



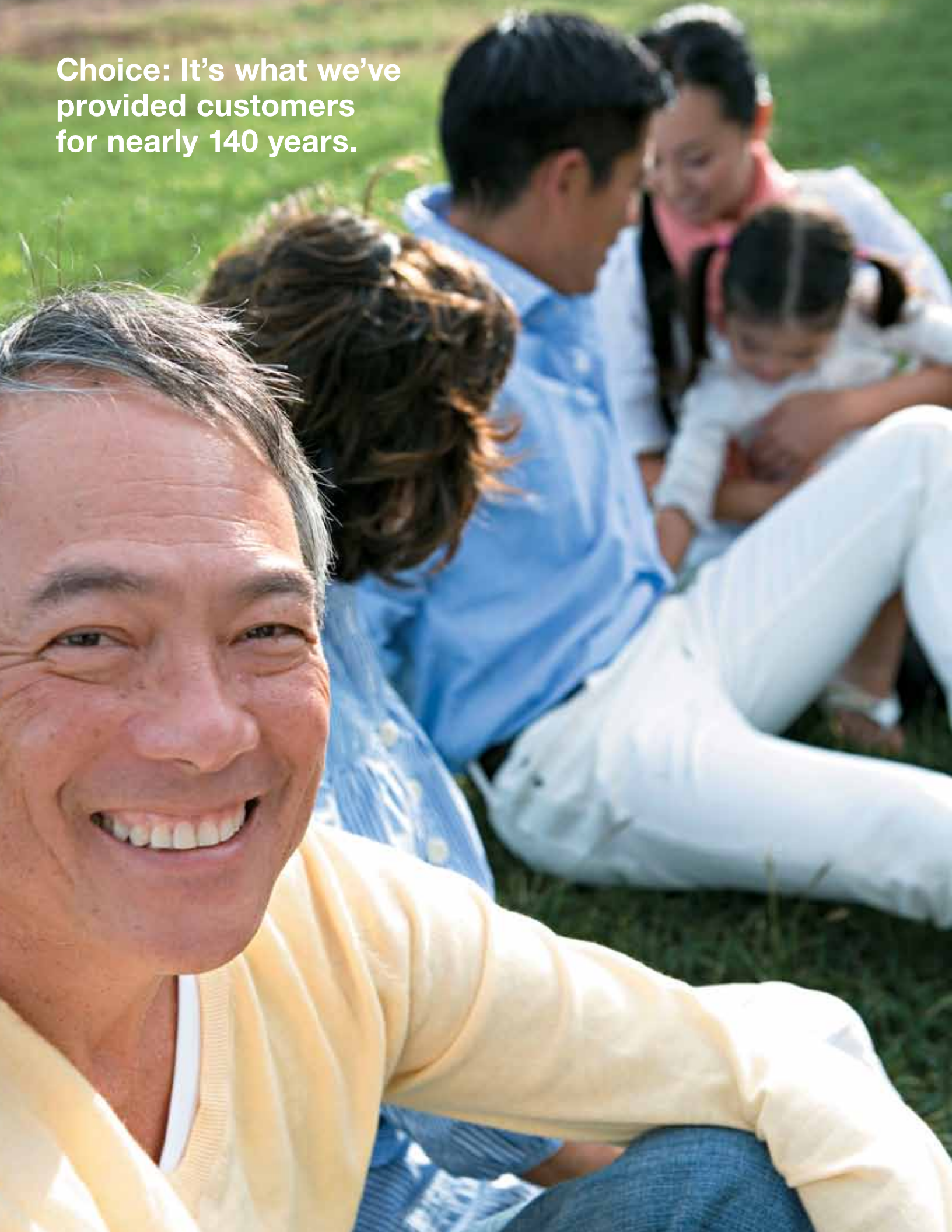
## Choices for a Sustainable Future

 **Kimberly-Clark**

2009 Sustainability Report Summary



**Choice: It's what we've  
provided customers  
for nearly 140 years.**



# Choices for a sustainable future

Put simply, sustainability is critical to our future success. It's an enormous challenge. But we choose to do it, and to work with those who support positive change, because it's the right thing to do.

That's one choice that will never change.

Billions of people worldwide choose our essential products to make a profoundly positive difference in their quality of life. And no matter what instantly recognizable Kimberly-Clark brand they choose, they're also choosing to make our world a better place, thanks to our dedication to doing the right thing for our customers, consumers, employees and communities.

We're making choices, too. For example, we're choosing to make more of our products with sustainable wood fiber ... choosing to help consumers find new ways to recycle our packaging ... and choosing to channel our collective thinking into making sustainability a natural, integral part of everything we do.

This isn't new for us. Throughout our history, we've chosen to weave our enduring values into the very fabric of our company. These values—authentic, accountable, innovative and caring—describe how we work with, and will be judged by, our business partners, investors, consumers, customers and each other as employees.

Sustainability is a logical way to express these values. And now, it's also an important part of our Global Business Plan, with clearly articulated, ambitious sustainability metrics for all of our business units. By taking this bold step, we're charting the course to a better future.

We're bringing the best thinking of our 56,000 global employees together to help treat our planet's resources, human and otherwise, more carefully and considerately. From raw materials, our manufacturing processes, even our supply chain, we're building sustainability into every facet of how we work.

But we're going far beyond that. To help us address the full spectrum of economic, environmental and social sustainability issues, we're working hand-in-hand with organizations like Greenpeace and World Wildlife Fund, among others, to share ideas, build consensus and deliver on the promise of a better future for all.

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## Message from Chairman and CEO

For nearly 140 years, people have trusted Kimberly-Clark, and trust that what we're doing today will make life better for their future. Building on that heritage, we're challenging ourselves to continue to deliver branded solutions that improve the lives of consumers everywhere. Through our Global Business Plan, we will fulfill our vision to [lead the world in essentials for a better life](#).

Sustainable business practices are woven into the fabric of our Global Business Plan. We challenge ourselves every day to look for ways to sustain the resources we enjoy today for generations to come. That's why Kimberly-Clark is focused on setting and achieving sustainability performance metrics for our brands and facilities. And through our resource stewardship, we are demonstrating to our stakeholders that sustainability isn't just the right thing to do, it's also good business.

Our sustainability efforts aren't new: They're an ongoing, essential part of our business. Our Vision 2010 environmental program, for example, is the third and most recent in a series of five-year initiatives designed to drive improvement toward energy, water and waste reduction targets. In fact, we're already working on our Vision 2015 program goals.

In 2009, we announced new programs to better communicate our commitment to sustainability. We added environmental labeling on some of our Family Care and Kimberly-Clark Professional products. And our K-C Professional business launched the REDUCE TODAY, RESPECT TOMORROW global marketing campaign, emphasizing how reducing the environmental impact at every stage of a product's lifecycle has a more powerful, far-reaching effect than simply recycling.

Other examples of our successful sustainability efforts in the past year include:

- *Strengthening environmental protection through our fiber procurement practices;*
- *Introducing new, innovative products such as SCOTT NATURALS wipes, napkins, bath tissues and paper towels and HUGGIES PURE & NATURAL, that combine high performance and exceptional quality with environmental benefits;*
- *Using design for environment, lifecycle thinking and source reduction to help our customers and consumers select products with less overall environmental impact;*

- *Contributing \$22.7 million in cash and product donations for charitable causes worldwide.*

These efforts are reasons why, for the fifth year in a row, we led the personal products category among companies in the Dow Jones Sustainability World Index. This ranking is based on the long-term economic, environmental and social performance of leading global companies across 57 industries.

Our efforts have been acknowledged around the world:

- *We're in the top one percent of more than 4,000 companies ranked by GovernanceMetrics International for our corporate governance;*
- *We're one of the Top 100 Best Companies to Work for in Latin America (11 Kimberly-Clark companies in the region made the 2009 list);*
- *K-C China received the Most Admired Corporate Citizen award from the China Corporate Citizenship Committee;*
- *Yuhan-Kimberly was named one of the most admired companies in Korea for six years running by The Korean Management Consulting Association, and was recognized for its excellent ethical management in the Korean Business Ethics Index;*
- *Kimberly-Clark is among the top five of the World's 100 Best Corporate Citizens as rated by Corporate Responsibility Officer magazine.*

From our leaders to our front-line employees, Kimberly-Clark is committed to making a positive impact on the world today with respect for the generations of tomorrow. As you read more about our commitment to responsible environmental stewardship and good corporate citizenship, I welcome your feedback, recommendations and partnership regarding the choices we're making for a more sustainable future.

Tom Falk  
Chairman and Chief Executive Officer

## Economic Impacts

	2009	2008	2007	2006
Net sales ( <i>billions</i> )	\$19.1	\$19.4	\$18.3	\$16.7
Cash returned to shareholders ( <i>billions</i> )	\$ 1.0	\$ 1.6	\$ 3.7	\$ 1.6
Employee wages, benefits and payroll taxes ( <i>billions</i> )	\$ 3.5	\$ 3.3	\$ 3.3	n/a
Supplier spending—non capital ( <i>billions</i> )	\$11.3	\$12.7	\$12.0	n/a
Supplier spending—capital ( <i>billions</i> )	\$ 0.8	\$ 0.9	\$ 1.0	n/a
Taxes paid ( <i>billions</i> )	\$ 0.8	\$ 0.6	\$ 0.7	n/a

## Environmental Impacts

Energy efficiency ( <i>million BTU per metric ton of production</i> )	15.6 <sup>1</sup>	14.8	15.5	15.8
GHG emissions—CO <sub>2</sub> e ( <i>million metric tons</i> )	5.6	5.9	6.2	6.1
Water efficiency ( <i>cubic meters per metric ton of production</i> )	43.4	45.4	45.6	45.1
Waste sent to landfill ( <i>percent</i> )	19.8%	22.0%	22.0%	16.0%

<sup>1</sup>Higher intensity due to product mix

## Message from Global Sustainability Leadership

We're proud of our progress in working to achieve our Environmental Vision 2010 program goals. This five-year program (the third in a series of continually evolving voluntary standards), guides our company and provides a platform for our manufacturing teams to improve environmental performance.

Vision 2010 brings the same sort of measurable accountability to the efficient use of resources as can be found in our other operational programs, such as in cost reduction initiatives. It allows us to better promote the sustainable use of natural resources—in particular, reducing our water/energy use and waste generation.

Proud as we are, we also realize that there's much more to do. Built on the learnings of Vision 2010, the next phase of our global sustainability performance metrics will be linked to the company's Global Business Plan and supporting performance metrics. We've already begun the process of developing those metrics into strategies for new and broader 2015 sustainability goals.


That realization drives our strength and momentum as we build sustainable brands and practices into our product pipeline and work to reduce our environmental impact throughout our operations and supply chain. These measures are part of our effort to foster even stronger relationships with our stakeholders and communities.

Throughout our company, we're working hard to create a more sustainable future, and we're raising the bar on our performance expectations in this area. Our teams are passionate about our vision of measurable and accountable sustainability. Our efforts will have a powerful impact on our environmental performance, and a positive influence on the communities where we operate and sell. That's something we can all feel good about. Because when we create sustainable solutions, we all win.



Jan Spencer  
President of Global Kimberly-Clark Professional





**Choosing  
Kimberly-Clark  
brands ...**



... means choosing  
a better future  
for everyone.







According to industry surveys, as many as 86 percent of consumers express interest, and 41 percent say they are very interested in, products that are better for the environment. To help consumers take that step, Kimberly-Clark offers products that deliver quality, performance and environmental benefits at a good value.

## Design for Environment

Designing and manufacturing products that serve the needs of a global market is no small feat. Even more challenging: making sure those products are also as sustainable as possible.

That's why, in 2005, we introduced our "Design for Environment" program and, in 2009, specialized tools that help our product designers consider the full life-cycle assessment (a well-established analytical technique to calculate environmental impacts) of our products, starting with the materials we use and continuing through our manufacturing processes, product use and ultimate disposal.

Used extensively to support North American tissue product development in 2009, these tools help our product development teams compare different designs, material selections and manufacturing processes with five environmental criteria across lifecycle stages. The resulting insights help them design better-performing products that deliver safety and cost benefits, and build preference in consumers' minds.

Ultimately, this initiative allows us to better understand the full impact of our products so we can target our efforts to provide more choice for our consumers.

## New Consumer Products

Giving consumers what they want is a sure way to business success. And since consumers are expressing a clear preference for more green products (86 percent, according to industry surveys), we launched SCOTT NATURALS products throughout the U.S. in 2009. With the tagline of GREEN DONE RIGHT, this new line of bath tissue, towels and napkins contains a blend of recycled and virgin fiber—40 percent recycled fiber in bath tissue, 60 percent in towels, and 80 percent in napkins. We also launched SCOTT NATURALS flushable wipes, which are dye- and alcohol-free, and break up after flushing like dry bath tissue.

In addition, outer packaging for the bath tissue and towels is made from 20 percent post-consumer recycled materials, the cardboard cores use 100 percent recycled fiber, and the towels offer Choose-A-Size sheets that help eliminate waste. Taken together, the result is a product line that uses less fiber, yet achieves performance on par with mainline quality SCOTT paper products.

Korean consumers continue to respond positively to HUGGIES NATURE MADE GOLD, a line extension marketed in 2008 by our joint venture, Yuhan-Kimberly. Up to 45 percent of the diaper is potentially biodegradable, compared to about 25 percent in conventional premium diapers. The product also incorporates proprietary all-natural lotion for improved skin comfort.

## Moms in the U.S. Choose Huggies Pure & Natural



*Moms in the U.S. are choosing HUGGIES PURE & NATURAL, a new, hypoallergenic, fragrance-free super-premium diaper, described as "better for baby, with steps toward a better world."*

*The breathable outer cover includes organic cotton, and the liner includes renewable materials along with natural aloe and vitamin E to provide gentle protection for babies. And like SCOTT NATURALS, the outer packaging is sourced from 20 percent post-consumer recycled materials.*

Building sustainability into every facet of how we work—it's the choice we've made so that customers and consumers can trust K-C to deliver innovative, high-quality product performance *with* environmental benefits.

## Reduce Today, Respect Tomorrow

The U.S. Environmental Protection Agency (EPA) advocates source reduction is implemented first, recycling second and disposal last, as the priorities for managing solid waste.

In line with these principles, Kimberly-Clark Professional, our away-from-home products business, launched REDUCE TODAY, RESPECT TOMORROW, a new campaign that reflects its commitment to reduce environmental impact at every stage of a product's lifecycle. Shifting to a broader focus for sustainability, the campaign is designed to change the conversation with its customers, moving beyond basic recycling. Consistent with this approach, the team is also designing products and developing packaging solutions that exhibit one or more of the following attributes:

- Uses sufficient recycled fiber to meet or surpass the U.S. EPA's comprehensive procurement guidelines for post-consumer content;
- Contains virgin fiber from suppliers certified to well-known forest management certification standards for sustainability;
- Requires less packaging than similar products;
- Helps consumers use less than similar products, resulting in generation of less waste.

K-C Professional is also studying real-world product usage in order to explore how different product formats, manufacturing technologies, fiber mixes, even dispensing systems, can affect the quantity of product used, and how much goes to waste.

For more information about REDUCE TODAY, RESPECT TOMORROW, visit: [www.kcpreducetoday.com](http://www.kcpreducetoday.com).



## Product Certification

K-C is committed to providing quality products that help preserve the environment while satisfying the needs and preferences of its customers and consumers. Since many of our products depend on a reliable supply of quality wood fiber, we work hard to ensure that the wood fiber we purchase comes only from well-managed forestlands or from recycled sources. In fact, our goal is that all of our suppliers of virgin wood fiber be certified to one of these recognized forestry management certification systems:

- *Forest Stewardship Council (FSC). We give preference to wood fiber from FSC-certified suppliers where it is available and meets product performance requirements and competitive market conditions;*
- *Sustainable Forest Initiative (SFI);*
- *Canadian Standards Association's National Sustainable Forest Management Standards (CSA);*
- *Sistema Brasileiro de Certificacao Florestal (CERFLOR) in Brazil;*
- *Programme for the Endorsement of Forest Certification Schemes (PEFC).*

## Green Seal

Designed for K-C Professional customers wanting to use 100 percent recycled fiber washroom products, SCOTT brand towel and tissue products have earned the prestigious Green Seal certification by meeting rigorous environmental standards. Green Seal provides science-based environmental certification standards that are credible, transparent, and essential in an increasingly competitive marketplace.

K-C Professional offers a full line of source-reduced KLEENEX and SCOTT brand washroom products that meet FSC chain of custody and Green Seal certification requirements.



## Forest Stewardship Council Certification

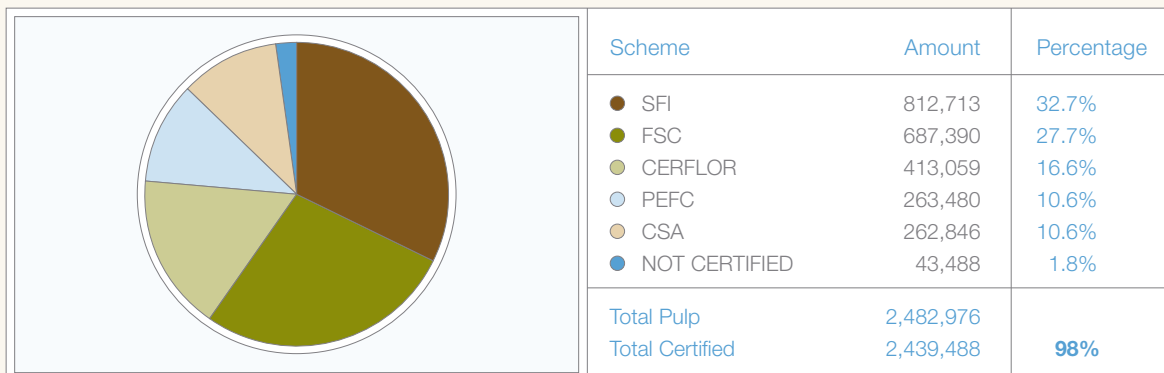
Globally recognized as the highest social and environmental standards in forestry, Forest Stewardship Council (FSC) is K-C's preferred certification scheme for wood fiber. In 2009, approximately 28 percent of the fiber we purchased was from FSC-certified suppliers, up from 13 percent the prior year. We continue to work toward increasing the available supply of fiber from the FSC-certified suppliers.

K-C Professional became the first North American tissue producer to receive FSC chain-of-custody certification for a broad range of its tissue and towel products. (FSC chain of custody (CoC) tracks FSC-certified material through the production process—from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution.)

In another first, K-C Taiwan launched FSC CoC certified tissue products in late 2009. A major marketing initiative that included statements from Greenpeace and the Forest Stewardship Council helped acquaint consumers, retailers and government officials with the importance of certification and attendant sustainability benefits. In the U.K., KLEENEX brand tissues are now FSC-certified and our ANDREX brand was FSC-certified in the first half of 2008.

Responding to retailers and consumers (particularly in Europe), we are directing more FSC-certified fiber into our consumer tissue brands. And while only 9 percent of the world's current market pulp supply is FSC-certified, the supply is expected to grow to 28 percent over the next 10 years, with pulp suppliers in Latin America contributing most of that increase. Based on that projection, we believe there are opportunities to increase K-C's purchases of FSC-certified fiber.

## Breakdown of Fiber Purchases by Certification Scheme in 2009



*This data refers to all wood fibers used globally by K-C including fluff pulp.*





Balancing the wise use of the earth’s resources with our need to produce high-quality essentials for better lives is a delicate equation. And thanks to our focused environmental programs, consumers can feel good about choosing K-C’s products.

## Leaders in Sustainable Forestry

As one of the world’s largest producers of tissue products, Kimberly-Clark has long believed in sustainable forestry and sound environmental practices. It’s a philosophy that led us to industry leadership in 2003, when we became the first major tissue company to require its wood fiber suppliers to gain independent certification for their woodlands or fiber procurement activities. In 2007, we updated our procurement policy and set a goal of purchasing 100 percent of our wood fiber from suppliers that gain independent certification for their woodlands, with a preference for FSC-certified fiber. By the end of 2009, we were more than 98 percent on our way to achieving our goal.

This philosophy also led to our announcement of further improvements to our fiber sourcing standards last August, when we set new goals for ourselves, established a new sustainability standard for the tissue industry, and created a new relationship with Greenpeace. The noted environmental protection group worked with us on our revised standards (see *Evolving Relationships* on page 15).

We also added more sustainability safeguards to our fiber procurement policy, which included reinforcing our long-standing ban on the use of wood fiber from illegal sources. In addition to our preference for FSC-certified fiber, our

policy commits to mapping and protecting Endangered Forests and High Conservation Value Forests while increasing the use of post-consumer recycled fiber.

In August 2009, we committed to employ 40 percent of either recycled fiber or FSC-certified wood fiber in all North America tissue products by the end of 2011, which represents an estimated 600,000 tons annually—an increase of more than 70 percent above our use of these environmentally-preferred fiber in 2007. As the table below shows, we surpassed this goal—two years ahead of schedule.

Sustainable forestry practices benefit our customers, shareholders, partners and our planet. It’s a philosophy everyone can believe in. More information about K-C’s fiber procurement policy can be found on our corporate Web site.

## Energy & Carbon

As part of our Vision 2010 goal to drive continuous improvement toward energy reduction targets, we’ve also undertaken a study on the science of climate change in order to better understand the effects of greenhouse gas

## Environmentally-Preferred Fiber for North America Tissue Products

2009		<p><i>Kimberly-Clark has set a goal that 100% of its wood fiber will be environmentally responsible and that over time all of the wood fiber used in its tissue products, including KLEENEX tissue, will be an environmentally-preferred mix of FSC-certified fiber (FSC) or recycled fiber (RF). Consistent with this goal, Kimberly-Clark will report at least annually on its North American and global use of environmentally-preferred fiber and will adopt annually a forward-looking combined target reflecting its expected use in North American tissue products of FSC and RF.</i></p> <p><i>Goals: By the end of 2010, 33% or more of the total fiber that Kimberly-Clark uses in its North American tissue products will be FSC and RF. By the end of 2011, 40% or more of K-C’s North American tissue fiber will come from these environmentally-preferred sources.</i></p>
21.1%	FSC-certified	
21.5%	Recycled fiber	
43.6%	Total FSC/RF Content Actual Results	
31.5%	Total FSC/RF Content Targets	



In 1995, we launched our global environmental Vision program to increase sustainability in our products and processes. Today, we continue to implement our Vision 2010 program with goals to reduce energy and water use, eliminate manufacturing waste in landfills and create global wastewater treatment standards.

### Energy & Carbon (continued)

and carbon dioxide emissions. Working in concert with the U.S. Environmental Protection Agency's (EPA) Climate Leaders Partnership, the World Business Council for Sustainable Development, and the World Resources Institute, we're developing a "Global Climate Management Strategy," with an emphasis on reducing emissions while saving energy.

Our vision is paying off. For two consecutive years (2009 and 2010), the EPA has honored us with the "Energy Star Partner of the Year" award in recognition of our comprehensive approach to energy management. Contributing to this achievement are rigorous tracking of energy usage at K-C facilities, more energy efficient equipment and lighting fixtures, programs to raise employees' awareness of their role in improving energy efficiency, and greater use of renewable energy sources.

Because our Vision 2010 energy targets are based on process benchmarks, annual production and product mix, they'll vary from year to year. For example, we reported higher energy use in 2009 due to product mix. So, in measuring our progress, we are focusing on how much we reduce the deviation between actual energy use efficiency (measured in MMBTU/ton of production) versus our Vision 2010 energy targets. See chart below.

### Waste

Starting with our Vision 2000 program, we established a global goal of eliminating landfill disposal of manufacturing waste. In 2009, our Beech Island, S.C. mill capitalized on several opportunities for reusing residual short fiber (RSF), or "sludge," which comprises almost 50 percent of the solid waste generated at the mill.

A vital part of sustainability performance includes finding other uses for product packaging and waste. That's why we've joined forces with TerraCycle—a leading upcycling firm, that helps convert the vivid plastic packaging from our SCOTT products and our HUGGIES diapers into a resource for a new generation of products. Our relationship with TerraCycle makes it easier for consumers to participate in recycling efforts while earning contributions to important causes in their communities.

Our SCOTT and HUGGIES brands are now reward partners of the RecycleBank program, which allows members to earn points by participating in curbside recycling and by recycling e-waste. In some communities, households earn rewards based on the amount their entire community recycles. Many consumers redeem RecycleBank points for coupons to use at retailers for Kimberly-Clark products and other valuable rewards.

### Energy Percent Deviation from Vision 2010 Targets

	2009	2008	2007	2006	2005	
Actual	15.6	14.8	15.5	15.8	16.2	<i>The calculated worldwide energy percent deviation from Vision 2010 target was 7.0 percent for 2009, which is an improvement of 0.5 percent points over 2008, and 5.0 percent points since 2005.</i>
Annual target*	14.6	13.8	14.0	14.5	14.5	
Percent deviation from V2010 targets	7.0%	7.5%	11.1%	9.5%	12.0%	
<small>(million British Thermal Units per Metric Ton of production) [MBTU/MT]                      *Based on the process benchmarks and that year's production</small>						





## Water

Water is an integral part of many of our manufacturing processes. Because freshwater is becoming more precious, we're choosing to limit our water use and ensure that the wastewater we discharge doesn't harm nearby waterways.

For example, in 2009 we reduced water use at our Everett facility in the state of Washington by 27 percent, conserving 1.8 billion gallons of freshwater per year. This is a result of several factors:

- *We upgraded a key emissions control system for the mill's recovery boiler to reduce its water use;*
- *We recalibrated several meters to better measure and manage our water flows;*
- *We substituted reclaimed water for freshwater in the process that creates a slurry from dry pulp.*

In 2009, 95 percent of our facilities met their Total Suspended Solids (TSS) and Biological Oxygen Demand (BOD) targets. One facility has already resolved its temporarily elevated TSS discharges. The remaining two facilities will improve their treatment systems to meet their targets. In addition, we use elemental chlorine-free (ECF) and total chlorine-free (TCF) bleached pulp.

## Packaging & Material Reduction

Kimberly-Clark manufactures many disposable products that are often used on a daily basis. We continue to seek ways to minimize the impact that our operations and disposable products have on the environment.

At K-C Professional, for example, coreless bath tissue, high capacity dispensers and optimized towel and wiper sizes help improve the utility of our products while reducing their environmental impacts. Our KLEENEX and SCOTT brands (from K-C Professional) now require less space than similar products, while still offering 100 percent of the performance.

We also launched innovative refill packs for SCOTT facial tissue packs, which now contain 14 percent more tissues than prior cartons at no extra cost and without taking up additional storage space. Even with added sheets per pack, this innovative product yielded other sustainability advantages by reducing packaging waste. The new packs also weigh less than previous packs, reducing fuel consumption during distribution. These improved logistics cut carbon emissions and make handling and storage of our products easier for customers.

## Water Reduction Programs at Hogla-Kimberly in Israel



*In Israel, where water is a scarce resource, Hogla-Kimberly has undertaken actions to implement water reduction programs, such as upgraded wastewater treatment plants, recycling water in manufacturing, and employee education programs to increase awareness. Wastewater doesn't go to waste: it's used by local farmers for irrigation.*

*The image on the left showcases our dissolved air flotation unit, a water treatment process that clarifies wastewaters and other waters by the removal of suspended matter such as oil and solids.*



We're engaging with a broad range of stakeholders because good ideas come from everywhere—our investors, customers, employees, communities, non-governmental organizations (NGOs) and other engaged groups and individuals. And we're listening.

## Evolving Relationships

**GREENPEACE**—After more than four years, K-C and Greenpeace, a leading environmental organization, worked together to reinforce the company's progressive fiber sourcing standards (See *Leaders in Sustainable Forestry* on page 11 for more details about K-C's fiber procurement policy).

"These revised standards are proof that when responsible companies and Greenpeace come together, the results can be good for business and great for the planet," said Scott Paul, Greenpeace USA Forest Campaign Director. "Kimberly-Clark's efforts are a challenge to its competitors. I hope other companies pay close attention."

The joint announcement marked a positive change in our relationship with Greenpeace. To further our stakeholder engagement commitment, we're having continuous dialogue with Greenpeace to gain the benefit of their perspective on important sustainability topics.

**WORLD WILDLIFE FUND**—Also last year, we began a collaboration with World Wildlife Fund in the U.S. (WWF-US), partially through participation in WWF's Global Forest & Trade Network—North America program (GFTN-NA). WWF is the world's largest conservation organization, and its GFTN program is dedicated to promoting responsible forest management and conserving the world's valuable and threatened forests by engaging with companies that are committed to responsible sourcing of forest products. According to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, deforestation accounts for nearly 20 percent of global greenhouse gas emissions. Therefore, taking an active

role in protecting the world's forests is critical to addressing climate change.

"Without forests, we could not survive. And in the face of ever-increasing demand for a finite supply of natural resources, business as usual no longer gets the job done. Kimberly-Clark's evolving commitment to the sustainability of forests around the world is breathing new life into the promise of a healthy future for the planet," said Carter Roberts, President and CEO of WWF-US.

WWF and K-C are collaborating on several forestry projects as part of implementing our company's global fiber procurement policy, as well as helping to increase the amount of environmentally responsible fiber used to make our tissue products. We've set a target of using 40 percent recycled and Forest Stewardship Council (FSC)-certified wood fiber in our North American tissue products by the end of 2011, and WWF will provide technical assistance and feedback to help us reach that goal.

## Caring for Our Communities

**KIMBERLY-CLARK FOUNDATION**—At the heart of K-C's values is our commitment to the communities in which we live and work. From our 25 North American hometowns to the 35 countries in which we operate, Kimberly-Clark plays an integral part in shaping and contributing to the culture, well being and environment of our neighborhoods. Our employees are steeped in the traditions and activities of each community, and as a company we actively support what's important to our neighbors.





*Stakeholder Engagement*

Choosing to be a responsible corporate citizen is always the right choice. Whether providing educational opportunities to our world's brightest youth or helping families around the globe, K-C is dedicated to a better life for everyone.

## Caring for Our Communities (continued)

The Kimberly-Clark Foundation, together with funding from the company and our employees, responds to causes and programs with financial contributions, product donations and volunteer time. In 2009, K-C and our employees contributed \$22.7 million in cash and product donations for charitable causes worldwide. As part of that amount, the K-C Foundation matched \$1.2 million in employee giving, and awarded over \$927,000 in grants to charities where our employees or their spouses volunteered over 94,000 hours of their time.

The K-C Foundation also sponsors our Bright Futures Scholarship Program. Established in 1993, this program awards college scholarships annually to children of Kimberly-Clark employees in the U.S. and Canada. Each scholarship is worth up to \$20,000 (\$5,000 per year for up to four years) for full-time students studying at accredited colleges and universities. In 2009, 78 students located in 17 U.S. states and one Canadian province received scholarships totaling \$1.5 million. Since its inception, the program has distributed approximately \$30 million in scholarships to more than 1,500 students.

In addition, we continued our partnerships with Boys & Girls Clubs of America (BGCA), which we have supported for more than 25 years, as well as UNICEF and Medshare. Among other contributions, K-C committed \$7 million to BGCA from 2005–2009, including \$1.3 million in 2009 for the Family PLUS Initiative. From 2007–2009, K-C contributed more than \$1.6 million to UNICEF, including \$640,000 in 2009, toward two child-survival programs in Brazil that help children living in extreme poverty by improving access to health care.

**AMERICAN RED CROSS**—Disaster victims need essential items and assistance right away. The best way to help relief organizations help others is to ensure that emergency staff and volunteers are equipped and well-prepared in advance of a crisis. For this reason, in 2007 we joined the American Red Cross' Annual Disaster Giving Program (ADGP) with a pledge of \$1 million over five years to support local, national and international disaster preparedness and response programs.

**UNITED WAY**—For decades, K-C and our employees have donated time and money to United Way organizations across the U.S. We match employee gifts to United Way dollar-for-dollar, and more than half of all U.S. K-C employees make donations. In 2009, K-C employees contributed, and the company matched, more than \$2.7 million to their local United Way. Over the past decade, K-C and its employees have contributed more than \$60 million to United Way.

## Global Activities

**KIMBERLY-CLARK CHINA**—For the third consecutive year, Kimberly-Clark China was named a Chinese Excellent Corporate Citizen by the China Social Worker's Association. The company was honored for its outstanding efforts in sustainable management policies and its caring spirit toward the communities and environment in China. Approximately 5,000 candidate companies were evaluated by the Association in 10 areas, such as economic, legal, ethical and social responsibility. The association also gathered comprehensive views of candidates from experts and volunteer investigators to determine the finalists.

**KIMBERLY-CLARK RUSSIA**—In Russia, Kimberly-Clark participated in a charity fundraising program in conjunction with Korablik, a Moscow region chain of children's stores. For every package of Huggies-branded diapers sold, 15 rubles from the sale were donated to the "Podary zhizn" ("Give Life") Fund, which benefits Russian children diagnosed with cancer and their families. To help promote the six-week fundraising program, noted Russian actors and artists, as well as K-C employees, took part in weekly live-action, children-focused performances in Korablik stores and hospitals. The program took place from October 1 to November 15, 2009, and raised more than 2,550,000 rubles.

## Working with Suppliers

Kimberly-Clark has over 30,000 suppliers worldwide that provide goods and services needed to operate our facilities and manufacture our products. We actively encourage our suppliers to enhance the sustainability of their operations. During 2009, we engaged a number of our suppliers in sustainability-related projects and objectives, including more efficient use of packaging, forest certification, and sustainable materials.

**SUPPLIER DIVERSITY**—We strive to buy from a range of suppliers that reflect the diversity of our customers and consumers. We encourage our buyers to utilize women-owned and minority-owned suppliers. In 2009, our U.S. suppliers included more than 500 women-owned and 120 minority-owned businesses. Our total North America spending for these categories was \$194 million for women-owned businesses and \$123 million for minority-owned businesses.

**ARGENTINA INTEGRITY PROJECT**—In 2009, Kimberly-Clark Argentina implemented an Integrity Project aimed at its suppliers, customers and strategic partners. As part of the project, suppliers commit to respect the standards established for Kimberly-Clark's operations, such as acting responsibly toward the environment. A practical working guide was presented to promote ethical behavior and responsible business practices.

## Engaging Employees

**SUSTAINABILITY NETWORKS**—In 2007, a small group of K-C employees interested in environmental issues decided to see how many other like-minded employees there might be at K-C. At the end of 2009, we had more than 200 Sustainability Community of Practice members at three office locations in the U.S. and U.K. The groups sponsor events to increase employee awareness of sustainability.

In April 2009, we launched our *Small Steps* program, which helps interested employees take “one small step” to improve the environment from a list of 10 options. This program is available on our “Sustainability Matters” intranet Web page. So far, nearly 2,000 employees worldwide have made this commitment.

In our Kimberly-Clark Professional unit, we also launched a new Web-based tool called “Sustainable Organization United in Reducing Consumption Everywhere” (SOURCE), that allows our global employees to submit ideas about sustainability products and systems. This new tool provides ways to capture, prioritize, manage, and share workable ideas for sustainability throughout the company, which will be considered for implementation by the appropriate business units. At the end of 2009, the Web site/tool had been visited by more than 3,400 employees worldwide and more than 400 ideas had been submitted for consideration.

## Keep Korea Green



*When Yuhan-Kimberly launched its KEEP KOREA GREEN program in 1984, no one imagined the impact it would have more than a quarter-century later. This living example of both environmental and social sustainability has connected Yuhan-Kimberly with the reforestation of Korea. Through the program, Yuhan-Kimberly is raising awareness of nature through environmental education and youth tree-planting programs. The program also supports tree planting around Korea to honor milestones in people's lives.*

Choosing safety and health is more than just a choice—it's a moral prerogative that's in everyone's best interest. Our fellow workers, our families and our communities all win when we work together to lead safer, healthier lives.

## Employee Safety

We are committed to eliminating fatalities, injuries and illnesses in the workplace. This requires every K-C team member's active participation and engagement. To accomplish this, we seek to:

- *Learn from failures in our safety systems and processes;*
- *Prevent fatalities, injuries and illnesses through a strong safety compliance program;*
- *Build capability in our team members through education and practical training.*

We have three major safety initiatives. The first, called "Sentinel Events," is designed to actively engage every employee in the recognition and reporting of incidents that have the potential to result in a workplace fatality. The second, called "Preventing Major Losses," is an advanced, comprehensive safety process that proactively identifies hazard scenarios that could result in a workplace fatality, permanently disabling injury/illness or major monetary loss of materials, equipment or other property.

Our third initiative, "Machinery Risk Assessment," is already being implemented at many of our locations and will continue to expand to others in the future. This approach, primarily used by individuals in engineering and safety roles, is designed to proactively identify and address machinery guarding and operational risk issues.

To further strengthen our commitment to safety, K-C rolled out a global safety communication plan to employees called "Who's counting on you?" The plan is aimed to mitigate sentinel events by engaging employees to stay safe for others that are depending on them at the end of the day.

### Who's counting on you?



## Preventing Infection

The H1N1 Flu pandemic was a significant issue in 2009. Kimberly-Clark Health Care answered the call for additional personal protective equipment products by increasing its production of exam gloves, isolation gowns and respirator masks. In addition, Kimberly-Clark Health Care provided value-added expertise to help K-C employees and healthcare workers deal with the pandemic, including guidance on how to better protect themselves and patients.

## K-C's Code of Conduct

We believe that how we do business is as important as the business we do. Operating with integrity and high ethical standards is the K-C way of doing business. Our Code of Conduct is our guide for dealing with customers, suppliers, employees, competitors and the public in an ethical and appropriate manner. Simply said, our Code of Conduct is our guide for "doing the right thing."

We updated our Code of Conduct in 2009 to reflect current laws, technology and business practices. A cross-functional team of K-C leaders performed extensive research to ensure our Code meets or exceeds Codes of our peer companies, while continuing to emphasize our values. The Code is available in 27 languages to ensure employees around the world can comfortably read and understand the Code. For employees without frequent computer access, supporting posters and brochures were provided to facility managers for posting in high-traffic areas.

The revised Code includes richer examples, tips and checklists, and links to relevant policies to help employees globally solve and navigate ethical dilemmas. All K-C employees and our Board of Directors are accountable for complying with our Code of Conduct and reporting suspected violations.





Kimberly-Clark is a leading global company, employing approximately 56,000 people worldwide and posting sales of \$19.1 billion in 2009. Headquartered in Dallas, Texas, with operations in 35 countries, Kimberly-Clark's global brands are sold in more than 150 countries. Every day, 1.3 billion people trust Kimberly-Clark's essential products and the solutions they provide to make their lives better.

With well-known core brands such as KLEENEX, SCOTT, HUGGIES, PULL-UPS, KOTEX, POISE AND DEPEND, we hold the No. 1 or No. 2 share position globally in more than 80 countries. Globally, medical professionals turn to Kimberly-Clark Health Care for a wide portfolio of solutions essential to the health and hygiene of their patients and staff. Even when they're not at home, people all around the world use Kimberly-Clark Professional's washroom, workplace, safety and do-it-yourself solutions.

Our success stems from placing consumers, users and customers at the center of everything we do. By nurturing and growing our core brands, and creating new markets to meet emerging personal needs of our consumers and users, we are leading the world in essentials for a better life.

## Choices for a Sustainable Future

From forging new relationships with sustainability experts to engaging our people in bold initiatives to make our world a better place, we're dedicated to making choices for a more sustainable future. Serving global customers and consumers with the essential products they need and want, while demonstrating our superior commitment to our communities, is a tradition that dates back to our company's founding. As times change, so too do the strategies

and tactics required to confront constantly evolving challenges. It's hard work and, sometimes, the answers aren't always easy or immediately apparent.

But as this 2009 sustainability report attests, we choose to do what must be done, because it's the right thing to do. And we're fortunate to have reliable, knowledgeable stakeholders involved in this work. Together, we'll continue making progress to ensure a more sustainable future for all.

Indicator	2009	2008	2007	2006	2005
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## Economic Impacts

Net sales ( <i>billions</i> )	\$19.1	\$19.4	\$18.3	\$16.7	\$15.9
Cash returned to shareholders ( <i>billions</i> )	\$ 1.0	\$ 1.6	\$ 3.7	\$ 1.6	\$ 2.3
Employee wages, benefits and payroll taxes ( <i>billions</i> )	\$ 3.5	\$ 3.3	\$ 3.3	n/a	n/a
Supplier spending—non capital ( <i>billions</i> )	\$11.3	\$12.7	\$12.0	n/a	n/a
Supplier spending—capital ( <i>billions</i> )	\$ 0.8	\$ 0.9	\$ 1.0	n/a	n/a
Taxes paid ( <i>billions</i> )	\$ 0.8	\$ 0.6	\$ 0.7	n/a	n/a

## Products

Percentage recycled fiber used <sup>1</sup>	31%	31%	31%	29%	29%
Percentage virgin fiber from certified sources	98%	98%	97%	89%	88%

## Operations

Number of enforcement actions	5	10	7	12	10
Value of fines received	\$ 0	\$7,000	\$206,000 <sup>2</sup>	\$4,500	\$7,750
Total environmental expenditure ( <i>millions</i> )	\$224	\$ 185	\$ 193	\$ 181	\$ 197
Total energy use ( <i>trillion Btu</i> )	76.7	76.4	79.2	79.9	81.6
Energy efficiency ( <i>million Btu per ton of production</i> )	15.6	14.8	15.5	15.8	16.2
Percentage energy from renewable sources <sup>3</sup>	23.9%	20.7%	21.6%	22.1%	23.1%
Carbon dioxide equivalents from manufacturing ( <i>tons</i> ) <sup>4</sup>	5.61	5.98	6.19	6.10	6.01
Carbon dioxide equivalents per ton of production ( <i>tons</i> ) <sup>4</sup>	1.15	1.16	1.24	1.24	1.25
Carbon dioxide equivalents per dollar of sales ( <i>tons</i> ) <sup>4</sup>	0.29	0.31	0.34	0.36	0.38
Total waste ( <i>million tons</i> )	1.48	1.54	1.35	1.42	1.32
Waste per ton of production ( <i>tons</i> )	0.30	0.30	0.27	0.29	0.27
Percentage waste sent to landfill	19.8%	22%	22%	16%	12%
Total water use ( <i>million cubic meters</i> )	129.7	143.3	144.6	145.4	145.7
Water use efficiency ( <i>cubic meters per ton of production</i> )	43.4	45.4	45.6	45.1	44.2
Percentage ECF wood pulp purchased	94.3%	94%	94%	89%	88%
Percentage TCF wood pulp purchased	5.7%	5.5%	6%	7%	6%

## Community

Total community investment—product and cash donations ( <i>millions</i> )	\$18.8	\$18.5	\$17.9	\$20.2	\$25.5
Percent of net income	1.0%	1.1%	1.0%	1.3%	1.6%
Employee giving ( <i>U.S., millions</i> )	\$ 3.9	\$ 4.2	\$ 3.8	\$ 4.1	\$ 4.8

## Employees

Total employees ( <i>full-time, part-time and temporary</i> )	58,000	55,000	55,000	57,000	57,000
Percentage women employees ( <i>U.S.</i> )	29.7%	29.8%	30.5%	31.3%	32.5%
Percentage ethnic minority employees ( <i>U.S.</i> )	17.7%	17.5%	17.7%	17.1%	16.4%
Percentage women in management <sup>5</sup>	27.4%	27.1%	26.1%	25.6%	24.9%
Percentage ethnic minority in management <sup>5</sup>	9.9%	9.7%	9.8%	9.2%	7.6%
Percentage employees with union membership <sup>6</sup>	30%	30%	19.0%	19.6%	19.5%
Total reportable incident rate ( <i>TRIR</i> )	0.4	0.5	0.7	0.7	0.9
Lost-time reportable incident rate ( <i>LTRIR</i> )	0.3	0.3	0.3	0.3	0.5
Fatalities	1	1	1	1	0
Global severity rate <sup>7</sup>	13.1	14.5	19.4	21.5	24.3

<sup>1</sup> Data represents K-C and equity affiliates.

<sup>2</sup> Also includes pollution abatement donations of \$125,000.

<sup>3</sup> Data for 2005–2007 restated to include only consolidated operations.

<sup>4</sup> 2005–2007 data updated to reflect the latest emission factors from U.S. Environmental Protection Agency Climate Leaders Program.

<sup>5</sup> “Management” is defined as U.S. employees in EEO category 00 (executive/senior level officials and managers), EEO category 01

(1st/middle level officials and managers) and team leaders in EEO categories 02 (professionals) and 04 (sales workers).

<sup>6</sup> Data is global for 2008 and 2009, U.S. employees only in previous years.

<sup>7</sup> Days of lost or restricted work as a result of a work related injury per 100 full-time employees per annum.

# Sustainability Advisory Board (SAB)

Our Sustainability Advisory Board (SAB), formed in 2007, is currently comprised of five external members and one former K-C employee. It advises our Global Strategic Leadership Team and sustainability function on sustainability issues, and provides a more independent view of our sustainability programs, as well as the potential risks and opportunities for our business.

**Niki Bey**  
*An Eco-Design and Life-Cycle Specialist at IPU Product Development (Denmark)*

**George Carpenter**  
*Former Director of Sustainability at Procter & Gamble (U.S.)*

**Roger Cotton**  
*A Lawyer Specializing in Corporate Governance and Environment, Health, Safety and Sustainability (Canada)*

**Claude Fussler**  
*Former Vice President of Dow Chemical and Former Director of Stakeholder Relations at the World Business Council for Sustainable Development, currently appointed by The United Nations Global Compact Program Director of Caring for Climate (C4C), its climate change initiative (France)*

**Timothy Smith**  
*Senior Vice President, Environment, Social and Governance Group, Walden Asset Management (U.S.)*

**Ken Strassner**  
*Former Vice President Global Environment, Safety, Regulatory and Scientific Affairs, Kimberly-Clark Corporation (U.S.)*

Our 2009 sustainability report has been reviewed thoroughly. The data in the report was fact-checked and claims were substantiated by Kimberly-Clark's legal and internal audit teams. In addition, our external members of the Sustainability Advisory Board reviewed and provided an assessment of our full report. The assessment along with our full report can be accessed at [http://www.kimberly-clark.com/aboutus/sustainability/sustainability\\_home.aspx](http://www.kimberly-clark.com/aboutus/sustainability/sustainability_home.aspx).

**More on the Web:** Our sustainability Web site provides more information about our policies and practices, as well as detailed performance updates for 2009.



The brand names mentioned in this report—Andrex, Depend, Green Done Right, Huggies, Huggies Nature Made, Kimberly-Clark, Keep Korea Green, Kleenex, Kotex, Pull-Ups, Reduce Today Respect Tomorrow, Scott and Scott Naturals—are trademarks of Kimberly-Clark Worldwide, Inc. or its affiliates.





### ENVIRONMENTAL CALCULATOR

Our 2009 sustainability report summary was created using environmentally responsible manufacturing practices. This report was printed on paper made from 100% post consumer waste, and is FSC-certified paper. Also, the paper was made with certified renewable energy. Additional sustainable practices in the printing of the report included the recycling of residual materials and using reduced-VOC inks and coatings.

By printing this report on 100% recycled paper, we are preserving natural resources.

**28** TREES preserved for the future

**780** pounds of SOLID WASTE diverted from landfill

**2,666** pounds of GREENHOUSE EMISSIONS not generated

**9,000,000** BTUs of ENERGY not consumed

*Figures are estimates.*

*Source: Neenah Green Eco-calculator*

We also reduced the environmental footprint of this report by posting the majority of the content on our Web site and printing only limited copies of the condensed, summary report.



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