



## **Agreement between Essity and IndustriALL GLOBAL UNION / UNIONEN / Essity Group EWC**

### **Preamble**

The aim of this Agreement is to promote cooperation and social responsibility within Essity's world-wide operations. Cooperation is built upon mutual respect, confidence and freely available and honest information, and ensures the possibility for employees and their representatives to influence decisions through consultation<sup>1</sup> with Essity management.

Promoting social responsibility includes important principles concerning human and trade union rights, as well as improving health and safety in the workplace and environmental protection.

This Agreement covers all activities where Essity has direct control. Where Essity does not have direct control, it will exercise its best efforts in order to secure compliance with the standards set out in this Agreement. Essity will notify its subcontractors and licensees of this Agreement and encourage compliance with the standards.

The parties to this Agreement are Essity, the Swedish workers Union (Unionen), IndustriALL Global Union and Essity Group EWC (European Works Council).

Based on the parties' common recognition of fundamental human rights and Essity's Code of Conduct, the purpose of this Agreement is to monitor the practical application of the agreed principles. This Agreement also provides the parties with a basis for discussing improvements in working practices or any positive contribution they may wish to make to economic and social progress.

### **Principles**

The parties are in agreement that the following principles, derived from ILO Declaration on Fundamental Principles and Rights at Work, ILO Conventions No. 29 "Forced Labour", No. 100 "Equal Remuneration", No. 105 "The Abolition of Forced Labour", No. 111 "Discrimination", No. 138 "Minimum Age", No. 182 "Worst Forms of Child Labour", and Essity's Code of Conduct, will guide Essity's activities and its relations to its employees. Essity requires that all its employees - irrespective of their function, grade or standing- observe the following standards of business and personal ethics in the conduct of their duties and responsibilities.

1. Essity will use the core labour standards of the ILO as the guiding principles and will as an absolute minimum comply with applicable national legislation, collective agreement and regulatory requirements.

<sup>1</sup> Exchange of views and establishments of a dialogue

2. Essity actively strives for the continuous improvement of health and safety in the workplace and environmentally responsible behavior. Essity aims to provide a safe working environment for its employees. All Essity units will, as a minimum, strictly abide by national laws and collective agreements relating to workplace safety. The parties to this Agreement will also strive to ensure high standards within the Essity group of companies deploying common "best practice" standards.
3. Essity strives towards a non-discriminatory company culture based upon our Beliefs and Behaviors. It is the policy of Essity to treat all current or potential employees fairly and without prejudice. Essity is committed to eradicating any unfair or discriminatory practices should they occur. All employees will be given the opportunity to progress within Essity without regard to their gender, marital or parental status, race, ethnic or national origin, sexual orientation, religious belief, political affiliation, or disability.
4. Essity strives to provide employees with opportunities to train for job enrichment and increased responsibilities.
5. Essity is committed to paying fair wages and benefits according to relevant market standards wherever it operates. Working hours shall comply with appropriate national legislation, national agreements and industry standards. Overtime shall be remunerated at a premium rate in accordance with national legislation or collective agreement.
6. Essity recognizes that its workers are key to its success. Essity is therefore committed to ensuring that both permanent, part time workers and hired-in personnel are treated fairly. Essity recognizes that permanent employment is preferable to both parties. The parties acknowledge that occasionally hired-in workers are necessary and that effective use of such allows Essity to quickly adapt to changing conditions.

Outsourcing is normally an area where Essity is formally obliged to notify and conduct formal negotiations with its employee organizations and will comply with any such requirements.

7. Essity will demonstrate good faith and mutual respect in dealing with its employees and their representatives in the workplace. Essity recognizes the fundamental right of every employee to decide on whether or not to be represented by a recognized trade union of their choice. Essity also recognizes and respects basic trade union rights covering freedom of association, right to organize and the right to engage in collective bargaining (ILO Conventions No. 87 "Freedom of Association and Protection of Rights to Organize", No. 98 "Right to Organize and Collective Bargaining"). Essity has a long tradition and positive experience of relations with trade unions and strives for cooperation and a good relationship with trade unions and representatives. Essity will ensure that members and official representatives of trade unions are not subject to any form of discrimination and that they are kept informed in accordance with Essity industrial relations policy.

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8. Essity respects fundamental human rights and will be guided in its operations by the provisions of the United Nations Universal Declaration of Human Rights.
9. Essity supports and respects the protection of human rights within its sphere of influence; in particular the effective elimination of compulsory labour and child labour, and it will make this criterion in the choice and management of its relationships with suppliers and sub-contractors. At the same time any proven violation of the principles contained in the Agreement that is not remedied despite warnings will lead to termination of relations with the company concerned.
10. Essity recognizes the seriousness of blood borne virus infections and the potential impact they can have on the workplace and lives of employees. Essity will therefore address blood borne infection in accordance with adopted policy.

### **Implementation**

Essity will inform its business groups about the existence and the content of this Agreement. Essity will take necessary steps to make all local site management aware of their obligations according to this Agreement. Essity will ensure that appropriate translations of the Agreement to all affiliates that organize employees in Essity world-wide, and broadly publicize the existence of the Agreement and explain its implications to their affiliates within Essity. The parties to the Agreement may also decide to cooperate jointly in promoting and explaining this Agreement and its implications.

### **Grievance / Complaint / Procedure**

In the event of breach of the Agreement the following procedure will normally apply to claims by covered employees:

1. The employee or her/his local trade union should raise the complaint with the local site management.
2. If the complaint is not resolved with the local site management the appropriate national trade union will raise the issue with the human resource department at business group or regional level.
3. If still unresolved, the complaint will be referred to IndustriALL Global Union/Unionen who will raise the issue with Essity Corporate Management.

### **Review**

Essity, Unionen IndustriALL Global Union and Essity Group EXE EWC Team will meet every second year to review practice in the area of the agreed principles and follow up this Agreement.

### **Duration, Renegotiation and Termination**

Hereafter the agreement is applicable for an indeterminate duration if not cancelled or asked renegotiated by one of the parties. Cancellation or renegotiation must take place with a notice of at least 6 months, and shall be followed by mandatory negotiations initiated by the company.

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 AU  
 (Other illegible initials)

This Agreement between Essity and IndustriALL Global Union / Unionen / Essity Group EWC is signed on May 4, 2018 by the following parties:



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Magnus Groth  
*President and CEO*  
Essity Group



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Valter Sanches  
*General Secretary IndustriALL*



.....  
Mikael Schmidt  
*SVP Legal Affairs & General Counsel*  
Essity Group



.....  
Martin Linder  
*Chairman, Unionen*



.....  
Frank Gottselig  
*Chairman, Essity Group EWC*