

Sustainability in Brief



At Essity we are breaking barriers to well-being. We have a proven track record of achieving improvement and clear measurements in place to follow our progress. We are constantly improving the way we innovate, contribute to a circular society and break the silence on social issues to create a better today, and future, for all of us.

/ Magnus Groth, President and CEO, Essity

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A Decade of Action

Global challenges such as climate change, increased waste, biodiversity loss and social exclusion have long been high on the agenda across the world. Now we need to accelerate efforts in what the UN calls “a decade of action”. As a leading global hygiene and health company, Essity has an important role to play in this endeavor and together with our customers and other partners we will collaborate for an increased well-being for both people and for the planet.

Customers and consumers all over the world are becoming increasingly aware of sustainability issues and are looking for buying products and services that are sustainable. During 2020, the COVID-19 pandemic underlined the importance of hygiene and health. There are a number of global trends and drivers that support the implementation of hygiene and health for all, such as increased digitalization and higher global living standards.

Contributing to a sustainable and circular society is imperative to Essity. With our vision of: “Dedicated to improving well-being through leading hygiene and health solutions,” Essity is breaking barriers to well-being, by enhancing solutions, available to more people, and with a lower impact on the environment. We are committed to continuously improve our efforts and play our part in contributing to a more sustainable world.

We create value through our unique approach to delivering sustainable solutions:

-  **Insight**
Using consumer research, insight and knowledge as a basis for our sustainability efforts.
-  **Innovation**
Developing sustainable innovations that go beyond our products life cycle, creating more from less.
-  **Partnership**
Working in true partnership with our customers and partners, to address future demands together.



Contribution to the UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) provide the global community with a roadmap on how to combat challenges related to economic, social and environmental sustainability. The goals reflect a growing awareness of the relationship between good hygiene and health and improving well-being, economic and societal progress in the world. They also create a framework for driving action and partnerships.

Essity has an important role to play in driving progress toward achieving the SDGs. As a global company providing hygiene and health products to hundreds of millions of people every day, we make a real impact when it comes to people, society and the environment. We have chosen to specifically focus on goals 3, 5, 6, 12, 13 and 15, where we can contribute through our operations, offerings, expertise and experience.

We believe that partnerships are key to success. We collaborate with customers, consumers, suppliers, other partners and community representatives. In 2020, Essity continued its commitment to breaking barriers to well-being by serving as the convening partner to the United Nations Foundation's annual Global Dialogue in support of the SDGs.

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|  | Goal 3 Good health and well-being | Essity contributes to Goal 3 through our intensive work to promote better global hygiene and health standards. By providing access to our leading solutions, we are contributing to increased quality of life and well-being. |
|  | Goal 5 Gender equality | Essity wants to improve gender equality where we operate. Both within the company and in society. By pursuing educational initiatives and collaborations to break the silence around issues related to hygiene and health, Essity works for greater gender equality. |
|  | Goal 6 Clean water and sanitation | We work to achieve efficient water usage throughout the entire life cycle of our products and to improve water treatment and the quality of the effluent water discharged from our facilities. |
|  | Goal 12 Responsible consumption and production | Together with our customers, consumers, suppliers and other business partners, we are working toward a sustainable and circular society. |
|  | Goal 13 Climate action | We address the challenges of climate change through investments in innovation, alternative sources and cooperation with others to reduce resource consumption and environmental impact. |
|  | Goal 15 Life on land | As a global purchaser of fresh fiber, we require our fresh fiber suppliers to maintain and safeguard the principles of biodiversity and forest conservation. |



Collaboration for Change

Working together with different stakeholders - governments, the UN, civil society, academia and other businesses – will enable us to collectively innovate and implement solutions that benefit society and our planet. Essity possess knowledge and expertise within hygiene and health that contributes to continuously improving the world. Therefore, we work in partnerships to make a greater difference.

Essity and UNICEF in Mexico

Essity, and our Saba and Tork product brands, work together with UNICEF in Mexico to promote awareness of the importance of good hand hygiene, to break taboos around menstruation and strengthen standards and guidelines to support good hygiene and health. Through our collaboration we have reached more than seven million young people, providing information on hand hygiene and hygiene practices in connection with menstruation.

Science Based Targets

Our targets to reduce carbon emissions have been approved by the Science Based Targets initiative and are in line with the ambition in the Paris agreement to reduce global warming. This is a climate initiative supported by CDP, WRI, WWF and the UN Global Compact. We see opportunities to work together with both suppliers and customers to reduce our shared climate impact.

Ellen MacArthur Foundation

The Ellen MacArthur Foundation was launched to accelerate the transition to a circular economy. Our membership in the Ellen MacArthur Foundation provides a space to share, learn and put circularity ideas into practice. We participate in the New Plastic Economy, an initiative that is aligned with Essity's target to ensure that all packaging is 100% recyclable and to increase the use of recycled plastics by 2025.

Moving forward, we aim to broaden our collaboration with suppliers and customers to further strengthen our understanding of how we can support their sustainability strategies and targets. Ultimately, the ambition is that all Essity packaging, products and services will be designed to promote sustainable consumption and circular behavior.

Essity also collaborates in various projects with:

- UN Global Compact
- United Nation Foundation
- Forest Stewardship Council® (FSC®)
- The Consumer Goods Forum (CGF)
- Water Supply and Sanitation Collaborative Council (WSSCC)*

*During 2021, WSSCC was renamed into The Sanitation and Hygiene Fund.



Essity's Approach to Sustainability

At Essity, we are dedicated to improving well-being through leading hygiene and health solutions. Essity's sustainability work is pursued on the basis of well-being for both people and for the planet. We contribute to better lives for individuals and communities around the world.

We also strive to minimize our environmental impact and are determined to develop products and services that use less resources and are compatible with a circular society. Our sustainability work also encompasses such aspects as employees, including diversity, equity and inclusion, as well as business ethics and human rights.

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|  | Well-being | Caring and daring to act boldly on social issues that others fear to champion |
|  | More from less | Building value using less by enabling behaviors that support sustainable consumption |
|  | Circularity | Aiming to design products and services that fit into a circular society |
|  | Employees | Sustainability work is dependent on our employees and our culture |
|  | Business ethics and human rights | Essity's business ethics is crucial in our work in areas such as human rights |



Well-being

Every day, hundreds of millions of people use our products to improve daily lives. We break barriers to well-being by raising awareness of hygiene and health topics and by stimulating a global dialogue with the goal of breaking taboos and stigmas. The COVID-19 pandemic has demonstrated not only how important hand hygiene is in terms of personal health and in combating antimicrobial resistance, but also in preventing the spread of infection. Access to basic sanitation, such as clean water and soap, saves lives.

Providing safe products

We innovate to offer products that improve quality of life. Product safety and quality are therefore of the utmost importance. Essity follows strict requirements to ensure that all materials in our products are safe for consumers, our employees and the environment. It is important that our customers and consumers can easily identify what is contained in our products. We have a global product safety policy and work closely with our suppliers to ensure compliance with the high standards we have set.

Global dialogue

Essity drives a global dialogue to increase awareness of the importance of hygiene and health and their relation

to well-being. In partnership with WSSCC (Water Supply and Sanitation Collaborative Council) we published the report "Accelerating Action on Hygiene and Health for All" to highlight key global challenges facing hygiene and health. The report focuses on facts and solutions with the aim of stimulating ideas and actions to improve global health and well-being. The report was published in conjunction with the United Nations Foundation's annual Global Dialogue. The Global Dialogue gathers leaders and experts from the private and public sector to inspire and encourage vigorous efforts in achieving the UN Sustainable Development Goals.



Tork PeakServe®

Tork PeakServe offers faster dispensing and serves people in three seconds – quicker than using a jet air dryer. Tork PeakServe is now available as standard and mini dispensers, and as adapters for recessed towel cabinets. This enables the needs of the entire facility to be met with the same refill. It offers lower consumption thanks to one-at-a-time dispensing and results in fewer transport journeys with smaller packs.



JOBST Confidence

JOBST Confidence is the next-generation of flat-knit compression garments. The product is tailored to fit the true anatomy of each patient "almost like a second skin." The Contour Fit technology, in addition to advanced moisture management, is designed to deliver the highest wearing comfort. JOBST Confidence helps users feel unrestricted in body and mind, with a one-of-a-kind fit garment.



Medical face masks

Due to the COVID-19 pandemic, people are generally more aware of the importance of hygiene and health in reducing the risk of the spread of infection and disease. To help people cope with the challenges brought about by the pandemic, Essity has expanded its offering to include face masks for the retail trade and to customers in the Professional Hygiene business area. In the retail trade, the face masks were launched under the consumer brands Tempo, Lotus, Zewa and Colhogar, and in Essity's Professional Hygiene business area under the leading global brand Tork.



Tork hand sanitizer certified by the Green Seal

At a time when hand hygiene is more important than ever, many first-time producers are entering the market for hand sanitizers. Tork Alcohol Gel Hand Sanitizer is among the first sanitizers in the market to meet the high standard for health and safety set by the leading non-profit authority, the Green Seal. This distinction reflects our unwavering commitment to improving well-being through innovative and sustainable products and solutions. Green Seal screened 100% of the Tork Alcohol Gel Hand Sanitizer products before awarding the certification. Products awarded Green Seal certification are required to meet uncompromising performance standards, contain ingredients that do not pollute waterways, and use environmentally preferable packaging materials.



More from Less

For us at Essity, “more from less” means innovating how we meet our consumer and customer needs. We are committed to developing products and services for a more sustainable and circular society by continuously reducing the use of resources throughout the product life cycle.

We differentiate our offering by enabling behaviors that support sustainable consumption. We are committed to making sustainable consumption an easier decision for people to make. This means that we want to change attitudes and encourage new behaviors – seeking to create more value from less resources, using fewer products and supporting services.

Climate commitment

For a number of years we have been working to reduce our carbon emissions through smarter design, the use of superior materials in our products and by driving resource efficiency and transportation. We have targets leading up to 2030 to reduce greenhouse gas emissions from energy and electricity by 25%, and key raw materials, transportation and waste by 18%. Our targets are approved by the Science Based Targets initiative, which helps companies determine which greenhouse gas emission reductions they need to make in order to meet the targets set in the Paris Agreement. This approach will further reduce the carbon footprint of our products and services.

Life cycle perspective

Essity aims to take responsibility for the entire life cycle of products, even after they have been used. We are developing a resource-efficient value chain with sustainable manufacturing processes and products using innovative materials and smarter designs. With less material use, we save resources and reduce waste while offering the best product performance. Thinner products for incontinence, baby and feminine care help reduce the use of resources while delivering the same or even better performance. Compressed tissue paper and coreless toilet paper rolls are other examples of product innovation leading to less transport resources and waste.

By integrating life cycle assessments (LCAs) into our innovation work, we monitor how we can improve the environmental profile of our innovations as well as our product range. We comply with ISO standards, specific category regulations and use third-party verifications to secure credible LCAs. An LCA of the product range includes the majority of all products sold in a region. This means that we can measure the environmental improvements from innovations on our sustainability targets and manage step-by-step improvements in daily operations for the full product range over time.

TENA SmartCare™

This range of digital solutions is one example of innovative Essity products helping to revolutionize elderly care. TENA SmartCare Change Indicator helps both caregiving relatives and professional caregivers by signaling when it is time to change incontinence protection. This improves comfort, dignity and well-being. Fewer manual checks mean less intrusion and enable truly individualized care and optimum use of resources. The risk of leakage and unnecessary skin exposure to urine is also reduced.



Libero and Lotus diapers

Essity has done a great deal to reduce its climate impact for our baby products. We were first in the Nordic region with Nordic Swan Eco labelled diapers and FSC® certification. Essity is continuing along this path, connecting long-term targets with short-term initiatives to demonstrate our efforts in this area. We show what we do here and now to reduce the climate impact by using more than 50% renewable packaging materials, launching new initiatives with renewable materials in the product and 100% renewable electricity in our personal care factories in Europe.



Tork EasyCube®

Tork EasyCube is a facility management software system providing real-time data on cleaning needs, informing staff of what exactly is needed, when and where. The solution has enhanced efficiency, staff engagement and user satisfaction for our customers around the world. We have initial indications that the solution results in 24%* fewer cleaning rounds with improved quality, and the time saving is 20%**.

*The weighted average of results achieved by two Tork EasyCube customers, measured over 158 days, before and after implementation of Tork EasyCube.
**Based on the documented results achieved by three Tork EasyCube customers, measured before and after the implementation of Tork EasyCube.



Circularity

Essity's ambition is to design products and services for a more circular society. In our efforts to reduce our environmental impact, we are striving to raise the share of recycled and renewable materials, increasing the recycling of products, and launching more products that can be reused. This calls for new creative thinking, and new business models and partnerships.

Essity is committed to reducing plastic pollution

Essity offers hygiene and health products that respond to specific needs. In some of our products and packaging, we use plastics to guarantee that they are clean, safe to use and fulfill their hygiene purpose. Over time, we are using less and less materials in our products and we are increasing renewable or recycled plastics in our packaging. Essity is committed to working toward 100% recyclable packaging and to increasing renewable and recycled plastic in our plastic packaging.

Waste target

Essity's target is that all production waste will be subject to material and energy recovery by 2030. In 2020, 65% of our waste was recovered and our

production sites are working to reduce and identify alternative solutions for their waste. Recycled waste can be used as raw materials for other industries, such as cement and brickmaking, and in the construction industry, or can be used for energy extraction or composted.

Creating new resources

Tissue products are made of renewable wood-based fresh, recycled or alternative fibers. After use, tissue products can contribute to renewable energy through incineration. They can also be composted or recycled. Together with customers and consumers, we are working to increase recycling and the availability of secondary raw material, such as recycled fibers.



Tork PaperCircle

Tork PaperCircle is a one-of-a-kind recycling service for used paper hand towels. We help our customers and their businesses go circular by collecting and subsequently recycling used paper hand towels into new tissue products. Tork PaperCircle is a complete solution that helps our customers to meet their sustainability targets by reducing waste by up to 20% and cutting carbon emissions by up to 40%* compared with other after-use waste management systems. In 2021, the service will be available in ten countries.

*Results of a Life Cycle Assessment (LCA) conducted by Essity Tork and verified by IVL Swedish Environmental Research Institute in 2017.



Washable underwear

TENA Silhouette Washable Absorbent Underwear has been launched for women with light bladder weakness and with a focus on discretion. In Essity's feminine care category, a line of period underwear is being launched called "Intimaware" under the Libresse™, Bodyform™ and Nana™ brands. The two products have different gusset lengths and come in different styles and with different types of lace. The underwear offers invisible protection for up to eight hours, providing users with a more sustainable option than disposable protection. By introducing reusable concepts, Essity reduces both the carbon footprint and waste.



Wheat straw

Essity is the first tissue company in Europe to produce pulp from wheat straw. The wheat straw is the stalk that is left over after the grain has been harvested from wheat. The innovative pulp derived from this raw material will be as bright, soft and strong as wood-based pulp and will be used to produce high-quality tissue products. The wheat straw is sourced close to our factory in Mannheim, Germany, and is a plant-based product that grows annually. In the production process, less water and energy are used than in conventional wood-based pulp production.



Solid waste recycling project

In cooperation with Walmart Mexico & Central America and Biobox, Essity collected more than 400 items of product packaging for recycling each day in Mexico City via our indoor and outdoor collecting machines.

Through a digital communication campaign, Essity invited consumers to take their empty packages of any Saba, Regio or TENA products to our collecting machines. The collected packages will be transformed into other materials to benefit the environment, thereby supporting circularity in Mexico.

Employees

Our employees are key for our future success. We strive continuously to develop our corporate culture, expertise and leadership to create the best possible conditions to ensure success for Essity. The better we perform and develop as individuals and as a company, the greater the impact we will have on society. We act with courage and challenge the status quo. As a purpose driven company, together we make a difference to improve well-being in the world.

Essity's corporate culture is central to our operations and it has been expressed in the following set of Beliefs and Behaviors: We are Committed, We Care, We Collaborate and We have Courage. These outline what is expected of us all to develop Essity and are regularly followed up in various ways, for example via individual discussions and employee surveys. Together with our Code of Conduct, these serve as a compass to offer guidance on how we act as Essity employees.

Sustainable working life

Our long-term framework to promote healthy, flexible and sustainable workplaces and help our employees grow and develop, is supported by a new health assessment tool. The tool assesses physical, mental, and social well-being, and assigns scores to these on the basis of a reactive, preventative and proactive way of working. The tool will enable local and group-wide strategic data-driven decision making over time.

A diverse, equal and inclusive company

As a global company, we value and work continuously to increase diversity, equity and inclusion. Our strategy aims to increase the employees' sense of belonging and inclusion from various perspectives and to attract and recruit employees motivated by the company's objective to break barriers to well-being in society. Our ambition is to further enhance our policies and practices to ensure equal treatment and non-discrimination with regard to genders, ages, races and ethnicities, sexual orientation or religious and political beliefs.

Health and safety

Working at Essity means the right to a safe and healthy work environment. The health and safety of our employees is a top priority and we aim for zero workplace accidents. Managers, employees, and external partners receive training on a regular basis and all Essity facilities have plans in place to improve safety.

Solar energy used to charge employees' cars

Our focus is not only on how we produce our products and services, but also on the people working with us. We want to be an attractive employer that shows that we "walk the talk". For instance, in our Gothenburg office in Sweden, we have installed 450 solar panels on the office roof to provide electricity for 78 charging stations. The stations will be used by our employees that commute to and from work in electric or hybrid cars.



#makeabettermarkchallenge

TENA has launched an internal app-based challenge to drive climate awareness and engage colleagues during the pandemic. The participants are divided into teams, individually answering questions about their consumption to calculate their individual climate footprint. The app also contains a quiz on the latest research on sustainability and climate to unlock so-called "deeds" where the participants are encouraged to carry out climate-smart and sustainable deeds to collect points and gain CO₂e savings.



Essity during the pandemic

In the context of the COVID-19 pandemic, Essity has three priorities: Care for our people, Contribute to society and Secure business success. An example of this is the rapid start of the production of face masks, to be used by our employees as well as frontline workers. During the pandemic, there were many other changes to our normal daily lives. Many people had to adjust to working from home, while our factory workers ensured that our production and business ran as usual by securing the safe delivery of our products on a daily basis. Our employees showed an outstanding commitment and ability to quickly adapt. Across the world, teams initiated and participated in many local initiatives to support particularly vulnerable groups and support relief efforts through the pandemic.



Business Ethics and Human Rights

Essity has an impact on the lives of many people and it is essential that we conduct our business in a responsible manner. Essity is to act with integrity in relation to all its stakeholders – at work, in the market and in society.

Responsible business

Essity's Code of Conduct describes how we, as employees, are to act, how the company does business, stakeholder expectations of Essity and our commitment to human rights. In our Code of Conduct for Business Partners, we outline our expectations in relation to our distributors and other partners, and in our Code of Conduct for Suppliers, we set out our expectations for our sourcing partners. Our Codes are available at www.essity.com.

Anti-corruption program

We perform regular risk analyses to ensure that we have efficient preventive measures in place to mitigate the corruption risks we face. A third-party due diligence program is implemented to mitigate risks associated with both suppliers and distributors. We ensure that all Essity employees have access to anti-corruption training and information about our anti-corruption program. For employees working within sales, marketing and sourcing, we have mandatory training programs in place, tailored for their special activities. Essity encourages an open and honest culture, and we have a whistleblower system where all employees can report suspicions of violations of the Code or laws in good faith.

Human rights

Essity's approach to ensure respect for human rights in connection with the company's operations is built on the UN Guiding Principles on Business and Human Rights. In accordance with this framework, due diligence audits are conducted to examine the management of the company's impact on human rights. Essity also conducts regular Group-wide and local risk assessments to evaluate the risks and effects on human rights.

Responsible sourcing

Customers and consumers who use our products should feel secure that these are sourced, manufactured and distributed in a sustainable and responsible manner.

All of our suppliers are required to sign Essity's Global Supplier Standard. It includes requirements governing quality, product safety, the environment and chemicals. It also contains a Code of Conduct for Suppliers that outlines our expectations with regard to human rights (for example, child labor and forced labor), employee relations, and health and safety. These requirements apply to all suppliers of raw materials, finished products and services. Using a risk-based approach, we conduct on-site visits and audits to verify compliance. Essity has an established process to perform continuous risk assessments of the company's suppliers and sourcing categories.

Responsibly sourced fiber

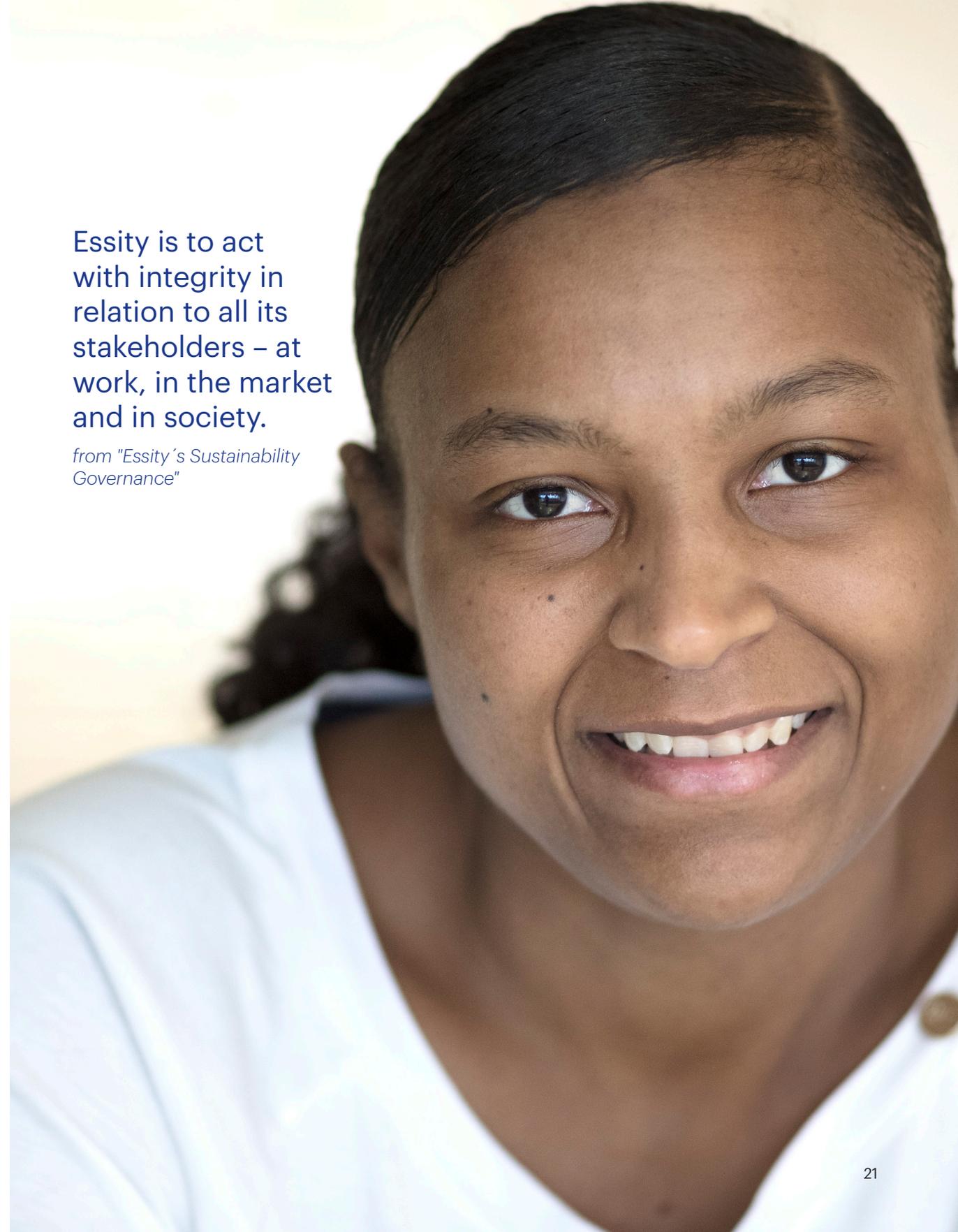
Most of Essity's products contain some form of renewable fiber, whether it is fresh wood-based fibers in personal care products or fresh wood-based fiber, recycled fiber or alternative fiber in tissue products. Essity is committed to sourcing wood-based fresh fiber from responsibly managed forests and we use a significant percentage of recycled fiber in our tissue products. Our target for sourcing of fresh fiber is for all wood-based fresh fiber in our products to be FSC®* or PEFC™** certified.

*Forest Stewardship Council®

** Programme for the Endorsement of Forest Certification

Essity is to act with integrity in relation to all its stakeholders – at work, in the market and in society.

from "Essity's Sustainability Governance"



How can we work together to drive progress in relation to...

...rights of women and girls?

"Listening to girl's and teenager's voices is the seed to work together towards the fulfillment of their rights and the blooming of their youth"

Brisa Juárez Nava, Teenager Leadership Strengthening School 2017, Mexico



... more sustainable consumption?

"Collaboration is an essential component of our industry's ability to deliver positive change at scale. Our members, like Essity, understand this need and are working hard to implement actions that positively impact people and the planet."

Wai-Chan Chan, Managing Director of The Consumer Goods Forum

... well-being for the elderly?

"Almost everyone in our care home wears some kind of incontinence protection. By using the right incontinence protection, their quality of life becomes much higher."

Sabina Ubel, Care Home Manager, Sweden



... a safe working environment?

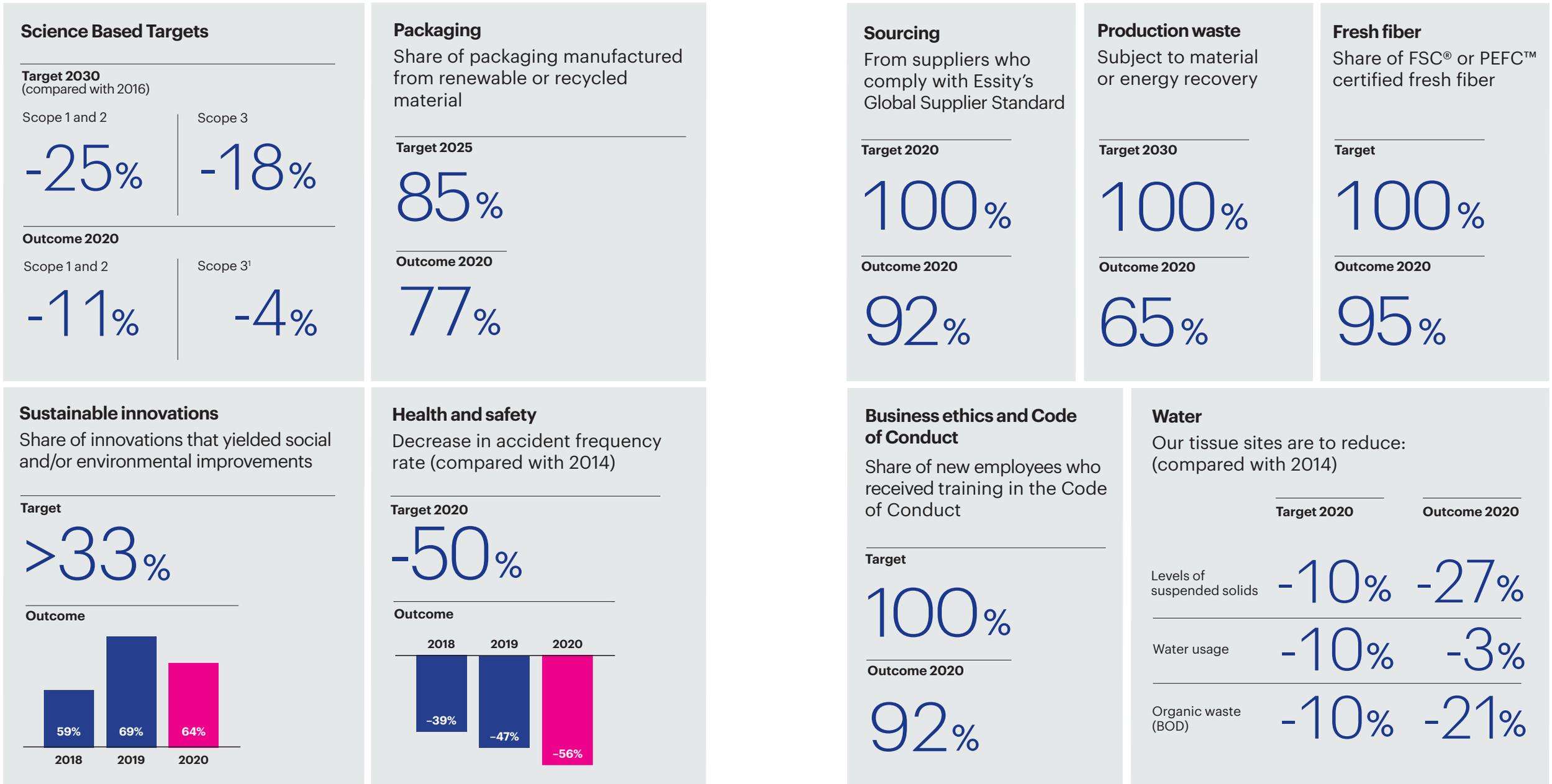
"The health and safety of our colleagues is by far our top priority. That's why all shifts in our factories begin by a handover from the previous shift where the first point of order is going through any situation that has, or might have had, occurred that could have jeopardized our safety. This way we can share our experiences, look at best practice at the same time as we establish a culture where health and safety always is present in our work".

Berenice Silva, Risk, Environment, Safety & Health Manager, Mexico



Targets and Outcomes

Essity has developed sustainability targets and objectives to support our priorities and sustainability strategy. Here are some examples of how we deliver on our sustainability targets.



¹ Outcome for Scope 3 is for 2019

» Recognitions

Essity's initiatives and achievements have gained global recognition, and Essity is included in several sustainability indexes and has received several prestigious awards.

CDP: Essity received an "A" for CDP Forests and "A-" for CDP Climate 2020 and was identified in the top 1% of 553 companies for taking leadership action on deforestation.

Corporate Knights: Essity was recognized as one of the world's 100 most sustainable companies by Corporate Knights.

Dow Jones Sustainability Index: Essity qualified for inclusion in the Dow Jones Sustainability Europe Index in the Household Products category.

Ecovadis: Essity was awarded "Platinum Medal" in the "2020 Ecovadis CSR Rating."

FTSE4Good: Essity is listed on the FTSE4Good global Sustainability Index since 2001.

MSCI: Essity received the highest rating, AAA, in the MSCI ESG Ratings.



The name Essity stems from the words **essentials** and **necessities**. We are a leading global hygiene and health company that offers products and solutions that are a necessity in everyday life. Hygiene and health are central to people's well-being. Improved hygiene and health are preconditions for a better life and play an essential role in well-being.

That is why we are called **Essity**.



» www.essity.com