

# Essity Statement - Norwegian Transparency Act (åpenhetsloven)

## 1. Introduction

Essity's human rights due diligence process has been in place since 2014. Essity's approach to human rights is based on the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. As a signatory to the United Nations Global Compact, we actively support human rights and conduct our business in a manner that is consistent with the principles of the Global Compact, the International Bill of Human Rights, the ILO Core Conventions. Human rights due diligence is integrated into our key processes, and whenever we identify a potential or actual negative impact, we will take steps to mitigate or remediate any harmful activities.

The Essity Human Right Impact Assessment (HRIA) process include group level HRIAs every third year and in the years between, local impact assessments in different countries with focus on the risks highlighted in the group HRIA. The latest group level HRIA was performed in late 2022 and the next country impact assessments are in plan for the next three-year period.

Recent local impact assessments have been carried out in Mexico, Chile and Brazil (2016-2018) and India 2020. As a result of the assessment in India, a three-year mitigation plan has been decided with the objectives to strengthen the human right activities for the local supply chain, increase our efforts to raise awareness on employee's psychosocial well-being and gender inequality.

We support and respect internationally recognized human rights wherever we operate. When national laws conflict with international human rights standards, we will adhere to national law, while seeking ways to honor and respect the principles of international human rights.

Our human right's commitment is reflected throughout our Code of Conduct, Essity's Human Rights Policy and other company policies. All our business partners, suppliers and customers are expected to follow principles equivalent to those included in Essity's Code of Conduct. Our Supplier Code of Conduct and our Business Partner Code of Conduct includes our expectations regarding human rights and employee relations as well as health and safety. Following these standards is an important factor when selecting our business partners and potential acquisitions.

We actively engage in a number of Human Rights oriented partnerships e.g. UN Global Compact partnership and the Consumer Goods Forum (CGF) Human Rights Coalition – Working to End Forced Labour (HRC).

This statement constitutes the account of Essity Norway AS for the financial year 2023 as required by the Norwegian Transparency Act (åpenhetsloven).

## 2. General description of Essity's structure and area of operations

Essity (referred to as 'Essity Group' or 'the Group') is a global, leading hygiene and health company. Every day, our products, solutions and services are used by a billion people around the world. Our purpose is to break barriers to well-being for the benefit of consumers, patients, caregivers, customers and society. Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other strong brands such as Actimove, Cutimed, JOBST, Knix, Leukoplast, Libero, Libresse, Lotus, Modibodi, Nosotras, Saba, Tempo, TOM Organic and Zewa. In 2023, Essity had net sales of approximately SEK 147bn (EUR 13bn) and employed 36,000 people. The company's headquarters is located in Stockholm, Sweden and Essity is listed on Nasdaq Stockholm.

Essity reports its operations in the following three business areas:

- Health & Medical comprises the categories Incontinence Products Health Care and Medical Solutions. The offering includes incontinence products, wound care, compression therapy, orthopedics, skincare products and digital solutions with sensor technology.
- Consumer Goods includes the categories Incontinence Products Retail, Baby Care, Feminine Care and Consumer Tissue. The offering includes incontinence products, pads, diapers, wet wipes, skin cream, intimate soaps, leakproof apparel, menstrual cups, toilet paper, household towels, hand kerchiefs, facial tissues and napkins.
- Professional Hygiene comprises Tissue, Wiping, Cleaning, Soap and Sanitizer products, solutions and dispensing systems as well as selected services. The offering includes toilet paper, paper hand towels, napkins, hand soap, hand lotion, hand sanitizers, dispensers, and cleaning and wiping products.

Europe is Essity's largest market. The Group also conducts sales in North America, Latin America and Asia. Expansion takes place through organic growth and acquisitions.

Essity has four business units as of December 31, 2023:

- Consumer Goods Americas, which markets and sells products in the categories of consumer tissue, baby care, feminine care and incontinence products retail in Latin America and North America.
- Consumer Goods EMEA, which markets and sells products in the categories of consumer tissue, baby care, feminine care and incontinence products retail in Europe, the Middle East and Africa.
- Health & Medical, which markets and sells products in the category of incontinence products health care in Europe, North America, the Middle East and Africa, and markets and sells products in the category of medical solutions in Asia, Oceania, Europe, North America, Latin America, the Middle East and Africa.
- Professional Hygiene, which markets and sells complete hygiene solutions as well as service and maintenance in Europe, North America, Latin America, the Middle East and Africa.

Essity markets and sells products primarily in professional hygiene as well as the categories of incontinence products and feminine care in Australasia (Australia, New Zealand and some of the Pacific Islands). The business is being operated as an independent unit under the name Essity AustralAsia.

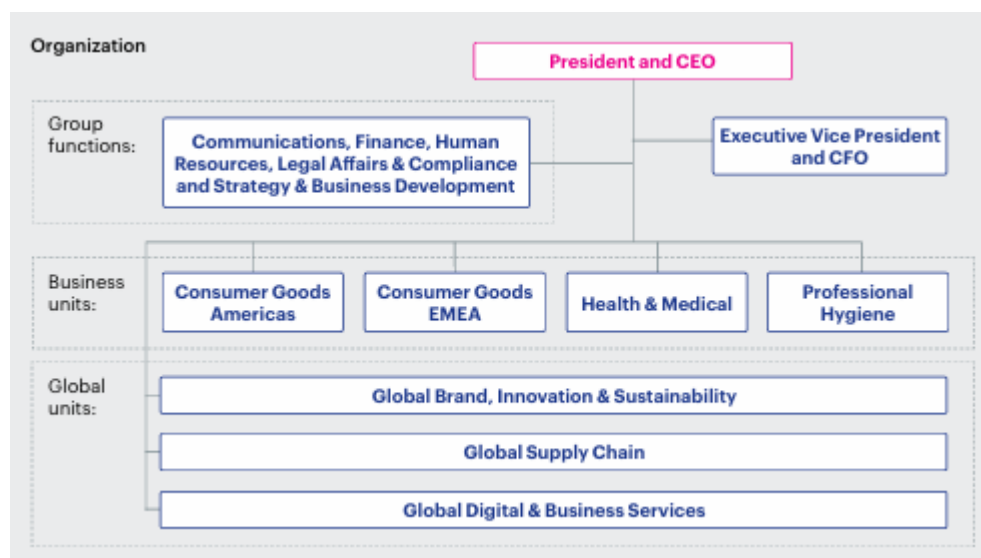
In addition to the business units, Essity has established three global units:

- Global Brand, Innovation & Sustainability has global responsibility for customer and consumer brands, innovation and sustainability and public affairs.
- Global Supply Chain has global responsibility for sourcing, production, technology, logistics and distribution in relation to all product categories with the exception of Medical Solutions.
- Global Digital & Business Services has global responsibility for business services, IT and digitalization.

Furthermore, Essity has five Group functions:

- Communications;
- Finance;
- Human Resources;
- Legal Affairs & Compliance; and
- Strategy & Business Development.

Essity exerts an influence on the Group company Vinda, a listed Asian hygiene company in which Essity is a majority shareholder, through board representation. As of March 21, 2024, Essity completed the divestment of its entire holding of shares in Vinda.



. Essity has around 70 production facilities in some 28 countries worldwide.

### **Essity's operation in Norway**

Essity Norway AS is a fully owned subsidiary in the Essity Group and is located in Oslo, Norway. Essity Norway AS is a distribution entity. In its distribution function, Essity Norway AS, is responsible for distribution of Essity products, produced by Essity manufacturing entities to the local market.

### **Essity's Whistleblower System, SpeakUp**

Essity encourages an open and honest culture in which all employees can report suspicions of violations of the Code of Conduct or legislation including human rights violations. Retaliation against individuals who submit reports in good faith will not be accepted. Essity offers its employees a number of internal systems to report violations, SpeakUp. Essity's Code of Conduct includes a section on how the SpeakUp system works. All employees have access to the SpeakUp system, which is managed by an external party. SpeakUp is available 24/7 by phone or online in more than 25 languages. Where permitted by law, breaches can be reported anonymously. Essity's Compliance & Ethics department receives all submitted reports from the SpeakUp system and is responsible for ensuring that necessary action is taken. Reports are presented regularly to Essity's Compliance Council and to the Board of Directors.

External stakeholders in EU Member States, Norway and the UK can report suspicions of violations of the Code of Conduct or legislation including human rights violations via the SpeakUp system. The SpeakUp system is available via [Essity.com](https://www.essity.com).

## **3. Conducting Due Diligence and Defining Salient Issues**

Essity's salient human rights issues are defined through our global Human Rights Impact Assessment (HRIA), involving multi-disciplinary teams. The HRIA is based on the Universal Declaration of Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct. Risks are rated based on Severity and Likelihood on rights-holders rather than impact on Essity business.

In our Global Impact assessment report for 2022 we describe assessment methodology, outcome and our mitigation activities. In no specific order, Essity's salient human rights issues are:



### Workforce

- Health and Safety
- Working Hours



### Workers in Supply Chain

- Health and Safety
- Forced Labor
- Working Hours
- Fair Wages
- Discrimination



### Affected Communities

- Land Rights
- Environmental Impacts

## 4. Example of Prevention and Remediation Activities for Essity's Salient Human Rights Issues

### Health and Safety (Workforce and Workers in Supply Chain)

#### Example of significant risk of adverse impacts

Essity's production environment is associated with health and safety risks, such as working with machinery that requires extensive safety equipment and training, heavy products, chemicals, and other hazardous materials.

In terms of our supply chain, we have risks associated with hazardous work in general and risks associated with a lack of appropriate safety equipment and training. Temporary and contract workers in the supply chain are the group that may be most exposed to these risks for example, the production of finished goods and the extraction of raw materials.

#### Example of prevention and remediation activities - Workforce

Essity's Health and Safety policy sets the foundation for the Health and Safety work at Essity. Health and Safety work is dependent on documented Health and Safety processes in management system, providing for continuous monitoring and

improvement of the working environment as well as making steering documents available. We have special attention to young workers. Self-assessment, surveys, monitoring and reporting of key data, training and audits are key elements in the Health and Safety work:

- Health and safety target 2025 – Decrease in total recordable incident rate compared with 2019 with -75%. Outcome 2022\* was -39%.
- All our main production sites are required to report into Sedex, a global platform for sharing ethical data with our suppliers and customers.
- National Safety Council (NSC) cultural survey was performed in 2021 to calibrate the status of Essity's safety culture. The NSC will be performed every third year and the result and trends will be used in development of activities within the Health and Safety program.
- Essity has an ambitious roadmap for technical safety and safety framework. Key elements that have kicked off in 2022 are the upgrades to the Machine Safety Risk Assessment (MSRA), Isolation of Hazardous Energies (IoHE), and Traffic Management frameworks. The upgrades to our safety processes are aligned with the ISO 45001 and 14001 principles and will allow us to work systematically to achieve continuous improvement.
- In April 2022, the initiative I Care was launched. I Care is a framework with essential tools and resources that empowers all Essity employees to be Health and Safety leaders. In 2022, more than 1,000 leaders were trained, and the target is to train all 16,000 employees and contractors in Essity's production facilities by 2024. In addition, a Global Health and Safety Award and the Global Health and Safety Month Celebration are activities in the I Care framework.

#### Example of prevention and remediation activities - Workers in Supply Chain

With a high number of suppliers globally, it is not feasible for us to conduct due diligence for the entire supply chain. Essity conduct's supplier due diligence that includes human rights risk on a risk-based approach with focus on high-risk areas in the supply chain. Global Procurement screening process for onboarding of new suppliers further mitigates the human rights risks, in our supply chain. The Essity responsible sourcing process ensures responsible business methods and respect for human rights by ensuring that Essity works with suppliers that share our values. We continuously perform risk assessment of suppliers, including an evaluation from a human rights perspective. Strategic suppliers are also requested to share their human rights status via Sedex, as we do for our own production sites. Additional key risk mitigation actions are that suppliers are required to sign and acknowledge our Supplier Code of Conduct, including expectations that suppliers must take the necessary steps to ensure a safe and healthy working environment for all their employees and supplier audits to verify compliance with Supplier Code of Conduct. In addition, compliance with the Essity Code of Conduct is required and is ensured through audits under SA8000 conducted by the Internal Audit unit.

#### **Forced Labor (Workers in Supply Chain)**

##### Example of significant risk of adverse impacts

Forced labor is regrettably still a problem. The latest Global Estimates of Modern Slavery, published by the International Labour Organization (ILO), International Organization for Migration (IOM) and international Human Rights group Walk Free, revealed that in 2021 some 28 million were in forced labor.

We recognize that forced labor can occur everywhere but assess that in certain countries that we source from the risk is higher. Within the manufacturing industry, according to several reports from NGOs, multiple cases of human trafficking and forced labor have been identified during the last years. Migrant workers are assessed to be a vulnerable group. With supply chain in several high-risk countries, forced labor is deemed to be one of Essity's salient human rights issues.

#### Example of Prevention and Remediation Activities – Workers in Supply Chain

Essity does not tolerate any form of forced, bonded or compulsory labor, physical punishment or child labor and we will act on any potential or actual case in our supply chain. Every year we publish Modern Slavery and Human Trafficking Statement on [essity.com](https://www.essity.com). Prevention activities to ensure that forced labor does not occur in our supply chain is focused on ensuring responsible sourcing. Our suppliers are required to sign and acknowledge our Supplier Code of Conduct, including expectations that suppliers shall take measures to ensure they do not engage in or support the use of forced or bonded labor. To verify compliance with our Supplier Code of Conduct, on-site visits and audits are conducted. Additional prevention activities in the supply chain are further described under the salient issue Health and Safety.

### **Working Hours (Workforce and Workers in Supply Chain)**

#### Example of significant risk of adverse impacts

Our 2019 Human Rights Impact Assessment (HRIA) concluded that although the right to rest in our own workforce was not one of Essity's salient issues. However, we were able to determine that the trend for this issue was an increasing risk for own white-collar workers. In the 2022 Impact Assessment, the risk was assessed higher and therefore Working Hours is deemed to be a salient human rights issue.

Although Essity complies with ILO standards and local labor legislation where we operate, the risk of stress and mental health issues has been highlighted. The ability to always be connected to work, by using IT tools and thus being reachable, is considered to increase this risk for white-collar workers. The circumstance of working from home, which has increased during the pandemic, has also been raised as a factor that increases working time and stress for white-collar workers. In our supply chain, excessive working hours is an identified salient issue in areas such as service sectors like logistics and maintenance works, as well as within manufacturing. This risk is higher for temporary and contract workers. Even if there are labor laws in most of the countries we source from, they might not be enforced and in addition not in line with ILO standards.

### Example of Prevention and Remediation Activities – Workforce and Workers in Supply Chain

Essity's Health and Safety policy, together with other steering documents e.g., Health and Safety instruction and Working Remote Policy sets the foundation for the Health and Safety work at Essity, both physical and mental health. MyVoice – Essity's Employee Engagement Pulse survey, is one of the tools to receive employee feedback on working environment. In addition, Internal Audit performs audit of the Code of Conduct based on the SA8000 standard including Health and Safety and Working Hours. Prevention activities in relation to working hours in our supply chain is focused on ensuring responsible sourcing. Our suppliers are required to sign and acknowledge our Supplier Code of Conduct, including expectations that the suppliers' working hours shall comply with national laws and local industry standards. To verify compliance with Essity's Supplier Code of Conduct, on-site visits and audits are conducted. Additional prevention activities in the supply chain are further described under the salient issue Health and Safety.

### **Fair Wages (Workers in Supply Chain)**

#### Example of significant risk of adverse impacts

Wages and other benefits in our supply chain must be fair and at least equal to the minimum relevant legal and industry standards. The lack of living wages affects the realization of many other human rights, and this is a problem in many of the countries Essity source from. Individuals and groups often at risk of not receiving fair wages for their work are women, contract workers, seasonal workers, and migrant workers. These groups can be found in all sectors in our supply chain, from manufacturing to logistics services.

#### Example of Prevention and Remediation Activities – Workers in Supply Chain

Prevention activities for fair wages in the supply chain is focused on ensuring responsible sourcing. Our suppliers are required to sign and acknowledge Essity's Supplier Code of Conduct, including expectations about fair wages and that suppliers shall comply with minimum relevant legal and industry standards. To verify compliance with our Supplier Code of Conduct, on-site visits and audits are conducted. Additional prevention activities in the supply chain are further described under the salient issue Health and Safety.

### **Discrimination (Workers in Supply Chain)**

#### Example of significant risk of adverse impacts

All persons are equal before the law and have the right to equal protection of the law against any discrimination and against any incitement to discrimination, harassment or violence based on race, color, gender, language, religion, political or other opinion, national or social origin, property, birth, or other status.

As these areas, both in terms of individuals and populations, are a concern in some of the countries Essity source from, discrimination is a risk that we have identified in our



supply chain. High-risk areas typically include conflict-affected areas, where security issues are common and the state duty to protect is weak. They also include other contexts where there are clear and serious risks of human rights violations, which may be denied either in law or in practice. High-risk areas varies by market and vulnerable groups include women, migrant workers and minority groups.

#### Example of Prevention and Remediation Activities – Workers in Supply Chain

Prevention activities for non-discrimination in our supply chain is focused on ensuring responsible sourcing. Essity suppliers are required to sign and acknowledge our Supplier Code of Conduct, including expectations to adopt and enforce policies prohibiting discrimination. To verify compliance with our Supplier Code of Conduct, on-site visits and audits are conducted. Additional prevention activities in the supply chain are further described under the salient issue Health and Safety.

### **Land Rights (Affected Communities)**

#### Example of significant risk of adverse impacts

Right to land and own property is fundamental for both people and local communities. Conflicts, corruption, land confiscations and unsustainable environmental practices will have direct impact on people. High-risk areas vary by market and vulnerable groups include minority groups and indigenous people. As a global purchaser of fresh fiber, we recognize that our fiber sourcing can affect indigenous people and thus, Land Rights in our supply chain is assessed to be one of Essity's salient human rights issues.

#### Example of Prevention and Remediation Activities – Affected Communities

Customers and consumers expect us to take responsibility for the origin of the fiber used in our products. All fresh fiber must originate from responsibly managed forests – forests that are managed under good labor conditions and with respect for indigenous people's rights. By requiring that all wood fiber must be certified according to FSC® or PEFC™ standards, we aim to ensure that the materials in our products are delivered with respect to people and nature. Essity has a sustainability target – 100% share of FSC® or PEFC™ certified fresh fiber. We require our fresh fiber suppliers to maintain and safeguard the principles of biodiversity and forest conservation and adhere to UN Guiding Principles for Human Rights and Businesses and highlight these human rights risks in consumer goods forums and landscape initiatives. Essity interacts with local communities and indigenous people on the human rights impacts in our operations including fiber and land use. Prevention activities for Right to land in our supply chain is focused on ensuring responsible sourcing. Our suppliers are required to sign and acknowledge Essity's Global Suppliers Standard and our Supplier Code of Conduct, including Respect for the environment and Community relations. Additional prevention activities in the supply chain are further described under the salient issue Health and Safety

## **Environmental Impacts (Affected Communities)**

### Example of significant risk of adverse impacts

We recognize that our value chain impacts the environment, directly and indirectly and therefore have an impact on people and communities. As a global purchaser of wood-based fiber materials, Essity is dependent on healthy and resilient forests.

The identified salient issue includes Essity's impact on biodiversity through fiber sourcing, water consumption and product waste after-use.

Our impact on forest biodiversity is primarily through use of wood-based fresh fiber. Our production facilities can affect the availability and quality of water; thus, it is important to improve the efficiency of water use throughout the life cycle of our products and to improve the treatment and quality of the wastewater from our facilities. We are committed to ensure the right to clean water and sanitation.

As with all disposable products, post-use management is important, and the lack of such management has an impact on communities and its inhabitants. A human rights-based approach to product waste after-use requires specific consideration and protection of those most vulnerable or at risk: children, waste-pickers and other workers, persons with disabilities, older persons, indigenous peoples, migrants, and minorities, while considering gender-specific risks. In certain countries these risks are higher due to weaker infrastructure for handling waste and disposable products. With many disposable products in our product portfolio, Essity aims to take responsibility for the entire life cycle of our products. With less material use, we save resources and reduce waste for our disposable products.

### Example of Prevention and Remediation Activities – Affected Communities

Sustainability is integrated in the overall corporate governance structure. We have ongoing initiatives in relation to water pollution, water and plastic use and product waste. Example of initiatives are responsible forestry and procurement of fiber, reduced material use, sustainable consumption, and circular solutions. The use of water and raw materials is controlled using the company's Resource Management System (RMS). Our sustainability targets have been developed to support our priorities and sustainability strategy including targets for Fresh fiber, Packaging (share of packaging manufactured from renewable and/or recycled material and share of technically recyclable packaging) and Responsible sourcing. In addition, Essity has ongoing initiatives in relation to biodiversity and in 2021, biodiversity was integrated into our overall risk management process. We work together with non-governmental organizations, inter-governmental organizations as well as with trade and industry associations on both environmental and social issues. Essity has been a member of the Consumer Goods forum Coalition of Action for Forest Positive and active participant in Ellen Mac Arthur Foundations New Plastic Economy initiative. Prevention activities in our supply chain is focused on ensuring responsible sourcing. Our suppliers are required to sign and acknowledge Essity's Global Suppliers Standard and our Supplier Code of Conduct, including requirement that suppliers must, at minimum, comply with relevant environmental legislation and industry standards and be able to demonstrate such compliance upon request. To verify compliance with our Supplier Code of Conduct, on-site visits and audits are conducted. Additional prevention activities in the supply chain are further described under the salient issue Health and Safety.

Human rights due diligence is integrated into our key processes and is described above under example of prevention and remediation activities. Whenever Essity identifies a potential or actual negative impact steps will be taken to mitigate or remediate any harmful activities.

### **Key policies and procedures**

Essity is committed to respecting human Rights. Essity's human right's commitment is reflected throughout Essity's Code of Conduct, Essity's Human Rights Policy and other company policies. All our business partners, suppliers and customers are expected to follow principles equivalent to those included in Essity's Code of Conduct. Our Supplier Code of Conduct and our Business Partner Code of Conduct includes our expectations regarding human rights and employee relations as well as health and safety.

Our efforts to handle actual and potential adverse impacts on fundamental human rights are guided by the following initiatives:

- Universal Declaration of Human Rights;
- United Nations Guiding Principles on Business and Human Rights;
- OECD Guidelines for Multinational Enterprises;
- United Nations Global Compact;
- ILO Core Conventions;
- International Bill of Human Rights;
- Children's Rights and Business Principles.

### **More about Essity's work with Human Rights**

For more information about Essity and Essity's work with Human Rights:

[Essity.com](https://www.essity.com)

[Essity Annual Report 2023](#)

[Essity Human Rights](#)

### **Right to information**

Upon written request, any person has the right to information from Essity regarding how Essity addresses actual and potential adverse impacts as part of Essity's work with human rights. We will respond within three weeks. For more information, see <https://www.essity.com/company/essity-in-the-world/norway/>

Signatures to Essity Norway AS Statement - Norwegian Transparency Act (åpenhetsloven) for 2023

Oslo, 31 May 2024

Per Conradi Andersen	Bjørn Øyrås	Christina M. Rydebrink	Ida Emus
Chairman of the Board	CEO and board member	Board member	Board member

Christine S. Rød	Asle Nistad
Board member	Board member