

S U S T A I N A B I L I T Y  
R E P O R T

2003



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## Highlights during the year for sustainable development

- ■ ■ ■ ISO 14001 environmental management system introduced at 82 plants
- ■ ■ ■ Introduction of work-environment management system (OHSAS 18001) initiated within Group
- ■ ■ ■ Continued activities to replace substances that are hazardous to the environment and health with less hazardous substances
- ■ ■ ■ Many plants show improved environmental performance, for example in the form of reduced atmospheric emissions and lower energy consumption
- ■ ■ ■ Cooperation with universities on sustainability issues
- ■ ■ ■ 25 recently acquired plants within Trelleborg Sealing Solutions are included in the 2003 Sustainability Report



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Trelleborg AB is a public company. Corporate registration number 556006-3421. Domiciled in Trelleborg, Sweden. Hållbarhetsredovisningen finns även på svenska.

Figures given in parentheses refer to 2002 unless stated otherwise. Amounts of money are given in Swedish kronor (SEK) throughout. Thousands of kronor are abbreviated as SEK 000s and millions of kronor as SEK M.

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Translation: The Bugli Company AB, Stockholm

Questions concerning the Sustainability Report will be answered by environmental coordinator Torbjörn Brorson.

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# Trelleborg

## in brief

### A global industrial group

Trelleborg is a global industrial group with spearhead expertise in polymer technology combined with a high level of industrial know-how in functional solutions and systems that meet the needs of our customers. The Group has approximately 21,000 employees in some 40 countries. The head office is in Trelleborg, Sweden. Trelleborg AB was founded in 1905 and the Trelleborg share has been listed on Stockholmsbörsen's A list since 1964.

### Leading technology – leading positions

Trelleborg endeavors to achieve market leadership within clearly demarcated product and market areas. Today, the Group is one of the world's largest industrial rubber producers, and products with leading market positions (ranked 1-3) account for approximately 90 percent of Group sales. Trelleborg is a world leader in antivibration products for light vehicles, among other products.

### Well positioned for future growth

The concentration of operations initiated in 1999 was essentially completed during 2003. Strategic acquisitions and divestments have positioned Trelleborg as a focused industrial group. During the year, a new business area, Trelleborg Sealing Solutions, was formed as a result of the acquisition of the precision-seals division of Smiths Group Plc of the UK. The acquisition has brought additional leading positions to Trelleborg, as well as a stable platform for further growth.



Key figures	2003	2002
Net sales, SEK M	17,960	17,630
Operating profit, SEK M	1,208	946
Profit after net financial items, SEK M	1,091	677
Net profit, SEK M	702	410
Earnings per share, SEK	8.40	4.75
Unrestricted cash flow per share, SEK	11.30	8.60
Debt/equity ratio, %	111	40
Return on shareholders' equity, %	9.5	5.5
Average number of employees	15,855	14,885



### Solid strategic platform

- Organic growth
- Leading positions in attractive segments and markets
- Optimized operations
- Acquisitions providing synergies

### 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 objective 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 a leading global industrial company, primarily within the polymer area, by offering:

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

# President and CEO Fredrik Arp: “Society’s trust and respect are vital for financial success”



Cultures and values shift over time and space, and financial success is not always synonymous with the respect and trust of the world at large. It has become increasingly clear to Trelleborg and other companies that the role of industry and trade is in the process of changing. It is no longer sufficient to create jobs, generate profits and pay taxes. Customers, investors and employees expect more than this from Trelleborg. They expect us to be actively involved in environmental concerns, social issues and work content – in other words, to engage in activities aimed at creating a sustainable society, and to achieve this within the framework of maintained profitability. A key issue in this context is whether traditional methods of doing business can be combined with the sustainability perspective, and whether this is in the interests of all stakeholders. We believe that good business and responsible enterprise complement each other extremely well.

Efficient use of resources and raw materials is good for our cost-efficiency and the environment. Most people take for granted that they should not need to risk their health in their workplace, and it is also obvious that safe and well-organized workplaces create more efficient production conditions. It has also become increasingly apparent that young and well-educated employees, in particular, are demanding ever higher standards from their company, its products and its conduct. They want more than just a pay packet from their employer. Our customers, too, are increasingly formalizing the demands they place on us. This is especially true of the environment area. The automotive industry, for example, requires us to demonstrate a systematic approach to environmental work, declare the contents of our products, and make active efforts to eliminate constituents that are hazardous to health and the environment.

The process of introducing the Group’s Code of Conduct continued during 2003, and a number of control documents were produced. The basic premise of our Code of Conduct is that we respect the rights of the individual, without question, and strictly adhere to local laws and regulations.

“Good business and responsible enterprise complement each other extremely well”

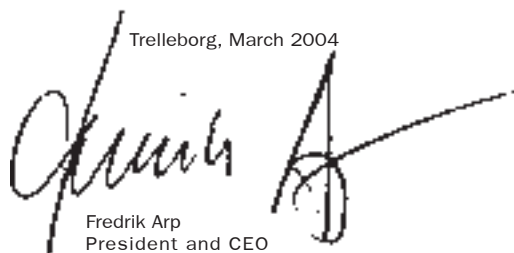
In addition, we seek to ensure that all business decisions are defensible from a social, environmental and ethical perspective. However, it is by no means easy to achieve success in efforts related to the environment, the work environment and social commitment, and we realize that we are only in the initial stage of these endeavors, which require commitment from management and other personnel and a long-term action program. Moreover, the activities in question must be

carried out systematically, based on a clear strategy, objectives and distribution of responsibilities. In the end, we must be able to evaluate our progress and setbacks and report what has happened in a clear and credible manner.

In this year's Sustainability Report, we use key figures and descriptions to show what has happened in the environment and work-environment areas over a shorter and longer time perspective, as well as reporting on a number of different activities in the social area. I particularly wish to highlight the fact that we are now seeing clear results from the introduction of the ISO 14001 environmental management standard at the various plants. Trelleborg has 82 plants in more than 20 countries with ISO 14001 certification, and the environmental management systems are creating structure in sustainability work, generating substantive savings and reducing environmental impact. The environmental management systems also function as an admission ticket when the company is competing for key delivery contracts in various markets.

Perhaps we can conclude by returning to the question of whether a company can simultaneously be successful in business terms and be above reproach in its conduct, and whether this benefits all of its stakeholders. My answer is yes, I believe this is possible, and I am convinced that this is how a modern company must operate. I hope that readers of this year's sustainability report will gain a balanced view of how we work in these areas. In particular, I hope that our more than 6,000 new employees will be able to increase their knowledge of and confidence in Trelleborg's approach to issues related to the environment, health, safety and society at large.

Trelleborg, March 2004



Fredrik Arp  
President and CEO

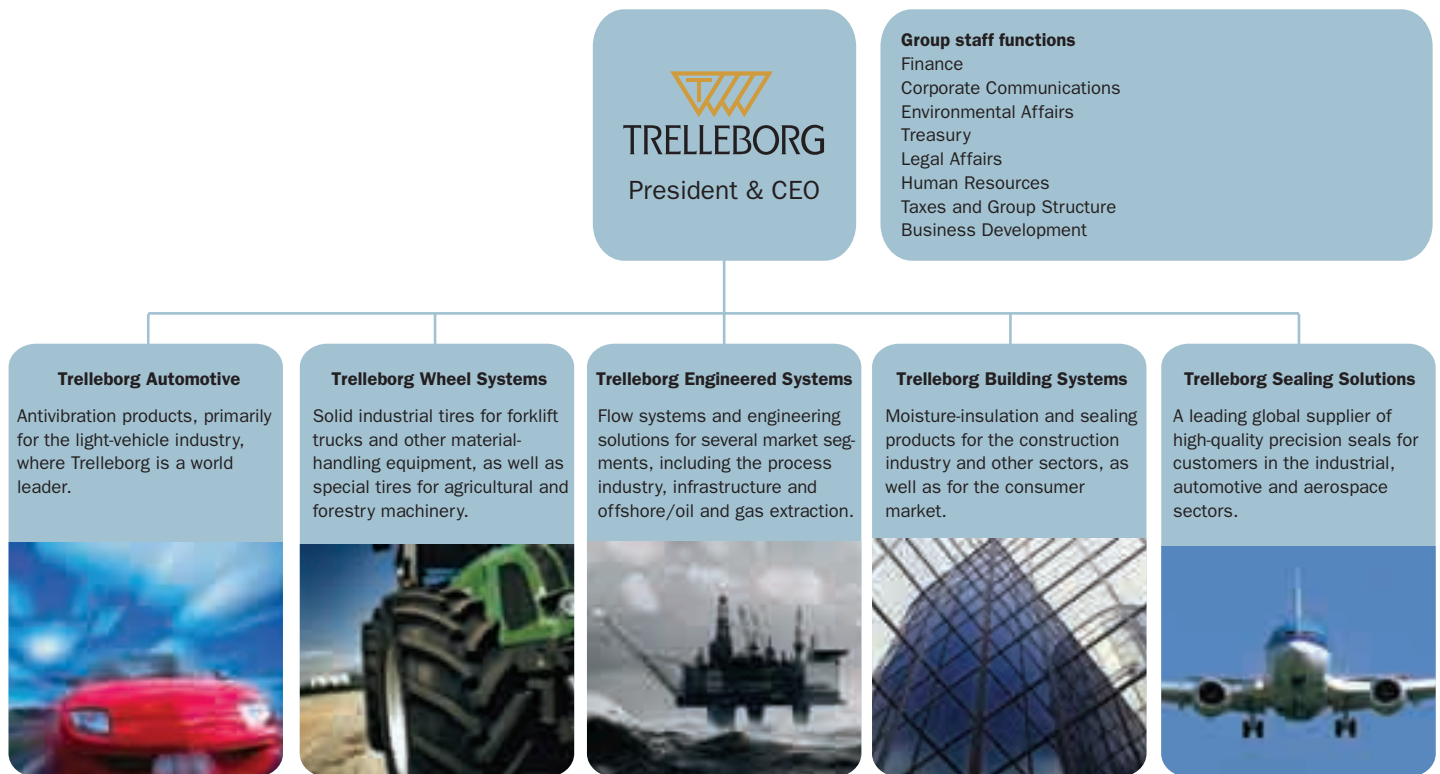
# Organization, management systems and ground rules

## Organization and responsibility

Trelleborg is a rapidly expanding global industrial group. During the most recent ten-year period, the Group has grown through a large number of acquisitions. In 2003, Trelleborg implemented one its largest take-over transactions ever when it acquired Polymer Sealing Systems from Smiths Group in the United Kingdom, adding approximately 6,000 new employees to the workforce. We are thus a multicultural corporate group, with more than 100 production units, tens of thousands of different products and, not least importantly, a substantial number of demanding customers.

A variety of values and priorities must therefore be harmonized within a uniform corporate culture. Trelleborg's organizational structure and responsibility culture are based

on a number of fundamental principles, overall guidelines and follow-up systems, but individual work tasks are strongly decentralized. This requires that the Group's managers and employees accept their responsibilities and administer them in a manner that benefits the Group as a whole. Sustainability work within Trelleborg is also decentralized and is based on the different conditions faced by the individual plants and varying demands from local communities. Formal responsibility for matters related to the environment, health and safety, and for social issues, rests with the respective line organizations. This means that the site managers for each plant have the main responsibility for these issues. Certain of these men and women are full-time specialists in the external or work environment, but duties in these areas are often combined with other responsibilities. Examples include



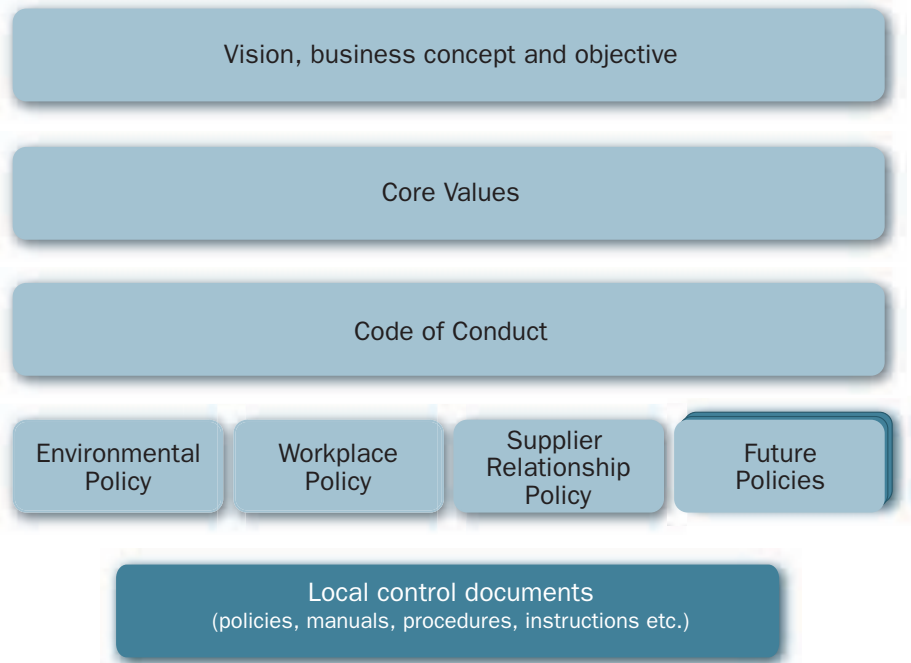
- Approximately 21,000 employees
- More than 100 production plants
- External and work environment responsibility delegated to each plant
- Environmental management systems implemented at 82 plants
- Environmental coordinators appointed at all plants

managers with dual responsibility for the external and work environment, or for the external environment and quality.

### Group-wide values and guidelines

The external environment, work environment and safety are areas that are stringently regulated by national and international legislation. Naturally, the fundamental requirement for all Group plants is that they follow the law with as much of a long-term perspective as possible. Furthermore, customer demands on our products in regard to the environment, health and safety shall be met. A number of Group-wide documents have been produced on the subject of core values, ethics and sustainable development to aid site managers, environmental coordinators and other employees. In this regard, the following documents play a key role:

- Trelleborg's Core Values and Code of Conduct. The Core Values are perceived as a natural element of everyday work and cover the concepts of customer focus, performance, innovation and responsibility. The Code of Conduct defines the Trelleborg principles in regard to human rights, the environment, health and business ethics.
- In the sustainability area, Trelleborg applies three main policies. The Environmental Policy, which was introduced in 1998, covers the environment, health and safety. This was supplemented in 2002 with a Workplace Policy and a Supplier Relationship Policy. In accordance with the demands of ISO 14001, detailed local environmental policies exist at all ISO 14001-certified plants.
- Trelleborg has Group-wide environmental management systems and a corporate EMS manual. Through the introduction of certified environmental management systems, the individual plants form components in the system.
- Finally, a number of binding Group standards and advisory guidelines (position papers) have been established. These control documents are complemented by plant-specific routines and instructions.



One of the Group's environmental auditors, José-Luis Losa, at work.



**Environmental management systems**

Since 1998, when the program was initiated, 82 Group plants have been certified in accordance with the ISO 14001 environmental standard, which is a cornerstone of Trelleborg's work in the sustainability area. With the exception of plants with few employees, or which are excluded for other special reasons, the goal is that all Group plants will be certified as part of the program. During 2003, 15 units in Poland, Germany, Spain, Sri Lanka, Singapore, Italy and Turkey were certified.

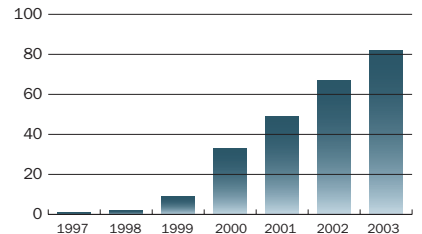
Over the years, Trelleborg has gained a great deal of experience from its implementation and maintenance of environmental management systems. The lessons learned have been positive and, among other benefits, have resulted in:

- A more structured approach to environmental work at individual plants and throughout Trelleborg as

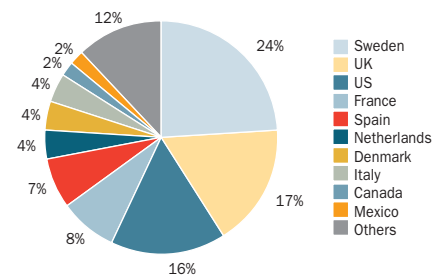
a whole. Many units have elected to combine or integrate their environmental management systems with quality and work-environment systems, which can often be advantageous. Most of the Group's plants have ISO 9000, QS 9000 or other quality systems.

- Savings and increased efficiency in regard to the utilization of such resources as energy and water. Many examples are included in the present sustainability report.
- Fulfillment of customers' environmental requirements and facilitation of communications with customers, authorities and local communities.
- Increased cooperation and a greater exchange of know-how and experience between different Group operations. For example, during the year, environmental conferences were arranged in Spain and the UK, which were attended by personnel representing 30

ISO 14001-certified plants



ISO 14001-certified plants by country (% of total number of certificates)



During the year, Trelleborg Sealing Solutions' plant in Malta received a prestigious environmental award.





Plants with ISO 14001	Plants with OHSAS 18001	Plants with quality systems <sup>1)</sup>	Plants with integrated systems for QEHS <sup>2)</sup>	Plants with integrated systems for QE <sup>3)</sup>	No. of internal environmental audits in 2003	No. of third-party environmental audits in 2003
82	2	93	24	35	505	119

- 1) ISO 9000, QS 9000, ISO TS 16949, Ford Q1 and other systems.
- 2) Quality, environment and work environment.
- 3) Quality and environment.

Group plants. Environmental audits, involving participants from different units, are conducted regularly.

- Individual employee know-how about environmental issues has increased. Extensive training has been given and many employees have participated in different external courses about the environment. For example, 40 employees in Canada have been approved as environmental auditors in accordance with ISO 14012/19001, EARA or equivalent standards. A large

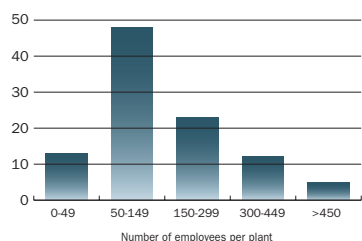
number of employees have taken part in internal courses on environmental management systems and have been approved as environmental auditors. We have also produced instructional materials, and information is available to employees on the subjects of environmental management and environmental auditing and, more specifically, on environmental issues in the rubber industry. The Group's intranet system (Trellnet) is of key importance in this context.

In recent years, standards for management systems have also been introduced in the work-environment area. Within Trelleborg, the OHSAS 18001 standard is being introduced and two plants in the UK (Bridgewater and Rotherham) have been certified. The Group plant in Helsingør, Denmark, has completed the first stage of the certification process. A number of units are working to introduce a work-environment standard.



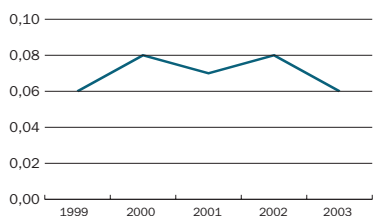
# Performance in the sustainability area – environment

Number of employees at Trelleborg's plants  
Number of plants

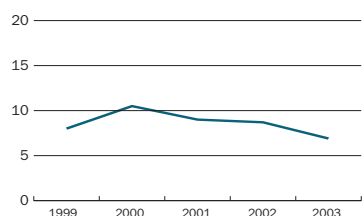


## Five years in brief

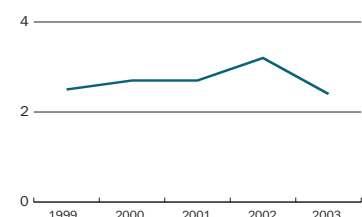
Energy consumption  
GWh/employee



Carbon-dioxide emissions  
Tons/employee



Waste amounts  
Tons/employee



## Production, processes and plants

A large number of polymers are produced and processed within the Trelleborg Group. While rubber is the dominant product, substantial amounts of polyurethane, PVC, polyethene and other plastics are also produced. At a few plants, the main activity is metal-processing. Read more about Trelleborg's production and processes on the Group's website, [www.trelleborg.com](http://www.trelleborg.com).

Production takes place at about 100 plants worldwide. While most of the units are in Europe and North America, about 10 plants are located in China, Sri Lanka, Brazil and other countries. Many plants have only 50-150 employees, but the Group also includes plants with many hundreds of employees. The largest production plants are Carquefou, France (about 1,000 employees), Malta (about 800), Clermont-Ferrand, France (about 640), Wuxi, China (about 525), Tivoli, Italy (about 525), Trelleborg, Sweden (about 515) and Ashchurch, UK (about 430).

## Five years in brief

Trelleborg's operations impact on the external environment through the utilization of natural resources, the use of chemical products, atmospheric emissions, noise in the vicinity of plants, the generation of solid and liquid waste and the environmental impact of transports and products. In addition, historical contamination of soil and groundwater occurs. If these environmental aspects are examined over a relatively long time

perspective, it can be seen that the Group as a whole has had both successes and setbacks. Naturally, the Group's expansion and the operational focus on polymers leave their mark in the statistics. As a result, the absolute values for energy consumption and other parameters have increased during the past few years. However, in such areas as better waste management, safer use of chemicals and reduced atmospheric emissions, clear improvements can be noted. A number of individual plants also show a clear improvement in environmental performance in a number of other areas. At the end of the sustainability report we provide an overview of a number of different sustainability aspects and how we perceive the trend over the past five years. The Group's website provides an opportunity for interested readers to follow developments in the interactive sustainability report (see under Sustainability Report).

## Goal-oriented environmental work

Within the framework of the environmental management system, the various plants define their own 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 2003 related to:

- Organizational aspects and training programs, particularly the introduction of ISO 14001, OHSAS 18001 and training in environmental and safety issues.
- Measures to reduce the consumption

## Environmental performance 1999-2003

Year	Energy consumption		Carbon dioxide emissions		VOC emissions		Waste amounts	
	GWh	GWh/employee	Tons	Tons/employees	Tons	Tons/employee	Tons	Tons/employee
1999	760	0.06	101,400	8.0	505	0.04	31,700	2.5
2000	1,012	0.08	129,200	10.5	1,189	0.1	33,000	2.7
2001	1,135	0.07	146,300	9.0	1,528	0.1	43,390	2.7
2002	1,164	0.08	129,000	8.7	1,735	0.1	47,360	3.2
2003	1,263	0.06	140,500	6.9	1,517	0.07	48,400	2.4

of natural resources, especially energy, water and various materials.

- Measures to improve the efficiency of waste management and reduce amounts of waste.
- Measures to improve work environments and reduce the number of work-related accidents, for example by finding substitutes for hazardous substances in processes and products.
- Reducing atmospheric emissions, thereby also reducing problems in the vicinity of plants.

In many cases, managers and personnel successfully achieved the objectives they had defined. For 2003, 86 percent of plants reported that they fully or partially achieved their primary environmental objective. For objective number two, the corresponding figure was 79 percent, and for objective number three it was 90 percent. The main focus of the individual plants' environmental objectives for 2004 resembles those for fiscal 2003 in many respects.

### **Trelleborg faces many challenges**

#### *Demands from society and customers*

Contributing to a sustainable society is becoming increasingly important for the general public and various interest groups. Most companies face both questions and demands from many different sources. A number of new initiatives from the authorities in various countries affect Trelleborg's operations. Trelleborg's industrial customers have also become increasingly

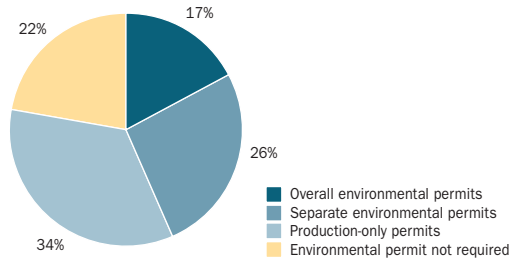
active in the environmental area. Trelleborg's largest customers are within the automotive industry, which places stringent demands on its suppliers. The following are some examples of environmental requirements that Trelleborg must take into consideration:

- Various types of legislation aimed at reducing amounts of waste and ensuring that waste is disposed of in a safe and resource-efficient manner. Within the EU, the depositing of burnable waste in landfill sites will be prohibited in the near future. This means that Trelleborg and other rubber companies will have to ensure that rubber waste is not landfilled but reused in an environmentally acceptable manner. This will be an enormous challenge for the entire industry.
- Legislation aimed at reducing the health and environmental hazards from the use of various chemical products. An example of this is the use of various new chemical products, as set forth, for example, in the new chemical strategy adopted by the European Parliament. A key new element is that the industry will be given the responsibility of performing risk assessments of chemical products. A system known as REACH (Registration, Evaluation and Authorization of Chemicals) is to be established for this purpose. REACH requires companies that produce or import chemical substances to provide basic information and test data, and authorization will be required for each type of use of certain sub-

stances that could present a serious risk. The legislation is under discussion in the EU.

- Companies such as Ford, GM and Toyota require that subcontractors obtain ISO 14001 certification within the near future. Trelleborg is well equipped to meet such requirements. Many car companies require components supplied by subcontractors to be free from certain specified substances that present a health or environmental hazard. This may, for example, relate to heavy metals or other hazardous substances. While such requirements can often be met without any major problems, it can sometimes happen that the product's characteristics are changed for the worse by the substitution. Within Trelleborg, many hazardous substances have gradually been phased out, but work still remains to be done in this area.
- The car industry now requires that the content of the components that go into cars be declared almost down to the last molecule. Behind the requirement is legislation stipulating that cars must be safely recyclable when they reach the end of their service life. To make this work, a number of car companies have jointly created a system known as the International Material Data System (IMDS). Trelleborg provides data on a large number of rubber and plastic products to this system.





*Environmental and work-environment legislation*

The majority of the Group’s plants require permits according to national law in the countries where they are located, and are subject to regular inspections by the authorities. Some smaller units are not classified as requiring permits. Many plants report emissions data and the extent to which permit conditions are met in separate annual environmental reports that are subject to approval by the inspection authorities.

The majority of production plants have permits dating from the end of the 1990s. During 2003, existing permits were updated and applications for new permits submitted in respect of approximately 35 plants. The environmental permits will be

fully or partly renewed at about 33 plants during 2004. Infringements of specific permit conditions occurred at plants in the UK (inadequate safety training, atmospheric emissions, poor traffic safety), Spain (external noise, Legionnaires’ disease, wastewater), the US (discharges to wastewater, work-environment deficiencies, production without environmental permits, atmospheric emissions), France (discharges to wastewater, Legionnaires’ disease), Sweden (oil spills), China (external noise), Italy (work-environment deficiencies, discharges to wastewater), Mexico (discharges to wastewater) and the Netherlands (work-environment deficiencies and storage of hazardous substances, soil contamination). The infringements did not lead to significant measures on the part of the



authorities. In a few cases, fines or penalty charges were imposed. Trelleborg paid a combined total of SEK 0.8 M during 2003.

## Utilization of natural resources

### Soil-related issues

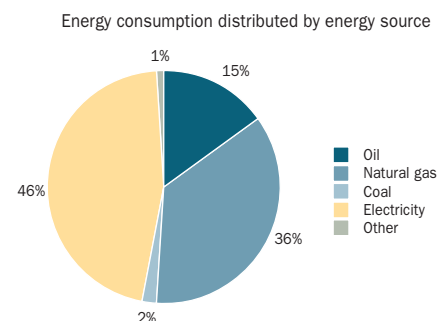
In many cases, contamination of soils and groundwater is technically complicated to remedy. Possible cleanup measures are preceded by time-consuming investigations, and many discussions with environmental authorities. The actual cleanup process may then take many years, often with substantial financial consequences. A natural component of the environmental management systems at Trelleborg's plants is preventing contamination from occurring. However, existing contamination at some 20 units reflects the long history of the

rubber industry, and we are gradually dealing with this legacy from the past. Examples of soil contaminants are heavy metals, oils and solvents.

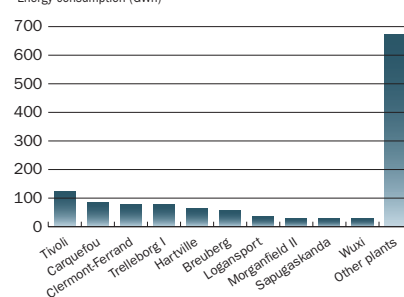
Decontamination measures have been initiated or already completed at a number of plants, as shown in detail in the table below. Active decontamination measures or inspections are in progress at about 10 plants. Decontamination costs are reported in the "Environment and finance" section of this report.

### Energy use

The most important energy sources for Trelleborg are fossil fuels (oil, natural gas and coal) and electricity. Within the Group, energy is used for heating, steam production, ventilation, cooling, processes,



Plants with substantial energy consumption  
Energy consumption (GWh)



## Overview of most important soil and groundwater contamination problems

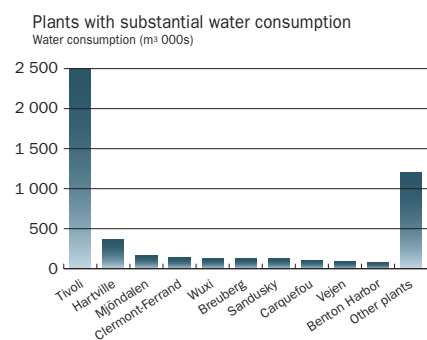
Plant	Type of contaminant*	Status
Trelleborg I, Sweden	Heavy metals, solvents.	Surveys and decontamination performed during 1995-2000. Results of solvent decontamination being monitored via regular sampling. Small quantities of heavy metals remain in the area.
Trelleborg Treboilt, Sweden	Creosote contamination dating from the beginning of the 20th century.	Surveys and trials of decontamination methods conducted during 2000-2003. Decontamination methods, costs and financing currently being investigated.
Ridderkerk, Netherlands	Oil and solvents.	Decontamination has been carried out in stages since 1992.
Vejen, Denmark	Tar products in soil and groundwater.	The contamination in question occurred more than 30 years ago. Detailed surveys have been performed. Installation of full-scale biological treatment facility is being discussed with the environmental authorities.
Helsingør, Denmark	Trichlorethylene.	Historical contamination for which the City of Helsingør bears responsibility. Some decontamination work under way.
Breuberg, Germany	Chlorinated solvents.	Decontamination initiated in 1989. Groundwater pumped up and filtered.
Hoogezand, Netherlands	Diesel and process oils.	Cleanup of diesel oil under way since 1998. Supplementary surveys carried out during 2003.
Evergem, Belgium	Oil, solvents.	During 2002-2003, detailed surveys were conducted and extensive contamination with chlorinated solvents was discovered. Surveys are continuing and various trials are under way to find a suitable decontamination method. Cleanups of oil and solvents in other areas of the plant are in progress or have been completed.
Tivoli, Italy	Chlorinated and non-chlorinated solvents in groundwater.	The surroundings are protected by pumping up and treating contaminated water.
Asti, Italy	Chlorinated solvents. Trelleborg does not own the property.	Decontamination initiated. Responsibility rests with the property owner.
Pamplona, Spain	Oil.	Soil examinations in progress.
Ross-on-Wye, UK	Chlorinated solvents.	No measures being taken at present.
Hartville, US	Oil. Trelleborg does not own the land area.	Oil in a monitoring well is pumped up regularly.
Sandusky, US	Chlorinated solvents.	Decontamination using "pump and treat" method in progress since 1987.
South Haven, US	Solvents (xylene, ethylbenzene, chlorinated solvents).	Decontamination measures in progress.
Dawson, US	Chlorinated solvents (trichlorethylene).	Surveys performed. Decontamination not yet initiated.

\*Most contamination took place before Trelleborg acquired the facilities.

equipment operation and transportation. The Group's total energy consumption during 2003 (excluding transports) amounted to 1,263 GWh (1,164). Although this is an increase in absolute terms compared with 2002, energy use per employee declined. Oil consumption declined, while consumption of natural gas increased. Utilizing energy more efficiently is a natural component in the improvement efforts of the majority of production units. More than 50 plants report reduced energy use compared with 2002, and energy savings amount to more than 130 GWh. Large-scale measures are involved when a new plant has been built (Leicester, UK) or a complete energy-supply system has been replaced (Clermont-Ferrand, France). Other energy-saving measures relate, for example, to compressed air, machines, operating time and ventilation systems, among other factors. In the case of plants that report higher energy consumption, the main reason for the change is increased production. Energy costs amounted to approximately SEK 397 M (358) during 2003.

*Water consumption*

Water is used at Trelleborg's plants for cooling, cleaning, purifying metals (phosphatizing), and sanitation. During 2003, the Group's plants consumed 4.9 million m<sup>3</sup> of water (5.4). In many locations, water is purchased from municipalities or cities, but the major portion (approximately 70 percent) is pumped from the Group's own wells or from water-



courses in the vicinity of the plants. Water consumption remained high at some of the Group's plants, and a number of acquired companies led to a further increase in consumption. Water-saving measures at some 40 units reduced consumption by about 0.7

**Consumption of raw materials and chemical products**

Raw material/chemical product	2001 (tons)	2002 (tons)	2003 (tons)
Natural rubber	47,200	58,100	66,000
Synthetic rubber	66,400	55,700	67,600
Plastics	14,000	11,000	12,300
Softeners (HA oils and other oils)	11,600	12,500	11,800
Solvents	1,500	1,800	1,740
Paints, lacquers, glues and adhesives	1,300	1,600	3,700
Zinc oxides	3,000	3,100	2,800
Diisocyanates	290	740	550
Recovered materials used as raw materials (rubber, plastics)	5,600	10,080	7,740

million m<sup>3</sup> during the year. Water costs amounted to approximately SEK 17 M (16) during 2003.

*Raw materials and chemical products*

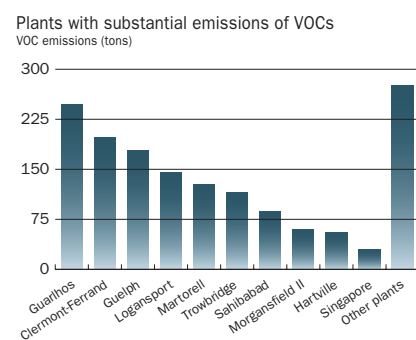
The production of products based on rubber and other polymers involves the use of large quantities of raw materials and chemical products. Some of these substances are classified as environmental and health hazards, while others do not have such negative characteristics. We note increasing interest from employees, customers and the community at large in these issues, and a number of plants report measures aimed at replacing hazardous substances with less hazardous ones. The use of heavy metals (such as lead), chlorinated solvents, high-aromatic oils (HA oils) and certain antioxidants and accelerators declined at a number of units during 2003. The use of "environmental salt" in salt baths eliminates the formation of nitrosamines, and such measures have been applied, for example, at the plants in Värnamo (Sweden). Other measures have also been implemented to prevent the formation of nitrosamines in vulcanizing processes. The switchover to "environmental oils" (HA oils with a PAH <3percent) is continuing, and softeners of this type now account for approximately 60 percent of total use. Substantial use is made of recovered materials and at some plants recovered materials constitute a substantial component in new products.

Promising research work on biopolymers is being conducted at the plant in Tivoli (Italy) after it was discovered that dextran, a form of glucose, could be added to rubber mixes under certain circumstances without adversely

affecting the technical properties of the rubber. Biopolymers such as dextran introduce a biologically degradable element into the rubber. In addition, they replace carbon black, a chemical product that is produced from fossil fuels. Biopolymers also lead to reduced emissions of the greenhouse gas carbon dioxide.

**Emissions to air and water**

As a result of Trelleborg's energy-production plants, vulcanizing processes, painting and lacquering and metal processing, the Group's plants emit a number of different substances to the atmosphere. Of particular interest are solvents (VOCs), dust, odor-causing substances and carbon dioxide. Emissions of VOCs during 2003 amounted to approximately 1,517 tons (1,730), which represents a decrease compared with 2002. Installation

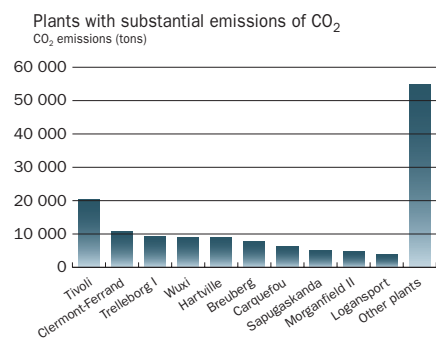


of air-cleaning equipment and a switchover to water-based paints and lacquers contributed to the decrease. Emissions of carbon dioxide are caused primarily by transports and the combustion of fossil fuels in the Group's energy plants. Total carbon dioxide emissions



arising from energy use during 2003 amounted to 140,000 tons (129,000), which is an increase compared with previous years. The increase is primarily attributable to the incorporation of more than 25 new plants within the Group. However, carbon dioxide emissions per employee declined, and some 40 production units report a total reduction of approximately 12,000 tons in carbon dioxide emissions. Emissions of sulfur dioxide and nitrogen oxides from energy production during 2003 amounted to 401 tons (477) and 1,143 tons (152) respectively. Emissions of sulfur dioxide and nitrogen oxides have shown a declining trend for several years, partly due to a switchover to low-sulfur heating oil at a number of plants.

Emissions to water from the Group's plants are limited and primarily consist of organic materials and metals. 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, measured COD emissions amounted to a few

hundred tons. The largest COD emissions total for a single plant was reported from the plant in Carquefou, France. Emissions 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 plants that perform phosphatizing and other metal-processing operations. A few minor problems in treatment plants or difficulties complying with certain limit values were reported from plants in Spain, Mexico, the US and Italy.

### Waste

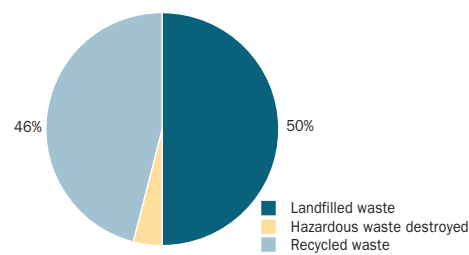
Large volumes of waste are produced within the Group and a substantial portion of this waste is deposited in landfills, which is undesirable from an environmental viewpoint. Legislation in many countries is now focused on efforts to manage waste through materials-recovery and energy recovery, which places enormous demands on the rubber industry. It can be noted that the volume of waste deposited in landfills declined during the year, while the proportion of waste used for materials recovery or energy recovery is increasing. However, different countries exhibit major differences in the level of their ambition to reduce amounts of landfilled waste, and this is reflected in the figures for the proportion of waste consigned to landfills for Trelleborg's different business areas.

The Group's total waste during 2003 amounted to 48,400 tons (47,400), of which 23,900 tons (27,000) were disposed of as landfill. About 21,800 tons (16,900) were source-sorted and used for materials recovery or energy recovery. The total amount of hazardous waste produced during 2003 amounted to 1,850 tons (2,100). Waste-

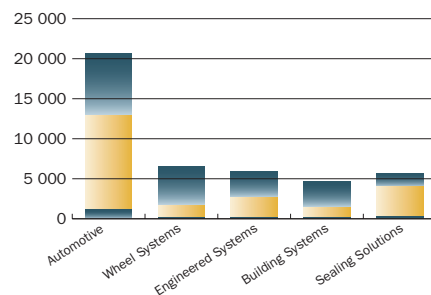
management costs totaled SEK 35.4 M (33.4). At many of the Group's plants, efforts are under way to reduce amounts of waste, and more than 35 units report reduced waste amounts compared with the preceding year. Approximately 18,500 tons (16,800) of waste was generated in production during 2003, of which about 54 percent was deposited in landfills, which was less than in the preceding year. Rubber is recycled through energy recovery (incineration) and materials recovery. Approximately 15 percent (14) of total rubber waste was used for energy recovery. The proportion of rubber waste reused in new products at Trelleborg's plants was approximately 4 percent (3). About 27 percent (24) of rubber waste was transferred to external companies for various forms of recycling.

Recycling also takes place in the product chain. In Sweden, for example, worn-out agricultural tires are collected through a centralized collection system (Svensk Däck-återvinning AB). Packaging waste from

Waste-disposal methods



Waste management in Trelleborg's business areas  
Avfallsmängd (ton)



Trelleborg's plants is collected via centralized systems in a number of countries in Europe. Trelleborg is, for example, affiliated to such systems in Sweden, Spain, Italy, Belgium and the UK.

### Products and the environment

Rubber and polymer products have both favorable and less favorable characteristics from an environmental point of view. The less favorable aspects include the fact that, with the exception of natural rubber raw material, the materials are largely based on raw materials produced synthetically from fossil fuels. Various chemicals with negative environmental and health aspects are used in the processes and, to some extent, in the products. In addition, systems for the recovery of energy and materials are not yet fully developed.

Demands from society and customers concerning the environmental properties of products are continually increasing and Trelleborg is participating in a number of projects aimed at improving the environmental performance of products. However, it can also be affirmed that many products have favorable properties

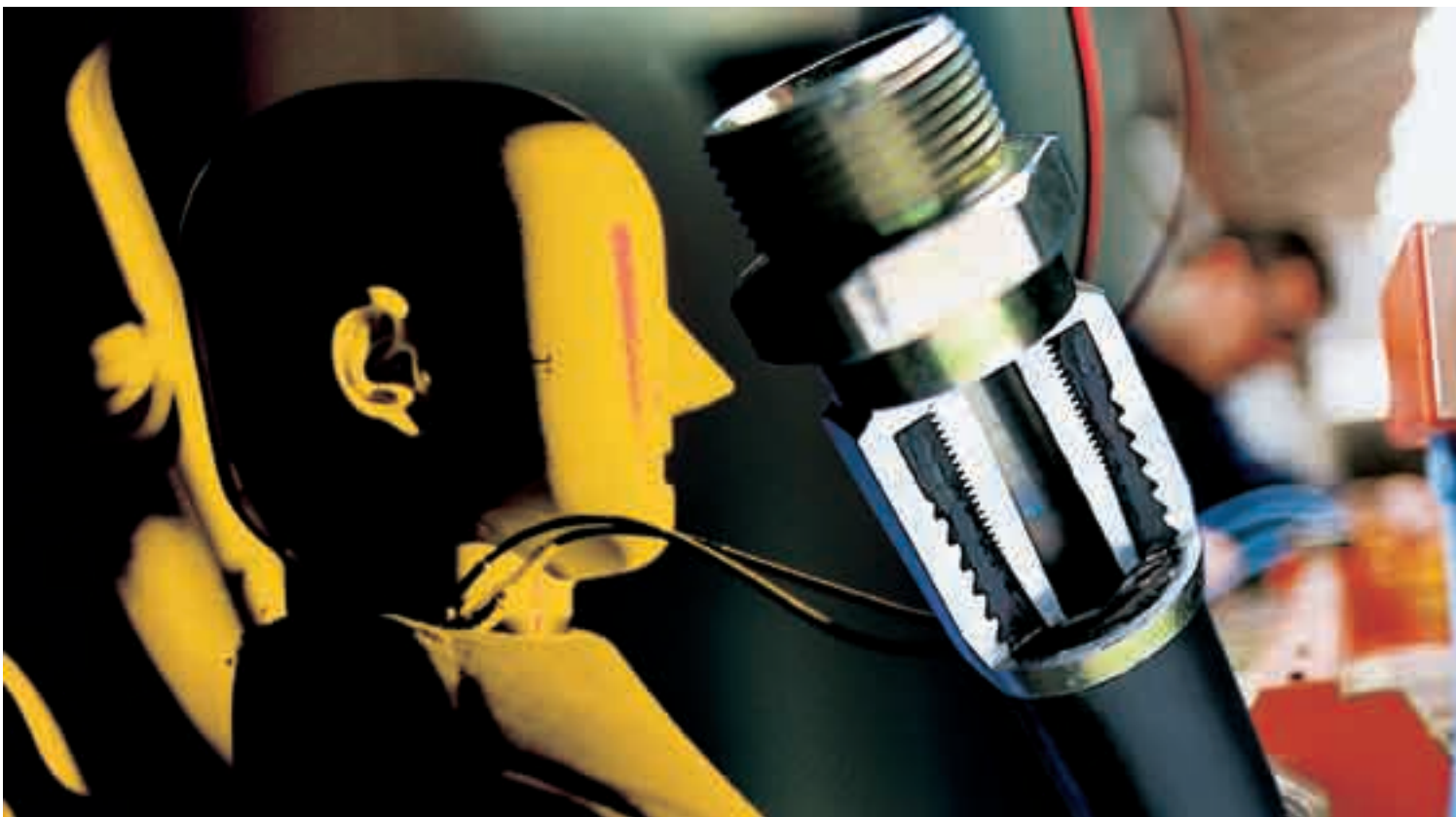
from an environmental perspective, including, for example:

- O-rings that prevent leaking of gaseous substances to the atmosphere from fuels and solvents,
- components that reduce vibration and noise in cars, trains and other vehicles,
- rubber and plastic strips that contribute to noise suppression and energy savings,
- rubber sheeting used in waste tips 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,
- hose systems for recovering gasoline fumes when vehicles fill up at service stations.

A number of products have undergone life-cycle assessments (LCAs). During 2003, more than 30 such assessments were conducted. The number of products bearing environmental seals of approval in accordance with official systems is less than ten. However, the Group submits safety and environmental information for more than 5,000 products – in the form of IMDS data and environmental product declarations.

### Transports and the environment

Some ten plants conduct regular calculations of atmospheric emissions caused by various types of transports. However, to date, we do not have a comprehensive view of the environmental effects of transports of raw materials and finished products. At most of the Group's plants, more than 90 percent 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 sustainable development

The sustainability 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. Approximately 45 percent of plants stipulate environmental requirements in their agreements with suppliers, and approximately 50 percent assess suppliers'

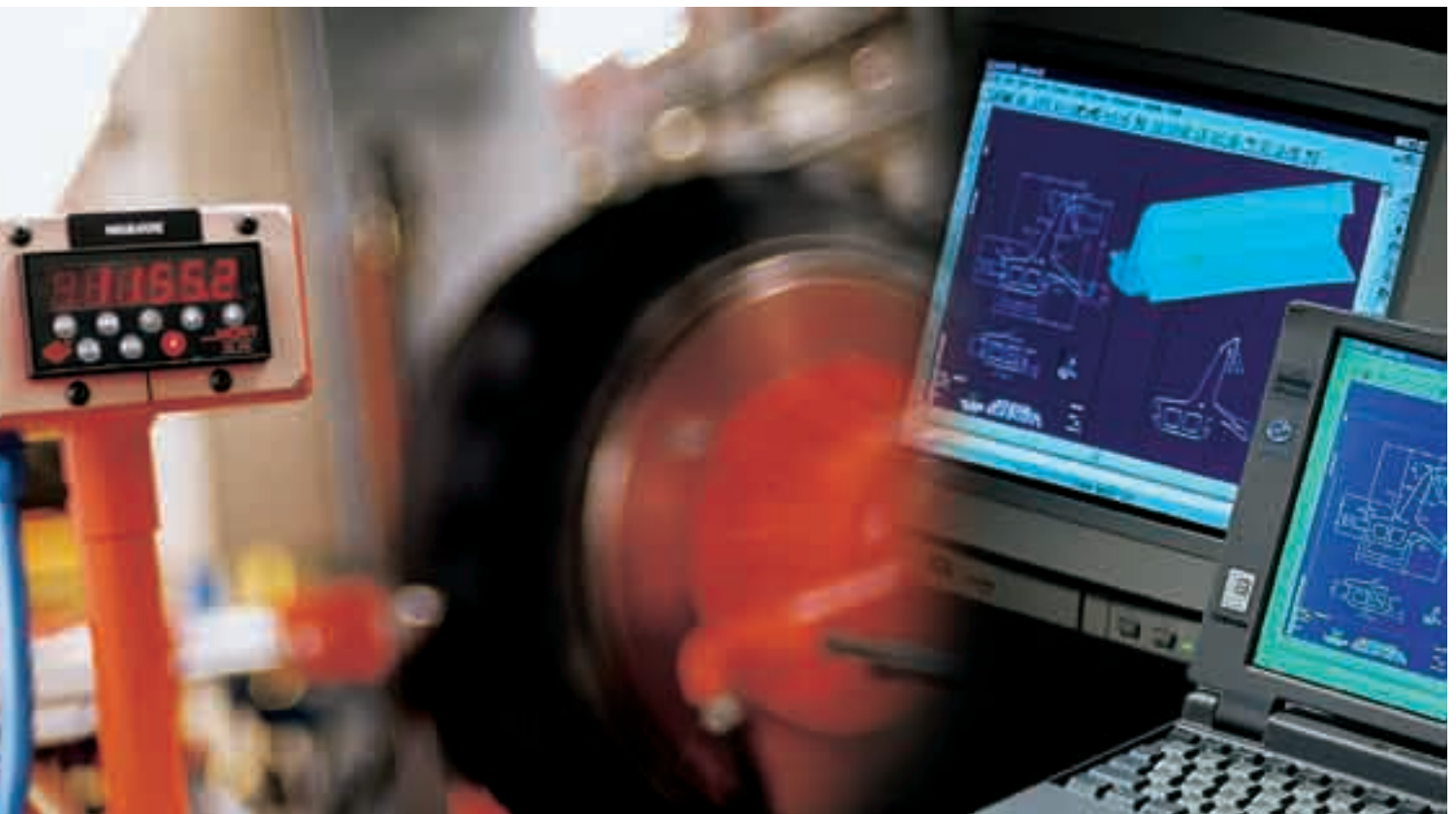
environmental performance through questionnaires and visits/audits. Some plants (about 15 percent) have also begun to include work-environment and social aspects in their assessments of suppliers.

#### When things did not go as planned

During each year of operations, events take place that were not planned and could entail risks for the environment and people's health. During 2003, a total of 61 (62) spillages, fires or other uncontrolled emissions to the environment occurred. The incidents were of limited scope, and the impact on people or the environment was negligible. At 17 plants, small-scale fires occurred. These did not result in any sizeable effect on buildings or equipment. In Värnamo, Sweden, an air-cleaning system was destroyed by fire. Following consultation with the environmental authorities, it was possible for production to continue while the equipment was

repaired. During the year, some 30 plants were inventoried and classified based on their damage-prevention measures, such as fire prevention and monitoring. In total, approximately 55 plants have been inventoried during the past two years.

At the production units, 33 (30) complaints were received during 2003 from nearby residents or other persons inconvenienced by our plants. The complaints primarily concerned unpleasant-smelling local emissions (3 complaints) and noise (15 complaints).



# Performance in the sustainability area – health and social responsibility

## Responsible enterprise

More than ever, companies are expected to accept their social responsibility. However, responsible enterprise is nothing new for Trelleborg. Ethical standards, business skills, social responsibility and environmental awareness have long been hallmarks of the company's operations. What has happened in recent years is simply that we have formalized our commitments in these areas. Using certain fundamental values, the Group's Code of Conduct, policies and other control documents, we have drawn up shared values for our employees worldwide. We believe our responsibility entails attaining a balance between the social, environmental and economic aspects encompassed by the concept of sustainable development. By so doing, we take into consideration the rising demands and expectations in these areas from customers, shareholders and employees.

During 2003, we worked to propagate our fundamental values among employees and others affected by Trelleborg's operations. We also further developed the Group's monitoring systems to identify areas where improvements are needed. Key data and analyses of Trelleborg's performance in terms of environment, health and social responsibility are available on our website and elsewhere. Sustainable development at Trelleborg means that we focus on:

- The interaction of operations with human health and the environment, in a local and global perspective.
- Employee health and workplace safety,

as well as personal development and participation in work.

- Trelleborg's positive participation in society in countries in which we work. We do this through various networks, in open contacts with neighbors and local inhabitants, and in cooperation with universities and schools.

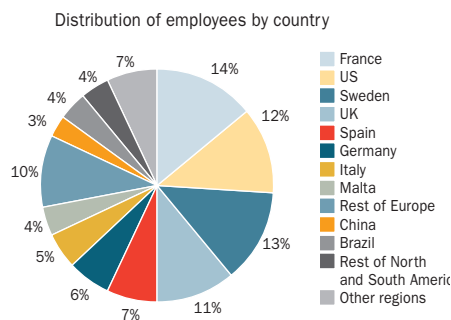
## Trelleborg's employees are active worldwide

Creating an environment that attracts and develops skilled employees, raises commitment and stimulates people to provide superior performance is a major challenge for a global company. Naturally, the challenge becomes particularly great in a company that is growing organically and via major acquisitions. In 2003, Trelleborg gained more than 6,000 new employees in a large number of countries, with the result that various integration programs have high priority. We now have a workforce of about 21,000 employees, operations in more than 40 countries, and industrial facilities in some 25 countries. Overall, some 87 percent of the workforce is employed outside Sweden.

2003 was dominated by corporate acquisitions; at the same time, however, restructuring measures led to personnel cutbacks at certain facilities. Workforce reductions were introduced in, for example, the UK, the US, Sweden and Germany. Some manufacturing plants were closed and some production work was redistributed geographically. Operations during the fiscal year also involved the



completion or ongoing construction of new plants. In Leicester in the UK, Trelleborg Industrial AVS recently inaugurated its new plant. This entailed the relocation of operations to the outskirts of the city, leading to the closure of the centrally located plant, which dated from 1915.

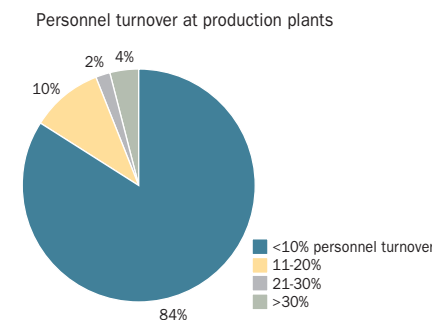


This change is positive in terms of production, the environment and the work environment. In conjunction with the various processes of change, it is crucial that those affected receive adequate information about changes. Personnel turnover (redundancies not included) varies among the different countries and plants and frequently reflects local labor market conditions. Most units reported less than 10-percent personnel turnover. The average age for personnel at manufacturing plants varies from 23 to 49. At about 15 of the units, the average age is higher than 45. The lowest average age (<32) is found among employees in Mexico, Sri Lanka, Poland and Turkey.

**Equality and diversity**

Equality and diversity are areas that involve

mutual respect among people, and the need to make optimal use of the skills available within the company and to meet specific legislative requirements in certain countries. Trelleborg aims to offer equal opportunities and rights for everybody, irrespective of gender, nationality or ethnic origin, age,



sexual orientation, or religion. It may be noted that the proportion of women in the Group is low but it is probably comparable with other companies in the same industry. The incorporation of Trelleborg Sealing Solutions increased the percentage of women in the Group from about 22 to 27 percent. More than 400 women employees have managerial positions at senior and middle management levels. The percentage of women managers has increased in all business areas during the past three years. Studies of employee work satisfaction were conducted during the year at 43 percent of facilities.

**Managers as leaders**

Managers at Trelleborg are expected to function as leaders, with the ability to set

distinct targets, follow up work and delegate tasks and responsibility to their co-workers. Accordingly, one important task is for employees to continuously develop their skills and be stimulated toward further development in the Group. This process is taking place in a continuously changing world, which means that leadership issues and the supply of managers are ongoing processes in the company. To retain continuity and occupational skills, Trelleborg strongly emphasizes internal recruitment, and management resources are surveyed every year. Another aim is to encourage the exchange of skills and experience among the various parts of the operations. The Trelleborg International Management Program (TIMP) is available for managers at an early stage in their management career.

Company knowledge, business acumen, communication, leadership and understanding of cultural differences are example of components included in TIMP. About 40 people from all the Group's business areas participate each year in a 12- day course spread over three sessions.

Excellence in Manufacturing is a training program that was prepared and launched in 2003. The program covers all business areas and is aimed at developing participants' knowledge in areas such as optimization of production processes, leadership and the interplay of production with areas such as finance and quality. The program encompasses 20 people annually. Each participant has a personal internal coach to further improve training



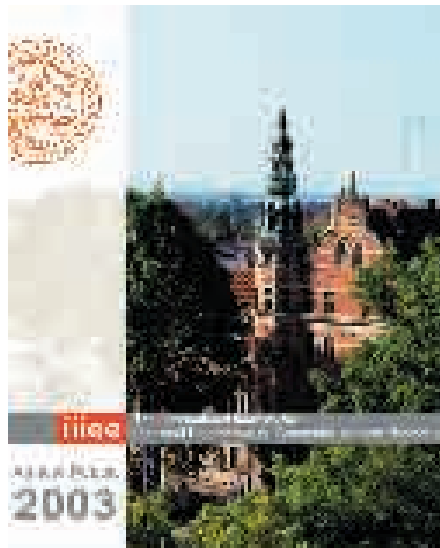
### Enhancing skills

Employees have numerous opportunities to enhance their skills. Many participate in various courses directly linked to their work assignments. The courses may involve, for example, technical aspects of various production equipment, legal requirements and quality, health, safety and the environment. Courses in the environment and safety areas are conducted regularly at the plants. The number of course hours in environment and safety per employee amounted to an average of 5.0 (4.4) in 2003.

Employees are also offered skills development via the Trelleborg Academy, which is an umbrella organization for various Group-wide training programs. The courses are arranged locally and centrally, sometimes using various e-learning programs. During 2003, a number of new interactive courses were introduced on Trelnet.

### Social contacts

As part of Trelleborg's sustainability work, we participate in various social activities. Many of these are local and involve cooperation with neighbors, schools and authorities. In the training area, we have worked over a number of years with various universities and schools. Among other activities, environment specialists from Trelleborg have conducted presentations and lectured in France, Spain, Colombia and Sweden. The close involvement with Lund University in Sweden is an example of how the company, the students and the university benefit from such cooperation. Trelleborg's Board chairman, Anders Narvinger, is also chairman of the Lund Institute of Technology, while Trelleborg's Environmental Coordinator, Torbjörn Brorson, is visiting professor in the International Institute for Industrial Environmental Economics (IIIEE) at Lund University, and is part of the educational council in the Faculty of Natural Sciences, as well as being on the board



of MICLU (a coordination body at the university that deals with sustainability issues). Cooperation with the university results in good contacts with researchers and students, and over the years many students have conducted degree and research work at Trelleborg's facilities, focusing on the environment.

The Group also participates in a number of environmental activities with authorities, industry organizations and other companies. In Sweden, Trelleborg has cooperated with other companies and the Swedish Environmental Protection Agency in conducting a survey of the environmental situation in the rubber industry. Another example is the chemical industry's international environmental program (Responsible Care), to which we contribute annual reporting data.

A number of plants are participating, with other local companies, in the development of environmental management systems, environmental training and other activities.

Examples of these activities include sponsoring of educational materials in environmental conservation, traffic safety for children, research on muscular diseases, sporting activities for children, car-free days,



Responsible Care

#### Degree projects and reports

2003	<ul style="list-style-type: none"> <li>- Sulphur-Utilizing Microorganisms in Biotechnological Application. Rubber Recycling and Vanadium Reduction. PhD Thesis. Department of Biotechnology, Lund University, Sweden.</li> <li>- Determinant factors for the success of environmental management accounting in industry. Case study Trelleborg AB. IIIEE, Lund University.</li> <li>- Health risks, prevention and rehabilitation in the rubber industry. YMK, Lund University.</li> <li>- Is it worth investing in the health of personnel? School of Economics, Lund University.</li> </ul>
2002	<ul style="list-style-type: none"> <li>- Sustainability reporting. Content and scope in conventional annual reports. Örebro University.</li> <li>- Strategic environmental Communication. Case study within the rubber industry – Corporate environmental reports and corporate websites. IIIEE, Lund University.</li> <li>- Tires – a threat to our environment? Ecological department, Lund University.</li> <li>- Impact of the Integrated Product Policy on Trelleborg Wheel Systems. Lumes, Lund University, Sweden.</li> </ul>
2001	<ul style="list-style-type: none"> <li>- Environmental Report. Trelleborg AB as case study. Lund Institute of Technology, Sweden.</li> <li>- Energy survey at Trelleborg Agri. Malmö University, Malmö.</li> <li>- 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, Sweden.</li> <li>- Health and environmental risks from chemicals in the rubber industry - a collection of examples. Ecological Department, Lund University.</li> </ul>
2000	<ul style="list-style-type: none"> <li>- Labelling agricultural tyres at Trelleborg Company: Possibilities and constraints. Lumes, Lund University, Sweden.</li> <li>- Energy use and energy management in tyre manufacturing: Trelleborg I case. Lumes, Lund University, Sweden.</li> <li>- Life cycle analysis of shims. Institute of Technology. Kalmar University.</li> </ul>
1999	<ul style="list-style-type: none"> <li>- The rubber industry and extended producers responsibility framework. Lumes, Lund University, Sweden.</li> </ul>

air quality programs, Health Awareness Day and numerous other events. During 2003, a number of plants received awards for their environmental and safety work, including the plants in Pamplona (Spain), Sandusky (US), Malta and Swadlincote (UK).

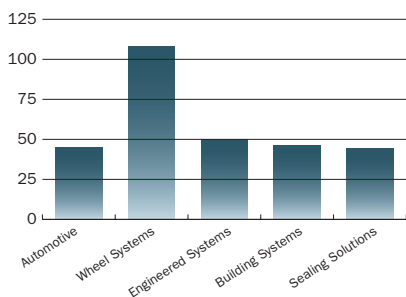
**Work environment issues**

Work environment issues are always at the forefront in society and companies. Many programs have been conducted in the work environment area in the Trelleborg Group. The measures encompass, for example, training, the use of correct personal safety equipment, technical safety installations, scientific surveys and the substitution of hazardous chemicals.

Many of the measures have produced the desired results, although there are still a number of work environment aspects that require continuing attention. Examples of such aspects include:

- Exposure to chemical substances, detergents and vulcanizing fumes.
- Heavy lifting and repetitive work.
- Workplace noise.
- Accidents resulting in cuts, burns and crushing injuries.

Work accidents resulting in > 1 day's absence/employee

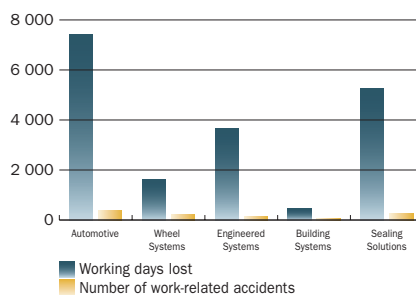


During 2003, we registered 1,069 (740) work-related accidents that resulted in more than one day's absence. Combined, accidents accounted for 18,400 (17,200) days of absence. Cuts, burns and crushing injuries are the most common cause, but injuries to muscles and limbs are also common. Accident frequency varies among the different business areas, with TSS

reporting the lowest work-related accident frequency. The number of work-related accidents involving more than one day's absence per 1,000 employees averaged 51 (58). Overall, 78 (38) contractors were victims of accidents at Trelleborg's facilities. Fatal accidents occurred during the year at two of Trelleborg's facilities. In Denmark, an employee died following a high-level fall, while in Sweden the death occurred during maintenance work inside a machine. Activities are in progress in all business areas to minimize the number of accidents, and investments aimed at improving the work environment and safety amounted to about SEK 36 M in 2003. Examples of activities are risk assessments, surveys of exposure to various substances in the work environment, in cooperation with researchers, installation of technical safety measures and the introduction of management systems in the work environment area. A number of facilities are already certified in line with OHSAS 18001, which is a management standard focusing on health and safety. A number of facilities are currently introducing this standard. Safety committees are active at about 90 percent of all plants.

ment was involved in 14 percent of the illnesses. Trelleborg is participating in a number of epidemiological studies designed to survey the health risks in the rubber industry. During 2003, researchers at Lund University presented a number of ongoing studies of the health risks in the rubber industry. As a result of these studies, preventive measures were taken at Trelleborg's facilities in Värnamo to eliminate exposure to carcinogenic nitrosamines in the work environment.

Work-related accidents and working days lost

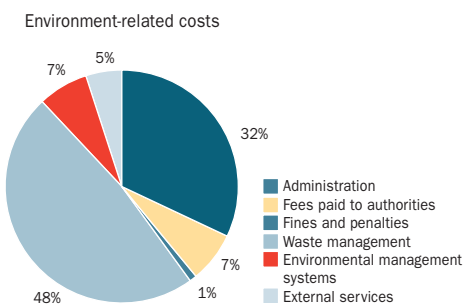


During 2003, 396 (206) work-related illnesses were reported at Trelleborg's production plants. About 70 percent of the illnesses were localized to movement organs and consisted of various types of strain-related disorders, such as back and neck disorders. About 8 percent of the illnesses were allergies and other hypersensitive reactions. Also, hearing impair-

# Performance in the sustainability area – environment and finance

## Environment-related costs

Environment-related and work-environment costs, plus related investments, totaled some SEK 127 M (138) in 2003. Costs for energy and water were some SEK 414 M (373). Costs arising from environmental work (including waste costs) totaled SEK 74.8 M (73.1), corresponding to about 2 percent (2) of costs for sales, administration and research (SAR). Administrative costs included costs for environmental departments, permit applications, and fees to authorities, costs arising from the implementation and maintenance of environmental management systems and consulting services purchased. During the year, the Group paid about SEK 35.4 M (33.3) for the handling, transport and disposal of waste. No major provisions were made for environmental measures during the year.

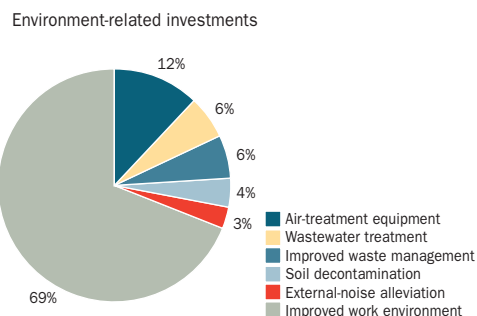


## Environment-related investments

Total environment-related investments, including treatment plants, preventive programs and investments in work-environment improvements totaled SEK 51.8 (67.9) in 2003, or about 7 percent (9) of total investment. Substantial investment programs were conducted at the plants in, for example, Clermont-Ferrand and Carquefou (France) and Tivoli (Italy). The construction of new facilities often entails considerable investments in preventive measures. Decontamination of soil and ground-water cost about SEK 2 M (3).

## Environment-related savings

In many cases, the introduction of environmental management systems permits a facility to identify potential savings – for example through more efficient use of energy and water, reduced waste volumes and utilization of recovered



materials. The reported savings during the year totaled about SEK 9.5 M (15). Reduced energy consumption resulted in substantial savings, for example, at the units in Ashchurch, Asti, Coventry, Dawson, Sjöbo, West Thurrock and Tivoli. A number of units also pursued programs to cut water consumption, with Carquefou-Soratech, Sahibabad and Värnamo II reporting savings in this area. Another means by which a number of plants achieved savings was through reducing waste volumes and creating more efficient waste management procedures.



# Sustainability performance Trelleborg Automotive



Trelleborg Automotive is a world leader in the development and manufacture of polymer-based components and systems for noise and vibration suppression in light vehicles. The business area has 40 production plants in Europe, North and South America and Asia. The head office is in South Haven (Mi) in the US. The business area has approximately 8,500 employees.

## Organization and management systems

As in the other business areas, there are local environmental coordinators at Trelleborg Automotive's plants. Within Automotive USA there are specialists with overall responsibility for environment and work environment issues. The business area has 28 plants that are certified in accordance with ISO 14001, which corresponds to some 70 percent of all units. The following plants obtained certification during 2003: Cerkezhøj (Turkey), Breuberg (Germany), Pamplona (Spain), and Peru, Carmi I and Carmi II (US).

atmospheric emissions of greenhouse gases (CO<sub>2</sub>) and solvents are considerable. The frequency of work-related accidents is below the Group average.

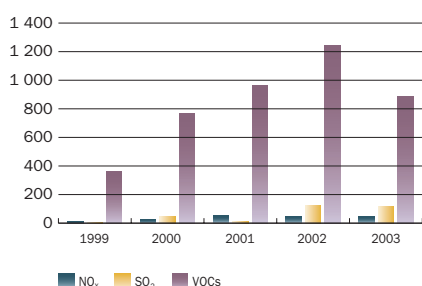
## Important events during the year

Measures to reduce energy use were implemented at Asti, Carmi I, Carquefou-Prodyn, Dawson, Toluca and Sahibabad, among other plants. Training programs and technical measures aimed at improving the work environment were implemented at a number of plants, including Benton Harbor, Carmi II, Morganfield I, Carquefou-Modyn, Cascante, Cerkezhøj, Diadema, Trowbridge and Guarlhos. The Guarlhos plant also switched to natural gas as an energy source, which has reduced atmospheric emissions. Measures to improve chemicals-handling safety were introduced at Diadema, Leicester, Martorell, Morganfield II, Rethel, Wuxi and West Thurrock, among other plants. In Wuxi, water consumption in the phosphatizing plant was considerably reduced. A number of plants received write-ups in the local press for their environmental measures. The ISO 14001 certification of the plant in Salisbury, UK, for example, was described in a feature article. At the new plant in Leicester, the use of trichloroethylene was phased out and atmospheric emissions of solvents were reduced to a minimum by installing an effective treatment facility.

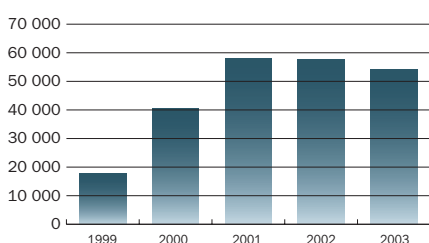
## Sustainability performance

It is of particular interest for Trelleborg Automotive that the automotive industry imposes stringent environmental requirements, and that key customers were demanding ISO certification of plants before the end of 2003. In view of the stringent requirements for the recovery of components in cars imposed by the "end-of-life-for-vehicles" directive (ELV) for cars, Trelleborg provides the automotive industry with environmental product declarations for many of its products in accordance with the International Material Data System (IMDS). As a result of its size, the business area makes a substantial contribution, in absolute terms, to Trelleborg's overall environmental impact. Twelve plants have more than 150 employees, and six have more than 300 employees. Energy consumption and

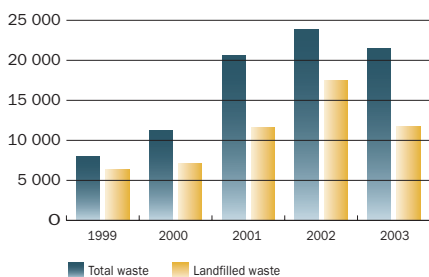
Atmospheric emissions (tons)



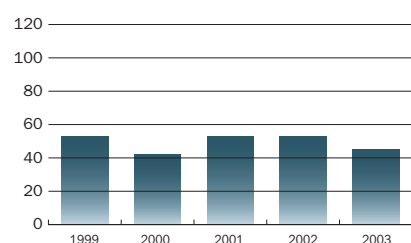
CO<sub>2</sub> emissions (tons)



Waste (tons)



Work-related accidents/1,000 employees



## Key figures

	2003	2002
Energy consumption	500 GWh (40% of Group total)	552 GWh
Water consumption	992,000 m <sup>3</sup> (21% of Group total)	832,100 m <sup>3</sup>
Emissions of VOCs to air	888 tons (57 % of Group total)	1,240 tons
Recycled waste	7,220 tons (38% of Group total)	7,670 tons
Landfilled waste	11,700 tons (49% of Group total)	17,400 tons
Accident rate	45/1,000 employees (Group average: 51/1 000 employees)	53/1,000 employees
Number of ISO 14001 certificates	28 (34% of Group certifications)	21

# Sustainability performance Trelleborg Wheel Systems



Trelleborg Wheel Systems is a leading global supplier of tires and complete wheel systems for forest and agricultural machines, forklift trucks and other transport vehicles. The business area has some 2,100 employees and seven manufacturing plants in Europe, the US and Southeast Asia. The head office is in Rome.

## Organization and management systems

There are environmental coordinators at all plants within Trelleborg Wheel Systems. Six plants within Wheel Systems are certified in accordance with ISO 14001, which corresponds to 86 percent of all units. The units in Sävsjö (Sweden) and Walgama (Sri Lanka) were certified during 2003.

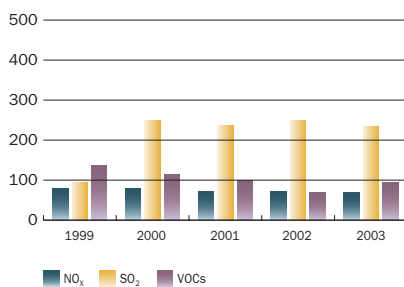
## Important events during the year

Work aimed at improving systems and routines for monitoring atmospheric solvent emissions was carried out in Hartville. Preparations for the introduction of ISO 14001 at the plants in Sri Lanka resulted in a large number of environmental and work-environment measures. Nitrosamine-forming accelerators were eliminated and the use of HA oils was reduced. Atmospheric emissions were also reduced. Technical measures were implemented to reduce noise and vibrations. Examples of other measures taken include the purification of drinking water, the introduction of hygienic meals and traffic safety. Improved fire safety was introduced in Sävsjö. In Tivoli, three transformers containing PCBs were removed. Two underground tanks were dug up, asbestos was removed and safety measures on machines were implemented. At Trelleborg I, the number of work-related accidents declined and the environment-disturbing hot-stretch plant was closed. The plant in Evergem (Belgium) has now been closed down, and the necessary soil examinations are being carried out in cooperation with the environmental authorities and researchers.

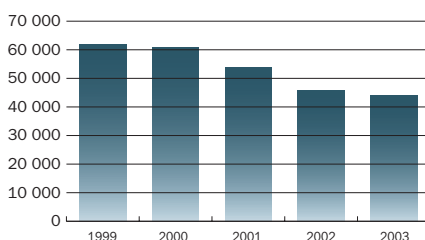
## Sustainability performance

The production of large tractor tires and other types of tires is relatively resource-intensive. Accordingly, production equipment and plants within the business area are fairly large. Two of the units have about 200 employees and three units have more than 300 employees. The environmental impact in the form of water and energy consumption, atmospheric emissions and waste is substantial. Heavy manual work is common and the accident rate is the highest in the Group. During the past few years, the introduction of ISO 14001, among other measures, has resulted in clear improvements in the business area's environmental performance.

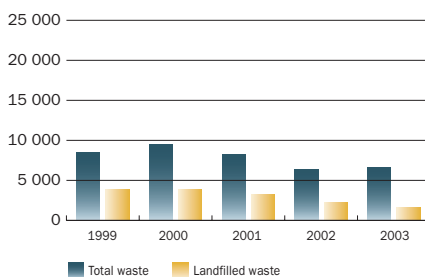
Atmospheric emissions (tons)



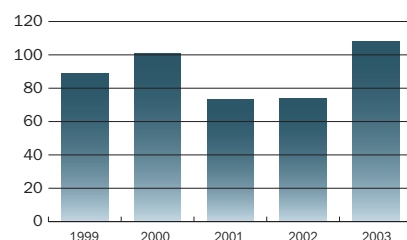
CO<sub>2</sub> emissions (tons)



Waste (tons)



Work-related accidents/1,000 employees



## Key figures

	2003	2002
Energy consumption	299 GWh (24% of Group total)	315 GWh
Water consumption	2,948,000 m <sup>3</sup> (60% of Group total)	3,299,070 m <sup>3</sup>
Emissions of VOCs to air	95 tons (6% of Group total)	69 tons
Recycled waste	3,785 tons (20% of Group total)	3,680 tons
Landfilled waste	1,558 tons (6% of Group total)	2,250 tons
Accident rate	108/1,000 employees (Group average: 51/1,000 employees)	74/1,000 employees
Number of ISO 14001 certificates	6 (7% of Group certifications)	5



# Sustainability performance Trelleborg Engineered Systems



Trelleborg Engineered Systems is a leading global supplier of safe flow systems, support bearings, coatings, seals and protective equipment. The business area has approximately 2,900 employees and nearly 20 manufacturing plants in Europe, Canada, Australia and Singapore. The head office is in Trelleborg, Sweden.

## 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 16 plants within the business area are certified in accordance with ISO 14001, which corresponds to approximately 85 percent of all units. During 2003, the Hercules plant (Singapore) and the Hoogezand plant (Netherlands) obtained certification.

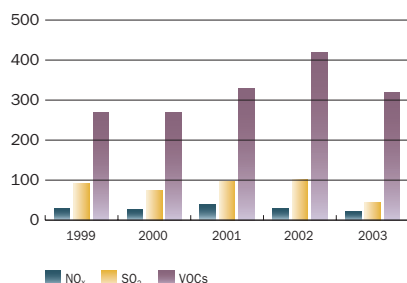
## Sustainability performance

The largest plant in the business area, with approximately 630 employees, is in Clermont-Ferrand (France). Most of the units within Engineered Systems are smaller, with 50-150 employees. In a Group-wide perspective, Engineered Systems' energy consumption and carbon dioxide emissions are moderate. Emissions of solvents (VOCs) are relatively high, but declined during 2003. The business area's accident rate is above the Group average, but declined during the year.

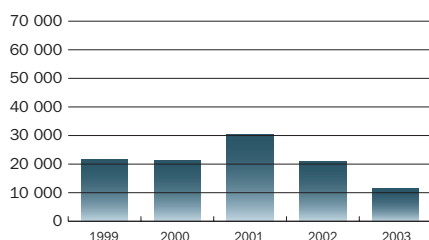
## Important events during the year

The energy supply project (trigeneration project) in Clermont-Ferrand has reduced water consumption and emissions of NO<sub>x</sub>, CO<sub>2</sub> and SO<sub>2</sub> by nearly 70 percent. During the past four years, the amount of waste consigned to landfills in Collingwood has been reduced by at least 50 percent. Transports between the plants in Hemse and Havdhem have been reduced from four per day to one per day. Work-environment and safety training courses were provided in Ede, Clermont-Ferrand, Izarra, Rechlin, Runcorn, Singapore, Santander and Zillmere, among other locations. Several environmental and work-environment projects focusing on waste and energy were implemented at Trelleborg I. Extrusion facilitated by lead was discontinued during the year at Trelleborg II. Measures relating to hazardous chemicals were also implemented in Mjödalen, Ridderkerk and Örebro.

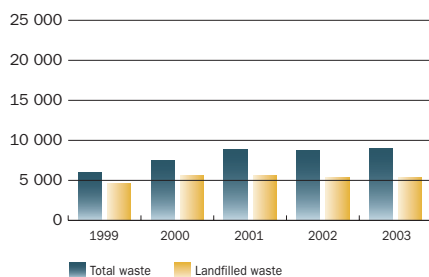
Atmospheric emissions (tons)



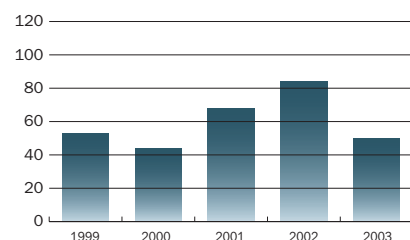
CO<sub>2</sub> emissions (tons)



Waste (tons)



Work-related accidents/1,000 employees



## Key figures

	2003	2002
Energy consumption	217 GWh (17% of Group total)	179 GWh
Water consumption	487,000 m <sup>3</sup> (10% of Group total)	626,780 m <sup>3</sup>
Emissions of VOCs to air	319 tons (21% of Group total)	419 tons
Recycled waste	3,260 tons (17% av of Group total)	3,100 tons
Landfilled waste	5,490 tons (23% of Group total)	5,370 tons
Accident rate	50/1,000 employees (Group average: 51/1,000 employees)	65/1,000 employees
Number of ISO 14001 certificates	16 (20% of Group certifications)	14

# Sustainability performance Trelleborg Building Systems



Trelleborg Building Systems is a leading supplier of polymer- and bitumen-based building products, such as sealing strips, sealing layers for roofs and for sealing landfills, and sealing systems for concrete and plastic pipes. The business area has about 1,200 employees and conducts operations at about 15 manufacturing plants in Europe. The head office is in Trelleborg, Sweden.

## Organization and management systems

Each of the various plants has an environmental, quality and work-environment coordinator. The environmental coordinators cooperate on issues related to environmental management systems, permits and safety. For example, coordinated environmental audits are performed at the plants in the Värnamo region. Eight units within the business area are certified in accordance with ISO 14001, which corresponds to about 60 percent of all units. The plant in Vejen (Denmark) was certified during 2003.

that are produced help to reduce energy consumption in buildings, while some of the sealing-layer materials are used in ways that protect the environment – in landfill sites, for example.

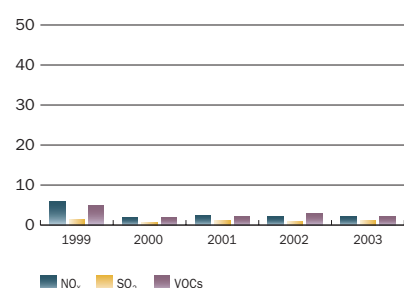
## Important events during the year

In Höganäs, the use of chemical additives in the cooling water was reduced, and a switch was made from landfilling of waste to incineration. In the new extrusion line installed in Mosbach, the salt used in the salt bath is recovered. Salt consumption and emissions to the wastewater system have been reduced by 90 percent. Risk assessments of the work environment were performed in Värnamo, and environmentally friendly salt was introduced. At Värnamo II, a successful system for recovering heat and energy was installed. At Vejen, waste amounts were reduced. During 2003, the business area acquired units in Germany (ETU) and the UK (Telford), and the Pipe Seals unit was formed at the beginning of the year, with production in Forsheda (Sweden) and Poland. Activities are in progress aimed at transferring mixing capacity from Värnamo I to Forsheda. A plant in Spain (Santander) was transferred to Building Systems during the year.

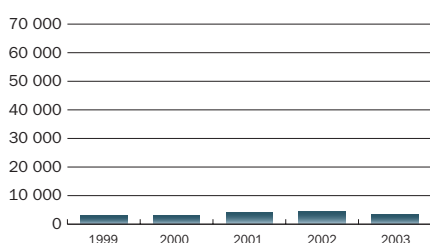
## Sustainability performance

The production units within Building Systems are relatively small, with an average of 75 employees. Due to the focus of the business area's operations, environmental impacts in the form of energy and water consumption and waste are relatively low. Solvent emissions are extremely low and atmospheric emissions of carbon dioxide are moderate. The quantity of waste recycled increased considerably during the year, while water consumption was halved. The accident rate within Building Systems is below the average for the Trelleborg Group. The sealing strips

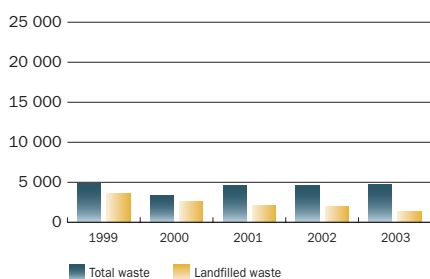
Atmospheric emissions (tons)



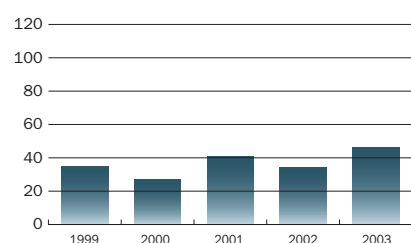
CO<sub>2</sub> emissions (tons)



Waste (tons)



Work-related accidents/1,000 employees



## Key figures

	2003	2002
Energy consumption	73 GWh (6% of Group total)	88 GWh
Water consumption	177,000 m <sup>3</sup> (4% of Group total)	338,800 m <sup>3</sup>
Emissions of VOCs to air	2 tons (0,1% of Group total)	3 tons
Recycled waste	3,208 tons (17% of Group total)	2,400 tons
Landfilled waste	1,309 tons (5% of Group total)	2,040 tons
Accident rate	45/1,000 employees (Group average: 51/1,000 employees)	34/1,000 employees
Number of ISO 14001 certificates	8 (10% av koncernens certifikat)	7

# Sustainability performance Trelleborg Sealing Solutions



Trelleborg Sealing Solutions is a leading global supplier of precision seals for industrial, automotive and aerospace markets. The business area has approximately 6,700 employees and conducts operations at some 30 production plants in Europe, the US and Mexico, among other locations. The head office is in Stuttgart, Germany.

## Organization and management systems

Sealing Solutions previously belonged to the Smiths Group industrial concern in the UK. In many respects, this company had organized its environmental and work-environment activities on the same lines as Trelleborg. The introduction of environmental management systems is assigned a high priority, and environmental-performance data are collected regularly and published in an annual environmental report. Each of the different plants within Sealing Solutions has an environmental, quality and work-environment coordinator, and in the UK and the US there are environmental specialists who work in a supervisory capacity covering several plants. Twenty-three units within the business area are certified in accordance with ISO 14001, which corresponds to about 77 percent of all units. The plants in Warsaw (Poland), Conde sur Noireau (France), and Rio Saliceto and Turin (Italy) were certified in accordance with the OHSAS 18001 work-environment standard during 2003.

generally small dimensions of the products, the environmental impact caused by Sealing Solutions is less than for several of the other business areas within Trelleborg. However, solvents are used extensively and the business area landfills a relatively large amount of waste. The waste from one of the main products – PTFE, or Teflon – is at present difficult to recycle.

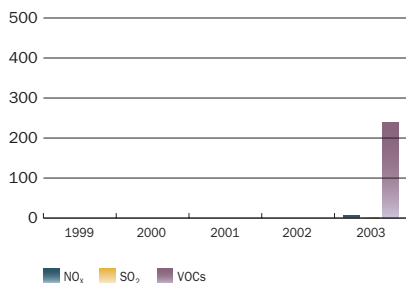
## Important events during the year

In Ashchurch, training was given in quality and environmental management. Two major spillages of oil in Ashchurch were prevented from spreading due to emergency planning and technical measures. Energy savings relating to compressed air were implemented in Bridgewater. Energy projects were also implemented in Broomfield, Conde sur Noireau, Knareborough, Turin and Tijuana. Measures to reduce amounts of waste were initiated at a number of units, including Warsaw, Fort Wayne, Tijuana and Ross-on-Wye. Sealing Solutions is a significant employer in Malta. For its proactive environmental work, Sealing Solutions was presented with the Environment Award in Industry 2003. Health and safety issues are constantly in focus, and this is exemplified by the introduction of management systems (OHSAS 18001) in Helsingør and Bridgewater. A thermal oxidizer installed at the Somersworth plant has reduced atmospheric emissions.

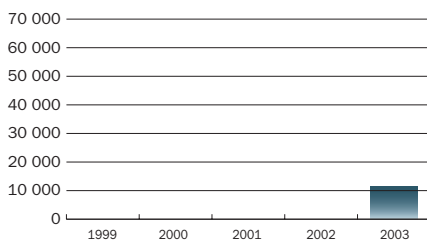
## Sustainability performance

Most of the production units within Sealing Solutions have 50-150 employees. Six units are relatively large, with more than 300 employees. Both rubber polymers and plastics such as polyurethane are handled within Sealing Solutions. As a result of the focus of production and the

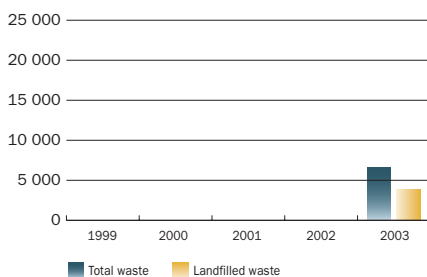
Atmospheric emissions (tons)



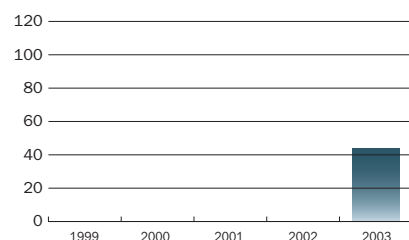
CO<sub>2</sub> emissions (tons)



Waste (tons)



Work-related accidents/1,000 employees



## Key figures

	2003	2002*
Energy consumption	173 GWh (14% of Group total)	–
Water consumption	126,000 m <sup>3</sup> (3% of Group total)	–
Emissions of VOCs to air	238 tons (15% of Group total)	–
Recycled waste	1,660 tons (9% of Group total)	–
Landfilled waste	3,800 tons (16% of Group total)	–
Accident rate	44/1,000 employees (Group average: 51/1,000 employees)	–
Number of ISO 14001 certificates	23 (28% of Group certifications)	–

\* Following the acquisition of the precision-seals division of Smiths Group Plc of the UK during 2003, Trelleborg Sealing Solutions is incorporated as a new business area within the Trelleborg Group.





















# Important sustainability work under development

In both the short and the long term, Trelleborg's processes, products and services interact with the external environment. Aspects that affect the environment, health and social conditions change over time, and through systematic efforts we can reduce environmental impact and create safer workplaces. Customer requirements, more stringent environmental legislation and increased insight into the importance of sustainability issues in society are forcing most industrial companies to make improvements to processes and products.

This year's Sustainability Report shows that Trelleborg is on the right track in many areas. It is clear that a number of small but significant steps in the right direction have been taken at our plants throughout the world. The overview in the table below, which covers the environment, health and social conditions, 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  
 Low priority 
 Medium priority 
 High priority

Environmental aspect	Priority level	Examples of environmental, health and other impacts	Threats and opportunities	Trend 1998-2003	Comments
Location		Disturbance due to noise, transports and unpleasant odors.	A number of the Group's plants are located in the central parts of various urban areas. Complaints are received from neighbors.		Disturbances have declined substantially at a number of plants. Some complaints are still received from neighbors.
Soil and groundwater		Historic contamination of soil and groundwater. Oils, heavy metals and solvents are examples of contaminants.	There is contamination at about 20 plants. Soil decontamination is expensive and takes a long time.		Time-consuming investigations and cleanups are in progress. New instances of contamination have been discovered during the past few years.
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.	High degree of dependence on raw materials based on fossil carbon compounds. Through the more efficient use of raw materials, the Group can save money and reduce environmental impact.		Use of raw materials has become more efficient at many plants.
Consumption of natural resources (water, energy)		Utilization of nonrenewable energy resources (oil, natural gas). Clean water is a scarce resource in many countries.	The Group mainly uses fossil fuels (oil, natural gas, coal).		Energy-saving programs have been implemented at many plants. The proportion of oil used as a fuel has decreased, while that of natural gas has increased.
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. However, remedial measures can be expensive and technically difficult to implement.		Many plants report that 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 emissions of solvents and other atmospheric pollutants. Carbon dioxide emissions have also declined in recent years.
Noise (outdoors)		Neighbors may be disturbed. Limit values for noise may be exceeded.	Noise-reduction measures can be difficult and expensive to implement. The noise issue is becoming increasingly prominent in many countries.		A certain number of complaints have been received, but complaints about noise are relatively common.

Emissions to water		Municipal treatment plants and watercourses can be affected by chemical products and other emissions. Metals, nutrient salts and biological materials are examples of contaminants.	Emissions to water are limited and wastewater is treated internally at a number of units.		Improved wastewater treatment has been introduced at some plants, but minor problems with the quality of wastewater occur in certain locations.
Waste		Landfill capacity has already been exceeded in a number of 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.		Improved waste management has been implemented at the majority of plants. The proportion of waste consigned to landfills has declined at many locations within the Group.
Spills, fires and unforeseen situations		Serious injury to people in the vicinity can result from fires and uncontrolled emissions.	Minor incidents involving fires, spills and leakages occur relatively commonly within the Group. Demands from insurance companies for preventive measures are increasing. The costs involved may be high.		Preventive risk reduction measures are being implemented Group-wide. Fire incidents and spillages have decreased in recent years.
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	Demands are increasing from customers, particularly in the automotive and construction industries, for information on products' environmental and health characteristics.		Substitution of hazardous substances has improved the characteristics of certain products from an environmental viewpoint. 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. Reuse of transport packaging is not uncommon.
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 not been adequately surveyed.
Work environment risks		Exposure to chemicals in the rubber industry can lead to allergies, respiratory diseases 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.	Various corporate scandals have increased the focus on issues relating to ethics, morals and human rights, and demands from stakeholders and society at large are becoming more rigorous.		During the past few years, a number of actions have been taken to introduce Trelleborg's Code of Conduct and Workplace Policy.
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 image as a good corporate citizen and an attractive employer could be strengthened by a proactive company.		Trelleborg participates in various community-related activities in a number of countries. Commitment to sustainability issues jointly with universities and institutes of technology remains at a high level.
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.		An increasing number of plants within Trelleborg report that they impose various environmental requirements on suppliers.

# Reporting principles

## Contents of Sustainability Report

The Trelleborg Group's Sustainability Report for 2003 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 the above-named areas, and their commercial 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](http://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 2003 provides general information about the company's environmental situation in accordance with the requirements in 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 five business areas. Trenor is not included in the report. See the table for the plants included in the report. Two plants in West Thurrock report jointly, as do three plants in Malta. Given in parentheses is the number of employees at each plant. The distribution operations within Trelleborg Goodall (US) are not 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 for most of the fiscal year are reported. For

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

Automotive	
Italy	Asti (74)
Germany	Breuberg (428)
Spain	Burgos (114), Cascante (105), Martorell (211), Pamplona (317), Tarazona (96)
Sweden	Sjöbo (88), Kalmar (115)
UK	Coventry (168), Leicester (206), West Thurrock (268), Trowbridge (246)
France	Carquefou-Modyn (428), Carquefou-Polyspace (176), Carquefou-Prodyn (73), Carquefou-Soratech (407), Poix Terron (83), Wirty Les Reims (211), Rethel (177)
Turkey	Cerkezhöy (124)
Czech Republic	Dobrovice (24)
US	Benton Harbor (146), Carmi I <sup>4)</sup> (64), Carmi II <sup>5)</sup> (133), Dawson (120), Kent (18), Logansport (438), Morganfield I (214), Morganfield II <sup>6)</sup> , Peru (211), Salisbury (38), Sandusky (267), South Haven (128)
Mexico	Toluca (117)
Brazil	Diadema (99), Guarlho (464)
India	Sahibabad (212)
China	Wuxi (526)
Wheel Systems	
Denmark	Hadsten (100)
Sweden	Trelleborg I <sup>1)</sup> (351), Sävsjö (42)
Italy	Tivoli (550)
US	Hartville (185)
Sri Lanka	Sapugaskanda (437), Walgama (219)
Engineered Systems	
France	Clermont-Ferrand (638)
Netherlands	Ede (65), Ridderkerk (99), Hoogezand (50)
Norway	Mjøndalen (207)
Spain	Izarra (288)
Sweden	Hemse (75), Trelleborg I <sup>1)</sup> (164), Trelleborg II <sup>5)</sup> (73), Ystad (112), Örebro (104)
UK	Hull (67), Runcorn (26), Scunthorpe (12)
Germany	Rechlin (13)
Canada	Collingwood (48)
Singapore	Singapore (193)
Australia	Zillmere (54)
Building Systems	
Sweden	Bor (64), Höganäs (71), Rydaholm (81), Värnamo I <sup>2)</sup> (145), Värnamo II <sup>3)</sup> (153), Österbymo (21)
Denmark	Vejen (37)
Finland	Vihti (13)
Germany	Mosbach (95), Papenburg (77)
UK	Minworth (68)
Spain	Santander (70)
Sealing Solutions	
UK	Ashchurch (436), Bridgewater (118), Cranleigh (23), Knaresborough (33), Milford Haven (69), Newtown (138), Ross-on-Wye (147), Rotherham (85), Swadlincote (304)
France	Conde sur Noireau (127)
Sweden	Forsheda (388), Mörbylånga (199), Ersmark (212)
Denmark	Helsingör (341)
Italy	Livorno (161), Rio Saliceto, Turin (143)
Poland	Warszawa (74)
Malta	Malta (793)
US	Broomfield (123), Fort Wayne (234), Somersworth (181), Eugene (18)
Canada	Guelph (143)
Mexico	Tijuana (386)

1) Main plant, Trelleborg, Sweden. 2) Main plant, Värnamo. 3) Norregård plant, Värnamo.  
4) Carmi mixing plant. 5) Carmi moulding plant. 6) Dawson plant. 7) Trelleborg E plant.

# Terms, definitions and clarifications

the plants within Trelleborg Sealing Solutions, data for the entire fiscal year are given, despite the fact that the acquisition formally occurred during the latter part of the year. No information is provided on operations that were closed down or divested during 2003. This means that the plants in Nastätten (Germany) and Kent (US) are omitted from the report. A few smaller plants are also omitted from the report. For a number of central parameters, the Group's combined environmental performance is reported. Separate data are also provided for the five business areas in respect of 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 103 (82) organizations throughout the world contributed to the report. The plants named in the table on the preceding page are included in the Sustainability Report.

## Reporting 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, 2002) and Deloitte & Touche (Checklist 2003). 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 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 2003. Key figures are presented in text, tables and diagrams. Where appropriate, data for 2002 are provided in parentheses following the information for 2003. 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. The report also includes VOC emissions from paints and lacquers, adhesives and glue.

## 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.

## Clarifications

### *BLIC*

The Association of European Rubber Manufacturers. Trelleborg participates in the work of the Health & Environment Committee, among other activities. Website: [www.blic.be](http://www.blic.be).

### *Carbon dioxide (CO<sub>2</sub>)*

CO<sub>2</sub> 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).

### *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).

### *IIIEE*

The International Institute for Industrial Environmental Economics (IIIEE) is a research institute at Lund University in Sweden. Trelleborg has worked in cooperation with the institute for a number of years and supports its research and teaching activities. A number of students have produced postgraduate dissertations based on Trelleborg's operations. The institute's website is at [www.iiiee.lu.se](http://www.iiiee.lu.se).

### *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. Read more about ISO 14001 at [www.iso.org](http://www.iso.org).

### *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.

### *Legionella*

Bacterial respiratory infection (Legionnaires' disease).

### *Nitrosamines*

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

### *NO<sub>x</sub> (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 use within Trelleborg Building Systems.

### *Polyurethane*

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

### *PTFE*

Polytetrafluoroethylene is a heat-tolerant polymer used in the production of O-Rings at Trelleborg Sealing Solutions. The polymer is best-known in everyday life as Teflon, used for example as a surface coating for irons.

### *SGI*

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

### *SO<sub>2</sub> (sulfur dioxide)*

Sulfur dioxide is formed when petroleum products are burned. SO<sub>2</sub> contributes to the acidification of lakes, streams and soil, and causes coniferous trees to shed their needles. Large concentrations in the environment are harmful to human health.

### *VOCs (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

Printed publications can be ordered by telephoning +46 410-670 09, or via e-mail: [info@trelleborg.com](mailto:info@trelleborg.com).



### Internet

Up-to-date information can be accessed on our website: [www.trelleborg.com](http://www.trelleborg.com).



### Annual Report

Trelleborg's Annual Report can be ordered by telephoning +46 410-670 09, or via e-mail: [info@trelleborg.com](mailto:info@trelleborg.com).



### T-TIME

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

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