

2024

# Sustainability Report

\* Kimberly-Clark



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# About This Report

This report highlights Kimberly-Clark's actions and progress toward our sustainability goals and the different aspects of our governance, oversight, policies, programs, and performance around the sustainability issues that Kimberly-Clark is focused on.

See our [Key Downloads](#) for materials prepared in accordance with the Sustainability Accounting Standards Board (SASB) for the Household & Personal Products industry. Additionally, Kimberly-Clark has reported in accordance with the Global Reporting Initiative (GRI) Standards

for the period of January 1, 2024, to December 31, 2024. Further, Kimberly-Clark reports its climate strategy, as seen in the Better Products and Better Planet sections of this report, in alignment with the Task Force on Climate-related Financial Disclosure (TCFD) framework.

For our historical reports and United States Equal Employment Opportunity Report (EEO-1), please visit us at our [Key Downloads](#) as well. These historical disclosures are superseded in their entirety by their current versions and should not be relied upon as currently accurate disclosures or otherwise.

## DISCLAIMER & FORWARD-LOOKING STATEMENTS

All statements in this report that are not historical — including goals and commitments for and projections of future results, the expected execution and effect of our sustainability strategies and initiatives, and the amounts and timing of their expected impact — constitute forward-looking statements that are based on management's expectations and beliefs concerning future events impacting the company and are not intended to create legal obligations or rights. This report represents and contains data, events, highlights, and stories for the period of January 1 to December 31, 2024, unless otherwise stated. Many factors outside our control, including competitive pressures, costs, evolving legal and regulatory requirements, stakeholder expectations, and societal and market conditions globally and in the markets in which we do business could cause actual results to vary. References to materiality or material topics in this report and across our sustainability reporting, including any work done around materiality assessments, are for purposes of our sustainability strategy and voluntary reporting only and are not an indication that such information or matters are material to Kimberly-Clark, our investors or other stakeholders, nor are they required to be disclosed in our filings, under federal securities laws or other corporate reporting laws, regulations, or directives that might be applicable in specific jurisdictions.

The numbers and percentages used in this report might be estimates or approximations or be based on models and assumptions, including representations, projections, or information provided by third parties or acquired entities. Statements regarding goals, commitments, or targets in this report are aspirational and not guarantees that such goals, commitments and targets will be met or retained. There can be no assurance that these future events will occur as anticipated. The statements in this report speak only as of the date they were made, and we undertake no obligation to publicly update them unless required by law. Please see Kimberly-Clark's latest Annual Report on Form 10-K and subsequent filings with the U.S. Securities and Exchange Commission for a discussion of risk factors as they relate to forward-looking statements.

# Kimberly-Clark at a Glance

Kimberly-Clark (NASDAQ: KMB) and its trusted brands are an indispensable part of life for people in more than 175 countries. Our products help individuals experience more of what is important to them. Our essential products are used by about a quarter of the world's population every day and we embrace our ability to make a positive contribution to the people we serve. We seek ways to support natural ecosystems and build stronger communities that will allow our business to thrive for decades to come.

## AWARDS AND RECOGNITION

- Clean200™
- Ethisphere: World's Most Ethical Companies®
- *Forbes*: World's Best Employers
- *Fortune*: America's Most Innovative Companies
- Global RepTrak® 100
- Military Times Best for Vets: Employers
- U.S. Environmental Protection Agency (EPA): SmartWay Excellence Award

BABY & CHILD CARE	FEMININE CARE	ADULT CARE	FAMILY CARE	PROFESSIONAL
   	   	  	    	  

<sup>1</sup> For the 2024 fiscal year (January 1 to December 31).

## 2024 by the numbers<sup>1</sup>

**\$20.1B**

IN SALES

**153**

YEARS  
IN BUSINESS

**175+**

COUNTRIES WHERE OUR  
BRANDS ARE SOLD

**38,000**

EMPLOYEES WORLDWIDE

# Reflections from Kimberly-Clark's Chairman & CEO

Dear Stakeholders,

Kimberly-Clark transformed its future in 2024 and going into 2025, as we launched our new, multi-year Powering Care strategy and established a strong foundation for accelerated business growth in the years to come. Importantly, our longstanding focus on sustainability and our commitment to provide Better Care for a Better World underpins the implementation of Powering Care.

I am incredibly proud of our teams and our outstanding mobilization around our Powering Care strategy — transforming how we work, and serving our millions of consumers around the world who depend on us. Throughout 2024, we maintained our dedication and commitment on our four sustainability pillars: Better Products, Better Planet, Better Workplace, and Better Society.



At Kimberly-Clark, our purpose — Better Care for a Better World — comes to life through our Powering Care strategy. Our collective sustainability efforts position us to deliver more value to our stakeholders while working to address the complex sustainability challenges that impact our business today and in the future.

Mike Hsu

Chairman and CEO



## BETTER PRODUCTS

We continued to seek more sustainable product solutions in support of our consumers. As part of our ambition to be 100% Natural Forest - Free across our portfolio beyond 2030, we are driving the exploration of next-generation innovative technical solutions. Over the past decade, we have invested more than \$47 million in researching alternative fiber options to create more sustainable products, and we are excited about the progress we are making toward a better future.

We also worked with suppliers across the globe to replace virgin fossil fuel-based plastic used in our packaging with more recycled content, and to accelerate the development of alternatives to traditional plastics. We are committed to prioritizing the acceleration of our progress against our plastics and circularity goals in 2025 and beyond.

## BETTER PLANET

We continued to drive meaningful progress in reducing our environmental impact. Since 2015, we have reduced our scope 1 and 2 based emissions by 43.3%, a milestone we are proud of as we push toward our broader sustainability goals. We have accelerated our utilization of alternative energy sources such as wind and solar power, including through on-site and virtual purchase power agreements (VPPAs). In 2024, 39.2% of the electricity we purchased globally was from renewable sources, and we expect to see this number increase further over the next couple of years.

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Additionally, we launched a program to more formally assess supplier performance, enable further greenhouse gas emissions reductions and actively support our responsible sourcing practices across the supply chain.

## BETTER WORKPLACE

We want to empower employees to do their best work, and we accordingly invest in their growth, engagement, and well-being. We approach inclusion and belonging as a business strategy, one that helps us drive employee engagement and long-term success. We also strive to recognize universal human rights on a global scale.

In 2024, we rolled out a globally consistent Employee Assistance Program, offering comprehensive online resources for holistic well-being. In addition, we proudly celebrated Global Mental Health Day as part of our ongoing commitment to fostering a supportive workplace.

## BETTER SOCIETY

Last year, our brand programs — combined with global and local partnerships — positively impacted nearly 120 million additional lives worldwide. From helping to empower girls and enhance maternal and child health to expanding access to water and sanitation, we strive to make a meaningful difference.

Some highlights include the launch of the multi-country Kotex® #ProgressFeelsLike campaign, encouraging women to share their

perspectives on progress and have their voices heard. In the U.S., Depend launched a campaign featuring American football legend Emmitt Smith to spark open conversations around prostate cancer and the often-stigmatized topic of incontinence. We also deepened our longstanding partnership with the United Nations Children's Fund (UNICEF), continuing to invest in programs designed to support babies' health and development from birth through childhood.

## ADVANCING CARE

For over 150 years, Kimberly-Clark has stayed true to our founding principles: making high-performing products and taking care of our consumers and customers, employees, communities, and shareholders. We believe that our collective efforts across our sustainability strategy position us to deliver more value to our stakeholders while addressing the complex sustainability challenges that impact our business today and in the future.

I am inspired by all we have achieved at Kimberly-Clark and energized by our plans. Together, we will continue to work to fulfill our purpose of Better Care for a Better World in 2025 and beyond.



**Mike Hsu**

CHAIRMAN & CEO

BRINGING OUR PURPOSE TO LIFE

# Better Care for a Better World



# Better Care for a Better World

Our purpose is our call to action, our aspiration, challenging us to help billions of people through greater access to life's daily essentials. Through our Powering Care strategy, we accelerate innovation and apply our proprietary, science-based technologies to deliver exceptional products and create value wherever we operate.

Our sustainability strategy helps enable our enterprise strategy through four pillars: Better Products, Better Planet, Better Workplace, and Better Society.

We focus on managing sustainability-related risks, enhancing resource efficiency, and innovating to deliver high-performing, more sustainable products. We believe that these efforts strengthen our ability to meet complex sustainability challenges while delivering greater value to consumers, customers, employees, and stakeholders.

Our strategy goes nowhere without the people who drive it forward — our team around the world is the true force enabling Kimberly-Clark to deliver long-term value to our stakeholders for decades to come.



At Kimberly-Clark, our purpose means not only delivering the essential products that people rely on every day but also doing so in a way that benefits people and the communities in which we operate and the environment we depend on. From developing more innovative sustainable products to tackling social and environmental challenges across the supply chain, we are dedicated to creating positive impact.

Lisa Morden

Chief Sustainability Officer



OUR PURPOSE

# Better Care for a Better World

## OUR ENTERPRISE STRATEGY

### Powering Care



Accelerate  
Pioneering Innovation



Optimize Our  
Margin Structure



Wire Our Organization  
for Growth



## ALIGNING OUR APPROACH TO SEVEN UNITED NATIONS SDGS

With a focus on the United Nations Sustainable Development Goals (SDGs), we strive to help address social challenges related to access to hygiene and sanitation, maternal and infant health, and women’s and girls’ empowerment. In our operations and value chain, we are working to address challenges associated with single-use plastics, carbon emissions, and water use while seeking to decrease reliance on natural forests and working to source fiber from companies that employ responsible forest management practices.<sup>2</sup> We are also continuing to grow our use of on-site renewable energy.



<sup>2</sup> Our assessment of companies that employ responsible forest management practices includes being certified under a well-recognized forestry certification system (defined in our policy as FSC (1st pref.) or SFI or PEFC) and supplying us with a combined Certificate of Compliance and FSC CW certification.



Image credit: Plan International

# Our Ambitions & Progress for 2030

## Improve people’s well-being while safeguarding natural systems

We strive to make lives better through our products and business practices. As part of our Powering Care strategy, we are advancing more efficient and productive use of raw materials and pioneering new approaches to sourcing so that we increase the resilience of our supply chain and help safeguard the world’s natural systems.

STRATEGIC FOCUS	OUR 2030 ASPIRATIONS <sup>3</sup>	2030 GOAL	2024 PROGRESS
 <b>Forests and Nature</b>	Address the climate and biodiversity crises by reducing reliance on fiber from natural forests.	Reduce Natural Forest Fiber <sup>4</sup> footprint by 50% compared to 2011.	40%
 <b>Energy and Climate</b>	Increase energy efficiency while seeking lower-carbon alternatives.	Reduce absolute greenhouse gas (GHG) emissions (Scope 1 and 2) by 50% over 2015 base year. Reduce value-chain emissions (Scope 3, Categories 1 and 2) by 20% from base year 2015. <sup>5</sup>	43% 16%
 <b>Plastics and Circularity</b>	Deliver solutions that incorporate more renewable or recycled materials and materials that can be regenerated or repurposed after use.	Reduce plastics footprint by 50% from 2019 base year. <sup>6,7,8</sup>	14%
 <b>Water</b>	Reduce water use at sites in watersheds under stress while supporting community-based water programs.	Reduce the water used in our manufacturing sites in water-stressed <sup>9</sup> areas by 50% over a 2015 base year.	55%
 <b>Social Impact</b>	Provide product innovation and social and community program investments that increase access to sanitation, help mothers and children thrive, and empower women and girls.	Work to advance the well-being of one billion people in vulnerable and underserved communities from a 2015 base year. <sup>10</sup>	311 Million TOTAL LIVES IMPACTED

<sup>3</sup> Unless stated otherwise, all references to years by which goals and/or ambitions aim to be achieved should be understood to mean by the end of the stated year.

<sup>4</sup> In our sustainability reporting, use of the term Natural Forest Fiber refers to fiber from northern boreal or temperate spruce, pine, and fir forests that are primarily naturally regenerating and contain key elements of native ecosystems, including wildlife and biological diversity. This excludes plantation-grown or planted forests.

<sup>5</sup> The value-chain emissions reduction target is focused on emissions from the Greenhouse Gas Protocol’s Scope 3 Category 1 (Purchased Goods and Services) and Category 12 (End of Life Treatment of Sold Products).

<sup>6</sup> External data inputs on plastics do not follow or apply uniform definitions and metrics which poses challenges with respect to harmonizing and aggregating the same. While the methodology used in this report is the same as previous years, we continue to evaluate fundamental assumptions and methodologies as the available data and materials science continue to evolve.

<sup>7</sup> Excludes other non-renewable materials (i.e., tape, adhesives, binders, and absorbents).

<sup>8</sup> Virgin fossil fuel-based plastics use minus plastic waste (post-industrial and post-consumer) collected for beneficial use. Excludes other non-renewable materials (i.e., tapes, adhesives, binders, and absorbents).

<sup>9</sup> “Water stress” refers to the ability, or lack thereof, to meet human and ecological demand for water. Compared to scarcity, water stress is a broader, more inclusive concept. It considers several physical aspects related to water resources, including water scarcity, but also water quality, environmental flows, and the accessibility of water. We use the World Resources Institute Aqueduct water tool to identify the regions of water stress.

<sup>10</sup> Populations disadvantaged because of 1) inability to pay for existing products, 2) inadequate distribution; 3) under-developed waste management infrastructure; or 4) other disparities such as lack of education or social stigmas.



# Our Approach to Sustainability and Governance

We believe that sustainability is core to healthy and resilient businesses and communities. Our governance structure drives this commitment by operationalizing strategy into action.

## OUR APPROACH TO REPORTING

We are actively monitoring the global regulatory landscape that could impact our assets, operations, and products. To prepare for upcoming expected mandatory reporting requirements, such as the European Union’s Corporate Sustainability Reporting Directive and the adoption of International Financial Reporting Standards (IFRS) by various countries, we have initiated a Double Materiality Assessment (DMA)<sup>11</sup> to identify and prioritize sustainability matters for our organization and to stakeholders. As we continue assessing these significant matters, we will address the findings as necessary in our strategy and future disclosures.

### THE BOARD OF DIRECTORS (THE BOARD), THROUGH THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Established and approved the framework for our sustainability-related policies. As part of the Board’s oversight role, it receives reports from management on these topics, our goals, and our progress toward achieving them. The Board also oversees risk management, business resilience, and risk mitigation, including climate and other environment-related risks and opportunities, and those related to social topics.

### SUSTAINABILITY SUBCOMMITTEE

Maintained by the Nominating and Corporate Governance (NCG) Committee, the Sustainability Subcommittee supports the NCG Committee in executing its oversight responsibilities for matters relating to sustainability, corporate social responsibilities, and corporate citizenship.

### SUSTAINABILITY FUNCTION (CHIEF SUSTAINABILITY OFFICER)

Develops and oversees the sustainability strategy, including setting goals, overseeing and directing organizational operations and systems to manage environmental risk and compliance, engaging stakeholders, and reporting on sustainability performance.

### CROSS-FUNCTIONAL COMMITTEES<sup>12</sup>

Composed of executives and other senior leaders from our core business units, including finance, treasury, global risk management, legal, internal audit, human resources, supply chain, and digital technology services.

#### Global Risk Oversight Committee (GROC)

Part of the enterprise risk management governance framework and works to identify significant risks for review and to update our policies for risk management.

#### Sustainability Steering Committee

Reviews and adjusts the sustainability program’s direction, addresses barriers to success, and assesses the health of our long-term sustainability strategy.

#### Sustainability Reporting and Disclosure Committee

Oversees the implementation of and the collection, evaluation, and disclosure of sustainability-related information and provides oversight for reporting and disclosure matters, sustainability-related materiality assessments, and assurance of sustainability data.

#### Responsible Sourcing Steering Committee

Responsible for providing strategic direction and oversight of human rights and environmental risks across the supply chain.

#### Environmental Health and Safety (EHS) Steering Committee

Oversees development, implementation, and prioritization of improvement plans related to EHS activities and provides strategic direction regarding EHS programs and initiatives.

<sup>11</sup> References to materiality or material topics across our sustainability reporting, including our materiality assessment completed in 2023, are for the purposes of our sustainability strategy and voluntary reporting only and are not an indication that such information or matters are material to Kimberly-Clark under federal securities laws or corporate reporting laws regulations or are directives that may be applicable in specific jurisdictions.

<sup>12</sup> Committees are being recommissioned in light of Powering Care transformation for 2025.

# Better Products



# Better Products

We focus on delivering Better Products to customers and consumers across all our categories — Baby & Child Care, Feminine Care, Adult Care, Family Care, and Professional. By accelerating pioneering innovation and leading-edge science as part of our Powering Care strategy, we are exploring alternative fibers, polymers, and product solutions to help reduce our reliance on plastics, conserve forests, and minimize our carbon footprint. This helps protect the natural ecosystems we depend on, and deliver essential products that consumers rely on in a more sustainable way.

## Plastics & Circularity

We embrace the vision of a circular economy by seeking a comprehensive approach to plastics reduction and waste-management. We collaborate with experts across diverse fields to drive innovation that is designed to deliver more sustainable alternatives aligned with customer and consumer needs, while working to improve compatibility with waste-handling systems.

While plastics provide numerous benefits to society, they also bring global challenges associated with improper waste disposal, littering, inadequate waste management infrastructure, and emissions from fossil fuel-based emissions. This is why we are continuing to pursue our ambition to reduce our overall plastics footprint.

**Our strategic focus is divided into three key areas: packaging, product, and circular systems. Our key initiatives are:**

1. Improving material efficiency by investing in technologies that allow us to use less while doing more
2. Increasing the use of renewable materials, recycled content, or materials compatible with biological or technical circularity
3. Introducing reusable products
4. Collecting plastic manufacturing waste and post-consumer waste
5. Supporting the development of circular systems and other sustainable end-of-life solutions

In 2024, Kimberly-Clark achieved a 14% absolute reduction of our plastics footprint versus our 2019 baseline. Despite pursuing our initiatives to drive plastics reduction, the impact of our efforts has been partially offset by the growth of our business last year, particularly in our Personal Care categories. Recognizing the essential need for product materials innovation and circularity, we are continuing to pursue breakthroughs that will serve our consumers, our business, and the environment.

**As we prioritize plastics reduction across our value chain, we have encountered, similar to other companies, some barriers that have impacted the speed of our progress:**

1. Affordability, supply, and functional performance of alternative solutions
2. Limited cross-industry collaboration for scaling innovation
3. Inadequate and inconsistent waste-management infrastructure
4. Regulatory complexity



We are focused on accelerating innovation that meets the evolving needs of our consumers, delivers exceptional quality, and reduces our environmental impact. With these dimensions in balance, our business will continue to thrive for future generations.

Russ Torres

President and Chief Operating Officer

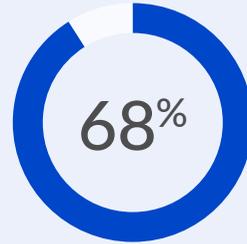


GOALS & PROGRESS



# Reduce Plastics Footprint By 50% from 2019 Base Year<sup>13,14,15</sup>

Achieved 14% reduction against 50% target



against 75% goal

### 75% MATERIAL IN OUR PRODUCTS

to be compatible with either biological or technical circularity systems<sup>16</sup> by 2030.



against 100% goal

### 100% PACKAGING TO BE COMPATIBLE

with either biological or technical circularity systems by 2025 (includes both plastics packaging and fiber-based packaging).



against 20% goal

### 20% AVERAGE RECYCLED PLASTIC CONTENT

by weight across plastic packaging by end of 2025.



against 100% goal

### ACHIEVE 100% DIVERSION OF OUR MANUFACTURING WASTE DIVERTED FROM LANDFILL

to beneficial uses.<sup>17</sup>

<sup>13</sup> External data inputs on plastics do not follow or apply uniform definitions and metrics, which poses challenges with respect to harmonizing and aggregating the same. While the methodology used in this report is the same as previous years, we continue to evaluate fundamental assumptions and methodologies as the available data and materials science continue to evolve.

<sup>14</sup> Excludes other non-renewable materials (i.e., tape, adhesives, binders, and absorbents).

<sup>15</sup> Virgin fossil fuel-based plastics use minus plastic waste (post-industrial and post-consumer) collected for beneficial use. This excludes other non-renewable materials (i.e., tapes, adhesives, binders, and absorbents).

<sup>16</sup> "Biological Circularity" refers to returning the materials in the product back to the earth, such as through composting or anaerobic digestion, to regenerate natural capital. For materials to meet the requirements of biological circularity, there needs to be evidence that they meet the requirements of appropriate standards or certifications for compatibility with composting or anaerobic digestion systems. "Technical Circularity" refers to extending the lifetime or value of the materials in the product through reuse, mechanical or chemical recycling, or eventual conversion to energy. For materials to meet the definition of compatibility with mechanical or chemical recycling, they must meet the requirements for acceptance for the supplier offering those services.

<sup>17</sup> For more details regarding how we are managing our waste, see the Waste Management section of this report. As an additional way to keep track of our own direct impact, we continue to pursue our goal of achieving zero waste to landfill in our manufacturing operations.

## STRATEGIC FOCUS:

# Packaging

In 2024, 99% of our packaging was designed to fit into technical or biological circularity systems. We continued to encourage our key suppliers to offer more sustainable packaging options, including through a global sourcing event for flexible film packaging.

We also continued to focus on developing a recyclable packaging solution for wet wipes that is compatible with either biological or technical circularity systems while continuing to deliver a superior consumer-usage experience. Availability of recyclable mixed flexible-film packaging is often limited in areas with underdeveloped recycling systems. However, increasing regulatory demand for recycled plastic is expected to drive longer-term improvements in collection and recycling efforts.

## Driving More Sustainable Plastic Packaging in India

Our India-based team introduced a series of initiatives to reduce our virgin fossil fuel-based plastic usage on primary and secondary packaging. Efforts included changing the flow-wrap structure to approximately 100% recyclable material, using 20% recycled content in primary polybags, and making secondary packaging approximately 100% recyclable with 30% Post-Industrial Recycled (PIR) content and 50% Post-Consumer Recycled (PCR) content in all stock keeping units (SKUs). This work resulted in the reduction of over 52 tons virgin fossil fuel-based plastic usage and cut CO<sub>2</sub> emissions by 312 metric tons (MT) in 2024.

## Piloting Paper Packaging in the U.K.

In 2024, our United Kingdom (U.K.) team elevated the Andrex® Ultimate Quilts offering by introducing a limited-edition nine-roll product, packaged with ~100% recyclable paper. Presented in a black package inspired by high-end luxury brands, this modernization distinguishes the product from the rest of our toilet paper portfolio and provides customers with a premium experience and the ability to recycle the packaging at home via curbside collection.

## Huggies® Launches Free Plastic Packaging Recycling Program with TerraCycle® in the U.S.

In the U.S., less than half of the 80 million tons of packaging waste produced annually gets recycled. In line with our goal to design solutions that are compatible with circular systems for all product packaging by end of 2025, Huggies partnered with TerraCycle, the international leader in recycling hard-to-recycle materials, to launch a free recycling program. The collaboration allows participants to recycle the plastic packaging of Huggies baby diapers and wipes, as well as other brands including Pull-Ups®, Goodnites®, U by Kotex®, Depend®, Poise®, Scott®, Cottonelle®, and Viva®, and aims to keep more packaging from diapers, wipes, and other personal care and hygiene products out of landfills and incinerators. The Huggies Free Recycling Program joins TerraCycle's extensive network of more than 550 free recycling initiatives to help with valuable materials not going to waste and being used to make new products.



STRATEGIC FOCUS:

# Product

By weight, a majority of the materials in our products are composed of responsibly sourced (certified), biodegradable, and/or recycled fibers. In addition to using more environmentally-preferred fibers, we continue exploring circular solutions for post-industrial and post-consumer waste, seeking solutions that do not compromise the product quality or performance that our consumers and customers expect. Additionally, we aim to develop more reusable products to reduce reliance on single-use items.

## Kimberly-Clark Nonwovens Material Innovation Leading the Way in Doing More with Less

Kimberly-Clark is one of the largest producers of engineered nonwoven fabrics made from fibers that are used in a wide range of consumer and industrial products. Since 2020, innovation by the nonwovens team has resulted in plastics reduction/avoidance of over 19,000 metric tons of plastics. Future innovation will continue to be focused on producing lower-weight fine-fiber materials and exploring incorporation of alternative raw materials and biomaterials.

## Transforming Nonwovens with Fine-Fiber Spunbond Technology

In 2024, our Yuhan-Kimberly team in Korea, in collaboration with our global nonwovens experts, commercialized our proprietary fine-fiber spunbond technology, which enables Kimberly-Clark to produce a softer spunbond basesheet for use in some products, balancing cost-efficiency, eco-efficiency, and performance to deliver an improved consumer experience.



Our purpose of Better Care for a Better World drives our product design philosophy for both people and planet.

Craig Slavtcheff

Chief Research and Development Officer



## STRATEGIC FOCUS:

# Circular Systems

We are continuing to seek multiple pathways to circularity across our value chain. This not only enables beneficial uses of material that would otherwise be considered waste, but it informs our materials and product-innovation pathways.

We continue to focus on supporting the development and maturation of waste-management infrastructure in both emerging and developed markets. These systems are essential to furthering the recovery and processing of our products and packaging after use and increasing the availability of quality recycled content.

To identify suitable solutions that are locally relevant, we continue to seek meaningful collaborations with waste-management experts, non-governmental organizations (NGOs), and communities to help develop new business models that can support the management of waste from our products and packaging.

With a multidisciplinary approach, we continued to research how our products fit within the recycling systems in key local markets in order to identify specific needs and opportunities. This includes running various pilots and associated learning plans to inform the steps needed to increase scale impact.

### Embedding Circular Solutions with the RightCycle™ Program<sup>18</sup>

The RightCycle Program by K-C Professional in Europe and North America offers responsible end-of-life recovery services by transforming customers' waste into new materials and products. In 2024, the program grew to more than 300 actively participating customers, recycling over 200 metric tons (MT) of hand towels and 90 MT of plastic. The partnership was key to securing a five-year exclusive partnership with Rhenus, our German collection partner, to enable further growth in Germany and the extension of the hand-towel collection service to Switzerland, Austria, and the Netherlands. In North America, WypAll® Disinfecting Wipes with a range of sustainability features were launched and can now be recycled as part of the program.



<sup>18</sup> The RightCycle™ trademark was sold by Kimberly-Clark to Ansell Limited in conjunction with the sale of our personal protective equipment business on July 1, 2024. We are currently using the trademark under a transitional license agreement. We will continue to have recycling programs but under a new trademark to be developed in the future.

## Advancing Diaper Collection & Recovery Programs

We are advancing our diaper circular projects by tailoring solutions to the unique needs and contexts of each local market. Recognizing that consumer behavior and infrastructure varies significantly across regions, we prioritize circulatory strategies that align with local realities to meet the needs of our consumers and communities as they are today.

### AUSTRALIA NAPPY LOOP PROVIDES VALUABLE INSIGHTS

Our pioneering recycling trial in Australia has proven that nappies have value even after they're used. With a team of researchers, waste industry leaders, and engineers, The Nappy Loop has demonstrated that anaerobic digestion can transform the organic material from nappies into nutrient-rich compost and bioenergy. In 2024, we began to explore beneficial uses of the other product components, which were separated prior to anaerobic digestion. CSIRO, Australia's National Science Agency, and Kimberly-Clark have shown that soft plastics recovered from nappies have potential for recycling using pyrolysis technology. The super-absorbent polymer in the moisture-wicking core of the product is safe for agricultural use, demonstrating its potential as a water-retaining agent, for example, in combination with compost.

### DIVERTING WASTE FROM LANDFILLS IN NORTH AMERICA

Our Huggies Brand has partnered with select Bright Horizons child-care centers in Boston and Reworld, a provider of sustainable waste management solutions, to launch a new pilot program that transforms used diapers through a process called 'waste-to-energy,' helping reduce their environmental impact.

### PIONEERING DIAPER WASTE RECYCLING IN TAIWAN

Our Chung Li Mill and Yi Chun Green Technology collaborated to introduce innovative recycling technologies to Taiwan's waste-management system. This large-scale initiative processes unrecyclable production waste into raw materials within an hour. Their partnership achieved a 99.4% recycling yield for industrial diaper waste.

### SOUTH AFRICA DIAPER COLLECTION

Over the course of nine months in 2024, approximately 12 tons or 50,000 diapers were collected in the Langa Township. With Kimberly-Clark's support, partners GreenEdge and LEAPs were able to continue with community waste-collection programs, opening opportunities for municipal participation in absorbent hygiene-product waste management. In three months, our partners, Green Corridors and ETH Zurich, collected an additional 3.3 tons or 14,000 diapers from collection bins placed throughout the Johanna Road and Blackburn informal communities.

In addition to the development of these collection systems, we have also partnered with GreenEdge and the University of the Western Cape in Langa to explore locally appropriate recycling and recovery solutions for underserved communities.





# Innovation in Our Value Chain

By forging strategic partnerships across the value chain and engaging with governmental, non-governmental, and academic experts, we are identifying innovation solutions and furthering our sustainability capabilities internally.

## Collaboration & Partnerships to Foster Innovation

We believe that collaboration and partnerships across our value chain are essential to achieving our ambitions related to plastics, fiber, and circular economy. By working together with our commercial partners and across our internal teams — including research, engineering, and marketing — we are focused on reducing our reliance on virgin fossil fuel-based plastics and Natural Forest Fibers.

We are members of the World Wildlife Fund (WWF®) and the Ellen MacArthur Foundation’s Business Coalition for a Global Plastics Treaty, advocating for a strong global agreement on plastic pollution. As part of this effort, we engage in UN treaty negotiations and collaborate with external partners to advance a circular economy and improve post-consumer waste solutions.

Through the World Wildlife Fund’s Bioplastic Feedstock Alliance (BFA) and our membership in the Center for Bioplastics and Biocomposites (CB2), we engage in

multi-stakeholder collaboration and research to drive responsible sourcing of plant-based plastics and to advance biopolymer innovation. Our partnership with RWDC Industries builds on this expertise, combining our deep knowledge in nonwoven technologies and resin development with their pioneering biopolymer solutions.

We also participate in Forests Forward, WWF’s corporate program that engages companies around the world to help them reduce their forest footprint and support other on-the-ground actions — like forest restoration — to keep forests thriving for people, nature, and climate.

Regionally, we are active members of the Canadian, U.S., and U.K. Plastics Pacts, which bring together businesses, governments, and NGOs to align efforts on plastic packaging design, use, and reuse. As a Founding Activator of the U.S. Plastics Pact, we are committed to driving change.

## Product Access for Underserved Communities

We recognize that many people are unable to access our products due to stigma, availability, and lack of resources or affordability. For that reason, we partner with nonprofit organizations around the world to better serve our communities by working to dismantle barriers to our essential products and providing access for more people now and in the future.

For more details about other initiatives that positively impact the communities in which we live and work, see the [Better Society](#) section of this report.



## Addressing Access to Essential Products in the U.S. with the National Diaper Bank Network

Kimberly-Clark is proud to have donated nearly 300 million Huggies diapers and 40 million U by Kotex feminine hygiene products to the National Diaper Bank Network (NDBN) since its founding in 2011, and its sister organization, Alliance for Period Supplies, since 2018. According to a recent study by NDBN, almost half of American families cannot afford enough diapers to keep their child clean, dry, and healthy. Respondents who reported diaper need were more stressed and anxious, were more likely to skip meals to afford diapers, and were more likely to miss work because they didn't have enough diapers to leave their child at childcare. NDBN and its network of 240 community-based diaper banks collect, store, and distribute free diapers to struggling families. Additionally, NDBN leads advocacy and research to help diaper need be recognized as a basic need.

## Partnering with Baby2Baby to Deliver Critical Items to New Mothers

To combat the impacts of diaper need on postpartum mental health, the K-C Foundation partnered with Baby2Baby and the U.S. Department of Health & Human Services in 2024 to expand their Maternal Health & Newborn Supply Kits program. This initiative delivers critical items to mothers immediately after giving birth. Through this partnership, we provided a multimillion-dollar grant including funds and an in-kind product donation of diapers, wipes, and postpartum pads to support the health of mothers and their babies, particularly among vulnerable communities.

## Turning Surplus into Support in Latin America

Since 2019, our Latin America team has developed a donation process and established a regional partnership with various food banks across Latin America to repurpose millions of surplus products that could otherwise have been disposed of. Since the program's inception, more than 98 million products have been donated, including approximately 28 million in 2024 alone.

## Product Quality & Safety

The well-being of our consumers is our highest priority. That is why we are committed to delivering products that comply with regulatory requirements and consistently meet or exceed consumer-safety expectations. Our goal is to use safe ingredients, presented transparently and grounded in a science-based approach.

At Kimberly-Clark, we strive to stay ahead of the evolving regulatory landscape and to enable our processes and product testing to consistently meet high standards, reinforcing trust with our stakeholders.

### CONSUMER SAFETY

Our Quality, Regulatory, and Compliance organization has a global team that helps ensure the safety and quality of our products for their intended use, as well as their compliance with regulations and our internal standards. The global team consists of product safety, stewardship, quality, and compliance personnel with experience in risk assessment, toxicology, chemical hazard classification, and/or global chemicals regulations. In 2024, the organization conducted more than 6,000 safety and compliance assessments of new ingredients, raw materials, finished products, design changes, and market expansions.

We remain committed to reducing or eliminating ingredients of emerging concern and exploring the use of alternative ingredients when necessary. Our suppliers are expected to share that focus and meet our high standards, including our Supplier Stewardship Standards, helping us deliver high-quality products made from safe materials and components. Our supplier expectations include requirements for Safety and Regulatory Disclosure, Material and Product Specific Requirements, and Principles for Management of Restricted Substances as referenced in our Supplier Stewardship Standards.

### POLICIES AND SYSTEMS

We expect our global businesses, functions, and facilities to align with our Quality Policy, which defines the principles that guide how we

design, manufacture, and deliver high-quality products with a focus on consumer safety across every brand. Our corporate Quality Management System sets our internal standards and strives to align with industry best practices, the varying regulatory expectations of the nations and regions in which we operate, and the internationally recognized ISO 9001 and ISO 13485 quality standards. The Quality Management System is subject to a regular cycle of internal and external reviews and audits to promote the effectiveness of our controls.

Our approach is supported by rigorous internal and independent safety evaluations designed to support the quality and safety of our products. To enable product-safety assessments and to support regulatory compliance, Kimberly-Clark proactively gathers composition information for each raw material used in manufacturing (including confidential disclosures from suppliers) and periodically checks them against legally restricted substances relevant to the product form and country of sale. Senior management is responsible for overseeing compliance across these stringent requirements, which drives ongoing improvement. Efforts at our individual facilities are also supported by on-site quality-assurance systems. Our qualified staff receive training on a regular basis to support the effectiveness of these processes.

Kimberly-Clark uses a “Right First Time” (RFT) performance indicator that is intended to capture process and quality data on a product’s whole supply chain, from materials procurement and manufacturing to warehousing, distribution, and point-of-sale quality/appearance, which is based on well-defined goals to help enable ongoing continuous improvement in our program. We also provide a single metric intended to create accountability for getting product to the end-user is done right, the first time and every time. The data related to RFT is then analyzed monthly to foster learning and to influence our process-improvement opportunities. We work across the organization to facilitate effective processes and take actions through procedure or process updates to address our opportunities for improvement.

### OEKO-TEX® TAMPON CERTIFICATION

In 2024, Kimberly-Clark received OEKO-TEX STANDARD 100 certification for its U by Kotex® Click® tampons. This label certifies that our products passed independent safety tests under a globally standardized system for the presence of potentially harmful substances.

### OUR PRODUCT SAFETY POLICY LAYS OUT OUR EXPECTATIONS IN THREE KEY AREAS:

- 1 MANAGEMENT ACCOUNTABILITY:** Our business unit presidents are responsible for promoting the safety and quality of our products and services, from initial introduction to ongoing reviews for regulatory compliance and alignment with public safety expectations.
- 2 SAFETY ASSESSMENTS:** Our products undergo safety assessments by qualified experts, in accordance with international standards of human health risk.
- 3 CHEMICAL MANAGEMENT:** Safety and environmental data is carefully collected and used to develop business strategies for reducing, restricting, or eliminating chemicals of concern and advancing alternatives.

## Product Safety Program

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Kimberly-Clark's product safety strategy is to start with safe materials and to make safe products. Our safety commitment continues after the product has been sold. We listen to our customers and consumers to help enable our products to continue to meet or exceed expectations. We take feedback seriously and use that information to direct our focus on product safety and continue to improve our products.

## Alternative Methods to Animal Testing

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Kimberly-Clark is committed to the safety of our products and ingredients. New Approach Methodologies (NAMs) are non-animal-based methods that we currently use in connection with many products and include *in vitro* methods based on three-dimensional reconstructed human tissues, which are now widely accepted for assessing skin- and eye-irritation potential, as well as other endpoints. Kimberly-Clark also uses *in silico*, or computational toxicology, approaches for assessing potential for adverse health effects for components in our raw materials and products. We are also actively incorporating additional NAMs, such as *in vitro* and computational methods, for other uses, for example for allergenicity potential.

We have been a proponent of the replacement, refinement, and reduction of animal use for product testing, known as "the 3Rs." [Our Animal Testing Policy](#) states that animal testing is only to be performed if required by law, regulation, or a government authority. Any animal testing necessary for regulatory purposes must comply with rigorous standards and governmental

regulations for animal welfare, as well as the internal Kimberly-Clark processes for selecting appropriate laboratories and monitoring their acceptability.

We advocate for regulatory and governmental agencies to support the elimination of laws and regulations requiring animal testing, particularly through an internationally harmonized approach.

## Ingredient Safety

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Our experts evaluate the safety of our products and ingredients before they go to market using well-established risk-assessment methods to understand both hazards and potential exposures to help meet current regulatory requirements and public-safety expectations. Our screening criteria include assessing the safety of the composition and compliance of the ingredients with both external regulations and Kimberly-Clark's own corporate standards. As science is in constant evolution, Kimberly-Clark regularly evaluates the latest research, technology, and regulation to promote regulatory compliance and consumer safety.

We have integrated identification, management, and reduction of chemicals of interest and the advancement of potential alternatives in our business strategy through our Product Stewardship Council (PSC), which was formed in 2014. The PSC is a cross-functional team that provides a platform and process for the identification, review, and communication of chemicals of interest. It also enables the proactive development of business strategies to remove and/or reduce specific chemicals and advance alternatives, in some instances, above and beyond regulatory requirements.

We maintain a [Restricted Substances List](#) (RSL) that contains restricted (limits established by product or material) and prohibited ingredients relevant to Kimberly-Clark products in order to provide a consistent global approach to help safeguard our consumers and the environment from exposure to ingredients of potential concern. In addition, we formally review ingredients in our products against current regulatory requirements and public safety expectations, and we proactively monitor and assess new information regarding ingredients published by scientific research and regulatory agencies globally, as well as public concern, to help keep our RSL current.

Kimberly-Clark is a member of the Green Chemistry and Commerce Council, a multi-stakeholder collaborative initiative that helps drive the commercial adoption of even safer, more sustainable, and high-performing chemical solutions.

## Transparency

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We are committed to transparency, sharing our practices, and providing ingredient information that is clear, reliable, and accessible.

Over the past several years, we have created greater transparency for consumers as demonstrated by our [Safety Commitment and Ingredients website](#), which provides ingredient information for our personal care and formulated professional products.

# Responsible Marketing

At Kimberly-Clark, we are committed to building the trust and confidence of our customers and consumers by maintaining high standards in the creation and promotion of our marketing campaigns.

Guided by our commitment to marketing and advertising responsibly, as stated in our [Code of Conduct](#), we strive to provide advertising and promotional materials that are accurate, free from false claims, and aligned with our core values. In 2024, we participated in leading industry initiatives, including the Association of National Advertisers (ANA), SeeHer, and the Alliance for Inclusive and Multicultural Marketing (AIMM), to promote responsible marketing practices.

As part of our commitment to transparency and accuracy, we have a robust process in place for the development and cross-functional review of marketing statements, advertising, and product labeling, including a focus on sustainability-related claims. For more details on our focus on responsible marketing, see our [Code of Conduct](#).



# Better Planet



At Kimberly-Clark, we have a long-standing focus on building more sustainable practices into our operations and supply chain. This focus helps us use critical natural resources responsibly while reducing the environmental impacts associated with converting them into the products that make our consumers' lives better. This focus not only improves the resilience of K-C's business, but helps our customers meet their own sustainability goals and ambitions.

## Environmental Management

Our [Environmental Policy](#) directs our focus on environmental compliance and the management of water and energy, climate emissions, waste, and responsible fiber sourcing in our operations and our business.

Our Enterprise Supply Chain Leadership team has defined six EHS leadership imperatives to be integrated across our operations as part of our foundational EHS strategy. These imperatives provide the foundation for an EHS Maturity Model and inform three objectives to improve site performance with a collaborative approach across environment, health, and safety.

Our manufacturing locations are expected to routinely assess their own performance against the EHS Maturity Model and identify improvement opportunities.

In addition, our staff teams conduct EHS Maturity Health Checks and formal EHS Audits to verify self-assessment results and assess compliance with/conformance to regulations and standards. In

2024, Kimberly-Clark's maturity rating improved to an average of 3.4 out of 4 — a more than 42% improvement from 2020. In addition, our operations and environmental teams work to deploy initiatives aligned with our Sustainability 2030 goals, including reducing climate emissions, diverting manufacturing waste from landfill to beneficial uses, improving water efficiency, and engaging in community water programs.

We expect our facilities to continue to further standardize on leading EHS practices and processes, driving toward a safer and more environmentally responsible workplace. For more details on how we seek to keep our employees safe, see the [Occupational Health & Safety](#) section of this report.



We are building more resilience in our supply chain and working towards protecting natural resources for generations to come by championing efficient and productive use of raw materials and pioneering new approaches to sourcing products.

Tamera Fenske

Chief Supply Chain Officer



# Objectives to Improve Site Performance



### IMPROVE MINDSETS, BEHAVIORS, AND CAPABILITIES

by providing role-specific EHS training for our teams and fostering a culture of accountability for EHS.



### REDUCE RISK AND PROMOTE COMPLIANCE

with relevant standards and regulations by applying global performance standards that supplement local regulatory requirements.



### MANAGE EHS SYSTEMATICALLY VIA THE KIMBERLY-CLARK EHS MANAGEMENT SYSTEM,

enabling continued improvement. This system seeks to align with industry best practices, the varying regulatory expectations of the nations and regions in which we operate, and the internationally recognized ISO 14001 and 45001 frameworks. It has been a long-standing approach within Kimberly-Clark's manufacturing facilities, often embedded with the sites' lean manufacturing processes. Although Kimberly-Clark does not mandate ISO certification, the integrated EHS Management System effectively supports sites that wish to pursue it. As of December 31, 2024, 37% of Kimberly-Clark facilities held either ISO 14001 or 45001 certifications.



## EHS Leadership Imperatives

- Consistent EHS leadership
- Risk-tolerance reduction
- Positive EHS interactions
- Workforce empowerment to drive impact
- Aligned incentives and metrics
- Consistent critical EHS work practices

## USING DIGITAL SOLUTIONS TO VISUALIZE OUR OPPORTUNITIES

To elevate and continue to improve the performance of our sustainability programs, our environment and energy teams and digital solutions team have partnered to develop integrated real-time visual consumption dashboards. With these dashboards, we are exploring collaborative opportunities across various elements of sustainability, for example adding water consumption to the integrated dashboards to provide real-time water consumption and quality data for our production facilities.

### Collaborating to Create Value from Scrap

The Maumelle plant in the U.S. and the Barbosa plant in Colombia collaborated on a sustainability initiative that achieved reductions in landfill, use of virgin pulp, and costs while maintaining operational efficiency. Process trials demonstrated that coform scrap (e.g., baby-wipes base sheets) from Maumelle could serve as material for production at Barbosa, enabling the plant to substitute coform scrap for virgin pulp. Simultaneously, the Maumelle plant diverted nearly 300 tons of coform scrap from waste-to-energy disposal.

This partnership helped maintain landfill-free status for Maumelle and lowered input costs for production at Barbosa.



94  
Thousands

MTCO<sub>2</sub> reduction from our alternative-energy and energy-conservation efforts

13,280  
Thousands

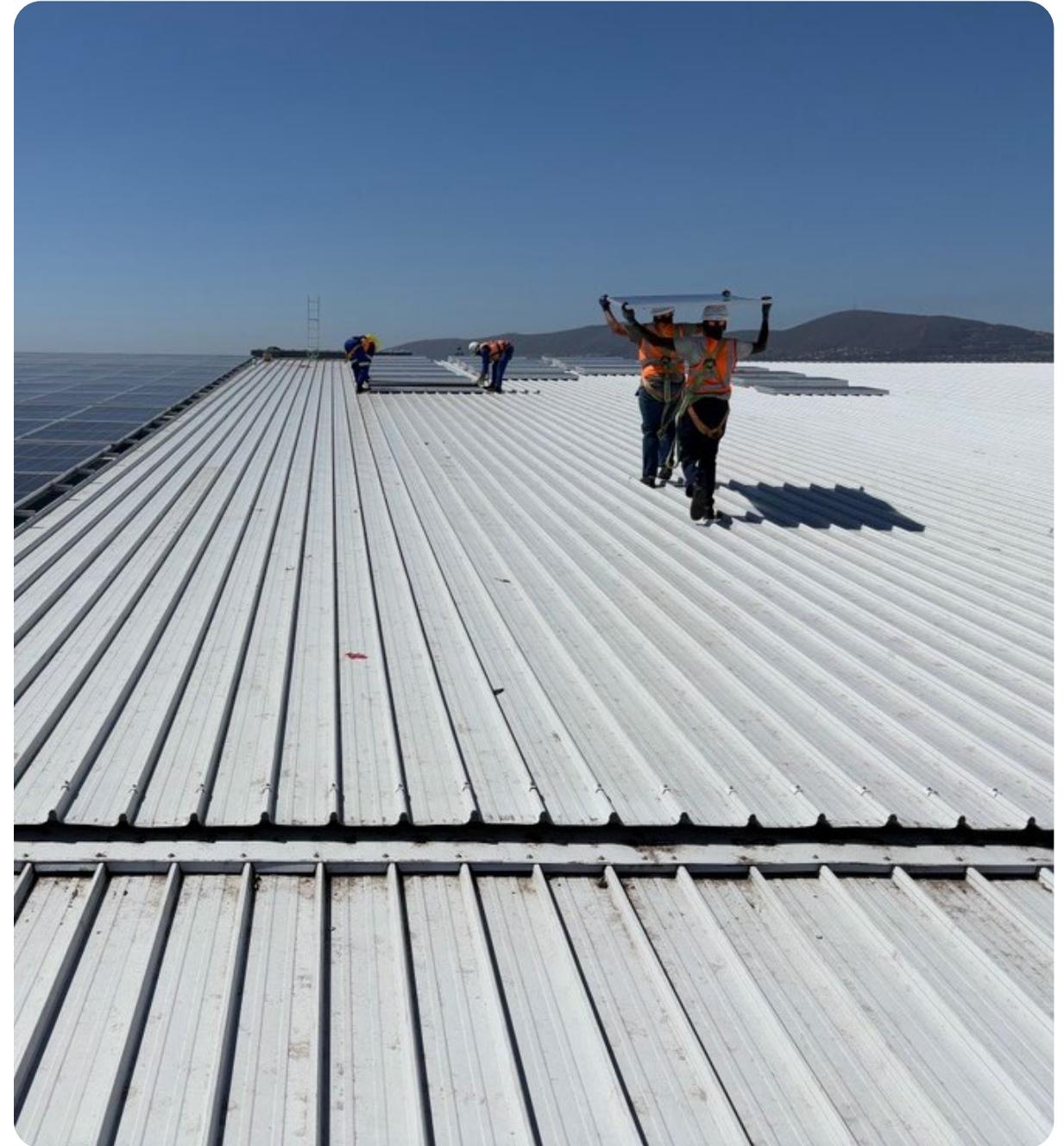
MTCO<sub>2</sub> FY 2024 Scope 1, 2, and 3 total emissions

# GHG Emissions & Energy Management

We remain focused on reducing our greenhouse gas (GHG) emissions, while proactively evaluating and mitigating climate-related risks that could impact our operations. Integrating climate-risk analysis into our business strategy, we expect to enhance supply-chain resilience, comply with evolving regulations, and identify opportunities for more sustainable growth.

Because we believe renewable-energy adoption helps prepare us to be more resilient against supply disruption, rising fuel costs, and/or the potential introduction of carbon pricing from governments, we factor sustainability considerations into energy consumption and procurement practices. Through improving our energy management and access to lower-carbon energy sources, we are realizing financial savings and enhancing the long-term reliability of energy for our business. Our plan involves engaging suppliers to discuss greenhouse gas emissions reduction and promote sustainable forestry practices, reducing reliance on fossil fuel-based plastics, and increasing the use of environmentally preferred fiber, including FSC-certified® virgin fiber, recycled fiber, or sustainable alternative fibers – important actions to help reduce our greenhouse gas emissions and build greater climate resilience throughout our supply chain.

In 2024, Kimberly-Clark achieved a 43.3% absolute reduction in operational Scope 1 and 2 GHG emissions and a 14.3% (energy-efficiency improvement) versus our 2015 baseline. We delivered a GHG emission reduction total of 94,000 MTCO<sub>2</sub>e from our lean energy, energy conservation, and low-carbon energy-solution programs.



GOALS & PROGRESS



# 50% reduction of absolute Scope 1 & 2 GHG emissions from a 2015 base year by 2030

43% against a 50% goal

## Emissions Reduction Plan

We participate in Science Based Targets initiative (SBTi) – approved GHG emissions reduction goals aligned with the Paris Climate Agreement’s principal goal of limiting global temperature rise to well below 2°C above pre-industrial levels.

### Our Pillars – How We Plan to Get There

#### SCOPE 1 AND 2



Driving culture and capabilities to support energy efficiency throughout our operations



Deploying innovative energy conservation projects



Transitioning to lower-carbon energy solutions

#### SCOPE 3 – CATEGORY 1 (PURCHASED GOODS AND SERVICES) & CATEGORY 12 (END-OF-LIFE TREATMENT OF SOLD PRODUCTS)



Fossil fuel – based plastics reduction and alternatives



Fiber mix



Transportation efficiencies and alternative technologies



Sustainable procurement

↓ 20% reduction of absolute Scope 3 GHG emissions from a 2015 base year by 2030<sup>19</sup>:

16%

against 20% goal<sup>20</sup>

<sup>19</sup> Reduction target is focused on emissions from the Greenhouse Gas Protocol’s Scope 3 Category 1 (Purchased Goods and Services) and Category 12 (End of Life Treatment of Sold Products).

<sup>20</sup> Measurement and calculation of Scope 3 GHG emissions continues to be a challenging undertaking, but we have been improving the methodology and accuracy of our emissions data each year. Through ongoing systems enhancement and supplier collaboration engagement, we are continuously improving data quality and are seeking more accurate, innovative, representative emission factors from our largest suppliers.

## Scope 1 & 2 Emissions Reductions Progression

### DRIVING GREATER ENERGY EFFICIENCY THROUGHOUT OUR OPERATIONS WITH LEAN ENERGY

At Kimberly-Clark, we use a lean energy strategy to help foster a culture of energy efficiency at our manufacturing sites. Many of our plants use an integrated energy-management system in their daily accountability processes. We focus on:

- **Operational systems: process improvement and standard changes to deliver efficiencies**
- **Management infrastructure: energy meters and dashboards to aid real-time energy management**
- **Mindsets, behaviors, and capabilities: improvement of training, awareness, and recognition**

We leverage energy metering and real-time energy dashboards to monitor energy consumption; track real-time data against key performance indicators; and drive improvements in standardization, best practice sharing, and implementation speed. Developed through a collaboration between our sustainability and digital manufacturing teams, these dashboards are being developed globally. To further enhance our efforts, we are investing in digital infrastructure and strengthening the capabilities of our cross-functional teams. This approach is meant to build a robust, standardized, scalable foundation integrated with advanced analytics, enabling us to identify new opportunities for energy efficiency and supply-chain enhancements for our facilities and products.

In 2024, we executed more than 40 lean-energy efforts, delivering approximately 10,000 MTCO<sub>2</sub>e in emissions reduction.

### INNOVATIVE CONSERVATION EFFORTS

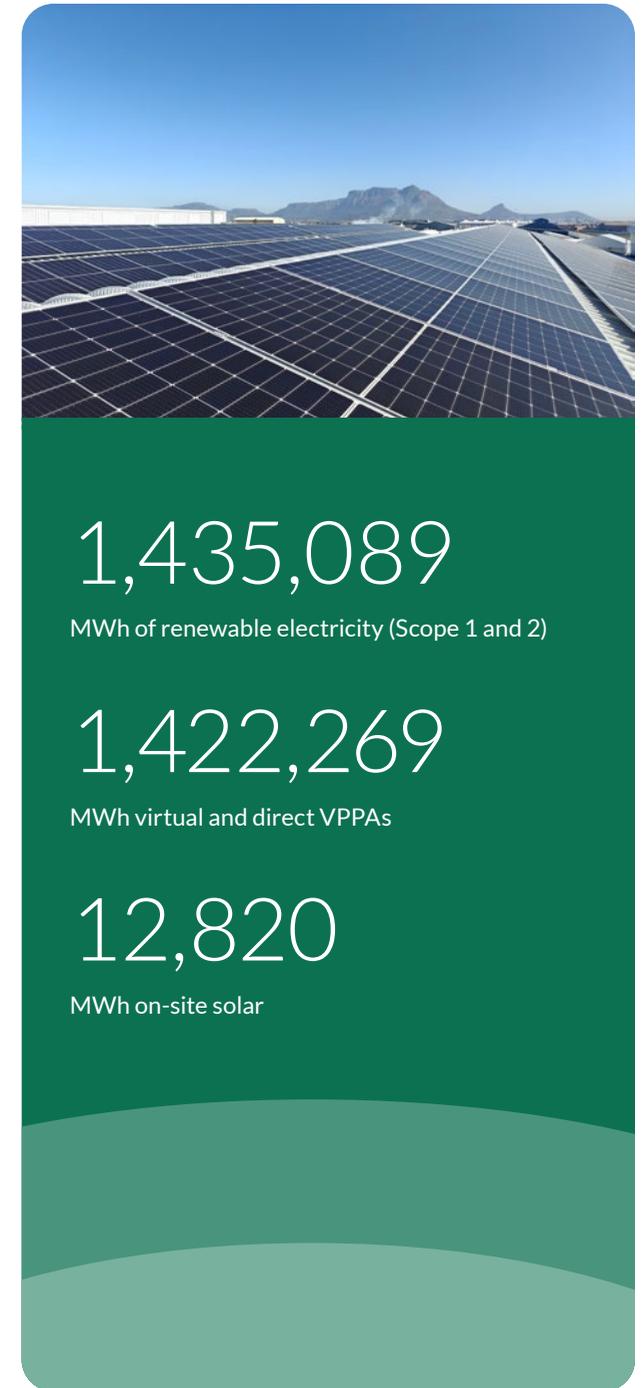
We pursue capital projects that achieve manufacturing cost savings through enhanced energy efficiency and reduced consumption. Our approach involves uncovering opportunities through energy assessments, workshops, best-practices analyses, and benchmarking, all integrated with our lean-energy initiatives. Key examples of our energy-efficiency improvements include installing variable frequency drives; upgrading compressed air systems; optimizing tissue-machine drying and vacuum systems; implementing heat recovery solutions; and enhancing heating, ventilation, and air conditioning (HVAC) systems.

In 2024, more than 130 energy conservation initiatives and building-efficiency improvements were deployed at manufacturing sites around the world, yielding approximately 26,000 MTCO<sub>2</sub>e in GHG emissions reductions.

### LOWER-CARBON ENERGY SOLUTIONS

Our strategy focuses on substantial investment in renewable electricity generation. Through on-site installations and power-purchase agreements (PPAs), we are expanding our solar and wind energy portfolio to support our GHG emissions reduction goal while lowering electricity costs.

We sourced over 1,435,000 megawatt hours (MWh) of renewable electricity in 2024, which represented 39.2% of the total electricity purchased from local grids. In the near-term, we are working toward 100% renewable purchased electricity in North America, surpassing 58.5% renewable purchased electricity in the United Kingdom (U.K.), and continuing to execute renewable projects in Europe, Middle East, and Africa; Asia-Pacific; and Latin America.



## Accelerating Our Transition to Renewable Energy in Europe

Slated to launch in mid 2025, we announced the planned future entry into operation of three new virtual solar power-purchase agreements (VPPAs) in Italy and Spain. Under the VPPAs, according to project forecasts, Kimberly-Clark will purchase 164 GWh of renewable electricity each year, equivalent to over 40% of the total electricity consumed by Kimberly-Clark's Western & Central European production facilities, located in Germany, Spain, Italy, France, and Czechia, virtually powering production of major Kimberly-Clark brands including Kleenex®, Scottex, Scott, WypAll, Page & Hakle®.

## First Kimberly-Clark Tissue Plant on Path to 100% Renewable Energy

As part of our 2030 energy and climate ambitions, our manufacturing site in Koblenz, Germany, has become Kimberly-Clark's first tissue mill globally with a pathway to both fully electrify its heating needs and to purchase renewable energy equivalent to ~100% of its electricity demand. The site hopes to achieve this by 2029. Key upgrades include replacing natural gas boilers and heaters with high-efficiency electric systems, which can help improve energy performance and reduce Scope 1 and 2 emissions. The transition is made possible by a Carbon Contract for Difference grant from the German government, combined with Kimberly-Clark's recently announced multi-country European virtual power purchase agreements.



### SCALING SOLAR FOR A MORE SUSTAINABLE FUTURE

To help us meet our near-term climate goals, our on-site solar program is playing a critical role in our energy-sourcing strategy. Kimberly-Clark unlocked eight on-site solar activations, adding 34 GWh of renewable electricity generation and prepared for an additional 14 sites in 2025. This program is guided by our Kimberly-Clark Solar Standard, which helps ensure robust technical and risk management practices are in place. Notable examples of leadership in this initiative include the Salamanca, Spain, and Epping, South Africa, rooftop solar installations.

### SALAMANCA, SPAIN

Completed in January 2025, the Salamanca plant installed solar panels with a capacity of more than 4.9MW of solar energy. The company expects to avoid the emission of up to 1,750 tons of CO<sub>2</sub> into the atmosphere per year, which is equivalent to supplying approximately 1,900 homes in Spain.

### EPPING, SOUTH AFRICA

In April 2025, we completed the commissioning of solar panels at the Epping plant, which is expected to provide an annual energy production of up to 2,260 MWh per year and save around 2,300 tons of CO<sub>2</sub> emissions each year, equivalent to powering approximately 500 median residential homes in South Africa every year.

# Reducing Emissions Across Our Value Chain

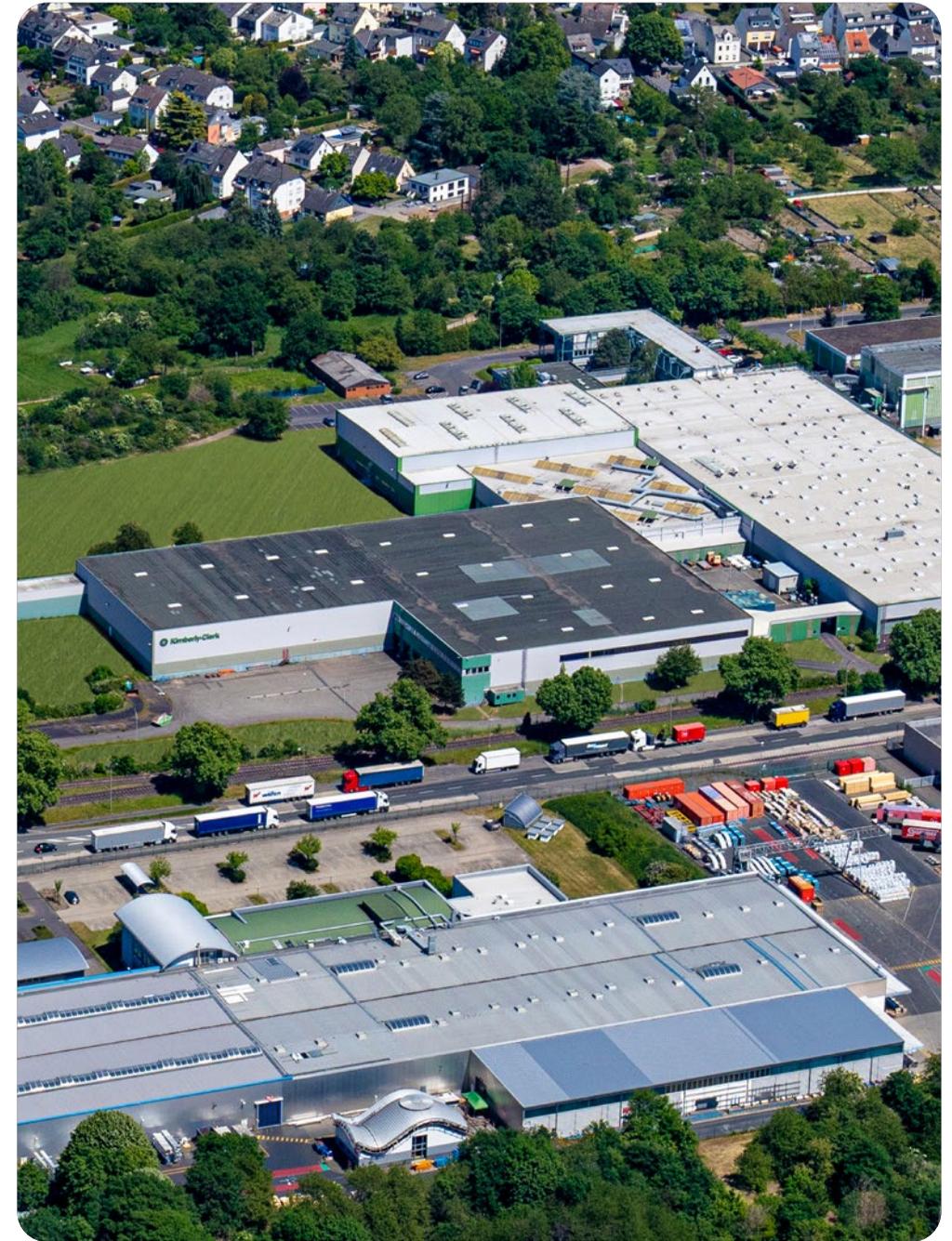
The Scope 3 categories of purchased goods and services and end-of-life treatment of sold products represent over 70% of our value-chain emissions inventory, while logistics represent over 8%.

Our Scope 3 emissions-reduction efforts are also supported by our goals to reduce our reliance on virgin fossil fuel-based plastics while enhancing reusability and recyclability of the plastics we do use, as well as our efforts to use more environmentally preferred fibers. We are committed to understanding the emissions impact of our forests and fiber materials. This past year we allocated resources to refine and understand our land-use emissions with the expectation of continuing our study in 2025 to shape and support our strategic plans.

In 2024, we utilized second-generation fuels like hydrotreated vegetable oil (HVO) and compressed biomethane, derived from waste. We also approved pilot programs to introduce electric vehicle (E.V.) trucks into our supply chain, powered by renewable electricity, which are expected to launch in 2025. In 2024, our North America transport operations piloted electric trucks using renewable energy to support ocean freights movements between our ports and warehouses. We will continue to look for new opportunities in 2025.

We empowered our procurement teams to own and accelerate supplier engagement within our categories as another key lever of our Scope 3 strategy. Our suppliers' carbon-mitigation strategies are increasingly important as we progress in our decarbonizing journey. Our teams conducted benchmark assessments with suppliers and industry peers for sustainability best practices. Topics included engagement, forest, land and agriculture emissions, innovation, and other sustainable practices. This led to key inputs to inform our Scope 3 strategy, tools selection, and process improvements.

Overall in 2024, Kimberly-Clark achieved a 16% absolute reduction in value-chain emissions (Scope 3, Categories 1 and 2) against the 2015 baseline.



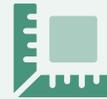
# Scope 3 Strategy

For Scope 3 emissions reduction, we continue to improve data quality from suppliers, while seeking innovative, lower-carbon energy solutions and alternatives. We deploy our Scope 3 strategy around the following pillars:

- Plastics reduction and alternatives
- Fiber mix and alternatives
- Transportation efficiencies and alternative technologies
- Sustainable procurement

## Reducing Carbon Emissions in Logistics and Distribution

In our Europe, Middle East & Africa (EMEA) region, our teams have been working to reduce emissions related to logistics and distribution by focusing on three pillars:



### MEASURE

Collaborating with third-party logistics (3PL) providers to get visibility of logistics emissions, including by transport mode, fuel type, and, in some cases, primary fuel-use data.



### OPTIMIZE

We have increased direct-from-source to customer deliveries (DSC) from 39% to 46% in EMEA, reducing handling and storage at our distribution centers and the distance traveled by trucks.



### SHIFT & INNOVATE

Where relevant, we made a strategic shift toward intermodal distribution for long-distance shipments and building a network capable of supporting electric trucks for shorter lanes.

### Beginning in 2025, we are scaling our learnings from EMEA in our effort to deploy the same consistent approach globally.

Kimberly-Clark has also partnered with the Smart Freight Centre (SFC), an international non-profit organization dedicated to minimizing the environmental impact of freight transportation worldwide. This collaboration leverages SFC's expertise to accelerate the reduction of logistics emissions, aligning with our efforts to drive innovation.



## Collaborating with Suppliers to Help Reduce Scope 3 Emissions

To help reduce Scope 3 emissions, we are collaborating with suppliers to gather data, identify reduction opportunities, and accelerate progress.

In 2024, we partnered with a leading sustainability performance platform to assess our suppliers' sustainability performance and drive Scope 3 reduction. The platform helps assess our suppliers in four key areas: environment, sustainable procurement, labor & human rights, and ethics. With an initial focus on carbon, our procurement teams have begun to leverage the findings to issue supplier corrective actions and help drive positive performance. Our procurement team intends to track performance and actions over time to create data visibility and forecasting. Kimberly-Clark aspires to use supplier primary data to transition from industry-average emission factors to supplier-specific factors. As our suppliers evolve their standards, we aim to do so as well.

## Enhancing Business Travel

In 2024, Kimberly-Clark launched "Thrust Carbon," a business-travel emissions calculator designed to improve the data quality and the accuracy of our business-travel emissions reporting. It is meant to empower our employees to make more environmentally-informed travel-booking decisions, which can impact our Scope 3 performance.

## Piloting Electric Trucking in Czechia

In 2024, we developed a pilot program for battery-electric vehicles (BEVs) in Czechia as part of our efforts toward logistics that are less reliant on diesel. The pilot operates a Volvo FH 42 Tractor Electric AERO, managed by Maersk, between the Jaromer Mill and Dobrenice Warehouse, a 36-kilometer (km) route with 150 full truckloads per month.

The truck completes multiple daily round trips, supported by a 120kW, fast direct current charger installed at the Jaromer Mill. The truck's 540kWh battery provides a range of up to 300 km, with overnight charging and daytime top-ups during loading and unloading, to help reduce and avoid range anxiety for drivers.

Launched in early 2025, this pilot allows us to gather valuable real-world data on factors like ambient temperature, load weight, and driving style, as well as insights into optimizing efficacy through driver training and battery preconditioning.

## Intermodal Transport and Alternative Fuels

In 2024, our logistics team in the U.K. and Western and Central Europe reduced CO<sub>2</sub>e emissions by 72% through intermodal transport and alternative fuels. Intermodal transport combines multiple modes, such as trucks, trains, and ships, reducing emissions compared to traditional long-haul trucking.

The team also uses second-generation fuels like hydrotreated vegetable oil (HVO) and compressed biomethane, derived from waste rather than raw

materials. HVO is a direct diesel substitute generally requiring no engine modification, while compressed biomethane requires specialized gas-powered engines.

## Reducing Transportation Emissions in North America

In 2024, our North America logistics team partnered with the transportation management and logistics company Breakthrough to measure and manage Scope 3 transportation emissions from our carrier partners. This initiative provides visibility into emissions at both the load and carrier levels, empowering us to identify and implement effective emissions-reduction strategies.

Another key development in 2024 includes the first use of Compressed Natural Gas (CNG) with our in-network carrier. We plan to enhance processes and reporting capabilities for this alternative fuel. Through CNG use, we have reduced load-level emissions by approximately 22kg CO<sub>2</sub>e in 2024. The data has also highlighted an opportunity to shift one of our dedicated fleets from diesel to renewable natural gas, which was in place by March 2025.

## Logistics Innovation

Latin America's Green Optimus initiatives are helping drive CO<sub>2</sub>e reduction by better optimizing logistics and incorporating alternative fuels. We have streamlined operations by increasing truck utilization, simplifying shipping routes, and reducing the number of trips required. Additionally, the adoption of trucks powered by alternative fuels has lowered our carbon footprint.



# Climate Resilience

To better communicate the potential financial implications related to our value-chain climate risks and opportunities, we have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This assessment has helped us further align our risk-management and strategic-planning processes with the evolving challenges of climate change.

In our [Key Downloads](#), we have provided a summary of our response to the TCFD-recommended disclosures for 2024.<sup>21</sup> Also, see the [Resilience](#) section for more information on our climate strategy.

<sup>21</sup> For more background information regarding our risk-management and strategic-planning process, see our TCFD-aligned disclosure published in 2021. This can be found on our website at [www.kimberly-clark.com/esg/downloads](http://www.kimberly-clark.com/esg/downloads).



We are seeking to improve our climate resilience in the short-term through:

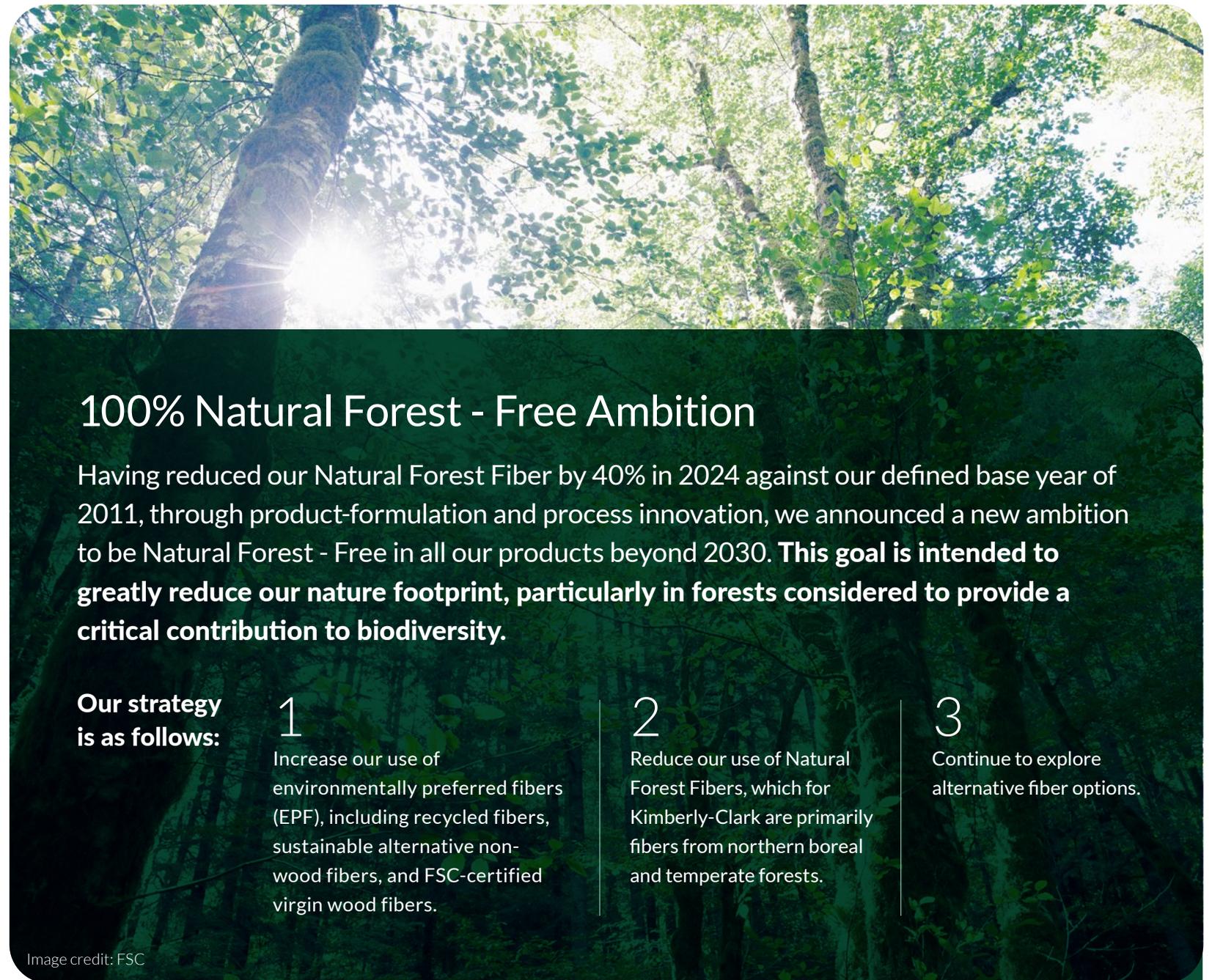
-  Working to identify and bring to market more sustainable alternatives to fossil fuel - based plastics and Natural Forest Fibers
-  Partnering with material and transportation providers to identify more efficient alternatives
-  Advancing global deployment of new renewable-electricity capacity
-  Working with local governments and alternative fuel suppliers on cost-effective solutions (including green hydrogen, renewable natural gas (RNG), electrification, and biomass) to further reduce our facilities' reliance on natural gas

# Responsible Sourcing, Biodiversity, and Forests

With habitat loss posing increasing threats to animal and plant life and increasing regulatory requirements, promoting responsible forest management across our supply chain and safeguarding forest biodiversity remains a focus area to prepare the future for our business.

In 2024, we updated our sourcing policy to address significant issues related to forests, land use, and agriculture, providing a comprehensive framework that helps strengthen our commitment to forest conservation and responsible resource management. Designed to guide our leadership in sustainability, this [Forests, Land and Agriculture Policy](#) lays the foundation for long-term environmental stewardship over the next decade. Specifically, it outlines our four commitments to:

- Sourcing materials from legal sources
- Restricting the sourcing of goods that might contribute to deforestation or natural ecosystem conversion
- Protecting biodiversity and reducing the impacts of natural forest degradation
- Respecting human rights and the rights of indigenous peoples



## 100% Natural Forest - Free Ambition

Having reduced our Natural Forest Fiber by 40% in 2024 against our defined base year of 2011, through product-formulation and process innovation, we announced a new ambition to be Natural Forest - Free in all our products beyond 2030. **This goal is intended to greatly reduce our nature footprint, particularly in forests considered to provide a critical contribution to biodiversity.**

**Our strategy is as follows:**

- 1** Increase our use of environmentally preferred fibers (EPF), including recycled fibers, sustainable alternative non-wood fibers, and FSC-certified virgin wood fibers.
- 2** Reduce our use of Natural Forest Fibers, which for Kimberly-Clark are primarily fibers from northern boreal and temperate forests.
- 3** Continue to explore alternative fiber options.

Image credit: FSC



# 50% reduction of of our Natural (Northern) Forest Fiber<sup>22</sup> footprint from a 2011 base by 2025

Achieved 40% reduction against 50% target

Kimberly-Clark’s ambition is to be Natural Forest – Free beyond 2030 while achieving a 50% reduction in purchases from natural forests by 2025 and unlocking the power of the world’s forests to help solve climate and biodiversity challenges.

**SOURCE 90% OF OUR TISSUE FIBER FROM ENVIRONMENTALLY PREFERRED SOURCES<sup>23</sup>**, which include recycled fiber, sustainable alternative non-wood fibers, and Forest Stewardship Council® (FSC®) - certified virgin wood fibers

93%

ACHIEVED IN 2024



(maintained achievement for the second consecutive year)

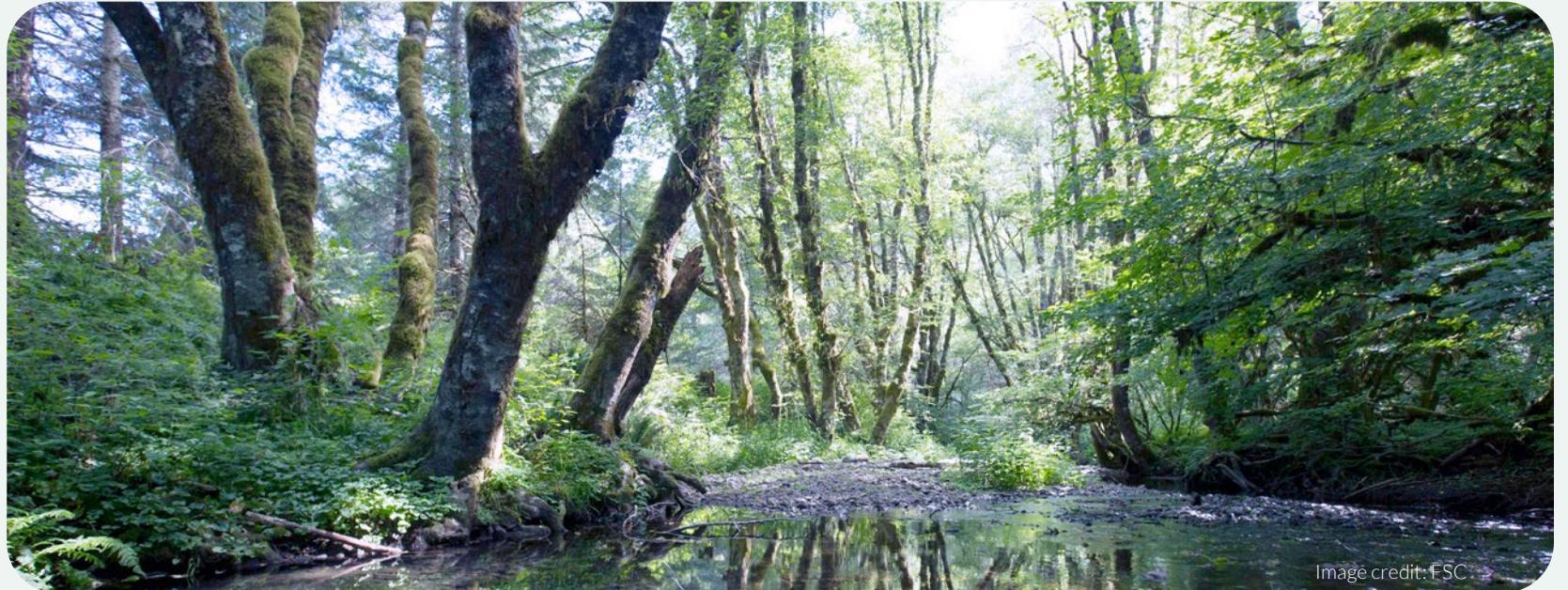


Image credit: FSC

<sup>22</sup> In our sustainability reporting, use of the term Natural Forest Fiber refers to fiber from northern boreal or temperate spruce, pine, and fir forests that are primarily naturally regenerating and contain key elements of native ecosystems, including wildlife and biological diversity. This excludes plantation-grown or planted forests.

<sup>23</sup> Environmentally preferred fibers include FSC certified virgin fiber, recycled fiber, and sustainable alternative non-wood fibers.



## EMPOWERING CONSERVATION AND EDUCATION IN BRAZIL

In 2024, our environmental conservation education project engaged nearly 1,300 children through activities focused on improving the water cycle, biodiversity, waste management, and recycling. Specifically, the conservation initiative sponsored the preservation of the Atlantic Forest, one of Brazil's most endangered biomes.

We also funded research for four students for one year, enabling them to study local flora and fauna, which contributes to a growing database that documents endangered species. Since initial funding in 2018, we have funded the research for more than 19 students and have published 11 scientific papers, helping advance conservation knowledge.

## Responsible Forest Management

In 2024, we monitored the expected European Union Deforestation Regulation (EUDR) closely to determine its applicability to Kimberly-Clark and to develop plans to address its requirements. This included evaluating our relevant supplier networks for compliance with the regulation's requirements and revising our global forests, land, and agriculture due-diligence frameworks to support the incremental requirements for location-based traceability of relevant commodities and products. We will share more at the appropriate time.

In 2024, we were able to achieve a 40% reduction in our use of Natural Forest Fiber compared to a 2011 baseline. Through innovative product formulation changes and expanded use of process changes, we achieved additional reductions in use of Natural Forest Fiber. Our teams in North America, Europe, and Asia have embraced the challenge by applying their technical capabilities and proprietary know-how to the tissue-manufacturing process to enable fiber substitutions without compromising product strength, softness, or performance.

We have a dedicated business team focused on developing more sustainable solutions for our product portfolio. Serving as a center of excellence for research & development (R&D) and commercialization, this team is driving the exploration of next-generation alternative fiber sources and innovative technical solutions. Over the past decade, our research team has explored an extensive array of alternative fiber options, investing more than \$47 million in developing more sustainable products. In the years ahead, we aim to deliver high-quality sustainable products that meet our consumer needs while advancing our commitment to reducing reliance on Natural Forest Fiber. As we work to help innovate the future of sustainable alternative non-wood fibers, we are working to confirm that, at scale, they are environmentally and

socially preferable to other virgin wood fiber sources, that they do not lead to loss of necessary food crops, and that they support our commitment to prevent natural ecosystem conversion.

In 2024, Kimberly-Clark kept pace with our 2025 goal of sourcing 90% of our fiber for tissue from Environmentally Preferred Fiber sources, including FSC-certified virgin fiber, recycled fiber, and sustainable alternative fibers. We believe FSC certification represents the most rigorous standard for the responsible management of the world's forests, which is why FSC-certified virgin fiber is the only virgin fiber we consider to be an environmentally preferred fiber. As we continued our progress, we have increased our purchases of FSC-certified virgin wood fiber to 77% of our total virgin fiber purchases, including fluff pulp, with recycled fiber continuing to be an important part of our fiber strategy.

We believe our efforts to increase environmentally preferred fiber helps protect forest biodiversity and further Kimberly-Clark's commitment to fight deforestation and forest degradation. During 2024, we provided support to the World Wildlife Fund for its project to develop a science-based map of primary forests in Canada that could address multiple needs, including helping any company understand potential impacts associated with sourcing in the country. When completed, this map is intended to complement other spatial analysis tools to understand sourcing overlap with intact forest landscapes, critical habitats, and indigenous communities.

We prioritize understanding the environmental practices of our suppliers when sourcing our wood fiber. To identify risks within our supply chain, we utilize national risk assessments and spatial-data sources to identify risks for forest degradation, deforestation, and illegal harvesting. This data informs our sourcing decisions, helping us minimize environmental impact by excluding higher-impact suppliers from our supply chain.

## Palm Oil Derivatives

While Kimberly-Clark does not directly purchase palm oil or palm kernel oil, some of the ingredients we use are derived from palm oil sources. In 2020, we joined the Roundtable on Sustainable Palm Oil (RSPO) to support responsible sourcing practices. Since then, we have achieved RSPO chain-of-custody certification at two operating sites. For more details on our RSPO certification implementation, see our [RSPO Profile](#).

## Responsible Fiber Sourcing

Since 2022, Kimberly-Clark has provided funding for FSC-conservation projects in Canada, including projects aimed at enhancing habitat protection for boreal caribou, supporting the effective implementation of the National Forest Stewardship Standard (NFSS) across Canada, and improving guidance to forest managers on key indicators related to caribou-habitat conservation.



# Waste Management

We are dedicated to reducing, reusing, and recycling waste streams from our facilities. Recognizing the value of the materials in our product and packaging, we strive to find secondary beneficial uses of the waste, while continuing our work to minimize waste generation.

Our teams are expected to prioritize more sustainable, cost-effective solutions to divert landfill-bound waste toward more productive uses. Our ultimate goal is to achieve zero waste to landfills across our operations, including manufacturing facilities, offices, warehouses, and distribution centers.<sup>24</sup> At the local level, we typically monitor waste streams by analyzing their composition, quantity, consistency, and handling practices. This measurement process helps us assess risks and uncover opportunities for a secondary beneficial use for hard-to-divert waste streams.

In 2024, Kimberly-Clark diverted 97% of our manufacturing waste from landfills, globally. This improvement was driven primarily by the Loudon Mill in Tennessee. The Loudon team collaborated with local landfill providers and pursued additional recycling opportunities to close a gap for residual short fiber, which is material left over after the wastewater treatment process used in paper production and the processing of recycled paper. This improved their landfill diversion by 45.6% versus the prior year.

As part of our efforts to divert waste from landfills, we seek high-value opportunities while carefully managing potential environmental risks. Although hazardous waste represents a small portion of our overall manufacturing waste, we have programs in place in several sites to support its proper disposal in compliance with regulatory requirements.

<sup>24</sup> This excludes major construction and demolition debris as well as regulated or mandated disposal methods.



## ZERO WASTE ACHIEVEMENT IN ASIA-PACIFIC

In 2024, 96% of our plants in Asia-Pacific diverted 100% of their manufacturing waste from landfills.





# Water Management

We believe water scarcity and insecurity are global challenges impacting billions of people. Helping preserve water resources is a high priority, particularly in high water-stress areas in which our operations are located. While water is essential to our operations and an input to our tissue manufacturing, the majority of our products are dry goods, and water is used only for processing. As a result, we try to concentrate our efforts on areas in which we believe we can have the biggest impact. In 2024, Kimberly-Clark achieved a 55% reduction of water withdrawal in our manufacturing sites located in water-stressed areas against our 2015 baseline, exceeding our aggregated 2030 water-footprint goal ahead of plan.

Achieved 55% reduction against 50% target

## GOALS & PROGRESS

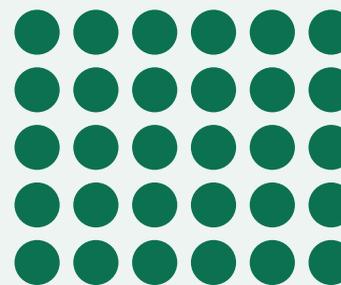
**REDUCE THE WATER FOOTPRINT OF OUR MILLS IN WATER-STRESSED<sup>25</sup> AREAS**  
by 50% by 2030 from a 2015 base year

55%

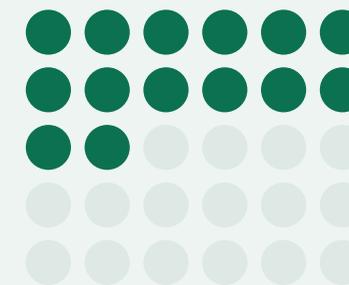
ACHIEVED IN 2024



**CONDUCT 30 STAKEHOLDER ENGAGEMENTS**  
in water-stressed regions that result in improved access to fresh water by 2030



**2024 PROGRESS: ONE NEW STAKEHOLDER ENGAGEMENTS CONDUCTED**  
Total 14/30 total engagement conducted since 2019



<sup>25</sup> "Water stress" refers to the ability, or lack thereof, to meet human and ecological demand for water. Compared to scarcity, water stress is a more inclusive and broader concept. It considers several physical aspects related to water resources, including water scarcity, but also water quality, environmental flows, and the accessibility of water. We use the World Resources Institute Aqueduct water tool to identify the regions of water stress.





### AN INNOVATIVE WATER-SAVING PROJECT AT OUR BEIJING FEMININE-CARE PLANT

In 2024, the Beijing plant stood out among 110 participating companies in the Beijing Enterprise Green Performance Evaluation and became one of the first 13 companies to enter the "Beijing Green Enterprise Library."

The Beijing plant has also reimplemented measures such as renovating the circulating pipeline for shower water to control water waste caused by temperature changes, reusing air conditioning condensate water for cooling-tower replenishment, adding a total valve for green water use to prevent water leakage from branch pipes, and conducting daily water inspections to promptly repair water leaks.

As a result, the site's water usage has decreased by 5,420 m<sup>3</sup> — a 25% reduction compared to 2022.

### ADVANCING SUSTAINABLE WATER MANAGEMENT

The Beech Island Mill reimplemented an innovative wastewater treatment system that recycles a portion of its effluent flow back into production processes, significantly reducing the volume of water withdrawn from the local river. This "long-loop recycle" system improved the plant's water efficiency by 12 m<sup>3</sup>/BDMT versus prior year 2023.

### REDUCING WATER CONSUMPTION AT OUR ENSTRA MILL

Communities across South Africa consistently face water scarcity challenges. Our Enstra Mill has made it a priority to help mitigate this issue. In December 2023, the mill's process-engineering, maintenance, and operations teams launched an initiative to reduce freshwater withdrawals. Through targeted investments, they installed and optimized a polishing filter to improve effluent water quality, enable reuse, shorten water loops, revitalize the water-filtration plant, and recycle water discharge back into the production process. A real-time dashboard was also implemented to track and troubleshoot water usage in real time.

As a result of these efforts, we reduced our freshwater usage — from approximately 631,600 m<sup>3</sup> in 2023 to approximately 475,400 m<sup>3</sup> in 2024, saving over 156,000 m<sup>3</sup>. This savings is equivalent to 62 Olympic-size swimming pools. With plans for further improvements in 2025, the Enstra Mill continues to demonstrate its commitment to purposeful water management.

## Water-Risk Management

Continued pressures, including overconsumption driven by rapid population growth, water source contamination, and worsening droughts, have led to water scarcity in many regions of the world, including some where we have operations. Beyond the impact on people and communities, water scarcity poses risks such as mandated water restrictions, higher operating costs, and the need for additional treatment processes. However, if water is carefully managed by all stakeholders who depend on a watershed, we believe we can help mitigate these risks.

In the intermediate-term, we aim to achieve sustainable water use at our manufacturing facilities in water-stressed regions, prioritizing the most severely impacted regions and focusing on those aspects of our operations that are the most water-intensive. In 2023, we conducted an updated risk assessment of our direct operational facilities — using publicly available tools such as WRI Aqueduct — to determine which are critically water stressed. In October 2024, we built on this work by partnering with a subject-matter expert to complete a local-level Water Stress Assessment (WSA) for each site located in an area newly indicating water stress. The results of the WSA indicated four manufacturing sites, one in North America and three in Asia, that will be incorporated into our 50% water footprint - reduction goal in 2025. Identifying these risks is the first step in taking action to address water challenges and, going forward, we will implement site-specific targets and actions with the aim to reduce their water footprints.

Our approach to water management at Kimberly-Clark challenges us to manage water risk at our facilities by reducing water withdrawals and implementing wastewater treatment before it is returned to the environment. Our teams apply techniques and tools through (1) water resilience, (2) water efficiency, and (3) water stewardship approaches to operationalize this strategy.

## Water Conservation

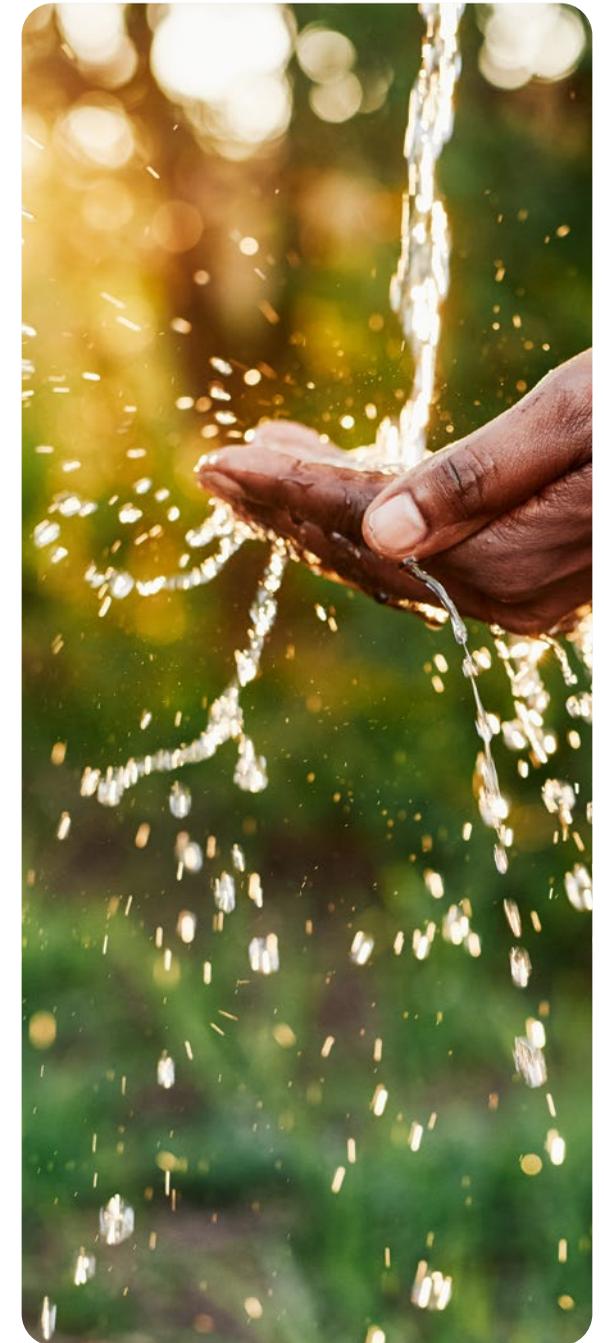
We aim to continue driving improvement in water management systems at each of our manufacturing facilities through investments in metering, dashboards, and real-time visual management tools. These technologies help enable our teams to monitor and manage water use more efficiently. We track overall water withdrawals, water consumption, and water discharge for each Kimberly-Clark operational site, as well as water-use efficiency (m<sup>3</sup>/MT of production) at our sites that have high water use for manufacturing operations.

We believe this is critical to understanding our water use and identifying and prioritizing where to take action.

## Water Stewardship

Our commitment extends beyond our facilities to include active engagement with the communities in which we operate. We focus not just on our own facilities, but on creating greater water security for the entire water basin in which those facilities are located. This includes establishing partnerships with other companies, independent research institutions, NGOs, and industry initiatives supporting water-stewardship investments.

For example, in 2024, our Peru mills in Santa Clara and Puente Piedra met with NGO partner Deltares and the Peruvian National Water Authority to share the results of the WaterLOUPE dashboard and discuss possible actions.



# Better Workplace



With more than 38,000 team members, we are strengthened by the unique qualities that each individual brings to our workplace. We believe our differences create a more dynamic and inclusive environment in which everyone can thrive. These varied perspectives help by not only driving our innovation but also by fostering a deeper connection among our employees and the billions of people we serve every day. This power of our collective team is what makes Kimberly-Clark a great place to work.

## Talent Attraction & Development

We believe attracting, retaining, and developing talent and leadership across the business is essential to driving long-term success. We are committed to building teams that can effectively navigate the ever-evolving landscape in which we operate. Additionally, we actively monitor employee turnover as part of our efforts to foster a supportive and engaging workplace. See our GRI Index in our [Key Downloads](#) for information regarding our global turnover.

We endeavor to prioritize our employees' sense of well-being, professional growth, and financial security by offering comprehensive wellness programs, opportunities for development, and market-based pay and benefits. Guided by our purpose-driven culture, we work to foster an active, engaged, and globally conscious workforce, empowering employees to make a meaningful impact on the lives of billions of people every day.

Our human capital management strategy and programming are overseen by our Chief People Officer. Our Board, through our Management Development and Compensation Committee, maintains ultimate oversight of our talent attraction and development strategy.

### GLOBAL MENTORSHIP PROGRAM

In 2024, we continued our efforts to support talent development across our organization of emerging talent. We launched a global mentorship program to support talent development across our organization. Our mentorship program, THRIVE, pairs mentors with mentees based on the mentor's area of expertise and the mentee's specific area of growth, which builds meaningful connections and help employees reach their professional goals. It is available to all employees.



# Employee Engagement

Our performance and development process supports our purpose-led, performance-driven culture by equipping employees with tools and resources for meaningful performance and career conversations throughout the year. This process facilitates sharing feedback and thoughtful evaluations that acknowledge employee contributions to the business. We encourage leaders to maintain regular, open dialogue with employees to foster a culture of engagement and growth. Additionally, we provide a variety of professional development opportunities to enhance our employees' skills and capabilities, with company reimbursement of educational expenses.

We partner with an external vendor to administer our employee survey, "myVOICE," to gather feedback from employees about their experiences working at Kimberly-Clark. The survey is conducted at least annually and gathers feedback from employees around the world to help understand how they feel about working at Kimberly-Clark.

After survey responses are analyzed and summarized by an external vendor, Kimberly-Clark's enterprise leadership team reviews results and feedback and communicates overall results to employees worldwide. Kimberly-Clark hosts team-leader training sessions and offers resources to help them understand results and implement actions to address identified opportunities on each team that can help enhance their employees' experiences.

Kimberly-Clark is proud to have achieved above-benchmark enterprise employee engagement scores since 2021.

## **INSPIRING THE NEXT GENERATION OF WOMEN IN SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS THROUGH OUR U.K. PARTNERSHIP WITH INNOVATEHER**

In August 2022, Kimberly-Clark U.K. signed a partnership with InnovateHer, a social-enterprise organization focused on advancing

gender equality in technology. This partnership aims to inspire U.K. students and raise aspirations by funding and supporting six local schools.

Through this exciting and important collaboration, Kimberly-Clark U.K. and InnovateHer have connected with more than 2,800 students in 2024. Colleagues across Kimberly-Clark U.K. have engaged with schools across the country. From career talks and careers fairs to community learning and sharing personal stories, colleagues have shared their expertise and knowledge to inspire the manufacturing talent of the future.

## **ELEVATING OUR NEW HIRE EXPERIENCE THROUGH "POWERING UP!"**

To help our new hires to get connected to our purpose, culture, and business, we launched "Powering Up!" in North America during the second half of 2024. The platform features live sessions about our history, culture, brands, supply chain, career growth, and guidance on how to build connections. This new-hire experience, available to salaried employees below the Vice President level, is expected to expand over the next year across our global operations.



# Inclusion & Belonging

Creating a sense of belonging strengthens our organization as a whole. We approach inclusion and belonging by harnessing the power of our collective team and focusing on our workforce, workplace, and marketplace. Through various programs, we strive to build a culture that reflects the broad spectrum of experiences and perspectives of the consumers we serve. We value diverse perspectives as essential to innovation and success.

We regularly review our practices and work to be a more inclusive workplace that reflects a wide range of experiences and perspectives. Oversight of the inclusion and belonging strategy and programs at Kimberly-Clark lies with our VP, Talent Management, Belonging, and Inclusion, and our strategy is reviewed by the Management Development and Compensation Committee of the Board of Directors.

Our [EEO-1 report](#), which is a U.S.-mandatory annual data collection that requires all private-sector employers with 100 or more employees to submit demographic workforce data, including data by race/ethnicity, gender, and job categories, is available on our [Key Downloads](#) section of our website.

We strive to recognize universal human rights on a global basis. For more details, see our [Respectful Workplace Policy](#) and [Human Rights Policy](#).



## Strategy

At Kimberly-Clark, we approach inclusion and belonging as a business strategy to solve for business imperatives and organizational challenges. We have one global framework with three strategic focus areas: Workforce, Workplace, and Marketplace. The framework leverages consumer insights and research and development, as well as aligns specific programs to business needs to drive meaningful progress.



Our Workforce focus area is centered on attracting, retaining, and growing the best talent to progress our strategies, business results, and employer brand. Our business benefits from an inclusive workforce that encompasses the wide variety of experiences and perspectives reflected in the consumers we serve.



Our Workplace focus area is centered on embedding inclusion and belonging into our culture and consciously promoting inclusion to foster a sense of belonging for all. We believe that inclusion is a choice — one that we must make every day to make our purpose-led, performance-driven culture stronger, foster the full potential of each person, enable our ways of working, and reflect our consumer needs across our business.



Our Marketplace focus area is centered on promoting and supporting initiatives that create community, leverage leadership, empower employee involvement, and accelerate action. We believe that the benefits of an inclusion and belonging strategy help attract the best talent, drive innovation with our products, amplify our corporate brand, and enhance our social impact to ensure we deliver on our purpose.

## GLOBAL INCLUSION WEEK

We held our third annual Global Inclusion Week in October 2024, engaging more than 4,000 employees in more than 58 countries over three days to activate a culture of inclusion. Our inclusion week aimed to cultivate workplaces, communities, and experiences in which inclusion thrives. Employees explored topics including fostering belonging in times of transition and cultural dexterity.

## EMPLOYEE RESOURCE GROUPS

We offer all employees, regardless of affiliation, the opportunity to join Employee Resource Groups (ERGs). These groups, available to all employees, foster professional development, social connectivity, inclusion, and belonging throughout our company. In addition to amplifying our inclusion and belonging efforts, our ERGs promote career development by allowing all employees to connect with and learn from one another.

In 2024, we launched our newest ERG, Emerging Professionals (EMERGE), aimed at providing an inclusive community to retain and support emerging professionals at Kimberly-Clark through opportunities to connect, collaborate, and grow personally and professionally.

## MILL INCLUSION CIRCLES

To help drive front-line engagement, we have adopted mill inclusion circles across our North America facilities to encourage embedding Employee Resource Groups (ERGs) within our manufacturing facilities. With this initiative, we also aim to not only foster employee engagement, but to strengthen connections within our communities and build inclusive leadership capabilities.



# Compensation & Benefits

At Kimberly-Clark, we offer market-based pay and benefits to our employees and recognize excellence and performance. To support our employees' overall well-being and promote a healthy work-life balance, we offer compensation and benefits programs aligned to the current market across all our geographies.

We provide compensation through our salary, annual incentive and long-term incentive programs, and robust benefits packages that promote employee well-being. Eligible employees are compensated for their contributions to our goals with both short-term cash incentives and long-term equity-based incentives. We also provide a variety of resources and services to help our employees plan for retirement. We believe the structure of our compensation packages provides the appropriate incentives to attract, retain, and motivate our employees.

Benefits vary between countries and regions and include time off and leave policies that promote the health and well-being of our employees and their families. Kimberly-Clark evaluates benefits on an ongoing basis to promote the well-being of our employees guided by the following pillars:



## PHYSICAL

We work to maintain a safe environment and offer programs and tools intended to help employees lead a healthy lifestyle suited to themselves and their families.



## EMOTIONAL

We offer opportunities and resources to support employees' emotional health and seek to provide the psychological safety to ask for help.



## FINANCIAL

We offer tools and benefits to help employees achieve their financial health objectives and grow their financial literacy.



## SOCIAL

We work to promote a culture where employees belong, fostering connections in an environment based on trust.

## GLOBAL BONUS PROGRAM

At Kimberly-Clark, we deliver Better Care for a Better World through our performance-driven culture, and that means we play to win and generate business results together. To help design compensation programs that empower our employees to achieve our priorities, we introduced a new Global Bonus Program (GBP) in 2024. The GBP is an annual bonus program designed to reward salaried employees' performance and contributions to the business, modernizing our Total Rewards practices and helping our employees understand their rewards.

## FOCUSING ON WELL-BEING

In 2024, we made significant progress in supporting our employees' well-being. We rolled out an internationally consistent Employee Assistance Program (EAP), accessible to all employees, with more than 3,500 employees participating in orientation sessions. June 2024 marked the launch of our Global Thrive Well-Being Hub, offering comprehensive resources for holistic well-being. To celebrate Global Mental Health Day, we conducted a keynote speaker webinar and a series of well-being sessions on topics like positive visualization, cultivating a positive outlook, and achieving financial fitness, which attracted more than 3,100 participants.

# Human Rights & Social Compliance

We believe that every worker deserves to be treated with respect and in accordance with our workplace and human-rights standards. We are dedicated to fostering a culture of integrity that empowers our employees to embody these values and promote a workplace in which all are treated with respect.

Our [Human Rights Policy](#) and [Code of Conduct](#) establish Kimberly-Clark's ethical expectations, creating accountability across key issue areas. In 2024, we published a refreshed Human Rights Policy based on emerging human-rights and regulatory developments to better reflect the needs of the communities in which we operate, including reinforcing our commitments to continue to work to eliminate forced labor and child labor and to avoid excessive working hours for our employees. We have designed this policy to align with international human rights standards, including the United Nations' (UN) Guiding Principles on Business and Human Rights, the UN Global Compact, the UN Universal Declaration on Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, as well as standards in other initiatives to which we subscribe, including the Ethical Trading Initiative Base Code (ETI Base Code).

Our ethical expectations also extend beyond our corporate walls to encompass our suppliers' employees and workplaces, as communicated through our [Supplier Code of Conduct](#), our [Supplier Social Compliance Standards](#), and our annual [Modern Slavery Disclosure](#). The objective of our various policies and standards is to proactively manage human-rights risks across our supply chain. We believe that by holding ourselves and our suppliers accountable, we help to promote safe, fair, and

equitable working conditions for hundreds of thousands of workers in our supply chain. Centered on our values, these standards are an extension of our expectations of our own people and are aligned with principles such as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

#### At Kimberly-Clark, we have systems in place to help us:

- Identify and monitor potential human-rights risks in our operations and supply chain
- Mitigate the risk of modern slavery occurring in our operations and supply chain
- Provide access to grievance mechanisms to allow for reporting without fear of retaliation

We have a Responsible Sourcing Steering Committee that includes senior representatives from our sustainability, procurement, external-contract manufacturing, legal, and human resources functions, as well as from our business segment organizations. The Committee typically meets quarterly to monitor current standards and oversees the activation of programs focused on compliance with regulatory requirements and Kimberly-Clark policies and standards, as well as identify and address emerging human-rights issues and escalations.



## Issues Management & Mitigation

Consistent with the United Nations Guiding Principles on Business and Human Rights, we believe that working to improve performance is important to enabling the sustainable change that benefits workers, the environment, and our business. We strive to foster a culture of integrity and one that challenges us to continue improving our programs and practices. Around the world, there is a growing understanding of human-rights risks in supply chains, particularly related to issues of forced labor. As a result, we have continued to enhance and improve our programs, processes, and governance in an effort to manage and mitigate these issues. Employees, business partners, and others can report any ethical concerns, including human rights concerns, through Kimberly-Clark's Code of Conduct HelpLine. Reports can be made anonymously where permitted by law and are subject to our nonretaliation policy.

## Programs & Processes Auditing

To promote compliance with our standards for social and environmental performance by our manufacturing facilities and key suppliers, we engage third-party auditors to conduct production-site assessments. These assessments measure compliance across key issue areas including child labor, forced labor, discrimination, workplace health and safety, and business integrity.

Our audit program assesses approximately 180 facilities annually in high-risk geographies and industries, helping us identify noncompliance and drive improvements in working conditions.

If a supplier is found to be noncompliant with our Human Rights Policy and Social Compliance Standards, it is our policy to engage with the supplier to develop a corrective action plan. Depending on the concerns raised, corrective actions might include supplier investments in infrastructure, equipment, or training; development of new policies or procedures; or provision of remedy for affected workers. If needed, we might provide support to the supplier by sharing best-practice examples, connecting them with consultants, or encouraging engagement with human rights

experts. We have processes to track the status (including completion) of the agreed corrective action plans through evidence provided by the supplier and/or through a follow-up audit.

## Awareness Promotion Through Training

In 2024, we launched an annual training program to provide awareness of human trafficking and forced labor for employees and managers with direct responsibility for our supply chain, including procurement buyers and manufacturing-site management teams. The training includes awareness of human-rights issues and a focus on forced-labor risks more specifically. Through our procurement learning and development curriculum, we also offer social-responsibility training content that includes coverage of human-rights risks in supply chains. Finally, we incorporated training on forced-labor risks into our 2024 Code of Conduct training, which was delivered to all non-production employees.

We are a member of AIM-PROGRESS, which is an ongoing collaborative effort to build responsible sourcing and human-rights capability among consumer-packaged goods companies. Through our membership in organizations like AIM-PROGRESS, we continue to seek to build supplier knowledge and capabilities on human-rights issues.

## Labor Rights

Kimberly-Clark maintains a strong commitment to respect basic worker rights and to promote responsible corporate conduct throughout its global operations.

We respect our employees' right to freedom of association, including the right to independently decide if they want collective bargaining through representatives of their own choosing, the right to engage in other protected group activities, and the right to refrain from such activities. This commitment is demonstrated in our Human Rights Policy.

For more information on the percentage of active workforce under collective bargaining agreements, see our GRI Index in our [Key Downloads](#).



# Occupational Health & Safety

Kimberly-Clark maintains an Occupational Safety and Hygiene Policy to ground our commitment to the safety of our employees, contractors, and visitors and to drive toward the elimination of occupational injuries, illnesses, disabilities, and fatalities.

In addition, our Supplier Social Compliance Standards include requirements associated with health and safety, which we verify via our supply-chain human-rights audit program. See the [Human Rights and Social Compliance](#) section of this report for more information.

Our occupational health and safety strategy is structured around three main pillars, which are also aligned with our environmental management strategy:

## 1 IMPROVING MINDSETS, BEHAVIORS, AND CAPABILITIES

In 2024, we continued to advance our Safety Leadership Curriculum, enrolling nearly 80 plant leaders in the organization to upskill their knowledge for identifying and addressing some of their sites' safety challenges. Additionally, our regions and business units continued with peer-to-peer observation processes and safer workplace initiatives to drive safety knowledge and behavior through to our front-line operations employees.

## 2 REDUCING RISK AND PROMOTING COMPLIANCE WITH RELEVANT STANDARDS AND REGULATIONS

At Kimberly-Clark, we are focused on driving reduction in health and safety risks with a focus on high-severity risks with the potential to cause permanently disabling injuries or fatalities. Risk severity is defined by our formal risk-assessment process, which we are enhancing in 2025 to further enable a globally consistent approach across EHS.

## 3 MANAGING EHS SYSTEMATICALLY VIA THE KIMBERLY-CLARK EHS MANAGEMENT SYSTEM

We utilize EHS work processes to measure, control, and reinforce EHS standards across our operations, including identifying and reporting EHS events and gaps and deploying corrective and preventive actions in response.

See the [Environmental Management](#) section of this report for details regarding our EHS Management System, EHS training, auditing processes, and governance.

## A Balanced Scorecard Approach

While reporting and tracking safety events and incidents at our sites helps track performance, we believe safety must also be managed with a preventative approach. In furtherance of our efforts, we continue to assess how to continue building more proactive safety-management elements into our processes.

Our Total Recordable Incident Rate (TRIR), which is aligned with the U.S.-based Occupational Safety and Health Administration (OSHA) recordkeeping and recording criteria definition, continues to provide a useful indicator of the effectiveness of our improvement efforts, as well as an external benchmarking measure. For additional TRIR details, see our GRI Index in our [Key Downloads](#).



## HSIN YING MILL IN TAIWAN SETS THE STANDARD IN WORKPLACE SAFETY EXCELLENCE

The Hsin Ying Mill in Taiwan has been honored with the prestigious National Occupation Safety and Hygiene Award. Presented by the Ministry of Labor, this award recognizes employers that excel in creating safe, hazard-free, and hygienic workplaces. Achieving such a distinguished honor requires months of evaluation, including comprehensive document reviews, on-site audits, and panel interviews.

# Better Society



# Better Society

We strive to embody our purpose to deliver Better Care for a Better World through our enterprise strategy while leveraging the strengths and capabilities of our brands. Our biggest impact initiatives are focused in three key areas: the empowerment of women and girls, access to sanitation, and maternal and child health. In 2024, we demonstrated our commitment to these three focus areas through strategic charitable investments, brand-led initiatives, product donations, and employee engagement in volunteerism and charitable giving.

## GOALS & PROGRESS



Advance the well-being of one billion people

in vulnerable and underserved<sup>26</sup> communities by 2030

311M lives impacted since 2015

## LIVES IMPACTED IN 2024

120M

## K-C FOUNDATION DONATED MORE THAN

\$13.8M

in philanthropic grants in 25 countries in 2024



Championing women's and girls' empowerment, promoting maternal and child health, and supporting access to sanitation is central to our purpose. We see on a daily basis how our initiatives are helping foster strong communities and create a more sustainable future.

Katy Chen

President, International Personal Care



<sup>26</sup> We identify "underserved" populations based on (1) inability to pay for existing product, (2) inadequate access to distribution, (3) underdeveloped waste-management infrastructure, or (4) other disparities, such as lack of education, social stigmas, etc.

# Key Areas of Impact

At Kimberly-Clark, we are focused on driving meaningful change in three key areas of impact.



## Empowering Women and Girls

As a provider of feminine care products, we are passionate about empowering women and girls. Our programs aim to open doors for women and girls by fighting period stigmas, educating about menstrual health and incontinence management, and promoting greater access to menstrual-hygiene products.

For International Women’s Day 2024, Kimberly-Clark’s Kotex brand launched an initiative to drive awareness and systemic change around women’s progress. Kotex launched the #ProgressFeelsLike effort to encourage women around the world to have a voice and share their view of what progress is like in their daily lives and in the world around them. Additionally, Kotex celebrated Kimberly-Clark’s nonprofit partners, such as Plan International and Girl Up, and announced a new partnership with She’s the First to support their mission that “every girl, no matter where she is born, deserves to be educated, respected, and heard.”

## Maternal and Child Health

With a focus on Maternal and Child Health, we partner with community-based organizations, maternal-healthcare professionals, and families to deliver innovative products for newborns. This dedication to uncovering insights and delivering solutions helps nurses and families create a better future for babies.

We are the founding partner of the Australian Red Cross initiative Baby Hub, which aims to improve health outcomes for babies and children through greater support and education in one of the most remote communities of Australia, Elcho Island (Galiwin’ku). The Baby Hub offers co-led holistic support from three Aboriginal (Yolngu), part-time staff workers to young mothers, parents, and carers of babies and children, and it provides support to a weekly average of 10 to 15 mothers and babies during high-risk births. In 2024, almost 370 education sessions and approximately 200 separate community engagements were held on pregnancy health. Since 2014, we have strived to grow the program and increase engagement by expanding the provision of food for children and carers, as well as provide job opportunities for local First Nations women.



Image credit: Plan International



Image credit: ©UNICEF/Indonesia/YPPS

## PARTNERING WITH UNICEF TO IMPROVE NEWBORN HEALTH AND EARLY CHILDHOOD DEVELOPMENT IN LATIN AMERICA AND CHINA

Kimberly-Clark and Huggies have been long-time partners with UNICEF, investing in programs to support babies' health and development from birth through childhood. In 2024, our partnership in Latin America helped reach approximately 4.7 million children, families, caregivers, and health professionals across 15 countries in the region.

As part of our collaboration, we launched a video manifesto, "A Life Full of Firsts," which reached more than 1.7 million people on social media. During Children's Month, Brazil led a campaign in collaboration with local pharmacies, raising over \$14,000 to support UNICEF's efforts to help children.

Additionally, we successfully concluded a three-year partnership with UNICEF in China, benefiting an estimated 2.4 million people, including children aged 0–3, parents and caregivers, and healthcare facilities and providers.

## Access to Sanitation

At Kimberly-Clark, we champion a world where all can enjoy access to clean water and sanitation through partnerships that provide resources to communities across the globe, such as our Toilets Change Lives program, which has been running since 2014.

In Indonesia, our Softex brand, through Kimberly-Clark Foundation, has donated \$1 million to UNICEF Indonesia to support programs benefiting girls in Eastern Indonesia by helping them manage their menstruation safely and hygienically. This initiative also aims to provide inclusive access to clean water, sanitation, and hygiene (WASH) facilities for girls and vulnerable groups in the region. In 2024, the project exceeded its initial targets, reaching more than 570 communities and positively impacting nearly 362,000 lives.

## Other Areas of Impact

Additionally, our brands are dedicated to elevating and amplifying health-awareness campaigns that are closely aligned to their purposes and functions, while encouraging consumers to break taboos.

In the U.S., we have been supporting the Prostate Cancer Foundation through our Depend Stand Strong for Men's Health campaign for five years to raise awareness about how prostate cancer treatment can lead to incontinence. For the 2024 campaign, Depend partnered with American football legend Emmitt Smith and sports commentator Ernie Johnson to encourage men to take charge of their health and challenge the stigma surrounding incontinence products.

In the U.K., Andrex has partnered with Bowel Cancer U.K. since 2022, participating in the organization's #GetOnARoll award-winning campaign and printing bowel-cancer information on nearly 100 million packs of Andrex a year. With the aim to break down stigma, Andrex worked with the broadcast network ITV and "Celebrity Big Brother," formulating bespoke ads about toileting. Similarly, in Spain, our Scottex brand joined an initiative by the Spanish Association Against Cancer to raise awareness about colorectal cancer and printed prevention messages on 15 million Scottex toilet paper packs.

# Community Engagement

Fostering a caring culture is integral to our identity. We believe that our community engagement activities strengthen the communities in which we operate, enhance our reputation, bolster our brand as an employer, and drive goodwill among our employees. We continue to be inspired by our employees' commitment to their communities, which is why we are honored to give back and support the communities in which our employees live and work.

Each year, the K-C Foundation's Community Partners program provides \$500 grants to charitable organizations with which U.S. employees or their spouses have volunteered at least 30 hours. U.S. employees can also double their personal donations to qualified charitable organizations through the Foundation's Matching Gifts program. In 2024, the K-C Foundation donated more than \$1.4 million in total to support these initiatives.

During 2024, we introduced LAO Changemakers, a regional employee volunteerism program in Latin America. The program was designed with local NGOs that had activities aligned to our brand purpose and launched initiatives across 11 countries with more than 700 employees participating and reaching more than 15,000 people.

Supporting our communities and employees in times of crisis is also a priority focus for Kimberly-Clark. Following the devastation of Hurricane Helene, particularly for our employees based in Berkeley, North Carolina, and Beech Island, South Carolina, the K-C Foundation established the Kimberly-Clark Employee Care Fund, which awarded up to \$1,000 to U.S. employees impacted by disasters. Additionally, the K-C Foundation matched cash donations to American Red Cross's Helene response, and our brands worked together to donate more than five million products.

In Brazil, we created an emergency-relief fund for the State of Rio Grande do Sul flooding, with Huggies, Intimus®, and Plenitud® brands donating more than 270,000 personal hygiene products, as well as \$100,000 to support local UNICEF efforts.



# Integrity & Accountability



## Business Ethics

At Kimberly-Clark, we believe there is a direct connection between good corporate governance and the long-term success of our business. Our programs and policies around business ethics form a foundational element of our overall corporate governance framework.

Our Code of Conduct (the Code) outlines our ethical principles and compliance standards for our employees, business partners, and others who contribute to our success. The Code is designed as a resource to be consulted regularly, to prompt questions when guidance is needed, and to encourage concerns to be raised. Under our policies, retaliation for raising a question or concern in good faith is never tolerated.

We regularly require our employees to take Code of Conduct training, and new employees are trained on the Code as a standard part of new employee onboarding. Our Code training includes a requirement for each employee to confirm they read and understood the Code and agree to comply with it. This broad employee training regimen is supplemented by more targeted training programs based on factors like role, location, and business activity, as well as leader-led communications regarding operating with integrity and always doing the right thing.

The Audit Committee of the Board has established procedures for receiving, recording, and addressing complaints received regarding accounting, internal accounting controls, or auditing matters and for the confidential and anonymous submission, by our employees or others, of any concerns about our accounting or auditing practices. We also maintain our Code of Conduct HelpLine, which includes a toll-free telephone number, an email address, and a website, each allowing our employees and others to voice their concerns, including anonymously where permitted.

At Kimberly-Clark, we seek to conduct business based on trust and transparency, and we prohibit bribery in all business dealings with governments and the private sector in every country around the world. We also expect our suppliers to comply with all applicable laws, including those relating to bribery, corruption, business gratuities, money laundering, kickbacks, and fraud, at all times. We expect our suppliers to strive to provide a workplace free of bribery and corruption and to prohibit the exchange of money or anything of value to or from anyone, including government officials, to influence actions or to obtain an improper advantage.

## Data Privacy & Cybersecurity

### PRIVACY RIGHTS

Our commitment to data privacy is vital to earning and maintaining the trust of our consumers and customers. Our data-privacy strategy is informed by regulatory and business requirements and by our consumers' expectations.

Kimberly-Clark's [Privacy Policy](#) provides detailed descriptions of how we collect, process, and handle personal data on our websites and applications. Our policy, consent-preference management centers, and links to exercise data rights provide consumers simple access methods to make choices about their personal information, including use, storage, and sharing, and to correct any inaccuracies.

We assess third-parties that collect, store, and process consumer data on our behalf to help keep the data safe and data rights and obligations respected. We regularly train employees on data privacy, including through segments of Code of Conduct training, regular cybersecurity training, and more targeted training activities.

### CYBERSECURITY

Through the nature of our business, we maintain valuable information and technology assets — data, systems, and applications — that are critical to our operations and our success as an enterprise. With our policies, we seek to hold ourselves accountable for securing these assets and for continuing to build our resilience against possible cyber threats. We have the same expectations for our contractors and outside services companies, including our information-technology service providers.

Our cybersecurity program conducts periodic risk assessments and periodic penetration testing and performs security-event monitoring and management, as well as incident response. The program is regularly assessed by our internal audit team and is assessed by external independent third parties. Our cybersecurity program continues to adapt to the evolving threat landscape and technology developments.

As part of our overall risk-management program, we have adopted an Information Security Policy that details our overall risk-based framework and governance for the management and security of our information-technology assets and information. The policy applies to everyone who accesses our data or information resources and/or our information systems and resources, including third parties we engage.

We train employees on cybersecurity, including phishing simulations, on a regular basis. The specific topics covered within the annual cybersecurity training and targeted trainings and workshops are based on roles, responsibilities, and subject-matter needs.

## ARTIFICIAL INTELLIGENCE FRAMEWORK

Additionally, we have adopted a framework to ensure we develop and utilize artificial intelligence (AI) in an ethical, compliant, safe, secure, and responsible manner. This framework includes (1) a standardized review process incorporating IT, Legal, Procurement, and other functions, as appropriate; (2) acceptable use standards all users must review and acknowledge prior to use of an AI tool; and (3) training for employees on responsible and secure use of AI.

## Government Relations

Our Government Relations function works with the governments in locations where we operate to advocate for policies supportive of our company's priorities and objectives. We advocate both directly as Kimberly-Clark and through trade and industry associations that we leverage to help address diverse issues that are relevant to our businesses and stakeholders, including engaging on topics related to sustainability-related policies.

Social impact is important to our company, and we take pride in the partnerships established with governments and communities around the world that support our ability to produce safe, affordable, and reliable products that meet the essential needs of people at every age and stage of life.

We do not have a Political Action Committee (PAC), however employees have the individual right to participate personally in political processes and activities on their own time and at their own expense. See our [Code of Conduct](#) and annual [Government Relations and Political Activity Disclosure](#) for more information.

## Resilience

We identify, assess, and mitigate risks that can impact our business and reputation through our Enterprise Risk Management (ERM) framework, which considers safety, environmental, and sustainability risks, among others.

We aim to build and develop programs that support our ERM framework and the company's capacity to identify, respond to, and manage a broad range of long-term risks and crisis events, including the physical and transition risks of climate change, while minimizing the impact of those risks to the business. We are focused on proactively managing risks to strengthen overall operational resilience. Our overall risk framework is supported by:

- A Global Risk Oversight Committee (GROC), that works to identify significant risks for review and update our policies for risk management
- A Risk Champion Network, consisting of cross-functional leaders and risk owners, that meets on a quarterly basis to discuss the latest developments, emerging risks, and updates from GROC meetings
- Risk owners, who are assigned to an individual risk and are responsible for developing and maintaining mitigation plans
- Key internal stakeholders, who provide input on enterprise risks through a standardized risk-assessment process
- Processes that monitor for emerging risks, including dialogue with cross-functional leaders, external peers, and consultants

To learn more about our governance structure and how our Board oversees risk management, see the [Our Approach to Sustainability and Governance](#) section of this report.

JUNE 2025

**\* Kimberly-Clark**