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Essity response to the European Commission Inception Impact Assessment for Sustainable Products Initiative Ref. Ares (2020)4754440 - 11/09/2020)

The European Green Deal aims to transform the EU into a modern, resource-efficient and competitive economy while reaching its 2030 climate and energy goals and becoming climate-neutral by 2050, as well as moving towards a zero pollution ambition to protect the EU's natural capital and citizens' health and well-being. Essity, a global hygiene and health company with a vision of bringing well-being for hundreds of million people every day, is continuing to integrate circularity in its business model: from responsible raw material sourcing, more efficient production with a smaller climate footprint, to solutions that enable customers and consumers to minimize waste. Through our continued efforts to make more from less, increase circularity and well-being we help customers and consumers make more sustainable choices. We welcome the European Green Deal (EGD) and the Circular Economy Action Plan (CEAP). The initiatives following the CEAP must take into account the long-term socio-economic benefits of products and services and specifically for the hygiene, personal health and care sectors their role in: preventing diseases and infections; allowing high-level hygiene everywhere in the EU; and fostering the health, independence and well-being of people.

In the Inception Impact Assessment for Sustainable Products Initiative the Commission proposes e.g. establishing overarching product sustainability principles, one of them being requirements to address social aspects throughout the product lifecycle as part of sustainability principles and requirements, where appropriate and feasible. It is of great importance and underlined by the pandemic caused by the coronavirus - which causes the infectious disease (COVID-19) - that the social aspects must include hygiene and health concerns.

Avoid one-size fits all solutions

We work to create well-being and health for consumers and customers while improving the environmental footprint for our products and services. The environmental footprint is improved by reducing consumption during use, developing products with smarter design, superior materials and optimizing resources efficiency in the whole life cycle. We want to increase the use of renewable and recycled materials and explore reuse and recycling.

When it comes to the proposals from the European Commission on sustainable principles and setting demands on recycled content etc. one-size fits all solutions should be avoided. Material, products and services must have different requirements depending on their function and safety during use and should be based on Life Cycle Assessments (LCAs).

LCA important to measure environmental performance – PEF needs to be further developed to be user friendly for companies

Essity is positive to use a Life Cycle Perspective when assessing the environmental impact from products and services We have a long tradition of conducting LCAs.¹ LCAs help us monitor the

¹ We managed the following using LCAs:

- We have reduced the carbon footprint of our TENA pants by a third since 2008. We optimized material selection to reduce waste based on the needs of the consumer whilst minimizing the risk for leakage.
- A recently performed LCA of the Tork Coreless Bath Tissue has shown an average of 11% reduction in the product's carbon footprint, compared to conventional toilet paper. It also generates 86% less packaging waste. Additionally, Tork Xpressnap reduces napkin consumption by at least 25% compared to traditional use of napkins.

environmental performance of our innovations. This includes environmental impact from suppliers and our own production, superior materials, as well as smarter product design. Essity recognizes that PEF is an important tool and we have been contributing during the phase of testing and developing the method. However, the PEF methodology needs to be further developed to be more user friendly for companies. Its methodology and databases still need further development and we are eager to be involved in and contribute to this upcoming work.

Therefore, it is important that the EU PEF should be a voluntary system and that it is developed in close co-operation with stakeholders. It is beneficial to have clear guidelines for green claims based on ISO Standard 14021. Guidelines for environmental claims on a more detailed level should be created per industry sector to secure relevance and credibility, and the European Commission should:

- take account of Life Cycle Perspective, based on ISO14040-series and already developed category rules for personal care and tissue products. This will support a sound European PEF methodology.
- co-ordinate the work in developing sector-specific rules, in close collaboration with stakeholders, such as industry actors, public authorities, academia and NGOs.

Labeling and self-declared claims based on ISO 14021 should empower the consumer in the green transition

Essity develop our business model to help consumers make more sustainable choices. We aim to design | Essity products and services to promote sustainable consumption and behaviors, where everything is used, and amount of waste is reduced. We need several ways to promote sustainability and drive changed behaviors. One of the areas under the sustainable product policy is to establish EU rules for setting requirements on mandatory sustainability labelling and/or disclosure of information to market actors along value chains in the form of a digital product passport. In order to empower the consumer in the green transition it is important to underline that the Commission should:

- Encourage and support the adoption of nudge policies to bring about positive changes in consumer behavior based on the Commission's own study on behavioral economics; and the multiplication of regulatory labelling schemes
- Labels should not come at the expense of brand and product information that companies need to communicate (i.e. brand recognition, conditions of use and own good practice).
- Any labels should be developed together with the relevant trade organization to secure relevance
- Concentrate efforts on labelling that supports consumers to better disposal of products (i.e. anti-littering and separation of waste).
- Support current national, European and international initiatives for the development of digital labelling as an alternative or a supplement to physical product information and adopt a coordinated approach to allow for digital means to provide product information in EU legislation.

It is also important that the multiplication of labels should not come at the expense of brand and product information that companies need to communicate (i.e. brand recognition, conditions of use and own good practice). Furthermore, any on-pack label/markings should proportionate to the actual size of the packaging, and relevant and feasible in terms of its positioning on the packaging. Depending on the overall space available on the packaging, only a limited amount of information may

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- We have reduced the climate impact of Libero diapers by up to 25% since 2008 for the whole life cycle.
 - We are rolling out a sustainability initiative for the Baby business in Germany, introducing 30% recycled (PCR) plastic in the baby packaging.
 - Early 2020 we introduced packaging made of renewable materials on a significant part of our portfolio, for example feminine liners, Ultra towels and Maxi towels. Our towels plastic packaging is now made from at least 50 percent renewable sources, using responsibly grown sugar cane and our liners paper packaging are made from 100 percent renewable fibers.

be placed on-pack. If the label/marketing has difficulties to fit on the packaging one possibility could be to link a website where more information can be found.

Harmonized regulations promoting sustainable innovations

It is of outmost importance to have transparency, predictability and long-term perspectives in public policy to allow stakeholders such as companies to understand what is coming when planning new innovations as well as predictability in terms of definitions etc. These policies and regulatory frameworks do not need to be subject to frequent changes, but rather allow to plan and implement innovations accordingly.

For example, we invest in finding materials and innovations that can both meet our high demands on sustainability including quality and safe products and at the same time contribute to lower environmental impact and improved circularity. It is important that the regulations allow for sustainable innovations and do not limit future development of products and services. Therefore, any rules and legislation for products policy are best set as an overarching framework and objectives in order to ensure flexibility for innovation, and to avoid locking industry into short-term solutions which could be outdated very rapidly. However, when applying standardization and classification (including contamination risk and traceability) of material and products, we propose reviewing existing ISO- and CEN-standards or introducing new once to secure both safety and efficiency.

In order to avoid the risk of EU Single Market fragmentation, measures under this overarching sustainable product policy framework should be taken at EU level in order to ensure harmonization and avoid divergence across 27 Member States' markets.

Collaboration across the value chain and the importance of well-functioning waste systems

It is important facilitate collaborations across the value chain that is bringing benefits to promote a more sustainable and circular society, this will never be successful without well-functioning waste systems. The Commission has an important role to play to incentivize and push Member States waste system to contribute to increased incineration, recycling or composting where suitable in order to reduce landfilling. For example, for plastic packaging It is not enough to have the collection and recycling system in place, but recycling of different sort of plastic packaging need to be assured to create the necessary supply or recycled plastic. Here both sticks and carrots should be utilized.

We look forward to the continued dialogue with the Commission and engage together on this common challenge and opportunities in the future.

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