

## **Slavery and Human Trafficking Statement**

### **Respecting Human Rights**

Human rights are basic rights and freedoms to which all people are entitled. Essity supports and respects internationally proclaimed human rights wherever we operate. In line with the United Nations Guiding Principles on Business and Human Rights, we have integrated these principles into the Essity Group Code of Conduct, applicable to all Essity companies worldwide and their daily business practices.

This statement describes the steps Essity is taking to prevent modern slavery in its operations and supply chain, in accordance with the United Kingdom's Modern Slavery Act 2015.

Our approach includes a commitment to:

- uphold and communicate our values and standards at our workplace, in our operations and towards our business partners;
- ensure we have processes in place to avoid human rights abuses;
- address any negative human rights impacts which our business may cause or contribute to;
- track and communicate our performance to our stakeholders; and
- use our influence to promote and support human rights in the communities in which we operate through community engagement and external initiatives such as the United Nations Global Compact.

Furthermore, Essity recognizes children as stakeholders who need particular protection. Guided by the Children's Rights and Business Principles we will respect and support children's rights in our business and society. Wherever Essity's business activities impact children, we will have their best interests in mind.

### **Child Labour**

Essity does not accept child labour or other forms of exploitation of children in our operation or value chain, nor in the operations of any business partner. We will always strictly follow applicable national laws and international standards regarding minimum working age wherever we operate.

### **Forced Labour**

We do not tolerate any form of forced, bonded or compulsory labour or physical punishment. No one may be required to lodge deposits, or be deprived of their identity papers upon commencement of their employment. Under no circumstances should workers be charged fees or expenses related to their recruitment and they must always be free to leave their employment in accordance with applicable law or contract.

Employees must report suspicions of forced labour, child labour or physical punishment at any Essity facility or the facilities of any supplier, distributor or other business partner.

Essity has taken a variety of actions to verify the absence of forced labour, slavery and human trafficking in our supply chain, including the following:

**1. VERIFICATION AND RISK ASSESSMENT:**

On an annual basis, Essity's major suppliers are evaluated from a risk perspective as a part of the Sourcing Strategy. Among the risks taken into consideration are Financial, Geopolitical, Environmental, Legal, Social/Ethical and Market / Supply. The resulting aggregated risk index for a supplier can trigger a specific Ethical Audit (further information below).

**2. GLOBAL SUPPLIER STANDARD COMPLIANCE:**

Suppliers are requested to comply with Essity's Global Supplier Standard, that includes our Supplier Code of Conduct that states Essity's expectations on suppliers in the following areas:

- compliance with laws,
- health & safety,
- employee relations,
- business practice,
- community relations,
- privacy of data,
- environment
- respect for human rights (specific mention of child, forced or compulsory labour)

Key suppliers' operations are audited to ensure compliance with Essity's Global Supplier Standard on a regular basis.

**3. SUPPLIER ETHICAL DATA EXCHANGE (SEDEX):**

Suppliers are requested to share their ethical and social status through the online information tool SEDEX (Supplier Ethical Data Exchange) <http://www.sedexglobal.com/>.

**4. ETHICAL AUDITS:**

Essity conduct Ethical audits (carried out by accredited third-party auditors) based on the SMETA 4-pillar format that includes areas such as labour standards, health & safety and entitlement to work. The decision to initiate an audit is based on international indices such as Sedex risk ranking (based on input from e.g. World Bank, ILO, Transparency International, Unicef, World Economic Forum) outcome

from SEDEX questionnaires or outcome from Essity's own Global Supplier Standard audits.

#### **5. CODE OF CONDUCT:**

As a signatory of the United Nations Global Compact since 2008, Essity's Code of Conduct clearly states Essity's position against slavery, bonded labour and trafficking.

Internal accountability standards and procedures are defined to help confirm that employees and suppliers meet Essity standards. Supplier accountability occurs through mechanisms ranging from audit corrective actions (see ETHICAL AUDITS above) to supplier scorecards and quarterly business reviews. Essity is committed to remedy any situation where our activities have caused adverse human rights impact.

A third-party administered grievance channel, Essity's hot line, is available for all employees, enabling them to report violations of Essity's Code of Conduct.

Essity's Supplier Code of Conduct obliges suppliers to report to their Essity representatives, any suspicions of a material breach of any of the supplier's obligation under the Supplier Code of Conduct, including any breach by Supplier's sub-suppliers. Also Essity expects its suppliers to have in place effective grievance channels through which employees can report complaints and grievances about their working conditions without fear of retaliation

#### **6. TRAINING:**

All Essity supply chain management professionals are trained on the Essity Code of Conduct regularly through a variety of training approaches, from in-person, workshops to online modules. Human trafficking is consistently covered as part of the training provided. Essity's Global Supply Chain Management organization has responsibility for implementing and monitoring compliance to all of the supply chain activities described above.

Our focus on slavery and human trafficking is part of a larger effort to encourage supply chain transparency and accountability. We will not tolerate forced, bonded (including debt bondage) or indentured labour, involuntary prison labour, slavery, or trafficking of persons by any Essity supplier or for any other purpose.

Further information can be obtained in Essity's Annual and Sustainability Report, available on <https://www.essity.com/investors/reports/annual-reports/>

January 2021



Details of Essity's Human Right's commitment is available via  
<https://www.essity.com/sustainability/human-rights/>

A handwritten signature in purple ink, appearing to be 'K. Starr'.

**Kevin Starr**

Signed for and on behalf of

**Essity UK Ltd**

**Essity Operations Manchester Ltd**

**Essity Operations Ltd**

**Essity Holding UK Ltd**

**BSN Medical Ltd**

**BSN Medical Distribution Ltd**