

FULL CIRCLE

OVERVIEW

Kimberly-Clark was founded on the principles of selling quality products, providing good customer service, and dealing fairly with our employees and all with whom we work.

These principles have served as the foundation upon which our company has grown, and today they continue to guide us in our commitment to sustainability.

KIMBERLY-CLARK VALUES

Our values are the fabric of our company, and define how we work with and are judged by consumers, our business partners, investors and one another.

Authentic—We continue our heritage of honesty, integrity and courageously doing the right thing

Accountable—We take ownership of our business and our future

Innovative—We are committed to new ideas that add value

Caring—We respect each other and care for the communities where we live and work



A LETTER FROM OUR CEO

At Kimberly-Clark, our business success entails providing people with the essentials for a better life while conserving the natural resources on which we all depend.

Practicing sustainability is part of the work we do every day. A key component of our Global Business Plan calls for increasing the positive impact of our sustainability efforts. That's why in 2011, we launched Sustainability 2015, the most comprehensive sustainability strategy in our company's history. Sustainability 2015 reflects the full circle of our social responsibilities—to contribute more to the environmental, social and economic success in the communities we operate in around the world.

SUSTAINABILITY 2015 REFLECTS THE FULL CIRCLE OF OUR SOCIAL RESPONSIBILITIES

A major growth area of our Global Business Plan is in emerging markets, with a focus on Latin America, Russia and China. In 2011, Kimberly-Clark International achieved net sales growth of 13 percent, and for the first time, our Personal Care business in Kimberly-Clark International is larger than in North America. As a global company, we must widen our circle of influence in these emerging markets and strengthen our engagement with stakeholders to understand how we can best serve the



Tom Falk
Chairman & CEO

essential needs of people through our products and our social and environmental actions.

During 2011, we built a solid foundation that has set the stage for ongoing sustainability success with our Sustainability 2015 strategy. We're making strides in our talent strategy to become a more performance-driven culture by empowering our people. We're working on a new social responsibility strategy that will help us to continue to support communities in which we do business, while using our brands to improve lives and communities around the globe.

Our focused approach to innovation will help reduce the environmental impact of our products throughout their lifecycles and provide social benefits to our customers. We finalized a new Social Compliance Policy and audit program for rollout in 2012. This program will provide greater confidence that our supply chain operates with values similar to Kimberly-Clark's and seeks to ensure that we honor the principles of the United Nations Global Compact (UNGC).

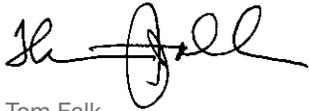
Successes in 2011

As we look back on 2011, we are proud of our achievements:

- We conducted social initiatives in 23 countries, including cash and product donations totaling more than \$32 million
- More than 11,000 employees committed to making positive environmental changes in their lives through our Small Steps for Sustainability program. We also recognized significant sustainability accomplishments by our employees with the presentation of our inaugural Crystal Tree Awards.
- Kimberly-Clark and the World Wildlife Fund (WWF) announced a global agreement with WWF's Global Forest & Trade Network (GFTN)
- We initiated water-replenishment projects in India, Israel, Colombia and Spain, with a total anticipated return to communities of 205 million gallons
- We became the first U.S. branded consumer tissue maker to offer tissue products certified by the Forest Stewardship Council (FSC) to North American consumers, while Kimberly-Clark Professional expanded its FSC certification to more than 95 percent of its tissue and towel lines in North America. We also expanded FSC certification on tissue products in China, Taiwan and Australia.
- Kimberly-Clark's Huggies brand team expanded its diaper composting initiatives through our partnership with Envirocomp. Plans are in place to open a second Kimberly-Clark-sponsored recycling plant in New Zealand in 2012, and we're exploring locations for additional international plants.

While we are proud of our 2011 achievements, we fell short in reaching our water-reduction targets, and we continue to be challenged in finding alternatives to landfill for the residue from deinked wastepaper at some of our tissue mills.

Our Sustainability 2015 strategy gives us confidence to look to the future with optimism. And as we stretch to be increasingly sustainable in environmental matters, with employee relations and in our supply chain, we know there are formidable challenges ahead. However, the passion and dedication of our business teams will carry us forward, because we believe sustainability creates value for all—our business, our investors and our communities—today and for generations to come.



Tom Falk
Chairman & CEO

AN OVERVIEW OF OUR BUSINESS

Kimberly-Clark is a global company focused on leading the world in providing essentials for a better life.

Our products—marketed under such brands as Kleenex, Scott, Andrex, Huggies, Pull-Ups, Kotex, Poise and Depend—are used by approximately a quarter of the world’s population every day in more than 175 countries.

More information on our products and businesses can be found on our website, www.kimberly-clark.com.

At the end of 2011, the company had approximately 57,000 full-time employees and manufacturing facilities in 36 countries. Our global headquarters are in Dallas, Texas. Kimberly-Clark is a publicly traded company listed on the New York Stock Exchange (symbol: KMB). Sales in 2011 were \$20.8 billion.

OUR PRODUCTS ARE USED IN MORE THAN 175 COUNTRIES



KIMBERLY-CLARK HAS FOUR GLOBAL BUSINESSES:

Personal Care

Diapers, training/youth/swim pants, feminine care, incontinence care, infant and child wipes: **2011 sales: \$9.1 billion**

Consumer Tissue

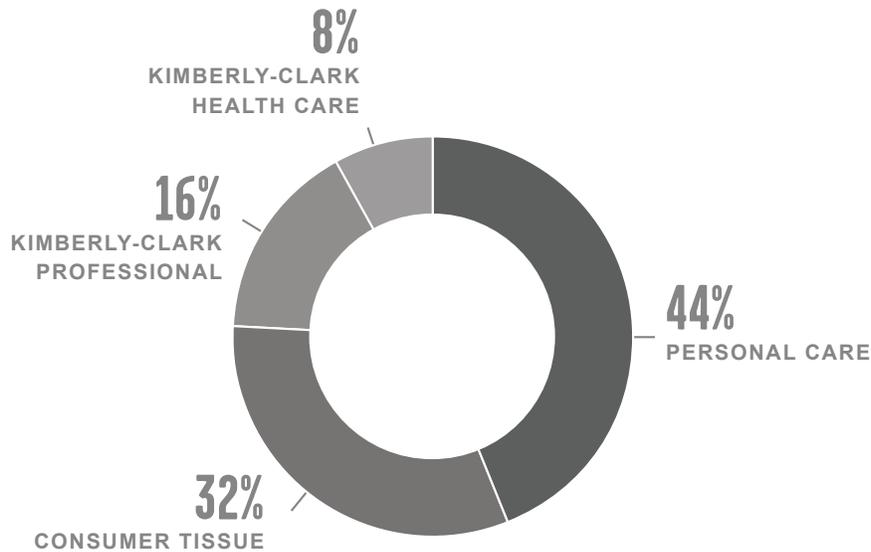
Facial tissue, bathroom tissue, paper towels: **2011 sales: \$6.8 billion**

Kimberly-Clark Professional

Disposable health & hygiene products for away-from-home use, including facial tissue, bathroom tissue, paper towels, wipers, protective/absorbent products for do-it-yourself use, safety products and nonwovens: **2011 sales: \$3.3 billion**

Kimberly-Clark Health Care

Surgical drapes and gowns, infection-control products, face masks, exam gloves, respiratory products, pain management and other disposable medical products: **2011 sales: \$1.6 billion**

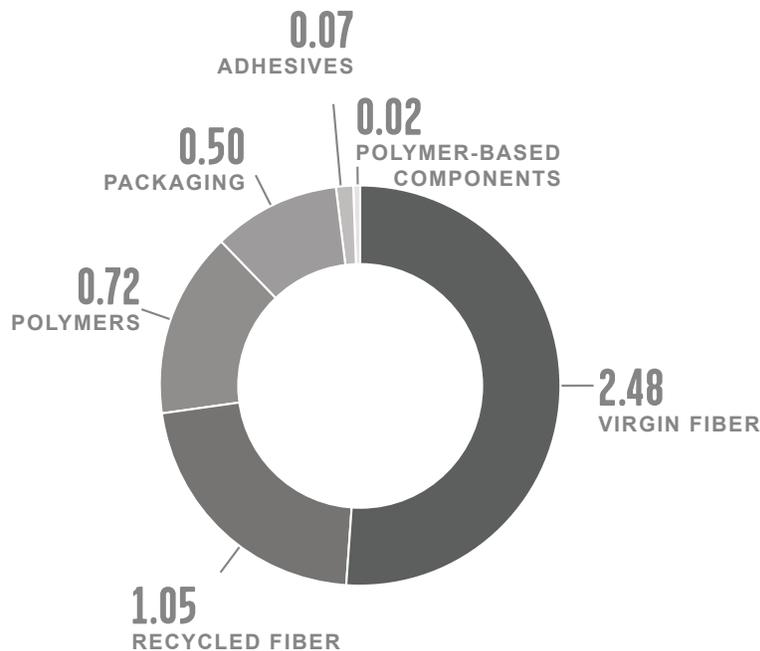


OUR COMPANY BY THE NUMBERS

	2007	2008	2009	2010	2011
Net sales (\$B)					
Personal Care	7.6	8.3	8.4	8.7	9.1
Consumer Tissue	6.5	6.7	6.4	6.5	6.8
K-C Professional	3.0	3.2	3.0	3.1	3.3
K-C Health Care	1.2	1.2	1.4	1.5	1.6
Total	18.3	19.4	19.1	19.7	20.8
Operating costs (\$B)	15.7	16.9	16.3	17.0	18.4
Cash returned to shareholders (\$B)	3.7	1.6	1.0	1.9	2.3
Employee compensation (\$B)	3.3	3.3	3.5	3.3	3.8
Income taxes paid (\$B)	0.7	0.5	0.8	0.6	0.5
Total environmental expenditure (\$M)	193	185	224	201	233
Assets (\$B)	18.4	18.1	19.2	19.9	19.4
Donations and community investments (\$M)	17.9	18.5	18.8	20.6	32.1
Percent of net income	1.0%	1.1%	1.0%	1.1%	2.0%

Note:
K-C does not receive significant assistance from the government to warrant tracking

MATERIALS USED IN 2011 (MMT)



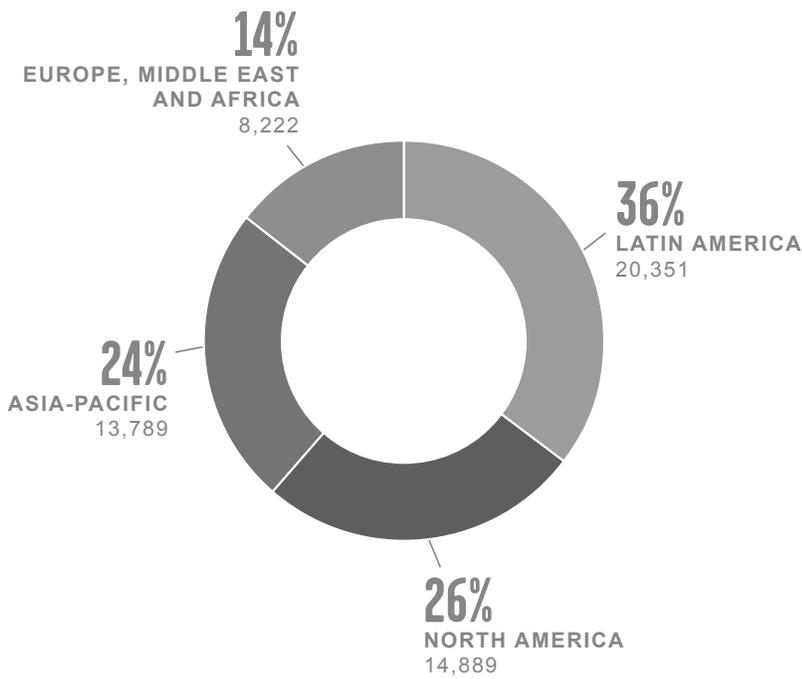
MATERIALS USED (MMT)	2007	2008	2009	2010	2011
Virgin fiber	2.61	2.64	2.47	2.56	2.48
Recycled fiber	0.92	0.97	0.94	0.97	1.05
Polymers	0.65	0.66	0.70	0.74	0.72
Packaging	N/A	N/A	N/A	0.52	0.50
Adhesives	0.05	0.06	0.06	0.08	0.07
Polymer-based components	N/A	0.02	0.02	0.02	0.02

Note:
 N/A: Data is not available
 Polymers for 2009 is an estimate

Packaging per Metric Ton of Production



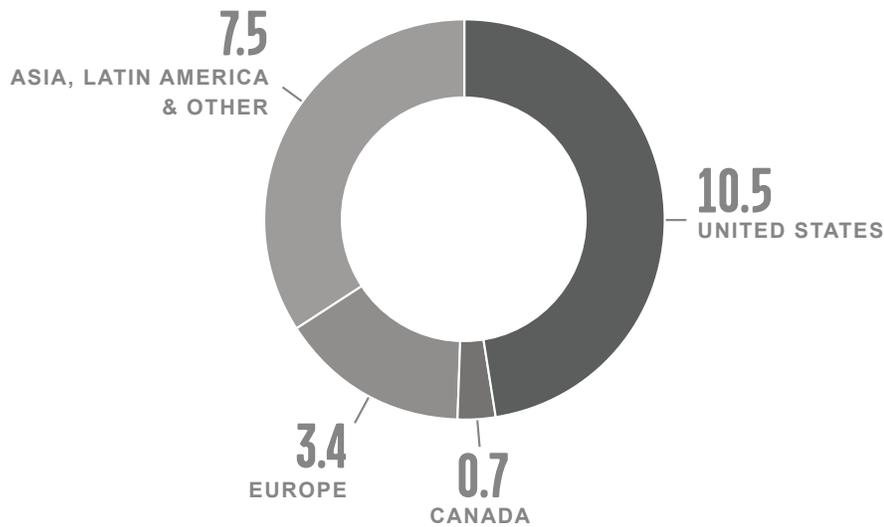
EMPLOYEES BY REGION IN 2011



NET SALES (\$B)	2007	2008	2009	2010	2011
U.S.	9.9	10.1	10.1	10.5	10.5
Canada	0.6	0.6	0.6	0.7	0.7
Intergeographic	-0.3	-0.3	-0.3	-0.5	-0.4
Europe	3.5	3.7	3.2	3.2	3.4
Asia, Latin America & Other	5.3	5.9	6.1	6.6	7.5
Intergeographic	-0.7	-0.7	-0.7	-0.7	-0.8
Total	18.3	19.4	19.1	19.7	20.8

Note:
 "Intergeographic" refers to inter-company sales

NET SALES FOR 2011 (\$B)



OUR PRESENCE IN EMERGING MARKETS

One of the core business strategies of our Global Business Plan is to drive growth throughout Kimberly-Clark International with a particular focus on Latin America, Russia and China.

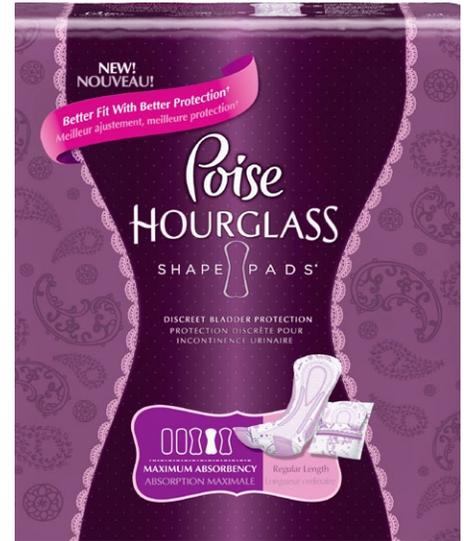
Growth for Kimberly-Clark International refers to growth of the business, growth of our brands, and growth of Kimberly-Clark's positive contribution to local and global communities.

In 2011, Kimberly-Clark International accounted for 36 percent of net sales for the company and worked to improve its management of global brands and innovation initiatives to leverage the benefits of the company's global scale. It also helped us move toward our Sustainability 2015 vision to meet needs in our emerging markets.

As we grow in emerging markets, the broader distribution of our products helps enable more people around the world to live better lives. Our goal is to provide products that make people's lives healthier, safer and more secure. For example, in India and Brazil, Huggies brand diapers help prevent infant rashes and infections that can result from a lack of clean diapers. With the introduction of the Kotex brand in the marketplace in Malaysia, young women can feel more secure every day, including in the middle of their menstrual cycles, and women at social occasions in Korea can feel more relaxed and confident because of the availability of our Poise brand.

OUR PRODUCTS MAKE PEOPLE'S LIVES HEALTHIER, SAFER AND MORE SECURE

Our focus moving forward is to increase our understanding of social and sustainability needs in emerging markets and provide our innovative products to meet those needs.



OUR APPROACH TO SUSTAINABILITY

In 2011, Kimberly-Clark announced its Sustainability 2015 strategy and five-year goals under three pillars: People, Planet, Products.

This strategy is advancing the progress we've already made in areas such as waste and energy reductions, third-party-certified fiber sourcing and workplace safety. It is providing greater focus in other areas, notably our Kimberly-Clark Foundation and social initiatives, and with this strategy, we are setting new sustainability priorities as we embrace a lifecycle approach to our products.

In short, Sustainability 2015 represents a shift in our thinking—from a focus on our own operational footprint to a broader view of our responsibilities throughout our value chain. This holistic approach reflects the ever-increasing number and complexity of environmental and societal issues facing our global communities, and recognizes that sustainability in its multiple aspects is an integral part of our business. A sustainability vision is no longer a “nice to have,” it is now a strategic imperative.



Suhas Apte
Vice President,
Global Sustainability

Our strategy sets challenging goals that we embrace with enthusiasm, while acknowledging that they will require us to become more innovative to achieve them. Key elements of the strategy include:

- Embedding our sustainability initiatives into our 2015 Global Business Plan
- Focusing on innovation in our products throughout their lifecycle
- Enhancing corporate and brand equity through focused social programs
- Measuring our progress.

A SUSTAINABILITY VISION IS NO LONGER A “NICE TO HAVE,” IT’S A STRATEGIC IMPERATIVE

In addition to our Sustainability 2015 goals, we have identified four focus areas in which we believe we can take an industry-leading role. These areas include forest conservation, access to water and sanitation in communities, responsible solutions for postconsumer waste, and providing access to essentials for a better life through our global social giving programs developed in partnership with our brands' health and hygiene products. These are areas where tremendous need exists today, and we can make a positive impact.

The scope of these challenges is vast, such as addressing postconsumer disposal of our products, which is why we will build and expand on our engagements with our employees, customers, suppliers, environmental and social non-governmental organizations (NGOs), and industry. Through cooperative efforts, we believe we can make a difference.

The focus of our Sustainability 2015 strategy has set a path to ensure long-term success for our company and access to essentials for communities around the world. At the same time, we understand that addressing the global issues in the 21st century cannot be done without looking further into the future.

We invite you to join us on our journey to a more sustainable future.



Suhas Apte
Vice President, Global Sustainability

OUR SUSTAINABILITY 2015 STRATEGY

Sustainability 2015 reflects the changing landscape for Kimberly-Clark and the communities we serve.

It builds on the success of our previous enterprise-wide sustainability programs, which began in 1994 and helped drive our environmental performance. Sustainability 2015 comprises broad-reaching social platforms, such as addressing the United Nations Millennium Development Goals, as well as more specific objectives, such as reducing our energy and water use. By integrating these elements into our company's agenda and Global Business Plan, we are working to sustain healthy working environments and communities.

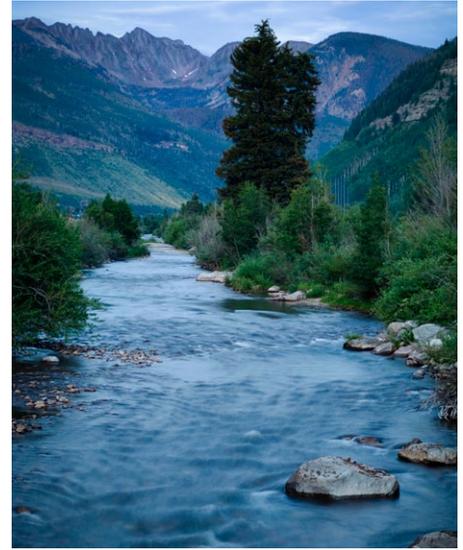
Sustainability 2015 is an integral component of our Global Business Plan. It weaves a sustainable business mindset and practice into everything we do, and it allows opportunities for employees, businesses and brands on a global basis to take an active role in achieving Kimberly-Clark's vision of leading the world in essentials for a better life.

Sustainability 2015 is built around a framework of three pillars: People, Planet, Products. It integrates elements that seek to:

- Sustain and build healthy working environments
- Develop programs to address the United Nations Millennium Development Goals
- Innovate products and business models to reach emerging consumers and customers
- Focus our social programs on global issues and Kimberly-Clark communities
- Implement programs to reduce our energy and water use, greenhouse gas emissions, water discharges and waste generation

SUSTAINABILITY 2015 IS AN INTEGRAL COMPONENT OF OUR GLOBAL BUSINESS PLAN

Our Sustainability 2015 goals are clear and measurable. Some are a continuation of our Vision 2010 program, which addressed critical global environmental issues. Others—under our new People and Product pillars—are new objectives that reflect the evolution of our sustainability strategy. Many of these goals reflect an ongoing agenda for



Kimberly-Clark, with milestones to judge our movement forward. For each, we have defined roadmaps to guide and measure our progress. We report on our 2011 progress against our Sustainability 2015 goals in this report, and we will continue to do so in future years.

2011 Progress Against Sustainability 2015 Goals

PEOPLE	
Zero workplace fatalities	0
Socially focused programs in all K-C communities	62%
100% participation by key suppliers in K-C's program to implement social compliance standards	standards communicated to key suppliers
PLANET	
25% reduction in water use and maintain quality of discharge	0.9%
100% fiber from certified suppliers	99.9%
5% absolute reduction in GHG	1.2%
Zero manufacturing waste to landfill	21.4% waste sent to landfills
PRODUCTS	
250 million new consumers touched	tracking has begun
25% of 2015 net sales from environmentally innovative products	13%
20% reduction in packaging environmental impact	4%

Specifics regarding our progress against each of these goals are discussed in detail within each section of this report and in the performance data summary where applicable.

OUR SUSTAINABILITY ADVISORY BOARD

Kimberly-Clark's Sustainability Advisory Board (SAB), formed in 2007, is made up of seven external thought leaders who possess a diversity of expertise and cultural experience.

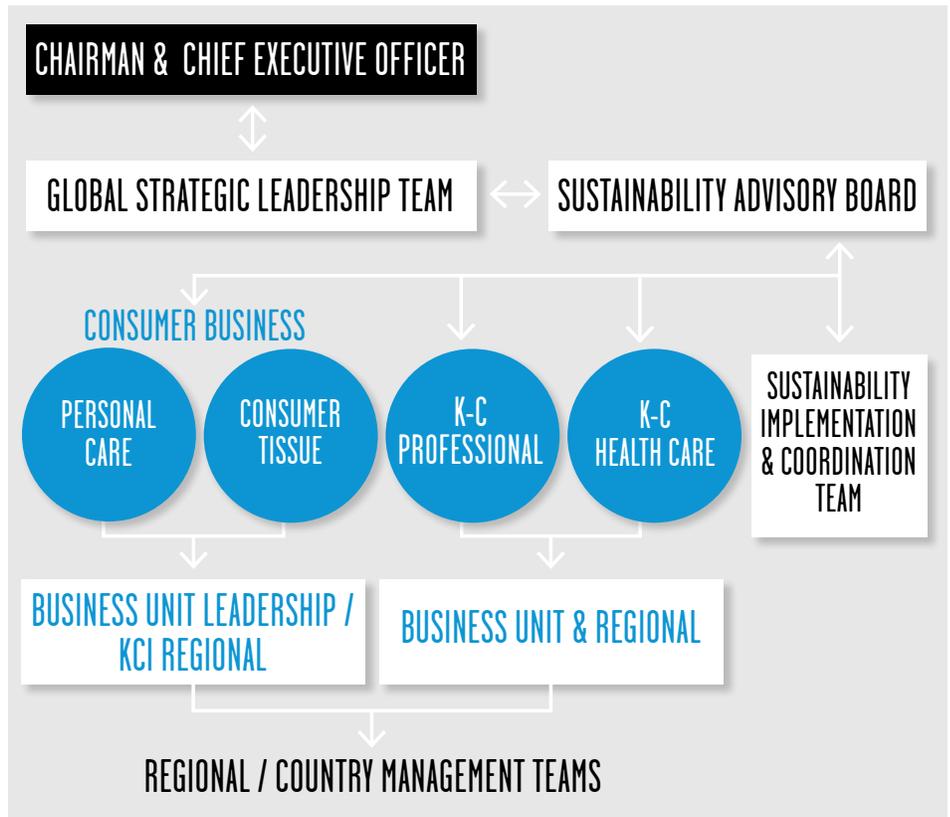
The SAB advises Kimberly-Clark's Global Strategic Leadership Team and Global Sustainability staff on sustainability issues and best practices. It provides an independent view of our sustainability programs, as well as of their potential risks and opportunities for our business.

In addition, the SAB provides an external assessment of our sustainability report. For this report, Timothy Smith, senior vice president of Walden Asset Management, provides an overview of our progress, and input from all members of the SAB can be found on each of our pillar overview pages for People, Planet and Products.

THE SAB ADVISES ON SUSTAINABILITY ISSUES AND BEST PRACTICES

SAB members serve for no more than three consecutive two-year terms unless a particular member possesses highly unusual expertise that benefits the corporation and the Advisory Board, and each member receives an annual stipend and travel expenses to attend meetings.

As of June 30, 2012, George Carpenter, Claude Fussler, Tim Smith and Ken Strassner will complete their second



terms; Malini Mehra, Andrew Winston and Ricardo Young Silva their first.

- **George Carpenter (USA)**, president of Fraser River Strategies and the former director of Corporate Sustainable Development at Procter & Gamble
- **Claude Fussler (France)**, former vice president of Dow Chemical and former director of Stakeholder Relations at the World Business Council for Sustainable Development
- **Malini Mehra (India)**, founder and CEO of the Centre for Social Markets, a nonprofit organization that has pioneered work on sustainability and corporate responsibility in India and its Diaspora since 2000
- **Timothy Smith (USA)**, senior vice president, Environment, Social and Governance Group at Walden Asset Management

- **Ken Strassner (USA)**, former vice president, Global Environment, Safety, Regulatory and Scientific Affairs at Kimberly-Clark
- **Andrew Winston (USA)**, coauthor of the best seller *Green to Gold*, author of *Green Recovery* and founder of Winston Eco-Strategies, an organization that helps leading companies use environmental strategy to grow and prosper
- **Ricardo Young Silva (Brazil)**, former executive president of Ethos Institute, a leading corporate social responsibility organization dedicated to mobilizing, encouraging and helping companies manage their businesses in a socially responsible way

HOW WE ENGAGE OUR STAKEHOLDERS

Stakeholder engagement plays a vital role in achieving the sustainability goals under Kimberly-Clark's Global Business Plan 2015.

Our stakeholders give us valuable insights into our products and operating processes and provide guidance on our progress and ambitions. While the majority of our engagements are positive, some conversations are challenging. We welcome both forms of feedback to help us understand the concerns of NGOs, consumers and customers, communities as a whole, investors and employees.



In 2010, we began an internal process of mapping our stakeholders and determining engagement priorities and methodologies, as well as implementation and monitoring strategies. This effort has led us to identify and engage NGOs that are thought leaders on fiber

and social issues in emerging markets. It also helped us to identify local NGOs in certain emerging markets that could aid in the development and implementation of our signature programs for water-resource development and increasing access to our essential health and hygiene products for people in need.

Our engagement takes many forms—from one-way information channels, to consumer and customer research, to solution-sharing dialogues with environmental organizations, to funding and implementation partnerships with humanitarian organizations.

Key stakeholder groups and methods of engagement include:

Consumers: Marketing and promotions, cause-related campaigns, product labeling, consumer satisfaction surveys, consumer focus groups, websites, social media, social media communities, and telephone and direct mail feedback

Employees: Employee engagement survey, employee recognition programs, diversity and inclusion affinity groups, and sustainability communities of practice

Communities: Local media, community and volunteer programs, philanthropy, community partners and matching gifts programs, and community and/or government meetings

Suppliers: Sustainability guide for suppliers, risk assessments, social compliance standards and fiber supplier audits

NGOs and other interest groups: Sustainability report, direct engagement and joint initiatives

Customers: Innovation showcases, product innovation educational sessions, product pilot programs, and senior shopper training

Shareholder and Investment

Community: Annual report (10-K), investor website, public SEC filings, ratings, indices and questionnaires, investor and shareholder meetings, analyst-sponsored conferences and distribution of our sustainability report

We highlight a selection of our stakeholder engagements and initiatives in the following pages, as well as elsewhere in this report. In the [Quality & Safety section](#) of this site, we discuss our 2011 product recalls and related protocol.

STAKEHOLDERS GIVE US VALUABLE INSIGHTS INTO OUR PRODUCTS AND PROCESSES

Listening to Consumers

We invite consumers, those shoppers who buy our products in stores and online, to share their opinions and suggestions in a number of ways: on Web chat and email, through online communities on social media channels, by toll-free phone and by mail. Kimberly-Clark's Consumer Services Team engaged with nearly 700,000 consumers in 2011. Kimberly-Clark employees respond to consumer complaints and provide information on the nature of complaints to internal compliance officers and business management. In 2011, Kimberly-Clark conducted 14,000 consumer satisfaction surveys in North America and Australia. More than 96 percent of consumers

responded favorably regarding their experience with our Consumer Services Teams, while 92 percent of consumers indicated their intent to purchase Kimberly-Clark products in the future.

Listening to Customers

We value our business customers and strive to play an indispensable role in helping them achieve their sustainability goals. Throughout our global operations, we provide opportunities to work directly with our customers through forums and innovation summits that help us in our product and service innovation.

Kimberly-Clark played a major role in formalizing a partnership between two customer-driven sustainability efforts. As a member of the Consumer Goods Forum (CGF), a global industry network of more than 400 retailers and manufacturers, and a founding member of The Sustainability Consortium (TSC), an organization developing science and integrated tools to support informed decision-making for product sustainability across the consumer goods industry, we helped establish a joint program on a global approach to measuring and communicating product lifecycles. We are also actively involved in the Paper Working Group at CGF, collaborating with environmental groups to harmonize forest-certification schemes and to support the goal of zero net deforestation by 2020.

In September 2011, Kimberly-Clark joined two dozen leading U.S. vendors at a Sustainability Summit sponsored by the U.S. operations of Ahold. The Summit served as the first step in exploring collaborative corporate responsibility efforts. Breakout sessions focused on such issues as packaging and transportation, as well as health and wellness, hunger relief and food waste.

We periodically conduct educational sessions with major customers to discuss emerging sustainability trends and consumer insights in the paper products category, as well as Kimberly-Clark's goals and commitment to increasing the sustainability of our products. For example, in 2011, we met with representatives from Walgreens to engage in product innovation pilots and education initiatives related to aging trends and their impact on retailers. We also integrated our products into a national Walgreens' initiative to drive awareness and education for caregivers of an aging population. In another collaboration, we worked with Sam's Club in the U.S. to improve supply chain efficiencies. We were able to replace corrugate with poly packaging for our Depend brand adult care product lines and optimize the shipping footprints of Scott brand tissue, Huggies brand diapers and Pull-Ups brand training pants. These initiatives resulted in fewer trucks on the road, reduced shipping costs for Kimberly-Clark and our customer and decreases in greenhouse gas (GHG) emissions.

In Europe, we regularly integrate sustainability into customer top-to-top sessions and innovation days. For example, after Sainsbury's launched its new "20 by 20" sustainability vision, Kimberly-Clark used an innovation session to demonstrate how our sustainability strategy could be mutually beneficial for this key retailer. We also collaborated with Tesco, sharing information about the carbon footprint of our product ranges and operations, as part of understanding their commitment to reduce the product impacts by 30 percent. Our work in Europe was recognized by a key private-label customer, Coop Italia, in its Coop for Kyoto project. Out of 101 companies, Kimberly-Clark won first place by delivering 10,000 tons of CO₂ savings in three years through our Alanno mill in Italy.

Kimberly-Clark Taiwan launched a "green" campaign in collaboration with Unilever and Carrefour Taiwan. All three companies produced joint promotional materials featuring global environmental issues and sustainable activities. The results of the campaign included a positive perception of the companies' environmental responsibility, a strengthening of the business partnership among the three companies and increased sales from the previous year.

STAKEHOLDER ENGAGEMENT— PEOPLE

We have a number of partnerships with international organizations that support communities.

American Red Cross

In 2011, Kimberly-Clark renewed its commitment to the American Red Cross Annual Disaster Giving Program (ADGP), a group of 36 member companies providing the Red Cross with advance funding that allows the humanitarian organization to be on the scene of a disaster as quickly as possible.

Through our ADGP donation, Kimberly-Clark provided relief to the people of Japan, Haiti, Central America, Thailand and the United States. In its fiscal year 2011 (July 1, 2010 to June 30, 2011), the American Red Cross worked with partners in the Red Cross and Red Crescent network to assist 229 million vulnerable people in 76 countries.

In our People section, we provide additional examples of our support of disaster relief through the American Red Cross.

MedShare

For more than a decade, Kimberly-Clark and MedShare International have partnered to bring critically needed medical supplies to health facilities around the world. Kimberly-Clark serves the distinguished role as MedShare's first partner. We entered into our most recent four-year agreement in 2008. In 2011, MedShare



provided medical supplies and equipment to 13 countries in Central and South America. In addition, 126 Kimberly-Clark volunteers contributed more than 700 hours of time to MedShare activities.

WE HAVE PARTNERED WITH THE BOYS & GIRLS CLUBS OF AMERICA FOR MORE THAN 25 YEARS

Boys & Girls Clubs of America

Kimberly-Clark has partnered with Boys & Girls Clubs of America for more than 25 years. Since 2005, we have supported Family PLUS (Parents Leading, Uniting, Serving), a 2,000-strong network of Boys & Girls Clubs that offers services to strengthen family stability, develop caregiver competencies and promote the healthy development of children. In 2011, Kimberly-Clark provided financial support to allow Family PLUS to expand to new local Clubs. New members will receive training on issues critical to strong families and support in program

implementation, as well as funding for scholarships to attract youth who are most in need.

United Way

Kimberly-Clark is one of about 120 U.S. companies that are members of United Way's Global Corporate Leadership Program. Through our partnership with the United Way, we bring education, financial stability and health to communities where we live and work. The United Way is the only organization for which we conduct a workplace fundraising campaign, and we match employee pledges dollar-for-dollar.

Kimberly-Clark also contributes to United Way efforts in Argentina through its membership in Fundación Caminando Juntos, a first-of-its-kind consortium of companies committed to the development of a better future for Argentine society. Kimberly-Clark, Fundación Caminando Juntos and United Way-Argentina expanded their partnership in 2011 to start a new Kimberly-Clark volunteer program that provides financial education to teenagers.

In our People section, we provide additional examples of our employee volunteer efforts for the United Way in the U.S. and Argentina.

- In the U.S., Kimberly-Clark's 2011 national United Way campaign raised more than \$6 million, including:
- \$2.7 million in pledges and gifts from Kimberly-Clark employees
- \$2.7 million from the Kimberly-Clark Foundation
- \$680,000 from employee-led fundraising events

STAKEHOLDER ENGAGEMENT— PLANET

We engage with a number of industry associations, NGOs and multilateral organizations to help us understand our environmental footprint, how we can reduce our impact, and how to help maintain national resources for future generations.

In the Planet section of this report, we describe our engagements with the Global Forest & Trade Network of the World Wildlife Fund, Greenpeace, Conservation International, the Boreal Business Forum for implementation of the Canadian Boreal Forest Agreement, and fiber-certification organizations.

WE ENGAGE WITH ORGANIZATIONS THAT SUPPORT SUSTAINABLE FORESTS

We also engage with other organizations that support sustainable forests, access to water and emissions reductions, including:

The Forest Dialogue

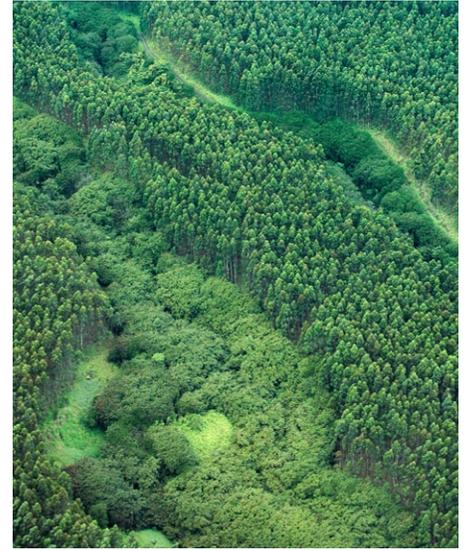
This independent NGO, originally created by the World Business Council for Sustainable Development (WBCSD) and now based at Yale University, brings together environmental groups, indigenous peoples and the forest industry to explore sustainable forest management. Kimberly-Clark provided \$25,000 in funding in 2011 and serves on the organization's steering committee.

World Business Council for Sustainable Development

Kimberly-Clark is a member company and actively participates in WBCSD's Sustainable Forest Products Industry Working Group and Water Leadership Group.

World Resources Institute Corporate Consultative Group

Kimberly-Clark is a member company of this collection of forward-thinking companies interested in understanding sustainability issues that affect and are affected by the corporate community. The Group serves as a vehicle for exchanging valuable thinking about responses to shared challenges.



The Nature Conservancy

TNC applies science, reach, expertise in conservation planning, and on-the-ground experience to help businesses make better decisions, understand the value of nature, and ultimately protect the environment. In 2011, Kimberly-Clark Brazil partnered with TNC to measure its water footprint and implement a tree-planting program that, when complete, will support water conservation efforts. This project builds on the environmental redesign of our Neve Compacto brand in Brazil. Information on this award-winning initiative is available in the Planet section of this report.

STAKEHOLDER ENGAGEMENT—PRODUCTS

At Kimberly-Clark, we continually look for ways to engage with and listen to our customers (e.g., retailers, healthcare facilities, distributors) and consumers to help us better understand their needs and drive innovation for their benefit.

We are also involved in organizations and consortiums with other companies, universities and think tanks to learn best practices and share knowledge that can help us to continually improve our products and business.

In 2011, we continued our engagement and partnerships with:

Sustainable Products & Solutions (SPS) Program

Kimberly-Clark is a supporting member of the SPS Program, housed within the multidisciplinary Center for Responsible Business at UC Berkeley-Haas School of Business. Together with Waste Management, we joined the program in 2009 to establish the Consumer Products Sustainable End-of-Life-Management Track, initiating a new research area within the program. More than 12 faculty and student projects have received support on research topics ranging from Flexible Packaging, Lifecycle Analysis Tools, Extended Producer Responsibility and Alternative Waste Disposal Technologies.

Sustainable Packaging Coalition (SPC)

The SPC is a U.S.-based industry working group dedicated to a more robust environmental vision for packaging. SPC encourages members to initiate projects of interest on packaging sustainability within a framework of science-based research, supply chain collaborations and continuous outreach. Kimberly-Clark participates in SPC strategy projects, champions the selection of new fields of research, and utilizes the tools, database and guidelines developed by SPC to support its knowledge of industry practices.

The Sustainability Consortium

Kimberly-Clark is a founding member of The Sustainability Consortium, a collaborative effort of universities, NGOs and businesses. The Consortium works to build a scientific foundation to drive innovation that improves consumer product sustainability through all stages of a product's lifecycle. In 2011, Kimberly-Clark was active in the development of an initial draft Category Sustainability Profile for the toilet tissue category. Such profiles provide accessible and actionable information to a wide range of companies on supply chain impacts, allowing organizations to reduce production costs, use fewer resources and, potentially, communicate benefits to consumers.

OUR COLLABORATIONS LEAD TO LANDFILL AVOIDANCE

The Association of Postconsumer Plastic Recyclers (APR)

As a member of APR, Kimberly-Clark supports its mission to enhance the development and sustainability of the postconsumer plastics recycling industry, seeking new ways to make the recycling of plastics more economically



and environmentally sustainable. The Rigid Packaging Recycling Committee, of which Kimberly-Clark is a member, focuses on initiatives to increase recovery of polypropylene. Recent accomplishments include the establishment of new plastic bale specifications, a quantitative mixed-plastic bale study, documentation of volume demand and quality requirements for postconsumer polypropylene in different applications, and a recycling pilot to recover plastics from grocery stores.

Healthcare Plastics Recycling Council (HPRC)

HPRC is an industry coalition aimed at increasing the recycling of health care plastics. As a member of the HPRC Board of Directors, Kimberly-Clark Health Care is committed to industry collaboration leading to landfill avoidance for used medical wastes. Our contributions to HPRC include co-authoring the publication "Design Guidelines for Hospital Plastics Recycling" and supporting a pilot program for hospital recycling of blue sterilization wrap.

ENDORISING GLOBAL PRINCIPLES AND STANDARDS

Millennium Development Goals

Kimberly-Clark is guided by the United Nations' MDGs, a set of goals and targets meant to eradicate extreme poverty, hunger, illiteracy and a number of devastating diseases. We use the MDGs as a guide for the programs and initiatives we are planning in support of our Sustainability 2015 goals. As specific programs emerge, we will discuss how they align with the MDGs.

United Nations Global Compact

As a signatory to the UNGC, we are committed to upholding the Compact's 10 principles on human rights, labor standards, the environment and anti-corruption, working within our sphere of influence to encourage their support. This report serves as our Communication on Progress to the UNGC.

Corporate Eco Forum

Kimberly-Clark became a member of the Corporate Eco Forum in 2010. The Forum is a community of global leaders, representing 18 industries and \$3 trillion in assets, dedicated to advancing sustainable business. At the Forum's annual meeting in June 2011, Kimberly-Clark's sustainability leadership team contributed

to a panel discussion on Next Steps in Consumer Engagement on Sustainability. In addition, Kimberly-Clark participates in member-only meetings on subjects of common interest.

Lacey Act

The Lacey Act was introduced in 1900 to prohibit the transport of illegally captured wildlife. It has been amended several times, most recently in June 2008 when the U.S. Congress extended its protection to plants, including timber, paper and other forest products.

Kimberly-Clark is a member of the Lacey Act Defense National Consensus Committee, a newly formed group made up of companies, associations and organizations affected by the Act, as well as leading environmental groups. The committee's purpose is to create a standard that will provide clarity in the Act's regulatory guidelines and enforcement rules, including the notion of "due care." The goal is to provide a common understanding of the regulatory framework within which Kimberly-Clark and other organizations operate, and to develop an effective means to protect against inadvertently obtaining illegal wood fiber.

AdvaMed Technology and Regulation (T&R) Group

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

programs, develop a legislative agenda, and coordinate as appropriate on international regulatory efforts. Kimberly-Clark participates in several of its working groups. For example, we organized and provided feedback on the FDA's draft nanotechnology guidance and on its draft guidance for infusion pumps. In 2011, we joined the post-market Policy Working Group to establish AdvaMed's policy in this area.

THIS REPORT SERVES AS OUR COMMUNICATION ON PROGRESS TO THE UNGC

United States Council for International Business (USCIB)

Kimberly-Clark recently joined the USCIB, which promotes open markets, competitiveness and innovation, sustainable development and corporate responsibility supported by international engagement and prudent regulation. USCIB presents American business views on a wide range of issues—from environmental regulation to trade policy to labor relations—directly to U.S. policy makers, U.N. and EU officials and a host of other governments and groups.

CORPORATE GOVERNANCE AND ETHICS

Kimberly-Clark has four core values—authentic, accountable, innovative, and caring.

These values guide our everyday behaviors and are buttressed by a strong and long-standing governance structure, which comprises:

- A Board of Directors that is over 92 percent independent and includes independent board committees
- A clear reporting structure and lines of accountability
- A global Code of Conduct
- A comprehensive policy platform, including policies on human rights, labor, diversity and inclusion, and environmental issues
- Strong oversight and communications mechanisms, including oversight by the Kimberly-Clark Board of Directors on key environmental, social and governance issues

We provide greater detail on some of these in this report and on our corporate website, www.kimberly-clark.com. On this site, visit our pages on [human rights](#), [labor relations](#), and [diversity and inclusion](#).

BOARD DIVERSITY

	2007	2008	2009	2010	2011
Independent members	91.7%	91.7%	91.7%	92.3%	92.3%
Women	16.7%	16.7%	16.7%	23.1%	23.1%
Minority group membership	25.0%	25.0%	25.0%	23.1%	30.8%
Total board members	12	12	12	13	13

Our Board of Directors and its various committees provide oversight and guidance on all aspects of our businesses and our relationships with our 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 fundamental and operating policies

12 OUT OF OUR 13 BOARD MEMBERS ARE INDEPENDENT

and procedures. Among those are our policies relating to citizenship, environmental stewardship, sustainability and corporate social responsibility. As part of their oversight role, the Board and its committees receive regular reports from management on these topics, the corporation's goals and progress against these goals.

They also receive feedback from an independent [sustainability advisory board](#) that was established to ensure that outside perspectives on these topics were being solicited and evaluated. The Board also receives benchmarking reports on how the corporation's programs compare with those of other companies and on developing best practices. Finally, each year the Board conducts an evaluation of itself, as does each of its committees, to assess whether it is meeting its oversight responsibilities; the Board then develops action plans for any opportunities identified.

Kimberly-Clark Corporation also has a robust compliance and ethics program. A key component of that program is 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.

Key aspects of our anti-corruption program include:

- Prohibit both government and commercial bribery and corruption
- Prohibit “facilitating payments” even where permitted under local laws
- Global standard applied throughout our enterprise
- Regular training of employees on Code of Conduct, anti-corruption and related ethics topics

- Contracts with third-party agents contain anti-corruption / bribery covenants
- Multiple channels for seeking guidance or reporting potential violations of Code of Conduct, anti-corruption or other corporate policies. Reports may be made anonymously
- Strict anti-retaliation policy in support of anyone who reports a violation of Code of Conduct
- Experienced investigative team that investigates all reports of alleged fraud or other violations of Code of Conduct
- Experienced internal audit team that actively audits for and evaluates

potential unreported fraud or other violations of Code of Conduct

- Annual survey of enterprise workforce to confirm understanding of Code of Conduct and that all potential violations have been timely and properly reported

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.

ABOUT THIS REPORT

The Kimberly-Clark Corporation 2011 Sustainability Report, Full Circle, is written for our employees, governmental and nongovernmental organizations, consumers, customers, shareholders, business partners, community members and others with an interest in our approach to corporate citizenship.

It details our progress since our 2010 report, published in June 2011, and outlines our future commitments and progress against our Sustainability 2015 goals.

THIS REPORT WAS PREPARED USING THE GRI G3.1 GUIDELINES

As we consider the most important sustainability issues for Kimberly-Clark, we look no further than our Sustainability 2015 strategy and its three pillars of People, Planet and Products. This strategy integrates elements that will enable Kimberly-Clark to seek to:

- Sustain and build healthy working environments
- Develop programs to address the United Nations Millennium Development Goals
- Innovate products and business models to reach emerging consumers and customers

- Focus our social programs on global issues and Kimberly-Clark communities
- Implement programs to reduce energy and water use, greenhouse gas emissions, water discharges and waste generation

This Report demonstrates our sustainability efforts during Kimberly-Clark's fiscal year (January 1–December 31, 2011) and is aligned with disclosures in our 2011 Annual Report on **Form 10-K**. Reported data compare performance over a five-year period (2007–2011), which is considered best practice. As we have set some new goals under our People, Planet and Products pillars, readers will see some new metrics, starting with a 2010 baseline. We are also striving for an A+ GRI rating, which requires some new data points that we have not published in past reports.

This is Kimberly-Clark's ninth corporate Sustainability Report. This report and past reports can be downloaded [here](#). Our operations in Argentina, Australia, Brazil, China and South Korea also produce country-specific sustainability reports.

Report Boundary

Data in this report are from the period January 1, 2011, through December 31, 2011. Unless otherwise noted, data cover our worldwide consolidated (wholly and majority-owned) operations at December 31, 2011. Locations that were sold or operations that were restructured as a result of the pulp and tissue restructuring actions are excluded when appropriate. Financial information is given in U.S. dollars unless otherwise stated.

Reporting Standards

This report was prepared using the Global Reporting Initiative's (GRI) G3.1 Reporting Guidelines, which provide a standard framework for organizations to report on their social, environmental, governance and economic performance. We are reporting at a GRI Application Level A+. For more information, please see our [GRI Index](#).

More information on the G3.1 Reporting Guidelines and application levels is available at the [GRI website](#).

We draw on guidance from the Greenhouse Gas Protocol for our carbon reporting. Environmental measurement and calculations are based on data from the Kimberly-Clark Sustainability Database, which houses environmental and production data for all of our global manufacturing facilities and offices. Data are collected quarterly from each of these locations.

Share Your Thoughts

We welcome your comments and suggestions for future reporting. Please contact us at:

Sustainability@kcc.com

800-331-3422

(within the United States and Canada)

920-721-8355

(outside of the United States and Canada)

Or by mail:

Kimberly-Clark Corporation
Dept. KCSR
P.O. Box 2020
Neenah, WI 54957

Forward-looking Information

This publication contains forward-looking information within the meaning of U.S. federal securities laws and is based on expectations and beliefs concerning future events affecting us. There can be no assurance that these events will occur or that our results will be as estimated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them. In light of the risks and uncertainties involved, you should read the risk factors and forward-looking information sections of Kimberly-Clark's Annual Report on [Form 10-K](#) for the year ended December 31, 2011. These factors and items described in our other SEC filings, among others, could cause our future results to differ from those expressed in any forward-looking statements.

VERIFYING OUR EFFORTS

The content in this report has been reviewed by the Kimberly-Clark Sustainability Reporting team, internal subject-matter experts, and our Legal and Internal Audit teams to ascertain that reported data are accurate.

Our greenhouse gas (GHG), waste and water data were verified by WSP Environment & Energy.

Our Sustainability Advisory Board (SAB) reviewed a draft of this report and provided a number of recommendations [here](#). We have incorporated many of them in this report and will consider others for our 2012 report. We also include statements by members of the SAB in their entirety. You can find these statements [here](#), [here](#) and [here](#).

THIS REPORT HAS BEEN ASSURED BY A 3RD PARTY, TWO TOMORROWS

Two Tomorrows (North America) Inc., an international corporate sustainability agency, conducted a comprehensive assurance process using AA1000AS (2008) to evaluate the materiality, responsiveness and inclusivity of our reporting. Two Tomorrows provides a letter of assurance, which can be found [here](#).

LETTER FROM OUR SUSTAINABILITY ADVISORY BOARD

The Kimberly-Clark Sustainability Advisory Board (SAB) is composed of individuals from varied skills and backgrounds.

Our experience is diverse, covering private sector and NGO experience, government and multilateral bodies blended with expert perspectives on environmental strategy, industry, socially responsible investing, and international development. We bring together a deep common knowledge of sustainability issues and challenges. Kimberly-Clark has asked us for an unvarnished view on this report and the company's progress toward its sustainability goals.

In this report Kimberly-Clark describes its "journey to sustainability." We have had the privilege of watching that journey move forward with significant speed on some sustainability issues and on others more cautiously.

But our years of experience with the top management team, as well as with the dozens of managers striving for leadership on sustainability, has clearly demonstrated to us that Kimberly-Clark is committed to this "journey," sees it as a business imperative, and is working to embed it in the company's culture and business planning. It is becoming part of how Kimberly-Clark makes its business decisions now and for the future as the company works to be part of the solution.

At the same time, neither the SAB nor Kimberly-Clark management is wholly

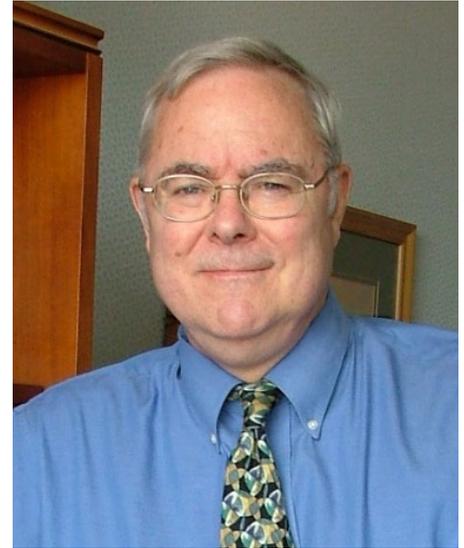
satisfied with their progress. The interaction with the SAB builds a creative tension helping to identify new corporate responsibility and long-term strategy issues that need addressing, as well as pressing for further progress on the current agenda and goals.

This report is produced following the Global Reporting Initiative (GRI), the gold standard for sustainability reporting, resulting in a vigorous and comprehensive checklist of issues covered in the report. The report also strives to include specific metrics, issue by issue, so progress or challenges are buttressed by specific data over time rather than generalizations.

At the same time, the SAB believes that it is important to specifically note challenges and areas where Kimberly-Clark falls short of goals and objectives and why. Rigorous self-criticism is vital for a credible report. We believe Kimberly-Clark has increased coverage of its challenges and failures, but should continue to expand those elements into the next report.

WE PARTICULARLY WANT TO HIGHLIGHT AND COMMEND THE PROGRESS MADE ON SUSTAINABLE FORESTRY

We particularly want to highlight and commend the progress made on sustainable forestry (with clear commitment and audits centrally important for a paper products company), evaluation of water use and conservation (noting Kimberly-Clark fell short of its reduction targets), progress on labor issues and global supply chain, which has moved forward aggressively



Timothy Smith
Senior Vice President,
Walden Asset Management

over the last two years. Diaper recycling experiments are also impressive.

Kimberly-Clark's sustainability goals are placed in three logical categories—People, Planet and Products.

People

Board Diversity—Kimberly-Clark's commitment to diversity rises right to the Board level where both women and minority Board members are well represented.

Statistics on employee diversity in the United States are also provided, although additional detail would be welcome.

In an interesting chart, Kimberly-Clark's factory employee's entry wage is compared to the minimum wage, a useful comparison.

Planet

Under the Planet section of the report, Kimberly-Clark describes in thoughtful detail the company's work on fiber certification and new initiatives to use recycled material and buy sustainable fiber from

suppliers. Kimberly-Clark is marching forward on its goal of purchasing 100 percent of wood fiber from certified suppliers. Sourcing challenges are also explained.

Another area we suggest more focus on over time is an expanded view of what the challenges are. The standard in sustainability is no longer just competitive comparison and hitting all the issues GRI suggests, but now includes an understanding of the global pressures facing humanity and how the company contributes to both the problems and solutions. Kimberly-Clark is gaining a deeper understanding of these macro issues and is demonstrating more responsibility and strategic response to them (such as an increasing focus on the full lifecycle of product impacts). But more remains to be done.

While the report does not fully address the climate change crisis as yet, we anticipate a more clearly stated stance in 2012 when Kimberly-Clark plans to issue a position paper on the subject of climate change. Once published, such a position paper would hopefully put K-C ahead of many companies that have declined to address this issue. Kimberly-Clark's goal of reducing absolute GHG emissions by 5 percent in 2010–2015 is a minimal response to the dramatic changes needed by business if we are to moderate global climate change. Kimberly-Clark and other companies that are leaders in sustainability need to step up and make imaginative and dramatic changes in energy uses and greenhouse gas output to play their role.

At present, we believe Kimberly-Clark's response is inadequate, both for the company's global responsibilities and to the risks to the company itself—carbon dependency in the value chain represents

a potential high risk to business continuity and cost structure, and climate change could easily threaten forest species and natural resources the company depends on. The new Kimberly-Clark internal team has important work to do in identifying “risks and adaptations” and moving forward on this crucial issue.

Products

The Products section also highlights how Kimberly-Clark is working to ensure that its products have a reduced environmental impact. This is a challenge for any company like Kimberly-Clark, since so many of its products are disposable by definition.

Thus through its environmental lifecycle evaluations, Kimberly-Clark evaluates reductions in packaging, what the product is made from, how it is made and whether it can be recycled after use. If a product then becomes “eco-certified”, it is more appealing to the environmentally concerned consumer, a growing constituency. And while an internally designed ‘certification’ program is possibly less robust than external verification, we feel the program is well designed (see our [related comments](#) from our other SAB members as well).

This sensitivity already transfers to Kimberly-Clark's business-to-business operations. And since an increasing number of companies Kimberly-Clark sells to are calling for steady improvements on sustainability issues, Kimberly-Clark's responsiveness is definitely good business, too.

But a commitment to sustainability is not just sensitivity to the environment, but to labor rights as well. And Kimberly-Clark has set an ambitious goal of 100 percent compliance by key suppliers to implement their social compliance and labor standards.

Kimberly-Clark's work in this area is impressive, since four years ago the requirements for and oversight of supplier sustainability records were in the beginning stage. Now Kimberly-Clark's Code of Conduct standards are clear and baked into the evaluation and selection process for suppliers. There is also a phase-in plan starting with 300 finished product suppliers where Kimberly-Clark and suppliers work together to take corrective action as necessary.

The obvious huge challenge moving forward for Kimberly-Clark and any other company with 700 major suppliers and a total of 30,000 worldwide suppliers is to move the process deeper into the supply chain and build a vigorous process of auditing and compliance.

This is unending but important work to support the health and safety and rights of workers in the Kimberly-Clark supply chain.

This is also smart business since consumer investors increasingly care about human rights and the Kimberly-Clark reputation and brand is strengthened by a robust program.

Conclusion

This report is an extensive and substantial overview of Kimberly-Clark's goals, objectives and record on sustainability issues. It mirrors progress and describes risks and challenges.

It is a work in progress with an operative goal of continuous improvement moving forward.

—Kimberly-Clark Sustainability Advisory Board

INDEPENDENT ASSURANCE STATEMENT

Two Tomorrows (North America) Inc. was retained by Kimberly-Clark Corporation to conduct an independent assurance of its 2011 Sustainability Report (“the Report”), as published on the company’s website.



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

- Evaluation of adherence to the AA1000AS (2008) principles of inclusivity, materiality and responsiveness (“the Principles”)
- The reliability of specified sustainability performance information

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

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

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

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

Our team comprised: Todd Cort, Shyla Girvetz and Doug Bannerman. Further information, including individual competencies relating to the team can be found at www.twotomorrows.com.

Basis of our opinion

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

- Review of the current sustainability issues that could affect Kimberly-Clark and are of interest to stakeholders

- Interviews with senior executives and managers in Roswell, GA, Neenah, WI, and Irving, TX, who are responsible for management of sustainability issues
- Review of Kimberly-Clark’s approach to stakeholder engagement, risk management, strategic development and materiality determination. This included interviews with senior managers responsible for engagement with key stakeholder groups, and specific investigation of stakeholder engagement activity during the meeting of the Sustainability Advisory Board as well as engagement practices at two mill locations.
- Review of information Kimberly-Clark provided to Two Tomorrows on its reporting and management processes relating to the Principles
- Two site investigations with the company’s Fullerton, CA, and Mobile, AL, mills to assess the controls and processes present at the site in comparison to the claims made at Enterprise level and to conduct sample verification of data that is collated into the Report
- Review of supporting evidence for key claims and data in the Report

Findings

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

Observations

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

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

The Kimberly-Clark Sustainability Advisory Board (SAB) is a strong example of inclusive management. The SAB has access to the sustainability team, key managers within the company and to Kimberly-Clark executives (the Global Strategic Leadership Team). The SAB process is particularly notable for the mechanisms in place to ensure responsiveness of Kimberly-Clark’s management team to issues raised by the SAB. During the SAB session, we noted several examples where SAB feedback has been used to drive management decisions on sustainability issues.

The need for greater innovation was raised during several of our interviews with senior management, both as a business priority and to meet the 2015 sustainability goals. In this context, we note a growing effort to engage and include suppliers with the specific goal of innovating on more sustainable solutions in operations and product offerings. While these efforts are yielding more inclusive solutions, Kimberly-Clark has yet to engage with suppliers on radical innovation efforts to address important planet resources like fiber, energy and water.

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

The Report includes information on Kimberly-Clark’s material sustainability performance issues and should enable stakeholders to make informed judgments and decisions. While Kimberly-Clark has identified material issues, the process by which the company identifies its priorities is not clear. For example, the Sustainability 2015 Goals reflect stakeholder priorities for the company, but the engagement methods and decision-making processes used to assess and prioritize stakeholder feedback is not discussed.

On specific material issues:

- **Product use and waste:** Waste generated from the one-time use of many products is a material issue for Kimberly-Clark. The company is pursuing several projects to test innovative and market-based solutions for composting or recycling post-consumer wastes. However, there is an opportunity to further consider one-time use products, especially in relation to emerging markets and consumers near the “bottom of the pyramid” that may not be able to sustainably afford one-time use products.
- **Water:** Kimberly-Clark has a strong record of water management including significant effort to assess water risks at each mill in 2011. Nevertheless, lack of water access led to the temporary shut-down of a mill in 2011 and so we would expect to see a broader strategy

to manage water that includes and explicitly accounts for the impacts of growing population, economic development and climate change.

- **Responsible supplier development:** Kimberly-Clark has shifted to a global procurement strategy that is yielding benefits in terms of quality and cost. Performance of suppliers in terms of environmental and social impacts, and efforts to recruit small and medium enterprises are managed separate from the global procurement strategy. We believe that these efforts could be aligned in the future to provide a single supplier strategy that balances the priorities of cost, quality, local economic development, environmental performance, safety and human rights.
- **Fiber:** Kimberly-Clark is a leader in the certification of fiber to more sustainable models such as FSC-certified forests. We believe that there is room to clarify the impacts achieved through FSC certification. For example, the FSC provides certification on mixed sources if greater than 70 percent of materials come from certified sources, and this percentage can be grandfathered down to 50 percent. The result is that achieving its goal of 100 percent virgin fiber sourced from certified suppliers does not necessarily mean that 100 percent of virgin fiber comes from certified forests.

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

Kimberly-Clark engages and responds to stakeholders at all levels of the company. One of the next challenges will be to assess the various engagement efforts from around the company to identify and disseminate best practices between regions and operating companies.

We note the recent efforts by Kimberly-Clark to consolidate and improve social compliance assessments of suppliers. This is an important effort to respond to supplier performance needs and we look forward to discovering how the social compliance assessments drive improved standards for suppliers as well as refining management priorities in the future.

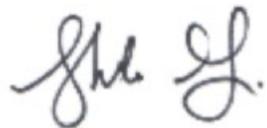
Two Tomorrows (North America) Inc.
San Francisco
April 2012



Todd Cort
Project Director



Doug Bannerman
Project Manager



Shyla Girvetz
Project Associate

Two Tomorrows (North America) Inc.

The Two Tomorrows group of companies was formed in January 2009 following the merger of leading sustainability and corporate responsibility consultancies, Csrnetwork Ltd and Sd3 Ltd. Two Tomorrows (North America) is a subsidiary of Two Tomorrows Group Ltd. Two Tomorrows is an international consultancy that helps companies to perform better and create value by doing business in a sustainable way.

www.twotomorrow.com

GRI/UNGC INDEX

As a signatory to the United Nations Global Compact (UNGC), Kimberly-Clark is required to annually communicate its progress in promoting the UNGC's ten principles.

The Response column below contains links to the areas of our corporate website and sustainability report that relate to each UNGC principle, and serves as Kimberly-Clark's Communication on Progress (COP).

● PEOPLE ● PLANET ● PRODUCTS

PART I: PROFILE DISCLOSURES			
#	Description	UNGC Cross-Reference	Response
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization that includes: short-, medium- and long-term vision, broad trends affecting sustainability priorities, key events and achievements and failures, views on performance, and short- and long-term challenges.	Statement of continuing support	CEO Letter
1.2	Description of key impacts, risks and opportunities, how these are prioritized, performance progress and processes, how sustainability impacts financial performance, a table outlining performance targets, and governance mechanisms in place to manage these risks and opportunities.	Principle 8	Our Approach
2. Organizational Profile			
2.1	Name of the organization.		Kimberly-Clark Corporation
2.2	Primary brands, products and services, and the degree to which the company utilizes outsourcing.		Our Business
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures		Our Business
2.4	Location of organization's headquarters.		Dallas, Texas
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		Our Business
2.6	Nature of ownership and legal form.		Form-10K, page 1
2.7	Markets served, including geographic breakdown, sectors served, and types of customers/beneficiaries.		Our Business
2.8	Scale of the reporting organization, including: # of employees, number of operations, net sales, total capitalization broken out by debt and equity, quantity of products or services, total assets, ownership breakdown, sales and revenues by region, costs by region, and number of employees.		Our Business, Form-10K, page 12

#	Description	UNGC Cross-Reference	Response
2.9	Significant changes during the reporting period regarding size, structure, or ownership.		Our Business, Form-10K, page 12
2.10	Awards received in the reporting period.		Awards Map
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.		January–December 2011
3.2	Date of most recent previous report (if any).		2010
3.3	Reporting cycle (annual, biennial, etc.)		Annual
3.4	Contact point for questions regarding the report or its contents.		sustainability@kcc.com
3.5	Process for defining report content, including: materiality analysis, report topic prioritization, stakeholders expected to use the report, and how the company applied GRI's "Guidance on Defining Report Content."	Principle 8	About This Report
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers), and whether the company has either control or significant influence over the entity.		About This Report
3.7	State any specific limitations on the scope or boundary of the report.		About This Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		About This Report
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.		About This Report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).		Performance Data–Planet
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		None
3.12	Table identifying the location of the Standard Disclosures in the report.		GRI/UNGC Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	Principle 8	Assurance

#	Description	UNGC Cross-Reference	Response
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. Include number of independent board members, committee memberships, ESG responsibilities of board members, gender, age group, minority membership. (can be cross-referenced with LA13)	Principle 8	SAB Overview
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.		CEO Letter
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. How does the company define "independent" and "non-executive."		Governance & Ethics
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. Include processes for shareholder resolutions, how the company works with representation bodies and how they are represented on/to the board, and ESG topics raised through these mechanisms.		Kimberly-Clark.com Contact the Board
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).		Compensation
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Principle 10	Governance & Ethics
4.7	Process for determining the qualifications and expertise of the members of the highest governance body and its committees, including considerations for gender and other measures of diversity.		SAB Overview
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. Include how these are applied across the company in different regions and relate to internationally agreed standards.	Principles 1 & 8	Our Approach
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. Include frequency with which the board assesses sustainability performance.	Principles 7 & 8	SAB Overview
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Principle 8	Governance & Ethics
4.11	Explanation of whether and how the precautionary principle is addressed by the organization.	Principle 7	Our Approach

#	Description	UNGC Cross-Reference	Response
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. Include date of adoption, regions where applied, and stakeholders involved. Differentiate between non-binding, voluntary and compulsory initiatives.	Principles 1 & 8	External Principles & Memberships
4.13	Memberships in associations and/or national/international advocacy organizations in which the organization has positions in governance bodies, participates in projects or committees, provides substantive funding beyond membership dues, and views membership as strategic		External Principles & Memberships
4.14	List of stakeholder groups engaged by the organization.		Stakeholder Engagement
4.15	Basis for identification and selection of stakeholders with whom to engage. Should include how company defines stakeholder groups, and how it determines those with which to engage and not engage.		Stakeholder Engagement
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. Can include surveys, focus groups, community panels, corporate advisory boards, written communication, union structures and other vehicles. Should indicate whether any engagements were a direct result of the report preparation process.	Principle 8	Stakeholder Engagement
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.		Stakeholder Engagement

PART II: PERFORMANCE INDICATORS

Environmental

DMA	A brief overview of the organization's management approach including: goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up, and any additional contextual information.	Principle 8	Overview & Goals
EN1	Materials used by weight or volume.	Principle 8	Economic Impact
EN2	Percentage of materials used that are recycled input materials.	Principle 8	Performance Data—Planet
EN3	Direct energy consumption by primary energy source.	Principle 8	Performance Data—Planet
EN4	Indirect energy consumption by primary source.	Principle 8	Performance Data—Planet
EN5	Energy saved due to conservation and efficiency improvements.	Principle 8	Energy Use
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Principles 8 & 9	Energy Use

#	Description	UNGC Cross-Reference	Response
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Principles 8 & 9	Energy Use
EN8	Total water withdrawal by source.	Principle 8	Performance Data—Planet
EN9	Water sources significantly affected by withdrawal of water.	Principle 8	Performance Data—Planet
EN10	Percentage and total volume of water recycled and reused.	Principle 8	Water
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Principle 8	We do not own any forestlands.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Principle 8	Our fiber is not sourced from protected areas or areas of high diversity outside protects areas.
EN16	Total direct and indirect greenhouse gas emissions by weight.	Principle 8	Performance Data—Planet
EN17		Principle 8	Performance Data—Planet
EN18	Initiatives to reduce greenhouse gas emissions, and reduction achieved	Principles 7, 8 & 9	Climate Change
EN19	Emissions of ozone-depleting substances by weight.	Principle 8	Performance Data—Planet
EN20	NOx, SOx, and other significant air emissions by type and weight.	Principle 8	Performance Data—Planet
EN21	Total water discharge by quality and destination.	Principle 8	Performance Data—Planet
EN22	Total weight of waste by type and disposal method.	Principle 8	Performance Data—Planet
EN23	Total number and volume of significant spills.	Principle 8	A leak at our Chester Mill allowed 350,000 gallons of untreated wastewater to enter the Delaware River. The PA Department of Environmental Protection was notified of the release.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported hazardous waste shipped internationally	Principle 8	Performance Data—Planet
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Principles 7, 8 & 9	Reforestation
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Principles 8 & 9	Performance Data—Planet

#	Description	UNGC Cross-Reference	Response
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Principles 8 & 9	Performance Data–Planet
EN30	Total environmental protection expenditures and investments by type.	Principles 7 & 8	Economic Indicators
Human Rights			
DMA	A brief overview of the organization's management approach including: goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up, and any additional contextual information		Human Rights
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Principles 1 - 6	Clauses concerning human rights are incorporated into all of our terms and conditions in supplier contracts and purchase orders. In 2012, these terms and conditions will be updated to include a section that discusses our new Supplier Social Compliance Standards.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone screening on human rights screening, and actions taken.	Principles 1 - 6	About 100 of our high-risk suppliers have signed a statement of compliance with our updated Supplier Social Compliance Standards, and in 2012, these standards will be communicated to lower-risk suppliers as well.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Principles 1 - 6	65,000
HR4	Total number of incidents of discrimination, and actions taken	Principle 6	In 2011, there were 776 complaints based on "harrasment and discrimination." Of those, only 13 were substantive enough to report to our insurers.

#	Description	UNGC Cross-Reference	Response
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Principles 1, 2 & 3	Internally, we conduct an annual Code of Conduct survey, as well as having multiple reporting mechanisms, as well as country-specific communications on this issue as country developments warrant. Externally, one of the pillars of our Social Compliance program is requiring suppliers to ensure Freedom of Association; we also audit for Freedom of Association violations as part of our supplier social compliance auditing program.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Principles 1, 2 & 5	We do not report this data at this time, though intend to begin reporting this information in our next report.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Principles 1, 2 & 4	We do not report this data at this time, though intend to begin reporting this information in our next report.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Principles 1 & 2	100%
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Principles 1 & 2	Zero
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	Principles 1, 2, 4 & 5	100%
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	Principles 1, 2, 4 & 5	88 grievances were filed in 2011, 13 of which resulted in follow-up action.
Labor Practices and Decent Work			
DMA	A brief overview of the organization's management approach including: goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up, and any additional contextual information		Employees
LA1	Total workforce by employment type, employment contract, and region, broken down by gender		Performance Data—People

#	Description	UNGC Cross-Reference	Response
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Principle 6	Performance Data—People
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		All full-time and part-time salaried employees receive the same benefits.
LA4	Percentage of employees covered by collective bargaining agreements.	Principle 3	Performance Data—People
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Principle 5	We do not track this information. In the U.S., no operational change that would significantly impact worker rights as represented in a collective bargaining agreement can happen without consultation with the union first.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Principle 1	95%
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and gender	Principle 1	Performance Data—People
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Principle 1	K-C's Employee Assistance Program (EAP) provides counseling services to employees and family members in 21 countries, and approximately 8.5 percent of these employees used the service in 2011. This compares with an industry standard of 3.5 percent, and is credited to K-C's strong management support, local EAP committees and continuous promotion of the program.
LA9	Health and safety topics covered in formal agreements with trade unions.		All unionized facilities and contracts operate under the K-C policies on safety and health. Click here for more information.

#	Description	UNGC Cross-Reference	Response
LA15	Return to work and retention rates after parental leave by gender		100% of our 39 female employees and 46 male employees who took time off for the birth or adoption of a child returned to work.
LA10	Average hours of training per year per employee by gender and employee category.		We do not currently have a system to centralize reporting for functional learning, so this data is unavailable. However, a global Learning Management System is slated for implementation by the end of 2012.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		Training & Benefits , Labor Relations
LA12	Percentage of employees receiving regular performance and career development reviews, by gender		100% of our salaried exempt and non-exempt employees globally (20,888) receive annual performance reviews. Hourly or production employees' performance reviews vary.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Principle 6	Performance Data—People
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Principle 6	K-C is currently installing processes which will give us access to this data globally by early 2014.
Society			
DMA	A brief overview of the organization's management approach including: goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up, and any additional contextual information		Community
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs		62%
SO9	Operations with significant potential or actual negative impacts on local communities		Labor Relations
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		Labor Relations

#	Description	UNGC Cross-Reference	Response
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Principle 10	Internal Audit conducted a formal risk assessment focused on corruption risk factors in 55 out of 57 countries where K-C operates throughout the globe. The only countries where K-C has operations that were not included in the Risk Assessment are the U.S. and Canada.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Principle 10	Every employee has received a one-hour training on our Code of Conduct, with specialized training for HR employees and supervisors. It is the policy of Kimberly-Clark to conduct business in compliance with all anti-bribery and anti-corruption laws.
SO4	Actions taken in response to incidents of corruption.	Principle 10	Governance & Ethics
SO5	Public policy positions and participation in public policy development and lobbying.	Principles 8, 9 & 10	In 2011, Kimberly-Clark reported \$350,000 in expenditures on U.S. federal lobbying activities, which includes the salaries and other expenses of K-C employees engaged in lobbying, fees paid to outside consultants lobbying on Kimberly-Clark's behalf, and the portion of trade association dues used for lobbying.

#	Description	UNGC Cross-Reference	Response
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Principle 10	Kimberly-Clark does not operate a political action committee (PAC). Similarly, the company makes no contributions from other sources of funds to political candidates, PACs that contribute to candidates, or other organizations formed solely to influence races for public office.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Principle 10	Governance & Ethics
Product Responsibility			
DMA	A brief overview of the organization's management approach including: goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up, and any additional contextual information		Overview & Goals
PR1	Lifecycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Principle 7	Development of product concept (yes) R&D (yes) Certification (yes) Manufacturing and production (yes) Marketing and promotion (no) Storage distribution and supply (yes)
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health, and safety impacts of products and services during their lifecycle, by type of outcomes.		Zero
PR3	Type of product and service information required by procedures, and percentage of significant products, and services subject to such information requirements		The sourcing of components of the product or service (some) Content, particularly with regard to substances that might produce an environmental or social impact (some) Safe use of the product or service (yes) Disposal of the product and environmental/social impacts (some)

#	Description	UNGC Cross-Reference	Response
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		Zero
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		Performance Data—People
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		Kimberly-Clark.com Governance
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		There were three minor substantiated complaints in 2011 that were resolved.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		Governance & Ethics
Economic			
DMA	A brief overview of the organization's management approach including: goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up, and any additional contextual information		Our Business
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, payments to capital providers, and payments to governments		Economic Indicators
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Principle 7	Climate Change
EC3	Coverage of the organization's defined benefit plan obligations.		Form 10-K
EC4	Significant financial assistance received from government.		Economic Indicators
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Principle 1	Performance Data—People
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		We source the majority of our goods and services from the region in which they are used by K-C manufacturing processes. K-C regions are defined as follows: U.S./Canada, Mexico, Central & South America, Europe, Middle East/Africa, North Asia, and South Asia.

#	Description	UNGC Cross-Reference	Response
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Principle 6	International Diversity
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.		Community
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.		Labor Relations

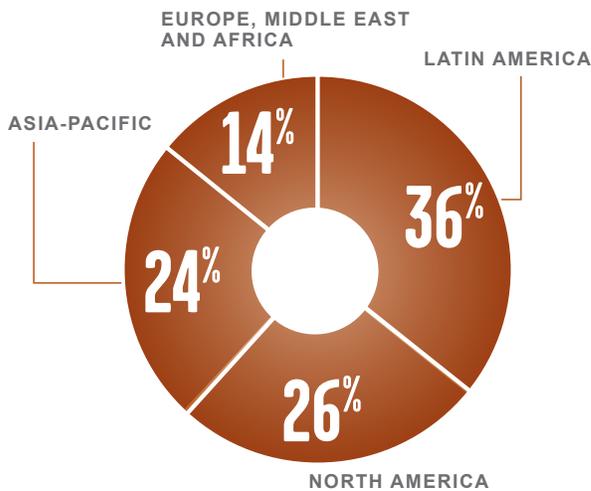


PEOPLE

At Kimberly-Clark, our employees are essential for our success. We provide policies and programs that promote a safe, healthy and engaged workforce. Our commitment to attain our collective goals extends to our suppliers, partners and the communities where we operate.

In this section, we discuss our People Philosophy; employee health and safety, labor and engagement initiatives; charitable and volunteer community programs; and our approach to supplier compliance.

EMPLOYEES BY REGION



VALUING PEOPLE

Our goal is to provide employees with rewarding opportunities for training and advancement, fair wages and fair treatment in labor negotiations, comprehensive benefits, a broad range of health and wellness programs, a safe workplace, a productive and inclusive environment, and encouragement and support for their community volunteerism.

2011 Highlights

- Kimberly-Clark aspires to create a performance-driven culture that is based on accountability and recognizes and rewards results, while staying true to the values that form the essence of who we are. To support this, we introduced our People Philosophy, a dynamic career experience to help shape employees' careers and experiences at Kimberly-Clark. In 2011, we introduced several initiatives and programs, including Diversity & Inclusion, K-C Behaviors, and the development of a revamped Performance Management program.



IN 2011, WE INTRODUCED A NEW PEOPLE PHILOSOPHY

- In January, we initiated a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability and return on invested capital of our consumer tissue and Kimberly-Clark Professional businesses. The restructuring involves the streamlining, sale or closure of six of our manufacturing facilities around the world. We were successful in selling two facilities in Spain, but closed facilities in Everett, Washington, and in Australia. We provided reasonable

compensation packages and support for our employees who were affected by these closures. Jobs at the facilities in Spain were transferred to the purchaser as a result of the sale process.

- We relaunched our Small Steps program to engage our employees in sustainability initiatives they can undertake at work and at home with their families, and presented our inaugural Crystal Tree Awards, which recognizes leadership and outstanding contributions by Kimberly-Clark employees
- We also launched an initiative to refresh our long-established program of corporate and community giving. The goal of this program is to strategically focus the company's resources, the power of our global brands, and the generous volunteer efforts of our people on initiatives that broaden our reach and enable us to deepen the impact of our social programs.
- Our Huggies brand Every Little Bottom (ELB) campaign in the U.S. broadened its reach to further assist mothers who struggle to provide their babies with clean, dry, disposable diapers
- We released an updated Guide for Suppliers and introduced a new Supplier Social Compliance Standards and Checklist

HELPING PEOPLE THROUGH OUR BRANDS

Huggies Brand Covers Every Little Bottom

Every Little Bottom (ELB) is a keystone program of the Huggies brand. It was launched in 2010 following our study that found that one in three moms in America struggles to provide her babies with clean, dry, disposable diapers. ELB partners with local and national organizations, such as Feeding America's network of food banks and long-standing Kimberly-Clark partner, Boys & Girls Clubs of America, to spread awareness and to distribute diapers to mothers who need them.



In 2011, ELB expanded opportunities for consumers to support this initiative. For every package of our design diapers purchased in the U.S., Kimberly-Clark added a diaper to its annual contribution. We also partnered with Walmart and Operation Homefront, a U.S. nonprofit organization that provides emergency assistance to the families of service members. During a three-month promotional period, we contributed an additional diaper to Operation Homefront for every pack of our Little Movers brand Camo diapers purchased. As part of ELB, we also donated \$25,000 to support Operation Homefront activities.

In 2011, we helped develop and became the founding sponsor of the National Diaper Bank Network (NDBN), a nonprofit foundation that raises awareness of diaper need and builds diaper bank capacity throughout the U.S. The network will serve as a clearinghouse for other organizations to distribute donated diapers.

After a successful launch in 2010, ELB almost doubled its diaper contribution in 2011 with 37 million diapers donated. The ELB program helped diaper more than 6 million babies for one day. (This is based on an average diaper usage of 6 per day.)

Kimberly-Clark Benefits Infant Health

Kimberly-Clark Dominican Republic donated approximately \$18,000 (\$700,000 RD) to the maternity hospital Nuestra Señora de la Altagracia in 2011 to benefit children born there. The campaign Dona tu Click (Donate Your Click) engaged visitors to the website, www.ganaconhuggies.com. With each click, they contributed \$1 RD (\$0.03) to the health and well-being of newborn babies by supporting maternity education and the remodeling of the maternity hospital.

On the other side of the world, Kimberly-Clark China and our Huggies brand are focused on improving the welfare of Chinese infants and children. In 2011, our Huggies brand diaper team sponsored the China-U.S. Pediatrics Development Forum with the help of the China Pediatrician Association and the American Academy of Pediatrics. The goal of the event was to recognize the importance of infant and child development, attract more attention to the work of pediatrics and offer education opportunities to Chinese practitioners. The

event attracted 350 hospital practitioners from 111 hospitals in 30 cities.

Kleenex Brand Funds Field Trip Education

Field trips provide students with important hands-on learning in real-world settings, engaging them in subjects that they might not otherwise be interested in. Research shows one in four schools in the U.S. was forced to cut field trips in 2011 in the wake of state and federal budget restraints. The Kleenex brand team helped fill that gap. In 2011, a Back to School Sweepstakes awarded

EVERY LITTLE BOTTOM DONATED NEARLY 37M DIAPERS IN 2011

100 schools with \$5,000 each to help fund field trips for U.S. school children for the 2011–2012 school year.

Kimberly-Clark Health Care Sponsors Child Chemo Care

Kimberly-Clark Health Care in Japan introduced an initiative to support the building of a specialized hospital for young patients being treated for cancer. The project is being undertaken by Child Chemo House, a nonprofit organization with the goal of providing a home while away from home, where families can stay with their children and help them maintain as normal a life as possible while undergoing therapy. Kimberly-Clark Japan began donating 25 yen (\$0.34) for every case of Lavender brand Nitrile gloves sold. By the end of September 2011, that amounted to 3.3 million yen (about \$40,000), and the program will continue through 2012.

COMMENTS FROM OUR SUSTAINABILITY ADVISORY BOARD

“Kimberly-Clark’s increased emphasis on people is a welcome addition to the corporation’s sustainability objectives.

“Kimberly-Clark’s new People Philosophy, with its emphasis on skills development and career planning, is an important reaffirmation of the value of helping its employees succeed. The corporation’s continued progress in reducing occupational injuries and eliminating workplace fatalities also demonstrates commitment to the new Philosophy. Significant safety progress has been made, but there is more work to be done.

“This year’s sustainability report details a wide variety of community service activities by Kimberly-Clark businesses and operating facilities around the world. Virtually all these activities have merit, but the broad diversity of efforts denies the corporation the leverage that a more focused program, keyed to one or two key areas, such as safe drinking water and infant health, might provide. The progress

detailed in this year’s report in developing a global platform for the charitable activities of Kimberly-Clark’s U.S.-based Foundation is also encouraging, but it needs further definition if Kimberly-Clark is to effectively utilize these activities to build equity in its brands.

THE NEW PEOPLE PHILOSOPHY IS A REAFFIRMATION OF THE VALUE OF HELPING EMPLOYEES SUCCEED

“George and I both appreciate this opportunity to provide feedback on Kimberly-Clark’s People efforts.”

Ken Strassner
Former Vice President—Global Environment, Safety, Regulatory and Scientific Affairs
Kimberly-Clark

George Carpenter
President, Fraser River Strategies & Former Director—Corporate Sustainable Development
Procter & Gamble



OUR VALUED WORKFORCE

Our employees' passion, ideas and experience are the reason we are a leader around the world.

Our People Philosophy describes how we unleash the power of our people, how we support our employees and what we expect of one another. We have a clear vision of the performance-driven company we are creating and are excited about the roadmap of initiatives that is helping us get there.

Our People Philosophy provides the programs, tools and resources to promote a dynamic career experience for all of our global employees.



FULL-TIME EMPLOYEES BY REGION—DETAIL

North America	14,889
%	26%
Latin America	20,351
%	36%
Europe, Middle East and Africa	8,222
%	14%
Asia-Pacific	13,789
%	24%
Total	57,251

OUR PEOPLE PHILOSOPHY PROMOTES A DYNAMIC CAREER EXPERIENCE FOR ALL EMPLOYEES

INVESTING IN OUR PEOPLE

Learning and Development

Employees are ultimately accountable for their own careers and are empowered through meaningful work and challenging experiences. Our People Philosophy helps our people make the most of their employment experience at Kimberly-Clark.

Employees are encouraged to apply the innovative thinking they bring to their day-to-day decisions to envision their career aspirations at Kimberly-Clark. With coaching from managers and leaders within the company, employees create individual development plans to shape their personal and professional goals.

Employees are encouraged to nurture and develop their careers through education, exposure and experience.

Kimberly-Clark provides extensive leadership and professional skills opportunities for our employees through a variety of on-site and online classes, seminars and workshops designed to develop new skills and hone existing abilities. In 2011, we launched an online professional and leadership skills development resource available to all employees, in eight languages, that provides expert advice from world-renowned business leaders. Using audio downloads, video clips, interactive activities and other tools, our employees worldwide can access practical information to address everyday needs.

To help managers transition to new leadership roles and strengthen the leadership capability at Kimberly-Clark, a leadership development series was



launched in 2011. With the ability to scale globally, this series will enable continuity in how we develop our leaders across the enterprise. We also offer a variety of skill-specific educational opportunities. For example, One Finance University was launched in 2011. This global learning portal is the one-stop shop for finding finance learning opportunities quickly and easily, is organized by finance skill and allows for user-generated contributions. Global visibility of all learning resources saves time and rework, supports standardized finance practices and enables learning networks.

Kimberly-Clark employees are encouraged to develop their networks through informal experiences and by participating in opportunities such as Kimberly-Clark mentoring programs and community-related projects.

In addition to making the most of on-the-job training, employees and their supervisors develop Individual Development Plans (IDP) to help employees expand on their talents. IDP exercises might include special assignments, job rotations and even extracurricular projects such as learning a new language or serving in volunteer leadership opportunities.

Measuring and Managing Performance

Kimberly-Clark aims to recognize, celebrate and reward employee contributions and performance. Our “One K-C Behaviors” (Build Trust; Make Decisions; Win Consistently; Think Customer; Continuously Improve; and Build Talent) underpin our goal of a focused, performance-driven culture.

Kimberly-Clark’s performance management system helps align employees’ individual objectives with business unit goals through SMART (specific, measurable, attainable, relevant and timely) objectives. In 2011, a global cross-functional team developed an updated Performance and Development system, which focuses not only on individual and team objectives within business units, but also on complementary behaviors and development plans for employees. It will be rolled out in 2012.

Employee Assistance Program

Kimberly-Clark’s Employee Assistance Program (EAP) provides counselling services to employees and family members in 21 countries. Approximately 8.5 percent

WE PROVIDE EXTENSIVE DEVELOPMENT OPPORTUNITIES FOR OUR EMPLOYEES

of our U.S employees used these services in 2011, compared with an industry standard of 3.5 percent, which is credited to Kimberly-Clark’s strong management support, local EAP committees and continuous promotion of the program.

OUR COMPENSATION PHILOSOPHY

We design our compensation programs to align pay components, such as base salary adjustments and annual and long-term incentive awards, with individual and/or business performance.

Consistent with our pay-for-performance philosophy, incentive plans are extended globally beyond the executive officer, officer, and leader levels based on country practices.

OUR EXECUTIVE COMPENSATION FACTORS IN MEASURES OF DIVERSITY

For directors and above, our annual incentive plan contains financial targets, as well as other quantitative and qualitative factors. For our executive leadership (Chairman and CEO Tom Falk and his direct reports), diversity is one of a number of qualitative factors for 2011.

EMPLOYEE DIVERSITY

	2007	2008	2009	2010	2011
Women	30.5%	29.8%	29.7%	29.9%	30.1%
Women in management	26.1%	27.1%	27.4%	27.3%	28.6%
Ethnic minorities	17.7%	17.5%	17.7%	17.8%	17.9%
Ethnic minorities in management	9.8%	9.7%	9.9%	10.9%	11.3%

Note:

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

RATIO OF ENTRY-LEVEL WAGE TO MINIMUM WAGE

	FEDERAL	STATE
Beech Island (SC)	244%	244%
Chester (PA)	222%	222%
Fullerton (CA)	251%	228%
Neenah Nonwovens (WI)	246%	246%

Note:

The above is reflective of geography and includes a couple of our larger mills as well as unionized and non-union mills. Our lowest entry-level wages are compared with the federal minimum wage as well as the state minimum wage. If the percentage is the same, either the state minimum wage is the same as the federal minimum wage or the mill is located in a state with no minimum wage.

CARING FOR EMPLOYEES

At Kimberly-Clark, the health and safety of our employees, contractors and visitors are vital components of our success.

Our goal is straightforward: to have every employee, contractor and visitor return home safely at the end of each day. We manage occupational safety and hygiene globally for the protection of our employees, contractors and visitors, and aggressively drive toward the elimination of fatalities, injuries, illnesses and disabilities.

The Kimberly-Clark Health Services team provides an array of preventive and occupational health programs for employees worldwide, with three main focus areas:

- Improving the health and well-being of employees globally
- Providing assistance to the global businesses on employee health issues
- Helping ensure compliance with all legal and regulatory employee health requirements

For the awards Kimberly-Clark has won for our health and wellness programs, as well as other categories, [click here](#).

Our programs are tailored to the needs of employees in each country where we operate. These include: preventive health screenings, health risk assessments, health information, medical advice for business travelers, immunizations, flu-shot clinics, stress-management workshops

and other health improvement programs. In some regions, the services provided by Kimberly-Clark are not available through other community agencies.

Health Services also responds to important health issues and potential crises. In 2011, information on nutrition, physical activity, flu, TB and HIV/AIDS was provided to various Kimberly-Clark locations around the world. The Health Services website provides information on a variety of additional health topics such as cardiovascular health, nursing mothers'

OUR HEALTH SERVICES PERFORMED OVER 5,000 IMMUNIZATIONS IN LATIN AMERICA IN 2011

support, and organ donations, as well as links to external health websites.

2011 Outcomes—North America

- 931 immunizations
- 4,007 influenza vaccines
- 1,504 educational health screenings
- 503 Energy for Performance Workshops participants
- 327 travel health consultations as well as medical information and support to over 40 U.S. employees and family members who have relocated overseas
- 881 pre-placement evaluations
- 6,835 acute care consultations/encounters
- 12,461 medical surveillance tests (hearing and spirometry)



2011 Outcomes—Latin America

- 3,346 pre-employment medical evaluations
- 7,746 annual medical checkups and referrals as necessary
- 1,040 checkups for children and various other tests for employees
- 2,200 nutritional and weight consultations
- 4,763 flu and other immunizations

2011 Outcomes—Europe

- 702 Health and Well-Being Coaching Workshop participants
- 2,014 preventative and educational health screenings
- 165 travel health assessments
- 243 stress-management and work-life balance workshop participants
- 307 weight-management consultations

LiveWell

Kimberly-Clark's LiveWell health promotion programs are designed to inform and motivate employees to live healthier lives by eating well, exercising and reducing health risk factors. In 2011, two new facilities—in the Netherlands and Bahrain—launched LiveWell programs.

In 2011, our employees took up the LiveWell challenge, engaging in a variety of activities to improve their health:

Lose BIG Kimberly-Clark, a 12-week wellness platform, was launched in 2011 for Kimberly-Clark North American employees and their partners. More than 300 employees took part in the program supervised by a certified health and fitness professional. Those reporting lost a total of 1,328 pounds.

HIV/AIDS education programs offered by Kimberly-Clark South Africa (KCSA) have achieved significant success over the past five years. They encourage

employees to know their HIV status, educate employees and their families about HIV and TB, get HIV-positive employees on to antiretroviral therapy (ART), and report outcomes to civil society and government agencies through the South African Business Coalition on HIV and AIDS. As part of the education program, KCSA and its service provider have offered counseling services at the production facilities and arranged for HIV-positive employees to speak out and assist in educating the workforce. The company program is integrated as far as possible into the government's ART program.

A new HIV/AIDS policy, launched in 2011 in our Central American region, has received special recognition from the U.S. Agency for International Development (USAID) and the Program for an Adequate Response on HIV. The policy supports education and access to treatment at the workplace.

ENSURING A SAFE WORK ENVIRONMENT

Our “Who’s Counting on You?” safety brand is part of an overall safety strategy that is driving a cultural change at Kimberly-Clark and underscores our vision to have every Kimberly-Clark colleague, contractor and visitor return home safely at the end of each day.

Achieving a fatality-free and incident-free workplace is a two-way commitment. Our company is committed to providing a workplace that is in compliance with all applicable occupational safety and hygiene (OS&H) laws and regulations, and in conformance with Kimberly-Clark’s OS&H performance standards. In return, Kimberly-Clark expects individuals to refuse to take any action considered unsafe, confront others acting in an unsafe manner and immediately stop any unsafe actions.



Our vision is to be recognized by stakeholders as a global sustainability leader in OS&H. To achieve this recognition, our Sustainability 2015 safety goal is zero workplace fatalities. We achieved this goal in 2010 and again in 2011 for Kimberly-Clark’s wholly and majority-owned companies which we report in our financial statements. However, our equity affiliate, Kimberly-Clark de Mexico, experienced a fatality from a transportation accident in February 2012.

Safety efforts, training and materials are provided to Kimberly-Clark’s wholly owned companies, which are obliged to implement and abide by the programs. The same information is also provided to equity affiliates. Nevertheless, a lost life at any of our affiliates is tragic and not acceptable.

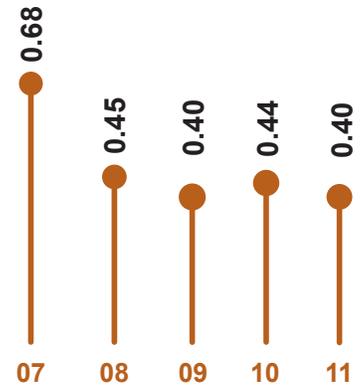
Our Zero-Fatality Strategy

We are driven to eliminate workplace fatalities forever at Kimberly-Clark. To achieve this, we launched a Fatality Elimination strategy in 2009 and, in 2010, began focusing attention on eight Sentinel Event hazard categories that could lead to a fatality. These Sentinel Events form a key part of our Performance Standards under our EHS Management System.

In 2011, we:

- Conducted Sentinel Event training workshops for all employees at each of our global manufacturing facilities, reaching approximately 45,000 people
- Developed a Facility OS&H Leader Qualification and Competency Standard, which establishes minimum qualification and competency requirements for our senior facility OS&H leaders and guides the hiring process for safety professionals

Total Reportable Incident Rate (TRIR)



- Developed a Machine Safety Standard that allows a risk-based approach to safeguarding selection, provides flexibility in safeguarding method(s) selected and complies with international consensus standards

Environment, Health and Safety Management System

Kimberly-Clark’s Environment, Health and Safety Management System (EHS MS) was designed to standardize environmental and safety management systems and compliance programs, while enhancing overall performance. It establishes minimum requirements and standards for the management of EHS activities. Our ongoing goal is to surpass these minimum requirements.

The EHS MS guides our facilities to:

- Systematically identify, control and minimize the risk of loss to employees, equipment, materials and the environment
- Continually improve EHS capabilities and performance

The EHS MS is based on and is consistent with international consensus standards, ISO 14001 and OHSAS 18001.

It utilizes the Plan-Do-Check-Adjust methodology and is organized into five elements: Policy and Organization, Planning, Implementation and Operation, Checking and Corrective Action, and Management Review.

Our Global Occupational Safety and Hygiene Policy states that we will man-

WE EXPECT INDIVIDUALS TO REFUSE TO TAKE ANY ACTION THEY CONSIDER UNSAFE

age occupational safety and hygiene (OS&H) globally for the protection of our employees, contractors and visitors and to aggressively drive towards the elimination of occupational injuries, illnesses, disabilities and fatalities. We are committed to continually improving and regularly assessing the EHS MS in order to achieve continuous improvement of OSH performance.

Joint Management-Worker Health and Safety Committees

As part of our EHS MS, each Kimberly-Clark facility must establish an EHS Steering Committee to review EHS issues and concerns, identify and prioritize the facility's improvement activities, and review progress of those activities. More than 95 percent of our facilities have formal EHS committees. While the structure of these committees varies, a common element is the participation of both employees and management.

The EHS Steering Committee is responsible for the following:

- Overseeing development, implementation and prioritization of the facility EHS Improvement Plan

- Addressing EHS concerns raised by employees or others
- Convening teams to provide focused support for key EHS initiatives
- Tracking and assessing the facility's overall EHS progress, incidents and trends

Safety Communication Plan

In 2010, Kimberly-Clark developed the safety brand "Who's Counting On You?" to further embed a sustainable safety culture, which was formally rolled out in 2011. Based on social marketing theory

and behavior-based safety principles, each quarter, a newsletter, hazard bulletin, mini-poster and presentation materials on specific safety hazards, including falling objects, lift-truck accidents and falls, are distributed globally. Our fourth-quarter programming focused on the Safety Week theme: Give Safety a Voice. Awareness and education materials were distributed to more than 100 facilities in 20 languages. To view a video featuring senior leaders from across the globe that underscored the importance of safety as a Kimberly-Clark core value, [click here](#).

EMPLOYEE SAFETY					
	2007	2008	2009	2010	2011
Fatalities	1	1	1	0	0
Permanently disabling injuries	14	9	6	14	8
Total Reportable Incident Rate (TRIR)	0.68	0.45	0.40	0.44	0.40
Lost-Time Reportable Incident Rate (LTRIR)	0.41	0.31	0.25	0.30	0.27
Global Contact with Energized Equipment Incident Rate (CEEIR)	0.09	0.11	0.06	0.12	0.20

Note:

TRIR: Work-related events that result in fatalities, temporary or permanently disabling injuries or illnesses per 200,000 hours worked per annum.

LTRIR: Reportable injuries/illnesses that result in time away from work or restricted work per 200,000 hours worked per annum.

CEEIR: Cases resulting from bodily contact with energized equipment (electrical, mechanical, hydraulic, gravity, radiation, pneumatic, thermal, etc.) per 200,000 hours worked per annum. These include incidents arising from inadequate guarding of equipment or machinery, or failure to follow energy-control work practices, etc.

EMPLOYEE SAFETY

	2011
Closed major findings from global EHS assessments	69%
Closed Corrective Action and Preventative Action from Fatalities	95%
Critical Occupational Hygiene Exposures–Identified and Controlled	95%

Notes:

Closed Corrective Action and Preventative Action from Fatalities: Lessons learned from fatality investigations are shared across the globe. Gap assessments are conducted and actions are identified and then closed.

Critical Occupational Hygiene Exposures–Identified and Controlled: Critical occupational hygiene exposures identified/controlled times 100.

SAFETY COMPLIANCE PENALTIES

	2007	2008	2009	2010	2011
Safety compliance penalties	\$0	\$0	\$20,600	\$110,955	\$4,800

FOSTERING ENGAGED EMPLOYEES

Our employees are vital to our success—in reaching our business goals, supporting our environmental initiatives and contributing to our communities.

We work hard to understand the ways in which we can support their success and, through that, the success of Kimberly-Clark.

We measure employee engagement through a biannual employee survey. We also encourage and support employee volunteerism and community service, sustainability communities of practice and the global expansion of our Small Steps for Sustainability program. New in 2011, we presented our

inaugural Crystal Tree Awards, which recognize leadership and outstanding contributions by Kimberly-Clark employees in sustainability.

At Kimberly-Clark, we foster a culture of continuous improvement in our business, including ways to be more innovative, efficient and cost-effective. To identify and create action plans, teams around the globe participate in Kaizen events, based on a Japanese philosophy of change and improvement. In 2012, we will hold an annual Global Continuous Improvement Symposium, where the best work from the 2011 Kaizen teams will be recognized.

WE ENCOURAGE AND SUPPORT EMPLOYEE VOLUNTEERISM



GIVING BACK TO OUR COMMUNITIES

Caring for the communities in which we live and work has been a core value at Kimberly-Clark since the early days of the company.

Our employees give generously to the causes they believe in and to initiatives sponsored by Kimberly-Clark. We encourage and support their contributions.

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

EMPLOYEES CONTRIBUTED \$2.7M TO THEIR LOCAL UNITED WAY CHAPTERS IN 2011

Highlights of our employees' volunteer activities include:

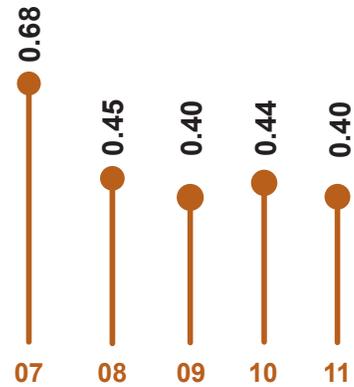
Earth Day 2011

On April 22, millions of people celebrate Earth Day to demonstrate their commitment to sustainability. Our regions around the world celebrate Earth Day to remind employees and the communities in which they live and work of Kimberly-Clark's commitment to sustainable business practices.

Earth Day events in 2011 included:

- Employees at Kimberly-Clark Australia and New Zealand participated in a Clean Up Australia Day, and the World Wildlife Fund's Earth Hour. The region also promoted its improved office waste recycling program and held a contest to encourage employees to sign up for Kimberly-Clark's Small Steps for Sustainability program.
- Under its Roots & Shoots banner, Kimberly-Clark China launched a large-scale art project titled Green Body and Mind at Beijing's Capital Library, where participants presented topics on municipal solid waste disposal and recycling activities
- Kimberly-Clark Peru collaborated with the World Wildlife Fund's Earth Hour on March 26. All employees and their families were invited to participate and turn off their lights for one hour to symbolize their commitment to conserving resources. The Kimberly-Clark Peru team also launched a campaign to increase recycling in its operations from an average of five to 15 tons per month.
- Kimberly-Clark Taiwan held a co-marketing green event with NUCA, the largest retailer in Taiwan, where Kimberly-Clark Taiwan and NUCA

Employee Giving (\$M)



publicly agreed to support and promote Forest Stewardship Council-certified products in Taiwan

Employees Pitch In for United Way

In 2011, our U.S. employees contributed approximately \$2.7 million in gifts and pledges to their local United Way chapters. These contributions were matched dollar-for-dollar by Kimberly-Clark. In addition, many of our sites conducted special events and fundraisers, which generated an additional \$678,000 across various local campaigns. In total, Kimberly-Clark supported local United Way chapters with approximately \$6.1 million in 2011.

COMMUNITY CONTRIBUTIONS IN 2011

U.S. employee volunteer hours	84,000
Community Partners grants to U.S. employee-chosen charities	\$858,500
Value of matching gifts contributions made by U.S. employees	\$1.25M
Total global donations by employees	\$3.9M

2011 highlights:

The Kimberly-Clark United Way campaign in Neenah, Wisconsin, raised a record-setting \$2.1 million, a 7 percent increase over last year's results. The campaign focused on events that built awareness for United Way and aimed to increase giving in targeted populations. This result was achieved, in part, by organizing agency tours so that groups of employees could increase their shared understanding of needs and services in the community. The campaign also focused on the importance of Emerging Leaders (those under age 40 who give at least \$500) and increasing the number of Guideline Givers (those who contribute at least one hour's pay per month), resulting in increases in both groups this year. As a result, Kimberly-Clark in Neenah received the Outstanding Leadership and Emerging Leaders Campaign Team Award this year from the Fox Valley United Way.

United Way campaigns are a relatively new concept at our site in Belmont, Michigan, so the campaign team there spent the bulk of its energy educating employees about what the United Way is, how it works and whom it helps. Employees had ample opportunities to ask questions about the area's United Way agencies and how funds



are allocated to them. The campaign team provided a little extra motivation for employees to give at the Guideline level by providing incentive gifts to all Guideline Givers. A drawing was also held for prizes donated from local businesses. The result: the 2011 Belmont campaign saw an increase of 450 percent compared with 2010 results. The number of contributors increased tenfold, with 10 times as many Guideline Givers. As a result of its impressive campaign growth, the Belmont site has been nominated for many awards by its local United Way.

Kimberly-Clark United Way campaign strategists in New Milford, Connecticut, feared that a Nor'easter, which brought

early snow and caused a power outage for two weeks during their campaign, would be a financial drain and a distraction from the campaign. But they turned it into an opportunity to educate employees about the valuable work of the American Red Cross, a United Way affiliate, and the United Way's 211 system, through which community residents can get information and referrals for United Way agencies that provide help in a time of need. They also put in extra effort to keep people focused on the campaign and to provide incentives for participation. The result was an increase in employee campaign participation from 57 percent to 62 percent and a 9 percent increase in dollars raised.

Argentina Volunteer Day

Kimberly-Clark is one of 10 founding companies involved in Fundación Caminando Juntos, a first-of-its-kind consortium of companies committed to the development of a better future for the Argentine society. In 2011, 24 chief executives and senior managers of the member companies celebrated a volunteer day by contributing to the Madre Teresa play center in Las Tunas. Company and community volunteers helped with repairs, grounds maintenance, and development games and activities to support the 130 children and teens that use the center.

LISTENING TO OUR EMPLOYEES

Our biennial global employee engagement survey provides us with feedback from our employees to help us understand what we are doing well and where we can improve the workplace experience.

In 2010, engagement was 75 percent, up 2 percent from 2008 (73%). The results indicate that Kimberly-Clark is a high-performing company as compared to the benchmarks measured by the survey provider HAY Group. Our next global employment survey will be conducted in late 2012.

In 2011, Action Plans were developed for all business units and regions to address areas identified for improvement in the 2010 survey. Approximately 700 action plan items were developed, with the most frequent focus areas being development opportunities, performance management, and respect and recognition.

In Hong Kong, to improve awareness of opportunities, employees were invited to take part in a “Wear Your Shoes” program, where employees try out a colleague’s function. Our MEA (Middle East and Asian) region introduced a coaching program to help managers improve their leadership skills.

Pulse Check surveys were conducted by the teams of Finance/ITS, North American Consumer Products, Procurement, and the Association of Southeast Asian Nations and China in 2011. The organizations used the results of the Pulse Check surveys to refine action plans.

Results from the last two surveys are provided in the charts below.

OUR NEXT EMPLOYEE ENGAGEMENT SURVEY WILL TAKE PLACE IN LATE 2012

EMPLOYEE SURVEY RESULTS—OVERALL

	2010	2008
Employee engagement	75%	73%
Employee enablement	68%	67%
Response rate	95%	93%

Note:

Employee engagement: The degree of psychological or emotional commitment an employee has to Kimberly-Clark, his or her willingness to go above and beyond formal job requirements, and an intention to remain with the company.

Employee enablement: A measurement of employee motivation to accomplish their jobs in a supportive work environment that allows them to channel their extra efforts most productively.

EMPLOYEE SURVEY RESULTS—DETAIL

	%	%	%
	FAVORABLE	NEUTRAL	UNFAVORABLE
Employee engagement	75	18	8
Employee enablement	68	19	13
Quality and customer focus	87	11	11
Clear and promising direction	78	18	5
Resources and training	70	18	12
Collaboration	69	21	11
Work, structure and process	68	22	11
Confidence in leadership	67	24	9
Authority and empowerment	67	20	12
Performance management	67	20	13
Reaction to survey	63	22	15
Respect and recognition	61	25	15
Development opportunities	60	26	14

Note:

Percentages may not add to 100 due to rounding

EMPLOYEES TAKING SMALL STEPS TOWARD SUSTAINABILITY

Kimberly-Clark's Small Steps program was created in 2010 to encourage employees to adopt small behavioral changes that, together, can have a significant, positive effect on the environment.



In 2011, we refreshed and relaunched the program to reach out to our global workforce in multiple languages. Employees who visit the Small Steps intranet site can commit to taking action in a variety of ways.

For example, employees can reduce their use of:

- Power, by switching to compact fluorescent lights in their homes (cutting lighting energy use by 50 to 75 percent)
- Water, by taking five-minute showers instead of baths (saving as much as 80 gallons of water per person, per week)
- Fossil fuels, by carpooling (effectively reducing greenhouse gas emissions, not to mention out-of-pocket commuting costs, by half or more)

THE SMALL STEPS PROGRAM HEIGHTENED MY AWARENESS

Participants receive a Kimberly-Clark Small Steps e-signature for their company emails declaring their commitment.

"I started with turning out my office lights when attending meetings or leaving for lunch. Then I purchased cloth bags at the grocery store to avoid the use of plastic bags. The next small step was to bring dishware and silverware to work to avoid using paper plates and plastic silverware. I also was more cognizant in sorting recyclables from trash on a daily basis. All in all, the Small Steps program heightened my awareness of just how much each individual can contribute to helping the environment."

– **Sally Dunlop, Kimberly-Clark Professional team planner, San Antonio**

EMPLOYEES PARTICIPATING IN SMALL STEPS

2015 GOAL

15,000

2011

11,600

SUPPORTING SUSTAINABILITY COMMUNITIES OF PRACTICE

Kimberly-Clark's Sustainability Communities of Practice aim to champion awareness and knowledge of sustainable practices at home and at work to deliver sustainability leadership.

Their goal is to:

- Provide a forum for sharing and exploration of sustaining and renewing technologies
- Create a culture that includes sustaining and renewing principles in all we do
- Encourage education, networking and action to drive sustainable practices
- Open to all levels in a nonthreatening manner, with the belief that knowledge changes behavior

In 2011, our Neenah, Wisconsin, facility sponsored Munch N Learn and Green Friday events, where information on sustainability topics was provided; led a Food Drive that gathered 2,500 food items for needy families; and planted trees in a national forest and Gardens of the Fox Cities.

Members of the Roswell, Georgia, facility Communities of Practice staged a Corporate Green Day Challenge that sent volunteers to landscape and renovate a community park and organized a monthly Farmers Market on the campus for Kimberly-Clark employees and their families. The group also collected outdated computers and other personal technology to donate to Serious Good, an organization that collects and refurbishes e-waste to benefit Habitat for Humanity. In one day, employees collected 235 computers, 16 of which could be refurbished. This collection represented 2,575 pounds (1.17 metric tons) of solid waste being diverted from landfill. They also organized a sustainability showcase highlighting Kimberly-Clark's latest environmental innovations.

OUR GOAL IS TO ENCOURAGE ACTIONS THAT DRIVE SUSTAINABLE BUSINESS PRACTICES



RECOGNIZING SUSTAINABILITY INNOVATIONS

Over the years, Kimberly-Clark employees, facilities and businesses have championed sustainability at work, at home and in our communities.

The Crystal Tree Award for leadership in sustainability, introduced in 2010, honors outstanding contributions in three categories: employees, mills and business units. Each category has its own focus that corresponds to our three pillars of sustainability: People, Planet and Products. Winners receive a Crystal Tree Award made out of recycled glass, a donation to the nonprofit of their choice and an opportunity to participate with one of Kimberly-Clark's NGO partners on a project such as tree planting or water replenishment.

In 2011, the awards honored:

- The Barton Mill in the UK, which produces Baby and Child Care products and nonwovens, for operating below its energy efficiency target since 2010. The mill also earned landfill-free status and reduced its manufacturing waste by nearly 25 percent in 2010.
- The Romagnano Mill in Italy, which produces Consumer Tissue products, for operating below its energy target, reducing the total amount of water used by more than 9 percent, increasing water-use efficiency by 8 percent, and cutting manufacturing waste by 10 percent.



- In the employee category, Rob Gusky, an engineering technical leader in Consumer Tissue at our Neenah, Wisconsin, facility, for developing the Scott brand's Get Up & Ride biking campaign. Gusky began to bike to work to avoid \$4-per-gallon gasoline three years ago. By 2011, the initiative had expanded across Kimberly-Clark's global operations and throughout the state of Wisconsin. Get Up & Ride is going national in the U.S. in 2012, in partnership with the League of American Bicyclists and Bikes Belong.

"It was one of my proudest work achievements to be recognized for my leadership of the Get Up & Ride biking program. I believe this award both demonstrates Kimberly-Clark's commitment to sustainability and will help inspire others to help move us forward in this important area. I look forward to learning who will step up in the future and be recognized as Crystal Tree Award winners."

– Rob Gusky

"This recognition is seen as justification of the commitment that the Barton Mill team has shown to achieving these great results. As the leader of the mill team, I already know we are working on the improvements we need to make to be considered for our second Crystal Tree!"

– Graham Tongue

OUR CRYSTAL TREE AWARD HONORS OUTSTANDING SUSTAINABILITY LEADERSHIP

"We were very honored to receive the Crystal Tree Award, which is proudly displayed at the entrance of the Romagnano Mill. This recognition gives our team the reassurance that we are on the right sustainability path, and motivates everyone to provide their own contribution to continuously improve. We do this with "Passion for Excellence"—our Romagnano Mill motto."

– Raffaella De Medici

VALUING DIVERSITY & INCLUSION

Workplace diversity and inclusion are business imperatives at Kimberly-Clark, integral to our growth strategy, supported by senior leadership and directed by a Global Diversity Officer who reports to both the Chairman and CEO and the head of global human resources.

We endeavor to be a diverse and inclusive organization that looks, thinks and behaves like the people who use our products. When our workforce reflects the consumers we serve in our global markets, we better understand their needs and can achieve our vision to lead the world in essentials for a better life.

With our Welcome initiative, an element of our People Philosophy, we are further strengthening a culture where differences are valued and where, together, we make better business decisions essential for our success. Kimberly-Clark's Human



Rights in Employment Policy underscores our commitment. It prohibits discrimination and/or harassment based on race, color, sex, pregnancy, sexual orientation, gender identity, age, religion, creed, national origin, disability, genetic information, veteran status, legally protected leave and other categories protected by applicable law. We also extend our benefits to our employees' eligible dependents including children, spouses, common law spouses and domestic partners.

In 2011, we conducted global diversity and inclusion training for more than

1,200 leaders and business partners in daylong sessions. Diversity is part of our global leaders' performance objectives and designed to foster diverse and inclusive teams and talent. We provide numerous other diversity and inclusion development opportunities.

WE ARE STRENGTHENING A CULTURE WHERE DIFFERENCES ARE VALUED

EMPLOYEE DIVERSITY

	2007	2008	2009	2010	2011
Women	30.5%	29.8%	29.7%	29.9%	30.1%
Women in management	26.1%	27.1%	27.4%	27.3%	28.6%
Ethnic minorities	17.7%	17.5%	17.7%	17.8%	17.9%
Ethnic minorities in management	9.8%	9.7%	9.9%	10.9%	11.3%

Note:

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

BOARD DIVERSITY

	2007	2008	2009	2010	2011
Independent members	91.7%	91.7%	91.7%	92.3%	92.3%
Women	16.7%	16.7%	16.7%	23.1%	23.1%
Minority group membership	25.0%	25.0%	25.0%	23.1%	30.8%
Total board members	12	12	12	13	13

DIVERSITY IN OUR U.S. OPERATIONS

Reaching Out to Diverse Groups

We are members of a number of diversity organizations in the U.S., including:

- National Society of Black Engineers. Kimberly-Clark joined the Board of Corporate Affiliates in 2000 and holds the highest level of corporate membership

WE OFFER OPPORTUNITIES TO ESTABLISH RELATIONSHIPS WITH EMPLOYEES FROM DIFFERENT BACKGROUNDS

- Society of Hispanic Professional Engineers (SHPE). Kimberly-Clark is a member of the Industrial Partner Council, and our employees have conducted workshops at SHPE conventions
- Society of Women Engineers. Kimberly-Clark is a member of its Corporate Partnership Council, and several Kimberly-Clark women serve in leadership roles at both the national level and the Atlanta, Georgia, chapter
- National Black MBA Association. Kimberly-Clark partners with this organization for recruiting
- National Society of Hispanic MBAs. Kimberly-Clark partners with this organization for recruiting
- The Executive Leadership Council. Kimberly-Clark is a member of this independent, nonprofit corporation that provides a network for

African-American executives of Fortune 500 companies

- The Network of Executive Women (NEW). Many Kimberly-Clark women are members of NEW, a North American organization whose mission is to attract, retain and advance women in leadership in the consumer packaged goods and retail industries. Sue Sears, Vice President, Global Market Development, of Kimberly-Clark Professional, serves on its board of directors.

Also, Kimberly-Clark's Chairman and CEO Tom Falk is a board member of Catalyst Inc., an advisory organization dedicated to building inclusive environments and expanding opportunities for women at work. All Kimberly-Clark employees have access to its database of research and leadership resources. Each year, Falk and a group of Kimberly-Clark women leaders attend its annual conference in New York City.

In March 2011, to celebrate International Women's Day, Falk and Kimberly-Clark Dallas' Women's Interactive Network (WIN) invited Catalyst President & CEO Ilene Lang to speak at its world headquarters. Lang addressed WIN and other Dallas-area women's resource groups on the topics of breaking through the glass ceiling and the importance of executive sponsorship of women in the workplace.

Collaborating Internally

Kimberly-Clark's Employee Resource Groups provide a valuable tool for recruitment, development, and retention of business ideas. Because the groups are open to all employees, they offer an opportunity to establish relationships with Kimberly-Clark employees from different backgrounds.



We offer the following Employee Resource Groups to our U.S. employees:

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

DIVERSITY INTERNATIONALLY

In our international businesses, we take care in ensuring that our diversity and inclusion plans are specific to the country and cultures in which they are enacted.

As such, we ensure that our talent attraction and selection processes are seeking the appropriate balance of genders and nationalities for each market. Any agreements we have with third-party recruiters reflect this commitment to diversity. We conduct annual reviews of hiring strategies and track progress in this area.

WE HAVE HISTORICALLY FOCUSED ON HIRING LOCAL COUNTRY MANAGEMENT AND TEAMS



Within Kimberly-Clark International, we have historically focused on hiring local country management and teams, because we believe that they best know the marketplace and how to conduct business in their respective countries. For this reason, Kimberly-Clark International is made up of few expatriates. With that said, however, we do support international assignments, as this helps expand leadership capabilities and knowledge of emerging markets.

SUPPORTING CONSTRUCTIVE LABOR RELATIONS

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

In addition, we monitor compliance in both our direct and indirect supply chain to ensure employees' rights to freedom of association and collective bargaining are respected. In 2011, Kimberly-Clark was again recognized at the country level for cooperative and productive labor-management relationships in Thailand and Venezuela.

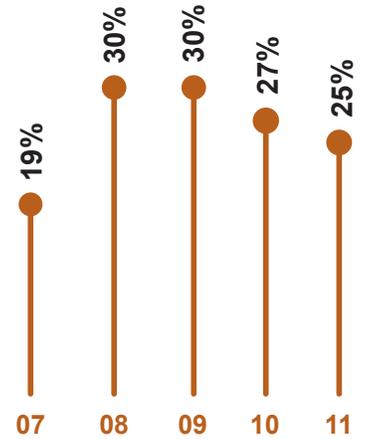
In 2011, the second annual global union/management conference was held in Atlanta, Georgia, sponsored by Kimberly-Clark, Union Network International (UNI) and Workers Uniting. Kimberly-Clark union and management leadership from

each of our global regions was represented at this two-day event. Participants reviewed progress made over the past year and affirmed their commitment to maintaining a respectful and cooperative relationship based on proactive sharing of information and finding opportunities and solutions to issues associated with corporate social responsibility and workplace rights. Goals for 2012 were developed in the areas of supplier social compliance, regional representation, freedom of association and access, and stakeholder communications.

WE SUPPORT ACTIVE UNION/ MANAGEMENT LABOR COUNCILS

In November 2011, Kimberly-Clark participated, at the request of UNI, in a meeting held by the vice president of Colombia to promote social dialogue between unions and companies. The agreement between Kimberly-Clark and UNI was recognized at the conference as an example of the type of relationship needed between global companies and unions.

Employees with Union Membership



“Kimberly-Clark has taken a leadership role among its peer companies in working proactively with global unions in recognizing the importance of respectful union/management relationships in advancing areas of mutual interest regarding Corporate Social Responsibility and global workplace rights.”

– Steve Walsh, Head of Union Network International (UNI – Graphical)

Supporting Employees at Plant Closure Sites

In January, we initiated a pulp and tissue restructuring plan in order to exit our remaining integrated pulp manufacturing operations and improve the underlying profitability of our consumer tissue and Kimberly-Clark Professional businesses. The restructuring involves the streamlining, sale or closure of six of our manufacturing facilities around the world. We were successful in selling two facilities in Spain, but closed facilities in Everett, Washington, and in Australia. The closures affected 235 and 750 permanent employees at these locations, respectively. We provided reasonable compensation packages and support for our employees who were affected in



Everett, Washington, and in Australia. Jobs at the facilities in Spain were transferred to the purchaser as part of the sale process.

Kimberly-Clark is sensitive to the impact of these decisions on employees and communities, and has made every reasonable effort to ease the transition. Employees received severance and benefits packages under the Agreements and the Terms & Conditions of their employment in Australia and as negotiated with the union representing employees in Washington. In addition, a severance package was provided for salaried and hourly employees at Everett. Kimberly-Clark has provided outplacement assistance and counseling for the employees and support staff who have been affected by this difficult transition. Kimberly-Clark has also supported its former employees by offering financial planning services and retraining to assist them in organizing their personal finances.

In addition, the Kimberly-Clark Foundation made a special donation of \$25,000 to the United Way of Snohomish County, Washington, where Everett is located.

CARING FOR OUR COMMUNITIES

Kimberly-Clark is committed to supporting the well-being and development of the communities in which we operate and live.

We contribute to communities through programs and partnerships developed by our Kimberly-Clark Foundation and a wide range of health, education and economic initiatives undertaken by our operations at the regional and international levels. Our goal is to contribute to every Kimberly-Clark community through socially focused programs by 2015.

In the sections that follow, we describe our Foundation work in more detail and provide a snapshot of our 2011 social and economic community initiatives. We also describe our response to the many global communities that needed support following devastating natural disasters, which included much-needed funds, supplies and hands-on assistance.

WE ARE COMMITTED TO THE COMMUNITIES IN WHICH WE OPERATE



THE KIMBERLY-CLARK FOUNDATION

The Kimberly-Clark Foundation, established in 1952, combines funding from the corporation and our employees, including financial contributions and product donations, to contribute to social programs in our U.S. communities.



In a few cases, the Foundation also supports international causes through its partnerships with U.S.-based non-governmental organizations (NGOs). In the [Stakeholder Engagement section](#) of this report, we describe a variety of our important long-term Foundation partnerships, and other important outreach efforts in the [Social Initiatives section](#).

In 2011, the Foundation finalized a social responsibility strategy in support of Sustainability 2015 goals. The goal of the Kimberly-Clark Foundation is not only to continue supporting the communities in which we do business, but also

to broaden our reach and impact, and leverage the power of our brands to build a better future. Our global reach gives us tremendous opportunity to improve lives and communities around the globe. By bringing to the table our employees and the scale and reach of our brands, we can help solve issues that enable people to live better lives.

The Foundation also sponsors college scholarships for children of employees. In 2011, Kimberly-Clark marked the nineteenth year of the Bright Futures program, awarding college scholarships totaling \$1.4 million to 68 children of Kimberly-Clark employees across 14 U.S. states and Canada. Bright Futures scholarships are valued at up to \$20,000, or \$5,000 per school year, for full-time students attending accredited colleges and universities. Since its inception, the program has awarded more than \$33 million in scholarships to more than 1,650 students. Recipients are chosen based on academic achievement, leadership and involvement in extracurricular activities.

WE CAN HELP SOLVE ISSUES THAT ENABLE PEOPLE TO LIVE BETTER LIVES

2011 Kimberly-Clark charitable contributions: \$12.9 million in cash and \$19.2 million in product donations to causes, ranging from education to diaper donation to performing arts and disaster relief.

SUPPORTING WOMEN AND CHILDREN

Kimberly-Clark contributes to the specific needs of its communities through a variety of initiatives.

Female healthcare professionals in China face enormous pressure to meet the needs of the mothers and children under their care in China's cities and rural areas. Kimberly-Clark China's Touch of White Angel, launched in 2011 in partnership with the All-China Women's Federation, is the country's first campaign to provide these medical professionals with opportunities for professional development and tools for better work/life balance. In 2011, the campaign reached approximately 300,000 female healthcare professionals in 10 major cities. Its goal is to support five million female healthcare professionals by 2015. The program's success is helping the mothers and children who are treated on a daily basis by the Angel practitioners.

Kimberly-Clark Argentina is a partner company of the Caminando Juntos Foundation, an Argentine nonprofit that provides social programs supporting children and youth in Argentina's more vulnerable sectors. In 2011, the Foundation invested \$1.3 million, reaching 3,500 families, including 4,000 children and 500 youth in low-income neighborhoods. More than 1,000 volunteers contributed to programs to strengthen community centers, retrain older adults, and support 30 social organizations in six urban centers.

OUR CAMPAIGN REACHED 300,000 FEMALE HEALTHCARE PROFESSIONALS IN CHINA

In 2011, Kimberly-Clark Brazil supported initiatives to promote women's rights. It held workshops with community members in which issues such as culture and identity, empowerment and domestic violence were discussed. Following the workshops, the participants took a survey that measured local needs, challenges and public perceptions around the issue of women's rights. The survey results will be released in 2012, with the goal of engaging government, industry, community organizations, the media and others to improve the status of women in Brazilian society.



FUNDING ECONOMIC DEVELOPMENT

As we strive to align our social programs with Kimberly-Clark's expertise as a company, we are also mindful of the most pressing societal issues in our communities around the world.

In addition to financial and product support, Kimberly-Clark's regions contribute to capacity-building within our local communities.

For example, through its contributions to the First Aid Post, a nonprofit in Pilar, Argentina, Kimberly-Clark supported training for entrepreneurs in micro-enterprises. Provided in partnership with the Association for the Promotion of Education and Sport, four training sessions were attended by approximately 100 residents of the Las Lilas and Monterrey neighborhoods.

THE CREATORS OF 9 UNIQUE IDEAS WERE AWARDED \$15,000 EACH IN SEED FUNDING

In December 2011, Kimberly-Clark's Huggies brand announced the second year of its Mom-Inspired grant program. The creators of nine unique ideas were awarded \$15,000 each in seed funding and provided with business resources to support the development of products



that address the needs of parents and their children. Selected from more than 500 applicants, the 2011 grant recipients demonstrated original product ideas, ranging from acupressure wristbands for the relief of morning sickness to an adjustable chair and carrier that mimics the complex "colic-cradle hold." The Huggies brand Mom-Inspired program was launched in 2010 to help fund women-owned business start-ups and new product innovations inspired by the challenges and experiences of motherhood. In 2011, the program was expanded to Australia to support the rise of the country's "mumpreneurs," awarding \$20,000 grants to five applicants.

PROVIDING RELIEF IN EMERGENCIES

Unfortunately, the world experienced a number of large-scale disasters in 2011 — some of which were unprecedented in their toll on their respective societies.

Kimberly-Clark and its employees responded swiftly and generously.



Kimberly-Clark provided the following support in 2011:

Essential Products for Australia and New Zealand Disaster Victims

Kimberly-Clark donated more than \$350,000 in essential products to assist victims of the Queensland floods. We also supplied diapers, baby wipes and feminine hygiene products to local New Zealand community groups for distribution to victims of the earthquake. In

addition, we matched donations made by Kimberly-Clark employees to the earthquake appeals.

Helping Hands for Japan Tsunami

On March 11, a massive earthquake occurred off the coast of the northern part of Japan's main island, creating a tsunami and triggering the failure of a major nuclear power plant. Thousands of people died or went missing, and millions were left without basic necessities such as electricity, water and transportation. The Kimberly-Clark Japan team was able to deliver 890 cases of much-needed surgical gowns, sterilized gloves and other

IN 2011, WE RENEWED OUR COMMITMENT TO THE AMERICAN RED CROSS

vital supplies to area hospitals.

Financial Support for the Red Cross Annual Disaster Giving Program

In 2011, Kimberly-Clark renewed our commitment to the American Red Cross Annual Disaster Giving Program (ADGP), a select group of leading corporations that provide the highest level of support to Red Cross relief efforts. Kimberly-Clark is one of 36 member companies of ADGP, which gives the Red Cross advance funding to provide immediate relief to disaster victims. In 2011, it contributed to relief efforts around the world, including in regions where Kimberly-Clark operates, such as El Salvador, Thailand and the United States.

Kimberly-Clark provided additional product support, including hand sanitizers and diapers, to victims of tornadoes in the U.S. Midwest, and the flooding of the Mississippi River, through the American Red Cross.

When disasters like extreme flooding in the northeast United States or the earthquake in Turkey happen around the world, the American Red Cross is there to provide shelter, food, emotional support and other assistance to people in need. As a member of the ADGP, Kimberly-Clark's support ensures that the Red Cross can be on the scene of a disaster at a moment's notice.

As an ADGP member, Kimberly-Clark is a member of the Red Cross family, one of the largest humanitarian forces in the world. Every day, the Red Cross:

- Shelters, feeds and provides emotional support to victims of disasters—from single-family house fires to catastrophic natural disasters
- Collects, processes and distributes lifesaving blood and blood products
- Gives support and comfort to military members, veterans and their families
- Empowers people with life-saving health, safety and preparedness skills
- Helps prevent some of the most deadly diseases—including measles, malaria and HIV—in the world

In 2011, the American Red Cross launched 137 disaster relief operations in 46 states and territories to help people affected by fires, floods, hurricanes and tornadoes across the United States. In

In addition, major international disasters included the extensive flooding in Pakistan and continuing work following the 2010 Haiti earthquake. In fiscal year 2011 (July 1, 2010 to June 30, 2011), the American Red Cross worked with partners in the Red Cross and Red Crescent network to assist 229 million vulnerable people in 76 countries.

In areas where Kimberly-Clark has operations, the American Red Cross was a first responder in the northeast U.S., where flooding impacted our Chester and New Milford facilities. Additionally, flooding and tornadoes in the southeast U.S. and flooding in Central America and Thailand impacted our employees and again, Kimberly-Clark provided assistance through the American Red Cross.

Not only did our monetary donation help to supply shelter, food and other essentials, Kimberly-Clark also provided support in the form of product donations. From paper towels to moist wipes, the needs of those facing disaster situations are numerous and varied, and Kimberly-Clark was able to help meet those needs with our most trusted products.

Homes for Colombia Flood Victims

Colombia's 2011 rainy season was the most severe in recent memory, resulting in floods and landslides, loss of crops and more than 300 fatalities. Over 100 volunteers from Kimberly-Clark Colombia spent two days in May building houses for flood victims in four Colombian cities: Bogotá, Cali, Medellín and Barranquilla. Kimberly-Clark worked in partnership with Un Techo Para Mi País (A Roof for My Country), a Latin American nonprofit organization, to plan and gather supplies for the project.

Friends Helping Friends in Thailand Flood Zones

A number of Kimberly-Clark employees have been affected by the ongoing flooding in Thailand. The Pathumthani site's North Mill and national distribution center closed due to flooding. The Kimberly-Clark Thailand team launched the Friends Helping Friends campaign, which focused on helping families stay safe and minimizing damage to their homes. At the same time, the team put contingency plans in place to reduce the impact of the distribution center closure on victims of the flood.

WORKING WITH OUR SUPPLY CHAIN

Kimberly-Clark's suppliers provide us with many of the materials and services needed to make our products.

Our relationships with suppliers are essential to our ability to deliver on our promises to customers and consumers. We seek to do business with those who share our values of quality, service and fair-dealing, as well as our commitment to sustainability.

Ensuring high standards in our dealings with our suppliers is an important business goal and part of our Code of Conduct and Human Rights in Employment policy. In 2011, we further underscored the importance of these standards with the release of an updated Guide for Suppliers and approval of a new Supplier Social Compliance Standards and Checklist. These standards are consistent with the goals of several international standards, including the Labor Organization's Declaration on Fundamental Principles and Rights at Work, as well as the principles of the United Nations Global Compact, which we signed in 2010.

ENSURING HIGH STANDARDS FOR SUPPLIERS IS AN IMPORTANT BUSINESS GOAL



COLLABORATING WITH OUR SUPPLIERS

We choose our suppliers based on a number of factors, including price, safety, quality, value, technology, service and sustainability.

In 2011, we communicated our new requirements, the Supplier Social Compliance Standards (SSCS), to finished-product contractors and began requiring letters of compliance. The SSCS are driven by the belief that good corporate citizenship is essential to our long-term business success and must be reflected in our relationships and in activity in our workplaces as well as the workplaces of those who are authorized to directly supply our business.



This compliance program focuses on establishing consistent standards and control processes within our supplier facilities, while recognizing that there

are differences in laws, customs and economic conditions that affect business practices around the world. We emphasize the importance of responsible workplace policies and practices that comply with applicable employment laws and regulations, occupational safety and health, and environmental regulations. This is a priority for Kimberly-Clark, and we are determined to proceed with diligence and transparency.

2011 Progress to Supply Chain Compliance

The new standards and processes are being rolled out in a phased approach. By the end of 2011, about 100 of our finished product suppliers had signed the compliance declaration. Additionally, partnering with our customers and external auditing firms, we deployed a human rights risk-management process to identify, prevent, mitigate and account for impacts on human rights and demonstration of compliance. We focused the program on countries at high risk for human rights abuses, requiring facilities to demonstrate the absence of violations in each of the following categories: child labor, forced labor, abuse of labor, freedom of association and collective bargaining, discrimination and working conditions that present an imminent threat or serious injury to employees.

In 2011, working with our customers we conducted more than 35 audits, utilizing independent third parties, to assess

suppliers' compliance with the SSCS. The assessments include confidential interviews with employees and on-site contract workers. Suppliers were required to work with Kimberly-Clark to implement any corrective actions needed. In the event the supplier failed to fully comply with our standards, Kimberly-Clark reserved the right to issue corrective action or remedies including possible termination of a supplier's agreement(s) with Kimberly-Clark. We are on schedule to conduct more than 100 audits in 2012.

GOOD CORPORATE CITIZENSHIP IS ESSENTIAL TO OUR LONG-TERM SUCCESS

Working with Suppliers in Argentina

Kimberly-Clark Argentina has been advancing social compliance through its supply chain since 2009. This project includes:

- A Code of Conduct for Suppliers, which requires implementation of efficiency processes
- A Practical Labor Guide for SME Suppliers, which outlines basic concepts in labor law and tax requirements

SUPPLIERS

Number of suppliers worldwide	30,000+
Finished product contract suppliers	260+
Branded packaging and production material suppliers	400

- A Practical Tax Guide, offering guidance on the implementation of tax requirements and schemes
- A Practical Leadership Guide, introduced in 2011, which outlines leadership concepts, organizational culture and planning

In 2011, audits were undertaken with 100 Argentinean suppliers identifying actions and monitoring processes. We will report on our results in our 2012 report.

This initiative received the Corporate Citizenship Award 2011 in the category of suppliers from the American Chamber of Commerce in Argentina. It was also granted the Communicative Social Responsibility Award 2011 by Veali Group Argentina.

PROTECTING HUMAN RIGHTS

Today's consumers, customers and other stakeholders increasingly care about human rights.

So do we. Kimberly-Clark's commitment to protecting human rights is consistent with our respect for each other and continues our heritage of honesty, integrity and fair dealing. This commitment is formalized in our Human Rights in Employment Policy and Instructions.

In 2011, we partnered with our customers and external auditors to set out a human rights risk-management process that identifies, prevents, mitigates and accounts for human rights violations. The program focuses on countries at high risk for human rights abuses. To either become or remain a Kimberly-Clark supplier, a supplier must agree to comply with our Supplier Social Compliance Standards. We will conduct audits and identify violations in the following categories:

- Child labor, forced labor and abuse of labor
- Freedom of association and collective bargaining
- Discrimination
- Working conditions that present imminent threat or serious injury to employees

Respecting Human Rights

At Kimberly-Clark, leading the world in essentials for a better life is our business. Simply stated, operating with integrity and with high ethical standards is the Kimberly-Clark way. Our Code of Conduct, Human Rights in Employment Policy, and Supplier Social Compliance Standards provide guidance for dealing with customers, suppliers, other employees, competitors and the public with integrity and in an ethical and appropriate manner.



Kimberly-Clark respects international social compliance and environmental principles aimed at promoting and protecting human rights and the environment. Our policies align with the goals of several international standards, including the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. These values are

formalized in our Human Rights in Employment Policy and Instructions.

OPERATING WITH INTEGRITY AND WITH HIGH ETHICAL STANDARDS IS THE KIMBERLY-CLARK WAY

Our acknowledgment of these international principles is consistent with our dedication to enriching the workplace, preserving the environment and strengthening the communities where we operate. Kimberly-Clark enforces these policies, practices and controls. In addition, the Audit Committee of our Board of Directors provides oversight of our efforts to ensure compliance with the Code and certain legal and regulatory requirements. We also seek to promote our goal of social responsibility into our supply chain. We do this by requiring annual declarations of compliance on the part of Kimberly-Clark's contracted supply chain, as well as by conducting periodic, independent third-party social compliance audits.

MAINTAINING QUALITY AND SAFETY

Quality is an essential part of Kimberly-Clark's business strategy, and a culture of quality is the foundation for meeting customers' as well as consumers' expectations.

It is the policy of Kimberly-Clark Corporation to design, manufacture and deliver products that meet or exceed customer expectations for quality, performance and value. Each Kimberly-Clark business, function and facility is charged with developing and maintaining quality systems that support this policy. From design and sourcing, through manufacturing, commercialization, transportation, distribution and sales, quality is an important part of our entire process.

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

Kimberly-Clark is accountable and committed to integrity in our products and supply chain. Should they become necessary, product-recovery processes are established to proactively and promptly address potential safety issues. These processes are tested periodically to ensure they are effective and efficient.

Kimberly-Clark takes a proactive approach in recovering products that do not meet quality or regulatory standards or may pose an adverse health or safety risk. In 2011, Kimberly-Clark Corporation executed product recalls in the United States that included the following:

- Jackson brand Safety Blockhead Hard Hats
- Kimberly-Clark MIC brand Gastro-Enteric Feeding Tube
- Kimberly-Clark Three-Quarter Surgical Drapes
- Kimberly-Clark Ultra Surgical Gown
- KimVent brand Oral Care Kits with CHG
- Kotex brand Natural Balance Security Tampons

CONTINUOUS IMPROVEMENT ENSURES THAT OUR PRODUCTS ARE SAFE AND EFFECTIVE

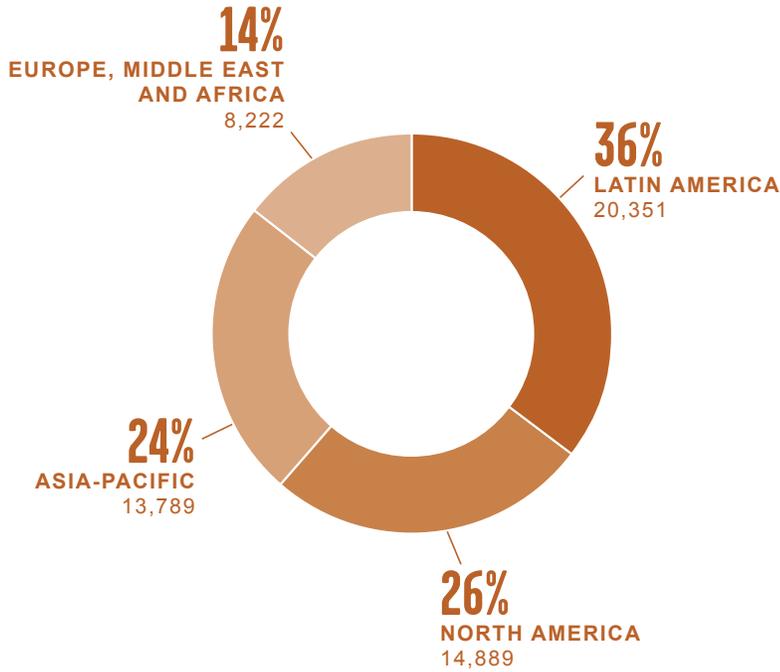


We are equally dedicated to protecting consumer health and safety. Our product safety scientists are trained and credentialed in the field of toxicology, biocompatibility and health risk assessment. Most have doctoral degrees and several are board-certified by the American Board of Toxicology. Safety assessments generated by our product safety experts cover the complete lifecycle of a product: research and development, manufacture, sale and use.

Additional information on our policies, positions on animal testing, and implementation of the European Commission Regulatory Framework is available on our [corporate website](#).

PERFORMANCE DATA—PEOPLE

EMPLOYEES BY REGION IN 2011



FULL-TIME EMPLOYEES BY REGION IN 2011—DETAIL

North America	14,889
%	26%
Latin America	20,351
%	36%
Europe, Middle East and Africa	8,222
%	14%
Asia-Pacific	13,789
%	24%
Total	57,251

TURNOVER (U.S. ONLY)	2007	2008	2009	2010	2011
Voluntary	7.7%	5.7%	7.0%	4.3%	5.2%
Involuntary	5.4%	4.1%	3.0%	2.1%	4.9%
Total	13.1%	9.8%	10.0%	6.4%	10.1%

EMPLOYEE SAFETY	2007	2008	2009	2010	2011
Fatalities	1	1	1	0	0
Permanently disabling injuries	14	9	6	14	8
Total Reportable Incident Rate (TRIR)	0.68	0.45	0.40	0.44	0.40
Lost-Time Reportable Incident Rate (LTRIR)	0.30	0.31	0.25	0.30	0.27
Global Contact with Energized Equipment Incident Rate (CEEIR)	0.09	0.11	0.06	0.12	0.20

Note:

TRIR: Work-related events that result in fatalities, temporary or permanently disabling injuries or illnesses per 200,000 hours worked per annum.

LTRIR: Reportable injuries/illnesses that result in time away from work or restricted work per 200,000 hours worked per annum.

CEEIR: Cases resulting from bodily contact with energized equipment (electrical, mechanical, hydraulic, gravity, radiation, pneumatic, thermal, etc.) per 200,000 hours worked per annum. These include incidents arising from inadequate guarding of equipment or machinery, or failure to follow energy-control work practices, etc.

EMPLOYEE SAFETY	2011
Closed major findings from global EHS assessments	69%
Closed Corrective Action and Preventative Action from Fatalities	95%
Critical Occupational Hygiene Exposures—Identified and Controlled	95%

Notes:

Closed Corrective Action and Preventative Action from Fatalities: Lessons learned from fatality investigations are shared across the globe. Gap assessments are conducted and actions are identified and then closed.

Critical Occupational Hygiene Exposures—Identified and Controlled: Critical occupational hygiene exposures identified/controlled times 100.

SAFETY COMPLIANCE PENALTIES	2007	2008	2009	2010	2011
Safety compliance penalties	\$0	\$0	\$20,600	\$110,955	\$4,800

EMPLOYEE DIVERSITY	2007	2008	2009	2010	2011
Women	30.5%	29.8%	29.7%	29.9%	30.1%
Women in management	26.1%	27.1%	27.4%	27.3%	28.6%
Ethnic minorities	17.7%	17.5%	17.7%	17.8%	17.9%
Ethnic minorities in management	9.8%	9.7%	9.9%	10.9%	11.3%

Note:

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

BOARD DIVERSITY	2007	2008	2009	2010	2011
Independent members	91.7%	91.7%	91.7%	92.3%	92.3%
Women	16.7%	16.7%	16.7%	23.1%	23.1%
Minority group membership	25.0%	25.0%	25.0%	23.1%	30.8%
Total board members	12	12	12	13	13

EMPLOYEES WITH UNION MEMBERSHIP	2007	2008	2009	2010	2011
%	19%	30%	30%	27%	25%

Note:
2007 data only reflects U.S. workforce

RATIO OF ENTRY-LEVEL WAGE TO MINIMUM WAGE IN 2011	FEDERAL	STATE
Beech Island (SC)	244%	244%
Chester (PA)	222%	222%
Fullerton (CA)	251%	228%
Neenah Nonwovens (WI)	246%	246%

Note:
The above is reflective of geography and includes a couple of our larger mills as well as unionized and non-union mills. Our lowest entry-level wages are compared with the federal minimum wage as well as the state minimum wage. If the percentage is the same, either the state minimum wage is the same as the federal minimum wage or the mill is located in a state with no minimum wage.

EMPLOYEE SURVEY RESULTS—OVERALL	2010	2008
Employee engagement	75%	73%
Employee enablement	68%	67%
Response rate	95%	93%

Note:
Employee engagement: The degree of psychological or emotional commitment an employee has to Kimberly-Clark, his or her willingness to go above and beyond formal job requirements, and an intention to remain with the company.
Employee enablement: A measurement of employee motivation to accomplish their jobs in a supportive work environment that allows them to channel their extra efforts most productively.

EMPLOYEE SURVEY RESULTS IN 2010—DETAIL	% FAVORABLE	% NEUTRAL	% UNFAVORABLE
Employee engagement	75	18	8
Employee enablement	68	19	13
Quality and customer focus	87	11	11
Clear and promising direction	78	18	5
Resources and training	70	18	12
Collaboration	69	21	11
Work, structure and process	68	22	11
Confidence in leadership	67	24	9
Authority and empowerment	67	20	12
Performance management	67	20	13
Reaction to survey	63	22	15
Respect and recognition	61	25	15
Development opportunities	60	26	14

Note:

Percentages may not add to 100 due to rounding

EMPLOYEE GIVING (U.S. MILLIONS)	2007	2008	2009	2010	2011
Employee giving	3.8	4.2	3.9	4.2	3.9

COMMUNITY CONTRIBUTIONS IN 2011

U.S. employee volunteer hours	84,000
Community Partners grants to U.S. employee-chosen charities	\$858,500
Value of matching gifts contributions made by U.S. employees	\$1.25M
Total global donations by employees	\$3.9M

EMPLOYEES PARTICIPATING IN SMALL STEPS

2015 Goal	15,000
2011	11,600

Note:

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

FULL CIRCLE

PLANET

Kimberly-Clark believes that we have a duty to conserve and protect the natural environment. Our business and sustainability efforts focus on the resources—fiber, water, energy—upon which we primarily rely and on which we can have the greatest impact.



VIRGIN FIBER
FROM
ENVIRONMENTALLY
RESPONSIBLE
SOURCES

VALUING OUR PLANET

Kimberly-Clark has long recognized the importance of environmental conservation and protection.



After all, our business success depends on the availability of some of the globe's essential natural resources. Our [2015 Sustainability](#) strategy builds on our foundation of environmental commitments and accomplishments while setting new targets consistent with the complexity of today's environmental challenges.

In November 2011, Kimberly-Clark updated its environmental, energy and waste policies. The new policies on [Protection of the Environment](#), [Waste Minimization and Landfill Elimination](#), and [Energy Efficiency and Greenhouse Gas Reduction](#) capture our current thinking and reflect the goals and strategies of our global businesses. We benefited from the input of our Sustainability Advisory Board in formulating the new policies. We also began development of a position paper on climate change, which we expect to publish on our corporate website in 2012.

As a fundamental value, Kimberly-Clark seeks to operate in compliance with all applicable environmental laws and regulations. We foster employee engagement to drive continuous improvement beyond compliance. We also work collaboratively with stakeholders that share an interest in protecting, conserving and replenishing natural resources.

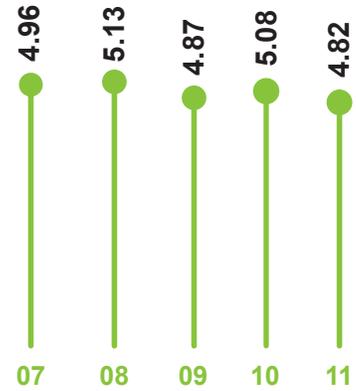
2011 Highlights

- Kleenex brand became the first U.S. branded consumer tissue to offer tissue products certified by the Forest Stewardship Council (FSC) to North American consumers, while Kimberly-Clark Professional expanded its FSC certification to more than 95 percent of its tissue and towel lines in North America
- Kimberly-Clark and the World Wildlife Fund (WWF) announced a global agreement with WWF's Global Forest & Trade Network (GFTN)
- Our work since 2007 with the Sustainable Forest Mosaics Initiative was featured as a case study in the Food and Agricultural Organization (FAO) of the United Nations' State of the World's Forests 2011 report, which outlines the results to date of global forest areas set aside for conservation and restoration

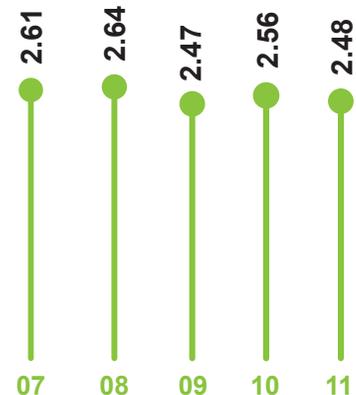
WE ARE THE FIRST COMPANY TO SELL FSC TISSUE IN NORTH AMERICA

- We initiated water-replenishment projects in India, Israel, Colombia and Spain, with a total anticipated return

Manufacturing (Million MT)



Total Virgin Fiber Used (Million MT)



to communities of 205 million gallons (776 million liters), a first step toward a ten-year goal.

- Our entire Personal Care Europe business achieved Kimberly-Clark's Sustainability 2015 goal of zero waste to landfill
- We made significant investments in combined heat and power generation at our Millicent facility in Australia, and in solar collectors to generate power at our Romagnano facility, in Italy

OUR BRANDS & SUSTAINABILITY

Kimberly-Clark is a global leader in the use of fiber sourced from certified suppliers in its products.

In 2003, Kimberly-Clark became the first tissue company to require its wood fiber suppliers to gain independent certification. In 2007, we set a goal of purchasing 100 percent of our wood fiber from certified suppliers and achieved 98 percent of that target within two years. In 2009, Kimberly-Clark Professional became the first away-from-home tissue products company to receive Forest Stewardship Council (FSC) certification for a broad range of tissue and towel products.

KIMBERLY-CLARK'S LEADERSHIP IS SETTING THE PACE FOR THE INDUSTRY

Our 2011 achievements include:

FSC Certification: A First for Kleenex brand and Scott Naturals brand

In 2011, Kimberly-Clark became the first U.S. tissue maker to offer tissue products certified by the FSC to North American consumers. Kimberly-Clark's Kleenex and Scott Naturals brand products are made with fiber that has been sourced from independently certified suppliers that follow the highest standards in forestry management and protect High Conservation Value Forests and habitat.

"Kimberly-Clark's decision to adopt FSC certification for all Kleenex and Scott Naturals brand products is a major step forward for the health of the world's forests. Kimberly-Clark's leadership is setting the pace for the industry, and we hope other personal care manufacturers will soon follow suit."

– Corey Brinkema, President, FSC's U.S. national office

Advancing Sustainability through Environmental Certification and Labeling

Kimberly-Clark Professional expanded its FSC certification to more than 95 percent of its tissue and towel lines in North America, a major step forward in the company's sustainability efforts and procurement goals. It also received EcoLogo certification for more than 50 percent of its Kleenex and Scott brand towel and tissue products. The EcoLogo program is one of North America's most respected environmental leadership certification programs. To earn the EcoLogo mark, tissue products must demonstrate significantly reduced environmental impact among five key lifecycle criteria: resource consumption, energy consumption, wastewater quality, aquatic toxicity and solid waste.

Kimberly-Clark Professional also earned European Ecolabel status for 60 towel and tissue products, including Scott and Kleenex brand lines. Kimberly-Clark Professional met a series of stringent environmental standards to achieve Ecolabel status for the products. Among other things, Kimberly-Clark Professional:

- Eliminated bleaching agents containing chlorine from its manufacturing processes

- Caused less than 40kg of organic water pollution per metric ton of tissue produced
- Generated less than 1,500 kg of CO₂e from fossil fuels per metric ton of tissue produced
- Consumed less than 2,200 kWh of electricity per metric ton of tissue produced

Additional 2011 FSC-certified products and product lines include:



- FSC certification on bath and facial tissue and paper towels for Kimberly-Clark China
- FSC certification on Kleenex branded products in Taiwan, representing the first family tissue brand to receive broad FSC certification in Taiwan
- Brazil's Neve Compacto brand premium bath tissue with 100 percent FSC-certified virgin fiber
- FSC certification for fiber sources used in most of Australia's Family Care tissue products, including Cottonelle and Viva brands

Switzerland's Hakle Naturals Brand Tissue Promotes Recycled Content

Recycled tissue commands the largest segment (28 percent) in the Swiss tissue market. To meet consumer demand, increase its share of the marketplace and enhance its sustainability credentials, Kimberly-Clark Switzerland relaunched its 100 percent recycled Hakle Naturals brand in 2011. Through its affiliation with the World Wildlife Fund in Switzerland, the improved Hakle Naturals brand now boasts the WWF's Panda logo on its packaging alongside the consumer-respected Blue Angel eco-label. Hakle Naturals brand also achieved an "Excellent" rating in WWF's online paper-rating tool, scoring 95 percent of all possible points and five stars in the categories of forest, climate and water.

We replicated the success of this product in Holland, with plans for launches in additional European countries in 2012.

Neve Compacto Brand Achieves Waste, Water and Energy Reductions

Kimberly-Clark Brazil received the Ecological Forward Thinking Design award, given by the U.S. Chamber of Commerce and Brazilian newspaper Valor Econômico, for its initiatives to reduce the environmental impacts of its products and packaging. In 2011, Kimberly-Clark Brazil improved the environmental performance of its FSC-certified Neve Compacto brand bathroom tissue.

A major supplier to Walmart in Brazil, we were able to quantify its environmental performance based on sales volumes to that customer, including:

- Reduced fossil energy use by 37 gigajoules, which saved us 58 metric tons of CO₂ through the use of 520 gigajoules of renewable energy
- Reduction of 30 metric tons of solid waste sent to landfill
- Reduction of 455,000 liters of water consumption

Material Reductions in Our Personal Care and Global Nonwovens Businesses

Kimberly-Clark's Personal Care sector, which produces feminine care, adult care, baby and child care and wipes products, removed more than 2,600 metric tons of material from its products in 2011. Reductions were achieved in adhesives, ointments and nonwoven materials.

Global Nonwovens' (GNW) goal is to reduce the weight of 80 percent of sourced materials by 2015 compared with a 2009 benchmark. In 2011, GNW was successful in reducing material weight by 42 percent compared to 2009 through process and material improvements. In the past two years, it has saved the equivalent of approximately 100,000 barrels of oil from material-weight reductions.

COMMENTS FROM OUR SUSTAINABILITY ADVISORY BOARD

“While disposable tissue products provide undeniable comfort, this report clarifies their impact on the environment. Fibers, wasted or flushed just months after production, take forests decades to regrow. It takes Kimberly-Clark, and its suppliers, massive amounts of fuels and water to turn wood, paper, plastics and chemicals into its brands.

“This could soon prove unsustainable on a planet so close to serious tipping points in climate stability, biodiversity, freshwater and oil availability. Rising commodity prices are also signals of irreversible scarcity.

“Shareholders should be concerned about this vulnerability to energy and freshwater supplies as well as constraints on carbon emissions and forest conservation. They should worry about the slow trickle of innovations on a low R&D budget (1.5 percent of sales).



“There is plenty to be done. Further progress in the development of low impact products implies the use of innovation to go beyond legal compliance and informal regulatory frameworks in the attempt to reverse the traditional trend in business.

“There is hope. After denial and hesitations, Kimberly-Clark embraced a credible sustainable fiber program. It needs to tackle carbon, water and postconsumer waste with equal urgency and ambition.”

Claude Fussler
Former VP, Dow Chemical & Former Director–Stakeholder Relations, World Business Council for Sustainable Development

Ricardo Young
Former Executive President, Ethos Institute

KIMBERLY-CLARK EMBRACED A CREDIBLE SUSTAINABLE FIBER PROGRAM

SUPPORTING HEALTHY FORESTS

Kimberly-Clark is committed to sustaining natural forests.

In 2011, the company used approximately 2.48 million metric tons of virgin fiber. With our manufacturing needs representing 6 percent of total market pulp demand, the company must support a sustainable supply of fiber—sustainable not simply for our requirements but equally for the health of the global ecosystems where we live and work. In the past—when Kimberly-Clark owned and managed woodlands—it was a leader in sustained yield forestry and maintained active tree-planting programs. Now that we have divested our woodlands and pulping assets, we are committed to ensuring that our supply chain is environmentally responsible and has embraced sustainable forestry principles. Forests are so important that the business community, including Kimberly-Clark, must continuously and collaboratively work to preserve these natural resources.

TOTAL FIBER USED IN 2011 (MILLION MT)

VIRGIN

2.48

RECYCLED

1.05

In 2007, Kimberly-Clark adopted what has been recognized by industry and NGOs as a groundbreaking global fiber procurement policy. We are committed to using environmentally responsible fiber from three sources:

- Wood pulp purchased from suppliers that have achieved forest management or chain of custody certification
- Wood pulp that we have manufactured from logs or chips obtained from forest-certified suppliers
- Recycled fiber recovered from pre-consumer or postconsumer waste paper

In addition, Kimberly-Clark will not knowingly use conflict wood, illegally harvested wood fiber or wood fiber procured from High Conservation Value Forests.

“Kimberly-Clark has achieved sustainability results far beyond other large companies in the sector, netting real benefits for forests worldwide.”

– **Rolf Skar, Forest Campaign Director, Greenpeace U.S.**

“Given the company’s breadth of product offerings and market influence, we commend Kimberly-Clark’s leadership in pushing the pulp and paper industry toward more responsible sourcing practices. Our collaboration is improving forest management, reducing impacts from production, and helping protect the forests and habitats at the core of our mission. And Kimberly-Clark is offering consumers responsible alternatives for tissue and personal care products. This shows the true power of collaboration.”

– **Kerry Cesareo, Managing Director-Forests, World Wildlife Fund**



The demands on natural forests continue to grow with a growing population and new products and services entering the marketplace. Because fiber is such an important aspect of our business, and because trees and forests play a critical role in the health of the global environment, Kimberly-Clark has chosen to lead by conserving forests through protection, reforestation, responsible fiber sourcing and research. In 2011, approximately 30 percent of the wood fiber we used was sourced from natural forests. We are working to identify alternatives to traditional fiber sources to reduce our footprint in natural forests.

WE ARE COMMITTED TO AN ENVIRONMENTALLY RESPONSIBLE SUPPLY CHAIN

We provide information on our fiber policy—responsible sourcing of wood fiber and reforestation efforts—in the following pages. We also describe some of the important relationships that make our progress possible.

HOW WE SOURCE OUR FIBER

Kimberly-Clark's Sustainability 2015 goals include purchasing 100 percent of its virgin wood fiber from suppliers that have their forestry operations or wood fiber procurement activities certified by one of the following third-party-verified forest certification systems:

- Forest Stewardship Council (FSC)
- Sustainable Forest Initiative (SFI)
- Canadian Standards Association (CSA) National Sustainable Forest Management Standards
- Sistema Brasileiro de Certificacao Florestal (CERFLOR) (Brazil)
- Programme for the Endorsement of Forest Certification (PEFC)

FSC-Certified Fiber: Our Preferred Source

International in scope, the Forest Stewardship Council has developed the world's most widely recognized forest certification scheme, supported by environmental nongovernmental organizations (ENGOs) such as Greenpeace, The Rainforest Alliance and World Wildlife Fund (WWF).

It is the preferred forestry certification of a number of retailer customers in Europe and, increasingly, of business-to-business partners globally. With a certification process that is open and transparent, its requirements cover not only environmental concerns but also social issues, including the rights of indigenous peoples.



In addition, FSC has a requirement that, in general, forest plantations established after 1994 do not qualify for certification. Kimberly-Clark's policy allows unrestricted plantation development up to March 15, 2007, and establishes criteria for use of plantation fiber after that date.

FSC IS THE WORLD'S MOST RECOGNIZED FOREST CERTIFICATION SCHEME

Sourcing Challenges

As with all commodities, supply and demand for sources of wood fiber fluctuates. We have been successful in meeting our fiber requirements to date, and continue to be well positioned to meet our future needs in large part because of our long-term relationships with key suppliers. We are close to achieving our 2015 goal of 100 percent fiber from certified suppliers. At the end of 2011, we had only one remaining non-certified supplier and we have made the decision to stop purchasing from this supplier beginning in 2012.

In uncertain economic times, FSC certification can be expensive, increasingly so in such regions as Latin America. In addition, while the FSC certification program is international in scope, its standards may not be established in all regions or countries.

We are supporting our supplier engagement by working with such partners as FSC International, FSC US, Greenpeace, the Global Forest & Trade Network (GFTN) of the World Wildlife Fund (WWF), and other ENGOs. Our aim is to simplify and standardize FSC requirements, manage administrative costs and build consumer awareness of the value of FSC certification. In 2011, Lisa Morden, Kimberly-Clark Professional Tissue Category Manager and past Global Sustainability Leader for Kimberly-Clark Professional, was elected to the FSC U.S. Board of Directors, where she will support FSC consumer awareness initiatives.

We also share our experience with other industry peers to support their development of fiber procurement policies and, ultimately, the uptake of certified fiber. As a member of FSC-International, Kimberly-Clark has been involved in policy and standards development and review, and attended the 2011 FSC General Assembly and directly sponsored or seconded motions that address FSC fiber availability and applicable standards. In addition, we made a presentation on best practices at the WWF North America GFTN annual meeting in Washington, DC, in October 2011. We are also a member of the Sustainable Forest Products Industry's Working Group of the World Business Council for Sustainable Development, and have been working to revise its guide, Sustainable Procurement of Wood and Paper-Based Products.

For a look at our global fiber procurement policy, click [here](#).

RESTORING FORESTS

To support our preference for certified fiber and improve the habitat of communities in which we operate, we partner with local groups on reforestation projects.

We profile some of these projects below. In addition to these, Kimberly-Clark laid the foundation for reforestation initiatives in Brazil at our Mogi da Cruzes Mill in partnership with The Nature Conservancy, and in the Southeastern U.S. in partnership with the National Wildlife Federation. We will report on these initiatives in our 2012 report.

Keep Korea Green

Yuhan-Kimberly launched Keep Korea Green in 1984 with the goal of allowing Korean citizens to enjoy the benefits of forest areas and share in their preservation. Keep Korea Green offers a variety of programs, including tree planting and preservation and forest field trip programs for students. Program highlights in 2011 included:

- Now in its 27th year, in April about 800 newlyweds participated in what has become an annual tradition of planting trees in honor of their future children
- 250 employees at the new Choongju Mill celebrated its opening by planting 3,000 trees on public land near the facility
- 138 high school girls attended two sessions of Green Camp, which provides education on the environment
- Almost 2 million trees were planted and nurtured in 2011 through Keep Korea Green

Taiwan Green Forest Campaign

In December 2011, Kimberly-Clark Taiwan partnered with the Jane Goodall Institute of Taiwan to launch the Green Forest Conservation Campus Education Campaign. Taiwan imports much of its wood fiber from Indonesia and Myanmar, both of which are threatened by deforestation. The innovative education campaign combines the enthusiasm of Kimberly-Clark volunteers with the Institute's expert knowledge to help teachers, elementary school students and their parents appreciate the importance of forest conservation and sound environmental practices.



Argentina Provincial Forestry Plan

Kimberly-Clark Argentina is collaborating with the country's ministries of Environment and Social Inclusion to carry out a long-term reforestation plan along highway corridors. The plan is designed to minimize the impact of transportation by establishing buffers using indigenous plant species. The program also promotes the creation of green spaces

designed to protect local biological diversity and contribute to the capture of greenhouse gases.

OUR TAIWAN GREEN FOREST CAMPAIGN HELPS CHILDREN APPRECIATE FOREST CONSERVATION

El Salvador Tree Planting

Eighty Kimberly-Clark El Salvador volunteers contributed to our tree planting day by planting 500 trees in the El Playón, a protected three-hectare protected nature reserve sponsored by the company.

WORKING WITH OUR STAKEHOLDERS

Kimberly-Clark is involved with a number of partnerships and multi-stakeholder initiatives through which it fosters responsible fiber sourcing.

We profile a selection of these below.

World Wildlife Fund

In June 2011, Kimberly-Clark and the World Wildlife Fund (WWF) announced the expansion of Kimberly-Clark's membership in WWF's Global Forest & Trade Network (GFTN). Kimberly-Clark has held membership in the GFTN in select countries since 2008.

The GFTN aims to eliminate illegal logging and conserve the world's most valuable and threatened forests by collaborating with companies to evaluate and improve their procurement of sustainable fiber. Kimberly-Clark and WWF are collaborating to help us realize our commitment to source 100 percent of our virgin wood fiber from certified suppliers by 2015.

WE MEET REGULARLY WITH GREENPEACE TO DISCUSS OUR FIBER POLICY

This commitment includes a preference for Forest Stewardship Council (FSC) certification, which best meets WWF's key requirements for protecting environmental, social and economic values essential to maintaining forests. By the end of

2011, we achieved our commitment to a combined FSC/recycled content global target of 50 percent for all tissue and Personal Care products covered within our GFTN participation. This new commitment builds upon our previously announced Greenpeace agreement that established combined FSC/recycled content targets for North American tissue products only. Together, Kimberly-Clark and WWF will train and educate staff and suppliers on responsible fiber sourcing, encourage certification of small, non-industrial private landowners, pursue FSC chain of custody certification for all Kimberly-Clark facilities, and promote FSC-labeled products in key markets.

Greenpeace

In 2009, Kimberly-Clark and Greenpeace shifted to a collaborative and constructive dialogue to champion our common vision of sustainable forestry management. Since 2009, Kimberly-Clark has met regularly with Greenpeace to discuss the implementation of the company's Fiber Procurement Policy, set transparent and measurable fiber procurement goals, and review emerging issues related to wood fiber. Our relationship is expanding in that Kimberly-Clark now regularly seeks Greenpeace's point of view on a number of important environmental issues.

Conservation International

Kimberly-Clark sources approximately 42 percent of its fiber from eucalyptus plantations in Brazil. Since 2007, the company and its major pulp producers have partnered with Conservation International (CI) on the Sustainable Mosaics Initiative in the country's Central Corridor of the Atlantic Forest region. Mosaics' approach to plantation forestry is to establish interconnected natural forest preserves within larger areas of



plantation timber. Through careful planning for multi-use of the forest landscape, Mosaics' goal is to optimize conservation efforts while simultaneously generating employment and income for nearby communities.

In 2011, Kimberly-Clark continued strong support for this multiyear initiative, contributing \$275,000. This funding enabled consolidation and replication of CI's foundational work in integrated forest modeling, and publication of Sustainable Forest Mosaics Integrated Biodiversity and Guidelines for Forest Restoration. This publication will provide the basis for guidelines disseminated to forestry companies in the Central Corridor and will be promoted in other global plantation forestry regions such as Indonesia. Planning is now underway, with support from Brazil's National Development Bank, for a multiyear initiative focusing on reforestation of 50,000 hectares in Brazil, using the guidelines developed as part of Conservation International's Sustainable Mosaics Initiative.

Canadian Boreal Forest Agreement

One year after Kimberly-Clark and Greenpeace reached a cooperative agreement to protect the Canadian Boreal in 2009, nongovernmental organizations and logging companies reached the landmark Canadian Boreal Forest Agreement (CBFA) in 2010. The CBFA brought logging on 29 million hectares of boreal forest in Canada to an immediate halt and put in place strategies to conserve significant stretches of woodland, protect threatened caribou and sustain a healthy forestry industry.

In alignment with the CBFA, Kimberly-Clark is committed to purchasing wood fiber from the Canadian Boreal only if its source is FSC-certified or is a CBFA signatory in good standing, a goal that we achieved by the end of 2011. To further support implementation of the Agreement, Kimberly-Clark serves as an invited member on the Boreal Business Forum, a roundtable of CBFA members, corporations and investors mandated to monitor progress in implementing the Agreement and serve as external advisors and advocates for the proposed solutions.

MANAGING OUR WATER USE

Water is a key input in the manufacturing of Kimberly-Clark tissue products.



Water use in manufacturing is of particular concern in water-scarce or water-stressed regions, such as the European Union, the Middle East, South Africa and Australia, where more than 35 percent of our tissue mills are located.

An internal benchmark for older tissue-machine assets has been 30 cubic meters of water (25 cubic meters in water-stressed regions) per bone-dry metric ton of goods production. After implementing a number of efficiency measures, we achieved a success rate at 58 percent of our mills operating at or below benchmark for water use.

However, our past progress on this metric has been inconsistent, and in 2011 we shifted our strategy to accelerate progress in making an overall reduction

in water use by focusing attention and resources on those facilities with strong business drivers to reduce water use. We have targeted the following methods for water reduction:

- Water efficiency improvements, as we restructure our tissue manufacturing footprint by shifting production to more efficient mills
- Long-loop recycling to maximize treatment and reuse of process effluent
- Identifying and sharing water-use best practices within our operations
- Increasing visibility of water use and our progress on reduction to our businesses

2011 Progress toward Water Reduction

In our previous Vision programs, we tracked our water-usage progress by measuring water use at all our tissue and paper mills and calculating water efficiency. However, as we set our goals for Sustainability 2015, and through our work

with NGOs and our Sustainability Advisory Board, we heard that water efficiency was an internal measure for our mills, and external stakeholders view water reduction as a better measure of our impact on water. For this reason, we are now measuring our progress in terms of absolute water reduction. Measuring absolute reduction is also congruent with how we measure our greenhouse gas emissions.

2011 INVESTMENT IN WATER USE REDUCTIONS: \$12.5 MILLION

Our baseline for measuring absolute reduction is 2010. We used the World Business Council for Sustainable Development's global water tool and the Global Environmental Management Initiative tool for our measurement protocol. We also participated in the development of the Ceres Agua Gauge.

TOTAL GLOBAL WATER USE (MILLION M³)

	2007	2008	2009	2010	2011
Total global water use (million m ³)	144.6	143.3	129.7	128.4	127.3

TISSUE MANUFACTURING WATER USE EFFICIENCY (M³/MT)

	2007	2008	2009	2010	2011
Actual	45.6	45.4	43.4	42.7	44.7
Annual target	31.8	31.6	31.4	31.5	30.7
Percent deviation	44.2%	44.0%	38.1%	35.5%	45.4%

We completed one project to increase water efficiency at our Kluang tissue mill, although other technical issues prevented us from gaining the full benefit. We will continue to address these efficiency issues in 2012. We also moved production from some of our less efficient tissue machine assets.

As this was our first year of reporting absolute water reduction, we also planned projects and invested in technology to help lay the foundation for greater results in the coming years. Based on pilot projects, we had hoped to achieve a 2.5 percent reduction by the end of 2011. The plans implemented in 2011 resulted in approximately a 1 percent reduction in water use.

Compliance with Water Discharge Standards

Since 2000, we have required all facilities and business units to certify, on a quarterly basis, their compliance with our biological oxygen demand (BOD) and total suspended solids (TSS) 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. In 2011, we formalized an acute toxicity standard requiring that all wastewater discharges be free of acute toxicity. This standard was met at all but one of our facilities.

BRINGING WATER TO COMMUNITIES

Kimberly-Clark's operations use approximately 34 billion gallons of water per year, and we return 94 percent of our withdrawals (32 billion gallons).

As part of our Sustainability 2015 strategy, we aim to close the remaining 6 percent over the next 10 years. To that end, we have set a water-replenishment target of 200 million gallons per year, which will accumulate to 2.0 billion gallons over 10 years. To achieve this, we collaborate with NGOs to provide clean drinking water, sanitation and hygiene education to communities, particularly those locations in which we operate.

In 2011, we initiated water-replenishment projects in India, Israel, Colombia and Spain, described below. Our target was a total return of 205 million gallons. While it is too early to know the full effect of these programs, we are encouraged by preliminary results and will report the final outcomes in our 2012 Sustainability Report.

OUR AIM IS TO RETURN ALL THE WATER WE WITHDRAW

Supporting Watershed Development in India

Sagroli village in India, located in the water-stressed region of Maharashtra in which our Pune facility is located, experiences severe water shortages. Its existing water supply was designed for 2,500 people, but the current population of this village is now 10,000 people. In line with

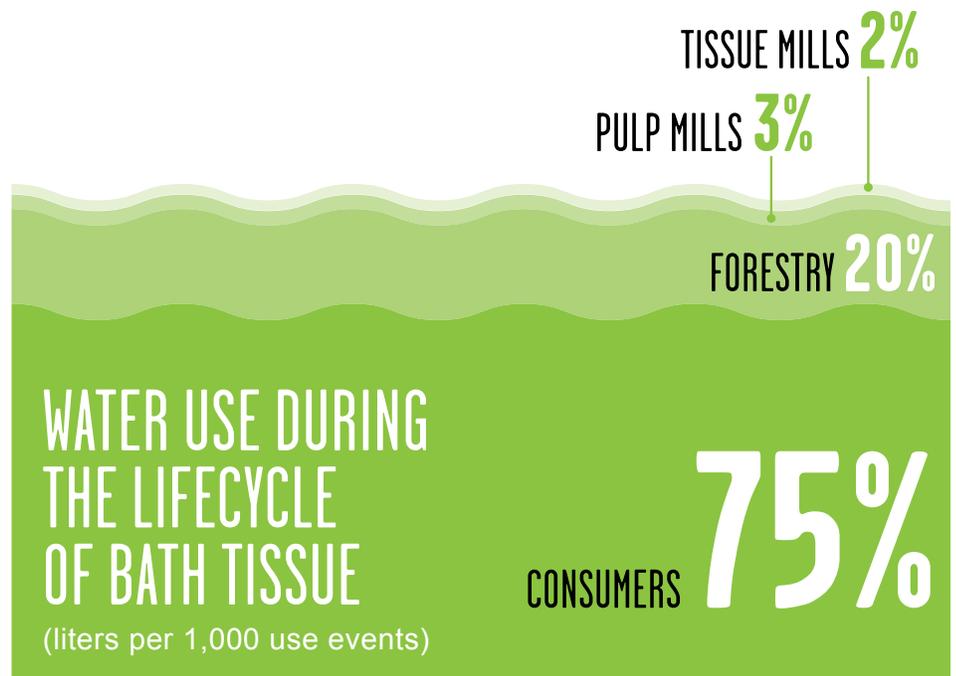


our commitment to support the needs of local communities, Kimberly-Clark provided funding in 2011 to Sanskriti Samvardhan Mandal (SSM), a local NGO, to implement the watershed development project Trickle to Stream to help alleviate these shortages. The project is being implemented in two phases. In the first,

completed in 2011, villagers engaged in water and soil conservation projects that cost \$45,000. The second phase, in 2012, will focus on improving access to drinking water.

The methods used in the project's implementation build on well-established indigenous knowledge and technology. The project framework also encourages local ownership. A committee comprising farmers, teachers, other villagers, local authorities and technical experts supervises and monitors the work on a regular basis and plays a crucial role in securing local buy-in.

A second project in Akola, Maharashtra, captures monsoon rains by check dams to provide an immediate source of drinking and washing water. The water is also used for irrigation to augment a second crop yield, thus boosting the economy of the village.



Securing Water Supply in Israel

For the past five years, the Sea of Galilee, also known as Kinneret Lake, has been disappearing. The lake is the only source of fresh water in Israel and supplies about 90 percent of water for private, agricultural and industrial use. Hogla-Kimberly's Nahariya production facility, located 60 kilometers west of the lake, has always been mindful of its water consumption: The mill leads Kimberly-Clark's efforts in tissue production water efficiency. However, as the water situation in Israel has deteriorated, the Nahariya team worked in partnership with the country's National Water Agency to reduce water consumption and find substitute sources for fresh water.

The team determined that a private drilled well could supply the mill's water needs while reducing its use of diminishing public water supplies. The well, completed in 2011, draws on an aquifer that has a plentiful and replenishable supply of non-drinkable water. It's a win-win solution, supplying 95 percent of the water consumed at the mill for production purposes—about 80 million gallons per

year—and freeing up the equivalent of the annual water consumption of more than 6,000 people.

Reducing Water Use in Spain

More water is used in flushing toilets than by any other household water use, and flushing accounts for about 75 percent of the water footprint of bath tissue—much more than is used in tissue manufacturing. Inspired by an idea from the U.K. and test-marketed in North America, Spain's Scottex brand team rolled out its Save-a-Flush campaign to help consumers reduce their water use. During the November 2011 promotion, over 100,000 consumers, upon purchase of a pack of Scottex brand tissue, received a device that, when filled and fitted into a toilet tank, displaces 1 liter of water per flush. If only half of the devices are installed, the Scottex brand team estimates water savings of approximately 250 million liters per year. Reducing water use is important in Spain, a country that suffers from severe drought on a regular basis and where 30 percent of the land is at high risk of desertification.

STRIVING TOWARD ZERO WASTE

In 2011, Kimberly-Clark updated its waste minimization and landfill elimination policy to reflect our dedication to reaching our Sustainability 2015 goal of sending zero manufacturing waste to landfill.

Disposing of waste in landfills is not a long-term solution, nor is it cost-effective. It wastes potentially valuable secondary materials and costs Kimberly-Clark millions of dollars in landfill tipping fees.

2011 Progress toward Zero Manufacturing Waste to Landfill

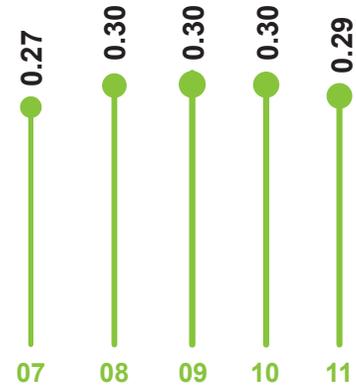
Of our facilities, 48 percent have already met our 2015 goal of sending zero manufacturing waste to landfill. Our global nonwovens facilities have been virtually landfill-free for a decade, and they continue to make advances in recycling their manufacturing waste into new Kimberly-Clark products. At the end of 2011, 62 percent of global nonwovens manufacturing waste was either reused or recycled by Kimberly-Clark.

In September 2011, Kimberly-Clark's Jaromer Mill, in the Czech Republic, achieved its target of sending zero manufacturing waste to landfill through a mixture of waste reuse, recycling and conversion to energy. With this milestone, the entire Personal Care Europe sector, including the Barton and Flint mills in the U.K., the Calatayud Mill, in Spain, and the Jaromer Mill, has achieved Kimberly-Clark's Sustainability 2015 zero waste to landfill goal.

Approximately 94 percent of the waste generated by our U.S. Personal Care mills did not go to landfill. As a business unit, the Personal Care mills have set internal targets to continually drive their scrap materials up the solid waste hierarchy—reduce, reuse, recycle, recover energy. In 2011, U.S. Personal Care mills recycled 76 percent of their manufacturing scrap, up from 69 percent in 2010. The mills diverted 17 percent of total waste to energy generation, a reduction from our 2010 achievement of 26 percent. This reduction is the result of our efforts to find higher-value recycling outlets for materials that have historically been used as a source of energy.

TOTAL INVESTMENT IN WASTE REDUCTION: \$3.5 MILLION

Waste per Metric Ton of Production (MT/MT)



Addressing the Challenges of Zero Manufacturing Waste to Landfill

Despite our efforts, we sent more manufacturing waste to landfill in 2011, and 52 percent of our facilities, representing 20 percent of our waste, have some way to go before achieving our Sustainability 2015 goal. While we have

WASTE BY TYPE

	2007	2008	2009	2010	2011
Nonhazardous Waste (million mt)	1.35	1.54	1.48	1.44	1.46
% of total waste	99.97%	99.97%	99.97%	99.95%	99.97%
Landfilled	21.6%	22.4%	19.8%	18.2%	21.4%
Recycled	24.9%	20.0%	20.0%	20.9%	21.1%
Beneficial use	24.5%	21.8%	22.5%	22.9%	20.5%
Converted to energy	12.0%	13.6%	19.4%	20.5%	19.3%
Reused and other	5.0%	9.0%	9.6%	11.6%	13.9%
Composted	7.0%	7.6%	5.5%	4.8%	3.1%
Incinerated	4.9%	5.7%	3.2%	1.0%	0.7%

made progress, we plan to step up our efforts in 2012 and subsequent years.

Our primary waste stream that still requires landfill is tissue mill sludge from recycled fiber deinking operations, which accounts for approximately 90 percent of our manufacturing waste going to landfill. Diaper tailings from manufacturing facilities represent the remaining 10 percent. Many mills have successfully diverted sludge from landfill. Some current sludge uses include: animal bedding along with digestion to create energy; soil amendment; newsprint and corrugate manufacturing; building and insulation products; solidification agents for waste liquids; and fuel for steam boilers. Several innovative companies are using our sludge to make adobe-style bricks and other building components. These firms



have won numerous innovation awards and have plans to expand their manufacturing capability globally.

In 2011, we formed an open innovation team combining the inventive strength of internal and external partners to identify cost-neutral, enterprise-wide technology solutions for sludge that will deliver our 2015 goal. We expect to begin to see the impact of the team's work in 2012. For example, in 2011, our Enstra Mill, in

	2007	2008	2009	2010	2011
Hazardous Waste (kg)	392,707	399,693	385,762	655,071	500,981
% of total waste	0.03%	0.03%	0.03%	0.05%	0.03%
Biological treatment	0.0%	0.2%	18.3%	52.9%	29.8%
Recycled	42.2%	43.6%	22.0%	17.7%	29.6%
Incineration without heat recovery	41.4%	33.7%	33.4%	14.9%	22.3%
Chemical treatment	7.1%	13.4%	5.7%	10.4%	11.5%
Surface impoundment	0.7%	0.0%	0.0%	0.0%	3.6%
Thermal treatment	1.9%	0.0%	0.5%	1.8%	1.1%
Permanent storage	0.4%	0.0%	0.2%	0.0%	0.8%
Landfilled	3.5%	4.1%	17.7%	2.0%	0.8%
Blended fuel	3.0%	5.0%	2.1%	0.3%	0.4%
Deep well injection	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

N/A: Data not available

Data represents K-C and equity affiliates

South Africa, reverted to landfilling waste after a local brick manufacturer could no longer use the mill's by-products. A waste-to-energy system to be installed in 2012 will reduce waste to landfill by 25,000 metric tons. We are looking at non-landfill applications at our Loudon, Tennessee, Mill through a number of opportunities. We continue to explore

reuse opportunities for waste streams in Latin America and Europe.

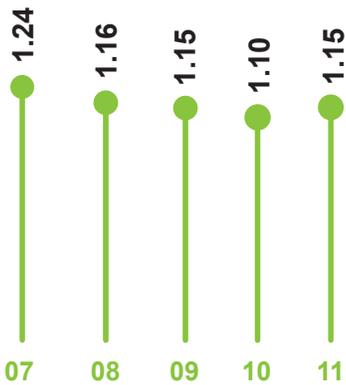
In the Products pillar of this site, we provide information on our efforts to address postconsumer waste, which represents a significant portion of the waste impact of our products over their lifecycles. We also review our initiatives to reduce packaging waste.

OUR GREENHOUSE GAS FOOTPRINT

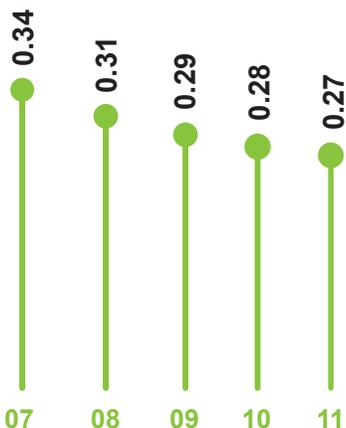
Our Sustainability 2015 strategy set an enterprise goal of reducing our actual total GHG emissions by five percent from a 2010 baseline on an absolute basis, even after allowing for projected business growth.

Our strategy reflects our Energy Efficiency and Greenhouse Gas Reduction policy, which was updated in 2011 and integrates our emission reduction goals with

Carbon Dioxide Equivalents per Metric Ton of Production



Carbon Dioxide Equivalents per \$1,000 of Sales



improved energy efficiency. It focuses on three approaches:

- Energy conservation
- Switching to lower or zero GHG-emitting fuels
- Implementing renewable and alternative energy projects

Kimberly-Clark has established an internal team to identify risks and potential adaptations needed in response to climate change. The team looks at the potential consequences of climate change, such as which geographies and businesses may be exposed to the physical parameters of climate change and the magnitude of potential loss, as well as secondary effects such as raw material shortages and employee impact. It also evaluates the potential effects of regulatory changes, including carbon taxes, new product efficiency or labeling standards. The associated risks and opportunities are discussed in detail in our information filing with the Carbon Disclosure Project.

We have set an annual companywide target of a 1 percent absolute reduction in GHG emissions, and have implemented awareness, accountability and monitoring programs to track short- and long-term progress.

2011 Progress on GHG Reductions

During 2011, Kimberly-Clark's absolute global emissions reduction was approximately 66,000 metric tons of CO₂e. This equates to a 1.2 percent reduction in GHG emissions from the 2010 baseline year, primarily driven by lower global production levels at our mills. We remain on track to achieve our 2015 5 percent



absolute GHG reduction goal and are targeting an additional one percent absolute emissions reduction in 2012.

100% OF OUR ELECTRICITY AT OUR HEADQUARTERS WILL BE GREEN-E CERTIFIED

Our GHG reduction initiatives include:

Solar Panels Cut Energy Costs and Emissions

Since some of our mills are located in sunny climates, Kimberly-Clark's Global Energy Solutions Team (GEST) identified locations where solar would be a potential alternative energy source. In October 2011, our mill in Romagnano, Italy, completed installation of a rooftop solar panel system. The project is expected to enable the mill to reduce its purchases from the Italian electricity grid by 10 percent while reducing annual greenhouse gas emissions by 600 metric tons of CO₂e, the equivalent of taking 200 cars off the road.

The solar panel installation, which was done in tandem with a necessary roof upgrade, was undertaken with financial assistance from the Italian government. Building on the Romagnano achievement, a solar feasibility study, focused on Asia-Pacific facilities, was conducted in 2011, with potential sites in India and Malaysia under evaluation.

Renewable Energy

In July 2011, Kimberly-Clark began purchasing wind power for our world headquarters in Dallas through the use of Green-e energy certified power from Constellation Energy. The certificates will match 100 percent of electricity use at our Dallas headquarters (approximately 3,300 megawatt hours of electricity per year) from July 2011 through June 2014. Kimberly-Clark's certificates are sourced from wind-energy facilities in Texas.

Travel Emissions

A new "carbon report card" is increasing awareness of GHG reduction for Kimberly-Clark North American employees who travel as part of their job. The Travel Carbon Report Card, issued quarterly Kimberly-Clark, lists the amount of carbon emissions generated by business travel in the reporting period along with the year-over-year percentage change. The report card is designed to inform employees of how their business travel impacts the environment. It also encourages them to reduce emissions and costs by using video and teleconferencing when possible, and registers their commitments with Kimberly-Clark's Small Steps for Sustainability program.

MANAGING OUR ENERGY USE

Energy is a critical, strategic cost component for Kimberly-Clark, influencing the price of raw materials, manufacturing and distribution.

In addition to reducing absolute GHG emissions by 5 percent, our Sustainability 2015 energy efficiency goal is that Kimberly-Clark manufacturing facilities meet zero percent deviation from best-in-class energy targets. The Global Energy Solutions Team (GEST) undertakes Energy Performance Reviews (EPRs) at our facilities to support the identification and execution of opportunities to improve our energy efficiency. In 2011, 30 EPRs were completed across our manufacturing sites, and more than 50 process improvement studies on tissue production assets and reviews of boiler plants and utility operations were conducted. At the end of 2011, 50 percent of our manufacturing sites had achieved the energy efficiency target goal. To fully meet this challenge, we are investing capital, introducing new technologies and, most importantly, harnessing the creativity of our employees to use less energy.

Sharing Best Practices

Kimberly-Clark's Energy Best Practices and Energy Management System scorecard were updated in 2011 using the Environmental Protection Agency's (EPA) ENERGY STAR facilities management system tool. Employing this and other analytical tools, GEST identifies the global facilities with the greatest energy and GHG emission savings potential and helps develop plans to achieve defined

energy targets. The results are shared, via teleconferencing and webinars, with energy champions at Kimberly-Clark mills worldwide, where energy conservation best practices are implemented.

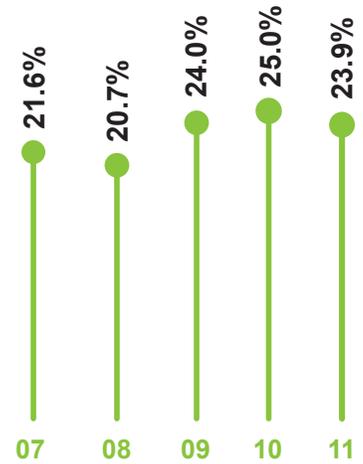
We are also involved in the EPA's SmartWay Transportation Partnership, a program that helps freight companies improve fuel efficiency, increase environmental performance, and increase supply chain sustainability. Since 2006, we have engaged our internal supply chain partners and carriers to reduce CO₂e emissions and save fuel. Since 2006, together we have reduced 1.5 million metric tons of CO₂e and saved 134 million gallons (507 million liters) of diesel fuel.



2011 Progress in Energy Efficiency

The energy use intensity of Kimberly-Clark manufacturing facilities worldwide increased 2.5 percent, from 15.19 mmbtu/mt in 2010 to 15.56 mmbtu/mt in 2011. These results were negatively affected by the 5.2 percent decrease in worldwide production and structural asset changes as a result of the 2011 pulp and tissue restructuring action that contributed to operation inefficiencies at affected sites.

Percent Energy from Renewable Sources



Energy savings at our facilities include:

Global Initiative to Save Energy

Yankee dryers are used on many Kimberly-Clark tissue machines to remove water in the final step of the tissue manufacturing process. This is an energy intensive part of the tissue manufacturing process and has a large impact on manufacturing costs. In 2009, Kimberly-Clark installed insulation panels on the dryers at our Koblenz and Reisholz mills, in Germany, to reduce energy loss. The project was so successful that we expanded the insulation program to 26 additional tissue machines globally. In 2011, the modifications yielded the following results:

- An estimated reduction of 10,290 metric tons of CO₂e emissions
- A 5 percent average reduction in Yankee Dryer steam usage on each tissue machine

Energy Cuts in Malaysia

The Family Care Production Facility at Kluang, in Johor, Malaysia, manufactures a range of paper products, including Kleenex brand facial tissues and Scott brand paper towels. Aiming to reduce energy consumption and improve visibility within the plant, in 2011 the company replaced the metal halide lighting fixtures on the manufacturing floor with Light Emitting Diode (LED) High Bays lighting fixtures. The Kluang team determined that the product offered the best combination of efficiency, payback period and lifespan. The 150-watt LED High Bays have resulted in a 60 percent reduction—208,500 Kwh of electricity—in annual lighting energy consumption in 2011. The Kluang Mill continues to explore other uses for this energy-saving lighting technology.

50% OF OUR MANUFACTURING SITES HAVE ACHIEVED THEIR ENERGY EFFICIENCY TARGET

The results of the Kluang lighting initiative and other efficiency projects are captured in Kimberly-Clark's Energy Best Practices Scorecard. The scorecard serves as a reference tool to identify potential common opportunities for Kimberly-Clark manufacturing facilities, such as in lighting, steam and compressed air. Projects and best practices are also shared across the organization through articles posted on the intranet site, SharePoint, global Web seminars, formal presentations and energy performance reviews.

Australia Capital Investments

In 2011, Kimberly-Clark announced a \$65 million reinvestment in its Australian manufacturing facilities. Of this, \$6.5 million has been directed to the Albury plant to expand its capability to make innovative products and reduce carbon emissions. The Millicent Mill, in South Australia, which produces Kleenex brand tissue products, is receiving \$30 million to finance the installation of a combined heat and power generation project. When complete in 2013, these investments will result in annual CO₂e reductions of approximately 90,000 metric tons, the equivalent of removing 32,000 small cars from the road.

PERFORMANCE DATA—PLANET

FIBER USE IN 2011 (MILLION MT)	2011
Virgin	2.48
Recycled	1.05

FIBER USE	2007	2008	2009	2010	2011
Total virgin fiber used (million mt)	2.61	2.64	2.47	2.56	2.48
%	73.9%	73.2%	72.4%	72.6%	70.3%
Recycled (million mt)	0.92	0.97	0.94	0.97	1.05
%	26.1%	26.8%	27.6%	27.5%	29.7%
Percent of virgin fiber from environmentally responsible sources	97%	98%	98%	98%	99.9%

Note:

Our largest input material by far is fiber, and over 25% of the fiber that we use is recycled. The only other material that we purchase of which a significant percentage is recycled is packaging (mainly corrugate and paperboard cartons).

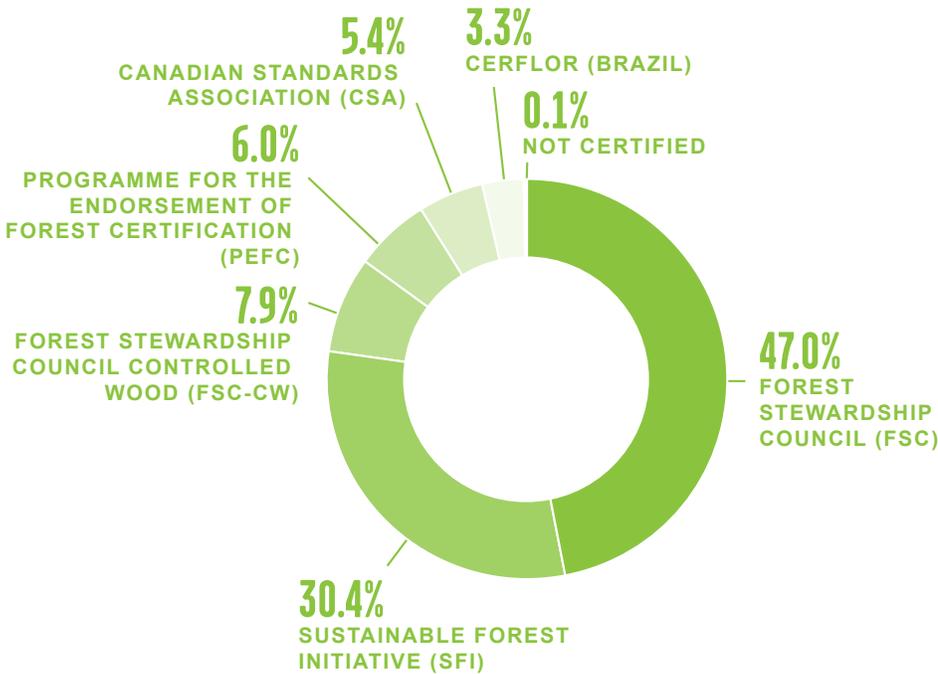
GLOBAL ENVIRONMENTALLY PREFERRED FIBER USAGE IN 2011	
FSC	32.9%
Recycled content	29.5%
Total FSC/recycled content	62.4%
Total FSC/recycled content target	50%

Note:

As part of our 2011 global GFTN agreement with WWF, we will report our total use of environmentally preferred fiber for all fiber-containing products. Virgin pulp will include all K-C manufactured pulp, purchased market pulp and third-party contract manufactured fiber-containing products. K-C began collecting fiber data from third-party contract manufacturers in 2009.

CHLORINE-FREE WOOD PULP PURCHASES	2007	2008	2009	2010	2011
Elemental Chlorine-Free (ECF)	94.0%	93.5%	94.3%	95.1%	95.2%
Total Chlorine-Free (TCF)	6.0%	5.5%	5.7%	4.9%	4.8%

VIRGIN FIBER PURCHASES BY CERTIFICATION SCHEME IN 2011



FIBER PURCHASES BY CERTIFICATION SCHEME	2007	2008	2009	2010	2011
Forest Stewardship Council (FSC)	6.0%	13.0%	27.7%	39.4%	47.0%
Sustainable Forest Initiative (SFI)	40.0%	38.0%	32.7%	30.7%	30.4%
Programme for the Endorsement of Forest Certification (PEFC)	10.0%	12.0%	10.6%	8.4%	6.0%
CERFLOR (Brazil)	32.0%	29.0%	16.6%	7.9%	3.3%
Canadian Standards Association (CSA)	9.0%	8.0%	10.6%	7.2%	5.4%
Forest Stewardship Council Controlled Wood (FSC-CW)	--	--	--	4.8%	7.9%
Not Certified	3.0%	2.0%	1.8%	1.7%	0.1%

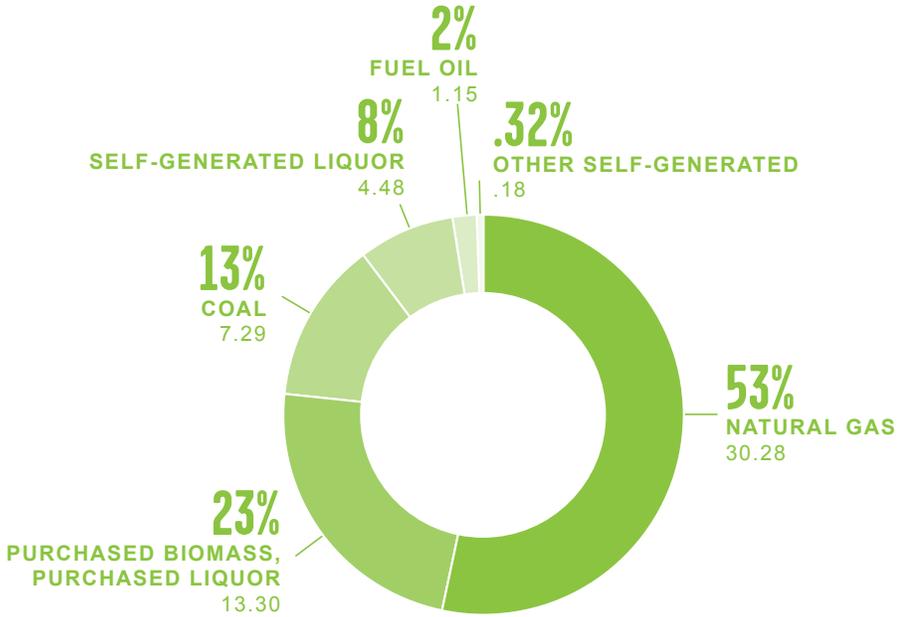
ENVIRONMENTALLY PREFERABLE TISSUE FIBER	2007	2008	2009	2010	2011
North America					
FSC Mix	3.9%	8.3%	22.1%	31.6%	36.7%
FSC Controlled Wood	N/A	N/A	26.9%	42.7%	36.4%
FSC Plantation	N/A	N/A	15.8%	25.9%	30.0%
Recycled Content	19.4%	21.4%	21.5%	25.2%	26.0%
Postconsumer Recycled Content	15.5%	17.1%	17.8%	20.3%	22.5%
Total FSC/Recycled Content	23.3%	29.7%	43.6%	56.8%	62.7%
Total FSC/Recycled Content Target	N/A	N/A	31.5%	33.0%	40.0%
Global					
FSC Mix	5.4%	11.4%	23.6%	33.3%	38.5%
FSC Controlled Wood	N/A	N/A	20.9%	31.4%	26.1%
FSC Plantation	N/A	N/A	19.9%	29.1%	33.1%
Recycled Content	30.0%	31.0%	31.0%	32.0%	34.5%
Postconsumer Recycled Content	N/A	N/A	N/A	12.9%	14.1%
Total FSC/Recycled Content	35.4%	42.4%	54.6%	66.1%	73.0%
Total FSC/Recycled Content Target	N/A	N/A	N/A	N/A	N/A

Notes:

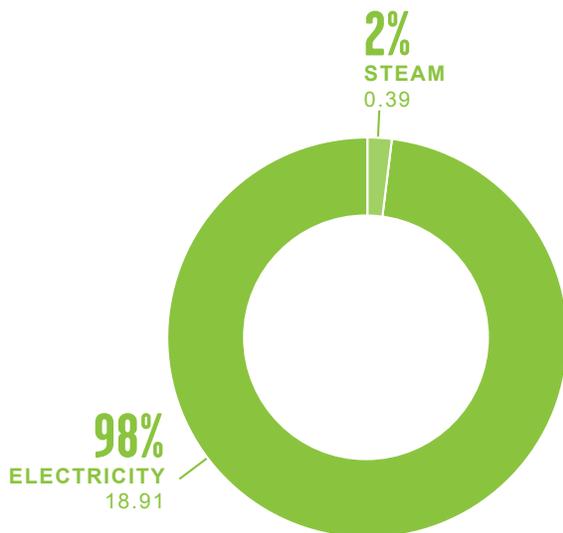
N/A: Data not available

Data represents K-C and equity affiliates

DIRECT ENERGY USE IN 2011 (TRILLION BTU)



INDIRECT ENERGY USE IN 2011 (TRILLION BTU)



ENERGY CONSUMPTION (TRILLION BTU)	2007	2008	2009	2010	2011
Direct Energy					
Natural gas	27.8	28.4	30.2	29.8	30.3
%	48%	51%	52%	51%	53%
Purchased biomass	13.2	11.3	13.8	13.9	13.3
%	23%	20%	24%	24%	23%
Coal	10.8	9.2	7.4	7.8	7.3
%	18%	16%	13%	13%	13%
Self-generated liquor	4.6	4.9	4.8	5.0	4.5
%	8%	9%	8%	9%	8%
Fuel oil	2.0	2.2	1.8	1.6	1.2
%	3%	4%	3%	3%	2%
Other self-generated	0.1	0.1	0.1	0.2	0.2
%	0.17%	0.18%	0.23%	0.28%	0.32%
Subtotal	58.5	56.1	58.2	58.3	56.7
Indirect Energy					
Steam	0.8	0.7	0.6	0.4	0.4
%	4%	4%	3%	2%	2%
Electricity	20.7	20.3	18.5	18.9	18.9
%	96%	97%	97%	98%	98%
Subtotal	21.5	21.0	19.1	19.3	19.3
Total	79.2	76.4	76.7	77.6	76.0

ENERGY EFFICIENCY (MMBTU/MT)	2007	2008	2009	2010	2011
Actual	15.50	14.81	15.64	15.19	15.56
Annual target	14.0	13.78	14.62	14.30	14.29
Percent deviation	11.2%	7.5%	7.0%	6.2%	8.9%

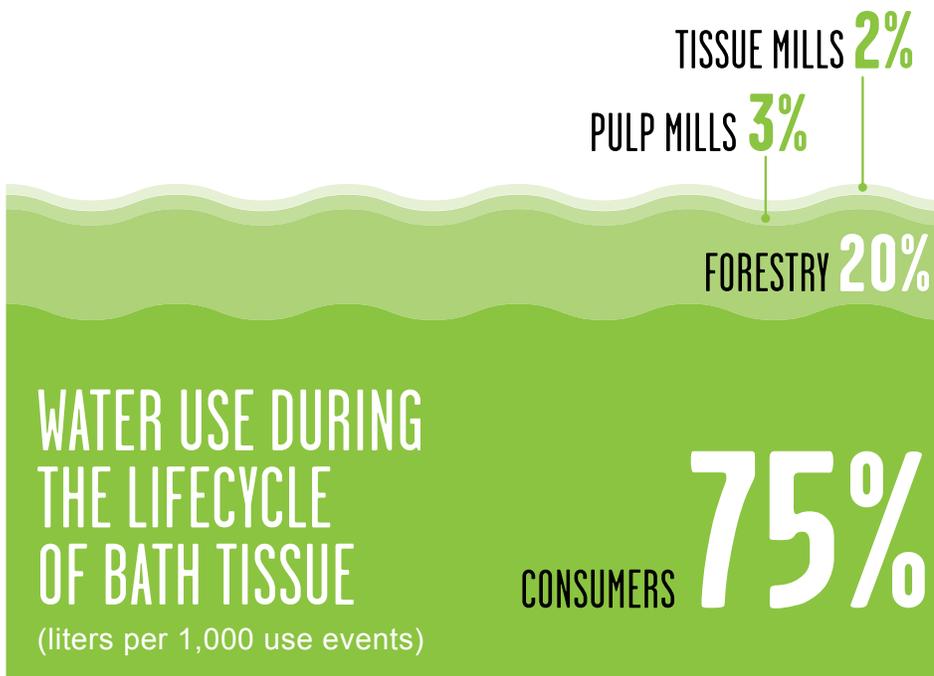
ENERGY USE IN 2011	
Renewable energy used	18.2 trillion Btu
Non-renewable energy used	57.8 trillion Btu

DIRECT & INDIRECT EMISSIONS FROM MANUFACTURING (MMT CO ₂ e)	2007	2008	2009	2010	2011
Indirect	3.39	3.31	3.05	3.03	3.03
Direct	2.80	2.67	2.57	2.56	2.50
Total	6.19	5.98	5.62	5.59	5.53
Percent change from previous year	--	-3.4%	-6.0%	-0.4%	-1.2%

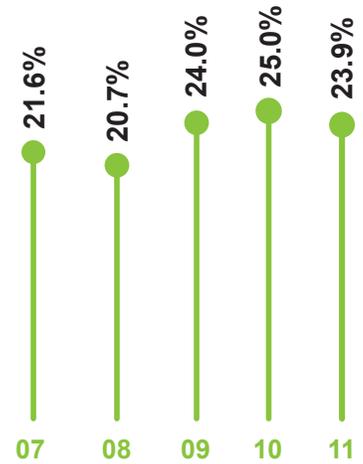
GREENHOUSE GAS EMISSIONS FROM MANUFACTURING (MMT CO ₂ e)	2007	2008	2009	2010	2011
Carbon Dioxide CO ₂	6.13	5.93	5.56	5.54	5.48
Methane CH ₄	0.02	0.01	0.02	0.01	0.01
Nitrous Oxide N ₂ O	0.04	0.04	0.04	0.04	0.04
Total CO ₂ e	6.19	5.98	5.62	5.59	5.53

Note:
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)"

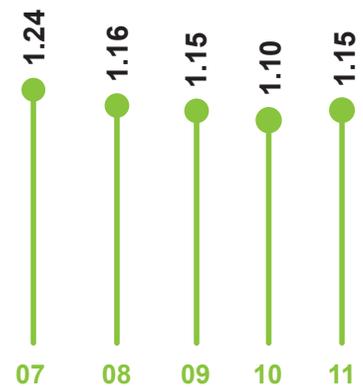
OTHER AIR POLLUTANTS (MT)	2010	2011
NO _x	5,521	4,910
SO ₂	6,264	4,749



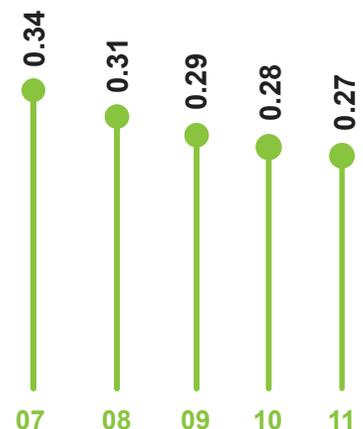
Percent Energy from Renewable Sources



Carbon Dioxide Equivalents per Metric Ton of Production

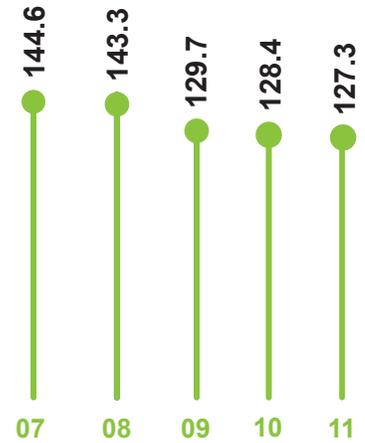


Carbon Dioxide Equivalents per \$1,000 of Sales

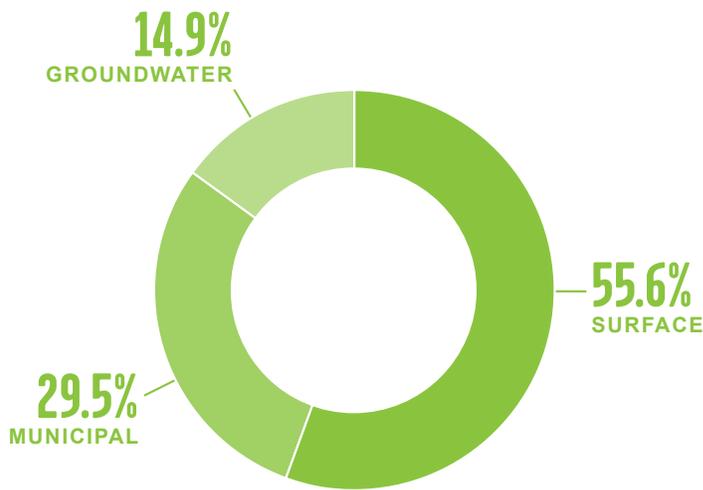


TISSUE MANUFACTURING WATER USE EFFICIENCY (M ³ /MT)	2007	2008	2009	2010	2011
Actual	45.6	45.4	43.4	42.7	44.7
Annual target	31.8	31.6	31.4	31.5	30.7
Percent deviation	44.2%	44.0%	38.1%	35.5%	45.4%

Total Global Water Use
(Million M³)

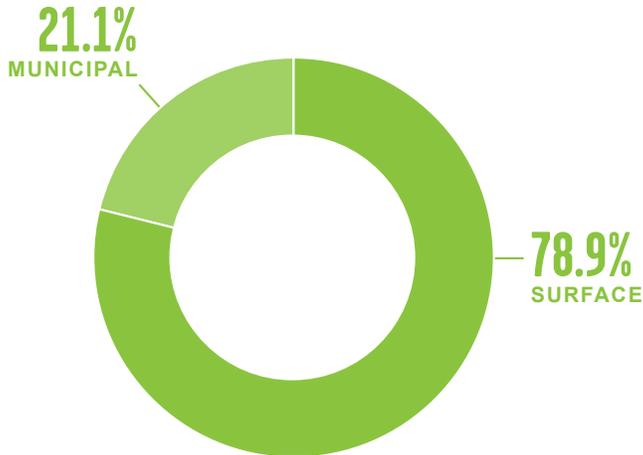


PROCESS FRESHWATER INFLUENT SOURCES IN 2011

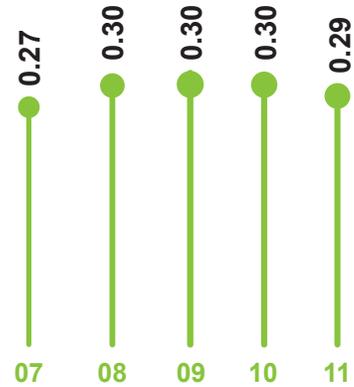


PROCESS FRESHWATER INFLUENT SOURCES	2007	2008	2009	2010	2011
Surface (million m ³)	87.18	82.35	70.63	72.76	70.50
%	60.3%	57.5%	54.4%	56.7%	55.4%
Municipal (million m ³)	39.50	43.06	41.44	37.32	37.70
%	27.3%	30.1%	31.9%	29.1%	29.6%
Groundwater (million m ³)	17.92	17.88	17.68	18.34	19.08
%	12.4%	12.5%	13.6%	14.3%	15.0%

PROCESS EFFLUENT DISCHARGE DESTINATIONS IN 2011

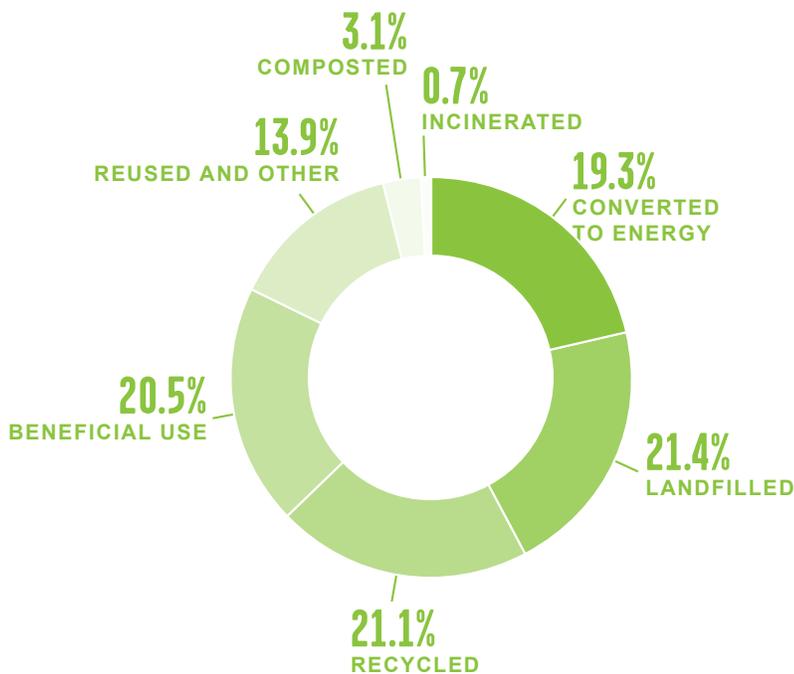


Waste per Metric Ton of Production (MT/MT)

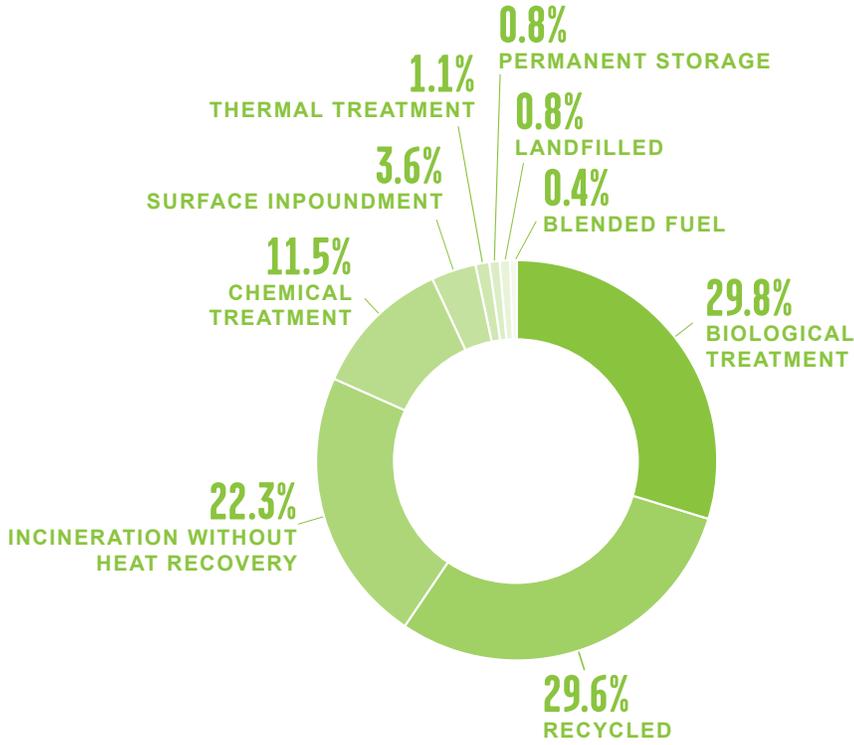


PROCESS EFFLUENT DISCHARGE DESTINATIONS	2007	2008	2009	2010	2011
Surface	76.9%	76.6%	74.3%	79.3%	78.9%
Municipal	23.1%	23.4%	25.7%	20.7%	21.1%

NONHAZARDOUS WASTE IN 2011 (99.97% OF TOTAL)



HAZARDOUS WASTE IN 2011 (0.03% OF TOTAL)



WASTE BY TYPE	2007	2008	2009	2010	2011
Nonhazardous Waste (million mt)	1.35	1.54	1.48	1.44	1.46
% of total waste	99.97%	99.97%	99.97%	99.95%	99.97%
Landfilled	21.6%	22.4%	19.8%	18.2%	21.4%
Recycled	24.9%	20.0%	20.0%	20.9%	21.2%
Beneficial use	24.5%	21.8%	22.5%	22.9%	20.5%
Converted to energy	12.0%	13.6%	19.4%	20.5%	19.2%
Reused and other	5.0%	9.0%	9.6%	11.6%	13.9%
Composted	7.0%	7.6%	5.5%	4.8%	3.1%
Incinerated	4.9%	5.7%	3.2%	1.0%	0.7%
Hazardous Waste (kg)	392,707	399,693	385,762	655,071	500,981
% of total waste	0.03%	0.03%	0.03%	0.05%	0.03%
Biological treatment	0.0%	0.2%	18.3%	52.9%	29.8%
Recycled	42.2%	43.6%	22.0%	17.7%	29.6%
Incineration without heat recovery	41.4%	33.7%	33.4%	14.9%	22.3%
Chemical treatment	7.1%	13.4%	5.7%	10.4%	11.5%
Surface impoundment	0.7%	0.0%	0.0%	0.0%	3.6%
Thermal treatment	1.9%	0.0%	0.5%	1.8%	1.1%
Permanent storage	0.4%	0.0%	0.2%	0.0%	0.8%
Landfilled	3.5%	4.1%	17.7%	2.0%	0.8%
Blended fuel	3.0%	5.0%	2.1%	0.3%	0.4%
Deep well injection	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

N/A: Data not available

Data represents K-C and equity affiliates

FULL CIRCLE

PRODUCTS

Every day, nearly a quarter of the world's population uses Kimberly-Clark products. The Product pillar, new under our Sustainability 2015 strategy, reflects our vision to meet essential needs by developing environmentally innovative products designed with a sustainable lifecycle approach.



NET SALES IN 2011
FROM
ENVIRONMENTALLY
INNOVATIVE
PRODUCTS

ESSENTIAL PRODUCTS FOR OUR CUSTOMERS AND CONSUMERS

With the introduction of our Products pillar, we are embracing our responsibility to manage the sustainability of our products throughout their lifecycle—including after their use.



We are working to reduce packaging, as well as manufacturing and postconsumer waste. To achieve our Sustainability 2015 goals in this pillar, we are building a foundation from which to implement processes and tools to support environmentally innovative consideration at each stage of a product's lifecycle. We are tapping the creativity of our stakeholders—employees, suppliers, distributors, customers, consumers and our network of external expert advisors to achieve our goals.

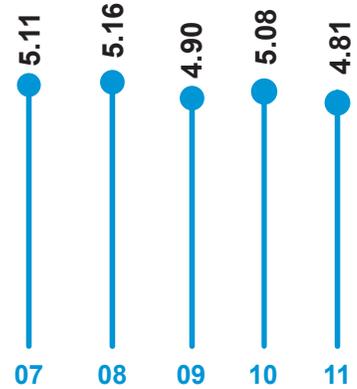
WE ARE TAPPING THE CREATIVITY OF OUR STAKEHOLDERS TO ACHIEVE OUR GOALS

For information on how we are working with our suppliers, click [here](#).

2011 Highlights

- We expanded our Global Innovation Centers and introduced our ecoLOGICAL program to enable the identification, development and tracking of environmental innovation
- Kimberly-Clark's Huggies brand team continued to expand its diaper composting initiatives, opening a second Kimberly-Clark-sponsored recycling plant in New Zealand and, through our partnership with Envirocomp, exploring locations for additional international plants

Manufacturing (Million MT)



COMMENTS FROM OUR SUSTAINABILITY ADVISORY BOARD

“Kimberly-Clark’s approach to product sustainability is broad and strategic. The company is moving from focusing on its own environmental and social impacts to implementing significant initiatives across the full value chain.

“Kimberly-Clark now uses nearly 100 percent certified fiber, with a significant percentage (68 percent), particularly in its critical Kleenex brand, coming from Forest Stewardship Council–certified sources. This commitment is a sign of real leadership in a product category with little consumer recognition around sourcing. The company’s efforts on packaging have yielded a number of impressive reductions and innovations. Kimberly-Clark has also developed a smart system for defining and designing greener “ecoLOGICAL” products in its portfolio. And the company has begun to address its biggest end-of-life challenge by identifying and supporting diaper composting technologies.



THE COMPANY’S EFFORTS ON PACKAGING HAVE YIELDED A NUMBER OF IMPRESSIVE REDUCTIONS AND INNOVATIONS

“One important caveat on products, however, is Kimberly-Clark’s relative weakness on understanding and satisfying customer needs in underserved developing economies. Kimberly-Clark’s new Innovation Center in Bogotá, Columbia, is good start, but much remains to be done to serve the diaper and personal care needs at the bottom of the pyramid.

“But with that reservation, we’re comfortable that Kimberly-Clark’s efforts to manage its lifecycle impacts are robust, strategic, and will create significant value for Kimberly-Clark. We look forward to more progress in the future.”

Malini Mehra
Founder, Centre for Social Markets

Andrew Winston
Founder, Winston Eco-Strategies

OUR PRODUCT INNOVATIONS

Innovation is core to Kimberly-Clark's Global Business Plan and a key to our future success: How do we make familiar products even better?

How do we capture the breakthroughs of tomorrow? We are listening to the voices of our customers/consumers and harnessing the inventiveness of our employees and suppliers to explore new ideas and approaches to reduce our environmental impact.

To help accomplish this, we are expanding our network of Global Innovation Centers. In the summer of 2011, we announced the creation of a new center in Bogotá,

Colombia, which will develop products using local and regional insights to meet broader consumer needs around the world. We also expanded our product development capabilities to complement our Innovation Center Asia in South Korea. This expands Kimberly-Clark's research, engineering and design capabilities in a country that is at the forefront of sustainability, technology and inventions to meet consumer and customer demands.

Together with our established innovation facilities in Neenah, Wisconsin, and Roswell, Georgia, we are well-positioned to stay competitive in a fast-changing market environment.

WE ARE WELL-POSITIONED TO STAY COMPETITIVE IN A FAST-CHANGING MARKET



LIFECYCLE ANALYSIS & ECO-CERTIFICATION

One of Kimberly-Clark's Sustainability 2015 goals is to achieve 25 percent of net sales from environmentally innovative products.

To measure our progress, our ecoLOGICAL program enables the identification, development and tracking of environmental innovation using an internal rating system.

To qualify for inclusion in our ecoLOGICAL portfolio, products are evaluated across four categories:

- Use of responsible materials, including rapidly renewable, certified and post-consumer materials
- Analysis of their lifecycle footprint using Kimberly-Clark's rapid lifecycle assessment tools, which evaluate a product's environmental impacts against climate change, fossil fuel depletion, water use and solid waste criteria
- Third-party, multi-criteria recognition, such as Green Seal, EcoLogo, Green Good Housekeeping, Ecolabel and others

13% OF NET SALES COME FROM ENVIRONMENTALLY INNOVATIVE PRODUCTS

- Breakthrough environmental innovation that showcases new product development and is recognized by customers or consumers as delivering environmental benefits (as determined by third-party testing)

In 2011, the ecoLOGICAL program was rolled out and training sessions were completed in North America, Brazil and Asia.



ecoLOGICAL Portfolio

By the end of 2011, we achieved approximately 13 percent of net sales from the environmentally innovative products in our ecoLOGICAL portfolio, including:

- Kleenex brand FSC-labeled products (Europe)
- Kleenex brand Eco-form Facial Cleansing Wipes (U.K.)
- Kleenex and Scott brand FSC-labeled Kimberly-Clark Professional products (North America)
- Kleenex, Scott, and Wypall brand EU Ecolabeled Kimberly-Clark Professional products (Europe)

- Huggies Pure and Natural brand diapers (North America)
- Huggies brand Baby Wipes (North America)
- NeveNaturali brand Bath Tissue (Brazil)
- Scott Naturals brand Bath Tissue (U.S.)
- Kleenex brand FSC-certified tissues (U.S.)

Harnessing the Value of Eco-Certification

Eco-certification programs are voluntary, often country-specific initiatives intended to encourage businesses to develop and market products that are better for the environment. Products are evaluated by independent third parties against program-specific criteria and, if successful, carry the program logo on their packaging. While marketplace demand for environmentally preferable products is increasing, Kimberly-Clark is proactively seeking this external assurance to help educate our customers and consumers, and to demonstrate the value in products that offer a better environmental choice. Third-party eco-certification is affording Kimberly-Clark competitive advantage and helping secure new business.

Kimberly-Clark Professional continues its legacy of sustainability leadership. In 2009, it became the first away-from-home tissue products company to receive FSC-certification for a broad range of tissue and towel products. In 2011, this status was extended to the broad majority of its tissue and towel products in North America. Also in 2011, it earned European

Ecolabel status on 109 towel, tissue and skin care products. To achieve Ecolabel status, Kimberly-Clark Professional's manufacturing processes had to satisfy stringent requirements around water and electricity usage, effluent quality and carbon emissions.

Ecolabel status requires an additional step: elimination of any bleaching agents containing chlorine gas. Finally, in 2011 Kimberly-Clark Professional achieved EcoLogo certification for the majority of its tissue and towel products in North America. To earn the EcoLogo mark, tissue products must demonstrate significantly reduced environmental impact among five key lifecycle criteria: resource consumption, energy consumption, wastewater quality, aquatic toxicity and solid waste.

Changing Consumer Perceptions

Kimberly-Clark is working to educate consumers that choosing "green" products does not require trade-offs with quality and performance. In April 2011, the U.S. Scott Naturals brand launched a "4 Week Test Drive" program with the objective of changing consumers' perceptions about "green" paper products. The goal was to empower consumers to make the better environmental choice by emphasizing the balance of mainstream product performance and quality with eco-friendly product innovation. The program promoted bath tissue, towels, moist wipes and napkin product lines that blend virgin fiber and at least 20 percent recycled material in products or packaging.

The program resulted in:

- More than 97 percent of consumers joining the conversation, taking the pledge and recruiting their friends and family to save trees by switching to Scott Naturals brand products, commenting that they either "liked or liked a lot" Naturals brand products
- A 7 percent lift in brand awareness and 14 percent lift in purchase intent

INNOVATIONS FOR WORKPLACES AND COMMUNITIES

In addition to the following examples, please read about our social innovation work through our Huggies brand [Every Little Bottom](#) initiative and programs that support mothers and children in our People section, notably [Kimberly-Clark China's Touch of White Angel](#), [Kimberly-Clark Argentina's partnership with Caminando Juntos Foundation](#), and [Brazil's Women in Action initiative](#).

Kimberly-Clark Professional Healthy Workplace Project

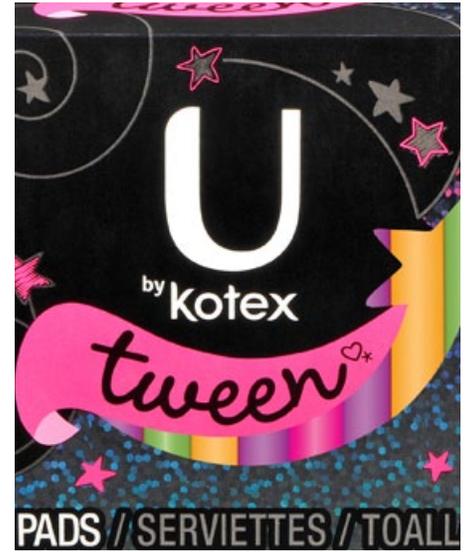
In 2011, Kimberly-Clark Professional introduced the Healthy Workplace Project, a comprehensive approach to workplace hygiene that supports better business performance by engaging and educating employees to help reduce sickness levels in a comprehensive way. The full program includes swab testing of the workplace to identify germ “hotspots,” solution design, education and engagement materials and support and a portfolio of hygiene products and protocols. The Healthy Workplace Project Desk Caddy is one such product. Employees keep this caddy on their desk and have easy access to facial tissue, disinfectant wipes and an antibacterial hand sanitizer. The program can also include public area stand sanitizer dispensers, periodic swab testing to measure workplace hygiene levels, and challenges and games to encourage engagement. Employees are

encouraged to reduce the transmission of germs and, ultimately, this reduces the multibillion-dollar cost of employee absenteeism due to illness.

Kimberly-Clark Health Care Education Bus

Health care-associated infections (HAIs) are one of the most critical issues facing the healthcare system today. To help promote education and awareness—and ultimately reduce infection rates—Kimberly-Clark Health Care's HAI Education Bus, a unique mobile classroom, has been touring the U.S. for four years. To enhance the HAI credit courses offered to nurses, a hygiene and infection control component for hospital environmental services staff—the front-line workers responsible for cleaning and sterilizing patient and operating rooms—was added in 2011.

Kimberly-Clark Health Care also sponsors the HAI WATCHDOG™ awards program, created to recognize the efforts of dedicated healthcare professionals working together to prevent HAIs. The awards program, an initiative of the HAI WATCHDOG Community, facilitates the sharing of best practices among clinicians and recognizes winning healthcare facilities with educational grants. The HAI WATCHDOG Community is an online



forum for sharing infection-prevention best practices and accessing tools and resources, such as customizable posters to educate and reinforce the importance of HAI prevention with staff.

Depend Brand Supporting Incontinence Education

In 2011, Kimberly-Clark began a relationship with Quantia MD, a mobile and online community for physicians where members share expert thinking, test their understanding and stay ahead of rapid scientific advances. Our partnership is based on the fact that men with prostate health issues have not always received information related to incontinence from



their doctors, even though prostate problems are a leading cause of incontinence in men. Through this collaboration, the Depend brand provides doctors and clinicians with educational materials regarding incontinence and Depend products, and encourages doctors to have conversations with their patients regarding incontinence.

OUR KOTEX BRAND IS PROVIDING TOOLS TO EMPOWER MOMS TO TALK TO THEIR DAUGHTERS

In 2011, Kimberly-Clark also worked with EverydayHealth, an online consumer health information site, to provide incontinence education, including ways to live with incontinence, dietary tips, and traveling and exercising advice for those with the condition.

Poise Brand Providing Protection

In 2010, Kimberly-Clark's Poise brand employed its "Great Women in History" series to educate women about light bladder leakage and benefit the Women's Health Foundation (WHF). Approximately one in three women experiences light bladder leakage at some point in her life. In an effort to further the brand's goal to raise awareness of the issue and the protection offered by Poise brand products, in March of 2011, a promotion featuring the emblematic Rosie the Riveter was launched. Women were encouraged to enter a caption-writing contest, with the Poise brand donating one dollar for every participant in the campaign to the WHF.

Kotex Brand Empowers First Period Conversation

Research shows that one in three young girls has no idea what's happening when she gets her first period, and four out of five moms feel only somewhat or not at all prepared to talk to their daughters about their changing bodies. In 2011, the Kotex brand began providing the tools to empower moms to proactively talk to their daughters and guide them through this important "first," including a new line of products designed specifically for tweens—U by Kotex Tween brand. This conversation is especially important given the earlier onset of puberty in girls today compared with previous years. The Kotex brand provides tools, including conversation starters and information on first periods and other tough topics, to help moms prepare for this sometimes uncomfortable and difficult talk.

TOOLS FOR OUR CUSTOMERS

We help our customers make the best environmental choices for their businesses by providing a variety of tools.

The Greenmeter is an easy way for our business customers to evaluate environmental impacts of Kimberly-Clark Professional products against alternatives. The Greenmeter enables analysis and comparisons of inputs such as recycled fiber content, water and energy. Our Virtual Consultant tool provides additional insights regarding annual purchase costs, cost-in-use performance and more. In combination, these two tools deliver powerful information regarding both the environmental and cost impacts of their purchase choices. A growing number of our business customers are applying these findings when making their purchasing decisions.

In 2011, Kimberly-Clark worked with a large U.S. retailer to reduce the environmental impact of shipping our products. The collaboration resulted in the elimination of:

- 275 trucks on the road per year (or 2 percent of annual volume) by increasing cube fill (a 7 percent improvement over 2010) and just-in-time inventory delivery
- More than 114,000 pieces of cardboard and associated backroom waste and recycling costs, by altering shipping packaging



OUR GREENMETER ENABLES COMPARISONS OF RECYCLED FIBER CONTENT, WATER AND ENERGY

REDUCING OUR PACKAGING IMPACT

Packaging is integral to the quality and safety of our products, and that integrity will not be compromised as we pursue our 2015 goal to reduce the environmental impact of our packaging.

Defining an Intensity Metric

We employ a carbon-equivalent intensity metric to calculate packaging reductions. The metric is defined as the total number of CO₂ equivalents of packaging consumption (including any waste or unsold product) divided by the total amount of product produced. To calculate a package's impact, packaging weights are converted into carbon equivalents using externally recognized methods and conversion factors.

Sharing Best Practices

In 2011, Kimberly-Clark strengthened its innovation capabilities with the formation of a multidisciplinary internal committee that meets monthly to promote collaboration and share best practices. Kimberly-Clark is also an active corporate member in the Sustainable Packaging Coalition (SPC), a thought-leader organization that provides context and design guidelines to inform our thinking.

2011 Packaging Impact Reduction Progress

We are capitalizing on opportunities to lighten packaging weight, increase recycled content, remove packaging elements and shift to packaging with a lower carbon footprint. In 2011, we

neared completion of our baseline packaging data collection from suppliers and Kimberly-Clark production facilities. We also built a framework and calculator, currently in test phase, to help our packaging engineers, product designers and brand owners compare packaging impacts within a common framework.

2011 packaging reduction successes included:

- Increased recycled-resin content in our flushable moist wipes tubs to 25 percent. Virgin polymers diverted from use: approximately 226.8 metric tons (500,000 pounds).
- Reduction in U by Kotex brand tampon packaging wrapper film. Weight reduction per wrapper: 18 percent; annual reduction in poly use: approximately 2,700 metric tons (5.5 million pounds).



- Reduction in paper used in U by Kotex brand tampon information insert from nine to six panels. Paper reduction: 25.6 metric tons (56,400 pounds) annually.

- Replacement of cardboard secondary packaging to poly bundles at Kimberly-Clark Europe's Barton Mill. Total annual CO₂ reduction: 5,000 metric tons (11 million pounds).

WE ARE AN ACTIVE MEMBER IN THE SUSTAINABLE PACKAGING COALITION

- Replacement in packaging of Depend brand underwear 3X from corrugate to poly. Material weight reduction per retail package: 82 percent.
- Reduction of poly bag gauge for Poise brand liners and Poise Ultra Thins brand liners packaging. Annual poly savings: 10.8 metric tons (23,800 pounds).
- Reduction of shrink film by 15 percent in Personal Care's rigid tub design. Annual film savings: 6.8 metric tons (15,000 pounds).
- Introduction of renewable thermoplastic starch hybrid flexible packaging by China Feminine Care products including Kotex brand Little Q pantiliner.
- Application of compression technology in European Kleenex brand facial tissue packaging. Reduction in packaging: 39 percent; in distribution transport: 50 percent.
- Compacted Brazil's Neve brand tissue product. Reduction in packaging materials used: 13 percent; in transportation-related CO₂ emissions due to reduced packaging size: 18 percent.

THINKING DIFFERENTLY ABOUT WASTE

Kimberly-Clark is committed to taking responsibility for its products throughout their lifecycles, and in 2011, we continued to pioneer solutions to capture waste after our products are used by our customers and consumers.

Kimberly-Clark continues to expand its diaper composting initiatives. In 2010, Kimberly-Clark’s Huggies brand team partnered with Envirocomp Ltd. to offer a first-of-its-kind composting service in Christchurch, New Zealand. To respond to the enthusiastic uptake by families and commercial businesses, including preschools and senior care facilities, Envirocomp is on track to open a second Kimberly-Clark–sponsored recycling plant in New Zealand’s capital, Wellington, in May 2012. In 2011, Kimberly-Clark announced that its partnership with Envirocomp is going global. Envirocomp secured the global rights for first refusal to collect and compost Kimberly-Clark diapers and is exploring locations for additional international plants.

In 2011, our Kimberly-Clark Professional business joined forces with TerraCycle, a leading “upcycling” company, to launch a U.S.-wide program for the collection and recycling of clean room protective apparel at pharmaceutical manufacturing facilities. Through the collaboration, Kimberly-Clark Professional

has positioned itself among the first to implement large-scale recycling programs for nontraditional waste streams in North America. TerraCycle collects, converts and resells waste material as either bulk plastics or eco-friendly consumer products. Kimberly-Clark’s bar code system allows us to track waste reduction by facility. The recycling program further extends our sustainability initiatives by saving time, material and money.

Our Huggies brand also collaborates with TerraCycle to collect and upcycle diaper packaging through its Huggies Brand Brigade program in the U.S. The Huggies brand sponsors the installation of TerraCycle collection bins in schools and other community locations. The bins receive a variety of packaging, including that of Huggies brand diapers, whose boxes and plastic wraps are labeled to alert consumers to this recycling option. The program was introduced in 2010 but saw a significant increase in participation in 2011, with more than 6,500 packages collected compared with about 1,700 packages in 2010.

WE COLLABORATE WITH TERRACYCLE TO COLLECT AND UPCYCLE DIAPER PACKAGING

In Costa Rica, Kimberly-Clark Professional worked with our larger customers to pilot a collection and recycling program for waste paper towels, which provide an excellent fiber stream for



new towels. This is a win-win strategy because the customer does not have to pay for the disposal of those fibers, and Kimberly-Clark can purchase this raw material at a lower cost for use in its production process.

In Australia, Kimberly-Clark Health Care offers a new recycling program to collect, recycle and recover Kinguard brand Sterile Wrap and One-Step brand Sterile Wrap from Australian hospitals. A joint initiative with SITA-MediCollect, a specialized clinical waste business, the program offers a one-stop solution for the collection, transportation and reprocessing of the wrap in an efficient and cost-effective manner.

Our Global Nonwoven division served on the board of the Health Care Plastics Recycling Council and supported the creation of guidelines for the development of recyclable medical-care products.

FULL CIRCLE

DATA SUMMARY

ECONOMIC IMPACTS	2007	2008	2009	2010	2011
Net sales (\$B)	18.3	19.4	19.1	19.7	20.8
Cash returned to shareholders (\$B)	3.7	1.6	1.0	1.9	2.3
Employee compensation (\$B)	3.3	3.3	3.5	3.3	3.8
Income Taxes paid (\$B)	0.7	0.5	0.8	0.6	0.5

PRODUCTS	2007	2008	2009	2010	2011
Percentage recycled fiber used	26.1%	26.8%	27.6%	27.5%	29.7%
Percentage virgin fiber from certified sources	97.0%	98.0%	98.0%	98.0%	99.9%

OPERATIONS	2007	2008	2009	2010	2011
Number of enforcement actions	7	10	5	14	6
Value of fines received (\$K)	206	7	0	305	.5
Total environmental expenditure (\$M)	193	185	224	201	233
Total energy use (trillion Btu)	79.20	76.40	76.68	77.63	75.99
Energy efficiency (mmbtu/mt production)	15.50	14.81	15.64	15.19	15.56
Percentage energy from renewable sources	21.6%	20.7%	24.0%	25.0%	23.9%
Carbon dioxide equivalents from manufacturing (mmt CO ₂ e)	6.19	5.98	5.62	5.59	5.53
Carbon dioxide equivalents per metric ton of production	1.24	1.16	1.15	1.10	1.15
Carbon dioxide equivalents per \$1,000 of sales	0.34	0.31	0.29	0.28	0.27
Total waste (mmt)	1.35	1.54	1.48	1.44	1.46
Waste per metric ton of production	0.27	0.30	0.31	0.30	0.29
Percentage waste sent to landfill	22.0%	22.0%	19.8%	18.2%	21.4%
Total global water use (million m ³)	144.6	143.3	129.7	128.4	127.3
Water use efficiency (cubic meters per ton of production)	45.6	45.4	43.4	42.7	44.7
Percentage ECF wood pulp purchased	94.0%	93.5%	94.3%	95.1%	95.2%
Percentage TCF wood pulp purchased	6.0%	5.5%	5.7%	4.9%	4.8%

COMMUNITY	2007	2008	2009	2010	2011
Total community investment – product and cash donations (millions)	17.9	18.5	18.8	20.6	32.1
Percent of net income	1.0%	1.1%	1.0%	1.1%	2.0%
Employee giving (U.S. millions)	3.8	4.2	3.9	4.2	3.9

EMPLOYEES	2007	2008	2009	2010	2011
Total employees (full-time)	52,822	52,748	56,418	57,271	57,251
Percentage women employees (U.S.)	30.5%	29.8%	29.7%	29.9%	30.1%
Percentage ethnic minority employees (U.S.)	17.7%	17.5%	17.7%	17.8%	17.9%
Percentage women in management (U.S.)	26.1%	27.1%	27.4%	27.3%	28.6%
Percentage ethnic minority in management (U.S.)	9.8%	9.7%	9.9%	10.9%	11.3%
Percentage employees with union membership	19%	30%	30%	27%	25%
Total reportable incident rate (TRIR)	0.68	0.45	0.40	0.44	0.40
Lost-time reportable incident rate (LTRIR)	0.30	0.31	0.25	0.30	0.27
Fatalities	1	1	1	0	0
Global severity rate	19.4	14.5	13.1	11.3	--

Notes:

We no longer track global severity rate.

Our employee numbers have been updated to reflect only full-time employees.

ECONOMIC INDICATORS

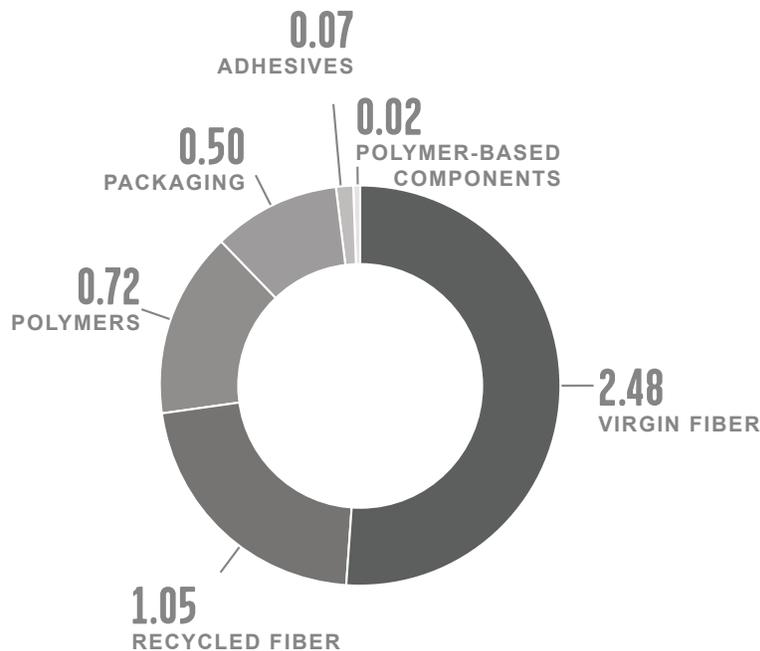
	2007	2008	2009	2010	2011
Net sales (\$B)					
Personal Care	7.6	8.3	8.4	8.7	9.1
Consumer Tissue	6.5	6.7	6.4	6.5	6.8
K-C Professional	3.0	3.2	3.0	3.1	3.3
K-C Health Care	1.2	1.2	1.4	1.5	1.6
Total	18.3	19.4	19.1	19.7	20.8
Operating costs (\$B)	15.7	16.9	16.3	17.0	18.4
Cash returned to shareholders (\$B)	3.7	1.6	1.0	1.9	2.3
Employee compensation (\$B)	3.3	3.3	3.5	3.3	3.8
Income taxes paid (\$B)	0.7	0.5	0.8	0.6	0.5
Total environmental expenditure (\$M)	193	185	224	201	233
Assets (\$B)	18.4	18.1	19.2	19.9	19.4
Donations and community investments (\$M)	17.9	18.5	18.8	20.6	32.1
Percent of net income	1.0%	1.1%	1.0%	1.1%	2.0%

Note:
K-C does not receive significant assistance from the government to warrant tracking

Packaging per Metric Ton of Production



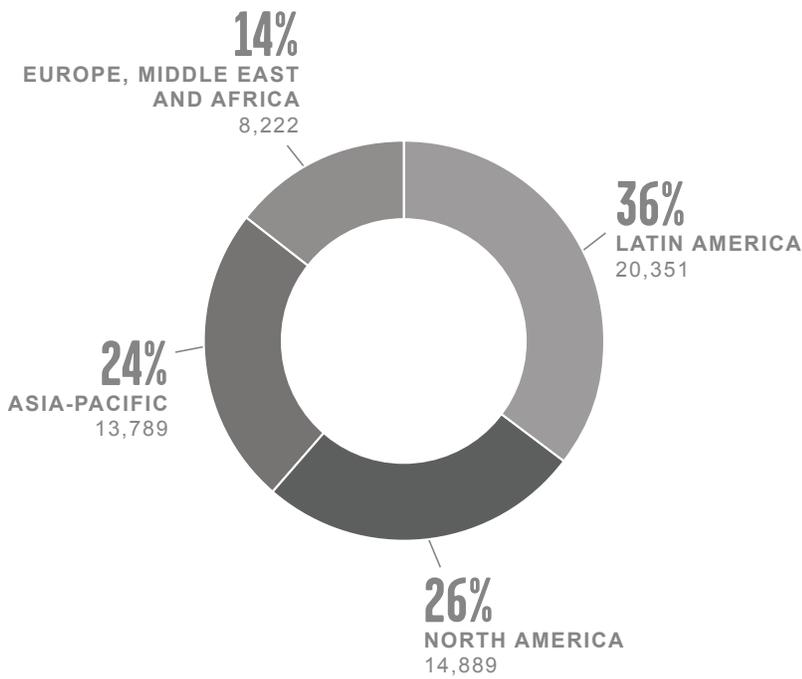
MATERIALS USED IN 2011 (MMT)



MATERIALS USED (MMT)	2007	2008	2009	2010	2011
Virgin fiber	2.61	2.64	2.47	2.56	2.48
Recycled fiber	0.92	0.97	0.94	0.97	1.05
Polymers	0.65	0.66	0.70	0.74	0.72
Packaging	N/A	N/A	N/A	0.52	0.50
Adhesives	0.05	0.06	0.06	0.08	0.07
Polymer-based components	N/A	0.02	0.02	0.02	0.02

Note:
 N/A: Data is not available
 Polymers for 2009 is an estimate

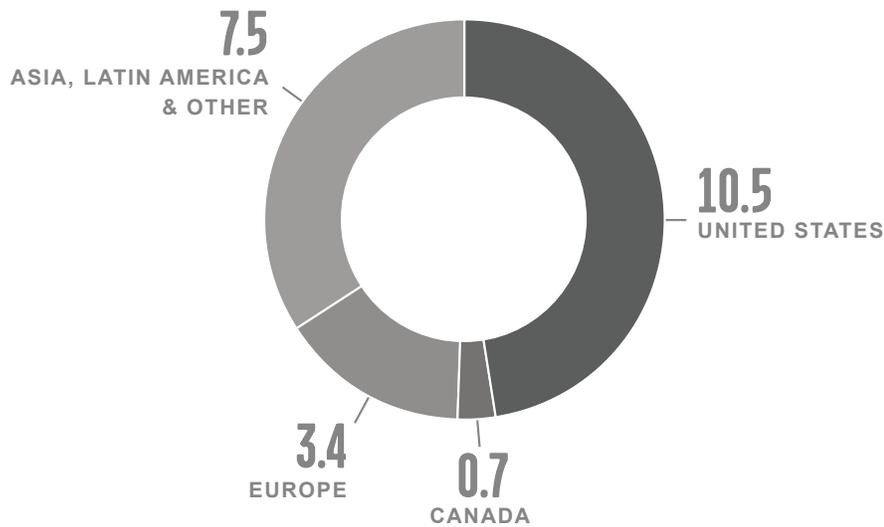
EMPLOYEES BY REGION IN 2011



NET SALES (\$B)	2007	2008	2009	2010	2011
U.S.	9.9	10.1	10.1	10.5	10.5
Canada	0.6	0.6	0.6	0.7	0.7
Intergeographic	-0.3	-0.3	-0.3	-0.5	-0.4
Europe	3.5	3.7	3.2	3.2	3.4
Asia, Latin America & Other	5.3	5.9	6.1	6.6	7.5
Intergeographic	-0.7	-0.7	-0.7	-0.7	-0.8
Total	18.3	19.4	19.1	19.7	20.8

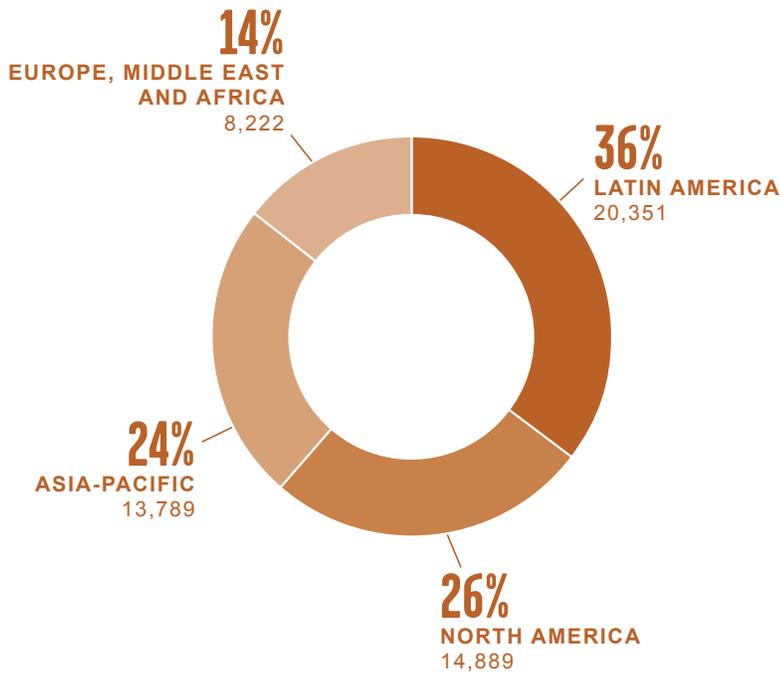
Note:
 "Intergeographic" refers to inter-company sales

NET SALES FOR 2011 (\$B)



PERFORMANCE DATA—PEOPLE

EMPLOYEES BY REGION IN 2011



FULL-TIME EMPLOYEES BY REGION IN 2011—DETAIL

North America	14,889
%	26%
Latin America	20,351
%	36%
Europe, Middle East and Africa	8,222
%	14%
Asia-Pacific	13,789
%	24%
Total	57,251

TURNOVER (U.S. ONLY)	2007	2008	2009	2010	2011
Voluntary	7.7%	5.7%	7.0%	4.3%	5.2%
Involuntary	5.4%	4.1%	3.0%	2.1%	4.9%
Total	13.1%	9.8%	10.0%	6.4%	10.1%

EMPLOYEE SAFETY	2007	2008	2009	2010	2011
Fatalities	1	1	1	0	0
Permanently disabling injuries	14	9	6	14	8
Total Reportable Incident Rate (TRIR)	0.68	0.45	0.40	0.44	0.40
Lost-Time Reportable Incident Rate (LTRIR)	0.30	0.31	0.25	0.30	0.27
Global Contact with Energized Equipment Incident Rate (CEEIR)	0.09	0.11	0.06	0.12	0.20

Note:

TRIR: Work-related events that result in fatalities, temporary or permanently disabling injuries or illnesses per 200,000 hours worked per annum.

LTRIR: Reportable injuries/illnesses that result in time away from work or restricted work per 200,000 hours worked per annum.

CEEIR: Cases resulting from bodily contact with energized equipment (electrical, mechanical, hydraulic, gravity, radiation, pneumatic, thermal, etc.) per 200,000 hours worked per annum. These include incidents arising from inadequate guarding of equipment or machinery, or failure to follow energy-control work practices, etc.

EMPLOYEE SAFETY	2011
Closed major findings from global EHS assessments	69%
Closed Corrective Action and Preventative Action from Fatalities	95%
Critical Occupational Hygiene Exposures—Identified and Controlled	95%

Notes:

Closed Corrective Action and Preventative Action from Fatalities: Lessons learned from fatality investigations are shared across the globe. Gap assessments are conducted and actions are identified and then closed.

Critical Occupational Hygiene Exposures—Identified and Controlled: Critical occupational hygiene exposures identified/controlled times 100.

SAFETY COMPLIANCE PENALTIES	2007	2008	2009	2010	2011
Safety compliance penalties	\$0	\$0	\$20,600	\$110,955	\$4,800

EMPLOYEE DIVERSITY	2007	2008	2009	2010	2011
Women	30.5%	29.8%	29.7%	29.9%	30.1%
Women in management	26.1%	27.1%	27.4%	27.3%	28.6%
Ethnic minorities	17.7%	17.5%	17.7%	17.8%	17.9%
Ethnic minorities in management	9.8%	9.7%	9.9%	10.9%	11.3%

Note:

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

BOARD DIVERSITY	2007	2008	2009	2010	2011
Independent members	91.7%	91.7%	91.7%	92.3%	92.3%
Women	16.7%	16.7%	16.7%	23.1%	23.1%
Minority group membership	25.0%	25.0%	25.0%	23.1%	30.8%
Total board members	12	12	12	13	13

EMPLOYEES WITH UNION MEMBERSHIP	2007	2008	2009	2010	2011
%	19%	30%	30%	27%	25%

Note:
2007 data only reflects U.S. workforce

RATIO OF ENTRY-LEVEL WAGE TO MINIMUM WAGE IN 2011	FEDERAL	STATE
Beech Island (SC)	244%	244%
Chester (PA)	222%	222%
Fullerton (CA)	251%	228%
Neenah Nonwovens (WI)	246%	246%

Note:
The above is reflective of geography and includes a couple of our larger mills as well as unionized and non-union mills. Our lowest entry-level wages are compared with the federal minimum wage as well as the state minimum wage. If the percentage is the same, either the state minimum wage is the same as the federal minimum wage or the mill is located in a state with no minimum wage.

EMPLOYEE SURVEY RESULTS—OVERALL	2010	2008
Employee engagement	75%	73%
Employee enablement	68%	67%
Response rate	95%	93%

Note:
Employee engagement: The degree of psychological or emotional commitment an employee has to Kimberly-Clark, his or her willingness to go above and beyond formal job requirements, and an intention to remain with the company.
Employee enablement: A measurement of employee motivation to accomplish their jobs in a supportive work environment that allows them to channel their extra efforts most productively.

EMPLOYEE SURVEY RESULTS IN 2010—DETAIL	% FAVORABLE	% NEUTRAL	% UNFAVORABLE
Employee engagement	75	18	8
Employee enablement	68	19	13
Quality and customer focus	87	11	11
Clear and promising direction	78	18	5
Resources and training	70	18	12
Collaboration	69	21	11
Work, structure and process	68	22	11
Confidence in leadership	67	24	9
Authority and empowerment	67	20	12
Performance management	67	20	13
Reaction to survey	63	22	15
Respect and recognition	61	25	15
Development opportunities	60	26	14

Note:

Percentages may not add to 100 due to rounding

EMPLOYEE GIVING (U.S. MILLIONS)	2007	2008	2009	2010	2011
Employee giving	3.8	4.2	3.9	4.2	3.9

COMMUNITY CONTRIBUTIONS IN 2011

U.S. employee volunteer hours	84,000
Community Partners grants to U.S. employee-chosen charities	\$858,500
Value of matching gifts contributions made by U.S. employees	\$1.25M
Total global donations by employees	\$3.9M

EMPLOYEES PARTICIPATING IN SMALL STEPS

2015 Goal	15,000
2011	11,600

Note:

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

PERFORMANCE DATA—PLANET

FIBER USE IN 2011 (MILLION MT)	2011
Virgin	2.48
Recycled	1.05

FIBER USE	2007	2008	2009	2010	2011
Total virgin fiber used (million mt)	2.61	2.64	2.47	2.56	2.48
%	73.9%	73.2%	72.4%	72.6%	70.3%
Recycled (million mt)	0.92	0.97	0.94	0.97	1.05
%	26.1%	26.8%	27.6%	27.5%	29.7%
Percent of virgin fiber from environmentally responsible sources	97%	98%	98%	98%	99.9%

Note:

Our largest input material by far is fiber, and over 25% of the fiber that we use is recycled. The only other material that we purchase of which a significant percentage is recycled is packaging (mainly corrugate and paperboard cartons).

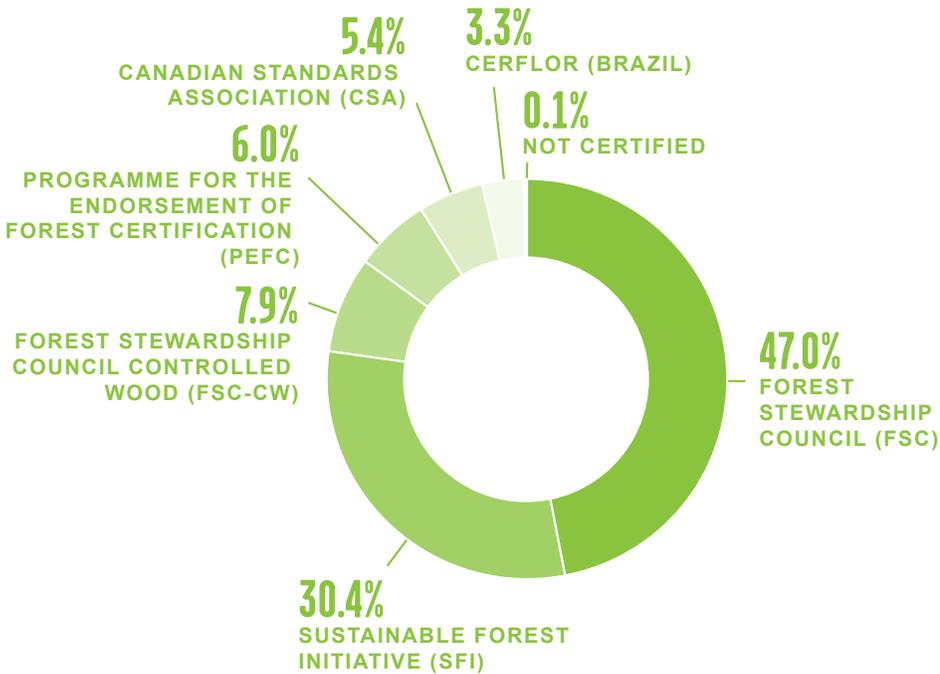
GLOBAL ENVIRONMENTALLY PREFERRED FIBER USAGE IN 2011	
FSC	32.9%
Recycled content	29.5%
Total FSC/recycled content	62.4%
Total FSC/recycled content target	50%

Note:

As part of our 2011 global GFTN agreement with WWF, we will report our total use of environmentally preferred fiber for all fiber-containing products. Virgin pulp will include all K-C manufactured pulp, purchased market pulp and third-party contract manufactured fiber-containing products. K-C began collecting fiber data from third-party contract manufacturers in 2009.

CHLORINE-FREE WOOD PULP PURCHASES	2007	2008	2009	2010	2011
Elemental Chlorine-Free (ECF)	94.0%	93.5%	94.3%	95.1%	95.2%
Total Chlorine-Free (TCF)	6.0%	5.5%	5.7%	4.9%	4.8%

VIRGIN FIBER PURCHASES BY CERTIFICATION SCHEME IN 2011



FIBER PURCHASES BY CERTIFICATION SCHEME	2007	2008	2009	2010	2011
Forest Stewardship Council (FSC)	6.0%	13.0%	27.7%	39.4%	47.0%
Sustainable Forest Initiative (SFI)	40.0%	38.0%	32.7%	30.7%	30.4%
Programme for the Endorsement of Forest Certification (PEFC)	10.0%	12.0%	10.6%	8.4%	6.0%
CERFLOR (Brazil)	32.0%	29.0%	16.6%	7.9%	3.3%
Canadian Standards Association (CSA)	9.0%	8.0%	10.6%	7.2%	5.4%
Forest Stewardship Council Controlled Wood (FSC-CW)	--	--	--	4.8%	7.9%
Not Certified	3.0%	2.0%	1.8%	1.7%	0.1%

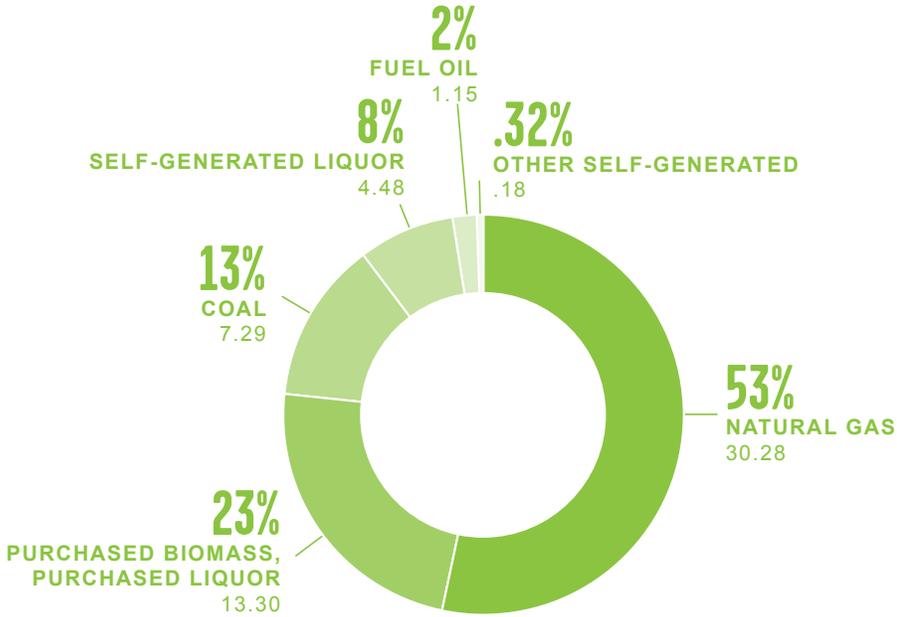
ENVIRONMENTALLY PREFERABLE TISSUE FIBER	2007	2008	2009	2010	2011
North America					
FSC Mix	3.9%	8.3%	22.1%	31.6%	36.7%
FSC Controlled Wood	N/A	N/A	26.9%	42.7%	36.4%
FSC Plantation	N/A	N/A	15.8%	25.9%	30.0%
Recycled Content	19.4%	21.4%	21.5%	25.2%	26.0%
Postconsumer Recycled Content	15.5%	17.1%	17.8%	20.3%	22.5%
Total FSC/Recycled Content	23.3%	29.7%	43.6%	56.8%	62.7%
Total FSC/Recycled Content Target	N/A	N/A	31.5%	33.0%	40.0%
Global					
FSC Mix	5.4%	11.4%	23.6%	33.3%	38.5%
FSC Controlled Wood	N/A	N/A	20.9%	31.4%	26.1%
FSC Plantation	N/A	N/A	19.9%	29.1%	33.1%
Recycled Content	30.0%	31.0%	31.0%	32.0%	34.5%
Postconsumer Recycled Content	N/A	N/A	N/A	12.9%	14.1%
Total FSC/Recycled Content	35.4%	42.4%	54.6%	66.1%	73.0%
Total FSC/Recycled Content Target	N/A	N/A	N/A	N/A	N/A

Notes:

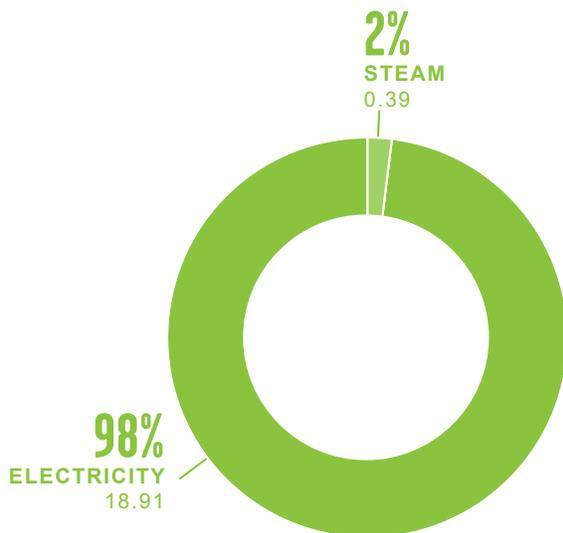
N/A: Data not available

Data represents K-C and equity affiliates

DIRECT ENERGY USE IN 2011 (TRILLION BTU)



INDIRECT ENERGY USE IN 2011 (TRILLION BTU)



ENERGY CONSUMPTION (TRILLION BTU)	2007	2008	2009	2010	2011
Direct Energy					
Natural gas	27.8	28.4	30.2	29.8	30.3
%	48%	51%	52%	51%	53%
Purchased biomass	13.2	11.3	13.8	13.9	13.3
%	23%	20%	24%	24%	23%
Coal	10.8	9.2	7.4	7.8	7.3
%	18%	16%	13%	13%	13%
Self-generated liquor	4.6	4.9	4.8	5.0	4.5
%	8%	9%	8%	9%	8%
Fuel oil	2.0	2.2	1.8	1.6	1.2
%	3%	4%	3%	3%	2%
Other self-generated	0.1	0.1	0.1	0.2	0.2
%	0.17%	0.18%	0.23%	0.28%	0.32%
Subtotal	58.5	56.1	58.2	58.3	56.7
Indirect Energy					
Steam	0.8	0.7	0.6	0.4	0.4
%	4%	4%	3%	2%	2%
Electricity	20.7	20.3	18.5	18.9	18.9
%	96%	97%	97%	98%	98%
Subtotal	21.5	21.0	19.1	19.3	19.3
Total	79.2	76.4	76.7	77.6	76.0

ENERGY EFFICIENCY (MMBTU/MT)	2007	2008	2009	2010	2011
Actual	15.50	14.81	15.64	15.19	15.56
Annual target	14.0	13.78	14.62	14.30	14.29
Percent deviation	11.2%	7.5%	7.0%	6.2%	8.9%

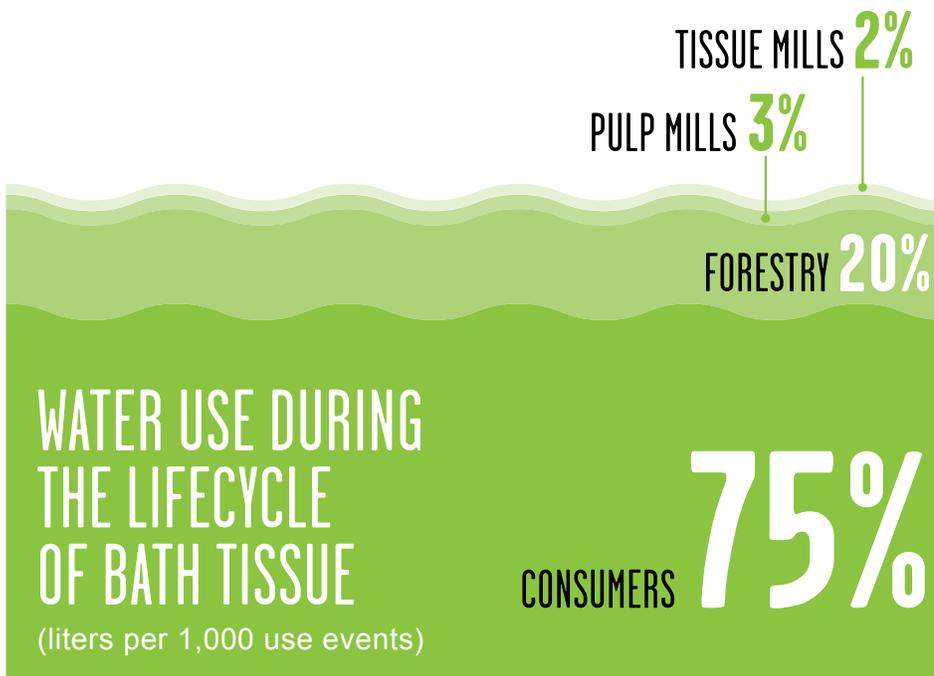
ENERGY USE IN 2011	
Renewable energy used	18.2 trillion Btu
Non-renewable energy used	57.8 trillion Btu

DIRECT & INDIRECT EMISSIONS FROM MANUFACTURING (MMT CO ₂ e)	2007	2008	2009	2010	2011
Indirect	3.39	3.31	3.05	3.03	3.03
Direct	2.80	2.67	2.57	2.56	2.50
Total	6.19	5.98	5.62	5.59	5.53
Percent change from previous year	--	-3.4%	-6.0%	-0.4%	-1.2%

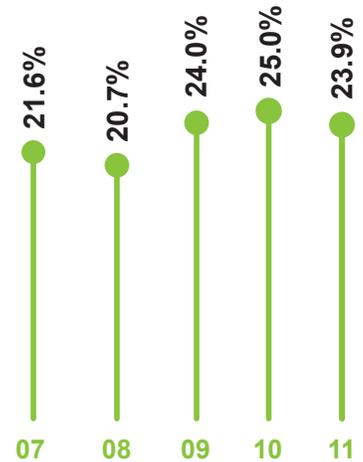
GREENHOUSE GAS EMISSIONS FROM MANUFACTURING (MMT CO ₂ e)	2007	2008	2009	2010	2011
Carbon Dioxide CO ₂	6.13	5.93	5.56	5.54	5.48
Methane CH ₄	0.02	0.01	0.02	0.01	0.01
Nitrous Oxide N ₂ O	0.04	0.04	0.04	0.04	0.04
Total CO ₂ e	6.19	5.98	5.62	5.59	5.53

Note:
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)"

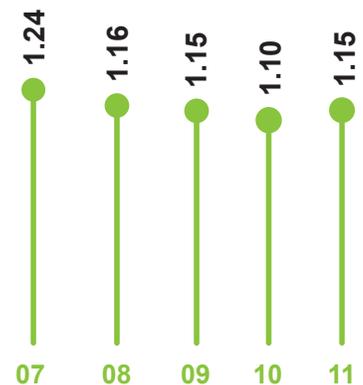
OTHER AIR POLLUTANTS (MT)	2010	2011
NO _x	5,521	4,910
SO ₂	6,264	4,749



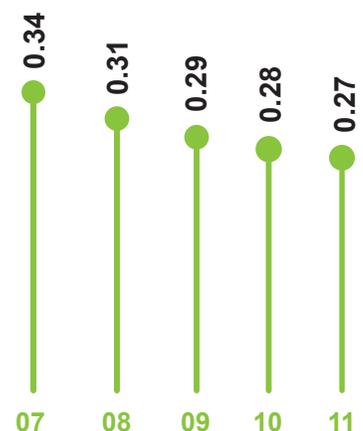
Percent Energy from Renewable Sources



Carbon Dioxide Equivalents per Metric Ton of Production

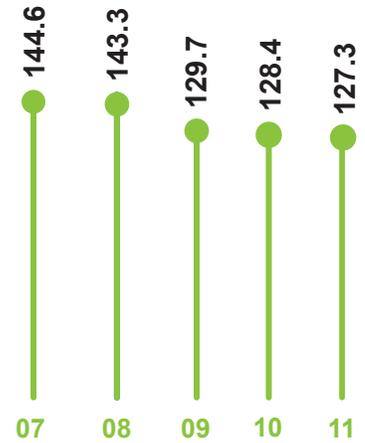


Carbon Dioxide Equivalents per \$1,000 of Sales

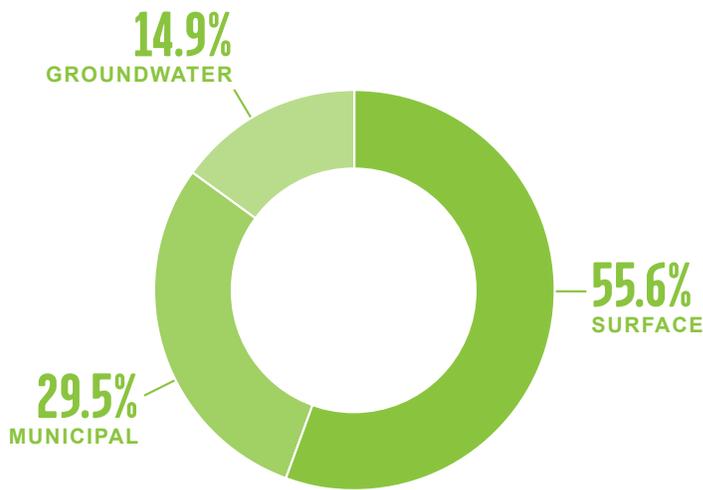


TISSUE MANUFACTURING WATER USE EFFICIENCY (M ³ /MT)	2007	2008	2009	2010	2011
Actual	45.6	45.4	43.4	42.7	44.7
Annual target	31.8	31.6	31.4	31.5	30.7
Percent deviation	44.2%	44.0%	38.1%	35.5%	45.4%

Total Global Water Use
(Million M³)

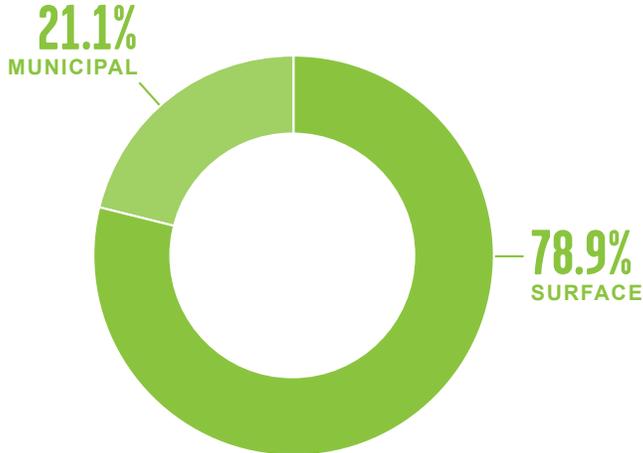


PROCESS FRESHWATER INFLUENT SOURCES IN 2011

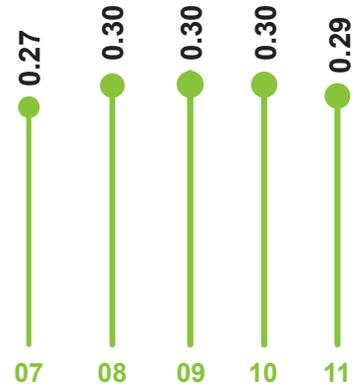


PROCESS FRESHWATER INFLUENT SOURCES	2007	2008	2009	2010	2011
Surface (million m ³)	87.18	82.35	70.63	72.76	70.50
%	60.3%	57.5%	54.4%	56.7%	55.4%
Municipal (million m ³)	39.50	43.06	41.44	37.32	37.70
%	27.3%	30.1%	31.9%	29.1%	29.6%
Groundwater (million m ³)	17.92	17.88	17.68	18.34	19.08
%	12.4%	12.5%	13.6%	14.3%	15.0%

PROCESS EFFLUENT DISCHARGE DESTINATIONS IN 2011

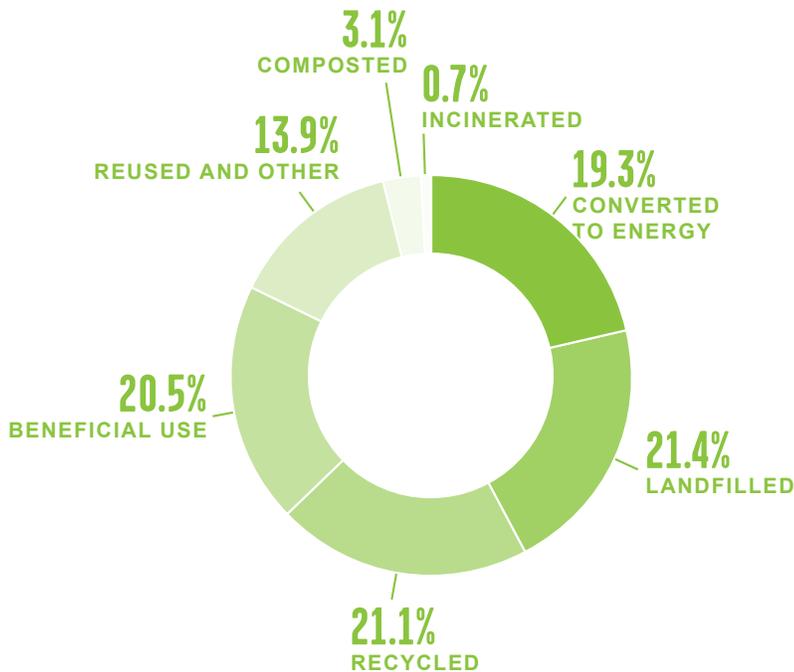


Waste per Metric Ton of Production (MT/MT)

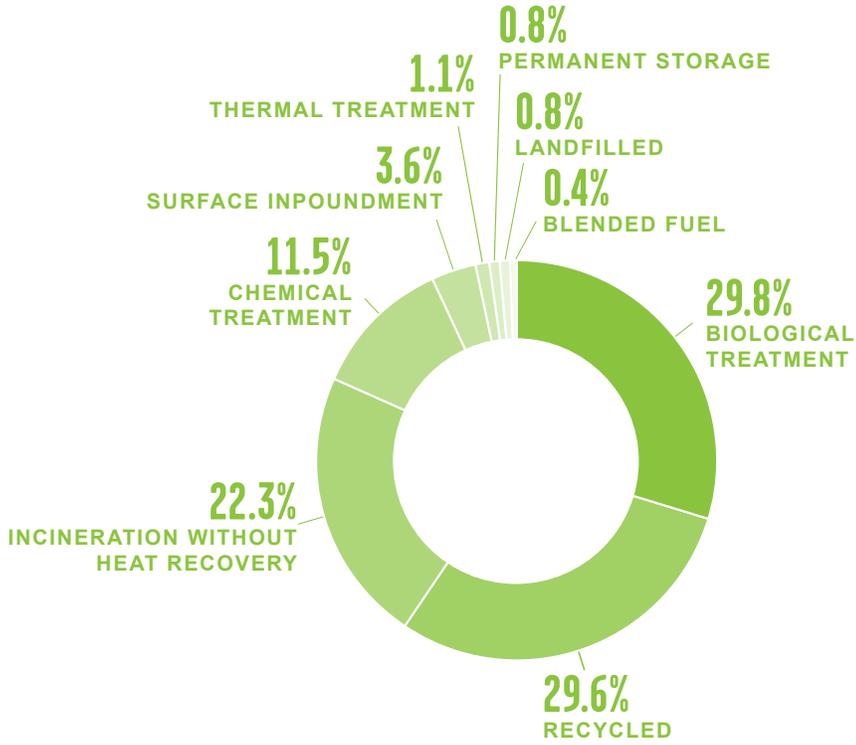


PROCESS EFFLUENT DISCHARGE DESTINATIONS	2007	2008	2009	2010	2011
Surface	76.9%	76.6%	74.3%	79.3%	78.9%
Municipal	23.1%	23.4%	25.7%	20.7%	21.1%

NONHAZARDOUS WASTE IN 2011 (99.97% OF TOTAL)



HAZARDOUS WASTE IN 2011 (0.03% OF TOTAL)



WASTE BY TYPE	2007	2008	2009	2010	2011
Nonhazardous Waste (million mt)	1.35	1.54	1.48	1.44	1.46
% of total waste	99.97%	99.97%	99.97%	99.95%	99.97%
Landfilled	21.6%	22.4%	19.8%	18.2%	21.4%
Recycled	24.9%	20.0%	20.0%	20.9%	21.2%
Beneficial use	24.5%	21.8%	22.5%	22.9%	20.5%
Converted to energy	12.0%	13.6%	19.4%	20.5%	19.2%
Reused and other	5.0%	9.0%	9.6%	11.6%	13.9%
Composted	7.0%	7.6%	5.5%	4.8%	3.1%
Incinerated	4.9%	5.7%	3.2%	1.0%	0.7%
Hazardous Waste (kg)	392,707	399,693	385,762	655,071	500,981
% of total waste	0.03%	0.03%	0.03%	0.05%	0.03%
Biological treatment	0.0%	0.2%	18.3%	52.9%	29.8%
Recycled	42.2%	43.6%	22.0%	17.7%	29.6%
Incineration without heat recovery	41.4%	33.7%	33.4%	14.9%	22.3%
Chemical treatment	7.1%	13.4%	5.7%	10.4%	11.5%
Surface impoundment	0.7%	0.0%	0.0%	0.0%	3.6%
Thermal treatment	1.9%	0.0%	0.5%	1.8%	1.1%
Permanent storage	0.4%	0.0%	0.2%	0.0%	0.8%
Landfilled	3.5%	4.1%	17.7%	2.0%	0.8%
Blended fuel	3.0%	5.0%	2.1%	0.3%	0.4%
Deep well injection	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

N/A: Data not available

Data represents K-C and equity affiliates