

**OUR  
ESSENTIAL  
WORLD**

**COMMITTED  
TO SUSTAINABILITY**  
*For a better future*



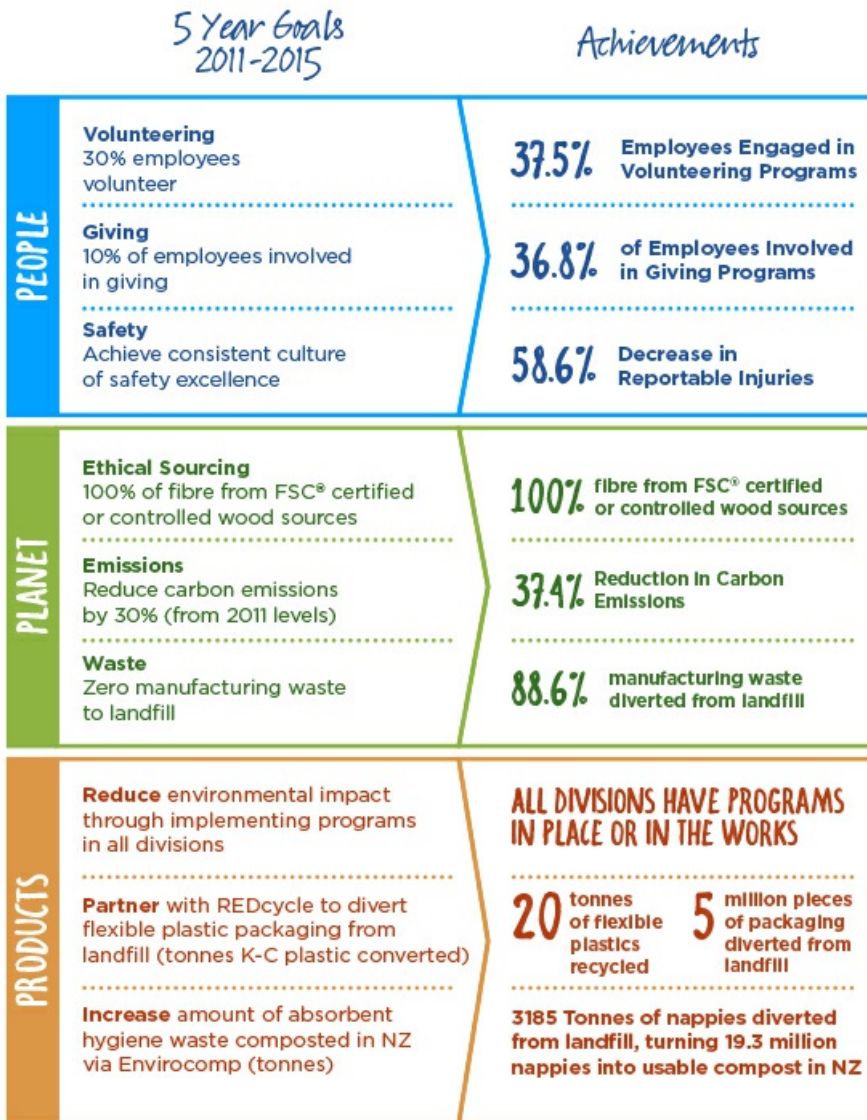
**In Australia and New Zealand, we proactively developed a set of measurable sustainability objectives back in 2011 which took us through to 2015. These objectives were set across our three pillars of People, Planet and Products and were aligned with Kimberly-Clark Corporation's global sustainability objectives but challenged the Australian and New Zealand business to stretch ourselves further.**

We are extremely proud of our progress toward these goals, meeting or exceeding 8 out of 9 of our objectives. Additionally, we were recognised for our sustainability achievements by winning six prestigious sustainability awards, including:

- Banksia Award - Environment Minister's Award for a Cleaner Environment (2014)
- Australian Business Awards in both the Innovation and Technology categories (2014)
- Banksia Award for Leading in Sustainability for large Organisations (2013)
- Australian Business Awards for Environmental Sustainability (2013)
- Forest Stewardship Council® Awards - Supplier of the Year Award (2013)

Since 2016, we have transitioned to our new sustainability strategy which will take us through to 2020. To find out more, click [here](#).

You can see how we tracked against our 2015 sustainability objectives:



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## PEOPLE ARE AT THE CENTRE OF EVERYTHING WE DO.

Through our business and brands, we help people do more. Be more. Give more. Connect more.

In Australia and New Zealand we focus on making lives better for people through our Workplace Giving and Volunteering programs, Disaster Relief initiatives and Brand partnerships, and by making sure our employees go home safely at the end of every day.

In 2015 we exceeded our goals for Workplace Giving and Volunteering with employees from every single business division and location getting involved in some way.

*The below figures on workplace giving and volunteering participation have been calculated based on the number of occasions that our employees have engaged in the programs.*

*The total amount donated includes both cash and non-cash contributions donated through workplace giving and brand and corporate partnerships.*

 36%  
PARTICIPATED  
IN EMPLOYEE GIVING  
(GOAL 10%)

 37%  
OF EMPLOYEES  
VOLUNTEERED  
(GOAL 30%)

OVER  
\$900,000  
WAS DONATED

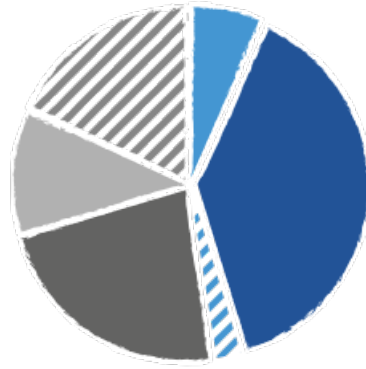
TO OVER 100  
CHARITIES AND  
DISASTER RELIEF  
EFFORTS.



# WE DONATED ESSENTIAL PRODUCTS

TO PEOPLE IN NEED THROUGH OUR  
PARTNERSHIP WITH FOODBANK.

## TOTAL WORKPLACE GIVING



Payroll Matched Giving	7%
Team Based Matched Giving	39%
Grants Program	2%
Disaster Relief	23%
Millicent Mill Community Giving	12%
Other Sites Charitable Giving	18%

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## Case Studies

### Helping to Save Lives and Educational Empowerment



Over the past two years, hundreds of our employees have been volunteering and fundraising to help start the first ever clinical trials for a rare genetic disease called Sanfilippo syndrome, which reduces the life expectancy of children to between 12 and 20 years.

Thanks in part to our caring team of people with the support of our Matched Giving Program, the Sanfilippo organisation has been able to fund the first clinical trials in both Australia and the United States, which is one step closer to finding a cure and saving the lives of many of the children living with this disease.



Kimberly-Clark Professional and Variety create an exceptional learning space for children living with disabilities at the Wairoa School.

## OUR BRANDS

In 2015 we continued to use the power of our much loved brands to drive social impact, helping children thrive and educating and empowering women and girls.

### **Huggies® Hugs for Healing partnership**

Our Huggies® Hugs for Healing partnership with the Children's Hospital Foundations Australia aims to deliver support and care to children in the five major children's hospitals in Australia by raising awareness and much needed funding for high priority equipment.



IN 2015, WE DONATED  
A FURTHER \$150,000  
WHICH IS EXPECTED TO  
HELP EVEN MORE BABIES IN  
2016.

### **Huggies® partnership with the Royal New Zealand Plunket Society**

Plunket sees over 92% of newborns in New Zealand each year through their nurse network and a variety of support services. Over the last 24 years, the Huggies® brand has donated over \$8 million NZD which has helped these essential community services remain free for NZ families.

In 2015 we donated over 260,000 Huggies® Nappies and Toilet Training Pants, plus 60,000 packs of Huggies® Wipes to use where needed most, including Ante-Natal classes, at the Plunket Nurses first visit to the home and during toilet training classes.

In 2016 we are looking to see how we can support Plunket Line (which receives 100,000 calls per year) on relevant calls around toilet training and bed wetting, providing follow up information to mums.

### **U by Kotex® Schools Program**

Our U by Kotex® Schools Program is a fully syllabus-compliant resource program which helps teachers and health nurses across Australia and New Zealand run classes on puberty and menstruation.

# IN 2015 WE REACHED OVER 207,000 GIRLS

WITH OUR STUDENT PACKS IN AUSTRALIA, AN INCREASE OF 103% FROM THE PREVIOUS YEAR.



In New Zealand, we reach over 50,000 girls each year through our school program, our partnerships with many New Zealand Health Boards, our partnership with Endometriosis New Zealand and our new partnership with Attitude.

## **New in 2015: U by Kotex® NZ now with (even more) Attitude**

In New Zealand, the U by Kotex® brand commenced a new partnership with Attitude, a national educational charity (a division of The Parenting Place) that is dedicated to promoting positive life skills to young people including helping them navigate puberty. In 2015, the partnership alone reached 20,000 students.

What makes Attitude unique - and a great fit with the U by Kotex® brand - is their team of young and passionate presenters who work with over 500 schools and 270,000 students each year. The Attitude presenters are experts in building rapport and engaging youth and their parents by bringing a humorous and fun vibe to the often awkward topic of puberty education at school.

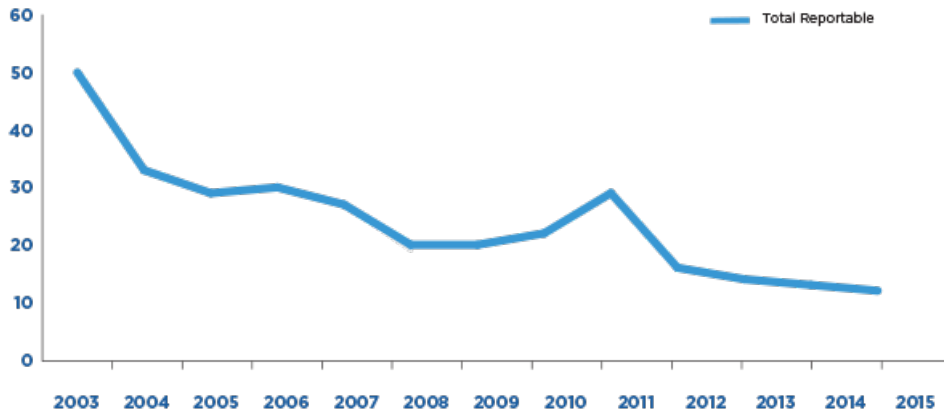
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# HEALTH AND SAFETY

We champion workplace health and safety and take pride in the ways we support the wellbeing of our people.

In 2015, we achieved the lowest injury rate ever recorded for Kimberly-Clark Australia and New Zealand for the fourth consecutive year.

## Total Reportable Injuries 2003-2015



## Case Study

We know that early intervention is the key to keeping our people safe

In 2013 we launched our Early Intervention Program to shift the emphasis on safety to a more proactive approach instead of only addressing our lag indicators. This program offers an evidence based test-retest approach, to evaluate the effectiveness of the program with regard to employee health, risk factors for chronic conditions, movement function, injury prevalence and injury severity.

We were proud to be awarded the winner of the 'Best Health and Wellbeing Program' at the National Safety Council Awards (NSCA) ceremony held in Sydney, October 2015 based on the results we achieved in the Early Intervention Program.



**PROUD WINNERS OF THE  
'BEST HEALTH AND WELLBEING PROGRAM'  
AT THE NATIONAL SAFETY COUNCIL AWARDS**



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## REDUCING OUR IMPACT TO MAKE LIFE BETTER

We are committed to creating a better future by reducing our environmental footprint and partnering with ethical suppliers.

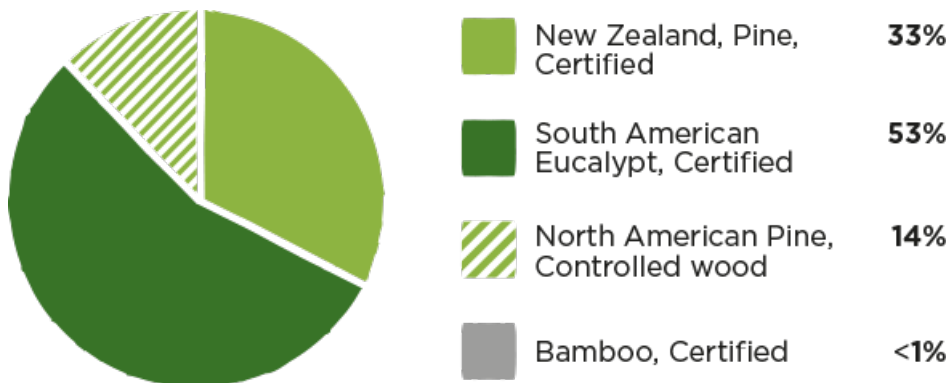
We proactively set progressive environmental targets focused on responsible sourcing of wood fibre, reducing carbon dioxide emissions and diverting waste from landfill.

## ETHICAL SOURCING

As one of Australia's largest tissue manufacturers, we are deeply committed to supporting responsible forest management to ensure the world's precious forests and the species and communities that depend on them, are maintained now and in the future. That's why we're serious about ensuring all the fibre in our tissue products comes from responsibly managed forests. Since 2012, we have sourced 100% of our fibre from Forest Stewardship Council® (FSC®) certified and FSC® Controlled Wood sources for all of our Australian manufactured tissue and paper towel products, including Kleenex® Tissues, Kleenex® Cottonelle® Toilet Tissue, VIVA® Paper Towel and our Kimberly-Clark Professional Kleenex® range.

Over the past five years we have significantly reduced the amount of controlled wood fibre sourced and increased the amount of certified fibre as FSC certified fibre has become available.

### Where we sourced our FSC® certified and controlled wood fibre in 2015



## Supporting and promoting sustainable forestry

Our success is tied to the social and environmental needs of the world around us.



As one of the first brands to advertise Forest Stewardship Council (FSC) certification on our packaging in 2011, we've been continuously supporting the efforts of the FSC to increase consumer and business demand for FSC certified products, the most robust certification scheme for paper products.

In September 2015, our Kleenex®, Kleenex® Cottonelle® and VIVA® brands supported the FSC Friday social media campaign by amplifying messages across social media and providing prize packs.

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## Inspired partnership shines a light on ethical sourcing

Together with partners like WWF® Australia, we're pooling our expertise to help solve how to protect.

In 2011, we partnered with WWF Australia's Love Your Forests program to drive a conversation about the importance of ethical sourcing, promote FSC certification and show consumers how small choices, like the brand of toilet tissue they purchase, can have a big impact on the environment.



Independent research commissioned by the WWF Australia, FSC Australia and Kimberly-Clark Australia in 2015 showed that consumer awareness increased from 7% in 2011 to more than 19% in 2015. This remarkable result was in part due to our work over the past several years to promote FSC certification as part of the Love Your Forests program with WWF Australia.

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## The Heart of Borneo campaign

In 2015, we further advanced the conversation about ethical sourcing when our Kleenex® Cottonelle® brand launched the Keep the Heart of Borneo Beating campaign as an extension of Love Your Forests.

This campaign shone a light on the issue of deforestation and the endangered orang-utans in the Borneo region, and the need for sustainable forest management practices as a solution.

It is important to note that Kimberly-Clark does not procure any fibre from Borneo. However, we feel it is important to support the work here given the region's high-conservation value.

Scientific evidence shows that orang-utans can live in natural forests used for sustainable logging. Kleenex® Cottonelle® donated over \$152,000 to fund WWF's work, including:

- Working with timber companies to sustainably manage rainforest areas designated for logging and achieve FSC certification.
- Working with local community patrols to protect the forests against illegal hunting & poaching, mining and logging.
- Education and capacity building through local schools program and the establishment of an orang-utan conservation education centre.
- Carrying out surveys to help monitor the orang-utan population.



**KLEENEX® COTTONELLE®  
DONATED OVER \$152,000 TO  
FUND WWF'S WORK**

You can read more about the campaign and pledge your support at <https://www.keeptheheartbeating.com.au>

## ENERGY AND EMISSIONS

We're also committed to reducing energy and emissions, by increasing efficiencies in our operations.

### Reducing carbon dioxide emissions

In 2015, we reduced carbon dioxide emissions a further 11.2% from 2014 levels by continuously improving processes at our manufacturing sites to increase production and energy efficiencies. This result also includes the closure of our Albury mill in March 2015.

**OVER THE PAST FIVE YEARS,  
WE HAVE REDUCED OUR  
EMISSIONS BY 37.2% WHICH  
EXCEEDS OUR 2015 GOAL OF  
30%**

### Investing in cogeneration drives emissions reductions

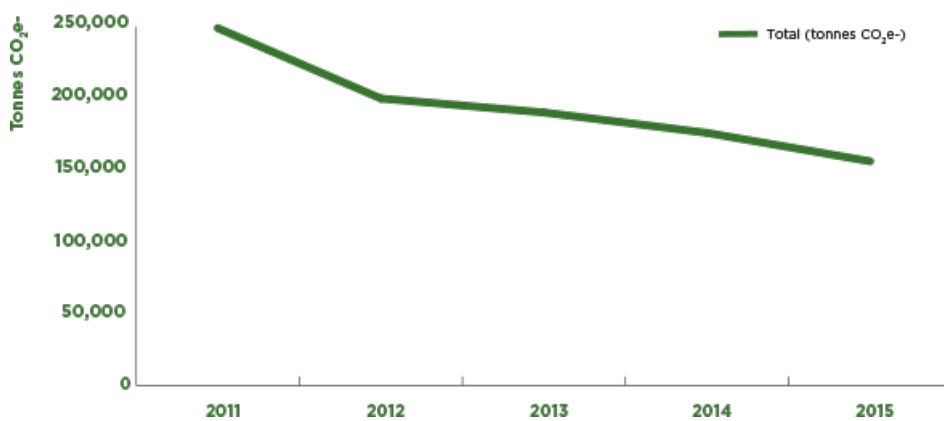
**Sustainability is not a choice; it's the way we need to operate to ensure our success into the future.**



Our Millicent Mill in South Australia, the home of Kleenex® Tissues, Kleenex® Cottonelle® Toilet Tissue, VIVA® Paper Towel and Kimberly-Clark Professional products, accounts for around 90% of our energy footprint.

Cogeneration means the mill produces electricity from a gas turbine for our site which generates steam and heat that is used to dry our state of the art tissue paper.

### Greenhouse Gas Emission from 2011



### Key Projects

2011

Millicent Mill Closure Tissue Machines 1 and 3

Millicent Mill Tissue Machine burner upgrade and steam shower rebuild

Albury Mill Replacement of Electric Heaters with Sheet Dryer heaters and HAK gas heaters

2012

Millicent Mill Decommissioning Boiler

Millicent Mill KCA5 (machine which makes Viva Paper Towel and Kleenex Cottonelle Toilet Paper) Hood Optimisation

Ingleburn Mill Warehouse Lighting Upgrades

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Albury Mill Implemented Variable Speed Drive Fans

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2013

Millicent Mill Implementation of Cogeneration

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Millicent Mill KCA5 Turbine Exhaust Gas Reduction and Fan Optimisation

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Ingleburn Mill Huggies Pants Machine Installation

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2014

Millicent Mill Installation of LED lighting in part of the warehouse

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Ingleburn Mill Conducted Energy Audit as part of the Office of Environment and Heritage's Energy Saver Program

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2015

Millicent Mill Cooling Water and Chiller Optimisation

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Millicent Mill Improved Efficiency of Raw Water Variable Speed Drives

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Albury Mill Closure of Mill

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## WASTE

We've set ourselves a big goal of zero manufacturing waste. In 2015, we diverted 75.9% of our overall manufacturing waste from landfill.



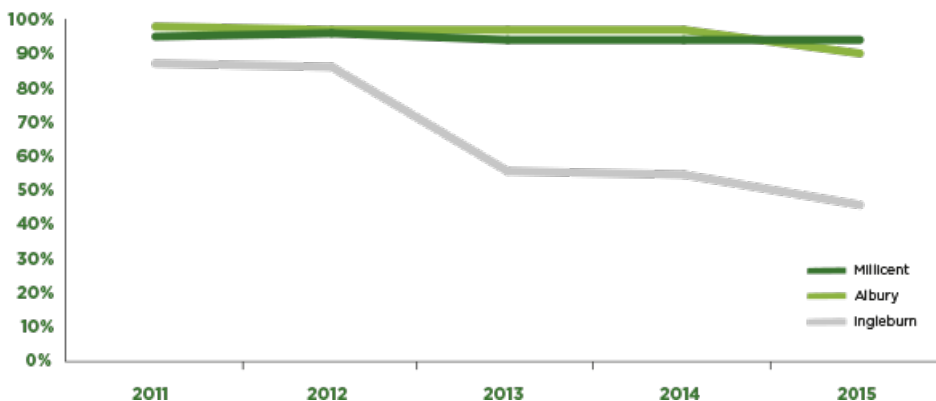
This fell below our results in previous years due to unforeseen challenges in the product specifications; however, we continue to explore ways to turn manufacturing waste into value and divert it from landfill. Since 2013 our Ingleburn Mill team has been working to find a solution for a difficult manufacturing waste stream.

In late 2015, we found an Australian waste management company that can convert this waste into Processed Engineered Fuel pellets to create energy in cement factories. With this solution, our Ingleburn Mill manufacturing waste diversion rates are estimated to reach over 90% in 2016, getting us back on track to achieving our goal.

### Manufacturing waste diverted from landfill

The chart below shows our diversion of manufacturing waste from landfill for each of our manufacturing sites for the past five years:

#### Manufacturing waste diverted from landfill



# WATER

**Our water conservation and recycling initiatives are centred at our Millicent Tissue Mill in South Australia as our other sites only use small quantities of municipal water for the operation of employee amenities.**

We have worked collaboratively with the South Australian Environmental Protection Authority (EPA) and the local community since 2007 to improve the quality of our waste water and reduce our water usage. This partnership, and the removal of logs stored in the lake following the 1983 Ash Wednesday bushfires, has had a significant impact on the overall health and safety of Lake Bonney, which was re-opened for recreational use in 2013. Lake Bonney is a freshwater lake in South Australia located in close proximity to our Millicent Mill.

Since the closure of our Tantanoola Pulp Mill in 2011, and by using best practice water treatment operations to treat our waste water before releasing it to Lake Bonney, discharged water clarity continues to improve with independent testing showing that it meets Australian Drinking Water Guidelines in 2012.

As part of a licensing agreement with the EPA, we report annually on our monitoring of discharged waste water leaving the mill and the extent of any environmental impact to groundwater from activities undertaken at the mill.



While the Mill's waste water flow continues to decrease slightly and waste water quality and clarity has significantly improved, we have experienced an invasive blue-green algae bloom over the past couple years. To better understand what is happening and why, we've partnered with the University of South Australia to conduct a PhD study to simulate conditions in our aeration ponds and develop potential solutions to prevent blue-green algae build-ups in the future.



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## **MAKING ESSENTIAL PRODUCTS THAT MAKE LIFE BETTER, WHILE MAKING A POSITIVE DIFFERENCE TO THE ENVIRONMENT.**

With landfills rapidly filling up around us, we're serious about reducing waste. That's why we're continuously innovating to use less of the world's resources in our products and packaging, while also helping our customers and consumers reduce their waste after using our products, in particular nappies, sanitary and incontinence products.

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## **KEEPING NAPPIES OUT OF LANDFILL**

### **Envirocomp**

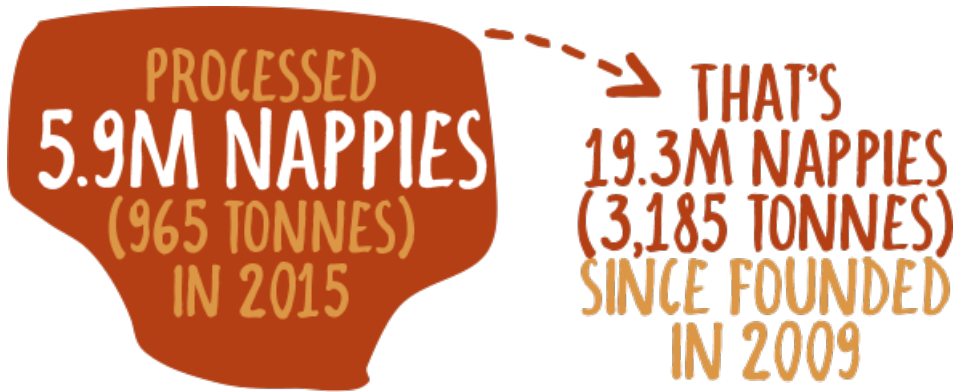
**We have been proud partners of Envirocomp since it was founded in New Zealand in 2009 as the world's first service to collect and compost used nappies, incontinence products and sanitary items from households.**

Today, using purpose-built plants in the Canterbury and Urban Wellington areas, Envirocomp facilities break down nappies and sanitary waste into a safe, odourless compost, meaning these used products are diverted from landfill.

With considerable investment in process and equipment Research and Development, Envirocomp has made significant improvement in plastics removal improving the final compost quality, and it's now used for landscaping in aged care facilities.



# ENVIROCOMP REACHES 24% OF NEW ZEALANDERS



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## Relivit®

In Australia, we have continued to support an innovative start-up company called Relivit that, when up and running, will process used disposable nappies, female hygiene and adult incontinence products, in order to recycle the plastics and organic matter for commercial uses.

Relivit is currently working on securing the final piece of funding needed to start building their first facility in NSW, which is expected to service the area from Newcastle and the Lower Hunter through the Central Coast and Sydney, down to Wollongong and the Southern Illawarra.



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## EDUCATING CONSUMERS ABOUT RECYCLING SOFT PLASTICS AND PACKAGING

Millions of plastic bags and soft plastic packaging is sent to landfill each year because it's unable to be recycled with regular council collections. In both Australia and New Zealand, we're proud to be helping tackle this issue by using our products to educate consumers about how they can recycle our packaging thanks to two fantastic initiatives, which we promote on our packaging.

### REDcycle

In Australia we're foundation partners of the REDcycle Program that encourages consumers to drop their flexible packaging at key points, like supermarkets. It's then collected, processed, baled and sent to a manufacturer called Replas, where it's made into new products like outdoor park benches and playground equipment.

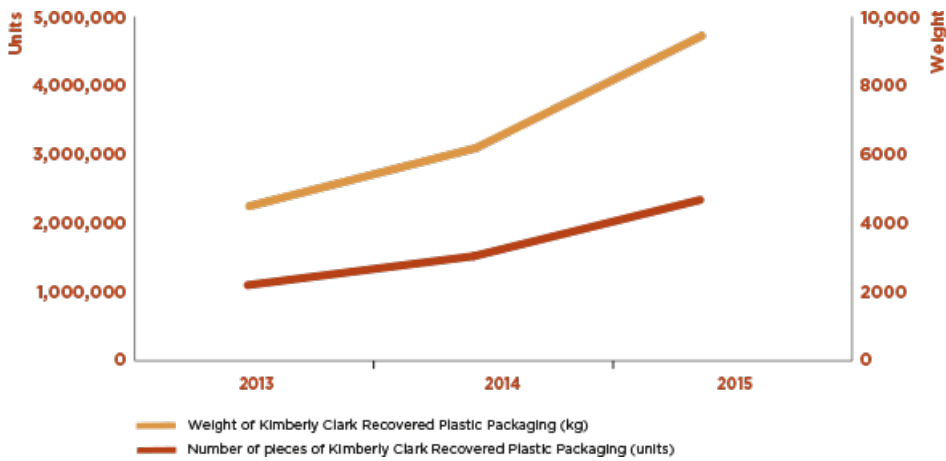


In 2015, REDcycle processed over 2.3 million pieces of Kimberly-Clark branded packaging

↑ 108% INCREASE FROM START OF PARTNERSHIP IN 2012.

THAT'S OVER 9.5 TONNES AND A 52% INCREASE FROM 2014

### Recovered Kimberly-Clark Plastic Packaging



### Soft Plastics Recycling Program

In 2015, we also partnered with the Soft Plastics Recycling Program that launched in New Zealand using a similar model to Australia. Through the program, consumers can collect their packaging at home and drop it into the Love NZ Soft Plastics Recycling bins at their local participating retail stores.

RECEIVED \$700,000

from the New Zealand Government's Waste Minimisation Fund to match funding by industry bodies that K-C is a member of.





# IN AUCKLAND IN NOVEMBER 2015

There will be another 21 stores in Hamilton coming on board in March 2016.



Sharna Heinjus General Manager Kimberly-Clark New Zealand presenting at the launch of the Soft Plastic Programme in Auckland November 2015 with the Hon Dr Nick Smith Minister for the Environment (left); Andrew Hewett Chair of Packaging Forum (centre)

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## WE AIM TO DO MORE WITH LESS WHEN IT COMES TO PACKAGING

We know that by using less material in our packaging we will help reduce the amount of waste going to landfill and reduce the amount of transportation required to distribute our products to our customers. That's why we're always looking for innovative ways to reduce our packaging weight.

You can view all of our Packaging initiatives in our latest Australian Packaging Covenant Report [here](#).

### 2015 SUCCESS STORIES

✓ POISE MICROLINERS  
PACKAGING WEIGHT  
↓ REDUCED  
↓ BY 93%  
BY CHANGING  
THE RETAIL  
PACK FORMAT

resulting in being able to fit 46% more product on a pallet and minimising transport.

## IMPLEMENTED NEW EQUIPMENT AT OUR MILLICENT MILL...

allowing for larger Kleenex® Cottonelle® Toilet Tissue packs (32pk & 48pk) to be wrapped using only one layer of packaging in place of the traditional combination of two layers of packaging. This is a significant step forwards for packaging sustainability as it allows us to reduce the amount of packaging material significantly.