



We seal, damp and protect
critical applications in demanding environments

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Trelleborg AB is a public limited liability company. Corporate Registration Number: 556006-3421. The Group's headquarters are in Trelleborg, Sweden.

The Corporate Responsibility Report is published in English. The Corporate Responsibility Report 2014 was published in April 2015.

All values are expressed in Swedish kronor. Kronor is abbreviated to SEK and millions of kronor to SEK M. Unless otherwise stated, figures in parentheses relate to the preceding fiscal year, 2014. All figures in the section "Trelleborg in brief" relate to continuing operations, unless otherwise stated.

This report contains forward-looking statements that are based on the current expectations of the management of Trelleborg. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

This Corporate Responsibility Report was produced in collaboration with RHR/CC in Malmö, Sweden. Translation by The Bugli Company.

Index with reference to GRI, Global Reporting Initiative

Indicator categories: G4=General Standard Disclosures, EC=Economic, EN=Environmental, LA=Labor Practices and Decent Work, HR=Human Rights, SO=Society.

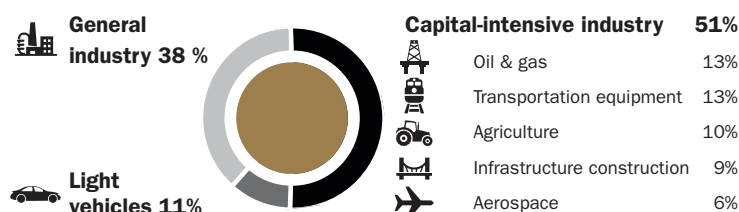
An indicator with an asterisk* signifies an indicator with comments regarding aspects that have been omitted (these can be found in the GRI index on page 20.)

Trelleborg in brief

Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Our innovative solutions accelerate performance for customers in a sustainable way.

- Founded: 1905
- Sales in 2015: SEK 24,803 M
- Number of employees at year-end: 16,450
- Operations in 44 countries
- Listed on the stock exchange since 1964, Nasdaq Stockholm, Large Cap
- Head office in Trelleborg, Sweden

Share of the Trelleborg Group's sales in 2015



Key figures, continuing operations, SEK M	2015	2014
Net sales	24,803	22,533
Organic sales, %	-2	-1
Operating profit, excluding participations in TrelleborgVibracoustic and items affecting comparability	3,219	3,001
Operating margin, %	13.0	13.3
Participations in TrelleborgVibracoustic	509	298
Items affecting comparability	-257	-226
Operating profit	3,471	3,073
Operating cash flow ¹⁾	2,282	2,705
Cash conversion ratio, % ¹⁾	71	90
Return on shareholders' equity, % ²⁾	14.3	13.7
Earnings per share, SEK ²⁾	9.60	8.23
Dividend per share, SEK ³⁾	4.00	3.75

¹⁾ Excluding items affecting comparability and dividend from TrelleborgVibracoustic.

²⁾ Continuing operations, including Trelleborg's participation in TrelleborgVibracoustic and items affecting comparability.

³⁾ According to the Board of Directors' and President's proposal.

Trelleborg's global presence

Trelleborg has operations in 44 countries. Of the total number of employees, 92 percent work outside Sweden.

Number of employees at year-end*

Distributions by country	2015	2014	Change, number
U.S.	2,413	2,569	-156
U.K.	1,700	1,681	19
China	1,614	1,606	8
Italy	1,245	1,243	2
Sweden	1,213	1,311	-98
France	1,060	1,052	8
Sri Lanka	922	871	51
Germany	731	731	0
Turkey	552	591	-39
Malta	504	502	2
Total, 10 largest countries	11,954	12,157	-203

*) Including insourced and temporary employees.

The number of employees in the Group at year-end, including insourced and temporary employees, was 16,450 (16,552), a decrease of 0.6 percent. In 2015, the average number of employees in the Group's operations increased to 15,713 (15,425), of whom women accounted for 24 percent (24%).

Salaries and other benefits for the average number of employees (excluding insourced employees) in the Group's operations amounted to SEK 5,985 M (5,171). Personnel turnover (not taking terminations and retirements into consideration) varies between countries and facilities, and usually reflects the local labor situation.

Raising our ambitions

During the year, Trelleborg further developed and raised ambitions for the four focus areas of its Corporate Responsibility (CR) strategy



Trelleborg and the UN Global Compact

Since 2007, Trelleborg has been affiliated with the UN Global Compact network, an initiative to promote responsible business practices in the areas of the environment, labor, human rights and anti-corruption.



GRI G4 Guidelines and external auditors

Trelleborg's 2015 CR Report is based on GRI G4, the latest version of the Global Reporting Initiative's Sustainability Reporting Guidelines.

The report has been prepared in accordance with the Core options. See the GRI Content Index on pages 20-22.

PricewaterhouseCoopers has reviewed and assured compliance with this option, with a focus on the most significant CR issues. Refer to the Assurance Report on page 27.

Over the past year, it has become clear how climate issues have become crucial in global efforts to build a more sustainable society, and Trelleborg naturally has a role to play in this process. I am pleased to say that we have achieved our 15 by 15 climate target, refer to pages 10-13 for more information. Also in respect of other accountability issues, we are constantly raising the bar and advancing our positions through, for example, our Excellence initiatives.

Other key events from the past year that will be important for Trelleborg and other major industrial companies are the UN sustainable development goals, and the refugee crisis and its effect on many countries.

In 2014, we analyzed and defined the most significant areas for Trelleborg's responsibility toward our stakeholders and society, which culminated in our four focus areas *Regulatory compliance*, *Resources*, *Diversity* and *Community involvement*. Overall, these four focus areas remain relevant as a means for addressing our CR requirements and challenges.

2015 was devoted to developing and raising our ambitions in each area. The main features of the work reflect our overall priorities in the areas, while the various measures they have led to are described on the coming pages.

Regulatory compliance. Wherever Trelleborg conducts operations, we respect laws, rules and human rights, and always promote ethical business practices. We have therefore decided that with high priority to further develop our work with training and information in these areas. This also applies to our suppliers, who we urge to comply with our Code of Conduct and the guidelines of the UN Global Compact.

Resources. We seek to eliminate all wasteful use of resources, and to be a safe and secure workplace. We want our Group objectives to feel relevant at unit level, in order to get closer to our day-to-day operations and improvement needs. Looking forward, energy and climate change are key areas for all units, whereas water consumption and solvent emissions, for example, are problems that only affect a relative few. We should therefore concentrate our work in these areas to such units.

Diversity. We work actively to show how diversity is a positive thing for us, and we take pride in being a global company that values expertise where it exists. We always recruit locally, both leaders and employees, since our own composition should reflect the diversity of our markets and customers. For us, diversity means having a balanced age and gender mix across our business operations.

Community involvement. Trelleborg cultivates good local relationships wherever we are in the world by participating in various community activities. In several places, this commitment is reinforced through selected youth development projects (see page 15). Our ongoing school projects in Sri Lanka and Brazil are good examples, and the recent initiatives in India will strengthen this further.

These were the most important features of our CR work during the year, both within the company and across our value chain. Looking forward, it is highly probable that Trelleborg's most important contribution will be to make society as a whole more sustainable through the products and solutions that we offer. We usually say: ***Innovation that accelerates performance in a sustainable way.*** Read more about how our sustainable innovation can increasingly be combined with business on pages 4 and 32-33 in the Annual Report 2015.

Peter Nilsson, President and CEO

Targets and outcomes for the Trelleborg Group

Toward continued stable profitability and sustainable growth

Trelleborg's financial targets reflect the Group's ambition to increase value generation and be a world leader in selected market segments and geographic markets, taking into consideration an assessment of global growth and adequate financial security.

The Trelleborg Group strengthened its positions during the year, despite challenging market conditions in several segments. Net sales rose and the operating profit was the highest to date for the Group. The operating margin surpassed the long-term profitability targets.

Trelleborg's Corporate Responsibility initiatives focus on responding to the expectations of customers, shareholders, employees and other stakeholders for long-term value creation with clear accountability. These initiatives reflect the desire to comply with legislation and regulations, to provide a safe and secure workplace with resource-efficient production and to make Trelleborg an attractive employer characterized by diversity and local community involvement. The company has achieved a stable rate of improvement in all its focus areas due to, for example, strategic initiatives such as Trelleborg Excellence.

Organic growth ¹⁾

Operating margin ¹⁾

Return on shareholders' equity ²⁾

Regulatory Compliance

Anti-corruption and human rights

Target: Zero tolerance applies to:

- Bribery, corruption, cartel or other criminal behavior
- Child and forced labor
- Discrimination, reported and reviewed

Outcome: No cases (0) of significant breaches of laws and permits that resulted in legal consequences or fines, or cases of child labor or forced labor were reported in 2015.

Of eight reported cases of discrimination (1), a settlement has been reached between the parties in the majority of cases, while others are still subject to negotiations. Trelleborg has taken action locally to remedy the alleged grievances, through local training initiatives and by suspending or terminating the employment of individuals who have breached the Trelleborg Group's Code of Conduct.

Suppliers

Target: To only work with suppliers who adhere to all applicable sections of Trelleborg's Code of Conduct. Audit in the form of self-assessment to be completed with suppliers corresponding to 80 percent of the relevant global purchasing value in the production units, as defined by Trelleborg.

Outcome: In 2015, Trelleborg met the target level. Suppliers corresponding to about 84 percent (84) of the relevant value defined by Trelleborg were audited. Refer to page 9 regarding supplier audits and how they can strengthen supplier review activities in the years ahead.

Diversity

Focus: Trelleborg is of the opinion that diversity is positive, and works actively to raise awareness of this.

Outcome: In addition to the basic rules against inequality and discrimination, Trelleborg aims to achieve a balanced mix in terms of ethnicity and gender, especially at management levels, and to attract, develop and retain talented young people.

Financial

Regulatory compliance

Diversity

Target ori

¹⁾ Continuing operations, excluding participation in the TrelleborgVibracoustic joint venture and items affecting comparability.

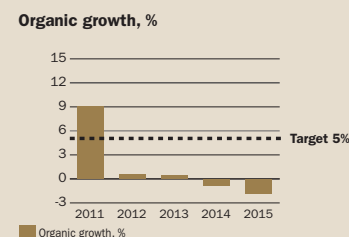
²⁾ Continuing operations, including participation in the TrelleborgVibracoustic joint venture and items affecting comparability.

Target $\geq 5\%$

Average annual organic growth over an economic cycle should be at least 5 percent. In addition, further growth will occur through bolt-on acquisitions.

Outcome -2%

In 2015, organic sales growth was -2 percent (-1), reflecting the challenging market conditions in several segments.

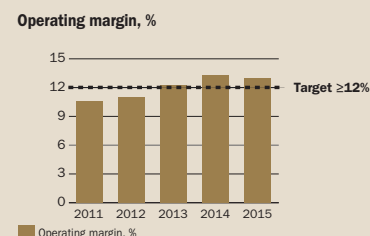


Target $\geq 12\%$

The operating margin should be at least 12 percent.

Outcome 13.0%

In 2015, the operating margin was 13.0 percent (13.3), mainly resulting from continued high efficiency and cost control.

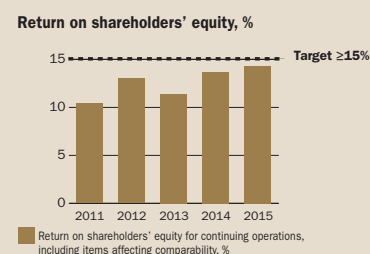


Target $\geq 15\%$

The long-term return on equity should be at least 15 percent.

Outcome 14.3%

In 2015, return on equity was 14.3 percent (13.7), a result of Trelleborg's long-term efforts to streamline and rationalize production, sales and capital utilization, among other activities.



Resources

Health and safety

Target: At each individual production site, occupational injuries and illnesses, defined as Lost Work Cases (LWC) per 100 full-time employees per year, should be less than 3.0. The average number of working days lost due to occupational injuries and illnesses should be less than 50 per 100 full-time employees per year at each individual site.

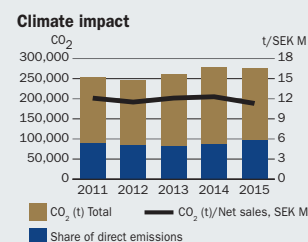
Outcome: In 2015, the average outcome was 1.9 LWCs (2.0) per 100 employees. Some 74 percent (78) of the sites had a value of less than 3.0.

The average number of days lost per injury was 29.8 (29.3). Some 72 percent (72) of the sites had a value of less than 50.

Climate

Target: The "15 by 15" target was to reduce direct and indirect CO₂ emissions (Scope 1 and 2) by at least 15 percent relative to sales by 2015 (base year 2008).

Outcome: The "15 by 15" target was achieved. In 2015, the value was 11.3 metric tons/SEK M (12.3), a 20-percent improvement compared with the baseline level in 2008 (14.1 metric tons/SEK M) and a 6-percent year-on-year improvement. Refer to page 13 for more details and the target for the years ahead.



Society

Focus: Trelleborg supports the local communities in which it operates by participating in a variety of social activities, and at selected locations, by providing special support for teaching and educational activities for young people.

Outcome: In many of the places where Trelleborg operates, the company has partnerships with, for example, schools, universities and interest groups. With regard to sports sponsorship, youth activities are prioritized, while the company is also involved in a number of special programs that support child and youth development in such countries as Sri Lanka and Brazil. During the year, a new community involvement program was initiated in India with a focus on local development.

targets

Resources

Society

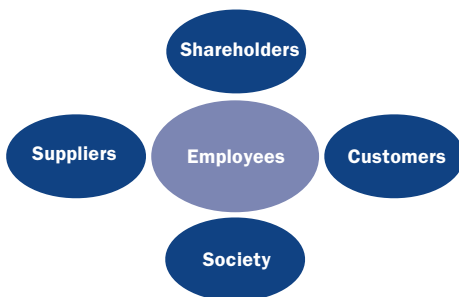
entation

Materiality is based on stakeholder expectations

This is the second time that Trelleborg has based its report on G4, which are the most recent GRI Sustainability Reporting Guidelines. The focus lies on those sustainability aspects that key internal and external stakeholders consider most significant. Trelleborg combines these aspects in four focus areas: Regulatory Compliance, Resources, Diversity and Community Involvement.

The determination of key stakeholders for Trelleborg is based on the degree of mutual dependency, and the impact of Trelleborg's operations on these groups.

Key stakeholder groups with mutual and direct relationships with the company and its activities can be found across the value chain – *Customers*, *Employees* and *Suppliers*. Another key group with a strong mutual relationship is *Shareholders*, including potential owners, meaning investors.



In terms of sustainability issues, all citizens with a connection to Trelleborg's operations comprise a stakeholder group, which is most clearly exemplified by those who are directly affected, such as those living close to Trelleborg's plants. In addition, those citizens defined as *Society* stakeholders are more indirectly represented by the media, researchers and students, for example, whose interaction with the company mainly takes the form of personal meetings and other dialog and communication via, for example, the CR and Annual Report, websites and social media.

2015 Materiality Analysis



Materiality analysis. Materiality analyses have been conducted since 2007 with the assistance of internal and external stakeholders to ensure that the company's CR efforts and communication actually respond to stakeholder expectations and the impact of Trelleborg's operations on these groups.

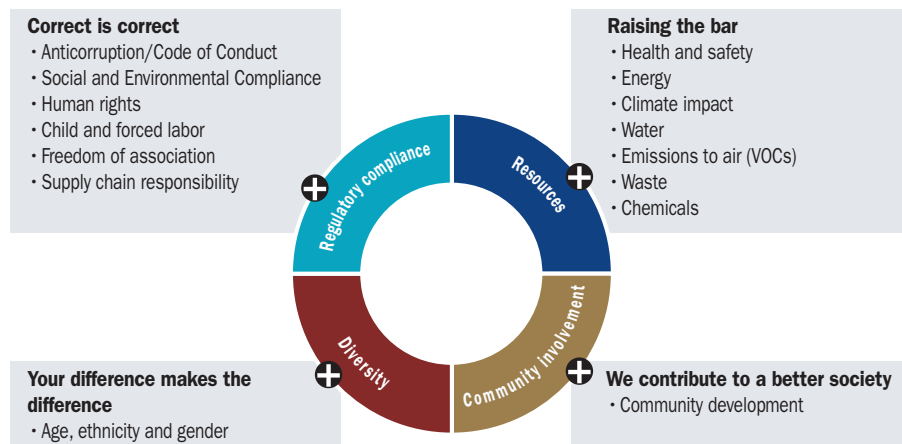
The predominant aspects in the outcome of these analyses have consistently been expectations on *Compliance with laws and human rights*, *Measures against corruption and bribery* and *Measures against anti-competitive behavior*, as well as a number of key environmental aspects for the industry such as *Energy consumption*, *Emissions* and *Handling hazardous chemicals*.

For some stakeholder groups, other

aspects such as *Diversity*, *Community relations*, *Open and honest communication*, *Corporate governance and transparency* and *Environmental performance for products* have also emerged as highly significant.

Four focus areas. Trelleborg combines the most material aspects from the analysis in four focus areas: Regulatory compliance, Resources, Diversity and Community involvement. The image below shows how various aspects are allocated to each of the focus areas. For a detailed overview of how the sustainability aspects are allocated to each of the focus areas, refer to the Index on pages 20-22.

Trelleborg's focus areas and material aspects



2015 Review. Trelleborg's four focus areas were reviewed during the year. In cooperation with the International Institute for Industrial Environmental Economics at Lund University in Sweden, exercises were conducted in October 2015 with about 50 students from the two Master's programs offered by the institution.

The goal of the exercises was to evaluate the materiality analysis in Trelleborg's 2014 Annual Report, based on key-stakeholder perspectives. The students were divided into groups that acted as each stakeholder group, and over the course of one day, used the results of their roleplay to produce views and criticism of the analysis and the rest of the CR Report.

Another day was also devoted to presenting and commenting on the results for Trelleborg.

Outcome of the review. The most important conclusions of the exercises were:

- The structure of, and information in, the report largely meet the expectations of the various stakeholders
- Some key figures for targets could be more specifically defined in terms of their base year and deadline for achievement



Representatives of the international team of Masters students that conducted the evaluation of materiality in Trelleborg's report in October 2015. The MESPOM and EMP Master's programs at the International Institute for Industrial Environmental Economics, Lund University, Sweden, educates future policy makers in the field of global environmental sustainability.

- Methods for gathering data on CR could be made more transparent
- The significance of professional development for the business should be reflected more clearly
- The outcome of Trelleborg's community projects should be described in more detail

The overall allocation into the four focus areas of *Regulatory compliance*,

Resources, Diversity and Community involvement was thus considered effective and will remain, while some parts of the focus areas were further developed and devoted more attention in this year's reporting following the evaluation and other stakeholder dialog carried out during the year. A clear example is the section on professional development on page 14.



Examples of stakeholder dialog in 2015:

March 3

Board of Directors Day: Sustainable Business Day, Stockholm.

April 22 and September 2

Sustainability Circle meetings.

May 4-5 and December 1-2

Conferences with UN Global Compact Nordic Network in Copenhagen and Helsinki, respectively.

June 29

Specialized course in supplier audits, provided by KPMG in Trelleborg, Sweden.

September 21-23

Meetings to discuss Trelleborg's increased community involvement with PESIT College, Hand in Hand and Save the Children in Bengaluru, India.

August 26 and October 14-16

Environmental Conference and stakeholder exercise with Master's students (see above) at the International Institute for Industrial Environmental Economics, Lund University, Sweden.

October 30

Meeting to discuss the Kraftsamling 2.0 (Mobilization) theme, focused on increased job opportunities in the City

of Trelleborg, with participants from the Municipality of Trelleborg, the Port of Trelleborg, the Trelleborg Football Association and others.

November 3

Conference on human rights arranged by the Swedish Sustainable Value Creation Initiative.

In addition, ongoing meetings with owners, suppliers and customers focused on CR monitoring and CR activities.

Compliance with laws and codes

Trelleborg's extensive work with regulatory compliance, which was strengthened during the year, includes the prevention of corruption, anti-competitive practices, human rights violations and environmental law breaches.

Anti-corruption and competition law.

Trelleborg has a zero tolerance policy toward all forms of corruption, including all types of bribery and extortion, blackmailing, nepotism, racketeering and embezzlement. The original contents of Trelleborg's Group-wide Competition Law Compliance Program, launched in 2008, has been continuously developed and now includes such issues as anti-corruption, export control, employee relations as well as professional conduct and business ethics. Recently introduced elements are aimed at achieving excellence in the management of contracts, and in issues related to global distributors and agents. The program also provides information and guidance on the relevant legislation, such as English anti-bribery law.

In order to show how compliance with laws and regulations is an ongoing and long-term commitment for Trelleborg, a Compliance Task Force with senior representatives from staff functions was established in 2015. The Task Force has been assigned to lead and coordinate initiatives across the broader area of regulatory compliance.

In 2015, more than 650 managers and employees with customer contact underwent training in seminar form on competition law, management of contracts and other issues related to regulatory compliance. All employees are required to comply with applicable

policies and internal governance documents, which have been strengthened at senior management levels of the company with acceptance documents that must be signed annually. The Group's Whistleblower Policy also entitles all employees to report any suspected legal or regulatory violations without repercussion.

In 2016, Trelleborg's Compliance Task Force will continue its initiated review of Group policies to ensure that the messages they contain are understood by all individuals representing Trelleborg as a world leader in engineered polymer solutions. The Group's Compliance Program supports all senior and middle management, as well as employees in the field and on the shop floor. They are supported by Compliance Officers in each company, who will undergo special training and are encouraged as a team to share best practice in compliance issues to help others respond to situations that may arise in their daily work.

Specific legislation must be followed in certain countries, such as the U.S. (the Dodd-Frank Wall Street Reform and Consumer Protection Act related to conflict minerals, and Technology Transfer Control legislation) and the U.K. Bribery Act, where the Modern Slavery Act is designed to prevent the U.K. from becoming a destination country for men, women and children who are transported from Africa, Asia and Eastern Europe for sex trafficking and forced labor.

Compliance with laws and permits. As a listed company with global operations, Trelleborg is subject to a range of laws, regulations and directives. No significant breaches of laws or permits leading to legal repercussions or fines (0) were reported in 2015 (with the exception of

environment and OHS-related laws, which are presented on the next page).

The area of human rights comprises fundamental rights defined by conventions and declarations, including those pertaining to child and forced labor, freedom of association and collective bargaining, discrimination/diversity and gender equality. All of these areas are addressed in Trelleborg's Code of Conduct, see below.

Within the framework of Trelleborg's ERM processes for risk identification and assessment, none of the Group's units has assessed the risk of human rights violations to be significant. A number of potential risks in the supply chain have been evaluated. Among those leading to measures was the risk of child labor at rubber plantation level, see below.

Child labor. In 2015, no child labor breaches (0) were reported. Trelleborg has collaborated with Save the Children for several years – a project that is consistent with the company's support for children and youth activities all over the world, and also strengthens our expertise in the area of child labor. Trelleborg gathered more than 1,000 representatives of direct and indirect natural rubber suppliers in Sri Lanka during 2014-15 for a series of informational and training meetings, aimed at strengthening their knowledge of Trelleborg's Code of Conduct in general, and of child labor specifically.

Forced labor includes various phenomena, from outright slavery to forced relocation and forced exploitation of human beings (trafficking). In 2015, no forced labor breaches (0) were reported.

Freedom of association. Trelleborg's policy is to acknowledge trade unions

The Code of Conduct is the basis for regulatory compliance and CR

Trelleborg's Code of Conduct in the areas of environment, OHS and ethics applies to all employees, without exception. The Code of Conduct is based on internationally recognized conventions and guidelines, such as the Universal Declaration of Human Rights, the ILO conventions, the OECD guidelines and the UN Global Compact. Trelleborg's Whistleblower Policy implies that every employee is entitled to report suspicions of legal or regulatory violations without repercussion. The company's Code of Conduct and corresponding training programs will be revised in 2016, further helping to raise awareness of applicable legislation, internal regulations and Trelleborg's Code of Conduct.



and the right to collective agreements. No units are assessed to be at serious risk of violation in this area. A total 52.2 percent (48.1) of Trelleborg's employees at the Group's production units are represented by unions through collective bargaining.

Discrimination. No discrimination of employees is permitted on the grounds of gender, religion, age, disability, sexual orientation, nationality, political views or social or ethnic origin, which is presented clearly in the Code of Conduct.

In 2015, 8 cases (1) of discrimination were reported and reviewed. In the majority of these cases, the parties involved have reached a settlement, while others are still subject to negotiations. Trelleborg has taken action locally to remedy the alleged grievances, through local training initiatives and by suspending or terminating the employment of individuals who have breached the Trelleborg Group's Code of Conduct.

Read more about diversity at Trelleborg on page 14.

The environmental area comprises regulatory compliance with local environmental laws and permits, as well as ISO 14001 environmental management certification.

Environmental management. A cornerstone of the Group's major production units is that they must have an ISO 14001-certified environmental management system, in accordance with the Group's policy. Facilities that are incorporated following an acquisition are allowed a certain period of time for certification.

At the end of 2015, 77 facilities (74) were certified, corresponding to approximately 80 percent (80) of all facilities.

Ongoing work demonstrates the substantial benefits generated by a joint health and safety certification of facilities, and Trelleborg Coated Systems was the first business area to introduce a joint certification in 2015.

Environment laws and permits. In 2015, 4 cases (3) of fines or sanctions for breaches of environment or OHS-related laws and regulations were reported. The total amount was SEK 243,000 (174,000).

Unplanned emissions. In 2015, no cases (3) of unforeseen emissions were reported.



Contaminated soil. Historically, the handling of oil and solvents has given rise to soil and groundwater contamination. Contaminated soil is currently being remediated at 6 units (8). Another 12 facilities (12) are expected to require remediation, although the extent has not yet been determined. Trelleborg is also active as one of several formal parties in another 6 cases (6) of remediation, 3 (3) in Sweden and 3 (3) in the U.S., although with marginal liability for costs. At year-end, the Group's provisions for environmental liabilities amounted to SEK 61 M (62).

Environmental studies. When conducting acquisitions and divestments, Trelleborg performs environmental studies of the companies to assess and outline their environmental impact and to identify potential environmental liabilities. In 2015, 26 studies (17) of facilities were performed in conjunction with acquisitions or closures.

Suppliers. Suppliers – the total number of which is in the order of 20,000 – are concentrated in Europe, North America and Asia. Trelleborg's main raw materials are synthetic and natural rubber, respectively (refer to page 8), metal components and additives. No material represents more than 10 percent of the total raw material cost.

While purchasing is based on a joint process, it is distinctly decentralized to the operational units, in line with a far-reaching responsibility for performance. The exception to this is when purchases at the business area or Group level yield cost benefits, particu-

larly in respect of rubber material and indirect purchases, meaning material and services that are not directly included in products.

Trelleborg aims to work only with suppliers that adhere to the Group's business principles. During the year, no supplier relationships (1) were terminated due to breaches of the Code of Conduct. Neither were any ongoing investigations of such breaches by suppliers (2) reported.

Supplier assessment. Supplier assessments have primarily been conducted via Group-wide questionnaires, with questions related to human rights, OHS, environmental management and social responsibility. Unsatisfactory responses are investigated. The goal is that every production unit will have completed a supplier assessment equivalent to at least 80 percent of the relevant purchasing value defined by Trelleborg, and the outcome in 2015 is suppliers equivalent to about 84 percent (84) of the relevant purchasing value.

Supplier audits. In 2015, work with visits and audits of "at-risk suppliers" was initiated, and 12 audits were performed in China. The basis for selection is both a geographic and material risk assessment.

Underperforming suppliers are given a deadline for corrective measures, based on the severity of their breaches.

From 2016, this type of audit work is expected to provide the focus for supplier assessments from a CR perspective.

Safe and efficient use of resources

Manufacturing Excellence, which develops Trelleborg's production processes, and the Group's Safety@Work program for a shared health and safety culture, are two of the pillars of the company's efforts to achieve a safe workplace and efficient resource management.

Manufacturing Excellence comprises the areas of safety, quality, delivery and efficiency, and is based on a systematic approach to improvement that also yields distinct positive effects on resource efficiency. Read more about the various excellence programs on page 31 in the Annual Report 2015.

Occupational health and safety. Trelleborg's Safety@Work program aims to create a shared safety culture through improvement programs with preventive and corrective measures at all production units. The program is monitored by performing annual audits and by using selected key figures to measure the number of work-related injuries, illnesses and days absent.

In 2015, a total of 238 cases (223) resulting in at least one day's absence (Lost Work Cases, LWC) were reported. The most common causes were heavy lifts or other manual operations.

Trelleborg's facilities continue to demonstrate a long-term positive trend in terms of work-related injuries/illnesses in relation to the number of employees. The number of LWC per 100 employees

per year was 1.9 (2.0), while the average number of work days lost per injury was 29.8 (29.3). At each individual production facility, the number of work-related injuries and illnesses defined as LWC per 100 full-time employees and year should be fewer than 3.0. In 2015, about 74 percent (78) of facilities met this target. During the year, a number of newly added units commenced the implementation of the Safety@Work program but have not yet achieved the Group LWC target.

The average number of work days lost due to work-related injuries and illnesses should be fewer than 50 per 100 full-time employees and year at each individual facility. In 2015, about 72 percent (72) of the facilities met this target.

The goal is that all of Trelleborg's facilities have a well-functioning safety committee. In 2015, such committees – with representation from plant management – were in place at 93 percent (87) of the facilities.

Absenteeism in Sweden. In 2015, total absenteeism at the Group's units in Sweden amounted to 5.2 percent (4.6) of normal working hours.

Raw materials and chemicals. The Group's principal raw materials are polymers (rubber, composites and plastics) and metal components, as well as additives comprising softening agents (oils), fillers such as carbon black, and vulcanizing agents (sulfur, peroxides). Trelleborg's environmental policy stipulates that hazardous substances and materials are, to the greatest extent possible,

to be reduced and replaced in products and processes, and as a chemical user, Trelleborg is affected by the EU REACH regulation. In addition to the ongoing work with REACH compliance, the central chemical activities during the year were carried out by the Group Chemical Task Force, a corporate-level team that assists the business units in their efforts to phase out substances considered harmful. An internal Restricted Materials List has been compiled, and a project was actively pursued by the team during the year focusing on prioritized material.

Energy and climate. A significant portion of the Group's energy consumption – and thus its climate impact – is connected to fossil-fuel combustion (direct energy and emissions) and purchased electricity, steam and district heating (indirect energy and emissions).

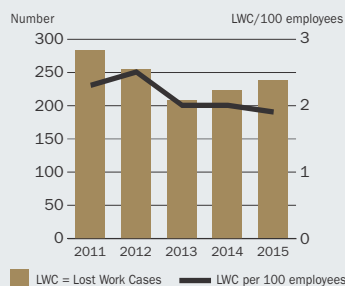
In 2015, the Group's total energy consumption was 942 GWh (903), reflecting a higher production rate year-on-year.

Despite higher overall use, energy consumption relative to sales was lower at 0.038 GWh per SEK M (0.040).

Direct energy consumption was 456 GWh (407). The Group's total energy costs for 2015 amounted to SEK 555 M (540).

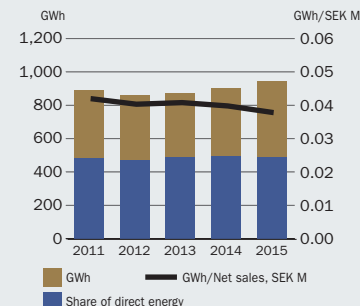
Trelleborg's long-standing initiative for systematic energy optimization, Energy Excellence, is part of the Manufacturing Excellence program and has been introduced at all production units. The initiative has led to greater energy efficiency and between 2010–2015, the

Health and Safety



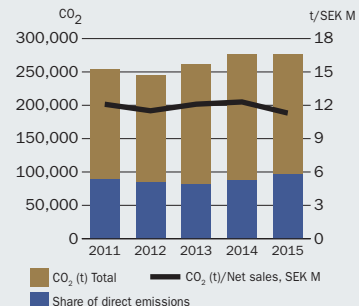
The number of work-related injury/illness cases per 100 employees resulting in more than one day's absence gradually declines.

Energy



The Energy Excellence program has gradually improved energy efficiency.

Climate impact



Although the relative climate impact has gradually improved due to higher energy efficiency, this has been somewhat offset by a growing share of production in countries with a less optimized national energy mix from an emissions perspective.



Group's total energy consumption decreased by 10 percent relative to sales, despite the addition of a number of new operations.

In 2015, some 100 energy efficiency projects were carried out, resulting in significant energy and cost savings. The Group intends to continue focusing on further energy efficiency measures in the years ahead, and the goal is to achieve an annual 3-percent improvement in energy consumption relative to sales.

Climate. Total CO₂ emissions in 2015 amounted to 280,000 tons (276,900), of which direct CO₂ emissions accounted for 96,900 tons (87,200). Total CO₂ emissions relative to sales were 11.3 tons (12.3) per SEK M. Trelleborg's 15 by

15 climate objective (refer to *page 13* for the overall outcome of this objective and the objective for the period ahead) that was adopted in 2009 addresses the intensity, meaning the total size of the emissions relative to the operations, and work to identify optimal energy sources in terms of CO₂ emissions for the operations in each country.

The calculation of CO₂ emissions from the consumption of purchased electricity and steam is based on national conversion factors from the International Energy Agency, which reflect the total energy mix of each country. Emissions are lower from hydro and nuclear power, but higher from coal and oil. 2015 was the first year in which

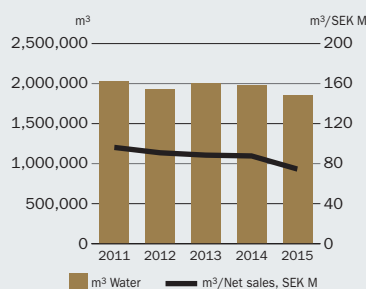
some of the units reported the purchase of "green energy," which will have a certain effect as of 2016.

Refer also to *page 13* for an overview of the first analysis of the climate impact of transportation purchased by Trelleborg.

Water. Water consumption is part of the area in the Manufacturing Excellence program that targets resource efficiency. The focus for water consumption lies on facilities operating in areas with local or regional water shortages, see *page 12*.

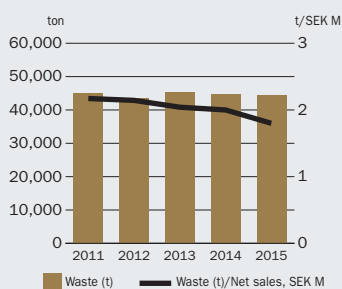
In 2015, water consumption was 1.85 million m³ (1.98). Consumption per SEK M was 74.6 m³ (87.7). Of the proportion of water per source, 46 percent (44) was from drinking water, 25 percent (26)

Water



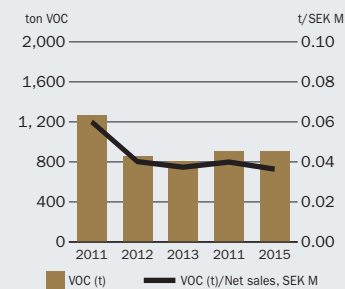
In 2015, total water consumption, including water for production and sanitary water, declined in both absolute terms and relative to sales.

Waste



The amount of waste declined in absolute terms, and also continued to decline relative to sales.

Emissions to air



Total VOC emissions have been reduced relative to sales. As of 2015, Trelleborg's definition of VOC is now in line the EU's. Historical figures have therefore been adjusted.



Indicators	Relative to sales, SEK M			
	2015	2014	2015	2014
Energy (GWh)	942	903	0.038	0.040
Climate impact (tons CO ₂)	279,600	276,900	11.3	12.3
Water (m ³)	1,850,000	1,975,500	74.6	87.7
Waste (ton)	44,500	44,700	1.8	2.0
Emissions to air (ton VOC)	903	900	0.036	0.040

Climate reporting in accordance with the CDP

Since 2007, Trelleborg has participated in the CDP's (formerly the Carbon Disclosure Project) voluntary reporting of greenhouse gas emissions, which involves openly reporting relevant key figures and data, measures to prevent adverse climate impacts, and products, solutions and initiatives to improve society in this respect.

In the Annual CDP Report for 2015, Trelleborg received a score of 73 D (71 C). A score of 71 from a maximum of 100 is a measure of the quality and completeness of the company's climate data. The letter D represents CO₂ performance, and a high-performing company receives an A or a B.

from the company's own wells and 28 percent (29) from surface water and 1 percent (0) from other sources. Water in production is mainly used for cooling and washing. Major savings have been made since 2008 by using, for example, improved cooling and recycling systems.

Emissions to water are limited, but mainly consist of organic matter.

A mapping of water scarcity in the regions where Trelleborg's production units are located commenced in 2015. The results indicate that certain units are located in regions where water scarcity may become an issue, such as in China, Italy, the U.S. and Sri Lanka. The mapping will continue in 2016 in collaboration with the relevant units.

Waste. In 2015, the total amount of waste was 44,500 tons (44,700). The amount of waste per SEK M was 1.8 tons (2.0). Continuous efforts are taking place within the local operations to decrease production waste, thereby reducing the waste volume, and to ensure a higher rate of recycling at lower cost. Recycling is carried out by external

partners and internally. In 2015, the Group's total waste management cost amounted to SEK 44 M (39). The distribution was 3 percent (3) for internal recycling, 46 percent (48) for external recycling, 11 percent (11) for energy recovery, 32 percent (30) for landfill, and 8 percent (8) for other waste management. Of the total waste amount, rubber accounted for slightly more than 23 percent (25).

The amount of environmentally-harmful or hazardous waste requiring special treatment amounted to 5,122 tons (5,300).

Emissions to air. In addition to energy-related emissions such as carbon dioxide (see pages 11-13), sulfur dioxide – 204 tons (216) – and nitrogen oxides – 45 tons (41), the company's emissions to air mainly consist of volatile organic compounds (VOCs). VOC emissions are mainly derived from the use of solvent-based adhesives, which are critical for a limited number of production units, depending on their product mix. In 2015, VOC emissions totaled 903 tons (900). Emissions per SEK M were 0.036 tons (0.040). The change is largely due to the fact that Trelleborg now applies the same definition of VOC as the EU, requiring adjustments to also be made to historical figures. For units with significant emissions, particularly the printing blankets unit in Brazil, structural improvement measures, including recycling, are in the build-up phase.

Positive outcome for Trelleborg's "15 by 15" climate objective

Trelleborg's objective to reduce direct and indirect CO₂ emissions by the end of 2015 by at least 15 percent relative to sales ("15 by 15") has been highly successful, in total leading to a 20-percent improvement in emissions relative to sales, measured from the base year of 2008.

The emissions in question are the direct emissions caused by energy produced internally, and that are included in Scope 1 of the Greenhouse Gas Protocol (see the diagram below), and the indirect emissions caused by energy purchased for own consumption, corresponding to Scope 2 in the diagram.

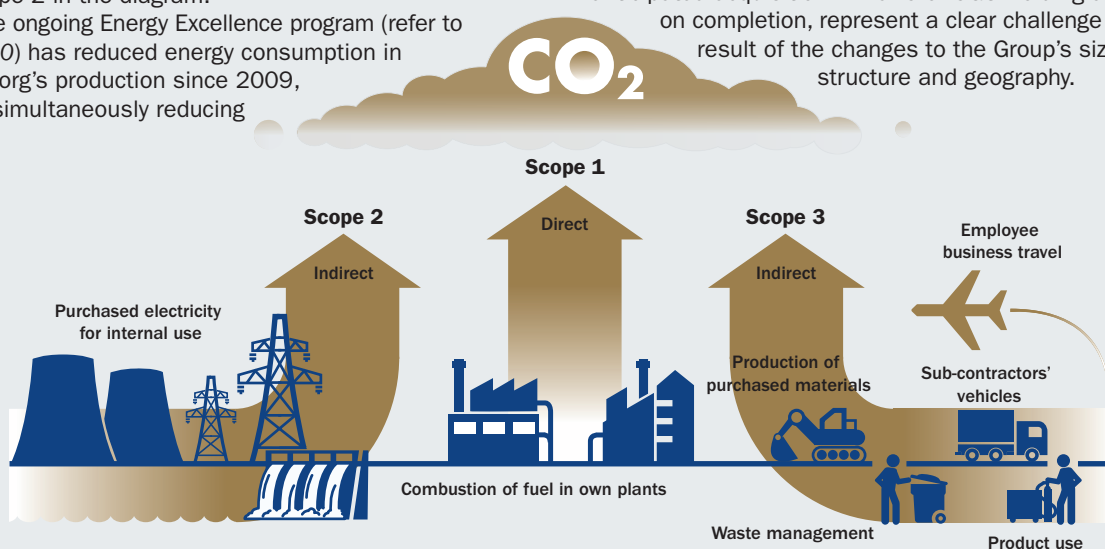
The ongoing Energy Excellence program (refer to page 10) has reduced energy consumption in Trelleborg's production since 2009, while simultaneously reducing

CO₂ emissions to different degrees in different countries.

Scope 3 includes indirect emissions primarily from purchased transport, but also, for example, travel, purchased materials, product use and waste management.

CO₂ emissions from purchased transport were analyzed in more detail in 2015, see the box below.

For the 2016-2020 period, Trelleborg's ambition is to achieve a continued reduction in CO₂ emissions, with the objective of a 20-percent improvement relative to sales by the end of 2020, using 2015 as the baseline. However, the anticipated acquisition in 2016 of CGS Holding a.s. could, on completion, represent a clear challenge as a result of the changes to the Group's size, product structure and geography.



The first analysis of CO₂ emissions from transportation

During the year, an important analysis project was conducted in partnership with consultants from EY to map the volume of CO₂ emissions from Trelleborg's purchased transportation. Fifteen representative facilities, which in combination account for more than half of the transportation costs, were included in the survey, in which predominantly their outgoing transportation – which Trelleborg has direct influence over – was mapped.

Emissions data from the transport providers concerned was collected and evaluated. It can be concluded that access to such reporting varies, and that there is still some uncertainty due to various measurement methods and practices, which occasionally led to a need for adjustment using manual calculations.

Finally, the collected data was extrapolated

in accordance with best practices to arrive at a total figure for the Group's transportation emissions.

Trelleborg's total CO₂ emissions from outgoing transportation according to the method used were slightly more than 170,000 tons annually, which overall is

roughly in line with current indirect emissions from purchased energy (Scope 2).

In the years ahead, the company will gradually develop an approach that will enable it to continuously measure and improve the climate footprint of its transport activities.



Diversity – a natural part of international operations

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

Alongside the fundamental rules against special treatment and discrimination in the Code of Conduct (see page 8), the company values knowledge wherever it is found, with no other criteria than the fundamental view that all people are equal and have the same rights. Trelleborg works to achieve a balanced mix of ethnicities, ages and genders in its operations.

Ethnicity. A basic rule is that the company's management and other managers should have a local presence, which naturally leads to ethnic diversity in the management of a company that operates in more than 40 countries.

At the end of 2015, management (senior management team and those in senior positions in the business areas) at levels 1–3 of the company comprised 10 different nationalities.

Age. A core issue for all knowledge organizations, including Trelleborg, is the ability to recruit young talent. Attracting younger people to white-collar positions is also important due to the expected number of retirements over the next ten years. As a result, Trelleborg is focusing on younger generations – employees born from 1980 and onwards – which commenced with a survey completed by about 80 percent of employees in this age group. A follow-up series of workshops focused on issues

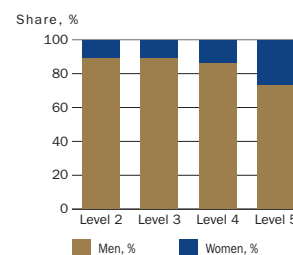


highlighted by this age group: feedback on work performed, knowledge sharing, personal development, new technology, community involvement and social events.

Trelleborg has initiated special training for managers on how to manage employees from different generations.

Gender. In an engineering company like Trelleborg, efforts to achieve a gender balance present challenges that require work at all levels. At higher Group and business area levels, men still are in significant majority, however gender distribution is more balanced in the business operations. Efforts to achieve a gender balance throughout the operations take the form of actively seeking women candidates for all executive and managerial positions, and for all of the Group's training and development programs, particularly its leadership programs.

Gender distribution in senior positions



Gender distribution at management levels 2-5 in Trelleborg's units where the average is 24 percent (September 2015), the same proportion as for women in the organization as a whole. The proportion of women is highest at level 5. Level 2 corresponds to business area presidents and Level 3 to employees who report to a business area president.

The proportion of women in Group management is 9 percent (9) and on the Board of Directors 33 percent (25).

Professional development is characterized by diversity

2015 was an eventful year for Trelleborg Group University (TGU), the Group's joint training organization. A large number of seminars and programs focused on professional development and diversity were conducted. The proportion of training courses initiated and implemented locally is growing. More and more programs are being arranged in the U.S. and Asia, where an increasing proportion of Trelleborg's employees work.

One trend in TGU that became obvious during the year was greater diversity among participants. Between 10 and 16 nationalities were represented in a range of activities and programs conducted by TGU during the

year, which included the introductory seminar for new managers, the Trelleborg International Management Program (TIMP) and the Graduate Program.

"Some 16 nationalities were represented at our introductory seminar for new managers in December 2015, and we saw a higher proportion of women – 17 percent – among the participants," says Carina Nesbitt, who is responsible for training at Group level.

"Although the percentage of women participants increased in all of our activities, we want to continue raising the proportion of women to achieve a more balanced mix. Another initiative to increase diversity is the new Sales Excellence program, which will be



implemented locally in a total of ten languages across 21 countries." The *Mentoring for Accelerating Performance and Innovation* program is yet another diversity initiative. The program was launched 2015 and focuses on younger generations and different nationalities.

Broad-based community involvement



Trelleborg's role in society ranges from value generation and innovation for sustainability to local development programs.

Trelleborg in society. Trelleborg's contribution to society in the form of the Group's overall value generation is described in figures on page 29.

The contribution of the Group's products to the general sustainability of society is described on page 30.

Local development programs. Collaboration – support or sponsorship of activities with an environmental, health or social focus is ongoing locally at many of Trelleborg's units.

In all of the different places and forms in which the company operates, Trelleborg aims to promote the social integration of target groups, such as young people and the disabled, through educational and development initiatives as well as meaningful recreational activities, such as physical activity and sports. A number of programs are taking place in various countries, see the examples below, in which the Group participates to support the development of children and young people. In local collaborations with sports clubs, youth activities are prioritized.

In addition to these, Trelleborg collaborates with a number of schools and universities, such as the University of Malta, Lund University in Sweden (refer also to page 7 for collaboration with the

International Institute for Industrial Environmental Economics in Lund, Sweden) as well as various professional associations.

Sri Lanka. A school program has been ongoing at Kelani College, Colombo, Sri Lanka, since 2012 – in partnership with Star for Life – to support and inspire young people to believe in their future and achieve their dreams. The three-year program is based on regular coaching as well as sports and music activities. In 2015, work began to expand the program to include another school in the Colombo area.

In Sri Lanka, Trelleborg has also been running a pre-school under the name Antonio Bianchi's House in partnership with Child Action Lanka since 2010. The pre-school has daily activities for children with some form of functional disability. Both of the schools are located close to Trelleborg's industrial and agricultural tire facilities in Kelaniya.

Brazil. Trelleborg supports more than 6,000 children in pre-school operations in the São Paulo region of Brazil through Save the Children and its partner Fundação Abrinq, via a project that improves educational environments by training teachers and better equipping premises and playing areas.

India. In 2015, new partnerships with voluntary organizations in India were initiated. A Village Uplift Program was started in cooperation with the Hand in

Hand organization, with the aim of creating an environment and an infrastructure to promote local development for the Maralukunte community in the Bengaluru region, located some 70 km from Trelleborg's facilities.

Trelleborg promotes diversity in Swedish businesses.

Rosengård Invest, based in Malmö, Sweden, is an investment company that was founded in 2009 by Trelleborg AB in partnership with E.ON, Swedbank and Folksam. The company has successfully distributed venture capital to entrepreneurs who do not have a Swedish background in both new and existing companies in the Swedish market.



Rädda Barnen

**ROSEN
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Frameworks for managing Trelleborg's Corporate Responsibility

Code of Conduct and monitoring. A pillar of the internal CR work is Trelleborg's Code of Conduct (see also page 8) in the areas of environment, occupational health and safety and ethics. The Code is based on internationally recognized conventions and guidelines, such as the Universal Declaration of Human Rights, the ILO conventions, the OECD guidelines and the UN Global Compact, which Trelleborg signed in 2007.

The Code of Conduct applies to all employees without exception, and training in the Code is mandatory for all employees.

Internal CR control is further supported by various types of internal audits, within the framework of the occupational Safety@Work program and the ISO 14001 environmental management system, for example, as well as random external audits, such as initiatives to monitor compliance with the Code of Conduct. In December 2015, PricewaterhouseCoopers performed external audits of two Trelleborg units in India.

Whistleblower Policy. Trelleborg's Whistleblower Policy also supports the CR framework. The Whistleblower Policy enables all employees to report suspected legal or regulatory violations without repercussion.

Reports can be submitted by phone, or online, in the employee's own language.

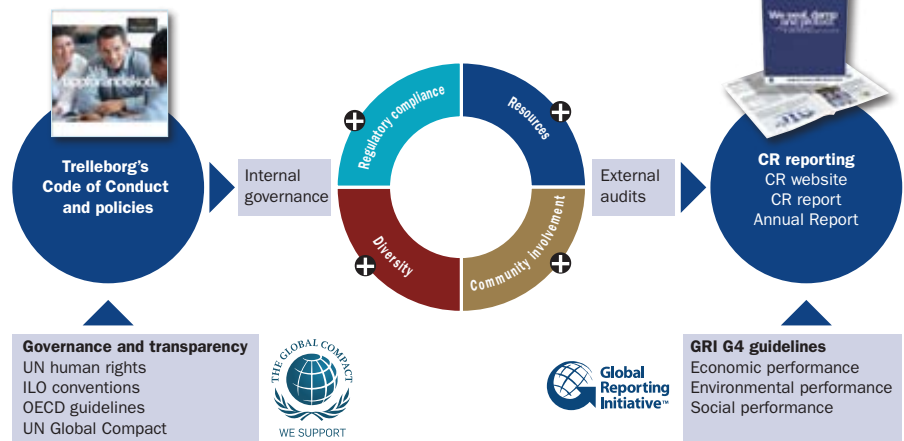
CR reporting and external reporting.

The collection of internal CR data relates to all units included in the Group during the relevant period and is mainly performed within the framework of monthly reporting via Manufacturing Excellence and via specific CR reporting from all Trelleborg units twice per year. The same system is used to report both financial and CR data.

The external reporting of Corporate Responsibility issues that is published in *Trelleborg's Annual Report* and in this full annual *Corporate Responsibility Report* is based on the G4 Guidelines of the Global Reporting Initiative (GRI), according to the Core option.

In addition, there is a Corporate Responsibility section under *About Us* on Trelleborg's website www.trelleborg.com,

Trelleborg's CR control



from where Annual Reports and CR Reports can also be downloaded. The latter also serve as Trelleborg's annual Communication on Progress (COP) reports for the UN Global Compact.

This CR Report contains detailed descriptions of sustainability governance and an index to clarify exactly how the report follows the GRI guidelines, see pages 17-19.

Organization. At Board level, the Audit Committee has been assigned to monitor the Group's work with CR issues.

The operational CR organization consists of a Steering Committee comprising the managers of Group

Legal, Group Corporate Communications and HR staff functions, while the day-to-day activities take place in the *Corporate Responsibility Forum*, comprising representatives from the Group's Corporate Communications, Legal, Environment, HR, Purchasing and Finance/Treasury staff functions, and from the Manufacturing Excellence Program, as well as out in the operational units.

Direct responsibility for environmental and occupational health and safety (OHS) issues is locally delegated – each production plant has an environmental coordinator and an OHS officer.

Organization



Focus Areas in Corporate Responsibility

The table below describes Trelleborg's CR Focus Areas, the various aspects within each area, their boundaries and how they are approached by the company/organization. The final column contains omissions or other limitations, and comments on the management approach.

Focus areas/ Material aspects	Internal/ external limitation	Why material?	How is this area governed?	Other limitations (see also omissions in GRI Index on page 20-22)
1. Compliance				
Anti-corruption	Internal, all units.	A vital issue of confidence for all stakeholder groups, both external and internal. Anti-corruption is one of the main areas in the UN Global Compact's principles, which the company signed in 2007.	Knowledge of the Code of Conduct's requirements in this area is both a central and local requirement applicable to all employees at all levels. The Code is owned by Group Human Resources. The Compliance Program is owned by the Group Legal Department. <i>Policy documents:</i> Code of Conduct, Anti-Corruption Policy, Acceptance Letter	Primarily, preventive training, including knowledge of the Code of Conduct's requirements, as well as specific training (see page 8). Potential conflicts of interest are addressed in detail in the Code.
Anti-competitive behavior	Internal, all units.	A vital issue of confidence for all stakeholder groups, both external and internal.	Knowledge of the Code of Conduct's requirements in this area is both a central and local requirement applicable to all employees at all levels. The Code is owned by Group Human Resources. The Compliance Program is owned by the Group Legal Department. <i>Policy documents:</i> Code of Conduct, Competition Law Policy	Primarily, preventive training, such as knowledge of the Code of Conduct's requirements, but also specific training in the Compliance Program (see page 8).
Compliance (general)	Internal, all units.	A vital issue of confidence for all stakeholder groups, both external and internal.	Group Legal has insight into all major cases of fines or other sanctions. Only these material cases are included in reporting. <i>Policy document:</i> Code of Conduct	
Compliance (environmental)	Internal, production units.	A vital issue of confidence for all stakeholder groups, both external and internal.	Any fines or other sanctions for environmental infringement are reported to Group Legal via CR reporting procedures. <i>Policy document:</i> Environmental Policy	
Non-discrimination	Internal, all units.	A vital issue of confidence for all stakeholder groups, both external and internal.	Notified cases are dealt with by local management, and also reported centrally via CR reporting procedures. <i>Policy document:</i> Code of Conduct	Refers to reported cases.
Freedom of association and collective bargaining	Internal, all units.	A vital issue of confidence for all stakeholder groups, both external and internal.	The right to freedom of association, representation by trade unions or other representatives and collective bargaining are highlighted in the Code of Conduct. <i>Policy document:</i> Code of Conduct	
Child labor	No internal risk, the assessment is that risk prevails only in the supplier stage for natural rubber.	A vital issue of confidence for all stakeholder groups, both external and internal.	Primarily a supplier review with the help of a general self-assessment; the work is pursued by the Purchasing function. Monitoring of all suppliers with any warranted question marks is done at the local level. In 2015, 12 supplier audits were performed in China. The basis for selection is both a geographic and material risk assessment. Underperforming suppliers are given a deadline for corrective measures, based on the severity of their breaches. From 2016, this type of audit work is expected to provide the focus for supplier assessments from a CR perspective. Efforts in Sri Lanka 2014-2015 were directed at upstream suppliers (rubber plantations and staff), see page 8. <i>Policy documents:</i> Code of Conduct, Self-assessment CR for suppliers, Supplier Audit procedures	Systematic review of first-line suppliers, completed with supplier audits. Incidence among suppliers further back in the chain is more difficult to regulate, even if Trelleborg conducts selected preventive measures at these points, see the examples on pages 8-9.

Focus areas/ Material aspects	Internal/ external limitation	Why material?	How is this area governed?	Other limitations (see also omissions in GRI Index on page 20-22)
Forced labor	No internal risk, the assessment is that risk prevails only in the supplier stage for textiles, natural rubber or metal components.	A vital issue of confidence for all stakeholder groups, both external and internal. For UK, the Modern Slavery Act has brought recent attention.	Primarily a supplier review with the help of a general self-assessment; the work is pursued by the Purchasing function. Monitoring of all suppliers with any warranted question marks is done at the local level. In 2015, 12 supplier audits were performed in China. The basis for selection is both a geographic and material risk assessment. Underperforming suppliers are given a deadline for corrective measures, based on the severity of their breaches. From 2016, this type of audit work is expected to provide the focus for supplier assessments from a CR perspective. <i>Policy documents:</i> Code of Conduct, Self-assessment CR for Suppliers, Supplier Audit procedures	Systematic review of first-line suppliers, completed with supplier audits. Incidence among suppliers further back in the chain is more difficult to regulate, but is conducted in selected cases.
Supplier Human Rights Assessment	Only suppliers.	A vital issue of confidence for all stakeholder groups, both external and internal.	Primarily a supplier review with the help of a general self-assessment; the work is pursued by the Purchasing function and coordinated by the Group Purchasing Department. In 2015, 12 supplier audits were performed in China. The basis for selection is both a geographic and material risk assessment. Underperforming suppliers are given a deadline for corrective measures, based on the severity of their breaches. From 2016, this type of audit work is expected to provide the focus for supplier assessments from a CR perspective. <i>Policy documents:</i> Code of Conduct, Self-assessment CR for Suppliers, Supplier Audit procedures	Systematic review of first-line suppliers, completed with supplier audits. Incidence among suppliers further back in the chain is more difficult to regulate, but is conducted in selected cases.
2. Resources				
Health and safety	Internal, all production units.	Work-related injuries or illnesses among employees may arise, for example, via work activities such as heavy lifting, repetitive work and the handling of chemicals.	The Safety@Work program aims to establish a shared safety culture via improvement programs with preventive and remedial measures at all production units. Monitoring takes place annually through self-assessment, supplemented by internal and external audits. <i>Policy documents:</i> Code of Conduct, Safety@Work Policy	Good overview and improvement through the Safety@Work program for employees in production units.
Energy	Internal, and estimated for purchased energy used in production. Energy consumption for transport is probably significant in other value chains.	Energy for the company's production processes derive in many cases from non-sustainable sources, meaning that a substantial share of consumption is connected with the combustion of fossil fuels in the case of direct and purchased power, steam and district heating (indirect energy).	Energy has long been a priority area for Trelleborg, as shown by the Energy Excellence initiative, which is conducted close to the units, with energy savings as explicit goals. In 2015, some 100 energy efficiency projects were carried out, resulting in significant energy and cost savings. Local energy coordinators are trained, and a comprehensive toolkit developed to support the initiative. Monthly follow-up is done using the main KPIs via Manufacturing Excellence. The Group intends to continue focusing on further energy efficiency measures in the years ahead, and the goal is to achieve an annual 3-percent improvement in energy consumption relative to sales. <i>Policy document:</i> Environmental Policy	Good overview of internal direct energy consumption and indirect (purchased) energy. Energy consumption outside Trelleborg's proprietary operations is not included in reporting.
Climate	Internal (Scope 1), and estimated CO ₂ emissions caused by purchased energy (Scope 2). Scope 3, which focuses on upstream emissions and downstream activities, may definitely be significant, and is also the subject of analysis.	Global climate impact via the greenhouse effect is primarily linked to CO ₂ emissions of fossil fuels, and with purchased power, steam and district heating.	For Trelleborg, Energy Excellence (part of the Manufacturing Excellence, strategic initiative) has been the main approach to reducing the carbon footprint. A climate objective ("15 by 15") successfully completed in 2015 (see page 13) was originally established to ensure extra attention for the necessary reduction of CO ₂ emissions. For the 2016-2020 period, Trelleborg's ambition is to achieve a continued reduction in CO ₂ emissions, with the objective of a 20-percent improvement relative to sales by the end of 2020, using 2015 as the baseline. <i>Policy document:</i> Environmental Policy	CO ₂ emissions from electricity consumption depend on the mix of energy sources in the country where they occur, with countries with a higher proportion of hydro and/or nuclear power reporting lower emissions (via national conversion factors). An analysis made in 2015 has indicated the extent of emissions from transports to approximately 170,000 tons. In the years ahead, the company will gradually develop an approach that will enable it to continuously measure and improve the climate footprint of its transport activities.

Focus areas/ Material aspects	Internal/ external limitation	Why material?	How is this area governed?	Other limitations (see also omissions in GRI Index on page 20-22)
Water	Internal, mainly units in water-stressed zones.	Even though water is a major global problem, it is not a critical resource in all of Trelleborg's units, but primarily in units located in water-stressed zones.	Although the water consumption of all units is monitored regularly, it is mainly in units located in water-stressed zones that may need special measures, thus efforts focus on reaching these units. This is the responsibility of Manufacturing Excellence. <i>Policy document: Environmental Policy</i>	In 2015, an analysis was started of the priority sites in terms of water resource issues. The results indicate that certain units are located in regions where water scarcity may become an issue, such as in China, Italy, the U.S. and Sri Lanka. The mapping will continue in 2016 in collaboration with the relevant units.
Emissions	Internal, primarily units whose products contain solvents.	Volatile organic compounds (VOCs), such as solvents, are hazardous to health. These are included in certain rubber compounds to make them softer, bendable or adherent.	It is primarily in operations in which manufactured products include VOCs, such as certain types of printing blankets, which require special measures. This is the responsibility of Manufacturing Excellence. Total VOC emissions have been reduced relative to sales. As of 2015, Trelleborg's definition of VOC is now in line with the EU's. Historical figures have therefore been adjusted. <i>Policy document: Environmental Policy</i>	The change in outcome 2015 is largely due to the fact that Trelleborg now applies the same definition of VOC as the EU, requiring adjustments to also be made to historical figures.
Waste	Internal, all production units, and certain waste management suppliers.	To avoid resource wastage. The capacity for landfill is exceeded in many countries. Safe management of environmentally or health-hazardous waste.	Waste minimization is an explicit goal in the Group-wide Manufacturing Excellence initiative undertaken in all manufacturing units and monitored on a monthly basis. <i>Policy document: Environmental Policy</i>	
Chemicals	Internal, all production units, and certain suppliers.	Due to environmental or health hazards associated with toxic or lowly degradable chemicals.	The Global Chemical Task Force is a newly created entity at the Group level (with the Legal/Environment and Purchasing departments as the main driving forces in charge) that works with Trelleborg's Restricted Chemicals list, and supports the work of phasing out and offering alternatives among the units. An internal Restricted Materials List has been compiled, and a project was actively pursued by the team during the year focusing on prioritized material. <i>Policy document: Environmental Policy</i>	Work in line with the REACH Regulation (see page 10), which has been ongoing for a number of years; and because it is EU Legislation, has been most intensive in European units.

3. Diversity

Diversity	Internal, all units.	For Trelleborg as a global company, organizational diversity is a positive approach to strengthening the correct market perspective and competence.	Ethnicity, age and gender are the primary dimensions for Trelleborg. Main responsibility for work in the strengthening of diversity rests with the central and local HR managers, and includes integrating the diversity ambitions into all programs for training and skills development.	The management/manager perspective has priority, with the focus on ethnicity and gender.
Training	Internal, all units.	Training is a vital element to accomplish an even more diverse and inclusive company culture, mainly by integrating diversity ambitions into programs for training and skills development.	Ethnicity, age and gender are the primary diversity dimensions for Trelleborg. Main responsibility for work in the strengthening of diversity rests with the central and local HR managers, and includes integrating the diversity ambitions into all programs for training and skills development.	

4. Local community development

Economic Performance	Internal.	Trelleborg wishes to contribute a distinct value to society.	Trelleborg's overall value creation for the surrounding community and its various groups are described in the Annual Report in monetary terms, and through clear sustainability reporting. It is also highlighted through Blue Dimension™, which is Trelleborg's designation for products that contribute to improved sustainability of society.	
Local community development	Internal, all units.	Trelleborg endeavors to assume responsibility for good relations with the community as a whole wherever the company is active.	Good relations with the surrounding community is a responsibility that lies with each local unit and its management. More extensive programs for local development, for example, in Sri Lanka, Brazil, and India are followed at the Group level, with the primary responsibility resting with Group Corporate Communications. <i>Policy documents: Code of Conduct, Sponsorship Recommendations.</i>	The outlining of a community for communication about ongoing local community initiatives is being developed 2016.

GRI Content Index for 'In accordance' – Core

Trelleborg's Corporate Responsibility Report for 2015 complies with Global Reporting Initiative guidelines GRI G4. The following index shows where information can be found with page references to the printed version of the Annual Report, and to this CR Report 2015. The index lists the GRI indicators on which Trelleborg has selected to report. Indicators with omitted parts are marked with a *, and commented on. All listed indicators have been subject to review by PWC, see p.27.

G4	Indicators	Comments/Omissions	Pages in this Report	Pages in the Annual Report
General standard disclosures				
Strategy and analysis				
1	Foreword: President and CEO Peter Nilsson on corporate responsibility		3	2-4, 42
Organizational profile				
3	Name of the organization		2	Cover
4	Primary brands, products, and services		2, 28-29	Cover, 12, 14, 16, 18, 20, 25-27, 34-40
5	Location of the organization's headquarters		2	Cover
6	Countries where the Group operates		2, 31	Cover, 28
7	Nature of ownership		2	Cover, 5-7, 63-69
8	Markets served		2	Cover, 12-21, 23, 28-30, 32-40
9	Scale of the organization		2, 4-5	Cover, 5-11, 13, 15, 17, 19, 21-23, 28-29
10	Total workforce by employment type, employment contract, and region, broken down by gender		2	Cover, 30, 92
11	Percentage of total employees covered by collective bargaining agreements		8	46
12	Supply chain		9	47
13	Significant changes during the reporting period		31	2-3, 12, 14, 16, 18, 20, 23, 29-30
14	Explanation of how the Group addresses the precautionary approach		10	48
15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the Group subscribes or endorses		3, 6, 8, 12, 16, 32-33	42-43, 45-46, 50
16	Memberships of associations (such as industry associations) and national or international advocacy organizations		3, 16, 32-33	42, 45
Identified material aspects and boundaries				
17	All entities included in the organization's consolidated financial statements or equivalent documents		31	98
18	The process for defining the report content and the Aspect Boundaries		6-7, 31	43-44
19	All the material Aspects identified in the process for defining report content		3, 6-7, 17-19	42-44
20	Aspect Boundary for each material Aspect within the organization		17-19	
21	Aspect Boundary for each material Aspect outside the organization		17-19	
22	Restatements of information provided in previous reports	VOC restatement of historic figures due to established definition from 2015	11-12, 31	49-50
23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		7, 31	44

G4	Indicators	Comments/Omissions	Pages in this Report	Pages in the Annual Report
Stakeholder engagement				
24	List of stakeholder groups engaged by the organization		6-7	43-44
25	The basis for identification and selection of stakeholders with whom to engage		6	43
26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group		6-7	43-44
27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to these		7	44
Report profile				
28	Reporting period for information provided		2, 31	117
29	Date of most recent previous report		2, 31	117
30	Reporting cycle		31	117
31	Contact point for questions regarding the report or its contents		34	117
32	GRI Content Index and the External Assurance Report		20-22, 27	54, 112
33	Policy and current practice regarding external verification		3, 31	42
Governance				
34	Governance structure of the organization		16	45
Ethics and integrity				
56	The Group's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics		3-4, 8, 16, 28-29	8, 26-27, 31, 42, 45-46, 48-49, 51
Specific standard disclosures				
Economic				
Economic performance				
EC1	Direct economic value generated and distributed		29	27
Environmental				
Energy				
EN3	Energy consumption within the organization		10, 12	48, 50
EN5	Energy intensity		10, 12	48, 50
EN6	Reduction of energy consumption	The company does report the energy consumption in absolute figures. However, Trelleborg grows through acquisitions, which makes it necessary to measure energy savings through intensity rather than through energy consumption only.	10-11	48-49
Water				
EN8	Total water withdrawal by source		11-12	49-50
Emissions				
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)		5, 10-12	9, 48-50
EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)		12-13	50-51
EN18	Greenhouse gas (GHG) emissions intensity		5, 10-12	9, 48-50
EN19	Reduction of greenhouse gas (GHG) emissions		13	51
EN21	NOx, SOx, and other significant air emissions		11-12	49-50
Waste				
EN23	Total weight of waste by type and disposal method		11-12	49-50
EN24	Total number and volume of significant spills		9	47
Compliance				
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		9	47
Employment				
Health and safety				
LA5*	Percentage of total workforce represented in formal joint management-worker health and safety committees	Trelleborg does not specify the number of employees in production units, so the figure corresponds to percentage of production units instead.	10	48

G4	Indicators	Comments/Omissions	Pages in this Report	Pages in the Annual Report
LA6*	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Trelleborg does not report global absentee rate. In some countries where Trelleborg operates, absenteeism is measured mainly for production purposes, which currently causes too large risks of errors to a global figure.	5, 10	9, 48
Training and education				
LA10*	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Programs included in report are focused on Group University offerings with a clear Diversity aspect.	14	52
Diversity and equal opportunity				
LA12*	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Compared to ethnicity and gender, age is deemed less significant in the current Trelleborg context and is therefore omitted.	14	52
Human Rights				
Non-discrimination				
HR3	Total number of incidents of discrimination and corrective actions taken		4, 9	8, 47
Freedom of Association and Collective Bargaining				
HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	From a general perspective (ITUC 2014) China, India and Turkey are among the countries with the highest risks of rights violations.	8-9	46-47
Child labor				
HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	From a general perspective (IMaplecroft 2010) India and China are among the countries with the highest risks of violations.	4, 8	8, 46
Forced or Compulsory Labor				
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	From a general perspective (IMaplecroft 2011) India, China, Mexico and Indonesia are among the countries with the highest risks of violations.	4, 8	8, 46
Supplier Human Rights Assessment				
HR10*	Percentage of new suppliers that were screened using human rights criteria	Trelleborg reports percentage of suppliers screened against relevant total purchasing value as defined by the company.	9	47
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Explaining priority for supplier audits 2015: China is found clearly on top of Trelleborg-relevant country risk ranking (Maplecroft 2013) regarding human/labor rights breaches.	8-9	46-47
Society				
Local communities				
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs		5, 15, 29	9, 27, 53
Anti-corruption				
S04*	Communication and training on anti-corruption policies and procedures	Quantitative figures for percentage of total workforce that have gone through Code of Conduct training will commence from the 2016 CR report.	8	46
Anti-competitive behavior				
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		8	46
Compliance				
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		4, 8	8, 46

Risks and risk management

All business activities involve risk. Risks that are effectively managed may lead to opportunities and value creation, while risks that are not managed correctly could result in damage and losses.

Risk spread and credibility. The ability to identify, evaluate, manage and monitor risks plays a central role in the management and control of Trelleborg's business operations. The aim is to achieve the Group's targets while applying well-considered risk-taking within set parameters.

Trelleborg's operations are aimed at a broad range of customers, market segments and niches, with a wide geographic spread. Sales (invoicing) are conducted in just over 140 countries worldwide and the Group's manufacturing operations are carried out at about 90 production units in some 40 countries. The business is diversified, which provides Trelleborg with an effective underlying risk spread.

Demand for the Group's products and solutions largely moves in line with fluctuations in global industrial production. Trelleborg focuses on maintaining an exposure in its market segments that has a good balance between early and late cyclical industry, meaning general and capital-intensive industry, the demand from which often balances each other out. Seasonal effects occur in the

various market segments. For the Group as a whole, demand is usually higher in the first half of the year than in the second half of the year.

As one of the leading companies in the polymer industry, Trelleborg is subject to high expectations from all of its stakeholders. It is thus crucial that events and conduct that could have a negative impact on the company's brand and credibility are monitored and minimized.

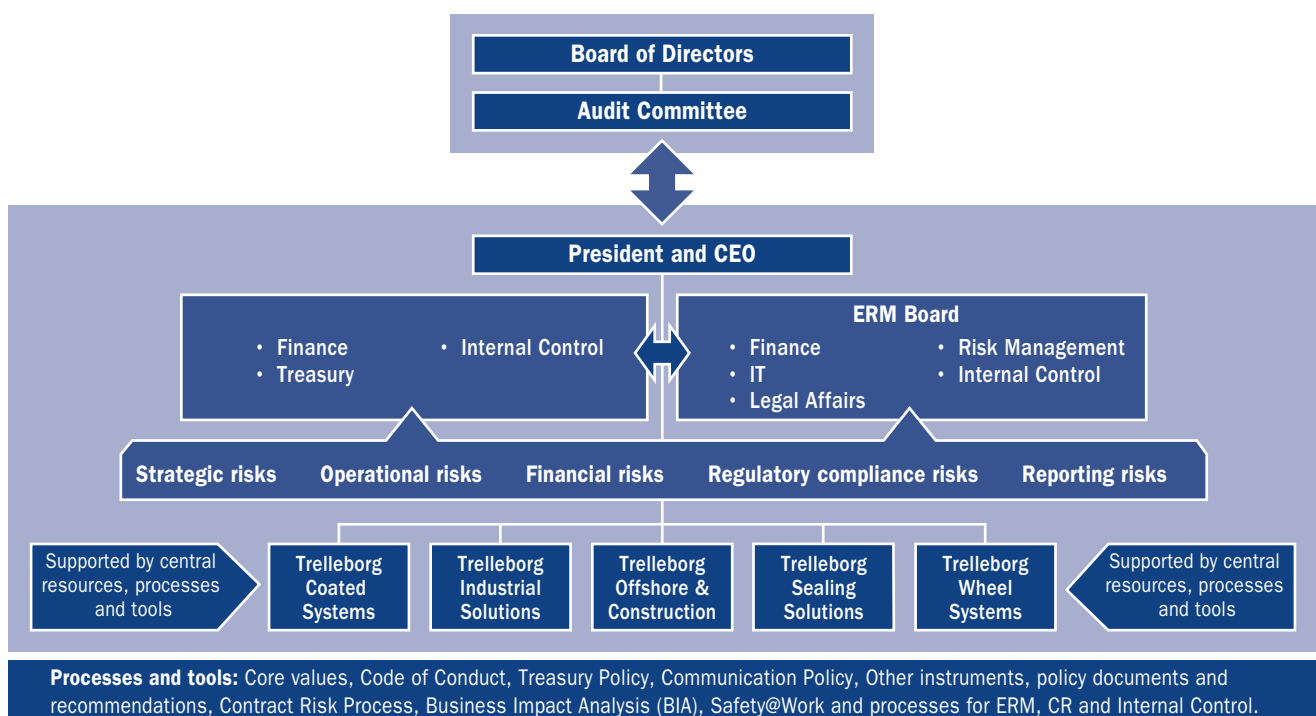
Events or decisions beyond Trelleborg's control that could lead to operational disruptions, damage or loss of substantial impact for the entire Group are also important to monitor and maintain readiness for.

The Corporate Governance Report on pages 63-73 in the Annual Report 2015 contains a detailed description of the internal controls used to manage the risks pertaining to financial reporting.

Financial risks are described on pages 60-61 and in Note 27 in the Annual Report 2015.

Enterprise Risk Management. Trelleborg has an established process for Enterprise Risk Management (ERM process) that provides a framework for the Group's risk activities. The purpose of the ERM process is to provide a Group-wide overview of Trelleborg's risks by identifying them, evaluating them and providing a basis for decision-making regarding the management of risks, and to enable a follow-up of the risks and how they are managed. Responsibility and reporting channels in the ERM process are illustrated in the diagram below.

ERM priorities. Trelleborg has identified nine large risks in five areas. These include risks that may result in damage or loss with substantial impact on the entire Group and therefore justify management of the risk at Group level.



The Group's various companies, business areas and business units have identified a total of about 250 risks. The vast majority of these risks are managed locally.

Some 30 of these approximately 250 risks that may have a major impact at a business area and/or Group level are identified and discussed each year and thus justify the risk being managed at one of these levels. The evaluation of the risks and consolidation of priorities is led by the Risk Management staff

function and comprises a component of the annual strategy process. This process primarily involves the management teams of the business areas, but also Group Management and the staff functions.

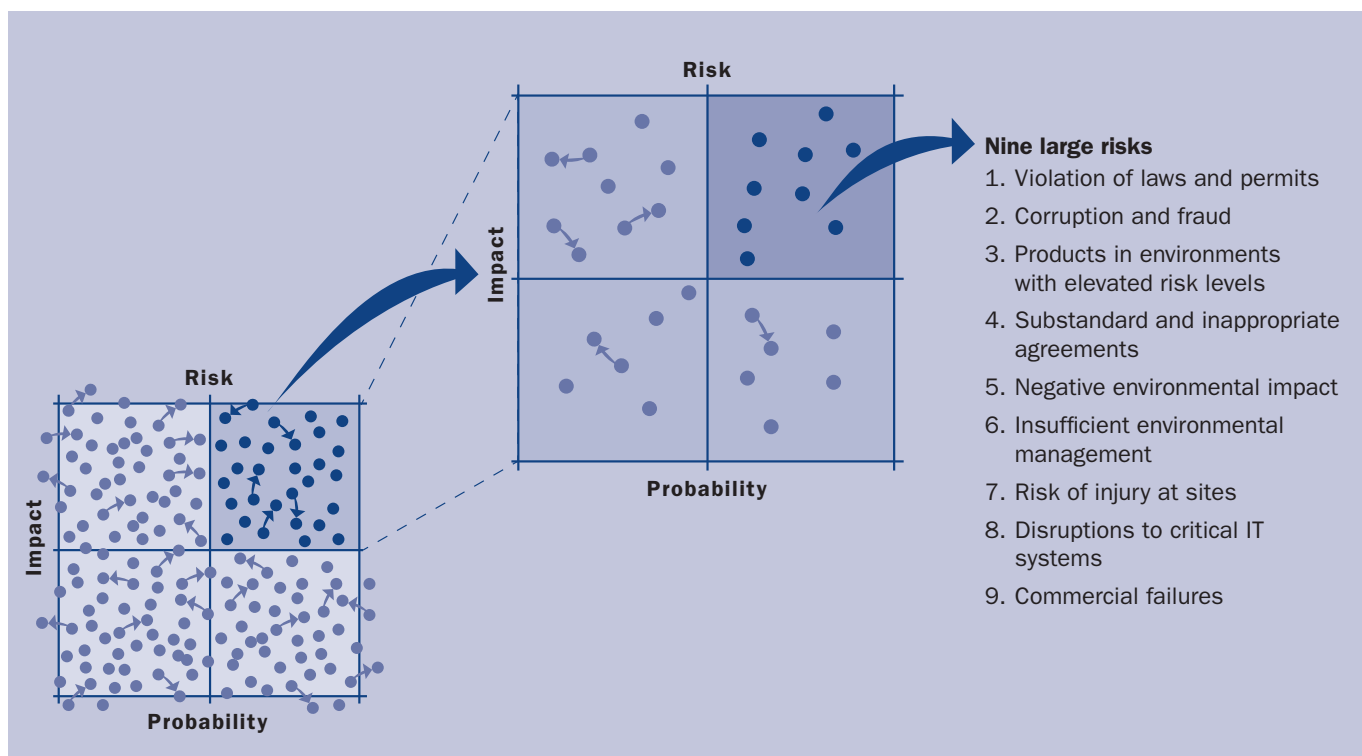
On the basis of the risk prioritization prepared in the ERM process, the Board also identifies and prioritizes risks in conjunction with the strategy process that may significantly affect the possibility of achieving the Group's objectives.

The nine large risks that are deemed

to have a significant impact on the entire Group are managed by the ERM Board, which leads the overall coordination and monitoring of risk activities. Five meetings are planned in the ERM Board for 2016, which are preparatory meetings for Audit Committee and Board meetings.













Read more about Trelleborg's large risks on pages 58-59 in the Annual Report 2015.

Of 250 identified risks, nine are managed at Group level









These risks may, over time, have more or less of an impact on the business and are more or less likely to occur. Some risks concern all operations in the Group, while others relate only to specific areas or individual operations.

Major risks at Trelleborg

Area	Large risks	Focus	Established key processes	Initiated and ongoing activities
Rules	Violation of laws and permits	Compliance with competition law	<ul style="list-style-type: none"> • Training seminars in applicable competition law. • Export control focusing on embargoes and trade restrictions. • Established procedures for approving membership in organizations, for example. Refer to <i>page 8</i>. 	<p>Establishment of a central Group steering committee, Compliance Task Force. </p> <p>Formalization and expansion of Group Internal Control, focusing on regulatory compliance. </p>
	Corruption and fraud	Measures preventing fraudulent conduct	<ul style="list-style-type: none"> • Continuous training. • Established policies and procedures. • Acceptance Letters issued by the Group's President, whereby relevant employees sign a letter each year confirming their knowledge of the Code of Conduct and compliance with the Group's internal policy instruments. • Trelleborg's whistleblower policy and process, which implies that each employee is entitled, without repercussions, to report suspicions of legal or regulatory violations. Refer to <i>page 8</i>. • Review and evaluation of agency and distribution agreements. • Special committee for the counteraction of financial fraud. 	<p>Review of Group's internal policy instruments. </p> <p>Introduction of so-called Policy Quick Guides to further increase the distribution and comprehension of regulations and the Group's core values. </p>
Products & agreements	Products in environments with elevated risk levels	Review of products and solutions	<ul style="list-style-type: none"> • Risk assessments to identify products with an elevated risk level, for example, in the areas of oil & gas, marine oil and gas hoses, life sciences and aerospace. • Legal review and risk assessment of contracts and processes concerning production and project management. 	Training and workshops which follow operationally specific risk assessments of products and contracts. The concept has been initiated within the Trelleborg Offshore & Construction business area. 
	Substandard and inappropriate agreements	Examination of agreements	<ul style="list-style-type: none"> • Comprehensive training in issues concerning agreements. • Legal examination and evaluation of contracts in 11 prioritized areas. 	Further development of external services for focused and fast examination of contracts to facilitate business processes. 
Sites	Negative environmental impact	Review of the sites' local environment	<ul style="list-style-type: none"> • Mapping of environmental risks for all new building and acquisitions. • Continuous surveillance of the sites in question and a focus on the handling of chemicals, rainwater and the risk of flooding. 	<p>Increased surveillance and monitoring of the handling of chemicals. </p> <p>Establishment of ISO 14001 multisite certification, which results in increased standardized analysis and control. </p>
	Insufficient environmental management	Focus on hazardous materials and chemicals	<ul style="list-style-type: none"> • Update of list of materials with restrictions (see <i>page 10</i>), in relation to the use of chemicals and continued environmental assessments at the point of acquisition. 	<p>Establishment of a Group-wide steering committee for chemicals, Global Chemical Task Force. </p> <p>Further expand the internal list of chemical restrictions. </p>
	Risk of injury at sites	Protection of critical sites	<ul style="list-style-type: none"> • External and internal analyses for the Group's operations and results of critical sites. • Guidelines for new building and site upgrades. • Increase the number of risk-classified sites being upgraded to Highly Protected Risk level (HPR). Improve the lowest performing and most critical sites. 	<p>Selection of Group-wide risk areas, customization of injury-preventing guidelines and increased monitoring. </p> <p>Increased focus on and monitoring of major risks at critical sites. </p>

Percentage of risk work completed:  25%  50%  75%

Area	Large risks	Focus	Established key processes	Initiated and ongoing activities
IT	Disruptions to critical systems	Minimize disruptions	<ul style="list-style-type: none"> Improved level of service in terms of the IT infrastructure. Implement upgrades in a structured, Group-wide way. Ensure compliance with legal requirements in the various countries in which the Group operates. Improve information security in and between systems. 	<p>Structuring of new ERP implementations and increased monitoring of Internal Control. </p> <p>Localization of servers and review of physical protection and information security. </p>
Disruptive activities	Commercial failures	New product segments, major projects and acquisitions.	<ul style="list-style-type: none"> Acquisition survey and examination program within the areas of finance, operations and law. Central approval of new products in selected segments, such as life sciences and aerospace. 	Increased business support when establishing new product segments and larger projects concerning responsible risk management and legal risks. 

Percentage of risk work completed:  25%  50%  75%

Assurance Report

Independent Auditor's Limited Assurance Report on the Sustainability Report

(This is the translation of the auditor's report in Swedish.)

To Trelleborg AB (publ)

Introduction

We have been engaged by the Group Management of Trelleborg AB (publ) ("Trelleborg") to undertake an examination of Trelleborg's Corporate Responsibility (CR) Report ("Sustainability Report") for the year 2015, on pages 1-31.

Responsibilities of the Board and Management for the Sustainability Report

The Board of Directors and the Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 3 in the Sustainability Report, and are the parts of the *Sustainability Reporting Guidelines* (published by The Global Reporting Initiative, GRI) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with RevR 6 *Assurance of Sustainability Reports* issued by FAR. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

The firm applies ISQC 1 (*International Standard on Quality Control*) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.


Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.


We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

Trelleborg, April 1, 2016
PricewaterhouseCoopers AB


Cecilia Andrén Dorselius
Authorised Public Accountant


Fredrik Ljungdahl
Expert Member of FAR

Value generation at Trelleborg



Today, the Trelleborg Group is a world leader in engineered polymer solutions, whose innovative solutions accelerate performance for customers in a sustainable way.



BUSINESS CONCEPT

Business concept to seal, damp and protect. Trelleborg's business concept is to seal, damp and protect critical applications in demanding environments.

STRATEGY

Strategy for leading positions. Trelleborg's strategy is to secure leading positions in selected segments. This means that Trelleborg seeks segments, niches and product categories that – by virtue of the Group's market insights, core competencies and offering of advanced products and solutions – provide market leadership. In this manner, long-term shareholder value and added value are generated for customers.

Trelleborg works with the strategy, both Group-wide and in the business areas, supported by four strategic cornerstones that – individually and in combination – underpin the strategy. The strategic cornerstones are:

- geographic balance
- portfolio optimization
 - structural improvements
 - excellence

CORE COMPETENCIES

Value generation through core competencies. The polymers handled by Trelleborg, with their additives and combinations with other materials, do not differ dramatically from those in other companies' products and solutions. But in terms of value generation, there are significant aspects that set Trelleborg apart from its competitors and make the Group unique. These core capabilities are the reason why industrial customers choose Trelleborg.

Trelleborg's business is built on five core capabilities that enable the Group to deliver value, where polymer engineering and local presence, combined with global reach, gives a solid foundation. The value-driving factors of applications expertise and customer integration act as a business accelerator for Trelleborg's customers.

Trelleborg seeks segments, niches and product categories that – by virtue

of the Group's applications expertise and offering of advanced products and solutions – provide market leadership. While leading positions are mainly attained through organic growth, bolt-on acquisitions are also implemented to strengthen market presence and product range.

Trelleborg is also moving up the value chain, toward increasingly sophisticated products and total solutions, based on close collaboration with customers in early development stages.

Our five core capabilities

Polymer engineering

Within our selected segments, we have pioneered applied polymer engineering and materials technology for more than a century.

Local presence, global reach

Wherever we conduct business, our teams act both as a local partner and leverage our global strength and capabilities.

Applications expertise

We have leading-edge technology and in-depth understanding of the challenges our customers must overcome to seal, damp and protect their critical applications.

INNOVATION

Better function, better business, better sustainability. The core of Trelleborg's product and innovation development is the Group's engineered polymer solutions that meet customer-specific requirements for functional properties. In various ways, the purpose of these is also to improve business factors (productivity, costs, sales and profitability) and the sustainability profile for customers.



GENERAL INDUSTRY



OIL & GAS



TRANSPORTATION EQUIPMENT



AGRICULTURE



INFRASTRUCTURE CONSTRUCTION



AEROSPACE



LIGHT VEHICLES

CORPORATE CULTURE

Trelleborg's internal culture. The Trelleborg Group is characterized by far-reaching delegation of responsibilities and authorities. The Group gives its employees extensive freedoms under responsibility and encourages rapid, proactive leadership. Trelleborg has built up a culture over many years that stimulates commitment, responsibility, good ethics in business relationships, and positive interaction with the community in which the Group operates.

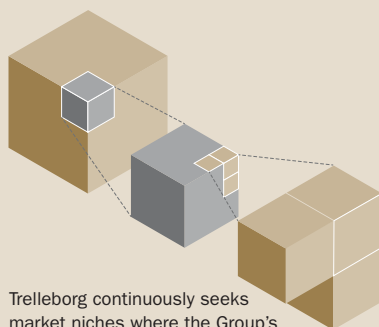
FUTURE GROWTH

Future growth investments. Several dimensions must be taken into consideration when prioritizing future growth investments. These may be segments, niches and product categories combined with geographies, regional and local presence, customers and applications that impact ventures, from the perspective of mature and growing markets.

Trelleborg constantly seeks market niches where the Group's knowledge provide market leadership.

MARKET SEGMENTS

The seven chosen market segments are a mix of general industry, capital-intensive industry and light vehicles, which represent a favorable balance between early and late cyclical industry. The Group's exposure to various market segments has changed over time to balance the demand. Read more about the market segments on pages 32-40 in the Annual Report 2015.



Trelleborg continuously seeks market niches where the Group's collective expertise yields market leadership.

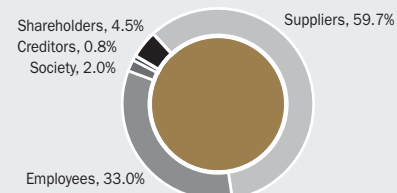
Customer integration

We always make it easy to do business with us, by integrating closely with markets and customers through multiple channels.

Business accelerator

We work as a proactive and long-term business partner, delivering solutions based on market foresight, contributing to better business for our customers.

Distributed value 2015



In total in 2015, Trelleborg's operations generated economic value totaling SEK 25,489 M, of which SEK 22,797 M was distributed among stakeholders as shown in the diagram and specified below:

Suppliers: Payment for materials and services: SEK 13,601 M (12,432).

Employees: Salaries and benefits: SEK 7,518 M (6,687).

Shareholders: Dividend in 2015: SEK 1,017 M (881). Long-term dividend policy: 30-50 percent of net profit for the year.

Creditors: Interest expenses: SEK 189 M (184).

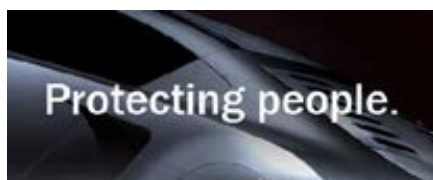
Society: Taxes paid: SEK 472 M (627).

Solutions for Better Sustainability. Blue Dimension™

Trelleborg is a world leader within engineered polymer solutions. Our innovative solutions accelerate customer performance. But there is an additional benefit to what we do.

Our solutions protect people, the environment and infrastructure. We fight noise and vibrations, save energy, respect the soil and safeguard infrastructure. This is what we call Trelleborg's Blue Dimension™, and our ambition is to make the world as blue as possible.

See further examples of our Blue Dimension™ offerings at trelleborg.com/bluedimension.



Most people hate noise. It's annoying and it intrudes into our privacy. Even if some noises are hard to get rid of completely, they can often be kept down to a minimum. At Trelleborg, we are experts in developing solutions that fight different kinds of vibrations and noise. By minimizing noise we can improve environments everywhere. At home, at work – and in cars.



Over the past few years it has become obvious that we all need to focus on taking better care of nature. We need to look after the resources we have at our disposal and use them more wisely. At Trelleborg we are working to develop solutions that help the planet in various ways, by saving energy or by respecting the soil. And we've found that even ideas that may seem small can have a big impact in the long run.



The importance of reliability and dependability can never be underestimated when building infrastructure. In these projects there is simply no room for errors. That's why we develop solid solutions that work, year in and year out. Whether they are used for safeguarding bridges, railways, wastewater systems – or tunnels.

Reporting scope and principles

Scope. This is Trelleborg Group's Corporate Responsibility Report 2015, the second year according to GRI G4 – Core guidelines. The Report is published annually (previous release was in March 2015), integrated into the Annual Report and as an extended standalone Report in pdf format. The latter version also serves as Communication on Progress to the UN Global Compact. It covers Trelleborg performance and commitments related to environment, health, safety and social issues, including business ethics. The aim is that the report shall give an accurate overview of the Group's status and activities in the above areas. The intended target group is everyone concerned about Trelleborg: shareholders, investors, employees, customers and suppliers, authorities, the media, students and researchers, and local stakeholders/neighbors.

Unless otherwise stated, the data presented refer to calendar year 2015. The figures for the preceding year (2014) are shown in parentheses. The report covers all Trelleborg's legal entities where ownership exceeds 50 percent, including all production and non-production units, except where otherwise stated. This means that the 50/50 joint venture TrelleborgVibracoustic is not reported here. It is a standalone body with its own corporate responsibility, where Trelleborg acts as an owner on board level.

Significant changes from previous report. The basis of this CR Report 2015 is the updated Materiality Analysis made by Trelleborg in 2014. Four focus areas continue to comprise the most important sustainability aspects and indicators from internal and external stakeholder perspectives. Compared to previous report the scope is very similar, although there are some additional comments in the Disclosure on Management Approach pages and a few additional omissions (marked *) in the GRI Index.

As sustainability-related risks are now fully integrated, the Risk section on pp. 23-25 in the Corporate Responsibility Report is completely aligned with the Annual Report from the reporting year 2015.

Reporting principles. Each unit supplies data in accordance with the Group's standard for Corporate Responsibility reporting and Manufacturing Excellence reporting, for acquired or sold units covering the period of the year it has been part of the Trelleborg Group. The responsible manager for each unit carries ultimate responsibility for the corporate responsibility data provided, while the reporting itself, including data correctness and quality assurance, is carried out under the management of each unit's financial controller/director, also involving environmental, HR, purchasing and other

specialists. In addition, quality controls are performed by relevant Group functions, whereby data is compared with figures from prior years and data from similar facilities, and verified through random sampling against other available information before the information is finally compiled.

■ The reporting of indirect emissions complies with CDP's recommendations, which means that the latest available national conversion factors from the IEA were applied. Formerly, factors from Greenhouse Gas Protocol were used.

■ Safety@Work is a production facility program exclusively, which affects the Health and Safety reporting of LWC and connected indicators.

External assurance. This report is externally assured by PwC: it is a limited review of Trelleborg's Corporate Responsibility work in 2015, including pages 1-26. The assurance report is to be found on page 27.

The report is made in accordance with the Global Reporting Initiative's GRI G4, Core level guidelines for sustainability reporting.

An overview of Trelleborg's CR work is also found at www.trelleborg.com under *About us/Corporate Responsibility*. The environmental, sustainability and CR reports from prior years are also available from this website.

Production facilities included in Trelleborg's Corporate Responsibility Report 2015

Australia	Brisbane
	East Bentleigh
Brazil	São José dos Campos
	Macaé
	Santana do Parnaíba
	São Paulo, Barueri
Bulgaria	Pernik
China	Pudong
	Qingdao
	Zhongtong
	Xinzhuang
	Hebei
	Xingtai
Czech Republic	Wuxi, Ximei Road
	Mladá Boleslav
	Lesina
Denmark	Helsingør
Estonia	Kuressaare
Finland	Kiikka
France	Mirambeau
	Prodyn
	Cernay
	Sancheville
	Clermont-Ferrand
	Condé-sur-Noireau
Germany	Grossheubach
	Lathen
India	Bangaluru, Husur
	Bangaluru
Italy	Lodi Vecchio
	Modena
	Livorno
	Torino
	Tivoli

Latvia	Liepāja
Lithuania	Tauragė
Malta	Hal Far
Mexico	Tijuana
	Tijuana (Pipe Seals)
Netherlands	Ridderkerk
Norway	Mjøndalen
Poland	Skoczów
	Bielsko-Biala
	Czechowice-Dziedzice
Singapore	Singapore
Spain	Izarra
Sri Lanka	Kelaniya (Trelleborg Lanka)
	Kelaniya (Trelleborg Tyres Lanka)
	Malwana
Sweden	Trelleborg (Industrial Solutions)
	Trelleborg (EF/Mixing)
	Trelleborg (Agri)
	Ersmark
	Forsheda
	Forsheda (Mixing)
	Örebro
	Havdhem
	Värnamo
	Gävle
	Kalmar
	Sävsjö
Switzerland	Stein am Rhein
Turkey	Gebze 1
	Gebze 2
	Duzce
	Tokat

UK	Manchester
	Hawarden
	Knaresborough
	Leicester
	Skelmersdale
	Coventry
	Retford
	Rochdale
	Bridgwater
	Cadley Hill
USA	Rotherham
	Tewkesbury
	Red Lion
	Salisbury
	Morristown
	Rutherfordton
	Spartanburg
	Berryville
	Randolph
	West Hardy
	Rankin Road
	Milford (Pipe Seals)
	Milford
	Park Hills
	Aurora
	Bristol
	Streetsboro
	Denver
	Fort Wayne
	Northborough
	New Haven
	Streamwood

UN Global Compact Principles

Trelleborg is a signatory to the United Nations Global Compact, a platform for encouraging and promoting good corporate principles and learning experiences in the areas of human rights, labor, environment and anti-corruption. Trelleborg's Code of Conduct serves as an important tool in the Group's Corporate Responsibility work and implementation of UN Global Compact principles 1-10. The Group's whistle-blower policy ensures every employee the right to report suspicions of serious breaches of laws or regulations without any repercussions (see page 6 in this report).

Human rights: Principles 1-2

Principle	Examples of initiatives that actively promote human rights are:
1: Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> ■ Targets and outcomes for the Trelleborg Group (see pages 4-5) ■ Four focus areas (see page 6-7)
2: Businesses should make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> ■ Human Rights (see pages 8-9) ■ Diversity - a natural part of international operations (see page 14) ■ Risks and risk management (see pages 23-26)

Labour: Principles 3-6

Principle	Examples of initiatives that actively promote labour standards are:
3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> ■ Targets and outcomes for the Trelleborg Group (see pages 4-5) ■ Examples of stakeholder dialogs in 2015 (see page 7)
4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	<ul style="list-style-type: none"> ■ Child and forced labour (see page 8) ■ Freedom of association (see page 8)
5: Businesses should uphold the effective abolition of child labour.	<ul style="list-style-type: none"> ■ Diversity and gender equality (see page 14)
6: Business should uphold the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> ■ Suppliers (see pages 8-9) ■ Risks and risk management (see pages 23-26)

Environment: Principles 7-9

Principle	Examples of initiatives that actively promote environmental responsibility are:
7: Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> ■ Targets and outcomes for the Trelleborg Group (see pages 4-5) ■ Safe and efficient use of resources (see pages 10-13)
8: Businesses should undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> ■ Trelleborg's "15 by 15" climate-change strategy (see page 13) ■ Risks and risk management (see pages 23-26)
9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> ■ Blue Dimension™ in action (see page 29)

Anti-corruption: Principle 10

Principle	Examples of initiatives that actively promote anti-corruption are:
10: Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> ■ Targets and outcomes for the Trelleborg Group (see pages 4-5) ■ Anti-corruption and competition law (see page 8) ■ Code of Conduct – basis for regulatory compliance and CR (see page 8) ■ Suppliers (see pages 8-9) ■ Risks and risk management (see pages 23-26)

UN Global Compact Advanced Criteria

Trelleborg have been part of the UN Global Compact Programme since 2007. Trelleborg's intention is to continue the development of our Corporate Responsibility performance and disclosure with yearly Communication on Progress (COP) reports. Read more at our Corporate Responsibility Web pages: www.trelleborg.com/About Us/Corporate responsibility

Trelleborg reports to UN Global Compact on the GC Advanced level. The GC Advanced level criteria aim to "create a higher standard for corporate sustainability performance and disclosure". This Communication on Progress report describes how Trelleborg meets the GC Advanced Criteria in the areas of corporate sustainability governance and leadership, how the ten principles of the UN Global Compact are implemented, and how the UN goals and issues are met.

UN Global Compact Advanced level and how it correlates to the Corporate Responsibility work of Trelleborg in our 2015 reporting

CRITERION 1: The COP describes mainstreaming into corporate functions and business units

Reference:

COP: 3-5, 16, 28

Annual Report: 8-9, 42, 45

CRITERION 2: The COP describes value chain implementation

Reference:

COP: 3-5, 7-15

Annual Report: 8-9, 42-43, 46-53

CRITERIA 3, 6, 9, 12: The COP describes robust commitments, strategies or policies in each of the four issue areas (human rights, labour, environment, anti-corruption)

Reference:

COP: 3-19, 28

Annual Report: 8-9, 42-53

CRITERIA 4, 7, 10, 13: The COP describes effective management systems to integrate the principles in each of the four issue areas (human rights, labour, environment, anti-corruption)

Reference:

COP: 3, 16-19

Annual Report: 42, 45

CRITERION 5, 8, 11, 14: The COP describes effective monitoring and evaluation mechanisms in each of the four issue areas (human rights, labor, environment, anti-corruption)

Reference:

COP: 3, 6-7, 16-19, 23-26

Annual Report: 42-45

CRITERION 15: The COP describes core business contributions to UN goals and issues

Reference:

COP: 3-16

Annual Report: 8-9, 42-53

CRITERION 16: The COP describes strategic social investments and philanthropy

Reference:

COP: 15

Annual Report: 53

CRITERION 17: The COP describes advocacy and public policy engagement

Reference:

COP: 15

Annual Report: 53

CRITERION 18: The COP describes partnerships and collective action

Reference:

COP: 15

Annual Report: 53

CRITERION 19: The COP describes CEO commitment and leadership

Reference:

COP: 3, 16

Annual Report: 2-4, 42, 45

CRITERION 20: The COP describes Board adoption and oversight

Reference:

COP: 16

Annual Report: 45, 63-69

CRITERION 21: The COP describes engagement with all important stakeholders

Reference:

COP: 6-11, 14-16

Annual Report: 43-53



Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments.

Our innovative solutions accelerate performance for customers in a sustainable way. The Trelleborg Group has annual sales of SEK 25 billion in over 40 countries. The Group comprises five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. In addition, Trelleborg owns 50 percent of TrelleborgVibracoustic, the global market leader within antivibration solutions for light and heavy vehicles, with annual sales of SEK 18 billion in about 20 countries. The Trelleborg share has been listed on the Stock Exchange since 1964 and is listed on Nasdaq Stockholm, Large Cap.

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