

Essity Policy Position on Reduced Greenhouse Gas Emissions

Essity's strategic objective is to contribute to a sustainable and circular society. We have a good track-record in reducing greenhouse gas (GHG) emissions. This has been done e.g. by improving energy efficiency, getting more from less and reducing emissions for many years.¹ We see the urgency to act now to further reduce emissions and we continuously review and adapt our actions and targets to achieve this.

Essity wants to play its part and contribute to the global effort to tackle climate change and, at the same time, promote continuous improvement in hygiene and health worldwide.

Decisive decade requires action now

In 2015, the members of the UN set a goal in the Paris Agreement to keep the rise in the global temperature below 2°C. Limiting global warming in line with the Paris Agreement ambitions depends on GHG emissions over the coming years: the actions taken in this decade will be decisive.²

At Essity we are encouraged to see widespread engagement in addressing this issue from policy makers, investors and the private sector through to consumers and civil society. Each have chosen different ways of reducing GHG emissions: some present visions on climate neutrality by 2050 while others have commitments and set reduction targets within shorter timeframe, namely 2030.

Our target for 2030

Because the actions taken this decade will be decisive, Essity has set a target for 2030. The target builds on our earlier achievements and efforts to reduce CO₂ emissions. In 2018, our revised GHG-reduction target was approved by the Science Based Targets initiative.³ Essity's target is concrete, ambitious and measurable, and includes both our own operations and our value chain partners. The set reduction goals include absolute targets for energy, electricity, transports, raw materials, and waste.

For direct energy use and purchased energy (scope 1 and 2), Essity commits to reduce GHGs emissions 25% by 2030.⁴ For purchased key raw materials, transport, waste generated in operations and end-of-life treatment of sold products (scope 3), Essity commits

¹ One example is the project esave that we started in 2003 with the purpose of reducing energy consumption. In 2010 targets for 2020 was set both for energy reduction as well as CO₂ reduction. More than 66 million EUR has been invested in esave 2011-2019. Emissions from energy use (Scope 1&2 in the Science Based Targets) were reduced by 5% from 2016 to 2019.

² IPCC (The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. E.g. IPCC- report: Global Warming of 1.5 C.

³ The Science Based Targets initiative is a collaboration between CDP, WRI, WWF and UNGC. In 2020 approximately 800 companies.

⁴ From a 2016 base-year

to reduce GHG emissions by 18% by 2030.⁵ By including emissions from scope 3, we take responsibility for our products and services from cradle to grave.

On-going effort with transparent report on progress

2030 is not an end date but Essity's actions today will help limit global warming and speed up the transition to a climate neutral future. The actions we take to fulfill the targets will require large investments and Essity will deliver results step-by-step until 2030.

Essity recognizes the importance of, and encourages increased transparency in, reporting on actions and targets in relation to the reduction of GHG emissions. Our targets are measurable and progress will be reported publicly. We also see an increasing demand for information in order to understand the financial risks related to climate change. We currently report progress on reducing GHG emissions through, amongst other things, CDP and in our Annual and Sustainability report.

An ongoing effort is required and, as such, Essity is committed to continuously reviewing and adapting our actions and targets to improve hygiene and health worldwide, whilst at the same time reducing GHG emissions.

⁵ From a 2016 base-year