



Addressing Modern Slavery in our Supply Chain

Billions of people choose Kimberly-Clark products each day to make a positive difference in their lives. That's a big responsibility and one we take seriously. That commitment allows us to secure the trust of our shareholders, employees and other interested parties by managing our business responsibly.

Kimberly-Clark stands against slavery and human trafficking. In line with our Values, Code of Conduct and Corporate Policies, and pursuant to the UK Modern Slavery Act (2015), California Transparency in Supply Chains Act, and the Australia Modern Slavery Act (2018), this document describes the steps we have taken to combat slavery and human trafficking globally in the 2019 financial year (ending 31 December 2019).

Organization Structure, Operations & Supply Chains

Fueled by ingenuity, creativity, and an understanding of people's most essential needs. With manufacturing operations in 34 countries, Kimberly-Clark's more than 40,000 employees around the world create products including sanitary and incontinence products, paper towel, facial and bath tissue products, cleansing wipes and diapers that help individuals experience more of what's essential to them.

Our well-known global consumer and away from home brands, including Andrex, Kleenex, Kotex, Pull-Ups, KleenGuard and WypAll, are an indispensable part of life for people in more than 175 countries, and we hold the No. 1 or No. 2 brand share in 80 countries.

In manufacturing these trusted products, we are supported by over 70,000 suppliers worldwide, who not only supply quality raw materials and finished goods, but also service our offices in 35 countries around the world through office supplies, software and outsourced services, and provide other services including marketing and media services which help us communicate with our customers and consumers.

In addition to working with suppliers, Kimberly-Clark operates a highly efficient supply chain of its own to reach its customers. This consists of a global network of distribution centers, serviced by logistics operators to deliver our iconic products to our wholesaler, distributor and retailer partners. These partners in turn operate complex supply chains to deliver these products to our end user customers. We also understand our responsibility to make a positive contribution to the people we serve around the globe. Our sustainable practices throughout our supply chain support a healthier planet and build stronger communities to ensure our business thrives for decades to come. In all that we do, we're building a legacy of positive impact.

For nearly 150 years, we've had the foresight to find new ways to make lives better. From creating new categories to starting new conversations, we are constantly innovating our products and our practices to serve and care for the ever-changing needs of the people we touch at all stages.

To learn more about our organization's structure and global supply chain, please visit [our website](#).

Policies Related to Modern Slavery and Human Trafficking

Kimberly-Clark's [Code of Conduct](#) and [Human Rights in Employment Policy](#) establish the company's expectations and create accountability for our people with respect to human rights and other ethical concerns.

Similarly, we have published [Supplier Social Compliance Standards](#) – aligned with the ILO’s Declaration on Fundamental Principles and Rights at Work, UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the Ethical Trading Initiative’s ETI Base Code – which set forth our principles and procedures to hold suppliers, employees, and contractors accountable for combating forced labor and human trafficking. Suppliers must evaluate and address risks of human trafficking and slavery and not produce goods or services using forced, bonded, indentured, involuntary convict or compulsory labor, and comply with applicable laws. Suppliers acknowledge and agree to the SSCS as part of their contracts and purchase orders with Kimberly-Clark. The SSCS is available on Kimberly-Clark’s website in 10 languages.

Due Diligence

Kimberly-Clark has systems in place to:

- Identify and monitor potential human rights risks in our operations and supply chain
- Mitigate the risk of modern slavery occurring in our supply chains.
- Provide access to grievance mechanisms without fear of retaliation to employees and third parties

Kimberly-Clark’s Corporate Social Compliance team within the company’s Global Safety & Sustainability group provides support to our business for integrating human rights into our owned and contracted operations and advises on stakeholder interactions based on the Code of Conduct and other applicable standards.

Risk Assessment & Management

The diversity of the products, geographic locations, markets and regulatory systems associated with the procurement of goods and services from over 70,000 suppliers around the world can potentially expose the Kimberly-Clark to a myriad of risks both in arising from the countries in which these suppliers are based and the types of goods or services they provide which include some of the raw materials we use in our products and outsourced services. Addressing these risks through a systematic approach to our procurement processes, practices and dealings with suppliers is an essential element of progressing the global eradication of modern slavery and human trafficking.

Kimberly-Clark’s Supply Chain Human Rights Committee consists of senior representatives from sustainability, procurement, external contract manufacturing, legal, labor relations, human resources and the company’s regional organizations and meets quarterly to identify emerging human rights issues, escalations and responses.

The Supply Chain Human Rights Committee, in consultation with 51 geographically, demographically and functionally diverse stakeholders, in 2019 took steps to identify potential salient human rights risks based on their likelihood, severity and ability to remedy. This process will be completed in 2020.

We identify geographies with high human rights risks, including modern slavery risks at least annually, using the World Bank’s *World Governance Indicators*, U.S. State Department *Trafficking in Persons Report*, U.S. Department of Labor’s *List of Goods Produced by Child Labor or Forced Labor* and other resources. Operations and suppliers assessed to have elevated human rights risks are prioritized for additional due diligence.

Corporate Social Compliance Audits

Within our Corporate Social Compliance program, key suppliers are identified through a risk-based approach to determine which will be subject to our audit requirements. Auditing resources are directed to areas with the most significant risks to identify gaps and opportunities for improvement in areas such as work hours and wages, discrimination, freedom of association, occupational safety, child labor and forced

labor. Most in-scope suppliers are audited once every three years, with certain suppliers in high risk industries or geographies audited more frequently.

Kimberly-Clark has a preference for audits conducted by Association of Professional Social Compliance Auditors (APSCA) accredited audit firms to the Sedex Member's Ethical Trade Audit (SMETA) audit standard. However, we may consider certain other third-party audit standards conducted on behalf of other members of AIM-PROGRESS, under the principle of mutual recognition.

To measure effectiveness of steps being taken, we track the number and types non-conformances identified and closed, and KPIs for relevant procurement and supplier management staff are linked to these metrics. We also publish summary results of our audit program in our annual [Sustainability Report](#).

Remediating Findings

Our first priority is to work with suppliers to remediate and verify that nonconformance findings identified in audits are resolved. In the event concerns continue, we escalate and take appropriate actions to address the issue and may exit a supplier for continued non-compliance.

Training on Modern Slavery

Kimberly-Clark provides basic training on human trafficking and forced labor for employees and managers with direct responsibility for our supply chain. The training includes a strong focus on identifying and mitigating risks. Over 350 supplier-facing employees completed the online training in 2019. Through our Supply Chain University learning and development platform, we also offer in-depth courses to enable employees to manage human rights risks in our supply chain; over 40 procurement employees in our Europe, Middle East and Africa business have completed the working level competency as of early 2020.

In addition, through our memberships in organizations like AIM-PROGRESS, we continually seek to build supplier knowledge and capability on human rights issues. For example, in 2019, we co-sponsored a supplier training event where over 200 China-based suppliers discussed common challenges around responsible sourcing and learned about practical tools and processes they can develop to improve their business practices.

Grievance Mechanisms

Employees, business partners and others are encouraged to report any ethical concerns through Kimberly-Clark's Code of Conduct Help Line. Reports may be made anonymously and are subject to our non-retaliation policy. For more information visit our [Code of Conduct webpage](#).

24 July 2020



DHILLON KALBANDER SINGH, DIRECTOR

This disclosure seeks to meet reporting obligations under the UK Modern Slavery Act (2015) and has been approved by the EMEA Governance Board on 24th July 2020 for the following legal entities:

- Kimberly-Clark Europe Limited
- Kimberly-Clark European Services Limited
- Kimberly-Clark Limited