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Årsredovisning

för

Trelleborg Sealing Profiles Sweden AB

556026-2148

Räkenskapsåret

2023

Fastställelseintyg

Undertecknad verkställande direktör i Trelleborg Sealing Profiles Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 28/6-2024. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Trelleborg

Ronny Perdegård

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Styrelsen och verkställande direktören för Trelleborg Sealing Profiles Sweden AB avger följande årsredovisning för räkenskapsåret 2023.

Förvaltningsberättelse

Information om verksamheten

Bolaget utvecklar, tillverkar och marknadsför tätningslister i elastomer material till fönster- och dörrindustri.

Företaget har sitt säte i Trelleborg.

Väsentliga händelser under räkenskapsåret

Byggmarknaden under 2023 har minskat avsevärt vilket påverkat efterfrågan för Trelleborg Sealing Profiles Sweden ABs produkter, flera av bolagets kunder finns inom byggsektorn som fått minskad efterfrågan som följd av hög inflation och höjda räntor. Energipriserna har stabiliserats under 2023 till mer jämna nivåer och råvarusituationen har förbättrats under året. Omsättningen har under 2023 varit lägre än föregående år och kapaciteten har väl justerats till den lägre orderingången. Under året har flera investeringsprojekt initierats för att möta framtida krav.
Under våren 2023 tillträdde ny verkställande direktör för Trelleborg Sealing Profiles Sweden AB.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Byggbranschen förväntas vara fortsatt svag under första delen av 2024 och stort fokus kommer att läggas på att avsluta investeringsarbeten och effektivisera processer. Risker och osäkerheter i framtiden är fortsatt det oroliga läget som pågår i flera delar av världen och som skapar oviss utveckling av situationen. Fortsatt osäkerhet kring det geopolitiska läget i Ukraina och Ryssland och även av situationen kring Israel.

Hållbarhetsupplysningar

Koncernen strävar efter att bidra till ett hållbart samhälle och en hållbar framtid. Mer om hållbarhetsarbetet går att läsa på vår hemsida www. trelleborg. com.

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Miljöpåverkan

Nuvarande miljötillstånd medger en produktion av högst 12 500 ton gummiprodukter per år i Värnamo kommun.

Ägarförhållanden

Företaget är helägt dotterföretag till Trelleborg Holding AB, org nr 556212-8255 med säte i Trelleborg. Moderföretaget ingår i en koncern där Trelleborg AB (publ) org nr 556006-3421 med säte i Trelleborg upprättar koncernredovisning för den största koncernen.

Flerårsöversikt (Tkr)	**2023**	**2022**	**2021**	**2020**	**2019**
Nettoomsättning	483 893	516 301	475 703	405 112	419 077
Rörelsemarginal (%)	23,0	22,7	17,8	15,6	13,7
Balansomslutning	313 560	351 171	310 071	298 561	183 428
Soliditet (%)	41,0	32,8	37,0	38,8	29,1

För definitioner av nyckeltal, se Not 1 Redovisnings- och värderingsprinciper.

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	113 708 303
årets vinst	766 265
	114 474 568
disponeras så att	
i ny räkning överföres	114 474 568
	114 474 568

Styrelsen anser att förslaget till koncernbidrag om 119 480 Tkr är förenligt med försiktighetsregeln i 17 kap. 3 § aktiebolagslagen enligt följande redogörelse: Styrelsens uppfattning är att koncernbidraget är försvarligt med hänsyn till de krav verksamhetens art, omfattning och risk ställer på storleken på det egna kapitalet, bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning
Tkr

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Nettoomsättning	2	483 893	516 301
Kostnad för sålda varor		-337 704	-349 944
Bruttoresultat		**146 189**	**166 357**
Försäljningskostnader		-11 010	-13 527
Administrationskostnader		-25 102	-34 466
Forsknings- och utvecklingskostnader		-5 576	-5 007
Övriga rörelseintäkter		10 033	6 498
Övriga rörelsekostnader		-3 436	-2 674
		-35 091	**-49 176**
Rörelseresultat	3, 4, 5, 6, 7	**111 098**	**117 181**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	8	3 729	2 370
Räntekostnader och liknande resultatposter	9	-2 013	-907
		1 716	**1 463**
Resultat efter finansiella poster		**112 814**	**118 644**
Bokslutsdispositioner	10	-111 636	-118 025
Resultat före skatt		**1 178**	**619**
Skatt på årets resultat	11	-412	-217
Årets resultat		**766**	**402**

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Balansräkning
Tkr

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för IT	12	1 127	177
Koncessioner, patent, licenser, varumärken samt liknande rättigheter	13	0	0
Goodwill	14	0	0
		1 127	**177**
Materiella anläggningstillgångar			
Byggnader och mark	15	8 895	8 494
Maskiner och andra tekniska anläggningar	16	21 630	21 811
Inventarier, verktyg och installationer	17	5 576	2 925
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	18	33 708	8 029
		69 809	**41 259**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	19, 20	41 797	41 797
Uppskjuten skattefordran	21	0	412
Andra långfristiga fordringar	22	713	0
		42 510	**42 209**
Summa anläggningstillgångar		**113 446**	**83 645**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		19 053	18 034
Varor under tillverkning		414	296
Färdiga varor och handelsvaror		20 535	19 986
		40 002	**38 316**
Kortfristiga fordringar			
Kundfordringar		47 356	52 930
Fordringar hos koncernföretag		102 264	168 518
Aktuella skattefordringar		2 206	2 206
Övriga fordringar		7 431	4 909
Förutbetalda kostnader och upplupna intäkter	23	855	647
		160 112	**229 210**
Kassa och bank		0	0
Summa omsättningstillgångar		**200 114**	**267 526**
SUMMA TILLGÅNGAR		**313 560**	**351 171**

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Balansräkning

Tkr

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	24, 25		
Bundet eget kapital			
Aktiekapital		1 200	1 200
Reservfond		240	240
		1 440	**1 440**
Fritt eget kapital			
Balanserat resultat		113 708	113 306
Årets resultat		766	402
		114 474	**113 708**
Summa eget kapital		**115 914**	**115 148**
Obeskattade reserver		13 028	0
Avsättningar			
Övriga avsättningar	26	1 213	500
Kortfristiga skulder			
Leverantörsskulder		21 735	19 934
Skulder till koncernföretag		132 810	179 040
Övriga skulder		0	335
Upplupna kostnader och förutbetalda intäkter	27	28 860	36 214
Summa kortfristiga skulder		**183 405**	**235 523**
SUMMA EGET KAPITAL OCH SKULDER		**313 560**	**351 171**

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Rapport över förändringar i eget kapital

Tkr

	Aktie-kapital	Reserv-fond	Fritt eget kapital	Summa eget kapital
Ingående eget kapital 2022-01-01	**1 200**	**240**	**113 306**	**114 746**
Årets resultat			402	402
Utgående eget kapital 2022-12-31	**1 200**	**240**	**113 708**	**115 148**
Ingående eget kapital 2023-01-01	**1 200**	**240**	**113 708**	**115 148**
Årets resultat			766	766
Utgående eget kapital 2023-12-31	**1 200**	**240**	**114 474**	**115 914**

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Kassaflödesanalys

Tkr

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Den löpande verksamheten			
Resultat efter finansiella poster		112 814	118 644
Justeringar för poster som inte ingår i kassaflödet	28	6 766	7 631
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**119 580**	**126 275**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager och pågående arbete		-1 686	-9 254
Förändring av rörelsefordringar		43 225	-20 932
Förändring av rörelseskulder		-6 823	-2 994
Kassaflöde från den löpande verksamheten		**154 291**	**93 095**
Investeringsverksamheten			
Investeringar i immateriella anläggningstillgångar		-1 183	0
Investeringar i materiella anläggningstillgångar		-35 088	-6 834
Kassaflöde från investeringsverksamheten		**-36 271**	**-6 834**
Finansieringsverksamheten			
Erhållna koncernbidrag		46 038	34 109
Lämnade koncernbidrag		-164 063	-120 370
Kassaflöde från finansieringsverksamheten		**-118 025**	**-86 261**
Årets kassaflöde		**-5**	**0**
Likvida medel vid årets början		0	0
Likvida medel vid årets slut		-5	0

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Noter
Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Vid försäljning av varor redovisas normalt inkomsten som intäkt när de väsentliga förmåner och risker som är förknippade med ägandet av varan har överförts från företaget till köparen.

Ersättning i form av ränta eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Ränta redovisas som intäkt enligt den så kallade effektivräntemetoden. Utdelning redovisas som intäkt när företagets rätt till betalning är säkerställd.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Följande avskrivningsprocent tillämpas:

Immateriella anläggningstillgångar

Balanserade utgifter för IT	3-7 år
Koncessioner, patent, licenser, varumärken	5-20 år
Goodwill	5 år

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Materiella anläggningstillgångar

Byggnader	25-27 år
Maskiner och andra tekniska anläggningar	3-20 år
Inventarier, verktyg och installationer	3-20 år

Komponentindelning
Materiella anläggningstillgångar har delats upp på komponenter när komponenterna är betydande och när komponenterna har väsentligt olika nyttjandeperioder. När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras. Utgifter för löpande reparationer och underhåll redovisas som kostnader.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i koncernföretag
Andelar i koncernföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Derivatinstrument
Derivatinstrument med negativt värde och för vilka säkringsredovisning inte tillämpats (se nedan) redovisas som finansiella skulder och värderas till det belopp som för företaget är mest förmånligt om förpliktelsen regleras eller överlåts på balansdagen.

Säkringsredovisning
Säkringsredovisning tillämpas endast då det finns en ekonomisk relation mellan säkringsinstrumentet och den säkrade posten som överensstämmer med företagets mål för riskhantering. Dessutom krävs att säkringsförhållandet förväntas vara effektivt under den period för vilken säkringen har identifierats samt att säkringsförhållandet och företagets mål för riskhantering och riskhanteringsstrategi avseende säkringen är dokumenterade senast när säkringen ingås. För säkring av fordran eller skuld i utländsk valuta används valutaterminer. Den säkrade posten värderas till terminskurs.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

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Leasingavtal
Leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Varulager
Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att inkurans i varulagret har beaktats.

Anskaffningsvärdet fastställs med användning av först in, först ut-metoden (FIFU). För råvaror ingår alla utgifter som är direkt hänförliga till anskaffningen av varorna i anskaffningsvärdet. För varor under tillverkning och färdiga varor inkluderar anskaffningsvärdet formgivningskostnader, råmaterial, direkt lön, andra direkta kostnader, hänförbara indirekta tillverkningskostnader samt lånekostnader.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån beslutad skattesats på balansdagen och värderas enligt de skattesatser som gäller vid den förväntade period som de underliggande temporära skillnaderna återförs eller underskottsavdrag förväntas utnyttjas. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

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Avsättningar
Som avsättning har redovisats förpliktelser gentemot tredje man som är hänförliga till räkenskapsåret eller tidigare räkenskapsår och som på balansdagen antingen är säkra eller sannolika till sin förekomst men oviss till belopp eller till den tidpunkt då de ska infrias.

Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Ersättningar till anställda efter avslutad anställning
I företaget finns avgiftsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser att betala något ytterligare, utöver dessa avgifter.

Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

I företaget finns förmånsbestämda pensionsplaner. Redovisning sker enligt förenklingsreglerna.

Företaget har förmånsbestämda pensionsplaner där en pensionspremie betalas och redovisar dessa planer som avgiftsbestämda planer i enlighet med förenklingsregeln i BFNAR 2012:1 (K3).

Företaget har förmånsbestämda pensionsplaner som finansieras via Alecta, vilka redovisas som avgiftsbestämda planer då det inte finns tillräcklig information för att redovisa planen som förmånsbestämd.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget Trelleborg AB (publ), organisationsnummer 556006-3421 med säte i Trelleborg upprättar koncernredovisning.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.
Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Förändringar i spärrade medel redovisas i investeringsverksamheten.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Rörelsemarginal (%)

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Rörelseresultat i procent av omsättningen.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not Långfristiga skulder

Not 2 Nettoomsättningens fördelning

	2023	2022
Nettoomsättningen per geografisk marknad		
Sverige	182 662	205 549
Europa	293 136	303 251
Övriga länder	8 095	7 501
	483 893	**516 301**

Not 3 Inköp och försäljningar mellan koncernföretag

	2023	2022
Andel av årets totala inköp som skett från andra företag i koncernen	56,00 %	63,00 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	9,00 %	8,00 %

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Not 4 Anställda och personalkostnader

	2023	2022
Medelantalet anställda		
Kvinnor	51	56
Män	85	95
	136	**151**
Löner och andra ersättningar		
Styrelse och verkställande direktör	1 781	0
Tantiem och liknande ersättning till styrelse och VD	0	0
Övriga anställda	64 408	73 378
	66 189	**73 378**
Sociala kostnader		
Pensionskostnader för styrelse och VD	664	0
Pensionskostnader för övriga anställda	6 041	5 894
Övriga sociala avgifter enligt lag och avtal	24 246	27 811
	30 951	**33 705**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**97 140**	**107 083**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0 %	0 %
Andel män i styrelsen	100 %	100 %
Andel kvinnor bland övriga ledande befattningshavare	16,7 %	16,7 %
Andel män bland övriga ledande befattningshavare	83,3 %	83,3 %

Not 5 Leasingavtal

Årets leasingkostnader avseende leasingavtal, uppgår till 2 476 tkr (2 210 tkr).

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2023	2022
Inom ett år	-1 706	-1 208
Senare än ett år men inom fem år	-2 187	-706
Senare än fem år	0	0
	-3 893	**-1 914**

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Not 6 Avskrivningar, nedskrivningar och återföringar

	2023	2022
Avskrivning enligt plan fördelade per tillgång		
Balanserade utgifter för IT	-233	-266
Goodwill	0	0
Byggnader och mark	-587	-632
Maskiner och andra tekniska anläggningar	-4 872	-6 010
Inventarier, verktyg och installationer	-976	-723
	-6 668	**-7 631**
Avskrivning enligt plan fördelade per funktion		
Kostnad för såld vara	-6 409	-7 311
Försäljningskostnader	-22	-40
Administrationskostnader	-233	-266
Forsknings- och utvecklingskostnader	-4	-14
	-6 668	**-7 631**

Not 7 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2023	2022
Deloitte AB		
Revisionsuppdrag	145	136
	145	**136**

Not 8 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Ränteintäkter från koncernföretag	1 793	209
Övriga ränteintäkter	39	0
Kursdifferenser	1 497	2 161
Resultat vid försäljningar	400	0
	3 729	**2 370**

Not 9 Räntekostnader och liknande resultatposter

	2023	2022
Räntekostnader till koncernföretag	0	0
Kursdifferenser	-2 013	-907
	-2 013	**-907**

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Not 10 Bokslutsdispositioner

	2023	2022
Koncernbidrag, erhållna	20 873	46 038
Koncernbidrag, lämnade	-119 481	-164 063
	-98 608	**-118 025**

Not 11 Aktuell och uppskjuten skatt

	2023	2022
Justering avseende tidigare år	0	0
Uppskjuten skatt	-412	-217
Totalt redovisad skatt	**-412**	**-217**

Avstämning av effektiv skatt

	2023		2022	
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		1 178		619
Skatt enligt gällande skattesats	20,60	-243	20,60	-127
Ej avdragsgilla kostnader	22,05	-260	-17,20	-90
Ej skattepliktiga intäkter	-7,68	90	0,00	0
Underskottsavdrag vars skattevärde ej längre redovisas som tillgång	-34,97	412	-35,06	217
Redovisad effektiv skatt	**0,00**	**0**	**0,00**	**0**

Not 12 Balanserade utgifter för IT

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	10 877	10 877
Omklassificering från pågående nyanläggningar	1 183	0
Utgående ackumulerade anskaffningsvärden	**12 060**	**10 877**
Ingående avskrivningar	-10 700	-10 434
Årets avskrivningar	-233	-266
Utgående ackumulerade avskrivningar	**-10 933**	**-10 700**
Utgående redovisat värde	**1 127**	**177**

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Not 13 Koncessioner, patent, licenser, varumärken samt liknande rättigheter

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	8 788	8 788
Utgående ackumulerade anskaffningsvärden	**8 788**	**8 788**
Ingående avskrivningar	-8 788	-8 788
Utgående ackumulerade avskrivningar	**-8 788**	**-8 788**
Utgående redovisat värde	**0**	**0**

Not 14 Goodwill

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	1 888	1 888
Utgående ackumulerade anskaffningsvärden	**1 888**	**1 888**
Ingående avskrivningar	-1 888	-1 888
Utgående ackumulerade avskrivningar	**-1 888**	**-1 888**
Utgående redovisat värde	**0**	**0**

Not 15 Byggnader, markanläggningar och mark

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	35 087	34 477
Försäljningar/utrangeringar	0	0
Omklassificeringar från pågående nyanläggningar	988	610
Utgående ackumulerade anskaffningsvärden	**36 075**	**35 087**
Ingående avskrivningar	-26 593	-25 961
Försäljningar/utrangeringar	0	0
Årets avskrivningar	-587	-632
Utgående ackumulerade avskrivningar	**-27 180**	**-26 593**
Utgående redovisat värde	**8 895**	**8 494**
Bokfört värde byggnader	6 931	6 504
Bokfört värde mark och markanläggningar	1 964	1 990
	8 895	**8 494**

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Not 16 Maskiner och andra tekniska anläggningar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	193 484	189 225
Omklassificeringar från pågående nyanläggningar	4 790	4 389
Försäljningar/utrangeringar	-679	-130
Utgående ackumulerade anskaffningsvärden	**197 595**	**193 484**
Ingående avskrivningar	-171 673	-165 793
Försäljningar/utrangeringar	580	130
Årets avskrivningar	-4 872	-6 010
Utgående ackumulerade avskrivningar	**-175 965**	**-171 673**
Utgående redovisat värde	**21 630**	**21 811**

Not 17 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	9 334	8 613
Försäljningar/utrangeringar	-150	-462
Omklassificeringar från pågående nyanläggningar	3 627	1 183
Utgående ackumulerade anskaffningsvärden	**12 811**	**9 334**
Ingående avskrivningar	-6 409	-6 148
Försäljningar/utrangeringar	150	462
Årets avskrivningar	-976	-723
Utgående ackumulerade avskrivningar	**-7 235**	**-6 409**
Utgående redovisat värde	**5 576**	**2 925**

Not 18 Pågående nyanläggningar och förskott avseende materiella anläggningar

	2023-12-31	2022-12-31
Vid årets början	8 029	7 377
Omklassificeringar	-10 458	-6 182
Investeringar	36 137	6 834
Nedskrivningar	0	0
Utgående redovisat värde	**33 708**	**8 029**

Not 19 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	41 797	41 797
Aktieägartillskott	0	0
Utgående ackumulerade anskaffningsvärden	**41 797**	**41 797**
Utgående redovisat värde	**41 797**	**41 797**

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Not 20 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Trelleborg Mixing Forsheda AB	100%	100%	10 000	41 797
				41 797

	Org.nr	Säte
Trelleborg Mixing Forsheda AB	556053-5832	Värnamo

Not 21 Uppskjuten skatt på temporära skillnader

2023-12-31

Temporära skillnader	Uppskjuten skattefordran	Uppskjuten skatteskuld	Netto 0
Skattemässiga underskottsavdrag	0	0	0
	0	**0**	**0**

2022-12-31

Temporära skillnader	Uppskjuten skattefordran	Uppskjuten skatteskuld	Netto
Skattemässiga underskottsavdrag	412	0	412
	412	**0**	**412**

Skattemässiga underskottsavdrag uppgår per 2023-12-31 till 0 tkr (2 000 tkr).

Not 22 Kapitalförsäkring direkta pensioner

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	0	0
Tillkommande fordringar	943	0
Avgående fordringar	-230	0
Utgående ackumulerade anskaffningsvärden	**713**	**0**
Utgående redovisat värde	**713**	**0**

Not 23 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda försäkringar	0	219
IT-kostnader	833	383
Övriga poster	22	45
	855	**647**

Trelleborg Sealing Profiles Sweden AB
Org.nr 556026-2148

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Not 24 Antal aktier och kvotvärde

	Antal aktier	Kvot-värde
Antal aktier	12 000	100
	12 000	

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Not 25 Disposition av vinst eller förlust

	2023-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
balanserad vinst	113 708
årets vinst	766
	114 475
disponeras så att	
i ny räkning överföres	114 475
	114 475

Not 26 Övriga avsättningar

	2023-12-31	2022-12-31
Ersättningskrav	500	500
Kapitalförsäkring direkta pensioner	713	0
	1 213	**500**

Not 27 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna löner	13 566	17 373
Upplupna sociala avgifter	6 997	7 069
Övriga poster	8 297	11 772
	28 860	**36 214**

Not 28 Justeringar för poster som inte ingår i kassaflödet

	2023-12-31	2022-12-31
Avskrivningar på anläggningstillgångar	6 668	7 631
Förlust vid utrangering av anläggningstillgång	98	0
Justering för poster som inte ingår i kassaflödet	**6 766**	**7 631**

Not 29 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser att rapportera efter räkenskapsårets utgång.

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Resultat- och balansräkningen kommer att föreläggas på årsstämma för fastställelse.

Trelleborg 24-03-25

Christoffer Ljungbäck
Ordförande

Ronny Perdegård
Verkställande direktör

Martin Voss
Styrelseledamot

Thomas Laub
Styrelseledamot

Vår revisionsberättelse har lämnats 2024-03-27

Deloitte AB

Hans Warén
Auktoriserad revisor

20240705024700

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Trelleborg Sealing Profiles Sweden AB
organisationsnummer 556026-2148

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Trelleborg Sealing Profiles Sweden AB för räkenskapsåret 2023-01-01-2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Trelleborg Sealing Profiles Sweden ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Trelleborg Sealing Profiles Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna

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kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Trelleborg Sealing Profiles Sweden AB för räkenskapsåret 2023-01-01-2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Trelleborg Sealing Profiles Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

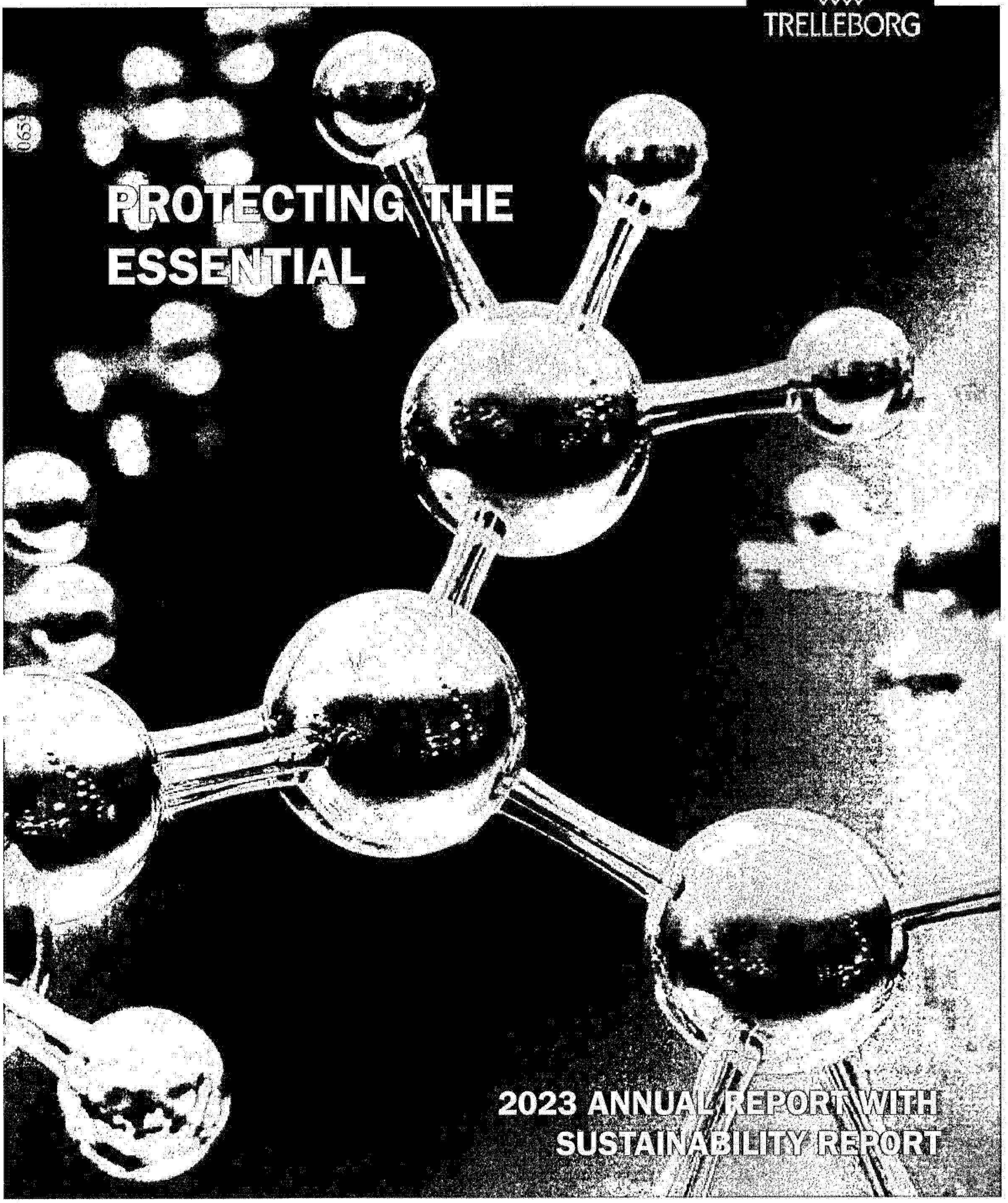
Göteborg 2024-03-27

Deloitte AB

Hans Warén
Auktoriserad revisor

TRELLEBORG

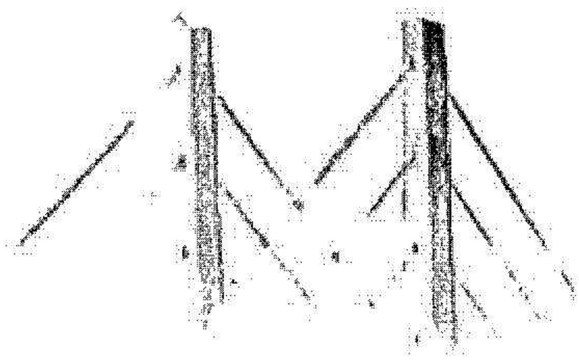
PROTECTING THE ESSENTIAL

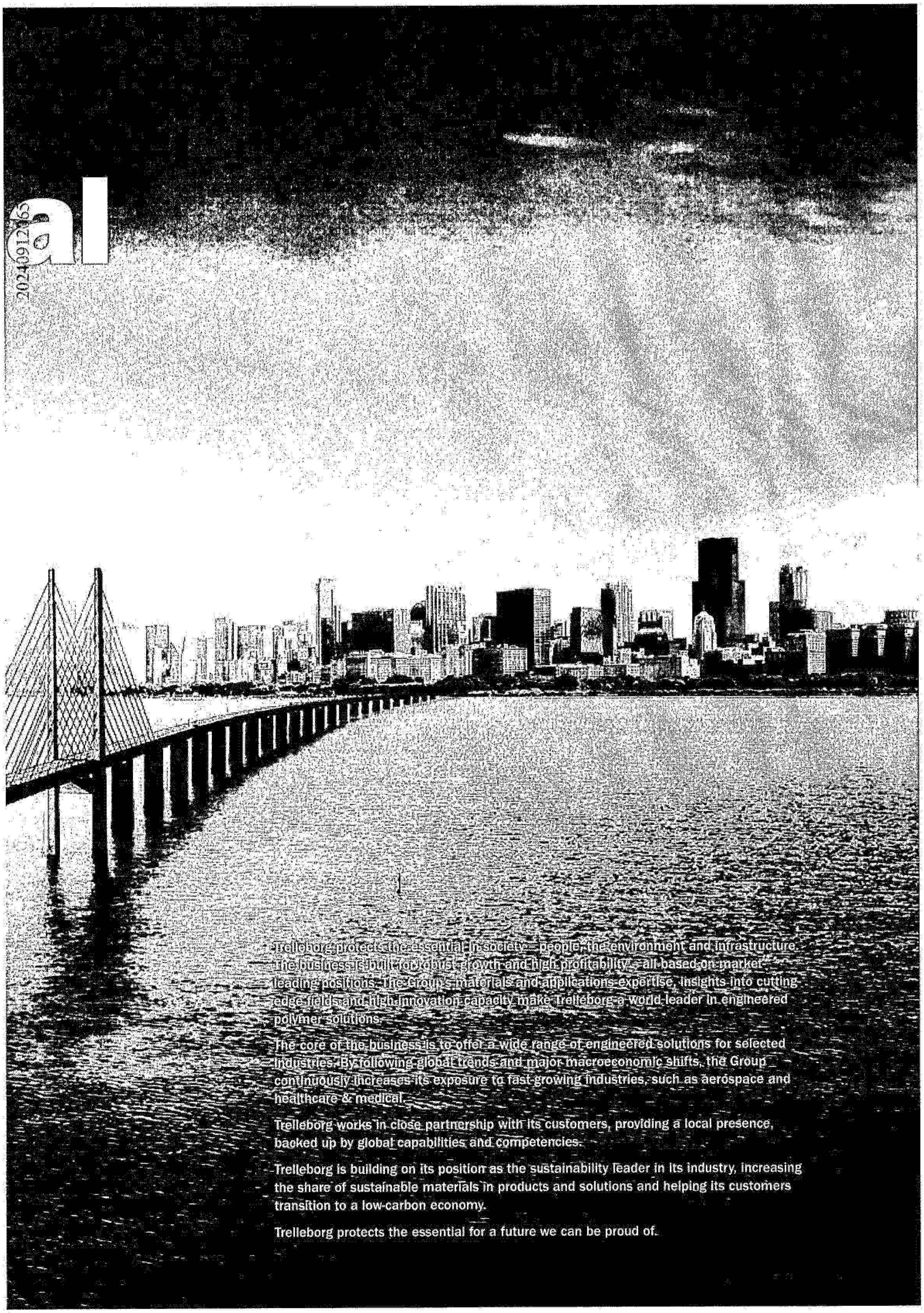


2023 ANNUAL REPORT WITH SUSTAINABILITY REPORT

Protecting the Essenti

The Trelleborg Group is a world leader in engineered polymer solutions that protect critical applications in demanding environments.





Trelleborg protects the essential in society – people, the environment and infrastructure. The business is built for robust growth and high profitability – all based on market leading positions. The Group's materials and applications expertise, insights into cutting edge fields and high innovation capacity make Trelleborg a world leader in engineered polymer solutions.

The core of the business is to offer a wide range of engineered solutions for selected industries. By following global trends and major macroeconomic shifts, the Group continuously increases its exposure to fast-growing industries, such as aerospace and healthcare & medical.

Trelleborg works in close partnership with its customers, providing a local presence, backed up by global capabilities and competencies.

Trelleborg is building on its position as the sustainability leader in its industry, increasing the share of sustainable materials in products and solutions and helping its customers transition to a low-carbon economy.

Trelleborg protects the essential for a future we can be proud of.

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Other information

- = The audited annual accounts and consolidated accounts for the 2023 fiscal year.
- = Board of Directors' Report.
- = Auditor's limited assurance of the sustainability report.

EXTERNAL ASSURANCE

This is a translation of Trelleborg's definitive Annual Report for 2023 in Swedish. The Swedish language version is the original. The audited annual accounts and consolidated accounts for the 2023 fiscal year, the auditor's limited assurance of the sustainability report are indicated as above. The Board of Directors' Report comprises pages 8–13, 21–29, 34–37, 50–53. The proposed treatment of unappropriated earnings can be found on page 102 and page 134. The auditor has also examined the corporate governance statement in accordance with FAR's auditing standard RevU 16. The auditor's examination of the corporate governance statement, which is included as a separate report.

SUSTAINABILITY REPORT ACCORDING TO GRI STANDARDS

Trelleborg reports on sustainability in 2023 in accordance with the GRI Standards: Core option. The scope of the Sustainability Report is indicated as above and is outlined in the GRI Content Index on page 134. More information and a detailed GRI Content Index can be downloaded from www.trelleborg.com.



The cover shows a polymer molecule.

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Trelleborg and 2023 in brief

Trelleborg's performance was strong in 2023, despite continuing turbulence in the external environment. The Group reported a record in terms of net sales, operating profit and earnings per share.

Key figures in this Annual Report relate to continuing operations unless otherwise stated.

34,286
NET SALES, SEK M (30,095)

6,002[1]
EBITA, SEK M (5,334)

17.5%[1]
EBITA MARGIN (17.7)

16.64[1]
EARNINGS PER SHARE, SEK (13.80)

9%
ORGANIC AND STRUCTURAL SALES GROWTH (17)

12.9%[1]
RETURN ON CAPITAL EMPLOYED (15.9)

92%
CASH CONVERSION RATIO (74)

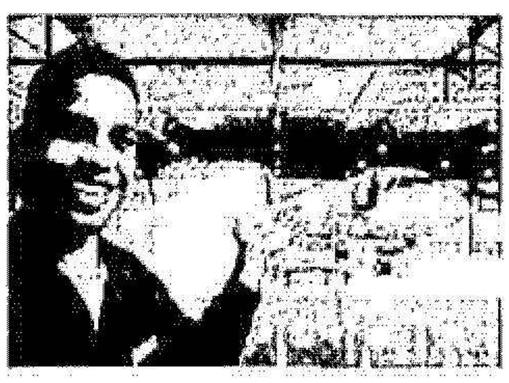
60%[2]
CLIMATE: EMISSIONS IMPROVEMENT 2023

40
NUMBER OF COUNTRIES WITH OPERATIONS

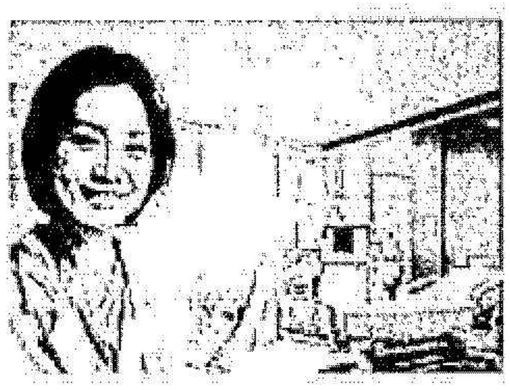
30
NUMBER OF R&D CENTERS

15,646[3]
NUMBER OF EMPLOYEES

NET SALES PER INDUSTRY, %



10%
AEROSPACE



9%
HEALTHCARE & MEDICAL



16%
AUTOMOTIVE



65%
GENERAL INDUSTRY

NET SALES PER GEOGRAPHIC MARKET, %

46%
EUROPE

35%
NORTH AND SOUTH AMERICA

19%
ASIA & OTHER MARKETS

[1] Excluding items affecting comparability.

[2] During the period 2021–2023, the reduction in CO_2 emissions in relation to net sales was 60 percent. Compared to 2022, the reduction is 27 percent.

[3] Number of employees including insourced staff.

A new Trelleborg shows stability and strength – well equipped for new ambitious targets

During 2023, Trelleborg's net sales increased 14 percent compared with the preceding year as a result of the new platform for higher growth, completed acquisitions and a positive impact from exchange rates. The Group's sales, operating cash flow and earnings, excluding items affecting comparability, were the best to date for Trelleborg.

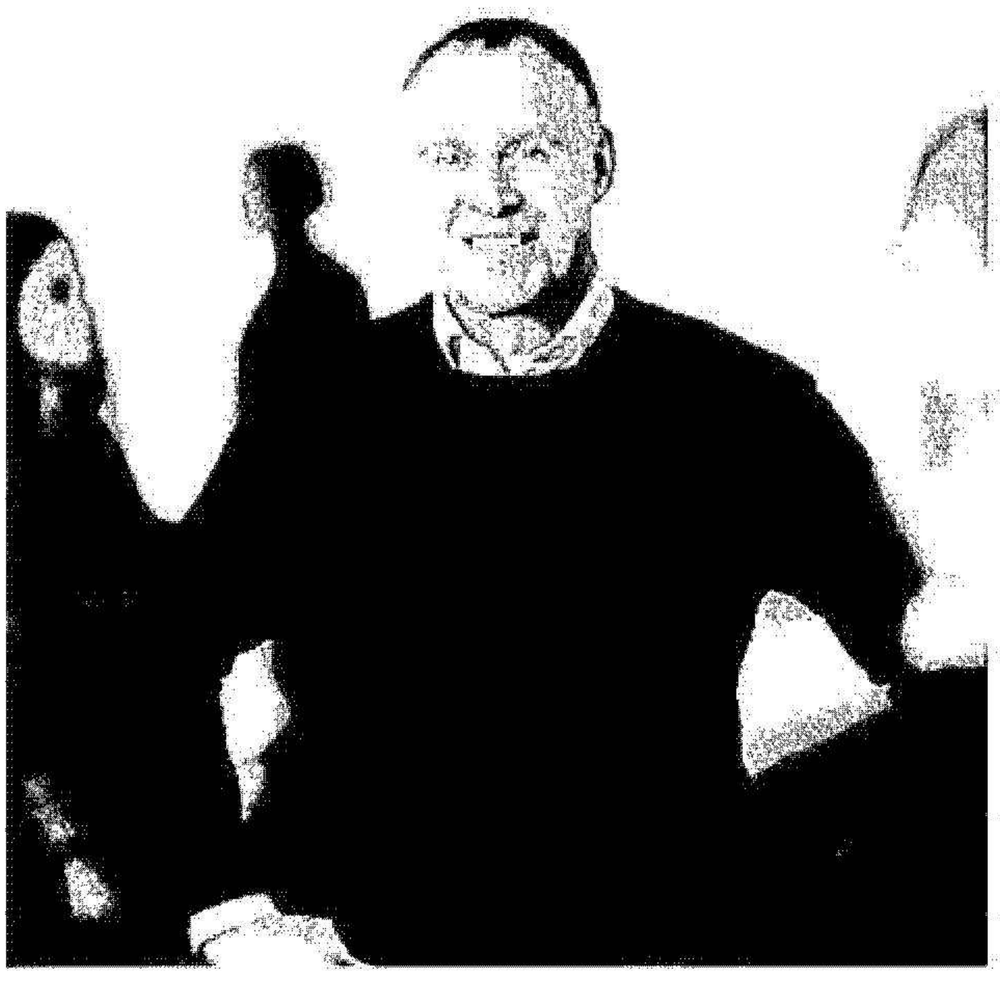
How would you summarize 2023 for Trelleborg?
Trelleborg had its best year to date, reporting both its highest sales and best earnings. During the year, we changed and improved Trelleborg in several dimensions. The new Trelleborg has a better growth profile and higher profitability, while we have also reduced the Group's sensitivity to business cycles and gained a better sustainability profile. We are approaching an even distribution of our global sales across the continents, enabling closer collaboration with customers both locally and globally. We are looking forward to a continuation of this positive trend.

Can you describe what makes the new Trelleborg different from the previous one?
Let's start with what we aren't. Trelleborg has chosen to divest operations, not because of poor quality, but because of their more cyclical nature and limited growth potential. It's about products for oil and gas extraction, automotive-related products and our tire and printing blanket operations. After the divestments, we are a more profitable company, and a less cyclical company with a better growth profile.

The divestments also mean that we have dramatically improved our sustainability profile since they accounted for one-third of our sales but a full 60 percent of our carbon emissions and energy use. The divestments have given us a net cash position which, combined with borrowings and stable cash flows, gives us financial flexibility of just over SEK 20 billion. That enables investments, acquisitions, share repurchase programs and stable dividends for our shareholders. The level of our investments for the future is the highest to date. We are building capacity for the future, primarily in Asia, but also in Europe and North America.

New financial targets were set at the at the Capital Markets Day in May. The growth target has been raised to more than 8 percent annually. How will that be achieved?
The growth target of more than 8 percent includes both organic and acquired growth. We are making major strategic investments in our existing operations over the 2023 to 2024 period. We are building new and modern manufacturing facilities in Asia, especially Vietnam and India. This includes upgrading and increasing the capacity of our existing facilities in Europe and North America. Investments focus on what we call, speed boats, – polymer solutions for a number of selected industrial segments with higher growth, such as semiconductors, aerospace, food & beverage, electrification, and healthcare & medical. These fast-growing segments currently account for 40 percent of our sales, but with the investments we are making combined with future acquisitions, they will eventually account for more than half of our sales.

2024 opened with the large acquisition of the Australian Chinese Baron Group, an acquisition that has affected the structure of Trelleborg.
If I start with the acquisition, this is our largest acquisition in healthcare & medical to date. Baron develops solutions in



"The new Trelleborg has a better growth profile and higher profitability, while we have also reduced the Group's sensitivity to business cycles and gained a better sustainability profile."

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silicone for a range of medical applications and is well established in CPAP machines for sleep apnea. The condition is estimated to affect about 20 percent of men and 10 percent of women in the middle-aged population, while only two percent use the CPAP machines that are available, so this business is already in an expansion phase with great future potential. Baron also provides an ideal base for continued growth in the Asia-Pacific region, which is an interesting geographic area for the continued development of medical technology.

With the addition of more than SEK 1 billion in sales from the acquisition, our healthcare & medical business is making a considerable contribution to the Group's sales. To increase the focus on continued growth and make our business visible, Trelleborg Medical Solutions will be established in spring 2024; a new business area that will be led by Linda Muroski, who will then also join Group Management. Linda Muroski is currently heading Global Healthcare & Medical as well as Industrial Americas within the business area Trelleborg Sealing Solutions. She will now be fully focused on the new business area to ensure that we leverage all of the opportunities that this platform can offer following the acquisition of Baron.

In connection with the change, Peter Hahn, who has successfully led the Trelleborg Sealing Solutions business area for many years, has decided to move to a new role as senior advisor with a focus on development projects and will be replaced by Jürgen Bosch, who will then also become a member of Group Management. Jürgen Bosch's previous role was President of Trelleborg Sealing Solutions in Europe combined with President of Global Aerospace & Marketing in the same business area.

Five acquisitions were made in 2023. Can you tell us about them?

Just before end of year, we signed an agreement to acquire South Korean MNE Group, a regional leading manufacturer of precision seals for semiconductor production equipment. This acquisition is highly compatible with Trelleborg. It gives us established customer relationships in the world's largest local market for semiconductors and a strong base for continued growth, especially in the Asian semiconductor industry, but also in other parts of the world. This market segment is expected to grow significantly in the coming years, and we are aiming for a leading position. In addition, we also completed additional bolt-on acquisitions, in areas such as aerospace seals and solutions for the rehabilitation of pipe systems.

Minnesota Rubber & Plastics (MRP) was acquired in 2022. How has progress been here?

The acquisition strengthened our position in polymer solutions considerably, especially in the North American market, and in the food & beverage, water and healthcare & medical segments in particular. One of the main benefits of the acquisition is the synergies that arose from greater opportunities to sell more to existing customers. We benefitted from MRP:s customer contacts and combined them with our own, while significantly broadening our product range. The business creates opportunities to increase our sales to US customers, while also offering support to US customers in Europe and Asia, where Trelleborg is already well-established. On top of the cost synergies, the most significant gains from this acquisition are primarily higher sales and increased customer satisfaction.

What does the path to the new margin target of 20 percent look like?

Trelleborg comprises two business areas, Industrial Solutions and Sealing Solutions. Both will contribute to improved profitability, but in different ways. Industrial Solutions has gradually increased its margin for a long time by climbing higher up the value chain and improving its production structure. This trend will continue. Sealing Solutions and the forthcoming new Medical Solutions business area, on the other hand, need to expand and accelerate their businesses and regain the level of profitability that existed in the business area before Minnesota Rubber & Plastics was acquired. This will be achieved by realizing the synergies that I referred to earlier.

The ROCE target is more than 15 percent.

The target is based on our ambition to continue growing, both organically and through acquisitions. Historically, it has been challenging to achieve the same level of ROCE from acquisitions compared with organic growth. However with higher interest rates, the price of acquisitions is also expected to fall. This should improve ROCE over time. We have set ambitious new financial targets in general, compared with both our industry colleagues and other global industrial companies.

"Fast-growing segments currently account for 40 percent of our sales, but with the investments we are making combined with future acquisitions, they will eventually account for more than half of our sales."



“2023 was Trelleborg’s most successful year to date, largely due to our long-term and strong customer relationships. In this uncertain environment, Trelleborg is considered a stable and reliable partner.”

If we look back on 2023 from a broader context, it was a year of conflicts, inflation and interest rate hikes.

Unfortunately, the world is considerably more uncertain today than it was just a few years ago, especially in view of the war in Ukraine and the armed conflict between Israel and Hamas, but also due to a general increase in political uncertainty in several geographies. Increased geopolitical tensions are evident in many parts of the world and have affected us in a number of ways, particularly economically due to raised interest rates and inflation. Despite these challenges, 2023 was Trelleborg’s most successful year to date, largely because of our long-term and strong customer relationships. In this uncertain environment, Trelleborg is considered a stable and reliable partner. We will continue to build unique customer relationships through long-term development partnerships. Our critical solutions generate considerable customer values, even though our solutions account for a minor share of an end product’s cost. Our strong position with customers has also made it easier to adjust our prices when our costs have been affected by inflation.

China did not see the comeback that some people expected in 2023. How was Trelleborg’s performance there and throughout the rest of Asia?

Although growth has slowed somewhat, it has been considerably higher than in most other geographies over time. I therefore do not agree with the view that China is not growing. Our operations in China are mainly focused on producing solutions locally for the domestic market and we still see potential for growth locally in China. The challenge for us is our dependence on imports to China, so we are planning to gradually expand local product development and manufacturing – in other words, to intensify our focus on ‘China for China.’ Of course we are, following developments in China closely and the ongoing discussions about trade with China in both the EU and the US, and are prepared to adjust our plans and strategies should the need arise. We are also continuously expanding our presence in other parts of Asia, especially Vietnam, South Korea, India and Japan.

Can you describe how Trelleborg works with its sustainability strategy?

Sustainability is an ongoing and natural focus area for us, and we strive to work with it because it gives us a clear advantage. I speak about Trelleborg’s strengthened sustainability profile with pride when I present our future and how we are planning to increase our profitability with a less cyclical business.

Lower emissions and increased circularity are obviously key aspects of our sustainability strategy, and we devote a lot of resources to these areas. Our employees are an important part of this process, and our strong decentralized leadership shows how we are taking responsibility at all levels. Many decisions have to be made locally, from energy supply choices to considering a transition to more sustainable materials in consultation with our customers.

Our emphasis on strong local governance, combined with well-established Group programs for resource efficiency in areas such as Excellence and Sustainability, are the core of our sustainability strategy. We believe that this is one of our main strengths when it comes to sustainability.

Another key dimension of our sustainability strategy is how our solutions are helping to improve our customers’ sustainability performance. For example, by reducing friction, and thereby lowering the energy consumption of their end products. This is another aspect that confirms our commitment and our contribution to a more sustainable future.

The new emissions reduction targets were validated by the Science Based Targets initiative. How will they be achieved?

Obviously the first step is to shift to renewable energy wherever possible. We do not see any major obstacles to this. For those countries or areas where this is not possible, we will continue to invest in our own renewable electricity production, where this can be justified, and then purchase electricity certificates. Our initiatives will lead to a significant reduction in emissions from the first year, well in line with our new emissions reduction targets. We will eventually sign renewable Power Purchase Agreements, as that market evolves.

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At the same time, we will continue our ongoing efforts with energy optimization within the framework of the *Energy Excellence* program. One specific example is a project in our production facilities in Rutherfordton and Fort Wayne in the US where more than 100 opportunities for energy-saving measures were identified in each location. These measures are often fairly simple, like turning the electricity off automatically when the equipment is no longer in use or installing various types of sensors that automatically adapt the power output to the varying needs for electricity.

Wherever possible, we will continue to install solar panels. We already have many facilities with these and there will soon be more. In the long-term, we will also evaluate the most effective options for reducing emissions from natural gas, a fuel that is used to power most of a few steam boilers that we use in our production.

By 2030, 25 percent of the material in products will come from recycled or bio-based materials. How will that be achieved?

To promote circularity and reduce our carbon footprint, we collaborate with various development organizations. We see progress in several areas, such as the use of recycled carbon black, which is now a competitive alternative. Development of other materials is also progressing rapidly, but it is an issue of technological advancement and the price that customers are prepared to pay for an alternative. Recycled or bio-based alternatives to existing materials are still often too expensive or have a poorer performance. We believe that both costs and properties will improve within a few years, making it natural for us and others to use considerably more circular input materials.

How is Trelleborg working to increase the number of female managers?

Trelleborg works widely and actively to promote diversity, equality and inclusion. During 2023, we set an ambitious target that 30 percent of managers would be female by 2030. To approach this target, we have to deepen the internal talent pool of women and increase flexibility in leadership. We are already moving in the right direction with the introduction of a hybrid work model where suitable, which increases flexibility considerably. Another key aspect for diversity is how we use our global talent pool. Regardless of nationality, everyone should have the same opportunities to make a career in Trelleborg. That is just as important as gender when it comes to diversity, and we think we have made good progress in this area.

An annual report summarizes the preceding year, but if you look forward, what do you see for the Group in the long term?

Trelleborg is striving to achieve an even better balance. Our target is to increase our share of sales in fast-growing industries and segments, such as aerospace, electrification, automation, food & beverage, healthcare & medical. When it comes to our offering, our aim is to deliver even more complete solutions, with a higher proportion of services, to create even deeper partnerships with our major customers.

I still believe firmly that globalization has positive effects and predict that the Group will establish leading positions in even more geographic markets. International trade is good for the world. Countries that were previously considered ideal for low-cost sourcing have now become high-tech and global leaders in various fields due to the progress of business. For us, this means that we are initially aiming for sales of SEK 40 billion with an operating profit of SEK 8 billion.

To summarize, we are demonstrating our ability in many ways to redirect our business toward more energy-efficient solutions, to develop new and sustainable products for our customers and to maintain a strong financial performance. This is a clear testament to our strong position and well-functioning organization. Finally, I would like to take this opportunity to thank our determined, driven and talented managers and employees for their hard work during the year.



IN BRIEF:

- 2023 was a record year for Trelleborg despite major challenges in the external environment.
- Divestments of the tire and printing blanket operations were completed in May, creating a more cohesive Group, a strong balance sheet and a net cash position.
- New, more ambitious financial targets with higher aims for sales growth, profitability and return on capital employed (ROCE) were launched during the year.
- There was a higher rate of investment in existing operations with new establishments in Asia, and capacity expansions in Europe and North America.
- The Group continues to allocate resources to growth areas such as aerospace, healthcare & medical as well as electrification and industrial automation, together with several other growth areas in other industry niches.
- New emissions reduction targets where Scope 1 and 2 emissions will be halved by 2030, and Scope 3 emissions reduced by 25 percent during the same period were, validated by the Science Based Targets initiative.

Targets and outcomes 2023

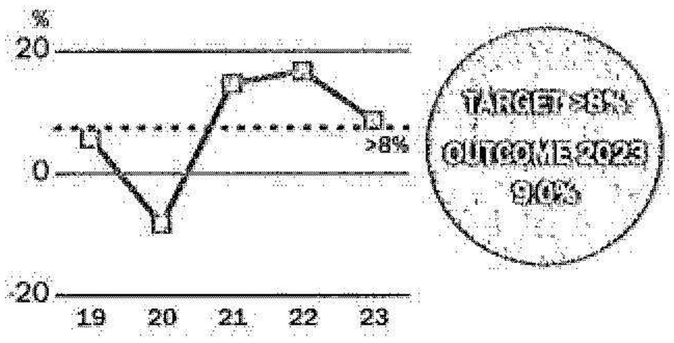
The financial performance of Trelleborg was very strong in 2023. At the same time, selected key sustainability figures demonstrated a continued positive trend. In 2023, sales growth exceeded the new financial target, while the EBITA margin and return on capital employed were below target. Both financial and sustainability related targets and outcomes reflect continuing operations.

FINANCIAL TARGETS

SALES GROWTH

Annual sales growth over a business cycle should be >8 percent [1]. The previous target was 5–8 percent.

Demand for the Group's products and solutions was favorable during the year. Net sales increased 14 percent compared to 2022 and amounted to SEK 34,286 M (30,095). Organic sales increased 2 percent (14). Structural changes increased sales by 7 percent (3) and currency movements by 5 percent (10) compared with the preceding year. Total sales growth, organic as well as structural, averaged 7.9 percent over the past five years.

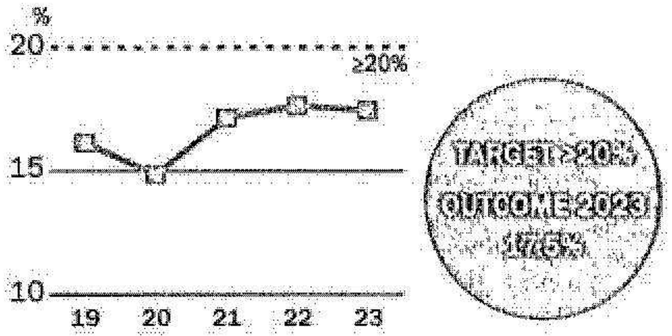


EBITA MARGIN

The EBITA margin, excluding items affecting comparability, is to amount to >20 percent over an economic cycle [1]. The previous target was an EBIT margin,excluding items affecting comparability, of >16 percent.

The EBITA margin was 17.5 percent (17.7). EBITA was the highest ever for a year, but the margin was negatively impacted by restructuring costs and a capital loss from a divestment in offshore oil & gas in the US.

The EBITA margin averaged 16.7 percent over the past five years.

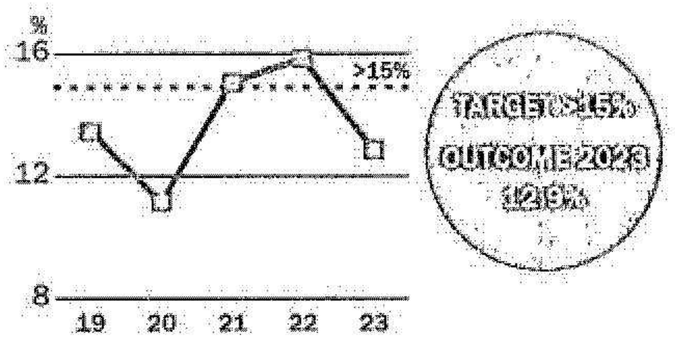


RETURN ON CAPITAL EMPLOYED

The return on capital employed (ROCE), excluding items affecting comparability, is to amount to >15 percent over an economic cycle [1]. The previous target was >14 percent.

The return on capital employed (ROCE), excluding items affecting comparability, was 12.9 percent (15.9). ROCE was negatively affected by acquisitions with initially lower returns.

ROCE averaged 13.7 percent over the past five years.

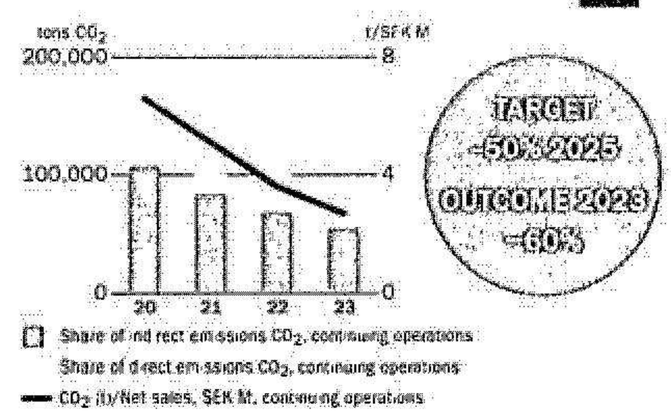


SUSTAINABILITY TARGETS

ENVIRONMENT – CLIMATE

During the year, Trelleborg set a new climate target for 2030, refer to page 23. The previous "50 by 25" target was to – by the end of 2025 – reduce direct and indirect carbon emissions (Scope 1 and 2) by at least 50 percent relative to sales (compared with base year 2020 of 6.6 metric tons/SEK M).

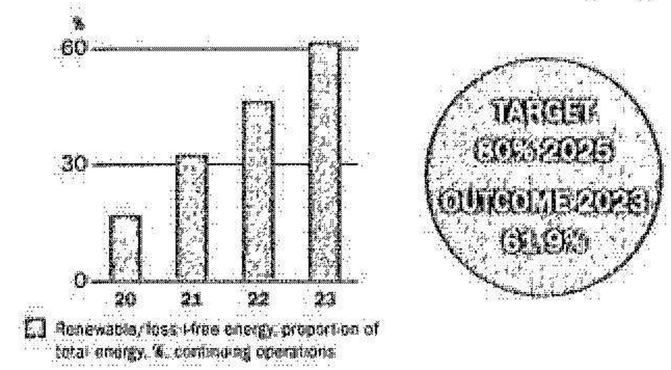
In 2023, the value was 2.7 metric tons (3.6) per SEK M, which corresponds to a 27-percent decrease in emissions intensity compared with the preceding year. This yields a 60-percent reduction in emissions intensity compared with the base year 2020, which means that the target for Scope 1 and Scope 2 has already been met. In 2023, the Group's science based target to reduce absolute CO_2 emissions (Scope 1 and Scope 2) by 50 percent by 2030, base year 2021, as well as CO_2 emissions along the value chain (Scope 3) by 25 percent was validated. Find out more about Trelleborg's new climate targets and vision on pages 23–24.



ENVIRONMENT – RENEWABLE/FOSSIL-FREE ELECTRICITY

An important part of achieving the Group's climate targets is based on transitioning the electricity supply to mainly renewable/fossil-free electricity. An intermediate target for Trelleborg in this process is to have achieved 80 percent renewable/fossil-free electricity by the end of 2025.

The outcome for 2023 was that 61.9 percent (46.4) of the total electricity consumption consisted of renewable/fossil-free electricity, an improvement of 34 percent compared with 2022. Read more about Trelleborg's energy supply transition on pages 122–124.



[1] New target was presented at the Capital Markets Day on May 25, 2023.

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continued. SUSTAINABILITY TARGETS

ENVIRONMENT – CIRCULARITY

In 2023, the Group set a new circularity target stating that the share of recycled or bio-based raw material is to amount to 25 percent by the end of 2030. In addition to the new climate targets, this marks Trelleborg's ambition to be a sustainability leader in its industry.

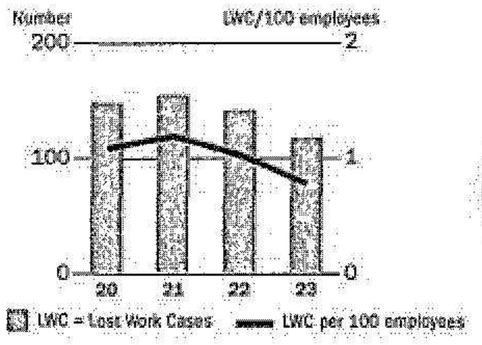
Trelleborg's *Polymers for Tomorrow* development team is continuing its practical work in this direction, following the principles of circularity. The development group, composed of members from the business areas and the Group, identifies strategic collaborations with suppliers and other initiatives in the intended direction. Some continuing challenges in terms of definitions and measurement taking in 2023 have meant that in Trelleborg's opinion, the annual outcome is not yet certain. It is not expected to be possible to publish data until 2024 at the earliest. Read more about Trelleborg's circularity efforts on pages 24 and 127.



SOCIAL – HEALTH AND SAFETY

The target is to continuously reduce occupational injuries that lead to more than one day's absence – Lost Workday Case (LWC). For 2023, the target was less than 1.0 LWC per 100 employees. In addition, the average number of lost work days due to occupational injuries and illnesses is to steadily decrease (LWD rate). As of 2022, measurement of LWC per 100 employees includes salaried employees.

In 2023, the average was 0.8 LWCs (1.0) per 100 employees, a 24-percent improvement on the preceding year, and better than the target for the year, which was below 1.0. LWC per 100 employees in production was 1.0 (1.3). The number of lost workdays per 100 employees (LWD rate) was 25 (28). See also pages 25 and 129–130.





SOCIAL – DIVERSITY

Striving to achieve a gender balance is, to some extent, a challenge in an engineering-dominated business like Trelleborg's, and requires efforts to be made at all levels.

To clarify the ambition, a target was set during the year to have at least 30 percent female managers at management levels 1–5 in the Group by the end of 2030. An inclusive organization represents a strength for the Group. It provides the conditions to further drive Trelleborg's development and results forward, both at team level and individually, as described in the Diversity Directive at Group level. Read more about Trelleborg's diversity and inclusion efforts on pages 25 and 129–130.



SOCIAL – LOCAL DEVELOPMENT

Trelleborg supports local communities through various community activities. All workplaces with more than 50 employees must have a plan for their social engagement.

In 2023, 100 percent (100) of Trelleborg's workplaces globally with more than 50 employees engaged in community activities with ongoing involvement. Special programs promoting the development of children and young people comprise a central focus for the local commitment. In connection with sports sponsorship – another focus area – youth and community development activities are prioritized. A third focus area is voluntary employee initiatives in social or environmental projects. In addition to units with more than 50 employees, activities aligned with Trelleborg's focus on social engagement are conducted at the majority of the Group's smaller units. Refer also to page 115.



COMPLIANCE – ANTI-CORRUPTION AND HUMAN RIGHTS

Zero tolerance applies to bribery, corruption or other criminal behavior, child labor and forced labor, as well as discrimination (reported and reviewed).

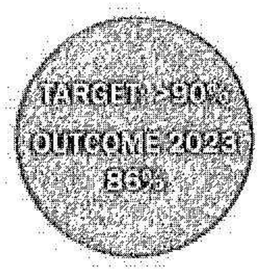
0 cases (1) of significant breaches of laws and permits that resulted in legal consequences or fines were reported in 2023. Refer to the table on page 133. 0 cases (0) of child labor or forced labor were reported. Of 3 reported cases of discrimination (4), 2 (4) are being reviewed. During the year, 26 matters (31) were dealt with that originated from the whistleblower system. The relevant action was taken in the event it was deemed appropriate.



COMPLIANCE – SUPPLIERS

Suppliers corresponding to at least 90 percent of the reported relevant purchasing spend in the production units are to have completed a self-assessment in accordance with Trelleborg's Code of Conduct.

In 2023, Trelleborg evaluated suppliers corresponding to 86.0 percent (86.2) of the reported relevant purchase spend, which means that the new target of 90 percent has not yet been met. In 2024, the focus will be on increasing the share of suppliers that conduct self-assessments, mainly relating to suppliers added through acquisitions. See also pages 131–132.



A new record year for Trelleborg

Trelleborg performed strongly during the year, recording its highest net sales and operating profit to date. The favorable results show that the business model and the decentralized organization are functioning effectively.

How would you summarize 2023?
It was another strong year for Trelleborg. While the first half of the year was characterized by good organic growth, we faced a more difficult situation in the second half with unchanged or slightly negative growth. It is also noteworthy that we completed the divestment of the Group's tire and printing blanket operations. This completed the process of streamlining the Group that commenced a few years ago.

We noted varying market conditions for our different businesses during the year. Some industries continued to perform strongly, such as aerospace, healthcare & medical, and automotive. Development of the project business in the marine segment was also highly favorable. Meanwhile, our deliveries to the construction industry and other minor industrial segments where sales are conducted through distributors decreased.

In 2023, the divestments of the tire and printing blanket operations were completed. What effect did this have on the Group's financial position?
In addition to gaining a very strong balance sheet, we also ensured a more consistent cash flow looking ahead, which gives us ample scope to move positively going forward. We are currently investing in new manufacturing facilities in several different markets. The common denominator for these investments is that capital is being allocated to fast-growing industrial segments and geographies that are expected to display good growth for many years to come. Examples include the aerospace industry and healthcare & medical.

Can you tell us more about the rate of investment and where you are investing?
Over the past year, we inaugurated a new production unit in China while upgrading and adding capacity in a number of existing facilities. We recently established production in Vietnam and we are planning to establish another facility in the same country. The Board has also given the green light for the construction of a new production unit in India. All this activity is aimed at enhancing the production footprint to meet a future increase in demand. Meanwhile, this has naturally led to a higher rate of investment for the Group in 2023 and this will continue to be the case in 2024. Thereafter, the rate of investment will slow to a more normal level.

What can you say about potential acquisitions?
We have a wide range of companies on our watch list, with an emphasis on small and medium-sized bolt-on acquisitions. The large acquisition of Minnesota Rubber & Plastics that we completed in 2022 was unusual.

Will share repurchases continue in 2024?
Our strong financial position allows us to continue repurchasing shares on the stock exchange. I should emphasize that this does not restrict our investment obligations, potential acquisitions or our ability to maintain a stable ordinary dividend. The purpose of the repurchase program is to optimize the balance sheet and create stability for our shareholders over time. At its launch in 2022, the ambition was for the repurchase program to extend over a number of years. That said, it is up to Trelleborg's Board of Directors to make a recommendation to the Annual General Meeting in April 2024 on whether it should continue.

Since mid-2022, interest rates have risen sharply. How has this affected Trelleborg?
We are now focusing even more on working capital. It used to be relatively inexpensive to carry extra inventory, but that changed last year. Optimal inventory levels, ensuring that customers pay on time and continuing to negotiate good payment terms with suppliers will become increasingly important.

A net cash position does not benefit shareholders in the long term. In light of the Group's stable cash flows, we can see that the long-term financial leverage, i.e. net debt/EBITDA, may reach a multiple of 1.5 to 2.

In 2023, cash flow was further strengthened. What were the underlying reasons?
During 2021 to 2022, we experienced major global supply chain disruptions. We, like most other companies, built up inventory to ensure production and deliveries to our customers. Today, there has been a normalization in terms of both raw material supply and supply chains, and we have already adjusted our inventory levels to account for this.

During the year, Trelleborg raised its ambitions for its financial and sustainability targets. How do they interact?
There is a strong correlation. When our environmental impact lowers and costs fall we reduce our consumption of energy and water. The investments we are making in new and upgraded manufacturing facilities involve adding new energy-efficient machinery that is more effective and leads to less waste.



FREDRIK NILSSON
CHIEF FINANCIAL OFFICER (CFO)

"The common denominator for our investments is that capital is being allocated to fast-growing industrial segments and geographies that are expected to display good growth for many years to come."

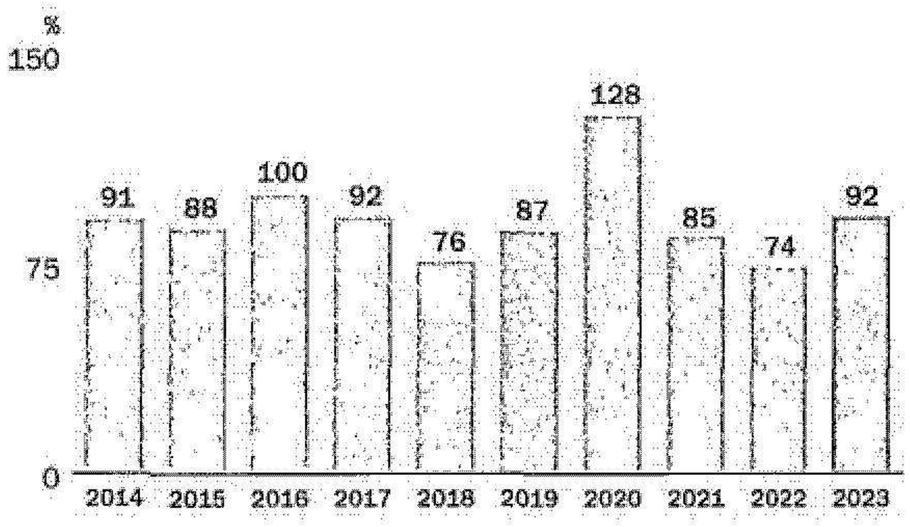
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KEY FIGURES, CONTINUING OPERATIONS, SEK M	2023	2022	2021	2020	2019
Net sales	34,286	30,095	23,789	21,494	23,945
Organic sales, %	2	14	15	–10	2
Structural changes, %	7	3	1	2	4
Exchange rate effects, %	5	10	–5	–2	5
EBITA, excluding items affecting comparability	6,002	5,334	4,094	3,205	3,868
EBITA margin, %	17.5	17.7	17.2	14.9	16.2
Items affecting comparability	–614	–241	–83	–260	–1,018
EBITA	5,388	5,093	4,011	2,945	2,850
Profit before tax	4,797	4,595	3,680	2,553	2,427
Net profit, discontinuing operations	6,593	1,828	1,007	842	–1,832
Net profit, Group	10,074	5,257	3,716	2,711	–199
Earnings per share for continuing operations, SEK [1]	14.31	13.01	10.00	6.90	6.02
Earnings per share for continuing operations, SEK [2]	16.64	13.80	10.26	7.36	9.40
Earnings per share, Group, SEK [1]	40.24	19.94	13.72	10.00	–0.73
Operating cash flow	5,063	3,732	3,298	3,855	3,206
Cash conversion ratio, %	92	74	85	128	87
Return on capital employed, %	12.9	15.9	15.1	11.2	13.5

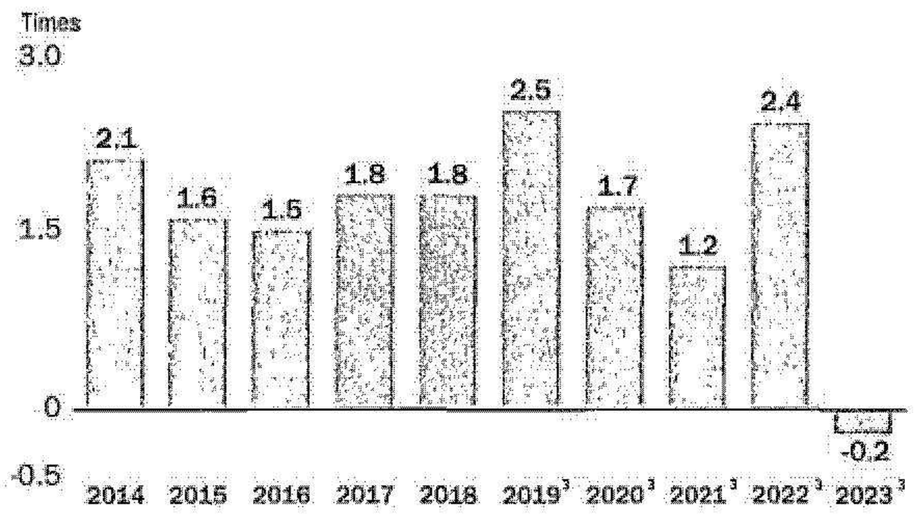
[1] Including items affecting comparability

[2] Excluding items affecting comparability

CASH CONVERSION RATIO

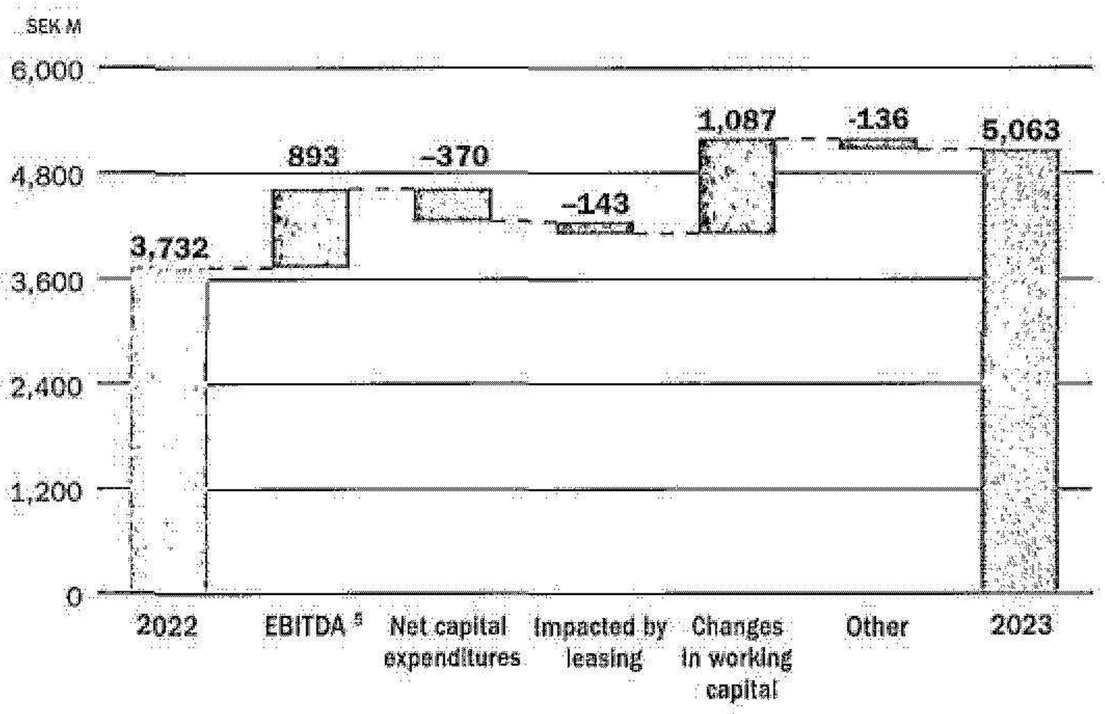


NET DEBT IN RELATION TO EBITDA



[3] The Group's net debt including lease and pension liabilities.

OPERATING CASH FLOW, CHANGE BETWEEN 2022 AND 2023 [4]



[4] Excluding items affecting comparability.

[5] Including other non-cash items and excluding impact from leases.

LONG-TERM FINANCIAL GUIDANCE

- Dividend: 30–50 percent of net profit
- Capital expenditures: 3.5–4 percent in relation to net sales
- Restructuring: <1 percent in relation to net sales
- Cash conversion ratio: >90 percent
- Net debt/EBITDA: <2x

For complete income statements, balance sheets and cash-flow statements, refer to pages 56–64.

Stock market year for the Trelleborg share

With increased geopolitical tensions, inflation and interest rate hikes, the 2023 stock market year was volatile, but ended clearly in the black.

Share performance

The share price of Trelleborg's Series B share increased just over 40 percent (1) in 2023, while the index of comparable industrial companies, Stockholm Industrials SX50PI, rose 25 percent (–20). Nasdaq Stockholm, in its entirety, increased 15 percent (–25).

Total yield

The Trelleborg share's total yield during the year was just over 43 percent. This compares with a nearly 19 percent increase for the OMX Stockholm Gross Index GI[1] . Despite no dividend being paid in 2019 due to the pandemic, the average total yield for Trelleborg over the past five years was 23 percent per year. The corresponding figure for OMX Stockholm GI is 17 percent.

Dividend

Trelleborg's dividend policy is that, over the long term, the dividend should amount to between 30 and 50 percent of the net profit for the year. The dividend is adjusted for such factors as the Group's earnings level, financial position and future development potential.

For the 2023 fiscal year, the Board proposes a dividend of SEK 6.75 (6.00) per share, which corresponds to about 17 percent of the net profit for the year, including the capital gain related to the Group's tire and printing blanket operations. For continuing operations, the dividend represents approximately 47 percent of net profit for the year.

Share price and turnover

Total trading in the Trelleborg Series B share in 2023 amounted to approximately 128 million shares (164) at a total value of about SEK 35,733 M (36,739), which corresponds to an average daily turnover of 509,661 shares (648,089) or SEK 142 M (145) per trading day. During 2023, the highest trading price was SEK 342.00 on December 15, and the lowest price was SEK 241.90 on March 20.

Shareholders

Trelleborg's Series B share has been listed on the stock exchange since 1964. The share is currently quoted on the Nasdaq Stockholm Large Cap under TREL B. The share capital in Trelleborg amounts to SEK 2,620 M, represented by 255,125,919 shares, each with a par value of SEK 10.27. Trelleborg has two classes of shares: 28,500,000 Series A shares and 226,625,919 Series B shares. Each Series A share carries ten votes and each Series B share carries one vote.

All of the Series A shares are owned by the Dunker Foundations, comprising a number of foundations, donation funds and asset-management companies created through testamentary disposition by former owner and founder of Trelleborg AB, Henry Dunker, who died in 1962. For further information about the Dunker Foundations and its holding in Trelleborg AB, visit www.trelleborg.com and www.dunkerstiftelserna.se.

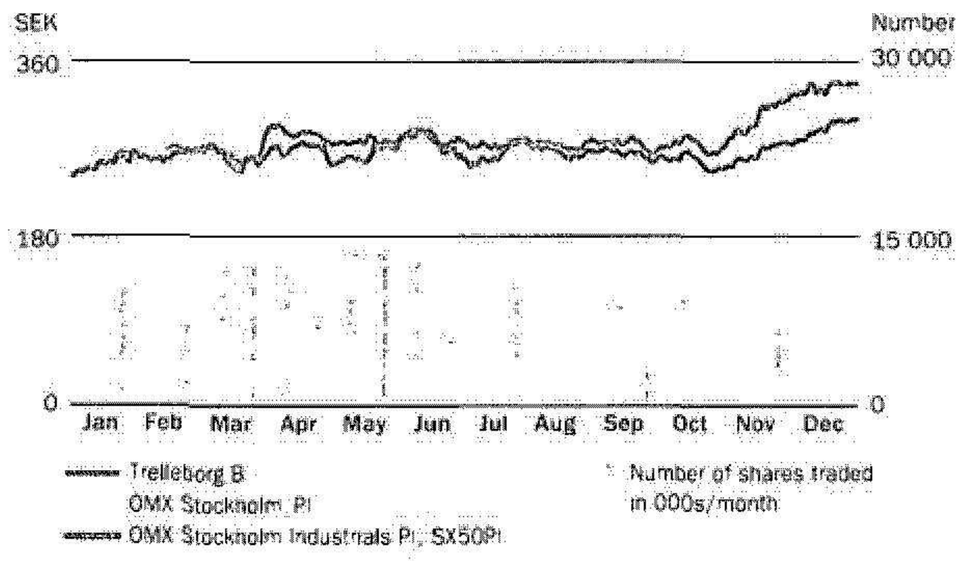
Repurchase of own shares

In accordance with an authorization from the general meeting of shareholders in December 2021, the Group is implementing a share repurchase program. At the end of the year, Trelleborg had repurchased Series B shares corresponding to 5.5 percent of the number of shares outstanding at a value of SEK 3,880 M with proceeds during the 2023 calendar year. For more information on the repurchase of own shares, refer to Note 29, page 88.

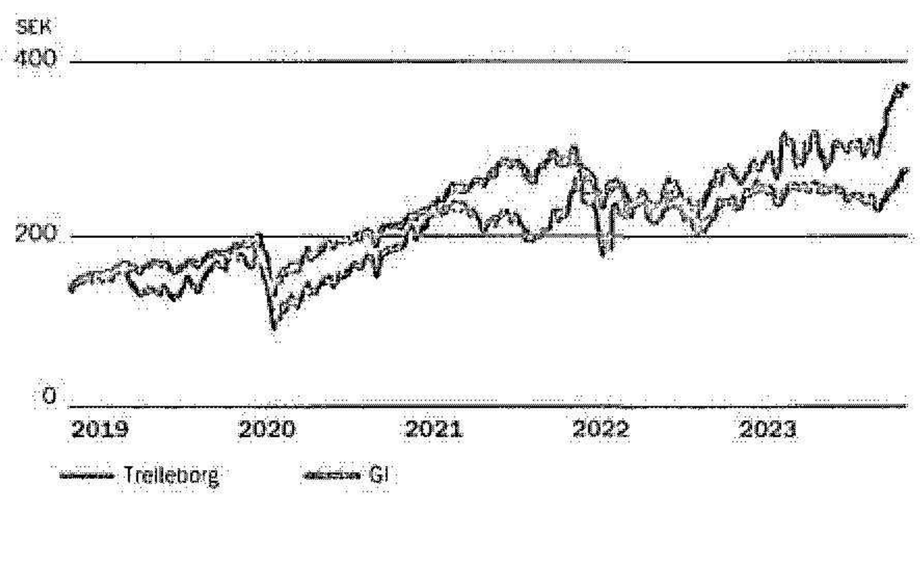
Analysts

For a current list of the analysts who continuously monitor Trelleborg, visit www.trelleborg.com.

PRICE TREND AND TRADING VOLUME
JANUARY 1 - DECEMBER 31, 2023



TOTAL YIELD TRELLEBORG COMPARED WITH OMX STOCKHOLM GROSS INDEX (GI)



[1] OMX Stockholm Gross Index (GI) includes all shares listed on the OMX Nordic Exchange Stockholm and includes dividends reinvested in the index

Source: RedFinancialGroup

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KEY DATA PER SHARE

SEK	2023	2022	2021	2020	2019
Continuing operations					
Earnings	14.31	13.01	10.00	6.90	6.02
Earnings, excluding items affecting comparability	16.64	13.80	10.26	7.36	9.40
Total					
Earnings [1]	40.24	19.94	13.72	10.00	–0.73
Shareholders' equity [1]	171.39	145.63	121.70	106.78	106.43
Dividend [2]	6.75	6.00	5.50	5.00	– [3]
Dividend as a % of earnings per share	17	30	40	50	– [3]
Dividend yield, %	2.0	2.5	2.3	2.7	– [3]
Total dividend, SEK M	1,643	1,544	1,491	1,355	– [3]
P/E ratio	8	12	17	18	–231

[1] There were no dilutive effects. 2023 includes the capital gain of SEK 6,052 M from divestment of the Group's tire and printing blanket operations.

[2] As proposed by the Board of Directors.

[3] No dividend was paid in 2020, in accordance with the resolution of the Annual General Meeting.

B SHARES

SEK	2023	2022	2021	2020	2019
Highest price	342.0	263.90	241.40	184.85	174.75
Lowest price	241.9	157.30	181.00	86.68	119.55
Market price, Dec. 31, last paid price	337.6	240.80	237.80	182.50	168.55
Market capitalization, Dec. 31, SEK M	86,130	67,443	64,461	49,471	45,689
No. of shares, Dec. 31, Series A and B shares	255,125,919 [4]	271,071,783	271,071,783	271,071,783	271,071,783
No. of shareholders	51,868	53,121	53,838	51,061	52,662

[4] In 2023, the number of treasury shares held was 11,789,396.

LARGEST SHAREHOLDERS, DECEMBER 31, 2023

Shareholder	TREL A No. of shares	TREL B No. of shares	Value, SEK M	% of capital	% of voting rights
Henry Dunker Donation Fund & Foundations	28,500,000	400,000	9,757 [5]	11.33	55.78
Allianz Global Investors		12,687,189	4,283	4.97	2.48
Capital Group		10,597,125	3,578	4.15	2.07
Vanguard		8,437,675	2,849	3.31	1.65
Swedbank Robur Funds		6,767,172	2,285	2.65	1.32
Handelsbanken Funds		5,495,915	1,855	2.15	1.07
Norges Bank		4,696,305	1,585	1.84	0.92
Lannebo Funds		4,555,058	1,538	1.79	0.89
BlackRock		4,431,617	1,496	1.73	0.87
Folksam		4,103,812	1,385	1.61	0.80
Other		164,454,051	55,519	64.47	32.15
Total	**28,500,000**	**226,625,919**	**86,130**	**100**	**100**
– of which shares held by Trelleborg		11,789,396	3,980	4.62	2.30

[5] TREL A is not traded on any marketplace but is assessed as having the same value as TREL B.

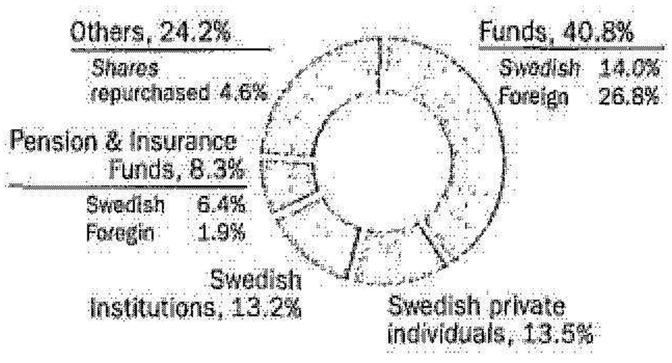
DISTRIBUTION OF SHARES, DECEMBER 31, 2023

No. of shares	No. of shareholders	% of capital	% of voting rights
1–1,000	44,665	4.15	2.07
1,001–5,000	5,972	5.06	2.52
5,001–20,000	896	3.13	1.56
20,001–	335	87.66	93.85
Total	**51,868**	**100**	**100**

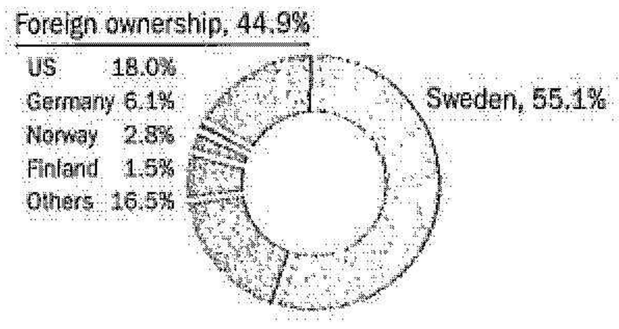
CLASS OF SHARES, NUMBER OF SHARES, CAPITAL AND VOTES

Class of share	No. of shares	% of capital	% of voting rights
Series A shares	28,500,000	11.2	55.7
Series B shares	226,625,919	88.8	44.3
Total	**255,125,919**	**100**	**100**

OWNER TYPES, % OF CAPITAL

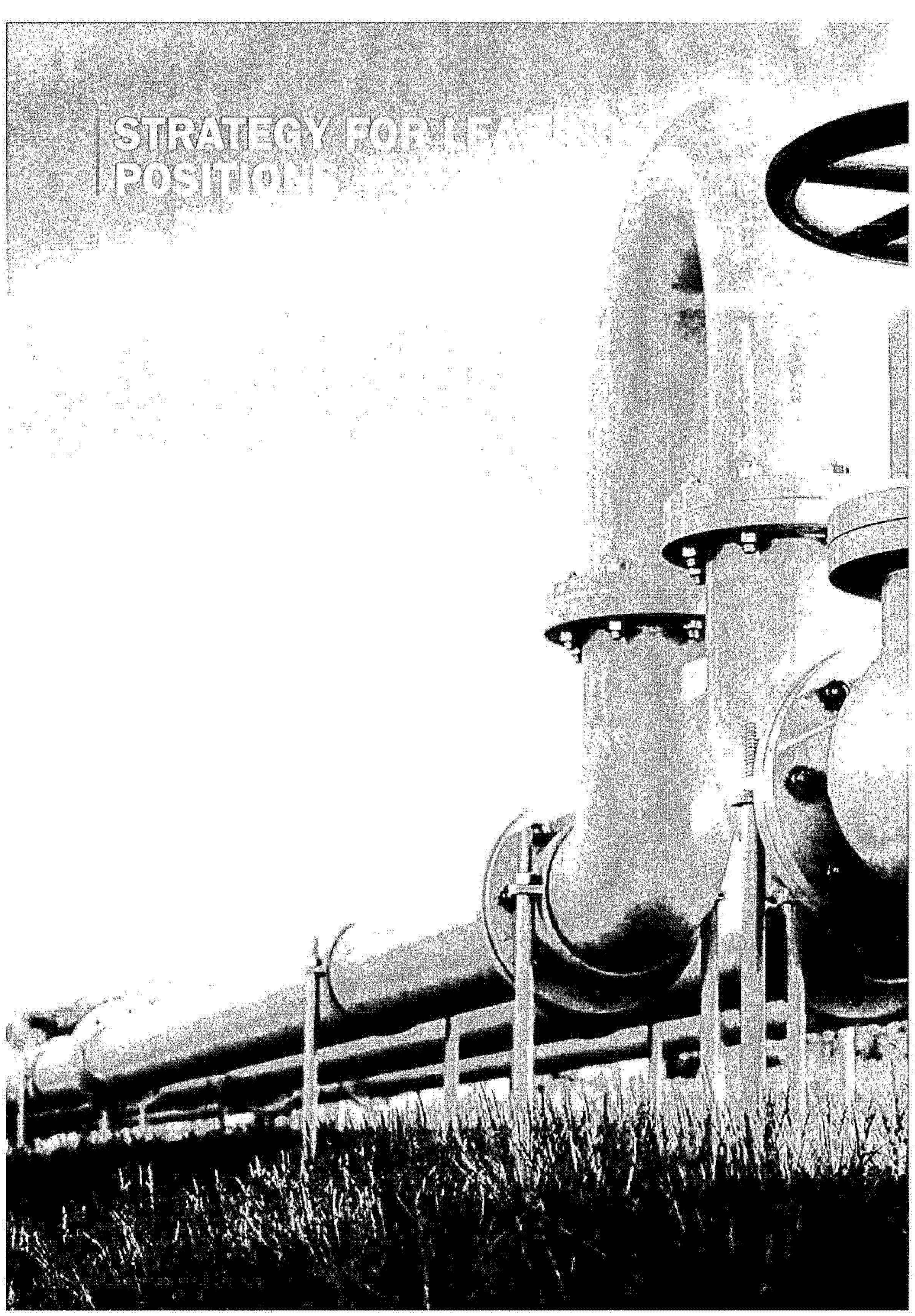


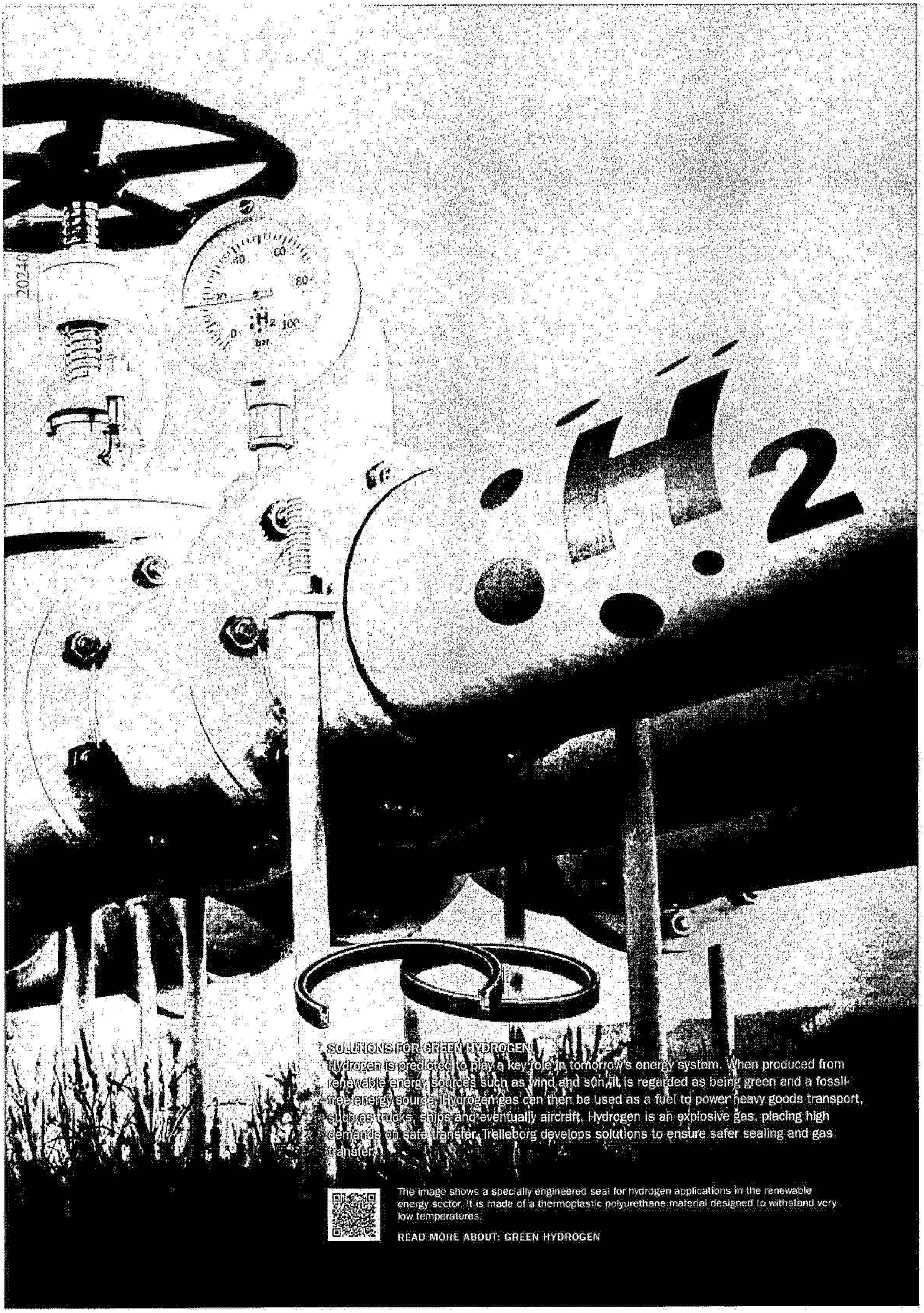
OWNER BY COUNTRY, % OF CAPITAL



Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and the Swedish Financial Supervisory Authority, among others

STRATEGY FOR THE POSITION



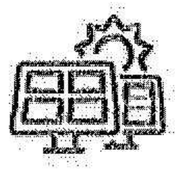

SOLUTIONS FOR GREEN HYDROGEN
Hydrogen is predicted to play a key role in tomorrow's energy system. When produced from renewable energy sources such as wind and sun, it is regarded as being green and a fossil-free energy source. Hydrogen gas can then be used as a fuel to power heavy goods transport, such as trucks, ships and eventually aircraft. Hydrogen is an explosive gas, placing high demands on safe transfer. Trelleborg develops solutions to ensure safer sealing and gas transfer.
The image shows a specially engineered seal for hydrogen applications in the renewable energy sector. It is made of a thermoplastic polyurethane material designed to withstand very low temperatures.
READ MORE ABOUT: GREEN HYDROGEN

Megatrends impacting Trelleborg

The Trelleborg Group is impacted by a number of megatrends that create business opportunities but also drive change across the business. These trends are characterized by the fact that they are based on global patterns and that they are already evident today, but are expected to play an even larger role in the longer term.



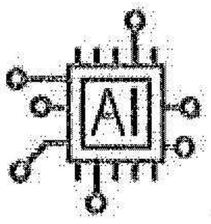
Geo-economic and demographic changes – World growth is moving eastward. According to the International Monetary Fund (IMF), the Asia-Pacific region accounted for nearly two-thirds of global growth in 2023. International trade connects a world in which raw materials are often extracted in one country and processed in another, before the end products are then shipped to customers across the globe. Global trade places high demands on worldwide value chains. At the same time, trade has developed in a more protectionist direction, requiring a greater local presence with production in the regions where sales are conducted. This development is also affected by a more uncertain world, where tensions between countries and regions are increasing. The world's population is aging and for the first time more than 10 percent of the population is now over 65, thereby increasing the need for health and medical care, which is estimated to account for more than one tenth of global GDP, according to The Economist.



Resource efficiency for sustainability – The world is in the midst of a transition of major proportions to reduce climate emissions, while scarce natural resources are creating challenges. However, the pace of change in industry is high, creating a growing demand for products, services and applications that increase energy efficiency, extend service life and reduce emissions. The Paris Agreement's goal of limiting global warming to 1.5°C requires businesses and society to think in entirely new ways. Above all, it is about improving energy efficiency and replacing fossil fuels with both renewable and fossil free energy sources. Developments in renewable energy and sustainable fuels are creating industries with new needs for applications and solutions.



Urbanization and mobility – Migration to large cities is taking place in many parts of the world and is particularly evident in emerging markets. The UN estimates that the population of the world's cities will grow by 2.5 billion by 2050. The trend will increase the demand for more efficient cities, which will also need to adapt to mitigate the impact of climate change. This will require major investments in infrastructure, where there are currently large gaps between needs and investments. The need for mobility, for shorter distances within and between cities but also for longer trips, is expected to increase for both work and tourism. In this area, there is a rapid development of services and fuels taking place, as well as vehicles equipped with increasingly advanced self-driving technologies.



Accelerating technological development – The rapid pace of technological development in general and AI in particular will have a major impact on society as a whole and not least on industrial processes.These will be able to become more efficient and reduce their impact on the environment. At the same time, the level of automation is increasing in both industry and society. Growth in the IT sector is expected to be strong in cybersecurity, but higher demand for hardware is also expected, which will increase the need for advanced semiconductors. Digital developments are also expected to continue to have major implications for customer offerings, sales, administration and communication.

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Strategy for a better Trelleborg

Trelleborg's strategy aims to build or maintain leading positions in selected industries. With the more coherent portfolio resulting from the divestment of the tire operation, combined with an accelerated focus on growth industries, the Group will have a better growth profile and higher profitability, while operations become less cyclical with an improved sustainability profile.

Demand for advanced products and solutions

The Group considers an active and early acquisition of insights into long-term global trends, such as specific industrial and products trends, as a competitive advantage in the long-term partnerships it seeks with customers.

The Group is well positioned in relation to several of the global megatrends described on page 16, creating good opportunities for future growth. Through strong partnerships with its customers, it translate trends into products, solutions and services that strengthen its own and its customers' market positions. Rapid technological development and digitalization create opportunities for Trelleborg to develop products in growth industries, such as semiconductors, production automation and warehousing. The transition to a more sustainable society means that growth in such areas as renewable energy, electrification and hydrogen is expected to be robust in the years ahead, which is favorable for several of Trelleborg's operations. At an overall level, clear demand exists for:

- » Advanced, engineered and integrated solutions.
- » Qualified material properties for particularly demanding, critical applications. Lightweight materials that offer a combination of strength and low weight
- » Comprehensive solutions that enable our customers to focus on their core businesses.

The underlying market for the broad industrial sector is expected to grow by 2 to 4 percent per year. In connection with the Capital Markets Day on May 23, 2023, Trelleborg's growth target was raised to an annual sales growth over an economic cycle of more than 8 percent. Accordingly, Trelleborg increased its rate of investment in existing operations in 2023, and plans to maintain a high pace in 2024, with a particular focus on its speed boat concept – industries and niches that are expected to grow by more than 5 percent annually (see below). Today, these comprise about 40 percent of the Group's net sales and the ambition is that they will eventually comprise more than half. At the same time, the entire Group's business is developing through its strategy of maintaining and building leading positions in industries and geographies through its four cornerstones: portfolio optimization, structural improvements, geographical balance and excellence.

One explanation for Trelleborg's success is that its products and solutions are often critical to the functionality of its customers' advanced end products. A good example is excavators, which often operate in harsh environments such as mines or construction sites, where they are exposed to dirt and dust. For hydraulic systems to operate in these environments, they must be fitted with sealing solutions that are compatible with the lubricants used can function at high pressure and in changing temperatures, while minimizing friction. Trelleborg's materials know-how, applications expertise and industry insight combined with its financial strength and broad geographic presence provide a strong competitive advantage. Trelleborg's operational businesses have specially developed strategies for achieving leading positions in their industries and geographies.

Focus on industries and niches experiencing strong growth

AEROSPACE	RENEWABLE ENERGY	INDUSTRIAL AUTOMATION	FOOD
AUTOMOTIVE SELECTED NICHES	ELECTRIFICATION & HYDROGEN	LIQUEFIED NATURAL GAS	MODULAR CONSTRUCTION
HEALTHCARE & MEDICAL	WATER INFRASTRUCTURE	AUTOMATED WAREHOUSING	SEMICONDUCTORS

>5%

A number of industries and niches are growing more than 5 percent per year and Trelleborg has a particular focus on these in order to participate in their growth journeys. The long-term ambition is that the Group's presence in these industries and niches will grow from approximately 40 percent today to more than half of the Group's sales.

Examples of Trelleborg's leading positions

AEROSPACE

» Global leader in seals for landing gear and windows, as well as lightweight evacuation slides

AUTOMOTIVE

» Consolidated position as global market and innovation leader in brake shims for the automotive industry
» Global leader in automotive boots

HEALTHCARE & MEDICAL

» Focused offering of critical solutions for several fast-growing polymer applications

GENERAL INDUSTRY

» World leader in a wide range of industrial sealing applications
» European leader in antivibration solutions for railways
» Strong offering of solutions and products for renewable energy in emerging markets
» Global leader in safe and efficient berthing and mooring of vessels
» European leader in water management, such as pipe rehabilitation
» World leader in solutions for immersed tunnel seals in an attractive niche
» Global leader in custom profiles for windows, doors and exteriors/façades
» Leading system provider of LNG transfer solutions
» Market leader in engineered hoses in selected industrial niches

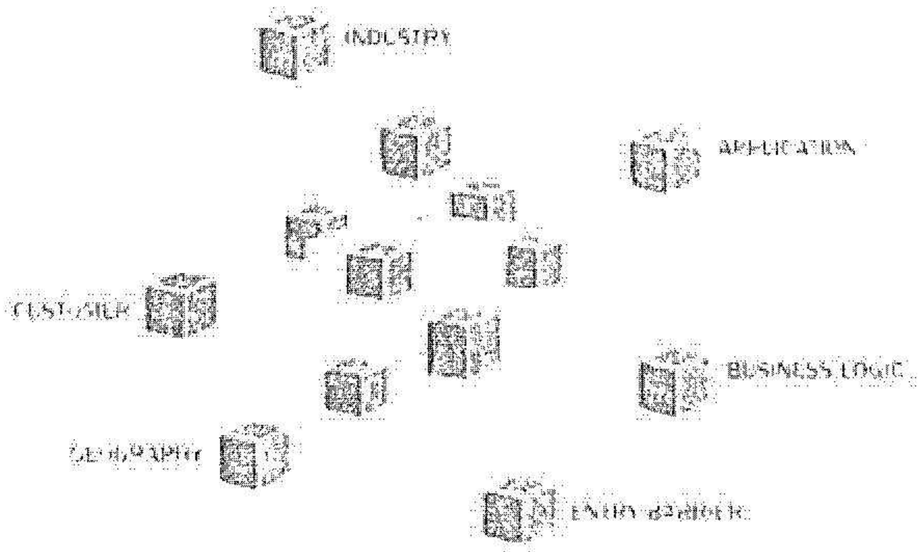
Trelleborg's strategy is to secure and build leading positions in selected industries. These positions are developed by continuously working on the basis of the four strategic cornerstones described below.

PORTFOLIO OPTIMIZATION

Portfolio optimization

Presence in profitable, growing segments

The Group is working systematically to identify those positions that have high growth and, in parallel, the potential for good profitability. The optimization work includes choosing where to focus the portfolio and identifying gaps in our existing offerings. This may involve expanding offerings, developing new applications or targeting new technologies or niches.



Trelleborg makes an overall assessment based on multiple parameters of which industry, niche and geography the Group can best optimize its business portfolio.

Growth through acquisitions

Acquisitions are a core feature of Trelleborg's strategy, and the Group acquires operations in attractive industries and niches where opportunities exist to achieve competitive advantages and reach a leading position quickly. The acquisitions are often small bolt-on acquisitions. In 2023, a business specializing in sealing solutions for aerospace and industrial applications was acquired. At the end of the year, an agreement was signed to acquire a prominent South Korean manufacturer of precision seals for semiconductor production equipment. The acquisitions further strengthen Trelleborg's position in attractive and fast-growing industries. Portfolio optimization also includes identifying those areas that no longer belong to the core business. One example of this is the Czech business in antivibration solutions for light vehicles, which was divested during the autumn 2023. In 2023, divestments of the tire and printing blanket operations, announced in 2022, were also completed. Altogether, the divestments create a Trelleborg with a better growth profile, higher profitability, and which is less cyclical and has a better sustainability profile.

STRUCTURAL IMPROVEMENTS

Structural improvements

Right place for right operation

Trelleborg's focus is on developing its operations and localizing them to areas where Trelleborg can grow and recruit the right talent and do the best job. However, it is also about developing offerings that make life easier and increase value for customers, as well as developing and working within new business models.

In 2023, Trelleborg increased investments in its existing operations. For example, tunnel seal manufacturing has been moved from the Netherlands to China and Singapore, while sales and the Engineering Excellence Center remain in Rotterdam in the Netherlands. To address growing demand, new facilities have been built for antivibration solutions in China and automotive boots in France. In Bulgaria, an expansion of an existing facility enabled a doubling of the production of precision seals.

Structural improvements are also about developing business models and customer offerings. The focus on digitalization, through improved enterprise resource planning (ERP) systems, has been an important part of this. The share of products and services supported by digital tools is growing steadily. One example is the new fixed-installed piloting unit, SafePilot P3. It meets the stricter requirements for vessel positioning in the Panama Canal, which came into force in October 2023. SafePilot P3 delivers real-time certified data to and from a pilot's display, enabling more efficient navigation of large vessels through narrow channel passages.

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ACQUISITIONS

Company	Focus	Head office	Trelleborg's position following acquisition	Net sales SEK M	Employees
Company within 4M	Manufacturer of aerospace components	US	Increases production capacity of elastomers, used in various aerospace airframe seals and broadens product range of seals with electrical conductivity	85	50
Injectoplast	Manufacturer of automotive boots	India	Strengthens Trelleborg's position as global market leader in automotive boots	70	100
Oechslin AG	Specialized toolmaker	Switzerland	Develops capabilities in complex silicone components	12	8
Lehmann AG	Specialized toolmaker	Switzerland	Develops capabilities in complex silicone components	15	7
MNE Group [1]	Manufacturer of precision seals for semiconductor production equipment	South Korea	Provides established customer contacts with some of the world's largest semiconductor manufacturers in the largest local semi-conductor market in the world	300	100
Total				**482**	**265**

DIVESTMENTS

Business areas	Focus	Sales (2022), SEK M	Employees
Trelleborg Sealing Solutions	Trading in customized metal components	60	14
Trelleborg Industrial Solutions	Ceramic macrospheres and buoyancy modules for use in offshore oil and gas exploration and production	30	10
Group [2]	Global manufacturer of printing blankets in polymer-coated fabrics	1,340	620
Group	Automotive components	450	550
Trelleborg Wheel Systems [3]	Global supplier of tires and complete wheels for off-highway vehicles and specialty applications	13,300	6,600
Total		**15,180**	**7,794**

[1] The acquisition agreement was signed on December 20, 2023, the transaction is expected to be completed in the first quarter of 2024.

[2] The divestment was agreed in the final quarter of 2021 and completed in the second quarter of 2023.

[3] The divestment was agreed in the first quarter of 2022 and completed in the second quarter of 2023.

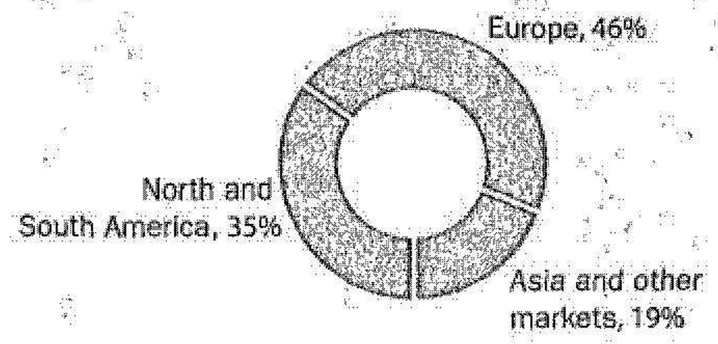
GEOGRAPHICAL BALANCE

Geographical balance

Proximity to customers with a complete offering

Trelleborg sees strength in its ability to combine a strongly decentralized and local organization with the capabilities of a global Group. Business decisions are made close to the customer, providing flexibility as well as market and customer knowledge. A geographical balance reduces the impact from fluctuations in the economy and currencies or from trade barriers. The extensive local presence of Trelleborg means the Group does not have significant export flows. Trelleborg has operations in some 40 countries with approximately 100 manufacturing units and sales to just over 140 countries. The geographical balance has changed significantly over the last decade. In the past, Europe dominated and accounted for three quarters of sales. In 2023, Europe represented around 46 percent of sales with North and South America representing 35 percent and Asia and other markets 19 percent. This provides better exposure to high-growth regions.

NET SALES PER GEOGRAPHIC MARKET



Trelleborg has growth ambitions in Southeast Asia and has invested to increase capacity in the region.

During the year, the expansion of new manufacturing units continued, particularly in Asia, where there is good potential for further growth by increasing local presence. The first manufacturing unit in Vietnam was opened during the year and plans have been announced for a second facility in the country to open in 2026. In India, an investment is being made in a new facility that on its completion in 2026 will double the capacity of Trelleborg Sealing Solutions in the country. These investments should be view in light of the fact that the Asian business demonstrated average annual growth of more than 10 percent between 2012 and 2023.

TRELLEBORG'S GLOBAL PRESENCE AND EMPLOYEES 2023

The number of employees in continuing operations at year-end, including insourced and temporary employees, was 15,646 (16,701). Of the total number of employees, 94 percent (94) work outside Sweden.

During the year, the average number of employees in continuing operations was 15,502 (14,252), of whom women accounted for 32 percent (31). Refer to Note 10, page 73.

Salaries, other benefits and payroll overheads for employees (excluding insourced staff) in the Group's continuing operations amounted to SEK 10,565 M (8,873).

Personnel turnover (not taking terminations and retirements into consideration) varies between countries and facilities, and usually reflects the local labor situation.

NUMBER OF EMPLOYEES AT YEAR-END [4]

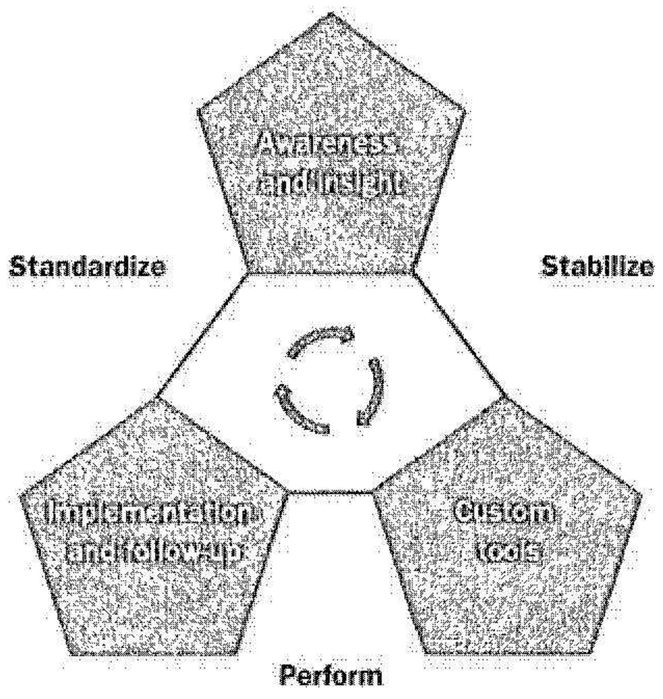
Distribution by country	2023	2022
US	3,282	3,405
UK	1,685	1,626
China	1,239	1,254
Germany	1,217	1,231
India	1,098	993
Sweden	956	998
France	937	922
Mexico	682	783
Slovenia	604	629
Czech Republic	169	778
Other	3,777	4,082
Total	**15,646**	**16,701**

[4] Including insourced and temporary employees.

Excellence

Excellence in core processes

Trelleborg has a systematic internal procedure to further improve core business processes. This is done through training via Trelleborg Group University and through customized efficiency tools that are deployed across the business.



Purchasing Excellence

Purchasing Excellence is strongly linked to the purchasing process and purchasing organization. Trelleborg works systematically to ensure the Group secures a competitive price and the right quality in all of its purchasing of goods or services. Purchasing follows standardized processes and decisions. The Group categorizes its suppliers using the Kraljic matrix, which measures them based on importance and market complexity.

The purchasing process is essentially applied in the same manner regardless of whether it concerns the purchase of rubber, steel, goods or indirect materials. This builds trust among suppliers and internal stakeholders.

The Group has lead buyers to coordinate sourcing across Trelleborg for direct material categories that are common between the organization and have significant spend. This primarily concerns standard materials and represents 20–25 percent of the Group's total expenditure for direct materials, including discontinuing operations. There are also category experts for engineered materials, whose task is to facilitate knowledge sharing between operational units.

In connection with indirect material purchases, country coordinators are stationed in countries with the highest expenditure for indirect materials and services. These account for about 65 percent of the Group's indirect expenditure, including discontinuing operations. The coordinators ensure that joint framework agreements are in place for the relevant categories in each country.

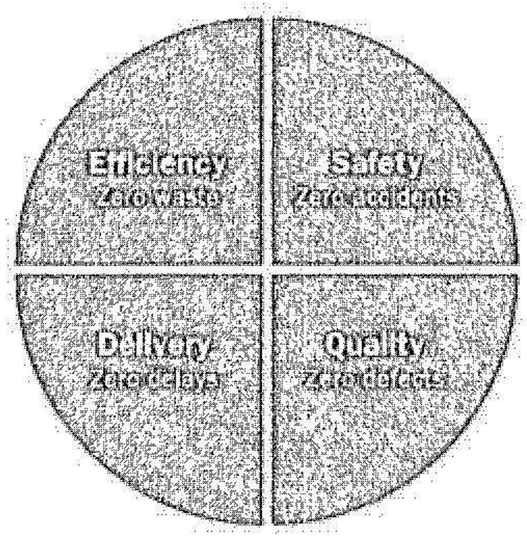
One important element of *Purchasing Excellence* is supplier assessments and follow-ups with a focus on issues related to human rights, occupational health and safety, environmental management systems and social responsibility. Refer to pages 131–132.

Manufacturing Excellence

Manufacturing Excellence was the first of the Group's Excellence programs and has been running for almost 15 years. The purpose is to work systematically to improve production in relation to safety, quality, delivery precision and efficiency. The focus is on minimizing non-value-generating activities and identifying and correcting deviations through daily efficient control. The vision is Zero accidents, Zero defects, Zero delays and Zero waste.

Energy Excellence has been part of the program from the beginning and aims to reduce Trelleborg's energy use of both direct and indirect energy. This is achieved through a systematic approach to identify potential savings and "energy thieves".It includes training, energy inspections, local energy teams, measuring and analysis. Refer to pages 122–124.

Trelleborg's longstanding occupational health and safety program *Safety@Work* is also an integrated part of *Manufacturing Excellence*, and aims to create a shared safety culture and to prevent occupational accidents and injuries at all production units. Refer to pages 129–130.



Sales Excellence

Sales Excellence aims to contribute to increased sales and growth via an improved sales process and standardized sales tools that will support the customer throughout the sales process. The program also encompasses strategic marketing and positioning, digital market communication and pricing.

Based on the Buying Cycle, the program provides a range of training activities, best practice sharing and tools that can be used on a daily basis in operating units, making it possible to focus on the most attractive and profitable customers.

Supply Chain Excellence

Supply Chain Excellence involves optimizing processes across the supply chain, from suppliers to customers. The goal is to improve the ability to meet customers' needs and ensure customer focus in all areas, while optimizing efficiency and working capital.

The program is centered on a joint five-step planning process, based on the Sales & Operations Planning (S&OP) process. The goal of the planning process is to adapt all parts of the organization to a shared plan that is driven by customer demand.

People Excellence

People Excellence supports managers at all levels to further develop their leadership, build strong teams and stimulate employees to increase the value for customers and deliver business results. The program is based on a self-assessment tool and self-motivated learning, which comprises six individual parts, of which one part focuses on diversity and inclusion. Refer to pages 129–130.

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Value generation at Trelleborg

Trelleborg protects the essential in society – people, the environment and infrastructure – now and for the future. The Group is working continuously to create value for all its stakeholders.

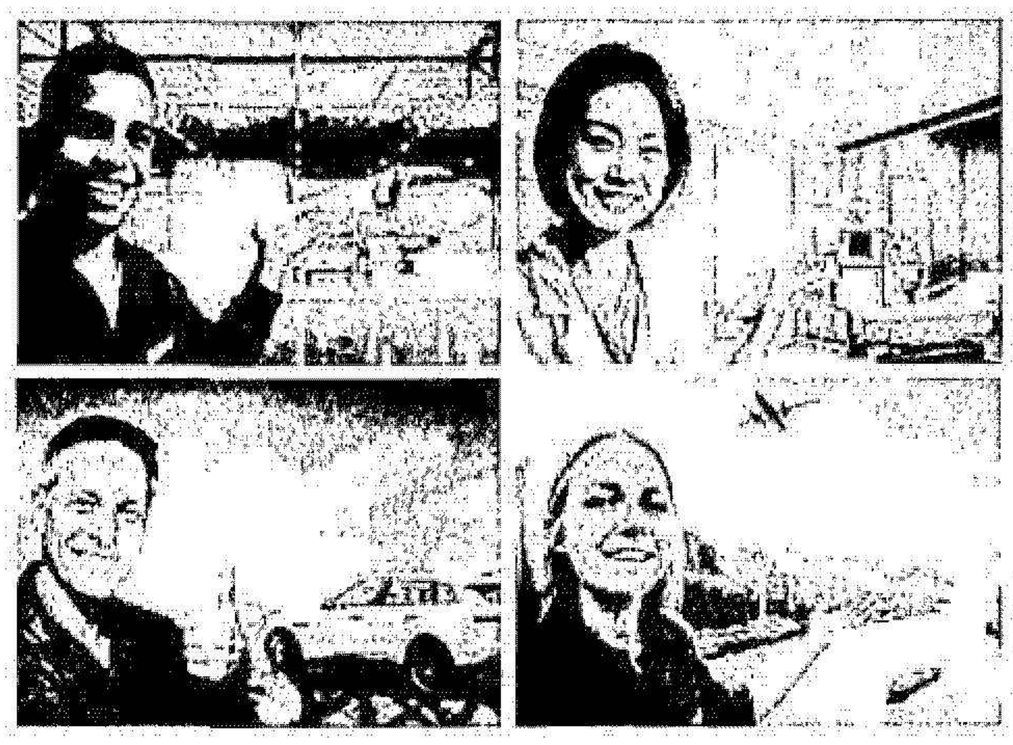
Business concept

Trelleborg's business concept is to develop and offer critical applications in demanding environments.

Strategy

Trelleborg's strategy is to secure and develop leading positions in selected industries. Read more on pages 17–20.

Industries



The Group serves the following industries:

» Aerospace

» Healthcare & Medical

» Automotive

» General industry

The portfolio is composed so that, as a whole, its market exposure is less cyclical, which improves the Group's prospects to report consistent earnings even when adverse fluctuations in the industrial cycle of individual industries occur. Trelleborg's distinctly decentralized organization means business decisions are made as close to the customer as possible, which creates competitive flexibility with substantial market and customer knowledge. See examples of industries and niches on page 17.

Business attributes

Trelleborg Group is characterized by a number of business attributes:

» A in value C in cost

» High barriers to entry

» High replacement costs

» Critical functions

» Partnerships with our customers

» Local presence – global capabilities

» Expertise in applications and materials

» Market-driven development of new customer solutions

These are characteristic of how Trelleborg do business and creates value for stakeholders. A in value C in cost means that the solutions developed by the Group often have a relatively low cost in terms of the end product, but create significant value through their properties for critical applications. Several of the industries in which Trelleborg operates in, such as aerospace and healthcare & medical, place high demands, for example, on certification of the manufacturing process, thereby creating high entry barriers for competitors. Customer relationships are characterized by partnerships that tailor products to form an end-to-end solution, which simplifies life for the customer while increasing the cost of switching suppliers. The Group operates locally, bringing it closer to its customers. In parallel, customers have access to global capabilities, driven by a high level of expertise in materials and applications.

Products and services

The core of Trelleborg's product development is engineered polymer solutions that meet customer-specific requirements for critical applications. The Group has expertise in materials technology and an in-depth knowledge of customer applications and challenges.

Trelleborg also offers various services supported by digital tools to make life easier and increase value for its customers.

Within Trelleborg, the proportion of services contained in the customer offering have increased and will increase over time, giving the Group, in combination with its products, a stronger position throughout the value chain.

Core values

Trelleborg's core values are:

- Customer focus – with the goal of creating added value for our customers and for Trelleborg by working in partnership
- Innovation – we promote an innovative attitude and corporate culture – innovation is a key driver for our growth.
- Responsibility – all employees have a responsibility for Trelleborg as a whole and for the Group's results
- Performance – we shall perform better than our competitors

Corporate culture

Trelleborg has a culture that promotes commitment, responsibility and good ethics in business relationships, as well as a positive interaction with the local community wherever the Group conducts operations. Trelleborg's promise as an employer – *Shaping industry from the inside* – encourages employees to develop in their roles and to pursue an internal career. As an employee, you become part of a company that makes a difference in society and in which you can influence both your own development and that of the company.

Sustainability

The Group's products and solutions have unique properties that protect the essential. Trelleborg works with solutions that save energy and reduce emissions, eliminate noise and vibrations and extend the service life of end products. This improves the overall sustainability profile of its customers.

Trelleborg is working systematically to increase the share of recycled and bio-based raw materials in all products.

In 2023, Trelleborg's new climate targets were validated by the Science Based Target initiative. The new targets are to halve direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 2030 compared with the base year of 2021, and to reduce emissions along the value chain (Scope 3) by 25 percent during the same period. In addition, a new target was set for circularity to reach 25 percent recycled or bio-based raw materials by the end of 2030, and a target of 30 percent female managers at levels 1–5 by 2030. Read more about Trelleborg's sustainability strategy on page 112.

Competitors and peers

Trelleborg has few equivalent competitors globally. Competition within industries and geographic markets is largely composed of smaller companies that are regional specialists in one or more niches or product categories. Read more on pages 27 and 29.

As a comparable investment, Trelleborg's peers are major Swedish international industrial companies or foreign companies such as Eaton, Parker Hannifin, Semperit and Hutchinson.

Shareholder value

The Group's strong balance sheet enables value-generating investments in the business as well as bolt-on acquisitions, in parallel with, for example, dividends and long-term share repurchase program creating additional value for shareholders.

Generated economic value

In total in 2023, Trelleborg's continuing operations generated economic value totaling SEK 35,052 M (30,571). This value includes all forms of revenue, where customers account for the largest portion. The diagram below lists the percentage distribution of the generated value per stakeholder group, as well as examples of other values for the stakeholder groups.

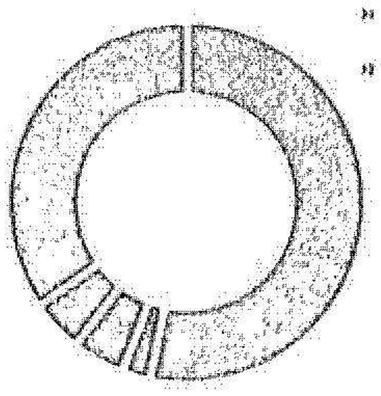
DISTRIBUTED ECONOMIC VALUE 2023

Employees 34.5%
- Salaries and benefits
- Health and safety
- Job satisfaction
- Personal development

Shareholders 4.9%
- Share price performance
- Dividend

Society 4.6%
- Tax revenue
- Job opportunities
- Trelleborg's social engagement

Creditors 2.4%
- Interest income



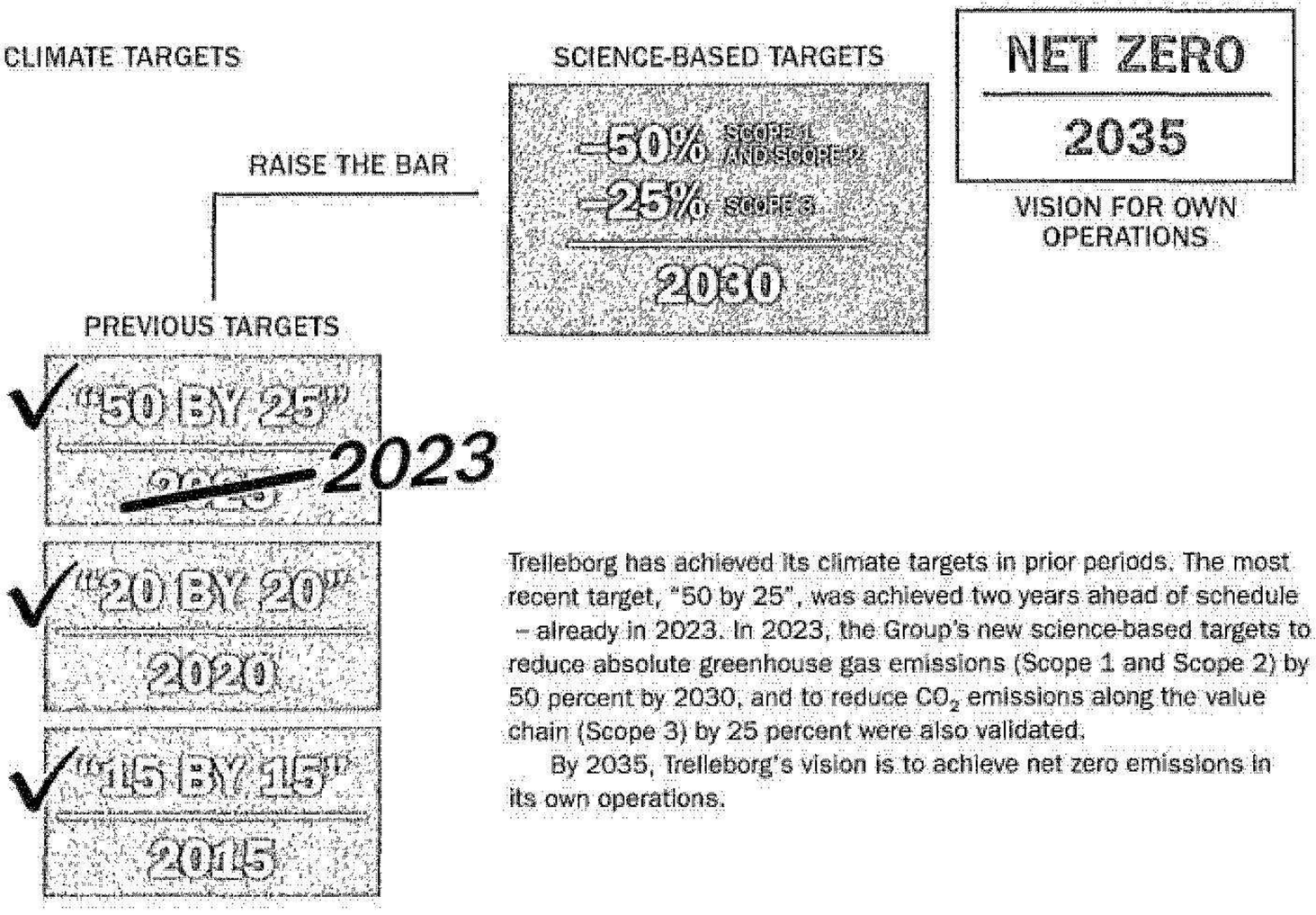
Suppliers 53.6%
- Payment for material and services
- Evaluation according to Trelleborg's stringent requirements



Trelleborg Group University, the Group's company wide educational initiative, prepares participants for an exciting future as managers within the organization. Since 2018, the head office in Trelleborg is home to a campus where most of the educational programs are conducted.

Continued action to combat climate change

Trelleborg works continuously to achieve its ambitious climate targets and successfully reached its 2025 target already in 2023. The next target, validated by the Science Based Targets initiative, is to reduce absolute own emissions by 50 percent by 2030. In addition, the target is to reduce Scope 3 emissions by 25 percent over the same period.



Trelleborg has achieved its climate targets in prior periods. The most recent target, "50 by 25", was achieved two years ahead of schedule – already in 2023. In 2023, the Group's new science-based targets to reduce absolute greenhouse gas emissions (Scope 1 and Scope 2) by 50 percent by 2030, and to reduce CO_2 emissions along the value chain (Scope 3) by 25 percent were also validated.

By 2035, Trelleborg's vision is to achieve net zero emissions in its own operations.

Trelleborg protects the essential – a promise that also covers the Group's sustainability efforts and solutions that help improve the sustainability performance of customers' products. Below are the main features of the Group's efforts to reduce climate emissions, increase circularity, create favorable conditions for employees, and ensure good governance. For other sustainability activities, refer to pages 108–134.

All previous climate targets achieved

Trelleborg continues to work on reducing its climate impact step-by-step, with the aim of the Group achieving net zero emissions by 2035 for its own operations. Important steps along the way were the achievement of the previous targets "15 by 15" (by 2015), "20 by 20" (by 2020) and "50 by 25" (by 2025, already achieved by 2023).

As a result of the 2023 divestment of the tire operation, greenhouse gas emissions were reduced, changing the emissions profile of the overall business at the same time as the 2025 climate target was achieved ahead of schedule. The divestment thus raised the need for new absolute emission reduction targets extending up to 2030.

New 2030 target: reduce Scope 1 and 2 by 50 percent

The new science-based climate target, validated by the Science Based Targets initiative (SBTi) in December 2023, is to reduce absolute greenhouse gas emissions (Scope 1 and Scope 2) by 50 percent by 2030, with 2021 as the base year.

Largest emission sources in Scope 1 and Scope 2, respectively

Natural gas is the dominant source of emissions in Scope 1. In particular, natural gas is used for steam generation in production.

Purchased electricity dominates as an emission source in Scope 2, but purchased district heating and steam is also used.

How the target will be achieved

Scope 1 and 2 emissions will be reduced as follows:

- Continued actions to improve energy efficiency at the facilities in line with the long-standing *Energy Excellence* program, whereby further efficiency potential will be identified and measures implemented. Read more on page 122.
- Transition to an increased share of renewable/fossil-free electricity, either through the purchase of certificates, or through Power Purchase Agreements (PPAs), direct agreements with electricity producers established in locations/countries with relevant electricity market structures. Trelleborg's share of renewable/fossil-free electricity in 2023 was 62 percent (46).
- Transition from natural gas to renewable energy sources.

New 2030 target: reduce Scope 3 by 25 percent

For Scope 3, the SBTi-validated target is to reduce absolute greenhouse gas emissions from the category of *Purchased goods and services* by 25 percent by 2030, with 2021 as the base year. The more detailed calculated emissions for the base year 2021, corrected for subsequent divestments and

other Group changes, remain partly under analysis, but will be presented in the report for 2024, together with the corresponding emissions calculations for 2022 and 2023.

Largest emission sources Scope 3

The *Purchased goods and services* category clearly dominates Trelleborg's Scope 3 emissions (along the entire value chain) and, according to an analysis performed (from 2023), corresponds to approximately 80 percent of the total Scope 3 emissions for the base year 2021.

How the target will be achieved

Scope 3 emissions from *Purchased goods and services* will be reduced through a dedicated supplier program that is under development. This will have a focus on collaboration aimed at ensuring that suppliers have plans and processes in place to reduce their carbon emissions. In parallel, there is broad collaboration in the *Polymers for Tomorrow* working group between Trelleborg, suppliers and start-ups to identify alternative materials with lower carbon emissions or that are entirely bio-based. Trelleborg will collect relevant data, estimate materiality and thereby prioritize the greatest potential to achieve the target in dialogue with relevant suppliers.

All Scope 3 emissions were analyzed in 2022–2023. A number of categories were excluded because their CO_2 emissions were deemed to be negligible in the context, or close to zero, or had already been included for Scope 1 and 2.

Increasing circularity through material improvements

The Group's endeavor is to provide industrial customers with innovative products and solutions based on in-depth insights into customer needs. Trelleborg's products and solutions have unique properties for customers' critical applications, and help to extend the lifecycle of end products, save energy, reduce emissions, and eliminate noise and vibrations. Accordingly, they improve overall sustainability profile of customers'.

Historically, the Group's polymer-based solutions have been mainly fossil-based, built on the unique sealing, damping and protective properties of synthetic rubber, in particular, and certain plastics. Even though it remains a technological challenge to easily recycle synthetic polymers, Trelleborg intends to gradually make the solutions offered clearly more sustainable, primarily by increasing the share of recycled or bio-based material in polymer-based products, refer to page 127.

In 2023, the Group set a new circularity target of 25 percent recycled or bio-based raw materials by the end of 2030. In addition to the new climate targets, this marks Trelleborg's ambition to be a sustainability leader in its industry.

Accordingly, Trelleborg's *Polymers for Tomorrow* development team is continuing its practical work in this direction, following the principles of circularity. The development group, composed of members from the business areas and the Group, identifies strategic collaborations with suppliers and other initiatives in the intended direction.

Another important stage in the circular work is that of addressing waste, refer to pages 127–128.

SUSTAINABILITY RANKING AND CDP'S CLIMATE REPORT

Trelleborg in 2023 sustainability ranking. Trelleborg took fourth spot in its category "Durable consumer goods" in the annual Swedish sustainability ranking "Hållbara Bolag 2023". The ranking is arranged by the business daily Dagens Industri and the Aktuell Hållbarhet magazine. The ranking is carried out by the Lund University School of Economics together with an advisory committee.

CDP's climate, water and supplier engagement reports. Trelleborg has participated in non-profit global organization CDP's voluntary reporting of greenhouse gas emissions since 2010. In the Annual CDP Report for 2023 on climate issues, Trelleborg received a score of A– where A corresponds to the highest level, the same result as in the preceding year (2022: A–). Water issues are also reported for the sixth time, and here Trelleborg received a score of C (2022: B–).

The Task Force on Climate-related Financial Disclosures (TCFD) is a specific call for climate action from the financial markets. Its recommendations describe how companies should handle their climate-related information, including the analysis of risks and opportunities. Refer to pages 116–118 for an overview of how Trelleborg meets the TCFD guidelines. The information will be further developed each year.

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People and engagement

Safety, health, diversity, inclusion and development of employees are key elements of Trelleborg's corporate culture forming the basis for high employee engagement, see pages 129–130. As a global group with a decentralized operational organizational structure, the shared values of customer focus, performance, innovation and responsibility are particularly important.

Trelleborg's values permeate all business activities. They constitutes a stable basis for the governance of sustainability work at Trelleborg, where local operations have a large degree of autonomy and entrepreneurial freedom to improve the organization in the direction of the Group's sustainability targets.

Safety, health and diversity

The Group-wide *Safety@Work* program establishes a common safety culture with the aim of reducing occupational accidents, injuries and illnesses. Every year, a global Safety Day is held. In 2023, more than 90 percent of the organization's sites participated in Safety Day activities.

Wherever the Group conducts operations, employees make a positive contribution to the local community through engagement in the form of various initiatives to promote education and physical activity among children and young people.

Diversity and inclusion are key parts of Trelleborg's corporate culture. Diversity is a broad concept that describes several different characteristics of individuals. Trelleborg strives to achieve a balance in terms of factors such as ethnicity, age and gender taking into account the type of operations conducted. In an engineering-dominated company like Trelleborg, efforts to achieve a gender balance present challenges that require work at all levels. To clarify the ambition, a target was set during the year to have at least 30 percent women managers at management levels 1–5 in the Group by the end of 2030. Trelleborg also strives to ensure that the company's senior management and other managers should have local roots, which naturally leads to ethnic diversity in the management of a company that operates in some 40 countries. An inclusive organization represents a strength for the Group and provides the conditions to further drive Trelleborg's development and results forward, both at team level and individually. This is described in the Diversity Directive at Group level.

Education and employer brand

Trelleborg Group University, the Group's company-wide education initiative, continues to develop and offer relevant education at a high level, which across the business is also complemented by education in local academies. Since 2018, the head office in *Trelleborg has been home* to a campus where most of the Group-wide educational programs are conducted.

During the year, efforts related to employer branding, meaning the type of employer the company is and wants to be perceived as, continued. The Group's promise is by the phrase – *Shaping industry from the inside* – reflecting Trelleborg's focus on attracting, retaining and developing employees. In 2023, Trelleborg initiated a campaign in which employees were asked to highlight each other's contribution to Trelleborg's success. This was then published on social media and the intranet, creating a high level of engagement.

Governance and local implementation

For the organization and practical governance of the sustainability work and the ongoing adaptation to the EU's new CSRD/ESRS regulatory framework, please refer to the description on pages 108–134.

For more than a decade, Trelleborg has systematically worked with local resource efficiency within the framework of Trelleborg's Excellence program, where *Manufacturing Excellence* as well as *Purchasing Excellence* have been cornerstones. Together with a decentralized organizational structure, this creates a clear mandate for the organization to develop and improve operations toward the Group's sustainability targets.

The Group has set new sustainability targets in areas such as climate, safety and circularity. They are then implemented in the local organization through the established Excellence Framework. This has helped to ensure that each workplace has awareness, measures and activities in place throughout the organization, and can quickly monitor results and communicate the findings. Trelleborg's Excellence activities clearly go hand-in-hand with its sustainability agenda.





TRELLEBORG INDUSTRIAL SOLUTIONS

Climbing the value ladder

Trelleborg Industrial Solutions is a leading supplier of polymer-based critical solutions in selected industrial application areas and infrastructure projects.

Describe your business area.
The business area continues to perform strongly and is growing in several dimensions. We hold leading positions in selected niches, including general industry, construction, marine solutions, energy and transportation. Our solutions are designed to make the world safer, quieter, more efficient and more sustainable.

Customer proximity is a critical factor and we are continuing to develop our local footprint and capabilities in production, R&D and engineering, while providing global capabilities to support our customers around the world.

Can you give examples of high-growth industries and where you are investing for the future?
We are well placed to continue our journey of profitable growth, targeting selected niches in fast-growing industries with a value-added offering. For aerospace, we are suppliers of lightweight evacuation slides in polyurethane that help reduce fuel consumption and keep passengers safe if the worst should happen. Also, for this segment, we produce cutting-edge heat shielding and materials for protecting suits for the world's leading space programs.

We are also continuing to invest in water infrastructure solutions. Much of the world's existing water distribution networks have exceeded their design life, with between 25 and 40 percent of all piped water lost to leaks. Here, we have recently launched a sustainable solution for pipe repair manufactured from recycled material. In parallel, increasing urbanization will continue to drive demand for the installation of new water networks. In India, for example, only 55 percent of the population have access to running water in their homes. Therefore, we have also increased capacity in this country to meet this growing demand.

Liquefied natural gas (LNG) NG is a key transitional energy source as the world moves away from traditional oil and coal. In this area, we provide critical safety solutions along the value chain from liquefaction to transfer, both ship-to-ship and ship-to-shore.

Any particular geographic initiatives you would like to highlight?
In recent years, we have expanded from our strong base in Europe and looking ahead, we will continue to have an increasingly better balance between Europe, Asia, and North and South America.

In Asia, we see strong growth potential across our portfolio in infrastructure projects, such as immersed tunnels, our activities across the LNG value chain, and in the rail and automotive segments.

To support this, we have made significant investments in the region. During the second quarter of 2023, we finalized an acquisition in India for automotive boots and established Trelleborg as a market leader in one of the world's fastest growing automotive markets. During the third quarter, production began at our newly expanded antivibration solutions facility in China for train and off-highway vehicles, and cable protection. This was swiftly followed by the start of operations at our new manufacturing facility for automotive boots in Japan. Construction work has begun in Vietnam for our new marine and infrastructure solutions facility.

How are you working to move up the value chain?
We aim to be the customer's first choice and this has many dimensions, such as having leading-edge products and solutions and possessing the in-depth industry, application and materials know-how that allows us to be a stable and long-term innovative business partner. Another example is an evolving footprint that enables customer proximity with local expertise and capabilities to allow better and quicker support. We will also be the company that sets the standards for quality, customer service and excellence.

How were sales and earnings in 2023?
Organic sales for the full year increased 3 percent compared with the preceding year. The sales trend was positive in all major geographic regions. Deliveries to the construction industry were weak throughout the year. Other larger market segments reported organic sales growth.

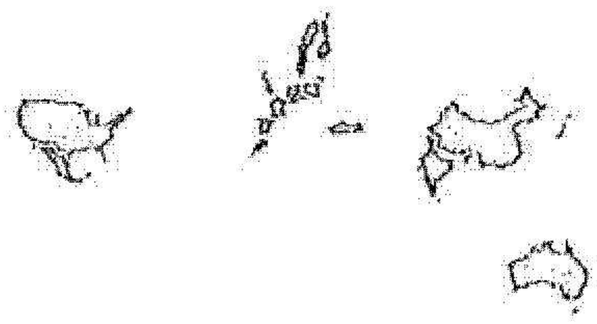
EBITA and the EBITA margin increased compared with the preceding year, with sales and EBITA reaching their highest levels to date. Structural improvements and a positive sales mix resulted in higher margins. Generally good cost control and active price adjustments for customers offset higher costs during the year. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 61 M on EBITA compared with the preceding year.



JEAN-PAUL MINDERMANN
BUSINESS AREA PRESIDENT
TRELLEBORG INDUSTRIAL SOLUTIONS

"During 2023, we finalized an acquisition in India for automotive boots and thus established Trelleborg as a market leader in one of the world's fastest growing automotive markets."

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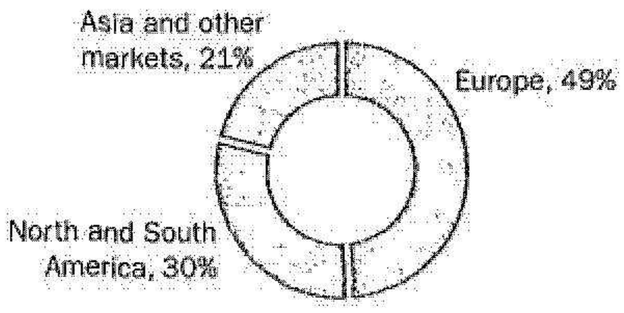


Countries with production units 2023.

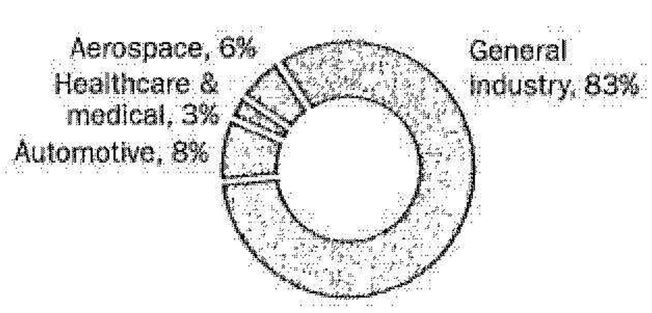
STRATEGIC PRIORITIES

- Strengthen and develop leading positions in selected industrial niches and geographies with a particular focus on industries experiencing strong growth
- Optimize the production structure and product portfolio, including through selected bolt-on acquisitions
- Focus on continued positive margin development
- Continue to develop value-generating products and solutions that improve customer safety and sustainability by design

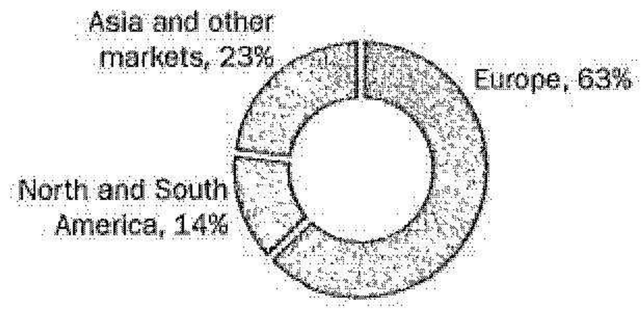
NET SALES/GEOGRAPHIC MARKET, %



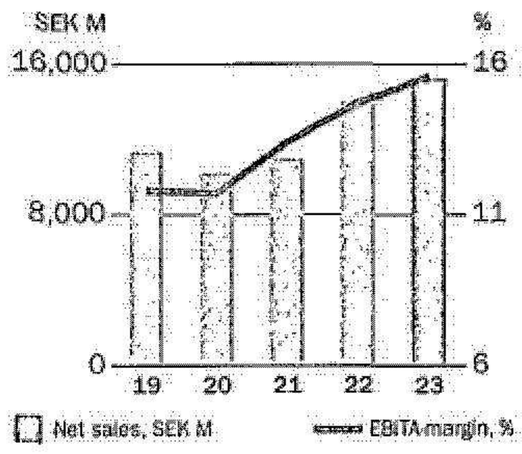
NET SALES/INDUSTRY, %



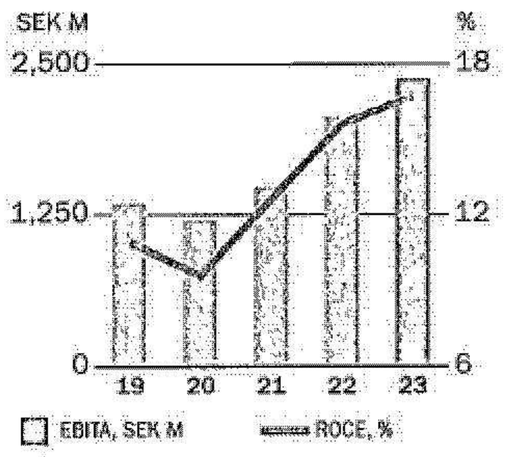
EMPLOYEES/GEOGRAPHIC MARKET, %



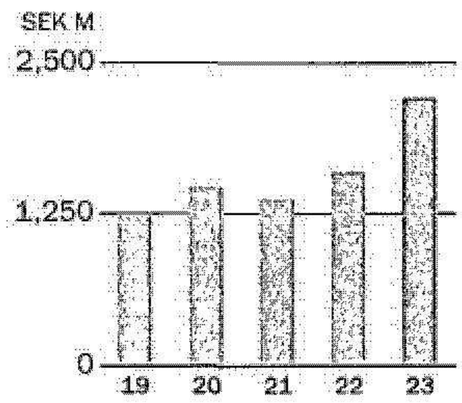
NET SALES AND EBITA MARGIN



EBITA AND ROCE



OPERATING CASH FLOW



MARKET POSITION

- Globally leading positions in engineered coated fabrics, construction profiles, automotive boots, LNG transfer systems, port infrastructure and marine technology solutions.
- Leading positions in Europe in industrial hoses, pipe seals and antivibration components for rolling stock and industrial applications.

BRANDS/PRODUCT NAMES

AutoMoor, Citerdial, Dartex, Fairprene®, Flexxcurve, FluoroSeal®, Gall Thomson, Gutteling, HALL, Klaw, Kledam®, Metalastik®, Novibra®, Omega, Power-Lock™, Pulsor, SafePilot®, SCN Super Cone Fenders, SeaGuard, Sealine®, Sewer-Lock™, SmartPort, Trellvac and Trilobe.

PRINCIPAL COMPETITORS

Cathay Consolidated, ContiTech, Gummi-Metall-Technik, Hamilton Kent, Hultec, Hutchinson, IVG Colbachini, Keeper, MannTek, Parker Lord, Pennel & Flipo, Roxtec, Sanok Rubber, Semperit, ShibataFenderTeam, Tremco and Yokohama.

KEY FIGURES, EXCLUDING ITEMS AFFECTING COMPARABILITY, SEK M	2023	2022
Net sales	15,249	13,998
Organic sales, %	3	18
Structural changes, %	2	2
Exchange rate effects, %	4	8
Share of consolidated net sales, %	45	47
EBITA	2,375	2,057
EBITA margin, %	15.6	14.7
Capital employed	12,767	12,857
Return on capital employed (ROCE), %	16.7	15.6
Capital expenditures	634	387
Operating cash flow	2,206	1,594
Operating cash flow/operating profit, %	99	83
Number of employees at year-end, including insourced staff and temporary employees	5,808	6,126

TRELLEBORG SEALING SOLUTIONS

Scale up and accelerate

Trelleborg Sealing Solutions is a leading global supplier of polymer-based critical sealing solutions and components deployed in aerospace, automotive, general industry, and healthcare & medical.

How would you describe your business area?

We are a leading global development partner in our chosen industries; aerospace, healthcare & medical, automotive and general industry. This is a position we have achieved by being segment-driven, meaning that we offer customized solutions based on customer needs. We want to make it easy for our customers to do business with us. They should feel safe in the knowledge that we can provide them with a complete solution, which sometimes means supplementing with third-party products, making us a one-stop shop.

By continuously expanding our portfolio of value-added services, we become increasingly integrated into customer value chains as a full-service provider and partner. One example of this is that we are moving toward more tailor-made solutions that integrate the sealing function into a finished component. This way, we simplify the process for the customer, who recieve a better product, while our business grows.

What trends and industries are you focusing on?

We want to be active in areas facing major changes, where we can innovate new solutions in partnership with the customer. One example is automation, where we believe that market growth will be strong in the years ahead. This development is driven by greater demands for sustainability and reductions in carbon dioxide emissions. There are also shifts taking place from pneumatics and hydraulic systems to electric ones, at the same time as more efficient electric motors are being installed, which greatly reduces emissions, creating significant demand for new solutions for this transition. Aerospace is another industry demonstrating strong growth. We are increasing our revenues in this area by continuously broadening our offering with solutions in new segments. Above-average growth is expected to continue for many years to come in sectors such as food & beverage, renewable energy and biopharma.

In parallel, we are continuing to invest in semiconductors and water management, despite noting weaker growth in these areas during the year. Nevertheless, we expect these areas to start growing again and display strong growth in ten years' time.

How is progress in terms of the integration of the major acquisition of Minnesota Rubber & Plastics, which was completed in 2022?

Minnesota Rubber & Plastics has businesses that match our portfolio very well, with significant healthcare and medical, and water management operations, and strong positions in several industrial markets. The integration of its businesses was completed by the end of 2023. Our focus moving forward is to realize the full potential of the growth synergies enabled by the acquisition.

Can you tell us more about the acquisitions carried out recently?

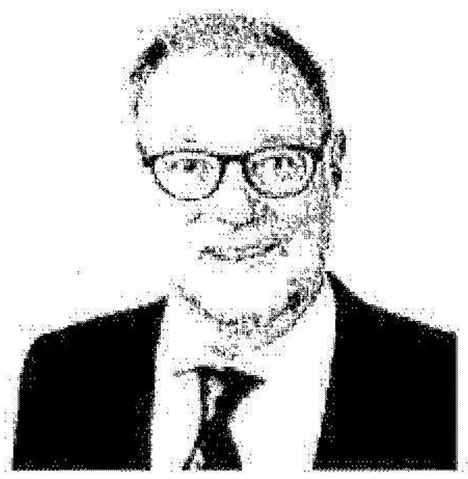
Yes, at the end of the year, we signed an agreement to acquire South Korean MNE Group, giving us the opportunity to grow in the largest local semiconductor market in the world. With South Korea as our base, we plan to also grow in other Asian markets. The combination of MNE Group's expertise and local capabilities and Trelleborg's technology, R&D and global network will enable us to accelerate growth in this fast-growing and profitable market segment.

I would also like to highlight the earlier acquisitions of MG Silikon in Germany and a 4M company in the US, meaning that we are now a world leader in window seals for the aerospace industry.

How were sales and earnings in 2023?

Organic sales for the full year increased by 1 percent compared with the preceding year. Acquisitions contributed 12 percent sales growth. Organic sales to Europe and North America developed positively. Sales to Asia declined, mainly due to falling volumes in China. Sales to general industry declined during the year. Deliveries to the automotive and aerospace industries and healthcare & medical, all developed positively.

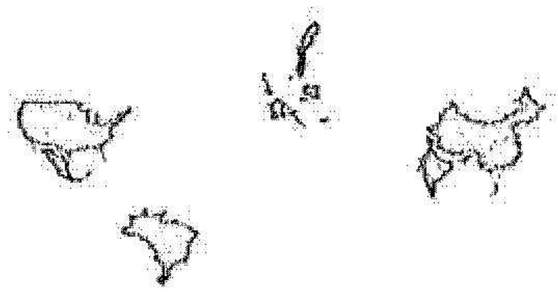
EBITA increased as the result of price adjustments for customers and completed acquisitions. The EBITA margin declined, mainly as a result of acquisitions with lower margins. Investments in the organization within a number of rapidly expanding market segments are having a temporary negative impact on the margin but are expected to have a positive effect in the long term. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 123 M on EBITA compared to the preceding year.



PETER HAHN
BUSINESS AREA PRESIDENT
TRELLEBORG SEALING SOLUTIONS

"With the acquisition of South Korean MNE Group, we have the opportunity to grow in the largest local semiconductor market in the world."

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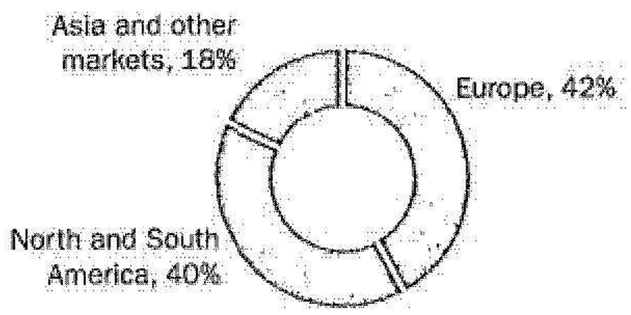


Countries with production units, 2023

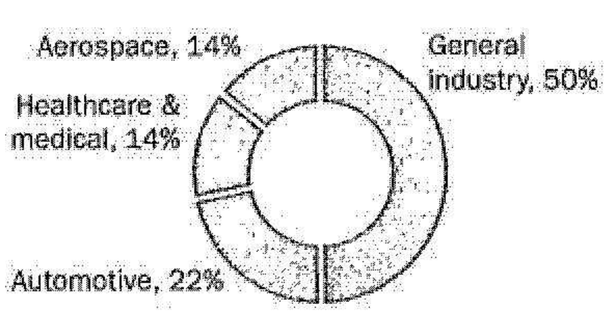
STRATEGIC PRIORITIES

- » Leverage the scalable business model's strengths in more areas
- » Accelerate growth in attractive industries and niches
- » Acquire companies to strengthen our capabilities and increase our exposure to growth segments
- » Expand global presence with a focus on Asia
- » Continued efforts to increase the profit margin and deliver on the Minnesota Rubber & Plastics acquisition synergies

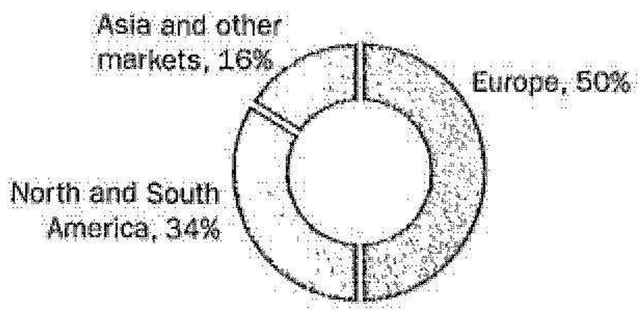
NET SALES/GEOGRAPHIC MARKET, %



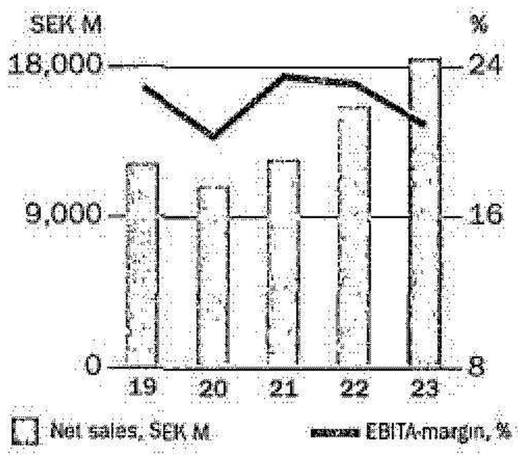
NET SALES/INDUSTRY, %



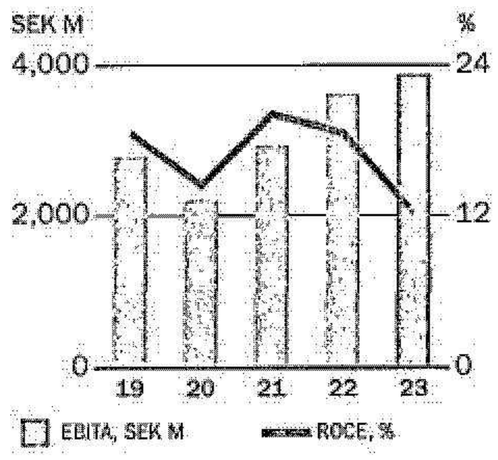
EMPLOYEES/GEOGRAPHIC MARKET, %



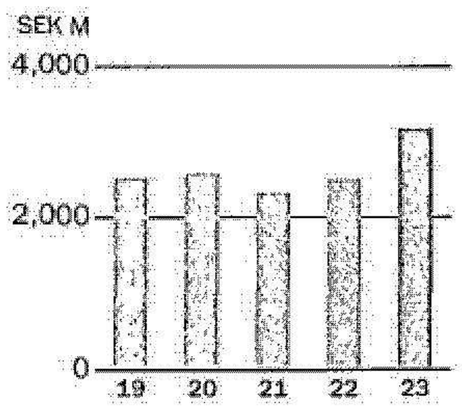
NET SALES AND EBITA MARGIN



EBITA AND ROCE



OPERATING CASH FLOW



MARKET POSITION

- » Globally leading positions in critical aerospace seals and components as well as automotive noise damping solutions.
- » Market-leading positions in selected niches in automotive seals.
- » Global top three position in sealing solutions for industrial applications and for the food, beverage & water industry.
- » Emerging global top three position for components and seals in selected niches in healthcare & medical.

BRANDS/PRODUCT NAMES

American Variseal®, Automated Dynamics, Busak+Shamban, Forsheda®, GNL, Minnesota Rubber & Plastics/Quadion LLC, MNE Group, Nanopur, Nordex, Orkot®, Palmer Chenard, Polypac®, Quad®, Quad-Ring®, Rubore®, SF Medical, Shamban®, Sil-Pro, Skega®, Stefa® and Wills Rings®.

PRINCIPAL COMPETITORS

Federal Mogul, Fenner, Freudenberg, Greene Tweed, Hutchinson, Kirkhill-TA, Lubrizol/Vesta, Meggitt, NOK, Nolato, Parker Hannifin, Raumedic, Saint Gobain, SKF, Starlim and Wolverine.

KEY FIGURES, EXCLUDING ITEMS AFFECTING COMPARABILITY, SEK M	2023	2022
Net sales	18,548	15,662
Organic sales, %	1	10
Structural changes, %	12	5
Exchange rate effects, %	5	10
Share of consolidated net sales, %	55	53
EBITA	3,879	3,616
EBITA margin, %	20.9	23.1
Capital employed	27,913	28,140
Return on capital employed (ROCE), %	12.2	18.6
Capital expenditures	966	869
Operating cash flow	3,163	2,498
Operating cash flow/operating profit, %	89	72
Number of employees at year-end, including insourced staff and temporary employees	9,349	9,495

TRELLEBORG MEDICAL SOLUTIONS

Trelleborg to establish a new business area to strengthen focus on healthcare and medical

Trelleborg Group has decided to establish a new business area, Trelleborg Medical Solutions. The new business area will consist of the healthcare & medical operations within the Trelleborg Sealing Solutions business area including the signed acquisition of Baron Group. The business area will reinforce Trelleborg's focus on the fast-growing healthcare and medtech industry.

The new business area's head office will be located in Minneapolis, US and will be led by Linda Muroski. Linda is currently heading Global Healthcare & Medical as well as Industrial Americas within the business area Trelleborg Sealing Solutions.

"The Healthcare and Medical market segment within the Group has grown successfully for several years. We are now establishing a platform from which we intend to grow further. With the recently signed acquisition of Baron Group and the upcoming new facility in Costa Rica, the market segment will represent a larger share of the Group's sales. Linda Muroski, who has successfully led the Global Healthcare & Medical business within Trelleborg Sealing Solutions for several years, will become President of the new business area and will join the Group Management," says Peter Nilsson, President and CEO of Trelleborg.

The markets for healthcare and medtech are projected to grow more than five percent annually, driven by increased healthcare spending, an ageing population, a growing middle class and rising demand in the Asia-Pacific region.

Trelleborg Medical Solutions will offer a broad portfolio of polymer-based solutions for both medtech and biopharma. The business area will initially generate annual proforma sales of approximately SEK 3,600 M, including the acquisition of the Baron Group. The business area will comprise 14 production facilities and four tool and innovation centers spread all over the world. Sales and production are geographically largest in North America, followed by Asia and Europe.

Baron Group, which Trelleborg has signed an agreement to acquire, will be part of the new business area. It is a leading Australian-Chinese company that manufactures advanced precision components in silicone rubber. With the acquisition, Trelleborg will strengthen its application expertise and manufacturing capacity, and position itself as a global partner in the medical device market, in areas such as sleep apnea, respiratory care and chronic obstructive pulmonary disease (COPD).

The expansion is also taking place through investments in new production facilities. A decision was taken in February 2024 to invest SEK 225 M in a new facility in Costa Rica. Covering an area of 10,000 square meters, the production facility will be Trelleborg's first in Central America and is expected to be completed in 2025. In 2024, Trelleborg is also expanding its manufacturing in Malta with capacity for biopharma cleanroom manufacturing.

The business area will work together with customers to develop medical solutions from concept, design and prototype to industrial production for a global market. Production takes place in facilities that use state-of-the-art technology, several of which offer cleanroom capacity.

Examples of applications in medtech include implants for cardiovascular care and drug elution, as well as respiratory aids and aids for infant care. Within biopharma, applications are developed for use in, for example, T-cell therapy and seals for bioreactors. The new organization will be implemented from April 1, 2024.

14 [1]
NUMBER OF SITES

4 [1]
INNOVATION AND TOOL CENTERS

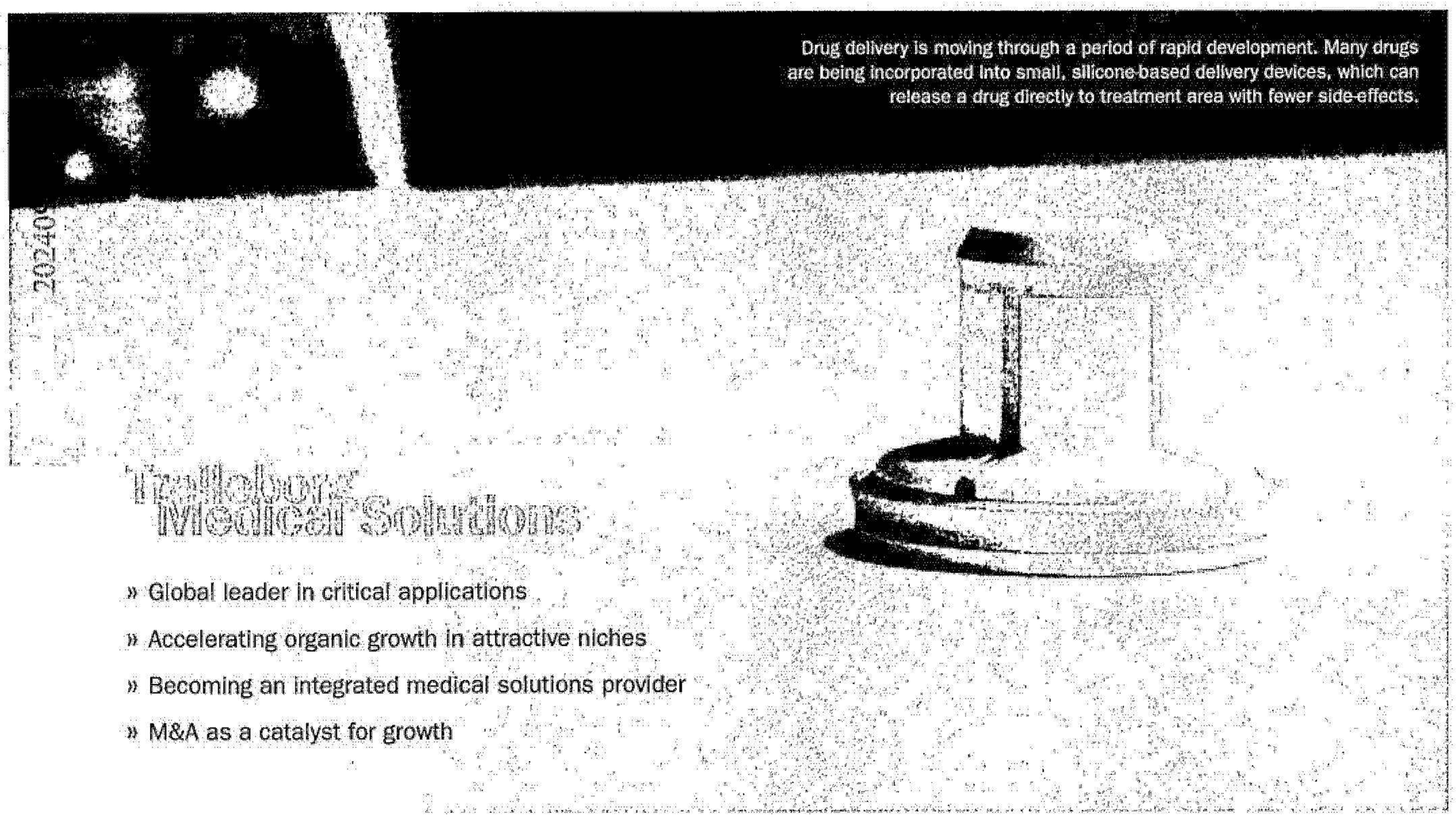
2,000 [1]
NUMBER OF EMPLOYEES



LINDA MUROSKI
BUSINESS AREA PRESIDENT
TRELLEBORG MEDICAL SOLUTIONS
AS OF APRIL 1, 2024

"Our ambition is to achieve near-term, sales of SEK 5 billion, with profitability that is in line with the rest of the Group. We see good potential for organic growth, and also continued acquisitions. Today, we are strongest in North America, so our future growth will focus on increasing our presence in Europe and Asia."

[1] Including the agreed acquisition of Baron Group.



Drug delivery is moving through a period of rapid development. Many drugs are being incorporated into small, silicone-based delivery devices, which can release a drug directly to treatment area with fewer side-effects.

Trelleborg Medical Solutions

» Global leader in critical applications

» Accelerating organic growth in attractive niches

» Becoming an integrated medical solutions provider

» M&A as a catalyst for growth

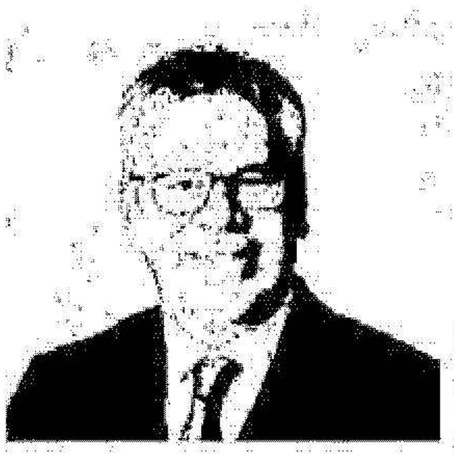
New Business Area President for Trelleborg Sealing Solutions

In connection with the establishment of Trelleborg Medical Solutions, Jürgen Bosch will take up the position as Business Area President of Trelleborg Sealing Solutions and will join Group Management. As a planned succession, Jürgen will replace Peter Hahn as new Business Area President. Peter Hahn has decided, after 23 years at Trelleborg, including seven years as President of the business area Trelleborg Sealing Solutions, to continue to work for the Group in a new role as a senior advisor focusing on development projects.

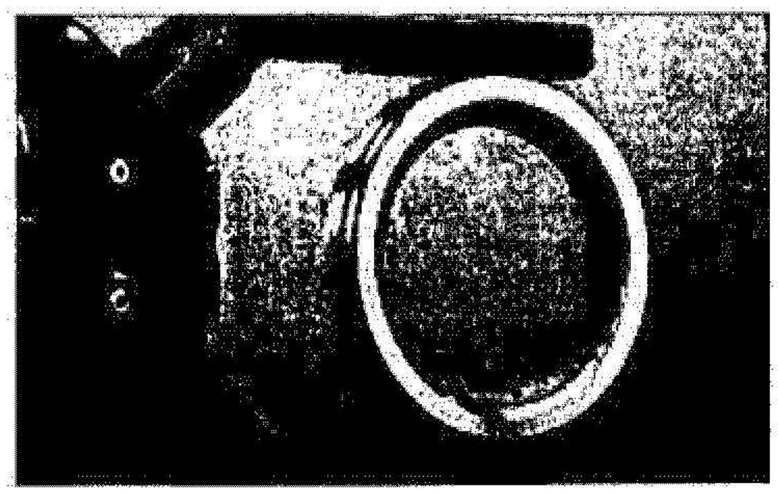
"Jürgen Bosch has shown strong leadership and good results for many years. He will continue to lead the growth journey within industries such as aerospace, semiconductors, food processing, robotics and automation. An important task will also be to realize the full synergies from recent acquisitions," says Peter Nilsson.

For Trelleborg Sealing Solutions, the previous strategy to accelerate and scale up the business model remains unchanged.

"We will continue to increase our exposure to fast-growing segments and industries. Aerospace is one area where we are growing both in pace with market growth and by broadening our portfolio of solutions. As technology leaders I see major opportunities to continue growing in, semiconductors, automation, the food & beverage sector and robotization."



JÜRGEN BOSCH
BUSINESS AREA PRESIDENT
TRELLEBORG SEALING SOLUTIONS
AS OF APRIL 1, 2024



High-speed rotary seal from Trelleborg Sealing Solutions used for e-axles. The motor and gearbox are directly coupled but while the gearbox requires efficient lubrication, it is essential that the motor remains dry, so a highly reliable seal is required between these two components.

GOVERNANCE AND RESPONSIBILITIES



Solutions for the aerospace industry

For more than 80 years, Trelleborg has supplied aerodynamic seals, solutions and components to the aerospace industry that improve sustainability, safety and performance. They are found in both the external and internal components of the aircraft – from engines, brakes and landing gear to life jackets and window and door seals.

Trelleborg is the leading supplier of seals and bearings for aircraft landing gear and the only company to offer the unique combination of back-pumping sealing systems and composite bearings, which ensure reliability in connection with transverse forces and high-pressure applications.

READ MORE ABOUT: SEALING SYSTEMS AND COMPOSITE BEARINGS

Risks and risk management

Risks are associated with all business operations. Properly managed risks can lead to opportunities and value creation, while risks that are not managed in the correct manner can lead to damages and losses.

Risk spread

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 serves a broad range of customers in a variety of industries and niches. The business has a wide geographic spread. The Group has operations in some 40 countries, sales are conducted in just over 140 countries worldwide and manufacturing operations are carried out at about 100 production sites. The business is diversified geographically and across a range of different industries, 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. With the divestment of the tire operation, the Group has become less cyclical since there are distinct seasonal effects especially in agriculture. The Group focuses on industries and geographies with healthy growth that can report consistent earnings even when adverse cyclical fluctuations occur in individual industries.

Risk management

Trelleborg has an established process for Enterprise Risk Management (ERM) 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 and to enable a follow-up of the risks and how they are managed.

The vast majority of risks are managed locally. However, some 30 of these risks may have a major impact at a business area and/or Group level and are thus managed at one of these levels. These risks are shown in the risk radar illustration on page 35. The risks on the risk radar, which in turn may have a substantial impact on the possibility of reaching the Group's goals, are described in more detail on pages 36–37 and in Note 33 on pages 94–96 concerning financial risk management.

The highest governing body for risk management is the Board of Directors and its Audit Committee, which routinely manages these risks. In addition, risks are managed in such forums as:

- ERM Board
- Compliance Task Force
- Global Chemicals Task Force
- IT Governance Board
- Sustainability Risk Task Force

Risks

Trelleborg has chosen to group the risks into four areas:

- **Strategic risks** include external factors that could impact Trelleborg's operations, and internal factors that could impede opportunities to achieve the operation's strategic goals. Read more about Trelleborg's strategy on pages 17–20.
- **Operational risks are** risks that Trelleborg can itself largely manage and prevent, and which mainly pertain to processes, assets and employees. Read more about how Trelleborg works to ensure safe and efficient use of resources and with diversity on pages 127–129.
- **Regulatory compliance risks** relate to Trelleborg having a global operation that is subject to a large number of laws, regulations and rules pertaining to, for example, the environment, health and safety, trade restrictions, anti-competition regulations and currency regulations. Read more about Trelleborg's work with business conduct on pages 132–133.
- **Financial risks** include interest rate and foreign exchange risks that could adversely impact the Group's earnings. Furthermore, there are financing risks and liquidity risks, which could result in difficulties in raising new loans or shareholders' equity, as well as financial credit risks. Read more about Trelleborg's financial risk management in Note 33, pages 94–96.

In the Corporate Governance Report on pages 44–45, there is a detailed description of the internal controls used to manage the risks associated with financial reporting.

Sustainability risks run as a common thread through these areas and relate to climate impact, work environment risks or risks in the area of human rights. It also includes the risks relating to failure to comply with laws and rules, both as a Group and among the Group's suppliers.

Confidence risks – that is, events and behaviors that negatively impact the company's brands and confidence – are another risk that the Group highlights. For example, the behavior or business decisions of an individual employee could destroy the confidence built up over a long period of time. Trelleborg works on a variety of issues and activities to strengthen and build confidence in the Group, such as training in the Code of Conduct, a clear and well-known brand promise, stakeholder dialog, product safety and so forth.

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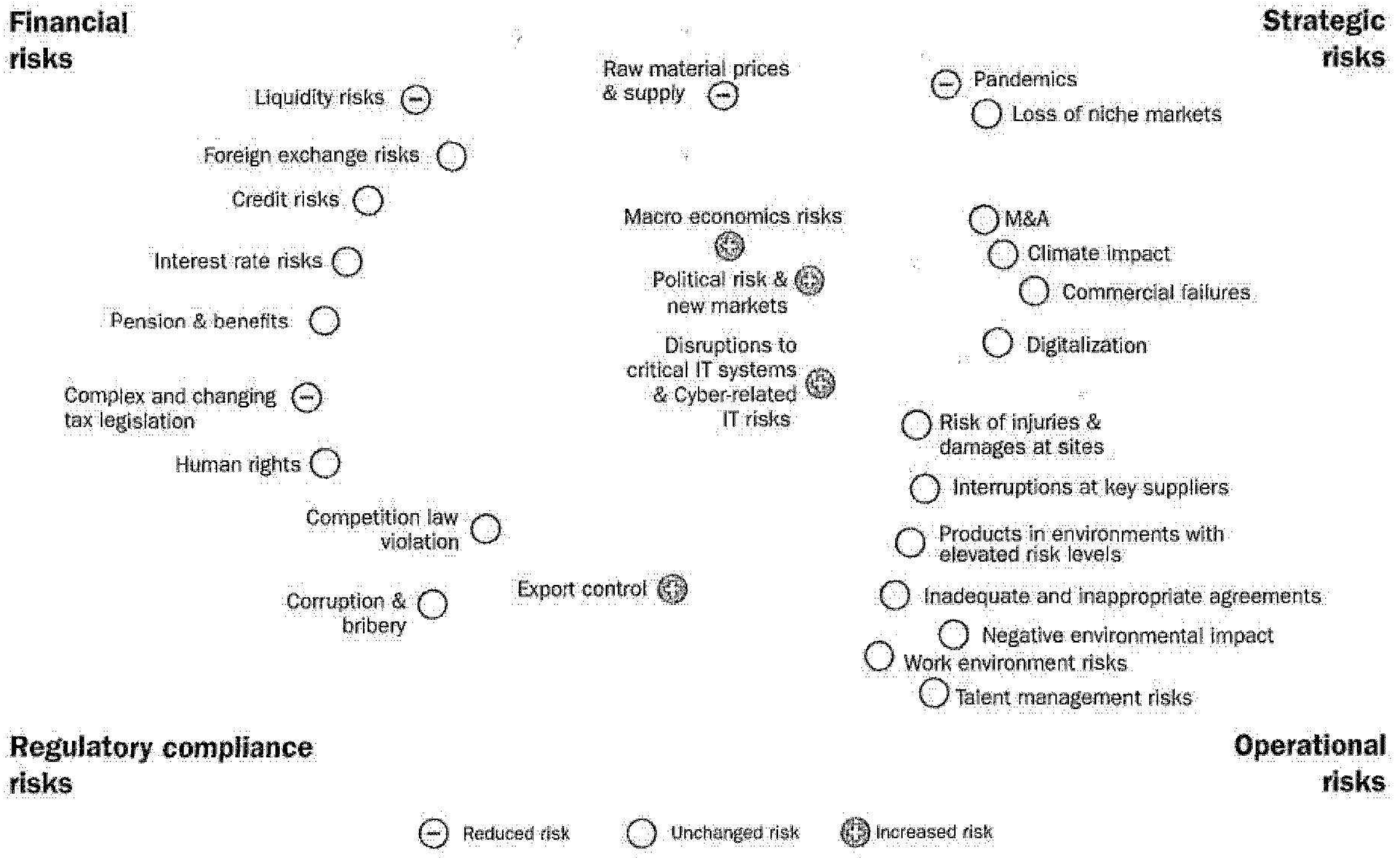
Crisis management

Trelleborg's crisis management is decentralized, which means events should, as far as possible, be resolved locally, close to the origin of the incident. The crisis organization at Group level – consisting of the Chief Financial Officer and members from Group Legal, Communications and HR staff functions – is to ensure that relevant employees at Trelleborg have the necessary knowledge and capabilities to handle incidents. In the event of a major incident, which can be considered to impact the Group as a whole, the Group's crisis organization, including Group Management and the Board of Directors, is informed and assesses how to handle the event.

Risks at Trelleborg

Trelleborg has identified some 30 strategic risks, operational risks, regulatory compliance risks and financial risks using a so-called risk radar. The closer a risk area is to the center of the illustration below, the higher the probability that it will cause financial damage or have an adverse impact on confidence in Trelleborg. The appearance of the risks in the model below indicates changes in relation to the preceding year. Risks with a material impact on the opportunity to achieve the Group's targets are listed in the table on pages 36–37.

RISKS IN THE TRELLEBORG GROUP AND MOVEMENTS IN RISK LEVELS



Material risks at Trelleborg

REGULATORY COMPLIANCE RISKS [1]

Risks	Focus	Management and main activities	Relevance for SDGs
Violation of laws and permits	Compliance with applicable legislation	The Compliance Task Force leads and coordinates initiatives in this area, refer to pages 108–109. Training seminars are arranged, including competition law, anti-corruption and the EU's General Data Protection Regulation (GDPR). There is an established process for export control with a focus on embargoes and trade restrictions, and there are procedures, for example, for approval of membership in organizations and approval of collaborations with third parties. Regular legal reviews are conducted according to an established control program with a focus on monitoring and ensuring compliance in the Group companies. The Group's internal controls, which are focused on regulatory compliance, have been both expanded and formalized over the past few years. During the year, the export control process was intensified with a particular focus on developments in sanctions against Russia, Belarus and China. Each business area has added further local resources during the year to review exports.	16.3
Corruption and fraud	Measures preventing fraudulent conduct	Established policies and procedures form the basis of the work in this area, which is supplemented with routine training and acceptance letters, signed yearly, for the relevant employees, refer to page 132. Trelleborg's Whistleblower Policy also entitles all employees and external stakeholders to report any suspected legal or regulatory violations without repercussions, refer to pages 132–133. Review and evaluation of agency and distribution agreements are regularly conducted. Policy Quick Guides are in place to further increase the distribution and comprehension of regulations and the Group's core values. In addition, continuous training is arranged, both on site and via e-learning. During the year, nearly 1,000 employees completed the Anti-Bribery and Corruption course.	16.5
Risks in the area of human rights	Child labor/forced labor in the supply chain	Supplier reviews and supplier audits in the areas of risk are conducted based on the Group's geographic and materials risk assessments, refer to pages 131–132.	8.8

[1] Risks in the social sphere are managed by Trelleborg as part of Regulatory compliance risks.

OPERATIONAL RISKS

Risks	Focus	Management and main activities	Relevance for SDGs
Work environment risks	Health and safety	Risks in the area of health and safety are managed via the *Safety@Work program*, refer to page 129. Issues concerning employees are otherwise monitored as part of compliance with laws and codes, refer to page 129, and diversity & inclusion, refer to pages 129–130.	8.8
Products in environments with elevated risk levels	Review of products and solutions	Not only risk assessments but also training and workshops are conducted to identify products and contracts where it is especially important that the products comply with the quality and functional requirements necessary in extremely demanding environments – for example, marine infrastructure, marine hoses for oil and gas, healthcare & medical, and aerospace. Contracts and processes concerning production and project management are also subjected to legal review and risk assessment.	
Inadequate and inappropriate agreements	Examination of agreements	Not only comprehensive training, but also internal and external legal reviews of contract issues and evaluation of contracts in prioritized areas. AI-based tools are used to review and assess risks in agreements in certain industrial segments.	
Negative environmental impact	Review of the sites' local environment and focus on hazardous materials and chemicals	Environmental risks are identified in conjunction with all new construction and all acquisitions, with a focus on chemicals management, emissions to air, rainwater and the risk of floods. Sites that are susceptible to risk are routinely monitored. The Global Chemical Task Force leads the work to phase out and replace substances that are considered harmful and actively monitors developments in materials and chemicals legislation, refer to pages 124–125. In addition, environmental management systems and ISO 14001 certification are used to achieve greater standardization of analysis and control.	12.4
Risk of injury at sites	Protection of critical sites	External and internal analyses of the Group's operations are carried out with regard to the most critical sites. Also a more in-depth mapping of natural disaster risks is made, with a particular focus on flooding and wind effects, including such risks that are related to climate change. During the year, a new control program was launched based on systematic self-assessment, how units comply with the Group's guidelines for property and business interruption risks, and follow-up with internal and external audits. There are guidelines for new construction and upgrades of risk-classified sites. The number of such sites upgraded to Highly Protected Risk (HPR) has increased over the past few years. One aim is to improve the lowest performing and most critical sites.	13.1
Disruptions to critical IT systems	Minimize disruptions	IT infrastructure service levels and security are in focus, as is the implementation of Group-wide upgrades in a structured and secure manner. During the year, safety work was intensified in a number of areas. With regard to the user interface, security has been enhanced via multi factor authentication (MFA), and also in terms of more general systematic monitoring of internet traffic. Ensuring compliance with legal requirements in the countries in which the Group operates is an important part, as is information security within and among the systems.	

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STRATEGIC RISKS

Risks	Focus	Management and main activities	Relevance for SDGs
Commercial failures	New product segments, major projects and acquisitions	In conjunction with all acquisitions, there is a due diligence program covering the areas of finance, operations and legal. New products in selected segments such as healthcare & medical and aerospace are approved centrally before development work begins. For the past few years, there has been increased business support when establishing new product segments and for larger projects concerning liability risk management, legal risks and new establishments of operations.	
Climate risks (refer also to the section on pages 116–118 and 122–124)	Adaptation of production and products	Climate and other environmental issues drive local legislation and political instruments, and Trelleborg adapts itself to these in the relevant production countries. At the same time, several of the Group's products and solutions help to reduce atmospheric emissions and protect society from climate change, see the examples on page 115. Work aimed at reducing the Group's fossil-fuel dependence was intensified during the year with respect to both own products and production resources.	
	Reduction of CO_2 emissions	In 2023, the Group adopted new climate targets, committing to halve its direct and indirect CO_2 emissions (Scope 1 and 2) by 2030 compared to the base year 2021, and during the same period reduce emissions along the value chain (Scope 3) by 25 percent. During the year, the new targets were reviewed and validated by the Science Based Targets initiative (SBTi), meaning that they are in line with the Paris Agreement's goal of limiting global warming to 1.5°C. Refer to pages 116–118. For many years, energy efficiency has been the focus of the *Manufacturing Excellence* program, refer to pages 20 and 122–124.	13.1
Political risks	Geopolitics and sanctions	Trelleborg has discontinued its operations in Russia and does not do business with Russia or Belarus. What remains of the former business is now a dormant Russian company, with no operations. The liquidation of this company is set to be initiated in first half of 2024. The geopolitical situation is being monitored and is taken into account in all business plans. The purchasing functions continue to work on securing alternative suppliers and now also with a greater focus on geographical diversification.	
Supply chain disruptions	Material shortages and delays	During the year, global supply disruptions and supply chain impacts have normalized and the effects of the coronavirus pandemic and the war in Ukraine, among other factors, have diminished. The Group has well-established tools in place to ensure parallel supplies and evaluates and balances purchasing between local, or global, suppliers, which limits disruption.	

FINANCIAL RISKS

Read more about Trelleborg's financial risk management in Note 33, pages 94–96.

Corporate governance that supports Trelleborg's development

2023 can be summarized by record earnings and increased earnings per share. This development demonstrates that Trelleborg's strategy of focusing on leading positions in selected industries and niches, combined with a decentralized organization, could withstand the challenges that were present in the market during the year. At the same time, the Group's work on continuous improvements continues, combined with a higher rate of investment in operations.

A resilient business model

2023 was another year marked by conflicts, resulting in enormous human suffering. Tensions between major powers are rising and the world is more uncertain than it has been for a long time. During the year, supply shortages and problems in supply chains clearly declined, while high increased costs and inflation – primarily at the beginning of the year – led to further interest rate hikes. Despite the worrying global situation, the Trelleborg Group's development during the year was very positive, which in turn was due to a proactive effort to adapt costs and adjust pricing in combination with good underlying risk diversification with operations targeting a large number of customers in different industries and geographic markets. The Group's many leading positions are also a strength and a great asset in a more cautious market.

Sustainability work aligned with science

The Trelleborg Group continued to significantly reduce its carbon emissions and the target of reducing emissions by 50 percent between 2020 and 2025 was already achieved in 2023. During the year, Trelleborg raised its target and set new climate targets for Scope 1, 2 and 3. These new targets were validated at the end of 2023 by the Science Based Targets initiative. In addition, circularity ambitions were raised with a target of at least 25 percent of materials in products being either recycled or bio-based by 2030.

Another part of the strategic sustainability work that Trelleborg attaches great importance to is how it takes care of its employees. Diversity, inclusion and healthy working conditions are part of the corporate culture. The health and safety of employees is a cornerstone of business success. Trelleborg is also committed to maintaining a very high standard of business conduct and transparent reporting. Today, Trelleborg is a global Group that comprises a large number of local operations through which we contribute to positive development in the local environment.

Major strategic decisions

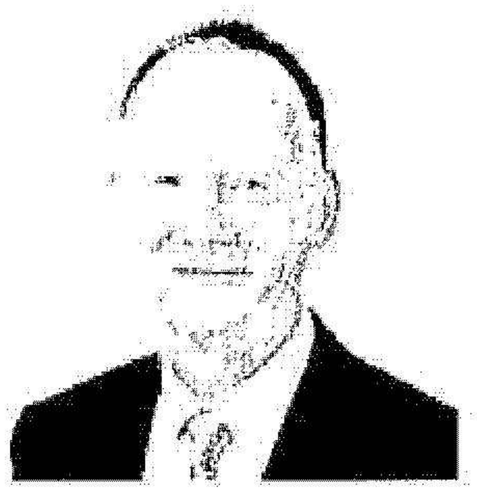
During the fiscal year, the Board contributed to many decisions that support the development of the Group. The decision to divest the tire operation was taken in 2022 and the transaction was completed in May 2023. This strategic initiative enables the Group to have a more coherent portfolio of operations with similar business models and drivers. The divestment resulted in a major capital injection that generates major opportunities to increase exposure to attractive segments with structurally healthy growth, both through investments in operations and acquisitions. The Annual General Meeting resolved to continue the share repurchase program, which is positive both for the capital structure and for the value created for our existing shareholders.

In 2023, four acquisitions were completed in Trelleborg Sealing Solutions, which is fully in line with the strategy to scale up and accelerate the business area. A decision was also made to increase investments in existing operations, which will continue in 2024. During the year, several new facilities were inaugurated and future establishments announced. At the same time, the streamlining of the Group continued by divesting non-core units.

A new Trelleborg

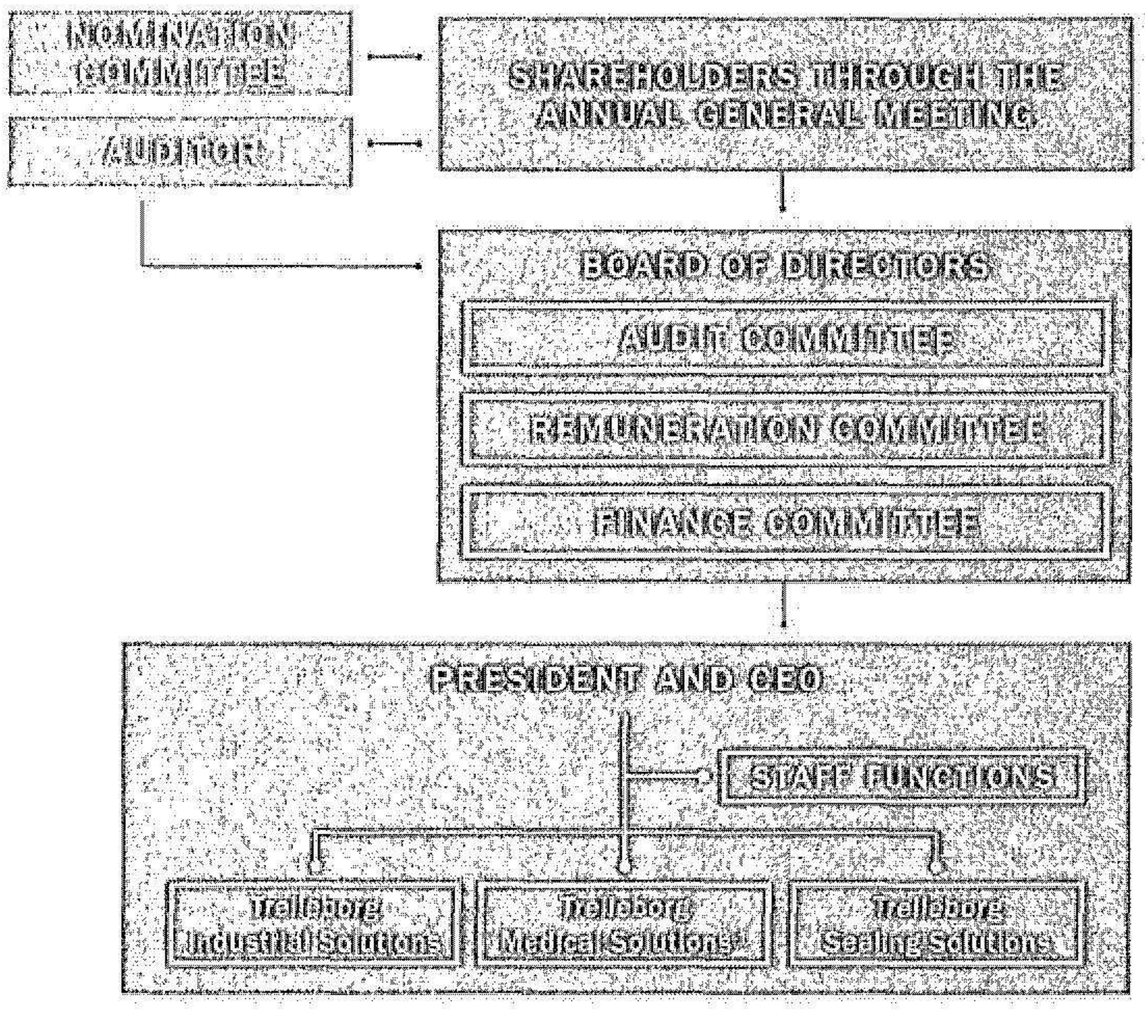
After six years on the Trelleborg Board, it was a great honor to be entrusted by the Annual General Meeting to take over the Chairman's gavel. Trelleborg is a Group with a long history but also a company that looks forward and adapts to new conditions. Through the divestment of the tire operation, a new chapter is being written with a stronger Trelleborg, better equipped for the opportunities in a changing world.

I would like to thank all of Trelleborg's employees who show enormous commitment and whose hard work build the Group's successes. I would like to thank my colleagues on the Board for their good work and many fruitful discussions. Moving forward, Trelleborg is very well equipped, both with a strong financial position and with a more cohesive business that is well placed for the future.



JOHAN MALMQUIST
CHAIRMAN OF THE BOARD

Corporate governance in Trelleborg AB



[1] New business area from April 1, 2024.

EXTERNAL POLICY INSTRUMENTS

The external policy instruments that constitute the framework of corporate governance at Trelleborg include:

- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Nordic's rules and regulations
- Swedish Corporate Governance Code
- IFRS
- Applicable EU regulations

INTERNAL POLICY INSTRUMENTS

Internally binding policy instruments include:

- Articles of Association
- Rules of procedure for the Board of Directors – Instructions for the Audit Committee, Remuneration Committee, President and financial reporting to the Board of Directors
- Core values and Code of Conduct
- Treasury Policy – Communication Policy
- Other instruments, policy documents, directives, manuals and recommendations

In addition to the above, processes are in place for Enterprise Risk Management (ERM), sustainability and internal control.

SHAREHOLDERS Shareholders exercise their power at the General Meeting, which is Trelleborg's highest decision-making body. The Meeting adopts the Articles of Association and, at the Annual General Meeting, the shareholders appoint Board members, the Chairman of the Board and auditor, and make decisions regarding their fees. In addition, the Annual General Meeting passes resolutions regarding the adoption of the income statement and the balance sheet, the allocation of the company's profit and the discharge from liability toward the company of the Board members and the President. The Annual General Meeting also makes resolutions regarding the appointment of the Nomination Committee and its work, and the principles for the remuneration and employment terms for the President and other senior executives.

NOMINATION COMMITTEE The Nomination Committee represents the company's shareholders, nominates Board members, the Chairman of the Board and the auditor, and proposes remuneration to be paid to these.

AUDITOR The Annual General Meeting appoints an auditor that examines the annual report and accounts, the consolidated financial statements, the administration of the Board of Directors and President and the annual report and accounts of subsidiaries, and submits an audit report.

BOARD OF DIRECTORS The Board of Directors is responsible for the organization and management of Trelleborg's affairs. In accordance with the Articles of Association, the Board of Directors is to consist of three to ten members, without deputies. Board members are elected annually by the Annual General Meeting for the period until the close of the next Annual General Meeting.

Chairman of the Board. The responsibility of the Chairman of the Board is to lead and guide the work of the Board and ensure that the work is well organized and conducted efficiently, and that the Board fulfills its obligations. The Chairman monitors operations in dialog with the President and is responsible for ensuring that other Board members receive the information and documentation necessary to maintain a high level of quality in discussions and decisions, and for ensuring that the Board's decisions are executed.

Board Committees. The Board has established three committees from within its ranks without this otherwise impacting the Board's responsibilities and duties. These are the Audit, Remuneration and Finance Committees.

- **Audit Committee.** The Audit Committee represents the Board in matters such as monitoring the processes concerning financial reporting, risk management and internal control and also assists the Nomination Committee with proposals for the election of auditor.
- **Remuneration Committee.** The Remuneration Committee prepares remuneration and other employment terms for the President and decides on these for other senior executives. The Committee represents the Board in managerial and succession planning as well as leadership development.
- **Finance Committee.** The Finance Committee acts on behalf of the Board, preparing the strategic issues in relation to financing, evaluating the Group's existing and required financing scope, potential acquisitions and divestments, as well as their impact on the Group.

PRESIDENT AND CEO The President and CEO manages the day-to-day administration of Trelleborg. The President is assisted by Group Management comprising presidents of business areas and managers of corporate staff functions.

STAFF FUNCTIONS Trelleborg's staff functions – Finance and IT, Legal, Communications and HR – support the Group and business areas with Group-wide expertise and duties. Staff functions include the following:

- **Sustainability.** Finance and IT have coordinating responsibility for sustainability reporting. Reports are presented to the Board. The Excellence Group function is responsible for the sustainability framework, training and toolkit, as well as the consolidation of reporting. The day-to-day sustainability activities take place in the Sustainability Council, which is a group comprising representatives from the staff functions, as well as out in the operational units.
- **Internal Control.** Internal Control serves as the Group's internal audit function and reports to the Audit Committee and the Group's CFO. The function focuses on developing, enhancing and securing internal control over the Group's financial reporting by proactively concentrating on the internal control environment and by examining the effectiveness of internal control.
- **Risk management.** The Group's risk management function is responsible for the Group's Enterprise Risk Management (ERM), which provides a framework for the Group's risk activities. The function reports to the Group's General Counsel. It focuses on evaluating identified risks and consolidating priorities in order to manage risk. Group Treasury is responsible for financial risk management. Reports are presented to the Board

Corporate Governance Report 2023

Trelleborg is a publicly traded Swedish limited liability company listed on Nasdaq Stockholm Large Cap. Trelleborg applies the Swedish Corporate Governance Code and presents its 2023 Corporate Governance Report in this section. No deviations from the Code have been reported. The auditor's review was conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement.

Annual General Meeting 2023

The 2023 Annual General Meeting took place on April 27, in Trelleborg. According to the voting list prepared, approximately 77 percent of the votes in Trelleborg were represented at the meeting. The meeting was opened by the Chairman of the Board, Hans Biörck, after which lawyer Hans Petersson was appointed to chair the meeting.

The complete minutes and information on the 2023 Annual General Meeting are available at www.trelleborg.com. The resolutions passed by the meeting included the following:

- The dividend according to the Board's proposal of SEK 6.00 per share
- The re-election of Gunilla Fransson, Monica Gimre, Johan Malmquist, Peter Nilsson, Anne Mette Olesen and Jan Ståhlberg, and the election of new Board member Henrik Lange.
- Election of Johan Malmquist as the new Chairman of the Board
- Re-election of Deloitte AB as auditor
- Remuneration for the Board members and the auditor
- The Board's remuneration report for fiscal year 2022
- Resolution on authorization for the Board to decide on the repurchase of shares
- Decision to reduce share capital by canceling repurchased shares

Trelleborg 2024 Annual General Meeting

Trelleborg's 2024 Annual General Meeting will be held on April 24, 2024, in Trelleborg.

For information on shareholders and the Trelleborg share, refer to pages 12–13 and www.trelleborg.com.

Nomination Committee for the 2024 Annual General Meeting

According to a resolution by the 2021 Annual General Meeting, the Chairman of the Board is to contact the five largest shareholders registered as owners in terms of votes by the end of August each year to ask that they appoint one member each to the Nomination Committee for the next Annual General Meeting. If any shareholder declines to appoint a member, the Chairman shall request that the next shareholder in turn appoint a member. The Nomination Committee can decide that the Chairman of the Board will be included in the Nomination Committee, but not be appointed Chairman.

No payment is made to members of the Nomination Committee.

The Nomination Committee for 2024 held three minuted meetings and maintained continuous contact up to and including February 15, 2024. As a basis for the Nomination Committee's work, the Chairman of the Board presented a report on

WORK OF THE BOARD OF DIRECTORS IN 2023

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Board meetings [1]	1 Report from Board Committees, report from the auditor, report from the President, Year-end report, proposed dividend, sustainability issues, risk management, legal disputes and insurance coverage, investments, acquisitions and divestments, decision on the President's remuneration. 2 2022 Annual Report, remuneration principles for senior executives.			3 Report from the Board Committees, report from the President, interim report, investments, acquisitions and divestments, mandate for share repurchase program. 4 Statutory Board meeting.	5 Annual review of developments in sustainability field. Update on developments in the business areas. Visit to manufacturing plant. 6 New sustainability targets.	
Audit Committee	M			M		
Remuneration Committee	M					M
Finance Committee				M		

M = Committee meetings.

[1] During the year, the Board held four extra meetings to address acquisition and strategic issues. A total of 13 Board meetings were held during the year.

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the work of the Board, which included an external evaluation of the work and function of the Board, and held meetings with the President, CFO and two Board members.

The Nomination Committee's guidelines for the selection of candidates to be nominated to the Board specify that they shall possess knowledge and experience relevant to Trelleborg's operations. The Diversity Policy applied for the Group's Board of Directors is item 4.1 in the Swedish Corporate Governance Code. The objective is that the Board of Directors, considering Trelleborg's operations, stage of development and conditions in general, is to have a suitable composition, characterized by diversity and breadth as regards the expertise, experience and background of the members elected by the Annual General Meeting, and that an even gender balance is to be sought.

The Nomination Committee at the time took into consideration the Diversity Policy when preparing its proposal for the election of Board members ahead of the 2023 Annual General Meeting, which resulted in the Board composition presented on pages 46–47.

The Nomination Committee's proposals to the 2024 Annual General Meeting will be published in the official notification and on www.trelleborg.com.

Board of Directors 2023

In 2023, Trelleborg's Board of Directors comprised seven members elected by the Annual General Meeting, including the President. Employees elect three representatives and one deputy to the Board of Directors. The Group's Chief Financial Officer attends the Board meetings as does the General Counsel, who serves as the Board's secretary. Other members of Group Management participate in Board meetings when necessary.

For further information on Board members, refer to pages 46–47 and Note 10, pages 73–74.

Work of the Board of Directors

The Board held 13 meetings during the year, including one statutory Board meeting. The Board of Directors is responsible for establishing Trelleborg's overriding targets, developing and following up the overall strategy, deciding on major acquisitions, divestments and investments and continuously monitoring operations. The work of the Board follows an annual plan. Recurring issues at Board meetings include reports from the Board Committees, reports from the President, interim reports, structural issues and sustainability issues, as well as resolutions on the President's remuneration and evaluation by the Board of Directors.

In addition to the Board meetings, study trips were made to some of the Group's entities in the US and UK.

The President presents a report on the operations' performance at scheduled Board meetings. The Board conducts reviews with the auditor when audit reports are to be considered. The auditor also has meetings with the Board of Directors without the presence of Group Management and with the Audit Committee.

The Audit Committee briefs the Board of Directors on work related to the whistleblower system.

Trelleborg's Board complies with the Swedish Corporate Governance Code's requirements stipulating that the majority of the Board members elected by the Annual General Meeting must be independent in relation to Trelleborg and company management, and that at least two of these are also to be independent in relation to Trelleborg's major shareholders.

The Chairman of the Board is responsible for evaluating work on the Board and in relation to management. It is an annual, systematic and structured process. In 2023, a survey was conducted and all members were also interviewed by the Chairman. The results from these interviews were presented and discussed by the Board and Nomination Committee, forming the basis for evaluating the size and composition of the Board. The evaluation highlighted proposals for how the work of the Board of Directors could be further improved. The evaluation included the contribution made by the Chairman of the Board and the results were discussed when the Chairman was not present. The evaluation for 2023 shows that the work of

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
7 Report from the President, update on macroeconomic situation, strategy issues, financial targets, update on share repurchase program, sustainability issues, acquisitions and divestments, interim report.			8 Report from Board Committees, report from the auditor, report from the President, interim report, developments in Excellence, acquisitions and divestments, investments, succession planning, update on property matters, sustainability issues, Board evaluation.		9 Report from Board Committees, report from the auditor, report from the President, strategic plan and ambitions for 2023–2025, plan for the Annual Report, Board evaluation, acquisitions and divestments, investments, risk and insurance review, outcome of employee survey, sustainability issues. Visit to manufacturing plant.
M			M		M
			M		M
				M	

the Board is deemed to have functioned well. Board evaluations carried out in previous years have distinctly influenced the work of the Board and committees.

Board Committees

For the past number of years, the Board has established three committees from within its ranks; the Audit, Remuneration and Finance Committees.

Audit Committee. Recurring issues at Audit Committee meetings are accounting issues, interim reports, financial reports, work plans for and regular reporting from the Internal Control staff function, legal disputes, risk management, sustainability reporting, whistleblower reports, and reports from the auditor.

The Audit Committee is also to represent the Board by keeping itself informed in matters relating to the audit of the annual report and the consolidated financial statements, reviewing and monitoring the auditor's impartiality and independence, and providing assistance when preparing proposals regarding the appointment of auditor for approval by the Annual General Meeting. The Audit Committee is also to represent the Board by monitoring the Group's work in relation to ERM issues and IT and IT-related security issues. The Committee is also to represent the Board by monitoring day-to-day financing operations, and annually reviews and makes proposals for changes to the Treasury Policy.

In 2023, five meetings of the Audit Committee were held.

Remuneration Committee. Recurring issues at Remuneration Committee meetings are remuneration principles and evaluation, goals and outcome of variable remuneration (annual variable salary and long-term incentive programs), succession planning and leadership development. The Remuneration Committee also prepares the annual remuneration report.

In 2023, four meetings of the Remuneration Committee were held.

Finance Committee. Recurring issues at Finance Committee meetings are strategic issues concerning financing, the Group's financing scope and acquisitions and divestments.

In 2023, two meetings of the Finance Committee were held.

Refer to the illustration on pages 40–41.

Auditor 2023

The Annual General Meeting resolved that the auditing firm Deloitte AB shall be Trelleborg's auditor for a period of one year. Refer to page 43 for further information.

Group Management 2023

In 2023, Group Management held four meetings. Normally, the meetings take place over a few days to allow time for presentations and discussions. These meetings focused on the Group's strategic and operational performance and budget follow-up. In addition, several reviews and regular checks took place concerning the performance of operations in relation to, for example, contingency plans for economic fluctuations, inflation and raw material prices, potential acquisitions, development of sustainability activities, succession planning and so forth.

Trelleborg's operating activities are organized into continuing operations comprising two business areas and, at the beginning of 2023, discontinuing operations, primarily comprising the Group's tire operation. Together, these consist of about 20 business or marketing units, which in turn comprise approximately 40 product or function areas. The organization is based on the principle of decentralized responsibility and authority.

Each legal unit, which does not necessarily reflect the operational businesses, has its own Board of Directors that focuses on regulatory compliance, among other aspects.

Sustainability reporting

Trelleborg has prepared its sustainability report in accordance with the Global Reporting Initiative (GRI) guidelines. The Sustainability Report includes the statutory sustainability statement, which is prepared as a separate report to the annual report in accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act. The scope of the Sustainability Report and the statutory sustainability statement is outlined in the index overview for the GRI Standards on page 134.

Internal culture

Trelleborg applies an approach involving far-reaching decentralized responsibility to drive and implement the Group's strategy. The Group's operating activities are pursued through independent operational units with responsibility for profit, balance sheet and cash flows. Local managers and their coworkers make the commercial decisions, ensure that these are handled correctly with a balanced approach to risk-taking. As a means of support, the individual business areas regularly follow up the results of their business units' operations, similar to the manner in which Group Management follows up the business areas as part of a well-established work process.

Core values

Trelleborg is a global Group characterized by individual and cultural diversity and shared value systems are therefore particularly important. The core values are long-term commitments, which, when coupled with Trelleborg's business concept, goals and strategies, guide the Group in making decisions and conducting business. The core values are:

- Customer focus: Working in partnership, we aim to add value for our customers, as well as for Trelleborg
- Innovation: We promote an innovative attitude and corporate culture. Innovation is a key driver for our growth
- Responsibility: We all share responsibility for our company as a whole and for its results
- Performance: We shall perform better than our competitors

Diversity

Trelleborg works to achieve a balanced mix of ethnicities, ages and genders in its operations. The Group's Diversity Directive recognizes that diversity is a strength for the Group. Enhanced diversity and inclusion has the potential to further drive Trelleborg's performance and results, both at team level and individually. Refer to pages 129–130.

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MEMBERS OF BOARD COMMITTEES AT DECEMBER 31, 2023

Audit Committee

Gunilla Fransson, Chairman
Monica Gimre
Jan Ståhlberg
Henrik Lange

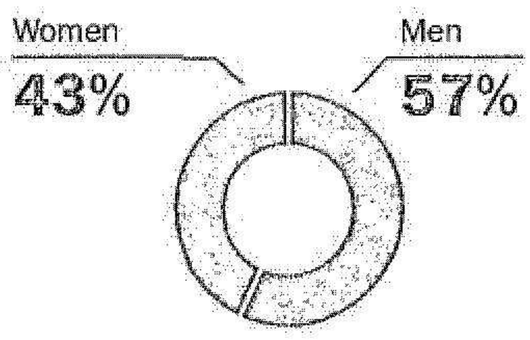
Remuneration Committee

Johan Malmquist, Chairman
Gunilla Fransson
Anne Mette Olesen

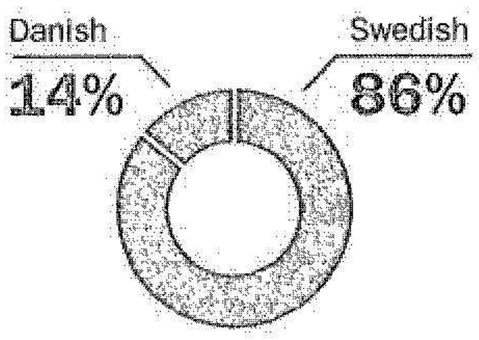
Finance Committee

Johan Malmquist, Chairman
Henrik Lange
Jan Ståhlberg

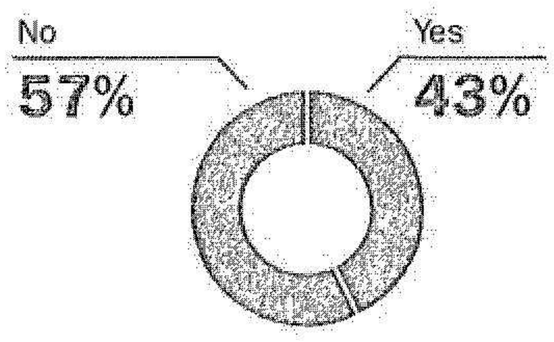
GENDER DISTRIBUTION IN THE BOARD OF DIRECTORS [1]



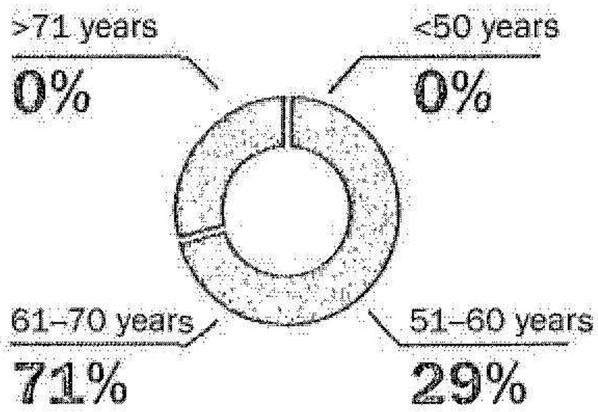
BOARD'S NATIONALITY [1]



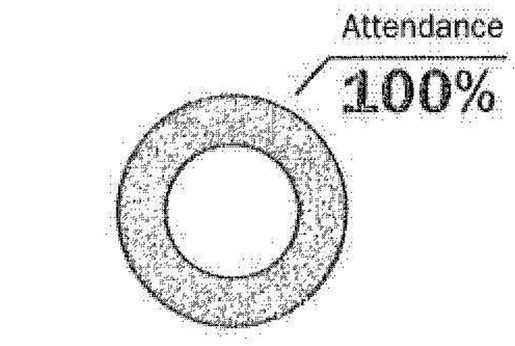
DEPENDENCE IN RELATION TO MAJOR SHAREHOLDERS OR POSITION [1]



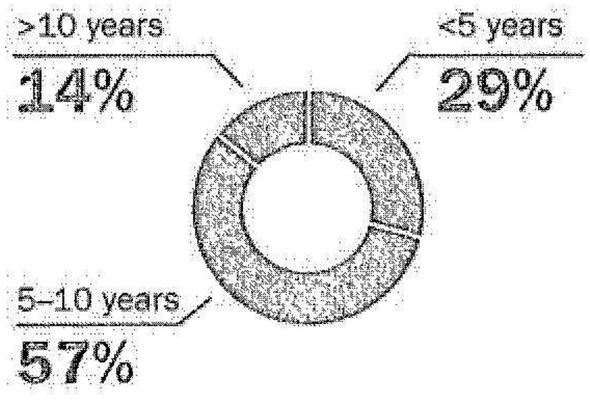
AGE DISTRIBUTION ON THE BOARD OF DIRECTORS [1]



BOARD MEETING ATTENDANCE [1]



TIME ON THE BOARD OF DIRECTORS [1]



NOMINATION COMMITTEE FOR THE 2024 ANNUAL GENERAL MEETING

Name/Representing	Share of votes, % Aug 31, 2023	Share of votes, % Dec 31, 2023
Ragnar Lindqvist, Dunker Foundations	55.78%	55.78%
Per Trygg, Lannebo Funds	1.38%	0.89%
Anna Sundberg, Handelsbanken Funds	1.18%	1.07%
Ulrik Grönvall, Swedbank Robur Funds	1.39%	1.32%
Erik Granström, Folksam	0.95%	0.80%
Total	**60.68%**	**59.86%**

AUDITOR'S REMUNERATION

SEK M	2023	2022
Deloitte		
Audit assignment	26	20
Audit activities other than audit assignment	1	1
Tax consultancy services	0	0
Other services	0	0
Other auditors		
Audit assignment	7	5
Audit activities other than audit assignment	0	0
Tax consultancy services	–	0
Other services	–	0
Total	**34**	**26**

AUDITOR 2023



HANS WARÉN
AUTHORIZED PUBLIC ACCOUNTANT
Auditor of the Trelleborg Group since the 2017 Annual General Meeting
Partner of Deloitte AB since 1998
Qualifications: Graduate in business administration. Authorized Public Accountant since 1992
Other assignments: Atrium Ljungberg, Industrivärden and SKF
Born: 1964

[1] Board members elected by the Annual General Meeting, including the President and CEO.

Internal control over financial reporting

Internal control over financial reporting is included as a part of the overall internal control at Trelleborg, and constitutes a central component of Trelleborg's corporate governance. The key goals are that internal control is appropriate and effective, provides reliable reports and complies with laws and regulations.

Trelleborg's Board of Directors has concluded that the current Internal Control set up is sufficient from a corporate governance perspective and that there is no need for an internal audit function.

The starting point for the internal control process is the regulatory framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to COSO, the review and assessment are conducted in five areas where the control environment creates discipline and provides structure for the other four areas: risk assessment, control structures, information and communication, and monitoring.

Control environment

The control environment provides the basis for the internal control. One important aspect is that decision making, authority and responsibility are clearly defined and communicated between different levels within Trelleborg and that policy instruments, in the form of policies, manuals and recommendations, exist and are observed. Refer to page 39 for list of external and internal policy instruments.

The Board of Directors bears overall responsibility for financial reporting where the Audit Committee assists the Board by monitoring, for example, the efficiency of Trelleborg's internal control, internal audit and risk management.

The responsibility for maintaining an effective control environment and the day-to-day work involving internal control is delegated to the President.

The Group's Internal Control staff function serves as the Group's internal audit function and reports to the Audit Committee and the Group's Chief Financial Officer. The function focuses on developing, enhancing and securing internal control over the Group's financial reporting by proactively concentrating on the internal control environment and by examining the effectiveness of internal control.

Risk assessment

Risk assessment aims to identify and evaluate the most significant risks, including risk of fraud and risks in connection with significant changes, that affect internal control within the Group.

The assessment results in control targets that ensure that the fundamental demands placed on external financial reporting are fulfilled and comprise the basis for how risks are to be managed through various control structures.

The risk assessment is updated on an annual basis under the direction of the Internal Control staff function and the results are reported to the Audit Committee.

Control activities

The most significant risks are managed through control structures in the Group. Management may entail that these risks are accepted, reduced or eliminated.

The control structures aim to ensure efficiency in the Group's processes and good internal control and are based on minimum requirements for good internal control in defined processes. Refer to the illustration on page 45.

Information and communication

The internal policy instruments are available to all relevant employees on Trelleborg's intranet and are generally provided through training. Special campaigns are conducted covering, for example, the Group's whistleblower initiative. All relevant employees annually confirm in writing their knowledge of, and compliance with, the Group's internal policy instruments.

The Group's Chief Financial Officer and the Head of the Internal Control staff function report the results of their work on internal control as a standing item on the agenda of the Audit Committee's meetings. The results of the Audit Committee's work in the form of observations, recommendations and proposed decisions and measures are continuously reported to the Board. The minutes of the Audit Committee meetings are presented to the Board and the Chairman of the Audit Committee reports on its work.

External financial reporting is performed in accordance with relevant external and internal policy instruments.

Monitoring

Monitoring to ensure the effectiveness of internal control is conducted by the Board, Audit Committee, President, Group Management, the staff functions of Internal Control, Group Finance, Group Treasury and Group Tax, as well as the Group's companies and business areas.

Monitoring includes the follow-up of monthly financial reports in relation to targets, quarterly reports with results

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from self-assessments in the Group's companies and business areas, and results from internal audits. Monitoring also encompasses following up observations reported by Trelleborg's auditor.

The Internal Control staff function works in accordance with an annual plan that is approved by the Audit Committee. The plan is based on the risk analysis and encompasses prioritized companies, business areas and processes within the Group, as well as work programs and budgets.

Activities in 2023

The Internal Control staff function conducted 42 internal audits in 19 countries during the year. Of these, 13 were IT security audits. The focus was evenly distributed across Europe, Asia and North America. The total number of audits was in line with the preceding year. Most of the internal controls were conducted by the Internal Control staff function in cooperation with internal resources from other staff functions with specialist competence in such areas as purchasing, finance and legal affairs, or jointly with controllers from various business areas. Internal audits of IT security were carried out by external IT consultants together with the Group IT staff function. In 2023, the Internal Control staff function also worked on a broad front with reviews of all processes and most controls were conducted physically.

Activities in focus in 2024

The number of planned internal audits amounts to 51 and comprises 44 entities. Geographically, the Internal Control group function will focus primarily on Europe and the US, but audits will be conducted across all continents. The plan is for most internal audits to take place physically on site at the local unit. In 2024, the Internal Control staff function will continue to work broadly with reviews of all processes. A small number of internal audits are planned with the support of record analysis.

The following information is available at www.trelleborg.com:

- Articles of Association
- Code of Conduct
- Corporate Governance Reports from 2007 and onward
- Information regarding Trelleborg's Annual General Meetings from 2004 and onward (notifications, minutes, President's speeches, press releases)
- Information regarding the Nomination Committee
- Information regarding the principles for remuneration of senior executives
- Information for the 2024 Annual General Meeting

INTERNAL CONTROL STRUCTURE OF THE TRELLEBORG GROUP

	Self-assessment	Internal Control	Training/Tools
Financial reports and reporting processes **Purchasing process** **Inventory process** **Sales process** **Process for property, plant and equipment** **IT security process** **Remuneration management process, incl. pensions and other compensation**	▫ Group-wide reporting system with quarterly feedback from subsidiaries. ▫ Companies respond to how they comply with the Group's minimum requirements for good internal control in selected processes. ▫ Deficiencies are identified, measures are planned and implemented by the companies. ▫ Encompasses approximately 130 subsidiaries. ▫ Covers 7 selected processes and about 280 minimum requirements for good internal control. ▫ All relevant employees annually confirm in writing their knowledge of, and compliance with, the Group's internal policy instruments.	▫ Internal controls are conducted by the Internal Control staff function in cooperation with internal resources from other staff functions and external consultants. ▫ Internal controls of IT security are carried out by the head of Group IT together with external consultants. ▫ Covers 7 selected processes and about 280 minimum requirements for good internal control. ▫ Internal controls result in observations, recommendations and proposals for decisions and measures. ▫ Identified deficiencies are followed up on a quarterly basis by business area controllers and the Internal Control staff function.	▫ Training programs in defined processes relating to minimum requirements for good internal control are carried out when necessary. ▫ The purpose of the training programs is to raise awareness and understanding of efficient processes and good internal control. ▫ Training programs are a forum for the exchange of experience and sharing best practice. ▫ Training programs in defined processes related to minimum requirements for good internal control are also held as an integrated part of the internal audits. ▫ Material available on the intranet to provide employees access to standardized tools and documents, as well as examples of business solutions.



Johan Malmquist

Chairman



Gunilla Fransson

Member



Monica Gimre

Member



Henrik Lange

Member

Year elected	2016	2016	2021	2023
Born	1961	1960	1960	1961
Nationality	Swedish	Swedish	Swedish	Swedish
Qualifications	Graduate in business administration	M.Sc. Eng. and Licentiate of Technology	M.Sc. Eng.	Graduate in business administration
Competence/experience in sustainability issues				
Other assignments	Chairman of the Board of Arjo AB and Getinge AB. Board member of Mölnlycke Health Care AB, Stena Adactum AB and the Chalmers University of Technology Foundation	Chairman of the Board of Net Insight AB. Board member of the Dunker Foundations, Eltel AB, Nederman AB, and Securitas AB		Vice Chairman of the Board of Velux A/S. Board member of the Dunker Foundations, Alfa Laval AB, BDR Thermea Group B.V., Traction AB and the German-Swedish Chamber of Commerce
Employment and primary professional experience	Full-time Board member and/or Chairman Formerly President and CEO of Getinge AB and various senior positions at Electrolux AB	Full-time Board member and/or Chairman Formerly various senior positions at Saab AB and Ericsson AB	President and CEO Sidel Group Formerly various senior positions at Tetra Pak and Alfa Laval	Full-time Board member and/or Chairman Formerly President and CEO of Gunnebo AB, senior positions within SKF AB and CEO of Johnson Pumo AB
Dependence in relation to major shareholders or position	No	Yes. Dependent in relation to the company's major shareholders through her assignment on behalf of Trelleborg's main owner, the Dunker Foundations	No	Yes. Dependent in relation to the company's major shareholders through his assignment on behalf of Trelleborg's main owner, the Dunker Foundations
Shareholding 2023	5,000 shares	3,000 shares	4,538 shares	4,000 shares
Shares in related companies	–	–	–	–
Board meeting attendance	Chairman 13 of 13	Member 13 of 13	Member 13 of 13	Member 13 of 13
Audit Committee attendance	–	Chairman 5 of 5	Member 5 of 5	Member 5 of 5
Remuneration Committee attendance	Chairman 4 of 4	Member 3 of 4	–	
Finance Committee attendance	Chairman 2 of 2	–	–	Member 2 of 2
Total reimbursement 2023, SEK 000s [1]	2,315	1,085	870	965
Of which Board, SEK 000s	2,050	700	700	700
Of which Committees, SEK 000s	265	385	170	265

Board assignments and holdings in Trelleborg as stated above reflect the situation as per December 31, 2023.

[1] Remuneration to the Board for the May 2023–April 2024 period. The fees paid to the members of the Board of Directors elected by the Annual General Meeting are approved by the Annual General Meeting based on the proposals of the Nomination Committee. For the 2023 calendar year, remuneration was paid as per Note 10. No consulting fees were paid to the Board members. Remuneration is not paid to executive Board members. Remuneration excludes travel allowances.

BOARD MEMBERS AND DEPUTIES APPOINTED BY THE EMPLOYEE ORGANIZATIONS



Maria Eriksson

Employee representative, appointed by the Unions of the Trelleborg Group (PTK)

Elected to the Board: 2020

Born: 1972

Nationality: Swedish

Quality engineer. Other assignments: Chairman of Unionen Trelleborg Ersmark AB, member of Trelleborg Swedish Works Council (PTK) and member of Trelleborg European Council

Qualifications: Engineer, machine specialist

Shareholding 2023: –

Board meeting attendance: 13 of 13



Jimmy Faltin

Employee representative, appointed by the Unions of the Trelleborg Group (LO)

Elected to the Board: 2018

Born: 1965

Nationality: Swedish

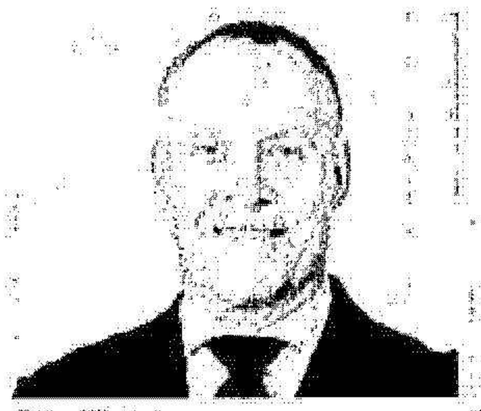
Machine operator. Other assignments: Chairman of the Trelleborg European Works Council, member of the Trelleborg Swedish Works Council (LO) and the Negotiating Delegation Technology Agreement IF Metall. Division Chairman IF Metall Norra Västerbotten

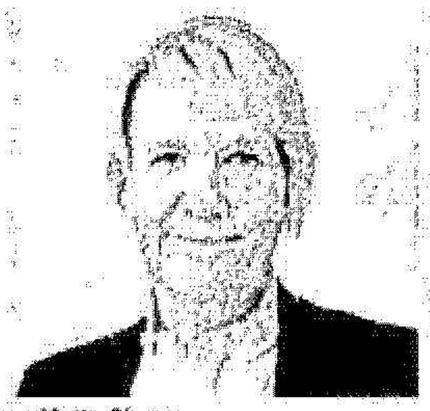
Qualifications: Training in behavioral science, employment contracts and labor law

Shareholding 2023: –

Board meeting attendance: 13 of 13

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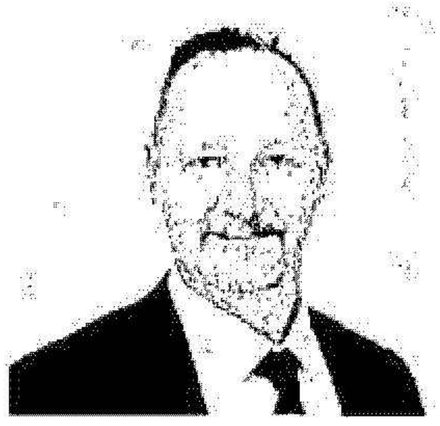




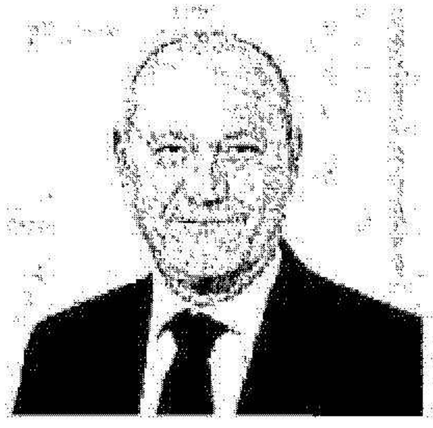
	Peter Nilsson	Anne Mette Olesen	Jan Ståhlberg
	Member	Member	Member
Year elected	2006	2015	2018
Born	1966	1964	1962
Nationality	Swedish	Danish	Swedish
Qualifications	M.Sc. Eng.	MBA and B.Sc. Eng.	Graduate in business administration
Competence/experience in sustainability issues		Overall responsibility for sustainability over the course of 12 years in group management at AAK AB	CEO and founder of Trill Impact, which invests in companies that contribute positively to developments in the sustainability field
Other assignments	Chairman of the Board of Cibes Holding AB. Board member of the Chamber of Commerce and Industry of Southern Sweden and Svenska Handbollslandslaget AB	Board member of Schur International A/S and Konsul Axel Schur og Hustrus Fond	Board member of Bactiguard Holding AB and ITB-Med AB
Employment and primary professional experience	President and CEO of Trelleborg AB Formerly Business Area President at Trelleborg and other posts within the Trelleborg Group, as well as management consultant at BSI	Full-time Board member and investor Formerly various senior positions at Coloplast A/S, Chr. Hansen A/S and Danisco Ingredients A/S, and Chief Strategy & Sustainability Officer AAK AB	Founder and CEO of Trill Impact AB Formerly Vice President and Deputy Chairman of EQT and various senior positions at Ovako Steel
Dependence in relation to major shareholders or position	Yes. Dependent in relation to the company as a result of his position as Trelleborg's President	No	No
Shareholding 2023	60,572 shares	2,500 shares	130,000 shares
Shares in related companies	–	–	–
Board meeting attendance	Member 13 of 13	Member 13 of 13	Member 13 of 13
Audit Committee attendance	–	–	Member 5 of 5
Remuneration Committee attendance	–	Member 4 of 4	–
Finance Committee attendance	–	–	Member 2 of 2
Total reimbursement 2023, SEK 000s [1]	–	795	965
Of which Board, SEK 000s	–	700	700
Of which Committees, SEK 000s	–	95	265

Board assignments and holdings in Trelleborg as stated above reflect the situation as per December 31, 2023.

[1] Remuneration to the Board for the May 2023–April 2024 period. The fees paid to the members of the Board of Directors elected by the Annual General Meeting are approved by the Annual General Meeting based on the proposals of the Nomination Committee. For the 2023 calendar year, remuneration was paid as per Note 10. No consulting fees were paid to the Board members. Remuneration is not paid to executive Board members. Remuneration excludes travel allowances.



Lars Pettersson
Employee representative, appointed by the Unions of the Trelleborg Group (LO)
Elected to the Board: 2018
Born: 1965
Nationality: Swedish
Machine operator. Other assignments: Member of Unions of the Trelleborg Group (LO)
Qualifications: Cabinetmaker, training in negotiation and in salary system development
Shareholding 2023: –
Board meeting attendance: 13 of 13



Magnus Olofsson
Deputy employee representative, appointed by the Unions of the Trelleborg Group (PTK)
Elected to the Board: 2021
Born: 1964
Nationality: Swedish
Production manager and process manager. Other assignments: Chairman of Unionen Trelleborg Industri AB and Trelleborg AB and member of Trelleborg Swedish Works Council (PTK)
Qualifications: Rubber and plastics technology. Previous positions in production management, product and process development.
Shareholding 2023: –
Board meeting attendance: 13 of 13



Peter Nilsson

Position	President and CEO
Employed	1995
In current position since	2005
Born	1966
Nationality	Swedish
Qualifications	M.Sc. Eng.
Other assignments	Chairman of the Board of Cibes Holding AB. Board member of Trelleborg AB, the Chamber of Commerce and Industry of Southern Sweden and Svenska Handbolls-landslaget AB
Professional experience	Business Area President at Trelleborg and other posts within the Trelleborg Group, as well as management consultant at BSI
Shareholding 2023	60,572 shares



Fredrik Nilsson

Position	Chief Financial Officer (CFO)
Employed	2021
In current position since	2021
Born	1977
Nationality	Swedish
Qualifications	Graduate in business administration
Other assignments	
Professional experience	Chief Financial Officer AAK AB, various finance roles in Sandvik
Shareholding 2023	8,000 shares



Jean-Paul Mindermann

Position	Business Area President, Trelleborg Industrial Solutions
Employed	2011
In current position since	2017
Born	1965
Nationality	German
Qualifications	Graduate in business administration
Other assignments	President of Contex Holding GmbH and Board member of Herschel Infrared Ltd, Herschel Energy Ltd and Terra Fidelis GmbH
Professional experience	Business Unit President at the Trelleborg Group, President of Premia Group, CEO of Watts Industrial Tires and other senior management functions
Shareholding 2023	–



Peter Hahn [1]

Position	Business Area President, Trelleborg Sealing Solutions
Employed	2001
In current position since	2018
Born	1958
Nationality	US/German
Qualifications	M.Sc. Eng.
Other assignments	
Professional experience	Business Unit President at the Trelleborg Group and various senior positions at 4M Technologies, Leybold and Degussa
Shareholding 2023	50 shares

[1] Peter Hahn will leave the role of Business Area President and will become senior advisor focusing on development projects from April 1, 2024, and will be replaced by Jurgen Bosch as President of the Trelleborg Sealing Solutions business area.

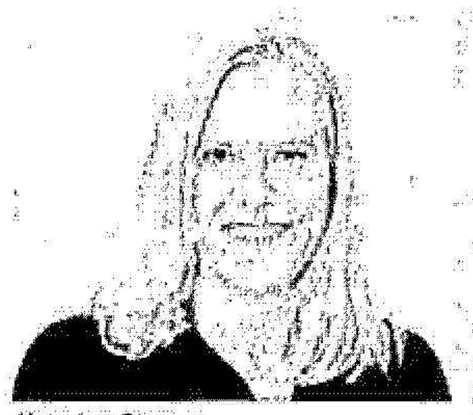
REMUNERATION OF GROUP MANAGEMENT 2023

SEK 000s		Fixed salary	Annual variable salary	Long-term incentive program [2]	Other benefits	Extraordinary items [3]	Total	Pension costs	Total including pension
President and CEO	2023	12,738	6,441	8,474	228	12,106	39,987	5,583	45,570
	2022	12,317	7,279	7,559	220	–	27,375	5,363	32,738
Group Management, others (5 persons)	2023	23,244	7,967	15,435	1,420	1,394	49,460	5,238	54,698
	2022	24,859	13,114	13,321	1,223	–	52,517	5,784	58,301
Total	2023	35,982	14,408	23,909	1,648	13,500	89,447	10,821	100,268
Total	2022	37,176	20,393	20,880	1,443	–	79,892	11,147	91,039

[2] Expensed in 2023. Payment is made in the first quarter, 2024 to 2026, on condition that the individual is employed in the Group on December 31 of the preceding year.

[3] Refers to extraordinary remuneration related to the divestment of the tire operation.

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	 Katarina Olsson	 Patrik Romberg	 Linda Muroski [1]	 Jürgen Bosch [2]
Position	Senior Vice President, General Counsel	Senior Vice President, Communications and Senior Vice President, Human Resources	Business Area President, Trelleborg Medical Solutions	Business Area President, Trelleborg Sealing Solutions
Employed	2022	2006	2016	2010
In current position since	2022	2011	2024	2024
Born	1971	1966	1967	1968
Nationality	Swedish	Swedish	US	German
Qualifications	Master of Law	MBA and university studies in behavioral science and education	MBA and university studies in business administration	MBA and degree in mechanical engineering
Other assignments	Board member of InArea Group			
Professional experience	General Counsel Beijer Ref and Senior Corporate Counsel ICA and Ericsson	Various positions at the Trelleborg Group and Unilever	President Global Healthcare & Medical and Industrial Americas at Trelleborg Sealing Solutions, as well as senior positions within BASF	Business Unit Manager and other senior positions at the Trelleborg Group
Shareholding 2023	1,500 shares	3,101 shares	50 shares	75 shares

[1] Linda Muroski will take over as President of the Group's new Trelleborg Medical Solutions business area on April 1, 2024.

[2] Jürgen Bosch replaces Peter Hahn as President of the Trelleborg Sealing Solutions business area as of April 1, 2024.

PRINCIPLES FOR REMUNERATION

The following principles for remuneration of senior executives were adopted by the 2023 Annual General Meeting:

- Trelleborg will offer market-based terms of employment that enable the company to recruit, develop and retain senior executives.
- The remuneration structure is to comprise fixed and variable remuneration (annual variable salary and long-term incentive programs), pension provisions and other remuneration, which together form the individual's total remuneration package.
- Principles for remuneration may vary depending on local conditions.

Senior executives comprise the President and CEO as well as other members of Group Management. The principles are supplemented by a directive governing benefits for senior executives as well as a global Remuneration Policy covering all managers and senior salaried employees. In 2023, total remuneration of Group Management amounted to SEK 89,447,000 (79,892,000), excluding pension premiums, and SEK 100,268,000 (91,039,000), including pension premiums.

For additional information concerning remuneration, refer to Note 10, pages 73–74.

Remuneration report 2023

This report describes how the principles for remuneration of senior executives at Trelleborg, adopted by the 2023 Annual General Meeting, were implemented in 2023. The report has been prepared in accordance with the Swedish Companies Act and the remuneration rules issued by the Swedish Corporate Governance Board.

Scope, purpose and deviations

A prerequisite for the successful implementation of Trelleborg's business strategy is that Trelleborg is able to recruit and retain qualified personnel. To this end, it is necessary that Trelleborg offers market-based and competitive remuneration. Trelleborg's principles for remuneration of senior executives enable Trelleborg to offer executives a competitive total remuneration. The principles for remuneration are presented on pages 52–53.

The principles for remuneration of senior executives were unanimously adopted by the 2023 Annual General Meeting. The principles were applied in full in 2023.

The auditor's report regarding Trelleborg's compliance with the principles for remuneration of senior executives is available in the "Corporate governance" section at www.trelleborg.com.

No remuneration was reclaimed or limited, nor did the company refrain from making any payment in 2023.

Share-based remuneration

Trelleborg does not have any long-term share-based incentive plans.

Application of performance criteria

The performance criteria forming the basis for the President and CEO's variable remuneration have been selected to ensure delivery in line with Trelleborg's strategy and to encourage behavior that is in the long-term interests of Trelleborg. The strategic objectives and short and long-term business priorities for 2023 have been taken into account in the selection of performance criteria. The performance criteria forming the basis for the one-year annual variable salary were Earnings before tax or Earnings before interest and tax (EBT or EBIT), Operating cash flow (OCF) and a sustainability target. The performance criteria for the three-year long-term incentive (LTI) program was Earnings per share (EPS). All performance criteria exclude items affecting comparability.

Further information on executive remuneration

Further information on executive remuneration is available in Note 10 (Employees and personnel costs) on pages 73–74 of this Annual Report. Information on the work of the Remuneration Committee in 2023 is set out in the Corporate Governance Report, available on pages 39–45 of this Annual Report.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in Note 10 on pages 73–74 of this Annual Report.

Information on key developments 2023

The President and CEO summarizes Trelleborg's overall performance in his statement on pages 4–7 of this Annual Report.

1 – TOTAL REMUNERATION OF THE PRESIDENT AND CEO

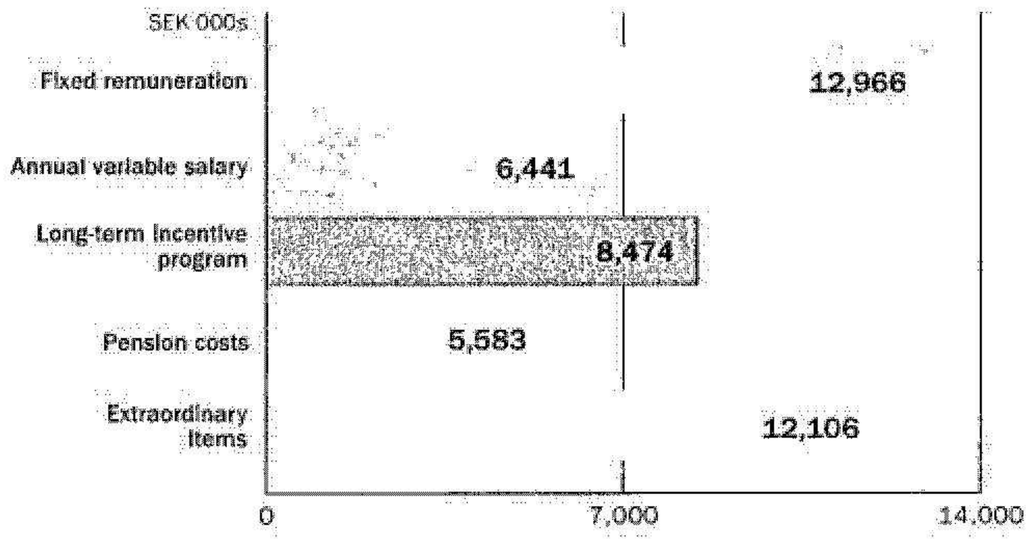
Table 1 below sets out the total remuneration expensed or paid to Trelleborg's President and CEO during 2023 and 2022.

		Fixed remuneration		Variable remuneration					
SEK 000s	Year	Fixed salary	Other benefits	Annual variable salary	Long-term incentive program	Extraordinary items	Pension costs	Total remuneration	Proportion of fixed and variable remuneration [2]
Peter Nilsson, President and CEO	2023	12,738	228	6,441	8,474	12,106 [1]	5,583	45,570	41/59 (67/33)
	2022	12,317	220	7,279	7,559	–	5,363	32,738	55/45

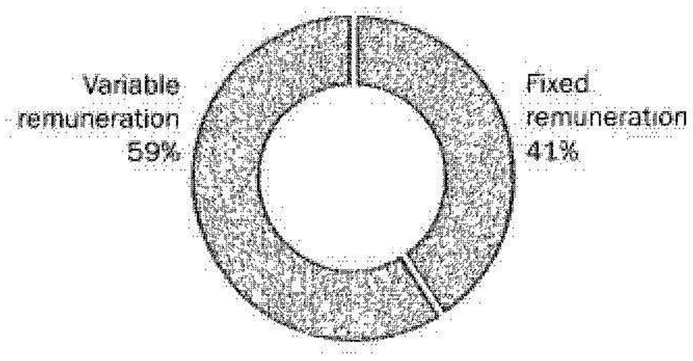
[1] The President and CEO was awarded compensation for extraordinary performance amounting to SEK 12,106,465 (one year's salary) due to the successful completion of the divestment of the Trelleborg Wheel Systems business area.

[2] Pension included in fixed remuneration. Extraordinary items are included (excluded) in the variable remuneration

TOTAL REMUNERATION OF THE PRESIDENT AND CEO



PROPORTION OF FIXED AND VARIABLE REMUNERATION 2023



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2A – SHORT-TERM PERFORMANCE AND RENUMERATION OF THE PRESIDENT AND CEO

Table 2A below describes how the criteria for variable short-term remuneration were expensed during the fiscal year.

	Remuneration-components	Relative weighting of the performance criteria	a) Measured performance, b) actual award/ remuneration outcome and c) target achievement %	
Peter Nilsson, *President and CEO*	Earnings before tax(EBT) [3]	65%	a)	EUR 471.2 M
			b)	SEK 3,475,000
			c)	63%
	Operating cash flow (OCF) [3]	25%	a)	EUR 439.3 M
			b)	SEK 2,119,000
			c)	100%
	Sustainability	*10%*	*a)*	*Full achievement*
			b)	SEK 847,000
			c)	100%

[3] Excluding items affecting comparability.

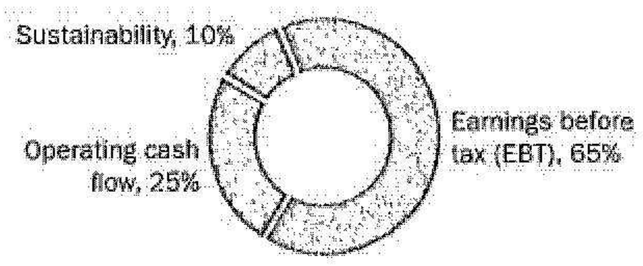
2B – LONG-TERM PERFORMANCE AND RENUMERATION OF THE PRESIDENT AND CEO

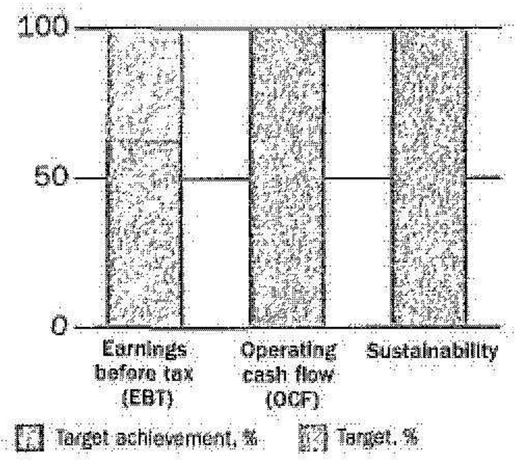
Table 2B below describes how the criteria for variable long-term remuneration were expensed during the fiscal year.

	Remuneration-components	Relative weighting of the performance criteria	a) Measured performance, b) actual award/ remuneration outcome and c) target achievement %	
Peter Nilsson, *President and CEO*	Earnings per share (EPS) [4] 2023 (Program 2021–2023)	33.3%	a)	SEK 15.75
			b)	SEK 2,824,000
			c)	100%
	Earnings per share (EPS) [4] 2023 (Program 2022–2024)	33.3%	a)	SEK 15,75
			b)	SEK 2,824,000
			c)	100%
	Earnings per share (EPS) [4] 2023 (Program 2023–2025)	33.3%	a)	SEK 15.75
			b)	SEK 2,824,000
			c)	100%

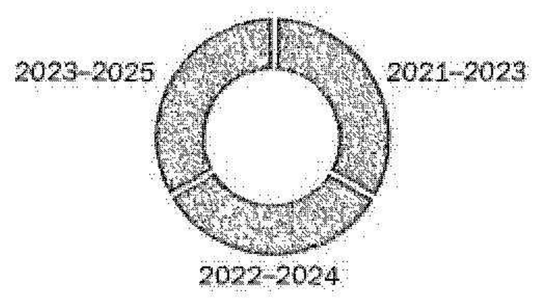
[4] Excluding items affecting comparability.

PERFORMANCE CRITERIA FOR THE PRESIDENT AND CEO – TARGET ACHIEVEMENT





EARNINGS PER SHARE, (EPS) PROGRAM



3 – COMPARATIVE INFORMATION ON CHANGE IN REMUNERATION AND TRELLEBORG PERFORMANCE

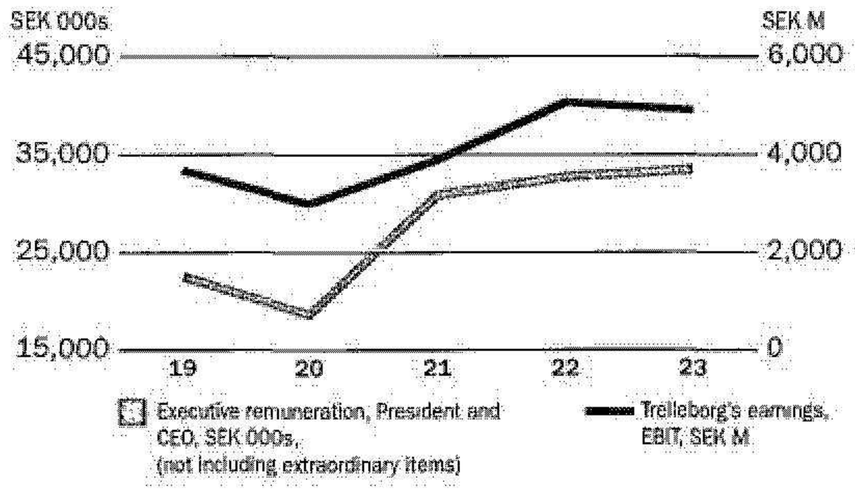
Table 3 – Changes in remuneration and Trelleborg's performance over the last five reported fiscal years.

Annual change	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2023
Executive remuneration					
Peter Nilsson, President and CEO, SEK 000s	–3,860 (–17.2%)	+12,257 (65.7%)	+1.849 (6.0%)	+726 (2.22%)	**33,464** [5]
Trelleborg's performance					
Earnings before interest and tax (EBIT) [6], SEK M	–376 (–8,1%)	+1,023 (23.9%)	–238 (–4.5%)	+452 (8.9%)	**5,518**
Earnings per share (EPS) [6], SEK	–1,0 (–8.4%)	3.36 (30.8%)	–0.34 (–2.4%)	1.84 (13.2%)	**15.75**
Employee remuneration					
Average total remuneration on a full-time-equivalent basis of employees of Trelleborg AB, excluding Group Management, SEK 000s	–64 (–5.6%)	–90 (–8.31%)	–35 (–3.52%)	+155 (+16.16%)	**1,112**

[5] Excluding extraordinary items.

[6] Excluding items affecting comparability.

COMPARATIVE INFORMATION ON CHANGES IN REMUNERATION AND TRELLEBORG'S EARNINGS



Principles for remuneration of senior executives

The following principles were resolved by the 2023 Annual General Meeting. They can be found together with other information on remuneration at www.trelleborg.com.

Principles for remuneration of senior executives

Senior executives, including the President and CEO and other members of Group Management, fall within the scope of these principles. The principles are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the principles by the 2023 Annual General Meeting. These principles do not apply to any remuneration decided on or approved by the Annual General Meeting.

Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Trelleborg's strategy of securing leading positions in selected industries is supported by four strategic cornerstones: Geographical balance, Portfolio optimization, Structural improvements and Excellence. These ensure that all levels within the Group maintain focus and conduct activities that are in line with the strategy. For more information regarding Trelleborg's business strategy, please see the section on the Group's strategy at www.trelleborg.com.

A prerequisite for the successful implementation of Trelleborg's business strategy and safeguarding of its long-term interests, including its sustainability, is that Trelleborg is able to recruit, develop and retain qualified senior executives. To this end, it is necessary that Trelleborg offers market-aligned and competitive remuneration. These principles enable Trelleborg to offer senior executives competitive total remuneration. The aim of all variable remuneration covered by these principles is to promote Trelleborg's business strategy and long-term interests, including its sustainability profile.

Types of remuneration

Remuneration is to be on market terms and may consist of the following components: fixed salary, variable remuneration, pension benefits and other benefits. Additionally, the Annual General Meeting may – irrespective of these principles – resolve on, among other items, share-based or share-price-based remuneration.

The satisfaction of criteria for awarding variable remuneration is to be measured over a period of one year (short-term incentive program) or several years (long-term incentive programs). The following applies for senior executives, including the President and CEO.

- The short-term incentive program may amount to not more than 100 percent of the fixed salary during the measurement period
- The long-term incentive programs may amount to not more than 100 percent of the fixed salary during the measurement period

Further variable remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 percent of the fixed salary and may not be paid more than once each year per individual. Any resolution on such remuneration for the President and CEO shall be made by the Board based on a proposal from the Remuneration Committee. Any resolution on such remuneration for other senior executives shall be made by the Remuneration Committee based on a proposal from the President and CEO.

Variable remuneration will only qualify for pension benefits to the extent required by mandatory collective agreement provisions or otherwise stated by local law.

For the President and CEO, pension benefits, including health insurance, are to be defined contribution. Variable remuneration does not qualify for pension benefits. The pension premiums for defined contribution pension are to amount to not more than 45 percent of the fixed salary. For other senior executives, pension benefits, including health insurance, are to be defined contribution unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions or otherwise stated by local law. The pension premiums for defined contribution pension are to amount to not more than 35 percent of the fixed salary.

Other benefits may include, for example, life insurance, medical insurance and company cars. Premiums and other costs relating to such benefits may amount to not more than 15 percent of the fixed salary.

For employment contracts governed by legislation outside of Sweden, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these principles.

Trelleborg does not have any long-term share-based incentive plans. Such plans must be resolved by the Annual General Meeting and are therefore excluded from these principles.

Criteria for awarding variable remuneration

The variable remuneration is to be linked to predetermined and measurable criteria of a financial or non-financial nature. They may also be individualized, quantitative or qualitative objectives. The criteria are to be designed so that they contribute to Trelleborg's business strategy and long-term interests, including its sustainability strategy by, for example, being clearly linked to the business results or promoting the senior executive's long-term development.

The extent to which the criteria for awarding variable remuneration have been fulfilled is to be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for evaluating variable remuneration to the President and CEO, subsequently to be approved by the Board of Directors. For variable remuneration to other senior executives, the President and CEO is responsible for the evaluation, subsequently to be approved by the Remuneration Committee, in accordance with the grandparent principle. For

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financial objectives, the evaluation is to be based on the latest financial information published by the Trelleborg Group.

Right to withhold or reclaim remuneration

Terms and conditions for variable remuneration are to be designed so that the Board of Directors (i) has the right to limit or refrain from payment of variable remuneration if exceptional economic circumstances occur and if such a measure is considered reasonable, and (ii) has the right to withhold or reclaim variable remuneration paid to an executive based on results that afterwards were found to have been misstated because of wrongdoing or malpractice (so called malus and claw back).

The Board of Directors may, at its discretion, limit or refrain from payment of the individual variable salary if a senior executive, including the President and CEO, has breached or neglected Trelleborg's Code of Conduct and/or Trelleborg's sustainability commitments as a responsible corporate citizen, including environmental, social and governance factors.

Termination of employment

If employment of a senior executive is terminated by the company, the contractual notice period will not exceed 24 months. During the notice period all employment conditions will apply, unless otherwise expressly agreed between the company and the employee. No additional severance payments will be made to the employee. When a senior executive terminates their employment, the contractual notice period will not exceed six months, and there is no right to any severance pay.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration principles, current salary and employment conditions for employees of Trelleborg have been taken into account. Information on the employees' total income, the components of the remuneration, and its increase and growth rate over time, has been evaluated. Thereafter, the Remuneration Committee and the Board of Directors decide whether the principles and the limitations set out herein are reasonable.

Decision-making process to determine, review and implement the principles

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose remuneration principles for Group Management. The Board of Directors is to prepare a proposal for new principles at least every fourth year and submit such a proposal to the Annual General Meeting. The principles shall apply until new principles are adopted by the Annual General Meeting. The Remuneration Committee is also to monitor and evaluate programs for variable remuneration for senior executives, the application of the principles for senior executive remuneration as well as the current remuneration structures and levels in Trelleborg. The members of the Remuneration Committee are independent from Trelleborg and its senior executives. The President and CEO including other members of senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by the same.

Derogation from the principles

The Board of Directors may temporarily resolve to derogate from the principles, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Trelleborg's long-term interests, including its sustainability strategy, or to ensure Trelleborg's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolution in remuneration-related matters. This includes any resolution to derogate from the principles.

Shareholder's views

The Board of Directors has not received any views from the shareholders on the principles of remuneration for senior executives.

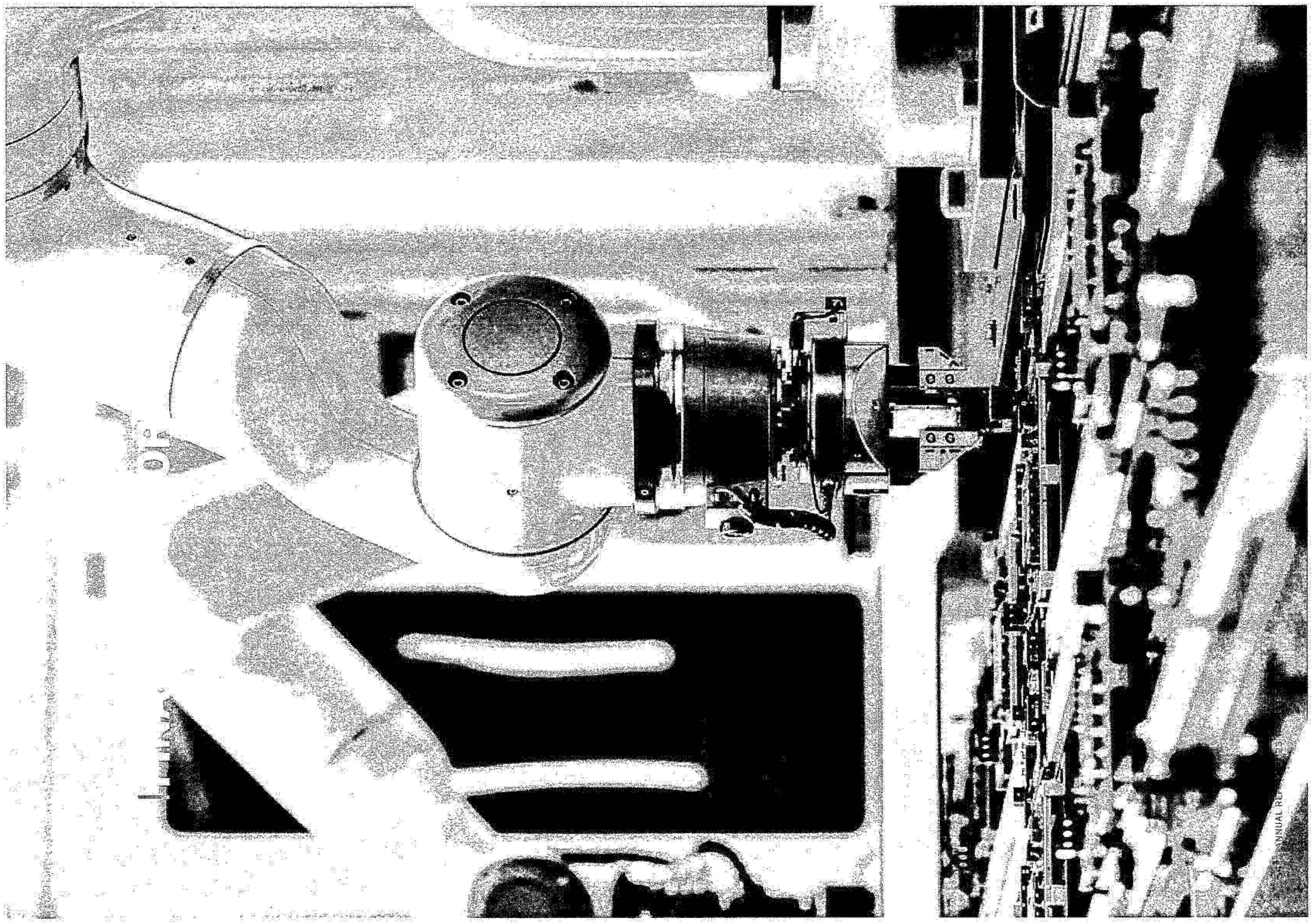
Description of significant changes compared to previous principles of remuneration for senior executives

Under the section Types of remuneration, the following changes are proposed.

Previously, the definition of annual maximum outcome for the long-term incentive program was linked to the annual maximum outcome of the short-term incentive program. The proposal is to link the annual maximum outcome in the long-term incentive program to the fixed salary from 2023. This means that the structure can be independently defined for both the short- and the long-term incentive program. This change itself doesn't have any impact on the size of the long-term incentive program entitlement (neither higher or lower).

For attraction and performance purposes in extraordinary circumstances, the following new amendment has been proposed:

Further variable remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 percent of the fixed salary and may not be paid more than once each year per individual. Any resolution on such remuneration for the President and CEO shall be made by the Board based on a proposal from the Remuneration Committee. Any resolution on such remuneration for other senior executives shall be made by the Remuneration Committee based on a proposal from the President and CEO.





Solutions for semiconductor manufacturing

Microchips make the world go round, and the need for the semiconductors that make up these chips is increasing exponentially. Microchips are manufactured in semiconductor fabrication plants, which are giant cleanrooms with extremely expensive and specialized production equipment, which require specialty seals that can meet the extensive and demanding requirements of semiconductor production.

The image shows a cleanroom in a semiconductor fabrication plant that uses Trelleborg's specially engineered Isolast® PureFab™ material for critical semiconductor applications to ensure the highest level of cleanliness, plasma resistance, thermal stability and extended operating lifetime.

READ MORE ABOUT SEALS AND O-RINGS

Comments on the consolidated income statements

Trelleborg's performance was strong in 2023 despite the continuing turbulence in the external environment. The Group reported a record in terms of net sales, operating profit and earnings per share.

During the year, net sales for continuing operations increased 14 percent compared with 2022 as a result of increased order intake, completed acquisitions and a positive impact from exchange rates. We noted varying market conditions for our different businesses during the year. Some industries continued to perform strongly, such as aerospace, healthcare & medical, and automotive. Development of the project business in the marine segment was also highly favorable. Meanwhile, our deliveries to the construction industry and other minor industrial segments where sales are conducted through distributors decreased. It is also noteworthy that the divestment of the Group's tire and printing blanket operations was completed. This completed the process of streamlining the Group that commenced a few years ago.

CONTINUING OPERATIONS

Net sales

Sales for the Group's continuing operations increased by 14 percent during the year and amounted to SEK 34,286 M (30,095). The organic sales increase was SEK 664 M, corresponding to 2 percent. Effects of structural changes totaled SEK 2,172 M or 7 percent. Exchange rate effects upon translation of sales in 2022 to the exchange rates applying for 2023 amounted to SEK 1,355 M, an increase of 5 percent. Both of the Group's business areas reported positive organic sales growth during the year.

The distribution of net sales between various industries was relatively constant compared with the preceding year. The share of consolidated net sales attributable to general industry declined slightly during the year and amounted to 65 percent (67). Sales related to the automotive industry amounted to 16 percent (16) and sales related to healthcare & medical were 9 percent (8). Sales to the aerospace industry were 10 percent (9).

The Trelleborg Industrial Solutions business area conducts operations in several of the Group's industries. Organic sales for the full year increased 3 percent year on year. The sales trend was positive in all major geographic regions. Deliveries to the construction industry were weak throughout the year. Other larger market segments reported organic sales growth.

For the Trelleborg Sealing Solutions business area, organic sales increased by 1 percent compared with the preceding year. Acquisitions contributed 12 percent sales growth. Organic sales in Europe and North America developed positively. Sales to Asia declined, mainly due to falling volumes in China. Sales to general industry declined during the year. Deliveries to the automotive and aerospace industries and healthcare & medical all developed positively.

Net sales per market

Organic sales increased 2 percent year on year. In Germany, sales decreased 4 percent organically. In France and the UK, the increase was higher than the average for Europe as a whole, while it was lower in Italy and Sweden. Organic sales in the Group's largest market, the US, increased 3 percent, while the Canadian market increased 2 percent. Sales in both Mexico and Brazil increased 10 percent organically compared with the preceding year. In China, the Group's most important market in Asia, sales declined 3 percent organically. In Australia, sales increased 11 percent, in Japan sales increased 3 percent and in South Korea the increase was 4 percent. In total, sales increased organically by 4 percent in Europe and 4 percent in North and South America, while sales in Asia and Other markets fell 2 percent.

In total, Europe accounted for 46 percent (46) of consolidated net sales. The share for North and South America was 35 percent (33), while the combined share for the markets in Asia and the Rest of the World was 19 percent (21).

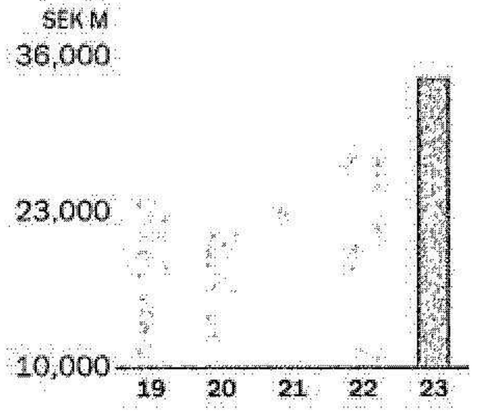
NET SALES PER GEOGRAPHIC MARKET

	2023		2022	
SEK M	Net sales	Share of total sales, %	Net sales	Share of total sales, %
Europe	15,864	46	13,975	46
North and South America	11,866	35	9,794	33
Asia and Other markets	6,556	19	6,326	21
Continuing operations	**34,286**	**100**	**30,095**	**100**

NET SALES BY BUSINESS AREA

SEK M	2023	2022	Organic change, %	Structural change, %	Exchange rate change, %	Total change, %
Trelleborg Industrial Solutions	15,249	13,998	3	2	4	9
Trelleborg Sealing Solutions	18,548	15,662	1	12	5	18
Group activities/Eliminations	489	435				
Continuing operations	**34,286**	**30,095**	**2**	**7**	**5**	**14**

NET SALES



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CONSOLIDATED INCOME STATEMENTS

SEK M	Note	2023	2022
Net sales	2	**34,286**	**30,095**
Cost of goods sold		–22,195	–19,341
Gross profit		**12,091**	**10,754**
Selling expenses		–2,526	–2,242
Administrative expenses		–3,123	–2,808
Research & development costs		–697	–554
Other operating income [1]	6	792	295
Other operating expenses [1]	6	–1,017	–384
Share of profit or loss in associated companies	12	–2	5
EBIT, excluding items affecting comparability		**5,518**	**5,066**
Items affecting comparability	5	–614	–241
EBIT	4, 7, 10	**4,904**	**4,825**
Financial income [2]	8	636	199
Financial expenses	8	–743	–429
Profit before tax		**4,797**	**4,595**
Income tax [3]	9	–1,316	–1,166
Net profit, continuing operations		**3,481**	**3,429**
Net profit, discontinuing operations [4]	25	6,593	1,828
Net profit, Group		**10,074**	**5,257**
– shareholders of the Parent Company		10,075	5,260
– non-controlling interests		–1	–3

[1] Other operating income and expenses are impacted by exchange rate differences recognized gross.

[2] For 2023, includes non-recurring financial income of SEK 218 M (SEK 173 M after tax) attributable to the interest-rate hedges terminated in conjunction with the divestment of the Group's tire operation.

[3] For 2023, includes a non-recurring tax expense of SEK 100 M related to a review of the Group's legal structure following the divestment of the Group's tire operation.

[4] For 2023, includes the capital gain from divestment of the Group's tire and printing blanket operations.

EARNINGS PER SHARE [5]

SEK	2023	2022
Continuing operations	14.31	13.01
Discontinuing operations	25.93	6.93
Group, total	**40.24**	**19.94**
Group, excluding items affecting comparability	42.68	20.81
Continuing operations, excluding items affecting comparability	16.64	13.80

[5] There were no dilutive effects.

NUMBER OF SHARES, DIVIDEND

	2023	2022
On the balance sheet date	255,125,919	271,071,783
of which, in treasury	11,696,591	13,691,970
Average	250,349,374	263,885,220
Dividend, SEK [6]	6.75	6.00

[6] As proposed by the Board of Directors.

STATEMENTS OF COMPREHENSIVE INCOME

SEK M	2023	2022
Net profit, Group	**10,074**	**5,257**
Other comprehensive income		
Items that will not be reclassified to the income statement		
Reassessment of net pension obligation	–1	145
Income tax relating to components of other comprehensive income	0	–32
Total	**–1**	**113**
Items that may be reclassified to the income statement		
Cash-flow hedging [7]	–261	408
Hedging of net investment	435	–966
Translation differences	–741	3,774
Income tax relating to components of other comprehensive income	–88	112
Total	**–655**	**3,328**
Other comprehensive income, net of tax	**–656**	**3,441**
Total comprehensive income	**9,418**	**8,698**
Total comprehensive income attributable to:		
Shareholders of the Parent Company	9,418	8,701
Non-controlling interests	0	–3

[7] See also Note 29.

ORGANIC GROWTH

	Organic growth 2023, %	Organic growth 2022, %
Europe	4	10
North and South America	4	21
Asia and Other markets	–2	11
Continuing operations	**2**	**14**

EBITA and EBIT

EBITA, excluding items affecting comparability, increased compared with the preceding year and amounted to SEK 6,002 M (5,334). The EBITA margin was 17.5 percent (17.7). Amortization and impairment of intangible assets, excluding items affecting comparability, amounted to SEK –542 M (–316).

Both business areas reported a positive performance compared with 2022, with Trelleborg Industrial Solutions increasing its EBITA by 15 percent and Trelleborg Sealing Solutions by 7 percent. Earnings for Group activities improved as costs linked to M&A activities were lower year on year and the Czech automotive component operation, which was divested in December 2023, reported an earnings improvement. The divested operations are recognized as Group activities in the financial statements and reported sales of approximately SEK 450 M in 2022. The divestment had an insignificant impact on the Group's EBITA. Acquisitions finalized made a positive contribution to the Group's earnings generation. The efficiency enhancement efforts that have been ongoing for many years via the Group's Excellence programs in manufacturing, purchasing, supply chain, leadership and sales continued during the year. Both implemented and ongoing action programs continued to generate positive effects in the form of more efficient structures and lower costs. The impact of exchange rate effects – the translation of the earnings of foreign subsidiaries to common exchange rates – amounted to SEK 172 M, with the largest positive impact from the translation of subsidiaries with financial statements in USD, GBP and EUR.

EBITA, EXCLUDING ITEMS AFFECTING COMPARABILITY

SEK M	2023	2022
Trelleborg Industrial Solutions	2,375	2,057
Trelleborg Sealing Solutions	3,879	3,616
Group activities	–252	–339
Continuing operations	**6,002**	**5,334**

EBITA and the EBITA margin for the Trelleborg Industrial Solutions business area increased compared with the preceding year, with EBITA reaching its highest level to date. Structural improvements and a positive sales mix resulted in higher margins. Generally good cost control and active price adjustments for customers offset higher costs during the year. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 61 M on EBITA compared with the preceding year.

EBITA for the Trelleborg Sealing Solutions business area increased as the result of price adjustments for customers and completed acquisitions. The EBITA margin declined, mainly as a result of acquisitions with lower margins. Investments in the organization within a number of rapidly expanding market segments are having a temporary negative impact on the margin but are expected to have a positive effect in the long term. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 123 M on EBITA compared to the preceding year.

In the fourth quarter of 2023, a UK operation that engaged in trading in customized metal components was divested. The divested operation, which is part of the Trelleborg Sealing Solutions business area, reported sales of approximately SEK 60 M in 2022. The divestment had no impact on the Group's earnings.

Consolidated EBIT, excluding items affecting comparability, amounted to SEK 5,518 M (5,066), up 9 percent. The EBIT margin, excluding items affecting comparability, amounted to 16.1 percent (16.8).

EBIT SPECIFICATION

SEK M	2023	2022
Excluding items affecting comparability:		
EBITDA	7,368	6,475
Depreciation/impairment of tangible assets	–1,308	–1,093
Amortization/impairment of intangible assets	–58	–48
EBITA	6,002	5,334
Amortization of surplus values related to acquisitions	–484	–268
EBIT	5,518	5,066
Items affecting comparability	–614	–241
EBIT, continuing operations	**4,904**	**4,825**

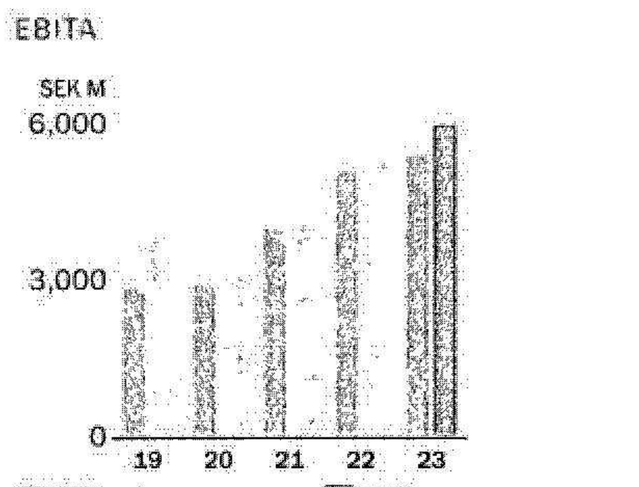
Items affecting comparability

Items affecting comparability totaled SEK –614 M (–241) and pertained to restructuring costs of SEK –527 M (–381) and a capital loss from the divestment of an offshore oil & gas business in the US of SEK –87 M (2022 includes capital gains from the sale of assets totaling SEK 140 M). The divested operation, which is part of the Trelleborg Industrial Solutions business area, reported sales of approximately SEK 30 M in 2022. The relatively high restructuring costs in 2023 were mainly due to adjustments to lower demand in both business areas. EBIT for continuing operations, including items affecting comparability, amounted to SEK 4,904 M (4,825).

Financial income and expenses, taxes

Net financial income and expenses amounted to SEK –107 M (–230) and in 2023, include non-recurring financial income of SEK 218 M (SEK 173 M after tax) attributable to the interest-rate hedges terminated in conjunction with the divestment of the Group's tire operation. Net financial items were also impacted by higher interest expenses though this was offset by interest income attributable to the Group's net cash position. Profit before tax totaled SEK 4,797 M (4,595). The tax expense for the year totaled SEK –1,316 M (–1,166), corresponding to a tax rate of 27 percent (25). The underlying tax rate for continuing operations is estimated at 25 percent. Net profit was SEK 3,481 M (3,429). Earnings per share for continuing operations, excluding items affecting comparability, totaled SEK 16.64 (13.80).

EBITA



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DISCONTINUING OPERATIONS

The Group's tire and printing blanket operations were reported in 2023 and 2022 as discontinuing operations. These were divested to Yokohama Rubber and Continental, respectively, on May 2, 2023. The total capital gain amounted to SEK 6,189 M before tax and SEK 6,052 M after tax and is recognized under discontinuing operations in the income statement.

Net profit for discontinuing operations totaled SEK 6,593 M (1,828).

Group's tire operation

When an agreement was signed to divest the Trelleborg Wheel Systems business area to The Yokohama Rubber Co., Ltd., the Group's tire operation was recognized as assets and liabilities held for sale and discontinuing operations. On May 2, 2023, the divestment was concluded after the approval of all the relevant authorities. The divestment yielded a capital gain of approximately SEK 6,000 M.

Group's printing blanket operation

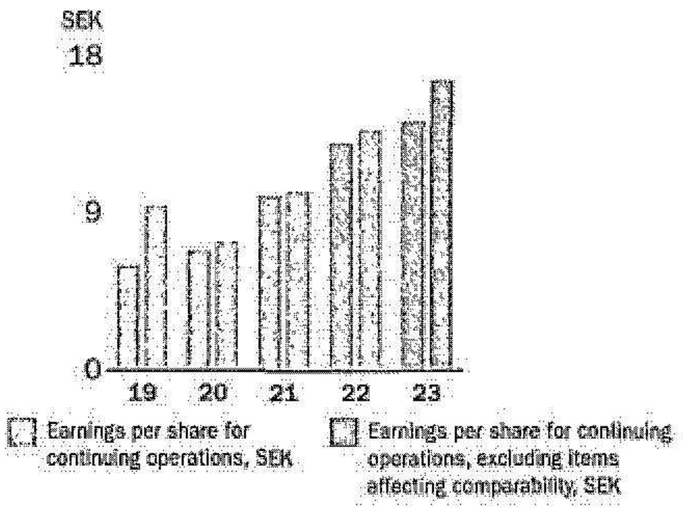
As of the first quarter of 2021, the Group's printing blanket operation was reported as assets and liabilities held for sale and discontinuing operations. In the fourth quarter of 2021, an agreement was signed to divest the operations to Continental. On May 2, 2023, the divestment was concluded after the approval of all the relevant authorities. The divestment yielded a capital gain of approximately SEK 50 M.

Refer also to Note 25 for further information on discontinuing operations.

GROUP

Net profit for the Group amounted to SEK 10,074 M (5,257), mainly impacted by the capital gain from the divestments of the Group's tire and printing blanket operations. Earnings per share were SEK 40.24 (19.94).

EARNINGS PER SHARE



Key figures per quarter

NET SALES

	Jan–Mar		Apr–Jun		Jul–Sep		Oct–Dec	
SEK M	2023	2022	2023	2022	2023	2022	2023	2022
Trelleborg Industrial Solutions	3,840	3,323	3,980	3,512	3,663	3,472	3,766	3,691
Trelleborg Sealing Solutions	4,738	3,664	4,571	3,725	4,688	3,970	4,551	4,303
Group activities	190	169	194	171	165	141	178	169
Elimination	–57	–61	–49	–57	–58	–47	–74	–50
Continuing operations	**8,711**	**7,095**	**8,696**	**7,351**	**8,458**	**7,536**	**8,421**	**8,113**

EBITA, EXCLUDING ITEMS AFFECTING COMPARABILITY

	Jan–Mar		Apr–Jun		Jul–Sep		Oct–Dec	
SEK M	2023	2022	2023	2022	2023	2022	2023	2022
Trelleborg Industrial Solutions	563	470	632	561	594	507	586	519
Trelleborg Sealing Solutions	1,033	897	1,001	900	936	907	909	912
Group activities	–68	–85	–70	–85	–43	–78	–71	–91
Continuing operations	**1,528**	**1,282**	**1,563**	**1,376**	**1,487**	**1,336**	**1,424**	**1,340**

Comments on the consolidated balance sheets

CAPITAL EMPLOYED

SEK M	2023	2022
Opening balance, capital employed, continuing operations	**41,309**	**26,557**
Change in working capital	-842	1,095
Net change in non-current assets	405	485
Change in participations in joint ventures/associated companies	-6	50
Structural changes	127	10,493
Exchange rate effects upon translation of foreign subsidiaries	-1,225	2,629
Change in capital employed, 2023	**-1,541**	**14,752**
Closing balance, capital employed, continuing operations	**39,768**	**41,309**

SPECIFICATION OF CAPITAL EMPLOYED

SEK M	2023	2022
Working capital	4,595	5,591
Property, plant and equipment	7,757	7,589
Right-of use assets	1,538	1,507
Intangible assets	25,824	26,561
Participations in joint ventures/associated companies	54	61
Continuing operations	**39,768**	**41,309**
Assets and liabilities held for sale, discontinuing operations	-	17,935
Group	**39,768**	**59,244**

The Group's total capital employed for continuing operations was SEK 39,768 M (41,309), representing an decrease of SEK 1,541 M.

The change in working capital during the year, excluding acquisitions and exchange rate effects, was SEK -842 M.

The net change related to the year's investments, depreciation, amortization, and impairment of property, plant and equipment and intangible assets, including right-of-use assets, amounted to SEK 405 M, excluding exchange rate effects.

Participations in associated companies declined by SEK 6 M.

Structural changes that impacted entities acquired and divested during *the year increased capital employed by SEK 127 M during the year.*

Exchange rate effects decreased total capital employed by SEK 1,225 M during the year.

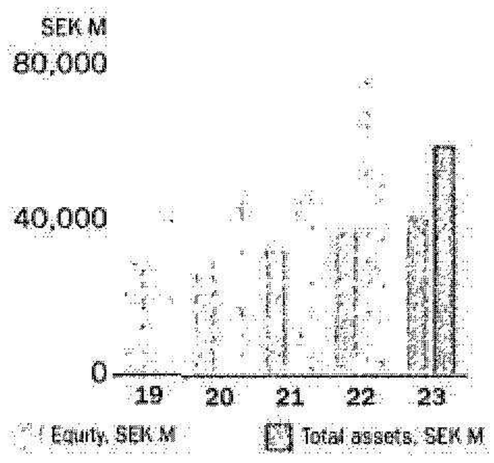
The Group's tire and printing blanket operations were reported in 2022 as discontinuing operations, assets held for sale. These were divested in the second quarter of 2023.

RETURN ON CAPITAL EMPLOYED, %

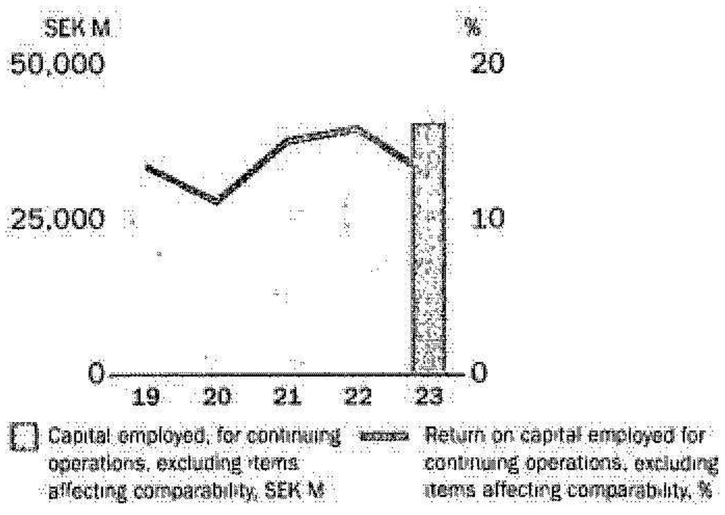
	2023	2022
Excluding items affecting comparability	12.9	15.9
Including items affecting comparability	11.5	15.3

The return on capital employed for continuing operations, excluding items affecting comparability, was 12.9 percent (15.9).

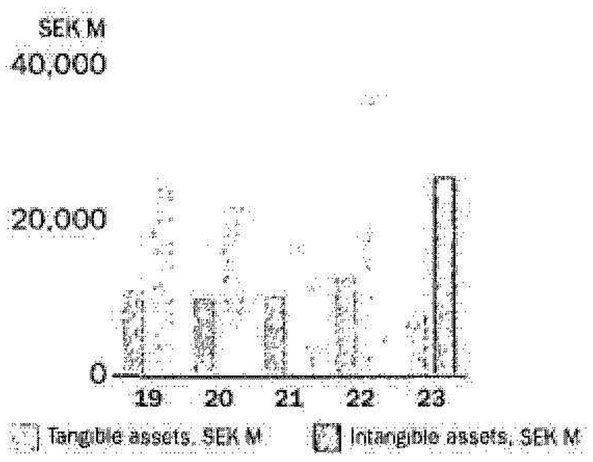
CAPITAL STRUCTURE



CAPITAL EMPLOYED AND RETURN ON CAPITAL EMPLOYED



TANGIBLE AND INTANGIBLE ASSETS



20240912066621

CONSOLIDATED BALANCE SHEETS

December 31, SEK M	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	15	7,757	7,589
Right-of-use assets	16	1,538	1,507
Goodwill	17	20,491	20,818
Other intangible assets	17	5,333	5,744
Participations in associated companies	12	54	61
Financial non-current assets	13, 22, 27, 32	165	456
Deferred tax assets	9	498	543
Total non-current assets		**35,836**	**36,718**
Current assets			
Inventories	18	5,119	5,463
Current operating receivables	19, 20, 22	6,440	6,620
Current tax assets		853	1,068
Interest-bearing receivables	28	709	429
Cash and cash equivalents	26	10,546	3,924
Total current assets		**23,667**	**17,504**
Assets held for sale	25	–	22,844
TOTAL ASSETS		**59,503**	**77,066**
EQUITY AND LIABILITIES			
Equity	29		
Share capital		2,620	2,620
Other capital contributions		226	226
Other reserves		4,684	5,339
Profit brought forward		24,117	24,037
Net profit for the year		10,075	5,260
Total		**41,722**	**37,482**
Non-controlling interests		5	6
Total equity		**41,727**	**37,488**
Non-current liabilities			
Interest-bearing non-current liabilities	30	5,344	9,029
Other non-current liabilities	22, 23	71	86
Pension obligations	11	346	352
Other provisions	24	447	288
Deferred tax liabilities	9	799	910
Total non-current liabilities		**7,007**	**10,665**
Current liabilities			
Interest-bearing current liabilities	30	2,953	16,124
Current tax liability		1,241	1,360
Other current liabilities	21, 22, 23	6,080	6,045
Other provisions	24	495	361
Total current liabilities		**10,769**	**23,890**
Liabilities held for sale	25	–	5,023
TOTAL EQUITY AND LIABILITIES		**59,503**	**77,066**

TRELLEBORG GROUP, CHANGE IN TOTAL EQUITY

	Equity											
	Attributable to shareholders of the Parent Company								Non-controlling interests		Total	
	Share capital		Other capital contributions		Other reserves		Profit brought forward					
SEK M	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance, January 1	2,620	2,620	226	226	5,339	2,011	29,297	28,133	6	8	37,488	32,998
Net profit for the year	–	–	–	–	–	–	10,075	5,260	–1	–3	10,074	5,257
Other comprehensive income	–	–	–	–	–655	3,328	–1	112	–	1	–656	3,441
Repurchase of own shares	–	–	–	–	–	–	–3,880	–3,079	–	–	–3,880	–3,079
Cancellation of own shares	–154	–	–	–	–	–	154	–	–	–	–	–
Bonus issue	154	–	–	–	–	–	–154	–	–	–	–	–
Dividend	–	–	–	–	–	–	–1,524	–1,481	–	–	–1,524	–1,481
Effects of IAS 29 [1]	–	–	–	–	–	–	225	352	–	–	225	352
Closing balance, December 31	**2,620**	**2,620**	**226**	**226**	**4,684**	**5,339**	**34,192**	**29,297**	**5**	**6**	**41,727**	**37,488**

[1] Relates to hyperinflation accounting for operation in Türkiye, see also Notes 1, 9, 15 and 17.

For other reserves, refer to Note 29.

NET DEBT, GROUP [1]

SEK M	2023	2022
Non-current interest-bearing investments and receivables	50	47
Current interest-bearing receivables	709	429
Cash and cash equivalents	10,546	4,759
Total interest-bearing assets	**11,305**	**5,235**
Interest-bearing non-current liabilities	–5,344	–9,452
Pension liabilities [2]	–326	–438
Interest-bearing current liabilities	–2,953	–16,242
Total interest-bearing liabilities	**–8,623**	**–26,132**
Net debt	**2,682**	**–20,897**
Change in net debt:		
Net debt at January 1	**–20,897**	**–8,367**
Operating cash flow	4,737	5,204
Cash-flow effect of items affecting comparability	–479	–306
Financial items	–325	–150
Tax paid	–1,407	–1,443
Free cash flow	**2,526**	**3,305**
Acquisitions	–447	–11,199
Divested operations	26,462	149
Capital contribution to associated companies	–	–17
Dividend paid – shareholders of the Parent Company	–1,524	–1,481
Repurchase of own shares	–3,880	–3,079
Net cash flow	**23,137**	**–12,322**
Exchange rate differences	390	–518
Lease liabilities [3]	62	146
Pension liabilities [3]	–10	164
Net debt at year end	**2,682**	**–20,897**
Of which:		
Pension liabilities [2]	–326	–438
Lease liabilities	–1,606	–2,215
Net debt excluding impact of lease and pension liabilities	4,614	–18,244
Debt/equity ratio, %		
Group	–6	56
Net debt/EBITDA [4]		
Group	–0.2	2.4
Group		
EBITDA/net interest income, multiples	32.7	29.0
Return on shareholders' equity, %	25.4	14.9

[1] Net debt refers to the Group in its entirety.

[2] Pension liabilities are shown net, after deduction of SEK 20 M for pension assets.

[3] Relates to non-cash items.

[4] EBITDA, including items affecting comparability.

Net debt and financing

Net debt at the beginning of 2023 amounted to SEK –20,897 M.

During the year, net debt was impacted by free cash flow for the year of SEK 2,526 M (3,305). Net cash flow amounted to SEK 23,137 M (–12,322). Net cash flow for the period was impacted by effects from acquisitions of SEK –447 M (–11,199), effects from divested operations of SEK 26,462 M (149), mainly attributable to the divestment of the Group's tire and printing blanket operations with a total effect of SEK 26,328 M, dividends to the shareholders of the Parent Company of SEK –1,524 M (–1,481) and the repurchase of own shares of SEK –3,880 M (–3,079). Divestments of the Group's tire and printing blanket operations led to the Group recognizing net cash of SEK 2,682 M (–20,897) at the end of the year.

As the Group reports a net cash position, the reported debt ratio becomes negative and amounts to –6 percent (56). Net debt in relation to EBITDA was –0.2 (2.4).

Trelleborg's credit facilities

Trelleborg's core EUR 412 M and USD 572 M syndicated multicurrency revolving credit facility matures in February 2026.

The Group also has a syndicated facility of CZK 6,750 M. This facility matures in 2024.

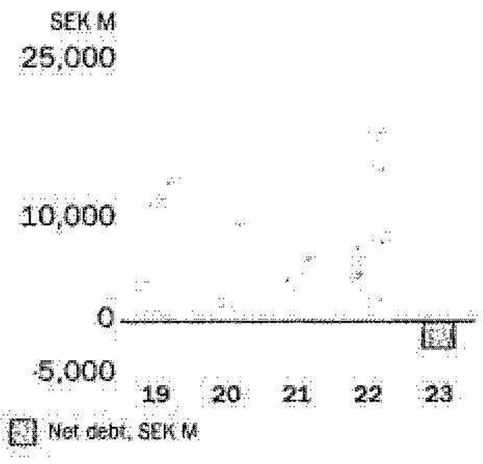
In September 2022, a bank loan was raised in the form of a bridging loan for USD 950 M to finance the acquisition of Minnesota Rubber & Plastics. The loan was repaid in full in conjunction with the finalization of the sale of the Group's tire operation in May 2023.

Equity

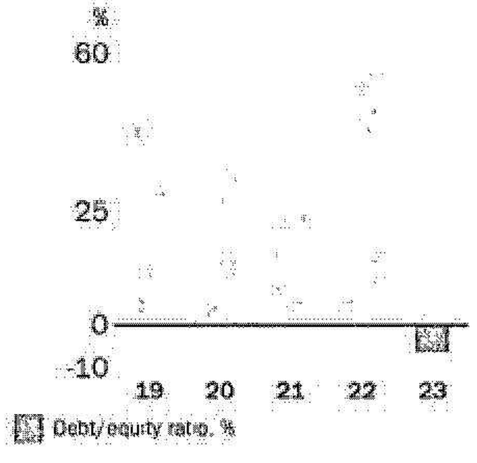
Shareholders' equity for the Group at the close of the period amounted to SEK 41,727 M (37,488), positively impacted by net profit for the year of SEK 10,074 M, including the capital gain from the divestments of the Group's tire and printing blanket operations. Effects of translation differences, cash-flow hedging and the hedging of net investments decreased total equity by a net amount of SEK 655 M. Effects of the restatement of the net pension obligation under IAS 19 Employee Benefits was SEK –1 M after tax. The dividend for the year to shareholders amounted to SEK 1,524 M (1,481), and reduced equity, as did the repurchase of own shares of SEK 3,880 M (3,079) in 2023. Effects of hyperinflation accounting in Türkiye, in accordance with IAS 29, impacted equity in an amount of SEK 225 M (352).

Equity per share amounted to SEK 171 (146), based on the number of outstanding shares less treasury shares on the balance sheet date (243,429,328 shares). The equity/assets ratio was 70 percent (49). The return on shareholders' equity for the Group, excluding items affecting comparability, totaled 27.0 percent (15.6). The return on shareholders' equity for the Group, including items affecting comparability, amounted to 25.4 percent (14.9) for the corresponding period. Both return on investment measures were affected by the capital gain of SEK 6,052 M attributable to the divestment of the Group's tire and printing blanket operations.

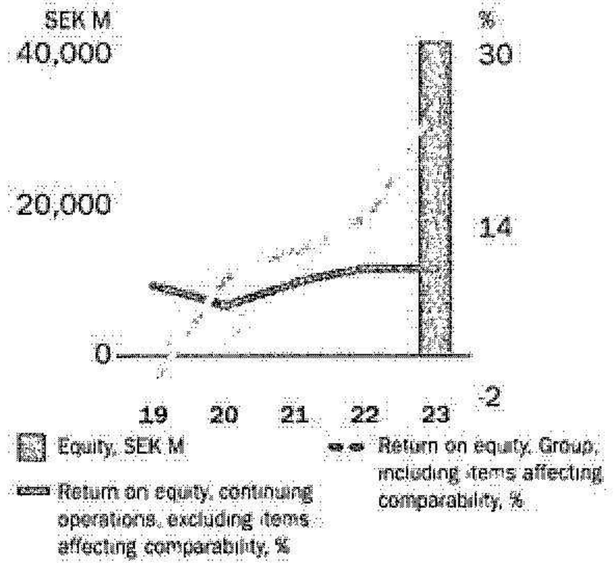
NET DEBT [5]



DEBT/EQUITY RATIO



EQUITY AND RETURN ON SHAREHOLDERS' EQUITY



[5] As of 2019, lease liabilities are included in net debt.

Comments on the consolidated cash-flow statements

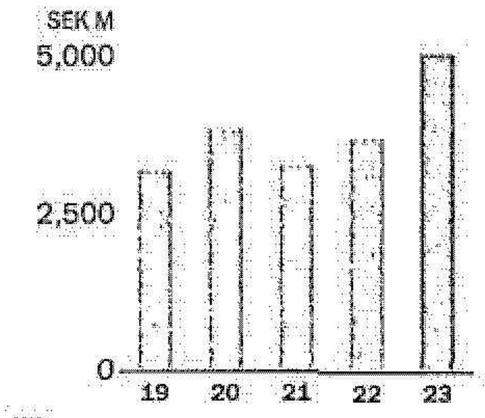
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Operating cash flow for continuing operations amounted to SEK 5,063 M (3,732). Cash flow was positively affected by the higher earnings generation. The rate of investment was higher than in the preceding year, and amounted to SEK 1,678 M (1,330), an increase of 26 percent. Changes in working capital affected operating cash flow in an amount of SEK –38 M (–1,125), mainly attributable to efficient working capital management. The cash conversion ratio for the year was 92 percent (74).

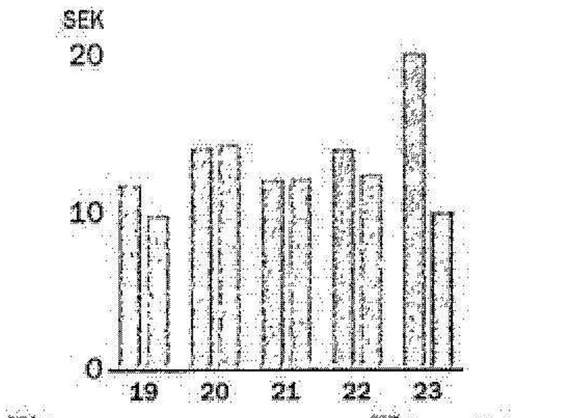
Operating cash flow from discontinuing operations amounted to SEK –326 M (1,472) and pertains to the Group's divested tire and printing blanket operations for the January 1–May 2, 2023 period. During the year, payments related to items affecting comparability amounted to SEK –479 M (–306). After deductions for financial items, SEK –325 M (–150), and taxes paid of SEK –1,407 M (–1,443), free cash flow amounted to SEK 2,526 M (3,305), corresponding to SEK 10.09 per share (12.52).

In 2023, four acquisitions took place that impacted net cash flow for the year by SEK –447 M (–11,199). The effects of the year's divestments amounted to SEK 26,462 M (149), primarily affected by the divestment of the Group's tire and printing blanket operations with a combined effect of SEK 26,328 M. The dividend to shareholders amounted to SEK –1,524 M (–1,481) and the repurchase of own shares for the year was SEK –3,880 M (–3,079). Net cash flow amounted to SEK 23,137 M (–12,322).

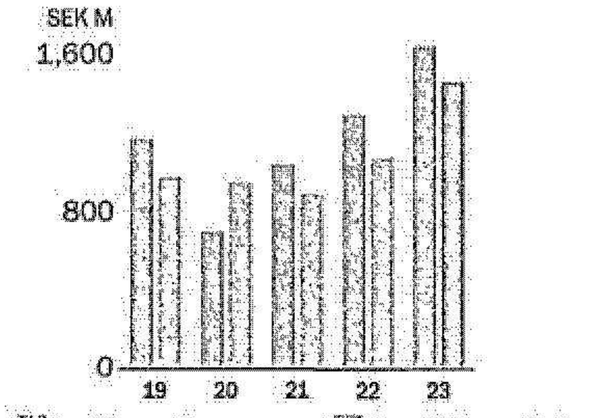
OPERATING CASH FLOW



CASH FLOW PER SHARE



CAPITAL EXPENDITURES [1] AND DEPRECIATION



[1] Excluding right-of-use assets.

CASH-FLOW REPORT

	EBITDA		Gross capital expenditures [2]		Sold non-current assets		Amortization of lease liability		Change in working capital [2]		Dividend from associated companies		Other non-cash items		Total cash flow	
SEK M	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Trelleborg Industrial Solutions	2,892	2,520	–646	–420	26	14	–245	–118	93	–437	8	–	78	35	2,206	1,594
Trelleborg Sealing Solutions	4,648	4,258	–984	–858	3	13	–213	–198	–349	–755	1	0	57	38	3,163	2,498
Group activities	–172	–303	–48	–52	0	24	–7	–6	218	67	–	–	–297	–90	–306	–360
Continuing operations	**7,368**	**6,475**	**–1,678**	**–1,330**	**29**	**51**	**–465**	**–322**	**–38**	**–1,125**	**9**	**0**	**–162**	**–17**	**5,063**	**3,732**
Discontinuing operations	7,042	2,569	–240	–470	11	49	–42	–116	25	–548	–	–	–7,122	–11	–326	1,472
Group	**14,410**	**9,044**	**–1,918**	**–1,800**	**40**	**100**	**–507**	**–438**	**–13**	**–1,673**	**9**	**0**	**–7,284**	**–28**	**4,737**	**5,204**
Cash-flow effect of items affecting comparability															–479	–306
Financial items															–325	–150
Tax paid															–1,407	–1,443
Free cash flow															**2,526**	**3,305**
Acquisitions															–447	–11,199
Divested operations															26,462	149
Capital contributions															–	–17
Dividend paid – shareholders of the Parent Company															–1,524	–1,481
Repurchase of own shares															–3,880	–3,079
Total net cash flow															**23,137**	**–12,322**

[2] As of 2023, capital expenditures include changes in accounts payable linked to investments. These liabilities were previously part of the change in working capital. Items affecting comparability have been restated to reflect this reclassification.

CHANGE IN LIABILITIES FROM FINANCING ACTIVITIES, GROUP

				Non-cash changes					
SEK M	2022	Transfer between long-term and short-term loans	Cash changes	Acquisitions	Translation differences	Fair value changes	Lease liabilities	Pension obligations	2023
Long-term loans	7,672	–2,561	–1,021	–	–66	–	–	–	4,024
Current loans	15,481	2,561	–15,374	–	–107	–	–	–	2,561
Other non-current financial liabilities	1	–	–1	–	0	–	–	–	0
Other current financial liabilities	325	–	56	–	–275	–	–	–	106
Lease liabilities	2,215	–	–1,026	–	–28	–	445	–	1,606
Pension obligations	458	–	–113	–	–9	–	–	10	346
Total liabilities from financing activities	**26,152**	**–**	**–17,479**	**–**	**–485**	**–**	**445**	**10**	**8,643**

CONSOLIDATED CASH-FLOW STATEMENTS

SEK M	Note	2023	2022
Operating activities			
EBIT including participations in associated companies		4,904	4,825
Adjustment for items not included in operating cash flow:			
Depreciation of property, plant, and equipment	15	924	760
Depreciation of right-of-use assets	16	365	323
Amortization of intangible assets	17	539	316
Impairment of property, plant, and equipment	15, 16	38	10
Impairment of intangible assets	17	3	–
Dividend from associated companies		9	1
Participations in associated companies and other non-cash items		-162	-15
Capital loss/gain on divested operations		87	-140
Interest received		381	254
Interest paid		-848	-390
Other financial items		265	31
Tax paid		-1,266	-984
Cash flow from operating activities before changes in working capital		**5,239**	**4,991**
Cash flow from changes in working capital			
Change in inventories		122	-694
Change in operating receivables		-262	-461
Change in operating liabilities [1]		156	113
Cash flow from operating activities		**5,255**	**3,949**
Investing activities			
Acquired units	14	-447	-11,199
Divested/discontinuing operations		135	149
Capital contribution to associated companies		–	-16
Gross capital expenditures for property, plant and equipment [1]	15	-1,529	-1,218
Gross capital expenditures for intangible assets	17	-149	-112
Sale of non-current assets		30	57
Cash flow from investing activities		**-1,960**	**-12,339**
Financing activities			
New/utilized loans		12,515	16,706
Amortized loans		-19,942	-12,403
Amortized lease liabilities		-465	-322
Repurchase of own shares		-3,880	-3,079
Dividend paid – shareholders of the Parent Company		-1,524	-1,481
Cash flow from financing activities	30	**-13,296**	**-579**
Total cash flow from continuing operations		**-10,001**	**-8,969**
Total cash flow from discontinuing operations	25	**15,884**	**10,121**
Cash flow for the period, Group		**5,883**	**1,152**
Cash and cash equivalents			
Opening balance from continuing operations, January 1		3,924	3,460
Opening balance from discontinuing operations, January 1		-835	-36
Cash and cash equivalents held for sale	25	–	-835
Exchange rate differences		-96	111
Cash and cash equivalents, December 31	26	**10,546**	**3,924**

[1] As of 2023, capital expenditures include changes in accounts payable linked to investments. These liabilities were previously part of the change in working capital. Items affecting comparability have been restated to reflect this reclassification.

Definitions of performance measures

Trelleborg employs a number of alternative performance measures related to financial position, including return on equity and capital employed, net debt, debt/equity ratio and equity/assets ratio. The Group believes that these performance measures can be utilized by users of the financial statements as a supplement in assessing the possibility of dividends, making strategic investments, and assessing the Group's ability to meet its financial commitments. Trelleborg also uses the cash flow metrics of operating cash flow and free cash flow to provide an indication of the funds generated by the operations in order to conduct strategic investments, carry out amortizations, and generate a return for its shareholders. Trelleborg uses the operational performance metrics of EBITDA, EBITA and EBIT excluding items affecting comparability, which the Group considers to be relevant for investors seeking to understand its earnings generation before items affecting comparability. For further descriptions and calculations of performance measures, visit www.trelleborg.com/en/investors/financial-definitions.

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Notes – Group

General accounting policies

The Parent Company, Trelleborg AB (publ), is a limited liability company with its registered office in Trelleborg, Sweden. The Parent Company is listed on Nasdaq Stockholm. The Board of Directors resolved to adopt these consolidated financial statements for publication on February 29, 2024.

Basis of preparation

The Trelleborg Group's financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Corporate Groups and the International Financial Reporting Standards (IFRS) and IFRIC interpretations, as approved by the EU.

The Group's financial statements have been prepared in accordance with the cost method, with the exception of certain financial instruments that were measured at fair value.

The Parent Company applies the same accounting policies as the Group, except in the instances stated in Note 35 "Parent Company's accounting policies." The differences arising between the Parent Company and the Group's accounting policies are attributable to limitations on the ability to apply IFRS in the Parent Company, primarily as a result of the Swedish Annual Accounts Act.

These policies were applied consistently for all years presented, unless otherwise stated.

Consolidated financial statements

Group

The consolidated financial statements include the Parent Company and all subsidiaries, joint ventures, and associated companies. Intra-Group transactions, balance-sheet items, and income and costs for intra-Group transactions are eliminated. Gains and losses resulting from intra-Group transactions and which are recognized in assets are also eliminated.

Translation of foreign currencies

Functional currency and reporting currency

Items included in the financial statements of the various entities of the Group are valued in the currency used in the primary economic environment of each company's operations (functional currency). Swedish kronor (SEK), which is the Parent Company's functional currency and presentation currency, is utilized in the consolidated financial statements.

Transactions and balance-sheet items

Transactions in foreign currency are translated into the functional currency in accordance with the exchange rate prevailing on the transaction date. Exchange rate gains and losses resulting from settlement of such transactions and from the translation at the closing rate of monetary assets and liabilities in foreign currency are recognized in profit and loss. An exception is made when hedging transactions meet the requirements for cash-flow hedging or net-investments hedging whereby gains and losses are recognized directly against other comprehensive income after adjustment for deferred taxes. Reversal to profit and loss takes place at the same time as the hedged transaction impacts profit and loss.

Subsidiaries

The earnings and financial position of the Group subsidiaries, joint ventures, and associated companies are prepared in the functional currency of each company. In the consolidated financial statements, the earnings and financial position of foreign subsidiaries are translated into SEK in accordance with the following:

Income and expenses in the income statements of subsidiaries are translated at the average exchange rate for the applicable year, while assets and liabilities in the balance sheets are translated at the closing rate. Exchange rate differences arising from translation are recognized as a separate item in other comprehensive income. Translation differences arising on financial instruments, which are held for hedging of net assets in foreign subsidiaries, are also entered as a separate item in other comprehensive income. On divestment, the accumulated translation differences attributable to the divested unit, previously recognized in other comprehensive income, are realized in the consolidated income statement in the same period as the gain or loss on the divestment.

For foreign operations located in countries with hyperinflation, the financial statements are adjusted before translation using a reliable inflation index. This is performed in order to take into account changes in the purchasing power of the company's functional currency, usually its local currency. Only the year concerned is adjusted using an inflation index. Thereafter, assets and liabilities, including goodwill and other consolidated surplus values and discounts are restated in the Group's presentation currency at the exchange rate prevailing on the closing date. Revenue and expenses are also restated using this exchange rate. Refer to the "Change in equity" table on page 61 and Notes 9, 15 and 17.

Goodwill and adjustments of fair value arising in connection with the acquisition of foreign operations are treated as assets and liabilities of these operations, and are translated at the closing rate.

Other accounting and valuation policies

Non-current assets and non-current liabilities comprise amounts expected to be recovered or paid more than 12 months from the closing date. Current assets and current liabilities comprise amounts expected to be recovered or paid within 12 months of the closing date.

New and amended IFRS standards applied from January 1, 2023

The following standards and amendments are new for the fiscal year beginning on January 1, 2023:

- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to IAS 12 Income Taxes
- Amendments to IFRS 17 Insurance Contracts

None of the above amended and improved IFRS standards that took effect in 2023 had any material impact on the Group's reporting.

New standards and interpretations that have not yet come into effect

A number of new and amended IFRS have not yet come into effect and were not applied prospectively in connection with the preparation of the Group's and Parent Company's financial statements. These amended standards or interpretations are not expected to have any material impact on the Group's or Parent Company's financial statements.

Pillar 2

The Group has applied the temporary exemption issued by the IASB in May 2023 to the accounting requirements concerning deferred tax under IAS 12. Consequently, the Group does not recognize or disclose information about deferred tax assets and liabilities related to Pillar 2 income taxes. To comply with Pillar 2, the government of Sweden, where the Parent Company is registered, adopted a law on top-up tax on December 13, 2023 that will apply as of January 1, 2024. According to the legislation, the parent company will be liable in Sweden to pay a top-up tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15 percent. As of December 31, 2023, approximately 0.8 percent of the Group's profit would be subject to top-up tax, which is currently taxed at an average effective tax rate of 10.6 percent. This information is based on the profits and tax expenses determined as part of the preparation of the Group's consolidated financial statements. Since none of the adjustments required under the legislation have been made, the actual impact that the Top-Up Tax Act would have had on the Group's earnings had it been in force in the year ending December 31, 2023 may have been different. The Group continues to evaluate the impact of the Top-Up Tax Act on its future financial performance.

Critical accounting estimates and judgments

Company management and the Board of Directors make estimates and assumptions about the future. These estimates and assumptions impact recognized assets and liabilities, as well as revenue and expenses, and other disclosures, including contingent liabilities. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The conclusions reached in this manner form the basis for decisions concerning the carrying amounts of assets and liabilities where these cannot be determined by means of other information. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. Estimates and assumptions that may have a significant effect on the Group's earnings and financial position are provided for each note where appropriate:

Note 2 Segment reporting

Note 9 Income tax

Note 11 Pension provisions and similar items

Note 16 Leases

Note 17 Intangible assets

Note 18 Inventories

Note 19 Current operating receivables

Note 24 Other provisions

Climate-related risks

Climate change is a challenge that entails risks for the entire global community, including its companies, people, and surrounding environment. Trelleborg is playing an active risk-prevention role by supplying products and solutions that reduce energy consumption and emissions for customers and society at large, and through its systematic work to limit climate risks directly associated with its own operations and its value chain.

During 2023, governance and organization of sustainability were further developed. Trelleborg continued to strengthen its organization during the year to clarify the roles of the Board of Directors, the management, the executive steering committee and the operational employees for the steering of sustainability work, as well as the individual responsibility of the business areas for planning and implementation.

An analysis of climate-related risks and opportunities including future climate scenarios with financial impact according to the TCFD's recommendations provides the basis and variables for a potential future description for Trelleborg to base its actions on. The risks facing the Group can be divided into transition and physical risks.

Transition risks are generally expected to occur before physical risks. The organization is continuously increasing its contingency for future carbon regulations and rises in the price of raw materials. Transition risks related to changes in demand where customers avoid fossil materials is probably a larger risk in the medium term than new political measures and taxes. New materials and new technical solutions are monitored for the same purpose, namely for Trelleborg to be an industry leader in sustainability.

Climate-related disruptions of the supply chain and Trelleborg's production can be expected to increase moving forward. The risk analysis of climate-related physical risks has been in place for a long time. The number of upgrades to the level of Highly Protected Risk facilities is rising, refer to page 36.

Trelleborg's sustainability reporting is described in more detail on pages 108–134. Climate risks, including transition risks and physical risks, as well as descriptions of various climate scenarios, can be found on pages 111 and 116–118.

Discontinuing operations

The Group's tire and printing blanket operations were divested to Yokohama Rubber and Continental, respectively, on May 2, 2023.

Refer also to Note 25 for further information on discontinuing operations.

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Sales and earnings

2 Segment reporting

Accounting policies

Operating segments

Operating segments are reported in a manner consistent with the internal reports presented to the chief operating decision maker. The chief operating decision maker is the function responsible for the allocation of resources and the assessment of the operating segments' earnings. For the Group, this function has been identified as the President.

Trelleborg's operational businesses are organized into two business areas. Their respective strategies to secure leading positions in selected industries are tailored because they differ in structures and businesses – and because they operate in different market niches. The common denominator is the engineered polymer solutions that seal, damp and protect critical applications in demanding environments, as well as a distinctly decentralized organization built on local responsibility and personal dedication, which form the basis of the Group's model for profitability and business success.

- Trelleborg Industrial Solutions is a leading supplier of polymer-based critical solutions in selected industrial application areas and infrastructure projects.
- Trelleborg Sealing Solutions is a leading global supplier of polymer-based critical sealing solutions and components deployed in aerospace, automotive, general industry, and healthcare & medical.

In addition, other operations are gathered under the name Group activities. For a more detailed description of the Group's operating segments, refer to pages 26–29.

Assets held for sale

The Group's tire and printing blanket operations were reported in 2023 and 2022 as discontinuing operations, assets held for sale. These were divested on May 2, 2023. Refer also to Note 25 for further information.

In the presentation of the Group's geographic markets, the operations have been subdivided into Europe, North and South America, Asia and Rest of the World. Net sales are recognized according to customer location, while capital employed and capital expenditures are recognized according to where the subsidiaries are physically located.

Critical estimates and judgments

Segment reporting for the business areas comprises operating EBITA and capital employed. Capital employed encompasses all property, plant, and equipment, intangible assets and participations in associated companies, and inventories and operating receivables, less operating liabilities. The business areas are charged with Group-wide expenses amounting to 0.4 percent of external sales, which does not affect recognized cash flows.

A description of the Group's operating segments is presented on pages 26–29.

Net sales and EBITA by operating segment

	2023						2022					
SEK M	Net sales External	Internal	Total	EBITA	Of which items affecting comparability[1]	Of which profit/loss in associated companies	Net sales External	Internal	Total	EBITA	Of which items affecting comparability[1]	Of which profit/loss in associated companies
Trelleborg Industrial Solutions	14,991	259	15,249	1,939	–436	–3	13,771	227	13,998	1,954	–104	5
Trelleborg Sealing Solutions	18,534	14	18,548	3,698	–181	1	15,650	12	15,662	3,577	–39	1
Group activities	761	–34	727	–243	3	–	674	–24	650	–433	–98	–
Elimination	–	–239	–238	–6	–	–	–	–215	–215	–5	–	–
Total	**34,286**		**34,286**	**5,388**	**–614**	**–2**	**30,095**		**30,095**	**5,093**	**–241**	**6**
Depreciation/amortization of surplus values linked to acquisitions				–484						–268		
Financial income				636						199		
Financial expenses				–743						–429		
Income tax				–1,316						–1,166		
Net profit, continuing operations				**3,481**						**3,429**		
Net profit, discontinuing operations				6,593						1,828		
Net profit, Group				**10,074**						**5,257**		

[1] Refer also to Note 5 for further information.

Allocation of revenue, net sales

2023					Revenue recognition:		
SEK M	Europe	North and South America	Asia and Other markets	Total net sales	Over time	Point in time	Total net sales
Trelleborg Industrial Solutions	7,320	4,437	3,234	14,991	1,326	13,665	14,991
Trelleborg Sealing Solutions	7,872	7,358	3,305	18,534	24	18,510	18,534
Group activities	672	71	17	761	–	761	761
Total	**15,864**	**11,866**	**6,556**	**34,286**	**1,350**	**32,936**	**34,286**

2022					Revenue recognition:		
SEK M	Europe	North and South America	Asia and Other markets	Total net sales	Over time	Point in time	Total net sales
Trelleborg Industrial Solutions	6,532	4,153	3,086	13,771	1,145	12,626	13,771
Trelleborg Sealing Solutions	6,860	5,561	3,229	15,650	14	15,636	15,650
Group activities	583	80	11	674	–	674	674
Total	**13,975**	**9,794**	**6,326**	**30,095**	**1,159**	**28,936**	**30,095**

Allocation of revenue, net sales by business area and industry, 2023

Business area/ Industry, %	General industry	Automotive	Healthcare & Medical	Aerospace	Total
Trelleborg Industrial Solutions	83	8	3	6	100
Trelleborg Sealing Solutions	50	22	14	14	100
Continuing operations	**65**	**16**	**9**	**10**	**100**

Breakdown by operating segment

	2023						2022					
SEK M	Capital employed	Of which participations in associated companies	Capital expenditures [2]	Depreciation/ amortization [3]	Impairment losses [4]	Operating cash flow [5]	Capital employed	Of which participations in associated companies	Capital expenditures [2]	Depreciation/ amortization [3]	Impairment losses [4]	Operating cash flow [5]
Trelleborg Industrial Solutions	12,767	41	634	661	15	2,206	12,857	49	387	582	10	1,594
Trelleborg Sealing Solutions	27,913	13	966	1,093	3	3,163	28,140	12	869	767	0	2,498
Group activities	-708	–	47	74	21	-306	535	–	42	50	0	-360
Provisions for items affecting comparability	-204						-223					
Continuing operations	**39,768**	**54**	**1,647**	**1,828**	**39**	**5,063**	**41,309**	**61**	**1,298**	**1,399**	**10**	**3,732**
Discontinuing operations [6]	–	–	164	0	7	-326	17,942	68	478	133	1	1,472
Provisions for items affecting comparability	–						-7					
Group	**39,768**	**54**	**1,811**	**1,828**	**46**	**4,737**	**59,244**	**129**	**1,776**	**1,532**	**11**	**5,204**

[2] Relates to investments in property, plant, and equipment and intangible assets, excluding investments in right-of-use assets of SEK 391 M (221).

[3] Including depreciation of right-of-use assets of SEK 365 M (348).

[4] Including reversed impairment losses.

[5] Operating cash flow relates to the Group's operations excluding items affecting comparability.

[6] Relates to the Group's tire and printing blanket operations for the January 1–May 2, 2023 period. These operations were divested on May 2, 2023.

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Net sales

By geographic market/country

SEK M	2023	2022
Germany	3,894	3,687
UK	1,704	1,387
France	1,560	1,260
Sweden	1,261	1,206
Italy	1,049	968
Netherlands	648	581
Spain	598	518
Switzerland	595	540
Poland	553	500
Belgium	459	380
Türkiye	432	318
Norway	429	336
Czech Republic	427	346
Denmark	374	199
Hungary	310	283
Austria	248	241
Finland	243	268
Ireland	185	163
Slovenia	157	115
Romania	110	90
Slovakia	67	100
Rest of Europe	561	490
Total Europe	**15,864**	**13,975**
US	9,969	8,260
Canada	583	524
Mexico	222	472
Brazil	578	190
Other South and Central America	514	348
Total North and South America	**11,866**	**9,794**
China	2,588	2,475
India	680	591
Australia	601	530
South Korea	534	489
Japan	475	458
Other markets	1,678	1,783
Total Asia and Other markets	**6,556**	**6,326**
Continuing operations	**34,286**	**30,095**

Trends in key currencies against the SEK were as follows:

	2023		2022	
	Average rate	Closing rate	Average rate	Closing rate
EUR	11.4717	11.0542	10.6255	11.1283
USD	10.6087	9.983	10.1203	10.4371
GBP	13.1914	12.7286	12.4647	12.5811

Distribution by geographic market

	Capital employed		Capital expenditures [7]	
SEK M	2023	2022	2023	2022
Germany	3,363	3,302	211	276
UK	3,210	3,001	112	65
Slovenia	1,305	1,386	64	35
Sweden	1,211	1,186	97	71
France	1,118	1,140	76	69
Switzerland	1,101	942	120	90
Türkiye	531	571	19	11
Malta	205	558	48	47
Denmark	502	485	26	65
Italy	223	389	35	42
Poland	251	207	43	34
Finland	169	172	3	4
Rest of Europe	4,651	5,057	51	67
Total Europe	**17,840**	**18,396**	**905**	**876**
US	19,106	20,189	399	264
Canada	69	45	8	–
Mexico	252	256	8	7
Brazil	56	45	1	1
Other South and Central America	0	8	–	–
Total North and South America	**19,483**	**20,543**	**416**	**272**
China	1,158	1,285	121	69
Australia	322	349	6	9
India	521	279	26	26
Japan	184	194	4	12
South Korea	50	59	2	0
Other markets	210	204	167	34
Total Asia and Other markets	**2,445**	**2,370**	**326**	**150**
Continuing operations	**39,768**	**41,309**	**1,647**	**1,298**
Discontinuing operations	–	17,935	164	478
Group	**39,768**	**59,244**	**1,811**	**1,776**

[7] Excluding investments in right-of-use assets of SEK 391 M (221).

3 Revenue recognition

Accounting policies

Revenue from contracts with customers

Trelleborg follows the five step model according to IFRS 15 for recognizing income that is based on when control of a good or service is passed to the customer according to the customer contract. The assessment of when control is passed to the customer is usually based on shipping terms included in the customer contract. Trelleborg recognizes revenue from contracts with customers both over time and at a specific point in time. Revenue recognized over time does not represent a significant amount in relation to the Group's total sales. The Group has a variety of delivery terms and these impact when control of the products is passed to the customer.

The Trelleborg Group has customer contracts that include one or more performance obligations. Contracts may include only sales of products, only sales of services, or a combination of both. The contracts may also include freight service.

The Trelleborg Group's obligations for warranties cover an assurance that the product meets the agreed specifications, meaning normal warranty rules. These are recognized as a provision.

The Trelleborg Group allocates the transaction price to the various performance obligations in proportion to their standalone selling prices. The Trelleborg Group has set the transaction price in accordance with IFRS 15 and variable consideration is continuously recognized on an accruals basis.

Payment terms

The most common payment terms in the Trelleborg Group vary between 1 and 90 days.

Other operating income

Other operating income includes external rental revenue, capital gains from the sale and scrapping of property, plant, equipment, and tools, positive exchange rate differences, derivatives, royalty revenue, and gains or losses on divestments of joint ventures, associated companies and subsidiaries.

For further information, refer to Note 2 Segment reporting and the table "Allocation of revenue, net sales," Note 20 Prepaid expenses and accrued income, Note 21 Accrued expenses and prepaid income and Note 22 Contract assets and contract liabilities.

4 Expenses by nature

SEK M	2023	2022
Costs for raw materials, components, goods for resale, and packaging material as well as energy and transport costs	–15,150	–13,490
Remuneration to employees	–10,827	–9,168
Depreciation/amortization and impairment losses	–1,868	–1,409
Other external costs related to sales, administration, and R&D	–1,667	–1,480
Other operating expenses	–663	–163
Total	**–30,175**	**–25,710**

The above amounts include items affecting comparability.

5 Items affecting comparability

Accounting policies

Non-recurring expenses related to the action programs aimed at enhancing the Group's efficiency and structure are recognized as items affecting comparability. A project is classified as affecting comparability only when it amounts to an equivalent of at least SEK 20 M and it has been approved by the Board.

Additionally, non-recurring impairment of non-current assets was also included in items affecting comparability. Impairment was conducted to the calculated value in use. In addition to the action programs, costs and income can, in exceptional cases, also be classified as items affecting comparability. Exceptional items refer to material income or expense items recognized separately due to the significance of their nature or amount. Examples of such items include capital gains/losses upon the sale of non-current assets or subsidiaries and material legal costs.

Breakdown by business area

SEK M	2023	2022
Trelleborg Industrial Solutions	–349	–244
Trelleborg Sealing Solutions	–181	–39
Group activities	3	–98
Total	**–527**	**–381**
Capital loss/gains, divestment of operations and assets	–87	140
Continuing operations	**–614**	**–241**
Discontinuing operations	–34	–32
Group	**–648**	**–273**

Breakdown by function

SEK M	2023	2022
Cost of goods sold	–295	–231
Selling expenses	–76	–78
Administrative expenses	–97	–40
R&D costs	–5	0
Other operating income	3	140
Other operating expenses	–144	–32
Continuing operations	**–614**	**–241**
Discontinuing operations	–34	–32
Group	**–648**	**–273**

Of which impairment losses and restructuring costs, respectively

	Impairment losses		Restructuring costs	
SEK M	2023	2022	2023	2022
Trelleborg Industrial Solutions	–14	–3	–422	–101
Trelleborg Sealing Solutions	–3	–	–178	–39
Group activities	–	–	3	–98
Continuing operations	**–17**	**–3**	**–597**	**–238**
Discontinuing operations	–7	–	–27	–32
Group	**–24**	**–3**	**–624**	**–270**

6 Other operating income and expenses

SEK M	2023	2022
Rental revenue	27	17
Government grants	68	26
Derivatives	11	11
Sale of non-current assets	10	118
Sale of tools, prototypes, etc.	8	13
Exchange rate differences, other	668	110
Total other operating income	**792**	**295**
Rental costs	–11	–14
Derivatives	–13	–56
Depreciation/amortization	–466	–245
Exchange rate differences, other	–527	–69
Total other operating expenses	**–1,017**	**–384**
Total	**–225**	**–89**

7 Auditor's remuneration

SEK M	2023	2022
Deloitte		
Audit assignment	26	20
Audit activities other than audit assignment	1	1
Tax consultancy services	0	0
Other services	0	0
Other auditors		
Audit assignment	7	5
Audit activities other than audit assignment	0	0
Tax consultancy services	–	0
Other services	–	0
Total	**34**	**26**

The audit assignment relates to an audit of the financial statements and accounts as well as an audit of the administration of the Board of Directors and the President. Audit activities other than the audit assignment refer, for example, to comfort letters and the limited assurance report on Trelleborg's sustainability report. Tax services include both tax consultancy services and tax compliance services. Other services primarily relate to consultancy services.

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8 Financial income and expenses

Financial income

SEK M	2023	2022
Interest income according to the effective interest method from interest-bearing receivables recognized at amortized cost	291	44
Interest income according to the effective interest method from interest-bearing receivables recognized at amortized cost – from assets held for sale	44	28
Interest income, derivative instruments measured at fair value	3	76
Net change in value of derivative instruments measured at fair value	216	6
Exchange rate fluctuations	82	45
Total financial income	**636**	**199**

Financial expenses

Interest expenses according to the effective interest method from interest-bearing liabilities recognized at amortized cost	–621	–351
Interest expenses on lease	–74	–53
Interest expenses on pension liabilities	–15	–2
Exchange rate fluctuations	–33	–23
Total financial expenses	**–743**	**–429**
Total financial income and expenses	**–107**	**–230**

9 Income tax

Critical estimates and judgments

Assessments are made to determine current and deferred tax receivables and liabilities, particularly with regard to deferred tax assets on losses carried forward. In this manner, an assessment is made of the probability that the deferred tax assets will be utilized for settlement against future taxable gains. The fair value of these future taxable gains may deviate, owing to the future business climate and earnings potential, or to changes in tax regulations.

Income tax

SEK M	2023	2022
Current tax expenses		
Tax expenses for the period	–1,204	–918
Adjustment of tax attributable to prior years	–158	10
Total	**–1,362**	**–908**
Deferred tax expenses		
Utilization/Revaluation of losses carried forward	67	–144
Deferred tax expenses/revenue on changes in temporary differences	–109	–110
Adjustment of deferred tax attributable to prior years	88	–4
Total	**46**	**–258**
Total recognized tax expense in continuing operations	**–1,316**	**–1,166**
Discontinuing operations	–290	–542
Total recognized tax expense in Group	**–1,606**	**–1,708**
Reconciliation of tax in the Group		
Profit before tax	4,797	4,595
Calculated Swedish income tax, 20.6% (20.6)	–988	–947
Impact of other tax rates on foreign subsidiaries	–136	–144
Impact of changed tax rates and tax regulations	–17	–7
Other non-deductible expenses/Non-taxable revenue	–31	14
Foreign withholding tax	–161	–39
Reassessment of losses carried forward/temporary differences	80	–39
Tax attributable to prior years	–70	6
Other	7	–10
Recognized tax in continuing operations	**–1,316**	**–1,166**
Discontinuing operations	–290	–542
Recognized tax in Group	**–1,606**	**–1,708**
Tax items in the Group recognized in other comprehensive income or directly against equity		
Deferred tax on cash-flow hedges	54	–84
Deferred tax on hedging of net investments	–21	199
Deferred tax in translation differences	1	–3
Deferred tax on pension obligations (IAS 19)	0	–24
Deferred tax on effects of IAS 29 [1]	–15	–30
Total, continuing operations	**19**	**58**
Discontinuing operations		
Deferred tax on hedging of net investments	–72	–
Deferred tax in translation differences	–50	–
Deferred tax on pension obligations (IAS 19)	–	–8
Total, Group	**–103**	**50**

[1] Relates to hyperinflation accounting for operation in Türkiye.

At year-end, the Group had total losses carried forward of approximately SEK 615 M (1,324), of which SEK 310 M (595) was taken into account when calculating deferred tax. Losses carried forward not taken into account include cases where uncertainty exists regarding the tax value.

Of losses carried forward, SEK 2 M (4) falls due within the next 12-month period and SEK 17 M (16) falls due within the next five-year period.

Deferred tax assets and liabilities

	2023			2022		
SEK M	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Intangible assets	277	1,052	–775	138	946	–808
Land and buildings	29	82	–53	57	89	–32
Machinery and equipment	17	255	–238	25	215	–190
Right-of-use assets	–	359	–359	–	379	–379
Financial non-current assets	0	6	–6	0	6	–6
Inventories	188	7	181	167	6	161
Current receivables	32	14	18	21	7	14
Pension provisions	66	0	66	66	1	65
Other provisions	150	2	148	105	1	104
Lease liabilities	401	–	401	420	–	420
Non-current liabilities	3	24	–21	4	0	4
Current liabilities	189	14	175	179	2	177
Losses carried forward	162	–	162	103	–	103
Total	**1,514**	**1,815**	**–301**	**1,285**	**1,652**	**–367**
Offsetting of assets/liabilities	–1,016	–1,016		–742	–742	
Total	**498**	**799**	**–301**	**543**	**910**	**–367**

Deferred tax assets and liabilities are offset when the deferred tax pertains to the same tax authority.

Change in deferred tax on temporary differences and losses carried forward

	Balance, January 1		Reclassification to assets held for sale		Recognized in profit and loss		Recognized in other comprehensive income/directly against equity		Acquired/divested tax assets/liabilities		Translation reserve		Balance, December 31	
SEK M	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Intangible assets	–808	–885	–	176	32	8	–5	–9	–23	–16	29	–82	–775	–808
Land and buildings	–32	–41	–	19	–5	7	–6	–15	–15	–1	5	–1	–53	–32
Machinery and equipment	–190	–214	–	135	–43	–82	–4	–6	–9	–5	8	–18	–238	–190
Right-of-use assets	–379	–452	–	95	11	11	–	–	1	–2	8	–31	–359	–379
Financial non-current assets	–6	–5	–	–	–38	–109	38	109	–	–	0	–1	–6	–6
Inventories	161	170	–	–44	25	21	–	–	1	–	–6	14	181	161
Current receivables	14	16	–	10	6	–13	–	–	1	–	–3	1	18	14
Pension provisions	65	96	–	–13	5	–1	0	–24	–	1	–4	6	66	65
Other provisions	104	76	–	–16	27	40	–	–	14	–	3	4	148	104
Lease liabilities	420	501	–	–110	–8	–13	–	–	–2	3	–9	39	401	420
Non-current liabilities	4	4	–	–	–24	0	–	–	–	–	–1	0	–21	4
Current liabilities	177	167	–	–27	–9	17	–4	3	16	–	–5	17	175	177
Losses carried forward	103	235	–	–5	67	–144	–	–	–3	6	–5	11	162	103
Total	**–367**	**–332**	**–**	**220**	**46**	**–258**	**19**	**58**	**–19**	**–14**	**20**	**–41**	**–301**	**–367**

Employees

Note 10 Employees and employee benefits

Accounting policies

Employee benefits

Variable salaries

Provisions for variable salaries are expensed on an ongoing basis in accordance with the financial implications of the agreement.

Remuneration on termination

Remuneration is normally payable if employment is terminated prior to normal retirement age, or when an employee accepts voluntary termination in exchange for remuneration. The Group recognizes severance pay when a detailed formal plan has been presented.

See also Note 11 concerning pensions.

Average number of employees

	2023			2022		
	Number of women	Number of men	Total	Number of women	Number of men	Total
UK	410	1,149	1,559	313	1,010	1,323
Germany	422	756	1,178	366	637	1,003
France	183	732	915	173	625	798
Sweden	291	592	883	295	610	905
Czech Republic	323	378	701	257	398	655
Slovenia	169	362	531	206	423	629
Malta	135	366	501	157	366	523
Türkiye	27	387	414	28	441	469
Poland	180	226	406	206	239	445
Denmark	112	252	364	116	263	379
Italy	125	232	357	116	219	335
Netherlands	32	154	186	30	179	209
Rest of Europe	276	429	705	347	479	826
Total Europe	**2,685**	**6,015**	**8,700**	**2,610**	**5,889**	**8,499**
US	1,212	2,048	3,260	1,029	1,830	2,859
Mexico	271	405	676	118	220	338
Brazil	26	42	68	31	37	68
Canada	14	24	38	12	18	30
Other North and South America	1	0	1	1	0	1
Total North and South America	**1,524**	**2,519**	**4,043**	**1,191**	**2,105**	**3,296**
India	124	985	1,109	114	856	970
China	419	652	1,071	353	569	922
Other markets	132	447	579	129	436	565
Total Asia and Other markets	**675**	**2,084**	**2,759**	**596**	**1,861**	**2,457**
Discontinuing operations [1]	–	–	–	970	5,751	6,721
Group	**4,884**	**10,618**	**15,502**	**5,367**	**15,606**	**20,973**

[1] Referred in 2022 to the Group's tire and printing blanket operations. These were divested on May 2, 2023.

The proportion of women is 17 percent (14) in Group Management and 43 percent (43) on the Board of Directors.

Employee benefits, other remuneration and payroll overheads

Salaries and other remuneration, SEK M	2023	2022
UK	877	709
Germany	1,032	819
France	443	366
Sweden	559	550
Czech Republic	155	127
Slovenia	195	182
Malta	150	140
Türkiye	113	99
Poland	99	86
Denmark	322	302
Italy	196	159
Netherlands	165	143
Rest of Europe	447	418
Total Europe	**4,754**	**4,100**
US	3,143	2,537
Mexico	187	67
Brazil	30	22
Canada	37	26
Other North and South America	1	1
Total North and South America	**3,399**	**2,653**
India	125	109
China	285	246
Other markets	456	398
Total Asia and Other markets	**866**	**753**
Salaries and other remuneration	**9,019**	**7,506**
Payroll overheads	1,234	1,087
Pension costs – defined contribution plans	265	247
Pension costs – defined benefit plans	47	33
Payroll overheads	**1,546**	**1,367**
Employee benefits, other remuneration and payroll overheads in continuing operations	**10,565**	**8,873**
Employee benefits, other remuneration and payroll overheads in discontinuing operations	**997**	**2,660**
Group	**11,562**	**11,533**
Salaries and other remuneration include:		
to Board members and President of Trelleborg AB, including variable salaries	47	34
to other senior executive officers	49	53

Remuneration of the Board of Directors and senior executives

Principles

The principles governing remuneration of senior executives in the Trelleborg Group were adopted by the 2023 Annual General Meeting. Refer to pages 52–53.

Trelleborg's principles for remuneration of senior executives state that the company shall offer market-based terms of employment that enable the company to recruit, develop, and retain senior executives. The remuneration principles may vary depending on local conditions and be based on such factors as position, expertise, experience, and performance. The total remuneration package is to comprise fixed and variable salaries, pension, and other remuneration. Trelleborg continuously performs evaluations to ensure that conditions are market-based in comparison with relevant industries and markets. Refer also to www.trelleborg.com, Corporate Governance, Remuneration: "Principles for remuneration of senior executives".

Remuneration of management

President

During 2023, the President and CEO received a fixed salary and other remuneration as shown in the table on page 74. Pursuant to agreements, the President has the possibility of earning an annual variable remuneration. The annual variable remuneration has a fixed ceiling, which corresponds to a maximum of 70 percent of the fixed annual salary. In 2023, the annual variable remuneration was based on financial targets and specific sustainability targets. The annual variable remuneration does not constitute pensionable income and does not form the basis for the calculation of vacation pay. For 2023, an annual variable remuneration of SEK 6,441,000 (7,279,000) was paid to the President.

Pensionable age for the President is 65; however, both the company and the President have the right, without a special cause, to request an early

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retirement from the age of 60, with a mutual six-month notice of termination. Should the President enter into an early retirement, the employment agreement and the pension agreement will be null and void. The pension agreement is a defined-contribution scheme, and the premium comprises 45 percent of the fixed salary, including vacation pay. Pension premiums were paid in 2023 as shown in the adjacent table. For the President, a notice period of 24 months applies should termination of employment be initiated by the company. Should a termination of employment be initiated by the President, the notice period shall be six months.

Other senior executives

The principles for remuneration of other senior executives are based on a fixed salary and annual variable remuneration as well as certain benefits. The annual variable remuneration has a fixed ceiling accounting for a maximum of 45–70 percent of the fixed annual salary. For 2023, the annual variable salary was based on profit before tax, operating cash flow, and specific sustainability targets.

For other senior executives, the entire pension plan was based on a defined-contribution model, whereby the pension premium varied between 10 and 35 percent of the fixed salary. For other Swedish senior executives, the maximum level of 35 percent in accordance with the policy was applied in 2023.

Certain senior executives have extended notice periods when a termination of employment is initiated by the company, normally 12, 18, or 24 months. Should a termination of employment be initiated by a senior executive, the notice period is six months. The President and other senior executives have also been entitled to other benefits, primarily a company car and medical expenses insurance.

Long-term incentive program

Since 2005, the Board of Directors has annually resolved on a long-term incentive program for the President and for senior executives considered to have a significant influence on the Trelleborg Group's earnings per share. These programs are rolling on three years at the time. The Board determines annually whether to introduce new programs and, if so, the scope, objective, and participants. The long-term incentive programs have been a cash-based supplement to the annual variable remuneration, and require that the executives have not terminated their employment at the date of payment of the program.

Purpose

The long-term incentive programs shall be designed to contribute to Trelleborg's business strategy and long-term interests including its sustainability. The ultimate target is to increase the shareholder value by promoting, developing, and retaining senior executives.

Target figure

The target value for the long-term incentive program is an annual improvement of 10 percent of the Trelleborg Group's earnings per share. This target shall exclude the Group's items affecting comparability and the impact of any share repurchase programs. For the 2018–2020 programs, the basis for the target figure was set as the outcome of earnings per share for 2017. This principle has remained unchanged for the rolling three-year programs that commenced thereafter. The 2020–2022, 2021–2023 and 2022–2024 programs have an outcome limited to 33.33 percent of the maximum annual variable salary per year in the program. The 2023–2025 program has an outcome that is capped to a certain extent by the individual's annual fixed salary.

Outcome and payment

The outcome of the programs are calculated annually, accumulated over the respective three-year period and potential payments are made in the first quarter of the year after the program expires. Therefore, a payment was made in the first quarter of 2023 for the program approved in 2020–2022. For the program approved for 2021–2023, payment will be made in the first quarter of 2024, for the program approved for 2022–2024, payment will be made in the first quarter of 2025, and for the program approved for 2023–2025, payment will be made in the first quarter of 2026. These payments do not constitute pensionable income and do not form the basis of calculation of vacation payment.

In 2023, SEK 54,717,000 (53,668,000) was expensed as the targets were achieved in full.

Other incentive programs

The Group has no other ongoing incentive programs such as convertible debentures, warrant programs, share incentive programs, or similar at the present time.

Remuneration of the Board

The fees paid to the members of the Board of Directors elected by the Annual General Meeting were approved by the 2023 Annual General Meeting based on the proposals of the Nomination Committee. For 2023, remuneration was paid as per the table on the right. No consulting fees were paid to the Board members. Executive Board members do not receive remuneration for Board work.

Costs are recognized as remuneration of senior executives for the period during which the person in question was employed.

Specification of remuneration to Board members, salaries to the President and other senior executive officers

2023 SEK 000s	Board fee/fixed salary	Annual variable salary	Incentive program [2]	Other benefits	Extraordinary items [3]	Pension costs	Total
Hans Biörck, Chairman of the Board [4]	795						795
Johan Malmquist, Chairman of the Board [5]	1,828						1,828
Gunilla Fransson, Board member	1,040						1,040
Anne Mette Olesen, Board member	785						785
Jan Ståhlberg, Board member	952						952
Monica Gimre, Board member	858						858
Henrik Lange, Board member [6]	643						643
President	12,738	6,441	8,474	228	12,106	5,583	45,570
Other senior executives, employees of Trelleborg AB, 2 persons	8,609	3,024	3,979	425	1,394	2,806	20,237
employees of other Group companies, 3 persons [7]	14,635	4,943	11,456	995	–	2,432	34,461
Total	**42,883**	**14,408**	**23,909**	**1,648**	**13,500**	**10,821**	**107,169**

[2] Expensed in 2023. Payment is to be made in the first quarter 2024 to 2026, on condition that the individual is employed in the Group on December 31 of the preceding year.

[3] Refers to extraordinary remuneration related to the divestment of the Trelleborg Wheel Systems business area.

[4] Chairman of the Board up to and including the 2023 Annual General Meeting.

[5] Chairman of the Board from the 2023 Annual General Meeting.

[6] Board member as of the 2023 Annual General Meeting.

[7] Remuneration of Paolo Pompei, Business Area President for Trelleborg Wheel Systems, is included in the January 1–May 2, 2023 period.

2022 SEK 000s	Board fee/ fixed salary	Annual variable salary	Incentive program	Other benefits	Pension costs	Total
Hans Biörck, Chairman of the Board	2,352					2,352
Gunilla Fransson, Board member	933					933
Johan Malmquist, Board member	843					843
Anne Mette Olesen, Board member	755					755
Jan Ståhlberg, Board member	912					912
Monica Gimre, Board member	823					823
President	12,317	7,279	7,559	220	5,363	32,738
Other senior executives, employees of Trelleborg AB, 2 persons	8,412	3,667	2,917	328	2,683	18,007
employees of other Group companies, 4 persons	16,447	9,447	10,404	895	3,101	40,294
Total	**43,794**	**20,393**	**20,880**	**1,443**	**11,147**	**97,657**

Remuneration of the Board

The fees paid to the members of the Board of Directors elected by the Annual General Meeting were approved by the 2023 Annual General Meeting based on the proposals of the Nomination Committee. For 2023, remuneration was paid as per the table on the right. No consulting fees were paid to the Board members. Executive Board members do not receive remuneration for Board work.

Costs are recognized as remuneration of senior executives for the period during which the person in question was employed.

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Pension provisions and similar items

Accounting policies

Employee benefits

Pension obligations

Within the Group, there are a number of defined contribution pension plans and defined benefit pension plans, of which a small number have plan assets in foundations or similar. Pension plans are normally financed through contributions to a separate legal entity from each Group company and from the employees. Prepaid contributions are recognized as an asset insofar as cash repayments or reductions of future payments can benefit the Group. Costs for services rendered in previous years are recognized directly in profit and loss. Some of the ITP plans in Sweden are financed through insurance premiums paid to Alecta. This is a defined benefit plan and encompasses several employers. As Trelleborg did not have access to information to enable it to recognize this plan as a defined benefit plan, it was, consequently, recognized as a defined contribution plan.

Critical estimates and judgments

The value of pension obligations for defined benefit pension plans is derived from actuarial calculations based on assumptions concerning discount rates, future salary increases, inflation, and the demographic conditions. At year-end, defined benefit obligations amounted to SEK 326 M (332).

The sensitivity analyses below are based on a change in one assumption, with all other assumptions remaining constant. In practice, it is unlikely that this will occur and some of the changes in the assumptions may be correlated. The calculation of sensitivity in the defined benefit obligation for key actuarial assumptions uses the same method (the present value of the defined benefit obligation applying the projected unit credit method at the end of the reporting period) as used in the calculation of pension liabilities recognized in the balance sheet.

Trelleborg has defined benefit plans including pension plans and other long-term defined benefit plans in several of the countries in which the Group operates.

The Group has both funded and unfunded pension plans. Assets of the funded plans are either held in separate funds administered by a trustee or held through an insurance contract.

Most of the pension plans that the Group has for its active workforce comprise defined contribution plans. The Group has no further obligations in respect of these plans once the contributions have been paid. All plans have been established in accordance with general practice and legal requirements in the respective countries.

The defined benefit pension plans operated by the Group are, unless otherwise required under law, usually closed to new employees or consist of older plans with retired members. The largest pension liabilities recognized by the Group relate to Switzerland, France, Germany and the UK.

In Switzerland, the Group co-funds six hybrid pension plans. Both employers and employees contribute to these plans. The plans are open to new participants and offer the mandatory basic cover for pension, death and disability, as well as some supplementary cover. The plan for the Stein am Rhein workforce is financed by a collective foundation that is legally distinct from the Group. The plans for employees at other sites in Switzerland are financed by insurance companies.

In France, employees are entitled to a statutory pension. The benefit is defined in industry-wide collective agreements and is based on years of service and final salary prior to retirement.

In the UK, Trelleborg paid contributions to the Dunlop GRG Holdings Limited Pension Scheme until October 30, 2023. The plan is closed as more than 99 percent of the participants are retired and the remaining participants have accrued rights. The plan is governed by a management board. In 2019, the trustees agreed to invest all pension fund assets in insurance contracts to cover the fund's obligations. On October 30, 2023, the fund had transferred all its obligations to the insurance company through a buy-out transaction, after which the fund will be discontinued. Following the buy-out transaction, the Group no longer has any financial obligation to the fund.

Trelleborg contributes to a number of different defined benefit plans in Germany. All plans are closed to new participants. Most plans are unfunded arrangements with book reserves that are used for pension payments when the employee reaches retirement.

The ITP2 plans in Sweden are financed through insurance premiums paid to Alecta. The ITP2 plan is a defined benefit plan and is applicable to employees in Sweden born before 1979. As Trelleborg did not have access to information to enable it to recognize this plan as a defined benefit plan, it was, consequently, recognized as a defined contribution plan.

Specification of costs

SEK M	2023	2022
Costs for services during current year [1]	34	37
Interest on the obligation	33	14
Anticipated return on plan assets [2]	–17	–6
Actuarial gains and losses recognized for the year	0	–5
Curtailment and settlement	0	–5
Past service cost	–3	–2
Total cost of defined benefit plans	**47**	**33**
Cost of defined contribution plans	265	247
Total pension costs	**312**	**280**

[1] Includes administrative expenses, taxes, and risk premiums.

[2] Adjusted for limitation of defined benefit asset and IFRIC 14.

Specification of pension obligations in the balance sheet

SEK M	2023	2022
Present value of funded obligations	486	571
Fair value of plan assets	–458	–547
Surplus/deficit in funded plans	**28**	**24**
Present value of unfunded obligations	298	308
Total defined benefit plans	**326**	**332**
Effect of limit rule for net assets	0	0
Total defined benefit plans	**326**	**332**
Defined contribution plans	**0**	**0**
Net pension liability	**326**	**332**
of which, recognized as plan assets	20	20
Closing balance, pension liability	**346**	**352**

Change in defined benefit obligations

SEK M	Present value of obligation	Fair value of plan assets	Effect of limit rule for net assets	Total
On January 1, 2022	**1,152**	**–629**	**0**	**523**
Reclassification to liabilities held for sale	–153	52	–	–101
Costs for services during current year [3]	37	0	–	37
Interest expenses/(income) [4]	14	–6	–	8
Past service cost	–2	–	–	–2
Gains and losses from settlements	–5	–	–	–5
	44	**–6**	–	**38**
Revaluations:				
Return on plan assets excluding amounts included in interest expenses/(income)	–	104	–	104
(Gain)/loss due to changed demographic assumptions	3	–	–	3
(Gain)/loss due to changed financial assumptions	–248	–	–	–248
Experience-based (gains)/losses	29	–	–	29
	–216	**104**	–	**–112**
Exchange rate differences	84	–59	–	25
Contributions:				
Employer	–	–30	–	–30
Employees encompassed by the plan	10	–10	–	0
Payments:				
Payments made from plans	–12	12	–	0
Payments made directly from companies	–18	18	–	0
Acquisitions	9	–	–	9
Transfers or change in scope	–19	–	–	–19
At December 31, 2022	**880**	**–548**	–	**332**

[3] Including administrative expenses.

[4] Adjusted for limitation of defined benefit asset and IFRIC 14.

SEK M	Present value of obligation	Fair value of plan assets	Effect of limit rule for net assets	Total
On January 1, 2023	**880**	**–548**	**–**	**332**
Reclassification to liabilities held for sale	–	–	–	–
Costs for services during current year [3]	33	1	–	34
Interest expenses/(income) [4]	33	–17	–	16
Past service cost	–3	–	–	–3
Gains and losses from settlements	–84	84	–	0
	–21	**68**	**–**	**47**
Revaluations:				
Return on plan assets excluding amounts included in interest expenses/(income)	–	19	–	19
(Gain)/loss due to changed demographic assumptions	–2	–	–	–2
(Gain)/loss due to changed financial assumptions	–13	–	–	–13
Experience-based (gains)/losses	–	–	–	–
	–15	**19**	**–**	**4**
Exchange rate differences	9	–23	–	–14
Contributions:				
Employer	–	–71	–	–71
Employees encompassed by the plan	12	–12	–	0
Payments:				
Payments made from plans	–70	70	–	0
Payments made directly from companies	–58	58	–	0
Acquisitions	40	–20	–	20
Divested	–1	0	–	–1
Transfers or change in scope	9	0	–	9
At December 31, 2023	**786**	**–459**	**–**	**327**

[3] Including administrative expenses.

[4] Adjusted for limitation of defined benefit asset and IFRIC 14.

Defined benefit pension obligation and composition of plan assets per country

	2023					
SEK M	US	Switzerland	France	UK	Other	Total
Present value of funded obligations	7	392	–	0	87	486
Fair value of plan assets	–28	–350	–	0	–80	–458
Total	**–21**	**42**	**–**	**0**	**7**	**28**
Present value of unfunded obligations	8	0	148	–	142	298
Effect of limit rule for net assets	–	–	–	0	–	0
Total defined benefit plans	**–13**	**42**	**148**	**0**	**149**	**326**

	2022					
SEK M	US	Switzerland	France	UK	Other	Total
Present value of funded obligations	9	384	–	96	83	572
Fair value of plan assets	–29	–344	–	–96	–79	–548
Total	**–20**	**40**	**–**	**0**	**4**	**24**
Present value of unfunded obligations	12	0	148	–	148	308
Effect of limit rule for net assets	–	–	–	0	–	0
Total defined benefit plans	**–8**	**40**	**148**	**0**	**152**	**332**

	2023					
Key actuarial assumptions, %	US	Switzerland	France	UK	Other	Group average
Discount rate	5.90	1.90	4.20	–	7.26	3.98
Inflation	2.50	1.25	–	–	4.76	2.34
Salary increases	–	1.54	2.75	–	6.52	3.21

	2022					
Key actuarial assumptions, %	US	Switzerland	France	UK	Other	Group average
Discount rate	5.45	2.05	3.70	5.00	5.86	3.73
Inflation	2.50	1.25	–	2.90	4.21	2.29
Salary increases	–	1.52	2.85	–	5.52	2.86

	2023					
Life expectancy	US	Switzerland	France	UK	Other	Average
Life expectancy for a 45-year-old man at the age of 65	22.4	24.0	19.4	–	20.8	22.2
Life expectancy for a 65-year-old man at the age of 65	20.6	22.0	19.1	–	19.5	20.7
Life expectancy for a 45-year-old woman at the age of 65	24.3	25.7	23.3	–	23.3	24.5
Life expectancy for a 65-year-old woman at the age of 65	22.6	23.8	23.1	–	22.0	23.1

	2022					
Life expectancy	US	Switzerland	France	UK	Other	Average
Life expectancy for a 45-year-old man at the age of 65	21.6	23.8	19.4	22.6	20.3	22.0
Life expectancy for a 65-year-old man at the age of 65	20.7	22.0	19.1	20.5	18.5	20.4
Life expectancy for a 45-year-old woman at the age of 65	23.5	25.7	23.3	25.2	23.0	24.5
Life expectancy for a 65-year-old woman at the age of 65	22.7	23.7	23.1	23.0	21.6	23.0

Sensitivity in the defined benefit obligation to changes in the key weighted assumptions

Impact on the defined benefit obligation, 2023	Increase of +0.25% in assumptions [5]					
SEK M	US	Switzerland	France	UK	Other	Total
Discount rate	–0.2	–13.7	–4.1	–	–6.5	–24.5
Inflation	0.0	0.3	–	–	2.2	2.5
Salary increases	0.0	0.8	4.3	–	2.1	7.2
	Increase of 1 year in assumption					
Life expectancy	0.6	7.4	0.0	–	3.5	11.5

Impact on the defined benefit obligation, 2023	Decrease of –0.25% in assumptions [5]					
SEK M	US	Switzerland	France	UK	Other	Total
Discount rate	0.3	14.6	4.3	–	6.8	26.0
Inflation	0.0	–0.3	–	–	–2.1	–2.4
Salary increases	0.0	–0.9	–4.1	–	–2.1	–7.1
	Decrease of 1 year in assumption [6]					
Life expectancy	–	–	–	–	–	–

[5] The increase in the defined benefit obligation is shown as positive and the decrease as negative.

[6] Not applicable.

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Composition of plan assets

SEK M	2023 Listed	Unlisted	Total	%
Shares	81	–	81	18
Debt instruments (government bonds and corporate bonds)	120	–	120	26
Properties	63	–	63	14
Other (including cash and cash equivalents, and insurance)	87	108	195	43
Total	**351**	**108**	**459**	**100**

SEK M	2022 Listed	Unlisted	Total	%
Shares	77	–	77	14
Debt instruments (government bonds and corporate bonds)	115	–	115	21
Properties	63	–	63	12
Other (including cash and cash equivalents, and insurance)	152	140	292	53
Total	**407**	**140**	**547**	**100**

Contributions to plans for post-employment benefits for the 2023 fiscal year are expected to amount to SEK 35 M. The weighted average term of the pension obligation is 14 years.

Pension insurance with Alecta

Retirement pension and family pension obligations for salaried employees in Sweden are secured through pension insurance with Alecta. According to a statement issued by the Swedish Financial Reporting Board, UFR 10, this constitutes a multi-employer defined benefit plan. For the 2023 fiscal year, the Group did not have access to such information that would enable the Group to report its proportionate share of the plan's obligations, plan assets, and costs, which meant that it was not possible to report the plan as a defined benefit plan. Consequently, the ITP pension plan secured through insurance with Alecta is recorded as a defined contribution plan. The premium for the defined benefit retirement pension is individual and is determined by such factors as the insured's age, salary, and previously earned pension. Expected contributions for pension insurance in the next reporting period taken out with Alecta total SEK 8 M. The Group pays an insignificant amount of this plan.

The collective consolidation ratio reflects the market value of Alecta's assets as a percentage of insurance obligations, calculated in accordance with Alecta's actuarial assumptions, which do not correspond with IAS 19. Collective consolidation, in the form of collective consolidation ratio, is normally permitted to vary between 125 percent and 155 percent. If Alecta's collective consolidation ratio falls below 125 percent or exceeds 155 percent, measures are taken to create conditions to return the collective consolidation ratio to the normal interval. Alecta's surplus can be distributed to the policyholders and/or the insured if the collective consolidation ratio exceeds 155 percent. However, Alecta applies premium reductions to avoid a surplus from arising. At December 31, 2023, Alecta's surplus corresponded preliminarily to a collective consolidation ratio of 157 percent (172).

Group structure

12 Participations in joint ventures/associated companies

Accounting policies

Associated companies

Associated companies are companies in which the Parent Company directly or indirectly has a significant, but not controlling, influence, generally corresponding to between 20 and 50 percent of the voting rights. Investments in associated companies are recognized in accordance with the equity method and are initially recognized at cost. The Group's carrying amount of the holdings in associated companies includes the goodwill identified in conjunction with the acquisition, net after any recognition of impairment losses. The associated companies essentially carry out the same operations as the Group's other business activities and, accordingly, the share of profit in these companies is recognized in EBIT.

The Group's share in the post-acquisition results of an associated company is recognized in profit and loss in the item "Share of profit or loss in associated companies," and is included in EBIT. Accumulated post-acquisition changes are recognized as changes in the carrying amount of the investment. When the Group's share in the losses of an associated company amount to, or exceed, the Group's investment in the associated company, including any unsecured receivables, the Group does not recognize further losses unless obligations have been incurred or payments made on behalf of the associated company. Unrealized gains on transactions between the Group and its associated companies are eliminated in proportion to the Group's participation in the associated company. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset.

Related-party transactions

The Group's transactions with related parties pertain to purchases and sales to joint ventures/associated companies. All transactions are priced in accordance with market terms and prices.

SEK M	Profit before tax 2023	2022	Income tax 2023	2022	Net profit/loss 2023	2022	Dividend received 2023	2022
Associated companies	–2	8	0	–2	–2	6	8	1
Total	**–2**	**8**	**0**	**–2**	**–2**	**6**	**8**	**1**

SEK M	Receivables from companies 2023	2022	Liabilities to companies 2023	2022	Sales to companies 2023	2022	Operating income from companies 2023	2022
Associated companies	0	0	0	1	0	1	0	0
Total	**0**	**0**	**0**	**1**	**0**	**1**	**0**	**0**

Change in carrying amounts of associated companies

SEK M	2023	2022
Balance, January 1	61	60
Reclassification to assets held for sale	–	–12
Share of profit for year from associated companies	–2	6
Dividend	–8	–1
Exchange rate differences	3	8
Total	**54**	**61**

Parent Company and Group holdings of shares in Group companies

The table shows directly and indirectly owned subsidiaries with annual external sales exceeding SEK 250 M.
The companies in a bolded font are directly owned by Trelleborg AB and companies that are indirectly owned by Trelleborg AB are listed under the companies in a bolded font.

Company	Registration number	Domicile/country	Ownership percent	Carrying amount, SEK M
Chemtrading Alpha Holding AG	CH - 170.3.018.603-0	Switzerland	100	3
Dormviltolv AB	556853-1619	Trelleborg	100	0
Dormviltretton AB	556853-1627	Trelleborg	100	0
Dormvilfjorton AB	556853-1486	Trelleborg	100	0
Dormvilfemton AB	556853-1635	Trelleborg	100	276
LEBELA Förvaltnings AB	556054-1533	Trelleborg	100	32
Lehmann Mechanik AG	CHE-190.890.610	Switzerland	100	14
MHT Takentreprenören i Malmö AB	556170-2340	Malmö	100	0
Mitas do Brasil Ltda [1]	04.461.592/0001-08	Brazil	4	0
Oechslin Werkzeugbau AG	CHE-107.255.205	Switzerland	100	21
Trelleborg Automotive Shanghai Holdings AB	556742-8742	Trelleborg	100	10
Trelleborg Automotive Shanghai Co Ltd	310000400644102	China	100	
Trelleborg China Holding AB	556030-7398	Trelleborg	100	43
Trelleborg Sealing Solutions (China) Co. Ltd	913100007793300379	China	100	
Trelleborg Corporation	06-1253246	US	100	8,269
Trelleborg Coated Systems US Inc	23-1470071	US	100	
Trelleborg Marine Systems North America Inc	72-1395167	US	100	
Trelleborg Pipe Seals Milford Inc	02-0492653	US	100	
Trelleborg Salisbury Inc	56-2048363	US	100	
Trelleborg Sealing Profiles US Inc	20-4090472	US	100	
Trelleborg Sealing Solutions US Inc	95-1773005	US	100	
Trelleborg India Pvt Ltd [1]	U25203KA2012FTC062226	India	96	
Trelleborg Sealing Solutions Detroit, Inc	58-2037536	US	100	
Trelleborg Sealing Solutions Japan KK [1]	0106-01-011635	Japan	60	
Trelleborg Sealing Solutions Plymouth LLC	5193007	US	100	
Trelleborg Croatia d.o.o.	080638386	Croatia	100	0
Trelleborg do Brasil Soluções em Vedação Ltda [1]	35218417780	Brazil	100	20
Trelleborg Engineered Systems China Holding AB	556223-5910	Trelleborg	100	3
Trelleborg Engineered Systems Qingdao Holding AB	556715-4991	Trelleborg	100	96
Trelleborg Forsheda AB	556052-2996	Värnamo	100	150
Trelleborg Ersmark AB	556039-7852	Skellefteå	100	
Trelleborg Holding AB	556212-8255	Trelleborg	100	5,467
Moldura Tech Private Company Limited [1]	U25200UP2020PTC134615	India	100	
Trelleborg Antivibration Solutions Germany GmbH	HRB 5137 NP	Germany	100	
Trelleborg do Brasil Administração de Bens Ltda [1]	35226506818	Brazil	100	
Trelleborg Istanbul Endüstriyel Hortumlar Sanayi ve Ticaret Anonim Sirketi	905	Türkiye	100	
Trelleborg Kenitra SARL [1]	54449	Morocco	100	
Trelleborg Marine Systems Australia Pty Ltd	098 290 400	Australia	100	
Trelleborg Marine Systems FZE	5983	United Arab Emirates	100	
Trelleborg Mexico Services S.A. de C.V. [1]	N-2018103317	Mexico	100	
Trelleborg Off Shore do Brasil Representações Comerciais e Administração de Vendas Ltda [1]	332.0860700-2	Brazil	100	
Trelleborg Perth Pty Ltd	009 674 195	Australia	100	
Trelleborg Sealing Profiles Germany GmbH	HRB 11960	Germany	100	
Trelleborg Sealing Profiles Sweden AB	556026-2148	Trelleborg	100	
Trelleborg Sealing Solutions Germany GmbH	HRB 21275	Germany	100	
Trelleborg Silao, S. de R.L. de C.V. [1]	CAM0602289H4	Mexico	100	
Trelleborg Singapore Pte Ltd	197200418W	Singapore	100	
Trelleborg Slovenija d.o.o	1661205000	Slovenia	100	
Trelleborg Wheel Systems Argentina S.A. [1]	14362	Argentina	15	
Trelleborg Holding Danmark A/S	1627 9196	Denmark	100	631
Trelleborg Marine Systems Denmark A/S	34452458	Denmark	100	
Trelleborg Sealing Solutions Helsingor A/S	26230519	Denmark	100	
Trelleborg Holding France SAS	353742307	France	100	1,476
Trelleborg Clermont-Ferrand SAS	391933397	France	100	
Trelleborg Sealing Solutions France SAS	309 730 554	France	100	
Trelleborg Holdings Italia S.r.l.	LI-128316	Italy	100	342
Trelleborg Sealing Solutions Italia S.p.A.	LI-48490	Italy	100	

[1] The company is wholly owned by the Trelleborg Group, albeit by two or more parent companies.

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Company	Registration number	Domicile/country	Ownership percent	Carrying amount, SEK M
Trelleborg Holding Norge AS	943508186	Norway	100	0
Trelleborg Holdings UK Limited	03304377	UK	100	1,951
Trelleborg Industrial Products UK Limited	3847966	UK	100	
Trelleborg Marine Systems UK Limited	3700852	UK	100	
Trelleborg Sealing Solutions UK Limited	00446036	UK	100	
Trelleborg Industri AB	556129-7267	Trelleborg	100	118
Trelleborg Industrial Products Finland Oy	FI0605887-9	Finland	100	137
Trelleborg Insurance Ltd	10412	Bermuda	100	119
Trelleborg International B.V.	02327837	Netherlands	100	1,358
Trelleborg India Pvt Ltd	U25203KA2012FTC062226	India	4	
Trelleborg Pipe Seals Lelystad BV	05026585	Netherlands	100	
Trelleborg Ridderkerk BV	24000404	Netherlands	100	
Trelleborg Sealing Solutions Malta Ltd [1]	C 388	Malta	100	
Trelleborg Mladá Boleslav s.r.o.	639 96 111	Czech Republic	100	19
Trelleborg Moulded Components Wuxi Holding AB	556715-4983	Trelleborg	100	132
Trelleborg Odawara K.K.	0100-01-095821	Japan	100	11
Trelleborg Offshore & Construction AB	556055-7711	Trelleborg	100	23
Trelleborg Sealing Profiles Lithuanian, UAB	302333896	Lithuania	100	8
Trelleborg Sealing Solutions Algetshausen AG	CHE-107.270.682	Switzerland	100	27
Trelleborg Sealing Solutions Belgium SA [1]	BE0440479473	Belgium	100	41
Trelleborg Sealing Solutions Bulgaria EOOD	175241703	Bulgaria	100	65
Trelleborg Sealing Solutions Czech s.r.o.	48948764	Czech Republic	100	48
Trelleborg Sealing Solutions Finland Oy	0721679-5	Finland	100	75
Trelleborg Sealing Solutions Hong Kong Ltd [1]	730579	Hong Kong	100	1
Trelleborg Sealing Solutions Hungary Limited Liability Company	13-09-119761	Hungary	100	1
Trelleborg Sealing Solutions Japan KK [1]	0106-01-011635	Japan	40	99
Trelleborg Sealing Solutions Kalmar AB	556325-7442	Kalmar	100	689
Trelleborg Sealing Solutions Korea Ltd	123-81-81886	South Korea	100	17
Trelleborg Sealing Solutions OOO	1087746852599	Russia	100	2
Trelleborg Sealing Solutions Polska Sp. z o.o.	0000100866	Poland	100	6
Trelleborg Sealing Solutions Sizdirmazlik Ürünleri Ithalat Ihracat Üretim ve Ticaret Limited Sirketi [1]	816771	Türkiye	100	7
Trelleborg Sealing Solutions Sweden AB	556204-8370	Jönköping	100	167
Trelleborg Sealing Solutions Switzerland AG	290.3.004.156-3	Switzerland	100	333
Trelleborg Tigveni SRL [1]	22964627	Romania	100	6
Trelleborg Treasury AB (publ)	556064-2646	Stockholm	100	15,509
Trelleborg Wheel Systems Argentina S.A. [1]	14362	Argentina	85	0
Total Parent Company				**37,822**

[1] The company is wholly owned by the Trelleborg Group, albeit by two or more parent companies.

Acquisitions

Accounting policies

The purchase method is used to recognize the Group's business combinations. The consideration for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities that the Group assumes from previous owners of the acquired company, and the shares issued by the Group. The consideration also includes the fair value of all assets or liabilities that result from an agreement covering a contingent consideration. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the date of acquisition. For each acquisition, that is, on an acquisition-by-acquisition basis, the Group determines whether non-controlling interests in the acquired company is to be recognized at fair value or at the shareholding's proportional share in the carrying amount of the acquired company's identifiable net assets.

Each contingent consideration to be transferred by the Group is recognized at fair value at the date of acquisition. Subsequent changes to the fair value of a contingent consideration classed as an asset or liability are recognized in line with IFRS 9 in profit and loss. Contingent considerations classed as equity are not remeasured and the subsequent settlement is recognized in equity. Goodwill is initially measured as the amount by which the total purchase consideration and fair value of non controlling interests exceeds the fair value of identifiable acquired assets and assumed liabilities. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognized directly in profit and loss.

2023

Acquisitions in the Trelleborg Industrial Solutions business area

Injectoplast specialized in automotive boots for the fast-growing Indian light vehicles market.

Acquisitions in the Trelleborg Sealing Solutions business area

Lehmann AG and Oechslin AG manufacturers of special tools for complex silicon components.

4M Company, Inc specialized in sealing solutions for aerospace and industrial applications.

Goodwill of SEK 256 M that arose from acquisitions during the year mainly relates to synergies that are anticipated after the completion of the acquisitions. The fair value of acquired identifiable intangible assets is provisional pending the final valuation of these assets.

Business combinations for the year contributed SEK 124 M to net sales.

The acquisition of an operation from the 4M Company, Inc. was an acquisition of assets and liabilities, while the other acquisitions finalized in 2023 pertained to 100 percent of the shares in the respective companies.

Certain minor adjustments were made to purchase price allocations attributable to acquisitions made in 2022.

For further information concerning the acquisitions, refer to page 19.

Acquisitions

SEK M	Acquired 2023 Adjustment to acquisitions 2022 [1]	Acquired 2022 Adjustment to acquisitions 2021 [1]
Trademarks [2]	–	28
Customer relationships [3]	163	3,421
Other intangible assets	–	–
Property, plant and equipment	2	665
Right-of-use assets	14	63
Deferred tax assets	16	3
Participations in associated companies	–	–
Interest-bearing receivables	–	396
Inventories	23	446
Operating receivables	40	632
Current tax assets	–	1
Cash and cash equivalents	13	183
Deferred tax liabilities	-29	-17
Interest-bearing liabilities	-21	-3,096
Pension obligations	-22	-9
Other provisions	-4	-64
Current tax liability	-6	-4
Operating liabilities	-28	-446
Net assets	**161**	**2,202**
Goodwill	256	6,471
Total purchase consideration	**417**	**8,673**
Cash and cash equivalents and other net debt in acquired operations	30	2,526
Cash flow effect	**447**	**11,199**

[1] Adjustments to acquisitions made in previous years are marginal and thus separate disclosure is not considered material.

[2] The surplus value of trademarks is amortized over a period of 1–10 years.

[3] The surplus value of customer relationships is amortized over a period of 10–16 years.

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Operating assets and liabilities

15 Property, plant and equipment

Accounting policies

Non-current assets comprise amounts expected to be recovered or paid more than 12 months from the closing date. PPE primarily encompasses plants and buildings. PPE is measured at cost less accumulated depreciation and, where applicable, impairment losses. Cost includes expenses directly attributable to the acquisition of the asset.

Subsequent expenditure for a PPE is added to the carrying amount or recognized as a separate asset, depending on which is suitable, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured in a reliable manner. The carrying amount of the replaced portion is derecognized from the balance sheet. All other forms of repairs and maintenance are expensed as incurred.

Depreciation is applied until the estimated residual value is reached. Depreciation is based on cost and is allocated on a straight-line basis over the asset's estimated useful life. The following annual depreciation rates apply:

Land	Not depreciated
Buildings	1.5–6 percent
Machinery	5–33 percent
Equipment and tools	33 percent
Office equipment	10–20 percent

The residual value and useful life of the assets are assessed on each closing date, and, if necessary, are adjusted. The carrying amount of an asset is immediately impaired to the recoverable value if the carrying amount of an asset exceeds its estimated recoverable value.

For assets dependent on other assets generating cash flow, the recoverable amount is calculated for the smallest cash-generating unit to which the asset belongs.

Property, plant and equipment

SEK M	2023	2022
Buildings	2,042	2,139
Land and land improvements	761	827
Plant and machinery	2,912	2,741
Equipment, tools, fixtures and fittings	512	497
New construction in progress and advance payments	1,530	1,385
Total	**7,757**	**7,589**

Depreciation of PPE by function

SEK M	2023	2022
Cost of goods sold	–791	–647
Selling expenses	–33	–26
Administrative expenses	–57	–52
R&D costs	–38	–31
Other operating expenses	–5	–4
Total	**–924**	**–760**

PPE by operating segment

SEK M	2023	2022
Trelleborg Industrial Solutions	3,038	2,944
Trelleborg Sealing Solutions	4,412	4,128
Group activities	307	517
Continuing operations	**7,757**	**7,589**
Assets held for sale	–	5,224
Group	**7,757**	**12,813**

Impairment of PPE by function

	Impairment losses		Reversed impairment losses	
SEK M	2023	2022	2023	2022
Cost of goods sold	–3	–3	0	–
Selling expenses	0	–	–	–
Other operating expenses	–18	–5	2	1
Items affecting comparability	–17	–5	–	2
Total	**–38**	**–13**	**2**	**3**

	Buildings		Land and land improvements		Plant and machinery		Equipment, tools, fixtures and fittings		New construction in progress and advance payments		Total property, plant and equipment	
SEK M	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Accumulated cost	4,346	4,578	831	895	11,476	11,445	2,207	2,260	1,561	1,436	20,421	20,614
Accumulated depreciation according to plan	–2,208	–2,226	–33	–30	–8,465	–8,359	–1,691	–1,744	–	–	–12,397	–12,359
Accumulated impairment losses	–96	–213	–37	–38	–99	–345	–4	–19	–31	–51	–267	–666
Total	**2,042**	**2,139**	**761**	**827**	**2,912**	**2,741**	**512**	**497**	**1,530**	**1,385**	**7,757**	**7,589**
Balance, January 1	2,139	2,800	827	1,074	2,741	4,412	497	613	1,385	1,101	7,589	10,000
Reclassification to Assets held for sale	–100	–1,074	–21	–411	–59	–2,066	–13	–185	–5	–329	–198	–4,065
Effects of IAS 29 [1]	25	45	41	75	29	34	2	3	–	–	97	157
Acquisitions	4	289	5	51	–8	125	1	24	–	176	2	665
Divested operations	–7	–	–5	–	0	–9	–1	–	–4	–	–17	–9
Capital expenditures	18	10	3	7	204	141	86	78	1,187	950	1,498	1,186
Divestments and disposals	–8	–22	–4	–12	–11	–16	–5	–5	–2	–1	–30	–56
Depreciation according to plan for the year	–157	–137	–7	–6	–609	–491	–151	–126	–	–	–924	–760
Impairment losses for the year	–2	–5	–	–	–35	–7	0	0	–1	–1	–38	–13
Reversed impairment losses	–	–	–	–	2	3	0	–	–	–	2	3
Reclassifications	192	85	–27	1	731	429	106	62	–1,006	–585	–4	–8
Exchange rate differences for the year	–62	148	–51	48	–73	186	–10	33	–24	74	–220	489
Total	**2,042**	**2,139**	**761**	**827**	**2,912**	**2,741**	**512**	**497**	**1,530**	**1,385**	**7,757**	**7,589**

[1] Relates to hyperinflation accounting for operation in Türkiye.

16 Leases

Accounting policies

The Group's lease portfolio mainly comprises leases for offices, production premises, warehouses, company cars, and production and office equipment. The most important leases pertain to rent of offices and production premises.

The Group assesses whether a contract is, or contains, a lease at the commencement date. The Group recognizes a right-of-use asset and a corresponding lease liability for all leases for which the Group is the lessee, except for short-term leases (leases with a maximum term of 12 months) and for leases in which the underlying asset is of low value. For leases that meet the criteria of exemption rules, the Group recognizes lease payments over the term of the lease.

Lease liabilities are included on the lines for interest bearing liabilities in the statement of financial position.

If the Group incurs obligations for the dismantling of a leased asset, remediation of land, or restoration and renovation of an asset to the state agreed in the contract, a provision is recognized for such obligations in accordance with IAS 37. Such provisions are included in the cost of the right of use asset insofar as they are not connected with the production of inventory.

Variable lease payments are recognized as a cost in EBIT in the periods as they arise. The Group applies a practical exemption that entails that service components are not separated from the lease payments for leases that do not pertain to asset classes for office and production premises, unless this is specifically stated in the invoice.

Critical estimates and judgments

For leasing of offices and production premises with an original term of ten years for production premises and five or more years for office premises, the non-cancelable period is not normally assumed to be the same as the period stated in the lease. If the term of the lease is less than the period stated previously, an assessment must be made of whether any options for extending the lease will be exercised. Circumstances affecting the assessment include, for example, any investments that the lessee has made in the property. For all other leases, the Group has assumed that no leases will be extended.

Right-of-use assets per type of lease

SEK M	Properties		Office premises		Cars		Forklifts		Machinery		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Balance, January 1	860	1,113	623	584	39	111	10	45	-30	5	5	6	1,507	1,864
Reclassification to assets held for sale	-	-169	-	-129	-	-63	-	-17	-	-39	-	-2	-	-419
Acquisitions	14	54	-	0	-	3	-	1	-	3	-	2	14	63
Divested operations	-	-	-	-	-10	-	-	-	-	-	-	-	-10	-
Capital expenditures	231	45	68	36	57	39	5	4	-	1	10	2	371	127
Depreciation/amortization	-176	-152	-121	-116	-49	-43	-9	-8	-3	-1	-7	-3	-365	-323
Revaluations	75	56	2	27	3	5	2	3	0	2	0	0	82	93
Terminations [1]	-14	-11	-3	-5	-1	-4	0	0	0	-	-1	-	-19	-20
Reclassifications	-81	-	-1	-	37	-	8	-	38	-	-1	-	-	-
Exchange rate differences for the year	-41	-76	-12	226	7	-9	0	-18	0	-1	4	0	-42	122
Total	**868**	**860**	**556**	**623**	**83**	**39**	**16**	**10**	**5**	**-30**	**10**	**5**	**1,538**	**1,507**

[1] Included on the line impairment of property, plant, and equipment in the consolidated cash-flow statements.

Amounts recognized in balance sheet

Lease liability recognized in balance sheet

SEK M	2023	2022
Current liabilities	287	318
Non-current liabilities	1,319	1,356
Total	**1,606**	**1,674**

Lease liabilities are included on the lines interest-bearing current and non-current liabilities in the balance sheet.

Amounts recognized in profit and loss

SEK M	2023	2022
Depreciation of right-of-use assets	365	323
Interest expenses for lease liabilities	74	53
Expenses attributable to short-term leases	6	9
Expenses attributable to low-value leases	6	8
Expenses attributable to variable lease payments	38	55

The total cash flow from continuing operations for leases during the year was SEK 539 M (375), of which SEK 465 M (322) referred to operating cash flow and SEK 74 M (53) to financing cash flow.

Future lease payments

SEK M	2023	2022
Year 1	287	321
Years 2–5	748	716
Later than 5 years	571	695
Total	**1,606**	**1,732**

Leases that have not yet commenced

The expected cash outflow for 2024 for leases that have not yet commenced at the end of 2023 amounted to SEK 15 M (11).

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17 Intangible assets

Accounting policies

Intangible assets primarily comprise goodwill and patents, trademarks, and licenses. These are recognized at cost less accumulated amortization and, where applicable, impairment losses. Subsequent expenditure for an intangible asset is added at carrying amount or recognized as a separate asset, depending on which is suitable, only when it is probable that future economic benefits associated with the asset will accrue to the Group and the cost of the asset can be reliably measured. Other expenditure is expensed as incurred.

Goodwill

The goodwill is allocated between the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination giving rise to the goodwill item. These cash-generating units comprise the Group's investments in each segment.

Trademarks

The trademarks that are considered to have an indefinite useful life originate from acquisitions. The assessment that the useful life of these trademarks is indefinite is based on the following circumstances:

- *The trademarks are regarded as being well established in their respective areas and* the Group intends to retain and develop them.
- The trademarks are considered to be of material economic significance as they comprise an integrated part of the product offering to the market by signaling product quality and innovation. Such trademarks are thus deemed to influence the pricing and competitiveness of the products.

Through their connection to ongoing business activities, they are therefore considered to have an indefinite useful life and are expected to be used as long as relevant business operations are being conducted.

Because it has been assessed that the cash flows attributable to the trademarks cannot be separated from other cash flows within the respective cash-generating units, a joint impairment test of both goodwill and trademarks is conducted by estimating the recoverable amount for the cash-generating units to which the goodwill and trademarks are allocated.

Other intangible assets

Other intangible assets include externally acquired assets, such as capitalized IT expenditure, patents, trademarks, and licenses. Assets with a finite useful life are measured at cost less accumulated amortization and impairment losses. These intangible assets are amortized straight-line over their useful life, normally 5 to 15 years.

Impairment testing

Assets with an indefinite useful life, meaning goodwill and trademarks, are not amortized but are tested annually for impairment. Assets that are subject to amortization/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognized in the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the highest of fair value less selling expenses and value in use. Value in use refers to the total present value of the estimated future cash flows and the calculated residual value at the end of the useful life. In calculating value in use, future cash flows are discounted at an interest rate that takes into account the market's assessment of risk-free interest and risk related to the specific asset, known as WACC (Weighted Average Cost of Capital). The Group bases the calculation on achieved earnings, forecasts, business plans, macroeconomic forecasts, and market data. For assets dependent on other assets generating cash flow, the recoverable amount is calculated for the smallest cash-generating unit to which the asset belongs. The cash-generating units comprise the Group's operating segments. Impairment losses are reversed if there is a change in the recoverable amount, with the exception of impairment losses on goodwill.

Critical estimates and judgments

The impairment requirement for goodwill implies that goodwill is tested annually in conjunction with the year-end financial statements, or as soon as changes indicate that a risk of impairment exists, such as when the business climate changes or a decision is made on the divestment or closure of an operation. The recoverable amount has been determined on the basis of calculations of value in use. These calculations are based on internal forecasts of the next five years.

The most important assessments relate to sales growth and the operating margin trend during the forecast period. The assessments of management are based on both historical experience and current information relating to the market trend. For the Group's business areas, cash flows after the forecast period were extrapolated using an assumed sustainable rate of growth of 2.0 percent (2.0), which is in line with the assessed sustainable growth rate in the respective market. The assessment is based on currently known conditions and strategies for each business area. The same average long-term rate of growth is applied to both business areas since we believe the current and anticipated conditions for market development will be similar for both. The applied long-term rate of growth of 2.0 percent is considered to be conservative in view of historical developments, such as GDP growth. Changes in working capital and in capital expenditure requirements were also taken into account. Projected future cash flows according to these assessments thus form the basis for the calculation.

When calculating the present value of future cash flows, a weighted average cost of capital of 8.7 percent (8.7) after tax was applied, which is continuously reviewed. Since the Group's business areas have a similar risk profile and operate in the same markets, the risk in the cash flows is similar, which justifies use of the same return requirement. Reconciliation was also conducted against an external assessment of a reasonable cost of capital.

The calculations indicated no need for impairment in any of the business areas given their conditions. Executive Management is of the opinion that no reasonable changes in the key assumptions will lead to the estimated total recoverable amount of the units being lower than their total carrying amount.

Intangible assets

SEK M	2023	2022
Capitalized expenditure [1]	413	285
Goodwill	20,491	20,818
Trademarks with indefinite useful lives	217	221
Market and customer-related intangible assets	4,393	4,840
Other intangible assets [2]	310	398
Total	**25,824**	**26,562**

[1] Includes capitalized expenditure for development work and IT.

[2] Includes concessions, patents, licenses, trademarks and similar rights, and advance payments related to intangible assets.

Impairment of intangible assets by function

SEK M	2023	2022
Administrative expenses	–3	–
Total	**–3**	**–**

Intangible assets with indefinite useful lives by operating segment

	Goodwill		Trademarks	
SEK M	2023	2022	2023	2022
Trelleborg Industrial Solutions	5,903	5,926	217	221
Trelleborg Sealing Solutions	14,588	14,901	–	–
Group activities	–	–9	–	–
Continuing operations	**20,491**	**20,818**	**217**	**221**
Assets held for sale	–	6,232	–	1,754
Group	**20,491**	**27,050**	**217**	**1,975**

	Capitalized expenditure		Goodwill		Trademarks with indefinite useful lives		Market and customer-related intangible assets		Other intangible assets		Total intangible assets	
SEK M	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Accumulated cost	1,164	1,008	20,955	21,688	217	233	5,729	6,047	461	550	28,526	29,526
Accumulated depreciation according to plan	–747	–716	–	–	–	–	–1,336	–1,015	–148	–151	–2,231	–1,882
Accumulated impairment losses	–4	–7	–464	–870	–	–12	–	–192	–3	–1	–471	–1,082
Total	**413**	**285**	**20,491**	**20,818**	**217**	**221**	**4,393**	**4,840**	**310**	**398**	**25,824**	**26,562**
Balance, January 1	285	468	20,818	18,792	221	1,559	4,840	2,067	398	296	26,562	23,182
Reclassification to Assets held for sale	–	–172	–23	–5,516	–	–1,358	–	–541	–	–37	–23	–7,624
Effects of IAS 29 [3]	–	–	114	174	–	–	38	57	–	–	152	231
Acquisitions	–	0	256	6,471	–	–	163	3,421	–	28	419	9,920
Divested operations	–9	–	–44	–	–	–	–	–	–1	–	–54	–
Capital expenditures	17	16	–	–	–	–	–	–	132	96	149	112
Divestments and disposals	–	–	–	–	–	–	–	–	–	–1	–	–1
Depreciation according to plan for the year	–71	–65	–	–	–	–	–446	–244	–22	–7	–539	–316
Impairment losses for the year	–	–	–	–	–	–	–	–	–3	–	–3	–
Reclassifications	200	13	–2	12	–	–	2	–12	–196	–5	4	8
Exchange rate differences for the year	–9	25	–628	885	–4	20	–204	92	2	28	–843	1,050
Total	**413**	**285**	**20,491**	**20,818**	**217**	**221**	**4,393**	**4,840**	**310**	**398**	**25,824**	**26,562**
Allocation of amortization for the year according to plan, by function												
Cost of goods sold	–18	–13	–	–	–	–	–22	–12	–3	–2	–43	–27
Selling expenses	–4	–2	–	–	–	–	–3	–3	–	–	–7	–5
Administrative expenses	–35	–30	–	–	–	–	–13	–12	–1	–1	–49	–43
R&D costs	0	0	–	–	–	–	–	–	–1	–1	–1	–1
Other operating expenses	–14	–20	–	–	–	–	–408	–217	–17	–3	–439	–240
Total	**–71**	**–65**	**–**	**–**	**–**	**–**	**–446**	**–244**	**–22**	**–7**	**–539**	**–316**

[3] Relates to hyperinflation accounting for operation in Türkiye.

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18 Inventories

Accounting policies

Cost is calculated according to the first-in/first-out (FIFO) principle. For finished products and work in progress, cost consists of raw materials, direct personnel costs, other direct costs, and related indirect production costs. Normal capacity utilization is used in the measurement of inventories. Borrowing costs are not included.

Critical estimates and judgments

The net realizable value is calculated as the estimated selling price less applicable variable selling expenses. Deductions are made for internal gains generated through intra-Group sales. The requisite deduction for estimated obsolescence was conducted.

SEK M	2023	2022
Raw materials and consumables	1,799	1,930
Work in progress	667	765
Finished products and goods for resale	2,627	2,749
Advances to suppliers	26	19
Total	**5,119**	**5,463**

Impairment of obsolete inventories amounted to SEK 611 M (568). Aside from adjustments for obsolescence, we see no significant risk for further adjustments.

19 Current operating receivables

Accounting policies

Accounts receivable

Accounts receivable are recognized at amortized cost, see Note 31 for additional accounting policies. A reserve for expected credit losses is made in accordance with the simplified approach. This means that a reserve for expected credit losses is recognized for the lifetime of the receivable, which is expected to be less than one year for all receivables below. The size of the reserve comprises the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted by the receivable's effective interest rate. The carrying amount of the asset is reduced by using a value depletion account and the loss is recognized under the item "Selling expenses." When a receivable cannot be collected, it is eliminated against the value depletion account for receivables. The reversal of amounts that were previously eliminated is credited under the item "Selling expenses" in the income statement. The following factors are to be taken into consideration when a reserve is made for an expected credit loss:

- Status quo is expected to continue and comprises a good estimate of the future result, but combined with:
- Important changes in the country in which the counterparty conducts its business (for example, reduction in GDP)
- Important changes in the market (for example, major changes in prices of raw materials or lower sales volumes)
- Important changes in the counterparty's business prospects (for example, changes in profitability)

Critical estimates and judgments

Based on the above policies, the need for reserves and additional reserves for realized losses is assessed on a case-by-case basis. An assessment is to be made if the total reserve is reasonable in relation to the total outstanding accounts receivable, taking into account past credit losses.

SEK M	2023	2022
Accounts receivable	5,014	5,247
Loss allowance for expected credit losses	–73	–123
Bills receivable	101	98
Operating receivables, associated companies	0	–
Other current receivables	479	438
Derivative instruments (Note 32)	1	8
Prepaid expenses and accrued income (Note 20)	918	952
Total	**6,440**	**6,620**

Age analysis of accounts receivable

SEK M	2023	2022
Receivable not yet due	4,107	4,404
Receivables fallen due:		
≤30 days	563	563
31–60 days	139	106
61–90 days	76	52
>90 days	129	122
Total	**5,014**	**5,247**
Loss allowance for expected credit losses	–73	–123
Total	**4,941**	**5,124**

Loss allowance for expected credit losses

SEK M	2023	2022
Balance, January 1	123	83
Reclassification to assets held for sale	–	–27
Reclassification between balance accounts	–10	1
New provisions recognized in profit and loss	27	69
Utilization of reserve attributable to identified credit loss	–48	–6
Reversals recognized in profit and loss	–13	–4
Acquisitions/divestments	–4	1
Exchange rate differences	–2	6
Total	**73**	**123**

20 Prepaid expenses and accrued income

SEK M	2023	2022
Interest	6	3
Pension costs	7	8
Tools	53	37
Derivative instruments (Note 32)	30	7
Accrued but not invoiced income, projects in progress	405	436
Prepaid insurance	47	50
Rents	28	26
Other	342	385
Total	**918**	**952**

21 Accrued expenses and prepaid income

SEK M	2023	2022
Interest	57	143
Wages and salaries	1,122	1,285
Payroll overheads	133	157
Pension costs	25	11
Tools	17	16
Derivative instruments (Note 32)	0	9
Invoiced but not accrued income, projects in progress	29	60
Accrued expenses, projects	109	214
Other overheads	98	115
Other	1,308	654
Total	**2,898**	**2,664**

22 Contract assets and contract liabilities

Accounting policies

Impairment of financial assets is recognized at amortized cost

The impairment model is applied to contract assets and loss allowance is conducted using an estimate of anticipated losses over the asset's expected useful life. No provision for contract assets was recognized during the year, since the amount was not deemed to be material. The Group tests the need for impairment on a continuous basis and at the end of every reporting period.

Contract assets [1]

SEK M	2023	2022
Contracted work in progress	373	404
Other contract assets	32	32
Total	**405**	**436**

[1] Contract assets are included in items Prepaid expenses and accrued income, Note 20, and in Other non-current receivables, Note 27.

The variation between the years in relation to contract assets and contract liabilities is due to the volume of projects for the respective years.

Contract liabilities [2]

SEK M	2023	2022
Advance payment from customers	461	419
Contracted work in progress	23	20
Other contract liabilities	4	10
Total	**488**	**449**

[2] Contract liabilities are included in the items Accrued expenses and prepaid income and advance payments from customers, Note 21, and in Non-interest-bearing liabilities, Note 23.

Amounts recognized as income during the reporting period and included in contract liabilities at the start of the period.

SEK M	2023	2022
Advance payment from customers	354	187
Contracted work in progress	17	42
Other contract liabilities	11	9
Total	**382**	**238**

SEK M	2024	>2024
Remaining liability to be recognized as income	438	50
Total	**438**	**50**

Total transaction price distributed between unsatisfied performance obligations on the closing date.

SEK M	2024	2025	>2025	Total
Contracts longer than 12 months	80	109	–	189
Total	**80**	**109**	**–**	**189**

23 Non-interest-bearing liabilities

Accounting policies

Accounts payable are initially recognized at fair value and, thereafter, at amortized cost using the effective interest method.

Other non-current liabilities

SEK M	2023	2022
Other non-interest-bearing liabilities	71	86
Derivative instruments (Note 32)	–	–
Total	**71**	**86**

Other current liabilities

SEK M	2023	2022
Advance payment from customers	409	328
Accounts payable	2,311	2,598
Bills payable	5	15
Liabilities to associated companies	0	1
Other non-interest-bearing liabilities	435	397
Derivative instruments (Note 32)	22	42
Accrued expenses and prepaid income (Note 21)	2,898	2,664
Total	**6,080**	**6,045**
Total non-interest-bearing liabilities	**6,151**	**6,131**

24 Other provisions

Accounting policies

The provision for restructuring primarily covers costs relating to severance pay and other costs affecting cash flow arising in conjunction with restructuring the Group's operations. Provisions are established when a detailed, formal plan for measures to be undertaken has been established and valid expectations have been raised by those who will be affected by such measures. Restructuring and any reversals are recognized in profit and loss as expenses affecting comparability.

Critical estimates and judgments

The amount of provisions for restructuring is based on assumptions and estimations regarding the point in time and cost for future activities, such as the amount of severance payments or other obligations in connection with termination of employment. Calculations of this type of cost are based on the particular situation in the negotiations with the parties concerned. The Group is involved in a number of disputes and legal proceedings within the framework of its operating activities. Management engages both external and internal legal expertise in these matters. According to assessments made, the Group is not involved in any legal disputes that could entail any major negative effect on the operations or on the financial position.

	Restructuring programs		Other provisions		Total	
SEK M	2023	2022	2023	2022	2023	2022
Balance, January 1	136	103	513	429	649	532
Reclassification to Liabilities held for sale	–	–20	–	–105	–	–125
Reclassification	6	–9	–12	3	–6	–6
Reversals	–68	–9	–57	–37	–125	–46
Provisions for the year	94	110	423	128	517	238
Divestments for the year	–	–	–2	–	–2	–
Acquisitions for the year	11	–	8	83	19	83
Utilized during the year	–44	–47	–60	–17	–104	–64
Exchange rate differences for the year	–1	8	–5	29	–6	37
Closing balance	**134**	**136**	**808**	**513**	**942**	**649**
Of which, non-current provisions					447	288
Of which, current provisions					495	361
Of which, provisions for environmental commitments					341	72

Closing balances for restructuring programs relate to reorganizations and the focusing of operations in the business areas.

Closing balances for other provisions relate primarily to environmental commitments and guarantee provisions, linked mainly to divested operations.

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25 Discontinuing operations and assets and liabilities held for sale

Accounting policies

The Group classifies non-current assets or a disposal group as being held for sale if its carrying amount will be recovered mainly through its divestment and not through its continued use. To meet this requirement, the asset (or disposal group) must be available for immediate sale in its present condition and subject only to such terms and conditions as are normal and customary for the divestment of such assets (or disposal groups). Furthermore, it must be highly likely that the divestment will be carried out. For a divestment to be viewed as highly likely, a plan to sell the asset (or disposal group) must have been decided at the appropriate level of executive management and active work must have commenced to identify a buyer and complete the plan. Furthermore, the asset (or disposal group) must be marketed at a price that is reasonable in relation to its current fair value. In addition, it should be expected that a completed divestment can be recognized within one year from the date of classification.

The Group's tire and printing blanket operations, which were divested on May 2, 2023, were reported as discontinuing operations, assets and liabilities held for sale.

Group's tire operation

When an agreement was signed to divest the Trelleborg Wheel Systems business area to The Yokohama Rubber Co., Ltd., the Group's tire operation was recognized as assets and liabilities held for sale and discontinuing operations. On May 2, 2023, the divestment was concluded after the approval of all the relevant authorities. The divestment yielded a capital gain of approximately SEK 6,000 M.

Group's printing blanket operation

As of the first quarter of 2021, the Group's printing blanket operation was reported as assets and liabilities held for sale and discontinuing operations. In the fourth quarter of 2021, an agreement was signed to divest the operations to Continental. On May 2, 2023, the divestment was concluded after the approval of all the relevant authorities. The divestment yielded a capital gain of approximately SEK 50 M.

Income statement for discontinuing operations

SEK M	2023	2022
Net sales	5,108	14,615
Cost of goods sold	–3,697	–10,874
Gross profit	**1,411**	**3,741**
Selling expenses	–356	–1,023
Administrative expenses	–186	–495
R&D costs	–47	–126
Other operating income [1]	6,329	569
Other operating expenses	–142	–263
Share of profit or loss in associated companies	–2	0
EBIT	**7,007**	**2,403**
Net financial items	–124	–33
Profit before tax	**6,883**	**2,370**
Income tax	–290	–542
Net profit	**6,593**	**1,828**

[1] Includes the capital gain from divestment of the Group's tire and printing blanket operations.

Cash-flow statement for discontinuing operations

SEK M	2023	2022
Cash flow from operating activities	–345	1,495
Cash flow from investing activities	26,099	–429
Cash flow from financing activities	–9,870	9,055
Total cash flow from discontinuing operations	**15,884**	**10,121**

Assets and liabilities held for sale

SEK M	2023	2022
Property, plant and equipment	–	5,225
Right-of-use assets	–	566
Intangible assets	–	8,849
Other non-current assets	–	213
Inventories	–	3,888
Current operating receivables	–	2,913
Other current assets	–	355
Cash and cash equivalents	–	835
Total assets	**–**	**22,844**
Deferred tax liabilities	–	598
Other non-current liabilities	–	570
Current liabilities	–	3,855
Total liabilities	**–**	**5,023**

Effect of divested operations on individual assets and liabilities in the Group

SEK M	2023
Property, plant and equipment	5,517
Right-of-use assets	587
Intangible assets	9,269
Other non-current assets	67
Inventories	4,009
Current operating receivables	4,314
Other current assets	3,064
Cash and cash equivalents	3,105
Deferred tax assets/liabilities, net	–457
Other non-current liabilities	–3,346
Current liabilities	–3,190
Divested assets and liabilities, net	**22,939**
Purchase consideration received	28,991
Less: Cash and cash equivalents in divested operations	–3,105
Impact on consolidated cash and cash equivalents, divested operations	**25,886**

In 2022, no divestments of assets held for sale took place.

Capital structure and financing

26 Cash and cash equivalents

Accounting policies

Cash and cash equivalents consist of cash balances and balances with banks and other institutes maturing within three months from the date of acquisition, as well as short-term liquid investments with a maturity, from the date of acquisition, of less than three months, and which are exposed to a minimal risk of fluctuations in value. For these items classified at amortized cost, the expected credit losses are recognized according to IFRS 9. The Group applies a rating-based method, refer to the Financial credit risk exposure section in Note 33. Expected credit losses are estimated at the total of the probability for payment cancellation, losses on payment cancellation and exposure on payment cancellation. Forward-looking information is also taken into consideration.

SEK M	2023	2022
Current bank investments	830	690
Cash and bank balances	9,716	3,234
Total	**10,546**	**3,924**

The fair value of cash and cash equivalents corresponds to the carrying amount less the loss allowance of SEK 1 M. For more information about credit exposure in cash and cash equivalents, see Note 33.

27 Financial non-current assets

Accounting policies

Financial non-current assets are classified at amortized cost, except for derivative instruments. Financial non-current assets classified at amortized cost are initially measured at fair value with additions for transaction costs, less expected credit losses, and are subsequently measured at amortized cost by applying the effective interest method, less any loss allowance. The gross amount reduced by the loss allowance is recognized in the financial statements. Changes in expected credit losses are recognized in profit and loss.

Impairment of financial assets recognized at amortized cost

With respect to expected credit losses, the Group applies impairment according to IFRS 9 as of January 1, 2018. No provision for financial non current assets was recognized during the year, since the amount was not deemed to be material. The Group tests the need for impairment at the end of every reporting period.

SEK M	2023	2022
Plan assets	20	20
Loan receivables	0	0
Non-current interest-bearing receivables at fair value	50	47
Derivative instruments (Note 32)	27	309
Other non-current receivables	68	80
Total	**165**	**456**

Carrying amount substantially corresponds with fair value.

28 Interest-bearing receivables

SEK M	2023	2022
Derivative instruments (Note 32)	697	417
Current bank investments	12	12
Total	**709**	**429**

For reserves for expected credit losses on current bank investments, refer to the description of cash and cash equivalents in Note 26.

29 Equity

Accounting policies

For accounting policies relating to other reserves, see the relevant parts of the description in Note 32.

Specification of other reserves

	Hedging reserve		Translation reserve		Total	
SEK M	2023	2022	2023	2022	2023	2022
Opening balance	252	–72	5,087	2,083	5,339	2,011
Cash-flow hedges, recognized in other comprehensive income						
Fair value of interest rate swaps	–25	421	–	–	–25	421
Transfers to profit and loss, interest rate swaps	–256	2	–	–	–256	2
Fair value of foreign-exchange forwards	–6	5	–	–	–6	5
Transfers to profit and loss, foreign-exchange forwards	26	–20	–	–	26	–20
Cash-flow hedges, result for the period	**–261**	**408**	**–**	**–**	**–261**	**408**
Tax, recognized in other comprehensive income						
Tax on fair value	6	–88	–	–	6	–88
Tax on transfers to profit and loss	47	4	–	–	47	4
Net investments in foreign currency, recognized in other comprehensive income						
Changes for the period attributable to translation of companies after tax	–	–	–790	3,771	–790	3,771
Hedging of net investments, recognized in other comprehensive income						
Transfers to profit and loss for divested companies	–	–	335	–	335	–
Fair value of foreign-exchange forwards	–	–	46	–667	46	–667
Exchange rate effects, liabilities in foreign currencies	–	–	54	–299	54	–299
Hedging of net investments, result for the period	**–**	**–**	**435**	**–966**	**435**	**–966**
Tax on hedging of net investments	–	–	–92	199	–92	199
Closing balance	**44**	**252**	**4,640**	**5,087**	**4,684**	**5,339**

Accumulated translation differences are recognized from January 1, 2004.

Changes for the period attributable to translation of companies include SEK 245 M after tax relating to translation effects for divested companies' extended equity.

Of transfers from the hedging reserve to profit/loss during 2023, SEK 256 M (2) caused an improvement in the Group's financial interest income and SEK 26 M (20) caused a decline in other operating income and operating expenses. These effects are offset by earnings effects from the hedged items. A transfer to profit and loss of the full amount took place due to the hedged item impacting profit and loss. All amounts in the hedging reserve pertain to ongoing hedges. Effects of hedging instruments that have matured remain in the translation reserve.

The Board of Directors proposes a dividend of SEK 6.75 per share (6.00), a total of SEK 1,643 M (1,524). Trelleborg AB's share capital at December 31, 2023 amounted to SEK 2,620,360,569, represented by 255,125,919 shares with a par value of SEK 10.27 each.

Class of share	No. of shares	% of total	No. of votes	% of total
Series A	28,500,000	11.17	285,000,000	55.70
Series B	226,625,919	88.83	226,625,919	44.30
Total	**255,125,919**	**100.00**	**511,625,919**	**100.00**

Change in total number of shares	2023	2022
January 1	271,071,783	271,071,783
Change during the year	–15,945,864	–
December 31	**255,125,919**	**271,071,783**
Of which, in treasury	11,696,591	13,691,970

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Repurchase of own shares

	No. of shares		Amount that impacts equity, SEK M	
	2023	2022	2023	2022
Own shares repurchased, January 1	13,691,970	–	–3,079	–
Repurchased during the year	13,950,485	13,691,970	–3,880	–3,079
Canceled during the year	–15,945,864	–	–	–
Own shares repurchased, December 31	**11,696,591**	**13,691,970**	**–6,959**	**–3,079**

During 2023, 13,950,485 Series B shares in Trelleborg were repurchased. This corresponded to 5.5 percent of the shares outstanding that amounted to 255,125,919 on the balance sheet date. In accordance with the resolution at the Annual General Meeting on April 27, 2023, Trelleborg has canceled 15,945,864 own shares of Series B, where 13,691,970 were repurchased during 2022 and 2,253,894 during 2023. The number of treasury shares amounted to 11,696,591 on the balance sheet date.

30 Interest-bearing liabilities

Accounting policies

Borrowings are initially measured at fair value, net, after transaction costs and, subsequently, at amortized cost. Any difference between the amount received and the amount to be repaid is recognized in profit and loss over the loan period by applying the effective interest method. Borrowings are classified as interest-bearing non-current or current liabilities in the balance sheet.

The Group has entered into leases in accordance with IFRS 16. Lease liabilities are included on the lines Interest-bearing non-current and current liabilities in the balance sheet. For accounting policies relating to lease liabilities, refer to Note 16.

For accounting policies relating to derivative instruments, refer to Note 32.

Interest-bearing non-current liabilities

SEK M	2023	2022
Liabilities to credit institutions	4,014	7,661
Other interest-bearing liabilities	11	12
Lease liabilities	1,319	1,356
Total	**5,344**	**9,029**

Interest-bearing current liabilities

SEK M	2023	2022
Liabilities to credit institutions	2,561	15,482
Bank overdraft facilities	–1	28
Other interest-bearing liabilities	0	49
Lease liabilities	287	318
Derivative instruments (Note 32)	106	247
Total	**2,953**	**16,124**
Total interest-bearing liabilities	**8,297**	**25,153**

Financial interest-bearing liabilities, except financial derivatives, are recognized at amortized cost. Changes in interest rates and credit margins create differences between fair value and amortized cost. A calculation at fair value would reduce the Group's non-current loans by SEK 5 M. The Group's current loans were not remeasured because the carrying amount is considered to be a good estimation of the fair value due to their short maturity.

The table below shows the currency distribution, average interest rates and fixed-interest terms for the Group's interest-bearing liabilities, including the effect of derivative instruments. Lease liabilities are excluded.

Average interest and fixed-interest term as per December 31, 2023

	Amount SEK M		Effective interest rate, %		Fixed-interest term adjusted for any derivatives, No. of days	
	2023	2022	2023	2022	2023	2022
EUR	9,274	6,207	5.0	1.8	88	656
GBP	763	753	6.4	5.0	84	23
SEK	–8,418	9,642	5.1	3.0	65	68
USD	5,861	6,972	5.8	2.7	95	176
Other	–789	-95	4.5	2.6	51	-7
Total	**6,691**	**23,479**	**5.8**	**2.6**	**127**	**254**
Lease liabilities	1,606	1,674				
Total interest-bearing liabilities	**8,297**	**25,153**				

As of 2019, interest-bearing liabilities include a lease liability and interest expenses for the liability are recognized as a financial expense. The most important leases pertain to rent of office and production premises. Interest rate risk pertaining to these leases are primarily an effect of discounting when the lease is signed and interest rate changes do not govern the actual cash flow linked to the leases. Only a small portion of the lease liability has interest rate risk connected to the leases.

Group's interest-bearing liabilities

The EUR 412 M and USD 572 M syndicated loan, with final maturity in 2026, and CZK 6,750 M syndicated loan maturing in 2024, are both subject to a financial covenant that stipulates a maximum debt/equity ratio (indebtedness excluding pension liabilities and lease liabilities). At year-end 2023, there was ample headroom in relation to these covenants.

The Group's interest-bearing liabilities (utilized amounts at closing date)

	2023		2022	
	SEK M	Expiry, year	SEK M	Expiry, year
Non-current				
Syndicated loan, tranche USD 572 M	1,348	2026	1,827	2026
Syndicated loan, tranche CZK 6,750 M	–	–	599	2024
Medium Term Note SEK 1,000 M	1 000	2027	1,000	2027
Medium Term Note SEK 800 M	800	2025	800	2025
Medium Term Note SEK 626 M	–	–	626	2024
Medium Term Note EUR 50 M	553	2029	556	2029
Bilateral money market loan EUR 150 M	–	–	1,670	2026
Schuldscheindarlehen EUR 15 M	–	–	167	2027
Schuldscheindarlehen EUR 10 M	–	–	111	2025
Schuldscheindarlehen EUR 29 M	321	2026	323	2026
Lease liabilities	1,319	2025–2109	1,356	2024–2109
Capitalized borrowing costs	–8	2025–2029	–18	2024–2029
Other interest-bearing liabilities	11	2025	12	2024
Total non-current	**5,344**		**9,029**	
Current				
Commercial paper program	–	–	3,399	2023
Bridge financing	–	–	9,915	2023
Syndicated loan, tranche CZK 6,750 M	–	2024	–	–
Bilateral money market loan EUR 75 M	–	–	835	2023
Medium Term Note SEK 176 M	–	–	176	2023
Medium Term Note SEK 300 M	–	–	300	2023
Medium Term Note SEK 626 M	626	2024	–	–
Bilateral money market loan EUR 150 M	1,658	2024	–	–
Schuldscheindarlehen EUR 15 M	166	2024	–	–
Schuldscheindarlehen EUR 10 M	111	2024	–	–
Schuldscheindarlehen EUR 77 M	–	–	857	2023
Lease liabilities	287	2024	318	2023
Bank overdraft facilities	–1	2024	28	2023
Other interest-bearing liabilities	–	–	49	2023
Derivative instruments	106	2024	247	2023
Total current	**2,953**		**16,124**	
Total	**8,297**		**25,153**	

Loan facilities

	2023			2022		
SEK M	Total	Utilized	Unutilized	Total	Utilized	Unutilized
Committed loan facilities [1]						
Syndicated loan EUR 412 M + USD 572 M (expires 2026)	10,264	1,348	8,917	10,555	1,827	8,728
Syndicated loan CZK 6,750 M (expires 2024)	3,020	–	3,020	3,110	599	2,511
Bridge financing	–	–	–	9,915	9,915	–
Overdraft facilities (expire 2024)	200	–	200	200	–	200
Total	**13,484**	**1,348**	**12,137**	**23,780**	**12,341**	**11,439**
Non-committed loan facilities						
Bilateral credit facilities	–	–	–	835	–	835
Bank overdraft facilities	1,289	–	1,289	2,105	28	2,077
Total	**1,289**	**–**	**1,289**	**2,940**	**28**	**2,912**
Total credit facilities	***14,773***	***1,348***	***13,426***	***26,720***	***12,369***	***14,351***

[1] Loan facilities are defined as committed if they are confirmed in writing and subject to a firm commitment to lend by the facility provider.

34 Financial instruments – classification and valuation

Accounting policies

A financial asset or liability is initially recognized in the balance sheet when the company becomes a party to the contractual conditions of the instrument. A financial asset is derecognized from the balance sheet when all benefits and risks associated with ownership have been transferred. A financial liability is derecognized from the balance sheet when the obligations of the contract have been met, or otherwise extinguished.

Financial instruments are initially measured at fair value and, subsequently, at fair value or accumulated amortized cost, depending on their classification. All financial derivatives are measured at fair value. The purchase and sale of financial assets is recognized on the transaction date, which is the date the Group undertakes to purchase or sell the asset. From January 1, 2018, the Group applies the policy of recognizing a loss allowance for financial assets and receivables classified at amortized cost.

Some measurements are conducted according to the effective interest method. The effective interest rate is the rate that, on discounting of all future anticipated cash flows over the expected term, results in the initial carrying amount of the financial asset or the financial liability.

Classification of financial instruments – financial assets

Debt instruments

Classification of financial assets that are debt instruments is based on the Group's business model for the management of the asset and the characteristics of the asset's contractual cash flows.

Instruments are classified at:

- amortized cost
- fair value through other comprehensive income, or
- fair value through profit and loss

Financial assets classified at amortized cost are initially measured at fair value plus transaction costs. Accounts receivable are initially recognized at the invoice amount. After initial recognition, the assets are measured according to the effective interest method. Assets classified at amortized cost are held under the business model of collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The assets are covered by a reserve for expected credit losses (loss allowance).

The Group does not have any material assets classified at fair value through other comprehensive income or through profit and loss.

Fair value through profit and loss is all other debt instruments that are not measured at amortized cost or fair value through other comprehensive income. Financial instruments in this category are initially measured at fair value. Changes in the fair value are recognized in profit and loss. The Group's debt instruments are classified at amortized cost, except for debt instruments held for trading.

Equity instruments

Classified at fair value through profit and loss.

Derivatives

Classified at fair value through profit and loss except if they are classified as hedging instruments in cash-flow hedges or hedges of net investments in foreign operations when the effective portion of the hedge is then recognized in "Other comprehensive income."

Classification of financial instruments – financial liabilities

Debt instruments

Classified at amortized cost except for derivatives. Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. After initial recognition, they are measured at amortized cost according to the effective interest method.

Derivatives

Classified at fair value through profit and loss except if they are classified as hedging instruments in cash-flow hedges or hedges of net investments in foreign operations when the effective portion of the hedge is then recognized in "Other comprehensive income."

Loss allowance for expected credit losses

The Group's financial assets and receivables, except for those classified at fair value through profit and loss, are subject to impairment for expected credit losses. Impairment for credit losses under IFRS 9 includes forward-looking factors and a loss allowance is established when there is exposure to credit risk, already in connection with initial recognition.

Expected credit losses reflect the present value of all deficits in cash flows attributable to payment cancellations. Expected credit losses reflect an unbiased and probability-weighted amount that considers a range of possible outcomes based on reasonable and supportable forward-looking information.

The modified retrospective approach is applied to accounts receivable. Under this approach, a loss allowance is recognized for the expected lifetime of the receivable or asset. Refer to Note 19.

For other items covered by expected credit losses, a three stage impairment model is applied. Initially, and on each closing date, a loss allowance is recognized for the next 12 months, or for a shorter period of time depending on the lifetime (stage 1). If there has been a material increase in credit risk since initial recognition, a loss allowance is recognized for the asset's lifetime (stage 2). For assets that are considered to be credit-impaired, lifetime expected credit losses continue to be recognized (stage 3), but interest income is based on the net of the loss allowance. The Group has defined a receivable as credit-impaired if the receivable is more than 90 days overdue for payment or if other factors indicate that the receivable is credit-impaired. A material increase in credit risk is defined as a payment delay of more than 30 days, or a significant reduction in credit rating that no longer entails an investment grade rating.

The measurement of expected credit losses is based on different methods for different types of credit exposure, refer to the description in the relevant note. In general, any significantly credit-impaired assets and receivables are assessed individually, taking into account past, current, and forward looking information. The measurement of expected credit losses also considered any collateral or other credit enhancement in the form of guarantees. Loss allowances were established for cash and cash equivalents and accounts receivable. The Group writes off assets and receivables when there is no longer any reasonable expectation of receiving any additional payment for the asset or receivable.

The financial assets are recognized in the balance sheet at amortized cost, meaning the net of the gross amount and the loss allowance. Changes in the loss allowance are recognized in profit and loss in EBIT for accounts receivable and as financial expenses or income for other provisions.

The Group's credit exposure is presented in Note 33 and in Note 19.

Calculation of fair value

The fair value of listed financial instruments is based on the appropriate market quotation on the closing date. For unlisted financial instruments, or if the market of a certain financial asset is not active, the value is determined by applying recognized measurement techniques, whereby the Group makes assumptions that are based on the market conditions prevailing on the closing date. Market rates form the basis for the calculation of fair value of long-term loans. For other financial instruments with no specified market value, the fair value is deemed to correspond to the carrying amount.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are measured at the exchange rate prevailing on the closing date. Exchange rate differences on operating receivables and operating liabilities are included in operating profit (EBIT), while exchange rate differences on financial receivables and liabilities are classified as financial items. See also Note 1 for translation of foreign currencies.

Offsetting of financial instruments

Financial assets and liabilities are offset and recognized at net amount in the balance sheet only when a legal right exists to offset the recognized amount and there is an intention to settle the amount net, or simultaneously realize the asset and settle the liability. This legal right may not be dependent on future events and it must be legally binding for the company and the counterparty in the normal business operations and also in the event of payment cancellation, insolvency, or bankruptcy.

To limit credit risks in receivables from banks related to derivative instruments, Trelleborg has entered into netting agreements, under ISDA agreements. Financial assets and liabilities are not netted in the balance sheet.

Other financial instruments

Accounting policies for the financial instruments not addressed here can be found under the relevant note.

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A description of the respective categories and the calculation of fair value is presented under the accounting policies section and under the table below.

Classification of financial assets

At December 31, 2023	Assets measured at amortized cost	Assets at fair value through profit and loss		Derivatives used for hedging purposes, measured at fair value		
SEK M	Carrying amount	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Assets in the balance sheet						
Derivative instruments	–	220	2	535	2	755
Financial non-current assets	89	50	3	–		139
Accounts receivable	4,941	–		–		4,941
Interest-bearing receivables	12	–		–		12
Cash and cash equivalents	10,546	–		–		10,546
Total	**15,588**	**270**		**535**		**16,393**

Classification of financial assets

At December 31, 2022	Assets measured at amortized cost	Assets at fair value through profit and loss		Derivatives used for hedging purposes, measured at fair value		
SEK M	Carrying amount	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Assets in the balance sheet						
Derivative instruments	–	418	2	323	2	741
Financial non-current assets	100	47	3	–		147
Accounts receivable	5,124	–		–		5,124
Interest-bearing receivables	12	–		–		12
Cash and cash equivalents	3,924	–		–		3,924
Total	**9,160**	**465**		**323**		**9,948**

Classification of financial liabilities

At December 31, 2023	Liabilities measured at amortized cost	Liabilities at fair value through profit and loss		Derivatives used for hedging purposes, measured at fair value		
SEK M	Carrying amount	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Liabilities in the balance sheet						
Derivative instruments	–	108	2	20	2	128
Interest-bearing non-current liabilities	4,024	–		–		4,024
Interest-bearing current liabilities	2,560	–		–		2,560
Lease liabilities	1,606	–		–		1,606
Accounts payable	2,311	–		–		2,311
Total	**10,501**	**108**		**20**		**10,629**

Classification of financial liabilities

At December 31, 2022	Liabilities measured at amortized cost	Liabilities at fair value through profit and loss		Derivatives used for hedging purposes, measured at fair value		
SEK M	Carrying amount	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Liabilities in the balance sheet						
Derivative instruments	–	60	2	238	2	298
Interest-bearing non-current liabilities	7,673	–		–		7,673
Interest-bearing current liabilities	15,510	49	3	–		15,559
Lease liabilities	1,674	–		–		1,674
Accounts payable	2,598	–		–		2,598
Total	**27,455**	**109**		**238**		**27,802**

Measurement techniques used to measure fair values in Level 2

Derivatives in Level 2 comprise foreign-exchange forwards and interest rate swaps, and are primarily used for hedging purposes, but also for trading. Fair-value measurement for foreign-exchange forwards is based on published forward rates in an active market and on discounted contractual cash flows. Measurement of interest rate swaps is based on forward interest rates based on observable Swedish yield curves and discounting of contractual cash flows.

Measurement techniques used to measure fair values in Level 3

A financial interest-bearing receivable totaling SEK 50 M (47) is recognized at fair value. Interest-bearing current liabilities include additional purchase payments according to contract in the amount of SEK 0 M (49). An assessment of the most likely outcome has been determined. The present value of this amount has been calculated.

Disclosures on fair value of borrowing and other financial instruments

Financial interest-bearing liabilities, except financial derivatives that adjust the loans, and additional purchase payments according to contract, are recognized at amortized cost. Changes in interest rates and credit margins create differences between fair value and amortized cost. A calculation at fair value would reduce the Group's non-current loans by SEK 5 M. The Group's current loans were not remeasured because the carrying amount is considered to be a good estimation of the fair value due to their short maturity.

Offsetting of financial derivative instruments

To limit credit risks in receivables from banks related to derivative instruments, Trelleborg has entered into netting agreements, under ISDA agreements.

The disclosures in the table below include financial assets and liabilities that are subject to legally binding framework agreements on netting or similar agreements that cover financial instruments.

	At December 31, 2023			At December 31, 2022		
SEK M	Financial assets	Financial liabilities	Total	Financial assets	Financial liabilities	Total
Gross amount	755	–128	627	741	–298	443
Amount offset	–	–	–	–	–	–
Recognized in balance sheet	**755**	**–128**	**627**	**741**	**–298**	**443**
Amounts encompassed by netting agreements	–128	128	0	–298	298	0
Net amount after netting agreements	**627**	**0**	**627**	**443**	**0**	**443**

32 Financial derivative instruments and other hedging instruments

Accounting policies

Derivatives are recognized in the balance sheet from the contract date and are measured at fair value, both initially and in subsequent remeasurement. The method for recognizing the gains or losses arising in connection with remeasurement depends on whether or not the derivatives have been identified as a hedging instrument and whether this is a hedge of fair value, cash flow or, net investment.

Derivatives not identified as hedging instruments are classified in the balance sheet as financial assets and liabilities measured at fair value through profit and loss. Gains and losses resulting from changes in fair value are recognized as financial items in profit and loss in the period in which they occur.

Hedge accounting

The Group applies hedge accounting according to IFRS 9 for financial instruments intended to hedge future commercial cash flows in foreign currency, cash flows in future interest payments on the Group's borrowing, and net investments in foreign operations.

When entering into the transaction, the relationship between the hedging instrument and the hedged item or transaction is documented, as is the objective of risk management and the strategy according to which various hedging measures are implemented. Both at the inception of the hedging transaction and on an ongoing basis, the Group also documents its assessment as to whether or not the derivatives used for the hedging transaction are efficient in terms of offsetting changes in the fair value of the hedged items or in terms of the cash flows pertaining to them.

Hedges are designed so that they can be expected to be effective, meaning that an economic relationship is expected to exist by the hedging instrument offsetting changes in fair value or the cash flow of the hedged item. This economic relationship is estab lished mainly through qualitative analysis of critical terms in the hedging relationship. If changes in circumstances affect the hedging relationship such that the critical terms no longer match, the Group uses quantitative methods (the dollar offset method) to evaluate effectiveness. Sources of hedge ineffectiveness are stated below under each type of hedge.

The Group determines the hedge ratio between the hedging instrument and the hedge item, based on the hedge ratios existing for the actual hedges. The hedge quote is 1:1 for all of the Group's hedging relationships where hedge accounting is applied.

Changes in the fair value of hedging instruments not meeting the requirements for hedge accounting are recognized directly in profit and loss.

Hedging of future commercial cash flows in foreign currencies

To hedge future forecast and contracted commercial cash flows, both within the Group and externally, the Group has secured foreign-exchange forward contracts. The effective portion of changes in the fair value of hedging instruments is recognized in other comprehensive income. The gain or loss attributable to any ineffective portion is recognized directly in EBIT in profit and loss. Accumulated amounts in equity are transferred back to profit and loss in the periods in which the hedged item affects profit, such as when the forecast external sale takes place.

When a hedging instrument expires or is sold, or when the hedge no longer meets the requirements for hedge accounting, accumulated gains or losses remain in equity and are recognized as income/loss at the same time as the forecast transaction is finally recognized in profit and loss. If a forecast transaction is no longer expected to take place, the accumulated gain or loss recognized in equity is immediately transferred to profit and loss.

Sources of hedge ineffectiveness include the impact of the parties' credit rating in the measurement of the hedging instrument and not perfectly matching cash flows between the hedging instrument and hedged commercial cash flows. The Group believes that the sources of hedge ineffectiveness are not material given Trelleborg's credit rating and that of its counterparties, and since procedures are in place for reporting and monitoring forecast flows compared with outcomes. The Group normally hedges only a portion of forecast cash flows.

Hedging of cash flows in future interest payments on Group borrowing

The Group secures interest rate derivatives to ensure the required interest rate on the Group's net borrowings. Amounts to be paid or received in relation to interest rate derivatives are recognized on an ongoing basis as interest income or interest expense. Changes in the fair value of hedging instruments are recognized in equity until the maturity date. Any ineffective portion is recognized directly in profit and loss. If the loan, and consequently, future interest payments, ceases to exist, the accumulated gain or loss recognized in equity is transferred immediately to profit and loss.

Sources of hedge ineffectiveness include the impact of the parties' credit rating in the measurement of the hedging instrument and not perfectly matching cash flows between the hedging instrument and hedged cash flows due to different points in time for determining the reference rate or time of the interest payment. The Group believes that the sources of hedge ineffectiveness are not material given Trelleborg's credit rating and that of its counterparties, and since reference rates and payments are determined at a close point in time.

Hedging of net investments in foreign operations

The Group makes use of loans in foreign currency and forward contracts as hedging instruments for hedging net investments in foreign subsidiaries. These loans are valued at the exchange rate of the closing date and the forward contracts are measured at fair value. If effective hedging relationships exists, the changes in exchange rates on the loans and the change in the value of the forward contracts, excluding the forward premium, are recognized in other comprehensive income and accumulated in equity, translation reserve. Any inefficiency in the hedging instrument is recognized directly in profit and loss as a financial item. Accumulated gains and losses in equity are recog nized in profit and loss when the foreign operations are disposed of.

Sources of hedge ineffectiveness include the risk that the hedged volume in the hedging instrument could exceed the net investment. The Group continuously reconciles the currency exposure in the net investments and hedge accounting is applied to a specific percentage of the total exposure, which is why the risk of ineffectiveness is deemed to be low. Realized exchange rate differences on borrowings and forward contracts are recognized in the cash-flow statement in the section "Financing activities."

Loans defined as net investments

The Group has borrowings in foreign currency with certain subsidiaries where the loans represent a permanent part of the Parent Company's financing of the subsidiary. Loans are recognized at the closing rate, with exchange rate differences on these loans recog nized in other comprehensive income and accumulated in equity, translation reserve.

Derivative instruments are mainly used to hedge the Group's exposure to fluctuations in exchange rates and interest rates. The Group also use derivative instruments for proprietary trading within the framework of mandates set by the Board. In cases where available forms of borrowing do not meet the desired structure of the loan portfolio with regard to interest rate and foreign-exchange considerations, various derivative instruments are used.

Currency and basis swaps are used to secure the desired financing adapted to the subsidiaries' currencies. Interest rate swaps and basis swaps are used to obtain the desired fixed-interest terms.

Foreign-exchange forwards are used to hedge currency exposure in fixed undertakings of a project-like nature. Calculated future commercial flows are normally not hedged.

Investments in foreign subsidiaries, associated and joint ventures may be hedged. Hedging is effected mainly through corresponding borrowing in the same currency, but may also be secured through forward contracts.

The table below shows where the Group's financial derivative instruments are recognized in the balance sheet.

SEK M	2023	2022
Financial non-current assets	27	309
Prepaid expenses and accrued income	30	7
Current operating receivables	1	8
Interest-bearing receivables	697	417
Total receivables, financial derivatives	**755**	**741**
Other non-current liabilities	–	–
Accrued expenses and prepaid income	0	9
Other current operating liabilities	22	42
Interest-bearing current liabilities	106	247
Total liabilities, financial derivatives	**128**	**298**

For credit exposure in derivatives, see Note 33.

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SEK M Type and purpose of Group's financial derivative instruments	2023 Assets Fair value	 Liabilities Fair value	2022 Assets Fair value	 Liabilities Fair value
Interest rate swaps – cash-flow hedging	28	20	316	41
Foreign-exchange forwards – cash-flow hedging	30	0	7	9
Foreign-exchange forwards – net investment hedging	477	–	–	188
Foreign-exchange forwards – financing of subsidiaries	220	108	418	60
Total	**755**	**128**	**741**	**298**

The nominal amount of interest rate swaps outstanding totaled SEK 1,328 M (6,756).

Derivatives with hedge accounting

Cash-flow hedging – interest rate swaps

In the closing balance of the hedging reserve in equity, SEK 28 M (309) before tax relates to the fair value of interest rate swaps.

At unchanged interest and exchange rates, this value will impact earnings by SEK 2 M in 2024, by SEK 16 M in 2025 and by SEK 10 M in 2026. These effects are offset by earnings effects from the hedged items.

Cash-flow hedges – foreign-exchange forwards

The fair-value closing balance of cash-flow hedges relating to foreign-exchange forwards attributable to transaction exposure and recognized in the hedging reserve amounted to a net of SEK 26 M (5).

At unchanged exchange rates, a transfer of SEK 25 M will be made in profit and loss in 2024 and SEK 1 M in 2025, which will be offset by the earnings effects from the hedged transactions.

Sensitivity analysis – Financial instruments

Sensitivity analyses relating to interest rate risks and translation risks are presented in Note 33.

If cash-flow hedges related to transaction exposure were valued using exchange rates applicable on December 31, 2022, the fair value would amount to SEK 14 M (40), of which SEK 14 M (36) would be included in the hedging reserve.

Taking into account implemented hedging measures, the Group has only a limited currency risk in other financial receivables and liabilities in foreign currencies.

Maturity analysis of hedging instruments

Hedging instrument identified in hedging relationships at December 31, 2023

Hedging instruments – hedge accounting applied SEK M	Maturity Within 3 months	3 months – 1 year	1–3 years	3–8 years	Total nominal amount
Interest rate swaps – cash-flow hedging					
Nominal amount [1] (average fixed interest)	–449 (2.55)	–	–879 (2.17)	–	–1,328
Foreign-exchange forwards – net investment hedging					
EUR/SEK Nominal amount [1] (average spot rate)	–2,952 (11.95)	–2,841 (11.72)	–	–	–5,793
CZK/SEK Nominal amount [1] (average spot rate)	–1,071 (0.46)	–	–	–	–1,071
Other Nominal amount [1]		–440 (0.08)	–	–	–440
Liabilities – net investment hedging					
EUR liability, nominal amount [1] (average spot rate)	–	–	–	–2,211 (10.24)	–2,211
USD liability, nominal amount [1] (average spot rate)	–849 (10.49)	–	–	–	–849

[1] Translated to SEK M at exchange rate on closing date.

Hedge effectiveness

Effects of hedge accounting on financial position and profit or loss SEK M	Hedging instrument identified in hedging relationships at December 31, 2023 Nominal amount	 Carrying amount	 Item in balance sheet	Period – change in fair value for measuring ineffectiveness Hedging instruments	 Hedged item
Interest rate swaps – cash-flow hedging					
Interest rate swaps Nominal amount [1]	–1,328	28	Financial non-current assets, Other non-current liabilities and Other current operating liabilities	–282	–282
Foreign-exchange forwards – net investment hedging					
EUR/SEK Nominal amount [1]	–5,793	409	Interest-bearing receivables and Interest-bearing liabilities	–11	–11
CZK/SEK Nominal amount [1]	–1,071	32	Interest-bearing receivables and Interest-bearing liabilities	14	14
Other Nominal amount [1]	–440	32	Interest-bearing receivables and Interest-bearing liabilities	44	44
Liabilities – net investment hedging					
EUR liability, nominal amount [1]	–2,211	–2,211	Interest-bearing non-current liabilities	15	15
USD liability, nominal amount [1]	–849	–849	Interest-bearing non-current liabilities	39	39

[1] Translated to SEK M at exchange rate on closing date.

The hedge quote is 1:1 for all of the Group's hedges. The Group did not recognize any ineffectiveness in profit or loss during the year.

The fair-value closing balance of cash-flow hedges relating to foreign-exchange forwards attributable to transaction exposure and recognized in the hedging reserve amounted to a net of SEK 26 M before tax. The Group has decided that from autumn 2018 it will normally no longer hedge estimated future commercial flows, which means that exchange rate effects will immediately impact the Group's earnings instead of affecting the Group's earnings with a delay corresponding to the currency hedges as was previously the case. Major currency exposures related to long-term contracts of a project nature will continue to be hedged in their entirety.

Financial risks

Financial risk management

The information in this note relates to the Group in its entirety, including both continuing operations and assets and liabilities held for sale.

In the capacity of its activities in the credit market and through its extensive operations outside Sweden, Trelleborg is exposed to various financial risks, such as financing risk, liquidity risk, interest rate risk, currency risk, and financial credit risk. Trelleborg's Board of Directors has adopted a policy governing how these risks are to be managed and this policy also regulates the delegation scheme for the Group's financial risk management.

The Group's financial administration is centralized to Group Treasury, which ensures that the financial risks are satisfactorily managed, within the scope of the adopted policy, and reports the actual outcome to the Board on a monthly basis.

A description of the Group's financial risks and the policy applied to each risk area is presented below. Commentary is also provided on the outcome for the year for each risk area.

Financing risk and liquidity risk

Financing risk is the risk that the refinancing of maturing loans may become difficult or costly. Liquidity risk refers to the risk of not being able to fulfill payment obligations as they fall due.

Policy

Committed credit facilities with a term of at least 12 months must be in an amount equivalent to the Group's gross debt plus a liquidity reserve corresponding to at least 3 percent of consolidated net sales. The average remaining weighted tenor of committed credit facilities must also never be less than 18 months.

Commentary

Trelleborg commands a broad funding base with good access to the money and debt capital markets. The Group has mainly accessed the bank loan market via a syndicated EUR and USD revolving credit facility comprising two tranches in EUR 412 M and USD 572 M. This facility also includes a swingline facility denominated in SEK. The Group also has a syndicated facility in CZK. Trelleborg is present in the money markets through its SEK 5,000 M Domestic Commercial Paper Program. Over the years, Trelleborg has successfully tapped the debt capital markets through issuance under its SEK 8,000 M Swedish Domestic Medium Term Note Program with an associated Green Financing Framework and a number of Schuldschein issues, thus building a broad investor base.

The Group monitors its liquidity reserve, debt maturity term structure, and key financial ratios on an ongoing basis.

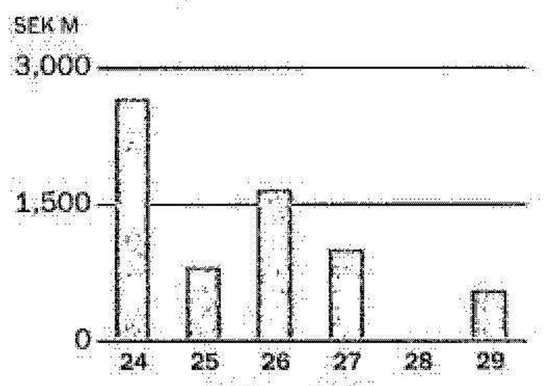
Throughout 2023, the volume of the Group's committed credit facilities exceeded the aggregate of gross debt plus the liquidity reserve as stipulated in the policy. Credit facilities are defined as committed when they are subject to a firm lending commitment by the lender. Trelleborg's committed credit facilities totaled SEK 13,484 M (23,780) as per December 31, 2023, of which SEK 12,137 M (11,439) was unutilized. At year-end 2023, the Group's primary committed credit facility was the EUR 412 M and USD 572 M syndicated revolving credit facility. This facility was entered into in February 2019 and will mature in February 2026. The facility is provided by a total of 12 financial institutions from Europe, Asia, and the US. Based on the number of participating banks and their status, Trelleborg deems that the banking syndicate behind the facility is strong. The facility denominated in CZK amounts to CZK 6,750 M and will mature in May 2024. The facility will not be refinanced due to the Group's diminished operations in the Czech Republic.

The remainder of the Group's committed credit facilities as per end of 2023 consisted principally of bonds and Schuldscheindarlehen with remaining tenors to maturity of up to six years.

On account of the divestment of operations in 2023, mainly the tire operation, Trelleborg did not raise new long-term financing in 2023. Following the divestments, the Group had a net cash position and therefore chose not to refinance the bonds and Schuldscheindarlehen that matured during the year. In September 2022, Trelleborg raised a bank loan in the form of a bridge loan of USD 950 M to finance the acquisition of Minnesota Rubber & Plastics. This bridge loan was repaid in full in May 2023.

Including the lease liability of SEK 1,606 M (2,215) and pension liability of SEK 326 M (438), interest-bearing liabilities amounted to SEK 8,622 M (26,132) as per December 31, 2023. Excluding the impact of the lease liability and pension liabilities, interest-bearing liabilities totaled SEK 6,690 M (23,479) and comprised current liabilities (maturing in 2024) of SEK 2,666 M (15,806) and non-current liabilities (maturing after 2024) of SEK 4,024 M (7,673). Current liabilities consisted principally of a bond of SEK 626 M, a bilateral loan of EUR 150 M and two Schuldscheindarlehen of EUR 10 M and EUR 15 M, respectively. Non-current liabilities mainly comprised the utilized portion of the Group's EUR 412 M and USD 572 M syndicated multicurrency revolving credit facility, bonds and Schuldscheindarlehen. The maturity term of the Group's interest-bearing liabilities, excluding the lease liability and pension liabilities, as per December 31, 2023 is shown in the diagram below:

Maturity term structure of the Group's interestbearing liabilities per December 31, 2023



Total: SEK 6,690 M

The Group's net debt/equity ratio, excluding the lease liability and pension liabilities, amounted to –11 percent (49) at year-end (net cash position).

Interest rate risk

Risk

Since most of Trelleborg's borrowing bears variable interest rate, the Group focuses on interest-related cash-flow risk, meaning the risk that movements in market interest rates could have an impact on the financial cash flow and earnings. The scope of the impact depends on the fixed interest term of the borrowing and investment.

Interest rate risk attributable to leases

The lease liability is initially recognized at the present value of the future lease payments that have not been paid at the starting date of the lease, discounted by a borrowing rate. The discount rate is established for each country every quarter at Group level, starting from a base rate plus a margin.

The Group's lease portfolio mainly comprises leases for offices, production premises, warehouses, company cars, and production and office equipment. The most important leases pertain to rent of office and production premises. Interest rate risk pertaining to these leases are primarily an effect of discounting when the lease is signed and interest rate changes do not govern the actual cash flow linked to the leases. Only a small portion of the lease liability has interest rate risk connected to leases.

Policy

The average fixed-interest term on the Group's gross borrowing, including the impact of derivative instruments, may not exceed four years. The average fixed-interest term on interest-bearing investments, including the effects of derivative instruments, may not exceed two years on a maximum amount of SEK 2,000 M, or the equivalent amount in other currencies.

The Group does not hedge interest rate risk for lease liabilities.

Commentary

The Group seeks a balance between a reasonable current cost of borrowing and the risk of having a significantly negative impact on earnings in the event of a sudden major movement in interest rates. Trelleborg employs interest rate hedging where appropriate.

Net cash at the end of 2023 amounted to SEK 2,682 M (–20,897). The closing net cash was impacted by net cash flow for the year including divested operations and corporate acquisitions, positive exchange rate differences and cash flow for leases and pension liability. Excluding the lease liability of SEK –1,606 M (–2,215) and pension liability of SEK –326 M (–438), net cash amounted to SEK 4,614 M (–18,244).

Excluding the impact of leases and pension liabilities, the Group's average interest-bearing net debt was SEK –4,857 M (–10,152) for the year. Net financial items corresponded to 2.8 percent (1.9) of the average interest-bearing net debt. Net interest income, excluding borrowing costs, exchange rate differences and measurements at fair value, corresponded to 6.0 percent (1.7).

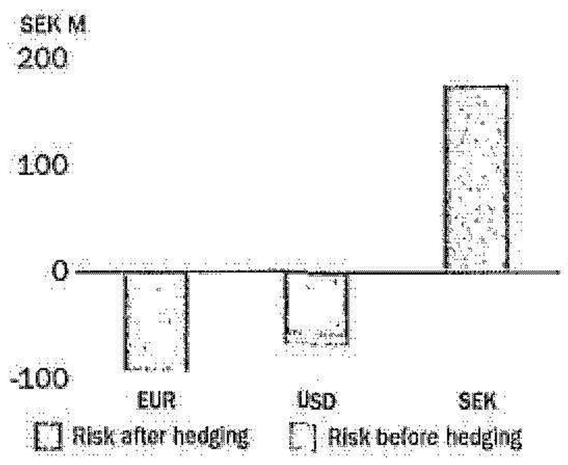
Including the impact of leases and pension liabilities, the average interest-bearing net debt was SEK –7,123 M (–12,762). Net financial items corresponded to 3.2 percent (2.1) and net interest income, excluding borrowing costs, exchange rate differences, and measurements at fair value, corresponded to 5.4 percent (1.9). Excluding the impact of leases and pension liabilities, gross loans at year-end had an average fixed-interest term of 4 months (8) and interest-bearing investments 0 month (1). The change in the average fixed interest term of gross loans was mainly impacted by interest rate swaps that have matured in conjunction with the repayment of loans. At December 31, 2023, interest-bearing net cash amounted to SEK 4,614 M (–18,244), with an average remaining fixed-

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interest term of about 5 months (11). Based on the level of interest-bearing net debt on December 31, 2023, a 1 percentage point rise in market interest rates in all currencies in which the Group has loans or investments would have a positive impact on financial net of approximately SEK 59 M (–116) for 2024. The currencies with the greatest impact are EUR, USD and SEK. During 2023, a number of interest rate hedges in EUR and SEK were closed when the Group's financial position was significantly strengthened following the divestment of the tire operation. Taking into account the interest rate hedges in place at the end of 2023, and for which hedge accounting has been applied, an increase of 1 percentage point in the market interest rates in currencies that have been hedged would have a positive impact on comprehensive income of SEK 10 M (79) after tax effects.

For further analysis of the accounting of the Group's borrowing, see Note 30. Outstanding interest-bearing investments are recognized in Notes 26, 27 and 28.

Impact in 2024 on consolidated interest expenditure of a 1 percentage point increase in market interest rates



Foreign-exchange risk

Foreign-exchange risk relates to the risk of adverse impacts on the consolidated income statement, balance sheet and/or cash flow as a result of exchange rate effects. Foreign-exchange risk exists in the form of transaction and translation risks.

Transaction risk

Risk

Currency flows arising primarily in connection with the purchase or sale of goods and services in currencies other than the local currency of the relevant Group company give rise to transaction exposure. Trelleborg's global operations generate substantial cash flows in foreign currencies.

Policy

Transaction exposure linked to the recurring business is normally not hedged. Nevertheless, major currency exposures related to long-term contracts of a project nature will be hedged in their entirety. Group Treasury works actively on matching currency flows at Group level to minimize the currency exposure and related transaction costs.

Commentary

The Group's net currency flows are estimated at an annual value corresponding to approximately SEK 2,343 M (8,094). The currencies with the highest net flows that are expected to exceed the equivalent of SEK 200 M over a period of 12 months, and the amounts hedged per currency at December 31, 2023, are shown in the table below. It can be noted that the transaction exposure has changed since the divestment of the tire operation compared with 2022. The reason for the increase in the net exposure in EUR after hedging is attributed to specific projects that, according to the policy, must be hedged, and the fact that the exposure to EUR is against a large number of currencies.

A 10-percentage-point strengthening of the value of all foreign currency flows that Trelleborg forecasts to occur during 2024 against USD would lead to a change in USD-denominated net flows of USD –3 M (+2). A 10-percentage-point strengthening of the value of all foreign currency flows that Trelleborg forecasts to occur during 2024 against EUR would lead to a change in EUR-denominated net flows of EUR –6 M (–20). A 10-percentage-point strengthening of SEK in relation to all currencies would lead to a change in the total net flows of SEK –10 M (–14).

Forecast annual exposure per currency with the highest 12-month net flow and currency hedges as of December 31, 2023 (SEK M)

Currency	Net flow	Currency hedging	Net flow after currency hedging
EUR	773	102	875
INR	–401	–	–401
PLN	–339	–	–339
USD	314	–428	–114
GBP	–248	10	–238

Translation risk – income statement

Risk

Exchange rate effects impact the Group's earnings in connection with the translation of foreign subsidiaries' income statements to SEK.

Policy

The Group does not normally hedge this risk.

Commentary

Trelleborg's earnings are largely generated outside Sweden. Accordingly, the impact of exchange rate effects on sales and earnings can be significant. The translation of foreign subsidiaries' income statements for continuing operations, including items affecting comparability, for 2022 to the average exchange rates for 2023 would have impacted net sales by SEK 1,355 M, EBITA by SEK 165 M and net profit by SEK 116 M.

Translation of income statement for 2022 to exchange rates applicable in 2023, SEK M

Currency	Net sales	EBITA	Net profit
EUR	670	65	64
GBP	120	32	7
USD	429	59	35
CZK	68	1	–2
Other	68	8	12
Total	**1,355**	**165**	**116**

Translation risk – balance sheet

Risk

When translating the Group's investments in foreign subsidiaries to SEK, there is a risk that the consolidated balance sheet will be impacted by changes in exchange rates.

Policy

Investments in foreign subsidiaries, associated companies, and joint ventures may be hedged by between 0 and 100 percent of the investment value (which, because of the tax effect, implies a maximum hedge of approximately 79 percent of the investment value). Decisions on any hedging are made following a comprehensive assessment of exchange rate levels, the related costs, liquidity and tax, and impact on the Group's debt/equity ratio.

Commentary

When translating the balance sheets of the Group's foreign subsidiaries to SEK, there is a risk that the consolidated balance sheet will be impacted by changes in exchange rates. The Group has significant net investments in foreign subsidiaries and associated companies. If SEK appreciates by 1 percentage point in relation to all currencies in which the Trelleborg Group has foreign net investments, there would be a change in shareholders' equity of SEK –262 M (–450).

Currency distributions, degree of hedging and sensitivity analysis as per December 31, 2023

Currency	Net investment, SEK M	Currency hedging, %	Effect on equity, if SEK 1% stronger, SEK M
EUR	9,266	86	–29
GBP	2,435	–	–24
USD	13,215	6	–126
CZK	1,577	68	–7
Other	7,987	6	–76
Total 2023	**34,480**	**30**	**–262**
Total 2022	**54,430**	**21**	**–450**

The Group's positions regarding hedging of investments in foreign subsidiaries are regularly monitored and adjusted. Correlations between currencies are taken into consideration when appropriate.

Financial credit risk

Risk

Financial credit risk is the risk of losses if those counterparties with which the Group has invested in accounts receivable, cash and cash equivalents, short-term bank deposits, or entered into financial instruments with positive market values, do not fulfill their obligations. Credit risk relating to accounts receivable is disclosed in Note 19.

Policy

Counterparties must possess a high creditworthiness and preferably participate in the Group's medium and long-term financing. The Group's Treasury Policy contains a specific counterparty regulation that stipulates the maximum level of credit risk exposure to various counterparties.

Commentary
A follow-up in relation to credit limits according to the Treasury Policy is conducted on an ongoing basis. Counterparties have been subdivided into three categories: A, B, and C. The rating categories A, B, and C are also used as the starting point for the reserve for expected credit losses according to the rating method, by basing the probability of payment cancellation per rating category on past studies of payment cancellation conducted by rating institutes. Category A contains counterparties and their fully guaranteed subsidiaries that hold Issuer Ratings from two of the following three rating institutes with a minimum of the following ratings or better: Moody's (A1/stab), Standard & Poor's (A+/stab), Fitch (A+/stab). Loans from the Trelleborg Group to institutions in category A may not exceed SEK 3,000 M or equivalent, including the value of unrealized gains in derivative instruments. This amount was temporarily raised in 2023, from the ordinary limit of SEK 1,000 M, due to the Group's strong financial position. Category B comprises counterparties and their fully guaranteed subsidiaries that cannot be included in category A and that hold an Issuer Rating from two of the following three rating institutes with a minimum of the following rating or better: Moody's (A3/stab), Standard & Poor's (A-/stab), Fitch (A-/stab). Counterparties in category B may borrow a maximum of SEK 500 M or equivalent, including the value of unrealized gains in derivative instruments, from the Trelleborg Group.

Category C encompasses counterparties outside categories A and B. Exposure to counterparties in category C may not exceed SEK 50 M per counterparty. Exposure to counterparties outside investment grade in category C exist to fulfill certain subsidiaries' needs of bank relationships in some countries where the country in itself results in a rating of below investment grade.

The table below presents the Group's credit risk exposure for interest-bearing receivables, cash, and cash equivalents and derivative instruments at December 31, 2023, subdivided by category:

Financial credit risk exposure

Category	Interest-bearing receivables		Cash and cash equivalents		Derivative instruments – unrealized gains, gross		Total	
SEK M	2023	2022	2023	2022	2023	2022	2023	2022
A	11	11	10,092	3,427	626	454	10,729	3,892
B	1	1	270	840	129	33	400	874
C	–	–	189	492	–	254	189	746
Total	**12**	**12**	**10,551**	**4,759**	**755**	**741**	**11,318**	**5,512**

At year-end 2023, cash and cash equivalents in category A were allocated among 24 counterparties. Credit exposures in category A amounted to less than SEK 3,000 M per counterparty. At year-end 2023, the total credit exposure in category B was allocated among 18 counterparties. Credit exposures in category B amounted to less than SEK 500 M per counterparty. At year-end 2023, the total credit exposure in category C was allocated among 29 counterparties. Credit exposures in category C amounted to less than SEK 50 M per counterparty. In 2022, the Board granted a counterparty, who would otherwise have been included in category C, an expanded limit to SEK 150 M due to certain limiting circumstances. In 2023, the limit for this counterparty was adjusted down to SEK 50 M again.

Credit risk exposure associated with derivative instruments is determined as the fair value on the closing date. On December 31, 2023, the total counterparty risk associated with derivative instruments amounted to SEK 755 M (741), gross. If ISDA agreements are taken into account, and the net receivable in derivative instruments is calculated net per counterparty, the counterparty risk amounted to SEK 627 M (443).

Trelleborg applies a rating-based method according to categories A, B, and C, combined with other known information and forward-looking factors for assessing expected credit losses for cash and cash equivalents and interest-bearing investments. The current reserve amounts to SEK 1 M. All cash and cash equivalents and bank balances are attributable to stage 1, meaning that no material credit impairment has taken place. The Group also makes reserves for expected credit losses on accounts receivable, refer to Note 19. In addition to the amounts presented in the table above, the Group also has interest-bearing receivables of SEK 50 M (47) due from third parties.

Management does not anticipate any losses due to non-payment by these counterparties.

Maturity analysis for financial instruments

The table below shows the Group's financial liabilities and the net settlement of derivative instruments comprising financial liabilities, subdivided into the periods remaining on the closing date until the agreed date of maturity.

The amounts stated in the table comprise contractual, undiscounted cash flows.

At December 31, 2023

SEK M	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Later than 5 years	Total
Borrowing, incl. interest	–2,855	–2,718	–1,074	–560	–7,207
Interest rate swaps with negative fair value	–	–4	–	–	–4
Accounts payable	–2,311	–	–	–	–2,311
Total	**–5,166**	**–2,722**	**–1,074**	**–560**	**–9,522**
Accounts receivable	4,941	–	–	–	4,941
Interest rate swaps with positive fair value	25	4	–	–	29
Net flow	**–200**	**–2,718**	**–1,074**	**–560**	**–4,552**

The Group's liquidity reserve covers financial liabilities maturing within 12 months. A more detailed maturity structure is presented in Note 30.

At December 31, 2022

SEK M	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Later than 5 years	Total
Borrowing, incl. interest	–18,449	–1,963	–3,267	–581	–24,260
Accounts payable	–5,198	–	–	–	–5,198
Total	**–23,647**	**–1,963**	**–3,267**	**–581**	**–29,458**
Accounts receivable	7,696	–	–	–	7,696
Interest rate swaps with positive fair value	55	59	–	–	114
Net flow	**–15,896**	**–1,904**	**–3,267**	**–581**	**–21,648**

The table below shows the Group's financial derivative instruments that will be settled gross, subdivided into the periods remaining on the closing date until the agreed date of maturity. The amounts stated in the table comprise contractual, undiscounted cash flows.

At December 31, 2023

SEK M	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Foreign-exchange forwards					
outflow	–17,995	–81	–	–	–18,076
inflow	18,570	81	–	–	18,651
Total	**575**	**0**	**–**	**–**	**575**

At December 31, 2022

SEK M	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Foreign-exchange forwards					
outflow	–35,426	–25	–	–	–35,451
inflow	35,612	25	–	–	35,637
Total	**186**	**0**	**–**	**–**	**186**

Other

34 Contingent liabilities and pledged assets

SEK M	2023	2022
Contingent liabilities		
Guarantees and other contingent liabilities	19	23
Total	**19**	**23**
Pledged assets		
Plant and machinery	5	13
Total	**5**	**13**

Of the Group's contingent liabilities, SEK 13 M (13) relates to contractual obligations for divested companies.

Parent Company

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PARENT COMPANY INCOME STATEMENTS

SEK M	Note	2023	2022
Net sales	36	635	645
Administrative expenses	37, 39, 43, 48	–558	–415
Other operating income	37, 38	8	7
Other operating expenses	37, 38	–426	–351
EBIT		**–341**	**–114**
Financial income and expenses	40	17,243	8,088
Profit before appropriations and tax		**16,902**	**7,974**
Appropriations	57	449	94
Income tax	41	–80	–106
Net profit		**17,271**	**7,962**

Statements of comprehensive income

SEK M	2023	2022
Net profit	**17,271**	**7,962**
Other comprehensive income	–	–
Other comprehensive income, net of tax	–	–
Total comprehensive income	**17,271**	**7,962**

PARENT COMPANY CASH-FLOW STATEMENTS

SEK M	2023	2022
Operating activities		
EBIT	–341	–114
Adjustment for items not included in cash flow:		
Depreciation/amortization	5	8
Impairment losses	3	–
Divestments and disposals	–	–
Other items not included in cash flow	1	4
	–332	**–102**
Cash dividend received	5,196	8,366
Interest received and other financial items	12	6
Interest paid and other financial items	–687	–279
Tax paid/received	–10	–101
Cash flow from operating activities before changes in working capital	**4,179**	**7,890**
Cash flow from changes in working capital		
Change in operating receivables	65	3
Change in operating liabilities	–14	5
Cash flow from operating activities	**4,230**	**7,898**
Investing activities		
Acquisition of subsidiaries/capital contribution	–12,206	–7,161
Divestment of subsidiaries	29,066	2,061
Gross capital expenditures for property, plant and equipment	0	–2
Gross capital expenditures for intangible assets	1	–1
Cash flow from investing activities	**16,861**	**–5,103**
Financing activities		
Group contributions received	96	179
Group contributions paid	–238	0
Change in interest-bearing liabilities	–15,545	1,585
Dividend paid – shareholders of the Parent Company	–1,524	–1,481
Repurchase of own shares	–3,880	–3,079
Cash flow from financing activities	**–21,091**	**–2,796**
Cash flow for the year	**0**	**–1**
Cash and cash equivalents		
Opening balance, January 1	–	**1**
Cash and cash equivalents, December 31	–	–

PARENT COMPANY BALANCE SHEETS

December 31, SEK M	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	46	9	11
Intangible assets	47	6	13
Financial non-current assets	45, 53	37,822	41,960
Deferred tax assets	42	51	60
Total non-current assets		**37,888**	**42,044**
Current assets			
Current operating receivables	49	115	179
Current tax assets		–	1
Interest-bearing receivables	54	788	96
Cash and cash equivalents		–	–
Total current assets		**903**	**276**
TOTAL ASSETS		**38,791**	**42,320**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		2,620	2,620
Statutory reserve		1,130	1,130
Total restricted equity		**3,750**	**3,750**
Non-restricted equity			
Profit brought forward		5,304	2,746
Net profit for the year		17,271	7,962
Total non-restricted equity		**22,575**	**10,708**
Total equity	56	**26,325**	**14,458**
Untaxed reserves	57	101	–
Non-current liabilities			
Interest-bearing non-current liabilities	55	0	0
Pension obligations	44	0	0
Other provisions	52	65	64
Total non-current liabilities		**65**	**64**
Current liabilities			
Interest-bearing current liabilities	55	12,087	27,631
Current tax liabilities		60	–
Other current liabilities	50, 51	153	167
Total current liabilities		**12,300**	**27,798**
TOTAL EQUITY AND LIABILITIES		**38,791**	**42,320**

CHANGE IN EQUITY

Equity	Restricted equity		Non-restricted equity		Total equity	
SEK M	2023	2022	2023	2022	2023	2022
Opening balance, January 1	3,750	3,750	10,708	7,306	14,458	11,056
Changes for the year:						
Repurchase of own shares	–	–	–3,880	–3,079	–3,880	–3,079
Cancellation of own shares	–154	–	154	–	–	–
Bonus issue	154	–	–154	–	–	–
Dividend	–	–	–1,524	–1,481	–1,524	–1,481
Net profit for the year	–	–	17,271	7,962	17,271	7,962
Closing balance, December 31	**3,750**	**3,750**	**22,575**	**10,708**	**26,325**	**14,458**

See also Note 29 and 56.

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Sales and earnings

35 Accounting policies

The financial statements of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. In its financial reporting, the Parent Company applies International Financial Reporting Standards (IFRS) that have been endorsed by the EU where this is possible within the framework of the Swedish Annual Accounts Act and with consideration of the link between accounting and taxation. This primarily entails the following differences between accounting in the Parent Company and the Group:

- The Parent Company recognizes its pension obligations in accordance with the Pension Obligations Vesting Act. Adjustments are made at Group level to reporting in accordance with IFRS.
- Group contributions are recognized as appropriations.
- Shareholders' contributions to subsidiaries are added to the value of shares and participations in the balance sheet, after which impairment testing is conducted.
- Liabilities in foreign currencies that represent effective hedging instruments for the Parent Company's investments in subsidiaries are measured at the historical rate of exchange. Gains or losses on liabilities that are replaced are recognized as other assets or liabilities until such time as the net investment has been divested.
- The Parent Company does not apply IFRS 9 Financial Instruments: Recognition and Measurement. The Parent Company applies a method based on cost in accordance with the Annual Accounts Act.
- The Parent Company applies the exception from application of IFRS 16 Leases. Lease costs are charged to profit and do not impact the balance sheet.

36 Net sales per geographic market/country

SEK M	2023	2022
US	190	160
Germany	93	102
Sweden	57	55
Italy	61	49
UK	44	43
France	32	39
India	16	13
Other countries	142	184
Total	**635**	**645**

The proportion of the year's net sales made to other companies in the Group amounted to 92.3 percent (99.6) and relates to sales of Group-wide services. Net sales is broken down by each significant country as outlined above.

37 Expenses by nature

SEK M	2023	2022
Employee benefits	–184	–151
Depreciation/amortization and impairment losses	–8	–8
Other external costs	–366	–256
Other operating income/expenses (Note 38)	–418	–344
Total	**–976**	**–759**

38 Other operating income and expenses

SEK M	2023	2022
Exchange rate differences	8	7
Other	0	0
Total other operating income	**8**	**7**
Purchase of services from other Group companies	–316	–296
Exchange rate differences	–10	–8
Other	–100	–47
Total other operating expenses	**–426**	**–351**
Total	**–418**	**–344**

39 Auditor's remuneration

SEK M	2023	2022
Deloitte		
Audit assignment	5	5
Audit activities other than audit assignment	1	1
Other services	0	0
Total	**6**	**6**

40 Financial income and expenses

SEK M	2023	2022
Income from participations in Group companies		
Dividend	5,196	8,366
Impairment losses on shares in subsidiaries	–329	–435
Loss/gain on divestment/liquidation of subsidiaries	12,977	430
Total	**17,844**	**8,361**
Other interest income and similar profit items		
Interest income, Group companies	11	–
Interest income, other	1	0
Exchange rate differences	89	–
Total	**101**	**0**
Interest expenses and similar loss items		
Interest expenses, Group companies	–687	–279
Interest expenses, other	0	0
Exchange rate differences	–15	6
Total	**–702**	**–273**
Total financial income and expenses	**17,243**	**8,088**

41 Income tax

SEK M	2023	2022
Current tax expenses		
Tax expenses/revenue for the period	–71	–103
Adjustment of tax attributable to prior years	–	–
Total	**–71**	**–103**
Deferred tax expenses (–)/revenue (+)		
Change in losses carried forward	–11	1
Change in temporary differences	2	–4
Total	**–9**	**–3**
Total recognized tax expense	**–80**	**–106**
Reconciliation of tax		
Profit before appropriations and tax	16,902	7,974
Calculated Swedish income tax, 20.6% (20.6)	–3,482	–1,643
Non-taxable dividends/income from shares in subsidiaries	3,743	1,812
Non-deductible impairment losses	–68	–90
Other non-deductible expenses/non-taxable revenue	–39	–3
Tax effect of transferred negative net interest income to other Group companies	–135	–57
Tax at source on dividend	–8	–103
Remeasurement of temporary differences	1	–3
Group contributions received	–113	–19
Group contributions paid	0	0
Change in tax allocation reserve	21	–
Change in additional depreciation	0	–
Tax attributable to prior years	–	–
Tax effect as share in foreign tax-transparent legal entity	–	–
Impact of changed tax rates and tax regulations	–	–
Total recognized tax expense	**–80**	**–106**

The applicable tax rate is 20.6 percent (20.6).

42 Change in deferred tax

	Losses carried forward		Provisions		Non-current assets		Total deferred tax assets	
SEK M	2023	2022	2023	2022	2023	2022	2023	2022
Balance, January 1	11	10	50	54	–1	–1	60	63
Recognized in profit and loss:								
Change in losses carried forward	–11	1	–	–	–	–	–11	1
Tax attributable to prior years	–	–	–	–	–	–	–	–
Temporary differences	–	–	2	–4	0	0	2	–4
Balance, December 31	**0**	**11**	**52**	**50**	**–1**	**–1**	**51**	**60**

See also Note 41.

Employees

43 Employees and employee benefits

Average number of employees

	2023			2022		
	Women	Men	Total	Women	Men	Total
Sweden	**31**	**33**	**64**	**27**	**47**	**74**

Gender distribution in executive management positions, %	2023	2022
Percentage of women		
In executive positions	0	0
on Board of Directors	43	43

Employee benefits, other remuneration and payroll overheads

2023 SEK M	Board and President	Other members of Group Management	Other employees	Total salaries	Payroll overheads	Of which, pension costs
Sweden	**46**	**17**	**53**	**116**	**59**	**18**

See also Note 10.

2022 SEK M	Board and President	Other members of Group Management	Other employees	Total salaries	Payroll overheads	Of which, pension costs
Sweden	**32**	**14**	**50**	**96**	**50**	**20**

See also Note 10.

44 Pension obligations

SEK M	2023	2022
Pension provisions and similar items	0	0
Total	**0**	**0**

Pensions and similar costs amounted to SEK 18 M (20).

Operating assets and liabilities

45 Participations in Group companies

SEK M	2023	2022
Opening balance	41,960	36,865
Add:		
Acquisitions	35	0
Capital contributions	12,171	7,161
Less:		
Divestment/liquidation	-16,015	-1,631
Impairment losses	-329	-435
Total	**37,822**	**41,960**

See also Note 13.

46 Property, plant and equipment

SEK M	2023	2022
Improvement expenses on buildings owned by others	6	7
Equipment, tools, fixtures and fittings	3	4
Total	**9**	**11**

	Improvement expenses on buildings owned by others		Equipment, tools, fixtures and fittings		Total PPE	
SEK M	2023	2022	2023	2022	2023	2022
Accumulated cost						
Balance, January 1	25	25	18	17	43	42
Capital expenditures	–	–	0	2	0	2
Divestments and disposals	–	–	0	-1	0	-1
Accumulated cost, December 31	**25**	**25**	**18**	**18**	**43**	**43**
Accumulated depreciation according to plan						
Balance, January 1	-18	-17	-14	-14	-32	-31
Divestments and disposals	–	–	0	1	0	1
Depreciation according to plan for the year	-1	-1	-1	-1	-2	-2
Accumulated depreciation, December 31	**-19**	**-18**	**-15**	**-14**	**-34**	**-32**
Total	**6**	**7**	**3**	**4**	**9**	**11**

Trelleborg AB has entered into leases. Lease costs for assets held via leases are recognized as operating costs and amounted to SEK 3 M (1). Future payments for non-cancellable lease commitments amount to SEK 2 M (1) and fall due as follows:

SEK M	2023	2022
Year 1	1	1
Years 2-5	1	0
Total	**2**	**1**

47 Intangible assets

SEK M	2023	2022
Capitalized expenditure for IT	6	13
Total	**6**	**13**

	Capitalized expenditure for IT	
SEK M	2023	2022
Accumulated cost		
Balance, January 1	53	52
Capital expenditures	0	1
Divestments and disposals	-8	–
Accumulated cost, December 31	**45**	**53**
Accumulated depreciation according to plan		
Balance, January 1	-40	-34
Divestments and disposals	7	–
Depreciation according to plan for the year	-3	-6
Accumulated depreciation, December 31	**-36**	**-40**
Accumulated impairment losses		
Balance, January 1	0	0
Impairment losses for the year	-3	0
Accumulated impairment losses, December 31	**-3**	**0**
Total	**6**	**13**

48 Depreciation and impairment of PPE and amortization and impairment of intangible assets

SEK M	2023	2022
Improvement expenses on buildings owned by others	-1	-1
Equipment, tools, fixtures and fittings	-1	-1
Capitalized expenditure for IT	-6	-6
Total	**-8**	**-8**

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49 Current operating receivables

SEK M	2023	2022
Operating receivables, Group companies	23	59
Other current receivables	49	82
Prepaid expenses and accrued income	43	38
Total	**115**	**179**

50 Other current liabilities

SEK M	2023	2022
Accounts payable	33	58
Operating liabilities, Group companies	57	54
Other non-interest-bearing liabilities	5	4
Accrued expenses and prepaid income (Note 51)	58	51
Total	**153**	**167**

51 Accrued expenses and prepaid income

SEK M	2023	2022
Wages and salaries	36	32
Payroll overheads	11	10
Other	11	9
Total	**58**	**51**

52 Other provisions

SEK M	2023	2022
Provision for long-term incentive program	16	16
Other provisions	49	48
Total	**65**	**64**

Capital structure and financing

53 Financial non-current assets

SEK M	2023	2022
Participations in Group companies (Note 13 and Note 45)	37,822	41,960
Other non-current securities holdings	0	0
Total	**37,822**	**41,960**

54 Interest-bearing receivables

SEK M	2023	2022
Financial receivables, Group companies	788	96
Total interest-bearing receivables	**788**	**96**

55 Interest-bearing liabilities

SEK M	2023	2022
Other non-current interest-bearing liabilities, Group companies	0	0
Other current interest-bearing liabilities, Group companies	12,087	27,631
Total interest-bearing liabilities	**12,087**	**27,631**

56 Equity

Trelleborg AB's share capital at December 31, 2023 amounted to SEK 2,620,360,569, represented by 255,125,919 shares with a par value of SEK 10.27 each.

Class of share	No. of shares	% of total	No. of votes	% of total
Series A	28,500,000	11.17	285,000,000	55.70
Series B	226,625,919	88.83	226,625,919	44.30
Total	**255,125,919**	**100.00**	**511,625,919**	**100.00**

See also Note 29.

Proposed treatment of unappropriated earnings

	2023
The Board of Directors proposes that the profit brought forward from the preceding year, SEK 000s	5,304,121
and net profit for the year, SEK 000s	17,270,925
Total, SEK 000s	**22,575,046**
be distributed in the following manner:	
Dividend to shareholders of SEK 6.75 per share, SEK 000s	**1,643,148**
Balance to be carried forward, SEK 000s	20,931,898
Total, SEK 000s	**22,575,046**

Other

57 Appropriations and untaxed reserves

Appropriations

SEK M	2023	2022
Appropriations		
Difference between recognized depreciation and depreciation according to plan	–1	0
Change in tax allocation reserve	–100	0
Group contributions received	788	95
Group contributions paid	–238	–1
Total appropriations	**449**	**94**

Untaxed reserves

Tax allocation reserve, allocated 2023	100	–
Accumulated additional depreciation	1	–
Total untaxed reserves	**101**	**–**

58 Contingent liabilities and pledged assets

SEK M	2023	2022
Contingent liabilities		
Pension obligations	0	0
Guarantees and other contingent liabilities	7,462	24,437
Total	**7,462**	**24,437**
Of which, on behalf of Trelleborg Treasury AB	6,687	23,435
Of which, on behalf of other subsidiaries	762	989
Of which, to credit institution	13	13

The Parent Company has issued guarantees for the subsidiary Trelleborg Treasury AB's operation. Of the obligations under these guarantees, direct loans accounted for SEK 6,581 M (23,189), the fair value of derivative instruments for SEK 106 M (246) and other contingent liabilities for SEK 0 M (0) on the closing date.

Proposed treatment of unappropriated earnings

The Board of Directors proposes that the profit brought forward from the preceding year, SEK 000s	5,304,121
and net profit for the year, SEK 000s	17,270,925
Total, SEK 000s	**22,575,046**

be distributed in the following manner:

Dividend to shareholders of SEK 6.75 per share, SEK 000s	**1,643,148**
balance to be carried forward, SEK 000s	20,931,898
Total, SEK 000s	**22,575,046**

April 26, 2024 is proposed as the record date for the right to a dividend.

The members of the Board are of the opinion that the proposed dividend is justifiable considering the demands on the Group's equity imposed by the type, scope and risks of the business and with regard to the Group's consolidation requirements, liquidity and overall position. The proposed dividend reduces the Group's equity/assets ratio from 70.1 percent to 69.3 percent and the Parent Company's equity/assets ratio from 67.9 percent to 66.4 percent, calculated on December 31, 2023.

The Board of Directors and President affirm that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the Group's profit and financial position. The Annual Report has been prepared in accordance with the generally accepted accounting policies and provides a true and fair view of the Parent Company's profit and financial position.

The statutory Board of Directors' Report for the Group and the Parent Company provides a true and fair overview of the development of the Group's and Parent Company's operations, profit and financial position and describes significant risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

Trelleborg, February 29, 2024
Signature on Swedish original

Johan Malmquist
Chairman

Gunilla Fransson
Board member

Monica Gimre
Board member

Henrik Lange
Board Member

Peter Nilsson
Board member and President

Anne Mette Olesen
Board member

Jan Ståhlberg
Board member

Maria Eriksson
Employee representative

Jimmy Faltin
Employee representative

Lars Pettersson
Employee representative

Our audit report was submitted on February 29, 2024.

Deloitte AB
Signature on Swedish original

Hans Warén
Authorize Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Trelleborg AB (publ), corporate identity number 556006-3421

20240912066642

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Trelleborg AB (publ) for the financial year 1 January – 31 December 2023 except for the corporate governance report on pages 39–45, remuneration report on pages 50–51 and part of the sustainability report on page 134. The annual accounts and consolidated accounts of the company are included on pages 3, 8–13, 21–29, 34–37, 46–49, 52–102 and part of page 134, in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not comprise the corporate governance report on pages 39–45, remuneration report on pages 50–51 and part of the sustainability report on page 134.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of goodwill

Risk description

As of 31 December 2023, Trelleborg AB (publ) accounts for goodwill in the consolidated balance sheet amounting to SEK 20,491 M. The value of the goodwill is dependent on future income and profitability in the cash-generating units, to which the goodwill refers, and is assessed for impairment at least once a year. Management bases its impairment test on several judgments and estimates, such as growth, EBIT development and cost of capital (WACC) as well as other complex circumstances. Incorrect judgments and estimates may have a significant impact on the group's result and financial position.

Management has not identified any need for impairment for any of the cash-generating units within the group.

For further information, please see note 17 – Intangible assets where it is described how management has performed the impairment test together with important judgments and estimates.

Our audit procedures

Our audit included the following procedures, but was not limited to these:

- Review and assessment of Trelleborg ABs' (publ) procedures and model for impairment tests of goodwill and evaluation of the reasonability of judgments and estimates made, that the procedures are consistently applied and that there is integrity in computations;
- Verification of input data in calculations including information from business plans for the forecast period approved by the Board of Directors;
- Test of head room for each cash generating unit by performing sensitivity analyses; and
- Review of the completeness in relevant disclosures to the financial reports.

When performing some of the audit procedures above our valuation experts have been involved.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on the pages 1–2, 4–7, 14–20, 30–33, 38, 106–134 and 136–141. The remuneration report on pages 50–51 also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts. The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

An additional description of our responsibility for the audit of the annual report and consolidated accounts is available on the Swedish Inspectorate of Auditors website, www.revisorsinspektionen.se/revisorsansvar. This description forms a part of the Auditor's Report.

Report on other statutory and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Trelleborg AB (publ) for the financial year 1 January – 31 December 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the annual general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's responsibility* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

An additional description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors website, www.revisorsinspektionen.se/revisorsansvar. This description forms a part of the Auditor's Report.

20240912O6643

The auditor's examination of the ESEF report

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528) for Trelleborg AB (publ) for the financial year 2023-01-01 – 2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation *RevR 18 Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditor's responsibility* section. We are independent of Trelleborg AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with the Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 39–45 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard *RevU 16 The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

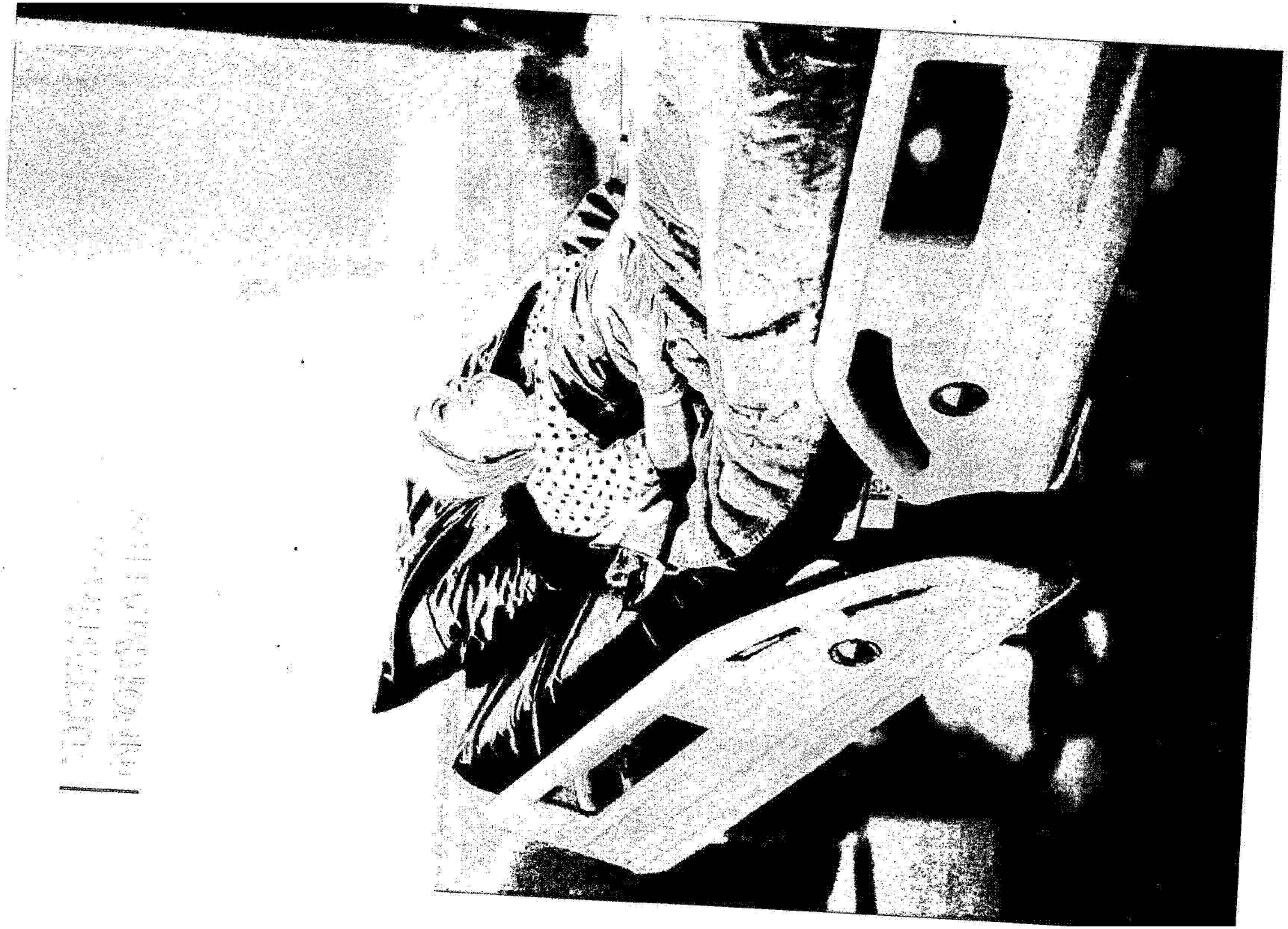
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

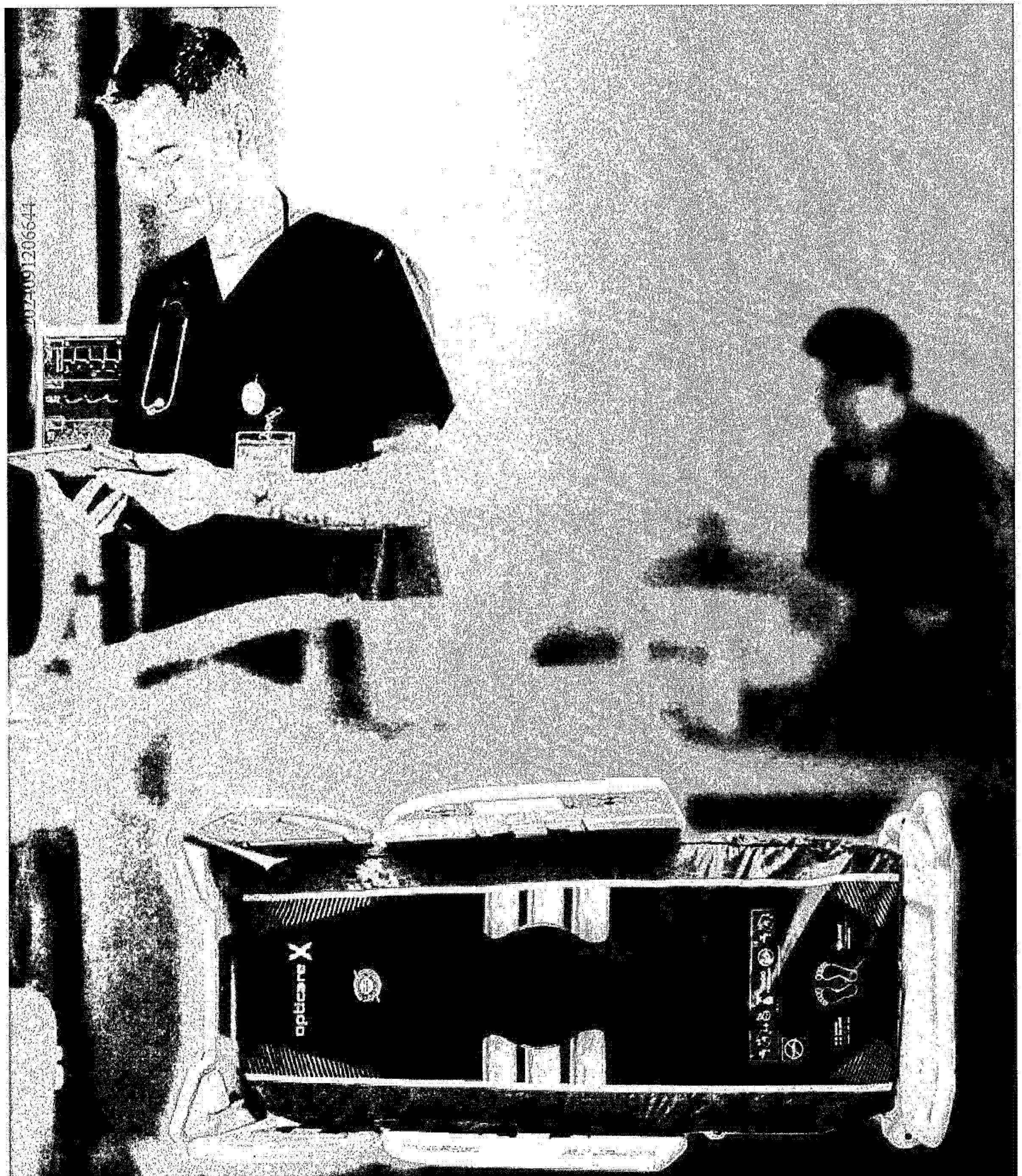
Deloitte AB, 556271-5309, Stockholm, was appointed auditor of Trelleborg AB (publ) by the annual general meeting of shareholders on the 27 April 2023 and has been the auditor of the company since 27 April 2017.

Gothenburg, February 29, 2024
Deloitte AB

Signature on Swedish original

Hans Warén
Authorized public accountant





Solutions for healthcare and medical

Demand for care is rising due to population aging. The risk of pressure ulcers increases for patients who are bedridden or sedentary over an extended period, which places high demands on the design and material used on surfaces that the patient comes into contact with.

The image shows a mattress with Trelleborg's polyurethane-coated fabric which, with its unique stretch properties, adapts to the patient's body shape and redistributes the pressure and prevents pressure ulcers.

READ MORE ABOUT: HEALTHCARE & MEDICAL

General basis for the sustainability report

The materiality assessment forms the basis for the Sustainability Report
The supporting documentation for the content of this Sustainability Report is a materiality assessment, prepared in accordance with the Global Reporting Initiative's guidelines, of the Trelleborg Group's activities and their effect across the value chain, reviewed every year by Trelleborg and by an external party, refer to page 114.

The annual assessment reflects and prioritizes the operation's most important sustainability aspects from the perspective of internal and external stakeholders.

During 2023, the assessment was adjusted marginally in terms of its structure and terminology, as a first step toward the type of materiality assessment required under new EU Corporate Sustainability Reporting Directive (CSRD).

For the preparation of this Annual Report, all Group units in January 2024 reported sustainability data for 2023 to the internal shared reporting system. This has resulted in a consolidated summary for the Group, mainly pertaining to the same continuing units as in the financial Annual Report. However, data for the entire Group – including units divested during the year – is also reported. See below.

Unless otherwise stated, the data presented pertains to the 2023 calendar year. The preceding year's data (2022) is presented in parentheses.

Principal data pertains to continuing operations
In accordance with the financial Annual Report for 2023, the Sustainability Report presents figures primarily for continuing operations, but separate data is also presented for the entire Group, including operations divested during the year.

Graphs illustrating results from previous years show data for continuing operations, but only for four years instead of the usual five years.

For the performance of the overall Group in 2023, refer to data presented in the overview of the Group's sustainability performance on pages 122–133.

Reporting principles
The following general reporting principles were applied:

- The report encompass all of Trelleborg's producing and non-producing units that have employees and where ownership exceeds 50 percent.
- With regard to divested units, data for the entire Group covers the period during the year in which they were part of Trelleborg.
- The calculation of CO_2 emissions from the consumption of purchased electricity (Scope 2) is based on market-based conversion factors from each supplier (attested by a certificate specifying the energy mix and net emissions delivered). When such information is not available, national residual mix emissions factors are used. If such factors are not available, national conversion factors from the International Energy Agency (2022 version) are used.
- Data from the value chain (Scope 3) primarily concerns greenhouse gas emissions from the supply chain. The more precisely calculated emissions for the base year 2021 are still being partly corrected for subsequent divestments and other Group changes, but will be presented in the report for 2024 together with the corresponding emissions for 2022 and 2023. These emissions are mainly based on recognized standard values for emissions per metric ton of purchased materials, or alternatively on an average multiple of emissions for Trelleborg's purchasing spend for the year for various materials.
- Upon review of the reported data, a number of indicators reported in the past years have been adjusted by 1–2 percent. For the whole Group, VOC emissions for 2022 were adjusted by 10 percent.

Focus areas presented in line with new legislation
The internal sustainability governance was conducted in accordance with the Group's organization of the sustainability area into three focus areas: Operations, Compliance and Social engagement.

In conjunction with the ongoing implementation of reporting based on the CSRD, Trelleborg has adjusted the presentation of this year's reporting to the accepted framework in the EU legislation for the three ESG areas: Environment, Social, and Governance, which entails minor changes compared with previous years.

Role of the Board of Directors and Group Management

Overall responsibility – Board of Directors and Group Management
The composition, expertise, experience and diversity of the Board of Directors and Group Management are shown in the presentations on pages 46–47 and 48–49, respectively. These also show employee representatives and independence with regard to Board members, and responsibility for monitoring, measurement and control of the operation's impact, risks and opportunities.

The Board of Directors is the highest governing body for sustainability issues and must approve all Group policies, including the Group's Code of Conduct, which is the most important document for all employees' business conduct, refer to page 132. Policy-like governance documents that do not require Board approval are referred to by Trelleborg as *Group directives*. A Group directive is approved at Executive Management level.

With regard to current and forthcoming EU legislation on sustainability reporting, Trelleborg's year was dominated by continued knowledge acquisition about the first generation of double materiality assessment (refer to page 114) under the legislation for mandatory sustainability reporting CSRD, and the continued development of regulations for the EU Taxonomy (pages 119–121).

During 2024, Trelleborg will further develop Group policies and directives for issues or risks that are considered material from a sustainability perspective, throughout the value chain.

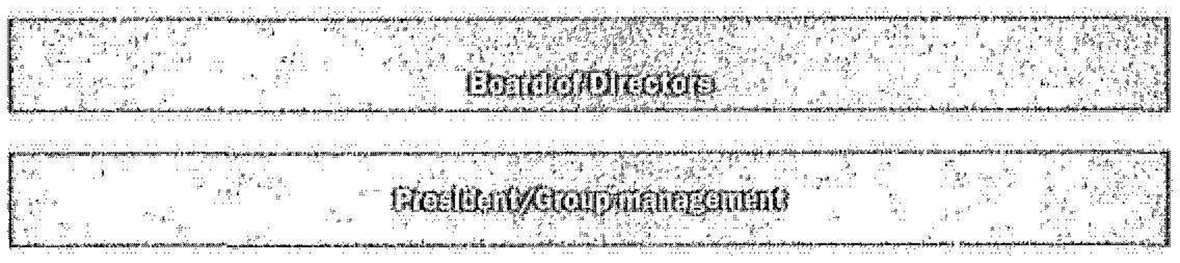
From 2024, company management comprises the sustainability steering committee in Trelleborg Group, and their management meetings include sustainability as a standing item on the agenda, see the description on pages 108–109 and diagram of the organization on page 109.

Internal framework, coordination and operational responsibility
The internal sustainability governance is conducted in accordance with the Group's organization of sustainability responsibility into three different focus areas: Operations, Compliance and Social engagement (see diagram at the bottom of page 109), with distribution of responsibility and Group-wide performance measures.

Sustainability Council and processes for sustainability targets
Much of the day-to-day sustainability activities at Group level take place in a *Sustainability Council* that met every quarter in 2023, and which plans to meet every second month in 2024, see image on page 109. When drafting the Group's sustainability targets, the Sustainability Council prepares the topics and submits proposals to the steering committee/Executive Management, which subsequently decides on the proposed target.

20240912066445

ORGANIZATION [1]



Four times per year: Review
Once per year: Roadmap and direction

Four times per year: Review
Once per year: Strategy

Six times per year: Activities, *reporting to Group management*

Operational responsibility is also exercised through a number of cross-organizational groups with dedicated areas of responsibility (see diagram above). The cross-organizational groups operate in core areas such as Compliance, Chemicals and Raw materials/Circularity, as well as under the framework of Excellence activities.

The Group's business areas are themselves responsible for many of the practical sustainability activities. During the year, they routinely presented their planning and follow-up in the area for Group Management for the fulfillment of the Group's sustainability targets.

In line with this responsibility at business area level to ensure sustainability performance and follow-up, sustainability controllers have been appointed at each business area for continuous planning and follow-up. Each production site already has an environmental coordinator, energy coordinator and *occupational health and safety officers*.

The sustainability work is further supported by various types of local internal audits in the units, for example, within the framework of the occupational *Safety@Work* program and internal ISO 14001 audit.

Internal guidelines, governance documents and systems

A central pillar of the internal sustainability work is Trelleborg's Code of Conduct (see diagram below and page 132) and a number of Group policies and directives, refer to page 114. The Code of Conduct applies to all employees without exception. Training in the content of the Code is mandatory for all employees and is to be refreshed at least every three years.

The Group's Code of Conduct and relevant Group policies and directives are based on internationally recognized conventions and guidelines, such as the Universal Declaration of Human Rights, the ILO conventions, the OECD guidelines for multinational companies and the UN Global Compact, which Trelleborg signed in 2007. The UN Sustainable Development Goals (SDGs) are used as reference.

Trelleborg's Whistleblower Policy offers additional support for the sustainability 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. The whistleblower system is also available to external stakeholders.

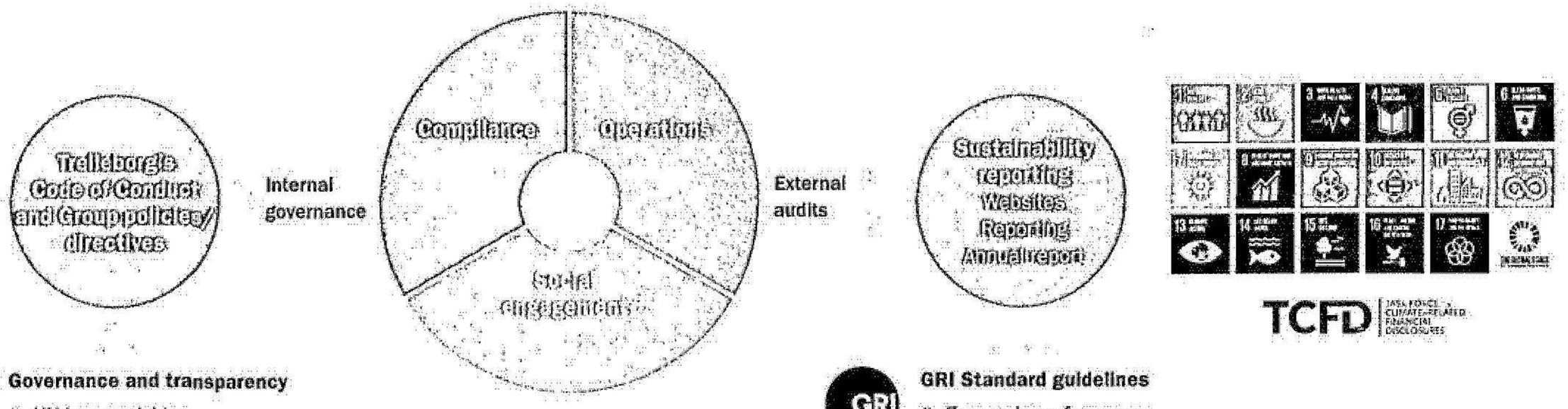
Report's scope and approach

For the sixth year, Trelleborg is reporting on sustainability in this Annual Report in accordance with the Global Reporting Initiative (GRI Standards Core Guidelines). In addition, this Annual Report for 2023 (published in March 2024) is adapted to the sustainability reporting rules of the Swedish Annual Accounts Act, refer to table on page 134. The 2022 Annual Report was published in March 2023.

GRI Content Index

A condensed GRI Content Index is presented on page 134, adapted to the updated 2021 GRI standards. A complete GRI Content Index can be downloaded from www.trelleborg.com. The complete index includes the obligatory *Management Approach Disclosures* (Descriptions of approach to governance) as well as descriptions of *omitted data* related to certain key figures.

PROTECTING THE ESSENTIAL



Governance and transparency

- UN human rights
- ILO conventions
- OECD guidelines
- UN Global Compact

GRI Standard guidelines

- Economic performance
- Environmental performance
- Social performance

[1] Organization from 2023.

Information to and sustainability matters addressed by management and the Board

The Board as the highest body

The Board of Director's role as the highest body in Trelleborg for governance of sustainability matters has been strengthened in recent years. From 2021, work on sustainability matters at Board level was expanded so that not only the Audit Committee but also the entire Board continuously monitors developments through presentations of selected performance measures (facilitated by the expansion of sustainability content in the Group's quarterly reports as of 2022) as well as through examples and case stories from Trelleborg's ongoing sustainability work.

The Board of Directors during the year

Eight scheduled Board meetings were held in 2023. Sustainability matters were discussed at four of these Board meetings. The Board receives reports on sustainability matters and key figures linked to sustainability in conjunction with the quarterly reports. In addition, a customary annual review of the outcome in the sustainability area was carried out in connection with the review and approval of the Annual Report. A risk review is conducted at least twice per year, part of which considers sustainability risks. The Vice President Sustainability and the General Counsel for Risk (& Insurance), respectively, give presentations to the Board on sustainability matters and their impacts, risks and opportunities.

In addition to following up existing targets and activities, matters discussed by the Board during the year included potential future sustainability targets, how sustainability should be managed in conjunction with acquisitions, the increasing requirements and legislation in sustainability reporting (CSRD and the Taxonomy) as well as the transition toward renewable energy in the Group and a new long-term agreement concerning this. Focus was also placed on work environment and safety.

During the year, the Board also resolved on new sustainability targets in the areas of climate, circularity and diversity in the company's own workforce.

Sustainability matters and associated risks and opportunities are also raised at Audit Committee meetings. The Chief Financial Officer gives presentations at these meetings, as does the Vice President Finance Special Projects, who is responsible for coordinating and preparing the Group ahead of reporting in accordance with CSRD.

Management during the year

Group management, which has sustainability as a standing item on its agenda, met four times during the year. The Vice President Sustainability gives presentations. The outcome of sustainability key figures and ongoing activities is reported and discussed at each meeting.

During 2023, this concerned a proposal for a new science-based target for CO_2 emissions and new targets for diversity and inclusion. Focus was also on occupational health and safety and workplace safety matters within the framework of the occupational *Safety@Work* program. Group management also discussed sustainability topics in the areas of product development and future polymers, energy efficiency measures and the transition to renewable energy sources at production units, as well as changes to the sustainability organization at Trelleborg.

Decisions during the year:

- New targets to reduce climate emissions intended for validation by the Science Based Targets initiative, which were subsequently approved and adopted by the Board.
- New target for diversity in the company's own workforce, to increase the share of women in senior positions to 30 percent by 2030.
- New target for circularity to reach 25 percent recycled or bio-based raw materials by the end of 2030.

Sustainability-related incentive schemes

One important step for sustainability governance is to link variable remuneration to sustainability performance in the short-term (one year) and long-term (three years) incentive schemes for Trelleborg's senior executives.

Sustainability-related targets are included in Trelleborg's principles for remuneration of senior executives. These principles are adopted by the company's Annual General Meeting.

90 percent of the short-term incentive programs are linked to financial targets and 10 percent to sustainability targets. The sustainability targets consist of two components:

- Key figures for the percentage reduction in CO_2 emissions
- Design and approval of sustainability plans and sustainability targets in each business unit.

Regarding future long-term incentive programs, the ambition is that these will also include sustainability targets.

The aim for the years ahead is to gradually link the variable remuneration to resolved material sustainability indicators defined to address material impact, risk and opportunities in the double materiality assessment that will be carried out ahead of the transition to reporting under the EU's CSRD.

Decisions on the design of the incentive programs and the adoption of outcomes are taken by the Board, based on a proposal from the Remuneration Committee. More information about the incentive programs is available on pages 50–53.

Statement on due diligence

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Sustainability Due Diligence (SDD) is the process whereby Trelleborg identifies, prevents, limits and reports actual and potential negative impacts on the environment and people as a result of its activities.

It also pertains to the practices applied to changes in the operation's strategy, business model, activities, business relationships, actual operations, and the context of acquisitions or divestments.

The core of this practice is how the different steps in the SDD process identify and measure the negative impacts that arise or may arise due to operations and that are directly linked to its activities, products and services, as well as its business relationships across the value chain.

SUSTAINABILITY DUE DILIGENCE, SDD

Core elements of due diligence	Paragraphs and pages in the Sustainability Report
a) How due diligence is embedded in governance, strategy and business model	Board of Directors and Group Management, page 112 (GOV-2), Integration in the incentive scheme, page 112 (GOV-3), material impacts, risks and opportunities and their relationship to the strategy and business model, pages 116, 122, 124, 126, 127, 129, 131 and 132 (SBM-3)
b) How engaging with affected stakeholders is conducted in all key steps of the due diligence	Page 112 (GOV-2), page 113 (SBM-2), page 114 (IRO-1), pages 116, 122, 124, 126, 127, 129, 131 and 132 (DC-P), meaning in the respective main sections under ESRS
c) How adverse impacts are identified and assessed	Page 114 (IRO-1), pages 116, 122, 124, 126, 127, 129, 131 and 132 (SBM-3)
d) How actions are taken to address those adverse impacts	Pages 116, 122, 124, 126, 127, 129, 131 and 132 (MDR-A), meaning in the respective main sections under ESRS
e) How the effectiveness of these activities is followed up, and how this is communicated	Pages 116, 122, 124, 126, 127, 129, 131 and 132 (MDR-M and MDR-T), meaning in the respective main sections under ESRS

Risk management and internal control of sustainability reporting

Limited Assurance Report on the Sustainability Report conducted by third party

Since 2008, the same company that performs the financial audit also conducts a third-party review of the Group's Sustainability Report with the aim of improving the underlying processes, and the credibility and transparency of the key figures. Over time, the third-party review has been deemed to contribute more reliable data quality and improved procedures and to have led to an increase in reporting expertise at Group level and in the reviewed entities.

The result of the review is regularly reported back to management and the Board in connection with the approval procedures for the preceding year's Annual Report, which takes place every year in February.

Sustainability as part of internal control

During 2023, Trelleborg began work to increase the scope of responsibility of the internal control function to include the sustainability process, to further strengthen sustainability reporting and improve data quality. The approach is the same as for the other seven processes previously covered by internal control. Refer to pages 44-45.

The next stage in this work is to develop a structure for sustainability-related self-assessment that is analogous with the existing internal control procedures. The goal is that this self-assessment will start in 2024, and the option is being considered to make sustainability part of the internal control function's audits of Group entities during the second half of 2024.

Risk management in the Sustainability Report

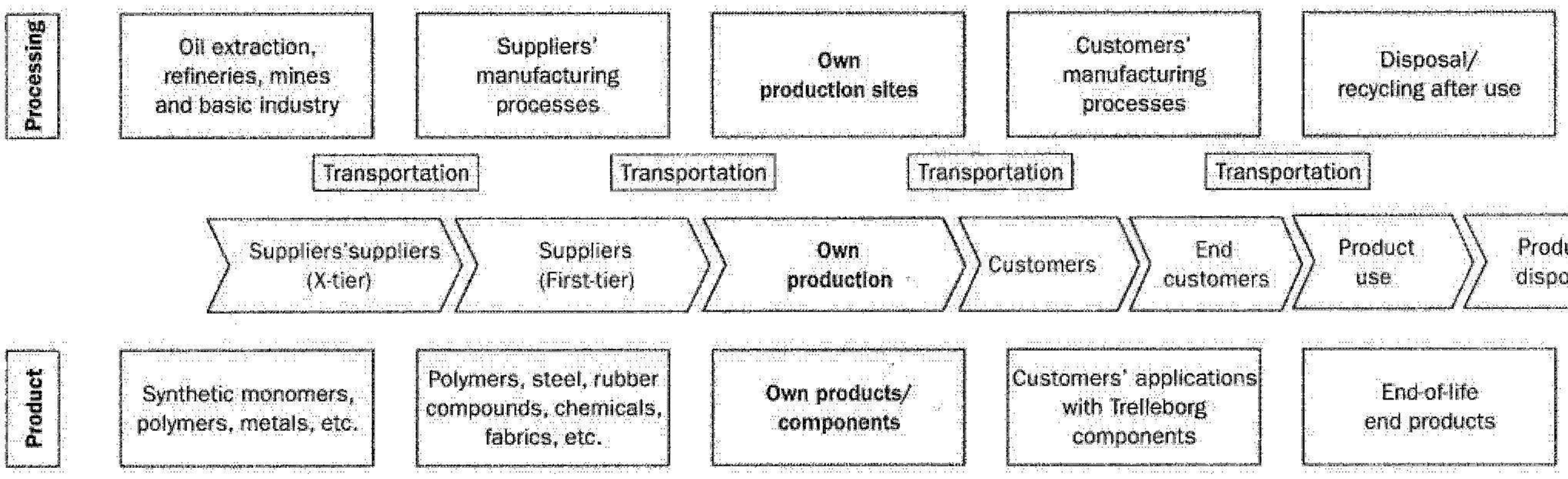
Over time, it has become apparent that the overall ERM-based risk management work in Trelleborg needs to be supplemented to fulfill the requirements for sustainability reporting. This will be further accentuated when EU legislation for sustainability reporting is introduced.

To meet the needs of its stakeholders and the Group for a comprehensive risk analysis, Trelleborg already works with a number of approaches and frameworks:

- A continued Group-wide focus on ERM to analyze and cover classic risk, based on a weighting of outcome and probability, refer to pages 34–37 and Note 33, pages 94–96.
- Special analysis of climate-related risks and opportunities under the Task Force on Climate-related Financial Disclosures (TCFD) framework, refer to pages 116–118. Scenarios used by Trelleborg are:
  a) that society succeeds with the transition and keeping global warming below 2°C,
  b) that society does not succeed with the transition and global warming is as high as 4°C.
- As of 2024, the sustainability analysis will be further supplemented by an ESRS sustainability risk assessment as part of the mandatory double materiality assessment (refer to page 114).
- A sustainability risk analysis in accordance with the UN SDGs, a general and society-oriented review of the impact and risks of Trelleborg's operations on the environment and people in accordance with the 17 SDGs. Refer to page 115.

Sustainability in strategy, business model and value chain

TRELLEBORG'S VALUE CHAIN



Business strategy's link to sustainability

Trelleborg Group's business concept is to develop and offer critical applications in demanding environments. The principle value chain is presented in the diagram above. The differences between Trelleborg's business areas are mainly in terms of materials, suppliers and products, but the different steps in the value chain are the same.

Solutions that contribute to the sustainability of society and customers

The immediate focus is on Trelleborg's offering of sealing solutions and components for industrial applications and infrastructure projects. The properties of these unique solutions *protect the essential* in society – people, the environment and infrastructure – by promoting health, eliminating noise and vibrations, saving energy, reducing emissions and helping to extend the lifecycle of the end products. This improves the sustainability profile of customers.

Trelleborg's product categories and customers

Trelleborg's most important product categories are described on pages 21 and 115.

The Group serves the following industries, where sales are distributed as follows:

» Aerospace	10%
» Healthcare & Medical	9%
» Automotive	16%
» General industry	65%

Changes during the period

In 2023, the Group divested its tire and printing blanket operations.

No direct activity in or sales to the fossil-fuel sector

Trelleborg Group has no direct activity or sales in the sector for fossil fuels, refer also to the Taxonomy section on pages 119–121. Sales in this sector are therefore SEK 0 (0).

Trelleborg's indirect sales linked to the sector are mainly sales of components/solutions for handling LNG (*liquefied natural gas*). The solutions are critical for safe, flexible and efficient transfer and transport of LNG. Revenue from these operations, indirectly linked to the fossil-fuel sector, falls below 4 percent of total Group revenue, according to Trelleborg's estimates.

Ambition to be a sustainability leader in the industry

Trelleborg has the target to be a "sustainability leader in its industry," meaning the industry for engineered polymer solutions.

In the second half of 2021, Trelleborg issued a green bond that is financing projects that continue to support and develop the company's ongoing and future efficiency initiatives in production and administration.

In 2023, internal CO_2 pricing was introduced in the Group-wide CapEx tool used by all legal entities for investment applications. The new scheme highlights the benefits of investing in equipment that reduces emissions and increases the use of renewable energy.

According to the description from the company, the three most important sustainability areas where Trelleborg stands out are: Climate (refer to pages 122–124), Circularity (refer to page 127) and People (refer to pages 129–130).

Stakeholders' interests and views

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Trelleborg's key stakeholders

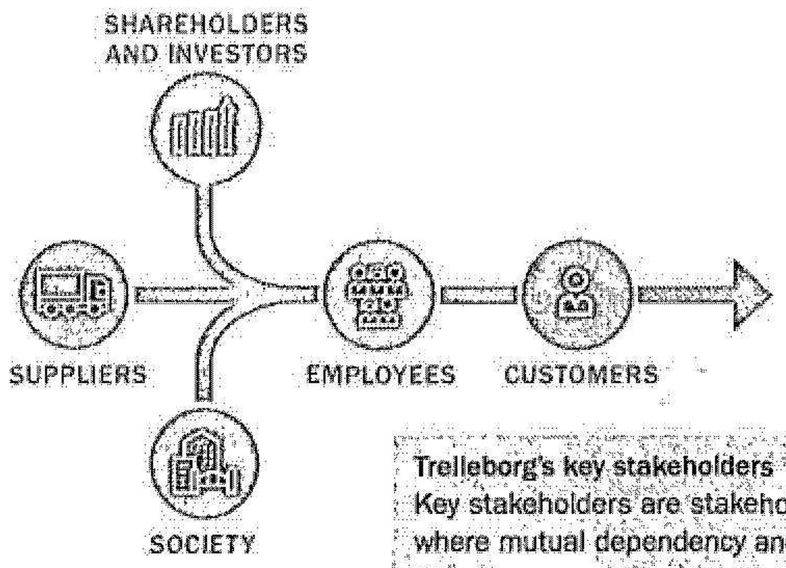
Trelleborg's key stakeholders are characterized by their interdependence and proximity to the company and its activities. The main groups include shareholders, investors, employees, customers and suppliers, authorities, associations, media, students and researchers, as well as local stakeholders or neighbors, refer to the figure.

An overall aim of Trelleborg's annual reporting of sustainability issues is to provide all of these stakeholders with an accurate overview of the Group's activities, results/performance and commitments in the ESG areas of environmental, social issues including health and safety, as well as business conduct and sustainability governance issues.

Another aspect is the stakeholders that are directly affected or may be negatively impacted by operations, and from this perspective employees affected by or at risk of employment injury or other work-related ill health should be highlighted. Another such central stakeholder is neighbors to Trelleborg's facilities, who could at least potentially experience negative consequences of being located close to a manufacturing plant.

The social interest to preserve the environment in the immediate vicinity of Trelleborg is monitored on a general level by several stakeholder groups: authorities through, for example, permits or regulations, environmental and sustainability organizations with various specialized focus areas, as well as researchers and students specializing in the environment.

TRELLEBORG'S KEY STAKEHOLDERS



Trelleborg's key stakeholders
Key stakeholders are stakeholder groups where mutual dependency and proximity to the company and its activities are distinct characteristics.

Stakeholder engagement 2023

Trelleborg's stakeholder engagement in 2023 was characterized by specific events for investors including the *Capital Markets Day* and the *Sustainability Deep Dive*, see table below. The digital event *Sustainability Deep Dive* was held in June 2023 for a number of Swedish investment banks and fund managers, for a thorough review of Trelleborg's sustainability agenda and objectives within the framework of *Protecting the essential*.

Generally, sustainability issues have clearly received more space in the Group's interim reporting, and the engagement during the year has also primarily been marked by work focused on climate, circularity and social sustainability and some work on Board and compensation matters.

Trelleborg has a long-standing collaboration with Örebro University through an annual exercise with students from the master's program in Sustainable Business. The exercise, which was carried out in October 2023, allows students to analyze Trelleborg's latest Sustainability Report from the perspective of various key stakeholder groups and evaluate the content in a digital workshop format. The evaluation was addressed in conjunction with a review of the materiality assessment.

Questions from investors and customers

Investors continue to show an interest in Trelleborg's sustainability profile and have demonstrated a high level of engagement with regards to questions and surveys.

Trelleborg answers a number of comprehensive sustainability surveys from established platforms, such as CDP and EcoVadis, to evaluate its own and its suppliers' performance in the sustainability area.

A growing area in the dialog surrounding Trelleborg's sustainability performance is questions and surveys from customers, in many cases forwarded by third-party companies and organizations.

STAKEHOLDER ENGAGEMENT

Stakeholder group	Main channels for cooperation	Outcome: Material issues and strategic impact
INVESTORS AND SHAREHOLDERS	Annual General Meeting, Annual Report, stakeholder magazine (T-Time), annual road trips with investor meetings and visits, Capital Markets Days, Sustainability Deep Dive, face-to-face meetings, digital meetings, e-mails, phone calls.	CMD – Capital Markets Day, May 23, 2023. New sustainability targets introduced. Sustainability Deep Dive, June 27, 2023. Dialogue on climate targets, circularity, sustainability organization, specific board issues, and sustainability reporting.
EMPLOYEES	Board representation for employees, day-to-day cooperation between unions and employers, intranet, internal magazine (Connect), performance appraisals, employee surveys, staff meetings, social events.	Health & safety, sustainability issues.
CUSTOMERS	*Trelleborg's websites, personal customer meetings and visits, trade fairs,* customer meetings, such as innovation days (TSS).	*Sustainability of products/solutions, innovation.*
SUPPLIERS	Face-to-face supplier meetings and visits, supplier days.	Trelleborg's supplier assessments, suppliers' sustainability performance.
SOCIETY		
Authorities	Correspondence, local visits/meetings.	Permit issues, local municipal or regional cooperation.
Media	Press releases, press conferences, articles, interviews, site visits.	News distribution to financial/business press, trade press and local newspapers.
Researchers and students	Research interviews, collaborations.	University partnerships in several countries. Collaboration with Örebro University (October 2023) concerning a review of Trelleborg's sustainability reporting and materiality assessment in 2023.
Neighbors	Local open house days, information sessions in connection with redevelopments or other changes.	Regular information and Q&A sessions for local residents on changes that may have a local impact.

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.

Description of the materiality assessment workflow

In 2023, Trelleborg began a revision of its materiality assessment according to GRI, primarily due to the EU rules for sustainability reporting described in the draft of the European Standard for Sustainability Reporting (ESRS), though without a description of risks and opportunities for 2023.

The aim is to further deepen the analysis in 2024.

A preparatory step undertaken already in 2023 in this report is a certain alignment of the materiality assessment with the method, structure and general content of the ESRS standards:

- The materiality assessment for 2023 should thus be regarded as a simplified pilot version inspired by ESRS, but with a GRI-based threshold for impact materiality, in line with previous years. For 2024, all internal indications suggest the threshold will be changed and more material impacts, risks and opportunities related to operations will be reported. For example, a survey of the biodiversity impact of operations is planned for 2024. Potentially material impacts identified in the survey will be included in the Group's overall materiality assessment for the year.
- The materiality assessment resulted in updated focus areas in Environment, Social and Governance that are presented on pages 122–133.
- In this first step, the materiality assessment was carried out by representatives from relevant staff functions – Sustainability, Treasury, HR, Legal – and checked by the heads of sustainability from the business areas. The results were subsequently presented to the Sustainability Council (pages 108–109), Executive Management (December 2023) and the Board of Directors (February 2024). The next stage of the process is to check the results of the assessment with additional internal and external stakeholders.

Policies for material sustainability issues

The relevant policies/directives in the table below are listed in the introductory table for each sustainability area with links to the performance measures and targets on pages 122 and onwards.

Adopted policy/directive document [1]	Content, scope, link to initiatives or stakeholders
Code of Conduct and questionnaire to suppliers based on the Code of Conduct	The Code of Conduct underlines and summarizes Trelleborg's existing Group policies and directives and contains rules and principles governing day-to-day activities related to human rights, business conduct and other relevant matters. Trelleborg requires that suppliers, sales representatives, distributors and consultants use a questionnaire to adopt the principles set out in the Code. Both the Code of Conduct and the questionnaire are available at www.trelleborg.com.
Group Environmental Policy	The policy addresses environmental management, energy/climate, emissions, materials, development issues and stakeholder relations, meaning all essential environmental issues, in a comprehensive manner. A more detailed Climate Policy linked to Trelleborg's validated science-based targets will be developed in 2024. The Group Environmental Policy is available at www.trelleborg.com.
Natural Rubber Directive	The directive addresses issues related to the sourcing of natural rubber with implications for human rights, working conditions, circularity, waste, biodiversity, nature conservation, anti-corruption and vulnerable populations. The directive is available at www.trelleborg.com.
Directive on Risks in Connection with New Construction of Factory	The directive covers, for example, natural disaster risks, environmental assessment and fire risks. Link to insurance companies as a third party.
Health and Safety Directive	The directive describes Trelleborg's commitment to its vision of Zero accidents, and points to the Group *Safety@Work* program with annual risk assessments.
Drugs and Alcohol Directive	With health and safety as the starting point, the directive covers the approach taken by employees and managers to drugs and alcohol.
Whistleblower Policy	The policy addresses the right of all employees to raise the alarm on suspicion of criminal or otherwise reprehensible activities without fear of repercussions from anyone. More information about the whistleblower system is available at www.trelleborg.com.
Human Resources Policy	The policy addresses issues such as diversity, equality and inclusion, pay and training/development.
Diversity, Equity, and Inclusion Directive	The Directive addresses the positive role of diversity, equity and inclusion, and how this should be maintained in different ways in operations.
Anti-Bribery and Corruption Policy	The policy addresses the company's ethical business conduct with zero tolerance for all types of bribery and corruption, including limits for gifts and services.
Competition Law Policy	The policy addresses the respect of all employees for competition law issues.
Tax Policy	The policy addresses the objectives for and management of taxation in the Group.

[1] Group policy documents are the responsibility of and adopted by the Board of Directors, while Group directives are the responsibility of and adopted by the Executive Management.

Overview of opportunities and social engagement

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The table below lists products, solutions and social activities where Trelleborg contributes to the sustainable development of society, with reference to the UN SDGs.

Trelleborg's products, solutions and social activities for/contribution to the sustainable development of society, with reference to the UN SDG targets.	
	Solutions for sustainable agriculture and greater productivity in agriculture (2.3). Other products for sustainable systems for food production, including food hoses (2.4).
	Products to improve road safety, such as brake shims (3.6). Components in the field of healthcare & medical, such as for medical devices and for drug and vaccine delivery systems (3.8). Reduced involvement in solutions in the field of oil & gas (3.9).
	Training and support projects for local communities within the framework of Trelleborg's community engagement (4.2). See examples below.
	Development of women managers (5.5).
	Products to safeguard and protect water resources, such as pipe seals and pipe repair solutions (6.4).
	Solutions for the safe extraction and transport of energy (7.1). Components for wind, solar and hydro power solutions (7.2).
	Solutions for reliable, sustainable, resilient and high-quality infrastructure, including window/door seals, façade profiles and pipe seals, and in the train and rail system area and for ports, as well as bridge and tunnel solutions (9.1).
	Solutions for protection against earthquake and water-related catastrophes, and unnecessary noise and vibrations (11.1). Solutions for safe, accessible and sustainable transportation systems, including ports and in the train and rail system (11.2). Solutions to protect and safeguard the world's cultural and natural heritage, including water management and seals (11.4).
	Trelleborg works continuously to increase circularity and reduce the climate footprint of its raw materials (12.2).
	Solutions in energy efficiency, renewable energy and water management that reduce the risk of and build resilience against climate hazards and catastrophes (13.1).
	Products for ports and marine solutions, including the Ocean Cleanup (14.2).
	Risk minimization throughout the value chain against child and forced labor as well as against corruption and anti-competitive measures (16.2 and 16.5).
	Signing and supporting various sustainability initiatives, such as the UN Global Compact, continued application of, and adjustment to, international standards and guidelines for transparent sustainability reporting, such as GRI/UN Sustainable Development Goals (SDG) and climate reporting (TCFD/CDP) (17.16).

Social engagement

Trelleborg actively participates in the local community where the Group operates. The focus is on promoting education and physical activity among children and young people as well as local environmental projects. In 2023, 100 percent, that is to say all of Trelleborg's plants with more than 50 employees, conducted social engagement activities.

Major educational and development programs are being run in India, Türkiye, Mexico and Sweden. During the year, Trelleborg launched a scholarship program at schools near its facilities in Bengaluru, India, giving talented young people the opportunity to continue their education with the help of welcome financial support.

Trelleborg has also provided the necessary school supplies to a school in Tokat, Türkiye, and provided equipment for the renovation of a primary school in Querétaro, Mexico. In Sweden, Trelleborg has continued to support the local *Idrott för Alla* (Sports for all) initiative, giving functionally diverse individuals the opportunity to participate in sports.



In September 2023, *Idrott för Alla* in Ramlösa, Sweden, hosted a soccer match between its sponsors and young people involved in the association. Despite rainy weather, there was a great atmosphere among the players on the field.

Climate: Risks, opportunities and scenarios

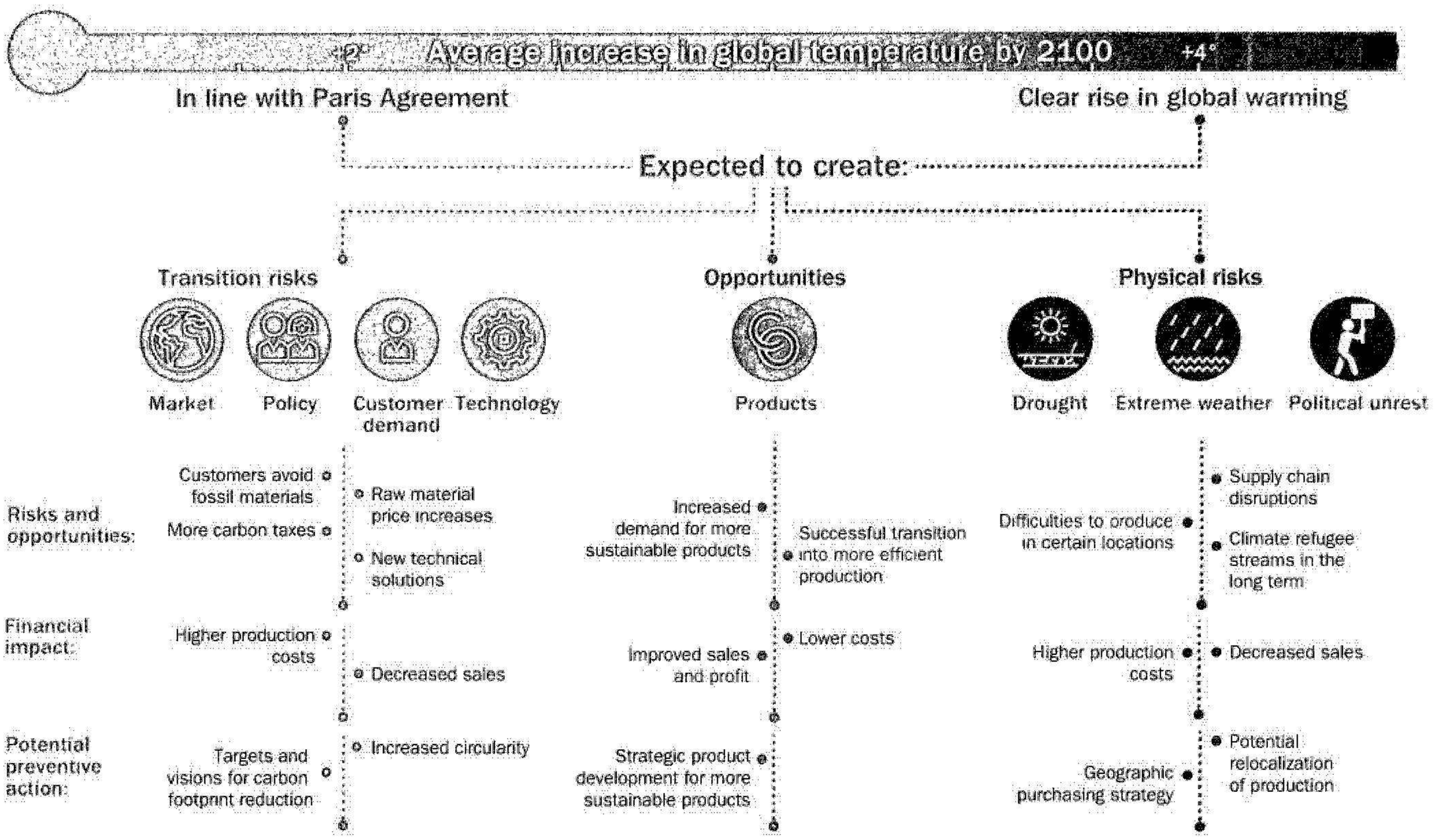
An analysis of climate-related risks and opportunities including future climate scenarios with financial impact according to the TCFD's recommendations provides the basis and variables for a potential future description for Trelleborg to base its actions on.

The material was prepared by leading representatives for the business areas and the Group following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The analysis will be further developed every year.

- The introductory graphic summary below, with commentary, presents the most important results of the 2023 analysis. Most of the risks and opportunities are assumed to be between the interval of 1–5 years unless otherwise stated.
- The risk/opportunity analysis on page 117 presents a ranking of risks and opportunities.
- The analysis of both scenarios on pages 117–118 is based on two of the UN Intergovernmental Panel on Climate Change's (IPPC) forecasts on how carbon concentrations in the atmosphere will increase by 2100 (Representative Concentration Pathways, RCP). The RCP 2.6 pathway involves a low increase of carbon concentration and an average rise in temperature of 2°C, while the RCP 8.5 pathway involves a very high increase and an average rise in temperature of 4°C.
- The table on page 134 contains an index of where additional TCFD material can be found in this Annual Report.

A supplementary assessment of both physical risks/transition risks as well as opportunities is available in Trelleborg's open response to CDP (www.cdp.net).

GRAPHIC SUMMARY OF SCENARIO ANALYSIS 2023



Commentary on Trelleborg's position:

Transition risks

- Transition risks are generally expected to occur before physical risks. The organization is continuously increasing its contingency for future carbon regulations and also for rises in the price of raw materials, both of which can have a negative impact on operating costs. A greater need for public affairs monitoring can be discerned in operations to be able to more closely follow developments.
- Transition risks related to changes in demand where customers avoid fossil materials is probably a larger risk in the medium term than new political measures and taxes. Advanced customers in the aerospace, automotive and construction industries are already expressing demands with regard to the carbon content and recyclability of products, which could lead to pressure on profitability if higher prices are not accepted.
- Reducing the carbon footprint through a science-based climate target and a net zero vision as well as measures to increase circularity is gradually starting to become part of Trelleborg's DNA.

Physical risks

- Climate-related disruptions of the supply chain and Trelleborg's production can be expected to increase moving forward.
- The risk analysis of climate-related physical risks has been in place for a long time. The number of upgrades to the level of Highly Protected Risk facilities is rising, refer to page 36.
- Purchasing strategy with new geographical considerations can be changed in the short term for raw materials such as natural rubber.
- The potential relocalization of production is made easier due to Trelleborg's production sites in various relevant parts of the world.

Opportunities

- The share of energy-saving and emissions-reducing products in Trelleborg's range is expected to increase.
- New materials and new technical solutions are monitored for the same purpose, namely for Trelleborg to be an industry leader in sustainability. Examples of proactive measures to reduce the carbon content of Trelleborg's products and to stay one step ahead of the competition is the Group-wide *Polymers for Tomorrow* group, which aims to increase the share of recycled and bio-based materials. However, research efforts must also be increased at Group level.
- More efficient production with reduced operating costs is a natural and visible consequence of ongoing energy and material efficiency efforts.

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HIGHEST RANKED RISKS AND OPPORTUNITIES BY TRELLEBORG

Risks	Commentary	Time frame	Financial impact	Comments and current action
Transition risks				
Changed customer demand	Customers choose competing solutions mainly due to a perceived lack of recyclability or high carbon concentration in primarily rubber-based solutions.	3–5 years ahead, only individual cases can currently be seen	Strong	Serious financial impact is attributable to the lower demand that may occur if Trelleborg were not to act to explain, develop and adapt its products and solutions.
Political regulations	New taxes, charges mainly for CO_2 in production/materials, which risk increasing production costs.	1–5 years	Medium	Trelleborg has already partly built in some protection against this in the form of an internal CO_2 price simulated in investment applications.
Customers do not understand Trelleborg's actual sustainability performance	Different types of evaluations via surveys and performance analyses increase in importance.	From now on	Medium	Trelleborg continuously develops its use of third-party evaluations.
Physical risks				
Extreme weather causes supply chain disruptions and temperature increases	Disruptions to inbound freight and lower production capacity.	Visible now to a certain extent	Medium	Uncertainties in the supply chain are already taken into consideration to some extent. All localization of production considers weather risks.
Opportunities				
Proactive development of improved low-carbon, energy-saving and climate-resilient products and solutions	Both larger markets and higher market shares are achievable opportunities, partly by using recycled and bio-based raw materials.	1–5 years	Strong	Market positioning as a low-carbon polymer solutions supplier is fully possible in most of Trelleborg's various segments.
High resource efficiency in energy consumption and manufacturing	Sustainability goes hand in hand with efforts to achieve energy and materials efficiency.	From now on	Medium	The entire multi-year Excellence program is based on enhancing the efficiency of processes step by step.
New circular business models	Services and support replace traditional product sales.	3–5 years	Medium	Each segment should be analyzed in terms of business opportunities that can be achieved via services.

Scenario analysis: two different scenarios

SCENARIO 1: IN LINE WITH PARIS AGREEMENT (UNDER +2°C)

Rapid transition to lower-carbon society. The climate impact of this scenario is based on the IPCC's RCP 2.6 scenario. The scenario is characterized by unification in international politics on transition, and halving total GHG emissions by 2050 is achieved successfully. Global warming limited to 2°C by 2100, which limits damage. Political decisions, taxes and regulations on greenhouse gases are introduced. Large-scale renewable energy and technological improvements are introduced. Rapid transition to community infrastructure takes place.

POTENTIAL EFFECTS

Risks	Opportunities	Financial impacts
A gradual transition in society and negative changes in demand for solutions using fossil-based raw materials.[1]		Customer behavior is potentially negative for demand and earnings. Transition required by materials supply chain.
Trelleborg risks not being quick enough in adapting its portfolio to changed customer demand for energy and emission-impacting solutions.	Trelleborg succeeds in improving its material communication about a higher share of recycled and bio-based materials, transitioning its offering and securing good market positions, in line with the transition in society and already visible in, for example, the market for fenders and port systems.	Earnings are impacted by how quickly the company adapts to the transition in society.
New players in various industries offer applications in competing materials.[1]		Market share/sales may be threatened.
Climate-related regulations, taxes and fees increase quickly. An example is the EU's Carbon Border Adjustment Mechanism to come into forces in 2026, which means that importers and non-EU manufacturers of steel, cement and electricity, among others, must pay a tax linked to the EU's price for carbon dioxide (about EUR 90 per metric ton of CO_2 in December 2022). Trelleborg's own transition of its raw materials, energy solutions and reduced CO_2 emissions is resulting in improvements but it might be challenging to maintain the same pace in society.	Impact on society and customers yields a distinct increase in business opportunities for energy savings and Trelleborg solutions that reduce emissions, such as in industries for renewable energy, e-mobility and air travel.	Capitalizing on new business opportunities is positive for income and earnings. Regulations and taxes drive up costs and clearly increase the overall cost profile, even indirectly: For example, the International Monetary Fund had stated that a carbon tax of USD 75 per metric ton of CO_2 would increase the average price in the G20 countries by up to 43 percent. However, the risk profile is likely to be similar for competitors.
Demand for transition of production equipment to meet society's needs in terms of, for example, renewable energy and circular production.		Investment requirements for transition of internal infrastructure.

[1] Relevant in the long term, 5–10 years.

SCENARIO 2: CLEAR RISE IN GLOBAL WARMING (+4 °C)

Slow transition in society. The climate impact of this scenario is based on the IPCC's RCP 8.5 scenario. The scenario is characterized by the moderate tempo of political climate initiatives and cooperation and with cooperative difficulties internationally. The business continues its dependency on fossil fuels. GHG emissions continue and result in a 4°C increase in the global temperature by 2100. Periods of drought, a clear rise in sea levels, more fires and cases of extreme weather, such as flooding, cause problems in themselves and lead to refugees flows.

POTENTIAL EFFECTS

Risks	Opportunities	Financial Impacts
Physical effects: extreme weather causes supply chain disruptions, disrupts some operations and causes damage at some plants.		Any such operational disruptions are negative for production and sales.
Temperatures or extreme weather make working and living difficult in certain places, for example, in the US due to risk of tornadoes. Political concern/streams of refugees risk becoming a consequence.[1]	It may be necessary to relocate some production, and Trelleborg's own transition of energy solutions and lowering of CO_2 emissions can potentially progress quicker than for society at large, which would be positive for the brand.	Trelleborg's brand and market position remains strong, but political concern/refugee flows could disrupt both local demand and impact prices of materials, which could affect earnings.
Moderate tempo of transition for own energy-related infrastructure.[1]		Investment requirements under control.
Customer demand changes, but at a predictable rate.	Trelleborg may succeed in transitioning its offering and securing good market positions, in line with the transition in society.	Capitalizing on new business opportunities is positive for earnings.
Regulations, taxes and fees increase but at a moderate tempo.	Gradual increase in business opportunities for energy savings and Trelleborg solutions that reduce emissions, such as in the segments for renewable energy, e-mobility and air travel, which are important to the company (refer to page 18).	Regulations and taxes gradually increase the cost profile. Positive on income side.

[1] Relevant in the long term, 5–10 years.

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EU Taxonomy 2023 for Trelleborg AB

The EU Taxonomy is legislation in the form of a classification system of economic activities, intended to direct investments in a sustainable direction. Trelleborg has analyzed its operations according to the 2023 Taxonomy guidelines.

Focus of the Taxonomy

2023 is the third fiscal year that Trelleborg and other manufacturing companies are to analyze and classify the operations eligible in accordance with the EU Taxonomy guidelines. In this reporting year, the environmental objectives addressed by the Taxonomy are:

- climate change mitigation (CCM)
- climate change adaptation (CCA)
- sustainable use and protection of water and marine resources (WTR)
- pollution prevention and control (PPC)
- transition to a circular economy (CE)
- protection and restoration of biodiversity and ecosystems (BIO)

It is also important to note that Trelleborg is not exposed to the fossil gas or nuclear power sectors in any of the ways listed in the supplement to the Taxonomy Regulation made in 2023, refer to page 121.

Trelleborg's 2023 analysis and reporting

For Trelleborg's analysis of its operations, the continuing business areas carried out a review of all of their operations during the year to see which activities are eligible and are aligned with the applicable Taxonomy guidelines for reporting the proportion of income/sales (turnover), proportion of capital expenditure (CapEx) and proportion of operating expenditure (OpEx). The entire reporting process has been further stabilized this year.

A change compared with the previous period is that a new activity has been added to the Taxonomy guidelines regarding automotive and mobility components. This significantly increases the proportion of Trelleborg's activities that are Taxonomy-eligible – under the previous guidelines, no activities were eligible.

PROPORTION OF INCOME/SALES

According to Trelleborg's analysis, the proportion of products or services in Trelleborg's continuing operations that are Taxonomy-eligible in 2023 for Trelleborg is 19 percent, and relates to the sale of automotive and mobility components. The share of non-eligible activities for the year is thus 81 percent.

Financial year 2023		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0		
Of which enabling		0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0	E	
Of which transitional		0	0	N/EL						N	N	N	N	N	N	N	0		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
3.18 Manufacture of automotive and mobility components	CCM	6,450	19	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6,450	19	19	-	-	-	-	-								0		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		6,450	19	19	-	-	-	-	-								0		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		27,836	81																
Total		34,286 [1]	100																

PROPORTION OF TURNOVER/TOTAL TURNOVER

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	19%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

[1] Turnover is taken from Trelleborg's 2023 income statement on page 57, and relates to continuing operations

PROPORTION OF CAPEX

The Taxonomy guidelines state what could be Taxonomy-eligible or Taxonomy-aligned in terms of proportion of investments. Within these activities or planned activities that are Taxonomy-eligible or will be Taxonomy-eligible in the future, Trelleborg's continuing operations had CapEx in 2023 related to the production of automotive and mobility components (3.18) amounting to approximately 16 percent of the Group's total CapEx.

For CapEx in energy efficiency that also results in a reduction in greenhouse gas emissions, where the objective of the CapEx itself is to be in equipment that is eligible or aligned with the Taxonomy guidelines, the proportion amounted to about 7 percent. These CapEx relate primarily to environmental investments in local systems for electricity production using solar energy (4.1), electric vehicles and charging stations for electric vehicles (6.5), as well as various forms of energy efficiency enhancements (7.3). In total, CapEx that is Taxonomy-eligible accounts for approximately 23 percent of the Group's total CapEx, and thus the proportion that is non-taxonomy-eligible is 77 percent.

Financial year 2023		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK M	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0		
Of which enabling		0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0	E	
Of which transitional		0	0	N/EL						N	N	N	N	N	N	N	0		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
3.18 Manufacture of automotive and mobility components	CCM	270	16	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
4.1 Electricity from photovoltaic installations (solar cells)	CCM	20	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
6.5 Transportation, purchased or leased electric vehicles	CCM	73	4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11		
7.3 Energy efficiency equipment	CCM	34	2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		397	23	23	-	-	-	-	-								12		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		397	23	23	-	-	-	-	-								12		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		1,281	77																
Total		1,678[1]	100																

PROPORTION OF CAPEX/TOTAL CAPEX

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	23%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

1 Total CapEx for 2023 has been derived from gross capital expenditures of continuing operations in Trelleborg's 2023 cash flow statement on page 63.

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PROPORTION OF OPEX

The proportion of OpEx as described in the Taxonomy guidelines primarily refers to OpEx that are associated with activities that are de facto Taxonomy-eligible. For 2023, this refers to the activities related to the manufacture of automotive and mobility components. In 2023, the proportion of OpEx that is Taxonomy-eligible was approximately 20 percent for Trelleborg, and thus the proportion that is non-Taxonomy-eligible is approximately 80 percent.

Financial year 2023		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK M	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0		
Of which enabling		0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0	E	
Of which transitional		0	0	N/EL						N	N	N	N	N	N	N	0		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
3.18 Manufacture of automotive and mobility components	CCM	226	20	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		226	20	20	-	-	-	-	-								0		
OpEx of Taxonomy-eligible activities (A.1 + A.2)		226	20	20	-	-	-	-	-								0		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx for Taxonomy-non-eligible activities (B)		931	80																
Total		1,157[1]	100																

PROPORTION OF OPEX/TOTAL OPEX

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	20%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

ACTIVITIES LINKED TO NUCLEAR POWER AND FOSSIL GAS

Line		
	Nuclear energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

[1] Total OpEx for 2023 consists of research & development costs for continuing operations in 2023 in accordance with the income statement on page 57 and expenditure for maintenance and repairs that are part of the cost of goods sold as set out in the income statement.

Environment: Climate and energy

Material impacts, risks and opportunities

Climate

Trelleborg's overall climate impact and targets and methods for reducing this impact are presented on pages 23–24 and in the section below. This impact is material mainly due to the emissions generated by the use of energy in production (Scope 1 and 2), and the overall emissions of material suppliers (most of Scope 3).

It is considered unlikely that the overall climate impact of the Trelleborg Group's operations would increase in the short and medium term – meaning that the risk profile for society at large would increase – particularly in light of Trelleborg's achievement of its previous climate targets and the new ambitious target and plan for a reduced carbon footprint described in the section on Trelleborg's science-based target (pages 23–24) in the period up until 2030.

An overview of climate risks including scenario descriptions according to the TCFD model is presented on pages 116–118.

Many of Trelleborg's products and solutions are clearly positive for society's efforts to combat climate change due to their ability to reduce energy consumption and emissions (see below and page 115). For example, Trelleborg's sealing solutions in moving mechanisms have the potential to reduce energy consumption, primarily by reducing friction.

Energy

The bulk of the Group's energy consumption – and thus its direct climate impact – is connected to fossil-fuel combustion for the production of steam (direct energy and emissions) and use of purchased electricity, steam and district heating.

Trelleborg already develops products in areas such as energy efficiency, renewable energy and solutions for safe extraction and transportation of energy, and components for wind, solar and hydro power.

Link to strategy and business model

For many years, Trelleborg has aimed to reduce carbon emissions from its own operations as part of its strategy. Nevertheless, in its strategy, Trelleborg is continuing to focus on further emission reductions related to production, primarily from natural gas and fossil-based electricity. In addition, emissions from the value chain, which represent a significant portion of Trelleborg's total carbon emissions, are directly linked to the strategy.

Time horizon for impacts

The problems caused by climate change are already fully visible in the global society and, unless there is a drastic reduction in global fossil fuel dependency in the short term, it is expected to have an even more pronounced negative global impact on society in the medium and long term.

It is against the background of this societal scenario that Trelleborg has pursued and steadily achieved its ambitious climate targets since 2007 (refer to page 23), and in 2023 adopted a new science-based target, meaning that it has been validated by an independent third party that by achieving the target, Trelleborg will contribute to limiting the global temperature increase in line with 1.5°C for Scope 1 and 2 and well below 2°C for Scope 3 (refer to page 23).

Own activities/Via the value chain

Trelleborg's own activities (Scope 1 and Scope 2) and the supplier footprint for purchased products and services along the value chain (part of Scope 3) are part of the overall climate impact of the operation.

Impacts on strategy and decision-making

Climate and energy issues are clearly material elements of Trelleborg's overall business strategy and decision-making, see, for example, pages 23–24.

Business response: approved actions and plans

Back in the early 2000s, Trelleborg launched an internal energy efficiency program, *Energy Excellence*, that is still ongoing within the framework of the *Manufacturing Excellence* initiative. In 2023, this program was complemented by an agreement with an external party to evaluate further energy efficiency potential at Trelleborg's sites, along with suitable associated measures. Self-generated electricity at the sites, mainly using solar panels, is a development that will continue where opportunities have been identified.

Trelleborg's response to the climate issue was one of the underlying factors that led to the discontinuation (completed in 2021) of the company's involvement in offshore oil and gas extraction products. The remaining indirect fossil fuel-related commitment is reported on page 112.

Furthermore, Trelleborg's science-based climate target, validated in December 2023, can be highlighted as an important milestone, as well as the company's continued clear innovation focus on energy-saving and emission-reducing products and solutions. Read more on page 23.

Short, medium and long-term financial impacts

Achieving the new climate target will have short and medium-term financial impacts in the form of continued costs for electricity certificates, contracts with local producers of renewable electricity, and investments mainly in self-generated solar energy, as well as in technology to replace the current infrastructure for the natural gas-powered energy used in production.

In the long-term, a number of new financial impacts could be relevant in relation to the clear developments taking place in Europe in sustainability-related laws and regulations, such as the Carbon Border Adjustment Mechanism.

Strategy and business model: resilience

The transition to a exclusively renewable/fossil-free energy infrastructure, in accordance with Trelleborg's vision to achieve net zero emissions in its own operations by 2035, is expected to proceed as planned (refer to page 23).

The long-term resilience in terms of climate footprint reduction, meaning the resilience of Trelleborg's strategy and business model, essentially depends on how substitute materials can eventually be developed for the polymer applications with unique material properties that the Group currently offers via its solutions. Trelleborg's goal is to use its advanced materials know-how to be first or early in the market to provide such applications that are significantly less dependent on fossil fuels.

Changes compared to the preceding period

The finalization of the divestment of the tire operation has led to a significant reduction in the Group's carbon footprint in absolute terms.

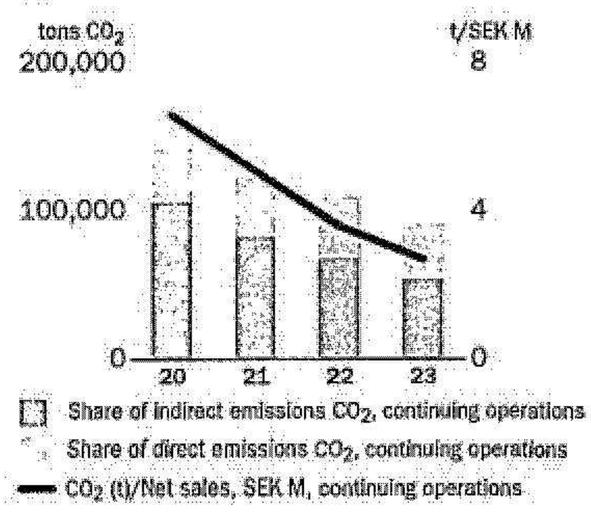
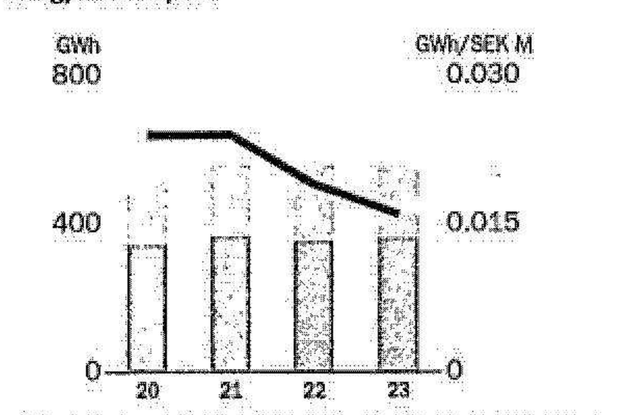
Trelleborg's new climate target, the science-based target validated by the SBTi panel in December 2023, replaces the previous "50 by 25" climate target (refer to page 23) which was achieved already in 2023. An important difference compared with all previous targets is that the new target is based on an absolute emission reduction. Furthermore, the new timeframe extends to 2030, and the target also includes emissions along the value chain in the category *Purchased goods and services*, which initially accounts for 80 percent of Scope 3 emissions.

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POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

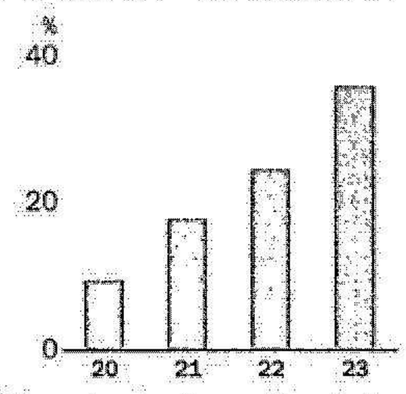
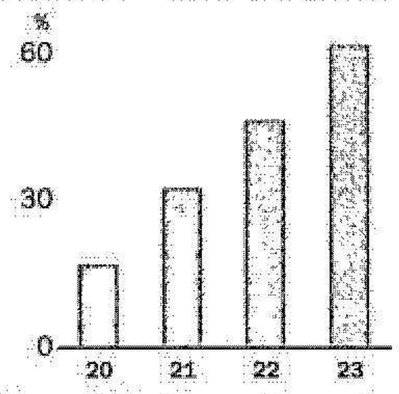
Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
Climate change	Group Environmental Policy More detailed climate policy under development	Program for transition to fossil-free/renewable electricity (Scope 2) Investment plans for transition from natural gas to other energy sources (Scope 1)	Direct and indirect emissions in metric tons of CO_2 per year Emissions intensity in metric tons of CO_2/SEK M	Trelleborg's science-based targets: absolute targets for reduction (–50 percent by 2030) of own emissions in Scope 1 and 2, and for emissions from Scope 3 – in the category Purchased goods and services (–25 percent by 2030), both targets with 2021 as baseline year. Refer to pages 23–24
			Proportion of renewable/fossil-free electricity (%) Self-generated electricity at the sites (kWh)	80 percent renewable/fossil-free electricity by 2025
Climate change	Group Environmental Policy	Supplier dialogue for reducing emissions along the value chain (Scope 3)	Supplier emissions per year (metric tons CO_2)	Refer to pages 108 (Reporting principles) and 122 (Climate and energy)
Energy efficiency	Group Environmental Policy	Training programs/local coordinators in *Energy Excellence*	Direct and indirect energy consumption in GWh per year. *Consumption intensity in* GWh per SEK M	Internal energy optimization target of at least 3 percent per year

OUTCOME IN 2023 IN THE AREA OF ENVIRONMENT: CLIMATE AND ENERGY

Resources	Where?	Outcome 2023	Goals and main governance
CLIMATE	⬚	Both in total and relative to sales, CO_2 emissions from continuing operations fell in 2023, which is primarily attributable to the ongoing transition to renewable/fossil-free electricity. Trelleborg's systematic measures for energy efficiency also contributed to the results, which at the end of the three-year period (2021–2023) yielded a decrease of 60 percent in CO_2 emissions in relation to sales compared with the base value of 6.6 metric tons/SEK M from 2020.	Trelleborg presented new climate targets in 2023 for the period extending to 2030, following dialog with the Science Based Targets initiative. These targets also address Scope 3 emissions across the value chain. Read more on pages 23–24. **CO_2 emissions** 
Total CO_2 emissions from own operations	⬚	91,305 metric tons (109,477) from continuing operations, of which direct emissions amounted to 37,235 metric tons (41,058), and indirect emissions 54,070 metric tons (68,419). *For the Group, CO_2 emissions were 160,520 metric tons (317,464).*	
Own CO_2 emissions relative to sales	⬚	2.7 metric tons per SEK M (3.6), a 27-percent improvement compared with last year for continuing operations. A clear improvement was made during 2023, mainly due to the continued transition to renewable electricity, but also via lower energy consumption. *For the Group, CO_2 emissions relative to sales were 4.1 metric tons per SEK M (7.1), compared with the baseline 10.9 metric tons/SEK M from 2020.*	
ENERGY	⬚	For continuing operations, total energy consumption was slightly lower than in the previous year. Improved energy efficiency compensated for an increase in consumption from completed acquisitions. Consumption relative to sales declined during the year.	Energy efficiency has been a prioritized area for Trelleborg for some time through the *Energy Excellence* initiative, which is part of the *Manufacturing Excellence* program (refer to page 20). The internal target for the Group is to improve its energy efficiency by at least 3 percent annually. Local energy coordinators are trained via global training sessions, and a shared toolbox is available. Trelleborg also works proactively and systematically with external energy consultants, and is planning to implement joint solutions for renewable energy solutions in the future. The proportion of renewable/fossil-free energy is to gradually increase, both for direct and indirect energy, in line with the Group's climate target. **Energy consumption** 
Energy consumption	⬚	Continuing operations total 548 GWh (557). The share of direct energy is 183 GWh (201), and the share of indirect energy is 364 GWh (356). *Energy consumption for the Group was 815 GWh (1,328).*	
Energy consumption relative to sales	⬚	Continuing operations 0.016 GWh per SEK M (0.019). Energy consumption relative to sales declined approximately 14 percent. *For the Group, energy consumption relative to sales was 0.021 GWh per SEK M (0.030).*	

Symbols: ⬚ = Internal, all units ⬚ = Internal, all production units ⬚ = Internal, certain units ⬚ = External, suppliers

OUTCOME IN 2023 IN THE AREA OF ENVIRONMENT: CLIMATE AND ENERGY

Resources	Where?	Outcome 2023	Goals and main governance
Renewable/fossil-free energy and renewable/ fossil-free electricity	[ ]	36.0 percent (24.7) of total energy consumption from continuing operations is from renewable/fossil-free sources, a 45-percent increase mainly due to purchased renewable electricity and self-generated electricity at facilities. The proportion of fossil-free/renewable electricity of total electricity is 61.9 percent (46.4) from continuing operations. The self-generated electricity is produced from solar cells and amounted to 3,647 MWh (1,142), an increase of approximately 200 percent. *For the Group, 26.9 percent (15.1) of total energy consumption was renewable/ fossil-free. The proportion of renewable/fossil-free electricity of total electricity is 51.0 percent (28.6).*	The proportion of renewable/fossil-free energy is to gradually increase, both for direct and indirect energy, in line with the Group's climate target. For renewable/ fossil-free electricity, the target is to achieve 80 percent by 2025. Renewable/fossil-free energy, proportion of total energy  [ ] Proportion of total energy, %, continuing operations Renewable/fossil-free electricity, proportion of total electricity  [ ] Renewable/fossil-free energy, proportion of total energy, %, continuing operations

Symbols: [ ] = Internal, all units [ ] = Internal, all production units [ ] = Internal, certain units [ ] = External, suppliers

Environment: Pollution

Material impacts, risks and opportunities

Use of chemicals
The principal raw materials in Trelleborg's industrial processes are polymers (rubber, plastics, composites), metal components, as well as additives comprising softening agents (oils) and fillers such as carbon black, and vulcanizing agents (sulfur, peroxides). Trelleborg works continuously to ensure that we comply with relevant laws governing chemicals.

Emissions from own operations: Local regulations
Trelleborg's material impacts on the environment and people in the area of Pollution are mainly related to local objectives and regulations managed by the respective facility in coordination with the local environmental management system according to ISO 14001, hence Trelleborg's goal that all relevant units should have a certified environmental management system.

An example of a pollutant that has been significantly reduced (see below) is emissions from the use of VOC (solvents), used mainly for polymer coating and adhesion between materials. Refer to page 125.

Contaminated soil
Historically, it is primarily the handling of oil and solvents that has given rise to soil and groundwater contamination. Remediation of contaminated land is ongoing at some units, as reported on page 125.

Pollutants in the value chain
The production of suppliers could potentially be responsible for environmental pollution, for example, in connection with their processing of latex (the raw material for natural rubber) or in their production of synthetic rubber, carbon black and other rubber chemicals.

Link to strategy and business model

The limited extent of contaminated production units has been reported on an annual basis ever since Trelleborg's Sustainability Report was first issued.

Time horizon for impacts

Trelleborg's operations are chemical-based, and despite constantly reducing volumes of emissions of solvents, sulfur oxides and nitrogen oxides, Trelleborg's pollution prevention work remains a priority and is pursued at all relevant sites.

Own activities/Via the value chain

The manufacturing processes have several types of direct impact on the environment and people: climate impact, waste and emissions (mainly to air), water consumption and work accidents. Similar impacts as a result of Trelleborg's activities occur indirectly along the value chain, primarily in the supply chain.

Impacts on strategy and decision-making

See above under *Link to strategy and business model.*

Business response: approved actions and plans

Trelleborg works continuously to reduce the use of solvents within the framework of *Manufacturing Excellence*. As a chemical user, Trelleborg is affected by the EU REACH regulation. In addition to the local work with REACH compliance, strategic work related to chemicals continues to be carried out within the framework of the *Global Chemical Task Force*, a corporate-level team. During 2023, the *Global Chemical Task Force* provided support to local companies in chemical replacement projects, classification and reporting of used chemicals and generally with the follow up of European legislation on chemicals and the environment.

Short, medium and long-term financial impacts

The financial exposure to products dependent on solvents for their manufacture has, as indicated above, been radically reduced and will continue to be reduced.

Strategy and business model: resilience

No significant impacts for the resilience of the business model.

Changes compared to the preceding period

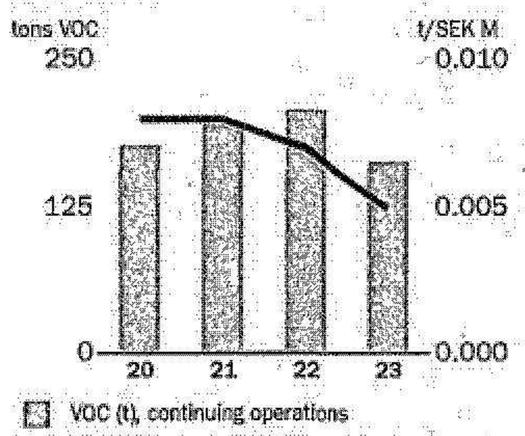
With the divestments in 2023 of the tire operation and printing blanket operation, the Group sharply reduced its exposure to solvent emissions.

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POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
Environmental management systems	Group Environmental Policy (refer to page 114)	Local rules are addressed by each workplace.	Percentage of production units certified under environmental management systems	All relevant production units certified.
Contamination at suppliers		Questionnaires to suppliers		Compliance with current regulations.

OUTCOME IN 2023 IN THE AREA OF ENVIRONMENT: POLLUTION

Resources	Where?	Outcome 2023	Goals and main governance
EMISSIONS	▣	Emissions of volatile organic compounds (VOC) from continuing operations decreased by 21 percent during the year. Emissions of sulfur dioxide increased by 14 percent, and emissions of nitrogen oxides decreased by 8 percent.	Reducing VOC is a priority from both an environmental and a health perspective. Emissions of VOC are defined according to EU standards. **VOC emissions** 
VOC	⁘	Continuing operations: 164 metric tons (208) *Group: 281 metric tons (612)*	
VOC relative to sales	⁘	Continuing operations: 0.005 metric tons per SEK M (0.007) *Group: 0.007 metric tons per SEK M (0.014)*	
Sulfur dioxide	▣	Continuing operations: 8 metric tons (7) *Group: 19 metric tons (65)*	
Nitrogen oxides	▣	Continuing operations: 15 metric tons (16) *Group: 28 metric tons (53)*	
COMPLIANCE (ENVIRONMENTAL)	□	For continuing operations, 1 case (1) of fines or sanctions for breaches of environment or OHS-related laws and regulations was reported, totaling SEK 4,201,000 (100,000). *For the Group, 1 case (1) of fines or sanctions for breaches of environment or OHS-related laws and regulations was reported, totaling SEK 4,201,000 (100,000).*	Local governance in accordance with the Code of Conduct, permits and local legislation. All significant cases in terms of fines and sanctions are reported to Group Legal and are included in reporting.
Environmental management systems	▣	At the end of 2023, 68 units (63) in continuing operations were certified under ISO 14001, corresponding to 65 percent (66) of all relevant facilities. *For the Group, 88 units (83) were certified under ISO 14001, corresponding to 70 percent (70) of all relevant facilities.*	The goal is that all major production units will have an ISO 14001-certified environmental management system.
Unplanned emissions	▣	For continuing operations, 0 cases (0) of unplanned emissions were reported during the year. *For the Group, 0 cases (0) of unplanned emissions were reported during the year.*	All licensed operations are subject to local governance, also using ISO 14001 environmental management systems.
Remediation of contaminated soil	▣	At the end of 2023, the remediation of contaminated soil for continuing operations was ongoing at 4 units (3). Another 11 facilities (10) are expected to require remediation, although the extent has not yet been determined. Provisions for environmental liabilities amounted to SEK 341 M (72). *For the Group, the remediation of contaminated soil was ongoing at 8 units (6) at the end of 2023. Another 11 facilities (10) are expected to require remediation, although the extent has not yet been determined. Provisions for environmental liabilities amounted to SEK 341 M (72).*	Trelleborg is also active as one of several parties in additional cases of remediation, although with marginal liability for costs.
Environmental studies	⁘ □	In continuing operations, 12 environmental studies (6) were carried out at the various facilities. *For the Group, 12 environmental studies (6) were carried out.*	Environmental studies are conducted to assess and outline the environmental impact of the facilities and identify potential environmental liabilities for the company in question, often in connection with acquisitions or closures.

Symbols: ▢ = Internal, all units ▣ = Internal, all production units ⁘ = Internal, certain units □ = External, suppliers or acquisition candidates

Environment: Water and marine resources

Material impacts, risks and opportunities

Trelleborg's dependence on water for its manufacturing has historically primarily related to water use for cooling and cleaning.

As water does not constitute a critical part of the products themselves, the overall water dependency is therefore considered to be limited, but it is nonetheless important to reduce the total water use of the Group. In areas facing water scarcity, this of course becomes even more important.

It is also in such water-stressed zones that the risks to the immediate environment are greatest – competition for scarce water resources may arise in relation to the needs of the local population and agriculture. For Trelleborg, such facilities are mainly located in such areas as the Mediterranean region (particularly Malta), India, eastern China and western USA.

In terms of the opportunities this presents, Trelleborg has many types of water management solutions, an area that can be expected to grow in importance for global society and Trelleborg's markets.

Link to strategy and business model

No major impacts related to water demand are considered to exist for the strategy and business model other than for the location of new production facilities, where water-stressed areas should be avoided.

Time horizon for impacts

Acute water stress already affects a number of areas globally, and the extent and number of such areas can be expected to increase in the medium and long term.

Own activities/Via the value chain

The main impacts are in own operations.

The only identified impacts in the value chain are at the cultivation level for the natural rubber, where water access is a necessity.

Impacts on strategy and decision-making

It is essential to regularly map water stress globally for Trelleborg's existing production facilities, and to always consider the location of planned greenfield projects, as well as facilities added through acquisitions using due diligence measures.

Business response: approved actions and plans

An internal analysis was launched at Group level in 2023 to update the map globally with regard to water-stressed zones.

Short, medium and long-term financial impacts

Positive impacts of the major water savings as shown in the 2023 outcome below.

Strategy and business model: resilience

The assessment is that the strategy and business model will not require any major changes based on the identified impacts and risks in the *Water* area.

Changes compared to the preceding period

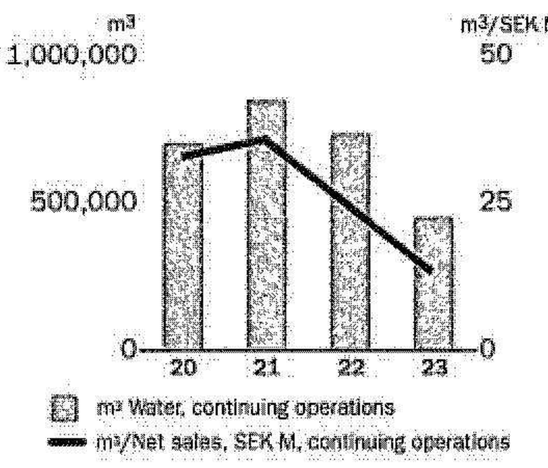
Water use has been sharply reduced during the period, mainly due to the divestment of the tire operation and investments in a new cooling system at the Swedish production unit in Ersmark.

POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
Water use	Group Environmental Policy (refer to page 114)	Water is a key local issue and local action plans are developed accordingly	Water use in metric tons/year Water intensity in metric tons/SEK M	Minimization
Water use in water-stressed areas	Group Environmental Policy (refer to page 114)	Mapping of water-stressed areas	Proposal: Share of total water use, %	Proposal: No greenfield projects in water-stressed areas

OUTCOME IN 2023 IN THE AREA OF ENVIRONMENT: WATER

Resources	Where?	Outcome 2023	Goals and main governance
WATER	▦	In 2023, water use, meaning water for production and sanitary water, declined sharply in absolute terms, despite higher production volumes. Relative to sales, the decline in use was even more pronounced. Much of the decrease is the result of investments in a new cooling system at the Swedish production unit in Ersmark.	Even if water use is one of the general environmental key figures reported for all plants, a decrease in consumption is most crucial in water-stressed areas, or where water stress can be expected. Refer to text above for more information. **Water use**
Water use	▦	Continuing operations: 454,481 m³ (736,915) *Group: 935,689 m³ (2,272,760)*	
Water use relative to sales	▦	Continuing operations: 13.3 m³ per SEK M (24.5) *Group: 23.8 m³ (50.9)*	
Water withdrawal	▦	Continuing operations: 89 percent municipal water (53) 2 percent from the company's own wells (2) 4 percent surface water (rivers, lakes, etc.) (42) 5 percent other sources (3) *Group:* *76 percent municipal water (61)* *20 percent from the company's own wells (24)* *2 percent surface water (rivers, lakes, etc.) (14)* *2 percent other sources (1)*	



Symbols: ▦ = Internal, all units ▦ = Internal, all production units ⁘ = Internal, certain units ☐ = External, suppliers

Environment: Resource use and circular economy

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Material impacts, risks and opportunities

Waste

Hazardous waste, rubber waste and other non-hazardous waste are Trelleborg's three major waste categories. Waste treatment methods are to continuously improve in order to minimize Trelleborg's negative impact from waste generation. Continuously reducing and recycling waste in production has long been a key factor in Trelleborg's efforts to improve resource efficiency under its *Manufacturing Excellence* program. The vision for these efforts is to make progress toward the goal of Zero Waste, as well as a gradual annual reduction in all hazardous waste.

Fossil-based raw materials

As described under the area *Climate and energy* (page 122), Trelleborg is dependent on fossil-based raw materials such as various types of polymers and the filler carbon black, which taken together could emerge as a risk in terms of demand in the medium and long term.

However, society's desire to transition away from fossil-based materials has, in the initial phase, mainly been directed to the use of short-life products, often disposable consumer goods (plastic bags and straws are examples). More advanced and long-lasting industrial polymer applications and more specialist properties are, for natural reasons, not a priority in society's transition since additional research and development is generally required to replace them or, at least as a first step, to recycle the materials.

Finished rubber products present a particular recycling challenge compared with many metals and plastics, for example, since during the vulcanization stage of the production process they form longer molecular chains that cannot easily be used as recycled raw materials.

Some progress has been made in the recycling of rubber products – rubber granules or rubber powder, usually ground down end-of-life products, can be used for certain purposes in rubber compounds to a limited extent without diminishing the properties of the product. Furthermore, carbon black can be recycled in a pyrolysis process during which mainly end-of-life tires are heated, which forms hydrogen, metals and oil, alongside carbon black.

The area of process oils has shown promising progress in trials using bio-based oils to replace petroleum oils.

For textiles used, for example, in Trelleborg's solutions based on polymer-coated fabrics, it has been seen that certain materials that are still essentially petroleum-based, but with a lower carbon footprint, are in many cases preferable to bio-based materials due to the higher total carbon footprint of the latter along the value chain.

Link to strategy and business model

Trelleborg's strategy to meet the target of being a "sustainability leader in its industry" is to reduce both the total waste volumes as described above and to increase the use of bio-based and recycled materials at a leading rate for the industry.

Time horizon for impacts

Technological advances to replace fossil-based materials in Trelleborg's solutions vary depending on the category of material, for the reasons stated above. Except for the areas described above for which progress has started to be made, most areas will not be relevant until the medium or long term.

Own activities/Via the value chain

Generally speaking, this is naturally a matter of using materials to the greatest extent possible – and minimizing all waste – in all of Trelleborg's own production processes, which is precisely the aim of the *Manufacturing Excellence* program (refer to page 20). Zero waste is the vision stipulated in the program.

As described previously, improving circularity also largely involves reducing the carbon footprint in the value chain for the materials in the solutions that Trelleborg provides.

Impacts on strategy and decision-making

The *Polymers for Tomorrow* program was launched in 2021 to systematically analyze the situation for Trelleborg's most important categories of raw materials and to plan increased use of low-carbon materials to achieve the target of 25 percent bio-based/recycled materials by 2030.

Some continuing challenges in terms of definitions and measurement-taking in 2023 have meant that in Trelleborg's opinion, the annual outcome is not yet certain. It is not expected to be possible to publish data until 2024 at the earliest.

Business response: approved actions and plans

Trelleborg's divestment of the tire operation in 2023 has considerably reduced the company's total use of materials (and energy use, refer to page 123), and also reduced the company's exposure to recycling issues related to rubber material.

Short, medium and long-term financial impacts

Allocating certain resources to investigating materials and development collaborations with various organizations and suppliers to increase the share of bio-based/recycled material in Trelleborg's solutions is required in the short and medium-terms as an investment in the ambition to be a sustainability leader in the industry. In the short term, new material alternatives may also increase raw material costs.

Strategy and business model: resilience

Trelleborg's engineered polymer solutions are based on premium performance and advanced material know-how, making them difficult to replace in the short term. At the same time, the company's applications experts work actively in each customer segment to identify even better materials for the solutions from a circularity and sustainability perspective.

The resilience of the business model increases significantly with the lower dependence on materials and energy and the lower exposure to tire recycling.

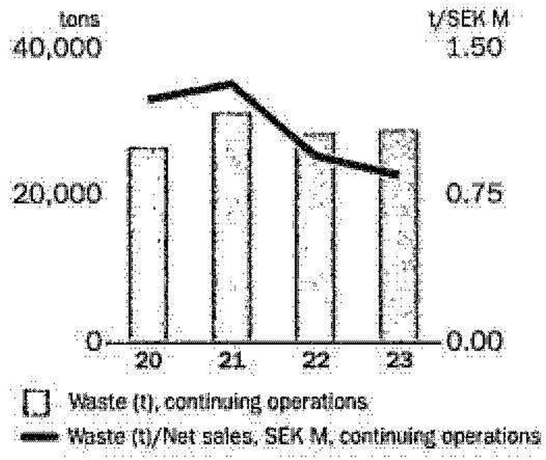
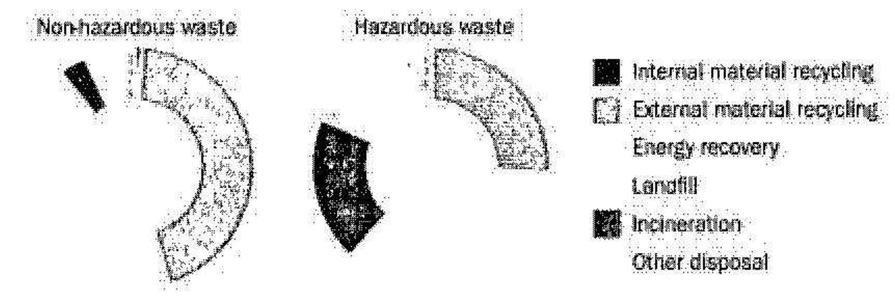
Changes compared to the preceding period

A strategic decision has been taken that the share of recycled or bio-based raw materials is to amount to 25 percent by the end of 2030.

POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
Waste	Group Environmental Policy (refer to page 114)	Minimizing waste	Waste in metric tons and metric tons/SEK M Waste management	No quantified target – minimizing waste and gradually reducing all hazardous waste. Responsible management
Circularity		Group initiative *Polymers for Tomorrow*	Percentage of recycled/bio-based raw materials	Percentage of recycled/bio-based raw materials 25 percent by 2030

OUTCOME IN 2023 IN THE AREA OF ENVIRONMENT: RESOURCE USE AND CIRCULAR ECONOMY

Resources	Where?	Outcome 2023	Goals and main governance
WASTE	▣	The amount of waste increased marginally in absolute terms but decreased in relation to sales. The increase from completed acquisitions was offset by process efficiencies.	Waste minimization is an expressed goal in the *Manufacturing Excellence* initiative, which is pursued in all production units, refer to page 20. The volume of hazardous waste is to gradually decrease. According to the local waste management plans, third-party suppliers that handle waste are to be selected on the basis of their compliance with contractual and legal specifications, and all waste that leaves the plants is to be weighed and documented. Alternatively, the waste's density and volume must be calculated, for example, using supplier invoices, the organization's internal invoicing and accounting system, or data from the purchasing departments. Reporting of waste-related indicators (waste volume and treatment methods) is done by Trelleborg entities on a semi-annual basis. The reported data is reviewed both on local, Business Area- and Group-level.
Waste volume	▣	Continuing operations: 28,942 metric tons (28,570). Of the total volume, rubber accounted for 28 percent (26). Hazardous waste for continuing operations totaled 2,283 metric tons (2,318), a decrease of 2 percent since the preceding year. *Group: 35,017 metric tons (48,427). Of the total volume, rubber accounted for 30 percent (32). Hazardous waste for the Group in total was 2,890 metric tons (4,731).*	
Waste volume relative to sales	▣	The total amount of waste for continuing operations was 0.8 metric tons relative to sales (0.9), a decrease of 10 percent. *Group: 0.9 metric tons per SEK M (1.1).*	
Waste management	▣	Continuing operations non-hazardous waste: Internal material recycling 153 metric tons (89) External material recycling 11,950 metric tons (12,705) Energy recovery 5,014 metric tons (4,449) Landfill 6,677 metric tons (6,850) Incineration 1,054 metric tons (1,055) Other disposal 1,810 metric tons (1,103) Continuing operations hazardous waste: Internal material recycling 4 metric tons (4) External material recycling 589 metric tons (582) Energy recovery 722 metric tons (849) Landfill 101 metric tons (71) Incineration 447 metric tons (394) Other disposal 420 metric tons (418) *Group, non-hazardous waste:* *Internal material recycling 292 metric tons (532)* *External material recycling 15,714 metric tons (24,875)* *Energy recovery 5,494 metric tons (5,827)* *Landfill 7,445 metric tons (9,147)* *Incineration 1,151 metric tons (1,301)* *Other disposal 2,030 metric tons (2,013)* *Group, hazardous waste:* *Internal material recycling 4 metric tons (4)* *External material recycling 960 metric tons (1,342)* *Energy recovery 839 metric tons (1,728)* *Landfill 107 metric tons (102)* *Incineration 511 metric tons (634)* *Other disposal 469 metric tons (921)* The distribution between methods for handling non-hazardous waste and hazardous waste is presented in the diagram to the right. By definition, internal material recycling is conducted on site.	**Waste volume**  **Waste management** 

Symbols: ▢ = Internal, all units ▣ = Internal, all production units ⁘ = Internal, certain units ▢ = External, suppliers

Social: Own workforce

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Material impacts, risks and opportunities

Work environment/Health and safety

The health and safety of its own workers and insourced staff has always been a priority for Trelleborg. The type of industrial production that Trelleborg conducts entails various types of occupational risks that the long-standing *Manufacturing Excellence* and *Safety@Work* programs (refer to pages 20, 25 and 130) seek to prevent and minimize. The Group vision is Zero accidents, but statistics show that fatalities as well as serious and minor accidents have occurred and that prevention is crucial in reducing the number.

Human rights

Ensuring respect for human rights in its own operations is a matter of course for Trelleborg, as described in the Group's Code of Conduct. The risk of internal shortcomings in this area is generally considered to be limited. An analysis began in 2023 with the goal of creating a stronger framework to ensure compliance with human rights in all operations in all parts of the world. This analysis will also follow the requirements of the new European Corporate Sustainability Due Diligence Directive (CSDDD), which is expected to enter into force in the near future. During 2024, this framework is expected to be ready, as a next step, to form a natural part of the internal control of existing and acquired operations. A mechanism for handling employee complaints (whistleblower system, refer to pages 114 and 133) has been in place for many years.

Relevant rights that are followed up include freedom of association, no child or forced labor, no human trafficking and no discrimination.

Trelleborg's policy is to permit trade unions and the right to collective bargaining. No units are assessed to be at serious risk of violation in this area. In China, however, certain restrictions related to freedom of association apply.

Alongside the fundamental rules against special treatment and discrimination in the Code of Conduct (read more about the Code of Conduct on page 132), 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. In 2023, the Diversity, Equity, and Inclusion Directive was updated. The term "equity" was added to highlight the different conditions, experiences and opportunities for individuals.

Diversity

The area of diversity has several dimensions such as gender, age, ethnicity and disability. Trelleborg's efforts to strengthen diversity span all of these dimensions.

Like most engineering companies with industrial activities, it is a challenge to achieve a more balanced gender composition, but work is ongoing, including at managerial level (refer to page 130 for targets and outcomes). Moreover, a basic rule for Trelleborg is that the company's senior management and other managers should have local roots, which naturally leads to ethnic diversity in the management of a company that operates in some 40 countries. Refer also to page 25.

Link to strategy and business model

Trelleborg's endeavor to be a sustainability leader in its industry includes offering a safe and attractive workplace for all categories of employees, as well as good development opportunities. Accordingly, efforts in the areas of health and safety, diversity, training and development are a strategic priority.

Time horizon for impacts

Occupational health and safety risks are short and medium term, while prevention efforts are expected to produce clear results in the short, medium and long term by eliminating risks. With regard to diversity efforts, we expect that the results in the form of improved quality in decision-making and innovation, among other benefits, will be evident in the medium and especially the long term.

Own activities/Via the value chain

The entire area of People encompasses own activities including insourced staff.

Impacts on strategy and decision-making

Diversity and inclusion are generally seen as important elements in situations such as recruitment, training, evaluation, pay structures and succession planning.

Business response: approved actions and plans

The *Safety@Work* program has been ongoing at Trelleborg since the early 2000s. This long-standing program aims to create a shared safety culture and to prevent occupational accidents and injuries at all of the Group's units. Monitoring is performing via annual internal audits whereby the facilities are assessed on a scale in relation to the overarching target: a fully established safety culture in which all procedures are fully implemented in terms of occupational health and safety management, machine safety and accident follow-ups, with the aim of completely avoiding a recurrence of a certain type of incident. The program includes all staff, both employees and insourced, without exception.

The main tool to address the *Human Rights* area is regular training of all employees in the Code of Conduct.

Diversity, equity and inclusion is part of the Group's business strategy and is managed through local governance, in the same way as the other sustainability aspects.

Short, medium and long-term financial impacts

The *Safety@Work* program has long been part of the annual budget.

An inability to attract talent from the entire workforce from a diversity perspective would limit innovation and result in a shortage of skilled workers.

Strategy and business model: resilience

By ensuring safe workplaces, being a fair and attractive employer from a health and safety perspective, and by working actively with several diversity aspects (gender, ethnicity, age and disability), Trelleborg enhances its ability to attract and engage competent personnel.

Changes compared to the preceding period

A new diversity target has been presented relating to the company's own workforce: to increase the share of women in senior positions to 30 percent by 2030.

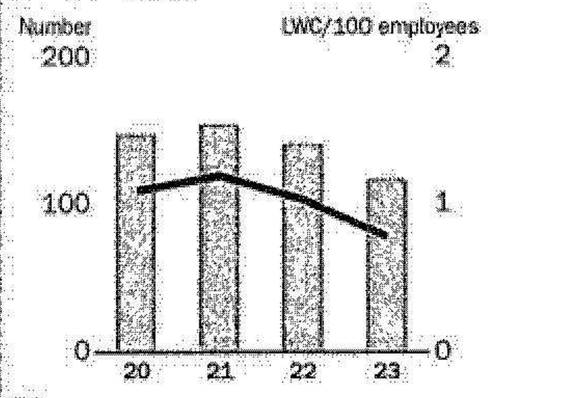
POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
Health and safety	Health and Safety Directive	*Safety@Work* program	Fatalities	Zero cases
	Group Environmental Policy (refer to page 114)		Number of lost work cases (LWC)	
			Number of lost work cases (per 100 employees)	<1.0 (per 100 employees)
Human rights	Code of Conduct	Code of Conduct training	Zero fault target	Zero fault target
			Percentage of employees who have completed Code of Conduct training	Every year: at least 90 percent of employees should have received training in the last three years
Diversity, equity, and inclusion	Diversity, Equity, and Inclusion Directive		Percentage of female managers, levels 1–5	30 percent 2030

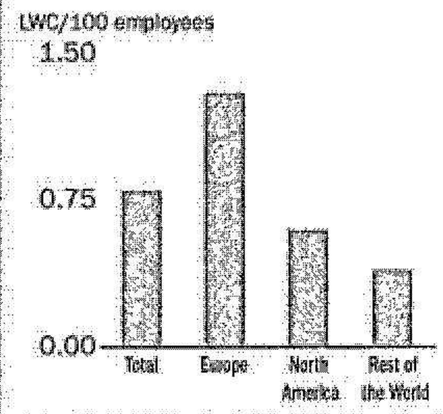
OUTCOME IN 2023 IN THE SOCIAL AREA: OWN WORKERS

People	Where?	Outcome 2023	Goals and main governance
HEALTH AND SAFETY	▣	2023 showed a 26-percent decrease in the LWC rate since last year, a continued improvement in the context of *Safety@Work*.	The target for fatalities is 0. For machinery defined as high-risk equipment, a long-term project is under way to replace or minimize risks in existing equipment. The number of accidents is to steadily decrease. For the full year 2023, the target was to achieve an LWC of <1.0 in the production units and to also start to present performance measures for non-manufacturing units. The *Safety@Work* program aims to establish a shared safety culture through improvement programs and preventive measures at all production units. Self-assessment is combined with internal and external audits. As of 2020, the program has been relaunched under the *"Team up for Safety" theme.* The LWC performance measure that reflects the lost work days was adjusted to international standards; the LWC rate is the number of lost work days per 100 employees due to work-related injury/illness during the year. The three most common injury categories in 2023 were: work tasks with poor ergonomics, wounds and cuts, and trips and falls. These categories represent more than 50 percent of LWCs during the year.
Fatal accidents (insourced staff are reported separately)	▣	For continuing operations, 1 fatal accident (0) occurred during the year. The fatality related to a staff member and occurred in Taurage, Lithuania, resulting from a fall from height in conjunction with inventory-taking. The type of equipment involved in the accident has been taken out of service in all affected units. *For the Group, 3 fatal accidents (0) occurred during the year; the accidents concerned own workers. Two of the fatalities relate to Trelleborg Wheel Systems and occurred in Spartanburg, USA, and Xingtai, China, respectively, in production processes. The type of equipment involved in the accidents is not used in continuing operations.*	
LWC	▣	For continuing operations, a total of 118 cases (142) were reported resulting in at least one day's absence (LWC). In production, the number of cases was 108 (134), of which 7 (7) related to insourced staff, and 24 (33) related to women. No LWC cases pertained to work-related illness in the production units in 2023, but 3 cases in non-manufacturing units. *For the Group, the LWC was 133 (192).*	
LWC per 100 employees	▣	For continuing operations as a whole, LWC was 0.8 (1.0) per 100 employees. In production, the figure was 1.0 (1.3), including 1.0 (1.0) for insourced staff and 0.8 (1.3) for women. See the diagram to the right for the regional situation. *For the Group, LWC for the year was 0.8 (0.9) per 100 employees.*	
LWD per 100 employees	▣	Continuing operations: 25 lost work day cases (28) per 100 employees (= per 200,000 working hours). *Group: 27 lost work days (28) per 100 employees (= per 200,000 working hours).*	
Safety committee	▦	93 (88) percent of facilities for continuing operations have a safety committee with representatives from both employers and employees.	
Systems for occupational health and safety management	▦	At the end of 2023, 40 units (22) for continuing operations were certified under OHSAS 18001 or ISO 45001, corresponding to 38 percent (23) of all units.	
DIVERSITY AND INCLUSION.	▣		
Percentage of women at manager levels 1–5	▣	The percentage of women at manager levels 1–5 of the organization for continuing operations was 21 percent at the end of 2023. This year's report covers a broader group of managers than in previous years, and thus there is no comparison with 2022.	To clarify the Group's ambition, a target was set during 2023 to have at least 30 percent female managers at management levels 1–5 in the Group by the end of 2030.
Number of nationalities at manager levels 1–5	▣	The number of nationalities at manager levels 1–5 in continuing operations was 45 at the end of 2023. This year's report covers a broader group of managers than in previous years, and thus there is no comparison with 2022.	Local leadership is a success factor and is measured by the number of nationalities found among our managers.
Discrimination	▣	3 cases (4) of discrimination or equivalent were reported in continuing operations, of which 2 in the US and 1 in the UK. 2 cases are under investigation and 1 has been settled. *For the Group, 3 cases (7) were reported.*	Zero tolerance applies to discrimination (reported and reviewed cases). Local governance in accordance with the Code of Conduct. Reported cases are dealt with at local level and reported centrally.
Freedom of association	▣	For continuing operations, 44 percent (36) of all employees at year-end were represented by a trade union through collective agreements. In China, however, certain restrictions related to freedom of association apply.	The right to freedom of association, through union or other personal representation, and collective bargaining, is highlighted in the Code of Conduct.

Health and safety



LWC/100 Employees



Symbols: ▣ = Internal, all units ▦ = Internal, all production units ⁘ = Internal, certain units ☐ = External, suppliers

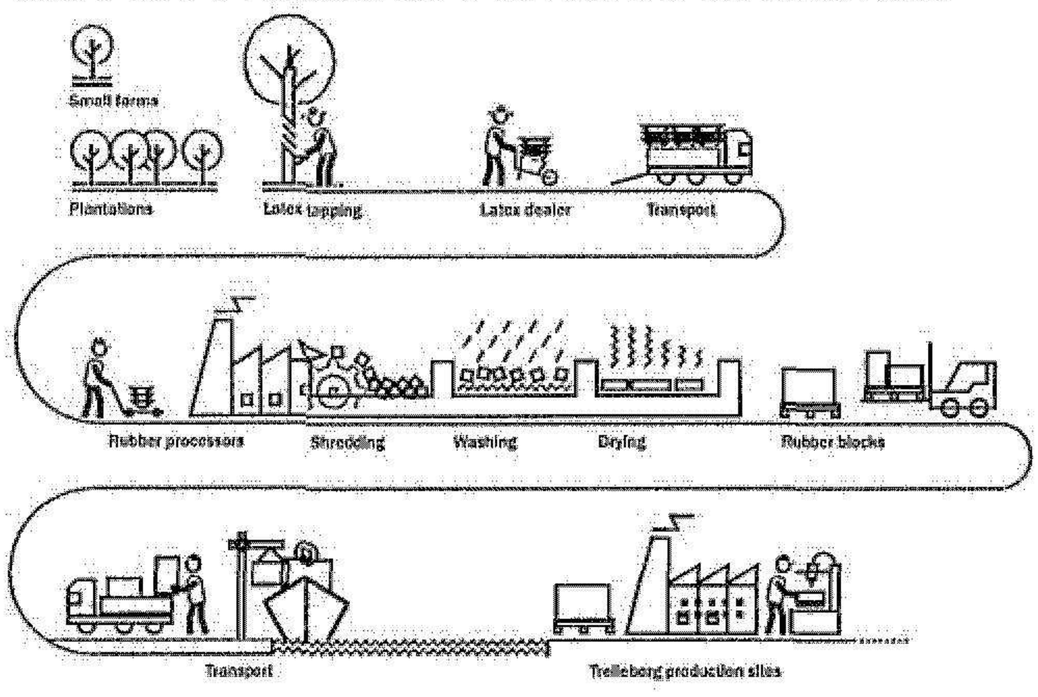
Social: Workers in the value chain

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Material impacts, risks and opportunities

The impacts for workers in the value chain are deemed primarily to consist of potential violations in relation to pollution, health and safety, and human rights. To date, Trelleborg has only conducted a limited analysis of all such existing and potential impacts of its operations on workers in the value chain. A more detailed analysis that will also adhere to the requirements of the forthcoming CSDDD is planned for 2024. The general impacts known previously include the existence of poor working conditions at certain sites for the production of latex and natural rubber (see illustration below).

PRODUCTION OF NATURAL RUBBER – SIMPLIFIED VALUE CHAIN



Link to strategy and business model

The link to the strategy and business model is currently assessed as being minor on the basis of current knowledge, but this may change with further analysis.

The materiality of potential impacts in the natural rubber chain has decreased since Trelleborg's annual demand for natural rubber fell sharply in 2023 on account of the divestment of the Group's tire operation.

Time horizon for impacts

In the short term, the impact is deemed limited. This assessment may change in connection with the upcoming analysis.

Own activities/Via the value chain

This entire section only concerns workers in the value chain. Own workers are covered in the section on pages 129–130.

For Trelleborg, the link to the impacts of natural rubber cultivation described in the image on the left is several steps back in the value chain.

Impacts on strategy and decision-making

Strategic impacts can be better assessed after the in-depth analysis to be conducted in 2024.

Business response: approved actions and plans

As previously, the risks to workers in the value chain are primarily prevented via Group-wide questionnaires to direct suppliers, containing questions related to human rights, occupational health and safety, environmental management and social responsibility. Unsatisfactory responses are investigated.

During 2023, Trelleborg's corporate website again renewed its annual statement regarding the approach to and management of issues concerning forced labor, child labor and trafficking/modern slavery, mainly in accordance with the UK's Modern Slavery Act 2015, the California Transparency in Supply Chain Act and the Australian Modern Slavery Act 2018.

Trelleborg's affiliation in 2021 with the Global Platform for Sustainable Natural Rubber was brought about, to some extent, by potential impacts/risks associated with poor working conditions in the value chain for natural rubber.

Short, medium and long-term financial impacts

Any financial impacts can be better assessed after the in-depth analysis to be conducted in 2024.

Strategy and business model: resilience

The resilience of Trelleborg's strategy and business model to the known impacts of natural rubber cultivation is, of course, strengthened by the significantly reduced dependence on the material resulting from the divestment of the Group's tire operation.

Changes compared to the preceding period

Significantly reduced dependence on natural rubber resulting from the divestment of the tire operation in 2023.

POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
Human rights	Questionnaires to suppliers	Follow-up of questionnaires	Number of supplier relationships terminated due to violations	Zero tolerance
Health and safety	Questionnaires to suppliers	Follow-up of questionnaires	Approved suppliers' share of total purchasing spend	More than 90 percent of total purchasing spend

OUTCOME IN 2023 IN THE SOCIAL AREA: WORKERS IN THE VALUE CHAIN

Compliance	Where?	Outcome 2023	Goals and main governance
Child labor	☐ ☐	Continuing operations: Zero breaches (0) were reported in 2023. *Group total: Zero breaches (0) were reported in 2023.*	Zero tolerance applies to child labor, which is also seen as an area of particular importance in the supplier reviews conducted in part through a questionnaire, and in part through selected cases in supplier audits.
Forced labor	☐ ☐	Continuing operations: Zero breaches (0) were reported in 2023. *Group total: Zero breaches (0) were reported in 2023.*	Zero tolerance applies to forced labor, which is also seen as an area of particular importance in the supplier reviews conducted in part through a questionnaire, and in some cases via supplier audits.

Symbols: ☐ = Internal, all units ☐ = Internal, all production units ⁘ = Internal, certain units ☐ = External, suppliers or acquisition candidates

OUTCOME IN 2023 IN THE SOCIAL AREA: WORKERS IN THE VALUE CHAIN

Compliance	Where?	Outcome 2023	Goals and main governance
Suppliers	☐	For continuing operations, supplier reviews were carried out corresponding to 86.0 percent (86.2) of the reported relevant purchasing spend in the production units. No supplier relationships (0) were terminated in 2023 for reasons related to the Code of Conduct. *For the Group, supplier reviews were carried out corresponding to 86.8 percent (88.8) of the reported relevant purchasing spend in the production units. No supplier relationships (1) were terminated in 2023 for reasons related to the Code of Conduct.*	The goal is to only work with suppliers who adhere to applicable sections of Trelleborg's Code of Conduct. Reviews, including self-assessments, are to be completed with at least 90 percent of the reported relevant purchasing spend, including both new and established supplier relations. Site visits with an audit of "at-risk suppliers" (selection based on geographic and material risk assessment) have previously been supplemented the self-assessments. In previous years, site visits have focused on textile suppliers, chemicals suppliers and natural rubber suppliers. Audit activities were minimal in 2020–2023, partly due to the pandemic and partly as there were very few new suppliers in these areas.

Symbols: ▣ = Internal, all units ▣ = Internal, all production units ⁘ = Internal, certain units ☐ = External, suppliers or acquisition candidates

Governance: Business conduct

Material impacts, risks and opportunities

Business conduct is an area where even if the likelihood of serious incidents is low, the potential negative impacts can be highly significant if incidents do occur. Corruption and competition issues in particular are therefore high on the agenda for the Trelleborg Group.

Link to strategy and business model

Due to the central importance of business conduct, Trelleborg has a zero tolerance approach to all types of corruption, including bribery and extortion, blackmailing, nepotism, racketeering and embezzlement, and consequently a zero fault target in the follow up of the number of incidents.

The contents of Trelleborg's Group-wide *Compliance Program* have been continuously developed and, in addition to issues related to competition law, also include issues concerning anti-corruption, export control, data protection and employee relations, as well as matters relating to professional conduct and business ethics.

Time horizon for impacts

Business conduct has a constant time horizon, making it just as relevant in the short and medium term as in the long term.

Own activities/Via the value chain

Business conduct impacts all parts of the value chain. The training and follow-up activities conducted by Trelleborg focus on own workers. For suppliers, follow-up is carried out as part of questionnaires as described on page 131.

Impacts on strategy and decision-making

Elements have been introduced in Trelleborg's *Compliance Program* aimed at achieving continuous improvements 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 anti-corruption law.

Business response: approved actions and plans

General compliance

Being a listed company with global operations, Trelleborg is subject to a range of laws, regulations and directives. Significant breaches of laws and permits leading to legal consequences or fines as well as breaches of environmental and occupational health and safety-related (OHS) laws are reported.
In 2023, Trelleborg worked to develop an updated training package for issues related to bribery and corruption, and competition law. This package will be rolled out in the organization during 2024.

The Group's Compliance Program supports the entire organization.
In addition, management, middle management, and employees out in the field and on the factory floor are supported by Compliance Officers, which are appointed every year by each Group company to serve as a contact point for all compliance issues in their part of the business. To support them in these efforts, Compliance Officers undergo special training and progress from bronze to silver and then gold in order to help colleagues to act appropriately in connection with all types of compliance issues that may arise in their day-to-day work.

Compliance with laws and regulations is an ongoing and long-term commitment for Trelleborg, and this has been monitored by a *Compliance Task Force* with senior representatives from staff functions that has been in place since 2015. The Task Force has been assigned to lead and coordinate initiatives across the broader area of compliance. In 2023, the Compliance Task Force held four meetings, addressing issues such as compliance, training, policies and directives, internal controls and data privacy.

Code of Conduct training

Trelleborg's Code of Conduct in the areas of environment, occupational health and safety, and ethics forms a basis for all operations in the Group, and applies to all employees, without exception. All employees are to complete a refresher course in the Code of Conduct every three years, at a minimum, which the HR department is responsible for arranging.

A comprehensive review of the Code of Conduct was carried out in 2019 when a version with completely updated rules was released. The new rules related to areas such as trade restrictions, information processing and diversity. The Board of Directors reviews the Code of Conduct every year.

Short, medium and long-term financial impacts

See above under *Material impacts, risks and opportunities*.

Strategy and business model: resilience

On the basis of the Group's Code of Conduct, Trelleborg pursues work for exemplary business conduct both internally and across the value chain based on compliance with laws, rules and international agreements.

Changes compared to the preceding period

The unsettled geopolitical situation in the world has led to an additional focus on export and sanction controls in addition to internal training in this area.

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POLICIES, ACTIONS AND RESOURCES – METRICS AND TARGETS

Sustainability matters	Adopted policies	Actions/resources	Metrics	Objectives
General compliance	Code of Conduct	Compliance Program	Number of cases	Zero fault target
Bribery and corruption	Anti-Bribery and Corruption Policy	Compliance Program	Number of cases	Zero fault target
	Code of Conduct	Code of Conduct training	Percentage of employees who have completed Code of Conduct training	Every year: at least 90 percent of employees should have received training in the last three years

OUTCOME IN 2023 IN THE AREA OF GOVERNANCE: BUSINESS CONDUCT

Compliance	Where?	Outcome 2023	Goals and main governance
General compliance	▣	For continuing operations, no material breaches of laws and permits were reported during the year (1). *For the Group, the number was 0 (1).*	Local governance in accordance with the Code of Conduct and local legislation. All significant cases in terms of fines and sanctions are reported to Group Legal and are included in reporting. The Compliance Task Force is a central forum for all compliance issues, refer to page 132.
Training in general compliance	▣	In continuing operations, 5,290 individuals (5,875) underwent various training courses in anti-corruption, competition law, contract management and so forth. This included both traditional classroom training and, to a strongly increasing extent, online training (e-learning, webinars). *For the Group, the number was 5,434 individuals (7,474).*	Zero tolerance applies to all types of bribery, corruption, cartel and other criminal behavior. Knowledge about relevant Group policies and the Code of Conduct is a requirement that is ensured through recurring training sessions for all employees, which are supplemented with special training programs in the area.
Training in the Code of Conduct	▣	A new Code of Conduct was launched in 2019, and more than 85 percent of *all* Group employees underwent training in the new Code of Conduct during that year. In 2023, 92 percent of employees participated in Code of Conduct training.	The target is that at least 90 percent of employees should have received training in the Code of Conduct in the last three years. Local governance in accordance with the Code of Conduct and local legislation. All significant cases in terms of fines and sanctions are reported to Group Legal and are included in reporting. The Compliance Task Force is a central forum for all compliance issues, refer to page 132.
Whistleblower cases	▣	For continuing operations in 2023, a total of 26 matters (31) were reported via the whistleblower system and other channels, concerning alleged harassment, safety deficiencies, injustices, or conflicts of interest. Relevant action was taken where necessary. *For the Group in 2023, a total of 27 matters (31) were reported via the whistleblower system and other channels, concerning alleged harassment, safety deficiencies, injustices, or conflicts of interest.*	Trelleborg's Whistleblower Policy (refer to page 114) implies that every employee is entitled to report suspicions of legal or regulatory violations without any repercussions.

Symbols: ▣ = Internal, all units ▣ = Internal, all production units ⁘ = Internal, certain units ☐ = External, suppliers or acquisition candidates

GRI Standards Index and TCFD overview

Material sustainability issues have been grouped in the table in areas with page references that conform to the GRI Standards Reporting Guidelines, according to the Core option, and according to the TCFD's four thematic areas. A supplementary index according to the UN Sustainable Development Goals with a risk/impact overview can be found on page 117.

Material sustainability aspects according to GRI can be found under the respective report area in the first column. Those that do not constitute specific GRI Aspects are written in *italics*.

The second column contains material GRI disclosures for the respective sustainability aspect, with page references in the fourth column. Unless specified otherwise, the disclosures refer to the 2016 standards.

A more detailed GRI Content Index with boundaries and omitted parts is available at www.trelleborg.com/en/sustainability.

Column 3 contains references to the Task Force on Finance-related Financial Disclosures' (TCFD) guidelines.

The 2023 Sustainability Report is prepared according to guidelines for Sustainability reporting in compliance with the Swedish Annual Accounts Act, see the color coding below and the explanations at the bottom of the page.

Areas/ Sustainability aspects		GRI disclosures	TCFD areas	Pages in the 2023 Annual Report
COMPANY'S SUSTAINABILITY PROFILE				
CEO's comments		2-22 (2021)		4–7
Governance structure		2-9 – 2-21 (2021)	Management of climate issues	39–42, 46–53, 108–111, 132–133
			Climate strategy	7, 23–25
Climate risks and opportunities		201-2	Climate change mitigation	34–37, 116–118
Trelleborg's profile, including business model, products and markets	● ●	2-1 (2021), 2-6 – 2-8 (2021), 201-4		1, 3, 15–22, 25–31, 33, 42, 55, 70, 73, 80, 87, 107, 112, 129–130, 139
Code of Conduct/Group policies, values and principles		2-23 – 2-28 (2021)		2, 23–25, 109, 114, 116–118, 132–133
Stakeholder engagement		2-29 – 2-30 (2021)		22, 25, 113–115, 130
Report profile, including materiality assessment		2-2 – 2-5 (2021), 3-1 – 3-2 (2021)		2, 8–9, 78–79, 108, 114, 135, 139
FOCUS AREAS WITH SUSTAINABILITY ASPECTS				
Operations: Resources				
Energy	◍	302-1, 302-3 – 302-4		122–123
Climate and emissions	◍	305-1 – 305-5, 305-7	Climate-related metrics and targets	3, 8, 23, 122–125
Water	○	303-1 (2018), 303-3 (2018)		126
Waste	◍	306-1 – 306-5 (2020)		24, 127–128
Chemicals	◍			124–125
Operations: People				
Health and safety	○	403-1 (2018), 403-8 – 403-10 (2018)		9, 129–130
Professional development	○	404-2		22, 25
Diversity categories	○	405-1		9, 43, 129–130
Compliance				
Anti-corruption	◎	205-2 – 205-3		9, 132–133
Competition issues	◎	206-1		9, 132–133
Regulatory compliance (general)		419-1		9, 133
Regulatory compliance (environmental)	◎	307-1		124–125
Human rights (child labor and forced labor, non-discrimination, freedom of association and collective bargaining)	●	406-1, 407-1, 408-1, 409-1		9, 129–132
Compliance in supply chain	●	308-2, 414-1 – 414-2		9, 23–24, 123–128, 131–132
Social engagement				
Community development and value distribution	○	201-1, 413-1		9, 22, 25, 113

Requirements in the Annual Accounts Act concerning sustainability reporting: ● Business model ● Risks Policy/Target ○ Anti-corruption ○ Environment ● Human rights ○ Social conditions incl. diversity

Auditor's Assurance – Sustainability

Auditor's Limited Assurance Report on Trelleborg AB's Sustainability Report and statement regarding the Statutory Sustainability Report

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

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To Trelleborg AB (publ.)

Introduction

We have been engaged by the Board of Directors Trelleborg AB to undertake a limited assurance engagement of the Trelleborg AB Sustainability Report for the year 2023. The Company has defined the scope of the Sustainability Report on page 134 and the Statutory Sustainability Report on page 42.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 42 in the Annual Report, and are part of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also 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 and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. 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. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 *The auditor's opinion regarding the Statutory Sustainability Report*. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Trelleborg AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive 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 Executive Management.

A Statutory Sustainability Report has been prepared.

Gothenburg, February 29, 2024

Deloitte AB

Signature on Swedish original

Hans Warén
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR

Sustainability multi-year overview, continuing operations

In line with the financial statements, Trelleborg presents selected sustainability metrics for continuing operations, including adjusted history.

ENVIRONMENT	2023	2022	2021	2020
Energy				
Total energy consumption, GWh	548	557	561	519
Energy consumption, GWh per SEK M	0.016	0.019	0.024	0.024
Proportion of renewable energy, %	36.0	24.7	17.9	9.6
Renewable and fossil-free electricity / total electricity, %	61.9	46.4	32.6	17.1
Climate				
Total CO_2 emissions, metric tons	91,305	109,477	122,110	141,946
Direct CO_2 emissions, metric tons	37,235	41,058	38,976	35,467
Indirect CO_2 emissions, metric tons	54,070	68,419	83,134	106,479
CO_2 emissions, metric tons per SEK M	2.7	3.6	5.1	6.6
Emissions				
VOC emissions, metric tons	164	208	195	178
VOC emissions, metric tons per SEK M	0.005	0.007	0.008	0.008
SO_x emissions, metric tons	7.5	6.6	4.5	21.3
NO_x emissions, metric tons	14.9	16.2	14.7	14.2
Waste				
Waste, metric tons	28,942	28,570	31,361	26,602
Waste, metric tons per SEK M	0.84	0.95	1.32	1.24
Water				
Water use, m^3	454,481	736,915	848,941	704,230
Water use, m^3 per SEK M	13.3	24.5	35.7	32.8
Environmental management systems				
Number of units certified under ISO 14001	68	63	61	59
SOCIAL RESPONSIBILITY				
Health and safety				
LWC, no.[1]	118	142	155	148
LWC per 100 employees	0.78	1.03	1.19	1.09
Fatal accidents, number	1	0	0	0
Number of units certified under OSHAS 18001/ISO 45001	40	22	18	17
Gender				
Percentage of women on the Board	43	43	43	43
Percentage of female managers (levels 1–5)	21	–	–	–
Percentage of female employees (average number)	32	31	31	31
Discrimination				
Number of reported cases	3	4	3	3
Freedom of association				
Number of employees that are represented by a trade union through collective agreements	6,603	5,727	4,181	–
The percentage of employees of the total number of employees that are represented by a trade union through collective agreements	44	36	30	–
Child and forced labor				
Number of reported cases	0	0	0	0
Supplier reviews				
Reviewed suppliers' share of the relevant purchasing spend, %	86	86	87	88
GOVERNANCE				
Compliance (general)				
Number of material breaches of laws and permits during the year	0	1	0	0
Compliance (environmental)				
Number of material breaches of laws and permits resulting in fines or sanctions	1	1	1	2
Anti-corruption				
Number of employees who have completed various training in anti-corruption, competition law, etc.	5,290	5,875	–	–
Code of Conduct				
Percentage of employees who have completed various training in the Code of Conduct	92	–	–	–

Some individual key figures for previous years have been updated following a review of reported data. The adjustments generally represent about 1–2 percent of the previously reported value. For some key figures, data is missing and this is marked with "–".

[1] 2020–2023 relates to producing and non-producing units.

Sustainability multi-year overview, Group

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For the corresponding key figures presented for continuing operations, the outcome for the Group as a whole is also presented here.

ENVIRONMENT	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Energy										
Total energy consumption, GWh	815	1,328	1,397	1,307	1,410	1,482	1,489	1,244	933	895
Energy consumption, GWh per SEK M	0.021	0.030	0.039	0.040	0.039	0.044	0.047	0.046	0.038	0.040
Proportion of renewable energy, %	26.9	15.1	11.1	10.4	3.6	–	–	–	–	–
Renewable and fossil-free electricity / total electricity, %	51.2	28.6	21.2	19.8	5.4	–	–	–	–	–
Climate										
Total CO_2 emissions, metric tons	160,520	317,464	350,620	355,559	429,359	442,620	487,164	384,888	284,867	276,457
Direct CO_2 emissions, metric tons	68,407	128,866	135,160	117,457	128,804	142,457	144,736	122,336	96,700	86,822
Indirect CO_2 emissions, metric tons	92,113	188,598	215,460	238,102	300,555	300,163	342,428	262,552	188,167	189,635
CO_2 emissions, metric tons per SEK M	4.1	7.1	9.8	10.8	11.7	13.0	15.4	14.2	11.5	12.3
Emissions										
VOC emissions, metric tons	281	612	724	659	564	655	952	1,005	903	1,195
VOC emissions, metric tons per SEK M	0.007	0.014	0.020	0.020	0.015	0.019	0.030	0.037	0.036	0.053
SO_x emissions, metric tons	18.6	64.6	74.5	54.7	113.3	181.5	187.4	183.9	203.7	216.0
NO_x emissions, metric tons	27.7	53.3	55.5	48.1	54.6	62.5	65.0	54.4	44.6	40.5
Waste										
Waste, metric tons	35,017	48,427	50,827	46,270	54,614	54,672	53,608	50,569	44,446	44,700
Waste, metric tons per SEK M	0.9	1.1	1.4	1.4	1.5	1.6	1.7	1.9	1.8	2.0
Water										
Water use, m^3	935,689	2,272,760	2,437,261	2,188,522	2,305,325	2,290,680	2,355,526	2,181,567	1,838,088	1,936,500
Water use, m^3 per SEK M	23.8	50.9	68.4	66.7	63.0	67.4	74.6	80.4	74.1	85.9
Environmental management systems										
Number of units certified under ISO 14001	88	83	85	89	89	87	89	88	76	74
SOCIAL RESPONSIBILITY										
Health and safety										
LWC, no. [1]	133	192	239	231	361	422	437	393	–	–
LWC per 100 employees	0.76	0.91	1.16	1.18	1.97	2.21	2.43	2.23	–	–
Fatal accidents, number	3	0	0	0	1	2	0	0	0	0
Number of units certified under OSHAS 18001/ISO 45001	57	39	33	31	29	23	21	20	11	–
Gender										
Percentage of women on the Board	43	43	43	43	38	38	38	33	33	29
Percentage of female managers (levels 1–5)	–	–	–	–	–	–	–	–	–	–
Percentage of female employees (average number)	32	26	25	25	25	25	24	24	24	24
Discrimination										
Number of reported cases	3	7	4	5	11	7	5	5	8	1
Freedom of association										
Number of employees that are represented by a trade union through collective agreements	11,168	11,219	9,700	11,141	12,141	12,356	12,284	12,231	8,090	7,657
The percentage of employees of the total number of employees that are represented by a trade union through collective agreements	51	49	46	52	51	51	53	53	49	46
Child and forced labor										
Number of reported cases	0	0	0	0	0	0	0	0	0	0
Supplier reviews										
Reviewed suppliers' share of the relevant purchasing spend, %	87	89	89	89	86	86	83	–	–	–
GOVERNANCE										
Compliance (general)										
Number of material breaches of laws and permits during the year	0	1	0	0	0	0	0	0	0	0
Compliance (environmental)										
Number of material breaches of laws and permits resulting in fines or sanctions	1	1	2	2	3	2	5	3	4	3
Anti-corruption										
Number of employees who have completed various training in anti-corruption, competition law, etc..	5,434	7,474	7,237	5,799	2,893	630	560	650	–	–
Code of Conduct										
Number of employees who have completed various training in the Code of Conduct	–	–	–	–	–	–	–	–	–	–

Some individual key figures for previous years have been updated following a review of reported data. The adjustments generally represent about 1–2 percent of the previously reported value. The adjustment accounted for 10 percent of VOC emissions in 2022. For some key figures, data is missing and this is marked with "–".

[1] 2020–2023 relates to producing and non-producing units, 2016–2019 only producing units.

Financial ten-year overview

SEK M, unless otherwise stated	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Continuing operations [1]										
Net sales	34,286	30,095	23,789	21,494	23,945	21,625	19,746	17,747	16,982	15,586
EBIT	4,904	4,825	3,820	2,746	2,672	3,265	3,472	2,406	2,411	2,196
Profit before tax	4,797	4,595	3,680	2,553	2,427	3,097	3,344	2,273	2,338	2,109
Net profit, continuing operations [1]	**3,481**	**3,429**	**2,709**	**1,869**	**1,633**	**2,295**	**2,481**	**1,651**	**1,680**	**1,558**
Net profit, discontinuing operations [1]	6,593	1,828	1,007	842	–1,832	895	393	4,934	925	669
Total net profit/loss, Group	**10,074**	**5,257**	**3,716**	**2,711**	**–199**	**3,190**	**2,874**	**6,585**	**2,605**	**2,227**
– shareholders of the Parent Company	10,075	5,260	3,717	2,712	–199	3,190	2,874	6,585	2,603	2,221
– non-controlling interests	–1	–3	–1	–1	0	–	–	0	2	6
Group										
Equity	41,727	37,488	32,998	28,953	28,861	29,767	27,216	25,137	18,622	17,776
Capital employed [2]	39,768	59,244	42,246	39,699	44,276	40,692	37,817	38,246	25,492	25,157
Net debt [2]	–2,682	20,897	8,367	10,026	14,914	10,499	10,154	12,784	6,837	7,777
Total assets	59,503	77,066	55,640	53,764	56,171	51,582	48,612	48,354	34,390	33,067
Equity/assets ratio, %	70	49	59	54	51	58	56	52	54	54
Debt/equity ratio, % [2]	–6	56	25	35	52	35	37	51	37	44
Capital turnover rate, multiples [2]	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.9	1.0
Investments in property, plant and equipment [3]	1,654	1,643	1,359	1,106	1,632	1,822	1,343	1,074	1,241	962
Investments in intangible assets	157	133	111	114	165	121	94	74	73	63
Cash flow attributable to acquisitions	–447	–11,199	–573	3	–3,066	–440	–226	–13,380	–681	–1,912
Cash flow attributable to discontinuing operations	26,462	149	616	147	–	4	649	6,165	1,390	152
Free cash flow	2,526	3,305	3,310	3,916	2,684	2,494	2,434	2,368	1,452	1,751
Free cash flow per share, SEK [4]	10.09	12.52	12.21	14.45	9.90	9.20	8.98	8.74	5.36	6.46
Return on shareholders' equity, %	25.4	14.9	12.0	9.4	–0.7	11.2	11.0	30.1	14.3	13.6
Earnings per share, SEK [4]	40.24	19.94	13.72	10.00	–0.73	11.77	10.60	24.30	9.60	8.20
Dividend to shareholders of the Parent Company [5]	1,643	1,524	1,481	1,355	–	1,288	1,220	1,152	1,084	1,017
Dividend per share, SEK [5]	6.75	6.00	5.50	5.00	–	4.75	4.50	4.25	4.00	3.75
Shareholders' equity per share, SEK [4]	171.39	145.63	121.70	106.78	106.43	109.81	100.40	92.73	68.70	65.54
Average number of employees	15,502	20,973	20,995	21,425	22,952	22,420	22,112	19,423	15,713	15,425
– of whom, outside Sweden	14,619	20,044	20,045	20,434	21,827	21,286	20,990	18,312	14,533	14,196
Continuing operations excluding items affecting comparability [1]										
EBITA [6]	6,002	5,334	4,094	3,205	3,868	3,476	3,100	2,708	2,587	2,326
EBIT	5,518	5,066	3,903	3,006	3,690	3,338	2,963	2,623	2,541	2,321
Profit before tax	5,411	4,837	3,763	2,813	3,445	3,171	2,835	2,490	2,468	2,234
Net profit	4,065	3,638	2,781	1,995	2,547	2,362	2,046	1,818	1,776	1,654
EBITA margin, % [6]	17.5	17.7	17.2	14.9	16.2	16.1	15.7	15.3	15.2	14.9
EBIT margin, %	16.1	16.8	16.4	14.0	15.4	15.4	15.0	14.8	15.0	14.9
Return on capital employed, % [2]	12.9	15.9	15.1	11.2	13.5	15.1	14.4	14.3	16.5	18.2
Return on shareholders' equity, %	10.3	10.3	9.0	6.9	8.7	8.3	7.8	8.3	9.7	10.1
Earnings per share, SEK	16.64	13.80	10.26	7.36	9.40	8.72	7.55	6.71	6.54	6.08
Operating cash flow [2]	5,063	3,732	3,298	3,855	3,206	2,523	2,729	2,614	2,235	2,118
Operating cash flow per share, SEK [2]	20.22	14.14	12.17	14.22	11.83	9.31	10.07	9.64	8.25	7.81
Cash conversion ratio, % [2]	92	74	85	128	87	76	92	100	88	91
Average number of employees	15,502	14,252	13,592	13,432	14,712	14,243	13,650	10,860	11,319	11,128
Continuing operations including items affecting comparability [1]										
EBITA [6]	5,388	5,093	4,011	2,945	2,850	3,403	3,722	2,491	2,458	2,201
Return on shareholders' equity, %	8.8	9.7	8.7	6.5	5.6	8.1	9.5	7.5	9.2	9.5
Earnings per share, SEK	14.31	13.01	10.00	6.90	6.02	8.46	9.15	6.09	6.19	5.73

[1] For comparability, historical values have been adjusted to present the Group's continuing and discontinuing operations.

[2] The comparative figures have been adjusted due to the reclassification of the pension liability from capital employed to net debt.

[3] Excluding investments in right-of-use assets recognized in accordance with IFRS 16.

[4] Average number of shares was adjusted in accordance with IAS 33. This calculation was applied to all key figures that include the number of shares. No dilutive effects occurred.

[5] For 2023, dividend in accordance with the proposed treatment of unappropriated earnings, other years refer to dividend paid.

[6] Operating profit excluding amortization and impairment of intangible assets from acquisitions.

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FINANCIAL CALENDAR 2024

Interim report January–March	April 24
Annual General Meeting (Trelleborg)	April 24
Interim report April–June	July 18
Interim report July–September	October 24
Year-end report 2024	29 January 2025

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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 Annual Report is published in Swedish and English. The 2022 Annual Report was published in March 2023.

Questions regarding Trelleborg's Annual Report can be directed to tobias.rydergren@trelleborg.com.

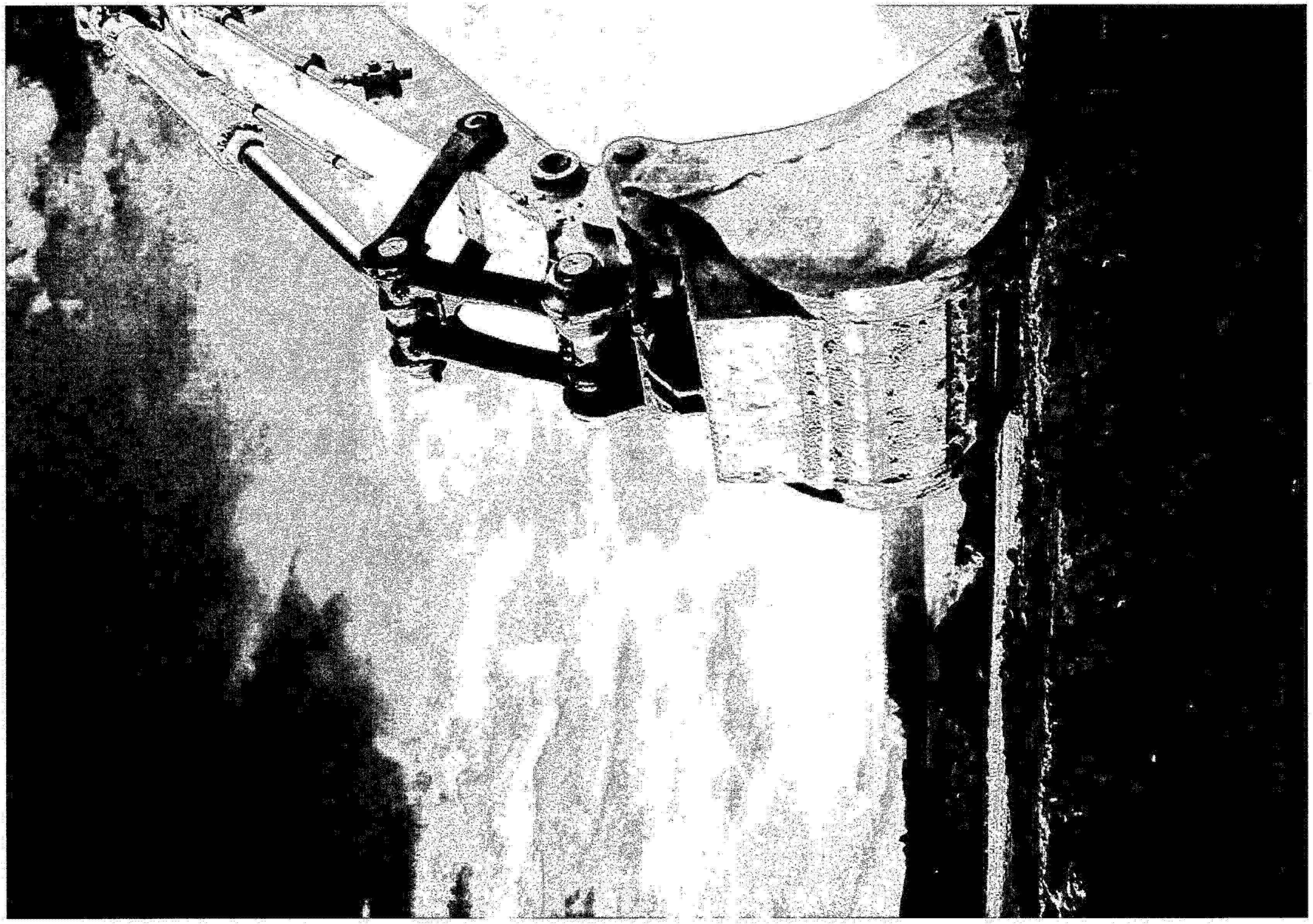
All values are expressed in Swedish kronor. Kronor is abbreviated to SEK, and millions of kronor to SEK M. Unless otherwise stated, figures in parentheses relate to the preceding fiscal year, 2022. All figures in the section "The year in brief" and "Trelleborg's business areas" relate to continuing operations, 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 Annual Report was produced in collaboration with RHR Corporate Communication in Malmö, Sweden, and printed by DanagårdLitho on environmentally certified paper, using vegetable-based inks from renewable raw materials and using 100-percent renewable energy.

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Solutions for construction and mining equipment

In one of the world's most demanding industries, you have to be able to rely on your equipment. Although not always visible, hydraulic systems are what make machinery such as excavators work. Hydraulic systems depend on a sealing configuration within a rod and piston housing that involves multiple seals, which ensures long life and high performance.

Trelleborg prescribes the use of both a primary and a secondary seal in, for example, excavators. The lubricant is sealed in by the primary seal while the secondary seal takes over when needed. Trelleborg's Lubrication Management System adjusts the conditions for the individual sealing elements, such that the load on each element is reduced.

READ MORE ABOUT: CONSTRUCTION AND MINING EQUIPMENT

Trelleborg is a world-lead[illegible]ed polymer solutions for critical applications in demanding environments. Its innovative solutions seal, protect and accelerate performance for customers in a sustainable way.

The Trelleborg Group had annual sales of approximately SEK 34 billion in 2026 and operations in about 40 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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