Carbon Footprint

We have seen firsthand the impacts climate change is having on our planet and we know that the next decade is critical.

Kimberly-Clark has been focused on shifting the current trajectory and doing our part to build a low-carbon economy.

We exceeded our 2022 target to reduce absolute greenhouse gas emissions by 20% over a 2005 baseline three years early. Yet we aspire to do more.

Doing Our Part in the Fight Against Climate Change

To future-proof our growth, Kimberly-Clark's 2030 carbon footprint strategy is based on carbon-reduction goals that have been approved by the Science Based Targets initiative (SBTi).

This certification ensures that Kimberly-Clark's efforts align with the Paris Climate Agreement's principal goal of limiting global temperature rise to well below 2°C above pre-industrial levels.

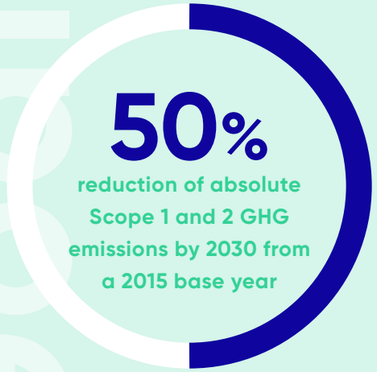
The deployment of our science-based strategy and climate ambition is good for the earth and good for Kimberly-Clark's business. In a changing climate and changing economy, it gives us an avenue toward ongoing competitive advantage.

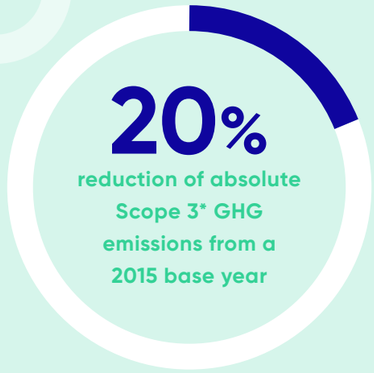
As we go forward, we have established a new baseline year of 2015 for Scope 1, 2 and 3 emissions versus our previous baseline of 2005.

Aspiration

Minimize the carbon footprint of our products and brands and reduce our direct emissions by 50% and value chain emissions by 20%

Goals





* 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).

How We Will Deliver on the Strategy

Reducing the carbon footprint of our products means owning comprehensive climate objectives based on four pillars.

Driving Greater Energy Efficiency Throughout Our Operations

At Kimberly-Clark, Lean Energy means working with Lean efficiency principles and continuous improvement tools to promote an energy conservation mindset at our manufacturing sites. To do that, we employ an energy management system that's embedded into the daily accountability process, positioning energy as a priority at the same level as safety, quality, delivery and cost. 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
- Mindset, behaviors and capabilities – improve training, awareness and recognition

Enacting Innovative Conservation Efforts

In an effort to continuously improve sustainability and cost efficiency for each product, we identify and operationalize capital projects that deliver manufacturing cost savings by improving energy efficiency and reducing consumption. We uncover opportunities while conducting new energy assessments, workshops, best practices analysis and benchmarking, all while implementing our Lean Energy initiatives.

Embracing Tomorrow's Alternative/Renewable Energy Technologies

Our carbon footprint strategy also involves significant investment in renewable and alternative energy generation. We look for attractive conditions to install renewable energy on site, such as solar panels. We have also had success installing cogeneration units, burning natural gas on-site to generate electricity and using the waste heat to produce steam that can be used in the manufacturing process. Green electricity generation from large-scale power purchase agreements is being integrated into our sustainability brand strategies as we continue to find ways to reduce the overall carbon footprint of our products.

Taking Responsibility for Driving Emissions Reductions Across Our Full Value Chain

The carbon footprint of Kimberly-Clark products goes beyond our in-house operations to include indirect value-chain emissions from our suppliers and customers (Scope 3).

As part of our commitment to help avoid the worst impacts from climate change, we have a goal to reduce Scope 3 emissions by 20% by 2030 compared to our 2015 baseline.

To drive this change, we are focused on areas such as land-use, renewable materials, transportation efficiency and partnerships with key suppliers. Such interdisciplinary work requires a high degree of coordination and collaboration between our teams to ensure we are always considering the life cycle carbon impacts of any decision we make.

2019 Performance

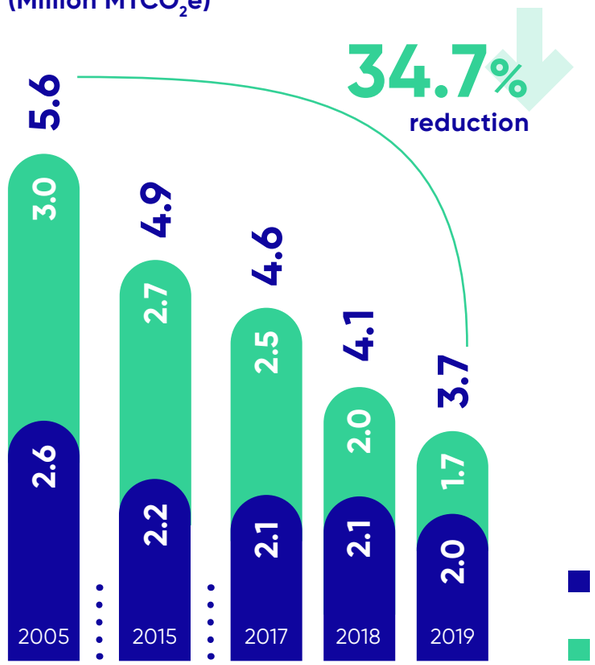
Kimberly-Clark has had a goal to reduce absolute carbon emissions by 40% by 2022 compared to a 2005 baseline. In 2019, we were able to establish the necessary global processes to pursue new 2030 carbon reduction goals approved by the Science Based Targets initiative (SBTi).

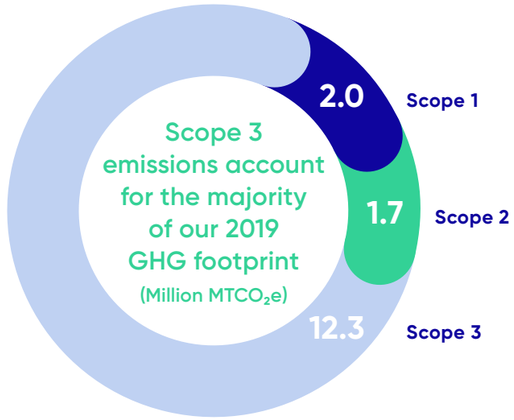
With the establishment of these new 2030 targets (50% reduction in Scope 1 and 2 GHG emissions between 2015 and 2030), our existing 2022 goal becomes a key milestone along the way.

In 2019, we made great progress against the 2022 objective, achieving a 34.7% GHG emissions reduction (Scope 1 and 2) versus the 2005 baseline.

This represents a total reduction of 435,000 $MTCO_2e$, a 10.7% emissions decline since 2018.

Scope 1 and 2 Carbon Footprint (Million $MTCO_2e$)





Our 2019 progress was driven by a variety of energy management actions:

200 energy conservation projects, representing a total GHG emissions reduction of

85,000 $MTCO_2e$

More than 35 Lean Energy operational systems improvement activities, representing GHG emissions reduction of

30,000 $MTCO_2e$

Eight alternative and renewable energy projects, providing GHG emissions reduction of

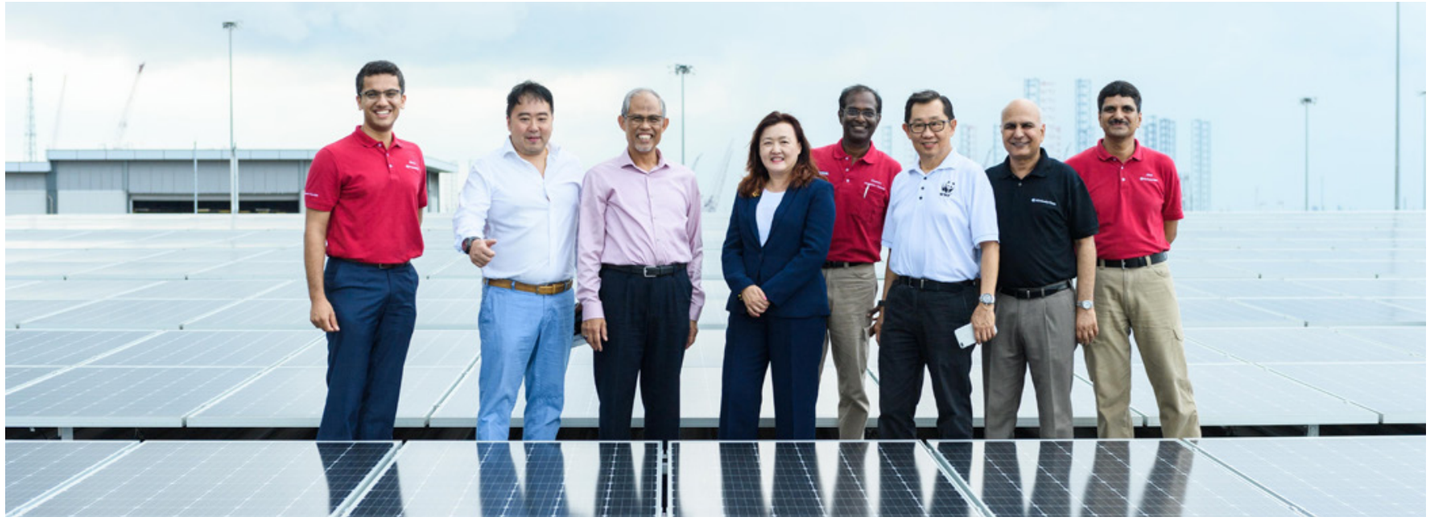
130,000 $MTCO_2e$

Structural asset changes, manufacturing footprint optimization, and other non-energy and climate-related activities, representing GHG emissions reduction of

190,000 $MTCO_2e$

Pursuing Energy Efficiency Initiatives

In 2019, Kimberly-Clark undertook 200 energy conservation projects at our global manufacturing sites, leveraging energy best practices to realize reductions of 85,000 $MTCO_2e$. Projects included LED lighting retrofit, compressed air systems improvement, automation of the drying section on tissue assets, replacement of low-efficiency vacuum generation technology and installation of variable frequency drives in process pumps and fans, among many other initiatives.



Investing in Alternative Energy

In 2019, Kimberly-Clark manufacturing sites in Mobile, Alabama; Cauca, Colombia; and Puente Piedra, Peru, began operation of new, state-of-the-art combined heat and power cogeneration plants, with a fourth (in Chester, Pennsylvania) expected to come online in early 2020. Together, these units are capable of producing 88 MWh of electricity.

Through reuse of waste heat from the generating process, we are also able to produce process steam that can be used for manufacturing. We anticipate these sites will account for aggregated GHG emissions reductions of approximately 100,000 $MTCO_2e$.

Investing in Wind

In 2017, Kimberly-Clark made a major commitment to renewable energy by entering its first utility-scale virtual power purchase agreements (VPPAs) with two wind power projects in Texas and Oklahoma, intended to offset electricity purchased by Kimberly-Clark Professional™ manufacturing sites in the United States. In 2019, these facilities delivered 966,700 MWh of renewable electricity.

With the success of this arrangement, we entered another utility-scale VPPA in 2019 with a second Texas wind project.

Starting in late 2020, this contract will deliver approximately 670,000 MWh of renewable energy annually and will account for 100% of the electricity purchased by our family care manufacturing facilities in North America. This equates to a 300,000 $MTCO_2e$ reduction, bringing the total reduction from our three VPPAs to 830,000 $MTCO_2e$ annually.

Investing in Solar

In 2019, we completed photovoltaic solar installations at four Kimberly-Clark manufacturing and distribution sites located in Tuas, Singapore; Pune, India; Cauca, Colombia; and Guatemala City, Guatemala. Combined, these four projects are capable of generating 3.9 MWh of green electricity (peak capacity) and contributing 3,150 $MTCO_2e$ emissions reduction.