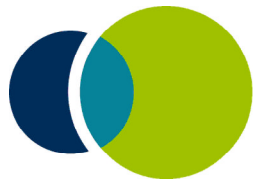




Kimberly-Clark's PERSPECTIVE ON SUSTAINABLE FIBER PROCUREMENT

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May 8, 2008**



**Dow Jones
Sustainability Indexes**
Member 2007/08

About Kimberly-Clark (K-C)

- **Fortune 150 company with 2007 sales of \$18.3 billion.**
- **Kimberly-Clark and its well-known global brands are an indispensable part of life for people in more than 150 countries.**
- **Every day, 1.3 billion people—nearly a quarter of the world's population—trust K-C brands and the solutions they provide to enhance their health, hygiene and well-being.**
- **Personal Products category leader on the Dow-Jones Sustainability Index for the past three years.**



Personal Care

Diapers, Training/Youth/Swim Pants, Feminine Care, Incontinence Care, Infant and Child Wipes and Toiletries



Consumer Tissue

Facial Tissue, Bathroom Tissue, Paper Towels



K-C Professional and Other

Disposable Health & Hygiene Products for Away-From-Home Use: Facial Tissue, Bathroom Tissue, Paper Towels, Wipers, Protective/Absorbent Products for Do-It-Yourself Use; Nonwovens



Health Care

Surgical Drapes and Gowns, Sterilization Wrap, Face Masks, Exam and Surgical Gloves, Respiratory Products

K-C's Businesses

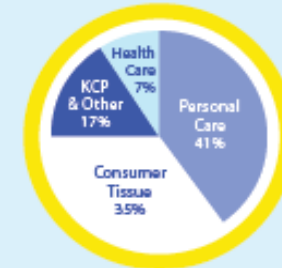
K-C's World

Selected Financial Data

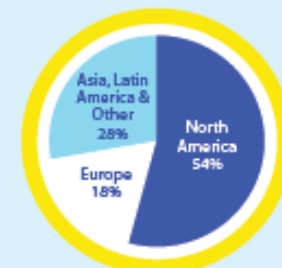
Millions, except percentages and per share amounts

Year ended December 31	2007	2006
INCOME STATEMENT DATA		
Net sales	\$ 18,266.0	\$ 16,746.9
Gross profit	5,703.9	5,082.1
Operating profit	2,616.4	2,101.5
Share of net income of equity companies	170.0	218.6
Income from continuing operations	1,822.9	1,499.5
Income from discontinued operations (a)	—	—
Net income	1,822.9	1,499.5

**2007
PROFILE BY SEGMENT**
Consolidated Net Sales



**2007
PROFILE BY GEOGRAPHY**
Consolidated Net Sales



- More than 53,000 employees worldwide
- Manufacturing Facilities in 36 countries
- Sales in over 150 countries

With brands such as Kleenex, Scott, Huggies, Pull-Ups, Kotex and Depend, Kimberly-Clark holds the No. 1 or No. 2 share position in more than 80 countries.



Kimberly-Clark's Wood Fiber Usage

- **K-C's total wood fiber usage in 2007 was approximately 4.19 million Air Dried Metric Tons (ADMT).**
- **Virgin wood fiber use was 2.87 million ADMT or 68.5% of total fiber use.**
- **Seven percent of the virgin wood fiber was produced internally.**
- **Recovered fiber use was 1.32 million ADMT or 31.5% of total fiber use.**
- **K-C currently purchases virgin wood fiber primarily from suppliers in Brazil, Canada and the US.**

K-C's Fiber Procurement Policy

- **K-C updated its Fiber Procurement Policy in 2007 primarily due to:**
 - **K-C's divestiture of all of its remaining forestlands.**
 - **K-C's commitment to promote sustainable forestry practices.**

K-C's Fiber Procurement Policy

- **The revised policy became effective March 15, 2007.**
- **Two key features of the new policy are:**
 - **The new policy gives preference to FSC-certified wood fiber where it is available and meets product performance requirements and competitive market conditions.**
 - **K-C seeks to maximize its use of primary wood fiber from suppliers with forestry operations or fiber procurement activities certified to one of five internationally recognized forest certification systems, with the goal of purchasing 100% of its wood fiber from certified suppliers.**
- **In 2007, 97% of the fiber that K-C used was certified to one of these systems.**

K-C's Fiber Procurement Policy (cont.)

- **Forest Certification Schemes Recognized by K-C**
 - **Sustainable Forestry Initiative (SFI) Standard.**
 - **Canadian Standards Association's (CSA) National Sustainable Forest Management Standard (NSFMS).**
 - **Forest Stewardship Council (FSC) standards.**
 - **Sistema Brasileiro de Certificacao Florestal (CERFLOR) in Brazil.**
 - **Program for the Endorsement of Forest Certification Schemes (PEFC) in Europe.**

K-C's Fiber Procurement Policy (cont.)

- **Use of Recycled Fiber**
 - **In addition to its objective to use certified primary fiber, K-C will strive to maximize its use of Environmentally Responsible Fiber (as defined) consistent with product performance and competitive market conditions.**
 - **K-C is one of the largest buyers and users of recycled fiber in the tissue business.**

K-C's Fiber Procurement Policy (cont.)

- **Other Key Policy Features**

- **K-C commits to not knowingly use wood fiber which has been illegally harvested or sourced from Forest Areas Requiring Protection.**
- **K-C commits to reviewing the environmental and social responsibility practices followed by its wood fiber suppliers and to considering those practices as part of the initial supplier selection process and when supply agreements are renewed.**
- **K-C also commits to inspecting its wood fiber suppliers periodically to verify compliance with K-C's policy.**
- **The Corporation also has committed to reporting on its fiber procurement activities and implementation of policy at least annually, currently through our annual Sustainability Report.**

K-C's Fiber Procurement Policy (cont.)

- **Policy Development Process**
 - **Final policy reflects input from Domini stockholder group and World Wildlife Fund.**
 - **Updated fiber policy is intended to promote sustainable forest management practices by K-C's suppliers on a global basis.**
 - **K-C will continue to encourage its wood fiber suppliers to seek independent certification.**

K-C's Progress Against its Fiber Policy

- At the end of 2007, the average recycled fiber content in K-C tissue products was 36.5% for the total enterprise.
- Approximately 97% of K-C's wood pulp came from suppliers that have certified their forests or their wood procurement activities.

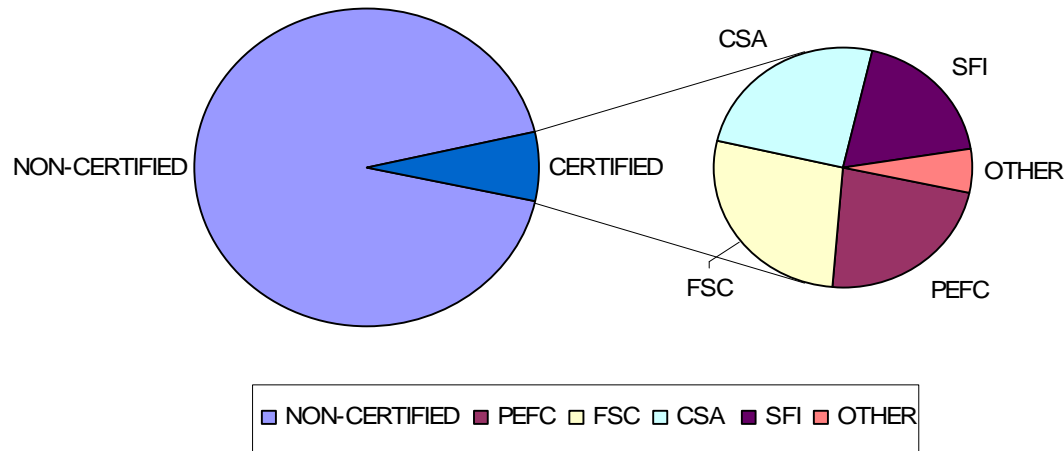
Certification Scheme	Percent of Purchases
SFI	40%
CERFLOR	32%
PEFC	10%
CSA	9%
FSC	6%
OTHER	3%

- Over 70 Forestry assessments have been conducted worldwide over the past three years, and there is only one remaining supplier to be visited this year.

Key Issues For Kimberly-Clark

- **Need for more certified forest lands.**

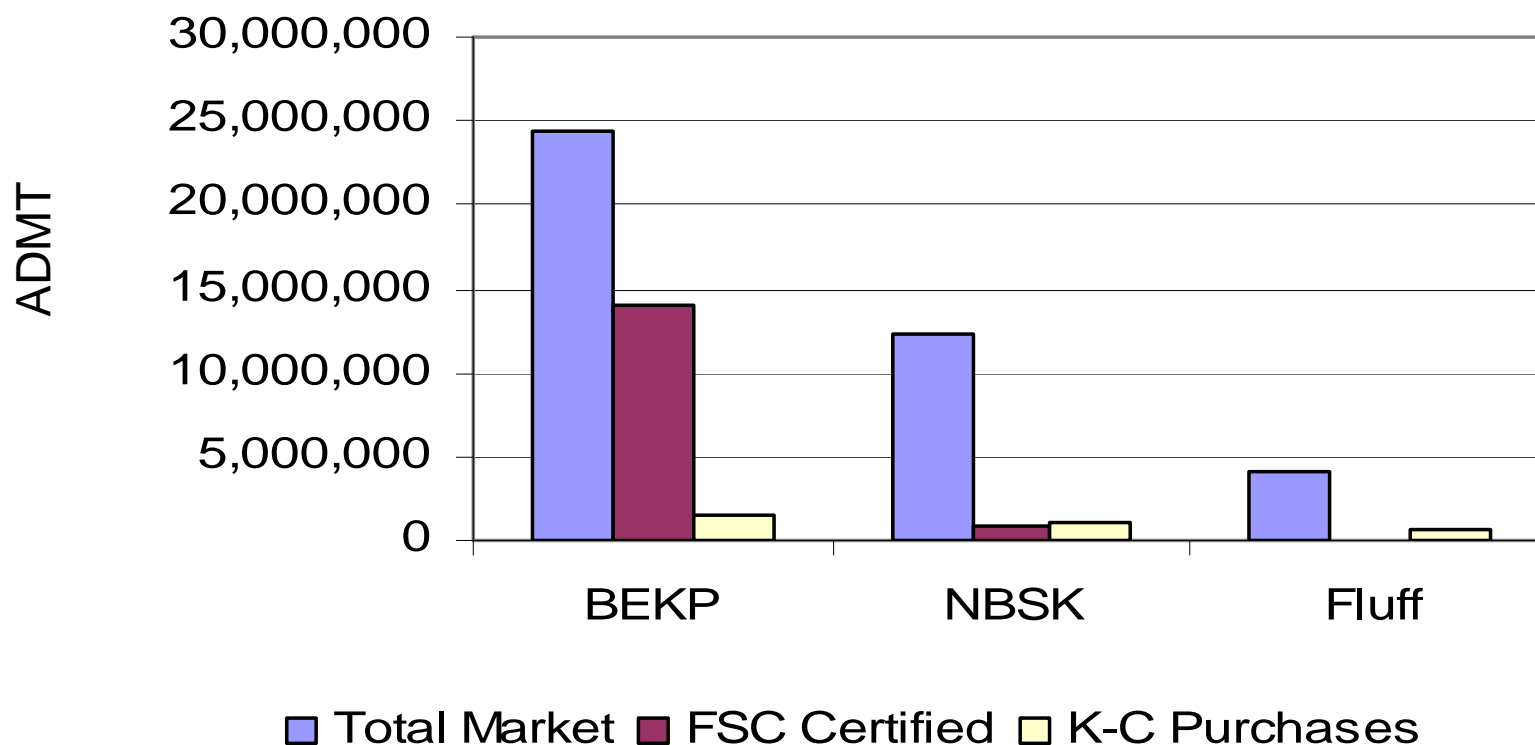
At the end of 2007, approximately 10% of the world's forests were certified.



Key Issues For Kimberly-Clark (cont.)

- Need for more FSC-certified fiber and more reasonable requirements for obtaining FSC certification.

Projected FSC Fiber Opportunities 2016



Key Issues For Kimberly-Clark (cont.)

- **The high cost of Canadian pulp as a result of input cost pressures and the weakness of both the US and the Canadian currencies.**
 - **Are we at a fiber tipping point?**
- **The failure of the Canadian industry to effectively support the CSA Certification System.**
- **Future competing uses of forest lands and wood fiber for alternative fuels.**
 - **Diversion to cellulosic ethanol and other biofuels.**

Positive Future Steps For The Industry To Remain Viable

- **Create more partnerships with governments, NGOs and native populations. Two positive examples:**
 - **Central Coast Agreement in British Columbia.**
 - **Tembec alliance with World Wildlife Fund on high conservation value forest identification and mapping.**
- **Work to create at least two viable, publicly accepted forestry certification systems.**

Positive Future Steps For The Industry To Remain Viable (cont.)

- **Manage forest land divestitures in the US to small landowners more effectively.**
 - **Guidance and assistance to small landholders in gaining certification.**
 - **Invest in continuing partnerships and technical assistance after the sale.**
- **We need to change the dialogue between fiber producers and consumers to improve communications both ways and to find better ways to cooperate to our mutual advantage.**

Thanks for Listening!