



Kimberly-Clark



LEADING THE WORLD IN ESSENTIALS FOR A BETTER LIFE

2013 SUSTAINABILITY REPORT

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2013 HIGHLIGHTS

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OUR APPROACH



THOMAS J. FALK, CHAIRMAN AND CEO

Over time, I have learned that sustainability is about more than just doing the right thing. It creates a competitive advantage for our company — whether it's direct value, like cost savings, or indirect value, like the ability to recruit and retain top talent. It also secures us an advantage with customers and suppliers who want to do business with companies that operate in a transparent, responsible and ethical manner.

Our Kimberly-Clark team is continuously improving how we operate and how we embed sustainability into the fabric of the business. In 2013, we celebrated achievements in each of our sustainability pillars — People, Planet and Products:

- Our team finds value-added opportunities for materials that would otherwise be destined for a landfill in both our manufacturing processes and by helping users of our products to identify non-landfill solutions. As a result, 81.5% of K-C manufacturing waste is diverted from landfill.
- We continue to innovate in product development. In fact, 37% of net sales are now from environmentally innovative products. In 2013, our Huggies brand launched a major improvement to Snug & Dry diapers. Diaper material was reduced by more than 10%, which equals approximately 32 million pounds of material. Additionally packaging materials were reduced by almost 2 million pounds. These improvements were made while maintaining the quality that our consumers expect from the Huggies brand.

GRI G4-1 AND G4-2

- For more than 60 years, the Kimberly-Clark Foundation and many other regional, brand and employee-led initiatives have made positive contributions to communities around the world. Last year, we contributed more than \$35.0 million in cash and product donations, in addition to the countless hours our employees spent volunteering in their communities.
- Within the manufacturing arena, we are continuing to reduce our own environmental footprint. In 2013, we deployed our “LEAN Energy” program at 14 facilities to engage mill employees in a culture of energy conservation and GHG emission reduction. Using this system, we saved about \$3.2 million over the course of the year.
- In 2013, we established our REAL global safety strategy that engages all Kimberly-Clark employees in delivering our vision of a safe workplace — zero fatalities and zero reportable incidents. The strategy engages employees in four key areas: **R**isk mitigation, **E**nvironmental health and safety management systems, **A**ccountability for safety, and **L**eadership in safety.

We also faced some challenges this past year. For example, we fell short of our goal of zero manufacturing waste to landfill as the number of facilities to meet that goal remained flat year over year. Our packaging goal has also remained flat versus 2012 although product sales volumes increased 3%. As a result, we are amending our chosen 2015 packaging metric to accommodate alternative ways to improve in addition to reduction. Finally, within our own organization, we continue to work to better integrate sustainability into the mindset and capabilities of our teams in order to accelerate our progress. Going forward, we are focused on establishing our next set of robust sustainability goals through a process that includes collaboration with our regional leaders and Sustainability Advisory Board.

Customers, consumers, employees, investors, suppliers and communities all expect more from corporations that they care about. My hope is that our sustainability results set an industry standard and live up to our stakeholders' expectations. More importantly, we seek to consistently raise the bar we set for ourselves to create a more sustainable future.



Tom Falk
Chairman & CEO

ABOUT THIS REPORT



LISA MORDEN
 SENIOR DIRECTOR, GLOBAL SUSTAINABILITY
 KIMBERLY-CLARK

At Kimberly-Clark, our vision is to “lead the world in essentials for a better life.” Sustainability is inherent to this vision and challenges us to create a better future by being responsible stewards of the environment and positive contributors to our communities.

In 2013, we continued to make progress towards the goals outlined in our Sustainability 2015 strategy and we have engaged employees, suppliers, business partners, social and environmental non-governmental organizations (NGO) and customers to help us reach our goals.

As I reflect on my first full year as the head of our global sustainability initiatives, I am proud of the progress we have made on many fronts. In 2013, Kimberly-Clark:

- Set a record for our highest absolute reduction of GHG emissions, with a 6.4% reduction from the baseline year of 2010, delivering on our Sustainability 2015 goal two years early. This achievement was driven by continued manufacturing footprint optimizations, alternate and renewable energy supply deployment, and energy conservation.
- Achieved our water use reduction objective ahead of schedule. Reductions were driven by continued manufacturing footprint optimization, implementation of water conservation programs and the completion of six upgrades to water and waste water

systems. In addition, we optimized water use reduction programs and effluent recycling systems installed in 2012.

- Met and exceeded our objective of 60% supplier participation in the Corporate Social Compliance program we launched in 2012. Approximately 64% of K-C’s key suppliers are participating in the program. This program gives us increased confidence that our suppliers are operating in a sustainable and ethical manner.
- Continued our trend of improved safety performance by achieving a 13% reduction in reportable injuries & illnesses, delivering the **lowest incident rate ever in our history** and achieving our 2015 reportable incident rate target of 0.30 ahead of schedule.

In 2013, Kimberly-Clark also embarked on a sustainability materiality assessment to ensure that we were addressing the issues of greatest relevance to our business and our stakeholders. To conduct this process, we engaged a third-party organization, Two Tomorrows, to conduct interviews with priority stakeholders such as suppliers, customers and sustainability experts. The resulting materiality matrix, presented on the following page, represents the summary of our findings. Issues in the top-right quadrant demonstrate areas that were deemed both of high importance to the business and of high relevance to stakeholders. The results of the analysis on the following page informed our reporting efforts and will be further incorporated into our business strategy moving forward.

GRI G4-18

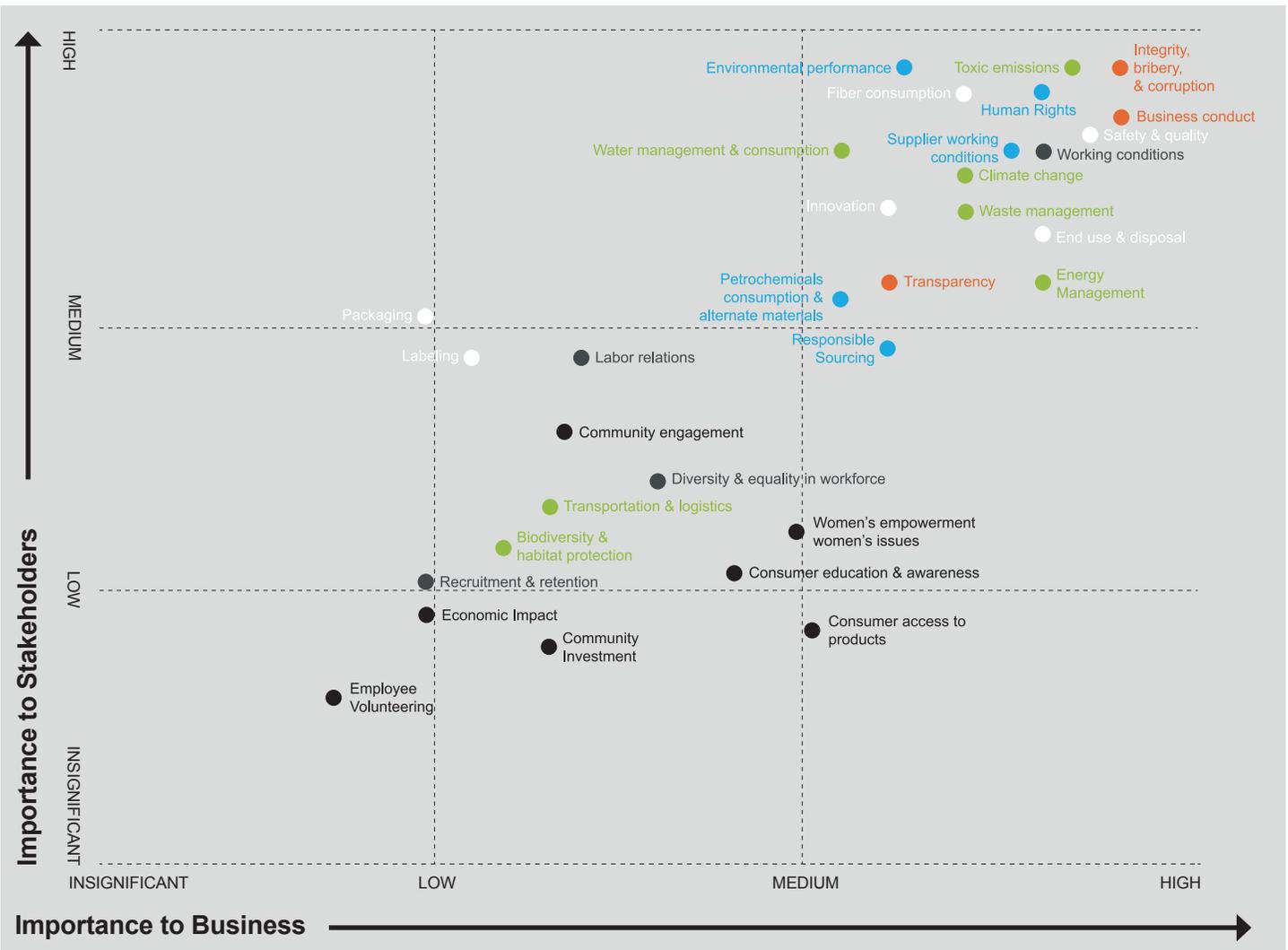
“Kimberly-Clark’s Annual Sustainability Report is a unique opportunity to report on goals and progress, describe challenges and demonstrate accountability on key issues.

It also highlights how K-C identifies the most material issues and how it addresses them, in addition to following the high standards set by the Global Reporting Initiative, ensuring it is comprehensive and in-depth. In doing so K-C reaches out to various stakeholders, including its own Sustainability Advisory Board, for evaluation and input.

Frank assessments of challenges and missed goals will serve to make the Report even more credible.”

— Tim Smith,
Sustainability Advisory Board Member

GRI G4-19, G4-20 AND G4-21



GRI G4-32

As we seek to drive a culture of accountability, we see our efforts to pursue a materiality analysis as an important step in the right direction— increasing our transparency and furthering our progress on issues that are important to our business and stakeholders alike.

We are proud to present our 11th annual Sustainability Report in the pages that follow, which will provide a further update on progress we have made towards the goals within our

People, Planet and Products pillars. This Report was prepared using the Global Reporting Initiative (GRI) G4 Guidelines as a reference, and contains Standard Disclosures from the framework. We want to hear from you, and we invite you to join the conversation. Please tell us what you think at Sustainability@kcc.com.

Lisa Morden
Senior Director, Global Sustainability

INDEPENDENT ASSURANCE STATEMENT

**GRI G4-33**

Scope and Objectives

DNV Certification Inc. (DNV GL) was commissioned by Kimberly-Clark Corporation to conduct independent assurance of its 2013 Sustainability Responsibility Report ('the Report'), as published on the company's website at <http://www.kimberly-clark.com/sustainability.aspx>.

The assurance process was conducted in accordance with the AccountAbility 1000 Assurance Standard [AA1000AS (2008)]. We were engaged to provide a high level of assurance on the company's adherence to the AA1000APS principles of inclusivity, materiality, and responsiveness (the Principles). In addition, we provided a Type 2 assurance to a moderate level which covered the reliability of specified sustainability performance information. This included data relating to: Energy; GreenHouse Gas emissions; Fiber sourcing; and Safety as well as any claims in the Report.

Information presented in the Report, with the exception of financial information presented in the Corporate Overview, was included in the scope of our assurance engagement. We used the Global Reporting Initiative (GRI) Quality of Information Principles (Balance, Clarity, Accuracy, Reliability, Timeliness and Comparability) as criteria for evaluating performance information.

Responsibilities of Kimberly-Clark Corporation and of the Assurance Providers

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

DNV GL was not involved in the preparation of any part of the Report. This is our fifth year of providing assurance for Kimberly-Clark formerly as part of the Two Tomorrows group and now as part of DNV GL. In addition, DNV GL facilitated Kimberly-Clark's materiality assessment process from November 2013 through January 2014. Key activities under this scope of work included:

- Review of sustainability issues impacting the company and that are of interest to stakeholders
- Interviews with external stakeholders
- Facilitation of internal workshop where Kimberly-Clark employees prioritized sustainability issues based on importance to business performance
- Facilitation of workshop with the external Sustainability Advisory Board to validate the placement of issues on the materiality matrix

DNV GL was not responsible for establishing the significance or prioritization of the sustainability issues nor for their placement on the matrix.

We adopt a balanced approach towards all stakeholders when performing our evaluation.

Our team comprised: Dave Knight and Natasha D'Silva. Further information, including individual competencies relating to the team, can be found at: www.dnvglsustainability.com

Basis of our opinion

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

- We conducted interviews with senior executives and managers based in Roswell, GA, Neenah, WI, Irving, TX and Reigate, United Kingdom who are responsible for areas of management and stakeholder relationships covered by the Report. The objective of these discussions was to understand top-level commitment and strategy related to corporate responsibility and Kimberly-Clark's governance arrangements, stakeholder engagement activity, management priorities, and systems;
- We visited two facilities in Conway and Maumelle, Arkansas. During the on-site visits, we met with the plant manager, environmental coordinator, health and safety coordinator, and human resource manager to assess controls and processes

present at the operational level in comparison with claims made at the Group level and to conduct a review of data samples on indicators contributing to the Report.

- We conducted a general review of issues that could be relevant to Kimberly-Clark's operations and policies to provide a check on the appropriateness of statements made in the Report;
- We assessed documentation and evidence that supported and substantiated claims made in the Report;
- We interviewed internal audit responsible for internal data verification, reviewed their work processes and approach, and discussed specific competencies related to data verification;
- We provided feedback on the Report based on our assurance scope.

Findings

On the basis of the work conducted, we can confirm that the Report accurately describes Kimberly-Clark's adherence to the Principles of Inclusivity, Materiality, and Responsiveness. Moreover, nothing came to our attention to suggest that the data and claims made in the Report are not accurate and complete.

Observations

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

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

Kimberly-Clark has implemented numerous initiatives on an ongoing basis to engage stakeholders from across the company's value chain. The company's approach to its sustainability strategy and report is informed by inputs at different levels of the company from varied sources such as its Sustainability Advisory Board, customers, and suppliers as well as through its partnerships with non-governmental organizations. We commend Kimberly-Clark for its empowerment of employees at its mills to address sustainability objectives at both the individual and team levels through incentivizing behavior change that contributes to the company's continued progress towards its Sustainability 2015 goals.

To further incorporate sustainability into key decision-making opportunities at the operational level, we recommend that Kimberly-Clark consider developing guidance on the integration of on-site third-party vendors into goal-setting, inspection, and communication processes at the mills. Systematic engagement of vendors, for example through an expansion of Contractor Safety Guidelines to encompass broader sustainability issues and engagement around this, will support their increased awareness of corporate as well as site-specific sustainability goals as well support alignment of third-party vendor policies with Kimberly-Clark's business objectives.

While Kimberly-Clark has a strong stakeholder engagement program, we recommend that the company continue to build on its consumer outreach efforts in its key markets. This will support the company in developing an effective response to key issues of concern for end-users at a regional level as well as to better reflect the consumer viewpoint in its reporting on material issues such as post-consumer waste, access to products, and women's empowerment.

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

The Report addresses the most material environmental and social issues facing the company and its stakeholders.

Kimberly-Clark has conducted a formal sustainability materiality assessment for the first time which has helped to confirm the topics covered in the Report. This was a recommendation made in our assurance statement for the 2012 Report, which the company has addressed. The company has demonstrated good practice by seeking external feedback on its materiality matrix from industry leaders and sustainability experts in order to validate the placement of issues and ensure that no material issues were omitted. While Kimberly-Clark's materiality matrix was developed at the corporate level, the process incorporated the regional sustainability context of Europe and South America by involving internal and external stakeholders based in those geographies. As Kimberly-Clark operates in markets globally, we recommend that the company continue to replicate these efforts in other regions to capture divergences across its business and reflect them appropriately in its business strategy and public disclosures.

As Sustainability 2015 will draw to a close next year, the Report can benefit from a discussion on how the company envisions

using the findings from its materiality and ongoing stakeholder engagement processes to drive its sustainability strategy and reporting through 2022. In the 2014 Report, we suggest beginning a dialogue on where the greatest leadership and collaborative opportunities may exist for the company as well as on how materiality has helped the company establish goals and define metrics that will measure the characteristic of the key issues with which stakeholders are most concerned.

Responsiveness: the extent to which Kimberly-Clark responds to stakeholder issues

Stakeholder ideas and concerns influence decision-making throughout the organization. Through its next generation sustainability strategy, Kimberly-Clark has an opportunity to take on a more mature systems-thinking approach (enterprise-wide and reflecting the global sustainability context) to address deeply rooted issues such as the use of petrochemicals in products. We believe that Kimberly-Clark can further demonstrate its leadership in sustainability by communicating more fully the depth of its operational and product innovations as well as on the extent of its collaborative efforts across its value chains in different regions.

The company has begun to develop internal mechanisms which can demonstrate a strong return on investment based on an enterprise-wide approach as opposed to an initiative-by-initiative basis. By taking this approach to financial valuation, the company will be able to better reflect its strategic intent through its capital investments and demonstrate the wider range of business value that Kimberly-Clark's sustainability approach can bring. It will also serve for greater buy-in at mills where unique historic or regulatory challenges may otherwise prevent implementation of a more environmentally efficient process or asset. We recommend increased emphasis in future reports on these efforts.

Performance Information

Sustainability 2015 goals and performance are generally presented in a clear manner. The inclusion of longer-term goals in the Report, which are linked to the scale and speed of change recommended by peer reviewed science, will support the company as it looks forward to executing its next generation sustainability strategy. It will also help stakeholders better understand Kimberly-Clark's medium- and long-term aspirational goals in the context of key sustainability challenges and opportunities. In addition, the company can consider publishing further detail on longer-term trends which require cross-sector collaboration and where in Kimberly-Clark's value chain these trends have the greatest impact.

The specified data presented in the Report are considered to be reliable and accurate as minimal technical errors have been identified based on the sampling conducted by internal audit at the corporate level and by DNV GL at the site level. There are opportunities for some minor process improvements such as establishing corporate guidelines on data retention at the site level that will help on-site data coordinators balance between a lean management culture and requirements for replicability and traceability. We recommend that Kimberly-Clark consider extending the function of internal audit to periodic on-site audits of sustainability-related data to reduce any risks to data accuracy and reliability.

DNV Certification Inc.

Oakland, California
June, 2014



Dave Knight
Project Director



Natasha D'Silva
Consultant

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



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SUSTAINABILITY 2015 PROGRESS

Sustainability 2015 is an important part of our business. Built around the pillars of People, Planet and Products, it integrates social, environmental and economic elements into our company's agenda.

Our Sustainability 2015 goals are clear and measurable. Our progress towards them is summarized below. Please note that differences in historical data are because of footprint changes. We account for our data in accordance with the GHG protocol and their rules for dealing with mill closures/footprint changes.

We are on track to achieve most of the Sustainability 2015 goals. We also recognize that sustainability is a journey. As our business grows, we will continue to raise our expectations and look for opportunities to improve.

The stakeholder engagement interviews we undertook in December 2012, the materiality assessment process we conducted in 2013, as well as ongoing consultation with our Sustainability Advisory Board and various industry and NGO partners provide us with great perspective and help us identify issues to explore and gaps to close.

Notes:

Baseline year is 2010.

¹ In 2012 and in 2013, a motor vehicle fatality occurred in the trucking operations of Kimberly-Clark de Mexico, an unconsolidated affiliate. K-C excludes hours worked, as well as incidents that occur within non-consolidated equity companies, where K-C does not have a controlling interest (>50% ownership).

² In each year of the program, we have expanded the number of suppliers who are asked to sign the Declaration of Intent to Comply with the Supplier Guidelines. In 2011, 40 suppliers were sent declarations, as a pilot. In 2012, 250 finished-product manufacturers were sent declarations. In 2013, our scope expanded to include branded packaging suppliers which increased the number of declarations sent to 392 suppliers.

³ Water use reductions in 2013 were driven by a more efficient manufacturing footprint achieved through water conservation programs and optimization of effluent recycling system that were installed in 2012. We also completed the shutdown of our Everett and Delyn facilities and one tissue asset that contributed to the company's total water use. These shutdowns accounted for approximately 47% of our water use reduction.

⁴ Our GHG emissions reductions in 2013 were driven mainly by 1) continued manufacturing footprint optimization at Everett, Millicent, Barton, Delyn and Chester; 2) alternate and renewable energy supply deployment; 3) energy conservation. See Planet section [Climate Change & Energy Use](#).

⁵ Numbers are cumulative and reports progress against baseline year of 2010.

GRI G4-22

	2011	2012	2013
PEOPLE			
Zero workplace fatalities ¹	0	0	0
Socially focused programs in all K-C communities	62%	89%	89%
100% participation by key suppliers with social compliance standards ²	99%	67%	64%
PLANET			
25% reduction in water use and maintain quality of discharge ³	0.88%	18%	26.4%
100% fiber from certified suppliers	99.9%	100%	100%
5% absolute reduction in GHG ⁴	1.2%	3.6%	6.4%
Zero manufacturing waste to landfill (% of waste currently diverted from landfill)	78.3%	78.7%	81.5%
PRODUCTS			
250 million new consumer touches(M)	N/A	110	134
25% of 2015 net sales from environmentally innovative products	13%	22%	37%
20% reduction in packaging environmental impact ⁵	4%	4%	4%

SUSTAINABILITY ADVISORY BOARD



TIM SMITH
SENIOR VICE PRESIDENT, ENVIRONMENT,
SOCIAL AND GOVERNANCE GROUP,
WALDEN ASSET MANAGEMENT

GRI G4-34, G4-44, G4-45 AND G4-47

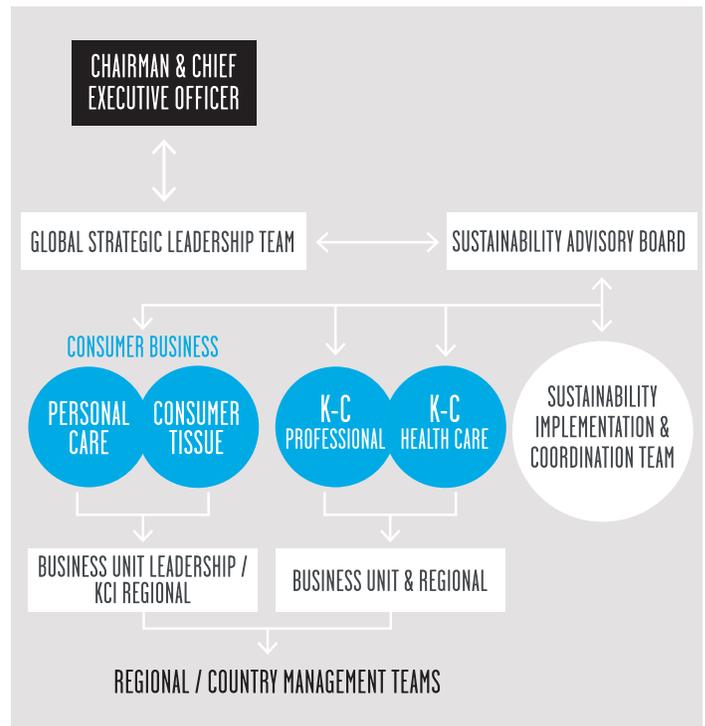
Kimberly-Clark’s Sustainability Advisory Board (SAB) was formed in 2007 to provide insight on sustainability issues to our Global Strategic Leadership Team and Global Sustainability staff.

The SAB has assessed our sustainability efforts, and their comments can be found throughout this report.

The SAB is composed of seven external thought leaders who possess a diversity of expertise and cultural experience, and offers an independent view of our sustainability programs, as well as potential risks and opportunities for our business. Members include:

- **Suhas Apte** (USA), former vice president, Global Sustainability at Kimberly-Clark
- **Claude Fussler** (France), former vice president at Dow Chemical and former director of stakeholder relations at the World Business Council for Sustainable Development

- **Jeffrey Hollender** (USA), cofounder of Seventh Generation; board member of Greenpeace U.S., the Environmental Health Fund, and Verité, a leading workers’ rights organization
- **Mindy Lubber** (USA), president of Ceres, a network of investors, companies and public interest groups whose aim is to accelerate and expand the adoption of sustainable business practices and solutions to build a healthy global economy
- **Malini Mehra** (India), founder and former 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
- **Tim Smith** (USA), senior vice president, Environment, Social and Governance Group at Walden Asset Management
- **Andrew Winston** (USA), co-author of the best seller Green to Gold, author of Green Recovery and most recently The Big Pivot; founder and CEO of Winston Eco-Strategies, an organization that helps leading companies use environmental strategy to grow and prosper



In addition, the SAB annually assesses our sustainability report. Their comments can be found throughout the [People](#), [Planet](#) and [Products](#) sections of this report.

SAB members may serve for three consecutive two-year terms. Each member receives an annual stipend and is reimbursed for travel expenses to attend meetings. As of June 30, 2013, Malini Mehra and Andrew Winston completed their first terms and half of second term, while Claude Fussler and Tim Smith completed their second and half of third term. Suhas Apte, Mindy Lubber and Jeffrey Hollender joined the Advisory Board and began their first terms on July 1, 2012. Ricardo Young Silva resigned from the SAB in March 2013, when he was elected to public office in São Paulo.

STAKEHOLDER ENGAGEMENT



SKIP KRASNY
MANAGER, SUSTAINABLE FORESTRY PROGRAMS

Stakeholders' Views on Our Reporting

Beginning in December 2012, we engaged a third party to reach out to a number of our stakeholders whose opinions we value, to seek input on how well our sustainability report provided transparent, comprehensive and accessible coverage of key issues. In addition, stakeholders were asked for their views on the sustainability issues they expected would have a significant impact on Kimberly-Clark in the future.

Stakeholders from eight groups (business partners, suppliers, customers, employees, investors, socially responsible investors, NGOs and academics) were engaged through telephone interviews and, when requested, written questionnaires. To the extent possible, we have incorporated their recommendations from that engagement in this report.

GRI G4-24 , G4-25, G4-26, AND G4-27

Our ongoing engagement, summarized in the following table (in no particular order), takes many forms—from one-way information channels to consumer and customer research, dialogues with environmental organizations, and partnerships with humanitarian organizations.

STAKEHOLDER GROUP	AREAS OF INTEREST	EXAMPLES OF ENGAGEMENT
Consumers	<ul style="list-style-type: none"> Improved health and hygiene Affordability Good customer service 	<ul style="list-style-type: none"> Cause marketing campaigns Consumer education campaigns Consumer satisfaction surveys One-on-one interviews
Wholesale Customers	<ul style="list-style-type: none"> Sustainability attributes of products Environmental impacts of manufacturing, e.g. water use Post-consumer waste Product quality and safety Consumer education Pricing 	<ul style="list-style-type: none"> Customer meetings One-on-one interviews
Employees	<ul style="list-style-type: none"> Sustainability performance Raw material sourcing Business performance Training and development opportunities Safety Fairness and equality Employee engagement Charitable giving 	<ul style="list-style-type: none"> Team meetings @K-C intranet site @myHR intranet site Employee surveys One-on-one interviews Employee networks Town hall meetings with executives Performance management process
Suppliers	<ul style="list-style-type: none"> Contractual terms Sustainability requirements Fiber procurement policy Labor standards and accountability Quality and consistency 	<ul style="list-style-type: none"> Sustainability guide for suppliers Risk assessments and audits Supplier sustainability summits One-on-one interviews
Traditional Investors	<ul style="list-style-type: none"> Cost reductions Organic revenue growth Operating margins Earnings Dividends Corporate governance 	<ul style="list-style-type: none"> Annual meeting Earnings calls Meetings between executives and investors Analyst conferences One-on-one interviews Shareholder resolutions

STAKEHOLDER GROUP	AREAS OF INTEREST	EXAMPLES OF ENGAGEMENT
Socially Responsible Investors (SRI)	<ul style="list-style-type: none"> • Cost reductions • Organic revenue growth • Earnings • Corporate governance • Political contributions and lobbying • Sustainability performance • Recycled fiber • Climate change • Innovation and R&D • Supply chain management • Product quality and safety 	<ul style="list-style-type: none"> • Annual meeting • Earnings calls • Sustainability reporting • Meetings between executives and investors • Analyst conferences • One-on-one interviews • Shareholder resolutions
Communities	<ul style="list-style-type: none"> • Job opportunities • Local impacts such as water use, noise, air pollution • Support of local charities • Taxes 	<ul style="list-style-type: none"> • Community meetings • Volunteering programs • Media Relations
Government	<ul style="list-style-type: none"> • Legal compliance • Lobbying • Corporate citizenship 	<ul style="list-style-type: none"> • Meetings with Government Affairs team • Meetings with Regulatory Affairs team • Meetings between mill staff and local government officials • One-on-one interviews
NGOs	<ul style="list-style-type: none"> • Sourcing raw materials • Wood fiber • Environmental impacts of manufacturing, e.g. water use • Toxics in the environment • Climate change • Product life cycles • Supply chain management • Animal testing • Labor standards • Bottom-of-the-pyramid 	<ul style="list-style-type: none"> • Direct engagement with NGOs • Participation in World Business Council for Sustainable Development initiatives • One-on-one interviews

Academics	<ul style="list-style-type: none"> • Resource use • Climate change • Water availability • Life cycle of products • Social welfare 	<ul style="list-style-type: none"> • One-on-one interviews
Business Partners	<ul style="list-style-type: none"> • Renewable materials • Waste reduction • Resource use (water, energy, etc.) • Recycling • Supply chain management • Employee safety 	<ul style="list-style-type: none"> • One-on-one interviews

In addition, we communicate our progress to the shareholder and investment communities through our [2012 10-K](#), on the [Investors](#) section of our corporate website, in our public SEC filings, as well as through investor and shareholder meetings, analyst-sponsored conferences and distribution of our sustainability report.

GRI PR5

Listening to the Consumers Who Use Our Products

We welcome input from the consumers who use our products and provide them with a variety of ways to reach us, including web chats, email, social media, toll-free phone numbers and mail.

- Consumers who reached out to Kimberly-Clark in 2013 in North America and Europe:

519,543

- Consumer satisfaction surveys in North America:

463,479

- Favorable experiences with Consumer Services Teams when they responded to questions and comments about products, ingredients, advertising and promotions:

96.5%

- Consumers intending to purchase Kimberly-Clark products in the future:

93.9%

EXTERNAL PRINCIPLES & MEMBERSHIPS



We subscribe to several global declarations of principles and are members of a number of industry organizations that provide platforms for Kimberly-Clark to learn and share information about sustainability and related issues.

External Principles

The United Nations' Millennium Development Goals (MDGs)

are 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 plan in support of our Sustainability 2015 goals.

GRI G4 -15

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

GRI G4 -16

Memberships

Kimberly-Clark first 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.

Kimberly-Clark is a founding member of The Sustainability Consortium, including leadership in the Paper Sector, in the Measurement Science Working Group and on the Co-Chairs council Kimberly-Clark has been active in the Paper, Pulp, and Forestry Sector group (as one of the only organizations to have completed a life cycle analysis in the category) and provides research and insight to help drive the development of the bath tissue category sustainability profile.

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

AdvaMed Technology and Regulation (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, to ensure greater patient safety, we have been working with AdvaMed, AAMI and ISO to address connector design regulations in California for enteral feeding devices as well as epidural products. Kimberly-Clark, because of its leadership role in the connector design effort, provides an annual update to Advamed for communication to the California state legislature.

The Association for the Advancement of Medical Instrumentation (AAMI) is a nonprofit organization of nearly 7,000 healthcare technology professionals supporting the healthcare community in the development, management and use of safe and effective medical technology. AAMI is a major resource for national and international standards. The AAMI standards program consists of more than 100 technical committees and working groups that produce standards, recommended practices and write technical

information reports for medical devices. Kimberly-Clark Health Care participates in a number of committee activities impacting the full range of the product line, and is a charter member of AAMI's Sustainability Committee, which is developing environmental standards for manufacturers and hospitals.

ASTM International, formerly known as the American Society for Testing and Materials (ASTM), is a globally recognized leader in the development and delivery of international voluntary consensus standards. Its ASTM E60 Sustainability Committee, of which Kimberly-Clark is a member, focuses on the acquisition, promotion and dissemination of knowledge; the stimulation of research; and the development of standards relating to sustainability and sustainable development.

EDANA is the international association serving nonwovens and related industries. Based in Europe, EDANA provides leadership to foster innovation as well as sustainable and profitable growth of the industry participants through the active promotion of sustainable development, transparency and consumer interests. In 2013, Kimberly-Clark Europe contributed feedback to the European Commission on the draft criteria for the EU Ecolabel for absorbent hygiene products, to ensure that the final criteria are fair to both industry and the consumer.



In 2013, Kimberly-Clark continued its involvement in the U.S. Environmental Protection Agency's SmartWay Transportation Partnership winning the program's Environmental Excellence Award in November. This award recognized Kimberly-Clark for outstanding achievement in reducing carbon pollution and other harmful emissions as we moved goods across the United States more efficiently. We were also recognized for continuous improvement in working with transportation providers to find ways to reduce their carbon footprints in line with our long-term sustainability goals.

Kimberly-Clark has adopted several programs that are increasing intermodal usage and reducing length of haul, total miles and empty miles, as well as wait time and idling at shipping and receiving docks. Since 2006, we have more than doubled

intermodal utilization, from approximately 42,000 loads in 2006 to more than 92,500 loads in 2013, resulting in:

- Savings of 62 million gallons of diesel fuel
- Reduction of CO₂ emissions by more than 630,000 tons
- Cumulative savings of \$353 million compared to usage of over-the-road trucks



The mark of
responsible forestry

The Forest Stewardship Council (FSC) is an independent, nonprofit organization that protects forests for future generations. Kimberly-Clark is a member of FSC-International and renewed its Cooperation Agreement in 2013 as FSC's selected global partner to represent the tissue industry. For the duration of this two-year agreement, Kimberly-Clark is working with FSC on activities that will be mutually beneficial to each organization and will seek to drive increased awareness of the FSC brand, increase the growth of FSC-certified forest area globally, and consider the opportunities for certification of non-wood alternative fibers. Kimberly-Clark funded FSC-Canada to conduct field-tests of the FSC Guidelines on Free Prior & Informed Consent that would support compliance with social requirements as part of the FSC certification process. In addition, Kimberly-Clark sits on the FSC National Board of Directors in Australia and the United States.

Kimberly-Clark is a member of the United States Council for International Business (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, UN and EU officials, and a host of governments and other groups.



The U.S. Green Building Council (USGBC) is a nonprofit organization committed to a prosperous and sustainable future through cost-efficient and energy-saving green buildings. USGBC works toward its mission of market transformation through its LEED green building program, robust educational offerings, a nationwide network of chapters and affiliates, the annual Greenbuild International Conference & Expo, and advocacy in support of public policy that encourages and enables green buildings and communities. Kimberly-Clark is a platinum member of the USGBC. Kimberly-Clark provides a wide variety of products that help buildings and facilities meet the requirements of LEED certification. An organization's participation in the voluntary and technically rigorous LEED process demonstrates leadership, innovation and environmental stewardship.

The World Business Council for Sustainable Development (WBCSD) is a CEO-led organization of forward-thinking companies aiming to create a sustainable future for businesses, society and the environment. Together with its members, the Council applies its respected thought-leadership and effective advocacy to generate constructive solutions and take shared action. In 2013, Kimberly-Clark was an active participant in its Forest Solutions Group (FSG) as well as sustainable consumption and value chain efforts. The FSG provides business leadership in expanding sustainable forest solutions to meet the needs of people now and in the future. It aims to be recognized as the leading platform for the global forest-based industry and its value chain partners - driving scalable business solutions to advance sustainable development. One significant outcome for the FSG was the publication of a leadership statement on the value and future of forest certification and the development of an action strategy to increase the volume of independently verified fiber.

The Personal Care Products Council (PCPC) is a national trade association representing the global cosmetic and personal care products industry. Founded in 1894, the Council has more than 600 member companies who manufacture, distribute, and supply personal care products in the U.S. Kimberly-Clark participates in many of its standing committees and technical subcommittees including the International Committee, Safety and Regulatory Committee, Quality Assurance Committee, and Microbiology Committee. In addition, Kimberly-Clark participates in member-only meetings on subjects of common interest.

Kimberly-Clark is also a member of a number of diversity organizations. To learn more about these memberships and affiliations visit [People - Diversity & Inclusion](#).

GOVERNANCE, ETHICS & HUMAN RIGHTS



THOMAS J. FALK, CHAIRMAN AND CEO

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

- A Board of Directors that is more than 91% 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 more detail on the [Governance](#) and [Policies](#) pages of our corporate website. In this sustainability report, you may also visit our [Labor Relations](#) and [Diversity & Inclusion](#) pages.

GRI G4-38

BOARD DIVERSITY OVERVIEW	2010	2011	2012	2013
Independent members	92.3%	92.3%	91.7%	91.7%
Women	23.1%	23.1%	25.0%	25.0%
Minority group membership	23.1%	30.8%	33.3%	33.3%
Total Board members	13	13	12	12

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

The Board has established and approved the framework for our policies and procedures. Among these are our policies relating to environmental stewardship, fiber sourcing, product safety, charitable contributions and employment. 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.

GRI G4-44, G4-45 AND G4-47

Management receives input from an independent [Sustainability Advisory Board](#) established to ensure that outside perspectives on these topics were being solicited and evaluated. In addition, the Board receives benchmarking reports on how the Corporation's programs compare with those of other companies. Finally, each year the Board conducts a self-evaluation, 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 has a robust compliance and ethics program. Key components of that program are our anti-corruption policies and procedures, which are designed to ensure compliance with global anti-corruption standards, including the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act. More information on our policies is available [here](#).

GRI G4-56

We regularly assess the quality and effectiveness of our compliance and ethics program. In 2013, we surveyed 277 employees about their awareness and knowledge of our [Code of Conduct](#). The survey showed an improved level of participation and awareness of the Code and the procedures for reporting Code misconduct. Key aspects of our anti-corruption program include:

- Prohibition of both government and commercial bribery and corruption
- Prohibition of facilitating payments even where permitted under local laws
- Global standards applied throughout our enterprise
- Regular training of employees on Code of Conduct, anti-corruption and related ethics topics
- Requirement for contracts with third-party agents to contain anti-corruption/bribery covenants
- Availability of multiple channels for guidance on or reporting of potential violations of Code of Conduct, anti-corruption or other corporate policies. Reports may be made anonymously.
- A strict anti-retaliation policy in support of anyone who reports a suspected violation of the Code of Conduct
- An experienced investigative team that follows up on all reports of alleged fraud or other violations of the Code of Conduct
- An experienced internal audit team that actively audits for and evaluates potential unreported fraud or other violations of the Code of Conduct
- An annual survey of enterprise workforce to confirm understanding of the Code of Conduct and that all potential violations have been reported properly and in a timely manner

We regularly assess the quality and effectiveness of our compliance and ethics program and continue to believe that our anti-corruption program is effective.

GRI SO6

Political Spending and Lobbying

In 2013, Kimberly-Clark reported \$570,000 in expenditures on U.S. federal lobbying activities, which included the salaries and other expenses of Kimberly-Clark 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.

In the U.S., Kimberly-Clark does not currently operate a political action committee (PAC). Similarly, in the U.S., the company makes no contributions from other sources or funds to political candidates, PACs that contribute to candidates, or other organizations formed solely for the election or defeat of a public official.

Protecting Human Rights

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

We respect international social compliance and environmental principles aimed at promoting and protecting human rights and the environment. We also promote human rights in our [supply chain](#). We do this through our [Supplier Social Compliance Standards](#), which identify, prevent, mitigate and account for human rights violations, with a focus on countries at high risk for human rights abuses. Companies within our contracted supply chain, including our packaging supply chain, are requested to sign annual declarations of compliance.

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

For more information on 2013 audit results, see the [Supply Chain](#) section of this report.

AWARDS



K-C WAS RANKED NO. 6 AMONG “THE WORLD'S BEST MULTINATIONAL WORKPLACES”

Workplace Awards

In 2013, Kimberly-Clark Corporation was ranked No. 6 among “The World’s Best Multinational Workplaces” in one of the largest and most respected annual studies of workplace excellence and corporate management practices. We’ve received top honors in the survey for three straight years, and again rank highest among all global consumer products companies included in the survey.

This latest recognition follows several international awards Kimberly-Clark has received from the Great Place to Work Institute this year, including placing among the top five in the following countries:

- No. 1 in Bolivia, Honduras and Nicaragua
- No. 2 in Brazil and El Salvador
- No. 3 in Guatemala
- No. 4 in Panama, Puerto Rico and Dominican Republic
- Yuhan-Kimberly has been named the No.2 Great Workplace in the Korean manufacturing sector for 2013

Sustainability Awards

We’re proud that in 2013 we were acknowledged for being a leader in sustainability by a number of organizations:

- FSC® Excellence Award for Supplier of the Year
 - For our strong leadership in the procurement and supply of FSC® Certified products and using the power of our well-known brands in partnership with FSC and WWF on the Love Your Forests Program, Kimberly-Clark Australia was awarded FSC Supplier of the Year at the annual 2013 Forest Stewardship Council (FSC) Australia Excellence Awards held in Melbourne.
- Banksia Foundation Award — Leading in Sustainability for Large Organisations
 - For being an industry leader with the Our Essential World sustainability strategy that holistically covers the key elements of sustainability - people, planet and profit (products).
- The Australian Business Award for Environmental Sustainability
 - For our commitment to driving environmental and social sustainability practices and initiatives throughout the entire business value chain
- Champion for Change Award from Practice Greenhealth, for leaders in health care sustainability. Recognizes our commitment to improving our environmental performance and realizing a top standard of excellence in sustainability.
- FTSE4Good Index Series, for eleventh consecutive year
- Ethisphere’s World’s Most Ethical Companies Ranking in 2014, for third consecutive year
- CDP Sector Leader for Improving Deforestation Risk in Supply Chain, in the Forests Annual Report (formerly Forest Footprint Disclosure Project), earning the top ranking for three of the past four years
- 2013 U.S. EPA SmartWay Environmental Excellence Award
- Dow Jones Sustainability North America Index member and listed on UN Global Compact 100, two indexes that track the financial performance of firms committed to practice sustainability and good citizenship in their operations
- National Premier Healthcare Alliance Award For Operational Excellence, winner of the eighth annual performance award

- Environmental Sustainability prize at the Australian Business Awards 2013. Recognized for driving environmental and social sustainability practices across the value chain
- CSC Award 2013 for 2012 Sustainability Report
 - CSC Awards most outstanding programs of the decade, which included Kimberly-Clark Argentina's Sumando Valores. The program is aimed at promoting actions with a positive impact on society.

Employee Health and Well-Being Awards

Kimberly-Clark received several awards for the company's employee health and well-being efforts worldwide:

- Investors in People Health and Wellbeing Award (UK)
- League of American Bicyclists Gold Award for Bike-Friendly Business (US)
- American Heart Association Gold Award for Fit-Friendly Business (US)

Diversity & Inclusion Awards

- Corporate Equality Index 2013, score of 90%
- Catalyst, a leading nonprofit organization with a mission to expand opportunities for women in business, recognized Kimberly-Clark as a leading company in supporting women.
- Diverse & Resilient, Inc. in Milwaukee, Wisconsin awarded PRIDE@K-C, People Respecting Individual Differences Everywhere at Kimberly-Clark, the 2012 LGBT Community Partner Award

Additional Awards

- Kimberly-Clark Professional Headquarters Building Received Prestigious BOMA 360 Performance Program Designation
- Received international recognition at the Procurement Leaders Awards. Cynthia Dautrich, Global Procurement Officer, won the top award in the Procurement Leader category in recognition of her achievements in the procurement industry. In addition, Kimberly-Clark's global procurement organization became a finalist in the Transformation category and one of the Top 10 companies to show a significant transformation in the procurement function.



Employees are our most valued resource and are at the center of everything we do. Their talent, diversity and commitment are crucial to our innovation and success. Our work environment fosters personal, professional and corporate growth and nurtures innovation through product development and customer solutions. Our global team works together in a spirit of cooperation and trust to lead the world in essentials for a better life.



57,000 EMPLOYEES
WORLDWIDE

EMPLOYEES



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

Authentic, accountable, innovative, caring: Our values underpin every aspect of our work.

We believe in a performance-driven culture. Our People Philosophy expresses what we expect from and how we support our employees. Our aspiration is to “Unleash the Power of our People” by harnessing the value our diversity can create; encouraging employees to dream and grow our businesses; creating a winning culture and celebrating our successes; living well-balanced lives; and giving back to our communities.

TRAINING, BENEFITS & COMPENSATION



We coach new team members on our People Philosophy, culture, values, and commitment to diversity and inclusion, and we support their growth through the “3Es”: education, experiences and exposure to development opportunities.

Kimberly-Clark offers over 100 development opportunities through K-C University to enhance employees’ skills and knowledge through classroom courses, virtual classroom courses, and “Grow on the Go,” which features our mobile apps and online computer-based training offered by leading institutions like Harvard ManageMentor and Rosetta Stone. In addition, seminars and workshops are organized at the business function and regional levels.

We offer opportunities for special assignments, job rotations, and extracurricular projects that provide a broader range of experience to help move their careers forward. Learning by exposure can range from informal experiences — such as personal introductions and conversations — to formal experiences such as joining a networking group, volunteering for a community organization or participating in a mentoring program.

Compensation

At Kimberly-Clark, we believe that strong company-wide and business unit results in combination with individual performance should translate to rewards for all our employees. 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 those factors.

“Kimberly-Clark recognizes that corporate sustainability is about more than just doing the right thing, but exists as a critical value driver that offers a competitive advantage for the company. We encourage Kimberly-Clark to send this message to all of its employees by establishing a link between compensation and sustainability performance targets. Taking this important next step will help drive innovation, engage employees, and ultimately, communicate that at Kimberly-Clark sustainability is inextricably linked to financial performance.”

— Mindy Lubber,
Sustainability Advisory Board Member

EMPLOYEE HEALTH



At Kimberly-Clark our Health Services team is focused on building and sustaining a culture of health, energy and vitality, providing a competitive edge for Kimberly-Clark and a lifelong advantage for our employees. We do this through a dedicated team of highly experienced health professionals, award-winning programs and resources, and through our best in class on-site health and fitness facilities.

LiveWell

Our LiveWell health-promotion programs are designed to inform and motivate employees to live healthier lives by eating well, exercising and reducing health-related risk factors. In 2013, our employees engaged in a variety of activities to improve their health, including the LiveWell Challenge pilot program within select North American locations. Over 500 program participants completed biometric screening at the beginning of the year and worked with K-C Health Services professionals to establish personalized wellness goals related to exercise, nutrition and sleep — three primary components of a good health. Employees received free Fitbit monitors to track their progress and had access to online tools, resources and a host of K-C sponsored wellness events and activities. At the end of the year, participants returned to Health Services for a final health assessment to measure their success. Over 75% of participants were successful in meeting their health improvement goals.

Many Kimberly-Clark locations around the world offer comprehensive health assessments, biometric screenings, health coaching and energy management training.

Employees traveling internationally are provided with health screenings, travel health advice, vaccinations and emergency medical care anywhere in the world. On-site medical clinics staffed with physicians and nurses are provided in some locations in the U.S., Latin America, Europe, and the Middle East and Asia.

EMPLOYEE SAFETY



Our safety focus, day-in and day-out, is on creating exceptional workplaces by helping our people to be safer, healthier and more productive. That includes building robust safety and health management systems that deliver sustained, continual improvement in our reportable incident rate, reduced incident severity, and a fatality-free workplace.

2013 SAFETY & HEALTH PERFORMANCE HIGHLIGHTS:

13% reduction in Reportable Incidents

Lowest Incident Rate ever achieved by K-C

Achieved 2015 Reportable Incident Rate goal ahead of schedule

Reduced accident severity by 70%

Over the last few years, we have made progress in meeting the majority of our important safety and health objectives. In fact, Kimberly-Clark has achieved its 2015 reportable incident rate goal of 0.30 ahead of schedule. In 2013, Kimberly-Clark achieved a 13% reduction in reportable injuries & illnesses, and delivered the lowest incident rate ever in its history (0.27 incidents per 200,000 hours worked).

Kimberly-Clark is also making progress towards achieving our 2015 goal of zero permanently disabling injuries. During the year, K-C achieved an impressive 70% reduction in accident severity, reducing permanently disabling injuries from 7 to 2.

In 2013, we established a clear, simple and effective global safety strategy that engages all Kimberly-Clark employees in delivering our vision of zero fatalities, and zero reportable incidents. K-C Global Safety Leaders from all parts of the business developed the new organizational safety strategy to energize and engage the entire organization. Known as “REAL”, this safety strategy engages employee teams in 4 areas:

- Risk Mitigation
- EHS Management Systems
- Accountability for Safety
- Leadership in Safety

We will continue to strive for zero workplace fatalities and reportable incidents by conducting comprehensive workplace risk assessment and risk management, by implementing a formal EHS Management system, by fostering personal accountability for safety and by developing safety leadership.

GRI LA6

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

Our commitment to our employees

To provide a workplace in compliance with all applicable occupational safety and hygiene (OS&H) laws and regulations and in conformance with the company's OS&H performance standards.

Our expectation of our employees

To refuse to take any action considered unsafe, to confront others acting in an unsafe manner and to immediately stop any unsafe actions.

Notes:

¹In 2012 and in 2013, a motor vehicle fatality occurred in the trucking operations of Kimberly-Clark de Mexico, an unconsolidated affiliate. K-C excludes hours worked, as well as incidents that occur within non-consolidated equity companies, where K-C does not have a controlling interest (>50% ownership).

²In 2013 the Kimchean Mill in South Korea received a \$1,000 fine for inadequate machine guarding that has been corrected.

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

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

SERR: Number of Sentinel Events reported per 200,000 hours worked per annum

Safety Systems, Policies and Communications

Our Global Occupational Safety and Hygiene (OS&H) Policy states that we will manage OS&H for the protection of our employees, contractors and visitors and to aggressively pursue the elimination of occupational injuries, illnesses, disabilities and fatalities. Our Environment, Health and Safety Management System (EHS MS) establishes minimum requirements and standards for the management of EHS activities. We are committed to regularly assessing the EHS MS in order to achieve continuous improvement of OS&H and environmental performance.

More than 95% of our facilities have formal EHS committees, a requirement of our EHS MS. With participation from both employees and management, the committees address EHS concerns raised by employees and others; identify, prioritize and support the facilities' improvement activities; and review progress of those activities, safety incidents and trends.

2013 Crystal Eagle Award

Award given to sites that worked 365 days in 2013 without a reportable incident involving a Kimberly-Clark employee.

United States:

Beech Island, SC
 Beaverton, OR
 La Grange, GA
 Neenah Nonwovens, WI
 Roswell Pilot Facility, GA
 Owensboro, KY
 New Milford, CT
 Corinth, MS
 Berkeley, NC
 Del Rio, TX
 Jenks, OK
 Maumelle, AR
 Tuscon, AZ
 X-Mill, WI
 Family Care R&E, WI

International:

Huntsville, Ontario, Canada
 Jaromer, Czech Republic
 Flint, UK
 Barrow, UK
 Poza Verde, Guatemala
 San Pedro Sulas, Honduras
 Santo Domingo, DR
 Santa Cruz, Bolivia
 Esteio, Brazil
 Puente Piedra, Peru
 Santa Clara, Peru
 Taejon, South Korea
 Chungli, Taiwan
 Beijing, China
 Nanjing, China
 Shanghai, China
 Jakarta, Indonesia
 Albury, Australia
 Enstra, South Africa
 Naharia, Israel
 Rehasim, Israel
 Zrfrin, Israel
 Afula, Israel
 Hadera, Israel
 Hat Yai, Thailand

2013 Crystal Globe Award

This award is given for 1 million hours without a reportable incident involving Kimberly-Clark employees.

United States:

Conway, AR
 Jenks, OK
 Loudon, TN
 Mobile, AL
 Ogden, UT
 Owensboro, KY
 Paris, TX
 Neenah, WI

EMPLOYEE ENGAGEMENT

To succeed, Kimberly-Clark must empower employees who have a desire to win and a passion to make a difference. We actively develop new initiatives to fuel engagement.

In 2013, we conducted our global "Input to Action" Employee Engagement Survey as follow-up to the [2012 One K-C Jam sessions](#), designed to foster communication between employees and leadership. We received positive results from our employees and saw a positive increase in many areas since our 2010 survey:

- We received a 95% response rate from employees
- Engagement scores rose two points (from 75 to 77) and our enablement score rose four points (from 68 to 72)
- K-C continues to demonstrate care and concern for employees (up eight points)
- More barriers are being removed so that employees can get work done (up five points)
- Employees feel encouraged to take more risks (up seven points)
- K-C is implementing our Performance Management process more effectively (up 16 points)

Sustainability at Home

Kimberly-Clark's Small Steps program reaches out to our global workforce, encouraging employees to adopt small behavioral changes that together can contribute to a significant reduction in the use of energy, water and other resources.

	2011	2012	2013	2015 Goal
Employees Participating in Small Steps	11,600	13,100	4432	15,000

Note:

Reflects 5~35% of employees who have regular access to computers. Updates to program resulted in lower numbers in 2013. See full text for explanation.

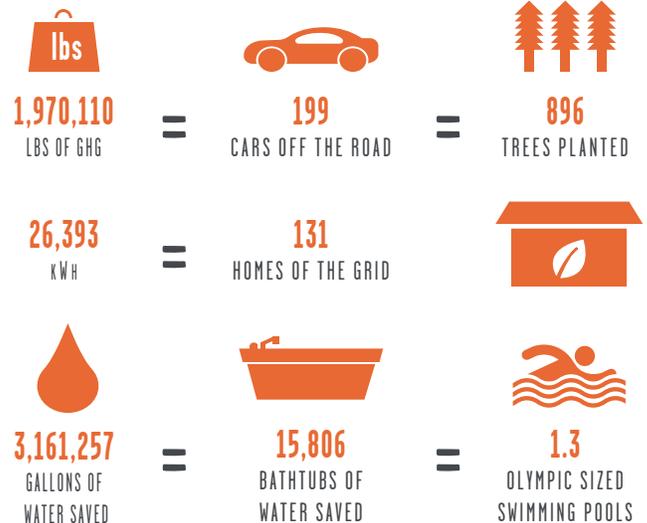
The Small Steps program, which over the years has encouraged employees to make a difference by taking small steps to improve our planet, was updated in 2013 with a new web-based, interactive program: Small Steps 2.0: My Sustainable Life. The program allows participants globally to become involved in making more comprehensive sustainable choices. We have

added more environmentally sustainable Small Steps options and expanded, through collaboration with Health Services and the K-C Foundation, to include wellness (LiveWell) and kindness (Helping Hands) Small Steps.

The Small Steps 2.0 platform is designed to allow K-C employees to engage both individually and with others in Sustainability at a more ongoing, holistic and personal level. In switching to this more enhanced program, employees had to sign up again for the Small Steps program, resulting in a decrease in number of employees participating overall. Our aim is to continually increase this number through 2015 to engage 15,000 employees overall.

By the end of 2013, our employees accomplished:

12,272 TOTAL ACTS OF GREEN (INCLUDING):



1,751 TOTAL ACTS OF KINDNESS (INCLUDING):



3,601 TOTAL ACTS OF WELLNESS (INCLUDING):



Crystal Tree Awards

In 2013, 14 K-C mills across the globe received a Crystal Tree award for making significant contributions to our overall Sustainability 2015 progress.

All mills are evaluated annually by the Global Sustainability Team, and the award recognizes mills that have achieved specific targets for a sustained period of one year related to occupational safety, energy efficiency, water use reduction and waste elimination. Each winner receives 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 K-C's NGO partners on a project such as tree planting or water replenishment.

For achievement in safety, energy efficiency and water use reduction:

Ramos Arizpe, Mexico
 Koblenz, Germany
 Shanghai, China

For achievement in safety, energy efficiency and waste reduction:

Flint Mill, Wales
 Villanueva, Honduras
 Eldorado, Brazil
 Beijing, China
 Safeskin SSMT, Thailand
 Nanjing, China
 Prosede, Mexico
 Jaromer Nonwovens, Czech Republic
 Nogales 1, Mexico

For achievement in safety, energy efficiency, water use and waste reduction:

Orizaba, Mexico
 Nahariya, Israel

DIVERSITY & INCLUSION



Our diversity and inclusion vision is to look, act and behave like the people who buy our products. Increasing the representation of women (globally) and ethnic minorities (U.S.) in senior management positions (defined as Director-level and above) are our primary measurement metrics. Our considerable progress has been recognized by Catalyst and we are on track to reach our long-term goals.

Employee Diversity	2010	2011	2012	2013	Long-term Goals (2020)
Women - Global Director and Above ¹	21.1%	23.8%	25.5%	26.4%	40%
Ethnic Minority - U.S. Director and Above ¹	11.6%	13.6%	14.7%	15.8%	18-20%
Women - Global Salary Employees	38.3%	38.4%	39.6%	42.4%	50%
Ethnic Minorities - U.S. Salary Employees	13.6%	14.2%	15.0%	14.8%	20%

Note:

¹ Leaders in Director-level position or higher

Additionally, Kimberly-Clark is affiliated with a number of diversity-focused organizations, including:

- **Catalyst Inc.** Organization that expands opportunities for women at work. Kimberly-Clark chairman and CEO Tom Falk serves on the Board of Directors

- **The Consortium for Graduate Study in Management** (Recruiting partners)
- **Corporate Council Women of Color:** Kimberly-Clark holds an advisory board position with this organization.
- **Executive Leadership Council** Networks for African American executives of Fortune 500 companies
- **National Association of Asian MBAs, National Black MBA Association, National Society of Black Engineers, National Society of Hispanic MBA.** (Recruiting partners)
- **Network of Executive Women** Advances women in the consumer packaged goods and retail industries
- **SMU Cox School of Business Latino Leadership Initiative, Hispanic Leadership Development:** Kimberly-Clark is a founding member of the SMU Cox Latino Leadership Initiative, with the mission to discover, develop and encourage high-performance Latino executives who will drive business growth and create a sustainable competitive advantage for their companies.
- **Society of Hispanic Professional Engineers** Member of the Industrial Partner Council
- **Society of Women Engineers** Member of this society's Corporate Partnership Council

Inspire a World of Talent

In June of 2013, Kimberly-Clark launched Inspire a World of Talent, an innovative learning program designed to help employees rethink diversity and inclusion in a way that would generate better debate, better insights and better solutions.

The program included a highly engaging series of TV episodes, sketch learning videos, e-learning opportunities, podcasts and tools designed to help employees apply what they've learned right away.

Human Rights in Employment Policy

Our Human Rights in Employment Policy underscores our commitment to diversity and inclusion. It prohibits discrimination and 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.

Diversity in Our Operations

We promote diversity among our employees through Employee Resource Groups. These are open to all employees and are valuable tools for the recruitment, development and retention of, and engagement among, colleagues from different backgrounds.

Our current Employee Resource Groups in North America include:

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

In 2013, we made progress on expanding our Employee Resource Groups:

- Kimberly-Clark Dallas completed a needs assessment, business case and leadership approval for a local LAND group
- Focus Asia expanded to Kimberly-Clark Korea
- WIN expanded globally with the launch of WIN Korea
- The European Diversity Council restructured and initiated steps to expand PRIDE and WIN in the UK
- K-C Completed needs assessment, business case and leadership approval for Capabilities 1st, K-C's first ERG designed to support employees with disabilities

Diversity Internationally

The Global Diversity & Inclusion team collaborates with Kimberly-Clark leaders around the world to develop action plans that are specific to the issues in their regions.

Within Kimberly-Clark International, we have focused on hiring local-country management and teams, because they know the marketplace best. Local management are also a valuable

resource for our leaders who are honing their capabilities and knowledge of emerging markets through temporary international placements.

Catalyst Award

In 2014, Catalyst, a leading nonprofit organization with a mission to expand opportunities for women in business, recognized Kimberly-Clark as a leading company in supporting women. Catalyst awarded K-C the recognition for our Global “Unleash YOUR Power” initiative. This initiative launched in 2010 and is built on our business strategy to have a workforce that is diverse and inclusive, and reflects those who look, think and behave like the people who use our products. It includes programs like our Accelerated Development Program, Global SWAP and GAP programs, DIG (Develop, Inspire & Grow), WIN Scholarship programming and Flex Work.

LINKS:

<http://blogs.wsj.com/atwork/2014/04/01/how-one-company-put-women-in-charge/>

www.youtube.com/watch?v=ie7p-AvWii4&feature=youtu.be

PRIDE@K-C

Diverse & Resilient, Inc. in Milwaukee, Wisconsin, awarded PRIDE@K-C (People Respecting Individual Differences Everywhere at Kimberly-Clark), the 2012 LGBT Community Partner Award. This award was given in recognition of the significant leadership contributions made in the Fox Valley community during the past year, specifically outreach and mentoring LGBT (lesbian, gay, bisexual, and transgender) youth. In particular, members of PRIDE@K-C were actively engaged with community programs like Harmony Café, an organization that provides a safe place for area high schools’ Gay Straight Alliances to network, where students can be themselves and achieve their potential.

We recognize the importance of respectful union-management relationships in advancing areas of mutual interest with respect to our sustainability initiatives and global workplace rights.

LABOR RELATIONS

Supporting Constructive Labor Relations

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

In 2013, Kimberly-Clark renewed our “joint agreement” with Union Network International (UNI), United Steel Workers (USW) and Unite the Union, for a fourth year.

At the annual Global Union and Management Leadership Conference, progress against goals was evident, which allowed for reaffirmation of the joint commitment to continue to maintain a respectful relationship based on proactive sharing of information and finding solutions to issues and opportunities.

	2010	2011	2012	2013
Employees with Union Membership	27%	25%	25%	25%

In 2013, an initial labor agreement was signed in Colombia through the collective efforts of the union and management. Adriana Rosenzvaig, UNI America’s Regional Secretary, applauded the company’s efforts. K-C is one of only a few companies that has shown that the culture of dialogue and negotiation is possible in the region.

GRI G4-23

Supporting Employees at Plant Closure Sites

In 2012, Kimberly-Clark made changes in our European strategy to focus resources and investments on the company’s strongest products and markets. As part of this work, we announced that we would stop manufacturing and selling diapers in Europe, with the exception of Italy. In addition, Kimberly-Clark streamlined its manufacturing and administrative footprint and divested itself of or exit certain lower-margin, low-growth markets. The strategy allows our consumer business in Europe to place resources

and investments behind our strongest brands with the greatest potential in key markets. In Costa Rica, we are consolidating manufacturing processes on one site (the Coris mill) to optimize resources and the quality of our products with more efficient and modern equipment.

As a result of these factors, the company sold or closed seven manufacturing facilities in 2013. These include the closure of our diaper mills in Barton, UK and in Calatayud, Spain; the closure of Kimberly-Clark Professional's Delyn facility at the company's mill in Flint, Wales (which primarily makes hand towels); the closure of our tissue mill in Reisholz, Germany; the sales of our toilet tissue mill in Alanno, Italy, and our toilet and facial tissue mill in Klucze, Poland; and the consolidation of our mill in Cartago, Costa Rica.

Throughout the restructuring process, Kimberly-Clark worked proactively with employees and local employee representatives, ensuring that consultation processes were respectful, fair and consistent. To support employees through these transitions, Kimberly-Clark established an employee assistance hotline with support in multiple languages, offered outplacement assistance and counseling services, and provided severance and benefits packages. In Barton, more than 50% of the workforce secured new employment before operations had ceased and Kimberly-Clark gifted an area of mill land to the neighboring special needs school. In the case of our diaper mill closure in Calatayud, Spain, Kimberly-Clark donated the mill site in its entirety to the local community.

GRI HR4

Corporate Social Compliance Progress

Internally, we conduct an annual Code of Conduct survey, as well as country-specific communications on the issues of freedom of association and collective bargaining (as developments warrant). Additional details regarding our Social Compliance program for external suppliers can be found in the [Products section](#) of this report.

In 2013, more than 140 K-C owned and contracted suppliers were audited by external auditing firms, checking for evidence of illegal denial of collective bargaining, illegal denial of freedom of association, threats of intimidation, or bribes for not joining or associating with a worker organization. There has been one audit finding to date that has raised concern. This finding was remediated in a timely fashion

GRI HR5 AND HR 6

Protecting our Workforce Against Forced and Child Labor

Another aspect of our Social Compliance program requires suppliers to ensure protection against forced or child labor and abuse of labor. During our auditing process, we check for evidence of forced labor and abuse of child labor, evidence of physical coercion, and we ensure that all workers are present voluntarily. In 2013, there were no adverse findings during audits with our current Finished Product Contract Manufacturers.

"As its many awards in 2013 attest to, Kimberly-Clark is viewed as a reputable employer committed to the safety and well-being of its people. Following the Rana Plaza building collapse of April 2013, no contracting company will be judged on the basis of assertions alone. Far greater scrutiny, systematic compliance and accountability systems are now expected. Kimberly-Clark's Supplier Social Compliance Standards are an important step towards this. Board level monitoring is welcome but continued vigilance is required to ensure that Kimberly-Clark meets its 100% supplier participation goal by 2015."

— Malini Mehra

Sustainability Advisory Board Member

COMMUNITY



GRI G4-EC7

Kimberly-Clark’s goal is to help sustain the communities in which our employees work and live. Our success — and theirs — is grounded in this principle.

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

FOUNDATION, SOCIAL GIVING & VOLUNTEERISM



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

The Foundation maintains strategic partnerships with global organizations that address issues related to our business and that are of interest to consumers and our customers.

In 2013, we contributed more than \$35 million in cash and product donations, in addition to the countless hours our employees spent volunteering in their communities.

For more information on social programs supported by K-C, including those that provide consumers with access to our products, please visit our [website](#).

Volunteerism & Giving

Additionally, throughout the year, employees from Kimberly-Clark facilities around the world participate in a variety of volunteer activities with local nonprofit organizations.

Kimberly-Clark employees contributed \$4.5 million to nonprofit organizations in 2013.

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.

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



Our mission to provide essentials for a better life is inseparable from our commitment to protect the environment. It's hard to imagine anything more essential to a better life than clean air, clean water and a healthy environment. It's been our way for more than 140 years, and it is our priority going forward.



100% FIBER
FROM CERTIFIED SUPPLIERS

FIBER

Since Kimberly-Clark's inception in 1872 we have had a focus on sustainable forestry. That focus continues as we lead the way in environmentally responsible fiber use through the following actions:

- Sourcing 100% of our wood fiber, by 2015, from suppliers that have received third-party certification of their forestry activities
- Obtaining 90% of the fiber, by 2025, in our tissue products from environmentally preferred sources. This includes Forest Stewardship Council (FSC)-certified wood fiber, recycled fiber and sustainable alternative fibers.
- Transitioning at least 50% of wood fiber sourced from natural forests to alternative fiber sources by 2025

"Kimberly-Clark has modest environmental impact reduction objectives. It is no surprise, then, that with its strong efficiency and culture of continuous improvement, K-C has achieved or exceeded most 2015 targets. While that is a job well done, there is still more to achieve! I would encourage the company to set its ambitions and goals to a heightened level and speed required by the threat of a climate crisis, the pressures of deforestation and urban consumer waste, and the needs of communities suffering water, sanitation and food stresses."

— Claude Fussler
Sustainability Advisory Board Member

Fiber Use in 2013

- Total market pulp consumed by Kimberly-Clark in its manufacturing our products: 4.4%
- Total virgin wood fiber used in Kimberly-Clark products: approx. 2.40 million air-dried metric tons (ADMT)
- Environmentally preferred fiber used: 71.7%*
- Reduction of fiber sourced from natural forest: 24%.

*Refers to global fiber supply

GRI G4-EN2

FIBER USE (MILLION MT)	2010	2011	2012	2013
Virgin	2.56	2.48	2.36	2.40
% of total	72.6%	70.3%	71.1%	71.5%
Recycled	0.97	1.05	0.95	0.96
% of total	27.5%	29.7%	28.6%	28.5%
Forest Stewardship Council (FSC) + recycled content	65.3%	62.4%	66.1%	71.7%

Notes:

As part of our 2014 global GF&TN agreement with WWF, we will report our total use of environmentally preferred fiber for all fiber-containing products. Virgin pulp will include all K-C manufactured pulp, purchased market pulp and third-party contract-manufactured fiber-containing products. K-C began collecting fiber data from third-party contract manufacturers in 2009.

Environmentally preferred fiber used for all business globally: 71.7%

Environmentally preferred fiber used in our global tissue business 83.5%

Moreover, Kimberly-Clark will not knowingly use “conflict wood,” illegally harvested fiber or fiber procured from special forest areas, such as primary tropical rainforests, endangered forests, high-conservation-value forests and any areas protected by government authorities. We promote efforts to stop illegal-logging imports through our support of the [Lacey Act](#) in the U.S.; the [Illegal Logging Prohibition Act](#) in Australia, 14 of which came into effect in 2012 following years of lobbying by environmental groups and support from businesses such as Kimberly-Clark; and the [EU Timber Regulation](#), which took effect in March 2013.

You can read more about this in our [Fiber Procurement Policy](#). In the following sections, we provide additional details on [fiber certification](#), and our plans to [reduce our dependence on natural forest fiber](#).

SOURCING



In 2012, we reached our Sustainability 2015 goal of sourcing 100% of our virgin wood fiber from suppliers whose forestry operations or wood-fiber procurement activities are certified by a third-party forest certification system.

The third-party certification systems we recognize are:

- Forest Stewardship Council (FSC)
- Sustainable Forest Initiative (SFI)
- Canadian Standards Association's (CSA) National Sustainable Forest Management Standards (CSA)
- Sistema Brasileiro de Certificação Florestal (CERFLOR), in Brazil
- Program for the Endorsement of Forest Certification Schemes (PEFC)

Our Commitment to Environmentally Preferred Fiber

We continue to have a strong preference for the use of environmentally preferred fiber. Kimberly-Clark has set a goal that by the year 2025, 90% of the fiber supply for our global tissue products will be environmentally preferred fiber, consisting of the following sources: Forest Stewardship Council (FSC)-certified fiber; recycled fiber (RF); and sustainable alternative fiber. FSC has the world's most widely recognized forest certification scheme, supported by internationally recognized environmental nongovernmental organizations (ENGOS) and preferred by a number of retail customers and business-to-business partners. At K-C, we look to support our suppliers by working with partners such as FSC International, Greenpeace and the World Wildlife Fund's (WWF) Global Forest & Trade Network (GF&TN) to standardize FSC requirements.

The FSC administers three different types of certificates.

ENVIRONMENTALLY PREFERABLE TISSUE (GLOBAL)	2010	2011	2012	2013
Virgin Fiber				
FSC Mix	33.3%	38.5%	44.3%	50.3%
FSC Plantation	29.1%	33.1%	38.4%	41.8%
FSC Controlled Wood	31.4%	26.1%	21.8%	16.5%
Recycled Fiber				
Recycled content	32.0%	34.5%	33.9%	33.2%
Post-consumer recycled content*	12.9%	14.1%	13.8%	13.7%

Notes:

Data represents Kimberly-Clark and equity affiliates
 "FSC Plantation" is a subset of "FSC Mix"

"Post-consumer recycled content" is a subset of "Recycled content"
 *Post-consumer recycled content reported for North American and Europe only

ENVIRONMENTALLY PREFERABLE TISSUE (NORTH AMERICA)	2010	2011	2012	2013
Virgin Fiber				
FSC Mix	31.6%	36.7%	44.0%	50.7%
FSC Plantation	25.9%	30.0%	34.4%	38.0%
FSC Controlled Wood	42.7%	36.4%	26.5%	21.3%
Recycled Fiber				
Recycled content	25.2%	26.0%	29.5%	28.0%
Post-consumer recycled content*	20.3%	22.5%	25.6%	22.9%

Notes:

Data represents Kimberly-Clark and equity affiliates

*"FSC Plantation" is a subset of "FSC Mix"

"Post-consumer recycled content" is a subset of "Recycled content"

All Kimberly-Clark tissue mills in North America and Europe and approximately 50% of our mills in our other regions are Chain of Custody-certified. In 2013, we obtained FSC Chain of Custody certification for facilities in Malaysia, Hong Kong, Thailand and Singapore.

Our goal, under our GF&TN agreement with WWF, is to achieve 100% Chain of Custody certification for all of our mills by 2016. Pulp suppliers must be Forest Management-certified in order to supply us with FSC-certified pulp for our FSC product-labeling initiatives.

A Decade of Progress: Leading Our Industry in Responsible Fiber Sourcing

2007

- Set goal of 100% certified suppliers
- Kimberly-Clark introduces Andrex in Europe, its first FSC-certified branded consumer tissue

2009

- Alliance with Greenpeace, which led to a revised fiber procurement policy
- Joined World Wildlife Fund's Global Forest & Trade Network (GF&TN)
- Kimberly-Clark becomes the first away-from-home tissue products company in North America to seek and obtain FSC chain-of-custody certification
- South Africa received FSC chain-of-custody certification

2010

- Australia received FSC chain-of-custody certification

2011

- Kleenex and Scott Naturals become the first U.S.-branded consumer tissues to adopt FSC certification
- Global GF&TN agreement
- K-C Professional achieves FSC labeling for more than 95% of its North American tissues and towels
- Kimberly-Clark becomes the first U.S. tissue maker to offer branded FSC consumer tissue products (Kleenex Facial and Scott Naturals)

2012

- In 2012, we reached our Sustainability 2015 goal of sourcing 100% of our virgin wood fiber from suppliers whose forestry operations or wood-fiber procurement activities are certified by a third-party forest certification system
- FSC certification for North American Scott brand consumer products
- The Kimberly-Clark Barbosa Mill in Colombia achieves FSC Chain-of-Custody certification
- Kimberly-Clark set goal to reduce use of wood fiber sourced from natural forests by at least 50% by 2025
- First alternative-fiber tissue products introduced by Kimberly-Clark Professional using bamboo and wheat straw
- Kimberly-Clark Professional (KCP)'s North America towel and tissue product lines are nearly 97% FSC-certified, the largest percentage in the U.S. and Canada
- In 2012, KCP introduced FSC-certified Kleenex and Scott brand towel and tissue products containing non-fiber resources
- Kimberly-Clark Australia's entire line of tissue and towel products is FSC-certified
- Kimberly-Clark Indonesia's Cikarang Mill achieved FSC Chain of Custody certification in 2012
- Kimberly-Clark's Scott brand bath tissue and towel products became FSC-certified in 2012

2013

- In 2013, we obtained FSC Chain of Custody certification for facilities in Malaysia, Hong Kong, Thailand and Singapore
- Global GF&TN agreement with WWF renewed
- Invited to become a member of WWF's New Generation Plantations Platform
- Introduced Viva with bamboo FSC-certified paper towels at Costco stores in Australia

“In 2013, Kimberly-Clark importantly launched Viva paper towels with bamboo fiber and began to promote Forest Stewardship Council certification on product packaging, a key step that could still be more aggressively communicated. In addition, in 2013, global GHG emissions at manufacturing facilities were 3% less than 2012. Although this was better than their goal, I believe there is room for the company to set much more aggressive greenhouse gas emissions reduction goals.”

— Jeffrey Hollender

Sustainability Advisory Board Member

FSC-Certification Achievements in 2013

The number of our products that are FSC-certified continued to grow in 2013 as part of our continued commitment to raise customer awareness of environmentally sound fiber sourcing. Particular achievements include the introduction of K-C Professional products in Southeast Asia and the introduction of FSC-certified Viva brand paper towels with bamboo at Costco stores in Australia.

In North America Consumer Tissue, we expanded FSC product certification to include Cottonelle brand and Scott brand extra soft bath tissue. This is in addition to FSC product labeling completed previously on Kleenex brand facial tissue and Scott 1000 bath tissue and Scott towels. Moreover, K-C has worked to further our achievements in FSC-certification through strong partnerships that allow us to deepen our reach and drive consumer education.

World Wildlife Fund's (WWF) Love Your Forests Campaign

Since 2011, Kimberly-Clark has been a foundation partner of WWF's Love Your Forests campaign, which aims to raise awareness of FSC® as the certification of choice, and the importance of sourcing tissue, paper and timber products from responsibly-managed forests.

The program is helping WWF to spread two key messages:

- We can all love our forests by making informed choices and choosing products certified by the FSC; and
- Making informed choices can make a difference in the marketplace as the more consumers demand FSC certified products, the more businesses will need to supply them.

In 2013, we continued our support of the program by ensuring that all our Australian manufactured FSC-certified consumer tissue and towel products have packaging clearly labeled with information about FSC and the Love Your Forests program. The Love Your Forests campaign gives K-C the opportunity to encourage people and businesses to look for the FSC registered trademark when buying wood based products and educate them on how their purchasing decisions have an impact on the environment. We are proud to report that through the program, awareness of the FSC logo has grown in Australia, allowing K-C to differentiate our products by highlighting our commitment to environmentally friendly practices.

ALTERNATIVE FIBERS

Going beyond the commitments in our current fiber-sourcing policy, Kimberly-Clark is exploring alternative sources of fiber in order to continue to provide the high-quality products our consumers demand. We work to strengthen our tissue business by enabling increased fiber flexibility, and to foster sustainability of the world's natural forests.

We continue to support sustainable forest management by adhering to our fiber procurement policy, which holds FSC certification in the highest regard.

At the Rio+20 United Nations Conference on Sustainability Development in June 2012, we announced our intention to transition at least 50% of our wood fiber sourced from natural forests to other fiber sources by 2025. This ambitious goal has required us to undertake initiatives such as maximizing our use of wood from plantations, increasing our use of waste by-products, and incorporating land use-efficient, rapidly renewable fiber alternatives. This move may also provide business advantage as regards fiber flexibility and, ideally, reductions in cost volatility.

Kimberly-Clark is pursuing several high-potential fiber alternatives, including those from plants such as bamboo, miscanthus, and other purpose grown natural fibers that make efficient and sustainable use of land, as well as "agricultural waste" fibers such as wheat straw.

In 2013, we were able to reduce the use of our fiber supplied from natural forests by 24%. While we are pleased with this level of progress, we recognize there is still room to improve, and are committed to working with key stakeholders to continue towards our 2025 goal.

Life Cycle Assessment (LCA)

In 2012, Kimberly-Clark commissioned a Life Cycle Assessment (LCA) from scientists at the Georgia Institute of Technology (GIT) to help inform us of potential environmental benefits and life cycle impacts of using alternative natural fibers. In addition to the traditional impact areas studied in LCAs, the study provided supplemental analysis on issues such as scale of land use, impacts on biodiversity and biogenic carbon accounting. The study indicates that the alternative fiber sources researched each had different environmental impacts. In general bamboo, recycled fiber, *Arundo donax* (Giant Cane) and kenaf had lower impacts on water depletion and land use.

Building on the findings of the LCA, in 2013, we commissioned WWF-US to do additional sustainability work related to potential impacts on carbon sequestration, biodiversity and ecosystem services of various alternative natural fibers.

This [LCA](#) has further deepened our understanding of the environmental impacts associated with the use of alternative natural fibers and guides our fiber development activities in the future.

Global Stewardship Standard

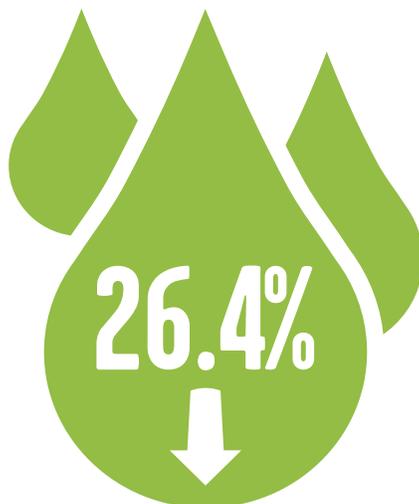
To ensure that the management of alternative natural fibers is handled responsibly, it is essential to have a clear standard that promotes and enforces globally respected environmental and social criteria among producers of alternative natural fibers. To help achieve this goal, Kimberly-Clark is working with the Rainforest Alliance on the long-term development of a rigorous global stewardship standard.

In the meantime, the company is working with environmental partners like Greenpeace and WWF to develop interim sustainability criteria to follow as new plantings are grown and crops are developed. These criteria include no conversion of natural forests, no use of genetically-modified organisms and no permanent conversion of agricultural crop land.

Using Alternative Fiber

In 2013, Kimberly-Clark launched VIVA brand paper towels with bamboo fiber in Australia, a first for Kimberly-Clark globally, and the first paper towel product in the country to contain bamboo fiber.

WATER



REDUCTION IN MANUFACTURING WATER USE SINCE 2010

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

Our goals include:

- A 25% reduction in water use by 2015, using a 2010 baseline, while maintaining our current quality of discharge
- Replenishing 200 million gallons per year of water to communities in need.

GRI G4-EN8 AND G4-EN22

PROCESS FRESH WATER USE (MILLION M ³)	2010	2011	2012	2013
Surface	72.9	69.5	46.0	44.5
% of total	58%	55%	44%	48%
Municipal	36.7	37.5	39.4	32.3
% of total	29%	30%	38%	35%
Groundwater	16.8	18.5	18.1	16.2
% of total	13%	15%	17%	17%
TOTAL	126.4	125.4	103.4	93.0
Reduction over previous years	N/A	0.8%	17.5%	10.1%

Notes:

N/A: Data is not available

PROCESS EFFLUENT DISCHARGE DESTINATIONS	2010	2011	2012	2013
Surface	84%	83%	81%	86%
Municipal	16%	17%	19%	14%

TISSUE MANUFACTURING WATER USE EFFICIENCY (M ³ /MT PRODUCTION)	2010	2011	2012	2013
Actual	43.5	45.7	40.0	36.0
Annual Target	31.7	30.9	29.3	29.2
Percent Deviation	37%	48%	37%	23%

Reducing Our Water Use

In 2013, we achieved our water use reduction goal ahead of schedule. Our total global water use was 93 million cubic meters (m³). This represents a 10% reduction from our 2012 water use of 104 million cubic meters, and a 26.4% reduction from the 2010 adjusted baseline water use of 126 million cubic meters.

Water use reductions in 2013 were driven by a more efficient manufacturing footprint, water conservation programs and upgraded water and waste water systems that were designed with water use reduction as a key performance objective. In addition, mill staff strove to optimize the water use reduction programs and effluent recycling system that were installed in

2012. We also completed the shutdown of our Everett and Delyn facilities, as well as one tissue asset that contributed to the company's total water use reductions.

In 2013, we also completed six major water reduction projects by initiating long loop water recycling or water treatment upgrade projects. Our Northfleet Mill, for example, upgraded and expanded its wastewater system to improve wastewater quality and enable more than half of its wastewater to be recycled and reused. Completing this project allowed the mill to meet regulatory requirements, reduce water usage and improve mill operations.

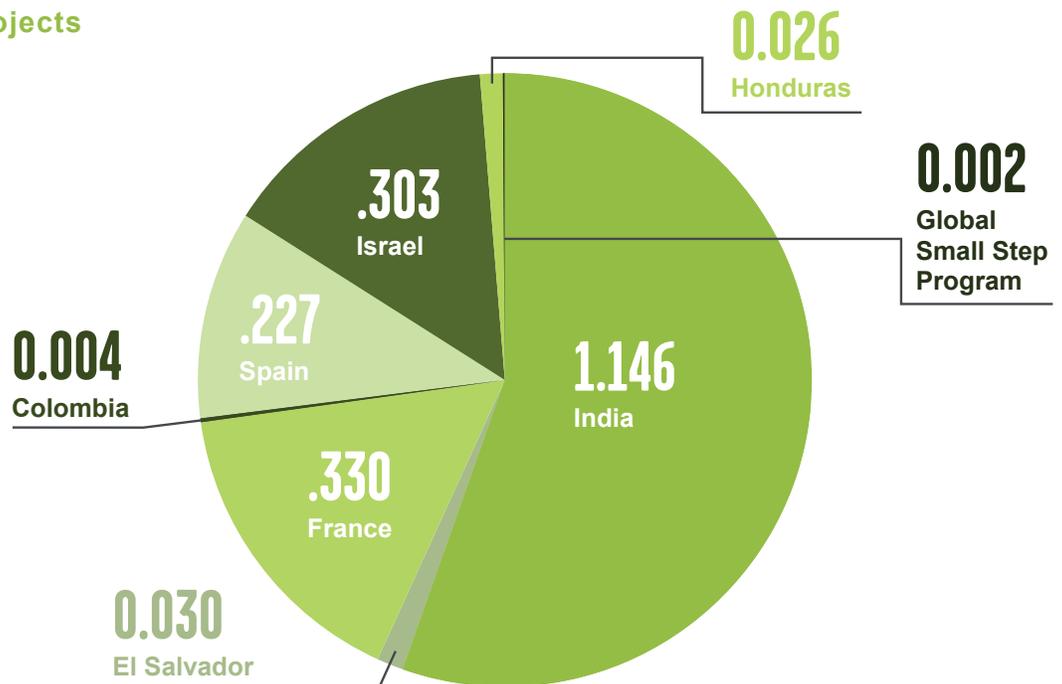
Compliance with Water Discharge Standards

Since 2000, we have required all facilities and business units to certify their compliance with our biological oxygen demand (BOD) and total suspended solids (TSS) global wastewater performance standards. In 2006, we developed a program to monitor acute toxicity at our international mills on a rotating basis and introduced corrective measures at mills where acute toxicity was present. And in 2011 we formalized the standard requiring that all wastewater discharges be free of acute toxicity.

In 2013, all applicable facilities met this standard.

Water Replenishment Projects (million m³)

2.067
TOTAL



COMMUNITY WATER INITIATIVES

In 2012, Kimberly-Clark formally announced its Water for Life program as a key component of the company's Sustainability 2015 strategy. Recognizing the global importance of fresh water and the sustainable management of water resources, through this program Kimberly-Clark collaborates with NGOs to provide clean drinking water, as well as sanitation and hygiene education, to communities around the world.

Approximately 700 million people across 43 countries are affected by water scarcity.

GRI G4-EN10

Kimberly-Clark uses approximately 34 billion gallons of water per year, and we return about 32 billion gallons, or 94%. Our goal is to close the remaining 6% gap over 10 years, by 2021. To that end, we have set a water-replenishment target of 200 million gallons per year, which will accumulate to 2 billion gallons over 10 years.

WASTE



OF K-C MANUFACTURING WASTE DIVERTED FROM LANDFILLS

As a major manufacturer of disposable products, we recognize a special obligation to manage waste responsibly. Reducing waste, optimizing material value and eliminating manufacturing waste to landfill has been at the core of our solid waste management strategy for more than a decade.

Eliminating Waste

In 2013, our goal was to have 85% of our manufacturing waste diverted from landfill. We achieved an 81.6% diversion rate to secondary, beneficial uses, up from 78% in 2012. While this fell short of our goal, we are proud that 58% of our facilities met the 2015 goal of sending zero manufacturing waste to landfill. We are currently on track to be near 90% landfill free by the end of 2014.

One of the best ways to avoid sending manufacturing waste to the landfill is to stop making it. This effort compliments our strategy to reduce manufacturing cost.

In 2013 and 2014, we have made great strides in reducing manufacturing waste. For example, we are on track to eliminate the production of more than 210 million diapers that don't meet our quality standards, resulting in a significant year-on-year cost

savings. Our manufacturing team is developing similar plans for other child care products in 2014. In addition to reducing manufacturing waste, there are additional sustainable benefits such as the reduction in energy used to produce the waste product and a reduction in transport costs of materials for manufacture of the product.

	2010	2011	2012	2013
Waste per metric ton of production (MT/MT)	0.28	0.29	0.29	0.31

Notes:

The MT of waste/MT of production data indicates that nearly 30% of the weight of our products is waste. This is mainly due to the recycled fiber process and the water and byproducts left behind after usable fibers are extracted. Nearly 1 million MT of K-C's waste are from recycled fiber sludge; that represents roughly two-thirds of K-C's total waste generation. Nearly 50% of that weight is residual water leftover from the pulping process.

Maximizing the Value of Secondary Materials

As Kimberly-Clark facilities move toward the 2015 goal of zero waste to landfill, our teams are also working to ensure that manufacturing by-products are managed to provide optimal value as secondary materials. This optimal value includes both financial value as well as a reduction in the use of other "virgin" raw material resources. To that effect, K-C facilities have been sharing best practices in scrap material sorting and sales, identifying material reuse and recycling opportunities within our operations and supply chain, and developing relationships with outside recyclers. We are confident that we are moving in the right direction in reducing pressure on virgin resources, putting scrap materials to good use while offsetting costs.

In 2013, our internal scrap sales team (KimCycle) generated \$28 million in sales in the US and our Health Care operations in Mexico. This includes an incremental \$7 million in new revenue, exceeding the goal of \$5 million. This goal was achieved and surpassed by identifying new waste streams that had not previously generated value, and increasing the overall material values of the streams that had been previously identified.

K-C International operations generated approximately \$15 million from secondary materials. In our Epping, South Africa operations, for example, 572 tons of diaper trim waste was recycled. Instead of sending the trim to landfill, Kimberly-Clark baled the trim waste and sold it to a third party plastic recycler, who then produced other plastic materials such as park benches. In addition to the waste diverted from landfill, the anticipated total monetary savings for selling the waste was more than \$200,000.

Managing Tissue Mill Sludge

Residual short fiber (RSF), the wastewater treatment sludge from our tissue-making operations, accounts for approximately 90% of our manufacturing waste still going to landfill. Many of our mills have successfully diverted sludge from landfill for soil amendment, newsprint and corrugate manufacturing, and building and insulation products. All continue to seek new markets. Our mill at Beech Island, South Carolina, for example, has been diverting its RSF from landfill for more than three years, selling it for pet bedding products and composted topsoil amendments.

One of our largest challenges to achieving our zero landfill goal is RSF from mills that recycle waste paper for manufacturing into tissue. In 2012, we lost the ability to divert RSF from our Enstra, South Africa and Loudon, Tennessee mills to other beneficial uses. We have since identified potential solutions for both of these facilities, and our goal is to have these solutions implemented in 2014, keeping us on track for achieving our 2015 zero landfill goals.

Creating a Circular Economy



In order to secure a more reliable supply of fiber for recycling and use in the products they sell, our Our KCP business in Latin America has been exploring a "circular economy" model called Club KC. This Waste to Finished Product exchange helps acquire additional secondary fiber and strengthen relationships with KCP customers.

The program identifies companies with a high secondary fiber potential which are also existing or potential customers for KCP products, then collects the recyclable fiber in exchange for finished KCP products. The pilot was launched in Costa Rica during 2013. To date, 27 customers have participated in the program and more than 360 annualized metric tons of secondary fiber has been collected. These results have encouraged the business to expand the program to other Central American, Caribbean and Andean countries during 2014.

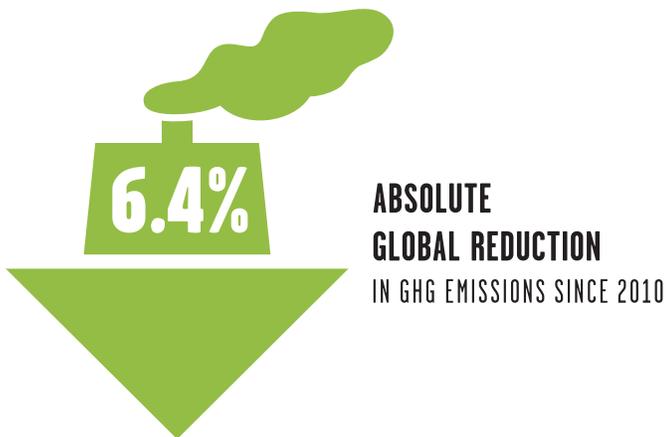
GRI G4-EN23

Nonhazardous Waste	2010	2011	2012	2013
Percentage of total waste	99.97%	99.98%	99.97%	99.96%
Landfilled	18.8%	21.7%	21.3%	18.5%
Recycled	20.0%	21.2%	22.7%	22.1%
Beneficial use	23.7%	20.8%	25.0%	28.3%
Converted to energy	19.6%	18.5%	12.1%	11.3%
Reused and other	12.0%	14.0%	17.3%	18.1%
Composted	4.9%	3.1%	0.9%	0.9%
Incinerated	1.0%	0.7%	0.8%	0.8%
TOTAL (million MT)	1.39	1.44	1.37	1.33

GRI G4-EN25

Hazardous Waste	2010	2011	2012	2013
Percentage of total waste	99.71%	99.59%	99.65%	99.74%
Biological treatment	23.1%	41.1%	16.8%	17.3%
Recycled	23.1%	41.1%	16.8%	17.3%
Incineration without heat recovery	18.8%	30.9%	39.2%	26.4%
Chemical treatment	11.8%	16.1%	16.7%	27.2%
Surface impoundment	0.0%	5.2%	6.3%	0.0%
Thermal treatment	2.4%	1.1%	5.0%	11.6%
Permanent storage	0.0%	1.2%	2.4%	0.9%
Landfilled	2.7%	1.2%	0.8%	0.1%
Blended fuel	0.4%	3.2%	12.6%	16.5%
Deep well injection	0.0%	0.0%	0.0%	0.0%
TOTAL (kg)	483,521	348,059	391,390	507,926

CLIMATE CHANGE & ENERGY USE



GRI G4-EC2

At Kimberly-Clark, the majority of our operational greenhouse gas (GHG) emissions result from energy use at our manufacturing facilities. In line with our Essentials for a Better Life vision, we strive to address issues like reducing our carbon footprint by understanding how it affects all aspects of our business — from regulatory complexity to cost implications to environmental and social concerns.

“Kimberly-Clark has made progress on all its major environmental impacts. The company has made absolute cuts in greenhouse gases, but I believe it needs to set much more aggressive goals that are based on the science of climate change, which would drive extensive use of renewable energy and larger efficiency gains. Kimberly-Clark’s work on water is going well, but will require continued investment and support, and its fiber strategy (certification and innovation around alternatives) is world-class.”

— Andrew Winston

Sustainability Advisory Board Member

Managing Our Greenhouse Gas Emissions

To manage and reduce the GHG emissions from our operations, we have developed a corporate-wide GHG inventory of the six major greenhouse gases. We report progress annually based on detailed EPA protocols. As part of our Sustainability 2015 strategy, we set a goal of reducing GHG absolute emissions from manufacturing by 5% from a 2010 baseline.

GRI G4-EN19

In 2013, absolute global GHG emissions at our manufacturing facilities were 5.1 million metric tons (MT) of CO₂ equivalents (CO₂e). This represents a 3% reduction from 2012 GHG emissions and a 6.4% reduction from the baseline year of 2010, delivering our Sustainability 2015 goal two years early.

This record year for GHG emissions reduction was driven by initiatives executed within three main corporate strategies designed to deliver our goal:

- **Footprint Optimization:** Our strategy to restructure our manufacturing footprint for improved business results has resulted in facilities sold or retired. Recent reductions from retirement of assets at five global sites contributed to a reduction of more than 80,000 MTCO₂e in 2013.
- **Alternate and Renewable Energy Supply Deployment:** Our strategy for global energy supply incorporates responsible, sustainable procurement of energy to deliver reliable supply and predictable energy cost. GHG emissions reduction from new alternative energy sources including combined heat and power (cogeneration) technology and renewable energy reduced emissions by 33,000 MTCO₂e.
- **Energy Conservation:** Our strategy for energy conservation incorporates facility energy assessments against best practices to generate projects to reduce energy consumption and improve energy efficiency. We have established process benchmarks for targeted energy intensity as measured by amount of energy required per unit of manufactured product. To support our GHG emissions reduction effort, we set the goal to eliminate the overconsumption of energy above those benchmarks by 2015. GHG emissions reductions from energy conservation projects resulted in savings of 42,000 MTCO₂e.

Renewable energy is utilized where possible in our global operations and range from biofuels sourced from wood waste and landfill gas in the United States (Mobile & Beech Island), Switzerland (Neiderbipp), Brazil (Correia Pinto), and Thailand; also active solar installations are part of the portfolio in the United States (Berkeley) and Italy (Romagnano) where 1 megawatt of electricity is generated for internal mill use.

Since 2005, we have deployed cogeneration of electricity at four manufacturing facilities as the cornerstone of our alternate energy strategy. Through 2013, those projects have provided cumulative avoided emissions of 4.2 million MTCO₂e compared to conventional sources. Our 2013 avoided emissions of more than 230,000 MTCO₂e is equal to those from generation of electricity used annually by 31,650 homes. Our newest cogeneration system in Millicent, Australia, not only produces more than 90% of the electricity for the manufacturing facility, but also produces 100% of the mill's steam through a waste heat recovery steam generator. Additional waste heat is integrated into the tissue manufacturing process to reduce more than 60% of the natural gas used to dry our tissue. This project also shows our continuous improvement by achieving a Kimberly-Clark cogeneration record 80% cycle efficiency which saves 80,000 MTCO₂e and more than \$8 million in energy cost annually.

Fuel switching to lower GHG emitting fuels is an important part of our alternate energy strategy. Applied to steam generation, six facilities (Enstra, Chungli, Hsing Ying, Tayuon, Thailand Safe Skin and Barbosa) have converted fuel oil or coal to natural gas. In 2013, savings from fuel switching contributed 25,000 MTCO₂e in GHG reduction.

GRI G4-EN21

Other Criteria Pollutants (MT)	2010	2011	2012	2013
NOx	4,870	4,892	3,919	3,763
SO2	4,456	4,685	3,252	2,048

GRI G4-EN6
**Energy Conservation:
Managing Energy Efficiency**

Energy Efficiency (million Btu/MT of production)	2010	2011	2012	2013
Actual	15.3	15.6	13.3	13.6
Benchmark Target (based on volume/mix of products)	14.3	14.3	12.9	13.4
Percent deviation (over-consumption)	6%	9%	3%	1.5%

From 2012 to 2013, Kimberly-Clark manufacturing facilities reduced energy overconsumption by 50%, from 3% in 2012 to a record low 1.5% in 2013. Energy consumption per unit was reduced 11.1% since the baseline year 2010. This increase in energy efficiency saved Kimberly-Clark nearly \$90 million in energy costs to manufacture our products in 2013. These results were positively influenced by the execution of 95 discrete energy conservation/energy efficiency improvement projects implemented in our manufacturing facilities across the globe.

GRI G4-EN15 AND G4-EN16

Greenhouse Gas Emissions (million MT CO ₂ e)	2010	2011	2012	2013
Direct (Scope 1)	2,532,226	2,483,048	2,379,935	2,243,926
Indirect (Scope 2)	2,919,432	2,912,934	2,874,870	2,856,695
Total emissions (CO ₂ e)	5,451,659	5,395,982	5,254,805	5,100,621
Carbon dioxide (CO ₂)	5,398,851	5,336,053	5,220,373	5,066,093
Methane (CH ₄)	13,562	12,913	8,272	8,332
Nitrous oxide (N ₂ O)	39,246	37,624	26,160	26,197
Change from the previous year	0	1.0%	2.6%	3%
CO ₂ e per metric ton of production	2,532,226	2,483,048	2,379,935	2,243,926

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)," and 2010 data has been updated to reflect these new calculations.

At Kimberly-Clark, energy efficiency improvements are accomplished by identifying and prioritizing conservation initiatives through two strategies based on value delivered against our goals:

- Global Energy Best Practices Adoption:** 16 global energy best practices are used during the energy assessments at our manufacturing facilities to identify the most impactful initiatives to pursue, in order to reach our full potential energy efficiency. We have realized a significant increase in conservation by executing projects with highest economic payback first. Examples include installation of hot air showers to recover the waste heat back into the tissue process; high-efficiency lighting retrofit utilizing the latest LED technology; variable-frequency drives for pumps and fans, among many others.
- Lean Energy Management:** 14 facilities deployed Kimberly-Clark's "LEAN energy management" in 2013, saving a combined 2.9% in energy use against equivalent manufacturing volume within their facilities. This system is designed to engage mill employees in a culture of conservation, execute process changes oriented to optimize energy efficiency and deploy real time visual tools to make energy overconsumption visible, triggering corrective actions.

Piloted in mid-2010, Kimberly-Clark's El Salvador mill, Sitio del Nino (SDN), has saved more than \$1.5 million a year in energy costs since the LEAN energy system was deployed. As a result of best-practice sharing, 14 additional facilities on three continents deployed the system, with savings of more than \$3 million in 2013. The success has led to a plan which will total more than 15 facilities deploying their LEAN journey for energy conservation by the end of 2014.

Kimberly-Clark's Family Care division in North America saved \$2 million and 10,000 MT of GHG a year by executing high efficiency lighting projects at Beech Island, Huntsville and Fullerton mills. In Beech Island and Fullerton the projects were eligible for Federal EPAct accelerated depreciation tax credit, which remained in place through 2013.

GRI G4-EN3

Direct Energy Use (trillion Btu)	2010	2011	2012	2013
Natural gas	29.5	30.03	30.03	29.7
% of total	51%	53%	68%	68%
Purchased biomass, purchased liquor	14.1	13.4	7.0	7.4
% of total	24%	24%	16%	17%
Coal	7.8	7.3	6.5	5.6
% of total	13%	13%	14%	13%
Self-generated liquor	5.0	4.5	0.0	0.0
% of total	9%	8%	—%	—%
Fuel oil	1.6	1.2	0.9	0.7
% of total	3%	2%	2%	2%
Other self-generated	0.16	0.18	0.1	0.1
% of total	0.3%	0.3%	0.3%	0.2%
TOTAL	58.1	56.5	44.7	43.5

Indirect Energy Use (trillion Btu)	2010	2011	2012	2013
Electricity	18.4	18.4	18.1	17.9
% of total	99%	99%	99%	99%
Steam	0.12	0.14	0.10	0.10
% of total	1%	1%	1%	1%
TOTAL	18.6	18.5	18.2	18.0

GRI G4-EN6

Energy Use (trillion Btu)	2010	2011	2012	2013
Non-renewable energy	57.1	56.7	55.7	54.0
% of total	75%	76%	88%	87%
Renewable energy	19.4	18.2	7.3	8.0
% of total	25%	24%	12%	13%
TOTAL	76.5	74.9	63.0	62.0
Energy Efficiency (million Btu/MT of production)	15.3	15.6	13.3	13.6

GRI G4-EN17 AND G4-EN30

Intermodal Transportation	2010	2011	2012	2013
Total loads	78,502	87,934	91,353	92,536
Annual change	0.22	0.12	0.04	0.013
Miles traveled (millions)	109.4	117.8	119.6	120.0
Savings (\$M)	44.2	55.8	60.3	59.2
Fuel use (million gallons of diesel)				
Intermodal	9.1	9.8	10.0	10.0
Comparable truck-only fuel use	18.2	19.6	19.9	20.0
Savings	9.1	9.8	10.0	10.0
CO2 emissions (million pounds - Scope 3)				
Intermodal	204.7	220.4	223.8	224.4
Comparable truck-only fuel use	409.4	440.9	447.7	448.8
Savings	204.7	220.4	223.8	224.4

Notes:

Numbers are estimates

Pounds of carbon dioxide emitted for each gallon of diesel fuel burned: 22.45



Since we made our first product in 1872, quality, service and fairness have been the values behind our essential products. These values continue to inspire our search for more sustainable ways of meeting our customers' needs, and today, we apply the precautionary principle at each stage of a product's life cycle. While we constantly seek to address essentials like clean water, fresh air and a healthy environment through our operations, we design our products to continuously provide essentials that support our everyday lives.

GRI G4-14

"It's good to see that Kimberly-Clark is transparent and realistic in evaluating their progress. At the same time, it's not good enough to just recalibrate metrics where one falls short, for example packaging. Moreover, it would also be good to reevaluate goals where the company has exceeded the five-year target, such as the case with sales from environmentally innovative products.

Additionally, with anticipated growth of their single use disposable products in new urban emerging markets, the company needs to accelerate the efforts to re-purpose post-consumer waste working with industry associations and governments."

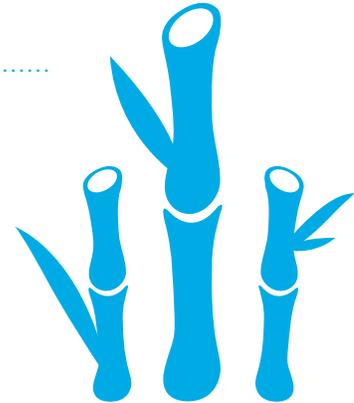
— Suhas Apte

Sustainability Advisory Board Member

INNOVATION

Innovation is the lifeblood of our business. We compete in eight major consumer categories, five of which we created*:

- Facial tissue*
- Paper towels*
- Bathroom tissue*
- Diapers
- Training/youth/swim pants*
- Infant and child wipes
- Feminine care*
- Incontinence care



37% OF NET SALES FROM ENVIRONMENTALLY INNOVATIVE PRODUCTS

Additionally, customers use Kimberly-Clark Professional's products to create exceptional workplaces through safety solutions, while medical professionals turn to Kimberly-Clark Health Care for a portfolio of products essential to the health and hygiene of patients and staff.

Together, Kimberly-Clark Professional and Kimberly-Clark Health Care accounted for 23% of 2013 net sales. Both businesses are experiencing continued growth, with a shift of their respective product mixes into faster-growing, higher-margin segments, including safety and wiping products in K-C Professional and medical devices in K-C Health Care.

Kimberly-Clark is focusing its long-term research on alternative materials and other environmental innovations that don't rely on wood fiber.

Kimberly-Clark's philosophy of innovation is based on providing essentials for a better life around the world by identifying the needs and wants of consumers and other end-users and satisfying those needs by improving existing brands and exploring new opportunities. By 2015, we aim for 25% of our net sales to be from environmentally innovative products. We are currently at approximately 37%, exceeding our goal on this measure.

Materials Innovation

Kimberly-Clark is focusing its long-term research on alternative materials, materials reduction and other environmental innovations. In 2013, we gained momentum with sustainability improvements to major product lines which moved the percentage of sales of environmentally innovative products up significantly.

Specifically in the area of materials reduction, the Huggies brand launched a major improvement to their largest volume product, Snug & Dry diapers. The result was a product that was thinner and softer than before while still delivering the trusted absorbency and leakage performance levels that Huggies consumers have come to expect. Improved fit for long-lasting leakage protection was delivered to delight consumers. All in all, materials in the diaper were reduced by more than 10%, which equals over 36 million pounds of material reduced. Also, less packaging material was required for this new product, reducing packaging materials by over 1.8 million pounds.

GRI EN1

MATERIALS USED (MILLION MT)	2010	2011	2012	2013
Virgin fiber	2.56	2.48	2.36	2.40
Recycled fiber	0.97	1.05	0.95	0.96
Polymers	0.74	0.72	0.72	0.69
Packaging	0.52	0.50	0.52	0.52
Adhesives	0.08	0.07	0.08	0.06
Polymer-based components	0.02	0.02	0.02	0.02
Packaging (MT/MT of production)	0.104	0.103	0.103	0.104

One area showing continued progress in light-weighting materials is our Global Nonwovens operations which produces nonwoven fabrics for our Personal Care, Kimberly-Clark Professional, and Health Care businesses. The Global Nonwovens team continues to implement Life Cycle Analysis tools applied to nonwoven developments in order to improve the footprint of these materials. In 2013, approximately 4% of additional nonwovens grades were reduced in weight bringing the total number of reduced basis weight sourced nonwovens to 66% versus 2009 baseline. These efforts to reduce mass translate into more efficient Personal Care and Health Care products.

Life-Cycle Assessment: Our ecoLOGICAL Model

In 2010, we introduced our ecoLOGICAL model to establish a global portfolio of environmentally innovative products and to provide ourselves with a tool with which to measure progress toward our Sustainability 2015 goals. The model includes an environmental innovation rating system for products, business-specific product scorecards, environmental innovation tracking systems, sales tracking systems, and rapid life cycle assessment (LCA) tools for use in product development, communications and training.

Before being included in our ecoLOGICAL portfolio, products must be evaluated and qualified in at least one of four categories:

- Responsible Materials — including rapidly renewable materials, third-party-certified materials and post-consumer materials
- Life Cycle Footprint
- Third-Party Recognition
- Breakthrough Environmental Innovation

By the end of 2013, we had achieved approximately 37% of net sales from environmentally innovative products in our ecoLOGICAL portfolio, including:

YEAR	BRAND	REGION	PRODUCT
2011	Kleenex	Europe	FSC-labeled products
	Kleenex, Scott, Wypall	Europe	EU Ecolabel Kimberly-Clark Professional products
	Kleenex	UK	Eco-form facial cleansing wipes
	Kleenex, Scott	North America	FSC-labeled and Eco-Logo-certified Kimberly-Clark Professional products
	Huggies	North America	Pure and Natural diapers
	Huggies	North America	Baby wipes
	Scott	U.S.	Scott Naturals bath tissue
	Kleenex	U.S.	FSC-certified tissue
	Neve	Brazil	NeveNaturali bath tissue
2012	Scott	North America	FSC-certified bath tissue and towels
	Huggies	Latin America	Diapers
	Neve	Latin America	Bath tissue
2013	Huggies	Latin America	Diapers
	Kleenex, Scott, Wypall	Asia	FSC-labeled products
	Viva	Australia	Towels with bamboo
	Andrex Eco	Europe	Bath tissue with bamboo
	Cottonelle, Viva	North America	FSC-labeled products
	Huggies	North America	Diapers
	Kleenex, Scott	North America	Wheat straw & bamboo Kimberly-Clark Professional products

In our Australia business, Viva brand paper towel with bamboo fiber was launched in 2013 — the first paper towel product in Australia to contain bamboo fiber, a highly renewable fiber that regenerates and grows up to five times faster than trees. The new paper towel is just as strong and absorbent as our regular Viva paper towel. Viva paper towel with bamboo fiber is FSC certified, meaning that it is sourced from responsibly managed forests that are not inhabited by pandas, and the bamboo is not the type consumed by pandas.

Eco-Certifying Our Products

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 carry the program logo on their packaging.

In 2011, Kimberly-Clark became the first U.S. tissue maker to offer branded consumer tissue products that meet the rigorous sustainable sourcing requirements of the Forest Stewardship Council (FSC). We are committed to continuing this leadership. For information on fiber certification and FSC labeling, please click [here](#). As of July 2013, we are pleased to announce that most of our Malaysian manufactured Kleenex and Scott tissue, paper towel and wiper products are now FSC™ certified.

EcoLogo® is one of North America's most respected environmental leadership certification programs, emphasizing reduced environmental impact throughout a product's life cycle. The EcoLogo assures that our tissue products demonstrate a significantly reduced environmental impact as measured by five key life cycle criteria:

- Resource consumption
- Energy consumption
- Wastewater quality
- Aquatic toxicity
- Solid waste generation

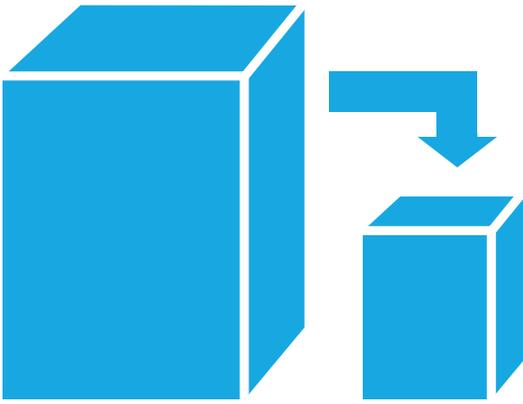
The majority of our Kimberly-Clark Professional towel and tissue codes in North America are now EcoLogo® certified.

Ecolabel, a pan-European certification program, assesses our tissue products using equally stringent criteria, including the elimination of elemental chlorine from the bleaching process. Ecolabel guarantees responsible manufacturing from “cradle to grave.” Qualifying products are evaluated to determine the impact on the environment throughout their life cycle.

ISO 14001 is a certification process towards responsible manufacturing. K-C has implemented an environmental management system at several global locations including China, France, Australia and New Zealand to name a few.

Lastly, In New Zealand we've achieved Environmental Choice certification for Kimberly-Clark Professional's Kleenex and Scott toilet tissue and Kleenex and Scott compact and optimum towel range.

PACKAGING



MORE THAN **25 SUSTAINABLE** PACKAGING IMPROVEMENT PROJECTS AROUND THE GLOBE

In 2013, we implemented various packaging reduction projects across all Kimberly-Clark businesses and regions. Using our continuous improvement approach, we are steadily improving the sustainability of many of our primary and secondary packages without compromising quality or increasing wasteful damage of products sold.

In general, reductions in packaging are driven by various approaches including decreases in packaging weight (light-weighting) or the use of less packaging as a result of product or package design specification changes, such as thinner or more compact products.

From a measurement perspective, some of these gains were offset by product mass reductions which have a dilutive effect on our packaging metric ratio calculation. However, it is important to note that these product weight reductions have other significant sustainability benefits such as less material used. The table on the following page captures some of our notable 2013 packaging sustainability improvements across the globe.

In Latin America, Kimberly-Clark worked with suppliers throughout the region to incorporate recycled material as 20% of the packaging for the wipers product. Specifically, the company incorporated recycled HDPE (high density polyethylene) resin into the thin film blown packaging. The product is now targeting nearly \$10MM in annual sales, and the team is now looking at the potential to incorporate the recycled material across their product lines and in other countries.

Packaging Improvement Projects for 2013

NORTH AMERICA PERSONAL CARE

BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Huggies diapers	Bag and corrugate reduction as part of thinner product improvement	10% overall packaging weight savings

NORTH AMERICA FAMILY CARE

BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Cottonelle Bath 12-pack bundles	Flexible film gauge reduction	12% packaging weight reduction; CO2e reduction of 156 metric tons/yr
Scott Extra Soft bath 12-pack bundles	Flexible film gauge reduction	12% packaging weight reduction; CO2e reduction of 219 metric tons/yr
Kleenex facial tissue cartons	Removed overwrap from facial tissue cartons	CO2e reduction of 845 metric tons/yr
Kleenex facial tissue cases	Reduction in corrugate board weight via. removal of PDQ case perfs (flat codes)	CO2e reduction of 410 metric tons/yr

K-C AUSTRALIA AND NEW ZEALAND

BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Huggies Jumbo	Brown liner corrugated board	Lowered the overall weight of the corrugated board by 6%
U by Kotex pads	Changed from cartons to bags	Overall packaging weight reduction of 88% for the retail package
Kleenex facial New Zealand	Facial Carton mass reduction	Reduced carton board weight of 15%
Cottonelle bath	Poly label packaging reduction	20% PE weight savings

KCP NORTH AMERICA

BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Kleenex Cottonelle, single roll bath tissue, 60 count	Changed packaging orientation for improved pallet stacking	Moved from 28 cases to 36 cases/pallet. Saved over 400 truckloads per year & cost savings \$1 million
Scott Scottfold towels	Reduced the case width size	Reduction in corrugate material plus more cases/pallet. Reduced 60 truckloads per year
Scott coreless jumbo roll towels	Reduced corrugate thickness	Reduction in corrugate material plus more cases/pallet. Reduced 100 truckloads per year

KCP EUROPE

BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Kleenex & Scott facial tissue	Reduce carton height by 3mm and created an additional pallet layer	Increased case quantity from 36 to 45 per pallet
Small rolled toilet tissue	Reduced from 3 to 2 ply construction cores	Less material and adhesive for \$64k cost savings

MEA

BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Scott Kim Dri regular/medical/ folded (Sub Saharan Africa)	Improved corrugate orientation design	Pallet utilization increased from 16 to 20 boxes per pallet
Huggies dry comfort and gender-specific (Sub Saharan Africa)	Reduction in bag length and width of primary packaging	Less packaging and all bags can be recycled
Baby soft enviro-roll - compacto (Sub Saharan Africa)	Reduced packaging	Reduced impact of plastic usage and decreased transport requirements
Turkey, waste bags	Decreased the thickness of mill waste packs	Annual savings of 14 metric tons of PE

ASIA

BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Kotex and Huggies Vietnam	Bundle Polybag with 20% Post Industrial Recycle (PIR) PE	Annual savings of 5 metric tons virgin resin
Kleenex & Scott Thailand	Corrugate board harmonization	54.8% complexity reduction with annual usage reduction of 150 metric tons of
China Kotex Feminine Care	PE bag gauge reduction	20 metric ton PE reduction
Korea: All FemCare, Infant Care and Pants codes	Reduction in number of inks used in corrugate and flexible packaging	Less ink used and \$315k annual cost savings

LAO

BRAND / PRODUCT	PACKAGING REDUCTION	SUSTAINABILITY BENEFIT
Brazil Kleenex facial carton and pocket pack	Reduced carton board; removal of printed poly window; label size reduction	1.8 metric ton packaging weight reduction, 39.5kg ink reduction
Andean region Huggies diapers, (Colombia, Peru, Bolivia, Ecuador) Diaper bags	Standardised gauge of poly diaper packaging	Reduction in PE consumption

Additionally, Kimberly-Clark is a member of the Sustainable Packaging Coalition (SPC). The SPC is a U.S.-based industry working group dedicated to a more robust environmental vision for packaging. The SPC encourages members to initiate projects of interest on packaging sustainability within a framework of science-based research, supply chain collaborations and continuous outreach. According to the SPC, sustainable packaging can best be defined assessing alignment with broad design, sustainability, and performance criteria. Kimberly-Clark incorporates these principles in our packaging metric and continuous improvement activities.

Measuring Our Progress

As a result of some of our packaging sustainability efforts, global packaging sourcing remained flat versus 2012 although product sales volumes increased 3%. Hence, we were able to deliver our products in packaging that uses relatively fewer raw materials while maintaining or improving quality and performance.

Even though we have made progress in reducing the environmental impact of the packaging that protects our products' quality and the safety for our consumers, we are not on track to meet our stated 2015 impact reduction goals.

In 2013, we performed a "check and adjust" regarding our 2015 packaging improvement metric, using our continuous improvement methodologies and have determined that we must amend our chosen metric.

The original metric was designed to measure the improvement of packaging sustainability in relation to the product it protects. We accomplish this by tracking the CO₂e (carbon equivalents) footprint of the packaging in proportion to the mass of product sold. This ratio method contains several issues we are planning to address including that product efficiency or mass changes that we are successfully commercializing around the globe significantly affect the packaging metric's calculation and tracking.

After taking a retrospective look at our progress to date relative to the packaging environmental impact goal communicated back in 2011 when we announced our Sustainability 2015 goals, we have determined that our chosen metric was not capable of satisfactorily capturing and driving the progress we seek as an enterprise. As a result, we have devised a more robust metric that builds on our ecoLOGICAL scorecard approach we have

employed to successfully drive and track our environmentally innovative product goals. Therefore, we are amending the existing ecoLOGICAL scorecard with an additional module specifically designed to recognize and drive sustainable packaging criteria more consistent with those voiced by the SPC. We will be communicating the changes to the scorecard to our global product and packaging development community and will be developing our baseline and goals in 2014. We will plan to share our progress and recast goals in subsequent reports.

K-C continues to invest in our systems and people to promote sustainability actions like packaging improvements into daily business practices. K-C's standard cost-management tool, FORCE, is a global program driving continuous improvements to our businesses including managing \$1.5 billion in cost management activity annually with over 10,000 programs per year. In 2013, the system was enhanced to help drive sustainability project implementation. Added functionality tracks whether a program reduces packaging amounts. Energy usage, waste, or water usage are also tracked. Sustainability program submitters can calculate the reduction and enter it in a data entry box thereby enabling better visibility and global coordination to important programs that are reducing environmental impact.

POST-CONSUMER WASTE



62 TONS OF K-C PRODUCTS DIVERTED FROM LANDFILL POST-USE

The majority of Kimberly-Clark products are single-use, and our stakeholders have identified post-consumer waste as an important issue for Kimberly-Clark to tackle as we continue to expand into emerging markets. We are working on a number of recycling, upcycling and composting solutions, which we describe below. We understand the importance of applying life cycle thinking — from development to disposal — to our products and will provide updates on our progress on this front in future reports.

In 2013, our customers diverted more than 62 tons of used garments and gloves from the landfill through the program.

CASE STUDIES

Case Study: K-C Professional (KCP) initiated a single-use-garment recycling program in 2011 through a partnership with TerraCycle. In 2013, our customers diverted more than 62 tons of used garments and gloves from the landfill through the program (124,329 lbs). 2013 also marked the piloting phase of a new program within KCP called RightCycle. This program builds on our experience with TerraCycle and expands our offering of recycling services for single-use-garments to more end users.

Case Study: Kimberly-Clark's Huggies brand in New Zealand continued its partnership with Envirocomp in 2013, developing a voluntary product stewardship scheme to reduce sanitary hygiene waste to landfill. The program was the first by an individual consumer goods manufacturer to receive accreditation by the Hon Amy Adams, New Zealand's Minister for the Environment, under the Waste Minimization Act 2008. The service, which collects and composts used diapers, incontinence products and sanitary items, now reaches 24% New Zealanders serving around 10% households with babies in the Canterbury and Wellington regions and over 500 commercial customers. Envirocomp is planning to introduce a third plant in Auckland and extend their existing coverage, so that more New Zealanders have access to the composting service.

Case Study: Kimberly-Clark Health Care has been working with hospitals to help them recycle Kimguard* Sterilization Wrap. In 2012, we launched a five-stage recycling engagement program called Blue ReNew. The program helps hospitals organize their wrap-recycling needs, including engagement of leadership and key stakeholders, identification of recycling partners, training of hospital operating room teams and measurement of program results. In 2012, 52 hospitals helped us divert an estimated 1.5 million pounds of sterile wrap from landfills. An estimated 3 million pounds were diverted from landfill by 114 customers recycling through Blue ReNew in 2013. An additional 236 hospitals are currently working with Kimberly-Clark Health Care to set up the program.

Case Study: Members of our Global Nonwovens business participate on the boards of the Association of Postconsumer Plastic Recyclers and the Healthcare Plastics Recycling Council, working with other industry leaders to increase the recycling of plastics-based products.

Information on our materials recycling efforts in our manufacturing operations is available in the [Waste](#) section of this report.

 **How2Recycle**

In 2014, Kimberly-Clark joined the How2Recycle Label Program. The goal of the program is to help consumers better understand what to do with North American packaging, and to encourage greater participation in recycling programs so that packaging gets a new life. The How2Recycle Label is an initiative of GreenBlue's Sustainable Packaging Coalition. More information on the program can be found at www.How2Recycle.info. Kimberly-Clark will initially add the label to their Scott Naturals Tube-Free bath tissue flexible film packages. In the future, Scott Naturals brand and other Kimberly-Clark consumer and professional brands will add the label to packaging where appropriate.

SUPPLY CHAIN



GRI G4-12

Kimberly-Clark maintains an extensive global supply chain consisting of 30,000 suppliers of goods, services and equipment, including 250 contract manufacturers of finished goods. Maintaining a resilient supply chain in support of K-C sales and operations depends on K-C suppliers operating in an ethical manner with respect to human rights, worker safety and environmental practices.

The Supplier Social Compliance Standards (SSCS) are a vital pillar of Kimberly-Clark's workplace accountability programs.

Working towards a Responsible and Resilient Supply Chain is a business imperative, and our relationships with suppliers are essential to our ability to deliver on our promises to customers and consumers. We seek to do business with suppliers who share our values of quality, service and fair dealing, and our commitment to sustainability.

The Supplier Social Compliance Standards (SSCS) are a vital pillar of Kimberly-Clark's workplace accountability programs and are part of our Code of Conduct and Human Rights in Employment policy. These standards 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 actions in our workplaces and the workplaces of those who are authorized to directly supply our business. The standards outlined in the SSCS program reflect the values we uphold in our own policies, and we expect our suppliers to follow these standards and requirements.

Our standards share common goals with several international standards, including the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the principles of the United Nations Global Compact, which we signed in 2010.

For more information on how we're working with suppliers, click [here](#).

SUPPLIERS

64%

OF K-C'S KEY SUPPLIERS ARE PARTICIPATING IN THE CORPORATE SOCIAL COMPLIANCE PROGRAM

We select our suppliers based on a number of factors, including safety, quality, value, assurance of supply, technology, innovation, service and sustainability. Supplier sustainability assessment considerations include environmental sustainability, social performance and good governance. In 2013, we updated our Supplier Social Compliance Standards (SSCS) program to include updated standards. The SSCS are part of the terms and conditions attached to Kimberly-Clark purchase orders and contracts issued to all suppliers.

By the end of 2013, 230 out of 392 of our contract finished-product and branded packaging suppliers had signed the Declaration of Compliance.

Our compliance program focuses on establishing consistent standards and control processes within our in-scope 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, human rights, occupational safety and health, and environmental regulations. This is a priority for Kimberly-Clark, and we are determined to proceed with diligence and transparency.

GRI EN32 AND HR10

All new contract manufacturers who, through a process of structured supplier due diligence research, are added to our supplier list are included to the scope of our compliance program and subject to the same requirements for signing Declarations of Compliance and third-party audits. All new branded packaging suppliers are also included to the scope of the program.

Progress in Supply Chain Compliance

K-C's SSCS program supports the Sustainability 2015 objective of 100% participation rate of key suppliers in K-C social compliance programs. In 2013, the participation-rate objective of 60% was met as 64% of K-C's key suppliers are participating in the program. 2014 and 2015 goals are 80% and 100% participation rates, respectively.

The SSCS program is a human rights risk-management process to identify, prevent, mitigate and account for suppliers' impacts on human rights and compliance. We focus on countries at high risk of human rights abuses to define the scope of suppliers that will be requested to sign K-C's Declaration of Compliance and demonstrate for the facilities in those countries an absence of violations in each of the following categories:

- Child labor
- Forced labor
- Abuse of labor
- Freedom of association and collective bargaining
- Discrimination

- Working conditions that present an imminent threat of serious injury to employees
- Use of conflict minerals
- Anti-corruption & bribery policies

In 2013, we expanded the scope of SSCS to include:

- Inclusion of branded packaging suppliers, which expanded the in-scope number of suppliers to 392.
- Additional anti-corruption & bribery requirements into surveying and auditing
- Executive order and FCPA guidance
- Administration of increased customer-driven audits for customer-branded products.

Working with our customers and external auditing firms, we conducted 56 K-C branded audits in 18 countries and 43 customer-brand audits, utilizing independent third parties, to assess suppliers' compliance with the SSCS. The assessments involved confidential interviews with employees and on-site contract workers as well as facility tours where observation of working conditions and worker safety were observed and noted. By the end of 2013, 43 audited suppliers completed a remediation process.

GRI HR12

Suppliers that fail to fully comply with our standards are required to work with Kimberly-Clark to implement corrective actions. In the event a supplier subsequently still fails to fully comply with our standards, we exercise our contractual rights, including the right to terminate a supplier's agreement(s).

Supply Chain and Environmental Impact

We do environmental assessments on all new and existing suppliers in six material categories key to our business: pulp, resin (PE and PP polymer), superabsorbent polymer, rayon, cotton and transportation. Our expectation is that we will have few major issues, and such is the case.

We pay close attention to our key suppliers. For example, we expect them to alert us in a timely manner if they experience major issues in their KC-relevant operations, and inform us of their remediation plans. We did have one supplier-related issue

last year, when one of our key pulp suppliers had a portion of their FSC certification revoked, although this was subsequently reinstated.

In 2013 we scored 25 suppliers using a scorecard system. For all except transportation, we send the suppliers a detailed supplier sustainability scorecard that they have to fill out. For transportation, we require detailed information on fuel consumption and carrier efficiency.

We also perform on-site audit-inspections on about 80 suppliers per year. These audits cover a range of topics such as corporate social compliance and protection of the environment. The audits are robust and many of these audits result in findings that need to be remediated. Our practice is to help the suppliers fix the problems with a goal of supplier improvement, not to exit suppliers. We believe that our approach is in the best interest of Kimberly-Clark, the supplier, and the supplier's employees. Last year our program was highly successful but we did exit one supplier because it was felt that their infrastructure was so far behind that effective remediation on acceptable timing was unlikely. This was a packaging supplier in Asia.

All new suppliers are screened using environmental criteria, including:

- All new contract manufacturers are vetted through a thorough due diligence process that includes environmental performance. We have 330 contract manufacturers with about 10% turnover per year.
- All new fiber suppliers are required to agree to the K-C fiber policy, which is an environmentally-driven policy and a leader in the industry. Fiber is our largest commodity-spend area. Our fiber policy is posted on our [website](#).
- All of U.S. carriers (truckers) are required to work with Kimberly-Clark through EPA SmartWay to reduce fuel consumption and emissions.
- All of our fiber-based packaging suppliers are required to report annually their progress on use of recycled fiber and certified (responsibly sourced) fiber.
- All new K-C suppliers are required to agree to our corporate social compliance standards, which includes environmental performance.

2013 Audit Results

- **Number of in-scope suppliers for 2013:**
392 supplier locations
- **Facilities audited:**
56 K-C branded audits 41 customer-branded audits
- **Facilities with mandatory violations:**
43 supplier facilities 11% of in-scope suppliers
- **Facilities with non-mandatory violations:**
44 supplier facilities 11% of in-scope suppliers
- **Mandatory violations by category that required remediation:**
 - Safe & Healthy Workplace: 40 instances
 - Child Labor: 3 instances
 - Forced Labor: 6 instances
 - Freedom of Association: 2 instances
 - Environmental: 1 instance
- **Successful supplier remediations from 2013 audits:**
80% of facilities with Mandatory Violations
- **Remaining follow-up audits to confirm remediations from 2013 audits:**
20% of facilities with Mandatory Violations

PRODUCT QUALITY AND SAFETY



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

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

This year's objectives have evolved from a strong historic focus on manufacturing quality control to a combination of a leading indicator assessing total quality system effectiveness and a trailing indicator, or Quality Index, measuring product quality at point of sale. The program seeks to quantify the amount of sub-standard product reaching point-of-sale and translate into lost-sales opportunities impacting top and bottom line performance. The data is then used to identify and fix root causes of quality failures, and set improvement targets by category and by country/region.

In K-C's International division 2013 Quality performance was ahead of expectations and a significant improvement versus prior year for both Quality System effectiveness and for Quality Index, which measures the volume of product reaching point of sale fully meeting our expectations for the look and feel of quality. K-C's International program is expected to reduce amount of sub-standard product reaching point of sale by about \$800 million by 2015.

Kimberly-Clark is accountable for and committed to the integrity of our products and supply chain.

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

Should they become necessary, product recall programs are in place to proactively and promptly address potential safety issues. These processes are tested periodically to ensure that they are effective and efficient.

Kimberly-Clark takes a proactive approach to recovering products that do not meet quality or regulatory standards or that may pose an adverse health or safety risk.

In 2013, Kimberly-Clark executed recalls in the U.S. — unless otherwise stated — that included the following products:

- **Global Nonwovens / Health Care**
 - Container Filter
- **Health Care**
 - ON-Q Pain Relief System, ON-Q T-Block
 - Single Shot Epidural Pain Management Trays containing the BD LOR Syringe
 - RadiOpaque Radiofrequency Cannula, Gauge 22, Length 100 mm, Active Tip 10 mm
- **K-C International**
 - U-by-Kotex STAR tampons size 1 from Korea and all sizes from Brazil
 - Kleenex Moist Hands and Face Wipes from Thailand
- **K-C Professional**
 - Jackson Safety AIRMAX Powered Air Purifying Respirator (PAPR) from Europe

We are equally dedicated to protecting consumer health and safety. Our product-safety scientists are trained and accredited 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 conducted by our product-safety experts cover the complete life cycle of a product: research and development, manufacture, sale, use and disposal.

Additional information on our policies is available on our corporate website [here](#).

PERFORMANCE DATA

SUMMARY



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 content index below cross-references each of the ten principles to the location where they are discussed on the website and serves as Kimberly-Clark's Communication on Progress (COP).

SUSTAINABILITY 2015 GOALS

	2011	2012	2013
PEOPLE			
Zero workplace fatalities	0	0	0
Socially focused programs in all K-C communities	62%	89%	89%
100% participation by key suppliers with social compliance standards	99%	67%	64%
PLANET			
25% reduction in water use and maintain quality of discharge	0.88%	18%	26.4%
100% fiber from certified suppliers	99.9%	100%	100%
5% absolute reduction in GHG	1.2%	3.6%	6.4%
Zero manufacturing waste to landfill (% of waste currently diverted from landfill)	78.3%	78.7%	81.5%
PRODUCTS			
250 million new consumer touches(M)	N/A	110	134
25% of 2015 net sales from environmentally innovative products	13%	22%	37%
20% reduction in packaging environmental impact	4%	4%	4%

PERFORMANCE DATA SUMMARY

	2010	2011	2012	2013
PEOPLE				
Total employees	57,271	57,251	58,340	~57,000
Turnover (U.S. only)	6.4%	10.1%	9.9%	10.1%
Percentage employees with union membership	27%	25%	25%	25%
Diversity				
Percentage women employees (U.S.)	29.9%	30.1%	31.0%	35.6%
Percentage ethnic minority employees (U.S.)	17.8%	17.9%	18.8%	18.7%
Percentage women in management (U.S.)	27.3%	28.6%	29.3%	30.3%
Percentage ethnic minority in management (U.S.)	10.9%	11.3%	11.7%	13.7%
Independent board members	92.3%	92.3%	91.7%	91.7%
Women on the board	23.1%	23.1%	25.0%	25.0%
Minority group board membership	23.1%	30.8%	33.3%	33.3%
Safety				
Total reportable incident rate (TRIR)	0.44	0.40	0.31	0.27
Lost-time reportable incident rate (LTRIR)	0.30	0.27	0.19	0.17
Community				
Community investment (product + cash donations in millions)	20.7	32.1	33.0	30.5
% of net income	1.1%	2.0%	1.8%	1.4%

Note:

Our employee numbers only include full-time employees

PERFORMANCE DATA SUMMARY

	2010	2011	2012	2013
PLANET				
Fiber				
Total virgin fiber used (million MT)	2.56	1.80	2.36	2.40
Recycled (million MT)	0.97	1.05	0.95	0.96
Percent of virgin fiber from environmentally responsible sources*	98.0%	99.9%	100%	100%
Climate				
Energy use (trillion Btu)	76.5	74.9	63.0	62.0
Energy efficiency (million Btu/MT production)	15.3	15.6	13.3	13.6
Percentage energy from renewable sources	25%	24%	12%	13%
Carbon dioxide equivalents from manufacturing (million MT CO ₂ e)	5.45	5.40	5.25	5.10
Carbon dioxide equivalents per metric ton of production	1.10	1.14	1.09	1.10
Water				
Total global water use (million m ³)	126.4	125.4	103.4	93.0
Tissue manufacturing water use efficiency (m ³ /MT production)	43.5	45.7	40.0	36.0
Waste				
Non-hazardous waste (million MT)	1.39	1.44	1.37	1.33
Hazardous Waste (kg)	483,521	348,059	391,390	507,926
Waste per metric ton of production	0.28	0.29	0.29	0.31
Percentage waste sent to landfill	18.8%	21.7%	21.3%	18.5%

*Approximately 150 tons of the fiber were not certified in 2012, but with two digit rounding the percentage is 100%

	2010	2011	2012	2013
PRODUCTS				
Manufacturing				
Total production volume (million MT)	4.97	4.73	4.80	4.63
Packaging per metric ton of production	0.104	0.103	0.103	0.104

PERFORMANCE DATA SUMMARY

	2010	2011	2012	2013
ECONOMIC				
Financials Summary				
Net sales (\$B)	19.7	20.8	21.1	21.2
By division				
Personal Care	8.7	9.1	9.6	9.5
Consumer Tissue	6.5	6.8	6.5	6.6
K-C Professional	3.1	3.3	3.3	3.3
Health Care	1.5	1.6	1.6	1.6
By region				
North America	10.7	10.8	10.8	10.8
Europe	3.2	3.4	3.2	3.0
Asia, Latin America & Other	6.6	7.5	7.9	8.1
Intergeographic (Asia, Latin America & Other)	(0.71)	(0.77)	(0.81)	(0.80)

Note:

“Intergeographic” refers to inter-company sales



PERFORMANCE DATA

Notes:

¹ In 2013 a motor vehicle fatality occurred in the trucking operations of Kimberly-Clark de Mexico, an unconsolidated affiliate.

² In 2013 the Kimchean mill in South Korea received a \$1,000 fine for inadequate machine guarding that has been corrected. In Jan. 2012, the Chester, PA mill was cited by OSHA as a result of an explosion involving a propane tank that occurred in Aug. 2011. A monetary sanction of \$23,000 was paid and the following corrective actions undertaken: a) Discontinued refueling of propane cylinders on the Chester site immediately following the incident, and the two propane filling stations on site were dismantled and removed, b) Propane is now delivered in cylinders by a vendor. c) The smoking policy has been clearly re-communicated and is consistently enforced.

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

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

SERR: Number of Sentinel Events reported per 200,000 hours worked per annum.

GENERAL	2010	2011	2012	2013
Full-Time Employees				
North America	15,356	14,889	14,652	14,441
% of total	27%	26%	25%	25%
Latin America	19,316	20,351	21,824	21,804
% of total	34%	36%	37%	38%
Europe, Middle East and Africa	8,626	8,222	8,039	6,872
% of total	15%	14%	14%	12%
Asia/Pacific	13,973	13,789	13,825	13,631
% of total	24%	24%	24%	24%
TOTAL	57,271	57,251	58,340	56,748
Union Membership				
Percentage of employees	27%	25%	25%	25%
Turnover (U.S. only)				
Total	6.4%	10.1%	9.9%	10.1%
Voluntary	4.3%	5.2%	5.8%	7.4%
Involuntary	2.1%	4.9%	4.2%	2.8%

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

PEOPLE PERFORMANCE DATA

GENERAL	2010	2011	2012	2013
Board				
Independent members	92.3%	92.3%	91.7%	91.7%
Women	23.1%	23.1%	25.0%	25.0%
Minority group membership	23.1%	30.8%	33.0%	33.0%
Total Board members	13	13	12	12
Employee Diversity				
Women	29.9%	30.1%	31.0%	35.6%
Women in management	27.3%	28.6%	29.3%	30.3%
Ethnic minorities	17.8%	17.9%	18.8%	18.7%
Ethnic minorities in management	10.9%	11.3%	11.7%	13.7%

Board Diversity Details	2013
Age	
51-55	2 (Falk, Garcia)
56-60	3 (Jemison, Read, Rice)
61-65	2 (Bru, Decherd)
66-70	5 (Alm, Bergstrom, Jenness, Karch, Shapiro)
Independent	11 (Alm, Bergstrom, Bru, Decherd, Garcia, Jemison, Jenness, Karch, Read, Rice, Shapiro)
Non-independent	1 (Falk)
Gender	
Male	9 (Alm, Bergstrom, Bru, Decherd, Falk, Garcia, Jenness, Read, Shapiro)
Female	3 (Jemison, Karch, Rice)
Ethnicity:	
Minority	4 (Bru, Garcia, Jemison, Rice)
Non-minority	8 (Alm, Bergstrom, Decherd, Falk, Jenness, Karch, Read, Shapiro)

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).

Employee Contributions				
Employee giving (\$M)	4.2	3.9	4.2	4.4
U.S. employee volunteer hours	78,000	84,000	77,430	80,571

PEOPLE PERFORMANCE DATA

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



PERFORMANCE DATA

Notes:

Data represents Kimberly-Clark and equity affiliates

"FSC Plantation" is a subset of "FSC Mix"

"Post-consumer recycled content" is a subset of "Recycled content"

*Post-consumer recycled content reported for North America and Europe only

GENERAL	2010	2011	2012	2013
Fiber Use (million MT)				
Virgin	2.56	2.48	2.36	2.40
% of total	72.6%	70.3%	71.1%	71.5%
Recycled	0.97	1.05	0.95	0.96
% of total	27.5%	29.7%	28.6%	28.5%
Forest Stewardship Council (FSC) + recycled content	65.3%	62.4%	66.1%	71.7%

Note:

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

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

Note:

*Approximately 150 tons of the fiber were not certified in 2012, but with two digit rounding the percentage is 100%

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

ENVIRONMENTALLY PREFERABLE TISSUE (GLOBAL)	2010	2011	2012	2013
Virgin Fiber				
FSC Mix	33.3%	38.5%	44.3%	50.3%
FSC Plantation	29.1%	33.1%	38.4%	41.8%
FSC Controlled Wood	31.4%	26.1%	21.8%	16.5%
Recycled Fiber				
Recycled content	32.0%	34.5%	33.9%	33.2%
Post-consumer recycled content*	12.9%	14.1%	13.8%	13.7%

PLANET PERFORMANCE DATA

ENVIRONMENTALLY PREFERABLE TISSUE (NORTH AMERICA)	2010	2011	2012	2013
Virgin Fiber				
FSC Mix	31.6%	36.7%	44.0%	50.7%
FSC Plantation	25.9%	30.0%	34.4%	38.0%
FSC Controlled Wood	42.7%	36.4%	26.5%	21.3%
Recycled Fiber				
Recycled content	25.2%	26.0%	29.5%	28.0%
Post-consumer recycled content	20.3%	22.5%	25.6%	22.9%

Notes:

Data represents Kimberly-Clark and equity affiliates

“FSC Plantation” is a subset of “FSC Mix”

“Post-consumer recycled content” is a subset of “Recycled content”

PLANET PERFORMANCE DATA

ENERGY	2010	2011	2012	2013
Energy Use (trillion Btu)				
Non-renewable energy	57.1	56.7	55.7	54.0
% of total	75%	76%	88%	87%
Renewable energy	19.4	18.2	7.3	8.0
% of total	25%	24%	12%	13%
TOTAL	76.5	74.9	63.0	62.0
Energy efficiency (million Btu/MT of production)	15.3	15.6	13.3	13.6

DIRECT ENERGY USE (TRILLION BTU)	2010	2011	2012	2013
Natural gas	29.5	30.03	30.3	29.7
% of total	51%	53%	68%	68%
Purchased biomass, purchased liquor	14.1	13.4	7.0	7.4
% of total	24%	24%	16%	17%
Coal	7.8	7.3	6.5	5.6
% of total	13%	13%	14%	13%
Self-generated liquor	5.0	4.5	—	0
% of total	9%	8%	—	—
Fuel oil	1.6	1.2	0.9	0.7
% of total	3%	2%	2%	2%
Other self-generated	0.16	0.18	0.1	0.1
% of total	0.3%	0.3%	0.3%	0.2%
TOTAL	58.1	56.5	44.7	43.5

INDIRECT ENERGY USE (TRILLION BTU)	2010	2011	2012	2013
Electricity	18.4	18.4	18.1	17.9
% of total	99%	99%	99%	99%
Steam	0.12	0.14	0.10	0.10
% of total	1%	1%	1%	1%
TOTAL	18.6	18.5	18.2	18.0

PLANET PERFORMANCE DATA

INTERMODAL TRANSPORTATION	2010	2011	2012	2013
Total loads	78,502	87,934	91,353	92,536
Annual change	0.22	0.12	0.04	0.013
Miles traveled (millions)	109.4	117.8	119.6	120.0
Savings (\$M)	44.2	55.8	60.3	59.2
Fuel use (million gallons of diesel)				
Intermodal	9.1	9.8	10.0	10.0
Comparable truck-only fuel use	18.2	19.6	19.9	20.0
Savings	9.1	9.8	10.0	10.0
CO2 emissions (million pounds - Scope 3)				
Intermodal	204.7	220.4	223.8	224.4
Comparable truck-only fuel use	409.4	440.9	447.7	448.8
Savings	204.7	220.4	223.8	224.4

Notes:

Numbers are estimates

Drop in savings for 2009 is due to a significant drop in fuel prices

Pounds of carbon dioxide emitted for each gallon of diesel fuel burned: 22.45

CLIMATE CHANGE	2010	2011	2012	2013
Greenhouse Gas Emissions (million MT CO2e)				
Direct (Scope 1)	2,532,226	2,483,048	2,379,935	2,243,926
Indirect (Scope 2)	2,919,432	2,912,934	2,874,870	2,856,695
Total emissions	5,451,659	5,395,982	5,254,805	5,100,621
Carbon dioxide (CO2)	5,398,851	5,336,053	5,220,373	5,066,093
Methane (CH4)	13,562	12,913	8,272	8,332
Nitrous oxide (N2O)	39,246	37,624	26,160	26,197
Change from previous year	0	1.0%	2.6%	2.9%
CO2e per metric ton of production	1.10	1.14	1.09	1.10

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)," and 2010 data has been updated to reflect these new calculations.

OTHER CRITERIA POLLUTANTS (MT)	2010	2011	2012	2013
NOx	4,870	4,892	3,919	3,763
SO2	4,456	4,685	3,252	2,048

PLANET PERFORMANCE DATA

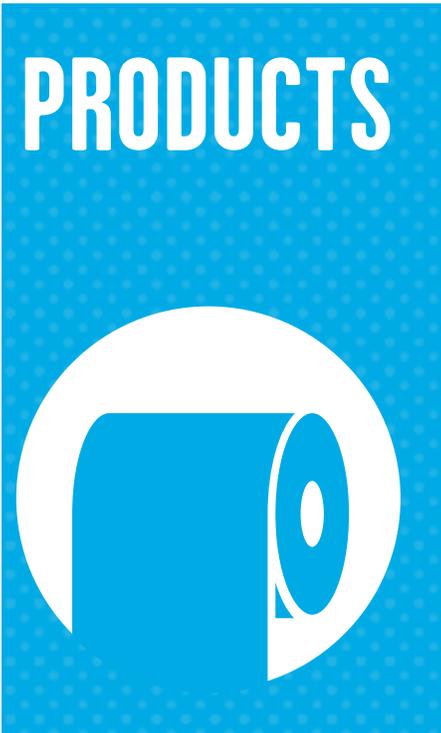
WATER	2010	2011	2012	2013
Process Fresh Water Use (million m³)				
Surface	72.9	69.5	46.0	44.5
% of total	58%	55%	44%	48%
Municipal	36.7	37.5	39.4	32.3
% of total	29%	30%	38%	35%
Groundwater	16.8	18.5	18.1	16.2
% of total	13%	15%	17%	17%
TOTAL	126.4	125.4	103.4	93.0
Reduction over previous year		0.8%	17.5%	10.1%
PROCESS EFFLUENT DISCHARGE DESTINATIONS %				
Surface	84%	83%	81%	86%
Municipal	16%	17%	19%	14%
TISSUE MANUFACTURING WATER USE EFFICIENCY (M³/MT PRODUCTION)				
Actual	43.5	45.7	40.0	36.0
Annual Target	31.7	30.9	29.3	29.2
Percent Deviation	37%	48%	37%	23%
WASTE				
Nonhazardous Waste				
Percentage of total waste	99.97%	99.98%	99.97%	99.96%
Landfilled	18.8%	21.7%	21.3%	18.5%
Recycled	20.0%	21.2%	22.7%	22.1%
Beneficial use	23.7%	20.8%	25.0%	28.3%
Converted to energy	19.6%	18.5%	12.1%	11.3%
Reused and other	12.0%	14.0%	17.3%	18.1%
Composted	4.9%	3.1%	0.9%	0.9%
Incinerated	1.0%	0.7%	0.8%	0.8%
TOTAL (million MT)	1.39	1.44	1.37	1.33

PLANET PERFORMANCE DATA

HAZARDOUS WASTE	2010	2011	2012	2013
Percentage of total waste	99.71%	99.59%	99.65%	99.74%
Biological treatment	23.1%	41.1%	16.8%	17.3%
Recycled	23.1%	41.1%	16.8%	17.3%
Incineration without heat recovery	18.8%	30.9%	39.2%	26.4%
Chemical treatment	11.8%	16.1%	16.7%	27.2%
Surface impoundment	—%	5.2%	6.3%	0.0%
Thermal treatment	2.4%	1.1%	5.0%	11.6%
Permanent storage	—%	1.2%	2.4%	0.9%
Landfilled	2.7%	1.2%	0.8%	0.1%
Blended fuel	0.4%	3.2%	12.6%	16.5%
Deep well injection	—%	—%	—%	0.0%
TOTAL (kg)	483,521	348,059	391,390	507,926
WASTE EFFICIENCY	2010	2011	2012	2013
Waste per metric ton of production (MT/MT)	0.28	0.29	0.29	0.31

Note:

The MT of waste/MT of production data indicates that nearly 30% of the weight of our products is waste. This is mainly due to the recycled fiber process and the water and byproducts left behind after usable fibers are extracted. Nearly 1 million MT of KC's waste are from recycled fiber sludge; that represents roughly two-thirds of KC's total waste generation. Keep in mind that nearly 50% of that weight is residual water leftover from the pulping process.



PERFORMANCE DATA

MANUFACTURING	2010	2011	2012	2013
Total production volume (million MT)	5.13	4.96	4.80	4.63
MATERIALS USED (MILLION MT)	2010	2011	2012	2013
Virgin fiber	2.56	2.48	2.36	2.4
Recycled fiber	0.97	1.05	0.95	0.96
Polymers	0.74	0.72	0.72	0.69
Packaging	0.52	0.50	0.52	0.52
Adhesives	0.08	0.07	0.08	0.06
Polymer-based components	0.02	0.02	0.02	0.02
Packaging (MT/MT of production)	0.104	0.103	0.103	0.104



PERFORMANCE DATA

FINANCIALS	2010	2011	2012	2013
Total production volume (million MT)	5.13	4.96	4.80	4.63
Net sales (\$B)	19.7	20.8	21.1	21.2
By division				
Personal Care	8.7	9.1	9.6	9.5
Consumer Tissue	6.5	6.8	6.5	6.6
K-C Professional	3.1	3.3	3.3	3.3
Health Care	1.5	1.6	1.6	1.6
By region				
North America	10.7	10.8	10.8	10.8
Europe	3.2	3.4	3.2	3.0
Asia, Latin America & Other	6.6	7.5	7.9	8.1
Intergeographic (Asia, Latin America & Other)	(0.7)	(0.8)	(0.8)	(0.8)
Operating costs (\$B)	16.9	18.5	18.4	17.9
Cash returned to shareholders (\$B)	1.9	2.3	2.4	2.4
Employee compensation (\$B)	3.3	3.8	3.8	3.8
Taxes paid (\$B)	0.6	0.5	0.5	0.8
Total environmental expenditures (\$M)	201	226	166	168
Capital	26	32	22	30
O&M	162	171	126	114
Government Payments and R&D	13	23	18	24
Assets (\$B)	19.9	19.4	19.9	18.9
Donations and community investments (\$M)	20.7	32.1	33.0	35.0
Percent of net income	1.1%	2.0%	1.8%	1.7%

Note:

“Intergeographic” refers to inter-company sales

GRI INDEX

The Global Reporting Initiative (GRI) G4 was used as a basic guideline to ensure that our sustainability reporting efforts are in line to the extent possible with the extensive G4 indicators.

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 content index below cross-references each of the ten principles to the location where they are discussed on the website and serves as Kimberly-Clark's Communication on Progress (COP).

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GENERAL STANDARD DISCLOSURES

GRI #	Description	Cross-reference/Direct answer	UNGC	Reported
Section: Strategy & Analysis				
G4-1	CEO Letter	Our Approach	Statement of Continuing Support	<input checked="" type="radio"/>
G4-2	Key impacts, risks, and opportunities	Our Approach	Principle 8	<input checked="" type="radio"/>
Section: Organizational Profile				
G4-3	Organization name	Kimberly Clark Corporation		<input checked="" type="radio"/>
G4-4	Primary brands, products, and services	10-K		<input checked="" type="radio"/>
G4-5	Headquarters location	10-K		<input checked="" type="radio"/>
G4-6	Where the organization operates	Dallas, TX		<input checked="" type="radio"/>
G4-7	Nature of ownership and legal form	10-K		<input checked="" type="radio"/>
G4-8	Markets served	10-K		<input checked="" type="radio"/>
G4-9	Scale of the organization	10-K		<input checked="" type="radio"/>
G4-10	Total number of employees by type	a. 59,278 employees (full time, part time, temp); 21,264 are female / 37,584 are male / 430 not identified b. 57,289 permanent employeeed (full time and part time); 20,349 are female / 36,510 are male / 430 not identified f. no variations		<input type="radio"/>
G4-11	Collective bargaining agreements	25%	Principle 3	<input checked="" type="radio"/>
G4-12	Supply chain description	Supply Chain		<input checked="" type="radio"/>
G4-13	Organizational changes during the reporting period	10-K		<input checked="" type="radio"/>
G4-14	Precautionary principle	Products	Principle 7	<input checked="" type="radio"/>

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G4-15	External charters, principles, or other initiatives	External Principles & Memberships	Principles 1 & 8	●
G4-16	Membership associations	External Principles & Memberships		●
Section: Identified Material Aspects & Boundaries				
G4-17	Entities included in financial statements	10-K		●
G4-18	Process for defining report boundaries and content	About this Report	Principle 8	●
G4-19	Material aspects included in the report	About this Report		●
G4-20	Descriptions of material aspect boundaries within the organization	About this Report		◐
G4-21	Descriptions of material aspect boundaries outside the organization	About this Report		◐
G4-22	Restatements	Sustainability 2015 Progress		●
G4-23	Changes from previous reports in terms of scope and/or boundaries	Labor Relations		●
Section: Stakeholder Engagement				
G4-24	Stakeholder groups	Stakeholder Engagement		●
G4-25	How stakeholders were identified	Stakeholder Engagement		●
G4-26	Approach to stakeholder engagement	Stakeholder Engagement	Principle 8	●
G4-27	Topics raised during stakeholder engagements	Stakeholder Engagement		●
Section: Report Profile				
G4-28	Reporting period	January - December 2012		●
G4-29	Date of most recent report	2012		●
G4-30	Reporting cycle	Annual		●
G4-31	Report contact	sustainability@kcc.com		●
G4-32	"In accordance" option, GRI Index and report assurance	About this Report GRI Index		●

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G4-33	Policy regarding report assurance	About this Report (Two Tomorrows Assurance)	Principle 8	●
Section: Governance				
G4-34	Governance structure of the organization	10-K Sustainability Advisory Board	Principle 8	●
G4-38	Composition of the board and its committees	Governance, Ethics & Human Rights		◐
G4-39	Whether the chair of the board is also an executive officer	Tom Falk is Chairman & CEO of Kimberly-Clark		●
G4-40	Nomination and selection processes for the board and its committees	Proxy Statement		●
G4-41	Board conflicts of interest	10-K Code of Conduct	Principle 10	●
G4-44	Board performance with respect to governance of sustainability topics	10-K Sustainability Advisory Board Governance, Ethics & Human Rights	Principle 8	●
G4-45	Board role in the identification and management of sustainability impacts, risks, and opportunities	Sustainability Advisory Board Governance, Ethics & Human Rights	Principles 7 & 8	●
G4-47	Frequency of the board's review of sustainability impacts, risks, and opportunities	Sustainability Advisory Board	Principles 7 & 8	●
G4-49	Process for communicating critical concerns to the board	Contact the Board		●
Section: Ethics & Integrity				
G4-56 (bribery & corruption; business conduct)	Code of conduct	Governance, Ethics & Human Rights Governance Code of Conduct	Principles 1 & 8	●
G4-57 (bribery & corruption; business conduct)	Helplines or advice lines for employees	Outlined in our Code of Conduct Governance Code of Conduct		●

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G4-58 (bribery & corruption; business conduct)	Mechanisms for reporting concerns about unethical or unlawful behavior	Outlined in our Code of Conduct	●
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SPECIFIC STANDARD DISCLOSURES

GRI #	Description	Cross-reference/Direct answer	UNGC	Reported
G4-DMA	Disclosures on management approach	About this Report		◐
G4-EC1	Direct economic value generated and distributed	Economic Performance Data		●
G4-EC2 (climate change)	Climate change risks	Climate Change & Energy Use	Principle 7	◐
G4-EC3 (Bribery & corruption)	Benefit plan coverage	10-K		●
G4-EC4	Financial assistance from the government	None	Principle 7	●
G4-EC7	Infrastructure investments	Community		◐
G4-EN1 (Petrochemical consumption & alternate materials; Fiber consumption & alternate materials)	Materials by weight or volume (Fiber consumption & alternate materials)	Innovation	Principle 8	●
G4-EN2 (Petrochemical consumption & alternate materials; Fiber consumption & alternate materials)	Recycled input materials (Fiber consumption & alternate materials)	Fiber	Principle 8	●
G4-EN3 (Energy management)	Energy consumption (Scope 1 + 2)	Climate Change & Energy Use	Principle 8	◐
G4-EN6 (Energy management)	Energy reductions	Climate Change & Energy Use	Principle 8 & 9	●

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G4-EN8 (Water management & consumption)	Water withdrawals by source	Water	Principle 8	●
G4-EN10 (Water management & consumption)	Water recycled and reused	Water	Principle 8	●
G4-EN11	Facilities in or near areas of high diversity	We do not own any forestlands	Principle 8	●
G4-EN12	Impacts on biodiversity	All of our wood fiber suppliers are certified under a forest certification scheme which assures that there is a low risk of sourcing wood fiber from protected areas or areas of high diversity outside protects areas		◐
G4-EN13	Habitats protected or restored	All of our wood fiber suppliers are certified under a forest certification scheme which assures that there is a low risk of sourcing wood fiber from protected areas or areas of high diversity outside protects areas	Principle 8	◐
G4-EN15 (climate change)	Direct greenhouse gas (GHG) emissions (Scope 1)	Climate Change & Energy Use	Principle 8	●
G4-EN16 (climate change)	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Climate Change & Energy Use	Principle 8	●
G4-EN17 (climate change)	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Climate Change & Energy Use	Principle 8	●
G4-EN18 (climate change)	GHG emissions intensity	Climate Change & Energy Use	Principle 8	●
G4-EN19 (climate change)	Reduction of GHG emissions	Climate Change & Energy Use	Principle 7, 8 & 9	●
G4-EN21 (climate change)	NOx, SOx and other significant air emissions	Climate Change & Energy Use	Principle 8	◐
G4-EN22 (Water management & consumption)	Water discharge	Water	Principle 8	◐
G4-EN23 (Waste management & consumption)	Waste by type and disposal method	Waste	Principle 8	◐

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G4-EN24 (Toxic Emissions)	Significant spills	No significant spills	Principle 8	●
G4-EN25 (Waste management & consumption)	Hazardous waste	Waste	Principle 8	●
G4-EN27 (Product end use & disposal)	Mitigation of environmental impacts of products and services	K-C does not currently collect this Data	Principle 8 & 9	○
G4-EN28 (Product end use & disposal)	Products and packaging materials reclaimed	K-C does not currently collect this Data	Principle 8 & 9	○
G4-EN 30	Transport	Climate Change & Energy Use	Principle 7 & 8	◐
G4-EN32 (Environmental performance of supply chain)	New suppliers screened using environmental criteria	Suppliers		◐
G4-EN33 (Environmental performance of supply chain)	Supply chain environmental impacts	Suppliers		●
G4-LA2	Benefits provided to full-time employees	All full-time and part-time salaried employees receive the same benefits.		◐
G4-LA5 (Employee working conditions)	Workforce represented in health and safety committees	K-C's Global Safety Governance Model requires the establishment of Safety Committees or Councils at the site, region, Sector, and Global Level. Safety Committees have been established at each of these levels. Therefore, approximately 95% of employees are represented by a management-employee safety committee.	Principle 1	●
G4-LA6 (Employee working conditions)	Rates of injury, occupational disease, lost days, absenteeism, and work-related fatalities	Kimberly-Clark has implemented comprehensive industrial hygiene and occupation health programs that ensure that occupational exposures to hazardous materials and agents are maintained at safe levels. Therefore, there are no worker groups with a high incidence of disease.	Principle 1	◐

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G4-LA7 (Employee working conditions)	Workers with high incidence risk of diseases	All Kimberly-Clark facilities, unionized and non-unionized, and contracts operate under the K-C policies on safety and health.	Principle 1	●◐
G4-LA8 (Employee working conditions)	Health and safety topics covered in agreements with trade unions	All unionized facilities and contracts operate under the K-C policies on safety and health.		●
G4-LA14 (Supplier working conditions)	New suppliers that were screened using labor practices criteria	K-C does not currently measure this data		○
G4-LA15 (Supplier working conditions)	Negative impacts for labor practices in the supply chain	K-C does not currently measure this data		○
G4-LA16 (Supplier working conditions)	Grievances about labor practices	Zero		●
G4-HR1 (Employee working conditions; Human rights in the supply chain)	Investment agreements and contracts that include human rights clauses or underwent screening	Clauses concerning human rights are incorporated into all of our terms and conditions in supplier contracts and purchase orders. In 2012, these terms and conditions were updated to include a section that discusses our new Supplier Social Compliance Standards	Principles 1-6	●
G4-HR2 (Employee working conditions; Human rights in the supply chain)	Employee training on human rights	We have provided (1 hour per employee) on the Code of Conduct in 2013	Principles 1-6	●
G4-HR3 (Employee working conditions; Human rights in the supply chain)	Incidents of discrimination	In 2013, there were 47 complaints based on "harassment and discrimination."	Principle 6	●◐

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G4-HR4 (Freedom of Association and Collective Bargaining)	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Labor Relations	Principles 1, 2 & 3	●
G4-HR5 (Child Labor)	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	Labor Relations	Principles 1, 2 & 5	●
G4-HR6 (Forced or Compulsory Labor)	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	Labor Relations	Principles 1, 2 & 4	●
G4-HR7 (Employee working conditions; Human rights in the supply chain)	Security personnel trained in the organization's human rights policies	100%	Principles 1 & 2	●
G4-HR8 (Employee working conditions; Human rights in the supply chain)	Incidents of violations involving rights of indigenous peoples	Zero	Principles 1 & 2	●
G4-HR9 (Employee working conditions; Human rights in the supply chain)	Operations that have been subject to human rights assessments	100%	Principles 1, 2, 4 & 5	●
G4-HR10 (Human rights in the supply chain)	New suppliers screened for human rights	Suppliers	Principles 1-6	●

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G4-HR12 (Human rights in the supply chain)	Grievances about human rights impacts	Reported only to Kimberly Clark Audit Committee	Principles 1, 2, 4 & 5	●
G4-SO3 (bribery & corruption)	Risks related to corruption	In Kimberly Clark's Code of Conduct, we discuss mechanisms for reporting unlawful/unethical behavior <u>Governance</u> <u>Code of Conduct</u>	Principle 10	●
G4-SO4 (bribery & corruption)	Communications and training on anti-corruption	Every employee has received a one-hour training on our Code of Conduct, with specialized training for HR employees and supervisors. It is the policy of Kimberly-Clark to conduct business in compliance with all anti-bribery and anti-corruption laws.	Principle 10	●
G4-SO5 (bribery & corruption)	Confirmed incidents of corruption	We regularly assess the quality and effectiveness of our compliance and ethics program and continue to believe that our anti-corruption program is effective and that we are in compliance with applicable anti-corruption laws in all material respects.	Principle 10	●
G4-SO6 (bribery & corruption)	Political contributions	Governance, Ethics & Human Rights	Principle 10	●
G4-SO7 (business conduct)	Anti-competitive behavior	Zero	Principle 10	●
G4-SO8 (business conduct)	Fines for non-compliance with laws	In 2013 Kimberly Clark had 9 Notice of Violations, which resulted in fines of \$200,500. The fines were related to the use of an improperly licensed waste hauler at the Pathumthani facility in Thailand and a penalty for improper labeling and storage of hazardous waste at our Kluang facility in Malaysia		●

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G4-PR1 (Product safety & quality)	Health and safety impact assessments of products and services	100% Development of product concept (yes) R&D (yes) Certification (yes) Manufacturing and production (yes) Marketing and promotion (yes) Storage distribution and supply (yes) Use and service (yes) Disposal, reuse or recycling (yes)	Principle 7	<input checked="" type="radio"/>
G4-PR2 (Product safety & quality)	Non-compliance concerning the health and safety impacts of products and services	Zero		<input checked="" type="radio"/>
G4-PR5 (Product and Service Labeling)	Results of surveys measuring customer satisfaction	Stakeholder Engagement		<input checked="" type="radio"/>