

Press release

Stockholm, February 24, 2020

Notice of the Annual General Meeting

Notice is given to the Shareholders of Essity Aktiebolag (publ) ("Essity") of the Annual General Meeting of Shareholders to be held on Thursday April 2, 2020 at 3 p.m. at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm (registration from 1.30 p.m.).

Registration and notification of attendance

Shareholders who wish to attend the Annual General Meeting must

- be listed in the shareholders' register maintained by Euroclear Sweden AB on Friday, March 27, 2020, and
- give notice of their intention to attend the Meeting no later than Friday, March 27, 2020.

Notification may be given in any of the following manners:

- by telephone +46 8 402 90 80, weekdays between 8 a.m. and 5 p.m.
- on the company website www.essity.com
- by mail to Essity Aktiebolag (publ), Group Function Legal Affairs, P.O. Box 200, SE-101 23 Stockholm, Sweden.

The following applies to shareholders who have their shares registered through a bank or other nominee in order to be entitled to attend the Meeting. Apart from giving notice of attendance, such shareholders must have their shares registered in their own names. Such registration in the shareholders' register must have been completed with Euroclear Sweden AB at the latest on Friday, March 27, 2020. Shareholders should in such case inform their bank or nominee of this in due time before Friday, March 27, 2020. Such registration can be temporary.

Name, personal identity number/corporate registration number, address and telephone number, and number of accompanying persons, if any, should be stated when notification is given. Shareholders represented by proxy should deliver a proxy in the original to the company prior to the Annual General Meeting. Proxy forms are available upon request and on the company website www.essity.com. Anyone representing a corporate entity must also present a copy of the registration certificate, not older than one year, or equivalent authorization document, listing the authorized signatories.

Proposed agenda

1. Opening of the Meeting and election of Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Election of two persons to check the minutes.
4. Determination of whether the Meeting has been duly convened.

5. Approval of the agenda.
6. Presentation of the annual report and the auditor's report and the consolidated financial statements and the auditor's report on the consolidated financial statements.
7. Speeches by the Chairman of the Board of Directors, the President and the auditor in charge.
8. Resolutions on
 - a) adoption of the income statement and balance sheet, and of the consolidated income statement and the consolidated balance sheet,
 - b) appropriations of the company's earnings under the adopted balance sheet and record date for dividend,
 - c) discharge from personal liability of the Board of Directors and President 2019.
9. Resolution on the number of directors and deputy directors.
10. Resolution on the number of auditors and deputy auditors.
11. Resolution on the remuneration to be paid to the Board of Directors and the auditor.
12. Election of directors and deputy directors.

Re-election of

 - i. Ewa Björling
 - ii. Pär Boman
 - iii. Maija-Liisa Friman
 - iv. Annemarie Gardshol
 - v. Magnus Groth
 - vi. Bert Nordberg
 - vii. Louise Svanberg
 - viii. Lars Rebien Sørensen
 - ix. Barbara Milian Thoralfsson
13. Election of Chairman of the Board of Directors.
14. Election of auditors and deputy auditors.
15. Resolution on instructions to the Nomination Committee.
16. Resolution on guidelines for remuneration for the senior management.
17. Resolution on amendments of the Articles of Association.
18. Closing of the Meeting.

Proposal for resolution under Item 1

The Nomination Committee proposes Sven Unger, attorney at law, as Chairman of the Annual General Meeting.

Proposal for resolution under Item 8 b)

The Board of Directors proposes a dividend for the financial year 2019 of SEK 6.25 per share. The record date for the dividend is proposed to be Monday, April 6, 2020. If the general meeting resolves in accordance with this proposal, payment of the dividend through Euroclear Sweden AB is estimated to be made on Thursday, April 9, 2020.

Proposals for resolutions under Items 9-14

The Nomination Committee proposes the following:

- The number of directors shall be nine with no deputy directors.
- The number of auditors shall be one with no deputy auditor.
- The remuneration to each director elected by the Meeting and who is not employed by the company is to be SEK 800,000 and the Chairman of the Board of Directors is to receive SEK 2,400,000. Members of the Remuneration Committee are each to receive an

additional remuneration of SEK 120,000, while the Chairman of the Remuneration Committee is to receive an additional remuneration of SEK 150,000. Members of the Audit Committee are each to receive an additional remuneration of SEK 280,000, while the Chairman of the Audit Committee is to receive an additional remuneration of SEK 395,000. Remuneration to the auditor is to be paid according to approved invoice.

- Re-election of the directors Ewa Björling, Pär Boman, Maija-Liisa Friman, Annemarie Gardshol, Magnus Groth, Bert Nordberg, Louise Svanberg, Lars Rebién Sørensen and Barbara Milián Thoralfsson.
- Re-election of Pär Boman as Chairman of the Board of Directors.
- Re-election of the registered accounting firm Ernst & Young AB, in accordance with the Audit Committee's recommendation, for the period until the end of the Annual General Meeting 2021. If elected, Ernst & Young AB has announced its appointment of Hamish Mabon as auditor in charge.

Proposal for resolution under Item 15

The Nomination Committee proposes that the following instruction to the Nomination Committee, which only contains some editorial clarifications in relation to the current instruction to the Nomination Committee, shall apply until further notice.

“The Nomination Committee shall be composed of representatives of the four largest registered shareholders in terms of voting rights, who has expressed their willingness to participate in the Nomination Committee, according to the shareholders' register maintained by the company as of the last banking day of August, and of the Chairman of the Board of Directors. The Chairman of the Board of Directors is to convene the first meeting of the Nomination Committee. The member representing the largest shareholder in terms of voting rights shall be appointed Chairman of the Nomination Committee. The Chairman of the Board shall not be Chairman of the Nomination Committee. If deemed important, due to later changes in the ownership structure, the Nomination Committee is authorized to appoint one or two additional members among the shareholders who in terms of voting rights are the shareholders next in turn. The total maximum number of members shall be seven. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it desirable that a substitute member be appointed, such substitute shall be appointed from the same shareholder or, if the shareholder is no longer one of the largest shareholders in terms of voting rights, from the largest shareholder in terms of voting rights next in turn. Changes in the composition of the Nomination Committee shall be made public immediately. The composition of the Nomination Committee is to be announced by Essity no later than six months prior to the Annual General Meeting. Remuneration shall not to be paid to the members of the Nomination Committee. Any costs for the work of the Nomination Committee shall be borne by Essity. The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced. The Nomination Committee shall propose the following: the Chairman of the General Meeting, the Board of Directors, the Chairman of the Board of Directors, remuneration to the Board of Directors individually specified for the Chairman and each of the other directors including remuneration for committee work, auditor and remuneration to the auditor and, to the extent deemed necessary, amendments to this instruction.”

Proposal for resolution under Item 16

The Board of Directors proposes the following guidelines for remuneration for the senior management.

“These guidelines shall govern remuneration to directors, the President, vice presidents and other senior executives. The guidelines do not include remuneration decided upon by the General Meeting.

Remuneration principles

Successful implementation of the company's business strategy and the fostering of the company's long-term interests, including its sustainability, require that the company is able, through competitive remuneration on market terms, to recruit, incentivize and retain skilled employees. The total remuneration package must therefore be on market terms and competitive on the executive's field of profession, and must be related to the executive's responsibilities, powers and performance. The remuneration may comprise fixed salary, variable remuneration, other benefits and pension. The company's business strategy is presented in the company's Annual and Sustainability Report.

Variable remuneration

Variable remuneration shall be based on results relative to established short-term (one year) and long-term financial targets, targets which contribute thereto or to the performance of the company's share. Remuneration shall be aimed at promoting the company's business strategy and long-term interests, including its sustainability. Furthermore, variable remuneration shall be paid as cash remuneration and shall not be included in the basis for pension computation. The short-term element shall not exceed 100 per cent of annual fixed salary and the long-term element shall not exceed 50 per cent of annual fixed salary.

Short-term performance targets shall include organic growth, product development, earnings, cash flow, capital efficiency, sustainability, return, individual targets or a combination thereof.

Long-term performance targets shall be linked to the performance of the company's class B share measured as TSR index (Total Shareholder Return) compared with MSCI Household products Index, Consumer staples, which includes shares of competing companies, over a three-year period, where maximum outcome requires that the performance of the Essity share exceeds the benchmark index by more than 5 per cent over a multi-year period. Payment of cash remuneration for achieved long-term performance targets shall also be subject to a requirement that one-half of such paid remuneration after tax shall be used for investment by the recipient in Essity shares. Such shares may not be divested during a period of three years from the date of purchase; among other things, to create a shared ownership interest between the participants in the program and the shareholders.

The company shall have the possibility to withhold payment of variable remuneration where necessary and possible according to law, provided there are special reasons for so doing and such a measure is necessary to meet the company's long-term interests, including its sustainability. Furthermore, the company shall have the possibility provided by law to demand repayment of any variable remuneration paid based on erroneous grounds.

Pension and other benefits

Pension benefits shall be contribution-defined, and the annual premium shall not exceed 40 per cent of the fixed annual salary. The retirement age shall normally be 65.

Other, lesser benefits may include medical insurance, company car, fitness allowance as well as membership and service fees, training/education and other support.

A notice of termination period of not more than two years shall apply upon termination of the employment relationship where the termination is initiated by the company, and of not more than one year where the termination is initiated by the executive. There shall be no severance pay.

Decision-making process and reporting

Matters relating to remuneration to senior executives shall be addressed by the Board's Remuneration Committee and, with respect to the President, decided upon by the Board. The duties of the Remuneration Committee shall also include preparing board decisions regarding proposals for guidelines for remuneration to senior executives, performing oversight as well as monitoring and assessing the application thereof. When the Board or the Remuneration Committee addresses and decides on remuneration-related matters, senior executives may not be present

insofar as the matter relates to them and, with respect to the calculation of variable remuneration, an audit certificate must be obtained before any decision is taken regarding payment. In the preparation of the remuneration guidelines, consideration has been given to salary and employment conditions for the company's other employees, such as information regarding total remuneration, components of the remuneration as well as the increase in remuneration and the rate of increase over time, and the company's equality of opportunity policy.

The Board shall prepare a remuneration report.

Application of, and deviation from, the guidelines

The Board may decide to temporarily deviate from the guidelines, wholly or in part, if there are special reasons for so doing in an individual case and deviation is necessary to satisfy the company's long-term interests, including its sustainability. The duties of the Remuneration Committee include preparing board decisions on remuneration issues, including decisions regarding deviations from the guidelines. With respect to employment relationships governed by rules other than Swedish rules, appropriate adjustments shall take place with respect to pension benefits and other benefits to ensure compliance with such rules or local practice, whereupon the overarching purpose of these guidelines shall be attained as far as possible. The guidelines shall not take precedence over mandatory terms or employment law legislation or collective agreements. Nor shall they apply to already executed agreements.

For more information about the company's application of applicable remuneration guidelines, see the note entitled "Remuneration of senior executives" in the company's Annual and Sustainability Report.

These guidelines shall apply commencing the 2020 Annual General Meeting until further notice."

Proposal for resolution under Item 17

The Board of Directors proposes the Annual General Meeting to amend the Articles of Association, due to rules on shareholders' rights, as follows.

Current wording

§ 11 Notice

Notice of General Meetings shall be made by advertisement in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the Company's website. An announcement that this has been done shall be published in Dagens Nyheter and Svenska Dagbladet.

In order to be permitted to attend General Meetings, shareholders must, firstly, be registered in the transcript of the entire share ledger prevailing five weekdays prior to the general meeting and, secondly, notify the Company of its attendance no later than the day specified in the notice of the Meeting. This day must not be a Sunday, any other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and must not fall earlier than the fifth weekday prior to the Meeting.

Proposed amended wording

§ 11 Notice

Notice of General Meetings shall be made by advertisement in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the Company's website. An announcement that this has been done shall be published in Dagens Nyheter and Svenska Dagbladet.

In order to be permitted to attend General Meetings, shareholders must notify the Company of its attendance no later than the day specified in the notice of the Meeting. This day must not be a Sunday, any other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and must not fall earlier than the fifth weekday prior to the Meeting.

The Board of Directors further proposes that the Annual General Meeting authorizes the President, or the person who the President designates, to make any adjustments of the resolution that may prove to be necessary in connection with registration of the resolution with the Swedish Companies Registration Office.

The Meeting's resolution under this item requires that shareholders representing at least two-thirds of the votes cast as well as of the shares represented at the Meeting approve the resolution.

The Nomination Committee

The Nomination Committee is composed of Helena Stjernholm, AB Industrivärden, the Chairman of the Nomination Committee, Jonas Jølle, Norges Bank Investment Management, Stefan Nilsson, Handelsbankens Pensionsstiftelse and others, Anders Oscarsson, AMF and AMF Fonder and Pär Boman, Chairman of the Board of Essity.

Additional information

The financial statements, the auditor's report and the Board of Directors' complete proposals including the Board of Directors' statement pursuant to Chapter 18, section 4 of the Companies Act, as well as other documentation which, according to the Companies Act, shall be made available at the Annual General Meeting, as well as proxy forms, will be available at the company and on the company website, www.essity.com, no later than March 12, 2020, and will be distributed free of charge to shareholders upon request and notification of postal address.

The Board of Directors and the President shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, and regarding circumstances that can affect the assessment of the company's or its subsidiaries' financial situation or the company's relation to other companies within the group.

The total number of shares in the company amounts to 702,342,489 shares, of which 63,933,642 are class A shares and 638,408,847 are class B shares, representing a total of 1,277,745,267 votes. The class A share carries ten votes and the class B share carries one vote. The information pertains to the circumstances as per the time of issuing this notice.

Processing of personal data

For information on how personal data is processed, please visit

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm in February 2020

Essity Aktiebolag (publ)

The Board of Directors

556325-5511

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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 2019 amounted to approximately SEK 129bn (EUR 12.2bn). 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.

The information was submitted for publication at 19:30 CET on February 24, 2020.
