# Forest Footprint

**As Kimberly-Clark works to provide the essential products our consumers need to care for themselves and their families, we are committed to doing so in a manner that cares for the world's forests and the diversity of life they support.**

Kimberly-Clark remains fully committed to our existing responsible fiber sourcing ambitions, and to identifying new ways in which we can demonstrate leadership in this space.

In addition to our efforts on forest carbon and land-use emissions, biodiversity protections, and Indigenous rights support, we also plan to update our fiber procurement policy in 2021 to better reflect the challenges facing forests and people in the decade ahead.

Kimberly-Clark employees in Taiwan, China volunteered their time to maintain local forest landscapes. As Taiwan's #1 tissue, Kleenex® Brand has been spearheading environmental initiatives, such as the country's first FSC®-certified tissue product in 2009.

# Forests & Climate

**Forests store huge amounts of carbon and are the world's best available technology for removing $CO_2$ from the atmosphere. This means that the way forests are managed, as well as the kinds of products that are made from them, can impact global greenhouse gas emissions in both positive and negative ways.**

Working with sustainability consultant Quantis, we are conducting a new life cycle assessment of conventional virgin wood fibers, alternative non-wood fibers, and recycled fibers used in our tissue products. We are giving special focus to evaluating both the biogenic and fossil carbon impacts of these different fiber types over a tissue product's life cycle and intend to use the results to establish Kimberly-Clark's first ever baseline of our Scope 3 land use emissions.

We intend to set a new 2030 Scope 3 land use emissions reduction target approved by the Science Based Targets initiative (SBTi). This will follow the finalization of our baseline and the future release of SBTi target-setting guidance for the forest, land, and agriculture sectors, as well as GHG Protocol Corporate Accounting Standards for land use emissions and removals.

## Forest Biodiversity

Kimberly-Clark is committed to eliminating deforestation and forest degradation. To protect forest biodiversity, we are working toward two key goals.

1. **Reduce by 50% our use of natural forest fibers, which for Kimberly-Clark are primarily fibers from northern boreal and temperate forests.**
2. **Increase our use of environmentally preferred fibers, which include recycled fiber, sustainable alternative non-wood fibers, and virgin wood fibers that have been chain-of-custody certified by the Forest Stewardship Council (FSC®)**

## Forest Communities

Kimberly-Clark is taking steps to understand how our responsible sourcing practices can support the leadershi and authority of Indigenous and other marginalized forest communities within our sphere of influence, beyond our existing commitment to FSC®.

# Canada's Boreal Forest

Canada's boreal forest is an ecosystem of global significance on par with the world's tropical forests for the environmental, social, cultural, and economic value it provides. The North American Boreal Forest biome, inclusive of Canada and Alaska, is estimated to contain 25% of the world's remaining intact primary forests. Intact forests are increasingly under threat, and are uniquely important in mitigating the climate and biodiversity crises.

Deforestation is not a principal threat to Canada's boreal forest given strong laws and regulations requiring post-harvest replanting on Canada's public forestlands, which account for over 90% of Canada's forests. However, a focus on legally required replanting and overall forest extent alone can obscure other important issues related to commercial forest management in Canada's boreal, including Indigenous rights, biodiversity conservation (including forest management impacts on caribou habitat), and climate change.

**That's why we're committed to reducing our natural forest fiber footprint by 50% by 2025.**

We remain committed to supporting broad uptake and robust implementation of the new FSC Canada forest management standard.

**Kimberly-Clark's forthcoming Task Force on Climate-related Financial Disclosures (TCFD) report will address in part the physical risks that climate change poses to our fiber supply chain in Canada's boreal and other forest regions around the world.**

And we will be conducting a review of our fiber procurement policy in 2021 to identify additional ways in which our fiber sourcing can support the ecological, social, and economic resilience of Canada's boreal forest and other forests around the world.

# Goals and Performance

COVID-19 lockdowns, work-from-home rules, and consumer stockpiling all contributed to a large and unanticipated surge in demand for our at-home tissue products in 2020. Demand for our away-from-home Kimberly-Clark Professional products, which account for the greatest percent of our recycled fiber use, declined as people were confined to their homes.

Due in large part to these unforeseen circumstances, we ended 2020 with a 19% reduction in our use of natural forest fiber (NFF) against our goal of a 50% reduction, down from a 31% reduction in 2019. Our use of environmentally preferred tissue fiber (EPF) in 2020 was 84%.

**Despite these events in 2020, Kimberly-Clark remains fully committed to our existing responsible fiber sourcing ambitions, and to identifying new ways in which we can demonstrate leadership in this space.**

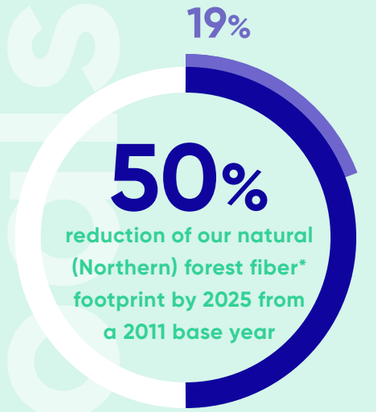
In addition to our efforts on forest carbon and land use emissions, biodiversity protections, and Indigenous rights support, we also plan to update our fiber procurement policy in 2021 to better reflect the challenges facing forests and people in the decade ahead.

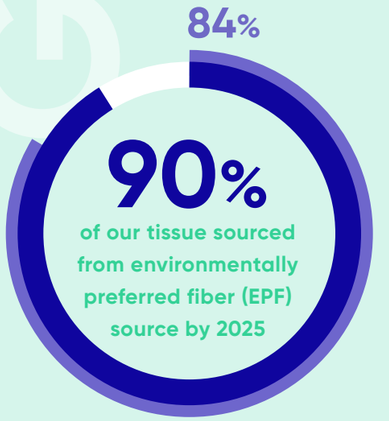
Aspiration

**Reduce our natural forest footprint by 50% while unlocking the power of the world's forests to help solve the climate and biodiversity crises.**

Goals

Progress




*Natural forests are composed of native species that self-regenerate and contain key elements of native ecosystems such as wildlife and biological diversity. To us, this primarily includes boreal fibers known as Northern Bleached Softwood Kraft (NBSK).

# Stories from Across Our Organization

## Kimberly-Clark and the Forest Stewardship Council®

Our Australia team launched the Kleenex ECO toilet paper range, the first 100% FSC®-certified bamboo product. The toilet paper is made from responsibly sourced bamboo, a naturally regenerating crop that is one of the world's fastest-growing plants.

**Our personal care manufacturing facility in Paris, Texas, attained FSC® chain-of-custody certification, enabling our Huggies Special Delivery diapers to be labeled as FSC®-certified.**


## Supporting FSC® Research on Forests as a Climate Solution

Kimberly-Clark is one of several companies supporting and advising FSC® US and FSC® Canada in their efforts to assess and quantify the potential carbon benefits of FSC®-certified management practices in North American forests.

This new research will evaluate the potential role of FSC®-certified forests as a credible climate solution beyond their current role as the gold standard in responsible forest management

## Using Technology to Support Responsible Fiber Sourcing, Today and Tomorrow

In 2020, Kimberly-Clark began using publicly available spatial data and ArcGIS software to analyze and map the overlap between commercial forests in our key sourcing regions and environmental and social attributes of interest to Kimberly-Clark and our key stakeholders, such as Indigenous lands, intact forest landscapes, and species-at-risk such as woodland caribou.

This data provides our teams with a spatially explicit, science-based understanding of potential risks in our fiber supply chain and helps inform our fiber procurement strategies.

## Fiber

| Fiber Use (million MT)[1] | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **Virgin fiber** | 2.4 | 2.4 | 2.4 | 2.4 | 2.3 | **2.4** |
| % of total | 73.5% | 76.6% | 76.5% | 74.8% | 74.9% | **75.5%** |
| **Recycled fiber** | 0.87 | 0.73 | 0.73 | 0.81 | 0.77 | **0.78** |
| % of total | 26.5% | 23.4% | 23.5% | 25.2% | 25.1% | **24.5%** |
| **Total fiber used** | **3.29** | **3.12** | **3.13** | **3.21** | 3.07 | **3.18** |

| Fiber Sourcing by Certification Type (%) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **Virgin fiber from environmentally responsible sources** | 100% | 100% | 100% | 100% | 100% | **100%** |
| Forest Stewardship Council® (FSC®) | 64% | 67% | 71% | 70% | 63% | **62%** |
| Sustainable Forest Initiative (SFI) | 23% | 22% | 21% | 24% | 35% | **28%** |
| Program for the Endorsement of Forest Certification (PEFC) | 3% | 2% | 2% | 3% | 2% | **10%** |
| CERFLOR (Brazil) | 0% | 0% | 0% | 0% | 0% | **0%** |
| Canadian Standards Association (CSA) | 7% | 5% | 4% | 0% | 0% | **0%** |
| Forest Stewardship Council® Controlled Wood (FSC®-CW) | 3% | 4% | 2% | 3% | 0% | **0%** |
| Not certified | 0% | 0% | 0% | 0% | 0% | **0%** |

1. Direct Purchases.

## Environmentally Preferred Tissue Fiber (% Global)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **Environmentally preferred fiber** | 86% | 89% | 89% | 87% | 84% | **84%** |
| **FSC® chain-of-custody certified virgin wood fiber** | 55% | 61% | 61% | 57% | 54% | **54%** |
| **Recycled fiber** | 31% | 28% | 28% | 30% | 31% | **29%** |
| **Alternative non-wood fibers** | 0% | 0% | 0% | 0% | 0% | **0%** |

## Environmentally Preferred Tissue Fiber (% North America)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **Environmentally preferred fiber** | 84% | 87% | 86% | 82% | 76% | **75%** |
| **FSC® chain-of-custody certified virgin wood fiber** | 56% | 59% | 60% | 54% | 43% | **49%** |
| **Recycled fiber** | 28% | 28% | 26% | 28% | 33% | **26%** |
| **Alternative non-wood fibers[1]** | 0% | 0% | 0% | 0% | 0% | **0%** |

1. Data represents Kimberly-Clark and equity affiliates; In 2020, Kimberly-Clark Australia began use of 540 tons of Bamboo alternative non-wood fibers for bath tissue.

| Chlorine-Free Wood Pulp Purchases (%) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **Elemental chlorine free (ECF)** | 97% | 98% | 98% | 98% | 98% | **98%** |
| **Total chlorine free (TCF)** | 3% | 2% | 2% | 2% | 2% | **2%** |

| Natural Forest Fiber Use (MT) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **Virgin fiber from Natural Forest sources** | 565,105 | 559,437 | 534,644 | 526,483 | 522,201 | **609,421** |
| **% reduction of Natural Forest Fiber** | 25% | 26% | 29% | 30% | 31% | **19%** |