



*Kimberly-Clark

DB newsletter

December 2025

Kimberly-Clark Pension Scheme
Defined Benefit (DB) Section

Welcome

Welcome to the 2025 annual newsletter for members of the Defined Benefit (DB) Section of the Kimberly-Clark Pension Scheme.

It's been another busy year for the Trustee, and I'm pleased to report that we've made excellent progress on three of our key projects: the launch of our new website, the expansion of our guidance at retirement service and the completion of the latest actuarial valuation.

Our new Scheme website

We've recently launched a new website for the Scheme. This is your first-stop resource for information about the Scheme, whether you're a pensioner or are yet to take your benefits. You'll find:

- a library of Scheme documents
- a useful FAQs section
- regular news about the Scheme and pensions in general.

So, if you have a question about a pensions-related issue, it's quite likely there's some information about it on our website. See page 4 for more details.

New guidance service

We've also launched a new guidance service to support members when making decisions at retirement. There are different levels of support available depending on your needs. You can read more about this on page 6.

Actuarial valuation

The latest actuarial valuation of the Scheme, looking at the position as at 5 April 2024, has been completed. I'm pleased to report that the Scheme is well funded and remains in a strong position. You can read the results of the valuation in the summary funding statement on page 12.

I hope you enjoy reading this newsletter and find it useful. If there are any subjects you would like to see covered in a future issue, please get in touch using the contact details on the back page.

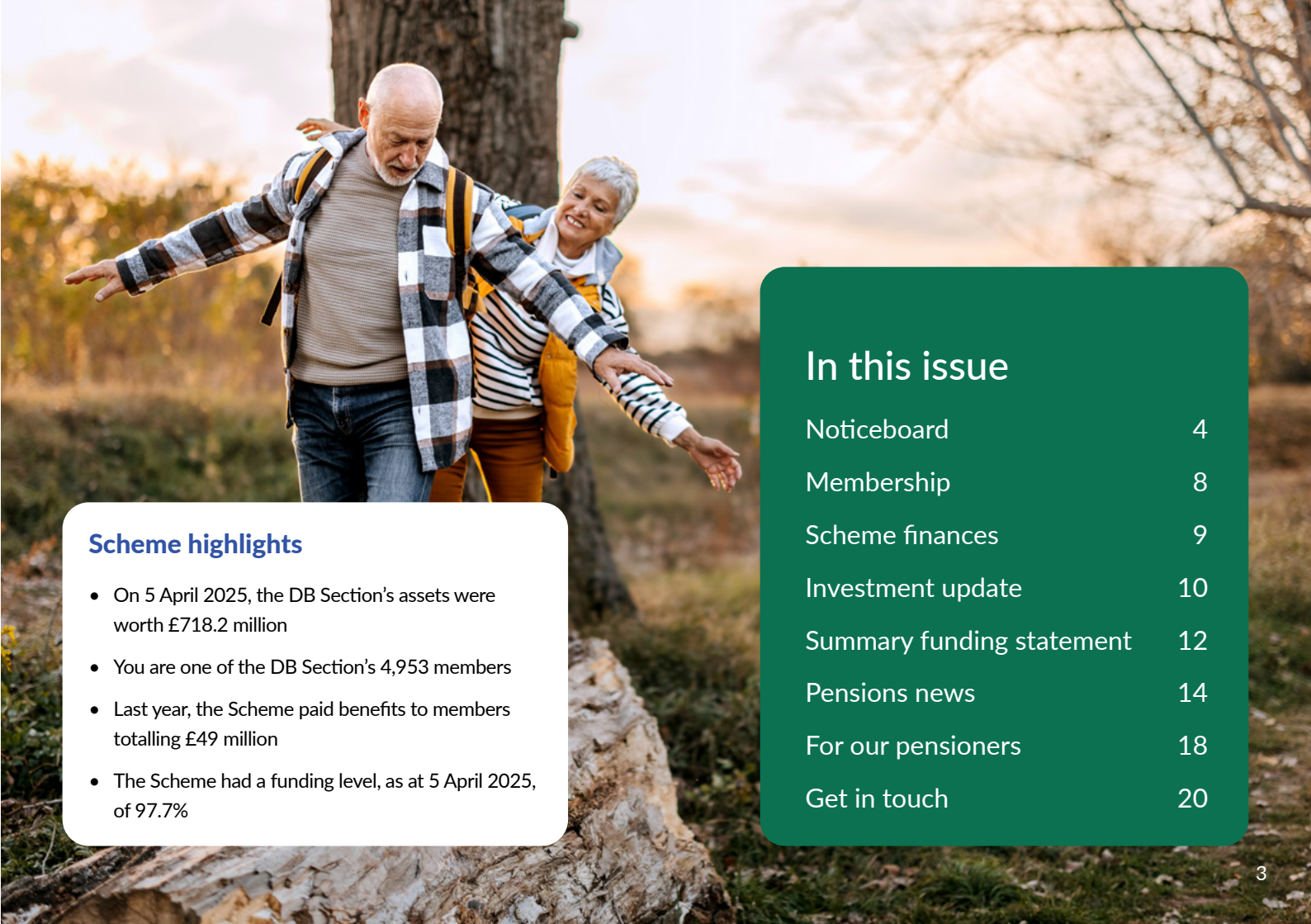
Grant Suckling

Chair of the Trustee

Newsletter feedback

We'd like to know what you think about this newsletter. Please take our short survey at form.jotform.com/253074078413051





Scheme highlights

- On 5 April 2025, the DB Section's assets were worth £718.2 million
- You are one of the DB Section's 4,953 members
- Last year, the Scheme paid benefits to members totalling £49 million
- The Scheme had a funding level, as at 5 April 2025, of 97.7%

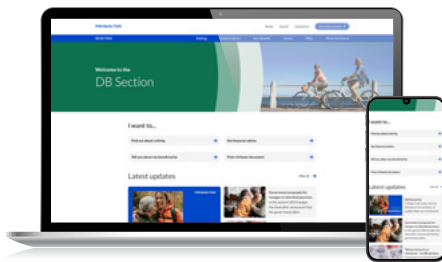
In this issue

Noticeboard	4
Membership	8
Scheme finances	9
Investment update	10
Summary funding statement	12
Pensions news	14
For our pensioners	18
Get in touch	20

Noticeboard

New Scheme website

Have you seen our new website for the Scheme, which has just launched. We've updated the design to introduce a more member-focused style to make the navigation easier and improve the functionality. It also has a refreshed look in line with the Company's corporate branding.



This new action-oriented approach will help you quickly find the information you need. From the homepage, simply choose whether you're a pensioner or you're yet to retire from the DB Section to go straight to the information that's right for you.

We've also introduced some useful quick links to take you to key information, such as retirement options for members who are yet to retire or the pension pay date calendar for our pensioners. Importantly, you can continue to come to the Scheme website to log in to your personal account with EQ, using the My Account button at the top of any page.



Take a look at www.kcpensions.co.uk

Company news

You may be aware that Kimberly-Clark has reached a deal to sell a majority stake in its international tissue unit to Brazil's Suzano. The deal will form a new joint venture in which Kimberly-Clark would hold a 49% stake, while Suzano would pay \$1.73 billion in cash for the 51% stake. The transaction is anticipated to close by mid 2026. The Trustee has been in close communication with the Company, and further updates will be shared in due course. If you have any specific questions about your pension, please contact EQ.

You can also read the Company press release:



www.news.kimberly-clark.com/2025-06-05-Kimberly-Clark-Announces-Major-Step-Forward-in-its-Powering-Care-Transformation

My Account – your pension online 24/7

Have you registered for My Account – the secure member portal provided by our Scheme administrator? It's the easiest way to access information about the benefits you have in the Scheme and keep up to date.

You can log in to:

- update your personal details
- tell us about your beneficiaries
- check the value of your benefits
- see your AVC statements
- request a retirement quote (deferred members)
- see your pension payslips and P60 (pensioners).

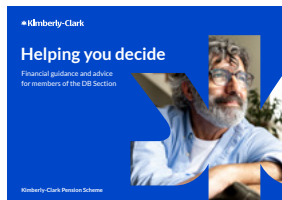


Getting guidance and advice

Following the success of Isio's financial advice service, we've extended the range of retirement support options available. If you don't feel that you need the full financial advice service, you can now receive guidance from Isio to support you when making decisions about your pension at retirement.

- **Guidance option** – a guidance session may be suitable if you're approaching retirement and you'd like to discuss and understand your options. For most people, this will be the appropriate level of support; a guidance session will provide the help needed to understand your retirement choices and make decisions.
- **Retirement Advice option** – an advice session may be suitable if you're approaching retirement and would like independent financial advice to recommend which options to take. Advice may be more appropriate for some people, for example, who have more complex circumstances.

To find out more about the service, see our Helping you decide guide on the Scheme website at www.kcpensions.co.uk/api/media/file/Helping-you-decide-DB.pdf





Want to take a lump sum at retirement?

One of the options available to you at retirement is to take a tax-free cash lump sum and a smaller Scheme pension. You can do this by choosing to exchange up to 25% of your Scheme pension (usually capped at £268,275) for a tax-free cash lump sum. Your reduced pension is then paid to you every month for the rest of your life in the usual way. Please note that the amount of lump sum you can take will vary depending on market conditions. If you'd like to know about this option, please see our Taking a lump sum guide at www.kcpensions.co.uk/api/media/file/DB-Taking-a-lump-sum-guide.pdf

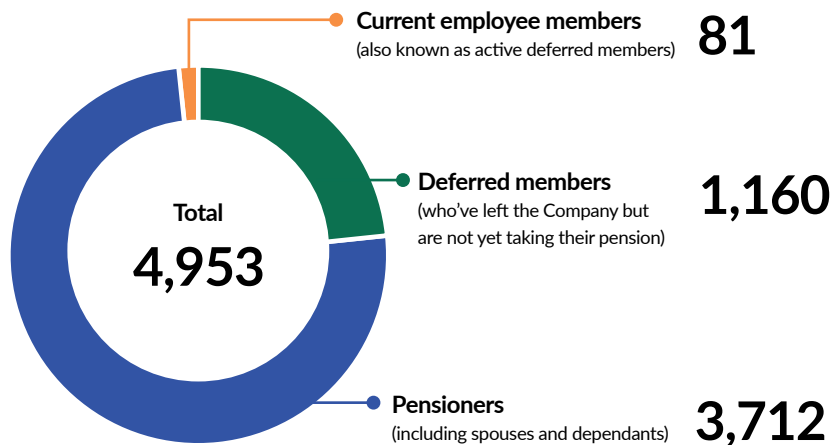


SCAN ME



Membership

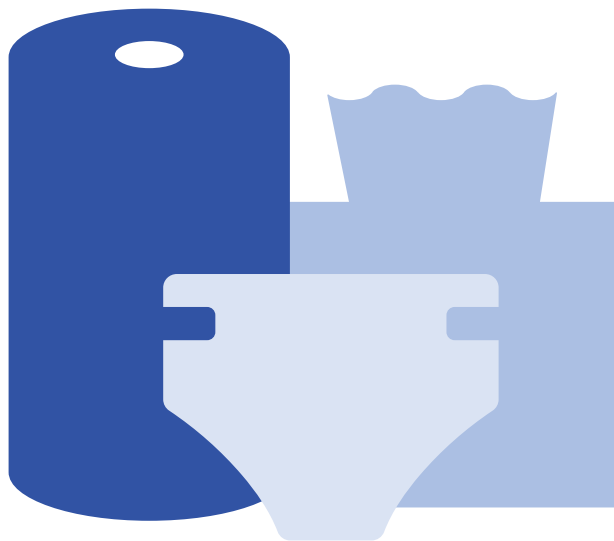
At 5 April 2025, the DB Section had 4,953 members. The chart shows the membership categories that make up the Scheme.



Scheme finances

The tables show the money paid into and out of the DB Section during the 12 months to 5 April 2025.

This information is a summary taken from the Scheme's annual report and accounts. If you'd like to see a copy of the full report, you can request one from the Scheme administrator.



Financial highlights	£'000
Value of the DB Section on 6 April 2024	783,513
Money in less money out	(24,448)
Change in market value of investments	(40,855)
Value of the DB Section on 5 April 2025	718,210

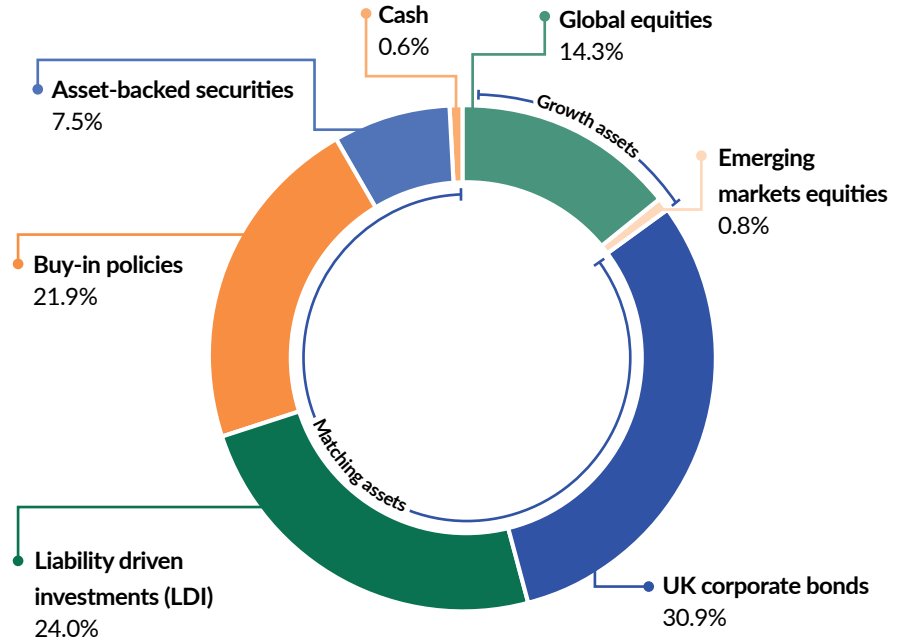
Payments into and out of the Scheme	
Money in	£'000
Company contributions	8,632
Investment income	21,262
Total	29,894
Money out	£'000
Benefits paid to members	(48,999)
Payments to leavers	(1,953)
Administration expenses	(2,555)
Investment manager fees	(835)
Total	(54,342)

Investment update

The Trustee is responsible for the DB Section's investment strategy. Its objective is to make sure there's enough money to pay members' pensions now and in the future.

The Trustee splits the DB Section's assets between two investment portfolios. Approximately 15% of the assets target growth investments, while the remaining 85% are focused on matching investments. The Trustee reviews the balance of investments every quarter and makes any necessary adjustments.

As at 5 April 2025, the assets were allocated to the following investment types:



Investment performance

The chart shows the performance of the Scheme's investments over the one, three and five-year periods to 31 March 2025, compared with the benchmark.

	1 year %	3 years % p.a.	5 years % p.a.
Scheme return	-5.0	-12.3	-6.8
Benchmark	-4.6	-13.0	-7.0

As you see from the table, performance over the last year has been slightly behind the benchmark, but over the longer term, it remains slightly ahead of the benchmark. While the investment performance will fluctuate from time to time, it doesn't affect the benefits paid to you.

The Trustee's investment strategy allocates a proportion of the Scheme's assets to matching investments. This means that the value of the assets moves in line with the value of the benefits that have been promised to members. As a result, when the value of the Scheme's liabilities falls, so does the value of the assets because the strategy is working exactly as intended to keep the funding level stable and protect the overall position of the Scheme.



Summary funding statement

This statement provides you with important information about the funding position of the Scheme.

The recent actuarial valuation looking at the position as at 5 April 2024 has now been completed. Since then, the actuary has also provided an annual check-up as at 5 April 2025. The results of both the valuation and the check-up are shown in the table.

The latest position

	5 April 2025 (check-up)	5 April 2024 (valuation)
Assets	£714.1 million	£779.5 million
Liabilities	£731.2 million	£781.0 million
Shortfall	£17.1 million	£1.5 million
Funding level	97.7%	99.8%

Development of the funding position

The funding position has improved since the last summary funding statement, which showed a funding level of 94.8% at 5 April 2023. The improvement is due to positive returns on the Scheme’s assets compared with the value placed on liabilities, together with changes in the demographic assumptions used for the valuation. The funding level fell slightly over the year to 5 April 2025, reflecting volatility in the markets caused by, among other things, the introduction of US trade tariffs on 2 April 2025, just before the effective date of the funding update. However, as at the date of writing this update (30 September 2025), there is estimated to have been a further improvement in the funding position to move the Scheme into a small surplus. However, investment markets remain volatile and the Trustee continues to monitor the situation.

As there was a small shortfall at the date of the 2024 valuation, the Trustee and the Company agreed a recovery plan where the shortfall is expected to be removed through investment returns above the prudent assumption made in valuation calculations. In addition, the Company agreed to continue to pay contributions for Scheme expenses and to retain the Scheme’s Funding Floor Mechanism – see page 13. The Trustee continues to monitor the funding level, and the next full valuation is due as at 5 April 2027.

What is the funding floor mechanism?

The Funding Floor Mechanism is a commitment from the Company to pay additional contributions in the event that the Scheme's long-term objective (LTO) funding level dips below the levels agreed between the Trustee and the Company. This is assessed on an annual basis and will be reviewed again as at 31 December 2025. The LTO is a more prudent (higher) target for the Scheme's assets than used for the main valuation of the Scheme. The aim is for the LTO to become the approach for the main valuation over time.

What would happen if the Scheme discontinued?

By law, we need to tell you what would happen if the Scheme came to an end (the solvency position) at the valuation date. Including this information doesn't

mean that the Company or the Trustee are planning to wind up the Scheme.

If the Scheme had wound up as at 5 April 2024 (the date of the most recent valuation), the actuary estimated that the Trustee would have had to pay an insurance company £865 million to provide all the benefits in full. This would have left the Scheme with a shortfall of around £85.5 million, which is a solvency funding level of 90.1%. Paying an insurance company to provide the benefits can be very expensive. Instead, the Trustee aims to have enough money to pay pensions and other benefits to members as they fall due.

What would happen if the Scheme started to wind up?

If the Scheme started to wind up and the Company was unable to pay the shortfall needed to secure members' benefits with an insurance company, the Pension

Protection Fund (PPF) might take over the Scheme and pay compensation to members. However, if this were to happen, you might not get the full amount of benefit you were expecting. You can find out more at www.ppf.co.uk



Payments to the Company

We also need to tell you if there have been any payments to the Company out of the Scheme in the last 12 months. There have not.

The Pensions Regulator

The Pensions Regulator has the power to change the way future benefits build up in a pension scheme, give directions about working out the funding target or impose a schedule of contributions. This has not been necessary for our Scheme.

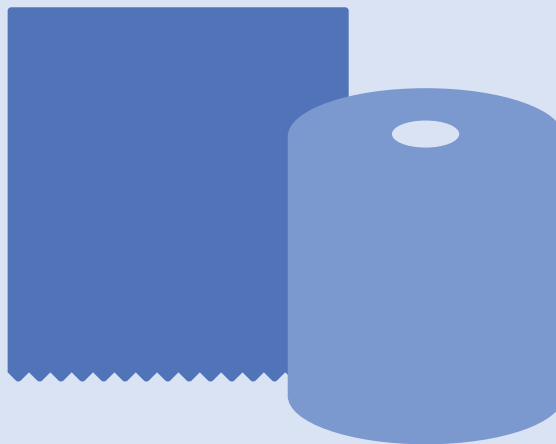
Pensions news

Minimum pension age is going up

We'd like to remind you that if you're thinking about taking early retirement, the normal minimum pension age (NMPA) is rising, and it may affect your plans. From 6 April 2028, the earliest you can access your pension is going up from age 55 to 57, unless you're in ill health or you have a protected minimum pension age.

Changes ahead for inherited pensions

You may have seen in the news that the government is proceeding with plans to bring unused pensions into the scope of inheritance tax. This will apply mainly to members with defined contribution pension savings. Benefits from your Scheme pension will continue to be paid in line with the Scheme Rules.



Please remember to make sure that your Nomination of Beneficiaries is up to date. You can do this online by logging in via My Account. If you're not married or in a civil partnership, but you wish to nominate another dependant who may be entitled to benefits from the Scheme in the event of your death, please complete a Nomination of Dependant form as well.

You can do this online by logging in via My Account on the Scheme website at www.kcpensions.co.uk



Changes to tax relief for overseas transfers

If you wish to transfer your pension abroad to a Qualifying Recognised Overseas Pension Scheme (QROPS), it is subject to the Overseas Transfer Charge (OTC) of 25%, unless an exclusion from the charge applies.

In October 2024, the government removed the OTC exclusion for transfers to a QROPS in the European Economic Area and Gibraltar. Transfers within this area are now subject to the 25% tax charge.

The future for well-funded schemes

The Pension Schemes Bill, which is currently making its way through Parliament, includes provision to allow trustees of well-funded DB pension schemes to share surplus funds with the sponsoring employer. As trustees have a duty to act in members' best interests, a funding level threshold that would permit any surplus to be shared is yet to be determined.

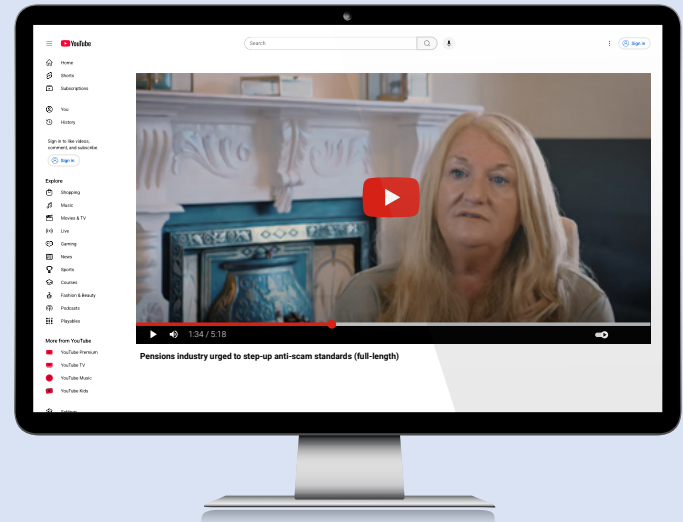


Pension scams – hear Pauline's story

Pauline Padden is an NHS children's critical care nurse who lost her entire pension savings in a pension scam. The Pensions Regulator has shared a video in which she tells her story and urges others to stop, think and ask themselves if an offer is genuine or too good to be true.

The scammers tricked Pauline out of £45,000, which she won't be able to get back or have enough time to build up again. As she approaches retirement age, she'll no longer be able to retire and will have to continue working at a time when she would prefer to be winding down from her career.

Her story highlights how easy it is for scammers to deceive ordinary, hard-working people, proving that you don't need hundreds of thousands saved in your pension to be targeted by these unscrupulous criminals – they'll steal anyone's money. You can watch the video to hear Pauline's story at https://youtu.be/5gAHiUxo__4



Pensions dashboards update

Work on the government's pensions dashboards programme continues. The dashboards are set to transform the way we interact with our pensions and help us all plan for retirement more effectively. When ready, the dashboards will allow you to access information about all your pensions that aren't yet in payment securely online and in one place.

Our Scheme connected to the dashboards' ecosystem in August 2025, but it won't be until autumn 2026 at the earliest that all the UK's pension schemes are connected, ahead of a public launch. You don't need to do anything or provide any information. Please be aware that scammers may attempt to take advantage of the project as it gains momentum and greater public awareness. At no point will anyone from a pensions dashboard contact you to ask for confirmation of any of your data.

Get the HMRC app

There's a new app available from HM Revenue & Customs. It's a quick and easy way to get information about your tax, National Insurance and State benefits. You can use it to check your tax code, get a State Pension forecast, check for gaps in your National Insurance contributions, and lots more. It's available to download from the App Store or via Google Play.



For our pensioners

K-C Retirement Association

At the time of your retirement, you may not have joined the Retirement Association but it's never too late! The Association has two aims: to act as a social organisation for retirees and to liaise with the Trustee Directors, who protect the interests of Kimberly-Clark pensioners. Membership is only £5 per year. If you'd like to join, please contact either Derrick King or Geoff Povey.



www.k-cra.co.uk



admin@k-cra.co.uk

Your committee member contacts

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North West branch

Paul Roberts

Tel: 01829 270013

Pensioner Trustee

Paul Morgan

Tel: 07776 273308

Email: paul.morgan771@gmail.com

Scam warning

The Department for Work and Pensions (DWP) has urged people to be wary of scams pretending to offer financial support from the government. The latest scam text invites you to apply for an 'energy support scheme' to help with the high cost of gas and electricity. Please note that there is no scheme with this name offered by the DWP.

If you need help with energy bills, please check the government website at www.gov.uk/get-help-energy-bills



Winter fuel payment

This winter, State pensioners will receive up to £300 to help with heating bills. Last year, the payment was only made to State pensioners who were claiming pension credit. However, the payment is being restored to most pensioners who received it previously.

Around nine million pensioners in England and Wales will benefit. If your income is below £35,000, the payment of £200 per household, or £300 per household where there is someone over 80, will be made between November and December. In Scotland, a similar benefit called the Pension Age Winter Heating Payment will be paid. If you're eligible for the payment, you don't need to do anything as it will be paid into your bank account automatically.

State Pension increases

The State Pension will increase by 4.7% in April 2026, bringing the full new State Pension to £12,535 a year, and the basic State Pension to £9,607 a year. While this is good news for pensioners, it's important to remember that the State Pension isn't paid tax free and counts as part of your total income.

As the State Pension rises, we're seeing more members paying tax on income from their Scheme pension for the first time or paying more

tax than before. Income tax is deducted automatically from your Scheme pension by EQ, the Scheme administrator, using the tax code provided to them by HMRC.

We can't contact the tax office on your behalf, so if you have a query about the tax you're paying, you'll need to contact the tax office direct on 0300 200 3300.

Are you missing out on some State Pension?

Almost 200,000 people could be missing out on their full State Pension entitlement as a result of errors in their National Insurance records, as the DWP admits it's struggling to reunite most of these people with their money. The error relates to Home Responsibilities Protection (HRP), which was available between 1978 and 2010 for people getting child benefit or with caring responsibilities. If you think this affects you, you can retrospectively apply for HRP.

Go to www.gov.uk/home-responsibilities-protection-hrp for more details.



Get in touch

If you have a question about the Scheme, please see our website at www.kcpensions.co.uk. If you can't find the answer to your question online or you have a query about your benefits, please contact the Scheme administrator, EQ.

**Website:**

www.kcpensions.co.uk

**Call us:**

0203 890 2160

**Email us:**

kimberlyclark@equiniti.com

**Write to us:**

Kimberly-Clark Pension Scheme
Pension Administration Services
PO Box 556
Crawley
West Sussex RH10 1WS



Contacting the Trustee

If you have any comments for the Trustee, please contact the Scheme Secretary.

Email: kimberly-clark@vidett.com

Write to: Vidett, Forbury Works,
37-43 Blagrove Street,
Reading RG1 1PZ

This newsletter is for information only and does not constitute advice. You should seek financial advice before making any decisions relating to your pension. All benefits are subject to confirmation at retirement or death in line with HMRC rules and the Trust Deed and Rules. Please note that if there is any inconsistency between the information in this newsletter and the Trust Deed and Rules or the overriding legislation, the Trust Deed and Rules or the overriding legislation will prevail.

Are you moving?

Please remember to let us know if you change your address, so that we can keep in touch and pay your benefits.