



Report to Canada's Minister of Public Safety and Emergency
Preparedness on Efforts to Comply with the Fighting Against
Forced Labour and Child Labour in Supply Chains Act

2025

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1 About this Report on Efforts to Comply with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

This Report on efforts to comply with the Fighting Against Forced Labour and Child Labour in Supply Chains Act has been prepared by Essity Canada Inc. ("Essity") to meet the reporting requirement of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act and covers the calendar year 2024.

This Report covers Essity and covers the approach to tackling modern slavery as applied across the whole of the Essity Group, including 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 and its subsidiaries.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report Essity. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I confirm I have the necessary authority to bind Essity Canada Inc.

Signature: _____ 

Full name: Patrick Miller

Title: Vice President Health Care Sales Canada

Date: May _21, 2025

2 Human Rights in Essity

The responsibility to implement our human rights commitments follows our 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.

Our 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.

Our human rights commitment is reflected throughout our Code of Conduct, Essity's Human Rights Policy and other company policies. All our business partners, suppliers and customers are expected to follow principles equivalent to those included in Essity's Code of Conduct. Our Supplier Code of Conduct and our Business Partner Code of Conduct includes our expectations regarding human rights and employee relations as well as health and safety. Following these standards is an important factor when selecting our business partners and potential acquisitions.

This Report describes the steps Essity is taking to prevent, find and remediate forced labour and child labour in its operations and supply chain, in Canada and globally, in accordance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

3 About Essity

Essity is a global, leading hygiene and health company. Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other strong brands such as Actimove, Cutimed, JOBST, Knix, Leukoplast, Libero, Libresse, Lotus, Modibodi, Nosotras, Saba, Tempo, TOM Organic and Zewa.

Our largest markets, in terms of sales, are the United States, Germany, France, UK, Spain, Mexico, Colombia, Netherlands, Italy and Canada.

In 2024, Essity had net sales of approximately SEK 145bn (EUR 13bn) and employed 36,000 people. The company's headquarters is located in Stockholm, Sweden and Essity is listed on Nasdaq Stockholm. Essity has about 36,000 employees.

Essity's three business areas:

Health & Medical

Health & Medical encompasses the Incontinence Products Health Care and Medical Solutions categories. Markets and sells incontinence products to the healthcare sector in Europe, North America, the Middle East and Africa as well as markets and sells products in the medical solutions category in Asia, Oceania, Europe, North America, Latin America, the Middle East and Africa.

Consumer Goods

Consumer Goods markets and sells tissue paper products, infant care products, feminine hygiene products and incontinence products through retail in Latin America and North America.

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 globally leading Tork brand. Markets and sells complete hygiene solutions as well as service and maintenance in Europe, North America, Latin America, the Middle East and Africa.

Essity primarily markets and sells professional hygiene products as well as the categories of incontinence products and feminine hygiene products in Australasia (Australia, New Zealand and some of the Pacific Islands). The business is run as an independent entity under the name Essity AustralAsia.

In addition to the business areas, Essity has established three global units:

- Global Marketing and Innovation has global responsibility for the brands in the customer and consumer segment and innovations

- Global Supply Chain has global responsibility for procurement, manufacturing, technology, logistics and distribution for all product categories with the exception of medical solutions.
- Global Digital & Business Services has global responsibility for business services, IT and digitalization.

In addition, Essity has five corporate functions: Communication, Economy, HR, Legal, Strategy and business development.

4 Human Rights Policy

Our Human Rights policy describes our principles and our commitment to ensure respect for human rights in accordance with the United Nations Guiding Principles on Business and Human Rights.

The Policy shall apply to all legal entities within the Essity Group. In addition to the Human Rights policy, Essity's human rights commitments are reflected in our Code of Conduct and other company policies. Our suppliers and other business partners are expected to adhere to similar standards to those set out in our Code of Conduct. Compliance with such standards is one of the key requirements when selecting our business partners.

Our Principles

Essity's approach to human rights is based on 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 United Nations 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 of the United Nations Global Compact;
- respect and support children's rights in our business and society, guided by the Children's Right and Business Principles. We do not accept child labour or any other forms of exploitation of children in our operation 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 to our human rights commitments into the line management structure; and
- comply with national laws or standards and when in conflict with human rights standards, we will honour and respect the principles of international human rights.

Further information about our Human Rights Policy can be found here: https://www.essity.com/Images/POL-35493-v3-0-HumanRightsPolicy_tcm339-97359.pdf

5 Code of Conduct

Essity's Code of Conduct describes how employees should act, how the company operates, stakeholder expectations of Essity, and Essity's commitment to human rights, including children's rights. The Code is based on international standards, such as the UNGP, ILO Core Conventions, OECD Guidelines for Multinational Enterprises, UN Global Compact Principles, and related legislation.

All our business partners are expected to follow similar principles according to Essity's Business Partner Code of Conduct. Moreover, all Essity's wholly owned subsidiaries are bound by the Code of Conduct.

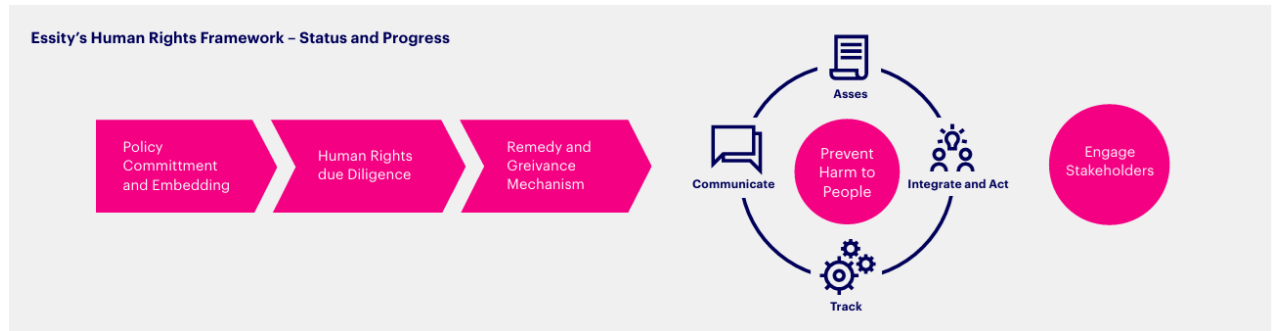
6 Human Rights Framework

Essity's human rights due diligence process has been in place since 2014. The process is guided by the United Nations Guiding Principles on Business and Human Rights and OECD Due Diligence Guidance for Responsible Business Conduct, which ensures that we proactively detect and respond to any adverse human rights impact including the business actions to respect and support children's rights. The UN Global Compact Self-Assessment Tool is used during the due diligence process including the group level mapping and interviews with key stakeholders.

Identifying Essity's salient human rights issues throughout our value chain supports internal understanding of human rights risks, gives a strategic direction for the business on how to manage risks associated with our

Workforce, Workers in Supply Chain and Affected Communities and to provide a focus for our mitigation efforts. It is therefore important for Essity to carry out periodic Global Human Rights Impact Assessments.

Essity's Human Rights Framework



To safeguard compliance and efforts, the Essity's Human Rights commitments are overseen and followed up by Essity Compliance department, reporting findings on these matters to Essity's Compliance Council, which includes members of the Executive Management Team.

6.1 Human Rights Due Diligence Integrated into Our Business

Essity's human rights due diligence process is guided by the United Nations Guiding Principles on Business and Human Rights and OECD Due Diligence Guidance for Responsible Business Conduct, which ensures that we proactively detect and respond to any adverse human rights impact including the business actions to respect and support children's rights.

The Essity Human Right Impact Assessment (HRIA) process include group level HRIAs every third year and in the years between, local impact assessments in different countries with focus on the risks highlighted in the group HRIA. The latest group level HRIA was performed in late 2022 and the next country impact assessments are in plan for the next three-year period.

Human rights due diligence process is integrated into Global Supply Chain, Human Resources and Compliance and Ethics key processes. The process involves the United Nations Guiding Principles four core components:



6.2 Essity's Approach to Children's Rights

Essity recognizes children as stakeholders who require special protection. Guided by the Children's Rights and Business Principles, we respect and support children's rights in our business and society which means that:

- We do not accept child labour or other forms of exploitation of children in our operation or value chain.
- We strictly follow applicable national laws and international standards regarding minimum working age.
- We pay special attention when having young workers in our operation.
- We follow strict requirements to ensure that all materials in our products are safe for customers, consumers including children and other vulnerable groups, our employees, and the environment. Product safety and quality are of the outmost importance for Essity.
- We have children's best interests in mind when our activities impact children.

6.3 Essity Approach to Forced Labour

Essity does 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 laws and providing reasonable notice.

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.

Further information about Essity's Human Rights Framework can be found here:

<https://www.essity.com/sustainability/improving-well-being-for-people-and-societies/business-ethics-human-rights/human-rights/>

7 Risk Management

Essity has a risk management system with regards to human rights related due diligence obligations. This system is embedded into Essity's corporate governance and group risks management process.

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.

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 risks.

7.1 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 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.

In our Global Impact assessment report for 2022 we describe assessment methodology, outcome and our mitigation activities. In no specific order, Essity's salient human rights issues are:



7.2 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.

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

7.3 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.

7.4 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 www.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

8 Responsible Procurement

Essity has an established process to perform continuous risk assessments of the company's suppliers and sourcing categories. 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.

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.

Certain materials, such as cotton 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.

8.1 Global Supplier Standard

All 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. Extra attention is given related to respect for children's right and forced labour:

Child labour

Essity does not accept child labour or any other form of exploitation of children. Suppliers shall always strictly follow legal requirements as well as ILO convention No. 138 on the minimum age for work. Suppliers should work actively to prevent all forms of child labour or exploitation in their sphere of influence. Preventive measures expected from suppliers include, at minimum, establishing a system to verify the worker's age at the time of employment and eligibility to work. Documentation shall be maintained to demonstrate due diligence. In the event

of any failure to comply with the requirements of not using any child labour, the supplier is expected to remedy the situation as quickly as possible and in the best interest of the child.

Forced labour

Essity does not accept any form of forced labour, bonded labour or involuntary prison labour. Supplier shall take measures to ensure they do not engage in or support the use of any form of forced, bonded labour or involuntary prison labour as set forth in the ILO conventions No. 29 and 105. This includes all forms of human trafficking and working against one's own will or choice. No employee shall be required to lodge deposits or identity papers when commencing employment and every employee should be free to leave their employer after reasonable notice. If Supplier uses a staffing recruiter or agency, in no event shall workers be charged fees or expenses related to their recruitment.

8.2 Supplier Compliance

Compliance with these principles is a key factor when choosing suppliers and other business partners. All our business partners, including suppliers, distributors, consultants and independent contractors are expected to adopt and comply with the ethical business standards and values set out in this GSS, and to actively communicate such standards when dealing with their own (sub-) suppliers.

Supplier must have ethical and responsible sourcing practices in place and source only from companies that satisfy the requirements of this GSS.

8.3 Supplier Due Diligence Framework

Supplier must secure a due diligence framework to ensure that the supplier has policies and processes in place to identify, prevent, mitigate and account for adverse impacts in their own operations and related to their own (sub-) suppliers in regard to human rights and environmental risks. The due diligence framework shall be governed by the supplier's senior management and the approach shall be based on the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct. Essity reserves the right to verify compliance of the supplier's human rights policy and due diligence framework, to secure it operates in line with the mentioned principles and guidance documents.

Also, supplier shall be aware of all sites and companies involved in their production and supply chain, and upon request should be able to provide Essity with adequate details of the supply chain for the goods supplied to Essity.

Essity's Global Supplier Standard can be accessed via www.essity.com/gss

8.4 Identifying Risks of Child labour and Forced labour

Essity's procurement personnel are trained to assess and identify human rights risks in their activities and interactions with suppliers. As per the Supplier Risk- and Resilience Management Procedure we apply a systematic approach to identify, analyze, evaluate, monitor, and treat risks for both new suppliers and for existing suppliers. Risk-based approach is a method of managing risks by identifying, prioritizing, and addressing them according to their potential impact and probability.

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. The preferred audit format is SMETA, which is the most widely used method globally for social and ethical audits.

Table 1 - Identified Forced labour and Child labour risks

Identified sector-based risks	Identified geographic-based risks	Salient Human Rights risks
	Medium High	
Agriculture, cotton, sugar cane	US, Europe	Forced Labour
	Asia, Latin America	Forced Labour Child Labour
Forestry, pulp and paper manufacturing	Asia Latin America	Forced Labour
Other raw materials and Chemicals	Asia	Forced Labour Child Labour
Bought in finished goods	Asia	Forced Labour

		Child Labour
Recycled material: Recycled fibers for paper making, Recycled plastics	Asia, Latin America	Child Labour
Unqualified services: facility management, cleaning, waste handling, construction	Australasia, Europe, US & Canada	Forced labour
	Asia, Latin America	Forced labour

8.5 Mitigating and Remediating Modern Slavery Risks

Essity's procurement personnel undertakes 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.

8.6 Monitoring of suppliers using a risk-based approach

Essity identifies, monitors, mitigates, and remediates modern slavery and workers' rights using a risk-based approach.

8.7 Mitigation and Remediation

Essity has many processes in place to avoid risks before entering into a business relation with a supplier. By requesting certified raw materials, by avoiding certain qualities or 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.

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

9 Collaboration and Partnerships

We recognize 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.

Organization	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
RSPO – Roundtable for Sustainable Palm Oil	https://rspo.org/
BonSucro – For sustainable sugarcane production	https://bonsucro.com/

10 Tracking our Progress and Effectiveness

We recognize the value of continuous improvement and in tracking our 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