

2023
Sustainability
Report

*Kimberly-Clark



Photo provided by Suzano.

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DISCLAIMER & FORWARD-LOOKING STATEMENTS

All statements in this report that are not historical—including goals for and projections of future results, the expected execution and effect of our sustainability strategies and initiatives, and the amounts and timing of their expected impact—constitute forward-looking statements that are based on management's expectations and beliefs concerning future events impacting the company. This report represents and contains data, events, highlights, and stories for the period from January 1 to December 31, 2023, unless otherwise stated.

Many factors outside our control, including competitive pressures, evolving legal and regulatory requirements, and societal and market conditions globally and in the markets in which we do business, could cause actual results to vary. References to materiality or material topics in this report and across our sustainability reporting, including our most recent materiality assessment completed in 2023, are for purposes of our sustainability strategy and voluntary reporting only and are not an indication that such information or matters are material to Kimberly-Clark under federal securities laws or corporate reporting laws, regulations, or directives that may be applicable in specific jurisdictions.

The numbers and percentages used in this report may be estimates or approximations and based on assumptions, including representations or information provided by third parties or acquired entities. Statements regarding goals and targets in this report are aspirational and not guarantees that such goals and targets will be met or retained.

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

ABOUT THIS REPORT

This Global Sustainability Report provides progress updates on our sustainability goals and initiatives around the issues identified in our most recent materiality assessment completed in 2023 to our company and our stakeholders. Unless otherwise stated, this report covers Kimberly-Clark's performance and disclosures in the fiscal year ending December 31, 2023.

We have included as an Appendix to this report materials prepared in accordance with the Sustainability Accounting Standards Board (SASB) Standards for the Household & Personal Products industry. Additionally, Kimberly-Clark has reported in accordance with the Global Reporting Initiative (GRI) Standards for the period of January 1, 2023 to December 31, 2023.

This report was prepared using the Task Force on Climate-related Financial Disclosure (TCFD) framework. Please visit us at www.kimberly-clark.com/en-us/esg/downloads to find our historical reports and United States Equal Employment Opportunity Report (EEO-1).



A Message From Our Chairman and CEO

Dear Stakeholders,

In 2020, Kimberly-Clark set ambitious goals for 2030 to continue advancing our sustainability agenda in alignment with our global business strategy and objectives. This effort is well aligned to our purpose of Better Care for a Better World, which brings together our heritage of innovation and our commitment to care, and enables us to focus on providing greater access to life's daily essential products against today's social and environmental challenges.

Since then, our teams have made significant strides towards helping to advance the well-being of 1 billion people in vulnerable and underserved communities and reducing our environmental footprint. Sustainability is a key component of our innovation, strategy, our operations, and our purpose.

In 2023, our teams' dedication, innovation, and commitment to driving value in the areas most relevant to our business and where we believe we can have the biggest impact resulted in the following highlights, spanning our focus areas: Better Products, Better Planet, Better Workplace, and Better Society:

BETTER PRODUCTS

We continued to seek more sustainable solutions in support of our consumers and to strengthen our product offerings. In the past year, we reduced our plastics footprint by introducing our first-ever Kotex feminine hygiene paper pouch, expanding our offering of plastic-free baby wipes, and launching reusable menstrual and incontinence solutions in local markets around the globe. We also continued to prioritize the procurement of fibers from sources with sustainable forest management certification, while pursuing ongoing investments in alternative fibers solutions.

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Sustainability is a key component of the Kimberly-Clark innovation strategy. Building on our long-standing promotion of sustainable forest management, we are proud to announce our ambition to be Natural Forest Free beyond 2030 across our product portfolio.”



Mike Hsu

Chairman and CEO

BETTER PLANET

We continued to work to reduce our environmental footprint to help protect natural ecosystems. In 2023, we surpassed our 2030 water footprint target and bolstered our utilization of alternative energy sources such as wind and solar power, including through the launch of a new virtual purchase power agreement (VPPA) in the form of an onshore wind farm in Scotland and the initiation of several renewable power purchase agreements (PPAs). In 2023, we also completed a nature footprint pilot project aligned to the Taskforce on Nature-related Financial Disclosures (TNFD) framework to further understand our nature dependencies, risks, and opportunities and their role in our strategic approach.

BETTER WORKPLACE

By leading with inclusion, we believe we are building an organization that leverages our broad base of talent as a competitive advantage. We aim to cultivate a culture where employees feel supported, and we invest in engaging and developing our workforce at a global and regional level.

In 2023, we further strengthened our human rights due diligence and supplier engagement processes, including more robust risk segmentation and monitoring tools and supply chain mapping, and by connecting suppliers with resources and experts to improve their human rights performance. Through initiatives such as our Global Inclusion Week, Power Days, and Employee Resource Groups (ERGs), we provide opportunities for employees to participate in fostering a culture of inclusion.

BETTER SOCIETY

Close collaboration with our global partners is critical to our ability to make a positive societal impact in communities in which we operate worldwide. Over the course of 2023, we estimate that our brand programs combined with global and local partnerships impacted 101 million individuals worldwide – from helping empower girls and enhance maternal and child health to working to improve access to water and sanitation.

Our teams across the globe have demonstrated a strong commitment to our business while delivering care to the people we serve. While we're proud of our progress so far, we aim to do more in an effort to protect the environment and uplift our communities around the world.

We regularly review our strategy and ambitions and evaluate whether they are proportionate to the challenges that lie ahead. I am proud to share that, with the recent launch of our "Powering Care" strategy and critical transformation of our organization, sustainability will remain core to our business. Already, based on our progress and plans to accelerate our alternative fibers strategies, we are setting a new ambition to be Natural Forest Free across our product portfolio beyond 2030. Doing so is expected to greatly reduce our nature footprint, because forests play a critical role in protecting biodiversity helping to mitigate climate change. We expect to be more than halfway to this goal by 2030.

As the world becomes increasingly complex, we at Kimberly-Clark will continue to raise the bar for ourselves in how we serve the needs of consumers, customers, employees, society, and shareholders. As a signatory to the United Nations Global Compact, we reaffirm our ongoing action in furtherance of its Ten Principles, including supporting and advancing the United Nations Sustainable Development Goals (SDGs) by driving a sustainability strategy that prioritizes these societal aspirations. I am inspired by all that we at Kimberly-Clark have accomplished so far, and the plans we have ahead of us. I look forward to continuing to fulfill our purpose of Better Care for a Better World in 2024 and for generations to come.



Mike Hsu

CHAIRMAN & CEO

Kimberly-Clark at a Glance

Fueled by ingenuity, creativity, and an understanding of people's most essential needs, Kimberly-Clark creates products that help individuals experience more of what is important to them. This dedication has helped our portfolio of trusted brands achieve leading share positions in approximately 80 countries.

We have three reportable business segments: Personal Care, Consumer Tissue, and Kimberly-Clark Professional. Our essential products are used by about one-quarter of the world population every day. We embrace our ability to make a positive contribution to the people we serve. Our sustainable practices are designed to support a healthy planet and build stronger communities to allow our business to thrive for decades to come.



2023 Facts

152

years
in business

\$20.4B
in sales

175+
countries where
our brands are sold

41,000
employees worldwide

For the fiscal year ended December 31, 2023.

Personal Care

Diapers

Training, Youth, & Swim Pants

Baby Wipes

Feminine Care

Incontinence Care

Consumer Tissue

Bathroom Tissue

Facial Tissue

Paper Towels

Kimberly-Clark Professional (KCP)

Facial Tissue, Bathroom Tissue, and Paper Towels for away-from-home use

Industrial & Scientific Wipes

Personal Protective Equipment (PPE)¹ and Safety Products

1. In April 2024, Kimberly-Clark entered into an agreement to sell the personal protective equipment business included in our K-C Professional business segment. The transaction includes Kimtech branded products, such as gloves, apparel and masks, and KleenGuard branded products, such as gloves, apparel, respirators, and eyewear, which serve a variety of scientific and industrial industries globally. The transaction is subject to customary closing conditions, including regulatory approval, and is expected to close by the third quarter of 2024.

Better Care for a Better World

Our purpose of Better Care for a Better World is our call to action, challenging us to help billions of people through greater access to life's daily essentials while delivering solutions that address the challenges facing our planet in the years ahead. We focus on areas we consider most relevant to our business, and where we believe we can deliver value and have a significant impact. That focus helps align our business aspirations with our sustainability vision, supporting our efforts to manifest Better Products, a Better Planet, a Better Workplace, and a Better Society.

Better Care for a Better World begins with working to help safeguard the health and safety of our customers, consumers, and employees, promoting inclusion, equity, and diversity within our business, and making efforts to protect the rights of workers across our supply chain.

Additionally, we align our business focus to United Nations Sustainable Development Goals (SDGs), as we strive to help address social challenges in access to hygiene and sanitation, maternal and infant health, and women and girls' empowerment. In our operations and value chain, we are working to address challenges associated with single-use plastics, carbon emissions, and water use, while decreasing forest reliance to protect biodiversity and reduce forest loss. We continue to work to grow our use of renewable energy.

ALIGNING OUR BUSINESS TO SEVEN UNITED NATIONS SDGS



Good Health & Well-Being



Gender Equality



Clean Water & Sanitation



Responsible Consumption & Production



Climate Action



Life Below Water



Life on Land

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Advancing sustainability is rooted in our dedication to our purpose. We recognize the challenges and opportunities that lie ahead, as we work to create a more sustainable future.”



Lisa Morden

Chief Sustainability Officer



BETTER PRODUCTS

Innovating for
more sustainable products



BETTER PLANET

Safeguarding our climate
and natural ecosystems



BETTER WORKPLACE

Fostering a culture of
integrity and belonging



BETTER SOCIETY

Partnering with changemakers
to uplift our communities

OUR AMBITIONS FOR 2030

Improve people's well-being while safeguarding natural systems

We are committed to making lives better through our products and business practices while helping safeguard the world's natural systems and working to avert the worst impacts of climate change. We remain steadfast in our efforts to reach these goals because we believe it is the best way for Kimberly-Clark to deliver care to the people we serve.

STRATEGIC FOCUS	OUR 2030 ASPIRATION	2030 GOAL	PROGRESS	
Forests Footprint		Address the climate and biodiversity crises by reducing reliance on fiber from natural forests.	Reduce Natural Forest Fiber ² footprint by 50% compared to 2011.	Reduction of our Natural Forest Fiber footprint from 2011 base year of 39% against 50% goal.
Carbon Footprint		Increase energy efficiency while seeking lower carbon alternatives.	Reduce absolute greenhouse gas (GHG) emissions (Scopes 1 and 2) by 50% over 2015 base year. Reduce value chain emissions (Scope 3, Categories 1 and 12) by 20% from base year 2015.*	40.9% absolute GHG (Scopes 1 and 2) emissions reduction against 50% goal from 2015 base year. 19.3% absolute Scope 3 emissions reduction.
Plastics Footprint		Deliver solutions that incorporate more renewable or recycled materials and materials that can be regenerated or repurposed after use.	Reduce plastics footprint by 50% from 2019 base year.	16.4% plastics footprint reduction against 50% goal from 2019 base year.
Water Footprint		Reduce water use at sites in watersheds under stress while supporting community-based water programs.	Reduce the water footprint of our mills in water-stressed ⁴ areas by 50% over a 2015 base year.	52.8% water consumption reduction at water-stressed sites against 50% goal from 2015 base year. ³
Social Impact		Provide product innovation and social and community program investments that increase access to sanitation, help children thrive, and empower women and girls.	Advance the well-being of 1 billion people in vulnerable and underserved communities.	191.0M total lives impacted since 2015 <ul style="list-style-type: none"> • 115.9M empowering women & girls • 56.9M helping children thrive • 11.5M access to sanitation • 6.7M others

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

2. In our sustainability reporting, use of the term Natural Forest Fiber refers to fiber from northern boreal or temperate spruce, pine, and fir forests that are primarily naturally regenerating and contain key elements of native ecosystems, including wildlife and biological diversity. This excludes plantation-grown or planted forests.

3. In June 2023, Kimberly-Clark sold a facility in Latin America that was a water-stress site. Selling the facility will reduce Kimberly-Clark's total base year water footprint in water-stressed regions by 456 Megaliters. In fiscal year 2023 Kimberly-Clark's total water footprint reduction was 10.7% compared to 2022 for our mills in water-stressed areas.

4. "Water stress" refers to the ability, or lack thereof, to meet human and ecological demand for water. Compared to scarcity, water stress is a more inclusive and broader concept. It considers several physical aspects related to water resources, including water scarcity, but also water quality, environmental flows, and the accessibility of water. We use the World Resources Institute Aqueduct water tool to identify the regions of water stress.

OUR APPROACH TO SUSTAINABILITY GOVERNANCE

We believe that sustainability is core to healthy and resilient businesses and communities. As such, we've developed a sustainability strategy to support where we aim to make the biggest difference for all of our stakeholders, for today and in the future.

Sustainability Oversight

Our Board of Directors (the Board) has established and approved the framework for our sustainability-related policies and procedures including environmental stewardship, energy and climate, fiber sourcing, waste and water management, product safety, charitable contributions, human rights, labor, and inclusion, equity, and diversity in employment. As part of their oversight roles, the Board and its Nominating and Corporate Governance Committee receive regular reports from management on these topics, our goals, and our progress toward achieving them.

Risk Management to Facilitate Success of Long-Term Business Strategy

Our Board oversees risk management, including climate- and other environment-related risks and opportunities, and those related to social topics. The Board is focused on our long-term business strategy, including fostering sustainability-driven innovation, and incorporating our sustainability risks and opportunities into its overall strategic decision-making as appropriate. Sustainability risk areas for our company include shifting customer and consumer preferences toward sustainable products, increasing regulation and mandates related to single-use plastics and greenhouse gas emissions, supply chain risks related to water security and deforestation, and the cost of the commodities and natural resources required to make and market our products.

Corporate Governance to Support Strategic Decision-Making

The Nominating and Corporate Governance Committee of the Board maintains a standing Sustainability Subcommittee to support the Committee in executing its oversight responsibilities for matters relating to sustainability, corporate social responsibilities, and corporate citizenship, as we continue to incorporate related risks and opportunities into the Board's overall strategic decision-making.

Coordination of Sustainability Initiatives

Climate and sustainability-related initiatives are operationalized through our Sustainability Function, which is led by our Chief Sustainability Officer. The function's team is comprised of global program leaders who work cross-functionally to coordinate the execution of programs supporting our climate, energy, environmental stewardship, fiber sourcing, water management, health and safety, human rights, and other sustainability efforts. This team collaborates with our business unit and functional teams and conducts periodic reviews to assess team targets and align actions for each pillar of our 2030 sustainability ambitions.

Cross-Functional Teams to Identify Risks

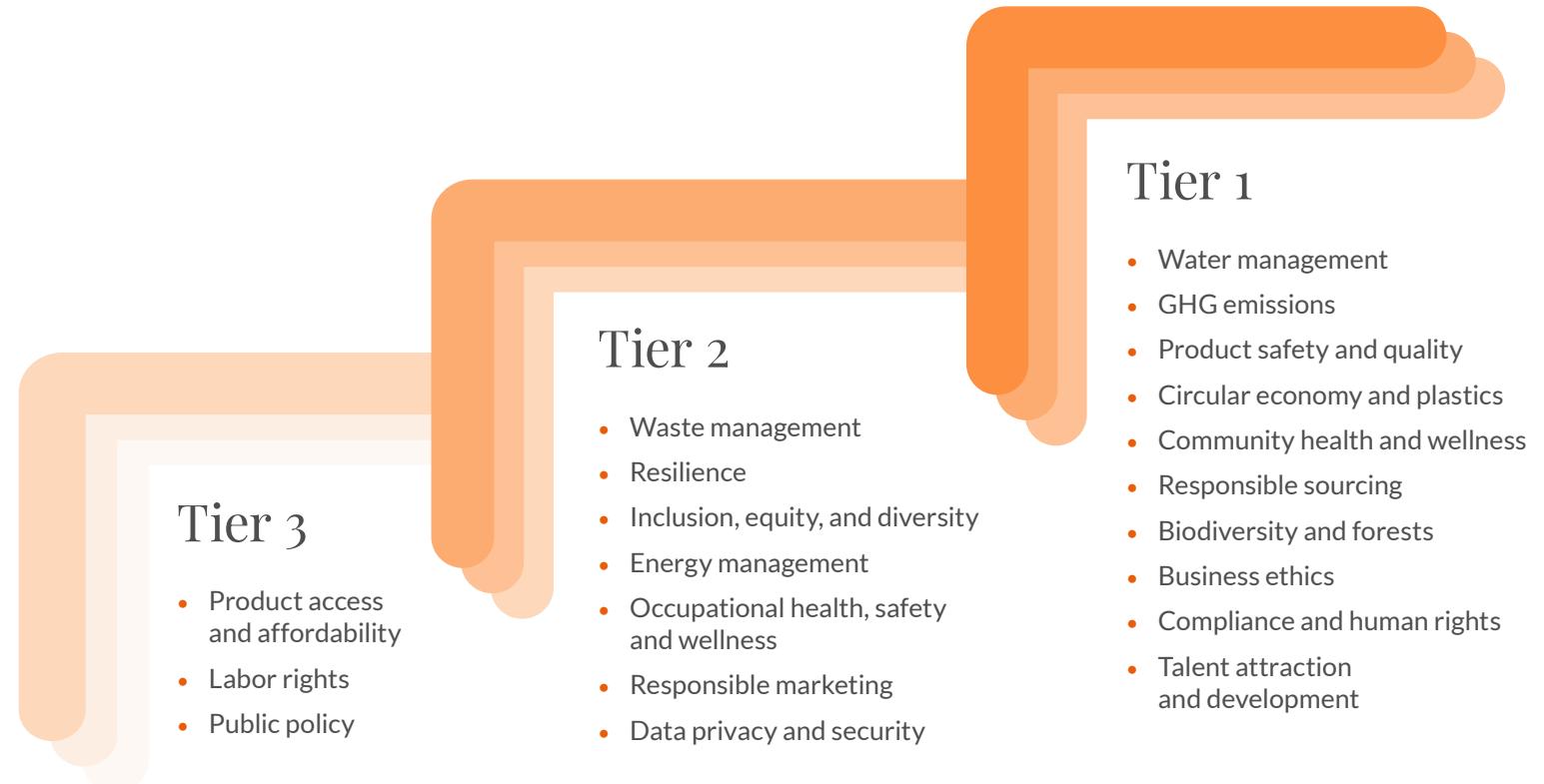
In addition, we have established cross-functional teams comprised of executives and other senior leaders from our core business units, finance, treasury, global risk management, legal, internal audit, human resources, supply chain, and digital technology services. These committees meet at least quarterly as follows:

- Global Risk Oversight Committee (GROC) is part of the enterprise risk management governance framework and works to identify significant risks for review and update our policies for risk management.
- Sustainability Steering Committee reviews and adjusts the sustainability program's direction, addresses barriers to success, and assesses the health of our long-term sustainability strategy.
- Sustainability Reporting and Disclosure Committee oversees the implementation and maintenance of internal procedures for the timely collection, evaluation, and disclosure of sustainability-related information and provides oversight and direction for reporting and disclosure matters, sustainability materiality assessments, and internal and external assurance of sustainability data reporting activities.
- Responsible Sourcing Steering Committee is responsible for providing strategic direction and oversight of salient human rights and environmental risks across the supply chain, including those related to forest and agriculturally-derived materials.
- Environmental Health and Safety (EHS) Steering Committee oversees development, implementation, and prioritization of improvement plans related to EHS activities and provides strategic direction regarding EHS programs and initiatives.

MATERIALITY ASSESSMENT⁵

We want to pursue sustainability initiatives that we expect will support our employees, customers, and communities and create long-term value for our shareholders. We refreshed our materiality assessment in 2023 as part of our periodic process to identify potential changes in the topics we include and initiatives we design. Our assessment continues to inform our 2030 sustainability strategy, is grounded in our product portfolio and business strategy, and serves to both remind and inform us of our stakeholders' key issues. All topics reflected in this assessment are important focus areas for Kimberly-Clark, which are assessed based on our potential impacts globally. Tier 1 represents the highest impact among the topics; Tier 2 represents moderate-high impact; and Tier 3 represents the lowest impact of the topics.

This process considers sustainability topics by canvassing industry sources such as SASB standards, TCFD, and GRI standards, as well as inputs from customers, employees, peer groups, raters, consumer sentiments and publications, and other stakeholders. Results from all groups were finalized, taken into consideration and reflected in the materiality tier model.



AWARDS AND RECOGNITION



Barron's 100
Most Sustainable
Companies



Clean200®



Ethisphere:
World's Most
Ethical Companies®



Forbes: World's
Best Employers



2024 Fortune's
Most Innovative
Companies



Human Rights Campaign
Foundation's Corporate
Equality Index: Equality
100 Leader in LGBTQ+
Workplace Inclusion



Newsweek:
America's Greatest
Workplaces
for Diversity



Newsweek:
America's
Most Responsible
Companies



U.S. News & World
Report: Best
Companies to
Work For

5. References to materiality or material topics across our sustainability reporting, including our materiality assessment completed in 2023, are for purposes of our sustainability strategy and voluntary reporting only and are not an indication that such information or matters are material to Kimberly-Clark under federal securities laws or corporate reporting laws regulations, or directives that may be applicable in specific jurisdictions.

Better Products





Russ Torres

President, North America

We continue to explore more sustainable solutions and raw materials for our products. This includes alternative fibers, polymers, and product solutions to reduce our plastics, forests, and carbon footprints, and help protect the natural ecosystems we all depend upon—while delivering products consumers need to support their essential health and hygiene needs.

CIRCULAR ECONOMY & PLASTICS

Kimberly-Clark seeks to support the transition to a circular economy by taking a comprehensive approach to plastics management and reduction. We are focused on helping improve waste-handling systems and innovating to provide consumers more sustainable alternatives that meet their needs, while making an impact on resource efficiency and waste reduction.

6. Virgin, fossil fuel-based plastics use minus plastic waste (post-industrial and post-consumer) collected for beneficial use. Excludes other non-renewable materials (i.e., tapes, adhesives, binders, and absorbents).

“
We’re committed to finding sustainable solutions and materials that reduce our environmental footprint while meeting consumers’ essential needs.”

Plastics continue to offer society a multitude of benefits, but the world’s ability to cope with improperly managed plastic waste is being challenged due to waste dumping, increased emissions from fossil fuel sourcing, and mismanagement of waste at end of life. This is why we are working toward aggressive goals designed to drive reduction of our overall plastics footprint. A key aspiration of our 2030 sustainability goals is to reduce our plastics footprint by 50% by 2030, from a 2019 base year.⁶

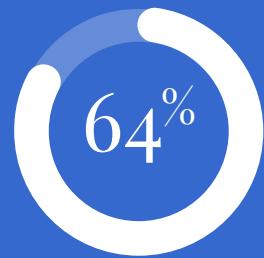
Reducing plastic and plastic waste is a difficult and complex global challenge across industries. Some of the barriers we encounter as we prioritize reducing plastics across our value chain include: 1) affordability, supply, and functional performance of alternative solutions, 2) limited industry collaboration and innovation, 3) inadequate waste management infrastructure, and 4) regulatory complexity and lack of incentives.



GOALS & PROGRESS

Working Toward 50% Plastics Footprint Reduction⁷

Reduce our plastics footprint by 50% by 2030, from a 2019 base year.⁸ Achieved 16.4% reduction against 50% target.



75% MATERIAL IN OUR PRODUCTS
that are compatible with either biological or technical circularity systems⁹ by 2030.



100% PACKAGING
to be compatible with either biological or technical circularity systems by 2025.



20% AVERAGE RECYCLED CONTENT
across plastic packaging by 2025.



WE ASPIRE TO ACHIEVE 100% DIVERSION OF OUR MANUFACTURING WASTE
diverted from landfill to beneficial uses. *For more details regarding how we are managing our waste, see the [Waste Management](#) section of this report.*
As an additional way to keep track of our own direct impact, we continue to pursue our goal of achieving zero waste-to-landfill in our manufacturing operations.¹⁰

Progress as of December 31, 2023.

7. Our fundamental assumptions are still being enhanced. Key external inputs are largely unstructured. Methodology is the same as previous years and continues to be refined.

8. Excludes other non-renewable materials (i.e., tape, adhesives, binders, and absorbents).

9. "Biological Circularity" – returning the materials in the product back to the earth, such as through composting or anaerobic digestion to regenerate natural capital. For materials to meet the requirements of biological circularity there needs to be evidence that they meet the requirements of appropriate standards or certifications for compatibility with composting or anaerobic digestion systems. "Technical Circularit" – extending the lifetime or value of the materials in the product through reuse, mechanical or chemical recycling, or eventually conversion to energy. For materials to meet the definition of compatibility with mechanical or chemical recycling they must meet the requirements for acceptance for the supplier offering those services

10. Excludes major construction and demolition debris as well as regulated or mandated disposal methods.

Our strategic focus includes three key focus areas: packaging, product, and circular systems. Our key initiatives are: 1) improving material efficiency, 2) using renewable materials, recycled content, or materials compatible with biological or technical circularity substitutes, 3) introducing reusable products, 4) recovering and recycling plastic manufacturing waste and post-consumer waste, and 5) supporting the development of circular systems and other sustainable end-of-life solutions.

STRATEGIC FOCUS: PACKAGING

In 2023, 90% of our packaging was designed to fit into technical or biological circularity systems. We continued to encourage key suppliers to replace virgin fossil fuel-based plastic with more recycled content and made further efforts to incorporate circular solutions for packaging to reach our 2025 goals.

There are ongoing industry challenges associated with packaging films. One area that we are especially focused on is a packaging

Global Nonwovens Leads the Way in Reducing the Environmental Footprint of Products

As one of the largest producers of nonwovens in the world, our Global Nonwovens team is committed to improving the environmental footprint of our materials. Since 2020, we have reduced our use of plastics by more than 17,000 metric tons and lowered our GHG emissions from 2015 baseline by 38% through our manufacturing operations. These improvements have been driven by innovative developments in lighter-weight materials and increased reclaim utilization that deliver the same exceptional performance with less plastic, and by streamlined unit operations that are more energy efficient. Throughout the rest of this decade, Kimberly-Clark's Global Nonwovens plans to implement new-to-the-world manufacturing systems that produce finer fibers and lower-weight materials as well as new raw materials, such as PHA biomaterials, that are expected to deliver even greater improvements in environmental performance.

solution for wet wipes, a significant challenge to reaching our goal of 100% of packaging designed to be recyclable, reusable, or compostable. Availability of recyclable mixed flexible film packaging can be challenging where recycling systems are not well established, but we anticipate that growing demand for recycled plastic will play a role in accelerating collection and recycling.

In Europe, the Middle East, and Africa (EMEA), we launched our first ever feminine care paper pouch, replacing plastic pouches on two Kotex Natural products: Natural Extra Protect Pantyliners and Natural Slim Pantyliners. The new pouch is made of 85% paper coated on one side with a food grade mixture of silk fibroin and polyols. This innovation was a collaboration between Kimberly-Clark's research and engineering team as well as strategic supply and manufacturing partners.

The paper pouch is an important stepping stone in reducing virgin plastic in our products and packaging, saving us an estimated 8,602 kg virgin plastic in 2023.



Increasing Recycled Packaging across Asia Pacific (APAC)



We made further progress in increasing the use of recycled content in product packaging across APAC in 2023. For example, in Australia, new U by Kotex packaging uses 30% post-industrial recycled (PIR) materials in polybags. In India, we implemented primary packaging polybags that have 20% PIR content, in addition to 30% PIR in secondary packaging baling bags. The Yuhan-Kimberly-Clark team in Korea has already reached 30% recycled content across its plastic packaging portfolio and is on track to incorporate even more recycled content.

Increasing to 50% Recycled Content in Packaging in UK and Western Europe



After making the transition to 30% recycled content, our teams in UK and Western Europe have worked towards 50% recycled content in plastic packaging, despite technical challenges. Through 2023 and 2024, they engaged three of our flexible packaging suppliers to test, trial, and roll out new recycled material sources. This packaging material is now qualified for use in five tissue manufacturing facilities in the UK, Italy, Spain and Germany and is being introduced across the portfolio as product reservations are made.

STRATEGIC FOCUS: PRODUCT

By weight, a majority of the materials in our products are comprised of responsibly sourced, biodegradable, or recycled fibers. We are focused on defining options to help shift from traditional fossil fuel-based plastics to renewable, biodegradable, or recycled materials while maintaining the high standards of quality and performance our consumers expect from our trusted brands.

In addition, we look to create more products that can be reused rather than needing to be disposed of after a single use. In 2023, we launched reusable products in the diapers, feminine care, and adult care categories in local markets around the globe.



Reducing Fossil Fuel-based Plastics

In 2023, our Yuhan-Kimberly-Clark team in Korea expanded their offering of plastic-free wipes that are designed to be biodegradable, which has become a significant portion of Korea's wipes portfolio.

STRATEGIC FOCUS: CIRCULAR SYSTEMS

Across our value chain, we utilize a number of different avenues and pathways to progress on our ambitions and increase circularity. One of our focus areas is to support the development and maturation of waste management infrastructure in both emerging and mature markets. These systems are essential to furthering the recovery and processing of our products and packaging after use. To identify suitable solutions for local contexts, we focus on partnering with waste management experts, non-governmental organizations (NGOs), and communities to help develop new business models that can support the management of waste from our products and packaging and be scaled in emerging or mature markets.

In 2023, we continued to conduct pilots to increase our understanding regarding how our products fit within the recycling systems in local markets, with the aspiration to be able to scale solutions across regions. We strive to take a systemic and multi-disciplinary approach with representatives from key functions to innovate potential solutions, going one-by-one by key market or key region in an attempt to address specific plastics challenges.

HUGGIES®



Developing a Pathway for Nappy Recycling in Australia

In Australia, we are leading a nappy recycling pilot called The Nappy Loop, which could be part of the answer to the estimated 1.5 billion disposable nappies that end up in Australian landfills each year.

In partnership with Peats Soil and Garden Supplies, one of South Australia's largest composters, and Solo Resource Recovery, the trial collects used Huggies nappies from an Early Learning Centre in Mount Barker and delivers them to the Peats composting facility for processing.

Utilizing anaerobic digestion, the organic material in the used nappies is transformed into nutrient-rich compost while the plastic components are separated out and evaluated for future recycled products. In addition, the anaerobic digestion process creates bioenergy that is captured and used to power the Peats composting facility.



DRIVING INNOVATION IN OUR VALUE CHAIN

In 2023, we continued our efforts to embed sustainability-related principles into product and materials design and sourcing strategies.

Through a 90-day supplier challenge initiated in 2022 by Kimberly-Clark's Global Procurement team, we aimed to strengthen supplier relationships and enable competitive advantage with the end goal of meeting the needs of more eco-conscious consumers. This cross-functional, global initiative was aimed at strategic suppliers of sustainable alternative materials and circular solutions that could be utilized for absorbent hygiene products and tissue products. In 2023, winners of the challenge were announced with two projects entering development, including one project piloted in early 2024 in North America tackling circular economy solutions for diaper waste.

We also utilize life-cycle assessments for certain products and materials to help us understand potential tradeoffs and co-benefits associated with our plastics and forest footprint reduction efforts. These assessments deepen our understanding of environmental impacts across the value chain, from raw materials to production and distribution, to use and beyond.



Embracing Professional Product Sustainability

The RightCycle™¹¹ Program, by K-C Professional in Europe and North America, enables customers to divert waste from landfills by sending back used, eligible single-use personal protective equipment (PPE) products and dispensers which are recycled into new consumer products. In 2023, K-C Professional expanded the program to 11 countries and increased the amount of plastic waste diverted from landfills by 10% versus 2022.

In addition, K-C Professional collected and recycled paper hand towels from customers in Germany and the UK, to be made into clean, new tissue and towel products. Over 200 customers participated in 2023, and over 140 metric tons (MT) of hand towels were recycled.

COLLABORATION & PARTNERSHIPS TO UNLOCK INNOVATION

We believe that collaborations and partnerships across our value chain are critical to achieving our ambitions related to plastics, fiber, and circular economy. By working across teams, and with our commercial partners, our research, engineering, and marketing teams seek ways to reduce our use of traditional plastics and Natural Forest Fibers, accelerate development of bio-based and recycled substitutes, and assess alternative material and product solutions.

We are participating in negotiations for a United Nations global treaty to address plastic pollution. We are members of the World Wildlife Fund & Ellen MacArthur Foundation Business Coalition for a Global Plastics Treaty, which consists of businesses across the plastics value chain, financial institutions, and key non-governmental organizations (NGO) supporting the development of an ambitious and effective global treaty to address plastic pollution by promoting more sustainable business practices and government action.

We also work with external partners to promote and inform the transition to a more circular economy and provide effective post-consumer solutions to waste, including:

- **AHP Collection in South Africa:** Partnership between Kimberly-Clark, Greenedge, University of the Western Cape, and Kudoti to develop absorbent hygiene products (AHP) collection systems for underserved communities.
- **Bioplastic Feedstock Alliance (BFA):** BFA is a multi-stakeholder forum for collaboration and knowledge sharing to drive the shift toward responsible sourcing of plant-based plastics known as bioplastics, and to create a more circular economy.
- **Center for Bioplastics and Biocomposites (CB²):** Being a member allows Kimberly-Clark to take advantage of opportunities through CB² including leveraging research and development efforts through the center's projects, and receiving access to technologies developed by the center.
- **ReSource Plastic:** A global, multi-stakeholder initiative helping companies implement strategies and solutions to help reduce plastic pollution and support circularity.
- **RWDC Industries:** The collaboration brings together Kimberly-Clark's deep experience in nonwoven technologies and resin development with RWDC's innovative biopolymer solutions.

11. In April 2024, Kimberly-Clark entered into an agreement to sell the personal protective equipment business included in our K-C Professional business segment including the RightCycle™ Program. The transaction is subject to customary closing conditions, including regulatory approval, and is expected to close by the third quarter of 2024. Upon closing of the transaction, Kimberly-Clark will license the RightCycle™ trademark from the acquirer for transition purposes for a limited period of time, after which the Kimberly-Clark recycling program will continue under a new brand name.

- **Kimberly-Clark Indonesia Nappy Recycling Program:** Partnership between Kimberly-Clark and Duitin to provide circular economy platforms that help producers track and collect their post-consumer products for both recyclable and non-recyclable waste. Collection is done via a convenient online application where consumers can connect with these companies and their teams of waste pickers to collect the used diapers.
- **Canadian Plastics Pact:** Collaborative initiative that seeks to unify stakeholder approaches to design, use, and reuse across the entire plastics value chain with a focus on packaging in the Canadian market.
- **U.S. Plastics Pact:** Collaborative initiative that seeks to unify stakeholder approaches to design, use, and reuse across the entire plastics value chain. Kimberly-Clark is a Founding Activator of the Pact.
- **UK Plastics Pact:** Brings together businesses from across the plastics value chain, the UK government, and NGOs to help tackle plastic waste through the delivery of ambitious 2025 commitments.

PRODUCT ACCESS FOR UNDERSERVED COMMUNITIES

Aligning with our business focus and the United Nations Sustainable Development Goals (SDGs), we strive for social impact that helps addresses inequities in the empowerment of women and girls, maternal and infant health, and access to clean water and sanitation. One quarter of the world's population uses our products every single day. However, we recognize that not everyone has access to the resources necessary to be able to use our products. For that reason, we partner with nonprofit organizations to better serve our communities and build solutions intended to provide access for more people now and in the future.

We also work to mitigate access barriers to our products by partnering with various organizations around the world, including the Alliance for Period Supplies, American Red Cross, In Kind Direct, National Diaper Bank Network, United Way, and many others, through product and financial donations.

For more details about other initiatives that positively impact the communities where we live and work, see the [Better Society](#) section of this report.



The image shows a woman and a young child looking at a tablet device together in a tent-like setting. The woman is holding the tablet, and they are both smiling. String lights are visible in the background, creating a warm atmosphere.

Addressing Accessibility

To better serve the needs of children who experience longer-term bedwetting and provide size-inclusive products with outstanding comfort and fit, Goodnites® launched a dedicated XL size in 2021. Following this launch, consumer data showed that the second largest group of XL buyers were children with disabilities, with Autism and ADHD being the most prevalent. In a follow-up study, 40 percent of parents expressed that bedwetting had made their neurodivergent child more anxious and lowered their self-esteem. Driven by these insights, we formed a partnership with the [Autism Society of America](#) to combat bedwetting stigma and provide education and solutions for families of neurodivergent children who are in need of a longer-term bedwetting solution.

Huggies' Taejon Mill is proud to be the only manufacturer of ultra-small diapers for premature babies in Korea. In 2023, Yuhan-Kimberly Huggies celebrated a milestone, having donated more than 5 million of these diapers in just six years since the product line was introduced. Diapers are currently supplied free of charge to more than 30 general hospitals and university hospitals with neonatal intensive care units. Parents who are unable to get help through the hospitals can obtain three bags per person through Yuhan-Kimberly's MomQ online mall.

PRODUCT QUALITY & SAFETY

The well-being of our consumers is our top priority, which is why it is our policy to deliver products that meet regulatory requirements and meet or exceed consumer expectations. Our objective is to use safe ingredients, presented transparently, and grounded in a science-based approach.

Kimberly-Clark endeavors to proactively anticipate the evolving regulatory landscape and enable our processes and product testing to consistently meet high standards in order to maintain trust with our stakeholders.

Promoting Consumer Safety

Kimberly-Clark's Quality, Regulatory, and Compliance organization has a global team that helps ensure the safety and quality of our products for their intended use as well as their compliance with regulations and our internal standards. The global team consists of product safety, stewardship, quality and compliance personnel with experience in risk assessment, toxicology, chemical hazard classification, and global chemicals regulations. In 2023, the organization conducted more than 4,400 safety and compliance assessments of new ingredients, raw materials, finished products, design changes, and market expansions.

We remain committed to reducing or eliminating ingredients of emerging concern and explore the use of alternative ingredients when necessary. Our suppliers share in that responsibility and are expected to meet our high standards and our Supplier Stewardship Standards, helping us provide our products focused on high quality and with safe raw materials and components. Our supplier expectations include requirements for Safety and Regulatory Disclosure, Material and Product Specific Requirements, and Principles for Management of Restricted Substances as referenced in our Supplier Stewardship Standards.

Policies and Systems

Kimberly-Clark expects our global businesses, functions, and facilities to align with our Quality Policy, which defines the principles that guide how we design, manufacture, and deliver high-quality products with a focus on consumer safety across every brand. Our corporate Quality Management System sets our internal standards and strives to align with industry best practices, the varying regulatory expectations of the nations and regions in which we operate, and the internationally recognized ISO 9001 and ISO 13485 quality standards. The Quality Management System is subject to a regular cycle of internal and external reviews and audit to promote the effectiveness of our controls.

Our approach is supported by rigorous internal and independent safety evaluations designed to support the quality and safety of our products. To enable product safety analysis and support regulatory compliance, Kimberly-Clark proactively gathers chemical composition information for each raw material used in manufacturing (including confidential disclosures from suppliers) and checks them against legally restricted substances relevant to the product form and country of sale. Senior management is responsible for overseeing compliance across these stringent requirements, which drives ongoing improvement and helps promote Kimberly-Clark products that are safe and effective for consumers. Efforts at our individual facilities are also supported by on-site quality assurance systems. Our qualified staff receive training on a regular basis to support the effectiveness of this process.

Kimberly-Clark uses a "Right First Time" (RFT) performance indicator that is intended to capture process and quality data on a product's whole supply chain, from materials procurement and manufacturing to warehousing, distribution, and point-of-sale quality/appearance, and which is based on well-defined goals to help enable ongoing continuous improvement in our program. We also provide a single metric intended to create accountability that the aspects of getting product to the end-user is done right, the first time and every time. The data related to RFT is then analyzed monthly to foster learning and influence our process improvement opportunities. We work across the organization to facilitate effective processes and take actions through procedure or process updates to address our opportunities for improvement.

Our Product Safety Policy lays out our expectations in three key areas:

1 Management Accountability

Our business unit presidents are responsible for promoting the safety and quality of our products and services, from initial introduction to ongoing reviews for regulatory compliance and alignment with public safety expectations.

2 Safety Assessments

Our products undergo safety assessments by qualified experts, in accordance with international standards of human health risk.

3 Ingredient Management

Safety and environmental data is carefully collected and used to develop business strategies for reducing, restricting, or eliminating chemicals of concern and advancing safer alternatives.

PRODUCT SAFETY PROGRAM



Kimberly-Clark's product safety strategy is to start with safe materials and make safe products. Our safety commitment continues after the product has been sold. We listen to our customers and consumers to enable our products to continue to meet or exceed expectations and live up to their promise. We take feedback seriously and use this information both to direct our focus on product safety and continue to improve our products.

ALTERNATIVE METHODS TO ANIMAL TESTING



Kimberly-Clark is committed to providing for the safety of our products and ingredients. New Approach Methodologies (NAMs), which are non-animal based test methods, currently incorporated include in vitro methods based on three-dimensional reconstructed human tissues, which are now widely accepted for assessing skin and eye irritation potential, as well as other endpoints. Kimberly-Clark also uses in silico, or computational toxicology approaches, for assessing potential for adverse health effects for components in our raw materials and products. We are also actively incorporating additional NAMs, such as in vitro and computational methods for allergenicity potential as an example.

We have been a proponent of the replacement, refinement, and reduction of animal use for product testing, known as the 3Rs. Our [Animal Testing Policy](#) states that animal testing is only performed if required by law, regulation, or a government authority. Any animal testing necessary for regulatory purposes must

comply with rigorous standards and governmental regulations for animal welfare, as well as the internal Kimberly-Clark processes for selecting appropriate laboratories and monitoring their acceptability.

We advocate for regulatory and governmental agencies to support the elimination of laws and regulations requiring animal testing, particularly through an internationally harmonized approach.

INGREDIENT SAFETY



Our experts are responsible for evaluating the safety of our products and ingredients before they go to market, using well-established risk assessment methods to understand both hazards and potential exposures to help meet current regulatory requirements and public safety expectations. Our screening criteria include confirming the safety of the composition and compliance of the ingredients with both external regulations and Kimberly-Clark's own corporate standards. As science is in constant evolution, Kimberly-Clark regularly evaluates the latest research, technology, and regulation to promote regulatory compliance and consumer safety.

We have integrated identification, management, and reduction of chemicals of interest and safer alternatives in our business strategy through our Product Stewardship Council (PSC), which was formed in 2014. The PSC is a cross-functional team that provides a platform and process for identification, review, and communication of chemicals of interest. It also enables the proactive development of business strategies to remove and/or reduce specific chemicals, and advance safer alternatives, in some instances above and beyond regulatory requirements.

We maintain a [Restricted Substances List \(RSL\)](#) that contains restricted (limits established by product or material) and prohibited ingredients relevant to Kimberly-Clark products, to provide a consistent, global approach to help safeguard our consumers and the environment from exposure to ingredients of potential concern. In addition, we formally review ingredients in our products against current regulatory requirements and public safety expectations, and proactively monitor and assess new information regarding ingredients published by scientific research and regulatory agencies globally, as well as public concern, to help keep our RSL current.

Kimberly-Clark is a member of the Green Chemistry and Commerce Council, a multi-stakeholder collaborative initiative that helps drive the commercial adoption of even safer, more sustainable, and high-performing chemical solutions.

ENHANCING TRANSPARENCY



When consumers choose our instantly recognizable brands, they are trusting our commitment to safety, which starts by using safe materials as components in the production of our products and sending our products through our robust product safety analysis. We are committed to transparency, sharing our practices, and providing ingredient information that is clear, reliable, and accessible.

Over the past several years we have created greater transparency for our personal care and formulated professional products in the North American market, through our [Kimberly-Clark Ingredients](#) website, which is searchable by country, brand, product name, and ingredient name. We disclose information on priority regional products such as baby care products, personal care wet wipes, and adult incontinence products from around the world.

RESPONSIBLE MARKETING

We seek to earn the trust and confidence of our consumers by maintaining high standards in the marketing and advertising of our products. Kimberly-Clark has processes in place to help promote the management of the transparency and accuracy of our marketing statements, advertising, and labeling of products.

As part of our commitment to work to develop advertising and promotional materials that are accurate and free from false claims, we regularly evaluate and refine our approach to the development of foundational programmatic and cross-functional review related to sustainability-related claims. We strive to comply with the relevant Kimberly-Clark Advertising and Promotion Guidelines and consider other published “green guides” in evaluating sustainability-related claims.

For more details on our focus on responsible advertisement, see our [Code of Conduct](#).



Better Planet





Tamera Fenske

Chief Supply Chain Officer

ENVIRONMENTAL MANAGEMENT

Our [Environmental Policy](#) serves as the foundation for Kimberly-Clark's focus on protection of the environment, directing our emphasis on environmental compliance and the management of water, energy and climate emissions, waste, and responsible fiber sourcing, in our operations and our business.

Our Environmental Health & Safety (EHS) Steering Committee is a cross-functional team of senior leaders responsible for providing oversight and prioritization related to our environmental, health, and safety strategic initiatives. For more details, see [Our Approach to Sustainability Governance](#) in this report.

Our Global Supply Chain Leadership team has defined six EHS leadership imperatives to be integrated across our operations as part of our foundational EHS strategy: (1) Consistent EHS leadership, (2) Positive EHS interactions, (3) Risk tolerance reduction, (4) Workforce empowerment to drive impact, (5) Consistent critical EHS work practices, and (6) Aligned incentives and metrics.

“At Kimberly-Clark, we strive to design, manufacture, and deliver our products—and operate our business—in a way that protects the environment and promotes the sustainable use of natural resources and extends a zero-waste mindset across the value chain.”

These imperatives provide the foundation for an EHS Maturity Model and inform three objectives to improve site performance with a collaborative approach across Environment, Health, and Safety:

- 1 Improve Mindsets, Behaviors, and Capabilities by providing role-specific EHS training for our teams and fostering a culture of accountability for EHS.
- 2 Reduce risk and promote compliance with relevant standards and regulations by applying global performance standards that supplement local regulatory requirements.
- 3 Manage EHS systematically via the Kimberly-Clark EHS Management System, enabling continuous improvement. This system is modeled on the ISO 14001 and 45001 framework and has been a longstanding approach within Kimberly-Clark's manufacturing facilities, often embedded with the site's lean manufacturing processes. Although Kimberly-Clark does not mandate ISO certification, the integrated EHS Management System effectively supports sites that wish to pursue it. As of December 31, 2023, 20% of Kimberly-Clark facilities held ISO 14001 and 7% held 45001 certifications.





94,000

MTCO₂e reduction from our
alternative energy and
energy conservation efforts*

13 million

MTCO₂e FY 2023
Scope 1, 2, and 3
total emissions

Our sites are expected to routinely assess their own performance against the EHS Maturity Model and identify gaps and improvement opportunities. In addition, our staff teams conduct EHS Maturity Health Checks and formal EHS Audits to verify self-assessment results and assess compliance/conformance to regulations and standards. In 2023, Kimberly-Clark's maturity rating improved to an average of 3.3 (out of 4)—more than a 38% improvement from 2020.

In addition, our operations and environmental teams work to deploy initiatives aligned to our Sustainability 2030 goals, including managing to reduce climate emissions, diverting manufacturing waste from landfill to beneficial uses, improving water efficiency, and engaging in community water programs.

We expect our facilities to continue to further standardize on leading EHS practices and processes, driving toward a safer and more environmentally responsible workplace. For more details on how we seek to keep our employees safe, see the [Occupational Health & Safety](#) section of this report.

GHG EMISSIONS & ENERGY MANAGEMENT

We are focused on reducing our greenhouse gas (GHG) emissions, while simultaneously assessing the climate-related risks and opportunities that may impact our business in the years to come.

Our essential brands and products rely on inputs including forest products, fossil fuel-based plastics, energy, and water. Because of the physical and transitional risks associated with a changing climate, we understand that there could be long-term impacts related to cost and supply. In addition, sustainability considerations are increasingly being incorporated as an element in customer and consumer decision-making, as consumers may not be willing

to purchase more sustainable products if their performance attributes are reduced. We believe transitioning our business to further align with these emerging preferences provides opportunities to further our purpose of Better Care for a Better World and contributing to long-term stakeholder value.

Kimberly-Clark is responding to these risks and opportunities by working to conserve energy in our operations while advancing our transition to low carbon energy sources. Factoring sustainability considerations into our energy consumption and procurement practices, renewable energy helps prepare us for rising fuel costs and/or the potential introduction of carbon pricing. Through improving our energy management and access to lower carbon energy sources, Kimberly-Clark is realizing financial savings and enhancing the long-term reliability of energy for our business. Our response has included engaging suppliers to discuss greenhouse gas emissions reduction and promote sustainable forestry practices, reducing reliance on fossil fuel-based plastics, and increasing the use of alternative, environmentally preferred non-wood and recycled fibers—all important actions to help reduce our greenhouse gas emissions and build greater climate resilience.

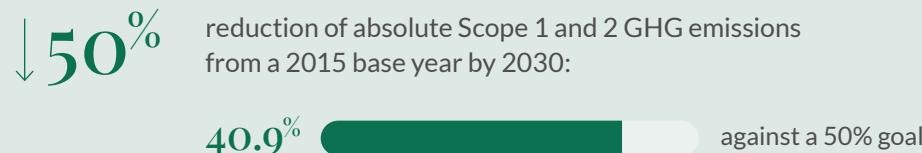
In 2023, Kimberly-Clark achieved an absolute reduction in operational (Scope 1 and 2) GHG emissions of 40.9% and a 10.4% energy efficiency improvement versus our 2015 baseline. We delivered a GHG emission reduction total of 94,000 MTCO₂e from our lean energy, energy conservation, and low carbon solution programs. However, this was offset by an 105,000 MTCO₂e increase from the loss of a virtual purchase power agreement (VPPA) for a major wind farm project in Oklahoma and a series of local electrical grid emission factor increases summing to 40,000 MTCO₂e. This translates to an increase of 51,000 MTCO₂e from 2022 to 2023.

Emissions Reduction Plan

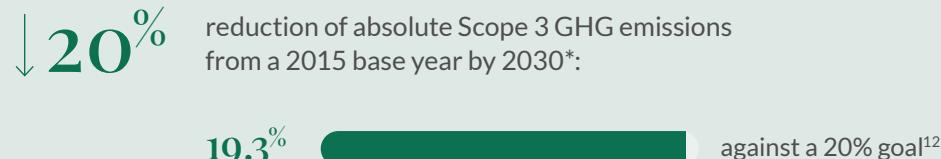
We have adopted Science Based Targets initiative (SBTi)-approved GHG emissions reduction goals aligned with the Paris Climate Agreement's principal goal of limiting global temperature rise to well below 2°C above pre-industrial levels.

OUR GOALS & PROGRESS

SCOPES 1 AND 2



SCOPE 3 – CATEGORY 1 (Purchased Goods and Services) & CATEGORY 12 (End of Life Treatment of Sold Products)



Note: Calculation of our Scope 1 and market-based Scope 2 GHG emissions inventories is aligned with the World Resource Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol (GHG Protocol), Corporate Accounting & Reporting Standard, revised edition. Our Scope 3 assumptions and GHG emissions calculations align with the GHG Protocol's Corporate Value Chain Accounting & Reporting Standard. Progress is provided as of December 31, 2023.

OUR PILLARS – HOW WE WILL GET THERE

SCOPES 1 AND 2

1. Driving a culture and capabilities to support energy efficiency throughout our operations
2. Deploying innovative energy conservation projects
3. Embracing low carbon energy solutions

SCOPE 3 – CATEGORY 1 (Purchased Goods and Services) & CATEGORY 12 (End of Life Treatment of Sold Products)

For Scope 3 emissions reduction we continue to improve data quality from suppliers, while seeking innovative, low-carbon solutions, and alternatives. We have deployed a cross-functional Scope 3 strategy around the following pillars:

1. Fossil fuel-based plastics reduction and alternatives
2. Fiber mix
3. Transportation efficiencies
4. Alternative technologies
5. Recovery and recycling of materials after use

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

12. Measurement and calculation of Scope 3 GHG emissions continues to be a challenging undertaking, but we have been improving the methodology and accuracy of our emissions data each year. Through ongoing systems enhancement and supplier collaboration engagement, we are continuously improving data quality and are seeking more accurate, innovative, representative emission factors from our largest suppliers.

PROGRESSING SCOPE 1 & 2 EMISSIONS REDUCTIONS

Driving Greater Energy Efficiency Throughout Our Operations with Lean Energy

Kimberly-Clark uses a lean energy strategy to drive an energy efficiency culture at our manufacturing sites. An energy management system is embedded into many of our facilities' daily accountability processes, positioning energy efficiency at a similar level to safety, quality, delivery, and cost. As part of our energy management program, we focus on:

- Operational systems: process improvement and standard changes to deliver efficiencies
- Management infrastructure: energy meters and dashboards to aid real-time energy management
- Mindsets, behaviors, and capabilities: improvement of training, awareness, and recognition

We utilize energy metering and visual management of real-time energy consumption through dashboards to aid in tracking real-time data against key performance indicators and improving standardization, best practice sharing, and implementation speed. The dashboards were developed and deployed in a partnership between our sustainability and digital manufacturing teams and continue to expand across the globe. We continue to work on investments in our digital infrastructure and the capabilities of our cross-functional teams to build a strong, standardized, scalable, and aligned foundation integrated with advanced analytics to identify new energy efficiency and supply chain improvements for our facilities and products.

In 2023, we executed more than 45 lean energy efforts, delivering ~10,700 MTCO₂e in emissions reduction.

Enacting Innovative Conservation Efforts

Pursuing continuous improvement in both product sustainability and cost efficiency, we identify and operationalize capital projects that help deliver manufacturing cost savings via improved energy efficiency and reduced consumption. We aim to uncover new opportunities through energy assessments, workshops, best practices analyses, and benchmarking, in parallel with our lean energy initiatives. Examples of our process and facility energy efficiency improvements include installation of variable frequency drives, compressed air systems upgrades, tissue machine drying system upgrades, vacuum system optimization, heat recovery systems, and heating, ventilation, and air conditioning (HVAC) systems optimization.

In 2023, more than 150 energy conservation initiatives and building efficiency improvements were deployed at manufacturing sites around the world, yielding approximately 30,200 MTCO₂e in GHG emissions reductions.

Embracing Low Carbon Energy Solutions

Our carbon footprint strategy involves significant investment in renewable electricity generation. Through on-site installations and power purchase agreements (PPAs), Kimberly-Clark is scaling up our solar and wind inventory to contribute toward our GHG emissions reduction goal and reduce our electricity costs.

Some of our manufacturing facilities employ cogeneration units that burn natural gas to generate electricity and reuse the waste heat to produce steam for use in the manufacturing process. This has allowed us to remove high carbon intensity fuel sources such as coal from our operations and reduce electricity supply and pricing risk from some of our global facilities.



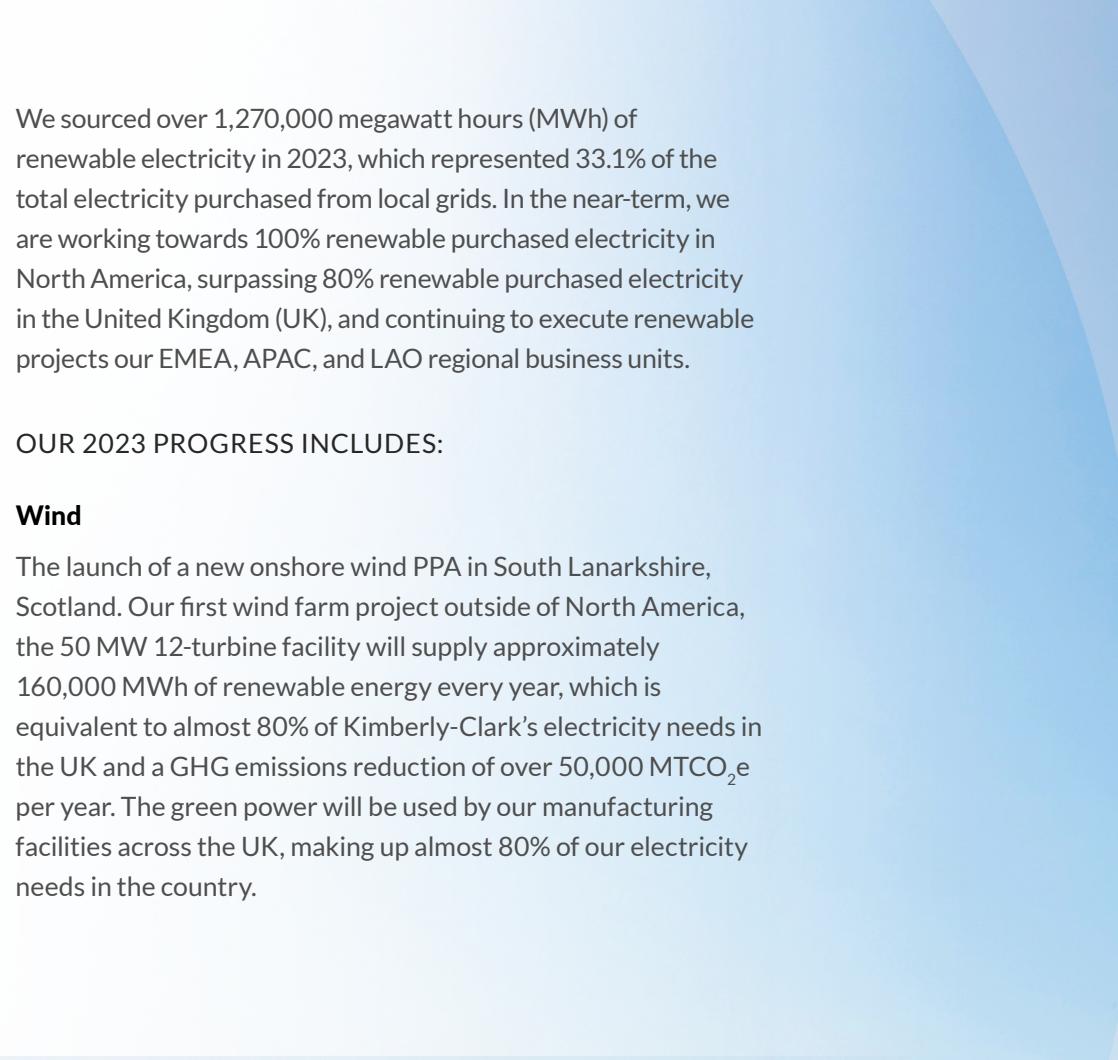
Lean Energy in Latin America Operations (LAO)

We utilized Lean Six Sigma Black Belt principles in 2023 to generate more than \$350,000 in savings due to the reduction of 665 megawatt (MW) and 172,000 gallons (gal) of liquefied petroleum gas (LPG) used in the operation.

Together with the Lean Energy methodology, this contributed to a

32.7% reduction

in our carbon footprint in 2023 vs 2015.



We sourced over 1,270,000 megawatt hours (MWh) of renewable electricity in 2023, which represented 33.1% of the total electricity purchased from local grids. In the near-term, we are working towards 100% renewable purchased electricity in North America, surpassing 80% renewable purchased electricity in the United Kingdom (UK), and continuing to execute renewable projects our EMEA, APAC, and LAO regional business units.

OUR 2023 PROGRESS INCLUDES:

Wind

The launch of a new onshore wind PPA in South Lanarkshire, Scotland. Our first wind farm project outside of North America, the 50 MW 12-turbine facility will supply approximately 160,000 MWh of renewable energy every year, which is equivalent to almost 80% of Kimberly-Clark's electricity needs in the UK and a GHG emissions reduction of over 50,000 MTCO₂e per year. The green power will be used by our manufacturing facilities across the UK, making up almost 80% of our electricity needs in the country.





On-Site Solar Projects

- Kimberly-Clark Indonesia installed nearly 5,000 photovoltaic (PV) modules on the roof of its flagship manufacturing facility in Karawang, West Java. This rooftop solar panel installation is estimated to reduce the indirect carbon emissions of the facility by approximately 3,000 tons per year and will also support the government's Million Solar Panel Roofs National Movement.
- Four EMEA manufacturing sites signed PPAs for on-site solar panels: Gilboa (Israel), Afula (Israel), Salamanca (Spain), and Epping (South Africa). Gilboa and Afula are now fully operational with on-site solar, each generating 0.3 megawatts-peak (MWp) each year. We are currently considering tenders at five more sites in the UK, Bahrain, Czechia, and South Africa.
- In APAC, the Tianjin Mill completed Kimberly-Clark's first PV PPA project in China. The project, which involved the installation of more than 12,850 PV modules on the mill's rooftop, boasts a total capacity of 7 MWp. This robust system is projected to generate nearly 7,100 megawatt-hours (MWh) annually, accounting for about 20% of the mill's yearly electricity needs.

In order to find new approaches to progressing towards our climate goals, we continue to participate in the Renewable Thermal Collaborative, facilitated by the Center for Climate and Energy Solutions, David Gardiner and Associates, and World Wildlife Fund, and seek partnerships to develop thermal decarbonization technologies and low carbon fuels to power our tissue manufacturing processes around the world. In late 2023, we were selected for funding by the UK Government's Hydrogen Business Model Strategy (HBMS), kickstarting the UK's low carbon hydrogen economy by funding a first-round allocation of 250MW of electrolytic hydrogen projects. The selected Kimberly-Clark projects are in our manufacturing sites in Barrow, Cumbria (30 MW) and Northfleet, Kent (10.5 MW), which are expected to reduce 28,700 MTCO₂e per year. Furthermore, these projects could reduce the natural gas consumption of our UK and Ireland consumer business by up to 50% once these projects are operational at the end of 2026. Both the thermal and electricity renewable energy initiatives are currently forecasted to enable Kimberly-Clark to achieve a total reduction of its greenhouse gas emissions in the UK and Ireland by 85% by the end of 2026 (vs 2015 baseline). These efforts provide a model for similar opportunities at manufacturing sites in our other regions.

1,280,198

MWh of renewable electricity
(Scope 1 and 2)

1,270,883

MWh Virtual*
and Direct PPAs

9,316

MWh
On-site solar

*North America VPPA totals were lower than anticipated due to termination of a wind power contract and lower-than-expected performance.

DRIVING EMISSIONS REDUCTIONS ACROSS OUR VALUE CHAIN

The Scope 3 categories of purchased goods and services and end-of-life treatment of sold products represent over 70% of our value chain emissions inventory.

As part of our reduction strategy, we are working to determine how to reduce our use of traditional plastics while enhancing the potential of our remaining plastics to be reused or recycled. We are also working to increase our use of environmentally preferred fibers and have developed a forest carbon baseline and inventory by measuring the biogenic carbon of the company's fiber mix across virgin wood fiber, recycled fiber, and sustainable alternative non-wood fibers. This will help us to make decisions and monitor progress as we shift our fiber mix to more sustainable options.

For more details see the [Circular Economy & Plastics](#) and [Responsible Sourcing, Biodiversity, & Forests](#) sections of this report.

In 2023, we implemented training and other forms of education to upskill employees and increase overall awareness regarding the impact of plastics and fibers on Scope 3 emissions to help inform decision-making around product and packaging innovation. Engagement from teams across the company is key to embedding sustainability in day-to-day employee thought processes and decision-making.

Measurement and calculation of Scope 3 GHG emissions continues to be a challenging undertaking, but we have been improving the methodology and accuracy of our emissions data each year. Through ongoing systems enhancement and supplier engagement, we are continuously improving data quality and are seeking more accurate, innovative, and representative emission factors from our largest suppliers.

In 2023, Kimberly-Clark hosted its first "Climate Connect," a forum bringing key suppliers together to share ideas, innovative strategies, and best practices to assist suppliers to independently assess their approach and implement their own practices to reduce emissions across our supply chain. As part of the engagement with our suppliers, our procurement team continues to evolve our approach to improve transparency and data integrity with regards to targeted environmental and social topics. This includes enhancing contract language, expanding information requests and, in general, further embedding sustainability considerations into our procurement processes.

CROSS-FUNCTIONAL SCOPE 3 STRATEGY

1 | Plastics reduction and alternatives

2 | Fiber mix

3 | Transportation efficiencies and alternative technologies

4 | Recovery and recycling of materials after use



European Clean Trucking Alliance / Volvo.

Reducing Emissions through K-C Professional (KCP) Innovation

In 2023, KCP North America compressed folded towel packages to allow smaller cases and more towels on a truckload. While there was no change to the towel itself or its performance, Scope 3 savings were the equivalent of driving a gas-powered car 18 times around the equator in the first year by transporting the same number of towels in fewer loads. KCP is evaluating expansion to other products.

Sustainability Champions Reduce Carbon Emissions in Logistics and Distribution

Our teams in EMEA have formed an internal team comprised of experienced individuals from the Logistics Center of Excellence, Procurement, and KCP. They have reduced emissions related to logistics and distribution by 64% vs. our 2015 baseline by focusing on four pillars:

- 1 Measurement:** Collaborating with third-party logistics providers to gather detailed data on transportation throughout 2022 and 2023.
- 2 Optimization:** Increasing truck fill, identifying improvements to result in fewer trucks on the road, and introducing a new metric called DSC (direct from source to customer) to measure the percentage of deliveries that were direct and did not require stops at intermediate warehouses.
- 3 Shift:** Switching to intermodal distribution and alternative fuels.
- 4 Innovation & Collaboration:** Moving retail customers to an improved order pattern, allowing less frequent deliveries of full trucks.

13. For more background information regarding our risk management and strategic planning process, see our TCFD-aligned disclosure published in 2021. This can be found on our website at www.kimberly-clark.com/esg/downloads.

Kimberly-Clark has also joined the industry group the European Clean Trucking Alliance (ECTA) to advance the development and implementation of zero-emission vans and trucks. In 2024, we will be exploring a pilot to introduce EV trucks powered by renewable electricity.

CLIMATE CHANGE RESILIENCE

To better communicate the potential financial implications related to our value chain's climate risks and opportunities, we have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This assessment has helped us further align our risk management and strategic planning processes with the evolving challenges of climate change. We are seeking to improve our climate resilience in the short-term through:

- Working to identify and bring to market more sustainable alternatives to fossil fuel-based plastics and Natural Forest Fibers
- Advancing global deployment of new renewable electricity capacity
- Partnering with material and transportation providers to identify more efficient alternatives
- Working with local governments and alternative fuel suppliers on cost-effective solutions (including green hydrogen, renewable natural gas (RNG), electrification, and biomass) to further reduce our facilities' reliance on natural gas

In the [Appendix](#) of this report, we have provided a summary of our response to the TCFD-recommended disclosures for 2023.¹³ View the Appendix and the [Resilience](#) section for more information on our climate strategy.

NEXT STEPS

With an eye to SBTi's Corporate Net Zero standard, we will continue to explore additional decarbonization pathways across our value chain. This year, we focused on refining our estimates of Forest, Land, and Agricultural emissions in collaboration with World Wildlife Fund (WWF) and Quantis, and initiated work to develop marginal abatement cost curves for various decarbonization alternatives. Through these efforts we are laying the foundation for our next generation of programming and pipeline development.

RESPONSIBLE SOURCING, BIODIVERSITY, & FORESTS

As a significant consumer of wood pulp for our tissue and personal care products, Kimberly-Clark focuses on responsible, sustainable forest management practices across our supply chain. By including use of recycled and other environmentally preferred fibers, we are building resilience and positioning the company for long-term success while simultaneously supporting important environmental and social outcomes.



Our principles are aligned with the Global Biodiversity Framework and EU Deforestation Regulation, which aims to reverse biodiversity loss and restore natural ecosystems while respecting the rights of indigenous peoples and local communities.

In 2024, we plan to publish our revised Forest, Land, and Agriculture Policy taking into account the dynamic policy, regulatory, and disclosure landscape.

The revised Policy seeks to address important issues impacting forests, land use, and agriculture and provides a comprehensive policy framework designed to support Kimberly-Clark's leadership and compliance commitments in forest conservation through the next decade. Specifically, it outlines our focus to help prevent deforestation, protect biodiversity, respect legal and indigenous landholders, and promote a resilient, healthy supply chain through innovation and responsible sourcing.

Our Chief Sustainability Officer and Chief Procurement Officer maintain shared responsibility for forest management and our responsible sourcing programs. We established a Responsible Sourcing Steering Committee to oversee our program and provide multi-function inputs and decision-making. Our Board of Directors oversees supply chain risks related to deforestation and the cost of commodities and natural resources required to make and market our products. See the [Alignment with Task Force on Climate-related Financial Disclosures \(TCFD Index\)](#) for more information.

Photo provided by Suzano.



100% NATURAL FOREST-FREE AMBITION

Having reduced our Natural Forest Fiber by 39% in 2023, against our defined based year of 2011, through product formulation and process innovation, we recently announced a new ambition to be natural forest-free in all our products beyond 2030.

This goal is intended to greatly reduce our nature footprint, particularly in forests considered to provide a critical contribution to biodiversity and climate change mitigation.

GOALS & PROGRESS



sourced against 90% goal

Source 90% of our tissue fiber from environmentally preferred sources¹⁴, which include recycled fiber, sustainable alternative non-wood fibers, and Forest Stewardship Council® (FSC®) certified virgin wood fibers: 91% sourced against 90% goal (maintained achievement for the second consecutive year)



50% reduction of our Natural (Northern) Forest Fiber¹⁵ footprint from a 2011 base by 2025: 39% against 50% goal

Photo provided by Suzano.

14. Environmentally preferred fibers include FSC certified virgin fiber, recycled fiber, and sustainable alternative non-wood fibers.

15. In our sustainability reporting, use of the term Natural Forest Fiber refers to fiber from northern boreal or temperate spruce, pine, and fir forests that are primarily naturally regenerating and contain key elements of native ecosystems, including wildlife and biological diversity. This excludes plantation-grown or planted forests.

Aligning to Taskforce on Nature-related Financial Disclosures (TNFD)

In 2023, we partnered with a third-party organization to conduct a nature footprint pilot to assess Kimberly-Clark's environmental impact for virgin fiber and to identify opportunities to mitigate our nature footprint. Aligned to the TNFD framework, this pilot focused on our North American tissue business. The results of the pilot reaffirmed the importance of our Responsible Sourcing goals and the relevance they have in reducing nature-related risks for Kimberly-Clark. Completing this extensive pilot sets the stage for expanded assessments for other segments of our business as we implement new tools and third-party expert guidance.

Assessing Forest Climate Impacts

We use life-cycle assessments to help understand the carbon impacts of conventional virgin wood fibers, alternative non-wood fibers, and recycled fibers used in our tissue products. We are evaluating both the biogenic and fossil carbon impacts of these different fiber types over a tissue product's life cycle in an effort to establish Kimberly-Clark's first-ever baseline of our Scope 3 land-use emissions. Once finalized, we will assess mechanisms to reduce Scope 3 land-use emissions in collaboration with our suppliers.

Forest Management

Kimberly-Clark's 2025 aspiration is to reduce our Natural Forest footprint by 50% compared to 2011 while unlocking the power of the world's forests to help solve the climate and biodiversity challenges. We focus our efforts around three complementary strategies:

- Increasing our use of environmentally preferred fibers (EPF), including recycled fibers, sustainable alternative non-wood fibers, and virgin wood fibers that meet the FSC® standard for responsibly managed forests.
- Reducing our use of Natural Forest Fibers, which for Kimberly-Clark are primarily fibers from northern boreal and temperate forests.
- Continuing to explore an extensive array of alternative fiber options.

In 2023 we were able to achieve a 39% reduction in our use of Natural Forest Fiber compared to a 2011 baseline. We continue to explore innovative processes and formulation changes to reduce Natural Forest Fibers. For example, our teams in EMEA and APAC have embraced the challenge by applying their technical capabilities and proprietary know-how to the tissue manufacturing process that enables fiber substitutions without compromising product strength and softness.

In both 2022 and 2023, Kimberly-Clark eclipsed our 2025 goal of reaching 90% of our fiber for tissue from environmentally preferred sources. We believe FSC certification represents the most rigorous standard for the responsible management of the world's forests, which is why FSC-certified virgin fiber is the only virgin fiber we consider to be an EPF. We continued our progress in 2023 through increasing our purchases of FSC-certified virgin wood fiber, while recycled fiber continues to be an important part of our fiber strategy. As we work to help innovate the future of sustainable alternative non-wood fibers, we are working to confirm they are environmentally and socially preferable to other virgin wood fiber sources, and that they do not lead to loss of necessary food crops or high conservation value ecosystems.

We have a dedicated business unit that leads the exploration of more sustainable solutions for our product portfolio and serves as a center of excellence for research and development (R&D) and commercialization of next-generation alternative fiber sources and other technical solutions. Over the past decade, our research team has explored an extensive array of alternative fiber options, investing more than \$40 million in developing more sustainable products. In the coming years, we expect to deliver more sustainable, high-quality products that meet our consumer needs and advance our goal to reduce the use of Natural Forest Fiber.

We believe our efforts to reduce the use of Natural Forest Fiber and increase environmentally preferred fiber help protect forest

biodiversity and further Kimberly-Clark's commitment to fight deforestation and forest degradation. Aligned with regulatory requirements and our sustainability ambition, we continue to focus on working to assure that there is no deforestation in our supply chain while furthering our understanding of forest degradation and mitigation of its impact.

Environmental Performance of Suppliers

We seek to understand the environmental performance of our suppliers when sourcing our wood fiber. To monitor deforestation risks in our operations and across our supply chain, we utilize geo-location-based risk assessments that leverage private and public datasets to identify forest degradation and deforestation risks. We utilize this data to inform our sourcing selections in an effort to restrict higher impact suppliers from our supply chain.

Palm Oil Derivatives

Kimberly-Clark does not directly purchase palm oil or palm kernel oil; however, we purchase some ingredients that are derived from palm oil sources. Kimberly-Clark joined the Roundtable on Sustainable Palm Oil (RSPO) in February 2020 and has attained RSPO chain-of-custody certification at two operating sites thus far. For more details on our RSPO certification implementation, [see our RSPO Profile](#).



Supporting Responsible Fiber Sourcing

To promote the benefits of the FSC program and partnership, Kimberly-Clark Taiwan collaborated with local NGO, Chinese Society for Environmental Education, to develop the Love Forest FSC education teaching plan for 5th to 6th graders. Since 2014, nearly 24,000 students have taken part in the interactive program to help raise awareness of sustainable forestry practices, FSC certification, and responsible consumption on paper-based products.

\$40+ million

Invested in the past decade to develop more sustainable products from alternative fiber sources

WASTE MANAGEMENT

We are committed to reducing, reusing, and recycling waste streams from our facilities. We understand the value of the materials in our product and packaging categories and seek secondary, beneficial uses of the waste, while our operations teams seek to reduce waste generation overall.

Our teams actively seek cost-effective and sustainable solutions as we work to divert our landfill-bound waste streams to more beneficial uses. We are focused on achieving zero waste to landfill across our operations, including manufacturing facilities, offices, warehouses, and distribution centers.¹⁶ At local facilities, we catalog waste inventories of each waste stream's composition, quantity, consistency, and handling practices. This process helps gauge the risk profile and identify opportunities for a secondary beneficial use for hard-to-divert waste streams.

In 2023, we diverted 93% of our manufacturing waste from landfills. Due to higher costs for alternative pathways and

disruptions in the recycling supply chain, we came 7% short of our goal of diverting 100% of our manufacturing waste from landfills to other beneficial uses.

As we divert waste from landfill, we seek high value opportunities while managing potential environmental risks. We conduct a risk assessment every three years with our waste vendors to promote proper recycling and disposal of these materials. While the hazardous waste we produce is relatively small compared to our other forms of manufacturing waste, we have programs in place to promote proper disposal of these wastes, in alignment with regulatory requirements.

We are also continuing to focus on building post-consumer waste partnerships to progress a more circular economy. For example, read about our six-month pilot to collect diaper waste and identify circular solutions in partnership with communities in South Africa in the [Circular Economy & Plastics](#) section of this report.



16. Excludes major construction and demolition debris as well as regulated or mandated disposal methods.



Embracing Waste Management Practices in Ambientados, El Salvador



HELPED COLLECT

4,000 lbs
of recyclable material



HELPED GROW
300
trees



35

talks on recycling and waste management



1,400

students, teachers, and parents



17

schools



20

volunteers

We worked with our community to raise awareness of waste management practices and encourage reducing, reusing, and recycling. We gave 35 talks on recycling and waste management to more than 1,400 students, teachers, and parents in 17 schools near our manufacturing facility in El Salvador. As part of the program, 20 volunteers were trained to deliver environmental education sessions in schools, and our employees also helped collect over 4,000 pounds of recyclable materials and participated in the "Semillitas de Vida" greenhouse, helping to grow more than 300 trees to be used in external reforestation activities.

Water Management

Kimberly-Clark recognizes water scarcity and insecurity are global challenges affecting billions around the world. Preserving water resources is our priority, especially for operations in high water-stressed locations. More broadly, while water is essential to our operations and an input to our tissue manufacturing, our water consumption is not as substantial as typical consumer packaged goods (CPG) companies given our product mix. Therefore, we focus our efforts where have the biggest impact.

In 2023, Kimberly-Clark achieved a 52.8% reduction of water consumption in our manufacturing sites located in water-stressed areas against our 2015 baseline, exceeding our aggregated 2030 water footprint goal ahead of plan.

* “Water stress” refers to the ability, or lack thereof, to meet human and ecological demand for water. Compared to scarcity, water stress is a more inclusive and broader concept. It considers several physical aspects related to water resources, including water scarcity, but also water quality, environmental flows, and the accessibility of water. We use the World Resources Institute Aqueduct water tool to identify the regions of water stress.

Reduce the water footprint of our mills in water-stressed* areas by 50% by 2030 from a 2015 base year:

52.8%

EXCEEDED

against 50% goal

Conduct 30 stakeholder engagements in water-stressed regions that result in improved access to fresh water by 2030

2023 progress

2

new stakeholder engagements conducted

total

13/30

total engagements conducted since 2019

WATER RISK MANAGEMENT

Mounting pressures, including overconsumption due to rapid population growth, water source contamination, and worsening droughts due to climate change, have led to water scarcity in many regions of the world, including in some where Kimberly-Clark has operations. These issues can jeopardize access to sufficient water supplies and may lead to mandated water restrictions. In addition to the concerns that water insecurity raises to people and communities, risks to Kimberly-Clark could include operational disruptions, increased operating costs from rising water prices, and the need for further treatment processes. However, if water is carefully managed by the stakeholders who depend on a watershed, we can help mitigate these risks and continue to provide consumers with essential products they depend upon every day.

In the intermediate-term, we are focused on achieving sustainable water use at Kimberly-Clark manufacturing facilities in water-stressed regions, prioritizing the most severely impacted regions and focusing on those aspects of our operations that are the most water-intensive. To support this, we conducted an updated risk assessment in 2023 of our direct operational facilities to determine which are critically water stressed, using publicly available and credible tools. The results of the risk assessment determine how we manage the sites that are integrated into our 50% water footprint reduction goal.

Water Footprint

Kimberly-Clark's Water Footprint strategy challenges us to manage water risk at our facilities by reducing water consumption and optimizing wastewater treatment before it is returned to the environment. Our teams apply techniques and tools through (1) Water Resilience, (2) Water Efficiency, and (3) Water Stewardship approaches to operationalize this strategy:

- 1 Water Resilience:** Managing regulatory compliance, environmental hazards, and public perceptions.
- 2 Water Efficiency:** Implementing lean water management tools in water stressed and non-water stressed sites that increase productivity and decrease water footprint.
- 3 Water Stewardship:** Engaging directly with the communities where we operate on the management of local water resources.

REDUCING FRESHWATER CONSUMPTION:

Through Lean Water initiatives at our sites around the world, dedicated local teams are helping tackle issues related to water stress in their workplace and communities.

In 2023, our Kimberly-Clark supply chain teams took a holistic approach to water management, driving significant year-on-year water reduction across our mills. This was done by identifying and fixing leakages, and by recycling water in cooling towers and water gutters.

Key examples can be seen at 4 of our APAC and LAO facilities:

	46,400 m³ (-47%) Karawang Mill, Indonesia		8,000 m³ (-39%) Nanjing North FemCare, China		19,500 m³ (-35%) Nanjing South BB, China		139,700 m³ (-26%) Sitio Del Niño, El Salvador
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Lean Initiatives Drive Water Conservation

The primary driver of achieving and exceeding our water footprint target was the expansion of our Lean Water Program to sites in APAC. The purpose of this program is to mitigate water risk related to quantity, quality, and aging infrastructure and to increase employee knowledge of water operations, helping mitigate risk, reduce waste and compliance costs, and increase efficiency and productivity.

To help increase the impact of the Lean Water Program, we brought greater awareness of the program across Kimberly-Clark leaders and provided best practices to manage the programs. We believe that a culture focused on water conservation and water quality in our manufacturing operations gives ownership and responsibility to facility employees to manage water with a similar priority level as safety, quality, delivery, and cost.

We aim to drive continuous improvement in water management systems at each of our manufacturing facilities through investments in metering, dashboards, and real-time visual management tools that enable our team to manage water use more efficiently. We track overall water withdrawals, water consumption, and water discharge for each Kimberly-Clark operational site, as well as water-use efficiency (m^3/MT of production) at our sites that have high water use for manufacturing operations.

We believe this is critical to understanding our water use and identifying and prioritizing where to take action.

Water Stewardship

We engage directly with the communities where we operate on the management of local water resources. We focus not just on our own facilities, but on creating greater water security for the entire water basin in which those facilities are located.



Providing Water Infrastructure

The Barbosa Mill in Colombia is classified as water-stressed and faces a great challenge in optimal water use and conservation since it is located at the end of the watershed. To reduce the pressure on water resources, we implemented the Somos Agua/We Are Water project in 2022, a multi-phased project involving the community, Kimberly-Clark employees, the Colombianitos Foundation, and environmental and local authorities to provide infrastructure to facilitate access to water and sanitation.

In 2022, Phase 1 of the Somos Agua/We Are Water project delivered a water governance diagnosis of the local watershed system and trained community leaders and other stakeholders through workshops in aspects such as environmental regulation and project ideation to empower them to solve water issues. Phase 2 was completed in 2023 and focused on identifying permanent solutions necessary to improve the watershed function through ecological restoration and conservation. The last phase, started in 2024, will focus on the execution of these permanent watershed function improvements in partnership with the local community leaders and stakeholders and develop models to be replicated in other water stressed areas where we operate.

Better Workplace





Sandi Karrmann

Chief Human Resources Officer

“

We believe that a diverse and inclusive team reflecting a wide range of perspectives is essential to our long-term success. We prioritize employee well-being and a high-performance culture to attract and retain top talent.”

INCLUSION, EQUITY, & DIVERSITY

Creating a sense of belonging is core to our values and brings more value to our organization as a whole. To better deliver on our mission, we strive to foster a culture of inclusion through sustainable practices and programs and by seeking to make progress towards an inclusive and diverse workforce that encompasses the wide variety of diverse experiences and perspectives reflected in the consumers we serve. We remain steadfast in our commitment to cultivate a culture where our employees feel included and empowered to do their best work and where differences are valued and deemed essential for success.

We regularly review our practices and work to be a more inclusive workplace that reflects a wide range of experiences and perspectives. Oversight of our inclusion and diversity strategy and programs at Kimberly-Clark lies with our Global VP, Inclusion, Equity, and Diversity, and our strategy and

related metrics are reviewed by the Management Development and Compensation Committee (MDC) of the Board of Directors.

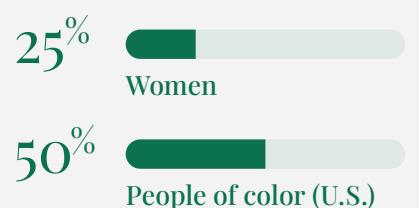
Our EEO-1 report, which reflects the company's U.S. workforce is available in our [Key Downloads](#) on our website.

Talent and skills are not defined by race, color, religion, sex/gender, age, sexual orientation, national origin, disability, gender identity, genetic information, veteran status, education, or background. Additionally, we strive to recognize universal human rights on a global basis and encourage the abolition of discriminatory laws and practices. For more details, see our [Equal Opportunity Policy, Including Anti-Discrimination, Anti-Harassment](#), and [Anti-Retaliation and Human Rights Policy](#).

BOARD OF DIRECTORS¹⁷



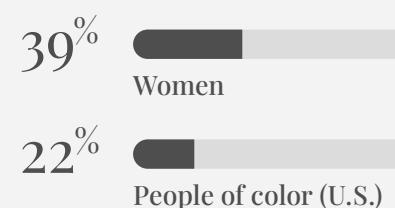
EXECUTIVE LEADERSHIP TEAM



TEAM LEADERSHIP (DIRECTOR LEVEL AND ABOVE)



ALL LEVELS OF MANAGEMENT



17. This data reflects the Board of Directors composition following Annual Meeting held May 2, 2024. Former Lead Director did not stand for re-election after his term expired.

ACTIVATING OUR STRATEGY

At Kimberly-Clark, we approach inclusion, equity, and diversity as a business strategy to solve for business imperatives and organizational challenges. We have one global framework with three strategic focus areas: Workforce, Workplace, and Marketplace. Each business unit and region is empowered to design specific programs aligned to these pillars and to the business needs that are meaningful to accelerate action.

Our **Workforce focus area** is centered on attracting, retaining, and growing the best talent to progress Kimberly-Clark's strategies, business results, and employer brand. Kimberly-Clark is seeking to make progress towards an inclusive and diverse workforce that encompasses the wide variety of diverse experiences and perspectives reflected in the consumers we serve.

Our **Workplace focus area** is centered on embedding inclusion, equity, and diversity at the frontline, and consciously promoting inclusion to foster a sense of belonging for all. We believe that inclusion is a choice - one that we must make every day to make our winning purpose-led, performance-driven culture stronger, foster the full potential of each person, enable our ways of working, and reflect our consumer needs across our business.

Our **Marketplace focus area** is centered on promoting and supporting a responsibility agenda that creates community, leverages leadership, empowers employee involvement, and accelerates action. We believe that the benefits of an inclusion, equity, and diversity strategy help attract the best talent, drive innovation with our products, amplify our corporate brand, and demonstrate our social impact to ensure we deliver on our purpose.

Global Inclusion Week

Building on our momentum in 2022, we held our Global Inclusion Week in 2023, engaging more than 7,000 employees in over 52 countries over six days to activate a culture of inclusion. Our annual inclusion week aimed to cultivate workplaces, communities, and experiences where inclusion, equity, and diversity are evident and thriving. Kimberly-Clark employees across levels explore topics including neurodiversity, LGBTQ+ identity, perspectives on disabilities, and multigenerational workplaces.

Employee Resource Groups

We offer all employees, regardless of affiliation, the opportunity to join Employee Resource Groups (ERGs). These groups foster professional development, social connectivity, celebrate diversity and promote inclusion throughout our company. Current ERGs provide community and insights into the perspectives and experiences of those with African, Hispanic, Latino, and Asian ancestry, women, LGBTQ+, as well as parents, caregivers, people with disabilities, military veterans, and new employees. In addition to amplifying our inclusion and diversity efforts, our ERGs promote career development by allowing all employees to connect with and learn from one another and help amplify our inclusion, equity, and diversity efforts.

Capabilities First is an employee resource group that fosters inclusion, diversity, and an accepting environment for employees with disabilities so they can bring their best and most authentic selves to work. The group is focused on creating pathways to success by advocating for an open, accessible, and seamless workplace through recruiting, development, training, and education. Capabilities First ERG supports employees with all types of disabilities, including visible, invisible, neurodiverse, and mental health.





Rainbow Accreditation

Kimberly-Clark New Zealand received its third Rainbow Tick accreditation in 2023, showcasing its strong dedication to creating a safe workplace environment for Rainbow (LGBTQIA+) communities. Through a series of internal measures as well as recruitment policy updates, partnership activations, and external promotion, the New Zealand team is driving allyship and a commitment to diversity and inclusion.

Inclusion, Equity, and Diversity Training

Kimberly-Clark provides training and activities that are meaningful to our employees. Our operating regions are responsible for implementing inclusion, equity, and diversity programs that are relevant for the local context. To date, more than 60% of Kimberly-Clark leaders have completed leadership training where they reflect on how to lead with conscious inclusion, with the objective of enabling better business decisions and empowering employees to build an inclusive culture. We believe inclusion is a strategic capability and by embedding it into our ways of working, we strive to co-create and innovate in new ways with the goal that everyone is treated with dignity, recognized for their abilities, and valued for who they are.

Town Hall Meetings

We hold Town Hall meetings on a regular basis so that employees can ask questions of executives and make their voices heard. Included among the areas addressed are questions aimed to reflect inclusion, equity, and diversity are reflected throughout Kimberly-Clark. We continue to engage in continuous listening via global surveys, on a regular basis, that offer our employees the ability to provide feedback and valuable insight to help address potential issues and identify opportunities to improve and support employee engagement.

Awards & Recognition

Demonstrative of our aim toward inclusion and belonging globally, Kimberly-Clark has been recognized as an employer of choice on multiple occasions and by various organizations.



Global ERG Network Top 10
Enterprise-Wide Employee
Resource Groups

Global ERG Network Top 25
Employee Resource Groups:
SALUTE Veterans Employee
Resource Group



Military Times
Best for Vets:
Employers



Human Rights Campaign
Foundation's Corporate
Equality Index: Equality
100 Leader in LGBTQ+
Workplace Inclusion



Seramount: Best
Companies for
Multicultural
Women



Disabled American
Veterans Large
Employer
of the Year

TALENT ATTRACTION & DEVELOPMENT

We view attracting, retaining, and developing talent and leadership at all levels of the organization as critical to our competitiveness and long-term success. We work to build inclusive and diverse teams to successfully guide our company through the competitive and dynamic environment in which we operate, and we also monitor employee turnover. For information regarding our Global Turnover, see our GRI Index in our [Key Downloads](#).

We support our employees' sense of well-being, professional growth, and livelihood through wellness programs, development opportunities, and competitive pay and benefits. Our purpose-led culture drives an active, engaged, and globally aware workforce enabling them to impact the lives of billions of people on a daily basis.

Our human capital management strategy and programming are overseen by our Chief Human Resources Officer. Our Board, through our Management Development and Compensation Committee, maintains ultimate oversight of our talent attraction and development strategy.

ENGAGING WITH & DEVELOPING OUR EMPLOYEES

Our performance and development process reinforces our purpose-led, performance-driven culture, providing the tools and resources that help employees to have robust performance and career conversations throughout the year. The process includes mechanisms for sharing feedback and promoting thoughtful evaluation that recognizes employees for their contributions. We encourage our leaders to engage in frequent open dialogue with employees. Additionally, we offer a range of professional education opportunities to enhance our employees' capabilities, with company reimbursement of educational expenses.

Through the employee engagement survey, "MyVOICE", Kimberly-Clark seeks to gather feedback on the employee experience, at a minimum annually. The survey gathers real-time responses from employees around the world to help us understand how they feel about working at Kimberly-Clark.

After survey responses are analyzed and summarized, Kimberly-Clark equips team leaders with training sessions and resources to understand results and address opportunities. Executive Leadership then reviews employee feedback, communicates results, and implements actions to help enhance the employee experience and drive company transformational efforts.

Performance-Driven Leadership

To align to our purpose and bring our purpose-led, performance-driven culture to life, we ask employees to care simultaneously for each other, our consumers, and our business. Doing so means that while our employees drive business results, they are also creating innovative products that make our consumers' lives better and opportunities for professional growth. To help employees apply this concept to their day-to-day work, in 2023 Kimberly-Clark created development opportunities and resources.

Our executive leadership team (ELT) hosted sessions with 200 of Kimberly-Clark's business unit and function leaders globally to help them understand how to demonstrate performance-driven leadership through the qualities of presence, courage, candor, and transparency; and how to address barriers to performance-driven leadership. The ELT then partnered with these leaders to cascade the information to staff and manufacturing employees and their team leaders. Over 13,000 staff employees attended sessions, including three live webinars hosted by executive leadership and select top leaders, followed by translated resources online.

Kimberly-Clark also hosted nine online sessions with live translations to upskill staff team leaders and created associated resources. Additionally, we created development opportunities and translated resources into 17 languages specifically for manufacturing and operations employees, hosting almost 240 in-person sessions with over 16,800 mill employees.



SAVE THE DATE: Global Inclusion Week 2023 (October 2- 13)

OFFERING COMPETITIVE COMPENSATION & BENEFITS

Kimberly-Clark offers competitive pay and benefits to our employees and rewards excellence and performance. To promote a healthy work-life balance and support employees' total well-being, we offer compensation and benefits programs relevant to the current market across all of our geographies.

We provide compensation through our salary, annual incentive and long-term incentive programs, and robust benefits packages that promote employee well-being across all aspects of their lives. Eligible employees are compensated for their contributions to our goals with both short-term cash incentives and long-term equity-based incentives. We also provide a variety of resources and services to help our employees plan for retirement. We believe the structure of our compensation packages provides the appropriate incentives to attract, retain, and motivate our employees.

Benefits vary between countries and regions and include comprehensive time off and leave policies that promote health and well-being of our employees and their families. Kimberly-Clark evaluates benefits on an on-going basis to promote the wellbeing of all employees guided by the following pillars:

Physical

We work to maintain a safe environment and offer programs and tools intended to help employees lead a healthy lifestyle suited to them and their families.

Emotional

We offer opportunities and resources to support employees' emotional health and seek to provide the psychological safety to ask for help.

Financial

We offer tools and benefits to help employees achieve their financial health objectives and grow their financial literacy.

Social

We work to promote a culture where employees belong, fostering connections in an environment based on trust.

In 2023, to further enhance local activities supporting employee wellbeing, we launched a holistic global well-being framework to incorporate the four pillars. We expanded employee assistance programs to more of our employees to provide support for key moments in their lives and ran over 70 open online education sessions for employees on a range of topics, including healthy work-life balance and managing finances which approximately 3,000 employees attended. To prioritize and promote good mental health in the workplace and to mark World Mental Health Day, in October 2023 we held a series regional sessions highlighting the importance of mental health together with a global session where employees shared stories with peers to help break taboos, with 2,000 employees attending.

HUMAN RIGHTS & SOCIAL COMPLIANCE

We believe that all workers should be treated with respect and in accordance with our workplace and human rights standards. We strive to foster a culture of integrity that supports our employees in living out these values and promotes a workplace where all are treated with respect.

Our [Human Rights Policy](#) and [Code of Conduct](#) establish Kimberly-Clark's ethical expectations, creating accountability across key issue areas. These expectations extend beyond our corporate walls to encompass our suppliers' employees and workplaces as well, as communicated through our [Supplier Code of Conduct](#). Our policies guide our interactions with suppliers, partners, customers, and consumers worldwide, and our expectations that suppliers operate similarly are communicated through our [Supplier Social Compliance Standards](#). To help our employees understand their expectations, we are expanding human rights training and awareness for employees in our operations and procurement teams.

Our annual [Modern Slavery Disclosure](#) outlines the steps Kimberly-Clark has taken to combat modern slavery and human trafficking globally.

The objective of our Social Compliance Standards is to proactively manage salient human rights risks across our supply chain. We believe that by holding ourselves and our suppliers accountable, we help to promote safe, fair, and equitable working conditions for hundreds of thousands of workers in our supply chain. Centered on our values, these standards are an extension of our expectations of our own people and are aligned with principles such as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

At Kimberly-Clark we have systems in place to:

- Identify and monitor potential human rights risks in our operations and supply chain
- Mitigate the risk of modern slavery occurring in our operations and supply chain
- Provide access to grievance mechanisms to allow for reporting without fear of retaliation.

We have a Responsible Sourcing Steering Committee which includes senior representatives from our sustainability, procurement, external contract manufacturing, legal, and human resources functions as well as from our regional organizations. The Committee typically meets quarterly to monitor current standards and oversee the activation of programs focused on compliance with regulatory requirements and Kimberly-Clark policies and standards as well as identify and address emerging human rights issues and escalations.

Managing & Mitigating Issues

Consistent with the United Nations Guiding Principles on Business and Human Rights, we believe that working to improve performance is important to enabling the sustainable change that benefits workers, the environment and our business. We strive to foster a culture of integrity and one that challenges us to continuously improve our programs and practices. Around the world, there is a growing understanding of human rights risks in supply chains, particularly related to issues of forced labor. As a result, we have continued to enhance and improve our programs, processes, and governance in an effort to manage and mitigate

these issues. Employees, business partners, and others can report any ethical concerns, including human rights concerns, through Kimberly-Clark's Code of Conduct HelpLine. Reports may be made anonymously where permitted by law and are subject to our non-retaliation policy.

Some noteworthy highlights regarding recent improvements to our programs and processes to manage and mitigate issues of human rights in global supply chains include:

In 2023, we finalized a refresh of our [Human Rights Policy](#), and published it in 2024, based on emerging human rights and regulatory developments to be better reflective of the needs in the communities where we operate.

- We are in the process of enhancing human rights training and awareness for employees in our operations and procurement teams.
- We incorporate leading expertise and perspectives to inform our approach to responsible sourcing including supporting all levels of management within each business unit and becoming more knowledgeable about Kimberly-Clark policies and procedures related to human rights and conduct business accordingly.
- We refreshed our approach to supplier risk assessment and adopted new tools to better monitor these risks.
- We adopted an enhanced supply chain mapping and traceability platform to improve visibility of risks deep in supply chains.

Auditing Programs & Processes

To promote compliance with our standards for social and environmental performance by our manufacturing facilities and key suppliers, we engage third-party auditors to conduct production site assessments. These assessments measure compliance across key issue areas including child labor, forced labor, discrimination, workplace health and safety, and business integrity.

Our audit program assesses approximately 200 facilities annually in high-risk geographies and industries, helping us identify noncompliance and drive improvements in working conditions.

When a supplier is found to be noncompliant with our Social Compliance Standards, we engage with the supplier to develop a corrective action plan. Depending on the concerns raised, corrective actions may include supplier investments in infrastructure, equipment, or training; development of new policies or procedures; or provision of remedy for affected workers. If needed, we may provide support to the supplier by sharing best practice examples, connecting them with consultants, encouraging engagement with human rights experts, or other resources. We have processes to track the status (including completion) of the agreed corrective action plans through evidence provided by the supplier and/or through a follow-up audit.

Promoting Awareness Through Training

We provide periodic training on human trafficking and forced labor for employees and managers with direct responsibility for our supply chain, including procurement buyers and teams managing external contract manufacturers. The training includes a focus

on identifying and mitigating risks. Through our procurement learning and development curriculum, we also offer social responsibility training content that includes coverage of human rights risks in supply chains.

We are a member of AIM-PROGRESS, which is an ongoing, collaborative effort to build responsible sourcing and human rights capability among Consumer Packaged Goods companies. Through our membership in organizations like AIM-PROGRESS, we continue to seek to build supplier knowledge and capability on human rights issues.

Labor Rights

Kimberly-Clark maintains a strong commitment to respect basic worker rights and to promote responsible corporate conduct throughout its global operations.

We respect our employees' right to freedom of association, including the right to independently decide whether they want collective bargaining through representatives of their own choosing, the right to engage in other protected group activities, and the right to refrain from such activities. This commitment is demonstrated in our [Human Rights Policy](#), which was recently refreshed.

For more information on the percentage of active workforce under collective bargaining agreements see our GRI Index in our [Key Downloads](#).





OCCUPATIONAL HEALTH & SAFETY

Kimberly-Clark maintains an Occupational Safety and Hygiene Policy to ground our commitment to the safety of our employees, contractors, and visitors and to drive toward the elimination of occupational injuries, illnesses, disabilities, and fatalities.

In addition, our Supplier Social Compliance Standards include requirements associated with health and safety, which we verify via our supply chain human rights audit program. See the [Human Rights and Social Compliance](#) section of this report for more information.

Our occupational health and safety strategy is structured around three main pillars, which are also aligned with our environmental management strategy:

- 1 Improving Mindsets, Behaviors, and Capabilities.** In 2023, we advanced our Safety Leadership Curriculum, enrolling over 1,700 leaders in the organization to upskill their knowledge in the psychology of safety and their role as leaders. Additionally, our regions and business units continued with People Centered Safety programs, such as peer-to-peer observation processes and safer workplace initiatives to drive safety knowledge and behavior through to our front-line operations employees.
- 2 Reducing risk and promoting compliance with relevant standards and regulations.** Kimberly-Clark is focused on driving reduction in health and safety risks, with a focus on high severity risks with the potential to cause permanently disabling injuries or fatalities. Risk severity is defined by our formal risk assessment process which we are enhancing to further enable a globally consistent approach across EHS.
- 3 Managing EHS systematically via the Kimberly-Clark EHS Management System.** We utilize consistent EHS work processes to measure, control, and reinforce EHS standards across our operations, including identifying and reporting EHS events and gaps and deploying corrective and preventive actions are deployed in response.

See the [Environmental Management](#) section of this report for details regarding our EHS Management System, EHS training, auditing processes, and governance.

18. Any local regulatory reporting requirements that are more stringent than Kimberly-Clark requirements must be followed under our policy.

A Balanced Scorecard Approach

While reporting and trending safety events and incidents at our sites help track performance, we know that safety must be managed with a preventative approach. In furtherance of our efforts, we continue to assess our approach and in 2023, we took the opportunity to enhance our core key performance indicators. Doing so enabled us to enhance our focus on leading indicators such as risk reduction, EHS maturity assessment, and associated improvement planning and implementation.

Effective January 2023, Kimberly-Clark redefined its globally applicable total recordable incident rate (TRIR) definition to align more fully with the US-based Occupational Safety and Health Administration (OSHA) recordkeeping and recording criteria definition.¹⁸ TRIR continues to provide a useful indicator of the effectiveness of our improvement efforts, as well as an external benchmarking measure. Simultaneously, we took the opportunity to reinforce with our global teams the processes and platforms for reporting, encouraging them to report all incidents and near misses, regardless of classification. For additional TRIR details see our GRI Index in our [Key Downloads](#).

Recognizing the Importance of Safety

ANNUAL SAFETY WEEK

As part of the 2023 Annual Safety Week, the Taiwan EHS team organized an innovative safety competition in July to emphasize the importance of safety. The competition included fun and engaging games and activities named after movie titles like "Invisible Knights" and "Home Front", to build employee capabilities on various safety topics like hazard identification, navigating blind spots while driving, responding to fires, and wearing Personal Protective Equipment (PPE). This interactive approach engaged mill employees, helping to further foster a commitment to prioritize safety for themselves and their colleagues.

DARE TO GROW

In March 2023, our LAO region launched "Dare to Grow in EHS", an initiative designed to challenge leaders and teams to evolve in EHS while connecting with Kimberly-Clark's purpose and values. The process focuses on three main pillars: leadership engagement and learning about a new view of EHS, sustainable solutions to improve our system and process, and organizational resilience. Outcomes included changing the leadership and organization mindset, updating ways of working for our EHS processes, behavioral change through improvement of the context, improving psychological safety to encourage our teams to speak up, and expanding capacity for failures in high risk activities.



Better Society





Alison Lewis

Chief Growth Officer

Through the reach of our brands and brand-led advocacy, social impact programs and partnerships, and investments in the communities where our employees live and work, we aim to exemplify our purpose to deliver Better Care for a Better World. We endeavor to direct our collective efforts where the needs are greatest and leverage our strengths, our brands, and our capabilities as a leader in health and hygiene.

Focusing where our brands can make the biggest impact, we focus on driving meaningful and sustainable change in the areas of women's and girls' empowerment, access to sanitation, and maternal and infant health.

Our commitment to these three focus areas comes to life through strategic charitable investments from the Kimberly-Clark Foundation, brand-led initiatives, product donations, and employee engagement in volunteerism and charitable giving.

“

We strive to uplift communities by focusing on women's and girls' empowerment, access to sanitation, and maternal and infant health – three societal issues where our brands can make the biggest difference.”



GOAL

Advance the well-being
of one billion people
in vulnerable and
underserved¹⁹
communities by 2030

LIVES IMPACTED SINCE 2015

191 Million

19. We identify "underserved" populations based on (1) inability to pay for existing product, (2) inadequate access to distribution, (3) underdeveloped waste management infrastructure, or (4) other disparities such as lack of education, social stigmas, etc.

SOCIAL IMPACT HIGHLIGHTS

Lives impacted in 2023

 73.6M

Empowering women and girls

 0.3M

Improving access to sanitation, including
people benefitting through our Toilets
Change Lives partnerships

 25.4M

Helping children thrive, including
underserved mothers and babies who benefit
from education and resources made available

 2.4M

Other regional and global initiatives,
including product donations

K-C FOUNDATION DONATED MORE THAN

\$14M

in philanthropic grants
in 23 countries in 2023

KEY AREAS OF IMPACT

Empowering Women and Girls

As a global organization, we believe in inclusion, equity, and diversity for all. And as a provider of feminine care products, we are passionate about empowering women and girls. While women have made great strides in the world, they are also facing setbacks and continual barriers that limit their personal growth, economic empowerment, and ability to fully participate in society.

Our programs aim to open doors for women and girls through fighting period stigmas, educating about menstrual hygiene and incontinence management, and promoting greater access to menstrual hygiene products.

Access to Sanitation

At Kimberly-Clark, we champion a world where all enjoy access to clean water and sanitation, through partnerships that provide resources to under-resourced communities across the globe.

In 2023, our team supported the first Latin American cohort for the Toilet Board Coalition Accelerator for Sanitation Economy Businesses. Six Kimberly-Clark mentors volunteered their time and expertise to guide three small sanitation businesses in Peru and Honduras focused on helping to solve the sanitation crisis in the region. Alongside this work, four Kimberly-Clark colleagues provided corporate mentorship to sanitation entrepreneurs in Asia and Africa.



Taking Action Against Bladder Leakage

In Australia, our Poise brand is helping to break the silence and stigma around bladder leakage and empower women to take action. The newly launched [Pelvic Support Hub](#) offers free physiotherapy-led resources, such as videos and articles, and free Poise products. The Hub was launched with popular social media influencers, podcasters, and health professionals to help amplify the message and destigmatize this incredibly common condition, affecting one in three women in Australia & New Zealand. To date we have had over 15,000 registrations.

In China, during Philanthropy Week in September, our team announced the start of the Poise Purple Tulip Public Welfare Program, a joint project with the China Siyuan Foundation to raise public awareness of urinary incontinence in women, and to introduce incontinence products as a way for women to stay confident and in charge of their lives. The program held science lectures on incontinence in 5 cities with experts from local hospitals and shared content to improve public understanding of urinary incontinence and support women via traditional and social media channels where it generated more than 200,000 engagements, celebrities, and key opinion leaders.



Fighting Period Stigma in Sports

To drive conversation around the discrimination of women during the men's World Cup, our Intimus brand in Brazil released a short film about one of the world's first female referees recognized by FIFA in 1971, Lea Campos, and her fight to be on the field. The film won the Gold Entertainment Lion for Sport in the Cannes Lions International Festival of Creativity for the highly relevant and powerful portrayal of overcoming discrimination.

And in response to a survey conducted by Women in Sports, which found that 7 out of 10 teenagers avoid physical activities due to feeling embarrassed about having their periods, Intimus has chosen to sponsor individual athletes on their periods. One of them was Nyeme Costa, a Brazilian volleyball player from Minas Tenis Clube. Costa showed her support by wearing a personalized jersey during a match, featuring her name integrated into a pad design alongside the Intimus logo and the slogan, "Period or not, she can." Several other players joined her initiative. The campaign has also extended its reach to soccer, aiming to connect with even more teenage girls.



Helping Communities Safely Manage Waste

To bring awareness to and explore solutions for safely managing absorbent hygiene product waste in underserved communities where waste management infrastructure is a challenge, we conducted a six-month pilot in Langa township in Cape Town, South Africa with local sustainability experts. The pilot program tested diaper collection methods at early-childhood development centers and homes and impacted nearly 77,500 people. We are exploring ways to expand the collection system and turn it into a sustainable social enterprise for the future.

Toilets Change Lives Impact

More than 80 million people in Latin America do not have access to basic sanitation, which is why Toilets Change Lives (TCL) is an important program, first launched in Bolivia in 2015. In 2023, we launched a social experiment called “Where is the bathroom?”

Through a digital campaign we generated awareness, impact, and a sense of urgency about the sanitation crisis. The digital pieces captured people's reactions when being told that the apartments they were visiting had no bathroom. An explanation followed that the entire scene was created to give more visibility to the sanitation crisis.

Additionally, with the endorsement of our NGO partners Water For People and Plan International, we commemorated World Toilet Day on November 15 with the II Latin American Virtual Forum “A step to dignity.” The team hosted a regional YouTube Live ([Un Paso Hacia La Dignidad - YouTube](#)) and in partnership with Warner Bros. Discovery produced documentary capsules which included three mini episodes of 45 seconds each.



A list of 6 video thumbnails from the "Un Paso Hacia La Dignidad" channel. 1. "Un Paso Hacia La Dignidad - Discovery y Kimberly Clark" (0:11) 2. "Capítulo 1 - Un Paso Hacia La Dignidad - Discovery & Kimberly Clark" (0:46) 3. "Capítulo 2 - Un Paso Hacia La Dignidad - Discovery & Kimberly Clark" (0:46) 4. "Capítulo 3 - Un Paso Hacia La Dignidad - Discovery y Kimberly Clark" (0:46) 5. "¿Cómo sería tu vida sin un baño?" (3:26) 6. "Scott Día Mundial del Baño." (1:00)

Maternal and Infant Health

We partner with nonprofits organizations, hospitals, maternal healthcare professionals, and families to deliver innovative products for newborns. This dedication to uncovering insights and delivering solutions helps nurses and families create a better future for babies.

Since 2015, Kimberly-Clark has provided over \$24 million in funding to UNICEF to help strengthen neonatal health systems, increase access to safe water and sanitation, promote safe menstrual health and hygiene, and support early childhood development, resulting in nearly 14 million lives impacted across 26 countries. Additionally, Kimberly-Clark has donated over \$4.6 million to UNICEF's humanitarian responses, including during emergencies in Colombia, Haiti, India, Peru, Puerto Rico, and global support during the COVID-19 pandemic.

In 2023, Huggies partnered with the Association of Women's Health, Obstetric and Neonatal Nurses (AWHONN) to create the new Respectful Maternity Care Framework and Evidence-Based Clinical Practice Guideline. The first-of-its-kind resource on respectful medical care, this resource provides evidence-based approaches that help reduce disparities in maternal morbidity and mortality outcomes and support birthing women and their families as they safely prepare for birth and postpartum

recovery, and begin breastfeeding and parenting. This program impacted almost 3,566,400 lives in 2023, and we are working to make these resources available in other regions of the world.

COMMUNITY ENGAGEMENT

Being part of a caring culture is foundational to who we are at Kimberly-Clark. We believe that our community engagement activities strengthen the communities where we operate, enhance our reputation, bolster our brand as an employer, and drive goodwill among our employees. We are continuously inspired by our employees' commitment to their communities, which is why we are honored to give back and support the communities where our employees live and work.

Each year, the Kimberly-Clark Foundation's Community Partners program provides \$500 grants to charitable organizations to which U.S. employees, or their spouses, have volunteered at least 30 hours. U.S. employees can also double their personal donations to qualified charitable organizations through the Foundation's Matching Gifts program.



2023 EMPLOYEE
COMMUNITY ENGAGEMENT

14,694 

Total (U.S.) Volunteer Hours

Integrity & Accountability



BUSINESS ETHICS

We seek to uphold sound governance practices, and we believe that there is a direct connection between good corporate governance and long-term, sustained business success.

The Audit Committee of the Board has established procedures for receiving, recording, and addressing any complaints received regarding accounting, internal accounting controls, or auditing matters, and for the confidential and anonymous submission, by our employees or others, of any concerns about our accounting or auditing practices. We also maintain our Code of Conduct HelpLine, which includes a toll-free telephone number, an email address, and a website, each allowing our employees and others to voice their concerns, including anonymously where permitted.

Our Code of Conduct (the Code) is a resource for our employees, business partners, and others who contribute to our success. We consult it regularly, ask questions if we need guidance, and raise any concerns we might have. Retaliation for raising a question or concern in good faith is never tolerated.

We regularly require all employees to take Code of Conduct training, and new employees are trained on the Code as a standard part of new employee onboarding. Our Code training includes a requirement for each employee to read and understand the Code and agree to comply with it. This broad employee training regimen is supplemented by more targeted training programs based on factors such as role, location, and business activity, as well as leader-led communications regarding operating with integrity and always doing the right thing.

We conduct business and establish relationships based on trust and transparency and prohibit bribery in all business dealings, with

governments and the private sector, in every country around the world. Kimberly-Clark expects its suppliers to comply with all applicable laws, including those relating to bribery, corruption, business gratuities, money laundering, kickbacks, and fraud, at all times. Further, we expect our suppliers to strive to provide a workplace free of bribery and corruption, and to prohibit the exchange of money or anything of value to or from anyone, including government officials, to influence actions or to obtain an improper advantage.

DATA PRIVACY & CYBERSECURITY

Upholding Privacy Rights

Just as our products are essential to our consumers and customers, our commitment to data privacy is vital to earning and maintaining their trust.

Our data privacy strategy is informed by regulatory and business requirements, and continues to advance our company's data privacy objectives based on issues identified by our risk management program.

As part of our data privacy program, we conduct regular privacy risk assessments. Our [Privacy Policy](#) provides comprehensive descriptions of how we collect, process, and handle personal data through the data lifecycle including on our websites and through online services owned or operated by Kimberly-Clark. It also explains where consumers can go to exercise their rights and choices about how their personal information is used and how we keep data safe.

Kimberly-Clark regularly trains employees on data privacy, including in segments of Code of Conduct training, regular cybersecurity training, and more targeted training activities.

Promoting Cybersecurity

Additionally, we have implemented a cybersecurity program to assess, identify, and manage risks from cybersecurity threats. The program includes periodic risk assessments; security event monitoring, management, and incident response; and periodic penetration testing. The program is reviewed by our internal audit team and assessed by independent third parties. Our cybersecurity program continues to adapt to the evolving threat landscape and technology developments.

To conduct our business, we maintain valuable information and technology assets – data, systems, and applications – that are critical to our operations and our success as an enterprise. Through our policies, we seek to hold ourselves accountable for securing these assets and for continuing to build our resilience against possible cyber threats. We have the same expectations for our contractors and outside services companies, including our information technology service providers.

As part of our overall risk management program, we have adopted an Information Security Policy that details our overall risk-based framework and governance for the management and security of our information technology assets and information. The policy applies to everyone who accesses our data or information resources and our information systems and resources, including third parties we engage.

Kimberly-Clark regularly trains employees on cybersecurity, including regular phishing simulations. Concepts included in our annual cybersecurity training and targeted trainings and workshops are based on roles, responsibilities, and subject-matter needs.

PUBLIC POLICY

Our Government Relations organization works with U.S. and foreign governments to advocate for policies supportive of our company's priorities and reflective of our global business footprint and social and environmental impact objectives. We aim to be a trusted resource of information for governments around the globe. In order to achieve our functional objectives, we advocate both directly as Kimberly-Clark and through trade and industry associations.

We engage with key industry associations on initiatives such as the UN Global Climate Treaty on Plastics and policies focused on developing more sustainable products that reduce dependence on plastics, advance extended producer responsibility (EPR), flushability standards, and recycling requirements and guidelines. We have worked through industry associations to respond to climate impact reporting requirements. Social impact is an additional priority for our company, and we are proud of our partnerships with governments and communities that support our company's ability to produce safe, affordable, and high quality feminine and baby care products for women, girls, infants, and children—as well as a range of products that meet the essential needs of people at every age and stage in life.

Kimberly-Clark does not have a Political Action Committee (PAC), however employees each have the right to participate personally in political processes and activities on their own time and expense.

For more details, see our [Code of Conduct](#), annual [Government Relations and Political Activity Disclosure and Positions](#), and [Policies Governance for Political Donations](#).

RESILIENCE

Kimberly-Clark's Enterprise Risk Management (ERM) framework is designed to identify, assess, and mitigate risks that can impact the company's financial results and reputation. Safety, environmental, and sustainability risks are integrated into our ERM framework.

We strive to develop programs that support the company's capacity to identify, respond to, and manage a broad range of long-term risks and crisis events, including the physical and transition risks of climate change, while minimizing the impact of those risks to the business. We are focused on proactively managing risks to strengthen overall operational resilience. The ERM framework is supported by:

- Key internal stakeholders, who provide input on enterprise risks through a standardized risk assessment process.
- Risk owners, who are assigned to an individual risk and are responsible for developing and maintaining mitigation plans.
- A Global Risk Oversight Committee (GROC), that works to identify significant risks for review and update our policies for risk management.
- A Risk Champion Network, consisting of cross-functional leaders and risk owners, which meets on a quarterly basis to discuss the latest developments, emerging risks, and updates from GROC meetings.
- Processes to monitor for emerging risks, including dialogue with cross-functional leaders, external peers, and consultants.

To learn more about our governance structure and how our Board oversees risk management, see the [Our Approach to Sustainability](#) section of this report.

Appendix



Appendix

Sustainability Accounting Standards Board (SASB) Index

ACCOUNTING METRIC	CODE	2023 DISCLOSURE
Water Management		
Total Water Withdrawn		86,361,346 m3/yr
% of total water withdrawn in regions with high or extremely high baseline water stress	CG-HP-140a.1	7.1%
Total Water Consumed		7,966,591 m3/yr
% of Water Consumed in regions with high or extremely high baseline water stress		25%
Description of water management risks and discussion of strategies and practices to mitigate those risks	CG-HP-140a.2	Overview of our strategy on water management risks and mitigation can be viewed on our website: https://www.kimberly-clark.com/en-us/esg/2030-ambition/esg-article/water-use-and-stewardship
Product Environmental, Health, and Safety Performance		
Revenue from products that contain REACH substances of very high concern (SVHC) ²⁰	CG-HP-250a.1	\$1,573,049.00
Revenue from products that contain substances on the California DTSC Candidate Chemicals List	CG-HP-250a.2	When consumers choose our instantly recognizable brands they also trust in our commitment to safety. This commitment extends to the materials we use. We want our consumers to have confidence in our products and that starts with using safe materials and making safe products, all of which go through our robust Product Safety Analysis. In this process, Kimberly-Clark proactively gathers chemical composition information for each raw material used in manufacturing for product safety analysis and checks against legally restricted substances relevant to the product form and country of sale to ensure compliance. Accordingly we design our products to meet all applicable laws and regulations, including the California Safer Consumer Products (SCP) Program. Kimberly-Clark does not manufacture or market any Adopted Priority Products (product-chemical combinations) or identified Pre-regulatory Priority Products subject to the Safer Consumer Products regulations.
Discussion of process to identify and manage emerging materials and chemicals of concern	CG-HP-250a.3	Product Quality & Safety (kimberly-clark.com)
Revenue from products designed with green chemistry principles	CG-HP-250a.4	We are members of the Green Chemistry and Commerce Council (GC3), a multistakeholder collaborative that drives the commercial adoption of green chemistry by catalyzing and guiding action across industries, sectors, and supply chains.

20. These products are not sold in Europe and are in the process of being phased out in the rest of the network.

Packaging Lifecycle Management

Total weight of packaging²¹

Total Weight of Packaging:
 Global (paper + plastic) (1) = 721,000 MT
 Global (plastic only) (1) = 90,617 MT

Percentage made from recycled and/or renewable materials

CG-HP-410a.1

NA (paper + plastic) = 375,627 MT
 NA (plastic only) = 33,351 MT

Percentage that is recyclable, reusable, and/or compostable(2)²²

Recycled Content in Plastic Packaging:
 Global = 8.3%
 NA = 4.7%

Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle

CG-HP-410a.2

Paper + Plastic Packaging:
 Global (1) = 98.8%
 NA = 99%
 Plastic Only Packaging:
 Global (1) = 90.6%
 NA = 88.4%

[Overview of our strategy on product packaging and circular systems can be viewed on our website](#)

Environmental & Social Impacts of Palm Oil Supply Chain

Amount of palm oil source

Kimberly-Clark purchased 2,905 metric tons of formulated solutions, which may have included palm oil or a palm derivative, as an ingredient for its global businesses in 2023.

% RSPO identity preserved

0%

% RSPO segregated

0%

% RSPO mass balance

6%

% RSPO book & claim

0%

Activity Metrics

Total weight of products sold(3)²³

4,572,165 MT

Number of manufacturing facilities

82²⁴

21. Note Global data management is built upon purchased material goods data converted into weight through estimated factors. Data is to be considered as estimated and Kimberly-Clark will continue to refine as the program develops.

22. (1) Global data management is built upon purchased material goods data converted into weight through estimated factors. Data is to be considered as estimated and Kimberly-Clark will continue to refine as the program develops. [Global figure updated by TI on 17 May 2023] (2) Kimberly-Clark's packaging material numbers reflect that which is designed to be recyclable, reusable, or compostable. Values represents global averages due to availability of local facilities that facilitate lifecycle management options such as composting and recycling.

23. (2) Each year, manufactured volume has been used in this amount. Total weight of products sold does not include externally manufactured products.

24. The total number of manufacturing facilities disclosed herein includes facilities controlled by Kimberly-Clark de Mexico, S.A.B. de CV (KCM). KCM stock is publicly traded in Mexico. As of December 31, 2023, Kimberly-Clark's ownership interest in KCM was approximately 47.9 percent.

ALIGNMENT WITH TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

We have adopted recommendations from the TCFD for evaluation of our climate risks and opportunities. Our TCFD Report published in 2021 continues to reflect our relevant climate-related risks and opportunities, and we regularly assess our approach with updates as needed. A summary of updated information to key portions of that report is included below and throughout this report.

CLIMATE GOVERNANCE

Board Oversight:

Our Board has established and approved the framework for our sustainability-related policies and procedures, including environmental stewardship, energy and climate, fiber sourcing, waste, and water management. As part of their oversight roles, the Board and the Nominating and Corporate Governance Committee receive regular reports from management on these topics, our goals, and our progress toward achieving them.

For more details, see [Our Approach to Sustainability Governance](#) in this report.

Management Oversight:

Our Sustainability Steering Committee oversees our sustainability strategy and its deployment. Additionally, climate and sustainability-related initiatives are operationalized through our Sustainability function, which is led by our Chief Sustainability Officer. The function's team comprises global program leaders who work cross-functionally to coordinate the execution of programs supporting our climate, energy, environmental stewardship, fiber sourcing, water management, health and safety, human rights, and other sustainability efforts. This team collaborates with Kimberly-Clark's business unit and sector teams and conducts periodic reviews to assess team targets and align actions for each pillar of our 2030 sustainability ambitions, including GHG reduction and climate-related goals.

For more details, see [Our Approach to Sustainability Governance](#) in this report and the Governance section of our [2021 TCFD Report](#).

STRATEGY

For more details regarding our Climate Strategy, see our [2021 TCFD Report](#).

RISK MANAGEMENT

In 2021, we began the process of identifying, assessing, and quantifying Kimberly-Clark's climate-related transition and physical risks, as well as corresponding opportunities. In assessing the transition period to 2030, 11 transition risks were identified that could potentially impact Kimberly-Clark's operations, facilities, and workforce, organized within the categories of policy/ legal, technology, market, and reputation risks.

Policy and legal risks, including increased regulation governing how our products are manufactured, are a key element of Kimberly-Clark's transition to a low-carbon economy. We also anticipate growing consumer demand for sustainable products and rising cost of raw materials over the coming decade. We are already beginning to operationalize mitigation strategies for these challenges across Kimberly-Clark, guided by the elements of our 2030 goals that aim for 50% reductions in Scope 1 and 2 GHG emissions and use of Natural Forest Fibers, new petroleum-based plastics, and water in water-stressed regions.²⁵ Our assessment's identification of key impact areas affords us strategic opportunities to further optimize our climate mitigation investments.

25. "Water stress" refers to the ability, or lack thereof, to meet human and ecological demand for water. Compared to scarcity, water stress is a more inclusive and broader concept. It considers several physical aspects related to water resources, including water scarcity, but also water quality, environmental flows, and the accessibility of water. We use the World Resources Institute Aqueduct water tool to identify the regions of water stress.

High-Impact Transition Risks, Risk Drivers & Mitigation Strategies

PRIMARY RISKS & DRIVERS	KIMBERLY-CLARK'S RESPONSE STRATEGIES
<h2>Policy & Legal</h2> <p>Cost of carbon Pricing of GHG emissions under the <2°C scenario is forecast to reach \$100/tCO₂e by 2030 (source: IEA Sustainable Development Scenario)</p>	<ul style="list-style-type: none">• Improve energy management, efficiency, and conservation, including increasing the granularity of energy meters and identifying opportunities to apply artificial intelligence (AI)• Prioritize on-site investments in renewable electricity and larger scale power purchase agreements• Evaluate leading renewable thermal technologies (green hydrogen, renewable natural gas, syngas, carbon capture, etc.) through regional pilots
<p>Mandates & regulation of products Future regulations on the raw materials, supplies, and production methods Kimberly-Clark uses could increase the cost of producing certain products (e.g., emerging Extended Producer Responsibility [EPR] mandates on single-use plastics; new requirements for product labeling).</p>	<ul style="list-style-type: none">• As part of our forest footprint program, continue developing and sourcing new environmentally preferred fibers for use in our tissue products• Substitute new, lower-emissions biopolymers and biodegradable alternatives for current petroleum-based polymers in our Personal Care products
<h2>Market</h2> <p>Increased cost of raw materials Costs of forest products (used in 90% of Kimberly-Clark's products), petroleum-based plastics, and other resources have the potential to increase due to regulatory policies focused on mitigating climate change</p> <p>Shift in customer & consumer values Low-carbon-footprint products have the potential to provide competitive advantage as awareness of climate change impacts increases and leads more retail customers and consumers to prioritize sustainable business practices (e.g., increased customer demands for supplier accountability, including delivering on climate-science-based targets; increased expectations from the sustainability motivated Generation Z).</p>	<ul style="list-style-type: none">• Increase the mass efficiency of our products to reduce consumption of forest fibers and plastics while continuing to meet consumer expectations• Integrate new lower-emission biopolymers and environmentally preferred fibers into the design of our products <ul style="list-style-type: none">• Develop new environmentally preferred fibers for use in our tissue products• Increase the mass efficiency of our products to reduce consumption of forest fibers and plastics while continuing to meet consumer expectations• Integrate new lower-emission biopolymers and environmentally preferred fibers into the design of our products

Physical Risks & Mitigation/Resilience Strategies

(for additional information see [2021 TCFD Report](#))

WORKSTREAM	KEY CURRENT & FUTURE HAZARDS	IMPACT	KIMBERLY-CLARK'S RESPONSE STRATEGIES
1 Portfolio Sites across 38 countries	Flood Storms Wildlife Drought	Low	<ul style="list-style-type: none"> Add identified potential climate impacts to our business continuity framework as necessary, and integrate them into the mock scenarios and check-and-adjust process at our manufacturing sites Focus on risk mitigation best practices at 10 key sites that account for 50% of total insured value at risk Continue to focus our water footprint strategy on facilities in high-water-stress regions
2 Key Suppliers (4 key materials) Fiber & fluff (F&F), nonwovens (NW), resins (R), and super-absorbent materials (SAM) at 75 key sites	Flood (all) Sea level rise (R, SAM) Wildfire (F&F, NW) Drought (F&F, NW)	Low	<ul style="list-style-type: none"> Perform supplier risk assessments via Kimberly-Clark Procurement to promote business continuity Continue partnering with suppliers to continuously strengthen embedded resilience and contingency plans Focus on high-priority suppliers and those identified with significant risk factors
3 Key Resources	Forestry at risk to: Wildfire Precipitation stress Drought Impacts will likely be less significant for crude oil and natural gas	Medium to high	<ul style="list-style-type: none"> Strengthen control measures to promote supplier investment in sustainable practices and implementation of those practices in their forest assets governance strategy Seek continued reductions in our reliance on petroleum-based materials through our plastics footprint strategy Aim to increase diversification of our fiber & fluff material sourcing to increase the use of alternative, environmentally preferred, non-wood, and recycled fibers

For more details on our approach to climate, see the [Better Planet](#) section of this report. Kimberly-Clark's Enterprise Risk Management (ERM) framework is designed to identify, assess, and mitigate risks that can impact the company's financial results and reputation. The ERM framework is supported by:

- 1** An enterprise risk assessment that collects inputs of key internal stakeholders, with individual risks assigned to risk owners who develop and maintain mitigation plans.
- 2** A Global Risk Oversight Committee composed of executive leadership, which provides oversight and direction for the company's ERM program.
- 3** Processes to monitor for emerging risks, including dialogue with peers and consultants.

Climate change risks are addressed through our ERM program, as appropriate. The climate change risk owner, our VP of Safety, Sustainability, and Occupational Health, is responsible for working closely with Kimberly-Clark business leaders and the Global Risk Oversight Committee to monitor climate risks and ensure that necessary resources are deployed to develop and execute mitigation plans.

Findings from the 2021 assessment of Kimberly-Clark's potential transition and physical risks, along with findings from subsequent assessments, are integrated into our strategic planning and ERM framework to help strengthen our resilience, mitigation, and adaptation responses. Results and learnings from this ongoing work are reviewed periodically by our Global Risk Oversight Committee and Board of Directors.

METRICS & TARGETS

Metrics

Setting and achieving aggressive climate goals has been part of Kimberly-Clark's sustainability journey for the past quarter century. We have established key sustainability metrics to measure and manage climate risk. See our [2023 GRI Appendices](#) for external limited assurance on our Statement of Energy Consumption, Greenhouse Gas Emissions, Water and Effluents, Waste, and Health and Safety.

DATA

GREENHOUSE GAS EMISSIONS (THOUSANDS MT CO ₂ E)	2015 (BASELINE)	2021	2022	2023
Total GHG Emissions: Scope 1 + Scope 2 Location Based	4,928	3,504	3,317	3,289
Direct GHG Emissions	2,230	1,772	1,783	1,720
Indirect GHG Emissions – Location Based	2,698	1,732	1,534	1,569
Total GHG Emissions: Scope 1 + Scope 2 Market Based	4,972	2,950	2,885	2,936
Direct GHG Emissions	2,230	1,772	1,783	1,720
Indirect GHG Emissions – Market Based	2,742	1,178	1,102	1,216
Total GHG Emissions: Scope 3	13,200	12,591	11,172	10,169
Category 1 – Purchased Goods & Services	7,162	7,425	6,717	5,850
Category 2 – Capital Goods	649	530	84	91
Category 3 – Fuel & Energy Related Activities	1,265	1,221	1,213	1,163
Category 4 – Upstream Transport & Distribution	1,283	1,212	965	793
Category 5 – Waste Generated in Operations	269	274	279	257
Category 6 – Business Travel	83	19	31	36
Category 7 – Employee Commuting	21	12	16	13
Category 12 – End of Life Treatment of Sold Products	2,080	1,568	1,527	1,610
Category 15 - Investments	388	330	340	356

TARGETS

Kimberly-Clark has set several climate change-related ambitions:

- **50% reduction** of absolute Scope 1 and 2 GHG Emissions from a 2015 base year by 2030
- **20% reduction** of absolute Scope 3 GHG emissions (Purchased Goods and Services and End-of-Life Treatment of Sold Products) from a 2015 base year by 2030
- **50% reduction** in the water footprint of our mills in water-stressed²⁶ areas over a 2015 base year by 2030
- **50% reduction** of our Natural (Northern) Forest Fiber footprint from a 2011 base year by 2025
- **50% reduction** of our plastics footprint from a 2019 base year by 2030

26. "Water stress" refers to the ability, or lack thereof, to meet human and ecological demand for water. Compared to scarcity, water stress is a more inclusive and broader concept. It considers several physical aspects related to water resources, including water scarcity, but also water quality, environmental flows, and the accessibility of water. We use the World Resources Institute Aqueduct water tool to identify the regions of water stress.

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***Kimberly-Clark**