

OUR
SUSTAINABILITY

TO DELIVER ESSENTIALS
FOR A BETTER LIFE

2017 SUSTAINABILITY REPORT

ORIGINAL
care
ORIGINAL
BRANDS

KIMBERLY-CLARK'S VISION TO LEAD THE WORLD IN ESSENTIALS FOR A BETTER LIFE IS AT THE HEART OF OUR BUSINESS.

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WELCOME TO OUR 2017 SUSTAINABILITY REPORT

A MESSAGE FROM THOMAS J. FALK

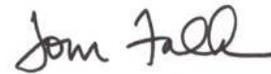
In the second year of our Sustainability 2022 program, excellent progress has been made, and I am pleased to share our results and some of the stories from our teams in this year's report.

This program represents an ambitious set of goals for how we will have a lasting impact on the people we serve around the globe and the communities we touch. We continued to make strides in our efforts to create positive social and environmental change. Thus far, we have improved the well-being of 4.3 million people in need with powerful brand programs like No Baby Unhugged, Touch of White Angels and Toilets Change Lives.

We also took steps to ensure that the essential products consumers trust are manufactured responsibly. Our commitment to purchase one million megawatt hours of renewable wind energy in the United States puts us on track to surpass our climate and energy goals and provides a financial benefit for our company. In addition, we introduced an innovative water risk dashboard in Colombia to protect access to water for our mills and the communities where they are located.

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 95% of facility waste from landfills. And our programs for post-consumer waste are gaining traction.

I appreciate the work of our dedicated employees around the world – and our many partners – to advance our vision to lead the world in essentials for a better life. From creating trusted brands to leading great programs that improve people's lives and support a healthy planet, we are building a positive sustainability legacy.



Thomas J. Falk
Chairman and CEO



 **Watch** – Our 2022 Strategy message from Tom Falk (Chairman and CEO)

A MESSAGE FROM LISA MORDEN

Kimberly-Clark's Sustainability 2022 strategy represents our company's most ambitious goals to date.

And two years into our seven year plan, I'm impressed by the work of our people, and the cumulative impact of these programs. We continue to challenge the traditional ways of thinking about sustainability, safety, human rights and our supply chain to map new paths that help Kimberly-Clark reach its goals.

I'm proud to share that we exceeded the 2017 targets in four of our five programs:

Social Impact: Our programs have helped improve the lives of 4.3 million people in need since we launched our Sustainability 2022 strategy. We're focused on improving access to sanitation, helping children thrive, and empowering women and girls, and we're bringing our customers and consumers on the journey to address these important issues.

Waste and Recycling: In addition to our successful efforts to reduce manufacturing waste, we made good progress toward the difficult challenges associated with post-consumer waste. Our teams are adopting circular design principles, such as net weight basis reductions and material innovations, which keep post-consumer waste from low value disposal outlets to higher value, beneficial uses. And we are exploring new business models and partnerships that can propel us forward in this area.

Energy and Climate: In addition to a significant investment in new wind energy projects in U.S., we deployed more than

170 energy conservation programs in 2017 (more than 350 since 2015). We also took steps to calculate and validate our first Scope 3 emissions inventory, setting us on a path to surpass our climate goal four years early.

Supply Chain: Water is a critical input to our business, and a vital resource for the communities where we operate. That's why we expanded our focus from reducing water consumption to open collaboration with local community stakeholders and non-government organizations to improve conditions in water-stressed locations. In 2017, we partnered to develop a dashboard to monitor local freshwater supplies and consumption trends in order to generate actionable insights on risks at the watershed level.

For nearly 150 years, our values of authentic, accountable, innovative and caring have been at the core of our business. These values ensure we respect each other and our planet to help create positive social and environmental impact. The results outlined in this report are a testament to the hard work and creativity of our people who live out these values every day.



Lisa Morden
Vice President Safety and Sustainability



"Through our Sustainability 2022 program, we are creating value for our business and our stakeholders from the sourcing of our materials, right through to the shelf and beyond."

This report reflects Kimberly-Clark's 15th annual update on our progress on key sustainability topics, brought to life through the stories and experiences of Kimberly-Clark teams around the world. It spans the timeframe from January 1 through December 31, 2017 (with historical data also reflected), and was prepared in accordance with the Global Reporting Initiative (GRI)'s Sustainability Reporting Standards "Core" level.

For questions or comments regarding the content of this report, please contact us at sustainability@kcc.com.



SUSTAINABILITY 2022 OVERVIEW

PROGRAMS ARE DESIGNED TO
CREATE SOCIAL, ENVIRONMENTAL
AND BUSINESS VALUE.

Our “Sustainability 2022” strategy was built with a collaborative process involving business leaders and external stakeholders from around the world. For additional details, please visit the [Materiality section](#).

The sustainability materiality assessment results inform our sustainability strategies and ensure we provide transparent, comprehensive and accessible coverage of topics that are of significant importance to key stakeholders and reflect the organization’s significant economic, environmental and social impacts. These priorities build on the strong foundation and lessons learned from our previous plans, while enabling a focus on those that will create more long-term value and positive impact.

SUSTAINABILITY 2022
(CONTINUED)

Our Strategy

YOU SUSTAINABILITY 2022

INNOVATION

We work together to foster innovative ideas and pursue long-term change

COMMITMENT

Our priorities and goals are informed by WHO we serve, WHAT we do and HOW we do it

VALUE

We strive to create social, environmental and financial value

Our Priorities



SOCIAL IMPACT



FORESTS & FIBER



WASTE & RECYCLING



ENERGY & CLIMATE



SUPPLY CHAIN

Our 2022 Goals

IMPROVE THE WELL-BEING OF
25M PEOPLE IN NEED

INNOVATE OUR TISSUE PRODUCTS TO REDUCE THEIR NATURAL FOREST FOOTPRINT BY
50% BY 2025

EXTEND OUR
ZERO WASTE MINDSET

20% REDUCTION IN GREENHOUSE GASES

UPHOLD OUR COMMITMENT TO HUMAN RIGHTS, WORKER SAFETY, ANTI-CORRUPTION AND ENVIRONMENTAL PROTECTION

OUR VISION

TO LEAD THE WORLD IN ESSENTIALS FOR A BETTER LIFE

 Kimberly-Clark

2017 PROGRESS DASHBOARD

ANNUAL TARGETS ENSURE
PROGRESS TOWARDS OUR
2022 GOALS.



2017 WAS THE SECOND YEAR OF OUR SUSTAINABILITY 2022 STRATEGY AND WE MADE GOOD PROGRESS AS WE BEGAN TO TACKLE THE CHALLENGES ASSOCIATED WITH OUR NEW GOALS.

HIGHLIGHTS

↑ OVERALL PERFORMANCE
\$18.3 BILLION IN NET SALES



SOCIAL
IMPACT

EXCEEDED
4.3 MILLION
LIVES IMPACTED TARGET
THROUGH SOCIAL PROGRAMS



TOTAL GLOBAL DONATIONS AND
COMMUNITY INVESTMENTS
\$26 MILLION



FORESTS
& FIBER

89% ENVIRONMENTALLY-PREFERRED
FIBER (EPF) IN OUR TISSUE PRODUCTS



WE'VE INCREASED THE AMOUNT OF FSC® CERTIFIED
VIRGIN FIBER IN OUR TISSUE PRODUCTS FROM
7% IN 2006 **TO MORE THAN** **84%** IN 2017



WASTE &
RECYCLING

DIVERTED **95%** OF MANUFACTURING
WASTE FROM
LANDFILL



DIVERTED
MORE THAN
15,500 MT
OF PCW



ENERGY
& CLIMATE



AWARDED 5TH CONSECUTIVE
EPA SMARTWAY
TRANSPORTATION
AWARD



REDUCED ABSOLUTE
GHG EMISSIONS BY
18%
FROM A 2005 BASELINE



SUPPLY
CHAIN

GLOBAL TOTAL
REPORTABLE
INCIDENT RATE OF **0.19**



WATERSHED ANALYSIS INITIATED AT
5 OF **12** WATER-STRESSED
OPERATIONS

2017 PROGRESS
DASHBOARD (CONTINUED)

ON-TARGET ●
OFF-TARGET ●

	2022 GOAL	2017 TARGET	2017 ACTUAL	2017 PERFORMANCE
 <p>SOCIAL IMPACT</p>	IMPROVE THE LIVES OF 25 MILLION PEOPLE IN NEED	3M	4.3M	●
 <p>FORESTS & FIBER</p>	50% REDUCTION IN NATURAL FOREST FIBER USE	-25%	-29%	●
 <p>WASTE & RECYCLING</p>	AVOID LANDFILLING OF 150,000 MT OF PRODUCT AND PACKAGING MATERIAL POST-USE	10,400 METRIC TONS	15,543 METRIC TONS	●
 <p>ENERGY & CLIMATE</p>	20% REDUCTION IN GREENHOUSE GAS EMISSIONS	-17%	-18%	●
 <p>SUPPLY CHAIN</p>	WATERSHED ANALYSIS TARGETS COMPLETED	5	5 MILL ASSESSMENTS INITIATED BUT STILL IN PROGRESS	●

FINANCIALS	2010	2011	2012	2013	2014	2015	2016	2017
Net income (\$B) ¹	1.80	1.60	1.80	2.10	1.50	1.00	2.20	2.28
Net sales (\$B) ¹	18.3	19.3	19.5	19.6	19.7	18.6	18.2	18.3
Net sales by division (\$B)¹								
Personal Care ¹	8.7	9.1	9.6	9.5	9.6	9.2	9.0	9.1
Consumer Tissue ¹	6.5	6.8	6.5	6.6	6.6	6.1	6.0	5.9
K-C Professional ¹	3.1	3.3	3.3	3.3	3.4	3.2	3.2	3.2
Net sales by region (\$B)								
North America ¹	10.7	10.8	9.4	9.4	9.4	9.5	9.5	9.4
Outside North America ⁴	N/A	9.2						
Europe ¹	3.2	3.4	3.1	2.8	2.7	2.3	2.2	N/A
Asia, Latin America and Other ¹	6.6	7.5	7.3	7.6	8.0	7.2	6.8	N/A
Intergeographic (Asia, Latin America and Other) ^{1 2}	(0.7)	(0.8)	(0.4)	(0.3)	(0.4)	(0.4)	(0.3)	(0.3)
Operating costs (\$B) ¹	15.7	17.2	17.1	16.7	16.8	15.4	14.9	14.9
Cash returned to shareholders (\$B)	1.9	2.3	2.4	2.4	3.2	2.1	2.0	2.3
Income taxes paid (\$B)	0.6	0.5	0.5	0.8	0.9	0.7	0.7	1.0
Total environmental expenditures (\$M)²	201	226	166	168	169	173	152	126
Capital ³	26	32	22	30	38	61	44	21
O&M ³	162	171	126	114	120	96	97	89
Government payments and R&D ³	13.0	23.0	18.0	24.0	11.0	16.0	10.0	16.0
Assets (\$B)	199	19.4	19.9	18.9	15.5	14.8	14.6	15.2
Donations and community investments (\$M)	20.7	32.1	33.0	35.0	35.8	29.0	28.2	26.0
Percent of net income ¹	1.1%	2.0%	1.8%	1.7%	2.3%	2.9%	1.3%	1.1%

(1) Recast from discontinued operations.

(2) "Intergeographic" refers to inter-company sales.

(3) Total environmental expenditures were restated for 2014 to be consistent with prior years to not include equity company numbers. Totals for 2014 exclude equity companies and Health Care facilities.

(4) In 2017, began reporting net sales as North America and Outside North America to align with 10-K financial reporting.



**PRIORITY TOPIC:
SOCIAL IMPACT**

**DELIVERING ESSENTIALS FOR A
BETTER LIFE THROUGH OUR
PRODUCTS AND OUR PROGRAMS.**

We deliver essentials for a better life to nearly one-quarter of the world's population every day through products from our leading brands like Kleenex, Huggies, Kotex and Depend.

Our program focuses on:

- Extending our brand leadership beyond functional and emotional benefits to deliver social benefits.

2022 GOAL(S)

**IMPROVE THE WELL-BEING OF
25 MILLION
PEOPLE IN NEED**

through social and community investments that increase access to sanitation, help children thrive and empower women and girls.

HOW IMPACT IS ACHIEVED AND MEASURED

- Support the communities in which we operate through company and employee giving and volunteerism.
- Align programs to the promise of our brands to create sustainable social impact, increase brand equity and performance at shelf, and deliver supply chain benefits.
- Measure the business and social impact with key performance indicators and use learnings to scale the programs that are most impactful.

(Note that we consider people in need as those living in poverty, where poverty is not only economic but also social, political and cultural).

**PRIORITY TOPIC:
SOCIAL IMPACT (CONTINUED)**



2017 PROGRESS

We continued to invest in several social impact programs through community engagement and our major brands, often encouraging customer participation.

Social impact programs:

- Toilets Change Lives: Scaled commercial activations into 15 markets to help provide clean access to sanitation to those in need.

- No Baby Unhugged: Whether it's helping to start volunteer hugging programs at hospitals, providing special diapers for micro preemie babies, or donating diapers to babies in need, the No Baby Unhugged program ensures that all babies receive the hugs they need to thrive.

- Empowering Women and Girls: In Bolivia, we are helping empower girls through

our Kotex brand in partnership with developing access to sanitation facilities.

We are creating long-term Social Impact programs that deliver on the promise of our brands and also improve the well-being of people in need. We can simultaneously make lives better while building equity in our brands.

Initiatives were focused in the following three areas:

Access to sanitation



770,000
lives impacted

Helping children thrive



1,390,000
lives impacted

Empowerment of women and girls



62,000
lives impacted

We set a goal to have a positive social impact on cumulative three million lives in 2017, and are proud to report we exceeded this target. In order to achieve our 2022 target of 25 million, we need to scale more rapidly, innovate new programs in our supply chain and begin to assess social impact as part of our environmental programs.

Total lives improved towards 2022 goal:

4,300,000

COMMUNITY AND EMPLOYEE CONTRIBUTIONS (\$ MILLION)	2010	2011	2012	2013	2014	2015	2016	2017
Community Partners grants to U.S. employee-chosen charities	0.8	0.9	0.8	0.7	0.7	0.7	0.4	0.7
Value of matching gift contributions made by U.S. employees	1.3	1.3	1.5	1.5	1.7	1.5	1.4	1.5
Value of product donations	8.3	19.2	14.0	16.3	13.8	8.2	8.4	8.5
Global cash donations	12.4	12.9	19.0	18.7	22.0	20.7	19.8	17.5
Total global (product and cash) donations	20.7	32.1	33.0	35.0	35.8	29.0	28.2	26.0
Employee giving	4.2	3.9	4.2	4.4	4.9	4.6	3.8	4.5
U.S. employee volunteer hours	78,000	84,000	77,430	80,571	80,074	75,356	41,993	86,012



TOILETS CHANGE LIVES

GLOBAL

In 2017, Kimberly-Clark scaled commercial activations into 15 markets to help bring clean access to sanitation to those in need through our brands Scott, Andrex, Neve, Hakle and Suave. Including activations in Angola, Bangladesh, India, South Africa, Brazil, Bolivia, Peru, Guatemala, Honduras and Nicaragua.

 **Read more about**
Toilets Change Lives

A PERIOD SHOULDN'T STOP A GIRL'S PROGRESS

LATIN AMERICA

In Bolivia, we are helping empower girls through our Kotex brand to be able to stay in school through safe access to sanitation facilities. We partnered with Plan International on the #EsosDiasDelMes (Those Days of the Month) program to help girls and women manage their periods so they can pursue the future they deserve.

 **Read more about the program**

NO BABY UNHUGGED

NORTH AMERICA

A hug is a powerful thing – The No Baby Unhugged program leverages the benefits of touch by using volunteer cuddlers to hold infants when parents and family members are not available. Our diaper bank networks help ensure families in need have access to daily essentials like diapers and wipes. It's all about what's best for baby – giving them the human contact and innovative products they need to help develop into happy, healthy kids.

 **Read more about the program**

EXPANDING TOILETS CHANGE LIVES IN LATIN AMERICA

LATIN AMERICA

The Toilets Change Lives program first launched in Bolivia in 2015 to improve and expand access to sanitation and to help fund community education programs on water, sanitation and hygiene. It has since expanded into Peru and, in 2017, Guatemala, Honduras and Nicaragua. To date it has helped more than 37,000 people in need and benefited local communities and schools.

 **Read more about the program**



PRIORITY TOPIC: FORESTS & FIBER

REDUCING OUR IMPACT ON FORESTS THROUGH INNOVATION AND RESPONSIBLE SOURCING.

We protect forests to address climate change, conserve terrestrial biodiversity and ensure a resilient, healthy supply chain.

We are proud that major environmental groups, including Greenpeace, FSC® and the World Wildlife Fund, have recognized Kimberly-Clark as a market leader for responsible fiber sourcing and forest protection and we are committed to drive further improvements..

Our program focuses on:

- Extending our leadership through natural forest fiber substitution and EPF in our tissue products.
- Expanding our responsible sourcing practices to fiber-based packaging.
- Engaging customers and consumers through brand-led commercial programming, retail execution and partnerships.

2025 GOAL(S)

INNOVATE OUR TISSUE PRODUCTS TO REDUCE THEIR NATURAL FOREST FOOTPRINT

BY 50%

while increasing our use of environmentally-preferred fibers (EPF) by 2025.

HOW IMPACT IS ACHIEVED AND MEASURED

- Continue to source 100% virgin wood fiber for our products from certified sources and apply the same objective to fiber-based packaging by 2022.
- Reduce the use of wood fiber sourced from natural forests* by 50% and increase use of environmentally-preferred fiber (EPF)* to 90% in our global tissue products by 2025.
- Deliver sustainable alternative fiber innovation to reduce our use of fiber sourced from natural forests.
- Support the Consumer Goods Forum commitment to zero net deforestation by 2020.

*Environmentally-preferred fibers (EPF) include Forest Stewardship Council®-certified virgin fibers, recycled fibers and sustainable alternative natural fibers in tissue products. Natural forests are composed of native species that self-regenerate and contain key elements of native ecosystems such as wildlife and biological diversity. To us, this primarily includes boreal fibers known as Northern Bleached Softwood Kraft (NBSK).

PRIORITY TOPIC: FORESTS & FIBER (CONTINUED)



As one of the world's largest buyers of market pulp, we know that protecting forests is critical to creating a resilient supply chain for our products. Sustaining this natural resource through responsible forestry is just one of the ways we care for the planet and help lead the world in essentials for a better life.

Also by having the Forest Stewardship Council® (FSC®) trademark on packaging for products like Kleenex, Cottonelle, Andrex and Scott, we're using the strong reputation of our brands to raise awareness of responsible forestry around the world.

2017 PROGRESS

We have reduced our use of fiber from natural forest landscapes by 29% over the 2011 base year by using more fiber sourced from plantations as opposed to natural forest fiber. In addition, 89% of the fiber used in our tissue products was from environmentally-preferred sources.

The competitive landscape within the pulp supply chain will continue to be a challenge for our business, but we are working with our NGO and supplier partners to help prevent deforestation and ensure responsible forestry management moving forward. We are evaluating the working forest model to

balance long-term conservation/restoration with sustainable wood supply in forests with high landscape connectivity, terrestrial and freshwater biodiversity, and climate resilience potential.

We are continuing the challenging work of **developing alternatives** to traditional sources of fiber for our products while encouraging our suppliers and customers/consumers to seek FSC® certification.

Read more about our partnership with FSC®. All virgin fiber sourced in 2017 in our products was from suppliers certified to one of the five forest management certification systems recognized in our **fiber procurement policy**.

TOTAL FIBER USE (MILLION MT) ¹	2010	2011	2012	2013	2014	2015	2016	2017
Virgin Fiber	2.56	2.48	2.36	2.40	2.38	2.42	2.39	2.40
% of total	72.5%	70.3%	71.3%	71.4%	72.3%	73.5%	76.6%	76.5%
Recycled Fiber	0.97	1.05	0.95	0.96	0.91	0.87	0.73	0.73
% of total	27.5%	29.7%	28.7%	28.6%	27.7%	26.5%	23.4%	23.5%
Total fiber used	3.53	3.53	3.31	3.36	3.29	3.29	3.12	3.13

(1) As part of our 2011 global GF&TN agreement with WWF, we will report our total use of environmentally-preferred fiber for all fiber-containing products. Virgin pulp will include all K-C manufactured pulp, purchased market pulp and third-party contract-manufactured fiber-containing products.

FIBER SOURCING BY CERTIFICATION TYPE (%)	2010	2011	2012	2013	2014	2015	2016	2017
Virgin fiber from environmentally responsible sources ¹	98%	100%	100% ¹	100%	100%	100%	100%	100%
Forest Stewardship Council (FSC)	39%	47%	53%	61%	62%	64%	67%	71%
Sustainable Forest Initiative (SFI)	31%	30%	32%	24%	24%	23%	22%	21%
Program for the Endorsement of Forest Certification (PEFC)	8%	6%	5%	4%	4%	3%	2%	2%
CERFLOR (Brazil)	8%	3%	2%	0%	0%	0%	0%	0%
Canadian Standards Association (CSA)	7%	5%	5%	6%	7%	7%	5%	4%
Forest Stewardship Council Controlled Wood (FSC-CW)	5%	8%	2%	6%	4%	3%	4%	2%
Not Certified	2%	0%	0%	0%	0%	0%	0%	0%

(1) Approximately 150 tons of fiber was not certified in 2012; due to rounding, this is not reflected.

CHLORINE FREE WOOD PULP PURCHASES	2010	2011	2012	2013	2014	2015	2016	2017
Elemental Chlorine Free (ECF)	95%	95%	98%	98%	97%	97%	98%	98%
Total Chlorine Free (TCF)	5%	5%	2%	2%	3%	3%	2%	2%



**ENGAGING CONSUMERS
TO HELP SAVE THE
WORLD'S FORESTS**

NORTH AMERICA

Through a three-year effort with World Wildlife Fund (WWF), we are raising consumer awareness about the importance of choosing towel and tissue products made with fiber from responsibly managed forests certified to the Forest Stewardship Council® (FSC®) standard. Our new "Heart Your Planet" campaign features WWF's iconic logo on Kimberly-Clark's North American tissue products that are FSC®-certified, including Kleenex® facial tissue, Scott® paper towels, Viva® paper towels and Scott® and Cottonelle® bath tissue sold in North America. We will also support WWF's efforts to protect forests and other critical ecosystems.

 [Read more about the program](#)

**KIMBERLY-CLARK RECEIVES
FIRST ENHANCED GREEN
LABEL IN SINGAPORE**

APAC

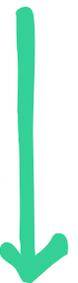
In 2017, we were proud to become the first company to be certified under the Singapore Environment Council's new, stricter green label program. To receive this certification, companies selling paper and tissue products must show that their suppliers are following responsible forestry practices – including water use, fire management, and the protection of biodiversity on peat lands.

 [Read more about the program](#)

REDUCED FIBER SOURCED
FROM NATURAL FORESTS

BY 29%

FROM 2011 BASE YEAR



INCREASED USE OF
ENVIRONMENTALLY-
PREFERRED FIBERS

TO 89%

IN OUR TISSUE PRODUCTS



PRIORITY TOPIC:
FORESTS & FIBER (CONTINUED)



**ENVIRONMENTALLY-PREFERRED TISSUE FIBER
(%; GLOBAL)¹**

	2010	2011	2012	2013	2014	2015	2016	2017
Environmentally-Preferred Fiber	65%	74%	78%	83%	84%	86%	89%	89%
Virgin Fiber								
FSC Mix	33%	39%	44%	50%	52%	55%	61%	61%
FSC Plantation ²	29%	33%	38%	42%	43%	44%	49%	50%
FSC Controlled Wood	31%	26%	22%	17%	15%	14%	11%	8%
Recycled Fiber								
Recycled content	32%	35%	34%	33%	32%	31%	28%	28%
Post-consumer recycled content ³	13%	14%	14%	14%	14%	13%	13%	13%

(1) Data represents Kimberly-Clark and equity affiliates.

(2) FSC Plantation is a subset of FSC Mix.

(3) Post-consumer recycled content is a subset of Recycled content; Post-consumer recycled content reported for North America and Europe only.

**ENVIRONMENTALLY-PREFERRED TISSUE FIBER
(%; NORTH AMERICA)¹**

	2010	2011	2012	2013	2014	2015	2016	2017
Environmentally-Preferred Fiber	57%	63%	74%	79%	81%	84%	87%	86%
Virgin Fiber								
FSC Mix	32%	37%	44%	51%	53%	56%	59%	60%
FSC Plantation ²	26%	30%	34%	38%	39%	40%	40%	41%
FSC Controlled Wood	43%	36%	27%	21%	20%	16%	14%	14%
Recycled Fiber								
Recycled content	25%	26%	30%	28%	28%	28%	28%	26%
Post-consumer recycled content ³	20%	23%	26%	23%	23%	26%	26%	24%

(1) Data represents Kimberly-Clark and equity affiliates.

(2) FSC Plantation is a subset of FSC Mix.

(3) Post-consumer recycled content is a subset of Recycled content.

NATURAL FOREST FIBER USE (MT)

	2011	2012	2013	2014	2015	2016	2017
Virgin fiber from Natural Forest sources (Northern Softwood)	756,531	572,456	574,843	575,606	565,105	559,437	534,644
Reduction in Natural Forest Fiber	N/A ¹	24%	24%	24%	25%	26%	29%

(1) 2011 is the Base Year for 25% Reduction Target by 2025.



**PRIORITY TOPIC:
WASTE & RECYCLING**

**THINKING DIFFERENTLY
ABOUT WASTE.**

We understand the value of materials in our product categories and seek secondary, beneficial uses of these materials from source to shelf – and beyond.

Our program focuses on:

- Utilizing materials efficiently in product and packaging design and manufacturing.
- Diverting manufacturing and post-consumer waste from low value outlets (landfill) to higher value, beneficial uses.
- Improving consumer education related to disposal and recycling options.
- Finding innovative ways to enable value networks that are mutually beneficial to us and our partners.
- Researching material and technology innovations to help us deploy more circular business models.

2022 GOAL(S)

**EXTEND OUR
ZERO WASTE
mindset across the
value chain and deliver
innovation to help keep
product and packaging
material out of landfills.**

**HOW IMPACT IS ACHIEVED
AND MEASURED**

- Adopt circular design principles such as material innovations that keep post-consumer waste out of landfills and in the value chain.
- Seek to increase our net recycling value in our operations by 10% every year while avoiding landfilling of facility waste.
- Identify and deploy solutions to avoid 150,000 MT of finished product and packaging from being landfilled after use.



RECYCLING PRODUCT DISPENSERS TO CREATE CIRCULAR BUSINESS MODEL

LATIN AMERICA

Our team in Brazil saw dispenser waste as a valuable opportunity to create a circular business model. Pieces from the old dispensers could be reused in future products or materials could be recycled. This not only reduces waste and the need for new raw materials; it also saves us money.

 [Read more about dispenser recycling](#)

HELPING COMBAT WASTE WITH COMPOSTABLE PRODUCTS

NORTH AMERICA

To share our knowledge around composting, we teamed up with the Keep America Beautiful Recycling@Work initiative to support workplace efforts to reduce waste and improve recycling. One of the results of this partnership is a [workplace guide](#) to composting.

 [Read more about this composting program](#)

2017 PROGRESS

In 2016, we expanded our manufacturing waste program from our operations to include boiler ash, de-inking trasher rejects, and construction and demolition debris from regular maintenance activities. Our waste program references the UL Environment Zero Waste to Landfill standard to include all waste materials generated at both manufacturing and non-manufacturing facilities. Under this new definition of waste, we achieved our 2017 target of diverting 95% of our manufacturing waste from landfill.

We also achieved our post-consumer waste target of 10,400 metric tons (MT) in 2017 by diverting more than 15,500 MT of used product and packaging from landfill. This was achieved with innovative programs like design for reduction and post-consumer waste solution programs on products and packaging.

Waste programs:

- The RightCycle Program: Expansion of our recycling program for non-hazardous lab, cleanroom and industrial waste that provides a simple solution for recovering and recycling apparel, gloves and safety eyewear into alternative beneficial use products.
- Dispenser Recycling: Launched recovery program in Brazil to reuse old dispenser materials into new dispenser production.
- Fiber Recovery: Developed a circular program at our Italy mill to recover fiber from the water treatment plant and reuse it as a raw material in paperboard packaging.
- Workplace Guide to Composting: Created a composting guide that can be applied with our Kimberly-Clark Professional* hand towel products.
- Packaging Innovation: Deployed flexible film reduction in the United Kingdom and packaging waste stream optimization in India. These programs build upon our work with How2Recycle in the U.S., REDcycle in Australia and On-Pack Recycling Label in the U.K.
- Waste Paper Recovery: Created a waste paper recovery program in Peru to improve local recycling, incorporate more recycled fiber into our products and generate funds to support SOS Children's Villages.

DIVERTED
95%
OF FACILITY WASTE
FROM LANDFILL



PRIORITY TOPIC:
WASTE & RECYCLING (CONTINUED)



NON-HAZARDOUS MANUFACTURING WASTE (% OF TOTAL NON-HAZARDOUS WASTE)¹	2010	2011	2012	2013	2014	2015	2016 ²	2017
Landfilled	19.1%	24.5%	22.0%	19.2%	16.2%	7.6%	5.6%	4.7%
Recycled	18.5%	17.6%	20.2%	19.6%	18.3%	20.3%	20.6%	21.7%
Alternative daily cover, mine reclamation and liquid solidification	24.1%	22.5%	25.9%	29.2%	34.1%	40.0%	52.0%	51.5%
Converted to energy	20.3%	20.4%	12.4%	12.2%	12.2%	12.7%	14.4%	14.1%
Reused	12.1%	13.3%	17.8%	18.1%	17.2%	16.7%	5.0%	5.5%
Composted	5.0%	1.1%	0.9%	0.9%	1.2%	2.0%	1.6%	1.8%
Incineration without heat recovery	0.8%	0.5%	0.9%	0.8%	0.7%	0.7%	0.8%	0.5%
Other ³	N/A	N/A	N/A	N/A	N/A	N/A	0.2%	0.1%
Total non-hazardous waste (million MT)	1.37	1.29	1.33	1.28	1.25	1.15	1.23	1.21

(1) At Kimberly-Clark, all waste data is collected by mass except a portion of liquid waste which is collected by volume in liters with a conversion factor of 1 liter = 1 kilogram.

(2) In 2016, our manufacturing waste program was expanded referencing the UL Environment Zero Waste to Landfill standard to include all wastes and recyclable materials generated at both manufacturing and non-manufacturing facilities and the disposition of those materials. Our non-hazardous manufacturing waste data was updated per our annual review process.

(3) Other includes miscellaneous, alternative disposal methods and was separated from Reuse in 2016.

HAZARDOUS MANUFACTURING WASTE (% OF TOTAL HAZARDOUS WASTE)¹	2010	2011	2012	2013	2014	2015	2016 ²	2017
Biological treatment	0.8%	0.0%	0.1%	0.0%	0.1%	0.3%	0.7%	0.9%
Recycled	50.2%	46.2%	13.8%	12.9%	12.3%	22.6%	19.9%	11.6%
Incineration without heat recovery	25.6%	26.2%	14.3%	28.1%	38.0%	36.3%	29.4%	21.6%
Chemical treatment	15.8%	15.2%	44.1%	36.5%	36.7%	26.6%	25.3%	4.6%
Surface impoundment	0.0%	7.8%	10.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Thermal treatment	5.0%	1.4%	3.7%	7.9%	2.0%	0.6%	0.1%	2.6%
Permanent storage	0.0%	0.0%	1.7%	0.7%	0.4%	0.5%	0.3%	0.0%
Landfilled	1.8%	0.6%	2.9%	3.2%	4.4%	6.8%	10.7%	7.8%
Blended fuel	0.8%	2.5%	9.2%	10.7%	6.1%	6.3%	10.8%	2.2%
Deep well injection	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mandated Waste ³	N/A	N/A	N/A	N/A	N/A	N/A	2.3%	48.6%³
Total hazardous waste (kg)	226,701	233,019	538,047	771,590	869,266	1,326,463	1,019,980	1,726,829

(1) At Kimberly-Clark, all waste data is collected by mass except a portion of liquid waste which is collected by volume in liters with a conversion factor of 1 liter = 1 kilogram.

(2) In 2016, our manufacturing waste program was expanded referencing the UL Environment Zero Waste to Landfill standard to include all wastes and recyclable materials generated at both manufacturing and non-manufacturing facilities and the disposition of those materials. Our hazardous manufacturing waste data was updated per our annual review process.

(3) The 2017 increase in Mandated Waste was driven due to the government-required disposal of asbestos at one of our facilities.

PRIORITY TOPIC:
WASTE & RECYCLING (CONTINUED)



MANUFACTURING WASTE EFFICIENCY	2010	2011	2012	2013	2014	2015	2016	2017
Waste per metric ton of production (MT/MT of production)	0.27	0.27	0.28	0.27	0.25	0.23	0.24	0.24

MATERIALS CONSUMPTION AND PRODUCTION	2010	2011	2012	2013	2014	2015	2016	2017
Total production volume (million MT of production)	5.04	4.80	4.71	4.76	4.96	5.06	5.07	5.08
Materials used (million MT)								
Virgin fiber	2.56	2.48	2.36	2.40	2.40	2.42	2.39	2.40
Recycled fiber	0.97	1.05	0.95	0.96	0.91	0.87	0.73	0.73
Polymers	0.74	0.72	0.72	0.69	0.66	0.63	0.63	0.56
Packaging	0.52	0.50	0.52	0.52	0.53	0.53	0.55	0.55
Adhesives	0.08	0.07	0.08	0.06	0.06	0.07	0.08	0.76
Polymer-based components	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.02

TOTAL FINISHED PRODUCT AND PACKAGING WASTE DIVERTED FROM LANDFILL⁽¹⁾ (MT)	2016	2017
Waste Diversion – Post-Consumer Waste Solutions	3,405	10,587
Waste Avoidance – Design to Reduce	1,850	4,955
Total	5,254	15,543

(1) Tonnages reported are built from cumulative waste diverted from landfill towards the 150,000 MT target.





PRIORITY TOPIC: ENERGY & CLIMATE

INCREASING OUR ENERGY EFFICIENCY WHILE SEEKING LOWER CARBON SOLUTIONS.

We deploy energy conservation and alternative energy programs to minimize climate change impacts, reduce greenhouse gas (GHG) emissions from our operations and transform our financial performance.

Our program focuses on:

- Reducing our GHG emissions from our direct emissions from operations ("Scope 1") and our indirect emissions from utility suppliers ("Scope 2").
- Measuring GHG emissions from our upstream and downstream supply chain ("Scope 3").
- For additional information, see **10-K** or **Proxy Statement**.

2022 GOAL(S)

20% REDUCTION in absolute greenhouse gases versus a 2005 baseline.

(Note: Modeling using the Science-Based Targets Initiative's "Sectoral Decarbonisation Approach" validates that this target is aligned with climate science and is "science-based").

HOW IMPACT IS ACHIEVED AND MEASURED

- Energy Conservation: Reduce greenhouse gas emissions and total delivered costs through LEAN Energy deployment and energy efficiency standard practice adoption across our operations. LEAN Energy engages employees in a culture of conservation to execute process changes which optimize energy efficiency.
- Alternative Energy: Create a step change reduction in greenhouse gas emissions and energy cost by switching to lower carbon emitting fuels (e.g. gas, biomass and renewable energy).
- Energy Supply: Manage energy supply to optimize price and cost predictability across our operations.

PRIORITY TOPIC:
ENERGY & CLIMATE (CONTINUED)



2017 PROGRESS

Our 2017 target was to reduce our Scope 1 and 2 absolute greenhouse gas (GHG) emissions by 18% over our 2005 baseline. Through deployment of our energy conservation and alternative energy programs, we achieved this goal and our cost savings targets.

In 2017, we announced two renewable energy wind power agreements to purchase approximately 1,000,000 megawatt hours (245 megawatts – MW) of electricity annually from new projects in Texas and Oklahoma. The long-term power purchase agreements (PPA) include wind energy from the Rock Falls Wind project in Northern Oklahoma, being developed by EDF Renewable Energy, and the Santa Rita Wind Energy Center in West Texas, being built by Invenergy. The Rock Falls Wind project became operational at the end of 2017, and the Santa Rita facility is expected to begin commercial operation by the second quarter of 2018.

The renewable energy supplied by the wind farms is equivalent to about one-third of the electricity needs of Kimberly-Clark's North American manufacturing operations,

and will enable the company to reduce its greenhouse gas emissions by up to 550,000 metric tons annually. This is equivalent to removing 116,178 passenger vehicles from the road.

OTHER ENERGY PROGRAMS

1) Alternative Energy

- Fuel switching with natural gas at our Chester, Pennsylvania facility to lower carbon emissions.
- Announced two co-generation projects at our company's Mobile, Alabama and Puenta Piedra, Peru manufacturing facilities due to start-up in 2019. These accompany six large-scale electricity co-generation facilities with waste heat recovery.
- Four biomass thermal energy generating plants that provide steam for our company's tissue operations.

2) Energy Conservation

- Deployment of 174 Energy Conservation projects in 2017 (more than 350 since 2015).

3) LEAN Energy

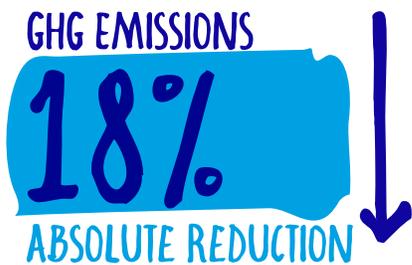
- Expansion of our LEAN Energy Management System at 35 of our manufacturing sites globally.

Through these efforts we achieved our reduction target with an absolute reduction in GHG emissions by 18% from a 2005 baseline.

SCOPE 3 GHG EMISSIONS

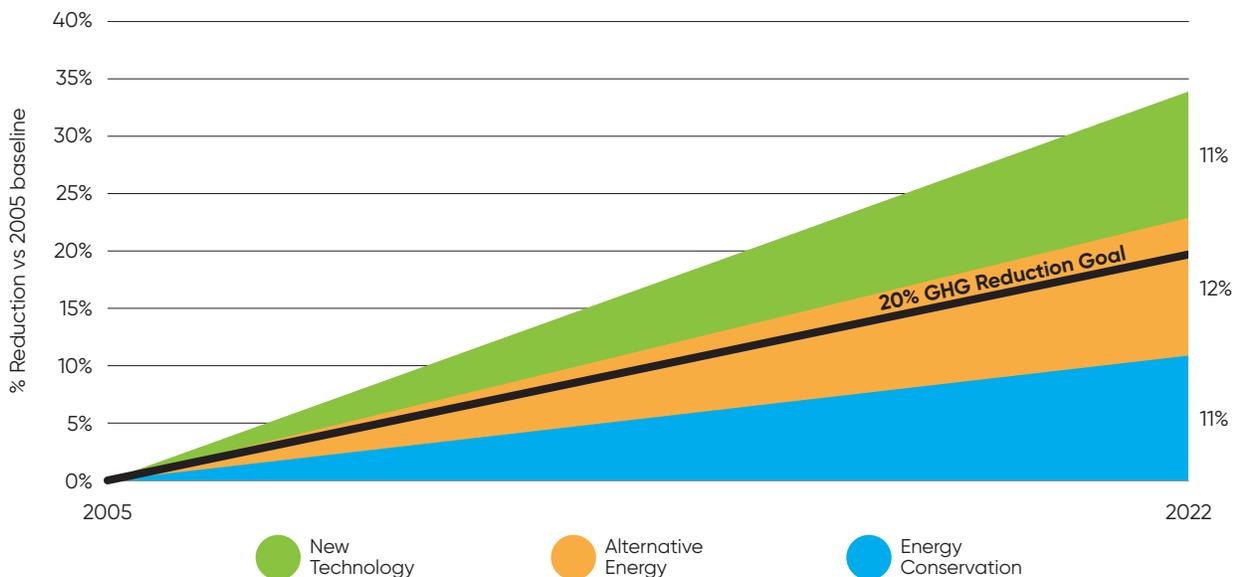
We partnered with World Resource Institute and WWF to measure our Scope 3 emissions, and learned that the majority of these emissions are found in three areas: purchased goods and services, transportation and distribution, and post-consumer waste.

Our Scope 3 program, designed to improve our product carbon footprint, will help us create greater efficiencies in our value chain and further deliver on our vision to lead the world in essentials for a better life.



DRIVING INNOVATION IN ENERGY MANAGEMENT TO CREATE VALUE AND REDUCE GHG EMISSIONS.

\$2022 GHG Reduction Glidepath by Strategy





POWERING WITH RENEWABLE WIND ENERGY

NORTH AMERICA

In 2017, Kimberly-Clark announced a commitment to renewable energy with two new wind power agreements to purchase approximately 1,000,000 megawatt hours (245 megawatts – MW) of electricity annually from new projects in Texas and Oklahoma. The power purchased will fuel our North American operations.

The long-term power purchase agreements (PPA) will enable Kimberly-Clark to reduce its greenhouse gas emissions by up to 550,000 metric tons annually. This is equivalent to removing 116,178 passenger vehicles from the road.

 [Read more about renewable energy](#)

OUR FIRST SCOPE 3 EMISSIONS CALCULATION

GLOBAL

As part of our global energy and climate goal to reduce greenhouse gas emissions (GHG), we embarked on work to measure and reduce our Scope 3 emissions – the indirect emissions that occur both upstream and downstream in our supply chain. Going forward, these learnings will be a foundation for future value stream greenhouse gas emissions reductions.

 [Read more about our emissions-reduction goal](#)

USING INNOVATION TO IMPROVE ENERGY EFFICIENCY

NORTH AMERICA AND LATIN AMERICA

In 2017, we invested \$75 million in the construction of a combined heat-and-power plant to improve the energy efficiency of our Mobile, Alabama, tissue plant; and \$8.1 million into our Puente Piedra plant in Peru. These co-generation facilities will improve energy efficiency and will transform the financial performance of the plants.

 [Read more about energy efficiency](#)

PRIORITY TOPIC:
ENERGY & CLIMATE (CONTINUED)



ENERGY USE (TRILLION BTU)	2010	2011	2012	2013	2014	2015	2016	2017
Non-renewable energy	60.8	59.8	54.4	53.1	53.1	53.8	51.9	51.74
% of total	85%	86%	94%	93%	92.8%	93.6%	92.2%	92.4%
Renewable energy ¹	10.5	9.6	3.6	4.0	4.1	3.7	4.4	4.24
% of total	14.7%	13.8%	6.2%	7.0%	7.2%	6.4%	7.8%	7.6%
Total Energy Use	71.3	69.3	58.0	57.1	57.2	57.5	56.3	56.0
Energy Efficiency (million BTU/MT of production)	14.2	14.7	12.3	12.0	11.5	11.4	11.2	11.0

(1) Our 2017 renewable energy does not include power from the North American purchase power agreements, which will be reflected in the 2018 report.

DIRECT ENERGY USE (TRILLION BTU)	2010	2011	2012	2013	2014	2015	2016	2017
Natural gas	29.1	29.6	30.0	29.9	29.7	30.9	31.0	31.5
% of total	54.0%	56.8%	73.1%	74.3%	73.2%	75.4%	78.9%	81.1%
Purchased biomass, purchased liquor	15.5	14.1	3.6	4.0	4.1	3.7	3.9	3.7
% of total	28.9%	27.0%	8.7%	10.0%	10.9%	9.0%	10.0%	9.5%
Coal	7.8	7.3	6.5	5.6	5.5	5.2	4.3	3.6
% of total	14.4%	13.9%	15.8%	13.9%	13.4%	12.7%	11.0%	9.3%
Fuel oil	1.3	1.0	0.9	0.7	0.5	0.3	0.1	0.1
% of total	2.4%	2.0%	2.1%	1.7%	1.2%	0.7%	0.2%	0.2%
Other	–	–	–	–	–	–	–	0.2
% of total	–	–	–	–	–	–	–	0.0
Total Direct Energy use	53.6	52.0	40.9	40.1	40.0	41.0	39.3	38.9

INDIRECT ENERGY USE (TRILLION BTU)	2010	2011	2012	2013	2014	2015	2016	2017
Electricity	17.52	17.21	16.94	16.96	16.59	16.50	15.71	15.73
% of total	99.0%	99.2%	99.2%	99.4%	95.1%	94.7%	93.5%	93.3%
Steam	0.2	0.1	0.1	0.1	0.9	0.9	1.1	1.1
% of total	1.0%	0.8%	0.8%	0.6%	4.9%	5.3%	6.5%	6.7%
Total Indirect Energy use	17.7	17.4	17.1	17.1	17.4	17.4	16.8	16.9



GREENHOUSE GAS EMISSIONS (MILLION MT CO₂E)	2005 (base year)	2010	2011	2012	2013	2014	2015	2016 ¹	2017
Direct (Scope 1)	2.6	2.5	2.5	2.4	2.2	2.2	2.2	2.1	2.09
Indirect (Scope 2)	2.9	2.8	2.7	2.7	2.7	2.7	2.7	2.4	2.44
Total emissions	5.5	5.3	5.2	5.1	5.0	4.9	4.9	4.6	4.53
Change from previous year (%)	N/A	N/A	-1.6%	-2.4%	-2.3%	-1.1%	-0.1%	-7.1%	-0.9%
CO ₂ e per metric ton of production (CO ₂ intensity)		1.05	1.11	1.08	1.04	0.99	0.97	0.91	0.89
Specific emissions									
Carbon Dioxide (CO ₂)		5,240	5,157	5,048	4,934	4,899	4,879	4,544	4,505
Methane (CH ₄)		0.011	0.010	0.006	0.006	0.006	0.006	0.006	0.005
Nitrous Oxide (N ₂ O)		0.033	0.031	0.020	0.020	0.021	0.020	0.020	0.019
Market-based emissions²									
Direct (Scope 1)	2.6	–	–	–	–	–	–	–	2.09
Indirect (Scope 2)	3.0	–	–	–	–	–	–	–	2.48
Total emissions	5.6	–	–	–	–	–	–	–	4.57
Specific emissions									
Carbon Dioxide (CO ₂)	5,526	–	–	–	–	–	–	–	4,544
Methane (CH ₄)	0.008	–	–	–	–	–	–	–	0.005
Nitrous Oxide (N ₂ O)	0.031	–	–	–	–	–	–	–	0.018

(1) The U.S. emission factors were based on the 2015 U.S. EPA eGRID2012 version 1.0, and the international emission factors used the International Energy Agency Data Services "CO₂ Emissions from Fuel Combustion" (2013 Edition). Reported CO₂e emissions are based on location-based emission factors unless noted otherwise. For further details on location or market-based data, please see our CDP Climate Change Investor Response 2017.

(2) In 2017, Kimberly-Clark began reporting CO₂e emissions in market-based emission factors in preparation for the 2018 renewable wind electricity PPA in North America.

OTHER CRITERIA POLLUTANTS (MT)¹	2010	2011	2012	2013	2014	2015	2016	2017
NO _x	3,948	3,833	2,915	2,869	2,895	2,562	2,545	2,453
SO ₂	4,193	3,031	2,452	1,787	1,776	1,860	1,689	1,638

(1) 2010 through 2015 pollutant values were revised in 2016 to reflect more accurate data from continuous emission monitors compared to previous report responses which were based only on emission factors.



INTERMODAL TRANSPORTATION (NORTH AMERICA)¹	2010	2011	2012	2013	2014	2015	2016	2017
Total Intermodal loads	78,502	87,934	91,353	92,536	95,987	87,517	85,630	79,694
Annual change	22%	12%	4%	1%	4%	-5%	-2%	-9%
Miles traveled (millions)	109.4	117.8	119.6	120.0	122.0	112.9	111.8	103.8
Intermodal cost savings (\$M) vs. over-the-road truck costs	44.2	55.8	60.3	59.2	62.1	56.5	53.9	44.6
Estimated fuel use (million gallons of diesel)								
Intermodal	9.1	9.8	10.0	10.0	10.2	9.4	9.3	8.7
Comparable truck-only fuel use	18.2	19.6	19.9	20.0	20.3	18.8	18.6	17.3
Estimated gallons saved	9.1	9.8	10.0	10.0	10.2	9.4	9.3	8.7
Estimated GHG emissions (million pounds – Scope 3)²								
Intermodal	204.7	220.4	223.8	224.4	228.3	211.2	209.2	194.2
Comparable truck-only fuel use	409.4	440.9	447.7	448.8	456.6	422.3	418.3	388.5
Savings	204.7	220.4	223.8	224.4	228.3	211.2	209.2	194.2

(1) All figures are estimates.

(2) Pounds of GHG emissions based on estimate of 22.45 pounds per gallon of diesel fuel.

Note: total truckload volume was lower in 2017 (vs. 2016) by about 5% and that reduction translated into fewer Intermodal shipments.

2017 SCOPE 3 CALCULATION RESULTS	CO ₂ E (thousand t/yr)	%
Category¹		
Purchased Goods and Services – Category 1	7,040	54.4%
Capital Goods – Category 2	564	4.4%
Fuel and Energy Related Activities – Category 3	1,237	9.6%
Upstream transport and distribution – Category 4	1,141	8.8%
Waste generated in operations – Category 5	283	2.2%
Business travel – Category 6	63	0.5%
Employee commuting – Category 7	20	0.2%
Additional Categories (8, 9, 10, 11, 13 and 14) do not contribute to the results	–	0%
End of Life of sold products – Category 12	2,187	16.9%
Investments – Category 15	400	3.1%

(1) These categories are built referencing the Greenhouse Gas Protocol and supplement to the Corporate Value Chain Accounting and Reporting Standard. Categories left blank are considered non-material to Kimberly-Clark's business.



PRIORITY TOPIC: SUPPLY CHAIN

CREATING VALUE FROM SOURCE TO SHELF WITH A SUSTAINABLE SUPPLY CHAIN.



We recognize that a sustainable supply chain creates value for our customers, suppliers and us, and minimizes risk to our ongoing business success.

Our program focuses on:

- Social and Environmental Compliance: Working with our mills and key suppliers to meet our standards of performance for human rights, labor rights, employee safety, anti-corruption and environmental protection.
- Risk Management: Ensuring that the products and materials we purchase come from traceable, resilient and sustainable sources; enabling better prediction and prevention of potential business disruptions, e.g. water security.
- Value and Innovation: Driving innovation in sustainability by collaborating with our supply chain partners to create value and resilience for Kimberly-Clark and our customers.

2022 GOAL(S)

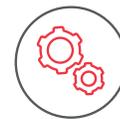
LIVE OUR VALUES

through proactive environmental and social programs.

HOW IMPACT IS ACHIEVED AND MEASURED

- Water: Invest in water treatment and recycling technologies and partner to support communities in water-stressed areas.
- Corporate Social Compliance: Deploy and improve the social compliance program to monitor facility and key supplier performance to our workplace and human rights standards.
- Environmental, Health and Safety (EHS): Conduct EHS audits to confirm facility performance against safety and environmental standards and to check the health of our EHS Management System.
- Supplier Collaboration: Seek value-adding supply partners to create shared value.

PRIORITY TOPIC: SUPPLY CHAIN (CONTINUED)



2017 PROGRESS

Water Security

Water is one of the world's most vital resources and a key input material to our tissue manufacturing processes. In 2015, we conducted a water risk screening assessment to determine which of our operations are at high risk for water stress, identifying 12 requiring focused attention.

Building on our water risk assessment work from prior years, we defined our environmental NGO partners and initiated watershed analyses and target setting for five operations in water-stressed locations.

We will continue to conduct these types of water risk screenings and watershed analyses working towards our 12 water-stressed locations by 2022. In addition to developing water targets customized to the local situations, we recognize that the communities surrounding mills experiencing water stress will have important social needs as well.

Engagement at the local community level is helping to identify appropriate mechanisms to support these needs.

Attention is focused on the global risk of water scarcity due to increased demand and the effects of climate change. To address this, in 2017 we partnered with Deltares, an independent research institute and experts in water, to undertake a study where we operate two manufacturing facilities.

This study, in-conjunction with local community stakeholders and consultation with government authorities, has led to the development of a new innovative web-based tool called WaterLoupe. The tool will monitor local freshwater supplies and consumption trends, and generate actionable insights to mitigate local water risks.

 [Read more about the WaterLoupe tool](#)

Previously, our water security programs focused primarily on water usage, reduction and recycling in our tissue manufacturing facilities. In 2017, in addition to our focus on high risk for water stress, we expanded our program to Personal Care operations. Even with more than 50 new facilities reporting, our total water use was reduced by over two million cubic meters.

**TOTAL WATER USE
WAS REDUCED BY**
2M
CUBIC METERS

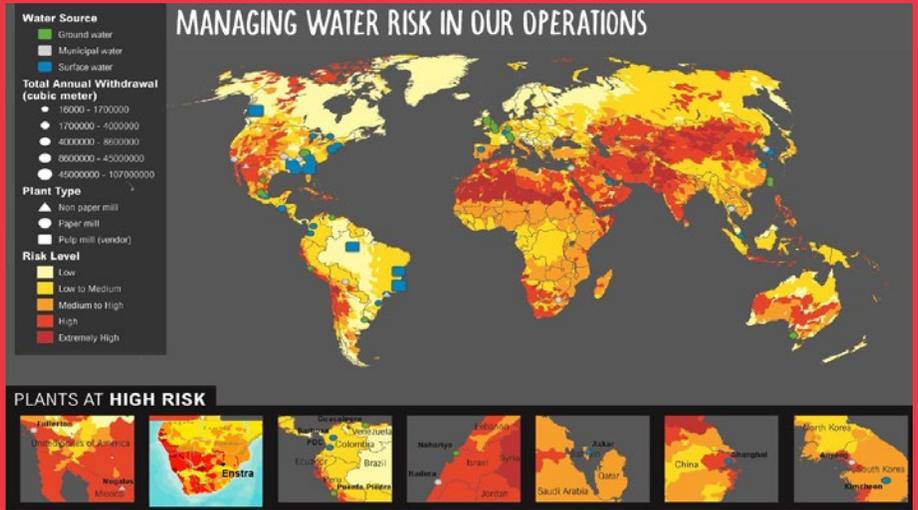


PROCESS FRESH WATER USE (MILLION CUBIC METERS)	2010	2011	2012	2013	2014	2015	2016	2017
Surface	72.6	74.1	46.7	44.5	43.5	44.8	41.4	38.6
% of total	57%	59%	45%	48%	46%	49%	45%	43%
Municipal	36.3	33.0	39.7	31.8	28.3	27.3	30.9	31.2
% of total	29%	26%	38%	34%	30%	30%	34%	35%
Groundwater	17.7	18.0	18.2	17.0	21.9	20.0	19.3	19.6
% of total	14%	14%	17%	18%	23%	22%	21%	22%
Total water use	126.5	125.2	104.6	93.3	93.6	92.1	91.6	89.4
Change from previous year	N/A	-1%	-16%	-11%	0%	-2%	-0.4%	-2.4%

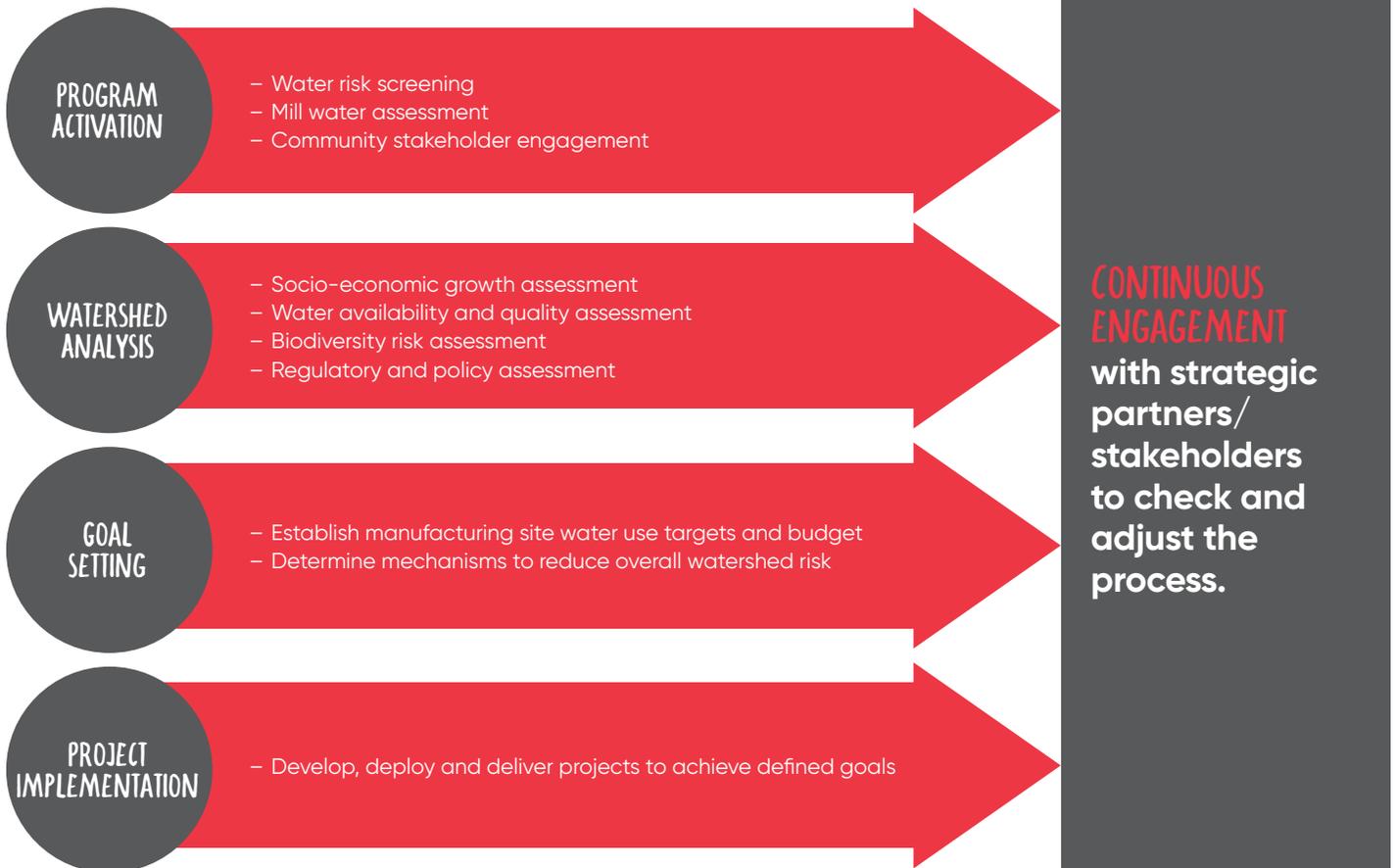
PROCESS EFFLUENT DISCHARGE DESTINATIONS (%)	2010	2011	2012	2013	2014	2015	2016	2017
Surface	87%	87%	88%	83%	88%	89%	88%	88%
Municipal	13%	13%	12%	17%	12%	11%	12%	12%



UNDERSTANDING WATER STRESS HELPS US DEVELOP TARGETED PLANS FOR OUR MILLS AND THE SURROUNDING COMMUNITIES.



\$2022 WATER STRATEGY – A FOUR-STEP PROCESS





WATER SECURITY IN HIGH-STRESS LOCATIONS

ASIA PACIFIC

Located in a water-stressed region, Kluang, Malaysia Mill experienced a serious drought in 2010 that reduced the river's flow, depleting the community's water supply and causing us to shut down our mill for a prolonged period of time. To do our part in reducing water impacts on the local community, we created a Total Water Solution program.

 [Read more](#)

PRIORITY TOPIC: SUPPLY CHAIN (CONTINUED)



2017 PROGRESS

Social Compliance

We are committed through our Social Compliance program to work with suppliers to help improve human rights, labor and safety gaps and build capabilities within our supply chain. We are also committed to ensuring that employees around the world – including those of our suppliers – are treated with respect and that our workplace and human rights standards are met.

Our recently launched **SupplierLINK Portal** provides a clear set of supplier standards and requirements, including our Supplier Social Compliance Standard. This commitment is formalized in our **Human Rights in Employment Policy** and our **Code of Conduct**, which guide our interaction with suppliers, partners, customers and consumers worldwide.

In 2017, there was significant progress resulting from improved supplier awareness of social compliance requirements and subsequent deployment of corrective actions to close audit findings. Buyer training programs on social compliance were expanded to increase awareness of forced labor, working conditions and safety risks in our supply chain.

Within our Corporate Social Compliance program, key suppliers are identified through a risk-based approach to determine which will be subject to our audit requirements. Auditing resources are directed to areas with the most significant risks to identify gaps and opportunities for improvement in areas such as work hours and wages, discrimination, freedom of association, occupational safety, child labor and forced labor.

Through the execution of our auditing program, we identify a number of Major Non-Conformance Findings each year, stated in our Social Compliance Audit Results table. In these situations, our first priority is to work with suppliers to remediate and verify that the non-conformance findings are resolved and therefore improve the conditions for the workers. Since its inception in 2012, the social compliance program has completed more than 866 audits, resulting in improved working conditions for more than 200,000 workers in our external supply chain. Our suppliers play a key role in this commitment.

We regard our standard as a total supply chain initiative, and thus to be compliant, we expect our suppliers to pass these standards down to their suppliers to ensure conformance throughout the supply chain.

Read more about how we partner with companies to promote safe and healthy work environments.

IN 2017, WE COMPLETED

238



SOCIAL COMPLIANCE
AUDITS IN

177

KEY FACILITIES



TRAINING BUYERS TO SUPPORT SAFE, FAIR WORKING CONDITIONS IN OUR SUPPLY CHAIN

LATIN AMERICA

We want to make sure all of our employees – including supply chain workers – are treated with respect and fairness and are able to work in a safe, healthy environment. We expanded our buyer training program in Latin America, reaching nearly 50 buyers in Argentina, Brazil, and Colombia.



Read more



PRIORITY TOPIC:
SUPPLY CHAIN (CONTINUED)



SOCIAL COMPLIANCE AUDIT RESULTS	2014	2015	2016	2017
Number of in-scope suppliers	397	272	302	391
Facilities Audited				
Kimberly-Clark Branded Audits ¹	62	65	63	94
Customer Branded Audits ²	60	67	85	83
Kimberly-Clark Branded Audited Facilities				
Audited Facilities with Major Non-Conformance Findings Requiring Corrective Action	41 10.3% of in-scope suppliers	42 15.4% of in-scope suppliers	45 14.9% of in-scope suppliers	56 14.3% of in-scope suppliers
Audited Facilities with Minor and Major Non-Conformance Findings, Total	39 9.8% of in-scope suppliers	61 22.4% of in-scope suppliers	62 20.5% of in-scope suppliers	84 21.5% of in-scope suppliers
Non-Conformance Findings by Category (Kimberly-Clark Branded Audits Only):				
Health and Safety	40 facilities (73 total major health and safety findings)	38 facilities (92 total major health and safety findings)	48 facilities (126 total major health and safety findings)	56 facilities (202 total major health and safety findings)
Child Labor	0 facilities (0 total major child labor findings)	0 facilities (0 total major child labor findings)	0 facilities (0 total major child labor findings)	0 facilities (0 total major child labor findings)
Forced Labor	6 facilities (7 total major forced labor findings)	3 facilities (3 total major forced labor findings)	3 facilities (3 total major forced labor findings)	7 facilities (7 total major forced labor findings)
Freedom of Association	0 facilities (0 total major freedom of association findings)	0 facilities (0 total major freedom of association findings)	0 facilities (0 total major freedom of association findings)	0 facilities (0 total major freedom of association findings)
Discrimination	1 facility (1 total major discrimination finding)	0 facilities (0 total major discrimination findings)	1 facility (1 total major discrimination finding)	1 facility (1 total major discrimination finding)

(1) Kimberly-Clark branded audits refer to audits measured against Kimberly-Clark compliance standards.

(2) Customer branded audits refer to audits measured against customer-specific compliance standards.

PRIORITY TOPIC:
SUPPLY CHAIN (CONTINUED)



2017 PROGRESS

Environmental Compliance

Environmental team members from around the world collaborate to build capabilities, continuously improve our systems and standards and assess performance gaps in areas including air emissions, chemical management, water and wastewater treatment, waste management and beyond.

Elements of the environmental compliance program include:

- Optimizing the implementation of our Environmental, Health and Safety (EHS) Management System and its policy, organization, planning and implementation elements.
- Modeling our EHS Management System with the ISO 14001 Standard.
- Deployment of the EHS Audit program. Conformance is verified by first, second or third party audits and corrective measures are tracked to closure.

In 2017, we achieved our targets related to this program with 16 EHS audits conducted and on-time closure of more than 96% of environmental findings.

96% 

**ON-TIME CLOSURE
OF ENVIRONMENTAL
FINDINGS**

16 

**EHS AUDITS
CONDUCTED**

2017 PROGRESS

Occupational Safety

Our safety vision is to realize an incident free workplace. While we are proud to have industry-leading performance in safety, we aspire to do better. Continuing to improve requires that we continue to check and adjust our approach and this year we introduced six key imperatives for the next phase of our REAL safety strategy and transformation.

The Six Safety Imperatives:

- 1** Address inconsistent safety leadership: Define leadership safety expectations so that all leaders model behavior that inspires the organization.
- 2** Focus on positive safety interactions: Increase the frequency of authentic, caring safety interactions, role model behaviors and reinforce conformance to standards.
- 3** Reduce risk tolerance: Improve knowledge and awareness to ensure that our team members make the right safety decisions every time.
- 4** Empower employees and contractors to have safety impact: Provide employees and contractors with the knowledge and tools to own safety in their environment.
- 5** Address inconsistent critical safety work practices: Ensure and check compliance with requirements so that every employee and contractor follows critical work practices every time.
- 6** Align incentives and metrics: Utilize simple metrics and incentives to create focus and drive desired behaviors and choices.

In 2017, our Total Reportable Incident Rate (TRIR) was 0.19. Our TRIR improved by 17%. This is a clear indication that our focus on leading safety indicators and proactive risk reduction is helping us improve our incident rate performance.

Regrettably, there was one fatality in 2017 involving a K-C de Mexico employee, as well as another fatality involving an external contractor in Asia Pacific. In light of this, as part of our Safety Imperatives Process, additional safety improvement initiatives are being launched in order to:

- 1) achieve consistent safety leadership across the enterprise;
- 2) reduce risk tolerance; and
- 3) promote contractor safety.

REAL STRATEGY

RISK MITIGATION

EHS MANAGEMENT SYSTEMS

ACCOUNTABILITY FOR SAFETY

LEADERSHIP IN SAFETY

**TOTAL REPORTABLE
INCIDENT RATE (TRIR)**

0.19

PRIORITY TOPIC:
SUPPLY CHAIN (CONTINUED)



KIMBERLY-CLARK EMPLOYEE SAFETY	2010	2011	2012	2013	2014 ⁴	2015 ⁴	2016 ⁴	2017
Fatalities	0	0	0	0 ¹	0	0	0 ²	1 ⁵
Permanently disabling injuries	14	8	9	2	2	5	4	2
Total Reportable Incident Rate (TRIR)	0.44	0.40	0.31	0.27	0.23	0.21	0.23	0.19
North America	0.59	0.44	0.33	0.30	0.24	0.22	0.22	0.32
Latin America	0.40	0.40	0.39	0.41	0.21	0.19	0.24	0.19
Europe (EMEA starting in 2015) ³	0.71	0.71	0.39	0.80	0.37	0.34	0.33	0.34
Middle East and Africa ³	1.01	0.53	0.76	0.33	0.48	N/A	N/A	N/A
Asia/Pacific	0.32	0.23	0.14	0.20	0.17	0.17	0.15	0.13
Lost-time Reportable Incident Rate (LTRIR)	0.30	0.27	0.19	0.17	0.15	0.17	0.15	0.14
North America	0.39	0.22	0.20	0.15	0.14	0.15	0.12	0.20
Latin America	0.31	0.36	0.21	0.25	0.16	0.18	0.17	0.16
Europe (EMEA starting in 2015) ³	0.45	0.59	0.29	0.40	0.25	0.24	0.24	0.28
Middle East and Africa ³	0.82	0.37	0.52	0.14	0.29	N/A	N/A	N/A
Asia/Pacific	0.21	0.14	0.08	0.13	0.11	0.12	0.09	0.09
Sentinel Events Reporting Rate (SERR)	1.70	1.53	1.54	1.66	2.00	4.44	4.62	4.28
Safety compliance penalties	\$110,955	\$4,800	\$23,000	\$1,000	\$25,000	\$4,500	\$20,040	\$18,000

(1) In 2013, a motor vehicle fatality occurred in the trucking operations of Kimberly-Clark de Mexico, an unconsolidated affiliate.

(2) In 2016, there were zero fatalities involving Kimberly-Clark employees, however there were three fatalities involving contractors at a subsidiary of the partly-owned Kimberly-Clark de Mexico. One incident where an outside roofer suffered a fatal fall, another involving a contract security guard, and one where a third-party trucker was involved in a vehicle accident.

(3) In 2015, the data for Europe was combined for reporting purposes as Europe, Middle East and Africa (EMEA).

(4) In 2016, Kimberly-Clark Professional (KCP) reporting was combined into regional data. Therefore data was revised for 2014 and 2015 as it was previously reported out separately.

(5) One fatality involving a K-C de Mexico employee. Note there was one additional fatality of a contractor (non-K-C employee) in Asia Pacific.

TRIR: Work-related events that result in fatalities, temporary or permanently disabling injuries, or illnesses, per 200,000 hours worked per annum.

LTRIR: Reportable injuries/illnesses that result in time away from work or restricted work, per 200,000 hours worked per annum.

SERR: Number of Sentinel Events reported per 200,000 hours worked per annum.



SAFETY MADE ESSENTIAL

GLOBAL – KCP

Sustainability is a key part of our commitment to create Exceptional Workplaces that are healthier, safer and more productive. All employees should be able to work safely, every day, and return home to their families.

 [Read more](#)



2017 PROGRESS

Product Quality and Safety

Ensuring quality is an essential part of Kimberly-Clark's business strategy, and a culture of quality is the foundation for meeting our customer and consumer expectations. It is the policy of Kimberly-Clark to design, manufacture and deliver products that meet or exceed customer and consumer expectations for quality performance and value.

Each Kimberly-Clark business, function and facility is charged with aligning to enterprise standards and maintaining quality systems that support these expectations. From design and sourcing to manufacturing, commercialization, transportation, distribution and sales, quality is an important part of our entire process.

External regulations and industry best practices, as well as internally developed standards, define our quality criteria. Programs are established to measure compliance with these and report results to senior management. These quality standards and established quality system processes drive the continuous improvement activities that ensure Kimberly-Clark products are safe and effective for consumers.

Since the safety and wellbeing of those families that use our products is most important, we've set a goal of reducing or eliminating ingredients of concern, and finding alternatives through our research and development efforts. **Our Ingredient Transparency approach** provides detailed ingredient information for our personal care products through our consumer care teams, and is also provided on our website for our North American brands. This information is accessible to all our stakeholders, including government, non-profit organizations, retailers and consumers.

Our Product Stewardship Council continues to ensure new and existing products continue to meet or exceed safety, environmental, quality and sustainability requirements globally, while also meeting or exceeding consumer and customer expectations. This cross-functional group consists of colleagues from a variety of disciplines including sustainability, regulatory affairs, product safety, legal, engineering, government relations, global communications and our operating units.

We created a set of **Stewardship Standards for Suppliers**, to clearly communicate our expectations to suppliers. Our expectation is for full material disclosure, so that we can maintain safety and regulatory compliance and proactively respond to emerging regulations and public concerns regarding the ingredients used in our products.

PRIORITY TOPIC: SUPPLY CHAIN (CONTINUED)



2017 PROGRESS

Supplier Collaboration

We believe that long-term strategic supplier relationships are key to driving innovative solutions that meet our consumer and customer needs. Through our Supplier Collaboration Program, we are committed to becoming a "Customer of Choice" and partnering with key strategic suppliers. By working together, we are accelerating efforts to create value from source to shelf across our supply chain.

To further enable collaboration with our external suppliers and other partners around sustainability, we:

- Expanded access to our sustainability data management system and worked closely with suppliers to begin the process of collecting performance data. We used this to collaborate for mutual benefits in areas including reducing Scope 3 greenhouse gas emissions, reducing the impacts of water stress on operations and communities, improving social compliance, and other areas of impact.

- Conducted sustainability risk assessments for global and regionally purchased materials and services.

In deploying this activity, we've identified actions in the areas of increased chemical transparency, expanded social compliance scope for labor categories, and expanded upon supplier risk assessment in due diligence processes.

One example of supplier collaboration can best be demonstrated through our fiber supply chain and sourcing partner Fibria in Brazil. With much of the world's tissue and wood pulp production supplied by major global manufacturers, it is easy to assume the same is true for the supplying forests.

While many forests are held by major companies or countries, smallholders, which are individual land owners, manage a significant amount of forest resources and their involvement in our supply chain is critical. Smallholders face challenges in achieving forest certifications, like FSC.

This may be due to lack of knowledge about certification or lack of skills, tools and financial resources to achieve it. Both Kimberly-Clark and Fibria are working with NGOs like FSC and WWF to provide these resources and help develop a path to certification for smallholders that extends the reach of sustainable forestry.



SPOTLIGHT ON KIMBERLY-CLARK'S EUCALYPTUS PULP SUPPLY CHAIN

As large partners, Kimberly-Clark and Fibria recognize the future of sustainable forestry cannot leave smallholders out and the importance of maintaining a working forest for ongoing economic benefits and our supply chain. To illustrate our shared eucalyptus pulp supply chain, we have created an interactive map.



Read more and access the interactive map.

GOVERNANCE

OUR VALUES AND PRINCIPLES
PROVIDE THE FOUNDATION FOR
HOW WE WORK.



Led by our Board of Directors and Executive Leadership Team, Kimberly-Clark's governance structure guides our day-to-day actions to ensure we conduct business with the highest standards and integrity, and remain committed to our values and guiding principles – quality, service and fair dealing.

This structure comprises:

- A Board of Directors and its committees to provide oversight and guidance.
- An independent Sustainability Advisory Board to provide counsel on key governance, social and environmental issues.
- A clear reporting structure and lines of accountability.
- A global **Code of Conduct**.
- Corporate policies and local procedures.

We provide more detail on the **Governance** and **Policy** pages of our corporate website.

BOARD OF DIRECTORS

OUR BOARD OF DIRECTORS AND ITS COMMITTEES PROVIDE OVERSIGHT AND GUIDANCE TO OUR BUSINESSES AND OUR RELATIONSHIPS WITH STAKEHOLDERS.

Our *annual proxy statement* contains detailed information on our Board and committee structure, the independence of the members and the responsibilities and meeting frequency of each committee.

The Board has established and approved the framework for our policies and procedures. Among these are our policies relating to environmental stewardship, fiber sourcing, energy and greenhouse gas emissions, waste, product safety, charitable contributions, human rights, labor, diversity and inclusion and employment.

As part of their oversight roles, the Board – and the Nominating and Corporate Governance committee in particular – receive regular reports from management on these topics, our goals, and progress against these goals.

The Board also receives benchmarking reports on how our programs compare with those of other companies. Finally, the Board conducts a self-evaluation each year (as do each of its committees), to assess whether it is meeting its oversight responsibilities and to develop action plans for any opportunities identified.

BOARD OF DIRECTORS DIVERSITY	2010	2011	2012	2013	2014	2015	2016	2017
Independent members	92.3%	92.3%	91.7%	91.7%	91.7%	90.9%	91.7%	84.6%
Women	23.1%	23.1%	25.0%	25.0%	25.0%	18.2%	25.0%	23.1%
Minority group membership	23.1%	30.8%	33.3%	33.3%	33.3%	27.3%	33.3%	46.2%
Total Board members ¹	13	13	12	12	12	11	12	13
Board of Directors of age 50+	13	13	12	12	12	11	11	12

(1) As of January, 1 2017 Mike Hsu, Kimberly-Clark's Chief Operating Officer, joined the Board of Directors.

SUSTAINABILITY ADVISORY BOARD

OUR SUSTAINABILITY ADVISORY BOARD (SAB) PROVIDES RELEVANT INSIGHTS ON SUSTAINABILITY ISSUES.

Our Sustainability Advisory Board is selected based on core competencies that align with our sustainability strategy. Its members offer independent views of our sustainability programs on a regular basis, as well as insights into potential risks and opportunities for our business.

SAB members may serve for three consecutive two-year terms. Each member receives an annual stipend and is reimbursed for travel expenses to attend meetings.

2017 MEMBERS:

Mark Kramer (U.S.)

Co-founder and Managing Director of Foundation Strategy Group (FSG); Senior Fellow in the CSR Initiative at Harvard Kennedy School of Government; and a lecturer on CSR at the Harvard Business School.

Jo Mackness (U.S.)

Chief Strategy and Operating Officer for the UC Berkeley Haas School of Business; previously served as the Executive Director of Haas' Center for Responsible Business (CRB).

Sally Uren (U.K.)

Chief Executive for Forum For The Future, a global sustainability non-profit that works with business, governments and others to catalyze interventions that move major systems towards sustainability.

ETHICS & COMPLIANCE

OUR CODE OF CONDUCT AND RELATED POLICIES CREATE A FRAMEWORK OF ETHICAL STANDARDS WITHIN WHICH ALL EMPLOYEES AND SUPPLIERS MUST OPERATE.

Our Global Ethics & Compliance Program (the "Program"), which supports the Code, educates employees that we expect consistent, ethical behavior and compliance with applicable laws and that we hold employees accountable. We also expect our employees and suppliers to speak up and ask questions or raise concerns. Our commitment to high ethical standards means identifying and managing risks as well as seizing opportunities.

The Program also includes our anti-corruption policies and procedures, which are designed to ensure compliance with global anti-corruption standards, including the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act.

A discussion on our Social and Environmental Compliance efforts can be found in the **Supply Chain** section of this report.

Our Code of Conduct and a list of our policies can be found in the **Governance** section of our website.

DIVERSITY & INCLUSION

WE SEEK TO HAVE A WORKFORCE THAT REFLECTS OUR CONSUMER BASE.

Through our **People Philosophy**, we work to attract and retain great people from diverse backgrounds and perspectives. This focus has helped build teams united by a passion to win and a desire to make a difference.

Increasing the representation of women (globally) and ethnic minorities (U.S.) in senior management positions (defined as Director-level and above) and ensuring a robust pipeline of diverse talent is part of our ongoing people strategy.

Talent development

Developing leaders and top talent is critical, so we value a work environment that fosters personal, professional and corporate growth while building a performance-driven organization to attract, engage, develop, reward and retain top talent.

To ensure our leaders are ready for more senior roles, we've implemented several programs including Culture of Coaching, General Manager Acceleration Development, Leaders Teaching Leaders (LTL) and the Emerging Leader Acceleration Program (ELAP) to ensure they have the necessary experience and training.

Also, our Technical Leader Pipeline Development Program helps confirm our commitment to innovation and new ideas that add value to our business.

100%

ON THE HUMAN RIGHTS CAMPAIGN (HRC) FOUNDATIONS 2017 AND 2018 CORPORATE EQUALITY INDEX (CEI) Kimberly-Clark earned a perfect score on the annual benchmarking survey and report on corporate policies and practices pertinent to lesbian, gay, bisexual and transgender (LGBT) employees.



Tammie Fallows, Electrical Technician at Kimberly-Clark's Barrow mill, is passionate about helping young women pursue careers in engineering.

DIVERSITY & INCLUSION (CONTINUED)

FULL-TIME EMPLOYEES	2010	2011	2012	2013	2014	2015	2016	2017
North America ¹	21,176	21,411	22,241	21,766	14,874	15,374	14,615	14,222
% of total ¹	37%	38%	38%	38%	35%	36%	35%	34%
Latin America ¹	13,496	13,829	14,235	14,479	12,824	13,046	12,209	12,307
% of total ¹	24%	24%	24%	26%	30%	30%	29%	29%
Europe, Middle East and Africa	8,626	8,222	8,039	6,872	6,780	6,708	6,884	7,132
% of total	15%	14%	14%	12%	16%	16%	16%	17%
Asia/Pacific	13,973	13,789	13,825	13,631	8,139	8,005	8,142	8,372
% of total	24%	24%	24%	24%	19%	18%	19%	20%
Total full-time employees	57,271	57,251	58,340	56,748	42,617	43,133	41,850	42,033

(1) Restated data history to report Mexico as part of North America (instead of Latin America) for a geographical view.

TURNOVER (GLOBAL)	2010 ¹	2011 ¹	2012 ¹	2013 ¹	2014 ¹	2015 ¹	2016 ¹	2017 ²
Total	6.4%	10.1%	9.9%	10.1%	11.0%	16.5%	16.1%	12.9%
Voluntary	4.3%	5.2%	5.8%	7.4%	8.0%	10.3%	9.7%	9.6%
Involuntary	2.1%	4.9%	4.2%	2.8%	3.0%	6.2%	6.4%	3.2%

(1) 2010-2014 reported U.S. turnover only.

(2) Beginning in 2015, turnover rate data is Global.

FULL-TIME EMPLOYEE DIVERSITY ¹	2010	2011	2012	2013	2014	2015	2016	2017
Women	29.9%	30.1%	31.0%	35.6%	31.8%	32.2%	31.8%	30.5%
Women in management	27.3%	28.6%	29.3%	30.3%	31.1%	32.0%	33.0%	33.8%
Ethnic minorities (US)	17.8%	17.9%	18.8%	18.7%	17.7%	18.9%	18.5%	19.2%
Ethnic minorities in management (US)	10.9%	11.3%	11.7%	13.7%	12.2%	12.7%	13.2%	13.9%

(1) Through 2013, "Management" was defined as U.S. employees in EEP category 01 (executive/senior-level officials and managers, and first/middle-level officials and managers). In 2014, we revised our corporate definition for women and ethnic minorities in management to include employees identified as "Manager" in Kimberly-Clark's Workday system (previously, the term was defined as executive/senior level officials and managers as well as first/middle level officials and managers). This change enables us to report on gender representation in management globally and aligns with our internal reporting structures.

UNION MEMBERSHIP	2010	2011	2012	2013	2014	2015	2016	2017
Percentage of Employees with union membership	27%	25%	25%	25%	26%	21% ¹	21% ¹	21%¹

(1) The percentage of unionized workers is approximately 21% of our workforce. However, in many countries, union membership is considered a private matter and may not be tracked for those countries. Furthermore employees who are not union members are covered by union agreements.



MATERIALITY ASSESSMENT, REPORT DEVELOPMENT AND STAKEHOLDER ENGAGEMENT

SUSTAINABILITY TOPICS IDENTIFIED THROUGH MATERIALITY ASSESSMENT HELP FOCUS OUR EFFORTS.

MATERIALITY ASSESSMENT

The Global Reporting Initiative's (GRI) materiality principle states that a sustainability report should cover aspects that:

- Reflect the organization's significant economic, environmental and social impacts; or
- Substantively influence the assessments and decisions of stakeholders.

We conducted a non-financial materiality assessment to determine topics deemed most important to both internal and external stakeholders.

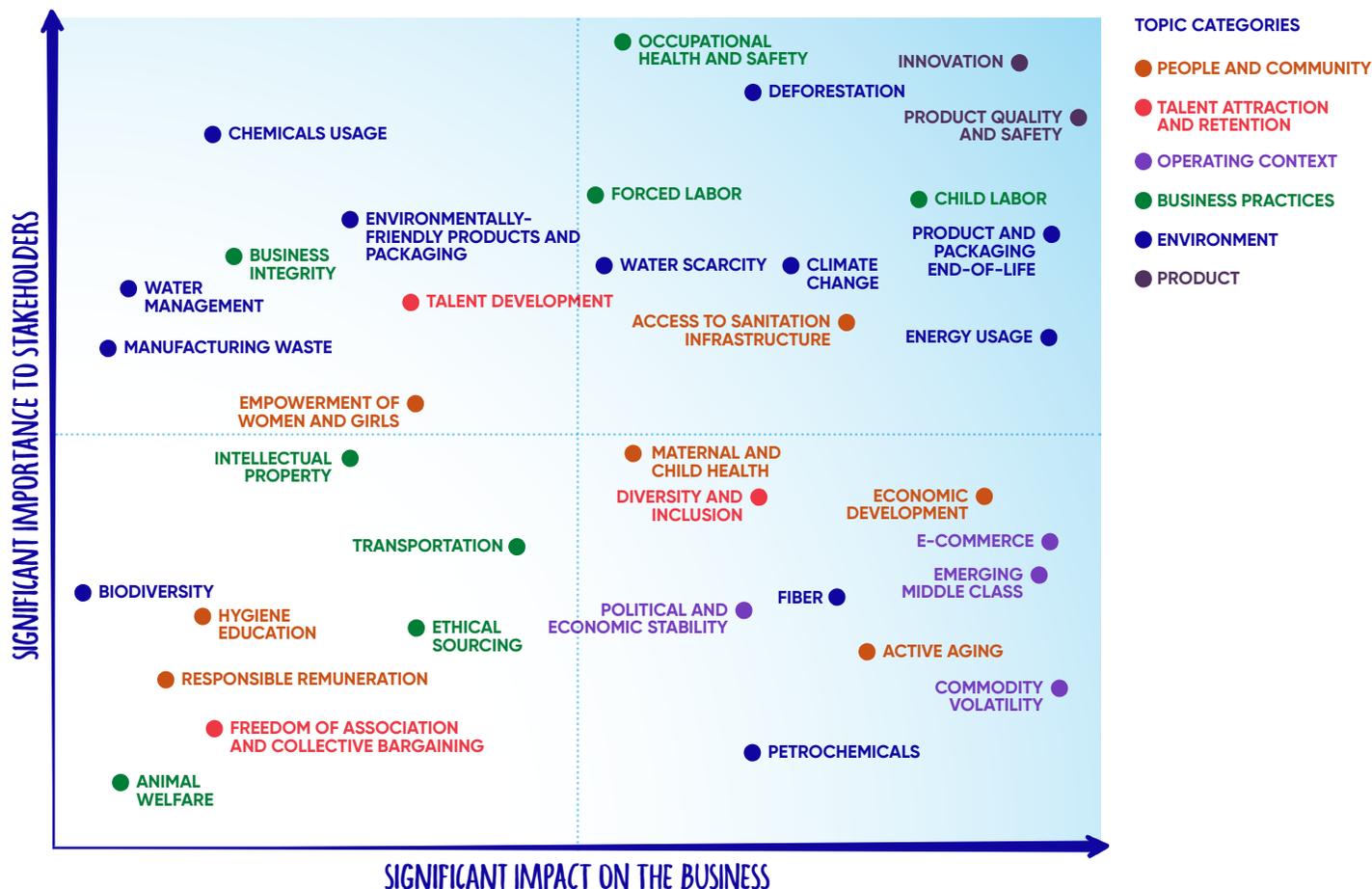
The materiality assessment results inform our sustainability strategies and ensure we provide transparent, comprehensive and accessible coverage of topics that are of significant importance to key stakeholders and reflect the organization's significant economic, environmental and social impacts on the business.

ONGOING STAKEHOLDER ENGAGEMENT

In addition to our materiality assessment process, we engage with stakeholders in many ways on an ongoing basis – ranging from conducting customer and consumer research to engaging in dialogue and developing strategic partnerships with environmental and humanitarian organizations.

In addition, we communicate progress to the shareholder and investment communities through our **Annual 10-K**, through investor and shareholder meetings, at analyst-sponsored conferences and through distribution of our sustainability reporting content.

SUSTAINABILITY MATERIALITY INDEX



The newly launched UN Sustainable Development Goals have helped to validate our key priorities and can be mapped as follows:

THE FIVE PRIORITIES OF OUR SUSTAINABILITY 2022 STRATEGY REFLECT OUR COMMITMENT TO ADDRESSING OUR MATERIAL ISSUES:

KEY PRIORITY	RELEVANT MATERIAL ISSUE*	SUSTAINABLE DEVELOPMENT GOAL (SDG)†
Social Impact	Innovation, Access to Sanitation Infrastructure	(3) Good Health and Wellbeing, (5) Gender Equality, (6) Clean Water and Sanitation (17) Partnership For the Goals
Forests & Fiber	Climate Change, Deforestation, Innovation	(15) Life on Land, (17) Partnership For the Goals
Waste & Recycling	Product and Packaging End of Life, Climate Change, Innovation	(11) Sustainable Cities and Communities, (12) Responsible Consumption and Production, (14) Life Below Water, (17) Partnership For the Goals
Energy & Climate	Climate Change, Innovation, Energy Usage	(7) Affordable and Clean Energy (17) Partnership For the Goals
Supply Chain	Child Labor, Forced Labor, Innovation, Occupational Health and Safety, Product Quality and Safety, Customer Satisfaction, Water Scarcity	(9) Industry, Innovation and Infrastructure, (10) Reduced Inequalities, (12) Responsible Consumption and Production, (17) Partnership For the Goals

* Material issues included here are those in the very high categories of significant importance to stakeholders and impact on the business (note that some issues fall into more than one S2022 category).

† Sustainable Development Goals are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

GRI INDEX

THIS REPORT HAS BEEN PREPARED
IN ACCORDANCE WITH THE GLOBAL
REPORTING INITIATIVE (GRI)
STANDARD: CORE OPTION.

The content index that follows cross-references the GRI disclosures and each of the 10 UNGC principles with information aligned with that disclosure or principle and serves as our Communication on Progress (COP).

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 102-1	Organization name	Kimberly-Clark Corporation	
GRI 102-2	Primary brands, products and services Sale of banned or disputed products	10-K (page 1) Zero for Kimberly-Clark. We have not knowingly sold banned or disputed products.	
GRI 102-3	Headquarters location	P.O. Box 619100, Dallas, Texas, USA	
GRI 102-4	Where the organization operates	Our Global headquarters is in Dallas, TX, USA We also have manufacturing facilities in 37 countries – Argentina, Australia, Bahrain, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Czech Republic, Dominican Republic, Ecuador, El Salvador, France, Germany, India, Indonesia, Israel, Italy, Korea, Malaysia, Mexico, Nigeria, Peru, Russian Federation, Saudi Arabia, Singapore, South Africa, Spain, Switzerland, Taiwan, Thailand, United Kingdom, United States of America and Vietnam.	
GRI 102-5	Nature of ownership and legal form	Publicly traded Delaware U.S. corporation 10-K (page 1)	
GRI 102-6	Markets served	10-K (page 1)	
GRI 102-7	Scale of the organization	10-K (page 2) 42,033 total Kimberly-Clark at year-end 2017	
GRI 102-8	Total number of employees by type	REPORT SECTION – Diversity and Inclusion 43,364 total employees; 42,033 are full-time, 327 are part time; 1,004 temporary. Globally, 31.1% of all employees are women, and 43% of all full-time salaried employees are women. 34% of management globally is comprised of women.	
GRI 102-9	Supply chain description	Kimberly-Clark maintains an extensive global supply chain consisting of over 30,000 suppliers of production materials, packaging, finished products, manufacturing operating supplies, capital equipment and other equipment and services to supply a network of global manufacturing locations.	
GRI 102-10	Organizational changes during the reporting period	10-K (page 19)	
GRI 102-11	Precautionary principle	Our vision to provide the essentials for a better life includes our commitment to protect the environment. This vision inspires our search for more sustainable ways of meeting our customers' needs. We consider the precautionary principles in the processes, systems and capabilities utilized within our Product Safety, Sustainability, Regulatory and Clinical Affairs and Research and Engineering functions. We seek ways to reduce environmental impact from our operations and design products that are environmentally innovative.	Principle 7
GRI 102-12	External charters, principles or other initiatives	REPORT SECTION – External Principles, Memberships and Awards	Principles 1 & 8
GRI 102-13	Membership associations	REPORT SECTION – External Principles, Memberships and Awards	
GRI 102-14	CEO Letter	REPORT SECTION – Welcome to our 2017 Sustainability Report; including leadership messages and videos	Statement of continuing support
GRI 102-15	Key impacts, risks and opportunities	REPORT SECTIONS – Welcome to our 2017 Sustainability Report; including leadership messages and videos; Materiality Assessment	Principle 8
GRI 102-16	Code of Conduct	<u>Code of Conduct</u>	Principles 1 & 8

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 102-17	Mechanisms for advice and concerns about ethics	Code of Conduct Mechanisms for asking questions and raising concerns regarding unethical or unlawful behavior are communicated in our Code of Conduct. Questions and concerns may be raised via a variety of channels including our Compliance HelpLine which allows for anonymous reporting where permissible by law. Kimberly-Clark policy prohibits retaliation for raising concerns or asking questions in good faith.	
GRI 102-18	Governance structure of the organization	10-K (page 59) REPORT SECTION – Governance	Principle 8
GRI 102-20	Executive level accountability to Economic, Environmental and Social topics	Kimberly-Clark’s Chief Supply Chain Officer, Sandra MacQuillan, is a member of Kimberly-Clark’s Executive Leadership Team. She has accountability for sustainability inclusive of both environmental and social topics and reports directly to the Chief Operating Officer (COO).	
GRI 102-21	Stakeholder consultation with governance body on Economic, Environmental and Social topics	Kimberly-Clark’s independent Sustainability Advisory Board (SAB) was formed in 2007 to provide guidance and insights on sustainability issues to our Global Sustainability Team and our Executive Leadership Team. The SAB is comprised of top business and functional executives who have audience in governance with the CEO/Chairman of the Board. The SAB is composed of external thought leaders who possess a diversity of experience and expertise and are selected based on core competencies that align with our sustainability strategy. Its members offer independent views of our sustainability programs, as well as insights into potential risks and opportunities for our business.	
GRI 102-22	Composition of the Board and its committees	10-K (page 63) Proxy Statement (page 23) REPORT SECTION – Governance	
GRI 102-23	Whether the Chair of the Board is also an executive officer	Thomas J. Falk is Chairman of the Board and CEO of Kimberly-Clark.	
GRI 102-24	Nomination and selection processes for the Board and its committees	Proxy Statement (page 21)	
GRI 102-25	Board conflicts of interest	Proxy Statement (page 16) Code of Conduct	Principle 10
GRI 102-26	Role of the Board in setting sustainability mission	Kimberly-Clark’s Global Head of Sustainability, Lisa Morden, reports once a year to the Nomination and Governance committee of the Board of Directors to report progress and answer questions relating therein; also through strategy development with Senior Leadership (Executive Leadership Team approvals, Board briefings, etc.).	
GRI 102-28	Board performance with respect to governance of sustainability topics	10-K (page 59) Proxy Statement (page 16, 39)	Principle 8
GRI 102-29	Board role in the identification and management of sustainability impacts, risks and opportunities	10-K (page 3) Proxy Statement (page 20)	Principles 7 & 8
GRI 102-30	Board role in reviewing risk management for sustainability	Proxy Statement (page 20)	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 102-31	Frequency of the Board's review of sustainability impacts, risks and opportunities	10-K (page 59) Proxy Statement (page 16)	Principles 7 & 8
GRI 102-33	Process for communicating critical concerns to the Board	<u>Code of Conduct</u>	
GRI 102-35	Pay policies for Board and executives	Proxy Statement (page 41)	
GRI 102-36	Process for determining remuneration	Proxy Statement (page 43)	
GRI 102-37	Process for seeking stakeholder input on remuneration	Proxy Statement (page 44)	
GRI 102-40	Stakeholder groups	REPORT SECTION – Materiality Assessment, Report Development and Stakeholder Engagement International stakeholders from seven groups (suppliers, customers, distributors, employees, investors, labor/trade organizations and NGOs) were engaged through interviews, workshops or surveys in conducting our non-financial materiality assessment in 2016. Material aspects were validated equally by our external and internal stakeholders. This work allowed us to focus on the core economic, environmental and social topics that are integral to supporting and growing our company.	
GRI 102-41	Collective bargaining agreements	Approximately 21% of our Mill workforces are covered by collective bargaining agreements.	Principle 3
GRI 102-42	How stakeholders were identified	REPORT SECTION – Materiality Assessment, Report Development and Stakeholder Engagement We convened regional business and functional leaders, Sustainability Advisory Board members and subject matter experts around the world along with one-on-one interviews with our strategy leaders from each key business region to assess and prioritize sustainability topics most relevant to our business. Throughout the process, we used the definition of "material" from our global risk management team which takes into account the probability of occurrence and impact to our business.	
GRI 102-43	Approach to stakeholder engagement	REPORT SECTION – Materiality Assessment, Report Development and Stakeholder Engagement Kimberly-Clark is involved with ongoing stakeholder engagement which takes many forms – from one-way information channels to consumer and customer research, and from dialogue with environmental organizations to partnerships with humanitarian organizations. Stakeholders viewed as strategic partners are those who have a significant interest and/or impact on areas that are most material to our company. Examples of engagement include, but are not limited to, annual meetings, one-on-one interviews, engagement surveys, education or marketing campaigns, earnings calls or shareholder resolutions, risk assessments and audits, volunteering programs and media relations.	Principle 8
GRI 102-44	Topics raised during stakeholder engagement	REPORT SECTION – Materiality Assessment, Report Development and Stakeholder Engagement Topics include, but are not limited to, within our ongoing stakeholder engagement – our business practices, the environment, operating context, people and community, products and packaging, quality, safety and health, human rights, cost reductions, pricing, organic growth and operating margins, sourcing, climate change, waste and recycling, and supply chain management. See the Materiality Assessment section for topics discussed during the latest analysis with our stakeholders.	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 102-45	Entities included in financial statements	10-K (page 26)	
GRI 102-46	Process for defining report boundaries and content	REPORT SECTIONS – Welcome to Our 2017 Sustainability Report; Materiality Assessment, Report Development and Stakeholder Engagement	Principle 8
GRI 102-47	Material aspects included in the report	REPORT SECTION – Materiality Assessment, Report Development and Stakeholder Engagement For additional information on our last Materiality Assessment see pages 9–10 of our 2015 Sustainability Report	
GRI 102-48	Restatements	In the 2017 reporting year, the company is not aware of any restatements.	
GRI 102-49	Changes from previous reports in terms of scope and/or boundaries	There were no significant changes in scope or boundaries in the 2017 reporting year. In early 2018, Kimberly-Clark announced a Global Restructuring Program which is expected to reduce Kimberly-Clark's structural cost base and enhance the company's flexibility to invest in its brands, growth initiatives and capabilities critical to delivering future growth. The company expects to close or sell approximately 10 manufacturing facilities and expand production capacity at several others to improve overall scale and cost. As part of the program, Kimberly-Clark expects to exit or divest some low-margin businesses in consumer tissue that generate approximately 1 percent of company net sales. The announcement does not alter the company's Sustainability 2022 strategy and goals. More information on the Global Restructuring Program can be found in our press release .	
GRI 102-50	Reporting period	January – December, 2017	
GRI 102-51	Date of most recent report	June 30 2017	
GRI 102-52	Reporting cycle	Annual	
GRI 102-53	Report contact	sustainability@kcc.com	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the Global Reporting Initiative (GRI)'s Sustainability Reporting Standards "Core" level.	
GRI 102-55	GRI content index	GRI Content Index	
GRI 102-56	External assurance	REPORT SECTION – Independent Assurance Statement	Principle 8
GRI 103-1	Explanation of the material topic and its boundary	REPORT SECTIONS: Welcome to Our 2017 Sustainability Report; Materiality Assessment, Report Development and Stakeholder Engagement	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 103-2	The management approach and its components	<p>REPORT SECTIONS – Welcome to Our 2017 Sustainability Report; Materiality Assessment, Report Development and Stakeholder Engagement</p> <p>Kimberly-Clark does not track number of grievances, however, K-C encourages its workers to raise complaints through a number of avenues such as our Code of Conduct reporting procedures, our anonymous Input to Action employee engagement survey, grievance procedures in collective bargaining agreements, and through dialogue with the European Works Council, the UNI Global Union and other similar stakeholders, to name a few. K-C also routinely encourages employees to report concerns to anyone in management with whom they feel comfortable as part of its compliance culture. Such claims, no matter how received, are thoroughly investigated.</p> <p>Kimberly-Clark commits to respect all human rights by having a policy commitment to do so, engaging in ongoing human rights due diligence and having processes embedded in our business to remediate human rights impacts. A foundational component of our remediation process is the myriad of formal and informal grievance mechanisms in our business.</p> <p>Our formal grievance mechanisms include those provided via our Code of Conduct:</p> <ol style="list-style-type: none"> 1. Formal process which allows anyone around the globe to report a concern around compliance with our Code of Conduct 2. Annual acknowledgment – Annually we ask Kimberly-Clark employees to acknowledge they have read and understand our Code of Conduct and understand that they have an obligation to raise concerns regarding violations of the Code. 3. Corporate Social Compliance Audits – We conduct over 100 audits of key suppliers annually. As a part of this activity we review a given supplier’s compliance with our Corporate Social Compliance Standards and local wage, hour and payroll laws. These audits include a random sampling of supplier employee interviews. 4. Consumer Reporting – Users of products around the globe may report concerns via toll-free calls or via the internet. 5. Informally, we receive and investigate incidents of grievances from employees, suppliers and consumers around the globe. 6. Kimberly-Clark collaborates with global unions on an ongoing basis to discuss a variety of global labor issues with a goal to continue to foster open, productive communications. 	
GRI 103-3	Evaluation of the management approach	REPORT SECTIONS – Welcome to Our 2017 Sustainability Report; Materiality Assessment, Report Development and Stakeholder Engagement	
GRI 201-1	Direct economic value generated and distributed	TABLE – Business Data and Financials 10-K (pg. 10)	
GRI 201-2	Climate change risks	<p>At Kimberly-Clark, the majority of our operational greenhouse gas (GHG) emissions result from energy use at our manufacturing facilities. In line with our Essentials for a Better Life vision, we strive to address issues like reducing our carbon footprint by understanding how it affects all aspects of our business – from regulatory complexity to cost implications to environmental and social concerns.</p> <p>To manage and reduce the GHG emissions from our operations, we have developed a corporate-wide GHG inventory of the three major greenhouse gases. These are Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O). Using the right Global Warming Potential Multipliers, these three types of emissions are combined and expressed into a single indicator called Carbon Dioxide equivalent (CO₂e). All the GHG emissions reported internally and</p>	Principle 7

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 201-2 (continued)		<p>externally are expressed in Metric Tons of CO₂e, following the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) issued by the World Resources Institute (WRI). All the Scope 1 and Scope 2 GHG emissions are verified by an independent third party entity to provide limited assurance of their accuracy and completeness.</p> <p>Moving forward as part of our next generation goals aligned with Sustainability 2022 strategy, Kimberly-Clark set a goal of reducing GHG absolute emissions from manufacturing by 20% from a 2005 baseline. The three strategies considered and dimensioned as tools and drivers to deliver GHG reductions are the following:</p> <ol style="list-style-type: none"> 1. Execution of rapid payback energy conservation/efficiency improvement projects and energy best practices adoption. 2. Deployment of behavior-based LEAN Energy transformation in Kimberly-Clark manufacturing facilities worldwide, as a tool to implement a facility energy management system; funded in three fundamental pillars: a) Mindset, Behaviors and Capabilities b) Management Infrastructure and c) Operational Systems. 3. Execution of alternative energy projects including renewable energy such as biomass boilers, cogeneration plants and renewables such as solar and wind fueled electricity. <p>Kimberly-Clark has been tracking its GHG emissions since 2005. The GHG emissions reduction progress has been 18% from 2005 to 2017.</p> <p>Kimberly-Clark identified some inherent climate change risks that have the potential to generate a substantive change in its business operations, revenue and expenditure.</p> <p>One example of risk driven by changes in regulation is the carbon tax in some of the countries/regions where K-C operates. K-C participates in the European Union Trading Scheme and is closely following the development of proposed climate emissions legislation in the United States and in other 34 countries where Kimberly-Clark has business interests related to its manufacturing or raw material sourcing. The company has built a database to track the existing and emerging carbon legislation in those countries where Kimberly-Clark operates, studying in particular the development of carbon legislation in the following countries: Argentina, Australia, Bahrain, Brazil, Canada, India, Indonesia, Japan, Korea, Mexico. One particular example, which originally became law, was the carbon tax scheme in Australia, where Kimberly-Clark at that time had three manufacturing sites: Albury, Ingleburn and Millicent. A carbon pricing scheme in Australia was introduced by the Gillard Government and became effective on 1 July 2012, and was in operation until it was repealed by the Australian Senate on 17 July 2014. The scheme required entities which emit over 25,000 tons per year of Carbon Dioxide equivalent greenhouse gases and which were not in the transport or agriculture sectors to obtain emissions permits. The price per ton of emitted CO₂ in 2012-2013 was \$23; and \$24 in 2013-2014. Kimberly-Clark is actively looking for other alternatives, such as renewable energy; for instance, in September 2017, it was announced that Kimberly-Clark will power North American mills with renewable wind energy, through agreements to annually purchase approximately 1,000,000 megawatt hours (245 megawatts – MW) of electricity from two new wind power projects in Texas and Oklahoma. To support the growth of renewable energy sources, Kimberly-Clark has signed on to the Corporate Renewable Energy Buyers' Principles, a collaboration of leading companies seeking simplified access to the renewable electricity to meet their clean and low-carbon energy goals.</p> <p>One description of risk driven by changes in physical climate parameters is the change in temperature extremes; for instance, Sitio del Nino Mill, in El Salvador, is the biggest manufacturing facility within the Latin American Operations of Kimberly-Clark; with almost 10% of the volume of the region. Approximately 35% of the electricity in El Salvador is generated from hydraulic sources; extreme temperatures in the summertime have high impact on the availability and price</p>	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 201-2 (continued)		of electricity due to the reduction of levels in rivers and dams, driving high costs of electricity. In 2013, this mill had the highest cost of electricity among Kimberly-Clark, at almost \$200 per megawatt. Additionally, constant outages from the electrical grid resulted in production loss and other internal equipment failure, impacting the operation's overall efficiency. At the same time, the only certified sludge disposal supplier decided to double the cost to dispose sludge. To help offset, Kimberly-Clark initiated the LEAN Energy management system to help optimize energy efficiency.	
GRI 201-3	Benefit plan coverage	10-K (page 21) http://www.careersatkc.com/home.aspx	
GRI 201-4	Financial assistance from the government	Kimberly-Clark does not receive financial assistance from US governments that would materially affect our position.	Principle 7
GRI 203-1	Infrastructure investments	TABLE – Community and Employee Contributions	
GRI 203-2	Investments in high-poverty areas	Social Impact: https://www.sustainability2022.com/five-priorities/social-impact	
GRI 204-1	% of spend assigned to local suppliers	Kimberly-Clark's global manufacturing network is served by an extensive supply chain that includes local, regional and global suppliers for purchased goods, materials, packaging and services. Our sourcing processes seek to balance responsible sourcing standards and support for local supplier options while optimizing total delivered cost inclusive of material cost and transportation. As a result, a significant amount of purchases are made with local suppliers where possible, while recognizing that some purchases must be made where suppliers are available on a global basis.	
GRI 205-1	Risks related to corruption	In Kimberly-Clark's Code of Conduct , we discuss mechanisms for reporting unlawful/unethical behavior	Principle 10
GRI 205-2	Communications and training on anti-corruption	In 2017, we provided 30 minutes of Code of Conduct training to all office-based K-C employees with computer access. We also provided 30 minutes of Code of Conduct training to all mill-based Kimberly-Clark employees. The 2017 Code of Conduct training included content regarding conducting business using third parties. As part of the annual Code of Conduct training, employees were required to read, understand and comply with the Code of Conduct. Anti-corruption is addressed in the Code of Conduct . It is the policy of Kimberly-Clark to conduct business in compliance with all anti-bribery and anti-corruption laws.	Principle 10
GRI 205-3	Confirmed incidents of corruption	We regularly assess the quality and effectiveness of our compliance and ethics program and continue to believe that our anti-corruption program is effective and that we are in compliance with applicable anti-corruption laws in all material respects.	Principle 10
GRI 206-1	Anti-competitive behavior	Operating with integrity and high ethical standards is critical, and Kimberly-Clark has strict corporate policies and a Code of Conduct that govern its business operations and practices globally. In 2017, we were subject to various legal actions and governmental inquiries regarding anti-competitive behavior. Kimberly-Clark seeks to provide voluntary cooperation to authorities, in accordance with the company's strict corporate policies and Code of Conduct.	Principle 10
GRI 301-1	Materials by weight or volume	TABLE – Materials Consumption and Production	Principle 8
GRI 301-2	Recycled input materials	TABLE – Materials Consumption and Production	Principle 8
GRI 301-3	Products and packaging materials reclaimed	TABLE – Post-Consumer Waste	Principle 8 & 9
GRI 302-1	Energy consumption (Scope 1 & 2)	TABLE – Energy use	Principle 8

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 302-2	Energy consumption outside the organization (Scope 3)	TABLE – Energy use	
GRI 302-3	Energy intensity	TABLE – Energy use	
GRI 302-4	Energy reductions	TABLE – Energy use	Principle 8 & 9
GRI 303-1	Water withdrawals by source	TABLE – Water use	Principle 8
GRI 303-3	Water recycled and reused	TABLES – Water use; Tissue Manufacturing Water Use Efficiency	Principle 8
GRI 304-2	Impacts on biodiversity	All of our wood fiber suppliers are certified under a forest certification scheme which assures that there is a low risk of sourcing wood fiber from protected areas or areas of high diversity outside protected areas	Principle 8
GRI 304-3	Habitats protected or restored	All of our wood fiber suppliers are certified under a forest certification scheme which assures that there is a low risk of sourcing wood fiber from protected areas or areas of high diversity outside protected areas	Principle 8
GRI 305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	TABLE – Greenhouse Gas Emissions	Principle 8
GRI 305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	TABLE – Greenhouse Gas Emissions	Principle 8
GRI 305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	TABLES – Greenhouse Gas Emissions; Intermodal Transportation; Scope 3 Emissions Table	Principle 8
GRI 305-4	GHG emissions intensity	TABLE – Greenhouse Gas Emissions	Principle 8
GRI 305-5	Reduction of GHG emissions	<p>In 2017, our absolute direct and indirect (Scope 1 and 2) global GHG emissions were 4.53 million metric tons (MT) of CO₂e representing 1% reduction from previous year 2016. These GHG emissions represent a reduction of 18% from the baseline year of 2005; driven by reduction in GHG from the execution of energy and climate Sustainability 2022 strategy, funded on conservation projects and best practices adoption, the implementation of LEAN Energy and the start-up of alternative energy projects in North America and Latin America.</p> <p>Kimberly-Clark was officially recognized by the Center for Climate and Energy Solutions (C2ES) and The Climate Registry as winner of the Climate Leadership Award under the category of Excellence in GHG Management Goal setting. This award recognizes Kimberly-Clark as leader among other companies that publicly report and verify organization-wide GHG inventories and publicly set aggressive GHG emission reduction goals. The award ceremony was held in Denver, CO in February, 2018. This award recognizes that Kimberly-Clark's GHG management program incorporates the following key elements: It follows standard GHG inventory methodologies; publicly reports/discloses GHG data; tracks GHG performance against the defined base year for Scope 1, Scope 2; It has a publicly communicated GHG emissions reduction goal in absolute numbers for Scope 1 and 2, and the goal is aggressive enough following some of the standard methodologies such as: Sectoral Decarbonization Approach (SDA); 3% Solution and unofficial review from Science Based Targets.org; it calculates the Scope 3 inventory and has a plan to set a goal in 2018; our GHG data is externally verified; there is a strategy for GHG in cap and trade markets (i.e. European Union); and we have clear mitigation strategies, such as: 1. Execution of energy conservation projects, 2. LEAN Energy and 3. Alternative Energy (biomass, cogeneration and renewable PPAs).</p>	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 305-7	NOx, SO ₂ and other significant air emissions	TABLE – Other Criteria Pollutants	Principle 8
GRI 306-1	Water discharge by quality and destination	Since 2000, we have required all facilities and business units to certify their compliance with our biological oxygen demand (BOD) and total suspended solids (TSS) global wastewater performance standards. In 2006, we developed a program to monitor acute toxicity at our international mills on a rotating basis and introduced corrective measures at mills where acute toxicity was present. And in 2011 we formalized the standard requiring that all wastewater discharges be free of acute toxicity. Within our Sustainability 2022 strategy, we are following the same standards established prior.	Principle 8
GRI 306-2	Waste by type and disposal method	TABLE – Manufacturing Waste, Non-Hazardous and Hazardous	Principle 8
GRI 306-3	Significant spills	No significant spills	Principle 8
GRI 306-4	Transport of hazardous waste	TABLE – Hazardous Waste	Principle 8
GRI 307-1	Monetary value of significant fines	Environmental: \$1,000 in fines	
GRI 308-1	New suppliers screened using environmental criteria	<p>Kimberly-Clark deploys a targeted approach to addressing environmental impacts in our supply chain both at the initial sourcing and ongoing category management periods. These approaches include, but are not limited to:</p> <ul style="list-style-type: none"> – New fiber suppliers must agree to Kimberly-Clark’s environmentally driven fiber sourcing policy. – Fiber-based packaging suppliers must report their ongoing use of recycled and responsibly sourced fiber. – Contract manufacturing and branded packaging suppliers are subject to periodic social compliance audits administered by our Corporate Social Compliance program. – Contract manufacturers are reviewed through a thorough, multi-category due diligence process including environmental factors. Risk assessments are performed for existing suppliers on a multi-disciplinary basis, including for environmental and social sustainability risk factors. 	
GRI 308-2	Supply chain environmental impacts	<p>Kimberly-Clark deploys a targeted approach to addressing environmental impacts in our supply chain both at the initial sourcing and ongoing category management periods. These approaches include, but are not limited to:</p> <ul style="list-style-type: none"> – New fiber suppliers must agree to Kimberly-Clark’s environmentally driven fiber sourcing policy. – Fiber-based packaging suppliers must report their ongoing use of recycled and responsibly sourced fiber. – Contract manufacturing and branded packaging suppliers are subject to periodic social compliance audits administered by our Corporate Social Compliance program. – Contract manufacturers are reviewed through a thorough, multi-category due diligence process including environmental factors. – Risk assessments are performed for existing suppliers on a multi-disciplinary basis, including for environmental and social sustainability risk factors. 	
GRI 401-1	Rates of employee turnover	<p>Global turnover totals approximately 7,200 (4,700 Hourly, 2,400 Salary)</p> <p>U.S. turnover totals 1,400 (900 Hourly and 500 Salary)</p> <p>*all rounded to the nearest hundred</p>	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 401-2	Benefits provided to full-time employees	<p>Kimberly-Clark is a global company with manufacturing facilities and offices in 72 countries. As a result of this diversity in operational locations, benefits vary between countries and significant operating locations.</p> <p>Across all locations, Kimberly-Clark strives to provide a market-competitive benefits package to employees within their specific location, which may include access to government-provided benefits where applicable.</p>	
GRI 402-1	Minimum notice periods regarding operational changes, including contracted	<p>While we don't have a global policy regarding minimum notice periods in cases of restructuring, Kimberly-Clark has demonstrated a "beyond compliance" commitment to respect workers globally. For example, through our Joint Statement we signed with UNI Global Union. UNI Global is the second-largest global union federation in the world and it represents over 20 million workers across 140 countries. The central foundation of this Joint Statement is an open line of ongoing dialogue with Kimberly-Clark executives and UNI Global's Kimberly-Clark union network. Through this process, UNI has the opportunity to raise any workplace concerns that have not been addressed at the local level, including lack of adequate notice in cases of restructuring.</p>	
GRI 403-1	Workforce represented in health and safety committees	<p>Kimberly-Clark's Global Safety Governance Model requires the establishment of Safety Committees or Councils at the site, region, sector, and global levels as part of the management system standard. Safety Committees have been established at each of these levels.</p> <p>Therefore, over 95% of employees are represented by a management-employee safety committee.</p>	
GRI 403-2	Rates of injury, occupational disease, lost days, absenteeism and work-related fatalities	TABLE – Kimberly-Clark Employee Safety	Principle 1
GRI 403-3	Workers with high incidence risk of diseases	<p>Kimberly-Clark has implemented comprehensive industrial hygiene and occupational health programs that ensure that occupational exposures to hazardous materials and agents are maintained at safe levels. Therefore, there are no worker groups with a high incidence of disease. Under the Kimberly-Clark policies on safety and health, occupational exposures to hazardous materials and agents are monitored on a regular basis.</p>	Principle 1
GRI 403-4	Health and safety topics covered in agreements with trade unions	<p>As a part of Kimberly-Clark's ongoing human rights due diligence, the Company has a formal mechanism to engage with global union representatives regarding workplace and human rights concerns, including workplace safety matters.</p>	
GRI 405-1	Composition of Board and diversity breakdown/factors	TABLE – Board of Directors Diversity Overview	
GRI 406-1	Incidents of discrimination	<p>Through our Corporate Social Compliance Audits, Kimberly-Clark had the following allegations:</p> <p>One allegation of Discrimination for K-C Audits in 2017</p> <p>Five allegations of Discrimination for Customer Required Audits in 2017</p>	Principle 6
GRI 407-1	Freedom of association and collective bargaining	<p>In the course of facility and supplier auditing, no violations of freedom of association or collective bargaining were identified.</p>	
GRI 408-1	Child Labor	Zero incidences of Child Labor within the supply chain.	Principles 1, 2 & 5
GRI 409-1	Forced or Compulsory Labor	TABLE – Social Compliance Audit Results	Principles 1, 2 & 4
GRI 410-1	Security personnel trained in the organization's human rights policies	<p>Kimberly-Clark employees, including those security personnel who are Kimberly-Clark employees, receive Code of Conduct training which includes instructions on Kimberly-Clark's Human Rights policies.</p> <p>http://www.kimberly-clark.com/our-company/governance.aspx</p>	Principles 1 & 2

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 411-1	Incidents of violations involving rights of Indigenous peoples	We know of no incidents involving rights of indigenous peoples.	Principles 1 & 2
GRI 412-1	Operations that have been subject to human rights assessments	We conducted corporate social compliance audits in 33 countries in 2017.	Principles 1, 2, 4 & 5
GRI 412-2	Employee training on human rights	In 2017, we provided 30 minutes of Code of Conduct training to all office-based K-C employees with computer access. We also provided 30 minutes of Code of Conduct training to all mill-based K-C employees. The 2017 Code of Conduct training did not specifically call out Human Rights as a topic within the course; however, as part of the annual Code of Conduct training, employees were required to read, understand, and comply with the Code of Conduct. The Code of Conduct specifically addresses Human Rights (page 10 of Code of Conduct).	Principles 1 – 6
GRI 412-3	Investment agreements and contracts that include human rights clauses or underwent screening	Clauses concerning human rights are incorporated into all of our terms and conditions in supplier contracts and purchase orders.	Principles 1 – 6
GRI 413-1	% operations w/ local community programs	<p>REPORT SECTIONS: Welcome to Our 2017 Sustainability Report; Materiality Assessment, Report Development, Stakeholder Engagement, Social Impact and Community and Employee Contributions Table</p> <p>We believe collaboration and feedback ensures that our reporting addresses the issues that are important to our business, stakeholders and customers alike. That's why, when considering what to include in this report, we engaged with internal and external stakeholders, including our Sustainability Advisory Board, customers, NGOs, peer companies and Kimberly-Clark business and functional teams.</p>	
GRI 414-1	New suppliers that were screened using labor practices criteria	<p>Internal risk assessments are conducted for all new external contract manufacturing facilities during the on-boarding process. Potential new external contract manufacturing suppliers located in countries that are known to be high-risk based on third party labor, human rights indices and internal data are subject to additional screening in the form of social compliance auditing.</p> <p>New contract manufacturing and branded packaging category suppliers are included in scope for Kimberly-Clark's Corporate Social Compliance program. Expectation for compliance with Kimberly-Clark's Supplier Social Compliance Standard are communicated in Terms and Conditions, Contracts and Purchase Orders.</p> <p>In 2017, two new external contract manufacturers were audited as part of our Corporate Social Compliance program prior to selection as suppliers.</p>	Principles 1 – 6
GRI 414-2	Incidents of negative impacts in supply chain and actions taken	<p>We completed a total of 238 social compliance audits for 177 key facilities in 2017;</p> <p>In 2017, 23 suppliers were identified as having potential or actual impacts for labor practices such as passport retention, discrimination, corruption, workplace safety, or working hours. Of those found to have actual impacts through auditing, approximately 39% mitigated those findings within 2017.</p> <p>Three relationships were terminated due to non-compliances with our Suppliers Social Compliance Standards.</p>	
GRI 415-1	Political contributions	In general, Kimberly-Clark's Anti-Corruption Policy prohibits employees and representatives from making contributions on behalf of Kimberly-Clark to candidates for political office or for other political campaigns. All exceptions require written pre-approval from Kimberly-Clark's General Counsel and Chief Compliance Officer.	Principle 10

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 416-1	Health and safety impact assessments of products and services	<p>Kimberly-Clark maintains a Product Safety Policy whereby all products we sell are assessed for health and safety impacts and in which feedback from assessments is incorporated into continuous improvement processes within phases of product development and commercialization:</p> <ul style="list-style-type: none"> - Development of product concept - R&D - Certification - Manufacturing and production - Marketing and promotion - Storage distribution and supply - Use and service - Disposal, reuse or recycling <p>http://www.kimberly-clark.com/sustainability/reporting/policies.aspx</p>	Principle 7
GRI 416-2	Non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance with regulations or voluntary codes.	
GRI 417-2	incidents of non-compliance with labeling requirements	Zero for Kimberly-Clark. We do not launch a product that is not in regulatory compliance within labeling requirements.	
GRI 418-1	Number of substantiated complaints regarding breach of customer data security	<p>In the 2016 reporting year, we received no substantiated complaints regarding breaches of customer privacy and/or losses of customer data.</p> <p>http://www.kimberly-clark.com/privacypolicy.aspx</p>	
GRI 419-1	Fines for non-compliance with laws and regulations concerning provision and use of products and services	<p>Quality fines: Zero for Kimberly-Clark.</p> <p>Safety fines: \$18,000.</p>	

EXTERNAL PRINCIPLES, MEMBERSHIPS AND AWARDS

These memberships provide platforms for the company to learn and share information about sustainability and related issues.

EXTERNAL PRINCIPLES, MEMBERSHIPS AND AWARDS (CONTINUED)

EXTERNAL PRINCIPLES

- The United Nations' **2030 Agenda for Sustainable Development** includes a set of 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and tackle climate change by 2030. We use the SDGs as a guide for the programs and initiatives we plan in support of our Sustainability 2022 goals.
- As a signatory to the **United Nations Global Compact**, we are committed to upholding the Compact's 10 Principles (per UNGC) on human rights, labor standards, the environment and anti-corruption, working within our sphere of influence to encourage their support. The UN Global Compact aims to mobilize a global movement of sustainable companies and stakeholders, and take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

MEMBERSHIPS

Our list of sustainability memberships relate to associations and national or international organizations in which we hold a position on the governance body, participate in projects or committees, fund or view as strategic to our sustainability strategy. While they do help us create economic, social or environmental value, their views may not always align with those of Kimberly-Clark.

- AIM-PROGRESS – A forum of leading Fast Moving Consumer Goods manufacturers assembled to enable and promote responsible sourcing practices and sustainable supply chains. The forum's key objectives include building supply chain capability, effectively assuring compliance to aligned standards among members and driving continuous improvement in member supply chains.
- Catalyst – A global nonprofit working with some of the world's most powerful CEOs and leading companies to help build workplaces that work for women. Founded in 1962, Catalyst drives change with pioneering research, practical tools, and proven solutions to accelerate and advance women into leadership – because progress for women is progress for everyone.
- Compliance & Risks Ltd. – Compliance & Risks Ltd. provides innovative online tools and consulting services that deliver timely and accurate global regulatory intelligence to empower business compliance, mitigate risk and identify opportunities.
- The Conference Board – A global, independent business membership and research association working in the public interest to help leaders navigate the biggest issues impacting business and better serve society. The Sustainability Council II helps companies reshape and enhance sustainability efficiencies, embed sustainability into corporate strategy and deliver products, services and solutions that drive reductions in environmental footprint for customers.
- The Consumer Goods Forum – A global industry network comprised of the CEOs and senior management of about 400 diverse retailers, manufacturers, service providers and other stakeholders across 70 countries. In addition, our CEO and Chairman of the Board, Tom Falk, is on the Board of Directors.
- Corporate Eco Forum – A community of global leaders, representing 18 industries and \$3 trillion in revenues, dedicated to advancing sustainable business.
- EDANA – The international association serving non-wovens and related industries. EDANA provides global leadership to create an environment beneficial to sustainable and profitable growth of the non-wovens and engineered fabrics and related industries to best serve their customers.
- U.S. Environmental Protection Agency (EPA) SmartWay Transportation Partner
 - Together, we have increased our intermodal usage by reducing length of haul, total miles, empty miles and wait time and idling at shipping and receiving docks.
- European Partnership for Alternative Approaches to Animal Testing (EPAA)
 - Kimberly-Clark is a member of EPAA, a collaboration between the European Commission, European trade associations, and companies committed to pooling knowledge and resources to accelerate the development, validation and acceptance of alternative approaches to animal use in regulatory testing. The overall aim is the replacement, reduction and refinement (3Rs) of animal use in regulatory testing.
- Forest Stewardship Council® (FSC®) – An independent, non-profit organization that protects forests for future generations. We are a member of FSC International and FSC's key global partner in the tissue industry. We are working with FSC to create activities that will be mutually beneficial to each organization and will seek to drive responsible forest management and that raise awareness of the FSC brand and growth of FSC-certified forest areas globally. We are a representative on the FSC National Board of Directors in the United States.
- Foundation for Strategic Sourcing (F4SS) – The Foundation for Strategic Sourcing is a non-profit organization with a primary goal to establish a forum whereby CPG marketers, external manufacturers and secondary packagers can share the best practices towards the creation of Industry Standards aimed at improving efficiency and reducing supply chain costs.
- Industrial Energy Consumers of America (IECA) – IECA is a non-profit member-led organization to help manufacturing companies for which the availability, use and cost of energy, power or feedstock play a role in their ability to compete in domestic and world markets. IECA has six organized committees, Kimberly-Clark is a member of the Energy Committee.
- International Organization of Employers (IOE) – IOE represents business interests in social and labor matters at the global level, especially in the International Labor Organization which sets international workplace standards and where employers are represented alongside trade unions and governments.
- Institute for In Vitro Sciences (IIVS) – Kimberly-Clark is a founding member and continuing supporter of IIVS, a non-profit foundation that promotes adoption and regulatory acceptance of alternatives to laboratory animal testing.

EXTERNAL PRINCIPLES, MEMBERSHIPS AND AWARDS (CONTINUED)

- Leading Executives Advancing Diversity (LEAD) – Our Senior Vice President and Chief Supply Chain Officer, Sandra MacQuillan, is on the Board of Advisors for the LEAD network and has served on the Board since its founding. The mission of the LEAD Network is to attract, retain and advance women in the retail and consumer goods industry in Europe through education, leadership and business development. Its vision includes a diverse workforce where both men and women are enabled to contribute their full potential and lead their organizations to the next level of value creation.
- Charter member of the National Safety Council (NSC) in the United States – A non-profit organization with the mission of eliminating preventable deaths at work, in homes and communities, and on the road through leadership, research, education and advocacy.
- Network of Executive Women (NEW) – The Network of Executive Women was founded in 2001 by a small group of industry executives who believed there were not enough female leaders in the retail and consumer goods and services industry – and that everyone would benefit if there were. Their learning, events, best practices, research and leadership development programs advance women, build business and help create a better workplace for all.
- Personal Care Products Council (PCPC) – A national trade association representing the global cosmetic and personal care products industry. We participate in many of its standing committees and technical subcommittees, including the International Committee, Safety and Regulatory Committee, Quality Assurance Committee and Microbiology Committee. In addition, we participate in member-only meetings on subjects of common interest.
- The Recycling Partnership – Offers companies and organizations a vehicle to make a meaningful impact on recycling and the environment while also stimulating the economy. It helps bridge the gaps between the communities and the industries that benefit from recycling by creating campaigns that power local recycling programs, innovate to improve recycling systems and help solve and energize curbside recycling problems.
- #SeeHer – Led by the Association of National Advertisers (ANA), its mission is to increase the percentage of accurate portrayals of women and girls in U.S. advertising and media by 20% by 2020.
- Supply Chain Management (SCM) World, a Gartner Company – SCM World is a cross-industry community of the leading supply chain practitioners. The community works together to advance the profession of supply chain management. Our Chief Supply Chain Officer, Sandra MacQuillan, is on the Executive Advisory Board.
- Sustainable Brands – A learning, collaboration and commerce community of sustainable business leaders from around the globe. The organization works to empower more brands to prosper by leading the way to a better world. As a corporate member, we leverage access to a peer-to-peer learning and networking group that supports us in meeting our sustainability goals.
- United States Council for International Business (USCIB) – Promotes open markets, competitiveness, innovation, sustainable development and corporate responsibility supported by international engagement and prudent regulation.
- U.S. Green Building Council (USGBC) – A non-profit organization committed to a prosperous and sustainable future through cost-efficient and energy-saving green buildings. As a member, we provide a wide variety of products that help buildings and facilities meet the requirements of LEED certification. An organization's participation in the voluntary and technically-rigorous LEED process demonstrates leadership, innovation and environmental stewardship.
- World Wildlife Fund's (WWF) Global Forest and Trade Network (GFTN) – A program to expand responsible and credibly-certified forest management which includes technical assistance throughout the certification process and enhanced marketing opportunities. GFTN participants are committed to increasing the availability of forest products from well-managed forests, helping each other benefit and profit from sustainable forest management and ending the purchase of forest products from illegal and controversial sources.

2017 AWARDS

AWARD	DESCRIPTION
Ambito Financiero Newspaper, CEOP Ranking	Kimberly-Clark Argentina finished fifth in the prestigious CEOP Ranking and third position in the sector ranking of Sustainability.
Apertura Magazine, Best Employers Ranking	Kimberly-Clark Argentina finished in third position in the Best Employers Ranking in the Argentine magazine Apertura and was awarded in the 25th anniversary of the company in Argentina.
CEOWORLD Magazine, The 50 Best Managed Companies in America	Kimberly-Clark was named in the 2017 Best Managed Companies in America with a ranking of #26. The Management Top 250 looked at five areas reflecting the core principles: customer satisfaction, employee engagement and development, innovation, social responsibility and financial strength.
Climate Leadership Awards, Excellence in GHG Management: Goal Setting	Kimberly-Clark was recognized by the EPA's Center for Climate and Energy Solutions (C2ES) with a Climate Leadership Award for our greenhouse gas (GHG) emissions reduction goal. Kimberly-Clark's absolute GHG emissions reduction goal is 20% by 2022 from a 2005 baseline. In goal setting, two science-based methods were used to verify the GHG target. First the CDP, WRI and WWF Sectorial Decarbonization Approach (SDA); and second, the WWF carbon target and profit calculator (3% solution).
Corporate Reputation (CR) Magazine's 100 Best Corporate Citizens	Kimberly-Clark ranked among the 100 Best Corporate Citizens with a ranking of 21st according to CR Magazine and rose in rank 15 places from the prior year. This award was given as a result of data gathered from seven key criteria: climate change, environment, employee relations, finance, governance, human rights, philanthropy and community support. The list ranks the Russell 1000 Index.
CSO50 Award for Excellence in Cybersecurity Awareness	Protect K-C & Me Information Security Awareness program, dedicated to educating 50,000 employees globally about how to secure our most valuable information, has been honored with a CSO50 Award. For five years running, the CSO50 Awards have recognized 50 organizations for their security project or initiative that demonstrates outstanding business value and thought leadership. Protect K-C & Me participated in a rigorous judging process that required demonstrated excellence in innovation, business results and overall value. The Protect K-C & Me team showed tangible ways in which Kimberly-Clark improved its security and risk posture, with measurable data on the business impact.
DERES Awards	Kimberly-Clark Uruguay was recognized with the DERES Awards in the Ethics and Corporate Government category for its "K-C Way" initiative promoting ethics and good corporate governance practices.
DiversityMBA Magazine's 2017 Top 100 Under 50 Executive Leaders	Manoj Kumbhat, Kimberly-Clark's Vice President of IT Engineering and Applications, was named in the DiversityMBA Top 100 Under 50 Executive Leaders list which recognizes individuals for outstanding achievements in community, leadership and education.
EPA 2017 SmartWay Excellence Award	<p>Kimberly-Clark was honored for the eighth time (and fifth consecutive year) with a SmartWay® Excellence Award from the U.S. Environmental Protection Agency for working with transportation providers to move goods in the cleanest, most energy-efficient way possible, while reducing the impacts of carbon pollution.</p> <p>Since 2006, we have nearly doubled intermodal utilization, from approximately 42,000 loads in 2006 to more than 79,600 loads in 2017. In 2017 alone, Kimberly-Clark has saved more than 8.6 million gallons of diesel fuel and achieved a reduction of CO₂ emissions by more than 194 million pounds.</p>
Eikon Awards by Imagen Magazine	Kimberly-Clark Argentina and its sustainability report were acknowledged with a silver award based on institutional communication, public affairs, political communication, public relations, publicity and marketing. The Eikon Awards have been managed and awarded by Imagen Magazine and a jury of experts since 1998.
Fast Company's 2017 World Changing Ideas Awards	The World Changing Ideas Awards recognized The Toilet Accelerator program through the Toilet Board Coalition as a finalist for creative problem solving and focused social good, seeking to elevate finished products and brave concepts that make the world better. The Toilet Accelerator works with promising sanitation business models that have the potential to overcome current barriers to access, use and adherence at scale. More than toilets alone, we are supporting commercially viable businesses in the sanitation value chain. Kimberly-Clark is a founding member of the Toilet Board Coalition which aims to develop commercially sustainable and scalable solutions to the sanitation crisis.
Forbes' America's Best Employers	In 2017, Kimberly-Clark received the top rating of any Consumer Packaged Goods company and ranked #48 overall in the Forbes' America's Best Employers list.

AWARD	DESCRIPTION
Human Rights Campaign (HRC) Foundations Corporate Equality Index (CEI) Perfect Score	HRC is the annual benchmarking survey and report on corporate policies and practices pertinent to lesbian, gay, bisexual and transgender (LGBT) employees. The CEI honors employers who embrace LGBT inclusion as a best business practice. Submissions for the CEI Survey are made each year by employee groups and team members in businesses across the United States. The CEI Survey committee reviews all submissions and assigns a score to each applicant. Kimberly-Clark Corporation received a perfect score of 100% on the 2017 and 2018 Corporate Equality Index.
The Gold Standard Award for Corporate Citizenship, India	Kimberly-Clark's Toilets Change Lives program in India won The Gold Standard Award for Corporate Citizenship. The Gold Standard Awards are operated by Public Affairs Asia Ltd. and recognizes programs for sustainability and social impacts as well their innovativeness.
HR Asia Magazine's Best Companies, K-C Malaysia	Kimberly-Clark Malaysia was named among HR Asia's Best Companies to Work for in Asia, for the third consecutive year. Winners of the award were selected based on a proprietary survey that assesses the company's working environment, HR practices, employee engagement and the resulting job satisfaction.
The Just 100: America's Best Corporate Citizens for 2017	The Just 100 identifies companies in each industry that excel at serving all stakeholders, and scores companies on a variety of indicators of corporate integrity. In 2017, Kimberly-Clark received a ranking of 47 and was one of five Personal Products companies recognized in the top 100.
Kimberly-Clark's Barbosa Mill in Colombia wins Business Recognition in Sustainability	The Sustainability Business Recognition Program, under a model of audits and evaluation visits, is Areametropol's proposal to publicly recognize the good environmental practices developed by the organizations strengthening, in the private sector, awareness about their environmental impacts and their ability to contribute to the sustainability of the territory.
Kimberly-Clark's Koblenz Mill in Germany wins "Green Point" environmental certificate	The "Green Point" is awarded to companies that make an important contribution to climate and environmental protection through their sustainable production. In 2016, the manufacturer saved 80 tons of CO ₂ through the use of innovative packaging, which corresponds to the reduction quantity of eight hectares of forest (eleven football fields) filtered out of the air in one year.
League of American Bicyclists' Bicycle Friendly Business Awards	Kimberly-Clark ranked ninth among the 25 Best Companies for Cyclists by the League of American Bicyclists. The company hosts an annual Get Up and Ride event for employees, retirees, and family members as part of the National Bike Challenge, an initiative the company cofounded with the League of American Bicyclists in 2012.
Mississippi Business Journal, Statewide Corporate Diversity Award	OurMississippi Magazine hosted its fourth annual OurMississippi Honors Gala, where Kimberly-Clark was honored along with nine other companies receiving recognition for diversity in the workplace and the opportunities we give people.
MMA SMARTIES Awards for Social Impact/Not For Profit, K-C Spain	Kimberly-Clark's Scottex® brand won the 2017 Silver Award at the MMA SMARTIES in Spain with the initiative Toilets Change Lives. In collaboration with UNICEF, the Toilets Change Lives program was launched with the aim to raise awareness towards the lack of proper sanitation in countries of extreme poverty and therefore ensure that everyone has a safe, clean and dignified toilet experience. The MMA SMARTIES Awards are a global mobile marketing awards program honoring innovation, creativity, and success.
Monitor Empresarial de Reputación Corporativa (MERCOS), Corporate Reputation and Responsibility and Corporate Governance Rankings	Kimberly-Clark Argentina was ranked by MERCOS as one of the best companies to work for (third in Sector Ranking) and recognized for the eighth consecutive time back to 2010 in the Corporate Reputation ranking. In the Responsibility and Corporate Governance ranking, Kimberly-Clark was second in its sector and ranked for the seventh consecutive time. The MERCOS Monitor analyzes the companies with the best ethical practices.

2017 AWARDS (CONTINUED)

AWARD	DESCRIPTION
Monitor Empresarial de Reputación Corporativa (MERCOSUR), Talent Retention	Kimberly-Clark Argentina was ranked 14th by MERCOSUR and for the fourth consecutive year as one of the best companies for talent attraction and retention.
Monitor Empresarial de Reputación Corporativa (MERCOSUR), Corporate Reputation	Kimberly-Clark Bolivia ranked in eighth, improving up from 10th position, of companies with the best corporate reputation; and third in the latest MERCOSUR ranking that evaluates brands with higher reputation.
Monitor Empresarial de Reputación Corporativa (MERCOSUR), Corporate Reputation	Kimberly-Clark Peru was ranked sixth place in the ranking of best corporate reputation in Peru and first in its sector.
Monitor Empresarial de Reputación Corporativa (MERCOSUR), Talent Retention	Kimberly-Clark Peru was ranked fifth by MERCOSUR as one of the best companies for talent attraction and retention.
Reputation Institute's US RepTrak® Top Ten ranking for highest reputation	Kimberly-Clark was ranked seventh in the 2017 U.S. Most Reputable Companies list. Reputation Institute is one of the world's leading research and advisory firms for reputation. It provides senior communications and marketing executives at global companies the single-best way to measure, communicate and manage reputation performance. With this insight, companies can protect their reputations, analyze risks and drive competitive advantage. Reputation Institute's RepTrak® model is the gold standard for reputation measurement, providing an appraisal of how the general public views the world's best-known companies.
Salvadoran Industrialists Ranking	Kimberly-Clark El Salvador received first place in the Salvadoran Industrialists Rankings. The Salvadoran Association of Industrialists (ASI) recognized Kimberly-Clark for being the main exporter of paper and cardboard in El Salvador, in the framework of the Industries Ranking presentation that the association carries out every year.
Smart Energy Decisions Innovation Awards 2018	Kimberly-Clark received the Smart Energy Decisions Innovation Award in the Industrial Energy Data Management category for our LEAN Energy management program that transforms a culture of energy conservation at our manufacturing sites. The Smart Energy Decisions Innovation Awards recognize exemplary use and implementation of innovative technologies and progressive practices among large electric power users (customers), their suppliers and utilities that reflect new approaches to energy procurement and management.
Strategy Magazine's 2017 Strategy Awards	Kimberly-Clark's Huggies' No Baby Unhugged campaign won the Grand Prix, plus two Gold and two Silver, at Strategy Magazine's recent Strategy Awards (in partnership with Ogilvy & Mather).
Sustainable Business Awards Singapore, Best Water Management	The Sustainable Business Awards (SBA) aim to increase awareness of sustainable business best practices and demonstrate how sustainable business benefits companies, the environment and all stakeholders. The Kimberly-Clark Tuas mill in Singapore was awarded Best Water Management for its Waste Water Treatment Plant to treat and recycle waste water from the wet wipes production process. Kimberly-Clark also received special recognition at the SBA Awards for Climate Change.
Talent Board's 2017 North American Candidate Experience Awards	Kimberly-Clark Corporation was a winner in the 2017 North American Candidate Experience Awards based on job candidates' satisfaction survey scores. Three key questions had a significant impact on determining the winners. These questions focused specifically on the likelihood that the candidate would reapply to the organization, whether or not the candidates would refer other job seekers to the organization and the candidates' overall ranking of their specific candidate experience.
Technological University of El Salvador, Top Brand Award	Kimberly-Clark was recognized for a Top Brand Award by Technological University of El Salvador with Scott winning the bath tissue category and Kotex winning the sanitary napkins category as the number one brand to the Salvadorans.

2017 AWARDS (CONTINUED)

AWARD	DESCRIPTION
UNICEF Children First Award, 2018	Kimberly-Clark Corporation received the 2018 UNICEF Children First Award at the UNICEF Gala, Dallas. Kimberly-Clark has been consistently working with UNICEF since 2000, donated nearly \$10 million in product and cash donations since the inception of our partnership and present in 15+ global markets aiding in disaster relief, family and children strengthening programs and access to/establishment of sanitation.
"Vivi Presente" Campaign, Argentina	The "Vivi Presente" in Argentina was recognized as the mention of honor in the Conciencia Awards due to the company's 25th anniversary and the campaign was centered around living more connected with oneself and with the environment. "Vivi Presente" was also awarded by the "Foro Ecueménico y Social" in the country and by the RSC Comunicación awards.
WARC Awards	Kimberly-Clark's Huggies brand, in partnership with Ogilvy and Mindshare Canada, won the Analytics Award for the No Baby Unhugged program which shows how Huggies increased awareness and sales by developing "hugging programs" across Canadian hospitals.
Woman Who Matters Award, Kimberly-Clark Russia	Kimberly-Clark's Kotex brand became a laureate of the "Woman Who Matters" annual award in the nomination category for Social Activity. This annual award recognizes brands making valuable contributions to female development in Russia, and it recognized Kotex for the #MOVEON commercial campaign and social projects that give the opportunity for additional education and donation of Kotex pads to young ladies in need.
Working Mother Magazine's 100 Best Companies	In 2017, Kimberly-Clark was named on the 100 Best Companies list by Working Mother magazine. The annual survey recognizes companies for leadership in creating progressive programs to help employees balance work and family. Working Mother cited Kimberly-Clark's support for flexible work arrangements, paid leave and child care programs, and advancement opportunities for women.
WWF 3 Trees Award	WWF "3 Trees" Award on the United Kingdom Timber Scorecard: WWF found that companies scoring three Trees (out of 3) responded well to almost all of the requests WWF has made regarding the purchasing of timber and timber products. Kimberly-Clark was also recognized among companies that maintained their 3 Trees position from 2015. The Timber Scorecard reviewed how companies demonstrate their overall commitment to sustainable timber procurement. In particular, it looks at: the existence, availability and quality of their policy on timber and timber-product sourcing; any current statement or claim on their performance in purchasing or procuring responsible, ethical, sustainable or verified timber and timber products; whether companies assess their own timber buying performance; current statements on their performance against the criteria used by participants of WWF's GFTN, or equivalent – i.e. percentage of timber/timber products purchased which are: recycled material Forest Stewardship Council® (FSC®) certified, with full chain of custody (this is WWF's current recommendation for a "credibly certified" source) or certified by Program for the Endorsement of Forest Certification (PEFC) or another certification scheme, with full chain of custody.

ESG INDEX PERFORMANCE

DESCRIPTION	LATEST SCORE RESULTS	KEY UPDATES OR CHANGES FROM PREVIOUS YEAR
<p>CDP Climate</p> <p>Leveraging the power of the shareholder and lender, CDP has gathered a global collection of self reported environmental information. CDP requests standardized climate change, water and forest information from some of the world's largest listed companies through annual questionnaires sent on behalf of institutional investors that endorse them as "CDP signatories". These shareholder requests for information encourage companies to account for and be transparent about environmental risk.</p>	Climate = A- (industry average D)	In 2017, Kimberly-Clark maintained our leadership status and achieved an A- score for the second consecutive year (industry average was D)
<p>CDP Forests</p> <p>CDP's forests program assists companies and their investors worldwide in understanding and addressing their exposure to "forest risk commodities". The Forests risk commodities are Timber, Palm Oil, Cattle Products and Soy. K-C completes Timber only.</p>	Forests = A- (industry average B)	In 2017, Kimberly-Clark maintained our leadership status and achieved an A- score for the second consecutive year
<p>CDP Water</p> <p>CDP's water program works to catalyse action to improve water security globally. CDP's water program motivates companies to disclose and reduce their environmental impacts, and accelerate the use of this data by influential decision makers to better mitigate risk, capitalize on opportunities and make investment decisions that drive action towards a more sustainable world.</p>	Water = A- (industry average D)	In 2017, Kimberly-Clark maintained our leadership status and achieved an A- score for the second consecutive year
<p>CDP Supply Chain</p> <p>CDP's supply chain program works to to manage the risks and opportunities in supply chains through measurement. CDP's disclosure platform helps companies and suppliers capture vital data on climate change and water management.</p>	Supply Chain = A- (industry average D)	In 2017, Kimberly-Clark maintained our leadership status and achieved an A- score for the second consecutive year
<p>FTSE4Good</p> <p>The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Transparent management and clearly-defined ESG criteria make FTSE4Good indices suitable tools to be used by a wide variety of market participants when creating or assessing responsible investment products.</p>	Kimberly-Clark was recognized in the FTSE4Good Global Index Series	Kimberly-Clark was recognized in the FTSE4Good Index Series for the 14th consecutive year
<p>MSCI Global Sustainability Indexes</p> <p>MSCI ESG Research provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices worldwide. Its research is designed to provide critical insights that can help institutional investors identify risks and opportunities that traditional investment research may overlook. Clients use their research to help implement their responsible investment objectives.</p>	ESG Rating score = A (industry average A)	Kimberly-Clark maintained its A ranking from 2016, dropping slightly from the mid-2017 review at an AA rating
<p>Oekom Research AG</p> <p>Oekom Research AG has been active in the sustainable investment field since 1993. It is now one of the leading providers of information on the social and environmental performance of companies, sectors and countries.</p>	ESG Rating score = C+ (industry average C-)	Kimberly-Clark maintained Prime status in 2017 from the previous rating report

ESG INDEX PERFORMANCE (CONTINUED)

DESCRIPTION	LATEST SCORE RESULTS	KEY UPDATES OR CHANGES FROM PREVIOUS YEAR
<p>Sustainalytics ESG and Corporate Governance Research Sustainalytics is a global leader in sustainability research and analysis, serving investors and financial institutions around the world. Its experience and expertise is in the Responsible Investment (RI) and Socially Responsible Investment (SRI) markets.</p>	<p>Kimberly-Clark was named a component of the STOXX® ESG Leaders Indices for the first time in 2014/2015 and maintains its status on the list.</p>	<p>Kimberly-Clark was named as a component of the STOXX ESG Leaders index over the past few years.</p>
<p>Vigeo Eiris Vigeo and EIRIS merged into a single European agency with global reach. It assesses both the performance of companies and organizations and their level of Corporate Social Responsibility (CSR) management. It assesses the degree to which companies and public corporations take into account environmental, social, and corporate governance objectives, which constitute risk factors and business opportunities for them in the definition and implementation of their strategies and policies.</p>	<p>Kimberly-Clark received the Ethibel Excellence Investment Register and was reconfirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Global</p>	<p>Kimberly-Clark maintained its status of above average within our industry and received the Ethibel Excellence Investment Register since 2012. Ethibel Excellence is a quality mark for investment funds which exclusively invest in shares or bonds included in the Investment Register and with an A, B or C rating.</p>
<p>Newsweek Green Rankings – The U.S. and Global 500 Ratings The Newsweek Green Rankings show which companies are generating the most revenue with the least amount of environmental impact. To get there, they take into account eight main factors including carbon, energy, water, waste, and the extent to which internal governance is geared towards sustainability. The Newsweek Green Rankings project ranks the 500 largest publicly-traded companies in the United States (the U.S. 500) and the 500 largest publicly-traded companies globally (the Global 500) on overall environmental performance.</p>	<p>Kimberly-Clark was #125 with a score of 38.9% in the U.S. 500 (highest was 83.70% and lowest ranking was 1%) Did not meet gross revenue criteria to qualify in 2017 for the Global 500</p>	<p>The 2017 score of #125 improved from our performance ranking in 2016 at #166. Kimberly-Clark ranked #265 in 2016 in the Global 500. In 2017, we did not qualify.</p>
<p>Global 100 Most Sustainable Corporations by Corporate Knights The Global 100 is a sustainability equity index. The methodology used by Corporate Knights is designed to rank large public companies on environmental metrics on six principles – transparency, objectivity, public availability of data, comparability, engagement with eligible companies and stakeholder inclusion.</p>	<p>Kimberly-Clark did not rank high enough to be included for the Global 100 (ranking has a combination of ESG factors and Gross Revenue requirements of one billion)</p>	<p>Kimberly-Clark did not rank in the Global 100 Most Sustainable Corporations.</p>
<p>EcoVadis The EcoVadis CSR analysis system, covering 21 criteria across four themes of environment, fair labor practices, ethics/fair business practices, and supply chain.</p>	<p>In 2017, we scored 67/100 on EcoVadis, which achieved a Gold Rating</p>	<p>In 2016, Kimberly-Clark scored 65/100.</p>



ASSURANCE STATEMENT

Scope and Objectives

WSP was commissioned by Kimberly-Clark Corporation (Kimberly-Clark) to conduct independent assurance of its 2017 Sustainability Report ('the report') as published on the company's website at <https://www.sustainability2022.com/>.

We planned and performed our work in accordance with the AA1000 Assurance standard 2008 (AA1000AS). We were engaged to provide an AA 1000 Type 2 assurance, which covers evaluation of adherence to the AA1000 AS assurance principles of Inclusivity, Materiality and Responsiveness. We also reviewed the reliability of specified sustainability performance information to a moderate level of assurance.

In addition, as criteria for our assurance work, we used the GRI 101 Foundation guidelines which set out the Reporting Principles for defining report content and quality and the ISO standard 14064-3: Greenhouse gases Part 3: Specification with Guidance for the validation and verification of greenhouse gas assertions.

The information and presentation of data within the Sustainability Report is the responsibility of Kimberly-Clark. This statement is the responsibility of WSP and represents our independent opinion. The intended users of this statement are the readers of the Kimberly-Clark Sustainability Report and it is intended for this statement to be read in its entirety.

Our assurance team has the appropriate experience and competency to complete this assurance engagement. WSP has a Quality Management System (QMS) which is certified to BS EN ISO9001 under which all our work is managed. The WSP Assurance team is not working for Kimberly-Clark beyond what is required of this assignment.

Methodology for Adherence to the AA 1000 accountability Principles and GRI

Our work was conducted between March and May 2018. We tested, on a sample basis, the processes and management practices used to adhere to and evaluate adherence to the AA1000AS Accountability Principles of Inclusivity, Materiality and Responsiveness. The GRI Reporting Principles of 'stakeholder inclusiveness' and 'materiality' for defining report content are very similar to the AA1000AS principles. In addition, we also tested adherence to the GRI Reporting Principles of 'sustainability context' and 'completeness' and to the GRI Reporting Principles for defining report quality of accuracy, balance, clarity, comparability, reliability and timeliness. Evidence gathering for evaluating adherence to the Principles included:

- Understanding and testing the processes used to adhere to and evaluate adherence to the AccountAbility Principles and the GRI Reporting Principles.
- Inquiring of management, including senior management at executive and functional levels, and of relevant management responsible for the day to day management of sustainability, about the effectiveness of processes used to manage and evaluate the sustainability impact of Kimberly-Clark.
- A review of the output of Kimberly-Clark's 2016 materiality review and strategy based updates and how the AA1000 inclusivity principle has been addressed.
- Observing and inspecting management practices, process testing and evidence gathering across the organization on a sample basis.
- Collecting and evaluating documentary evidence and management representations that support adherence to the principles.



Methodology for Assurance of Sustainability Performance Data

WSP's review of specific sustainability performance data used ISO14064-3 as a guideline under the AA1000AS standard as the umbrella standard. Currently there is no assurance guideline specifically for water, waste, or energy. Therefore, WSP has applied the principles from ISO14064-3 to the Greenhouse gas emissions, water, waste, and energy assurance. The performance data review has been conducted to a limited level of assurance including evaluation of the adequacy of the collection, processing, consolidation and internal reporting of data. The WSP inventory and management system review consisted of a desktop review of supporting data and an output of the 2017 inventory and data files from the Kimberly-Clark internal sustainability data management system.

WSP Opinion

On the basis of the work conducted nothing came to our attention to suggest that the Sustainability Report does not meet the principles, content and quality requirements of AA1000AS for a Type 2 Moderate Level of Assurance and the GRI Reporting Principles.

WSP has found no evidence that Kimberly-Clark's 2017 GHG, energy, waste and water inventory is not materially correct, is not a fair representation of the corresponding data and information or has not been prepared in accordance with the Greenhouse Gas Protocol.

We have made the following findings and conclusions with respect to the AA1000 (2008) principles and the GRI Reporting Principles.

INCLUSIVITY – Kimberly-Clark has systems in place for internal and external stakeholders to participate in the development of the organization's response to sustainability issues.

The 2016 materiality assessment process helped identify the links between stakeholder participation and the determination of Kimberly-Clark's sustainability issues. During 2017, a cross section of internal stakeholders was consulted by a third party organisation to provide confirmation to Kimberly-Clark that stakeholder reporting needs were being met through the sustainability reporting. Stakeholders also have opportunity for engagement in relation to the Sustainability Program via regular internal and external stakeholders interactions throughout the year. Stakeholder participation is also encouraged across all regions and sites through the network of sustainability coordinators.

It is acknowledged that the Sustainability Report needs to be globally representative. Some local Sustainability reports have also been produced during 2017 to address local stakeholder requirements. Kimberly-Clark is developing a process for ensuring that local issues as well as global sustainability issues are appropriately addressed.

SUSTAINABILITY CONTEXT and MATERIALITY – Kimberly-Clark completed a sustainability materiality assessment in 2016 which determined the relevance and significance of issues that are material to its sustainability performance. The materiality assessment process was used to identify the issues which have been presented in the 2017 Sustainability report. This materiality assessment followed a clear process for identifying business risks which was informed by engagement with stakeholders, societal and peer-based norms, financial considerations and policy based performance. The materiality assessment was reviewed during 2017 to ensure that the process and identified issues reflected stakeholder interests and expectations and the activities of Kimberly-Clark during 2017. This demonstrates an ongoing determination to prioritize and report on material sustainability issues.

The report presents performance information concerning Kimberly-Clark's direct activities in the wider context of sustainability as well as its value chain and considerations to geographic contexts are made where appropriate.



It will be important for the materiality process to show application and integration on an ongoing basis across site, regional and group levels of the organization. Consideration should be made to producing regional materiality matrices in addition to the global materiality matrix to ensure that regional variations can be documented and addressed as appropriate.

RESPONSIVENESS and REPORT QUALITY - The Kimberly-Clark Sustainability Report provides stakeholders with a globally representative explanation of changes in the organization throughout the year, and reports on performance on all the key material issues. Data is provided to support qualitative statements where available and the accuracy of data is audited internally before it is presented in the Sustainability Report. Assumptions and techniques used for estimation are included as part of this review process.

The Sustainability 2022 portal on the Kimberly-Clark website provides additional information and links to other sustainability communications including regional sustainability reports. It should be noted that sustainability communications such as regional reports are not subject to the same level of internal assurance as the global report. This has been identified as an area for future focus for Kimberly-Clark to address the need for responding to local stakeholders while ensuring global alignment and consistency of strategy and communications.

Kimberly-Clark also communicates with employees on a variety of sustainability issues through team meetings, email communication, noticeboards and the intranet. Responses are made to sustainability requests from customers and other stakeholders as they arise.

It is noted that that consideration is being made to providing additional on line sustainability data and information which could be used to increase the frequency of reporting beyond the annual reporting cycle. Improved access of information to local audiences is also planned through the use of regional reports and translation of the global report.

GRI REPORTING PRINCIPLES FOR DEFINING REPORT QUALITY – It is our opinion that the Sustainability Report meets the GRI Reporting Principles for defining report quality of accuracy, balance, clarity, comparability, reliability and timeliness.

Completeness – The report includes coverage of material topics and their boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organization's performance in the reporting period.

Accuracy – The reported information is considered sufficiently accurate and detailed for stakeholders to assess the reporting organization's performance.

Balance – The reported information reflects positive and negative aspects of the reporting organization's performance to enable a reasoned assessment of overall performance. Performance information is presented to show year on year comparison and the achievement or otherwise towards goals set.

Clarity – The report presents information in a manner that is understandable and accessible to stakeholders with the appropriate use of tables and diagrams and stories to help present information.

It is noted that future reports are likely to be translated into different languages which is to be encouraged to aid accessibility of the report to a wider geographic audience.

Comparability – Sustainability data are selected, compiled and reported in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Core level which are best



practice benchmarks which allow for comparison relative to other organizations on a year by year basis.

Reliability – The reported information is gathered, recorded, compiled and analyzed in a way that it can be subject to examination, and that establishes the quality and materiality of the information. The information and data in the report is subject to rigorous internal audit review. The internal audit process together with the external assurance of the Sustainability report and specified reporting information using a recognized best practice standard ensures that the report can be relied upon.

Timeliness – The information in the report clearly indicates the time period to which it relates and this is presented alongside data from previous years to aid comparability of data year on year.

RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

We have evaluated the systems and processes used to collate and report the scope 1 and 2 GHG emissions, select scope 3 GHG emissions (purchased goods and services, capital goods, fuel and energy related activities, waste generated in operations, end of life treatment of sold products, and investments), energy, water, and waste performance data for 2017 and have been able to obtain an AA1000:2008 moderate level of assurance in respect of the data which is reported in the Sustainability Report. This level of assurance is equivalent of a limited assurance under ISO 14064-3.

The findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information. Data trails selected were identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data.

The internal sustainability data management system compares data entries against a band of expected values to flag significant anomalies in the data. Kimberly-Clark collects the specified performance data monthly and quarterly reviews by the Kimberly-Clark Sustainability Corporate team enables data to be analyzed more frequently and as a result Kimberly-Clark can more actively identify data anomalies and improvement opportunities for sites not meeting their improvement goals.

A few errors in the reporting of waste, water or energy were identified during the assurance exercise; These include missing hazardous waste data at the Barrow site and missing corrugate at the Jenks site identified through audits of the sites. However, these did not have a material impact on reporting at Kimberly-Clark Group level. All errors were corrected prior to the Sustainability Report being published.

A more detailed summary of the review process, findings, and recommendations for Kimberly-Clark to consider implementing for future reporting have been provided in a separate “2017 Kimberly-Clark Data Assurance Review Findings Report”.

Rachel Jones

Technical Director
London, May 2018



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