Essity's One Treasury Ethos Powers Progress

Through deep integration, automation, and a culture of collaboration, global hygiene and health company Essity has achieved 99% STP and reshaped how it manages risk, payments, and intercompany flows. The outcome is a treasury model 'that reaches for the stars' and one that others can learn from.

For Essity, the journey of treasury transformation has not been a short sprint but a decades-long process of steady accomplishments. From early cash pooling structures in the 1980s through to today's near-total automation, the company has consistently raised the bar for what treasury can achieve.

At the heart of this effort lies its One Treasury concept, an approach that unites Group Treasury (Cash Management, Front and Back Offices and Treasury Control), the Global Business Services organisation (GBS) or SCC, and external partners behind a single objective: harmonisation and efficiency on a global scale.

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Per Hagardt
Treasury Director Cash Management and GBS Global Treasury Process Lead

Håkan Aab-Bergqvist
Cash Management Sales, BNP Paribas

Fabio Cacia
BNP Paribas' Head of Cash Management, Nordic Region

Per Hagardt, Treasury Director Cash Management and GBS Global Treasury Process Lead, explains: "For the last couple of years in particular, it's been the same strategy – Group Treasury needed to be closer to the business, and the only way is to have real-time access to the data from across the business and take on that work centrally."

From solid foundations to step-change projects

More than four decades ago, the company (then part of SCA) was already experimenting with internal bank account structures, cash pooling to cut interest costs and improve liquidity and netting to facilitate internal payments.

Around the same time, the company built MINT, an ambitious in-house system for invoicing, factoring, and settlement. Long before centralised exposure management was standard practice, MINT shifted currency risk to the treasury team, freeing subsidiaries from FX concerns. Durable enough to run for more than three decades, it also inspired the design of Essity's future intercompany exposure tool. Combined with a classic netting solution that reduced bank payments and simplified liquidity, MINT demonstrated Essity's willingness to develop its own tools when market solutions were lacking.

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than 90% of available liquidity across 80 companies and 25 currencies. The launch of the 360T platform in 2005 gave treasury a more efficient way to execute trades, negotiate pricing across its bank panel, and manage the numerous external deals it carries out each year. These moves shifted the focus from managing liquidity to actively shaping the cost and efficiency of treasury operations.

A decade later, security and automation took centre stage. In 2015, Essity rolled out Serrala Finance Suite Payment Manager (PM) as a global payment workflow, finally bringing 120 companies into one payment execution process and system. The project cut manual work, strengthened controls, and delivered earlier visibility of bank statements by several hours a day. At the same time, Swift connectivity was expanded through a service bureau model, reducing reliance on bank portals and reinforcing cyber-security. Soon after came automated booking of trades from 360T into the Findur TMS and centralised liquidity outflow reporting. Each step may have looked incremental, but together they pushed Essity closer to a truly automated, STP model.

Following its spin-off from SCA in 2017, Essity's treasury embarked on its most ambitious phase of transformation: a set of four projects that marked a step change in how the group manages risk, payments, and intercompany flows.

Tackling payroll and payment complexity

A key challenge in Essity's transformation was the requirement to process both payroll and commercial transactions from a single bank account. Many corporates have historically separated these flows for confidentiality and compliance, but this can bring inefficiency and multiple processes. For a group with operations spanning multiple regions, this adds complexity..

Working with BNP Paribas and Swift Service Bureau partner Tietoevry, Essity implemented DNLevel3. This Swift FileAct header innovation enables payroll and vendor payments to be identified and routed correctly from the same account. On paper, it was a slight change. In reality, the stakes were high. As Hagardt points out: "Salary payments are rather important to people. If something goes wrong, you'll hear about it very quickly."

Håkan Aab-Bergqvist, Cash Management Sales, BNP Paribas, notes: "Essity was one of the first clients to adopt the solution. It's always valuable to pilot new ideas with clients who are willing to take that first step."

The gains were immediate. DNLevel3 cut manual processes, strengthened compliance, and showed how collaboration under the One Treasury banner could deliver real efficiency. Hagardt notes: "For us, DNLevel3 meant we didn't need duplicate bank accounts. We could send both salary and

vendor files over Swift, and the bank could tag them correctly for the return messages we needed."

Reinventing intercompany exposure management

If DNLevel3 solved a specific operational challenge, the next pillar of the more recent innovations represented a wholesale reinvention of an existing process. Since the mid-1980s, Essity has relied on its in-house MINT system, built within SAP, to manage internal invoicing, factoring, hedging, and settlement. When the company moved to SAP S/4HANA, MINT could no longer continue. Rather than revert to standard SAP functionality, Essity chose together with Accenture to design a bespoke replacement: Internal Currency Exposure Management (ICEM).

ICEM centralises intercompany currency exposures across more than 80 entities. Around one million invoices a year, representing approximately €8bn in internal local currency sales, are moved daily onto the books of treasury. This makes the treasury function the single counterparty for all internal flows, removing FX risk from subsidiaries and enabling exposures to be hedged centrally. Settlement is handled monthly through in-house cash.

The shift has been transformative. Rather than each business unit running multiple back-to-back deals, treasury now executes a single net position per currency each day. Fewer external trades mean greater efficiency, hedges are more effective, and accounting is consistent across the group. As a result, Essity has managed to reduce FX impact on internal sales since the start in 2021.

Yet ICEM was not without challenges. Data quality across entities varied, and Essity had to build custom reports to catch errors early. Hagardt acknowledges the effort involved. "It sounds perfect but, of course, having 80 companies invoicing daily between each other means it's challenging. The key has been to clean up the process and master data, and build the tools and reports to ensure it doesn't topple the system."

The solution is unique in the market, and while it cannot be deployed in every geography due to currency restrictions, it remains a powerful example of how long-standing internal processes can be reimagined for a modern, digitised treasury environment.

Automating balance sheet hedging

The next pillar focused on external exposures, where balance sheet hedging had long been a drain on time and resources. Exposure data was fragmented, practices varied across units, and too much manual effort went into executing and accounting for trades. Essity's answer was to bring in AtlasFX, a specialist platform that automated exposure

tracking, hedging, and reporting, reshaping how the group manages external risks.

Using this platform, Essity integrated exposures from multiple SAP environments, enabling daily updates and centralised hedging. The shift delivered greater set-off, reduced trading volumes, and more consistent results.

The operational impact mattered just as much. Within GBS and the business, many people had spent hours on FX processes and execution, which was reduced dramatically. Treasury could handle larger volumes without adding staff, in line with the One Treasury ethos of scaling through automation rather than headcount.

Hagardt is clear on the benefit: "AtlasFX took away all the manual work of hedging, accounting and execution," he notes." It gave us daily accuracy and let us focus on the bigger picture." The tool also provides visibility into new currencies entering the business, enabling treasury to align payment and hedging processes quickly.

Together with ICEM, AtlasFX has transformed Essity's approach to FX. Internal exposures are centralised and external risks are hedged daily, all with a high degree of automation. Together, they give treasury tighter control, greater efficiency, and room to scale. The next step was to embed these processes into the group's core ERP, creating a foundation where end-to-end integration became possible.

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Unlocking a seamless system flow

With DNLevel3, ICEM, and AtlasFX solutions in place, Essity was able to ensure that the launch of S/4Hana seamless integrated with the Findur TMS. This was not just another system migration but the foundation for end-to-end STP, where all deals executed in the TMS flow seamlessly into the ERP, both ways, with near-total automation.

Hagardt recalls the thinking at the time: "When S/4 came along, we really took the approach that let's put in some extra work now and get it perfect and integrated with the TMS. We didn't want PDFs flying around with no visibility, we wanted proper integration."

At S/4Hana go-live, the company achieved a 99% STP rate for all TMS-generated transactions into the ERP for the companies in scope. In-house cash transactions, ICEM settlements, and AtlasFX hedges all flow smoothly between systems. Daily reconciliation checks ensure balances align, providing a safeguard against errors.

"Every day, files move seamlessly between Findur and S/4HANA," explains Hagardt. "Transactions from treasury flow into the ERP, and postings from the ERP return to the TMS. We run a daily reconciliation that has never failed. That's why we can say, with confidence, we've reached 99% STP."

Governance has mattered as much as technology. Daily controls built confidence in the automation. Speed and accuracy now mean less time on booking, more on analysis. In this way, S/4HANA has given Essity more than an ERP upgrade. It has delivered the confidence that comes with near-total automation, enabling treasury to focus less on process and more on strategy.

Innovating through partnerships

Essity's achievements were not delivered in isolation. The One Treasury concept extended to external partners, with BNP Paribas playing a central role in supporting innovations such as DNLevel3. The bank has also provided vital continuity throughout the great collaboration.

Fabio Cacia, BNP Paribas' Head of Cash Management, Nordic Region, says the real value lies in being challenged by clients that are prepared to go further: "Clients such as Essity push us to go further. They challenge us in the best way, and the insights we gain often become references we can use across other relationships."

Internally, the lessons have been equally clear. Success has depended on building strong, cross-functional teams that link treasury with IT, accounting, and the GBS organisation. Retaining expertise in-house has also been critical. As Hagardt notes: "If you don't keep the documentation and the knowledge internally, you end up paying consultants again and again. We wanted our people to own the solution."

Careful scoping kept projects focused and achievable, rather than drifting into complexity. The philosophy behind it is simple. "It's all about the team and bringing experts in, giving them the time, and trying to reach for the stars," Hagardt reflects.

That philosophy has carried Essity through the four pillars of DNLevel3, ICEM, AtlasFX, and S/4HANA to Findur integration, a sequence of innovation that has taken the company to the edge of full automation. The result is a treasury function that is both resilient and forward looking. Its incremental approach shows how steady, disciplined progress delivers lasting transformation, a benchmark for what treasury can achieve.

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