

The Nomination Committee's proposals to the 2023 Annual General Meeting in Essity Aktiebolag (publ), including reasoned opinion

Presentation of the Nomination Committee's work

In accordance with the mandate of the Annual General Meeting, the Chairman of the Board of Directors has in September 2022 summoned representatives of the four largest shareholders in terms of voting rights, who had declared that they were willing to participate in the Nomination Committee work, to form part of the Nomination Committee together with the Chairman of the Board of Directors, ahead of the 2023 Annual General Meeting. On 22 September 2022, the company announced the composition of the Nomination Committee and how shareholders may submit proposals to the Nomination Committee.

The Nomination Committee for the 2023 Annual General Meeting comprises:

- Helena Stjernholm, AB Industrivärden, Chairman of the Nomination Committee
- Ola Peter Krohn Gjessing, Norges Bank Investment Management (represented at the first meeting by Nikolai Schjold)
- Anders Oscarsson, AMF and AMF Investment Funds
- Marianne Nilsson, Swedbank Robur Investment Funds
- Pär Boman, Chairman of the Board of Directors of Essity Aktiebolag (publ)

The Nomination Committee of Essity has considered the tasks imposed on the Nomination Committee according to the Swedish Corporate Governance Code, and the instruction to the Nomination Committee resolved upon by Essity's Annual General Meeting. The Nomination Committee has held six recorded meetings, one meeting with major institutional shareholders, and has met with one board member, the President and CEO, the CFO and the General Counsel and has conducted several interviews.

The Nomination Committee has familiarized itself with the board's work and the specific requirements imposed by the company's operations and strategy. The Nomination Committee has also reviewed the result of the completed evaluation of the individual board members' contribution to the board's work, the Chairman's work and of how the board functions together as a group.

The Nomination Committee has also reviewed the results of the company's evaluation of the auditor's performance and the Audit Committee's recommendation regarding proposal for election of auditors.

The Nomination Committee has applied rule 4.1 of the Swedish Corporate Governance Code as diversity policy in the preparation of its proposal.

All decisions of the Nomination Committee have been unanimous.

The Nomination Committee's proposals and reasoned opinion

The Nomination Committee has submitted the following proposals to the 2023 Annual General Meeting.

Election of Chairman of the Annual General Meeting

The Nomination Committee proposes that Carl Svernlöv, attorney at law, be elected as Chairman of the Annual General Meeting.

Resolution on the number of members of the Board and deputy directors

The Nomination Committee proposes that the number of board members shall be nine, with no deputy directors.

Reasoned opinion – Number of members of the board

Nine board members elected by the General Meeting with no deputy directors are considered appropriate.

Resolution on the number of auditors and deputy auditors

The Nomination Committee proposes one Auditor, with no deputy auditors.

Resolution on remuneration to the Board of Directors and the Auditor

The Nomination Committee proposes that the remuneration to each board member elected by the General Meeting and who is not employed by the company shall be SEK 875,000 (850,000) and that the remuneration to the Chairman of the Board of Directors shall be SEK 2,625,000 (2,550,000). Members of the Remuneration Committee are each to receive an additional remuneration of SEK 130,000 (125,000), while the Chairman of the Remuneration Committee is to receive an additional remuneration of SEK 155,000 (150,000). Members of the Audit Committee are each to receive an additional remuneration of SEK 300,000 (290,000), while the Chairman of the Audit Committee is to receive an additional remuneration of SEK 425,000 (415,000). Members of the Portfolio Development Committee are each to receive an additional remuneration of SEK 300,000 (290,000), while the Chairman of the Portfolio Development Committee is to receive an additional remuneration of SEK 425,000 (415,000).

Remuneration to the Auditor is to be paid according to approved invoice.

Reasoned opinion - Remuneration

Competitive remuneration is the basic principle for the assessment of remuneration to the board members, in order to ensure that Essity can recruit and retain people with the best possible qualifications. When assessing the size of the remuneration, comparisons with remuneration to board members in companies of comparable size and complexity have been made. It should be noted that Essity is one of Sweden's largest companies, has customers in more than 190 countries, 48,000 employees with 124 different nationalities and had sales of approximately SEK 156 billion in 2022. The proposed board comprises members of various nationalities and all board members have international experience. The Nomination Committee has evaluated and discussed the structure and levels of the remuneration to the Board of Directors and concluded that the proposed increase of the remuneration level is justified. The Nomination Committee's assessment is that also an increase of remuneration for committee work is reasonable.

Election of Directors and Chairman of the Board of Directors

The Nomination Committee proposes re-election of the board members Ewa Björling, Pär Boman, Magnus Groth, Annemarie Gardshol, Torbjörn Lööf, Bert Nordberg, and Barbara Milian

Thoralfsson and new election of Maria Carell and Jan Gurander. Bjørn Gulden, Louise Svanberg and Lars Reiben Sørensen have declined re-election.

Furthermore, Pär Boman is proposed to be elected as Chairman of the Board of Directors.

Proposed new Board members

Maria Carell, born 1973, has since 2017 been the President and CEO of RG, an esthetics and skincare specialized company based in Dallas, USA. She is a Swedish citizen and has lived in the USA since 2012. Maria Carell has a solid pharmaceutical and med-tech background including previous leading positions in i.a. Exeltis, Meda, Q-MED, Actavis, Novartis and Jensen-Cilag. She has served as a board member in several companies during the last 20 years but today only has a board assignment in RG Holdco. Maria Carell has a M.Sc. in Business Administration and Economics with focus on international business.

Jan Gurander, born 1961, was during 2016-2022 deputy CEO in the Volvo Group and was also CFO for the Volvo Group during 2014-2018. He is a Swedish citizen. Jan Gurander has experience from leading positions in listed large international industrial companies and from the financial sector, such as MAN, Volvo Cars, Swedbank Robur, Scania and Investor. Today he has a board assignment in one listed company (Skanska), where he is also serving as a member in all of the board committees. Jan Gurander has a M.Sc in Business and Economics from Stockholm School of Economics.

Reasoned opinion – Board members

The Nomination Committee has strived for proposing a Board of Directors where individual board members, as well as the board in its entirety, meet great demands on relevant knowledge and experience, in order to be able to carry out effective board work in Essity, characterized of high quality. The Nomination Committee has, in addition to the aforementioned, also strived to achieve gender balance in the Board of Directors. Five of the proposed members of the board are men and four are women, which corresponds to approximately 56% and 44% of the board members, respectively.

In its proposal regarding the Board of Directors, the Nomination Committee has also paid specific attention to the proposed board members' other assignments, to ensure that they are able to devote their assignment in Essity's board the time and the commitment that is required.

The conclusion is that the current board and its work functions properly. The Nomination committee has also been informed that all board members are available for re-election.

The Nomination Committee considers that the proposed Board of Directors will obtain an appropriate composition with regard to the company's operations, phase of development and other relevant circumstances. The Board of Directors is characterized by diversity and breadth as to the board members' qualifications, experience and background. The proposal also provides continuity to the board's work, which the Nomination Committee has considered to be important.

A majority (eight out of nine) of the proposed board members – Ewa Björling, Pär Boman, Maria Carell, Annemarie Gardshol, Jan Gurander, Torbjörn Lööf, Bert Nordberg, and Barbara M. Thoralfsson – are independent in relation to the company and the senior management. Out of

these board members, seven – Ewa Björling, Maria Carell, Annemarie Gardshol, Jan Gurander, Torbjörn Lööf, Bert Nordberg, and Barbara M. Thoralfsson – are also independent in relation to the company's larger shareholders. Only one board member – Magnus Groth, CEO – is part of the company's management. All board members have sufficient experience of the requirements that a listed company is subject to.

The Nomination Committee concludes that the stock exchange's rules regarding board members' relevant stock exchange experience have been met, as are the rules of the Corporate Governance Code regarding the independence of board members.

Election of auditor

The Nomination Committee proposes Ernst & Young AB as Auditor for the period until the end of the annual general meeting 2024.

If elected, Ernst & Young AB has announced its appointment of Erik Sandström as Auditor in charge.

Reasoned opinion - auditor

The current Auditor, Ernst & Young AB, has been the company's Auditor for seven years. The company's audit is a complicated process that, among other things, includes auditing in more than 90 countries. Ernst & Young AB has been deemed appropriate for this.