

SUPPLIER SOCIAL COMPLIANCE STANDARDS.

VALUES AND COMMITMENTS AT KIMBERLY-CLARK DE MEXICO (KCM)

Kimberly-Clark de Mexico S.A.B. de C.V. (KCM) started operations in 1959 and over the years it has evolved its core activities in the manufacturing and merchandising of Hygiene and Personal Care products for every day consumers at home and away from home. (see our history in the link <http://www.kimberly-clark.com.mx/en/about-kcm/history>).

Since its founding, KCM has been oriented to operate with integrity and high ethical standards in the way that it does business with customers and suppliers.

For over 50 years KCM has been listed on the Mexican Stock Exchange (BMV) operating with transparency, under the premises of a solid Corporate Governance, Social Responsibility and Environmental Care in order to achieve profitable and sustainable growth.

Since its inception in 2011 we have been part part of the Sustainable Index (IPC Sustainable) of the Mexican Stock Exchange.

We are committed with a sustainability strategy that considers three fundamental pillars : **Economic growth** to promote job creation and positive direct and indirect economic impacts, outcomes and accountability to our shareholders and employees, **Social and Occupational safety** in order to generate more value for Society and to ensure the welfare of our employees and **Environmental Care** in order to prevent and to reduce the environmental impacts of our operations. On the Social front, We have an internal Code of Conduct which can be found in the link <http://www.kimberly-clark.com.mx/en/about-kcm/code-of-conduct> .

Our Code of Conduct provides guidance for dealing with customers, suppliers, other employees, competitors and the public with integrity and in an ethical and appropriate manner.

Simply stated, operating with integrity and with high ethical standards is the KCM way of doing business.

Our policies are aligned with the objectives of various international standards, including the International Labor Organization's Declaration of Fundamental Principles and Rights at Work and the Principles of the United Nations Global Compact (UNGC)

Doubtless, our suppliers play an important role in the success of our sustainability strategy. Therefore, the Supplier Social Compliance Standards (SSCS) are a vital pillar of KCM's accountability programs in our workplaces and the workplaces of those who are authorized to directly supply our business.

That is why we are committed with our suppliers of capital goods, products, raw materials, packaging and services in the exchange of best sustainability practices.

This Code contains guidelines and principles that KCM expected to be observed by all suppliers, as they reflect our values of good corporate citizenship and commitment to social responsibility.

SINCERELY



KIMBERLY-CLARK DE MÉXICO S.A.B. DE C.V.

Guidelines and Principles - Social Responsibility and Sustainability

The guidelines and principles described below, reflect the values we uphold in our own policies, and also expect our suppliers to incorporate these values, in order to align their operations and strategies with universally accepted principles, as well as the compliance with applicable laws and regulations in the areas of human rights, occupational safety and health, fairness and non-discrimination at work, anti-corruption and environmental protection, among others.

1 Freedom of association and collective bargaining.

In KCM we encourage to respect employees' rights to freedom of association. Where employees are represented by a legally recognized union, suppliers must respect the right to have their elected leaders reasonable access to the workers in order to represent them and negotiate in good faith the collective agreements with such representatives, while maintaining a constructive dialogue.

2 Dignity and Respect

KCM expects supplier treats their employees with dignity and respect and have systems to prevent, detect and resolve unacceptable treatment as harassment, misuse of discipline, discrimination and physical or mental punishment.

3 Protection against child labor and abuse of labor.

Inside KCM in accordance with our code of ethics, we respect and demand respect for human rights, for which, our suppliers must not employ any person under the age of 16 years or the minimum age indicated by local law. That is, they will not recruit child labor nor exploit children in any way. Suppliers must prohibit physical and mental abuse of employees as a form of discipline and prohibit the use of all forms of forced labor.

4 Non-discrimination and equal opportunities

KCM establishes equity as a key element and we ask our suppliers to prohibit discrimination against any person because of race, color, religion, sex, national origin or sexual orientation, as well as harassment or discrimination in all aspects of employment, including recruitment, hiring, placement, training, compensation, treatment and advancement of employees.

5 Work hours, wages and benefits.

Operate in full compliance with applicable wage laws, pay per day and benefits. They should provide to their employees at least the legally mandated benefits.

6 Workplace safe and healthy

A priority for KCM in all our operations and facilities is the safety of our employees and visitors. KCM expects its suppliers to comply with all applicable occupational health and safety laws, rules and regulations. Suppliers must have systems to enhance productivity and to mitigate the risk of accidents, injury and exposure to health risks.

7 Business Integrity

a. Legal compliance.

KCM suppliers, both established in the country and abroad must comply with the laws and regulations applicable to them, including, financial, administrative, fiscal, labor, health and safety, product safety and environmental.

b. Prevention of bribery and corruption.

To KCM it is imperative that its suppliers do business with integrity and in full compliance with all applicable laws relating to bribery, money laundering and corruption.. They should not give, offer or receive anything of value to influence the behavior of another business partner, customers or government officials in order to obtain a benefit or unfair advantage. Providers should not make "facilitating payments," which are small payments to government officials and other stakeholders to accelerate a routine procedure.

c. Conflict of Interest

Suppliers must avoid any actual or potential conflict of interest. A conflict of interest arises when business relations or personal, social, financial or political activities interfere with objectivity and loyalty to the company and its customers.

Some conflicts of interest are obvious, such as offering a bribe that alter fair and transparent trade conditions. Other conflicts of interest may be less obvious, such as the possibility of using family members or friends who may have suppliers within the KCM staff in order to take advantage of this situation to gain an improper advantage.

KCM's Code of Conduct and internal control procedures, clearly state that employees of KCM responsible for purchasing products and services from its suppliers must act impartially and honestly, in the best interest of the Company. Also, the type of gifts or entertainment that may be accepted is limited to strict rules about its value and social customs, such as occasional meals at reasonable cost among commercial contacts or occasionally attend a sporting or cultural event having a reasonable price.

d. Competitive information.

During the development of business activities, suppliers may incidentally obtain competitive information. However, there are legal and ethical limits to obtain such information. KCM and its suppliers must refrain to accept the exchange of any competitor's confidential information that has been obtained by improper means such as bribery, espionage or hiring a competitor's employee. Also, KCM expects its suppliers to adhere strictly to the fulfillment of the Federal Competition Law and Antitrust Laws in force in the country and in the countries where suppliers have operations. This is extensive to the commercial relations between KCM's suppliers and KCM's competitors.

e. Privacy Policy.

KCM expects its suppliers to respect the privacy rights of its employees and the personal data of employees of KCM who have entrusted them. (Denominated in Mexico ARCO rights)

f. Confidentiality.

KCM's suppliers must have systems to warrant KCM's confidentiality matters, in order to eliminate the risk that sensitive information becomes disseminated to third parties that might use such information improperly or in detriment of KCM

KCM usually requires its suppliers to sign a Confidential Agreements and / or Joint Development Agreements that set the terms for the exchange of confidential information between KCM and supplier, which may be required with different business purposes, including innovation of materials and products, the required medical approvals and the solving of technical problems. This is aimed to protect the intellectual property and industrial secrets of the parties.

8. Environment.

KCM considers environmental care is part of the essence of any company. All business activities generate environmental impacts that Companies have the obligation to prevent, control, mitigate and to the extent possible, eliminate such impacts. The environment is the milieu in which we operate to create value for society. Every Company is responsible for recognizing the value of ecosystems and ensuring a better future for new generations. KCM has a General Environmental policy, as well as specific environmental policies, which are aimed at managing water consumption, water discharges and protection of biodiversity, sustainable fiber procurement, solid waste, energy efficiency and reduction of greenhouse emissions (GHGs). These policies are publicly available in the link <http://www.kimberly-clark.com.mx/en/sustainability/environmental-policies> .

9. Sustainable development with our suppliers.

We are committed with our suppliers in the exchange of best sustainable practices and the identification of projects to develop raw materials manufactured to high standards in the care and environmental protection, thus KCM expects its suppliers being an essential part of the value chain to become integrated with KCM's environmental protection strategy

KCM expects suppliers to fully comply with the laws, regulations and official standards that apply to them in environmental matters, both in Mexico and in the countries where they have operations. In addition, KCM expects suppliers to support the commitment to maximize the value and quality of their products by responsibly using renewable and non-renewable resources, while striving to reduce the environmental footprint of their operations. For instance, by fostering the KCM's Sustainable Innovation program "less is more", which is aimed at reducing weight, volume and the number of components in the products without detracting them from their quality and functional performance.

It is desirable suppliers set medium and long term goals to reduce their consumption of water, energy, production waste and air emissions, and to establish programs to reduce, recycle and recover solid waste. Likewise, it is desirable that KCM's suppliers develop performance indicators to be reported annually.

10. *Demonstration of compliance.*

In order to comply with the SSCS, Supplier's facility must demonstrate the absence of violations in each of the following areas: Freedom of association, dignity and respect to staff, protection against child and forced labor, non-discrimination and equal opportunities, labor conditions that present imminent threat of serious injury and compliance with environmental laws and rules.

It is the responsibility of the supplier to ensure that other non-conformities to the SSCS are corrected in the shortest possible time.

KCM will use independent third parties to assess the degree of compliance of its suppliers with these social standards. The format and procedure for such assessments will be known by the selected supplier in advance.

The results of these audits in addition with other criteria such as cost, quality, service, supply capability, innovation, commitment to a strategy of sustainability, etc., will be used by KCM in the process of selection and approval of trade agreements with providers that are part of its supply chain.

KCM expect suppliers to report periodically their progress on Social Responsibility, Occupational Health and Safety and Environmental Protection.