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Essity AI Ethics Policy

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1. Purpose

This policy describes Essity's ethical principles related to the design, development, and deployment of AI solutions.

AI can inadvertently perpetuate bias, invade privacy, or even cause accidents. When these issues arise, the impact can be significant. This AI ethics policy helps identify, address, and mitigate such risks by defining the ethical principles that need to be adhered to.

2. Scope

This Policy shall apply to all legal entities within the Essity Group, to all employees and, if applicable, third parties acting on behalf of Essity. References to Essity shall mean Essity Aktiebolag (publ) and all its fully owned subsidiaries

3. Description

Artificial intelligence (AI) refers to systems that display intelligent behaviour by analysing their environment and taking actions – with some degree of autonomy – to achieve specific goals. AI-based systems can be purely software-based, acting in the virtual world (e.g. voice assistants, image analysis, software, search engines, speech and face recognition systems) or AI can be embedded in hardware devices (e.g. advanced robots, autonomous cars, drones or Internet of Things applications).

4. Principles

The design, development, and deployment of AI at Essity must be in line and adhere to these ethical principles. This also includes AI solutions developed and deployed in collaboration with external partners.

AI solutions developed independently by third parties and used by Essity should be designed and developed in accordance with ethical commitments and principles similar with those of Essity. In cases where discrepancies between our ethical principles and those of a third party arise, each situation will be evaluated individually. Essity is not accountable for ensuring that these ethical principles are upheld over the AI lifecycle for AI solutions developed by third-parties.

Essity's ethical principles for AI are founded on the "Ethics Guidelines for Trustworthy AI".

Essity's ethical principles for AI are:

- Fair AI
- Explainable AI
- Safe AI
- Human-Centered AI

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Fair AI

- Essity is dedicated to designing, developing and deploying unbiased AI solutions that are fair, equitable, and respectful for all human beings in all their diversity, in alignment with Essity's Diversity Policy.
- Essity is committed to incorporating fair practices at every stage of the AI lifecycle, including addressing bias, discrimination, inequalities, and inequities.
- Essity recognizes the importance to validate the data sources and adhere to appropriate practices during data collection and utilization, including analyzing the data and scrutinizing the output for unintentional bias.
- Biases and discrimination may also be embedded unintentionally within AI models and Essity strives to have teams composed of diverse members, including a mix in gender, ethnicity, discipline, and functional expertise to provide different perspectives, in alignment with Essity's Code of Conduct. All team members should have basic insights into the existence of bias and how to mitigate it.
- Essity aims to minimize the use of potentially biased outputs produced by AI solutions by defining guidelines on how users should validate output before using it.

Explainable AI

- Essity is committed to working with AI technologies under human control and understanding to the extent possible, capturing the importance of integrating human oversight to ensure transparency and trust. AI solutions should be explainable with the degree of explicability dependent on the context and severity of the consequences if the output is erroneous.
- Essity aims to integrate human experts, to the extent possible, throughout the AI lifecycle to monitor and assess output to identify erroneous or misleading results.
- Essity strives to document data sets and processes for AI solutions, ensuring traceability and auditability, to facilitate reexamination of decision-making processes for adjustments and improvements.
- Essity strives to transparently communicate the purpose and capabilities of AI solutions, regardless of whether it's developed by Essity or external partners.

Safe AI

- Essity is committed to designing, developing, and deploying AI solutions that can effectively handle unexpected situations or errors by employing robust fallback mechanisms where achievable, to prevent any potential harm.
- Essity strives to designing, developing, and deploying AI solutions that deliver accurate predictions and outputs while maintaining predictable and consistent behavior across varying conditions, in alignment with Essity's Information Security Policy.

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- Essity aims to safeguarding against unauthorized access, data breaches, and other security threats by ensuring that the AI solution operates within a safe and secure environment.
- Essity is dedicated to ensuring information confidentiality, integrity, privacy, and safety in relation to AI solutions, following Essity’s Information Security Policy.

Human-Centered AI

- Essity is dedicated to designing, developing, and deploying AI solutions that respect the freedom of individuals and actively support them in making informed decisions.
- Essity strives to designing, developing, and deploying AI solutions that support humans in the workplace and create meaningful work and opportunities.
- Essity strives to designing, developing, and deploying AI solutions that are in alignment with Essity’s Sustainability Policy.

5. Change management of the policy

This Policy shall be reviewed on a regular basis by the AI Centre of Excellence and updated when deemed appropriate.

6. Follow up of this policy

Review annually in the AI Council

7. Document history

Version	Description of changes from last version
1.0	