

Business Partner Code of Conduct



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Contents

Introduction

- 1.1 Background and Scope of the Code
- 1.2 Business Partner evaluation and compliance
- 1.3 Confidentiality
- 1.4. Sub-contractors

The Business Partner practices

- 2.1 Ethical business practices
- 2.2 Occupational health and safety
- 2.3 Fair labor practices
- 2.4 Child labor and forced labor
- 2.5 Discrimination
- 2.6 Grievance mechanisms
- 2.7 Respect for the environment
- 2.8 Community relations
- 2.9 Reporting of deviations
- 2.10 Links to referred documents

1. Introduction

1.1 Background and Scope of the Code

This Code is applicable for distributors, wholesalers, resellers, sales agents and other business partners (each a “Business Partner”). For Essity suppliers the Supplier Code of Conduct in the Essity Global Supplier Standard applies and for Essity Joint ventures other rules apply.

The Code comprises the requirements for responsible business operations with which Business Partners to Essity must comply. It refers to international standards and defines specific Essity requirements. This Code may be supplemented from time-to-time by other documents containing additional requirements.

Essity’s own Code of Conduct defines the principles that Essity regards as fundamental for business ethics and socially responsible behavior. It also constitutes the basis for this Code, addressing requirements that Business Partners to Essity must satisfy within the areas of business ethics, human rights, health and safety, employee relations, business practices and community involvement.

Essity is a member of the United Nations Global Compact, which consists of 10 principles in the areas of human rights, labor standards, the environment and anti-corruption. The Essity requirements are mainly based on internationally agreed standards such as the Universal Declaration of Human Rights and ILO Core Conventions, but also on national legislation.

1.2 Business Partner evaluation and compliance

Essity or an external auditing company, selected by Essity, shall have the right to assess the Business Partner’s compliance with this Code and gain access to all relevant documents, premises and information without delay. Essity will inform the Business Partner on date, time, location and modalities of the audit beforehand taking, due consideration of the Business Partner’s commercial interest.

1.3 Confidentiality

Essity may disclose certain of its confidential information to Business Partners during the course of their business relationship. The Business Partner may only provide access to Essity confidential information to persons within its organization having a need to know the information in connection with performance by the Business Partner of its obligations to Essity. As appropriate, Business Partner may be requested to enter into separate confidentiality agreements with Essity.

1.4 Sub-contractors

All Essity Business Partners are expected to adopt and comply with the ethical business standards and values set out in this Code, and to actively use such standards when dealing with their own (sub-)contractors.

2. The Business Partner Practices

2.1 Ethical business practices

Integrity

Essity Business Partners are expected to conduct their business in a professional manner at all times, and in accordance with standards set forth in all applicable international and national laws and regulations while recognizing that Essity's requirements may sometimes exceed those standards. At minimum, Business Partners and all persons acting on their behalf must act with integrity, honesty and fairness in all aspects of their business.

Fair Competition

Business Partners and all persons acting on their behalf shall comply with national and supranational antitrust and competition laws. They shall not enter directly or indirectly into any illegal agreements with their competitors nor exchange sensitive information, e.g. regarding markets, customers, strategies, prices and the like. All Business Partners and all persons acting on their behalf shall participate in public tenders and private sector bidding procedures by strictly following the applicable laws and regulations.

Conflicts of Interest

Business Partners shall inform Essity if any Essity employee has an interest in the Business Partner's business which might cause a conflict of interest. Business Partners and persons acting on their behalf must avoid conflicts of interest with respect to their; private activities, entities in which they or their close relatives or associates have an interest, and business activities with Essity or other parties. A Business Partner must inform Essity about conflicts of interest as soon as they become aware of them.

Anti-Corruption and Bribery

Business Partners and all persons acting on their behalf shall comply with all applicable anti-corruption laws while conducting business with Essity. Bribery and any other form of corrupt business practice are strictly prohibited. The direct or indirect offer, granting or acceptance of illegitimate benefits to generate, maintain or accelerate business is unacceptable. Business Partners must ensure that no such benefits are exchanged in the course of their and their sub-contractors businesses. Business Partners shall conduct appropriate risk-based due diligence prior to engaging any sub-contractors to ensure that such third parties comply with all applicable laws.

Gifts and entertainment

Essity Business Partners must not provide any gift, meal or entertainment to an Essity employee that might influence, or appear to influence, the Essity employee's decision in relation to Essity's business with the Business Partner.

Essity representatives are not allowed to accept gifts or hospitality if this may influence or appear to influence a business decision. Essity employees are expected to pay for their own travel and accommodation when visiting Business Partners.

Books, records and tax

Keeping accurate books and records as well as declaring taxes and duties is part of running a lawful and transparent business in a sustainable way. Essity expects its Business Partners to comply with all applicable laws and accounting rules in this respect.

Data protection

Business Partners shall comply with all applicable data protection laws in collecting, processing, storing or otherwise handling personal data of any individuals, including, without limitation, their own employees and employees of their customers, suppliers and business partners.

2.2 Occupational health and safety

Business Partners must take the necessary steps to ensure a safe and healthy working environment for all their employees.

As part of this effort, Business Partner must have in place a documented Health and Safety Management System providing for continuous monitoring and improvement of the working environment. The preferred standard is the OHSAS 18001 certification. Each Business Partner must also have a senior manager within its organization who is directly responsible for Health and Safety. All Business Partners are expected to provide relevant information to enable Essity to fulfill its obligations regarding occupational health and safety.

2.3 Fair labor practices

Essity expects its Business Partners will treat their employees and all persons acting on their behalf with the highest ethical standards. Business Partner must adhere to international and national conventions and laws in the area of fundamental rights, including, but not limited to, non-discrimination, freedom of association, the right to collective bargaining, protection of children and mothers and the right to form works' councils. Furthermore, Essity Business Partners are not allowed to use or threaten to use corporal punishment or other forms of abuse.

If required by local law, all employees of an Essity Business Partner must have an employment contract. Business Partners' working hours shall comply with national laws and local industry standards, and wages and other benefits provided by a Business Partner must be fair and at least equal to the minimum relevant legal and industry standards.

2.4 Child labor and forced labor

Business Partners shall take measures to ensure they do not engage in or support the use of child, forced or bonded labor. 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. If a Business Partner uses a staffing recruiter or agency, in no event shall workers be charged fees or expenses related to their recruitment. Business Partners should also work actively to prevent all forms of child

labor or exploitation in their sphere of influence. They shall always strictly follow applicable legal requirements as well as ILO convention No. 138 on the minimum age for work.

2.5 Discrimination

Essity Business Partners are expected to adopt and enforce policies which effectively prohibit discrimination or harassment on the grounds of gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age, disability, or membership in a trade union or employee organization.

2.6 Grievance mechanisms

Essity expects its Business Partners will have in place effective grievance channels through which employees can report complaints and grievances about their working conditions without fear of retaliation.

2.7 Respect for the environment

At all times, Essity Business Partners are expected to act in an environmentally responsible manner, and to respect applicable legislation. Essity requires its Business Partners to make continuous improvements in environmental protection and to minimize the environmental impact of and pollution generated by their activities.

2.8 Community relations

Essity encourages Business Partners to be a positive influence within and act with respect for the communities in which they operate.

2.9 Reporting of deviations

Each Business Partner must report to their Essity representatives any suspicions of a material breach of any of the Business Partner's obligations under this Code including any breach by the Business Partner's sub-contractors. If a Business Partner or any of its own (sub-)contractors fails to comply with the requirements set forth in this Code, the Business Partner must take appropriate action to remedy the breach and prevent a recurrence of such breach in the future. Essity reserves the right to terminate the business relationship with any Business Partner who deviates persistently from or breaches this Code in a material way.

2.10 Links to referred documents

<http://www.iso.org>

<https://www.un.org/en/sections/general/documents>

<https://www.ilo.org>