Kimberly-Clark Australia & New Zealand

COMMITTED TO SUSTAINABILITY
FOR A BETTER FUTURE

2016 results and highlights

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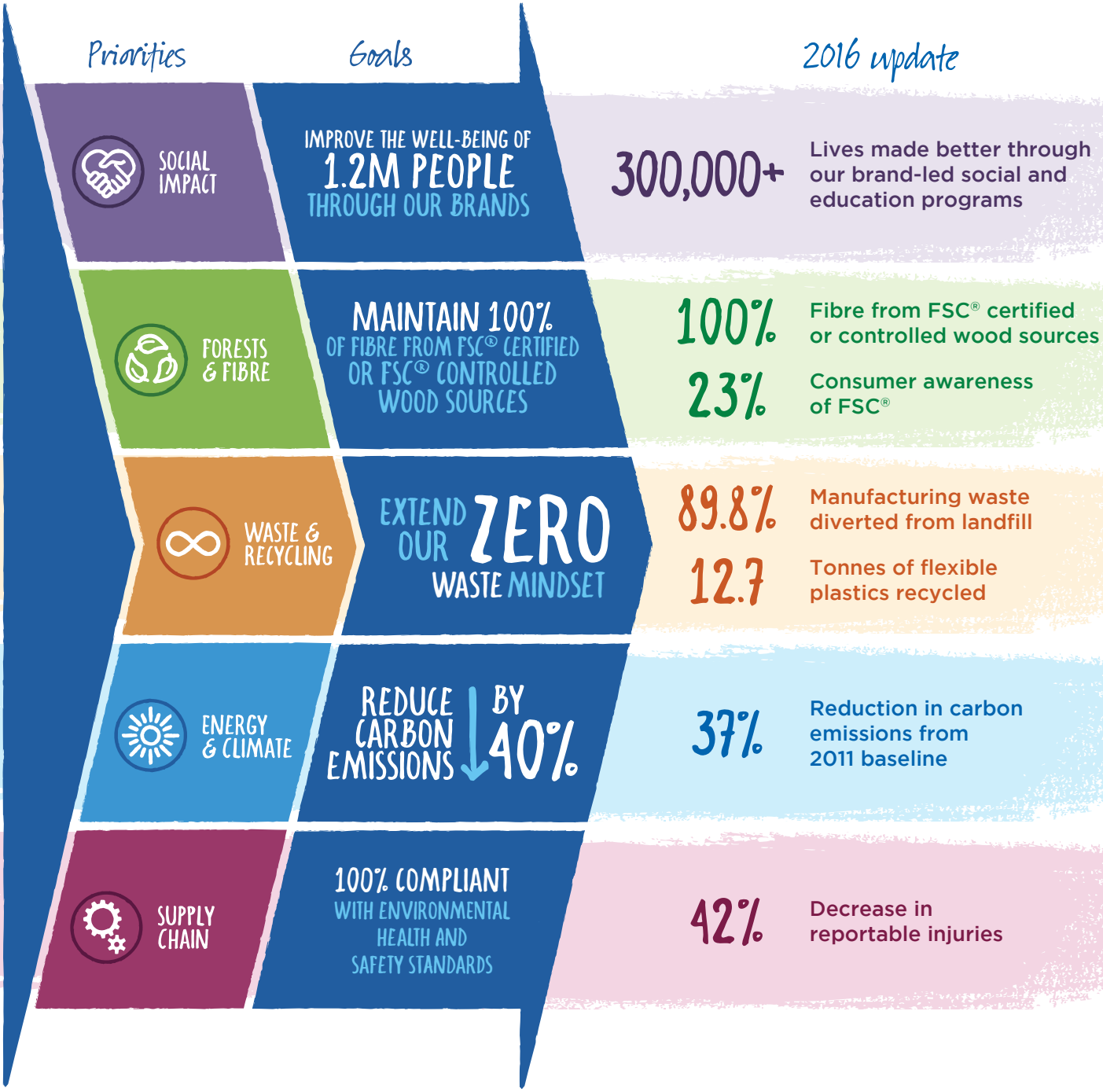
SUSTAINABILITY 2016-2020



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SUSTAINABILITY HIGHLIGHTS

SOCIAL IMPACT

- In 2016 we donated $250,000 to Plunket through our Huggies® New Zealand partnership, which is helping to keep essential services free for local families. Services include toilet training classes, antenatal classes, product sampling, a newly-established nappy bank in South Auckland, as well as vital support groups that make sure families are supported and connected within their community. Our donation is equivalent to providing five full-time Community Services Coordinators, who provide these valuable services to New Zealanders in need.

- Our "Huggies Hugs for Healing" campaign called on Australian families to 'donate a hug' to help raise awareness and funds for the Children's Hospital Foundations Australia (CHFA). To demonstrate the healing power of a hug, we created the first giant Huggies Healing Heart on display in Sydney in November. For every hug the installation received, and every digital hug submitted, Huggies donated $1 to CHFA (up to $140,000), providing much needed funds for the purchase of life-saving equipment, medical research and essential services at hospitals around Australia.

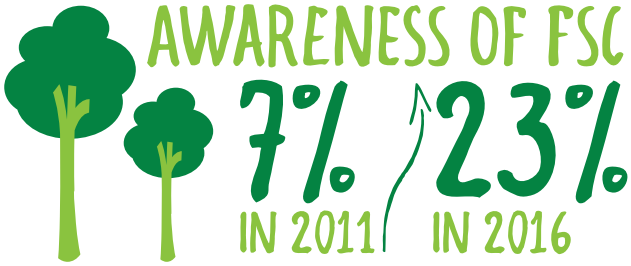
WE HELPED OVER

300,000 PEOPLE IN ANZ

- We reached over 281,000 students across Australia and New Zealand with our fully syllabus-compliant U by Kotex® Schools Program, which helps teachers and health nurses run classes on puberty and menstruation.

FORESTS & FIBER

- Since 2012, we have sourced 100% of our fibre from Forest Stewardship Council® (FSC®) certified and FSC® Controlled Wood sources for all Australian manufactured tissue and paper towel products.



- Independent research showed that 23% of Australians were aware of the FSC logo in 2016, due in part to the work we have been doing with WWF Australia's Love Your Forests program since 2011 to build recognition and understanding of FSC and emphasise the fact that small choices, like the brand of toilet tissue purchased, can have a big impact on the environment.

- In New Zealand, our Kleenex® brand partnered with Wingspan Birds of Prey Trust and FSC-certified forestry management company Timberlands to further raise consumer awareness about the importance of the FSC label, while also supporting conservation efforts for the Kārearea, NZ's only endemic falcon and a threatened species. Vulnerable Kārearea chicks are watched over in the Kaingaroa Forest each season by Wingspan and Timberlands, and last season, thanks to new incubation equipment funded by the Kleenex brand, more chicks than usual were able to be nurtured to good health at the Wingspan Centre.

- Supporting this, we also introduced an extension to our Kleenex SneezeSafe educational platform called SneezeSafe Healthy Forests, to help children understand the importance of keeping pine forests healthy to help the Kārearea thrive.

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WASTE & RECYCLING

- We diverted 89.8% of our manufacturing waste from landfill in 2016, up from 75.9% in 2015.
- We identified a solution for recycling glue drums – one of our most difficult waste streams – from our Ingleburn Mill. We tested this in 2016 and it helped to significantly reduce our waste to landfill. As a result, we are looking to fully implement the recycling process in 2017 in partnership with Cleanway Environmental Services to help us continue to get closer to our goal of 100% manufacturing waste diverted from landfill.

WE RECYCLED 3.2 MILLION PIECES, OR 12.7 TONNES OF KIMBERLY-CLARK PACKAGING

- In Australia we continued our foundation partnership with the REDcycle program, which enables consumers to drop their flexible packaging at key points, like supermarkets. The plastic packaging is sent to a local manufacturer, Replas, where it's made into new products like outdoor park benches and playground equipment. In 2016 we saw a 19% increase in Kimberly-Clark packaging being recycled from 2015.
- Similarly, in New Zealand we continued our partnership with the Soft Plastics Recycling Program. By the end of 2016, the program had expanded to include drop-off points in 260 stores, providing flexible plastics packaging recycling to 61% of the population.

NZ 70 STORES IN 2015 → 260 STORES IN 2016

ENERGY & CLIMATE

- Since 2011 we have reduced carbon dioxide emissions by 37% (excluding the Tantanoola and Albury Mills), by improving processes at our manufacturing sites to deliver energy efficiencies. This has been achieved while also increasing production numbers.
- In late 2016 our team at Millicent Mill in South Australia (which accounts for 90% of our energy footprint) ran a comprehensive energy workshop with internal and external stakeholders to identify projects that could increase efficiencies, and reduce emissions and costs.

WE IDENTIFIED HALF A DOZEN VIABLE SOLUTIONS TO REDUCE ENERGY CONSUMPTION & OPTIMISE PERFORMANCE

- We took immediate action by optimising the turbine operations used in paper drying, and are working on a number of other energy saving projects that will be implemented in 2017 and beyond.

SUPPLY CHAIN

- In 2016, we achieved the lowest injury rate ever recorded for Kimberly-Clark Australia and New Zealand for the fifth consecutive year. This is largely due to our leadership engagement and thorough investigations into near-misses and minor incidents to help prevent larger safety issues.

WE ACHIEVED A 42% DECREASE IN REPORTABLE INJURIES FROM 2015

- We reviewed our safety priorities and have re-focused our attention to the importance of employee wellness. We are rolling out a fully integrated strategic program from 2017 to raise awareness and create engagement around priority areas like movement.
- We continued our water conservation and recycling initiatives, including undertaking a study to determine the feasibility of by-passing the pulp-cleaning system for our tissue machine at Millicent Mill which would reduce water usage and energy. This investigation is still ongoing.

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