

UK Tax Approach

Kimberly-Clark's global Code of Conduct, issued with the full support of the company's executive leadership team, requires all Kimberly-Clark UK employees to comply with the laws, regulations and ethical standards of the UK, and our approach to tax flows from these principles.

In compliance with all applicable laws and regulations, we approach tax in a manner intended to enhance long-term shareholder value. In addition to insuring that Kimberly-Clark complies with all laws and regulations we believe that this is best achieved by maintaining long-term and co-operative relationships with all stakeholders, including customers, employees, governments and the communities in which Kimberly-Clark operates.

Practices central to our approach to UK tax are:

- Ensuring that we have the right people in place, with the proper knowledge and expertise, and who act in compliance with all applicable laws, regulations, internal processes and governance procedures. These people work with business partners and seek advice from external advisors where necessary to appropriately manage tax-related risks and opportunities.
- Defining a clear decision making process for tax management including, where appropriate, executive leadership involvement at both UK and global levels.
- Working with Her Majesty's Revenue and Customs (HMRC) and external advisors to ensure we understand and correctly apply tax laws and rules and take appropriate tax positions.
- Setting our global internal pricing policies in line with 'best practice' guidelines issued by the Organisation for Economic Co-operation and Development ("OECD"), thereby ensuring transfer prices accurately reflect the risks, assets and functions of involved parties.
- Regularly communicating openly and co-operatively with HMRC on major business changes and making prompt disclosure of tax issues.
- Constantly monitoring tax positions and maintaining a strong system of controls. This strong system of controls leverages advanced IT systems and Kimberly-Clark employees' deep knowledge of the UK tax laws and business environment in which Kimberly-Clark operates.

This tax strategy has been prepared in accordance with requirements detailed at paragraph 19(2) Schedule 19 Finance Act 2016 and is applicable to all of the Kimberly-Clark companies resident in the UK for the financial year ending 31 December 2017.