

# Statement about forced labor, human trafficking and child labor 2021

*This statement is for the calendar year ending 31 December 2020. Approved by the Board of Directors, Trelleborg AB, 23 April 2021.*

## **I. Organization Structure, Operations and Supply Chain**

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

Trelleborg Group's total global workforce in 2020 was nearly 23,935 employees. For more information about our business structure and strategy, please refer to our 2020 Annual Report.

Trelleborg is committed to excellence in corporate governance, transparency and accountability. This is essential for the long term performance and sustainability of our company, and to protect and enhance the interests of our shareholders and other stakeholders.

With a Modern Slavery Act annual statement, international companies, such as Trelleborg, acknowledge that forced labor including human trafficking (Modern Slavery) is a global and growing issue for the companies to address and regularly report on – with a focus not only on internal operations but also on the supply chain. Trelleborg has also decided to add child labor to the statement.

According to the ILO's Forced Labor Convention, forced labor is all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily. Forced labor as we define it also includes forced sexual services and what is often labeled as modern slavery.

Every year, we publish this Statement as part of our commitment to the UK Modern Slavery Act 2015, Australian Modern Slavery Act 2018, the Commonwealth Modern Slavery Act, the California Transparency in Supply Chains Act (the prevailing US standard) and activities prohibited by the US Federal Acquisition Regulation 52.222-50(b).

All the covered entities report sustainability matters to Group level twice yearly. The Group's year-to-year performance with regard to all these areas will continue to be described in our Annual Report and in our [Sustainability Report](#). Since 2008, Trelleborg's Sustainability Report has been third-party assured every year. The 2020 Sustainability Report was assured by Deloitte.

*Grievance mechanism in place.* The Group's Whistleblower Policy entitles all employees to report any suspected legal or regulatory violations without repercussion. The reporting has several channels, and reports can be made in the employee's own language.

### **Our Code of Conduct**

Trelleborg's Code of Conduct, an overarching steering document with Group Policy status, reflects that we support and operate our business in accordance with the Ten Principles of the UN Global Compact,

the general concepts expressed in the International Labour Organization (ILO) conventions, the OECD Guidelines for Multinational Enterprises and the UN Declaration of Human Rights.

Our Code sets out the standards of behavior we expect of our people, including our Directors, employees and contractors. It embodies our commitment to good corporate governance and responsible business practice. It also reflects the expectation of our customers, investors, regulators and the community.

Each principle is supported by and references a range of Trelleborg Group Policies and Directives such as anti-bribery and corruption, conflict of interest, people, dealing with our suppliers and other third parties.

All Trelleborg employees are responsible for knowing and following the ethical, legal, and policy requirements that apply to their jobs and for reporting any suspected breaches of law or our Code. Our executives and managers are accountable for creating and promoting a workplace environment in which compliance and ethical business conduct are expected and encouraged.

These rules and principles need to be clearly understood by everyone in the organization, regardless of position, and they are valid in all markets and at all times. Trelleborg encourages suppliers, sales agents, distributors, consultants and other business partners to adopt the principles in our Code of Conduct.

#### **Zero tolerance – official objective and Code of Conduct statement**

In our Annual Report 2020, we state as an official objective for the Group that zero tolerance applies to any type of forced labor, as well as to child labor. Ever since our Sustainability reporting on Group level according to GRI guidelines started in 2007, zero (0) such forced or child labor cases have been identified in our own operations.

The [Trelleborg Code of Conduct sets out key principles for the whole organization](#) and just as clearly states that we do not allow forced or child labor in our own operations or in the operations of our suppliers, sales agents, distributors and consultants. A new revised Code of Conduct was approved in 2019, and is available for download at <https://www.trelleborg.com/en/about-us/code-of-conduct>

Trelleborg's Code of Conduct applies to everyone in the organization. For all new employees, Code of Conduct training is a mandatory requirement, and more than 85 percent of all employees underwent Code of Conduct training in the period 2019-2020. Code of Conduct breaches are always investigated and treated as disciplinary matters.

## **II. Risks of modern slavery in our supply chain**

Following our risk analysis based on third-party expertise (details are found in our yearly Sustainability Report), risks for forced labor/human trafficking as well as for child labor are mainly perceived to be found in the supply chain of natural rubber at the farm/grower level. Farms/growers are not first tier suppliers for Trelleborg. However, we do ask our first tier suppliers to apply the same rules in their turn with their suppliers: screening and investigation. We are aware that there is a fine line between actual forced labor, and merely poor labor practices. In line with our aspirations to be a good corporate citizen, however, we aim to address both things, and our measures are based on supplier requirements as described above as well as ongoing proactive dialog.

Dialog initiatives relating to natural rubber suppliers, aiming to clarify the risks and to communicate Trelleborg's Code of Conduct, will continue. Here are a few samples:

- From 2021, Trelleborg commits to join the work of the Global Platform for Sustainable Natural Rubber, an initiative aimed at leading the global improvement of socioeconomic and environmental performance in the natural rubber value chain.
- An audit-like supplier visit was made 2018 in the Bongo plantation, Ivory Coast, from where Trelleborg sources most of its African natural rubber. No serious non-compliances of forced labor/human trafficking or child labor were found on plant or plantation level. A summary of the supplier visit is available at <https://www.trelleborg.com/sustainability/sustainability-activities/the-ivory-coast-taking-social-responsibility-seriously-during-a-price-squeeze>
- In Sri Lanka, Trelleborg organizes regular supplier meetings every year, including Code of Conduct-related training with a focus on forced labor/human trafficking and child labor for buyers and suppliers. <https://www.trelleborg.com/sustainability/sustainability-activities/dialog-on-natural-rubber-in-sri-lanka>

### **III. Actions taken to assess and address these risks, including due diligence and remediation**

A total of about 23,000 suppliers are concentrated in Europe, North America and Asia. Trelleborg's main raw materials are synthetic and natural rubber, metal components and various additives.

While purchasing is based on a joint process, it is distinctly decentralized to the operational units, in line with a decentralized responsibility for performance. The exception to this is when purchases at the business area or Group level yield cost benefits. This applies in particular to rubber material and material and services that are not directly included in products.

Trelleborg suppliers, at a level corresponding to more than 80 percent of the reported relevant annual purchasing spend, complete Sustainability self-assessments (5-year validity) including the above reference to forced labor as well as child labor in their operations. The logic behind the 80 percent target is to focus resources on recurring supplier relationships rather than on one-off or short-term suppliers. The 2020 figure was 88.9 percent (2019: 86.4) of the reported relevant purchasing spend. All our suppliers are also encouraged to align with the UN Global Compact – particularly relevant are its *Principles 4* ("Eliminate Forced labor") and *5* ("Abolish Child labor").

### **IV. Assessment of effectiveness of actions**

The supplier self-assessments, based on the Trelleborg Code of Conduct, aim to ensure compliance with applicable laws and regulations and set forth the minimum standard of business behavior expected of our suppliers so that they act in a way that is ethical and responsible. Where problems are identified we work with the supplier to develop corrective actions with agreed timeframes as part of the remediation plans.

We then work constructively on the corrective actions, and review evidence provided to justify closing the findings. If no improvements are made, it could eventually lead to the termination of our relationship with that supplier. No such termination of supplier relationship related to the Code of Conduct was reported in 2020 (2019: 1).

In the supplier self-assessments, we ask our suppliers to guarantee that in their company, the minimum age for employment is not less than the age of completion of compulsory schooling and, in any case, no less than 15 years of age. We also ask them to monitor their own suppliers for the same type of responsibility as we do.

Our self-assessments also require suppliers to, in their turn, monitor their own suppliers, contractors, joint-venture partners, and other major business associates for commitment to environmental and social responsibility.

For a limited number of “at-risk suppliers”, Trelleborg has performed supplier audits through site visits. More than 60 such audits have been performed in the period 2015–2020, mainly in China, including some natural rubber suppliers in other countries. No audits were performed in the year 2020 due to the pandemic (2019: 10 audits). The year 2021 will be devoted to a new supplier risk assessment.

*Child labor action planning.* If a child labor case should appear in our supply chain, our goal is crystal clear: we want to ensure that children are protected against any harmful work, and that working does not keep them away from their schools or education. In all cases it is the best interests of the child that should guide rehabilitation, and this can only be determined by talking to the children and their families. For any case of forced labor/human trafficking or other human rights infringements, Trelleborg’s actions will be to address the impact and those harmed by the situation.

## **V. Other items**

Our ambition is to continue our committed and proactive work in the challenging areas of forced labor, human trafficking and child labor.

Trelleborg through its Code of Conduct training and by developing E-earning training modules shall provide training for awareness of and compliance with modern slavery legislation. Trelleborg shall also encourage all Suppliers to comply with modern slavery legislation and shall look for continual improvement opportunities to address the issue.

## **Country Requirement Australia**

### **A. Organizational structure**

This statement is for Trelleborg Holdings Australia Pty Ltd, which has the following operating companies in Australia.

- Trelleborg Marine Systems Australia Pty Ltd
- Trelleborg Wheels Systems Australia Pty Ltd
- Trelleborg Perth Pty Ltd

## B. Supply Chain

Trelleborg in Australia engaged directly with more than 1,900 suppliers in 2020. In addition, our suppliers often have many suppliers of their own, who then also rely on suppliers.

### **Country Requirement United Kingdom**

#### A. Organizational structure

This statement is for Trelleborg Holdings UK Ltd and its following subsidiaries that are subject to the UK Modern Slavery Act 2015.

- Trelleborg Sealing Solutions UK Ltd
- Trelleborg Industrial Products UK Ltd

A handwritten signature in black ink, appearing to read 'Peter Nilsson', with a stylized, cursive script.

Peter Nilsson

President & CEO