

UK Gender Pay Gap Report

March 2019
(based on April 2018 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 2019 gender pay report

A year on from our first gender pay report has seen a continuation of our Diversity and Inclusion journey. Whilst we recognise the need to take a longer-term view in bringing about a gender balance to our workforce, I am proud of the progress we’ve made against our plans.

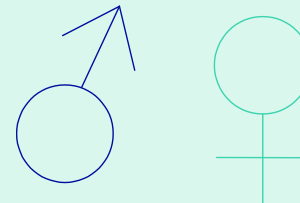
This report includes some of our learnings and reflections over the past year, as well as sharing some of the progress we’ve made towards improving equal representation across our UK business.

In the spirit of being Authentic – one of our organisational values, we have also included a

comparison between our 2017 and 2018 UK gender pay data for complete transparency.

We value the unique characteristics, life experiences and perspectives our people bring to the workplace, and are committed to fostering an inclusive environment where everyone feels involved and inspired to do their best.

In my new role as HR Director for the UK and Ireland, I am excited to share with you our Diversity and Inclusion journey to date, as we remain committed to closing the gap.



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





Gender pay reporting – what we have learnt a year on

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, in addition to reporting data for Kimberly-Clark's total UK workforce, the company's two main UK employing entities are also detailed in this report.

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 people 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.

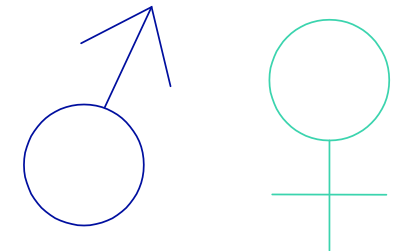
Definitions of the mean and median pay gap, as well explanations of the percentages, bonuses and pay quartile data can be found in the Appendix on page 8.

A year has passed since our first gender pay report was published, and we want to reflect on our journey and share a few learnings.

We have a number of employee-resource groups at Kimberly-Clark, and we've partnered closely with our Women Inclusion Network (WIN) to undertake problem-solving activities. These help us to further understand some of the barriers our employees may be facing that are connected to Diversity and Inclusion. We will continue to partner closely with these groups to really drive this agenda.

We also recognise that we are not alone and other employers face similar challenges. To build a sustainable pipeline of future female leaders, we need to think longer-term around how we are attracting, developing and retaining our junior female talent. As a result, in the short term we may see our pay gap worsen before it gets better.

We remain committed to our plans and use our pay gap figures to inform and shape our strategy over the coming years.





Kimberly-Clark UK gender pay gap results

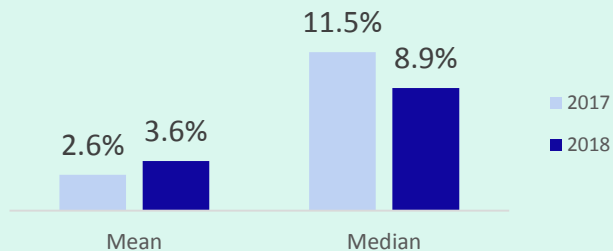
Kimberly-Clark UK is made up of three employing entities: Kimberly-Clark Limited, Kimberly-Clark Europe Limited and Kimberly-Clark European Services Limited, employing a total of approximately 1,570 employees across the UK.

The total UK results reflect a population where women account for 27% of the workforce but just under half of all corporate positions at 43.5%. Whilst a large number of male employees, 52%, work in manufacturing operational roles.

Mean Pay Gap

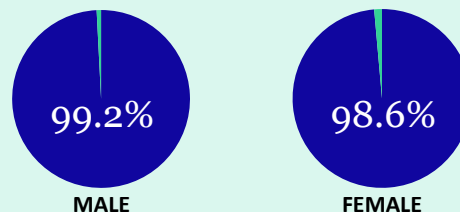
The mean and median pay gap is influenced by more women than men in our lower paid roles, but fewer in higher paid ones. Also the gender pay gap calculations include a number of pay elements as well as basic pay; such as shift premium for manufacturing roles. The majority of these roles are male employees which impacts this gap.

In comparison, as quoted by the Office for National Statistics, the national median hourly pay shows that women earn 17.9% 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 2018 bonus plan period.

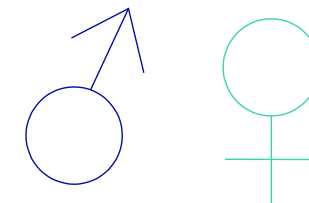


Bonus Pay Gap

The bonus pay gap is influenced by a large proportion of male employees 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, both company and individual, via our compensation and bonus policies.

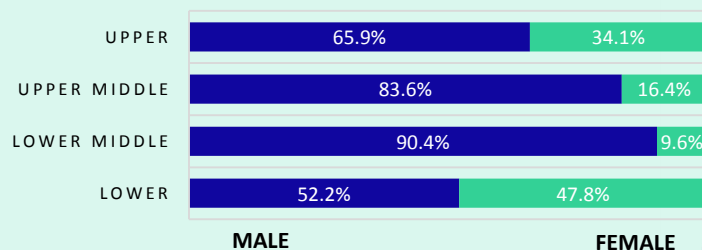
	Mean	Median
Gender Bonus Gap	-21.4%**	-147.7%**

This data represents our April 2018 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

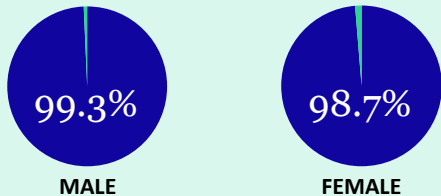
Kimberly-Clark Limited

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

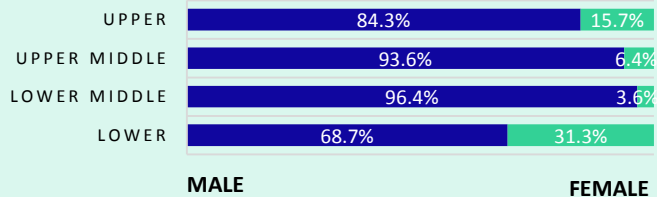
Mean and Median Pay and Bonus Figures

	Mean	Median
Gender Pay Gap	6.3%	15.3%
Gender Bonus Gap	-54.5%**	-100.2%**

Proportion of employees receiving a bonus



Proportion of employees in each pay quartile



Kimberly-Clark Ltd

The mean and median pay gap is influenced by a larger proportion of female employees in support and junior professional roles; and a higher proportion of male employees in senior professional, senior manager and executive roles.

Whilst we have seen an increase in our mean pay gap, part of this is attributed to senior female talent moving to bigger opportunities within our EMEA region.

Only 16% of female employees hold a manufacturing position, of which a large proportion attract a shift pay premium.

The mean and median bonus pay gap is influenced by 68.7% of the men in this population being in manufacturing operational roles, where bonus payments typically make up a smaller part of overall remuneration.

Kimberly-Clark Europe Limited

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

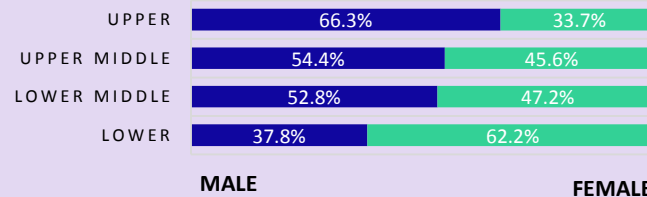
Mean and Median Pay and Bonus Figures

	Mean	Median
Gender Pay Gap	17.7%	19.3%
Gender Bonus Gap	31.8%	36.0%

Proportion of employees receiving a bonus

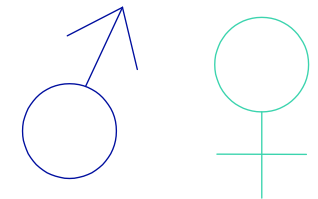


Proportion of employees in each pay quartile



Kimberly-Clark Europe Ltd

In this population there is a higher percentage of the overall male employees in comparison to female employees, in senior and executive roles which attract higher pay, additional pay benefits such as car allowance, and higher bonus payments. Comparatively there is a higher percentage of the overall female population in middle management, professional and support roles; which overall means that male employees on average earn more than female employees.



**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 diversity and inclusion journey

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

Accountable

We have carried out a deep-dive to gain a more thorough understanding of our workforce demographic, to enable us to develop targeted action plans that will drive change. This included a review of our organisational practices and understanding the experiences of our employees, to determine any potential barriers to achieving equal representation across the organisation

We have taken the opportunity to revise our Diversity and Inclusion strategy and targets to help us achieve this, which will drive accountability and enable us to measure our progress against these plans

Authentic

Our focus is on deepening our talent pools with a view to accelerating female development, and ensuring the right support is in place to assist employees on their career journeys

We continue to identify development opportunities for our employees in manufacturing operational roles, ensuring career conversations are taking place with senior leaders during mill visits and that our female employees are represented at these discussions

A number of leaders in manufacturing operational roles have received training in equality and discrimination, to raise awareness and drive accountability from the top

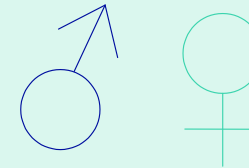
Innovative

At the end of 2013, the percentage of women in director-level positions globally was 26.4%, this has now increased to 35% at the end of 2018, demonstrating our commitment as a global organisation to achieving gender parity

To ensure our roles are equally attractive to both men and women, we have made our job adverts more concise and use gender-neutral language. We regularly audit our adverts to ensure consistency in this practice

For our manufacturing operational roles, we actively promote female engineer stories through social media and external websites to improve diversity in these areas

We actively encourage gender diverse interview panels as well as diverse candidate shortlists, and will continue to measure our progress against this



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

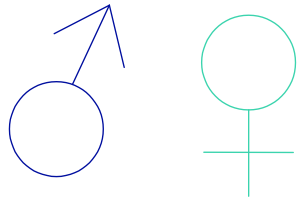
Caring

We have published our enhanced family friendly policies on our external careers page, to increase transparency. Additionally, we have added a flexible working statement in our job adverts where roles can accommodate this option

We have reviewed our exit interview process and now offer face face exit interviews with all voluntary female leavers, to further understand their reasons for leaving



Our stories



Susan McGeorge

UK and Western Europe Supply Chain Director

“My role is in our Supply Chain organisation, which can be a very male dominated discipline, but since I first joined Kimberly-Clark in 2002 I have seen the function develop significantly in terms of gender balance, particularly in senior roles.

As my career has developed, so has my personal life, and I have benefitted from Kimberly-Clark’s parental leave and flexible working policies at different times. I passionately believe that true diversity and inclusion comes when all employees, regardless of gender, are given the support and flexibility to help their work life fit with their personal life, and I see this happening in Kimberly-Clark.

I am the business sponsor for the UK Women’s Inclusion Network, and am always inspired at the drive and passion that there is in Kimberly-Clark for ensuring that we are championing a diverse and inclusive culture within the business. I’m proud to be able to play a role in that, and to work for an organisation that has diversity and inclusion high up on its agenda.”



Rebecca McAlees

Senior Employment Counsel, EMEA and WIN Chair

“I joined K-C in 2016 as Senior Employment Counsel, EMEA. I am Chair of the UK Women’s Inclusion Network (WIN), which is an Employee Resource Group championing gender diversity in the workplace. WIN is supported and valued in helping K-C achieve its diversity agenda to realise its full potential.



WIN collaborates with the business and HR to run initiatives and events, such as International Women’s Day, panel discussions and webinars, mentoring and best practice sharing for flexible working and exit interviews

As a member of WIN I was selected to attend the LEAD annual network event in November 2018 and annual Catalyst awards conference in March 2019. I feel privileged to work at K-C where I have an opportunity to fulfil my passion for gender diversity alongside my day job.”

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

<http://www.kimberly-clark.com/our-company/diversity.aspx>

Fernando Baticon

UK Chief Financial Officer and Interim Managing Director UK & Ireland Kimberly-Clark Ltd

“I joined K-C as a Finance graduate in April 2003 and I feel my background has not been a barrier to fulfilling my career aspirations.

The diversity I have experienced at K-C has been one of the constant attractions in my career: always working with people from different functions and backgrounds across our EMEA region on a daily basis, having the opportunity to live abroad and build understanding of our region and its cultures.

I have also felt supported by my colleagues and KC when I wanted to leverage our flexible benefits, in my case paternity leave as my family has grown! I am proud to be able to be an active contributor to our diversity and inclusion efforts in my capacity as Interim MD for the UK & Ireland business.”





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

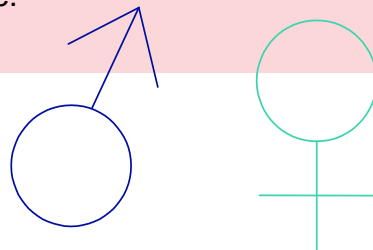
**A positive percentage represents female employees having lower pay or bonuses than male employees. A negative percentage represents female employees having higher pay or bonuses than male employees.

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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