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Essity Position on the Revision of the EU Public Procurement Directives

The EU has a strategic opportunity to align public procurement rules with its broader goals of competitiveness, resilience, and sustainability. Public procurement should enable European public entities to choose high-quality, safe, and affordable essential products and services that create value, support sustainability, and strengthen the EU industry.

Essity is a global hygiene and health company with more than 30 production sites and about 18,000 employees in Europe. Our essential products, including tissue paper, absorbent incontinence products, period care products, baby diapers, and wound care items, support the daily well-being of more than one billion people.

Essity Recommendations for Revised Public Procurement Directives (2014/24, 25 and 26)

1. Move Beyond Lowest Price to a Best Total Cost–Quality Ratio

Public procurement should help achieve broader EU strategic goals by moving past the lowest-price focus. Currently, price often dominates because other criteria are not sufficiently differentiating. Essity supports shifting to a Best Total Cost–Quality Ratio that reflects:

- User, healthcare system, and societal outcomes
- Full lifecycle environmental impact
- Total cost of care

While sector-specific rules may increase complexity, they are essential in sensitive areas such as healthcare to protect societal value and avoid hidden costs. Social and economic sustainability, such as optimal product functionality for users, patients, and caregivers, must be integral considerations.

Public procurement of medical devices (value-based procurement) should evaluate:

- User/patient/healthcare professional benefits
- Health system impact
- Environmental and social outcomes
- Total cost of care

For Example, clinical evidence shows that poor-quality absorbent incontinence products increase caregiver workload, causes skin issues for users, interrupts sleep, and lead to more washing and waste, all of which harm users, caregivers, the environment, and public budgets.

Public procurement systems should also support training to build skills in applying Green Public Procurement criteria across different industries/product categories.

2. Apply mandatory environmental criteria and weightings

Public procurement should drive sustainable product use, such as reducing consumption, minimizing resource use, reducing CO2-emissions and reducing waste, without compromising quality or user well-being. Therefore, environmental criteria should be mandatory in tenders, but the exact definitions

and measurements should not be set in the Directives. The criteria should be developed in sectoral guidance to reflect industry-specific needs. Minimum sustainability, safety, and quality requirements should be set as preconditions for participation. Criteria should have minimum weightings or mandatory evidence. Value-based award criteria, where quality, sustainability, lifecycle impacts, and total cost of ownership should be weighted more strongly than price alone.

The approach must also align with upcoming mandatory Green Procurement provisions in the Ecodesign for Sustainable Products Regulation. For tissue paper products the following aspects need to be considered:

- **Minimum sustainability criteria should be mandatory**
Current sustainability requirements often focus primarily on compliance through product certificates or standards. Greater emphasis should instead be placed on circularity, waste processing, and CO₂ reduction. Life-cycle costs (LCC) should be included, accounting for operating costs, consumption, disposal, and take-back over the product's lifetime. Circular economy criteria should recognise and reward both biobased and recycled content, without giving undue preference either. Environmental labels, such as Ecolabel and FSC should be rewarded and are a good way to raise environmental standards. Also, certifications such as B Corp and EcoVadis provide substantial additional 3rd party-assessed insight and verification, which should be rewarded during public procurement evaluations. Public institutions should be provided with clear templates and guidance for effectively integrating these aspects into tender documentation.
- **Social sustainability, hygiene considerations and accessibility**
From a social sustainability perspective, hygiene products such as paper tissues should remain accessible to all users. Requirements may, for example, be aligned with the CEN standard *Design for All* (EN 17161), which provides guidance on ensuring accessibility and usability for diverse user groups. Hygiene requirements must be taken into account, and science-based criteria, e.g. results of scientific studies, should be established to ensure that products are assessed on a comparable basis.
- **Incorporation of Total Cost of Ownership (TCO)**
More systematic consideration should be given to the Total Cost of Ownership (TCO). TCO can be incorporated within the sustainability criteria or addressed as a standalone criterion. Additional guidance should be provided to contracting authorities to underline the importance of including TCO in procurement decisions.

In the health sector, environmental reference standards must be harmonized. The use of recycled materials is not always feasible—for example, due to the very high Product Safety requirements on the materials used in Medical Devices.

Digital innovations that reduce environmental impact, improve working effectiveness and ease processes should be promoted. Today, funding frameworks often do not cover digital tools—even when clinical studies show they reduce waste and total care costs. Public procurement should support solutions such as smart incontinence care systems that improve care efficiency.

3. Promote the share of added value in the EU

Securing EU manufacturing capacity in hygiene and health products is vital for resilience, strategic autonomy, and meeting climate goals.

The EU should remain open to global trade while supporting competitive EU manufacturing. If “Made in the EU” criteria are introduced, they should aim to retain jobs and production of sustainable, high-quality, and affordable products within Europe. The OECD defines added value as output value minus intermediate consumption. If Made in Europe or EU-preference criteria are used, Essity recommends focusing on the **share of added value generated within the EU**. This approach allows companies to innovate and choose the materials based on criteria such as quality, lifecycle cost, responsible production, and supply-chain resilience, regardless of origin, as long as the share of added value above a defined threshold is generated within the EU e.g. that final manufacturing for customers and consumers in the EU occurs in the EU. Clear and simple methodologies for calculating added value will be essential.

Summary of Essity's Key Recommendations

- **Ensure value for money** by using the **Best Total Cost–Quality Ratio**. Avoid awarding contracts based solely on price, which risks harming citizens' access to good quality hygiene and health products and undermining innovation and real value creation.
- **Use value-based procurement in the health sector**, evaluating benefits for patients, healthcare providers, and health systems, as well as the total cost of care.
- If **Made in Europe criteria** are introduced, it should focus on the share of added value rather than rigid origin criteria, ensuring open strategic autonomy without limiting access to global supply chains.
- **Encourage sustainable product use** through reduced consumption, minimized waste, and demands regarding lower environmental impact without compromising user wellbeing.
- **Environmental criteria should be mandatory in tenders**, but the exact definitions and measurements should not be set in the Directives. These should be developed in sectoral guidance to reflect industry-specific needs.

A harmonised implementation of the Public Procurement Directive across Member States is a precondition for ensuring consistency and to driving markets. Coherence of Public Procurement provisions with existing EU priorities remains a must - particularly with the Circular Economy Act, the Clean Industrial Deal, the Competitiveness Compass, the Bioeconomy Strategy, and the Waste Framework Directive (WFD).

Essity is committed to supporting EU institutions in designing procurement frameworks that deliver long-term value for citizens, public authorities, and the EU economy. We are ready to contribute our experience and expertise to this process.

Kind regards

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