

LEADING THE WORLD IN ESSENTIALS FOR A BETTER LIFE

2014 SUSTAINABILITY REPORT

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SUSTAINABILITY AT KIMBERLY-CLARK



Tom Falk
*Chief Executive Officer and
Chairman of the Board*

Long before sustainability became a topic of widespread interest, Kimberly-Clark sought to continuously improve the way we run our business, socially, environmentally and economically. This commitment is one of the reasons Kimberly-Clark has earned the trust and respect of people around the world for more than 140 years.

Our vision to lead the world in the essentials for a better life is not limited to the products we provide. It also calls us to deliver them in ways that prioritize clean air and water, healthy forests and strong communities, while delivering shareholder value.

Our sustainability strategy is helping strengthen our communities and protect our planet, from our 30-year-old employee tree-planting program in Korea and our partnership with Malaria No More in Africa, to our mills throughout the world that eliminate waste and our efforts to identify new sources of fiber for our products. The company connects long-term growth with a need for sustainability, and this connection is a critical element of the progress we've made thus far.

Most importantly, the people of Kimberly-Clark have a strong desire to renew and improve our products, the way we work, and the communities around us, so that our planet and its people can thrive.

A handwritten signature in black ink that reads "Tom Falk". The signature is fluid and cursive.

Tom Falk
Chief Executive Officer and Chairman of the Board



Lisa Morden
*Senior Director,
Global Sustainability*

At Kimberly-Clark, sustainability is an important element of our company's vision to lead the world in essentials for a better life. To deliver this vision, we challenge ourselves to create a better future by being responsible stewards of our shared natural resources, enhancing the lives of those who use our products and making positive contributions to the communities we touch. We do this while working to deliver superior business results and shareholder returns.

Our thinking regarding the sustainability of our business has evolved since our founding in 1872, but it is part of our heritage. As we approach the conclusion of our Sustainability 2015 goals, you might be interested in a few of the accomplishments we achieved:

-
- **Our Supplier Social Compliance Standards (SSCS) are part of Kimberly-Clark's workplace accountability programs. In 2014, we continued to make progress on our SSCS goal by increasing the key suppliers participating in the program to 87 percent of the total supplier base and by expanding the standards to include oversight of conflict minerals and anti-corruption compliance.**
 - **Kimberly-Clark is committed to advancing positive social change in the communities where we live and work. In 2014 we had active social programs in 97 percent of all Kimberly-Clark communities. We're also working on initiatives such as our Toilets Change Lives program, which will support local entrepreneurs around the world who are addressing sanitation in a sustainable way.**
 - **We are committed to reducing our climate impact and are proud that we achieved a 6.9% percent reduction in our absolute greenhouse gas emissions in 2014. This exceeded our Sustainability 2015 goal of 5 percent.**
 - **We've exceeded our Sustainability 2015 target for net sales, set at 25 percent, from products in our EcoLogical portfolio.**
 - **As of the end of 2014, we were diverting over 88 percent of our manufacturing waste from landfills. We also implemented several programs aimed at reducing waste at the end of the product lifecycle.**
-

As we've been working to deliver against our Sustainability 2015 goals, we've also been looking ahead and challenging ourselves to drive even more focus on the social and environmental issues that our business can impact. As we look to Kimberly-Clark's 150th anniversary in 2022, how will we use principles of sustainability to further deliver essentials for a better life? This question has been at the heart of our work to develop our Sustainability 2022 platform and the next set of goals that it will entail. This work was built on an analysis of the global mega-trends that will impact our business, followed by a collaborative process involving our internal stakeholders, business and brand leaders and other participants. Using our 2013 materiality assessment and our analysis of global trends as a guide, we engaged this broader group in a number of business and regional workshops that took place throughout 2014. This process allowed us to prioritize issues based on their relevance to the business as well as the potential impact we could have, including:

PEOPLE:

Investing in innovative social programs so people who lack the basic essentials in life – sanitation, health, well-being – get the help they need;

PLANET:

Reducing pressure on precious natural resources with the development of sustainable alternatives;

PRODUCTS:

And innovating to extend the life of product and packaging materials.

I look forward to sharing our specific goals with you soon.



Lisa Morden
Senior Director, Global Sustainability

ABOUT THIS REPORT



From humble beginnings producing paper from rag stock at our Neenah, Wisconsin, mill in 1872, the founders of Kimberly-Clark created our company on the basis of quality, service and fairness.

Building on our heritage, we aim to deliver on those core principles every day through our shared values — to be authentic, accountable, innovative and caring. These values are fundamental to who we are today and to the kind of company we want to be in the future. And they underpin our commitment to sustainability.

At Kimberly-Clark, sustainability has always been about doing the right thing. But more than that, sustainability is becoming more tightly integrated into the mindset and capabilities of our teams in order to advance our business priorities.

Whether driving continuous cost improvement through reductions in water and energy use, cultivating our core brands through materials innovation or creating a better future through positive contributions to our communities, sustainability is essential to our business.

In the pages that follow and in the content you'll find [here](#), we are proud to present our 12th Sustainability Report, which provides an annual update on the progress we have made toward our overarching sustainability strategy. This report includes the latest facts and figures related to our Sustainability 2015 goals, as well as stories of the successes and challenges we have seen in bringing our strategy to life. Our new website will include content from the report while also serving as a platform through which we can offer, on a regular basis, a glimpse into the sustainability-focused activities and projects our teams are pursuing and their results.

We believe collaboration and feedback ensure 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. To learn more about the process we used to determine the most material aspects, [click here](#).

Throughout the report, you'll also see references to primary and related

material aspects alongside each of the stories we share.

Overall, the key areas of materiality to Kimberly-Clark include:

PEOPLE

- Social Compliance
- Social Impact

PLANET

- Energy and Climate Change
 - Environmental Compliance
 - Fiber and Forests
 - Waste
 - Water
-

As with the 2013 report, we used the materiality assessment as a starting point and utilized the Global Reporting Initiative's (GRI) G4 Guidelines in the preparation of the report. The pages that follow contain Standard Disclosures from the framework, and a full GRI table can be found on [page 51](#). In addition, our external assurance can be found on [page 60](#).

SUSTAINABILITY 2015 PROGRESS SUMMARY

Sustainability 2015 is a set of five-year sustainability goals built around the pillars of People, Planet and Products and designed to integrate social and environmental elements into our company's business agenda.

Progress toward our Sustainability 2015 goals is summarized below. In instances of restatements, a specific explanation is provided in the footnotes. We account for our data in accordance with the Greenhouse Gas (GHG) Protocol and their rules for accounting, including for footprint changes.

We're proud to report we are on track to achieve our goals by the end of 2015. We also recognize that sustainability is a journey, and we have learned many valuable lessons along the way that will help inform our new sustainability strategy and challenge us to drive further improvements.

SUMMARY

SUSTAINABILITY 2015 GOALS ¹	2015 TARGET	2011	2012	2013	2014
PEOPLE					
Eliminate workplace fatalities	0	0	0	0	0
Socially focused programs in Kimberly-Clark communities	100%	62%	89%	89%	97%
Participation of key suppliers with social compliance standards	100%	99%	67%	64%	87%
PLANET					
Reduce water use and maintain quality of discharge in manufacturing	25%	1%	18%	26%	25%
Purchases of fiber from certified suppliers	100%	100%	100%	100%	100%
Reduction in absolute GHG emissions	5%	1.2%	3.6%	6.4%	6.9%
Percentage of landfill avoidance for manufacturing waste ²	100%	78.3%	78.7%	81.5%	83.9%
PRODUCTS					
Number of new consumer touches	250 million	N/A	110	134	284
Percent of net sales from environmentally innovative products	25%	13%	22%	37%	52%
Percent reduction in packaging environmental impact ³	20%	4%	4%	4%	
Percent of 2015 net sales shipped in environmentally innovative primary packaging ⁴	25%			26%	30%

NOTE: (1) Please note that some differences in historical data are the result of footprint changes. (2) Landfill avoidance statistics are reported in this report as a twelve-month average unless otherwise clarified – fourth quarter 2014 result was 88.3 percent landfill avoidance; (3) No longer tracking & reporting. (4) Goal added in 2013.



INTRODUCTION

Kimberly-Clark's products meet needs that are essential in people's lives, whether through baby and child care, adult care, feminine care, family care or professional products. Nearly one quarter of the world's population purchases our products every day and experiences the health, hygiene and other social benefits they offer. We recognize the responsibility this gives us, and we extend our role by also supporting communities where families get the essentials they need to grow and thrive. This includes programming that expands access to essentials such as sanitation facilities.

These values extend to our team members. Their talent, diversity and commitment are crucial to our innovation and success. Our work environment fosters personal and professional growth and nurtures innovation through product development and customer solutions while upholding safe and ethical working conditions. Our global team works together in a spirit of cooperation and trust to lead the world in the essentials for a better life.

Our materiality assessment and stakeholder engagements have shown that social compliance and social impact are the issues of most relevance to our internal and external stakeholders. See how we're specifically addressing these material issues in the pages that follow.

SOCIAL COMPLIANCE

Within our supply chain, there are a range of sustainability-related issues that, if not properly managed, could present potential risks to our ongoing success. These include human rights concerns, corruption and worker safety. Our corporate social compliance program takes a risk-based approach to predicting and preventing potential business disruptions to ensure that our supply chain is responsible, resilient and is operating with high integrity and ethics.

SOCIAL IMPACT

Through the Kimberly-Clark Foundation and our community impact programs, we help those in need through a range of health, humanitarian, economic and environmental initiatives. The Foundation maintains strategic partnerships with global organizations that address issues related to our business, our consumers and our customers.

We aim to deliver social benefits through leading brands like Kleenex®, Huggies®, Kotex® and Depend®. Through this combination of brand-led commercial programming, retail execution, partnerships and Kimberly-Clark Foundation support, we seek to achieve meaningful and lasting change while growing brand equity. Additionally, we create unique opportunities for employee engagement in direct support of the identified missions.

DIVERSITY AND INCLUSION

Global programs like Inspire a World of Talent, which we implemented in 2013 and 2014, demonstrate the powerful effect that diverse and inclusive teams have on our business results. Implementing our Accelerated Development program is helping us ensure that our top talent is ready for senior roles and has the necessary exposure and sponsorship to support them in their success. In addition, we ensure all director-level and above jobs open within the company have a diverse slate of candidates. Our aspiration is to “Unleash the Power of our People” to lead the world in the essentials for a better life.

Increasing the representation of women (globally) and ethnic minorities (U.S.) in senior management positions (defined as director-level and above) is part of our ongoing diversity and inclusion strategy. By embedding our core Diversity & Inclusion values as an integral part of our business strategy, we are able to further foster senior-level leadership commitment. In 2014, we received the [Catalyst Award](#), acknowledging the progress we have made in advancing and promoting women and the culture we have created that enables us to attract and retain our top talented women at Kimberly-Clark.

PROTECTING HUMAN RIGHTS

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

We respect international social compliance and environmental principles aimed at promoting and protecting human rights and the environment. We also promote human rights in our supply chain. We do this through our [Supplier Social Compliance Standards](#), which set the expectation for suppliers to demonstrate that they are identifying, preventing, mitigating and accounting for human rights violations, with a focus on countries at high risk for human rights abuses. Companies within our contract manufacturing supply chain, including our packaging supply chain, are expected to sign annual declarations of compliance.

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



CASE STUDIES

MATERIALITY

Primary Material Issue:
SOCIAL COMPLIANCE

- Bribery and Corruption
- Employee Working Conditions
- Supplier Working Conditions
- Human Rights in the Supply Chain
- Business Conduct
- Supply Chain Compliance

ADVANCING CORPORATE SOCIAL COMPLIANCE

Kimberly-Clark is committed to ensuring that employees around the world – including those of our suppliers – are treated with respect and that Kimberly-Clark’s workplace and human rights standards are met. The company relies on its [Code of Conduct](#) to guide interaction with suppliers, partners, customers and consumers worldwide.

In an effort to ensure more active oversight of key external suppliers, Kimberly-Clark established a [Corporate Social Compliance](#) program in 2012 which has managed more than **250 audits of supplier workplaces in more than 25 countries** since its inception. Audits support suppliers in meeting rigorous standards in areas like work hours and wages, eliminating discrimination, freedom of association and collective bargaining, safe workplaces and protections against child and forced labor. All told, this social compliance program drives **continuous improvement in the working conditions of more than 80,000 workers in our external supply chain.**

IN 2014, WE COMPLETED MORE THAN **120** CORPORATE SOCIAL COMPLIANCE AUDITS WHICH RESULTED IN IMPROVED WORKING CONDITIONS FOR MORE THAN **35,000** EMPLOYEES ACROSS OUR EXTERNAL SUPPLY CHAIN.

We identify key suppliers through a risk-based approach across 30,000 global suppliers. We use a variety of factors to determine which suppliers fall within the scope of this audit program. This approach allows Kimberly-Clark to direct auditing resources to areas with the most significant risk of human rights issues. In 2014, we completed 122 social compliance audits, driving improved working conditions for more than 35,000 employees across our supply chain. Where audits identified conditions in violation of audit standards, we provided mitigation instructions and required suppliers to verify what measures they implemented to resolve the violation(s).

Kimberly-Clark also realizes that no single company, government or organization can solve the complex issues surrounding human and workplace rights. Accordingly, we partner with international organizations like the UN Global Compact, the UNI Global Union and AIM-PROGRESS to collaborate with other corporations, governments and unions to protect the rights of workers worldwide. Holding suppliers to high standards and engaging with leading organizations will help address systemic issues in our supply chains worldwide.

2014 AUDIT METRICS

2014 AUDIT RESULTS	
Number of in-scope suppliers for 2014	397
Facilities Audited	
Kimberly-Clark Branded Audits ¹	62
Customer Branded Audits ²	60
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
Facilities with Non-Conformance Findings:	
K-C Branded Audited Facilities	39 9.8 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)
Child Labor	0 facilities (0 total mandatory child labor findings)
Forced Labor	6 facilities (7 total mandatory forced labor findings)
Freedom of Association	0 facilities (0 total mandatory freedom of association findings)
Discrimination	1 facility (1 total mandatory discrimination findings)

NOTE: (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.

The audit procedures are an example of one type of human rights due diligence in our external supply chain. Audits afford us the opportunity to identify instances of non-compliance with our Corporate Social Compliance standard, and significant issues are remediated pursuant to our corrective action process.



CASE STUDIES

MATERIALITY

Primary Material Issue:
SOCIAL IMPACT

TOILETS CHANGE LIVES

2.5 billion people around the world are living without access to improved sanitation¹, and the impacts on quality of life are significant. Millions of girls miss school every month because menstruation becomes too hard to manage without proper facilities. And countless children are absent from school because of the spread of disease and infection from a lack of basic sanitation.

At Kimberly-Clark, we are taking action to help provide the basic essentials of sanitation. This aligns to our mission and our core value of caring, and it is important for our future business growth.

In 2014, we co-founded the [Toilet Board Coalition](#), a group of leading companies, government agencies, sanitation experts and non-profit organizations, which aims to develop commercially sustainable and scalable solutions to the sanitation crisis. Beyond the financial support provided to the coalition, we are also contributing through our people – who bring a variety of skills, from marketing, sales and finance to research and engineering – to accelerate the agenda of the coalition.



With a donation of £250,000 from Kimberly-Clark through our partnership with Andrex, we're on the ground in rural Angola, helping empower local communities to build their own safe and clean toilets using local materials. Together, we'll be able to transform the lives of 60,000 people and help stop children dying from preventable diseases like diarrhea. Thank you, Kimberly-Clark, for supporting us in our journey to help make the world open-defecation free.

— Sarah Mitchell, Head of Partnerships Development at UNICEF

¹ WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (JMP), released in early 2013 (collected in 2011); Improved sanitation includes sanitation facilities that hygienically separate human excreta from human contact.

We also implemented a pilot program in the United Kingdom with our Andrex bath tissue brand in partnership with UNICEF and commercial retailer Sainsbury's. We invited consumers to join this effort by purchasing special promotional packs of Andrex bath tissue. A portion of sales from every pack purchased went to support UNICEF's efforts in Angola to expand access to sanitation and meet national sanitation targets. The pilot was a great success, showing that our brands can do well by doing good. Our results helped **60,000 people gain access to sanitation** and the strong consumer engagement helped **sell one million rolls of Andrex**.

TOILETS CHANGE LIVES IS HELPING
60,000 PEOPLE GAIN ACCESS TO SANITATION.

We intend to take the lessons learned through the pilot program to better scale our efforts, beginning with expansion in 2015 to Bolivia and India. We intend to eventually expand to more markets around the world and rally consumers, customers, employees and external stakeholders behind a large-scale program called Toilets Change Lives, which will help fund life-saving programs – and nothing is more essential than that.

COMMUNITY

COMMUNITY CONTRIBUTIONS (\$M)	2010	2011	2012	2013	2014
Community Partners grants to U.S. employee-chosen charities	0.8	0.9	0.8	0.7	0.7
Value of matching gift contributions made by U.S. employees	1.3	1.3	1.5	1.5	1.7
Value of product donations	8.3	19.2	14.0	16.3	13.8
Global cash donations	12.4	12.9	19.0	18.7	22.0
Total global (product and cash) donations (\$M)	20.7	32.1	33.0	35.0	35.8



CASE STUDIES

MATERIALITY

Primary Material Issue:
SOCIAL COMPLIANCE

SAFETY MADE ESSENTIAL

In 2013, Kimberly-Clark established a clear, simple and effective global safety strategy to engage all employees in delivering our vision of zero fatalities and zero reportable incidents. In 2014, our operations achieved a **75 percent reduction in machinery-related risk** as this strategy was implemented. Moreover, 2014 was Kimberly-Clark's safest year ever, with a **19 percent reduction** in reportable incidents and zero fatalities.

Known as REAL, this safety strategy engages employee teams in four areas:

Risk Mitigation

EHS Management Systems

Accountability for Safety

Leadership in Safety

EMPLOYEE SAFETY	2010	2011	2012	2013	2014
Fatalities ¹	0	0	0	0	0
Permanently disabling injuries	14	8	9	2	2
Total Reportable Incident Rate (TRIR)²	0.44	0.40	0.31	0.27	0.22
North America	0.59	0.44	0.33	0.30	0.35
Latin America	0.40	0.40	0.39	0.41	0.21
Europe	0.71	0.71	0.39	0.80	0.57
Middle East and Africa	1.01	0.53	0.76	0.33	0.38
Asia/Pacific	0.32	0.23	0.14	0.20	0.17
Lost-time Reportable Incident Rate (LTRIR)³	0.30	0.24	0.18	0.17	0.15
North America	0.39	0.22	0.20	0.15	0.19
Latin America	0.31	0.36	0.21	0.25	0.18
Europe	0.45	0.59	0.29	0.40	0.42
Middle East and Africa	0.82	0.37	0.52	0.14	0.24
Asia/Pacific	0.21	0.14	0.08	0.13	0.11
Sentinel Events Reporting Rate (SERR) ⁴	1.70	1.53	1.54	1.66	2.0
Safety compliance penalties ⁵	\$110,955	\$4,800	\$23,000	\$1,000	\$25,000

NOTES: (1) In 2013, a motor vehicle fatality occurred in the trucking operations of Kimberly-Clark de Mexico, an unconsolidated affiliate. (2) TRIR: Work-related events that result in fatalities, temporary or permanently disabling injuries or illnesses, per 200,000 hours worked per annum. (3) LTRIR: Reportable injuries/illnesses that result in time away from work or restricted work, per 200,000 hours worked per annum. (4) SERR: Number of Sentinel Events reported per 200,000 hours worked per annum. (5) In 2014, a \$25,000 fine was received from the Czech Republic Health and Safety Administration for a serious injury at the Jaromer site.

Engaging our employees in our safety processes is an essential element of our programming. To encourage more employees to talk about the importance of safety, we enlisted their creative talents in a company-wide “Safety Idol” contest. We received **more than 50 video submissions** from around the world. Each member of the four winning teams received a trophy, an iPod touch and an all-expenses-paid trip to our offices in Roswell, Georgia, where the teams performed their winning songs.

Finally, in addition to the great effort on the part of our employees, we recognize the importance of training our leadership teams in best-in-class safety protocols and how to bring the remainder of our REAL strategy to life every day.

Kimberly-Clark’s safest year ever saw a 19 percent drop in our reportable incident rate.

EMPLOYEE SAFETY	2010	2011	2012	2013	2014
Total Reportable Incident Rate (TRIR)	0.44	0.40	0.31	0.27	0.22
Lost-time Reportable Incident Rate (LTRIR)	0.30	0.27	0.19	0.17	0.15

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CASE STUDIES

MATERIALITY

Primary Material Issue:
SOCIAL IMPACT

TOUCH OF WHITE ANGELS: A BETTER LIFE FOR CHINESE MOTHERS, CHILDREN AND PHYSICIANS

In China, a country of 1.3 billion people, medical professionals in the field of obstetrics and gynecology may treat as many as 70 patients each day. This puts a great deal of strain on these workers.

Partnering with the China Women's Development Foundation, Kimberly-Clark launched Touch of White Angels. This initiative brings workers from rural areas to more advanced hospitals in cities for training, allowing them to improve the quality of care they deliver upon return to their communities. As part of the program, we also developed a guide, "Obstetricians and Gynecologists by Your Side," to provide patients and new mothers with basic medical advice, relieving doctors' workloads and building understanding between patients and physicians. Additionally, we have organized academic conferences for health workers and donated Kimberly-Clark products to health centers.

APPROXIMATELY **200 HOSPITALS RECEIVED SUPPORT** FROM THE CAMPAIGN, **BENEFITTING APPROXIMATELY ONE MILLION EXPECTANT MOTHERS AND NEWBORNS.**

Touch of White Angels has reached more than 100 cities and 200 hospitals in China. It demonstrates our commitment to healthier lives and to building our relationships with obstetricians, gynecologists and hospitals. By working on the front lines of healthcare, Touch of White Angels has improved the lives of mothers, children and those who care for them.

The Touch of White Angels program is just one example of our community investments. In 2014, we invested \$35.8 million globally in product and cash donations, accounting for 2.2 percent of our net income.

FINANCIALS	2010	2011	2012	2013	2014
Donations and community investments (\$M)	20.7	32.1	33.0	35.0	35.8
Percent of net income	1.1%	2.0%	1.8%	1.7%	2.3%

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CASE STUDIES

MATERIALITY

Primary Material Issue:
SOCIAL IMPACT

GET UP & RIDE: FROM GRASSROOTS TO INTERNATIONAL

In 2008, Kimberly-Clark employee Rob Gusky began riding his bicycle to work each day as a way to get some exercise and use less gasoline in his hometown of Neenah, Wisconsin. The program expanded as a grassroots initiative, and the Get Up & Ride Challenge was born in 2009 with 25 riders participating. The program took off across the company, and biking to work improved the health and productivity of Kimberly-Clark's employees and reduced the environmental impact of their commute.

“ ”

It is exciting to see a grassroots program that started with four employees at Kimberly-Clark's Neenah, Wisconsin, location grow into a national program positively affecting thousands of people.

— Rob Gusky, Engineering Technical Leader at Kimberly-Clark

Four years later, Kimberly-Clark and the Scott Naturals brand, in partnership with the National League of Cyclists, founded the Get Up & Ride National Bike Challenge to formalize the program across the company and inspire other businesses around the world to participate. This free program encourages people to get healthy, sustainable outdoor exercise during the months of May through September by awarding 20 points for each day they ride plus one point per mile. The program provides rankings for individuals, teams, workplaces, communities and states.

In 2014, more than **47,000 participants from businesses across all 50 U.S. states recorded more than 23 million miles as part of the bike challenge**, saving more than \$13 million in transportation costs and **reducing greenhouse gas emissions by more than 9,800 metric tons**. More than 500 Kimberly-Clark employees, including CEO Tom Falk, contributed 275,000 miles (442,570 km) toward these totals.

IN 2014, CHALLENGE PARTICIPANTS IN THE UNITED STATES
SAVED MORE THAN **\$13 MILLION IN TRANSPORTATION
COSTS AND REDUCED GREENHOUSE GAS EMISSIONS BY
MORE THAN 9,800 METRIC TONS.**

Across Kimberly-Clark, riders from Bolivia to the Netherlands and from London to the Czech Republic proudly participate in the program, contributing to healthier communities, happier workers and an international bicycling movement with serious momentum.



CASE STUDIES

MATERIALITY

Primary Material Issue:
SOCIAL IMPACT

PROJETO CRESCER: ESSENTIALS FOR THE NEXT GENERATION

In 2012, in the municipality of Correia Pinto in the Brazilian state of Santa Catarina, a group of Kimberly-Clark employees got together to brainstorm how they could make a positive impact in the community around them. This was the inception of an initiative called “Projeto Crescer,” which means “Project Grow” in Portuguese. The program was aimed at encouraging a culture of social participation through volunteer work.

2014 MARKED THE HIGHEST SCORE EVER (**THIRD PLACE**) IN THE GREAT PLACES TO WORK RANKING FOR KIMBERLY-CLARK BRAZIL.

The employees sought to help children and teenagers in the nearby community through afterschool activities, using a curriculum focused on behaviors that could help these students live healthier, happier lives. In 2014, these activities revolved around the themes of:

Environment

Kimberly-Clark employees led workshops around environmental conservation, recycling and composting on World Water Day and World Environment Day.

Hygiene

Employees led hygiene workshops with training on skills like proper hand-washing and baby care.

Education

Employees offered tutoring sessions in math, English, science, geography and computer skills, and career counseling seminars offered tools for effective communication.

The Arts

Employees led arts and crafts workshops using recycled and reused materials such as plastic bottles and empty toilet paper rolls.

To date, the project has engaged more than **50 volunteers**, and the school has received an Environmental and Social Responsibility Certification from the state of Santa Catarina for achieving milestones such as **zero waste to landfill for organic materials from the school canteen**.

In addition to our volunteer efforts globally, Kimberly-Clark employees in the United States volunteered more than 80,000 hours in 2014.

EMPLOYEE CONTRIBUTIONS	2010	2011	2012	2013	2014
U.S. employee volunteer hours	78,000	84,000	77,430	80,571	80,074

This program also resulted in increased motivation among involved students and provided a meaningful way for Kimberly-Clark employees to use their skills to benefit the community. The opportunity to give back is something our employees value, as evidenced by the company receiving its **highest score ever (third place) this year in the Great Places to Work Ranking for Brazil**.

PERFORMANCE DATA: PEOPLE

GENERAL

FULL-TIME EMPLOYEES ¹	2010	2011	2012	2013	2014
North America	15,356	14,889	14,652	14,441	12,859
percentage of total	27%	26%	25%	25%	30%
Latin America	19,316	20,351	21,824	21,804	14,839
percentage of total	34%	36%	37%	38%	35%
Europe, Middle East and Africa	8,626	8,222	8,039	6,872	6,780
percentage of total	15%	14%	14%	12%	16%
Asia/Pacific	13,973	13,789	13,825	13,631	8,139
percentage of total	24%	24%	24%	24%	19%
TOTAL	57,271	57,251	58,340	56,748	42,617

Note: (1) 2014's reduction in total employment occurred as a result of the spin off of the Kimberly-Clark Health Care business (now Halyard Health Care) in October 2014.

UNION MEMBERSHIP	2010	2011	2012	2013	2014
Percentage of employees	27%	25%	25%	25%	26% ¹

Note: (1) Global employee union membership is estimated at approximately 44 percent. 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 are subject to union agreements.

TURNOVER (UNITED STATES ONLY) ¹	2010	2011	2012	2013	2014
Total	6.4%	10.1%	9.9%	10.1%	11.0%
Voluntary	4.3%	5.2%	5.8%	7.4%	8.0%
Involuntary	2.1%	4.9%	4.2%	2.8%	3.0%

*Note: (1) In 2014, Kimberly-Clark implemented the Workday system for human capital management. As a result of this transition, the source for human resources-related data changed beginning with 2014 reported metrics.
Source: Workday*

DIVERSITY

BOARD	2010	2011	2012	2013	2014
Independent members	92.3%	92.3%	91.7%	91.7%	91.7%
Women	23.1%	23.1%	25.0%	25.0%	25.0%
Minority group membership	23.1%	30.8%	33.0%	33.0%	33.0%
Total board members	13	13	12	12	12

BOARD DIVERSITY DETAILS	2012	2013	2014
AGE			
51-55	3 (Falk, Garcia, Rice)	2 (Falk, Garcia)	1 (Garcia)
56-60	2 (Read, Jemison)	3 (Jemison, Read, Rice)	4 (Falk, Jemison, Read, Rice)
61-65	4 (Bru, Decherd, Karch, Shapiro)	2 (Bru, Decherd)	3 (Bru, Decherd, Read)
66-70	3 (Alm, Bergstrom, Jenness)	5 (Alm, Bergstrom, Jenness, Karch, Shapiro)	5 (Alm, Bergstrom, Jenness, Karch, Shapiro)
BOARD MEMBER AFFILIATION			
Independent	11 (Alm, Bergstrom, Bru, Decherd, Garcia, Jemison, Jenness, Karch, Read, Rice, Shapiro)	No Change	No Change
Non-independent	1 (Falk)	No Change	No Change
GENDER			
Male	9 (Alm, Bergstrom, Bru, Decherd, Falk, Garcia, Jenness, Read, Shapiro)	No Change	No Change
Female	3 (Jemison, Karch, Rice)	No Change	No Change
ETHNICITY			
Minority	4 (Bru, Garcia, Jemison, Rice)	No Change	No Change
Non-minority	8 (Alm, Bergstrom, Decherd, Falk, Jenness, Karch, Read, Shapiro)	No Change	No Change

EMPLOYEE DIVERSITY ¹	2010	2011	2012	2013	2014
Women	29.9%	30.1%	31.0%	35.6%	31.8%
Women in management	27.3%	28.6%	29.3%	30.3%	31.1%
Ethnic minorities (U.S.)	17.8%	17.9%	18.8%	18.7%	17.8%
Ethnic minorities (U.S.) in management	10.9%	11.3%	11.7%	13.7%	12.2%

Note: (1) "Management" is defined as U.S. employees in EEP category 01 (executive/senior-level officials and managers, and first/middle-level officials and managers). In 2014, Kimberly-Clark implemented the Workday system for human capital management. As a result of this transition, the source for human resources related data changed beginning with 2014 reported metrics. Source: Workday

EMPLOYEE CONTRIBUTIONS	2010	2011	2012	2013	2014
Employee giving (\$M)	4.2	3.9	4.2	4.4	4.9
U.S. employee volunteer hours	78,000	84,000	77,430	80,571	80,074



INTRODUCTION

Our mission to provide the essentials for a better life includes our commitment to protect the environment. It's difficult to imagine anything more essential than clean air, clean water and a healthy environment.

This mission inspires our search for more sustainable ways of meeting our customers' needs. We consider the precautionary principle 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.

Our materiality assessment and global workshops have shown that energy and climate change, environmental compliance, fiber and forests, waste and water are the issues of most relevance to our internal and external stakeholders. See how we're specifically addressing these material issues in the pages that follow.

ENERGY AND CLIMATE CHANGE

Kimberly-Clark's energy and climate change program seeks to reduce harmful emissions and transform our financial performance by improving energy efficiency, building a culture of energy conservation and seeking alternative sources of energy. We are focused on reducing the total greenhouse gas (GHG) emissions from our operations while delivering direct savings or cost avoidance.



ENVIRONMENTAL COMPLIANCE

Kimberly-Clark navigates a range of environmental issues that are potential risks to our ongoing success. Operating in compliance with environmental regulatory requirements is fundamental to managing our business. Our efforts go beyond environmental regulatory compliance while building predictive and preventative measures.

In 2014, Kimberly-Clark received a total of 12 notices of violations from environmental regulatory agencies. Of these regulatory notices, six involved minor environmental releases and six were related to environmental permitting procedures.

We are continuously improving our initiatives to be increasingly transparent regarding our current performance while developing a standard for predicting and preventing environmental compliance challenges and their business impacts.

FIBER AND FORESTS

Kimberly-Clark is one of the world's largest buyers of market pulp. Protecting the world's forests is critical to addressing climate change and conserving terrestrial biodiversity, but deforestation continues to be a global concern. Through our membership in the Consumer Goods Forum, we are committed to helping them achieve zero net deforestation by 2020.

In addition, major environmental groups, including Greenpeace and the World Wildlife Fund, have recognized Kimberly-Clark as a market leader for responsible fiber sourcing and forest protection. We aim to extend our leadership by reducing our impact and dependence on natural forests through the development of sustainable alternative natural fibers while increasing our use of Environmentally Preferred Fibers (EPF) such as recycled fibers and Forest Stewardship Council (FSC)-certified fiber.

We are also continuing our long-standing commitment to a 100 percent certified fiber supply through our preference for FSC-certified fiber supply and are committed to zero deforestation, free, prior and informed consent (FPIC) and protection of high conservation value forest ecosystems, including peat lands.

WASTE

Kimberly-Clark products meet the essential needs of people every day, and our waste programs challenge us to design products and packaging with smarter materials, to produce them more efficiently and to find a second life that sustains their value after use. As we continue to encourage waste recycling and the elimination of the use of landfills to dispose of manufacturing waste, we are bringing new emphasis to the resources left behind after our customers and consumers use our products.

WATER

Water is a resource that is essential to Kimberly-Clark's business. Because we use large amounts of water in our manufacturing processes and because water is vital to human and ecosystem health, we have invested significant capital to minimize our absolute water use and to support the water needs of communities in which we operate.

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CASE STUDIES

MATERIALITY

Primary Material Issue:
FIBER AND FORESTS

- Fiber Consumption and Alternate Materials
- Responsible Sourcing
- Transparency in Sustainability Management and Performance
- Product Innovation

BEYOND FORESTS: ALTERNATIVE FIBER USE

We recognize that fiber is a natural resource that is essential to our business, so as the global demand for forest resources continues to increase, we are investing in the development of alternative sources of fiber. Innovation in this area has the potential to provide fiber flexibility while delivering the high-quality products our customers have come to expect.

IN 2014, KIMBERLY-CLARK PROFESSIONAL (KCP) BECAME THE **FIRST** MAJOR TOWEL AND TISSUE MANUFACTURER IN NORTH AMERICA TO PRODUCE BATH TISSUE AND TOWEL PRODUCTS INCORPORATING DOMESTICALLY SOURCED NON-WOOD FIBER.

In 2014, Kimberly-Clark Professional (KCP) became the first major manufacturer in North America to produce bath tissue and towel products incorporating domestically sourced non-wood fiber. This project was supported by a Life Cycle Analysis (LCA) developed by the Georgia Institute of Technology on the impacts of the use of alternative natural fibers. [Read more here.](#) The research considered issues such as regeneration rates, scale of land use, impacts on biodiversity and biogenic carbon accounting. The study suggested that using non-tree fibers, such as wheat straw, could lead to reduced resource constraints ([See Full Report](#)), opening up several possibilities for further innovation.

As we've commercialized towel and tissue products incorporating alternative natural fibers, we've been pleased with both customer demand and appeal from domestic farmers. Interest in producing pulp from agricultural waste or purposefully grown alternative crops has increased, with several companies investigating production facilities.

In addition to its initiatives exploring alternative sources of fiber, Kimberly-Clark has sourced 100 percent of its virgin fiber from certified sources, including the Forest Stewardship Council (FSC), the Sustainable Forest Initiative (SFI) and others.

ENVIRONMENTALLY PREFERRED FIBER (GLOBAL) ¹	2010	2011	2012	2013	2014
Virgin Fiber					
FSC Mix	33.3%	38.5%	44.3%	50.3%	52.3%
FSC Plantation ²	29.1%	33.1%	38.4%	41.8%	42.7%
FSC Controlled Wood	31.4%	26.1%	21.8%	16.5%	14.5%
Recycled Fiber					
Recycled Content	32.0%	34.5%	33.9%	33.2%	32.2%
Post-consumer recycled content ³	12.9%	14.1%	13.8%	13.7%	13.7%

NOTE: (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.



CASE STUDIES

MATERIALITY

Primary Material Issue:
WASTE

- Product End Use and Disposal

RIGHTCYCLE: HELPING MAKE RECYCLING ESSENTIAL

Kimberly-Clark Professional's (KCP) RightCycle program has been addressing the recycling needs of scientific and research lab facilities by creating products and solutions from the gloves and protective apparel that researchers and production employees wear to protect themselves and their processes in the lab. Where these gloves and apparel might normally have been destined for landfills, RightCycle provides a post-consumer recycling program that has enabled KCP to be an integral part of these facilities' sustainability efforts.



Our global research and pharmaceutical customers have established challenging sustainability goals for their organizations, yet often struggle with how to get programs started. We believe change occurs when you engage team members in the solution. Our RightCycle program offers a simple way for our customers to get their employees involved and make progress on exceeding their solid waste reduction goals.

— Randy Kates, Global Scientific Business at Kimberly-Clark

One of these partners, the University of Illinois-Champaign and its affiliated Illinois Sustainable Technology Center (ISTC), has worked with the RightCycle program since 2013. In 2014, the university diverted approximately 1.74 tons of waste from landfills – and their diversion goal keeps growing. Like many other RightCycle program participants, the university and ISTC have become valued partners in making recycling more efficient.

RIGHTCYCLE HAS GROWN FROM DIVERTING **1.6 TONS** OF WASTE THE FIRST YEAR OF THE PROGRAM IN 2011 TO APPROXIMATELY **80 TONS** NOW.

Approximately 70 customers currently participate in RightCycle, and the tons of diverted waste has grown year-over-year, from **1.6 tons** the first year of the program in 2011 to approximately **80 tons** now.

Through coordination of the collecting, sorting and processing of these laboratory materials, Kimberly-Clark Professional has become a partner in reducing the amount of waste sent to landfills. What's more, these materials get turned into new and valuable products such as lawn and garden furniture, planters and storage totes. Because of this program, more companies are realizing the opportunity to use RightCycle as a key part of their sustainability strategy.

In addition to helping our customers cut down on waste in 2014, we diverted almost 84 percent of our own manufacturing waste from landfills.

NONHAZARDOUS WASTE	2010	2011	2012	2013	2014
Percentage of total waste					
Landfilled	19.1%	24.5%	22.0%	19.1%	16.1%
Recycled	18.5%	17.7%	20.3%	20.0%	18.8%
Beneficial use	24.1%	22.5%	25.8%	29.0%	33.9%
Converted to energy	20.3%	20.4%	12.3%	12.1%	12.2%
Reused and other	12.1%	13.3%	17.7%	18.0%	17.2%
Composted	5.0%	1.1%	0.9%	0.9%	1.2%
Incinerated	0.8%	0.5%	0.9%	0.8%	0.7%
TOTAL (million MT)	1.37	1.29	1.33	1.28	1.26



CASE STUDIES

MATERIALITY

Primary Material Issue:
FIBER AND FORESTS

- Energy and Climate Change
- Business Conduct
- Fiber Consumption

THE 30-YEAR REFORESTATION EFFORT: KIMBERLY-CLARK KEEP KOREA GREEN

South Korea is a nation of more than 50 million people, with more than half of the population living in Seoul and its surrounding areas. Here, an entire generation has grown up in a forest of skyscrapers. But rather than leaving them feeling disconnected from nature, urbanization has fostered a deep appreciation for the forest – and a desire to protect it. After years of war and rapid industrialization, the forest land in South Korea had been decimated. Rapid deforestation increased the risk of land degradation due to persistent nutrient deficiency in the soil.

In response to this situation, Yuhan-Kimberly, Kimberly-Clark's joint venture in South Korea, launched Keep Korea Green in 1984. This campaign focused on educating the public on the importance of protecting the nation's environment and empowering them to join the effort to revive the country's forests.

IN 2014, KEEP KOREA GREEN CELEBRATED BOTH ITS 30TH ANNIVERSARY AND ANOTHER MAJOR MILESTONE: **PLANTING ITS 50 MILLIONTH TREE** IN SOUTH KOREA SINCE THE PROGRAM STARTED.

In 2014, Keep Korea Green celebrated its 30th anniversary, as well as another major milestone: **planting its 50 millionth tree**. As Keep Korea Green has grown, Yuhan-Kimberly has partnered with the South Korean government and more than 10 nonprofit organizations and research institutes to enhance the program, its vision and the events offered to community members.

One such event is the annual newlywed tree planting weekend, which invites newly married couples to plant trees and learn about the importance of protecting the environment for their children and generations to come. The initiative's other activities include creating green sites on local school campuses, preventing land degradation in Northeast Asia and increasing the number of urban forests in the nation's capital. [Read more here.](#)

Now, at the start of its fourth decade in action, the Keep Korea Green initiative looks forward to continued partnership with employee volunteers, families, students and newlyweds on the collective mission of preserving forests in Korea.

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CASE STUDIES

MATERIALITY

Primary Material Issue : WATER

- Climate Change
- Water Management and Consumption
- Transparency in Sustainability Management and Performance
- Environmental Performance of Supply Chain

CONSERVING ESSENTIALS: WATER CONSERVATION IN BRAZIL

Brazil is home to approximately **12 percent of the world's fresh water**, but the largest reservoir system serving the city of São Paulo is currently near depletion, with many residents enduring sporadic water cutoffs and some going days without it.

For more than a decade, Kimberly-Clark's Mogi das Cruzes mill, located on the outskirts of São Paulo, has been developing innovative ways to decrease water consumption during the production of bath tissue. These alternative methods range from using recycled water where feasible to recirculating water in the production process. By 2014, these efforts led to a record low average use of **7.1 cubic meters of water per ton of tissue produced**. Currently, **63 percent of the water** used in production at the Mogi das Cruzes mill is recirculated from other parts of the production process. These internal efforts generated momentum around further understanding and addressing water stress in the area around the mill.



We are proud of the impressive water efficiency achievements Brazil has been able to make in tissue manufacturing. We hope to incorporate many of these best practices into our global operations.

— Janaina Rodrigues, Regional Environmental Manager

In 2013, Kimberly-Clark Brazil conducted a water footprint analysis with The Nature Conservancy (TNC) for its Mogi das Cruzes mill. The project involved the calculation of both the blue water footprint and gray water footprint.

The study determined that in order to neutralize its water footprint in the area, Kimberly-Clark would need to reforest **32 hectares of land**. Through this engagement with TNC, we embarked on a community education program about the importance of water reuse and how reforestation can reduce the amount of harmful agricultural run-off reaching the nearby Tietê River.

Water scarcity continues to be a significant concern for many regions, cities and communities throughout the world. In addressing manufacturing consumption of water and creating beneficial programs for the local community, our Mogi das Cruzes mill has set an example to follow for the future.

CURRENTLY, **63 PERCENT OF THE WATER** USED IN PRODUCTION AT THE MOGI DAS CRUZES MILL IS RECIRCULATED FROM OTHER PARTS OF THE PRODUCTION PROCESS.

WATER

PROCESS FRESH WATER USE (CUBIC METERS)	2010	2011	2012	2013	2014
Surface	72,570,940	74,148,579	46,685,560	44,500,327	44,435,518
percentage of total	57.4%	59.2%	44.6%	47.3%	47.0%
Municipal	36,255,950	33,019,405	39,726,410	32,472,249	28,257,682
percentage of total	28.7%	26.4%	38.0%	34.5%	29.9%
Groundwater	17,668,450	18,019,596	18,150,489	17,014,935	21,882,676
percentage of total	14.0%	14.4%	17.4%	18.1%	23.1%
TOTAL	126,495,339	125,187,579	104,562,459	93,987,511	94,575,877

PROCESS EFFLUENT DISCHARGE DESTINATIONS (PERCENTAGES)	2010	2011	2012	2013	2014
Surface	87.4%	87.8%	88.2%	85.9%	82.8%
Municipal	12.6%	12.2%	11.8%	14.1%	17.2%

TISSUE MANUFACTURING WATER USE EFFICIENCY (CUBIC METERS/MT PRODUCTION)	2010	2011	2012	2013	2014
Actual	43.5	45.7	40.0	36.0	35.6
Annual Target	31.7	30.9	29.3	29.2	29.1
Percent Deviation	37.0%	48.0%	37.0%	23.0%	22.3%

Note: In alignment with GHG reporting protocol, historical water performance data for the reported period is restated to reflect the spin off of the Kimberly-Clark Health Care business (now Halyard Health Care).

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CASE STUDIES

MATERIALITY

Primary Material Issue:
ENERGY AND
CLIMATE CHANGE

- Toxic Emissions
- Climate Change
- Environmental Performance of Supply Chain
- Transparency in Sustainability Management and Performance
- Energy Management
- Petrochemical Consumption and Alternate Materials
- Supply Chain Compliance

FROM TRUCK TO TRAIN: FINDING EFFICIENCIES IN PRODUCT TRANSPORT WITH EPA SMARTWAY

In 2006, Kimberly-Clark partnered with the U.S. Environmental Protection Agency (EPA) on its [SmartWay Program](#), a market-driven initiative that empowers businesses to move goods in the cleanest, most energy-efficient way possible while protecting public health and reducing the impacts of greenhouse gas emissions.

SMARTWAY HAS HELPED KIMBERLY-CLARK
**REDUCE GREENHOUSE GAS EMISSIONS BY AN
ESTIMATED 734,000 METRIC TONS** SINCE 2006 –
THE **EQUIVALENT OF TAKING 138,000 CARS OFF THE
ROAD FOR ONE YEAR.**

Since then, Kimberly-Clark has **more than doubled its use of intermodal transport, saving an estimated 72 million gallons of diesel and reducing greenhouse gas emissions by an estimated 734,000 metric tons** – the **equivalent of taking 138,000 cars off the road for one year**. The adoption of more efficient transport has also saved the company an estimated **\$415 million** since 2006. Because of these achievements, the company has been named the recipient of the EPA's SmartWay Excellence Award five times (including in 2014), an accolade given to industry leaders in reducing carbon pollution and other emissions as they move goods across the United States more efficiently.

Kimberly-Clark will continue to work with transportation providers to find ways of improving operational efficiency and reducing carbon pollution.

In 2014 alone, intermodal transportation saved Kimberly-Clark an estimated 6.2 million gallons of fuel and prevented an estimated 200 million pounds of greenhouse gas from entering the atmosphere.

INTERMODAL TRANSPORTATION	2010	2011	2012	2013	2014
Total intermodal loads	78,502	87,934	91,353	92,536	95,984
Annual change	22%	12%	4.0%	1.0%	4.0%
Miles traveled (millions)	109.4	117.8	119.6	120.0	122.0
Intermodal cost savings (\$M) vs. over-the-road truck costs	44.2	55.8	60.3	59.2	62.1
Estimated fuel use (million gallons of diesel)					
Intermodal	9.1	9.8	10.0	10.0	10.2
Comparable truck -only fuel use	18.2	19.6	19.9	20.0	20.3
Estimated gallons saved	9.1	9.8	10.0	10.0	10.2
Estimated GHG emissions (million pounds - Scope 3)					
Intermodal	204.7	220.4	223.8	224.4	228.3
Comparable truck -only fuel use	409.4	440.9	447.7	448.8	456.6
Savings	204.7	220.4	223.8	224.4	228.3



CASE STUDIES

MATERIALITY

Primary Material Issue: ENERGY AND CLIMATE CHANGE

- Toxic Emissions
- Environmental Performance of Supply Chain
- Climate Change
- Energy Management
- Business Conduct
- Energy and Climate

LEAN ENERGY: CREATING A CULTURE WHERE EFFICIENCY IS ESSENTIAL

Originally started in 2012 by our team at the Sitio del Niño plant in El Salvador, the 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. By incorporating metering, indicators of overuse and employee-driven monitoring, the mill was able to create an easy-to-understand system that drove down annual energy costs by 5 percent with no significant expenditures on new equipment.

SINCE 2012, LEAN ENERGY MANAGEMENT HAS BEEN IMPLEMENTED IN 22 FACILITIES, SAVING A TOTAL **\$6.6 MILLION IN ENERGY COSTS** AND REDUCING GHG EMISSIONS BY **35,000 METRIC TONS**.

What started as a pilot program in El Salvador has now become a global program in behavior change, with the added benefit of engaged employees becoming champions in finding solutions for more efficient energy management processes. In 2013, 13 additional facilities in Latin America, the Middle East, Africa and Asia-Pacific deployed their own LEAN Energy Management systems based on the tools created for the pilot. Eight more facilities adopted these practices across North America and Europe in 2014. Overall, since its inception, LEAN Energy Management systems across 22 facilities have saved a collective **\$6.6 million in annual energy costs and reduced GHG emissions by 35,000 metric tons**.

With more than 25 percent of our mills engaged in LEAN Energy Management, we are aiming to expand across the globe. [Read more here.](#)



The goal of LEAN Energy was to make thinking about saving energy an everyday thing. The same way I think about my electricity bill at home, I'm starting to realize ways we can save energy here at the mill. This is something all mill workers can relate to.

— Edwin Alvear, Senior Electrical Engineer and energy champion
at Papeles del Cauca mill, Colombia

ENERGY

ENERGY USE (TRILLION BTU) ¹	2010	2011	2012	2013	2014
Non-renewable energy	60.8	59.8	54.4	53.1	52.8
percentage of total	85.3%	86.2%	93.8%	93.0%	92.4%
Renewable energy	10.5	9.6	3.6	4.0	4.4
percentage of total	14.7%	13.8%	6.2%	7.0%	7.6%
TOTAL	71.3	69.3	58.0	57.1	57.2
Energy Efficiency (million Btu/MT of production)	14.2	14.7	12.3	12.0	11.5

Note: (1) In alignment with GHG reporting protocol, historical energy performance data for the reported period is restated to reflect the spin off of the Kimberly-Clark Health Care business (now Halyard Health Care).

DIRECT ENERGY USE (TRILLION BTU) ¹	2010	2011	2012	2013	2014
Natural gas	29.1	29.6	30.0	29.9	29.7
percentage of total	54.2%	57.0%	73.3%	74.5%	74.3%
Purchased biomass, purchased liquor	15.5	14.1	3.6	4.0	4.4
percentage of total	28.9%	27.0%	8.7%	10.0%	10.9%
Coal	7.8	7.3	6.5	5.6	5.5
percentage of total	14.5%	14.0%	15.8%	13.9%	13.6%
Fuel oil	1.3	1.0	0.9	0.7	0.5
percentage of total	2.4%	2.0%	2.1%	1.7%	1.2%
TOTAL	53.6	52.0	40.9	40.1	40.0

Note: (1) In alignment with GHG reporting protocol, historical energy performance data for the reported period is restated to reflect the spin off of the Kimberly-Clark Health Care business (now Halyard Health Care).

INDIRECT ENERGY USE (TRILLION BTU) ¹	2010	2011	2012	2013	2014
Electricity	17.52	17.21	16.94	16.96	16.59
percentage of total	99%	95%	99%	96%	97%
Steam	0.13	1	0.1	0.7	0.59
percentage of total	0.8%	5.5%	0.6%	3.9%	3.4%
TOTAL	17.66	18.21	17.05	17.66	17.18

Note: (1) In alignment with GHG reporting protocol, historical energy performance data for the reported period is restated to reflect the spin off of the Kimberly-Clark Health Care business (now Halyard Health Care).

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CASE STUDIES

MATERIALITY

Primary Material Issue: ENVIRONMENTAL COMPLIANCE

- Product Innovation
- Product Safety and Quality
- Environmental Performance of Supply Chain
- Petrochemical Consumption and Alternate Materials
- Supply Chain Compliance

PRODUCT STEWARDSHIP AT KIMBERLY-CLARK

At Kimberly-Clark, we care about the materials we use to create our products, and we want our consumers and customers to feel good about them too. In line with our core values of authenticity and accountability, we have created our own Product Stewardship Council, a cross-functional group consisting of colleagues from sustainability, regulatory affairs, product safety, legal, engineering, government relations and corporate communications, and our strategic business units.

THE PRODUCT STEWARDSHIP COUNCIL, A CROSS-FUNCTIONAL GROUP, **WORKS PROACTIVELY** TO ANTICIPATE AND ADDRESS CUSTOMER, CONSUMER AND REGULATORY EXPECTATIONS.

Through this initiative, we ensure our products continue to meet or exceed safety, environmental, quality and sustainability requirements globally, while also meeting or exceeding consumer and customer expectations. Since its inception, the Council has made great progress on transparency, including the release of a [Product Stewardship micro-site](#) that houses detailed ingredient information for our formulated personal care products within our U.S. brand portfolio. The information presented within the micro-site is available to all our stakeholders, including government, nonprofit organizations, retailers and consumers.

PERFORMANCE DATA: PLANET

FIBER

4.0%

Market pulp consumed by the manufacturing of our products (of total world market pulp)

72.6%

Environmentally preferred fiber used (all businesses)

84.6%

Environmentally preferred fiber used (tissue business)

23.9%

Reduction of fiber sourced from natural forests

2.38MM

air-dried
metric tons/ADMT

Total virgin wood fiber used in our products

FIBER USE (MILLION MT) ¹	2010	2011	2012	2013	2014
Virgin	2.56	2.48	2.36	2.40	2.38
percentage of total	72.5%	70.3%	71.3%	71.4%	72.3%
Recycled	0.97	1.05	0.95	0.96	0.91
percentage of total	27.5%	29.7%	28.6%	28.5%	27.6%
Forest Stewardship Council (FSC) + recycled content	65.3%	62.4%	66.1%	71.7%	72.6%

NOTE: (1) As part of our 2011 Global Forest and Trade Network agreement with WWF and our Fiber Procurement Policy, we will report our total use of environmentally preferred fiber for all fiber-containing products. Virgin pulp will include all Kimberly-Clark manufactured pulp, purchased market pulp and third-party contract-manufactured fiber-containing products. We began collecting fiber data from third-party contract manufacturers in 2009.

FIBER SOURCING	2010	2011	2012	2013	2014
Virgin fiber from environmentally responsible sources ¹	98.0%	99.9%	100.0%	100.0%	100%
Forest Stewardship Council (FSC)	39.4%	47.0%	52.7%	60.5%	62.1%
Sustainable Forest Initiative (SFI)	30.7%	30.4%	32.4%	23.7%	23.6%
Programme for the Endorsement of Forest Certification (PEFC)	8.4%	6.0%	5.0%	4.1%	3.6%
CERFLOR (Brazil)	7.9%	3.3%	2.2%	0%	0%
Canadian Standards Association (CSA)	7.2%	5.4%	5.4%	6.1%	6.8%
Forest Stewardship Council Controlled Wood (FSC-CW)	4.8%	7.9%	2.4%	5.6%	3.9%
Not certified ¹	1.7%	0.1%	0%	0%	0%

NOTE: (1) Approximately 150 tons of the fiber were not certified in 2012, but with two digit rounding, the percentage certified is 100%.

CHLORINE FREE WOOD PULP PURCHASES	2010	2011	2012	2013	2014
Elemental Chlorine Free (ECF)	95.1%	95.2%	98.3%	97.5%	97.1%
Total Chlorine Free (TCF)	4.9%	4.8%	1.6%	2.5%	2.9%

ENVIRONMENTALLY PREFERRED FIBER (NORTH AMERICA) ¹	2010	2011	2012	2013	2014
Virgin Fiber					
FSC Mix	31.6%	36.7%	44.0%	50.7%	52.8%
FSC Plantation ²	25.9%	30.0%	34.4%	38.0%	39.1%
FSC Controlled Wood	42.7%	36.4%	26.5%	21.3%	19.6%
Recycled Fiber					
Recycled content	25.2%	26.0%	29.5%	28.0%	27.5%
Post-consumer recycled content ³	20.3%	22.5%	25.6%	22.9%	22.8%

NOTE: (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.

CLIMATE CHANGE

GREENHOUSE GAS EMISSIONS (MT CO₂e)¹	2010	2011	2012	2013	2014
Direct (Scope 1)	2,498,452	2,452,220	2,361,348	2,244,583	2,204,278
Indirect (Scope 2)	2,785,448	2,745,911	2,710,971	2,713,338	2,712,684
Total emissions	5,283,901	5,198,130	5,072,319	4,957,921	4,916,962
Carbon dioxide (CO ₂)	5,239,724	5,156,664	5,046,149	4,932,156	4,890,428
Methane (CH ₄)	10,767	10,044	5,677	5,538	5,881
Nitrous oxide (N ₂ O)	33,410	31,423	20,494	20,227	20,653
Change from previous year	N/A	1.6 %	2.4 %	2.3 %	0.8 %
CO ₂ e per metric ton of production	1.05	1.11	1.08	1.04	0.99

NOTE: (1) The U.S. emission factors were based on the 2011 U.S. EPA eGRID2010 version 2.1 and the international emission factors used the International Energy Agency Data Services "CO₂ Emissions from Fuel Combustion (2011 Edition)." 2010 data has been updated to reflect these new calculations. In alignment with GHG reporting protocol, historical climate performance data for the reported period is restated to reflect the spin off of the Kimberly-Clark Health Care business (now Halyard Health Care). N/A: Data is not available.

OTHER CRITERIA POLLUTANTS (MT)¹	2010	2011	2012	2013	2014
NO _x	4,819	4,860	3,906	3,774	3,749
SO ₂	4,391	4,662	3,257	2,049	2,002

NOTE: (1) In alignment with GHG reporting protocol, historical climate performance data for the reported period is restated to reflect the spin off of the Kimberly-Clark Health Care business (now Halyard Health Care).

WASTE

HAZARDOUS WASTE	2010	2011	2012	2013	2014
Percentage of total waste					
Biological treatment	0.8%	0.0%	0.3%	0.0%	0.2%
Recycled	50.2%	46.2%	23.9%	21.4%	21.2%
Incineration without heat recovery	25.6%	26.2%	24.8%	17.3%	41.3%
Chemical treatment	15.8%	15.2%	7.7%	24.5%	22.0%
Surface impoundment	0.0%	7.8%	17.6%	0.0%	0.0%
Thermal treatment	5.0%	1.4%	6.4%	15.0%	3.5%
Permanent storage	0.0%	0.0%	3.0%	1.3%	0.7%
Landfilled	1.8%	0.6%	0.4%	0.1%	0.0%
Blended fuel	0.8%	2.5%	15.9%	20.5%	11.1%
Deep well injection	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL (kg)	226,701	233,019	310,112	404,706	480,668

WASTE EFFICIENCY	2010	2011	2012	2013	2014
Waste per metric ton of production (MT/MT) ¹	0.27	0.27	0.28	0.27	0.25

NOTE: (1) The MT of waste/MT of production data indicates that nearly 30 percent of the weight of our products is waste. This is mainly due to the recycled fiber process and the water and byproducts left behind after usable fibers are extracted. Roughly two-thirds of Kimberly-Clark manufacturing waste (one million MT) is recycled fiber sludge; nearly 50 percent of that weight is residual water leftover from the pulping process. In alignment with GHG reporting protocol, historical waste performance data for the reported period is restated to reflect the spin off of the Kimberly-Clark Health Care business (now Halyard Health Care).

MANUFACTURING

	2010	2011	2012	2013	2014
Total production volume (million MT)	5.04	4.70	4.71	4.77	4.95

MATERIALS USED (MILLION MT)	2010	2011	2012	2013	2014
Virgin fiber	2.56	2.48	2.36	2.4	2.4
Recycled fiber	0.97	1.05	0.95	0.96	0.91
Polymers	0.74	0.72	0.72	0.69	0.66
Packaging	0.52	0.50	0.52	0.52	0.53
Adhesives	0.08	0.07	0.08	0.06	0.06
Polymer-based components	0.02	0.02	0.02	0.02	0.02
Packaging (MT/MT of production)	0.104	0.103	0.103	0.104	0.098

INTRODUCTION

For more than 140 years, Kimberly-Clark has fostered a culture of fairness, honesty and integrity. Our core values – authenticity, accountability, innovation and caring – guide our business decisions and initiatives. Our day-to-day actions are founded on a long-standing governance structure, which comprises:

-
- A Board of Directors and independent Board committees that provide oversight to key governance, social and environmental issues
 - A clear reporting structure and lines of accountability
 - A global [Code of Conduct](#)
 - Corporate policies
-

We provide more detail on the [Governance](#) and [Policy](#) pages of our corporate website.

BOARD OF DIRECTORS

Our Board of Directors and its various committees provide oversight and guidance on all aspects of our businesses and our relationships with stakeholders. Our [annual proxy statement](#) contains detailed information on our Board and committee structure, the independence of the members and the responsibilities and meeting frequency of each committee.

The Board has established and approved the framework for our policies and procedures. Among these are our policies relating to environmental stewardship, fiber sourcing, product safety, charitable contributions, human rights, labor, diversity and inclusion and employment. As part of their oversight role, the Board – and the governance committee in particular – receives regular reports from management on these topics, the corporation's goals and progress against these goals.

In addition, the Board receives benchmarking reports on how the Corporation's programs compare with those of other companies, which inform decision-making and strategy. 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 DIVERSITY OVERVIEW	2010	2011	2012	2013	2014
Independent members	92.3%	92.3%	91.7%	91.7%	91.7%
Women	23.1%	23.1%	25.0%	25.0%	25.0%
Minority group membership	23.1%	30.8%	33.3%	33.3%	33.3%
Total board members	13	13	12	12	12

SUSTAINABILITY ADVISORY BOARD

Kimberly-Clark's independent Sustainability Advisory Board (SAB) was formed in 2007 to provide guidance and insights on sustainability issues to our Global Sustainability Team and our Global Strategic Leadership Team, comprised of top business and functional executives.

The SAB is composed of 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, as well as insights into potential risks and opportunities for our business.

Members include:

- **Jeffrey Hollender (U.S.):** co-founder of Seventh Generation; board member of both Greenpeace U.S. and Verité, a leading workers' rights organization
- **Mark Kramer (U.S.):** co-founder and Managing Director of FSG; Senior Fellow in the CSR Initiative at Harvard Kennedy School of Government
- **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)

- **Tim Smith (U.S.):** Senior Vice President of the Environment, Social and Governance Group at Walden Asset Management
- **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 toward sustainability
- **Andrew Winston (U.S.):** author of best-sellers “Green to Gold” and “The Big Pivot”; advisor to Fortune 500 companies on how to navigate the world’s mega-challenges, such as climate change and resource constraints

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.



COMPLIANCE AND ETHICS

Our [Code of Conduct](#) and related policies create a framework of ethical standards within which all employees must operate. The Code and corporate policies apply worldwide.

Our compliance and ethics 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. More information on our policies is available [here](#).

ECONOMIC

FINANCIALS	2010	2011	2012	2013	2014
Net income (\$B) ¹	1.8	1.6	1.8	2.1	1.5
Net sales (\$B) ¹	18.3	19.3	19.5	19.6	19.7
By division¹					
Personal Care ¹	8.7	9.1	9.6	9.5	9.6
Consumer Tissue ¹	6.5	6.8	6.5	6.6	6.6
Kimberly-Clark Professional ¹	3.1	3.3	3.3	3.3	3.4
By region					
North America ¹	9.5	9.4	9.4	9.4	9.4
Europe ¹	3.0	3.2	3.1	2.8	2.7
Asia, Latin America & Other ¹	6.2	7.0	7.3	7.6	8.0
Intergeographic (Asia, Latin America & Other) ^{1 2}	(0.4)	(0.4)	(0.4)	(0.3)	(0.4)
Operating costs (\$B) ¹	15.7	17.2	17.1	16.7	16.8
Cash returned to shareholders (\$B)	1.9	2.3	2.4	2.4	3.2
Taxes paid (\$B)	0.6	0.5	0.5	0.8	0.9
Total environmental expenditures (\$M)	201	226	166	168	193
Capital	26	32	22	30	42
O&M	162	171	126	114	138
Government Payments and R&D	13	23	18	24	14
Assets (\$B)	19.9	19.4	19.9	18.9	15.5
Donations and community investments (\$M)	20.7	32.1	33.0	35.0	35.8
Percent of net income ¹	1.1%	2.0%	1.8%	1.7%	2.3%

NOTE: (1) recast from discontinued operations; (2) "Intergeographic" refers to inter-company sales.

GRI TABLE

GRI #	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER	UNGC
General Standard Disclosures			
Section: Strategy & Analysis			
G4-1	CEO letter	About this Report/Sustainability at Kimberly-Clark	Statement of Continuing Support
G4-2	Key impacts, risks, and opportunities	About this Report/Sustainability at Kimberly-Clark	Principle 8
Section: Organizational Profile			
G4-3	Organization name	Kimberly-Clark Corporation	
G4-4	Primary brands, products, and services	10-K	
G4-5	Headquarters location	10-K	
G4-6	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, Honduras, India, Indonesia, Israel, Italy, Korea, Malaysia, Mexico, Peru, Russia, Saudi Arabia, Singapore, South Africa, Spain, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, United States of America, Venezuela, Vietnam)	
G4-7	Nature of ownership and legal form	10-K	
G4-8	Markets served	10-K	
G4-9	Scale of the organization	10-K 42,617 total employees at year end 2014	
G4-10	Total number of employees by type	44,849 total employees; 42,617 are full-time, 459 part-time and 1,773 temporary. Globally, 31.8% of all employees are women, and 42.3% of all full-time salary employees are women. 31.1% of management globally is comprised of women. 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.	
G4-11	Collective bargaining agreements	Over 35% of our Mill workforces are covered by collective bargaining agreements. Note: Excludes Halyard Health Inc. (In October 2014, Kimberly-Clark completed the spin-off of Halyard Health Inc (HYH). As a result of spin-off, HYH is now an independent, publicly traded company, focusing on preventing infection, eliminating pain and speeding recovery for healthcare providers and their patients.)	Principle 3

G4-12	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. This include 300 contract manufacturers of finished goods and other items. Maintaining a resilient supply chain in support of Kimberly-Clark sales and operations depends on Kimberly-Clark suppliers operating in an ethical manner with respect to human rights, worker safety and environmental practices. This is enforced through contract terms, terms and conditions, and on-site social compliance audits of high risk suppliers.	
G4-13	Organizational changes during the reporting period	10-K	
G4-14	Precautionary principle	Planet Section Introduction	Principle 7
G4-15	External charters, principles, or other initiatives	External Principles & Memberships	Principles 1 & 8
G4-16	Membership associations	External Principles & Memberships	
Section: Identified Material Aspects & Boundaries			
G4-17	Entities included in financial statements	10-K	
G4-18	Process for defining report boundaries and content	About This Report & Stakeholder Engagement	Principle 8
G4-19	Material aspects included in the report	About This Report & Stakeholder Engagement	
G4-20	Descriptions of material aspect boundaries within the organization	About This Report & Stakeholder Engagement	
G4-21	Descriptions of material aspect boundaries within the organization	About This Report & Stakeholder Engagement	
G4-22	Restatements	About this Report - Sustainability 2015 Progress	
G4-23	Changes from previous reports in terms of scope and/or boundaries	In 2014, Kimberly-Clark had a number of changes from previous reporting periods in the Scope and Aspect Boundaries: • In October 2014, we proceeded with the planned closure of our Albury, Australia mill due to the high cost of manufacturing. The Albury mill started operations in 1987 and produced non-woven fabrics for sterile medical applications such as surgical wraps and gowns. • During the summer of 2014, we closed our San Antonio, Texas plant which primarily produced soap for Kimberly-Clark Professional products. • In the fourth quarter of 2014 we began the gradual opening of a mill in Lagos, Nigeria. • In December 2014 we announced a minor footprint rationalization in Fox Valley, Wisconsin - moving some experimental lines/work from one building to another. • All other restructuring was related to the spin-off of Halyard Healthcare (HYH)	
Section: Stakeholder Engagement			
G4-24	Stakeholder groups	External Principles & Memberships Stakeholder Engagement	
G4-25	How stakeholders were identified	Stakeholder Engagement	
G4-26	Approach to stakeholder engagement	Stakeholder Engagement	Principle 8
G4-27	Topics raised during stakeholder engagements	Stakeholder Engagement	

Section: Report Profile			
G4-28	Reporting period	January - December 2014	
G4-29	Date of most recent report	2013	
G4-30	Reporting cycle	Annual	
G4-31	Report contact	sustainability@kcc.com	
G4-32	"In accordance" option, GRI Index and report assurance	GRI Index	
G4-33	Policy regarding report assurance	DNV GL Assurance Letter	Principle 8
Section: Governance			
G4-34	Governance structure of the organization	10-K Governance	Principle 8
G4-38	Composition of the board and its committees	10-K Governance	
G4-39	Whether the chair of the board is also an executive officer	Tom Falk is Chairman & CEO of Kimberly-Clark	
G4-40	Nomination and selection processes for the board and its committees	Proxy Statement	
G4-41	Board conflicts of interest	10-K Code of Conduct	Principle 10
G4-44	Board performance with respect to governance of sustainability topics	10-K Governance, Diversity & Inclusion and Human Rights	Principle 8
G4-45	Board role in the identification and management of sustainability impacts, risks, and opportunities	10-K Governance, Diversity & Inclusion and Human Rights	Principles 7 & 8
G4-47	Frequency of the board's review of sustainability impacts, risks, and opportunities	10-K Governance	Principles 7 & 8
G4-49	Process for communicating critical concerns to the board	Contact the Board or email Sustainability@kcc.com	
Section: Ethics & Integrity			
G4-56 (Bribery & corruption; business conduct)	Code of conduct	Code of Conduct	Principles 1 & 8
G4-57 (Bribery & corruption; business conduct)	Helplines or advice lines for employees	Code of Conduct	
G4-58 (Bribery & corruption; business conduct)	Mechanisms for reporting concerns about unethical or unlawful behavior	Code of Conduct	

Specific Standard Disclosures			
G4-DMA	Disclosures on management approach	About this Report	
G4-EC1	Direct economic value generated and distributed	Economic Performance Data	
G4-EC2 (Climate change)	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 six major greenhouse gases. We report progress annually based on detailed EPA protocols. As part of our Sustainability 2015 strategy, we set a goal of reducing GHG absolute emissions from manufacturing by 5% from a 2010 baseline.	Principle 7
G4-EC3 (Bribery & corruption)	Benefit plan coverage	10-K	
G4-EC7	Infrastructure investments	People (Community table)	
G4-EN1 (Petrochemical consumption & alternate materials; Fiber consumption & alternate materials)	Materials by weight or volume (Fiber consumption & alternate materials)	Planet (Materials used)	Principle 8
G4-EN2 (Petrochemical consumption & alternate materials; Fiber consumption & alternate materials)	Recycled input materials (Fiber consumption & alternate materials)	Planet (Materials used)	Principle 8
G4-EN3 (Energy management)	Energy consumption (Scope 1 + 2)	Planet (Energy tables)	Principle 8
G4-EN6 (Energy management)	Energy reductions	Planet (Energy tables)	
G4-EN8 (Water management & consumption)	Water withdrawals by source	Planet (Water tables)	Principle 8
G4-EN10 (Water management & consumption)	Water recycled and reused	Planet (Water tables)	Principle 8
G4-EN12	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 protects areas	Principle 8
G4-EN13	Habitats protected or restored		Principle 8

GRI TABLE

G4-EN15 (Climate change)	Direct greenhouse gas (GHG) emissions (Scope 1)	Planet (Greenhouse Gas Emissions table)	Principle 8
G4-EN16 (Climate change)	Energy indirect greenhouse gas (GHG) emissions (Scope 2)		Principle 8
G4-EN17 (Climate change)	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Other indirect greenhouse gas (GHG) emissions (Scope 3) reported come primarily from our use of transportation. Planet (Intermodal Transportation table)	Principle 8
G4-EN18 (Climate change)	GHG emissions intensity	Planet (Greenhouse Gas Emissions table) * CO2e per metric ton of production	Principle 8
G4-EN19 (Climate change)	Reduction of GHG emissions	In 2014, our absolute global GHG emissions at our manufacturing facilities were 4.9 million metric tons (MT) of CO2 equivalents (CO2e) representing a 0.9% reduction from 2013 emissions. IT also represents a 7.2% reduction from the baseline year of 2010 establishing significant continuous improvement beyond our Sustainability 2015 reduction goal of 5%.	Principles 7, 8 & 9
G4-EN21 (Climate change)	NOx, SOx and other significant air emissions	Planet (Other Criteria Pollutants table)	Principle 8
G4-EN22 (Water management & consumption)	Water discharge	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.	Principle 8
G4-EN23 (Waste management & consumption)	Waste by type and disposal method	Planet (Nonhazardous Waste table)	Principle 8
G4-EN24 (Toxic emissions)	Significant spills	No significant spills	Principle 8
G4-EN25 (Waste management & consumption)	Hazardous waste	Planet (Hazardous Waste table)	Principle 8
G4-EN27 (Product end use & disposal)	Mitigation of environmental impacts of products and services	Kimberly-Clark does not currently collect this data	Principles 8 & 9
G4-EN28 (Product end use & disposal)	Products and packaging materials reclaimed	Kimberly-Clark does not currently collect this data	Principles 8 & 9
G4-EN29	Monetary value of significant fines	No significant internal or external fines (the organization has not identified any non-compliance events that resulted in a significant fine).	
G4-EN30	Transport	Planet (Intermodal Transportation table)	Principles 7 & 8
G4-EN31	Environmental protection expenditures & investments	Total environmental expenditures in 2014 equaled \$168,892,000 (excl. Kimberly-Clark de Mexico) 111 facilities reported in 2014	

G4-EN32	New suppliers screened using environmental criteria	• In categories that are most material to Kimberly-Clark (Material inputs for our product manufacture ("Production Materials"), packaging, contract manufacturing and transportation), all new suppliers using environmental criteria as follows: • All new contract manufacturers are vetted through a thorough due diligence process that includes environmental performance. We have 330 contract manufacturers with about 10% turnover per year. • All new fiber suppliers are required to agree to the Kimberly-Clark fiber policy, which is an environmentally-driven policy and a leader in the industry. Fiber is our largest commodity-spend area. Our fiber policy is posted on our website: http://www.kimberly-clark.com/sustainability/reporting/policies.aspx. • All US carriers (truckers) are required to work with Kimberly-Clark through EPA SmartWay to reduce fuel consumption and emissions. • All of our fiber-based packaging suppliers are required to report annually their progress on use of recycled fiber and certified (responsibly sourced) fiber. • All new Kimberly-Clark suppliers are required to agree to our corporate social compliance standards, which includes environmental performance. • Our major polymer suppliers are required to do annual reporting to Kimberly-Clark on environmental performance.	
G4-EN33	Supply chain environmental impacts	In categories that are most material to Kimberly-Clark (Material inputs for our product manufacture ("Production Materials"), packaging, contract manufacturing and transportation), all new suppliers using environmental criteria as follows: • All new contract manufacturers are vetted through a thorough due diligence process that includes environmental performance. We have 330 contract manufacturers with about 10% turnover per year. • All new fiber suppliers are required to agree to the Kimberly-Clark fiber policy, which is an environmentally-driven policy and a leader in the industry. Fiber is our largest commodity-spend area. Our fiber policy is posted on our website: http://www.kimberly-clark.com/sustainability/reporting/policies.aspx. • All US carriers (truckers) are required to work with Kimberly-Clark through EPA SmartWay to reduce fuel consumption and emissions. • All of our fiber-based packaging suppliers are required to report annually their progress on use of recycled fiber and certified (responsibly sourced) fiber. • All new Kimberly-Clark suppliers are required to agree to our corporate social compliance standards, which includes environmental performance. • Our major polymer suppliers are required to do annual reporting to Kimberly-Clark on environmental performance.	

GRI TABLE

G4-LA1	Rates of employee turnover	Global turnover, excluding Kimberly-Clark Healthcare and thus the Halyard Health spin-off, totals approximately 6,229 (Hourly 3,433, Salary 2,795)	
G4-LA2	Benefits provided to full-time employees	Kimberly-Clark is a global company with manufacturing facilities and offices in 56 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.	
G4-LA4	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. Joint Statement	
G4-LA5	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 levels. 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
G4-LA6	Rates of injury, occupational disease, lost days, absenteeism, and work-related fatalities	Rates of injury, occupational disease, lost days, absenteeism and work-related fatalities	Principle 1
G4-LA7	Workers with high incidence risk of diseases	Kimberly-Clark has implemented comprehensive industrial hygiene and occupation 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
G4-LA8	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	
G4-LA14	New suppliers that were screened using labor practices criteria	Kimberly-Clark does not currently measure this data	
G4-LA15	Negative impacts for labor practices in the supply chain	People (2014 Audit Results table)	
G4-LA16	Grievances about labor practices	Kimberly-Clark does not currently measure this data	

GRI TABLE

G4-HR1	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 2012, these terms and conditions were updated to include a section that discusses our new Supplier Social Compliance Standards	Principles 1-6
G4-HR2	Employee training on human rights	We have provided (1 hour per employee) on the Code of Conduct in 2014	Principles 1-6
G4-HR3	Incidents of discrimination	Suppliers - 1	Principles 6
G4-HR4	Freedom of association and collective bargaining	Suppliers - 0 Internal facilities - 0	Principles 1,2 & 3
G4-HR5	Child labor	People (Social Compliance case study)	Principles 1,2 & 5
G4-HR6	Forced or compulsory labor		Principles 1,2 & 4
G4-HR7	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. http://www.kimberly-clark.com/our-company/governance.aspx	Principles 1 & 2
G4-HR8	Incidents of violations involving rights of indigenous peoples	Kimberly-Clark does not currently measure this data We know of no incidents involving rights of indigenous peoples	Principles 1 & 2
G4-HR9	Operations that have been subject to human rights assessments	We conducted corporate social compliance audits in 25 countries in 2014	Principles 1, 2, 4 & 5
G4-HR10	New suppliers screened for human rights	Kimberly-Clark does not currently measure this data	
G4-HR11	Incidents of negative impacts in supply chain & actions taken	We completed 122 social compliance audits of key suppliers in 2014; 77 suppliers in 2014 were identified as having potential or actual impacts for labor practices such as passport retention, discrimination, corruption, workplace safety, or working hours. Approximately 85% of those found to have actual impacts through auditing mitigated findings within 2014. Kimberly-Clark terminated 1 supplier relationship for failure to mitigate actions and for concerns relating to unethical business practices.	
G4-HR12	Grievances about human rights impacts	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 are 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 all Kimberly-Clark employees to acknowledge they have read and understand our Code of Conduct, and they are personally unaware of non-reported violations of the Code of Conduct. 3. Corporate Social Compliance Audits – We conduct over 100 audits of key suppliers annually. As a part of this activity we review a given suppliers 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.	Principles 1, 2, 4 & 5

GRI TABLE

G4-SO1	% operations w/ local community programs	About this Report - Sustainability 2015 Progress	
G4-SO3	Risks related to corruption	In Kimberly-Clark's Code of Conduct, we discuss mechanisms for reporting unlawful/unethical behavior http://www.kimberly-clark.com/our-company/governance.aspx http://www.cms.kimberly-clark.com/umbracoimages/UmbracoFileMedia/Code%20of%20Conduct_umbracoFile.pdf	Principle 10
G4-SO4	Communications and training on anti-corruption	Every employee has received a one-hour training on our Code of Conduct, with specialized training for HR employees and supervisors. It is the policy of Kimberly-Clark to conduct business in compliance with all anti-bribery and anti-corruption laws.	Principle 10
G4-SO5	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
G4-SO7	Anti-competitive behavior	1	Principle 10
G4-SO8	Fines for non-compliance with laws	\$10,100	
G4-PR1	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
G4-PR2	Non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance with regulations or voluntary codes	

INDEPENDENT ASSURANCE STATEMENT

SCOPE AND OBJECTIVES

DNV GL Business Assurance USA, Inc. (DNV GL) was commissioned by Kimberly-Clark Corporation to conduct independent assurance of its 2014 Global Sustainability Report ('the Report'), as published on the company's website at <http://www.kimberly-clark.com/sustainability.aspx>

Our assurance engagement was planned and carried out in accordance with the DNV GL Protocol for Verification of Sustainability Reporting, VeriSustain™. We evaluated the Report for adherence to the VeriSustain™ Principles ('the Principles') of stakeholder inclusiveness, materiality, responsiveness, completeness, neutrality, and reliability.

We evaluated the performance data using the reliability principle. It was agreed with Kimberly-Clark that the performance data in scope were: Energy; Water; and Waste as well as any applicable claims in the Report relating to that data.

Information presented in the Report, with the exception of financial information presented in the Corporate Overview, was included in the scope of our assurance engagement.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a limited level of assurance.

RESPONSIBILITIES OF KIMBERLY-CLARK CORPORATION AND OF THE ASSURANCE PROVIDERS

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

DNV GL was not involved in the preparation of any part of the Report except for this Assurance Statement. This is our sixth year of providing assurance for Kimberly-Clark. We adopt a balanced approach towards all stakeholders when performing our evaluation.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement. Our team comprised: Tom Gosselin and Natasha D'Silva. Further information, including individual competencies relating to the team, can be found at: www.dnvgl.com/sustainability

BASIS OF OUR OPINION

Our work was designed to gather evidence with the objective of providing assurance as defined by VeriSustain™. We undertook the following activities:

- We conducted interviews with senior executives and managers based in Roswell, GA, Neenah, WI, Irving, TX, Reigate, United Kingdom, and Sao Paulo, Brazil who are responsible for areas of management and stakeholder relationships covered by the Report. The objective of these discussions was to understand top level commitment and strategy related to corporate responsibility and Kimberly-Clark's governance arrangements, stakeholder engagement activity, management priorities, and systems;
- We visited one facility in Loudon, Tennessee. During the on-site visit, we met with the plant manager, environmental coordinator, health and safety coordinator, and human resource manager to assess controls and processes present at the operational level in comparison with claims made at the Group level and to conduct a review of data samples on indicators contributing to the Report.
- We conducted a general review of issues that could be relevant to Kimberly-Clark's operations and policies to provide a check on the appropriateness of statements made in the Report;
- We assessed documentation and evidence that supported and substantiated claims made in the Report;
- We interviewed internal auditors responsible for internal data verification, reviewed their work processes and approach, and discussed specific competencies related to data verification;
- We provided feedback on the Report based on our assurance scope.

OPINION

On the basis of the work conducted, nothing came to our attention to suggest that the Report does not properly describe Kimberly-Clark's adherence to the Principles. In terms of reliability of the performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at the operational level, nor that the assumptions used were not appropriate.

OBSERVATIONS

Without affecting our assurance opinion, we have noted the following areas of strong practice as well as opportunities for Kimberly-Clark to further improve its adherence to the Principles and reporting of performance information:

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

Kimberly-Clark is extremely active in sustainability and upholds a commitment to driving social, environmental, and economic improvement throughout its business operations and value chain. This is seen through the company's collaborative efforts and memberships with industry organizations working to address issues that are among Kimberly-Clark's most material sustainability issues along with multiple awards won by its global operations. A culture of stakeholder engagement is evident at all levels of the organization and the company is able to demonstrate that sustainability is embedded within most engagement activities.

There are strong examples of the company working with stakeholders to reduce environmental impact and to increase positive social impacts. We also commend Kimberly-Clark for its work with its global supply chain through its standards, supplier summits, risk assessments, and audit actions to support continuous improvement among its suppliers.

Materiality: identification of those issues which are necessary for stakeholders to make informed judgments concerning the organization and its impacts.

The report addresses the most material environmental and social issues facing the company and its stakeholders. Kimberly-Clark has used the sustainability materiality assessment conducted in 2013 to confirm the topics covered in the report. Furthermore, through its ongoing stakeholder engagement efforts, Kimberly-Clark has demonstrated that it has established processes for identifying the issues stakeholders view as significant and the report content addresses this feedback.

As Sustainability 2015 will be coming to a close at the end of this calendar year, the company has begun to develop its next generation sustainability strategy and goals which have been informed by the outcomes of its materiality assessment.

In order to drive internal engagement and informed decision-making related to cost-benefits of its efforts to reduce environmental impacts of its global operations, at both the corporate- and site-levels, Kimberly-Clark has dedicated significant resources to measuring the return on investment of specific sustainability objectives. The company is applying its learning from its initial focus of energy-related initiatives to other issues of significance such as fiber and water consumption. This helps to drive capital and resources towards site-level initiatives that support targets identified as material.

While the company has begun to assess the return on investment on initiatives such as Toilets Change Lives, we recommend that as Kimberly-Clark increases its strategic focus on investing in programs that help it achieve its social objectives, the company develop more robust criteria to track and measure its social benefits. This can support the company in better articulating the impact of initiatives to both internal and external stakeholders.

Responsiveness: the extent to which the organization responds to stakeholder issues

Stakeholder ideas and concerns influence decision-making throughout the organization. This is particularly evident through innovative and collaborative initiatives addressing sustainability challenges throughout the company's value chain. Examples include the development of the Alternative Natural Fiber Standard with the Rainforest Alliance and other partners to increasing diversion rates in the post-consumer waste stream through projects such as RightCycle which have required inputs from both customers and suppliers.

Kimberly-Clark has also developed internal mechanisms through the Product Stewardship Council to proactively address changing market concerns on a global basis in its operational landscape and relating to its personal care products. We welcome Kimberly-Clark's commitment to extend the impact of the Product Stewardship Council beyond the personal care portfolio.

Completeness: how much of all the information that has been identified as material to the organization and its stakeholders is reported

Kimberly-Clark's reporting of performance including the disclosure of data is comprehensive. Re-statements to performance indicators arising out of organizational boundary changes from the divestment of its Healthcare division are considered to be adequate.

Neutrality: the extent to which a report provides a balanced account of the organization's performance, delivered in a neutrality tone

The tone in the Report is considered neutral with no obvious and deliberate intent to unduly influence the reader. The report outlines a number of challenges that Kimberly-Clark currently faces including environmental compliance and waste diversion. Performance indicators are disclosed in an unbiased manner. We recommend that Kimberly-Clark disclose its plans to address these challenges moving forward – both as the company reflects on sustainability 2015 and as it updates readers on objectives related to Sustainability 2022.

Reliability: the accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems

Sustainability 2015 goals and performance are generally presented in a clear manner. The specified data presented in the report are considered to be reliable and accurate as minimal technical errors have been identified based on the sampling conducted by internal audit at the corporate level and by DNV GL at the site level. Kimberly-Clark has implemented a new data management platform which has greatly reduced the risk to data accuracy including those resulting from conversion and typing errors as well as those resulting from misinterpretation of regional variances such as emission factors. We recommend that as the company continues the rollout of this platform globally that further training is provided to data managers at the site level to help them better understand the capabilities of the new system thereby increasing their confidence in the database reporting outputs and reducing the risk of local data coordinators continuing to maintain spreadsheets as a primary form of data collection and collation.

DNV GL Business Assurance USA, Inc.

Oakland, California

June, 2015



Tom Gosselin
Project Director



Natasha D'Silva
Project Consultant



Dave Knight
Technical Reviewer

The purpose of the DNV GL group of companies is to promote safe and sustainable futures. The USA & Canada Sustainability team is part of DNV GL Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnvgl.com/sustainability

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