

## Essity's Fiber Sourcing Policy

### OUR FIBER TARGET

- Essity's corporate fiber [target](#) (as of 2015):  
“All fresh wood fiber-based raw materials in our products must be FSC® or PEFC® certified, or fulfill the FSC's standard for controlled wood.”
- The target includes all deliveries of fresh wood fiber (timber, pulp, packaging, mother reels and articles supplied by third parties) to Essity's production sites, as well as all our brands and products.
- Recovered fibers are not part of the target. This is because these fibers simply by being recovered and used again, are a proof of good resource management. Depending on function and customer demand, Essity believes that using recovered fibers is always a good choice.
- The corporate fiber is not set to be fulfilled at a certain time. We annually disclose our progress in our [Sustainability Report](#) and thus making it easier to set in relation to our other business and sustainability targets and events.

### OUR SUPPLIER DEMANDS

- Since several years, Essity has mapped and selected pulp suppliers that can supply us with FSC or PEFC fiber material. We have solid purchasing policies installed and clearly express on our demands in our [Global Supplier Standard](#). We audit our suppliers and follow up on their situation through regular questionnaires and internal audits.
- All pulp suppliers that we use today are fully certified and we are gradually increasing the level of certified suppliers of materials that partly contain fibers (e.g. packaging). Suppliers that have not been able to meet our demands, have been deducted from our sourcing. In some cases, we also give support to a supplier that wants to implement a certification system.
- In addition to our own demands, a vast number of national and regional legislations steer the import and export of wood fiber. Moreover, the [EU](#) and [USA](#) have legislative demands on all importers and users of wood fibers to show the origin of the fiber and that it was legally harvested.

- To guarantee customers that the certifications are properly executed and to ensure traceability of the origins of a product through all its transformations from raw material to finished product, Essity uses FSC's [Chain-of-Custody](#) certification. With this we have an internal book-keeping system in place for fibers, which involves a third party who verifies that policies are correctly met. The CoC certification is a tool to prove to stakeholders that no uncertified fiber has entered our systems.

## OUR PREFERRED CERTIFICATIONS

- FSC and PEFC focus on conserving the natural habitats of plants and animals and respecting the rights of forestry workers and local communities. They both require that forests are third party audited to be compliant with management standards, before they can be classified as a certified forest.
- [FSC](#) is based on ten principles of responsible forest management for a manager or owner to follow. Through national FSC organizations, standards for on-the-ground forest management is developed, which makes sense; Scandinavian pine forests must be cared for in another way than tropical Eucalyptus forests. FSC also certifies material and products manufactured with a combination of FSC-certified wood fiber, controlled sources and/or recycled wood or paper, hence that these products carry the label 'FSC Mix'.
- [PEFC](#) works like an umbrella for other forest certification schemes. PEFC endorses national standards against internationally recognised criteria for sustainable forest management. Examples of national forest certification schemes included in PEFC are SFI and ATFS in USA, CSA in Canada and the Brazilian certification CERFLOR.
- FSC and PEFC have both been developed to spearhead sustainable forestry, but FSC is preferred by Essity. FSC's decision-making processes are well developed, and equal weighting is given to input from its groups of Environmental, Social and Economic members. We believe this results in a highly comprehensive standard setting system.
- PEFC is more adapted to smaller landowner needs than what FSC is directed at. We also know that PEFC has a weaker stakeholder process and, in some countries, allow less stringent forest standards to work under the PEFC umbrella.
- The global area of certified forests makes up around 10% of global forests in total. Of this, approximately 40% is FSC certified, whereas 60% fall under the PEFC umbrella. Essity has a corporate priority to continuously work for an increased global supply of certified fiber.