

## DIVERSITY PROVIDES OPPORTUNITIES

A significant factor in Trelleborg's value creation is the expertise and diversity of its employees.



**26%** 

The company is endeavoring to achieve a balanced gender mix. The share women at management levels 4 and 5 is 26 percent, and is to continuously increase, which also creates a recruitment base for higher levels.

 **15**

At year-end 2018, management at levels 1–3 of the company (senior management team and those in senior positions in the business areas) comprised 15 different nationalities (13).

Trelleborg works to achieve a balanced mix of ethnicities, ages and genders, taking into consideration the type of operation being pursued.

The new *Group Diversity Policy* was adopted in 2018 and recognizes that diversity is a strength for the Group. Enhanced diversity and inclusion has the potential to further drive Trelleborg's performance and results, both at team level and individually. Better customer communication and problem solving are only a few such examples.

Diversity and inclusion are generally seen as important elements in situations such as recruitment, training, evaluation, pay structures and succession planning. Trelleborg should therefore continue the work started to identify and establish key figures in the focus area of *Diversity*, for continuous follow-up and reporting,

for example via the annual report.

Alongside the fundamental rules against special treatment and discrimination in the Code of Conduct (see page 54), 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. Refer to discrimination on pages 55 and 57.

**Ethnicity.** A basic rule 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 more than 40 countries. The proportion of Swedes at high levels within the company is gradually decreasing, see the table on page 64 [III](#).

At year-end 2018, management at levels 1–3 of the company (senior manage-



## TRELLEBORG'S GLOBAL PRESENCE

The number of employees in the Group at year-end, including insourced and temporary employees, was 24,045 (23,152). Of the total number of employees, 95 percent work outside Sweden.

During the year, the average number of employees in the Group's operations increased to 22,420 (22,112), of whom women accounted for 25 percent (24). Refer to Note 10, page 106.

Salaries and other benefits for employees (excluding insourced employees) in the Group's operations amounted to SEK 7,770 M (7,388).

Personnel turnover (not taking terminations and retirements into consideration) varies between countries and facilities, and usually reflects the local labor situation.

### Number of employees at year-end <sup>1)</sup>

| Distributions by country | 2018          | 2017          |
|--------------------------|---------------|---------------|
| Czech Republic           | 4,561         | 4,531         |
| U.S.                     | 2,911         | 2,869         |
| China                    | 1,693         | 1,628         |
| U.K.                     | 1,631         | 1,497         |
| Italy                    | 1,316         | 1,282         |
| Sweden                   | 1,240         | 1,222         |
| Germany                  | 1,116         | 1,018         |
| France                   | 1,051         | 1,005         |
| Slovenia                 | 942           | 924           |
| Sri Lanka                | 937           | 923           |
| Other                    | 6,647         | 6,253         |
| <b>Total</b>             | <b>24,045</b> | <b>23,152</b> |

<sup>1)</sup> Including insourced and temporary employees.

ment team and those in senior positions in the business areas) comprised 15 different nationalities (13). See also the table on page 64 [III](#).

**Age.** A core issue for all knowledge organizations, including Trelleborg, is the ability to recruit young talent. The total age distribution is presented in the table on page 64 [III](#).

Trelleborg has for a number of years focused on the younger generations – employees born 1980 and later (Generation Y), and different initiatives have been carried out, for examples the *One Young World Summit*, where selected young employees took part in a global congress on the theme of sustainability, innovation and diversity. In addition to this, the company has expanded its Graduate Program to two programs per year instead of one.

**Gender.** In an engineering-dominated company like Trelleborg, efforts to achieve a more even gender balance for this type of operation present challenges that require work at all levels. Higher Group and business area levels remain dominated by men, but the gender distribution is significantly more balanced in the business operations.

A key figure was introduced that measures the proportion of women at management levels 4 and 5 in the company (refer to the table of diagrams on page 64 [III](#)), with the ambition to raise the percentage of women managers at these levels from year to year, and over time create a better gender-balanced recruitment base at higher levels.

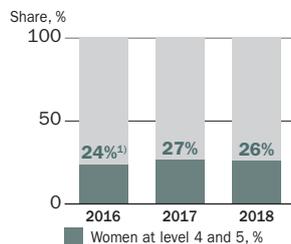
Efforts to achieve an improved gender balance include actively seeking women candidates for all executive and managerial positions, and for all of the Group's training

and development programs, particularly its leadership training courses.

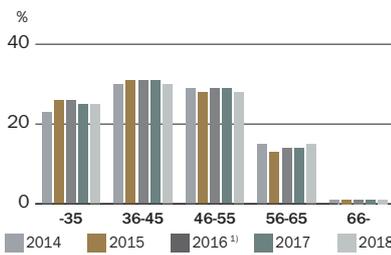
Trelleborg has also put new emphasis on *Employer Branding*, meaning the type of employer the company is and how we want to be perceived, both internally and externally. To this end, a motto has been written that reflects Trelleborg's promise as an employer as part of an initiative to increase focus on attracting, retaining and developing talented people. This motto – *Shaping industry from the inside* – is used internally and externally, in both digital channels and in print as well as at career days, trade fairs and other events.

Outcome in 2018 in the area of Diversity

| Diversity | Where? | Outcome 2018   | Goals and main governance  |
|-----------|--------|--|--|
| Ethnicity | ••••   | <p>15 nationalities (13) are represented in management at levels 1–3 (senior management team and those in senior positions in the business areas). The situation in relation to this distribution of nationalities is stable.</p> <p>The distribution of nationalities among managers at senior levels (2–4) improved – greater diversity – in 2018 to 19 percent Swedes and 81 percent of a different nationality, compared with 28 percent Swedes in the preceding year.</p> | <p>Senior management and other managers must have local roots. Principal responsibility for diversity issues is with HR, centrally and locally.</p>  |
| Gender    | ■      | <p>At management levels 4 and 5 in Trelleborg's units, where level 4 corresponds a position reporting to a Business Unit president, the proportion of women is 26 percent (27), maintaining a similar level but with no improvement.</p> <p>For the organization as a whole, the proportion of women is 25 percent (24).</p> <p>10 percent of Group Management are women (10), and 38 percent (38) of the Board of Directors are women.</p>                                    | <p>The company is endeavoring to achieve a more even gender balance. The share of women at management levels 4 and 5 is to continuously increase, which also creates a recruitment base for higher levels.</p> |
| Age       | ■      | <p>The age distribution for salaried employees at Trelleborg remained stable during the 2015–2018 measurement period.</p>  | <p>The company is endeavoring to achieve a balanced age distribution for the type of operation conducted by Trelleborg.</p>  |



<sup>1)</sup> Excluding CGS acquisition.



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

MORE DIVERSITY INITIATIVES IN 2018

In 2018, the company undertook several initiatives related to diversity:

- » In February 2018, the Group launched its first Diversity Policy, which is aimed at clarifying the company's approach to the subject, but also to address areas of responsibility, both for the company and the employee.
- » Online training (e-learning) for the entire organization on the topic of diversity and inclusion was launched in October 2018 to increase awareness of the significance of diversity and unconscious prejudices.

- » Questions were added to the Group's annual employee survey for 2018 regarding diversity and inclusion with the aim of identifying specific areas of improvement, globally and locally.
- » As part of the Group's global focus on diversity, local initiatives were taken in 2017 and 2018. Two examples of these are Tijuana, in Mexico, and São Paulo, in Brazil, both of which are units where initiatives were taken to increase diversity awareness.
- » The distribution of nationalities among managers at senior levels (2–4) was

improved in 2018 to 19 percent Swedes and 81 percent of a different nationality, compared with 28 percent Swedes in the preceding year.

- » The introduction program in 2018 for new managers contained 39 percent women, compared with 32 percent in the preceding year.
- » For the first time, the TIMP I training course (for first-line managers) was also held in Chinese in 2018. Historically, this training course has always been conducted in English.