosen to use the term corporate responsibility (CR) to clearly mark the breadth of the company's responsibility to its stakeholders. By this, we mean a responsibility that spans the entire area of sustainability, in other words, environment, health and safety issues as well as ethical relationships with employees, the market and society.

Internally, the responsibility includes governance, strategy and performance relating to these responsibility issues and externally, our communication and reporting of these issues to all the stakeholders of the business.

During the year, salaried employees – managers at all levels, sales employees and other employees with computer access – underwent a web-based training program. The program is concluded by a test and with certification that the participant understands and accepts the Code of Conduct.

In 2007, approximately 80 percent of this global target group successfully completed web-based training. In the first quarter of 2008, the rest of the target group is being trained with the help of conventional classroom instruction.

Trelleborg's Code of Conduct is based on internationally recognized conventions and guidelines, such as the UN conventions on human rights, ILO's conventions, OECD guidelines and the UN Global Compact.

Self-evaluation based on the Code of Conduct, which includes Trelleborg's Environment, Health and Safety Policy, is the basis of internal work on CR issues (see figure on page 11).

Within certain defined areas, internal self-evaluation is reinforced by external audits (see detailed figure on page 11), such as third-party audits in relation to the Code of Conduct and ISO 14000 audits. The third-party audits in relation to the Code of Conduct are conducted at selected units on a regular basis to verify the current situation and ensure procedures. In

## How Trelleborg is governed

The fundamental principle to ensure good corporate governance is the establishment of favorable conditions for active and responsible ownership, in addition to a well-balanced division of responsibilities between owners, the Board of Directors and company management, with openness toward all stakeholders.

The Annual General Meeting is the Trelleborg Group's highest decision-making body and this is where the shareholders exercise their rights to decide on the affairs of Trelleborg. The meeting appoints the Board of Directors, which is responsible for sharing the management and control of the Trelleborg Group among the Board of Directors, its elected committees and the President in accordance with the Swedish Companies Act, other legislation and ordinances, rules and regulations governing listed companies, including the Swedish Code of Corporate Governance, the Articles of Association and the Board's and its Committees' own internal control instruments.

On the Board level, the task of the Audit Committee is to monitor the follow-up and reporting of issues within the framework of corporate responsibility.

This year's Corporate Governance Report is included in Trelleborg's 2007 Annual Report and is available at [www.trelleborg.com](http://www.trelleborg.com).

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



2006, Trelleborg Automotive's plant and operation in Wuxi, China, was reviewed in relation to the existing Code of Conduct and international practice. The results were used in work to develop and clarify the Code of Conduct. In March 2008, a corresponding audit was conducted in Trelleborg Automotive's plant in Toluca, Mexico.

In addition, the Group has a whistle-blower policy that was published in conjunction with the Code of Conduct, which means that every employee has the right to report suspicions of serious breaches of laws or regulations without any repercussions whatsoever.

Trelleborg's CR reporting is conducted in accordance with the Global Reporting Initiative guidelines, version G3. The report encompasses operations within the Trelleborg Group that are significant from a sustainability perspective. This also includes joint-venture companies. This means that the report covers all 125 production units, corresponding to 89 percent of all employees.

### Organization

On the Board level, the task of the Audit Committee is to monitor the follow up and reporting of issues within the framework of corporate responsibility. The Corporate Communications staff function is responsible for coordinating and reporting the Group's CR work. Data collection, processing and compilation of CR communication is managed by a group with representatives from the Group Corporate Communications, Legal Affairs, Environment, HR and Purchasing staff functions.

### Active stakeholder dialog

Trelleborg's stakeholder communication shall be characterized by open relationships, regular dialog, clarity and a high level of ethics. The stakeholder model can be combined with the diagram of the value chain and the diagram below shows that Trelleborg's key stakeholders are present within the actual operation (*Employees*), close to the operation (*Shareholders, Investors and Authorities*) upwards in the value chain (*Suppliers and Partners*) and downwards in the value chain (*Customers*) as well as in the operation's surroundings (*Authorities, Society and Community*). Stakeholders in the Society and Community group include neighbors or those who live close to our sites, as well as citizens of society in general, represented by such groups as the media, politicians, students and stakeholder organizations.

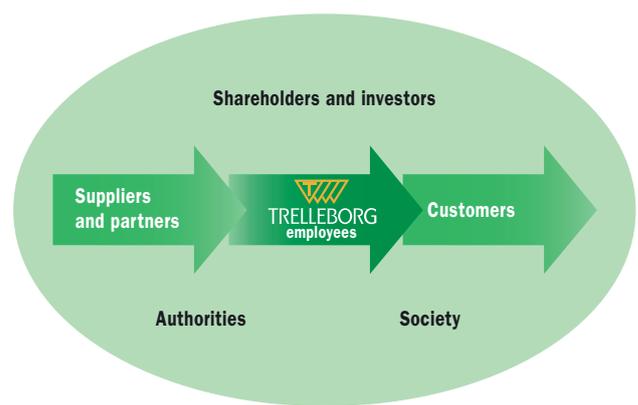
At many different levels, Trelleborg communicates continuously with these stakeholders, which include customers, suppliers, employees and shareholders. The selection of dialogue partners within each group is based on their relevance for achieving the company's goals – both general and CR goals. The most recent version of the company's Code of Conduct is the result of prior dialog with Trelleborg's stakeholders.

The dialog with Trelleborg's various stakeholders intensified during 2007. Among other activities, with the aim of improving the documentation on CR issues, a survey and analysis was conducted in 2007 in which selected stakeholders from the various core groups evaluated which aspects they viewed as the most significant to the company (see figure on page 12). The objective of such a survey is to ensure that Trelleborg "reports on the correct aspects" (while the third-party audit of CR reporting ensures that Trelleborg "reports the aspects correctly").

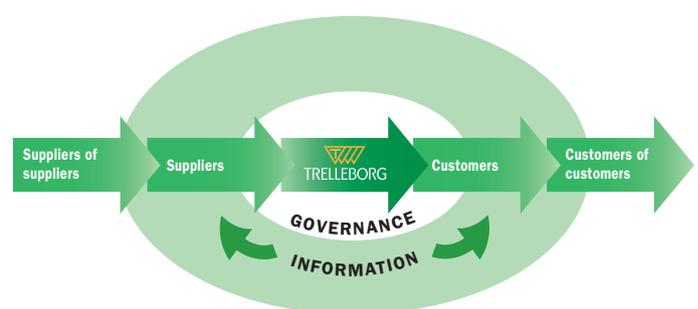
### Stakeholder dialog: engagements and channels

Some examples of stakeholder engagements from the past year:

### Stakeholders



### Value chain



The diagram above of our position in the value chain shows that Trelleborg's direct governance and influence with regard to CR issues is most evident within the actual framework of the business, as well as how the company exerts an influence upward and downward in the value chain in relation to suppliers, customers and others, through information and other methods.

- Trelleborg participated in the Global Compact's annual Leader Summit.
- In October, a two-day seminar was held at which 40 graduate students from the International Institute for Industrial Environmental Economics in Lund, Sweden submitted feedback on Trelleborg's 2006 Sustainability Report (see page 12). In February 2008, the same exercise was repeated with students from the Environmental Science Program.
- In November, Trelleborg Automotive's facility in Guarulhos, Brazil was visited by representatives from Banco, a Swedish fund specialist that focuses on ethical investment.
- The Group's headquarters in Trelleborg were visited by representatives of Save the Children Sweden, who presented examples of how their work is progressing with support from such companies as Trelleborg.

### Channels for stakeholder dialog:

- A main channel for all of Trelleborg's stakeholders is the company's website, [www.trelleborg.com](http://www.trelleborg.com), with about 60 associated websites. 
- Customers: Meetings with Trelleborg's representatives and customers. The customer magazine T-Time (four issues per year).
- Suppliers and partners: Supplier visits and supplier audits.
- Shareholders and investors: Shareholder service (telephone and e-mail channels), Annual General Meetings, analysts' meetings, meetings with ethical investors.

- Employees: Internal communications channels, such as TrelNet (intranet), Connect (internal magazine, two issues per year), trade union cooperation and events.
- Society: Local Open House and sponsorship activities, cooperation with universities and colleges.
- Authorities: Dialog with local supervisory authorities about specific issues. Trelleborg also works through trade organizations on national and European levels.

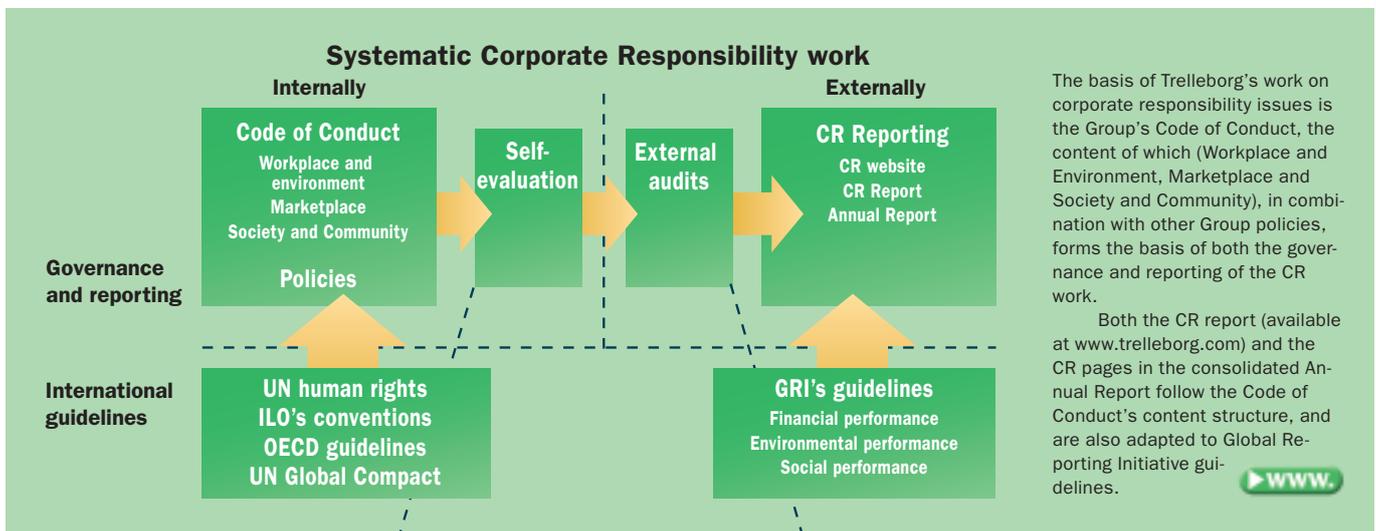
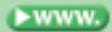
**Materiality analysis implemented**

In the autumn of 2007, a materiality analysis was conducted with the aim of establishing the CR/sustainability aspects that are central to Trelleborg. Such an analysis is based on external and internal stakeholders' opinions.

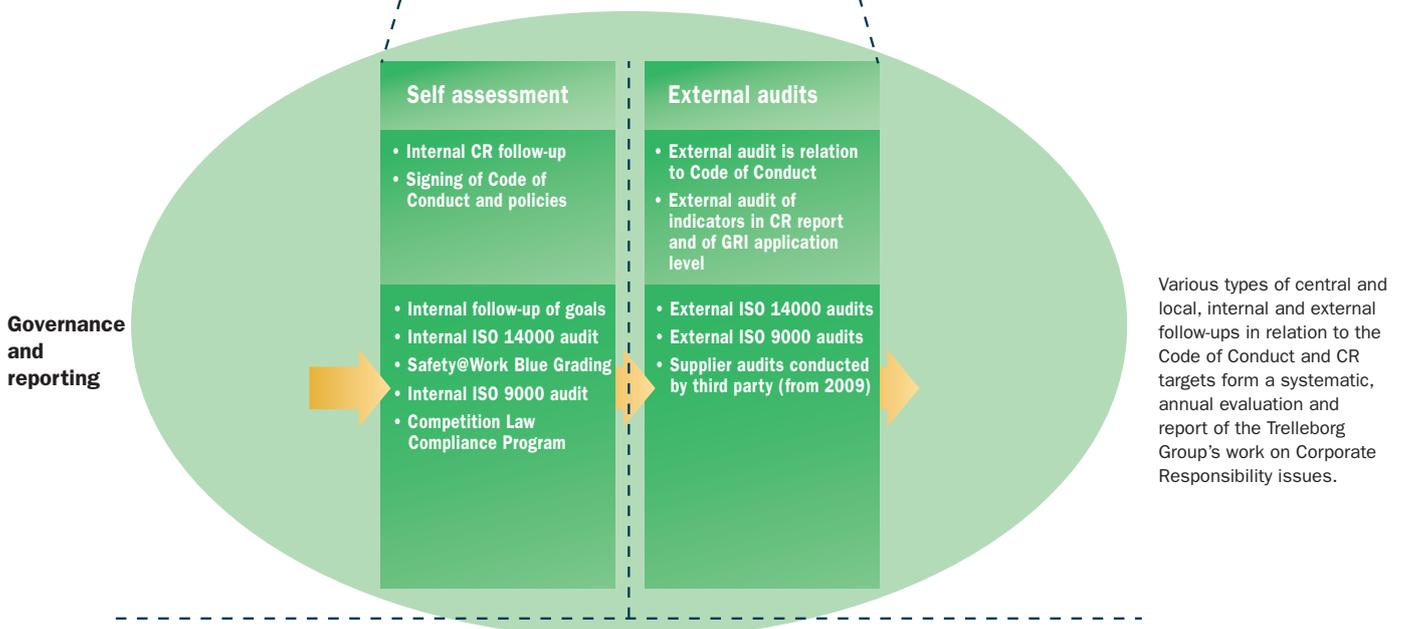
Some 20 aspects were initially identified through the review of such documents as Trelleborg's Code of Conduct, the Global

**CR reporting on the Internet**

Trelleborg is continuing to expand its corporate responsibility reporting on the Internet. Visit [www.trelleborg.com](http://www.trelleborg.com) for access to all CR-related information, an interactive information database and an index that clarifies how reporting relates to the Global Reporting Initiative (GRI) report structure. CR-related information for 2007 has been gathered from the Group's production sites and from other available statistics in accordance with the Group's standard for CR reporting. The Group's staff functions compile and process the information. The reporting principles are explained on page 33 and in detail at [www.trelleborg.com/CR](http://www.trelleborg.com/CR).



**Systematic Corporate Responsibility follow-up in Trelleborg**



Compact, Global Reporting Initiative guidelines and the Dow Jones Sustainability Index.

The results, presented in the diagram, provide support for prioritization in the CR work and CR reporting, as well as more in-depth stakeholder dialogs.

In the conclusion of the analysis, certain responsibility aspects emerge as being more central than others and therefore extremely important to prioritize in the actual CR work and in

CR reporting. Such environmental aspects as *Consumption of raw material and energy*, *Use of chemicals in manufacturing and Emissions to air and water* were assigned a high priority, both from an internal and external perspective.

Accordingly, the emphasis for the 2007 CR report was to report these aspects in a more detailed and clear manner than before.

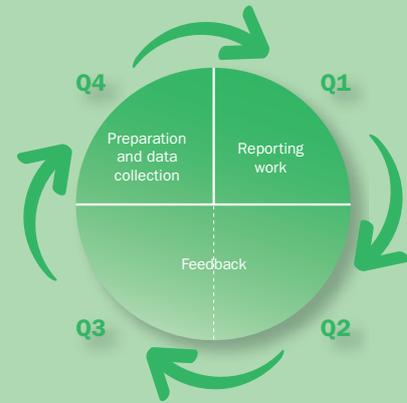
**The stakeholders' view of Trelleborg's corporate responsibility**

|  |                |  |  |
|--|----------------|--|--|
| <b>Significance to external stakeholders</b> | Very important | <ul style="list-style-type: none"> <li>Environmental performance of products</li> <li>Waste recovery</li> <li>Investment and supplier practices</li> <li>Climate strategy</li> </ul>       | <ul style="list-style-type: none"> <li>Use of hazardous chemicals in manufacturing</li> <li>Energy and raw material consumption</li> <li>Emissions to air and water</li> <li>Occupational health and safety</li> <li>Corruption and bribery</li> <li>Risk and crisis management</li> <li>Corporate governance and transparency</li> <li>Open and honest communication</li> </ul> |
|  | Important      | <ul style="list-style-type: none"> <li>Management/employee relations</li> <li>Diversity and non-discrimination</li> <li>Community relations</li> <li>Public policy and lobbying</li> </ul> | <ul style="list-style-type: none"> <li>Competitor issues</li> <li>Training and development</li> <li>Product quality and safety</li> <li>Talent attraction and retention</li> </ul>   |
|  |                | Important  | Very important   |

**Significance to the company internally**

**CR cycle in Trelleborg – dialog, data collection, review and publication**

Trelleborg's CR reporting follows an annual cycle in which the most extensive update of information concerning the preceding calendar year is prepared, reviewed and compiled up to year-end to be published in April-May. This is followed by a period until August-September, in which the company systematically collects feedback through in-depth dialog with selected stakeholders (for example, students/researchers, independent organizations, ethical funds and authorities) within the core areas of the CR work, such as environment/ health and safety, human rights and so forth. The adaptation of the CR reporting to GRI guidelines facilitates this discussion. Opinions from discussions with stakeholders are used to enhance preparations and data collection and develop CR work in the next annual cycle.



**Students acted as stakeholders**

Trelleborg asked postgraduate students at the International Institute for Industrial Environmental Economics in Lund, Sweden, to review the Group's sustainability efforts and the 2006 Sustainability Report. The students come from countries around the world. Some of them already work with environmental or social issues and they have been carefully selected for advanced, in-depth studies at the institute. Applying their knowledge to a real company was also a valuable experience for them.

The students were divided up into groups that represented Trelleborg's six most important groups of stakeholders: Shareholders/investors, customers, suppliers and partners, employees, authorities and society.

The overall impression was positive and the information was considered to be relevant as such. However,

it became clear that different stakeholders needed different types of information.

"By several stakeholders being included in the picture, the report becomes more reliable," says Krishna Manda, a student from India (pictured).

"We greatly appreciate the actual dialog. Some of the information is far too technical," say Na Lin from China and Brandan Cook from the US, who acted as Trelleborg employees. While the investor group was looking for more figures and the suppliers sought the requirements applicable to them, those representing the customers were looking for a list of "green" products.

"What are the business opportunities? How can Trelleborg help its customers become more environmentally friendly?" asked Angelica Marino from Sweden.



The analysis also generated a long list of proposals regarding the associations between CR issues and business opportunities for Trelleborg. The proposals mainly related to “green” product development, waste/recycling, use of natural resources, the climate issue and climate-related products and solutions, and demonstrate considerable future potential for the Group in this area. Further information concerning a number of Trelleborg’s solutions in this area is presented on page 8 of this report.



### **Sustainability work with results**

In the 2007 review, Trelleborg was selected to be a part of the group of companies that forms the basis of the Dow Jones STOXX Sustainability Index. Companies are chosen based on a systematic review of performance in the financial, environmental and social areas to identify leading companies in the area of sustainability.

Trelleborg also won the 2007 FAR SRS (trade association for accountants and financial advisors) prize for Sweden’s best sustainability report. Trelleborg shared the prize in the category Best Independent Sustainability Report with Vattenfall.

Trelleborg was also among the six best companies in the 2007 review by the accounting and consulting firm Deloitte with regard to information concerning environmental work, and ethical and social involvement. The review primarily comprised companies listed on the OMX Nordic Exchange in Stockholm.

The Carbon Disclosure Project (CDP), a ranking compiled for investors about how companies manage climate-related issues, placed Trelleborg high among Swedish companies. In CDP’s assessment of Nordic companies, Trelleborg was awarded 75 points out of 100 possible and was ranked among the five best companies in the Nordic “carbon dioxide intensive” sector.

In the Globe Forum Business Network’s CSR rating of Swedish stock exchange companies on the Large Cap list published in February 2007, Trelleborg was ranked fifth best among all the companies included.

In Folksam’s 2007 index for responsible enterprise, Trelleborg was awarded five out of seven stars for its work with the environment, and four out of seven stars for its work with human rights.

## CR-related risks and opportunities

The significant CR aspects in the overview below were identified and prioritized under the direction of the materiality analysis conducted in 2007, GRI principals, ISO 14001, laws and other requirements, internal and external expertise, and dialog with authorities and other stakeholders.

| Aspect   | Environmental risks   | Consumption of raw material and energy  | Use of chemicals  | Climate   | Health and safety risks  |
|--|---|---|---|---|--|
| <b>Stakeholders affected</b>                             | <ul style="list-style-type: none"> <li>• The community</li> <li>• Employees</li> <li>• Shareholders</li> </ul>  | <ul style="list-style-type: none"> <li>• Suppliers</li> <li>• The community</li> </ul>  | <ul style="list-style-type: none"> <li>• Employees</li> <li>• Customers</li> <li>• Suppliers</li> </ul>   | <ul style="list-style-type: none"> <li>• Shareholders</li> <li>• The community</li> </ul>   | <ul style="list-style-type: none"> <li>• Employees</li> </ul>  |
| <b>How does this impact stakeholders and Trelleborg?</b> | Infringements are costly and can potentially damage the company's brand and relations with the community.   | Increased production costs in pace with rising energy and raw-material prices. Rising costs for processing of waste. Certain raw materials must be transported over long distances. | Health and safety risks and stringent demands imposed on protective measures when handling hazardous substances. Future demands regarding phasing-out and substitution.           | More stringent demands concerning the reduction of climate-impacting emissions. Risk of extreme weather conditions and flooding. Possible property damage.                            | Risk to our employees' health and safety. Injuries are costly for the company and lead to losses in productivity.            |
| <b>How does Trelleborg address the problem?</b>          | Introduction of certified environmental management systems pursuant to ISO 14001. Internal recommendations for management of specific environmental risks. External and internal environmental audits, and risk survey with the help of Environmental Blue Grading. | More efficient utilization of resources through the reduction of waste, waste recovery and energy saving.   | Obligatory 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. | In 2008, Trelleborg is participating in a Carbon Management program in the UK with the aim of enhancing knowledge of our total climate impact. Investments in energy-saving measures. | The Group has its own program, Safety@Work, to assess health and safety risks. Follow-up is conducted through annual audits. |
| <b>Objectives</b>  | Clearly-defined environmental targets that are detailed in the Environment, Health and Safety policy (see page 16). Continued implementation of ISO 14001. Environmental risks always to be recorded in conjunction with acquisitions.                              | Increase the proportion of recovered waste by 25 percent at the end of 2009. Introduce energy-saving plans at all production units.   | Preparation of common criteria for the evaluation of chemicals. Identify prioritized substances for phasing out.  | Introduce energy-saving plans at all plants.  | Implement the Group's Safety@Work program at 90 percent of the Group's production plants by year-end 2008.                   |
| <b>Trend*</b>  | ++  | ++  | +   | +   | ++   |
| <b>Comments and references</b>                           | Systematic environmental management system developed. See pages 9-13, 16-21.  | Positive progression of environmental management, targets and follow-ups. See pages 9-13, 16-21.  | Phasing-out of hazardous chemicals under way and systematic handling of chemicals conducted pursuant to the EU REACH legislation. See pages 9-13, 17-19.                          | Analysis, pilot project and reporting under development. See pages 9-13, 16, 18-19.   | Safety@Work provides systematic risk analysis and improvement. See pages 9-13, 21-24.  |

Trend relates to the progression of Trelleborg's management of the respective aspect over the most recent five-year period: ++ Very positive. + Positive. – Unchanged.

| Aspect  | Respect for the Group's values and Code of Conduct in a growing global operation   | Corruption and competition issues  | Recruit, develop and retain competent employees   | Products   | Suppliers   |
|---|--|--|---|--|---|
| Stakeholders affected                             | <ul style="list-style-type: none"> <li>• Employees</li> <li>• Customers</li> <li>• Suppliers</li> <li>• Shareholders</li> <li>• The community</li> </ul>   | <ul style="list-style-type: none"> <li>• Customers</li> <li>• The community</li> </ul>   | <ul style="list-style-type: none"> <li>• Employees</li> <li>• Local community</li> </ul>  | <ul style="list-style-type: none"> <li>• Customers</li> <li>• Suppliers</li> <li>• The community</li> </ul>  | <ul style="list-style-type: none"> <li>• Suppliers</li> <li>• The community</li> </ul>  |
| How does this impact stakeholders and Trelleborg? | More difficult to follow up compliance in an organization that grows at a rapid pace and with an increasing presence in low-cost countries. Non-compliance could impact our brand and profitability. | Infringements damage the company, its reputation and brand, both directly and indirectly. Customers risk being affected financially, and the community may be charged with additional costs. | A long-term successful business requires motivated employees and competent management.  | Growing demands on product performance and product safety. Increased restrictions and disclosure requirements placed on input components. Growing interest in cleantech provides new opportunities for products within the "seal, damp and protect" areas. | Significant environmental impact over which we have no direct control, but can influence by placing demands in connection with procurement.   |
| How does Trelleborg address the problem?          | Communication and monitoring of the Group's values and Code of Conduct.  | Clear rules in Code of Conduct and policies. Global training program.  | Talent Management, focus on internal and local recruitment, management training and performance reviews.  | Respect for the environment, health and safety when developing new products. Gradual phasing-out of chemicals hazardous to the environment and health. Close cooperation with customers in development work.   | Designing of Group-wide tools for the assessment of suppliers. Participation in the Sustainable Transports project.   |
| Objectives  | Implementation of revised values and Code of Conduct in 2007-2008 and more stringent monitoring to ensure compliance.  | Zero-tolerance.  | Degree of internal recruitment of 75 percent for the four highest levels of management. Documented career development talks and development plans for all salaried employees by 2010. | Development of Group-wide guidelines for the assessment of chemicals. Regular evaluation of alternatives to substances hazardous to the environment and health.  | The overriding goal is for suppliers to comply with Trelleborg's Code of Conduct. Trelleborg's purchasers will undergo training in 2008. Supplier assessments will subsequently be conducted. |
| Trend*  | ++   | ++   | +   | +  | +   |
| Comments and references                           | Code of Conduct developed and being introduced – forms the basis for systematic follow up. See pages 7, 9-13, 16-30.   | Strengthened procedures and broad training initiative clearly enhance the overall management. See pages 9-13, 22, 26.  | Talent management a priority area in ongoing activities. See pages 9-13, 24-25.   | Focus on products in the Environment, Health and Safety Policy and targets in production/product development. See pages 9-13, 17, 27-28.   | Suppliers shall conform to quality requirements and business principles. Follow-up of suppliers in relation to Code of Conduct planned. See pages 9-13, 27.                                   |

# Responsibility for **the workplace** and **the environment**

## Environment

Trelleborg has extensive production operations in some 30 countries. Therefore, environment, health and safety issues constitute a central element of the company's responsibility work. The most significant environmental aspects include energy and raw materials consumption, emissions to air and water, waste and noise. Operations also generate extensive transports. The environmental impact of individual facilities varies widely, depending on their size and processes. At year-end 2007, production was conducted at 125 facilities, of which 83 were in Europe, 32 in North and South America, eight in Asia and two in Australia.

## Governance

Trelleborg's policy in the environmental area mainly comprises the Group's Environment, Health and Safety policy (see box) and requirements specified in the ISO 14001 environmental management system. Direct responsibility for issues relating to the environment, health and safety rests locally with each facility. Every plant has an environmental coordinator and persons responsible for health and safety.

The central Group function, Environment, which is a part of the Group Legal Department, is responsible for control and coordination of environmental issues based on the Group's environmental policy and the central environmental objectives. Each business area has an environment representative, who together with the central Group function Environment, is included in a Group-wide Environment Forum, which is convened once every quarter. Training in environmental issues is conducted locally within the framework of the requirements specified in ISO 14001.

In the Group, a proactive endeavor is underway to reduce environmental impact and environmental risks, and to increase resource efficiency. This work is conducted on both central and local levels. The priority areas, which are also emphasized in the Group's Environmental Policy, are environmental management,

energy and material, and environmentally adapted product and process development. During 2007, the climate issue was also placed in focus through such activities as a project in conjunction with the Carbon Trust in the UK and through increased reporting.

The Group also took a step forward toward an internal standard for environmental work through Trelleborg's internal environmental handbook with recommendations that address the ten most central issues with regard to policy and risk. These recommendations will be implemented globally within the entire organization. The expansion of operations, both through acquisitions and organic growth, has meant that environmental impact has increased in absolute terms. However, relative to growth, most key data indicates a downward trend, a development which is supported by continued integration and efficiency enhancements in operations.

## Environmental management

### Proportion of facilities with ISO 14001 certification: 74 percent (73)

An important cornerstone in the environmental work is the ISO 14001 environmental management standard, an obligatory requirement for all production plants in the Group. At the end of 2007, a total of 92 facilities were certified, equivalent to about three-fourths of all plants. Another 15 facilities plan on certification in the next year. Newly acquired plants will introduce the system within three years.

### Facilities that were certified in accordance with environmental standard ISO 14001 in 2007:

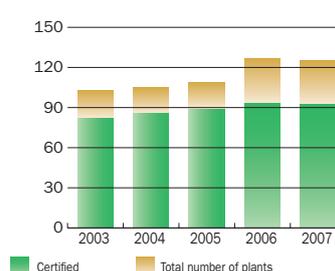
Bangalore, India  
Clearbrook, US  
Livorno, Italy  
Lodi Vecchio, Italy  
Lesina, Czech Republic

## Energy

### Total energy consumption: 1,519 GWh (1,312), [= 5,470 TJ (5,116)]

Of the total energy consumption, 689 GWh [=2,480 TJ] consisted of energy produced on a proprietary basis for heating or steam and 830 GWh [= 2,988 TJ] of purchased energy in the form of electricity, steam or district heating. Natural gas is the most common source of energy and comprises about 45 percent of total energy requirements. The proportion of renewable energy was 13 percent in 2007.

Number of ISO 14001 certified facilities



### Environmental management:

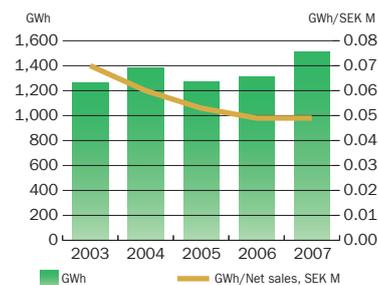
The number of certified units is on a par with 2006 due to the addition of units and the amalgamation/divestment of others. A total of five units were certified in 2007.

### Environment, Health and Safety Policy

Trelleborg's environment, health and safety policy focuses on five core areas: Environmental Management, Energy and Material, Health and Safety, Development of Products and Processes and Stakeholder Relations. Within these areas, Group-wide objectives have been established that entail that:

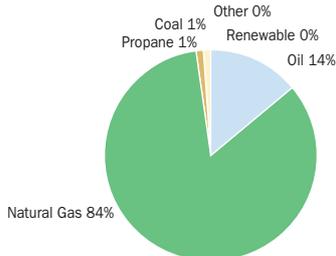
- All production or product development units within the Group shall be covered by a certified environmental management system in accordance with ISO 14001. Newly acquired units must implement such a system within three years following acquisition.
- All production units shall prepare energy-saving plans.
- The proportion of recovered waste at Group level shall increase by 25 percent at the end of 2009.
- The Group's program to reduce the number of work-related injuries, Safety@Work, shall be introduced at all plants and annual internal and external reviews shall be conducted.
- Common criteria for assessing chemicals shall be prepared, with due consideration given to the environment, health and safety.
- Recommendations for stakeholder dialog, centrally and locally, shall be prepared. In addition to these central objectives and within the framework of ISO 14001, each facility applies its own specific environmental targets and follows up results each year. The central objectives are followed up annually in conjunction with CR reporting.

## Energy consumption



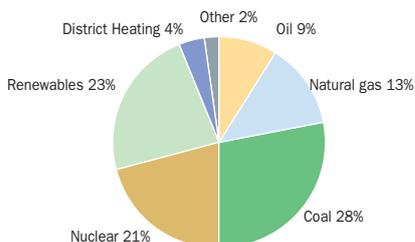
**Energy:** Total energy consumption increased as a result of acquisitions and increased production. The value for 2007 includes consumption of purchased steam and district heating of approximately 155 GWh. Consumption relative to sales is in line with 2006.

## Direct energy consumption per source



Direct energy consumption largely consists of fossil fuels, with natural gas as the absolutely largest direct source.

## Indirect energy consumption per source



Indirect energy from energy suppliers to Trelleborg's facilities primarily comprises fossil fuels (50 percent of the total), renewable energy sources (23 percent of the total) and nuclear energy (21 percent of the total).

Energy savings is a focus area in Trelleborg's environmental policy and the objective is for all production plants to develop an energy-savings plan. Two-thirds of the facilities currently have such a plan. Greater energy awareness has a positive environmental impact and reduces the effects of increased energy costs. The Group's total energy costs for 2007 amounted to SEK 660 M (610). The proportion of renewable energy amounted to 13 percent.

## Raw materials

**Raw rubber consumed: 183,100 tons (173,600)**

**Other polymers: 34,700 tons (27,000)**

**Proportion of recovered raw material: 3.2 percent (3.0)**

The most important raw materials are polymers and metal components as well as additives, such as softening agents (oils), fillers and vulcanizing agents (sulfur, peroxides). Of the rubber used, approximately 40 percent is natural rubber and 60 percent is synthetic rubber.

Approximately 3 percent of the total raw material comprises recovered material from internal or external sources.

Different types of chemicals are important constituents to give the products their specific properties. Some of the compounds used are classed as hazardous to the environment and/or health. In accordance with the Group's environmental

## Raw materials, tons

|                    | 2007    | 2006    |
|--------------------|---------|---------|
| Natural rubber*    | 69 120  | 69 900  |
| Synthetic rubber   | 113 960 | 107 740 |
| Metals             | 112 620 | 110 210 |
| Plastics           | 34 690  | 27 040  |
| Softeners          |         |         |
| HA oils            | 3 940   | 3 651   |
| other oils         | 13 060  | 11 650  |
| Recycled materials | 16 080  | 12 970  |
| Solvents           |         |         |
| chlorinated        | 220     | 200     |
| non-chlorinated    | 12 790  | 1 640   |
| Paints,            |         |         |
| glues, adhesives   | 2 400   | 2 230   |
| Zinc oxide         | 3 430   | 3 850   |

\* renewable raw material

## Monitoring efficiencies

Through a Performance Contracting arrangement with Siemens Building Technologies, Trelleborg's Forsheda factory in southern Sweden has decreased its need for central heating by a whopping 78 percent.

"It is such a big savings that our regular supplier of the natural gas we use for heating called us to ask if anything was wrong," says Christer Wallin, Quality and Environmental Manager at Trelleborg Forsheda.

Forsheda manufactures polymer components such as rubber rings and dampers, primarily for the heavy-truck industry, and employs 400 people.

In 2006 Siemens entered into a kind of incentive program and fixed the factory's energy consumption and ventilation systems in exchange for half the savings for a period of six years.

In the process, Siemens replaced 34 old and inefficient heating and ventilation systems with one centrally steered system. Much of the company's savings is attributable to reusing heat that previously, so to say, went up in smoke

At the heart of Forsheda's new energy efficiencies is a central control and surveillance system that monitors heating and ventilation parameters such as temperature, humidity and spinning cycles on fans and pumps. All such equipment throughout the factory can be monitored and controlled from a single laptop. Alarms are sent via SMS, or text message.

"This has also saved a lot of time for the maintenance personnel," says Wallin. "Now we have total control, which was not possible before."



policy, all facilities shall have processes in place to evaluate chemicals with regard to environmental and health and safety risks. A large number of local projects are also underway that aim to phase out particularly hazardous substances, such as lead, hexavalent chromium and substances that are carcinogenic, mutagenic or toxic for reproduction.

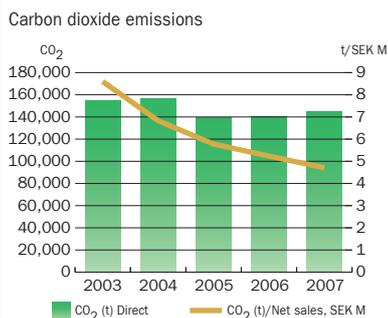
As a chemical user, Trelleborg is affected by the new EU chemical legislation, REACH. During 2007, an inventory was conducted of the European plants' chemical purchases, which indicated that Trelleborg imports chemicals from non-European manufacturers to the EU only to a limited extent. The registration of purchased chemicals under REACH will be made mandatory for the Group's suppliers. The work with various REACH activities will continue in 2008 and will include internal training of all local REACH coordinators.

#### Climate impact and climate-related measures

**Direct carbon dioxide emissions: 146,200 tons (140,200)**

**Indirect carbon dioxide emissions: 123,400 tons (78,000)**

The Group's climate impact is due to carbon dioxide emissions from the burning of fossil fuels and indirectly from the use of electricity and steam. Only two facilities are covered to a limited extent by the EU directive on the trading of emissions rights. The total allotment for 2007 corresponded to 16,870 tons of carbon dioxide.



**Climate impact:** The direct carbon dioxide emissions increased slightly in 2007 due to increased energy consumption, however, the energy mix (more natural gas) means that there was a reduction relative to sales. The emission factors for the calculation of carbon dioxide were updated. The preceding year's values were restated to enable comparability.

In 2007, selected Trelleborg companies in the UK took part in a pre-study on carbon-dioxide reduction and energy-efficiency enhancements. The pre-study resulted in a number of identified energy-savings opportunities at the four participating plants, and the project also identified significant improvement potential with regard to energy consumption in all of Trelleborg's other operations.

Based on the positive results, Trelleborg has decided to continue these efforts in the form of participation in a full-scale Carbon Management program supported by Carbon Trust, an organization charged by the British Government to reduce emissions throughout the UK. Within the scope of the program, a number of issues will be addressed, including an estimate of the "carbon dioxide footprint," development of a Group-wide carbon dioxide and energy policy, assessment of alternative sources of energy, and the identification and introduction of energy-saving measures in operations. The program is focused on the UK, but the intention is to transfer this knowledge to the rest of the Group.

In 2007, Trelleborg participated in the Carbon Disclosure Project's (CDP) voluntary reporting for the first time and reported during 2007 its emission of greenhouse gases in accordance with CDP's principals. CDP is a project that works globally on behalf of investors to gather information about emissions of greenhouse gases by industry, as well as measures that the companies undertake to prevent negative climate effects. CDP gathers and presents the world's most extensive registry of emissions data from companies at [www.cdproject.net](http://www.cdproject.net).

Increasing demands placed on climate measures, particularly within the energy and transport sector, can adversely impact manufacturing and distribution costs. Exposure to property risks as a result of extreme weather conditions and the danger of natural disasters are assessed continuously in cooperation with the company's insurance company. Where necessary, preventive measures are taken to reduce the level of risk. In general, Trelleborg's exposure to this type of risk is low. As regards the establishment of greenfields, the proposed locations are always

#### Reduced climate impact

Trelleborg's Sealings Solutions plant in Rotherham, UK, in South Yorkshire, got a helping hand to reduce its carbon footprint.

The Carbon Trust is a UK-based government sponsored organization set up in 2001 to help companies reduce their carbon emissions.

Following comprehensive audits in 2005, the Rotherham plant, which produces bearings and seals, has achieved some impressive savings in its use of gas and electricity.

"Since 2005, our electricity consumption has dropped by 1.7 percent, even though our business has increased by 23 percent," says Phil Taylor, Quality Manager, Trelleborg Sealing Solutions Rotherham. "The amount of electricity we use per GBP of turnover has fallen by 20 percent. We really have good reason to be proud about this."

In addition, gas usage has fallen by 28 percent per GBP of turnover. After its 2005 audit, the involved consultants presented Trelleborg with a detailed report of its findings, recommending ways to reduce energy usage.

"We are still implementing all the power-saving suggestions and expect to see further benefits in the future," says Taylor.

The most popular activity for the 110 Rotherham employees was the energy awareness training.

"That really galvanized the whole team to generate their own ideas, such as turning off machinery, lights, computers and other equipment when not in use," says Taylor. "Small incremental savings in the long run can save a lot of money. It has become a real culture change."



assessed with regard to environmental risks generally, weather-related risks and risks for natural disasters.

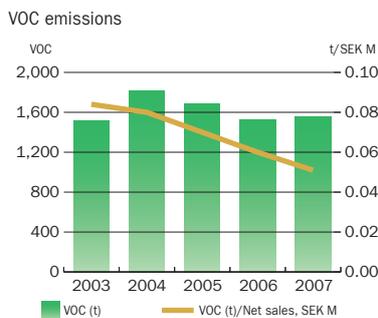
#### Land use and biodiversity

The Group utilizes a total of approximately 514 hectares of land for its production facilities. The facilities are generally located in large or small industrial areas where operations cannot be considered to have a significant impact on biodiversity. A potential exception is the production plant in Rio Saliceto (Italy), which is located two kilometers from a wetland ecosystem rich in birdlife and classified as a nature reserve in accordance with Italian legislation. Trelleborg has no proprietary rubber plantations, but purchases approximately 70,000 tons of natural rubber annually from suppliers mainly based in Southeast Asia. Rubber plantations are monocultures, and consequently, affect biodiversity in the local area.

#### Emissions to air

##### Volatile organic compounds 1,556 tons (1,523)

In addition to energy-related emissions of 300 tons of carbon dioxide and sulfur dioxide, and 70 tons of nitrogen oxide,



**Emissions to air:** Emissions of volatile organic compounds increased somewhat, primarily due to the solvent-intensive production of printing blankets. Meanwhile, several other units reduced emissions in line with new EU regulations. Emissions decreased relative to sales.

emissions to the air are primarily composed of volatile organic compounds, VOC and ozone-depleting substances corresponding to 3 tons of CFC-11. Emissions of VOC primarily come from the use of adhesive agents containing solvents and the manufacture of printing blankets. Multiple projects are underway to replace solvent-based products in several areas that involve less of a negative impact on the environment and the work environment.

#### Worthwhile preventive measures

Trelleborg Sealing Solutions in Turin, Italy, has been proactive in regard to new and more restrictive environmental legislation.

The company, which makes radial oil seals for automotive, industrial and aerospace use, has successfully replaced solvent-based bonding agents with water-based ones.

These bonding agents are necessary to bond together a steel ring and a rubber compound, the main parts of a radial oil seal, in a compression or in an injection press to make the contact between them very strong.

After extensive technical tests performed in 2007, the solvent-based bonding agent Megum was replaced with the water-based agent Robond in 2008.

The alternative to finding a new water-based bonding agent would have been an expensive carbon filtering system to catch the solvents before releasing them into the atmosphere.

"And then we would still have to scrap the exhaust filters once or twice a year, which didn't make sense," says Antonio Macchiorlatti, Managing Director, Trelleborg Sealing Solutions Turin. "With water-based bonding agents, the benefits are fantastic. We have reduced our emissions into the atmosphere to almost nothing."

The company employs 150 people at two plants, one in Turin and another in neighboring Leini.



#### Turning off the tap

The Trelleborg Wheel Systems Tivoli plant outside of Rome, Italy, which produces radial tires for agricultural applications, reduced its industrial water consumption in 2007 by 900,000 cubic meters without affecting production.

With an annual consumption of about 2.5 million cubic meters per year, this represents a savings of about 30 percent.

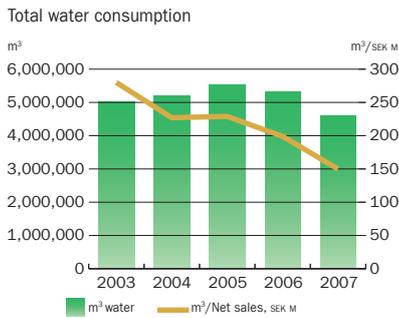
The plant used to just let the water run through its machines and out into the sewage system. Now it reuses it, which in itself is a big step towards lessening the plant's environmental impact.

These impressive savings were made possible by the installation of the first closed loop circuit for 90 cubic meters per hour of cooling.

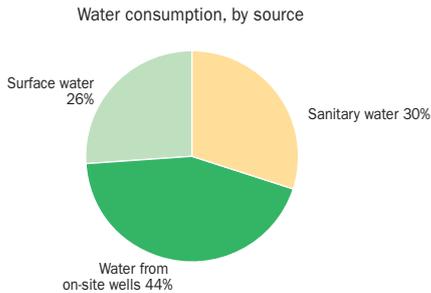
"In order to reduce water consumption, we decided to build a closed loop circuit for the a new calendaring line and a neighboring profiling line consisting of two chillers, two tanks (for hot and cold water) five pumps and a control system to continuously monitor the cooling water's physical properties such as temperature, pressure, etc.," says Roberto Fabri, from the Environmental Health and Safety Department, Trelleborg Wheel Systems Italy.

In 2008, the plant will build a closed loop circuit for its three banbury lines, achieving a savings of an additional 500,000 cubic meters of water per year.

"The last step of the project will be to do the same for the tread and sidewall extrusion line and the inner liner calendaring line, which will save us another 600,000 cubic meters of water," says Fabri.



**Water consumption:** The total consumption of industrial water has declined due to economy measures in our plants. From this year, Trelleborg only reports industrial water consumption and does not take municipal water into account in this diagram. To facilitate comparability, values from preceding years were also adjusted to only show consumption of industrial water.



## Water

**Water use in production: 4.6 million m³ (5.3)**

Water is used in production primarily for cooling and cleaning. Most of the water used is pumped from proprietary wells at the facilities or from watercourses in the vicinity of the plants. One fourth is municipal drinking water. The Group's water costs in 2007 amounted to SEK 19.1 M (19.4).

Measures to reduce water consumption include installations for the recirculation of process water. One fifth of the plants apply some form of water recovery, and these water-saving measures reduced consumption by 6.6 (7.1) million m³ in 2007, see the box below for a successful example from Tivoli, Italy.

Emissions to water are limited and are primarily composed of organic materials, COD, 783 tons in total, and nutrient substances, 7 tons. The majority of the Group's plants (corresponding to 84 percent) are connected to municipal wastewater treatment plants and 17 plants (14 percent) have their own treatment plants. In the remaining instances, no special wastewater-treatment measures are required. In a few individual cases, depending on the content, wastewater is treated separately as hazardous waste.

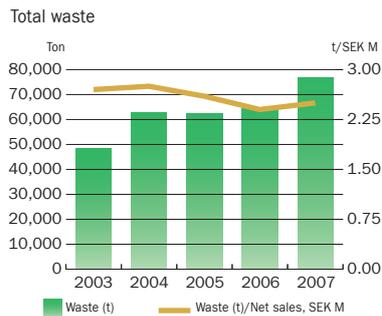
## Waste

**Total amount of waste: 76,600 tons (64,350)**

**Degree of recycling: 52 percent (54)**

Continuous work is underway in the local operations to find waste disposal possibilities with a higher degree of recycling and at a lower cost. In 2007, the Group's total waste management cost amounted to SEK 55 M (46.8). Hazardous waste amounted to 4,600 tons.

Of the total waste, rubber waste constituted slightly more than a third.



**Waste:** The volume of waste increased both in total and relative figures. This was primarily attributable to increased production and new activities.

## Recycling of rubber scrap

Trelleborg Automotive India's factory in Noida, near New Delhi, is minimizing its production of purged rubber scrap in its injection molding machines by training its operators and recycling what it can into new parts.

"Not only have we saved money by reusing the waste rubber, we have also saved on the costs of transporting cured rubber, which saves the environment as well," says Prabhat Verma, who was the team leader for the rubber recycling project.

In the past four months of 2007, Noida saved 6.7 tons of rubber, which, extrapolated for the whole year, would mean a savings of 61,500 US dollars.

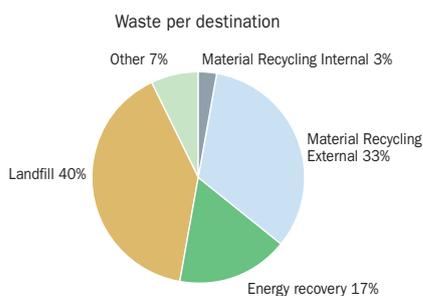
The Noida plant manufactures anti-vibration systems for passenger cars from 25 different rubber compounds in 20 injection-molding machines.

During the injection-molding process, a small amount of rubber is purged from the injection nozzle to remove the cured rubber at the tip or in the nozzle. This purged rubber, about four tons per month, was previously scrapped.

"After performing a study, we realized that, from operator to operator, there was a lot of variation in the amount of rubber purged, so through training sessions we showed them how to minimize the purge, and we weighed the scrap after each shift so operators would become aware of how much waste there was," says Verma. "We also asked operators to put the purged rubber immediately into a bucket of water to cool the compound."

To close the loop, an external compression-molding factory uses the purged rubber to make dust-cover caps for Trelleborg.





### Compliance: Permits and infringements

A total of 100 of Trelleborg's 125 plants are required to hold permits. During the year, some kind of infringement against the terms of the permit or local environmental, health and safety legislation occurred at 17 (18) facilities. Of these, three cases resulted in fines. The total cost of fines amounted to approximately SEK 2.8 M, of which SEK 2.7 M comprised fines for not having turned over emission rights for carbon dioxide within the time allotted for the plant in Breuberg, Germany. A total of three emissions during the year were unforeseen, totaling 16 m<sup>3</sup>, of which the largest was in Värnamo. This involved 13 m<sup>3</sup> of salt, which did not cause land or groundwater pollution. Other causes of violations were noise and emissions to air. Complaints from neighbors and others affected were submitted to four (six) plants. The most common causes were noise and odors.

### Number of violations per country

| Country | Number of infringements |
|---------|-------------------------|
| Denmark | 1                       |
| France  | 4                       |
| Spain   | 4                       |
| Sweden  | 4                       |
| Turkey  | 1                       |
| US      | 3                       |
| Total   | 17                      |

### Environmental debts

The handling of oil and solvents has historically often given rise to soil and groundwater pollution. Remediation of polluted soil is currently underway at four plants. Another nine facilities are assessed to be subject to remediation requirements to an extent not yet established. In addition, Trelleborg is active as one of several formal parties to another six remediation projects (three in Sweden and three in the US), although with marginal cost liabilities. The Group's provisions for environmental commitments amounted to SEK 71 M (64) at year-end.

### Working conditions

#### Governance

Trelleborg's policy in the area of working conditions is primarily regulated by the Group's Code of Conduct (trade union matters, discrimination, diversity/equality, training/development), the Environment, Health and Safety policy, and by additional governance documents prepared by Group Human Resources.

The overriding responsibility for issues within the framework of the category is borne by the manager of Group Human Resources, while compliance in the daily work is the responsibility of the line managers. It is also the managers' responsibility to ensure that training related to the Group's Code of Conduct is included in the employees' training program. The Group conducts training activities and communication to support this.

The main tool used to follow up the Group's Code of Conduct is self-assessment in accordance with the model presented on page 11, supported by randomly conducted third-party audits. Health and safety matters are followed up using the Safety@Work system, based on internal audits.

#### Work environment – Health and safety

Trelleborg's Code of Conduct emphasizes the objective of preventing work-related injuries and illness at all of our workplaces globally. In order to achieve this, the Safety@Work project was launched in 2005 at selected plants in the US and

### Safety@Work – generates results

With 125 manufacturing facilities worldwide, the Trelleborg Group places heavy emphasis on ensuring workplace safety.

The Safety@Work program is one example. It was launched in 2005 and has drastically reduced the number of workplace accidents by involving plant management and employees in all aspects of health and safety.

With a documented health and safety policy, the Group can save substantial amounts of money on its insurance premiums, for example.

"We have made outstanding progress in developing procedures and improving practices to minimize health and safety risks," says Jeff Jones, General Manager of the Trelleborg Automotive plants in Morganfield, Kentucky.

Key to the Safety@Work program is a 16-point checklist, or audit, over risk factors in both factories. For example, every new piece of equipment has to be approved by management and employees for its ergonomics and potential safety issues before being put into operation.

"The employee involvement with management is what makes the Safety@Work program work so well," says Jones. "Everyone is proud to have a high safety record, and it is something we strive hard to improve on every year."

For example, the Morganfield Adhesive factory, which specializes in applying bonding agents to components for the Group, scored 966 points out of a possible 1,000 in its 2007 safety audit, up from 845 points in 2006, and has had zero accidents to date in 2008.

"This is really much more about a culture change than a program," says Jones.



Europe with the aim of creating a benchmarking process that supports continuous improvement to achieve a high health and safety standards in all of the Group's units.

The Group-wide targets established within the framework of the Environment and Health and Safety policy mean that each operational unit is responsible for conducting the health and safety work in accordance with Group-wide standards, as described in the Safety@Work manual. In all areas in which Trelleborg has a presence, the aim is to reduce the risk of accidents and perform annual Safety@Work Blue Grading audits. During 2008, Trelleborg's Safety@Work program will be further developed and further implemented in the Group's production plants with the ambition of having reached approximately 90 percent of all plants by year-end 2008. The development of the Safety@Work program is followed up by Trelleborg's CR reporting structure. To date, injuries and illness have decreased in all of the countries in which the program was applied. In 2007, 854 (942) work-related accidents resulting in more than one day's absence were reported. The most common causes were injuries from machines or other equipment. In January 2007, an employee in the US was killed in a car accident in connection with a business trip.

The goal is the establishment of a well-functioning safety committee at all plants. At year-end 2007, such committees existed at 90 percent of the plants, representing 87 percent of the employees. Plant management is represented in all of these committees.

Reported cases of work-related injuries/illnesses at Trelleborg's facilities continue to show a declining trend. During 2007, 105 (183) work-related injuries/illnesses were reported, a decline of slightly more than 42 percent. About 85 percent (79) involved strain-related injuries, such as back and neck disorders. About 7 percent (18) of the health problems were allergies and other hypersensitive reactions.

#### Union membership

Trelleborg's policy is to recognize local union clubs, where so desired by the employees, and the right to collective agreements. More than 50 percent of Trelleborg's employees at the Group's production plants are represented by unions through collective agreements.

In 2007, Trelleborg signed a collective agreement in Sri Lanka with the Free Trade Zones and General Service Employees Union.

Within Europe, the Trelleborg European Works Council (TEWC) has been established and includes participants from the European countries in which Trelleborg conducts operations. The Council meets once a year and additional meetings can be convened when necessary. The Council addresses issues concerning personnel, finances, the environment, investments, production, business development and other matters of significance to employees.

International surveys and statistics indicate that the following countries in which Trelleborg conducts operations have the greatest potential risk of infringement of the right of association or collective agreement: Mexico, Turkey, Russia and China.

Consequently, these countries are specifically monitored through such activities as reviews in relation to the Code of Conduct performed by a third party.

#### Operational changes

Within Trelleborg, continuous change processes are underway in connection with acquisitions, divestments and rationalizations. In connection with plant closures or other significant operational changes, the company's policy is to always adhere to national legislation or practice with regard to timing of discussions or negotiations with employees or their representatives. Accordingly, a primary task is to provide the conditions for change and, with respect for each employee, reduce uncertainty and insecurity, while at the same time ensuring the company's continued competitiveness. In connection with restructuring efforts during the year, approximately 800 employees have been affected, primarily in the UK, the US and Sweden.

#### Composition of the Board of Directors and Group management in 2007

| Gender                 |               |                 |
|------------------------|---------------|-----------------|
| Total number           | of which, men | of which, women |
| Board of Directors: 10 | 8             | 2               |
| Group management: 12   | 11            | 1               |

| Age                    |     |       |     |
|------------------------|-----|-------|-----|
| Total number           | -30 | 30-50 | 50+ |
| Board of Directors: 10 | -   | 2     | 8   |
| Group management: 12   | -   | 4     | 8   |

The proportion of women in senior management totals 7 percent and the proportion of women on the Board totals 18 percent.

#### Training for all employees in Trelleborg's Code of Conduct

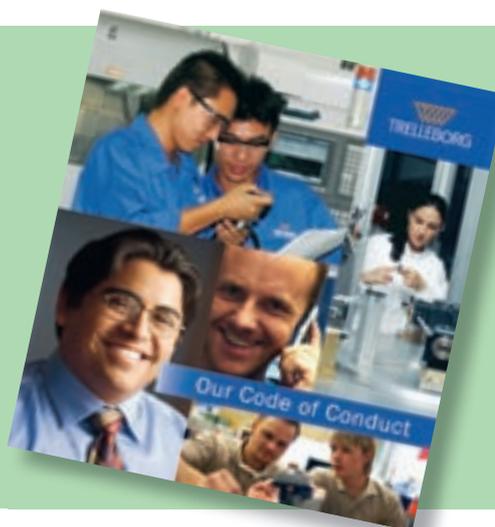
Vigorous efforts commenced in 2007 in training all of the Group's employees in the content of the company's responsibility with regard to the environment, health and safety, ethics and social issues. The brochure containing Trelleborg's Code of Conduct, as well as presentations and other work material, were developed in 27 languages.

"We really want everyone in the company to be able to understand and learn our fundamental rules," says Sören Andersson, Senior Vice President, Human Resources.

For everyone with computer access, a special web-based training program was prepared, which contains various scenarios with a dilemma on which the employee is forced to adopt a position, and a concluding test. At year-end, more than 5,000 employees had undergone the training program.

"The issues were challenging, but it was enjoyable at the same time. I am now familiar with the Code of Conduct," says Eleanor Castillo, Fentek Middle East, a Trelleborg company in the United Arab Emirates. In 2008, Trelleborg employees without access to a computer will undergo similar training, but in a traditional classroom environment.

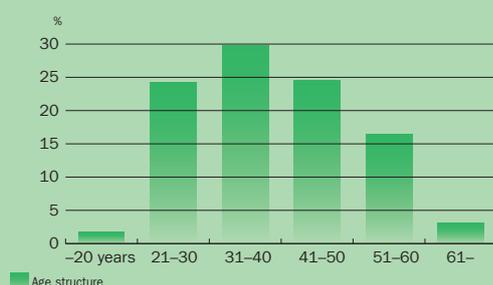
 Download Trelleborg's Code of Conduct at [www.trelleborg.com](http://www.trelleborg.com)



## Average number of employees 2007 – 2006

| Distribution by country         | Men/women  | 2007          | 2006          | Change         |
|---------------------------------|------------|---------------|---------------|----------------|
| USA                             | 2,536/1070 | 3,606         | 2,861         |                |
| France                          | 2,363/716  | 3,079         | 2,781         |                |
| Sweden                          | 1,575/747  | 2,322         | 2,238         |                |
| UK                              | 1,665/463  | 2,128         | 2,310         |                |
| Italy                           | 1,256/267  | 1,523         | 1,297         |                |
| Spain                           | 1,209/310  | 1,519         | 1,350         |                |
| Germany                         | 1,013/329  | 1,342         | 1,310         |                |
| Poland                          | 727/577    | 1,304         | 1,177         |                |
| China                           | 857/233    | 1,090         | 564           |                |
| Brazil                          | 857/85     | 942           | 877           |                |
| Sri Lanka                       | 678/31     | 706           | 823           |                |
| Czech Republic                  | 407/263    | 670           | 607           |                |
| Malta                           | 451/170    | 621           | 648           |                |
| Mexico                          | 310/306    | 616           | 615           |                |
| Denmark                         | 420/134    | 554           | 534           |                |
| India                           | 447/17     | 464           | 389           |                |
| South Korea                     | 346/841    | 430           | 274           |                |
| Norway                          | 283/59     | 342           | 284           |                |
| Turkey                          | 266/17     | 283           | 233           |                |
| The Netherlands                 | 253/25     | 278           | 256           |                |
| Singapore                       | 197/36     | 233           | 235           |                |
| Finland                         | 81/64      | 145           | 85            |                |
| Romania                         | 73/46      | 119           | 33            |                |
| Australia                       | 105/13     | 118           | 87            |                |
| Lithuania                       | 27/84      | 111           | 31            |                |
| Rest of Europe                  | 149/152    | 301           | 208           |                |
| Rest of North and South America | 52/83      | 135           | 231           |                |
| Other markets                   | 127/50     | 177           | 168           |                |
| <b>Total</b>                    |            | <b>25,158</b> | <b>22,506</b> | <b>+ 11.8%</b> |
| Men                             |            | 18,727        | 17,021        | + 10.0%        |
| Women                           |            | 6,431         | 5,485         | +17.2%         |

Age distribution



Trelleborg has operations in approximately 40 countries. About 90 percent of the employees work outside Sweden. The average number of employees rose during the year to 25,158 (22,506), of which 26 percent (24) were women. Salaries and other benefits amounted to SEK 6,662 M (6,014). Personnel turnover (not counting terminations and retirement) varies between countries and facilities, and often reflects the local labor situation. Personnel turnover was 9.5 percent during 2007. The majority of the plants indicate a personnel turnover below 5 percent.

## Values and leadership profile

Trelleborg's four core values – customer focus, performance, innovation and responsibility – constitute continuity in our activities to develop managers and employees.

In 2007, the company renewed efforts to integrate the values in each of the Group's plants. The information and training initiative was supported with recently prepared presentations and printed materials, which were used at local sites or department meetings.

The fundamental values, together with our defined leadership profile, provide guidance in daily work, and also provide support in the recruitment, promotion and evaluation of managers in the Group.

## Diversity and equality

Trelleborg's Code of Conduct states that Trelleborg shall not apply special treatment to employees in regard to employment or work assignments on the basis of gender, religion, age, disability, sexual orientation, nationality, political opinions or social or ethnic origin. During 2007, one case of discrimination was reported and reviewed in the UK. Measures have been taken so that the situation will not repeat itself.

Trelleborg was ranked 105th of 240 Swedish listed companies in Folksam's 2007 Equality Index. Trelleborg received the grade of 2.03 in the industry category "General industries," significantly above the average rating of 1.72. The index is based on the proportion of women in the company, on the Board and in management.

Members of the Board of Trelleborg (seven members) are elected by the Annual General Meeting and in accordance with Swedish legislation, the employees select three Board members (and one deputy, not included in the table on page 22).

## Human rights

### Governance

Trelleborg's policy in the area of Human Rights is primarily regulated by the Group's Code of Conduct (discrimination, freedom of association/collective agreements, child labor, forced labor). The overriding responsibility for issues within the framework of the Human Rights category is borne by the head of Group Human Resources, while compliance in daily work is the responsibility of the line managers. It is also the responsibility of the managers to ensure that training related to the Group's Code of Conduct is included in the employees' training program. The Group conducts training activities and communication to support this. The main tool used for following up the Group's Code of Conduct is self-assessment in accordance with the model presented on page 11, supported by randomly conducted third-party audits.

Human rights, such as child labor and forced labor, are addressed in Trelleborg's Code of Conduct in the section "Fair employment practices." This section states, among other aspects, that Trelleborg will work within its sphere of influence to entirely eradicate child labor, and that the company does not permit illegal work or forced labor, either in its own operations or in those of a supplier or other parties with which the company cooperates.



International surveys and statistics indicate that the following countries with a Trelleborg presence have the greatest potential risk of violation of human rights in the areas of forced labor and child labor: *Forced labor*: Brazil, Russia, China and India. *Child labor*: Mexico, China, India and Sri Lanka.

With regard to human rights, the company is included in Amnesty Business Group's rating that measures the risk of human rights violations. In 2007, Trelleborg showed a result that is in line with the other participating Swedish industrial companies. In the same rating for 2008 (based on interviews conducted in 2007), Trelleborg demonstrated a distinct improvement and achieved an adjusted index figure of 4.1. The index figure indicates how far a company has progressed in its human rights work. The average for other participating industrial companies was 2.9.

#### Talent management

##### Talent review

In 2007, Trelleborg introduced an extensive and restructured talent review process to secure a strong talent base in the Group. The process, which focuses on analyzing performance, potential, and planning for future succession, is obligatory and is carried out in the same way throughout the organization. In 2007, 547 people participated in the process.

An important part of the process is to increase the number of internal work changes between the business areas to increase the Group's opportunities of freeing the potential of the employees and using internal talent in the best way possible. The process is summarized by the Group holding talent review meetings with the respective business areas. The results are then presented to Trelleborg's Board.

The objective is to have a degree of internal recruitment of 75 percent for the four highest levels of management. This figure currently varies from business area to business area, but is around 65 percent in total. Another objective is to employ and develop local employees in all levels in the company to the furthest extent possible.

##### Performance reviews

In performance reviews in the Trelleborg Group, focus is placed on setting goals that are subsequently followed up on a yearly basis. Achievements and career goals are discussed, and individual development plans are prepared.

The objective is to offer all salaried employees documented career development talks by 2010.

##### Development center

Twenty managers from the four top levels of management participated in a shared Trelleborg assessment and development program, held by external consultants. The managers were interviewed, underwent personality analyses and conducted various exercises. The results were summarized in development plans, which established how to best plan for the managers' future. These processes will continue during 2008.

##### Training and development

Trelleborg's fundamental principal for personnel development, as described in the Code of Conduct, is the provision by the company of suitable training to enhance professional skills. Skills development aims to fulfill current and future requirements and strengthen the social and financial opportunities of the individual.

#### Developing talent for the future

The development program TIMP (Trelleborg International Management Program) is a growth platform for a selected number of Trelleborg managers in their first or second managerial positions. TIMP is divided into two seminars, altogether 12 days. The program is carried out with a mix of external and internal speakers.

"TIMP is very important for developing Trelleborg talent, and it emphasizes factors that will contribute to our future success," says Anna-Carin Flodell, Manager in Trelleborg. "The program enhances the value-based, target-oriented leadership style we support in the Group."

TIMP shall reflect the tasks and areas of responsibility included in a general management role in Trelleborg. It covers areas such as strategy, leadership, people management, finance, customer focus and operations management.



#### New recruitment ads

During the year, Trelleborg introduced a new concept for recruitment advertising. A part of the on-going employer branding work is to position Trelleborg as an employer that wants to attract, develop and retain the best people. The aim of the new ads is to strengthen and raise awareness of the Trelleborg brand.

Malin Svensson, HR Director at Trelleborg Waterproofing in Höganäs, Sweden, has used the web-based tool several times: "Using this tool eliminates several links which naturally saves a lot of time. I send the ad directly to the newspaper," Malin explains. "We have had an excellent response to our ads and have received a high number of applications," she says.

The average number of training hours per employee at the Group's production units in 2007 was 15.2 hours (13.7). Per category, the hours are distributed as follows: 24.1 hours for employees within the management category, 19.2 hours for employees within administration, and 15.1 hours for employees within production.

In 2007, the Group introduced a new obligatory development program for senior executives called the Senior Executive Program (SEP). In total, 45 executives (43 men and two women) participated in the program in 2007, and in 2008, another three programs with 50 new participants will be carried out. The ambition is to develop the ability to think strategically and to implement chosen measures.

The Trelleborg International Management Program (TIMP) is a well-established training program for middle managers in Trelleborg. The program was revised for 2008. The objective is for participants to receive an insight into all general managerial duties, such as strategy, finance, marketing, operations, leadership and personnel issues. During 2007, 40 managers (32 men and eight women) participated in the program.

A customized Trelleborg training course in project management was also introduced in 2007. To date, 29 managers (22 men and seven women) have taken the course, which will also be offered in 2008.

#### ***Job Market***

Job Market is a web-based tool, where all available positions are advertised on Trelleborg's intranet. In 2007, 275 positions were advertised on Job Market. The tool is a part of efforts to increase dynamics in the form of internal recruitment and work rotation within the Group.

#### ***Salary and rewards***

An important factor to ensure the Group's long-term success is to have a system of rewards that takes the employees' performance into account. The scope of this is outlined in the global and Group-wide Compensation and Benefits Policy. The basis of the policy is that the compensation structure is founded on a systematic evaluation system for work content and performance.

# Responsibility to **customers** and **suppliers**

## Governance

Trelleborg's policy in this area of Market-related issues is principally regulated by the Group's Code of Conduct (legal compliance, bribes), the Anticorruption policy and the Competition Act policy (restrictive trade). For the area of Products, see the separate section on governance on page 27.

The overriding responsibility for issues is borne by the head of Group Human Resources (Code of Conduct), Group Legal Department (anticorruption, competition act), Corporate Communications (communications policy, sponsorship recommendations), while compliance in the daily work is the responsibility of the line managers.

It is also the responsibility of the managers to ensure that training related to the Group's Code of Conduct is included in the employees' training program. The Group conducts training activities and communication to support this, in addition to training within the area of competition legislation. The main tool used for following up the Group's Code of Conduct is self-assessment in accordance with the model presented on page 11, supported by randomly conducted third-party audits.

## Corruption

Bribery and corruption are unacceptable behaviors, as is affirmed by the Group's Code of Conduct. In 2007-2008, Trelleborg is conducting comprehensive training within the Group with the goal of making all employees aware of the Code of Conduct and its contents (see page 22). One of the Code's main messages clearly addresses the issue of bribes/corruption.

## Competition

During the year, two of Trelleborg's subsidiaries in France and the US became the subject of investigations by competition authorities in the US, EU, UK, Brazil and Japan.

The two former managers of one of the Group's French subsidiaries pleaded guilty to cartel offences in the oil hose industry. They have come to an agreement with the US Department of Justice regarding fines and prison sentences and began serving their sentences in January 2008 in the US. The managers concerned were dismissed and no longer work for the Trelleborg Group. In a competition investigation pertaining to fender operations, three Americans have pleaded guilty, including the former president. These three individuals no longer work for the Trelleborg Group.

Trelleborg continues to assist the authorities with their investigations and to take the necessary measures in conjunction with these issues.

Information and assessments announced earlier concerning the possible impact on the Trelleborg Group stand firm. It is still impossible to accurately assess the final financial impact of the authorities' investigations. However, based mainly on the assessment of Trelleborg's external legal representatives, it can be assumed that the ongoing investigations may lead to the Group incurring significant costs of a nonrecurring nature in gradual stages during 2008. Currently, all estimations of the possible financial impact involve considerable uncertainty, but the potential combined financial impact could reach amounts that correspond to a predominant proportion of the Group's pre-tax profits for 2006. Trelleborg takes a very serious view of competition law infringements and already has a very clear and well-communicated set of rules and regulations regarding compliance with applicable competition legislation. However, as a result of events, the Board of Directors and management also decided on an aggressive strengthening of the existing action program aimed at further increasing knowledge of applicable competition rules and further strengthening the Group's internal processes and control systems.

### Action program in the area of competition

Trelleborg's Code of Conduct and training in the Code for all employees contain separate sections about competition issues. The Group also has a specific program on competition issues (the Trelleborg Competition Law Compliance Program), which covers the communication of the Group's clearly formulated policies, training, e-learning on the intranet and a newsletter. The company also has a whistle-blower policy in place, which can be used by all employees upon suspicion of impropriety.

Due to events that occurred in 2007 (see above), the Board and the management approved a strengthened action program which was commenced during the year. The Group's General Counsel was appointed as Compliance Officer, responsible for implementing, supporting and developing this strengthened action program.

The program, which is followed up and reported back to the Board, includes a review of agreements in particularly vulnerable environments, legal reviews of the subsidiaries and a review of trade organizations. In addition, the program focuses on ensuring that everyone in the organization understands how competition law works, what is legal/illegal and that cartel behavior is entirely unacceptable in the Trelleborg Group.

- An in-depth presentation of this program for the Group's senior executives (about 150) took place at a management conference in June 2007.
- All relevant employees shall also confirm in writing that they have read and understood the company's policy.

- All managers must participate in competition seminars and individual certificates will be issued. To date (February 2008), more than 30 full-day seminars and the training of 670 managers in the primary target group have been held.
- All new managers must participate within six months of employment.



Costs for the approved action program were expensed continuously. Costs incurred for the ongoing action program, combined with the accumulated and estimated costs of the investigations in progress, were charged against full-year operating profit in an amount of SEK 86 M. The previously communicated estimation that the total costs would amount to about SEK 100 M remains.

The investigations are expected to be completed during 2008.

### Suppliers

There is no specific policy relating to how large a proportion of total purchases must be made from local suppliers. Due to the Group's decentralized structure, the selection of a supplier is always conducted at a local level. However, if there are Group agreements in place, these are generally used.

Most of the Group's units examine the environmental/sustainability performance of suppliers. Trelleborg's objective for the future is to work with suppliers that support our quality requirements and business principles, and to include requirements with respect to compliance to our extended Code of Conduct in all supplier contracts. Training of all Trelleborg purchasing managers in this area is planned for the first half of 2008. The ensuing audit of suppliers will take place with the aid of self-evaluations in relation to Trelleborg's Code of Conduct and visits, and is planned so as to prioritize the clearest risks first. Examples of such risks are chemicals, finished products and components from medium and high-risk countries, as well as natural rubber.

In 2007, the relationships with two suppliers in Turkey were discontinued due to their not holding requisite environmental licenses.

### Transports

More than 90 percent of Trelleborg's raw materials and finished products are transported by truck. The Group engages transport companies that can take care of the freight in an effective and safe manner. The most significant environmental impact of the transports is the emission of carbon dioxide due to the use of fossil fuels.

Starting in Sweden, Trelleborg is participating through Trelleborg Industri AB in the cooperative project Forum for

Sustainable Transports, in which the players work to establish transports on the company's sustainability agenda. The objective is to provide buyers of heavy road transports with a tool for more sustainable transports based on five grounds for assessment: finance, transport requirements, the environment, safety and degree of effectiveness. The basic idea behind the tool is that purchases of heavy transports must be viewed as a part of corporate responsibility. The project is cross-industry and was launched in 2006 by the Swedish Road Administration, Trelleborg Industri AB, Perstorp AB, Stena Gotthard and Strålfors. Preem Petroleum AB and Södra Skogsägarna have joined since.

An initial version of the tool is to be launched in 2008.

### Products

#### Governance

Trelleborg's commitment with regard to product liability is generally governed by the Group's Code of Conduct (Product quality and product safety) and the Environment, Health and Safety Policy. Each business area is in charge of product development and the associated product-responsibility matters and, since requirements differ considerably between various customer and product segments, and consequently, it is important that these matters are adapted to each market. Ultimate responsibility is borne by each of the business area Presidents. Each line manager is responsible for ensuring that personnel with responsibility for these matters have the relevant training and access to current information on laws and other requirements, in addition to market and customer-specific requirements and systems.

#### Product development with responsibility

When developing new products, consideration is always given to legislative and customer requirements as well as environment, health and safety aspects in the manufacturing stage and in the user stage where relevant. The development work is generally conducted in close cooperation with the customer.

Many of Trelleborg's products are used in demanding environments, which places considerable demands on input materials. To achieve the desired properties, various additives are used. Some of the substances used are classified as environmental



### Tools of Sustainable Transports

"Transportation of goods is an important part of society as we know it, but we can limit its impact on the environment," says Jose Luis Losa, Trelleborg's Group Environmental Manager. "The elements we can control – safety and emissions – are areas where we can decide what is acceptable and what is not."

Forum HT, Forum för Hållbara Transporter, or Forum for Sustainable Transport, ([www.transportupphandling.se](http://www.transportupphandling.se)), is a Swedish network made up of six freight buyers, and Vägverket, the National Swedish Road Administration, to link buyers and sellers of freight services via an Internet-based tool to rate and compare documented environmental and safety records of freight companies.

So far, participating freight buyers, in addition to Trelleborg, are Perstorp, Stena, Strålfors, Preem and Södra Skogsägarna.

"This website is a structured tool to step up the minimum requirements for everybody and show how we can improve in the coming years," says Losa.

The Swedish [transportupphandling.se](http://transportupphandling.se) website is a forum where freight buyers such as Trelleborg can audit their transport subcontractors and share this information with others – everything from driver safety procedures and reducing return trips with an empty load to keeping the speed limit.

"We know that 86 percent of truck accidents in Sweden have to do with driving above the speed limit," says Losa. "We want freight companies to show us documented procedures on how to avoid this."

and/or health hazards. Within Trelleborg, work is continuously conducted to gradually substitute these substances with alternatives that are better in terms of the environment and health. Examples of materials that have been partially or entirely substituted are substances containing hexavalent chromium, lead, cadmium, toluene, polyaromatic oils and solvent-based substances for surface treatment.

The overwhelming share of the Group's products entail very limited risks in their application. However, the Group also develops products and systems for certain safety-critical environments. Trelleborg conducts extensive safety efforts regarding products manufactured for particularly demanding environments or which otherwise entail increased risk.

#### Product information

Trelleborg provides product information in the form of labeling, safety data sheets, IMDS declarations and environmental

declarations that meet the requirements set by the respective customer or market. Many customers have specific requirements with regard to the products' environmental characteristics and input components, such as the automotive and construction industries. Industry or customer-specific limitation lists also exist for chemicals. Under the EU directive on the end life of vehicles (the ELV directive), requirements are placed on the recyclability of components included in cars. Therefore, in accordance with the requirements from world-leading car makers, Trelleborg supplies environmental declarations as per the Global Automotive Declarable Substances List (GADSL) in the shared International Material Data System (IMDS) for all products supplied in this segment.



#### Avoiding the threat against St. Petersburg

Last January, St. Petersburg was flooded for the 302nd time in its 303-year history. The water level rose more than two meters above normal, flooding some of the streets bordering the waterfront.

St. Petersburg is situated at the point where the Neva River flows into the Gulf of Finland, so when strong winds in the gulf blow eastwards, they act as a barrier against the Neva flowing westwards. As a result, the waters can rise in only a few hours, threatening St. Petersburg's 4.6 million people and its priceless historical sites, such as the world-renowned Hermitage Museum.

In 2003, Russian president Vladimir Putin, a native of St. Petersburg, ordered an important project to restart: a storm flood barrier that consists of a 25-kilometer dam, six discharge sluices and two navigation channels. As the barrier will be part of the ring road around the city, a tunnel, 17 meters under the flood gates, has been designed to pass under the main channel.

"Our contribution is the design of a sealing system that connects the tunnel sections," says Erwin Brakenhoff, Trelleborg Bakker (a part of Trelleborg Engineered Systems).

"These were the biggest seals we have ever manufactured, as they are 750 millimeters thick, and sufficiently resistant that they will protect the tunnel from water flooding in under high pressure. Previously, the thickest we had made were 400 millimeters thick," explains Erwin Brakenhoff.

Construction of the St. Petersburg dam is scheduled for completion in 2008.

#### Properly clothed in emergencies

"A Chemical Protective Suit isn't just a piece of equipment," says John Eklund, Senior Sales and Product Manager, Trelleborg Protective Products, and a 24-year veteran in the industry. "It is a life-support system. It can never fail. Otherwise there could be serious consequences for the user and for Trelleborg."

Product quality and product performance have made Trelleborg Protective Products one of the world's leading producers of protective clothing and products for the fire rescue, law enforcement, chemical, defense and shipping industries.

Trelleborg develops and manufactures chemical protective suits, dry diving suits, inflatable shelters and a wide range of other products under such renowned brand names as Trelchem®, Viking and TrelTent®.

There are two main reasons for Trelleborg's leading position.

"Most of our competitors in Europe make CPSEs from materials they buy, and our competitors in the US make disposable 'suit-in-suit' CPSEs," Eklund says. "We, on the other hand, have solved the single-skin, one-layer, reusable suit whose materials – advanced polymeric, multi-layer laminates and textiles – we have developed in-house. We control the whole chain."

In early 2008, Trelleborg Protective Products received a prestigious order from the US Marine Corps for 1,000 Level A, first-response suits.

Stringent third-party standards certify such gear according to permeation resistance, exposed time and type of chemical. The two main standards – NFPA 1991 in the United States and EN 943 in Europe – differ in that the US standard tests on abraded material, which, says Eklund, is closer to what really happens in a chemical spill.



# Responsibility to **society** and the **community**

## Governance

Trelleborg's policy in this area is principally regulated by the Group's Code of Conduct (Compliance with laws) and the Communications policy and Sponsorship recommendations (contributions/lobbying). The overriding responsibility for issues is borne by the managers of Group Human Resources (Code of Conduct), Group Legal Department (compliance with laws), Corporate Communications (communications policy, sponsorship recommendations), while compliance in the daily work is the responsibility of the line managers. It is also the responsibility of the managers to ensure that training related to the Group's Code of Conduct is included in the employees' training program.

The Group conducts training activities and communication to support this, in addition to training within the area of competition legislation.

The main tool used for following up the Group's Code of Conduct is self-assessment in accordance with the model presented on page 11, supported by randomly conducted third-party audits.

## Political contributions

Trelleborg's recommendations with regard to all types of association and experience-based marketing, such as sponsorship, event marketing, social and humanitarian activities, state that the company does not sponsor political or religious organizations.

## Trade associations

Trelleborg is a member of national industry associations in a number of countries and these also include cooperation in environment and health and safety issues. At a European level, Trelleborg is affiliated with ETRMA, the European Tyre and Rubber Manufacturers Association, and participates in work groups addressing such issues as the environment and work environment, and chemicals. In Sweden, Trelleborg is a member of the Swedish Plastics and Chemicals Federation.

## Social commitment

Trelleborg participates in numerous social activities, which are often based locally and involve cooperation with neighbors, interest groups, authorities and sports clubs. In the case of sports clubs, there are many examples of how the company supports youth work. Within the education area, Trelleborg cooperates with several universities and schools, which involves regular contact with researchers and students. Trelleborg's cooperative partners include Université de Nantes, France, Fachhochschule Koblenz, Germany, LUISS in Rome, Italy, Western Michigan University, in the US, Malta University, Malta, the University of Derby and Trent Technical College, in the UK, and the International Institute for Industrial Environmental Economics and Chalmers University of Technology, in Sweden. Over the years, a large amount of research and many degree projects have been performed at Trelleborg's plants with specializations in such areas as the environment.

In addition, Trelleborg has a learning partnership with Lund University School of Economics and Management, involving the sponsorship of two postgraduate appointments. Trelleborg prioritizes sponsorship that is beneficial to society and the Group's operating environment and that supports our values and strengthens our relations with customers and other partners.

Cooperation extending over a number of years with Save the Children was initiated in 2006. This comprises yearly support for the charity organization and forms part of Trelleborg's ambition to assume an increased global social responsibility by contributing to children's development and education.

Support and assistance in social, environmental and health-related activities at the local level can be found at almost all of Trelleborg's production plants, which is in agreement with our Code of Conduct that states that we should contribute to a better society by supporting the local community in which we are active. Local sports clubs (especially youth teams), scouts and other youth activities, as well as collections for cancer, research are among the most common sponsorship activities in which

## Grassroots support

Trelleborg Automotive in South Haven, Michigan, raised USD 5,000 for the American Cancer Society in 2007 through fund raising and participating in the Relay for Life 24-hour walking event.

The Relay for Life is the American Cancer Society's signature activity. At its core, the Relay for Life is a community activity that is held across the US to fight cancer and help raise awareness of cancer prevention and treatment.

"But it is also a lot of fun to participate in," says Bianca Bihn, who works in finances in South Haven, and who was captain of last year's team. "We organize bake sales and chili cook-offs beginning in February, and then at the actual event in June there are usually a lot of other activities, like musical chairs, refreshment tents and so on."

Usually held at a high school, park or fairground, the relay brings together ad hoc local teams from companies, organizations and families to walk or run around a track for a 24-hour period. Each team has to have one person walking at all times.

In 2007, 29 employees from the South Haven office participated in the walk. It was held at a high school running track in the town of Bangor on June 9–10. In 2008, the relay will be held on June 7–8.

Dr. Gordy Klatt, a Tacoma, Washington, colorectal surgeon and marathon runner, started the Relay for Life event in 1986 to raise money for the American Cancer Society and to show support for his patients who had battled cancer.

The legacy lives on.



Trelleborg participates. In addition, Open House activities are common, during which the company invites the public, neighbors or families of the employees.

A small selection of the activities from 2007 includes support for: Haley's Heroes Fundraiser Against Cystic Fibrosis (Broomfield, US), food and toys conveyed through the Lions Club (Guarulhos, Brazil), Guelph General Hospital Teddy Bear Campaign (Guelph, Canada), the Leukemia and Lymphoma Society (Houston, US), the Industry-5 photo project (Tauragė, Lithuania), a local preschool for disabled children and the Hradek festival (Hradek, Slovakia), the Cospigua scouts (Hal-Far, Malta), the Yorkshire Children's Heart Surgery Fund (Knaresborough, UK), and AECC, a Spanish organization against cancer (Cascante, Spain).

### Communication

One of the central communication goals is to contribute to Trelleborg acting as a good and responsible corporate citizen and, in line with this, mediate a relevant image of operations.

Trelleborg's communication shall conform to applicable legislation, regulations and standards.

- It shall be characterized by a close relationship with the company's stakeholders and be founded on regular contact, clarity and strong ethics.
- It shall be transparent and honest.
- It shall be planned and systematic.

The Group's management of crisis communication shall be reviewed in 2008.

With regard to Trelleborg's marketing communications, the company is a member of the Association of Swedish Advertisers and follows its ethical rules, which extend further than only regulating the business relationship between the advertiser and agency. These rules also regulate the responsibilities of the parties toward the community, citizens, consumers, employees, colleagues and investors. Advertising shall be compatible with social, financial and environmental aspects.

### Value creation for shareholders

Trelleborg's business generates value that is widely distributed between various stakeholders, such as suppliers of goods and services, employees, shareholders, banks and other providers of credit, and society in the form of taxes. In 2007, a total of SEK 29,400 M was distributed across the different groups of stakeholders as per the diagram to the right.

Next to suppliers of materials and services, the bulk of this value benefits employees in the form of salaries and other remuneration.

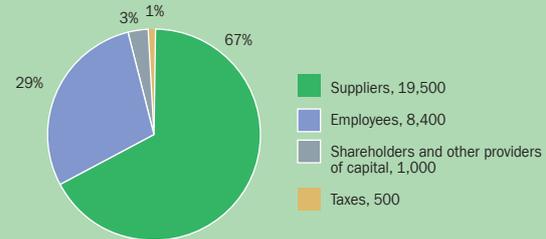
The Group's dividend policy to shareholders is that, over the long term, the dividend should amount to between 30 and 50 percent of net profit for the year. The proposed dividend is SEK 6.50 per share (6.00) for the 2007 financial year, corresponding to about SEK 587 M.

A portion of this added value has been used for investments to enhance the environment and work environment. In 2007, these investments amounted to SEK 96 M (77). See also under "Environment and health and safety-related costs and investments."

### Value creation and distribution

Of the value generated by Trelleborg's business in 2007, SEK 29,400 M was distributed between various groups of stakeholders.

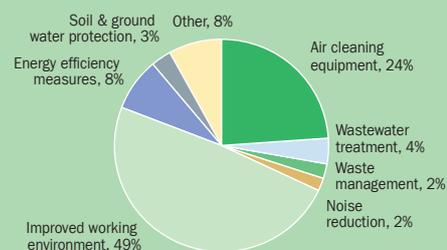
Value distribution, SEK M



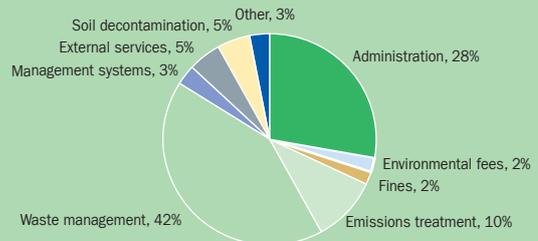
### Environment and health and safety-related cost and investments

In 2007, a total of SEK 96 M (77) was invested in environmental, health and safety improvement measures. Environmental, health and safety costs amounted to SEK 133 M (114). At the same time, environmental improvement measures generated cost savings of SEK 21 M (37).

Distribution of environment, health and safety-related investments



Distribution of environment and health and safety-related expenses



**Rädda Barnen**

Save the Children

### Trelleborg in cooperation with Save the Children

As part of its global social responsibility, Trelleborg is working together with Save the Children on an international basis.

Save the Children has a presence in 120 countries and is focused on protecting children in war situations and other crises. This is achieved through direct aid efforts, mainly through its own organization for disaster assistance.

Save the Children projects currently under way include:

- Teaching in Sudan (Darfur)
- New schools for children in Pakistan

# CR performance – Business Areas



## Trelleborg Engineered Systems\*

Engineered solutions that focus on the sealing, protection and safety of investments, processes and individuals in extremely demanding environments.

### Organization and management system:

- Net sales 2007: SEK 11,745 M (9,310).
- Average number of employees in 2007: 6,836 (5,729)
- 37 (39) production plants in Europe, North America, Australia and Singapore.
- The largest plant is located in Clermont-Ferrand (France), with about 670 employees. The majority of units are small, with between 50 and 150 employees.
- Head office in Trelleborg, Sweden.
- 31 plants certified in accordance with ISO 14001.



## Trelleborg Automotive

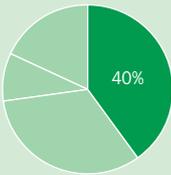
Polymer-based components and systems used for noise and vibration damping for passenger cars and light and heavy trucks.

### Organization and management system:

- Net sales 2007: SEK 10,299 M (9,327).
- Average number of employees in 2007: 9,151 (8,423) .
- 37 (39) production plants in Europe, North and South America and Asia.
- 25 (20) plants have more than 150 employees and nine (eight) have more than 300 employees. The largest plant is located in Guarulhos (Brazil) with about 840 employees.
- Head office in Trelleborg, Sweden.
- 34 plants certified in accordance with ISO 14001.

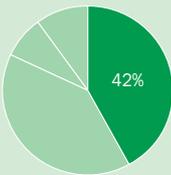
### Energy consumption, share of Group total

617 GWh



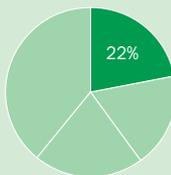
### Waste, share of Group total

32,410 tons



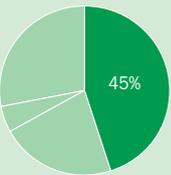
### Water consumption, share of Group total

1,028,867 m<sup>3</sup>



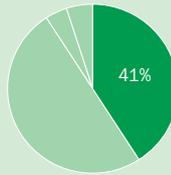
### CO<sub>2</sub> emissions, share of Group total

65,884 tons



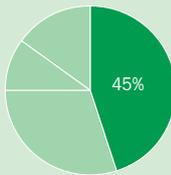
### VOC emissions, share of Group total

644 tons



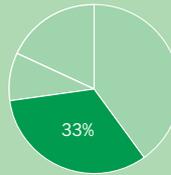
### Environment and health and safety-related investments, share of Group total

SEK 43.5 M



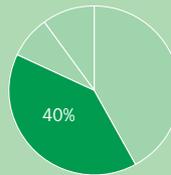
### Energy consumption, share of Group total

502 GWh



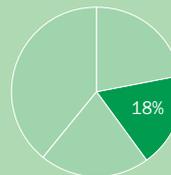
### Waste, share of Group total

30,889 tons



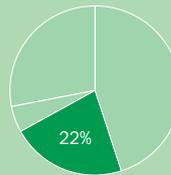
### Water consumption, share of Group total

833,749 m<sup>3</sup>



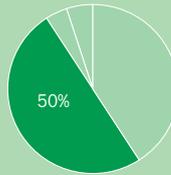
### CO<sub>2</sub> emissions, share of Group total

31,662 tons



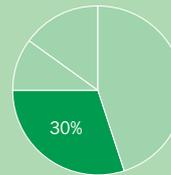
### VOC emissions, share of Group total

779 tons



### Environment and health and safety-related investments, share of Group total

SEK 28.7 M



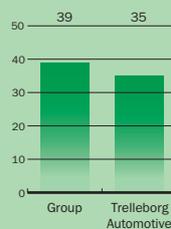
### Work-related accidents >1 day absence/1,000 employees



### Significant events in 2007:

- Certification in accordance with ISO 14001 in Clearbrook (US), Lodi Vecchio (Italy) and Lesina (the Czech Republic)
- Safety@Work Blue Grading audits performed at 37 plants
- Several facilities with plans in place to phase out hazardous substances. The most significant was the phasing out of lead in Havdhem (Sweden), Minworth (UK), Ridderkerk (the Netherlands) and Rutherfordton (US), and of harmful accelerators in Clermont-Ferrand (France) and Örebro (Sweden).
- 50-percent reduction in water consumption in Brisbane (Australia).
- Reduction in energy consumption through economy measures in Brisbane (Australia), Forsheda (Sweden) and Santander (Spain)
- Improved waste management in Leicester (UK), Izarra II (Spain), and Trelleborg II (Sweden).

### Work-related accidents >1 day absence/1,000 employees



### Significant events in 2007:

- Safety@Work Blue Grading audits performed at 32 plants
- Reduction in energy consumption through economy measures in Breuberg (Germany), Cirié (Italy), Hradek (the Czech Republic) and Morganfield II (US),
- Improved waste management at Cerkesköy (Turkey), Benton Harbor (US), Martorell (Spain), Noida (India), Peru (US), Prodyn (France) and Walbrzych (Poland).
- Several facilities presented plans for the phasing out of hazardous substances. The most significant of these were Breuberg (Germany), Modyn and Nantes (France), Wuxi (China) and South Haven (US).



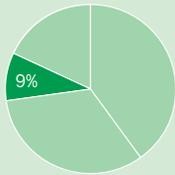
**Trelleborg Sealing Solutions**  
Precision seals for the industrial, aerospace and automotive markets.

**Organization and management system:**

- Net sales 2007: SEK 5,844 M (5,389).
- Average number of employees 2007: 4,347 (4,339).
- 27 (27) production plants in Europe, North and South America, and India.
- The majority of the plants have 50-150 employees. Three units have more than 300 employees. The largest plant is located in Hal-Far (Malta) with approximately 600 employees.
- Head office in Copenhagen, Denmark.
- 21 units certified in accordance with ISO 14001.

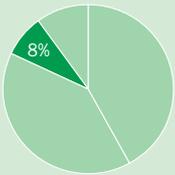
**Energy consumption, share of Group total**

134 GWh



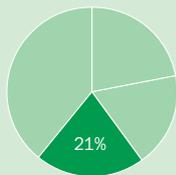
**Waste, share of Group total**

5,867 tons



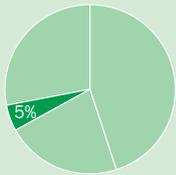
**Water consumption, share of Group total**

980,477 m<sup>3</sup>



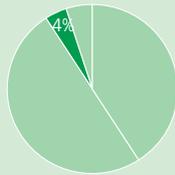
**CO<sub>2</sub> emissions, share of Group total**

7,022 tons



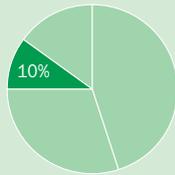
**VOC emissions, share of Group total**

59 tons



**Environment and health and safety-related investments, share of Group total**

SEK 9.6 M



**Work-related accidents >1 day absence/1,000 employees**



**Significant events in 2007:**

- ISO 14001 certification in Bangalore (India) and Livorno (Italy).
- Reduction in energy consumption through economy measures in Fort Wayne (US), Guelph (Canada) and Rotherham (UK).
- OSHA Voluntary Protection Program for Broomfield (US).
- Sharp decline in work-related injuries in Fort Wayne (US), Hudson Medical (US), Morganfield I (US) and Tewkesbury (UK).
- Safety@Work Blue Grading audits performed at 25 plants.
- Noise-reduction program in Shanghai
- Implementation of program to reduce waste in Czechowice-Dziedzice (Poland), Tijuana (Mexico) and Northborough (US).
- Substitution of hazardous chemicals implemented in Bridgewater (UK), Condé sur Noireau (France), Hal-Far (Malta), Helsingör (Denmark) and Skellefteå (Sweden).



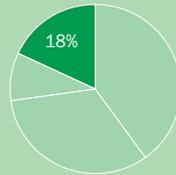
**Trelleborg Wheel Systems**  
Tires and complete wheel systems for farm and forest machinery, forklift trucks and other materials-handling vehicles.

**Organization and management system:**

- Net sales 2007: SEK 3,248 M (3,145).
- Average number of employees in 2007: 1,799 (1,717).
- Six (six) production plants in Europe, the US and Sri Lanka. Three of these units have more than 200 employees. The largest plant is located in Kelanyia (Sri Lanka) with 740 employees.
- Head office in Tivoli, Italy.
- Six plants certified in accordance with ISO 14001.

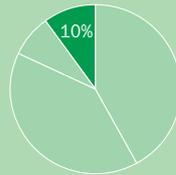
**Energy consumption, share of Group total**

266 GWh



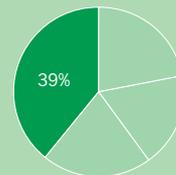
**Waste, share of Group total**

7,455 tons



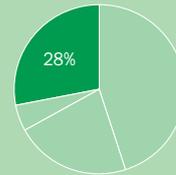
**Water consumption, share of Group total**

1,765,916 m<sup>3</sup>



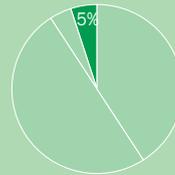
**CO<sub>2</sub> emissions, share of Group total**

41,641 tons



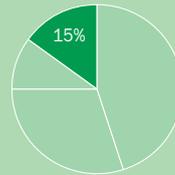
**VOC emissions, share of Group total**

74 tons

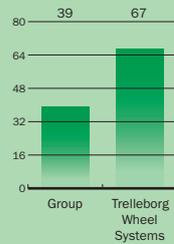


**Environment and health and safety-related investments, share of Group total**

SEK 14 M



**Work-related accidents >1 day absence/1,000 employees**



**Significant events in 2007:**

- Safety@Work Blue Grading audits performed at six plants
- 37-percent reduction in water consumption in Tivoli (Italy) due to the installation of a recirculation system.
- Noise-reduction program in Sävsjö (Sweden).
- Substitution of hazardous chemicals implemented in Tivoli.

# About Trelleborg's Corporate Responsibility Report

For information regarding the external verification of the CR report, refer to page 2.

## Scope

The Trelleborg Group's Corporate Responsibility Report (formerly known as Sustainability Report) is published annually in April and covers aspects 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, as well as their business-related consequences. The intended target groups are shareholders, investors, employees, customers and suppliers, authorities, NGOs, the media and local stakeholders.

The report follows the GRI (Global Reporting Initiative) Guidelines for sustainability reporting, version G3. The CR report is published annually in conjunction with the annual report and is available at [www.trelleborg.com/CR](http://www.trelleborg.com/CR). Prior years' environmental and sustainability reports are also available from this website.

The report for the preceding year was published in April 2007. Unless stated otherwise, the data presented refer to the 2007 calendar year. The figures for the preceding year (2006) are shown in parentheses. The report covers all of Trelleborg's production facilities, in total 125 (127) sites. A complete list of the sites included is provided on page 40.

Plants that were acquired or newly established during the year are included in the report for the portion of the year that they were officially part of the Group. This applies to Dej (Romania), Tauragė (Lithuania) and Kuressaare (Estonia). Plants that were divested or where operations ceased during 2007 are included in the report until the date that they were no longer part of the Group. This applies to the plants in i Ashchurch (UK), Coventry (UK), Dawson (US), Runcorn (UK), Rydaholm (Sweden) and Trowbridge (UK).

## Definition of report content

The information and key figures included in this report have been selected based on GRI's Core Indicators and with guidance from GRI's principles on definition of report content. The focus of the report has been directed toward the indicators that represent the significant CR/sustainability aspects of Trelleborg's operations. In 2007, a materiality analysis was conducted in which external and internal

stakeholders were given the chance to submit their views on what aspects they believed were most important for Trelleborg to consider and report. The outcome of this analysis has been taken into account in this report in so far as the aspects that were identified as being most important by stakeholders have been assigned priority in terms of space allocated.

The significant CR/sustainability aspects in the risk-opportunity summary on pages 14-15 were identified and prioritized based on the same criteria, that is, potential impact on the environment, people and society, risk and strategic importance. This work was performed under the direction of the materiality analysis conducted in 2007, GRI's principles, ISO 14001, laws and other requirements, internal and external expertise and in dialogue with the authorities and other stakeholders.

The report's structure coincides with the structure in Trelleborg's Code of Conduct: the first section deals with responsibility for the workplace and environment, the second with responsibility to customers and suppliers, and the third and final section with responsibility to society and the community.

It is the company's aim to continue to develop the report in line with Global Reporting Initiative guidelines, our Code of Conduct and the UN Global Compact.

The design of the report has taken into consideration the opinions presented in conjunction with active stakeholder dialog and by the stakeholders who monitor the progress of Trelleborg's CR activities. We view these opinions as valuable contributions to the continuous improvement of this CR report.

## Boundaries

The report primarily encompasses operations within the Trelleborg Group that are significant from a CR/sustainability perspective. This also includes joint-venture companies. Operations that are outside the direct control of the company, such as the suppliers of goods and services (for example, transportation and raw materials), are not included in the figures.

The information upon which the report is based is collected from production plants, which represent approximately 89 percent of the total number of employees in the Group. The report does not encompass distribution facilities, warehouses, offices or other operations that have limited or no direct impact on the environment. Given that

workplace and social performance are equally as important for these units as for others, the ambition is that reports will also include accounts from these sources from 2009.

## Method

Each plant reports information in accordance with the Group standard for CR reporting.

The manager of each facility is responsible for the correctness and quality assurance of the data provided. In addition, further quality controls are performed by the Group's Environmental and HR staff 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.

A selection of key figures critical to the operations contained in the sustainability report is externally verified.

## Key figures and calculations

Key figures in this report have been defined based on GRI's indicator protocols and are described in the Group's CR reporting manual, which contains the guidelines for reporting by the local units.

In the case of carbon dioxide, sulfur dioxide and nitrogen oxide emissions resulting from the burning of fossil fuels, conversion factors based on the energy content and quality of the fuel used are employed. In 2007, the conversion factors were revised, and in doing so, values from prior years were adjusted to the new factors to facilitate comparability. As sources for the calculation of the new factors, the Group used the Greenhouse Gas Protocol ([www.ghgprotocol.org](http://www.ghgprotocol.org)), UNEP Guidelines for Calculating Greenhouse Gas Emissions for Business and Non-Commercial Organizations and IPPC Guidelines for National Greenhouse Inventories (2006). Adjustments were also made to water. In 2007, figures relate only to industrial water and consumption has also been adjusted for earlier years to facilitate comparability.

Figures for emissions of VOCs (volatile organic compounds) are based on measurements at the plants where they occur, but in most cases, VOC emission data is based on mass-balance calculations. The most important key figures are reported in absolute figures and relative to sales to provide a view of trends in these key figures in relation to the expansion of the operations.

## Contact:

Viktoria Bergman, Senior Vice President, Corporate Communications. Tel: +46 (0)410-670 00. E-mail: [viktoria.bergman@trelleborg.com](mailto:viktoria.bergman@trelleborg.com)  
Rosman Jahja, Communications Manager. Tel +46 (0)410-670 34. E-mail: [rosman.jahja@trelleborg.com](mailto:rosman.jahja@trelleborg.com)

## Assurance report

### To the readers of the Trelleborg Corporate Responsibility Report 2007

At the request of the management of Trelleborg AB (publ), we have performed a limited review of the performance indicators CO<sub>2</sub> emissions (page 18), VOC emissions (page 19), Total waste (page 21), Work-related accidents (page 22), Training hours per employee (page 25), and Sustainability-related expenditures (page 29) in the Trelleborg Corporate Responsibility (CR) Report 2007.

The purpose of our limited review is to express whether we have found any indication that the information is not, in all material aspects, reported in accordance with the criteria developed and stated by Trelleborg. The limited review has been performed in accordance with the FAR SRS (the institute for the accountancy profession in Sweden) draft standard on independent limited reviews of voluntary separate sustainability reports.

Sustainability issues and any reporting thereon are the responsibility of Trelleborg Group Management. Trelleborg's Corporate Communications assumes the overall responsibility for the external reporting of sustainability information, while Group Legal, Corporate Communications and Human Resources functions are responsible for gathering the information. Our task is to express an opinion, based on our limited review, on the selected performance indicators on the above-mentioned pages of the Trelleborg CR Report 2007. It is also our task to express an opinion on the B+ GRI (Global Reporting Initiative) Application Level, which has been self-declared by Trelleborg on page 2 of the CR Report 2007.

The selected performance indicators have been prepared in accordance with Trelleborg's principles for calculation and disclosure, which also constitute the criteria upon which our limited review has been based. Trelleborg's self-declaration of GRI Application Level B+ is based on the GRI Guidelines and guidance on Application Level, which also form the criteria for our review.

The scope of our limited review procedures included the following activities:

- Discussions with management to obtain information on material incidents and activities during the period to which the report pertains.
- Review of the principles for calculation and disclosure of the selected performance indicators.
- Overall review of the Group's systems and routines for the registration, accounting and reporting of the selected performance indicators.
- Visits to two sites (Houston, USA and Skellefteå, Sweden) and to relevant departments at Group level in order to assess whether the performance indicators, in all material aspects, are reported and aggregated in a standardised format and in accordance with Trelleborg's reporting principles.
- Review of underlying documentation, on a test basis, to assess whether the selected performance indicators in the Trelleborg CR Report 2007 are based on that documentation.
- Review of the contents of the Trelleborg CR Report 2007 in relation to the criteria for Application Level B+ in the GRI Sustainability Reporting Guidelines.

We have reported the ongoing results of our review to Corporate Communications and to the Environment department within Group Legal.

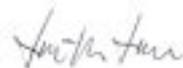
Based on our limited review procedures, nothing has come to our attention that leads us to believe that either the performance indicators CO<sub>2</sub> emissions, VOC emissions, Total waste, Work-related accidents, Training hours per employee, and Sustainability-related expenditures on the above-mentioned pages, or the Application Level B+ self-declared by Trelleborg in the CR Report 2007, have not, in all material aspects, been prepared in accordance with the above stated criteria.

Stockholm, April 25, 2008

PricewaterhouseCoopers AB



Olov Karlsson  
Authorized public accountant



Lars-Olle Larsson  
Expert member,  
FAR SRS

## Definitions and terms

### Carbon dioxide (CO<sub>2</sub>)

CO<sub>2</sub> is formed in all carbon combustion processes. The gas is released in substantial amounts when petroleum products are used. It is likely that atmospheric emissions of carbon dioxide increase global warming.

### Code of Conduct

Behavior code for Trelleborg's employees. Supplemented by policies relating to the environment, workplaces and relations with suppliers.

### Environmental aspects

The parts of an organization's activities, products or services that interact with the environment. An overview of the Trelleborg Group's significant environmental aspects is included in the "Environment" section.

### Environmental management system

The part of the overall management system that includes the organizational structure, planning, activities, division of responsibility, practices, procedures and resources for developing, implementing, performing, reviewing and maintaining the organization's environmental policy. ISO 14001 is used as the environmental management standard within the Trelleborg Group.

### Environment-related reserves

Reserves for liabilities and provisions for known assumptions and necessary measures for preventing, reducing and repairing damage to the environment associated with the normal operations.

### ETRMA

European Tyre and Rubber Manufacturers' Association. Trelleborg participates, among other areas, in environment work and the activities of the Work Environment Committee. The Association's website is [www.etrma.org](http://www.etrma.org).

### Global Reporting Initiative (GRI)

GRI is an independent international organization working to develop guidelines for sustainability reporting. Read more at [www.globalreporting.org](http://www.globalreporting.org).

### GWh

Gigawatt-hour, 1 billion watt-hours. Unit for measuring energy consumption.

### HA oils

Softeners containing a high concentration (>3%) of carcinogenic polycyclic aromatic hydrocarbons (PAHs). Also known as high-aromatic oils.

### Hazardous waste

Waste requiring special handling. Different countries have different definitions and regulations, and national standards are frequently changed, making it more difficult to report on hazardous waste. Within

the EU, hazardous waste is classified in accordance with the European Waste Code (EWC).

### ISO 14000

A series of international standards for environmental management systems (ISO 14001), life-cycle assessments, environmental audits, environmental labeling, environmental-performance evaluation and environment-related terms and definitions. Many plants within the Trelleborg Group are certified in accordance with ISO 14001. Read more about ISO 14001 at [www.iso.org](http://www.iso.org).

### LCA (Life-Cycle Assessment)

A management tool for assessing and quantifying the total environmental impact of products and activities over their entire lifetime, based on an analysis of the entire life cycle of a particular material, process, product, technology, service or activity. LCA methodology is described in the ISO 14040 standard.

### NO<sub>x</sub> (nitrogen oxides)

Gaseous oxides formed during combustion processes through the oxidation of nitrogen. Harmful to human health and the environment. Causes acid rain and eutrophication.

### PAHs

Polycyclic aromatic hydrocarbons. Some are carcinogenic. PAHs are released to the atmosphere from vehicle exhaust fumes and small-scale wood-fueled heating, and in conjunction with vulcanization processes in the rubber industry. PAHs also occur in extremely low concentrations as a result of bitumen use within Trelleborg Engineered Systems.

### Polyurethane

Group of polymers with structures linked by urethane bridges. At Trelleborg, polyurethane is used for O-Rings and solid tires. Various diisocyanates, such as TDI and MDI, are used in the production of polyurethane.

### PTFE

Polytetrafluoroethylene is a heat-tolerant polymer used in the production of O-Rings at Trelleborg Sealing Solutions. The polymer is best-known in everyday life as Teflon, used for example as a surface coating for irons.

### REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)

REACH is a European Community regulation on chemicals from 2006 that deals with the Registration, Evaluation, Authorisation and Restriction of Chemical substances. It aims to improve the protection of human health and the environment, while maintaining the competitiveness and enhancing the innovative capability of the EU chemicals industry.

### Safety@Work

Safety@Work is the name of Trelleborg's program used to record health and safety risks and ensure that the Group's best methods in the area of health and safety are applied in the entire Group.

### SO<sub>2</sub> (sulfur dioxide)

Sulfur dioxide is formed when petroleum products are burned. SO<sub>2</sub> contributes to the acidification of lakes, watercourses and soils, and causes coniferous trees to lose their needles. Large concentrations in the environment are harmful to human health.

### Sustainability-related expenses

These are costs related to measures for preventing, reducing or repairing environmental damage directly associated with operations. The corresponding measures taken with regard to health and safety in the workplace are also included. The costs reported include, among other items, administration and consulting expenses, fees to authorities, costs for introducing and maintaining environmental management systems, and charges for external inspections and audits. Beginning with the report for 2005, activities relating to cleanup of contaminated soil are also included in this concept.

### Sustainability-related expenditures

These are investments in assets designed to prevent or mitigate environmental impact and reduce resource consumption associated with normal operations. The corresponding investments made with regard to health and safety in the workplace are also included in this category. Beginning with the report for 2005, activities relating to cleanup of contaminated soil are reported not as investments but under sustainability-related costs.

### VOCs (Volatile Organic Compounds)

The VOCs referred to in this report comprise non-chlorinated and chlorinated solvents. VOC emissions contribute to local atmospheric environmental effects, including the formation of ground-level ozone. Certain VOCs constitute a direct health risk.

### Work-related accident

A work-related accident is a sudden event related to work that gives rise to a physical injury. A typical injury in the rubber industry is a minor cut or crushing injury. Trelleborg reports the number of work-related injuries that give rise to at least one or more days of absence (Lost Work Cases; LWC). The injury rate is then standardized by stating the number of such injuries per 1,000 employees (LWC/1,000).

### Work-related illness

A work-related illness is an illness caused by long-term exposure to a particular factor in the work environment. Such factors can include repetitive lifting or being exposed every day to solvent fumes.

Trelleborg's Sustainability Report for 2007 follows Global Reporting Initiative guidelines (version G3). The following index shows where information can be found: this CR report (CR), Annual Report (AR), or Trelleborg's CR website (CR web) which contains the corresponding GRI index with direct links. Additional GRI indicators are included where Trelleborg has chosen to report them.

| GRI reference                                    |   | CR          | AR        | CR web | Report level       |
|--|---|-------------|-----------|--------|--------------------|
| <b>1. STRATEGY AND ANALYSIS</b>                  |   |             |           |        |                    |
| 1.1  | Foreword: President and CEO Peter Nilsson on corporate responsibility   | 4-5         | 88        | ●      | Reported           |
| 1.2  | Sustainability-related impacts, risks and opportunities   | 12, 14-15   | 40-41, 91 | ●      | Reported           |
| <b>2. ORGANIZATIONAL PROFILE</b>                 |   |             |           |        |                    |
| 2.1  | Name of the organization  | 2           | cover     | ●      | Reported           |
| 2.2  | Primary brands, products and/or services  | 7, 31-32    | cover     | ●      | Reported           |
| 2.3  | Operational structure   |             | cover, 69 | ●      | Reported           |
| 2.4  | Location of headquarters  | 2           | cover     | ●      | Reported           |
| 2.5  | Countries where the Group operates  | 41-42       | 116-117   | ●      | Reported           |
| 2.6  | Nature of ownership, legal form   | 2           | cover, 84 | ●      | Reported           |
| 2.7  | Markets served  | 3, 7, 31-32 | cover     | ●      | Reported           |
| 2.8  | Scale of the reporting organization   | 3           | 1, 53     | ●      | Reported           |
| 2.9  | Significant changes during the reporting period   |             | 17, 19    | ●      | Reported           |
| 2.10   | Awards received during the reporting period   | 13          | cover, 91 | ●      | Reported           |
| <b>3. REPORT PARAMETERS</b>                      |   |             |           |        |                    |
| <i>Reporting profile</i>                         |   |             |           |        |                    |
| 3.1  | Reporting period  | 33          |           | ●      | Reported           |
| 3.2  | Date of most recent report  | 33          |           | ●      | Reported           |
| 3.3  | Reporting cycle   | 33          |           | ●      | Reported           |
| 3.4  | Contact persons   | 33          |           | ●      | Reported           |
| <i>Scope and boundary</i>                        |   |             |           |        |                    |
| 3.5  | Process for defining report content   | 10-12, 33   |           | ●      | Reported           |
| 3.6  | Boundary of the report  | 33, 40      |           | ●      | Reported           |
| 3.7  | Specific limitations on the scope or boundary of the report   | 33          |           | ●      | Reported           |
| 3.8  | Reporting of entities that can affect comparability from period to period and/or between organizations                        | 33          |           | ●      | Reported           |
| 3.9  | Data-measurement techniques and the bases of calculation  | 33          |           | ●      | Reported           |
| 3.10   | Explanation of the reasons for and effect of any restatements of information  | 33          |           | ●      | Reported           |
| 3.11   | Significant changes in the scope, boundary or measurement methods   | 33          |           | ●      | Reported           |
| 3.12   | GRI index   | 36          |           | ●      | Reported           |
| <i>Assurance</i>                                 |   |             |           |        |                    |
| 3.13   | Policy and practice regarding external verification   | 2, 34       |           | ●      | Reported           |
| <b>4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b> |   |             |           |        |                    |
| <i>Governance</i>                                |   |             |           |        |                    |
| 4.1  | Governance structure of the organization  | 9           | 100-113   | ●      | Reported           |
| 4.2  | Chairman's position   |             | 105       | ●      | Reported           |
| 4.3  | Number of independent, non-executive Board members  |             | 102       | ●      | Reported           |
| 4.4  | Mechanisms for shareholders and employees to provide recommendations or directions to the Board                               | 10, 22, 23  | 104       | ●      | Reported           |
| 4.5  | Linkage between compensation to management and the organization's performance in terms of financial and non-financial targets |             | 106-107   | ●      | Partially reported |
| 4.6  | Processes in place for the Board to ensure that conflicts of interest are avoided   |             | 102       | ●      | Reported           |
| 4.7  | Processes for determining the qualifications and expertise of Board members   |             | 101       | ●      | Reported           |

| GRI reference   | CR        | AR             | CR web | Report level       |
|---|-----------|----------------|--------|--------------------|
| 4.8 Statement of mission, values, code of conduct and principles relevant to sustainability performance, and their status | 6, 11     | 12-13, 89, 105 | ●      | Reported           |
| 4.9 The Board's procedures for overseeing sustainability performance  | 9, 10     | 103            | ●      | Reported           |
| 4.10 Processes for evaluating the Board's performance, particularly with regard to sustainability performance             |           | 105            | ●      | Partially reported |
| <i>Commitment to external initiatives</i>   |           |                |        |                    |
| 4.11 The Group's handling of the precautionary approach   | 14, 27-28 | 40-43          | ●      | Reported           |
| 4.12 Externally developed codes, principles or other initiatives to which the Group subscribes or endorses voluntarily    | 9-10      | 89             | ●      | Reported           |
| 4.13 Membership in trade and industry organizations   | 11, 29    | 90             | ●      | Reported           |
| <i>Stakeholder engagement</i>   |           |                |        |                    |
| 4.14 List of stakeholder groups engaged by the Group  | 10        | 90             | ●      | Reported           |
| 4.15 Basis for the identification and selection of stakeholders   | 10-11     | 90             | ●      | Reported           |
| 4.16 Approaches to stakeholder engagement and frequency of engagement   | 10-11     | 90             | ●      | Reported           |
| 4.17 Key topics and concerns raised through stakeholder engagement  | 12        | 91             | ●      | Reported           |
| <b>5. MANAGEMENT APPROACH AND PERFORMANCE</b>   |           |                |        |                    |
| <b>ECONOMIC</b>   |           |                |        |                    |
| Disclosure on Management Approach   | 11, 29    | 89             | ●      | Partially reported |
| <i>Economic performance</i>   |           |                |        |                    |
| EC1 Economic value generated and distributed  | 30        | 46-81, 97      | ●      | Partially reported |
| EC2 Financial implications and other risks and opportunities due to climate change  | 8, 18     | 9, 92          | ●      | Partially reported |
| EC3 Coverage of the organization's defined-benefit plan obligations   |           | 61             | ●      | Reported           |
| EC4 Significant financial assistance received from government   |           | 66             | ●      | Reported           |
| <i>Market presence</i>  |           |                |        |                    |
| EC6 Policy and practice regarding locally based suppliers   | 27        |                | ●      | Partially reported |
| EC7 Procedures for local hiring and proportion of senior management hired from the local community                        | 24        |                | ●      | Partially reported |
| <i>Indirect economic impacts</i>  |           |                |        |                    |
| EC8 Development and impact of infrastructure investments and services provided primarily for public benefit               |           |                |        | Not reported       |
| <b>ENVIRONMENTAL</b>  |           |                |        |                    |
| Disclosure on Management Approach   | 11, 16    | 89             | ●      | Reported           |
| <i>Materials</i>  |           |                |        |                    |
| EN1 Materials used  | 17        | 92             | ●      | Reported           |
| EN2 Percentage of materials used that are recycled input materials  | 17        |                | ●      | Reported           |
| <i>Energy</i>   |           |                |        |                    |
| EN3 Direct energy consumption   | 16, 17    | 92             | ●      | Reported           |
| EN4 Indirect energy consumption   | 16, 17    |                | ●      | Reported           |
| <i>Water</i>  |           |                |        |                    |
| EN8 Total water withdrawal by source  | 20        | 93             | ●      | Reported           |
| EN10 Water recycled and reused  | 20        |                | ●      | Reported           |
| <i>Biodiversity</i>   |           |                |        |                    |
| EN11 Land at organization's disposal in areas of rich biodiversity  | 19        |                | ●      | Partially reported |
| EN12 Impact on biodiversity   | 19        |                | ●      | Partially reported |
| <i>Emissions, effluents and waste</i>   |           |                |        |                    |
| EN16 Direct and indirect greenhouse-gas emissions   | 18        | 92             | ●      | Reported           |

| GRI reference                               |   | CR     | AR     | CR web | Report level       |
|---|---|--------|--------|--------|--------------------|
| EN17  | Other relevant indirect greenhouse-gas emissions  |        |        |        | Not reported       |
| EN18  | Initiative to reduce emissions of greenhouse gases and results  | 18     | 92     | ●      | Partially reported |
| EN19  | Emissions of ozone-depleting substances   | 19     |        | ●      | Partially reported |
| EN20  | NOx, SOx and other significant air emissions  | 19     | 93     | ●      | Reported           |
| EN21  | Total water discharge   | 20     | 93     | ●      | Reported           |
| EN22  | Total weight of waste by type and disposal method   | 20     | 93     | ●      | Partially reported |
| EN23  | Unforeseen spills   | 20     |        | ●      | Reported           |
| <i>Products and services</i>                |   |        |        |        |                    |
| EN26  | Initiatives to mitigate environmental impacts of products and results of these                              | 27     | 96     | ●      | Partially reported |
| EN27  | Percentage of products and their packaging materials that are reclaimed                                     |        |        |        | Not reported       |
| <i>Compliance</i>                           |   |        |        |        |                    |
| EN28  | Fines and sanctions for noncompliance with environmental laws and legislation                               | 21     | 93     | ●      | Reported           |
| <i>Transports</i>                           |   |        |        |        |                    |
| EN29  | Environmental impact of transports  | 27     | 96     | ●      | Partially reported |
| <i>Overall</i>                              |   |        |        |        |                    |
| EN30  | Total environmental expenditures and investments  | 30     | 97     | ●      | Reported           |
| <b>LABOR PRACTICES AND DECENT WORK</b>      |   |        |        |        |                    |
| Disclosure on Management Approach           |   | 11, 21 | 89, 94 | ●      | Reported           |
| <i>Employees</i>                            |   |        |        |        |                    |
| LA1   | Workforce   | 23     | 94     | ●      | Partially reported |
| LA2   | Employee turnover   | 23     | 94     | ●      | Partially reported |
| <i>Labor/management relations</i>           |   |        |        |        |                    |
| LA4   | Proportion of employees included in collective agreements   | 22     | 94     | ●      | Reported           |
| LA5   | Minimum notice period(s) regarding significant operational changes  | 22     | 94     | ●      | Partially reported |
| <i>Occupational health and safety</i>       |   |        |        |        |                    |
| LA6   | Percentage of workforce represented in formal work-environment committees                                   | 22     |        | ●      | Reported           |
| LA7   | Work-related accidents and diseases   | 22     | 94     | ●      | Partially reported |
| LA8   | Action program relating to serious illnesses  |        |        |        | Not reported       |
| <i>Training and education</i>               |   |        |        |        |                    |
| LA10  | Number of hours of training per employee  | 25     | 95     | ●      | Reported           |
| LA11  | Programs for skills management and lifelong learning  | 24, 25 | 95     | ●      | Partially reported |
| LA12  | Percentage of employees receiving regular career development reviews  | 24     | 95     | ●      | Partially reported |
| <i>Diversity and equal opportunity</i>      |   |        |        |        |                    |
| LA13  | Composition of the Board, management and employees by category (gender, age, minority group)                | 22, 23 |        | ●      | Reported           |
| LA14  | Ratio of basic salary of men to women by category   |        |        |        | Not reported       |
| <b>HUMAN RIGHTS</b>                         |   |        |        |        |                    |
| Disclosure on Management Approach           |   | 11, 23 | 89     | ●      | Reported           |
| <i>Investment and procurement practices</i> |   |        |        |        |                    |
| HR1   | Percentage and total number of significant investment agreements that have undergone human-rights screening |        |        |        | Not reported       |
| HR2   | Percentage of significant suppliers that have undergone screening on human rights and actions taken         |        |        |        | Not reported       |

| GRI reference   | CR  | AR     | CR web    | Report level |                    |
|---|---|--------|-----------|--------------|--------------------|
| <i>Non-discrimination</i>                               |   |        |           |              |                    |
| HR4   | Total number of incidents of discrimination and actions taken   | 23     | 94        | ●            | Reported           |
| <i>Freedom of association and collective bargaining</i> |   |        |           |              |                    |
| HR5   | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken                | 22     |           | ●            | Reported           |
| <i>Child labor</i>                                      |   |        |           |              |                    |
| HR6   | Operations identified as having significant risk for incidents of child labor and actions taken   | 24     |           | ●            | Reported           |
| <i>Forced and compulsory labor</i>                      |   |        |           |              |                    |
| HR7   | Operations identified as having significant risk for incidents of forced labor and actions taken  | 24     |           | ●            | Reported           |
| <b>SOCIETY</b>  |   |        |           |              |                    |
| Disclosure on Management Approach                       |   | 11, 29 | 89        | ●            | Reported           |
| <i>Community</i>  |   |        |           |              |                    |
| S01   | Programs and practices that assess and manage the impacts of operations on society/communities  |        |           |              | Non reported       |
| <i>Corruption</i>                                       |   |        |           |              |                    |
| S02   | Percentage and total number of business units analyzed for risks related to corruption  | 26     | 95-96     | ●            | Partially reported |
| S03   | Percentage of employees trained in anti-corruption policies and procedures  | 22, 26 | 95-96     | ●            | Reported           |
| S04   | Actions taken in response to incidents of corruption  | 26-27  | 95-96     |              | Partially reported |
| <i>Public policy and lobbying</i>                       |   |        |           |              |                    |
| S05   | Public policy positions and participation in lobbying   | 29     |           | ●            | Partially reported |
| <i>Anti-competitive behavior</i>                        |   |        |           |              |                    |
| S07   | Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcome  | 26, 27 | 49-50, 96 | ●            | Reported           |
| <i>Compliance</i>                                       |   |        |           |              |                    |
| S08   | Monetary value of fines and number of sanctions for noncompliance with laws and regulations   | 21, 26 | 49-50     | ●            | Partially reported |
| <b>PRODUCTS</b>   |   |        |           |              |                    |
| Disclosure on Management Approach                       |   | 11, 27 | 89        | ●            | Reported           |
| <i>Customer health and safety</i>                       |   |        |           |              |                    |
| 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 | 27     |           | ●            | Partially reported |
| <i>Product and service labeling</i>                     |   |        |           |              |                    |
| PR3   | Type of product and service information required by procedures, and percentage of products and services subject to such information requirements                  | 27-28  |           | ●            | Reported           |
| <i>Marketing communications</i>                         |   |        |           |              |                    |
| PR6   | Programs for adherence to standards and voluntary codes concerning market communications  | 30     |           | ●            | Reported           |
| <i>Compliance</i>                                       |   |        |           |              |                    |
| PR9   | Monetary value of fines for noncompliance with laws and regulations concerning products and services  |        |           |              | Non reported       |



This list includes Trelleborg's units in January 2008. The number of employees in each country pertains to the average number of employees in 2007



- Market offices
- Production
- Development units

### Australia

*Production:* East Bentleigh, Surry Hills, Zillmere  
*Development unit:* Zillmere  
*Market Offices:* Bibra Lake, Zillmere, East Bentleigh, Melbourne  
*Number of employees:* 118

### Austria

*Market Office:* Vienna  
*Number of employees:* 16

### Belgium

*Market Offices:* Brussels, Dion-Valmont, Evergem, Zaventem  
*Number of employees:* 66

### Brazil

*Production:* Guarulhos, São José dos Campos  
*Development unit:* Guarulhos  
*Market Offices:* Lencois Paulista, São Paulo  
*Number of employees:* 942

### Bulgaria

*Market Office:* Sofia  
*Number of employees:* 18

### Canada

*Production:* Guelph  
*Market Office:* Etobicoke  
*Number of employees:* 135

### China

*Production:* Caoheijing, Chang Chun, Shanghai, Shangyu City, Wuxi

*Development unit:* Shanghai  
*Market Offices:* Chengdu, Dalian, Guangzhou, Hong Kong, Shanghai, Wuhan  
*Number of employees:* 1,090

### Czech Republic

*Production:* Dobruvice, Hrádek nad Nisou, Lesina  
*Market Offices:* Rakovník, Prague  
*Number of employees:* 670

### Denmark

*Production:* Hadsten, Helsingør, Vejen  
*Development units:* Hadsten, Helsingør  
*Market Offices:* Hadsten, Hedensted, Hillerød  
*Number of employees:* 554

### Estonia

*Production:* Kuressare  
*Number of employees:* 40

### Finland

*Production:* Keikyä, Kiiikka, Vihti  
*Market Offices:* Nokia, Vantaa  
*Number of employees:* 145

### France

*Production:* Carquefou, Chemaudin, Clermont-Ferrand, Condé-sur-Noireau, Nantes, Poix-Terron, Rethel, Sancheville, Witry lès Reims  
*Development units:* Carquefou-Modyn, Carquefou-Prodyn, Clermont-Ferrand,

Nantes, Witry lès Reims  
*Market Offices:* Clermont-Ferrand, Compiègne, Maisons-Laffitte, Paris, Rochefort  
*Number of employees:* 3,079

### Germany

*Production:* Breuberg, Duisburg, Grossheubach, Lathen, Mosbach, Reclin  
*Development units:* Höhr-Grenzhausen, Mannheim, Mosbach, Stuttgart  
*Market Offices:* Erbach/Odenwald, Hamburg, Stuttgart, Mettmann, Lathen  
*Number of employees:* 1,342

### Great Britain

*Production:* Barrow-in-Furness, Bridgewater, Cadley Hill, Hull, Knaresborough, Leicester, Manchester, Minworth, Newtown, Rotherham, Runcorn, Skelmersdale, Tewkesbury  
*Development units:* Ashchurch, Bridgewater, Leicester, Malmesbury, Rotherham, Skelmersdale  
*Market Offices:* Ashby de la Zouch, Bakewell, Barrow-in-Furness, Bellshill, Cadley Hill, Edinburgh, Hull, Knaresborough, Leicester, Malmesbury, Manchester, Minworth, Rotherham, Runcorn, Skelmersdale, Solihull, St. Alban  
*Number of employees:* 2,128

### Hungary

*Market Office:* Budapest  
*Number of employees:* 14

**India**

*Production:* Bangalore, Noida  
*Market Offices:* Ahmedabad, Jayanagar  
*Number of employees:* 464

**Indonesia**

*Market Office:* Jakarta  
*Number of employees:* 11

**Italy**

*Production:* Cirié, Livorno, Lodi Vecchio, Rio Saliceto, Spilamberto, Tivoli, Turin  
*Development units:* Livorno, Lodi Vecchio, Tivoli, Turin  
*Market Offices:* Cuneo, Cinisello Balsamo, Livorno, Rome, Sesto San Giovanni, Tivoli  
*Number of employees:* 1,523

**Japan**

*Development unit:* Toyo Koto-ku  
*Market Offices:* Toyo Koto-ku, Tokyo, Yokohama  
*Number of employees:* 102

**Latvia**

*Production:* Liepaja  
*Number of employees:* 5

**Lithuania**

*Production:* Tauragė  
*Number of employees:* 111

**Malaysia**

*Market Office:* Kuala Lumpur  
*Number of employees:* 2

**Malta**

*Production:* Hal Far  
*Development unit:* Hal Far  
*Number of employees:* 621

**Mexico**

*Production:* Toluca, Tijuana  
*Market Offices:* Col. Trabajadores de Hierro  
*Number of employees:* 616

**Netherlands**

*Production:* Ede, Hoogezaand, Ridderkerk  
*Development units:* Ede, Ridderkerk  
*Market Offices:* Barendrecht, Ede, Ridderkerk, Lelystad  
*Number of employees:* 278

**Norway**

*Production:* Mjøndalen  
*Development unit:* Mjøndalen  
*Market Offices:* Leirdal, Mjøndalen, Oslo, Siggerud, Spydeberg, Stavanger  
*Number of employees:* 342

**Poland**

*Production:* Bielsko-Biala, Czechowice-Dziedzice, Walbrzych  
*Market Offices:* Łódź, Warsaw  
*Number of employees:* 1,304

**Romania**

*Production:* Dej  
*Number of employees:* 119

**Russia**

*Market Office:* Moscow  
*Number of employees:* 22

**Singapore**

*Production:* Singapore  
*Development unit:* Singapore  
*Market Office:* Singapore  
*Number of employees:* 233

**Slovakia**

*Production:* Nova Bana  
*Number of employees:* 92

**Spain**

*Production:* Burgos, Cascante, Izarra, Martorell, Pamplona, Tarazona, Santander  
*Development unit:* Izarra  
*Market Offices:* Barcelona, Madrid  
*Number of employees:* 1,519

**Sri Lanka**

*Production:* Kelanyia, Malwana  
*Development units:* Kelanyia, Malwana  
*Number of employees:* 706

**South Africa**

*Market Office:* Johannesburg  
*Number of employees:* 40

**South Korea**

*Production:* KyungBuk  
*Development unit:* Gyeong San  
*Market Office:* Seoul  
*Number of employees:* 430

**Sweden**

*Production:* Bor, Bålsta, Ersmark, Forsheda, Havdhem, Hemse, Höganäs, Kalmar, Rydaholm, Sjöbo, Sävsjö, Trelleborg, Värnamo, Örebro  
*Development units:* Ersmark, Forsheda, Höganäs, Kalmar, Sävsjö, Trelleborg, Örebro  
*Market Offices:* Bromma, Gothenburg, Höganäs, Jönköping, Kalmar, Värnamo  
*Number of employees:* 2,322

**Switzerland**

*Market Office:* Crissier  
*Number of employees:* 27

**Taiwan**

*Market Office:* Taichung  
*Number of employees:* 18

**Thailand**

*Market Office:* Bangkok  
*Number of employees:* 3

**Turkey**

*Production:* Çerkesköy  
*Number of employees:* 283

**United Arab Emirates**

*Market Office:* Dubai  
*Number of employees:* 7

**USA**

*Production:* Aurora, Benton Harbor, Bloomfield Hills, Bristol, Broomfield, Canton, Carmi, Clearbrook, Fort Wayne, Hartville, Hudson, Houston, Mansfield, Morganfield, Norcross, Peru, Randolph, Rutherfordton, Salisbury, Sandusky, Somersworth, South Haven, Spartanburg, Streamwood  
*Development units:* Bloomfield Hills, Broomfield, Fort Wayne, Hartville, Northborough, Somersworth, South Haven, Spartanburg, Streamwood  
*Market Offices:* Bloomfield Hills, Broomfield, Castro Valley, Colmar, Conshohocken, Fort Wayne, Houston, Lombard, North Charleston, Portland, Portsmouth, Torrance  
*Number of employees:* 3,606



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