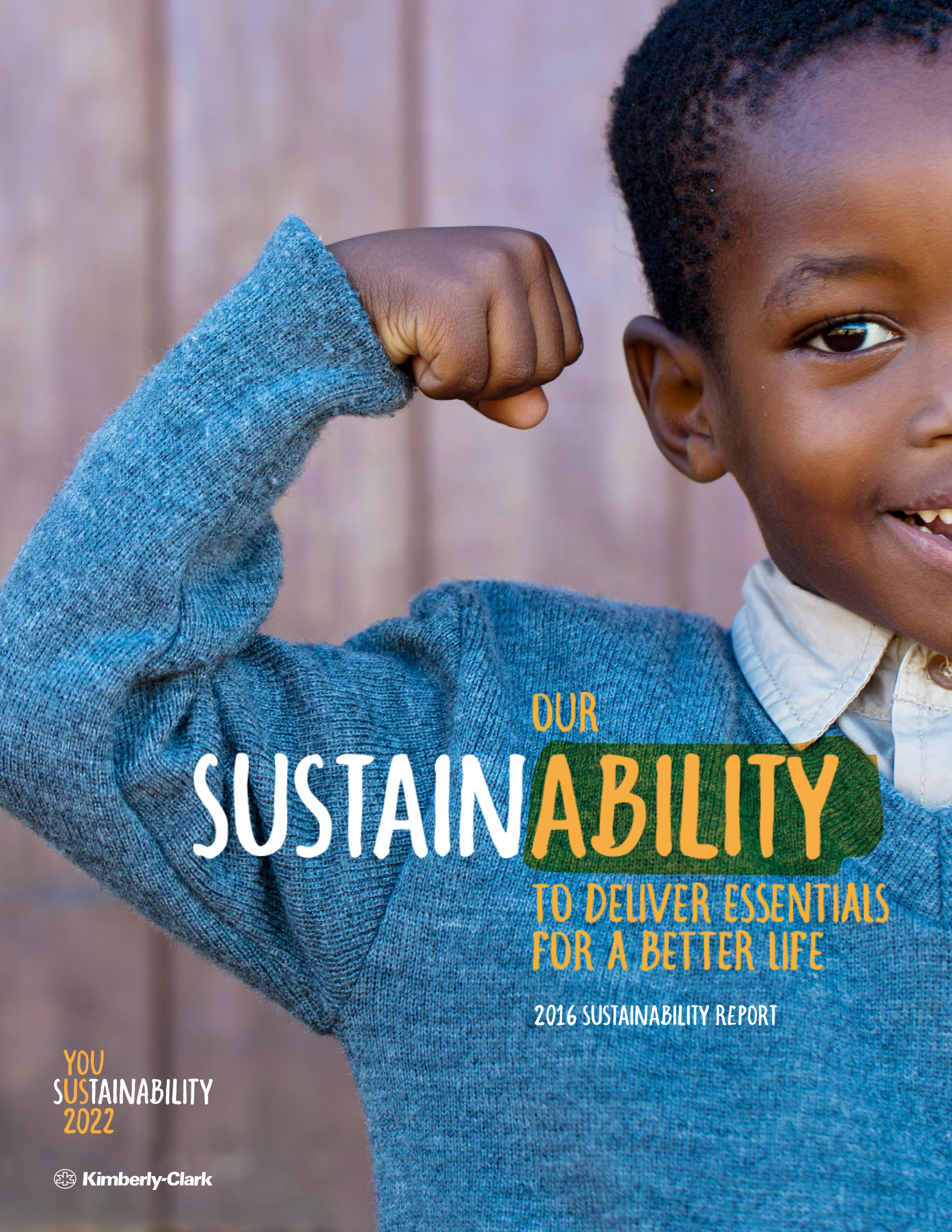


OUR SUSTAINABILITY

TO DELIVER ESSENTIALS FOR A BETTER LIFE

2016 SUSTAINABILITY REPORT

YOU SUSTAINABILITY 2022

Kimberly-Clark

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

CONTENTS

Welcome to our 2016 Sustainability Report	**3**
Sustainability 2022 Overview and Priority Topics	**4**
– Social Impact	6
– Forests & Fiber	9
– Waste & Recycling	13
– Energy & Climate	17
– Supply Chain	22
2016 Progress Dashboard	**30**
2016 Business Data	**33**
Governance	**34**
– Board of Directors	35
– Sustainability Advisory Board	36
– Compliance & Ethics	37
– Diversity & Inclusion	38
Materiality Assessment, Report Development and Stakeholder Engagement	**40**
GRI Index	**42**
External Principles, Memberships and Awards	**53**
Independent Assurance Statement	**58**

WELCOME TO OUR 2016 SUSTAINABILITY REPORT

SUSTAINABILITY ISN'T JUST GOOD FOR THE WORLD AROUND US – IT'S GOOD FOR OUR BUSINESS.

At Kimberly-Clark, everything we do is motivated by our vision to lead the world in essentials for a better life. This vision inspires our efforts to make lives better with the products that we sell and the programs that we implement.

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

This report reflects Kimberly-Clark's 14th annual update on our progress on key sustainability topics, brought to life through the stories and experiences of Kimberly-Clark teams around the world. It spans the timeframe from January 1 through December 31, 2016 (with historical data also reflected), and was prepared in accordance with the Global Reporting Initiative (GRI)'s Sustainability Reporting Standards "Core" level.

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

MESSAGES FROM OUR LEADERS

Watch – 2016 Highlights message from Lisa Morden (Sr. Director, Global Sustainability)

Watch – 'Talking Sustainability' featuring Mike Hsu (President and COO), Sandra MacQuillan (Chief Supply Chain Officer) and Lisa Morden (Sr. Director, Global Sustainability)

Watch – Message from Tony Palmer (President of Global Brands and Innovation) on our Social Impact strategy.

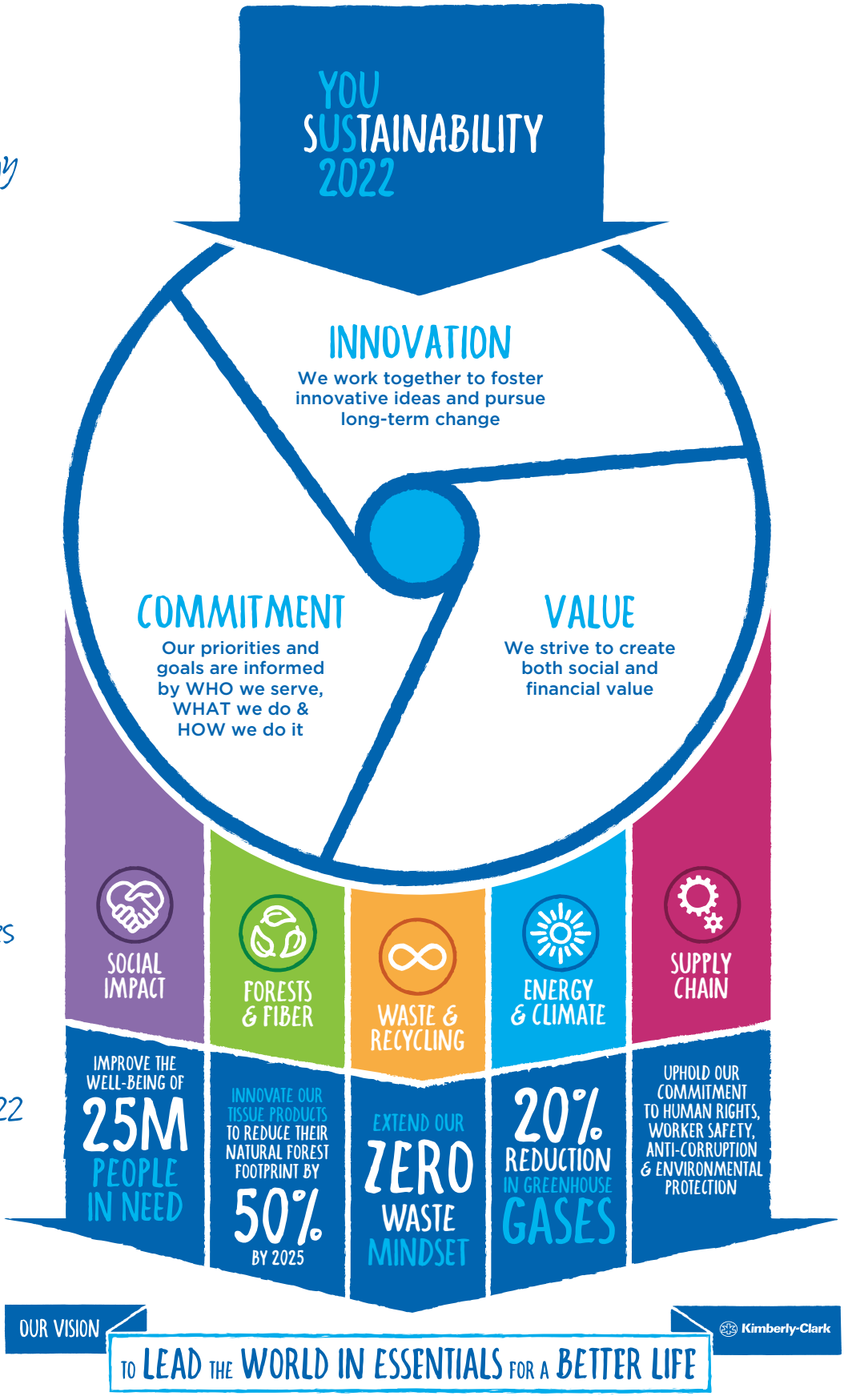
SUSTAINABILITY 2022 OVERVIEW

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

Our "Sustainability 2022" strategy was built with a collaborative process involving business leaders and external stakeholders from around the world. For additional details, please visit the Materiality section.

This process helped to define the most relevant social and environmental issues to our business, with five key priority areas emerging. These priorities build on the strong foundation and lessons learned from our previous five-year plans, while enabling a focus on those that will create more long-term value and positive impact.

SUSTAINABILITY 2022 (CONTINUED)



PRIORITY TOPIC: SOCIAL IMPACT

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

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

Our program focuses on:

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

2022 GOAL(S)

IMPROVE THE WELL-BEING OF

25 MILLION PEOPLE IN NEED

THROUGH SOCIAL AND COMMUNITY INVESTMENTS THAT INCREASE ACCESS TO SANITATION, HELP CHILDREN THRIVE AND EMPOWER WOMEN AND GIRLS.

HOW IMPACT IS ACHIEVED AND MEASURED

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

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

PRIORITY TOPIC:
SOCIAL IMPACT (CONTINUED)

2016 PROGRESS

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

We set a goal to have a positive social impact on two million lives in 2016, and are proud to report we exceeded this target.

2,052,000
TOTAL LIVES IMPACTED THROUGH 2016

Initiatives were focused in the following three areas:

ACCESS TO SANITATION

255,000
LIVES IMPACTED

HELPING CHILDREN THRIVE

1,750,000
LIVES IMPACTED

EMPOWERMENT OF WOMEN AND GIRLS

47,000
LIVES IMPACTED

TOILETS CHANGE LIVES

Through our Toilets Change Lives program, our bath tissue brands including Andrex, Scott, Neve, Scottex, Page and Hakle in partnership with retailers and non-profit organizations, are connecting with consumers, customers and employees to help improve sanitation for people around the world.

- **Watch** – Kimberly-Clark Professional's 'Portal Loo' experience
- **Read** – 'Toilets Change Lives in India' story
- **Read** – 'Toilets Change Lives in South Africa and Angola' story

A SUPPORTING HUG

A 25-year partnership with New Zealand's oldest, most well-known and largest provider of support services for the development, health and wellbeing of children under the age of five to focus on the importance of Hugs, as well as an in-home sampling program, an education partnership for toilet training and antenatal classes, and a newly established nappy bank in South Auckland.

- **Read** – 'Make Time for Hugs' story

THE PERIOD PROJECT

In response to a social media post by a New York City-based college student, U by Kotex created a Period Shop – a space where women can shop for feminine care products while feeling comfortable, safe and respected. The program later introduced the first-ever national period products donation drive to provide period essentials for many Americans who experience homelessness each year.

- **Read** – 'The Period Project' story

COMMUNITY ENGAGEMENT

Kimberly-Clark's Chester, Pennsylvania team received the Mother's Award from the United Way of Greater Philadelphia and Southern New Jersey for their outstanding work in the community.

Read more about Community Engagement

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

PRIORITY TOPIC: FORESTS & FIBER

REDUCING OUR IMPACT ON FORESTS THROUGH INNOVATION AND RESPONSIBLE SOURCING.

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

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

Our program focuses on:

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

2022 GOAL(S)

INNOVATE OUR TISSUE PRODUCTS TO REDUCE THEIR NATURAL FOREST FOOTPRINT

BY 50%

WHILE INCREASING OUR USE OF ENVIRONMENTALLY-PREFERRED FIBERS (EPF) BY 2025.

HOW IMPACT IS ACHIEVED AND MEASURED

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

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

PRIORITY TOPIC:
FORESTS & FIBER (CONTINUED)

2016 PROGRESS

We have reduced our use of fiber from natural forest landscapes by 26% over the 2011 base year, while 89% of the fiber used in our tissue products was from environmentally-preferred sources.

We are continuing the challenging work of **developing alternatives to traditional sources of fiber** for our products while encouraging our suppliers and customers/consumers to seek Forest Stewardship Council (FSC) certification. **Read more about our partnership with FSC.**

All virgin fiber sourced in 2016 in our products was from suppliers certified to one of the five forest management certification systems recognized in our **fiber procurement policy**.

TOTAL FIBER USE (MILLION MT)[1]

	2010	2011	2012	2013	2014	2015	2016
Virgin Fiber	2.56	2.48	2.36	2.4	2.38	2.42	**2.39**
% of total	72.5%	70.3%	71.3%	71.4%	72.3%	73.5%	**76.6%**
Recycled Fiber	0.97	1.05	0.95	0.96	0.91	0.87	**0.73**
% of total	27.5%	29.7%	28.7%	28.6%	27.7%	26.5%	**23.4%**
Total fiber used	3.53	3.53	3.31	3.36	3.29	3.29	**3.12**

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

FIBER SOURCING BY CERTIFICATION TYPE (%)

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

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

CHLORINE FREE WOOD PULP PURCHASES

	2010	2011	2012	2013	2014	2015	2016
Elemental Chlorine Free (ECF)	95%	95%	98%	98%	97%	97%	**98%**
Total Chlorine Free (TCF)	5%	5%	2%	2%	3%	3%	**2%**

PARTNERS IN ACTION

Influencing consumer behavior is challenging – but necessary. Kimberly-Clark and FSC aim to raise awareness and educate consumers on the importance of choosing FSC-certified products – by inviting them to play an active role in protecting forests.

- **Watch and read** – 'One Simple Action program' story and video
- **Read** more about Responsible Forest Management
- **Read** more about efforts to save the native New Zealand Falcon

REDUCED FIBER SOURCED FROM NATURAL FORESTS

BY 26%

FROM 2011 BASE YEAR

INCREASED USE OF ENVIRONMENTALLY-PREFERRED FIBERS

TO 89%

IN OUR TISSUE PRODUCTS

ENVIRONMENTALLY-PREFERRED TISSUE FIBER (%; GLOBAL)[1]

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

(1) Data represents Kimberly-Clark and equity affiliates.
(2) FSC Plantation is a subset of FSC Mix.
(3) Post-consumer recycled content is a subset of Recycled content; Post-consumer recycled content reported for North America and Europe only.

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

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

(1) Data represents Kimberly-Clark and equity affiliates.
(2) FSC Plantation is a subset of FSC Mix.
(3) Post-consumer recycled content is a subset of Recycled content.

NATURAL FOREST FIBER USE (MT)

	2010[1]	2011	2012	2013	2014	2015	2016
Virgin fiber from Natural Forest sources (Northern Softwood)	N/A	756,531	572,456	574,843	575,606	565,105	**559,437**
Reduction in Natural Forest Fiber	N/A	N/A	24%	24%	24%	25%	**26%**

(1) Data not available for reporting in 2010.

PRIORITY TOPIC: WASTE & RECYCLING

THINKING DIFFERENTLY TO FIND VALUE IN WASTE.

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

Our program focuses on:

- Utilizing materials efficiently in product design and manufacturing.
- Diverting manufacturing and post-consumer waste from low value outlets (landfill) to higher value, beneficial uses.
- Improving consumer education related to disposal options.
- Finding innovative ways to enable value networks that are mutually beneficial to us and our partners.

2022 GOAL(S)

EXTEND OUR

ZERO WASTE

MINDSET ACROSS THE VALUE CHAIN AND DELIVER INNOVATION TO HELP KEEP PRODUCT AND PACKAGING MATERIAL OUT OF LANDFILLS.

HOW IMPACT IS ACHIEVED AND MEASURED

- Adopt cradle-to-cradle design principles and drive net basis weight reduction and material innovation.
- Seek to increase our net recycling value in our operations by 10% every year while avoiding landfilling of manufacturing waste.
- Identify and deploy solutions that avoid and/or divert 150,000 MT of finished product and packaging from being landfilled after use.

(Note that in 2016 our manufacturing waste program was expanded to include all wastes and recyclable materials generated at both manufacturing and non-manufacturing facilities and the disposition of those materials on a monthly basis).

TURNING LINES INTO CIRCLES

Our Waste & Recycling strategy emphasizes innovation to design products and packaging with smarter materials, make them more efficiently and find a second life for them after use. In Brazil, our teams came together to think about how we could find more value from waste by focusing on materials already being diverted from landfills to recyclers and waste-to-energy facilities.

Read more about this innovative program

INFORMING CONSUMERS

We partnered with the RED Group to start **REDCycle** in Australia and New Zealand. Now, more than 500 drop-off points across the two countries collect these materials and convert it into useful products like outdoor park benches and playground equipment.

Read more about this program and others around the world

2016 PROGRESS

We expanded our waste program from our operations to include boiler ash, de-inking trasher rejects, and construction and demolition debris. Under this new definition, we achieved our 2016 target of diverting 95% of our manufacturing waste from landfill.

DIVERTED
95%
OF MANUFACTURING WASTE FROM LANDFILL

We fell short of our post-consumer waste target of 10,000 MT in 2016, primarily due to the difficult challenges associated with sustaining and scaling-up targeted programs, but still diverted more than 5,000 MT of used product and packaging from landfill.

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

(1) At Kimberly-Clark, all waste data is collected by mass except a portion of liquid waste which is collected by volume in liters with a conversion factor of 1 liter = 1 kilogram.
(2) In 2016, our manufacturing waste program was expanded referencing the UL Environment Zero Waste to Landfill standard to include all wastes and recyclable materials generated at both manufacturing and non-manufacturing facilities and the disposition of those materials. Our non-hazardous manufacturing waste data was updated per our annual review process..
(3) Other includes miscellaneous, alternative disposal methods and was separated out for reporting from Reuse in 2016.

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

(1) At Kimberly-Clark, all waste data is collected by mass except a portion of liquid waste which is collected by volume in liters with a conversion factor of 1 liter = 1 kilogram.
(2) In 2016, our manufacturing waste program was expanded referencing the UL Environment Zero Waste to Landfill standard to include all wastes and recyclable materials generated at both manufacturing and non-manufacturing facilities and the disposition of those materials. Our hazardous manufacturing waste data was updated per our annual review process.

INFORMING CONSUMERS

The **How2Recycle** label provides simple, consistent recycling instructions for packaging materials helping to reduce confusion with consumers, improve the reliability and transparency of recyclability claims, and increase the quantity and quality of recycled materials.

3,405MT
WASTE DIVERSION – POST-CONSUMER WASTE SOLUTIONS

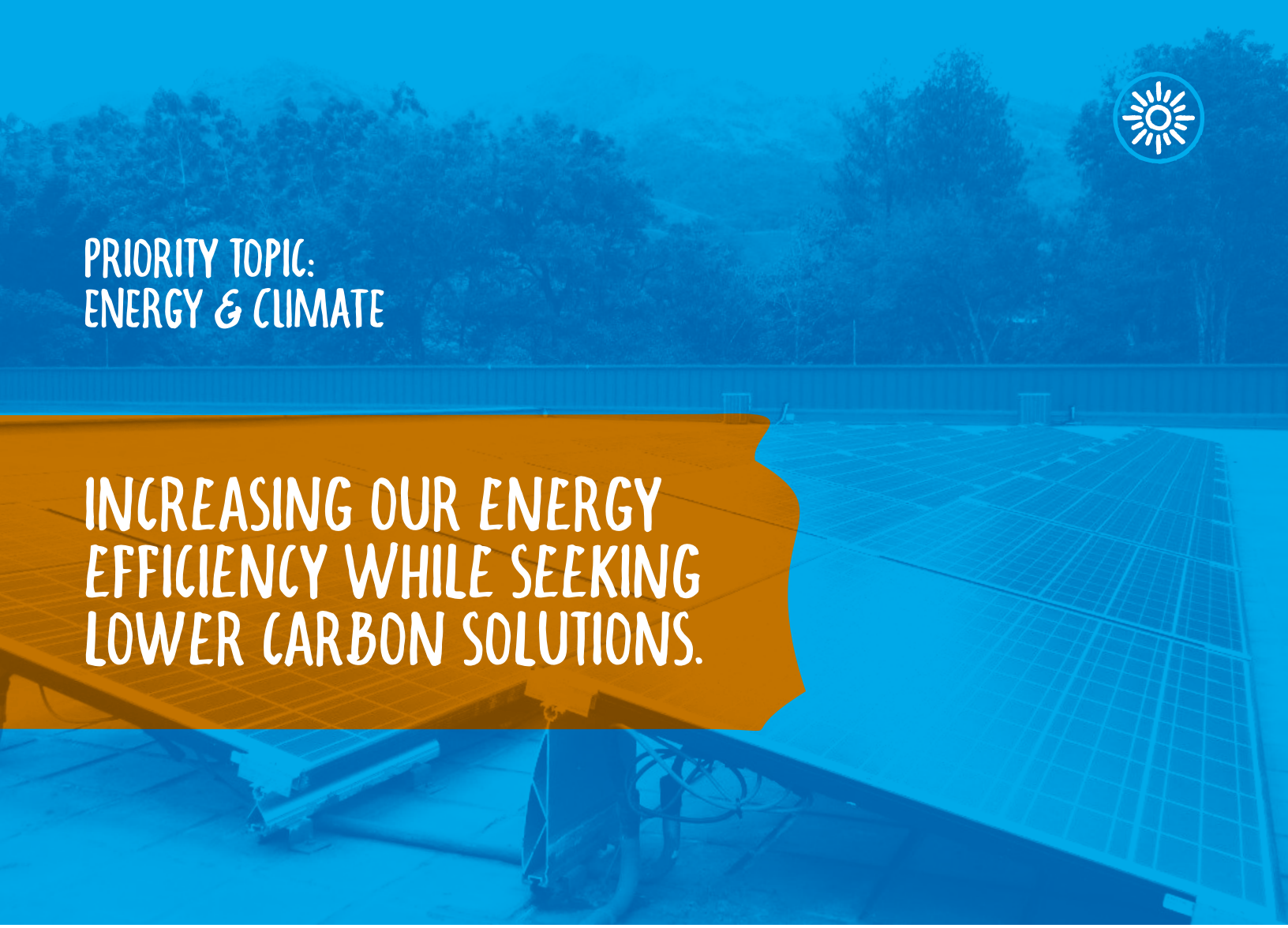
+

1,850MT
WASTE AVOIDANCE – DESIGN TO REDUCE

= **5,254MT**
TOTAL FINISHED PRODUCT AND PACKAGING WASTE DIVERTED FROM LANDFILL

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

MATERIALS CONSUMPTION AND PRODUCTION	2010	2011	2012	2013	2014	2015	2016
Total production volume (million MT of production)	5.04	4.80	4.71	4.76	4.96	5.06	**5.07**
Materials used (million MT)							
Virgin fiber	2.56	2.48	2.36	2.40	2.40	2.42	**2.39**
Recycled fiber	0.97	1.05	0.95	0.96	0.91	0.87	**0.73**
Polymers	0.74	0.72	0.72	0.69	0.66	0.63	**0.63**
Packaging	0.52	0.50	0.52	0.52	0.53	0.53	**0.55**
Adhesives	0.08	0.07	0.08	0.06	0.06	0.07	**0.08**
Polymer-based components	0.02	0.02	0.02	0.02	0.02	0.03	**0.03**
Packaging (MT/MT of production)	0.104	0.103	0.103	0.104	0.098	0.098	**0.102**



PRIORITY TOPIC: ENERGY & CLIMATE

INCREASING OUR ENERGY EFFICIENCY WHILE SEEKING LOWER CARBON SOLUTIONS.

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

Our program focuses on:

- Reducing our GHG emissions from our direct emissions from operations ("Scope 1") and our indirect emissions from utility suppliers ("Scope 2").
- Evaluating GHG emissions from our upstream and downstream supply chain ("Scope 3"). We have estimated these emissions and are assessing improvement opportunities.
- For additional information, see **10-K**.

2022 GOAL(S)

20% REDUCTION

IN ABSOLUTE GREENHOUSE GASES VERSUS A 2005 BASELINE.

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

HOW IMPACT IS ACHIEVED AND MEASURED

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

PRIORITY TOPIC:
ENERGY & CLIMATE (CONTINUED)

2016 PROGRESS

Our 2016 target was to reduce our Scope 1 and 2 absolute greenhouse gas (GHG) emissions by 10.7% over our 2005 baseline. Through deployment of our energy conservation and alternative energy programs, we surpassed this goal and our cost savings targets. Major drivers included:

- Start-up of a biomass boiler and cogeneration facility at our Sitio del Niño plant in El Salvador.
- Start-up of a biomass boiler at our Mogi das Cruzes plant in Brazil.
- Installation of heat recovery and low vacuum blowers at our Villey St. Etienne (VSE) plant in France.
- Upgrading of burner controls in tissue machine hoods at our Papeles de Cauca (PDC) plant in Colombia.

Also since the LEAN Energy Management program inception in 2012, we have deployed LEAN energy at 32 of our manufacturing sites globally.

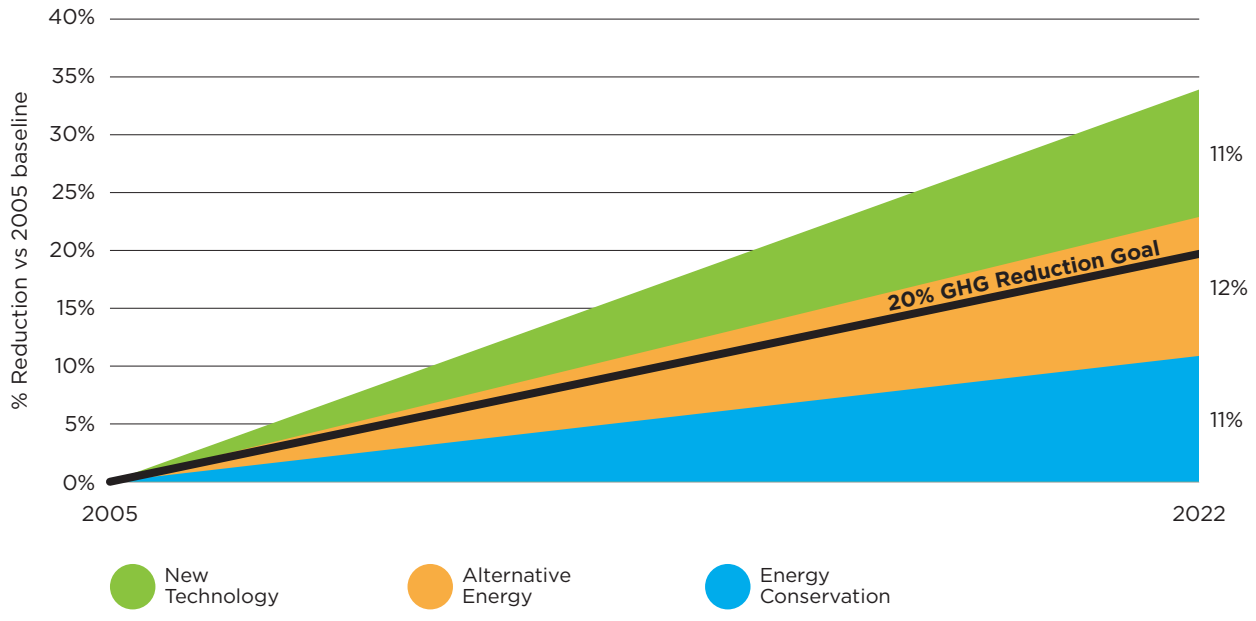
Through these efforts we surpassed our reduction target with an absolute reduction in GHG emissions by 16.8%.

Notably, the Scope 2 grid factors were adjusted to the 2015 United States electricity grid factors, resulting in significant improvements in emissions beyond our direct operations. Going forward, we will report GHG emissions on the latest available emission factors each year.

GHG EMISSIONS
16.8%
ABSOLUTE REDUCTION

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

$2022 GHG REDUCTION GLIDEPATH BY STRATEGY



ENERGY CONSERVATION THROUGH LEAN ENERGY MANAGEMENT SYSTEM EXPANSION

Our LEAN Energy Management system is designed to engage mill employees in a culture of conservation, to execute process changes which optimize energy efficiency and to deploy real-time visual tools to make energy overconsumption visible and trigger corrective actions. More than 30 of our manufacturing facilities have adopted LEAN Energy Management.

K-C GOES THE SMARTWAY

We received the U.S. EPA 2016 SmartWay® Excellence Award for Top Environmental Performance in Freight Supply Chain Efficiency. Since joining the SmartWay program in 2006, Kimberly-Clark has more than doubled its use of intermodal transport, saving an estimated 82 million gallons of diesel fuel and reducing greenhouse gas emissions by an estimated 830,000 metric tons – the equivalent of the energy used by 87,000 homes for one year.

Read – 'K-C Goes the SmartWay' story

FUELING OUR FUTURE

In 2016, we had multiple energy projects to improve efficiency at our manufacturing facilities; contributing to our absolute GHG emissions reduction goal; and had positive financial impacts. Projects at our facilities around the world are making a positive impact on GHG emissions and cost performance while still providing sufficient production needs.

Read – 'Fueling Our Future' story

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

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

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

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

(1) All figures are estimates.
(2) Pounds of GHG emissions based on estimate of 22.45 pounds per gallon of diesel fuel.
Note: Drop in 2016 is result of lower diesel fuel prices (16% lower than 2015) which reduced the benefit of shipping certain loads via Intermodal.

GREENHOUSE GAS EMISSIONS (MILLION MT CO_2E)	2005 (BASE YEAR)	2010	2011	2012	2013	2014	2015	2016[1]
Direct (Scope 1)	2.6	2.5	2.5	2.4	2.2	2.2	2.2	**2.1**
Indirect (Scope 2)	2.9	2.8	2.7	2.7	2.7	2.7	2.7	**2.4**
Total emissions	5.5	5.3	5.2	5.1	5.0	4.9	4.9	**4.6**
Change from previous year (%)	N/A	N/A	-1.6%	-2.4%	-2.3%	-1.1%	-0.1%	**-7.1%**
CO_2e per metric ton of production (CO_2 intensity)		1.05	1.11	1.08	1.04	0.99	0.97	**0.91**
Specific emissions								
Carbon dioxide (CO_2)		5.240	5.157	5.048	4.934	4.899	4.879	**4.544**
Methane (CH_4)		0.011	0.010	0.006	0.006	0.006	0.006	**0.006**
Nitrous Oxide (N_2O)		0.033	0.031	0.020	0.020	0.021	0.020	**0.020**

(1) The U.S. emission factors were based on the 2015 U.S. EPA eGRID2012 version 1.0, and the international emission factors used the International Energy Agency Data Services "CO2 Emissions from Fuel Combustion" (2013 Edition). Reported CO_2e emissions are based on location-based emission factors where available. For further details on location or market-based data, please see our CDP Climate Change Investor Response 2016.

OTHER CRITERIA POLLUTANTS (MT)[1]	2010	2011	2012	2013	2014	2015	2016
NOx	3,948	3,833	2,915	2,869	2,895	2,562	**2,545**
SO_2	4,193	3,031	2,452	1,787	1,776	1,860	**1,689**

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

PRIORITY TOPIC: SUPPLY CHAIN

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

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

Our program focuses on:

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

2022 GOAL(S)

LIVE OUR VALUES THROUGH PROACTIVE ENVIRONMENTAL AND SOCIAL PROGRAMS.

HOW IMPACT IS ACHIEVED AND MEASURED

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

PRIORITY TOPIC:
SUPPLY CHAIN (CONTINUED)

2016 PROGRESS

Social Compliance

We are committed to ensuring that employees around the world – including those of our suppliers – are treated with respect and that our workplace and human rights standards are met. This commitment is formalized in our **Human Rights in Employment Policy** and our **Code of Conduct**, which guides our interaction with suppliers, partners, customers and consumers worldwide.

In addition, within our Corporate Social Compliance program, key suppliers are identified through a risk-based approach to determine which will be subject to our audit and declaration of compliance requirements. Auditing resources are directed to areas with the most significant risks to identify gaps and opportunities for improvement in areas such as work hours and wages, discrimination, freedom of association and collective bargaining, occupational safety, child labor and forced labor. All told, since the inception in 2012, the social compliance program has completed more than 600 audits, resulting in improved working conditions for more than 170,000 workers in our external supply chain.

In 2016, we completed a total of 205 social compliance audits in 148 key facilities.

While we missed our supplier compliance target by 1%, there has been significant progress resulting from improved supplier awareness of social compliance requirements and subsequent deployment of corrective actions to close audit findings.

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

IN 2016, WE COMPLETED

205

SOCIAL COMPLIANCE AUDITS IN

148

KEY FACILITIES

SINCE THE INCEPTION IN 2012, THE SOCIAL COMPLIANCE PROGRAM HAS COMPLETED MORE THAN 600 AUDITS, RESULTING IN

IMPROVED WORKING CONDITIONS FOR MORE THAN **170,000** WORKERS IN OUR EXTERNAL SUPPLY CHAIN

PRIORITY TOPIC:
SUPPLY CHAIN (CONTINUED)

SOCIAL COMPLIANCE AUDIT RESULTS	2014	2015	2016
Number of in-scope suppliers	397	272	**302**
Facilities Audited			
Kimberly-Clark Branded Audits[1]	62	65	**63**
Customer Branded Audits[2]	60	67	**85**
Facilities with Non-Conformance Findings (Requiring Confirmation of Mitigation and Corrective Actions)			
Kimberly-Clark Branded Audited Facilities	41 10.3 percent of in-scope suppliers	42 15.4 percent of in-scope suppliers	**45** 14.9 percent of in-scope suppliers
Facilities with Non-Conformance Findings:			
K-C Branded Audited Facilities	39 9.8 percent of in-scope suppliers	61 22.4 percent of in-scope suppliers	**62** 20.5 percent of in-scope suppliers
Non-Conformance Findings by Category (Kimberly-Clark Branded Audits Only):			
Health and Safety	40 facilities (73 total mandatory health and safety findings)	38 facilities (92 total mandatory health and safety findings)	**48 facilities** (126 total mandatory health and safety findings)
Child Labor	0 facilities (0 total mandatory child labor findings)	0 facilities (0 total mandatory child labor findings)	**0 facilities** (0 total mandatory child labor findings)
Forced Labor	6 facilities (7 total mandatory forced labor findings)	3 facilities (3 total mandatory forced labor findings)	**3 facilities** (3 total mandatory forced labor findings)
Freedom of Association	0 facilities (0 total mandatory freedom of association findings)	0 facilities (0 total mandatory freedom of association findings)	**0 facilities** (0 total mandatory freedom of association findings)
Discrimination	1 facility (1 total mandatory discrimination finding)	0 facilities (0 total mandatory discrimination findings)	**1 facility** (1 total mandatory discrimination finding)

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

2016 Progress
Environmental Compliance

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

Elements of the environmental compliance program include:

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

In 2016, we achieved our targets related to this program with 30 EHS audits conducted and on-time closure of 91% of environmental findings and excursions.

30
EHS AUDITS CONDUCTED

2016 Progress
Occupational Safety

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

The Six Safety Imperatives:

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

In 2016, our Total Reportable Incident Rate (TRIR) was 0.23. There were zero fatalities involving Kimberly-Clark employees during 2016; however, regrettably there were three workplace fatalities involving outside contractors in our K-C de Mexico subsidiary. In light of this, contractor safety is a key area of focus with a new contractor safety process being rolled out across the enterprise.

REAL
STRATEGY
RISK MITIGATION
EHS MANAGEMENT SYSTEMS
ACCOUNTABILITY FOR SAFETY
LEADERSHIP IN SAFETY

91%
ON-TIME CLOSURE
OF ENVIRONMENTAL FINDINGS AND EXCURSIONS

TOTAL REPORTABLE INCIDENT RATE (TRIR)
0.23

PRIORITY TOPIC:
SUPPLY CHAIN (CONTINUED)

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

(1) In 2013, a motor vehicle fatality occurred in the trucking operations of Kimberly-Clark de Mexico, an unconsolidated affiliate.
(2) In 2016, there were zero fatalities involving Kimberly-Clark employees, however there were three fatalities involving contractors at a subsidiary of the partly-owned Kimberly-Clark de Mexico. One incident where an outside roofer suffered a fatal fall, another involving a contract security guard, and one where a third party trucker was involved in a vehicle accident.
(3) In 2015, the data for Europe was combined for reporting purposes as Europe, Middle East and Africa (EMEA).
(4) In 2016, Kimberly-Clark Professional (KCP) reporting was combined into regional data. Therefore data was revised for 2014 and 2015 as was previously reported out separately.
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.

PRIORITY TOPIC:
SUPPLY CHAIN (CONTINUED)

2016 Progress
Water Risk Management

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

We will continue to invest in reducing our absolute water use in these operations with water targets customized to the local situations, but we also recognize that the communities surrounding mills experiencing water stress will have important social needs as well. Engagement at the local community level is helping to identify appropriate mechanisms to support these needs.

Building on our water risk assessment work from 2015, we defined our environmental NGO partners and initiated watershed analyses and target setting for three operations in water stressed locations.

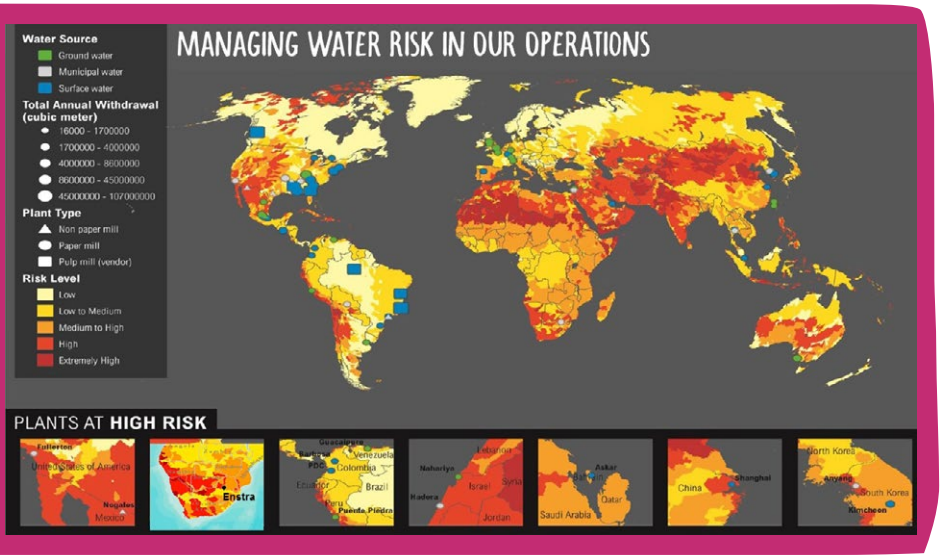
PROCESS FRESH WATER USE (MILLION CUBIC METERS)	2010	2011	2012	2013	2014	2015	2016
Surface	72.6	74.1	46.7	44.5	43.5	44.8	**41.4**
% of total	57%	59%	45%	48%	46%	49%	**45%**
Municipal	36.3	33.0	39.7	31.8	28.3	27.3	**30.9**
% of total	29%	26%	38%	34%	30%	30%	**34%**
Groundwater	17.7	18.0	18.2	17.0	21.9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

PROCESS EFFLUENT DISCHARGE DESTINATIONS (%)[1]	2010	2011	2012	2013	2014	2015	2016
Surface	87%	87%	88%	83%	88%	89%	**88%**
Municipal	13%	13%	12%	17%	12%	11%	**12%**

(1) In 2016, previous effluent discharge ratios were revised to reflect the latest system data.

TISSUE MANUFACTURING WATER USE EFFICIENCY (M^3/MT OF PRODUCTION)	2010	2011	2012	2013	2014	2015	2016
Actual	44.2	46.2	41.1	35.9	35.3	35.0	**35.2**

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



S2022 WATER STRATEGY – A 4 STEP PROCESS

PROGRAM ACTIVATION
- Water risk screening
- Mill water assessment
- Community stakeholder engagement

WATERSHED ANALYSIS
- Socio-economic growth assessment
- Water availability and quality assessment
- Biodiversity risk assessment
- Regulatory and policy assessment

GOAL SETTING
- Establish manufacturing site water use targets and budget
- Determine mechanisms to reduce overall watershed risk

PROJECT IMPLEMENTATION
- Develop, deploy and deliver projects to achieve defined goals

CONTINUOUS ENGAGEMENT WITH STRATEGIC PARTNERS/ STAKEHOLDERS TO CHECK AND ADJUST THE PROCESS.

PRIORITY TOPIC: SUPPLY CHAIN (CONTINUED)

2016 Progress
Product Quality and Safety

Ensuring quality is an essential part of Kimberly-Clark's business strategy, and a culture of quality is the foundation for meeting our customer and consumer expectations.

It is the policy of Kimberly-Clark to design, manufacture and deliver products that meet or exceed customer and consumer expectations for quality performance and value.

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

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

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

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

Also in 2016, we created a set of Stewardship Standards for Suppliers, now posted on **Kimberly-Clark.com**, to clearly communicate our expectations to suppliers. Our expectation is for full material disclosure, so that we can maintain safety and regulatory compliance, and proactively respond to emerging regulations and public concerns regarding the ingredients used in our products.

2016 Progress
Supplier Collaboration

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

- Expanded access to our sustainability data management system and worked closely with suppliers to begin the process of collecting performance data. We plan to use this to collaborate for mutual benefits in areas including reducing Scope 3 greenhouse gas emissions, reducing the impacts of water stress on operations and communities, improving social compliance, and other areas of impact.
- Conducted sustainability risk assessments for global and regionally purchased materials and services. In deploying this activity, we've identified actions in the areas of increased chemical transparency, expanded social compliance scope for labor categories, and expanded upon supplier risk assessment in due diligence processes.

Through these activities, we'll deliver business value in the form of reduced risk of supply disruption, ensure our policies are met by contract workers in our facilities and achieve built-in resiliency at the point of supplier selection.

WASTEWATER NOT WASTED WATER.

In 2016, Tuas Mill invested in a modularized Waste Water Treatment Plant (WWTP) to treat and recycle waste water generated from the wet wipes process. The project helps the mill recycle up to 75% of the waste water it generates annually for non-domestic uses, such as cooling towers and landscaping, contributing to Singapore's long-term water sustainability strategy.

Watch – Video of this solution created by our Tuas employee team

REFORESTATION AND STRESS RELIEF

As part of our risk management strategy to mitigate water stress, in 2016 our Barbosa Mill in Colombia reached out to the local administration of Barbosa City to design a joint strategy to execute activities of reforestation and awareness to protect the water resources of the area. The plan also included protection of one particular critically endangered species of tree called "Jacaré", and the reforestation of specific areas of Santa Rosa creek that supplies water to our mill.

Read – 'Reforestation and Stress Relief' story

2016 PROGRESS DASHBOARD

WE ESTABLISH ANNUAL TARGETS TO ENSURE PROGRESS TOWARDS OUR 2022 GOALS.

2016 PROGRESS DASHBOARD

2016 WAS THE FIRST YEAR OF OUR SUSTAINABILITY 2022 STRATEGY AND WE MADE GOOD PROGRESS AS WE BEGAN TO TACKLE THE CHALLENGES ASSOCIATED WITH OUR NEW GOALS.

HIGHLIGHTS

OVERALL PERFORMANCE EXCEEDED $18.2 BILLION IN NET SALES

SOCIAL IMPACT

EXCEEDED 2 MILLION LIVES IMPACTED TARGET THROUGH SOCIAL PROGRAMS

TOTAL GLOBAL DONATIONS AND COMMUNITY INVESTMENTS $28.2 MILLION

FORESTS & FIBER

2016 FSC LEADERSHIP AWARD

7% IN 2006 TO MORE THAN 80% IN 2016

WE'VE INCREASED THE AMOUNT OF FSC®-CERTIFIED VIRGIN FIBER IN OUR TISSUE PRODUCTS FROM 7% IN 2006 TO MORE THAN 80% IN 2016

WASTE & RECYCLING

DIVERTED 95% OF MANUFACTURING WASTE FROM LANDFILL

DIVERTED MORE THAN 5,200MT OF POST-CONSUMER WASTE THROUGH INNOVATION DESIGN AND DIVERSION PROGRAMS

ENERGY & CLIMATE

AWARDED 4TH CONSECUTIVE EPA SMARTWAY TRANSPORTATION AWARD

REDUCED ABSOLUTE GHG EMISSIONS BY 16.8% FROM A 2005 BASELINE

SUPPLY CHAIN

GLOBAL TOTAL REPORTABLE INCIDENT RATE OF 0.23

WATERSHED ANALYSIS INITIATED AT 3 OF 12 WATER STRESSED OPERATIONS

2016 PROGRESS
DASHBOARD (CONTINUED)

ON-TARGET
OFF-TARGET

	2022 GOAL	2016 TARGET	2016 ACTUAL	2016 PERFORMANCE
SOCIAL IMPACT	IMPROVE THE LIVES OF 25 MILLION PEOPLE IN NEED	2M	2.05M	ON-TARGET
FORESTS & FIBER	50% REDUCTION IN NATURAL FOREST FIBER USE	-25%	-26%	ON-TARGET
WASTE & RECYCLING	AVOID LANDFILLING OF 150,000 MT OF PRODUCT AND PACKAGING MATERIAL POST-USE	10,000 METRIC TONS	5,254 METRIC TONS	OFF-TARGET
ENERGY & CLIMATE	20% REDUCTION IN GREENHOUSE GAS EMISSIONS	-10.6%	-16.8%	ON-TARGET
SUPPLY CHAIN	WATER EFFICIENCY TARGETS	3	3 MILL ASSESSMENTS INITIATED BUT STILL IN PROGRESS	OFF-TARGET

2016 BUSINESS DATA

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

(1) Recast from discontinued operations.
(2) "Intergeographic" refers to inter-company sales.
(3) Total environmental expenditures were restated for 2014 to be consistent with prior years to not include equity company numbers. Totals for 2014 exclude equity companies and Health Care facilities.

GOVERNANCE

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

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

This structure comprises:

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

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

BOARD OF DIRECTORS

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

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

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

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

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

BOARD OF DIRECTORS DIVERSITY	2010	2011	2012	2013	2014	2015	2016
Independent members	92.3%	92.3%	91.7%	91.7%	91.7%	90.9%	**91.7%**
Women	23.1%	23.1%	25.0%	25.0%	25.0%	18.2%	**25.0%**
Minority group membership	23.1%	30.8%	33.3%	33.3%	33.3%	27.3%	**33.3%**
Total Board members[1] [2]	13	13	12	12	12	11	**12**
Board of Directors of age 50+	13	13	12	12	12	11	**11**

(1) In June of 2016, Christa S. Quarles, CEO of OpenTable, joined Kimberly-Clark's Board of Directors.
(2) As of January 1, 2017 Mike Hsu joined the Board of Directors as Kimberly-Clark's Chief Operating Officer, but is not represented in our 2016 reporting timeframe.

SUSTAINABILITY ADVISORY BOARD

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

The SAB is composed of four to six external thought leaders who possess a diversity of experience and expertise and are selected based on core competencies that align with our sustainability strategy. Its members offer independent views of our sustainability programs on a regular basis, as well as insights into potential risks and opportunities for our business.

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

2016 MEMBERS:

Mark Kramer (U.S.)

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

Jo Mackness (U.S.)

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

Sally Uren (U.K.)

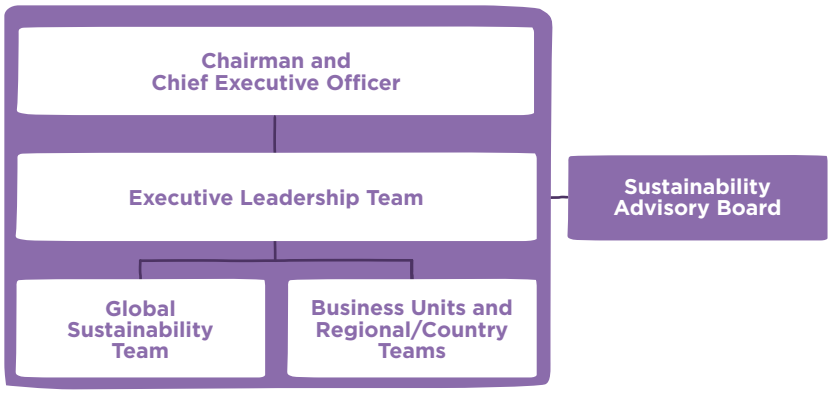
Chief Executive for Forum for the Future, a global sustainability non-profit that works with business, governments and others to catalyze interventions that move major systems towards sustainability.

Tim Smith (U.S.)

Director of Environmental, Social and Governance (ESG) Shareowner Engagement and Sr. Vice President at Walden Asset Management; Chair of the Board of Shared Interest and serves on the Board of the United Methodist Church General Board of Pensions and Health Benefits. In 2016, Mr. Smith completed his term limit.

Jeffrey Hollender (U.S.)

Founder and CEO of Hollender Sustainable Brands, that developed and markets Sustain condoms; co-founder and former CEO of Seventh Generation; board member of Greenpeace U.S., Verité, a leading workers' rights organization, and Vermont Businesses for Social Responsibility. In 2016, Mr. Hollender completed his term limit.



COMPLIANCE & ETHICS

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

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

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

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

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

DIVERSITY & INCLUSION

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

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

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

Talent development

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

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

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

100%

ON THE HUMAN RIGHTS CAMPAIGN (HRC) FOUNDATIONS 2017 CORPORATE EQUALITY INDEX (CEI)

KIMBERLY-CLARK EARNED A PERFECT SCORE ON THE ANNUAL BENCHMARKING SURVEY AND REPORT ON CORPORATE POLICIES AND PRACTICES PERTINENT TO LESBIAN, GAY, BISEXUAL AND TRANSGENDER (LGBT) EMPLOYEES.

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

DIVERSITY & INCLUSION (CONTINUED)

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

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

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

(1) 2010-2014 reported U.S. turnover only.
(2) Beginning in 2015, turnover rate data is Global.

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

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

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

(1) The percentage of unionized workers exceeds 21% of our workforce in North America. However, in many countries, union membership is considered a private matter and may not be tracked for those countries. Furthermore, in some countries, employees who are not union members specifically are subject to union agreements.

MATERIALITY ASSESSMENT, REPORT DEVELOPMENT AND STAKEHOLDER ENGAGEMENT

SUSTAINABILITY TOPICS IDENTIFIED THROUGH MATERIALITY ASSESSMENT HELP FOCUS OUR EFFORTS

MATERIALITY ASSESSMENT

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

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

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

The materiality assessment results inform not only sustainability strategies and goals but also our annual sustainability reporting, to ensure we provide clear coverage of relevant topics.

ONGOING STAKEHOLDER ENGAGEMENT

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

In addition, we communicate progress to the shareholder and investment communities through our **Annual 10-K**, on the investors section of our corporate website, in our public SEC filings, through investor and shareholder meetings, at analyst-sponsored conferences and through distribution of our sustainability reporting content.

SUSTAINABILITY MATERIALITY INDEX

The materiality assessment results inform our sustainability strategies and ensure we provide transparent, comprehensive and accessible coverage of key topics.

TOPIC CATEGORIES

- PEOPLE AND COMMUNITY
- TALENT ATTRACTION AND RETENTION
- OPERATING CONTEXT
- BUSINESS PRACTICES
- ENVIRONMENT
- PRODUCT

Read – Topic Definitions

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

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

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

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

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

GRI INDEX

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

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

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 102-1	Organization name	Kimberly-Clark Corporation	
GRI 102-2	Primary brands, products and services	10-K (**pg. 1**) We have not knowingly sold banned or disputed products.	
GRI 102-3	Headquarters location	P.O. Box 619100, Dallas, Texas, USA	
GRI 102-4	Where the organization operates	Our global headquarters is in Dallas, Texas, USA. We also have manufacturing facilities in 37 countries (Argentina, Australia, Bahrain, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Czech Republic, Dominican Republic, Ecuador, El Salvador, France, Germany, India, Indonesia, Israel, Italy, Korea, Malaysia, Mexico, Nigeria, Panama, Peru, Russia, Saudi Arabia, Singapore, South Africa, Spain, Switzerland, Taiwan, Thailand, United Kingdom, United States of America and Vietnam)	
GRI 102-5	Nature of ownership and legal form	10-K (**pg. 1**) We have not knowingly sold banned or disputed products.	
GRI 102-6	Markets served	10-K (**pg. 12**)	
GRI 102-7	Scale of the organization	10-K (**pg. 3**) 41,850 total employees at year-end 2016.	
GRI 102-8	Total number of employees by type	REPORT SECTION – Diversity and Inclusion 43,280 Total Employees; 41,850 are full-time, 309 part-time and 1,121 temporary. Globally, 31.8% of all employees are women, and 43% of all full-time salary employees are women. 33% of management globally is comprised of women.	
GRI 102-9	Supply chain description	Kimberly-Clark maintains an extensive global supply chain consisting of over 30,000 suppliers of production materials, packaging, finished products, manufacturing operating supplies, capital equipment and other equipment and services to supply a network of global manufacturing locations.	
GRI 102-10	Organizational changes during the reporting period	10-K (**pg. 12**)	
GRI 102-11	Precautionary principle	Our vision to provide the essentials for a better life includes our commitment to protect the environment. This vision inspires our search for more sustainable ways of meeting our customers' needs. We consider the precautionary principles in the processes, systems and capabilities utilized within our Product Safety, Sustainability, Regulatory and Clinical Affairs and Research and Engineering functions. We seek ways to reduce environmental impact from our operations and design products that are environmentally innovative.	Principle 7
GRI 102-12	External charters, principles or other initiatives	REPORT SECTION – External Principles, Memberships and Awards In 2016 all of K-C's EHS Management System standards were updated to conform with the current versions of ISO standards.	Principles 1 & 8
GRI 102-13	Membership associations	REPORT SECTION – External Principles, Memberships and Awards	
GRI 102-14	CEO Letter	REPORT SECTION – Welcome to our 2016 Sustainability Report; including leadership videos.	Statement of continuing support
GRI 102-15	Key impacts, risks and opportunities	REPORT SECTION – Welcome to our 2016 Sustainability Report; including leadership videos.	Principle 8
GRI 102-16	Code of Conduct	**Code of Conduct**	Principles 1 & 8

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 102-17	Mechanisms for advice and concerns about ethics	**Code of Conduct** Mechanisms for raising concerns regarding unethical or unlawful behavior are communicated in our Code of Conduct on pages 6 and 33. Concerns may be raised via a variety of channels including our Code of Conduct Line which allows for anonymous reporting where permissible by law.	
GRI 102-18	Governance structure of the organization	10-K (**pg. 61**) REPORT SECTION – Governance	Principle 8
GRI 102-22	Composition of the Board and its committees	10-K (**pg. 66**) REPORT SECTION – Governance	
GRI 102-23	Whether the chair of the Board is also an executive officer	Tom Falk is Chairman and CEO of Kimberly-Clark.	
GRI 102-24	Nomination and selection processes for the Board and its committees	Proxy (**pg. 23**)	
GRI 102-25	Board conflicts of interest	10-K (**pg. 59**) REPORT SECTION – Governance	Principle 10
GRI 102-28	Board performance with respect to governance of sustainability topics	10-K (**pg. 61**) Proxy (**pg. 19**) REPORT SECTION – Governance	Principle 8
GRI 102-29	Board role in the identification and management of sustainability impacts, risks and opportunities	10-K (**pg. 5**) Proxy (**pg. 18**) REPORT SECTION – Governance	Principles 7 & 8
GRI 102-30	Board role in reviewing risk management for sustainability	Proxy (**pg. 18** – Sustainability Section)	
GRI 102-31	Frequency of the Board's review of sustainability impacts, risks and opportunities	Proxy (**pg. 18**) REPORT SECTION – Governance	Principles 7 & 8
GRI 102-33	Process for communicating critical concerns to the Board	**Code of Conduct**	
GRI 102-40	Stakeholder groups	REPORT SECTION – Materiality Assessment, Report Development and Stakeholder Engagement International stakeholders from seven groups (suppliers, customers, distributors, employees, investors, labor/trade organizations and NGOs) were engaged through interviews, workshops or surveys in conducting our non-financial materiality assessment. Material aspects were validated equally by our external and internal stakeholders. This work allowed us to focus on the core economic, environmental and social topics that are integral to supporting and growing our company.	
GRI 102-41	Collective bargaining agreements	Over 21% of our Mill workforces are covered by collective bargaining agreements.	Principle 3

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 102-42	How stakeholders were identified	REPORT SECTION – Materiality Assessment, Report Development and Stakeholder Engagement We convened regional business and functional leaders, Sustainability Advisory Board members and subject matter experts around the world along with one-on-one interviews with our strategy leaders from each key business region to assess and prioritize sustainability topics most relevant to our business. Throughout the process, we used the definition of "material" from our global risk management team which takes into account the probability of occurrence and impact to our business.	
GRI 102-43	Approach to stakeholder engagement	REPORT SECTION – Materiality Assessment, Report Development and Stakeholder Engagement Kimberly-Clark is involved with ongoing stakeholder engagement which takes many forms – from one-way information channels to consumer and customer research, and from dialogue with environmental organizations to partnerships with humanitarian organizations. Stakeholders viewed as strategic partners are those who have a significant interest and/or impact on areas that are most material to our company. Examples of engagement include, but are not limited to, annual meetings, one-on-one interviews, engagement surveys, education or marketing campaigns, earnings calls or shareholder resolutions, risk assessments and audits, volunteering programs and media relations. Reference the Materiality Assessment, Report Development and Stakeholder Engagement section for engagement undertaken specifically as part of the report preparation process.	Principle 8
GRI 102-44	Topics raised during stakeholder engagements	REPORT SECTION - Materiality Assessment, Report Development and Stakeholder Engagement Topics include (but are not limited to, within our ongoing stakeholder engagement) our business practices, the environment, operating context, people and community, products and packaging, quality, safety and health, human rights, cost reductions, pricing, organic growth and operating margins, sourcing, climate change, waste and recycling, and supply chain management. See the Materiality Assessment section for topics discussed with our stakeholders during the latest analysis.	
GRI 102-45	Entities included in financial statements	10-K (**pg. 28**)	
GRI 102-46	Process for defining report boundaries and content	REPORT SECTION – Welcome to Our 2016 Sustainability Report; Materiality Assessment, Report Development and Stakeholder Engagement	Principle 8
GRI 102-47	Material aspects included in the report	REPORT SECTION – Materiality Assessment, Report Development and Stakeholder Engagment For additional information on our last Materiality Assessment see **pages 9-10** of our 2015 Sustainability Report	
GRI 102-48	Restatements	Upon consultation with our legal team, we have determined the number of legal actions regarding anti-competitive behavior or anti-trust violations in 2015 was in fact five. Four of the cases were resolved by early 2017; one is still pending.	
GRI 102-49	Changes from previous reports in terms of scope and/or boundaries	In July 2016, Kimberly-Clark announced the indefinite suspension of all business operations in Venezuela, including the Maracay Mill, due to the continued deterioration of economic and business conditions in that country.	
GRI 102-50	Reporting period	January to December, 2016	
GRI 102-51	Date of most recent report	June 30, 2016	
GRI 102-52	Reporting cycle	Annual	
GRI 102-53	Report contact	**sustainability@kcc.com**	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	
GRI 102-55	GRI content index	GRI Content Index	
GRI 102-56	External assurance	REPORT SECTION – Independent Assurance Statement	Principle 8
GRI 103-1	Explanation of the material topic and its Boundary	REPORT SECTION – Welcome to Our 2016 Sustainability Report; Materiality Assessment, Report Development and Stakeholder Engagement	
GRI 103-2	The management approach and its components	REPORT SECTION – Welcome to Our 2016 Sustainability Report; Materiality Assessment, Report Development and Stakeholder Engagement Kimberly-Clark does not track number of grievances, however, K-C encourages it workers to raise complaints through a number of avenues such as our Code of Conduct reporting procedures, our anonymous Input to Action employee engagement survey, grievance procedures in collective bargaining agreements, and through dialogue with the European Works Council, the UNI Global Union and other similar stakeholders, to name a few. K-C also routinely encourages employees to report concerns to anyone in management with whom they feel comfortable as part of its compliance culture. Such claims, no matter how received, are thoroughly investigated. Kimberly-Clark commits to respect all human rights by having a policy commitment to do so, engaging in ongoing human rights due diligence and having processes embedded in our business to remediate human rights impacts. A foundational component of our remediation process is the myriad of formal and informal grievance mechanisms in our business. Our formal grievance mechanisms include those provided via our Code of Conduct: 1. Formal process which allows anyone around the globe to report a concern around compliance with our Code of Conduct. 2. Annual acknowledgment – Annually we ask Kimberly-Clark employees to acknowledge they have read and understand our Code of Conduct and understand that they have an obligation to raise concerns regarding violations of the Code. 3. Corporate Social Compliance Audits – We conduct over 100 audits of key suppliers annually. As a part of this activity we review a given supplier's compliance with our Corporate Social Compliance Standards and local wage, hour and payroll laws. These audits include a random sampling of supplier employee interviews. 4. Consumer Reporting – Users of products around the globe may report concerns via toll-free calls or via the Internet. 5. Informally, we receive and investigate incidents of grievances from employees, suppliers and consumers around the globe.	
GRI 103-3	Evaluation of the management approach	REPORT SECTION – Welcome to Our 2016 Sustainability Report; Materiality Assessment, Report Development and Stakeholder Engagement	
GRI 201-1	Direct economic value generated and distributed	TABLE – Economic Performance Data 10-K (**pg. 10**)	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 201-2	Climate change risks	At Kimberly-Clark, the majority of our operational greenhouse gas (GHG) emissions result from energy use at our manufacturing facilities. In line with our Essentials for a Better Life vision, we strive to address issues like reducing our carbon footprint by understanding how it affects all aspects of our business – from regulatory complexity to cost implications to environmental and social concerns. To manage and reduce the GHG emissions from our operations, we have developed a corporate-wide GHG inventory of the three major greenhouse gases. These are Carbon Dioxide (CO_2), Methane (CH_4) and Nitrous Oxide (N_20). Using the right Global Warming Potential Multipliers, these three types of emissions are combined and expressed into a single indicator called Carbon Dioxide equivalent (CO_2e). All the GHG emissions reported internally and externally are expressed in Metric Tons of CO_2e. Following the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) issued by the World Resources Institute (WRI). All the Scope 1 and Scope 2 GHG emissions are verified by an independent third party entity to provide limited assurance of its accuracy and completeness. Moving forward as part of our next-generation goals aligned with Sustainability 2022 strategy, Kimberly-Clark set a goal of reducing GHG absolute emissions from manufacturing by 20% from a 2005 baseline. The three strategies considered and dimensioned as tools and drivers to deliver GHG reductions are the following: 1. Execution of rapid payback energy conservation/efficiency improvement projects and energy best practices adoption. 2. Deployment of behavior based LEAN energy transformation in all Kimberly-Clark manufacturing facilities worldwide, as a tool to implement a facility energy management system; funded in three fundamental pillars: a) Mindset, Behaviors and Capabilities; b) Management Infrastructure; and c) Operational Systems. 3. Execution of alternative energy projects including renewable energy such as biomass boilers, cogeneration plants and renewables such as solar and wind fueled electricity. Kimberly-Clark has been tracking its GHG emissions since 2005. The GHG emissions reduction progress has been 16.8% from 2005 to 2016.	Principle 7
GRI 201-3	Benefit plan coverage	10-K (**pg. 23**)	
GRI 201-4	Financial assistance from the government	Kimberly-Clark does not receive financial assistance from U.S. governments that would materially affect its position.	Principle 7
GRI 203-1	Infrastructure investments	TABLE – Community and Employee Contributions	
GRI 204-1	% of spend assigned to local suppliers	Kimberly-Clark's global manufacturing network is served by an extensive supply chain that includes local, regional and global suppliers for purchased goods, materials, packaging and services. Our sourcing processes seek to balance responsible sourcing standards and support for local supplier options while optimizing total delivered cost inclusive of material cost and transportation. As a result, a significant amount of purchases are made with local suppliers where possible, while recognizing that some purchases must be made where suppliers are available on a global basis.	
GRI 205-1	Risks related to corruption	In Kimberly-Clark's **Code of Conduct**, we discuss mechanisms for **reporting unlawful/unethical behavior**.	Principle 10

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 205-2	Communications and training on anti-corruption	In 2016, we provided 35 minutes of Code of Conduct training to all office based K-C employees with computer access. The 2016 Code of Conduct training included content regarding conducting business using third parties. As part of the annual Code of Conduct training, employees were required to certify that they had read the Code of Conduct and agreed to comply with it. Anti-corruption is addressed in the Code of Conduct. It is the policy of Kimberly-Clark to conduct business in compliance with all anti-bribery and anti-corruption laws. **Code of Conduct**	Principle 10
GRI 205-3	Confirmed incidents of corruption	We regularly assess the quality and effectiveness of our compliance and ethics program and continue to believe that our anti-corruption program is effective and that we are in compliance with applicable anti-corruption laws in all material respects.	Principle 10
GRI 206-1	Anti-competitive behavior	1	Principle 10
GRI 301-1	Materials by weight or volume	TABLE – Materials used	Principle 8
GRI 301-2	Recycled input materials	TABLE – Materials used	Principle 8
GRI 301-3	Products and packaging materials reclaimed	TABLE – Post-Consumer Waste	Principles 8 & 9
GRI 302-1	Energy consumption (Scope 1 and 2)	TABLE – Energy use	Principle 8
GRI 302-3	Energy intensity	TABLE – Energy use	
GRI 302-4	Energy reductions	TABLE – Energy use	Principles 8 & 9
GRI 303-1	Water withdrawals by source	TABLE – Water use	Principle 8
GRI 303-3	Water recycled and reused	TABLE – Water use	Principle 8
GRI 304-2	Impacts on biodiversity	All of our wood fiber suppliers are certified under a forest certification scheme which assures that there is a low risk of sourcing wood fiber from protected areas or areas of high diversity outside protected areas.	Principle 8
GRI 304-3	Habitats protected or restored	All of our wood fiber suppliers are certified under a forest certification scheme which assures that there is a low risk of sourcing wood fiber from protected areas or areas of high diversity outside protected areas.	Principle 8
GRI 305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	TABLE – Greenhouse Gas Emissions	Principle 8
GRI 305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	TABLE – Greenhouse Gas Emissions	Principle 8
GRI 305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	TABLE – Greenhouse Gas Emissions	Principle 8
GRI 305-4	GHG emissions intensity	TABLE – Greenhouse Gas Emissions	Principle 8

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 305-5	Reduction of GHG emissions	In 2016, our absolute direct and indirect (Scope 1 and 2) global GHG emissions were 4.569 million metric tons (MT) of CO_2e representing 7.1% reduction from previous year 2015. These GHG emissions represent a reduction of 16.8% from the baseline year of 2005; driven by the update of the CO_2e emission factors in our sustainability database and the reduction in GHG from the execution of energy conservation projects and best practices adoption, the implementation of LEAN Energy and the start-up of alternative energy projects in North America and Latin America. Great progress in GHG emissions reduction in 2016 versus the previous year 2015 was achieved by some specific business sectors and regions: K-C North America registered 8.1% reduction, while Global K-C Professional showed 10.2%; these two were mainly driven by the update of the emissions factors reflecting a cleaner electricity grid in the United States. Latin American Operations reduced GHG emissions by 3.6% and Asia Pacific (APAC) and Europe, Middle East and Africa (EMEA) showed 1.5% reduction in GHG each. – Kimberly-Clark was officially recognized by the United States Environmental Protection Agency (U.S. EPA) with the prestigious Climate Leadership Award under the category of Excellence in GHG Management (Goal Achievement), recognizing Kimberly-Clark for publicly reporting and verifying organization-wide greenhouse gas inventories and achieving publicly-set aggressive greenhouse gas emissions reduction goals. – The reduction of GHG absolute emissions reported at the end of 2015 from the 2010 baseline of 7.2% is equivalent to 1.4% per year, which is considerably higher than the 1% per year proposed by the CDP, WRI and WWF Sectorial Decarbonization Approach (SDA) model for our industry sector. The award ceremony was held in Seattle, WA in March, 2016.	Principles 7, 8 & 9
GRI 305-7	NOx, SO_2 and other significant air emissions	TABLE – Other Criteria Pollutants	Principle 8
GRI 306-1	Water discharge by quality and destination	Since 2000, we have required all facilities and business units to certify their compliance with our biological oxygen demand (BOD) and total suspended solids (TSS) global wastewater performance standards. In 2006, we developed a program to monitor acute toxicity at our international mills on a rotating basis and introduced corrective measures at mills where acute toxicity was present. And in 2011 we formalized the standard requiring that all wastewater discharges be free of acute toxicity. Within our Sustainability 2022 strategy, we are following the same standards established prior.	Principle 8
GRI 306-2	Waste by type and disposal method	TABLE – Manufacturing Waste | Non-hazardous and Hazardous	Principle 8
GRI 306-3	Significant spills	No significant spills.	Principle 8
GRI 306-4	Transport of hazardous waste	TABLE – Waste | Hazardous	Principle 8
GRI 307-1	Monetary value of significant fines	Environmental: $2,340 in fines.	
GRI 308-1	New suppliers screened using environmental criteria	Kimberly-Clark deploys a targeted approach to addressing environmental impacts in our supply chain both at the initial sourcing and ongoing category management periods. These approaches include, but are not limited to: – New fiber suppliers must agree to Kimberly-Clark's environmentally driven fiber sourcing **policy**. – Fiber-based packaging suppliers must report their ongoing use of recycled and responsibly-sourced fiber. – Contract manufacturing and branded packaging suppliers must review and agree to our Corporate Social Compliance standards. – Contract manufacturers are reviewed through a thorough, multi-category due diligence process including environmental factors.	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 308-2	Supply chain environmental impacts	Kimberly-Clark deploys a targeted approach to addressing environmental impacts in our supply chain both at the initial sourcing and ongoing category management periods. These approaches include, but are not limited to: – New fiber suppliers must agree to Kimberly-Clark's environmentally driven fiber sourcing **policy**. – Fiber-based packaging suppliers must report their ongoing use of recycled and responsibly-sourced fiber. – Contract manufacturing and branded packaging suppliers must review and agree to our Corporate Social Compliance standards. – Contract manufacturers are reviewed through a thorough, multi-category due diligence process including environmental factors.	
GRI 401-1	Rates of Employee Turnover*	Global turnover totals approximately 8,600 (Hourly 5,500, Salary 3,100). U.S. turnover totals 1,400 (800 Hourly and 600 Salary). *all rounded to nearest hundred	
GRI 401-2	Benefits provided to full-time employees	Kimberly-Clark is a global company with manufacturing facilities and offices in 67 countries. As a result of this diversity in operational locations, benefits vary between countries and significant operating locations. Across all locations, Kimberly-Clark strives to provide a market-competitive benefits package to employees within their specific location, which may include access to government-provided benefits where applicable.	
GRI 402-1	Minimum notice periods regarding operational changes, including contracted	While we don't have a global policy regarding minimum notice periods in cases of restructuring, Kimberly-Clark has demonstrated a "beyond compliance" commitment to respect workers globally through the Joint Statement we signed with UNI Global Union. UNI Global is the second-largest global union federation in the world and it represents over 20 million workers across 140 countries. The central foundation of this **Joint Statement** is an open line of ongoing dialogue with Kimberly-Clark executives and UNI Global's Kimberly-Clark union network. Through this process, UNI has the opportunity to raise any workplace concerns that have not been addressed at the local level, including lack of adequate notice in cases of restructuring.	
GRI 403-1	Workforce represented in health and safety committees	Kimberly-Clark's Global Safety Governance Model requires the establishment of Safety Committees or Councils at the site, region, sector, and global level as part of the management system standard. Safety Committees have been established at each of these levels. Therefore, over 95% of employees are represented by a management-employee safety committee.	Principle 1
GRI 403-2	Rates of injury, occupational disease, lost days, absenteeism and work-related fatalities	TABLE – Safety	Principle 1
GRI 403-3	Workers with high incidence risk of diseases	Kimberly-Clark has implemented comprehensive industrial hygiene and occupational health programs that ensure that occupational exposures to hazardous materials and agents are maintained at safe levels. Therefore, there are no worker groups with a high incidence of disease under the Kimberly-Clark policies on safety and health.	Principle 1
GRI 403-4	Health and safety topics covered in agreements with trade unions	As a part of Kimberly-Clark's ongoing human rights due diligence, the Company has a formal mechanism to engage with global union representatives regarding workplace and human rights concerns, including workplace safety matters.	
GRI 405-1	Composition of Board and diversity breakdown/ factors	TABLE – Board of Directors Diversity Overview	

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 406-1	Incidents of discrimination	1 incidence of Discrimination for K-C Audits in 2016. 0 incidences of Discrimination for Customer Required Audits in 2016. 0 incidences of Internal Discrimination for 2016.	Principle 6
GRI 407-1	Freedom of association and collective bargaining	Suppliers – 0 Internal facilities – 0	
GRI 408-1	Child Labor	0 incidences of child labor within supply chain.	Principles 1, 2 & 5
GRI 409-1	Forced or Compulsory Labor	TABLE – Social Compliance Audit Results (3 incidences of forced labor for K-C Audits in 2016)	Principles 1, 2 & 4
GRI 410-1	Security personnel trained in the organization's human rights policies	Kimberly-Clark employees, including those security personnel who are Kimberly-Clark employees, receive Code of Conduct training which includes instructions on Kimberly-Clark's Human Rights **policies**.	Principles 1 & 2
GRI 411-1	Incidents of violations involving rights of Indigenous peoples	We know of no incidents involving rights of Indigenous peoples.	Principles 1 & 2
GRI 412-1	Operations that have been subject to human rights assessments	We conducted corporate social compliance audits in 29 countries in 2016.	Principles 1, 2, 4 & 5
GRI 412-2	Employee training on human rights	In 2016, we provided 35 minutes of Code of Conduct training to all office-based K-C employees with computer access. The 2016 Code of Conduct training did not specifically call out Human Rights as a topic within the course; however, as part of the annual Code of Conduct training, employees were required to certify that they had read the Code of Conduct and agreed to comply with it. The Code of Conduct specifically addresses Human Rights (**pg. 10** of Code of Conduct).	Principles 1 - 6
GRI 412-3	Investment agreements and contracts that include human rights clauses or underwent screening	Clauses concerning human rights are incorporated into all of our terms and conditions in supplier contracts and purchase orders. In 2013, these terms and conditions were updated to include a section that discusses our new Supplier Social Compliance Standards	Principles 1 - 6
GRI 413-1	% of operations with local community programs	REPORT SECTION – Welcome to Our 2016 Sustainability Report; Materiality Assessment, Report Development, Stakeholder Engagement, Social Impact and Community and Employee Contributions Table We believe collaboration and feedback ensures that our reporting addresses the issues that are important to our business, stakeholders and customers alike. That's why, when considering what to include in this report, we engaged with internal and external stakeholders, including our Sustainability Advisory Board, customers, NGOs, peer companies and Kimberly-Clark business and functional teams.	
GRI 414-1	New suppliers that were screened using labor practices criteria	Internal risk assessments are conducted for new external contract manufacturing facilities during the onboarding process. Potential new external contract manufacturing suppliers located in countries that are known to be high-risk based on third party labor, human rights indices and internal data are subject to additional screening in the form of social compliance auditing. We conducted corporate social compliance audits in 29 countries in 2016.	Principles 1 - 6

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
GRI 414-2	Incidents of negative impacts in supply chain and actions taken	We completed a total of 205 social compliance audits for 148 key facilities in 2016. 95 suppliers in 2016 were identified as having potential or actual impacts for labor practices such as passport retention, discrimination, corruption, workplace safety, or working hours. Approximately 66% of those found to have actual impacts through auditing mitigated findings within 2016. Two relationships were terminated due to non-compliances of our Suppliers Social Compliance Standards.	
GRI 415-1	Political contributions	In general, Kimberly-Clark's Anti-Corruption Policy prohibits employees and representatives from making contributions on behalf of Kimberly-Clark to candidates for political office or for other political campaigns. All exceptions require written pre-approval from Kimberly-Clark's General Counsel and Chief Compliance Officer.	Principle 10
GRI 416-1	Health and safety impact assessments of products and services	Kimberly-Clark maintains a Product Safety Policy whereby all products we sell are assessed for health and safety impacts and in which feedback from assessments is incorporated into continuous improvement processes within phases of product development and commercialization: – Development of product concept – R&D – Certification – Manufacturing and production – Marketing and promotion – Storage, distribution and supply – Use and service – Disposal, reuse or recycling **http://www.kimberly-clark.com/sustainability/reporting/policies.aspx**	Principle 7
GRI 416-2	Non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance with regulations or voluntary codes.	
GRI 417-2	Incidents of non-compliance with labeling requirements	Zero for Kimberly-Clark. We do not launch a product that is not in regulatory compliance within labeling requirements.	
GRI 418-1	Number of substantiated complaints regarding breach of customer data security	In the 2016 reporting year, we received no substantiated complaints regarding breaches of customer privacy and losses of customer data. **http://www.kimberly-clark.com/privacypolicy.aspx**	
GRI 419-1	Fines for non-compliance with laws and regulations concerning provision and use of products and services	Zero fines for non-compliance with laws and regulations concerning provision and use of products and services. Safety fines: $20,040.	

EXTERNAL PRINCIPLES, MEMBERSHIPS AND AWARDS

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

EXTERNAL PRINCIPLES, MEMBERSHIPS AND AWARDS (CONTINUED)

EXTERNAL PRINCIPLES

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

MEMBERSHIPS

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

- AIM-PROGRESS – A forum of leading Fast Moving Consumer Goods manufacturers assembled to enable and promote responsible sourcing practices and sustainable supply chains. The forum's key objectives include building supply chain capability, effectively assuring compliance to aligned standards among members and driving continuous improvement in member supply chains.
- Catalyst – Catalyst helps companies in measuring or diagnosing talent management gaps or identifying the best strategies that organizations and individual business leaders can use to access and leverage the best talent. Through a combination of research and practical implementation, and often in partnership with others, they identify and provide solutions to overcoming these barriers and creating equitable workplaces in which all talent can thrive.
- Compliance & Risks Ltd. – Compliance & Risks Ltd. provides innovative online tools and consulting services that deliver timely and accurate global regulatory intelligence to empower business compliance, mitigate risk and identify opportunities.
- The Conference Board – A global, independent business membership and research association working in the public interest to help leaders navigate the biggest issues impacting business and better serve society. The Sustainability Council II helps companies reshape and enhance sustainability efficiencies, embed sustainability into corporate strategy and deliver products, services and solutions that drive reductions in environmental footprint for customers.
- The Consumer Goods Forum – A global industry network comprised of the CEOs and senior management of about 400 diverse retailers, manufacturers, service providers and other stakeholders across 70 countries. In addition, our CEO and Chairman of the Board, Tom Falk, is on the Board of Directors.
- Corporate Eco Forum – A community of global leaders, representing 18 industries and $3 trillion in revenues, dedicated to advancing sustainable business.
- EDANA – The international association serving non-wovens and related industries. EDANA provides global leadership to create an environment beneficial to sustainable and profitable growth of the non-wovens and engineered fabrics and related industries to best serve our customers.
- U.S. Environmental Protection Agency (EPA) SmartWay Transportation Partner – Together, we have increased our intermodal usage by reducing length of haul, total miles, empty miles and wait time and idling at shipping and receiving docks. Since 2006, we have more than doubled intermodal utilization, from approximately 42,000 loads in 2006 to more than 85,600 loads in 2016, resulting in savings of more than 9 million gallons of diesel fuel and reduction of CO_2 emissions by more than 200 million pounds.
- Forest Stewardship Council® (FSC®) – An independent, non-profit organization that protects forests for future generations. We are a member of FSC International and FSC's key global partner in the tissue industry. We are working with FSC to create activities that will be mutually beneficial to each organization and will seek to drive responsible forest management and that raise awareness of the FSC brand and growth of FSC-certified forest areas globally. We are a representative on the FSC National Board of Directors in the United States.
- Foundation for Strategic Sourcing (F4SS) – The Foundation for Strategic Sourcing is a non-profit organization with a primary goal to establish a forum whereby CPG marketers, external manufacturers and secondary packagers can share the best practices towards the creation of Industry Standards aimed at improving efficiency and reducing supply chain costs.
- Industrial Energy Consumers of America (IECA) - IECA is a nonprofit member-led organization to help manufacturing companies for which the availability, use and cost of energy, power or feedstock play a role in their ability to compete in domestic and world markets. IECA has six organized committees, Kimberly-Clark is a member of the Energy Committee.

EXTERNAL PRINCIPLES, MEMBERSHIPS AND AWARDS (CONTINUED)

- International Organization of Employers (IOE) – IOE represents business interests in social and labor matters at the global level, especially in the International Labor Organization which sets international workplace standards and where employers are represented alongside trade unions and governments. IOE communicates business views on the ILO's work, including education and training, termination of employment, social security, health and safety and labor standards; and represents employers within the ILO's complaints and supervisory mechanisms. IOE also represents the views of business in the G20 process, the International Standardization Organization, the World Health Organization and the UN Human Rights Council, among other organizations.
- Leading Executives Advancing Diversity (LEAD) – Our Senior Vice President and Chief Supply Chain Officer, Sandra MacQuillan, is on the Board of Advisors for the LEAD network and has served on the Board since its founding. The mission of the LEAD Network is to attract, retain and advance women in the retail and consumer goods industry in Europe through education, leadership and business development. Its vision includes a diverse workforce where both men and women are enabled to contribute their full potential and lead their organizations to the next level of value creation.
- Charter member of the National Safety Council (NSC) in the United States – A non-profit organization with the mission of eliminating preventable deaths at work, in homes and communities, and on the road through leadership, research, education and advocacy. Working to make the world measurably safer, NSC advances this mission by engaging businesses, government agencies, elected officials and the public to help prevent the fourth-leading cause of death in the U.S. – preventable injuries.
- Network of Executive Women (NEW) – The Network of Executive Women was founded in 2001 by a small group of industry executives who believed there were not enough female leaders in the retail and consumer goods and services industry — and that everyone would benefit if there were. Their learning, events, best practices, research and leadership development programs advance women, build business and help create a better workplace for all.
- Personal Care Products Council (PCPC) – A national trade association representing the global cosmetic and personal care products industry. Founded in 1894, the Council has more than 600 member companies who manufacture, distribute and supply personal care products in the United States. We participate in many of its standing committees and technical subcommittees, including the International Committee, Safety and Regulatory Committee, Quality Assurance Committee and Microbiology Committee. In addition, we participate in member-only meetings on subjects of common interest.
- The Recycling Partnership – Offer companies and organizations a vehicle to make a meaningful impact on recycling and the environment while also stimulating the economy. They help bridge the gaps between the communities and the industries that benefit from recycling by creating campaigns that power local recycling programs, innovate to improve recycling systems and help solve and energize curbside recycling problems.
- Supply Chain Management (SCM) World, a Gartner Company – SCM World is a cross-industry community of the leading supply chain practitioners. The community works together to advance the profession of supply chain management. Our Chief Supply Chain Officer, Sandra MacQuillan, is on the Executive Advisory Board.
- Sustainable Brands – A learning, collaboration and commerce community of more than 348,000 sustainable business leaders from around the globe. The organization works to empower more brands to prosper by leading the way to a better world. As a corporate member, we leverage access to a peer-to-peer learning and networking group that supports us in meeting our sustainability goals.
- United States Council for International Business (USCIB) – Promotes open markets, competitiveness, innovation, sustainable development and corporate responsibility supported by international engagement and prudent regulation. USCIB presents American business views on a wide range of issues – from environmental regulation to trade policy to labor relations – directly to U.S. policymakers, UN and EU officials and a host of governments and other groups.
- U.S. Green Building Council (USGBC) – A non-profit organization committed to a prosperous and sustainable future through cost-efficient and energy-saving green buildings. As a member, we provide a wide variety of products that help buildings and facilities meet the requirements of LEED certification. An organization's participation in the voluntary and technically-rigorous LEED process demonstrates leadership, innovation and environmental stewardship.
- World Wildlife Fund's (WWF) Global Forest and Trade Network (GFTN) – A program to expand responsible and credibly-certified forest management which includes technical assistance throughout the certification process and enhanced marketing opportunities. GFTN participants are committed to increasing the availability of forest products from well-managed forests, helping each other benefit and profit from sustainable forest management and ending the purchase of forest products from illegal and controversial sources.

2016 AWARDS

AWARD	DESCRIPTION
2016 FSC Leadership Award	Kimberly-Clark won the FSC Leadership Award in the "Uncommon Partnership" category. The Uncommon Partnership category celebrates the power of collaboration, and what becomes possible when diverse people and organizations come together to protect the world's forests. The FSC U.S. Consumer Marketing initiative that K-C helped bring to life was an example of that type of collaboration.
Top 40 on "100 Best Corporate Citizens" Survey by CR Magazine for the eighth Consecutive Year	Kimberly-Clark ranked among the 100 Best Corporate Citizens with a ranking of 36th according to Corporate Responsibility Magazine. This award was given as a result of data gathered from seven key criteria: climate change, environment, employee relations, finance, governance, human rights, philanthropy and community support.
U.S. EPA SmartWay® Excellence Award	Kimberly-Clark was honored for the seventh time (and fourth consecutive year) with a SmartWay® Excellence Award from the U.S. Environmental Protection Agency for working with transportation providers to move goods in the cleanest, most energy-efficient way possible, while reducing the impacts of carbon pollution.
Best companies to work for in Asia by HR Asia Magazine – K-C Hong Kong	Kimberly-Clark Hong Kong was named among the best companies to work for in Asia by HR Asia Magazine. HR Asia Magazine is one of the largest-circulating publications for senior HR professionals across Asia. Winners of the award were selected from 126 nominees among 20 industries, based on a proprietary survey that assesses the company's working environment, HR practices, employee engagement and the resulting job satisfaction.
K-C earns Perfect Score on Human Rights Campaign (HRC) Foundation's Corporate Equality Index	HRC is the annual benchmarking survey and report on corporate policies and practices pertinent to lesbian, gay, bisexual and transgender (LGBT) employees. In its fifteenth year, the CEI honors employers who embrace LGBT inclusion as a best business practice. Submissions for the CEI Survey are made each year by employee groups and team members in businesses across the United States. The CEI Survey committee reviews all submissions and assigns a score to each applicant. Kimberly-Clark Corporation received a score of 100% on the 2017 Corporate Equality Index.
Forbes' The Just 100: America's Best Corporate Citizens in 2016	The Just 100: Just Capital surveyed more than 50,000 Americans to determine what they consider to be the most important corporate traits. The survey results were used to derive 36 components that feed into 10 different drivers of company behavior. Nearly 900 companies were evaluated and ranked on those components, and their ensuing scores were utilized to come up with an overall score for their industry. Kimberly-Clark scored a 56.81.
Pulp & Paper International 2016 Water Efficiency Award	Kimberly-Clark's Beech Island Mill in South Carolina won the 2016 PPI Water Efficiency Award. This award recognizes a mill for its efforts to reduce the need for raw water while at the same time demonstrating that – either by the aid of the latest technology, or by working practice – it is maximizing its usage by filtering, recirculating and reusing its current water consumption. The Beech Island Mill commenced an effort to improve the safety and reliability of the wastewater effluent recycling system ("long-loop recycling"). This entailed the design, construction and start-up of a permanent recycle water disinfection system.
PR Week Awards Asia 2016 – Silver Award	Kimberly-Clark APAC won the Silver award for the PR Week Awards Asia 2016 for Environmental campaign of the year. PR Week Awards is a part of Campaign Asia's leading industry awards that highlight the best campaigns and programs in the region, and this win is in recognition of our work in responsible forestry and consumer education across Asia Pacific.
American Chamber of Commerce in Singapore (AmCham) – K-C APAC	Our Asia Pacific team has received the inaugural AmCham Corporate and Societal Action: Recognition for Excellence (CARES) award in Singapore. The American Chamber of Commerce in Singapore (AmCham) is the leading international business association in Singapore, with over 5,000 members representing more than 750 member companies. The award recognizes organizations who demonstrate an excellent understanding of corporate citizenship relevance, by linking business operations and society in a way that will help create long-term economic and social value.
Kimberly-Clark UK ranked one of the Best Employers – Statistica Survey	Kimberly-Clark UK was declared the fourth-best Packaged Goods Company and one of the top 100 employers in the UK according to the 2016 Statistica survey results. Statistica is one of the world's largest statistics portals, with a proven record of delivering clear, objective and robust research and reports. Statistica partnered with Bloomberg Media to ask 15,000+ employees working for 1,600 large national firms about their employers. To ensure responses were unbiased, all companies (including K-C), were unaware the survey was being conducted.

2016 AWARDS (CONTINUED)

AWARD	DESCRIPTION
APAC Effie Award finalist for Depend 'Holding Hands' campaign – YK Korea	The APAC Effies, run by the Confederation of Asian Advertising Agency Associations and Tenasia Group, honors the region's most effective marketing communication efforts that have proven results in meeting strategic objectives across Asia Pacific.
Kimberly-Clark Hsin-Yin Mill recognized for Tainan Award as one of the warmest and most caring workplaces	Hsin-Yin Mill recently received the Warmest and Most Caring Workplaces in Tainan Award organized by Labor Bureau of Tainan City Government. This is the first of its kind award held in Tainan City and the purpose of the award is promoting the caring culture and bilateral positive relationships between employees and employers among workplaces. The Mill was recognized by the judging panel on its authentic and caring culture, competitive compensation and benefits, solid employee trainings, promising career advancement practices and fair and inclusive treatment for disadvantaged laborers.
Excellence in CSR Award by CommonWealth Magazine – K-C Taiwan	The 2016 Excellence in Corporate Social Responsibility (CSR) Top 100 Companies recognition is one of the top rank CSR awards in Taiwan. It reviews the four dimensions of the competing companies including corporate governance, corporate commitments, social involvement and environmental protection. For the second year in a row, K-C Taiwan once again made it to the list by Commonwealth Magazine, the most reputable and well known business publication group in Taiwan. K-C Taiwan ranked No. 6 in the Foreign Enterprises Category and is the only FMCG company in the Top 100 list.
South Australian Premier's Award for Corporate Social Responsibility – Millicent Mill	Kimberly-Clark's Millicent Mill received the South Australian Premier's 2016 award for Corporate Social Responsibility (CSR) at the annual South Australian Volunteers Award ceremony. The CSR award specifically acknowledges the invaluable contribution of South Australian businesses that lead change in the local community through philanthropy, partnership and corporate volunteering. The award recognized the many contributions and commitment by Millicent Mill to the local community through workplace volunteering, sustainability initiatives and giving programs helping make lives better.
Best Suppliers award, Advantage Report – K-C Puerto Rico	Kimberly-Clark Puerto Rico was recognized in 2016 with a second place award for best suppliers by Advantage Report. Advantage Report provides quantitative and qualitative insights based on candid customer feedback. It is referenced to ratings provided for other companies in the industry. Companies can see how they are trending over time.
Best Suppliers award, Advantage Report – K-C Argentina	Kimberly-Clark Argentina was recognized for best suppliers in the market with first place award. Advantage Report provides quantitative and qualitative insights based on candid customer feedback. It is referenced to ratings provided for other companies in the industry. Companies can see how they are trending over time.
Fundación Manpower Group – El Salvador	Kimberly-Clark El Salvador was recognized by the Fundación Manpower Group for being a socially responsible company for diversity in employee hiring.
Monitor Empresarial de Reputación Corporativa (MERCO) – CSR Reputation	Kimberly-Clark Peru received a No. 5 overall in the general MERCO ranking and No. 1 in its category. This was the second consecutive award for Peru. The Corporate Reputation Business Monitor analyzes the companies with the best ethical practices through the MERCO Responsibility and Corporate Governance ranking.
Monitor Empresarial de Reputación Corporativa (MERCO) – CSR Reputation	Kimberly-Clark Bolivia was recognized by MERCO for the second consecutive year in the top 10 for Corporate Social Responsibility for best reputation by MERCO Bolivia Corporate Reputation manager. The Corporate Reputation Business Monitor analyzes the companies with the best ethical practices through the MERCO Responsibility and Corporate Governance ranking.
Monitor Empresarial de Reputación Corporativa (MERCO) – CSR Reputation	Kimberly-Clark Argentina ranked by MERCO in the top 20 for best reputation (by country) for the second consecutive year. The Corporate Reputation Business Monitor analyzes the companies with the best ethical practices through the MERCO Responsibility and Corporate Governance ranking.
Eikon Award – K-C Argentina	Kimberly-Clark Argentina received a silver recognition in the Social Marketing category and blue in the Social Media campaign. Eikon Awards have been managed and awarded by Imagen Magazine and a jury of experts in 21 categories since 1998.

INDEPENDENT ASSURANCE STATEMENT

ASSURANCE STATEMENT

Scope and Objectives

WSP was commissioned by Kimberly-Clark Corporation (Kimberly-Clark) to conduct independent assurance of its 2016 Sustainability Report ('the report') as published on the company's website at http://www.kimberly-clark.com/sustainability.

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

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

Our work was conducted between March and May 2017 via meetings, telephone discussions and e-mail correspondence with staff responsible for managing, collating and reporting Kimberly-Clark's Sustainability Report. We also reviewed supporting evidence and data collection systems to substantiate the data and claims relating to energy, water and waste performance information.

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

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

Methodology for Adherence to the AA 1000 accountability Principles and GRI

We tested, on a sample basis, the processes and management practices used to adhere to and evaluate adherence to the Accountability Principles of Inclusivity, Materiality and Responsiveness which form a key part of the AA1000AS. The GRI Reporting Principles of 'stakeholder inclusiveness' and 'materiality' for defining report content are very similar to the AA1000AS principles. In addition, we also tested adherence to the GRI Reporting Principles of 'sustainability context' and 'completeness' and to the GRI Reporting Principles for defining report quality of accuracy, balance, clarity, comparability, reliability and timeliness. Evidence gathering for evaluating adherence to the AA1000 AccountAbility Principles and the GRI Reporting Principles included:

- Understanding and testing the processes used to adhere to and evaluate adherence to the AccountAbility Principles and the GRI Reporting Principles.
- Inquiring of management, including senior management at executive and functional levels, and of relevant management responsible for the day to day management of sustainability, about the effectiveness of processes used to adhere to the AA1000 AccountAbility Principles and the GRI Reporting Principles. Our scope included reviewing the Kimberly-Clark sustainability strategy and procedures and processes for identifying and engaging stakeholders.

- A review of the output of Kimberly-Clark's 2016 materiality review and strategy based updates and how the AA1000 inclusivity principle has been addressed.
- Observing and inspecting management practices, process testing and evidence gathering across the organization on a sample basis.
- Collecting and evaluating documentary evidence and management representations that support adherence to the principles.

Methodology for Assurance of Sustainability Performance Data

Under the AA1000AS standard as the umbrella standard, WSP's review of specific sustainability performance data used ISO14064-3 as a guideline. Currently there is no assurance guideline specifically for water, waste, or energy. Therefore, WSP has applied the principles from ISO14064-3 to the Greenhouse gas emissions, water, waste, and energy assurance. The performance data review has been conducted to a limited level of assurance including evaluation of the adequacy of the collection, processing, consolidation and internal reporting of data. The WSP inventory and management system review consisted of a desktop review of supporting data and an output of the 2016 inventory and data files from the Kimberly-Clark internal sustainability data management system.

WSP Opinion

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

WSP has found no evidence that Kimberly-Clark's 2016 GHG, energy, waste and water inventory is not materially correct, is not a fair representation of the corresponding data and information or has not been prepared in accordance with the Greenhouse Gas Protocol.

We have made the following findings and conclusions with respect to the AA1000 (2008) principles and the GRI Reporting Principles, and without affecting our assurance opinion, we have made some recommendations for further work.

INCLUSIVITY – The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability

Kimberly-Clark has systems in place for internal and external stakeholders to participate in the development of the organization's response to sustainability issues. Kimberly-Clark engages regularly with a range of internal and external stakeholders including: employees, customers, consumers, investors, non-governmental organizations (NGOs), industry groups and suppliers. Kimberly-Clark is active within the industry network to collaborate and understand best practice and drivers for managing sustainability issues for their industry. Stakeholder participation is also encouraged across all regions and sites through the network of sustainability coordinators.

It is our opinion that Kimberly-Clark shows commitment to being accountable to those whom the organization has an impact on and who have an impact on it. The 2016 materiality assessment process has helped in recording the links between stakeholder participation and the determination of Kimberly-Clark's sustainability issues. The 2022 Sustainability Program is publically communicated through the website and via stakeholder meetings throughout the year allowing the opportunity for engagement in relation to the Sustainability Program. Stakeholder's information needs have been used to inform the content and structure of the Sustainability Report.

It is considered that the process for responding to specific local stakeholders could be more formally documented and communicated to ensure that local issues as well as global sustainability issues are appropriately addressed.

SUSTAINABILITY CONTEXT - Does the report present performance in the wider context of sustainability.

The Kimberly-Clark Sustainability report is presented with reference to broader sustainable development conditions. The Sustainability 2022 strategy is to create environmental, social and financial value and to pursue long-term change. The priorities of the strategy have been identified with reference to Kimberly-Clark's direct activities as well as its value chain and considerations to geographic contexts are made where appropriate. This is relevant for example in relation to water consumption where twelve water stressed areas have been identified as a focus for improving water efficiency.

MATERIALITY – Determining the relevance and significance of issues that are material to sustainability performance

Kimberly-Clark completed a sustainability materiality assessment in 2016. The materiality assessment process was used to identify the issues which have been presented in the 2016 Sustainability report. This materiality assessment followed a clear process for identifying business risks which was informed by engagement with stakeholders, societal and peer-based norms, financial considerations and policy based performance. We understand that Kimberly-Clark intends to repeat this process in the next couple of years as a review to ensure ongoing determination and prioritization of its material sustainability issues. This will be important to ensure that any changes in stakeholder interests and expectations are documented and used to drive the future focus areas for the sustainability strategy and for future Sustainability reports.

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

RESPONSIVENESS – An organization response to stakeholder issues that affect its sustainability performance

Kimberly-Clark's principal external communication for sustainability issues is the Sustainability Report which is made available on the Company website. The report provides stakeholders with a clear explanation of changes in the organization throughout the year, and reports on performance on all the key material issues.

Regional Sustainability reports are also produced in some regions. These use the Sustainability 2022 framework and data collected on the internal sustainability data management system but these reports are not subject to the same level of internal assurance as the global report.

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

An approval process for the development of the Sustainability report has been established by Kimberly-Clark and evidence was provided that this process was being followed and was adding value to the assurance of the reporting development and sign off.

It is recommended that consideration is made to providing additional on line sustainability data and information which could be used to increase the frequency of reporting beyond the annual reporting cycle.

Completeness - Does the report include coverage of material topics and their boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organization's performance in the reporting period?

The Sustainability report includes information relating to all of the identified material topics relevant to Kimberly-Clark activities during 2016. Global coverage of information is provided relating to activities, products and services of Kimberly-Clark as well as impacts resulting through the value chain.

Accuracy – Is the reported information sufficiently accurate and detailed for stakeholders to assess the reporting organization's performance?

Data is provided to support qualitative statements where available and the accuracy of data is audited internally before it is presented in the Sustainability Report. Assumptions and techniques used for estimation are included as part of this review process.

Balance – Does the reported information reflect positive and negative aspects of the reporting organization's performance to enable a reasoned assessment of overall performance?

The Sustainability Report presentation is considered to be balanced. Performance information is presented to show year on year comparison and the achievement or otherwise towards goals set.

Clarity – Does the reporting organization make information available in a manner that is understandable and accessible to stakeholders using that information?

The Sustainability Report is considered to be presented in an easy to read format with the appropriate use of tables and diagrams and stories to help present information.

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

Comparability – Are reported data selected, compiled and reported consistently and in a manner that enables stakeholders to analyze changes in the organization's performance over time, and that could support analysis relative to other organizations?

The Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Core level which are best practice benchmarks which allow for comparison relative to other organizations on a year by year basis.

Reliability – Is the report information gathered, recorded, compiled, analyzed in a way that it can be subject to examination, and that establishes the quality and materiality of the information?

Use of a robust data management platform helps reduce the risk of data inaccuracies and improves consistency in data management and reporting across Kimberly-Clark's global operations. The information and data in the report is subject to rigorous internal audit review. The internal audit

process together with the external assurance of the Sustainability report and specified reporting information using a recognized best practice standard ensures that the report can be relied upon.

Timeliness – Does the reporting organization report on a regular schedule so that information is available in time for stakeholders to make informed decisions?

The information in the report clearly indicates the time period to which it relates and this is presented alongside data from previous years to aid comparability of data year on year. All of the new information in the report relates to the calendar year 2016.

Reliability of Specified Performance Information

We have evaluated the systems and processes used to collate and report the GHG, energy, water and waste performance data for 2016 and have been able to obtain an AA1000:2008 moderate level of assurance in respect of the data which is reported in the Sustainability Report. This level of assurance is equivalent of a limited assurance under ISO 14064-3.

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

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

A few errors in the reporting of waste, water or energy were identified during the assurance exercise; however these did not have a material impact on reporting at Kimberly-Clark Group level. All errors were corrected prior to the Sustainability Report being published.

Recommendations for Kimberly-Clark to consider implementing for future reporting in order to further improve its GHG, Waste, and Water inventory process are outlined below:

- Kimberly-Clark currently holds its mobile emissions constant based on a past estimate due to data access issues. Transition to the internal sustainability data management system allows capture of mobile fuel use, so WSP recommends updating and calculating mobile emissions on an annual basis as part of its new goal period.
- Reporting of office waste is new for 2016. Only actual data is reported for office locations. Some facilities are missing waste data. WSP recommends estimating office waste for locations where actual waste data is not tracked.
- Kimberly-Clark currently has not applied any supplier specific emission factors. WSP recommends approaching large suppliers of electricity to obtain supplier-specific emission factors for future market-based calculations.
- Scope 3 Product Transport. Currently, only the CO2 value is calculated for intermodal shipping based on fuel consumption. Mileage data is available, so WSP recommends calculating the CH4 and N2O associated with its Intermodal shipping and reporting a CO2e value.

- Kimberly-Clark has a documented inventory management plan that delineates the identification, quantification and reporting of GHG emissions. However, this document has not been updated and does not include the processes for waste and water identification, quantification, and reporting. As a best practice, WSP recommends updating this document on an annual basis and adding waste and water.

Rachel Jones

Technical Director
London, May 2017

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SUSTAINABILITY
2022

Kimberly-Clark