



Leadership
Message

Our Business
in 2020

Our Strategy for the
Decisive Decade

Making
Lives Better

Smallest Environmental
Footprint

- Plastics Footprint
- Forest Footprint
- Carbon Footprint
- Water Footprint**



Water Footprint

Around the world water stress impacts ordinary people and local economies. At Kimberly-Clark, we feel these impacts across our value chain, from the sources of our fiber to the communities where our employees and consumers live.

We aim to reduce the impact of water use at our facilities and in the surrounding communities.

To maximize our impact, we focus our efforts on regions at the greatest risk and customize our approach and ambition for the specific needs of each water basin.



We partner with NGO Water For People to provide access to toilets, drinking water, and hygiene education.
Photo Credit: Water for People



Program Ambition and Strategic Focus

Although a global challenge, water stress is inherently a local issue. Kimberly-Clark's ambition is to enact sustainable water use programs at all our manufacturing facilities in water-stressed regions by 2030 and improve water use efficiency at all other global manufacturing facilities.

Kimberly-Clark's water strategy focuses on a series of short-term milestones that will lead to long-term improvements across our own operations, in our surrounding communities, and throughout our supply chain.

Our strategy is three-fold:

- **Total Water Management:** An integrated approach that helps mitigate water risk related to quantity, quality, and aging infrastructure and provides business benefits by increasing productivity and reducing waste and the cost of compliance.
- **Lean Water:** A culture focused on water conservation and water quality at the manufacturing level, giving ownership and responsibility to all facility employees to manage water at the same level as safety, quality, delivery, and cost.
- **Water Stewardship:** A holistic approach to water that focuses not just on our own facilities, but on creating greater water security for the entire water basin. ⊕

We will drive innovation for flushable products to be consistent with our ambition to champion a world where all can enjoy access to clean water, sanitation, and hygiene.





Goals and Performance

While our 2030 ambitions call for achieving sustainable water use at all Kimberly-Clark manufacturing facilities in water-stressed regions, we know we'll realize the greatest impact by targeting the most severely impacted regions first, as well as those aspects of our operations that are the most water-intensive.

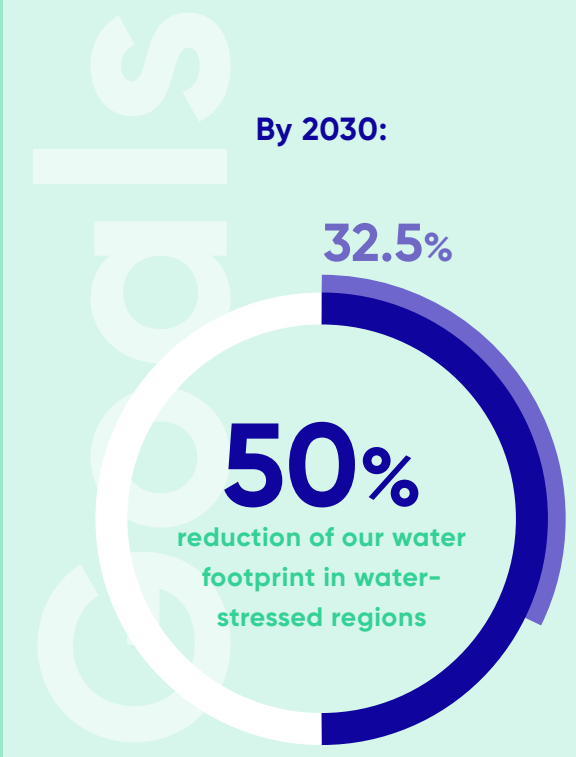
Water is an essential input to our tissue manufacturing process, so most of our initial water-responsibility efforts have focused on enacting sustainable water-use plans at the 12 Kimberly-Clark tissue facilities located in water-stressed areas.

Seven of those facilities have now met their sustainable water-use targets, achieving a 41% reduction in water use compared to the 2015 baseline, and a 18% reduction in absolute water use in 2020. Two of the facilities exceeded their targets, with our facility in Kluang, Malaysia, achieving a 66% reduction and our facility in Sitio del Niño, El Salvador, achieving a 65% reduction (both over 2015 baselines).

Our goal is for the remaining four tissue facilities to meet their targets by 2022.

We continue our work to understand what sustainable water use looks like for the remaining 18 manufacturing facilities in current or projected water-stressed regions to ensure that all facilities are able to achieve their individual 2030 sustainable water use targets.

Reduce our water footprint by 50% in water-stressed regions by creating significant improvements in our supply chain and the surrounding communities



Conduct 30 stakeholder engagements in water-stressed regions that result in improved access to fresh water



Stories from Across Our Organization

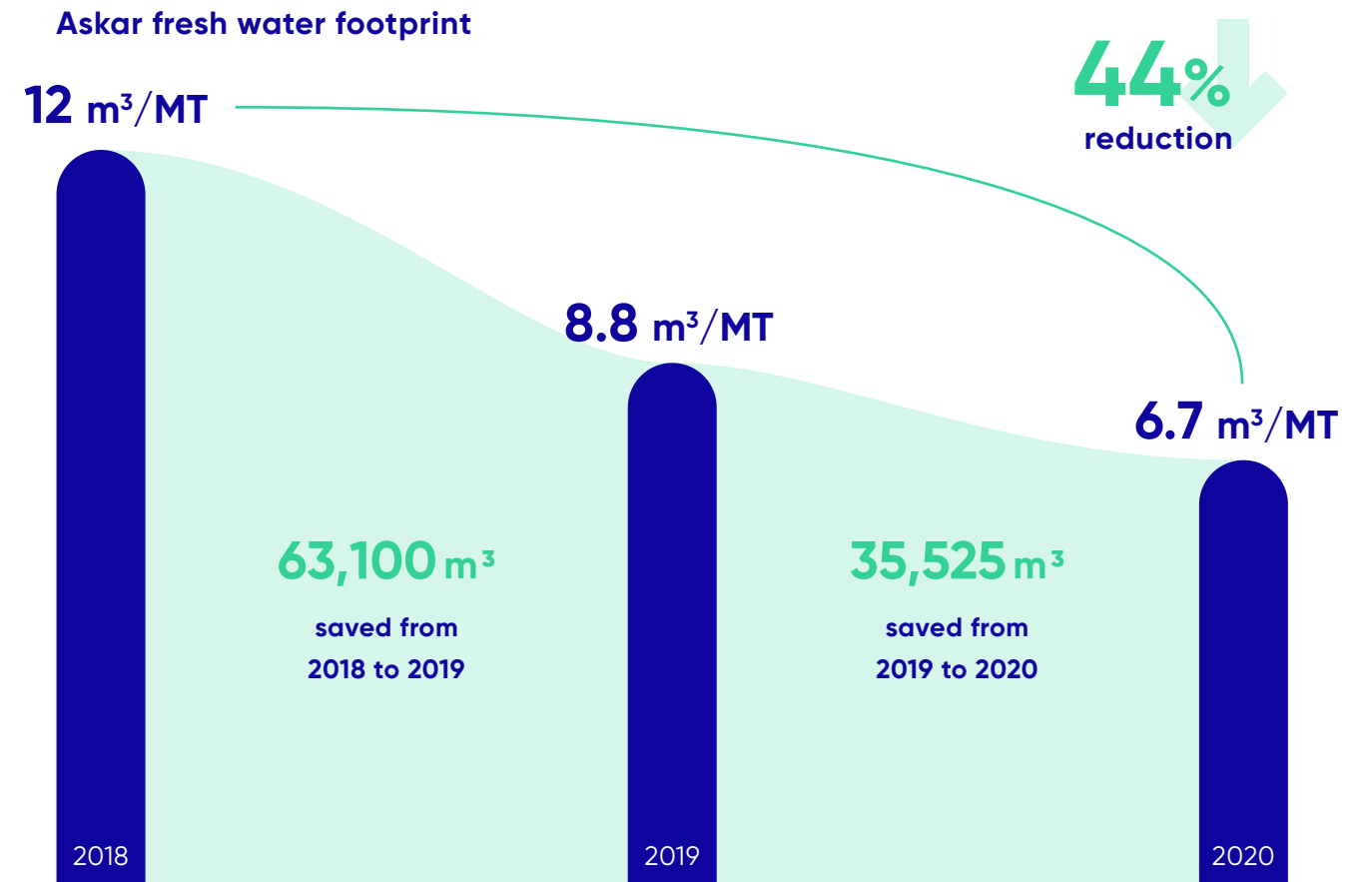
Bahrain Facility

Our Askar manufacturing facility in Bahrain is located in one of the most water-stressed regions in the world. Empowered by Kimberly-Clark's global goal to reduce our water footprint by 50% by 2030, the team at the facility was determined to figure out how to use every drop of fresh water responsibly and efficiently.

Over the last two years, Askar has posted one of the largest water reductions among all Kimberly-Clark manufacturing sites.

They collaborated with the regional team on a watershed analysis and conducted a best practices audit with other Kimberly-Clark facilities and the local government to identify opportunities. The Askar team deployed a plan to monitor, measure, and react to leaks and consulted with technology providers to implement further water-saving solutions.

Employees were also engaged in the process through workshops and trainings to crowdsource and implement ideas. These efforts enabled the facility to reduce its water footprint by 44% over the last two years. This project drove meaningful impact both internally at Kimberly-Clark and throughout the surrounding community.





Stories from Across Our Organization

Koblenz, Germany: Water Efficiency in Action

At Kimberly-Clark Professional's tissue manufacturing facility in Koblenz, Germany, we installed a new biological wastewater treatment plant that optimizes water usage and delivers multiple benefits to the business.

Dubbed "Project Camel," the system treats wastewater from the production process so it can be recycled back into the facility. The process also uses an anaerobic digester to extract organics in the wastewater and uses them to produce methane biogas.

This biogas replaces up to 10% of the traditional natural gas that powers the facility's boiler and reduces carbon emissions by 1,000 MTCO₂e annually. It also powers a de-inking plant, which converts recycled paper into pulp that is used to manufacture new tissue, towel, and wipe products.

The process of extracting resources from wastewater reduces pollutants discharged into Koblenz's municipal wastewater treatment plant by 70%. In addition, the sludge produced by the wastewater treatment unit is sold to paper manufacturers and other industries for use in their manufacturing processes.

The Project Camel team was recognized internally with a 2020 Crystal Tree Award for Team Excellence in the Water Footprint category. The project was also shortlisted for an Ethical Corporation Responsible Business Award for Circular Innovation.

We are in the process of deploying similar projects in facilities around the world.



Driving Water Stewardship

Successfully reducing water stress requires a community effort. That's why we developed a private-public methodology that engages local businesses, government, and NGOs in a water basin to review scientific assessments of the particular watershed's challenges, share best practices and approaches, and implement solutions that drive economic, social, and environmental value.

Since 2018, we have used WaterLOUPE as a platform to bring together multiple stakeholders to find solutions at a local level that drive economic, environmental, and social value.

The WaterLOUPE dashboard depicts water scarcity risks for entire watersheds due to climate change, population growth, and other factors over a 30-year time period. Local stakeholders including municipalities, communities, businesses, and NGOs use these insights to identify potential solutions to conserve freshwater supplies and reduce the risk of water shortages.

We have deployed the WaterLOUPE tool in water-stressed cities such as Cali, Colombia; Cape Town, South Africa; and Sao Paulo, Brazil, fostering collaboration with NGO partners and key stakeholders to bring more awareness to water risks and develop sustainable water management plans at the local level.



Water

Process Fresh Water Use (million cubic meters)	2015	2016	2017	2018	2019	2020
Surface	44.8	41.4	38.6	38.5	37.5	42.0
% of total	49%	45%	43%	42%	43%	48%
Municipal	27.3	30.9	31.2	33	30.5	26.8
% of total	30%	34%	35%	36%	35%	30%
Groundwater	20.0	19.3	19.6	19.5	19.2	19.4
% of total	22%	21%	22%	21%	22%	22%
Total water use	92.1	91.6	89.4	91.4	86.9	88.3
Change from previous year	-2%	0%	-2%	2%	-5%	1.6%
Water use efficiency (m³ / MT of production)	19.2	19.1	18.8	19.3	18.8	19.4

Process Effluent Discharge Destinations (%)	2015	2016	2017	2018	2019	2020
Surface	89%	88%	88%	87%	86%	88%
Municipal	11%	12%	12%	13%	14%	12%



Actual Water Use in Water-Stressed Regions (m³)

	2015	2016	2017	2018	2019	2020
At Tissue Mills						
Kluang	1,027,535	709,462	568,414	494,875	436,108	348,944
Mogi Das Cruzes	456,065	423,984	480,477	568,497	669,331	785,177
Cauca	1,200,706	1,096,686	1,306,406	1,250,563	1,213,838	1,277,134
Sitio Del Nino	1,843,013	1,156,001	903,995	717,132	668,038	645,310
Bernal	532,590	409,253	368,316	341,751	249,050	-
Puente Piedra	718,079	653,345	773,613	733,612	741,987	618,067
Askar	253,446	278,828	332,541	296,795	174,014	141,013
Enstra	849,332	854,396	737,838	666,222	705,733	849,418
Hadera	265,549	183,200	171,770	172,292	175,662	193,400
Nahariya	359,480	361,470	301,356	285,620	253,638	264,802
Fullerton	1,894,065	1,607,248	1,508,108	1,296,882	1,085,278	178,505
Barbosa	849,431	797,632	874,635	922,459	909,834	863,211
Sub-Total	10,249,290	8,531,505	8,327,470	7,747,700	7,384,936	6,164,981
At Non-Tissue Mills¹						
Beijing FemCare			25,412	28,950	21,862	18,057
Nanjing South BCC			47,353	57,162	78,348	74,255
Nanjing North FemCare			13,319	15,250	14,057	11,463
Tianjin			125,196	77,757	85,607	75,425
Binh Duong			33,269	50,860	46,409	46,365
Cikarang			19,160	19,604	18,397	14,629

1. Water data collection for the majority of non-tissue mills began in 2017.



Actual Water Use in Water-Stressed Regions (m³)

	2015	2016	2017	2018	2019	2020
Pune BCC			21,983	29,990	35,770	49,062
Tuas BCC			85,497	87,286	78,388	83,893
Camacari			25,215	31,315	35,617	35,869
Eldorado FemCare			16,262	14,471	10,967	-
Suzano			99,614	117,037	158,446	166,473
Coris			42,770	33,587	28,141	30,671
Mapasingue			10,085	15,666	9,054	9,301
Tocancipa			12,039	15,033	8,925	8,607
Pilar			37,587	24,651	22,768	28,727
San Luis			27,666	31,669	25,867	20,474
Santa Clara			63,999	107,052	131,766	127,509
Santiago			17,531	17,557	23,399	18,674
Afula			11,480	8,296	10,078	6,610
Jaromer			40,548	38,622	44,715	45,321
Lagos			3,794	743	260	-
Litovel	3,756	3,227	4,232	4,292	4,004	3,954
Stupino			1,485	1,644	1,905	1,856
Epping			5,134	4,072	4,679	4,339
Dammam			1,053	1,827	4,139	4,959
Sub-Total	3,756	3,227	791,683	834,392	903,568	886,493
Grand Total	10,445,689	8,690,112	9,288,054	8,955,515	8,463,950	7,051,474