WE SEAL DAMP AND PROTECT CRITICAL APPLICATIONS IN DEMANDING ENVIRONMENTS

TRELLEBORG GREEN FINANCE FRAMEWORK

Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Its innovative solutions accelerate performance for customers in a sustainable way.

The Trelleborg Group has annual sales of approximately SEK 33 billion and operations in about 50 countries. The Group comprises three business areas: Trelleborg Industrial Solutions, Trelleborg Sealing Solutions and Trelleborg Wheel Systems.

Trelleborg is second in its category in 2020 Sustainability ranking. Trelleborg came second in the Durable consumer goods category in the Swedish sustainability ranking Hållbara Bolag 2020, arranged by the business daily Dagens Industri and the Aktuell Hållbarhet magazine. Trelleborg was third in its category in 2019. The ranking was carried out by the Lund University School of Economics together with an advisory committee.

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TRELLEBORG AND SUSTAINABILITY

Trelleborg's sustainability framework *Protecting the essential* marks a new phase in the company's proactive approach to

» innovative solutions for sustainability as well as a
» new platform for sustainability governance.

Sustainability strategy: Protecting the essential

Trelleborg has a strong sustainability history, including efforts for environmental protection and transparent reporting, as well as innovative solutions for society.

Protecting the essential. Trelleborg's responsibilities stretch from the environment to health and safety; from compliance to ethical relations with all stakeholders and society as a whole.

Implemented into the whole organization from 2021, Trelleborg's updated sustainability strategy and framework Protecting the essential continues the long-standing work to minimize the company's negative impacts and to maximize positive impacts, accomplishing sustainable changes vital for the planet and for society.

The company's sustainability efforts are organized into three focus areas: Operations, Compliance and Social Engagement. On top of this, Trelleborg products and solutions for sustainability contribute to customer and societal sustainability improvement.

Under the umbrella of the sustainability strategy, the establishment of a Green Finance framework Framework marks an important step toward continuous integration of sustainability into Trelleborg's business model.

PROTECTING THE ESSENTIAL

Sustainability organization. At Board level, the Audit Committee monitors the Group's work with sustainability issues, including climate issues. The entire Board is regularly presented with Trelleborg's ongoing sustainability work at Board meetings.

The operational sustainability organization is led by a Steering Committee comprising the leaders of Group Legal, Group Communications/Group HR and Excellence functions.

Reports according to international guidelines. Trelleborg has a history of environmental reporting since the 1990's, and sustainability reporting since the early 2000's. The UN Global Compact was signed already in 2007, and GRI as well as CDP Reporting has been practiced from then on, as well as third-part review of sustainability reports.

Current sustainability reporting is made according to GRI Standards, and also contains sections following TCFD guidelines for Climate-related Financial Disclosures, the call for climate action from the financial markets. It describes how companies should handle their climate-related information, including risks and opportunities. For an overview of how Trelleborg meets TCFD's recommendations, please see Sustainability Report 2020.

Trelleborg works in reference to the UN Sustainable Development Goals: Trelleborg's operations across the value chain are analyzed in the context of the 17 UN SDGs and their 169 targets concerning risks and impact on society and the environment.

The risk/impact analysis prioritizes and highlights the risks associated with Trelleborg's operations – both risks resulting from the operations and those that may impact operations – that are considered most severe and likely.

For all employees, the Trelleborg Code of Conduct represents the most important regulatory sustainability document; for this reason, Code of Conduct training is offered in 15 languages. The Code of Conduct is also central to Trelleborg's relationships with suppliers and has long been a recurring feature of our assessments of those suppliers.

Trelleborg's Innovation Centre in Stuttgart, Germany, represents the latest generation of green buildings with a state-of-the-art environmental and energy performance. Prof. Dr. Konrad Saur, Director Global R&D at Trelleborg Sealing Solutions, says: "Our enhanced R&D capabilities in Stuttgart allows us to interact in a unique way with our customers that accelerates innovation, shortens development cycles, and reduces the number of designs and prototypes required to come to an effective final specification."

Climate, circularity and solutions for sustainability

To help prevent serious impacts of climate change and to ensure future-proof business growth, Trelleborg has committed to set a science-based target through the Science Based Targets initiative. Improved processes, investments and circularity solutions are keys to this future.

Trelleborg's "50 by 25" climate target for the 2021–25 period will be applied using 2020 as the base year. In line with society's target to keep global warming lower than 1.5°C, Trelleborg's established climate target for the period is to reduce direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 50 percent relative to sales, with 2020 as the base year.

The new "50 by 25" climate target was launched in February 2021 combined with the vision of achieving climate neutrality in Trelleborg's own operations, meaning net zero emissions, by the end of 2035.

In addition, the "50 by 25" target entails that Trelleborg-related indirect emissions of greenhouse gases (GHG) throughout the value chain will also be clearly reduced, mainly through supplier dialog, particularly in the areas of Purchased goods and services and Transports. Trelleborg previously conducted a Scope 3 analysis in cooperation with EY aimed at obtaining a general picture of indirect emissions along the value chain of operations. The analysis showed that the Scope 3 emissions are significant, and overall clearly exceed the total emissions in Scope 1 and 2.

In 2021–2022, this Scope 3 analysis will be updated – based mainly on CDP's Supply Chain methods – to obtain an even clearer view of Scope 3 and to be able to set a base value for quantitative improvement of these indirect emissions not later than 2025.

Science-based commitment. Trelleborg has committed via the Science Based Targets initiative to set science-based emissions reduction targets – scopes 1 and 2 – that are consistent with keeping global warming to 1.5°C above pre-industrial levels. Trelleborg has also committed to a long-term target to reach net-zero emissions by no later than 2050.

How will "50 by 25" be achieved? Energy efficiency, renewable energy and investments are the keys. To continuously become more energy-efficient, and thus more climate-efficient, is a fundamental part of the Group's efforts to achieve world-class manufacturing. In addition to becoming more energy-efficient every year, Trelleborg aims to continuously reduce the operation's CO_2 emissions over time by transitioning to renewable energy from sources such as wind, solar and hydro power. Furthermore, investments will be made locally in the facilities.

Circularity. Circular production and business models form a consistent Trelleborg ambition to find different ways to close the loop for whole products, parts of products or input materials, with the primary aim of reducing resource consumption or alternatively reusing resources – or as a last resort – to recycle them, in accordance with the Reduce–Reuse–Recycle model.

One example of greater circularity at Trelleborg in recent years is our production of industrial tires, which successfully raised the use of recycled raw materials in the form of carbon black and rubber powder, and also use completely different materials, such as recycled textiles or coconut powder. All with the aim of improving circularity.

There are also examples within Trelleborg where the focus is on service offerings. These could be smart systems that optimize stock management for customers who need seals and other components, or smart tire services, which allow the customer to get tire replacement services or to lease tires instead of buying them. Trelleborg also

ENERGY FACTS

- The Group's energy consumption – and thus its climate impact – is largely connected to fossil-fuel combustion for the production of steam (direct energy and emissions) and purchased electricity, steam and district heating (indirect energy and emissions).
- Energy Excellence, a long-standing initiative for systematic energy optimization at all units, is an integrated part of the Trelleborg Manufacturing Excellence program. All production units must present an activity plan to reduce energy consumption, and the average energy efficiency improvement per year should be minimum 3 percent.
- In addition to process-related measures, many units are focusing on different types of systems for improved monitoring of energy consumption and on increasing energy awareness among personnel.
- Recent improvement examples: A significant project was completed in Sri Lanka, where biomass replaced fossil fuel to produce steam for production as of 2019. Internally generated electricity is being produced using solar cells in Modena, Italy (new installation in 2019), in Malta and in Bengaluru, India.

offers trenchless and “no-dig” technology that provides an effective alternative to replacing sewer pipes: the technology seals pipes from the inside.

From 2021, a new development team – Polymers for tomorrow – within Trelleborg analyzes new, interesting materials research and development. This development team (comprising members from the business areas and the Group) will monitor potential strategic collaborations for bio-based materials, recycled materials and completely new polymer solutions in accordance with the principles of circularity.

Solutions for sustainability. Trelleborg as a company has extensive knowledge of innovative solutions for a sustainable society. Having customers use the right products, be it seals, tires or tunnel seals, is where the company can impact the world’s sustainability most.

A great deal of Trelleborg’s products and solutions help save energy and reduce emissions and play a part within the area of sustainable energy solutions. With regard to climate issues, Trelleborg therefore has an important role to play in the transition of the global society.

This becomes clear in a comparison with the UN Sustainable Development Goals (see figure on page 7), particularly for:

» Sustainable environmental and energy solutions
» People’s health and food supply
» Sustainable cities and infrastructure

The Group’s commercial progress is based on these solutions and is therefore also connected to sustainable development. The triangle Trelleborg – Customers – Society forms a relationship where all parties reap the benefits achieved from innovative solutions for better sustainability.

How Trelleborg supports climate change mitigation: Solutions examples

The main Trelleborg product categories, tires and sealing solutions, have inherent design properties that address energy/fuel consumption to make them superior to competing products and solutions in the market. As a rule of thumb, up to 25 percent of energy savings are accomplished from these features that often constitute an important customer advantage and part of the premium price package.

Tires. The performance of Trelleborg’s agricultural tires is characterized by:

» Lower fuel consumption
» Reduced CO_2 emissions

Example:
Fuel savings, emissions reductions and crop yields: Up to 12 percent less fuel and additional 860 hours life time (360 hp tractor). Up to 6 percent reduction of CO_2 emissions compared to standard technology. The up to 18 percent wider footprint than the market average also adds higher crop yields.

Seals. Trelleborg puts a lot of emphasis on developing solutions that minimize friction in sealing systems. It is a well-known fact that friction depends on the characteristics of surfaces – how flat, round or rough they are, and estimates show that between two and four percent of an industrialized country’s gross domestic product (GDP) is lost through friction and the wearing out of mechanical parts.

Example:
Turcon Roto L reduces energy consumption in axle sealing applications in multi-trailer trucks, lowering fuel consumption in multi-trailer trucks, and extending seal life of their axle systems. When pressurized, Turcon® Roto L has less than half the friction of standard axle sealing solutions. It also reduces shaft run-in significantly, resulting in a seal life that is at least four times longer.

Trelleborg’s sealing solutions, representing approximately one third of the total sales, contribute to energy savings and carbon emissions reductions both for customers and society as a whole as presented in this Blue DimensionTM leaflet.

Blue DimensionTM is Trelleborg’s umbrella name for Solutions for Sustainability – products that protect people, the environment and infrastructure.

The figure below gives an overview and further relevant solution examples. Eligible projects for the use of Green Finance Instruments proceeds are found on pages 12–13.

UN GOALS THAT ARE RELEVANT FOR TRELLEBORG'S SOLUTIONS

SUSTAINABLE ENVIRONMENTAL AND ENERGY SOLUTIONS

Clean energy

Goal 7 is to ensure that everyone has access to reliable, sustainable and modern energy at an affordable price.

Climate action

Goal 13 is to take immediate action to combat climate change and its effects.

Examples of solutions from Trelleborg:

Grout seals for offshore wind farms, sealing profiles for solar panels, energy-optimized sealing solutions for pneumatics and hydraulics with minimal losses from friction, sealing profiles for windows and doors as well as entire facades.

PEOPLE'S HEALTH AND FOOD SUPPLY

Zero hunger

Goal 2 is to end hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Good health and well-being

Goal 3 is to ensure healthy lives and promote well-being for all at all ages.

Examples of solutions from Trelleborg:

Components for healthcare & medical and to the food sector with a direct effect on people's health and food security, mattress material for healthcare that prevents pressure ulcers, antivibration solutions that reduce noise and vibrations in vehicles and machinery, agricultural tires designed to protect crop yield and save fuel.

SUSTAINABLE CITIES AND INFRASTRUCTURE

Clean water and sanitation

Goal 6 is to ensure availability and sustainable management of water and sanitation for all.

Sustainable industry, innovation and infrastructure

Goal 9 is to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Sustainable cities and communities

Goal 11 is to make cities and human settlements inclusive, safe, resilient and sustainable.

Examples of solutions from Trelleborg:

Solutions that offer increased safety and extend the service life of bridges, tunnels, buildings and pipe systems, watertight solutions that protect cities and cultural sites, seals for pipe systems for freshwater and wastewater that remain sealed during earthquakes, railway solutions that prevent abrasion damage to wheels and track profiles and reduce energy losses.

Solid materiality process

Trelleborg's sustainability strategy, as well as its reporting, are based on a well-defined materiality process to identify important sustainability issues, later forming focus areas and measurable KPIs.

The materiality process – to identify and prioritize the issues that are most important to an organization and its stakeholders – for Trelleborg starts in our continuous stakeholder dialog, where relevant sustainability aspects are discussed, logged and assessed by external as well as internal stakeholders.

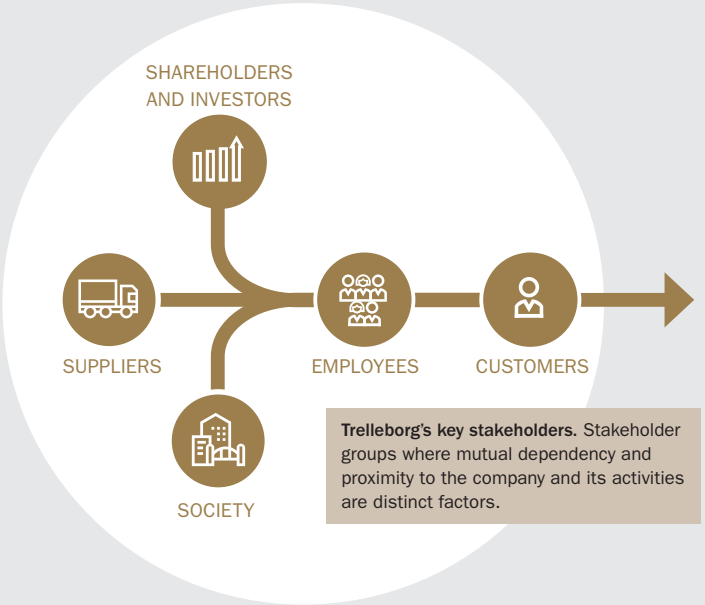
A selection of potentially material sustainability aspects are evaluated with the help of GRI-recommended guidelines, resulting in a materiality analysis matrix (see figure below), as well as using UN SDG-based methods, resulting in a comprehensive overview of sustainability-related risks and impacts (see figure on page 9).

Material aspects, risks and impacts have then, as mentioned, been clustered into three focus areas: Operations, Compliance and Social Engagement. These focus areas reflect the most important sustainability aspects to be managed and reported upon.

On a yearly basis, KPIs selected for these relevant sustainability aspects are formally reviewed for continued inclusion, further development or replacement.

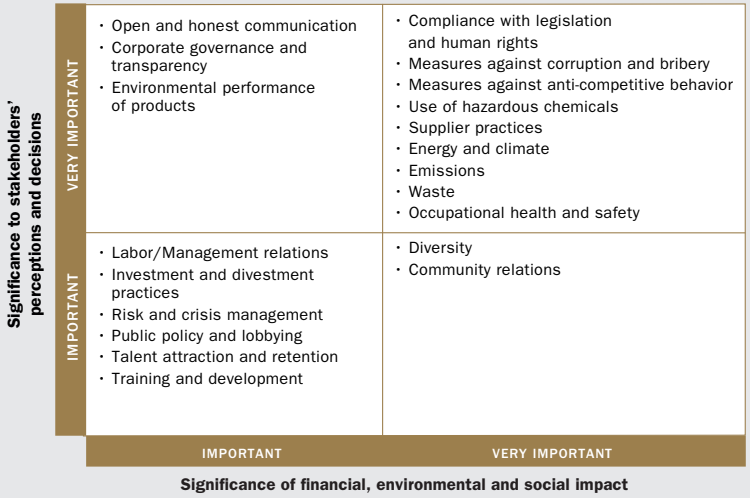
STAKEHOLDER DIALOG FOCUSING ON MATERIAL ASPECTS

Trelleborg's key stakeholders

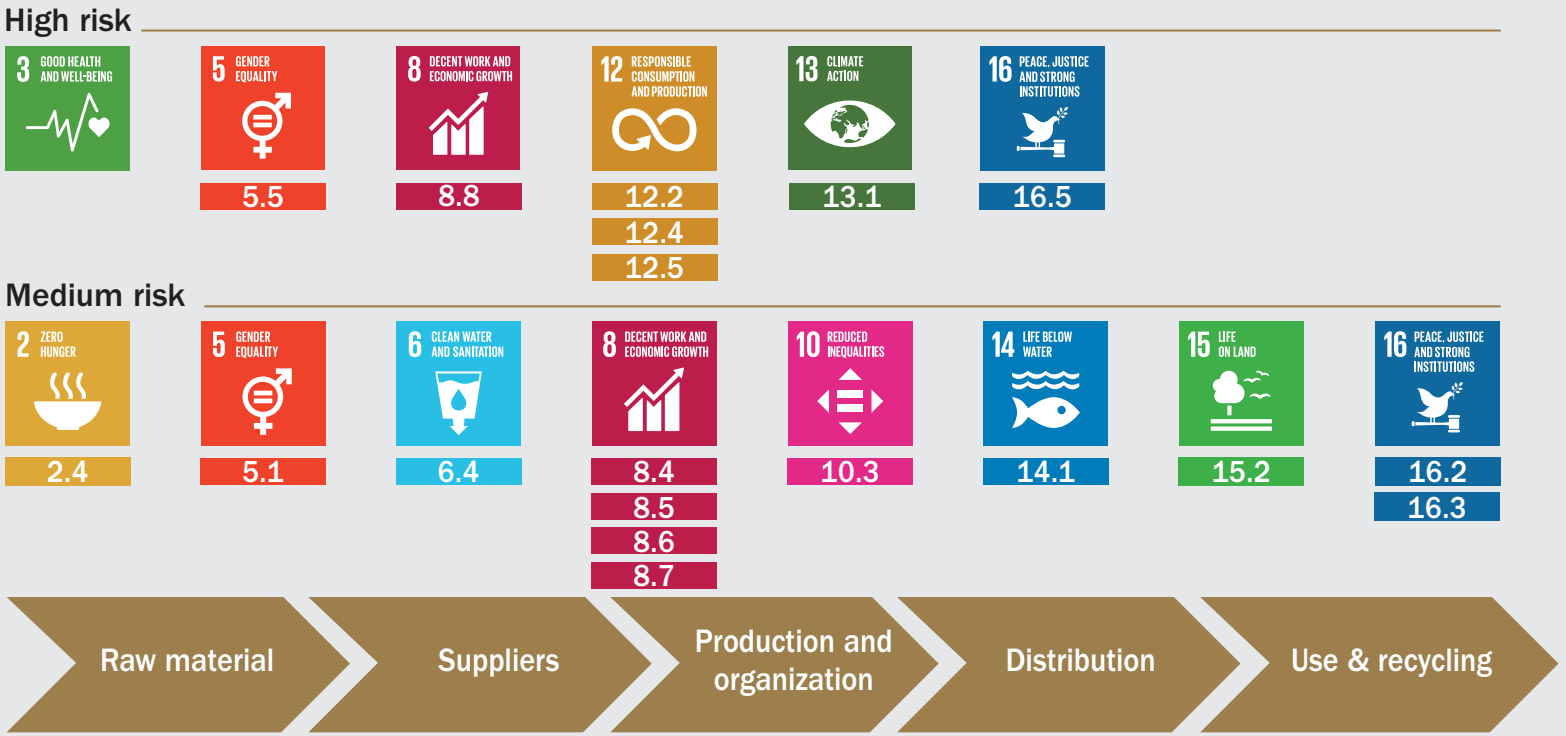


Trelleborg's key stakeholders. Stakeholder groups where mutual dependency and proximity to the company and its activities are distinct factors.

Materiality analysis



SUSTAINABILITY RISKS AND OWN IMPACT



Trelleborg performed a risk/impact analysis according to the UN Sustainable Development Goals in the Annual Report 2020. The high and medium risks/impacts are further commented in the table on page 10.

OVERVIEW OF HIGH AND MEDIUM-HIGH RISKS, AND OWN IMPACT ALONG THE VALUE CHAIN

Targets in SDGs with exposure to risk = high risk	Relevant risk/impact for Trelleborg	Risks along the value chain?	Trelleborg's own impact	Examples of management
2.4 Sustainable food production systems and resilient agricultural practices	Technological shift away from tractors in global agriculture	Use and recycling		
3.9 Reduce the number of deaths and illnesses from hazardous chemicals and pollution and contamination	Company's use of chemicals in processes and products	Raw materials	Production and organization	Safety@Work, Global Chemical Task Force, REACH activities
5.1 End all forms of discrimination against all women and girls everywhere	Discrimination internally and in the supply chain.	Suppliers	Production and organization	Diversity and inclusion, work with
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making	Percentage of women managers.		Production and organization	Diversity and inclusion, work with
6.4 Increase water-use efficiency and ensure sustainable withdrawals and supply of freshwater	Company's water use, water supply and emissions	Suppliers	Production and organization	Water use and water supply
8.4 Improve global resource efficiency in consumption and production	Company's resource efficiency and circularity	Suppliers, Use and recycling	Production and organization	Manufacturing Excellence, Energy Excellence, Circularity, Waste
8.5 Full and productive employment and decent work for all women and men and equal pay for work of equal value	Decent work and fair pay	Suppliers	Production and organization	Suppliers, Code of Conduct
8.6 Substantially reduce the proportion of youth not in employment, education or training	Recruitment		Production and organization	Diversity and inclusion. Age
8.7 Eradicate forced labor, human trafficking and child labor	Forced labor and child labor, particularly relevant early in the value chain (natural rubber)	Suppliers	Production and organization	Child labor, human trafficking, forced labor, zero tolerance approach to, Human rights
8.8 Protect labor rights and promote safe and secure working environments for all workers	Safe work environment.	Suppliers	Production and organization	Safety@Work
10.3 Ensure equal opportunity and eliminate discrimination	Wage difference women – men		Production and organization	Discrimination, zero tolerance approach to
12.2 Sustainable management and efficient use of natural resources	Resource scarcity and fossil raw materials	Raw materials, Suppliers	Production and organization	Energy efficiency, Polymers for tomorrow, Water use and water supply, Circularity
12.4 Environmentally sound management of chemicals and all waste	Chemicals management	Raw material, Suppliers, Use and recycling	Production and organization	Global Chemical Task Force, REACH activities, Waste management, Emissions to air
12.5 Substantially reduce waste generation	Resource efficiency and circularity	Raw materials, Use and recycling	Production and organization	Manufacturing Excellence, Waste, Circularity
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Climate risks for Trelleborg, both physical and commercial	Raw materials, Use and recycling	Production and organization	Circularity, Polymers for tomorrow, Climate impact
14.1 Prevent and significantly reduce marine pollution of all kinds	Problem of microplastics	Raw materials, Use and recycling		Message in a bottle, Circularity
15.2 Promote the implementation of sustainable management of all types of forests, halt deforestation and restore degraded forests	Deforestation (natural rubber)	Raw materials, Suppliers		Natural rubber chain, Dialog with suppliers, Global Platform for Sustainable Natural Rubber
16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children	Risk of child exploitation in the value chain (natural rubber)	Suppliers	Production and organization	Child labor, zero tolerance approach to, Natural rubber chain
16.3 Promote the rule of law and ensure equal access to justice for all	Regulatory compliance globally	Suppliers	Production and organization	Regulatory compliance, Suppliers
16.5 Substantially reduce corruption and bribery in all their forms	Compliance with laws and the Code of Conduct	Suppliers	Production and organization	Regulatory compliance, in the supply chain, Code of Conduct

GREEN FINANCE FRAMEWORK

As part of Trelleborg's ongoing commitment to sustainability, this Green Finance framework has been developed and aligned with the Green Bond Principles.

The framework is designed to be aligned, with the Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1). As such, the framework consists of the four key pillars and recommended External Review component:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting
- External review

It is the intention of Trelleborg to follow best practices in relation to Green Bonds as the market standards develop. Therefore, this Framework may be amended and updated to reflect these changes in market practices.

Trelleborg Treasury AB (publ)

Use of proceeds: Supporting low-carbon transition

The Eligible Projects within the Green Finance Framework will support low-carbon transition – for society as a whole as well as inside the company.

Eligible Projects in this Green Finance Framework context means a selected pool of projects that are funded, in whole or in part, by Trelleborg. Such eligible projects promote the transition to low carbon and climate resilient growth, in line with Trelleborg's sustainability strategy, climate target and vision.

The proceeds raised based on the Green Finance Framework can be applied:

a) towards new Eligible Projects, and

b) to finance existing Eligible Projects as well as refinance existing assets, defined as assets older than 12 months but not older than 36 months.

Green Finance Instruments net proceeds will not be allocated to Projects for which the purpose of the Eligible Projects is fossil energy production or potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels).

In this Framework, each Eligible Projects category has been mapped to the UN Sustainable Development Goals, in accordance with the High-Level Mapping to the Sustainable Development Goals published by ICMA.

Category	Eligible Projects and Criteria	UN Sustainable Development Goals	Environmental Objective
Eligible projects in this category related to various aspects of Trelleborg's development of solutions for sustainability, including R&D, manufacturing and book value of green assets in acquisitions.			
R&D and Production of solutions for sustainability	**Renewable energy solutions** Seals and gaskets for wind turbines, offshore wind farms and solar power installations to support a solid connection to foundations. **Energy efficiency solutions** Sealing profiles improving energy efficiency for, but not limited to, facades, windows and doors. **Pollution prevention and control solutions** Bearings and mounts controlling noise and vibrations in vehicles and machinery are solutions that reduce noise pollution and harmful vibrations. **Clean transportation solutions** Solutions such as axle bush technology to reduce railway maintenance and other railway solutions that reduce energy losses and noise/vibrations, as well as various seals for electric cars, and bicycle tires. **Sustainable water and wastewater management solutions** Solutions increasing and extending the life of pipe systems such as flexible pipe seals that support sustainable supply of drinking water or wastewater systems and technology for repair of sewer pipes. **Climate change adaptation** Watertight solutions that protect cities and cultural sites, ranging from storm surge barriers to bespoke sealing systems such as the one designed to safeguard the Venetian Lagoon, Venice and its neighbouring cities.	 *Ensure access to affordable, reliable, sustainable and modern energy for all.*  *Make cities and human settlements inclusive, safe, resilient and sustainable.*  *Resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.*  *To ensure sustainable consumption and production patterns.*  *Conserve and sustainably use the oceans, seas and marine resources for sustainable development.*	**Climate change mitigation and Climate change adaptation**

Category	Eligible Projects and Criteria	UN Sustainable Development Goals	Environmental Objective
Eligible projects in these categories are related to various aspects of Trelleborg's process, operation improvement and Excellence initiatives to reduce all kinds of spillages and waste and emissions.			
Green buildings	**Energy-saving buildings** Properties at least 20 percent more energy efficient than national legislation (NZEB) and certified in accordance with DGNB Gold or an equivalent environmental certification. Properties where renovation and refurbishments of existing buildings are made that lead to at least a 30 percent improvement of energy efficiency.	 *Make cities and human settlements inclusive, safe, resilient and sustainable.*	**Climate change mitigation**
Pollution prevention and control	**Waste and emissions reduction** Proactive efforts to cut production waste and waste going to landfill, as well as reducing hazardous waste and emissions to air (VOC).	 *Resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.*	**Climate change mitigation**
Renewable energy	**On-site renewable energy production** On-site installations of photovoltaics/ solar panels, wind power, emission-free geothermal heating and cooling, as well as related infrastructure such as connections, electric substations and foundations. Transition into renewable sources for onsite energy production, such as boiler conversion to biogas solutions.	 *Ensure access to affordable, reliable, sustainable and modern energy for all.*	**Climate change mitigation**
Clean transportation	**Low carbon transport solutions** Clean transportation including electric, hybrid and hydrogen vehicles as well as associated supportive infrastructure.	 *Make cities and human settlements inclusive, safe, resilient and sustainable.*	**Climate change mitigation**
Energy efficiency	**Resource and efficiency improvements** Energy and/or resource efficiency improvements in production processes including but not limited to eco-efficiency and circular economy adaptation. Trelleborg will ascertain a minimum 20 percent energy efficiency in the associated investment.	 *Resilient infrastructure, promote inlcusive and sustianable industrialization and foster innovation.*	**Climate change mitigation**

Selection and evaluation of projects

In line with company standards, Green Finance projects go through an approval process under supervision of a special committee.

All capital investments in Trelleborg undergo an approval process. For Green Finance projects, Trelleborg has a Green Finance Committee (GFC) consisting of the Head of Sustainability, the Head of Treasury as well as the CFO who will ensure that the selected Projects comply with set requirements. Eligible Projects are evaluated and selected in line with the criteria set out in the Use of Proceeds section of this framework, with applicable laws and regulations and Trelleborg's policies[1] and long-term goals for social and environmental sustainability. The GFC can seek internal or external advice in that process.

The GFC will rely on a consensus decision when allocating net proceeds and will meet at least once a year or when needed. The GFC is also responsible for replacing investments that no longer meet the eligibility criteria (e.g. following divestment, liquidation, concerns regarding alignment of underlying activity with eligibility criteria).

The GFC will, on a best effort basis, review and update the content of the Green Finance Framework and manage any future updates of this document to reflect relevant changes in best market practices.

Management of proceeds

The management of proceeds follows all the general guidelines recommended.

An amount equal to the net proceeds of any Green Instrument raised will be credited to an earmarked account that will support Trelleborg's financing or refinancing to Eligible Projects. The ambition is to use the proceeds within one year and no later than two years from the time of issuance of the Green Finance Instruments.

As long as the Green Finance Instruments are outstanding and the earmarked account has a positive balance, funds may be deducted from the earmarked account and added to Trelleborg's financing or refinancing in an amount up to all disbursements from that pool made in respect to Eligible Projects.

The earmarked account ensures the monitoring and tracking of the Eligible projects. The Finance Department is responsible for the allocation of proceeds. If, for any reason, an Eligible Project ceases to align with the requirements set out in this Framework it will be removed from the earmarked pool.

Proceeds yet to be allocated towards Eligible Projects will be placed in the liquidity reserves and managed as such.

[1] *Trelleborgs Code of Conduct and Envirinmental policy.*

Reporting

To enable investors to follow the development and provide insight to prioritized areas, Trelleborg will provide information on the allocation of proceeds and the non-financial impact of the Eligible Projects in an annual Green Finance Investor Report.

Trelleborg commits to assessment and report upon project selection and their expected non-financial impact in a transparent manner.

The Allocation reporting will include the following information:

- The total amount of proceeds allocated to eligible projects.
- Type of financing instruments utilized and respective outstanding amounts.
- Information on the split between new financing and re-financing.
- The allocated amounts per project category and geographical distribution.
- The amount of unallocated proceeds.

The Impact Reporting will include the following information: Trelleborg will strive to report on the environmental impact of Eligible Projects financed by Green Finance Instruments when feasible and subject to data availability. The information may be provided on an aggregated portfolio basis due to confidentiality agreements, competitiveness consideration, or numerous projects limiting the amount of detail that can be made available. Trelleborg intends to report on quantitative impact indicators where feasible and when relevant data information is available. Examples of impact indicators and metrics that may be included in the Green Finance Investor Report can be found in the appendix.

External Reviews

Second-Party Opinion (Pre-issuance). Trelleborg will obtain a Second-Party Opinion from Sustainalytics to confirm the alignment of this Framework with the Green Bond Principles and to assess the environmental value-added.

The Second-Party Opinion will be available on Trelleborg's website www.trelleborg.com.

Third-Party Review (Post-issuance). Trelleborg has appointed an external independent auditor to annually assure that the selection process for the financing of Eligible Projects and that the allocation of the net proceeds of the Green Finance Instruments are done in accordance with Trelleborg's Green Finance Framework.

Publicly Available Documents. The Green Finance Framework, the Second-Party Opinion, and the Green Finance Investor Report will be publicly available on Trelleborg's website www.trelleborg.com.

Appendix

GBP Categories	Examples of impact indicators
R&D and Production of solutions for sustainability	» Quantity and type of sustainable products produced » Percentage of recycled raw materials » Annual energy savings (KWh) » Annual greenhouse gas savings (tons)
Energy and resource efficiency	» Whenever relevant, the yearly report will include at least one example of Energy and Resource efficiency investments having been financed with green net proceeds. Trelleborg will describe the investment and the area of the installation and relevant information metrics.
Pollution Prevention and Control	» Estimate of the reduction in greenhouse gas emissions as a result of the investment » Waste that is prevented, minimized, reused or recycled before and after the project in percent of total waste and/or in absolute amount in tons per year. » Number of metric tons processed in the facility.
Renewable Energy	Each yearly report will include at least one example of a Renewable Energy investment that has been financed with green net proceeds (if such a project has been financed). Trelleborg will describe the investment and the area of the installation (if applicable), as well as relevant information metrics.
Sustainable water and wastewater management	Whenever relevant, the yearly report will include at least one example of a Sustainable water and wastewater management investment having been financed with green net proceeds. Trelleborg will describe the investment and the area of the installation and relevant information metrics.
Green Buildings	» Environmental Certification » Avoided energy consumption in kWh/m^2, or in percentage terms (%) below national building standards » Annual energy consumption avoided in MWh or GWh compared to the relevant building code (for new buildings)
Clean Transportation	» Annual absolute (gross) GHG reductions in percentage » The number of installed charging stations for electric vehicles
Energy efficiency	» Estimate of the reduction in greenhouse gas emissions as a result of the investment » Annual energy savings (KWh)