

Press release

Stockholm, April 23, 2021

Progress within Manufacturing Roadmap

Hygiene and health company Essity today presents additional information regarding the program Manufacturing Roadmap, including optimizing and streamlining all of the Group's approximately 60 wholly owned production facilities and logistics and distribution. The program extends until 2025 and is expected to contribute to Essity's total annual cost savings of SEK 500-1,000m through the optimization of the production structure, productivity improvements and raw material and energy savings.

These measures facilitate growth without investments increasing at the same pace. Working capital is expected to decrease by more than SEK 1,000m. The objective is to also utilize new production methods to reduce exposure to wood-based fresh-fiber pulp by approximately 10%, which will result in reduced volatility for the company's profitability.

"With the program "Manufacturing Roadmap", we streamline Essity's supply chain. We will achieve even higher quality and service levels to customers and consumers while reducing our environmental footprint and strengthen our profitability", says Magnus Groth, President and CEO of Essity.

The program will also lead to that the company's sustainability targets within the Science Based Targets will be achieved faster. A recent example is that Essity replaced natural gas with biogas at the company's Lilla Edet tissue plant in Sweden, reducing fossil CO₂ emissions to zero during normal operations.

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About Essity

Essity is a leading global hygiene and health company. We are dedicated to improving well-being through our products and services. Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other strong brands, such as JOBST, Leukoplast, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa. Essity has about 46,000 employees. Net sales in 2020 amounted to approximately SEK 122bn (EUR 11.6bn). The company's headquarters is located in Stockholm, Sweden, and Essity is listed on Nasdaq Stockholm. Essity breaks barriers to well-being and contributes to a healthy, sustainable and circular society. More information at www.essity.com.
