

## **Essity's human rights due diligence process**

Essity's human rights due diligence process was developed in 2014 with the support of BSR, a non-profit organization who supports businesses in adopting sustainable practices. The process is guided by the UN Guiding Principles on Business and Human Rights, which ensures that we proactively detect and respond to any adverse human rights impact.

### **Defining salient issues**

Essity's salient human rights issues are defined through a group-wide risk mapping process made by a multi-disciplinary team across the group. The Universal Declaration of Human rights is used in the exercise, where risks are rated based on impact on rights-holders rather than impact on business.

### **Integrating findings into business processes**

Based on the group-wide risk mapping, a number of internal processes have been reviewed and strengthened to prevent or mitigate adverse human rights impact.

#### **1. Labor-related risks**

##### ***Our operations***

All our main production sites are required to report into Sedex, a global platform for sharing ethical data. The areas to be disclosed are labor conditions, health and safety, business ethics and environmental management. An annual review takes place to evaluate the sites with respect to reported areas. The sites at risk are either required to submit a corrective action plan based on the findings, and/or be subject to a Code of Conduct audit to verify compliance.

For high-risk regions where the above-mentioned procedure is not deemed sufficient, a regional impact assessment is conducted with the regional management team. The assessment mirrors Essity's global process when defining its salient issues and results in mitigation/corrective action plans for all sites in the high-risk region.

Since the launch of the program, regional and site-level impact assessments have been carried out in all units in Latin America. Implementation in newly acquired sites and additional high-risk regions will take place in 2018.

##### ***Our supply chain***

Essity has a number of risk assessment processes where suppliers are evaluated from a human rights perspective. One of the tools used in these processes is the web-based data platform Sedex that suppliers are requested to join and use for information sharing information.

All Essity's sourcing personnel are also trained to assess and identify human rights risks in their daily activities and interactions with suppliers.

High-risk suppliers are either required to explain/remediate deviations or are subject to an on-site audit followed by a corrective action plan.

We have identified elevated labor related risks in parts of our supply chain, where migrant workers are at increased risk of exploitation. To this end we have updated our

Code of Conduct as well as our supplier standard to highlight this aspect, and we will further strengthen our recruitment and sourcing mechanisms in 2018.

## **2. Rights to land**

Essity's fiber purchase is centralized on a global level. 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.

## **3. Access to health and hygiene**

Access to hygiene and health products and solutions is vital when it comes to ensuring people's well-being, good health and livelihood, and the development of society. As a company offering these products, Essity aims to assume responsibility for the entire life cycle of its products, even after they have been used. Essity and our brands work across three platforms: Well-being, More from less and Circularity

- Well-being: For us at Essity, well-being is the healthy state of both, mind and body. We enable more people every day to live a fuller life together with families, friends, colleagues and the wider society.
- More from less: We are committed to sustainable consumption. We continuously reduce resources in the whole life cycle of our products and services. By conducting life cycle assessments (LCA), we can identify the areas of the value chain with the most important environmental impacts and thus focus our efforts to achieve the best results
- Circularity: Our ambition is to design products and solutions that fit into a circular society. Essity collaborates to increase renewable materials and to find new waste solutions.

Essity follows strict requirements and procedures to ensure that all materials in the company's products are safe for consumers, employees and the environment. There are global product safety guidelines in place for all products to ensure that they are safe for their intended purpose.