

Stockholm 20 January 2020

## Essity answer on New Circular Economy Action Plan

Essity Hygiene and Health AB (Essity) is a leading global hygiene and health company. Our hygiene and health products and services increase people's well-being and thereby contribute to more people being able to take part in society e.g. to work and provide opportunities for increased well-being. Essity aims to develop products and services for a sustainable and circular society. Hence, Essity welcomes the Green Deal and the New Circular Economy Action Plan.

### Harmonised regulations that promotes sustainable innovations

We invest in finding materials and innovations that can both meet our high demands on quality and safe products and at the same time contribute to improved sustainability and circularity. In this context, 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 product 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in order to ensure flexibility for innovation, and to avoid locking industry into short-term solutions which could be outdated very rapidly. The regulatory framework must take long term socio-economic benefits of products into account (e.g. hygiene, fostering health, independence and well-being of key demographics in the EU). In order to avoid the risk of EU Single Market fragmentation, measures under this overarching product policy framework should be taken at EU level in order to ensure harmonisation and avoid divergence across 27 Member States' markets.

### Legislation promoting circularity should also promote continuous improvement in hygiene and health

Increased recyclability and renewable materials in packaging through collaboration with the value chain and organisations such as EMF should be promoted.

Any innovative tools that can help in the effective recovery and flow of secondary raw materials should be supported. Measures related to mandatory recycled content need to be carefully evaluated in terms of the impact on the demand and supply of SRMs (Secondary Raw Materials) and the consequences on material prices.

### Increase the availability of SRM through functional markets

Essity is one of the world's biggest user of wood fiber. We use three sustainable ways of sourcing: fresh wood-based fiber, recycled fibers and we are also increasing the use of alternative fibers. It is important to promote circularity to increase the availability of paper for recycle. Therefore, innovations that promotes increased collection of paper should be encourage, such as Tork PaperCircle.

An important part of the circular economy is to increase the availability of recycled materials and promote a functioning single market for SRM. The availability of high-quality, safe and reliable SRM at competitive prices is essential. It is crucial that the review of the Waste shipments regulation contributes to completing the single market for waste. Functional markets with an appropriate infrastructure for SRM collection, production and trading are needed to ensure sufficient scale and material availability.

We look forward to reading the Commission's forthcoming communication and having the opportunity to engage with the Commission on this common challenge in the future.

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