

Governance: Business conduct

Material impacts, risks and opportunities

Business conduct is an area where even if the likelihood of serious incidents is low, the potential negative impacts can be highly significant if incidents do occur. Corruption and competition issues in particular are therefore high on the agenda for the Trelleborg Group.

Link to strategy and business model

Due to the central importance of business conduct, Trelleborg has a zero tolerance approach to all types of corruption, including bribery and extortion, blackmailing, nepotism, racketeering and embezzlement, and consequently a zero fault target in the follow up of the number of incidents.

The contents of Trelleborg's Group-wide *Compliance Program* have been continuously developed and, in addition to issues related to competition law, also include issues concerning anti-corruption, export control, data protection and employee relations, as well as matters relating to professional conduct and business ethics.

Time horizon for impacts

Business conduct has a constant time horizon, making it just as relevant in the short and medium term as in the long term.

Own activities/Via the value chain

Business conduct impacts all parts of the value chain. The training and follow-up activities conducted by Trelleborg focus on own workers. For suppliers, follow-up is carried out as part of questionnaires as described on page 131.

Impacts on strategy and decision-making

Elements have been introduced in Trelleborg's *Compliance Program* aimed at achieving continuous improvements in the management of contracts, and in issues related to global distributors and agents. The program also provides information and guidance on the relevant legislation, such as anti-corruption law.

Business response: approved actions and plans

General compliance

Being a listed company with global operations, Trelleborg is subject to a range of laws, regulations and directives. Significant breaches of laws and permits leading to legal consequences or fines as well as breaches of environmental and occupational health and safety-related (OHS) laws are reported. In 2023, Trelleborg worked to develop an updated training package for issues related to bribery and corruption, and competition law. This package will be rolled out in the organization during 2024.

The Group's Compliance Program supports the entire organization.

In addition, management, middle management, and employees out in the field and on the factory floor are supported by Compliance Officers, which are appointed every year by each Group company to serve as a contact point for all compliance issues in their part of the business. To support them in these efforts, Compliance Officers undergo special training and progress from bronze to silver and then gold in order to help colleagues to act appropriately in connection with all types of compliance issues that may arise in their day-to-day work.

Compliance with laws and regulations is an ongoing and long-term commitment for Trelleborg, and this has been monitored by a *Compliance Task Force* with senior representatives from staff functions that has been in place since 2015. The Task Force has been assigned to lead and coordinate initiatives across the broader area of compliance. In 2023, the Compliance Task Force held four meetings, addressing issues such as compliance, training, policies and directives, internal controls and data privacy.

Code of Conduct training

Trelleborg's Code of Conduct in the areas of environment, occupational health and safety, and ethics forms a basis for all operations in the Group, and applies to all employees, without exception. All employees are to complete a refresher course in the Code of Conduct every three years, at a minimum, which the HR department is responsible for arranging.

A comprehensive review of the Code of Conduct was carried out in 2019 when a version with completely updated rules was released. The new rules related to areas such as trade restrictions, information processing and diversity. The Board of Directors reviews the Code of Conduct every year.

Short, medium and long-term financial impacts

See above under *Material impacts, risks and opportunities*.

Strategy and business model: resilience

On the basis of the Group's Code of Conduct, Trelleborg pursues work for exemplary business conduct both internally and across the value chain based on compliance with laws, rules and international agreements.

Changes compared to the preceding period

The unsettled geopolitical situation in the world has led to an additional focus on export and sanction controls in addition to internal training in this area.

POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
General compliance	Code of Conduct	Compliance Program	Number of cases	Zero fault target
Bribery and corruption	Anti-Bribery and Corruption Policy	Compliance Program	Number of cases	Zero fault target
	Code of Conduct	Code of Conduct training	Percentage of employees who have completed Code of Conduct training	Every year: at least 90 percent of employees should have received training in the last three years

OUTCOME IN 2023 IN THE AREA OF GOVERNANCE: BUSINESS CONDUCT

Compliance	Where?	Outcome 2023	Goals and main governance
General compliance	■	For continuing operations, no material breaches of laws and permits were reported during the year (1). <i>For the Group, the number was 0 (1).</i>	Local governance in accordance with the Code of Conduct and local legislation. All significant cases in terms of fines and sanctions are reported to Group Legal and are included in reporting. The Compliance Task Force is a central forum for all compliance issues, refer to page 132.
Training in general compliance	■	In continuing operations, 5,290 individuals (5,875) underwent various training courses in anti-corruption, competition law, contract management and so forth. This included both traditional classroom training and, to a strongly increasing extent, online training (e-learning, webinars). <i>For the Group, the number was 5,434 individuals (7,474).</i>	Zero tolerance applies to all types of bribery, corruption, cartel and other criminal behavior. Knowledge about relevant Group policies and the Code of Conduct is a requirement that is ensured through recurring training sessions for all employees, which are supplemented with special training programs in the area.
Training in the Code of Conduct	■	A new Code of Conduct was launched in 2019, and more than 85 percent of <i>all</i> Group employees underwent training in the new Code of Conduct during that year. In 2023, 92 percent of employees participated in Code of Conduct training.	The target is that at least 90 percent of employees should have received training in the Code of Conduct in the last three years. Local governance in accordance with the Code of Conduct and local legislation. All significant cases in terms of fines and sanctions are reported to Group Legal and are included in reporting. The <i>Compliance Task Force</i> is a central forum for all compliance issues, refer to page 132.
Whistleblower cases	■	For continuing operations in 2023, a total of 26 matters (31) were reported via the whistleblower system and other channels, concerning alleged harassment, safety deficiencies, injustices, or conflicts of interest. Relevant action was taken where necessary. <i>For the Group in 2023, a total of 27 matters (31) were reported via the whistleblower system and other channels, concerning alleged harassment, safety deficiencies, injustices, or conflicts of interest.</i>	Trelleborg's Whistleblower Policy (refer to page 114) implies that every employee is entitled to report suspicions of legal or regulatory violations without any repercussions.

Symbols: ■ = Internal, all units ■ = Internal, all production units ■■■ = Internal, certain units □ = External, suppliers or acquisition candidates