

# Modern Slavery Statement 2025

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## 1 About this Modern Slavery Statement

This Modern Slavery Statement has been prepared by Essity to meet the reporting requirements of the Australian Modern Slavery Act 2018 and covers the calendar year 2024. The Statement forms part of the Essity annual reporting suite, which also includes our 2024 Annual and Sustainability Report and Corporate Governance Report, which are all available on our website (www.essity.com).

This Statement covers all the entities within Essity globally, and our approach to tackling modern slavery is applied across the whole of the Essity group, including those operating in Australia (Essity Australasia and BSN Medical). Essity Australasia and BSN Medical have shared actions, policies and procedures to address the risk of modern slavery in our supply chain. The companies work together to respond to ethical sourcing queries from customers and share a consistent approach to supplier onboarding and management. The approach includes application of our policies, procedures, and systems relating to supply chain management, contracting, purchasing and human resources practices. All references to our, we, us, the Group and Essity refer to Essity Australasia, and its subsidiaries.

This 2025 Statement has been prepared by management representatives responsible for Essity Global Procurement.

This Statement was approved by the Essity Holding Australia Pty Ltd (ACN: 649 073 003) Board of Directors on 24 June 2025, and the BSN Medical Australia Finance Holding Pty Ltd (ACN 159 120 135) Board of Directors on 24 June 2025, as the highest governance bodies of our Australian operations.

J. Jakka
By:
Sid Takla (Director)

Essity Holding Australia Pty Ltd

By: \_\_\_\_\_

Sanjeev Omprakash Singh (Director)

BSN Medical Australia Finance Holding Pty Ltd

# 2 Letter from the Essity Australasia Managing Director

Essity provides over a billion people worldwide with hygiene and health solutions every day. Caring for people's well-being and supporting human dignity is a fundamental part of our identity and is central to our sustainable business practices.

Our business and our people recognise the scale and prevalence of modern slavery and are committed to playing our part to prevent, find and address the issue. We also recognise the inherent dignity of all people and the importance of respecting and promoting human rights. We know that some workers are more vulnerable to modern slavery practices, such as migrants, seasonal and temporary workers.

Modern slavery practices including human trafficking, forced labour, debt bondage, child labour, forced marriage and other abuses of basic human rights are unacceptable and have no place in our business or supply chains.

Grappling meaningfully with human rights risk is not a straightforward matter for any organisation and remains an ongoing focus. There is no fast track or fool-proof method for the complex issue of modern slavery, which can be hidden deep in local and global supply chains.

This Statement describes the steps Essity is taking to prevent, identify and remediate modern slavery in its operations and supply chain, in accordance with the Australian *Modern Slavery Act 2018*.

Essity continues to use a fully embedded risk-based approach, and our efforts to address modern slavery and other human rights risks is in line with the United Nations Guiding Principles on Business and Human Rights, and therefore we are committed to:

- 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. To this end,
  we are a signatory to the United Nations Global Compact;
- Respect and support children's rights in our business and society, guided by the Children's Rights and Business Principles. We do not accept child labour or any other forms of exploitation of children in our operations or value chain and will always strictly follow applicable national laws and international standards regarding minimum working age. When our activities impact children, we will have their best interests in mind;
- integrate human rights due diligence into our key processes, and whenever we identify potential or actual negative impact, take steps to mitigate or remediate harmful activities;
- integrate the responsibility for our human rights commitments into the line management structure and work processes and procedures; and
- comply with national laws or standards and when in conflict with human rights standards, we will honor and respect the principles of international human rights.

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Sid Takla Managing Director Essity Australasia June 2025

#### **About Essity**

Essity is a global, leading hygiene and health company with the purpose to break barriers to well-being. Every day, we improve the hygiene and health of one billion people in 150 countries. We are dedicated to improving well-being and contributing to a healthy, sustainable and circular society through our products and services.

Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other major brands, such as JOBST, Leukoplast, Libero, Libresse, Libra, Bodyform, Lotus, Saba, Tempo, Plenty, Regio, Modibodi, Knix, TOM Organic, Purex, Orchid, Viti, Softly, Handee and Zewa.

Our largest markets, in terms of sales, are the United States, Germany, UK, Mexico, France, Spain, Netherlands, Colombia, Italy and Canada. By region, 60% of sales are made in Europe, with approximately 17% of sales in both North America and Latin America.

Net sales in 2024 amounted to approximately SEK 146bn. The company's headquarters is located in Stockholm, Sweden, and Essity is listed on Nasdaq Stockholm.

Essity has about 36,000 employees.

# Purpose and vision

Purpose

Breaking barriers to well-being

#### Vision

To be the undisputed global leader in hygiene and health

#### Mission

Develop, supply and sell superior hygiene and health products, solutions and services

#### Value for our stakeholders

- Enable more people every day to enjoy a fuller life
- Contribute to a more sustainable and circular society
- Generate increased shareholder value through profitable growth

## 2.1 Our products and business areas













#### **Health & Medical**

Health & Medical encompasses the Incontinence Products Health Care and Medical Solutions categories. The range includes incontinence products, wound care, compression therapy, orthopedics, skincare products and digital solutions with sensor technology under brands such as TENA, Leukoplast, Cutimed, JOBST, Actimove and Delta-Cast. Distribution channels for the products are pharmacies, medical devices stores, hospitals, distributors and care institutions as well as online.

#### **Consumer Goods**

Consumer Goods includes the categories of Incontinence Products Retail, Baby Care, Feminine Care and Consumer Tissue. The range includes incontinence products, pads, diapers, wet wipes, skincare products, soaps, menstrual cups, leakproof apparel, toilet paper, household towels, handkerchiefs, facial tissues and napkins. Products are sold under brands such as the global leading TENA brand and other popular brands including Libero, Libresse, Nosotras, Saba, TOM Organic, Lotus, Regio and Tempo.

#### **Professional Hygiene**

Professional Hygiene comprises complete hygiene solutions, including toilet paper, paper hand towels, napkins, hand soap, hand lotion, hand sanitizers, dispensers, cleaning and wiping products as well as service and maintenance under the leading global Tork brand. Essity also offers digital solutions, such as Internet of Things sensor technology, enabling data-driven cleaning. Customers consist of office buildings, universities, healthcare facilities, manufacturing sites, restaurants, hotels, stadiums and other public venues. Distribution channels for the products consist of distributors and online.

## 2.2 Our operations

Essity conducts sales in approximately 150 countries, and directly manufactures products at the following manufacturing sites:



In addition to direct manufacturing, Essity also sources finished goods for select products under our brands, and these supply chains are covered in Section 3 of this Statement.

## 2.2.1 Identifying and managing risks in our own operations

Essity's Code of Conduct is a cornerstone of our efforts to ensure that our business operations are conducted responsibly. The Code of Conduct ensures integrity lies at the heart of our interactions with our stakeholders.

Training is an important tool to help employees act in accordance with the Code, including training for new employees when they join our business. In 2024, 90% of Essity's new employees received training in the Code of Conduct which is an increase from 88% in 2023. We continuously strive to achieve a culture of integrity by integrating the Code of Conduct into all areas of the business. The Code of Conduct describes how employees are to act, how the company operates, stakeholder expectations of Essity, and Essity's commitment to human rights. All wholly owned subsidiaries are bound by the Code of Conduct. Ethical business practices, good working conditions, zero tolerance of harassment and respect for human rights are a few of the focus areas of this training.

Every year, all of our production sites use a self-assessment questionnaire to report data into Supplier Ethical Data Exchange (Sedex), a global platform for collecting and sharing data on factors that contribute to ethical operations. The areas to be evaluated are linked to working conditions, environment, business ethics as well as health and safety. A review takes place to benchmark and to evaluate the sites with respect to the reported areas. The sites considered as 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.

Sedex makes changes to this questionnaire to ensure it continues to meet and exceed the expectations of stakeholders working to enhance ethical business practices across the globe. The responses we provide to this comprehensive annual ethical sourcing questionnaire are available to our customers and business partners, providing transparency throughout the supply chain for our products.

For high-risk regions where the above-mentioned procedure is not deemed enough, 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.

#### Essity Sedex based risk assessment of manufacturing sites **Ethical Trade Audit** Audit / Action plan Self-Assessment Risk Assessment **Update SAQ** Questionnaire (SAQ) (SMETA) / Local audit Sites complete the SAQ Assess sites information Higher risk sites can be Action plans created to Once per year and/or about their business using Sedex RADAR tool audited by SMETA improve management practices and upload this standard and medium risk controls implemented, update the info in SEDEX Advance sites by a local audit SAQ Regional RESH and SLT Site, RESH, HR Manager Global RESH Internal Audit or Third Party Regional RESH and SLT

RESH = Risk, Environment, Safety & Health

## 3 Responsible Procurement

In 2024, Essity had a procurement spend of approximately 6 billion Euro.

We are dedicated to taking proactive measures to address material impacts on supply chain workers. Our approach involves identifying and mitigating risks, seizing opportunities to enhance worker well-being and continuously evaluating the effectiveness of our actions.

Essity closely monitors the rapid changes in the legislative landscape regarding the obligation to perform due diligence as well as other trade-based legislation. Procedures are updated on a regular basis and key personnel are trained to ensure that risk assessments are conducted properly and that there is relevant documentation and transparency. Essity has an established process to perform continuous risk assessments of the company's suppliers and procurement categories.

Approximately 54% of Essity's strategic suppliers for raw materials and finished products are located in Europe, 37% in North and South America and 9% in Asia and Africa. These numbers are largely unchanged since 2023. Many of the strategic suppliers' production facilities located in Asia and South America are part of large multinational corporations based in



Europe and the USA. This is a conscious choice by Essity to reduce the social and ethical risks within the supply chain.

Certain materials, such as cotton, bamboo cellulose and wood fiber, are considered to have significant risks further down in the value chain. Essity takes further measures here, such as audits of subcontractors, or chooses certified raw materials that guarantee more sustainable and ethical extraction, harvesting, processing and production.

Suppliers with manufacturing units located in high-risk countries according to the Sedex assessment, are examined with particular care using regular ethical third-party audits with a focus on health and safety, human rights, employment conditions and corruption. At the end of 2024, Essity had a total of 1,020 suppliers that share data via Sedex, an increase of 6% compared to 2023.

During 2024, Essity evaluated the outcomes of 75 ethical supplier audits carried out in Mexico, Colombia, Sri Lanka, South Africa, Turkey, Brazil, Argentina, India, Taiwan, the United Arab Emirates and Malaysia. Six of these audits were initiated by Essity using an independent audit firm. The other 69 ethical audits, which meet Essity's requirements, were conducted at the initiative of other customers to the suppliers and were approved by Essity. Essity is informed within 24 hours in the event of critical observations. No agreements with strategic suppliers related to workers in the supply chain were terminated during 2024. No agreements with strategic suppliers were terminated due to sustainability related noncompliance in 2024.

## 4 Essity Global Supplier Standard

All of our suppliers and other business partners are expected to follow principles equivalent to those included in the company's Code of Conduct. Essity therefore has a Global Supplier Standard to ensure responsible business operations and respect for human rights in the company's supply chain. This Standard contains supplier requirements concerning quality, product safety, the environment and chemicals. It also contains a Code of Conduct for suppliers that includes Essity's expectations as regards to human rights and employee relations, as well as health and safety. The Global Supplier Standard is updated periodically to reflect the evolving ethical sourcing expectations we have of our suppliers.

Compliance with these principles is a key factor when choosing suppliers and other business partners. Suppliers who have undertaken to follow the criteria in this standard accounted for

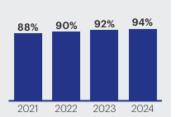
<sup>&</sup>lt;sup>1</sup> It's important to note that as a growing global business, Essity regularly acquires businesses to add to its portfolio of leading health and hygiene brands. These businesses take time to be incorporated into Essity's ways of working, and they are at different points in their adoption of Essity's sustainable sourcing policies including the rollout of the Global Supplier Standard. Many of these newly acquired businesses have existing supplier standards and other measures to identify and address risks of modern slavery. Before acquiring a new business, Essity includes modern slavery risk and their supplier standards as part of the company's due diligence process.

94% of Essity's procurement spend in 2024. Our target is that by end-2025, 95% of our procurement spend will come from suppliers that comply with our Global Supplier Standard.

#### Responsible procurement

Share of total purchase cost from suppliers that comply with Essity's Global Supplier Standard

Target 2025: 95% Outcome: 94%



Essity's Global Supplier Standard can be accessed via Essity Global Supplier Standard.

# 5 Identifying Risks of Modern Slavery

Essity's procurement personnel are trained to assess and identify human rights risks in their activities and interactions with suppliers. Essity continuously performs risk assessments of suppliers, including an evaluation from a sustainability and human rights perspective. Essity requires that the company's suppliers use Sedex to conduct a self-assessment linked to working conditions, environment, business ethics and health and safety. Suppliers located in countries that Sedex considers high-risk countries undergo an ethical audit that focuses on areas such as human rights, employment conditions and corruption. An ethical audit may also be initiated on the basis of other indicators, such as a low rating in Sedex or a low score in Essity's quality audits of suppliers. The preferred audit format is SMETA, which is the most widely used method globally for social and ethical audits.

Through the Sedex tool we map our supplier base and screen for inherent geographical and sector risks, and combine these with specific site-related operational risks based on detailed Self-assessment Questionnaires (SAQs) and the findings of previous independent ethical audits. We also use the Sedex forced labour and modern slavery indicators in our modern slavery risk assessment. Suppliers who are judged to constitute an increased risk (based on location, industry, manufacturing technology, labour type etc) are also screened against various databases for court cases, negative media, embargo and sanction lists.

Essity also receives information and best practice updates through various memberships and business associations such as FSC® (Forest Stewardship Council) for forest fibers, BCI (Better Cotton Initiative) for cotton, EDANA (European Disposables and Nonwovens Association) for non-woven materials, and RSPO (Roundtable on Sustainable Palm Oil) for palm oil to name just a few. Essity Australasia also works with local industry groups to ensure the latest trends and risk identification and reduction measures are being adopted and best practices shared.

When combined, all of these measures ensure a comprehensive assessment of modern slavery risks within our global supply chain.

Table 1 - Identified modern slavery and workers' rights risks

Identified sector- based risks	Identified geographic-based risks Medium High	Salient Modern Slavery and Workers' Rights risks
Agriculture, cotton,	US, Europe	Wages and benefits
sugar cane		Forced labour
		Recruitment debt

	Asia, Latin	Forced labour
	America	Wages and benefits
		Recruitment debt
		Land rights
		Child labour
Forestry collulado	Furana	
Forestry, cellulose, pulp and paper	Europe	Health and Safety
manufacturing		Wages and benefits
		Recruitment debt
		Unsustainable forest management – variety of species
	US, Canada	Health and Safety
	Australasia	Wages and benefits
		Recruitment debt
		Working hours
		Land rights
		Unsustainable forest management – variety of
		species
	Asia	Health and Safety
	Latin America	Forced Labour
		Recruitment debt
		Living Wage/Wages and benefits
		Working hours
		Freedom of association and collective
		bargaining
		Land rights
Other raw materials	Europe	Wages and benefits
and Chemicals	US, Canada Australasia	Working hours
	Asia	Forced Labour
		Recruitment debt
		Living Wage/Wages and benefits
		Working hours
		Freedom of association and collective
		bargaining
		Child Labour
Bought in finished	Australasia	Wages and benefits
goods: Dispensers,	Europe, US	Working hours
apparel, soaps & lotions, wound care		
dressings.		
	Asia	Forced Labour
		Recruitment debt
		Living Wage/Wages and benefits
		Working hours
		Freedom of association and collective
		bargaining
		Child Labour

		Health and safety
Logistics and Shipping	Australasia, Europe, US & Canada	Living Wage/Wages and benefits Working hours
	Asia, Latin America	Living Wage/Wages and benefits Working hours Health and safety
Recycled material: Recycled fibers for paper making,	Australasia, Europe, US & Canada	Corruption, health and safety
Recycled plastics	Asia, Latin America	Corruption, organised crime, health and safety, child labour
Unqualified services: facility management,	Australasia, Europe, US & Canada	Forced labour, illegal immigration, working hours, wages and benefits
cleaning, waste handling, construction	Asia, Latin America	Forced labour, trafficking, working hours, wages and benefits, health and safety

# 6 Mitigating and Remediating Modern Slavery Risks

## 6.1 Supplier Engagement and Due Diligence

Essity's procurement personnel undertake due diligence for prospective suppliers, including pre-qualification checks, vendor pre-qualification forms and contract terms that ensure suppliers sign up to the Global Supplier Standard. All contracted suppliers are monitored and regular engagement is maintained by the procurement team including continuous risk assessment to identify and manage any modern slavery and workers' rights risks.

## 6.2 Monitoring of suppliers using a risk-based approach

Essity identifies, monitors, mitigates, and remediates modern slavery and workers' rights using a risk-based approach. Suppliers are requested to commit to Essity's Global Supplier Standard including the Supplier Code of Conduct. Depending on the nature of the material or service provided, or where the supplier is located, the supplier can be required to join Sedex, complete the Self-Assessment Questionnaire and share site information with Essity. If sites are considered to be higher risk, suppliers are required to undertake a third-party ethical audit and make this available to Essity on Sedex. During 2024, 74 third party ethical audits were reviewed.

## 6.3 Mitigation and Remediation

Before entering into a business relationship with a supplier, Essity has many processes in place to avoid and mitigate potential risks. By purchasing certified sustainable raw materials, by avoiding certain levels of quality and manufacturing processes/technologies, and through careful pre-screening, Essity avoids many risks using our knowledge and competence. However, if critical or major non-conformances are identified at a supplier, either through Sedex, an independent audit or any other reliable means, the supplier is required to remediate these non-conformances in a timely manner and have the issues closed out by the auditor or Essity representative.

No instances of modern slavery were identified during 2024. Where our exhaustive audit and pre-screening processes did identify potential failures to meet the requirements of our Global Supplier Standard, non-conformances identified were in the areas of health and safety, working hours, worker documentation and wages and benefits.

If suppliers do not meet the remediation requirements of the Global Supplier Standard and are unwilling to improve the management of these issues, Essity can suspend or terminate the contract.

#### 6.3.1 Mitigating Risks in Forestry

As fiber-based materials and products are a key part of what we sell and manufacture, and forestry has been identified as a sector risk, Essity has a Fiber Sourcing Policy to mitigate the risks in this supply chain.

All the virgin or fresh wood fiber we source and use must come from suppliers that are certified according to FSC<sup>®</sup> (Forest Stewardship Council) or PEFC<sup>™</sup> (Program for the Endorsement of Forest Certification). Our demand is that the fiber at a minimum will always meet the FSC Controlled Wood standard, which means that the origin of the fiber has been verified by an independent third party.

FSC is an organisation that sets robust and fully transparent standards for responsible forest management that safeguards biodiversity, proper forest conservation and consideration for the people living in and by the forests.

Essity participates on a regular basis in stakeholder dialogues concerning forest management, which include other key stakeholders like the environmental organisations WWF and Greenpeace, as well as local stakeholders.

#### 6.3.2 Mitigating Risks in the Cotton Industry

A small number of our products contain cotton. Cotton is a natural, renewable and biodegradable fiber. There can be sustainability and responsible sourcing challenges within the cotton supply chain and, as such, we have high standards for our cotton suppliers.

We require that the cotton we source should be more sustainable. This means that the cotton should be certified ecological, recycled or from areas with low risk for non-compliance. This includes fair conditions for all workers, with zero-tolerance for forced labour or child labour, as well as strict environmental parameters on the ecologically-sound farming of cotton.

Essity is member of the Better Cotton Initiative (BCI), the largest sustainability program for cotton, and upholds its standards and recommendations. BCI is Essity's preferred scheme for securing sustainable cotton, although other programs with similarly high standards are also accepted.

#### 6.4 Grievance Mechanisms

Essity operates a Whistleblower and Reporting of Improper Conduct mechanism that receives input from both internal and external stakeholders about any ethical issues, including human rights and modern slavery.

No instances of modern slavery were reported through the Whistleblower and Reporting of Improper Conduct mechanism in 2024.

## 6.5 Collaboration and Partnerships

We recognise that we cannot tackle modern slavery alone and have formed partnerships and joined industry collaboration groups to work together on this issue together with other important topics.

Organisation	Links
AIM Progress	https://www.aim-progress.com/
Consumer Goods Forum	https://www.theconsumergoodsforum.com/
Sedex (Supplier Ethical Data Exchange)	https://www.sedex.com/
EcoVadis	https://ecovadis.com/
BCI (Better Cotton Initiative)	https://bettercotton.org/
FSC (Forest Stewardship Council)	https://fsc.org/en
PEFC (Program for the Endorsement of Forest Certification)	https://www.pefc.org/
RSPO (Roundtable for Sustainable Palm Oil)	https://rspo.org/
BonSucro (for sustainable sugarcane production)	https://bonsucro.com/

# 7 Tracking our Progress and Effectiveness

We recognise the value of continuous improvement and in tracking the progress and effectiveness of our actions to tackle modern slavery. Our evaluation process includes:

- Regular review of our risk assessment processes to ensure it remains up to date
- Risk assessment as part of supplier qualification in procurement processes
- Continuous risk assessments of the risk level of our active suppliers
- Following up non-conformances with suppliers, and the number of these being remediated and closed out
- Regular review and tracking of supplier SAQs against labour, human rights, health and safety and other indicators
- Deeper supply chain mapping and risk assessment for key risk materials (such as wood fiber and cotton)
- Accessing networks and resources to identify best practice, improvement opportunities and emerging risks

## 8 Looking Ahead

We recognise that we are on an on-going path to addressing Modern Slavery in our supply chains, and we have set the following priorities for calendar year 2024:

Table 2 – 2025 Modern Slavery Priorities

Area	Planned Actions
Policies and processes	<ul> <li>Update Australian Modern Slavery Statement and the growing list of similar modern slavery risk minimisation statements required in other jurisdictions where we operate.</li> <li>Continue to grow compliance with the Essity Global Supplier Standard and information sharing through Sedex</li> <li>Continue to support recently acquired businesses to adopt the same or equivalent modern slavery identification and mitigation procedures</li> <li>Continue to respond to requests for information from customers and other stakeholders to assist them to meet their ethical sourcing obligations</li> </ul>
Human Resources and Operations	<ul> <li>Continue to monitor and prepare for the requirements of the delayed European Corporate Sustainability Due Diligence Directive as part of the ongoing omnibus work.</li> <li>Ensure compliance with other human rights due diligence measures in other parts of the world</li> </ul>
Procurement Processes	<ul> <li>Enhance and maintain supplier approval procedure measures and ongoing supplier management to ensure best in class processes</li> </ul>
Training	<ul> <li>Ongoing and enhanced training of procurement personnel related to risk assessment and due diligence legislations</li> <li>Capacity building among selected suppliers for specific topics or materials</li> </ul>
Grievance Mechanisms and Remediation	Communication of grievance mechanism to suppliers and on www.essity.com
Progress and Effectiveness	<ul> <li>Continue to enhance understanding of Sustainable         Procurement ways of working with both internal and external stakeholders, including on www.essity.com     </li> <li>Ensure 2025 Modern Slavery Statement is publicly available via the Essity Australasia website once approved and published by government</li> </ul>
Collaboration and Engagement	<ul> <li>Continue to engage with suppliers to raise awareness and improve performance</li> <li>Continue to engage with industry associations and expert organisations on key topics related to modern slavery</li> </ul>