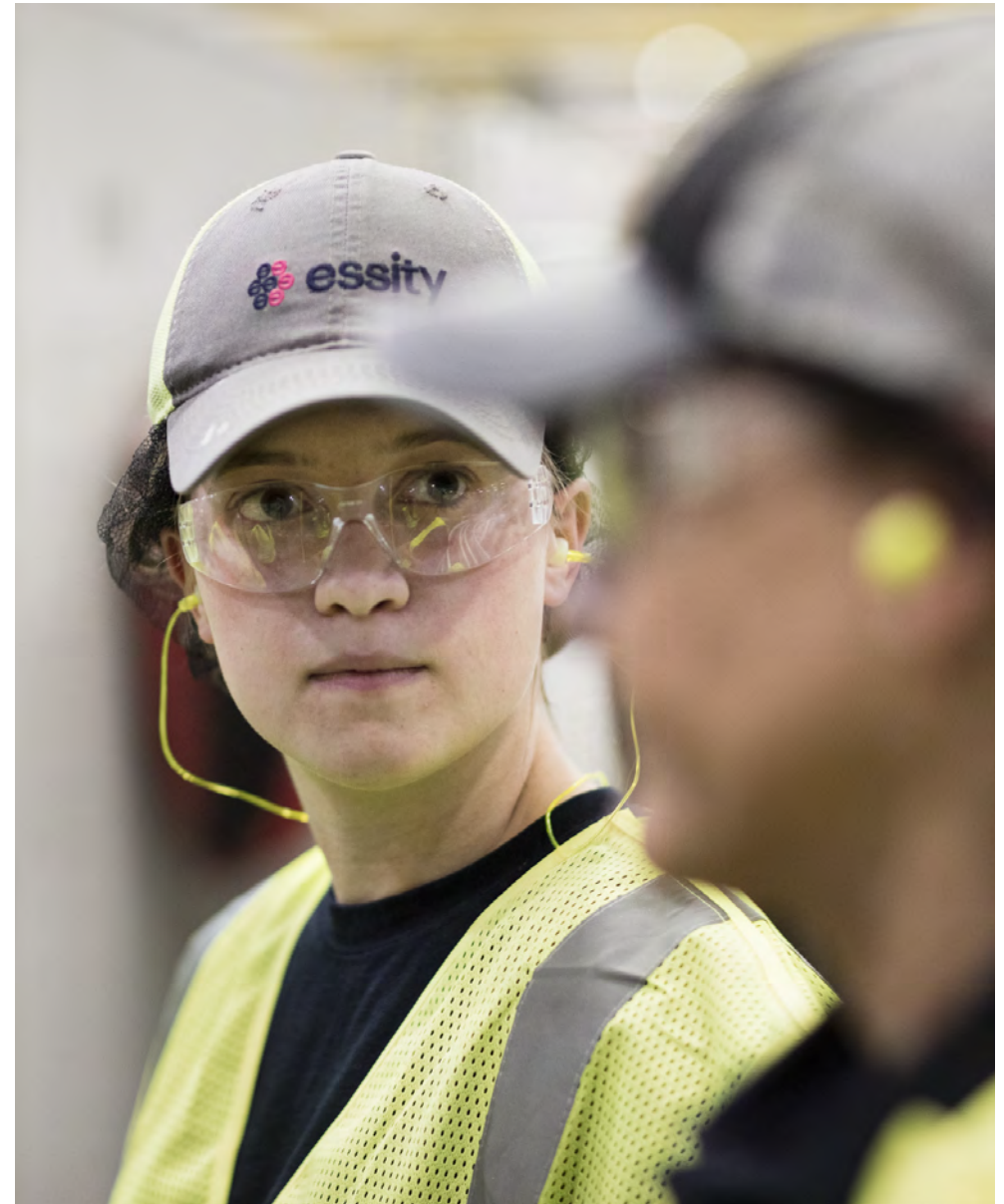


A photograph of two men in a factory setting. The man on the left is older, with a grey beard and glasses, wearing a yellow cap and a green shirt. The man on the right is younger, wearing a grey and yellow cap with the 'essity' logo, safety glasses, and a dark shirt. They are both looking intently at something out of frame. A large pink diagonal shape is on the left side of the image.

Policy Statement – The German
Act on Corporate Due Diligence
Obligations in Supply Chains (LkSG)

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Introduction

This Policy Statement has been issued pursuant to Essity's obligations under applicable German law, and specifically the Lieferkettensorgfaltspflichtengesetz (known as the German Act on Corporate Due Diligence Obligations in Supply Chains, or the LkSG).

The purpose of this Policy Statement is to detail how Essity is committed to respecting human rights and environment-related risks potentially arising within Essity's supply chain, including Essity's own business area pursuant to LkSG requirements. The human rights and environment-related risks referred to in this Policy Statement are detailed in the Appendix.

Essity's approach to human rights is based on the United Nations Guiding Principles on Business and Human Rights. 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 and the OECD Guidelines for Multinational Enterprises. 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.

VP Compliance & Ethics

Essity Group



Risk Management

Essity has a risk management system with regards to human rights and environment-related due diligence obligations in accordance with the due diligence obligations of the LkSG. This system is embedded into Essity's corporate governance and group risks management process. Human rights and environment-related 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 responsibility to implement Essity's human rights commitments follows Essity's line management structure. To safeguard compliance and efforts, the Essity human rights commitments are overseen and followed up by Essity Compliance department, reporting findings on these matters into Essity's Compliance Council, which includes members of the Executive Management Team. Essity's risk management system is designed to identify and minimize human rights and environment-related risks.

For more information about Essity's corporate governance and risk management processes, see the Annual and Sustainability Report.

› [Essity's Annual and Sustainability Report](#)

For more information about Essity's Human Rights Framework, see [essity.com](#).

› [essity.com](#)



Risk Analysis

It is our responsibility to regularly assess human rights and environment-related risks. Therefore, Essity's Human Rights Framework includes regular Group Human Right Impact Assessments (HRIAs) where salient human rights issues are mapped. In addition, local impact assessments are performed in different countries with focus on the risks highlighted in the group HRIA. For more information about Essity's Human Rights Impact Assessments and our mapped salient human rights risks, see [essity.com](https://www.essity.com)

Essity conducts regular risk analysis to identify human rights and environment-related risks in Essity's own business area and the supply chain. Human rights and environment-related risks are weighted, prioritized and communicated as applicable.

Essity's own and wholly owned production facilities conducts regular self-assessments in the Supplier Ethical Data Exchange's system (Sedex) and the

self-assessments are available to our customers who are part of Sedex. Sedex self-assessment includes the areas labour, health and safety, environment, and business ethic. We apply a systematic approach to ensure that our suppliers globally operate in line with our Code of Conduct for Suppliers. Essity requires that the company's suppliers use Sedex to conduct a self-assessment. Audits at the suppliers' sites, in accordance with OECD guiding principles for Multinational Enterprises and UN Global Compact, are used to verify compliance and to identify and address potential social and ethical issues. Essity conducts supplier due diligence that includes human rights risks on a risk-based approach with focus on high-risk areas in the supply chain. Findings from risk analysis are addressed and considered as appropriate.





Preventive Measures

Essity has implemented measures to prevent and mitigate adverse human rights and environment-related impacts and risks that have been identified and prioritized. Essity's commitment is reflected in our governing documents and associated processes, these are for example;

- › Code of Conduct
- › Global Supplier Standard with Code of Conduct for Suppliers
- › Business Partner Code of Conduct
- › Human Rights Policy
- › Sustainability Policy

Global Supply Chain's screening process for the 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. Essity continuously performs risk assessment of suppliers, including an evaluation from a human rights and environment-related obligations. Strategic suppliers are also requested to share their human rights status via Sedex. Additional key risk mitigation actions are that suppliers are required to sign and acknowledge our Supplier Code of Conduct, including expectations relating to human rights and environment-related risks.

The effectiveness of the preventive measures is reviewed annually or more often if required.

Remedy

Essity differentiates between violations in our own business area and those that occur with suppliers. If we become aware of violations of human rights or environmental obligations in our own business, we will take immediate action to prevent, stop or minimize the extent of the violation.

If we become aware of violations by a direct or indirect supplier, we will take immediate action in accordance with the requirements set out in our Supplier Code of Conduct. Depending on the severity of the violation, we reserve the right to react appropriately. Essity monitors identified incidents and the measures taken to prevent future recurrences.



Complaints Procedure

Essity offers all employees a number of internal channels to report violations of our Code of Conduct or laws. Essity's Code of Conduct includes a section on how the company's whistleblower system, SpeakUp, works. The SpeakUp system is available 24/7 by phone or online in more than 25 languages and it is managed by an external party. Where permitted by law, breaches can be reported anonymously. Retaliation against individuals who submit reports in good faith will not be accepted.

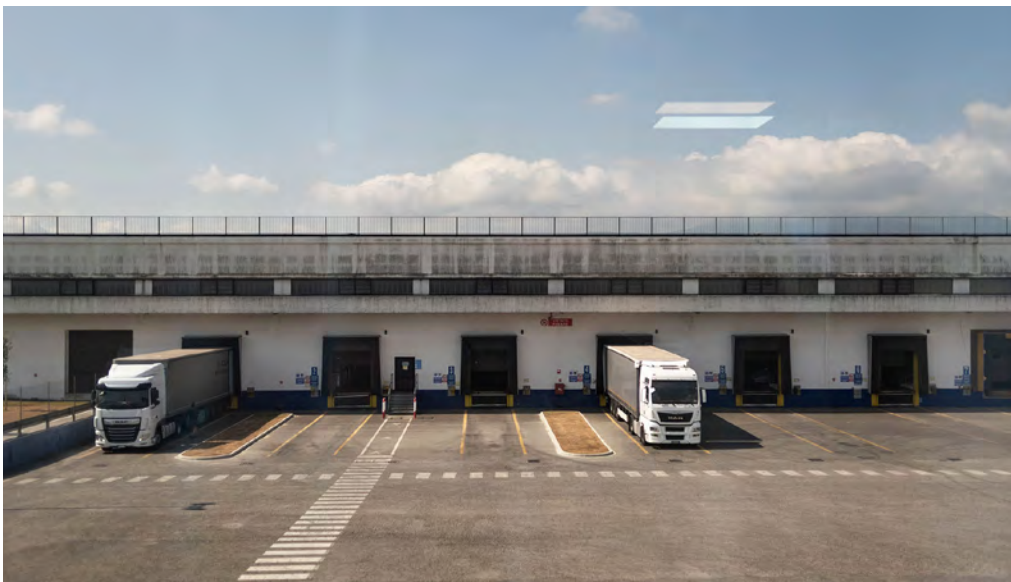
Essity is committed to making the SpeakUp whistleblowing system available to those stakeholders where we see an increased risk of human rights violations and environmental impacts through the SpeakUp system at essity.com. Submitted SpeakUp reports are presented regularly to Essity's Compliance Council. In addition, statistical information for the SpeakUp system is presented in the Annual and Sustainability Report.

› [Essity's Annual and Sustainability Report](#)

Upon receipt of any concern received via SpeakUp, Essity will (as appropriate):

- Acknowledge the concern within 7 working days;
- Seek further information where the concern is not sufficiently detailed to be investigated;
- Conduct risk analysis; and
- Decide on appropriate actions.

The effectiveness of the complaints' procedure is reviewed annually or more often if required.





Documentation and Reporting

The fulfilment of the due diligence obligations pursuant to LkSG is continuously documented within Essity. The documentation will be stored for at least seven years from its creation, or longer if required by local legislation. The documentation requirements are stipulated in Essity's Human Rights Policy. The

responsibility for documentation lies within each responsible organization as set out in Essity's corporate governance structure.

The annual report in accordance with the requirements of the LkSG will be submitted to the Federal

Office for Economic Affairs and Export and will be published on [essity.com](https://www.essity.com)

Appendix

Human rights and environment-related risks according to the LkSG are conditions in which, on the basis of the factual circumstances, there is sufficient probability that a violation of the following prohibitions is imminent:

Human rights risks

1. The prohibition of the employment of a child under the age at which compulsory schooling ends according to the law of the place of employment, provided the age of employment is not less than 15 years, except where the law of the place of employment so provides in accordance with Article 2 (4) and Articles 4 to 8 of Convention No.138 of the International Labour Organization of 26 June 1973 concerning Minimum Age for Admission to Employment (Federal Law Gazette II pp. 201, 202).
2. The prohibition of the worst forms of child labour for children under the age of 18, in accordance with Article 3 of Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291), which includes:
 - a. All forms of slavery or practices similar to slavery, such as the sale of and trafficking of children, debt bondage and serfdom, and forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts;
 - b. The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
 - c. The use, procuring or offering of a child for illicit activities, in particular for the production of or trafficking in drugs; and
 - d. Work which, by its nature or because of the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.
3. The prohibition of the employment of persons in forced labour; this includes any work or service performed by a person under the threat of punishment and for which he or she has not made himself or herself available voluntarily, for example as a result of debt bondage or trafficking in human beings; excluded from forced labour are any work or services that comply with Article 2 (2) of Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II p. 640, 641) or with Article 8 (3) (b) and (c) of the International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II pp. 1533, 1534).
4. The prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliations.
5. The prohibition of disregarding the occupational health and safety obligations applicable under the law of the place of employment if this gives rise to the risk of accidents at work or work-related health hazards, in particular, due to:
 - a. Obviously insufficient safety standards in the provision and maintenance of the workplace, workstation and work equipment.
 - b. The absence of appropriate protective measures to avoid exposure to chemical, physical and biological substances.
 - c. The lack of measures to prevent excessive physical and mental fatigue, in particular due to inappropriate working hours and rest breaks.

- d. Inadequate training and instruction of employees.
6. The prohibition of disregarding the freedom of association, according to which:
 - a. Employees are free to form or join trade unions.
 - b. The formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation.
 - c. Trade unions are free to operate in accordance with applicable law of the place of employment, which includes the right to strike and the right to collective bargaining.
 7. The prohibition of unequal treatment in employment, for example on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employment; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value.
 8. The prohibition of withholding an adequate living wage; the adequate living wage amounts to at least the minimum wage laid down by the applicable law, and apart from that, is determined in accordance with the regulations of the place of employment.
 9. The prohibition of causing any harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption that:
 - a. Significantly impairs the natural bases for the preservation and production of food;
 - b. Denies a person access to safe and clean drinking water;
 - c. Makes it difficult for a person to access sanitary facilities or destroys them; or
 - d. Harms the health of a person.
 10. The prohibition of unlawful eviction and the prohibition of unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person.
 11. The prohibition of the hiring or use of private or public security forces for the protection of the Suppliers project if, due to a lack of instruction or control on the part of the enterprise, the use of security forces:
 - a. Is in violation of the prohibition of torture and cruel, inhumane or degrading treatment;
 - b. Damages life or limb; or
 - c. Impairs right to organise and the freedom of association.
 12. The prohibition of an act or omission in breach of a duty to act that goes beyond nos. 1 to 11, which is directly capable of impairing a protected legal position in a particularly serious manner, and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question.

Environment-related risks

1. The prohibition of the manufacture of mercury-added products pursuant to Article 4 (10) and Annex A Part 1 of the Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II pp. 610, 611) (Minamata Convention).
2. The prohibition of the use of mercury and mercury compounds in manufacturing processes within the meaning of Article 5 (2) and Annex B Part 1 of the Minamata Convention from the phase-out date specified in the Convention for the respective products and processes.
3. The prohibition of the treatment of mercury waste contrary to the provisions of Article 11 (3) of the Minamata Convention.
4. The prohibition of the production and use of chemicals pursuant to Article 3 (1) (a) and Annex A of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), last amended by decision of 6 May 2005 (Federal Law

Gazette 2009 II pp. 1060, 1061), in the version of Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169 of 26 May 2019 pp. 45-77), as last amended by Commission Delegated Regulation (EU) 2021/277 of 16 December 2020 (OJ L 62 of 23 February pp. 1-3).

5. The prohibition of the handling, collection, storage and disposal of waste in a manner that is not environmentally sound in accordance with the regulations in force in the applicable jurisdiction under the provisions of Article 6 (1) (d) (i) and (ii) of the POPs Convention.
6. The prohibition of exports of hazardous waste within the meaning of Article 1 (1) and other wastes within the meaning of Article 1 (2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II pp. 2703, 2704) (Basel Convention), as last amended by the Third Ordinance amending Annexes to the Basel Convention of 22 March 1989 of 6 May 2014 (Federal Law Gazette II pp. 306, 307) and within the meaning of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste OJ L 190 of 12 July 2006 pp. 1-98) (Regulation (EC) No 1013/2006), as last amended by Commission Delegated Regulation (EU) 2020/2174 of 19 October 2020 (OJ L 433 of 22 December 2020 pp. 11-19).
 - a. To a party that has prohibited the import of such hazardous and other wastes (Article 4 (1) (b) of the Basel Convention);
 - b. To a state of import as defined in Article 2 no. 11 of the Basel Convention that does not consent in writing to the specific import, in the case where that state of import has not prohibited the import of such hazardous wastes (Article 4 (1) (c) of the Basel Convention);
 - c. To a non-party to the Basel Convention (Article 4 (5) of the Basel Convention);
 - d. To a state of import if such hazardous wastes or other wastes are not managed in an environmentally sound manner in that state or elsewhere (Article 4 (8) sentence 1 of the Basel Convention).
7. The prohibition of the export of hazardous wastes from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No 1013/2006).
8. The prohibition of the import of hazardous wastes and other wastes from a non-party to the Basel Convention (Article 4 (5) of the Basel Convention).



› For more information about Essity, visit www.essity.com