SUSTAINABILITY AT KIMBERLY-CLARK

For nearly 150 years Kimberly-Clark has placed sustainability at the core of our business and it remains an integral element of our company vision to lead the world in essentials for a better life.

Our commitment to sustainability ensures we make a lasting impact on the people we serve around the globe: the people we help empower, the customers we support, and the communities we touch. By using sustainable practices, we are also creating value for our company.

In Australia and New Zealand (ANZ), sustainability is a key focus of our local business strategy. We have developed a specific set of sustainability goals for ANZ: Sustainability 2020, which brings together the power of our brands, operations and employees and guides the development of initiatives, practices and the ways we work together with our customers, consumers, partners and suppliers to ensure we’re looking after our world for generations to come.

The ANZ Sustainability update for 2017 reflects on our local performance in the second year of the Sustainability 2020 strategy. We are pleased to report that at the end of year two, we remain on track with our new goals and through this work are delivering environmental, social and business value across five key priority areas – Social Impact, Forests & Fibre, Waste & Recycling, Energy & Climate, and Supply Chain.

We know that we have ongoing opportunities to make a big impact on the communities in which we live and work and we are committed to delivering continued change in the years to come.
SUSTAINABILITY 2020 PROGRESS SCORECARD

Our priorities

SOCIAL IMPACT

IMPROVE THE WELL-BEING OF 1.2M PEOPLE THROUGH OUR BRANDS

ANZ 2020 goals

FORESTS & FIBRE

MAINTAIN 100% OF FIBRE FROM FSC® CERTIFIED OR FSC® CONTROLLED WOOD SOURCES

ENERGY & CLIMATE

EXTEND OUR ZERO WASTE MINDSET

WASTE & RECYCLING

40% REDUCTION IN CARBON EMISSIONS

SUPPLY CHAIN

100% COMPLIANT WITH ENVIRONMENTAL HEALTH AND SAFETY STANDARDS

2017 progress

120,000 LIVES Improved through our brand-led social and education programs

100% Fibre from FSC® certified or controlled wood sources

91.4% Manufacturing waste diverted from landfill

47% Decrease in reportable injuries

34% Consumer awareness of FSC®

14.6 TONNES Flexible plastics recycled

47% Reduction in carbon emissions from 2011 baseline
Social Impact

It is Huggies' ambition to extend a mother's embrace with our essential products to ensure babies can thrive. In 2017, we continued to support The Nappy Collective charity during their donation drive in May and were a major sponsor of their 10th anniversary drive in October, providing over 27,000 sample nappy packs to be redistributed to disadvantaged families in need.

To support the introduction of our Huggies Micro and Nano premmie nappies (our tiniest nappies ever), we launched a partnership with Life's Little Treasures Foundation, Australia's leading charity supporting families of premmie and sick babies. We were also excited to be major sponsors of the annual Walk for Prem's charity event, which is held in major cities across Australia to raise funds and awareness for premature babies.

And we continued our 25-year-strong partnership with New Zealand’s Plunket organisation to deliver critical support to thousands of families in communities throughout New Zealand. By providing financial assistance and donating over $345,000 worth of product, the Huggies brand has helped Plunket facilitate a range of education initiatives, sampling programs, awareness campaigns and successfully launch a nappy bank in South Auckland – providing unparalleled access to products and services that ensure babies and children have the essential resources they need to thrive.

In addition, we provided over 10.5 tonnes of our essential products to Australia’s largest hunger relief organisation, Foodbank, for distribution to the 3.6 million disadvantaged Australians who need assistance most.

Note: The data point '120,000 lives impacted through brand-led social and education programs' pertains to the total number of people reached through our Plunket partnership initiatives in New Zealand.
Kimberly-Clark globally is one of the world’s largest buyers of market pulp, meaning we have a duty to protect the world’s valuable forest environments to conserve terrestrial biodiversity, address climate change and ensure a resilient supply chain for our products. We are committed to reducing our impact on forests through innovation and responsible sourcing, prioritising the use of fibre from environmentally-preferred sources, whilst continuing the challenging work of developing alternatives to traditional sources of fibre for our products. And we’re using the strong reputation of our brands to raise awareness of responsible forestry with our consumers.

100% of the fibre used in our tissue and towel products has been sourced from Forest Stewardship Council® (FSC®) certified or FSC® Controlled Wood sources.

Through our Love Your Forests program with WWF-Australia, which launched in 2011, we have worked on building recognition and understanding of FSC® certification and emphasising the fact that small choices, like the brand of toilet tissue purchased, can have a big impact on the environment. We are incredibly proud to share that over seven years, the program achieved its goal of raising consumer awareness of responsible forest management and 34% of Australians were aware of the FSC® logo in 2017, due in part to this work. Moreover, since the campaign commenced, we have seen a marked uptake in FSC® certification right across the tissue sector. As we have exceeded our program goals, we will not be continuing the program from mid-2018, however as always, we can guarantee that Kimberly-Clark remains deeply committed to supporting responsible forestry.

We maintained Environmental Choice New Zealand certification across a wide range of our Kimberly-Clark Professional paper products, including our Kleenex® and Scott® Toilet Tissue and Kleenex® and Scott Compact and Optimum Towel range. Recognising the genuine moves made by manufacturers to reduce the environmental impacts of their products, Environmental Choice provides a credible and independent guide for consumers who want to purchase products that are better for the environment.

In 2017 we also continued our Kleenex® tissue brand partnership with the Wingspan National Bird of Prey Centre as part of our SneezeSafe Healthy Forests education program. In support of conservation efforts for the threatened Kārearea species (New Zealand Falcon), more than 10,000 primary school students throughout New Zealand acted as Wingspan Warriors – participating in activities and lessons to learn more about the importance of the Kārearea and encourage the protection of their natural pine forest environments.
WASTE & RECYCLING

Across our business, we continue to extend our zero-waste mindset. We are committed to eliminating waste in our processes, products and packaging, while also exceeding our consumers' expectations for safe and effective products. In 2017, we diverted 91.6% of our manufacturing waste from landfill. And our programs for post-consumer waste are gaining traction. We understand the value of materials in our product categories and seek secondary, beneficial uses of these materials from source to shelf – and beyond.

PACKAGING

Across ANZ, 14.6 tonnes or 3.6 million pieces of Kimberly-Clark plastic packaging were recycled. This was a 21% increase from 2016.

In Australia we continued our foundation partnership with the RECycle program, which enables consumers to drop their flexible packaging at key points, like supermarkets. The plastic packaging is sent to a local manufacturer, Replas, where it’s made into new products like outdoor park benches and playground equipment. In New Zealand we have a similar partnership with the Soft Plastics Recycling Program. We are pleased to share that the program has now expanded to include drop-off points in 350 stores (up from 260 stores in 2016).

WASTE

Continuing our commitment to environmental performance and sustainability, our Millicent Mill passed the annual surveillance audit for ISO 14001:2015, Environmental Management System (EMS). Retaining this highly regarded international standard ensures that Millicent Mill not only fulfils all compliance obligations and objectives set out in the Standard, but continues to reduce its environmental impact.

Our Millicent Mill has an extremely high recycle rate. In 2017, 92.6% of solid waste material generated from the mill was successfully recycled through local companies. This included all sludge (tissue fibre waste), low density polypropylene plastic, cardboard, scrap metal and e-waste materials.

In 2017, our state of the art nappy reclaim facility at our Ingleburn Mill processed 355 tonnes of faulty and discarded nappies. As a result of this process, super absorbent materials are re-used and made into new nappies and the other materials are recycled by a third party.

In addition, our Ingleburn Mill facility now diverts approximately 16 – 20 cardboard glue drums from landfill a day. The result of a new recycling solution (in partnership with Cleanway Environmental Services), this process enables the drums to be cleaned and re-used, diverting one of our most difficult manufacturing waste streams from impacting the environment.

We continuously review our practices to ensure we are adopting more sustainable packaging solutions. As part of our Australian Packaging Covenant Organisation (APCO) Plan, we regularly review the specifications of all our packaging materials and ensure our packaging design selection is carried out under the principles of the APCO Sustainable Packaging Guidelines (SPG), which outline the principles for optimising the design and selection of packaging for the environment.

As a leading producer of a wide range of non-woven, single-use products, Kimberly-Clark is committed to educating consumers about the correct disposable methods for our products, to help prevent damaging materials ending up in the environment or entering water systems. Part of this process is helping consumers understand what is - and is not – safe to flush. For our range of non-flushable consumer products, which includes our Huggies baby wipes, U by Kotex tampons and Kleenex® facial tissues among others, we have begun the process of updating our labelling to include a prominent ‘DO NOT FLUSH’ logo on our packaging.
In 2017, we achieved the lowest injury rate ever recorded for Kimberly-Clark Australia and New Zealand, which equated to a 22% decrease in reportable injuries from 2016. This result can largely be attributed to our continued focus on proactive risk reduction. This work included initiatives to improve employee awareness of essential safety principles and preventative measures and diligent reporting of all incidents.

Both our Millicent and Ingleburn Mill facilities passed a comprehensive Corporate Environmental Health and Safety audit, confirming compliance with current Kimberly-Clark environmental and safety standards. This ensures we are continuously improving our systems and standards and assessing performance gaps. These include air emissions, chemical management, water, waste and wastewater treatment and others.

We continued our commitment to employee wellbeing, launching a fully integrated employee wellness program featuring an online health assessment and 12-month calendar of activities and resources. This program assists employees to evaluate and set health, fitness and nutrition goals, access techniques for managing stress and achieve work/life balance.

Water conservation initiatives also remained a priority focus. Our Millicent Mill achieved a 7% reduction in the total amount of water used in the tissue manufacturing process (vs 2016 results). Increased water efficiencies in our KCA5 facility, where we make Kleenex® toilet tissue and VIVA paper towel, were successfully achieved.