

ABOUT THIS REPORT

We are proud to present our 13th Sustainability Report, which provides an annual update on the progress we have made toward our overarching sustainability strategy and introduces our new sevenyear sustainability goals for 2022.

This year, our reporting is comprised of two documents: First, this report highlights stories from our teams and partners around the world, demonstrating the impact we are making on the future of our planet and our communities; the second document here summarizes key data and metrics in accordance with the Global Reporting Initiative (GRI) G4 "Core" level.

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

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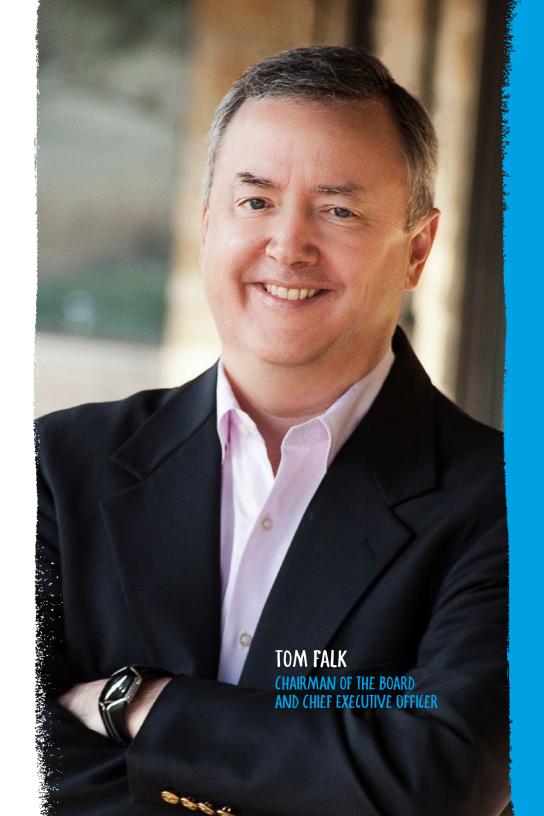
A MESSAGE FROM OUR CED

THINKING AHEAD FOR A BETTER TOMORROW

SUSTAINABILITY HAS BEEN CENTRAL TO KIMBERLY-CLARK SINCE WE BEGAN OPERATION MORE THAN 140 YEARS AGO.

Throughout our history, we've continuously improved how we operate and embed sustainable practices into our business. We have set and achieved formal, longrange goals for the last 20 years, and will continue to set the bar high, so our consumers, customers and other stakeholders are aware of our efforts to make a positive impact around the world.

Ultimately, we strive to deliver on our value of caring for the communities where we live and work - so the environment around us and the people we serve will have a brighter future.



CHALLENGED TO BE OUR VERY BEST

WHEN WE FIRST SET OUT TO ACHIEVE OUR 2015 SUSTAINABILITY PROGRAM IN 2010, WE KNEW IT MARKED A SHIFT IN OUR THINKING.

We pushed ourselves to look beyond the responsibility of our operational footprint into other areas throughout the value chain. We've forged stronger partnerships across our own teams and with customers, suppliers, business partners and nongovernmental organizations to achieve our goals.

Integrating sustainability - in its multiple facets - into the business is about realizing where the intersection of the world's social and environmental challenges meet K-C's business imperatives. Our long-term business success depends on it.

As we embark on another transformative shift with our Sustainability 2022 strategy, we will be relentless in our efforts to drive value and innovation, backed by the commitment of our teams around the world.



HIGHLIGHTS



SOCIALLY-FOCUSED PROGRAMS EXIST IN 97% COMMUNITIES OF ALL OUR

TOTAL GLOBAL DONATIONS AND **COMMUNITY INVESTMENTS:**

ACCOUNTING FOR 2.9% OF OUR NET INCOME

OVERALL PERFORMANCE







WITH THE FOREST STEWARDSHIP COUNCIL® (FSC®) TO END DEFORESTATION AND SAFEGUARD FOREST ECOSYSTEMS

WE'VE INCREASED THE AMOUNT OF FSC®-CERTIFIED VIRGIN FIBER IN OUR TISSUE PRODUCTS FROM 7% IN 2006 TO MORE THAN 75% IN 2015



OF MANUFACTURING WASTE FROM LANDFILL DECEMBER 2015

RECOVERED PACKAGING MATERIALS ARE **CONVERTED INTO QUALITY** AND/OR COMMUNITIES AROUND THE WORLD









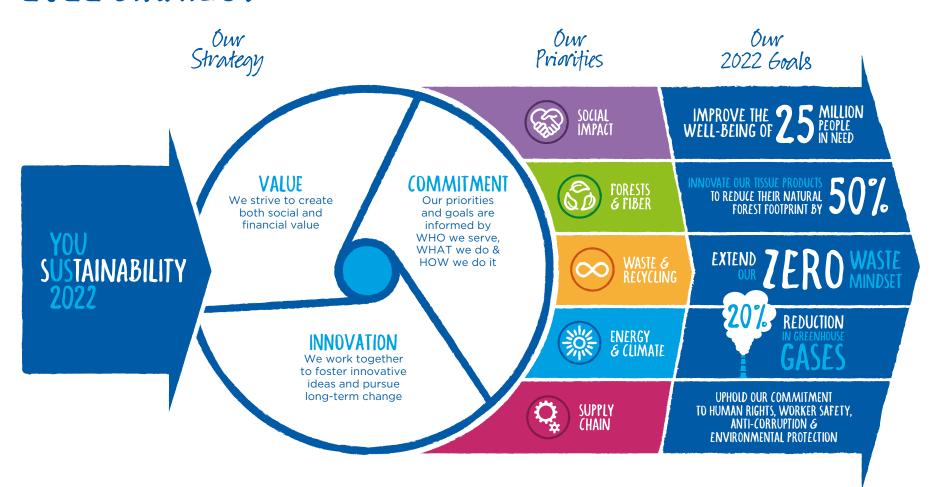


EXCEEDED THE 25% WATER REDUCTION RATE & ZERO FATALITIES AND REPORTABLE

ABOUT OUR 2022 STRATEGY

In 2022, Kimberly-Clark will have been in business for 150 years - and as we pave the way for another 150 years, sustainability must be at the heart of our business strategy.

With the commitment of our 43,000-strong team and global partnerships, together we will make these goals a reality.



OUR VISION

TO LEAD THE WORLD IN ESSENTIALS FOR A BETTER LIFE

(2) Kimberly-Clark



SOCIAL IMPACT

IMPROVING SOCIAL AND PHYSICAL WELL-BEING IN COMMUNITIES AROUND THE WORLD.



2015 ACHIEVEMENT

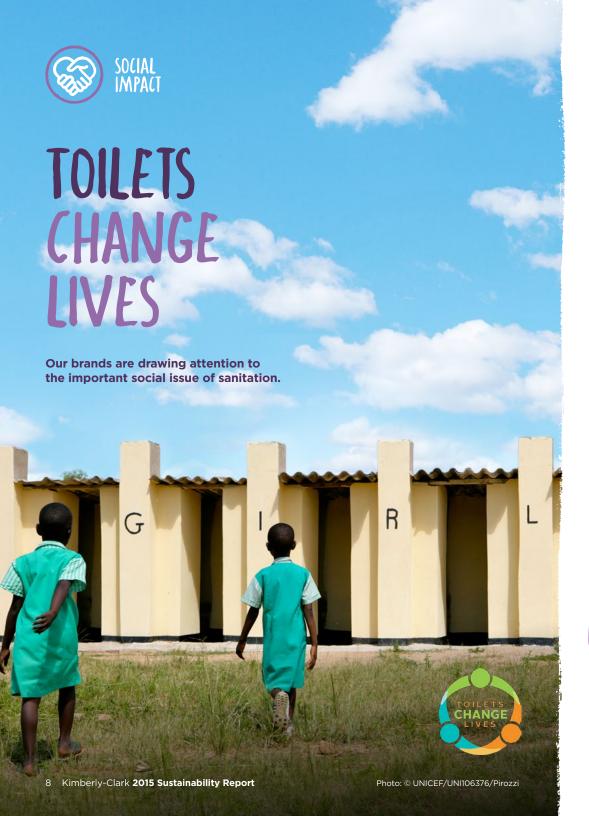
197%

SOCIALLY-FOCUSED PROGRAMS EXIST IN 97% OF K-C COMMUNITIES

2022 GOAL

IMPROVE THE WELL-BEING OF 25 MILLION PEOPLE

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



DID YOU KNOW THAT ONE IN THREE PEOPLE AROUND THE WORLD DON'T HAVE ACCESS TO SAFE, CLEAN SANITATION FACILITIES?

Besides the health implications, the issue of sanitation is also a social one. Many women and girls are forced to wait until dark, when it may be unsafe, just to have privacy. And many girls stop going to school once they reach puberty due to the lack of adequate facilities.

Through our Toilets Change Lives program, our bath tissue brands – Andrex, Scott and Cottonelle – in partnership with non-profit organizations are connecting with consumers, customers and employees to help improve sanitation conditions for people around the world.

In the U.S., our Cottonelle brand launched a new campaign with Water For People to raise funds and awareness around the lack of basic sanitation for families worldwide.

And we're partnering with Charities Aid Foundation in India to fund sanitation programs in schools and early child development centers.





"IN THE UNITED STATES, MANY FAMILIES STRUGGLE TO PROVIDE THE ESSENTIALS THEIR BABIES NEED, LIKE DIAPERS."



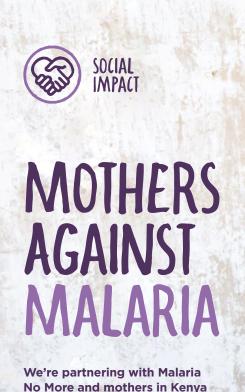
Giusy Buonfantino Baby & Childcare President for North America

In 2010, our Huggies brand brought the issue to the forefront through the Every Little Bottom study, which revealed that one in three parents were struggling to provide fresh, clean diapers for their babies.

Huggies announced in 2016 it would donate 22 million diapers through the National Diaper Bank Network (NDBN).

"We want every baby to grow up healthy and feel comfortable, safe and secure," said Giusy Buonfantino, Baby and Childcare President for North America. "Anyone who has had a child knows that diapers contribute to babies' wellbeing, but they can also be a big cost. So we knew we had to do something to help." Huggies helped found NDBN in response to this need. The nationwide non-profit helps ensure that every child in the U.S. has enough diapers to be clean, dry and healthy.

"The choice between diapers and other necessities such as healthy food and shelter is a difficult decision that no family should be forced to make," said Joanne Goldblum. Executive Director National Diaper Bank Network. "Kimberly-Clark's partnership is making it possible for us to help more families provide a basic need to care for their children."



to help babies to thrive.



"INSPIRED BY OUR VISION TO LEAD THE WORLD IN ESSENTIALS FOR A BETTER LIFE, WE'RE MOTIVATED TO HELP BABIES THRIVE IN COMMUNITIES AROUND THE WORLD."



John Loomes General Manager for West, East and Central Africa

We know that millions of parents throughout Africa trust our Huggies brand of diapers to keep their babies dry and clean, which also means happy and healthy. But mosquito-borne diseases like malaria threaten their safety.

Since 2014, we've been working with Malaria No More, a global organization determined to end deaths from malaria, starting with mothers and babies in Kenya where more than three-quarters of people are at risk. Together we developed a joint program with the Huggies brand called Mothers Against Malaria.

The program launched a series of public service announcements featuring appearances by Kenyan celebrities who helped spread the message about malaria prevention.

We also reached mothers through in-store promotions where we gave away treated mosquito nets and educational materials about malaria prevention to people shopping for diapers. Working together with local partners and, most importantly, mothers, we've been able to help babies thrive.

"With Kimberly-Clark's support, Mothers Against Malaria has given mothers in Kenya the information and resources they need to protect their families," said Martin Edlund, Chief Executive Officer of Malaria No More. "They share Malaria No More's commitment to ending malaria deaths, and together we're making great strides in Kenya."



GIVING INSPIRING EDUCATING

Since 2012, our team in Correia Pinto, Brazil, has been volunteering to help shape young minds to reach for their dreams in a way that also benefits society and the world around them.



WE WORKED ALONGSIDE TEACHERS TO **DEVELOP LESSONS THAT INTEGRATED** SUSTAINABILITY INTO SUBJECTS LIKE LANGUAGE, HISTORY AND GEOGRAPHY.

PROJECTO CRESCER, WHICH MEANS 'PROJECT GROWTH' IN PORTUGUESE. INVOLVES KIMBERLY-CLARK EMPLOYEES. COMMUNITY MEMBERS AND STUDENTS FROM SEVEN LOCAL SCHOOLS

A major goal of the program is to provide ways for students to learn sustainable practices through fun and unique activities: and with their increased awareness to positively impact their families and friends.

Over the last year, students have become good stewards of the environment by planting seeds and plants, and many of the schools have implemented recycling programs, started composting and even begun growing their own vegetables. Our environmental team helps the schools track their progress in applying what they've learned.

Another important aspect of the program is the ongoing commitment of our employees who volunteer time to guide high school students on future career paths, developing life skills and strengthening core academic abilities.

MANY OF OUR TEAMS AT CORREIA PINTO VOLUNTEERED FOR THESE PROJECTS, IMPACTING MORE THAN

1,800 STUDENTS 120 TEACHERS AND 1,700 FAMILIES.

FROM 2012 TO 2015, ABOUT 380 EMPLOYEES HAVE VOLUNTEERED ON A REGULAR BASIS.

> ANDERSON GUIMARÃES DA SILVA. A KIMBERLY-CLARK PRODUCTION OPERATOR IN CORREIA PINTO, LEARNED THERE WERE LOCAL SCHOOLS THAT DID NOT OFFER THEATER

From his own experience. Silva knew how theater can help students develop their confidence and public speaking skills. So in his spare time, he taught theater classes. Silva arranged for students to put on performances for the Kimberly-Clark team, which addressed topics like safety, quality and productivity.







WE WON'T FORESTS & FIBER

HARNESSING INNOVATIONS TO REDUCE **OUR IMPACT ON NATURAL FORESTS.**

2015 ACHIEVEMENT

WE PURCHASE

100%

CERTIFIED SUPPLIERS

2022 GOAL

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

while increasing our use of **Environmentally-Preferred** Fibers (EPF)



POWERFUL PARTNERSHIPS

Our partnership with the Forest Stewardship Council® has helped lead the way for the future of forests.

NOT ONLY ARE FORESTS HOME TO PLANTS AND ANIMALS, THEY ALSO PLAY A CRITICAL ROLE IN REDUCING GREENHOUSE GASES.

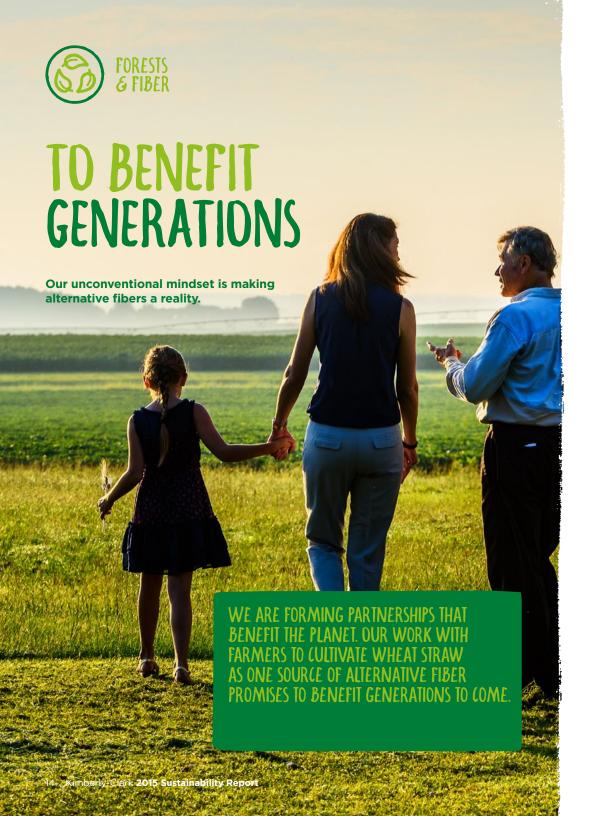
We began partnering with the Forest Stewardship Council® (FSC®) a decade ago to use the power of the marketplace to end deforestation and safeguard forest ecosystems.

By carrying FSC*'s trademark on many products' packaging, brands like Kleenex, Cottonelle and Scott are enabling consumers to help protect the environment. "Forests are critical to life on Earth, so FSC® sets a high bar for responsible management. Not only does Kimberly-Clark have a strong preference for FSC®, but they are also increasingly willing to tell the FSC® story to consumers, which is critical."

COREY BRINKEMA

FSC® U.S. PRESIDENT

13 Kimberly-Clark **2015 Sustainability Report** Key material issue – Deforestation





Sylvia Little
Director of
Material Science

WE ARE COMMITTED TO REDUCING OUR IMPACT ON NATURAL FORESTS, AND SEARCHING FOR ALTERNATIVES TO TRADITIONAL SOURCES OF FIBER USED FOR MANUFACTURING PAPER TOWELS AND TISSUES.

When Sylvia Little, Director of Material Science says, "We're always looking to nature as inspiration," she really means it. Her team of scientists and engineers have traveled the planet – from forests to farmlands, jungles to deserts – in search of renewable sources of fiber.

Back in the lab, which teems with a world of algae and prickly, dry forms of plant life, our teams are experimenting with new ways to make sustainable products from rapidly renewable sources. Some of these have already found their way into our GreenHarvest products, which incorporate fiber from bamboo and wheat straw into trusted Kleenex and Scott brand towel and tissue products.

"What we've found is that the sustainable sources we need are already all around us in abundance," said Little. "We're just discovering how to work with them."



TOGETHER WASTE & RECYCLING ONE

SETTING OUR SIGHTS ON ZERO WASTE.



2015 ACHIEVEMENT

OF MANUFACTURING WASTE FROM LANDFILL AS OF DECEMBER 2015 2022 GOAL

EXTEND OUR ZERO WASTE INNOVATION THAT KEEPS PRODUCT AND PACKAGING MATERIAL OUT OF LANDFILL AFTER USE



A MINDSET OF VALUE CREATION



We spoke with John Opsteen, **Kimberly-Clark's Secondary Materials Program Leader, about** the innovations that are keeping waste out of landfills.

Q: What is Kimberly-Clark's point of view on waste and recycling?

We started talking internally about a zero-waste mindset as early as 1995. In the first decade, we were very focused on keeping manufacturing waste out of landfills but weren't fully recognizing the value of these materials. Since then, we've come a long way toward realizing that value. By the end of 2015, we were diverting more than 95 percent of our manufacturing waste from landfills. And it's not just about diverting waste from landfills but converting it into valuable opportunities. We're now generating nearly twice as much revenue from the sale of material that was previously considered waste, than we spend on disposal.

Q: Could you explain the zero-waste mindset?

It's about recognizing the value of materials that go into our products and packaging. Whenever we can find ways to reduce, reuse and recycle these materials, we're keeping them in circulation - and out of the landfills. Even if they're not being used by us, they can still be used by someone, somewhere. It's up to us to find out how.

By doing this, we're creating value for the entire supply chain and giving these materials a second life. It's really an evolution from the linear mindset where you take, make and then dispose of things. We're creating a more circular business model that allows us to recapture materials for reuse.



INNOVATING A WORLD OF POSSIBILITIES

We see endless opportunities in the products we make and through our partnerships all around the world.

Our thinking about sustainability doesn't end when a product is sold. We're continuously innovating to design products and packaging that are environmentally-friendly, efficient to produce, and that bring secondary value after use.

HERE ARE SOME EXAMPLES OF HOW...



WORKING THROUGH MANY CHANNELS LATIN AMERICA

Together with Teletica, one of Costa Rica's top TV stations, we established AmbientaDOS to help make the concept of "reuse and recycle" viable in Costa Rica.

HELPING CUSTOMERS RECYCLE NORTH AMERICA AND EUROPE

At Kimberly-Clark Professional we are helping customers divert used materials from landfills. Through the **RightCycle** program, we work with customers across more than 140 collection sites around the world to recycle used gloves and garments. RightCycle has grown from recycling just under two tons of material in 2011 to 101 tons in 2015.

FILLING THE GAP **AUSTRALIA/NEW ZEALAND**

To help people recycle flexible plastic packaging we partnered with the RED Group to start REDcycle. Now, more than 500 drop-off points across the two countries collect these materials. Through a partnership with local manufacturer Replas, the recycled plastic is being converted into useful products like outdoor park benches and playground equipment.



ENERGY & CLIMATE

COMMITTING TO INCREASE OUR ENERGY EFFICIENCY AND USE OF ALTERNATE **ENERGY SOURCES EACH YEAR.**



2015 ACHIEVEMENT

REDUCED ABSOLUTE **GHG EMISSIONS BY**

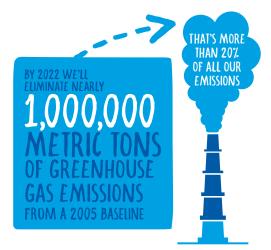
EXCEEDING 5% TARGET

2022 GOAL

ACHIEVE A MINIMUM % ABSOLUTE REDUCTION IN GREENHOUSE GASES VERSUS 2005 BASELINE



BY WORKING TOGETHER ACROSS THE GLOBE, WE'RE MAKING SMART DECISIONS ABOUT HOW WE GROW WITH A FOCUS ON REDUCING OUR IMPACT ON THE ENVIRONMENT.



"Not only does our award-winning co-generation facility help reduce CO2 emissions, it also helps save money through energy efficiency. The project has challenged us to think about what else we can do to drive both business and sustainability results."

WHAT WE'RE DOING

Energy Conservation

More than 30 of our manufacturing facilities are adopting a system called LEAN Energy Management, in which team members closely monitor energy consumption and challenge themselves to reduce it.

Alternative Energy

Biomass - a renewable, organic material, such as wood waste - is considered a carbon-neutral fuel. We are using responsibly-sourced biomass to generate energy at a number of our mills around the world as one alternative to fossil fuels. For instance, we are generating electricity and steam at our mill in Mobile, Alabama, and steam to help power our operations at mills in Correia Pinto in Brazil and Sitio del Niño in Fl Salvador.

In addition, we have introduced co-generation at a number of our mills. This technology utilizes clean-burning natural gas to generate electricity while recovering waste heat to improve operational efficiencies.



Scott WhickerMill Manager,
Millicent Mill,
Australia



Landfills play a critical role in waste management, but as waste decomposes, it releases methane - a greenhouse gas that contributes to climate change.

What if there was a way to minimize methane from seeping into the atmosphere? What if there was a way to put it to good use?

Those are the questions our engineers have been asking. In 2008, we implemented a renewable biomass energy project at our largest manufacturing site in the world, Beech Island Mill in South Carolina, to reclaim landfill gas to power operations.

- 1. Gas is cleaned on-site at the Three Rivers Solid Waste **Authority landfill.**
- 2. Our Beech Island Mill receives the gas through a pipeline more than 15 miles (24 kilometres) long.
- 3. We burn the gas along with natural gas to generate steam and power the production process.

GAS FROM THE LANDFILL IN BEECH ISLAND HELPED AVOID BURNING 1.6 TRILLION BTUS 2010 TO 2015

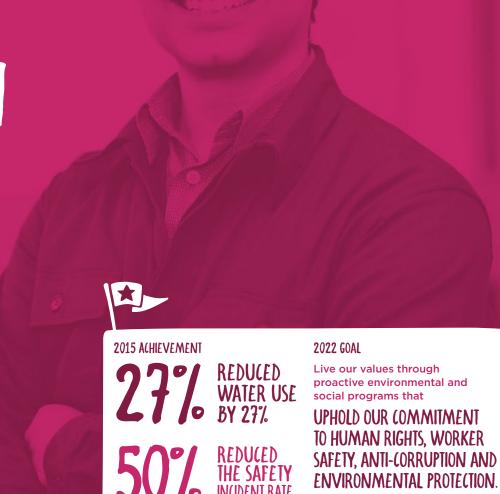


12,000 HOMES FOR A YEAR



SUPPLY CHAIN

BUILDING POWERFUL PARTNERSHIPS TO CREATE A LEADING SUSTAINABLE AND RESPONSIBLE SUPPLY CHAIN.



incident rate



BUILDING PARTNERSHIPS THAT CROSS TRADITIONAL BOUNDARIES IS AN IMPORTANT PART OF OUR SUSTAINABILITY STRATEGY

That's why we're a member of AIM-PROGRESS, a group of companies that work together to promote responsible business practices and a sustainable supply chain.

Last year, our team in China worked with AIM-PROGRESS to co-sponsor a Responsible Sourcing Forum in Shanghai. More than 300 representatives from companies across China attended this groundbreaking event, including many of our suppliers.

Promoting safe and healthy work environments can significantly improve employees' productivity and morale, which also leads to better business results.

Anthony Nguyen, a Kimberly-Clark Corporate Social Compliance specialist, highlighted the importance of continuous improvement at the event.

Other topics included third-party labor management, anti-corruption and anti-bribery, and employment labor laws. Peer-to-peer exchanges, through Q&A sessions and sharing of best practices by participants, helped facilitate a productive dialog.

"Forums like these can have an enormous impact on business and on people's lives. The dedication of companies like Kimberly-Clark to strengthening the entire supply chain is crucial to the success of all," said David Lawrence, Executive Director for AIM-PROGRESS.

In 2015, we achieved 100 percent participation of our key suppliers in our Social Compliance Standards Program.

"There's no substitute for meeting suppliers in person. Everyone understands that we're all in this together. By sharing what we know, we can contribute to everyone's success."



Anthony Nguyen Kimberly-Clark Corporate Social Compliance Specialist



GLOBAL COLLABORATION DRIVES EFFICIENCY

By exchanging experiences, we're bringing people closer together - and closer to achieving our goals.



WE KNOW THAT ACHIEVING **OUR SUSTAINABILITY GOALS** DEMANDS US TO BE OUR VFRY BFST

It takes all of us working together to strengthen capabilities and collaboration across our global network. To do this our experienced team members across Kimberly-Clark travel to other countries to share experiences, transfer skills and solve problems.

We followed three team members who traveled from South Korea to various locations throughout the Asia-Pacific region. They are applying skills and knowledge gained from years of experience with Yuhan-Kimberly, our joint venture in South Korea, to help other teams make progress toward their sustainability goals.

Beyond the immediate benefits of increasing the efficiency of our operations - which helps lower energy use and reduce waste - they are also building relationships, trust and ties between teams that have lasting benefits for the future.



Nam Hyung-Kyu Senior Mechanical Engineer

Motivated by his desire for a new challenge and an innovative project, Senior Mechanical Engineer Nam Hyung-kyu has been applying years of experience from our work in Korea to strengthen new operations in Nanjing, China.



Operations Manager Lee Seung-hyun is currently working at the Ingleburn mill, in Australia as part of a three-year assignment to improve operational performance and strengthen cooperation between our teams in Taejon, South Korea and Australia.



Moon Sung Operations Excellence Manager

Moon Sung previously worked to implement LEAN manufacturing in Korea and Taiwan, making him a perfect candidate to apply this knowledge elsewhere. This year, he wrapped up a six-year assignment traveling between Indonesia, Malaysia, Singapore, Thailand and Vietnam, where he worked with our teams to bring LEAN management systems on-line at mills throughout the region.



23 Kimberly-Clark 2015 Sustainability Report Key material issue - Innovation



(3) Kimberly-Clark