



CORPORATE RESPONSIBILITY

2009

United Nations Global Compact Communication on Progress 2009



**Managing tomorrow's fuels.** Biofuels are hard on fuel systems, engines and exhaust systems. Through comprehensive research and testing, Trelleborg has developed high-precision polymer seals with tougher properties, protecting both people and technology for safe and green driving.

# Corporate Responsibility

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This symbol indicates that additional information is available at [www.trelleborg.com/cr](http://www.trelleborg.com/cr)

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#### About this Communication on Progress 2009

Pages 3-14 are an excerpt from the Trelleborg Annual Report 2009. Pages 15-21 are from Trelleborg's complete Corporate Responsibility Report 2009 at [www.trelleborg.com/cr](http://www.trelleborg.com/cr). This pdf version does not contain active links.



## “Our assumption of responsibility begins with our products and solutions”

Although 2009 was a demanding year with difficult financial conditions and extensive restructuring, our work in the area of corporate responsibility continues with undiminished energy. For example, we have adopted distinct future-oriented climate targets.

Our assumption of responsibility begins already at the business concept stage: Trelleborg seals, dampens and protects in demanding environments throughout the world. Our polymer solutions protect people and processes. Regardless of whether it is a matter of vibration-free work environments in cars, trucks or trains, or energy-saving components in machines, cars or buildings, our solutions make a positive contribution to the development of a sustainable society.

At the same time, our operations involve risks for the environment and health and safety in the workplace that we systematically endeavor to prevent and minimize.

For each of us working for the Trelleborg Group, our Code of Conduct is the most important guiding norm. We encourage our suppliers and partners to comply with the same demands and principles, and to join the UN initiative, the Global Compact. Since 2007, Trelleborg has participated in the Global Compact and we work actively to support these principles on responsible business practice. Some clear examples of how we work are our energy efficiency program, Energy Excellence, and our new climate strategy.

In all our major production units, there must be management systems in accordance with ISO 14001, and the Safety@Work and Manufacturing Excellence (including Energy Excellence) programs must be implemented.

Chemicals must be handled and used responsibly under the guiding principles of the EU's REACH regulations.

There is zero tolerance of corruption, cartels, child and forced labor.

For several years, we have reported our CR work in accordance with the guidelines of the Global Reporting Initiative.

This year, to become even clearer in this respect, we have developed an overview of goal levels, results and measures. This can be found on page 4.

Overall, our CR report provides a distinct view of the measures being taken by the Trelleborg Group to assume broad responsibility with respect to sustainability.

*Peter Nilsson, President and CEO*

### External audit 2009














PricewaterhouseCoopers conducted a limited review of the entire report on Trelleborg's Corporate Responsibility work in 2009, with a focus on the most significant CR issues. The Assurance Report is on page 14.

### 2009 GRI level

The application level for the 2009 report with assurance from PricewaterhouseCoopers as specified by the Global Reporting Initiative can be viewed at [www.trelleborg.com/cr](http://www.trelleborg.com/cr). In accordance with GRI's criteria, Trelleborg's 2008 Corporate Responsibility Report was assigned application level B+. This level was checked and verified by PricewaterhouseCoopers.



# Target indicators, results and progress in 2009

Area	Results 2009	Measures and progress
<b>Environment</b>		
 <b>Energy</b> Reduce energy consumption by 10 percent by 2011 (base year 2008).	1,288 GWh (1,521) Improved energy efficiency has resulted in a 2.2 percent decrease, relative to sales, compared with 2008.	The Energy Excellence Program for systematically enhancing the efficiency of energy was introduced at all production units.
 <b>Climate</b> Reduce direct and indirect carbon dioxide emissions by at least 15 percent relative to sales by 2015 (base year 2008).	Decrease in absolute terms, but a 7-percent increase, relative to sales, compared with 2008.	Energy Excellence savings also reduce the impact on the climate. New "15 by 15" climate strategy adopted (see page 7).
 <b>Chemicals</b> Establish a list of substances to be phased out not later than 2011.	Work and planning for this commenced in conjunction with adaptation to EU's REACH legislation.	Work on the adaptation to REACH continues (see page 8, as well as the box on page 9).
 <b>Waste</b> Reduce the amount of waste by 10 percent relative to sales at the ten largest plants by 2011 (base year 2008).	59,400 tons (75,500). The decrease was 9 percent, relative to sales, compared with 2008.	The focus will initially be on the largest plants.
 <b>Emissions</b> Reduce emissions to air of volatile organic compounds (VOC), nitrogen oxides and sulfur dioxide by 10 percent relative to sales by 2011 (base year 2008).	1,256 tons (1,375). A decrease in absolute terms, but a 5-percent increase, relative to sales, compared with 2008.	Projects in progress to reduce VOCs in several product areas, for example, the printing blanket area, which is a solvent-intense production process.
 <b>Environmental management</b> Implement environmental management systems in 90 percent of the production units, with 85 percent having ISO 14001 certification by 2011.	71 percent.	A number of facilities are awaiting joint certification.
 <b>Water</b> Reduce water consumption by 5 percent relative to sales by 2011 (base year 2008).	2.5 million cubic meters (3.9), a 26-percent reduction, relative to sales, compared with 2008.	Comprehensive recycling projects in such facilities as Tivoli and Ersmark have generated significant results. Focus will remain on the largest plants.
<b>Workplace</b>		
 <b>Safety@Work</b> Implement the Safety@Work program at all production units.	100 percent.	The average points in the self-evaluations increased 8 percent in 2009 to 809 points (747).
 <b>Human rights and discrimination</b> Zero tolerance for the existence of child or forced labor and reported and reviewed cases of discrimination.	Zero cases of child or forced labor. Three registered cases of discrimination, two of which have been dismissed and one is still under investigation.	Trelleborg was included in Folksam's Index for responsible enterprise, which reviews performance in the human rights area. Trelleborg's result, 3.64 points out of a possible seven, was clearly better than the average for Swedish Large Cap companies, which was 3.13.
 <b>Employee performance reviews</b> Offer all salaried employees to level 5 documented employee performance reviews.	100 percent.	A new joint portal for employee performance review discussions was introduced to achieve uniformity and efficiency in the Group.
<b>Customers and suppliers</b>		
 <b>Anti-corruption</b> Zero tolerance for bribery, corruption or cartel behavior.	For information regarding the competition investigation, refer to page 12.	Training courses related to corruption and conduct in the competition area were implemented, see page 12.
 <b>Suppliers</b> Work with suppliers who support the applicable parts of the company's Code of Conduct.	Self-assessment implemented at 250 highly prioritized suppliers, of which 25 percent was returned for further clarification.	The ongoing pilot project pertaining to self-assessment and auditing of highly prioritized suppliers will be further developed in 2010.
<b>Society</b>		
 <b>Transparency</b> To continuously develop the company's CR reporting in accordance with Global Reporting Initiatives guidelines, at a minimum of level B+.	CR reporting for 2009 also conforms to GRI guidelines and has been deemed to comply with requirements for level B+ by a third party (PricewaterhouseCoopers).	CR reporting on the Internet is continuously developed to be more educational and user friendly.

# Corporate Responsibility



With its basis in Trelleborg's business concept, the Group's corporate responsibility (CR) work spans the entire area of sustainability from environment, health and safety issues to ethical relationships with employees, the market and society.

The Group's business concept – polymer solutions that seal, damp and protect – enables Trelleborg to contribute positive and innovative products and solutions that promote the development of society in the areas of the environment and occupational health and safety.

Since 2007, Trelleborg has participated in the UN Global Compact network, an initiative for responsible business practices, focusing on the environment, working conditions, human rights and anti-corruption.

Trelleborg's Code of Conduct in the areas of the environment, occupational health and safety, and ethics applies to all employees, without exception. The Code of Conduct is based on internationally recognized conventions and guidelines, such as the UN conventions on human rights, the ILO's conventions, the guidelines and the UN Global Compact.

The Group also has a whistle-blower policy, which means that every employee has the right to report suspicions of serious breaches of laws or regulations without any repercussions whatsoever.

Training in the Code of Conduct is mandatory for all employees, and the Code forms

the basis for the Group's internal work with CR issues (see figure below). Within certain areas of the Code, self-evaluation and internal audits are reinforced by external audits, such as ISO 14001 environmental audits.

Trelleborg's annual Corporate Responsibility Report is prepared in accordance with the guidelines of the Global Reporting Initiative (GRI).

Direct responsibility for issues relating to the environment, health and safety rests with each unit. Every production plant has an environmental coordinator and a person responsible for occupational health and safety. The central Group function, Environment, which is a part of the Group Legal Department, is responsible for control and coordination of environmental issues. The Group's Environment Forum, a group that meets four times a year and consists of environmental managers from the four business areas, functions as an aid to the central Environment Group function. At Board level, it is the Audit Committee that has the task of supporting and following up the work on corporate responsibility issues. CR reporting is managed by a group compris-

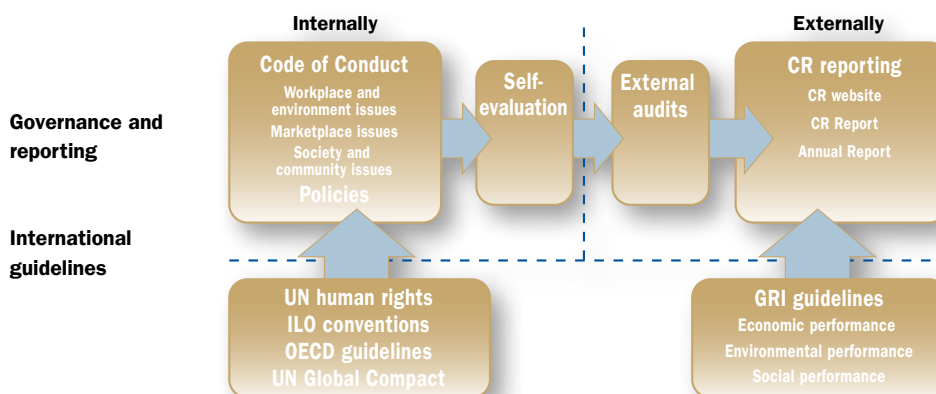
## The year in brief

- Trelleborg's environmental footprint was reduced in absolute terms.
- The Group's environmental policy was revised.
- Climate strategies with clear climate targets were adopted.
- A new materiality analysis was performed based on the views of stakeholders.
- A common tool for performance reviews was introduced.
- The practical work involved in auditing suppliers was initiated.

ing representatives from the Group Corporate Communications, Legal Department, Environment, HR and Purchasing staff functions. The Corporate Communications staff function is responsible for coordinating the reporting.

Trelleborg's stakeholder communication is to be characterized by open relationships, regular dialog, clarity and a high level of ethics. The most important stakeholder groups are

## Systematic corporate responsibility work in Trelleborg



The basis of Trelleborg's work on corporate responsibility issues is the Group's Code of Conduct, whose content, in combination with other Group policies, forms the foundation for the internal governance and external reporting of the Group's CR work. The section on CR in the Group's Annual Report follows the Code of Conduct's content structure and is also adapted to the guidelines of the Global Reporting Initiative.

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## CR reporting on the Internet

Visit [www.trelleborg.com/cr](http://www.trelleborg.com/cr) for access to Trelleborg's corporate responsibility reporting on the Internet. The information for 2009 was obtained from the Group's production plants and from other available statistics in accordance with the Group's standard for CR reporting.

The reporting principles are explained in detail at [www.trelleborg.com/cr](http://www.trelleborg.com/cr), where an index that clarifies how the reporting relates to Global Reporting Initiative (GRI) guidelines is also available.

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# Active stakeholder dialog

Customers, Suppliers and Partners, Shareholders and Investors, Employees, Society and Authorities.

In 2009, a selection of these stakeholder groups evaluated the aspects of corporate responsibility that they consider to be the most significant for Trelleborg. This type of analysis, performed for the first time in 2007, provides support for prioritization in CR reporting (see figure to the right).

#### Channels for regular stakeholder dialog:

A main channel for all of Trelleborg's stakeholders is the company's website, [www.trelleborg.com](http://www.trelleborg.com), which includes about 60 associated websites.



- **Customers:** Meetings between Trelleborg's representatives and customers. The Group's customer and stakeholder magazine *T-Time*.
- **Suppliers and Partners:** Supplier visits and supplier screening through surveys.
- **Shareholders and Investors:** Shareholder service (telephone and e-mail channels), Annual General Meetings, analysts' meetings, meetings with ethical investors.
- **Employees:** Internal communications channels, such as TrellNet (intranet), *E-Connect* (digital newsletter) and *Connect* (internal magazine), trade union cooperation and events.
- **Society:** Local Open House and sponsorship activities, cooperation with universities and colleges.
- **Authorities:** Dialog with local supervisory authorities about specific issues. Trelleborg also works through trade organizations on national and European levels.

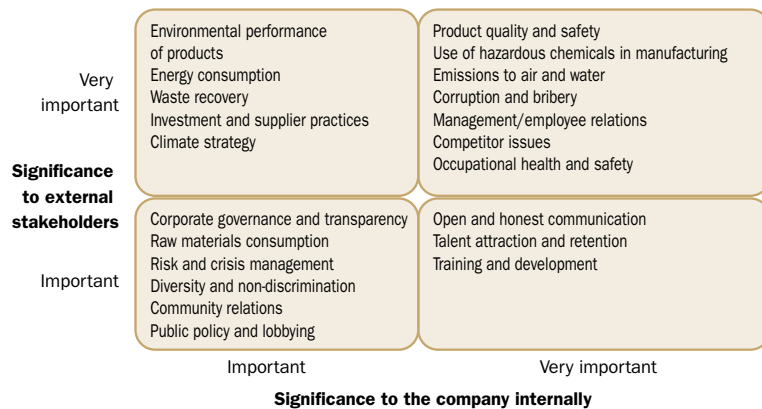
#### Some examples of stakeholder meetings from 2009:

- In October 2009, seminars were held during which Master's students at the International Institute for Industrial Environmental Economics in Lund provided feedback on Trelleborg's CR reporting.
- In October 2009, the Group participated in a workshop entitled "Responsible Supply Chain" with some 100 participants from trade, commerce and various organizations. Trelleborg's presentation at the workshop was based on the report entitled *Ways toward a better working life* (SwedWatch report number 30), which discusses Trelleborg's efforts to establish better conditions at plants in Sri Lanka.
- A CSR exchange was carried out with three managers in major Indian companies within the framework of the Swedish Institute Management Program. The managers studied various examples of corporate responsibility work, including visits to Swedish companies, and conducted projects in their own companies during the course of the program, drawing inspiration from what they had learned.

## New materiality analysis performed

During 2009, a new analysis was performed of the opinions of various external and internal stakeholders regarding the aspects of CR or sustainability they consider to be most central to Trelleborg. Following a review of Trelleborg's Code of Conduct, the Global Compact, the Global Reporting Initiative's guidelines and the Dow Jones Sustainability Index, some 20 aspects were identified. A selection of external and internal stakeholders was then asked for their opinions on the importance of these aspects for Trelleborg. The results of the survey, presented in the figure below, provide support for prioritization in CR reporting and for more in-depth stakeholder dialogs. Three aspects that were assigned a high priority both externally and internally were *Product quality and safety*, *Use of hazardous chemicals in manufacturing* and *Emissions to air and water*.

### Stakeholders' view of Trelleborg's corporate responsibility



## Distinctions and comparisons in 2009

- For the second consecutive year, Trelleborg's Corporate Governance Report (2008) was named the best on the Swedish stock market by PricewaterhouseCoopers: "...extremely strong and persuasive corporate governance report with innovative features."
- H&H Webranking named Trelleborg's online Corporate Responsibility Report as one of the top 14 in Europe in 2009, all of which were awarded maximum points. Trelleborg was also named Sweden's best corporate website in 2009: "Trelleborg... shows strong results in the CSR field, an area where Swedish companies usually receive lower scores than the European average."
- Trelleborg's Corporate Responsibility Report was ranked among the top three in Sweden by Deloitte: "What makes Trelleborg's report one of the best is that it details how the organization works with sustainability throughout the Group."
- Trelleborg's report to the UN Global Compact entitled Communication on Progress 2008 (COP) was assigned a quality ranking of "notable" by the Global Compact: "...excellent quality, and we believe it can serve as an illustrative and inspiring example for other participants."
- According to Folksam's corporate responsibility index for 2009, Trelleborg received a score of 4.53 (4.67) in the area of the environment, corresponding to five out of a possible seven stars, and a score of 3.64 (3.43) for human rights, corresponding to four out of a possible seven stars.
- Trelleborg received 62 points (53) in the Carbon Disclosure Project's (CDP) annual Nordic Report for 2009. According to Folksam's climate index for 2009, which is based on the CDP's report, this earned Trelleborg a ranking of 18 among the Swedish companies that disclosed their results. Trelleborg was awarded four out of a possible five stars in the survey.
- In 2009, Trelleborg participated in the survey entitled Sustainable Value Creation organized by investors and owners and aimed at Swedish listed companies. The survey is based on self-assessment.
- In 2009, Trelleborg was included in the following sustainability indexes:
  - OMX GES Sustainability Nordic
  - Nordic Sustainability Stars Sweden Top 25 (Ethix)
  - ESI Europe (Ethibel).

### References to GRI (Global Reporting Initiative)

1.1, 2.10, 3.5, 3.12, 3.13, 4.9, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17

# Environmental responsibility

The total environmental footprint has decreased in absolute terms due, in part, to lower production volumes. Lower sales during the year had a negative impact on relative performance indicators. Despite this, many of these performance indicators displayed a positive trend, a result supported by continued operational and resource-related efficiency enhancements.

Trelleborg has extensive production operations in about 30 countries, which means that environmental and occupational health and safety issues constitute an integral part of the company's responsibility work. The most significant environmental aspects include energy and raw materials consumption, emissions to air and water, and waste. The Group's operations also generate extensive transports. The environmental impact of individual facilities varies widely, depending on their size and processes. In 2009, production operations were conducted at 128 facilities, including 81 in Europe, 34 in North and South America, 11 in Asia and 2 in Australia.

## Revised policy and climate strategy

During the year, the Group adopted a revised environmental policy, which was based on the earlier version of the same document but now also encompasses such areas as analysis of the impact of products over their lifecycle and transports. In conjunction with this policy change, target indicators were also established in certain key areas to enable the Group to better monitor implementation and compliance (see also page 4). The Group also developed a climate strategy and climate targets during the year to supplement the environmental policy and target indicators.

Proactive work is under way in the Group to reduce Trelleborg's environmental footprint and environmental risks, and to increase resource efficiency. This work is being performed at both the central and local level. The priority areas, which continue to be emphasized in the Group's environmental policy, are environmental management, energy and material efficiency, and environmentally compliant product and process development.

Trelleborg's internal environmental handbook, which includes recommendations addressing the ten most central issues with regard to policies and risks, is being implemented globally throughout the organization. A process for environmental risk assessment is also being introduced globally. This process builds on the internal self-evaluation work

conducted under Environmental Blue Grading, as well as an assessment performed by Trelleborg's property insurance provider FM Global. This work and process are based on the environmental handbook and provide support for the identification and elimination of environmental risks linked to the company's operations.

## Environmental management

**Proportion of facilities with ISO 14001 certification: 71 percent (70)**

An important cornerstone in Trelleborg's environmental work is the environmental management standard ISO 14001, a mandatory requirement for production plants in the Group. According to the Group policy, all major units shall have certified systems. At year-end 2009, a total of 92 (95) facilities were certified, which corresponds to about 71 percent (70) of all plants.

## Energy

**Total energy consumption: 1,288 GWh (1,521)**

**Total energy consumption/sales: 0.0476 GWh/SEK M (0.0487)**

Energy savings is a focus area for Trelleborg. All production plants shall have an energy-savings plan.

In 2009, Trelleborg's Energy Excellence Program for systematic energy-efficiency

enhancements was launched at all production units. Energy Excellence is based on self-assessment and the identification/implementation of improvement projects through specially trained coordinators at each production unit. These coordinators in turn form an improvement team to implement savings measures pertaining to such areas as buildings, compressed air systems, heating/ventilation, lighting and cooling systems. Over time, the program is expected to generate distinct savings in the form of lower energy consumption and energy costs and to reduce the Group's total carbon emissions.

The Group's total energy costs for 2009 amounted to SEK 707 M (713).

## Climate impact

**Total CO<sub>2</sub> emissions: 377,000 tons (405,000)**

**Direct CO<sub>2</sub> emissions: 115,200 tons (132,000)**

**Total CO<sub>2</sub> emissions/sales: 13.9 tons/SEK M (12.9)**

A significant part of the Group's climate impact is caused by direct carbon emissions from the combustion of fossil fuels and indirectly through the consumption of purchased electricity, steam and district heating.

The climate target adopted by Trelleborg in 2009 (see below) addresses these direct and indirect emissions. The Group's reporting

## Trelleborg's "15 by 15" climate strategy

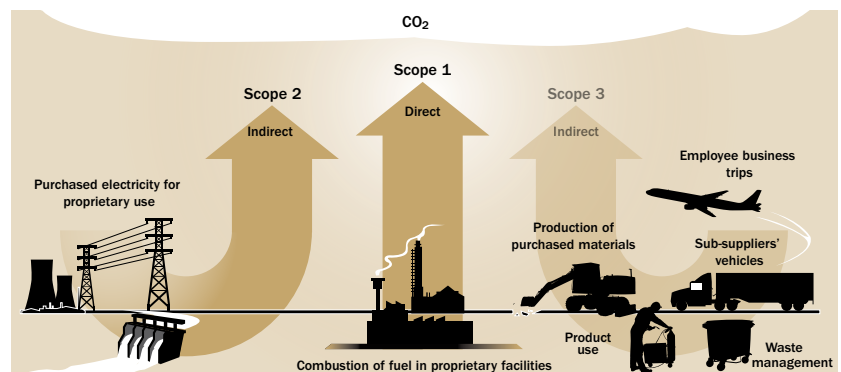
Trelleborg's goal is to reduce its direct and indirect carbon emissions by at least 15 percent, relative to sales, by the end of 2015 ("15 by 15"), calculated from the reference year of 2008. The emissions in question are caused by energy produced on a proprietary basis and included in Scope 1 of the Greenhouse Gas Protocol (see diagram below), as well as those caused by energy purchased for internal use, which are included in Scope 2.

As part of the Energy Excellence Program, efforts to reduce energy consumption in Trelleborg's production operations were initiated already in 2009, which

simultaneously resulted in a reduction in carbon emissions.

The climate strategy emphasizes the need to conserve energy, as well as the importance of selecting energy sources that generate fewer carbon emissions.

Scope 3 includes indirect emissions from transports, travel, purchased materials, product use and waste management. Although not included in current reporting figures, Trelleborg already addresses some of these areas today, for example, transports and waste management. The Group's focus on reducing indirect emissions included in Scope 3 will gradually increase.



of indirect emissions has been adapted to comply with the Carbon Disclosure Project's recommendations, which means that national conversion factors taken from the Greenhouse Gas Protocol were applied. For the sake of historical comparison, indirect emissions from earlier years were restated and presented in the diagram below. Trelleborg has already taken clear steps to prevent and reduce the climate-related effects of its operations, in part through improvements in energy efficiency as specified above.

Since 2007, Trelleborg has also participated in the voluntary reporting process of the Carbon Disclosure Project (CDP), which involves openly reporting all relevant performance indicators and data. On behalf of global investors, the CDP gathers information on industrial emissions of greenhouse gases and on the measures being taken by companies to prevent a negative climate impact, visit [www.cdproject.net](http://www.cdproject.net). In the CDP's annual report for 2009, Trelleborg received 62 points, compared with 53 points in the preceding year.

A total of two plants were, to a limited extent, affected by the EU directive on trading of emission rights.

**Emissions to air**

**Volatile organic compounds: 1,256 tons (1,375)**

**VOC emissions/sales: 0.046 tons/SEK M (0.044)**

In addition to such energy-related emissions as carbon dioxide (see above), sulfur dioxide, 257 tons (298), and nitrogen oxides, 55 tons (64), emissions to air primarily comprise volatile organic compounds (VOC).

Emissions of VOC mainly originate from the use of adhesive agents containing solvents and the manufacturing of printing blankets. Multiple projects are under way to replace solvent-based products in several areas, resulting in positive effects for both the environment and the work environment.

**Raw materials**

**Raw rubber consumed: 115,400 tons (147,200)**

**Other polymers: 29,200 tons (30,800, restated figure)**

The principal raw materials are polymers and metal components, as well as such additives as softening agents (oils), fillers, such as carbon black, and vulcanizing agents (sulfur, peroxides). Of the raw rubber used, approximately 31 percent is natural rubber and 69 percent is synthetic rubber.

As a chemical user, Trelleborg is affected by the EU chemical legislation REACH. Activities to adapt the Group's operations to REACH continued in 2009, with a focus on communication with suppliers and customers regarding REACH-related issues to ensure compliance.

**Water**

**Water use in production: 2.5 million cubic meters (3.9)**

Water is used in production primarily for cooling and cleaning. Major savings have been made, for example, through the introduction of recycling systems. Emissions to water are limited and mainly comprise organic material measured in chemical oxygen demand (COD), 413 tons (466), and nutrient substances, 9 tons (10).

**Waste**

**Total amount of waste: 59,400 tons (75,500)**

**Total waste/sales: 2.2 tons/SEK M (2.4)**

**Degree of recycling: 56 percent (52)**

Continuous work is under way in the local operations to find waste disposal alternatives with a higher degree of recycling and lower cost.

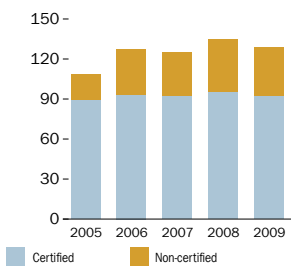
In 2009, the Group's total waste management cost amounted to SEK 54.2 M (60). Of the total waste, rubber waste accounted for slightly more than 33 percent. The volume of environmental or hazardous waste requiring special treatment amounted to 5,100 tons (4,500).

**Permits and non-compliance**

A total of 85 percent (80) of the plants are required to hold permits under local law. All facilities in Sweden, except for one, 17 in total, are required to hold permits or register their activities. Applications to renew environmental permits are currently being processed for 51 facilities (7 in Sweden), of which all are expected to receive the permits requested.

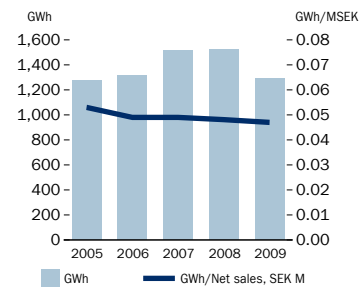
During the year, some form of violation against the terms of permits or local environmental, health and safety legislation occurred at 12 (17) facilities. Of these, two (6) cases resulted in fines. The total cost for fines amounted to approximately SEK 0.16 M. Other causes of violations were noise and emissions to air. Complaints from neighbors and other parties concerned were filed against ten (7) facilities. The most common reasons were noise and odor.

**Number of ISO 14001 certified facilities**



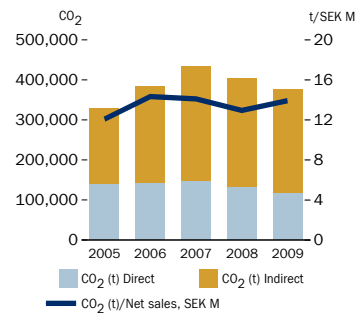
**Environmental management:** The number of certified plants declined compared with 2008, but the total share rose due to the closure or divestment of units.

**Energy consumption**



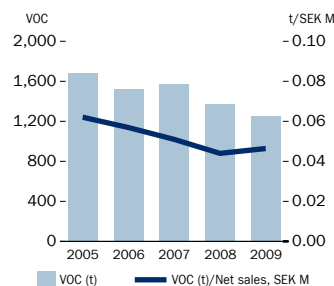
**Energy:** The Energy Excellence savings program and lower activity caused a reduction in energy consumption in absolute terms compared with 2008. This value includes consumption of electricity, purchased steam and district heating.

**CO2 emissions**



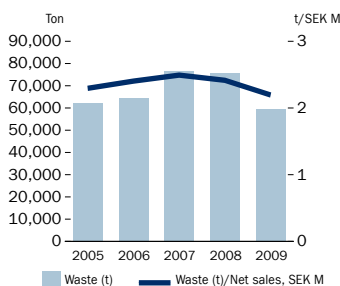
**Climate impact:** In 2009, total carbon emissions declined in absolute terms, but increased relative to sales. Indirect emissions were restated, see above.

**VOC emissions**



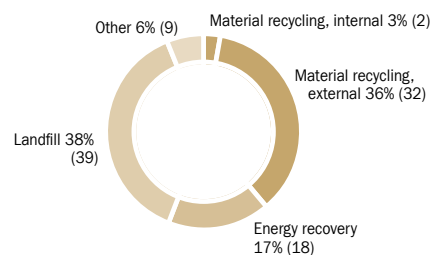
**Emissions to air:** Emissions of volatile organic compounds declined in absolute terms.

**Total waste**



**Waste:** The volume of waste declined, both in absolute and relative terms.

**Waste per destination**





### Environmental risks and debts

Two (2) cases of unforeseen emissions were reported in 2009, corresponding to about 0.7 cubic meters.

Historically, the handling of oil and solvents has often given rise to soil and groundwater contamination. Remediation of contaminated soil is currently under way at 15 (10) plants. Another four (12) facilities are expected to require remediation, although the extent of the remediation has not yet been determined. In addition, Trelleborg is participating as one of several formal parties in another six (6) cases of remediation (three in Sweden and three in the US), although with a marginal cost responsibility. The Group's provisions for environmental commitments amounted to SEK 69 M (84) at year-end.

When conducting acquisitions and divestments, Trelleborg performs environmental studies of the operations and land in question to assess and outline their environmental impact and to identify potential environmental debts. During 2009, four studies were initiated and performed in conjunction with acquisitions and divestments.

### References to GRI (Global Reporting Initiative)

EN1, EN2, EN3, EN4, EN7, EN8, EN16, EN18, EN20, EN21, EN22, EN23, EN28, SO8

## Chemical management

The continuous process of compiling an inventory of the chemicals used in the Group's production facilities continued during 2009. To efficiently ensure compliance with various laws and ordinances, such as the EU regulation on the Registration, Evaluation and Authorization of Chemicals (REACH), the Group has identified various critical processes, areas of use and questionable chemicals. Trelleborg has also formed a Chemicals Forum, a group of chemicals experts representing the various business areas in the Group. One of the main tasks of the Chemicals Forum is to analyze the Group's use of chemicals and, when necessary, suggest alternative substances.

In 2010, the Chemicals Forum, under the leadership of the Group Environment function, will further develop the processes and work related to limiting the use of or phasing out questionable chemicals.



## Trelleborg's solutions protect the environment and people

Sustainability is part of Trelleborg's business. The Group's polymer solutions seal, damp and protect in demanding environments.

### Protecting buildings and people

Special bearings protect buildings from vibrations, minimize noise and prevent the risk of damage from earthquakes, for example.



### Seals conserve energy and the environment

Low-friction sealing solutions conserve energy in industrial applications. Seals prevent hazardous chemicals from leaking into the environment.



### Sealing buildings

Window and door seals improve indoor climates and reduce energy consumption.



### Seals for wind power, solar power and bioenergy

Seals for wind turbines, solar cells and biofuel applications protect the environment and climate.



### Damping vibration

Noise and vibration-damping solutions for trains, cars, trucks and other vehicles provide an improved work environment for drivers and passengers.



### Protecting valuable forestland

Specially designed forest tires are less harmful on the forest floor and minimize damage to the ground structure, young saplings and the root system.



# Workplace responsibility

Trelleborg's responsibility for the workplace includes health and safety, workplace relationships, diversity issues and employee development.

## Work environment – Health and safety

Trelleborg's Code of Conduct emphasizes the objective of preventing work-related injuries and illnesses at all of the Group's workplaces globally. Trelleborg's Safety@Work program supports the organizational change that is required to create a culture of safety and strengthens the Group's ability to attract, develop and retain good employees in all its units. Accordingly, the Safety@Work program was introduced globally at all active production units from 2008. The progress of the Safety@Work program is monitored by the company's CR reporting structure.

In 2009, all active production units underwent Safety@Work training, conducted self-assessments and developed a plan for preventive and corrective measures. More than 50 trained internal examiners performed reviews at more than half of the plants. The combined result of these activities was the development of an improvement program that aims to reduce the risks at these units.

Trelleborg's facilities continue to demonstrate a declining trend in terms of cases of work-related injuries/illnesses. In 2009, 553 (768) cases/incidents resulting in more than

one day's absence were reported (= Lost Work Cases, LWC). This corresponded to a reduction of 28 percent compared with 2008.

New performance indicators were introduced in 2009. The follow up of these indicators aims to reduce the number of injuries and the number of days lost due to absenteeism arising from these injuries, and improve the results generated by the Safety@Work reviews.

The number of LWCs per 100 employees per year decreased to 3.42 (4.07), while the number of working days lost per injury per year declined to 20 (28). In 2009, the average number of points in the Safety@Work risk model (the points received by a facility based on the assessment of all input elements in the model) increased to 809 in reviews and self-assessments, compared with 747 in the year-earlier period, corresponding to an improvement of 8.3 percent.

Total absenteeism for 2009 at the Group's production units was 3.7 percent of normal working hours.

Trelleborg's goal is that all facilities should have a well-functioning safety committee. In 2009, such committees with representation from plant management were in place at 97 percent (97) of facilities.

## Workplace relationships

Within Trelleborg, continuous change processes are under way in connection with acquisitions, divestments and rationalizations. Accordingly, a primary task is to provide the conditions for change and, with respect for each employee,

reduce uncertainty and insecurity, while at the same time ensuring the company's continued competitiveness. Trelleborg always complies with local legislation or collective agreements in terms of time required for notice of lay-offs.

The exceptional market situation in 2009 and ongoing program of structural measures led to capacity reductions in all business areas. Trelleborg carried significant personnel reductions in the more mature markets, but at the same time increased its workforce in certain emerging markets, including China and India. The net reduction in the number of employees in the Group was approximately 2,000.

Trelleborg's policy is to recognize local union clubs and the right to a collective agreement where so desired by the employees. More than 50 percent (80) of Trelleborg's employees at the Group's production plants are represented by unions through collective agreements. The distinct decline that occurred reflects the personnel reductions made in markets where collective agreements are commonplace and the Group's expansion in markets where they are less common.

In Sri Lanka, union relations continued to develop in a satisfactory manner, which was acknowledged during the year; refer to page 5.

## Diversity and equality

Trelleborg's Code of Conduct states that no discrimination of employees is permitted in regard to employment or work assignments on the basis of gender, religion, age, disability, sexual orientation, nationality, political

### Number of employees at year-end\*

Distribution by country	2009	2008	Change
USA	2,852	2,872	
France	2,443	2,813	
Sweden	1,828	2,218	
Italy	1,487	1,763	
UK	1,268	1,654	
Spain	1,213	1,216	
Germany	1,159	1,303	
China	1,119	938	
Brazil	946	998	
Poland	908	1,105	
Sri Lanka	745	971	
India	617	452	
Czech Republic	605	678	
Malta	461	543	
Turkey	439	292	
Rest of North America	20	94	
Rest of Western Europe	1,175	1,379	
Rest of Eastern Europe	633	676	
Rest of South and Central America	342	421	
Rest of Asia and other markets	860	816	
<b>Total</b>	<b>21,119</b>	<b>23,202</b>	<b>-9%</b>

\*including insourced staff and temporary employees

Trelleborg has operations in more than 44 countries. Of the total number of employees, 91 percent work outside Sweden.

The number of employees in the entire Group at year-end, including insourced staff and temporary employees, was 21,119 (23,202).

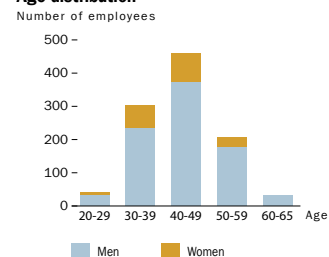
The average number of employees declined during the year to 20,073 (24,347), of which 25 percent (26) were women. For further information.

Salaries and other benefits for employees (excluding insourced staff) amounted to SEK 6,082 M (6,437).

Personnel turnover (not taking terminations and retirements into consideration) varies among countries and facilities, and often reflects the local labor situation. Personnel turnover was 5 percent (8) during 2009. The majority of plants indicate a personnel turnover below 4 percent.

### Age and gender of middle managers at management levels 3-5

#### Age distribution



The diagram shows the age categories and gender distribution of middle managers at management levels 3-5 in Trelleborg units. Level 3 corresponds to reporting to the Business Area President. The largest age categories are the 30-49 and 40-49 age brackets.

The proportion of women is highest in the youngest age categories: 34 percent in the 20-29 age bracket and 29 percent in the 30-39 age bracket.

## Trelleborg's values

Trelleborg's four fundamental values – *customer focus, performance, innovation and responsibility* – constitute continuity in the Group's activities to develop managers and employees.

It is the responsibility of managers and employees to continuously work to integrate these values in each of the Group's units. To support these efforts, the Group provides brochures, presentations and printed materials.



opinions or social or ethnic origin. In 2009, three cases (1) of discrimination were reported and investigated. Two of the cases were dismissed, while one is still under investigation.

A mentor program comprising only female managers was launched in 2009. The aim of the program is to create a platform for female managers to develop in the organization. In 2010, the next round of the program will commence, this time focused on managers from emerging markets. For further examples in the area of diversity, refer to the box on page 13.

### Human rights

Human rights, such as child labor, forced labor and the right to union representation, are addressed in Trelleborg's Code of Conduct. With regard to human rights, in 2009, Trelleborg was included in Folksam's Index of Responsible Businesses, which studies the performance of Swedish companies in the area of human rights. Trelleborg's result, 3.64 (3.43) on a seven-point scale, was clearly better than the average for Swedish Large Cap companies, which was 3.13.

Zero violations (0) related to forced labor or child labor occurred in 2009.

### Talent management

The goal of the Group's Talent Management program is to secure a strong talent base for the supply of managers in the Group. The annual Talent Management process is a Group-wide process aimed at identifying, developing and utilizing Trelleborg's manager potential.

The process, which involves performance reviews, assessment centers and training and development activities, is designed to find the best match between the company's future recruitment requirements and individual career plans.

### Employee performance review process

Employee performance reviews are structured to help motivate employees and aid them in their performance and development. The manager and employee adhere to an established structure when preparing for the review. In 2009, a shared internal tool was launched

to streamline this process and to make it uniform for the Group. At the review, the parties discuss targets for the past year and the future, career development, mobility and development needs. Performance and potential are evaluated. If the employee has managerial potential, a development plan shall be prepared.

The aim for 2009 was to include all employees up to level five in the organization. A total of 100 percent of employees at these levels underwent performance reviews in 2009.

### Talent review process

The main purpose of the Talent Review Process is to identify employees with potential for advancement to match the company's requirements and this work is based on the employee performance reviews conducted.

Unit and HR managers meet on occasions to discuss potential candidates in the business areas and units. Where necessary, Development Centers are used to verify potential and determine development needs. The employee is supported by a personal development plan along his or her career path. The results are then presented to Trelleborg's Board.

The overall objective is a degree of internal recruitment of 70 percent for the four highest levels of management. This figure is currently about 63 percent in total.

An important part of the process is to increase the number of internal work changes between the business areas. Trelleborg wants to increase the Group's opportunities to free the potential of employees and use internal talent in the best way possible. For the same reason, all vacant positions are advertised on the intranet.

### Training and development

Trelleborg's fundamental principle for human resource development is to provide suitable training to increase proficiency. At the same time, the Group strengthens its employees' social and financial opportunities.

In 2009, the average number of training hours per employee at the Group's production plants was 14 (15.5) – despite the substantial savings made during the year. The proportion

of new employees for the year in production units who have undergone training in the Group's Code of Conduct is 60 percent. This outcome is a result of the cutbacks made during the year. 2009 was marked by the fact that a significant proportion of the new employees in production were re-employed staff. In addition, a large share of the new employees were added during the last few months of the year and did not have the time to undergo training in 2009, but will be trained in 2010.

Training in the Code of Conduct is conducted both in an e-learning format and as conventional classroom training.

The following training activities were held at Group level in 2009:

- Project manager program (30 participants, of whom 3 women and 27 men)
- Trainee program (8 participants, of whom 2 women and 6 men)
- Trelleborg International Management Program (43 participants, of whom 4 women and 39 men)
- Mentor program (11 participants, of whom 11 women)
- Introduction seminars (36 participants, of whom 9 women and 27 men)

A new talent management program focused on change management will be introduced in 2010.

### Compensation and benefits

An important factor to ensure the Group's long-term success is to have a system of rewards that takes employees' performance into account. The scope for this is outlined in the global and Group-wide Compensation and Benefits Policy.

The basis of the policy is that the compensation structure is based on a systematic evaluation system for work content and performance.

### References to GRI (Global Reporting Initiative)

EC7, LA1, LA2, LA4, LA5, LA6, LA7, LA10, LA11, LA12, LA13, HR4, HR5, HR6, HR7, SO3



## Trelleborg's Code of Conduct

Trelleborg's Code of Conduct is the principal policy document in the area of Corporate Responsibility for all Group employees. Training in the content of the Code is mandatory and to support the learning process, e-learning and practical training material is available in the form of presentations and brochures in 27 languages.

# Customer and supplier responsibility

Trelleborg's responsibility for customers and suppliers is based on sound business ethics, quality and safety in the products we deliver.

## Products

For information on the positive effects of Trelleborg products and solutions on the environment and work environment, see page 9.

When developing new products, consideration is always given to legal and customer requirements, product liability, and environmental, health and safety aspects in the manufacturing phase as well as the user phase where relevant. Trelleborg's revised Environmental Policy from 2009 also states that the prudence principle should be taken into account and that the company will, as far as possible, reduce and replace hazardous substances and materials in products and processes. These stipulations are in line with the current work being conducted in consultation with customers on replacing particularly hazardous substances in existing product formulations in accordance with the EU chemical legislation REACH (refer also to pages 8).

Development work is usually conducted in close cooperation with the customer. Trelleborg provides product information in the form of labeling, safety data sheets, IMDS declarations and environmental declarations that meet the requirements set by the respective customer or market. Many customers, such as the automotive and construction industries, have specific requirements with regard to the products' environmental characteristics and input parts. Industry or customer-specific limitation lists also exist for chemicals.

Under the EU directive on the end life of vehicles (the ELV directive), requirements are placed on the recyclability of input parts in cars. Therefore, Trelleborg supplies, in accordance with requirements from world-leading car makers, environmental declarations as per the Global Automotive Declarable Substances

List (GADSL) in the shared International Material Data System (IMDS) for all products supplied in this segment.

## Competition

Trelleborg's subsidiaries in France and the US have for several years been the subject of investigations by competition authorities in the EU and the US, among others, relating to certain types of marine oil hoses and certain types of marine fenders.

The European Commission announced a decision in the first quarter of 2009, which Trelleborg appealed to the EU Court of First Instance. Trelleborg is awaiting the court's decision on this matter. Agreements were also reached in the US regarding authority-related matters that have a financial impact on the Trelleborg Group.

Trelleborg's total costs resulting from the competition investigations are estimated at SEK 516 M and were charged against the 2008 and 2007 fiscal years. These costs include the aforementioned fines levied by the European Commission and expenses in the US and the other countries in question, as well as damages and legal expenses. This assessment is still subject to certain uncertainties related to the length and outcome of ongoing processes

## Suppliers

Trelleborg's objective is to work only with suppliers who support our quality requirements and business principles.

A pilot project commenced in 2009 that reviewed suppliers' compliance with relevant parts of Trelleborg's Code of Conduct through special self-evaluations. These evaluations contain questions related to the occupational health and safety, environment and social responsibility. Priority was given to reviews of suppliers in countries deemed to have an elevated risk and where purchasing volumes exceeded a certain minimum level.

After identifying suitable suppliers, the self-evaluations were distributed and answered. The responses were subsequently evaluated by the

relevant business units. If questions were not answered or if answers did not meet the requirements, Trelleborg requested that the supplier explain the identified shortcomings. A total of about 250 self-evaluations were distributed and, of these, about 25 percent were returned to suppliers for clarification.

Trelleborg will evaluate the results of the first phase in 2010 and then provide feedback on the process. Following that, the company will proceed to improve its procedures before fully rolling out the main phase to all suppliers.

During the year, relationships with suppliers at seven units in various countries were discontinued due to environmental or social reasons.

## Transports

More than 90 percent of Trelleborg's raw materials and finished products are transported by truck. The Group engages transport companies that can take care of freight in an effective and safe manner. The most significant environmental impact of the transports is in the form of carbon dioxide emissions due to the use of fossil fuels.

Based in Sweden, through one of its Swedish subsidiaries, Trelleborg Industri AB, Trelleborg has participated since 2006 in the cooperative project Forum for Sustainable Transports, in which the players work to establish transports based on companies' sustainability agenda. The project achieved its first goal of providing purchasers of heavy road transports with Systole (launched in 2009), a tool for more sustainable transports based on five grounds for assessment: economy, transport requirements, the environment, safety and degree of effectiveness. On the website, [www.transportupphandling.se](http://www.transportupphandling.se), which includes an English version, transport purchasers can exchange experiences of their assessments and transport suppliers can declare their sustainability achievements.

## References to GRI (Global Reporting Initiative)

4.11, EN26, HR2, S04, S07, PR1, PR3

## Action program in the area of competition

Trelleborg's Code of Conduct and training in the Code for all employees contain separate sections about competition issues. The Group also has a specific program addressing competition issues (the Trelleborg Competition Law Compliance Program), which covers the communication of the Group's clearly formulated policies, training, e-learning on the intranet and a newsletter. The company also adopted a general whistle-blower policy, which can be used by all employees upon suspicion of impropriety.

The Group's General Counsel also functions as Compliance Officer, responsible for implementing, supporting and developing the Group's action program in the area of competition. The program, which is monitored and reported back to the Board, includes a review of agreements in particularly vulnerable environments, legal reviews of subsidiaries and a review of trade

organizations. In addition, the program focuses on ensuring that everyone in the organization understands how competition law works, what is legal/illegal and that cartel behavior is entirely unacceptable in the Trelleborg Group.

- The Group's senior executives (about 150) have received a separate presentation of these regulations.
- All relevant employees shall confirm in writing that they have read and understood the company's policy.
- All managers must participate in competition seminars and individual certificates will be issued. Since 2006, more than 60 training seminars have been held and these were attended by more than 1,200 managers in the primary target group (December 2009).
- All new managers must participate within six months of employment.

# Society and community responsibility

Trelleborg's ambition is to contribute to global development by supporting the local communities in which it conducts operations.

## Social commitment

Trelleborg participates in numerous social activities, which are often based locally and involve cooperation with neighbors, interest groups, authorities and sports clubs. In the case of sports clubs, there are many examples of how the company supports youth work, which also takes the form of sponsorship of disabled children, scouts, preschools and festivals.

Trelleborg does not sponsor political or religious organizations. Trelleborg's sponsorship guidelines state that sponsorship measures that benefit society and the regions in which we operate are prioritized. Sponsorship shall support Trelleborg's values and strengthen its relationships with customers and other partners.

In the area of education, Trelleborg cooperates with several universities and schools, which involves regular contacts with researchers and students. Trelleborg's cooperative partners include Université de Nantes, France, Fachhochschule Koblenz, Germany, LUISS in Rome, Italy, Western Michigan University in the US, Malta University, Malta, the University

of Derby and Trent Technical College in the UK, and the International Institute for Industrial Environmental Economics in Sweden.

Over the years, a large amount of research and many degree projects have been performed at Trelleborg's plants, with specializations in such areas as the environment. In addition, Trelleborg has a "learning partnership" with Lund University School of Economics and Management, involving the sponsorship of two postgraduate appointments.

## Communication

One of the company's central communication goals is to contribute to Trelleborg acting as a good corporate citizen and, in line with this, communicate a relevant image of operations in this regard. Trelleborg's communication is regulated by the company's Communications Policy, which encompasses communication rules for the entire organization, including the stock market. Communication shall conform to applicable legislation, regulations and standards, be characterized by a close relationship with the company's stakeholders and be founded on regular contact, clarity and good ethics.

In 2009, Trelleborg also introduced a Group-wide policy for employee participation in social media. Based on the same values as other communication, the policy regulates ethical behavior and focuses on those who

represent the company in such channels as blogs and social networking sites.

## References to GRI (Global Reporting Initiative)

EC1, EN30, SO5, PR6

## Trelleborg and Save the Children

Cooperation extending over a number of years with Save the Children was initiated in 2006. This comprises yearly support for the charity organization and forms part of Trelleborg's ambition to assume an increased global social responsibility by contributing to children's development and education. Trelleborg supports Save the Children's "Rewrite the future" program, which is a five-year global initiative focused on securing education for children in conflict-affected countries. The program has already far exceeded its goals and, to date, given more than 10 million children a better standard of education.



**Räd Barnen**

Rewrite the Future

## Created and distributed direct economic value

Trelleborg's operations generate a financial value that, to a great extent, is distributed among various groups of stakeholders, such as suppliers of goods and services, employees, shareholders, banks and other creditors, and to society in the form of taxes. In 2009, the Group generated SEK 27,093 M (31,311), of which SEK 25,812 M (30,998) was distributed among various groups of stakeholders, as shown in the diagram and specification below.

### Distributed value 2009, SEK M

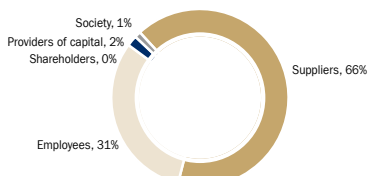
**Suppliers:** Payment for material and services SEK 17,130 M (21,258).

**Employees:** Salaries and benefits SEK 7,997 M (8,171).

**Shareholders:** No dividend paid in 2009 (SEK 587 M). Long-term dividend policy: 30-50 percent of net profit for the year.

**Creditors:** Interest expenses SEK 427 M (570).

**Society:** Taxes paid SEK 258 M (402).

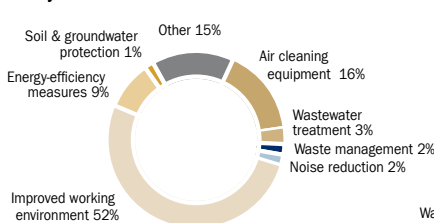


## Environment and health and safety-related costs and investments

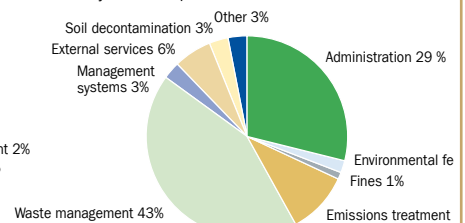
In 2009, a total of SEK 70 M (97) was invested in environmental, health and safety improvement measures. Environmental, health and safety

costs amounted to SEK 145 M (144). At the same time, environmental improvement measures generated cost savings of SEK 35 M (34).

### Distribution of environment, health and safety-related investments



### Distribution of environment, health and safety-related expenses



## Trelleborg stimulates diversity in Swedish business



Rosengård Invest, based in Malmö, is an investment company that was founded in spring 2009 by Trelleborg AB together with E.ON, Swedbank and Scandinavian Cap AB. The company focuses on raising venture capital for entrepreneurs who do not have a Swedish background and invests in new and existing companies in the Swedish market. Rosengård Invest aims, on a commercial basis, to contribute to greater integration, help create more jobs and improve the use of the resource represented by entrepreneurs who do not have an ethnic Swedish background.

# Assurance report

## Auditors' report on limited review of sustainability report

### To the readers of the Trelleborg annual report 2009

At the request of the management of Trelleborg AB (publ), we have performed a limited review of the Corporate Responsibility section on pages 48-58 (sustainability report) of the Trelleborg annual report 2009. The board of directors and executive management team are responsible for the company's activities regarding environment, health & safety, social responsibility, and sustainable development, and for the preparation and presentation of the sustainability report in accordance with applicable criteria. Our responsibility is to express a conclusion on the sustainability report based on our review.

### The scope of the limited review

Our review has been performed in accordance with FAR SRS (the institute for the accountancy profession in Sweden) standard RevR 6, *Assurance of sustainability reports*. A limited review consists of making inquiries, primarily of persons responsible for preparing the sustainability report, and applying analytical and other review procedures. A review is substantially more limited in scope than an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and other generally accepted auditing standards. The procedures performed in a limited review do not enable us to obtain assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The criteria used in performing our review are relevant parts of the *Sustainability Reporting Guidelines G3*, issued by the Global Reporting Initiative (GRI), applicable to the sustainability report, and specific measurement and reporting principles developed by the company. We consider these criteria to be suitable for the preparation of the sustainability report.

Our limited review has included the following review procedures, based on an assessment of materiality and risk:

- An update of our knowledge and understanding of Trelleborg's organization and activities
- Assessment of suitability and application of criteria with regard to stakeholders' information requirements
- Assessment of the results of the company's stakeholder dialogue
- Interviews with management, at group level and at selected business units, with the aim to assess if the qualitative and quantitative information stated in the sustainability report is complete, correct and sufficient
- Examination of internal and external documents to assess if the information stated in the sustainability report is complete, correct and sufficient
- Evaluation of the design of systems and processes used to obtain, manage and validate sustainability information
- Analytical review of reported information
- Assessment of the company's stated application level according to the GRI guidelines
- Overall impression of the sustainability report, and its format, considering the information's conformity with applicable criteria

### Conclusion

Based on our review procedures, nothing has come to our attention that causes us to believe that the sustainability report has not, in all material aspects, been prepared in accordance with the above stated criteria.

Trelleborg, February 16, 2009

PricewaterhouseCoopers AB



Olov Karlsson  
Authorized public accountant



Fredrik Ljungdahl  
Expert member, FAR SRS

# GRI and verification

The third party review of performance in 2009 is a step in the process to ensure continuous improvements in Trelleborg's CR reporting.

The review was performed by Pricewaterhouse Coopers, which also conducted an application level verification in relation to GRI criteria presented below, which confirms the final assessment that places Trelleborg on level B+. For further information regarding the 2009 review, see <http://www.trelleborg.com/en/CR/About-our-report/GRI-and-verification/Assurance-report/>



## Report Application Levels

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared			Report Externally Assured		Report Externally Assured		Report Externally Assured
	Third Party Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured
Optional	GRI Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.			

\*Sector supplement in final version

# Risks in Corporate Responsibility area

The significant CR aspects in the overview below were identified and prioritized under the direction of the materiality analysis conducted in 2009, GRI principles, ISO 14001, laws and other requirements, internal and external expertise, and dialog with authorities and other stakeholders.

Risk area	Risks	Management	Primary stakeholders	Links
Competition legislation	Infringements damage the company, its reputation and brand. Customers and the company risk being affected financially, and the community may be charged with additional costs.	Clear rules in the Code of Conduct and policies. A global training program. A detailed review and audit of distribution and agent agreements was performed CC. The Group has introduced new procedures for approving memberships of organizations. Since 2006, more than 60 training seminars in competition legislation have been held for the Group's managers and selected functions. These courses, which also address combating corruption, continued in 2009.	Customers, Suppliers, Employees, Community, Authorities	<a href="#">Competition, Competition investigations</a>
Corruption	Infringements damage the company, its reputation and brand. Customers and the company risk being affected financially, and the community may be charged with additional costs.	Zero tolerance. Work on implementing the Code of Conduct continued by focusing more intensely on certain specific sections and by maintaining a high standard in the continuous implementation activities. Procedures for "Acceptance Letters" issued by the Group's President, whereby employees sign a letter each year to confirm that they will adhere to the Group's steering instruments, were introduced.	Customers, Community, Employees	<a href="#">Anticorruption, Code of Conduct</a>
Values and Code of Conduct	Infringements damage the company, its reputation and brand. Customers and the company risk being affected financially and the community may be charged with additional costs. Clear and positive values and a Code of Conduct provide competitiveness and reduce risks.	Communication, training and follow-up of the Group's values and Code of Conduct. Mandatory for all employees. E-learning program and "Acceptance Letters" from President	Employees, Customers, Suppliers, Community, Shareholders, Authorities	<a href="#">Core values, Code of Conduct, Training and development</a>
Assessment of suppliers	Significant CR-related risks that Trelleborg can influence by imposing requirements in connection with procurement.	Designing of Group-wide tools for the assessment of suppliers with the aim of ensuring that suppliers comply with Trelleborg's Code of Conduct. Training of Trelleborg's purchasers was initiated in 2008. Assessment of suppliers commenced in 2009.	Suppliers, Shareholders, Community	<a href="#">Suppliers</a>
Products and applications	In environments with an increased level of risk, products and applications may potentially entail risks for the company.	Growing demands on product performance and product safety. Increased restrictions and disclosure requirements placed on input components. Identification and evaluation of product portfolio risks was conducted by the Trelleborg Engineered Systems business area and parts of Trelleborg Sealing Solutions. A variety of criteria were assessed, including the exposure of products, the size of contracts and the launch of new products and technology. The methods utilized in this work were refined in 2009 and applied to other business units in the Group.	Community, Customers, Suppliers	<a href="#">Products, Sustainable solutions</a>
	Market opportunities: Increased interest in cleantech provides new opportunities for products in the areas of "sealing, damping, protecting." Trelleborg's products and applications often entail protection for people and the environment.	Through Trelleborg's primary task – to seal, damp and protect in demanding industrial environments – the operation's products and solutions contribute to the company's own development and community development in the environmental and work environment areas.	Community, Customers, Suppliers	<a href="#">Sustainable solutions</a>
Legal adequacy and quality of supplier agreements	Ensuring the legal adequacy and quality of the Group's agreements	Several processes were initiated to better ensure the legal adequacy and quality of the Group's agreements. The initiative is supported by the Group Legal Department but is being implemented on-site in the business units. Examples include the production of standard forms, the use of checklists for risk assessments and policies governing liability caps and signing procedures for agreements.	Suppliers, Shareholders	<a href="#">Risk management</a>



## Risks in Corporate Responsibility area

Risk area	Risks	Management	Primary stakeholders	Links
Exposure to natural disasters	Natural disasters threaten plants and can entail production stoppages.	A thorough analysis of the risks posed by natural disasters to operations was performed jointly with FM Global, the company's property and loss of production insurers. This work led to a number of action plans aimed at reducing risks, for example, increasing plant protection, raising awareness of the risks among local management and creating procedures to ensure a high level of preparedness if a natural disaster were to occur.	Shareholders, Employees, Customers	<a href="#">Risk management</a>
Environmental impact of accidents	If a plant were to be affected by an accident, this could have environmental consequences in the form of ground, air and water pollution.	Valuable information about the various risks at our plants is found in different parts of the Group. An improved process that views risks at a general and accumulated level facilitates a better assessment of the impact on the Group. Risk analyses are now conducted at plants in conjunction with property insurance and certification in accordance with ISO 14000, the collection and analysis of chemicals in REACH work, for example, and evaluations of operations as performed by local authorities.	Shareholders, Employees, Customers, Community, Authorities	<a href="#">Risk management</a>
Environmental impact	Inadequate procedures for the management of the operations' environmental aspects can potentially harm the environment and thus the company's reputation and community relationships.	The implementation of ISO 14000 certified environment management systems in all major production units. Internal recommendations for the management of specific environment risks. External and internal environmental audits.	Community, Employees, Shareholders	<a href="#">Environment, Environmental management</a>
Business-critical plants	A stoppage at a critical plant could have financial and other consequences for customers and Trelleborg.	Two of the tools used are Business Impact Analysis (BIA), which studies the plant's current risks, and the strategy plan that assesses future opportunities and benefits. The action plan to be applied depends on the results obtained. Plants of high strategic value can, for example, be equipped with water sprinklers or local sprinkler protection in particularly critical plant areas to prevent disruptions to production. The process of improving implementation of continuity plans that enhance preparedness for the Group's operations continues.	Shareholders, Employees, Customers, Community	<a href="#">Risk management</a>
Raw materials and energy consumption	Increased production costs in pace with rising energy and raw-material prices. Certain raw materials require long-distance transportation.	More efficient use of resources via process and product development through the reduction of waste, waste recycling and energy conservation. Supported by the implementation of the Manufacturing Excellence program (includes Energy Excellence).	Shareholders, Employees, Customers	<a href="#">Raw materials, Energy</a>
Climate	Risk of extreme weather conditions and flooding. Possible property risks and disruption of energy supply, transportation, etc. Increased social requirements on the reduction of climate-impacting emissions.	In 2009, Trelleborg introduced a new climate strategy. The Group-wide energy-efficiency program – Energy Excellence – was introduced at all units and is focused on the following areas: heating/ventilation, energy production, lighting, compressed air, general energy governance and follow-up.	Shareholders, Community	<a href="#">Trelleborg and the climate: opportunities and risks, Climate impact</a>
Chemical management	Growing demands on product performance and product safety. Increased restrictions and disclosure requirements on input components. Occupational risks and stringent requirements on safety measures in conjunction with the management of hazardous chemicals. Future requirements on phasing out and substitution with alternatives.	Mandatory evaluation of all chemicals with regard to the environment and health and safety. Recording of all risk chemicals. Fulfillment of requirements in EU REACH regulation. Identification and substitution of arduous chemicals. Internal company phase-out list under development.	Employees, Customers, Suppliers, Community, Authorities	<a href="#">Raw materials</a>
Health and safety	Risk to the health and safety of the Group's employees. Injuries and illnesses are costly for the company and lead to losses in productivity.	The Group has its own program, Safety@Work, to assess occupational risks. Follow-up is conducted annually through self-assessments and audits.	Employees, Community	<a href="#">Health and safety</a>
Recruit, develop and retain employees	Motivated employees and strong leadership are needed for a long-term, successful business.	Talent management, a focus on internal and local recruitment, leadership training and performance reviews.	Employees, Community	<a href="#">Talent Management</a>

# GRI index

Trelleborg's Corporate Responsibility Report for 2009 complies with the Global Reporting Initiative guidelines (version G3). The following index shows where information can be found, with links to the CR report and the Annual Report at [www.trelleborg.com](http://www.trelleborg.com) and each page reference to the printed version of the Annual Report.

Only the GRI core indicators, and the additional indicators Trelleborg has selected to report on are listed. Additional indicators in italics.

Reported: ●  
Partially reported: ◐  
Not reported: ○

Indicators	Links	Annual Report	Report status
<b>1. STRATEGY AND ANALYSIS</b>			
1.1 Foreword: President and CEO Peter Nilsson on corporate responsibility	<a href="#">Foreword CR report</a> , <a href="#">Foreword Annual Report</a>	48	●
1.2 Sustainability-related impacts, risks and opportunities	<a href="#">Risks</a> , <a href="#">Target indicators and results in 2009</a>	30-31, 58	●
<b>2. ORGANIZATIONAL PROFILE</b>			
2.1 Name of the organization	<a href="#">Introduction to the Annual Report</a>	Cover, 105	●
2.2 Primary brands, products and/or services	<a href="#">Market positions, trademarks TES, TAU, TSS and TWS</a>	Cover, 20, 22, 24, 26	●
2.3 Operational structure	<a href="#">Management and structure</a>	Cover, 9, 38-43, 84	●
2.4 Location of headquarters	<a href="#">Addresses and financial information</a>	Cover	●
2.5 Countries where the Group operates	<a href="#">The world of Trelleborg</a> , <a href="#">Net Sales</a>	79, 104-106	●
2.6 Nature of ownership	<a href="#">Addresses and financial information</a> , <a href="#">The Trelleborg share</a>	Cover, 98	●
2.7 Markets served	<a href="#">Markets</a> , <a href="#">Business Areas</a>	Cover, 8, 9, 20, 22, 24, 26	●
2.8 Scale of the reporting organization	<a href="#">Sales</a> , <a href="#">Employees</a> , <a href="#">Capitalization</a> , <a href="#">Sales at the regional level</a> , <a href="#">Owners</a>	1, 8, 54, 69, 99	●
2.9 Significant changes during the reporting period	<a href="#">Divestments/closures</a> , <a href="#">Note 35</a>	11, 89	●
2.10 Awards received during the reporting period	<a href="#">Sustainability indexes and recognitions</a>	50, 102	●
<b>3. REPORT PARAMETERS</b>			
3.1 Reporting period	<a href="#">Scope of CR report</a>	49	●
3.2 Date of most recent report	<a href="#">Scope of CR report</a>	49	●
3.3 Reporting cycle	<a href="#">CR cycle at Trelleborg</a>		●
3.4 Contact persons	<a href="#">Contacts</a>	102	●
<b>Scope and boundary of report</b>			
3.5 Process for defining report content	<a href="#">Materiality analysis</a> , <a href="#">Scope of CR report</a>	49-50	●
3.6 Boundary of the report	<a href="#">Scope of CR report</a>		●
3.7 Specific limitations on the scope or boundary of the report	<a href="#">Scope of CR report</a>		●
3.8 Reporting of entities that can affect comparability from period to period and/or between organizations	<a href="#">Scope of CR report</a>		●
3.9 Data-measurement techniques and the bases of calculation	<a href="#">Scope of CR report</a> , <a href="#">Key figures</a>		●
3.10 Explanation of the reasons for and effect of any restatements of information	<a href="#">Scope of CR report</a>		●
3.11 Significant changes in the scope, boundary or measurement methods	<a href="#">Scope of CR report</a>		●
<b>Contents according to GRI</b>			
3.12 GRI Index	<a href="#">GRI Index</a>	50, 53, 55, 56, 57	●
3.13 Policy and practice regarding external verification	<a href="#">External review 2009</a> , <a href="#">GRI level 2009</a> , <a href="#">Verification of Trelleborg's CR report</a> , <a href="#">Assurance report</a>	48, 59	●

Indicators	Links	Annual Report	Report status
<b>4. GOVERNANCE, COMMITMENTS AND STAKEHOLDER RELATIONSHIPS</b>			
4.1 Governance structure of the organization	<a href="#">Corporate governance report</a>	34-47	●
4.2 Chairman's position	<a href="#">Overview of governance at Trelleborg</a>	40-41	●
4.3 Number of independent, non-executive Board members	<a href="#">Board of Directors</a>	38-39	●
4.4 Mechanisms for shareholders and employees to provide recommendations or directions to the Board	<a href="#">Overview of governance at Trelleborg</a>	40-41	●
4.5 Linkage between compensation to management and the organization's performance in terms of financial and non-financial targets	<a href="#">Corporate governance report</a>	34-47	●
4.6 Processes in place for the Board to ensure that conflicts of interest are avoided	<a href="#">Corporate governance report, Dependents</a>	36, 38 (table)	●
4.7 Processes for determining the qualifications and expertise of Board members	<a href="#">Corporate governance report</a>	36	●
4.8 Statement of mission, values, code of conduct and principles relevant to sustainability performance, and their status	<a href="#">Business concept, Strategies, Governance values, Values</a>	11, 12-17, 40, 55	●
4.9 The Board's procedures for overseeing sustainability performance	<a href="#">Audit Committee, The Corporate Responsibility organization</a>	45, 48-49, 60	●
4.10 Processes for evaluating the Board's performance, particularly with regard to sustainability performance	<a href="#">Review of Board members</a>	36	◡
<b>Commitments regarding external initiatives</b>			
4.11 The Group's handling of the precautionary approach	<a href="#">Risks</a>	30-31, 56	●
4.12 Externally developed codes, principles or other initiatives to which the Group subscribes or endorses voluntarily	<a href="#">Global Compact, OECD etc.</a>	49	●
4.13 Membership in trade and industry organizations	<a href="#">ETRMA</a>	50	●
<b>Communication and stakeholders</b>			
4.14 List of stakeholder groups engaged by the Group	<a href="#">Stakeholder dialog</a>	50	●
4.15 Basis for the identification and selection of stakeholders	<a href="#">Stakeholder dialog, Materiality analysis</a>	50	●
4.16 Approaches to stakeholder engagement and frequency of engagement	<a href="#">Channels for regular stakeholder dialogue</a>	50	●
4.17 Key topics and concerns raised through stakeholder engagement	<a href="#">Channels for regular stakeholder dialogue</a>	50	●

## 5. MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

<b>ECONOMIC PERFORMANCE INDICATORS</b>			
Disclosure on Management Approach	<a href="#">CR governance, Governance: Society, Dividend policy, Target indicators and results in 2009</a>	49, 57, 58	◡
<b>Economic Performance</b>			
EC1 Economic value generated and distributed	<a href="#">Created and distributed direct economic value</a>	57	●
EC2 Financial implications and other risks and opportunities due to climate change	<a href="#">Climate-related opportunities and risks</a>		◡
EC3 Coverage of the organization's defined-benefit plan obligations	<a href="#">Employee remuneration</a>	77-80	●
EC4 Significant financial assistance received from government	<a href="#">Government aid, Note 10</a>	81	●
<b>Market presence</b>			
EC6 Policy and practice regarding locally based suppliers	<a href="#">Suppliers</a>		○
EC7 Procedures for local hiring and proportion of senior management hired from the local community	<a href="#">Talent Management: Talent review process</a>	55	◡
<b>Indirect Economic Impacts</b>			
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit	<a href="#">Society and Community: Save the Children</a>	57	○

Indicators	Links	Annual Report	Report status
<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>			
Disclosure on Management Approach	<a href="#">CR governance, Governance: Society, Target indicators and results in 2009</a>	49, 58	●
<b>Materials</b>			
EN1 Materials used	<a href="#">Raw materials</a>	52	◐
EN2 Percentage of materials used that are recycled input materials	<a href="#">Raw materials</a>	52	◐
<b>Energy</b>			
EN3 Direct energy consumption	<a href="#">Energy</a>	51	●
EN4 Indirect energy consumption	<a href="#">Energy</a>	51	●
<b>Water</b>			
EN8 Total water withdrawal by source	<a href="#">Water</a>	52	●
EN10 Water recycled and reused	<a href="#">Water</a>		○
<b>Biodiversity</b>			
EN11 Land at organization's disposal in areas of rich biodiversity	<a href="#">Land use and biodiversity</a>		◐
EN12 Impact on biodiversity	<a href="#">Land use and biodiversity</a>		●
<b>Emissions, Effluents and Waste</b>			
EN16 Direct and indirect greenhouse-gas emissions	<a href="#">Climate strategy, Climate impact</a>	51, 52	●
EN17 Other relevant indirect greenhouse-gas emissions			○
EN18 Initiative to reduce emissions of greenhouse gases and results	<a href="#">Climate strategy, Energy, Climate impact, Climate-related opportunities and risks</a>	51, 52	◐
EN19 Emissions of ozone-depleting substances	<a href="#">Emissions to air</a>		○
EN20 NOx, SOx and other significant air emissions	<a href="#">Emissions to air</a>	52	●
EN21 Total water discharge	<a href="#">Water</a>	52	●
EN22 Total weight of waste by type and disposal method	<a href="#">Waste</a>	52	◐
EN23 Unforeseen spills	<a href="#">Permits and environmental incidents</a>	52	●
<b>Products and Services</b>			
EN26 Initiatives to mitigate environmental impacts of products and results of these	<a href="#">Products, Product development</a>	56	◐
EN27 Percentage of products and their packaging materials that are reclaimed			○
<b>Compliance with laws and regulations</b>			
EN28 Fines and sanctions for noncompliance with environmental laws and legislation	<a href="#">Permits and environmental incidents</a>	52	●
<b>Transports</b>			
EN29 Environmental impact of transports	<a href="#">Transports</a>	56	◐
<b>Overall</b>			
EN30 Total environmental expenditures and investments	<a href="#">Environment and health and safety-related investments and costs</a>	57	●
<b>PERFORMANCE INDICATORS FOR LABOR PRACTICES AND DECENT WORK</b>			
Disclosure on Management Approach	<a href="#">CR governance, Governance: Society , Target indicators and performance 2009</a>	49,58	●
LA1 Workforce	<a href="#">Employees, Note 3</a>	54, 80	◐
LA2 Employee turnover	<a href="#">Employees, Note 3</a>	54,80	◐
<b>Labor/management relations</b>			
LA4 Proportion of employees included in collective agreements	<a href="#">Workplace relationships</a>	54	●
LA5 Minimum notice period(s) regarding significant operational changes	<a href="#">Workplace relationships</a>	54	◐
<b>Occupational health and safety</b>			
LA6 Percentage of workforce represented in formal work-environment committees	<a href="#">Work environment – Health and safety</a>	54	●
LA7 Work-related accidents and diseases	<a href="#">Work environment – Health and safety</a>	54	●
LA8 Action program relating to serious illnesses			○
LA10 Number of hours of training per employee	<a href="#">Talent Management: Training and development</a>	55	●

Indicators	Links	Annual Report	Report status
LA11 Programs for skills management and lifelong learning	<a href="#">Talent Management: Performance Review</a>	55	○
LA12 Percentage of employees receiving regular career development reviews	<a href="#">Talent Management: Performance review</a>	55	◡
LA13 Composition of the Board, management and employees by category	<a href="#">Employees, Diversity and equality</a>		◡
LA14 Ratio of basic salary of men to women by category			○

**PERFORMANCE INDICATORS FOR HUMAN RIGHTS**

Disclosure on Management Approach	<a href="#">CR governance, Governance: Society , Target indicators and performance 2009</a>	49,58	●
<b>Investment and procurement practices</b>			
HR1 Percentage and total number of significant investment agreements that have undergone human-rights screening	<a href="#">Environmental risks and debts</a>	53	○
HR2 Percentage of significant suppliers that have undergone screening on human rights and actions taken	<a href="#">Suppliers</a>	56	◡
HR4 Total number of incidents of discrimination and actions taken	<a href="#">Diversity and equality</a>	54	●
<b>Freedom of association and collective bargaining</b>			
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken	<a href="#">Workplace relationships, Geographic analysis</a>	54	●
HR6 Operations identified as having significant risk for incidents of child labor and actions taken	<a href="#">Geographic analysis</a>	55	●
HR7 Operations identified as having significant risk for incidents of forced labor and actions taken	<a href="#">Geographic analysis</a>	55	●

**PERFORMANCE INDICATORS FOR SOCIETY**

Disclosure on Management Approach	<a href="#">CR governance, Governance: Society, Target indicators and results 2009</a>	49, 58	●
S01 Programs and practices that assess and manage the impacts of operations on society/communities			○
S02 Percentage and total number of business units analyzed for risks related to corruption	<a href="#">Talent Management: Training and development, Anticorruption, Competition</a>	31, 55, 56	◡
S03 Percentage of employees trained in anti-corruption policies and procedures	<a href="#">Talent Management: Training and development, Anticorruption, Competition, Acceptance letters, company's policies</a>	31, 55, 56	●
S04 Actions taken in response to incidents of corruption	<a href="#">Competition</a>	31, 56	
S05 Public policy positions and participation in lobbying	<a href="#">Communication, lobbying and social media</a>	57	●
<b>Anti-competitive behavior</b>			
S07 Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcome	<a href="#">Competition investigations</a>	31, 56, 66	●
S08 Monetary value of fines and number of sanctions for noncompliance with laws and regulations	<a href="#">Competition investigations</a>	56, 66	●

**PERFORMANCE INDICATORS FOR PRODUCTS**

Disclosure on Management Approach	<a href="#">CR governance, Governance: Society, Target indicators and results 2009</a>	49, 58	●
PR1 Life-cycle stages in which health and safety impacts of products and services are assessed and the percentage of products and services subject to such procedures	<a href="#">Products</a>	56	◡
<b>Product and service labeling</b>			
PR3 Type of product and service information required by procedures, and percentage of products and services subject to such information requirements	<a href="#">Products</a>	56	●
PR6 Programs for adherence to standards and voluntary codes concerning market communications	<a href="#">Communication</a>		○
PR9 Monetary value of fines for noncompliance with laws and regulations concerning products and services			○

Through our high-performance polymer solutions that seal, damp and protect, Trelleborg contributes to the development of a sustainable society. At the same time, we work to systematically prevent and minimize the environmental impact of our operations. Our responsibility makes us different.



**TRELLEBORG**

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