

BUSINESS *ethics and* **SOCIAL** *responsability*

KCM is committed to a sustainable future, operating for the benefit of our stakeholders and society at large, and endorsing the Sustainable Development Goals and the guidelines of the United Nations Global Compact (UNGC), of which we are signatory members through our partner KCC.

We have a deep conviction about the role we play in the life of our society. We believe that the way we do business is as important as the business we do, and we are committed to operating with **INTEGRITY** and high **ETHICAL STANDARDS.**

At Kimberly-Clark de México, we are committed to operations that benefit our stakeholders and society at large in keeping with the guidelines of the United Nations Global Compact (UNGC), of which we are a member through our partner, the Kimberly-Clark Corporation.

We have a deep conviction about the role we play in the life of our society, and we are committed to a sustainable future. We believe environmental care is everyone's responsibility, so we encourage our suppliers and clients to join us in our commitment to a better planet, where we can all grow together.

We believe that the way we do business is as important as the business we do and we are committed to operating with integrity and high ethical standards.



BUSINESS ETHICS



United Nations
Global Compact



Audits



THE UNITED NATIONS GLOBAL COMPACT

Principle	Description	With reference to KCM
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights within their area of influence.	Throughout its history, Kimberly-Clark de México has distinguished itself for its strict compliance with the law, ethical business standards and rules on doing business. Our reputation for integrity is an asset of which every one of us who make up this great company should be proud. That is why it is so important for us to operate according to our Code of Conduct because this is the ethical framework that guides our daily actions under the principles of quality, service and forthrightness, and because it can help us to maintain a dignified and cordial workplace environment.
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	We have a whistleblower system that is overseen by an Ethics Committee and a Corporate Practices Committee.
Principle 3	Freedom of association.	We encourage respect for labor organization rights. At present, 82.45% of the company's workers are union members. Relationships between the company and its unions are cordial, providing efficient channels for open communication on matters of labor, safety, hygiene, training and productivity, among others
Principles 4 and 5	Elimination of all forms of forced and compulsory labor and child labor (GRI 409-1).	All KCM personnel are of legal working age and have signed a work contract that legally establishes the payment and duties of each individual within KCM. We keep a record of hours worked and pay accordingly, whether in normal business hours or overtime, pursuant to the law and the principles of human rights. We have Social Standards for suppliers by which we seek to mitigate any risk of child or forced labor. Our Purchasing and Quality areas regularly audit suppliers to ensure they maintain good social practices.
Principle 6	Non-discrimination and equal opportunity.	In our Code of Conduct, through our Human Resources department, we promote equality as a fundamental element of our hiring policy, and we offer equal opportunities when hiring or promoting personnel without discrimination on the basis of age, gender, race, color, religion, creed, sexual orientation, nationality, physical disability or pregnancy.
Principles 7, 8 and 9	Focus on and development of social responsibility.	Conducting commercial activities with a sincere and appropriate concern for the environment is a basic principle at KCM. As a result, the company has developed important environmental policies in this area, including energy and water conservation, waste reduction in the manufacturing process, proper disposal of waste that cannot be further reduced, the use of sustainable practices and raw materials, compliance with environmental laws, and monitoring and reporting on environmental compliance.
Principle 10	Working against corruption in all its forms, including extortion and bribery.	For KCM, operational transparency, both within the company and in dealing with its external stakeholders, is a fundamental part of the process of analyzing and identifying risks. We have a process for identifying the risk of corruption in our commercial, administrative and operating areas, based on which we create internal control policies and procedures (KCM Policy 41: Anti-Corruption). More about this policy can be viewed on our website (GRI 205-1). We also conduct internal and external audits at all locations where there are opportunities to mitigate these risks. These strictly prohibit giving or receiving any kind of cash or in-kind gratuity that may compromise employees' professional relations regarding the goods and services exchanged with others. Furthermore, our relationships with governments, government agencies and their employees, are governed by specific laws, and Kimberly-Clark de México S.A.B de C.V., its subsidiaries, affiliates, officers and employees acting on its behalf are strictly prohibited from receiving or giving illegal payments, in cash or in kind, directly or indirectly, to or from government officials or employees. They are also discouraged from extending invitations beyond limits that are reasonable, necessary and common for maintaining cordial professional relations. It is considered a serious violation of the code to offer, promote or provide, directly or indirectly, anything of value, regardless of the amount, to induce or influence the decision of a public official. KCM does business with integrity and high ethical standards, and we work according to our Code of Conduct.

(GRI 102-16)

CODE OF CONDUCT

Our code is intended to promote, respect, protect and reinforce our policies on respect for human rights and is composed of the following sections:

Conduct vis-a-vis:

- › Our team
- › Our company
- › Our clients, suppliers and consumers
- › The environment
- › Government agencies
- › Safety and respect in the workplace
- › Alcohol and drugs
- › Anti-corruption policies and ban on giving or receiving bribes (KCM Policy 41: Anti-corruption)
- › Confidentiality of consumer and employee information
- › Competition
- › Conflicts of interest (KCM Policy 33: Conflicts of Interest, Gratuities, Gifts and Confidential Information)
- › Confidential information (KCM Policy 33: Conflicts of Interest, Gratuities, Gifts and Confidential Information)
- › Gifts, entertainment and other favors
- › Human rights
- › Freedom of association
- › Diversity (GRI 405-11)
- › Child exploitation, including child labor
- › Corporal punishment
- › Abuse and/or sexual harassment or any other kind of human abuse
- › Slavery or forced labor
- › Job and workplace discrimination
- › Fraud prevention
- › Violation of accounting practices and internal controls
- › Precise record keeping
- › Report of code of conduct violations (Policy 41: Anti-corruption and Policy 48: Whistleblower Protection)
- › Code of Conduct Hotline
- › No Reprisals Policy

You can learn more about our Code of Conduct at the following link:

<http://www.kimberly-clark.com.mx/conoce-kcm/codigo-de-conducta>

Since we began operating in 1959, Kimberly-Clark de México has endeavored to operate with integrity and high ethical standards in the way we do business with our clients and suppliers. We believe the best way to ensure and safeguard the integrity and ethics of the company and all its stakeholders is through prevention.



Since its beginnings, Kimberly-Clark de México has endeavored to operate with integrity and high ethical standards in the way we do business with our clients and suppliers.



To this end, we prepared an action plan in keeping with the principle of precaution that covers 100% of our operations and significant suppliers. This action plan encompasses aspects ranging from training and audits to the whistleblowing system, as detailed below.

(GRI 205-2)

Training in the Code of Conduct

We have redoubled our efforts in the areas of corporate ethics, diversity and inclusion. On the matter of ethics, we not only held talks on various important topics like organizational culture and respect for labor rights but we improved training in the Code of Conduct and used technology to develop a course and its corresponding certification, which must be passed by each of our 8,653 employees. On the question of diversity, our practices have enabled us to assemble an increasingly diverse and inclusive team, with all the benefits that this entails.

From the time they are hired, employees are made aware of this code. Reminders are sent regularly to all personnel via digital media.

In addition, and even though each member of the KCM team is responsible for safeguarding the company's integrity, directors and managers are required to provide regular guidance to their personnel and the areas of their responsibility in the effective application of the Code of Conduct. This is reinforced by inviting all company employees to visit the Human Resources area if

they require advice or have any complaints or questions, and by distributing the Code of Conduct as part of our communication program through electronic and print media.

In addition to training, the CEO sent a message to all personnel stressing the importance of strict compliance with the principles of business ethics and social responsibility that have been ingrained in KCM's history since its origins.

(GRI 102-17)

Whistleblower System

We have a whistleblower system open to all our stakeholders through internal information systems (Intranet) and external systems, like the public website for anonymous reporting on violations of the Code, by e-mail (codigo.conducta@kcc.com) and external phone lines (55-5282-7223, 55-5282-7320, 55-5282-7336) through which we can investigate and address violations of our Code.

This enables us to appropriately channel complaints, suggestions or reports of violations of the Code of Conduct (human rights, corruption, environment, bribery, dignified labor, and others), without risk of reprisal against the person making the report.

Complaints, suggestions and reports are investigated by various areas of the company, such as Industrial Relations, Property Safety and Internal Auditing, which decide on the pertinent measures.

This team generates quarterly reports, which are presented to the Audit and Corporate Practices Committee. The measures imposed depend on the seriousness of the violation. For example:



Code of Conduct Violations in 2019

In 2019, 37 complaints relating to Code of Conduct violations were reported, which were investigated by the Property Safety and Internal Audit areas, supported in some cases by the Managers of Industrial Relations at the locations in question, and the immediate superiors of the persons involved. All 37 complaints were reported to the Audit Committee in its quarterly meetings.

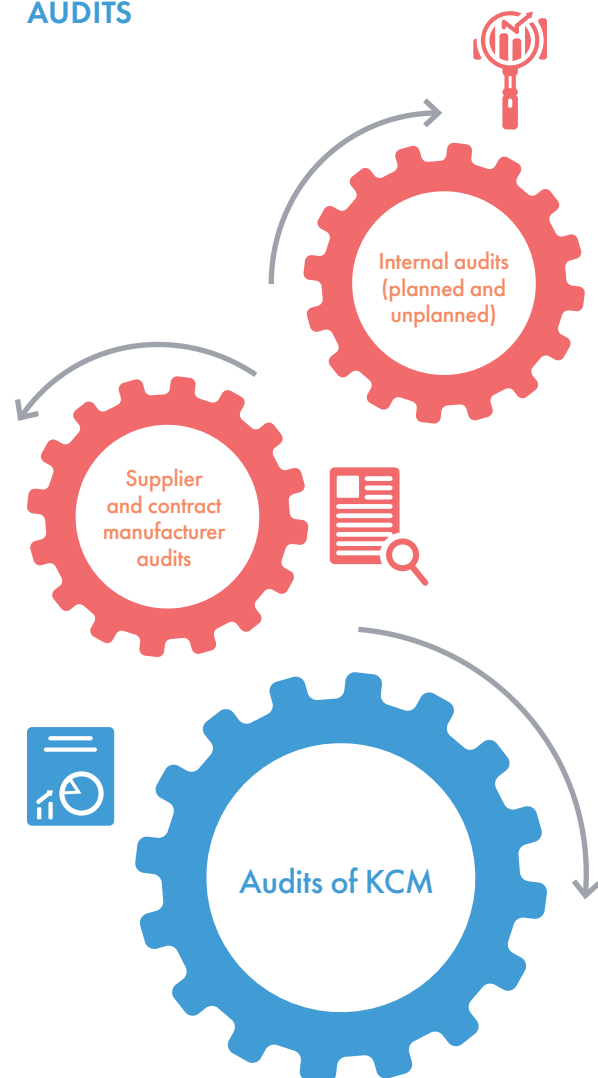
The most frequently reported issues were poor work attitude and requests for money.

In the case of mistreatment on the job, the Manager of Industrial Relations and the immediate superior speak with the personnel involved and urge them to change their attitude and treat their coworkers or others better. In cases where suppliers were asked for kickbacks, the matters were investigated by the Manager of Property Safety and Internal Audit, and if the complaint was found to be valid, the employee involved was dismissed and, in some cases, legal charges were filed.

As of December 31, 2019, 36 complaints had been resolved and one remained under investigation.

It is very important for companies to have policies that ensure optimum performance of tolls like the Code of Conduct. KCM has a policy for addressing complaints (*KCM Policy 48: No Reprisals for Reporting Violations*), which is available to 100% of KCM employees.

AUDITS





Number of planned and unplanned audits ^(I)

The Internal Audit Area reviews 100% of our operations and significant suppliers for matters such as internal control, information systems, and application of the Code of Conduct, health and hygiene, safety, ergonomics, the environment, human rights, anticorruption policies and bribery.

Based on the audits conducted during the period covered by this report, there were no claims or risks of human rights violations detected anywhere in our operations.

We conducted 38 audits last year (36 planned and 2 unplanned), finding the majority of them to be “well controlled”, some as “generally well controlled” and two as “not well controlled.”



Audits to suppliers and contract manufacturers ^(I, E)

We conducted 36 supplier audits last year, finding the majority of them to be “well controlled” or “generally well controlled.” We also conducted follow-up visits on the findings detected in maquiladora audits in 2018, and these will be audited once again in 2020.

Our suppliers and maquiladoras agreed to the audits, and more importantly, accepted the support we gave them for improving their quality systems. We found that most of them had areas of opportunity, primarily in workplace environment conditions (lighting, noise, pest control, chemical handling, etc.) and in infrastructure (maintenance) as well as non-compliant product controls and testing methods.



Audits of KCM ^(E)

During the year, Disney and Wal-Mart audited us in areas such as human rights, safety, environment and quality, and found no critical or major instances of non-compliance. Audits were also conducted by KCC into quality issues, and in all cases the results were favorable and there were no major or critical notes issued.

(E) External
(I) Internal

CYBERSECURITY

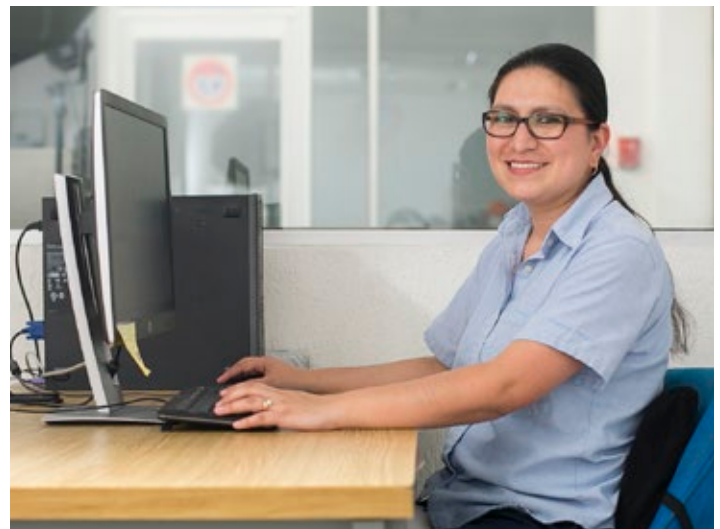
Given current trends toward digitalization, which includes, among others, cloud computing, online markets and payments, etc., it is crucial that network access, IT systems and data are secure at all times.

As a result, system performance below committed levels, or service interruptions, can raise costs and pose a risk to KCM’s reputation. The main risks relate to technical failures, human error, cyberattack, climate events, natural disasters or terrorist attack. Managing these risks, including backup plans, is crucial for guaranteeing business continuity. The criteria focus on how well prepared the company’s systems are to avoid IT system failures and major information/cybersecurity incidents, and whether it is able to react appropriately to such events.

Within KCM, the Board of Directors is involved in the review process and information security/cybersecurity strategy, and the person responsible is required to have a strong background in IT, information security or cybersecurity.

A presentation is regularly made to the Board of Director’s Audit Committee about the activities and practices carried out to safeguard business information and prevent possible attacks and improper access to the company’s data networks.

A set of policies and procedures are in place to regulate and ensure that access to critical business information is restricted, and that business applications are as functional as possible for



preserving correct access and for backing up the information they handle.

KCM has a formal Information Security policy, whose objective is to ensure that personnel who for work reasons have access to or handle or prepare sensitive or confidential information are held responsible for the custody, use, disposal or destruction of that information.

The company has the right processes for avoiding IT system interruptions and cyberattack, which are documented and tested regularly to confirm that they are effective in the event of an emergency.

Every business application has documented continuity plans and procedures for acting in the event of a commercial emergency; these procedures are tested, reviewed and updated annually. The IT infrastructure and the information security management system

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have not obtained ISO 27001, NIST or similar certification, because this infrastructure, and the management of information security, is provided and administered by the Cybersecurity area of Kimberly-Clark Corporation.

Each audit of the various business applications involves a review of security and access procedures, segregation of functions, file backup and contingency plan testing. These audits are performed both by the Internal Audit Department and independent auditors Deloitte & Touche and Kimberly-Clark Corporation.

The company has not experienced any violation of information security or any other cybersecurity incident, which is consistent with its past performance, confirming the security with which our network operates today. Any attempted cyberattack is documented and reported to the Cybersecurity area of Kimberly-Clark Corporation. The company does not have any insurance coverage for violations of information security or other cybersecurity incidents.





SOCIAL RESPONSIBILITY

This is a highly important pillar of operations at Kimberly-Clark de México, because people are our reason for being, and we are committed to building a sustainable future for all. Since 1959 we have been making frequently-used consumer products that meet Mexican families' hygiene and personal care needs and improve the quality of their lives.

We are committed to the creation of value for all our stakeholders and assume responsibility for the way in which we operate through our "KCM Inspira" program, which encompasses all of our social responsibility activities with our employees, suppliers, clients, community and other stakeholders.



The "KCM Inspira" program encompasses all of our social responsibility activities with our stakeholders in order to create value for them.

(GRI 102-8, GRI 102-41)

OUR EMPLOYEES

At Kimberly-Clark de México, we know that the company is a reflection of all the people who work here, so we are deeply committed to attracting, retaining, caring for and motivating all our employees. It is thanks to them that we can maintain an inclusive, harmonious, safe and sustainable working environment and continue to attract talent, protecting their health and safety, training them and enhancing their quality of life through benefits and fair pay.

Accordingly, at the end of 2019, we had a workforce of 8,653 people (82.45% of them union members and 17.55% employed under contract). We hired 1,244 employees during the year, 135 of them women and 1,109 of them men. Our average monthly turnover rate was 1.26% (better than the national index of 1.39%), where it has remained for more than ten years. We maintain a policy of hiring people close to our work centers and thus generating local jobs (GRI 401-1).



In our operating facilities in the Mexico City Metropolitan area, Evenflo, Tepotzotlán, Prosede, CDM, Ecatepec and our Administrative Offices, we try to recruit employees from the neighboring communities and facilitate job transfers to locations nearer their homes if such a position is appropriate for them. At our less urbanized facilities (Morelia, Orizaba, Ramos Arizpe, Tlaxcala, Texmelucan), we hire employees from local communities and offer them support for their commuting expenses if they require it.

KCM supports freedom of association (Principle 3 of the UNGC), and 82.45% of our employees are union members (GRI 407-1).

HIRING AND FUTURE WORK FORCE

The passion and innovation of our employees—a total of 8,653 in 2019—make KCM a leading company in our industry. We have achieved this through diversity: different ways of thinking, feeling and acting, but united by their high ethical standards and the common mission of improving the lives of Mexican families.

With this in mind, at KCM we also promote equal opportunities (Principle 6 of the UNGC), without discrimination on the basis of age, gender, race, color, religion, creed, sexual orientation, nationality, physical disability or pregnancy.

In 2019, we detected no incidents of discrimination, which is reinforced in our Code of Conduct and our Hiring Policy, as a fundamental part of our employee recruitment or promotion processes (GRI 406-1).

You can consult these at: <https://www.kimberlyclark.com.mx/data/global/pdf/CodigodeConducta.pdf>



Our workforce has an average seniority of 9.13 years (higher than the nationwide seniority average of 8.4 years, according to the Inter-American Development Bank), as well as a monthly average turnover index of 13.26% for non-unionized employees and 17.12% for unionized personnel.

Our process for filling vacancies begins with identifying people within the company whose past performance proves that they can do the job. This has proven to be a tremendously useful tool for encouraging loyalty among our employees. If no one currently working in our operations meets the qualifications, we seek for outside candidates in the areas neighboring our operations.

In 2019 we had two key training programs:



Youth Building the Future

This program (Jóvenes Construyendo el Futuro) seeks to drive social and workplace integration for young people through on-the-job training and the development of technical, labor and soft skills over a period of 12 months. The program was developed and promoted by the Ministry of Labor and Social Planning.

The first generation to graduate under this initiative began work at KCM on February 5, 2019, and consisted of around 80 interns (at Bajío, Ecatepec, Orizaba, Prosepe, Texmelucan, CDM and our administrative offices).

In 2019 another 306 interns joined the program, with a monthly average of 150, distributed across all our locations. The young people that came to work at KCM were 51% women and 49% men.

It was clearly a year of challenges and opportunities, in which KCM received 461 applications from young people and had the support of more than 250 tutors, in addition to the supported received from the work teams that made this first generation a group of highly-prepared and well-trained youth ready to join the working world.



Applying Methodologies

Following our strategy of developing and strengthening our employees' skills, which is crucial for meeting our goals, improving and making our processes more efficient through innovation, we have begun to work with agile methodologies, for which various training sessions were held, attended by more than 95 participants.



Nielsen tool certification

We also presented KCM Nielsen Reporting Tool Certificates in our administrative offices, where all participants were recognized and special mention was made of those that earned the certificate.

In late 2018 and early 2019, all participants attended a series of training sessions and took theoretic and practical exams to obtain this certification, which recognizes their ability to identify business opportunities and take action to increase the value of categories with our clients.

This certification is one of the many actions we take to train our people to take advantage of the valuable tools available to KCM, and which we must use to their fullest advantage in order to improve our competitiveness and enhance strategies to continue positioning our brands as market leaders.

(GRI 102-36, GRI 2012-38, GRI 201-3, GRI 202-1, GRI 405-2)

COMPENSATION AND BENEFITS

Our Compensation Policy establishes a salary and benefits package that is competitive in the market, enabling us to attract and retain people who show the highest ethical standards and outstanding performance. The ratio of base wage to compensation for men and women is equitable, and is established on the basis of market salary tables, the level of responsibility of each job, and the individual performance of the employee in question.

An independent consultant is hired to prepare market comparisons on compensation, which are reviewed annually by the Compensation Committee. With this review, it decides on raises, changes in benefits, and specific individual details of the compensation program are authorized (GRI 102-39).

We know that through the effort and dedication of everyone working at Kimberly-Clark de México, each action taken by the company translates into responsible, sustainable, profitable results, as well as respect for the environment, on which we all depend (GRI 102-37). For this reason, our Compensation Policy establishes a salary and benefits package that is competitive in the market, which enables us to attract people with the highest ethical standards and outstanding performance. A clear example of this is the fact that, in 2019, the company paid out a total of MXN \$772 million in employee profit-sharing, which was 16% of net earnings for the year, in addition to the following benefits:

(GRI 401-2) Benefit	Unionized	Non-unionized
Employee dining rooms	✓	✓
Savings fund	✓	✓
More holidays	✓	✓
Advance profit-sharing	✓	✓
Preferential price on products	✓	✓
Vacation bonus	✓	✓
More annual bonus days	✓	✓
Subsidy for IMSS disability	✓	✓
Credit union	✓	✓
Preferential interest rates	✓	✓
Scholarship for employee children	✓	✓
Assistance with funeral expenses for family members	✓	
Assistance with school supplies	✓	✓
Monthly grocery vouchers	✓	✓
Life insurance	✓	✓

Our personnel participate in the company's results through profit-sharing, one of the highest in the country.



Because we want employees to achieve a healthy work-life balance, we do not encourage employees to work more time than established in the company's official work schedule, and we also suggest they avoid taking work home.

In fact, the organization is designed to have enough resources so that people can work efficiently during the time allotted and focus on obtaining results. Besides this, we also offer the following benefits, which include continuing paid leave so that employees can use to attend to their family responsibilities:

1. Life and major medical insurance for spouse and children

2. Additional maternity/ paternity leave in the event of complications in pregnancy or birth

3. Prenatal care

4. Care for family members with unexpected health issues

5. Attending to children's daycare or school matters

6. More vacation days and holidays than are established by the Federal Labor Law

7. Support through medical insurance coverage

In addition, we know that family is the driving motivation of our employees, so we sponsor get-togethers within the company for employees and their families.

We also offer flex-time arrangements for new parents and parents-to-be to avoid pregnancy complications and help them in welcoming the new member of the family. This translates into an excellent reinstatement ratio after maternity or paternity leave.

All of the fathers who took advantage of the new paternity leave policy (5 days by law) returned to work afterwards. Mothers who take maternity leave are permitted to extend their leave by adding on their vacation time.

We have a special KCM benefit app that offers:

- › 24/7 online access to hundreds of sales and promotions from top brands.
- › The app asks for the user's location to inform them of the best and closest benefits.
- › The app is automatically updated with new sales that stores upload in real time.
- › The platform is highly sophisticated, learning about the employee's preferences over time.
- › Special sale prices are automatically updated to the app's home screen, and there is also a search tool for finding restaurants, types of food, stores, etc.



(GRI 401-3)

Indicator	Maternity	Paternity
Reinstatement index	71.43%	100%
Maternity/paternity leave	84 days (Federal Labor Law)	5 days

TRAINING AND DEVELOPMENT

Our Human Resources Department detects needs and establishes institutional programs for ongoing training and development based on the results of our ongoing evaluation of personnel, which results in resilience to the changes and needs of our clients and consumers, and means better working conditions for everyone at KCM.

In 2019, we invested MXN 28.27 million in training, for a total of 759,521 work hours of training and 5,856 courses or seminars offered, representing an average of 87.78 hours per employee.

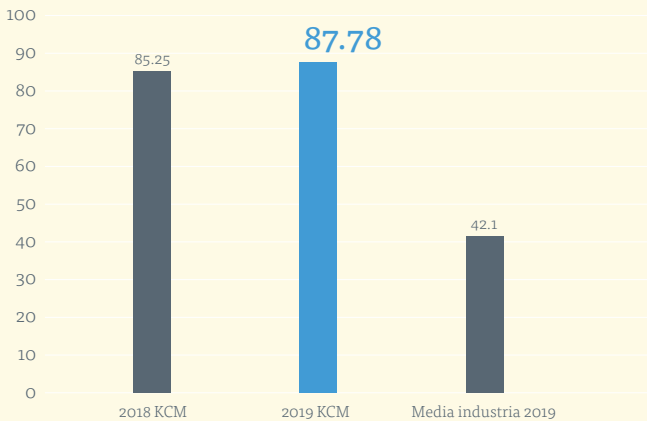


(GRI 404-1)

TRAINING

	2017	2018	2019
Training (hours per employee)	718,105	739,340	759,521
Training index (% hours per employee)	3.37	3.38	3.40
Number of courses given	5,815	5,840	5,856

ANNUAL HOURS OF TRAINING PER EMPLOYEE



Source: Training Mag

(GRI 404-1)

ANNUAL TRAINING HOURS PER EMPLOYEE

Unionized	Non-unionized
96.76	50.55

Our training index increased in 2019, and is now above the average index in Mexico by more than 100%.



(GRI 404-2)

Description of Employment Development and Training Plans

In 2019, in order to drive competitiveness and employee skill development, our Training and Development Plans focused on areas such as Safety and Maintenance, Quality and Innovation, and Manufacturing, in addition to areas related to the company's strategy; safety continues to play a fundamental role within the company, one that is updated on an annual basis (First Aid, Behavior-based Safety, Loss Prevention and Safety System, among others) to help avoid accidents and mitigate risks.

(GRI 404-3)

PERFORMANCE MANAGEMENT

To decide on salary increases consistent with our Compensation Policy, we conduct an annual performance evaluation program that examines the performance of all of our non-unionized employees without regard to gender, age or any other condition.

The evaluation process is the basis for salary increases, as authorized by the Compensation

Committee, as well as training and development, and succession plans. This process helps us identify opportunities for improvement by each employee and area, based on their progress according to their strategic plans and against the goals and targets of our sustainability strategy. With this, both the company and its employees can achieve their full potential growth and improve their purchasing power.

(GRI 201-3)

RETIREMENT

Unionized employees agree with the company on the retirement plan most suitable for them because one of the company's biggest concerns is that all of its employees be able to maintain their quality of life when they reach retirement age and have capacities and skills to live a full life during retirement.

The company also has a retirement plan for its non-unionized personnel over and above the federal social security system, which ensures that our employees can enjoy an income and protect their equity, so their quality of life is preserved even after they cease to work. The plan allows non-unionized employees to retire at 65, with benefits available to those having worked a minimum of 10 years in the company. Employees may move up their retirement age to 60, with a 5% reduction in the pension for each year before 65, and at the express request of the company they may also defer their retirement to age 70. Pension income is calculated based on the employee's seniority and their salary in the last 12 months, including the average of the three highest performance bonuses of the past five years, plus the excess over the IMSS (Mexican Social Security Institute) pension base.

The program is fully funded by the company through a trust, and it is subject to an actuarial evaluation each year to determine the plan's obligation and cost. Currently, the funds set aside by the company to cover this plan in its entirety, for an amount of MXN \$376 million, include seniority bonuses.



(GRI 403-1)

OCCUPATIONAL HEALTH AND SAFETY

At KCM we have a duty to provide a safe and healthy workplace for all employees and accept our responsibility for environmental care. For these reasons, we began applying the Ministry of Labor's Standard O35, Psycho-Social Risk Factors at Work, and developed and launched a new EHS strategy in October 2019, whose purpose is to evaluate maturity and significantly improve EHS performance in all our operations by:

- › Defining clear and simple objectives.
- › Determining and monitoring current EHS performance at each location.
- › Establishing targets and responsibilities that enable us to embody the leadership imperatives.

With this we will fulfill the vision and strategic EHS targets established by KCM's senior management for 2022, which establishes EHS as an "Essential Value."



The strategy rests on three basic pillars, known as the "Maturity Model." Their objectives are:



Mindset, Behaviors and Capabilities

For greater understanding and leadership

Understanding the job that needs to be done, to improve EHS performance and maturity reflected in Leadership.



Risk Reduction and Risk Tolerance

Prioritize and accelerate action toward critical risks

Identify, prioritize and expedite action toward material risks with evidence of action plans and efforts to eliminate, reduce or control hazards.



EHS Management system

Systematic focus on improving EHS

Establishing or remedying EHS management processes to make them more effective and less complex.

2022 Target:

Reach Maturity Level 2, embodying the Leadership Imperatives in all of KCM operations and meeting KCC's expectations, which require that all leaders involved regularly define clear expectations for employees in charge of EHS, and interact positively within this system.

6 LEADERSHIP IMPERATIVES IN SAFETY

1.

CONSISTENT EHS LEADERSHIP

2.

POSITIVE EHS INTERACTIONS

3.

REDUCE RISK TOLERANCE

4.

EMPOWER EMPLOYEES AND CONTRACTORS

5.

ENSURE CONSISTENCY IN SAFE PRACTICES ON THE JOB

6.

INCENTIVES AND METRICS ALIGNED



In 2020, we will be starting a self-evaluation process managed by each location, with follow-up visits from Corporate Safety personnel. We expect to begin a program of formal audits in 2021, incorporated into the KCC global audit plan.

Safety results

Thanks to the safety training we give our employees, there were no fatalities in 2019, either among KCM employees or contractors. Furthermore, the number of serious and critical accidents declined, the serious and critical accident index was lower, while the severity index also declined.

One key results was a substantial 50% reduction in the severity index.

Other significant reductions were a lower serious and critical accident index, and fewer accidents overall.

(GRI 403-2) SAFETY INDICATORS	2015	2016	2017	2018	2019
Average absenteeism	1.33	1.15	1.25	1.51	1.51
Number of work-related illnesses	0	0	0	0	0
Total index of accidents	0.76	0.65	0.72	0.91	1.29
Severity index	10.3	12.56	4.76	12.67	6.34
Serious and critical accidents index	0.14	0.10	0.09	0.11	0.07
Serious and critical accidents	14	10	8	12	10

COMMITMENT TO OUR SUPPLIERS

Social responsibility, business ethics and concern for environmental care are integral to KCM culture, which is why we require our suppliers to commit to the same values: as part of our supply chain, they assume this shared responsibility together with us.



SAFETY VISION

To be recognized as the best company in Environment, Health and Safety in our industry.



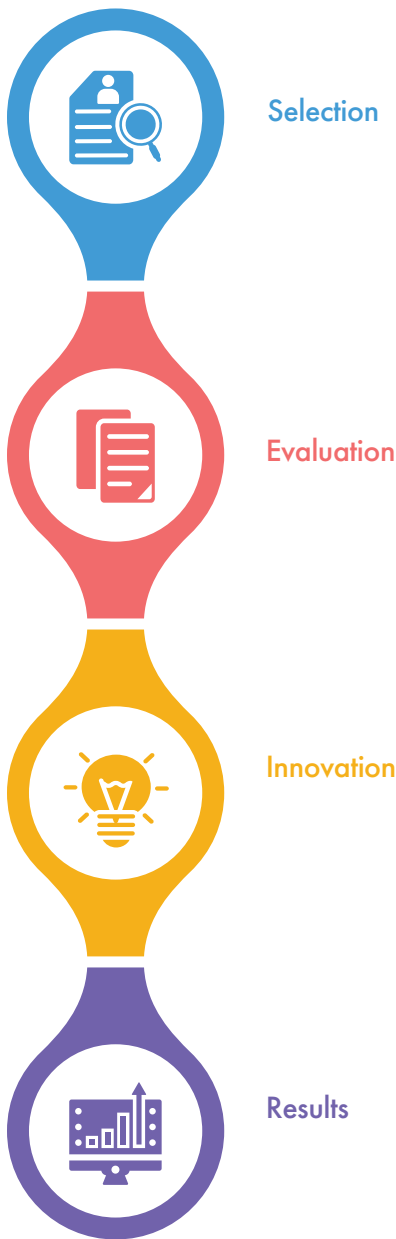
STRATEGIC SAFETY TARGET

Zero fatalities, zero injuries of any type, across all KCM operations.

(GRI 102-9, GRI 102-10)

VALUE CHAIN STRATEGY

We are committed to incorporating our suppliers into the sustainability strategy to continually improve our value chain. To achieve this, we carried out a materiality study to identify the material aspects and have incorporated them into the value chain. We analyze every aspect, from selection, evaluation, continuous improvement and innovation to supplier development, in order to improve, not only the inputs we acquire, but their performance in environmental care and impact.



(GRI 308-1)

SUPPLIER SELECTION

To promote the creation of indirect jobs in Mexico, our supplier selection process is based on the following criteria:

- › Commitment to KCM's sustainability strategy
- › Geographic location
- › Compliance with the Code of Social and Environmental Standards for Suppliers
- › Compliance with industrial quality standards and legislation
- › Cost
- › Performance evaluations (including indicators of quality, service and environmental care, among others)
- › Compliance with health and safety guidelines in the use of materials (safety clearance)
- › Financial stability (current and future supply capacity)
- › Capacity to innovate on their own or together with KCM research and development areas
- › Signing of confidentiality agreements as required by the parties to ensure the proper conduct of commercial relations (domestic supply refers to the production of a product or raw material within Mexico, either by SMEs or large corporations)
- › Social compliance standards for suppliers, KCM guidelines and principles (Code of Social Standards for Suppliers): <http://www.kimberly-clark.com.mx/conoce-kcm/estndaressociales-paraproveedores>

Our social compliance standards for suppliers contain KCM guidelines and principles, and reflect our values of good corporate citizenship, social responsibility commitment, respect for human rights and transparent operations (Principles 1 and 2 of the UNGC)

Our Code of Social Standards for Suppliers can be viewed on our website at: <http://www.kimberlyclark.com.mx/conoce-kcm/estndaressociales-paraproveedores>

In the area of the environment, we are constantly looking for ways to protect our planet, seeking energy efficiency, water optimization, waste discharge quality, GHG mitigation actions—including the use of recycled fiber and virgin fiber from certified forests and the monetization of solid waste.

SUPPLIER EVALUATION

Our supplier evaluation system takes into account the quality of the goods and services they supply us, and their level of service and commitment to our sustainability strategy in the value chain, including human rights protection, environmental care, and operational transparency.

KCM expects its suppliers to comply fully with all laws, regulations and official standards applicable to them in areas like the environment, social and labor issues, human rights and transparency, not only in Mexico but in any country where they operate.

As part of our evaluation system, we regularly order independent audits of the facilities of strategically selected suppliers.

These audits look into technical aspects such as quality control and raw materials processing and also require that suppliers prove that they are not in breach of any of the following principles: freedom of association, dignity and respect for personnel, protection against child labor, non-discrimination and equal opportunities, working conditions free of imminent risk of serious injury, and compliance with environmental laws and regulations (GRI 408-1).

The results of these audits, together with other criteria like cost, quality, service, supply capacity, innovation capacity, commitment to a sustainability strategy, etc., are used by KCM in the process of selecting and approving commercial agreements with suppliers that are incorporated into its supply chain.

We have a set of “Social compliance standards for suppliers” which contain KCM guidelines and principles and reflect our values of good corporate citizenship, social responsibility commitment, respect for human rights and transparent operations (Principles 1 and 2 of the UNGC).





We share best practices with our suppliers in the area of sustainability, and work with them on ways to develop raw materials made with the highest standards of environmental care, quality and safety.

36 supplier audits were performed and, in most of the cases, these aspects were found to be “well controlled” or “generally well controlled.” No significant deviations were found in the areas of human rights, transparency and environmental care, and there was no indication of significant negative environmental impact, either real or potential, in our supply chain. For suppliers with low scores, KCM asked them to develop a corrective action plan and follows up on it until the findings are resolved. In 2019, we conducted follow-up reviews of the findings of 2018 audits of contract manufacturers (maquiladoras), and these will be audited again in 2020.

Our suppliers and maquiladoras agreed to the audits, and welcomed the support we gave them for improving their quality systems. We found that most suppliers and maquiladoras had areas of opportunity, primarily in workplace environment conditions and infrastructure as well as quality systems (non-compliant product controls and testing methods).

We did not receive any claims regarding human rights violations, and in order to maintain this result, in 2019 we audited not only significant suppliers but also those where we detected a potential risk of human rights violations. As a preventive measure, those who might present a risk were removed from the supply chain to avoid potential negative impacts on product quality and safety and/or human rights (*Principles 1 and 2 of the UNGC*).

SUPPLIER INNOVATION AND DEVELOPMENT

In order to be more productive, we seek out more competitive, flexible and efficient suppliers, encouraging the optimum use of natural resources and identifying risks and opportunities at each plant. Our strategy of continuous improvement in every phase of the value chain seeks to maximize the value and quality of our products by using renewable and non-renewable resources responsibly while striving to reduce the environmental footprint of our operations.

To this end, we encourage suppliers to set medium- and long-term targets for reduced consumption of water, energy, production waste and atmospheric emissions, and to put in place programs to reduce, recycle and monetize their solid waste. We also urge them to develop performance indicators that can be reported annually.

Part of this effort involves sharing best practices with our suppliers in the area of sustainability, and work with them on ways to develop raw materials made with the highest standards of environmental care, quality and safety. In matters of product safety, we conduct medical testing of all raw materials and packaging that have been cleared in technical terms.

SUPPLIER RESULTS

In 2019, Kimberly-Clark de México generated an economic flow of MXN \$17,522 billion; 74% of its suppliers were domestic (273) and 26% were foreign (93).

Our most significant suppliers issue annual sustainability reports or publish their social responsibility, corporate ethics and environmental care actions on their webpages, with an emphasis on GHG emission mitigation, certification of wood from sustainable forests, and management of their water use, to ensure they comply with the established rules and regulations.

Thanks to this strategy with our suppliers, we avoid GHG emissions like methane gas, which has a high impact on global warming. We use close to 65.7% recycled postconsumer paper, which means it does not go to landfills or open-air trash tips (4.4% more than last year).

In 2019, we made further progress on estimating the environmental impact of our most significant products (more than 80% of our net sales) through a lifecycle analysis methodology. With this, we make sure that 100% of our virgin fiber is obtained from certified forests.

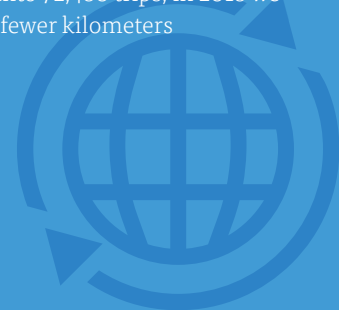
The conclusions of these studies offer further evidence of the importance of integrating suppliers into our strategy and helping reduce the environmental footprint associated with our raw materials supply.

KCM handles logistics on an outsourcing basis and, to a lesser extent, through our subsidiary SODISA. In our distribution system, we continue our efforts to reduce costs, emissions, and kilometers traveled, and to improve service to customers, among other indicators.



Logistics Administration System:

- › Alliances with companies to take advantage of transportation spaces, in strict compliance with weight and measurement restrictions.
- › Consolidation of cargo and orders to maximize use of transport capacity
- › Reduction of CO₂ emissions by hiring external transport firms with newer fleets and more efficient motors.
- › In conjunction with the planning area, try to make products as closely as possible to the places where the end product is distributed.
- › Backhaul and fronthaul to avoid trucks returning empty once they deliver their product to the client. This is done through alliances with other companies or working with transporters who can return with raw materials.
- › Analysis of production by order and client depending on the geographic zone, so we can move orders between plants instead of moving products inefficiently.
- › A pallet design that leaves more room for product in the truck, and uses less pallets overall, meaning fewer trips. In 2018, we travelled a total of 24,854,419 km (SODISA) to bring our products to our clients (including our transport subsidiary and external truckers), all of them optimized into 72,480 trips; in 2018 we made more trips of fewer kilometers





PRODUCT INNOVATION AND TECHNOLOGICAL DEVELOPMENT

KCM is always thinking about the consumer, continually building value through significant and differentiated innovations. We brought relevant propositions to the market in all our product categories in 2019.



Baby diapers

We introduced the Huggies® Supreme® Platino diaper, with superior performance and care and protection of baby's skin.

We re-launched the Huggies® Eco Natural diaper, an environmentally-friendly alternative for babies, and in line with the trend toward re-use, we developed the Huggies® Diaper Box, a practical diaper container formed with the corrugated package itself, a useful accessory for baby's room.

In the middle range, we added a fitted pocket at the back to avoid leaks in the KleenBebé® Suavelastic® diaper in newborn and small sizes. In the same segment, we introduced special presentations with licensed characters to support promotional activities.

In the budget segment, we improved the performance of KleenBebé® Absorsec® with Absorgel core, creating a more absorbent diaper with a new cover that better distributes liquids so baby stays dry.



Wet wipes

We introduced Huggies® Supreme® Micellar Water and a new fragrance in the Relaxing and Moisturizing lines.

SUSTAINABLE INNOVATION

For KCM, innovation is one of the key drivers of this company's current and future success, and therefore a priority and a tangible competitive advantage.

Innovation drives changes in our products, processes and organization, which is why it marks the difference between companies. Unfortunately, up until now innovation has been measured using obsolete economic indicators (R&D expense and number of patents) that do not capture the complexity and multidimensionality of a company's innovation management processes. Latest-generation innovation incorporates the entire development chain, beginning with the contribution to innovation (R&D expense) and innovation management (on-going processes, KPI) through innovation production (success rates, return on investment). It also recognizes the importance of environmental and social innovation.

With these parameters, we evaluate the size and structure of R&D expenses (both internal and external) as well as the number of employees working in R&D jobs.

KCM innovations have created value for our consumers, because they were designed with them in mind.



Evenflo®

In the premium segment, we joined the trend toward natural feeding with the launch of the Soft & Natural Bottle in the Evenflo® Advanced family, the first silicone bottle with a soft, natural texture more like the mother's breast.

The brand also joined in the drive to promote breastfeeding with the first line of wet wipes for nursing, a cooler bag and a nipple shield, so women can enjoy the power of breastfeeding.

In the mid-range segment we introduced a new manual breast pump, an angled bottle, the Glow family—a glow-in-the-dark cup and bottle—and two new sippy cups, one with a 360° technology that the toddler can drink from any part of the lid with no spills, and a lunchbox cup to take with them to preschool.



Toilet paper

We launched larger rolls in the Kleenex® Cottonelle®, Pétalo® and Suavel® brands, improving the product's yield for the consumer.

In Kleenex® Cottonelle® we revamped our image on various presentations in order to differentiate and more clearly communicate the benefits.

To pamper consumers looking for a superior experience through trending fragrances, we launched Kleenex® Cottonelle® Beauty Flor de Tiaré.

In Suavel® we know that scent and yield are very important, so we offer the market five fragrances, for different tastes and seasons of the year, along with rolls that have more sheets, offering the best value equation.



Napkins

We launched a special presentation of Kleenex® Deco for consumers who want a special touch of style for their table.

In the Servitoallas® paper towel category, we developed Kleenex® MaxiAbsorb, offering maximum absorption through an exclusive technology of absorbent quilting that retains 40 percent more liquid than a conventional paper towel.

In the Suavel® brand, we launched a roll with smaller sheet size options, seeking to meet the needs of consumers' kitchens and families at better prices.



Facial tissues

We developed a Kleenex® Peach Almond Fragrance tissue that offers softness with a hint of sweetness.

Packaging for the Cold Care line was revamped and we boosted communication on the Antiviral, Menthol and Soothing Lotion alternatives to more clearly show the product's benefits in each phase of the common cold.



Feminine Protection

We introduced improvements to various versions of our Kotex® feminine pads. In the Nighttime line we increased absorption by 7 times for the anatomical line with wings, incorporating Dimple technology, and in the ultra-thin winged line with new channels and optimized pad thickness. We also launched a Kotex® Ultra-light nighttime pad with wings.



Incontinence

We re-launched the Depend® and Diapro® brands with a new image and differentiated positioning to meet consumers' specific needs.





Active users

Our Depend® brand launched the Colors line of pull-ups for women and unisex, with covers similar to those of regular underwear.



Beauty Care

We launched a new proposition in the premium market for facial care under the Kleenex® Beauty brand, with Micellar Makeup Removing wipes and Waterproof Makeup Removing Wipes; in the same line we introduced Pure Micellar Water and Night Calm Micellar Water.



Soap

In our Kleenex® lines, we introduced Micellar Water Liquid Body Wash and the Kleenex® Anti-Oxidant line of Berry-Scented soap, which include bar soap, liquid hand soap and liquid body wash.

In the Escudo® brand, we launched a new Advanced Protection line with special features, where we introduced the new Escudo® Antibacterial Detox body soaps with Activated Carbon, and Escudo® Anti-Acne with Derma Clean® Technology.



Professional

We introduced a jumbo Scott® Center Pull toilet paper roll that includes a new exclusive dispenser with improved performance, and in the budget segment we launched Jumbo Marli® single-ply toilet paper.



COMMITMENT TO OUR CLIENTS AND CONSUMERS

At KCM, we are committed to fair, above-board and efficient relationships with our clients, giving them access to quality products in all market segments and helping to sustainably develop the value chain. This is why we work with our clients on a number of fronts to generate a wide array of quality hygiene and personal care products for Mexican families, in the presentations they require, and through active programs to make them accessible to those with lower purchasing power.

Through our Corporate Sustainability area and its allies, we are working together to identify and execute projects to support sustainable development of our value chain.

Our sales and logistics areas also work to identify and launch initiatives for continuously improving client service.

E-COMMERCE

Our goal is to make our products available to consumers at all the primary points of contact. Consumers expect to find their preferred brands and products wherever and whenever they want, and ensuring this presence is how we maintain this preference. Digital points of contact have become benchmarks in purchasing decisions, so by being present in these media, we also impact other sales channels.

We also support the development of our clients and new pure players* through commercial and communication strategies that not only focus on promotional activities but also on offering wider and more relevant information on the benefits of our products, all with an increasingly omnichannel shopper in mind.

Finally, we developed strategies with the leading last-mile players, which are becoming more important among consumers because they have a clear focus on user experience and convenience. These strategies include positioning of brands and innovations through communication, as well as focusing continually on maintaining the perfect “digital shelf” by which we ensure we remain top-of-mind for our consumers.

* Companies engaged exclusively in e-commerce

E-commerce progress and challenges

In 2019 we saw some progress in the perceived security of e-commerce platforms among shoppers—in previous years this has been one of the biggest barriers preventing them from adopting the habit of online shopping. The improvement has been the result of expanded communication and education efforts by players in this channel, particularly the pure players.

We have also seen an expansion of services known as “last mile,” which use a model of convenience and speed to become a service benchmark for consumers, who have embraced their use for purchasing products well beyond food delivery service.

Despite this, the biggest challenge we face as a consumer product manufacturing company is the purchasing habits of the Mexican market: consumers in this country still have the habit of purchasing the products they need in physical stores, which is part of the family lifestyle.

BRANDS WITH A SOCIAL CAUSE

Under the KCM Inspira® program, we continue our work on initiatives like “Caring, Educating, Encouraging,” where we promote responsibility among our stakeholders, attending to their needs through volunteer work in support of more than 200 charitable institutions and nonprofit organizations.

We announced a partnership between Embracing their Development by Huggies® and UNICEF, with the goal of giving 1.5 million babies the best start to life through promoters trained in good parenting practices and childhood development.

Furthermore, Kotex® and Escudo® Antibacterial launched a pink campaign, with cause-driven product promotions in partnership with the COI Foundation, which supports detection and early treatment of breast cancer.

Concerned about new generations, Kotex® has a “School Tour” program where every year it visits more than 100,000 girls to provide them information about sex education and intimate care, to help them feel more secure.

In 2019 we saw some progress in the perceived security of e-commerce platforms among shoppers—in previous years this has been one of the biggest barriers preventing them from adopting the habit of online shopping.

Additionally, the Escudo® Antibacterial brand continues its school visit program to help educate kids about Health and Hygiene, providing them information to share with their parents and improve better health practices and protection at home and at school.

Besides these efforts, our main brands are adopting and advocating for social causes important to our consumers.

CUSTOMER SATISFACTION

The satisfaction our clients feel with our products, and knowing we have kept our sales promises, continually improving our products, is one that clearly sets us apart from the competition.

The Consumer Assistance area is a tool that gives us the opportunity to relate to them, and it is in charge of analyzing their concerns, comments, questions and suggestions, and providing personalized assistance based on a correct diagnosis of the situation. Its policy is to promptly follow up on each issue within 24 hours, through the various points of contact we make available: phone lines, e-mail and social networks.

Every time a consumer makes some comment in our products, a process begins in which they are answered by an agent that collects the product, making sure they receive the best customer experience.

This focus on consumer support and service is in full compliance with their ARCO rights (Access, Rectification, Cancellation and Opposition) and pursuant to all applicable Personal Data Protection legislation.



In 2019, there were no formal claims by our consumers regarding violations of privacy or loss of personal data.

Furthermore, there were also no incidents of non-compliance with regulations regarding the supply and use of products and services.

1. Comment on our products by phone, e-mail or social networks

2. Response within 24 hours

3. Product sent to be collected by an agent

4. Respect for ARCO rights

CUSTOMER SERVICE 2019

Business	Calls	E-mails	Social networks	Total
Baby Care	8,042	1,645	9,083	18,770
Incontinence	421	1,126	435	1,982
Feminine Protection	701	2,685	1,863	5,249
Beauty Care	579	836	821	2,236
Home Products	1,386	2,600	1,979	5,965
Evenflo	1,993	2,901	2,980	7,874
Total services	13,122	11,793	17,161	42,076

RESPONSIBLE ADVERTISING

Because we require our creative agencies to abide by the Code of Advertising Ethics and all laws on this matter, including those governing promotional activities and sponsorship, we also maintain a responsible communication strategy with our clients and consumers about the advantages and benefits of our products in various media like television and print.

In 2019, we had no incidents of non-compliance with regulations regarding marketing, advertising and promotional activities. Since 2017, we have followed Policy 49: Self-Regulation and Ethical Practices for the use of Advertising, Promotion and Marketing Tools.

Furthermore, our internal control procedures include a Policy of Self-Regulation and Ethical Practices for the use of Advertising, Promotion and Marketing Tools, which establishes the principles that should govern the handling of advertising for our brands, such as legality, ethics, good faith, social responsibility, respect for the environment, accuracy, scientific information, positive self-image, competition and comparative advertising.

PRODUCT ACCESSIBILITY

We are committed to a commercial strategy through which we can offer high-quality products in all segments and channels of the market, in addition to facilitating access to hygiene and personal care products for households with lower purchasing power. We reach all segments

of the population through various sales and distribution channels, including supermarkets, wholesalers, drugstores, retailers and convenience stores across Mexico.

As established in our business model, we focus on offering differentiated, added-value products and prestigious brands for the premium, high, middle and value segments of the market, and we work through our market research areas to understand the needs and expectations of the population at various levels of the income scale, in order to offer the best products at the best prices for each segment of the market. Through our KC Professional business, we reach companies, hospitals, hotels, stores and public places with innovative hygiene and personal care solutions.

EDUCATIONAL AND CULTURAL ACTIVITIES

Kimberly-Clark is committed to providing and sponsoring educational and cultural activities that are essential to the holistic development of our employees in various plants where such activities are carried out.

In the area of cultural support, we promote the following:

One of these activities is the “Reading Makes you Great” program, through which we promote the habit of reading among our employees and their families, as part of the Company Communication Council campaign. We have mobile libraries that lend out books on a variety of topics. Every Friday, the Social Responsibility and Institutional Communication area sends out an e-mail with weekend reading recommendations, including short readings and information about weekend cultural events.



Additionally, to strengthen knowledge and digital skills within KCM, and as part of the KCM Digital Transformation initiative, we have begun a process of digital certification. This involves senior management and other high-level executives and covers issues of digital transformation, e-commerce, new digital media, cybersecurity, big data strategies, and others.

We have also developed a series of agreements to encourage families to get out and have fun together— these include movie theaters, amusement parks, fitness centers, teaching farms and others, where employees receive discounts ranging from 10% to 25%.

In the area of education, we offer the following activities:

- › Open-access high- school equivalency program, whereby employees have the opportunity to obtain a preparatory school certificate by studying on the company's premises.

 <p>Concerts</p>	 <p>Plays focused on safety awareness</p>
 <p>Museum visits</p>	 <p>Weekend cultural activities that are listed every week on the company's Intranet</p>
 <p>Weekly reading recommendations</p>	 <p>Concerts for employees' children, with the support of Embracing their Development by Huggies.</p>

- › Scholarships were awarded to children with outstanding academic performance in middle and high school and college.
- › Economic grants to the children of unionized workers to buy school supplies.
- › As we mentioned above, we are also participants in the Ministry of Labor's "Youth Building the Future" program.

(GRI 413-1)

Commitment to the community

The company's social responsibility activities include programs that encourage education, culture, recreation and volunteer work to benefit lower-income families.

Most of these programs are developed in conjunction with the communities themselves. The most influential of our community engagement programs involved social participation and community support in the following areas:

- › Support for charitable institutions, foundations, and for society at large in the event of natural disasters.
- › Support for more than 200 institutions with cash and product donations, giving lower-income segments of the population access to our hygiene and personal care products. Most of these donations were focused on private charitable institutions that care for and rehabilitate sick children or isolated senior citizens who live in assistance facilities and are in dire need.

One significant commitment to the community has been the incorporation of the "Youth building the future" program into our operations.

- › This past year, in partnership with the federal government, we supported the "Youth Building the Future" program which we detailed above, and which we consider a commitment to our community.

- › In 2019, the "Serving together" program celebrated its 7th anniversary. In this program, employees from various areas through the company donate a specific week of their time every year, to do social volunteer work. In one of the locations they made a "Mexican festival" meal for residents of a shelter and spent time with the elderly there, engaging in board games, dancing, or simply keeping them company. At another plant employees worked on reforestation, painting, delivery of waste handling equipment, water reservation, hygiene, sports activities, etc.

Community relations

To benefit the communities neighboring our facilities, we carried out the following activities in 2019:

- › Cash and product donation to various institutions.
- › Fire and earthquake drills at corporate headquarters, in coordination with neighbor corporations, municipal and civil defense authorities.
- › Volunteers worked with the Civil Defense department for Easter week and year-end holiday operations.
- › Our safety brigades took part in fire drills in coordination with the Civil Defense Department, PROFEPA and other companies in the area.
- › Technical assistance and training agreements with the Voluntary Firemen's Endowment.
- › We created a group called Industrial Mutual Assistance Plan (or PAMI) to coordinate the efforts of companies in the area with Civil Protection authorities to provide immediate emergency response.

- › At plants located in industrial zones, we worked on industrial safety issues together with neighboring companies, where we covered issues such as training, disaster prevention and inter-company support in the event of an accident. We also shared our safety practices and standards with SMEs located near our operations, as a way to benefit the area of influence of our plants in their communities
- › High school and college students visited our plants for presentations on industrial plant organization and operations.
- › Talks were organized at various schools regarding the challenges of working life, theoretical talks and field practices about the use of fire extinguishers, first aid and natural phenomena (disasters that may be associated with climate change).
- › Donations to ANSPAC (the National Association for Personal Advancement), which has personal advancement programs aimed at employees' wives and women from surrounding communities.

HEALTH AND HYGIENE

We aim to encourage employees and their families to adopt best hygiene and personal care practices that contribute to health and wellness. We are constantly innovating and using our market leadership to reach all socioeconomic segments with high-quality products backed by the prestige of our brands.

In 2019, we sent a series of messages to the entire organization intended to create a culture of wellness for all employees through awareness building.

In line with our business goal, encouraging good hygiene is essential to this corporation. One way we do this is through a program we call "Kuida tu salud" (Care for your health), which in its first phase offered comprehensive health packages to our employees, including both physical and mental wellness activities: yoga sessions, interbody, physical therapy, clinical and nutritional consultation, electrocardiograms, psychological counseling, etc.

"Because we want to enjoy every day in good health," for the second phase of the program more physical activities were offered—nutrition classes, yoga, preventive medicine, exercise, stress management, physical therapy, etc.

The program completed its third phase during Health Week 2019, where KCM offered 45-element blood chemistry workups, in which it shared 50% of the cost, covering a wide range of general health issues by analyzing:

- › Cardiovascular system
- › Blood system
- › Immune system
- › Liver
- › Kidneys
- › Glucose



Comprehensive health
(physical and mental)



Physical activities



Blood chemistry

