



SUSTAINABILITY REPORT 2002

An overview of Trelleborg's activities in
areas related to the environment, health and social responsibility



Trelleborg in brief

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Production: Trelleborg AB

Questions regarding the Sustainability Report will be answered by Vice President, Environmental affairs,

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Hållbarhetsredovisningen finns även på svenska

This is Trelleborg

Trelleborg is a global industrial company that manufactures products largely based on the many application areas for rubber.

The Group has approximately 15,000 employees in 40 countries. The head office is in Trelleborg, southern Sweden. The CEO is Fredrik Arp and the Chairman of the Board of Directors is Anders Narvinger.

Trelleborg AB was founded in 1905 and has built up leading-edge expertise in polymer technology and its areas of application. During the past few years, Trelleborg has successfully concentrated its operations to a core of four industrial business areas within which understanding of customer needs and expertise in polymer technology are mutually reinforcing. Today, operations focus on customers in the automotive, construction and other industries.

Trelleborg endeavors to achieve market leadership within clearly demarcated product and market areas. Today, products with leading positions account for approximately 80% of the core operations' sales.



Key figures

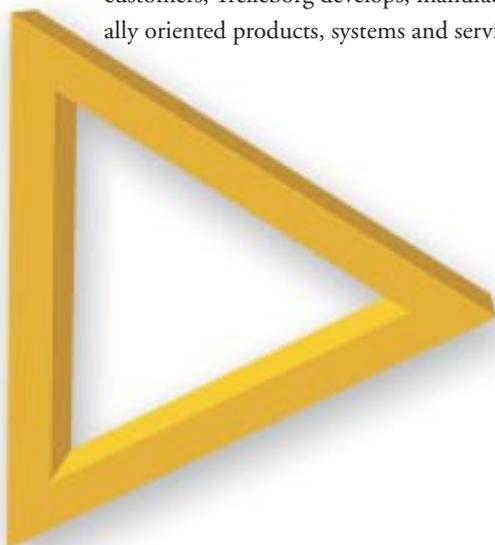
	2002	2001
Net sales, SEK M	17 630	18 760
Operating profit, excluding noncomparable items, SEK M	1 021	1 134
Profit after net financial items, excluding noncomparable items, SEK M	902	976
Cash flow from operations, SEK M	1 036	1 395
Return on capital employed, excluding goodwill amortization, %	11,7	12,2
Return on shareholders' equity, %	5,5	6,3
Return on shareholders' equity, excluding noncomparable items, %	8,3	8,9
Equity/assets ratio, %	48,1	44,2
Earnings per share, SEK	4,75	5,35

Highlights during the year for sustainable development

- ■ ■ ■ Trelleborg formulates a Code of Conduct and related policies.
- ■ ■ ■ Trelleborg publishes its first Sustainability Report.
- ■ ■ ■ The Group has now introduced the ISO 14001 environmental management standard at 47 plants.
- ■ ■ ■ Many plants are applying measures to improve the work environment and reduce environmental impact.
- ■ ■ ■ The Group engages in extensive cooperation with universities and institutes of technology in the environmental area.

Business concept

Based on its extensive knowledge of polymer technology, markets and customers, Trelleborg develops, manufactures and markets functionally oriented products, systems and services.



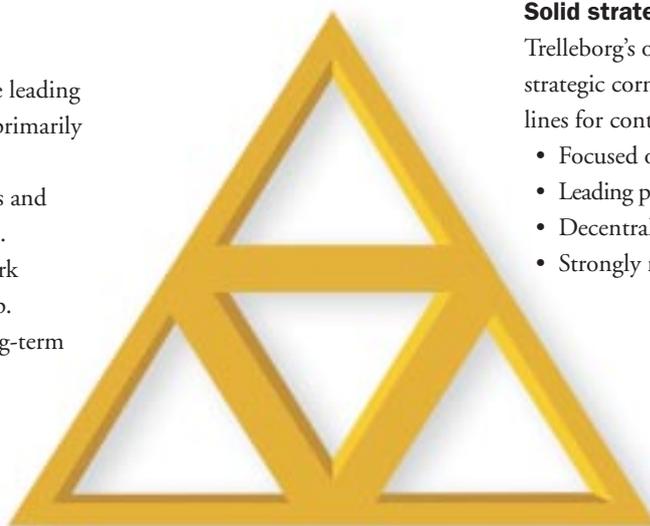
Objective

Trelleborg's goal is to capture leading positions and create economies of scale within the areas of research and development, production, marketing and service.

Vision

Trelleborg's vision is to be one of the leading global industrial companies within primarily the polymer area by offering:

- Our customers products, systems and services of the highest total value.
- Our employees a stimulating work environment in which to develop.
- Our shareholders a favorable long-term return on their investment.



Solid strategic platform

Trelleborg's operations are based on four strategic cornerstones that serve as guidelines for continued expansion:

- Focused operations.
- Leading positions in attractive segments.
- Decentralized organization.
- Strongly results-oriented.

CEO Fredrik Arp:

“Sustainable development is about
economic growth,
social development
and a healthy environment”

We are pleased to present Trelleborg's first Sustainability Report

Sustainable development is about economic growth, social development and a healthy environment. Both individual companies and the business community as a whole play a decisive role in this work. Unfortunately, it cannot be denied that the

initial years of the new millennium have been characterized by a difficult economic climate for the world in general and for individual companies.

At Trelleborg, we work to create financial value-added for our stakeholders without compromising the high standards we set in terms of our environmental and social responsibilities. The latter commitment is generally known as Corporate Social Responsibility (CSR). We do not regard CSR as an optional activity but as

something that is integral to everything we do. It is Trelleborg's wish to continue to be welcomed as a respected company in all areas.

”We do not regard environment and social responsibility as an optional activity but as something that is integral to everything we do”

Successful focus on environmental management systems

As we review the handling of environmental issues within the Group in a five-year perspective, it is pleasing to note that our efforts to establish a systematic approach in our environmental work have been successful. We now have 47 plants with certified environmental management systems (based on ISO 14001), and the number of certified plants is growing steadily. The focus on environmental management systems has been timely, and the Group is well prepared to meet increasing demands in



the environmental area, including those from key customers in the automotive industry. Both the Group as a whole and the individual plants show positive results in a number of areas relating to improved environmental performance. Reduced emissions, fewer work-related accidents and more efficient waste management are examples of our success in these areas.

Products with reduced environmental impact

By focusing on research and development, we develop products with new characteristics. In many cases, the result of product development is not only that products have better technical characteristics but also that their environmental impact is reduced. Our new waterproofing materials, for example, with their longer lifetime and lower weight, cause less environmental impact during their lifetime. Regardless of these successes, there are a number of significant environmental and work-environment aspects that will be part of the picture for many years to come. One example is society's focus on chemical issues, with explicit demands that substitutes be found for hazardous substances in processes and products. The demands for more efficient use of natural resources are also a challenge that affects us in regard to both energy utilization and waste-management issues.

Code of Conduct

Within the social area, we are constantly working to implement measures relating to the health, safety and personal development of employees. We also engage in socially oriented activities at various levels. This may, for example, involve contacts with

universities, schools, sports associations and philanthropic organizations. During 2002, we worked on the development of guidelines relating to the environment, health and social responsibility. I am therefore pleased to be able to present, in this Sustainability Report, the Group's Code of Conduct and new sets of guidelines relating to the workplace and the company's relations with suppliers. Our aim is to send clear signals via these documents to our employees and other stakeholders.

Now we are facing a new year that will also bring many challenges. Together with issues relating to finance, production structure and development of new products, the aspects concerning the natural environment, the work environment and

social relations remain important for us. I hope that both our employees and our external stakeholders will enjoy reading Trelleborg's Sustainability Report. You are also welcome to visit our Internet website, which contains more information about the Group's activities in this area.

”Our efforts to establish a systematic approach in our environmental work have been successful”

Trelleborg, March 2003

Fredrik Arp
President and CEO

Organization, management systems and ground rules

Organization

Sustainability work within the Trelleborg Group is decentralized in many respects, and based on the circumstances at the various plants. Formal responsibility for issues relating to the environment, health and safety, and for social issues, resides within the various line organizations. All of Trelleborg's plants have environmental managers or environmental coordinators. Responsibility mainly rests with the site managers, who are required to manage their operations in accordance with:

- Trelleborg's values, Code of Conduct and policies,
- Legal and other requirements,
- Standards and guidelines issued by the Trelleborg Group,
- The requirements set forth in the environmental management standard ISO 14001.

Environmental management systems

Trelleborg's environmental management systems are based on the principle that each production facility introduces and maintains an environmental management system in accordance with the requirements set forth in ISO 14001. During the years 1998-2002, Trelleborg implemented numerous measures to introduce ISO 14001, and a total of 47 plants are currently certified. At many of these plants, the environmental management system is integrated with the quality and work-environment systems.

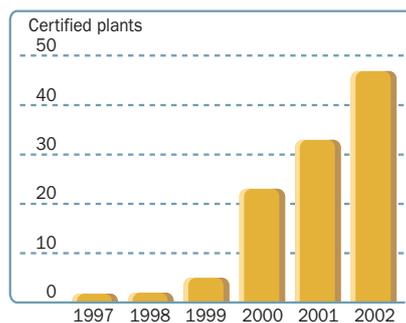
Ground rules

The Group's environmental policy, published in 1998, sets forth the basic ground rules for the environmental and work-environment areas. To ensure that our ambitions are realized and to follow up what is happening, a number of steering documents are used at both the Group and local levels.

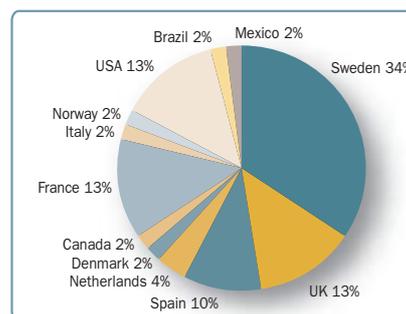
During 2002, we complemented the environmental policy with a Code of Conduct that defines the ground rules from an overall perspective. The Group also adopted a Workplace policy and a Supplier-relationship policy during the year. These undertakings relate to employee health, safety, personal development and participation.

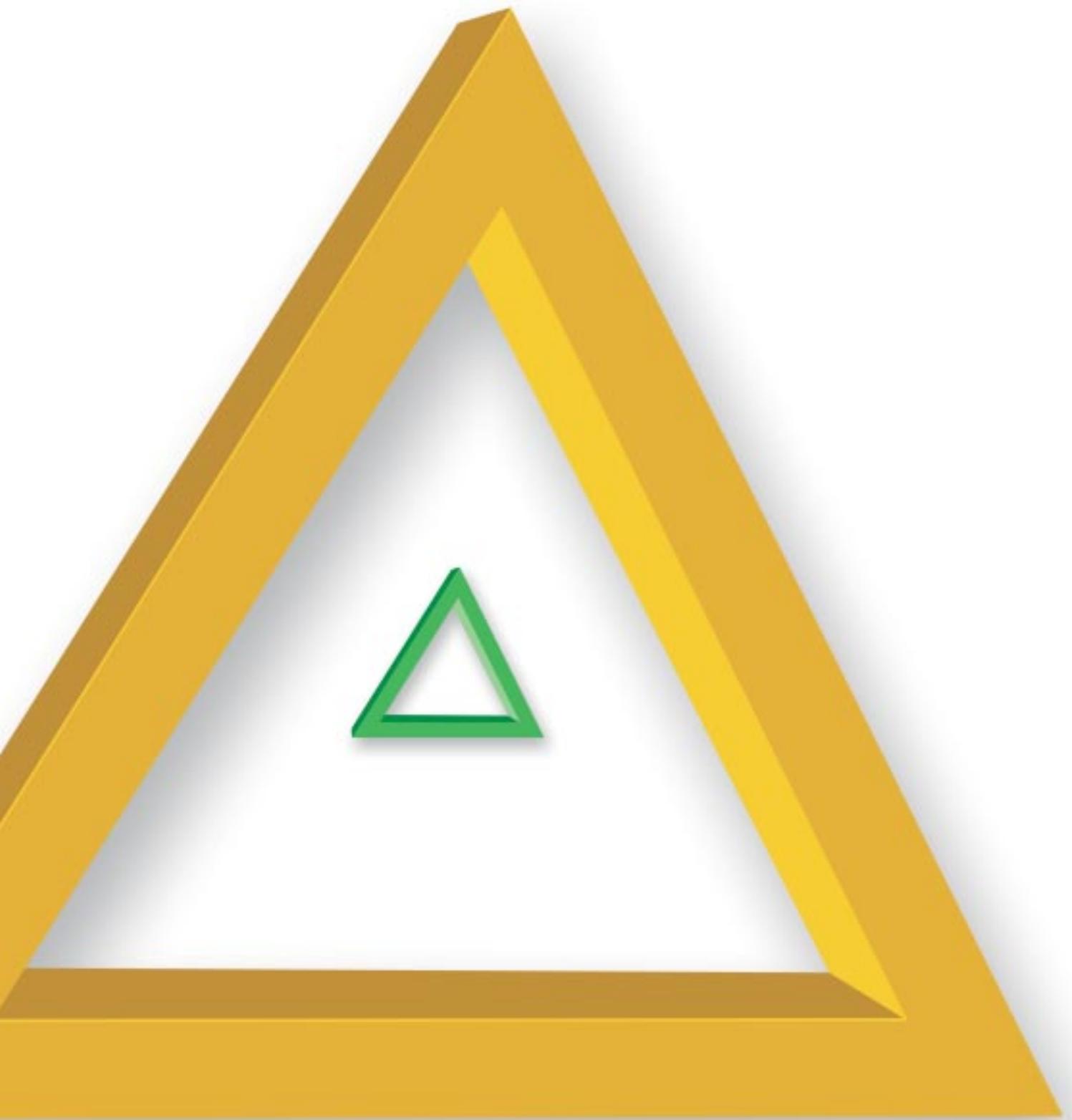
It is also important that Trelleborg plays a positive role in social developments in the countries where the Group is active. This may, for example, involve participation in networks, open contacts with neighbors and residents of municipalities, financial support to various organizations and cooperation with schools and universities.

Number of plants with ISO 14001 certification



ISO 14001 certificates by country



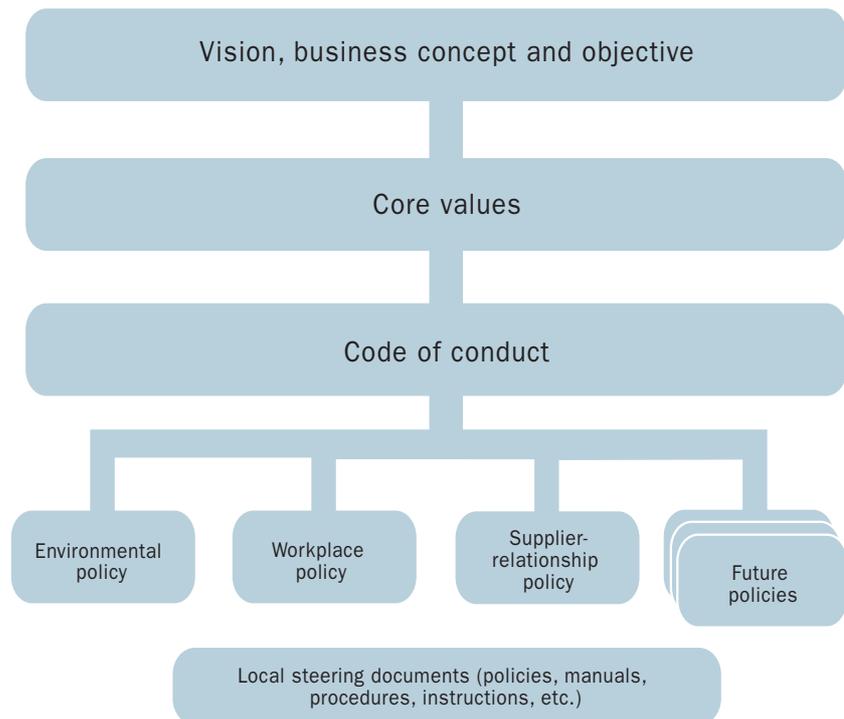




Code of conduct

Business at Trelleborg will be conducted in accordance with the following principles:

- We respect the rights of the individual, act in accordance with fair business, marketing and advertising practices and are committed to continuously developing the safety and quality of our products.
- We respect the rule of law, conduct our business with integrity and honesty and are accountable for our actions.
- We continually work to reduce our impact on the environment and health.
- We do not engage in illegal industry cooperation.
- We do not accept the offering, request or acceptance of bribes. We encourage our employees to avoid situations in which loyalty to the company may come into conflict with other, personal interests.



Organization, management systems and ground rules

Workplace Policy

Our fundamental principle is that we respect our employees and their human rights.

- We will not apply special treatment to employees in regard to employment or work assignments on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.
- We will respect our employees' right to be represented by unions and other employee representatives.
- We will continue to work together with our employees to create safe workplaces. We will provide the relevant safety training.
- Wages and salaries will be paid as agreed and on time. Overtime will be properly compensated. We will recognize good performance and extra efforts.
- We recognize the need for a healthy balance to be maintained between work and free time for all employees.
- We do not allow child labor. The minimum age for working in our operations will be the age of 15, and not younger than the compulsory school age in individual countries.
- We do not allow the use of illegal forced labor in any of our operations.

In any incidences of non-compliance with our policies, employees are encouraged and expected to report them to management for corrective actions.

Environmental Policy

Based on our approach to environmental issues, we are dedicated to complying with national and international commitments that strive for a sustainable society over the long term. Our objective is that the activities of the Trelleborg Group shall not harm the environment or have a negative effect on human health.

- We shall economize on energy, water and other natural resources. The environmental aspects shall be taken into account whenever we choose raw materials, chemical products and distribution systems.
- We shall minimize waste and emissions from our production plants and from our other activities.
- We shall have safe workplaces and ensure that our personnel training programs prepare our employees to perform their work in the best possible way.
- In our research and development operations, we shall strive for environmentally sound technologies, products and packaging.
- Whenever we change processes, plants and products, we shall use the opportunity to make environmental adaptations.
- We shall maintain sound emergency preparedness by systematically evaluating the risk of accidents, fires and uncontrolled emissions to the environment.
- We shall inform customers, suppliers and contractors about our environmental work and, in cooperation with them, strive to achieve mutual improvements.
- We shall provide open and objective information about our environmental work to our employees, the general public and the authorities.
- We shall comply with current environmental legislation and develop long-term plans related to national and international legislation in the areas of the environment, health and safety.
- We shall comply with the requirements of ISO 14001 and/or EMAS at our existing production plants. Tasks and responsibilities within the framework of the environmental-management system shall be clarified. Environmental objectives and action plans shall be prepared at every plant.

- We shall evaluate environmental performance by monitoring emissions and through frequent environmental audits. We will continually strive to improve our environmental performance.

Supplier Relationship Policy

Trelleborg is committed to work with suppliers who adhere to our quality requirements and business principles. We will strive to support positive changes in regard to quality, the natural environment and the work environment.

- We will support and continuously evaluate the performance of our suppliers.
- We will encourage suppliers to implement certifiable quality and environmental-management systems.
- We will insist that suppliers follow legal requirements, relevant to their operations, and continuously work to reduce environmental and health impacts from processes, services and products.
- We will include environmental and social requirements in contracts with suppliers. Specifically we do not allow: (I) discrimination of employees, (II) unsafe working conditions, (III) child labor, (IV) illegal forced labor, (V) conscious breach of environmental laws.
- When a supplier is found not to be following an agreed specification, we will consider appropriate actions, including demands for corrective measures, or termination of the relationship.

Performance in the sustainability area

Environment

Five years in brief

The focus of Trelleborg's operations has changed during the past five years due to the acquisition of many companies in the polymer industry. At the same time, operations in the areas of mining and distribution have been divested. An examination of the environmental performance of the Group as a whole shows that figures for parameters such as energy consump-

Environmental objectives

The various plants define their own short-term and long-term environmental objectives and action plans. These are followed up not only at the local level but also through the Group's environmental reporting system. The most common objectives for 2002 related to:

- Introduction of ISO 14001 and training in environmental and safety

Five-year summary

Year	Energy consumption		Carbon dioxide emissions		VOC emissions		Waste quantity		Work-related accidents
	GWh	GWh/employee	Tons	Tons/employee	Tons	Tons/employee	Tons	Tons/employee	Accidents leading to sick leave per 1,000 employees
1998	623	0.04	85,000	6.1	516	0.04	25,500	1.8	64
1999	760	0.06	101,400	8.0	505	0.04	31,700	2.5	43
2000	1012	0.08	129,200	10.5	1,189	0.1	33,000	2.7	54
2001	1135	0.07	146,360	9.0	1,528	0.1	43,390	2.6	58
2002	1164	0.08	129,000	8.7	1,735	0.1	47,360	3.2	58

tion, atmospheric emissions and waste quantities have increased in absolute terms. This is attributable not only to the Group's expansion, but also to the fact that the production focus of the newly acquired operations generates emissions and other forms of environmental impact. This applies, for example, to atmospheric emissions of solvents (VOCs) and greenhouse gases (carbon dioxide). The reader may also note that the environmental impact per employee has shown a certain degree of variation over the past three years.

The introduction of environmental management systems and more stringent environmental legislation has had the effect of reducing environmental impact per employee at a number of plants. A more comprehensive reporting system and reductions in the number of personnel have the opposite effect on key figures. In the Sustainability Report, we elucidate the environmental, health and social aspects as they relate to the Group and the business areas by describing a number of parameters in the shorter and longer perspective.

issues. During 2002, 14 plants were certified.

- Measures to achieve energy and water savings.
- Finding substitutes for chemicals that represent a hazard to health and the environment.
- Reduced waste quantities and improved waste management.
- Improved work environments and fewer work-related accidents. Risk assessments were performed at many plants in Europe and training programs were implemented. During 2002, the Group invested approximately SEK 34 M in measures to create safer workplaces.
- Reduced atmospheric emissions. Among other items, the objectives included investments in air-cleaning equipment. Investments aimed at reducing atmospheric emissions amounted to some SEK 16 M in 2002.

Legal requirements and conditions

The Group has about 80 production units in Europe, Asia, and North and South



America. The majority of plants require permits according to national law and are subject to regular inspections by the local authorities. Some smaller units are not classified as requiring permits. The majority of production plants have permits with expiry dates at the end of the 1990s. During 2002, existing permits were updated and applications for new permits submitted in respect of approximately 25 plants. Infringements of specific permit conditions occurred at plants in Turkey (emissions to air), Germany (storage of hazardous waste), the US (waste, wastewater, work environment), Sweden (noise, late environmental reporting), the UK (emissions to air), Italy (noise), Spain (noise, wastewater), China (noise, wastewater), France (noise, wastewater, Legionnaires' disease), and the Netherlands (inadequate fire safety).

Utilization of natural resources

Soil-related issues

Stricter legislation, high decontamination costs and increasing environmental awareness have prompted many companies to apply preventive measures to prevent

soil contamination. Trelleborg, for example, surveys the soil and groundwater situation in conjunction with the acquisition of companies. The soil situation has been examined at many of Trelleborg's plants, and various types of soil and groundwater contamination have been identified in a number of cases. Contaminants such as heavy metals, oils and solvents reflect the long history of the rubber industry, and decontamination measures have been initiated or already completed at a number of plants (see table on page 12). Decontamination costs are reported in the "Environment and finance" section of this report.

Energy use

Within Trelleborg, energy is used for heating, steam production, ventilation, cooling, processes, equipment operation and transportation. The Group's total energy consumption during 2002 (excluding transports) amounted to 1,164 GWh (1,135), which is about the same as the figure for 2001. The most important energy sources are fossil fuels and electric-

ity. Studies and measures to increase the efficiency of energy use were implemented at several locations. Nearly 60% of plants report lower or similar levels of consumption compared with previous years. In the case of plants that report higher energy consumption, the main reason for the change is increased production. Energy costs amounted to SEK 358 M during 2002.

Water consumption

Water is employed at Trelleborg's plants for cooling, cleaning, purifying metals (phosphatizing), and sanitation. During 2002, the Group's plants consumed 5.4 million m³ of water (5.7). Some water is purchased from municipalities or cities, but approximately 70% is pumped from the Group's own wells or from water-courses in the vicinity of the plants. Water consumption remains high at some of the Group's plants. Water costs amounted to approximately SEK 16 M during 2002.

Raw materials and chemical products

Trelleborg uses substantial amounts of

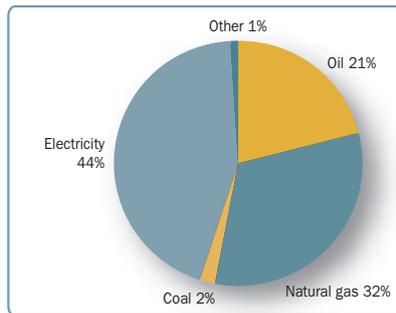
Performance in the sustainability area

raw materials and chemical products. The risk to people and the environment can be reduced by eliminating the use of

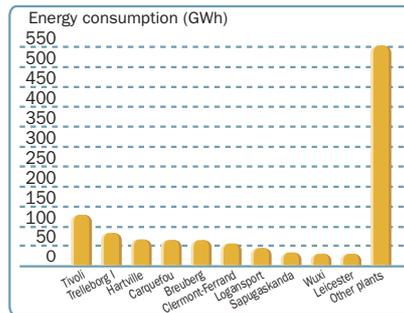
hazardous substances or restricting their use to closed processes. At Trelleborg, the use of heavy metals, chlorinated solvents,

high-aromatic (HA) oils and certain antioxidants and accelerators has declined over the years. Areas where we have

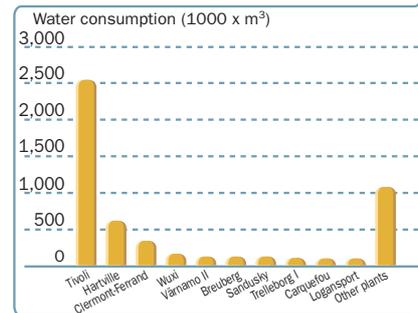
Energy consumption distributed by energy source



Plants with substantial energy consumption



Plants with substantial water consumption



Plant	Type of contaminant	Status
Trelleborg I, Sweden	Heavy metals, solvents.	Extensive surveys and decontamination performed 1995-2000. Results of solvent decontamination being monitored via regular sampling. Small quantities of heavy metals remain in the area.
Trelleborg Trebolit, Sweden	Creosote contamination, probably dating from the beginning of the 20th century. Trelleborg AB took over operations in 1998.	Comprehensive surveys conducted during 2000-2002, the results of which were communicated to the authorities. Decontamination methods, costs and financing currently being investigated. No industrial operations currently conducted at the plant.
Ridderkerk, Netherlands	Oil and solvents.	Decontamination initiated in 1992. Supplementary soil surveys in progress.
Ede, Netherlands	Oil.	Two underground tanks removed and decontamination initiated.
Vejen, Denmark	Tar products in soil and groundwater.	The contamination in question occurred more than 30 years ago. Detailed surveys have been performed. Pilot trials using biological treatment techniques have proved successful. Installation of full-scale treatment equipment being discussed with the environmental authorities.
Breuberg, Germany	Chlorinated solvents.	Decontamination initiated in 1989. Groundwater pumped up and filtered.
Hoogezand, Netherlands	Oil.	Decontamination in progress since 1998. Expected to be completed in 2003.
Evergem, Belgium	Oil, solvents.	Decontamination of oil using the "pump and treat" method is under way and expected to be completed in 2003. During 2002, detailed surveys were conducted and extensive contamination with chlorinated solvents was discovered.
Tivoli, Italy	Chlorinated and non-chlorinated solvents in groundwater.	Highly detailed surveys conducted during 1998-2000. Surroundings protected by pumping up and treating contaminated water. The measures taken have not yet affected the contaminant concentration in the groundwater.
Asti, Italy	Chlorinated solvents.	Decontamination initiated.
Hartville, OH, USA	Oil. Trelleborg does not own the land area.	Oil in a monitoring well is pumped up regularly.
Sandusky, MI, USA	Chlorinated solvents.	Decontamination using "pump and treat" method in progress since 1987.
South Haven, MI, USA	Solvents (xylene, ethylbenzene, chlorinated solvents).	Initial cleanup completed. Decontamination measures to be continued during 2001-2005.
Dawson, GA, USA	Chlorinated solvents (trichlorethylene).	Surveys performed. Decontamination not yet initiated.

achieved considerable success include reduction of the zinc oxide content in some rubber mixes, the use of “environmental oils” instead of HA oils and the introduction of nitrosamine-free vulcanization systems. The switchover to “environmental oils” (PAH <3%) continued during the year, and softeners of this type now account for 60% of total use. However, for technical, financial and quality-related reasons, it can sometimes be difficult to make the desired changes, since the substitute materials tested can lead to inferior product characteristics. The use of recovered materials in products has increased. This applies in particular to recovered plastics. At some plants, recovered materials constitute a substantial component in new products. At the plant in Rechlin, Germany, for example, fenders are produced from recovered polyethylene plastic.

Emissions to air and water

Trelleborg’s plants emit a number of different substances to the atmosphere. Solvents (VOCs) and carbon dioxide are of particular interest.

Emissions of VOCs within the Group during 2002 amounted to approximately 1,730 tons (1,390), which represents an increase compared with 2001. The increase is due to a combination of increased production and improved reporting principles. Each plant now also reports the solvent content in paints, adhesives and glue. Development work is under way within the Group to enable a switchover to water-based solvents in applications where rubber and metal are bonded. While some progress has been made, development is being slowed down by factors such as the limited availability of solvent-free alternatives, cost and quality aspects.

Emissions of the greenhouse gas carbon dioxide are caused primarily by transports and the combustion of fossil fuels in the Group’s energy plants. Total

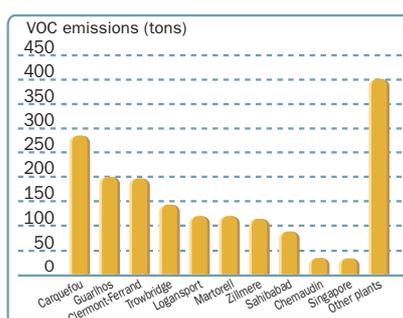
carbon dioxide emissions arising from energy use during 2002 amounted to 129,000 tons (146,400), which is a reduction compared with earlier years. Plant closures and more efficient energy use contributed to the reduction. Emissions of sulfur dioxide and nitrogen oxides

bors of the plant in Trelleborg (Trelleborg I) have complained repeatedly about unpleasant odors from the so-called “Hot-Stretch” plant. The company was able to reduce the odor problems to a minimum by changing the chemicals in the recipe, and the complaints from neighbors have now ceased.

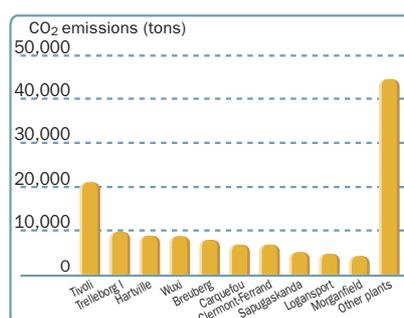
Raw materials and chemical products

Raw material/chemical product	2001 (tons)	2002 (tons)
Natural rubber	47,200	58,100
Various types of synthetic rubber	66,400	55,700
Plastics	14,000	11,000
Softeners (HA oils and other types of oils)	11,600	12,500
Solvents	1,500	1,800
Paints, glues and adhesives	1,300	1,600
Zinc oxide	3,000	3,100
Diisocyanates	290	740
Recovered materials used as raw materials (rubber, plastics)	5,600	10,080

Plants with substantial emissions of VOCs



Plants with substantial emissions of CO₂



(NOx) from energy production during 2002 amounted to 477 tons (455) and 152 tons (162) respectively. Heavy-grade heating oil with a high sulfur content is still used at some plants.

Atmospheric emissions from vulcanizing processes and other processes in which rubber, dipping solutions or other substances are heated may be experienced as troublesome by people living or working nearby. During the past few years, neigh-

Discharges to water from the Group’s plants are limited. Measurements of various wastewater parameters are taken at about 25 plants, usually in order to monitor chemical oxygen demand (COD), nutrients (phosphorus and nitrogen) and metals (such as zinc, nickel and iron). During the year, COD discharges amounted to approximately 1,700 tons. The largest single COD discharge was reported from the plant in Carquefou,

Performance in the sustainability area



France. Discharges of heavy metals amount to a few tons per year. Most of the plants are connected to municipal wastewater treatment plants, and there are internal wastewater treatment plants at a number of plants. No problems occurred in treatment plants or recipients during 2002.

Waste

Waste-related issues are important for Trelleborg both in financial terms and from a sustainability perspective. Large volumes of waste are produced within the Group and a substantial portion of this waste is deposited in landfills, which is undesirable from an environmental viewpoint. In many countries, legislation now promotes the aim that waste-management should focus on materials-recovery and energy recovery, which places considerable demands on the rubber industry.

The Group's total waste during 2002 amounted to 47,400 tons (43,400), of which 27,000 tons (22,600) were disposed of as landfill. About 16,900 tons (16,000) were source-sorted and used for materials recovery or energy recovery. The total amount of hazardous waste produced during the year amounted to 2,100 tons (2,400). Waste-management costs totaled SEK 33.4 M.

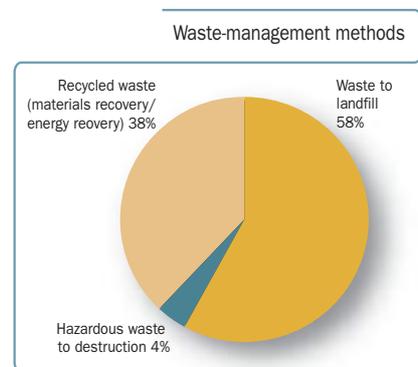
At many of the Group's plants, efforts are under way to reduce amounts of waste. An interesting cooperative project was initiated during the year between the plants in Clermont-Ferrand (France) and Izarra (Spain), whereby rubber waste

from France is sent to the plant in Spain, where it is used in new products. Trials are also under way to evaluate various methods of recycling rubber waste or using it for energy recovery. Some 58% of the approximately 16,800 tons of rubber waste generated during 2002 was deposited in landfills. A number of Trelleborg's plants have agreements with destruction facilities where the rubber waste is burned and the energy it contains is recovered. This solution accounts for some 14% of the rubber waste. The proportion of rubber waste recycled into new products at Trelleborg's plants during 2002 was about 3%, while approximately 24% was transferred to external companies for various forms of recycling. In Sweden, for example, worn-out agricultural tires are collected through a centralized collection system (Svensk Däckåtervinning). The disposal of rubber waste was essentially identical compared with the preceding year.

Packaging waste from Trelleborg's plants is collected via centralized systems in several countries in Europe. Trelleborg is affiliated to such systems in Sweden, Spain, Italy, Belgium and the UK.

Products and the environment

Demands from the automotive and construction industries for information concerning the environmental and health properties of products have increased. These demands may, for example, relate to certified environmental management systems, declarations concerning the



composition of products, or bans on the use of certain hazardous substances in products. Trelleborg is participating in a number of projects with other companies aimed at finding ways of presenting the environmental performance of products in an appropriate manner. Some of Trelleborg's products have favorable properties from an environmental perspective. Examples include:

- components that reduce vibration and noise in vehicles,
- rubber and plastic strips that contribute to noise suppression and energy savings,



- rubber sheeting used in landfill sites to prevent hazardous substances from leaching out,
- fenders made from recycled plastic,
- chemical- and fire-resistant clothing that is used for fire-fighting and dealing with environmental accidents,
- systems for recovering gasoline fumes when filling up at service stations.

A small number of products have undergone life-cycle assessments (LCAs). The Group submits safety and environmental information for a large number of products – in the form of safety data sheets and environmental product declarations, for example. The number of environmentally labeled products is low.

Transports and the environment

In the case of many of the Group's plants, more than 90% of transports are by truck. A limited quantity of goods is transported by rail, sea or air. A number of measures have been taken to reduce the environmental impact from transports, and a number of plants now require transport companies to demonstrate that they have environmental programs or environmental management systems.

Suppliers and the environment

The environmental performance of the raw materials, products and services purchased by Trelleborg impacts indirectly on the environmental performance of the entire Group. Various activities related to the interaction between Trelleborg

and its suppliers are currently under way. For example, environmental and health issues are now increasingly being included in assessments of suppliers. During 2002, a supplier-relationship policy was introduced within the Group.

When things did not go as planned

During 2002, a total of 62 (63) spillages, fires or other uncontrolled emissions to the environment were reported. All the incidents were of limited scope, and the impact on people or the environment was negligible. A number of minor fires that occurred were extinguished on site by process personnel. A steam boiler exploded at Trelleborg I, causing considerable material damage but no injuries to personnel.

During the year, some 25 plants were inventoried and classified based on their damage-prevention measures. A general manual on risk management was produced, and remedial measures have been taken, or are planned, at a number of plants.

At the production units, 30 (65) complaints were received during 2002 from nearby residents or other persons inconvenienced by our plants. The complaints primarily concerned offensive odors (6 complaints) and noise (13 complaints). Complaints concerning offensive odors at Trelleborg I ceased during 2002.

Health and social responsibility

Employees in many countries

Trelleborg has operations in more than 40 countries and production units in 21 countries. About 87% of the Group's approximately 15,000 employees work outside Sweden. The proportion of women in the Group is around 22%. Approximately 200 women employees hold positions in middle or senior management, and the proportion of female managers varies between 0% and 50% at the different plants. The proportion of women managers is below 10% at about one third of the Group's plants. The Trelleborg Board of Directors includes one woman and the senior management group includes one female employee.

As a result of fluctuations in business conditions, combined with company acquisitions and divestments, the number of employees at Trelleborg increases or decreases at different times. During 2002, growth through corporate acquisitions was limited, and the workforce was reduced through structural changes, for example in the UK, the US, Germany and Mexico. During the year, a number of production plants were closed and production of certain products was geographically redistributed. In conjunction with processes of change it is important that the people affected receive satisfactory information about the changes. Personnel turnover (redundancies not included) ranges from 0% to more than 50% at the various plants. More than half of the units show a personnel turnover of less than 10%. The average age of personnel at the production plants ranges from 29-48 years. At approximately 55% of the units, the average age is higher than 41 years.

Personal development and participation

Information and training are essential for the development of employees in an organization that is growing and changing.

As an example of a global training program, the Trelleborg International Management Program (TIMP) is directed at managers in various countries. Some 40 persons from various Group units participate each year. Knowledge of the company, personal development, cultural aspects and environmental and social issues are among the topics addressed in TIMP. Another Group-wide training initiative is Trelleborg Academy, an interactive training package aimed at all employees, which can be accessed on the Group's intranet. Training programs in the environmental and safety areas are held at the Group's plants on a regular basis. During 2002, the number of training hours per employee in these areas averaged 4.4 (4.3). Many training programs are conducted in conjunction with the introduction of ISO 14001.

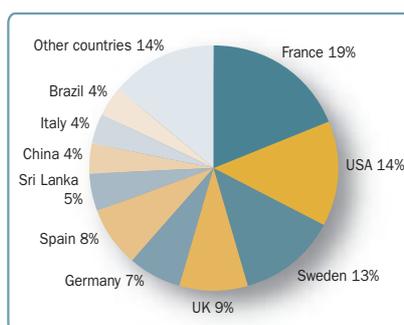
Surveys of employee satisfaction with their work and workplace have become more frequent within the Trelleborg Group. Surveys of this type were conducted at 26 plants during 2002.



Contacts with the community

Trelleborg has established well-functioning collaboration with universities and colleges in Sweden and other countries. During the year, cooperation with the International Institute for Industrial Environmental Economics (IIIEE) at Lund University was intensified. Several of Trelleborg's plants serve as reference plants for students and researchers, and the Group contributes to a professorship at the Institute. Together with some 25

Distribution of employees by country





companies and other organizations, Trelleborg participates in the Global Environmental Ethical Partnership (GEEP). The purpose of GEEP is to create dialog and disseminate knowledge and research aimed at promoting innovative thinking and developing new strategies in response to the challenges related to the concept of sustainable development. The Group also participates in a number of environmental activities in cooperation with authorities, industry organizations and other companies. An example is the chemical industry's international environmental program, Responsible Care.

A number of Trelleborg's plants participate, together with other local companies, in the development of environmental management systems, environment-related training and other activities. During 2002, for example, the units in Carquefou and Poix Terron (France), Kalmar and Bor (Sweden), Sandusky (US) and Leicester (UK) took part in meetings and training programs together with other companies and

authorities. In Sri Lanka the company took part in National Environment Day, and representatives from the Hartville plant in the US participated in the Health Awareness at the Planet conference. Trelleborg Environmental Affairs has given presentations on the Group's sustainability work in a number of inter-

national and national forums. Together with other rubber companies in Sweden, Trelleborg has developed instructional materials on the subject of rubber technology, including a book containing a detailed section on the environment and health in the rubber industry.

Degree projects and reports

2000

- *The rubber industry and extended producer's responsibility framework.* LUMES, Lund University.
- *Energy use and energy management in tire manufacturing: The Trelleborg 1 case.* LUMES, Lund University.
- *Labeling agricultural tires at Trelleborg company: possibilities and constraints.* LUMES, Lund University.

2001

- *Can the grey men go green? — A study of the expectation gap between financial analysts and Trelleborg AB with regard to environmental reporting.* School of Economics, Lund University.
- *Environmental reporting.* Trelleborg AB

- *as case study.* LUMES, Lund University.
- *Health and environmental risks from chemicals in the rubber industry — a collection of examples.* Ecological Department, Lund University.
- *Energy survey at Trelleborg Agri.* Malmö University.
- *Activation of rubber crumb.* ENEA Research Institute, Italy.

2002

- *Tires — a threat to our environment?* Ecological Department, Lund University.
- *Environmental communication in the rubber industry.* IIIIEE, Lund University.
- *Impact of IPP on Trelleborg Wheel Systems.* LUMES, Lund University.

Health and social responsibility



Work environment

Over the years, the work environment at Trelleborg's plants has improved in many ways. Despite the many measures that have been implemented, there are still a number of work-environment aspects that continue to demand close attention. Some examples of these aspects are:

- Exposure to chemicals, solvents and vulcanizing fumes
- Heavy lifting and repetitive tasks and noise
- Cuts, burns and crushing injuries

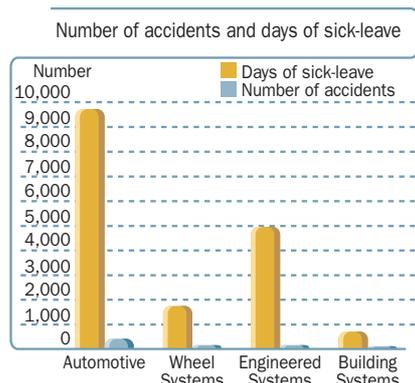
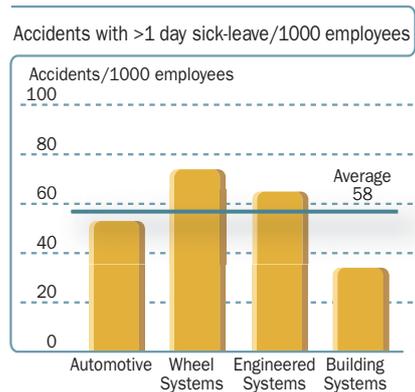
The risks associated with the work environment are reflected in the statistics. During 2002, 740 (769) employees suffered work-related accidents that resulted in more than one day's absence from work. Total reported absence caused by accidents amounted to around 17,200 (15,000) days. The number of work-related accidents leading to more than one day's absence from work per 1,000 employees averaged 58 (58). A total of 38 (70) external contract workers suffered accidents while working at Trelleborg's plants. The accident rate varies between business areas. Wheel Systems had the highest rate, with 74 accidents resulting in absence per 1,000 employees.

Many of the work-related accidents related to muscle strains caused by heavy lifting, and injuries resulting from falls, cuts, burns and crushing. Activities are under way in all business areas to reduce the number of work-related accidents.

Risk assessments of machines and equipment have been performed at a number of units, and approximately 85% of plants have safety committees.

During 2002, 206 (203) cases of work-related illness were reported within the Group. Approximately 65% of these illnesses related to the locomotive organs and consisted of various strain-related injuries, involving the back and neck, for example. About 12% of illnesses were caused by exposure to chemical products, and involved, for example, allergies and other reactions due to oversensitivity.

Cases of impaired hearing and other medical conditions were also reported. Trelleborg is participating in several international studies aimed at clarifying the health risks in the rubber industry.



Environment and finance



Environment-related costs

During 2002, environment- and work-environment-related costs and investments amounted to a total of approximately SEK 138 M (131). Costs for energy and water totaled approximately SEK 373 M (373). Costs for environmental work amounted to SEK 73.1 M (70.4), which corresponds to about 2% of combined costs for sales, administration and research (SAR). The administrative costs include costs for environmental departments, permit applications, fees to authorities, costs for the introduction and maintenance of environmental management systems and purchased consulting services. During the year, the Group paid around SEK 33.3 M (36.2) for handling, transport and disposal of waste. Costs for decontamination of soil and groundwater amounted to approximately SEK 3 M (6). No substantial provisions for environmental work were made during the year.

Environment-related investments

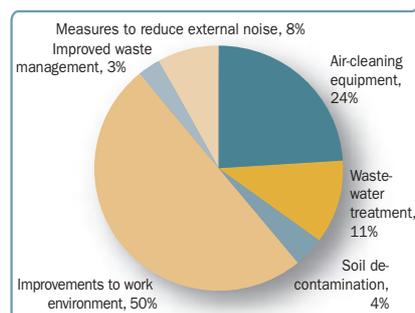
Total environment-related investments during 2002, including treatment plants,

preventive measures and work-environment improvements, amounted to SEK 67.9 M (60.8), which corresponds to around 9% (9) of the Group's total investments. Major investment expenditures were made, for example, at the plants in Tivoli, Italy, Värnamo, Sweden and Leicester, UK.

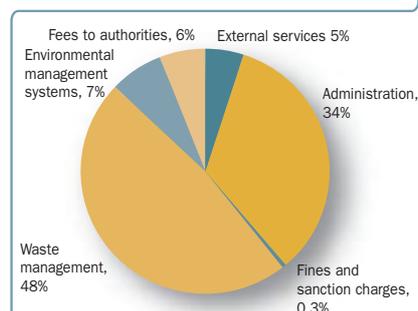
Environment-related savings

In many cases, the introduction of an environmental management system enables a unit to identify opportunities for savings – for example due to the more efficient utilization of energy and water, reduced quantities of waste and the reuse of recovered materials. Reported savings during 2002 amounted to around SEK 15 M (8). The largest savings were made in Izarra (Spain) and Hartville (US), and related to waste management.

Environment-related investments



Environment-related costs



Trelleborg Automotive

Trelleborg Automotive is the Group's largest business area, with approximately 8,900 employees. Key products are anti-vibration systems for vehicles and sound-absorbing products for brakes. The business area has some 40 production plants located throughout the world.



Key figures

	2002	2001
Energy consumption	552 GWh (48% of Group total)	518 GWh
Water consumption	832,100 m ³ (22% of Group total)	1,288,670 m ³
Emissions of VOCs to air	1,240 tons (72% of Group total)	960 tons
Recycled waste	7,670 tons (45% of Group total)	5,630 tons
Landfilled waste	11,600 tons (64% of Group total)	11,600 tons
Accident rate	53/1,000 employees (Group average: 58/1,000 employees)	53/1,000 employees
Number of ISO 14001 certificates	21 (45% of Group certifications)	10

Organization and management systems

There are local environmental coordinators at Automotive's plants worldwide. Within Automotive USA there are specialists with overall responsibility for permits, work environment and safety issues, and auditing of environmental management systems. The business area has 21 plants that are certified in accordance with ISO 14001. The following plants obtained certification during 2002: Polyspace, Soratech and Poix Terron (France), Benton Harbor, Sandusky, Dawson and Salisbury (US), Guarlhos (Brazil), Trowbridge (UK), Toluca (Mexico) and Cascante (Spain). The automotive industry imposes stringent requirements, including ISO 14001 certification and environmental product declarations in accordance with the International Material Data System (IMDS).

Sustainability performance

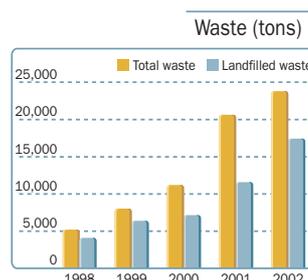
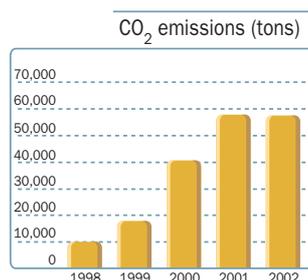
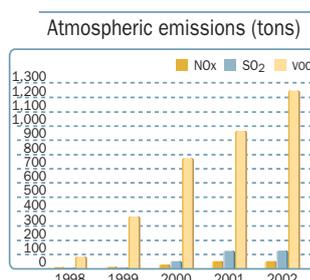
Trelleborg Automotive has many producing units, some of which have a large number of employees. Ten plants have more than 250 employees, and four have

more than 400 employees. Energy consumption and emissions of greenhouse gases (CO₂) are considerable, and the business area also predominates within the Group in terms of atmospheric emissions of solvents and waste quantities. The frequency of work-related accidents is below the Group average.

Important events during the year

In Leicester, a new plant for industrial antivibration applications was constructed, in conjunction with which measures were taken to reduce solvent use. Improvements to the work environment and ergonomic measures were implemented at the plants in Benton Harbor and Peru. Measures to replace chemicals that are hazardous to the environment and health

(lead, for example) were implemented at Asti, Chemaudin, Guarlhos, Leicester, Logansport, Morganfield II, Pamplona and Trowbridge. Waste management was improved at around 15 plants. A number of plants, including Coventry, report energy savings. Training related to the external environment and the work environment was given at most of the business area's plants. Several units began work on introducing a work-environment standard (OSHAS 18001). A catalytic system for cleaning solvent emissions was installed at the plant in Kalmar, Sweden. Noise-reduction measures were implemented at the Wuxi, Guarlhos and Carquefou plants, among others.



Trelleborg Wheel Systems

Trelleborg Wheel Systems has slightly more than 2,400 employees and manufactures wheels and wheel rims for forest and agricultural machines, as well as forklift trucks and other materials-handling equipment. The business area has eight manufacturing plants in Europe, the US and Southeast Asia.



Organization and management systems

There are environmental coordinators at all plants within Wheel Systems. Five plants within Wheel Systems – which corresponds to 60% of all units – are certified in accordance with ISO 14001. The unit in Hartville (US) was certified during 2002.

Sustainability performance

The manufacture of tractor tires and other types of tires gives rise to substantial water and energy consumption, atmospheric emissions and waste. Wheel Systems uses relatively large amounts of chlorinated solvents. Heavy manual work is common and the accident rate is high. Two of the business area's plants have more than 400 employees.

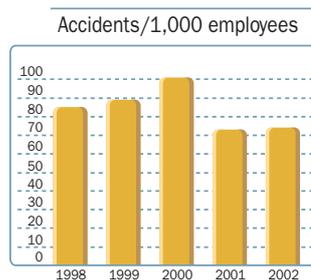
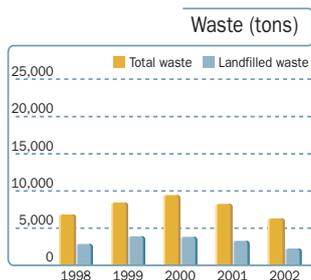
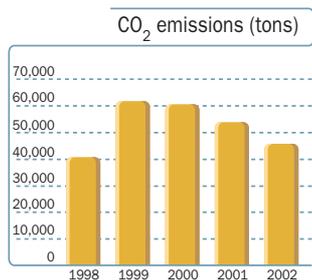
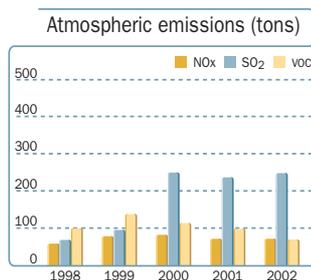
Important events during the year

The major portion of the plant in Evergem (Belgium) was closed, and the operations were moved to Sri Lanka and Spain. At the plant in Tivoli, noise-reduction measures were implemented and four old transformers containing PCBs

were removed. Personnel at the Hadsten plant, together with the authorities, worked on a project concerning the integration of immigrants at workplaces. Active measures relating to a new alcohol and drugs policy were also undertaken at Hadsten. The odor problems at the Trelleborg I plant were remedied and complaints from neighbors ceased. A waste-management project was implemented in Hartville, and personnel at the plant in Sri Lanka received instruction in the environment and safety areas, and certain hazardous substances in the rubber mix were replaced. Preventive fire-protection measures were implemented in Hoogezaand.

Key figures

	2002	2001
Energy consumption	315 GWh (28% of Group total)	336 GWh
Water consumption	3,299,070 m ³ (65% of Group total)	3,467,500 m ³
Emissions of VOCs to air	69 tons (4% of Group total)	98 tons
Recycled waste	3,680 tons (22% of Group total)	4,990 tons
Landfilled waste	2,250 tons (8% of Group total)	3,290 tons
Accident rate	74/1,000 employees (Group average: 58/1,000 employees)	73/1,000 employees
Number of ISO 14001 certificates	5 (10% of Group certifications)	4



Trelleborg Engineered Systems

Trelleborg Engineered Systems has approximately 2,800 employees, and manufactures industrial hose, polymers for infrastructural projects, rubber sheeting, rubber flooring, road-marking tape, and protective equipment. The business area has 18 manufacturing plants in Europe, Canada, Australia and Singapore.



Organization and management systems

Each of the various plants has an environmental coordinator. At the Trelleborg plant there is a specialist Environmental Technology organization to support Engineered Systems, among other organizations. In Izarra there is an environmental specialist who works in part with Group-wide issues. A total of 14 plants within the business area – which corresponds to 60% of all units – are certified in accordance with ISO 14001. During 2002, the plants in Ede (Netherlands) and Clermont-Ferrand (France) obtained certification.

Sustainability performance

Most of the units within Engineered Systems have 50-150 employees. The average number of employees is about 130 per unit. The plants in Mjøndalen, Izarra and Clermont-Ferrand are the largest, with approximately 300-635 employees. In a Group-wide perspective, Engineered Systems' energy consumption and carbon dioxide emissions are moderate. The plant in Clermont-Ferrand

emits large quantities of solvents and shows substantial energy consumption. The business area's accident rate is above the Group average.

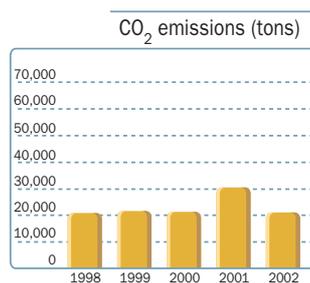
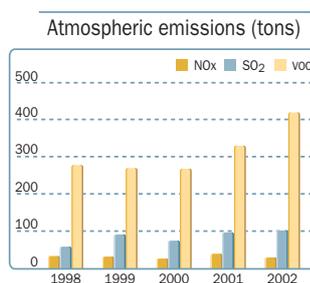
Important events during the year

One plant in Mexico and one plant in the UK were divested. In Clermont-Ferrand, an energy-supply project (the trigeneration project) is under way that will result in reduced atmospheric emissions and reduced water consumption. Personnel at the plants in Hull, Mjøndalen, Ridderkerk and Collingwood worked on ways of reducing the risks associated with the use of solvents and chemical products. In Singapore, a project known as "5S" is being conducted and employees have received training in the health and

safety areas. The Izarra and Clermont-Ferrand plants are cooperating on measures relating to the recovery of mixed rubber. Ergonomic measures were implemented in Ystad and the use of HA oils has been reduced at Trelleborg I. A substantial investment was made at the unit in Runcorn to reduce dust exposure in workplaces. Risk assessments and safety measures relating to machines were implemented in Izarra, Örebro and Hemse.

Key figures

	2002	2001
Energy consumption	179 GWh (16% of Group total)	191 GWh
Water consumption	626,780 m ³ (13% of Group total)	592,700 m ³
Emissions of VOCs to air	419 tons (24% of Group total)	330 tons
Recycled waste	3,100 tons (18% of Group total)	2,950 tons
Landfilled waste	5,370 tons (20% of Group total)	5,612 tons
Accident rate	65/1,000 employees (Group average: 58/1,000 employees)	68/1,000 employees
Number of ISO 14001 certificates	14 (30% of Group certifications)	12



Trelleborg Building Systems

Trelleborg Building Systems has about 1,200 employees and manufactures rubber sheeting for roofs and for sealing landfills, bitumen-based sealing layers for roofs and bridge membranes, and sealing strips. The business area has 12 manufacturing plants in Europe.



Organization and management systems

Each of the various plants has an environmental coordinator, and at the production units in the Värnamo region in Sweden there is overall collaboration between the environmental coordinators on matters concerning the environment and health. For example, environmental audits are performed on a jointly organized basis. Seven units within the business area, which corresponds to 60% of all units, are certified in accordance with ISO 14001. No additional units were certified during 2002.

Sustainability performance

The production units within Building Systems are relatively small (average of 70 employees), and there is only one mixing section within the business area. This means that environmental impacts in the form of energy and water consumption and waste are relatively low. Atmospheric emissions of solvents and carbon dioxide are limited. The quantity of waste recycled is relatively high. The accident rate within Building

Systems is below the average for the Trelleborg Group.

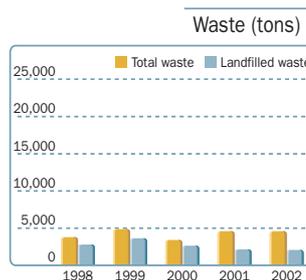
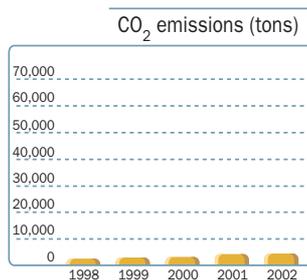
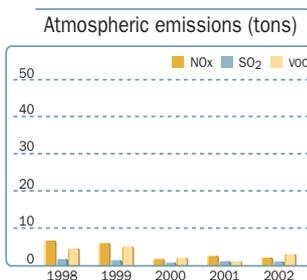
Important events during the year

Risk assessments of workplace safety were carried out at the Swedish units, and managers and other personnel received training in the external-environment and work-environment areas. Training was also given to key personnel involved in the transport of hazardous goods. At the Värnamo II plant, investments were made in measures designed to save water and energy. It is estimated that water consumption will be reduced by approximately 85% as a result of the measures. In Bor, buildings for the storage of waste and peroxide were constructed. Minworth reports reduced energy consumption and

reduced amounts of waste. Fire protection was improved in Mosbach. Chemicals handling at the Rydaholm plant was reduced substantially.

Key figures

	2002	2001
Energy consumption	88 GWh (8% of Group total)	84 GWh
Water consumption	338,780 m ³ (7% of Group total)	394,000 m ³
Emissions of VOCs to air	3 tons (0.1% of Group total)	0.1 tons
Recycled waste	2,400 tons (14% of Group total)	2,210 tons
Landfilled waste	2,040 tons (7% of Group total)	2,125 tons
Accident rate	34/1,000 employees (Group average: 58/1,000 employees)	47/1,000 employees
Number of ISO 14001 certificates	7 (15% of Group certifications)	7



Important sustainability work under development

Trelleborg's operations impact on the environment and people's health in a number of ways. In some cases, through systematic efforts, we can reduce environmental impact and achieve safer workplaces. In other areas, our

scope for bringing about changes is limited, at least in the short term. The table below, which covers the environment, health and social relations, shows how we view these aspects from a Group perspective. We have also shown, using

simple symbols, how we perceive our successes and setbacks in a five-year perspective.

-  Improved situation.
-  Unchanged situation.
-  Worsened situation.

Environmental aspect	Priority level	Examples of environmental, health and other impacts	Threats and opportunities	Trend 1998-2002	Comments
Location		Disturbance due to noise, transports and unpleasant odors.	A number of the Group's plants are located in urban areas. There can be complaints from neighbors.		Disturbances have declined substantially at a number of plants, such as Trelleborg I. Some problems persist at a number of plants.
Soil and groundwater		Historic contamination of soil and groundwater. Oils, heavy metals and solvents are examples of contaminants.	There is contamination at about 15 plants. Soil decontamination is expensive and takes a long time.		A number of minor cleanups have been performed. New contamination has been discovered.
Consumption of natural resources (raw materials)		Environmental impact from rubber plantations during production of natural rubber. Utilization of nonrenewable resources during production of synthetic rubbers and other polymers.	Through the more efficient use of raw materials, the Group can save money and reduce environmental impact.		Use of resources has become more efficient at many plants. This is still an area with potential for improvement.
Consumption of natural resources (water, energy)		Utilization of nonrenewable energy resources (oil, natural gas). Clean water is a scarce resource in many countries.	Energy prices are a significant factor for production costs. Energy costs increased substantially during 2002.		Successful energy savings programs have been implemented at some plants. The potential for saving energy has not been fully exploited in the Group. The same applies to water.
Use of chemical products		Hazardous substances are common in the rubber industry. Environmental and health risks can result from the handling of toxic and persistent chemicals.	Demands are increasing from the authorities and customers for a reduction of the environmental and health risks caused by chemicals. Substitution measures can be expensive and technically difficult to implement.		The use of hazardous substances has decreased and handling has become safer.
Emissions to air		Carbon dioxide from the Group's energy plants contributes to the greenhouse effect. Solvent emissions cause local formation of photochemical oxidants, among other effects. Dust, vulcanizing fumes and odors can cause a local environmental impact.	Carbon dioxide taxes and trading in emissions rights are expected to progressively generate costs for the Group. Legislation to reduce emissions to air is becoming increasingly strict. The tolerance level of nearby residents is expected to decline.		Many plants have implemented measures to reduce solvent emissions. In a 10-year perspective, emissions have decreased substantially at a number of plants. Disturbance caused by dust and vulcanizing fumes has declined. Carbon dioxide emissions have declined somewhat.
Noise (outdoors)		Neighbors may be disturbed. Limit values for noise may be exceeded.	Noise-reduction measures can be difficult and expensive to implement.		Unchanged situation, with a total of about 10 complaints per year at approximately 10 plants.
Emissions to water		Municipal treatment plants and watercourses can be affected by chemical products and other emissions.	Emissions to water are limited and wastewater is treated internally at a number of units. Investments in improved wastewater treatment may be required at some plants.		Essentially unchanged situation. Improved wastewater treatment has been introduced at some plants.

● High priority ■ Medium priority ▼ Low priority

Environmental aspect	Priority level	Examples of environmental, health and other impacts	Threats and opportunities	Trend 1998-2002	Comments
Waste	●	Waste generation is a wastage of natural resources. Landfill capacity has already been exceeded in some countries. Incineration can produce emissions of air pollutants. Storage and transport of hazardous waste can lead to health-related and environmental risks.	Waste issues have high priority in many countries. For the Group this means increased costs and demands for waste reduction and recovery/recycling.		Waste management has improved at the majority of plants. The introduction of ISO 14001 is a key driving force in this context. The development of methods for handling rubber waste is becoming increasingly important.
Spills, fires and unforeseen situations	■	Serious injury to people in the vicinity can result from fires and uncontrolled emissions.	In recent years, the Group has been spared from spills and fires resulting in serious injury. Some major fires have occurred during the past few years however, and minor spills and leakages occur.		Preventive risk reduction measures have become increasingly important as insurance costs have risen. Assessments have been made and manuals prepared in order to consolidate preventive work.
Products	●	Products whose useful life is over generate waste. The products contain chemical substances that can spread in the environment. However, many of the Group's products contribute to a better environment (reduced noise and vibration, energy savings, etc.).	Demands from customers, particularly in the automotive and construction industries, for information on products' environmental and health properties are increasing.		Substitution of hazardous substances (e.g. HA oils and accelerators that form nitrosamines) has improved the properties of some products from the environmental viewpoint. Safety and environmental information is provided for many products.
Packaging	▼	Packaging generates waste at customer premises.	Environmentally compatible packaging solutions often increase customer satisfaction and reduce environmental impact.		Essentially unchanged situation.
Transports	■	Use of nonrenewable natural resources (fossil fuels). Emissions of greenhouse gases and air pollutants.	Transports of raw materials and finished products are substantial within the Group. The environmental impact of transports has only been studied at a few plants.		Some good initiatives have been taken to reduce the environmental impact of transports. Continued efforts are required to survey the effects of transports.
Work environment risks	●	Exposure to chemicals in the rubber industry can lead to allergies, respiratory illnesses and other health problems. Crushing injuries, cuts and burns are common. Heavy lifting and repetitive tasks can lead to strain-related injuries. Noise can result in hearing impairment. Stress can lead to psychosocial illnesses.	Demands from the authorities, employees and trade unions for a safe work environment continue to be high.		Over the years, the work environment in the rubber industry has improved considerably. However, the accident rate is still high and numerous sources of risk remain, relating to chemical products, heavy lifting and repetitive work, for example.
Values and relations at workplaces	●	Poor working conditions and a lack of respect for human rights have a negative effect on employees and give the company a bad reputation.	There has been an increasing focus during recent years on issues relating to ethics, morals and human rights, and more rigorous demands are coming from stakeholders and society at large.		Trelleborg's overall values, Code of Conduct and Workplace Policy were introduced during 2002.
Social commitment	■	Commitment on the part of the Group to environmental and social issues can have a positive impact at the local level.	Demands for social commitment on the part of industry are increasing. The Group's image as a good corporate citizen and an attractive employer could be strengthened.		Trelleborg participates, both locally and in a broader context, in various social activities. Contacts with universities and institutes of technology pertaining to sustainability issues have been expanded.
Suppliers	■	The work environment, social conditions and environmental impact of suppliers indirectly affect Trelleborg's sustainability performance.	Inappropriate behavior on the part of suppliers can harm Trelleborg's reputation and result in increased costs.		The introduction of environmental management systems has also increased the focus on the environmental work of suppliers. A Group-wide supplier policy has been prepared.

Accounting principles

Contents of Sustainability Report

The Trelleborg Group's Sustainability Report for 2002 covers aspects relating to the environment, health, safety and social issues. Trelleborg's ambition is that the report, together with supplementary information, will provide employees and external stakeholders with a clear picture of the Group's activities in these areas and their business-related consequences. We hope that the report will be of interest to various categories of stakeholders, and we welcome readers' comments and suggestions for future improvements. The current report is scheduled for publication in April 2003 and will be accessible, together with Trelleborg's Annual Report, on the Group's website: www.trelleborg.com. Both reports are published in Swedish and English, and can be ordered from the Group's Corporate Communications Department. In accordance with standard reporting practice, Trelleborg AB also reports on any significant events that have occurred between the close of the fiscal year and the completion of the Sustainability Report.

Division of environmental information between Annual Report and Sustainability Report

The Trelleborg Group's Annual Report for 2002 provides general information about the

company's environmental situation to the extent required by Swedish legislation regarding environmental information in the Board of Directors' Report. Compared with the Annual Report, the Sustainability Report contains supplementary and more detailed information. In addition, a global perspective on environmental issues is adopted in the Sustainability Report, while the information in the Annual Report focuses on the Swedish operations, in accordance with Swedish law.

Scope of the Sustainability Report

The Trelleborg Group comprises Group Management, four business areas and a minority interest in Trenor (Trelleborg's former distribution sector). In this Sustainability Report, "Trelleborg" refers to the Group's four business areas. Trenor is not included in the report. Nor are the distribution operations within Trelleborg Goodall (US) included in the report.

The Sustainability Report covers performance relating to the environment, health, safety and social conditions at the production units worldwide. Operations that belonged to the Group during the entire fiscal year are reported. No information is provided on operations that were closed down or divested during 2002. For this reason, the plants in Evergem (Belgium), and

Bow and Skelton (UK) are omitted from the report. Previously, the Triton and Admiral plants (West Thurrock, UK) were covered in a separate report. This year, they are combined under the designation "West Thurrock." The Group's combined environmental performance is given for a number of central parameters, and the four business areas are reported separately for a number of key parameters. For certain parameters, figures are given for those plants that have the greatest impact on the Group's combined results. A total of 82 organizations throughout the world contributed to the report. The plants named in the table below are included in the Sustainability Report. The number of employees at each plant is given in parentheses.

Accounting principles

Trelleborg's Sustainability Report is not based on any particular international guidelines for environmental reporting. The choice of the parameters reported and the method of reporting are partly based on the Global Reporting Initiative (GRI, 2000) and Deloitte & Touche's Checklist 2000. Each plant supplies data in accordance with the Group's standard for sustainability reporting, and each plant manager is responsible for quality-assuring the data provided. Data are compared

Plants included in the Sustainability Report (number of employees in parentheses)

Automotive

Italy	Asti (76)
Germany	Breuberg (496), Nastätten (71)
Spain	Burgos (94), Cascante (110), Martorell (195), Pamplona (268), Tarazona (46)
Sweden	Sjöbo (82), Kalmar (126)
UK	Coventry (213), Leicester (292), West Thurrock (313), Trowbridge (283)
France	Carquefou-Modyn (391), Carquefou-Polyspace (182), Carquefou-Prodyn (71), Carquefou-Soratech (425), Chemaudin (172), Poix Terron (81), Witry Les Reims (217)
Turkey	Cerkezhöy (126)
Czech Republic	Dobrovice (17)
USA	Benton Harbor (175), Carmi I ⁴ (71), Carmi II ⁵ (135), Dawson (124), Kent (18), Logansport (415), Morganfield I (220), Morganfield II ⁶ (118), Peru (224), Salisbury (35), Sandusky (299), South Haven (134)
Mexico	Toluca (130)
Brazil	Diadema (91), Guarulhos (388)
India	Sahibabad (122)
China	Wuxi (560)

Wheel Systems

Denmark	Hadsten (110)
Netherlands	Hoogezand (62)
Sweden	Trelleborg I ¹ (276), Sävsjö (43)
Italy	Tivoli (543)
USA	Hartville (204)
Sri Lanka	Sapugaskanda (448), Walgama (229)

Engineered Systems

France	Clermont-Ferrand (635)
Netherlands	Ede (66), Ridderkerk (105)
Norway	Mjøndalen (199)
Spain	Izarra (298), Santander (64)
Sweden	Hemse (83), Trelleborg I ¹ (133), Trelleborg II ⁷ (109), Ystad (108), Örebro (109)
UK	Hull (60), Runcorn (26), Scunthorpe (16)
Germany	Rechlin (13)
Canada	Collingwood (50)
Singapore	Singapore (189)
Australia	Brisbane (54)

Building Systems

Sweden	Bor (64), Höganäs (84), Rydaholm (78), Värnamo I ² (145), Värnamo II ³ (154), Österbymo (24)
Denmark	Vejen (39)
Finland	Vihti (13)
Germany	Mosbach (90), Papenburg (77)
UK	Minworth (76)

1) Central plant, Trelleborg, Sweden 2) Central plant, Värnamo 3) Norregårds fabriken, Värnamo 4) Carmi mixing plant 5) Carmi moulding plant 6) Dawson plant 7) Trelleborg E plant

Glossary

with figures from previous years and are verified, by random sampling, against the plants' environmental reports to the authorities and data supplied in conjunction with the environmental reviews conducted in preparation for the introduction of ISO 14001. The information in the present report refers to the year 2002. Key figures are presented in text, tables and diagrams. Where appropriate, data for 2001 are provided in parentheses following the information for 2002.

This year's Sustainability Report represents a further development of the environmental reports from previous years. The same reporting principles apply in the case of parameters reported in previous years. In the case of carbon dioxide, sulfur dioxide and nitrogen oxide emissions resulting from the burning of fossil fuels, conversion factors based on the energy content and quality of the fuel used are employed. Figures for emissions of VOCs (solvents) are based on measurements at the plants where they occur, but in most cases VOC emission data is based on mass-balance calculations. In this year's report, VOC emissions from paints and lacquers, adhesives and glue have been handled in a more consistent manner, which has resulted in a reported increase in the total amount of VOCs.

Terms and definitions

Environment-related costs

These are costs related to measures for preventing, reducing or repairing environmental damage directly associated with operations. The corresponding measures taken with regard to health and safety in the workplace are also included. The costs reported include, among other items, administration and external-consulting expenses, fees to authorities, costs for introducing and maintaining environmental management systems, and charges for external inspections and audits.

Environment-related investments

These are investments in assets designed to prevent, reduce or repair damage to the environment associated with operations. The corresponding investments made with regard to health and safety in the workplace are also included.

Environment-related provisions

These are financial provisions to cover liabilities and allocations for known commitments and necessary measures to prevent, reduce or repair damage to the environment associated with operations.

BLIC

The Association of European Rubber Manufacturers. Trelleborg participates in the work of the Health & Environment Committee, among other activities.

Carbon dioxide (CO₂)

CO₂ is formed in all carbon combustion processes. The gas is released in substantial amounts when petroleum products are used. It is likely that atmospheric emissions of carbon dioxide increase global warming (greenhouse effect).

CFCs and HCFCs

Substances that destroy the atmospheric ozone layer. They are used, for example, in air-conditioning plants.

Code of Conduct

Behavior code for Trelleborg's employees. Supplemented by policies relating to the environment, workplaces and relations with suppliers.

Environmental aspects

The parts of an organization's activities, products or services that interact with the environment. An overview of the Trelleborg Group's key environmental aspects is included in the present report.

Environmental management system

The part of the overall management system that includes the organizational structure, planning, activities, distribution of responsibility, practices, procedures and resources for developing, implementing, performing, reviewing and maintaining the organization's environmental policy. ISO 14001 is used as the environmental management standard within the Trelleborg Group.

Global Reporting Initiative (GRI)

GRI is an organization working toward a method for overall reporting and assessment of an operation, including the social and environmental perspectives, as well as financial aspects.

GWh

Gigawatt-hour, 1 billion watt-hours.

HA oils

Softeners containing a high concentration (>3%) of carcinogenic polyaromatic hydrocarbons (PAHs).

Hazardous waste

Waste requiring special handling. Different countries have different definitions and regulations, and national standards are frequently changed, making it more difficult to report on hazardous waste. Within the EU, hazardous waste is classified in accordance with the European Waste Code (EWC).

ISO 14000

A series of international standards for environmental management systems (ISO 14001), life-cycle assessments, environmental audits, environmental labeling, environmental performance evaluation and environment-related terms and definitions. Many plants within the Trelleborg Group are certified in accordance with ISO 14001.

LCA (Life Cycle Assessment)

A management tool for assessing and quantifying the total environmental impact of products and activities over their entire lifetime, based on an analysis of

the entire life cycle of a particular material, process, product, technology, service or activity. LCA methodology is described in ISO 14040.

Nitrosamines

Substances that can cause cancer in animals and humans. Formed during certain vulcanization processes.

NO_x (nitrogen oxides)

Gaseous oxides formed during combustion processes through the oxidation of nitrogen. Harmful to human health and the environment. Cause acid rain and eutrophication.

PAHs

Polyaromatic hydrocarbons. Some are carcinogenic. PAHs are released to the atmosphere from vehicle exhaust fumes and small-scale wood-fueled heating, and in conjunction with vulcanization processes in the rubber industry. PAHs also occur in extremely low concentrations in conjunction with bitumen used within Trelleborg Building Systems.

Polyurethane

Group of polymers with structures linked by urethane bridges. At Trelleborg, polyurethane is used for coating rollers and for solid tires. Various diisocyanates, such as TDI or MDI, are used in the production process.

SGI

Swedish Rubber Industry Association (Svenska gummi-industriföreningen). Trelleborg AB participates in SIG's Environment Committee, among other activities.

SO₂ (sulfur dioxide)

Sulfur dioxide is formed when petroleum products are burned. SO₂ contributes to the acidification of lakes, streams and soils, and causes coniferous trees to shed their needles. Large concentrations in the environment are harmful to human health.

VOC s (Volatile Organic Compounds)

The VOCs referred to in this report comprise unchlorinated and chlorinated solvents. VOC emissions contribute to local atmospheric environmental effects, including the formation of ground-level ozone. Many VOCs constitute a direct health risk.

Work-related accident

A work-related accident is a sudden event related to work that gives rise to a wound or other physical injury. A typical injury in the rubber industry is a minor cut or crushing injury. Trelleborg reports the number of work-related injuries that give rise to one or more days of absence, called Lost Work Cases (LWCs). The injury rate is then normed by stating the number of such injuries per 1,000 employees (LWC/1,000).

Work-related illness

A work-related illness is an illness caused by long-term exposure to a particular factor in the work environment. Such factors can include repetitive lifting or being exposed every day to solvent fumes.

Further information about Trelleborg AB

Questions regarding the Sustainability Report will be answered by
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Printed publications can be ordered by telephoning +46 410-670 09, or via e-mail: info@trelleborg.com



Internet

A detailed Sustainability Report can be accessed
on our website: www.trelleborg.com

T-TIME

Trelleborg's stakeholder magazine,
T-TIME, is published four times
a year.



Annual Report

The Trelleborg Group
Annual Report for 2002.



Trelleborg AB will also be publishing the following financial reports for fiscal year 2003:

Interim report for the period January 1-March 31	April 24
Interim report for the period January 1-June 30	July 22
Interim report for the period January 1-September 30	October 22
Year-end report for 2003	February 5, 2004



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