

Responding To China's Economic Development Kimberly-Clark (China) Completes Reorganization

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Rapid developments in China's logistics industries and overall infrastructure have allowed enterprises to supply wider areas from more productive facilities that use the latest technology and equipment to satisfy Chinese consumers' demands for high-quality products at affordable, competitive prices.

Kimberly-Clark is committed to China, and believes its success in China's intensely competitive fast-moving consumer products market demands instituting greater efficiencies and overall cost reduction. This requires streamlining production from several smaller, outdated mills to a few large-scale fully modernized plants with the capacity to serve large regions of the country. The recent closure of the company's wholly-owned mills in Handan and Shenyang mark such a consolidation process which will be complemented by upgrading investments in its Beijing and Nanjing plants.

The impact of this realignment on employees has been of genuine concern for Kimberly-Clark, and once the company determined it was necessary to close the plants, steps were taken to compensate employees according to Chinese central and provincial laws and practices. This includes severance pay, payment for overtime and other unused benefits as well as assistance in finding new jobs by registering employees with the local labor bureaus. Kimberly-Clark's severance packages tend to be above average in total because they are based on wages which were above the market norm.

Kimberly-Clark Corporation is a leading global manufacturer of tissue, personal care and health products. The company's global brands include Huggies, Pull-Ups, Kotex, Depend, Kleenex, Scott, Kimberly-Clark, Tecnol, Kimwipes and Wypall. Other brands well known outside the U.S. include Andrex, Scottex, Page, Popee and Kimbies. Kimberly-Clark also is a major producer of premium business, correspondence and technical papers. The company has manufacturing operations in 41 countries and sells its products in more than 150 countries.

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