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Tax Policy

1. Purpose

The Policy sets out the objectives and the fundamental principles for the Essity Group's tax management and governance. It explains the limits for acceptance of risk, rules for certain transactions and practices and the principles for Essity's relation to tax authorities.

2. Scope

The Policy is comprehensive and valid in relation to all taxes and to all tax management under Essity's control.

3. Description

General approach

The overall goal with our tax management is to contribute to the shareholder value. Essity strives to be a good corporate citizen and comply with the laws in all countries where we operate. Where laws need interpretation, and where appropriate interpretation so requires, we comply with the spirit of the law and not only with the letter of the law. We refrain from aggressive tax planning.

Relation to tax authorities

We acknowledge the legitimate interest of tax collection and believe taxation is important to advance economic development. We look to establish good working relations to tax authorities in countries where we operate and never intentionally or knowingly take financial advantage of weaknesses in institutional structures or shortcomings in the tax collection process.

Transparency

We comply with all statutory requirements in terms of reporting and disclosure of tax information without considering the balance between the burden on our business of doing so and the relevance of the required information. We understand the value of financial reporting to investors and society, and work to provide transparent and balanced disclosure in communicating our tax affairs.

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Risks

Our approach to risk requires that we consider the implications of our tax management on the group's brand and reputation. We refrain from transactions unrelated to the business context and only take those tax positions that could be sustained after full and correct disclosure. We do take advantage of local tax incentives where this is not in conflict with our commitment to comply with local laws, but we do not use so called tax havens to gain tax advantages and we refrain from involving in practices that would constitute prohibited state aid or other unlawful competition by governments. In our cross-border transactions we aim to apply such pricing and other conditions that are in compliance with both local laws and the OECD Transfer Pricing Guidelines for Multinational Enterprises.

4. Change management of the policy

This policy shall be reviewed annually. The Policy is approved by the Board.

Instructions and complementary guidelines for the performance of this policy may be issued. Such governing documents are subordinated to this Policy and can never limit, restrict or amend the Policy.

5. Follow up of this policy

Group Tax is responsible for the implementation of the Policy and for the reporting of performance of the Policy.

6. Document history

Version	Description of changes from last version
3.0	Change of PL