

2021

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# Global Sustainability Progress Report







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# About This Report

About This Report

For nearly two decades, Kimberly-Clark has published an annual Sustainability Report to provide progress updates on the company's environmental, social, and governance (ESG) matters.

Our Strategy

This year, we have enhanced the ESG-related content on our [sustainability website](#) in order to provide more primary information about our overall strategy, progress and achievements. We will use this report to focus on the key highlights and developments from the past year.

Social Impact

We believe this approach will make it easier for our stakeholders to find the information that is most relevant to them.

Inclusion & Diversity

As our reporting format continues to evolve, Kimberly-Clark's commitment to acting with care for people, communities, and the planet remains resolute. In addition, maintaining transparency in our ESG disclosures in order to engender the trust of our investors, customers, consumers, employees, local communities, and other stakeholders remains paramount.

Environment, Health and Safety

Product Quality & Safety

This report and accompanying disclosures portray Kimberly-Clark's progress through stories that highlight our work around the world as well as key data and metrics prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards "Core" level. Our reporting covers the time frame of January 1, 2021 through December 31, 2021. For more information on the topics in this report, we invite you to visit the [sustainability page](#) on our website.

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## Forward Looking Statements

All statements in this report that are not historical, including goals for and projections of future results, the expected execution and effect of our sustainability strategies and initiatives and the amounts and timing of their expected impact, constitute forward-looking statements that are based on management's expectations and beliefs concerning future events impacting the company.

Many factors outside our control, including competitive pressures, evolving legal and regulatory requirements, and societal and market conditions globally and in the markets in which we do business, could cause actual results to vary.

Issues identified as material for purposes of this report may not be considered material for SEC reporting purposes.

There can be no assurance that these future events will occur as anticipated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them. Please see Kimberly-Clark's latest [Annual Report](#) on Form 10-K and subsequent SEC filings for a discussion of risk factors as they relate to forward-looking statements.



# A Message from Chairman and CEO Mike Hsu

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As I reflect on the last year, I’m proud of how our team at Kimberly-Clark remained committed to caring for our consumers, customers and communities in the face of significant global challenges. These events have taken a toll on society and on our planet, reinforcing the need to be better stewards for current and future generations.

At Kimberly-Clark, that means fulfilling our purpose of Better Care for a Better World through the products we make, the workplaces we create and the communities we serve.

Our [2030 sustainability goals](#) are critical to our purpose, and our sights are set on achieving them. Here are some progress highlights for 2021:

- Our brands continued to deliver toward our goal to [improve the well-being of 1 billion people](#) by 2030 by increasing people’s access to clean water, safe sanitation and hygiene through programs like “Toilets Change Lives” and partnerships with NGOs, including Water For People, WaterAid and Plan International.
- Consistent with the world’s enhanced climate action commitments coming out of COP26, we made progress against ambitious targets approved by the Science Based Targets initiative (SBTi) for reducing our Scope 1 and 2 greenhouse gas emissions by 50% and our Scope 3 emissions by 20%\* – all by 2030. As of the end of 2021, we achieved nearly a 41% reduction in operational emissions (Scope 1 and 2) versus our 2015 base year.

\* Scope 3 reduction target focuses on purchased goods and services and end of life treatment of sold products.

- In addition to reducing our operational footprint, we’re continuing to develop more sustainable solutions for our global portfolio, including alternative fibers and plastics. In 2021, 87% of the fiber we used globally came from environmentally preferred sources. On the plastics front, we’ve doubled the percentage of our recycled content in our plastics packaging, and, through our various partnerships, we’re exploring more sustainable, commercially viable and scalable alternatives to fossil fuel-based plastics.
- We continued to foster a culture of inclusion that recognizes, values and celebrates the diverse perspectives of our team. Among other pillars of our strategy, we’re focused on leveraging leadership to drive inclusion and diversity with initiatives including educating team leaders through our Activating Inclusive Leadership Lab to build high-performing, inclusive and diverse teams.
- As we continued to navigate the global COVID-19 pandemic, we prioritized the health and safety of our people with global protocols that often exceeded local requirements. A number of our sites provided preventive programs, including free on-site testing, vaccination clinics for employees and family members as well as training and education. Supporting our people’s health and safety enabled us to continue producing the essential products that people around the world depend on every day.

I’m proud of what the team has accomplished and recognize there’s more we need to do to meet the challenges of the moment.

As Kimberly-Clark continues to grow our business, our care for consumers, customers, partners, communities, and our people, remains front and center. From our commitment to climate stewardship and our efforts to develop more sustainable solutions for our product portfolio to our focus on inclusion and diversity and our ambition to advance the well-being of 1 billion people around the world, we’ll continue to drive positive impact as we create long-term value for our shareholders. That’s how we deliver Better Care for a Better World.

**Mike Hsu**  
Chairman, CEO,  
and Proud Employee





# Q&A with Lisa Morden

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**Kimberly-Clark has been engaged in sustainability efforts for almost two decades. In this Q&A, our Vice President of Safety, Sustainability and Occupational Health, discusses how that engagement is evolving in response to the needs of our people, our customers, and our planet.**

**How is Kimberly-Clark taking action to address climate change?**

When we set goals, we do so with a vision for how to achieve them while ensuring they are meaningful and robust. This applies to our climate goals and the pipeline of initiatives designed to cut our Scope 1 and 2 emissions in half by 2030. We also know that we must continue to push ourselves to go further by exploring technologies and pathways that would help unlock net zero as a feasible future ambition.

Our climate efforts have been centered on our energy transition, with a shift from fossil fuel-based energy sources towards alternatives while also improving our energy efficiency. In 2021, renewables accounted for 30% of the electricity purchased at our manufacturing and distribution sites, a 12% improvement

from 2020. This has been driven in part through incorporation of renewable power purchase agreements. We also recognize the role forests play in mitigating climate change and will continue to work to reduce impacts in our extended supply chain through responsible fiber sourcing practices.

In addition to our efforts to minimize emissions associated with climate change, we are also considering the impacts that a changing climate can have on our business. In 2021, we conducted Kimberly-Clark’s first climate risk assessment and communicated the findings in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

**How have Kimberly-Clark’s sustainability efforts evolved, particularly over the past year?**

In the past year, we have continued to align these efforts to Kimberly-Clark’s purpose: Better Care for a Better World. This includes pursuing sustainability initiatives that address concerns shared by our stakeholders and the scientific community, while reinforcing our brands’ purpose. Through this approach, we further our aspiration to



improve the lives of consumers, communities, and others across our value chain.

We are also continuing to explore new and emerging technologies in our quest to develop more sustainable alternatives to natural forest-derived fibers and traditional plastics. While few such alternatives are currently technically and economically viable at scale, the teams continue to work to make progress for the long term. At the same time, we are continuing to make our operations more efficient by enhancing our energy and water management systems with digital capabilities, progressing waste reduction efforts, and finding ways to convert scrap materials into secondary products.

We also continue to advance strategic partnerships, including with organizations such as Deltares, with whom we launched WaterLOUPE 2.0, a tool that supports development of sustainable water management plans in collaboration with local stakeholders. This tool will continue to be refined as we progress the sustainability of key operations in water-stressed regions.

**continued →**





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**Kimberly-Clark has continued to foster a culture that embraces inclusion and diversity (I&D). How has the company progressed over the past year?**

Much of the work associated with the company's I&D strategy has focused on helping to guide discussions within the company. We believe we have opened the door for enhanced transparency and more candid conversations with team members with varying perspectives around the world, while generating greater recognition of unconscious biases.

We also support important work to address systemic inequities. In 2021, the Center for Heirs' Property Preservation™ and the Mississippi Center for Justice announced the Mobile Basin Heirs' Property Support Initiative, a two-year program designed to help historically underserved families in Mississippi protect and keep their forestland, build generational wealth, and promote productive, sustainably managed forests. With support from World Wildlife Fund (WWF) and Kimberly-Clark, the initiative will provide a combination of legal services, information, and assistance accessing financial resources to help

Mississippians resolve land title issues that disproportionately affect Black families and often lead to loss of land, wealth, and forest resources.

**Could you describe how Kimberly-Clark's values influenced the company's operations in 2021?**

A top priority continues to be protecting the health and safety of our people, which was evident in the extraordinary measures that the company took to help protect our employees through the pandemic while keeping our supply chain moving so consumers had access to essential products.

At the same time, we furthered the integration of our new sustainability goals into the organization and invested in additional monitoring of our supply chain for human rights risks that could be inconsistent with our values.

Last fall, we released a new Culture Compass, which defines how our teams around the world can bring our purpose to life through strong values and ways of working. It challenges us to be purpose-led and performance driven, aligning our teams behind Better Care for a Better World.

As we impact lives through the products we make, the workplaces we create and the communities we serve, this is an inspiring privilege and an important responsibility.

**Lisa Morden**  
Vice President, Safety, Sustainability,  
and Occupational Health





# Our Strategy for the Decisive Decade

## What Does it Mean to Provide Better Care for a Better World?

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Our purpose of Better Care for a Better World is our call to action, challenging us to help billions of people through greater access to life's daily essentials while building on our past successes, scaling our use of efficient new technologies, and delivering solutions that address the challenges facing our planet in the decade ahead.

Social Impact

For Kimberly-Clark, tackling our sustainability risks and opportunities means innovating across our business to evolve our products, solutions, and ways of working. We strive for social impact that helps address inequities in access to education, hygiene, and sanitation, while working to reduce our impact on the planet associated with single-use plastics, forest reliance, carbon emissions, and water use.

Inclusion & Diversity

Environment, Health and Safety

We will remain steadfast in our efforts to reach our goals because we believe it's the best way to care for the people we serve, it's the right thing to do for our planet, and it helps us deliver on our purpose.

At Kimberly-Clark, we're committed to making lives better while working to safeguard the earth's natural systems. We have established an ambitious set of sustainability goals to guide our efforts.

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### 2030 Goals:



**Social Impact**  
Advance the well-being of **1 billion people** in vulnerable and underserved communities



**Plastics Footprint**  
Reduce our plastics footprint by **50%** over a 2019 base year



**Forest Footprint**  
Reduce our Natural (Northern) Forest Fiber footprint by **50%** over a 2011 base year (by 2025)



**Carbon footprint**  
Reduce our absolute GHG emissions (Scope 1 and Scope 2), by **50%** over a 2015 base year



**Water footprint**  
Reduce the water footprint of our mills in water stressed areas by **50%** over a 2015 base year



# Social Impact

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The UN Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a rally to end poverty, protect the planet and further peace and prosperity. Recent research shows that progress must be accelerated in several areas including good health and well-being (SDG 3), gender equality (SDG 5), clean water and sanitation (SDG 6) if these goals are to be achieved by 2030.

Our Strategy

Our ambition is to advance the well-being of 1 billion people through innovation and programs that deliver essentials to vulnerable and underserved communities, helping children thrive, empowering women and girls, and improving access to sanitation.

Social Impact

## How Are We Doing?

Inclusion & Diversity

We continue to make important strides implementing our social impact strategy. As our brands’ programs continue to increase access to essentials like water, sanitation, and hygiene while also helping to break down barriers for women, we are laying the groundwork for accelerating our impact in the years to come.

Environment, Health and Safety

In 2021, Kimberly-Clark advanced the well-being of 15.7 million people in vulnerable and underserved communities, raising our total to 41.4 million people since 2015. While our progress represents an acceleration toward our goal, we recognize that building an impactful program for the scale of our ambition requires further work.

Product Quality & Safety

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Our brands have expanded partnerships to improve quality of neonatal care, and provide educational materials, and financial resources for non-profits providing clean water, sanitation, and hygiene resources in vulnerable communities. We’re also exploring ways to reach underserved consumers facing social stigmas, inadequate distribution, or other challenges that hinder their access to essential products for a better life.

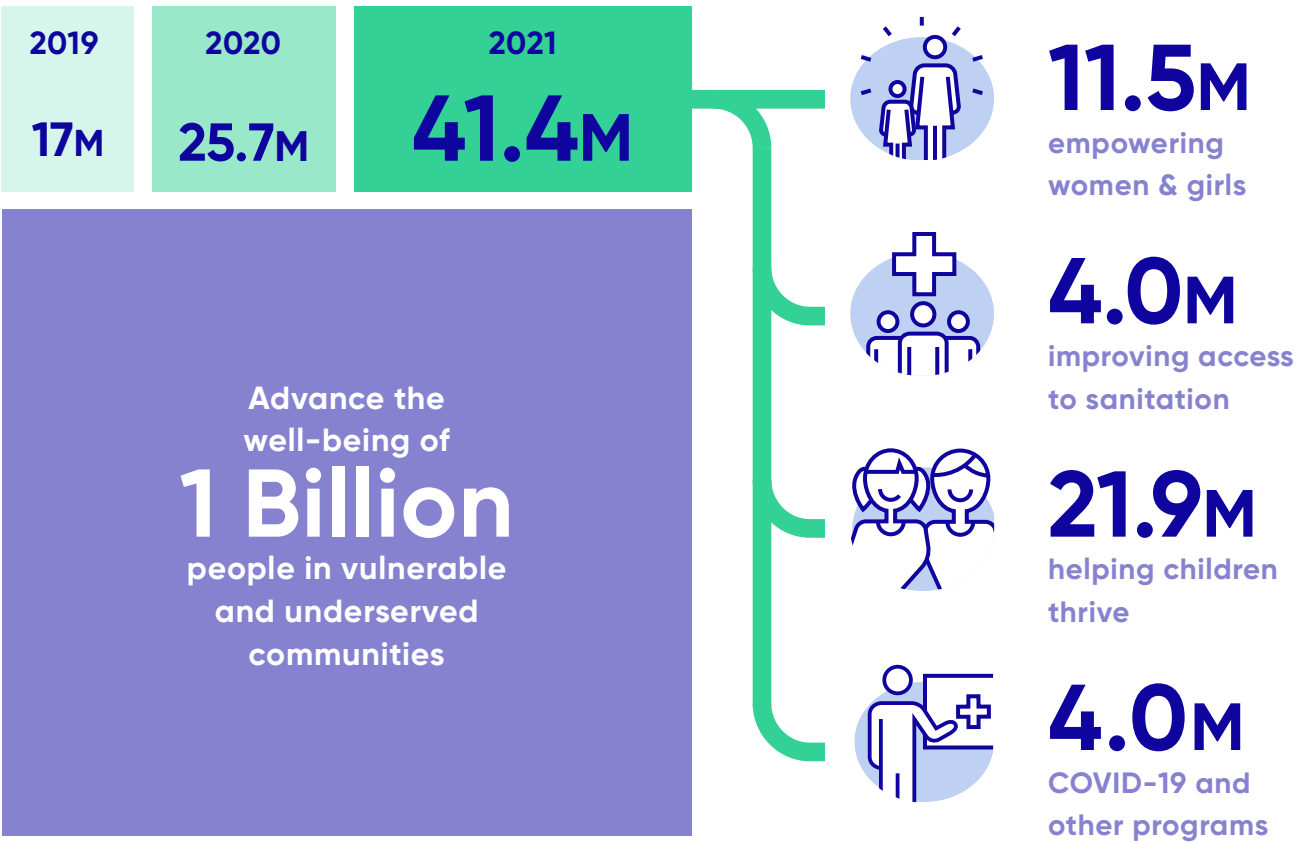
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### Progress Toward Our Goal

Since 2015, we’ve advanced the well-being of people by pursuing four strategic priority areas:







# Our Brands Lead With Purpose

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Andrex



HUGGIES

kotex

4.0M

people with improved access to reliable and safe sanitation since 2014

20M

diapers donated to struggling families in 2021

338,000

girls received Kotex samples in Nigeria with Kotex Hygiene Talk program

1

**We champion a world where all can enjoy access to clean water, sanitation, and hygiene.**

Kimberly-Clark's Toilets Change Lives program helps provide some of the world's most vulnerable communities with improved access to reliable and safe sanitation, reaching 4.0 million people across 15 countries since 2014.

In partnership with non-governmental organizations (NGOs) such as Water For People, WaterAid, and Plan International, the program provided resources in four countries in 2021: Bangladesh, Nigeria, Uganda, and El Salvador.

2

**We care for the health and well-being of people at all stages of life.**

Providing the essential products, information, and care to help keep vulnerable mothers and babies healthy throughout the babyhood journey is a foundational social commitment of our Huggies brand.

Through partnerships with the National Diaper Bank Network, Red Cross Disaster Relief, UNICEF, and others, Huggies donated over 20 million diapers to struggling families in 2021 in the U.S. alone. Huggies also sponsored Hand to Hold, an initiative that in 2021 provided critical resources, educational materials, and virtual support to 18,394 mothers and families struggling with the trauma of having their brand-new baby in intensive care.

3

**We challenge stigmas and champion the progress of women.**

Supporting our unwavering belief that a period should never get in the way of a woman's progress, Kotex and the Kimberly-Clark Foundation contributed \$625,000 in 2021 to help bring menstrual health education and training to girls in Guatemala and Peru. This financial commitment expands the brand's existing partnership with Plan International to help reach nearly three million people in eight countries worldwide.

In Nigeria, our team launched Kotex Hygiene Talk, a school-based education program that distributed Kotex samples to over 338,000 girls in 2021.



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# Expanding Our Reach

## Caring for Our Communities

The Kimberly-Clark Foundation supports the social responsibility efforts of the company and strives to help those in need gain essentials for better lives through a range of health, humanitarian, economic and environmental initiatives.



**\$37.4M**  
total giving in 2021



**\$1.19M**  
employee gifts  
matched in 2021

### United Way

For nearly 70 years, we have been a strong supporter of United Way. In Kimberly-Clark communities throughout the United States, we raise money through enthusiastic campaigns and participate in volunteer events.



**\$1.75M**  
contributed to  
United Way in 2021

### No Baby Unhugged

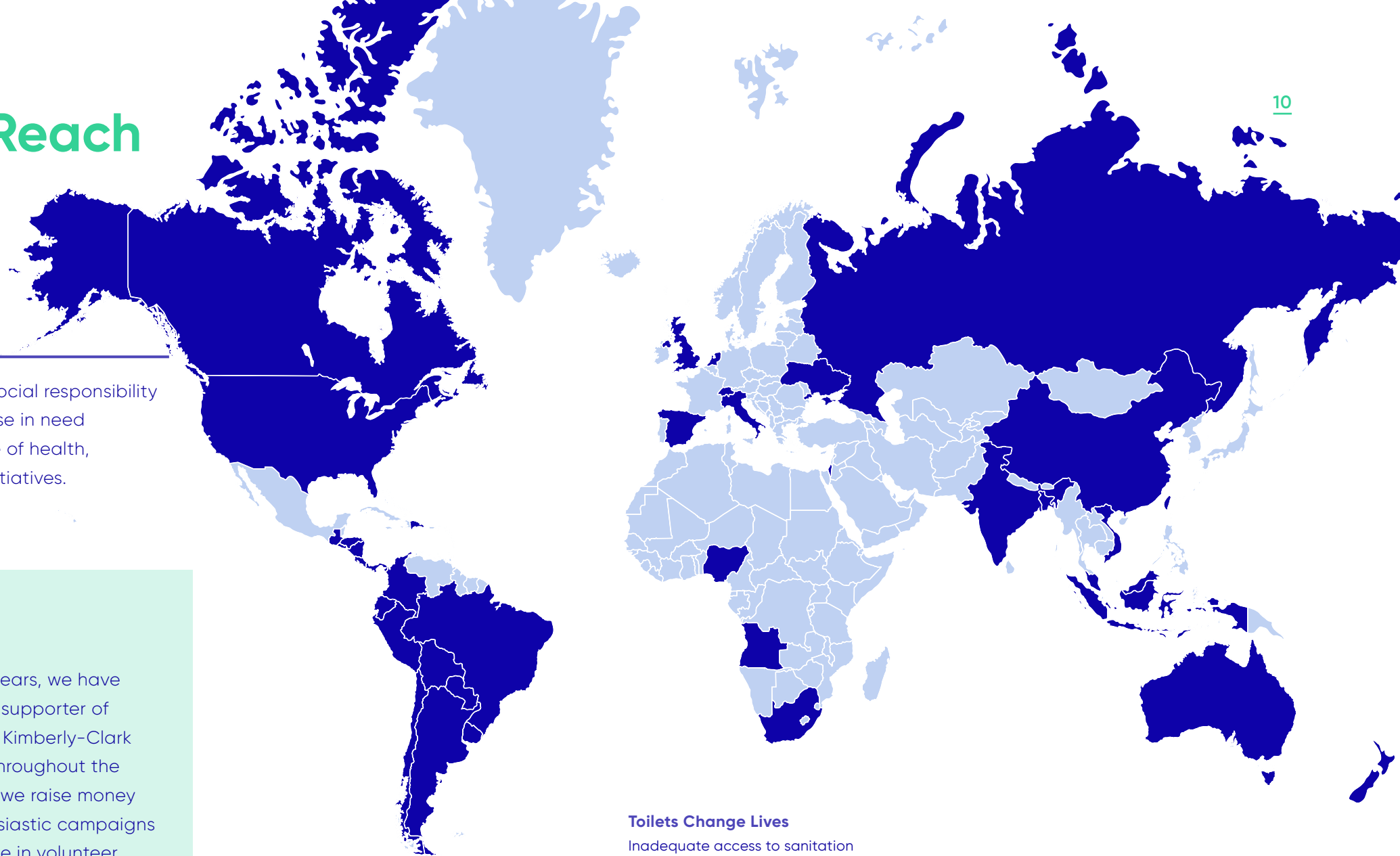
Kimberly-Clark's contribution through Huggies® global 'No Baby Unhugged' program will be used to support and grow UNICEF's current Early Childhood Development (ECD) initiatives.

### Toilets Change Lives

Inadequate access to sanitation stands in the way of health, safety and dignity for billions of people. We know that providing access to toilets or hygiene education can change the future of entire communities. Kimberly-Clark and its 'Toilets Change Lives' program brings clean water and sanitation solutions to 7 million people across 15 countries.

### Kotex She Can

The Kotex She Can Initiative champions women's progress by fighting period stigmas and the barriers they cause, by promoting access to education in schools and communities and by helping to open doors so women gain equal opportunity.



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# Inclusion & Diversity

About This Report

Our vision is to use our strength to help combat inequities for our people, our consumers, and our communities around the world—making lives better today and tomorrow.

Our Strategy

Kimberly-Clark stands firmly behind an intentional, global strategy for inclusion and diversity (I&D), and we are dedicated to better delivering on our vision by building and retaining a workforce that reflects our consumer bases around the world.

Social Impact

Inclusion & Diversity

## Activating Our Strategy

In 2021, we brought our updated I&D strategy to life, helping our employees understand that their unique perspectives and individuality are not only valued, but critical to creating an inclusive culture for all.

Environment, Health and Safety

We expanded our Global Diversity Week to 59 countries, reaching thousands of attendees, with a five-day event that featured leadership panels, workshops, and small group discussions centered on inspiring people to better activate a culture of inclusion.

Product Quality & Safety

We expect our leaders to act as cultural enablers who build high-performing, diverse teams and infuse inclusion into how we work and make business decisions. More than 70% of team leaders across the company took part in our Activating Inclusive Leadership Lab, a three-week program to explore unconscious biases and build inclusive leadership strategies.

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Beyond that, we connected with a third-party, McKinsey & Company, with the goal of matriculating diverse talent from among our emerging talent and mid-level leaders. In 2021, almost 100 Black colleagues graduated from the Management Accelerator Program. Additionally, we expanded this offering to Asian and Hispanic talent.

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## Employee Resource Groups Drive Inclusion & Diversity

When it comes to raising awareness and building relationships around I&D issues, our Employee Resource Groups (ERGs) have been leading the charge for years. Through cultural events and panel discussions, our ERGs aim to foster greater understanding of different perspectives and backgrounds. These groups are also an important forum for career mentorship and development and give back to our local communities through regular volunteer activities.

In 2021, we launched the WIN (Women’s Inclusion Network) India ERG across our Kimberly-Clark India business groups, dedicated to connecting, growing together, breaking stereotypes, and pursuing causes its members are passionate about, both within the company and beyond.



**I commit to creating inclusive and representative leadership in my organization by creating an environment which enables women leaders to achieve their full potential.**

**Mainak Dhar,**  
Managing Director, India



# Environment, Health and Safety

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Kimberly-Clark has the potential to benefit billions of lives through the products we make, the workplaces we operate, and the communities we serve. But we can only provide Better Care for a Better World by living our values every day, which includes creating a work environment that seeks to protect the health and safety of our employees and helps to safeguard the environment.

## We Care, We Own, We Act: Values to Live and Work By

Kimberly-Clark's approach to environment, health, and safety (EHS) helps to ensure that our sites work to continuously improve their EHS performance by focusing on reducing risk and promoting compliance with regulations and standards, and further embedding EHS into our culture and ways of working.

Framed within an EHS Maturity Model, we have established defined performance standards for our operations and a roadmap to achieve the expected level of performance. This model also requires implementation of an integrated EHS Management System modeled after the International Standards Organization's Management System standards, and sets the leadership agenda to further the mindsets, behaviors, and capabilities essential for strong environment, health and safety accountability, and performance.



12%  
TRIR improvement

Our Total Recordable Incident Rate (TRIR) improved by 12% over 2020 across our facilities globally.

### Managing Through the Pandemic

Over the past two years, helping to keep our employees safe from the highly dynamic risks of COVID-19 has often meant going beyond local requirements. In many countries, employees viewed our sites as oases of safety, owing to onsite health protocols that regularly exceeded local standards or requirements. Protocols implemented globally included daily health and temperature checks upon entry, which helped to give our employees peace of mind.

When local supplies of face coverings and hand sanitizers dwindled, Kimberly-Clark prioritized obtaining these critical resources for our employees and progressed capabilities to manufacture face masks to support both our employees and our customers.

To further mitigate risks and support our teams, where feasible, we also offered preventive programs including free on-site testing, vaccination clinics for employees and family members as well as training and education.



During a peak COVID-19 outbreak in Vietnam, the government requested that companies house all employees on site. Kimberly-Clark adopted a high standard and leased entire hotels to create a "safety bubble" for our local employees.





# Product Quality & Safety

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The well-being of our consumers is a top priority, which is why it is our policy to deliver products that are in accordance with regulatory requirements and meet or exceed consumer expectations. We take a science-based approach to product safety, and aspire to use only the safest ingredients and to provide open and transparent details about those ingredients.

## Promoting Consumer Safety

Around the world, we employ over 100 dedicated personnel focused on ensuring product safety. The Quality, Regulatory and Compliance organization partners with our development teams to help ensure our products are safe for their intended use, and assure their compliance with applicable governmental regulations and our own corporate standards.

**In 2021, our teams completed more than 3,600 safety and compliance assessments of new ingredients, raw materials, finished products, design changes, and market expansions.**

Over the past several years, we’ve aligned with emerging public and scientific consensus on ingredients of concern by removing microbeads, triclosan, and nonylphenol ethoxylates from Kimberly-Clark products, and focusing on the removal of parabens and phenoxyethanol from our baby wipes. In 2020, we joined the Green Chemistry and Commerce Council (GC3), a multi-stakeholder collaborative that helps drive the commercial adoption of green chemistry by catalyzing and guiding action across industries, sectors, and supply chains.

## Enhancing Transparency

To give our consumers greater peace of mind, we’re also working to provide greater transparency into our product ingredients – a major undertaking, given that our brands offer hundreds of products around the world, incorporating thousands of ingredients.

In the near term, we remain focused on publishing ingredient information for products on our [corporate website](#) to provide greater transparency into our consumer tissue products as well as our tissue and formulated professional products in the North American market.

In 2021, we accelerated the progress of this work by adding ingredient information on priority regional products, such as personal care wet wipes in South America, Europe, and Asia Pacific, and baby care products in South America. Further, our North American feminine care brands added ingredient disclosures to their websites.

Looking ahead, we will continue our work to disclose our consumer product ingredient information worldwide, giving consumers additional data to help them make informed choices.





# Plastics Footprint

About This Report

Plastics provide significant health and hygiene solution benefits, but improperly managed, can contribute to growing environmental concerns such as the accumulation of plastic pollution in our oceans.

Our Strategy

Kimberly-Clark aspires to improve our material efficiency, develop innovative alternatives to fossil fuel-based plastics, and support circular material flows and other end-of-life solutions.

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## How Are We Doing?

Our ambition is supported by several aggressive targets for 2025 and 2030, and we continued to progress development of our plastic footprint reduction pipeline in 2021 while making progress towards our packaging goals. Importantly, our global sourcing strategy enabled us to double the percentage of recycled content in our plastic packaging in 2021, as we aspire to have more recycled content across our plastic packaging by 2025.

To expedite our move to more sustainable materials and processes, we’re continuing to partner with stakeholders across our value chain to drive innovation and action. Seeking alternatives to and reducing our consumption of traditional, fossil fuel-based plastics – combined with our efforts to advance post-consumer solutions – are all part of our ambition to reduce our plastic footprint by 50%\*.

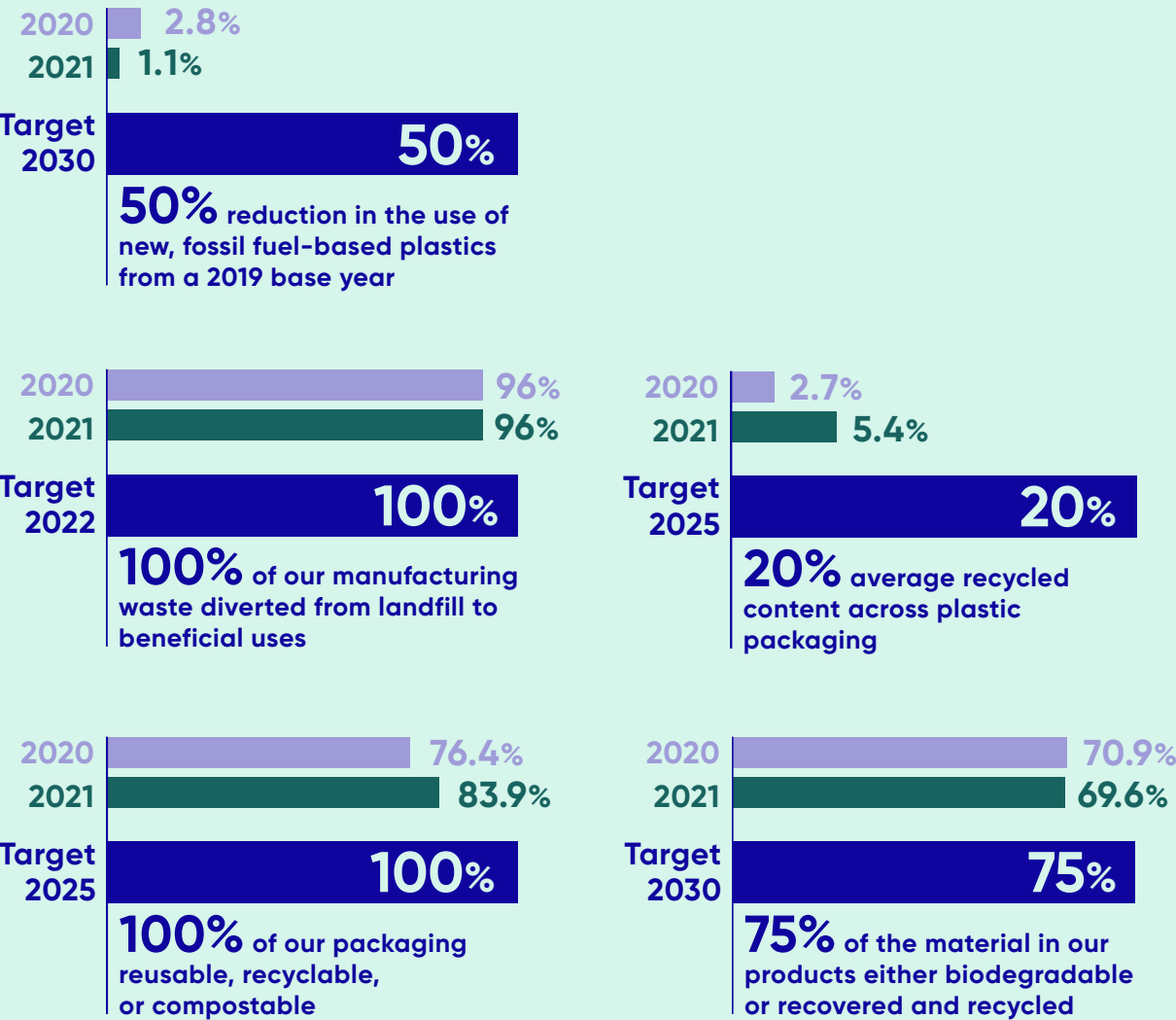
Notably, growth in our Personal Care business (including the acquisition of Softex Indonesia), coupled with challenges with supply and affordability of current solutions, have created headwinds to our goals that highlight the need for further internal and external innovation in products and packaging over the next few years.

Finally, we are continuing to seek cost-effective and sustainable solutions for the last remaining waste streams going to landfill, moving us closer to diverting 100%\*\* to more beneficial uses by 2022.

\*excludes other non-renewable materials (i.e. tapes, adhesives, binders, and absorbents)  
\*\*Excludes major construction and demolition debris as well as regulated or mandated disposal methods

### Progress Toward Our Goals:

Key targets to move us toward our plastic footprint reduction goals







# Seeking More Sustainable Alternatives for Single Use Plastics

## About This Report

The race to prevent the adverse impacts of single use plastics in the environment relies on the deployment of new, more sustainable alternatives that offer comparable or superior quality and performance.

## Our Strategy

One example of how Kimberly-Clark is tackling this innovation challenge is through a partnership with RWDC Industries which combines Kimberly-Clark's deep expertise in nonwoven technologies and resin development with RWDC's innovative marine- and soil-biodegradable biopolymer solutions.

## Social Impact

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This collaboration could help to unlock the innovation needed to replace traditional fossil fuel-based plastics in our hygiene products with materials that can be more effectively managed after use.

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### RightCycle Celebrates a Decade of Innovation



Kimberly-Clark Professional's RightCycle program was the first large-scale recycling effort for non-hazardous lab, cleanroom, and industrial waste Personal Protective Equipment (PPE).

Now in its tenth year, the program has enabled our North America customers to divert over 1,600 metric tons of PPE and other waste from landfills. As part of our aspiration to be at the forefront of the transition to a circular economy, we are expanding RightCycle's scale to include even more products, including hand towels in 2021.





# Forest Footprint

About This Report

Forests are the world’s best natural mechanism for removing CO<sub>2</sub> from the atmosphere, sequestering it in tree mass and soil. In recognizing forest conservation as an important climate change mitigation pathway, we must also ensure safeguards are in place that simultaneously provide protections for forest biodiversity and the rights of indigenous communities.

Our Strategy

Kimberly-Clark depends on these forests to produce tissue and personal care products for our customers around the world. By promoting sustainable forest management, we’re working to mitigate the acceleration of climate change while also conserving critical, rich, terrestrial biodiversity and supporting forest-dependent communities around the world.

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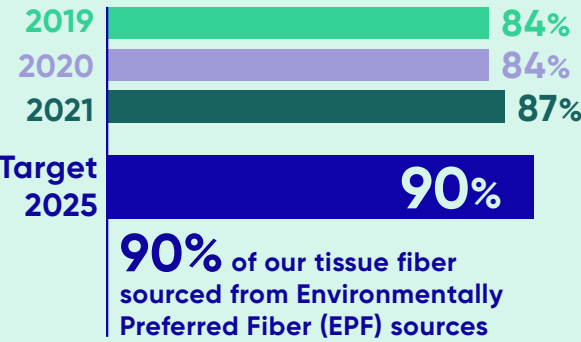
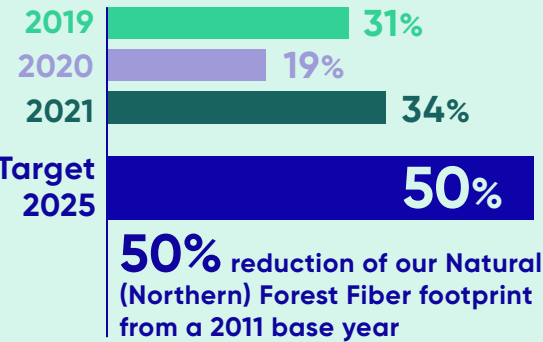
## How Are We Doing?

We continue to make progress toward our goal of sourcing 90% of our tissue fiber from environmentally preferred fiber sources. In 2021, Kimberly-Clark achieved 87% environmentally preferred fiber\* use globally, primarily by increasing our procurement of virgin wood fiber certified by the Forest Stewardship Council (FSC®) (63%) as well as recycled fiber (24%) for our tissue products.

To aid decision making and to monitor progress as we continue shifting to more sustainable fiber options, we completed a new life cycle assessment of virgin wood, recycled, and alternative non-wood tissue fibers to better understand the relative environmental impact of various fiber types when used in tissue products.

Reducing our overall use of natural forest fibers to meet our targeted 50% reduction by 2025 from our 2011 baseline has proven more challenging. In 2021, we achieved a 34% reduction in natural forest fibers versus our 2011 baseline, helping us to rebound our progress to pre-pandemic levels. We remain committed to unlocking further reductions through innovative new materials and technological solutions.

### Progress Toward Our Goals



### Recycled Fibers

In pursuit of our 90% environmentally preferred fiber (EPF) target, we have worked to increase the use of recycled fiber in many of our single-use tissue products. For example, our facility in Villey-Saint-Étienne, France, which produces paper towels for businesses, introduced its first 100% recycled fiber paper towels in 2019 and has continued to increase its use of recycled fiber ever since. In 2021, recycled fiber accounted for over 90% of the manufacturing site’s total fiber use.



\*Environmentally preferred fibers include recycled fiber, sustainable alternative non-wood fibers, and Forest Stewardship Council (FSC®) certified virgin wood fibers





# Helping Historically Underserved Mississippians Keep Generational Land and Conserve Working Forests

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In 2021, the Center for Heirs’ Property Preservation and the Mississippi Center for Justice launched the Mobile Basin Heirs’ Property Support Initiative, a two-year program designed to help historically underserved families in Mississippi protect and keep their forestland, build generational wealth, and promote productive, sustainably managed forests.

With support from Kimberly-Clark and the World Wildlife Fund (WWF), the new initiative provides legal services, information, and aid in accessing financial resources to help Mississippians resolve land title issues that disproportionately affect Black families and often lead to involuntary loss of land, wealth, and forest resources.

Conserving forests and managing them with sound environmental practices will help secure the availability of sustainable fiber products and provide environmental, social, and economic benefits for generations to come.



Helping heirs' property owners secure clear title to their ancestral land enables them to protect, care for, and benefit from that land, and we are honored to support the Center for Heirs' Property Preservation, the Mississippi Center for Justice, and WWF in advancing this important work.

Lisa Morden,  
VP of Safety, Sustainability & Occupational Health



# Carbon Footprint

About This Report

As the world strives to limit global warming to below 2 degrees, and as awareness of climate change impacts leads more retail customers and consumers to prioritize sustainable business practices and products, we are doing our part to contribute to a low-carbon economy.

Our Strategy

Our greenhouse gas (GHG) emissions reduction efforts focused on energy conservation and lean energy management systems, renewable and alternative energy generation, and improving measurement of our Scope 3 emissions in support of our 2030 goals.

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## How Are We Doing?

In 2021, we made substantial progress in pursuit of our SBTi-approved carbon reduction goal, cutting our Scope 1 and 2 GHG emissions by 7.9 percentage points to achieve a 40.7% reduction against our 2015 baseline.

Our focus on increasing renewable energy generation in North America contributed heavily to this progress, as did our work to lower energy consumption in our manufacturing operations, which collectively resulted in a 12.3% reduction in energy intensity from our 2015 baseline.

In 2021, a pilot program introduced standardized visual energy and water management systems into select manufacturing sites, supporting energy use reduction that delivered an 8,000 MT reduction in CO<sub>2</sub> equivalents. As we deploy these systems further, we are poised to accelerate Scope 1 & 2 emissions reduction in the coming years.

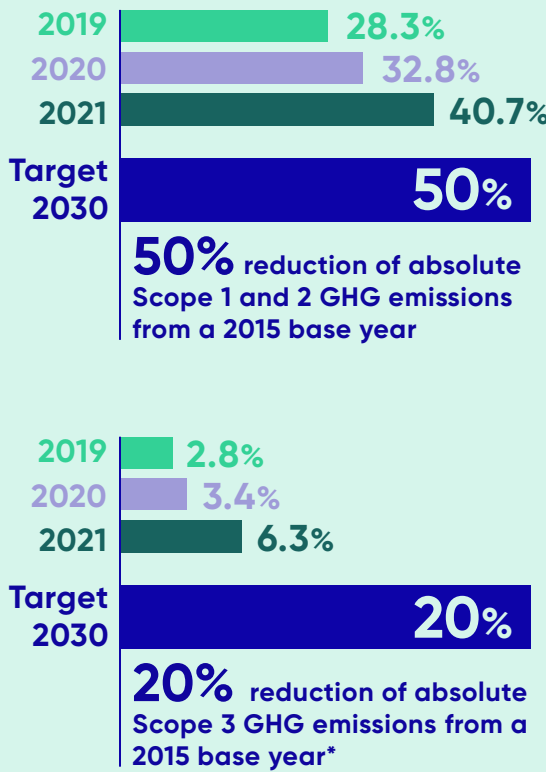
We continue to identify alternative energy sources to power our manufacturing operations. In 2021, we further increased our use of renewable electricity by 12%, mainly through additional power purchase agreements for renewable energy (virtual and direct) that came online in North America.

For Scope 3 GHG emissions, we achieved a 6.3% GHG emissions reduction from a 2015 base year, with a focus on purchased goods and services and end-of-life treatment of sold products.

In 2021, we also completed quantitative and qualitative climate risk assessments to better understand and plan for the climate-related risks and opportunities in our business and supply chain. We published our first TCFD Report in 2021, detailing our responses to transition and physical risks against three climate scenarios, which informs our risk management processes and areas of focus for the next two to five years.

\* Reduction target is focused on emissions from the Greenhouse Gas Protocol's Scope 3 Category 1 (Purchased Goods and Services) and Category 12 (End of Life Treatment of Sold Products).

### Progress Toward Our Goals







# Progress Against Our Decarbonization Strategy

In 2021 we made progress in four key focus areas:

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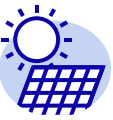
### Conservation Innovation

In total, 140 energy conservation projects completed in 2021.



### Lean Energy Management

In 2021, we piloted a new visual energy and water management system, that will be rolled out across global manufacturing in the coming years.



### Renewable Energy

In 2021, we expanded both on-site installations of solar and biomass technologies and established new power purchase agreements (PPAs) for clean energy.



### Value Chain Emissions

We designed and deployed a comprehensive management system and developed baselines and targets for every business unit and our supply chain.



Solar technology installation at our Pune India facility.





# Stories From Across Our Organization

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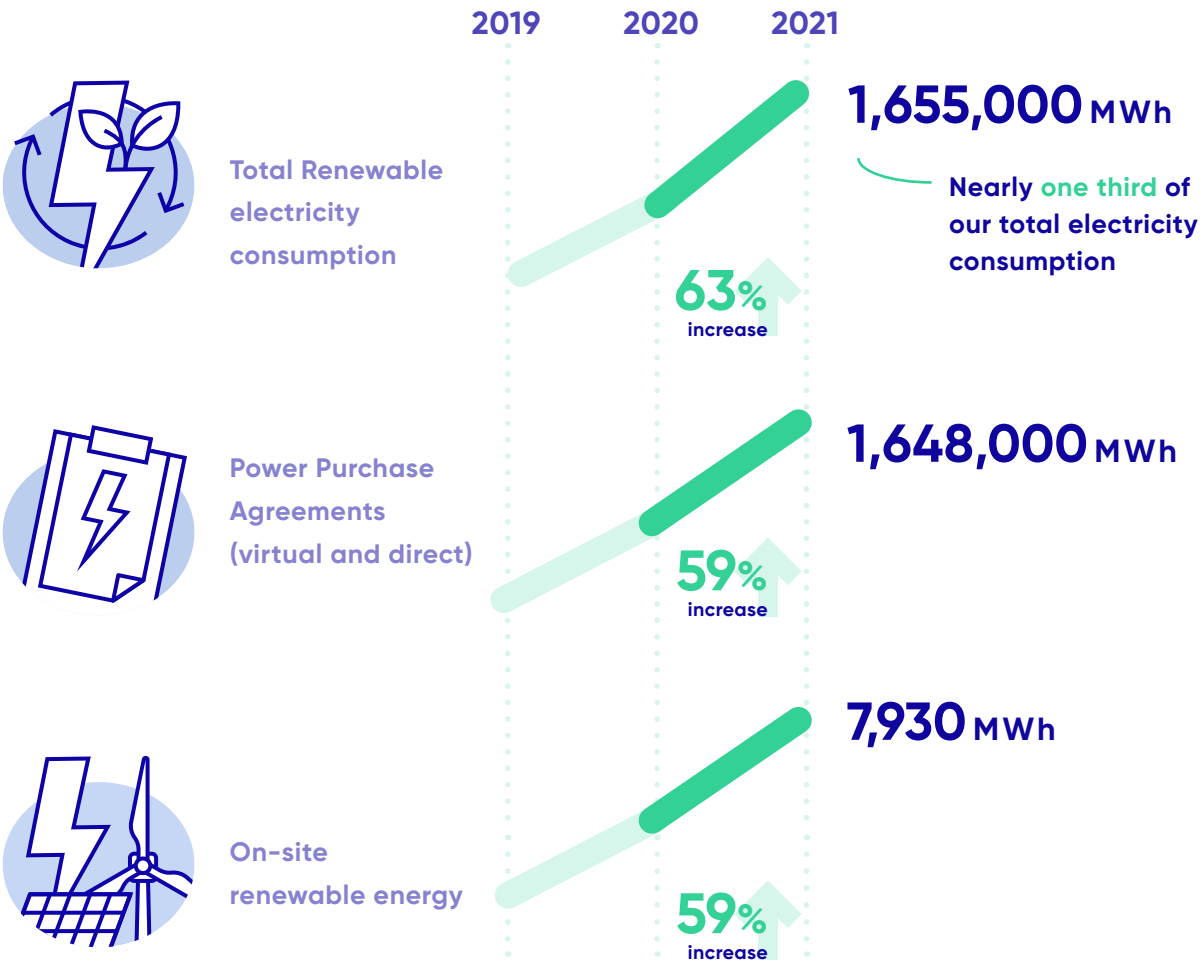
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## In 2021, Kimberly-Clark executed on our strategy in many noteworthy ways

- 1 Our mill in Paris, Texas, sourced 100% of its electricity from renewable sources** provided through the local utility. Beginning in 2022, electricity consumed on-site is expected to be offset by the electricity generated at the Rayos del Sol solar farm, which Kimberly-Clark helped fund through a direct Power Purchase Agreement.
- 2 The Maverick Creek Wind Farm supplied 582,000 megawatt-hours (MWh) of bundled renewable electricity offsets to Kimberly-Clark** during its first full year of operation.
- 3 At Kimberly-Clark's Salamanca manufacturing facility in Western Spain, the installation of a biomass boiler will reduce the natural gas consumption at the facility by 40%.**
- 4 Kimberly-Clark signed a virtual power purchase agreement for renewable energy** that will offset the GHG emissions corresponding to **85% of the electricity demand from the UK operations**—a first for Kimberly-Clark outside of North America.
- 5 With six months of operation in 2021, Kimberly-Clark's solar panels on the roof of our new warehouse in Pune, India generated 12% of the total electricity** demanded by the site.





# Water Footprint

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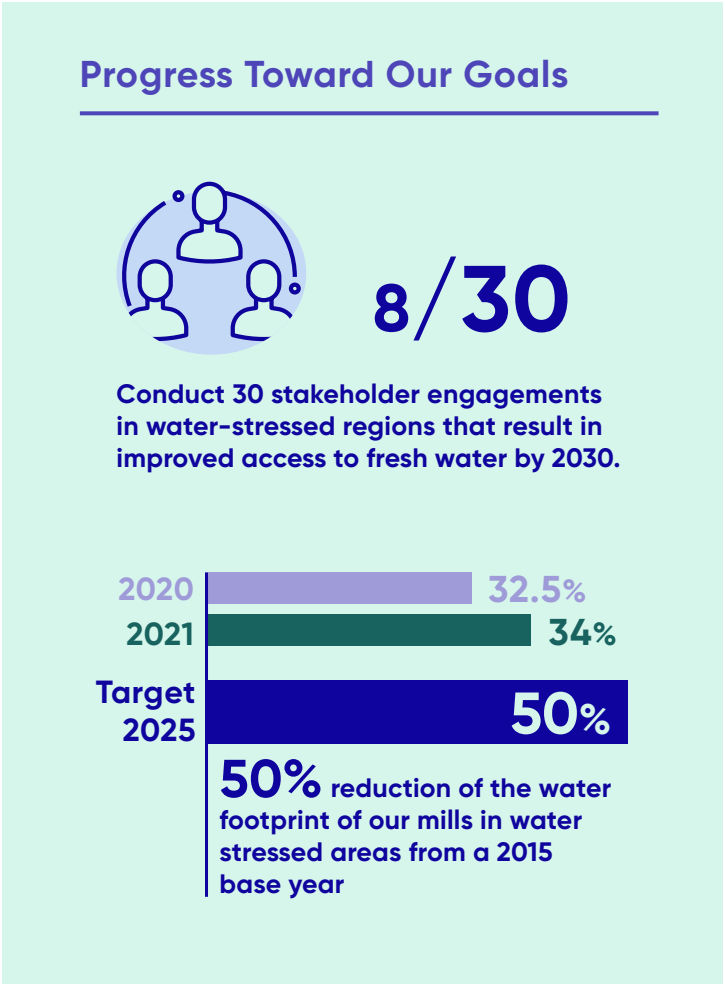
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Although a global challenge, addressing water stress is inherently a local issue. Our strategy maximizes the benefit we can drive by targeting the majority of our efforts toward locations where we operate in which water demand risks outpacing supply. To further amplify our impact, we actively engage with the communities where we operate on the management of local water resources. The impact of water insecurity and water scarcity is felt by billions around the world. That’s why we are championing a world where all enjoy access to clean water, sanitation, and hygiene. More on these programs is highlighted in Social Impact.

## How Are We Doing?

Our progress over the past year was driven by our strategic approach to water management, which centers around technological innovation for circular solutions and best-in-class management systems. In 2021, Kimberly-Clark achieved a 34% reduction of water consumption in water-stressed regions against our 2015 baseline, of which 1.4% occurred in the last year.

Since 2017, Kimberly-Clark has collaborated with research organization Deltares, using the WaterLOUPE tool to analyze local water impacts from manufacturing. The tool’s actionable insights help us adapt and/or mitigate local water risks and implement watershed protection solutions, including working with local communities to identify water conservation strategies and reduce the risk of water scarcity. Last year, we launched WaterLOUPE 2.0, which uses scenario modeling to help quantify water shortage and the risks associated with different intervention strategies, allowing local stakeholders to make better-informed, data-driven decisions.



## Total Water Management and Lean Water Initiatives

Total Water Management and Lean Water initiatives around the world are further contributing to our progress. This is reflective of the dedication of our local teams to help tackle issues related to water stress in their communities. For example, our manufacturing site in Puente Piedra, Peru reduced its freshwater usage in 2021 by 40% by installing a state-of-the-art membrane bioreactor to filter and reuse water.

Our plant in Santa Cruz, Bolivia, has leveraged a series of continuous improvements in the wastewater treatment plant and water clarification process to reduce its total water consumption by 84% since these efforts began in 2014.



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