

UK Gender Pay Gap Report

March 2020
(based on April 2019 data)



“Kimberly-Clark is a company where people from around the world come together to solve consumers’ toughest problems. That requires building a diverse and inclusive environment where everyone in our organisation can contribute original thinking to help lead the world in essentials for a better life. It’s a responsibility and a commitment we hold ourselves accountable for meeting every day.”

Kimberly-Clark
CEO Michael Hsu



Welcome to our 2020 gender pay report

This is our third gender pay report, and I am delighted to share that our commitment to Inclusion & Diversity is starting to deliver meaningful results. Across our UK workforce, we’ve seen a 2.1% decrease in our mean gender pay gap, and a 12.9% decrease in our median gender pay gap, compared with 2018.

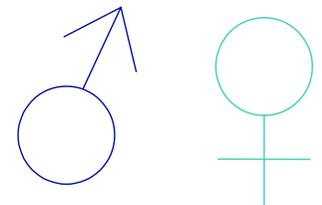
We remain committed to closing the gap and fostering an inclusive environment where each and every employee can bring their authentic selves to work. In fact, whilst Kimberly-Clark recognises the importance of building and enabling a workforce that reflects the *Diversity* of our consumers, *Inclusion* must be the foundation of everything we do. That’s why we are making a conscious choice to lead with inclusion.

This year’s report includes more on our Inclusion & Diversity name change, as well as sharing some of the progress we’ve made as we strive towards improving equal representation across our UK business. Again this year, we have included a comparison between our last three years’ UK gender pay data for complete transparency.

I am also delighted to share a ‘job share’ story from two of our mill employees, demonstrating the progressive steps we are taking towards Inclusion & Diversity within our manufacturing area.

We are making good progress against our plans which I am excited to share with you, however we must continue to challenge ourselves to embed inclusive and diverse practices at every level of our organisation, to help bring about gender balance.

Mo O’Brien
HR Director – UK & Ireland
Kimberly-Clark Ltd





Gender pay reporting – a renewed focus on inclusion

What is gender pay reporting?

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations each year.

As required by government regulation, the company's two main UK employing entities with over 250 employees are detailed in this report. In addition, we have also included data for Kimberly-Clark's total UK workforce.

Gender pay reporting is different to equal pay reporting.

Equal pay is about the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay employees unequally because of their gender.

The gender pay gap shows the difference in the average pay and bonuses between all men and all women across an employer.

Definitions of the mean and median pay gap, as well explanations of the percentages, bonuses and pay quartile data can be found in the Appendix on page 8.

Inclusion & Diversity name change

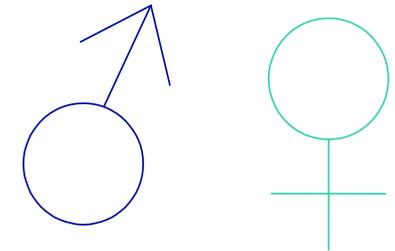
Kimberly-Clark is putting *Inclusion* before *Diversity*...but why?

We recognise the importance of understanding our consumers better, deepening and reinventing our consumer relationships, and creating innovations inspired by them. Building and enabling a workforce that reflects the diversity of our consumers is paramount to achieving this.

Sometimes, striving for diversity becomes a singular focus on people and less on the work environment or culture that attracts, retains and engages people. By putting *Inclusion* first, we acknowledge that the power of diverse teams is maximised only when team members are empowered to do their best work because they are seen and heard - and their unique attributes are valued and essential for success.

Everything we do, from recruitment to employee development, to how meetings are conducted, and how employees participate in meetings must be designed to position each voice, each perspective to be heard, respected and empowered.

Those changes to ways of working and culture don't just happen. We must choose to act, work and engage differently to achieve a different outcome. Inclusion must be the foundation for everything that we do. That's why we are making a conscious choice to put *Inclusion* first, and are committed to embedding inclusive behaviours and actions into our culture.





Kimberly-Clark UK gender pay gap results

Kimberly-Clark UK is made up of three employing entities: Kimberly-Clark Limited, Kimberly-Clark Europe Limited and Kimberly-Clark European Services Limited, employing a total of approximately 1,500 employees.

These total UK results reflect a demographic where 28% of the total population is female.

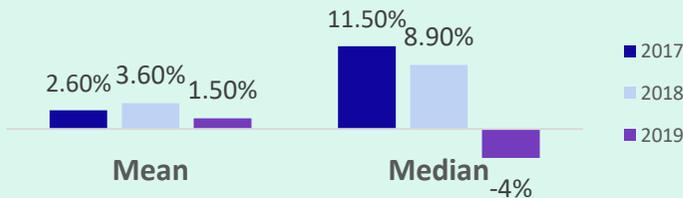
However female employees fill 43.7%, just under half, of all corporate positions.

53% of our total male population, work in manufacturing operational roles in comparison to 6% of our total female population.

Mean Pay Gap

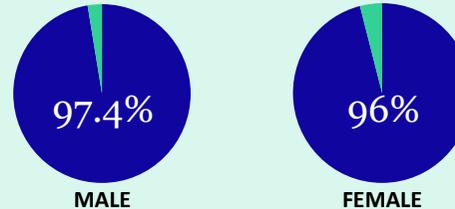
Our mean and median pay gaps have reduced in 2019 from 2018, largely as a result of a change in the representation of female employees across the quartiles. With more female employees now represented in the upper middle and lower middle quartiles and less in the lower. However we still have less female representation in our most senior, higher paid roles.

In comparison, as quoted by the Office for National Statistics, the national median hourly pay shows that women earn 17.3% less than men.



Proportion of employees receiving a bonus

All Kimberly-Clark UK employees are eligible for a bonus under one of our four plans. Bonus payments are made after the end of the plan period. Employees who did not receive a bonus joined after the 2019 bonus payment plan period.

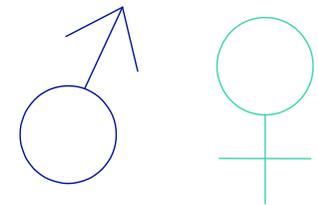


Bonus Pay Gap

The bonus pay gap is as a result of over half of our male employees working in manufacturing operational roles, where bonus payments typically make up a smaller part of overall remuneration. Shift based roles attract a pay and overtime premium whilst salaried roles deliver pay for performance (company and individual) via our compensation and bonus policies.

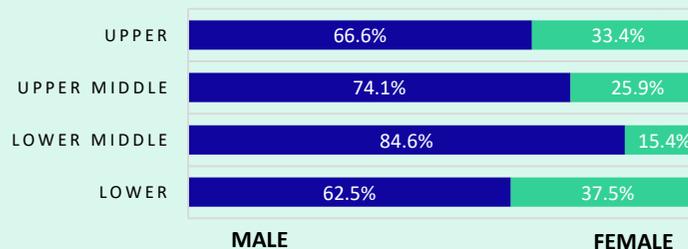
	Mean	Median
Gender Bonus Gap	-37.6%**	-133.5%**

This data represents our April 2019 results



**A positive percentage represents female employees having lower pay or bonuses than male employees. A negative percentage represents female employees having higher pay or bonuses than male employees.

Proportion of employees in each pay quartile





Kimberly-Clark UK gender pay gap results

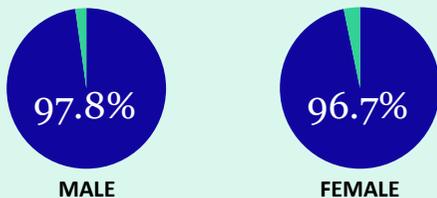
Kimberly-Clark Limited

Employer of our UK specific operations, including roles in manufacturing, commercial and UK support functions

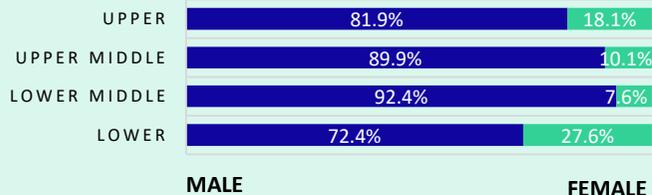
Mean and Median Pay and Bonus Figures

	Mean	Median
Gender Pay Gap	3.9%	7.0%
Gender Bonus Gap	-38.6%**	-114.2%**

Proportion of employees receiving a bonus



Proportion of employees in each pay quartile



Kimberly-Clark Ltd

Our mean and median pay gap have closed from our 2018 results, as we see increased female representation in the upper and upper middle quartiles and a reduction in the lower quartile.

However we still have a higher proportion of female employees in support and professional roles than the management and executive roles, in comparison to higher male representation at executive and management level and the large blue collar population where pay also includes shift pay.

The mean and median bonus pay gap is a result of 70.7% of the males in this population being in manufacturing operational roles, where bonus payments typically make up a smaller part of overall remuneration, in comparison to 17.2% of the female population in manufacturing roles.

Kimberly-Clark Europe Limited

Employer of our EMEA functions based in the UK, which are mostly office based

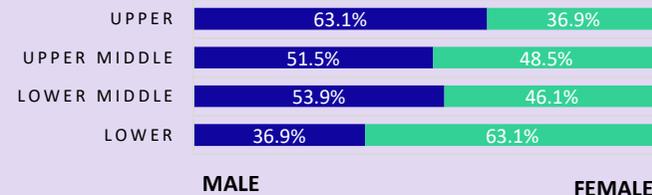
Mean and Median Pay and Bonus Figures

	Mean	Median
Gender Pay Gap	19.8%	14.6%
Gender Bonus Gap	17.7%	28.9%

Proportion of employees receiving a bonus

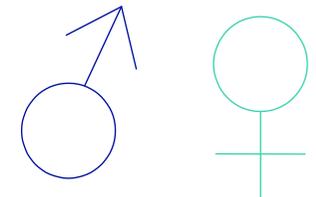


Proportion of employees in each pay quartile



Kimberly-Clark Europe Ltd

The pay gap is a result of a higher proportion of the male employees in comparison to female employees, in executive and senior and middle management roles which attract higher pay, additional pay benefits such as car allowance, and higher bonus payments. There is a higher percentage of the overall female population in professional and support roles; which overall means that male employees on average earn more than female employees. Our male population do also have a higher proportion of employees with significant years of tenure, e.g. 22% have 20+ years.



**A positive percentage represents female employees having lower pay or bonuses than male employees. A negative percentage represents female employees having higher pay or bonuses than male employees.



Our continuing inclusion and diversity journey

For more than 140 years, our values – Authentic, Accountable, Innovative and Caring have been woven throughout the fabric of our Company.

Accountable

Our Women Inclusion Network (WIN) held a successful 2019 International Women's Day event, focused on the importance of engaging men in inclusion and diversity practices. Over 180 employees attended a panel discussion on the topic which included external speakers. WIN have recently recruited male committee members to further drive engagement in I&D initiatives across the UK

Our continued focus on accelerating gender balance has meant taking a critical view of our workforce demographic, reviewing our plans and setting stretch recruitment and talent development targets to improve female representation at director-level

Authentic

We have started operating a reverse mentoring scheme, in which leadership team members are mentored by junior employees to help inform, capture insights, and create stronger connections between generations

Through an organised panel discussion event, WIN recently promoted the benefits of a mentoring relationship on career development, encouraging employees to build networks to support them in their career journeys

A number of leaders and employees have undertaken unconscious bias training to raise awareness, drive accountability in behaviour and promote a culture of inclusion

Innovative

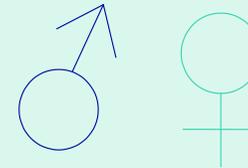
Over the past 6 years, the percentage of women in director-level positions globally increased by 28%, demonstrating our commitment as an organisation to achieving gender parity

We have launched a global recruitment campaign, 'Welcome Original Thinkers', to attract candidates with diverse perspectives and innovative thinking, and fosters an inclusive culture

We have recruited more female apprentices in our manufacturing operational roles to improve gender

balance in our early pipelines, and have improved our gender balance at leadership level within manufacturing

We have also introduced a new job share standard, the first for manufacturing operational roles, to support employees in working more flexibly as they prepare for their retirement



Caring

We continue to take a progressive approach to our policies to ensure employees feel supported in many aspects of their life. We have recently published our menopause policy, and will continue our work in this area

We have reviewed our exit interview process and now extend face to face exit interviews to all voluntary leavers, to further understand their reasons for leaving and address key themes as they arise



Declaration

We confirm that the information set out in this report as required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 is accurate.



Kalbinder Dhillon
Vice President and CFO
EMEA



Our story – job share at Flint mill

Julie Hamilton

Operator Maintainer, Flint Site

“I joined K-C in April 1989 on the folded tissue line in Coleshill Mill. For the first 30 years I worked 12-hour shifts, (2 days on, 2 nights on followed by 6 days off).

As anybody who has worked shifts will know, it takes a while for your body clock to readjust afterwards, and I had started to notice the recovery time getting longer. I’m not ready to retire yet, so as a compromise and run-down to retirement, my colleague Dave Jones and I discussed going part-time, and decided to approach K-C to ask if this would be a possibility.”

Dave Jones

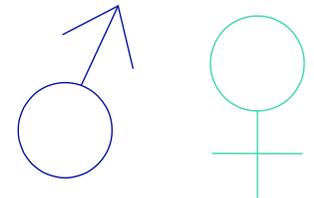
Operator Maintainer, Flint Site

“I joined K-C in March 1991 and have worked alongside Julie, working shifts on the folded line for most of our time here.

I enjoy working for K-C, but like Julie, I was starting to feel tired and wanted to start thinking about retirement, and preparing myself for how things are going to be when I retire, such as having to adjust my finances, and having more time for myself and my family.”

See our global website for more information on our approach to diversity:

<https://www.kimberly-clark.com/en/responsibility/diversity-and-inclusion>



Our Job Share

“We first approached our Team Leader about possible opportunities to work part-time in March 2019. We didn’t think it would be an option, but it’s fair to say that the Company were more than accommodating, and really keen to support with our request for flexible working which not only supports us in taking a step back from working full-time shifts, but also helps the Company to maintain skill levels, and gives us the opportunity to transfer these skills to new starters before we retire.

All of our questions were answered clearly and honestly, and we officially started working our new shift pattern in September 2019, which is technically a ‘job share’.

It was a positive transition and working only half the shifts that we used to has really helped with both mental and physical health. You don’t feel tired after just 2 days, and if you do have a bad shift, at least you only have 1 more left to do before you finish for up to 10 days. The shift pattern isn’t the one we originally asked to do, but it works better for us, giving us more weekend time off – we’re twice as likely to be off work at the weekends now so it’s a win win!

We’re able to spend more time with friends and family, and generally take life a bit easier, and start making the adjustments we need for when we do decide to retire. The only downside is that we don’t get to see each other very much anymore, but anybody considering retirement should try it for a year, we highly recommend it. We’ve worked alongside each other for all these years, and as an alternative to retirement it’s great to have the option of keeping the partnership through job sharing. Thank you K-C.”





Appendix

Mean Pay Gap

The mean pay gap is the difference in the average hourly pay for female employees compared to that of male employees in an organisation.

Median Pay Gap

Median represents the middle point of a population. If you separately lined up all the women and men in a company, the median pay gap is the difference between the hourly pay rate for the 'middle woman' compared to that of the 'middle man'.

The Percentages – Positive versus Negative

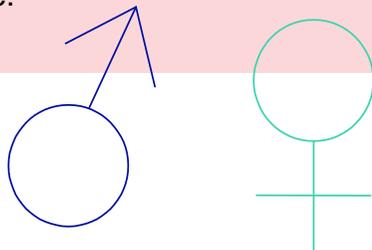
**A positive percentage represents female employees having lower pay or bonuses than male employees. A negative percentage represents female employees having higher pay or bonuses than male employees.

Proportion of males and females receiving a bonus

The percentage of the total male and female employee populations who were paid any amount of bonus pay.

Proportion of males and females in each pay quartile

Quartiles represent the pay rates from the lowest to the highest, split into four equal sized groups, with the percentage of male and female employees in each quartile.





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