

Forests, Land, and Agriculture Policy

Leadership Message

*Kimberly-Clark

A Message from Lisa Morden

VP, Safety, Sustainability & Occupational Health



At Kimberly-Clark, we are committed to the sustainable use of natural resources. Designing, manufacturing, and delivering our products and operating our business in a way that promotes sustainability and protects the environment are important to protecting the value of our business, our supply chain, communities, customers, consumers, and employees. Please visit our [Sustainability](#) page to learn more about our ambitions and progress.

Our focus on forests, land and agriculture aims to address climate change, protect biodiversity, prevent deforestation and forest degradation, and ensure a resilient, healthy supply chain through innovation and responsible sourcing.

K-C has adopted this Forests, Land and Agriculture Policy as part of this commitment. This Policy directs how the company sources natural resources derived from Forests, Land and Agriculture. If you have questions or concerns regarding this Policy or any related matters, please contact me or anyone on our global Sustainability team.

Thank You,

Lisa Morden
Chief Sustainability Officer

[Table of Contents](#)

Leadership Message	1
Why It Matters	2
The K-C Way	2
What's Expected	6

Revision Date: June 1, 2024

POLICY OWNER AND RESOURCES

Policy Owner: Lisa Morden, VP, EHS & Sustainability

Policy Location: Global Ethics & Compliance Homepage

Other Resources: Policy Instructions

K-C HelpLine:

Telephone:
1-844-KCHELP1
1-844-524-3571 (U.S.)

For non-U.S. local or toll-free numbers, see:
www.KCHelpLine.com

E-mail:
KCHelpLine@kcc.com

Web:
www.KCHelpLine.com

Why It Matters

K-C is committed to conducting business with a sincere and proper regard for the natural resources used in the manufacture of its products and packaging. By supporting responsible forestry and agricultural management, we aim to mitigate climate change, conserve terrestrial biodiversity, respect local communities, and ensure a resilient, healthy supply chain.

The K-C Way

This Policy sets minimum expectations and applies to all K-C employees, operations, business units, and suppliers globally. These expectations drive our sourcing activities for materials, packaging, and products made with resources derived from forests, land, and agriculture in order to avoid deforestation, natural ecosystem conversion, and address forest degradation.

It is the policy of Kimberly-Clark to:

1. Source forest-, land-, and agriculturally-derived materials from legal sources

Kimberly-Clark requires that all forest-, land-, and agriculturally-derived products we procure are produced in conformance to relevant regulations of the country of production, the countries where the commodities are sourced or transformed, and the country of import. Kimberly-Clark will not procure products made from conflict timber.

2. Restrict the sourcing of goods linked to deforestation or natural ecosystem conversion

Kimberly-Clark commits to no deforestation across its primary deforestation-linked commodities as of the date of this policy and a cutoff date of December 31, 2020, unless earlier specified by applicable certifications that K-C may choose to adopt or adhere. In the event that K-C identifies purchases of materials and goods contributing to deforestation or natural ecosystem conversion, K-C commits to transition and eliminate such sources from its supply chain.

3. Protect biodiversity and reduce the impacts of natural forest degradation from its supply chain

Kimberly-Clark is committed to avoiding and minimizing the impacts of natural forest degradation through commercialization of next-generation alternative fibers that can replace natural forest fibers, as well as increasing use of Tree Plantation and recycled fibers as market availability and product performance characteristics allow. Kimberly-Clark will continue to pursue absolute reductions in natural forest fiber sourcing while giving preference to sources with Credible Mitigations of forest degradation risk in place.

Where indicators of forest degradation are present in the supply chain, Kimberly-Clark will engage with suppliers to identify and implement Credible Mitigations up to and including reducing sourcing from areas at risk of forest degradation or seeking other suppliers.

4. Respect and protect Human Rights in its supply chain, including protection of the rights of Indigenous Peoples through practice of Free, Prior and Informed Consent (FPIC)

Kimberly-Clark is committed to Human Rights in its supply chain. Furthermore, K-C recognizes and respects land, territorial, and resource rights of Indigenous peoples and local communities. K-C supports the principles included in the [United Nations Declaration on the Rights of Indigenous Peoples](#) (UNDRIP) and aims to ensure that free, prior, and informed consent (FPIC) is in place across forest-, land-, and agriculturally-derived supply chains. Suppliers whose sourcing and/or land management practices may affect the legal and customary rights of ownership, use and management of land, territories and resources of Indigenous peoples shall document when FPIC has been obtained, or document plans or efforts to obtain FPIC with Indigenous peoples. For more information about Kimberly-Clark's commitment to human rights, please refer to Kimberly-Clark's [Human Rights Policy](#) and [Supplier Social Compliance Standards](#).

Scope

This policy applies to:

- Forest derived commodities, including, but not limited to virgin wood fiber, recycled wood fiber, fiber-based packaging, finished products containing wood fiber, and other products or materials.
- Other forest-derived materials, including chemicals, formulations and finished products containing palm oil derivatives; natural rubber latex gloves.
- Agriculturally grown or derived commodities, including those incorporated or converted into other materials or products or used as a bio-based feedstock for materials.
- Forms of biomass for energy, whether forest derived or agriculturally grown.

This policy applies to Kimberly-Clark Corporation, our consolidated subsidiaries, and our affiliates, and is recommended for all of its equity companies subject to local laws and any applicable shareholder or joint venture agreements. To the extent an affiliate or equity company supplies forest-, land-, and agriculturally-derived materials wood fiber to Kimberly-Clark, it shall be subject to this policy.

K-C expects direct suppliers to comply with these requirements with respect to products and materials manufactured for Kimberly-Clark.

Definitions

For the purposes of K-C's commitments, the following definitions apply:

- **Deforestation:** Loss of Natural Forest as a result of: (i) conversion to agriculture or (ii) to a tree plantation. For purposes of this policy, K-C will recognize a deforestation cutoff date of December 31, 2020.
- **Forest degradation:** Conversion of primary forests or naturally regenerating forests that results in significant and negative impact on species composition, structure, and/or function.

- **Credible Mitigations:** Where sourcing from Natural Forests, K-C will give preference to suppliers with the following Credible Mitigations:
 1. FSC Forest Management (FM) certification for supplying forest management units.
 2. In absence of FSC FM certification, suppliers must:
 - a. Meet the requirements of the FSC FM standard per 3rd party verification, or,
 - b. Demonstrate control measures including, but not limited to restricting sourcing from Intact Forest Landscapes and/or habitats associated with threatened or endangered species, including boreal caribou.
- **Natural Forest:** Natural forests include old growth, primary, and managed forests composed of native species primarily naturally regenerated where most of the principal characteristics and key elements of native ecosystems such as complexity, structure, wildlife and biological diversity are present.
- **Semi-Natural Forest:** Planted forests of native species whose principal management objective is the production of industrial roundwood and that acquires the characteristics of a natural forests over time.
- **Tree Plantation:** Forest areas established by planting or sowing with using either alien or native species, often with one or few species, regular spacing and even ages, and which lacks most of the principal characteristics and key elements of natural forests.
- **Natural ecosystem:** An ecosystem that substantially resembles — in terms of species composition, structure, and ecological function — one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species' composition, structure, and ecological function are present.

Compliance, monitoring, and verification

Kimberly-Clark commits to establishing systems and processes that effectively promote and facilitate accurate implementation and verification of compliance with this policy, including ensuring sufficient resources and capacity are in place to do so.

Kimberly-Clark commits to trace forest, land, and agriculture supply chain(s) to a point that provides sufficient spatial and non-spatial information to support accurate verification of policy commitments contained herein, to verify sourcing areas as Natural Forests, Semi-Natural Forests, or Tree Plantations, and for the identification of potential risks of non-compliance. K-C shall further establish ongoing monitoring procedures, including desktop and on-site audits, engagements with stakeholders, and implementation of digital due diligence platforms.

Kimberly-Clark commits to performing on-going due diligence of its forest, land, and agricultural sourcing areas and suppliers, including risk assessment and mitigation measures supporting policy compliance. Where non-compliance with policy requirements is identified, effective remediation shall be directed to achieve compliance, including consideration of alternative supply.

Kimberly-Clark purchases virgin wood fiber and products derived from virgin wood fiber from certified sources, with a preference for Forest Stewardship Council® (FSC®) certification. Kimberly-Clark uses and recognizes the following forest certification systems to ensure social and environmental criteria are evaluated for compliance. K-C requires that all suppliers providing wood fiber related commodities be certified by one of the following systems and purchases be accompanied by a chain of custody claim:

- Forest Stewardship Council ® (FSC®)
- Program for the Endorsement of Forest Certification ® (PEFC®)
- Sustainable Forestry Initiative ® (SFI®)

Additionally, Kimberly-Clark is committed to increasing purchases of palm oil derivatives one of the following systems:

- Roundtable on Sustainable Palm Oil (RSPO)
- International Sustainability & Carbon Certification (ISCC) for agricultural waste biomass only

Kimberly-Clark may add additional certification schemes, or modify acceptable claims within existing recognized certifications, as needed.

Leadership

Kimberly-Clark commits to collaborating with suppliers, governments, non-government organizations (NGO), local communities, indigenous and traditional peoples, and other companies as part of sector, landscape, and jurisdictional level initiatives to address the key environmental and social issues encompassed in this policy.

Kimberly-Clark will support the development of new technologies and digital data solutions that enable improved traceability and transparency in global forest, land, and agricultural supply chains. Kimberly-Clark will support the development of scientifically rigorous maps of natural forests, including primary forests and intact forest landscapes, that enable accurate implementation and verification of its aspiration to eliminate natural forest degradation in its supply chain.

Kimberly-Clark will give preference to virgin wood fiber certified under FSC standards and Palm oil derived chemicals under RSPO standards.

- Kimberly-Clark will encourage its suppliers of virgin wood fiber to adopt the FSC forest certification scheme and to take other actions to increase the availability of wood fiber certified to the FSC Forest Management standards.
- Kimberly-Clark will participate actively in ongoing discussions concerning FSC standards, including the FSC General Assembly.
- Kimberly-Clark will work with its suppliers and other interested stakeholders to promote the adoption of FSC throughout its supply chain.

Kimberly-Clark will support the development of alternative non-wood fiber technologies and supply chains that can reduce pressure on the world's remaining natural forests.

Kimberly-Clark will support efforts of suppliers, governmental authorities, and non-governmental organizations to increase wastepaper collection rates and improve recycled fiber quality.

K-C will strive to provide effective remediation where we may have caused or contributed to adverse environmental or social impacts. If we finds impacts directly linked to our business relationships, we will influence our suppliers or business partners to prevent, mitigate and address adverse impacts on the environment and people.

Grievance

Kimberly-Clark will hold itself and its suppliers accountable for compliance with this policy. We are committed to enabling open communication and support to those who raise a concern, including affected stakeholders in our supply chain. We encourage our suppliers, their employees, and affected stakeholders to share concerns about violations of this policy to the K-C HelpLine as outlined below.

Reporting and Disclosures

Kimberly-Clark will publicly report on progress, outcomes and methods related to the implementation of commitments in this policy and certification standards on a regular basis through our annual Sustainability Report and/or other appropriate means. In doing so, Kimberly-Clark will reference and align with key definitions, regulations, and best practices for conveying accurate and verifiable information. Additionally, Kimberly-Clark will conduct periodic consultations with external stakeholders to review emerging issues related to the key forest, climate and biodiversity issues this policy seeks to address.

Governance

Kimberly-Clark's Board of Directors has established and approved the framework for our sustainability-related policies and procedures, including sourcing of materials from forests, land and agriculture. As part of their oversight roles, the Board and its Nominating and Corporate Governance Committee receive regular reports from management on these topics, our goals, and our progress toward achieving them.

K-C's sustainability program is guided by its Sustainability Steering Committee, which comprises members of our Executive Leadership Team. This committee meets at least quarterly to review and adjust the program's direction, address barriers to success, and assess the health of our long-term strategy.

Sustainability-related initiatives are operationalized through our Sustainability function, which is led by our Chief Sustainability Officer. Oversight for review-of and compliance-with this policy is overseen by the Responsible Sourcing Steering Committee led by the Chief Sustainability Officer.

What's Expected

Employee Responsibilities

Responsibility for ensuring compliance with this Policy is assigned to all K-C employees including business unit and functional leaders, team leaders, and those with specific roles, responsibilities and accountabilities established as follows.

Team Leader Responsibilities

Each business unit and functional leader is responsible for ensuring the implementation of this Policy and shall ensure that his or her organization operates in full compliance with all applicable legal, regulatory and K-C requirements.

To accomplish this, all levels of management within each business unit and function must be knowledgeable about related K-C Policies and Procedures and conduct business accordingly. Leaders also have a responsibility to create an open environment where every employee feels comfortable raising questions and concerns without fear of retaliation. If someone raises a question

or concern about possible misconduct, including violations of K-C policy or law, promptly contact the K-C HelpLine or your Regional Compliance Leader. In those situations, team leaders should not conduct their own review and should seek assistance.

Procurement Responsibilities

K-C suppliers are expected to comply with this policy, and compliance shall be weighed heavily in supplier selection and retention decisions. If a supplier refuses to comply with this policy, approval for new or incremental business will require review and approval by the Responsible Sourcing Steering Committee as well as endorsement by a member of the Executive Leadership Team. In addition, any actual or suspected violation of this Policy by a supplier (including subcontractors and upstream suppliers), shall immediately be brought to the attention of a Governance Committee member and/or Legal.

When to Ask a Question or Raise a Concern

Each of us has an obligation to ask questions or raise concerns if we suspect that misconduct has occurred, or if a K-C employee or third party acting on behalf of K-C has violated the K-C Code, K-C policies, or laws. You do not need to be certain that a violation has occurred before speaking up.

How to Ask a Question or Raise a Concern

Generally, your team leader or another business leader will be in the best position to resolve a compliance question or concern.

If you are not able to resolve the question or concern with your team leader or another business leader, or if you do not feel comfortable approaching these leaders, K-C offers several methods for raising questions and concerns. You can speak to one of your business partners in Legal, Global Ethics & Compliance, Global Security, Finance, Human Resources, or the anonymous and confidential channels available under the K-C HelpLine.

K-C HelpLine

You can also ask a question or raise a concern using the K-C HelpLine. If you contact the K-C HelpLine, please specify who was involved, who might have direct knowledge of the incident, what occurred, when it occurred, and why you think it happened. This type of specific information will allow us to conduct a thorough and fair evaluation. You may contact the K-C HelpLine anonymously (where permitted by law), but we encourage you to provide us with contact information so that we can reach you with any follow-up questions.

The K-C HelpLine is available 24-hours a day, 7-days a week, in native languages where K-C's facilities are located. A professional company that is independent of K-C will take your information and then promptly report it to the Global Ethics & Compliance team for review. You may contact the K-C HelpLine directly by telephone, e-mail, or web:

- Telephone:
 - 1-844-KC-HELP1 or 1-844-524-3571 (United States)
 - For local or toll-free HelpLine numbers in other countries, see www.KCHelpLine.com
- E-mail: KCHelpLine@kcc.com
- Web: www.KCHelpLine.com

We encourage you to ask your questions and raise your concerns directly to K-C so we can take appropriate actions. But, nothing in this policy prevents you from reporting potential violations of law to relevant government authorities.

Our Anti-Retaliation Commitment

K-C does not tolerate retaliation against anyone who raises a concern in good faith or who cooperates in a review. Individuals engaging in this type of retaliatory conduct will be subject to discipline action. If you believe someone has retaliated against you or against someone else, raise a concern immediately. Our anti-retaliation commitment is further described in our Compliance HelpLine Reporting Policy.