



## Addressing Modern Slavery in our Supply Chain

Kimberly-Clark's well-known consumer and away-from-home brands, including Kleenex, UbyKotex, Huggies, Viva, DryNites, and WypAll are an indispensable part of life for people in more than 175 countries.

Billions of people choose Kimberly-Clark products each day to make a positive difference in their lives. This important responsibility requires that we build and maintain the trust of our consumers, shareholders, employees, and other interested parties by managing our business responsibly.

This responsibility is about making a positive contribution to the people we serve around the globe while applying sustainable practices throughout our supply chain, to support a healthier planet and build stronger communities. In all that we do, we're working to build a legacy of positive impact.

Kimberly-Clark stands against slavery and human trafficking. In line with our Values, Code of Conduct and Corporate Policies, and pursuant to the Australian Modern Slavery Act (2018) (Cth), UK Modern Slavery Act (2015), California Transparency in Supply Chains Act, and Germany Due Diligence in the Supply Chain Act (2023), this document describes the steps we have taken to combat slavery and human trafficking globally in the 2022 fiscal year (ending 31 December 2022).

### How this Statement was Developed

This Statement has been developed through a process of consultation involving officers and senior managers of Kimberly-Clark Corporation, Kimberly-Clark Limited, Kimberly-Clark Europe Limited, Kimberly-Clark European Services Limited and the following three entities which are each reporting entities for the purposes of the Australian Modern Slavery Act 2018 (Cth): Kimberly-Clark Pacific Holdings Pty Limited, Kimberly-Clark Australia Holdings Pty Limited, and Kimberly-Clark Australia Pty Ltd and their subsidiaries (together, **Kimberly-Clark Australia**), in the course of which the participants have had the opportunity to have input into, and to approve, the content of this Statement.

To learn more about Kimberly-Clark please visit the [About Us section](#) of our website.

With respect to Kimberly-Clark Australia's consultation process, an initial draft of the Statement was forwarded by email on 7 June 2023 to the Directors of Kimberly-Clark Pacific Holdings Pty Ltd, Kimberly-Clark Australia Holdings Pty Ltd and Kimberly-Clark Australia Pty Ltd and their subsidiaries, namely:

- Belinda Driscoll
- Cameron Scott
- Simon Christensen
- Nathan McLachlan
- Moataz Ahmad
- David Walker

The above persons were asked to reflect on the draft in light of the operations of their companies and to put forward changes or additions to the Statement to ensure its accuracy and completeness.

### Organisation Structure, Operations & Supply Chains

With manufacturing operations in 33 countries across North and South America, Europe, Middle East and Africa and throughout Asia and Australia and approximately 40,000 employees – and fueled by ingenuity, creativity, and an understanding of people's most essential needs – Kimberly-Clark's portfolio of trusted products includes

sanitary and incontinence products, paper towel, facial and bath tissue products, cleansing wipes, personal protective equipment, soaps and hand sanitizers, and diapers.

We are supported by over 25,000 suppliers worldwide, who not only provide quality raw materials and finished goods, but also service our offices with supplies, software, and services, including marketing and media to help us communicate with our customers and consumers. Our suppliers are located throughout the world and supply raw materials including virgin and recycled fiber, polymers and resins, nonwoven fabrics and poly films, superabsorbent polymer, elastics, hook and loop fasteners, adhesives, and chemicals. Additionally, we procure packaging materials including corrugate containers, cartons, poly wrap, bags, cores, and corestock.

In addition to working with suppliers, Kimberly-Clark operates a highly efficient supply chain of its own, consisting of a global network of distribution centers, serviced by logistics operators, to deliver our 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.

### **More about Kimberly-Clark Australia**

Kimberly-Clark Australia is the local sales and distribution group of companies for Kimberly-Clark, servicing Australia, New Zealand and the Pacific Islands. We have approximately 700 employees across Australia and New Zealand. In addition to our corporate offices across Australia, our local manufacturing facility is located in Millicent, South Australia where our Kleenex, VIVA, Scott and Kimberly-Clark Professional tissue products are made.

To learn more about our leadership structure, please visit the [Leadership Team](#) section of our website.

### **Our Policies related to Modern Slavery and Human Trafficking**

Kimberly-Clark takes a global approach to dealing with modern slavery and human trafficking risks.

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

Similarly, we have published [Supplier Social Compliance Standards](#) (SSCS) – 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 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 with Kimberly-Clark. By agreeing to the SSCS, suppliers certify that their materials are produced in compliance with laws relating to human trafficking and slavery as well as applicable labor laws in the countries where they operate. 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 operations and supply chains
- Provide access to grievance mechanisms to allow for reporting without fear of retaliation

Kimberly-Clark's Supply Chain Human Rights team, within the company's Global Supply Chain organisation provides support to our business for integrating the protection of human rights into our owned and contracted operations and advises on stakeholder interactions based on the Code of Conduct, SSCS and other applicable standards.

At a global executive level, the Responsible Sourcing & Human Rights Governance Committee provides oversight and direction to the Supply Chain Human Rights Team. The Committee consists of a cross-functional group of senior representatives from our sustainability, procurement, external contract manufacturing, legal, labor



relations, and human resources teams and K-C's regional organisations. This Committee meets quarterly (or more frequently as needed) to identify emerging human rights issues, escalations, and responses.

## Operational and Supply Chain Risks

The diversity of the products, geographic locations, markets, and regulatory systems associated with our supply chain may pose a range of potential risks arising from the countries in which these suppliers are based and/or the types of goods or services they provide (including their sourcing of raw materials). Addressing these risks through a systematic approach to our procurement processes, practices at our operating sites and dealings with suppliers is an essential element of progressing the global eradication of modern slavery and human trafficking.

We identify and review geographies and commodities with high human rights risks, including potential modern slavery risks, at least annually, using ELEVATE's EiQ Analyze platform risk indices and segmentation model and EiQ Sentinel for controversy identification as well as publications including the U.S. State Department Trafficking in Persons Report and U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor. Based on these sources, sourcing regions for both Kimberly-Clark operations and supplier sites with elevated human rights risks include South, Southeast and North Asia, Middle East, Sub-Saharan Africa, and Central and South America. Operations and suppliers assessed to have elevated human rights risks are prioritised for additional due diligence.

Our Supply Chain Human Rights team, in consultation with approximately 50 diverse internal stakeholders identified the following potential salient human rights risks within our supply chain and prioritized these based on their likelihood, severity and the ability to remedy them.

The following potential risks were identified:

| Salient Human Rights Issue   | Key Concerns                                                                                         | Focus Geographies                                           | Mitigation                                                                                             |
|------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Forced Labor                 | Worker-paid recruitment fees; passport retention; excessive overtime                                 | Southeast Asia, Taiwan, Middle East                         | Enhanced due diligence in risk countries; participation in multi-stakeholder platforms on forced labor |
| Child Labor                  | Continued risk of exploitation of children upstream in value chains                                  | Global                                                      | Social compliance audits                                                                               |
| Occupational Health & Safety | Workplace injuries & fatalities                                                                      | Global                                                      | Social compliance audits, EHS program enhanced diagnostics and training                                |
| Discrimination & Harassment  | Workplace Discrimination; Harassment & Bullying                                                      | Global                                                      | Global anti-discrimination policy; social compliance audits and training                               |
| Wages & Benefits             | Compliance with minimum wage laws; Living Wages                                                      | Global                                                      | Social compliance audits                                                                               |
| Indigenous & Land Rights     | Legal or customary rights to land; protect people's ability to earn revenue and access to their land | North, Central & South America                              | Fiber procurement policy; certified fiber sourcing                                                     |
| Access to Water & Sanitation | Water access; water quality; access to improved sanitation                                           | South America; Middle East & Africa; South & Southeast Asia | Environmental policy; Water initiatives in high water stressed regions                                 |

|                      |                                                                                         |                                                     |                                                                                         |
|----------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------|
| Environmental Issues | Impacts of Climate Change; Impacts of Product/Packaging waste on vulnerable communities | Global (climate change); Emerging economies (waste) | Environmental policy; plastics & packaging reduction strategy; waste picker initiatives |
|----------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------|

Kimberly-Clark’s Human Rights Policy and SSCS are regularly evaluated for appropriate updates based on the evolution of relevant risks. Since 2020, new suppliers to Kimberly-Clark are assessed for human rights risks during supplier onboarding through K-C’s Vendor Due Diligence. As part of this process, new suppliers acknowledge Kimberly-Clark’s Supplier Code of Conduct, including the SSCS. New suppliers that present elevated human rights risks, based on location or industry, are asked to complete a social compliance Self-Assessment Questionnaire and may be subject to additional third-party audits (see below). This Vendor Due Diligence process has been deployed throughout Kimberly-Clark’s global enterprise.

### Corporate Social Compliance Audits

Within our Supply Chain Human Rights program, key suppliers and Kimberly-Clark operations are assessed against the risk factors identified above to determine which will be subject to our corporate social compliance audit requirements (“in-scope” suppliers). Auditing resources are directed to areas with the most significant risks to identify gaps and opportunities for improvement. Most in-scope suppliers are audited by third-party audit firms approximately once every three years, with certain suppliers in high-risk industries or geographies audited more frequently. While most audits are conducted on an announced basis, in certain circumstances Kimberly-Clark will conduct semi-announced or unannounced audits from time to time.

Kimberly-Clark has a preference for audits conducted by Association of Professional Social Compliance Auditors (APSCA) accredited audit firms to the ELEVATE Responsible Sourcing Assessment (ERSA) protocol, Sedex Member’s Ethical Trade Audit (SMETA) audit standard, Responsible Business Alliance Supplemental Validated Audit Process (SVAP) on Forced Labor or equivalent protocols. 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. In addition, Kimberly-Clark deploys enhanced forced labor diagnostic assessments as needed for suppliers and owned sites in high-risk geographies or industries and/or where otherwise warranted.

### Remediating Findings

We believe that working with suppliers to improve their practices is the most effective way for us to improve the lives of the people working in their facilities. When a supplier is found to be in non-compliance with our SSCS, Kimberly-Clark engages with the supplier to develop a corrective action plan. Depending on the concerns raised, corrective actions could include supplier investments in infrastructure, equipment, or training; development of new policies or procedures; or provision of remedy for affected workers.

If needed, Kimberly-Clark may provide support to the supplier by sharing good practice examples or connecting them with consultants or other expert resources. We track completion of the agreed corrective action plans through evidence provided by the supplier and/or through a follow-up audit. In the event that these issues continue unresolved, we may exit a supplier for continued non-compliance.

### Training on Modern Slavery

Kimberly-Clark provides training on human trafficking and forced labor for employees and managers with direct responsibility for our supply chain, including procurement buyers and teams managing external contract manufacturers. The training includes a focus on identifying and mitigating risks.

Through our Procurement learning and development curriculum, we also offer ESG training content that includes coverage of human rights risks in supply chains.

In addition, through our membership of organisations like AIM-PROGRESS, we continually seek to build supplier knowledge and capability on human rights issues. Kimberly-Clark is a member of the AIM-PROGRESS APAC Hub, which is an ongoing, collaborative effort to build responsible recruitment capacity in Asia. E-learning modules include information that migrant workers need to know, both before departing for a job abroad and on arrival.



## 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](#).

## Measuring Effectiveness

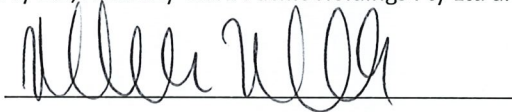
To measure the effectiveness of steps being taken, we track the number and types of nonconformances identified and closed and assign scores to suppliers and Kimberly-Clark sites based on audit performance to help managers understand the risk profile of their suppliers or sites. This data is reviewed by the Supply Chain Human Rights Governance Committee. We also publish summary results of our audit program in our annual [Global Sustainability Report](#).

We continue to assess the effectiveness of our Supply Chain Human Rights program and identify opportunities for improvement.

As part of that assessment, we incorporate leading expertise and perspective to inform our approach to responsible sourcing and implement changes as needed.

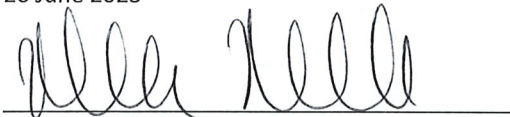
## Approval and Signature

This statement meets the obligations under section 14 of the *Modern Slavery Act 2018* (Cth) and was approved by the boards of directors of each of the three reporting entities covered by this statement: Kimberly-Clark Australia Pty Ltd, Kimberly-Clark Pacific Holdings Pty Ltd and Kimberly-Clark Australia Holdings Pty Ltd on 26 June 2023.



This statement is signed by Belinda Driscoll in her role as the managing director of Kimberly-Clark Australia Pty Ltd,

Belinda Driscoll, Managing Director of Kimberly-Clark Australia Pty Ltd  
26 June 2023



This statement is signed by Belinda Driscoll in her role as the managing director of Kimberly-Clark Pacific Holdings Pty Ltd,

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26 June 2023



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26 June 2023

The sections of the Statement that specifically address what we have done to align with recommended reporting criteria for the Australian Modern Slavery Act statements.

| Modern Slavery Act recommended reporting criteria                                                                                                                                                                                                     | Section(s)                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Identify each reporting entity covered by the joint statement                                                                                                                                                                                         | Kimberly-Clark Pacific Holdings Pty Ltd<br>Kimberly-Clark Australia Holdings Pty Ltd<br>Kimberly-Clark Australia Pty Ltd                                                                                          |
| Describe the structure, operations and supply chains of each reporting entity covered by the joint statement                                                                                                                                          | <a href="#">More About Kimberly-Clark Australia Pty Ltd</a><br><a href="#">Organisation Structure, Operations and Supply Chain</a>                                                                                |
| Describe the risks of modern slavery practices in the operations and supply chains Operational and Supply Chain Risks of each reporting entity covered by the joint statement and any entities that each of those reporting entities owns or controls | <a href="#">Operational and Supply Chain Risks</a>                                                                                                                                                                |
| Describe the actions taken by each reporting entity covered by the joint statement and any entities that each of those reporting entities owns or controls to assess and address these risks, including due diligence and remediation processes       | <a href="#">Our Policies Related to Modern Slavery and Human Trafficking</a><br><a href="#">Due Diligence</a><br><a href="#">Corporate Social Compliance Audits</a><br><a href="#">Training on Modern Slavery</a> |
| Describe how each reporting entity covered by the joint statement assesses the effectiveness of actions being taken to assess and address modern slavery risks                                                                                        | <a href="#">Measuring Effectiveness</a>                                                                                                                                                                           |
| Describe the process of consultation with each reporting entity covered by the joint statement and with any entities that each of those reporting entity owns or controls                                                                             | <a href="#">How this Statement has been Developed</a>                                                                                                                                                             |
| Any other relevant information                                                                                                                                                                                                                        | Subsidiaries of the reporting entities consulted in the preparation of this statement include:<br>Kimberly-Clark Treasury Australia Pty Ltd<br>Kimberly-Clark Services Asia-Pacific Pty Ltd<br>KCA Super Pty Ltd  |