

Document ID	Version	Document Type	Approved by The Board of Directors	Page
GPOL-000916	4.0	Group policy	2025/03/27	1(2)

Tax Policy

1. Purpose

This policy sets out the objectives and the fundamental principles for the Essity Group's tax management and governance.

2. Scope

The policy is comprehensive and valid in relation to all taxes and to all tax management under Essity's control. The policy is applicable to all Essity Group companies and employees.

Instructions and complementary guidelines for the performance of this policy may be issued. Such governing documents are subordinated to this policy and can never limit, restrict or amend the policy.

3. Description

General approach

The overall goal with our tax management is to be a responsible taxpayer and contribute to shareholder value. We comply with the laws in all countries where we operate. Adhering not only to the letter but also the spirit of the law, meaning we interpret the laws reflecting their intended purpose, with the aim to secure our tax practices are both compliant and ethical. We refrain from aggressive tax planning and ensure our tax practices align with business operations and strategy, as well as Essity's Code of Conduct and our Beliefs. We leverage sophisticated technology solutions and ensure our employees have the necessary knowledge and skills to uphold our high standards of compliance and ethics.

Relationship with tax authorities

We acknowledge the legitimate interest of tax collection and believe taxation is important to advance economic development. We strive to maintain a transparent and constructive relationship with tax authorities in countries where we operate, and never intentionally or knowingly take financial advantage of weaknesses in institutional structures or shortcomings in the tax collection process. We also seek to resolve uncertainty proactively with the tax authorities in the form of rulings where relevant and available.

Transparency

We comply with all statutory requirements in terms of reporting and disclosure of tax information without considering the balance between the burden on our business of doing so and the relevance of the required information. We understand the value of financial reporting to investors and society, and work to provide transparent and balanced disclosure in communicating our tax practices.

Document ID	Document Name	Version	Page
GPOL-000916	Tax Policy	4.0	2(2)



Risk management

We have a prudent tax risk tolerance and our approach to risk requires that we consider the implications of our tax management on the group's brand and reputation. Based on our tax risk management framework we use a combination of methods, such as internal controls and risk reporting, as well as external audits, to monitor tax compliance and risks, and ensure alignment with this policy. Relevant employees attend trainings on tax and risk reporting, aside of general trainings related to Essity's Code of Conduct (incl. the whistleblower system).

Tax planning

We refrain from aggressive tax planning and transactions unrelated to the business context. We follow the principle that profits are declared where the economic activities occur and where value is created. We do not use so-called tax havens as defined by the EU and OECD for tax avoidance purposes, and as such do not control legal entities in such countries without commercial activities. We do take advantage of local tax incentives where this is not in conflict with our commitment to comply with local laws, but we refrain from involving in practices that would constitute prohibited state aid or other unlawful competition by governments. In our intercompany transactions we aim to apply the arm's length principle and accordingly such pricing and other conditions that are in compliance with both local laws and the OECD Transfer Pricing Guidelines for Multinational Enterprises.

4. Change management of the policy

This policy is approved by the Board and shall be reviewed annually.

5. Follow up of this policy

VP Tax is responsible for the implementation of this policy and for the reporting of performance of the policy.

6. Document history

Version	Description of changes from last version
4.0	New updated policy approved by board