



# LEADING THE WORLD IN ESSENTIALS FOR A BETTER LIFE

2012 SUSTAINABILITY REPORT

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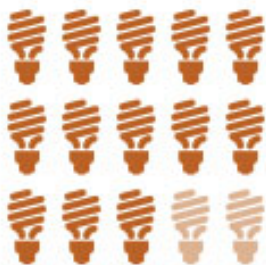
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# 2012 HIGHLIGHTS



of employees with union membership



**13,000**

employees are taking Small Steps for sustainability



**1 MILLION**

hours without a reportable incident achieved at 8 mills



truckloads of supplies donated after Hurricane Sandy

**\$33 MILLION**

in cash and product donations



EMPLOYEES WORLDWIDE



**MILLION**

in sales of scrap and secondary materials offset \$28M in waste disposal costs



**+12%**

annual increase in tissue manufacturing water-use efficiency (m<sup>3</sup>/MT production)



**-50%**

Goal of 50% reduction in our use of wood fiber from natural forests by 2025



**+15%**

annual increase in energy efficiency (mmBtu/MT production)

**ZERO WASTE**

to landfill goal met by 58% of facilities



# \$60M

in savings from  
use of intermodal  
transportation



# 30,000

## GLOBAL SUPPLIERS



in annual sales of  
Scott Naturals reached  
in five years



of net sales from  
environmentally  
innovative products



# 1.5M

pounds of sterile wrap  
diverted from landfills



Andrex, KCP Kleenex and  
KCP Scott towel and tissue  
products that use bamboo  
and wheat straw fibers  
were introduced

# 50F8

consumer markets  
Kimberly-Clark competes  
in were created  
by the company

# FTSE4GOOD

10th consecutive year on the FTSE4Good Index

## NET SALES BY DIVISION (\$B)

Personal Care	\$ 9.6
Consumer Tissue	6.5
K-C Professional	3.3
Health Care	1.6
<b>TOTAL</b>	<b>\$ 21.1</b>

# 10<sup>TH</sup> ANNUAL SUSTAINABILITY REPORT

# ETHISPHERE

On the list of the World's Most Ethical  
Companies for 2012 & 2013

1872-2012

# 140 YEARS IN BUSINESS

## OUR APPROACH



**THOMAS J. FALK, CHAIRMAN AND CEO**

Kimberly-Clark is leading the world in providing essentials for a better life and is committed to doing it sustainably. And we know that innovation is central to our success, whether we're enhancing our trusted brands or finding ways to reduce our impact on the planet. We try to do the right thing for our customers and our world, and we wouldn't have it any other way.

For 140 years, Kimberly-Clark has provided essential brands that people know and trust. From humble beginnings producing paper from rag stock at our Neenah, Wisconsin, mill in 1872, today we compete in eight major consumer-market categories, five of which we created. Additionally, people use Kimberly-Clark Professional's products to provide safety solutions and enhance the quality of the workplace environment. Medical professionals turn to Kimberly-Clark Health Care for a portfolio of products essential to the health and hygiene of their patients and staff.

**Kimberly-Clark created five of the eight consumer-market categories in which it competes.**

Being positive contributors to our communities is a big part of what we do and, for the past 60 years, we've provided essentials through the Kimberly-Clark Foundation and many other regional,

brand and employee-led initiatives. Last year, we contributed \$19 million in cash and \$14 million in product donations, in addition to the countless hours our employees spent volunteering in their communities.

For a decade now, we have reported on company-wide environmental, social and economic progress in annual sustainability reports, which for the past several years have also served as our communication on progress to the United Nations Global Compact (UNGC).

At Kimberly-Clark, sustainability has always been about doing the right thing. But, more than that, sustainability provides us with several competitive advantages. It earns us a cost advantage through reductions in water and energy use and in waste sent to landfill, which have saved us tens of millions of dollars over the past 20 years.

It also secures us a customer advantage. As we've found since we began setting goals and reporting our progress against them, great customers want to do business with companies that operate in a transparent, responsible and ethical manner.

### GRI 1.2

We've also found that, increasingly great people want to work for companies that are committed to environmental and social stewardship. Attracting great people who share similar beliefs is important for our future success, and new talent bring with them new ideas that help us to get better and better. At Kimberly-Clark, we're continuously improving what we do and how we operate:

- Advancing innovation through our products. Twenty-two percent of our net sales in 2012 were from environmentally innovative products, including the first alternative fiber tissue and towel products brought to market containing bamboo and wheat straw.
- Looking beyond our own footprint to our supply chain. Through our Corporate Social Compliance program, which we rolled out in 2012, we are increasing our confidence that key suppliers are engaging in continuous improvement towards operating in a sustainable and ethical manner.
- Continually striving to reduce the footprint of our operations and raw materials use. In 2012, we announced our intention to transition at least 50 percent of our wood-fiber demand from natural forests to other fiber sources by 2025.

- Supporting our employees through training and development opportunities, safe workplaces and fair labor practices

In 2012, we celebrated achievements in each of our sustainability pillars:

- More than 12,000 salaried and hourly employees in 66 countries collaborated with each other during a five-day, online, global One K-C Culture Jam, contributing internal culture-related ideas that will help us improve employee engagement
- Introduced safe water initiatives in El Salvador and Colombia that, along with our ongoing water projects in India and Israel, helped us meet our annual water replenishment target of 200 million gallons
- Yielded revenue of \$56 million globally through sales of scrap and secondary materials, more than offsetting total waste disposal costs of \$28 million while reducing our footprint
- Realized more than \$1.5 million in energy savings at our El Salvador facility by installing energy monitoring equipment that has enhanced efficiency and allowed operators to adjust energy consumption to avoid peak energy prices
- Reached \$100 million in sales of our Scott Naturals product line in just five years, demonstrating the competitiveness of budget-friendly products containing recycled fiber, including tube-free bath tissue, paper towels and flushable cleansing cloths

While we are pleased with our success, 2012 also had its challenges. We fell short of our goal of zero manufacturing waste to landfill. Also, many of the products we sell are single-use and, while we broadened the reach of our recycling and composting programs, we still have a lot of work to do in this area. We

also continued to adjust to new global economic realities, with restructuring in our North American and European operations. We did our best to balance business needs with our social and environmental responsibilities as we closed Kimberly-Clark's last two remaining pulp mills.

Going forward, we will find creative solutions that reduce our environmental footprint and encourage our suppliers to embrace more sustainable practices. We will also focus on sourcing environmentally preferred alternative materials for our products and finding ways to enhance the benefits of our philanthropic activities.

As our employees apply their passion and ingenuity to meet the challenges of today and those of tomorrow, I know that together we are acting with the same dedication to quality, service and fairness with which our founders established our business 140 years ago. The world has changed since then. Our dedication to our values and long-term sustainability has not.



**Tom Falk**  
Chairman & CEO

## ABOUT THIS REPORT



**LISA MORDEN**  
SENIOR DIRECTOR, GLOBAL SUSTAINABILITY

We are living in transformative times that increasingly are demanding a thoughtful response from businesses to the economic, environmental and social issues that people face everywhere.

At Kimberly-Clark, our Sustainability 2015 strategy, under our People, Planet and Products pillars, continues to guide our work. It is informed by the application of the precautionary principle at each stage of a product's life cycle, sets out a clear vision of our responsibilities and articulates the goals we've identified to address them. In this, our 10th annual sustainability report, we describe our progress toward them.

### GRI 4.11

After several months of heading up our global sustainability initiatives, I am heartened by our progress on many fronts. To mention just three instances, by the end of 2012 we had engaged more than 13,000 employees in our Small Steps for Sustainability program; achieved 100 percent certification of our fiber suppliers through third-party forest management certification systems\*; and—while it is only a modest start—made advances on post-consumer waste, through packaging reductions and recycling pilots.

As we look further into the future, at the potential risks and opportunities presented by global megatrends, we are building the long-term resilience of our businesses by driving a culture of accountability.

### Views from Our Sustainability Advisory Board

*"Kimberly-Clark's tenth reporting year is a unique opportunity to report on goals and progress, describe challenges, and demonstrate accountability as Kimberly-Clark strives to create zero waste, reduce greenhouse gas emissions, oversee its supply chain on key practices and attract/retain a diverse workforce.*

*To increase its credibility, the report should be more self-critical, clearly describing challenges and missed goals."*

#### Tim Smith

Senior Vice President  
Environment, Social and Governance Group  
Walden Asset Management

We also are working to accelerate our progress by implementing initiatives to:

- Make visible the value of our energy, waste and water programs
- Maximize the use of Continuous Improvement principles and management systems to identify and increase awareness of environmental savings opportunities and the benefits they generate
- Define our next-generation sustainability strategy by identifying trends and associated impacts to our business, prioritizing ideas for creating shared value, and aligning them with our overall corporate strategies

Our progress is predicated on the successful engagement of employees, suppliers, business partners, social and environmental nongovernmental organizations and customers. In December 2012, we engaged a third party to undertake a stakeholder interview process on our behalf. Information gathered through that engagement provided a valuable appraisal of our current sustainability reporting, as well as input into current and future priorities for Kimberly-Clark's sustainability initiatives. To the extent possible, we have incorporated those findings in this report.

We invite you to join the conversation. Please tell us what you think at [Sustainability@kcc.com](mailto:Sustainability@kcc.com).

#### Lisa Morden

Senior Director, Global Sustainability

\* Approximately 150 tons of fiber from a specific supplier were not certified, but with rounding of the two-digit data, the percentage totals 100%.



# INDEPENDENT ASSURANCE STATEMENT



## Scope and Objectives

Two Tomorrows (North America) Inc. was retained by Kimberly-Clark Corporation to conduct an independent assurance of its 2012 Sustainability Report ("the Report"), as published on the Company's website.

The assurance process was conducted in accordance with AA1000AS (2008). We were engaged to provide Type 2 assurance, which covers:

- Evaluation of adherence to the AA1000APS (2008) principles of inclusivity, materiality and responsiveness ("the Principles") and
- The reliability of specified sustainability performance information.

Claims in the Report, with the exception of financial information related to Kimberly-Clark's Annual Report, were included in the scope of our assurance engagement. We also use the Global Reporting Initiative (GRI) Quality of Information Principles as criteria for evaluating performance information.

## Responsibilities of Kimberly-Clark Corporation's Management and of the Assurance Providers

Kimberly-Clark's management has sole responsibility for preparation of the Report. Two Tomorrows, in performing our assurance work, is responsible to Kimberly-Clark's management. Our statement, however, represents our independent opinion and is intended to inform all stakeholders, including Kimberly-Clark's management.

Two Tomorrows was not involved in the preparation of any part of the Report. We have no other contract with Kimberly-Clark and this is the fourth year we have provided assurance. We adopt a balanced approach towards all stakeholders.

Our team comprised: Tom Gosselin, Sarah Gudernatch and Natasha D'Silva. Further information, including individual competencies relating to the team can be found at [www.twotomorrows.com](http://www.twotomorrows.com).

## Basis of our opinion

Our work was designed to gather evidence with the objective of providing moderate assurance as defined in AA1000AS (2008). We undertook the following activities:

- Review of the current sustainability issues that could affect Kimberly-Clark and that are of interest to stakeholders;
- Interviews with senior executives and managers based in Roswell, GA, Neenah, WI, Irving, TX, and São Paulo, Brazil, to understand the top level commitment and strategy related to sustainability;
- On site verification at the Company's Mobile, AL, mill and São Paulo, Brazil, production site to assess the controls and processes present at the operational level in comparison against claims made at the Group level and to conduct data samples on indicators contributing to the report;
- Review of Kimberly-Clark's approach to stakeholder engagement, risk management, strategic development and materiality determination. This included interviews with senior managers responsible for engagement with key stakeholder groups, and specific review of stakeholder engagement activity;
- Review of information Kimberly-Clark provided to Two Tomorrows on its reporting and management processes relating to the Principles;
- Review of supporting evidence for key claims and data in the report;
- Review of the Company's internal audit process including interviews with the internal audit team to verify the specific competence and audit approach to internal data verification.



## Findings

On the basis of the work conducted, and with the exceptions outlined below, nothing came to our attention to suggest that the Report does not properly describe Kimberly-Clark's adherence to the Principles or its performance.

## Observations

Without affecting our assurance opinion, we also provide the following observations on Kimberly-Clark's adherence to the three Principles and on the published performance information:

**Inclusivity:** the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

In 2012, Kimberly-Clark conducted the first half of a formal materiality process and interviewed 40 key stakeholders on the sustainability initiatives most important to them. The Report content addresses much of the resulting feedback. Results and progress against 2015 goals are clearly presented within a more concise Report.

**Strengths:** Kimberly-Clark's Sustainability Advisory Board (SAB) has access to the extended sustainability team and Global Strategic Leadership Team (i.e. Kimberly-Clark's Chairman and CEO and his direct reports) to provide input on sustainability risks and opportunities. Kimberly-Clark also engages with numerous non-governmental organizations, including Greenpeace, World Wildlife Fund, and the Forest Stewardship Council to better understand and address stakeholder issues and concerns, and considers these in its decision-making processes. In addition, Kimberly-Clark focuses on open innovation and partners with universities and design firms to work on reducing natural- and petroleum-based materials, and with consumers (through programs like Mompreneurs). In addition, Kimberly-Clark has demonstrated good practice in engaging with its customers to communicate sustainable product performance for the Neve brand in Brazil among other countries.

**Opportunities for Improvement:** Kimberly-Clark has worked hard in internal waste, water, and energy reductions but could further benefit by collaborating with stakeholders to work on consumer behavior, as a large portion of sustainability impacts that arise from increasing consumer product use can be addressed through consequent disposal methods and consumer awareness.

**Materiality:** identification of those issues which are necessary for stakeholders to make informed judgments concerning Kimberly-Clark and its impacts.

The 2012 Report is a balanced and transparent communication tool which stakeholders can use to stay informed of the Company's sustainability initiatives and performance.

**Strengths:** Through its current stakeholder engagement efforts, Kimberly-Clark has demonstrated that it has established processes for identifying the issues stakeholders view as significant. Looking forward, we believe that completing the materiality process will support the prioritization of issues most significant to both Kimberly-Clark and its stakeholders and can ensure that these issues are adequately addressed in the sustainability report. Kimberly-Clark will be able to analyze feedback systematically and effectively balance potentially divergent stakeholder priorities.

**Opportunity for Improvement:** The Company can benefit from contextualizing the data captured against units of production or relevant metrics. Reporting performance both in terms of absolute data as well as normalized data can address both internal and external stakeholder needs and provide a more complete analysis to inform decision-making. This can allow Kimberly-Clark to provide stakeholders with comparable data without having to resort to clarifications and restatements.

On specific sustainability indicators:

### Post-Consumer and Operational waste:

**Noteworthy Efforts:** Waste generated from the one-time use of many products is a significant issue for Kimberly-Clark. The Company is pursuing a number of multi-stakeholder projects to test market-based solutions for composting or recycling post-consumer wastes. In 2012, the Company opened a second diaper recycling plant in New Zealand and implemented Kimberly-Clark Healthcare's Blue ReNew recycling program for operating room sterilization wraps.

**Opportunities for Improvement:** With regards to waste diverted from landfill, Kimberly-Clark can benefit from describing the full options and environmental credentials of waste deemed as "beneficial use" that makes up the 78% of waste that is diverted.

Readers may be confused by the distinction between “beneficial” and “secondary” use of waste.

**Water:**

*Noteworthy Efforts:* Kimberly-Clark is to be commended for efforts to assess water risks at each mill in 2012 and benchmark them against internal standards. The Mobile, AL, mill features a long-loop recycling system and future capital projects continue to be scheduled.

*Opportunities for Improvement:* Kimberly-Clark can work with senior executives to consider the length of acceptable return on investment for water-focused (and other) capital improvements, or consider valuation processes which include risk and stakeholder feedback in the decision-making process.

**Fiber procurement:**

*Noteworthy Efforts:* The Company has demonstrated its commitment to obtaining its fiber from environmentally responsible sources and has sourced nearly 100 percent of virgin wood fiber from suppliers whose forestry operations or wood-fiber procurement activities are certified by a third-party forest certification system. In addition, Kimberly-Clark has devoted resources to exploring viable long-term options for alternative fibers.

*Opportunities for Improvement:* As fiber sourcing is a critical component of Kimberly-Clark’s sustainability strategy, Two Tomorrows recommends that the Company provides additional clarity (for both internal and external stakeholders) on the types or subsets of FSC categories and achievement towards overall targets. To strengthen its sourcing policy, the Company can report on its commitment to a specific FSC subset or articulate how the balance between the subsets and other certification schemes is determined.

**Responsible supplier development:**

*Noteworthy Efforts:* As part of a long-term risk management approach, the Company has begun to integrate new supplier standards and processes within its updated Supplier Social Compliance Standards (SSCS) program. Key efforts in 2012 included conducting assessments of suppliers in order to help

them develop contingency plans related to impacts from natural disasters and auditing suppliers in countries at high-risk of human rights abuses to ensure compliance with SSCS.

*Opportunities for Improvement:* To strengthen reporting on performance in this area, Two Tomorrows recommends:

1. The Company provide further context of both the processes used for prioritizing key sustainability issues in the supply chain as well as the overall timeline for the phased roll out of the SSCS program, including receiving signed Declarations of Compliance from all 30,000 suppliers.
2. As 29 of 38 suppliers audited in 2012 had mandatory compliance violations, Kimberly-Clark can consider how to proactively drive sustainability performance in its supply chain by developing and communicating a mitigation and remediation strategy related to the most common violations, including sharing successful practices across the supply chain, to prevent repeat violations by the same suppliers.

**Responsiveness**

The extent to which an organization responds to stakeholder issues.

The Report states that sustainability at Kimberly-Clark has always been about “doing the right thing”. Our assessment is that Kimberly-Clark is committed to sustainability and prioritizes initiatives when there is a clear business case, including return on investment, mitigated risk, or competitive advantage. In our opinion, this further integrates sustainability into formalized decision-making processes.

*Strengths:* Kimberly-Clark engages and responds to stakeholders at all levels of the company. The inclusion of candid feedback from each Sustainability Advisory Board member in The Report is a testament to the transparency and inclusivity for which Kimberly-Clark strives. Kimberly-Clark increasingly responds to SAB, NGO, and other stakeholder concerns, and incorporates stakeholder feedback into management decisions.

*Opportunity for Improvement:* Two Tomorrows recommends that as Kimberly-Clark establishes its next generation of sustainability targets, the Company should develop goals and indicators which reflect a more complete picture of the Company’s sustainability

priorities and efforts, including capturing the cost-benefit trade-offs related to sustainability performance. For example, when a mill makes a capital investment that increases energy consumption while significantly decreasing the amount of fiber in the final product.

**Two Tomorrows (North America) Inc.**

Oakland, CA

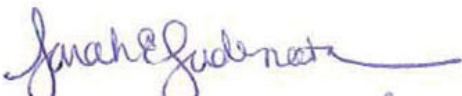
May 2013

**Tom Gosselin**

Project Director

**Natasha D'Silva**

Project Manager

**Sarah Gudernatch**

Project Manager

\***Two Tomorrows (North America) Inc.** Two Tomorrows was formed in January 2009 following the merger between leading sustainability and corporate responsibility consultancies, CSRnetwork Ltd and Sd3 Ltd. Two Tomorrows (North America) is a subsidiary of Det Norske Veritas. Two Tomorrows is an international consultancy that helps companies to perform better and create value by doing business in a sustainable way. [www.twotomorrows.com](http://www.twotomorrows.com)

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## SUSTAINABILITY 2015 PROGRESS

Sustainability 2015 is an integral component of our Global Business Plan. Built around the pillars of People, Planet and Products, it integrates social, environmental and economic elements into our company's agenda, as we take action to sustain healthy working environments and communities. Sustainability 2015 weaves a sustainable-business mindset and practice into our operations, and it allows global opportunities for our employees, businesses and brands to take an active role in achieving Kimberly-Clark's vision of leading the world in essentials for a better life.

### GRI 3.5

As we reach to achieve our Sustainability 2015 goals, we are looking ahead to Kimberly-Clark's 150th anniversary in 2022 and challenging ourselves to meet the expectations of our stakeholders with meaningful additional goals. We have begun to analyze our business in light of our progress to date, predicted future trends in the business and sustainability realms, and input from our stakeholders. The stakeholder engagement interviews we undertook in December 2012 as well as ongoing consultation with our Sustainability Advisory Board and various industry and NGO partners provide invaluable perspective and help us in identifying issues we need to explore and gaps we need to close. In 2013, we will be giving considerable attention to a materiality analysis, with the expectation that we will apply these findings in our sustainability reporting.

#### Notes:

Baseline year is 2010.

<sup>1</sup> A motor vehicle fatality occurred in the trucking operations of Kimberly-Clark de Mexico, an unconsolidated affiliate.

<sup>2</sup> In each year of the program, we have expanded the number of suppliers who are asked to sign the Declaration of Intent to Comply with the Supplier Guidelines. In 2011, 40 suppliers were sent declarations, as a pilot. In 2012, 250 finished-product manufacturers were sent declarations.

<sup>3</sup> Water use reductions in 2012 were driven by a more efficient manufacturing footprint achieved through conservation programs and the pulp and tissue restructuring, which shifted production from the Everett Mill in the U.S. and the Millicent-Tantanoola Mills in Australia. Compared to 2011, our manufacturing volume was down 0.3 percent, while water use was reduced 17.3 percent during the same period.

<sup>4</sup> Approximately 150 tons of the virgin fiber used in 2012 were not certified, but with two-digit rounding the percentage totals 100%.

<sup>5</sup> Our GHG emissions reductions in 2012 were driven mainly by structural asset changes from 1) the closures of the Everett Mill in the U.S. and the Tantanoola pulp mill in Australia; 2) energy-efficient improvements resulting from the implementation of energy projects and best practices in manufacturing processes; and 3) the 0.4% reduction in manufacturing volume compared with 2011.

<sup>6</sup> Numbers are cumulative and report progress against baseline year.

### GRI 4.8

Our Sustainability 2015 goals are clear and measurable. Our progress towards them is summarized below.

	2011	2012
<b>PEOPLE</b>		
Zero workplace fatalities <sup>1</sup>	0	0
Socially focused programs in all K-C communities	62%	89%
100% participation by key suppliers with social compliance standards <sup>2</sup>	99%	67%
<b>PLANET</b>		
25% reduction in water use and maintain quality of discharge <sup>3</sup>	0.88%	18%
100% fiber from certified suppliers <sup>4</sup>	99.9%	100%
5% absolute reduction in GHG <sup>5</sup>	1.2%	3.5%
Zero manufacturing waste to landfill (% of facilities to meet goal)	49%	58%
<b>PRODUCTS</b>		
250 million new consumer touches (M)	49	110
25% of 2015 net sales from environmentally innovative products	13%	22%
20% reduction in packaging environmental impact <sup>6</sup>	4%	4%

## SUSTAINABILITY ADVISORY BOARD



**TIM SMITH**  
SENIOR VICE PRESIDENT, ENVIRONMENT,  
SOCIAL AND GOVERNANCE GROUP,  
WALDEN ASSET MANAGEMENT

Kimberly-Clark's Sustainability Advisory Board (SAB) was formed in 2007 to provide insight on sustainability issues and best practices to our Global Strategic Leadership Team and Global Sustainability staff.

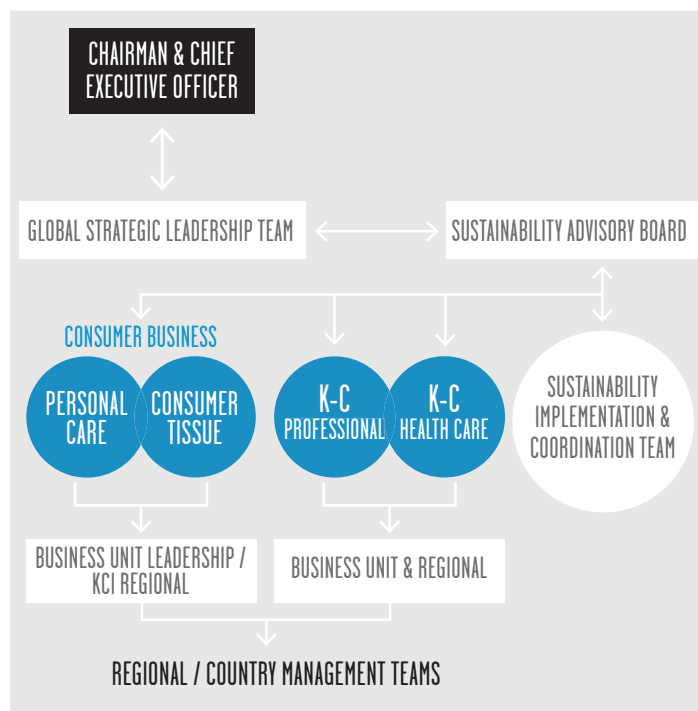
The SAB provides an assessment of our sustainability efforts, and their comments can be found throughout this report.

Comprising eight external thought leaders who possess a diversity of expertise and cultural experience, the SAB offers an independent view of our sustainability programs, as well as potential risks and opportunities for our business.

- Suhas Apte (USA), former vice president, Global Sustainability at Kimberly-Clark
- Claude Fussler (France), former vice president of Dow Chemical and former director of stakeholder relations at the World Business Council for Sustainable Development

- Jeffrey Hollender (USA), cofounder of Seventh Generation; board member of Greenpeace U.S.; the Environmental Health Fund; and Verité, a leading workers' rights organization
- Mindy Lubber (USA), president of Ceres, a network of investors, companies and public interest groups whose aim is to accelerate and expand the adoption of sustainable business practices and solutions to build a healthy global economy
- Malini Mehra (India), founder and CEO of the Centre for Social Markets, a nonprofit organization that has pioneered work on sustainability and corporate responsibility in India and its diaspora since 2000
- Tim Smith (USA), senior vice president, Environment, Social and Governance Group at Walden Asset Management
- Andrew Winston (USA), coauthor of the best seller *Green to Gold*, author of *Green Recovery*; founder of Winston Eco-Strategies, an organization that helps leading companies use environmental strategy to grow and prosper
- Ricardo Young Silva (Brazil), former executive president of Ethos Institute, a leading corporate social responsibility organization dedicated to mobilizing, encouraging and helping companies manage their businesses in a socially responsible way

### GRI 4.1



**GRI 4.9**

In addition, the SAB assesses our sustainability report. Its comments can be found throughout the [People](#), [Planet](#) and [Products](#) sections of this report.

SAB members generally serve for no more than three consecutive two-year terms. Each member receives an annual stipend and is reimbursed for travel expenses to attend meetings.

As of June 30, 2012, Malini Mehra and Andrew Winston completed their first terms, while Claude Fussler and Tim Smith completed their second. Suhas Apte, Mindy Lubber and Jeffrey Hollender joined the Advisory Board and began their first terms on July 1, 2012. Ricardo Young Silva resigned from the SAB in March 2013, when he was elected to public office in São Paulo and chose to focus on the needs of his constituents.



## STAKEHOLDER ENGAGEMENT



**SKIP KRASNY**  
MANAGER, SUSTAINABLE FORESTRY PROGRAMS

As we work to meet our Sustainability 2015 goals, our stakeholders provide us with essential guidance.

They give us valuable feedback on our sustainability objectives and progress as well as important insights into our products and operating processes. We welcome constructive feedback that helps us understand the concerns of nongovernmental organizations (NGOs), customers, consumers, communities where we do business, investors and employees.

### GRI 3.5

#### Stakeholders' Views on Our Reporting

In December 2012, we engaged a third party to reach out to a number of our stakeholders whose opinions we value, seeking their input on the degree to which our sustainability report provided transparent, comprehensive and accessible coverage of key issues. In addition, stakeholders were asked for their views on the sustainability issues they expected would have a significant impact on Kimberly-Clark in the future.

Stakeholders from eight groups (business partners, suppliers, customers, employees, investors, socially responsible investors, NGOs and academics) were engaged through telephone interviews and, when requested, written questionnaires. To the extent possible, we have incorporated their recommendations from that engagement in this report.

Information on specific engagements with stakeholder groups can be found in the following sections of this report:

#### People

- Employee engagement, diversity initiatives and labor relations
- Humanitarian partnerships through the Kimberly-Clark Foundation and disaster relief
- Communities through employee volunteerism and giving and regional, business unit and brand outreach

#### Planet

- Forest stewardship partnerships
- Community water replenishment initiatives

#### Product

- Supplier sustainability
- Post-consumer waste knowledge-sharing networks
- Consumer quality and safety, including product recalls and related protocols

In addition, we communicate our progress to the shareholder and investment communities through our 2012 10-K, on the Investors section of our corporate website, in our public SEC filings, as well as through investor and shareholder meetings, analyst-sponsored conferences and distribution of our sustainability report.

### GRI PR5

#### Listening to the Consumers Who Use Our Products

We welcome input from the consumers who use our products and provide them with a variety of ways to reach us, including web chats, email, social media, toll-free phone numbers and mail.

- Consumers who reached out to Kimberly-Clark in 2012 in North America and Europe: 611,778
- Consumer satisfaction surveys in North America: 48,843
- Favorable experiences with Consumer Services Teams when they responded to questions and comments about products, ingredients, advertising and promotions: 96%
- Consumers intending to purchase Kimberly-Clark products in the future: 96%

**GRI 4.14**
**GRI 4.16**
**GRI 4.17**

Our ongoing engagement, summarized in the following table (in no particular order), takes many forms—from one-way information channels to consumer and customer research, dialogues with environmental organizations, and partnerships with humanitarian organizations.

STAKEHOLDER GROUP	AREAS OF INTEREST	EXAMPLES OF ENGAGEMENT
Consumers	<ul style="list-style-type: none"> <li>Improved health and hygiene</li> <li>Affordability</li> <li>Good customer service</li> </ul>	<ul style="list-style-type: none"> <li>Cause marketing campaigns</li> <li>Consumer education campaigns</li> <li>Consumer satisfaction surveys</li> <li>One-on-one interviews</li> </ul>
Wholesale Customers	<ul style="list-style-type: none"> <li>Sustainability attributes of products</li> <li>Environmental impacts of manufacturing, e.g., water use</li> <li>Post-consumer waste</li> <li>Product quality and safety</li> <li>Consumer education</li> <li>Pricing</li> </ul>	<ul style="list-style-type: none"> <li>Customer meetings</li> <li>One-on-one interviews</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Sustainability performance</li> <li>Raw material sourcing</li> <li>Business performance</li> <li>Training and development opportunities</li> <li>Safety</li> <li>Fairness and equality</li> <li>Employee engagement</li> <li>Charitable giving</li> </ul>	<ul style="list-style-type: none"> <li>Team meetings</li> <li>@K-C intranet site</li> <li>@myHR intranet site</li> <li>Employee surveys</li> <li>One-on-one interviews</li> <li>Employee networks</li> <li>Town hall meetings with executives</li> <li>Performance management process</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Contractual terms</li> <li>Sustainability requirements</li> <li>Fiber procurement policy</li> <li>Labor standards and accountability</li> <li>Quality and consistency</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability guide for suppliers</li> <li>Risk assessments and audits</li> <li>Supplier sustainability summits</li> <li>One-on-one interviews</li> </ul>
Traditional Investors	<ul style="list-style-type: none"> <li>Cost reductions</li> <li>Organic revenue growth</li> <li>Operating margins</li> <li>Earnings</li> <li>Dividends</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Annual meeting</li> <li>Earnings calls</li> <li>Meetings between executives and investors</li> <li>Analyst conferences</li> <li>One-on-one interviews</li> <li>Shareholder resolutions</li> </ul>

Socially Responsible Investors (SRI)	<ul style="list-style-type: none"> <li>Cost reductions</li> <li>Organic revenue growth</li> <li>Earnings</li> <li>Corporate governance</li> <li>Political contributions and lobbying</li> <li>Sustainability performance</li> <li>Recycled fiber</li> <li>Climate change</li> <li>Innovation and R&amp;D</li> <li>Supply chain management</li> <li>Product quality and safety</li> </ul>	<ul style="list-style-type: none"> <li>Annual meeting</li> <li>Earnings calls</li> <li>Meetings between executives and investors</li> <li>Analyst conferences</li> <li>One-on-one interviews</li> <li>Shareholder resolutions</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Job opportunities</li> <li>Local impacts such as water use, noise, air pollution</li> <li>Support of local charities</li> <li>Taxes</li> </ul>	<ul style="list-style-type: none"> <li>Community meetings</li> <li>Volunteering programs</li> <li>One-on-one interviews</li> </ul>
Government	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Lobbying</li> <li>Corporate citizenship</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with Government Affairs team</li> <li>Meetings with Regulatory Affairs team</li> <li>Meetings between mill staff and local government officials</li> <li>One-on-one interviews</li> </ul>
NGOs	<ul style="list-style-type: none"> <li>Sourcing raw materials</li> <li>Wood fiber</li> <li>Environmental impacts of manufacturing, e.g., water use</li> <li>Toxics in the environment</li> <li>Climate change</li> <li>Product life cycles</li> <li>Supply chain management</li> <li>Animal testing</li> <li>Labor standards</li> <li>Bottom-of-the-pyramid</li> </ul>	<ul style="list-style-type: none"> <li>Direct engagement with NGOs</li> <li>Participation in World Business Council for Sustainable Development initiatives</li> <li>One-on-one interviews</li> </ul>
Academics	<ul style="list-style-type: none"> <li>Resource use</li> <li>Climate change</li> <li>Water availability</li> <li>Life cycle of products</li> <li>Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one interviews</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>Renewable materials</li> <li>Waste reduction</li> <li>Resource use (water, energy, etc.)</li> <li>Recycling</li> <li>Supply chain management</li> <li>Employee safety</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one interviews</li> </ul>

## EXTERNAL PRINCIPLES & MEMBERSHIPS



WE SUPPORT

We subscribe to several global declarations of principles and are members of a number of industry organizations that provide platforms for Kimberly-Clark to learn and share information about sustainability and related issues.

### External Principles

The United Nations' Millennium Development Goals (MDGs) are a set of goals and targets meant to eradicate extreme poverty, hunger, illiteracy and a number of devastating diseases. We use the MDGs as a guide for the programs and initiatives we plan in support of our Sustainability 2015 goals.

This report serves as our  
Communication on Progress to the UNGC.

#### GRI 4.12

As a signatory to the United Nations Global Compact, we are committed to upholding the Compact's Ten Principles (per UNGC) on human rights, labor standards, the environment and anti-corruption, working within our sphere of influence to encourage their support. This report serves as our Communication on Progress to the UNGC, and our GRI Index is cross-indexed with the UNGC principles.

#### GRI 4.13

### Memberships

Kimberly-Clark first became a member of the Corporate Eco Forum in 2010. The Forum is a community of global leaders, representing 18 industries and \$3 trillion in assets, dedicated to advancing sustainable business. At the Forum's annual meeting in June 2012, Kimberly-Clark's sustainability leadership team contributed to the panel discussion "Engaging the Board of Directors in Sustainability" and took part in dialogues on a wide variety of topic sessions, ranging from driving sustainability in supply chain management to employee engagement.

Peggy Ward, sustainability strategy leader at Kimberly-Clark, was chosen from a highly competitive global field of more than 150 applicants to embark on a life-changing sustainability leadership development program in the Amazon rainforest in July 2012 with world-renowned ecologist Dr. Thomas Lovejoy. The winners and runners-up were deemed by the selection jury to be at an inflection point in their lives or careers with regard to sustainability—ready and eager to take their sustainability leadership to the next level within their communities and/or organizations—as well as strong team players accomplished in setting ambitious goals and getting results.

The Lacey Act was introduced in 1900 to prohibit the transport of illegally captured wildlife. It has been amended several times, most recently in June 2008 when the U.S. Congress extended its protection to plants, including timber, paper and other forest products. Kimberly-Clark is a member of the Lacey Act Defense National Consensus Committee, a group made up of companies, associations and organizations affected by the Act, as well as leading environmental groups. The committee created a standard that provides clarity on the Lacey Act's regulatory guidelines and enforcement rules, including the notion of "due care," in order to provide a common understanding of the regulatory framework within which Kimberly-Clark and other organizations operate, and to develop an effective means of protecting against inadvertently obtaining illegal wood fiber.

AdvaMed Technology and Regulation (T&R) Group is an umbrella regulatory group under AdvaMed (a trade association representing makers of medical devices, equipment, software and supplies). Its role is to coordinate efforts to accelerate market



access, pursue reasonable post-market and inspection programs, develop a legislative agenda, and coordinate as appropriate on international regulatory efforts. Kimberly-Clark participates in several of its working groups. For example, to ensure greater patient safety, we have been working with Advamed to address connector design regulations for enteral feeding devices as well as epidural products. In 2012, our i-Flow team engaged in an infusion pump task force, an extension of the work we contributed to 2011.

The Association for the Advancement of Medical Instrumentation (AAMI) is a nonprofit organization of nearly 7,000 healthcare technology professionals supporting the healthcare community in the development, management and use of safe and effective medical technology. AAMI is a major resource for national and international standards. The AAMI standards program consists of more than 100 technical committees and working groups that produce standards, recommend practices and write technical information reports for medical devices. Kimberly-Clark Health Care is a charter member of AAMI's Sustainability Committee, which is developing environmental standards for manufacturers and hospitals.

ASTM International, formerly known as the American Society for Testing and Materials, is a globally recognized leader in the development and delivery of international voluntary consensus standards. Its ASTM E60 Sustainability Committee, of which Kimberly-Clark is a member, focuses on the acquisition, promotion and dissemination of knowledge; the stimulation of research; and the development of standards relating to sustainability and sustainable development.

EDANA is the international association serving the nonwovens and related industries. Based in Europe, EDANA provides leadership to foster innovation as well as sustainable and profitable growth of the industry participants through the active promotion of sustainable development, transparency and consumer interests. In 2012, Kimberly-Clark Health Care contributed to the development of the EDANA/MEDECO position paper "Environmental Impact, Clinical Efficacy and Cost of Single-Use Medical Drapes and Gowns."

The Forest Stewardship Council (FSC) is an independent, nonprofit organization that protects forests for future generations. Kimberly-Clark is a member of FSC-International and signed a Cooperation Agreement in 2012 as FSC's selected global partner

to represent the tissue industry. For the duration of this agreement, Kimberly-Clark will work with FSC on activities that will be mutually beneficial to each organization and will seek to drive increased awareness of the FSC brand, increase the growth of FSC-certified forest area globally, and consider the opportunities for certification of non-wood alternative fibers. In addition, Kimberly-Clark sits on the FSC National Board of Directors in Australia and the United States.

Kimberly-Clark is a member of the United States Council for International Business (USCIB), which promotes open markets, competitiveness and innovation, sustainable development, and corporate responsibility supported by international engagement and prudent regulation. USCIB presents American business views on a wide range of issues—from environmental regulation to trade policy to labor relations—directly to U.S. policy makers, UN and EU officials, and a host of governments and other groups.

The U.S. Green Building Council (USGBC) is a nonprofit organization committed to a prosperous and sustainable future through cost-efficient and energy-saving green buildings. USGBC works toward its mission of market transformation through its LEED green building program, robust educational offerings, a nationwide network of chapters and affiliates, the annual Greenbuild International Conference & Expo, and advocacy in support of public policy that encourages and enables green buildings and communities. Kimberly-Clark is a platinum member of the USGBC. Kimberly-Clark provides 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.

The World Business Council for Sustainable Development (WBCSD) is a CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for businesses, society and the environment. Together with its members, the Council applies its respected thought-leadership and effective advocacy to generate constructive solutions and take shared action. In 2012, Kimberly-Clark was a leader in its Water Working Group and an active participant in its forest solutions as well as sustainable consumption and value chain efforts. Kimberly-Clark joins WBCSD and its member companies in recognizing the role and opportunity of business in increasing access to safe water and sanitation around the world.

The Personal Care Products Council (PCPC) is a national trade association representing the global cosmetic and personal care products industry. Founded in 1894, the Council has more than 600 member companies that manufacture, distribute and supply personal care products in the U.S. Kimberly-Clark participates in many of its standing committees and technical subcommittees, including the International Committee, the Safety and Regulatory Committee, the Quality Assurance Committee and the Microbiology Committee. In addition, Kimberly-Clark participates in member-only meetings on subjects of common interest.

Kimberly-Clark is also a member of a number of diversity organizations:

- Catalyst Inc. Organization that expands opportunities for women at work. Kimberly-Clark chairman and CEO Tom Falk serves on the board of directors
- Executive Leadership Council Networks for African American executives of Fortune 500 companies
- Network of Executive Women Advances women in the consumer packaged goods and retail industries
- Society of Hispanic Professional Engineers Member of the Industrial Partner Council
- Society of Women Engineers Member of this society's Corporate Partnership Council
- National Association of Asian MBAs, National Black MBA Association, National Society of Black Engineers, National Society of Hispanic MBAs (Recruiting partners)
- Corporate Counsel Women of Color, National Bar Association, and National Association of Women Lawyers

## GOVERNANCE, ETHICS & HUMAN RIGHTS



**THOMAS J. FALK**  
CHAIRMAN AND CEO

For 140 years, Kimberly-Clark has fostered a culture of fairness, honesty and integrity.

Our core values—authenticity, accountability, innovation and caring—guide our business decisions and initiatives. Our day-to-day actions are founded on a long-standing governance structure, which comprises:

- A Board of Directors that is more than 91 percent independent and includes independent Board committees
- A clear reporting structure and lines of accountability
- A global [Code of Conduct](#)
- A comprehensive policy platform, including policies on human rights, labor, diversity and inclusion, and environmental issues
- Strong oversight and communications mechanisms, including oversight by the Kimberly-Clark Board of Directors on key environmental, social and governance issues

We provide more detail on the [Governance](#) and [Policy](#) pages of our corporate website. In this sustainability report, you may also visit our [Labor Relations](#) and [Diversity & Inclusion](#) pages.

### GRI 4.3

Our Board of Directors and its various committees provide oversight and guidance on all aspects of 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, product safety, charitable donations and employment. As part of its oversight role, the Board and its committees receive regular reports from management on these topics, the corporation's goals, and progress against these goals.

### GRI 4.10

Management receives strong input from an independent [Sustainability Advisory Board](#) that was established to ensure that outside perspectives on these topics were being solicited and evaluated. In addition, the Board receives benchmarking reports on how the corporation's programs compare with those of other companies. Finally, each year the Board conducts an evaluation of itself, as does each of its committees, to assess whether it is meeting its oversight responsibilities. The Board then develops action plans for any opportunities identified.

Kimberly-Clark Corporation has a robust compliance and ethics program. Key components of that program are 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. More information on our policies is available [here](#).

BOARD DIVERSITY OVERVIEW	2008	2009	2010	2011	2012
Independent members	91.7%	91.7%	92.3%	92.3%	91.7%
Women	16.7%	16.7%	23.1%	23.1%	25.0%
Minority group membership	25.0%	25.0%	23.1%	30.8%	33.3%
Total Board members	12	12	13	13	12

**GRI 4.8**

We regularly assess the quality and effectiveness of our compliance and ethics program. In 2012, we surveyed 38,000 employees about their awareness and knowledge of our [Code of Conduct](#). The survey showed an improved level of participation and awareness of the Code and the procedures for reporting Code misconduct. In May 2012, we held our first ever Compliance and Ethics Week to raise awareness among our employees of compliance and ethics policies and practices. We believe that our anti-corruption program is effective and that we are in compliance with applicable laws in all material respects. Key aspects of our anti-corruption program include:

- Prohibition of both government and commercial bribery and corruption
- Prohibition of facilitating payments even where permitted under local laws
- Global standards applied throughout our enterprise
- Regular training of employees on our Code of Conduct, anti-corruption and related ethics topics
- Requirement for contracts with third-party agents to contain anti-corruption/bribery covenants
- Availability of multiple channels for guidance on or reporting of potential violations of Code of Conduct, anti-corruption or other corporate policies. Reports may be made anonymously.
- A strict anti-retaliation policy in support of anyone who reports a suspected violation of the Code of Conduct
- An experienced investigative team that follows up on all reports of alleged fraud or other violations of the Code of Conduct
- An experienced internal audit team that actively audits for and evaluates potential unreported fraud or other violations of the Code of Conduct
- An annual survey of enterprise workforce to confirm understanding of the Code of Conduct and that all potential violations have been reported properly and in a timely manner

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.

**GRI SO5**
**Political Spending and Lobbying**

In 2012, Kimberly-Clark reported \$280,000 in expenditures on U.S. federal lobbying activities, which included the salaries and

other expenses of Kimberly-Clark employees engaged in lobbying, fees paid to outside consultants lobbying on Kimberly-Clark's behalf, and the portion of trade association dues used for lobbying.

**GRI SO6**

In the U.S., Kimberly-Clark does not currently operate a political action committee (PAC). Similarly, in the U.S., the company makes no contributions from other sources or funds to political candidates, PACs that contribute to candidates, or other organizations formed solely for the election or defeat of a public official.

**Protecting Human Rights**

Our commitment to protecting human rights is consistent with our respect for each other and continues our heritage of fairness, honesty and integrity. This commitment is formalized in our [Human Rights in Employment Policy](#) and our Code of Conduct. Our policies align with the goals of several international standards, including the [International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#) and those of the [UN Global Compact](#).

We respect international social compliance and environmental principles aimed at promoting and protecting human rights and the environment. We also promote human rights in our [supply chain](#). We do this through our [Supplier Social Compliance Standards](#), which identify, prevent, mitigate and account for human rights violations, with a focus on countries at high risk for human rights abuses. Companies within our contracted supply chain, including our packaging supply chain, are requested to sign annual declarations of compliance. In 2012, we began auditing against these standards to identify violations in the following categories:

- Child labor, forced labor and abuse of labor
- Freedom of association and collective bargaining
- Discrimination
- Anti-bribery and anti-corruption
- Working conditions that present imminent threat or serious injury to employees
- Protection of the environment

The Audit Committee of our Board of Directors provides oversight of our efforts to ensure compliance with the Code, other internal policies, and certain legal and regulatory requirements.

For more information on 2012 audit results, see the [Supply Chain](#) section of this report.



## AWARDS

# FTSE4GOOD

10th consecutive year on the FTSE4Good Index

### GRI 2.10

- Recognized in FTSE4Good Index Series for tenth consecutive year
- Named one of Ethisphere's World's Most Ethical Companies in 2012 and 2013
- Among Top 20 of *CR Magazine's* 100 Best Corporate Citizens for fifth consecutive year
- Received a 90% rating in the Corporate Equality Index 2013
- Ranked fourth among World's 25 Best Multinational Workplaces by the Great Places to Work Institute, out of 350 multinational companies from 45 countries
- Received WWF Environmental Paper Award for "Best Environmental Performance Paper Brands"
- Ranked #56 overall and #1 in industry in *Newsweek's* 2012 Green Rankings out of the 500 biggest U.S. companies
- Named one of DiversityInc's 25 Noteworthy Companies
- Named to Gartner's Top 25 Supply Chains list
- Awarded Best Procurement Team at the 2012 Procurement Leaders Conference in London
- Received the Export Excellence Award-*La Nación*-Banco Galicia 2012 in the category "Best Sustainable Management" from among 150 entrants. The awards are presented by *La Nación*, an important Argentinian newspaper, and Banco Galicia, a large national bank.
- Winner of the 2012 Circle of Excellence award from Distribution Business Management Association
- Recognized for best-in-class corporate governance standards by Governance Metrics International
- Named Best Employer for Healthy Lifestyles 2012 both in the U.S. and abroad by the National Business Group on Health; Kimberly-Clark was also recognized for Best Community Outreach



# PEOPLE



For 140 years, our people have built this company. We are proud to celebrate the success of our employees, and we count on their support as we deliver essentials for a better life.

# \$33 MILLION

in cash and product donations



14,652 8,039 13,825  
21,824 58,340  
EMPLOYEES WORLDWIDE

## EMPLOYEES

**Authenticity, accountability, innovation, caring: Our values are woven into every aspect of our work. Providing essentials for a better life is as much about how we work as it is about what our work accomplishes.**

As a company, we believe in a performance-driven culture. Our People Philosophy expresses what we expect from and how we support our people. Our aspiration is to unleash the power of our employees by: harnessing the value our diversity can create; encouraging them to dream and grow our businesses; creating a winning culture and celebrating our successes; living well-balanced lives; and giving back to our communities.

In this section, you can learn about employee:

- [Learning and development opportunities](#)
- [Health and wellness programs](#)
- [Safety progress](#)
- [Engagement initiatives](#)
- [Diversity advances](#)
- [Support platforms for those affected by structural changes](#)
- [Award-winning contributions](#)

## TRAINING, BENEFITS & COMPENSATION



We coach new team members on our People Philosophy, culture, values, and commitment to diversity and inclusion, and we support their growth through education, work experiences and development opportunities.

### We offer experiential learning through special assignments and job rotations.

We provide online and classroom learning opportunities, outlined in 2012 in our new Global Learning Catalog, to develop additional skills and build existing abilities such as learning a new language and developing leadership capabilities. In addition, we offer experiential learning through special assignments and job rotations, and provide exposure to our global organization through networking groups, volunteer opportunities and mentoring programs.

In 2012, we launched a global initiative to introduce a culture of accountability in which every Kimberly-Clark employee understands his or her accountability for achieving results that drive the business forward. We rolled out this global program in 18 languages, and, by the end of 2012, 74 percent of our salaried workforce has been trained. All salaried employees will be trained by the end of 2013. This initiative will reinforce our One K-C

Behaviors (Think Customer, Win Consistently, Build Trust, Build Talent, Make Decisions and Continuously Improve), resulting in increased engagement and ensuring that each employee understands his or her accountability for achieving results that foster success.

### Compensation

For directors and above, our annual incentive plan contains financial targets, as well as other quantitative and qualitative factors. For our executive leadership (chairman and CEO Tom Falk and his direct reports), diversity is one of a number of qualitative factors for 2012.

## EMPLOYEE HEALTH



Caring is a long-standing Kimberly-Clark value, and helping our employees stay healthy is an important way we put that value into action.

### In some regions, the services provided by Kimberly-Clark are not available through other community agencies.

Kimberly-Clark's Health Services team provides an array of preventive and occupational health programs tailored to the

needs of employees in every country where we operate. These include: pre-placement medical evaluations; workplace risk assessments for hearing, workstation ergonomics, medical surveillance and travel; treatment of health complaints; immunizations; and fitness assessments.

In some regions, the services provided by Kimberly-Clark, such as medical and vision checkups for preschool children, dental exams, influenza vaccines and nutrition advice, are not available through other community agencies.

### LiveWell

Our LiveWell health-promotion programs are designed to inform and motivate employees to live healthier lives by eating well, exercising and reducing health-related risk factors. In 2012, our employees engaged in a variety of activities to improve their health. Many Kimberly-Clark locations around the world offer comprehensive health assessments, biometric screenings, health coaching and energy-management training. Employees traveling internationally are provided with health screenings, travel health advice, vaccinations and emergency medical care anywhere in the world. On-site medical clinics staffed with physicians and nurses are provided in some locations in the U.S., Latin America, Europe, and the Middle East and Asia.

In 2012, our Central American and Caribbean region continued to offer a nutrition program in which more than 600 employees took part. Sixteen participants were nominated “Star Patients” for their personal commitments and perseverance. On average, they lost 11.5 kg over one year. One of our employees, Adrian Nunez, lost a total of 19.4 kg in one year. Along the way, Adrian, who is diabetic, improved his health with exercise and nutritious meals. As a result, he is now able to manage his diabetes without taking medication.

Kimberly-Clark received a gold “Best Employer for Healthy Lifestyles” award from the National Business Group on Health and a Global Distinction award for our employee health and well-being efforts worldwide. The awards recognized the company’s effective, widespread and innovative solutions that improve the health and lifestyles of employees both domestically and globally.

### Employee Assistance Program

Kimberly-Clark’s Employee Assistance Program (EAP) helps our employees in 27 countries balance work responsibilities with personal and family needs by providing confidential assessment, consultation, counseling, education, resources and referrals to employees and their families. Approximately 7 percent of our U.S. employees used these services in 2012, compared with an industry average of 3.1 percent. We believe this reflects trust in the program as well as accessibility of the services provided.

## EMPLOYEE SAFETY



Our safety focus, day in and day out, is on achieving a fatality-free and incident-free workplace. We have policies and programs that support our employees’ safety and encourage them to keep themselves and each other safe.

**Our vision is to have every Kimberly-Clark colleague, contractor and visitor return home safely at the end of each day.**

We achieved our Sustainability 2015 goal of zero workplace fatalities in 2012, as we had in the two prior years, at



EMPLOYEE SAFETY	2008	2009	2010	2011	2012
Fatalities <sup>1</sup>	1	1	0	0	0
Permanently disabling injuries	9	6	14	8	9
Total Reportable Incident Rate (TRIR)	0.45	0.40	0.44	0.40	0.31
North America	0.59	0.55	0.59	0.44	0.33
Latin America	0.52	0.48	0.40	0.40	0.39
Europe	0.87	0.37	0.71	0.71	0.39
Middle East and Africa	0.58	0.91	1.01	0.53	0.76
Asia/Pacific	0.30	0.24	0.32	0.23	0.14
Lost-time Reportable Incident Rate (LTRIR)	0.31	0.25	0.30	0.27	0.19
North America	0.38	0.30	0.39	0.22	0.20
Latin America	0.45	0.37	0.31	0.36	0.21
Europe	0.58	0.28	0.45	0.59	0.29
Middle East and Africa	0.27	0.58	0.82	0.37	0.52
Asia/Pacific	0.18	0.15	0.21	0.14	0.08
Sentinel Events Reporting Rate (SERR)	N/A	1.53	1.70	1.53	1.54
Safety compliance penalties <sup>2</sup>	\$0	\$20,600	\$110,955	\$4,800	\$23,000

Kimberly-Clark's wholly and majority-owned companies that we report on in our financial statements. However, our equity affiliate, Kimberly-Clark de México, experienced a fatality from a transportation accident in February 2012. A lost life at any of our or our affiliates' operations is tragic and not acceptable.

#### Our commitment to our employees

To provide a workplace in compliance with all applicable occupational safety and hygiene (OS&H) laws and regulations and in conformance with the company's OS&H performance standards.

#### Our expectation of our employees

To refuse to take any action considered unsafe, to confront others acting in an unsafe manner and to immediately stop any unsafe actions.

#### Notes:

<sup>1</sup> In 2012, a motor vehicle fatality occurred in the trucking operations of Kimberly-Clark de México, an unconsolidated affiliate.

<sup>2</sup> In January 2012, the Chester, Pennsylvania, mill was cited by OSHA as a result of an explosion involving a propane tank that occurred in August 2011. A monetary sanction of \$23,000 was paid and the following corrective actions undertaken:

- Discontinued refueling of propane cylinders on the Chester site immediately following the incident, and the two propane filling stations on site were dismantled and removed.
- Propane is now delivered in cylinders by a vendor.
- The smoking policy has been clearly recommunicated and is consistently enforced.

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.

N/A: Data is not available.

**GRI LA7**

## Safety Systems, Policies and Communications

Our Global Occupational Safety and Hygiene (OS&H) Policy states that we will manage OS&H for the protection of our employees, contractors and visitors and to aggressively pursue the elimination of occupational injuries, illnesses, disabilities and fatalities. Our Environment, Health and Safety Management System (EHS MS) establishes minimum requirements and standards for the management of EHS activities. We are committed to regularly assessing the EHS MS in order to achieve continuous improvement of OS&H performance.

In 2012, we:

- Conducted 20 global EHS assessments focusing on the OS&H Performance Standards that address the eight hazard categories identified by Kimberly-Clark that could lead to a fatality. These global assessments continue to drive compliance with regulations and conformance to Kimberly-Clark's OS&H standards.
- Accelerated the combustible-dust assessments and technical training sessions in several of the facilities. As we continue on this journey, we are identifying gaps, correcting them and reducing the risk associated with combustible dust.
- Provided technical training on our new Machine Safety Standard for senior leaders in key businesses and conducted train-the-trainer sessions in each business in preparation for a full training rollout in 2013. The deployment of the Machine Safety Standard establishes consistent standard applications that reduce equipment-related risks for our employees across the globe.

### Awarding Safety Leadership

*"Receiving the 2012 Rising Star in Safety recognition is not only wonderful from a personal standpoint, it is a recognition for all safety professionals and mill managers who are committed every day to providing a safe and healthy workplace for all. We each have a passion and commitment not only to produce the best products and the best brands, but also to build a great place to work, starting with safety."*

#### Ivan Maldonado

Environmental Health & Safety Leader, Kimberly-Clark Global Health Care, Winner of the 2012 U.S. National Safety Council award as one of "40 Under 40" Rising Stars of Safety

More than 95 percent of our facilities have formal EHS committees, a requirement of our EHS MS. With participation from both employees and management, the committees address EHS concerns raised by employees and others; identify, prioritize and support the facilities' improvement activities; and review progress of those activities, safety incidents and trends.

### Crystal Eagle Award

*This award is given for 365 days without a reportable incident involving Kimberly-Clark employees.*

#### United States:

- Conway, Ark.
- LaGrange, Ga.
- Neenah Nonwovens, Ga.
- Roswell Pilot Facility, Ga.
- Owensboro, Ky.
- Belmont, Mich.
- Corinth, Miss.
- Berkeley, N.C.
- Lexington, N.C.
- Jenks, Okl.
- Loudon, Tenn.
- San Antonio, Texas
- Ogden, Utah
- X-Mill, Wis.
- Family Care R&E, Wis.

#### International:

- Huntsville, Ontario, Canada
- Jaromer, Czech Republic
- Rouen, France
- Villey-Saint-Étienne, France
- Koblenz, Germany
- Alanno, Italy
- Romagnano, Italy
- Tlaxcala, Mexico
- Klucze, Poland
- Stupino, Russia
- Epping, South Africa
- Gimcheon, South Korea
- Daejeon, South Korea
- Calatayud, Spain
- Salamanca, Spain
- Safeskin Mills, Thailand
- Barton-upon-Humber, United Kingdom
- Delyn, United Kingdom
- Flint, United Kingdom

### Crystal Globe Award

*This award is given for 1 million hours without a reportable incident involving Kimberly-Clark employees.*

#### United States:

- Ogden, Utah
- Conway, Ariz.
- Jenks, Okla.
- Loudon Mill, Tenn.
- Paris, Texas

- Family Care R&E, Wis.
- X-Mill, Wis.

#### International:

- Daejeon, South Korea

## EMPLOYEE ENGAGEMENT



To succeed, Kimberly-Clark needs employees who have a desire to win and a passion to make a difference. We actively develop new initiatives to fuel engagement in both.

**In October, nearly 12,000 employees from 66 countries participated in our One K-C Culture Jam.**

After asking employees for ideas on what we could do to accelerate culture change, we created a new collaborative experience that would transcend organizational and geographical silos. In October, employees from around the world collaborated with each other in the new One K-C Culture Jam.

Over five days, opinions and feedback on our organizational culture were collected online in chat rooms, discussion forums and quick polls. In addition, more than 700 focus groups were held in mills, enabling our workforce at all of our operations to be heard. Facilitators shaped ongoing conversations among employees and senior leadership.

The Jam exceeded expectations. Close to 12,000 salaried and hourly employees in 66 countries contributed some 22,000 posts.

Employee input was categorized into six primary themes that will be the focus of employee guidance and communications going forward and will be integrated with the Global Engagement Survey in 2013.

## DIVERSITY & INCLUSION



Workplace diversity and inclusion are integral to Kimberly-Clark's growth strategy and are fundamental components of our People Philosophy. They are business imperatives because when our workforce reflects the consumers we serve in our global markets, we can better understand and deliver on their needs. And greater diversity of thought, experience and perspective fosters new ideas — the kind of breakthroughs we need in order to achieve our goals.

**We promote diversity among our employees through Employee Resource Groups.**

Our Human Rights in Employment Policy underscores this commitment. It prohibits discrimination and harassment based on race, color, sex, pregnancy, sexual orientation, gender identity, age, religion, creed, national origin, disability, genetic information, veteran status, legally protected leave and other categories protected by applicable law. We also extend our benefits to our

EMPLOYEE DIVERSITY	2008	2009	2010	2011	2012
Women	29.8%	29.7%	29.9%	30.1%	31.0%
Women in management	27.1%	27.4%	27.3%	28.6%	29.3%
Ethnic minorities	17.5%	17.7%	17.8%	17.9%	18.8%
Ethnic minorities in management	9.7%	9.9%	10.9%	11.3%	11.7%

**Note:**

"Management" is defined as U.S. employees in EEP category 01 (executive/senior-level officials and managers, and first/middle-level officials and managers).

employees' eligible dependents including children, spouses, common-law spouses and domestic partners.

### Diversity in Our U.S. Operations

We promote diversity among our employees through Employee Resource Groups. These are open to all employees and are valuable tools for the recruitment, development and retention of and, engagement among, colleagues from different backgrounds:

- African American Employee Network (AAEN)
- Family Caregivers Network
- Parents Interactive Network (PIN)
- Focus Asia
- Latin American Network for Diversity
- New Employee Opportunity Network (NEON)
- People Respecting Individual Differences Everywhere Network (PRIDE@K-C)
- Service, Alliance, Uniting Together (SALUTE)
- Women's Interactive Network (WIN)

### Diversity Internationally

The Global Diversity and Inclusion team collaborates with Kimberly-Clark leaders around the world to develop action plans that are specific to the issues in their regions. Through our talent-attraction and selection processes, we seek an appropriate balance of genders and nationalities for each market, and track our progress annually.

#### GRI EC7

Within Kimberly-Clark International, we have historically focused on hiring local-country management and teams, because we believe that they best know the marketplace and how to conduct business in their respective countries. Local management are also a valuable resource for our leaders who are honing their capabilities and knowledge of emerging markets through temporary international placements.

## LABOR RELATIONS



We recognize the importance of respectful union-management relationships in advancing areas of mutual interest with respect to our sustainability initiatives and global workplace rights.



## One of the pillars of our Social Compliance program is requiring suppliers to ensure freedom of association.

### Supporting Constructive Labor Relations

To maintain open communication channels with the approximately 25 percent of our global workforce that is unionized, Kimberly-Clark supports active union-management labor councils and communication forums.

In 2012, Kimberly-Clark continued a social dialogue with Workers Uniting (WU) and the Union Network International (UNI), which together represent 20 million workers through 900 affiliated unions in 150 countries.

At the Global Union and Management Leadership Conference in August, Kimberly-Clark, UNI and WU, a global union representing 3 million workers in the U.S., Canada and the UK, renewed their joint statement for a third year.

The statement endorses ongoing, collaborative, global dialogue among the three organizations and affirms Kimberly-Clark's commitment to maintaining a respectful and cooperative relationship based on proactive information-sharing and ongoing exploration of solutions to corporate social responsibility and workplace rights issues.

#### GRI EC9

#### GRI SO9

### Supporting Employees at Plant Closure Sites

In 2012, Kimberly-Clark made changes in our European strategy to focus resources and investments on the company's strongest products and markets. As part of this work, we announced that we will stop manufacturing and selling diapers in Europe, with the exception of Italy. In addition, Kimberly-Clark will streamline its manufacturing and administrative footprint and divest itself of or exit certain lower-margin, low-growth markets. The new strategy

allows Kimberly-Clark's consumer business in Europe to place resources and investments behind our strongest brands with the greatest potential in key markets.

As a result, the company will sell or close five manufacturing facilities. These include the closure of our diaper mill in Barton, UK; and the sale or closure of our diaper mill in Calatayud, Spain, toilet tissue mill in Alanno, Italy, and our toilet and facial tissue mill in Klucze, Poland. Also identified for closure is Kimberly-Clark Professional's Delyn facility at the company's mill in Flint, Wales, which primarily makes hand towels. The remainder of the Flint site is unaffected.

#### GRI SO10

#### GRI LA11

These changes will affect between 1,300 and 1,500 employees across Europe. The company continues to work proactively with employees and local employee representatives, ensuring that consultation processes are respectful, fair and consistent. To support employees through these transitions, Kimberly-Clark has established an employee assistance hotline with support in multiple languages, offered outplacement assistance and counseling services, and provided severance and benefits packages.

Kimberly-Clark expects the majority of actions associated with these closures or sales to be completed by the end of 2013.

### Update on Everett Mill Closure

The Everett Mill in Washington State closed in April 2012, and we are completing site demolition during the second quarter of 2013. Recognizing that the mill had provided employment to generations of Everett families and support to community organizations, Kimberly-Clark has helped fund a transition support center to provide retraining, placement opportunities and financial assistance for our displaced employees. In addition, we have continued our support of the local United Way chapter and other community charities during 2012 to avoid disruption of their important work. To achieve the goal of a clear and clean property, the company has proactively investigated environmental conditions and will remediate the mill site to the satisfaction of the Washington Department of Ecology. With these efforts, the mill

	2008	2009	2010	2011	2012
Employees with Union Membership	30%	30%	27%	25%	25%

property, located in the recently rezoned working waterfront, will be ready for others to redevelop.

#### GRI HR5

### Freedom of Association & Collective Bargaining

Internally, we conduct an annual Code of Conduct survey, as well as country-specific communications on the issues of freedom of association and collective bargaining as developments warrant. Externally, one of the pillars of our Social Compliance program is requiring suppliers to ensure freedom of association; we also audit for freedom of association violations as part of our supplier social compliance auditing program.

During Kimberly-Clark's auditing process, we check for evidence of illegal denial of collective bargaining, illegal denial of freedom of association, threats of intimidation, and bribes for not joining or associating with a worker organization. There has been one internal or third-party audit finding to date that highlighted this concern. All findings have been remediated, so there is no longer a concern.

#### GRI HR6

#### GRI HR7

### Protection Against Forced Labor

One of the pillars of our Social Compliance program is requiring suppliers to ensure protection against forced labor and abuse of labor; we also audit for forced labor and abuse of labor violations as part of our supplier social compliance auditing program.

During our auditing process, we check for evidence of forced labor and abuse of child labor; that all workers are present voluntarily, and for evidence of physical coercion. There have been two findings during audits with our current Finished-Product Contract Manufacturers. All findings have been remediated, so there is no longer a concern.

## WORKPLACE AWARDS

Since 2010, our internal Crystal Tree Awards have honored leadership in sustainability. In 2012, the awards recognized exemplary operational performance at six Kimberly-Clark mills.

Winning mills were required to meet and exceed our Vision 2015 energy goals, in addition to either a water or waste goal, demonstrating continuous performance improvement in each area:

### Energy efficiency

Must meet Vision 2015 energy-efficiency benchmarks *and*

1. Show continuous improvement of up to 10 percent below target
2. If at 10 percent below target, must sustain that level

### Water use

Must meet Vision 2015 water benchmarks *and*

1. Reduce water consumption by 5 percent or more until reaching a water-efficiency level of 15m<sup>3</sup> per ton of production
2. If at 15m<sup>3</sup> per ton, must sustain that level for one year and complete a water-replenishment project for the mill

### Waste

Must meet zero waste-to-landfill benchmark and further reduce actual waste generated by 5 percent or more.

The six winning mills — Beijing, China; Jaromer NW, Czech Republic; Hadera, Israel; Nogales 2, Mexico; Ramos Arizpe, Mexico; and Nahariya, Israel — each met the required energy-efficiency benchmark and showed continuous improvement of at least 10 percent against it.

Four mills exceeded the benchmark by more than 10 percent: Beijing and Nahariya mills, at 15 percent or more, Jaromer NW, at 30 percent or more, and Nogales 2 accomplished a remarkable 75 percent improvement against the benchmark.

All winning mills also met the waste-reduction criteria of sending zero waste to landfill and reducing the waste generated at their facilities by five percent or more. Hadera Mill also met the water criteria — a triple crown!

Winning mills will receive a Crystal Tree Award made out of recycled glass, a donation to the nonprofit of their choice and an opportunity to participate with one of Kimberly-Clark's NGO partners on a project such as tree planting or water replenishment.

## COMMUNITY



Through Boys & Girls Clubs of America, we supported an initiative to find America's Most Inspirational Mom. The winner, Lorrie Wolfe, received a full-tuition scholarship.

Kimberly-Clark's goal is to help sustain the communities in which our employees work and live. Our success — and theirs — is grounded in this principle.

The Kimberly-Clark Foundation, celebrating 60 years of providing the essentials for better lives, provides support through a range of health, humanitarian, economic and environmental initiatives.

In 2012, Kimberly-Clark and our employees supported communities around the world with contributions of approximately \$19 million in financial support and \$14 million in products.

## In 2012, Kimberly-Clark and our employees raised \$6.6 million for the United Way.

The Foundation maintains strategic partnerships with global organizations that address issues related to our business and are of interest to our customers and our consumers.

In 2012, the Foundation's key partnerships included:

### GRI EC8

**MedShare International** — This organization recovers surplus medical equipment in the U.S. and sends it to healthcare facilities in emerging countries that have a critical need. In 2012, Kimberly-Clark extended our founding partnership with MedShare for another three years with a grant of approximately \$1,170,000. This grant will be used to broaden access to essential healthcare, with a focus on maternal and child health, in Latin American countries.

**Boys & Girls Clubs of America (BGCA)** — For more than 30 years, Kimberly-Clark has supported BGCA. In 2012, we continued our sponsorship of BGCA's Family PLUS (Parents Leading, Uniting, Serving) initiative, a program dedicated to empowering families to participate fully in their children's lives. We also supported an initiative to find America's Most Inspirational Mom. The winner, Lorrie Wolfe, from Hickory, NC, and two runners-up received full-tuition scholarships to the University of Phoenix.

COMMUNITY CONTRIBUTIONS (\$M)	2008	2009	2010	2011	2012
Community Partners grants to U.S. employee-chosen charities	1.0	0.9	0.8	0.9	0.8
Value of matching gift contributions made by U.S. employees	1.4	1.2	1.3	1.3	1.5
Value of product donations	3.6	4.0	8.3	19.2	14.0
Global cash donations	14.9	14.7	12.4	12.9	19.0
Total global (product and cash) donations (\$M)	18.5	18.7	20.7	32.1	33.0

Lorrie Wolfe is a single mother of three, including one child with Asperger's syndrome. She is a domestic violence survivor who, with her children, left a physically abusive household with no money, transportation or job.

Lorrie has always encouraged her kids to think big and to work hard in pursuit of their dreams, and she lives by those words. She works full-time with at-risk youth at the Salvation Army Boys & Girls Club of Hickory as a project coordinator and volunteers in the Hickory community, collecting clothes and school supplies, researching part-time jobs for teens, and soliciting donations from businesses for program support and career experiences for Club kids. Lorrie is pursuing a degree in criminal justice and plans to use her education to work in the juvenile justice system. One day, she hopes to open her own Boys & Girls Club.

**American Red Cross** — Kimberly-Clark and our employees provide financial contributions, product donations, blood donations and volunteer time to ensure that the needs of those affected by disasters are met. In 2012, we continued our commitment to the American Red Cross Annual Disaster Giving Program (ADGP) through our 2011 pledge of \$1.5 million over three years to support local, national and international disaster preparedness and response programs. As a member of the ADGP, Kimberly-Clark ensures through our support that the Red Cross can be on the scene of a disaster as quickly as possible.

**The United Way** — Since 1954, Kimberly-Clark and our employees have supported the United Way. As part of our annual employee campaigns, Kimberly-Clark employees volunteer and contribute to United Way organizations across the U.S. The Kimberly-Clark Foundation then matches employee pledges dollar for dollar. In 2012, Kimberly-Clark and our employees raised \$6.6 million, an increase of 8.6 percent over 2011.

## Bright Futures

In 2012, Kimberly-Clark marked the 20th year of the Bright Futures program, and the company awarded college scholarships totaling \$1.3 million to 65 children of employees across 15 U.S. states and Canada. Bright Futures scholarships are valued at up to \$20,000, or \$5,000 per school year, for full-time students attending accredited colleges and universities. Since its inception, the program has awarded more than \$34 million in scholarships to more than 1,700 students. Recipients are chosen based on academic achievement and leadership in extracurricular activities.

Dani Garon was awarded a Kimberly-Clark Foundation Bright Futures Scholarship in 1998. Her father, Louis, was a Kimberly-Clark career employee and her mother, Sharon, had been employed in operations. Dani applied her scholarship to a bachelor of science degree in neuroscience at the University of Toronto, in Ontario, Canada. Then, after deciding on a career in nursing, Dani continued her studies at the university, graduating with a master's degree in nursing and earning a role as Nurse Educator at Ontario's Thunder Bay Regional Health Sciences Centre. During this time, unbeknownst to family and friends, Dani applied to and was accepted as a student by the Northern Ontario School of Medicine.

In June 2012, Dani graduated with her fourth university degree, this time as a doctor of medicine. In September, she began a two-year residency in family medicine, with plans to practice medicine in Ontario's northern communities. In a thank-you letter to Kimberly-Clark CEO Tom Falk, Dani's mother writes, "You made a wonderful choice, and the payback on your financial decision will benefit the people of an area that includes many former Kimberly-Clark employees and their families for years to come. Our daughter most certainly has a very 'Bright Future.'"



## REGIONAL & BRAND INITIATIVES



HUGGIES' EVERY LITTLE BOTTOM PROGRAM

In addition to supporting communities through our Foundation partnerships, the corporation and our regions, business units and brands reach out with initiatives to serve local and far-reaching needs.

**In 2012, Huggies' Every Little Bottom program donated 26 million diapers to distribute to U.S. families in need.**

### Regional Initiatives

#### Maternal and Child Health in the Andean Region

Kimberly-Clark Colombia, in an alliance with USAID's 4th Sector Health, launched an initiative to improve access to maternal-child health and reproductive health services in the Andean region. While child and maternal mortality have fallen in recent decades, some regions continue to experience extremely high maternal mortality rates, of which 90 percent are considered avoidable.

The health initiative is built on Kimberly-Clark's Plan Hospitales, an outreach program for the Huggies brand that touches more than 650,000 new mothers in the Andean region each year, and USAID's interest in improving maternal and child health. As a first

step, the alliance revamped Kimberly-Clark's outreach materials, resulting in the development of a "Healthy Practices for Mother and Infant Care" booklet that contains information on such topics as newborn care, breastfeeding, infant development, and nutrition. Outreach teams were trained in reproductive health and family planning. The initiative was piloted in October with 200 mothers in Colombia, and the Huggies outreach teams distributed the booklet to 30,000 new mothers in 2012. Beginning in 2013, the program will reach 210,000 women in Colombia and Ecuador each year through one-on-one and small-group sessions.

#### Atlantic Forest Socio-Environmental Reference Center

In December 2012, the Atlantic Forest Distribution Center, Kimberly-Clark's largest distribution center in Brazil, became the home of the Atlantic Forest Socio-Environmental Reference Center. Located in Mogi das Cruzes, 35 miles from São Paulo, the area is part of tropical and subtropical forest ecosystems that have a wider range of biodiversity than the Amazon. More than 85 percent of this ecologically important region has been deforested for agriculture and settlement over the centuries. In partnership with the Brás Cubas University, the center's scientific research will focus on the conservation of fauna and flora, and four students from the university will be trained to monitor animal and plant species. Findings will be shared with the academic community and other parties interested in the conservation of nature and the improvement of the region's socio-environmental conditions.

#### National Bike Challenge

Kimberly-Clark created and sponsored the first U.S. National Bike Challenge, with more than 900 employees, including approximately 250 from outside the U.S., riding a total of 400,000+ miles. They joined 30,000 riders from all 50 U.S. states to exceed the Challenge's 10 million-mile goal. The Kimberly-Clark Foundation sponsored employees at 10 cents a mile and presented a \$35,000 donation to the League of American Bicyclists (LAB) to support biking in the U.S.

### Business Unit and Brand Initiatives

#### Global Handwashing Day

To mark the fifth anniversary of Global Handwashing Day, Kimberly-Clark Professional and The Healthy Workplace Project held a 30-day event to raise awareness of critical hygiene-related health challenges facing children and families around the world. During the challenge, participants logged on to a simple online quiz to test their knowledge of key hygiene issues and to choose

which of three U.S. Fund for UNICEF clean-water initiatives they preferred a Kimberly-Clark donation to benefit. Through its initiatives, the U.S. Fund for UNICEF provides children and families with access to safe drinking water and proper sanitation in communities around the world.

### Wheels of Life Campaign

Kimberly-Clark Health Care (KCHC) partnered with the European Society of Intensive Care Medicine and GE Healthcare to support the Wheels of Life Campaign, an initiative that aims to highlight the positive impact of lifesaving skills on survival and recovery rates. During 2012, the campaign visited eight cities in six countries where experts have taught cardiopulmonary resuscitation (CPR) training to more than 10,000 people.

The Wheels of Life vehicle contains a replica intensive care unit (ICU) that includes products from Kimberly-Clark's KimVent range. The products are aimed at preventing ventilator associated pneumonia (VAP), a condition that can affect critically ill patients who need mechanical help with their breathing.

### Girl's Education and Hygiene in South Africa

In South Africa, girls whose families live in poverty can miss up to 40 days of school a year because of menstruation-related challenges. The majority of these girls eventually drop out of school. Kimberly-Clark's Kotex brand partnered with the Imbumba Foundation, a South African social change charity, to provide more than 12,000 girls with sanitary pads on Mandela Day, which is celebrated on July 6th. Kotex also supported the Walk for Mandela Challenge, providing packs of sanitary pads at a reduced price to the Imbumba Foundation and its partners.

In addition, Kotex in South Africa encouraged women to purchase a pack at a reduced price. In turn, a portion of the sale price benefited an underprivileged girl through a donation to the Imbumba Foundation. The Foundation's goals are to create awareness around menstrual hygiene and the challenges facing girls living in poverty, to educate boys on reproductive health so that they respect girls and their privacy in schools, and to help educate and restore the dignity of affected girls.

### Partnerships for Education Resources

U by Kotex® partnered with the New Zealand Health Board to support puberty and menstruation education in the country's schools by providing nurse teachers with education resources for their school presentations. In Australia and New Zealand,

teachers were provided with resources including lesson plans, digital teaching materials and samples. We also partnered with Endometriosis New Zealand, supporting delivery of its programs. Through these partnerships, we reached approximately 200,000 girls in 2012.

### Diaper Need Awareness

In 2012, Huggies' Every Little Bottom program continued its support of the National Diaper Network, a nonprofit organization it founded in 2011, with a donation of 26 million diapers to distribute to U.S. families in need. The 2012 contribution included 5 million Little Movers Camo Diapers for U.S. military families. Every Little Bottom had donated more than 80 million diapers by the end of 2012.

### Start-Up Funding for Baby Businesses

In the third year of its MomInspired grant program, Kimberly-Clark's Huggies brand awarded 11 mothers \$15,000 each in start-up funding to develop their baby products businesses. Since 2010, the program has received more than 1,700 applications and awarded 32 women with nearly half a million dollars in grants to help launch their businesses.

## VOLUNTEERISM & GIVING



K-C BOLIVIA'S VOLUNTEERS DURING THE CELEBRATION OF THE RECYCLING PROGRAM THAT BENEFITS CHILDREN IN THE REGION.

Providing the essentials for a better life means giving back to our communities. Throughout the year, employees from Kimberly-Clark facilities around the world participate in a variety of volunteer activities with local nonprofit organizations.

## Kimberly-Clark employees contributed \$4.2 million to nonprofit organizations in 2012.

The Kimberly-Clark Foundation's Community Partners program recognizes the volunteer efforts of U.S. employees and their spouses by making \$500 grants to the charitable organizations at which they volunteer for 30 or more hours per year. Through our Kimberly-Clark Foundation's Matching Gifts program, U.S. employees are able to double their donations to qualified charitable organizations.

### Celebrating the Environment

In what has become a Kimberly-Clark tradition, employees around the world supported environmental efforts leading up to annual Earth Day and World Environment Day celebrations.

In April, employees from Kimberly-Clark Roswell, GA, along with their spouses, children and friends, joined forces with the Friends of Kittredge Park in Northeast Atlanta to create a new trail for hikers. The team cleared invasive plants, limbs and shrubs, framed the clearing with fallen trees, and hauled and spread mulch. The result was a new 500-foot trail that connected with an existing trail network in the park.

Kimberly-Clark El Salvador celebrated World Environment Day with a month of environmental activities in June. Recycling was a central focus. Las 9 Vidas del Papel challenged employees to maximize the collection of recyclable materials in their homes, including paper, cardboard, PET, Tetrapaks and cans. This material was sold and the revenue provided to Instituto Técnico Industrial Juan Ernesto de Bedout, an educational project that supports students pursuing a technical education and is

sponsored by Kimberly-Clark, USAID and La Fundación Empresarial para el Desarrollo Educativo (FEPADE) in alliance with the minister of education. The funds also supported KCTronics, another initiative led by Kimberly-Clark volunteers to teach young people robotics.

Kimberly-Clark Costa Rica organized a tree-planting event to celebrate World Environment Day on June 5th. For the second consecutive year, Kimberly-Clark volunteers and children from the school near our Coris Mill in Cartago planted 600 new trees, creating a 1,000-tree grove in the area. In addition, revenue from AmbiantaDOS, the national paper recycling program sponsored by Kimberly-Clark, has allowed the company to purchase and donate 27,000 seedlings to Bosque Urbano, an organization charged with planting trees in a large metropolitan area.

### Supporting United Way in Our Communities

Caring is one of Kimberly-Clark's core values, so the United Way campaign season in the U.S. is always an important time for the company and our employees, who go out of their way to make the campaigns fun, informative and meaningful.

Kimberly-Clark matches employee contributions to the United Way dollar for dollar, and in 2012 the company raised \$6.6 million, an increase of 8 percent since 2011. In the last decade alone, Kimberly-Clark and our employees have contributed more than \$50 million to improve lives and build stronger communities.

Since 2008, our Argentinian employees have raised funds for the United Way through activities coordinated by the Fundación Caminando Juntos. In 2012, more than 130 employees opted to participate in a monthly donation plan. Others took part in Volunteer Day with United Way, helping plant native trees in the Reserva Costanera Sur in Puerto Madero and participating in renovations and repairs supporting the Centro Educativo San Ignacio and Manos Abiertas. The Fundación supports more than 600 people a week, providing tutoring for children, scholarships for young people and labor-market training workshops for adults.

EMPLOYEE CONTRIBUTIONS	2008	2009	2010	2011	2012
Employee giving (\$M)	4.2	3.9	4.2	3.9	4.2
U.S. employee volunteer hours	69,000	94,000	78,000	84,000	77,430

## DISASTER RELIEF



Man-made and natural disasters can be devastating for our employees, neighbors and customers. We understand that providing essentials for a better life means being there when people need us most.

**Following Hurricane Sandy, we shipped more than 40 truckloads of products to New York and New Jersey.**

At Kimberly-Clark, we believe the best way to help those affected by disasters is to partner with relief organizations that have the expertise, staff, volunteers and material resources needed to respond. In addition, Kimberly-Clark lends a hand through product donations and works with a variety of international humanitarian aid groups to ensure that help makes it to those in need.

### Hurricane Sandy

The superstorm pounded the Eastern Coast of the U.S. in October, affecting millions of people and their homes, livelihoods and neighborhoods. Efforts to restore power and communications were hampered by flooding and freezing temperatures. In the storm's aftermath, our Huggies team, in collaboration with the National Diaper Bank Network, worked with the Red Cross to help provide diapers for those in need. Additionally, we shipped more than 40 truckloads of feminine care products, paper towels, adult incontinence products and toilet paper for distribution through Red Cross shelters and emergency-aid stations in New York and New Jersey.

### Tornadoes in the U.S.

In response to tornadoes in the Midwest and southeastern regions of the U.S. in 2012, the National Diaper Bank Network and Kimberly-Clark's Huggies brand pledged 1 million diapers to the American Red Cross to support disaster-relief efforts. The diapers pledged were in addition to the \$1.5 million financial commitment Kimberly-Clark made to the organization's Annual Disaster Giving Program.

### Floods in Queensland, Australia

Kimberly-Clark Australia partners with Foodbank Australia to ensure that our products are on hand when people need them most. When southeast Queensland was affected by the return of devastating floods, we quickly dispatched approximately 8,000 cases of products, including toilet paper, diapers and feminine care products, in immediate relief to those affected by the floods.



## SUSTAINABILITY AT HOME



Kimberly-Clark's Small Steps program reaches out to our global workforce, encouraging employees to adopt small behavioral changes that together can contribute to a significant reduction in the use of energy, water and other resources.

*"My entry into Small Steps was vowing to turn off my computer at the end of the day. It's quick, it's easy and it makes sense in more ways than one. Not only does it allow me to 'disconnect so that I can connect' with family and friends after work, but it really DOES make a difference."*

**Anabell Iglesias**

Media Strategist, K-C Latin America (El Salvador)

Kimberly-Clark Professional (KCP) focused on "small steps" during 2012 Sustainability Week celebrations. Approximately 200 participants at the Reigate and Kings Hill locations in the UK were challenged to reduce their personal ecological footprint by testing their know-how on ways to reduce water use and fuel consumption. Employees at KCP and Family Care sites in the Europe, Middle East and Asia regions, as well as employees and mill operators at six locations, competed for lowest-carbon-footprint bragging rights. Employees were encouraged to reduce their everyday impact by adopting simple actions, such as using less water and fewer hand towels in their hand-washing routine.

In 2012, employees who signed on to the Small Steps program or increased their commitment to it were awarded a Water Saver bag, which reduces water use in toilet tanks by one liter per flush, with an estimated water-reduction total of 771,000 gallons per year.

	2011	2012	2015 GOAL
Employees Participating in Small Steps	11,600	13,100	15,000

**Note:**

Results reflect 58% of employees who have regular access to computers.





**Our mission to provide essentials for a better life is inseparable from our commitment to protect the environment. It's been our way for 140 years, and it is our priority going forward.**

## FIBER

As global demand for the world's natural-forest resources increases, serious global issues such as deforestation and forest

degradation have become more prominent. Almost half of Earth's original forest cover is gone, much of it removed within the past three decades. With world population projected to reach 9 billion by 2050, pressure on these important resources continues to grow.

### Views from Our Sustainability Advisory Board

*"Continuous dedication and improvement are just not enough. How long can we continue to turn fibers from slow-growth forests into wastes of very short-lived tissue goods? And, for every ton of tissue produced, release a ton of CO<sub>2</sub> and displace 40 tons of water?"*

*This industry needs broad and dramatic technology changes to become sustainable."*

#### Claude Fussler

Former Vice President, Dow Chemical

Former Director, Stakeholder Relations

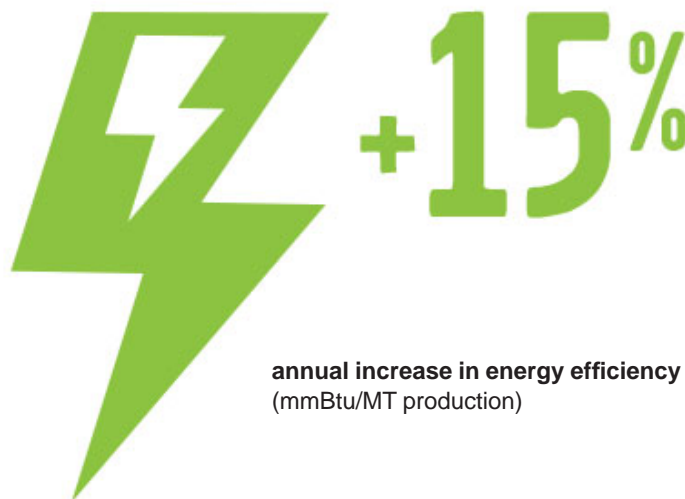
World Business Council for Sustainable Development

In response, Kimberly-Clark is working to lead the way in environmentally responsible fiber use through the following actions:

- Sourcing 100 percent of our wood fiber, by 2015, from suppliers that have received third-party certification of their forestry activities
- Obtaining 90 percent of the fiber, by 2025, in our tissue products from environmentally preferred sources. This includes Forest Stewardship Council (FSC)–certified wood fiber, recycled fiber and sustainable alternative fibers.
- Establishing a goal of transitioning at least 50 percent of wood fiber sourced from natural forests to alternative fiber sources by 2025



**annual increase in tissue manufacturing water use efficiency**  
m<sup>3</sup>/MT production



**annual increase in energy efficiency**  
(mmBtu/MT production)

## Fiber Use in 2012

- Kimberly-Clark's manufacturing consumption of total market pulp produced: 4.4 percent
- Total virgin wood fiber used in Kimberly-Clark products: approx. 2.36 million air-dried metric tons (ADMT)
- Combined FSC-certified and recycled fiber used: 66.1 percent

### GRI EN2

FIBER USE (MILLION MT)	2008	2009	2010	2011	2012
Virgin	2.64	2.47	2.56	2.48	2.36
% of total	73.2%	72.4%	72.6%	70.3%	71.1%
Recycled	0.97	0.94	0.97	1.05	0.95
% of total	26.8%	27.6%	27.5%	29.7%	28.6%
Forest Stewardship Council (FSC) + recycled content	42.4%	54.6%	65.3%	62.4%	66.1%

#### Note:

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. K-C began collecting fiber data from third-party contract manufacturers in 2009.

Moreover, Kimberly-Clark will not knowingly use "conflict wood," illegally harvested fiber or fiber procured from special forest areas, such as primary tropical rainforests, endangered forests, high-conservation-value forests and any areas protected by government authorities. We promote efforts to stop illegal-logging imports through our support of the [Lacey Act](#) in the U.S.; the [Illegal Logging Prohibition Act](#) in Australia, which came into effect in 2012 following years of lobbying by environmental groups and support from businesses such as Kimberly-Clark; and the [EU Timber Regulation](#), which took effect in March 2013.

You can read more about this in our [Fiber Procurement Policy](#). In the following sections, we provide additional details on [fiber certification](#), and our plans to [reduce our dependence on natural forest fiber](#).

## SOURCING



In 2012, we reached our Sustainability 2015 goal of sourcing 100 percent of our virgin wood fiber from suppliers whose forestry operations or wood-fiber procurement activities are certified by a third-party forest certification system.

### Views from Our Sustainability Advisory Board

*"This report clearly demonstrates the significant progress Kimberly-Clark has made in improving the sustainability of its supply chain and its use of raw materials. However, many challenges remain, chief among them is how to make the company's disposable products less disposable, or even not disposable at all."*

#### Jeffrey Hollander

Co-Founder, Seventh Generation

Board Member, Greenpeace USA, Environmental Health Fund and Verité

The third-party certification systems we recognize are:

- Forest Stewardship Council (FSC)
- Sustainable Forest Initiative (SFI)
- Program for the Endorsement of Forest Certification Schemes (PEFC)
- Sistema Brasileiro de Certificação Florestal (CERFLOR), in Brazil
- Canadian Standards Association's (CSA) National Sustainable Forest Management Standards (CSA)

FIBER SOURCING	2008	2009	2010	2011	2012
Virgin fiber from environmentally responsible sources*	98.0%	98.0%	98.0%	99.9%	100%
Forest Stewardship Council (FSC)	13.0%	27.7%	39.4%	47.0%	52.7%
Sustainable Forest Initiative (SFI)	38.0%	32.7%	30.7%	30.4%	32.4%
Programme for the Endorsement of Forest Certification (PEFC)	12.0%	10.6%	8.4%	6.0%	5.0%
CERFLOR (Brazil)	29.0%	16.6%	7.9%	3.3%	2.2%
Canadian Standards Association (CSA)	8.0%	10.6%	7.2%	5.4%	5.4%
Forest Stewardship Council Controlled Wood (FSC-CW)	—	—	4.8%	7.9%	2.4%
Not Certified*	2.0%	1.8%	1.7%	0.1%	0.0%

#### Note:

\*Approximately 150 tons of the fiber from a specific supplier were not certified in 2012, but with two-digit rounding, the percentage is 100%.

### Our Commitment to FSC Certification

We continue to have a strong preference for FSC certification over that of other frameworks. FSC has the world's most widely recognized forest certification scheme, supported by internationally recognized environmental nongovernmental organizations (ENGOS) and preferred by a number of retail customers and business-to-business partners. To support our suppliers, we work with partners such as FSC International, Greenpeace and the World Wildlife Fund's (WWF) Global Forest & Trade Network (GF&TN) to standardize FSC requirements.

Several regions, including Australia, North America and Taiwan, have invested in building FSC awareness in markets where knowledge is very limited. For example, in Australia, consumer awareness is at about 35 percent. Recognizing this gap, our Australian team is leveraging our own brand awareness to help increase recognition of FSC among consumers, customers, business partners, employees and governments. Also, in 2012, the team hosted an employee engagement event for the

inaugural FSC Friday. This global day of recognition aims to encourage people to consider the wood and paper products they purchase and look for the FSC-certification logo on products.

The FSC administers three different types of certificates, which relate to different stages of production and points along the value chain:

- Forest Management certification: Awarded to forest managers or owners whose management practices meet the requirements of FSC principles and criteria
- Chain of Custody certification: Given to manufacturers, processors and traders of FSC-certified forest products. It verifies the use of FSC-certified material and products along the production chain.
- Controlled Wood certification: This subset of Chain of Custody certification enables organizations to identify categories of wood considered acceptable. FSC Controlled Wood, which does not have to come from FSC-certified forests, can be mixed only with FSC-certified wood in products labeled "FSC Mix."

ENVIRONMENTALLY PREFERRED FIBER USE IN GLOBAL TISSUE PRODUCTS	2008	2009	2010	2011	2012
Virgin Fiber					
FSC Mix	11.4%	23.6%	33.3%	38.5%	44.3%
FSC Plantation	N/A	19.9%	29.1%	33.1%	38.4%
FSC Controlled Wood	N/A	20.9%	31.4%	26.1%	21.8%
Recycled Fiber					
Recycled content	31.0%	31.0%	32.0%	34.5%	33.9%
Post-consumer recycled content*	N/A	N/A	12.9%	14.1%	13.8%

#### Notes:

N/A: Data not available.

Data represents Kimberly-Clark and equity affiliates.

"FSC Plantation" is a subset of "FSC Mix".

"Post-consumer recycled content" is a subset of "Recycled content".

\*Post-consumer recycled content reported for North America and Europe only.



ENVIRONMENTALLY PREFERRED FIBER USE IN NORTH AMERICA TISSUE PRODUCTS	2008	2009	2010	2011	2012
<b>Virgin Fiber</b>					
FSC Mix	8.3%	22.1%	31.6%	36.7%	44.0%
FSC Plantation	N/A	15.8%	25.9%	30.0%	34.4%
FSC Controlled Wood	N/A	26.9%	42.7%	36.4%	26.5%
<b>Recycled Fiber</b>					
Recycled content	21.4%	21.5%	25.2%	26.0%	29.5%
Post-consumer recycled content	17.1%	17.8%	20.3%	22.5%	25.6%

**Notes:**

N/A: Data not available.

Data represents Kimberly-Clark and equity affiliates.

"FSC Plantation" is a subset of "FSC Mix".

"Post-consumer recycled content" is a subset of "Recycled content".

All Kimberly-Clark tissue mills in North America and Europe and approximately 50 percent of our mills in our other regions are Chain of Custody–certified. Our target, under our GF&TN agreement with WWF, is to achieve 100 percent Chain of Custody certification for all of our mills by 2016. Pulp suppliers must be Forest Management–certified in order to supply us with FSC-certified pulp for our FSC product-labeling initiatives.

## FSC-Certification Achievements in 2012

The number of our products that are FSC-certified continued to grow in 2012:

- Kimberly-Clark Professional (KCP)'s North America towel and tissue product lines are nearly 97 percent FSC-certified, the largest percentage in the U.S. and Canada. In 2012, KCP introduced FSC-certified Kleenex and Scott brand towel and tissue products containing non-fiber resources.
- Kimberly-Clark Australia's entire line of tissue and towel products is FSC-certified
- Kimberly-Clark Indonesia's Cikarang Mill achieved FSC Chain of Custody certification in 2012
- Kimberly-Clark's Scott brand bath tissue and towel products became FSC-certified in 2012

## A Decade of Progress:

### Leading Our Industry in Responsible Fiber Sourcing

**2007**

- Set goal of 100 percent certified suppliers
- Kimberly-Clark introduces Andrex in Europe, its first FSC-certified branded consumer tissue

**2009**

- Alliance with Greenpeace, which led to a revised fiber procurement policy
- Joined World Wildlife Fund's Global Forest & Trade Network (GF&TN)
- Kimberly-Clark becomes the first away-from-home tissue products company in North America to seek and obtain FSC chain-of-custody certification
- South Africa received FSC chain-of-custody certification

**2010**

- Australia received FSC chain-of-custody certification

**2011**

- Kleenex and Scott Naturals become the first U.S.-branded consumer tissues to adopt FSC certification
- Global GF&TN agreement
- K-C Professional achieves FSC labeling for more than 95 percent of its North American tissues and towels
- Kimberly-Clark becomes the first U.S. tissue maker to offer branded FSC consumer tissue products (Kleenex Facial and Scott Naturals)

**2012+**

- FSC certification for North American Scott brand consumer products
- The Kimberly-Clark Barbosa Mill in Colombia achieves FSC chain-of-custody certification
- Kimberly-Clark sets goal to reduce use of wood fiber sourced from natural forests by at least 50 percent by 2025
- First alternative-fiber tissue products introduced by K-C Professional using bamboo and wheat straw

## ALTERNATIVE FIBERS



**Andrex, KCP Kleenex and KCP Scott towel and tissue products that use bamboo and wheat straw fibers were introduced**

Going beyond the commitments in our current fiber-sourcing policy, Kimberly-Clark is exploring alternate sources of fiber in order to continue to provide the high-quality products our consumers demand, to strengthen our tissue business by enabling increased fiber flexibility, and to foster sustainability of the world's natural forests.

**We continue to strongly support sustainable forest management by adhering to our fiber procurement policy, which holds FSC certification in the highest regard.**

At the Rio+20 United Nations Conference on Sustainable Development in June 2012, we announced our intention to transition at least 50 percent of our wood fiber sourced from natural forests to alternate fiber sources by 2025. This ambitious goal will require us to undertake initiatives such as maximizing

our use of wood from plantations, increasing our use of waste by-products, and incorporating land use-efficient, rapidly renewable alternative fibers. This move may also provide business advantage as regards fiber flexibility and, ideally, reductions in cost volatility.

*"If done right, Kimberly-Clark's commitment to reduce its demand on fiber from natural forests could be groundbreaking and potentially set a new high bar for other companies to meet. We applaud Kimberly-Clark on this initiative."*

**Richard Brooks**

Forest Campaign Director, Greenpeace

While we are aware that realizing our goal of significantly reducing our use of fiber sourced from natural forests will be challenging, we are committed to working with key stakeholders, such as Greenpeace and the World Wildlife Fund (WWF), to define and develop sustainable alternative fibers.

Kimberly-Clark is pursuing several high-potential fiber alternatives, including those from plants such as bamboo that make efficient and sustainable use of land, as well as "agricultural waste" fibers such as wheat straw.

### Growth Rates and Productivity



Source: Beyond Forest Brochure

Non-tree alternatives mature significantly faster than traditional fiber sources or yield significantly more fiber than traditional sources.

Kimberly-Clark signed a development agreement in September 2012 with Provistro Biosciences (formerly Booshoot), a biotech company in Washington State and a global leader in advanced

plant-propagation technologies. The agreement will enable us to explore manufacturing our tissue products with fiber derived from Provitro's proprietary bamboo-propagation technology.

Through the partnership, we will work with Provitro to develop high-yield fiber alternatives that can be grown in the U.S. at scale and in environmentally and socially responsible ways. Provitro will provide bamboo "starts" that Kimberly-Clark will grow in pilot projects designed to test the viability of several species of giant bamboo, including Moso, as scalable and sustainable tree-fiber alternatives. Moso grows to almost 100 feet and is harvestable in less than a decade, producing several times the fiber of traditional timber and capturing four times as much carbon dioxide as most trees.

To ensure that we understand and responsibly manage the impacts of alternative fibers, we commissioned a life-cycle analysis of bamboo, wheat straw and several other alternative natural fibers that was conducted by the Georgia Institute of Technology in 2012. We have commissioned WWF-US to do additional sustainability work in 2013 related to potential impacts on carbon sequestration, biodiversity and ecosystem services of various alternative natural fibers.

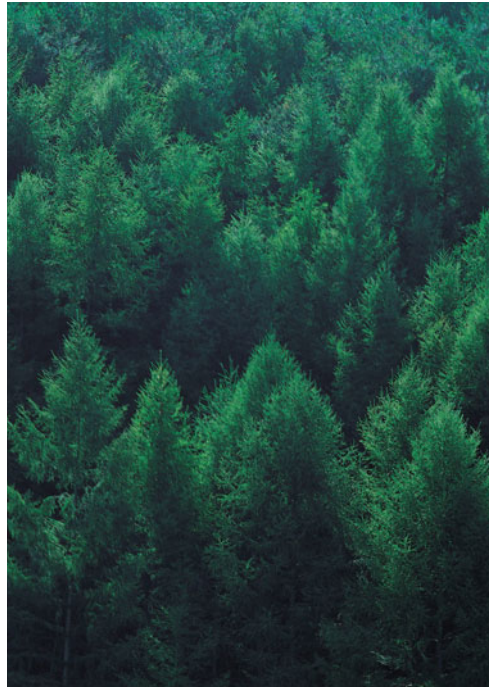
### Using Alternative Fiber

In 2012, Kimberly-Clark launched three product lines containing alternative fibers:

Andrex Eco bath tissue, introduced in the UK in May 2012, is made from 90 percent recycled fiber and 10 percent bamboo. This is the first time that bamboo has been used in toilet tissue by a major brand in the UK. Andrex Eco is FSC-certified, assuring that the entire supply chain, including the bamboo, is independently certified. Its packaging also is made from recycled materials and can itself be recycled.

Kimberly-Clark Professional began offering Kleenex and Scott brand product lines that contain 20 percent wheat straw or bamboo to its North American business-to-business partners in January 2012.

## REFORESTATION



In addition to supporting sustainable forest management, we partner with local groups on reforestation initiatives designed to improve forest habitats and benefit the surrounding communities.

### Conservation International

Since 2007, Kimberly-Clark has worked with Conservation International to support the Forest Mosaics Initiative in Brazil. As our work with Forest Mosaics approached completion, a key project in 2012 was the translation into English of the publication "Sustainable Forest Mosaics — Integrated Monitoring of Biodiversity and Guidelines for Forest Restoration." This report will promote the dissemination of the Mosaics model to other regions where plantation forestry occurs.

**Kimberly-Clark is supporting the National Wildlife Federation in restoring over 15,000 acres of longleaf pine habitat in Alabama.**

## National Wildlife Federation

### GRI EN26

In late 2011, Kimberly-Clark partnered with the U.S. National Wildlife Federation (NWF) to restore longleaf pine on private land in Alabama. Historically, longleaf pine was the dominant forest type in the southeastern U.S. By the 1990s, it had been reduced to 3 percent of its former range. During 2012, an NWF affiliate, the Alabama Wildlife Federation (AWF), implemented the project, re-establishing or restoring more than 3,100 acres of the coniferous habitat in three priority areas. NWF also leveraged Kimberly-Clark's funding support to connect to local landowners, who were instrumental in re-establishing or restoring an additional 15,000 acres of longleaf pine habitat on their lands.

## Keep Korea Green

About 470 Yuhan-Kimberly employees and their families joined together to plant more than 9,000 trees on public lands in the South Korean cities of Daejeon, Gimcheon and Chungju in March and April, contributing to the more than 2 million trees that had been planted and nurtured in 2012 through the company's Keep Korea Green program. Since the program began in 1984, approximately 47 million trees have been cultivated.

## ENVIRONMENTAL PARTNERSHIPS



We engage with a number of environmental NGOs, multilateral organizations and industry associations to help advance our forest and fiber initiatives. These include the World Resources Institute Corporate Consultative Group, an industry think tank; Greenpeace; the GF&TN of the WWF; and a variety of fiber-certification organizations.

In addition, we made progress with the following organizations:

### World Wildlife Fund (WWF)

In 2012, Kimberly-Clark was invited by WWF to become a member of the New Generation Plantations (NGP) project. The project will identify, promote and communicate better practices for plantation design and management. Plantations are designed to maintain ecosystem integrity and to protect and enhance high conservation values; they are developed with stakeholder involvement and contribute to economic growth and employment. In 2012, 76 percent of the wood fiber Kimberly-Clark used was sourced from plantation forests. We will use what we learn from this project in our alternative-fiber-development work, as we develop bamboo plantations in the southeastern United States.



We also worked with WWF to provide funding to FSC-US to develop and approve the National Controlled-Wood Risk Assessment Protocol for the U.S. In 2012 the work focused on identification of forested areas in the southeastern U.S. that are potentially of high conservation value (HCV) and simultaneously at risk from forest management activities. In one significant step of determining risk in the southeastern U.S., FSC-US contracted with The Nature Conservancy and the University of Georgia to produce a set of maps showing eco-regionally significant HCVs in the Southeast.

## We are working with The Nature Conservancy to restore degraded forest areas along waterways near our mill in Brazil.

### The Nature Conservancy (TNC)

Through our Neve brand in Brazil, we continued our three-year partnership with TNC, investing \$600,000 in its work to restore degraded Atlantic Forest areas along waterways near our mill in Mogi das Cruzes. Our objective is to compensate for the water we draw for our manufacturing processes with reforestation along the Tietê River, the facility's main water source. In 2012, we conducted studies to measure our water footprint. This work will provide a benchmark for our 2013 initiatives, which will include engaging local landowners to protect the land near riverbanks and springs that was previously used for agriculture and livestock.

### The Forest Dialogue (TFD)

Kimberly-Clark sits on the steering committee of The Forest Dialogue (TFD). Based at Yale University, TFD is a platform and process for multi-stakeholder discussion and collaboration on the most pressing local and global issues facing forests and people. The steering committee identifies the dialogue topics, and one current dialogue stream focuses on forest protection and land-use planning as part of the 4Fs dialogue — Food, Fuel, Fiber and Forests. A second area of interest to TFD is the potential future use of genetically modified trees, a development that could affect Kimberly-Clark's sourcing of plantation-based wood pulp such as eucalyptus.

### SmartWay Transport Partnership

This is a strong government/industry collaboration between freight shippers, carriers, logistics companies and other stakeholders, to voluntarily achieve improved fuel efficiency and reduce environmental impacts from freight transport. SmartWay partners demonstrate to customers, clients and investors that they are taking responsibility for the emissions associated with goods movement, are committed to corporate social responsibility and sustainable business practices, and are reducing their carbon footprint. To date, the partnership includes nearly 2,900 companies and associations committed to improving fuel efficiency. Kimberly-Clark has been a member of SmartWay since 2006.

## WATER



**annual increase in  
tissue manufacturing  
water use efficiency  
(m<sup>3</sup>/MT production)**

Water issues directly affect Kimberly-Clark's business. Because we use large amounts of water in our manufacturing processes and because water is vital to human and ecosystem health, we are investing significant capital to minimize our absolute water use and support the needs of communities in which we operate.

Our goals include:

- A 25 percent reduction in water use by 2015, using a 2010 baseline, while maintaining our current quality of discharge
- Replenishing 200 million gallons per year of water to communities in need

In 2012, our total global water use was 105.3 million cubic meters. This represents a 17.3 percent reduction from our 2011 water use of 127.3 million cubic meters.

### Reducing Our Water Use

#### GRI EN10

Water use reductions in 2012 were driven by a more efficient manufacturing footprint achieved through conservation programs and the pulp and tissue restructuring, which shifted production from the Everett Mill in the U.S. and the Millicent-Tantanoola Mills in Australia. Compared to 2011, our manufacturing volume was down 0.3 percent, while water use was reduced 17.3 percent during the same period.

**In 2012, all applicable facilities met our  
global wastewater standards.**

#### GRI EN8

#### GRI EN9

#### GRI EN21

The Mobile Mill installed equipment to recycle treated effluent and reduce the quantity of fresh water used in manufacturing processes. The \$3.5 million "long loop" recycle system started up in late December 2012 and, by February 2013, was recycling 30 percent of its treated wastewater, eliminating an equivalent of 8.2 million cubic meters per year of fresh water use. The long-loop system was designed to recycle up to 55 percent of the mill's total effluent. We will be tracking and reporting on results in our 2013 report.

In 2012, the Northfleet Mill began construction on a \$22.4 million advanced water- and wastewater-treatment system. In addition to satisfying regulatory requirements and resolving some safety concerns, the system will provide the mill with higher-quality process water and will use up to 80 percent less water by recycling effluent. There will also be a reduction in air emissions and waste disposal, as the tissue machines operate more efficiently with fewer stops and starts. In our 2013 report, we will provide data on the resulting reduction in water use.

Also in 2012, operators at our Bernal Mill, in Argentina, installed a gravity strainer — a process water filter — in their water short-loop system to increase filtering of suspended fiber solids. The implementation resulted in a 51 percent increase in water-use efficiency (from 55 cubic meters per metric ton of production to 27 cubic meters per metric ton of production) and a 25 percent cost reduction.

### Compliance with Water Discharge Standards

Since 2000, we have required all facilities and business units to certify, on a quarterly basis, 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 an acute toxicity standard requiring that all wastewater discharges be free of acute toxicity.

In 2012, all applicable facilities met this standard.

PROCESS FRESH WATER USE (MILLION M <sup>3</sup> )	2008	2009	2010	2011	2012
Surface	82.4	70.6	72.8	70.5	47.2
% of total	57%	54%	57%	55%	45%
Municipal	43.1	41.4	37.3	37.7	39.4
% of total	30%	32%	29%	30%	37%
Groundwater	17.9	17.7	18.3	19.1	18.6
% of total	12%	14%	14%	15%	18%
TOTAL	143.3	129.8	128.4	127.3	105.2
Reduction over previous year	N/A	N/A	N/A	0.9%	17.3%

**Note:**

N/A: Data not available.

PROCESS EFFLUENT DISCHARGE DESTINATIONS	2008	2009	2010	2011	2012
Surface	77%	74%	79%	79%	74%
Municipal	23%	26%	21%	21%	26%

TISSUE MANUFACTURING WATER USE EFFICIENCY (M <sup>3</sup> /MT PRODUCTION)	2008	2009	2010	2011	2012
Actual	45.4	43.4	42.7	44.7	39.1
Annual target	31.6	31.4	31.5	30.7	29.1
Percent deviation	44%	38%	36%	45%	34%

## COMMUNITY WATER INITIATIVES



In 2012, Kimberly-Clark formally announced its Water for Life program as a key component of the company's sustainability strategy looking beyond 2015. Recognizing the global importance of fresh water and the sustainable management of water resources, Kimberly-Clark collaborates with nongovernmental organizations (NGOs) to provide clean drinking water, as well as sanitation and hygiene education, to communities around the world through this program.

**Approximately 700 million people across 43 countries are affected by water scarcity.**

### GRI EN10

Kimberly-Clark uses approximately 34 billion gallons of water per year, and we return about 32 billion gallons, or 94 percent. Our goal is to close the remaining 6 percent gap over 10 years, beginning in 2011. To that end, we have set a water-replenishment target of 200 million gallons per year, which will accumulate to 2.0 billion gallons over 10 years.

#### Water Replacement Projects (thousands of cubic meters )



1 cubic meter = 264.2 gallons

#### Sitio del Niño (El Salvador)

Kimberly-Clark and CARE International collaborated in 2012 on an initiative to provide potable water and sanitation to four schools located near our Sitio del Niño Mill. These schools are among the approximately 32 percent of the country's schools that have inadequate sanitation and lack access to a safe water supply. Mill employees initiated the project to benefit the people in their community. In addition to rehabilitating the potable water and sanitation facilities in the schools, Kimberly-Clark also improved the wells and the water-disinfection systems for the communities surrounding the schools. The improved water-supply systems will produce nearly 84 million gallons of chlorinated water annually, providing safe drinking water for 1,279 schoolchildren and more than 1,000 families.



### Papeles de Cauca (Colombia)

One million gallons of clean water will be supplied annually to the Puerto Tejada community as a result of the filtration system project begun in 2012 at Kimberly-Clark's Papeles de Cauca Mill. In 2010, Kimberly-Clark provided 400 employees and their families with safe drinking water by supplying them with home water filters. Based on that success, employees initiated the 2012 filtration project to provide potable water and improved sanitation to two schools. In addition, to extend the benefit to students who attended after-school activities, clean water was pumped to the nearby Colombianitos Foundation, an NGO that supports children living in impoverished neighborhoods in Colombia.

The project benefited more than 1,600 children, including more than 70 children of Kimberly-Clark employees, plus an additional 1,200 children in neighboring communities. The filtration system also has a side benefit. Excess water is sold in one-gallon jugs within the community and at sporting events. The revenue from sales is used to cover the system's operating costs and maintenance and to provide funding support for the school.

## WASTE



Our manufacturing operations are focused on eliminating waste sent to landfill, reducing waste generation and maximizing the value of secondary manufacturing materials.

### Eliminating Waste

In 2012, 58 percent of our facilities met the 2015 goal of sending zero manufacturing waste to landfill; 78 percent of all waste generated has been diverted from landfill to secondary, beneficial uses.

From 2011 to 2012, we reduced our waste generation by 77,000 metric tons, equaling the mass of three Statues of Liberty.

In 2012, our Personal Care Mill in Neenah, Wisconsin, reduced its waste to landfill to 4.8 percent, down from 22 percent in 2011. Investments in waste segregation enabled the facility to partner with a local company that processes waste materials into pellets that are converted into plastic shelving, garbage cans and plastic bins. The remaining waste is converted into fuel pellets.

### Maximizing the Value of Secondary Materials

As Kimberly-Clark facilities move toward the 2015 goal of zero waste to landfill, our teams are also working to ensure that manufacturing by-products are managed to provide optimal value as secondary materials. By sharing best practices in material sorting and sales, identifying material reuse and recycling opportunities within our operations and supply chain, and developing relationships with outside recyclers, we are putting scrap materials to good use while offsetting costs.

### Managing Tissue Mill Sludge

Residual short fiber (RSF), the wastewater-treatment sludge from our tissue-making operations, accounts for approximately 90 percent of our manufacturing waste still going to landfill. Many of our mills have successfully diverted sludge from landfill for soil amendment; newsprint and corrugate manufacturing; and building and insulation products. All continue to seek new markets.

Our mill at Beech Island, South Carolina, for example, has been diverting its RSF from landfill for more than a year, selling it for pet bedding products and composted topsoil amendments. In 2012, the Beech Island team pushed beyond “landfill-free” for its RSF and secured additional high-value users, including a manufacturer that uses the RSF as a solidifying agent for its fiber cement manufacturing process and another that utilizes it as a feedstock for its fiberboard manufacturing process.

	2008	2009	2010	2011	2012
Waste per metric ton of production (MT/MT)	0.30	0.30	0.30	0.29	0.29

#### Note:

The MT of waste/MT of production data indicate that nearly 30% of the weight of our products is waste. This is mainly due to the recycled fiber process and the water and by-products left behind after usable fibers are extracted. Nearly 1 million MT of Kimberly-Clark's waste is from recycled fiber sludge; that represents roughly two-thirds of Kimberly-Clark's total waste generation. Keep in mind that nearly 50% of that weight is residual water leftover from the pulping process.

In 2012, we faced two continuing challenges. Our Enstra Mill in South Africa had been sending its recycled fiber sludge to a local company that used it to manufacture construction materials. But economic conditions shut down this market, resulting in the sludge being redirected to landfill. Our Loudon Mill, in Tennessee,

had been converting its sludge to energy in an on-site boiler, but reverted to landfill for technical and safety reasons. The result was an increase in waste to landfill in 2012 compared to 2011. Absent these changes, our total waste-to-landfill numbers in 2012 would have decreased 7 percent overall.

#### GRI EN22

NONHAZARDOUS WASTE	2008	2009	2010	2011	2012
Percentage of total waste	99.97%	99.97%	99.95%	99.97%	99.96%
Landfilled	22.4%	19.8%	18.2%	21.4%	21.1%
Recycled	20.0%	20.0%	20.9%	21.1%	22.8%
Beneficial use	21.8%	22.5%	22.9%	20.5%	24.9%
Converted to energy	13.6%	19.4%	20.5%	19.3%	12.3%
Reused and other	9.0%	9.6%	11.6%	13.9%	17.2%
Composted	7.6%	5.5%	4.8%	3.1%	0.9%
Incinerated	5.7%	3.2%	1.0%	0.7%	0.8%
TOTAL (million MT)	1.54	1.48	1.44	1.46	1.38

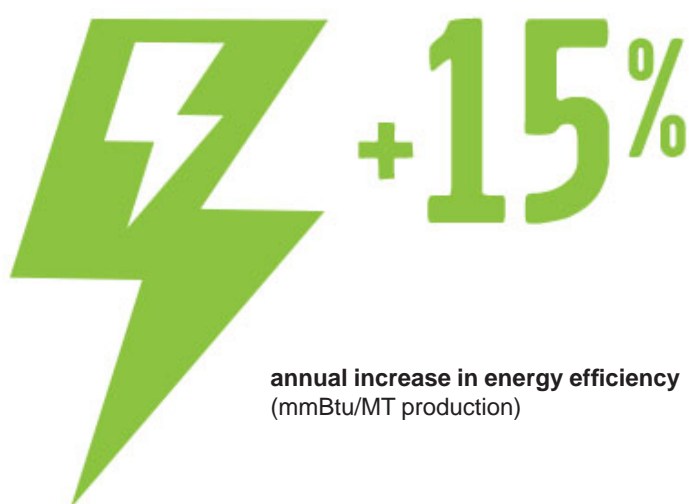
#### Note:

"Beneficial use" = landfill alternate daily cover, termed as beneficial reuse in the U.S.

#### GRI EN24

HAZARDOUS WASTE	2008	2009	2010	2011	2012
Percentage of total waste	0.03%	0.03%	0.05%	0.03%	0.04%
Biological treatment	0.2%	18.3%	52.9%	29.8%	26.5%
Recycled	43.6%	22.0%	17.7%	29.6%	14.5%
Incineration without heat recovery	33.7%	33.4%	14.9%	22.3%	28.4%
Chemical treatment	13.4%	5.7%	10.4%	11.5%	11.7%
Surface impoundment	0.0%	0.0%	0.0%	3.6%	4.4%
Thermal treatment	0.0%	0.5%	1.8%	1.1%	3.5%
Permanent storage	0.0%	0.2%	0.0%	0.8%	1.7%
Landfilled	4.1%	17.7%	2.0%	0.8%	0.5%
Blended fuel	5.0%	2.1%	0.3%	0.4%	8.8%
Deep well injection	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL (kg)	399,693	385,762	655,071	500,981	561,292

## CLIMATE CHANGE & ENERGY USE



At Kimberly-Clark, the majority of our operational greenhouse gas (GHG) emissions result from energy use at our manufacturing facilities.

GRI EN16

GRI EN19

To manage the GHG emissions from our operations and to identify cost-effective mitigation opportunities, we have developed a corporate-wide GHG inventory of the six major greenhouse gases, and we report progress annually based on detailed EPA protocols and guidance. We also set a 2015 corporate-wide goal of reducing GHG absolute emissions from manufacturing by 5 percent from a 2010 baseline.

### Views from Our Sustainability Advisory Board

*"With creativity and collaboration, Kimberly-Clark has progressed on all its major environmental impacts. While I believe the company needs to set much more aggressive greenhouse gas emissions goals, it has made absolute cuts again this year. Kimberly-Clark's work on water is going well, but will require continued investment and support, and its fiber strategy (certification and innovation around alternatives) is world-class."*

#### Andrew Winston

Co-Author, *Green to Gold*

Author, *Green Recovery*

Founder, Winston Eco-Strategies

### Managing Our Greenhouse Gas Emissions

In 2012, absolute global GHG emissions at our manufacturing facilities were 5.38 million metric tons of CO<sub>2</sub> equivalents (CO<sub>2</sub>e). This represents a 2.4 percent reduction from 2011 GHG

GREENHOUSE GAS EMISSIONS (MILLION MT CO <sub>2</sub> E)	2008	2009	2010	2011	2012
Direct (Scope 1)	2.67	2.57	2.56	2.50	2.42
Indirect (Scope 2)	3.31	3.05	3.02	3.02	2.97
Total emissions	5.98	5.62	5.58	5.52	5.38
Carbon dioxide (CO <sub>2</sub> )	5.93	5.56	5.53	5.47	5.35
Methane (CH <sub>4</sub> )	0.01	0.02	0.01	0.01	0.01
Nitrous oxide (N <sub>2</sub> O)	0.04	0.04	0.04	0.04	0.03
Change from previous year	-3.4%	-6.0%	N/A	-1.1%	-2.4%
CO <sub>2</sub> e per metric ton of production	1.16	1.15	1.10	1.15	1.12
CO <sub>2</sub> e per \$1,000 of sales	0.31	0.29	0.28	0.26	0.26

#### Notes:

The U.S. emission factors were based on the 2011 U.S. EPA eGRID2010 version 2.1, the international emission factors used the International Energy Agency Data Services "CO<sub>2</sub> Emissions from Fuel Combustion (2011 Edition)," and 2010 data has been updated to reflect these new calculations.

N/A: Data is not available.



emissions and a 3.5 percent reduction from the baseline year of 2010, putting us on track to meet our Sustainability 2015 goal.

#### GRI EN18

We pursue GHG emissions reduction from our operations with three main strategies:

1. Applying Lean Energy strategies and Continuous Improvement concepts to achieve energy efficiency through conservation projects, best practices and facility-level energy management programs. This includes establishing aggressive energy benchmarks for our major manufacturing processes to highlight our most significant improvement opportunities.
2. Switching to lower-GHG-emitting fuels, such as from fuel oil to natural gas for process steam generation or from the electrical grid to on-site cogeneration plants that efficiently satisfy our electricity, steam and process heat requirements
3. Implementing renewable-energy-sourcing solutions and projects

#### GRI EC2

While continued global attention to the climate change issue is an important factor in supporting energy projects, we also believe there is an opportunity to improve our competitive position as reduction in energy use at our manufacturing facilities results in lower manufacturing costs. Where carbon markets are in place or emerging, our financial assessment of these projects includes potential costs associated with operating in these markets.

GHG emissions reductions in 2012 were driven by a more energy-efficient manufacturing footprint. This was achieved through conservation programs and the pulp and tissue restructuring, which shifted production from the Everett Mill in the U.S. and the Millicent-Tantanoola Mills in Australia. Compared to 2011, our manufacturing volume was down 0.3 percent, while GHG emissions were reduced 2.44 percent during the same period, a modest reduction in carbon intensity.

### Minimizing Energy Use and Improving Efficiencies

We achieved energy-efficiency improvements as a result of the implementation of energy projects and best practices in manufacturing. In 2012, energy efficiency at our manufacturing facilities improved by 14.8 percent, declining from 15.6 million Btu per metric ton of production in 2011 to 13.3 million Btu per metric ton of production.

**From 2011 to 2012, we reduced our energy consumption by 11.7 trillion Btu, enough energy to power more than 300,000 houses for one year.**

#### GRI EN5

#### GRI EN6

#### GRI EN7

Below are some examples of our key 2012 activities:

**LEAN Energy:** Supplementing our traditional energy conservation programs, one of the most effective concepts piloted in 2012 is an approach we are calling “LEAN Energy.” LEAN Energy is designed to engage mill employees in a culture of conservation and GHG emission reduction using energy management systems and Continual Improvement concepts to eliminate wasted energy. Our manufacturing facility in Sitio del Niño, El Salvador, reduced its energy consumption by more than 5 percent as compared to 2011 through its Lean Energy program, with little capital investment. The approach will be adopted by more than a dozen other facilities on three continents as it is rolled out globally in 2013.

**Combined heat and power:** Our manufacturing facility in Millicent, Australia, began construction of Kimberly-Clark’s fourth combined heat and power facility in 2012. The \$30 million project, which will be fully operational in mid-2013, will reduce the mill’s carbon emissions by approximately 90,000 metric tons a year. A gas turbine and heat recovery process will provide energy-efficient steam, electricity and drying capability for the mill’s operations.

Millicent joined our three other cogeneration-powered facilities (Fullerton, California; Romagnano, Italy; and New Milford, Connecticut) in receiving the U.S. Environmental Protection Agency’s Combined Heat and Power Partnership 2012 Certificate of Avoided GHG Emissions. The three facilities combined have avoided emissions of 3.97 million metric tons of carbon dioxide. This includes avoided emissions in 2012 of more than 230,000

**GRI EN20**

OTHER CRITERIA POLLUTANTS (MT)	2008	2009	2010	2011	2012
NO <sub>x</sub>	5,023	5,016	5,521	4,910	3,945
SO <sub>2</sub>	9,226	6,237	6,264	4,479	3,251

ENERGY USE (TRILLION BTU)	2008	2009	2010	2011	2012
Non-renewable energy	60.6	58.3	58.2	57.8	57.0
% of total	79%	76%	75%	76%	89%
Renewable energy	15.8	18.4	19.4	18.2	7.3
% of total	21%	24%	25%	24%	11%
TOTAL	76.4	76.7	77.6	76.0	64.3
Energy efficiency (million Btu/MT of production)	14.8	15.6	15.2	15.6	13.3

**GRI EN3**
**GRI EN4**

DIRECT ENERGY USE (TRILLION BTU)	2008	2009	2010	2011	2012
Natural gas	28.4	30.2	29.8	30.3	30.8
% of total	51%	52%	51%	53%	68%
Purchased biomass, purchased liquor	11.3	13.8	13.9	13.3	7.0
% of total	20%	24%	24%	23%	15%
Coal	9.2	7.4	7.8	7.3	6.5
% of total	16%	13%	13%	13%	14%
Self-generated liquor	4.9	4.8	5.0	4.5	0.0
% of total	9%	8%	9%	8%	0%
Fuel oil	2.2	1.8	1.6	1.2	0.9
% of total	4%	3%	3%	2%	2%
Other self-generated	0.1	0.1	0.2	0.2	0.1
% of total	0.2%	0.2%	0.3%	0.3%	0.3%
TOTAL	56.1	58.2	58.3	56.7	45.3

metric tons, equal to emissions from the generation of electricity used annually by 28,685 homes.

**Fuel switching at Taiwan and Thailand mills:** The mills in Taiwan (Chungli, Hsing Ying and Tayuan) switched the fuel they were using for process steam generation from fuel oil to natural

gas, representing a reduction of 7,500 MT of CO<sub>2</sub>e emissions from the 2010 baseline year. In Thailand, our Safeskin facility replaced its 800,000-gallon-per-year fuel oil consumption with process steam generation produced with a biomass boiler, resulting in GHG emission reductions of 2,300 MT of CO<sub>2</sub>e. With savings from fuel switching and energy-efficiency improvements

INDIRECT ENERGY USE (TRILLION BTU)	2008	2009	2010	2011	2012
Electricity	20.3	18.5	18.9	18.9	18.6
% of total	97%	97%	98%	98%	98%
Steam	0.7	0.6	0.4	0.4	0.4
% of total	4%	3%	2%	2%	2%
<b>TOTAL</b>	<b>21.0</b>	<b>19.1</b>	<b>19.3</b>	<b>19.3</b>	<b>19.0</b>

in our three Taiwanese facilities, total GHG emissions were reduced by 8 percent from the 2010 baseline year.

**Energy management systems:** In 2012, the Koblenz Mill in Germany became the first Kimberly-Clark facility to be granted internationally recognized Energy Management ISO 50001 certification. The mill team made significant reductions in energy consumption since 2010 by, among other initiatives, measuring and monitoring key data such as gas, electricity, compressed air, steam, and water usage, with performance tracked through monthly charts of key performance indicators. The mill currently operates at approximately 13 percent below its energy benchmark.

**Renewable energy:** Our mix of renewable/non-renewable energy sources was negatively impacted this year due to the shutdown of our Everett and Tantanoola pulp mills and removal from service of a poorly performing biomass boiler at our Loudon, Tennessee, mill. Our teams continue to seek renewable energy sources as part of our overall energy and GHG-reduction strategies.

### Contributing to Global Climate Change Discussions

Kimberly-Clark takes part in a number of ongoing global conversations focused on the management of GHG emissions and climate change. In 2012, we participated in the European Union Carbon Trading Scheme, and we also continued to monitor the development of proposed climate emissions legislation in the U.S. and other countries where we have business interests related to our manufacturing or raw material sourcing. We also are active in the CDP Supply Chain Project, where we are working to understand our Scope 3 emissions and their magnitude in our overall carbon footprint.

The Tesco Knowledge Hub is a network set up by the UK grocery retailer Tesco to support its suppliers in reducing GHG emissions associated with the products they supply. In 2012, we were invited to join the Tesco Knowledge Hub Advisory Board, which is made up of a small group of suppliers that are at the forefront of sustainable business practice. By the end of 2012, the Knowledge Hub had involved Tesco's 1,000 top suppliers in online collaboration, supplemented with face-to-face meetings and site visits.

### Transport Efficiencies

In 2012, we continued our involvement in the U.S. Environmental Protection Agency's SmartWay Transportation Partnership. Through it, we are reducing carbon dioxide emissions and saving fuel with the active participation of our logistics team and supply chain. Kimberly-Clark has adopted several programs that are increasing intermodal usage and reducing length of haul, total miles and empty miles, as well as wait time and idling at shipping and receiving docks.



## GRI EN17

## GRI EN29

INTERMODAL TRANSPORTATION	2008	2009	2010	2011	2012
Total loads	57,499	64,565	78,502	87,934	91,353
Annual change	0.14	0.12	0.22	0.12	0.04
Miles traveled (millions)	76.5	88.9	109.4	117.8	119.6
Savings (\$M)	42.7	32.4	44.2	55.8	60.3
Fuel use (million gallons of diesel)					
Intermodal	6.4	7.4	9.1	9.8	10.0
Comparable truck-only fuel use	12.7	14.8	18.2	19.6	19.9
Savings	6.4	7.4	9.1	9.8	10.0
CO <sub>2</sub> emissions (million pounds - Scope 3)					
Intermodal	143.1	166.2	204.7	220.4	223.8
Comparable truck-only fuel use	286.2	332.5	409.4	440.9	447.7
Savings	143.1	166.2	204.7	220.4	223.8

**Notes:**

Numbers are estimates.

Drop in savings for 2009 is due to a significant drop in fuel prices.

Pounds of carbon dioxide emitted for each gallon of diesel fuel burned: 22.45

Since 2006, we have more than doubled intermodal utilization, from approximately 42,000 loads to more than 91,000 loads, a 117 percent increase that has resulted in:

- Savings of 53 million gallons of diesel fuel
- Reduction of CO<sub>2</sub> emissions by more than 540,000 tons
- Cumulative saving (CS) equal to \$294 million as compared to usage of over-the-road trucks

In June 2012, Kimberly-Clark was recognized by the Voluntary Interindustry Commerce Solutions Association for our continuous growth of shipping via intermodal. The association also honored us with the Collaborative Commerce Achievement Award for sustainability excellence.



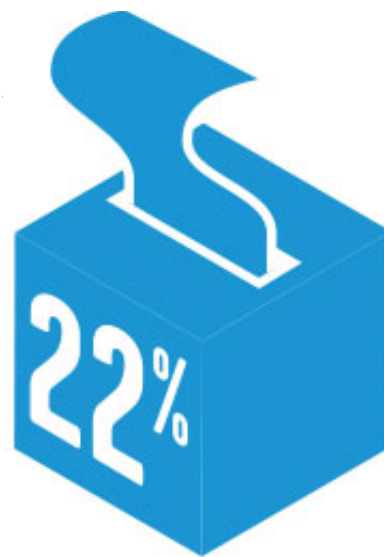


Since we made our first product in 1872, quality, service and fairness have been the values behind our essential products. These values continue to inspire our search for more sustainable ways of meeting our customers' needs.

## INNOVATION

Innovation is the lifeblood of our business. We compete in eight major consumer categories, five of which we created\*:

- Facial tissue\*
- Paper towels\*
- Bathroom tissue\*
- Diapers
- Training/youth/swim pants\*
- Infant and child wipes
- Feminine care\*
- Incontinence care

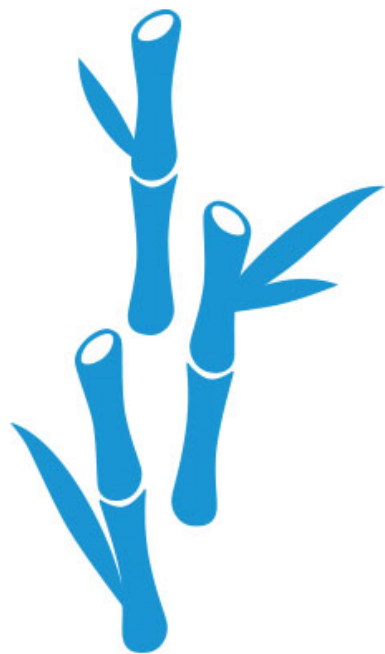


**of net sales from environmentally innovative products**

Additionally, people use Kimberly-Clark Professional's products to provide safety solutions and enhance the quality of the workplace environment while medical professionals turn to Kimberly-Clark Health Care for a portfolio of products essential to the health and hygiene of patients and staff.

Together, Kimberly-Clark Professional and Kimberly-Clark Health Care accounted for 24 percent of 2012 net sales. Both businesses are experiencing continued growth, with a shift of their respective product mixes into faster-growing, higher-margin segments, including safety and wiping products in K-C Professional, and medical devices in K-C Health Care.

**Kimberly-Clark is focusing its long-term research on alternative materials and other environmental innovations that don't rely on wood fiber.**



Andrex, KCP Kleenex and KCP Scott towel and tissue products that use bamboo and wheat straw fibers were introduced

Kimberly-Clark's philosophy of innovation is based on identifying the needs and wants of consumers and other end-users and satisfying those needs by improving existing brands and exploring new opportunities. By 2015, we aim for 25 percent of our net sales to be from environmentally innovative products. We are currently at approximately 22 percent on this measure.

## Materials Innovation

Kimberly-Clark is focusing its long-term research on alternative materials and other environmental innovations that don't rely on wood fiber. In 2012, we introduced our first towel and tissue products made from bamboo and wheat straw fibers — Andrex Eco in the UK and Kimberly-Clark Professional's Kleenex and Scott brands in the U.S. This innovation is discussed in the [Alternative Fibers](#) section of this report.

### Views from Our Sustainability Advisory Board

*"I applaud Kimberly-Clark's programs like the composting of diapers and Blue Renew that recycles hospital waste. In emerging markets, industry will need to work closely with governments in order to address post-consumer waste in regions not currently equipped to recycle it."*

*The company has made great strides in deriving 22 percent of net sales from environmentally innovative products. I suggest that Kimberly-Clark publish its criteria for this metric, and also examine its products' full life-cycle impacts."*

#### Suhas Apte

Former Vice President, Global Sustainability  
Kimberly-Clark

### GRI EN1

We are also looking for ways to use fewer petroleum-based materials, and are researching four options:

- Lighter-weight materials that use less polymer
- Polymers made from renewable materials
- Biodegradable polymers for use in flushable products that provide more flexible disposal options
- Use of recycled polymers

Kimberly-Clark supports Algix, a U.S. clean-tech firm, in its evaluation of algae-based bioplastics that could one day replace the petroleum-based plastics. Through a licensing agreement, we provide support to Algix to develop and commercialize algae/polymer bioplastic technology that blends aquatic feedstocks, produced by wastewater management and aquaculture facilities, with commercial polymers for use in packaging, consumer goods and other applications.

## Reducing Material Weight

Our business units continue to use reduced-weight materials for their products. For example, in 2012 our Personal Care business reduced the material weight in its products by more than 15 million pounds, focusing on replacements for the fluff and absorbent materials used in child care products and the plastic film used in diapers. Global Nonwovens has reduced the weight of nearly 60 percent of its sourced materials, compared to a 2009 baseline. This is significant progress toward a five-year goal of reducing the weight of 80 percent of our nonwoven grades. Progress has resulted from operational improvements, capital investments and new-material developments.

MATERIALS USED (MILLION MT)	2008	2009	2010	2011	2012
Virgin fiber	2.64	2.47	2.56	2.48	2.36
Recycled fiber	0.97	0.94	0.97	1.05	0.95
Polymers	0.66	0.70	0.74	0.72	0.72
Packaging	N/A	N/A	0.52	0.50	0.52
Adhesives	0.06	0.06	0.08	0.07	0.08
Polymer-based components	0.02	0.02	0.02	0.02	0.02
Packaging (MT/MT of production)	N/A	N/A	0.104	0.103	0.103

#### Notes:

N/A: Data is not available.

Polymers for 2009 is an estimate.

## Science at the Root of Innovation

In 2012, we expanded our network of innovation centers. We added a facility in Medellín, Colombia, and significantly expanded our center in Seoul, South Korea. The centers are helping us develop products that incorporate local and regional insights to meet consumer needs around the world. Together with our established innovation facilities in Neenah, Wisconsin, and Roswell, Georgia, we are positioned to stay competitive in a fast-changing market environment.

We support science and education in industry and academia through presentations, scholarly contributions and partnerships. We partnered with the University of California Berkeley's Sustainable Products and Solutions Program, investing in the study of municipal-waste reduction and collection strategies, for example. Our Innovations team contributed a chapter on the sustainable manufacturing of polymers and paper in the 2012 edition of the prestigious 10-volume textbook *Polymer Science: A Comprehensive Reference*.

Kimberly-Clark has taken a prominent role as a founding member in The Sustainability Consortium, including leadership in the Paper Sector, in the Measurement Science Working Group and on the Co-Chairs council. Kimberly-Clark was active in the Paper, Pulp, and Forestry Sector group (as one of the only organizations to have completed a life-cycle analysis in the category) and provided research and insight to help drive the development of the category sustainability profile for bath tissue.

## Life-Cycle Assessment: Our ecoLOGICAL Model

In 2010, we introduced our ecoLOGICAL model to establish a globally recognized portfolio of environmentally innovative products and to provide ourselves with a tool with which to measure progress toward our Sustainability 2015 goals. The model includes an environmental innovation rating system for products, business-specific product scorecards, environmental innovation tracking systems, sales tracking systems, and rapid life-cycle assessment (LCA) tools for use in product development, communications resources and training.

Before being included in our ecoLOGICAL portfolio, products must be evaluated across four categories:

- Responsible Materials — including rapidly renewable materials, third-party-certified materials and post-consumer materials
- Life-Cycle Footprint

- Third-Party Recognition
- Breakthrough Environmental Innovation

By the end of 2012, we had achieved approximately 22 percent of net sales from the environmentally innovative products in our ecoLOGICAL portfolio, including:

YEAR	BRAND	PRODUCT	REGION
2011	Kleenex	FSC-labeled products	Europe
	Kleenex, Scott, Wypall	EU Ecolabel Kimberly-Clark Professional products	
	Kleenex	Eco-form facial cleansing wipes	UK
	Kleenex, Scott	FSC-labeled and Eco-Logo-certified Kimberly-Clark Professional products	North America
	Huggies	Pure and Natural diapers	
	Huggies	Baby wipes	
	Scott	Scott Naturals bath tissue	U.S.
	Kleenex	FSC-certified tissue	
2012	Neve	NeveNaturali bath tissue	Brazil
	Scott	FSC-certified bath tissue and towels	North America
	Huggies	Diapers	Latin America
	Neve	Bath tissue	

## Eco-Certifying Our Products

Eco-certification programs are voluntary, often country-specific initiatives intended to encourage businesses to develop and market products that are better for the environment. Products are evaluated by independent third parties against program-specific criteria and carry the program logo on their packaging.

The EcoLogo, a North American certification program, assures that our tissue products demonstrate a significantly reduced environmental impact as measured by five key life-cycle criteria:

- Resource consumption
- Energy consumption
- Wastewater quality
- Aquatic toxicity
- Solid waste generation

Ecolabel, a pan-European certification program, assesses tissue products using equally stringent criteria, including the elimination of elemental chlorine from the bleaching process.

Nearly 60 percent of Kimberly-Clark Professional (KCP) North American products have received EcoLogo certification — 83 products in its tissue and towel lines and, new in 2012, 24 products in skin care. In Europe, six KCP products were granted the Ecolabel accreditation in 2012, bringing the total to 115, or more than 40 percent of its products in Europe.

Scott Naturals brand dry bath tissue, paper towels and napkins have earned the Green Good Housekeeping Seal, an emblem given by the Good Housekeeping Research Institute in recognition of a brand's demonstration of environmental responsibility across a wide range of criteria. Scott Naturals dry bath tissue, paper towels and napkins have met the Good Housekeeping Green Seal's environmental standard for paper goods based on recycled content and other factors.

Additionally, in 2012, Scott Naturals reached \$100 million in annual sales versus \$4 million in 2007, demonstrating the competitiveness of budget-friendly products, including tube-free bath tissue, paper towels and flushable cleansing cloths that contain recycled fiber.

Two years ago, Kimberly-Clark became the first U.S. tissue maker to offer branded consumer tissue products that meet the rigorous sustainable sourcing requirements of the Forest Stewardship Council (FSC). Consumers can now identify FSC-certified Kleenex brand and Scott brand products by the FSC label on every package. For information on fiber certification and FSC labeling, please click [here](#).



## PACKAGING



We are making steady progress in reducing the environmental impact of the packaging that protects our products' quality and the safety of our consumers. In 2011, we began collecting data from our packaging suppliers worldwide in support of Kimberly-Clark's packaging metric. In 2012, we held full-day technical meetings with several of our major packaging suppliers to brainstorm ideas for sustainable packaging. Several short- and longer-term project concepts were identified. Also in 2012, we implemented numerous packaging reduction projects across all Kimberly-Clark businesses and regions.

## Reducing the weight of our Kleenex facial tissue cartons saved us nearly \$1 million.

Kimberly-Clark is a member of the Sustainable Packaging Coalition (SPC). The SPC is a U.S.-based industry working group dedicated to a more robust environmental vision for packaging. The SPC encourages members to initiate projects of interest on packaging sustainability within a framework of science-based research, supply chain collaborations and continuous outreach.

### Measuring Our Progress

In 2012, we maintained the 4 percent reduction we had achieved in 2011 versus the 2010 benchmark year. Unfortunately, packaging reduction projects completed in 2012 were largely offset by increases in some corrugated box weights, changes in product mix to more packaging-intensive smaller-count packages, and increased bag weights to enhance on-shelf product-quality perception and reduce product damage. We acknowledge that we have much work to do to reduce the environmental impact of our packaging while maintaining product quality in a highly competitive marketplace.

We employ a carbon-intensity metric to calculate environmental impact reductions in packaging as compared with a 2010 baseline. The metric is defined as:

Weight in metric tons of CO<sub>2</sub> equivalents (CO<sub>2</sub>e) attributable to total packaging purchased/weight in metric tons of product produced.

CO<sub>2</sub>e (also used in the Climate Change section of this report) is a commonly used measure that expresses the global warming potential of various greenhouse gases in terms of the amount of carbon dioxide (CO<sub>2</sub>) required to produce the same effect.

Various packaging materials have different CO<sub>2</sub>e intensities (tons of CO<sub>2</sub>e per ton of packaging). We use externally recognized and vetted conversion factors so that CO<sub>2</sub>e is the common measure used to compare different packaging materials.

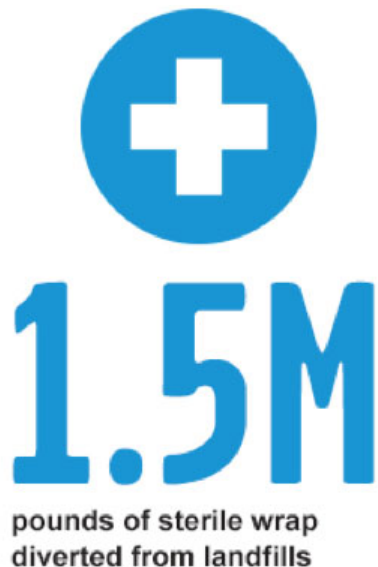
In general, reductions in packaging are driven by decreases in packaging weight (light-weighting) or the use of less packaging as a result of product-specification changes, such as thinner or more compact products. We request data on the total weight (by type) of packaging sold to Kimberly-Clark from all of our packaging suppliers worldwide, along with related data such as percentage of recycled material used. For fiber-based packaging, we started collecting data in 2011 on certifications and the source countries of the fiber used.

In 2012, we also completed development and began rollout of a calculator that is helping our business units compare environmental impacts of packaging for specific savings and innovation projects within a common framework.

## Packaging Reduction Successes

ASIA (TAIWAN)		
BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
KOTEX feminine care multipack	Market test of blended renewable thermoplastic-starch and polyethylene	Replacement of petrochemical material with plant-based material
EUROPE (UK)		
BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Andrex Eco bathroom tissue	Recycled packaging for core, primary wrap and secondary case film	Use of 100% post-industrial recycled material
Kleenex facial tissue	Reduction of carton height	Material diverted from use: 640 tons, a reduction in carbon emissions of 28% per year
LATIN AMERICA (BRAZIL)		
BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Neve Compacto bathroom tissue	Introduction of sugar cane-based polyethylene	628 tons of sugar cane polyethylene used in 2012 resulting in savings of approximately 2,700 tons of carbon emissions
NORTH AMERICA		
BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Kimberly-Clark Professional towel and bathroom products	Reduction of weight of corrugate cases across various products	Material diverted from use: 246 metric tons of corrugate
Cottonelle and Scott brands bathroom tissue	Reduction in the thickness and weight of polyfilm packaging and, in some cases, replacement of virgin polyethylene with recycled plastics	Elimination of about 1 million pounds of polyethylene, correlated to 600 tons of carbon emissions per year
Kleenex facial tissue	Up to 15% reduction in weight of upright and flat paperboard cartons	Savings of more than \$1 million and reduction of more than 24,500 tons of carbon emissions per year
Huggies Wet Wipes	Reduction in corrugate use from double-walled to single-walled cases	Reduction of 550 metric tons of corrugate and 1,650 tons of carbon emissions per year

## POST-CONSUMER WASTE



The majority of Kimberly-Clark products are single-use, and our stakeholders have identified post-consumer waste as an important issue for Kimberly-Clark to tackle as we continue to expand into emerging markets. We are working on a number of recycling, upcycling and composting solutions, which we describe below. We understand the importance of applying life-cycle thinking to our products—from development to disposal—and will provide updates on our progress on this front in future reports.

**In 2012, 52 hospitals helped us divert an estimated 1.5 million pounds of sterile wrap from landfills.**

Kimberly-Clark's Huggies brand continued its partnership with Envirocomp in 2012, opening a second collection-and-compost plant for used diapers, incontinence products and sanitary items in Wellington, New Zealand. By year-end, 300 customers had subscribed to the service. This follows the success of Envirocomp's first Huggies-sponsored facility in Christchurch, New Zealand, in 2010, which serves more than 700 household and 500 commercial customers.

### GRI EN27

K-C Professional (KCP) initiated a single-use-garment recycling program in 2011. In 2012, KCP and Life Technologies in the U.S. completed successful pilots of a nitrile-glove-recycling program, which were then replicated across the country. The gloves and garments are recycled in partnership with TerraCycle. In 2012, the cleanrooms and laboratories participating in the U.S. program recycled more than 20 tons of garment and glove waste into plastic lumber, Adirondack chairs, Frisbees and other consumer products. Similar pilot recycling programs have been started in Germany and the UK for used protective garments and nitrile gloves.

Kimberly-Clark Health Care has been working with hospitals to help them recycle Kimguard® Sterilization Wrap. In 2012, we launched a five-stage recycling engagement program called Blue ReNew. The program helps hospitals organize their wrap-recycling needs, including engagement of leadership and key stakeholders, identification of recycling partners, training of hospital operating room teams and measurement of program results. In 2012, nearly 200 hospitals were involved in various stages of set up of the Blue ReNew program. Of these, 52 hospitals implemented all five stages of Blue ReNew and diverted an estimated 1.5 million pounds (30 percent of purchased volume) of wrap from landfill.

**Huggies Brand Brigade, a packaging-recycling initiative offered in U.S. schools and communities in partnership with TerraCycle, expanded exponentially in 2012. Approximately 76,000 pieces of diaper packaging were collected, an increase of more than 1,000 percent from 2011. Sign-ups for additional collection bins increased by 55 percent.**

Members of our Global Nonwovens business participate on the boards of the Association of Postconsumer Plastic Recyclers and the Healthcare Plastics Recycling Council, working with other industry leaders to increase the recycling of plastics-based products.

Information on our materials recycling efforts in our manufacturing operations is available in the [Waste](#) section of this report.

## SUPPLY CHAIN



Kimberly-Clark's supply chain is extensive, with approximately 250 contract manufacturers, who are part of a larger network of 30,000 goods and services suppliers worldwide.

### Ensuring high standards in our dealings with our suppliers is an important business goal and part of our Code of Conduct.

Working toward a more sustainable supply chain is now a business imperative, and our relationships with suppliers are essential to our ability to deliver on our promises to customers and consumers. We seek to do business with suppliers who share our values of quality, service and fair dealing, and our commitment to sustainability.

#### Views from Our Sustainability Advisory Board

*"Building resilient supply chains is essential in an era where extreme weather events are the norm, resources are scarce, and human rights abuses continue. Kimberly-Clark is embedding sustainability within its supply chain because it is a business imperative. We applaud the company's commitment to set high standards for its suppliers and challenge the company to further scale improvements across its supply chain through engagement, capacity-building and industry collaboration."*

**Mindy Lubber**  
President, Ceres

Ensuring high standards in our dealings with our suppliers is an important business goal and is part of our Code of Conduct and Human Rights in Employment policy. In 2012, we further underscored the importance of these standards with the release of an updated Sustainability Guide for Suppliers and an update to our Supplier Social Compliance Standards, Audit Guide and Due Diligence Process.

Our standards share common goals with several international standards, including the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the principles of the United Nations Global Compact, which we signed in 2010.

For more information on how we're working with suppliers, click [here](#).



## SUPPLIERS



We choose our suppliers based on a number of factors: safety, quality, price/value, assurance of supply, technology, service and sustainability. Supplier sustainability assessment considerations include environmental sustainability, social performance and good governance.

In 2012, we updated our Supplier Social Compliance Standards (SSCS) program. Updated standards were communicated to our finished-product contract manufacturers, and we began requesting signed Declarations of Compliance from all contract manufacturers. The SSCS are now part of the terms and conditions attached to Kimberly-Clark purchase orders and contracts. They are driven by the belief that good corporate citizenship is essential to our long-term business success and must be reflected in our relationships and workplace activities, as well as the workplaces of those who are authorized to directly supply our business.

**By the end of 2012, 146 out of 219 of our contract finished-product suppliers had signed the Declaration of Compliance.**

Our compliance program focuses on establishing consistent standards and control processes within our in-scope supplier facilities, while recognizing that there are differences in laws, customs and economic conditions that affect business practices around the world. We emphasize the importance of responsible workplace policies and practices that comply with applicable employment laws and regulations, human rights, occupational safety and health, and environmental regulations. This is a priority for Kimberly-Clark, and we are determined to proceed with diligence and transparency.

### GRI HR2

#### Progress in Supply Chain Compliance

The new supplier standards and processes are being rolled out in a phased approach. By the end of 2012, 146 out of 219 of our contract finished-product suppliers had signed the Declaration of Compliance. Additionally, partnering with our customers and external auditing firms, we implemented a human rights risk-management process to identify, prevent, mitigate and account for suppliers' impacts on human rights and compliance. We focused on countries at high risk of human rights abuses, requiring facilities in those countries to demonstrate an absence of violations in each of the following categories:

- Child labor
- Forced labor
- Abuse of labor
- Freedom of association and collective bargaining
- Discrimination
- Working conditions that present an imminent threat of serious injury to employees

In late 2012, we started working on the next phase of the program, which was to roll out the Declaration of Compliance and Audit Guide to our branded packaging suppliers.

Also in 2012, we expanded our collection of supplier sustainability data with new requests made to our major suppliers regarding eight key raw-material categories, including questions about suppliers' energy consumption and greenhouse gas goals. We also began tracking data from our fiber-based packaging suppliers worldwide. Data requested included virgin-fiber countries of origin, virgin-fiber-certification data, and the percentage of recycled fiber used in the packaging we purchase.

Working with our customers, we conducted 38 audits, utilizing independent third parties, to assess suppliers' compliance with the SSCS. The assessments involved confidential interviews with employees and on-site contract workers. Suppliers that fail to fully comply with our standards are required to work with Kimberly-Clark to implement corrective actions. In the event a supplier subsequently still fails to fully comply with our standards, we exercise our contractual rights, including the right to terminate a supplier's agreement(s).

## 2012 Audit Results

- Facilities audited: 38
- Facilities with violations: 29 with mandatory and 24 with non-mandatory
- Average number of violations per audit: 2.8
- Facilities with Mandatory Compliance Violations, such as child labor, workers not free to leave after working hours, high risk of fire/injury, pregnancy testing (requiring proof of remediation): 76 percent
- Facilities with Non-Mandatory Compliance Violations, such as fire exits not identified with signs or indicator lamps, inadequate emergency lights, failure to register young workers (no proof of remediation required): 63 percent
- Violations by category:
  - Safe and Healthy Workplace: 88 percent
  - Child Labor: 8 percent
  - Forced Labor: 2 percent
  - Freedom of Association: 1 percent
  - Environmental: 1 percent
- Remediation
  - Suppliers that successfully remediated violations: 100 percent
  - Average remediation time: 71 days
  - Suppliers with planned follow-up audits: 13 percent

### GRI EC6

## Locally Based Suppliers

Kimberly-Clark's business model is to manufacture and source in local markets as much as possible [i.e., in individual countries and free trade zones like the European Union (EU) and the North American Free Trade Agreement (NAFTA)]. Most of our products are sold in the country (or free trade zone) of manufacture. We

have significant manufacturing facilities in about 40 countries. Most of our sourcing is also local.

Kimberly-Clark's practices and policies focus most of our spending on locally based suppliers at all of our significant locations of operation. There are several fundamental reasons for this practice:

- We manufacture internally in about 40 countries, usually for local markets. Only about 4 percent of our products are contract-manufactured.
- Most of our raw materials are bulky and expensive to ship. Minimization of shipping distance is always a prime consideration, as transportation is one of our largest input costs. This not only minimizes cost, but also minimizes greenhouse gas emissions resulting from transportation.
- Many of our raw materials come from industries that local governments protect. As a result, raw material import duties often exist, making local sourcing important.
- Because we manufacture for local markets, most of our labor needs to be co-located with the manufacturing facility and, for this reason, we do not outsource much of our labor. In addition to manufacturing, these local affiliates usually have internal staff functions (marketing, finance, planning, etc.). Additionally, many of our purchased services, transportation and utilities are also local, for reasons such as cost, language, mill proximity, etc.
- We have ongoing business relationships with many local suppliers. These relationships add value in terms of quality, delivery, technical support, security of supply and preferred customer status.

For K-C supply chains, the concept of local sourcing has three dimensions:

- Shipping distance
- Shipping within the country where the raw material is consumed
- Shipping within the economic region (e.g., EU, NAFTA) where the raw material is consumed

As explained above, cost dictates that we minimize shipping distance for most of our raw materials. In addition, there are often other factors that cause Kimberly-Clark to use raw materials that are sourced in the country where they are consumed. Many of our sites are in geographies in which international shipping would involve ocean freight, and this increases cost, as ground

transportation is also necessary at both ends. Such sites are in countries that are islands (Australia, New Zealand, Singapore, Indonesia, UK), peninsulas (South Korea, Malaysia, Turkey) or very large (China, U.S., Russia, India, Brazil).

For certain raw materials, we source within regions (like the EU). For these raw materials, vast scale is required for economically viable production when country-level sourcing is not available. A good example is superabsorbent polymer (SAP). Companies that make SAP typically have one to two large plants in each region. Shipping distance/cost is still an issue, but is balanced by manufacturing cost.

In summary, about 70 percent of our suppliers are local by these definitions.

## QUALITY & 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 standards for quality, performance and value. Each Kimberly-Clark business, function and facility is charged with developing and maintaining quality systems that support this policy. From design and sourcing to manufacturing, commercialization, transportation, distribution and sales, quality is an important part of our entire process.

## Kimberly-Clark is accountable for and committed to the integrity of our products and supply chain.

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 that Kimberly-Clark products are safe and effective for consumers.

Kimberly-Clark is accountable for and committed to the integrity of our products and supply chain. Should they become necessary, product recall programs are in place to proactively and promptly address potential safety issues. These processes are tested periodically to ensure that they are effective and efficient.

## Kimberly-Clark takes a proactive approach to recovering products that do not meet quality or regulatory standards or that may pose an adverse health or safety risk.

In 2012, Kimberly-Clark executed recalls in the U.S. that included the following products:

- Kimberly-Clark Professional Kleenex Luxury Foam Hand Sanitizer
- Kimberly-Clark Patient Warming System Model 1000 Control Unit
- Kimberly-Clark Ultra and MicroCool Surgical Gowns
- I-Flow ON-Q Pump with Bolus Button

We are equally dedicated to protecting consumer health and safety. Our product-safety scientists are trained and accredited in the field of toxicology, biocompatibility and health-risk assessment. Most have doctoral degrees and several are board-certified by the American Board of Toxicology. Safety

assessments conducted by our product-safety experts cover the complete life cycle of a product: research and development, manufacture, sale, use and disposal.

Additional information on our policies, positions on animal testing, and implementation of the European Community's regulatory framework for the management of chemicals (REACH) is available on our corporate website [here](#).



# PERFORMANCE DATA

## SUMMARY



As a signatory to the United Nations Global Compact (UNGC), Kimberly-Clark is required to annually communicate its progress in promoting the UNGC's ten principles. The content index below cross-references each of the ten principles to the location where they are discussed on the website and serves as Kimberly-Clark's Communication on Progress (COP).

	2008	2009	2010	2011	2012
<b>PEOPLE</b>					
Total employees	52,748	56,418	57,271	57,251	58,340
Turnover (U.S. only)	9.8%	10.0%	6.4%	10.1%	9.9%
Percentage employees with union membership	30%	30%	27%	25%	25%
<b>Diversity</b>					
Percentage women employees (U.S.)	29.8%	29.7%	29.9%	30.1%	31.0%
Percentage ethnic minority employees (U.S.)	17.5%	17.7%	17.8%	17.9%	18.8%
Percentage women in management (U.S.)	27.1%	27.4%	27.3%	28.6%	29.3%
Percentage ethnic minority in management (U.S.)	9.7%	9.9%	10.9%	11.3%	11.7%
Independent board members	91.7%	91.7%	92.3%	92.3%	91.7%
Women on the board	16.7%	16.7%	23.1%	23.1%	25.0%
Minority group board membership	25.0%	25.0%	23.1%	30.8%	33.3%
<b>Safety</b>					
Total reportable incident rate (TRIR)	0.45	0.40	0.44	0.40	0.31
Lost-time reportable incident rate (LTRIR)	0.31	0.25	0.30	0.27	0.19
<b>Community</b>					
Community investment (product + cash donations in millions)	18.5	18.7	20.7	32.1	33.0
% of net income	1.1%	1.0%	1.1%	2.0%	1.8%

**Note:**

Our employee numbers only include full-time employees.

	2008	2009	2010	2011	2012
<b>PLANET</b>					
<b>Fiber</b>					
Total virgin fiber used (million MT)	2.64	2.47	2.56	2.48	2.36
Recycled (million MT)	0.97	0.94	0.97	1.05	0.95
Percent of virgin fiber from environmentally responsible sources*	98.0%	98.0%	98.0%	99.9%	100%
<b>Climate</b>					
Energy use (trillion Btu)	76.40	76.68	77.63	75.99	64.3
Energy efficiency (million Btu/MT production)	14.81	15.64	15.19	15.56	13.3
Percentage energy from renewable sources	21%	24%	25%	24%	11%
Carbon dioxide equivalents from manufacturing (million MT CO <sub>2</sub> e)	5.98	5.62	5.59	5.53	5.38
Carbon dioxide equivalents per metric ton of production	1.16	1.15	1.10	1.15	1.12
<b>Water</b>					
Total global water use (million m <sup>3</sup> )	143.3	129.7	128.4	127.3	105.2
Tissue manufacturing water use efficiency (m <sup>3</sup> /MT production)	45.4	43.4	42.7	44.7	39.1
<b>Waste</b>					

**Note:**

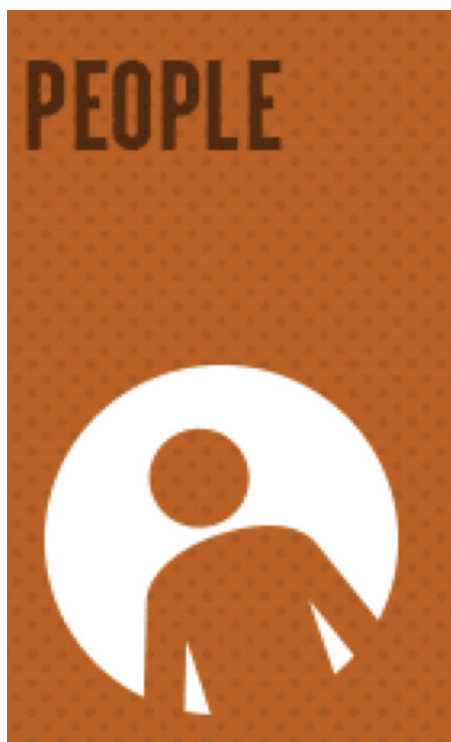
\* Approximately 150 tons of the fiber were not certified in 2012, but with two digit rounding the percentage is 100%.

# PERFORMANCE DATA SUMMARY

	2008	2009	2010	2011	2012
<b>PRODUCTS</b>					
<b>Manufacturing</b>					
Total production volume (million MT)	5.08	4.87	5.13	4.96	4.80
Packaging per metric ton of production	N/A	N/A	0.104	0.103	0.103
<b>ECONOMIC</b>					
<b>Financials Summary</b>					
Net sales (\$B)	19.4	19.1	19.7	20.8	21.1
By division (\$B)					
Personal Care	8.3	8.4	8.7	9.1	9.6
Consumer Tissue	6.7	6.4	6.5	6.8	6.5
K-C Professional	3.2	3.0	3.1	3.3	3.3
Health Care	1.2	1.4	1.5	1.6	1.6
By region (\$B)					
U.S.	10.1	10.1	10.5	10.5	10.5
Canada	0.57	0.60	0.68	0.73	0.72
Intergeographic (U.S. & Canada)	-0.26	-0.32	-0.45	-0.44	-0.45
Europe	3.7	3.2	3.2	3.4	3.2
Asia, Latin America & Other	5.9	6.1	6.6	7.5	7.9
Intergeographic (Asia, Latin America & Other)	-0.67	-0.65	-0.71	-0.77	-0.81

**Note:**

"Intergeographic" refers to inter-company sales.



## PERFORMANCE DATA

GENERAL	2008	2009	2010	2011	2012
<b>Full-Time Employees</b>					
North America	15,456	15,218	15,356	14,889	14,652
% of total	29%	27%	27%	26%	25%
Latin America	14,934	18,413	19,316	20,351	21,824
% of total	28%	33%	34%	36%	37%
Europe, Middle East and Africa	8,542	8,497	8,626	8,222	8,039
% of total	16%	15%	15%	14%	14%
Asia/Pacific	13,816	14,290	13,973	13,789	13,825
% of total	26%	25%	24%	24%	24%
<b>TOTAL</b>	<b>52,748</b>	<b>56,418</b>	<b>57,271</b>	<b>57,251</b>	<b>58,340</b>
<b>Union Membership</b>					
Percentage of employees	30%	30%	27%	25%	25%
<b>Turnover (U.S. only)</b>					
Total	9.8%	10.0%	6.4%	10.1%	9.9%
Voluntary	5.7%	7.0%	4.3%	5.2%	5.8%
Involuntary	4.1%	3.0%	2.1%	4.9%	4.2%

SAFETY	2008	2009	2010	2011	2012
<b>Employee Safety</b>					
Fatalities <sup>1</sup>	1	1	0	0	0
Permanently disabling injuries	9	6	14	8	9
Total Reportable Incident Rate (TRIR)	0.45	0.40	0.44	0.40	0.31
North America	0.59	0.55	0.59	0.44	0.33
Latin America	0.52	0.48	0.40	0.40	0.39
Europe	0.87	0.37	0.71	0.71	0.39
Middle East and Africa	0.58	0.91	1.01	0.53	0.76
Asia/Pacific	0.30	0.24	0.32	0.23	0.14
Lost-time Reportable Incident Rate (LTRIR)	0.31	0.25	0.30	0.27	0.19
North America	0.38	0.30	0.39	0.22	0.20
Latin America	0.45	0.37	0.31	0.36	0.21
Europe	0.58	0.28	0.45	0.59	0.29
Middle East and Africa	0.27	0.58	0.82	0.37	0.52
Asia/Pacific	0.18	0.15	0.21	0.14	0.08
Sentinel Events Reporting Rate (SERR)	N/A	1.53	1.70	1.53	1.54
Safety compliance penalties (\$) <sup>2</sup>	0	20,600	110,955	4,800	23,000

### Notes:

<sup>1</sup> In 2012 a motor vehicle fatality occurred in the trucking operations of Kimberly-Clark de Mexico, an unconsolidated affiliate.

<sup>2</sup> In January 2012, the Chester, Pennsylvania, mill was cited by OSHA as a result of an explosion involving a propane tank that occurred in August 2011. A monetary sanction of \$23,000 was paid and the following corrective actions undertaken:

Discontinued refueling of propane cylinders on the Chester site immediately following the incident, and the two propane filling stations on site were dismantled and removed.

Propane is now delivered in cylinders by a vendor.

The smoking policy has been clearly recommunicated and is consistently enforced.

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.

N/A: Data is not available.

# PEOPLE PERFORMANCE DATA

DIVERSITY	2008	2009	2010	2011	2012
<b>Board</b>					
Independent members	91.7%	91.7%	92.3%	92.3%	91.7%
Women	16.7%	16.7%	23.1%	23.1%	25.0%
Minority group membership	25.0%	25.0%	23.1%	30.8%	33.0%
Total Board members	12	12	13	13	12
<b>Board Diversity Details</b>					
Age					
51-55	3 (Falk, Garcia, Rice)				
56-60	2 (Read, Jemison)				
61-65	4 (Bru, Decherd, Karch, Shapiro)				
66-70	3 (Alm, Bergstrom, Jenness)				
Independent	11 (Alm, Bergstrom, Bru, Decherd, Garcia, Jemison, Jenness, Karch, Read, Rice, Shapiro)				
Non-independent	1 (Falk)				
Gender					
Male	9 (Alm, Bergstrom, Bru, Decherd, Falk, Garcia, Jenness, Read, Shapiro)				
Female	3 (Jemison, Karch, Rice)				
Ethnicity:					
Minority	4 (Bru, Garcia, Jemison, Rice)				
Non-minority	8 (Alm, Bergstrom, Decherd, Falk, Jenness, Karch, Read, Shapiro)				
<b>Employee Diversity</b>					
Women	29.8%	29.7%	29.9%	30.1%	31.0%
Women in management	27.1%	27.4%	27.3%	28.6%	29.3%
Ethnic minorities	17.5%	17.7%	17.8%	17.9%	18.8%
Ethnic minorities in management	9.7%	9.9%	10.9%	11.3%	11.7%

## Notes:

"Management" is defined as U.S. employees in EEP category 01 (executive/senior-level officials and managers, and first/middle-level officials and managers).

COMMUNITY	2008	2009	2010	2011	2012
<b>Employee Contributions</b>					
Employee giving (\$M)	4.2	3.9	4.2	3.9	4.2
U.S. employee volunteer hours	69,000	94,000	78,000	84,000	77,430
<b>Community Contributions (\$M)</b>					
Community Partners grants to U.S. employee-chosen charities	1.0	0.9	0.8	0.9	0.8
Value of matching gift contributions made by U.S. employees	1.4	1.2	1.3	1.3	1.5
Value of product donations	3.6	4.0	8.3	19.2	14.0
Global cash donations	14.9	14.7	12.4	12.9	19.0
Total global (product and cash) donations	18.5	18.7	20.7	32.1	33.0



## PERFORMANCE DATA

FIBER	2008	2009	2010	2011	2012
<b>Fiber Use (million MT)</b>					
Virgin	2.64	2.47	2.56	2.48	2.36
% of total	73.2%	72.4%	72.6%	70.3%	71.1%
Recycled	0.97	0.94	0.97	1.05	0.95
% of total	26.8%	27.6%	27.5%	29.7%	28.6%
Forest Stewardship Council (FSC) + recycled content	42.4%	54.6%	65.3%	62.4%	66.1%

### Notes:

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. K-C began collecting fiber data from third-party contract manufacturers in 2009.

FIBER SOURCING	2008	2009	2010	2011	2012
Virgin fiber from environmentally responsible sources*	98.0%	98.0%	98.0%	99.9%	100%
Forest Stewardship Council (FSC)	13.0%	27.7%	39.4%	47.0%	52.7%
Sustainable Forest Initiative (SFI)	38.0%	32.7%	30.7%	30.4%	32.4%
Programme for the Endorsement of Forest Certification (PEFC)	12.0%	10.6%	8.4%	6.0%	5.0%
CERFLOR (Brazil)	29.0%	16.6%	7.9%	3.3%	2.2%
Canadian Standards Association (CSA)	8.0%	10.6%	7.2%	5.4%	5.4%
Forest Stewardship Council Controlled Wood (FSC-CW)	--	--	4.8%	7.9%	2.4%
Not Certified*	2.0%	1.8%	1.7%	0.1%	0.0%

### Notes:

\* Approximately 150 tons of the fiber were not certified in 2012, but with two-digit rounding, the percentage is 100%.

CHLORINE FREE WOOD PULP PURCHASES	2008	2009	2010	2011	2012
Elemental Chlorine Free (ECF)	93.5%	94.3%	95.1%	95.2%	98.3%
Total Chlorine Free (TCF)	5.5%	5.7%	4.9%	4.8%	1.6%

ENVIRONMENTALLY PREFERABLE FIBER USE IN GLOBAL TISSUE PRODUCTS	2008	2009	2010	2011	2012
<b>Virgin Fiber</b>					
FSC Mix	11.4%	23.6%	33.3%	38.5%	44.3%
FSC Plantation	N/A	19.9%	29.1%	33.1%	38.4%
FSC Controlled Wood	N/A	20.9%	31.4%	26.1%	21.8%
<b>Recycled Fiber</b>					
Recycled content	31.0%	31.0%	32.0%	34.5%	33.9%
Post-consumer recycled content*	N/A	N/A	12.9%	14.1%	13.8%



## PLANET PERFORMANCE DATA

ENVIRONMENTALLY PREFERABLE FIBER USE IN NORTH AMERICA TISSUE PRODUCTS	2008	2009	2010	2011	2012
<b>Virgin Fiber</b>					
FSC Mix	8.3%	22.1%	31.6%	36.7%	44.0%
FSC Plantation	N/A	15.8%	25.9%	30.0%	34.4%
FSC Controlled Wood	N/A	26.9%	42.7%	36.4%	26.5%
<b>Recycled Fiber</b>					
Recycled content	21.4%	21.5%	25.2%	26.0%	29.5%
Post-consumer recycled content*	17.1%	17.8%	20.3%	22.5%	25.6%

**Notes:**

N/A: Data not available.

Data represents Kimberly-Clark and equity affiliates.

"FSC Plantation" is a subset of "FSC Mix".

"Post-consumer recycled content" is a subset of "Recycled content".

# PLANET PERFORMANCE DATA

ENERGY	2008	2009	2010	2011	2012
Energy Use (trillion Btu)					
Non-renewable energy	60.6	58.3	58.2	57.8	57.0
% of total	79%	76%	75%	76%	89%
Renewable energy	15.8	18.4	19.4	18.2	7.3
% of total	21%	24%	25%	24%	11%
TOTAL	76.4	76.7	77.6	76.0	64.3
Energy Efficiency (million Btu/MT of production)	14.8	15.6	15.2	15.6	13.3
DIRECT ENERGY USE (TRILLION BTU)	2008	2009	2010	2011	2012
Natural gas	28.4	30.2	29.8	30.3	30.8
% of total	51%	52%	51%	53%	68%
Purchased biomass, purchased liquor	11.3	13.8	13.9	13.3	7.0
% of total	20%	24%	24%	23%	15%
Coal	9.2	7.4	7.8	7.3	6.5
% of total	16%	13%	13%	13%	14%
Self-generated liquor	4.9	4.8	5.0	4.5	0.0
% of total	9%	8%	9%	8%	0%
Fuel oil	2.2	1.8	1.6	1.2	0.9
% of total	4%	3%	3%	2%	2%
Other self-generated	0.1	0.1	0.2	0.2	0.1
% of total	0.2%	0.2%	0.3%	0.3%	0.3%
TOTAL	56.1	58.2	58.3	56.7	45.3
INDIRECT ENERGY USE (TRILLION BTU)	2008	2009	2010	2011	2012
Electricity	20.3	18.5	18.9	18.9	18.6
% of total	97%	97%	98%	98%	98%
Steam	0.7	0.6	0.4	0.4	0.4
% of total	4%	3%	2%	2%	2%
TOTAL	21.0	19.1	19.3	19.3	19.0
INTERMODAL TRANSPORTATION	2008	2009	2010	2011	2012
Total loads	57,499	64,565	78,502	87,934	91,353
Annual change	0.14	0.12	0.22	0.12	0.04
Miles traveled (millions)	76.5	88.9	109.4	117.8	119.6
Savings (\$M)	42.7	32.4	44.2	55.8	60.3
Fuel use (million gallons of diesel)					
Intermodal	6.4	7.4	9.1	9.8	10.0
Comparable truck-only fuel use	12.7	14.8	18.2	19.6	19.9
Savings	6.4	7.4	9.1	9.8	10.0
CO <sub>2</sub> emissions (million pounds - Scope 3)					
Intermodal	143.1	166.2	204.7	220.4	223.8
Comparable truck-only fuel use	286.2	332.5	409.4	440.9	447.7
Savings	143.0	166.2	204.7	220.4	223.8

**Notes:**

Numbers are estimates.

Drop in savings for 2009 is due to a significant drop in fuel prices.

Pounds of carbon dioxide emitted for each gallon of diesel fuel burned: 22.45.

## PLANET PERFORMANCE DATA

CLIMATE CHANGE	2008	2009	2010	2011	2012
<b>Greenhouse Gas Emissions (million MT CO<sub>2</sub>e)</b>					
Direct (Scope 1)	2.67	2.57	2.56	2.50	2.42
Indirect (Scope 2)	3.31	3.05	3.02	3.02	2.97
Total emissions	5.98	5.62	5.58	5.52	5.38
Carbon dioxide (CO <sub>2</sub> )	5.93	5.56	5.53	5.47	5.35
Methane (CH <sub>4</sub> )	0.01	0.02	0.01	0.01	0.01
Nitrous oxide (N <sub>2</sub> O)	0.04	0.04	0.04	0.04	0.03
Change from previous year	-3.4%	-6.0%	N/A	-1.1%	-2.4%
CO <sub>2</sub> e per metric ton of production	1.16	1.15	1.10	1.15	1.12
CO <sub>2</sub> e per \$1,000 of sales	0.31	0.29	0.28	0.26	0.26

**Notes:**

The U.S. emission factors were based on the 2011 U.S. EPA eGRID2010 version 2.1, and the international emission factors used the International Energy Agency Data Services "CO<sub>2</sub> Emissions from Fuel Combustion (2011 Edition)," and 2010 data has been updated to reflect these new calculations.

N/A: Data is not available.

OTHER CRITERIA POLLUTANTS (MT)	2008	2009	2010	2011	2012
NO <sub>x</sub>	5,023	5,016	5,521	4,910	3,945
SO <sub>2</sub>	9,226	6,237	6,264	4,749	3,251

WATER	2008	2009	2010	2011	2012
<b>Process Fresh Water Use (million m<sup>3</sup>)</b>					
Surface	82.4	70.6	72.8	70.5	47.2
% of total	57%	54%	57%	55%	45%
Municipal	43.1	41.4	37.3	37.7	39.4
% of total	30%	32%	29%	30%	37%
Groundwater	17.9	17.7	18.3	19.1	18.6
% of total	12%	14%	14%	15%	18%
TOTAL	143.3	129.8	128.4	127.3%	105.2
Reduction over previous year	N/A	N/A	N/A	0.09%	17.3%

**Notes:**

N/A: Data is not available.

# PLANET PERFORMANCE DATA

PROCESS EFFLUENT DISCHARGE DESTINATIONS	2008	2009	2010	2011	2012
Surface	77%	74%	79%	79%	74%
Municipal	23%	26%	21%	21%	26%

TISSUE MANUFACTURING WATER USE EFFICIENCY (M <sup>3</sup> /MT PRODUCTION)	2008	2009	2010	2011	2012
Actual	45.4	43.4	42.7	44.7	39.1
Annual target	31.6	31.4	31.5	30.7	29.1
Percent deviation	44%	38%	36%	45%	34%

WASTE	2008	2009	2010	2011	2012
<b>Nonhazardous Waste</b>					
Percentage of total waste	99.97%	99.97%	99.95%	99.97%	99.96%
Landfilled	22.4%	19.8%	18.2%	21.4%	21.1%
Recycled	20.0%	20.0%	20.9%	21.1%	22.8%
Beneficial use	21.8%	22.5%	22.9%	20.5%	24.9%
Converted to energy	13.6%	19.4%	20.5%	19.3%	12.3%
Reused and other	9.0%	9.6%	11.6%	13.9%	17.2%
Composted	7.6%	5.5%	4.8%	3.1%	0.9%
Incinerated	5.7%	3.2%	1.0%	0.7%	0.8%
TOTAL (million MT)	1.54	1.48	1.44	1.46	1.38

## Notes:

"Beneficial use" = landfill alternate daily cover, termed as beneficial reuse in the U.S.

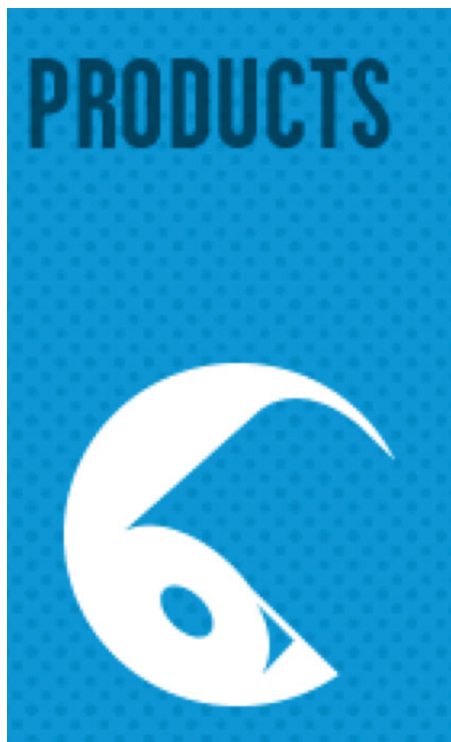
<b>Hazardous Waste</b>					
Percentage of total waste	0.03%	0.03%	0.05%	0.03%	0.04%
Biological treatment	0.2%	18.3%	52.9%	29.8%	26.5%
Recycled	43.6%	22.0%	17.7%	29.6%	14.5%
Incineration without heat recovery	33.7%	33.4%	14.9%	22.3%	28.4%
Chemical treatment	13.4%	5.7%	10.4%	11.5%	11.7%
Surface impoundment	0.0%	0.0%	0.0%	3.6%	4.4%
Thermal treatment	0.0%	0.5%	1.8%	1.1%	3.5%
Permanent storage	0.0%	0.2%	0.0%	0.8%	1.7%
Landfilled	4.1%	17.7%	2.0%	0.8%	0.5%
Blended fuel	5.0%	2.1%	0.3%	0.4%	8.8%
Deep well injection	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL (kg)	399,693	385,762	655,071	500,981	561,292

WASTE EFFICIENCY	2008	2009	2010	2011	2012
Waste per metric ton of production (MT/MT)	0.30	0.30	0.30	0.29	0.29

## Notes:

The MT of waste/MT of production data indicates that nearly 30% of the weight of our products is waste. This is mainly due to the recycled fiber process and the water and byproducts left behind after usable fibers are extracted. Nearly 1 million MT of Kimberly-Clark's waste are from recycled fiber sludge; that represents roughly two-thirds of Kimberly-Clark's total waste generation. Keep in mind that nearly 50% of that weight is residual water leftover from the pulping process.

COMPLIANCE	2008	2009	2010	2011	2012
Monetary value for significant fines for noncompliance with laws and regulations (\$)	305,700	20,600	7,000	211,300	16,800
Total # of fines/sanctions	14	5	10	19	10



## PERFORMANCE DATA

MANUFACTURING	2008	2009	2010	2011	2012
Total production volume (million MT)	5.08	4.87	5.13	4.96	4.80
MATERIALS USED (MILLION MT)	2008	2009	2010	2011	2012
Virgin fiber	2.64	2.47	2.56	2.48	2.36
Recycled fiber	0.97	0.94	0.97	1.05	0.95
Polymers	0.66	0.70	0.74	0.72	0.72
Packaging	N/A	N/A	0.52	0.50	0.52
Adhesives	0.06	0.06	0.08	0.07	0.08
Polymer-based components	0.02	0.02	0.02	0.02	0.02
Packaging (MT/MT of production)	N/A	N/A	0.104	0.103	0.103

**Notes:**

N/A: Data is not available.

Polymers for 2009 is an estimate.





## PERFORMANCE DATA

FINANCIALS	2008	2009	2010	2011	2012
Net sales (\$B)	19.4	19.1	19.7	20.8	21.1
By division (\$B)					
Personal Care	8.3	8.4	8.7	9.1	9.6
Consumer Tissue	6.7	6.4	6.5	6.8	6.5
K-C Professional	3.2	3.0	3.1	3.3	3.3
Health Care	1.2	1.4	1.5	1.6	1.6
By region (\$B)					
U.S.	10.1	10.1	10.5	10.5	10.5
Canada	0.6	0.6	0.7	0.7	0.7
Intergeographic (U.S. & Canada)	-0.3	-0.3	-0.5	-0.4	-0.5
Europe	3.7	3.2	3.2	3.4	3.2
Asia, Latin America & Other	5.9	6.1	6.6	7.5	7.9
Intergeographic (Asia, Latin America & Other)	-0.7	-0.7	-0.7	-0.8	-0.8
Operating costs (\$B)	16.9	16.3	17.0	18.4	18.4
Cash returned to shareholders (\$B)	1.6	1.0	1.9	2.3	2.4
Employee compensation (\$B)	3.3	3.5	3.3	3.8	3.8
Taxes paid (\$B)	0.6	0.8	0.8	0.7	0.5
Total environmental expenditures (\$M)	185	224	201	226	166
Capital	15	26	26	32	22
O&M	170	185	162	171	126
Government payments and R&D	N/A	13	13	23	18
Assets (\$B)	18.1	19.2	19.9	19.4	19.9
Donations and community investments (\$M)	18.5	18.7	20.7	32.1	33.0
Percent of net income	1.1%	1.0%	1.1%	2.0%	1.8%

### Notes:























"Intergeographic" refers to inter-company sales.

# GRI INDEX

As a signatory to the United Nations Global Compact (UNGC), Kimberly-Clark is required to annually communicate its progress in promoting the UNGC's ten principles. The content index below cross-references each of the ten principles to the location where they are discussed on the website and serves as Kimberly-Clark's Communication on Progress (COP).

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## STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

GRI #	Description	UNGC	Cross-reference/Direct answer	Reported
<b>1. Strategy and Analysis</b>				
1.1	Statement from the most senior decision-maker of the organization.	Statement of continuing support	Our Approach	
1.2	Description of key impacts, risks and opportunities.	Principle 8	Our Approach	
<b>2. Organizational Profile</b>				
2.1	Name of the organization.		Kimberly-Clark Corporation	
2.2	Primary brands, products and/or services.		10-K, page 1	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.		10-K, pages 1 & 14	
2.4	Location of organization's headquarters.		Dallas, Texas	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		10-K, page 5	
2.6	Nature of ownership and legal form.		10-K, page 1	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		10-K, pages 5, 14	
2.8	Scale of the reporting organization.		10-K, page 11	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.		10-K, page 1 Labor Relations	
2.10	Awards received in the reporting period.		Awards	
<b>3. Report Parameters</b>				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.		January-December 2011	
3.2	Date of most recent previous report (if any).		2011	
3.3	Reporting cycle.		Annual	
3.4	Contact point for questions regarding the report.		sustainability@kcc.com	
3.5	Process for defining report content.	Principle 8	Sustainability 2015 Progress Stakeholder Engagement	
3.6	Boundary of the report.		Unless otherwise noted, data cover our worldwide consolidated (wholly and majority-owned) operations for the year ending December 31, 2012.	
3.7	State any specific limitations on the scope or boundary of the report.		Unless otherwise noted, data cover our worldwide consolidated (wholly and majority-owned) operations for the year ending December 31, 2012.	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		Unless otherwise noted, data cover our worldwide consolidated (wholly and majority-owned) operations for the year ending December 31, 2012.	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.		See specific performance data charts for underlying assumptions and techniques.	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.		See specific performance data charts for underlying assumptions and techniques.	



## GRI INDEX

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3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		Everett, WA, USA, and Tantanoola pulp mill (connected to Millicent Tissue mill), Australia, closed; Belen, Costa Rica, and Anyang, Korea, changed from manufacturing facilities into warehouses.	
3.12	Table identifying the location of the Standard Disclosures in the report.		<a href="#">GRI Index</a>	
3.13	Policy and current practice with regard to seeking external assurance for the report.	Principle 8	<a href="#">Assurance</a>	
<b>4. Governance, Commitments, and Engagement</b>				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Principle 8	<a href="#">10-K, page A-3 Sustainability Advisory Board</a>	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.		Tom Falk is Chairman & CEO of Kimberly-Clark.	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.		<a href="#">Governance, Ethics &amp; Human Rights</a>	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		<a href="#">Contact the Board</a>	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's ESG performance.		There is not a link between compensation and ESG performance.	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Principle 10	<a href="#">Code of Conduct, pages 16-17 10-K, page 67</a>	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.		<a href="#">Proxy Statement, pages 9-10</a>	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Principles 1 & 8	<a href="#">Sustainability 2015 Progress Governance, Ethics &amp; Human Rights</a>	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Principles 7 & 8	<a href="#">Sustainability Advisory Board</a>	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Principle 8	<a href="#">Governance, Ethics &amp; Human Rights</a>	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Principle 7	<a href="#">About This Report</a>	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Principles 1 & 8	<a href="#">External Principles &amp; Memberships</a>	
4.13	Memberships in associations and/or national/international advocacy organizations in which the organization has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic.		<a href="#">External Principles &amp; Memberships</a>	
4.14	List of stakeholder groups engaged by the organization.		<a href="#">Stakeholder Engagement</a>	
4.15	Basis for identification and selection of stakeholders with whom to engage.			


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4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Principle 8	<a href="#">Stakeholder Engagement</a>	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.		<a href="#">Stakeholder Engagement</a>	

### STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

#### DMA EC

Aspects	Economic performance	<a href="#">Our Approach</a>	
	Market presence	<a href="#">Suppliers</a>	
	Indirect economic impacts	<a href="#">Labor Relations</a>	

#### DMA EN

Aspects	Materials	<a href="#">Innovation</a>	
	Energy	<a href="#">Climate Change &amp; Energy Use</a>	
	Water	<a href="#">Water</a>	
	Biodiversity	<a href="#">Alternative Fibers</a>	
	Emissions, effluents and waste	<a href="#">Climate Change &amp; Energy Use, Water, Waste</a>	
	Products and services	<a href="#">Innovation</a>	
	Compliance	<a href="#">Water</a>	
	Transport	<a href="#">Climate Change &amp; Energy Use</a>	
	Overall	<a href="#">Our Approach</a>	




#### DMA LA

Aspects	Employment	<a href="#">Employees</a>	
	Labor/management relations	<a href="#">Labor Relations</a>	
	Occupational health and safety	<a href="#">Employee Safety</a>	
	Training and education	<a href="#">Training, Benefits and Compensation</a>	
	Diversity and equal opportunity	<a href="#">Diversity &amp; Inclusion</a>	
	Equal remuneration for women and men	--	

#### DMA HR




















Aspects	Investment and procurement practices	<a href="#">Training, Benefits and Compensation</a>	
	Non-discrimination	<a href="#">Diversity &amp; Inclusion</a>	
	Freedom of association and collective bargaining	<a href="#">Labor Relations</a>	
	Child labor	<a href="#">Governance, Ethics &amp; Human Rights</a>	
	Prevention of forced and compulsory labor	<a href="#">Governance, Ethics &amp; Human Rights</a>	
	Security practices	Though our Human Rights policy does not currently address security practices, you may find the full policy <a href="#">here</a> .	
	Indigenous rights	Though our Human Rights policy does not currently address indigenous rights, you may find the full policy <a href="#">here</a> .	
	Assessment	<a href="#">Training, Benefits and Compensation</a>	
	Remediation	<a href="#">Reforestation</a>	

#### DMA SO

Aspects	Local communities	<a href="#">Community</a>	
	Corruption	<a href="#">Governance, Ethics &amp; Human Rights</a>	
	Public policy	<a href="#">Governance, Ethics &amp; Human Rights</a>	
	Anti-competitive behavior	<a href="#">Kimberly-Clark.com Policies</a>	
	Compliance	<a href="#">Labor Relations</a>	

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DMA PR				
Aspects	Customer health and safety		Quality & Safety	
	Product and service labeling		Employment Policy, page 4	
	Marketing communications		Kimberly-Clark.com Governance	
	Customer privacy		Privacy Policy	
	Compliance		Quality & Safety	
STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS				
Economic				
Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		Economic performance data	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Principle 7	Climate Change & Energy Use	
EC3	Coverage of the organization's defined benefit plan obligations.		10-K, pages 23-24, 45, 51 & 53	
EC4	Significant financial assistance received from government.		None	
Market presence				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Principle 1	--	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		Suppliers	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Principle 7	Diversity & Inclusion	
Indirect economic impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.		Foundation	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.		Labor Relation	
Environmental				
Materials				
EN1	Materials used by weight or volume.	Principle 8	Innovation	
EN2	Percentage of materials used that are recycled input materials.	Principle 8	Fiber	
Energy				
EN3	Direct energy consumption by primary energy source.	Principle 8	Total Direct Energy Use: 47.79 million MJ - Natural gas: 32.50 million MJ - Purchased biomass/purchased liquor: 7.39 million MJ - Coal: 6.86 million MJ - Fuel oil: 0.95 million MJ - Other: 0.11 million MJ Climate Change & Energy Use	
EN4	Indirect energy consumption by primary source.	Principle 8	Total Indirect Energy Use: 20.05 million MJ - Electricity: 19.62 million MJ - Steam: 0.42 million MJ Climate Change & Energy Use	
EN5	Energy saved due to conservation and efficiency improvements.	Principle 8	Climate Change & Energy Use	



















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EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Principles 8 & 9	<a href="#">Climate Change &amp; Energy Use</a>	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Principles 8 & 9	<a href="#">Climate Change &amp; Energy Use</a>	
<b>Water</b>				
EN8	Total water withdrawal by source.	Principle 8	<a href="#">Water</a>	
EN9	Water sources significantly affected by withdrawal of water.	Principle 8	<a href="#">Water</a>	
EN10	Percentage and total volume of water recycled and reused.	Principle 8	<a href="#">Water</a> <a href="#">Community Water Initiative</a>	
<b>Biodiversity</b>				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Principle 8	We do not own any forestlands.	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Principle 8	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 protects areas.	
EN13	Habitats protected or restored.	Principle 8	All of our wood fiber suppliers are certified under a forest certification scheme which assures that habitats are protected. For those wood fiber suppliers that have attained Forest Stewardship Council certification, there are additional requirements for the protection and restoration of natural forest areas.	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Principle 8	We have an objective to source 90% Environmentally-preferred fiber for all of our tissue products by 2025 to help reduce any impact of our fiber sourcing on biodiversity. We are also working to develop sustainability standard for alternative natural fibers to also reduce any potential impacts on biodiversity.	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Principle 8	--	
<b>Emissions, effluents and waste</b>				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Principle 8	<a href="#">Climate Change &amp; Energy Use</a>	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Principle 8	<a href="#">Climate Change &amp; Energy Use</a>	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Principles 7, 8 & 9	<a href="#">Climate Change &amp; Energy Use</a>	
EN19	Emissions of ozone-depleting substances by weight.	Principle 8	<a href="#">Climate Change &amp; Energy Use</a>	
EN20	NOx, SOx, and other significant air emissions by type and weight.	Principle 8	<a href="#">Climate Change &amp; Energy Use</a>	
EN21	Total water discharge by quality and destination.	Principle 8	<a href="#">Water</a>	
EN22	Total weight of waste by type and disposal method.	Principle 8	<a href="#">Water</a>	
EN23	Total number and volume of significant spills.	Principle 8	No significant spills	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Principle 8	<a href="#">Waste</a>	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Principle 8	--	















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Products and services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Principles 8 & 9	Reforestation	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Principles 8 & 9	Packaging Post-Consumer Waste	
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		Planet data performance	
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Principles 7 & 8	Climate Change & Energy Use	
Overall				
EN30	Total environmental protection expenditures and investments by type.		Economic performance data	
Social: Labor Practices and Decent Work				
Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.		People performance data	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.		People performance data Approximately 3,600 new hires in 2012.	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		All full-time and part-time salaried employees receive the same benefits.	
LA15	Return to work and retention rates after parental leave, by gender.		100% of our 44 female employees and 71 male employees who took time off for the birth or adoption of a child returned to work.	
Labor/management relations				
LA4	Percentage of employees covered by collective bargaining agreements.	Principle 3	25% of our employees	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Principle 3	In the U.S. and Europe no operational change that would significantly impact worker rights as represented in a collective bargaining agreement can happen without consultation with the union first.	
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Principle 1	95%	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Principle 1	Employee Safety	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Principle 1	K-C's Employee Assistance Program (EAP) provides counseling services to employees and family members in 21 countries, and approximately 7 percent of these employees used the service in 2012. This compares with an industry standard of 3.5 percent, and is credited to K-C's strong management support, local EAP committees and continuous promotion of the program.	
LA9	Health and safety topics covered in formal agreements with trade unions.		All unionized facilities and contracts operate under the K-C policies on safety and health. For more information, click <a href="#">here</a> .	
Training and education				
LA10	Average hours of training per year per employee by gender, and by employee category.		We do not currently have a global system to centralize reporting for functional learning, so this data is unavailable. However, a Global Learning Management System is slated for implementation in North America in April 2013. The goal is for global integration by 2015.	

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LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		<a href="#">Training, Benefits &amp; Compensation</a>	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.		100% of our salaried exempt and non-exempt employees globally (22,083) receive annual performance reviews. Hourly or production employees' performance reviews vary.	
<b>Diversity and equal opportunity</b>				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Principle 6	<a href="#">Governance, Ethics &amp; Human Rights</a> <a href="#">Diversity &amp; Inclusion</a>	
<b>Diversity and equal opportunity</b>				
LA14	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Principle 6	K-C is currently installing processes which will give us access to this data globally by early 2014.	
<b>Social: Human Rights</b>				
<b>Investment and procurement practices</b>				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Principles 1 - 6	Clauses concerning human rights are incorporated into all of our terms and conditions in supplier contracts and purchase orders. In 2012, these terms and conditions were updated to include a section that discusses our new Supplier Social Compliance Standards.	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Principles 1 - 6	<a href="#">Suppliers</a>	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Principles 1 - 6	We have provided 21,550 hours of training (1 hour per employee) on the Code of Conduct in 2012.	
<b>Non-discrimination</b>				
HR4	Total number of incidents of discrimination and corrective actions taken.	Principle 6	In 2012, there were 49 complaints based on "harassment and discrimination." Of those, only 20 were substantive enough to report to our insurers.	
<b>Freedom of association and collective bargaining</b>				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Principles 1, 2 & 3	<a href="#">Labor Relations</a>	
<b>Child labor</b>				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Principles 1, 2 & 5	<a href="#">Labor Relations</a>	
<b>Prevention of forced and compulsory labor</b>				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Principles 1, 2 & 4	<a href="#">Labor Relations</a>	
<b>Security practices</b>				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Principles 1 & 2	100%	
<b>Indigenous rights</b>				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Principles 1 & 2	Zero	
<b>Assessment</b>				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Principles 1, 2, 4 & 5	100%	

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Remediation				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Principles 1, 2, 4 & 5	75 grievances were filed in 2012, 10 of which resulted in follow-up action.	
Social: Society				
Local communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		89%	
SO9	Operations with significant potential or actual negative impacts on local communities.		<a href="#">Labor Relations</a>	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.		<a href="#">Labor Relations</a>	
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Principle 10	Internal Audit conducted a formal risk assessment focused on corruption risk factors in 55 out of 57 countries where K-C operates throughout the globe. The only countries where K-C has operations that were not included in the Risk Assessment are the U.S. and Canada.	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Principle 10	Every employee has received a one-hour training on our Code of Conduct, with specialized training for HR employees and supervisors. It is the policy of Kimberly-Clark to conduct business in compliance with all anti-bribery and anti-corruption laws.	
SO4	Actions taken in response to incidents of corruption.	Principle 10	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.	
Public policy				
SO5	Public policy positions and participation in public policy development and lobbying.	Principles 8, 9 & 10	<a href="#">Governance, Ethics &amp; Human Rights</a>	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Principles 10	<a href="#">Governance, Ethics &amp; Human Rights</a>	
Anti-competitive behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Principle 10	Zero	
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		<a href="#">Planet performance data</a>	
Social: Product Responsibility				
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Principle 7	<ul style="list-style-type: none"> <li>- Development of product concept (yes)</li> <li>- R&amp;D (yes)</li> <li>- Certification (yes)</li> <li>- Manufacturing and production (yes)</li> <li>- Marketing and promotion (yes)</li> <li>- Storage distribution and supply (yes)</li> <li>- Use and service (yes)</li> <li>- Disposal, reuse or recycling (yes)</li> </ul>	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		Zero	



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Product and service labelling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		<ul style="list-style-type: none"> <li>- The sourcing of components of the product or service (yes)</li> <li>- Content, particularly with regard to substances that might produce an environmental or social impact (yes)</li> <li>- Safe use of the product or service (yes)</li> <li>- Disposal of the product and environmental/social impacts (yes)</li> </ul>	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		Zero	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		<a href="#">Stakeholder Engagement</a>	
Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		<a href="#">Kimberly-Clark.com Governance</a>	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		--	
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		Zero	
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		<a href="#">Planet performance data</a>	