

## Statement about forced labor, human trafficking and child labor 2019

*This statement is for the calendar year ending 31 December 2018. Approved by the Board of Directors, Trelleborg AB on April 26, 2019*

### **Zero tolerance – official objective and Code of Conduct statement**

Trelleborg acknowledges that forced labor including human trafficking (Modern Slavery) is a global and growing issue for the company to address and regularly report on – with a focus not only on our own operations but also on our supply chain. According to the ILO's Forced Labor Convention, forced labor is all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily. Forced labor as Trelleborg defines it also includes forced sexual services and what is often labeled as modern slavery. We also extend our commitment to monitoring for child labor. Every year, we publish this Statement as part of our commitment to the UK Modern Slavery Act, the California Transparency in Supply Chains Act (the prevailing US standard) and activities prohibited by the US Federal Acquisition Regulation 52.222-50(b).

Our year-to-year performance with regard to all these areas will continue to be described in our Annual Report and in our Sustainability Report. Since 2008, Trelleborg's Sustainability Report has been third-party assured every year. The 2018 Report was assured by Deloitte.

In our Annual Report 2018, we state as an official objective for the Group that zero tolerance applies to any type of forced labor, as well as to child labor. Ever since our Sustainability reporting on Group level according to GRI guidelines started in 2007, zero (0) such cases have been identified in our own operations.

The Trelleborg Code of Conduct, an overarching steering document with Group Policy status, sets out key principles for the whole organization and just as clearly states that we do not allow forced or child labor in our own operations or in the operations of our suppliers, sales agents, distributors and consultants. A new revised Code of Conduct was approved in January 2019, and is available for download at <https://www.trelleborg.com/en/about--us/code--of--conduct>

### **Implemented everywhere – also in our supply chain**

Trelleborg's Code of Conduct applies to everyone in the organization. For all new employees, Code of Conduct training is a mandatory requirement. Code of Conduct breaches are always investigated and treated as disciplinary matters.

Trelleborg suppliers, at a level corresponding to more than 80 percent of the relevant global annual purchasing spend, complete Sustainability self-assessments (5-year validity) including the above reference to forced and child labor in their operations. The logic behind the 80 percent target is to focus resources on recurring supplier relationships rather than on one-off or short-term suppliers. The 2018 figure was 85.5 percent of the relevant global purchasing spend.

All our suppliers are also encouraged to align with the UN Global Compact – particularly relevant are its *Principles 4* ("Eliminate Forced labor") and *5* ("Abolish Child labor").

For a limited number of “at-risk suppliers”, Trelleborg performs audits through site visits. Such “at-risk suppliers” are found in China. More than 50 such audits have been performed in the period 2015–2018, including some natural rubber suppliers. The 2018 figure was 22 such audits.

The supplier self-assessments, based on the Trelleborg Code of Conduct, aim to ensure compliance with applicable laws and regulations and set forth the minimum standard of business behavior expected of our suppliers so that they act in a way that is ethical and responsible. Supplier non-compliance becomes subject to a dialog about improvement, and if no improvements are made, it could eventually lead to the termination of our relationship with that supplier.

In the supplier self-assessments, we ask our suppliers to guarantee that in their company, the minimum age for employment is not less than the age of completion of compulsory schooling and, in any case, no less than 15 years of age. We also ask them to monitor their own suppliers for the same type of responsibility as we do.

If a child labor case should appear in our supply chain, our goal is crystal clear: we want to ensure that children are protected against harmful work, and that working does not keep them away from their schools or education. In all cases it is the best interests of the child that should guide rehabilitation, and this can only be determined by talking to the children and their families. For any case of forced labor/human trafficking or other human rights infringements, Trelleborg’s actions will be to address the impact and those harmed by the situation.

Our self-assessments also require suppliers to, in their turn, monitor their own suppliers, contractors, joint-venture partners, and other major business associates for commitment to environmental and social responsibility

### **Current risk scenarios and other proactive measures**

Following our risk analysis based on third-party expertise (details are found in our yearly Sustainability Report), risks for forced labor/human trafficking as well as for child labor are mainly perceived to be found in the supply chain of natural rubber at the farm/grower level. Farms/growers are not first tier suppliers for Trelleborg. However, we do ask our first tier suppliers to apply the same rules in their turn with their suppliers: screening and investigating. We are aware that there is a fine line between actual forced labor, and merely poor labor practices. In line with our aspirations to be a good corporate citizen, however, we aim to address both things, and our measures are based on supplier requirements as described above as well as ongoing proactive dialog.

Dialog initiatives relating to natural rubber suppliers, aiming to clarify the risks and to communicate Trelleborg’s Code of Conduct, will continue.

- An audit-like supplier visit was made in November 2018 in the Bongo plantation, Ivory Coast, from where Trelleborg sources most of its African natural rubber. No serious non-compliances of forced labor/human trafficking or child labor were found on plant or plantation level. A summary of the supplier visit is available at <https://www.trelleborg.com/en/about-us/sustainability/sustainability-activities/the-ivory-coast-taking-social-responsibility-seriously-during-a-price-squeeze>
- In Sri Lanka, Trelleborg organizes regular supplier meetings every year, including Code of Conduct-related training with a focus on forced labor/human trafficking and child labor for buyers and suppliers. Further up the supply chain, the efforts so far have included large

meetings held in 2014–2015 in Sri Lanka with more than 1,000 supplier/farmer representatives.

- Dialog meetings focused on Code of Conduct have also been held with natural rubber suppliers in 2017 in Prague, with traders supplying from African countries, and 2016 in Singapore with the biggest traders of Indonesian/Thai rubber.

Our ambition is to continue our committed and proactive work in the challenging areas of forced labor, human trafficking and child labor.

A handwritten signature in black ink, appearing to read 'Peter Nilsson', written in a cursive style.

Peter Nilsson

President & CEO