

A MESSAGE FROM CHAIRMAN AND CEO MIKE HSU

In 2022, Kimberly-Clark celebrated its 150th anniversary, marking generations of providing care to people around the world through our health and hygiene products.

Since our founding in 1872, we have grown into a \$20 billion global business with a portfolio of iconic brands trusted by billions of consumers around the world.

For Kimberly-Clark, 2022 was also a year of resilience as we, and the world at large, faced significant geopolitical and macroeconomic challenges, including weather-related impacts from a changing climate. As I reflect on the next 150 years—not only for our company, but for society as a whole—it's clear to me that our purpose of Better Care for a Better World is more relevant now than ever before. Our purpose brings together our heritage of innovation and our commitment to providing care with our intention to be even better in the areas that deliver value to our stakeholders: providing better products, contributing to a better planet, creating a better workplace, and fostering a better society.

Our [2030 sustainability goals](#) are critical to our purpose, and our sights are set on achieving them. Here are progress highlights for 2022:

Better Products

For Kimberly-Clark, providing better products means driving innovation that helps deliver enhanced consumer benefits while striving to both use less material and increase our use of sustainable materials. In 2022, we continued to advance more sustainable solutions, including expanding our range of biodegradable baby wipes made with plant-based fibers and investing in reusable period and incontinence products. In 2022, we reached 5.1% of recycled content in our plastic packaging, moving us closer to our 20% recycled content goal for 2025.

Better Planet

We are actively working to do our part to help limit the rise of global temperatures and help restore the planet's natural ecosystems. We made progress in decarbonizing our value chain in line with our SBTi targets* to reduce our Scope 1 and 2 emissions by 50% and advanced our strategy to decrease Scope 3** emissions by 20% by 2030. As of the end of 2022, we have achieved a 42.0% reduction for Scope 1 & 2 and 10.8% for Scope 3 in greenhouse gas emissions globally compared to our 2015 baseline. We are thrilled to have achieved our goal of sourcing 90% of our tissue fiber from environmentally preferred sources, ahead of schedule, to support sustainable forest management. Our teams also continued to help address water scarcity in water-stressed locations, achieving a 42.1% reduction in consumption against our 2015 baseline. We continue to focus on preserving the sensitive watersheds that our operations and the surrounding communities depend upon.

* Science-based Target Initiative

** Scope 3 reduction targets focus on purchased goods and services and end-of-life treatment of sold products

Better Workplace

We are building a purpose-led, performance-driven culture underpinned by our values and commitment to inclusion, equity, diversity, well-being, and human rights. This commitment extends to our supply chain, which is reflected in our workplace and [human rights standards](#).

In 2022, as part of our ongoing efforts to foster a better workplace, we continued to prioritize inclusion and diversity (I&D). We hosted I&D Power Days in more than fifty countries to help deepen our knowledge of the actions and behaviors needed to be a truly inclusive company that supports and celebrates the diversity of our teammates. I also renewed my pledge to CEO Action for Diversity, reflecting my personal commitment to advancing I&D at Kimberly-Clark.

As we continued to navigate the global COVID-19 pandemic, the health and safety of our people remained a top priority. We continued to provide COVID-19 education and offered on-site testing in select facilities. Additionally, our teams continued to implement safety measures at our sites to mitigate the risk of COVID-19 when the environment called for us to adjust. Supporting our

people's safety enabled us to continue producing essential health and hygiene products that people around the world need every day.

Finally, another focus for us throughout the year was to support the health and safety of our Ukrainian teammates, some of whom were among those displaced by the war. Kimberly-Clark donated \$1 million in financial aid and health and hygiene products to support humanitarian efforts in Ukraine and neighboring countries. We also matched the generous contributions of our employees who donated to the International Federation of the Red Cross.

Better Society

Kimberly-Clark partners with changemakers who help us provide better care to communities so they can thrive. In 2022, our brands continued to deliver against our goal to help [advance the well-being of 1 billion people in vulnerable and underserved communities](#) by 2030 by increasing people's access to clean water, safe sanitation and hygiene through programs like "Toilets Change Lives" and partnerships with NGOs, including Water For People, WaterAid, and Plan International.

I'm proud of what our team has accomplished in the past year and to be part of a company that has cared for people globally for 150 years. Still, I recognize there is more to do. As a signatory to the United Nations Global Compact, we reaffirm our commitment to its Ten Principles by driving a strategy that prioritizes these and other focus areas that affect our society. Our collective ability to achieve a more sustainable world for the well-being of future generations lies in the balance.

We look forward to sharing more stories on an ongoing basis concerning the important work being done for sustainability. As Kimberly-Clark continues to grow our business and deliver the next era of care for consumers, customers, communities, and our people, we're committed to working to drive positive impact as we create long-term value for our stakeholders. That is how we deliver Better Care for a Better World.



Mike Hsu

Chairman & CEO