Trelleborg AB
Environmental Report 2000

Contents

The Environmental Report for 2000 covers the Trelleborg Group's most important activities in the environmental and health areas. Social and ethical concerns are considered briefly. The report is aimed at employees and external stakeholders who wish to be involved in the company's development in these areas. We hope that the report will appeal to various categories of stakeholders and we welcome any views or suggestions for improvements.

The report is scheduled for publication in April 2001 and can also be accessed on the company's website (www.Trelleborg.com). The Trelleborg Group's annual report is also on the website. Both reports can be ordered from the Group's Corporate Communications department.

Scope of the environmental report

The environmental report presents data relating to health and the environment at the Group's production plants and research facilities worldwide. Operations that have been part of the Group throughout the entire fiscal year are included in the report. No data are given for operations that were divested during 2000. This means that the facilities within Ahlsell and Bröderna Edstrand, as well as Trelleborg Automotive's plants in Horda and Ohs, are excluded from the Group environmental report.

How data was collected

Each plant provided data in accordance with the Group's standard for environmental reporting. Random sampling was used to verify the data submitted against the plants' environmental reports to the authorities and against the data submitted in conjunction with the environmental reviews carried out in preparation for the introduction of ISO 14001. The present report relates to year 2000. Plant-specific data for the past three years is included when relevant. For newly acquired operations, in most instances, data is included only for the period during which they have been part of the Group. The key data reported are described in the text and in tables and diagrams. Where appropriate, data from 1999 is given in parentheses after the information for 2000. The different business areas were divided up when this was considered relevant. A total of 63 organizations at 54 plants throughout the world contributed to the report.

No Group-wide system exists at present for the collection of data relating to social and ethical issues. The information included in this report was collected via questionnaires and interviews with the Group's personnel director and the personnel managers of the individual business areas. Certain data is available from the questionnaires used for environmental reporting. This applies, for example, to work-related injuries and illnesses and training in the work environment area.

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Vice President, Environmental Affairs

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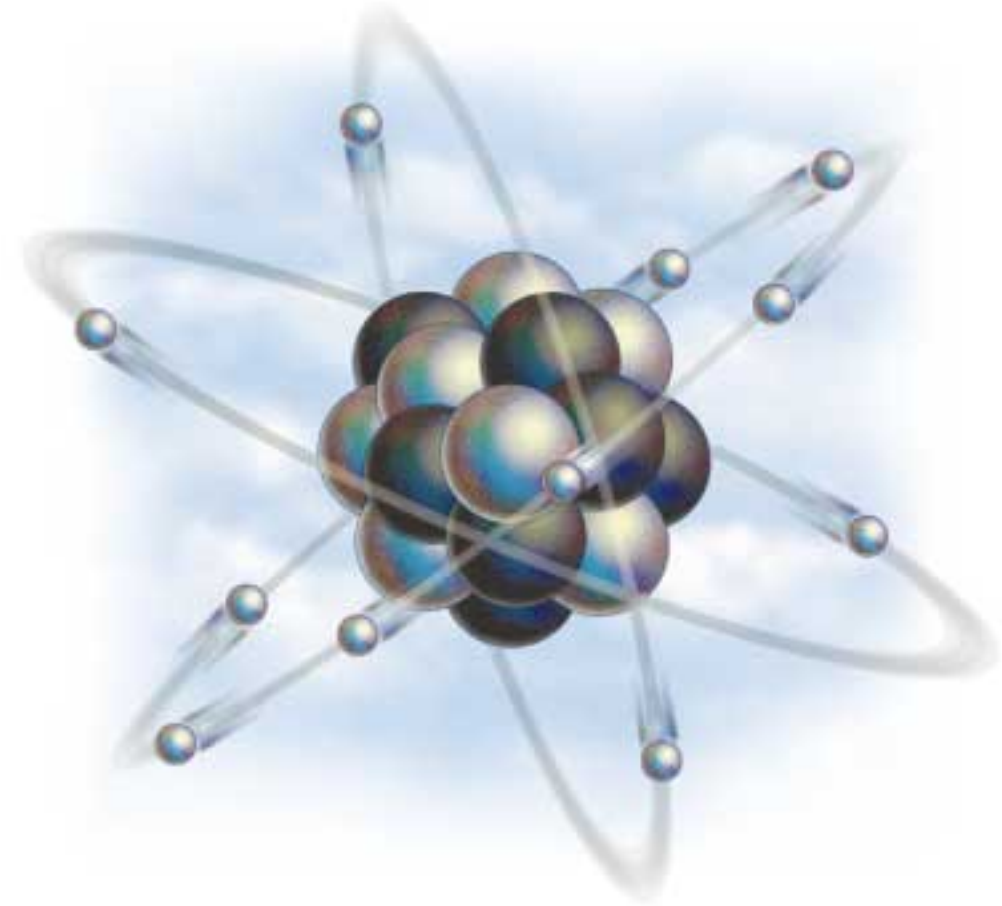


The Environmental Policy

The Environmental Policy stipulates the direction and objectives of our environmental work at the same time that we clarify the tasks that lie ahead. The Environmental Policy constitutes the framework for the Group's activities that concentrate on the environment. According to the Policy, each plant shall develop its own environmental policy as part of the ISO 14001 system.

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

- We shall economize on energy, water and other natural resources. The environmental aspects shall be taken into account whenever we choose raw materials, chemical and distribution systems.
- We shall minimize waste and emissions from our production plants and from our other activities.
- We shall have safe and sound workplaces and ensure that our personnel training programs prepare our employees to perform their work in the best possible way.
- In our research and development operations, we shall strive for environmentally sound technologies, products and packaging.
- Whenever we change processes, plants and products, we shall use the opportunity to make environmental adaptations.
- We shall maintain sound emergency preparedness by systematically evaluating the risk of accidents, fires and uncontrolled emissions to the environment.
- We shall inform customers, suppliers and contractors about our environmental work and, in cooperation with them, strive to achieve mutual improvements.
- We shall provide open and objective information about our environmental work to our employees, the general public and the authorities.
- We shall comply with current environmental legislation and develop long-term plans related to national and international legislation in the areas of the environment, health and safety.
- By the beginning of the 21st century, we shall comply with the requirements of ISO 14001 and/or EMAS at our existing production plants. Tasks and responsibilities within the framework of the environmental management system shall be clarified. Environmental objectives and action plans shall be prepared at every plant.
- We shall evaluate environmental performance by monitoring emissions and though frequent environmental audits. We will continually strive to improve our environmental performance.

CEO's comments on the environment

Year 2000 was an eventful year for Trelleborg. The work involved in implementing both expansion and concentration of operations presented many challenges, one of which is the interest shown in our environmental work by customers, employees and other interested parties. Accordingly, it is important for us to be open in our reporting of the Group's environmental performance. It also goes without saying that we must be sensitive to customer requirements and work with customers to adapt our processes and products so as to reduce their environmental impact to a minimum.

"Holistic approach and continuous improvement"

Since 1997 we have gathered data on the environmental situation at the Group's plants, and in this year's environmental report we describe Trelleborg's impact on the environment and focus on the initiatives we have taken in order to achieve continuous improvement. As well as reporting on the environmental parameters included in previous reports, we provide more detailed information on the environmental impact that results from production processes. We also describe how the environmental considerations are taken into account when other industrial companies

are acquired. The latter is an area of major current relevance for the Trelleborg Group. In addition, we focus on the financial aspects of environmental work and give a brief overview of our approach to social and ethical issues.

The use of polymers is continuously increasing and the availability of information and the effectiveness of monitoring concerning environmental issues are constently improving. While many improvement measures have been taken over the years, it has to be admitted that Trelleborg's operations continue to be affected by society's commitment in issues relating to health, safety and the environment. A number of these issues – especially climate-related issues – have now assumed a global character, resulting in their perception, both by individuals and by the company, as difficult to influence in the short term. Other environmental and health-related issues are more tangible and directly affect employees, neighbors and users of Trelleborg's products. Examples of the latter areas include chemical issues, noise, emissions to air, waste and the products' environmental performance. As the environmental report makes clear, many activities are under way to improve the environmental and work-environment situation at the Group's production plants. The measures relate, for example, to safer handling of chemicals that are hazardous to health and the environment, energy savings, soil decontamination and the environmental adaptation of products.

The Group's efforts in the environmental management area introduce systems and structure in environmental work, and it is gratifying to be able to report that 23 plants have now been certified in accordance with the environmental management standard ISO 14001. A significant number of plants are currently in the final phase of work to introduce environmental management systems, and year 2001 should see the awarding of many new certificates. Apart from order and organization, the environmental management system creates the conditions for safe handling of chemical products, water and energy savings and more efficient waste management, among other benefits.

I hope that both employees and other stakeholders will find the environmental report interesting and thought-provoking.

Trelleborg, March 2001

Fredrik Arp
President and Chief Executive Officer

The Trelleborg Group

At the beginning of the 1990s, the Trelleborg Group comprised, in addition to the original polymer operations (primarily rubber products), mining and metals operations, mineral processing and trading activities. During the latter part of the 1990s, the Group was restructured and activities outside the polymer operations were divested, creating a substantially changed Trelleborg. A number of significant acquisitions were made during the years 1999-2000. The acquisitions included the antivibration operations (BTR AVS) of the British Invensys company, with sales of approximately SEK 4.2 billion and slightly more than 4,000 employees at 17 production units in seven countries. As a result of the acquisition, Trelleborg became a world leader in the area of antivibration products for the automotive industry and advanced industrial applications. During 2000, the production units in Horda and Ohs in Sweden were sold. The divestment was part of the Trelleborg Automotive business area's concentration and reorganization. At the end of year 2000, Trelleborg had sales of more than SEK 13 million, with approximately 12,300 employees in 35 countries.

At year-end 2000, Trelleborg acquired the vehicle component operations (Laird Automotive Component – LAC) of UK-based Laird Group Plc. LAC has sales of approximately SEK 2.8 billion, with slightly more than 3,000 employees at 16 production units in six countries, mainly in Europe. The acquisition strengthened Trelleborg's world-leading position in vibration-control products for the automotive industry. Since both acquisitions and divestments of operations require that special consideration be given to environmental issues, we have decided to focus particularly on this area in this year's environmental report.

Business areas

The Trelleborg Group is organized in four business areas: Trelleborg Automotive, Trelleborg Wheel Systems, Trelleborg Engineered Systems and Trelleborg Building Systems.

Trelleborg Automotive is the leading global supplier of antivibration systems for automotive and industrial applications and of laminate products for noise suppression.

The business area is divided into two main sections: *Automotive AVS* (Antivibration Systems) where Trelleborg is a world leader in the field of antivibration systems for the automotive industry, with global production operations and a complete range of products for both chassis and driveline applications. Trelleborg Automotive also holds world-leading positions within the *Industrial AVS* and *Laminates* product areas. Antivibration systems are used within virtually all segments of industry – from rail and marine to engineering and infrastructure applications. Laminates delivers noise-dampening brake shims to the world's automotive producers, plus a number of noise-suppression products under the DuruLam brand name.

Trelleborg Wheel Systems develops, manufactures and markets complete wheel systems for forest and farm machines, trucks and other materials-handling equipment.

Trelleborg Wheel Systems is focused on two market segments: *Solid/pneumatic industrial tires* and *Forest and farm machine tires*. Trelleborg is the global leader in the Solid/pneumatic industrial tires segment, which comprises complete wheel solutions for materials-handling and related industries, including different types of transport vehicles at airports and ports.

In the Forest and farm machine tires segment, Trelleborg is one of the world's leading designers, manufacturers and distributors of wheel systems for machines and equipment used in farming and forestry operations.

Trelleborg Engineered Systems develops, manufactures, markets and distributes flow-control systems and engineered solutions in polymer materials, all with a high engineering content, to leading customers in global markets. Trelleborg Engineered Systems focuses on two overall market segments: *Flow Control* and *Engineered solutions*.

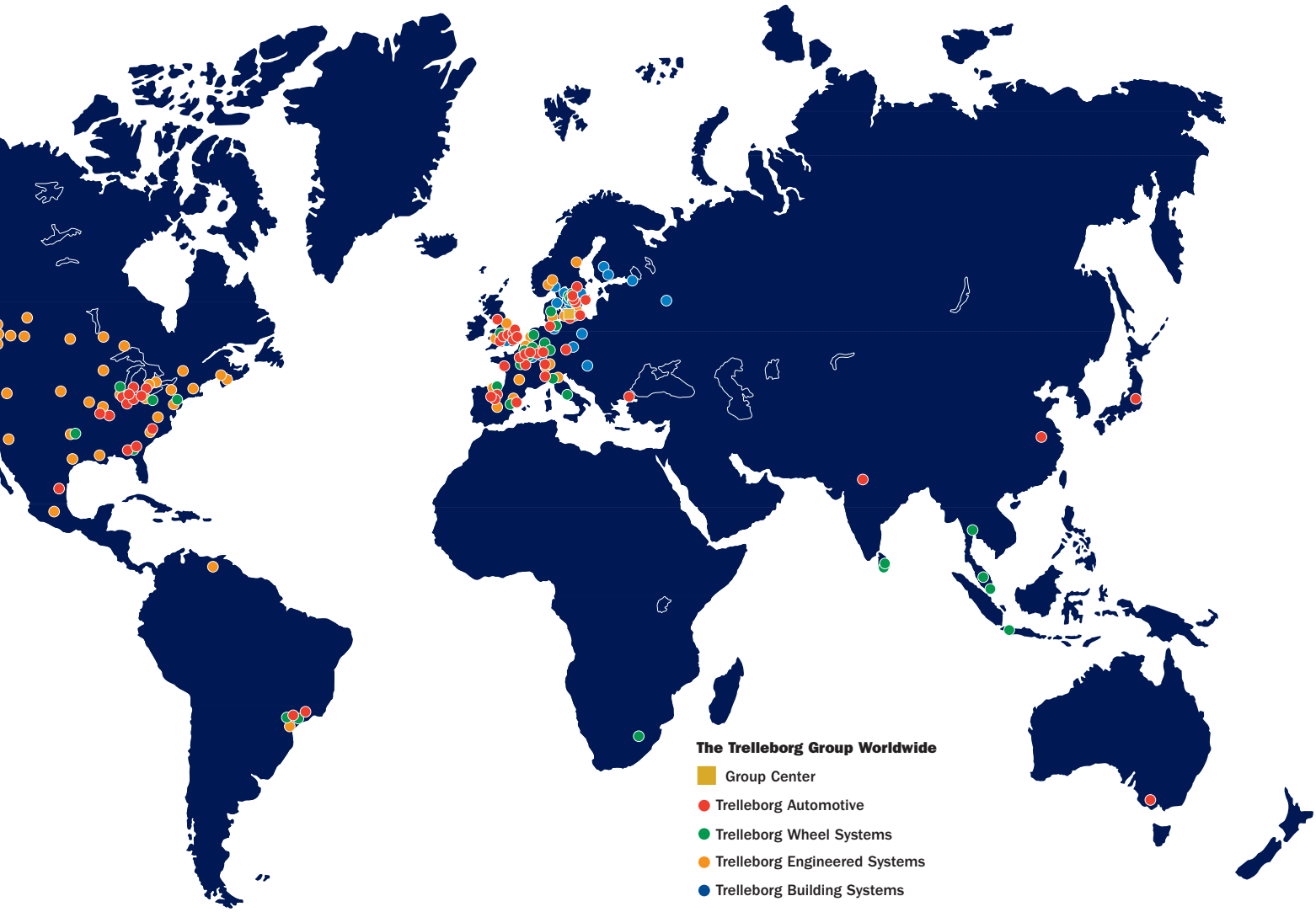
Flow Control develops, manufactures, markets and distributes industrial hose and industrial hose systems. In the area of flow control, Trelleborg has a leading market position in Europe, and the Group strives to create optimal value for customers through proprietary development, production and distribution of hose systems.

Trelleborg utilizes its technological skills and experience in engineered solutions to increase the value of customer products through development, production and global market sales of products and systems for sealing, protection and comfort using polymer materials.

Trelleborg Building Systems is a leading supplier of polymer- and bitumen-based building products for sealing and waterproofing applications within industry and the Do-It-Yourself (DIY) market. The business area focuses on two main market segments: *Sealing Profiles* and *Waterproofing*

Trelleborg Automotive

Trelleborg Wheel Systems

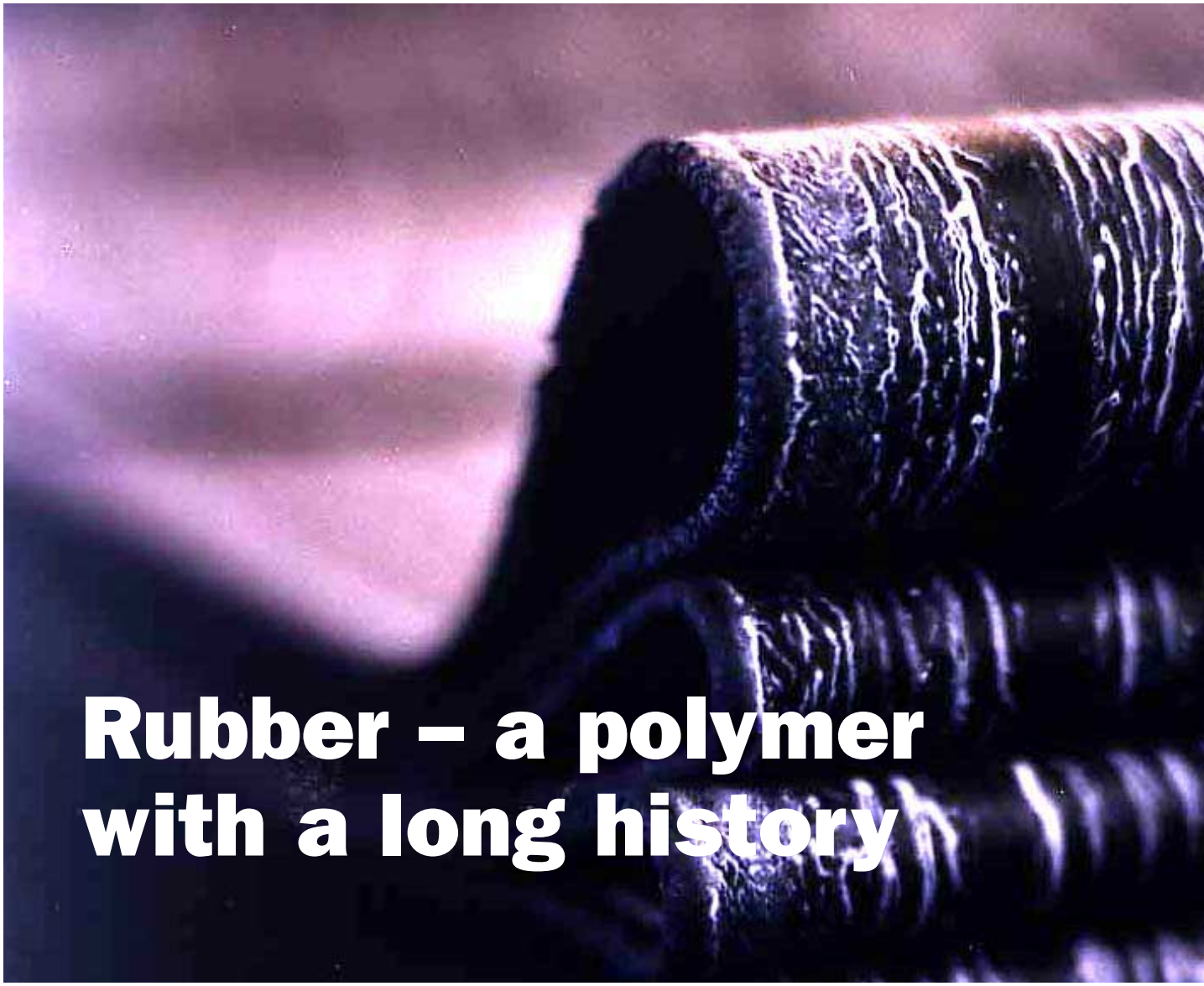


Systems. Sealing Profiles develops, manufactures and markets sealing profiles for the building industry in Europe, focusing on the Nordic region, the UK and Germany, and window-sealing profiles for the global Do-It-Yourself market. Products for the DIY market have shown strong growth during recent years, particularly in Eastern Europe. Trelleborg is the European market leader in Sealing Profiles.

Waterproofing Systems is Europe's leading manufacturer of rubber membranes for water storage facilities and one of the three largest manufacturers of sealing systems for roofs. Waterproofing Systems also includes the production of bitumen sealing profiles for roofs, an area in which Trelleborg has a strong position in Finland and Poland and is the leading supplier in Sweden.

Trelleborg Engineered Systems

Trelleborg Building Systems



Rubber – a polymer with a long history

Natural rubber

The rubber tree (Hevea brasiliensis) requires a warm and humid climate, which explains why rubber plantations are found in a zone round the equator. Today, more than 90 percent of all natural rubber comes from Southeast Asia. The largest producers are Thailand, Indonesia and Malaysia, which together account for 80 percent of world production. There are also rubber plantations in South America and Africa.

Rubber trees grow to a height of approximately 20 meters. Tapping of the trees for latex can begin seven years after sowing, and the yield is highest when the trees are ten years old. A rubber tree can be tapped about 170 times per year, yielding 30-35 grams of latex each time, or a total of some 250 kilograms during the lifetime of the tree.

The sap (latex) from the rubber tree consists of water (62%), rubber particles (35%) and a number of other substances, including proteins. The chemical elements that occur most commonly in natural rubber are carbon (C) and hydrogen (H). The polymers in natural rubber are mostly composed of these elements and consist of thousands of isoprene monomers. Around the rubber particles is a layer of proteins that prevent the latex from forming clumps. If the protein layer is broken down, the polymers are released and the material coagulates. This is achieved by adding acid.

The properties of natural rubber are entirely dependent on the ambient temperature. If it is cold, the rubber cracks and if it is too warm it becomes viscous. It was discovered more than 150 years ago, however, that the properties of rubber can be improved by adding sulfur in a warm oven. The method, known as vulcanization, made possible the industrial production of rubber products such as raincoats, galoshes and automotive and bicycle tires. Vulcanized natural rubber is elastic and has excellent resistance against wear and fatigue. It cracks easily outdoors, however, as well as being affected by mineral oils and fuels. Natural rubber is used primarily in the production of heavy-duty tires, vibration dampers, springs and rubber bearings. Other application areas for natural rubber include hoses, gaskets, conveyor belts, seals and rubber-coated fabrics.

Synthetic rubber

While there is only one chemical variant of natural rubber, there are some 20 different chemical variants of synthetic rubber, and all of the different types possess special

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properties and advantages. Within Trelleborg we use approximately 75% synthetic rubber and 25% natural rubber. The basic input materials for synthetic rubber come from the petroleum industry, the chemical monomers that are its basic constituents being produced by distillation in oil refineries.

Styrene-butadiene rubber (SBR) is the most common and inexpensive type of synthetic rubber and has essentially the same characteristics as natural rubber. SBR is more heat-resistant than natural rubber, however. On the other hand, it is inferior in terms of cold resistance and durability. It is used by Trelleborg as an exterior rubber for sand-blasting hoses, oil and gasoline hoses, tires and other products. The polymers in *isoprene rubber* have a chemical structure similar to that of natural rubber, but the composition and physical characteristics of isoprene rubber are somewhat different. *Butadiene rubber* has polymers composed exclusively of butadiene molecules. It is often used together with other types of rubber to improve such characteristics as elasticity and wear-resistance properties at low temperatures. Butadiene rubber is used in combination with natural rubber in truck tires, for example.

The types of special rubber most commonly used at Trelleborg are ethylene propene rubber, butyl rubber, chloroprene rubber and nitrile rubber. *Ethylene propene rubber (EPM/EPDM)* tolerates fairly high temperatures and does not develop cracks when used outdoors. The material is used for steam hoses or rubber sheeting, sealing strip, hose materials, roll coatings and numerous other products. Among other applications, it is the most important type of rubber used in the production of car components. *Butyl rubber* is particularly suitable for use in products designed to prevent gases from penetrating through the material. Among other applications, it is used in inner tubes for tires. *Chloroprene rubber (CR)* is highly suitable for products that are intended for outdoor use or which could come into contact with oil or gasoline. A typical product is the outer layer of rubber in oil hoses.

Not only rubber

To give a material the desired properties, other substances must also be added to the rubber mix. The table on the next page shows examples of the most common groups of compounds included in rubber mixes.

Compound	Function
Fillers	Carbon black is a fine powder that is added to strengthen and fill the rubber. Chalk can also be used as a filler.
Vulcanizing ingredients	Other substances in addition to sulfur can be used to influence the properties of rubber. The vulcanization speed is governed by accelerators and the process is initiated by activators.
Aging inhibitors	Various substances can be added to increase the lifespan of products. Examples are antioxidants and anti-ozonants, which protect against the effects of contact with the air.
Softeners	Softeners are added to control product hardness and simplify processing.
Special ingredients	Pigments are used to add color, antistatic agents to reduce the static electricity that attracts dust, expanding agents to make rubber with a cell structure, and fire retardants to increase resistance to fire.
Reinforcement	To increase the durability of rubber products, we often reinforce them. Various materials are used for this purpose, such as woven fabrics for protective clothing, steel wire in tires and glass fibers in certain hoses.

Production methods

The production process for natural rubber has already begun when the proteins in the latex from the rubber tree coagulate after acid is added. Synthetic rubbers have also undergone a number of refinement stages before they arrive at Trelleborg's plants.

Reception of raw materials

When raw materials are delivered, checks are made of such factors as viscosity and moisture content. It is also critical that the raw materials are stored in the correct manner. Otherwise problems can arise during mixing and vulcanizing.While many of the raw materials can be stored at room temperature, others must be stored at lower temperatures. Natural rubber may need to be decrystallized before it can proceed to mixing. For this purpose, the rubber is heated up in a special heating chamber where the temperature is maintained at 35-40°C.

Mixing of raw materials

For each product, the ingredients are weighed out in accordance with a specific recipe. Given the large number of different products, there are many recipes and raw materials. After being weighed out, the raw materials are mixed together under special physical conditions to form a rubber mix. Various types of mixing machines are used. They may be equipped with large rollers or designed in the form of a chamber containing large spiral rotors. In either case, the aim is to knead the mix to ensure that the ingredients are evenly distributed throughout the "dough."

Processes

An *extrusion* process is used for the production of long, narrow rubber products such as strip and hose. When the heated rubber mix reaches the extruder die, the material is molded according to the profile of the forming die. When the extrusion leaves the machine, it is generally cooled down in a water bath, after which it is vulcanized in an autoclave.

For continuous vulcanization, however, the rubber is not cooled down but is heated up in a microwave oven or a warm salt bath. The latter method is mainly used for thin profiles.

When the rubber industry was developing, during the nineteenth century, the aim was often to make textiles waterproof. *Coating technology* was developed for this purpose. In this process, rubber that has been dissolved in a suitable solvent is spread onto a fabric. After the solvent has evaporated, a film of rubber has formed on the fabric, which is then vulcanized in an oven. Calendering is used if a thicker layer of rubber is required. Products produced using this method include conveyor belts, rubber sheeting and mats. Calendering is performed in a rolling mill where the warm rubber mix is pressed into a layer by the rotation of the rollers.

When precise dimensions are of critical importance, *mold curing* is often used. Examples of products that must meet such requirements are dampers and seals. The principle behind mold curing is that the rubber mix fills the hollow space in a mold and that vulcanization occurs directly when the rubber is heated up in the mold. If the mold is overfilled, waste rubber collects outside the hollow space in the form of a so-called flash and excessive flash formation increases both raw-material and waste-management costs. Another method is *compression molding*. However, this method is somewhat time-consuming and can result in large amounts of flash. The positive aspect of compression molding is that it is relatively simple and suitable for producing large products.

Some of the disadvantages of compression molding can be eliminated by using *transfer molding*. By preheating the material and maintaining a specific pressure during injection, a precise dosing of rubber is achieved and flash formation is minimal. In injection molding, the mix is injected into a closed mold using a screw. In this process,

too, the material can be preheated to shorten the vulcanizing time. The advantages of injection molding are that the process can be automated and that flash formation is substantially reduced because the rubber mix is injected into a closed mold.

Post-curing

The molded products must cool down slowly, which means in practice that the vulcanization process continues for a while. This is known as post-curing and normally accounts for approximately 10% of the total vulcanization.

Finishing operations

During the final stages of production, various cutting, stamping and grinding tools are used to finish the products. The molded products often have some type of flash. The surplus rubber is removed by tearing, cutting or stamping. Sometimes the surface of the product must be treated to reduce friction.

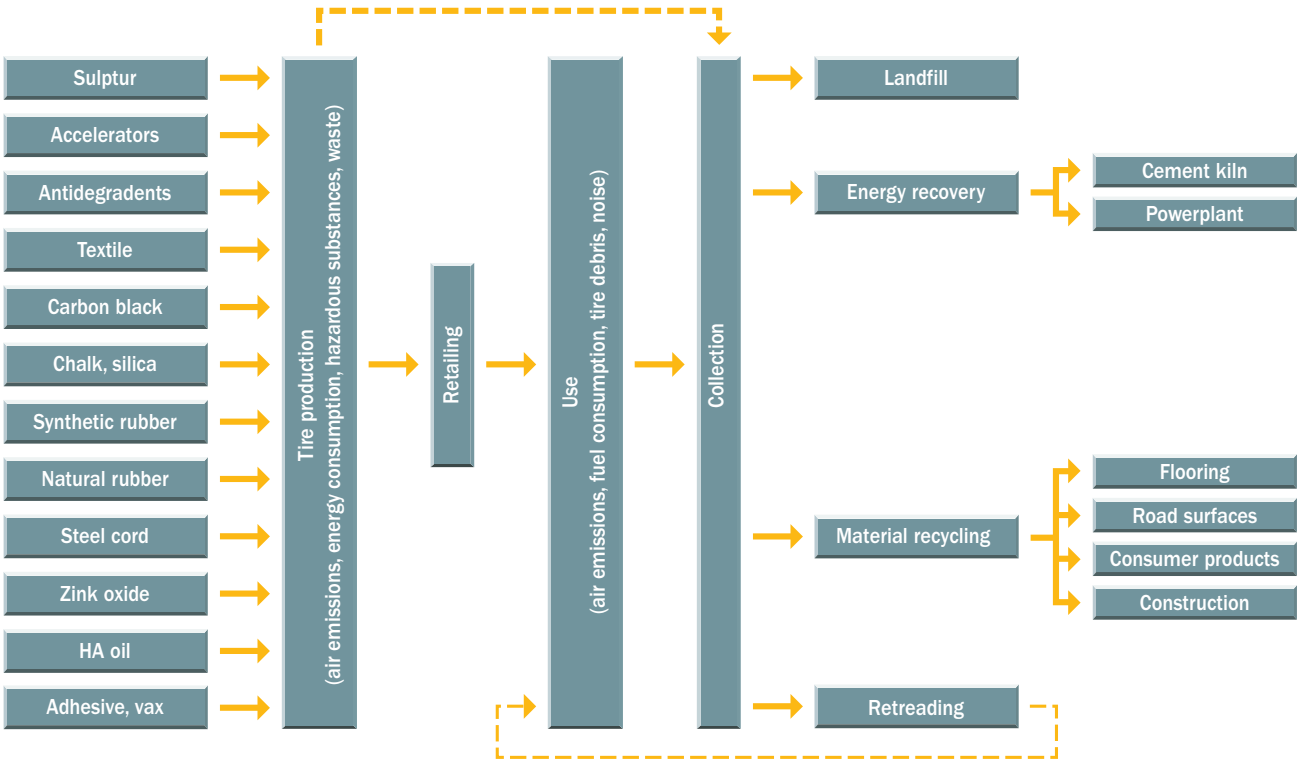
A number of products are assembled together with other materials or rubber components. Bonding rubber and metal together is a commonly used method in the production of certain machine parts. The metal gives rigidity to the structure, facilitating assembly, while the rubber fulfills a damping and insulating function. Prior to molding and vulcanization, the adhesive solution is applied and allowed to dry and, in some cases, to harden. The metal and rubber product is then ready for molding and vulcanization.

Various types of textiles are used in many of Trelleborg's products. They may consist of polyester, rayon, nylon, glass fibers or natural materials such as cotton. The textile fibers provide reinforcement to stabilize and strengthen the product – in the production of tires and hoses, for example. Protective clothing is produced by coating a fabric with rubber.

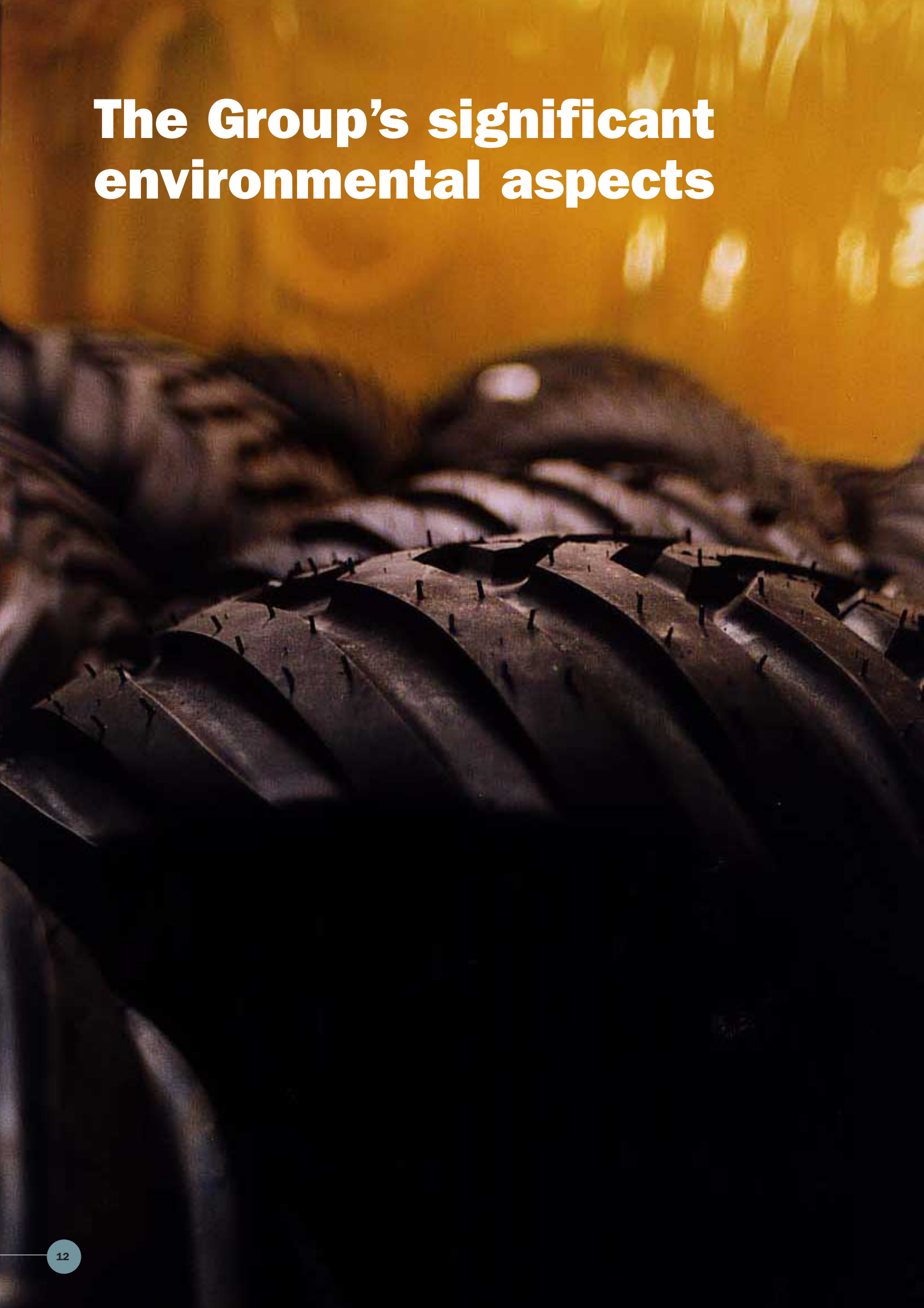
Environmental and health aspects

It is clear from the schematic flow chart showing the stages in the life cycle of a tractor tire that many of these stages can cause an environmental impact or health-related effects. In the environmental report we clarify the environmental impact of processes and products by reporting a number of key environmental parameters. On the next page is a list of the Trelleborg Group's significant environmental aspects.

Life cycle of a tractor tire



The Group's significant environmental aspects



Like all other industrial operations, those of the Trelleborg Group have an impact on the environment. It is clear from the process descriptions on the preceding pages that there are a number of significant environmental aspects that relate to both the Group's operations and its products. One of the main purposes of the individual plants' environmental management systems is to identify all the environmental aspects and then formulate action programs to control those aspects that give rise to a significant environmental impact. It is natural that different plants affect the environment in ways that differ to some extent. However, there are many common factors and, looking at the Trelleborg Group as a whole, a number of areas can be identified on which environmental activities needs to be focused. The following table gives an overview of these areas.

Environment/work environment aspect	Priority level	Examples of possible health and environmental impacts
Localization	■	Local disturbance due to noise, transports and unpleasant odors.
Soil and groundwater	●	Contamination of soil and groundwater.
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.
Consumption of natural resources (water, energy)	●	Utilization of nonrenewable resources (oil, natural gas). Clean water is a scarce resource in many countries.
Use of chemical products	●	Environmental and health risks of toxic and persistent chemicals.
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 may cause local environmental impact.
Noise (outdoors)	■	Neighbors may be disturbed.
Emissions to water	▲	Municipal treatment plants and watercourses may be affected by chemical products and other emissions.
Waste	●	Wastage of natural resources. Landfill capacity already exceeded in some countries. Incineration can produce emissions of air pollutants. Storage and transport of hazardous waste can lead to health-related and environmental risks.
Spills, fires and uncontrolled situations	■	Serious injury to people in the vicinity can result from fires and uncontrolled emissions.
Products	●	Products whose useful life is over generate waste. The products contain chemicals that can spread in the environment. However, many of the Group's products contribute to a better environment (reduced noise and vibration, energy saving, etc.)
Packagings	▲	Packagings generate waste at customer premises.
Transports	■	Use of nonrenewable natural resources (fossil fuels). Emissions of greenhouse gases and environmental pollutants
Work environment risks (work with chemicals)	●	Exposure to chemicals in the rubber industry can lead to allergies, respiratory illnesses and other health problems.
Work environment risks (accidents)	●	Injuries from crushing or cuts and other occupational injuries are common in the rubber industry.
Work environment risks (ergonomics, noise)	●	Heavy lifting and repetitive tasks can lead to strain-related injuries. Noise can result in hearing impairment.

● High priority ■ Medium priority ▲ Low priority

Trelleborg's environmental organization

Environment-related activities within the Trelleborg Group are decentralized and based on the individual operations of the different plants. Formal responsibility for the environmental, health and safety issues therefore resides within the various line organizations. Site managers are key personnel in this context and are required to manage their operations in accordance with:

- legal and other requirements (e.g. customer requirements),
- Trelleborg's environmental policy, environmental management manual, environmental standards and position papers,
- requirements of ISO 14001.

There are environmental managers/coordinators at most Trelleborg plants. In many cases the position is full-time, but at some plants the personnel in question have other duties, such as those of quality manager, chemist, maintenance manager, and so on. The most important tasks of an environmental manager are to assist the site manager with relevant expertise, manage contacts with the environmental authorities, coordinate measurement programs and compile data, and also implement and maintain the provisions of ISO 14001.

The Group's Environmental Affairs staff organization has overall responsibility for the coordination of environmental and work-environment issues within Trelleborg. Environmental Affairs also initiates overall policies and standards, and follows up each line organization's environment-related activities by means of audits and the gathering of relevant data.

Environmental management system

Trelleborg's visions in the environmental area are stated in its environmental policy (page 3). The policy is supplemented by a number of Group-wide standards and position papers. A list of such documents is available on page 43. Each plant formulates its own environmental policy, and introduces the routines and instructions required to meet the demands of ISO 14001.

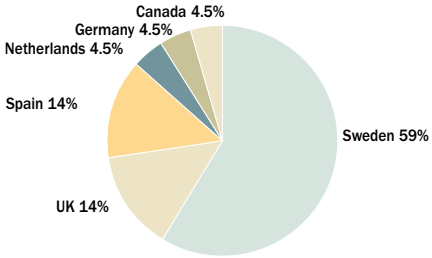
Between 1998 and 2000, many activities were undertaken to ensure the introduction

of ISO 14001. More than 100 key personnel in Sweden, Denmark, the Netherlands, Belgium, Spain, Italy, Sri Lanka and the US participated in training of some kind with regard to the environmental management system and auditing methods. Initial environmental reviews, or similar investigations, were performed at a large number of plants.

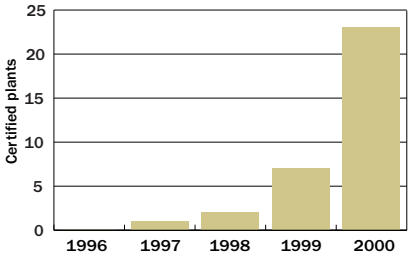
The Group has two people who are individually certified as environmental auditors in accordance with ISO 14012, and several who have undergone internal or external environmental-audit training. Sixteen plants were certified in accordance with ISO 14001 during 2000, and a total of 23 organizations have now obtained certification. Certifications are distributed across seven countries, with Sweden the leading country in terms of numbers. These statistics fairly accurately reflect the global situation with regard to environmental certification, and it is clear that environmental management work is not yet developing rapidly in all countries. Within the Trelleborg Group we are now performing certification-related activities both in our newly acquired plants and at other plants that have not yet obtained certification. We estimate that at least 40 plants should obtain certification by year-end 2001. In conjunction with the sale of Trelleborg's distribution operations during 1999, the Group lost seven ISO 14001 certificated plants.

In the final phase of certification, when an individual plant plans to obtain third-party certification, preliminary audits of the environmental management system are usually required. These are usually performed by the Group-wide Environmental Affairs unit alongside internal environmental auditors from the plants in question. A significant number of audits were also performed during the year to identify environmental hazards at companies that the Group had acquired or was intending to acquire.

ISO 14001 certificates in different countries (% of total number)



ISO 14001 certified plants 1996-2000



Environmental issues relating to acquisitions

Environmental risks must be identified

Over the years, the Trelleborg Group has expanded through acquisitions in many different countries. Naturally, all such acquisitions entail business-related and other risks. Ten years ago many companies were still not aware of the risks and costs that can arise when buying or selling plants that are associated with soil contamination or other environmental problems. Soil-decontamination costs can be very high indeed, and wrongly handled environmental matters can cause major problems in a company's relationships with environmental authorities, customers and the general public.

Techniques were developed during the 1990s that make it possible to systematically evaluate environmental risks in relation to property transactions. What is known as an Environmental Due Diligence Audit is now routinely performed whenever Trelleborg intends to buy or sell industrial plant. Since the mid-1990s a large number of such audits have been conducted. Some of the investigations have been performed by external consultants while others have been conducted by specialists within the Group. What the audits have in common is that they are performed in accordance with a standardized set of methods based on ISO 14015. Environmental audits are designed to:

- Identify environmental and health hazards and bring to light any conflicts with legislation.
- Appraise the costs of meeting legislative requirements and Trelleborg's own standards in the environmental area.
- Assess whether supplementary studies of soil and groundwater are needed, and make preliminary estimates of the costs for any decontamination measures required.
- Evaluate other environmental costs, e.g. for dealing with PCBs, asbestos and CFCs.
- Clarify liability conditions following the completion of a transaction.
- Evaluate and create the necessary conditions for future cooperation (e.g. regarding approaches to environmental issues).

Trelleborg's acquisitions within the polymer sector 1980-2000

Year	Acquisition
1980	· Värnamo Gummifabrik, Sweden (sealing strips and insulation membranes), · Sigma, Sweden (molded goods).
1985	· Goodall Rubber (distribution of industrial supplies in the USA/Canada). · Viking Mjöndalen, Norway (rollers and development products for the offshore industry); Bakker & Velp, the Netherlands (dredging hose and development products for infrastructural work). · Sävsjö Fälgar, Sweden (wheel manufacturer).
1986	· Mataki, Sweden (bitumen-based sealing layers).
1987	· Beadle Protective Products, UK (protective clothing).
1988	· Bergougnan, Belgium/Sri Lanka (solid industrial tires).
1989	· Ellerbrock, Germany (rubber-to-metal automotive components).
1991	· Monarch Industrial Tires, USA.
1992	· Rubore, Sweden (sound-absorbing shims for the automotive industry).
1993	· Hadsten Wheels, Denmark (wheel manufacturer).
1996	· CMPP, France (industrial hoses). · Horda, Sweden (sealing profiles, automotive components and cable compounds). Prelasti, Belgium (seals and insulation membranes). · Snowden-Anderson, USA/Canada (distribution of industrial supplies).
1997	· Yale South Haven, USA/Mexico (automotive components). · PAV, Brazil (automotive components). · Ibercaucho, Spain (sheeting for rubber proofing). · Vorwerk, Germany/Sri Lanka (industrial tires). · Wheelbond, South Africa, (tire distributor). · Park Rubber, UK (sealing strips).
1998	· Tivoli, Italy (joint venture with Pirelli concerning radial tires for agricultural vehicles). · SRG Bevco, USA (distribution of industrial supplies). · ETM, Germany (sealing strips). · Trebolit, Sweden (roof-sealing materials). · DBV, Germany (distribution of insulation membranes). · Joule, Finland (distribution of insulation membranes).
1999	· DiPro, Germany (sealing profiles).
2000	· Invensys AVS, UK/Germany/Spain/USA/China, etc. (antivibration products). · Laird, UK/France/Spain/USA/Italy, etc. (antivibration products).

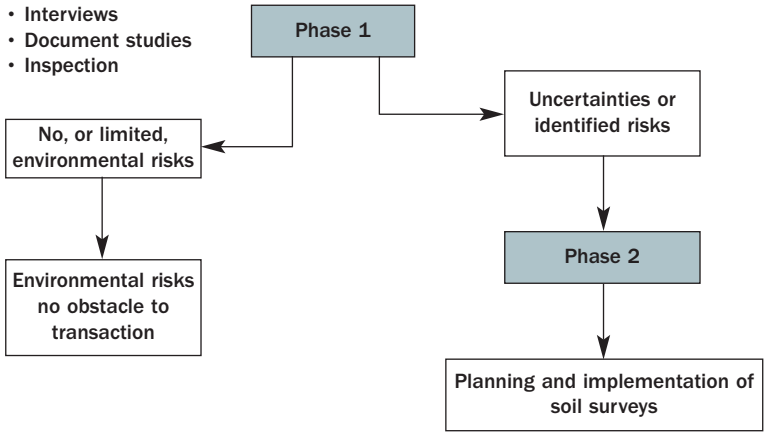
Environmental auditing is a stepwise process

Environmental due-diligence audits can be very extensive, and in many cases have to be performed under considerable time pressure. The first step (Phase I) involves a review that resembles a traditional environmental audit. The audit encompasses inspection of plant, study of documentation and interviews with a number of key individuals. In some cases, contacts are made with the environmental authorities. The principal features of Phase I are shown in the table below.

Next step may be soil surveys

Following a Phase I investigation it is common for there to remain many question marks concerning possible contaminants in soils and groundwater. For both the buyer and the seller it is important to clarify such conditions before a transaction is completed. The presence of contaminants can have a major influence on the value of the property, and serious contamination may provide strong grounds for recommending against going through with the transaction. Trelleborg has performed a large number of soil surveys in connection with acquisitions in the US, the UK, Italy, Spain, Belgium, France and elsewhere. Such surveys involve exploratory excavations on sites where the presence of soil contamination or buried waste could be suspected. Geological conditions are examined using specialized maps, and both shallow and deep soil and groundwater samples are taken by means of drilling. The aims of such surveys are to:

- Map geological conditions. For example, dense rock formations or clay can hinder the spread of a contaminant.
- Map groundwater movements in the area. Establish whether groundwater is used as drinking water or for irrigation in the vicinity of the plant.
- Establish what contaminants are present



Environmental audit in conjunction with acquisition – Phase I

Area	Purpose
1. General	Establish administrative tasks and ownership conditions. Describe the plant and its surroundings, and the uses to which the site has previously been put.
2. Environmental legislation	Identify the applicable environmental and work-environment legislation and verify that the company is conforming with legal requirements. Investigate how any forthcoming legislation will impact on operations.
3. Localization	Identify any nearby operations that may cause disturbance or be disturbed. Examine the ways in which urban planning in the area could affect future use of the property. Specify the risk of damage from flooding or other natural phenomena.
4. Soil and groundwater issues	Evaluate the risk of soil and groundwater contamination (e.g. spillage and leakage, handling of chemicals, underground tanks, geological conditions, etc.).
5. Utilization of natural resources	Water and energy consumption over the most recent years. Examine the condition of boilers, pipes and so on.
6. Presence of hazardous substances	Examine the company's system for handling chemical products. Identify any especially hazardous substances (e.g. carcinogens, radioactive materials, PCBs, asbestos, CFCs).
7. Emissions to air and water	Establish what substances are emitted and in what quantities. Examine the company's handling of these issues. Inspect filters and other water-treatment and air-cleaning equipment.
8. Noise in the immediate vicinity	Identify sources of noise. Establish whether there have been any complaints from neighbors.
9. Waste	Establish what types of waste occur and how waste is managed. The procedures for dealing with hazardous waste are of particular importance.
10. Emergency preparedness	Identify fire risks and other risks. Preventive fire safety. Examine the company's systems for handling fires, injuries to people, chemical-related accidents, etc.
11. Environmental aspects of products and packagings	Demands from customers and other stakeholders. Measures for the environmental adaptation of products and packagings. Examine whether the company conforms with any legal requirements concerning the disposal of worn-out products and packagings.
12. Work-environment issues	Identify risks in the work environment. Preventive safety work and use of safety equipment. Work-related injury statistics. Training programs and the introduction of new employees. Occupational health services and organized training programs.
13. Environmental management system	Examine the company's system for the management of environmental work, e.g. environmental policy, organization, training, communications, objectives, and internal environmental audits. Introduction of ISO 14001.

in the soil or groundwater. Naturally, the substances investigated will depend on the operations that have been and are being conducted at the installation. Typical substances are heavy metals, solvents (chlorinated solvents in particular), oils, petroleum/gasoline and PAHs.

- Assess the costs of any soil clean-up measures that may be needed and determine which techniques may be applicable.

The "Soil-related issues" section in this environmental report provides an overview of ongoing soil surveys and decontamination projects. Some of the damage reported was identified in connection with company acquisitions.

Who is liable for any environmental problems?

Our experience is that environmental issues can assume decisive importance when a final agreement is about to be reached between buyer and seller. It is important that issues of both liability and cost are clearly defined. Trelleborg has resolved such issues in a variety of ways in the transactions it has completed. There are cases where the seller has assumed time-limited financial and administrative responsibility for dealing with environmental problems. In other cases, discovery of such problems has led to a price reduction. In still others, there has been a combination of the two scenarios.

Report on the Group's enviro

Three years in brief

The Trelleborg Group's first environmental report was published in 1999, and covered about 47 organizations. This year's report describes the environmental situation in 63 organizations in 16 countries. Over the last three years the Group's operations have changed due to the acquisition and divestment of many different industrial operations. For this reason, it is difficult to present developments and trends in summary diagrams and tables. An overview shows, however, that the figures for parameters such as energy consumption, atmospheric emissions and waste quantities have increased. This results from the inclusion of additional operations in the report, but also from the fact that the newly acquired operations cause higher emissions. This applies in particular to atmospheric emissions of solvents (VOCs). In some cases, improved reporting procedures at the local level have led to increases in the amounts reported.

Year	Energy consumption	
	GWh	GWh/employee
1998	623	0.04
1999	760	0.06
2000	1,012	0.08

Year	Carbon dioxide emissions	
	Tons	Tons/employee
1998	85,000	6.1
1999	101,400	8.0
2000	129,200	10.5

Year	VOC emissions	
	Tons	Tons/employee
1998	516	0.04
1999	505	0.04
2000	1,189	0.1

Year	Waste quantity	
	Tons	Tons/employee
1998	25,500	1.8
1999	31,700	2.5
2000	33,000	2.7

Legal aspects

The Group has a large number of production units in Europe, Asia, and North and South America. The majority of plants require production permits according to national law, and are subject to regular inspections. In Sweden, the Group has 11 plants that operate under

nmental performance

licensing and reporting regulations. The required permits apply to the scale of production and specify limits for emissions to air and water, and waste amounts. Each year the Swedish plants supply emissions data and report on compliance with the stipulated conditions in separate environmental reports that have to be approved by the supervisory authority in question. Operations at the Group's plants primarily impact on the external environment through utilization of natural resources (energy, water, raw materials), emissions to air (solvents, vulcanizing fumes, odorous substances), noise, and solid and liquid waste.

Final licence for operations in Trelleborg was granted by the Swedish Environment Court during 2000. The permit application for the plant in Höganäs is still being processed. Most of the Group's other plants have permits dating back to the late 1990s. A dozen or so plants are planning to renew or update their existing permits during 2001. Infringements of specific license conditions have occurred at individual plants in the US (wastewater) Sweden (noise, soil decontamination), Italy (malfunction in air-cleaning equipment), China (noise), and the Netherlands (storage of chemicals). None of these infringements prompted significant sanctions on the part of the authorities concerned. Three occupational accidents/near-accidents atthe plant in Trelleborg were referred to the police by the Labor Inspectorate for further investigation.

Utilization of natural resources

Soil-related issues

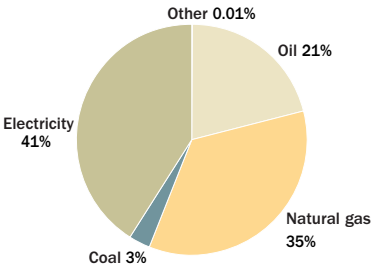
Contamination of soil and groundwater is a highly topical environmental problem. Increasingly strict legislation and high cleanup costs mean that Trelleborg and many other companies are monitoring soil-related issues with great care. Trelleborg conducts routine surveys of the soil and groundwater situation in conjunction with corporate acquisitions. In several countries in which Trelleborg operates, the environmental authorities have implemented programs to establish the extent of contaminated industrial sites. Examples of such countries include Sweden, the Netherlands, Belgium and the US. In several cases this has resulted in demands for decontamination measures to be taken at Trelleborg's plants. During excavation and construction work it has also happened that soil contamination has been discovered at Trelleborg-owned plants. As a result of the above activities, a number of cases of soil contamination have been confirmed within the Group.

The table on the following page provides an overview of the current situation. Plants that are not on the list can be regarded either as fully cleaned up (Toluca, Trenton, Ede, Clermont-Ferrand) or as not yet examined for contamination. Decontamination costs are reported in the "Environment and Finance" section of this environmental report.

Energy consumption

Within the Group, energy is used for heating, ventilation, cooling, processing, running equipment, and transportation. The Trelleborg Group's total energy consumption in 2000 (transportation not included) came to 1,012 (760) GWh, of which oil accounted for 213 (204) GWh, electricity 415 (304) GWh, natural gas 354 (247) GWh, and other sources 30 (5) GWh. Compared with 1999, consumption was around 33% higher in 2000. The increase in energy consumption is due to increased production and a large number of acquisitions of industrial plants. The share of natural gas in consumption rose somewhat, while that of natural gas declined. Coal, which was not previously employed within the Group, is now being used at Trelleborg's plant in China (Jiangsu).

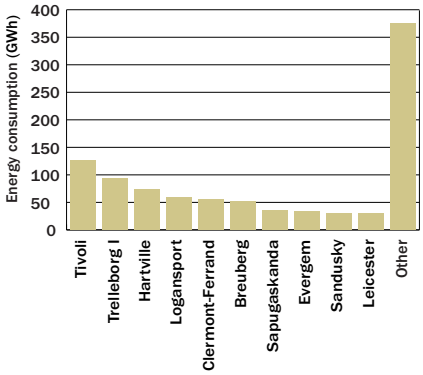
Energy consumption distributed by energy source



Plant	Type of contaminant	Status
Trelleborg I, Sweden	Heavy metals, solvents.	Extensive surveys and decontamination performed 1995-2000. Results of solvent decontamination being monitored via regular sampling. Small quantities of heavy metals remain in the area. Decontamination to be completed within 5 years.
Trelleborg Trebolit, Sweden	Creosote, oils, metals.	Creosote contamination likely to date from the beginning of the 20th century. Trelleborg AB took over operations in 1998. Comprehensive surveys conducted during 2000. Cleanup ordered by the authorities. Decontamination methods, costs and financing currently being investigated.
Ohs, Sweden	Metals, oils, hydrocarbons.	Industrial operations on the site since the 18th century. Trelleborg's contribution to the contamination likely to be very small. Surveys conducted. Monitoring measures being discussed with the environmental authorities. Operation divested by Trelleborg during 2000.
Rydaholm, Sweden	Oil and chemicals.	Cleanup work initiated.
Ridderkerk, Netherlands	Oil in groundwater.	Surveys in progress.
Wuxi, China	Bitumen.	Remedial measures not yet determined.
Breuberg, Germany	Chlorinated solvents.	Decontamination in progress.
Hoogezand, Netherlands	Oil.	Decontamination in progress since 1998. Estimated completion in 2001.
Santiago Tianguistenco, Mexico	Oil.	Decontamination in progress.
Herentals, Belgium	Chlorinated and non-chlorinated solvents. Contamination the result of previous operations on the site.	Decontamination to be effected using techniques approved by the Belgian environmental authorities.
Evergem, Belgium	Heavy metals and oil.	Surveys conducted. Decontamination being planned.
Izarra, Spain	Metals and hydrocarbons.	Remedial measures not yet planned.
Santander, Spain	Metals.	Remedial measures not yet planned.
Tivoli, Italy	Chlorinated and non-chlorinated solvents in groundwater. Contamination due to previous operations on the site. Likely to be leaking underground tanks.	Highly detailed surveys conducted 1998-2000. Decontamination begun.
Sandusky MI, USA	Chlorinated solvents	Decontamination in progress since 1987.
South Haven MI, USA	Solvents (xylene, ethylbenzene, chlorinated solvents).	Initial cleanup completed. Further decontamination measures planned for 2000-2005.
Dawson GA, USA	Chlorinated solvents.	Surveys performed. Remedial measures not yet determined.

Energy-conservation measures were implemented at several installations.

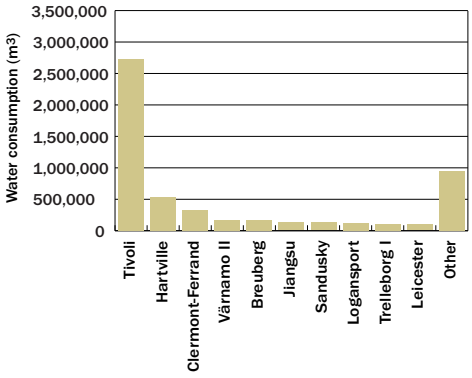
Plants with substantial energy consumption



Water consumption

Water is employed for cooling, cleaning, phosphatizing, and sanitation. During 2000, the Group's plants consumed 5.4 (4.3) million m^3 of water, most of which came from the Group's own wells or watercourses in the vicinity of the plants. Installation of recirculation systems for cooling water at some plants and closed phosphatizing equipment have reduced consumption, but it is still the case that water consumption is very high at some plants. At the Tivoli plant in Italy, surveys of underground pipes and basins were conducted during the year to trace the causes of very substantial water usage. So far the surveys have not produced any results.

Plants with substantial water consumption



Chemical issues

The production of rubber and other polymers entails the use of a wide range of chemicals. During production processes some of these can cause harm to both people and the environment. By wholly abandoning the use of certain chemicals, or by only using them in limited quantities within closed systems, hazards in both the work environment and the surrounding environment are reduced. Examples of substances for which a reduction in use has been effected in Trelleborg include heavy metals, chlorinated solvents, and certain antioxidants and accelerators. Major efforts have been made at various sites to make substitutions for some chemicals with undesirable health and environmental properties. Some success can be reported but the task is made more difficult by technical product-related problems. In some cases, it has proved that product attributes significantly deteriorate when the replacement substances are tested. The table provides an overview of a number of completed and ongoing projects relating to chemical use within the Group.

Sweden's Chemicals Board and Compounders' Meetings are both important for working with chemicals. Issues regarding the safety of chemicals are discussed; information about the health-related and environmental properties of substances is disseminated within Sweden and, to some extent, to other countries. Examples of areas in which results have been achieved are reduction of the zinc oxide content in some rubber compounds, the phasing-out of HA oils in certain products, and the introduction of nitrosamine-free vulcanizing systems. Many such initiatives are, however, still taken locally, and are influenced by legislation in the country in question and customer pressure in the area.

There are many signs that chemicals safety is being given greater priority within the EU. Trelleborg is taking part in the Thematics project, the aim of which is to reduce chemical-related health risks in the rubber industry.

Chemical	Environment/Health impact	Status
Solvents	Give rise to local air pollutants. Health impact in the work environment.	Changed processes and, in some cases, a transition to water-based substitutes have reduced use.
Chlorinated solvents	Some are suspected to cause cancer and other health problems. In the outdoor environment, they contribute to depletion of the ozone layer.	Use of chlorinated solvents has decreased or ceased at many plants.
MOCA	Cancer-classified accelerator.	The substance is used on a few sites in polyurethane manufacturing.
ETU	Accelerator classified as a carcinogen.	Still used within the Group, although use has decreased or ceased completely in most places.
Kieselguhr	Kieselguhr is a filler containing silica quartz. Exposure to kieselguhr dust can cause cancer.	Has been replaced by kaolin on many sites.
MBS	Accelerator that can give rise to carcinogenic nitrosamines. Also, the substance is harmful to the environment.	Use of the substance has ceased at plants in Sweden and Sri Lanka.
HA oils (high-aromatic oils)	HA oils are classified as toxic, and contain a high concentration of polyaromatic hydrocarbons (PAH). HA oils are being replaced by more environmentally compatible substances on tire treads.	Work is in progress to remove HA oils in most application areas. But technical and financial considerations are delaying the work. Several plants have replaced the substance with oils less hazardous to health.
Lead and lead compounds	Lead has serious health and environmental impacts. Lead is used as a stabilizer and vulcanizer.	Lead has been removed from many processes and products.
Zinc compounds	Zinc is toxic to aquatic organisms.	Zinc oxide is a component in more than 90% of all rubber compounds. It is very difficult to find a substitute for the substance. Several plants, however, are showing reduced use.
TMTD	TMTD is an accelerator that can give rise to carcinogenic nitrosamines. Also, the substance is harmful to the environment.	The conceivable substitutes that have been tested are very expensive, and do not have the product attributes that TMTD has to offer.
DEHP	Dioctyl phthalates (DEHP) are used as plasticizers in certain kinds of rubber. The substance is suspected of causing hormonal disturbances and may also be carcinogenic.	The conceivable substitutes are very expensive, and it has not yet been possible to replace the substance.
Carbon black	Carbon black is used as filler to increase compound strength, but it also has other properties. It is deformable, has certain electrical and screening attributes, and much else to offer according to its composition. Possible hazards associated with carbon black are respiratory disease, cancer, and certain skin diseases. The risks are regarded as very low.	In several countries we are working together with carbon black suppliers to produce the substance in a process that includes energy recycling and offers an opportunity for return packaging.
Chloroparaffins	Chloroparaffins are used as flame retardants. Environmental and health impacts have been established.	Extensive substitution efforts have been made in Sweden, but some chloroparaffins remain.

Emissions to air and water

Emissions to air

Processes in the rubber industry give rise to emissions of solvents (VOCs), vulcanizing fumes, dust, carbon dioxide, nitrogen oxides, and odorous substances. Total emissions of solvents (VOCs) to the air within the Group during 2000 amounted to about 1,189 (505) tons, which represents a substantial increase compared with 1999. Total emissions of chlorinated solvents during 2000 amounted to 122 (63) tons. Emissions of chlorinated and non-chlorinated solvents taken together increased due to solvent use in operations acquired within Trelleborg Automotive. At several plants, e.g. Sjöbo in Sweden, and Leicester, Coventry and Trowbridge in the UK, development efforts are being made to replace organic with water-based solvents. Many plants are now reporting reduced solvent consumption.

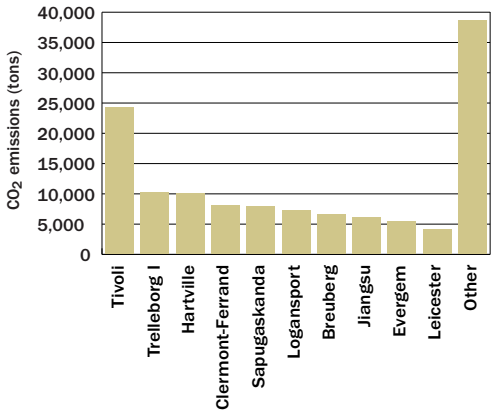
Carbon dioxide emissions are caused primarily by the combustion of oil and natural gas at energy plants, and transportation by car, truck, plane and diesel-powered train. Total carbon dioxide emissions during 2000 were 129,200 (101,400) tons. Emissions of carbon dioxide resulting from transports are not yet covered by our reporting of environmental performance. Some of our plants, however, have examined emissions to the atmosphere from transports in the course of their environmental management activities. During 2000, emissions of sulfur dioxide and nitrogen oxides (NOx) from energy production amounted to 373 (193) and 136 (103) tons respectively. Some plants switched over from high-sulfur to low-sulfur oil during 2000, which has brought about local reductions in the sulfur dioxide emissions. Taken as a whole, however, plant acquisitions gave rise to a substantial increase in air pollution.

Other emissions to the atmosphere consist of odorous substances, gases and dust. Some of these pollutants emanate from the vulcanization process. During the year, the plant in Trelleborg received complaints from neighbors concerning odor problems. The composition of vulcanizing fumes is complicated, and the fumes may contain a large number of different substances, of which many are hazardous to health and the environment. The concentration of any particular substance is usually low. Interest in issues concerned with the properties of vulcanizing fumes is considerable among occupational-health and environmental authorities in a number of countries. Several of the Group's plants have long been equipped with scrubbers to reduce fume emissions. Further installations are planned, including one at Trelleborg.

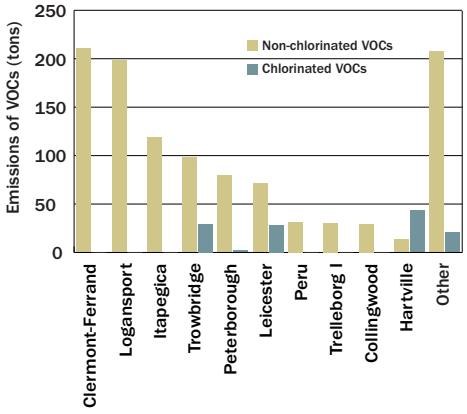
Emissions to water

Water discharge from the majority of plants is relatively limited, and in most cases the factories are connected to municipal wastewater treatment plants. However, some of the Group's recently acquired installations perform metal processing by means of phosphatizing. Since this gives rise to a risk of metal discharges to the aquatic environment, these plants are equipped with internal wastewater treatment plants. No problems involving treatment plants or recipients were reported.

Plants with substantial emissions of CO2



Plants with substantial emissions of VOC



Waste issues

Of the total annual world production of rubber, more than 50% is used for the manufacture of car tires. Indeed, in many countries the disposal of worn-out tires has become a symbol of local and global waste-management problems.

Trelleborg does not produce car tires, but is a significant producer of agricultural tires and other rubber products. This is why it is necessary to state that, from both a cost and an environmental perspective, issues related to waste are of great importance to Trelleborg and other companies in the rubber industry.

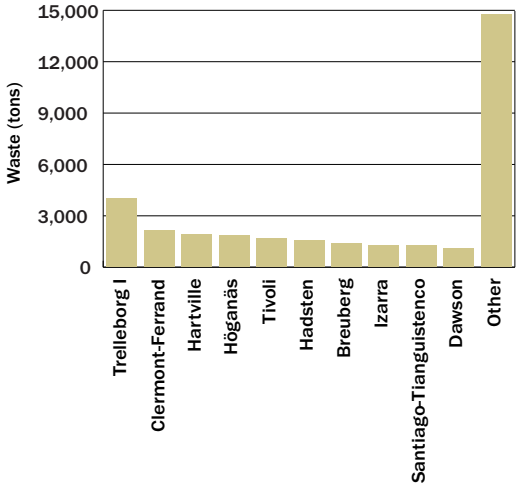
Within the EU, demands for technical solutions to the problem of dealing with rubber waste will increase when the ban on landfill deposition of unsorted combustible waste is introduced. Since both non-vulcanized and vulcanized rubber belong to this waste category, the Group can expect difficulties with waste disposal in several countries. The cost of waste management is also rising dramatically in some countries.

One alternative to landfill disposal is energy recycling. For example, rubber is used as an auxiliary fuel in the cement industry. Rubber waste can also be finely ground and then used in rubber compounds and for new products. For example, the ground product can be mixed into asphalt and surface materials. Car tires can be remolded and retreaded. There are also recycling techniques in which polymers are chemically broken down. At present, however, such methods have only limited commercial application.

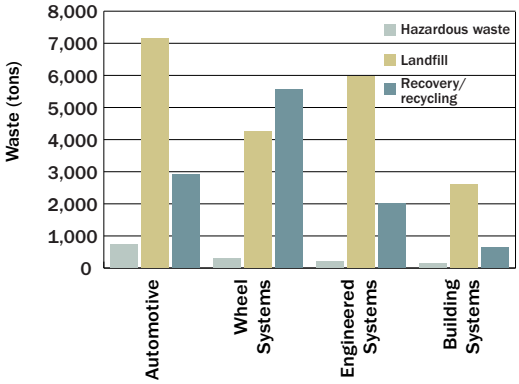
The total waste quantities within Trelleborg are substantial, and a large proportion goes to landfill. This means that a lot of rubber waste is disposed of as landfill in the countries where Trelleborg has its operations. Some of Trelleborg's plants, however, have agreements with destruction installations where the rubber is burned to recover energy. In Sweden, worn-out agricultural tires are collected by a centralized collection system (Svensk DäckÅtervinning). Packaging waste is collected in a similar manner in several countries in Europe. Trelleborg is affiliated to such systems in Sweden, Belgium and the UK.

The Group's total waste during 2000 amounted to 33,000 tons (31,000), of which 20,000 tons (17,000) were disposed of as landfill. Around 11,100 tons (11,000) were source-sorted and recycled as either rubber material or energy. At the plants where metals are processed (e.g. Hadsten and Sävsjö), a significant amount of scrap metal was collected for recycling. Hazardous waste is managed via destruction at approved installations in the various countries where Trelleborg operates. During 2000 the total quantity of hazardous waste came to 1,367 tons (674). In connection with work related to ISO 14000, many plants have taken measures to monitor the waste flow and reduce waste quantities. The plant in Tivoli is engaged in research collaboration with the University of Rome regarding the mechanical/chemical recycling of rubber materials. Findings have been presented at conferences and in scientific articles.

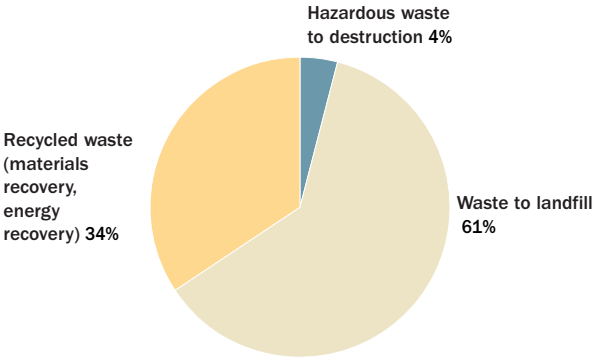
Plants with substantial amounts of waste



Waste categories in different business areas

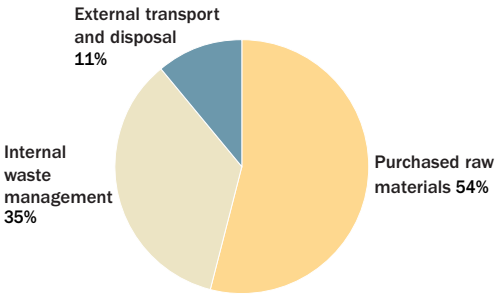


Waste-disposal methods

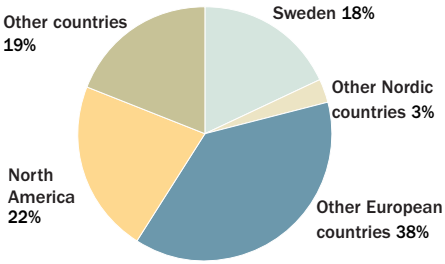


An interesting study from the Evergem plant has shown that 20% of waste arises in the handling of incoming materials and packagings, and 80% from production processes. Around 45% of the waste was found to consist of rubber, 31% of packaging, and 24% of wood and other materials. Waste-related costs corresponded to around 3% of production costs at the plant, of which external transportation and disposal represented only a small proportion.

Distribution of waste costs at Evergem plant



Average number of employees per region in 2000



Social and ethical issues

On January 1, 2000 Trelleborg had around 9,000 employees. Through the acquisitions of Invensys AVS and Laird's automotive-components operations the number of employees had risen to around 15,500 by January 1, 2001. The company now has operations in more than 40 countries. This change and many other changes that the Trelleborg Group is currently undergoing are imposing a wide range of demands on our employees at different levels within the company. One of the goals of Trelleborg's personnel policy is that the Group should be regarded as an attractive employer. This means that there must be scope for personal development at work and competitive financial remuneration.

Integration of acquired operations

Extensive acquisitions impose requirements for a purposeful and goal-oriented integration process. It is important that new personnel feel secure within Trelleborg AB and are aware of the Group's values in various areas. This is achieved, for example, by providing training programs and ensuring that social aspects, such as pensions and insurance-related matters, are dealt with as promptly as possible.

Universities and colleges

In the environmental area Trelleborg is engaged in extensive collaboration with universities and colleges. Group personnel take part in educational and research projects, and each year a number of students perform some of their course and project work at our plants. A list of Master's dissertations that are currently in progress is presented at the end of this environmental report.

Increasing recruitment from universities and colleges is a prerequisite for ensuring the long-term supply of skilled personnel. It was for this reason that Trelleborg established its first international trainee program during the year. In total it encompasses six newly qualified engineers and economists who will spend a year getting to know the people, operations and products within the Group. One of the trainees is a specialist in environmental issues, and is taking part in environment-related projects in Italy and at Group level.

Human rights

Human rights issues are the concern of all companies, and respecting and listening to employees and other stakeholders are preconditions for Trelleborg's continued development. We still do not have all the necessary tools to be able to systematically report and analyze activities in the social and ethical area, but we can state that many activities are being undertaken in different countries. Here are some examples:

- There are equality programs at all our plants in Sweden.
- Trelleborg is the part owner of a company in the US whose principal owner belongs to an ethnic minority.
- Within the Engineered Systems business area employee satisfaction surveys have been performed for several years. Around 1,000 people in Europe and the US regularly respond to questionnaires concerning perceptions of work, satisfaction in the workplace, and other work-environment issues.

	2000	1999
Average no. of Group employees	12,397	12,655
Women (%)	20	23
Men (%)	80	77
Average no. of employees in Sweden	2,250	4,434
Women (%)	30	27
Men %	70	73
Average no. of employees outside Sweden	10,147	8,221
Women %	18	21
Men %	82	79

Our values

- We believe in measurable and clear goals at all levels within the Group.
- We believe in a decentralized organization with extensive delegation of decision-making and responsibilities.
- We believe in goal-oriented management in combination with the training of skilled and motivated employees, rather than detailed instructions and constant supervision.
- We believe in open and honest communication between employees at all levels.
- We believe in continued improvements to our internal and external environments via the ongoing evaluation of materials and production methods.
- We believe in cost awareness in all areas so as to be able to improve competitiveness.

Health and safety

Work environment aspects

Working in the rubber industry entails exposure to work environments that can give rise to both injuries and illnesses. Work environment aspects of special interest are:

- Noise.
- Exposure to chemicals and solvents.
- Exposure to vulcanizing fumes.
- Heavy lifting and repetitive tasks.
- High temperatures.
- Cuts and crushing injuries.

Like many other companies, Trelleborg has certain difficulties in reporting work-related injuries and illnesses. Ways of reporting occupational injuries and illnesses are often governed by the legislation prevailing in a particular country, and global definitions of such illnesses and injuries are not universally applied. An example of the difficulties involved is that in some countries reporting to the authorities takes place when absence from work exceeds one day, whereas in others reports are made only when absence exceeds three days. Within Trelleborg we attempt to produce reliable work-injury statistics by meticulously defining what is regarded as absence and by employing reporting parameters that can accurately be translated from the reporting systems in the various countries in which we operate. We report the number of injuries that give rise to absence of one or more days, so-called Lost Work Cases (LWC). Injury statistics are standardized by specifying them per 1,000 employees (LWC/1,000).

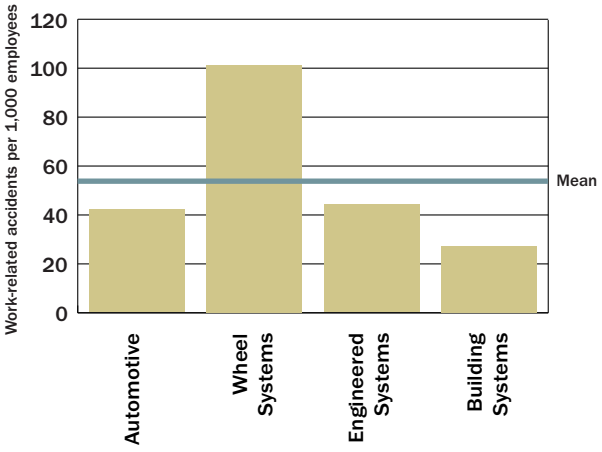
An occupational injury is the product of a sudden event caused by work that gives rise to a wound or other bodily harm. Typical injuries in the rubber industry are minor cuts and injuries caused by crushing/pinching. An occupational illness is an illness caused by long-term exposure to a causative factor in the work environment. Such a factor might be repetitive lifting or daily exposure to solvent fumes.

Accidents

During 2000, 597 (450) employees suffered accidents that resulted in more than one day's absence from work. Total reported absence caused by accidents came to around 22,400 days (5,700). Here, however, there is some uncertainty with regard to what is reported as accident-related absence from work. There is reason to suspect that certain other kinds of absence were included in the statistics of some plants. In most cases injuries were restricted in number and scope, but some lengthy sick-leave periods were also reported. During 2000, the overall accident rate within the Group (number of accidents leading to more than one day's absence from work per 1,000 employees) came to an average of 54 (43). Six outside contractors suffered accidents while working at Trelleborg plants.

The accident rate varies between business areas. Wheel Systems has the highest rate, with 101 accidents leading to absence per 1,000 employees. Building Systems has the lowest number of accidents. In most cases accidents were caused by manual work, and consisted of cuts, burns and crushing injuries. Examples of the backgrounds to these injuries included defective safeguards designed to protect against moving machine parts, inadequate securing of equipment during maintenance work, and incorrect use of tools and other equipment. Some accidents have occurred during internal transports, involving forklifts for example. Within Wheel Systems a wide range of activities is being undertaken to reduce the number of work-related accidents.

Work-related accidents



Work-related illnesses

During 2000, 211 (155) work-related illnesses were reported within the Group. The majority of these were to the locomotive organs and resulted from strain-related injuries. Some illnesses were caused by exposure to chemical products, and involved, for example, allergies and reactions due to oversensitivity. Cases of impaired hearing and other medical conditions were also reported.

Continued studies of hazards in the rubber industry

The rubber industry has been associated with health hazards for more than 50 years. When in 1949 researchers discovered that ß-naphtylamine was present as a contaminant in some of the antioxidants used in rubber compounds, a direct association between cancer of the prostate and work in the rubber industry could be demonstrated. The link between cancer and rubber-industry work received great attention from researchers, employees and the media. ß-naphtylamine was removed from the industrial process, but question marks still remain concerning possible associations between certain illnesses and various chemicals employed in the rubber industry. It is evident that preventive measures, such as improved ventilation, the replacement of some hazardous substances, and the use of safety equipment have reduced the risks. Whether these measures have had an epidemiological effect has not yet been established, since illnesses such as cancer of the prostate, throat and lung usually develop only after a period of 10-20 years.

Despite the 50 or so epidemiological studies that have been performed over the last 25 years, it has not been possible to identify the chemicals that give rise to the increased cancer rate in the rubber industry. One of the problems is that there are so many different substances in the work environment that it is hard to establish which people are exposed to which substances. The overall situation

has been clarified, however, and we know that the greatest exposure to chemical particles takes place during the first stages of production, i.e. the handling of raw materials, and the weighing and mixing of compound ingredients. Solvents are used primarily at the coating and compounding stages. The vulcanization process itself generates vapor and gases containing hundreds of different substances, such as benzene, aromatic hydrocarbons and nitrosamines. Finally, during the handling and warehousing of finished products, gaseous substances are emitted.

Trelleborg monitors the development of scientific knowledge in the area, and many of the Group's factories have participated or are participating in various studies in the field of occupational medicine. Of special interest is the research now being conducted in the Department of Occupational and Environmental Medicine at Lund University, which covers Trelleborg and other rubber companies in Sweden. The research has the following principal purposes and orientations:

- To use modern analysis techniques to investigate exposures and exposure paths with regard to chemical substances in the work environment; and to develop methods for biological exposure monitoring, i.e. urine testing and blood sampling.
- To perform epidemiological surveys in order to study tumor morbidity and deaths from heart, vascular, lung and nervous illnesses.
- To study impacts on reproduction, and certain respiratory and skin diseases.
- To investigate illnesses caused by heavy lifting and other forms of exertion.

The scientific investigations have recently been embarked upon, and results will be reported in our future environmental reports.

Training

Training in the area of occupational health and the environment was provided during the year at plants within the Group. The number of training hours per employee was on average 3.9 (4.7). At the plants which have introduced ISO 14001, a substantial proportion of training time was devoted to the design and functioning of the environmental management system.

Our products and the environment

Rubber has many properties that provide for better comfort and safety and an improved human environment. Many of Trelleborg's products are used for the damping of noise and vibration in cars and trains. Similar properties are utilized in industrial applications, e.g. the damping of vibrations in machines and other equipment. Another important area consists of rubber seals for windows and doors, where the environmental gains lie in the saving of energy and reduction of noise.

Rubber also has other favorable attributes, in that the material constitutes a durable membrane that is impenetrable for both air and water. Accordingly, rubber membranes are used not only in artificial ponds for drinking water but also as sealing layers for waste deposits. Other sealing products (such as bitumen-based roofing felt) have also undergone developments that have led to resource savings with regard to both raw-materials consumption and transportation. Trelleborg also manufactures low-pressure tires for use in the forest and farming industries. The low air pressure reduces the risk of compacting the soil layer under the weight of the machine, which is advantageous from a soil-conservation perspective. The rubber flooring that is manufactured at the plant in Trelleborg has several advantages from an environmental viewpoint. Floors can be laid using water-based glue; they are unchlorinated and hardwearing, and also require less regular polishing than alternatives such as linoleum.

Trelleborg also manufactures chemical- and fire-resistant clothing that protects rescue personnel against chemicals and flames during fire-fighting operations and in the case of chemical accidents. Sorbothane in Kent manufactures special gloves and other equipment to provide protection against vibration when using hand-held power tools.

Producer liability

In Sweden producer liability applies to tires, and Trelleborg therefore pays fees for a system for the collection and proper disposal of worn-out tires. In Sweden, 90% of all tires are disposed of using this system. Producer responsibility for packagings applies within the EU, and – wherever relevant – the Group's companies pay charges to the organizations that gather used packaging materials, such as REPA in Sweden, Val-I-Pak in Belgium, and Valpak in the UK.

Transports

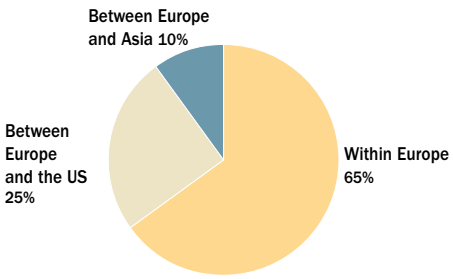
Transports of raw materials and finished products

Transport by truck is the most common form of transportation for our raw materials and finished products, both outside and inside the Group. Most of the plants report that 90% of transports are effected by truck. A limited quantity of goods is transported by train, sea or air. Some measures have been taken to reduce the environmental impact of transportation, and several plants now require hauliers to have a documented environmental program or environmental management system. Some plants, such as Höganäs, Örebro and Hemse, have estimated their transport-related carbon dioxide and sulfur dioxide emissions. In the case of Höganäs it was found that carbon dioxide emissions generated by transports was of the same magnitude as those from energy production. We do not know whether the same applies at other plants.

Business travel

An examination of passenger travel for business purposes reveals that air travel predominates within the Group (accounting for around 70% of costs). Trains are used to only a very limited extent (1%). Car rentals and company cars account for the rest of the expenditure. A substantial proportion of flights are within Europe (65%), while 25% are accounted for by journeys between Europe and the US.

Geographic distribution of air travel



Suppliers are part of our environmental work

The interaction between supplier and customer is very important from an environmental perspective. Trelleborg buys many products and services where the environmental performance of the supplier and the product in question impact on Trelleborg's own environmental performance. Examples of products and services of special interest are natural rubber, synthetic rubber, chemicals, energy, and transports. During 2000, a global purchasing organization was formed, and work is now in progress to establish Group-wide policies and procedures for how environmental issues are to be handled in this context. The following are some examples:

- For several years we have taken account of environmental aspects in the procurement process for goods shipments and business trips (in Sweden).
- As part of the Group's work with chemical safety, assessments are made of the chemicals' health-related and environmental properties. Chemicals giving rise to special hazards are phased out, or detailed information and safety requirements are imposed on suppliers.

Within the framework of our ISO 14000 activities, an increasing number of plants are initiating routines to ensure that environmental issues are considered in the procurement of goods and services. This is usually coordinated with the appraisals of suppliers that are made in relation to quality.

When things don't go as planned

During 2000, a total of 33 spillages, fires, and uncontrolled emissions to the environment were reported. All the incidents were restricted in scope, and impacts on people or the environment were negligible. The majority of incidents consisted of minor fires that could be extinguished on site by production-process personnel.

During the fiscal year, 42 complaints were received from neighboring residents or other persons in the vicinity of our plants. The complaints concerned noise, odors and dust. A considerable number of complaints about disturbing odors came from the vicinity of the plant in Trelleborg (Trelleborg I). Citing the odor problems, a neighbor also appealed against the decision of Sweden's Environment Court on a matter concerning the installation of more vulcanizing machines.

Environment and finance

It is a major challenge to translate the Trelleborg Group's environmental performance into financial terms. Obtaining an overview in terms of costs and savings in relation to energy and water is, of course, a prerequisite for effective controls in these areas. Similarly, it has become ever more important not only to understand and monitor other environment-related costs but also to indicate when future-oriented environmental activities will generate savings and increased efficiency. During 2000 we improved collection of data concerning the links between the environment and finance.

Environment-related costs

The administrative costs for environmental work amounted to SEK 22.1 M, which corresponds to around 1% of the costs for sales, administration and research (SAR). Administrative costs include expenses for environmental departments and permit applications, fees paid to authorities, costs for the introduction and maintenance of environmental management systems, and hired consulting services.

Costs for energy, water and waste management amounted to SEK 336 M, which corresponds to around 3% of the costs of goods sold (COGS). During the year, the Group paid out SEK 28.1 M for the handling, transportation and disposal of waste. As shown in the Waste issues section of this report, these costs represent only a part of the total waste-management expense. Measures taken by the authorities to reduce waste quantities are imposing ever greater demands on the industry, and we in the Trelleborg Group are expecting significant increases in waste-related costs over the years immediately ahead. Above all, this applies within the EU.

As described elsewhere in this environmental report, a number of projects for the decontamination of soil and groundwater are in progress. During 2000, the costs for these projects came to SEK 5 M.

Environment-related investments

Total environment-related investments during 2000, including treatment plants, preventive measures and work-environment improvements, came to SEK 32.3 M, which corresponds to around 6% of the Group's total investments. Major investment expenditures were made in the plants at Barcelona (ventilation, water treatment), Coventry (water treatment), Trelleborg I (air cleaning), Trelleborg II (work environment) and Clermont-Ferrand (waste management).

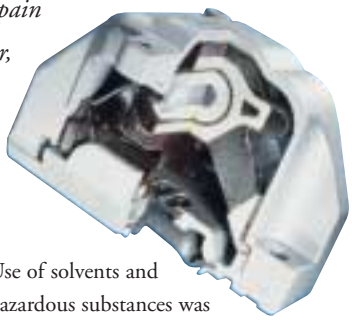
Savings

Several plants report savings in the environmental area. These savings, usually as a result of ISO 14000 work, arise primarily from the more efficient utilization of energy and water, and reduced quantities of waste. Savings amounted to around SEK 5 M.

	Cost (SEK M)
Fossil energy (oil, gas, coal)	114.0
Electrical energy	177.1
Water	17.0
Waste	28.1
Total – Water/Energy/Waste	336.1
Administrative costs	22.1
Environment-related investments	32.3
Decontamination of soil and water	5.0

AUTOMOTIVE

Trelleborg Automotive had around 6,000 employees during 2000. Key products are antivibration systems for vehicles and sound-absorbing products for brakes. Trelleborg has manufacturing plants in Sweden (Kalmar, Sjöbo), the UK (Peterborough, Leicester, Coventry, Trowbridge), Germany (Breuberg, Nastätten), Spain (Barcelona, Burgos), the US (Kent, Peru, Logansport, South Haven, Benton Harbor, Sandusky, Dawson, Carmi, Morganfield), Mexico (Toluca), Brasil (Itapegica), and China (Jiangsu).



Environmental organization and environmental management system

There are environmental coordinators at plant level. In the US, there is a coordinating environmental function at staff level. The business area has five plants in Europe that are certified in accordance with ISO 14001. The automotive industry in both Europe and the US is now demanding that suppliers be environmentally certified, which is why work on introducing ISO 14001 in the US will be given high priority.

Environmental performance

Trelleborg Automotive has many plants, a number of which are large installations. Energy consumption and emissions of greenhouse gases (CO_2) are therefore considerable. The business area also predominates within the Group in terms of emissions of solvents to the atmosphere and waste quantities. The accident rate is below the Group average.

Important events during the year

At the plant in Kalmar (Rubore), energy consumption per m^2 of materials produced was reduced from 2.8 MWh till 2.1 MWh. The quantity of waste deposited in landfills fell from 92 kg/m^2 till 20 kg/m^2.

In Burgos substantial savings were achieved through the reuse of rubber waste in new products.

The plant in Barcelona invested in improved ventilation and wastewater treatment. Water consumption fell by 75%.

Use of solvents and hazardous substances was reduced at many production units, including Carmi, Dawson, Morganfield and Breuberg.

Energy-saving measures were implemented at Morganfield.

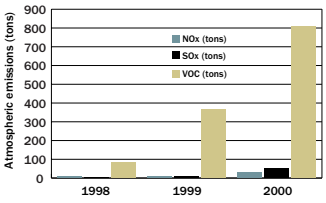
Trials for a transition to water-based lacquers are in progress in Sjöbo, Leicester and Trowbridge.

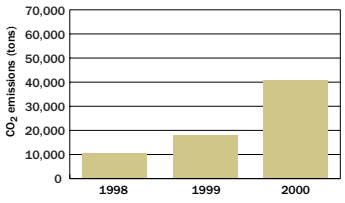
In Benton Harbor, an ergonomic evaluation model was introduced to aid the design of new workplaces.

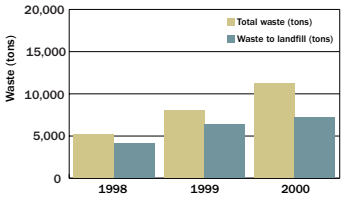
Noise-reduction measures were implemented in Nastätten.

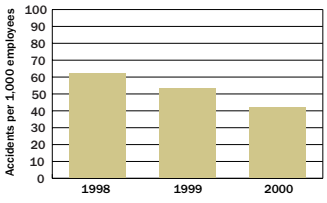
Key figures

Energy consumption	376 GWh (37 % of Group total)
Water consumption	1,034,200 m^3 (19 % of Group total)
Emissions of VOC to air	806 tons (68 % of Group total)
Recycled waste	2,919 tons (26 % of Group total)
Landfilled	7,151 tons (36 % of Group total)
Accident rate	42/1,000 employees (Group average 54/1,000)
ISO 14001 certificates	5 (22 % of Group total)









Environmental data 1998-2000 for Trelleborg Automotive

Plant	Number of employees			Energy (GWh)			Water (m³)			VOC (tons)			CO_2 (tons)		
	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998
Kalmar	80	65	64	5.9	5.5	3.7	568	540	826	19.5	8.0	3.5	1,017	928	598
Sjöbo	112	96	72	15.4	16.3	14.6	2,614	8,354	16,700	17.0	17.5	19.0	1,571	1,721	1,120
Peterborough	185	215	-	12.0	13.7	-	35,450	38,550	-	79.0	88.0	-	530	629	-
Leicester	402	363	-	30.4	34.5	-	93,215	93,904	-	98.7	69.4	-	3,998	4,798	-
Coventry	208	-	-	18.9	-	-	83,213	-	-	4.4	-	-	1,974	-	-
Trowbridge	273	310	-	12.7	17.8	-	33,134	44,371	-	127	68.4	-	790	1,006	-
Breuberg	630	-	-	52.2	-	-	161,092	-	-	6.0	-	-	6,499	-	-
Nastätten	75	-	-	2.4	-	-	1,027	-	-	0.0	-	-	0	-	-
Barcelona	178	169	-	5.9	5.7	-	7,004	9,003	-	50.7	48.3	-	52	110	-
Burgos	66	67	96	3.6	3.6	5.6	1,783	1,630	2,611	0.0	0.0	0.5	221	212	156
Kent	22	-	-	0.4	-	-	0	-	-	1.0	-	-	14	-	-
Peru	297	-	-	24.5	-	-	29,363	-	-	31.5	-	-	1,586	-	-
Logansport	520	-	-	59.1	-	-	117,702	-	-	198.0	-	-	7,157	-	-
South Haven	137	119	90	4.1	3.8	3.5	4,400	5,800	4,080	0.8	0.0	0.0	253	252	295
Benton Harbor	120	120	125	8.0	5.7	5.7	8,778	18,400	18,100	0.2	0.2	2.0	416	512	520
Sandusky	342	332	330	30.8	27.5	28.5	124,477	153,800	131,102	24.0	19.2	17.7	3,925	3,394	3,686
Dawson	195	190	185	10.7	11.2	11.8	50,216	86,300	43,283	1.7	8.3	3.9	857	1,027	1,136
Carmi I	60	56	58	11.8	11.0	11.4	5,629	6,100	6,800	0.0	0.0	0.0	710	760	860
Carmi II	148	142	133	9.4	8.7	7.9	29,640	36,800	29,919	18.5	16.5	18.8	1,212	1,008	1,019
Morganfield	180	183	143	16.7	16.1	11.0	46,287	47,669	41,200	5.1	17.3	12.3	1,499	1,434	971
Toluca	140	115	230	4.2	3.3	3.0	4,461	5,266	4,089	4.4	1.9	3.8	0	0	0
Itapegica	466	-	-	13.9	-	-	69,116	-	-	118.0	-	-	200	-	-
Jiangsu	703	-	-	19.0	-	-	125,000	-	-	0.9	-	-	6,110	-	-

Plant	Total waste (tons)			Hazardous waste (tons)			Landfilled waste (tons)			Accidents/ 1,000 employees			Uncontrolled emissions, spillages, fires		
	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998
Kalmar	551	455	348	3	4	8	68	174	120	38	31	31	0	0	1
Sjöbo	407	316	160	0	0	9	23	23	26	188	52	-	1	0	0
Peterborough	797	1,036	-	3	2	-	690	840	-	130	88	-	0	2	-
Leicester	584	886	-	84	117	-	500	769	-	47	83	-	12	0	-
Coventry	63	-	-	2	-	-	60	-	-	10	-	-	0	-	-
Trowbridge	661	200	-	103	42	-	558	137	-	26	700	-	5	0	-
Breuberg	1,363	-	-	231	-	-	263	-	-	33	-	-	0	-	-
Nastätten	0	-	-	0	-	-	0	-	-	53	-	-	0	-	-
Barcelona	288	211	-	45	55	-	227	101	-	158	89	-	0	0	-
Burgos	189	337	350	0	0	9	184	322	341	91	100	73	0	0	0
Kent	51	-	-	1	-	-	50	-	-	0	-	-	0	1	-
Peru	385	-	-	31	-	-	354	-	-	0	-	-	0	-	-
Logansport	195	-	-	63	-	-	132	-	-	21	-	-	0	-	-
South Haven	36	12	54	0	0	0	24	6	36	15	0	0	0	0	0
Benton Harbor	710	946	1,014	24	22	25	650	847	989	25	8	240	0	0	0
Sandusky	490	532	720	5	6	5	284	354	273	47	36	54	0	0	0
Dawson	1,108	1,179	1,080	38	28	23	932	1,006	1,048	56	58	76	0	1	0
Carmi I	557	419	60	1	1	0	495	372	-	0	241	-	0	0	0
Carmi II	621	567	535	2	5	4	600	550	517	54	30	30	0	1	0
Morganfield	661	736	626	3	13	10	650	716	610	61	49	28	0	1	0
Toluca	297	183	155	32	0	4	265	144	141	50	87	87	0	0	0
Itapegica	483	-	-	69	-	-	378	-	-	52	-	-	0	-	-
Jiangsu	695	-	-	-	-	-	250	-	-	1	-	-	0	-	-

Plant	Certificate
Kalmar	ISO 14001, ISO 9001,QS 9000
Sjöbo	ISO 9001, QS 9000
Peterborough	ISO 9001, QS 9000, ISO 14001
Leicester	ISO 9001
Coventry	ISO 14001, ISO 9001
Trowbridge	QS 9000
Breuberg	ISO 9000, QS 9000, VDA 6,1, FORD Q1
Nastätten	—
Barcelona	ISO 9001, QS 9000, EAQF-94/VDA6,1
Burgos	ISO 14001, ISO 9001, ISO 9009, QS 9000, UDA 6,1
Kent	—
Peru	QS 9000
Logansport	QS 9000
South Haven	QS 9000
Benton Harbor	ISO 9001, QS 9000
Sandusky	QS 9000
Dawson	QS 9000
Carmi I	ISO 9002
Carmi II	QS 9000
Morganfield	QS 9000
Toluca	QS 9000
Itapegica	QS 9000
Jiangsu	ISO 9001, QS 9000, VDA 6,1

WHEEL SYSTEMS

Trelleborg Wheel Systems has around 2,600 employees and manufactures wheels and wheel rims for machines in the forest and farming industries, and also forklift trucks and other materials-handling equipment. The business area has manufacturing plants in Sweden (Trelleborg, Sävsjö), Denmark (Hadsten), Belgium (Evergem), the Netherlands (Hoogezand), Spain (Santander), Italy (Tivoli), the US (Hartville) and Sri Lanka (Walgama, Sapugaskanda).

Environmental organization and environmental management system

Environmental coordinators are employed at the various plants. At the plant in Trelleborg there is a specialist Environmental Service organization to support the various other organizations on site. Trelleborg Wheel Systems established its Q-SHE Council, which considers health and environmental issues at overall level throughout the business area. The Council consists of representatives of the business area's plants in Sweden (Forest & Farm), Belgium, Italy and the US. The key aims of the Council are to follow up environmental work at the various plants and to share experience. Prioritized areas are ISO 14001, work-environment issues, and occupational accidents. The Council also compares environmental performance between plants, and disseminates examples of good practice in the environmental area. Two plants within Wheel Systems obtained certification in accordance with ISO 14001.

Environmental performance

The manufacture of large tires requires considerable resources and also has an environmental impact. Energy consumption and carbon dioxide emissions are both substantial. The business area is a relatively heavy user of chlorinated solvents. Water consumption is very high at two plants. At two others, metal machining enables the recovery of scrap metal, which results in Wheel Systems showing the highest recycling rate within the Group. Occupational accidents are common, and the accident rate is very high.

Important events during the year

Within Forest & Farm efforts are being made to reduce emissions of solvents (heptane) to the atmosphere. In 1986 around 30 kg of heptane were used per metric ton of manufactured tires. The figure is now 2.5 kg per ton, and the goal is to reach 2.1 kg/ton. A smokestack has been installed at the tire plant, which will reduce the odors from vulcanizing fumes that currently disturb the neighboring environment.

In Hartville there is a program for replacing the chlorinated solvents that act as adhesives on contact surfaces between rubber and metal. An ergonomics program is also being introduced, which is expected to have a major impact. At Hartville the new position of recycling manager was established. The idea is to obtain better control over the generation and flows of waste. Naturally, the overall objective is to reduce waste quantities.

Soil decontamination is taking place in Evergem. Sixty holes have been drilled, and "pump and treat" technology will be used. The environmental permit in Hoogezand was revoked. Work is in progress to reinstate the permit.

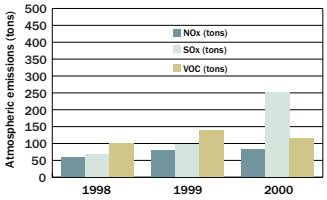
In Tivoli, work on the decontamination of groundwater was embarked upon.

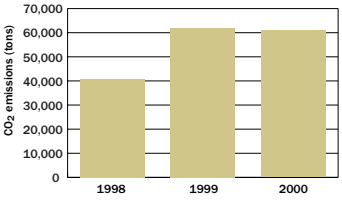
Projects are also under way at Tivoli aimed at saving energy, improving ventilation of vulcanizing fumes, eliminating PCBs in transformers, and finding substitutes for HA oils. Within the work-environment area, safety is being improved through training and technical installations.

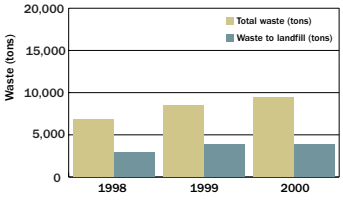
In Sri Lanka nitrosamine-forming substances (MBS) have been removed from the production process.

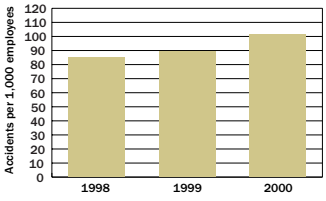
Key figures

Energy consumption	355 GWh (35 % of Group total)
Water consumption	3,402,600 m³ (63 % of Group total)
Emissions of VOCs to air	113 tons (10 % of Group total)
Recycled waste	5,237 tons (47 % of Group totall)
Landfilled waste	3,891 tons (19 % of Group total)
Accident rate	101/1,000 employees (Group average 54/1,000)
ISO 14001 certificates	2 (9% of Group total)









Environmental data 1998-2000 for Trelleborg Wheel Systems

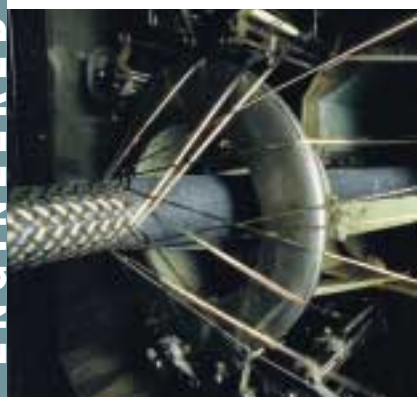
Plant	Number of employees			Energy (GWh)			Water (m^3)			VOC (tons)			CO_2 (tons)		
	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998
Trelleborg I	497	507	557	45.8	61.6	76.4	25,183	63,200	73,100	19.0	14.7	17.9	4,615	7,010	8,740
Sävsjö	43	38	37	2.9	2.5	2.2	1,203	1,050	838	0.0	0.0	0.0	185	124	1,066
Hadsten	110	110	108	3.6	3.8	3.7	2,976	2,500	2,500	0.0	0.0	0.0	407	237	452
Evergem	167	270	309	33.7	36.2	44.6	20,015	14,700	22,398	19.4	32.0	25.0	5,386	5,523	6,113
Hoogezand	94	100	108	19.8	22.5	19.3	13,000	13,000	15,000	0.0	0.0	0.0	3,752	3,333	4,018
Tivoli	530	496	-	125.7	123.0	-	2,723,230	2,450,000	-	24.0	34.0	-	24,268	28,739	-
Santander	41	40	42	1.7	1.6	1.9	800	1,300	864	0.0	0.3	0.3	2,230	190	234
Hartville	251	248	240	72.9	68.5	66.3	526,266	400,300	450,263	56.4	49.0	56.0	10,034	9,339	9,186
Walgama	248	252	-	13.0	14.6	-	60,000	58,900	-	0.0	0.0	-	1,928	2,652	-
Sapugaskanda	450	420	393	35.5	21.7	46.1	29,894	46,000	46,588	7.0	7.1	-	7,841	4,706	10,868

Plant	Total waste (tons)			Hazardous waste (tons)			Landfilled waste (tons)			Accidents/ 1,000 employees			Uncontrolled emissions, spillages, fires		
	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998
Trelleborg I	2,153	2,071	1,860	152	109	152	734	680	447	56	16	39	4	1	4
Sävsjö	680	20	-	15	9	0	0	11	0	0	0	0	0	1	0
Hadsten	1,556	1,377	1,653	30	0	0	28	30	0	155	36	148	0	0	0
Evergem	720	787	1,038	28	33	38	129	445	645	30	51	52	0	3	0
Hoogezand	381	527	689	10	15	12	235	251	347	11	30	28	0	0	0
Tivoli	1,652	1,577	-	46	90	-	1,080	982	-	174	153	-	0	0	-
Santander	78	85	120	1	0	0	77	85	120	98	0	24	1	0	0
Hartville	1,923	1,814	1,469	8	10	10	1,316	1,275	1,209	60	93	58	0	0	0
Walgama	134	50	-	0	0	-	134	50	-	187	143	-	0	0	-
Sapugaskanda	157	125	-	0	0	-	157	100	100	82	123	198	0	0	-

Plant	Certificate
Trelleborg I	ISO 14001, ISO 9001 (Agri), ISO 9001 (F&F)
Sävsjö	ISO 9001
Hadsten	ISO 9001
Evergem	ISO 9001
Hoogezand	ISO 9001
Tivoli	ISO 9001
Santander	ISO 9002
Hartville	ISO 9001
Walgama	—
Sapugaskanda	ISO 9002

ENGINEERED SYSTEMS

Trelleborg Engineered Systems has around 2,800 employees, and manufactures industrial hoses, polymers for infrastructural projects, rubber membranes, rubber flooring, road-marking tape, and safety equipment. The business area has manufacturing plants in Sweden (Trelleborg, Ystad, Hemse, Örebro), Norway (Mjöndalen), the Netherlands (Ridderkerk, Ede), the UK (Hull, Runcorn), Spain (Izarra), France (Clermont-Ferrand), Canada (Collingwood) and Mexico (Santiago Tianguistenco).



Environmental organization and environmental management system

Environmental coordinators are employed at the various plants. At the Trelleborg plant there is a specialist Environmental Service organization to support the various other organizations on site. At business-area level there is an environmental controller. Work on introducing environmental management systems has been successful, and Engineered Systems now has 12 plants with certification.

Environmental performance

Engineered Systems' energy consumption and carbon dioxide emissions are moderate from a Group perspective, but one of the plants emits substantial quantities of solvents. The accident rate is below the Group average.

Important events during the year

The plant in Ridderkerk is participating in an industry-wide energy-conservation project. The facility in Örebro was awarded a prize by the energy authorities for energy-saving measures. Similar measures were taken in Hemse. At Engineered Products in Trelleborg source-sorting of waste and the fragmentation of rubber waste reduced the amount of waste deposited in landfills to around 150 tons/year. Also, HA oils were removed from certain rubber mixes. Use of HA oils also ceased in Ystad.

A waste-management project was conducted in Izarra with the purpose of reusing rubber waste. Sulfur dioxide emissions were reduced by 60% through the use of oil with a low sulfur content.

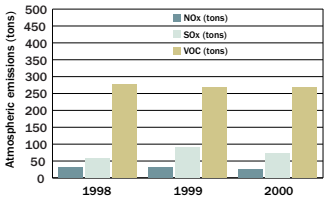
Chlorinated paraffins were removed from the production process in Collingwood.

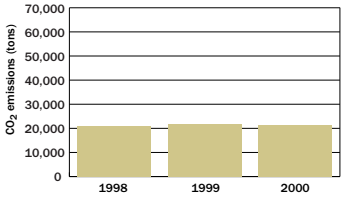
In Mjöndalen, measures were taken to improve ventilation and reduce exposure to solvents and vulcanizing fumes. Waste quantities fell by half compared with previous years.

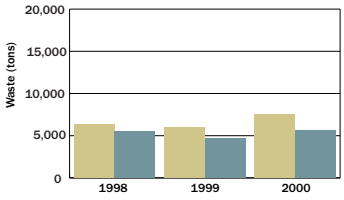
At the plant in Clermont-Ferrand, substantial investments were made in improved waste management. Energy-consumption measures resulted in significantly lower costs. Technical Composites in Trelleborg made a major investment in air-cleaning equipment to combat emissions of solvents from the manufacture of road-marking tape.

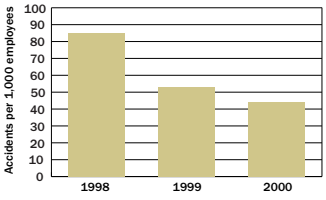
Key figures

Energy consumption	181 GWh (18 % of Group total)
Water consumption	583,700 m³ (11 % of Group total)
Emissions of VOCs to air	268 tons (22 % of Group total)
Recycled waste	1,674 tons (15 % of Group total)
Landfilled waste	5,614 tons (28 % of Group total)
Accident rate	44/1,000 employees (Group average 54/1,000)
ISO 14001 certificates	12 (52% of Group total)









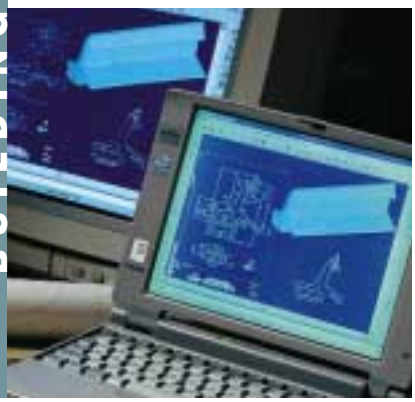
Environmental data 1998-2000 for Trelleborg Engineered Systems

Plant	Number of employees			Energy (GWh)			Water (m^3)			VOCs (tons)			CO_2 (tons)		
	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998
Trelleborg I	170	60	-	14.6	0.9	1.2	6,800	1,500	1,760	11.3	14.6	16.2	1,950	80	105
Trelleborg II	217	236	248	26.6	26.0	28.2	40,488	34,000	42,551	3.5	3.8	5.3	3,500	3,500	3,800
Ystad	100	104	110	2.8	3.1	3.3	1,000	2,500	2,500	5.7	4.7	5.5	363	416	442
Hemse	96	90	92	4.2	4.8	5.3	2,398	2,360	2,210	0.0	0.0	0.0	44	91	130
Örebro	110	105	110	4.5	4.7	5.3	3,899	4,600	4,750	1.5	1.5	0.0	0	0	0
Mjöndalen	217	265	-	17.4	19.4	-	70,683	73,500	-	9.7	15.1	-	0	1,057	-
Ridderkerk	103	105	108	8.9	8.7	8.7	6,168	6,460	7,305	4.5	6.2	6.2	1,376	1,442	1,525
Ede	65	65	65	4.2	3.9	4.4	6,526	6,580	6,498	1.6	1.8	2.0	716	674	781
Hull	50	30	-	1.6	1.2	-	1,320	1,257	-	0.3	-	-	1	1	-
Izarra	281	282	261	22.3	22.1	19.2	14,995	12,400	15,420	24.5	8.7	9.1	2,930	3,328	3,076
Runcorn	30	30	31	10.3	9.9	10.5	1,200	680	646	0.0	0.0	0.0	1,694	1,674	1,761
Clermont-Ferrand	590	579	611	55.3	51.8	59.7	323,754	293,300	307,271	209.8	213.0	226.0	8,010	7,720	7,995
Collingwood	50	45	-	4.7	4.3		89,320	85,700	-	29.2	0.0	-	677	581	-
Santiago Tianguistenco	160	134	115	3.3	6.3	6.7	15,143	-	-	0.0	-	3.0	0	1,011	1,176

Plant	Total waste (tons)			Hazardous waste (tons)			Landfilled waste (tons)			Accidents/ 1,000 employees			Uncontrolled emissions, spillages, fires		
	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998
Trelleborg I	416	35	20	14	10	10	160	12	10	12	0	33	1	0	0
Trelleborg II	763	896	1,029	18	6	12	100	250	524	9	16	28	0	7	0
Ystad	76	74	57	4	3	0	62	60	57	0	0	54	0	0	0
Hemse	149	115	125	9	4	8	59	66	105	21	22	87	0	0	0
Örebro	99	84	77	1	1	4	53	60	55	18	17	73	0	1	0
Mjöndalen	468	861	-	3	27	-	378	598	-	23	41	-	0	0	-
Ridderkerk	307	145	132	20	5	9	0	0	0	58	28	55	2	0	0
Ede	77	97	116	0	0	0	60	77	98	46	31	61	0	0	0
Hull	33	55	-	1	0	-	30	55	-	20	0	-	0	0	-
Izarra	1,250	1,463	2,318	30	10	10	1,200	1,345	2,300	142	131	123	0	2	1
Runcorn	408	464	406	0	0	0	408	464	406	33	0	0	0	0	0
Clermont-Ferrand	2,152	1,622	1,742	43	42	51	1,835	1,553	1,635	53	73	105	1	7	0
Collingwood	104	104	-	5	1	-	86	103	-	40	44	-	0	0	-
Santiago Tianguistenco	1,235	-	322	52	-	31	1,184	-	275	-	0	-	0	0	0

Plant	Certificate
Trelleborg I	ISO 14001, ISO 9001
Trelleborg II	ISO 14001 (Industrial Hose + Engineered Products) ISO 9001
Ystad	ISO 9001
Hemse	ISO 14001, ISO 9002
Örebro	ISO 14001, ISO 9002
Mjöndalen	ISO 14001, ISO 9001, QS 9000
Ridderkerk	ISO 14001, ISO 9001
Ede	—
Hull	ISO 14001, ISO 9002
Izarra	ISO 14001 (TIBASA, IESA),ISO 9002 (TIBASA), ISO 9001 (IESA)
Runcorn	ISO 9002
Clermont-Ferrand	ISO 9001
Collingwood	ISO 14001, ISO 9001
Santiago	—
Tianguistenco	ISO 9002

Trelleborg Building Systems has around 1,250 employees and manufactures rubber sheeting for roofs and waste containers, bitumen-based sealing layers, bridge membranes and sealing strips. The business area has manufacturing plants in Sweden (Värnamo, Bor, Rydaholm, Höganäs), Germany (Mosbach, Papenburg) and the UK (Minworth).



Environmental organization and environmental management system

Environmental coordinators are employed at the various plants. During 2000, four units obtained certification in accordance with ISO 14001.

Environmental performance

The production units within Building Systems are relatively small, and there is only one mixing section within the business area. This means that environmental impacts in terms of energy and water consumption are relatively small. Emissions of solvents to the atmosphere are very low, but the quantity of waste deposited in landfills is relatively high. Building Systems has the lowest accident rate in the Trelleborg Group.

Important events during the year

Within the business area, a number of projects were implemented to reduce the use of chemicals hazardous to health or the environment. Use of ETU has largely ceased in Rydaholm. MBS was phased out in Värnamo and Bor. Lead was removed from Rubber Membranes' production process in Värnamo. Usage of zinc was reduced at a number of plants. HA oils are no longer used at Värnamo II.

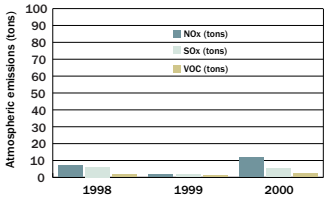
The plant in Norregård (Värnamo II) switched over from oil-firing to propane gas firing.

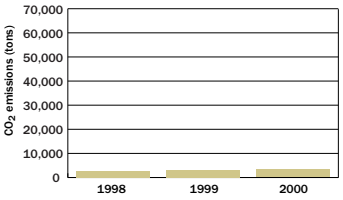
Risk and safety analyses were performed on all machines at Centrumfabriken (Värnamo I).

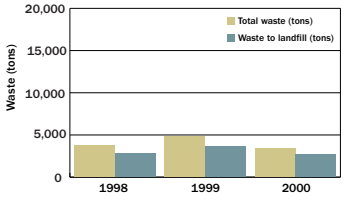
A fire disabled the air-cleaning equipment for the removal of vulcanizing fumes at Värnamo II. Production was halted for a day but was able to resume after permission was received from the authorities. There was no harm either to people or to the environment.

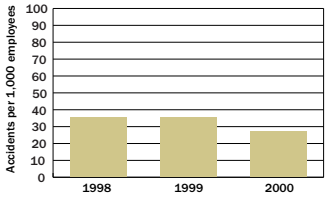
Key figures

Energy consumption	72 GWh (7 % of Group total)
Water consumption	340,550 m³ (6 % of Group total)
Emissions of VOCs to air	2 tons (0.2 % of Group total)
Recycled waste	642 tons (6 % of Group total)
Landfilled waste	2,611 tons (13 % of Group total)
Accident rate	27/1,000 employees (Group average 54/1,000)
ISO 14001 certificates	4 (17% of Group total)









Environmental data 1998-2000 for Trelleborg Building Systems

Plant	Number of employees			Energy (GWh)			Water (m³)			VOCs (tons)			CO_2 (tons)		
	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998
Värnamo I	145	142	183	14.4	10.7	11.5	24,000	28,000	40,755	0.0	0.0	0.0	28	23	65
Värnamo II	151	161	154	15.5	16.1	16.1	161,800	122,000	86,680	0.0	0.0	0.0	600	825	1020
Bor	62	81	84	8.5	9.1	9.7	73,940	78,370	80,300	0.0	2.5	5.0	432	571	614
Rydaholm	98	104	99	6.0	6.7	7.7	1,699	2,130	2,553	0.0	0.0	0.0	0	0	0
Höganäs	90	70	82	12.5	10.6	11.3	4,900	3,580	4,335	2.0	2.5	6.5	1,012	880	838
Mosbach	82	73	-	6.5	7.4	-	32,678	40,450	-	0.0	0.0	-	487	651	-
Papenburg	79	-	-	1.8	-	-	591	-	-	0.0	-	-	70	-	-
Minworth	97	-	-	6.9	-	-	40,942	-	-	-	-	-	494	-	-

Plant	Total waste (tons)			Hazardous waste (tons)			Landfilled waste (tons)			Accidents/ 1,000 employees			Uncontrolled emissions spillages, fires		
	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998	2000	1999	1998
Värnamo I	123	44	50	45	39	44	4	4	5	14	42	60	0	0	0
Värnamo II	614	615	397	50	36	19	334	319	-	27	62	19	3	0	1
Bor	477	2,094	1,547	2	22	17	388	1,600	1,280	32	25	24	1	1	1
Rydaholm	285	327	296	27	63	23	63	58	43	20	10	40	0	1	1
Höganäs	1,854	1,405	1,485	1	5	0	1,822	1,400	1,485	0	14	14	0	0	0
Mosbach	-	368	-	-	0	-	-	247	-	98	14	-	1	0	1
Papenburg	42	-	-	0	-	-	0	-	-	25	-	-	0	-	-
Minworth	-	-	-	-	-	-	-	-	-	21	-	-	1	-	-

Plant	Certificate
Värnamo I	ISO 9001
Värnamo II	ISO 14001, ISO 9001
Bor	ISO 9001
Rydaholm	ISO 14001, ISO 9001
Höganäs	ISO 14001, ISO 9001
Mosbach	—
Papenburg	ISO 9000
Minworth	ISO 9000

Other environment-related activities

41Universities and colleges

The Group cooperates with universities and colleges in Sweden and other countries. Examples of this cooperation have included research projects, dissertations, study visits and teaching. A list of relevant master's degree theses is given on the penultimate page of the report. By providing instructional materials, the Group has also fostered environmental commitment among intermediate-level high school students.

Seminars and conferences

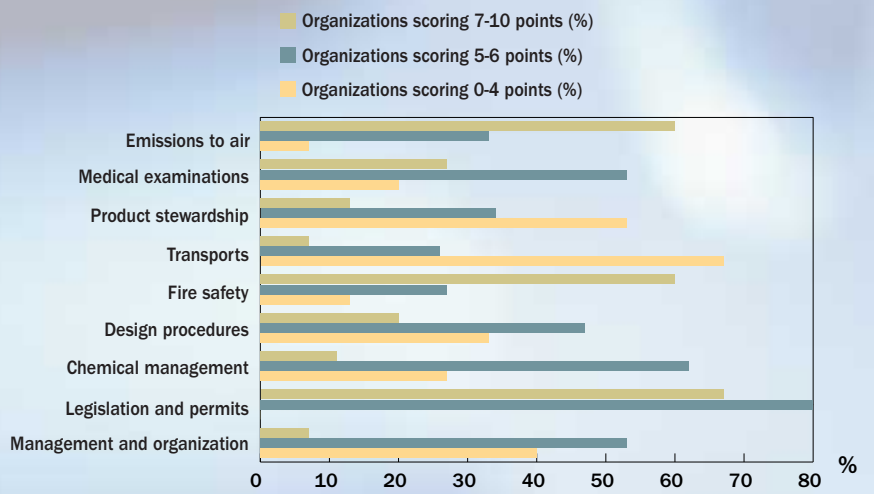
Presentations on Trelleborg's environmental work have been given at a number of international seminars and conferences, with the focus on such topics as environmental management systems and environmental audits. During summer 2000, we were also present at the Global Environment Youth Convention in Lund, southern Sweden. Trelleborg's stand displayed products that contribute to a better environment. A popular feature on the stand was the Trelleborg Environmental Quiz, in which competitors had to answer questions about various environmental problems and about Trelleborg's products. After receiving more than 250 responses from 80 countries, Trelleborg awarded 175 prizes to the winners. Caps bearing the Trelleborg logo are now being worn in countries as diverse as Burundi, Poland, Canada, India, Colombia and Denmark. King Carl XVI Gustaf of Sweden participated in the opening ceremony of the environmental convention.

Responsible Care

Responsible Care

For a number of years, Trelleborg has participated in the chemical industry's international environmental program Responsible Care, and the Group submitted environmental data during the year to the chemical industry's joint environmental reporting organization for Sweden.

The Association of Swedish Chemical Industries now requires that member companies that are affiliated with Responsible Care verify their environmental commitments. In connection with the verification process during 2000, Trelleborg's Swedish plants conducted self-evaluations based on a model developed by the Association of Swedish Chemical Industries. In most cases, the environmental coordinators at the plants performed the evaluations with the assistance of a group of employees. A total of 16 plants or organizations completed the questionnaire. The evaluations reveal both strengths and weaknesses relating to environmental and work-environment issues at the Group's plants in Sweden. In general, it can be stated that the plants that have introduced ISO 14001 show better results in most of the areas examined. The average grade for all the participating plants and all the areas examined was 6.0 on a scale from 1-10 points. A score under 5 is regarded as



un-acceptably poor. Compliance with legislation, emissions to air and fire safety are among the areas where Trelleborg's plants were considered to perform strongly. The survey also showed that more attention needs to be directed to environment-related issues relating to products and transports.

Industry associations and networks

Through its involvement in industry associations in various countries, Trelleborg co-operates with other industrial concerns in a range of environmental activities. The associations and networks in which Trelleborg is represented include the Swedish Rubber Industry Association's environment committee, the Association of European Rubber Manufacturers (BLIC), the environmental committee of the Association of Swedish Chemical Industries and Environmental Auditors in Sweden.

A number of industry organizations conduct extensive research and development projects in the environmental area and function as reference groups for new legislation and other development work in the environmental area. Some examples of projects and working groups within BLIC that are of special interest to Trelleborg are:

- Life cycle assessment of a car tire in accordance with the requirements stated in ISO 14040. The project was in progress during 2000 and is scheduled to be concluded during spring 2001. Trelleborg is represented in the steering committee for the LCA study.
- Study of the spread and environmental effects of zinc oxide. Zinc oxide is one of the components in rubber, and it has not yet been shown how it is released from rubber particles and what impact it may cause on the ecosystem.
- The use of hazardous substances in the rubber industry and the effects of existing and future legislation on the industry. Trelleborg also participates in an international cooperative project relating to work-environment and environmental issues in the rubber industry within the framework of the Brite-Euram project (EU). Trelleborg's plants in Peterborough and Leicester in the UK participate in projects under the auspices of the Rubber Industry Advisory Committee (RUBIAC) relating to measures to reduce the number of work-related accidents.

Environmental objectives

With the aim of handling environmental issues more efficiently, Trelleborg has set itself the objective of certifying all its plants in accordance with ISO 14001. The target for 2000 was to achieve a total of 25 certified plants. If the Distribution business area, which was divested during summer 2000, is included, we reached a total of 30 certified organizations. With the sale of the trading operations, Trelleborg lost seven certified plants, leaving a total of 23 certified plants. We anticipate that at least another 15 units will be certified during 2001, and we plan to work particularly closely with newly acquired companies to support their efforts to introduce ISO 14001.

Both long-term and short-term environmental objectives will be formulated within the framework of the environmental management systems of the certified plants. Most of these plants have defined objectives that primarily focus on:

- energy and water savings,
- more efficient waste management and reduced amounts of waste,
- better work environment and fewer work-related accidents,
- reduced atmospheric emissions.

A follow-up of the year's environmental objectives is performed in conjunction with the maintenance audits performed at the plants.

Glossary

Accelerators
Speed up the chemical reactions of the vulcanization process.

Antidegradant
Added to prevent the aging of the rubber.

Antioxidant
Prevents rubber from deteriorating from the effects of oxidation.

BLIC
Association of European rubber manufacturers.

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.

Emission
A discharge of foreign substances to the surrounding environment. In the broadest sense, emissions can be water-borne, air-borne, liquid or particulate.

ETU
Ethylene thiourea substances – accelerators harmful to human health that are used to speed up the vulcanization process.

Hazardous waste
Waste requiring special disposal techniques. Different countries have different definitions and regulations, and national standards are frequently changed, making it more difficult to provide a standardized account of hazardous waste.

GWh
Gigawatt hour, 1 billion watt hours.

HA oil
Plasticizer containing a high concentration of carcinogenic polyaromatic hydrocarbons (PAHs).

ISO (International Organization for Standardization)
An international organization which has produced an extensive range of standards that include the ISO 9000 and ISO 14000 series. ISO is commonly accepted around the world for quality and environment work. More than eighty countries are members of the ISO.

ISO 9000
A series of international standards for quality assurance. Adopted in 1987.

ISO 14000
A series of international standards for environmental management systems (ISO 14001), life cycle analyses, environmental auditing, environmental labeling, environmental performance evaluation and environmental terms and definitions. Adopted in 1996.

Carbon dioxide (CO_2)
CO_2 is formed in all carbon combustion processes and is also released in the use of petroleum products. The emission of excessive amounts of carbon dioxide in the atmosphere promotes global warming.

LCA (Life Cycle Assessment)
A management tool for assessing and quantifying the overall environmental impact of products and activities over their entire lifetime. An LCA involves analyzing the entire life cycle of a particular material, process, product, technology, service or activity.

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

MOCA
Carcinogenic accelerators. For the most part phased out within the Trelleborg Group, but still used in certain polyurethane production processes.

Nitrosamines
Substances that are carcinogenic to animals and humans. Created in certain vulcanization processes.

NO_x (nitrogen oxides)
Gaseous oxides created in the combustion process through the oxidation of nitrogen. Harmful to human health and the environment. Cause acid rain and eutrophication.

PAH
Polyaromatic hydrocarbons. Some are carcinogenic. PAHs are released to the atmosphere from exhaust fumes, small-scale firewood heating and in connection with vulcanization processes in the rubber industry.

Polyurethane
Polyurethane consists of polymers linked by urethane bridging atoms. Polyurethane can be used for coatings, glues, elastomers, fibers and foam materials. In liquid form, it can be used in extruders or cast in molds. Polyurethane can be made into an extremely hard material and can be substituted for metal. At Trelleborg, polyurethane is used for coating rollers and for solid tires. Various diisocyanates, like TDI or MDI, are used in the manufacturing process.

SGI
Swedish Rubber Industry Association (Svenska gummiindustriföreningen). Trelleborg AB participates in SIG's committee for environmental issues, among other activities.

SO_2 (sulfur dioxide)
Sulfur dioxide is formed when petroleum products are burned. SO_2 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.

VOC (Volatile Organic Compounds)
VOCs accounted for in this report consist of unchlorinated and chlorinated solvents. VOC emissions contribute to local atmospheric environmental effects, including the formation of ground-level ozone. Many VOCs are definitely hazardous to human health.

Further reading

The Trelleborg Group's environmental reports are aimed at both interested parties outside the company and our own shareholders. In addition to environmental data, the environmental reports for the years 1998-2000 contain articles of a more in-depth nature on various topics. The reports are accessible on the Internet. Their contents include the following items:

- Environmental Report 1998: Trelleborg AB's most important environmental aspects. Chemicals in the rubber industry.
- Environmental Report 1999: From plantations to test tubes. Environmental review in connection with ISO 14001.
- Environmental Report 2000: Production processes in the rubber industry. Environmental issues relating to acquisitions. Work environment aspects.

Within the framework of the Group-wide environmental management system, there exists a large amount of material that is used in day-to-day work. This material is available to employees via the Group's intranet (Trellnet). However, many documents provide suitable reading for persons outside the company who have a special interest in our environmental work. The table to the right gives an overview of some of the documents that can be ordered from Trelleborg Environmental Affairs.

Type of document	Document name
Policy	· Environmental policy, TEA 98-06 (the policy can also be accessed on the Internet and is reproduced on page 3 of the environmental report).
Manual	· Environmental management system manual, TEA 98-07.
Standard	· Environmental due diligence audit, TEA 98-04. · Environmental reporting standard, TEA 98-12
Position Paper	· Environmental crisis management, TEA 98-14. · Preparation for the initial environmental review, TEA 98-41. · Emergency preparedness, TEA 00-11. · Prevention and cleanup of soil and groundwater pollution, TEA 00-12. · Internal communication of environmental, health and safety accidents, TEA 00-13. · Area classification, TEA 00-14. · Work permit, TEA 00-15. · Good housekeeping, TEA 00-16. · Waste management, TEA 00-17. · Environmental, health and safety aspects of research and development, TEA 00-18. · Site security, TEA 00-19. · Delegation of environmental and safety work, TEA 00-20. · Personal protection equipment, TEA 00-47.
Master's thesis	· The rubber industry and extended producer's responsibility framework. Deniz Koca, Lund University, LUMES, 1999. · Energy use and energy management in tire manufacturing: the Trelleborg 1 case. Loreta Stankeviciute, Lund University, LUMES, 2000. · Labeling agricultural tires at Trelleborg company: possibilities and constraints. Nabila Zouhiri, Lund University, LUMES, 2000.

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The environmental report and other information about the Trelleborg Group can be accessed on our website: www.trelleborg.com

Opinions and improvement suggestions

We welcome your opinions about this year's environmental report. The first 25 readers to send in their responses will be rewarded with a copy of the game "Gilbert and the Chemysterious Island," which focuses on chemicals and the environment.
Send your opinions to Trelleborg Environment Affairs, Trelleborg AB, Box 153, SE-231 22 Trelleborg, Sweden, or fax to +46 (0)410-121 19. You can also send us your views via the Internet info@trelleborg.com

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Trelleborg AB is an expansive global industrial group. Operations are based on spearhead competence within polymer materials and a high level of industrial know-how, with functional solutions and systems designed to meet the needs of our customers.

The Trelleborg Group's core operations are organized in four business areas, Trelleborg Automotive, Trelleborg Wheel Systems, Trelleborg Engineered Systems and Trelleborg Building Systems.

Trelleborg has sales of approximately SEK 17* billion with some 15,500 employees in 40 countries.

**Pro forma 2000, including the acquisition of UK company Laird's automotive component operations.*

TRELLEBORG