

2022 SUSTAINABILITY REPORT

**We grow**  
by innovating.  
**We innovate**  
sustainably.



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# About this report

2-1, 2-2, 2-3, 2-4, 2-5



Through the 2022 Sustainability Report of Kimberly-Clark de México, we share the operational, labor related, social, environmental, and Corporate Governance results to our stakeholders.

Kimberly-Clark de México has reported in accordance with the GRI Standards for the period of January 1<sup>st</sup> to December 31<sup>st</sup>, 2022.

This report responds to the requirements of the Sustainability Accounting Standards Board (SASB) applicable to the consumer goods industry and addresses some of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) regarding our climate-related risks and opportunities.

The information reported corresponds to the operations of Kimberly-Clark de México, therefore it does not reflect the performance of Kimberly-Clark in other countries, other companies, entities, customers, suppliers, or business partners. In the 2022 Sustainability Report we include informa-

tion about the performance of the same entities that are part of the Consolidated Financial Statements. The restatement of information with respect to previous years is indicated in each instance.

Our Executive Directors are responsible for evaluating and approving the final version of the Sustainability Report, as well as providing their perspective on the year's most significant issues and milestones.

The 2022 Sustainability Report of Kimberly-Clark de México was verified by Deloitte, an independent third party.



# Letter from the Chief Executive Officer

2-22

**Despite having faced a less dynamic economy, 2022 was a successful year for the company and we laid the groundwork for sustainable growth in 2023.**

Innovation is and has been the engine for consistent and sustainable growth throughout the history of Kimberly-Clark de México; with new and improved products we meet the changing needs of our consumers, allowing us to strengthen our leadership and lay the foundations for future growth, achieving a virtuous circle of value creation for all our stakeholders.

**We continue to take decisive action towards achieving Our Sustainable Ambition by 2030**, which outlines the commitments we have made regarding the Sustainability Strategy and the progress made to date.

Our environmental goals have been significantly advanced. **We are pleased to announce that our commitment of sourcing 100% of virgin fibers for our products from sustainable sources by 2022 has been achieved.** By promoting a circular economy scheme, we are close to reach zero waste sent to landfills and having 100% of our packaging recycled or recyclable or reusable or compostable by 2023.

Throughout 2022, we continued to create value through innovations that are relevant, differentiated, and sustainable. Examples of this include the innovations of our Kotex® brand, such as the Kotex® Unika® menstrual cup, which is the first menstrual cup on the market from a mass consumption company of our size, the Kotex® Delicate Cleaning wet towels, which are now manufactured with biodegradable materials and that allow safe disposal in the toilet, and Kotex® Cero, the first generation of disposable and toilet-dispersible feminine pads and panty liners with a 30 day biodegradation capacity and featuring the first compostable packaging at KCM and in its category. With these innovations, **Kotex® solidifies its position as the first brand in its category to offer a comprehensive solution for conscious, responsible, and sustainable intimate care made in Mexico for Mexico.**

Our commitment to the community has resulted in significant social impacts both within and beyond the organization. The health and well-being of every employee has always been and will continue to be a top priority. As a result, we have continued to invest resources and efforts in the industrial health and safety of all our operations, and through our KCM *Bienestar* program, we conducted a variety of seminars and sessions on topics related to physical and mental health, as well as cultural and financial education. We continued to promote equity within our organization, and our hiring, inclusion, and development practices are geared toward eradicating discrimination and fostering complete respect for the rights of the individual.



To date, **through direct actions and social programs of our brands, we have positively impacted more than 15 million people.** *Abrazando su Desarrollo* by Huggies®, in partnership with UNICEF, continued to position itself as a reference for psychomotor development in early childhood. Similarly, KleenBebé®, in collaboration with the Mexican Red Cross, continued with *Apapachos de Vida*, a health program for mothers and babies. Regarding Kotex® and its platform of social responsibility and continuous action –Kotex® *Por Todas*– consolidated its position in an effort to promote Mexican women empowerment on a variety of issues. Through our Kleenex® brand, we reaffirmed our commitment to the LGBTTTTIQ+ community by providing visibility and support to community members. And Escudo® *Antibacterial*, in alliance with the Planet Water Foundation, carried out the construction of two water towers in marginalized communities in the Estado de México.

At the same time and in addition to our commitment to the United Nations Global Compact, we have joined the new "Gender Equality Goal Accelerator Program" which provides us with a framework and best practices for achieving our goals. We also matured our approach based on the Ten Principles of the Global Compact, integrated regarding the Sustainable Development Goals (SDGs).

Thus, our commitment to sustainability enabled us to meet the criteria for the sixth consecutive year to be included in the British Sustainable FTSE4Good Index and for the fourth consecutive year to be recognized in the Latin American Integrated Market (MILA, by its acronym in Spanish) region of the Dow Jones Sustainability Index (DJSI).

In addition, **for the third year in a row, KCM was one of the three Mexican companies included in the Dow Jones Sustainability Index (DJSI) Emerging Markets**, where we continue to hold the sector's leadership position.

At Kimberly-Clark de México, we will continue to innovate sustainably, promoting growth that is reflected in better products for our consumers and customers, more sustainable options for the benefit of our communities and the environment, and new business solutions for the benefit of the economy of Mexican families and of our country, every day, for a lifetime.

**Pablo R. González G.**  
Chief Executive Officer

# Profile



We are a Mexican company that has been manufacturing, distributing, and marketing cleaning, care, and personal hygiene products for over 60 years in Mexico.

Kimberly-Clark de México (KCM) products are in the

**98%**

of Mexican homes.



## Our purpose

Dedicated to make the essential, extraordinary.  
*Every day, for a lifetime.*



## Our values

- ✓ Leadership
- ✓ Innovation
- ✓ Passion
- ✓ Achievements
- ✓ Integrity

## Relevant financial data

201-1

	<b>2022</b>
<i>Figures in millions of Mexican pesos</i>	
Net Sales	<b>51,055</b>
Gross Profit	<b>16,773</b>
Operating Profit	<b>8,941</b>
Net Profit	<b>4,936</b>
Net Earnings per Share (pesos)	<b>1.61</b>
EBITDA	<b>10,903</b>

	Concept	<b>2022</b>	
		(+)	(-)
Direct economic value generated (EVG)	Net sales	<b>51,055</b>	
	Cost of sale		<b>34,282</b>
	Operating expenses		<b>7,832</b>
Economic value distributed (EVD)	Taxation		<b>2,314</b>
	Payments to funders		<b>6,696</b>
Economic value retained (EVR)	EVG-EVD		<b>(69)</b>

\*For more financial information, see our 2022 Annual Report at: <https://www.kimberly-clark.com.mx/data/2023/Annual2022KCMENG.pdf>



# Presence

2-1, 2-6, CG-HP-000.B



The products we manufacture at KCM are sold in 27 countries.

- |              |                        |                 |               |                         |
|--------------|------------------------|-----------------|---------------|-------------------------|
| 1. Argentina | 6. Canada              | 11. Ecuador     | 16. Israel    | 22. Peru                |
| 2. Australia | 7. Colombia            | 12. El Salvador | 17. Jamaica   | 23. Philippines         |
| 3. Bahamas   | 8. Costa Rica          | 13. Guatemala   | 18. Mexico    | 24. Puerto Rico         |
| 4. Belize    | 9. Curaçao             | 14. Haiti       | 19. Nicaragua | 25. Trinidad and Tobago |
| 5. Bolivia   | 10. Dominican Republic | 15. Honduras    | 20. Panama    | 26. United States       |
|              |                        |                 | 21. Paraguay  | 27. Uruguay             |

98% of our products are manufactured in nine Mexican production facilities.

In order for our products to reach our final consumers via self-service stores, wholesalers, pharmacies, hospitals, and e-commerce platforms, we have strategically placed seven distribution centers across Mexico.



## Plants

- |  |  |
|--|--|
| 1. <b>Bajío</b><br>San Juan del Río, Querétaro.    | 6. <b>Ramos Arizpe</b><br>Ramos Arizpe, Coahuila.      |
| 2. <b>Ecatepec</b><br>Ecatepec, Estado de México.  | 7. <b>Texmelucan</b><br>San Martín Texmelucan, Puebla. |
| 3. <b>Morelia</b><br>Morelia, Michoacán.           | 8. <b>Tlaxcala</b><br>Tlaxco, Tlaxcala.                |
| 4. <b>Orizaba</b><br>Orizaba, Veracruz.            | 9. <b>Evenflo</b><br>Cuautitlán, Estado de México.     |
| 5. <b>PROSEDE</b><br>Cuautitlán, Estado de México. |  |

## Distribution centers

- A. Culiacán, Sinaloa.
- B. Guadalajara, Jalisco.
- C. Metropolitano, Ciudad de México.
- D. Tepotzotlán, Estado de México.
- E. Monterrey, Nuevo León.
- F. Villahermosa, Tabasco.
- G. Mérida, Yucatán.

# Brands and products

2-6



## BABIES

Diapers, pull-up training pants, swim diapers, wet wipes, shampoo, lotion, bar soap, and feeding products.

- SI** Social Impact of our brands.\*
- BIO** Ecoprotect® biodegradable wipes.
- RE** Recyclable package diapers.
- WR** Our diapers were made with less plastic vs 2021.

**D&I** Social Impact of our brands.\*

**FSC** Kleenex® and Pétalo® products are certified by the Forest Stewardship Council® (FSC®)\*\* for being made from fibers derived from sustainable sources.

**RE** Packaging for facials, toilet paper, napkins, and recyclable napkins.

## HOME

Toilet paper, napkins, facial tissue, and kitchen towels.



- SI** Social Impact of our brands.\*
- BIO** Biodegradable Kotex® Cero pads and panty liners.
- COM** Compostable packaging of Kotex® Cero towels.
- PF** Kotex® Unika plastic free digital tampons (applicator).
- RE** Recyclable packaging for Kotex® pads.



## WOMEN

Pads, panty liners, tampons, wet wipes, and menstrual cups.

**SI** Social Impact of our brands.\*

**RE** Recyclable packaging for Depend® and DIAPRO®.

**BIO** Depend® Skin Care biodegradable incontinence wipes.

**WR** Our products were made with less plastic vs 2021.



## ADULTS

Underwear, protectors, wet wipes for incontinence, and pre-folded diapers.

\*See page 48 for details of the Social Impact of our brands.  
 \*\*Forest Stewardship Council® (FSC®) License FSC-C140370

Our brands are recognized worldwide for promoting personal and family care as well as hygiene inside and outside the home. Our products accompany babies, children, and adults during all stages of life, providing confidence and security every day, for a lifetime.



## PROFESSIONAL

Dispatchers, jumbo toilet paper, napkins, hand towels, and industrial rags.

- RE** Dispatchers that allow to consume only the necessary amount of product as part of a circular economy program.
- CE**
- FSC** Kleenex® products are certified by the Forest Certified Stewardship Council® (FSC®)\*\* for being elaborated with fibers from responsible sources.
- RE** Recyclable facials packages.
- RE** Recyclable Escudo® foam and sanitizer containers.



## PERSONAL CARE

Bar soaps, liquid hand soap, foam liquid hand soap, and liquid body soap.



- SI** Social Impact of our brands.\*
- RSPO** Soaps made from sustainable palm oil (RSPO).
- RE** Recyclable bar soap packaging.
- RE** Recyclable liquid soap containers.



## PROTECTION AND CLEANING

Wet wipes, sanitizing gel, disinfectant spray, and masks.

- RE** Recyclable antibacterial gel containers and wet towels.
- RE** Recyclable mask packaging.



### Our communities

- SI** Social impact
- D&I** Diversity and Inclusion

### Environment

- FSC** **RSPO** Certifications
- RE** Recyclable
- BIO** Biodegradable
- COM** Compostable
- PF** Plastic-free

### Ethical-economic commitment

- WR** Weight reduction
- CE** Circular economy

Some of our most recognized brands are: Depend®, Escudo®, Evenflo®, Huggies®, KleenBebé®, Kleenex®, Cottonelle®, Kotex®, Pétalo®, Suavel®, and Vogue®, among others. See our complete product portfolio at: <https://www.kimberly-clark.com.mx/en/our-brands>

# Sustainability strategy

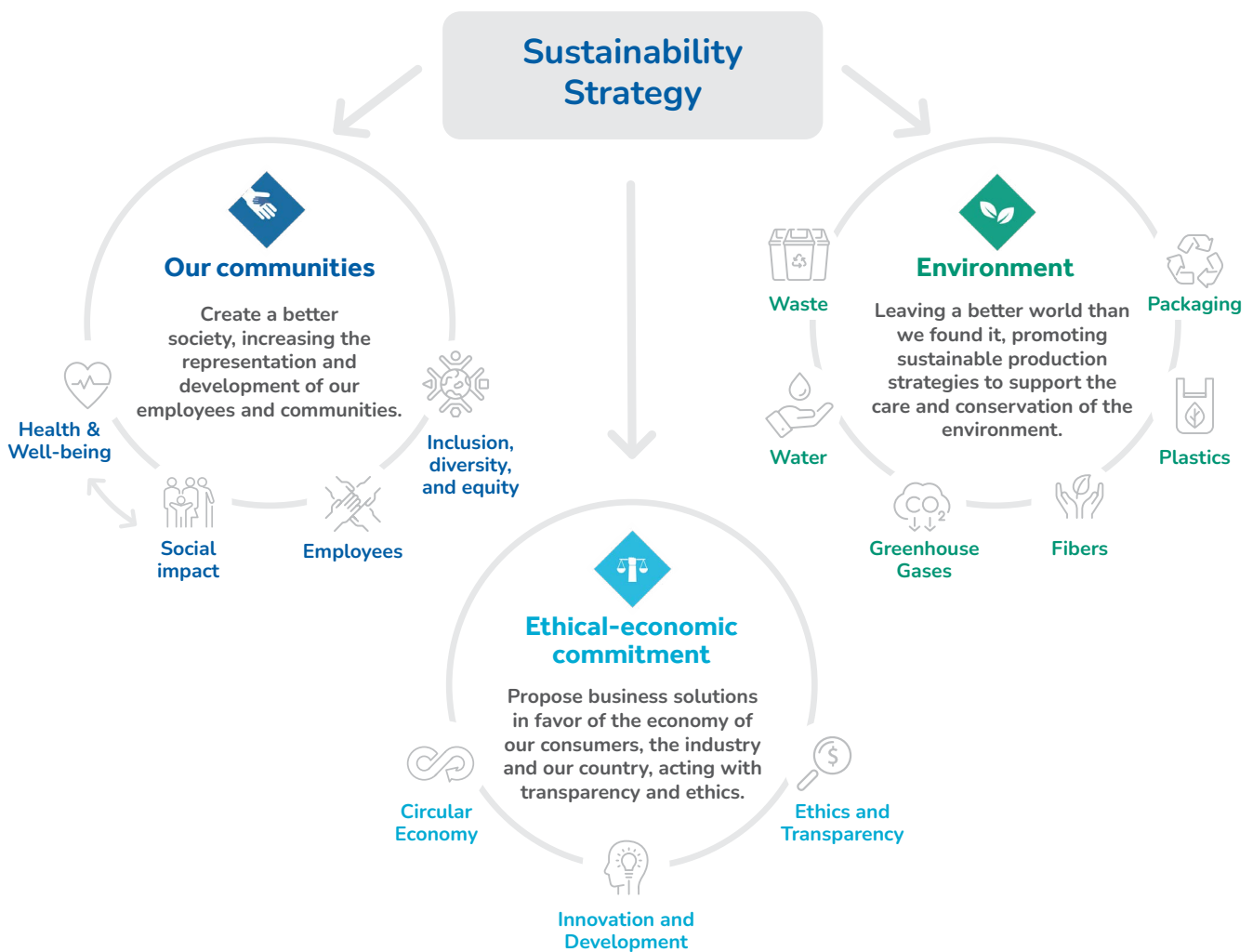
Improve the well-being of people with  
the less environmental impact.

# Pillars and Sustainable Ambition by 2030

## Sustainability strategy

2-23, 2-24, 2-25








In 2022, we updated our Sustainability Strategy by defining three strategic pillars comprised of material topics and compliance commitments in order to better align our efforts with the most important ESG topics for the business and our stakeholders. This strategy focuses on the design of actions with a greater positive impact, as well as the reduction of the potential negative environmental impact resulting from our operations and products.



**KCM's Sustainability Strategy is defined by the Board of Directors, the Senior Management, and the Executive Sustainability Committee.**

We have an Executive Sustainability Committee (ESC), whose members are responsible for reviewing the quarterly performance of the three pillars of our strategy. The relevant issues resulting from this review are communicated to the CEO, who in turn reports the issues that require discussion to the Board of Directors.

# Sustainable Ambition by 2030

Commitment	Progress by 2022
 <b>ZERO</b> waste sent to landfills as a result of our processes.	<b>98%</b>
 <b>25%</b> reduction in our use of fresh water.	<b>44%</b>
 <b>50%</b> reduction in our direct greenhouse gas emissions.	<b>62%</b>
 <b>100%</b> of our virgin fibers will come from sustainable sources.	<b>100%</b>
 <b>100%</b> of our packaging will be recycled or recyclable or reusable or compostable.	<b>90%</b>
 <b>15%</b> reduction in the weight of our products through more efficient designs.	<b>33%</b>
 <b>25 million</b> people positively impacted with direct actions and social programs.	<b>+15 million</b>

Baseline 2015.

**Our Sustainable Ambition by 2030** outlines the commitments we have made in relation to our Sustainability Strategy and the progress we have achieved thus far.



## Sustainable Development Goals

At Kimberly-Clark de México we are committed to the Sustainable Development Goals (SDGs) by contributing to 15 of the 17 goals through our Sustainability Strategy, the progress of our Sustainable Ambition by 2030, and specifically through the following programs:

SDG	Objective	KCM contribution
 <b>2</b> ZERO HUNGER	<b>Zero hunger</b> End hunger, achieve food security, and improved nutrition and promote sustainable agriculture.	<ul style="list-style-type: none"> <li>• <i>Apapachos de Vida</i> by KleenBebé®.</li> </ul>
 <b>3</b> GOOD HEALTH AND WELL-BEING	<b>Good health and well-being</b> Ensure healthy lives and promote well-being for all at all ages.	<ul style="list-style-type: none"> <li>• <i>Abrazando su Desarrollo</i> by Huggies®.</li> <li>• <i>Apapachos de Vida</i> by KleenBebé®.</li> <li>• <i>Contigo Siempre</i> by Depend®.</li> <li>• <i>Kotex® por Todas</i>.</li> </ul>
 <b>4</b> QUALITY EDUCATION	<b>Quality education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	<ul style="list-style-type: none"> <li>• <i>Abrazando su Desarrollo</i> by Huggies® .</li> <li>• <i>Jóvenes Construyendo el Futuro</i>.</li> </ul>
 <b>5</b> GENDER EQUALITY	<b>Gender equality</b> Achieve gender equality and empower all women and girls.	<ul style="list-style-type: none"> <li>• <i>Abrazando su Desarrollo</i> by Huggies®.</li> <li>• <i>Jóvenes Construyendo el Futuro</i>.</li> <li>• <i>Kotex® por Todas</i>.</li> </ul>
 <b>6</b> CLEAN WATER AND SANITATION	<b>Clean water and sanitation</b> Ensure the availability and sustainable management of water and sanitation for all.	<ul style="list-style-type: none"> <li>• Through our manufacturing processes.</li> <li>• <i>En acción por tu protección de Escudo® Antibacterial</i>.</li> </ul>
 <b>8</b> DECENT WORK AND ECONOMIC GROWTH	<b>Decent work and economic growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.	<ul style="list-style-type: none"> <li>• KCM Code of Ethics.</li> <li>• KCM <i>Bienestar</i>.</li> <li>• KCM <i>Kuida tu Salud</i>.</li> <li>• <i>Jóvenes Construyendo el Futuro</i>.</li> </ul>
 <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE	<b>Industry, innovation and infrastructure</b> Build resilient infrastructure, promote sustainable industrialization, and foster innovation.	<ul style="list-style-type: none"> <li>• Through our manufacturing processes.</li> <li>• KCM Innovation, Technological Development, Quality, and Sustainability.</li> </ul>
 <b>10</b> REDUCED INEQUALITIES	<b>Reduced inequalities</b> Reduce inequality within and among countries.	<ul style="list-style-type: none"> <li>• KCM Code of Ethics.</li> <li>• KCM Inclusion, Diversity, and Equity Committee.</li> <li>• <i>Kotex® por Todas</i>.</li> </ul>
 <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES	<b>Sustainable cities and communities</b> Make cities and human settlements inclusive, safe, resilient, and sustainable.	<ul style="list-style-type: none"> <li>• KCM Code of Ethics.</li> <li>• Circular economy.</li> </ul>
 <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION	<b>Responsible consumption and production</b> Ensure sustainable consumption and production patterns.	<ul style="list-style-type: none"> <li>• Through our manufacturing processes.</li> <li>• KCM Innovation, Technological Development, Quality, and Sustainability.</li> <li>• Sustainable brands (pages 8 and 9).</li> <li>• KCM Sustainability Week.</li> </ul>
 <b>13</b> CLIMATE ACTION	<b>Climate action</b> Take urgent action to fight climate change and its effects.	<ul style="list-style-type: none"> <li>• Through our manufacturing processes.</li> <li>• Circular economy.</li> <li>• KCM Innovation, Technological Development, Quality, and Sustainability.</li> <li>• KCM Sustainability Week.</li> </ul>
 <b>15</b> LIFE ON LAND	<b>Life on land</b> Sustainably manage forests, fight desertification, halt, and reverse land degradation, halt biodiversity loss.	<ul style="list-style-type: none"> <li>• Sustainable certifications that we request from our suppliers of virgin fibers.</li> <li>• Through our manufacturing processes.</li> </ul>
 <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS	<b>Peace, justice and strong institutions</b> Promote peaceful and inclusive societies for sustainable development, facilitate access to justice for all and build effective, accountable and inclusive institutions at all levels.	<ul style="list-style-type: none"> <li>• KCM Code of Ethics.</li> </ul>
 <b>17</b> PARTNERSHIPS FOR THE GOALS	<b>Partnerships for the goals</b> Revitalize the Global Partnership for Sustainable Development.	<ul style="list-style-type: none"> <li>• Alliances with Chambers, Industry, Companies and NGOs.</li> </ul>

## United Nations Global Compact

The KCM Sustainability Report complements our response to the Communication on Progress (CoP) questionnaire, in which we report on the initiatives we carried out in 2022 to contribute to compliance of the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals.

 <b>Human Rights</b>	1	Businesses should support and respect the protection of internationally proclaimed human rights.
	2	Businesses make sure that they are not accomplices in human rights abuses.
 <b>Labour</b>	3	Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining.
	4	Businesses should eliminate of all forms of forced and compulsory labor.
	5	Businesses should support the effective abolition of child labor.
	6	Businesses should support the elimination of discrimination in respect of employment and occupation.
 <b>Environment</b>	7	Businesses should support a precautionary approach to environmental challenges.
	8	Businesses should undertake initiatives to promote greater environmental responsibility.
	9	Businesses should encourage the development and diffusion of environmentally friendly technologies.
 <b>Anti-Corruption</b>	10	Businesses should work against corruption in all its forms, including extortion and bribery.



Since 2010 we have been signatories of the United Nations Global Compact through KCC and since 2021 we have reinforced our commitment as KCM.



# Stakeholders

2-12, 2-29

We keep a frequent and bilateral communication with our stakeholders, and we have channels that enable us to identify their main concerns and needs so that we can address them promptly. In addition, we identify risks and opportunities associated with issues relevant to them, thereby enhancing their relationship with KCM.



## Shareholders

Frequency: Eventual

### Channels and level of communication

- **Sustainability Report:** organizational.
- **Website:** organizational.
- **BMV-Emisnet:** Investor Relations department.
- **Questionnaires of rating agencies:** Sustainability and Investor Relations departments.
- **Shareholders' meeting:** Investor Relations area.

### Key issues and concerns

- Value creation, even facing an adverse environment.
- Timely communication.
- Possible share buybacks.
- Growth in the price of shares.
- Attractive business profitability margins.



## Clients

Frequency: Daily

### Channels and level of communication

- **Email:** by segment or product.
- **By telephone:** by segment or product.
- **Website:** organizational.
- **Meetings with sales team:** by brand.
- **Sustainability Report:** organizational.

### Key issues and concerns

- Reliable sourcing.
- Competitive products.
- Timely attention.



## Employees

Frequency: Daily

### Channels and level of communication

- **Intranet:** organizational
- **Social media:** organizational.
- **Internal campaigns:** organizational.
- **Internal communication:** organizational.
- **Email:** by department.
- **Sustainability Report:** organizational.

### Key issues and concerns

- Decision making.
- Execution of the strategy and operation.
- Safety supplies.
- Permanent communication on preventive measures and safety and hygiene protocols.
- Development and growth.
- Industrial training.
- Physical and mental health.



## Community

Frequency: Eventual

### Channels and level of communication

- **Email:** by segment, product or program.
- **By telephone:** by segment, product or program.
- **Website:** organizational.
- **Social impact programs:** organizational.
- **Sustainability Report:** organizational.

### Key issues and concerns

- Strengthening and development of the community.
- Social programs of KCM and/or our brands.



## Suppliers

Frequency: Daily

### Channels and level of communication

- **By telephone:** by segment or product.
- **Business relationships:** by brand.
- **Website:** organizational.
- **Email:** by segment or product.
- **Sustainability Report:** organizational.

### Key issues and concerns

- Continuity of operation and supply.
- Timely payments.
- Strengthening and development of the commercial relationship.
- Compliance with specifications and quality parameters.



## Consumers

Frequency: Daily

### Channels and level of communication

- **Email:** by segment or product.
- **Website:** organizational.
- **Social networks:** organizational and by brand.
- **By telephone:** by segment or product.
- **Sustainability Report:** organizational.

### Key issues and concerns

- Innovative, safe and quality products.
- Environmentally responsible products.
- Brands consistent with consumer values.
- Competitive prices.



**Authorities**  
Frequency: Eventual

**Channels and level of communication**

- **Website:** organizational.
- **By telephone:** by segment or product.
- **Email:** by segment or product.
- **Written notifications:** by segment or product.
- **Sustainability Report:** organizational.

**Key issues and concerns**

- Compliance with laws and regulations.



**Others**  
Frequency: Eventual

(NGOs, brokerage firms, evaluation organizations, opinion leaders, media, academia, financial institutions and investors)

**Channels and level of communication**

- **Website:** organizational.
- **Email:** organizational.
- **Sustainability Report:** organizational.

**Key issues and concerns**

- Timely communication.
- Financing.
- Timely attention to requests for information.

At KCM, we identify who our main stakeholders are based on the relevance and impact they have in our activities.

# Materiality

3-1, 3-2

The origins of our Sustainability Strategy are the topics that, along with our stakeholders and the sector to which we belong, we consider relevant in terms of impact, and that we derived from the materiality analysis updated in 2021 using the Global Reporting Initiative (GRI) recommended methodology.

We identified the topics in which we impact or may impact us positively or negatively, currently or potentially, in our financial performance, the environment, as well as to people and human rights through our operation, value chain or business relationships.


In accordance with the Sustainability Accounting Standards Board (SASB), the requirements of the S&P Corporate Sustainability Assessment (CSA), the Carbon Disclosure Project (CDP), Morgan Stanley Capital International (MSCI), and the Sustainable Development Goals (SDGs), we include in our analysis the relevant issues for our industry, as well as topics from the Forest Stewardship Council® (FSC®) and the Rainforest Alliance, among other ESG initiatives.

Throughout this report, we share the actions and initiatives we carried out during 2022 in relation to the 10 priority material topics.



Material topic	Type of impact	Related policies	Actions taken to mitigate impacts
Water and effluents management	Actual, potential and negative to the economy, the environment and people.	<ul style="list-style-type: none"> <li>• Safety, Occupational Health, and Environment Policy.</li> <li>• Energy Efficiency and Reduction of Greenhouse Gases Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of water management strategy.</li> <li>• Projects for the modernization of wastewater treatment plants.</li> </ul>
Design and innovation of sustainable products	Potential and positive to the economy, the environment and people.	<ul style="list-style-type: none"> <li>• Product Quality Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in R&amp;D for new products.</li> </ul> *See R&D section on page 61.
Talent development and training	Actual and positive for people and human rights.	<ul style="list-style-type: none"> <li>• Human Rights and Inclusion, Diversity, and Equity Policy.</li> <li>• Interns Program Policy.</li> <li>• Training in the English Language Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in training programs.</li> <li>• Training platform management.</li> </ul>
Consumer satisfaction	Actual and positive to the economy and people.	<ul style="list-style-type: none"> <li>• Product Quality Policy.</li> <li>• Consumer and Institutional Product Promotions Policy.</li> <li>• Self-regulation and Ethical Practices for the Use of Advertising, Promotions and Marketing Tools.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous follow-up to comments, complaints, suggestions, claims and congratulations.</li> </ul> *See Consumer Care and Attention Center on page 64.
Climate change and emissions	Actual, potential and negative to the economy, the environment and people.	<ul style="list-style-type: none"> <li>• Safety, Occupational Health, and Environment Policy.</li> <li>• Energy Efficiency and Reduction of Greenhouse Gases Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of an Organizational Life Cycle Analysis study of all KCM operations.</li> </ul>
Waste	Actual and negative to the environment.	<ul style="list-style-type: none"> <li>• Safety, Occupational Health, and Environment Policy.</li> <li>• Integral Waste Management Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Waste separation and recovery.</li> </ul>
Energy management	Actual and negative to the environment and people.	<ul style="list-style-type: none"> <li>• Safety, Occupational Health, and Environment Policy.</li> <li>• Energy Efficiency and Reduction of Greenhouse Gases Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in new technologies.</li> </ul>
Occupational health and safety	Actual and positive to people.	<ul style="list-style-type: none"> <li>• Safety, Occupational Health, and Environment Policy.</li> <li>• Psychosocial Risk Prevention Policy (NOM 035 STPS).</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in training on EHS topics.</li> <li>• Implementation of NOM-035-STPS-2018 psychosocial risk factors at work.</li> </ul>
Forest impact	Actual, potential and negative to the environment and people.	<ul style="list-style-type: none"> <li>• Safety, Occupational Health, and Environment Policy.</li> <li>• Sustainable Fiber Procurement Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• We reached our goal that by 2022 100% of our virgin fibers will come from sustainable sources.</li> </ul>
Responsible supply chain	Potential and positive to the economy, the environment, people and human rights.	<ul style="list-style-type: none"> <li>• Sustainable Fiber Procurement Policy.</li> <li>• Social Compliance Standards for Suppliers.</li> <li>• Guidelines and Principles Guide - Social Responsibility and Sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of certified virgin fibers.</li> </ul>

Below, we present the three most important material topics for KCM and their business cases.

Material topic	 <b>Water and effluent management</b>	 <b>Design and innovation of sustainable products</b>	 <b>Talent development and training</b>
<b>1</b> Business case	Numerous of our products and the daily operation of our facilities are dependent on water. We primarily utilize water in the dilution and transport of fibrous materials for paper production, as well as in essential processes in our production chain (such as the generation of vapor for drying processes). In case that water becomes scarce, KCM's revenue could decrease due to the high cost of obtaining water, and there would be a danger of operation closure.	Providing our customers and consumers with the best experience through our brands, <i>every day, for a lifetime</i> , and anticipating their needs with innovative products, we aim to increase our market leadership, the number of consumers who choose our products, and thus continue to grow and generate more revenue for the company.	The training and development of employees is a tool for enhancing the company's human capital. Training improves employees' skills and knowledge so that they can perform successfully in all aspects of their jobs. It also improves the attraction and retention of talent, as well as the motivation of employees, while increasing productivity and fostering innovation.
<b>2</b> Impact	Water scarcity poses a risk to the business.	Sustainable product innovation has a direct impact on the company's revenue, to the advantage of both consumers and the environment.	The lack of employee training and development poses a threat to the organization.
<b>3</b> Strategy	Aware of the significance and value of this resource, we invest frequently in technological innovations that enable us to use coagulation, sedimentation, flocculation, flotation, aeration, and disinfection systems to treat water internally and recirculate it in our processes, resulting in a more efficient process with decreased water consumption.  In addition, our website contains public environmental policies that emphasize to ensure that all operations and activities of the company fully comply with environmental legislation and regulations applicable to our country regarding to water-related issues.	Our Innovation, Research and Development (R&D) department collaborates with the Innovation Centers of Kimberly-Clark Corporation, our business partner. We evaluate new technologies, innovative and safe materials, as well as the rate of project success and return on investment. As a part of their feasibility evaluation, new products are evaluated using ESG criteria.	We strive to continuously offer courses and training to all employees within the organization. Throughout 2022, a variety of courses and training programs focused on enhancing the working conditions and quality of life of employees, as well as topics for the development of soft skills, which we track using key performance indicators. The training for these courses was both internal and external.
Related goal	<b>25%</b> reduction in our use of fresh water.	<b>100%</b> of our virgin fibers will come from sustainable sources.	<b>100%</b> of employees with training programs.
Base year	2015	2015	2015
Target year	2030	2022	2030
Progress 2022	<b>8%</b> of <b>25%</b>	<b>100%</b>	<b>100%</b>

We are working on renewing our double materiality analysis with the aim of identifying and weighing both actual and potential risks and opportunities associated with our material topics. The outcomes of this analysis will be updated in our 2023 Sustainability Report.

# Risks and opportunities management

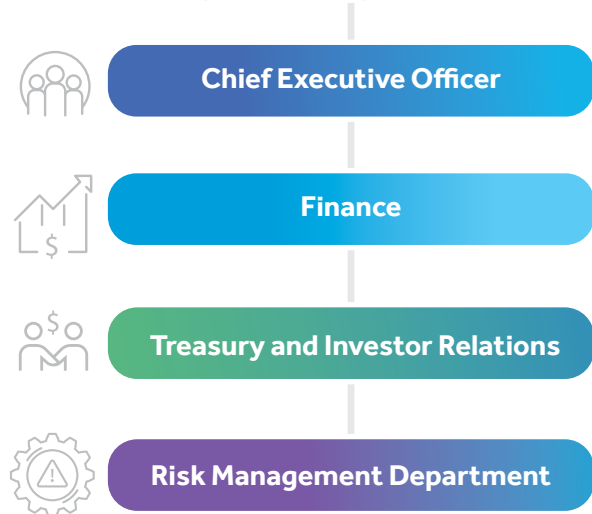
2-12, 201-2

We are committed to strengthen our processes to identify, mitigate and timely address the risks<sup>1</sup> we face, and to turn every risk into an opportunity for learning and growth.

For this, and in order to ensure the continuity and strategic planning of the business, we have implemented an **internal control process**.



## Risk Management Organization Chart



**Internal control process**

- Risk identification through the Risk Management Department and key areas of each plant or corporate office, with the support of external professionals.
- Risk assessment to determine their probability of occurrence, severity, and potential impact on harm or loss.
- Establishment of measures for the elimination or control of risks in which alternatives are analyzed in order to select the most responsible and effective solution.

If these measures are insufficient to eliminate or control the risk, the possibility of taking additional measures, such as purchasing insurance policies, is evaluated.

We also evaluate internal and external climate change, regulatory, health, security, economic, political, social, and environmental risks, to which we may be exposed, and which are not directly related to our business but may have an impact on our ability to operate.

We rely on data produced by the National Center for Disaster Prevention (CENAPRED, by its acronym in Spanish) to evaluate and address climate change-related risks. This information is mainly related to the vulnerability of the regions in Mexico where our operating plants and offices are located and allows us to define the necessary actions to mitigate the risk or implement adaptation actions, as well as to develop contingency plans that allow us to reduce the impacts of natural phenomena such as hurricanes, rains, landslides, floods, and droughts.

<sup>1</sup> Check out our table of risks and opportunities in the Annexes.

## Emerging risks

Water scarcity and extreme weather events are two of the significant emerging long-term hazards that may have the greatest future impact on our organization.



### Extreme weather events

Extreme weather conditions can impact the infrastructure of our facilities, our suppliers, and/or the infrastructure we use for product distribution (roads, sidewalks and bridges) as a result of natural disasters. These occurrences may result in an interruption of operations due to a shortage of raw materials or a lack of deliveries of finished products.

## Task Force on Climate-related Financial Disclosures (TCFD)

Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we conducted a gap analysis in 2021 to identify, assess, and manage the risks and opportunities related to climate change that the company faces.



We seek to identify, evaluate and manage risks and opportunities related to climate change that the company faces.

## TCFD Governance

2-23, 2-24, 2-25

Risk management is delegated to diverse management positions, which receive information about the risks and opportunities of climate change from the areas that report to them and are in direct contact with the issues and trends that are impacted by them.

Reputational risks are conveyed to both the Senior Management and the Board Chairman. On the other hand, the identification of acute/severe physical risks arising from climate change are within the scope of the risk management department's processes.



## Climate-related risks and opportunities

		Level of communication and frequency of reporting	
<b>Physical</b>	Severe / acute	Senior Management	A year and a half
	Chronic		As required
<b>Transition</b>	Legal political	Operational directions	When risk is detected
	Technological	Senior Management	In management meetings with the CEO
	Market	Senior Management	
	Reputational	Board of Directors	As required
<b>Opportunities</b>	Resource efficiency	Senior Management	In management meetings with the CEO
	Energy source		
	Products and services		
	Markets		
	Resilience		
<b>Associated financial impacts</b>		Board of Directors	As required

## TCFD Strategy

We identified three significant climate change risks for the company in the short term, as well as two opportunities associated with corporate goals.

### Risks

Type	Description	Horizon	Probability	Magnitude
Acute / severe physical	Damage to inventories due to flooding.	Short (1-5 years)	Unlikely	Moderate
Acute / severe physical	Interruption in customer distribution activities due to floods / hurricanes.	Short (1-5 years)	Very likely	Moderate
Acute / severe physical	Lack of natural gas supply due to weather events.	Short (1-5 years)	Unlikely	Moderate

### Opportunities

Type	Description	Horizon	Probability	Magnitude
Resilience	Increase in the use of post-consumption water in production processes.	Medium (5-10 years)	Almost certainly	Not evaluated
Efficiency	Reduction in fuel use.	Medium (5-10 years)	Almost certainly	Not evaluated

In terms of our strategy, the risks and opportunities of products and markets have an expanding impact.

#### Products and services

In our portfolio, we include products with improved environmental attributes, such as increased durability, raw materials derived from sustainable sources, and reduced generation of greenhouse gas emissions (GHG) in its production, among other characteristics. A market study indicates that consumers prefer products of brands that have smaller environmental impact.

#### Supply chain and/or value chain

We determined that climatic events could disturb the supply chain not only by disrupting the supply of raw materials or the distribution of products to customers, but also by disrupting the availability of resources such as electricity or water.

In the value chain, consumers have been the driving force behind the incorporation of products with improved environmental characteristics into our catalog.

#### Mitigation and adaptation activities

We increased our investment in the adoption of mitigation measures in operational facilities to make them more resilient to climatic events, which has yielded clear benefits, as the number of extreme climatic events has increased without a corresponding increase in their negative effects on the business. Similarly, planning schemes for the supply of basic materials have been enhanced.

#### Investment in research and development

Currently, climate issues have not had a significant impact on research and development expenditures; however, there has been a slight increase in the production costs of products with better environmental attributes, such as material and process efficiency, among others.



## TCFD Risk Management

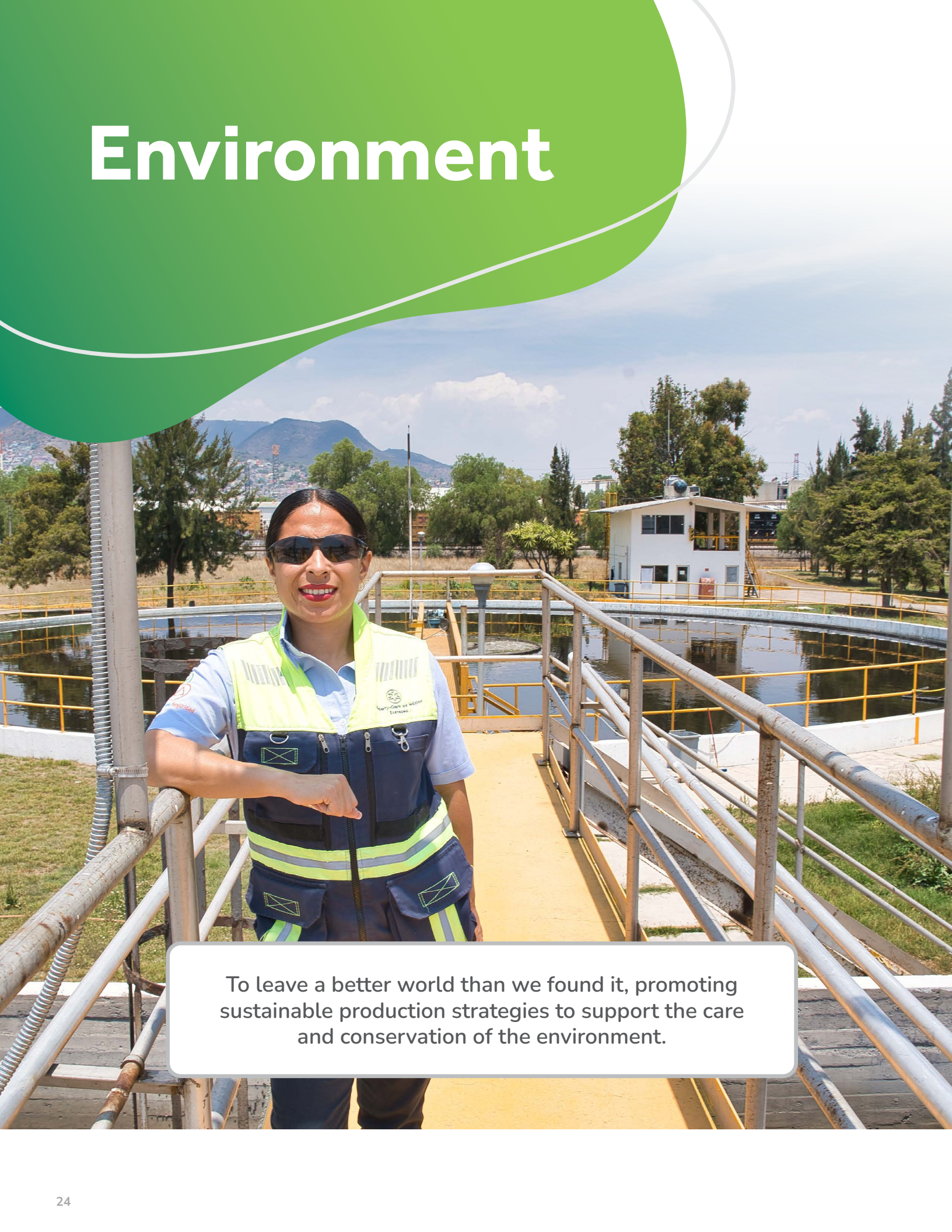
201-2

We identify and mitigate physical, political, and reputational risks. We have established processes for their management, but they are not part of an organizational system for risk management. Current processes only allow the detection of short-term risks, and each department has its own methodology and way of rating risks, with the risk management area being the only one to evaluate risks based on their occurrence frequency and business impact magnitude.

**These efforts have allowed us to set the foundation for a climate change and resilience strategy.**

Type of risk	Responsible department	Period in which it could be manifested	Process description	Response actions
Physical acute / severe	Risk management	Short (1-5 years)	<p>Each year, the Risk Management department compiles a list of business risks and assesses their potential financial impact and occurrence frequency. Those risks with the potential to have a significant financial impact on the organization are subsequently eliminated, reduced or managed.</p> <p>The identification of acute physical risks is carried out with the assistance of the databases of the National Center for Disaster Prevention (CENAPRED, by its acronym in Spanish) to identify vulnerable facilities, and additionally, the opinion of risks specialists from insurers is available.</p>	If the risk has the potential to have a financial impact on the company, alternatives to insuring it through a policy are pursued, and a follow-up is maintained.
Political	Sustainability and Environment Legal	Short (1-3 years)	<p>The area of Sustainability and Environment is responsible for identifying operational political risks related to climate change. Environmental regulatory issues are reviewed and discussed through the company's participation in the environmental and water improvement commissions of the National Chamber of Paper and the water and sustainability and climate change commission of the Confederation of Industrial Chambers of the United Mexican States (CONCAMIN, by its acronym in Spanish).</p> <p>In addition to being close to local authorities, the Legal department monitors concurrently both local and federal legislative processes and participates in the analysis of initiatives with chambers and confederations of industrialists for their follow-up and advocacy. Risks are ranked according to the number of operating facilities that may be affected and the financial impact that noncompliance or adjustments to operations may have on the business.</p>	When a political risk is detected, it is reported to the different operational levels.
Reputational	Institutional communication	Short (1-1.5 years)	Daily, the Institutional Communication department monitors social media and media, as well as, when applicable, consumer comments on journalistic articles pertinent to KCM. The risks are ranked according to their potential impact on the brand value and financial indicators of the organization.	In case it is identified a risk that could affect the company's financial indicators, the KCM Crisis Committee is activated to deliberate and make decisions regarding how to address the issue.

# Environment



To leave a better world than we found it, promoting sustainable production strategies to support the care and conservation of the environment.

# Environmental management

As a manufacturer of hygiene and personal care products, we recognize the significance of environmental protection and of contributing to a sustainable future. Therefore, we employ procedures and practices that reduce our carbon footprint and minimize our products' environmental impact.

We are committed to use sustainably sourced materials, and we work with suppliers who share our concern for the environment. In addition, we have adopted recycling and reuse practices in our facilities to reduce waste and save resources.

We understand that sustainability is an ongoing process, so we are committed to continue looking for ways to improve our practices and reduce our environmental impact. We pride ourselves on offering quality products that are not only preferred by our customers and consumers, but also friendly to the planet. Kimberly-Clark de México's **Safety, Occupational Health, and Environment Policy** is our guide to achieve these commitments, as well as to comply with applicable laws and regulations<sup>1</sup>.

The Safety, Occupational Health, and Environment Policy considers, among others, the following objectives:

- Integral waste management
- Efficient use of water and discharge control
- Energy efficiency and greenhouse gases reduction
- Procurement of sustainable fibers

Each of our facilities has an Environmental Coordinator who is responsible for establishing working teams with the different company departments to implement environmental management projects in daily operations.

In addition, along with the Sustainability team and the Safety Coordinators of each facility, they verify the implementation of the **Environmental Management System** and monitor the environmental impacts of our processes for their control and reporting.

## Our Environmental Management System is based on ISO 14001.

In order to maintain an efficient and responsible operation, the Executive Sustainability Committee meets frequently to assess KCM's environmental management performance and reports to the CEO, who turns updates to the Board of Directors.



Dedicated to do the essential extraordinary, with less environmental impact.

Through our actions we contribute to the following SDGs:



<sup>1</sup> See our Safety, Occupational Health and Environment Policy: <https://www.kimberly-clark.com.mx/data/2023/SOST/POLSSMA.pdf>

# Sustainable sourcing

We develop and implement strategies and procedures to ensure that our suppliers comply with ethical and environmental requirements. Moreover, we collaborate to enhance their sustainable practices and reduce the environmental impact of our products.

**We are continually seeking for new methods to improve our practices and reduce environmental impact in the sourcing process.**

**Our suppliers of cellulosic fibers hold the following sustainable certifications:**

- Forest Stewardship Council® (FSC®) License FSC-C140370
- Sustainable Forestry Initiative
- Program for the Endorsement of Forest Certification Schemes
- Canadian Sustainable Forest Management (CSA)



## Fibers

3-3, 301-1, 301-2, 301-3



**Commitment achieved:**

- 100% of our virgin fibers will be derived from sustainable sources by 2022.



Fibers are the main used material in the manufacturing of our products, so selecting the proper fiber is crucial to ensuring the quality, durability and comfort of our products. We source both virgin and recycled fibers, also known as secondary fibers.

We work to ensure that virgin fibers are sourced from sustainably certified forests and that our suppliers are also sustainably certified. This enables us to ensure that these fibers are responsibly sourced and adhered to internationally recognized standards.

In addition to the use of certified virgin fibers, we are transitioning towards a circular economy, so our facilities in Coahuila, Estado de México and Querétaro continue to recycle and process more post-consumer paper. These facilities are equipped with cutting-edge technology to perform this function on our production lines.

**In 2022, a recycling rate of 60% was reached, which means that the largest amount of cellulosic fibers used in our processes were secondary fibers.**

## Fibers used (Tons)

	2015	2020	2021	2022
Virgin fiber	168,504	248,266	239,806	250,183
Recycled fiber	549,772	488,755	457,843	458,407
<b>Total</b>	<b>718,276</b>	<b>737,021</b>	<b>697,649</b>	<b>708,590</b>



## Plastics and packaging

CG-HP-410a.2



### Commitments:

- 50% reduction of fossil-based virgin plastics in our packaging and products by 2030.
- 100% of our packaging will be recycled or recyclable or reusable or compostable by 2023.

We continue implementing good recycling and reuse practices in our facilities as an effort to reduce waste and save resources. Likewise, we implement strategies and procedures to ensure that our packaging is environmentally friendly, using recycled and recyclable materials.

In addition, we look for new materials and technologies to continue enhancing our packaging processes and reducing the size and weight of our packaging, thereby minimizing resource consumption and facilitating transportation.

Aligned with our commitment to reduce the environmental impact of the stowage process, at KCM we use reusable CHEP type pallets to transport products.

## Water management

3-3, 303-1, 303-2, 303-3, 303-4, 303-5, CG-HP-140a.1,

CG-HP-140a.2



### Commitment:

- 25% reduction in our fresh water use by 2030.

We are aware that water is an essential resource for our company and for society as a whole. Thus, we are committed to its sustainable management in all our operations.

The **Efficient Water Use and Discharge Control Policy** of KCM is a fundamental element of our strategy to ensure the responsible and efficient use of water. We comply with Mexican regulations regarding the administration and use of this resource.

At KCM, water is primarily used for the dilution and transportation of fibrous materials for papermaking, as well as for the generation of steam for paper curing processes.

### Some of our products have the following certifications:



**Green Seal™.** Certifies us as a supplier of products with content up to 60% recycled fiber.



**Ecologo®.** Certifies that the products do not cause damage to the environment or health during their manufacture, use, and disposal.



**Forest Stewardship Council® (FSC®)** License FSC-C140370. Certifies the chain of custody management of the fibers from the forests to their transformation.



Our water sources include subsoil and surface water bodies, as well as post-consumption water use.

We are aware of the significance and value of water, so each year we invest in technological innovations to treat and recirculate water within our processes. We employ coagulation, sedimentation, flocculation, flotation, aeration and disinfection systems in the facilities to ensure sustainable water management.

All of our operations discharge treated wastewater to national receptors, with the exception of the PROSEDE facility, which discharges into the municipal sewage system.

Once we have used the water in our operating processes, it is treated before its final discharge; in this regard, we comply with applicable environmental legislation, such as NOM-001-SEMARNAT-2021, NOM-002-SEMARNAT-1996 and the Federal Rights Law.

In the Morelia facility operations, 100% of the water used is municipally treated wastewater, while in the Ecatepec facility operations, the 94.8% of the water used in 2022 corresponded to wastewater that was treated at the plant's facilities prior to use; **this means that of 100% of the water used by all KCM operations in 2022, 52% corresponded to post-consume water.**

### Volume of water used by supply source (m<sup>3</sup>)<sup>2</sup>

	2015	2020	2021	2022
Groundwater or well water	5,201,752	5,741,777	5,557,473	5,226,227
Fresh surface water	1,642,215	1,114,427	1,050,444	1,124,669
Post-consumer surface water	6,230,279	5,892,514	6,526,726	6,876,245
<b>Total</b>	<b>13,074,246</b>	<b>12,748,718</b>	<b>13,134,643</b>	<b>13,227,141</b>

Note. 92% of the fresh water used comes from areas with water stress.

### Volume of water discharged by destination (m<sup>3</sup>)<sup>2</sup>

	2015	2020	2021	2022
Surface water	5,830,708	5,827,025	6,681,879	6,971,241
Groundwater	5,175,143	6,722,325	6,367,907	5,875,198
<b>Total</b>	<b>11,005,851</b>	<b>12,549,350</b>	<b>13,049,786</b>	<b>12,846,439</b>

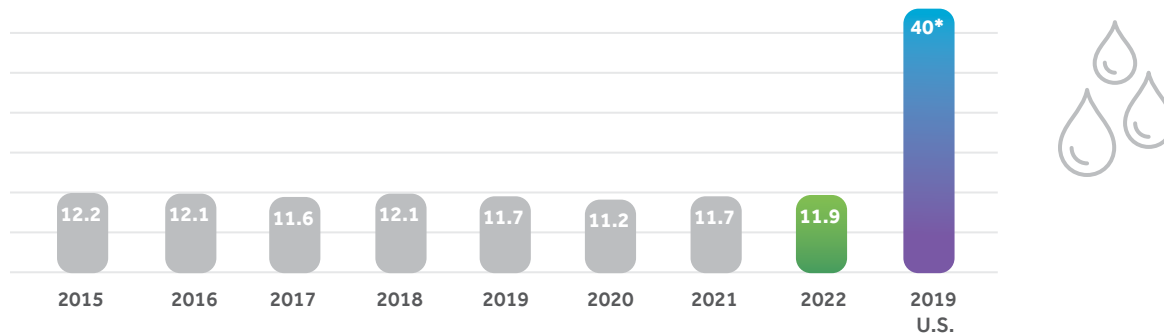
Note. This includes volumes produced by our operations that are transmitted to a third party for treatment and discharge, as well as volumes generated by third parties that are processed and discharged by our operations.

### Water intensity (m<sup>3</sup>/ton produced)

Description	Tissue			Personal care			KCM Global Index			
	2020	2021	2022	2020	2021	2022	2015	2020	2021	2022
Water usage per ton produced	14.85	15.04	14.45	1.09	1.04	1.04	12.21	11.16	11.67	11.89

<sup>2</sup> To convert to megaliters, divide by 1,000.

## Water intensity (m<sup>3</sup>/ton produced)



\*Average of water used by the pulp and water industry in the US, according to the study "International Comparison of Standards Applicable to Pulp and Paper Industry Water Discharges" prepared by the National Chamber of Pulp and Paper Industries in 2019.

## Energy and emissions

3-3, 302-1, 302-2, 302-3, 302-4



### Commitment:

- 50% reduction in our direct greenhouse gas emissions by 2030.

We strive to reduce our carbon footprint through the implementation of sustainable energy technologies and practices. This includes investing in highly energy efficient equipment and processes.

In addition, we collaborate with providers of renewable energy to increase our share of clean energy and decrease our reliance on fossil fuels.

Energy management is a key priority in our sustainability strategy and we will continue to work to improve our performance in this topic.



### Fuel consumption 2022



Type	GJ
<b>Mobile Sources</b>	
LP Gas	110,468
Gasoline	1,456
Diesel	3,943
<b>Total</b>	<b>115,867</b>
<b>Fixed sources</b>	
Natural gas	4,281,581
<b>Total</b>	<b>4,281,581</b>

### Energy consumption by source 2022

Source	MWh	GJ	MMBTU
Natural gas	-	4,281,581	4,058,156
Steam	-	1,432,034	1,357,307
Wind energy	9,758	35,130	33,297
Electricity (SEN)	626,538	2,255,536	2,137,835
Electricity (Cogeneration)	401,577	1,445,679	1,370,239
<b>Total</b>	<b>1,037,873</b>	<b>9,449,960</b>	<b>8,956,834</b>

SEN: National Electric System (Sistema Eléctrico Nacional).

### Energy consumption by type of source

GJ

Source	2015	2020	2021	2022
Natural gas	5,414,556	4,226,076	4,132,811	4,281,581
Steam	249,565	1,360,672	1,358,696	1,432,034
Wind energy	42,892	43,727	52,090	35,130
Electricity (SEN)	648,518	265,072	194,930	2,255,536
Electricity (Cogeneration)	2,936,876	3,533,475	3,434,836	1,445,679
<b>Total</b>	<b>9,292,407</b>	<b>9,429,022</b>	<b>9,173,363</b>	<b>9,449,960</b>

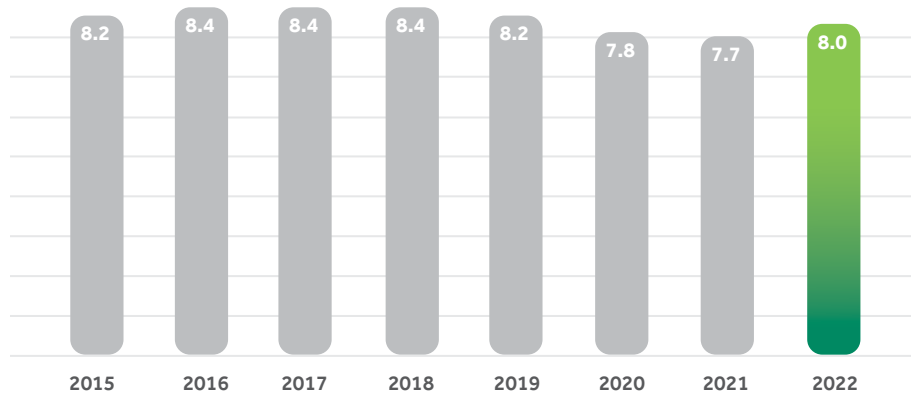
SEN: National Electric System (Sistema Eléctrico Nacional).

### Energy intensity (MMBTU/ton produced)

Description	Tissue			Personal care			KCM Global Index			
	2020	2021	2022	2020	2021	2022	2015	2020	2021	2022
Energy consumption per ton produced	11.62	12.31	12.42	1.71	1.38	1.37	8.22	7.82	7.73	8.05



## Energy intensity (MMBTU/ton produced)



Aware of the negative impacts of climate change, we design and implement mitigation and adaptation measures. In accordance with the applicable regulations in Mexico, we quantify, report and verify our Greenhouse Gas (GHG) emissions on an annual basis.

3-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7

## Total GHG emissions<sup>3</sup>

Tons of CO<sub>2</sub>e

Type	2015	2020	2021	2022
Direct emissions	360,166	244,376	239,618	248,001
Indirect emissions <sup>4</sup>	433,649	470,779	434,063	470,515
Scope 3 emissions*	33,961	37,893	37,758	39,785
<b>Total</b>	<b>827,776</b>	<b>753,048</b>	<b>711,439</b>	<b>758,301</b>

\*Emissions of years 2015, 2020 and 2021 were recalculated with respect to the data of the 2021 Sustainability Report, because direct emissions that are not scope 3 were included in these years. Scope 3 emissions correspond to a partial measurement, not total, and consider only the emissions of SODISA.

## Other air emissions

Tons

	2015	2020	2021	2022
NO <sub>x</sub>	300.9	207.0	178.7	184.7
SO <sub>x</sub>	1.7	1.3	1.1	1.1
PST	22.6	17.4	13.7	14.3
VOCs	15.2	11.5	9.9	10.4



<sup>3</sup> Reported emissions include the gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.

<sup>4</sup> According to the new provisions of SEMARNAT in the use of the electrical emission factor, our indirect emissions result in 491,546 tCO<sub>2</sub>e. In the case of this report, the reported emissions were calculated using the IPCC methodology.

### Emissions intensity\* (tCO<sub>2</sub>/ton produced)

Description	Tissue			Personal care			KCM Global Index			
	2020	2021	2022	2020	2021	2022	2015	2020	2021	2022
Emissions per ton produced <sup>5</sup>	0.89	0.92	0.96	0.21	0.16	0.17	0.74	0.63	0.60	0.65

### Emissions intensity\* (tCO<sub>2</sub>/ton produced)



Bajío facility participates voluntarily in the Emissions Trading System Test Program, promoted by SEMARNAT.

\*This index includes Scope 1 and 2 emissions.

## Waste

3-3, 306-1, 306-2, 306-3, 306-4, 306-5



#### Commitment:

- ZERO waste sent to landfills as a result of our processes by 2025.

Our **Integral Waste Management Policy**, which emphasizes the reprocessing and recycling of materials to produce other goods, enables us to reduce waste production.

### Waste generated at KCM



Special handling waste



Municipal solid waste



Hazardous waste

Our waste management is based in the General Law for the Prevention and Integral Waste Management (LGPGIR, by its acronym in Spanish) and its Regulations, as well as the Official Mexican Standard NOM-161 SEMARNAT-2011.

<sup>5</sup> According to the new provisions of SEMARNAT in the use of the electrical emission factor, our emission intensity results in 0.67 tCO<sub>2</sub>e/ton produced. In the case of this report, the reported emissions were calculated using the IPCC methodology.

## Non-hazardous waste generated in 2022

Destination (Ton)			
Type of waste	Valorization	Landfill	Total
Sludge wastewater treatment	344,517	0	344,517
Paper	3,537	7	3,544
Plastic	17,171	12	17,182
Mixed plastic	4,574	106	4,680
Plastic mixed with cellulose	775	0	775
Wood	3,074	1	3,075
Metal	2,574	1	2,575
Cardboard	6,839	2	6,841
Other	1,829	7,869	9,697
<b>Total</b>	<b>384,890</b>	<b>7,997</b>	<b>392,887</b>



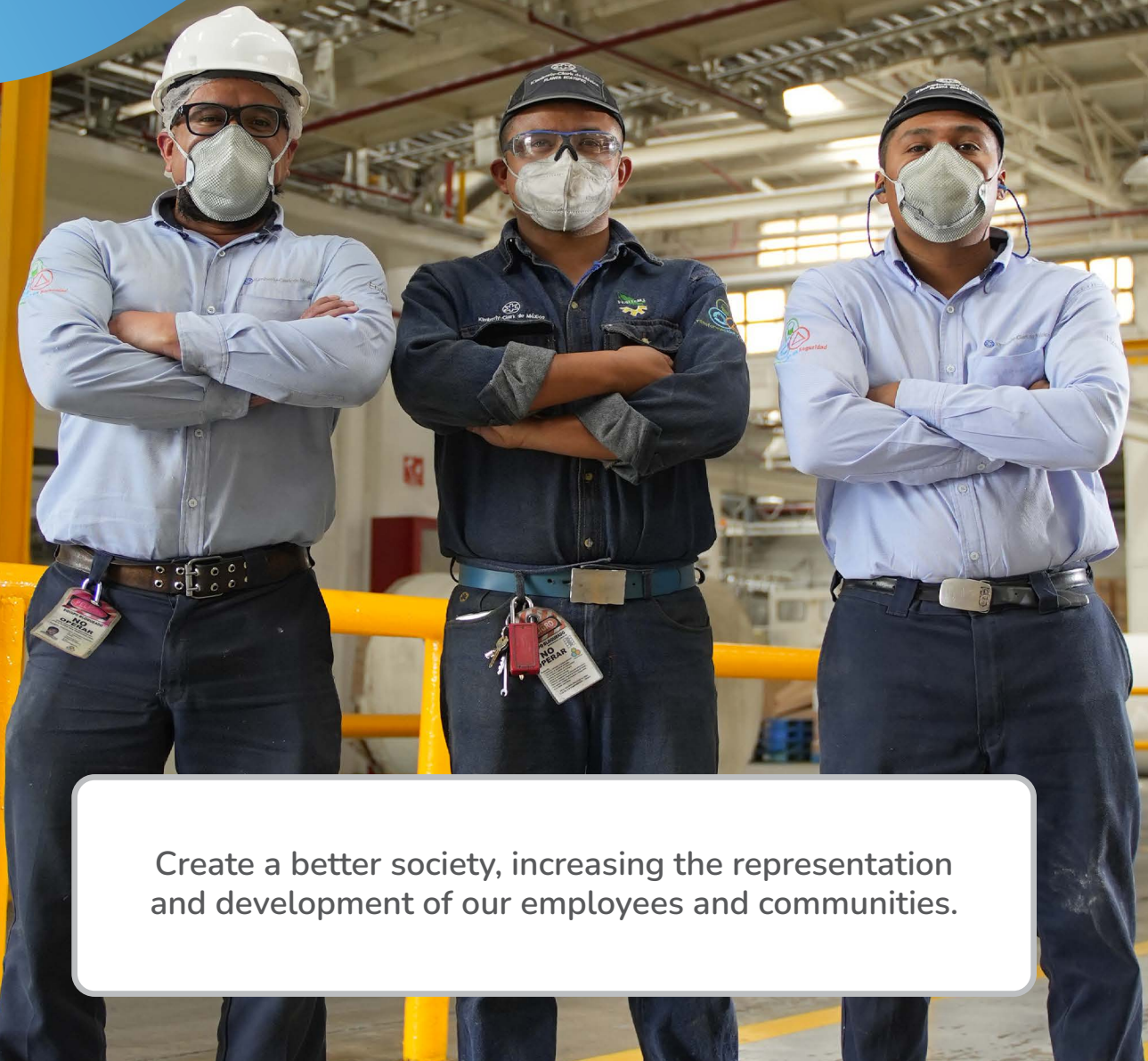
	2015	2020	2021	2022
<b>Destination</b>	<b>Tons</b>			
Valorization	398,091	339,551	358,151	384,890
Landfill	1,001	7,299	7,522	7,997
<b>Total</b>	<b>399,092</b>	<b>346,850</b>	<b>365,673</b>	<b>392,887</b>

Since 2013 we have participated in the Management Plan for Paper and Cardboard Waste in Mexico of the National Chamber of the Pulp and Paper Industry. Similarly, we manage an electronic and electrical waste management plan that we share to the Environmental Authority of Mexico City and we participate in the Plastic Waste Management Plan of the National Chamber of the Cosmetic Products Industry.



98% of the waste generated in our operations is recovered for reuse and/or recycling by thermal revaluation.

# Our communities



Create a better society, increasing the representation and development of our employees and communities.

# Employees



- Improve the workspace.
- Promote good habits in favor of the health of employees.
- Reduce injuries and accidents at work.



Dedicated to do the  
essential extraordinary,  
with social commitment.

Through our actions we contribute  
to the following SDGs:



## Our team

2-7, 407-1

We have a team of 8,748 employees who are committed to achieve our mission and to meet the needs of our customers and consumers.



Women

**1,171**

Of the total number of employees, **7,208** have a permanent contract and **1,540** have a temporary contract. Our entire staff works full time.



Men

**7,577**

Our hiring and promotion procedures are fair and non-discriminatory, as well as our salaries and benefits, which correspond to the professional category occupied by each employee.

Employees play a crucial role in the operation of KCM. In the interest of incorporating committed and talented individuals into our team, our value proposition includes attractive compensation and benefits, as well as continuous training and development, a decent working environment, and inclusive workspaces.

**All our employees have freedom of association. 70% of our workforce is unionized.**

We enhance local employment by hiring individuals who reside close to our workplaces, so they can maintain a healthy balance between their personal and professional lives. In addition, we consider the internal application of employees in the process of filling vacant positions, and only if the profile cannot be filled internally, we seek external candidates.

	Unionized	Non-unionized
Women	552	619
Men	5,543	2,034
Total	6,095	2,653



In 2022, the organization had 3,001 open positions, of which 530, equivalent to 18%, were filled by existing employees.

## Compensation and benefits

201-3, 401-2

We are committed to the well-being of our team, so we provide benefits that exceed what is required by law in Mexico, so that they can improve their quality of life and have a sense of security and stability in their career.

We believe in fostering a work environment in which our employees feel valued and appreciated, which includes compensation that is fair and equitable for all. We have a Compensation scheme that establishes the remuneration and benefits for each employee based on their position and individual performance, fairly and without gender distinctions or any other condition of diversity.

In addition, our Compensation Committee evaluates and authorizes salary increases, changes to benefit programs, and specific compensation program details on an annual basis.

In accordance with the company's compensation philosophy, "if the company succeeds, so does the staff," KCM paid its employees over \$719 million Mexican pesos in Profit Sharing in 2022.

Alternatively, in addition to the benefits provided by the Mexican Institute of Social Security (IMSS, by its acronym in Spanish) to our employees for retirement or old age pension, some of our plants' collective labor contracts establish Retirement Policies with an additional benefit.

KCM has a Pension Plan that provides additional benefits to non-union employees who are 65 years old and have at least 10 years of service. This plan is funded by a trust, which performance is evaluated annually by actuaries to determine its obligations and costs.

At KCM, we value all our employees, including those who are approaching retirement. Therefore, we provide assistance for everyone coming close to retirement by preparing them for the next phase of their lives.



### Benefits to employees

- ✓ Cafeteria.
- ✓ Savings fund.
- ✓ More holidays than required by law.
- ✓ Advanced profit sharing partial payment.
- ✓ Preferential price on products.
- ✓ Vacations and vacation bonus.
- ✓ More days of Christmas bonus than those established by law.
- ✓ IMSS subsidy for incapacity.
- ✓ Savings plans.
- ✓ Preferential interest loans for non-union employees.
- ✓ Monthly package of company products.
- ✓ Life insurance.
- ✓ Medical insurance.



### For those who have family

- ✓ Scholarships for children.
- ✓ Assistance in case of relative's death\*.
- ✓ Assistance with school supplies.
- ✓ Medical insurance that covers spouse and children.
- ✓ Additional maternity or paternity leave days in case of pregnancy or birth complications.
- ✓ Permits to attend matters related to children's daycare and schools.
- ✓ Breastfeeding rooms.

\*Only applies to unionized employees.

## Training and development


3-3, 404-1, 404-2, 404-3

It is crucial for KCM to have a highly trained and motivated team. Therefore, we invest in our talent and provide them with the tools and resources they require to realize their ambitions and advance in their careers. In 2022 we invested \$3,018,753 Mexican pesos in training for our employees.

Our training programs are intended for both internal and external personnel (apprentices, interns, promoters, demonstrators, and agency employees). Some are taught face-to-face due to their nature, but we also continue to offer digital courses that are available and within the reach of most employees.

We have an online training platform that enables us to provide more agile training, based on microlearning, on soft and hard skills, with broad availability and coverage, so that our employees can be trained on a variety of topics and have simple device-based access. This allows us to meet training requirements in less time and make more efficient use of our resources.

During the first months of the platform's implementation in 2022, we had a participation of 70% of the users registered to the platform, with over 2,000 courses started and over 117,000 minutes of training.



In 2022, **1,723 courses** were provided through the UBITS platform

### Training

	2020	2021	2022
Number of courses offered	4,998	7,621	7,680
Employee training index (hours)	76.68	62.74	53.01

We offered 7,680 courses that represented more than 463,000 hours of training.

### Main programs taught



**Quality**  
Manufacturing practices, quality management system, and variables process control.



**Safety**  
Diffusion of EHS policy, people-centered safety and Safety standards.



**KCM Bienestar Program**  
Policies on financial issues, health care and emotional care.



**Inclusion, Diversity, and Equity**  
Talks and workshops focused on these topics.



**Innovation and Sustainability Weeks**  
Conferences and workshops focused on innovation and sustainability topics.



**Programs for leaders and soft skills development**  
Effective leadership, communication skills, and emotional intelligence.



**In 2022 we provided 53 hours of training on average to the entire workforce.**

We also promote respect for human rights and provide training and awareness-raising sessions on this topic.

In 2022, we offered a variety of courses aimed at enhancing the well-being of our employees, their families and their environment.

On the other hand, considering the new operations and strategies implemented in some of our facilities and the acquisition of new equipment, we provided our team with specialized training with the goal of updating their knowledge and technical skills for their safety and professional growth.

Conscious that what is not measured cannot be improved, we evaluate the performance of our employees on a regular basis to determine whether they are fulfilling their responsibilities and to identify their strengths and opportunities for growth. In addition to determine salary increases in accordance with our Compensation Policy, we can establish development and training programs to improve their skills based on the results.

**Occupational health and safety**

3-3, 403-1, 403-2, 403-8, 413-1

KCM prioritizes the safety and well-being of its employees. We strive to provide reliable and safe work environments.

Through the implementation of six leadership imperatives, we strive to achieve our vision of being recognized as the best company in Safety, Health, and Work Environment in the entire industry. In addition, all of our manufacturing, logistics and subsidiary operations use the EHS<sup>2</sup> Management System, which complies with ISO 45001 and ISO 14001, and is aligned with NOM-030-STPS-2009.



**Safety leadership imperatives**

1. Consistent EHS leadership.
2. Positive EHS interactions.
3. Reduce risk tolerance.
4. Empower employees and contractors.
5. Ensure consistency in safe work practices.
6. Aligned incentives and metrics.



**We evaluated 95.3% of our employees<sup>1</sup>.**

<sup>1</sup> The rest of the employees were not evaluated due to their recent entry or promotion during 2022.  
<sup>2</sup> Environmental, Health and Safety (EHS)

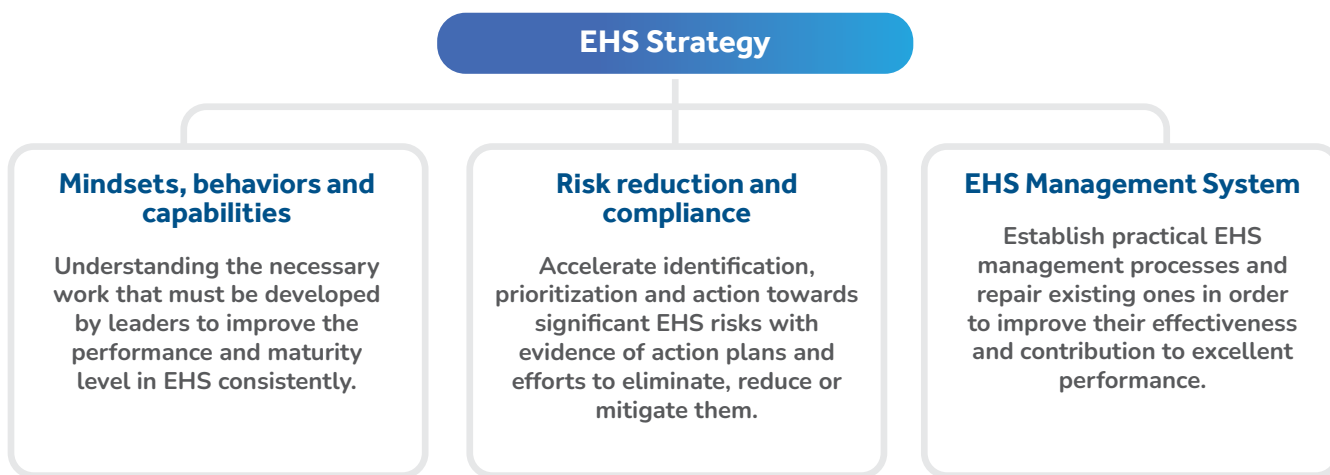
According to the Federal Labor Law, our employees are represented by formal worker-company safety and health committees. These committees supervise and ensure compliance with our EHS strategy, allowing us to improve our safety, health and environmental performance by establishing goals, monitoring indicators and assigning responsibilities.



**Strategic goal in safety**

Zero fatalities and injuries of any kind in all KCM operations.

**We conduct regular internal audits at all our sites to ensure compliance with the EHS strategy.**



**100% of our employees are represented on EHS committees.**

Our employees are exposed to hazards such as fires, explosions, confined spaces, hazardous energy, electrical work, machinery and equipment, heights, heavy loads, road transport, and operation of mobile equipment in their workplace. These dangers can increase the likelihood of sustaining occupational injuries.

We have medical service, medical surveillance and occupational hygiene programs available at all our work sites.

In addition, we established a foundation called "**Las Tres Responsabilidades de Seguridad**" (The Three Safety Responsibilities, in Spanish) that enables any employee to recognize risky situations in order to safeguard themselves and their coworkers, and encourages them to participate in the solution.

In addition, the risk reporting procedure offers the option of anonymity, allowing us to enter into the solution of the findings for enhancing the security management in KCM.

The **Right to Safe Work** EHS A2 Corporate Procedure was revised in 2022. Its purpose is to govern operational controls and establish management requirements so that any employee may use the risk reporting procedure without fear of retaliation.

All observations and risk reports are documented and recorded for follow-up through databases that facilitate information analysis, so that action plans can be formulated to prevent the recurrence of incidents.






In 2022, we recorded 10 cases of high consequence work-related accidents resulting in amputations, trauma, fractures, sprains, and contusions, in addition to 107 cases of minor injuries. No fatalities were recorded as a consequence of work-related injuries<sup>3</sup>.

Non-KCM employees sustained 14 recordable work-related accidents that resulted in fractures, wounds, sprains and contusions. No fatalities or high consequence injuries were reported<sup>4</sup>.

In the case of the workers of our subsidiary SODISA, we registered 7 work-related injuries. And unfortunately, we recorded a fatality resulting from work-related injuries<sup>5</sup>.

<sup>3</sup> This figure considers 21,011,255 hours worked.  
<sup>4</sup> This figure considers 3,980,174 hours worked.  
<sup>5</sup> This figure considers 965,139 hours worked.

There are several mechanisms in place to facilitate communication, participation and consultation regarding initiatives that promote the health and safety of personnel.

	<b>EHS campaigns</b>	<p>Oriented to topics on the EHS Strategy and focused on reducing risks or strengthening specific aspects derived from improvement opportunities or incidents that have occurred.</p>
	<b>KCM EHS Week</b>	<p>This annual event was held in a hybrid format to promote safety and health as one of our core values. In addition to a corporate program, each site defines specific EHS-related activities based on the needs of the site.</p>
	<b>Teams of continuous improvement</b>	<p>Our employees actively participate in continuous improvement teams created to accelerate the implementation of the requirements and operational controls of the corporate standards and EHS Management System.</p>
	<b>Standard leaders</b>	<p>For each of our plants, we designate individuals with the competencies, capabilities and exposure required to lead such improvement teams oriented towards the implementation of corporate EHS standards, their associated EHS concerns and applicable legal requirements. Additionally, we have a program of periodic meetings to exchange best practices and calibrate strategies.</p>
	<b>Staff surveys</b>	<p>To maintain compliance with NOM-035-STPS-2018, determine psychosocial risk factors and define action plans for its elimination and improvement.</p>
	<b>Safety Talks and EHS Committees</b>	<p>Our employees participate in the delivery of safety talks, as well as in various forums or meetings where the performance and relevant aspects of EHS are reviewed. In addition, we consider the participation of our employees in the Safety and Hygiene Commissions established at each site to ensure compliance with NOM-019-STPS-2011.</p>
	<b>Communication</b>	<p>The sites have various methods to communicate relevant EHS issues such as: incident investigations, risk reports, EHS key performance indicators, the review of progress made towards the EHS strategy, communications made by site managers on a quarterly basis to reinforce aspects of EHS recognition, among others.</p>



3-3, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10

Since 2020, we have implemented NOM-035-STPS-2018 psychosocial risk factors at work, and in accordance with the standard's requirements, for the 2022 update, we applied surveys to 70% of our workforce, with more than 90% of participation. As a consequence of these surveys, indicators of the organizational environment, leadership and work environment were rated as having **low or no psychosocial risk**. Other factors evaluated in the study, such as activity and time management, have improved since the 2020 survey and they don't indicate occupational risk.

On the other hand, we are certified in accordance with the international standard ISO 12100: 2012, which enables us to evaluate the labor hazards within our facilities and determine the appropriate courses of action and protocols. Corporate standards enable us to have a more effective operational control over each risk; these standards are continuously evaluated to identify potential gaps, mitigate and manage risks as effectively as possible.

Each employee's health and safety is important to us, so we continually offer courses on these topics.

### EHS general training

- EHS Management System.
- EHS risk management.
- Operational controls for high-risk activities (work at heights, confined spaces, hazardous energy control, fire prevention, electrical safety, hazardous waste, chemical handling, pedestrian and vehicle safety in the workplace, and machinery protection).
- EHS leadership.
- Incident investigation.
- People-centered security.
- EHS Compliance.
- Prevention of Covid-19.
- Firefighting and emergency response.



We implemented NOM-035 to ensure that all our work sites provide a favorable organizational environment for our employees.

In order to comply with applicable legal requirements and KCM's corporate EHS standards, each facility also develops its own training program that addresses specific safety, occupational health and environmental issues. Transport safety issues, such as defensive driving, are the subject of specialized training in relation to the operation of SODISA.

## Initiatives that promote safety and health care among our employees

Facilities / Offices	Initiatives	Beneficiaries
<b>Bajío</b>	Health talks	575
	Medical exams	429
	Spirometry tests	37
	Audiometry tests	93
	PREVENIMSS talks	742
	Cervical cancer talks	10
	Men's health	79
	Dashboard campaigns	12
<b>Ecatepec</b>	Health week with collaboration of PREVENIMSS	1,253
	Regular medical examinations throughout the year	All staff
	"Refuerzas tus Defensas" campaign, vitamin C delivery	1,833 doses
	Flu vaccination campaign	1,200 applied vaccines
	Health campaign	950
	Dashboards on health topics	All staff
<b>Evenflo</b>	Medical examinations	434
	Dashboards campaign	All staff
	Spirometry tests	50
	Audiometry tests	95
	Flu vaccine application	222 doses
	Covid-19 vaccines	151
	Delivery of vitamin C doses	322
	Talk about breast cancer by Fundación CIMA	64
	5-minute talks on different health topics	All staff
	Training on the Official Mexican Standards STP related to health	149
	First aid training given by Civil Protection	17 brigade members
	Vital signs training given by Civil Protection	7 brigade members
<b>Corporate Offices</b>	Basic check-ups at no cost	485
	Lab studies at preferential costs	90 in offices
	Agreement with laboratories	Voluntary assistance*
	Free guidance on results	152
<b>Morelia</b>	Talks on health topics	All staff
	Emergency brigade training	Only brigade members
	Medical exams	320
	Health campaigns	12
<b>Orizaba</b>	Monthly follow-up visits to control groups	322
	Annual medical examinations	615
	PREVENIMSS campaign	552
	Vaccination of pneumococcal flu and tetanus	155
	Talks on health issues	579

\*It is extended to employees and family members to go to a branch of a private laboratory during the campaign period.

Facilities / Offices	Initiatives	Beneficiaries
<b>PROSEDE</b>	Medical exams	779
	Medical consultations	1,596
	Follow-up of staff with chronic ailments	59
	Follow-up of personnel with IMSS incapacity	159
	Infographic delivered to staff with chronic ailments	59
	Health campaigns	All staff
	Online health campaigns	All staff
<b>Ramos Arizpe</b>	Periodic medical examinations	751
	Ergonomics training	343
	Training for first aid brigades	49
	Cervical cancer detection campaign	4
	Breast cancer detection campaign	6
	Flu vaccination campaign	174
	Campaigns for hypertension, diabetes and obesity detection	240
<b>Tlaxcala</b>	STD detection campaign	45% of staff
	Flu vaccination campaign	600 doses
	Immune booster campaign with vitamin C	75% of staff
	Ergonomic risk analysis	All operational areas
	"Semana de la Seguridad" EHS event	All staff
	Campaigns for the diffusion of health issues	All staff
<b>Texmelucan</b>	General attentions	3,498
	Medical examinations	537
	Follow-up of vulnerable personnel	26
	Health training	378
	Talks on health issues	All staff
	Flu vaccine	412
	Doses of vitamin C delivered to staff	258
	Prostatic antigen	40
	Eye health exams	92

In 2022, our KCM *Bienestar* and *Kuida tu Salud* programs provided a variety of talks and workshops focused on the health and well-being of the KCM Community, with topics such as Diabetes, Accident Prevention, Nutrition, Stress, and Personal Finance, among others, achieving an attendance of at least 200 employees per event and a participation rate of up to 30% of the staff during all events.



405-1

# Inclusion, diversity, and equity



- Adopt an inclusive, diverse, gender-equitable and discrimination-free culture in all groups and communities in which we participate.
- Increase minority representation.

Building an inclusive and diverse culture is a responsibility that we take seriously, not only because it makes business sense, but also because it is the proper thing to do. We believe that every person should be regarded with respect and dignity, and their unique talents and experiences should be cherished.

At KCM, we believe that in order to accomplish diversity, we must prioritize inclusion. By placing inclusion at the center of our culture, we make room for a variety of voices and experiences that unlock a broader perspective and deeper insight, ultimately resulting in innovation and higher-quality decisions.

Inclusion is a decision that requires the total dedication of every team member, but ultimately strengthens our winning culture. With the unwavering dedication of our leaders, we address inequality and prejudice to create lasting change, thereby transforming our hopes and beliefs into a new and improved reality.

We are committed to collaborate to create a more equitable and inclusive future for all. Our **Human Rights and Inclusion, Diversity, and Equity Policy** promotes a culture

of respect in which all viewpoints and opinions are valued because they enrich our operations. In addition, based on our Code of Ethics, we promote an inclusive and respectful workplace, which is optimal for the development of all individuals and allows them to attain their full personal and professional potential.

## At KCM we rely on our Inclusion, Diversity, and Equity Committee to achieve our goals.

We endeavor to cultivate the creative, physical, intellectual, and moral capacities of our people. The commitment is with their professional and inclusive growth, looking to provide equal employment opportunities. In this way, we seek their growth and development within the organization, providing a dignified workplace in which all employees are treated with equal respect.

We have 117 STEM (Science, Technology, Engineering, and Mathematics) female employees, including process engineers, superintendents, supervisors, planners, and laboratory employees, among other positions with these characteristics.



### Women in leadership positions

	Number	% of total*
Women in the workforce	1,171	13%
Women in all management positions	125	29%
Women in junior management positions	123	29%
Women in top management positions	2	20%
Woman in revenue-generating functions (sales)	72	45%
Women in STEM-related positions	117	13%

\*This percentage is with respect to the total of each group of positions.

**Women's Week**

At Kimberly-Clark de México, we foster solidarity by promoting equity and respect in the local community.

As a result, we held the 2<sup>nd</sup> KCM Women's Week, a space for reflection and action with the participation of opinion leaders, civil associations, and activities to bring attention to the problems that affect a significant portion of Mexican women.

Speaker	Topics	Semblance
Gabriela Warkentin	New narratives	Communicator and academic, ranked as one of the most important women in Mexico according to Forbes magazine.
Sofía Ramírez	Equity and economy	Speaker and author of the best seller <i>Pequeño Cerdo Capitalista</i> (Small Capitalist Pig, in Spanish), a book focused on financial education.
Eva Espejo	Boosting champions	Mexican soccer coach, she coaches Monterrey Women's League.
Claudia Azpilcueta	Menstrual art	Plastic artist and pioneer in the country around menstrual painting.
Gina Díez Barroso	Closure	Entrepreneur dedicated to construction, design, and innovation in Mexico. Founder of Dalia Empowerment, a global continuing education project that supports woman to achieve their personal and professional goals.

This effort is not limited to one week; at KCM, we work every day to contribute to the social transformation we seek, promoting a peaceful, respectful, and equitable culture.

We believe that the diversity of our team is a unique strength and advantage that will enable our company to continue to progress and realize its full potential. We endeavor to create an environment in which everyone feels valued and welcome, regardless of their gender, race, sexual orientation, disability, age, religion, or any other category of diversity.

On average we had about 250 users connected per presentation.





# Social impact

 **Commitment:**



**25 million**

people positively impacted with direct actions and social programs.

## Social impact

413-1, 413-2

We believe that our brands are uniquely positioned to promote access to essential services and products that enable individuals to live dignified and healthy lives. Our social impact programs seek to improve the quality of life for people in vulnerable communities and the welfare of 25 million people in Mexico.

As a company committed to social responsibility, we are constantly looking for methods to positively impact the communities in which we operate, such as implementing environmentally sustainable practices and volunteering. In addition, we encourage support for charities and social programs that enhance the quality of life for the people in our community.



By 2022 we have achieved to impact more than 15 million Mexicans through our social impact programs.



### Abrazando su desarrollo by Huggies®<sup>6\*</sup>

- Program endorsed by specialists that seeks to raise awareness about the importance of movement and affective contact in motor, cognitive and socio-emotional development during early childhood.
- **Alliances.** UNICEF.
- **Reach.** One million people through the website and 20 million parents and caregivers\* through digital platforms.

\*Indirect scope



### Apapachos de Vida by KleenBebé®<sup>7\*</sup>

- Program to prevent and reduce the mortality of babies in rural communities of the country, through a program of care and advice that reaches any corner regardless of distance.
- **Alliances.** Mexican Red Cross.
- **Reach.** 24,000 people in 28 communities of Chiapas, Morelos, and Querétaro.



### Support through Kleenex®

- Special editions of facial and hygienic tissues to support diverse causes.
- **Alliances.** Casa Frida, Fundación COI.
- **Reach.** LGBTTTIQ+ community 150 patients.



### Contigo Siempre by Depend®<sup>8</sup>

- Program to support people with incontinence and in vulnerable situations to improve their lifestyle.
- **Alliances.** Communities, nursing homes, and hospitals.
- **Reach.** 26,000 people, recycling of more than 180,000 product bags.

\*These programs have social impact analysis.

<sup>6</sup> For more information visit: <https://www.abrazandosudesarrollo.com.mx/>

<sup>7</sup> For more information visit: <https://www.kleenbebe.com/apapachos-de-vida/>

<sup>8</sup> For more information visit: <https://www.depend.com.mx/contigo-siempre>



### En Acción por su Protección by Escudo Antibacterial<sup>9\*</sup>

- Platform committed to the protection of Mexican families that focuses on the construction of water towers to provide water to communities. Teaching educational campaigns on the importance of proper hand washing to prevent diseases and reduce school absenteeism.
- **Alliances.** Planet Water Foundation.
- **Reach.** 5,400 inhabitants of two marginalized communities in Estado de México and Querétaro.



### Kotex® por todas<sup>10\*</sup>

- Platform that promotes the development of Mexican women in vulnerable situations or who are in the process of achieving a goal.
- Through sex education workshops, women in indigenous communities receive help with activities and spaces for reflection, which enable assertive, informed, and autonomous decision-making.
- Support for women who are in vulnerable situations, poverty, and violence through the help line and *Centros Casa Origen*.
- **Alliances.** *Fundación Origen, Fondo PYMO, Pro México Indígena.*
- **Reach.** 36,400 people directly and 109,000 indirectly, along with 56,249 services.

We currently don't have a necessities assessment, an established relationship process, or a formal procedure for communicating with or receiving complaints. Nevertheless, we have two strategies involving the implementation of projects aligned with the purposes of the brands and corporate donation receptacles for public bodies and organizations. In addition, we maintain an open line of communication with each brand and resolve issues reported through their administrative offices.



We are committed to continue being a company that does not only generate profit, but also cares about the well-being of people and the planet, therefore, all our operations have a community support program.

<sup>9</sup> For more information visit: <http://www.enaccionporsuproteccion.mx/>

<sup>10</sup> For more information visit: <http://www.kotexportodas.org/>

# Ethical-economic commitment



Provide business solutions in favor of the economy of our consumers, the industry, and our country, acting with ethics and transparency.



Dedicated to do the essential extraordinary, with integrity.

## Ethics, transparency, and human rights

2-23, 2-24



To share with stakeholders detailed information on the components of our products, working conditions, and the traceability of our raw materials as part of our supply chain.

While promoting and practicing respect for human rights and liberties, we conduct our business, decisions, and actions in accordance with the highest standards of ethics, integrity, and transparency.

The KCM Code of Ethics is a set of rules governing our conduct in accordance with the principles of quality, service, and morality. It serves as the basis for our daily operations, including business activity, relationships with customers, suppliers, shareholders and consumers, as well with departmental coordination and communication.

All new employees are briefed on the Code of Ethics and its applicability, as well as the available reporting channels in case they observe or experience a violation. In addition, they receive a copy of the Code of Ethics so they may become acquainted with it and consult it as required, thereby facilitating its implementation in daily activities.

In addition, we provide periodic training to employees to refresh their understanding of the covered topics, as well as their commitment to act ethically and reinforce the expected behaviors.

**In 2022, we taught 45 courses on the Code of Ethics to 1,866 employees.**

At Kimberly-Clark de México, we promote and practice respect for human rights. We are extremely vigilant to ensure that no employee is in complicity in any violation of these rights. We also collaborate with our suppliers to ensure that the respect to these permeates the entire value chain.

We have a **Human Rights and Inclusion, Diversity, and Equity Policy** that seeks to promote and support human rights, including equal employment opportunity at KCM, to ensure that our employees are treated with respect and in accordance with labor and human rights laws.

We do not tolerate any activity involving child exploitation (including child labor), physical abuse, sexual abuse, and/or harassment, or any other form of abuse. We reject forced or compulsory labor, as well as any act of discrimination, harassment or intimidation based on age, race, disability, nationality, religion, gender, sexual or emotional orientation, gender identity, appearance, political affiliation and/or marital status.

Through our actions we contribute to the following SDGs:



## Essential commitments to the human rights of our employees<sup>1</sup>

- We recruit, hire, promote, and support their development regardless of their prior condition.
- We recognize the diversity of their skills and experiences and we offer and accept the various perspectives they may have.
- We maintain a respectful work environment. No form of harassment or intimidation is tolerated.
- No one can force them to engage in any activity outside of their work environment or the activity for which they were employed, much less activities that are illegal, against the law or endanger their physical safety.
- We make decisions regarding employment based on job qualifications and merit.
- In accordance with national laws, we respect the freedom of religion and association.
- We do whatever it takes to ensure they feel comfortable.

This also enables us to comply with KCM's commitment to the Ten Principles of the United Nations Global Compact on human rights, labor, environment and corruption standards, an initiative to which we have adhered since 2021.

2-25, 2-26, 2-27

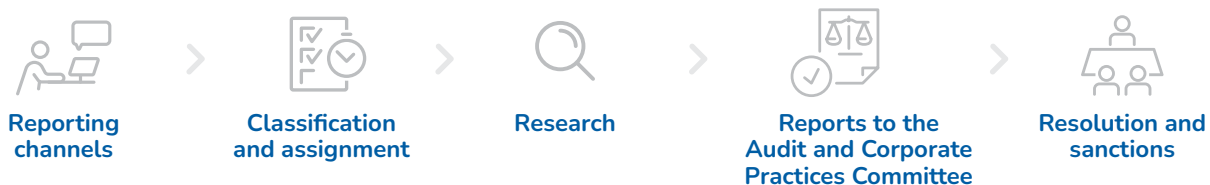
We provide various channels for our employees and stakeholders to report any concerns or situations in violation of our Code of Ethics or our policies. In addition, we are committed to take prompt and effective action to investigate and resolve the report, while always maintaining the confidentiality of the information provided and administering appropriate sanctions.

### Channels to comment, report, or complain

- **Email:** [codigo.etica@kcc.com](mailto:codigo.etica@kcc.com)
- **Website:** <https://www.kimberly-clark.com.mx/conocekcm/reporte-de-etica>
- **Phone/ WhatsApp:** 55 1849 2732
- **Directly:** with the higher levels of leadership, Legal, Human Resources or Internal Audit
- **By courier or mail of the postal service:** Jaime Balmes No. 8 Level 9, Los Morales, Polanco, Miguel Hidalgo Municipality P.C. 11510, Mexico City

2-16

### Complaints process



<sup>1</sup> Available in our Code of Ethics, Human Rights section.

The complainant has the option to remain anonymous and can report any situation or behavior considered improper or in violation of our Code of Ethics. Once a report has been made, it is subjected to a comprehensive and confidential internal investigation, after which the appropriate measures are taken; if any questions arise, the employee may approach his supervisor, the Human Resources department, or the Legal department.

At KCM, we do not tolerate any form of retaliation, and we ensure that employees cannot be fired, demoted, suspended, harassed, or discriminated against for raising a concern, requesting information, or reporting any improper action or omission related to the Code of Ethics, or for serving as a witness in any KCM investigation.

Additionally, we have a complaints center and a customer service desk for our stakeholders to share their concerns, and we use this information to enhance our processes and products.

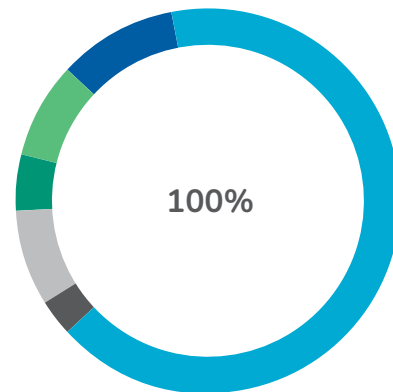
### Complaints received

Number of complaints received in the period	39
Number of complaints closed in the period	37
Number of complaints that were not closed in the period	2
Number of unsubstantiated complaints	25



### Complaints received by type

Type of complaint	Number	Percentage
Employee inappropriate treatment	26	67%
Supplier inappropriate treatment	1	3%
Policy compliance	3	8%
Request for gifts	2	5%
Conflict of interest	3	8%
Others	4	9%
<b>Total</b>	<b>39</b>	<b>100%</b>



205-3, 206-1, 406-1, 418-1

In 2022, no complaints were received regarding instances of corruption, discrimination, anti-competitive practices, human rights violations, privacy or data leakage. Nor did we register serious concerns that required notification

to the Board of Directors, but as a measure of transparency and good practice, we report any breach of the Code of Ethics and our policies on a quarterly basis to the Audit and Corporate Practices Committee.

## Regulatory compliance

At KCM, we always act within the law and consider the social, environmental, and economic effects of our actions on our stakeholders. Periodically, we conduct inspections to ensure that all prevention and control systems in our facilities are operating properly; always prioritizing prevention over correction. In addition, we have emergency response protocols in place in case of any unforeseen circumstance.

We comply with regulations on issues that are inherent to the company's activities, maintain close communication with the managers of the manufacturing plants to evaluate the activities that occur within our operations or in the community, and analyze the customer service process continuously to identify improvement opportunities.

207-1, 207-2, 207-3

In fiscal matters, we have a conservative tax policy, as well as a governance structure and tax control<sup>2</sup>, which enables us to maintain an ethical and transparent fiscal operation. The CEO is responsible for conducting an annual assessment of the fiscal strategy, while the Financial Controller of KCM is responsible for ensuring its compliance.

## Conflicts of interest

2-15, 205-1, 205-2

Integrity and ethics are a priority in all KCM's daily operations. Therefore, we avoid taking actions or making decisions that could result in or appear to result in conflicts of interest. Our internal policies prohibit the misuse or illegal use of company resources or positions for personal benefit. We recognize that even the perception of a conflict of interest can have negative repercussions, so we take measures to prevent it.

We have a **Conflict-of-Interest Policy** and a process involving Internal Audit, Legal and those responsible for each direction, which are evaluated by the Audit and Corporate Practices Committee in order to prevent, control and monitor this issue.



During the course of the year, 38 audits were conducted, 34 of which were planned and 4 of which were not. 14 of these were rated as well-controlled, 23 of them as generally well-controlled and 1 as not well-controlled.

**KCM does not make monetary contributions to political campaigns or organizations, lobbyists, pressure groups or organizations or tax-exempt entities or other groups whose role is to influence political campaigns or public policy and legislation.**

Faced with the possibility for conflicts of interest related to familial ties or the value chain, we have developed specific procedures. In terms of internal control, human rights, anti-corruption, and bribery prevention, the Internal Audit team conducts periodic evaluations of our operations, key suppliers, and policy implementation. These audits can be scheduled or unscheduled and are conducted by external customers.

<sup>2</sup> KCM does not allow the transfer of the generated value, anything related to the transfer of value to the tax jurisdiction, the use of tax structures tending to tax evasion, or the use of secret jurisdictions or so-called tax havens.



## Information security

418-1

In an increasingly digital world, any company is threatened by the dangers of cybersecurity, from technical failures and human errors to malicious attacks and unpredictable weather events, these challenges can interrupt or negatively affect the continuity of our operations.

To be well-prepared, we adhere to **KCC's Information Security Policy** to ensure that our information technology system, networks, and applications are in ideal working order to support the success of our business. In addition, we have the **KCM Information Security Policy**, which emphasizes that employees who have access to or manage sensitive or confidential information as a result of their activities are responsible for its custody, use, disposal and destruction.

As well, the Data Protection and Privacy section of the KCM Code of Ethics stipulates that employees must manage their data in a transparent manner, while also respecting the privacy of other employees, consumers, and business partners who share data with them. The Code places an emphasis on managing this information responsibly and in accordance with protection and privacy laws, and specifies that only previously authorized areas and individuals are permitted to manage it, and that its internal or external disclosure is prohibited.

To put into practice the content of the policies and guidelines in this matter, we have an **Information Security Strategy**, which is supported by KCC and by the Information Security team, made up of experts in cyber defense, risk technology, planning strategy and business information security.

### **We keep the members of the Board of Directors informed about the Information Security Strategy that is presented to the Audit Committee.**

We take the necessary precautions to ensure the confidentiality, integrity, and availability of our information at all times, with a proactive focus on cybersecurity, by conducting regular tests and enhancing our protection measures against the most recent threats and trends in cybersecurity, in order to be prepared for an incident<sup>3</sup>. In addition, we comply with the Federal Law on Protection of Personal Data Held by Private Parties (LFPDPPP, by its acronym in Spanish) about the protection of personal data collected from KCM employees, customers, suppliers, and prospective job candidates.

### **In 2022 we did not experience any cybersecurity incidents, nor did we receive any complaints regarding consumer privacy breaches or data loss.**

## Essential commitments in data protection and privacy



**We comply with applicable data protection and privacy laws.**



**We protect personal data appropriately.**



**We only collect and use personal data for legitimate business purposes and comply with our Data privacy policy.**



**We only share personal data within KCM according to the principle of need to know, taking care at all times of their destination.**



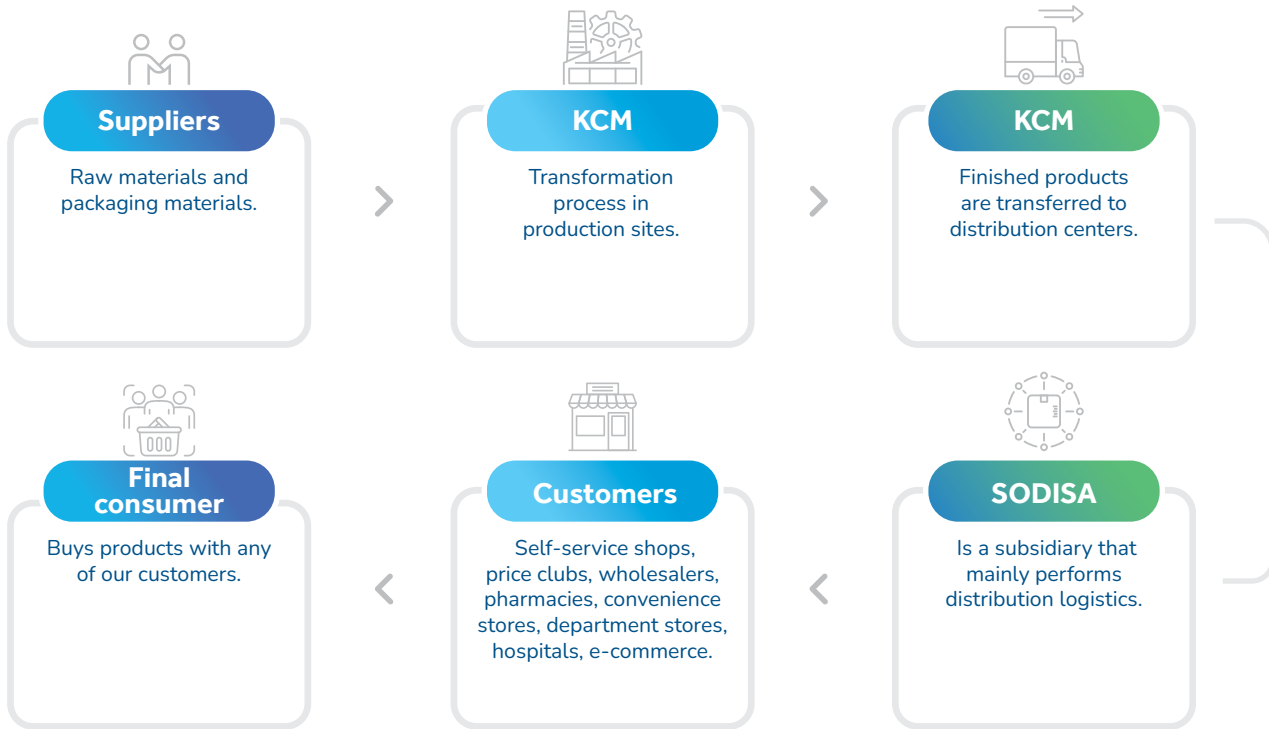
**We guarantee the adherence of third parties related to us to KCM's data protection and security standards.**

<sup>3</sup> In case of a cybersecurity incident, we have insurance with coverage for information security breaches or other security incidents, within the corporate global insurance policy contracted by KCC for this purpose.

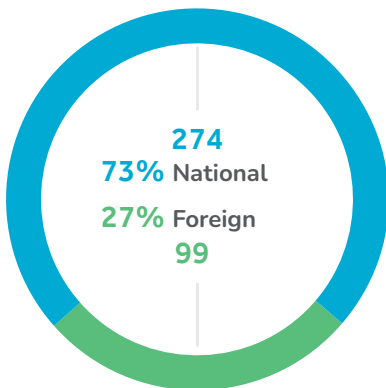
# Responsible supply chain

2-6, 204-1, 3-3, 308-1, 308-2, 414-1, 414-2

Our supply chain provides us with essential products and services, such as raw materials, packaging materials, and logistics services, among others, enabling us to fulfill KCM's mission of doing the essential, extraordinary.



## Suppliers by origin



**We allocate 46% of our budget to purchases from national suppliers<sup>4</sup>.**

The policies, procedures, strategies, and actions related to our supply chain are aligned with the Code of Ethics, which includes a section focused on the careful election of business partners, where the essential commitments that our suppliers and customers must comply with are established.

**56% of the 27 new suppliers with whom we began doing business in 2022 were evaluated based on environmental criteria.**

We maintain business relationships with both national and foreign suppliers. National suppliers provide us with post-consumer paper, packaging materials, chemicals, caps, bottles, dispensers, and soap, whereas foreign suppliers provide us with celluloses, super absorbent chemicals, non-woven fabrics (NWF), and post-consumer paper.

<sup>4</sup> Considering a total budget of the organization destined to acquisitions of raw materials of products and their packaging of \$ 22,986,769 thousand MXN.

In addition to defining our responsibilities and commitments, we promote a culture of social responsibility and sustainability throughout our supply chain. To achieve this, we implement the **Social Compliance Standards for Suppliers**<sup>5</sup>, which are applied during the procurement process and require our suppliers to comply with various guidelines regarding, among other things, freedom of association, equal opportunities, child labor, discrimination, occupational safety, and environmental compliance.

3-3, 308-1, 308-2, 414-1, 414-2

The production cycle of our products is validated through an internal quality management system based on ISO, providing certainty of quality to those who consume them. For this reason, we carry out random audits at the facilities of our strategic suppliers. The obtained results enable us to identify potential negative effects, define the status of our relationship, and establish commercial agreements, as well as to establish a culture of continuous improvement.

## Social Compliance Standards for Consumers



- Respect for human rights and non-discrimination at work.
- Safety, equity, and freedom of association for workers.
- Business integrity and zero tolerance for corruption.
- Care for the environment.
- Commitment to KCM's Sustainability Strategy.
- Adherence to health and safety guidelines in the use of materials.
- Financial stability, current and future supply capacity.
- Ability to innovate on their own or in conjunction with KCM.
- Demonstration of compliance.

A portion of KCM's logistics services are outsourced, while the remainder are managed by our subsidiary SODISA. To increase efficiency and enhance customer service in both instances, we implemented a logistics management system, which enables us to reduce costs and carbon emissions.

## Logistics management system

- We generate alliances with companies to take advantage of transport spaces, always complying with the restrictions of weights and measures.
- We consolidate loads and orders to utilize full transportation capacity.
- We contract external transport with new and more efficient fleets, thus reducing CO<sub>2</sub> and associated emissions.
- We work together with the planning area to produce as close as possible to the final distribution sites of the product.
- We implement backhaul and fronthaul processes to prevent trucks from returning empty once they deliver the product to the customer.
- We analyze the production by order and customer depending on the geographical area.
- We structure the pallets in such a way that they allow more product in a truck and therefore less trips.

Each year, we request our suppliers to reaffirm their adherence to our Code of Ethics.



<sup>5</sup> See the Social Compliance Standards for KCM Suppliers at: <https://www.kimberly-clark.com.mx/data/ProveedoresEstandaresdeCumplimientoSocialFinal.pdf>

## Ingredients

To ensure the safety of our products, we take a scientific approach and strive to use only safe ingredients, disclosing comprehensive information about them.

CG-HP-250a.3

We manufacture our products according to rigorous quality requirements and subject them to periodic safety evaluations to ensure their efficiency. We are also committed to use safe raw materials, which is why we are aligned with our partner Kimberly-Clark Corporation's Restricted Substances (RSL) and Chemicals of Concern lists.

### All our products are free of Chemicals of Concern.

In addition, products for women (menstrual cup and tampons) and protection and cleansing (sanitizers) are regarded as medical devices and are registered with the Federal Commission for the Protection against Sanitary Risks (Cofepris, by its acronym in Spanish).

All this translates into a wide range of safe and effective products that provide comfort, safety and confidence to our millions of consumers in Mexico and all around the world.

### The well-being of our consumers is our priority, that is why we take our responsibility to develop safe and effective products very seriously.

The management of restricted substances at Kimberly-Clark de México is based on the following principles:

- We adhere to RSL guidelines by preventing our products from containing restricted ingredients (limits set by product or material) and prohibited for Kimberly-Clark products.
- We formally review the substances and ingredients in our products to ensure they meet current regulatory requirements and public safety expectations.
- We proactively monitor and evaluate new ingredient information published by regulatory and scientific research agencies globally, including public perception, to ensure the RSL is kept up to date.

- We conduct an active process for the identification, review, and communication of the RSL to encourage the development of commercial strategies that eliminate and/or reduce specific chemicals and instead promote safer alternatives, always above and beyond regulatory requirements.
- We collaborate with our suppliers to reduce, eliminate, or manage chemicals included in the RSL.
- We require our suppliers to adhere to the Kimberly-Clark RSL and to have processes and systems in place to ensure compliance.

At KCM we do not use aldehydes, azoic dyes, coal tars, lead, lead acetate, phthalates, triclosan, conservatives such as parabens, antimicrobials, toluene, polyvinyl chloride, or polyethylene micro-beads.

2-27, 3-3, 416-2

In 2022 no violations of laws, standards, or voluntary codes relating to the health and safety impacts of our products were reported.



<sup>6</sup> Learn about the Restricted Substances List (RSL) at: [https://www.kimberly-clark.com/-/media/kimberly/pdf/ingredients/st-14665-kimberly-clark-restricted-substances-list\\_june-2020.pdf?la=en-us](https://www.kimberly-clark.com/-/media/kimberly/pdf/ingredients/st-14665-kimberly-clark-restricted-substances-list_june-2020.pdf?la=en-us)

# Commitment to customers and consumers

## Circular economy

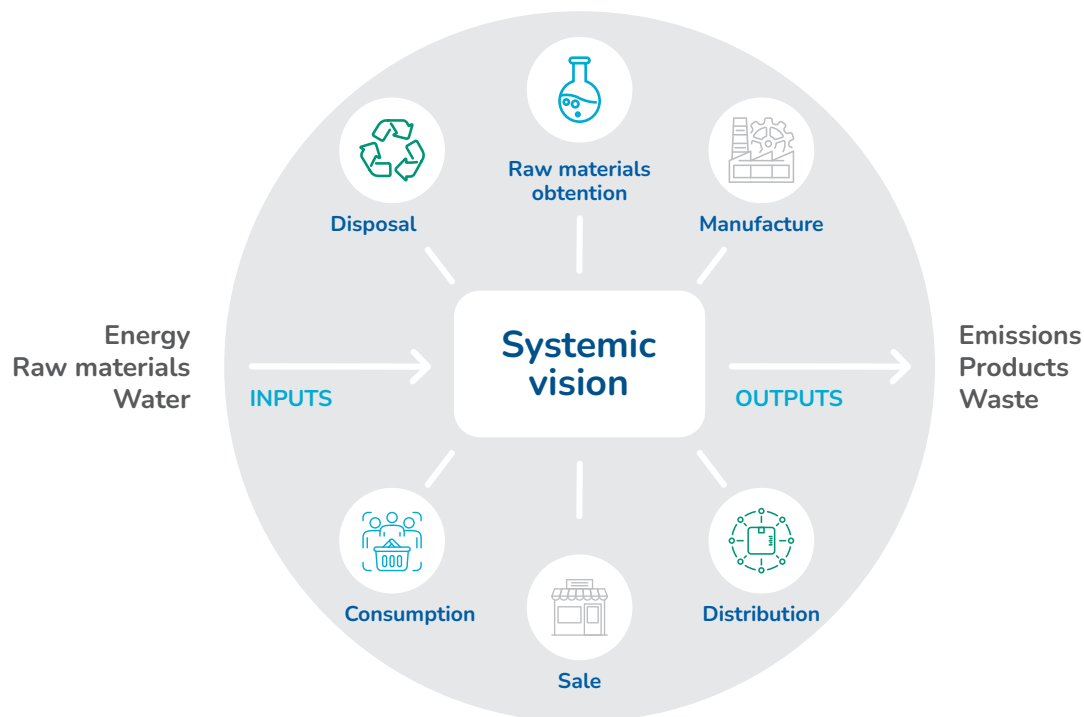


Promote circular economy through various solutions to our products, operations, and packaging, as well as to the way of managing waste.

### We contribute to generate a more responsible, circular, and sustainable society.

The circular economy, in contrast to the linear economy (extraction, manufacture, use, and disposal), aims to keep the value of products, materials, and resources circulating in the economy for as long as feasible, thereby minimizing the generation of waste. Thus, we use resources more efficiently for the benefit of all.

Based on our commitment to Circular Economy, we make the most of the raw materials we use, we propose various solutions for our products, operations, and packaging, as well as the way to manage waste at the end of its use. We even promote that waste is reused and used in other stages of production and consumption.




### Circular solutions

They consider every stage of a product's life cycle, both before and after it reaches the consumer. Circular solutions are intended to improve sustainability outcomes by employing one or more of the following strategies:

- Reduce the use of raw materials.
- Product redesign and/or material selection to reduce its resource footprint.

- The collection of post-industrial or post-consumer "waste" to direct it to technical or biological processes for recycling or recovery, or at the very least, for an enhanced end-of-life outcome.
- Products designed with their end of life in mind.

The solutions can be attained through the innovation of products, processes, services, and business models for a better attention and a better world.

CASE STUDY 



**17** PARTNERSHIPS FOR THE GOALS 

## Plastianguis


We are celebrating two years participating in **Plastianguis**, an initiative developed in 2015 by the National Association of the Chemical Industry (ANIQ, by its acronym in Spanish) through its Plastics Industry, Responsibility and Sustainable Development Commission (CIPRES, by its acronym in Spanish), and which since 2017 also has the support of our ally Braskem Idesa, as well as the participation of other companies.

**Plastianguis** was created to raise awareness about the use of plastic waste; it is founded on the exchange of plastic waste for products of basic consumption and educational materials in exchange for *plastipesos*. Throughout its years of service, it has facilitated access to an infrastructure for the collection of plastics.

This edition had more than 10,200 participants from three states of Mexico, who attended one of the seven venues, where learning activities and dynamics were carried out to strengthen participants' understanding of plastic waste, its identification, circular economy, responsible consumption, and proper waste management in society through recycling.

**Initiatives like Plastianguis that seek to provide solutions and replicate actions toward education on recycling, environmental stewardship, and plastic waste management have a greater impact when there are alliances and collaboration between corporations committed to generating social change.**



 **+500 tons** of plastic waste collected in Plastianguis since 2017.

### Plastianguis 2022 results



**198 tons** of plastic waste collected and recovered



**10,200** direct beneficiaries



**298 tCO<sub>2</sub>** were avoided

3-3

## Innovation



- Generate added value in our products, focused on the needs of our consumers and seeking to be friendly to the environment.

**Commitment:**

- 15% reduction in the weight of our products through more efficient designs by 2030.

Through our brands, KCM strives daily to deliver safe and effective products that meet the requirements of our customers and consumers. To achieve this, we use different information channels that allow us a direct approach with them, in addition to the evaluation of the most recent research findings, as well as regulatory requirements.

We strive to anticipate their requirements by providing innovative, high-quality products for personal and family hygiene. Thus, we ensure that they are satisfied and have faith in our brands *every day, for a lifetime*.

To ensure we satisfy this commitment, we have an Innovation, Research and Development (R&D) department that collaborates with Kimberly-Clark Corporation's Inno-

vation centers. We continually assess new technologies, safe and innovative materials, as well as the success rate and return on investment of initiatives.

During the evaluation of the viability of new products, environmental, social, and governance criteria are taken into account; this ensures that our products are environmentally and socially responsible. This rigorous emphasis on innovation and quality enables us to exceed the expectations of our Mexican and international consumers and customers.

**54% of the R&D corporate team is made up of women.**

In 2022, \$457,563,294 MXN were invested in R&D projects.



## Innovations 2022



### KOTEX® UNIKA CUP

Kotex® Unika menstrual cup offers consumers the first reusable option for their period in the brand's portfolio.



### KOTEX® ZERO

The first line of panty liners and disposable fem pads, made from biodegradable materials and industrial compostable packaging.



### KOTEX® DELICATE CLEANING

Kotex® renews its line of intimate hygiene. Now wipes are disposable at the toilet and are biodegradable.



### DEPEND® FEMENINE® 2 IN 1

The entire portfolio of Depend® Femenine® becomes 2 in 1, seeking to provide protection to consumers in urine discharges and menstrual flow.



### DEPEND® SKIN CARE

Dispersible and biodegradable incontinence wipes, for active users, in a pocket format for easy portability.



### EVENFLO®

New trainer cups with ergonomic designs and creating compatibility between wide-necked components. By adopting a domestic production, we reduced our carbon footprint.





### HUGGIES SUPREME®

We integrate our technology of Absorbent Channels raising the performance in absorption and dryness during use. This technology allowed us to reduce the number of materials used.



### HUGGIES ULTRACONFORT®

We incorporate our outer cover with our Ultra Soft technology, with a cottony texture for skin care.



### KLEENBEBÉ® SUAVELASTIC®

By implementing our technology of fast absorption and high dryness we achieved a 40% drier diaper.



### PÉTALO® FAMILY CARE

Toilet paper with a new engraving and technology that improve softness and achieve greater whiteness.



### KLEENEX® MEGA JUMBO 500 SHEETS

The new engraving design gives a larger diameter and firmness to our product, as well as a better appearance.



### PÉTALO® QUICK CLEAN

Kitchen towels with UCTAD technology, superabsorbent and with high levels of resistance. With higher absorption capacity and lower speed at three seconds.


417-1, 417-2, 417-3

## Consumer Care and Attention Center


To meet and exceed the expectations of our customers and consumers, we must be aware of and promptly resolve their suggestions for product enhancements, as well as their concerns, comments, and inquiries regarding our processes or services. In order to effectively meet their requirements, we deem it essential to maintain open and close communication with them.

We have a Consumer Care and Attention Center, accessible via multiple channels of communication, where we receive inquiries regarding, among other things, sales, comments, suggestions, complaints, congratulations, free samples, promotions, dynamics, product information, and new product releases.


**Consumer service channels:**



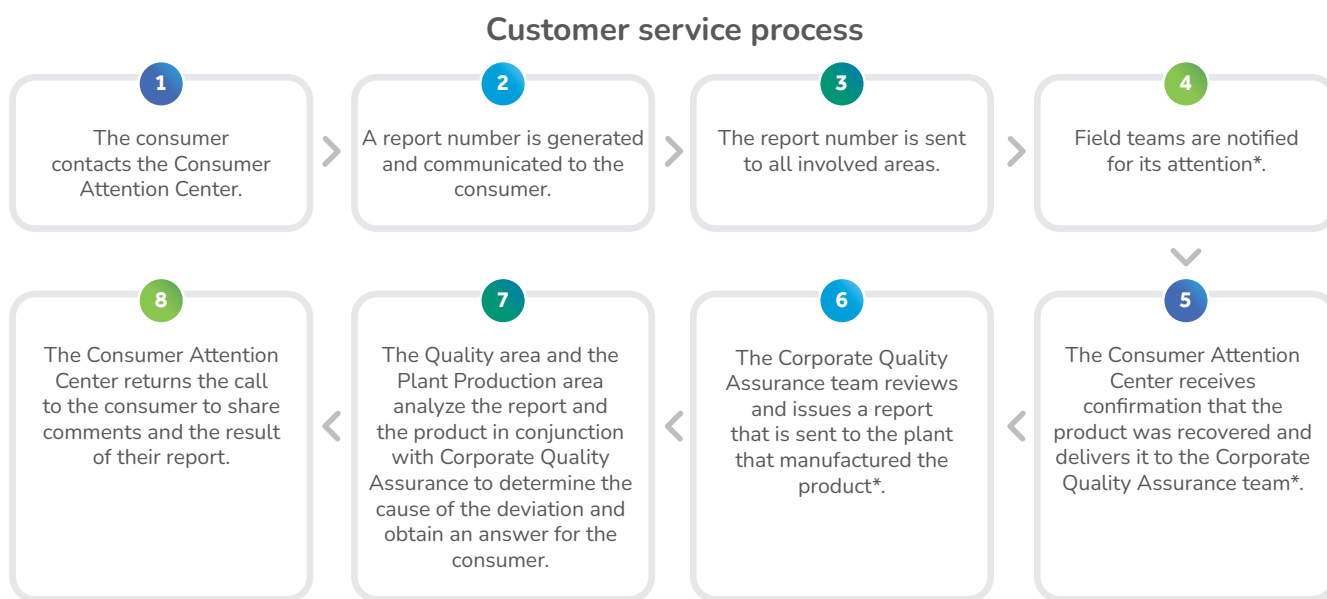
**Social media**



**55 5282 7283**



**kcm.customercare@kcc.com**



### Interactions by channel

Business	Calls	Emails	Social media	Total
Children's products	24,466	5,822	6,274	36,562
Incontinence	1,142	1,945	752	3,839
Women's protection	1,243	5,049	3,865	10,157
Beauty care	582	1,377	1,482	3,441
Household products	3,445	2,050	4,692	10,187
Evenflo	2,327	1,974	2,270	6,571
<b>Total</b>	<b>33,205</b>	<b>18,217</b>	<b>19,335</b>	<b>70,757</b>

\*These steps only apply in case of recovering product for review.

**On average, the two-way communication takes three calls to manage and solve the nonconformity of our consumers.**

We respect the rights of Access, Rectification, Cancellation, and Opposition (ARCO) throughout this process of attention and care of the consumer. Additionally, we make KCM's Privacy Notice<sup>7</sup>, as well as of each brand, available to our consumers, on their respective websites.

We maintain a responsible and transparent communication strategy with our customers and consumers, which is based on our Code of Ethics, in the section of Responsible marketing and advertising.

**During the year we were contacted by 70,757 satisfied customers.**

In addition, we have the **Self-Regulation Policy and Ethical Practices for the Use of Advertising, Promotions and Marketing Tools**, to which we adhere to maintain a responsible and transparent communication strategy with our clients and consumers. This policy also governs the management of advertising for our brands in areas such as:

- ✓ **Legality**
- ✓ **Ethics**
- ✓ **Social responsibility**
- ✓ **Respect for the environment**
- ✓ **Veracity**
- ✓ **Scientific information**
- ✓ **Personal image care**
- ✓ **Competence**
- ✓ **Comparative advertising**

On the other hand, with the aim that all Mexican families can have access to our products, we align our commercial strategy to a vision that counts on products designed for multiple marketing channels.

**In 2022, there were no instances of noncompliance involving our marketing communications, product information, or product labeling.**

**CASE STUDY**



**Market research**

In addition to maintain an open line of communication with our customers via our service channels, we conducted market research throughout the year to determine the perception and experience of our brands, including their performance and image. This ensures that we are the best at meeting their requirements.

For these studies we apply methodologies ranging from face-to-face or online quantitative surveys, which data are analyzed from various statistical approaches, qualitative studies with ethnographic, semiotic or psychological approaches, as well as neuroscience or behavioral economics methodologies.

The ultimate metric for the performance of the company and its brands is market share, which is measured by NielsenIQ. The second metric is Equity, which gives us the value that the consumer places on the brand.

Equity<sup>8</sup> is the addition of the tangible intangible attributes that are associated with brands and is what determines that there is a favorable predisposition towards them.



<sup>7</sup> See KCM's Privacy Notice at: <https://www.kimberly-clark.com.mx/politica.htm>

<sup>8</sup> The brand equity model we use is Kantar's BrandDynamics. This study is done every year among consumers in each category with a weighted sample sufficient to represent results at a national level.

# Corporate Governance

Maintain transparency and accountability as priorities in decision-making.

KCM is committed to generate a long-term sustainable value for all its stakeholders; consequently, and in accordance with our Sustainability Strategy, we prioritize transparency and accountability in decision-making through good Corporate Governance.



**Dedicated to do the essential  
extraordinary, responsibly.**

Through our actions we contribute  
to the following SDG:

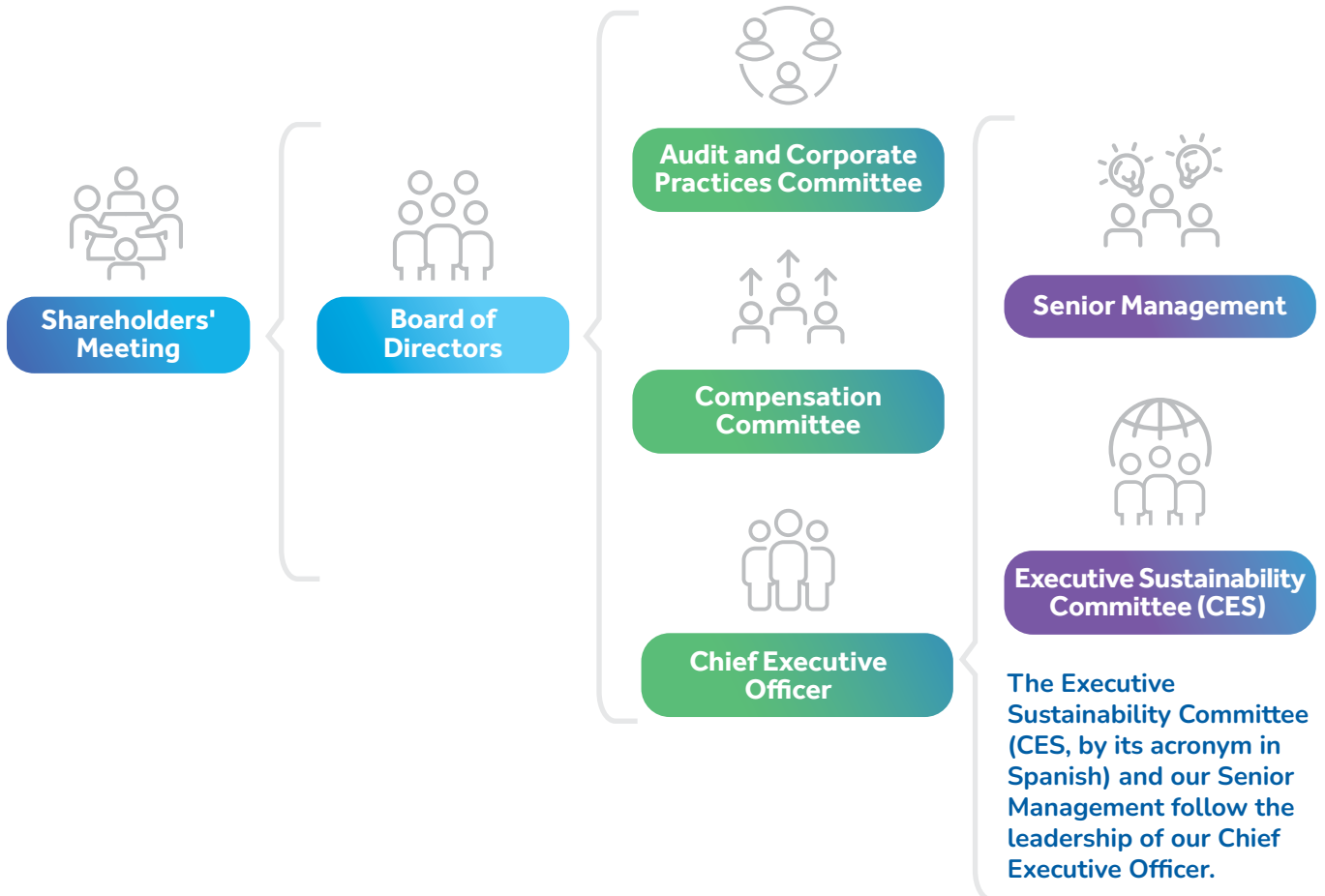


# Corporate Governance Structure

2-9

Our Corporate Governance at Kimberly-Clark de México is based on rules, procedures, and guiding principles that guarantee efficient operation. The standards of the Code of Best Corporate Practices (CMPC, by its acronym in Spanish) issued by the Business Coordinating Council (CCE, by its acronym in Spanish), the Bylaws, KCM Code of Ethics, the Securities Market Law (LMV, by its acronym in Spanish), and the General Law of Commercial Companies (LGSM, by its acronym in Spanish), among other applicable laws, served as the basis for the development of these guidelines.

The Board of Directors is the highest authority within KCM and is responsible for making decisions regarding business strategy, the management of environmental, social, and governance (ESG) issues, and the selection of the Chief Executive Officer. The Audit and Corporate Practices Committee, the Compensation Committee, the Compensation Committee, and the CEO support this Board.



# Shareholders' Meeting

2-10

The Shareholders' Meeting is primarily responsible for approving and ratifying KCM's operations and electing the Board of Directors. In accordance with the LGSM<sup>1</sup> and LMV<sup>2</sup> laws, they meet in an ordinary manner and, when necessary, in extraordinary assemblies for this purpose.

Minority shareholders, representing at least 8.5% of the share capital, have the right to appoint one owner and one alternate member to the Board of Directors. During the Annual Ordinary General Meeting held on March 3, 2022, the owner and alternate members were ratified and appointed, in addition, Emilio Carrillo Gamboa was ratified as chairman of the Audit and Corporate Practices Committee.

**The Shareholders' Meeting is made up of shareholders or representatives of shareholders of Kimberly-Clark de México.**

## Some of the topics approved by the Shareholders' Meeting in 2022:

1. The approved report that in compliance with Article 172 of the LGSM was presented to the Assembly by the CEO of Kimberly-Clark de México, during the fiscal year from January 1<sup>st</sup> to December 31, 2021.
2. The company's individual and consolidated Financial Statements to December 31, 2021, were approved in all their parts, in the form in which they were presented for consideration by the Shareholders' Meeting.
3. It was agreed that the net income for the year that ended December 31, 2021, which amounts MXN \$4,493,867,909.00, includes the participation in the result of subsidiary companies for the amount of MXN \$566,340,188.00.

4. The resignation presented by Kim Underhill to be replaced as Proprietary Director was accepted, and Russell Torres was appointed to replace her. On the other hand, the resignation of Agustín Gutiérrez Espinosa and José Antonio Noguera Castillo from their positions as Alternate Directors was accepted, and the appointment of Aarón Levet Velasco was made to replace Agustín Gutiérrez Espinosa, and Jorge León Orantes Baena to replace José Antonio Noguera Castillo, as Alternate Director. Likewise, the rest of the proprietary and alternate members of the Board of Directors were ratified in their positions.
5. The report was approved and submitted to the Assembly by the Board of Directors through its Chairman on the company's policies regarding the acquisition of treasury shares.
6. The payment of a cash dividend in the amount of MXN \$1.64 per share of series "A" and "B" was approved, which will be paid in four exhibitions during 2022.

During this year we recorded an attendance representation at the Assembly of 96% of the outstanding shares.



<sup>1</sup> General Law of Commercial Companies (Ley General de Sociedades Mercantiles).

<sup>2</sup> Securities Market Law (Ley del Mercado de Valores).

# Board of Directors

2-9, 2-10, 2-11, 2-13, 2-15

The conformation of the KCM Board of Directors is selective and rigorous, considering the candidates' careers and skills into account. This Board is comprised of 12 members with extensive experience in various industries, six of whom are independent and have their respective alternates. To ensure efficient and accountable administration of the company, their selection considers their experience, professionalism, and capability, in addition to diversity, independence, relevant competencies and professional renown.

In addition, it is ensured that the directors perform their duties without any personal, patrimonial, or financial conflicts of interest, in accordance with the LMV, the CMPC<sup>3</sup> and our Code of Ethics, which serves as the guiding principle for all KCM employees and directors.

The President of the Board of Directors, Claudio X. González, oversees discussions on ESG perspectives within the company. During meetings, he presents his vision and listens to the managers' reports on the accomplishment of these pertinent issues. Economic performance is evaluated on a quarterly basis, whereas social and environmental factors are evaluated twice a year.

The CEO is a member of the Board of Directors and is responsible for communicating to senior executives the decisions made at the Board of Directors which may affect economic, social, and environmental issues. In response, senior executives take the necessary actions and inform employees.

Board's average attendance	80%
Minimum attendance required	70%

Seven sessions were conducted in the months of January, February, March, April, July, October, and December.



<sup>3</sup> Code of Best Corporate Practices (Código de Mejores Prácticas Corporativas)

## Main functions of the Board of Directors

- Monitors compliance with applicable laws and regulations.
- Defines the company's mission and strategic vision.
- Monitors KCM's operation, ensuring sustainable value creation.
- Appoints and evaluates the CEO, as well as high-level officials.
- Ensures that shareholders are treated with dignity and access to sufficient information.
- Meets the objectives set by the corporation.
- Promotes ethical business management and management transparency.
- Promotes the establishment of efficient internal control mechanisms.
- Sets policies and approves operations with commercial stakeholders.
- Ensures the establishment of mechanisms for the identification, analysis, management, control and disclosure of risks.
- Responds to shareholder concerns through quarterly conferences or other means.
- Takes actions or turns the consultations that stakeholders may have on ESG issues, as well as the impacts identified.

## Main topics addressed at the meetings of the Board of Directors:

1. Monitoring of the innovation and development processes that are being carried out in the company to increase and improve the supply of products to the market.
2. Report of the company's shares repurchase program.
3. Report on the monitoring of investments in machinery and equipment to optimize and increase our productive capacity.
4. Report on the behavior of the company's products in the different markets in which we participate.
5. Timely follow-up to the pandemic and measures adopted by the company for the protection of our employees and their families.
6. Attention to the reports of the Audit and Corporate Practices Committee.



## Board evaluation

The performance evaluation of the Board of Directors is considered based on professional achievements, their scope, and impact on economic activities.

2-19, 2-20, 2-21

The annual compensation of KCM's senior executives is based on their experience and expertise, as well as the diverse objectives established for each function, which include ESG topics. The compensation is reevaluated annually, taking into account the market parameters of comparable businesses, and includes:

- Salary
- Variable salary
- Hiring incentives
- Incentive payments
- Severance payments
- Reimbursements and retirement related affairs

The compensation for the members of the Board of Directors is agreed at the Annual Ordinary Assembly and is based on a proposal submitted by some shareholders.

Proprietary Directors	Type	Date of designation	Gender	Age	Alternate Directors
Claudio X. González Laporte President	Related	December 13, 1961	Male	88	Guillermo González Guajardo
Valentín Díez Morodo Vicepresident	Independent	April 21, 1983	Male	81	Jorge Babatz García*
Michael Hsu Vicepresident	Executive	February 27, 2014	Male	57	Jesús González Laporte†
Jorge Ballesteros Franco	Independent	February 28, 1997	Male	75	Jorge A. Lara Flores*
Emilio Carrillo Gamboa <sup>4</sup>	Independent	February 26, 1981	Male	84	Fernando López Guerra Larrea*
Antonio Cosío Ariño	Independent	February 25, 1987	Male	85	Antonio Cosío Pando*
Pablo R. González Guajardo	Executive	February 25, 2010	Male	55	Fernando Ruiz Sahagún
María Henry	Executive	February 25, 2016	Female	55	Sergio Chagoya Díaz
Alison Lewis	Executive	February 27, 2020	Female	54	Aarón Levett Velasco*
Esteban Malpica Fomperosa	Independent	March 20, 1996	Male	72	Daniela Ruiz Massieu Salinas*
Fernando Senderos Mestre	Independent	February 23, 1994	Male	71	Juan Carlos Machorro Guerrero*
Russell Torres	Executive	March 02, 2022	Male	51	Jorge León Orantes Baena

100% of the Directors are over 50 years old.

<sup>4</sup> Ratified uninterruptedly, with the exception of the year 1998 in which he served as Mexico's ambassador to Canada.

<sup>5</sup> Appointed in 2022 in place of Kim Underhill.

\* Independent Director.

## Proprietary Directors

2-17

### Claudio X. González Laporte

Was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on December 13, 1961 and has been uninterruptedly ratified by the subsequent ones. He is a Chemical Engineer and held until April 1st, 2007 the position of CEO of our Company. He participates, among others, in the Boards of Directors of: Fondo México, Grupo Carso, S.A.B. de C.V., Alfa, S.A.B. de C.V., Grupo México, S.A.B. de C.V., and is a Consultant to Fondo Capital. Additionally, he is Director Emeritus of General Electric Company, among other appointments.

### Emilio Carrillo Gamboa

He was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on February 26, 1981 and has been uninterruptedly ratified by subsequent ones, except for the 1988 meeting, in which he served as Mexico's ambassador to Canada. He holds a Degree in Law and currently serves as Founding Partner of Bufete Carrillo Gamboa, S.C. He participates, among others, in the Boards of Directors of: Grupo Nacional Provincial, S.A.B., Grupo México, S.A.B. de C.V., Grupo Profuturo, S.A.B. de C.V., Southern Copper Corporation, and The Mexico Fund, Inc.

### Valentín Díez Morodo

He was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on April 21, 1983 and has been uninterruptedly ratified by subsequent ones. He has a Degree in Business Administration. He is Chairman of the Board of Directors of: Grupo Financiero Citibanamex, S.A. de C.V., Chairman of the Advisory Board of Grupo Modelo, S.A.B. de C.V., President of the Mexican Business Council of Foreign Trade, Investment and Technology, A.C. (COMCE), President of the Mexican Institute for Competitiveness (IMCO) and participates, among others, in the Boards of: Directors of Grupo Aeroméxico, S.A.B. de C.V., Grupo Kuo, S.A.B. de C.V., Grupo Dine, S.A.B. de C.V., ProMéxico, Zara México, S.A. de C.V., Telefónica México, S.A. de C.V., Instituto de Empresa, Madrid and Bodegas Vega Sicilia, S.A.

### Antonio Cosío Ariño

He was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on February 25, 1987 and has been uninterruptedly ratified by subsequent ones. He is a Civil Engineer and is currently Chairman of the Board of Grupo Hotelero Brisas, S.A. de C.V., Bodegas de Santo Tomas, S.A. de C.V., Espectáculos Deportivos Frontón México, S.A. de C.V., Elias Pando, S.A. de C.V., and General Director of Compañía Industrial de Tepeji del Río, S.A. de C.V., and Fábrica de Hilados y Tejidos Puente Sierra, S.A. de C.V.

### Michael Hsu

He was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on February 27, 2014, and currently holds the position of Chief Executive Officer of Kimberly-Clark Corporation with headquarters at Irving, Texas, United States of America.

### Pablo R. González Guajardo

He was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on February 25, 2010. He has a Degree in Law and a Masters Degree in administration. He currently serves as Chief Executive Officer of KCM. He participates, among others, on the Boards of Directors of: América Móvil, Grupo Sanborns and Grupo Lala, in addition to numerous investment funds managed by The Capital Group and is part of The Brookings Institution's International Advisory Board. He is a founding partner of Mexicanos Primero and México, ¿Cómo vamos?, and is president of the Education Commission of the Business Coordinating Council and president of the City and State of Mexico Council of ÚNETE.

### Jorge Ballesteros Franco

He was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on February 28, 1997 and has been uninterruptedly ratified by subsequent ones. He is a Civil Engineer with a Masters Degree in Science and currently holds the position of President of the Boards of Directors of: Grupo Mexicano de Desarrollo, S.A.B., Desarrollos Hidráulicos de Cancún, S.A. de C.V. and Fondo Chiapas.

Note: The average tenure of our Board of Directors is 24 years.

### María Henry

She was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on February 25, 2016 and currently holds the position of Senior Vice President and Chief Financial Officer of Kimberly-Clark Corporation with headquarters at Irving, Texas, United States of America.

### Alison Lewis

She was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on February 27, 2020. Since July 2019, she has been the Chief Growth Officer of Kimberly Clark Corporation. From 2013 to 2019, she was the Chief Marketing Officer of Johnson & Johnson's Global Consumer Business. She served as the Chief Marketing Officer and Senior Vice President for North America at The Coca-Cola Company, where she held numerous positions since 1996. Prior to that, he held various positions in brand management at Kraft Foods.

### Esteban Malpica Fomperosa

He was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on March 20, 1996 and has been uninterruptedly ratified by subsequent ones. He is a Certified Public Accountant and the Managing Partner of Praemia S.C. He participates, among others, in the Boards of Directors of: El Puerto de Liverpool, S.A.B. de C.V., Hypermarcas, S.A., and OUL. S.A. in Brazil.

### Fernando Senderos Mestre

He was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on February 23, 1994 and has been uninterruptedly ratified by subsequent ones. He has a Degree in Business Administration and currently serves as Chairman of the Board of Directors and Executive President of Grupo Kuo, S.A.B. de C.V., Dine S.A.B. de C.V., and Grupo Desc S.A.B. de C.V. He participates, among others, in the Boards of Directors of: Industrias Peñoles, S.A.B. de C.V., Grupo Televisa, S.A.B. de C.V., and Grupo Nacional Provincial, S.A.B. de C.V. He is a member of the Mexican Business Council.

### Russell Torres

He was elected Proprietary Director by the General Ordinary Shareholders' Assembly held on March 2, 2022. President of Kimberly-Clark Professional (KCP) Group. He joined Kimberly-Clark Corporation in 2021 from Newell Brands, where he had served as the Group President. He spent more than a decade with Bain & Company and also served as Senior Vice President at Mondelez International. He has a Masters Degree in Business Administration from the Kellogg School of Management at Northwestern University, and a Magna Laude in Physics from Dartmouth College.



## Senior Management

**Pablo R. González Guajardo**  
Chief Executive Officer

**Xavier Cortés Lascurain**  
Finance

**Ommar H. Parra de la Rocha**  
Consumer Sales

**Jorge Morales Rojas**  
Transformation and Execution

**Cristina Pichardo López**  
Marketing, Baby, Incontinence Products,  
and Beauty Care Products

**Regina Celorio Calvo**  
Marketing, Women's Care, Home  
and Feminine Protection

**Armando Bonilla Ruiz**  
Foreign Trader

**Ernesto Reyes Diaz**  
Personal Care Manufacturing

**Roberto García Palacios**  
Tissue Manufacturing



**Carlos Franco Solís**  
Innovation, Technical Development, Quality, and  
Sustainability

**Alejandro Lascurain Curbelo**  
Human Resources

**Alonso Martínez Marmolejo**  
Corporate Communications / Digital Marketing

**Fernando Vergara Rosales**  
Corporate Comptroller

**Alejandro Argüelles de la Torre**  
General Counsel

**Carlos Conss Curiel**  
Information Services

**Salvador Escoto Barjau**  
Treasury and Investor Relations

## Support bodies

### Audit and Corporate Practices Committee

Best practices 25, 30, 32, 33, 34, 35, 36, 38 and 40 of the CMPC

Kimberly-Clark de México's Audit and Corporate Practices Committee is fundamental in preventing threats to the company's value. With a team made up of Independent Proprietary Directors and an Independent Alternate Director, this Committee provides assistance to the Board of Directors in the approval, monitoring, review, opinion, and oversight of internal and external audit, risk management and selection of auditors, internal control systems, legal and regulatory

aspects, various corporate practices, the Code of Ethics, compliance with Shareholders' Assembly agreements, and Board of Directors' meetings.

In addition, investigates potential violations of these issues and requests input from stakeholders, thereby promoting transparency and accountability in the decision-making of the company.

## Members of the Audit and Corporate Practices Committee

**Emilio Carillo Gamboa**

Chairman  
Independent Director

**Antonio Cosío Ariño**

Member  
Independent Director

**Esteban Malpica Fomperosa**

Member  
Independent Director

**Fernando Ruíz Sahagún**

Member  
Independent Alternate Director



Members are appointed by the Board of Directors. The Chairman of the Committee may be appointed and/or removed only by the Shareholders' Assembly.

100% of the members of this committee are men and are older than 50 years old.

### Sessions during 2022

In February, April, July, and October, four sessions were conducted to discuss the following topics:

- **Revisions made in the period.** The audits carried out and their respective evaluations are presented.
- **Progress of the annual audit program.** The progress level of the scheduled audits for the year is reviewed.
- **Review of statistics of evaluations to localities.** The revisions are presented to the plants and general offices with their respective qualification.
- **Review of complaints for violations of the Code of Ethics.** Each complaint is reviewed, the investigation carried out, the follow-up and it is indicated whether it is open or closed.
- **Meeting of the Audit Committee with the external or internal Auditor without the presence of the company's executives.** It serves to communicate to the committee any issue that draws the attention of the external or internal auditor and that due to its importance the committee should know.
- **Review of financial statements for the period.** At the first meeting of each year, the audited financial statements are reviewed, and the main changes are indicated to the auditor's report. The result of the period and any other relevant financial event are reported quarterly.
- **Presentation of relevant aspects of the Sustainability Report.** The CEO introduces the report and the most relevant indicators are reviewed.
- **Report of the main lawsuits involving the company.** The General Counsel reports once a year on the most relevant litigation, status and possible contingencies of KCM and its subsidiaries.
- **Key external audit issues and new accounting pronouncements.** In the third quarter, the external auditor presents his work plan, the areas of review that he considers key, the scope and shows the new accounting standards that could affect KCM's financial statements.

## Compensation Committee

The Compensation Committee plays a crucial role in the administration of human talent and compensation at Kimberly-Clark de México. It is responsible for evaluating the performance of Senior Managers and establishing equitable compensation policies.

In addition, it conducts an analysis of external and internal factors, such as labor market competitiveness and the achievement of objectives to maintain competitive benefits in the market, with the assistance of an independent compensation consulting firm that provides statistics of market increases granted and projected, which can be used to determine the parameter for the salary increase.

In addition, the HAY system is employed to determine job values and their market-based compensation reference, thereby monitoring salary competitiveness.

The Committee met once in 2022.

### Members of the Compensation Committee

**Valentín Díez Morodo**

Chairman  
Independent Director

**Michael Hsu**

Executive Director

**Fernando Senderos Mestre**

Independent Director

100% of the members of this committee are men and are older than 50 years old.



### Sessions during 2022

Date of the session: January 18

#### Topics covered:

Market-based compensation for similar positions and companies. The base or fixed compensation for unionized personnel, employees and officials for the year 2022 was analyzed and approved, the bases and objectives were analyzed and, where appropriate, variable compensation based on the scope of objectives for the company's key administrative personnel.

## Executive Sustainability Committee

2-12, 2-13, 2-14

The company's Sustainability Leader is responsible for preparing the Sustainability Report. Members of the Executive Sustainability Committee (CES, by its acronym in Spanish) examine and approve the Report prior to its validation by an external auditor. The document is simultaneously transmitted for approval to the CEO, a member of the Board of Directors. The Board of Directors delegated this responsibility to the Executive Committee on Sustainability via the Senior Management.

The CES is an important working body within Kimberly-Clark de México. With members from the different areas of the company, the CES has the task of designing, implementing and updating the company's sustainability strategy. In addition, it is also accountable for making decisions and managing the impact that KCM has on the environment and people. This committee is subordinate to the Senior Management.

### Members of the Executive Sustainability Committee

**Alejandro Argüelles**

General Counsel

**Alejandro Lascurain**

Human Resources

**Regina Celorio**

Marketing, Household and Feminine Care Protection Products

**Roberto Garcia**

Tissue Manufacturing

**Carlos Franco Solís**

Innovation, Technological Development, Quality, and Sustainability

**Salvador Escoto Barjau**

Treasury and Investor Relations

**Xavier Cortés Lascurain**

Finance

**José Luis Díaz**

Internal Audit

**Jorge Morales**

Transformation and Execution

11% of the members of this committee are women and 89% are men, 22% are older than 30 years old and 78% are older than 50 years old.



The Audit and Corporate Practices Committee, the Compensation Committee and the Executive Sustainability Committee share responsibility for decision-making on economic, environmental, and social issues.

# Annexes

Our performance results show our track record and improvement over time.





# Risks and opportunities

## Environment


Risk	Impact	Opportunity
 <b>Water</b>		
Low availability of fresh water.	Reduction in production.	Increased use of post-consumer water.
Poor quality of fresh water supply.	Increase in operation and maintenance costs.	Formation of legal/technical working groups for the review and implementation of regulatory changes.
Regulatory changes (increase in quotas and/or changes in availability zones).	Reduction of the concessioned volumes of exploitation.	Correct communication channels with our facilities.
Dependence on a third party for supply and unloading services.	Economic sanctions for non-compliance.	Investments to improve the efficiency of our wastewater treatment plants.
Failure to comply with the discharge conditions due to failures in our equipment.	Increase in the payment of fees.	Water use strategy.
	Possible negative impact on biodiversity by discharges.	Seek to obtain water quality certificates in all our plants.
	KCM's negative reputation.	Identification and attention of areas of improvement result of the reports and questionnaires * (CDP, CSA, TCFD).
		Implementation and monitoring of the environmental management system (EHS).
 <b>Waste</b>		
Regulatory changes.	Negative reputation to the image of KCM.	Separation of waste for valorization.
Improper waste management.	Possible pollution to the environment.	Send zero waste to landfills.
Impact on the environment (health and environment).	Economic sanctions for non-compliance.	Follow-up to the waste management plans of special management.
	Effects on the occupational health of our main stakeholders.	Use of sludge from treatment plants as alternative fuels.
		Standardization of waste reports in the facilities.
		Implementation and monitoring of the environmental management system (EHS).
		Formation of legal/technical working groups for the review and implementation of regulatory changes.
		Correct communication channels with our facilities.
		Identification and attention of areas of improvement resulting from the reports and questionnaires* (CSA, TCFD).
		Implementation and monitoring of the environmental management system (EHS).

\* CDP (Carbon Disclosure Project), CSA (Corporate Sustainability Assessment), TCFD (Task Force on Climate-Related Financial Disclosures).


**Environment**

Risk	Impact	Opportunity
 <b>Energy</b>		
Shortage of main energy (natural gas and electricity).	Interruption of operations.	Identification and execution of energy efficiency projects and investments (energy management system)*.
Regulatory changes.	Increase in operating costs.	Increase in the use of electricity from clean and/or renewable sources.
Increase in energy costs.	Increase in production costs.	Efficiency in our operation for lighting our plants.
Absence of clean sources of energy.	Increase in GHG emissions.	Formation of legal/technical working groups for the review and implementation of regulatory changes.
		Identification and attention of areas of improvement resulting from the reports and questionnaires* (CSA, TCFD).
		Implementation and monitoring of the environmental management system (EHS).
 <b>Forests</b>		
Reputational image due to incorrect information on felling trees.	Negative impact on sales.	Use of virgin fibers from certified forests.
Lack of certified virgin fiber suppliers.	Interruption of operations.	Supervision and development of new suppliers (national and international).
Shortage of secondary fibers.	Increase in operating costs.	Increase in the use of secondary fiber.
		Innovation in alternative sources of fibers (virgin and secondary).
		Internal and external communication and dissemination actions.
		Formation of legal/technical working groups for the review and implementation of regulatory changes.
		Correct communication channels with our facilities.
		Identification and attention of areas of improvement resulting from the reports and questionnaires * (CSA, CDP, TCFD).
		Implementation and monitoring of the environmental management system (EHS).
 <b>Climate Change</b>		
Effects on our facilities, the facilities of our suppliers and/or the infrastructure of the environment due to natural disasters.	Interruption of operations.	Development of alternative suppliers.
Regulatory changes to mitigate climate change.	Disruption in the supply chain.	Identification of adaptation and mitigation actions. Capital investments to ensure regulatory compliance.
Scarcity of natural resources (water and forests).	Increased production costs.	Formation of legal/technical working groups for the review and implementation of regulatory changes.
	Increase in GHG emissions.	Correct communication channels with our facilities.
	Affectation in operations.	Identification and attention of areas of improvement resulting from the reports and questionnaires* (CSA, CDP, TCFD).
	Effects on the occupational health of KCM employees.	Implementation and monitoring of the environmental management system (EHS).


### Social / Reputational

Risk	Impact	Opportunity
 <b>Risk factors related to Government, media and social networks</b>		
Brands that are not aligned with consumer expectations.	Lack of credibility by consumers.	Training in corporate principles.
Misleading advertising (fake news) that generate the misconception of misleading advertising.	Decrease in sales volume.	Increased transparency.
Negative media coverage.	Loss of market share.	Greater outreach and closer to the communities where we operate.
Political accusations.	Loss of credibility of our stakeholders.	
Misleading advertising (fake news) that generates the misconception of deceptive social programs.	Implementation and/or modification of new regulations.	
Bad reputation in the communities where we operate.		
Public misconduct of employees and former employees.		

### Economic / Financial


Risk	Impact	Opportunity
 <b>Risk factors related to Mexico and abroad</b>		
Business and results depend on Mexico's economic, political and social conditions.	Decrease in the volume and frequency with which products are consumed.	KCM is constantly looking to be in new markets outside of Mexico.
The economic, political and social conditions of other countries may adversely affect KCM in the market value of securities or the result of operations.	Investors' reaction to events in other countries may adversely affect securities issued by Mexican corporations and Mexican assets.	We avoid using aggressive accounting to preserve room for maneuver in the event of regulatory changes.
The government of Mexico has exercised and continues to exert significant influence over the Mexican economy.	Changes in Mexican government policies may adversely affect our business, the outcome of operations and the financial situation.	We maintain a significant cash position in dollars, in addition to constantly evaluating options for exchange rate coverage.
Fluctuations in the value of the peso against the dollar may have an adverse effect on operating results and on our financial situation.	Higher financial costs. Increase in the amount of liabilities denominated in other currencies, adversely affecting results of operation.	We maintain a multichannel and multitier strategy, which allows us to preserve the consumer regardless of their economic situation.
Inflation in Mexico, along with government measures to curb inflation, can have an adverse effect on our investments.	Reduction of the purchasing power of consumers, harming the demand for products, increasing costs.	We constantly evade interest rates from other countries when we need to raise capital through debt.

**Economic / Financial**

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Inflation in Mexico, along with government measures to curb inflation, can have an adverse effect on our investments.	Reduction of the purchasing power of consumers, harming the demand for products, increasing costs.	We maintain a multichannel and multitier strategy, which allows us to preserve the consumer regardless of their economic situation.
Higher interest rates in Mexico could increase our financing costs.	Unfavorable effects on our financing costs and, if we incur MXN-denominated debt in the future, it could be from higher interest rates.	We constantly evade interest rates from other countries when we need to raise capital through debt.
There could be various impacts on the economic environment derived from COVID 19.	Economic slowdown, recession and job instability, which could result in an unfavorable situation and could affect KCM's operating and financial results.	The company has implemented different strategies and plans to mitigate these impacts.



**Economic / Financial**

Risk	Impact	Opportunity
 <b>Risk factors related to the company</b>		
<p>A change in demand for our products and/or lack of market growth could have a significant impact on the business.</p>	<p>The company's volumes and results could be adversely affected.</p>	<p>The company is constantly evaluating, increasing and improving its product portfolio to avoid this type of situation.</p>
<p>Significant increases in the prices of raw materials, energy, transportation and other services or products.</p>	<p>Increases in cost and low availability of raw material, directly reflecting the increase in our sales prices and reduced profits.</p>	<p>The company is evaluating new sources for some of its core commodities, as well as analyzing the use of financial instruments to hedge commodities.</p>
<p>Damage to our reputation, that of our business partner KCC or the brands under which we sell our products.</p>	<p>Generate high extra costs by diverting resources that could be used to operate, innovate or develop our business.</p>	<p>The company has a dedicated team of people who monitor and handle these types of situations.</p>
<p>If our computer systems suffer interruptions, failures or breakdowns, we could face financial and reputational damage.</p>	<p>We may experience disruptions in our ability to manage operations, as well as disclosures and misuse of our confidential and proprietary information including ordinary business information from susceptible customers, vendors, employees or investors.</p>	<p>The company has a backup of its information system in a place other than the corporate and plants to safeguard the information.</p>
<p>Pending litigation and future administrative acts, tax matters, regulatory requirements and new legal requirements.</p>	<p>Incur in substantial expenses in defending ourselves or protecting our rights. In tax matters, new obligations may be created or approved that affect the taxes that are applicable to us and adversely affect the result of our operations.</p>	
<p>Lack of capacity to maintain relations with trade unions.</p>	<p>Labor disputes that result in strikes or other disruptions can also result in increased operating expenses that may damage relationships with our customers and harm business and financial results of KCM.</p>	
<p>We may incur additional debts in the future that could affect the financial situation.</p>	<p>Contract additional debt that could impact on:                      -Limit our ability to meet our obligations under existing debts.                      -Increase our general economic vulnerability and industrial conditions.                      -Limit our flexibility to plan changes in our business and in the industry we operate.                      -Increase the cost of additional financing."</p>	<p>The company conducts thorough analyses to prevent the level of debt from becoming an obstacle to operation.</p>

# Participation in stock market indexes

The purpose of stock market indexes is to assist investors in incorporating environmental, social, and governance criteria into their investment decisions.

Since 1959, Kimberly-Clark de México S.A.B. de C.V. (KCM) has operated continuously as a Variable Capital Stock Company (*Sociedad Anónima Bursátil de Capital Variable*).

KCM is part of the sector of Frequent Consumer Goods, and our commercial activity consists of the Manufacturing and Marketing of Consumer and Health Care Goods.



In 2022 we celebrated 60 years of being listed on the Mexican Stock Exchange (BMV, by its acronym in Spanish).



Índice **IPC**  
Sustentable

We have been part of the Mexican Sustainable Price and Quotation Index (IPC Sustentable, by its acronym in Spanish) for 11 years.



For fourth consecutive year, we were included in the Dow Jones Sustainability Index (DJSI) MILA Pacific Alliance Index, along with 68 other industry leaders from Mexico, Chile, Colombia, and Peru.

Kimberly-Clark de México was the only corporation recognized in the home and personal care products sector.



**FTSE4Good**

For sixth consecutive year, we maintained our membership in FTSE4Good, which refers to a series of stock indices on the London Stock Exchange that groups companies with solid environmental, social and governance practices from around the globe.

## S&P Dow Jones Indices

A Division of **S&P Global**



For third consecutive year, we have been included in the Dow Jones Sustainability Index (DJSI) Emerging Markets, where we maintain leadership within our industry in the 14 countries with emerging economies included in the index.

Kimberly-Clark de México is one of two companies in the home and personal care products sector and the only Mexican company in this sector to be included in this index.

The requirement of this index is such that in 2022 only three Mexican companies were listed out of a total of 110.



At the request of its investors, buyers, and stakeholders, we participated for three consecutive years in the Carbon Disclosure Project (CDP), which administers the global environmental disclosure system to measure and manage its risks and opportunities on climate change, water security, and deforestation.

 <b>CRITERION</b>	 <b>Kimberly-Clark</b> de México		
	2020	2021	2022
Forest Management Strategy	A -	A -	B
Climate change	B	B	B
Water Management Strategy	B	A -	B

## Associations to which KCM belongs

2-28

- Cámara Nacional de las Industrias de la Celulosa y el Papel (CNICP),
- Cámara Nacional de la Industria de Productos Cosméticos (CANIPEC)
- Comisión de Estudios del Sector Privado para el Desarrollo Sustentable (CESPEDES)
- Confederación de Cámaras Industriales de los Estados Unidos Mexicanos (CONCAMIN)
- Consejo Coordinador Empresarial (CCE)
- Consejo de la Comunicación (CC)
- Consejo Mexicano de Negocios (CMN)
- Comité de Sustentabilidad de la Bolsa Mexicana de Valores

<sup>1</sup> Kimberly-Clark de México holds a position on the association's governing body.

<sup>2</sup> Kimberly-Clark de México participates in projects or committees of the association.

# Performance results

	Unit	2020	2021	2022	ESG Standard
<b>KCM contributions</b>					
Donations	MXN Million	\$ 40.80	\$ 34.43	\$ 28.05	-
Profit sharing paid to employees	MXN Million	\$ 772	\$ 941	\$ 719	-
Salaries and benefits (including profit sharing)	MXN Million	\$ 3,201	\$ 3,615	\$ 3,383	-

	Unit	2020	2021	2022	ESG Standard
<b>Business ethics</b>					
Complaints	No.	41	37	39	2-26
Complaints attended	%	100%	100%	100%	2-26
Complaints resolved	%	100%	100%	95%	2-26
Corruption cases	No.	2	0	0	205-3
<b>Audits</b>					
Generally well-controlled audits	No.	23	17	23	-
Well-controlled audits	No.	13	14	14	-
Audits not well-controlled	No.	0	3	1	-
<b>Total</b>	<b>No.</b>	<b>36</b>	<b>34</b>	<b>38</b>	<b>-</b>
Reports to be issued	No.	0	3	0	-
<b>Information security and privacy</b>					
Information security incidents	No.	0	0	0	S&P CSA
Claims for violations of customer privacy	No.	0	0	0	418-1
Claims for data loss	No.	0	0	0	418-1
<b>Compliance with regulations</b>					
Fines or penalties for non-compliance with laws or regulations	No.	0	2	0	2-27
Fines or penalties for non-compliance with environmental laws and regulations	No.	-	-	0	307-1
<b>Supply chain</b>					
National suppliers	No.	-	-	274	-
Foreign suppliers	No.	-	-	99	-
<b>Total suppliers</b>	<b>No.</b>	<b>-</b>	<b>-</b>	<b>373</b>	<b>-</b>
National suppliers	%	-	-	73%	-
Foreign suppliers	%	-	-	26%	-
New suppliers evaluated and selected according to environmental criteria	No.	-	29	27	308-1
No. of suppliers evaluated in relation to environmental impacts	No.	-	11	15	308-2
Total budget allocated to acquisitions	MXN Million	-	-	\$22,986,769	204-1
Budget allocated to acquisitions of local suppliers	MXN Million	-	-	\$10,573,914	204-1
Budget allocated to acquisitions of local suppliers	%	50	47	46	204-1



	Unit	2020	2021	2022	ESG Standard
<b>Materials used in production (recyclable and/or recycled)</b>					
Virgin fiber	Ton	248,266	239,806	250,183	301-1 CG-HP-410a.1
Recycled fiber	Ton	488,755	457,843	458,407	301-1 CG-HP-410a.1
Other fibers	Ton	56,144	54,093	54,544	301-1 CG-HP-410a.1
Non-woven fabrics	Ton	26,572	25,867	9,338	301-1 CG-HP-410a.1
Superabsorbent	Ton	48,063	49,918	44,754	301-1 CG-HP-410a.1
Polymer resins	Ton	32,687	30,584	39,190	301-1 CG-HP-410a.1
<b>Total</b>	<b>Ton</b>	<b>900,487</b>	<b>858,111</b>	<b>856,416</b>	301-1 CG-HP-410a.1
<b>Materials used in production (recycled internally)</b>					
Cellulosic fibers	Ton	56,144	54,093	54,544	301-2
Non-woven fabrics	Ton	4,545	4,397	4,179	301-2
Diaper absorbent center	Ton	1,589	1,841	1,397	301-2
<b>Total</b>	<b>Ton</b>	<b>62,278</b>	<b>60,331</b>	<b>60,120</b>	301-2
<b>Materials used to wrap and package products</b>					
Packaging films (LDPE) - Recyclable*	Ton	~22,000	23,426	24,339	301-3 CG-HP-410a.1
Wrapping paper - Recycled and recyclable	Ton	744	327	336	301-3 CG-HP-410a.1
<b>Total</b>	<b>Ton</b>	<b>22,744</b>	<b>23,753</b>	<b>24,675</b>	301-3 CG-HP-410a.1
<b>Volume of water used by supply source</b>					
Fresh groundwater or well water	m <sup>3</sup>	5,741,777	5,557,473	5,226,227	303-3 CG-HP-140a.1
Fresh surface water	m <sup>3</sup>	1,114,427	1,050,444	1,124,669	303-3 CG-HP-140a.1
Post-consumer surface water	m <sup>3</sup>	5,892,514	6,526,726	6,876,245	303-3 CG-HP-140a.1
<b>Total</b>	<b>m<sup>3</sup></b>	<b>12,748,718</b>	<b>13,134,643</b>	<b>13,227,141</b>	303-3 CG-HP-140a.1
<b>Water intensity (water usage per ton produced)</b>					
Tissue	m <sup>3</sup> /ton produced	14.85	15.04	14.45	-
Personal care	m <sup>3</sup> /ton produced	1.09	1.04	1.04	-
<b>KCM Global Index</b>	<b>m<sup>3</sup>/ton produced</b>	<b>11.16</b>	<b>11.67</b>	<b>11.92</b>	-

	Unit	2020	2021	2022	ESG Standard
<b>Volume of water discharged by destination</b>					
Surface water	m <sup>3</sup>	5,827,025	6,681,879	6,971,241	303-4
Groundwater	m <sup>3</sup>	6,722,325	6,367,907	5,875,198	303-4
<b>Total</b>	<b>m<sup>3</sup></b>	<b>12,549,350</b>	<b>13,049,786</b>	<b>12,846,439</b>	303-4
<b>Fuel consumption by mobile sources</b>					
LP Gas	GJ	94,662	107,649	110,468	302-1
Gasoline	GJ	1,203	1,204	1,456	302-1
Diesel	GJ	11,073	6,217	3,943	302-1
<b>Total</b>	<b>GJ</b>	<b>106,938</b>	<b>115,070</b>	<b>115,867</b>	302-1
<b>Fuel consumption by fixed sources</b>					
Natural gas	MMBTU	4,005,548	3,917,149	4,058,156	302-1
Natural gas	GJ	4,226,076	4,132,811	4,281,581	302-1
<b>Energy consumption by type of source</b>					
Natural gas	GJ	4,226,076	4,132,811	4,281,581	302-1
Steam	GJ	1,360,672	1,358,696	1,432,034	302-1
Wind energy	GJ	43,727	52,090	35,130	302-2
Electricity (National Electrical Network)	GJ	265,072	194,930	2,255,536	302-2
Electricity (Cogeneration)	GJ	3,533,475	3,434,836	1,445,679	302-2
<b>Total</b>	<b>GJ</b>	<b>9,429,022</b>	<b>9,173,363</b>	<b>9,449,960</b>	302-1, 302-2
Natural gas	MMBTU	4,005,548	3,917,149	4,058,156	302-1
Steam	MMBTU	1,289,668	1,287,795	1,357,307	302-1
Wind energy	MMBTU	41,445	49,372	33,297	302-2
Electricity (National Electrical Network)	MMBTU	251,240	184,758	2,137,835	302-2
Electricity (Cogeneration)	MMBTU	3,349,088	3,255,597	1,370,239	302-2
<b>Total</b>	<b>MMBTU</b>	<b>8,936,989</b>	<b>8,694,671</b>	<b>8,956,834</b>	302-1, 302-2
<b>Energy intensity (energy consumption per ton produced)</b>					
Tissue	MMBTU/ton producida	11.62	12.31	12.42	302-3
Personal care	MMBTU/ton producida	1.71	1.38	1.37	302-3
<b>Global</b>	<b>MMBTU/ton producida</b>	<b>7.82</b>	<b>7.73</b>	<b>8.05</b>	302-3

	Unit	2020	2021	2022	ESG Standard
<b>Total GHG emissions</b>					
Direct emissions (Scope 1)	tCO <sub>2</sub> e	244,376	239,618	248,001	305-1
Indirect emissions (Scope 2)	tCO <sub>2</sub> e	470,779	434,063	470,515	305-2
Indirect emissions (Scope 3)	tCO <sub>2</sub> e	37,893	37,758	39,785	305-3
<b>Total</b>	tCO <sub>2</sub> e	<b>753,048</b>	<b>711,439</b>	<b>758,301</b>	305-1, 305-2, 305-3
<b>CO<sub>2</sub> emissions intensity (Scope 1 &amp; 2)</b>					
Tissue	tCO <sub>2</sub> e/ton produced	0.89	0.92	0.96	305-4
Personal care	tCO <sub>2</sub> e/ton produced	0.21	0.16	0.17	305-4
<b>Global</b>	tCO <sub>2</sub> e/ton produced	<b>0.63</b>	<b>0.60</b>	<b>0.65</b>	305-4
<b>Other air emissions</b>					
NOx	Ton	207.0	178.7	184.7	305-7
SOx	Ton	1.3	1.1	1.1	305-7
TSP	Ton	17.4	13.7	14.3	305-7
VOC	Ton	11.5	9.9	10.4	305-7
<b>Waste generated (by destination)</b>					
Sludge wastewater treatment - valorization	Ton	307,592	321,283	344,517	306-3, 306-4
Sludge wastewater treatment - landfill	Ton	0	0	0	306-3, 306-5
Paper - valorization	Ton	5,293	5,471	3,537	306-3, 306-4
Paper - landfill	Ton	38	25	7	306-3, 306-5
Plastic - valorization	Ton	6,647	8,090	17,171	306-3, 306-4
Plastic - landfill	Ton	34	22	12	306-3, 306-5
Mixed plastic - valorization	Ton	4,667	4,456	4,574	306-3, 306-4
Mixed plastic - landfill	Ton	160	105	106	306-3, 306-5
Plastic mixed with cellulose - valorization	Ton	1,777	2,362	775	306-3, 306-4
Plastic mixed with cellulose - landfill	Ton	0	0	0	306-3, 306-5
Wood - valorization	Ton	2,281	3,203	3,074	306-3, 306-4
Wood - landfill	Ton	2	2	1	306-3, 306-5
Metal - valorization	Ton	1,312	2,733	2,574	306-3, 306-4
Metal - landfill	Ton	2	1	1	306-3, 306-5
Cardboard valorization	Ton	5,659	7,541	6,839	306-3, 306-4
Cardboard - landfill	Ton	11	7	2	306-3, 306-5
Other - valorization	Ton	4,323	3,013	1,829	306-3, 306-4
Other - landfill	Ton	7,052	7,361	7,869	306-3, 306-5
<b>Non-hazardous waste generated</b>					
Valorization	Ton	339,551	358,151	384,890	306-4
Landfill	Ton	7,299	7,522	7,997	306-5
<b>Total</b>	<b>Ton</b>	<b>346,850</b>	<b>365,673</b>	<b>392,887</b>	306-4, 306-5

	Unit	2020	2021	2022	ESG Standard
<b>Unionized an non-unionized employees by gender</b>					
Women - unionized	No.	484	482	552	2-7
Women - non-unionized	No.	540	599	619	2-7
Men - unionized	No.	5,730	5,857	5,543	2-7
Men - non-unionized	No.	2,104	2,085	2,034	2-7
<b>Total</b>	<b>No.</b>	<b>8,858</b>	<b>9,023</b>	<b>8,748</b>	2-7
<b>Managers by age and gender</b>					
Women between 31 and 50 years old	No.	1	1	2	405-1
Women over 51 years old	No.	0	0	0	405-1
Men between 31 and 50 years old	No.	1	2	1	405-1
Men over 51 years old	<b>No.</b>	<b>10</b>	<b>9</b>	<b>7</b>	405-1
<b>Employees by age and gender</b>					
Women < 30 years old	No.	-	-	371	405-1
Women between 31 and 50 years old	No.	-	-	683	405-1
Women > 50 years old	No.	-	-	117	405-1
Men < 30 years old	No.	-	-	2,606	405-1
Men between 31 and 50 years old	No.	-	-	3,889	405-1
Men > 50 years old	No.	-	-	1,082	405-1
Women < 30 years old	%	-	-	4	405-1
Women between 31 and 50 years old	%	-	-	8	405-1
Women > 50 years old	%	-	-	1	405-1
Men < 30 years old	%	-	-	30	405-1
Men between 31 and 50 years old	%	-	-	45	405-1
Men > 50 years old	%	-	-	12	405-1
<b>Employees by job category and gender</b>					
Women - Management level	No.	1	1	2	405-1
Women - Executives and Administrative	No.	-	-	617	405-1
Women - Unionized	No.	484	482	552	405-1
Men - Management level	No.	11	11	8	405-1
Men - Executives and Administrative	No.	-	-	2,026	405-1
Men - Unionized	No.	5,730	5,857	5,543	405-1
Women - Management level	%	-	-	0.02	405-1
Women - Executives and Administrative	%	-	-	7.05	405-1
Women - Unionized	%	-	-	6.31	405-1
Men - Management level	%	-	-	0.09	405-1
Men - Executives and Administrative	%	-	-	23.16	405-1
Men - Unionized	%	-	-	63.36	405-1



	Unit	2020	2021	2022	ESG Standard
<b>Inclusion and diversity</b>					
Women with disabilities	No.	43	0	0	S&P CSA
Men with disabilities	No.	26	0	0	S&P CSA
<b>Female empowerment</b>					
Women in administrative offices	%	43%	52%	46%	-
Women in executive positions (directors, managers and chiefs)	%	26%	41%	26%	S&P CSA
<b>New hires</b>					
Total number of new hires	No.	1,085	2,421	2,471	S&P CSA
Total number of open vacancies	No.	-	-	3,001	S&P CSA
Total vacancies filled by internal candidates	No.	-	-	530	S&P CSA
Percentage of positions filled by internal candidates	%	-	-	18	S&P CSA
Average cost of hiring per employee	MXN	-	\$ 6,151	\$ 6,133	S&P CSA
<b>New hires by gender and age</b>					
Women < 30 years old	No.	83	145	201	401-1
Women between 31 and 50 years old	No.	69	130	204	401-1
Women > 50 years old	No.	5	2	11	401-1
<b>Total Women</b>	<b>No.</b>	<b>157</b>	<b>277</b>	<b>416</b>	401-1
Men < 30 years old	No.	599	1,436	947	401-1
Men between 31 and 50 years old	No.	303	650	464	401-1
Men > 50 years old	No.	26	58	35	401-1
<b>Total Men</b>	<b>No.</b>	<b>928</b>	<b>2,144</b>	<b>1,446</b>	401-1
<b>Employee turnover by age and gender</b>					
<b>Global turnover</b>	%	13%	21%	21%	401-1
<b>Voluntary turnover</b>	%	-	18%	19%	S&P CSA
Women < 30 years old	No.	56	89	123	401-1
Women between 31 and 50 years old	No.	88	115	186	401-1
Women > 50 years old	No.	31	20	18	401-1
<b>Total Women</b>	<b>No.</b>	<b>175</b>	<b>224</b>	<b>327</b>	401-1
Men < 30 years old	No.	363	781	847	401-1
Men between 31 and 50 years old	No.	400	668	489	401-1
Men > 50 years old	No.	184	209	143	401-1
<b>Total Men</b>	<b>No.</b>	<b>947</b>	<b>1,658</b>	<b>1,479</b>	401-1
<b>Employment stability</b>					
Average seniority in years	No.	9.13	8.89	8.80	-

	Unit	2020	2021	2022	ESG Standard
<b>Parental leave by gender</b>					
Employees entitled to parental leave - Women	No.	8	32	26	401-3
Employees who took parental leave - Women	No.	8	32	26	401-3
Employees who returned to work during the reporting period - Women	No.	8	24	20	401-3
Return to work rate after parental leave - Women	%	100%	75%	77%*	401-3
Employees entitled to parental leave - Men	No.	336	290	294	401-3
Employees who took parental leave - Men	No.	336	290	294	401-3
Employees who returned to work during the reporting period - Men	No.	295	244	285	401-3
Return to work rate after parental leave - Men	%	87%	84%	97%*	401-3
<b>Training</b>					
Total hours	No.	679,255	566,044	463,756	-
Training rate (hours per person)	Hours	76.68	62.74	53.01	S&P CSA
Number of courses delivered	No.	4,998	7,621	7,680	-
Investment in training	MXN	\$ 1,352,536	\$2,075,290	\$ 3,018,753	S&P CSA
Average invested in training per employee	MXN	\$ 153	\$ 230	\$ 345	S&P CSA
<b>Annual training hours per employee</b>					
Unionized	No.	90.59	79.01	55.58	-
Non-unionized	No.	43.97	49.38	47.12	-
<b>Training hours by job category, gender and unionized status</b>					
Management level - Women	No.	15	20	18	404-1
Executives - Women	No.	24	33	52	404-1
Administrative - Women	No.	23	10	25	404-1
Facility administrative - Women	No.	29	22	28	404-1
Unionized - Women	No.	67	64	54	404-1
Management level - Men	No.	40	7	12	404-1
Executives - Men	No.	23	14	43	404-1
Administratives - Men	No.	22	22	24	404-1
Facility administrative - Men	No.	54	53	33	404-1
Unionized - Men	No.	93	80	56	404-1
<b>Training hours by job category and gender</b>					
Management level - Women	No.	58	20	36	404-1
Executive - Women	No.	2,282	8,100	10,992	404-1
Administrative - Women	No.	11,593	11,560	21,691	404-1
<b>Total Women</b>	<b>No.</b>	<b>13,933</b>	<b>19,680</b>	<b>32,719</b>	404-1
Management level - Men	No.	672	80	99	404-1
Executives - Men	No.	3,629	9,600	24,819	404-1
Administratives - Men	No.	98,040	103,231	67,384	404-1
<b>Total Men</b>	<b>No.</b>	<b>102,341</b>	<b>112,911</b>	<b>92,302</b>	404-1

\*Although they returned when their leave ended, they left the company shortly after.

	Unit	2020	2021	2022	ESG Standard
<b>Performance evaluation by job category and gender</b>					
Management level - Women	No.	3	3	2	404-3
Executives - Women	No.	63	67	209	404-3
Administrative - Women	No.	401	403	261	404-3
Unionized - Women	No.	N/A	482	552	404-3
<b>Total Women</b>	<b>No.</b>	<b>467</b>	<b>955</b>	<b>1,024</b>	404-3
Management level - Men	No.	11	10	8	404-3
Executives - Men	No.	169	171	621	404-3
Administrative - Men	No.	1,868	1,602	1,141	404-3
Unionized - Men	No.	N/A	5,856	5,543	404-3
<b>Total Men</b>	<b>No.</b>	<b>2,048</b>	<b>7,639</b>	<b>7,313</b>	404-3
<b>Health and safety indicators (employees)</b>					
Fatalities as a result of work-related injury	No.	0	2	0	403-9
High-consequence work-related injuries	No.	3	6	10	403-9
Recordable work-related injuries	No.	98	100	107	403-9
Worked hours	No.	21,330,867	21,597,629	21,011,259	403-9
<b>Health and safety indicators (non-employee workers)</b>					
Fatalities as a result of work-related injury	No.	0	0	0	403-9
High-consequence work-related injuries	No.	1	0	0	403-9
Recordable work-related injuries	No.	1	8	14	403-9
Worked hours	No.	3,157,507	4,193,320	3,980,174	403-9
<b>Health and safety indicators (SODISA)</b>					
Fatalities as a result of work-related injury	No.	-	-	1	403-9
High-consequence work-related injuries	No.	-	-	7	403-9
Recordable work-related injuries	No.	-	-	0	403-9
Worked hours	No.	-	-	965,139	403-9
<b>Lost Time Injury Frequency Rate (LTIFR)</b>					
KCM cases	No.	3	7	10	S&P CSA
Worked hours	Hours	21,296,367	21,597,629	21,011,255	S&P CSA, 403-9
Contractors (per million hours worked)	No.	0.31	1.9	3.51	S&P CSA
Contractor cases	No.	1	8	14	S&P CSA
Worked hours	Hours	3,157,507	4,193,320	3,980,174	S&P CSA, 403-9
<b>Occupational Disease Frequency Rate (OIFR)</b>					
Employees (per million hours worked)	No.	0	0	0	S&P CSA
Contractors (per million hours worked)	No.	0	0	0	S&P CSA
<b>Safety and health indicators</b>					
Number of occupational diseases	No.	0	0	0	403-10
Total Accident Frequency Index (LTIR)	%	0.94	0.92	1.01	S&P CSA
Severity Index	%	2.54	5.22	7.97	-
Frequency rate of serious and severe accidents	%	0.03	0.06	0.10	-

## GRI content index

### Universal Standards

GRI Standard	Content	Page, response or reason for omission	
<b>GRI 1 Foundation 2021</b>			
<b>GRI 2 General Disclosures 2021</b>			
<b>1. The organization and its reporting practices</b>			
GRI 2 General Disclosures 2021	2-1	Organizational details.	1
	2-2	Entities included in the organization's sustainability reporting.	1
	2-3	Reporting period, frequency and contact point.	1
	2-4	Restatements of information.	1
	2-5	External assurance.	1
<b>2. Activities and workers</b>			
GRI 2 General Disclosures 2021	2-6	Activities, value chain and other business relationships.	7, 8, 56
	2-7	Employees.	36, 90
	2-8	Workers who are not employees.	All KCM employees are employees of the organization.
<b>3. Governance</b>			
GRI 2 General Disclosures 2021	2-9	Governance structure and composition.	68, 70, 71
	2-10	Nomination and selection of the highest governance body.	69, 70, 71
	2-11	Chair of the highest governance body.	70
	2-12	Role of the highest governance body in overseeing the management of impacts.	15, 19, 77
	2-13	Delegation of responsibility for managing impacts.	70, 77
	2-14	Role of the highest governance body in sustainability reporting.	77 The CEO of Kimberly-Clark de México approves the Sustainability Report.
	2-15	Conflicts of interest.	54, 70
	2-16	Communication of critical concerns.	52
	2-17	Collective knowledge of the highest governance body.	72
	2-18	Evaluation of the performance of the highest governance body.	Information unavailable. At the moment the performance of KCM's Board of Directors is not evaluated.
	2-19	Remuneration policies.	71
	2-20	Process to determine remuneration.	71
	2-21	Annual total compensation ratio.	71



GRI Standard	Content		Page, response or reason for omission
<b>4. Strategy, policies and practices</b>			
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	2-24	Embedding policy commitments.	11, 20, 51
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	2-28	Membership associations.	85
<b>5. Stakeholder engagement</b>			
GRI 2 General Disclosures 2021	2-29	Approach to stakeholder engagement.	15
	2-30	Collective bargaining agreements.	70% of our employees are covered by collective bargaining agreements.
<b>GRI 3 Temas Materiales 2021</b>			
GRI 3 Material Topics 2021	3-1	Process to determine material topics.	16
	3-2	List of material topics.	16

## GRI content index

### Topic Standards

GRI Standard	Content		Page, response or reason for omission
<b>Material topic: Water and effluent management</b>			
GRI 3 Material Topics 2021	3-3	Management of material topics.	27
GRI 303 Water and effluents 2018	303-1	Interactions with water as a shared resource.	27
	303-2	Management of water discharge-related impacts.	27
	303-3	Water withdrawal.	27, 87
	303-4	Water discharge.	27, 88
	303-5	Water consumption.	27
<b>Material topic: Design and innovation of sustainable products</b>			
GRI 3 Material Topics 2021	3-3	Management of material topics.	61
<b>Material topic: Talent development and training</b>			
GRI 3 Temas Materiales 2021	3-3	Management of material topics.	38
GRI 404 Training and education 2016	404-1	Average hours of training per year per employee.	38, 92
	404-2	Programs for upgrading employee skills and transition assistance programs.	38
	404-3	Percentage of employees receiving regular performance and career development reviews.	38, 93

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<b>Material topic: Consumer satisfaction</b>			
GRI 3 Material Topics 2021	3-3	Management of material topics.	58
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories.	We evaluate the impacts on the health and safety of consumers for 100% of our products.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	58
<b>Material topic: Climate change and emissions</b>			
GRI 3 Material Topics 2021	3-3	Management of material topics.	31
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions.	31, 89
	305-2	Energy indirect (Scope 2) GHG emissions.	31, 89
	305-3	Other indirect (Scope 3) GHG emissions.	31, 89
	305-4	GHG emissions intensity.	31, 89
	305-5	Reduction of GHG emissions.	31
	305-6	Emissions of ozone-depleting substances (ODS).	31
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions.	31, 89
<b>Material issue: Waste</b>			
GRI 3 Material Topics 2021	3-3	Management of material topics.	32
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts.	32
	306-2	Management of significant waste-related impacts.	32
	306-3	Waste generated.	32, 89
	306-4	Waste diverted from disposal.	32, 89
	306-5	Waste directed to disposal.	32, 89
<b>Material topic: Energy management</b>			
GRI 3 Material Topics 2021	3-3	Management of material topics.	29
GRI 302 Energy 2016	302-1	Energy consumption within the organization.	29, 88
	302-2	Energy consumption outside of the organization.	29, 88
	302-3	Energy intensity.	29, 88
	302-4	Reduction of energy consumption.	29



GRI Standard		Content	Page, response or reason for omission
<b>Material issue: Occupational health and safety</b>			
GRI 3 Material Topics 2021	3-3	Management of material topics.	39, 42
GRI 403 Occupational health and safety 2018	403-1	Occupational health and safety management system.	39
	403-2	Hazard identification, risk assessment, and incident investigation.	39, 42
	403-3	Occupational health services.	42
	403-4	Worker participation, consultation, and communication on occupational health and safety.	42
	403-5	Worker training on occupational health and safety.	42
	403-6	Promotion of worker health.	42
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	42
	403-8	Workers covered by an occupational health and safety management system.	39
	403-9	Work-related injuries.	42, 93
	403-10	Work-related ill health.	42, 93
<b>Material topic: Forest impact</b>			
GRI 3 Material Topics 2021	3-3	Management of material topics.	26
GRI 301 Materials 2016	301-1	Materials used by weight or volume.	26, 87
	301-2	Reclaimed input materials used.	26, 87
	301-3	Reclaimed products and their packaging materials.	26, 87
<b>Material topic: Responsible supply chain</b>			
GRI 3 Material Topics 2021	3-3	Management of material topics.	56, 57
GRI 308 Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria.	56, 57, 86
	308-2	Negative environmental impacts in the supply chain and actions taken.	56, 57, 86
GRI 414 Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria.	56, 57
	414-2	Negative social impacts in the supply chain and actions taken.	56, 57
<b>Other reported GRI Standards that are not included in the material topics</b>			
<b>GRI 200: Economic standards</b>			
GRI 201 Economic performance 2016	201-1	Direct economic value generated and distributed.	6
	201-2	Financial implications and other risks and opportunities due to climate change.	19, 23
	201-3	Defined benefit plan obligations and other retirement plans.	37
GRI 202 Market presence 2016	202-2	Proportion of spending on local suppliers.	100% of our executives were hired from the local community.
GRI 204 Procurement practices 2016	204-1	Proporción de gasto en proveedores locales.	56, 86
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption.	54
	205-2	Communication and training about anti-corruption policies and procedures.	54
	205-3	Confirmed incidents of corruption and actions taken.	53, 86
GRI 206 Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	53 During 2022 we did not incur in this type of practices.

GRI Standard		Content	Page, response or reason for omission
<b>GRI 400: Social standards</b>			
GRI 401 Employment 2016	401-1	New employee hires and employee turnover.	91
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	37
	401-3	Parental leave.	92
GRI 402 Labor/ Management relations 2016	402-1	Minimum notice periods regarding operational changes.	At KCM there is no methodology for this matter, however, each case is handled in a particular way, a reasonable period of time is met and in accordance with the law.
GRI 405 Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees.	45, 90
	405-2	Ratio of basic salary and remuneration of women to men.	Confidential information. To guarantee the safety and confidentiality of employees, KCM keeps this information confidential.
GRI 406 Non discrimination 2016	406-1	Incidents of discrimination and corrective actions taken.	53
GRI 407 Freedom of association and collective bargaining 2016	407-1	Operations and suppliers at significant risk for incidents of child labor.	36
GRI 408 Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	During 2022 we did not identify operations or suppliers at risk of child labor.
GRI 409 Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	During 2022 we did not identify operations or suppliers at risk of forced or compulsory labor.
GRI 411 Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples.	During 2022 we did not register this type of cases.
GRI 413 Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs.	39, 47
	413-2	Operations with significant actual and potential negative impacts on local communities.	47
GRI 415 Public policy 2016	415-1	Political contributions.	At KCM we do not make contributions to political parties and/or representatives.
GRI 417 Marketing and labeling 2016	417-1	Requirements for product and service information and labeling.	65
	417-2	Incidents of non-compliance concerning product and service information and labeling.	65
	417-3	Incidents of non-compliance concerning marketing communications.	65
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	53, 55, 86

## SASB index

### Consumer goods industry

SASB Indicator		Content	Page or response
Activity Metrics	CG-HP-000.A	Units of product sold, total weight of products sold.	-
	CG-HP-000.B	Number of manufacturing facilities.	7
Water management	CG-HP-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.	27, 87
	CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks.	27
Product Environmental, Health and Safety Performance	CG-HP-250a.1	Revenue from products that contain REACH substances of very high concern (SVHC).	During 2022 we did not receive income from this type of substances.
	CG-HP-250a.2	Revenue from products that contain substances on the California DTSC Candidate Chemicals List.	During 2022 we did not receive income from this type of substances.
	CG-HP-250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern.	58
	CG-HP-250a.4	Revenue from products designed with green chemistry principles.	During 2022 we did not receive income from this type of substances.
Packaging Lifecycle	CG-HP-410a.1	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable.	87
	CG-HP-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle.	27
Environmental & Social Impacts of Palm Oil Supply Chain	CG-HP-430a.1	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim.	Information not available.

## TCFD Index

TCFD Category		Recomendation	Page or response
TCFD - Governance	a)	Describe the board's oversight of climate-related risks and opportunities.	20
	b)	Describe management's role in assessing and managing climate-related risks and opportunities.	20
TCFD - Strategy	a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	22
	b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	22
	c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Not reported.
TCFD - Risk Management	a)	Describe the organization's processes for identifying and assessing climate-related risks.	23
	b)	Describe the organization's processes for managing climate-related risks.	23
	c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	23
TCFD - Metrics and Targets	a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities aligned with its strategy and risk management process.	79
	b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	31
	c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	29

## Independent Practitioner's Limited Assurance Report for selected sustainability information of Kimberly-Clark de Mexico, S.A.B de C.V.

### **Information Subject to the Assurance Engagement**

We have been engaged by Kimberly-Clark de Mexico, S.A.B de C.V. ("Kimberly-Clark de Mexico" or the "Entity") to perform a limited assurance engagement on selected sustainability information included in the Integrated Annual Report 2022 for the year ended December 31, 2022.

Our work was performed by an independent, multidisciplinary team including assurance practitioners and sustainability specialists.

Our limited assurance engagement was performed solely in respect of the selected sustainability information included in Appendix A. Our assurance report does not extend to information from previous periods or other information included in the Integrated Annual Report 2022, including other information related to such report that may contain images, audio or videos.

### **Criteria used for the preparation of the information subject to the assurance engagement ("Criteria")**

The selected sustainability information included in Appendix A has been prepared and presented in accordance with the guidelines of the Global Reporting Initiative ("GRI") and Sustainability Accounting Standards Board ("SASB").

### **Kimberly-Clark de Mexico's Responsibility for selected sustainability information**

Kimberly-Clark de Mexico is responsible for the preparation of the selected sustainability information in accordance with *GRI* and *SASB*. This responsibility includes the design, implementation and execution of internal controls over the relevant information for the preparation of the selected information that is free from material misstatement, whether due to fraud or error.

### **Inherent limitations to the Assurance Engagement**

Selected sustainability information is subject to inherent uncertainty due to the use of non-financial information, which is subject to greater inherent limitations than financial information, given the nature of the methods used to determine, calculate, sample, or estimate such information. In preparing the selected information, the Entity makes qualitative interpretations about the relevance, materiality and accuracy of the information that are subject to assumptions and judgments.

### **Our Independence and Quality Control**

We have complied with the independence and ethical requirements of the *Code of Ethics for Public Accountants* issued by the *International Ethics Standard Board for Accountants* (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The Firm applies *International Standard on Quality Management 1 (ISQM 1)* and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



## ***Our Responsibility***

Our responsibility is to express a limited assurance conclusion on selected sustainability information for the year ended December 31, 2022, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000- *Assurance Engagements other than audits or reviews of historical financial information* ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board (IAASB). That standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Kimberly-Clark de Mexico's use of GRI and SASB as the basis for the preparation of the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluation of the appropriateness of quantification methods, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Performed inquiries, through which we obtained an understanding of the Entity's internal policies related to the selected sustainability information.
- Performed inquiries, through which we obtained an understanding of Kimberly-Clark de Mexico's control environment and information systems relevant to the preparation of selected sustainability information but did not evaluate the design of particular control activities, obtain evidence about their implementation or test operating effectiveness.
- Evaluated whether Kimberly-Clark de Mexico's methods for developing estimates are appropriate and had been consistently applied in the preparation of the selected sustainability information.
- Performed substantive tests on the selected sustainability information referred in this report, to corroborate that the data has been adequately measured, recorded, compiled, and reported through:
  - Inspection;
  - Observation;
  - Re-calculations;

The procedures performed in a limited assurance engagement vary in nature and opportunity from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Kimberly-Clark de Mexico's selected sustainability information has been prepared, in all material respects, in accordance with the guidelines provided by *GRI* and *SASB*.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

## ***Limited Assurance Conclusion***

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected sustainability information for the year ended December 31, 2022, was not prepared, in all material aspects, in accordance with the Criteria section of this report.





***Restriction on Use and Distribution***

Our report is intended solely for the management of Kimberly-Clark de Mexico, S.A.B de C.V., in accordance with the terms of our engagement letter and should not be used by, or distributed to, any other party.

Galaz, Yamazaki, Ruiz Urquiza, S.C.  
Member of Deloitte Touche Tohmatsu Limited

A handwritten signature in black ink, appearing to read "David", enclosed within a hand-drawn oval.

C.P.C. David Alejandro Solano Zúñiga  
Mexico City, Mexico  
May 31, 2023





## Appendix A

The following include the GRI and SASB non-financial metrics, scope of the limited assurance engagement, determined by Kimberly-Clark de Mexico's Management.

GRI Description	Metrics
301-1 - Materials used by weight or volume	<p><b>Recyclable and/or recycled:</b></p> <ul style="list-style-type: none"> <li>- <b>250,183</b> tons of virgin fiber</li> <li>- <b>458,407</b> tons of recycled fiber</li> <li>- <b>9,338</b> tons of non-woven fabrics</li> <li>- <b>44,754</b> tons of superabsorbent fabrics</li> <li>- <b>39,190</b> tons of polymer resins</li> </ul> <p><b>Internally recycled:</b></p> <ul style="list-style-type: none"> <li>- <b>54,544</b> tons cellulosic fibers</li> <li>- <b>4,179</b> tons of non-woven fabrics</li> <li>- <b>1,397</b> tons of diaper absorbent center</li> </ul>
301-2 - Recycled input materials used	- <b>60%</b> recycled input materials used
302-1 - Energy consumption within the organization	<ul style="list-style-type: none"> <li>- <b>110,469.57</b> GJ of LP gas consumed</li> <li>- <b>1,450</b> GJ of gas consumed</li> <li>- <b>3,943</b> GJ of diesel consumed</li> <li>- Total consumption in mobile sources of <b>115,861</b> GJ</li> <li>- <b>4,281,581</b> GJ of natural gas consumed</li> <li>- <b>1,432,034</b> GJ of steam consumed</li> <li>- <b>35,130</b> GJ of wind energy consumed</li> <li>- <b>2,255,536</b> GJ of electricity (SEN) consumed</li> <li>- <b>1,445,679</b> GJ of electricity (Cogeneration) consumed</li> </ul>
303-3 - Water withdrawal	<ul style="list-style-type: none"> <li>- <b>5,226,227</b> m<sup>3</sup> of fresh groundwater or well water withdrawn</li> <li>- <b>1,124,669</b> m<sup>3</sup> of fresh surface water withdrawn</li> <li>- <b>6,876,245</b> m<sup>3</sup> of post-consumer surface water withdrawn</li> <li>- <b>13,227,141</b> m<sup>3</sup> of water withdrawn</li> </ul>
303-4 - Water discharge	<ul style="list-style-type: none"> <li>- <b>6,971,242</b> m<sup>3</sup> of surface water discharged</li> <li>- <b>5,875,198</b> m<sup>3</sup> of groundwater discharged</li> <li>- <b>12,846,439</b> m<sup>3</sup> of water discharged in total</li> </ul>
305-1 - Direct (Scope 1) GHG emissions	- <b>248,001</b> tCO <sub>2</sub> e emissions
305-2 - Energy indirect (Scope 2) GHG emissions	- <b>470,515</b> tCO <sub>2</sub> e emissions
305-7 - Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	<ul style="list-style-type: none"> <li>- <b>184.7</b> tons of NO<sub>x</sub> emissions</li> <li>- <b>1.10</b> tons of SO<sub>x</sub> emissions</li> <li>- <b>14.3</b> tons of TSP emissions</li> <li>- <b>10.4</b> tons of VOC emissions</li> </ul>
307-1 - Non-compliance with environmental laws and regulations	- <b>Zero</b> fines for non-compliance with environmental laws and regulations
2-26 - Mechanisms for seeking advice and raising concerns	- Qualitative review of the mechanisms for seeking advice and raising concerns
403-1 - Occupational health and safety management system	- Qualitative review of the occupational health and safety management system



GRI Description	Metrics
403-9 – Work-related injuries	<p><b>Employees:</b></p> <ul style="list-style-type: none"> <li>- <b>1</b> fatality* as a result of work-related injury</li> <li>- <b>10</b> high-consequence work-related injuries</li> <li>- <b>107</b> recordable work-related injuries</li> <li>- <b>21,011,259</b> hours worked</li> </ul> <p><b>Non-employee workers:</b></p> <ul style="list-style-type: none"> <li>- <b>0</b> fatalities as a result of work-related injuries</li> <li>- <b>0</b> high-consequence work-related injuries</li> <li>- <b>14</b> recordable work-related injuries</li> <li>- <b>3,980,174</b> hours worked</li> </ul> <p><b>Lost Time Injury Frequency Rate:</b></p> <ul style="list-style-type: none"> <li>- <b>10</b> KCM cases</li> <li>- <b>14</b> contractor cases</li> </ul> <p><b>Health and safety indicators:</b></p> <ul style="list-style-type: none"> <li>- <b>1.01</b> total accident frequency index (LTIR)</li> <li>- <b>7.97</b> severity index</li> <li>- <b>0.1</b> frequency rate of serious and severe accidents</li> <li>- <b>10</b> high-consequence work-related injuries (employees)</li> </ul> <p>*Belongs to subsidiary SODISA</p>
405-1 - Diversity of governance bodies and employees	<p><u>Managers by age and gender:</u></p> <p>Women between 31 and 50 years old (number): <b>2</b></p> <p>Women older than 51 years (number): <b>0</b></p> <p>Men between 31 and 50 years old (number): <b>1</b></p> <p>Men older than 51 years (number): <b>7</b></p> <p><u>Employees by age and gender:</u></p> <p>Women younger than 30 years (number and percentage): <b>371 – 4%</b></p> <p>Women between 31 and 50 years old (number and percentage): <b>683 – 8%</b></p> <p>Women older than 50 years (number and percentage): <b>117 – 1%</b></p> <p>Men younger than 30 years (number and percentage): <b>2,606 – 30%</b></p> <p>Men between 31 and 50 years old (number and percentage): <b>3,889 – 45%</b></p> <p>Men older than 50 years (number and percentage): <b>1,082 – 12%</b></p> <p><u>Employees by job category and gender:</u></p> <p>Women – Management level (number and percentage): <b>2 – 0.02%</b></p> <p>Women – Executives and administrative (number and percentage): <b>617 – 7.05%</b></p> <p>Women – Unionized (number and percentage): <b>552 – 6.31%</b></p> <p>Men – Management level (number and percentage): <b>8 – 0.09%</b></p> <p>Men – Executives and administrative (number and percentage): <b>2,026 – 23.16%</b></p> <p>Men – Unionized (number and percentage): <b>5,543 – 63.36%</b></p>
413-1 - Operations with local community engagement, impact assessments, and development programs	Qualitative and quantitative review of the operations with local community engagement, impact assessments, and development programs



SASB Description	Metrics
SASB CG HP 140a.1 - Total water withdrawn, total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	- <b>13,227,141</b> m3 of water withdrawn in total

\* \* \* \* \*





**KIMBER**

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### **KCM Sustainability**

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### **Corporate headquarters**

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### **Listed markets**

Bolsa Mexicana de Valores (BMV)  
USA (ADR'S-OTC)

### **Ticker symbol**

BMV: KIMBER

[www.kimberly-clark.com.mx](http://www.kimberly-clark.com.mx)





[www.kimberly-clark.com.mx](http://www.kimberly-clark.com.mx)