

Organizational PROFILE

(GRI 102-1)

Kimberly-Clark de México, S.A.B. de C.V. (KCM) is part of the Fast-Moving Consumer Goods (FMCG) sector, and we focus on the Manufacturing and Marketing of Consumer and Healthcare Products. We are a limited-liability company incorporated in Mexico and have traded on the Mexican Stock Exchange without interruption since 1959.

KCM

is part of the Sustainable Index of the Mexican Stock Exchange, the FTSE4Good Index Series (Sustainable Index of the London Stock Exchange) and the Dow Jones Sustainability Index MILA (Latin American Integrated Market) of the New Stock Exchange.

PRODUCT CATALOG



BABIES

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

BEAUTY

Bar soap, liquid hand soap, foaming liquid soap, liquid body wash, micellar water, makeup removing wipes

ADULTS

Underwear, protectors, feminine pads, prefolded

(GRI 102-2)

OUR BRANDS

By offering brands of renowned prestige to our consumers, continuous innovation and a focus on the customer, we have earned a leadership position in the market in the vast majority of the business categories where we participate.

Among our most well-known brands are Blumen®, Cottonelle®, Depend®, Escudo®, Evenflo®, Huggies®, Kimlark®, KleenBebé®, Kleenex®, Kotex®, Pétalo® and Suavel®.

We are an essential part of the lives of Mexican families. We work to improve the quality of our consumers' lives through differentiated solutions and products, bringing our environmentally-friendly products to millions of people every day, for a lifetime.

BUSINESS LINES

Our goal is to make our products available to customers through leading retail chains, because they expect the brands and products they are looking for, to be on hand whenever they're needed. By ensuring this constant availability, we maintain their preference.

KCM has taken care to firmly establish channels for distributing its products to its consumers, as follows:

 Supermarkets

 Wholesalers

 Drugstores

 Price clubs

 Convenience stores

 Government stores

 Department stores

 Hospitals

 E-commerce





HOME

Toilet paper, napkins, facial tissue, paper towels



WOMEN

Feminine pads, panty liners, tampons, intimate wipes



PROFESSIONAL

Dispensers, jumbo roll toilet paper, paper towels, hand towels, industrial cleaning cloths

(GRI 102-4)

GEOGRAPHIC FOOTPRINT

We have facilities prepared to keep our clients permanently supplied with products and guarantee prompt delivery. These are distributed strategically across Mexico, while our corporate headquarters are located at Calle Jaime Balmes No. 8, 9th Floor, Los Morales Polanco, Miguel Hidalgo, in Mexico City. (GRI 102-3)

Our ten productive plants are located in the states of Coahuila, State of Mexico, Michoacán, Puebla, Querétaro, Tlaxcala and Veracruz, some of them among Mexico's poorest regions, which means we can support local economies in these places.

To generate logistical and operational efficiencies, we have 6 distribution centers with key locations in the Mexico City metropolitan area and in North, Pacific and Southeast Mexico, ensuring that Mexicans across the country can benefit from our products.



Distribution centers

- 1 Ciudad Obregón, Sonora
- 2 Guadalajara, Jalisco
- 3 Mexico City metropolitan area (CDMX)
- 4 Tepozotlán, State of Mexico
- 5 Monterrey, Nuevo León
- 6 Villahermosa, Tabasco



SODISA (Logistics)

- 7 Tlanepantla, State of Mexico (1981)



Corporate headquarters

- 8 Los Morales, Polanco (CDMX)



Plants

- 1 Bajío San Juan del Río, Querétaro (1981)
- 2 Ecatepec Ecatepec, State of Mexico (1951)
- 3 Morelia Morelia, Michoacán (1973)
- 4 Orizaba Orizaba, Veracruz (1968)
- 5 Prosede Cuautitlán, State of Mexico (1981)
- 6 Ramos Arizpe Ramos Arizpe, Coahuila (1993)
- 7 Texmelucan San Martín Texmelucan, Puebla (1973)
- 8 Tlaxcala Tlaxco, Tlaxcala (1995)
- 9 Toluca Parque Vesta, Toluca, State of Mexico (2011)
- 10 Evenflo Cuautitlán, State of Mexico (2012)

(GRI 102-7)

ORGANIZATIONAL SCALE

Kimberly-Clark de México, S.A.B. de C.V. (KCM) is committed to its people and to the idea of continuous growth of this company. To this end, we identify and we bet on the talent of each of our employees in every job at this company. At the close of 2019, we proudly employed the following resources:



KCM shares have been listed for 57 years on the Mexican Stock Exchange (BMV) under the ticker symbol Kimber. At KCM we continue to work firmly and decisively on our sustainable performance. The company is evaluated every year by the rating agency responsible for assessing members of the Mexican Stock Exchange's IPC Sustainable Index as well as other international rating agencies, and we have considerably improved our performance indicators. For this reason, in 2019 we were incorporated into the Dow Jones Sustainability Index (DJSI) for the MILA region (Latin American Integrated Market), one of the strictest equity indices in the world in terms of sustainability and social responsibility, which recognizes outstanding companies in each industry group. We are among only 17 Mexican firms included in that index. We have also been a part of the Sustainable IPC index since it was created in 2011, and for the third year in a row we were listed in the British FTSE4Good Index.

FOREIGN TRADE

Because we recognize our role as market leaders, in this area we are committed to creating value for KCM by trading with foreign countries in various regions and continents, bringing them new brands and categories and launching innovative products to keep this company at the forefront of our industry.

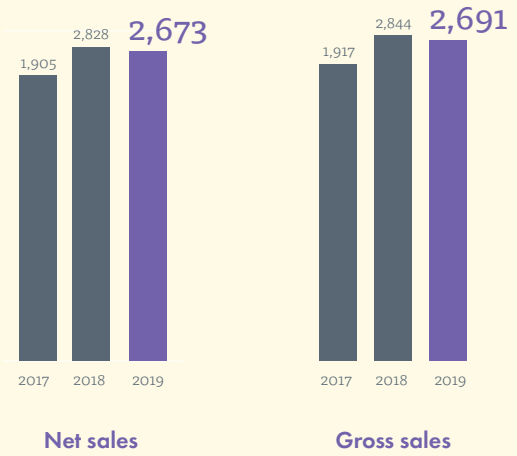
Our achievements in this area include administrative and systems improvements that strengthen operations in businesses like 4e, Evenflo® and Escudo®. Committed to a sustainable future, some of our products have certifications like Green Seal and FSC (Forest Stewardship Council [FSC®] 1 License FSC-C140370), which guarantees that a certain percentage of these are made with recycled materials.

EVENFLO FEEDING INC.
millions of Mexican pesos

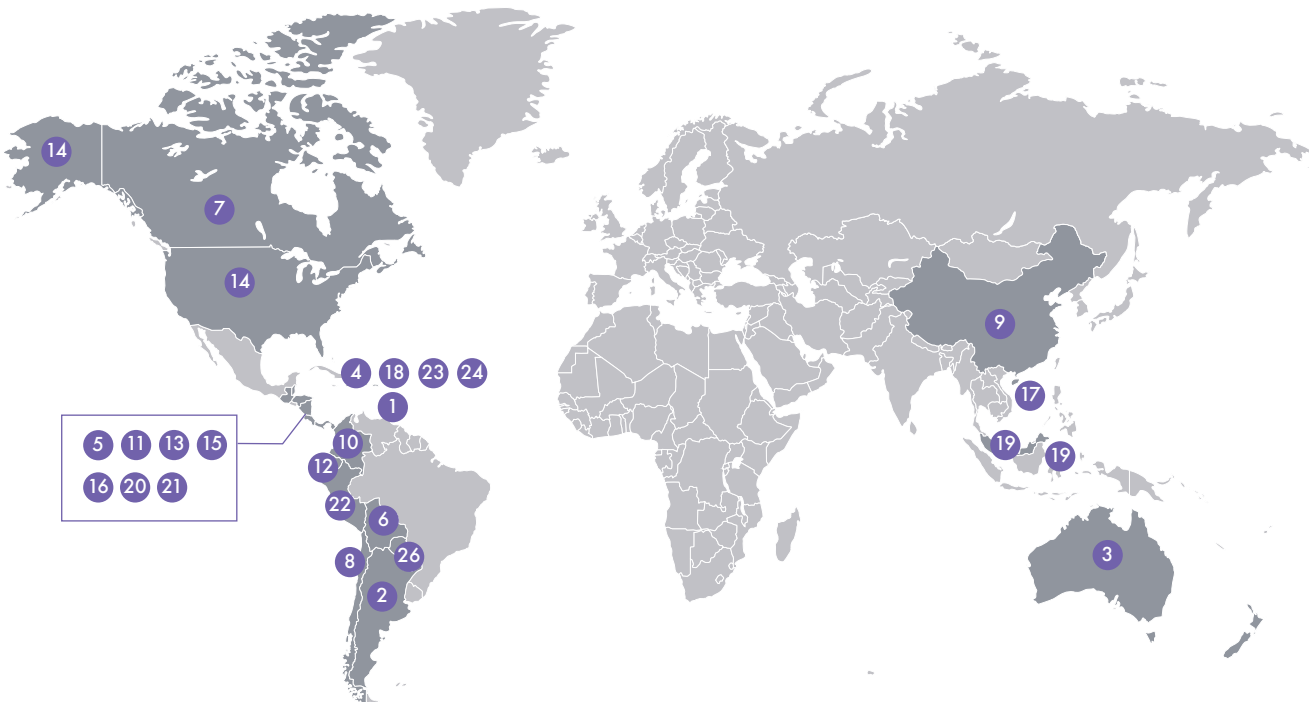
	2017	2018	2019
Net sales	329	286	293
Gross sales	365	324	336

Our global presence is a commitment to promote well-known brands and provide high-quality, environmentally-friendly products. At present, we send export products to the following countries (GRI 102-6):

EXPORT SALES
millions of Mexican pesos



- 1 Dutch Antilles
- 2 Argentina
- 3 Australia
- 4 Bahamas
- 5 Belize
- 6 Bolivia
- 7 Canada
- 8 Chile
- 9 China
- 10 Colombia
- 11 Costa Rica
- 12 Ecuador
- 13 El Salvador
- 14 United States
- 15 Guatemala
- 16 Honduras
- 17 Hong Kong
- 18 Jamaica
- 19 Malaysia
- 20 Nicaragua
- 21 Panama
- 22 Peru
- 23 Puerto Rico
- 24 The Dominican Republic
- 25 Trinidad and Tobago
- 26 Uruguay



RELATED PARTIES

Kimberly-Clark Corporation (KCC) is one of the world's leading manufacturers of hygiene products, with more than 148 years in the market and a presence in more than 175 countries. It is headquartered in Dallas, Texas. The company has 40,000 employees worldwide and since 2019 has been headed by Michael Hsu. One out of every four people in the world consumes some KCC product every day. KCC has two innovation centers in the United States (in Wisconsin and Georgia), one in Colombia (Medellín), and one in South Korea.

KCC is the primary shareholder of KCM and its lead technological partner; through its subsidiary Kimberly-Clark Holland Holdings B.V., we sell and provide technical services that are key for executing product and process innovation initiatives, developing cutting-edge technology and participating in global procurement agreements.

Also, through our partnership with KCC we share world-class information regarding operating and commercial practices.

On the whole, this partnership makes both companies more competitive and generates added value that translates into economic, environmental and social results.

In 2019, KCM was involved in the following related party transactions:

For the years ended on December 31, 2018 and 2019, the Entity reports the following transactions and balances with its related parties:

KIMBERLY-CLARK CORPORATION <i>millions of Mexican pesos</i>	2018	2019
Procurement and technical services	\$ 1,595,935	\$ 1,685,187
Machinery and equipment	76,070	14,827
Net Sales and others	568,557	873,053

(GRI 102-13)

MEMBERSHIP IN ASSOCIATIONS

KCM is an active member of:

- › Mexican Confederation of Industrial Chambers (CONCAMIN)
- › Mexican Business Council (CMN).
- › The National Chamber of Pulp and Paper Industries (CNICP)
- › The Communications Council (CC)
- › The Business Coordinating Council (CCE)
- › The Commission on Private Sector Studies for Sustainable Development (CESPEDES).
- › The National Chamber of Cosmetics Industry Products

Furthermore, our strategic partner, KCC, with whom we share development tools, is a member of:

- › The Corporate Eco Forum (a community of global leaders focused on promoting business sustainability).
- › Forest Stewardship Council® (FSC®) License FSC-C140370 (a non-profit organization that protects forests).
- › The World Business Council for Sustainable Development (WBCSD) (an organization led by global CEO's that encourages the business community to create a sustainable future for business, society and the environment).

As part of KCC's Global Sustainability Group, KCM has access to the activities and programs coordinated by Kimberly-Clark Corporation with these organizations.

In 2019, we were once again members of the Sustainability Committee of the Mexican Stock Exchange, whose purpose is to promote actions that drive the sustainable performance standards of the issuers listed on the Mexican stock market. The members of this forum analyze international sustainability trends and identify challenges and opportunities for Mexican companies.





In 2018, alongside other companies from the IPC Sustainable Index and the BMV, we created the Sustainability Guide, a sustainable development reference document for Mexican companies.

ADOPTION OF OECD, UNGC AND SDG PRINCIPLES

This Report explains the importance to KCM of ensuring solid and transparent corporate governance, consistent with the principles of business ethics, the Company Bylaws and the Code of Best Corporate Practices, in addition to creating value for its stakeholders.

KCM abides by the OECD principles on corporate governance, which include promoting efficient and transparent markets, complying with existing laws, ensuring the fair treatment of shareholders, recognizing stakeholder rights, ensuring the disclosure and transparency of relevant corporate information, and upholding the duty of board members to oversee and strategically direct the company in order to achieve effective management and shareholder accountability.

KCC is a signatory of the United Nations Global Compact (UNGC), and on Sustainability Day 2019, KCM pledged to evaluate our adherence to this initiative in 2020 to coincide with the presence of representatives of the Global Compact.

Our adoption of the Sustainable Development Goals is essential, because our goals toward our stakeholders are grounded in part in these objectives.





With regard to the Sustainable Development Goals, we consider these to be essential to this organization, because our goals toward our stakeholders are grounded in part in our contribution to 11 out of 17 of the SDGs, as described below.

- 3. (i)** Guarantee a healthy life and promote well-being for people of all ages

“Kimberly-Clark de México will provide all of its employees access to a health system for the prevention and early detection of illness.”

- 4. (i, e)** Guarantee inclusive, equitable and quality education and promote learning opportunities throughout life for all

“Kimberly-Clark de México will promote and provide to all personnel access to quality education. In collaboration with government and society, it will promote the country’s educational development, encouraging talent and gender equity.”

- 5. (i, e)** Achieve gender equality and empower all women and girls

“Kimberly-Clark de México will promote total gender equality among its employees and suppliers, always prioritizing talent and skills, in keeping with our code of ethics.”

- 6. (i)** Guarantee the availability of water and its sustainable management and treatment for all

“Kimberly-Clark de México will serve as a global benchmark in the responsible use of water for its operations, prioritizing the reuse of water through high-technology equipment.”

- 7. (i)** Guarantee access to affordable, safe, sustainable and modern energy for all

“Kimberly-Clark de México will promote the use of clean industry and will be a global benchmark in responsible energy use.”

- 8. (i)** Promote sustained, inclusive and sustainable economic growth, full employment, and productive, decent work for all

“Kimberly-Clark de México will be a benchmark in human capital development, generating dignified, inclusive and well-paying jobs.”

- 9. (i, e)** Build resilient infrastructure, promote inclusive, sustainable industrialization and drive innovation

“Kimberly-Clark de México will invest continually in technological development to improve the quality of life of its consumers and employees through higher-value products.”

- 12. (i)** Guarantee sustainable forms of consumption and production

“Kimberly-Clark de México will promote the circular economy model, endeavoring to consume sustainable, certified raw materials; will generate zero waste for shipment to sanitary landfills; will sell products with the least environmental impact possible; and will promote the reduction, reuse, recycling, monetization and biodegradation of its waste.”

- 13. (i)** Adopt urgent measures to combat climate change and its effects

“Kimberly-Clark de México abides by global policies on the reduction of greenhouse gas emissions, to reverse the effects of global warming.”

14. (i, e) Conserve and sustainably use the oceans, seas and marine resources for sustainable development

“Kimberly-Clark de México will create solutions that are completely friendly to marine ecosystems. In collaboration with organizations and society, it will protect species and ecosystems that are threatened by human activity.”

15. (i, e) Sustainably manage forests, combat desertification, halt land degradation and invest in soil remediation, and stop the loss of biodiversity

“Kimberly-Clark de México will use raw materials from certified sources. It will sell products with less of an impact on land ecosystems. In collaboration with institutions, industry, government and society, it will work to reverse deforestation and desertification of ecosystems.”



i: internal stakeholders

e: external stakeholders

