

UK Gender Pay Gap Report

April 2021
(based on April 2020 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 2021 gender pay report

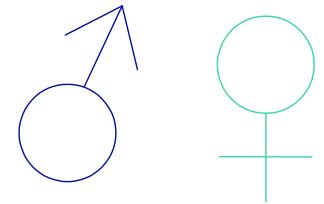
We are now in our fourth year of Gender Pay Gap Reporting, and I am pleased to share that our commitment to Inclusion & Diversity continues to deliver meaningful results.

Across our UK workforce, we’ve maintained a 2.1% decrease in our mean gender pay gap and see a 6.5% decrease in our median gender pay gap, compared with 2019.

Last year we shared about our choice to lead with Inclusion, making it the foundation of everything we do.

This year we will update you on the progress we’ve made in this area and how we are continuing to strengthen gender balance across our UK business despite 2020 being a challenging and unprecedented year.

We continue to progress in our bid to continually challenge ourselves to be accountable for inclusive and diverse practices at every level of our organisation, to help bring about gender balance, and remain committed to closing the gap and fostering an inclusive environment where each and every employee can bring their authentic selves to work.



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.

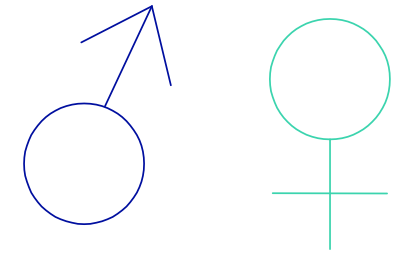
Gender pay reporting – Inclusion and Diversity in disruptive times

Events in 2020 meant that everyone at Kimberly-Clark had to adapt in a short and uncertain time.

We recognized that priorities were changing, and ways of working were evolving, and whilst striving to maintain our Inclusion and Diversity plans, they also needed to reflect the disruption that all our employees were facing.

In our last Gender Pay Gap report we spoke about our decision to put Inclusion first and this action gave us the foundation to empower our employees to act, work and engage differently for their individual needs. With office closures we moved to virtual ways of interacting and saw how diverse our organisation is.

In our manufacturing operations we implemented safety protocols to protect our employees on site and encouraged those who could work from home to do so.





Kimberly-Clark UK gender pay gap results

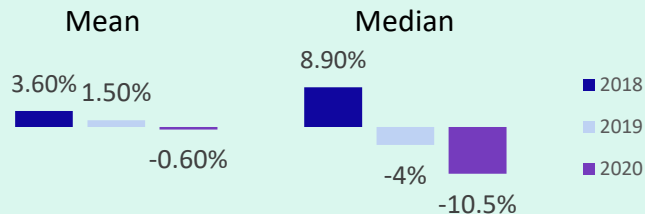
Kimberly-Clark UK is made up of three employing entities: Kimberly-Clark Limited, Kimberly-Clark Europe Limited and Kimberly-Clark European Services Limited, employing a total of approximately 1,450 employees.

These total UK results reflect a demographic where 27.5% of the total population is female. Our results are largely influenced by our large male population working in manufacturing roles.

There is however a closer gender balance in corporate positions, populated by 43.3% female employees.

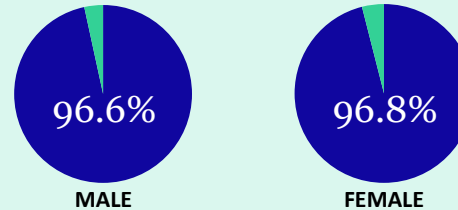
Mean Pay Gap

There are differing compensation policies between our manufacturing and corporate employees; with many manufacturing roles receiving shift pay and eligible for overtime (which is not recorded in gender pay reporting). Whilst corporate roles pay for performance via merit and bonus policies. This influences our results due to the large population, 53.7%, of all male employees filling manufacturing roles.



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 2020 bonus payment plan period.

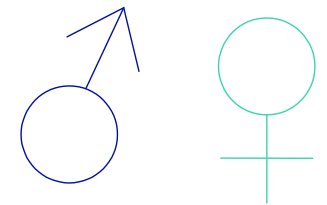


Bonus Pay Gap

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.

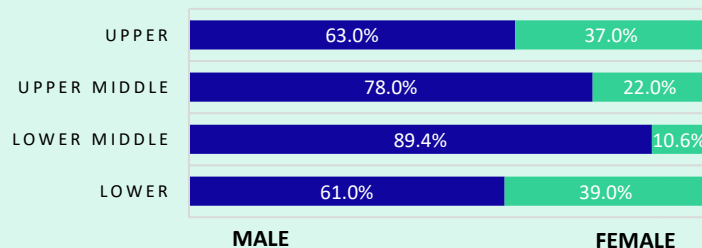
	Mean	Median
Gender Bonus Gap	-24.3%**	-91.1%**

This data represents our April 2020 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

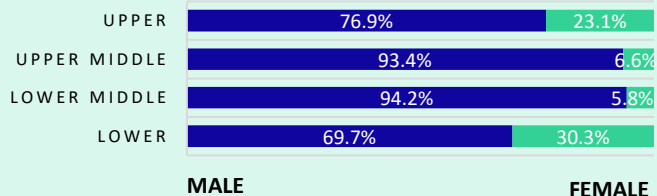
Mean and Median Pay and Bonus Figures

	Mean	Median
Gender Pay Gap	0.4%	10.7%
Gender Bonus Gap	-45.1%**	-63.7%**

Proportion of employees receiving a bonus



Proportion of employees in each pay quartile



Kimberly-Clark Ltd

KCL is our largest employing entity with 60% of this population working in manufacturing roles.

An influencing factor of changes between years is that we started to directly employ a population of apprentices within our manufacturing sites from end of 2018, making this the second year they are counted in the data and the population has increased.

However within corporate roles only we still have a higher proportion of female employees in support and professional roles than the management and executive roles, in comparison to the male population.

The mean and median bonus pay gap is a result of 79.5% 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 16.5% 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

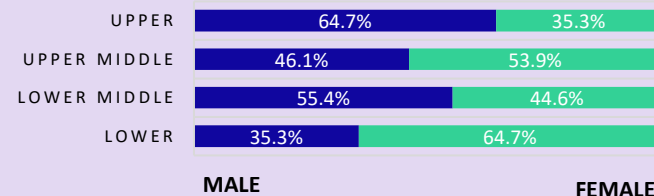
Mean and Median Pay and Bonus Figures

	Mean	Median
Gender Pay Gap	23.7%	13.9%
Gender Bonus Gap	33.9%	20.1%

Proportion of employees receiving a bonus



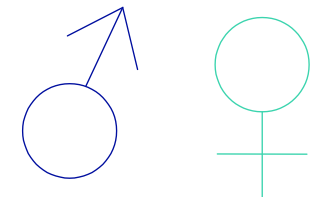
Proportion of employees in each pay quartile



Kimberly-Clark Europe Ltd

KCEL is a smaller population of 28.5% of the total KC UK employees. As this is our European headquarters a higher proportion of senior roles are within this entity.

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. And relatively a high number of female employees represented in the lower quartile.



**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) continue to play a pivotal role in our I&D plans. The WIN committee analysed our 2019 employee survey results to identify the biggest gaps based on gender and published their 2020 scorecard quarterly to all employees which aligned with the gaps identified (work organisation, retention and pay) and held events, ran initiatives, or circulated resources quarterly to achieve their goals.

We continue to take a critical view of our workforce demographic and following our targets to improve female representation at director-level we now have targets in place to drive improvement of female representation in all manager-level roles.

Authentic

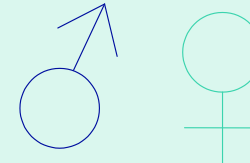
In March 2020 WIN hosted a panel discussion on work-life balance which explored the impact work-life balance has on all our lives. Working through a pandemic meant that this event was especially impactful.

We are not afraid to challenge decisions around recruitment or our internal talent pipeline and actively bring inclusion and diversity to our talent forum agenda.

Innovative

We have targeted attracting more female apprentices in our manufacturing operational roles to improve gender balance from grass roots and have plans in place to analyse our manufacturing operations recruitment application process to understand the ratio of male to female applicants to our roles, and the conversion rate to identify gaps and opportunities.

We also ran our first 'She can Connect' event which has the purpose of creating a platform to provide greater visibility for the next generation of female leaders in Kimberly-Clark and set up opportunities for executive sponsorship.



Caring

We invited all employees to webinars to explore 'the new normal' and what it meant to them – giving them a safe space to speak openly with peers and leaders on the challenges that they were facing. The feedback and commentary from these sessions allowed us to identify strategies to give meaningful support to all employees.

When recruiting we recognise that the requirement to work flexibly isn't gender specific, therefore we are transparent from the outset that we welcome discussions on flexible work patterns.

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.



Kalbander Dhillon
Vice President and CFO
EMEA





Our story – Women Inclusion Network



“Inclusion and Diversity are so important to me both personally and professionally, having trained as an equalities representative with Unite the Union so for me being a part of the WIN group was a natural step in promoting and ensuring we are moving towards an inclusive and diverse workplace.

Being a male on the Women’s Inclusion Network group gives me the opportunity to bring diversity to the group and to give perspective from another gender as well as promoting I&D at the Northfleet manufacturing site.”

Martin Bouchard, WIN member

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

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

“The current WIN committee was started up in Q2 2017 and whilst committee members have come and gone, each member always brings a unique and diverse focus to the table.

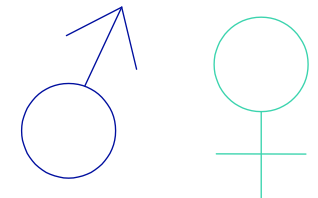
Whilst initially focussed on our Reigate corporate site we now have members from all UK sites corporate and manufacturing, which brings a broader reach. When I first joined WIN, International Women’s Day was the one big event and focus for WIN but in the last few years, we have diversified to have events and initiatives throughout the year.

We established clear roles and responsibilities, targets for each year, an events calendar and a newsletter, allowing us to become more structured.

My initial interest came from wanting to join a networking group for women where I could both find connections to further my own career and make a contribution to K-C to help others thrive in the workplace. I have found my engagement very rewarding, seeing how our initiatives benefit others and how we can create a space to address topics that might otherwise not be talked about. I wanted to ensure WIN can continue doing their great work, so I agreed to step up to be the co-chair.

Establishing the newsletter has been one of my highlights, it allows us to communicate with a large group of people and shine a light on different topics every quarter. I would also say having Olena Neznal and Tris Wilkinson sign the LEAD leadership pledge at the start of international women’s day 2020 was a great moment. Overall, I’m really proud of the committee to have kept the engagement and events going in the difficult year that was 2020, even finding new opportunities in having virtual events!”

Martina Aegerter, WIN co-chair.





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

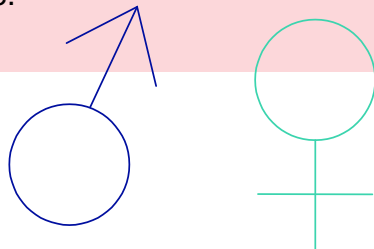
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Proportion of males and females receiving a bonus

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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