

Social: Own workforce

Material impacts, risks and opportunities

Work environment/Health and safety

The health and safety of its own workers and insourced staff has always been a priority for Trelleborg. The type of industrial production that Trelleborg conducts entails various types of occupational risks that the long-standing *Manufacturing Excellence* and *Safety@Work* programs (refer to pages 20, 25 and 130) seek to prevent and minimize. The Group vision is Zero accidents, but statistics show that fatalities as well as serious and minor accidents have occurred and that prevention is crucial in reducing the number.

Human rights

Ensuring respect for human rights in its own operations is a matter of course for Trelleborg, as described in the Group's Code of Conduct. The risk of internal shortcomings in this area is generally considered to be limited. An analysis began in 2023 with the goal of creating a stronger framework to ensure compliance with human rights in all operations in all parts of the world. This analysis will also follow the requirements of the new European Corporate Sustainability Due Diligence Directive (CSDDD), which is expected to enter into force in the near future. During 2024, this framework is expected to be ready, as a next step, to form a natural part of the internal control of existing and acquired operations. A mechanism for handling employee complaints (whistleblower system, refer to pages 114 and 133) has been in place for many years.

Relevant rights that are followed up include freedom of association, no child or forced labor, no human trafficking and no discrimination.

Trelleborg's policy is to permit trade unions and the right to collective bargaining. No units are assessed to be at serious risk of violation in this area. In China, however, certain restrictions related to freedom of association apply.

Alongside the fundamental rules against special treatment and discrimination in the Code of Conduct (read more about the Code of Conduct on page 132), the company values knowledge wherever it is found, with no other criteria than the fundamental view that all people are equal and have the same rights. In 2023, the Diversity, Equity, and Inclusion Directive was updated. The term "equity" was added to highlight the different conditions, experiences and opportunities for individuals.

Diversity

The area of diversity has several dimensions such as gender, age, ethnicity and disability. Trelleborg's efforts to strengthen diversity span all of these dimensions.

Like most engineering companies with industrial activities, it is a challenge to achieve a more balanced gender composition, but work is ongoing, including at managerial level (refer to page 130 for targets and outcomes). Moreover, a basic rule for Trelleborg is that the company's senior management and other managers should have local roots, which naturally leads to ethnic diversity in the management of a company that operates in some 40 countries. Refer also to page 25.

Link to strategy and business model

Trelleborg's endeavor to be a sustainability leader in its industry includes offering a safe and attractive workplace for all categories of employees, as well as good development opportunities. Accordingly, efforts in the areas of health and safety, diversity, training and development are a strategic priority.

Time horizon for impacts

Occupational health and safety risks are short and medium term, while prevention efforts are expected to produce clear results in the short, medium and long term by eliminating risks. With regard to diversity efforts, we expect that the results in the form of improved quality in decision-making and innovation, among other benefits, will be evident in the medium and especially the long term.

Own activities/Via the value chain

The entire area of People encompasses own activities including insourced staff.

Impacts on strategy and decision-making

Diversity and inclusion are generally seen as important elements in situations such as recruitment, training, evaluation, pay structures and succession planning.

Business response: approved actions and plans

The *Safety@Work* program has been ongoing at Trelleborg since the early 2000s. This long-standing program aims to create a shared safety culture and to prevent occupational accidents and injuries at all of the Group's units. Monitoring is performing via annual internal audits whereby the facilities are assessed on a scale in relation to the overarching target: a fully established safety culture in which all procedures are fully implemented in terms of occupational health and safety management, machine safety and accident follow-ups, with the aim of completely avoiding a recurrence of a certain type of incident. The program includes all staff, both employees and insourced, without exception.

The main tool to address the *Human Rights* area is regular training of all employees in the Code of Conduct.

Diversity, equity and inclusion is part of the Group's business strategy and is managed through local governance, in the same way as the other sustainability aspects.

Short, medium and long-term financial impacts

The *Safety@Work* program has long been part of the annual budget.

An inability to attract talent from the entire workforce from a diversity perspective would limit innovation and result in a shortage of skilled workers.

Strategy and business model: resilience

By ensuring safe workplaces, being a fair and attractive employer from a health and safety perspective, and by working actively with several diversity aspects (gender, ethnicity, age and disability), Trelleborg enhances its ability to attract and engage competent personnel.

Changes compared to the preceding period

A new diversity target has been presented relating to the company's own workforce: to increase the share of women in senior positions to 30 percent by 2030.

POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
Health and safety	Health and Safety Directive	<i>Safety@Work</i> program	Fatalities	Zero cases
	Group Environmental Policy (refer to page 114)		Number of lost work cases (LWC)	
			Number of lost work cases (per 100 employees)	<1.0 (per 100 employees)
Human rights	Code of Conduct	Code of Conduct training	Zero fault target	Zero fault target
			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
Diversity, equity, and inclusion	Diversity, Equity, and Inclusion Directive		Percentage of female managers, levels 1–5	30 percent 2030

OUTCOME IN 2023 IN THE SOCIAL AREA: OWN WORKERS

People	Where?	Outcome 2023	Goals and main governance
HEALTH AND SAFETY	■	2023 showed a 26-percent decrease in the LWC rate since last year, a continued improvement in the context of Safety@Work.	The target for fatalities is 0. For machinery defined as high-risk equipment, a long-term project is under way to replace or minimize risks in existing equipment. The number of accidents is to steadily decrease. For the full year 2023, the target was to achieve an LWC of <1.0 in the production units and to also start to present performance measures for non-manufacturing units. The Safety@Work program aims to establish a shared safety culture through improvement programs and preventive measures at all production units. Self-assessment is combined with internal and external audits. As of 2020, the program has been relaunched under the "Team up for Safety" theme. The LWC performance measure that reflects the lost work days was adjusted to international standards; the LWC rate is the number of lost work days per 100 employees due to work-related injury/illness during the year. The three most common injury categories in 2023 were: work tasks with poor ergonomics, wounds and cuts, and trips and falls. These categories represent more than 50 percent of LWCs during the year.
Fatal accidents (insourced staff are reported separately)	■	For continuing operations, 1 fatal accident (0) occurred during the year. The fatality related to a staff member and occurred in Taurage, Lithuania, resulting from a fall from height in conjunction with inventory-taking. The type of equipment involved in the accident has been taken out of service in all affected units. <i>For the Group, 3 fatal accidents (0) occurred during the year; the accidents concerned own workers. Two of the fatalities relate to Trelleborg Wheel Systems and occurred in Spartanburg, USA, and Xingtai, China, respectively, in production processes. The type of equipment involved in the accidents is not used in continuing operations.</i>	
LWC	■	For continuing operations, a total of 118 cases (142) were reported resulting in at least one day's absence (LWC). In production, the number of cases was 108 (134), of which 7 (7) related to insourced staff, and 24 (33) related to women. No LWC cases pertained to work-related illness in the production units in 2023, but 3 cases in non-manufacturing units. <i>For the Group, the LWC was 133 (192).</i>	
LWC per 100 employees	■	For continuing operations as a whole, LWC was 0.8 (1.0) per 100 employees. In production, the figure was 1.0 (1.3), including 1.0 (1.0) for insourced staff and 0.8 (1.3) for women. See the diagram to the right for the regional situation. <i>For the Group, LWC for the year was 0.8 (0.9) per 100 employees.</i>	<p>Health and safety</p>
LWD per 100 employees	■	Continuing operations: 25 lost work day cases (28) per 100 employees (= per 200,000 working hours). <i>Group: 27 lost work days (28) per 100 employees (= per 200,000 working hours).</i>	
Safety committee	■	93 (88) percent of facilities for continuing operations have a safety committee with representatives from both employers and employees.	
Systems for occupational health and safety management	■	At the end of 2023, 40 units (22) for continuing operations were certified under OHSAS 18001 or ISO 45001, corresponding to 38 percent (23) of all units.	<p>LWC/100 Employees</p>
DIVERSITY AND INCLUSION.	■		
Percentage of women at manager levels 1–5	■	The percentage of women at manager levels 1–5 of the organization for continuing operations was 21 percent at the end of 2023. This year's report covers a broader group of managers than in previous years, and thus there is no comparison with 2022.	To clarify the Group's ambition, a target was set during 2023 to have at least 30 percent female managers at management levels 1–5 in the Group by the end of 2030.
Number of nationalities at manager levels 1–5	■	The number of nationalities at manager levels 1–5 in continuing operations was 45 at the end of 2023. This year's report covers a broader group of managers than in previous years, and thus there is no comparison with 2022.	Local leadership is a success factor and is measured by the number of nationalities found among our managers.
Discrimination	■	3 cases (4) of discrimination or equivalent were reported in continuing operations, of which 2 in the US and 1 in the UK. 2 cases are under investigation and 1 has been settled. <i>For the Group, 3 cases (7) were reported.</i>	Zero tolerance applies to discrimination (reported and reviewed cases). Local governance in accordance with the Code of Conduct. Reported cases are dealt with at local level and reported centrally.
Freedom of association	■	For continuing operations, 44 percent (36) of all employees at year-end were represented by a trade union through collective agreements. In China, however, certain restrictions related to freedom of association apply.	The right to freedom of association, through union or other personal representation, and collective bargaining, is highlighted in the Code of Conduct.

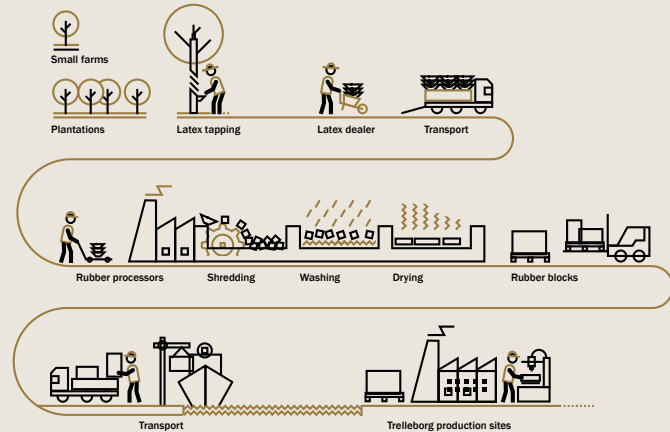
Symbols: ■ = Internal, all units ■ = Internal, all production units ■ = Internal, certain units □ = External, suppliers

Social: Workers in the value chain

Material impacts, risks and opportunities

The impacts for workers in the value chain are deemed primarily to consist of potential violations in relation to pollution, health and safety, and human rights. To date, Trelleborg has only conducted a limited analysis of all such existing and potential impacts of its operations on workers in the value chain. A more detailed analysis that will also adhere to the requirements of the forthcoming CSDDD is planned for 2024. The general impacts known previously include the existence of poor working conditions at certain sites for the production of latex and natural rubber (see illustration below).

PRODUCTION OF NATURAL RUBBER – SIMPLIFIED VALUE CHAIN



Link to strategy and business model

The link to the strategy and business model is currently assessed as being minor on the basis of current knowledge, but this may change with further analysis.

The materiality of potential impacts in the natural rubber chain has decreased since Trelleborg’s annual demand for natural rubber fell sharply in 2023 on account of the divestment of the Group’s tire operation.

Time horizon for impacts

In the short term, the impact is deemed limited. This assessment may change in connection with the upcoming analysis.

Own activities/Via the value chain

This entire section only concerns workers in the value chain. Own workers are covered in the section on pages 129–130.

For Trelleborg, the link to the impacts of natural rubber cultivation described in the image on the left is several steps back in the value chain.

Impacts on strategy and decision-making

Strategic impacts can be better assessed after the in-depth analysis to be conducted in 2024.

Business response: approved actions and plans

As previously, the risks to workers in the value chain are primarily prevented via Group-wide questionnaires to direct suppliers, containing questions related to human rights, occupational health and safety, environmental management and social responsibility. Unsatisfactory responses are investigated.

During 2023, Trelleborg’s corporate website again renewed its annual statement regarding the approach to and management of issues concerning forced labor, child labor and trafficking/modern slavery, mainly in accordance with the UK’s Modern Slavery Act 2015, the California Transparency in Supply Chain Act and the Australian Modern Slavery Act 2018.

Trelleborg’s affiliation in 2021 with the Global Platform for Sustainable Natural Rubber was brought about, to some extent, by potential impacts/risks associated with poor working conditions in the value chain for natural rubber.

Short, medium and long-term financial impacts

Any financial impacts can be better assessed after the in-depth analysis to be conducted in 2024.

Strategy and business model: resilience

The resilience of Trelleborg’s strategy and business model to the known impacts of natural rubber cultivation is, of course, strengthened by the significantly reduced dependence on the material resulting from the divestment of the Group’s tire operation.

Changes compared to the preceding period

Significantly reduced dependence on natural rubber resulting from the divestment of the tire operation in 2023.

POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
Human rights	Questionnaires to suppliers	Follow-up of questionnaires	Number of supplier relationships terminated due to violations	Zero tolerance
Health and safety	Questionnaires to suppliers	Follow-up of questionnaires	Approved suppliers’ share of total purchasing spend	More than 90 percent of total purchasing spend

OUTCOME IN 2023 IN THE SOCIAL AREA: WORKERS IN THE VALUE CHAIN

Compliance	Where?	Outcome 2023	Goals and main governance
Child labor	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #808080; margin-right: 5px;"></div> <div style="width: 15px; height: 15px; border: 1px solid #808080; margin-right: 5px;"></div> </div>	Continuing operations: Zero breaches (0) were reported in 2023. Group total: Zero breaches (0) were reported in 2023.	Zero tolerance applies to child labor, which is also seen as an area of particular importance in the supplier reviews conducted in part through a questionnaire, and in part through selected cases in supplier audits.
Forced labor	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #808080; margin-right: 5px;"></div> <div style="width: 15px; height: 15px; border: 1px solid #808080; margin-right: 5px;"></div> </div>	Continuing operations: Zero breaches (0) were reported in 2023. Group total: Zero breaches (0) were reported in 2023.	Zero tolerance applies to forced labor, which is also seen as an area of particular importance in the supplier reviews conducted in part through a questionnaire, and in some cases via supplier audits.

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

OUTCOME IN 2023 IN THE SOCIAL AREA: WORKERS IN THE VALUE CHAIN

Compliance	Where?	Outcome 2023	Goals and main governance
Suppliers	☐	<p>For continuing operations, supplier reviews were carried out corresponding to 86.0 percent (86.2) of the reported relevant purchasing spend in the production units. No supplier relationships (0) were terminated in 2023 for reasons related to the Code of Conduct.</p> <p><i>For the Group, supplier reviews were carried out corresponding to 86.8 percent (88.8) of the reported relevant purchasing spend in the production units. No supplier relationships (1) were terminated in 2023 for reasons related to the Code of Conduct.</i></p>	<p>The goal is to only work with suppliers who adhere to applicable sections of Trelleborg's Code of Conduct. Reviews, including self-assessments, are to be completed with at least 90 percent of the reported relevant purchasing spend, including both new and established supplier relations. Site visits with an audit of "at-risk suppliers" (selection based on geographic and material risk assessment) have previously been supplemented the self-assessments. In previous years, site visits have focused on textile suppliers, chemicals suppliers and natural rubber suppliers. Audit activities were minimal in 2020–2023, partly due to the pandemic and partly as there were very few new suppliers in these areas.</p>

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