Kimberly-Clark



# DB newsletter

**September 2026**

**Kimberly-Clark Pension Scheme**
**Defined Benefit (DB) Section**

# Welcome

**Welcome to the 2026 annual newsletter for members of the Defined Benefit (DB) Section of the Kimberly-Clark Pension Scheme. We're pleased to bring you the latest updates on the Scheme and some general pensions news.**

## New Scheme administrator

This year, the Trustee has been focusing on the service provided to members by our administrator. As a result, we've decided to make a change and the administration for the DB Section will move to Trafalgar House in November 2026. This doesn't change your benefits in any way, and you don't need to do anything as the move will happen automatically. More details will follow in due course, and there's an overview on page 4, but until November, please continue to contact EQ with any queries about your benefits in the usual way.

## Changes to the Scheme and its employers

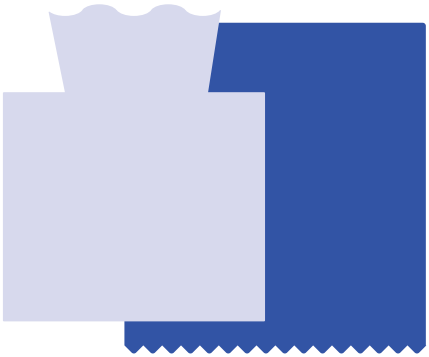
You may have seen announcements that Kimberly-Clark and Suzano have created a new company, called Arbex, for Kimberly-Clark's international tissue and professional businesses. There are more details about this on page 5.

## What's new in pensions?

Finally, the government is introducing a number of changes in the next few years that will affect pensions, so we've included an overview of these on pages 14 and 15.

I hope you enjoy reading this newsletter and find it useful. If there are any topics you'd like to know more about in a future issue, please get in touch using the contact details on the back page.

**Grant Suckling**
Chair of the Trustee



# 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 |




## Scheme highlights

- On 5 April 2026, the DB Section's assets were worth £703.7 million
- You are one of the DB Section's 4,817 members
- Last year, the Scheme paid benefits to members totalling £49.4 million
- The Scheme had a funding level, as at 5 April 2026, of 100.1%

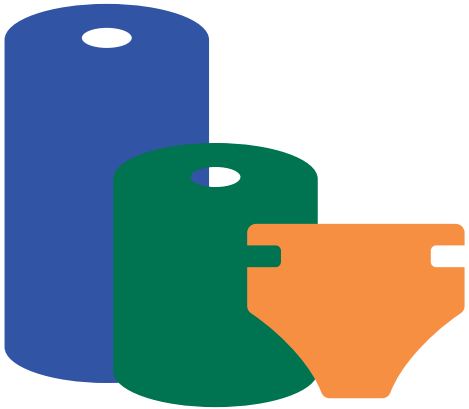
# Noticeboard

## Our new administrator – Trafalgar House

We'd like to remind you that from November, administration services for the Scheme will be provided by Trafalgar House, an Isio Group company. You should recently have received a separate communication with more details. We're pleased to be working with administrators who share our commitment to providing a high-quality, responsive service and support for our members.

You'll hear directly from Trafalgar House once the transition has been completed, along with all the relevant contact details for them if you have any queries or want to make any changes. Trafalgar House will also be in touch with you about setting up a new online account.

If you live overseas and are receiving your Scheme pension, Trafalgar House will calculate your pension payment in pounds sterling (GBP) and pay it into your bank account in your local currency. As a result, the amount you receive may vary from month to month depending on exchange-rate fluctuations.

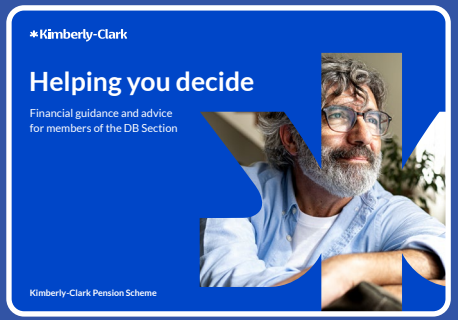


## Financial advice and guidance

If you're starting to think about your retirement options, don't forget that Isio offers both financial advice and guidance to help you make the right decision.

The guidance service is suitable if you'd like to discuss and understand your options. Independent financial advice provides a personalised recommendation and may be more suitable if your circumstances are more complex. Find out more about these services in the *Helping you decide* booklet on the Scheme website.

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## Changes to the Scheme and its employers

Kimberly-Clark and Suzano have created a new company, called Arbex, for Kimberly-Clark's international tissue and professional businesses. The Trustee has been closely involved in reviewing the impact of these changes on the pension scheme and, importantly, Kimberly-Clark continues to support the benefits already built up by Scheme members.

As part of the changes, some companies that participated in the Scheme have moved into Arbex. Kimberly-Clark has already notified employees of those companies about the effect of this on their membership of the pension scheme. And, following the move of these companies into Arbex, stronger and additional guarantees from other parts of the Kimberly-Clark group have been put in place to ensure Kimberly-Clark continues backing the Scheme appropriately.

The Trustee's priority remains protecting members' benefits and ensuring the long-term security of the Scheme. The Trustee has taken independent advice to assess the new guarantee arrangements. Based on this advice, the Trustee has concluded that members' benefits are at least as secure as they were before the changes took place. The Trustee will continue to monitor the strength of the employer support available to the Scheme.

## Market volatility and your pension

You may have seen reports of recent volatility in global financial markets and wondered whether this could affect your pension. For members of the DB Section, pension benefits are determined by the Scheme's rules and are based on salary and length of service. This means that your pension is not directly linked to day-to-day changes in market values.



## GMP update

We're making good progress with the Guaranteed Minimum Pension (GMP) equalisation project. It's a process many of the UK's defined benefit pension schemes are carrying out to check and correct any inequalities resulting from historical differences in GMP terms for men and women. Please note that you don't need to do anything, and we'll be in touch if GMP equalisation affects you.



## The dangers of AI

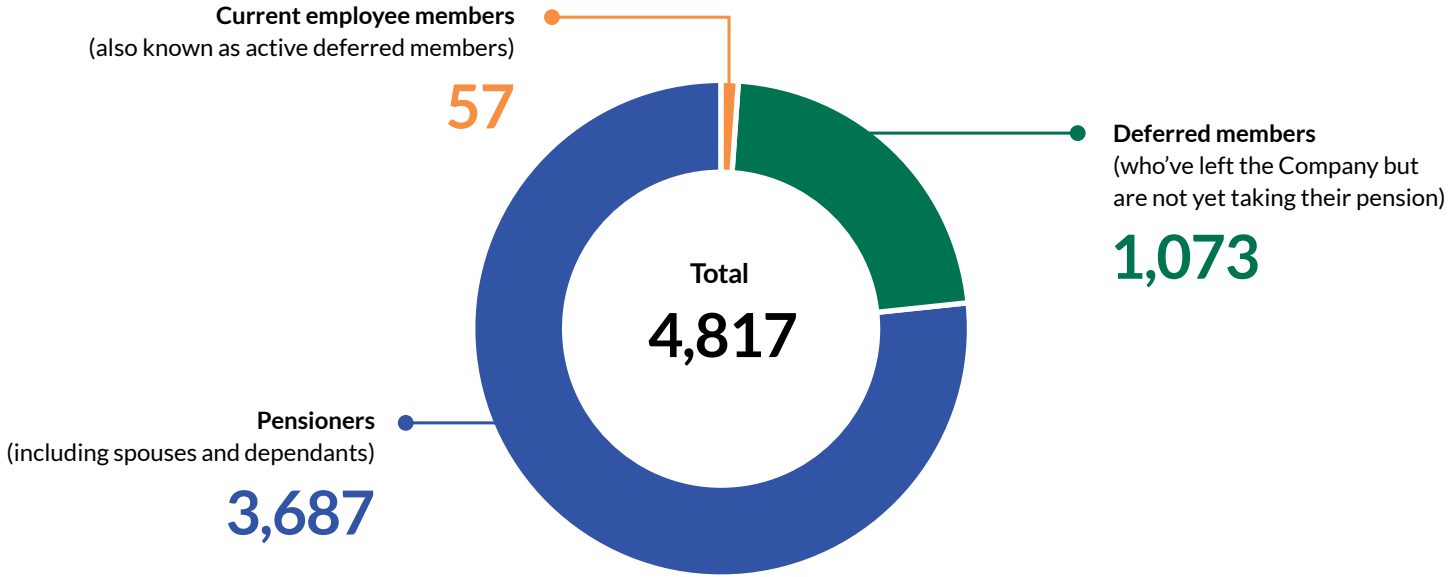
Artificial intelligence (AI) tools like ChatGPT are becoming increasingly popular. They're used to research anything and everything both at work and at home. However, we would caution against using AI tools for your pension and personal retirement planning, as it poses some serious risks.

- **Inaccurate information** – AI results may sound confident but are often wrong or incomplete. Pension schemes have very specific rules, which AI struggles to cope with. Instead of returning an unknown result, AI will search for an answer using information obtained from other pension schemes, which may have very different rules.
- **Unreliable guidance** – AI tools are not regulated, so basing important financial decisions on their results could lead to costly and irreversible mistakes with your pension.
- **Security risk** – entering personal information and uploading your pension documents leaves your sensitive financial and personal data unprotected.

If you need guidance about your pension or retirement choices, use the Scheme website or MoneyHelper, the government's free guidance service. If you need more detailed financial advice, use the Isio advice service or your own independent financial adviser (IFA), regulated and authorised by the Financial Conduct Authority.

# Membership

As at 5 April 2026, the DB Section had 4,817 members. The chart shows the membership categories that make up the Scheme.



# Scheme finances

The table shows the money paid into and out of the DB Section during the 12 months to 5 April 2026. 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 2025** | **718,210** |
| Money in less money out | (32,240) |
| Change in market value of investments | 17,697 |
| **Value of the DB Section on 5 April 2026** | **703,667** |

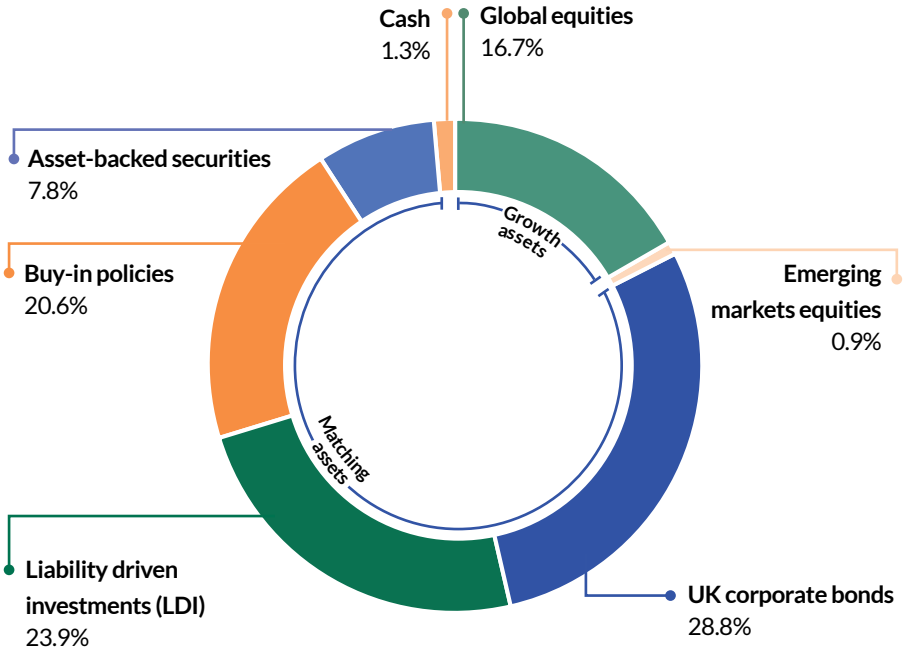
| Payments into and out of the Scheme | |
|---|---|
| **Money in** | |
| Company contributions | 3,368 |
| Investment income | 21,250 |
| **Total** | **24,618** |
| **Money out** | |
| Benefits paid to members | (49,361) |
| Payments to leavers | (2,446) |
| Administration expenses | (2,678) |
| Investment manager fees | (2,373) |
| **Total** | **(56,858)** |

# Investment update

**The Trustee's goal is to make sure that the DB Section has enough money to pay pensions to members now and in the future. Taking professional advice, it sets an investment strategy that reflects this.**

The DB Section's assets are split across two investment managers with approximately 15% of the assets invested for growth, with 85% focused on matching investments. The Trustee reviews the balance of the investments on at least a quarterly basis and makes adjustments as needed.

As at 5 April 2026, the assets were allocated to the following investments:



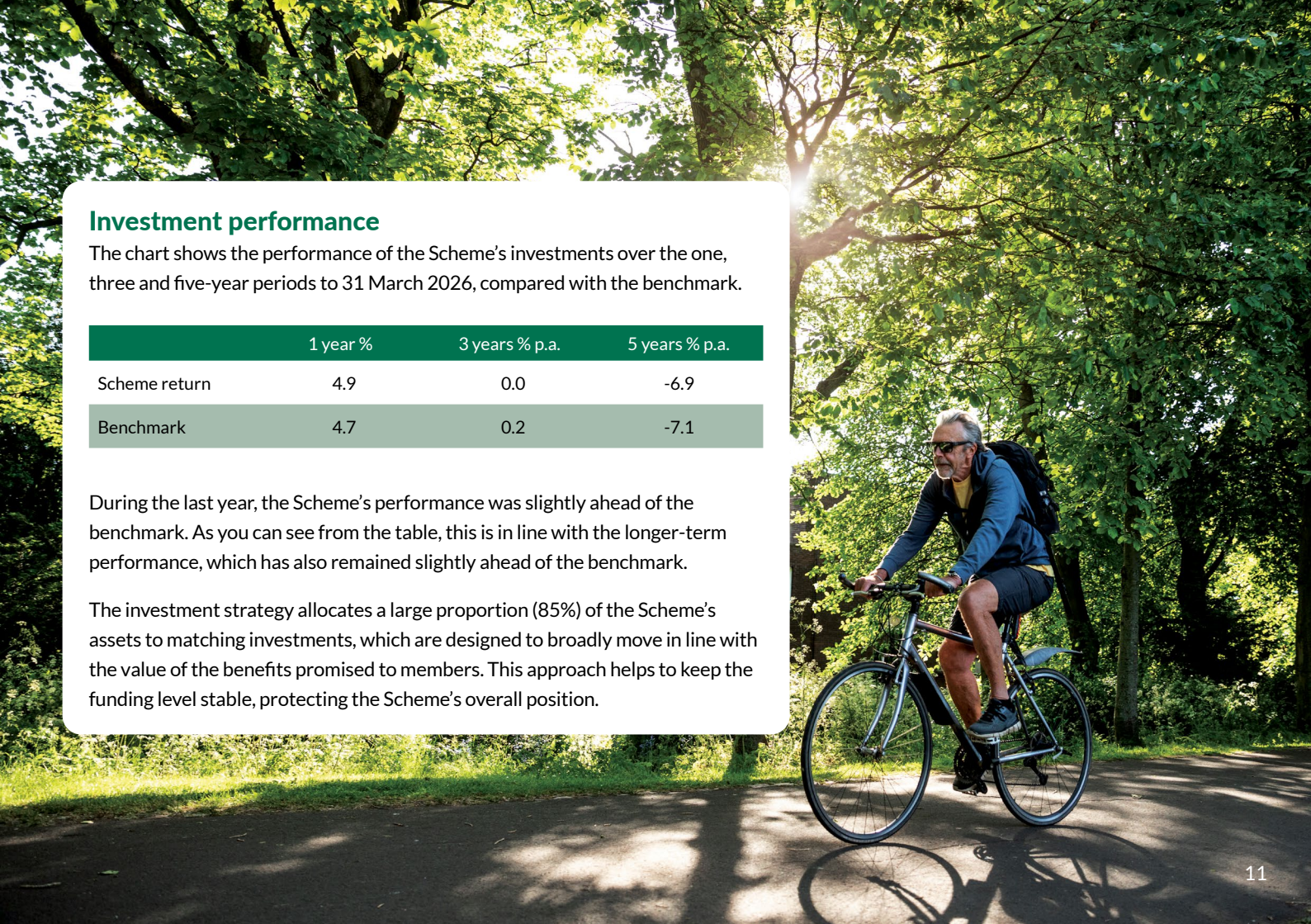
## Investment performance

The chart shows the performance of the Scheme's investments over the one, three and five-year periods to 31 March 2026, compared with the benchmark.

| | 1 year % | 3 years % p.a. | 5 years % p.a. |
|---|---|---|---|
| Scheme return | 4.9 | 0.0 | -6.9 |
| Benchmark | 4.7 | 0.2 | -7.1 |

During the last year, the Scheme's performance was slightly ahead of the benchmark. As you can see from the table, this is in line with the longer-term performance, which has also remained slightly ahead of the benchmark.

The investment strategy allocates a large proportion (85%) of the Scheme's assets to matching investments, which are designed to broadly move in line with the value of the benefits promised to members. This approach helps to keep the funding level stable, protecting the Scheme's overall position.



# Summary funding statement

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

The most recent actuarial valuation looked at the position as at 5 April 2024. Since then, the actuary has provided annual check-ups of the position as at 5 April 2025 and 2026, and the results are shown in the table.

## The latest position

| | 5 April 2026 (check-up) | 5 April 2025 (check-up) | 5 April 2024 (valuation) |
|---|---|---|---|
| Assets | £699.3m | £714.1 million | £779.5 million |
| Liabilities | £698.8m | £731.2 million | £781.0 million |
| Surplus/(Shortfall) | £0.5m | (£17.1 million) | (£1.5 million) |
| Funding level | 100.1% | 97.7% | 99.8% |

## Development of the funding position

There has been a decrease in both the value of the liabilities and the assets over the year to 5 April 2026 caused by rising long-term interest rates; however, the fall in the asset value has been smaller than the fall in the value of the liabilities. This has contributed to an improvement in the funding level since 5 April 2025.

As there was a small shortfall at the date of the 2024 valuation, the Trustee and the Company agreed a recovery plan for the shortfall to be removed through investment returns above the prudent assumption made in the valuation calculations.
In addition, the Company agreed to continue to pay contributions for Scheme expenses and to retain the Scheme's Funding Floor Mechanism. 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 2026. The LTO is a more prudent basis for valuing the Scheme's liabilities than used for the main valuation, meaning more assets are required to meet the higher funding.

## 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 **ppf.co.uk**

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## 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.

## Taskforce on Climate-related Financial Disclosures (TCFD) Report

You can find the Scheme's TCFD report at **kcpensions.co.uk/db/library**

# Pensions news

## What's new in pensions?

**In the next three years, the government is bringing in some changes that will affect pensions. Here's a timeline of what's coming up.**

**2027**

### Inheritance tax and pensions

From April 2027, unused defined contribution pensions and some defined benefit death benefits will come into the scope of inheritance tax. It means they'll no longer be automatically tax free when passed on to beneficiaries but will be included in the value of a person's estate and may be subject to inheritance tax.

The good news is that benefits paid as pension income from the Scheme are not subject to inheritance tax, and this includes pensions for spouses, civil partners, dependants and children. The following benefits might be subject to inheritance tax, depending on who receives them: unused AVCs, five-year guarantee payments and certain lump sums payable on death in retirement.

Inheritance tax is a tax that may be due when someone dies, but only if the total value of their estate is above the tax-free allowance, currently £325,000 (or £500,000 if they leave their home to direct descendants). Inheritance tax is usually charged at 40% on amounts over the allowance. It's worth noting that inheritance tax is not payable if you leave your entire estate to your spouse or civil partner, but it may be payable if you leave your estate to other beneficiaries. Further information and guidance will be available from HMRC ahead of the changes.



Please continue to ensure that your Nomination of Beneficiaries is up to date.

2028

2029

## Combining small pension pots

Small pension pots could be combined in future under government plans designed to make it easier for people to keep on top of their retirement savings and potentially reduce costs.

Small pension pots can build up when people change jobs and are automatically enrolled into a new pension scheme, leaving a modest pension pot with their previous employer. Over time, these small pensions can be forgotten about, making them harder to manage.

There are currently around 13 million pension pots worth less than £1,000. Proposals to consolidate these small pots are still being developed; we'll keep you updated when more details are available.

## Minimum pension age is going up

If you're thinking about early retirement, please bear in mind that the normal minimum pension age is rising. From April 2028, unless you're in ill health or you have a protected minimum pension age, the earliest you can access your pension is going up from age 55 to 57.

## Salary sacrifice and pensions

From April 2029, there will be a cap on the amount of National Insurance (NI) savings you can make when you pay into your pension using salary sacrifice.
The NI savings will be limited to the first £2,000 of pension contributions in a year, and you'll pay NI on contributions over £2,000.

## Progress of the pensions dashboards

The pensions dashboards programme is an exciting government initiative which will allow you to see information about most of your pensions in one place, including your State pension. This huge, industry-wide project is on track, with 85% of workplace and personal pension records now connected to the dashboards ecosystem.

The latest progress report shows that over 70 million private pension records and tens of millions of State pension records have been integrated, with almost 1,500 pension providers connecting since April 2025. There now follows a period of rigorous testing, before the first dashboard, run by MoneyHelper, launches to the public. A date for the launch is not yet confirmed, but it's likely to be in the 2027/28 financial year.

Security will be a key part of the success of the pensions dashboards, so you'll need to be able to prove who you are before you can access a dashboard. One of the methods you'll be able to use to prove your identity is the government's GOV.UK One login. So, if you've already registered with this service, you'll find it simple to register to use a dashboard.



## The first line of defence against impersonation fraud…is you

The Pensions Regulator is warning members about an increase in impersonation fraud, where scammers pretend to be pension scheme members to gain access to their pension. They do this by hacking into emails to intercept correspondence between members and their pension scheme. Once scammers obtain enough personal information about you to impersonate you, they arrange for bank account details to be changed or for fake bank accounts to be set up in your name. Money is then diverted to the fake account instead of the real account without challenge.

Protect yourself from impersonation fraud:

- Use two-step verification for any pension portals you use
- Review your passwords, using strong, separate passwords for each site
- Don't click on links or attachments in suspicious emails
- Never respond to unsolicited messages or calls that ask for your personal or financial details.

Analysis shows that members between the ages of 50 and 69 are most at risk from impersonation techniques, with 55% of reported victims in this age range. For more information, please go to **stopthinkfraud.campaign.gov.uk**

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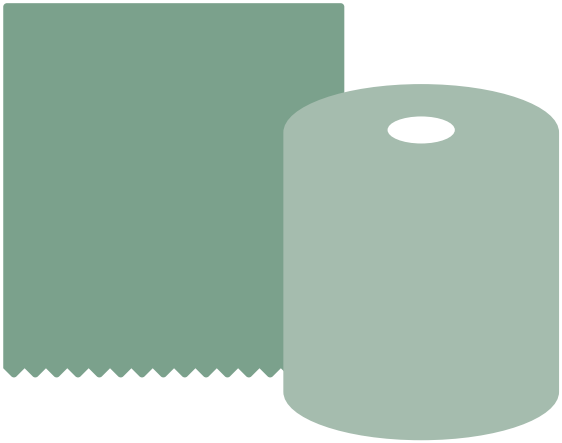


# For our pensioners

## K-C Retirement Association

When you retired, you might not have joined the Retirement Association, but it's never too late! They have 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 costs just £5 a year. If you'd like to join, please contact Derrick King or Geoff Povey.

www.k-cra.co.uk admin@k-cra.co.uk



## Your committee member contacts

**Derrick King (Chair)**
01580 212346
derrick.king222@gmail.com

**Geoff Povey**
07722 562669
Geoff-povey@yahoo.co.uk

**Maurice Hayes**
01732 849166

**Andy Matthews**
07732 276355

**David Northcroft**
01622 844888

**Sandra Foden**
07496 354134

**Clive Jeffery**
07801 045831

**North West branch**
**Paul Roberts**
01829 270013

**Pensioner Trustee**
**Paul Morgan**
07776 273308
paul.morgan771@gmail.com



## Tax and your State Pension

The State Pension was increased in April 2026 by 4.8%, bringing the full rate of the new State Pension to £241.30 a week (£12,547.60 a year). This is now very close to the current personal allowance of £12,570, which is the amount of income you can have before you start paying tax. You may well have seen a change in the amount of tax you pay on your Scheme pension.

The pension scheme administrator can't answer any queries you have about your tax code or contact the tax office on your behalf. They can only apply the tax code provided to them by HMRC.

If you think your tax code is wrong, please contact HMRC on 0300 200 3300, Monday to Friday: 8am to 6pm.

# Get in touch

**If you have a question about the Scheme, please see our website at 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, until 6 November 2026. You'll receive a communication with details for the new administrator, Trafalgar House, once they've taken over responsibility for the administration of the Scheme.**

**Website:**
kcpensions.co.uk

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**Call us:**
0203 890 2160

**Email us:**
kimberlyclark@equiniti.com

**Write to us:**
Kimberly-Clark Pension Scheme
Pension Administration Services
PO Box 556
Crawley RH10 1WS

## Please tell us!

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

## 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 Blagrave 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.

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