



A present with a S@SUSTAINABLE future

2023 SUSTAINABILITY REPORT



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ABOUT THIS REPORT

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

In our 2023 Sustainability Report, we share to our stakeholders the performance of Kimberly-Clark de México (KCM) during the year in the operational, labor, social, environmental, and Corporate Governance areas.

This document details KCM's activities, limiting its scope to internal information and excluding Kimberly-Clark's performance in other countries, as well as the performance of other companies, entities, customers, suppliers, or business partners. Information on the performance of the entities reported in the Consolidated Financial Statements is included. Variations in data reporting from previous years are noted on a case-by-case basis.

Kimberly-Clark de México has reported in accordance with the GRI Standards for the period from January 1st to December 31, 2023.

This document also integrates indicators from the Sustainability Accounting Standards Board (SASB) applicable to the consumer goods industry, it incorporates some of the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) to assess our competency in managing climate risks

and opportunities, and for the first time it includes some of the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) associated to our nature-related risks and opportunities.

For its preparation, the report counted with the collaboration of our executives, who shared their views on the crucial aspects and the most significant achievements of the year.

Kimberly-Clark de México's 2023 Sustainability Report was verified by Galaz, Yamazaki, Ruiz Urquiza, S.C., affiliate of a member firm of Deloitte Touche Tohmatsu Limited, an independent third party. For verified indicators, see page 122 of this report.





LETTER FROM THE CHIEF EXECUTIVE OFFICER

GRI 2-22

During 2023, we continued building a present with a sustainable future, through innovative and unique solutions focused on improving the quality of life for our consumers, all while ensuring the protection of the environment.

We see value in having a frequent and a two-way communication with our stakeholders. This allows us to identify risks and opportunities related to the important issues for them and thus generate value in their relationship with Kimberly-Clark de México.

Therefore, we consistently invest in technology to capitalize on growth opportunities, as well as in our process of modernization and improvement of operations to reduce our environmental impacts. An example of this is that we continue to be a global benchmark in efficient water use per production unit, using more than 50% of the volume of post-consumer sources. Additionally, we maintained the Water Quality Certificate granted by the National Water Commission in our Bajío facility, certifying the good quality of our discharges. As a result of environmental compliance, our Texmelucan, Tlaxcala, and PROSEDE operations maintained the recognized Clean Industry certification, granted by PROFEPA.

Regarding our environmental commitments, we continued to make progress in meeting our Sustainable Ambition by 2030, highlighting important progress to date. We are more than 98% towards our commitment to use only sustainable packaging, with com-

postable, biodegradable, or recyclable packaging for our Personal Care, Home, and Professional products. We have innovated in mono-material packaging for wet wipes. Our progress in sending zero waste to landfills is at 99%. We are working on the development of more efficient products that in turn generate less waste, with which we have achieved a weight reduction per functional unit of 13% (which represents a 85% progress in our commitment).

In 2023, our developments and launches were focused on consumer needs, delivering superior performance and the best care, safety, and security. On the one hand, in our Professional solutions business, we introduced the premium line of ICON® dispensers for hand towels, foaming soap, and toilet paper, which are made with 100% recycled plastic. On the other hand, we ventured into a new business within the Pets category under the LUDOS® brand, with the development and launch of a product line consisting of training mats made with recycled materials, a hypoallergenic shampoo whose bottle is made with recycled resin, and wet wipes with skin-safe formulas.

We prioritize the health and well-being of our employees and the positive impact we can have on society. To achieve this, we've developed initiatives and partnerships which aim to improve people's quality of life and support the overall development of communities. Through our *KCM Bienestar* program, that aims to enhance the physical and mental well-being of our employees, we provided workshops and sessions on health, physical exercise, mental health, financial literacy, and other relevant topics. By prioritizing the needs of our employees, we can create a healthy and productive work environment.



In relation to our social commitment, we highlight the 92% progress in the commitment to positively impact 25 million people with direct actions and social programs of our brands. *Abrazando su desarrollo* by Huggies® continues to focus on psychomotor development in early childhood through its website, digital social platforms, and in-person workshops. KleenBebé®, in collaboration with the Mexican Red Cross, continued its *Apapachos de Vida* program to provide health advice to parents and caregivers. Kotex® promoted the empowerment of thousands of Mexican women through initiatives such as the Kotex® Race and through the Kotex® School Tour program. With Depend® and its *Contigo Siempre* program, we have contributed to bring safety and protection to older adults and to improve their quality of life. In addition, Escudo® Antibacterial, in collaboration with the Planet Water Foundation, continued the construction of new water towers in underserved communities. Finally, Kleenex® reaffirmed our commitment to the LGBTTTIQ+ community by providing visibility and support with the special edition of facial and hygienic tissues.

Aligned with our commitment to the United Nations Global Compact, we remain dedicated to promote responsible and sustainable business practices. Through our CoP (Communication on Progress), we provide a detailed account of our actions and initiatives implemented to uphold the Ten Principles of the United Nations Global Compact. Additionally, we reaffirm our commitment to advance the Sustainable Development Goals (SDGs) and positively contribute to 14 of the 17 goals through our Sustainability Strategy and the progress of our Sustainable Ambition by 2030.

We have further strengthened the trust of our investors by showcasing our commitment to sustainability. Our dedication to this, has been recognized by stock market indices where we continue to lead the way in our sector, including the Dow Jones Sustainability Index (DJSI). We are proud to have been listed on the DJSI MILA Pacific Alliance for five consecutive years, making us the only company in the home and personal care products sector to have received this recogni-

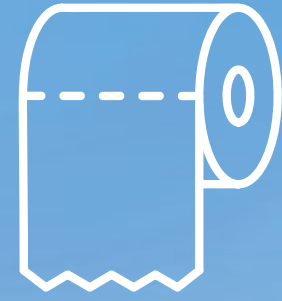
tion. Additionally, we were the only Mexican company to have been acknowledged by the DJSI Emerging Markets for four years in a row.

At Kimberly-Clark de México, we have reiterated our commitment to implement the necessary plans and programs to continue being a successful and sustainable company.

Pablo R. González G.
Chief Executive Officer



profile





Kimberly-Clark de México (KCM) is a Mexican company with a 64-years history, specialized in the production, distribution, and sale of cleaning, hygiene, and personal care products.



We have achieved an extraordinary presence in the market, being at **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 data¹

GRI 201-1

Figures in millions of Mexican pesos

	2023				2023
		Concept	(+)	(-)	
Net Sales	53,307				
Gross Profit	20,700	Direct Economic Value Generated (EVG)	53,307		
Operating Profit	11,932			32,607	
Net Profit	7,013			8,767	
Net Earnings Per Share (pesos)	2.28	Economic Value Distributed (EVD)		3,375	
EBITDA	13,917			6,476	
		Economic Value Retained	EVG-EVD	2,082	



¹ For more financial information, see our 2023 Annual Report at: <https://www.kimberly-clark.com.mx/data/2024/informes/KCIA2023ENG.pdf>

Presence

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



- | | | | | |
|--------------|-----------------|-------------------|---------------|-------------------------|
| 1. Argentina | 7. Chile | 13. United States | 19. Jamaica | 25. Puerto Rico |
| 2. Australia | 8. Colombia | 14. Philippines | 20. Nicaragua | 26. Dominican Republic |
| 3. Bahamas | 9. Costa Rica | 15. Guatemala | 21. Mexico | 27. Trinidad and Tobago |
| 4. Belize | 10. Curaçao | 16. Haiti | 22. Panama | 28. Uruguay |
| 5. Bolivia | 11. Ecuador | 17. Honduras | 23. Paraguay | 29. Venezuela |
| 6. Canada | 12. El Salvador | 18. Israel | 24. Peru | |

The products we manufacture have achieved a global presence, being available in 29 countries.

To ensure that these effectively reach our end customers, whether through self-service stores, wholesalers, pharmacies, hospitals, or e-commerce platforms, we have **seven distribution centers** located at key points within the country.



Facilities

1. Bajío
San Juan del Río, Querétaro.
2. Ecatepec
Ecatepec, Estado de México.
3. Morelia
Morelia, Michoacán.
4. Orizaba
Orizaba, Veracruz.
5. PROSEDE
Cuautitlán, Estado de México.
6. Ramos Arizpe
Ramos Arizpe, Coahuila.
7. Texmelucan
San Martín Texmelucan, Puebla.
8. Tlaxcala
Tlaxco, Tlaxcala.
9. Evenflo
Cuautitlán, Estado de México.
10. Indelpa
Toluca, Estado de México.



Distribution centers

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

98%

of the production of our products is carried out in **10 productive facilities** strategically located throughout Mexico.



Logistics service

- a. SODISA
Tlalnepantla, Estado de México.

BRANDS AND PRODUCTS

GRI 2-6



BABIES

- SI** > Social Impact of our brands.*
- BIO** > Ecoprotect® biodegradable wipes.
- RE** > Recyclable diaper packaging.
- WR** > Our diapers were made with less plastic vs 2022.
- REC** > Huggies shampoo bottles made from recycled material.



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



HOME

- IS** > Social Impact of our brands.*
- FSC*** > Kleenex® and Pétalo® products are Forest Stewardship Council® (FSC®)** certified for being made from responsibly sourced fibers.
- RE** > Recyclable packaging for facial, toilets, towel holders, and napkins.



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



WOMEN

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



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



ADULTS

- 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 2022.



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

* See page 60 for details of the Social Impact of our brands.

** Forest Stewardship Council® (FSC®) License FSC-C140370.

Some of our most recognized brands are: Depend®, Escudo®, Evenflo®, Huggies®, KleenBebé®, Kleenex®, Kleenex® Cottonelle®, Kotex®, Pétalo®, Suavel®, and Vogue®, among others.



See our complete product portfolio at:
<https://www.kimberly-clark.com.mx/en/our-brands>



Our commitment to hygiene, personal, and family care has earned our brands a renowned reputation on a global level. We continue to have a significant impact on the lives of our consumers from childhood to adulthood by providing products that offer protection, security, and confidence, both at home and beyond.



PROTECTION AND CLEANING

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



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



PERSONAL CARE

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



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



PROFESSIONAL

- REC CE** > Dispensers that allow to consume only the necessary amount of product as part of a circular economy program.
- FSC*** > Kleenex® products are Forest Stewardship Council (FCS®)** certified for being made from responsibly sourced fibers.
- RE** > Recyclable facial packaging.
- RE** > Recyclable Escudo® foam and sanitizer containers.



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



PETS

- REC** > Mats made from recycled materials.
- REC** > Shampoo bottles made with recycled resin.



Shampoo, spray, repellent, and cleanser.

Environment

- FSC*** / **RSPO** Certifications
- RE** Recyclable
- REC** Recycled

- BIO** Biodegradable
- COM** Compostable
- PF** Plastic-free

Ethical-economic commitment

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

Our communities

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

sustainabil





ity strategy



Sustainability Strategy

GRI 2-23, 2-24, 2-25

We are firmly committed to the principles of our Sustainability Strategy, structured around three strategic pillars. These pillars reflect not only the evolving needs of our business, but also the expectations of our stakeholders.

In 2023, we constantly pursued the implementation of actions and objectives defined within these pillars. Our aim is to improve people's well-being with less environmental impact. Our focus is on implementing initiatives that generate a substantial positive impact and simultaneously mitigating any adverse environmental impact from our operations and products.

Upholding transparency, responsibility, and open dialogue with all our stakeholders remains a fundamental aspect of our commitment. Highlighting KCM's progress and acquired insights ensure the pursuit of long-term sustainable development.

Through the Sustainability Strategy* we reiterate our pledge to exemplify responsible stewardship in sustainability, while continuing to seize opportunities for improvement and remain adaptable to the changing global environment.



KCM's Sustainability Strategy is defined by the Board of Directors, the Senior Management, and the Executive Sustainability Committee (ESC). Within our organizational structure, the ESC has been tasked with the continuous evaluation of the performance of the three pillars of the strategy. The findings and relevant issues discerned















during this evaluation are subsequently communicated to the Chief Executive Officer. In turn, the CEO takes responsibility for reporting to the Board of Directors on any issue requiring their discussion or intervention, thus ensuring effective and consistent management of our sustainability initiatives.



*See our Sustainability Microsite at: <https://www.kimberly-clark.com.mx/en/sustainability-kcm>



We establish clear and measurable objectives that emphasize the commitment to the environment and our community. The progress of our initiatives reflects not only our dedication to these objectives, but also the efficacy of our actions.

Sustainable Ambition by 2030*			
Commitment		Progress by 2023	
	ZERO waste sent to landfills as a result of our processes by 2025.		99%
	25% reduction in our use of fresh water by 2030.		38%
	50% reduction in our direct greenhouse gas emissions by 2030.		63%
	100% of our virgin fibers will come from sustainable sources by 2022.		100% Achieved in 2022
	100% of our packaging will be recycled or recyclable or reusable or compostable by 2024.**		98%
	15% reduction in the weight of our products through more efficient designs by 2030.		85%
	25 million people positively impacted with direct actions and social programs by 2025.		92%

Baseline 2015.

*The full Sustainable Ambition is available on page 100.

**Restated target from 2023 to 2024 as we are converting the last packaging to achieve 100%.

Sustainable Development Goals

We reaffirm our commitment to contribute to the Sustainable Development Goals (SDGs), making a positive impact on 14 of the 17 goals through our Sustainability Strategy and the progress of the Sustainable Ambition by 2030.

Moreover, we have established specific programs that emphasize our dedication to sustainability and our pursuit to achieve significant results in meeting these goals.

SDG	Goal	KCM contribution
 <p>2 Zero hunger</p>	End hunger, achieve food security, and improved nutrition and promote sustainable agriculture.	<ul style="list-style-type: none"> • <i>Apapachos de Vida</i> by KleenBebé®.
 <p>3 Good health and well-being</p>	Ensure healthy lives and promote well-being for all at all ages.	<ul style="list-style-type: none"> • <i>Abrazando su Desarrollo</i> by Huggies®. • <i>Apapachos de Vida</i> by KleenBebé®. • <i>Contigo Siempre</i> by Depend®. • <i>Kotex® por Todas</i>.
 <p>4 Quality education</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	<ul style="list-style-type: none"> • <i>Abrazando su Desarrollo</i> by Huggies®. • <i>KCM Jóvenes Construyendo el Futuro</i>. • Sustainability Week. • Innovation Week. • Health and Safety Week.
 <p>5 Gender equality</p>	Achieve gender equality and empower all women and girls.	<ul style="list-style-type: none"> • <i>Abrazando su Desarrollo</i> by Huggies®. • <i>KCM Jóvenes Construyendo el Futuro</i>. • <i>Kotex® por Todas</i>. • Women's Week.
 <p>6 Clean water and sanitation</p>	Ensure availability and sustainable management of water and sanitation for all.	<ul style="list-style-type: none"> • Through efficient use of our production processes and high-tech treatments. • <i>En acción por tu protección</i> by Escudo® Antibacterial.
 <p>8 Decent Work and economic growth</p>	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	<ul style="list-style-type: none"> • KCM Code of Ethics. • <i>KCM Bienestar</i>. • <i>KCM Kuida tu Salud</i>. • <i>KCM Jóvenes Construyendo el Futuro</i>. • Innovation Week. • Health and Safety Week.
 <p>9 Industry, innovation, and infrastructure</p>	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	<ul style="list-style-type: none"> • Through our manufacturing processes. • <i>KCM Innovation, Technological Development, Quality, and Sustainability</i>. • Innovation Week.

SDG	Goal	KCM contribution
 <p>10 Reduced inequalities</p>	<p>Reduce inequality within and among countries.</p>	<ul style="list-style-type: none"> • KCM Code of Ethics. • KCM Equity, Diversity, and Inclusion Committee. • Kotex® <i>por Todas</i>.
 <p>11 Sustainable cities and communities</p>	<p>Make cities and human settlements inclusive, safe, resilient, and sustainable.</p>	<ul style="list-style-type: none"> • KCM Code of Ethics. • Circular economy.
 <p>12 Responsible consumption and production</p>	<p>Ensure sustainable consumption and production patterns.</p>	<ul style="list-style-type: none"> • Through our manufacturing processes. • KCM Innovation, Technological Development, Quality, and Sustainability. • Sustainable brands. • Sustainability Week. • Circular economy.
 <p>13 Climate action</p>	<p>Take urgent action to combat climate change and its impacts.</p>	<ul style="list-style-type: none"> • Through our manufacturing processes. • Circular economy. • KCM Innovation, Technological Development, Quality, and Sustainability. • Sustainability Week.
 <p>15 Life on land</p>	<p>Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p>	<ul style="list-style-type: none"> • Sustainable certifications that we request to our virgin fibers suppliers. • Reforestation campaigns.
 <p>16 Peace, justice, and strong institutions</p>	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.</p>	<ul style="list-style-type: none"> • KCM Code of Ethics.
 <p>17 Partnerships for the goals</p>	<p>Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.</p>	<ul style="list-style-type: none"> • Alliances with Chambers, Industry, Companies, and NGOs.

United Nations Global Compact



Since 2010, we have committed to the United Nations (UN) Global Compact through KCC, and in 2021 we decided to reinforce this commitment at KCM, validating our determination to promote responsible and sustainable business practices.

KCM's Sustainability Report reinforces our response to this initiative and complements the Communication on Progress (CoP). In this questionnaire, we outline the actions and initiatives implemented in 2023 to adhere to the Ten Principles of the UN Global Compact.

This endeavor offers a holistic view of our sustainability initiatives, underlining our enduring commitment to corporate responsibility and progress towards a sustainable future.



The Ten Principles of the UN Global Compact

 Human Rights	1	Businesses should support and respect the protection of internationally proclaimed human rights.
	2	Businesses should make sure that they are not complicit in human rights abuses.
 Labour	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
	4	Businesses should uphold the elimination of all forms of forced and compulsory labor.
	5	Businesses should uphold the effective abolition of child labor.
	6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.
 Environment	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.
 Anti-Corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.








Stakeholders

GRI 2-12, 2-29

We have established channels that facilitate understanding the main concerns and needs of our stakeholders, ensuring we maintain consistent, two-way communication with them. Additionally, these channels help us identify risks and opportunities related to subjects that are important to them, allowing us to generate value in their interactions with KCM.

This approach helps us in maintaining strong relationships and ensures that our strategies and actions are tailored to meet the expectations and needs of each stakeholder.



Stakeholder and communication frequency	Channels and level of communication	Key issues and concerns
<p>Shareholders Eventual</p> 	<ul style="list-style-type: none"> • Sustainability Report: organizational. • Website: organizational. • BMV-Emisnet: Investor Relations department. • Questionnaires of rating agencies: Sustainability and Investor Relations departments. • Shareholders' Meeting: Investor Relations department. 	<ul style="list-style-type: none"> • Value creation. • Timely communication. • Possible share buybacks. • Growth in the share price. • Attractive business profitability margins.
<p>Authorities Eventual</p> 	<ul style="list-style-type: none"> • Website: organizational. • Telephone: by segment or product. • Email: by segment or product. • Written notifications: by segment or product. • Sustainability Report: organizational. 	<ul style="list-style-type: none"> • Compliance with regulations and standards.
<p>Customers Daily</p> 	<ul style="list-style-type: none"> • Email: by segment or product. • Telephone: by segment or product. • Website: organizational. • Sales team meetings: by brand. • Sustainability Report: organizational. 	<ul style="list-style-type: none"> • Reliable sourcing. • Competitive products. • Timely attention.
<p>Employees Daily</p> 	<ul style="list-style-type: none"> • Intranet: organizational. • Social media: organizational. • Internal campaigns: organizational. • Internal communications: organizational. • Email: by area. • Sustainability Report: organizational. 	<ul style="list-style-type: none"> • Decision-making. • Execution of the strategy and operation. • Supplies. • Permanent communication on preventive measures and safety and hygiene protocols. • Development and growth. • Industrial training. • Physical and mental health.
<p>Community Eventual</p> 	<ul style="list-style-type: none"> • Email: by segment, product, or program. • Telephone: by segment, product, or program. • Website: organizational. • Social impact programs: organizational. • Sustainability Report: organizational. 	<ul style="list-style-type: none"> • Community strengthening and development. • Social programs of KCM and/or our brands. • Donations.
<p>Consumers Daily</p> 	<ul style="list-style-type: none"> • Email: by segment or product. • Website: organizational. • Social media: organizational and by brand. • Telephone: by segment or product. • Sustainability Report: organizational. 	<ul style="list-style-type: none"> • Innovative, safe, and quality products. • Environmentally responsible products. • Brands consistent with consumer values. • Competitive prices.
<p>Suppliers Daily</p> 	<ul style="list-style-type: none"> • Telephone: by segment or product. • Business relationships: by brand. • Website: organizational. • Email: by segment or product. • Sustainability Report: organizational. 	<ul style="list-style-type: none"> • Continuity of operation and supply. • Timely payments. • Strengthening and development of the commercial relationship. • Compliance with specifications and quality parameters.
<p>Others (NGOs, brokerage firms, evaluation organizations, opinion leaders, media, academia, financial institutions, and investors) Eventual</p>	<ul style="list-style-type: none"> • Website: organizational. • Email: organizational. • Sustainability Report: organizational. 	<ul style="list-style-type: none"> • Timely communication. • Financing. • Timely response to requests for information. • Donations.

Double materiality

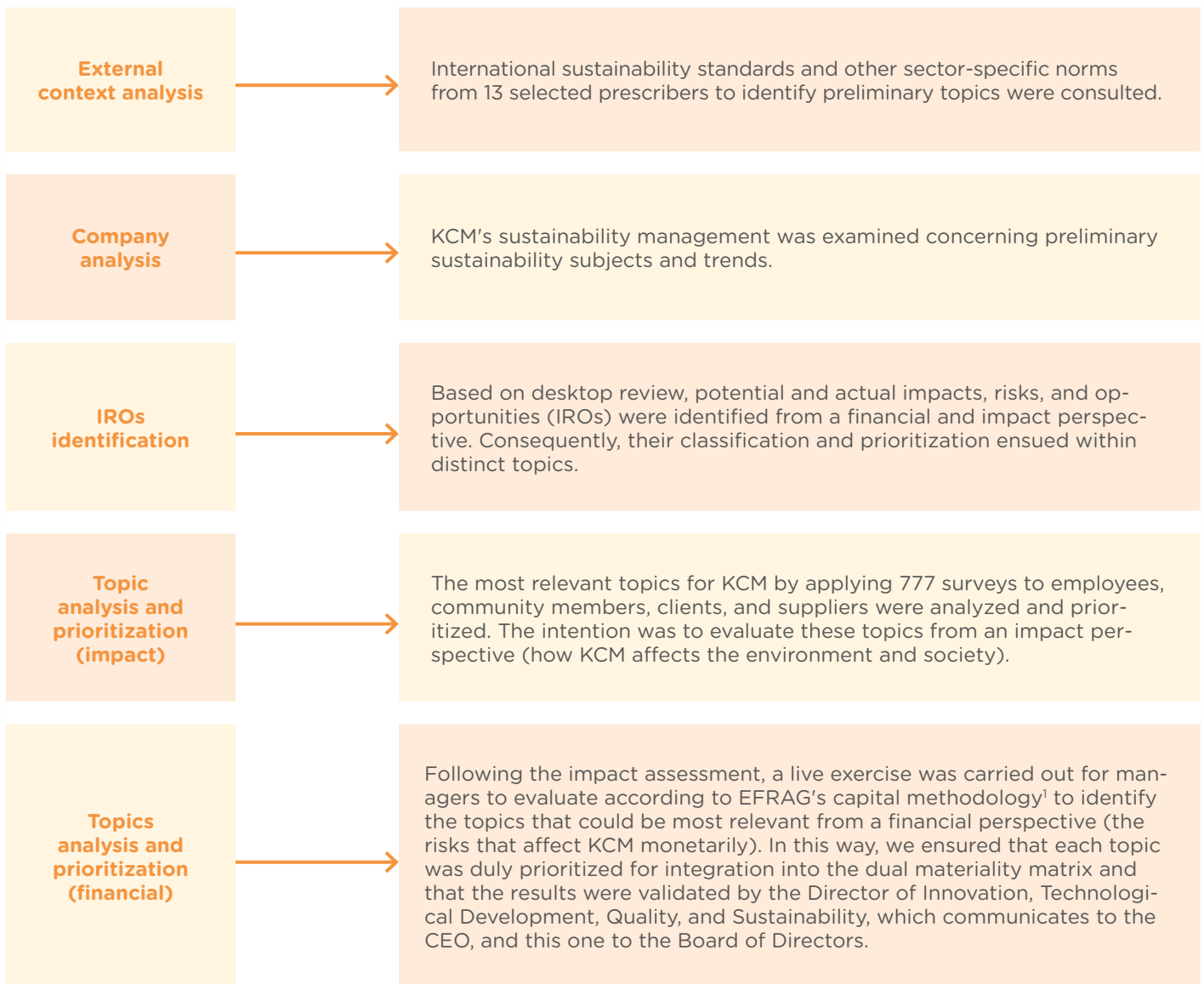
GRI 3-1, 3-2

At KCM, we acknowledge the importance of conducting a materiality analysis to align with market trends and reflect our stakeholders' expectations. Accordingly, in 2023 we updated our assessment to incorporate the principle of double materiality.

The double materiality analysis was performed in accordance with the frameworks of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the European Financial Reporting Advisory Group (EFRAG¹).

This process enabled us to identify the most relevant topics for both our company and stakeholders. We evaluated the risks associated with material topics based on their potential impact on the creation of economic value for the organization, as well as in terms of scale, scope, probability, and the company's remendability towards stakeholders and the environment in the short, medium, and long term.

The double materiality analysis consisted of the following steps:



¹ EFRAG. Double materiality conceptual guidelines for standard-setting: <https://www.efrag.org/Assets/Download?assetUrl=/sites/webpublishing/SiteAssets/Appendix%202.6%20-%20WP%20on%20draft%20ESRG%201.pdf&AspxAutoDetectCookieSupport=1>

The outcome of this analysis was the identification of five critical topics and seven significant topics.

Critical	Significant
<ul style="list-style-type: none"> • Water management 	<ul style="list-style-type: none"> • Forests and biodiversity
<ul style="list-style-type: none"> • Innovation and technology 	<ul style="list-style-type: none"> • Privacy and information security
<ul style="list-style-type: none"> • Climate strategy 	<ul style="list-style-type: none"> • Consumer well-being
<ul style="list-style-type: none"> • Workforce well-being and development 	<ul style="list-style-type: none"> • Environmental performance
<ul style="list-style-type: none"> • Risk management 	<ul style="list-style-type: none"> • Ethics and integrity • Occupational health and safety • Responsible advertising

We incorporated the **double materiality** into our strategy, striking a balance between financial progress and our commitment to environmental sustainability and the social well-being of our community.



Material topic	Potential impacts in case the topic is not well addressed	Related policies	Impact mitigation actions
Water management	<ul style="list-style-type: none"> • In case of poor management, discharges could contain a high concentration of pollutants. • Intensive extraction could lower aquifer levels (increased costs and scarcity). • Poor management could lead to the loss of licenses/ concessions. 	<ul style="list-style-type: none"> • Sustainability Policy. • Safety, Occupational Health, and Environment Policy. • Efficient Water Use and Discharge Control Policy. 	<ul style="list-style-type: none"> • Development of water management strategy. • Projects to modernize wastewater treatment plants. • Operational efficiency projects.
Innovation and technology	<ul style="list-style-type: none"> • Lack of innovation could lead to declines in competitive advantage. • Lack of technology could lead to an inability to serve a larger audience. • Lack of the necessary technology could lead to vulnerability and risks in operations. • Loss of competitive advantage (obsolescence), by not adapting to technological advances. • Neglecting the investment could mean missed opportunities (increased efficiency, cost savings, and better product offerings). 	<ul style="list-style-type: none"> • Product Quality Policy. 	<ul style="list-style-type: none"> • Investment in R+D for new products. • Innovation Week.
Climate strategy	<ul style="list-style-type: none"> • Supply chain disruptions from natural disasters. • Scarcity of critical resources. • Increase in the number of emissions generated that represents fines or penalties. • Displacement of vulnerable communities and groups. 	<ul style="list-style-type: none"> • Sustainability Policy. • Safety, Occupational Health, and Environment Policy. • Energy Efficiency and Greenhouse Gas Reduction Policy. 	<ul style="list-style-type: none"> • Elaboration of an Organizational Life Cycle Analysis study of all KCM operations. • We carry out an emissions inventory year after year. • Operational efficiency projects.
Workforce well-being and development	<ul style="list-style-type: none"> • Job dissatisfaction. • Failure to implement social protection schemes could contribute to the deterioration of the work environment. • High employee turnover. 	<ul style="list-style-type: none"> • Code of Ethics. • Human Rights and Inclusion, Diversity, and Equity Policy. • English Language Training Policy. 	<ul style="list-style-type: none"> • Increase in training programs. • Management of health and wellness programs.



Material topic	Potential impacts in case the topic is not well addressed	Related policies	Impact mitigation actions
<p>Risk management</p>	<ul style="list-style-type: none"> • Neglecting potential risks could lead to exposure to unforeseen threats. • Closure of the company due to major impacts on operations. 	<ul style="list-style-type: none"> • Risk and Insurance Policy. • Crisis Management Policy and Business Continuity Plan. • Sustainability Policy. 	<ul style="list-style-type: none"> • Exercises to identify and assess the risks to which our assets and operations are exposed to treat them appropriately².
<p>Forests and biodiversity</p>	<ul style="list-style-type: none"> • Proximity of operations to protected areas could adversely affect biodiversity. • Decline or disappearance of biodiversity. • Supply chain affected by shortages of raw materials and forest resources. 	<ul style="list-style-type: none"> • Sustainability Policy. • Safety, Occupational Health, and Environment Policy. • Biodiversity Policy • Sustainable Fibers Procurement Policy. 	<ul style="list-style-type: none"> • We reached our goal of 100% of our virgin fibers coming from sustainable sources by 2022 and to date they continue in this way. • FSC® Certification.
<p>Privacy and information security</p>	<ul style="list-style-type: none"> • Loss of data, as well as privacy breaches due to increased cyberattacks. • Loss of intellectual property/trade secrets. • Poor customer retention due to information insecurity. • Unauthorized disclosure of personal data of employees. 	<ul style="list-style-type: none"> • Information Security Policy. • Privacy Notice. 	<ul style="list-style-type: none"> • Review of general IT controls. • Monitoring and control of vulnerability incidents.
<p>Consumer well-being</p>	<ul style="list-style-type: none"> • Demand for products with natural/sustainable ingredients shapes the competitive landscape. • Consumer health risks (costly recalls). • Negative consumer feedback. 	<ul style="list-style-type: none"> • Product Quality Policy. • Consumer and Institutional Product Promotions Policy. • Self-Regulatory Policy and Ethical Practices for the Use of Advertising, Promotions, and Marketing Tools. 	<ul style="list-style-type: none"> • Continuous follow-up to comments, complaints, suggestions, claims, and congratulations.

² The risks identified are analyzed by the Risk Management department and by the Sustainability Executive Committee.

Material topic	Potential impacts in case the topic is not well addressed	Related policies	Impact mitigation actions
Environmental performance	<ul style="list-style-type: none"> Negative consumer perception. Violation of environmental regulations, generating fines and penalties. Depletion of natural resources by not adopting sustainable practices. 	<ul style="list-style-type: none"> Sustainability Policy. Safety, Occupational Health, and Environment Policy. Energy Efficiency and Greenhouse Gas Reduction Policy. Integrated Waste Management Policy. Water Efficiency and Discharge Control Policy. Biodiversity Policy. Sustainable Fibers Procurement Policy. 	<ul style="list-style-type: none"> Investment in new technologies. Waste separation and recovery. Communication.
Ethics and integrity	<ul style="list-style-type: none"> Reputational damage due to the spread in social media of cases of corruption or ethical conflicts. Violations that could result in legal liabilities and lawsuits. Loss of credibility among consumers and customers. 	<ul style="list-style-type: none"> Code of Ethics. Human Rights and Inclusion, Diversity, and Equity Policy. 	<ul style="list-style-type: none"> Trainings on various related topics.
Occupational health and safety	<ul style="list-style-type: none"> Workplace accidents (injuries or fatalities). Exposure to hazardous materials (health issues or safety incidents). Failure to comply with regulations could lead to fines, legal problems, and reputational damage. 	<ul style="list-style-type: none"> Safety, Occupational Health, and Environment Policy. Policy for the Prevention of Psychosocial Risks (NOM-035-STPS). 	<ul style="list-style-type: none"> Investment in EHS training. Implementation of NOM-035-STPS-2018 psychosocial risk factors at work. Investments in manufacturing for risk mitigation.
Responsible advertising	<ul style="list-style-type: none"> Loss of consumer confidence. Legal repercussions. Lack of clarity in advertising could lead to customers loss. The company's business relationships could be adversely affected. 	<ul style="list-style-type: none"> Code of Ethics. Self-Regulatory and Ethical Practices for the Use of Advertising, Promotions, and Marketing Tools Policy. 	<ul style="list-style-type: none"> Training for employees on responsible advertising issues.



Top material topics

Material topic	 Water management	 Innovation and technology	 Climate strategy
Business case	<p>Water plays a fundamental role in the manufacturing of many of our products and in the daily operation of our facilities. Therefore, efficient water management is essential to reduce operating costs, increase profits, and ensure the sustainability of our operations.</p> <p>Water is a critical resource, and in the event of a shortage, KCM's income could be affected due to the complexity of obtaining it and the high cost that could be generated by obtaining this resource, which could even lead to the closure of operations.</p> <p>Additionally, organizations face various water-related risks, such as water scarcity and quality, as well as increased treatment costs, posing a threat to business continuity and long-term viability.</p>	<p>Technological innovation represents a valuable opportunity in every phase of manufacturing and throughout our company's value chain. From the implementation of cleaner manufacturing solutions to the adoption of smart management systems, every technological advance allows us to move towards sustainability and improve the quality of our products. By integrating new technologies, we are not only able to develop more sustainable products, but also to expand our customer base, resulting in significant business growth and an increase in company revenue.</p> <p>Likewise, through strategic investment in innovation, we can stay ahead of market changes and ensure compliance with environmental regulations, this not only improves our brand reputation, but also generates significant cost efficiencies by optimizing our processes and reducing waste. Ultimately, this investment in innovation allows us to not only stay competitive in an ever-evolving market, but also lead the way to a future of higher business profitability.</p>	<p>Risks arising from climate change can have a significant impact on revenues and costs associated with our real estate assets as exposure to extreme weather events, such as floods or storms, may result in additional costs related to the repair and maintenance of our facilities. Similarly, the depreciation of real estate assets due to environmental degradation or loss of value of properties affected by adverse weather events could reduce the income generated by these investments.</p> <p>In addition, the manufacture, distribution, and marketing of our products require a constant supply of raw materials in significant volumes, which can be affected by extreme weather events, which can cause damage to our suppliers' infrastructure and distribution routes, which could result in significant disruptions to our operations and directly impact our business revenues.</p>
Impact on the organization	<p>Water scarcity represents a risk that would have a direct impact on business revenue.</p>	<p>The lack of a strategy focused on innovation and technology could affect KCM's competitiveness and directly impact the business's revenues and costs.</p>	<p>Increased physical and transition risks from climate change can impact business continuity and negatively impact business costs and revenues.</p>
Impact on external stakeholders	<p>The use of water in our production processes could generate a significant environmental and social impact, both on the quality of the effluents and on the availability of the resource in the area where our facilities are located.</p>	<p>The integration of innovation and technology generates significant positive impacts for its key stakeholders since the use of advanced technologies in the design and manufacture of products translates into more efficient, safe solutions, and aligned with their needs, providing greater comfort and confidence in each experience.</p>	<p>The intensification of climate risks has a wide range of consequences, which directly impact the health and well-being of our stakeholders.</p>

Business strategy and mitigation actions	<p>Recognizing the vital importance of water and its impact on our operations, we have made consistent investments in technological innovations. These investments allow us to implement advanced water treatment systems, such as coagulation, sedimentation, flocculation, flotation, aeration, and disinfection, with which it is possible to treat water internally and recirculate it in our processes to achieve more efficient water resource management by significantly reducing our water consumption in daily operations.</p> <p>In addition to our investments in technology, we implement transparent environmental policies that go above and beyond what is required with compliance with applicable environmental legislation and regulations in the country, particularly regarding to responsible water management.</p>	<p>We have a strong Innovation, Research and Development (R&D) department, which works closely with the Innovation Centers of our business partner KCC. In this department, a thorough evaluation of new technologies and innovative materials is carried out, always prioritizing safety and efficacy. Besides considering the technical and economic feasibility of projects, we also assess their alignment with ESG criteria. This allows us to ensure that new products and processes are not only innovative and cost-effective, but also sustainable and ethical, thus contributing to strengthening our position as market leaders and meeting the demands of our sustainability-conscious stakeholders.</p>	<p>Our climate change mitigation strategy focuses on identifying, assessing, and managing both the risks and opportunities related to climate change. To this end, we are committed to improve the environmental sustainability of our products, incorporating features such as increased durability, sustainably sourced raw materials, and a significant reduction in greenhouse gas (GHG) emissions during production.</p> <p>We are aware that extreme weather events can impact our supply chain, so we have implemented actions to strengthen its resilience, this involves making investments in our operating facilities in order to make them more robust to face such events.</p> <p>Likewise, we are committed to carry out the annual quantification, reporting and verification of our GHG emissions, ensuring compliance with the relevant regulations and we are constantly reviewing and improving our mitigation and adaptation strategies to protect not only our company, but also the communities in which we operate.</p>
Related goals	<p>25% reduction in our use of fresh water.</p>	<p>100% of our packaging will be recycled or recyclable or reusable or compostable.</p> <p>15% reduction in the weight of our products through more efficient designs.</p>	<p>100% of our virgin fibers will be sustainably sourced.</p> <p>50% reduction in the company's direct GHG emissions.</p>
Base year	2015	2015	2015
Target year	2030	2024 2030	2022 2030
Progress 2023	38%	98% 85%	100% 63%

Note. At the moment, the compensation of our Directors is not linked to the achievement of these goals, but we are convinced that this is a relevant issue and we will seek to implement this type of initiatives in the coming years.



Risks and opportunities management

GRI 2-12, 201-2

We are unwavering in our commitment to perpetually enhance our procedures to efficiently identify, mitigate, and address the risks³ that the company faces, turning every challenge into an opportunity for learning and growth. To achieve this, we have instituted a robust internal control procedure that ensures operational continuity and reinforces the strategic planning of our business. Additionally, this mechanism aids us in reinforcing the organization's resilience against potential adversities while cultivating an organizational culture rooted in continuous improvement and innovation.

In addition, our Board of Directors comprises members with expertise in enterprise risk management, who closely oversee the handling of these risks and contribute to strategic decisions aimed at effective risk mitigation. This structured, hierarchical approach ensures comprehensive and effective risk management at all levels of the organization.



³ See our map of risks and opportunities in the Annexes section.

Internal control process



1

Identification of risks through the Risk Management Department and key areas of each facility or corporate office, with the support of external professionals.



2

Risk assessment to determine their probability of occurrence, the severity, and impact of the damages or losses they may cause.



3

Establishment of measures for the risk elimination or control where alternatives are analyzed to select responsibly and effectively the one that best suits the conditions.

In case that the implemented strategies do not eradicate or minimize the risks, we contemplate additional options like procuring appropriate insurance that provides us with comprehensive protection against unpredictable incidents. We evaluate a multitude of risks that could impede our operational capacity, encompassing external factors such as climate change, regulatory, health, safety, economic, political, social, and environmental aspects.

For the assessment and management of climate-related risks, we rely on the information provided by the National Center for Disaster Prevention (CENAPRED, by its acronym in Spanish). This data allows us to comprehend

the vulnerability of areas in Mexico where our facilities and offices are located. Leveraging this information, we delineate actions to mitigate risks, incorporate adaptation measures, and develop contingency plans to reduce the impacts of natural phenomena such as hurricanes, heavy rains, landslides, floods, and droughts. This proactive methodology fortifies our resilience and shields our operations from an array of climatic and environmental risks.



Alignment with TCFD and TNFD recommendation frameworks

In 2023, we reinforced our commitment to the responsible management of climate and nature-related risks by aligning our practices with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and, for the first time, with the Task Force on Nature-related Financial Disclosures (TNFD).

This initiative represented a close collaboration between KCM's Risk Management and Sustainability departments. An integrated approach like this will facilitate informed decision-making, thereby enhancing business resilience and ensuring our actions stay aligned with stakeholder expectations.

Governance

At KCM, risk identification and management across all areas where the company might face exposure is the responsibility of the Risk Management Department. However, it is supported by various divisions of our business in identifying specific risks.

The identification of legal, political, environmental, technological, market, and reputational risks, among others, is facilitated by diverse business areas. Furthermore, risks concerning climate and nature are identified by each manufacturing facility, assisted by the Sustainability department. These risks are then conveyed to the Risk Management Department for effective mitigation.

Initiatives related to climate and nature are implemented through our Sustainability department, led by the Director of Innovation, Technological Development, Quality, and Sustainability.

Ultimately, within KCM, the oversight of all risks, including environmental risks, is undertaken at the highest level. The Board of Directors serves as the highest authority for risk-related updates and decisions.



Climate-related risks and opportunities

GRI 3-3, 201-2

		Level of communication and frequency of reporting	
Physical	Severe / acute	Senior Management	At least once a year
	Chronic		As required
Transition	Legal / Political	Operational Management	When the risk is detected
	Environmental		
	Technological	Senior Management	In Management meetings with the CEO
	Market		
Reputational	Board of Directors	As required	
Opportunities	Resource efficiency	Senior Management	In Management meetings with the CEO
	Energy source		
	Products and services		
	Markets		
	Resilience		
Associated financial impacts		Board of Directors	As required

Strategy

We have identified three climate-related risks of substantial significance for the company in both the short and long term, as well as three opportunities. These are closely tied to our corporate goals and could influence the advancement of operational and supply activities.

Material climate change and nature 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	Low
Acute / severe physical	Reduction in fuel use	Short (1-5 years)	Unlikely	Moderate

Material climate change and nature opportunities

Type	Description	Horizon	Probability	Magnitude
Resilience	Increase in use of post-consumer water in production processes	Medium (5-10 years)	Almost certain	Evaluated
Efficiency	Reduction in fuel use	Medium (5-10 years)	Almost certain	Evaluated
Efficiency	Environmental performance of products	Short (1-4 years)	Almost certain	Evaluated



Products and services

We are committed with constant evolution to provide products that meet our consumers' expectations. Hence, we stay in tune with trends revolving around offering products with lower environmental impact.

Our catalogue includes products with superior environmental attributes such as sustainably sourced raw materials, environmentally non-harmful ingredients, the implementation of sustainable production technologies, and practices optimizing water and energy use.

This includes the investment in highly energy-efficient equipment and processes leading to reduced GHG emissions, increased durability, lower weight, and sustainable packaging.



Supply chain and/or value chain

We have acknowledged that weather events can disrupt the supply chain, impacting not only the sourcing of raw materials and the distribution of products to consumers but the availability of resources such as electricity and water, crucial for our operations.

In response, we collaborate with renewable energy providers to utilize clean energy and reduce fossil fuel dependency. Within the value chain, consumers are the key players triggering the integration of products with superior environmental attributes into the catalogue.



Mitigation and adaptation activities

We have increased the investment committed to adopt mitigation measures in operational facilities, enhancing their resilience to climatic events. This has yielded clear benefits, while extreme weather events have surged in frequency, a similar trend hasn't been observed in their impact on the company. Similarly, we've enhanced planning schemes concerning raw material supply.



Investment in research and development

Investment in research and development hasn't seen a significant fluctuation due to climate issues, only a slight increase associated with the costs of certification of products with more favorable environmental characteristics.

Risk management

GRI 201-2

At KCM, each department takes responsibility in identifying the acute, severe physical, political, and reputational risks we may face in the short, medium, and long term. Once identified, these risks, which include environmental ones, are classified and a comprehensive risk portfolio is developed, containing mitigation measures.

Finally, we assess these risks taking into consideration their likelihood of occurrence and the extent of their potential impact on our business. From this, we generate a risk matrix for each classification. The Finance Department presents these matrices annually to the Board of Directors.



Type of risk	Responsible department/area	Period in which it could manifest	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) to identify vulnerable facilities, and additionally, the opinion of risks specialists from insurers is available.</p>	<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.</p>
Political	Sustainability - Environment - Legal	Short (1-3 years)	<p>The areas of Sustainability and Environment are responsible for identifying political risks related to the environment for the operations (climate change and biodiversity included). 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>	<p>When a political risk is detected, it is reported to the different operational levels for its attention and mitigation.</p>



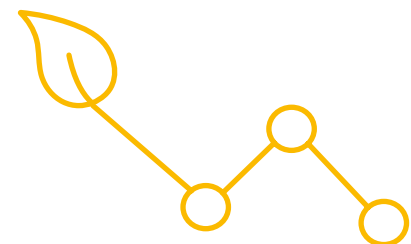
Type of risk	Responsible department/area	Period in which it could manifest	Process description	Response actions
Reputational	Institutional communication	Short (1-1.5 years)	Daily, the Institutional Communication department monitors social media and media, as well as, when applicable, consumer comments 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.
Technological	Innovation, Research and Development, Operations	Short (1-5 years) and Medium (6-10 years)	Trends in the sector (new technologies, materials, suppliers, among others) are identified through participation in Industrial Chambers and attendance at events organized by the Disposable Products Associations of North America and Europe. Semi-annual market analyses and benchmarking are carried out with companies in the sector, in addition to receive information on research and development from Kimberly-Clark Corporation.	The potential risk or opportunity is analyzed qualitatively and decisions are made based on the experience of the corresponding areas.
Market	Innovation, Research and Development, Market Research, Marketing	Short (1-5 years)	Trends are identified through the Innovation, Research, and Development area and the Market Research area and close communication is maintained with the consumer through social networks, calls and in-store demonstrators. The Marketing area takes as a reference what is done in other industries or brands at a national and global level and analyzes whether they can be applied at a national level.	Once a trend has been identified, the marketing area designs a project and presents it to the corresponding areas, including Innovation, Research, and Development, for them to contribute their knowledge and experience, in addition to evaluating the viability of the project, either to mitigate a risk or exploit an opportunity.

Metrics and goals

The Sustainability and Environment departments, along with Manufacturing, are the key areas that consolidate information on KCM's operations at the corporate level. This data is used to create and report absolute or intensive indicators that assist in monitoring environmental performance in accordance with the goals of our Sustainable Ambition by 2030, as well as other specific objectives determined by each department.

As part of these metrics, we have intensive indicators for greenhouse gas emissions, water usage, waste production, and raw material consumption. These indicators are presented in this Sustainability Report, with historical data traced back to 2015.

The Finance department oversees the monitoring of costs associated with measures to adapt to climate change. Meanwhile, the Procurement department is responsible for compiling information on raw material prices and assessing the potential effects of climate change on these costs. This comprehensive approach ensures that we are fully aware of our environmental impact and are taking appropriate steps to mitigate it.



environment



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





100%



of our processes are fully aligned with current Mexican regulations.

100%



of our virgin fibers are derived from sustainable sources.

99%



of the waste generated through our operations is repurposed for reuse and/or recycling.

More than
98%



of our packaging is either recycled, recyclable, reusable, or compostable.

More than
60%



of the fibers we use are recycled.

50%



of our water consumption is sourced from post-consumer water.

Through our actions we contribute to the following SDGs:



Environmental management

We acknowledge that our responsibilities extend beyond selling hygiene and personal care products. Our commitment lies in fostering positive change throughout our value chain, spanning from raw material selection up to our products' end-of-life. As part of this pledge, we employ sustainably sourced raw materials in our daily operations, working closely with suppliers who share our ethics. These suppliers demonstrate traceable and robust processes that reinforce the sustainable origin of their products and the practices involved in its manufacture.

Our responsible practices, along with clean and efficient processes, play an instrumental role in reducing greenhouse gas emissions and ensuring responsible management of natural resources linked to our production processes and supply chain.

From a circularity perspective, we persist in adopting recycling and reusing practices within our facilities, with the aim of reducing waste generation and promoting the optimal resource use.

As a company manufacturing a wide product range that requires the use of natural resources for their production, we continuously strive to refine our practices and diminish our environmental footprint, ensuring a better environment for future generations.



At KCM, we strive to minimize our environmental impact and promote the well-being of the planet through the implementation and development of efficient energy, water, and waste management programs. To this end, we conduct continuous assessments that help us to identify opportunities for improvement, to establish quantified goals, and to adopt concrete measures such as reducing the consumption of natural resources and investing in innovation and development to optimize the use of these resources.

At the same time, we provide training to our employees to increase their awareness of energy consumption reduction and the importance of efficient water and waste management. Our programs include improving wastewater quality, implementing action plans aimed at reducing waste generation, and integrating recycling programs. All these efforts reflect our commitment to adopt sustainable practices.





Our **Sustainability Policy***, the one related to **Safety, Occupational Health, and Environment**, as well as **specific policies on integrated waste management, efficient water use and discharge control, energy efficiency and greenhouse gas reduction, sustainable fiber sourcing, and biodiversity**, are a testimony to this commitment. They set high standards for our operations and business practices, ensuring not only legal compliance, but constant innovation and improvements benefiting the environment and society.

Committed to ensure an efficient and sustainable operation, our **Executive Sustainability Committee (ESC)** periodically convenes to assess environmental management progress, report advancements to **Senior Management**, and ultimately to the **Board of Directors**.

Our progress in sustainability has been made possible by the investments we have made over the year on different environmental aspects.



Biodiversity

GRI 3-3

We acknowledge that biodiversity is fundamental to preserve life on Earth and to ensure the sustainability of businesses reliant on raw materials and natural resources.

Through our Sustainable Fiber Procurement Policy, from a responsible and ethical perspective, we aim to mitigate our impact on forests. This is by sourcing fibers from forest plantations that offer certified timber products that also provide security and confidence to our consumers.**

Our efforts focus on considerably curtailing the forest footprint connected with KCM's activities, thereby contributing to reduce the climate crisis and safeguarding biodiversity.

As part of these efforts, in 2023, we worked on creating the **Biodiversity Policy*****. This policy integrates biodiversity matters into the company's environmental management system and supports specific programs for conserving biodiversity in our operations and other significant sites while respecting and protecting local ecosystems.

This policy also amplifies our commitment in other KCM environmental policies, enhancing the identification of risks and opportunities in this area.

In 2023, we significantly advanced in aligning our practices with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), highlighting our commitment to protecting biodiversity and preserving natural ecosystems for future generations.

See our **Safety, Occupational Health, and Environment Policy**



*See our Sustainability Policy at: https://www.kimberly-clark.com.mx/data/2024/Sostenibilidad/Eng/Sustainability_Policy.pdf

**See our Sustainable Fiber Procurement Policy at: https://www.kimberly-clark.com.mx/data/2024/Sostenibilidad/Eng/Procurement_of_Sustainable_Fibers_Policy.pdf

***See our Biodiversity Policy at: https://www.kimberly-clark.com.mx/data/2024/Sostenibilidad/Eng/Biodiversity_Policy.pdf

Sustainable sourcing

At KCM, we have strategies and practices in place to ensure that our suppliers align with ethical and environmental standards. We also collaborate with them to improve their sustainable practices and decrease the environmental impact associated with our supply chain.

We explore innovative strategies to refine our practices and minimize the environmental footprint of our supply chain.

Fibers

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

Commitment accomplished: 100% of our virgin fibers will come from sustainable sources by 2022²

Progress to 2023: 100%

Employing certified virgin fibers underlines our commitment to balance the need for high-quality materials with our commitment to preserve natural resources and reducing our impact on the planet.

In 2022, we reached our goal of sourcing 100% of our virgin fibers from renewable sources, hence fulfilling one of our most ambitious sustainability goals. Going forward in 2023, we continue to meet our virgin fiber demand through, ethically sourced, renewable alternatives that align with our environmental responsibility standards.

In addressing this challenge, we adopt a comprehensive approach prioritizing sustainability from raw material procurement to the final product.

In this sense, selecting the right fibers is crucial for maintaining the quality, durability, and comfort our customers expect. At KCM, we have a supply chain that facilitates the incorporation of both virgin and recycled fibers, this last known as secondary fibers.

We ensure that the virgin fibers used in our production are derived from certified forests and that our suppliers possess the necessary certifications.



In addition to the use of certified virgin fibers, we persist in pledging commitments aligned with circularity schemes. Our focus remains on recycling and processing post-consumer paper, particularly in our facilities located in Estado de México, Coahuila, and Querétaro, which are equipped with technology to manage these operations efficiently.

Out of all the total fibers we use, 62% are recycled and 38% are virgin fibers. By opting for recycling fibers over virgin ones, we save energy, reduce greenhouse gas emissions, and aid forest conservation.

Our cellulosic fiber suppliers hold at least one of the following sustainability certifications:

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

Certifications of some of our products:

- 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 fibers from forests to their transformation.

² In 2022 we achieved this goal, and we maintain this accomplishment through 2023.

Positive environmental impacts linked to FSC® Certification in our supply chain

The Forest Stewardship Council (FSC®) is a global non-profit organization dedicated to promote responsible forest management around the world.

The FSC® seal found on Kimberly-Clark de México's products attests to our commitment to responsible forest management, endorsing practices that are beneficial to the environment, society, and economy. **By ensuring that forest products are responsibly sourced, it aids in preserving crucial ecosystem services, such as climate regulation, air and water purification, and soil erosion prevention.**



At KCM we are aware that a small label makes a big impact, because by offering FSC®-labelled products, we support forests and the communities that depend on them by contributing to:



Zero deforestation

Even when trees are harvested, there is no loss of forest cover.



Environmental protection

FSC® certification upholds biodiversity and conserves areas of ecological significance, including the preservation of old-growth forests.



Indigenous peoples' rights

Indigenous peoples who own forests have their rights recognized and consulted. This includes respect for cultural areas and the maintenance of gender balance.



Safety at work and in the work environment

FSC® certification mandates proper training, job security, and fair wages for all workers.

Kimberly-Clark de México, by having the Forest Stewardship Council® (FSC®) License FSC certification C140370, adheres to the requirements declared in the policy FSC-POL-01 -004 "Policy for the Association of Organizations with FSC®" which can be consulted at the following link:

 <https://connect.fsc.org/document-centre/documents/resource/368>

Fibers used (ton)

	2020	2021	2022	2023
Virgin fiber	248,266	239,806	250,183	296,711
Recycled fiber*	544,899	511,936	512,951	484,494
Total	793,165	751,742	763,134	781,205

*These figures include cellulosic waste. In 2023, we included cellulosic waste in the recycled fiber for all years, so the data is different from what was previously reported.

Plastics and packaging

SASB CG-HP-410a.2

Commitment: 100% of our packaging will be recycled or recyclable or reusable, or compostable by 2024.

Progress to 2023: 98%

We understand the importance of reducing plastic use and enhancing our packaging materials' efficiency regarding design, production, and disposal. As such, we've embraced a multifaceted approach comprising source reduction, increased incorporation of recyclable and recycled materials, and innovation with biodegradable and/or compostable materials.

We're committed to environmental sustainability and this commitment is mirrored in the associated initiatives and programs for optimization and continuous improvement. Our goal centers on reducing packaging volume and weight, increasing the use of reusable and recyclable materials, and integrating recycled components. Simultaneously, we are exploring new materials and technologies to further refine our packaging processes, thereby minimizing our environmental impact.

In 2023, we continued our progress toward our sustainability goals, with a primary focus on optimizing the resources associated with our packaging and products. The implementation of these actions has facilitated us in achieving 98% progress toward our target set for the year 2024.



Water management

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

Commitment: 25% reduction in our freshwater use by 2030.

Progress to 2023: 38%

Understanding water’s crucial role as not just a life-sustaining resource, but also a key element in our operations, we hold a firm commitment to the sustainable management of water in all our processes, this is why we prioritize the use of post-consumer water.

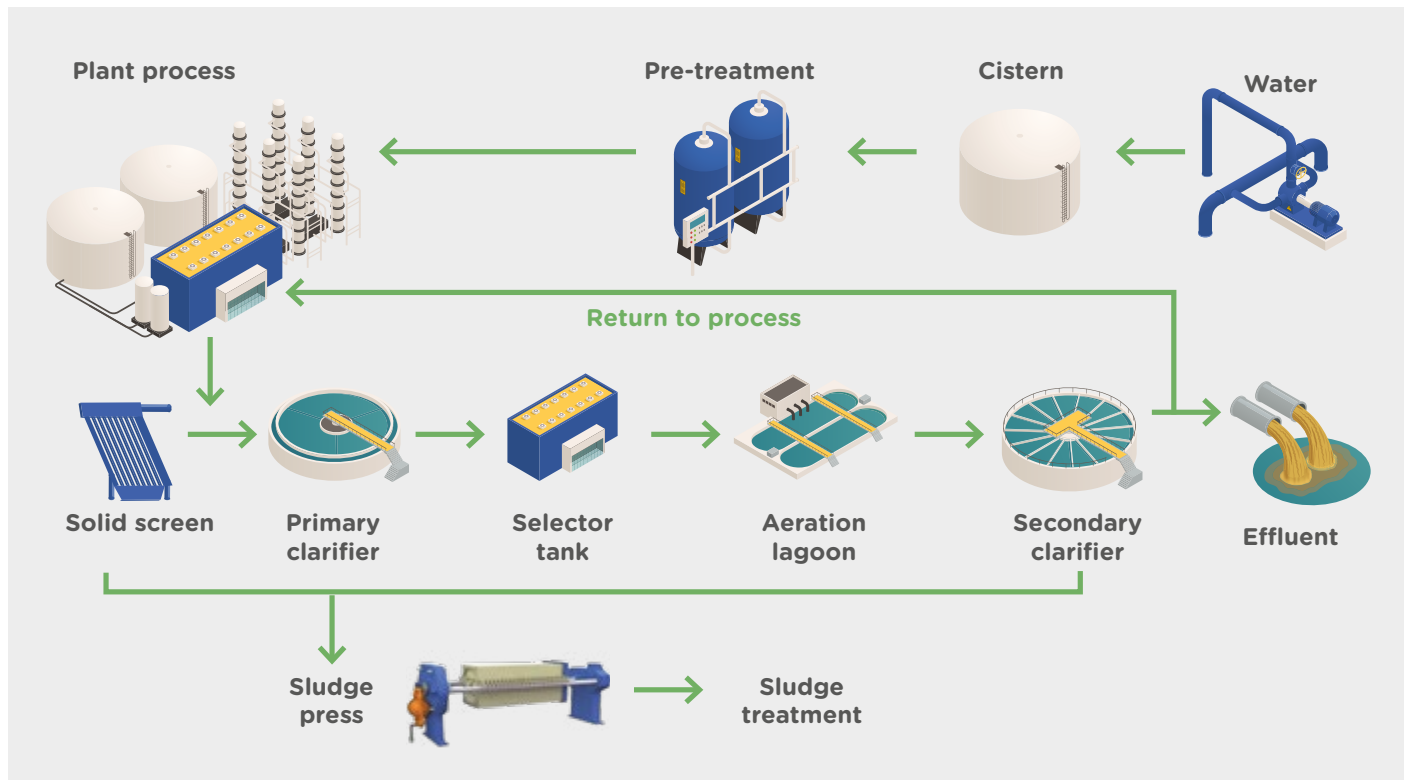
This approach is supported by our **Efficient Water Use and Discharge Control Policy***, which serves as a critical pillar of our strategy, guiding responsible and efficient use of this resource.

Water is instrumental in our processes, particularly in the dilution and transport of fibrous materials for papermaking and steam generation for paper drying processes.

While our water sources mainly encompass groundwater and surface water bodies, a noteworthy 51% of our water consumption derives from post-consumer sources.

As part of our water resource management and compliance with relevant legislation, the water used in our operations is treated before final discharge, complying with regulations and standards such as NOM-001-SEMARNAT-2021, NOM-002-SEMARNAT-1996, and the Federal Law of Rights. This ensures that in all our processes we are aligned with current Mexican regulations on the subject.

Water flow in typical water treatment process at our facilities



We operate facilities whose commitments to water care are reflected in their supply sources. At our facility located in Morelia, 100% of the water used is post-consumption, coming from municipal wastewater treatment processes. In our Ecatepec facility, 94% of the water used is post-consumer water, which is treated directly

at our facilities before use, hence contributing to the responsible and sustainable use of this resource.

As each year, our Bajío facility received the Water Quality Certificate. This recognition is bestowed by the National Water Commission, certifying that our facility’s water discharge aligns with exceptional quality standards.



*See our Efficient Water Use and Discharge Control Policy at: https://www.kimberly-clark.com.mx/data/2024/Sostenibilidad/Eng/Efficient_Use_of_Water_and_Discharges_Control_Policy.pdf

Volume of water used by supply source (m³)

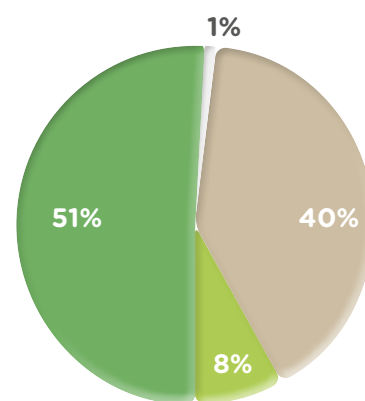
	2020	2021	2022	2023
Groundwater or well water	5,741,777	5,557,473	5,226,227	5,471,278
Fresh surface water	1,114,427	1,050,444	1,124,669	1,148,521
Post-consumer surface water	5,892,514	6,526,726	6,876,245	6,894,912
Municipal water supply	-	-	-	84,223
Total	12,748,718	13,134,643	13,227,141	13,598,934

In 2023, our water consumption was 2,496 megaliters, with a 69% sourced from regions experiencing extremely high-water stress.

In 2023, our freshwater usage index resulted 5.8 m³/ton produced.

Percentage of water used by supply source 2023

● Post-consumer surface water	51%
● Groundwater or well water	40%
● Fresh surface water	8%
● Municipal water supply	1%



Volume of water discharged by destination (m³)

	2020	2021	2022	2023
Discharge to surface bodies	11,186,571	11,768,423	11,665,334	11,698,938
Discharge to underground bodies	1,362,779	1,281,363	1,181,105	974,857
Discharge to the municipal grid	-	-	-	97,419
Total	12,549,350	13,049,785	12,846,439	12,771,214

Note. The mentioned volumes include those generated by operations transferred to a third party for treatment and discharge, as well as volumes processed and discharged by third parties via our operations. The volume discharged solely by KCM operations equates to 11,102,736 m³.

Water intensity (m³/ton produced)

	Water use per ton produced			
	2020	2021	2022	2023
Tissue	14.85	15.04	14.40	14.77
Personal care	1.09	1.04	1.04	1.28
Global KCM Index	11.16	11.67	11.89	11.74

Note. Since 2023, information of all operations is included.



Energy and emissions

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

Commitment: 50% reduction in our direct Greenhouse Gas (GHG) emissions by 2030.

Progress to 2023: 63%

At KCM, energy consumption is fundamental to our production processes, as the efficiency of our equipment, and the formulation of decarbonization strategies directly depend on it. In this regard, we maintain a detailed record-keeping of energy consumption associated with the use of fossil fuels, electricity, and steam. This enables us to determine metrics that offer traceability and traceability.

Our Energy Efficiency and GHG Reduction Policy* is the guiding principle for continuously improving energy management strategies, reducing Greenhouse Gas emissions, and ensuring competitive and reliable energy supply for the manufacture and distribution of our products.

We persist in collaborative efforts to minimize our carbon footprint through the adoption of technology that promotes efficient energy processes. We have achieved a 63% progress towards our goal of reducing direct GHG emissions set for 2030.

As a consistent yearly practice, we report and verify the direct (scope 1) and indirect (scope 2) GHG emissions from our facilities that are subject to report under the General Law on Climate Change and its Regulation on the National Emissions Registry (RENE, by its acronym in Spanish). Through this approach, we contribute to the compilation of statistics and the formulation of national decarbonization strategies.

Our Bajío facility voluntarily continues to participate in the Emissions Trading System Test Program, promoted by SEMARNAT.

While our primary goal is to reduce direct emissions (Scope 1), we are also committed to minimize indirect emissions (Scope 2) from a market-based methodological perspective. We continue our proactive collaboration with renewable energy suppliers to increase our energy share from clean sources.

We recognize that responsible energy management is crucial for securing operational sustainability and ensuring long-term success.

Fuel consumption 2023

Type	GJ
Mobile sources	
LP Gas	107,600
Gasoline*	16,328
Diesel	3,594
Total	127,522
Stationary sources	
Natural Gas	4,541,218
Total	4,541,218

*This includes the energy consumption of our vehicle fleet.



*See our Energy Efficiency and Greenhouse Gas Reduction Policy at: https://www.kimberly-clark.com.mx/data/2024/Sostenibilidad/Eng/Energy_efficiency_and_greenhouse_gases_reduction_Policy.pdf

Energy consumption by source 2023

Source	MWh	GJ	MMBTU
Natural gas	-	4,541,218	4,304,244
Steam	-	1,513,243	1,434,278
Wind energy	6,797	24,468	23,191
Electricity (CFE)	769,827	2,771,376	2,626,758
Electricity (CFE Qualified)	158,451	570,423	540,657
Electricity (cogeneration)	178,765	643,555	609,972
Total	1,113,839	10,064,283	9,539,100

Energy consumption by source (GJ)

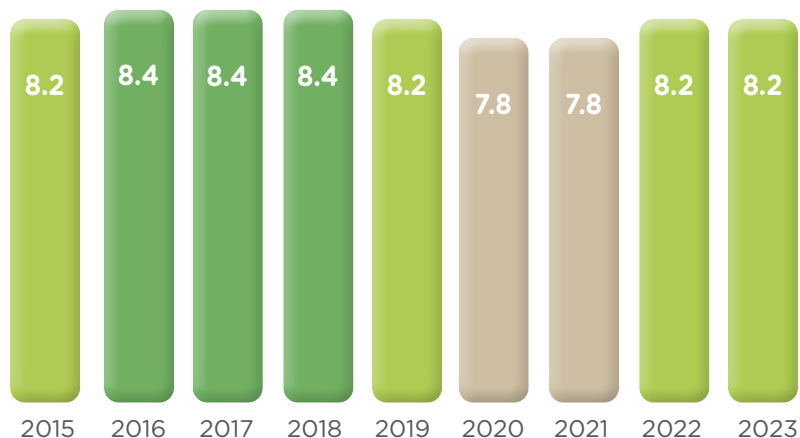
Source	2020	2021	2022	2023
Natural gas	4,226,076	4,132,811	4,281,581	4,541,218
Steam	1,360,672	1,358,696	1,432,034	1,513,243
Wind energy	43,727	52,090	35,130	24,468
Electricity (CFE)	265,072	194,930	2,413,898	2,771,376
Electricity (CFE Qualified)	0	0	0	570,423
Electricity (cogeneration)	3,533,475	3,434,836	1,457,518	643,555
Total	9,429,022	9,173,363	9,620,163	10,064,283

Energy intensity (MMBTU/ton produced)

	Energy consumption per ton produced			
	2020	2021	2022	2023
Tissue	11.62	12.31	12.42	12.70
Personal care	1.71	1.64	1.74	1.78
Global KCM Index	7.82	7.84	8.19	8.23*

*The increase in the rate of energy consumption per ton is related to the change in the product mix.

Energy intensity (MMBTU/ton produced)



Note. Since 2023, information of all operations is included.

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

Total GHG emissions (tCO₂e)

Type	2020	2021	2022	2023
Direct emissions	244,376	239,618	248,001	262,377
Direct emissions from the vehicle fleet*	-	-	-	1,063
Indirect emissions ⁴	470,779	434,063	490,830	452,024
Scope 3 emissions**	37,893	37,758	39,785	35,596
Total	753,048	711,439	778,616	751,060

*These emissions are not considered in the calculation of the corresponding sustainability target.
 **Scope 3 emissions are partial measurements, not total measurements, and consider SODISA emissions only.
 Reported emissions include CO₂, CH₄ and N₂O.

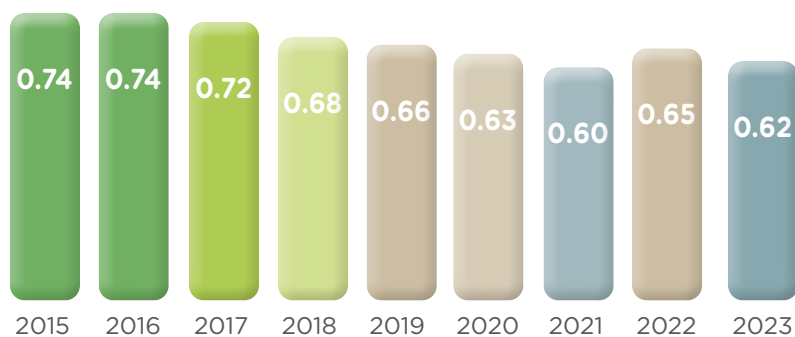
Other air emissions (tons)

Source	2020	2021	2022	2023
NOx	207.9	178.7	184.7	196.8
SOx	1.3	1.1	1.1	1.2
TSP	17.4	13.7	14.3	15.3
VOC	11.5	9.9	10.4	11

Emissions intensity* (tCO₂e/ton produced)

	Emissions per ton produced				
	2015	2020	2021	2022	2023
Tissue	-	0.89	0.92	0.96	0.93
Personal care	-	0.21	0.16	0.21	0.18
Global KCM Index	0.74	0.63	0.60	0.65	0.62

Emissions intensity* (tCO₂/ton produced)



*This index considers Scope 1 and 2 emissions.

⁴ According to SEMARNAT's guidelines on the application of the electricity emission factor, our Scope 2 emissions would amount 529,184 tCO₂e, however, when applying our methodology based on the IPCC, the emissions correspond to the figures reported in the table.

Waste

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

**Commitment: ZERO waste sent to landfills
as a result of our processes by 2025.**

Progress to 2023: 99%

We acknowledge our responsibility to manage waste efficiently and strive to be a global benchmark by implementing sustainable practices that aim to minimize the impact of our products.

Our **Integrated Waste Management Policy*** underlines our dedication to the proper management of waste generated by our operations. The policy's fundamental pillars remain unchanged over the years and include the reuse, recycling, and recovery of materials, which can then be reintegrated into other processes or products. In doing so, we strengthen our commitment to promote product development from a circularity perspective.

Waste generated at KCM

- Special handling waste
- Municipal solid waste
- Hazardous waste

Our waste management strategies adhere to the applicable national legislation. This mainly involves the General Law for the Prevention and Integral Management of Waste (LPGGIR, by its acronym in Spanish) and its Regulations, as well as the Official Mexican Standards NOM-161 SEMARNAT-2011, NOM-052-SEMARNAT-2005.

99% of the waste produced by our operations is recovered for either reuse or recycling.

As a result of post-consumer paper recycling, various types of waste are generated that can be found in the bales of this acquired material, such as: metals, wood, plastics, among others. These waste materials are not considered as generated by our processes since they were produced before entering KCM.



*See our Integrated Waste Management Policy at:
https://www.kimberly-clark.com.mx/data/2024/Sostenibilidad/Eng/Waste_Integral_Management_Policy.pdf

Non-hazardous waste 2023 (tons)

Type of waste	Destination		
	Valorization	Landfill	Total
Sludge from wastewater treatment	343,355	0	343,355
Paper	2,224	1	2,225
Plastic	4,151	5	4,156
Mixed plastic	6,962	116	7,077
Mixed plastic with cellulose	924	0	924
Wood	5,117	1	5,118
Metal	2,531	1	2,532
Cardboard	7,172	2	7,174
Recycling reject*	0	29,462	29,462
Other	2,142	673	2,815
Total	374,578	30,262	404,839

*This waste is not considered in the calculation of the corresponding sustainability objective.

We continue engaging in the national paper and cardboard waste management plan spearheaded by the National Chamber of the Pulp and Paper Industries. In collaboration with the Mexico City Environmental Authority, we also run an electronic and electrical waste management plan and participated in the Plastic Waste Management Plan of the National Chamber of the Cosmetic Products Industry.

Currently, our packaging is over 98% recyclable.



our community



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





ies

8,760



employees were part of our workforce in 2023.

100%



of our employees have freedom of association.

100%



of our sites implement initiatives that foster safety and health care.

23 million



people positively impacted through direct actions and social programs.

95%



of our employees was evaluated during the year.

40%



increase in our investment towards the training and development of our workforce.

Through our actions we contribute to the following SDGs:



Employees Our team

GRI 2-7, 405-1, 407-1

Our team is key to KCM's performance and growth, which is why we strive every day to create safe and respectful environments in which our employees are proud to work.

Workforce by type of contract and gender

Type of contract	Women	Men
Permanent	1,002	6,555
Temporary	306	897
Total	1,308	7,452

Note. Our entire workforce works full-time. At KCM we do not have employees with non-guaranteed hours, which refers to those employees who do not have a minimum or fixed schedule per day, week or month, but who must remain available when the work requires it.

Workforce by age and gender

Age	Women	Men	Total
Under 30 and up to 30 years old	821	4,521	5,342
In their 40s	322	1,686	2,008
In their 50s	148	1,190	1,338
In their 60s	17	55	72

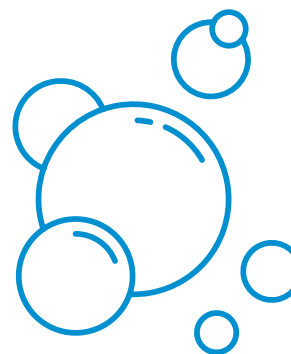
We respect and promote the right to freedom of association for all people. 100% of our employees have freedom of association and 69.2% of our workforce is unionized.

Unionized and non-unionized employees by gender

Gender	Unionized	Non-unionized
Women	649	659
Men	5,411	2,041
Total	6,060	2,700



In 2023, our workforce consisted of 8,760 employees.



Workforce by job category, gender, and age

Job category	Under 30 and up to 30 years old		In their 40s		In their 50s		In their 60s	
	Women	Men	Women	Men	Women	Men	Women	Men
Directors	0	0	2	1	0	5	0	2
Executives	59	89	40	111	17	88	8	21
Administrative	382	854	95	494	49	366	7	10
Unionized	380	3,578	185	1,080	82	731	2	22
Total	821	4,521	322	1,686	148	1,190	17	55

Aligned with our commitment to inclusion and equity, we assure that our recruitment, hiring, and promotion processes are administered fairly and impartially. We refrain from making distinctions based on age, gender, origin, nationality, marital status, beliefs, opinions, religion, socio-economic status, sexual orientation, or ways of thinking, among others. Recognizing that diversity and a variety of perspectives enrich our team, we value every individual's unique contribution.

The communities we interact with are important, we particularly strive to employ individuals from the localities we interact with, facilitating a balanced personal and professional life for them. To fill vacancies, our primary approach is promoting internal talent through selection processes. Only when we are unable to fill posts with on-board talent, we look for suitable external candidates.

In 2023, we had 2,963 job openings at KCM, of which 480 were filled by staff who were already part of our team.

New hires by gender



Women
601



Men
1,882

New hires by gender and age

Gender	Age		
	Up to 30 years old	Between 31 and 50 years old	Over 51 years old
Women	303	281	17
Men	1,269	581	32
Total	1,572	862	49



Rotation by gender and age

Gender	Age			Total
	Up to 30 years old	Between 31 and 50 years old	Over 51 years old	
Women	218	250	17	485
Men	884	649	152	1,685
Total	1,102	899	169	2,170

Compensation and benefits

GRI 201-3, 401-2

Improve the workplace.

Committed to enhance the quality of life for our staff and their families, we aim to instill a sense of security and stability throughout their professional journeys. In our value proposition we offer benefits that surpass the legal requirements in Mexico.

Benefits to employees

- Profit sharing (and its advanced payment)¹.
- Savings fund.
- Cafeteria.
- Convenants.
- Preferential price on products.
- Savings plans.
- More days of Christmas bonus than those established by law.
- More holidays than required by law.
- Monthly package of company products.
- Preferential interest loans for non-union employees.
- Health insurance.
- Life insurance.
- IMSS subsidy for incapacity.
- Vacation days and vacation bonus.



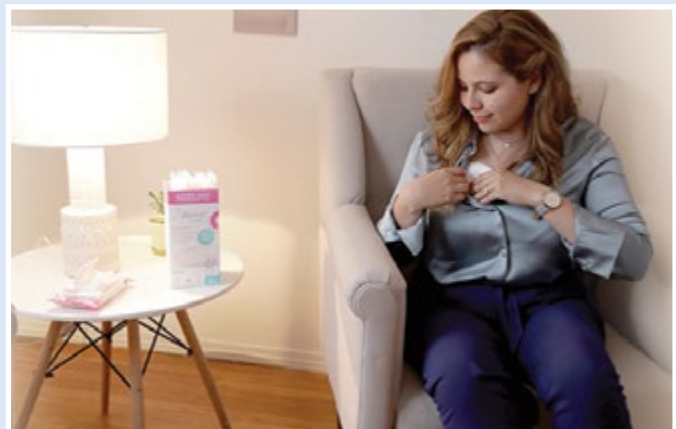
For those who have family

- Support with leave days on occasions of immediate family members' death for unionized employees.
- Additional leave days beyond those required by law for maternity or paternity in cases of pregnancy or childbirth complications, analyzing each case.
- Leave to attend matters related to their children's daycare and schools.
- Health insurance for spouse and children.
- Lactation room in corporate offices and all our facilities.

Evenflo® lactation room

Across all our facilities, we maintain dedicated lactation rooms. These spaces are designed specifically to provide a comfortable and private environment for breastfeeding mothers to extract and store breast milk throughout the workday.

This benefit underscores KCM's commitment to support our employees during these pivotal stages of their lives.



¹ During 2023 we paid more than \$780 million Mexican pesos in Profit Sharing.

We strive to foster work environments where everyone feels valued and appreciates the contribution they bring to the team. Ensuring fair and equitable compensation, without any discrimination, forms a crucial part of this endeavor.

We operate under a compensation scheme that determines pay and benefits according to each individual's role and professional category. This strategy is subjected to annual reviews and approval by KCM's Compensation Committee, which handles annual salary increases, specific compensation program details, and changes to benefit programs.

In certain collective contract agreements in our facilities, we also provide retirement plans with additional benefits, exceeding the standard elderly retirement rights offered by the Mexican Institute of Social Security (IMSS, by its acronym in Spanish).

For non-unionized members of our workforce, we offer a Pension Plan that delivers additional benefits to those aged 65 or over, provided they have been with the company for a minimum of 10 years. The performance of this trust-funded plan is evaluated annually through an actuarial valuation to determine its obligations and costs.

At KCM, we greatly appreciate the commitment of each staff member at every phase of their professional journey with us. As such, we extend psycho-emotional support to all those approaching retirement, aimed at preparing them for this significant new stage in their lives.

Training and development

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

As part of our commitment to meet the innovative and cutting-edge demands within our sector, we drive the professional development of our staff by offering a range of courses, training, and learning resources.

All training programs are designed for our internal staff (employees) and external staff (interns, trainees, promoters, demonstrators, and agency personnel). These programs are delivered either digitally or in-person, based on what best supports comprehension of the content.

Training

	2021	2022	2023
Number of courses offered	7,621	7,680	13,054
Employee training index	62.7	53	72.4

In 2023, our staff received an average of 72 hours of training, marking a significant 36% increase from the training hours provided in 2022.

The 13,054 courses provided culminated in over 607,748 training hours. This represents a 31% increase over the training hours delivered in 2022.

Key training programs

- **Quality.** Good manufacturing practices, Quality management system, and Control of Process Variables.
- **Safety.** Dissemination of EHS policy, People-centered safety, and Safety standards.
- **KCM Bienestar Program.** Talks on financial topics, healthcare, and emotional well-being.
- **Inclusion, Diversity, and Equity (DEI).** Talks and workshops focused on DEI.
- **Innovation and Sustainability Weeks.** Conferences and workshops focused on innovation and sustainability topics respectively.
- **Programs for leaders and soft skills development.** Effective leadership, communication skills, and emotional intelligence.



To provide agile training that empowers our employees to cultivate soft and hard skills through microlearning, we offer **UBITS**, an online platform with over 9,490 courses accessible from any device.

This platform includes content in partnership with prestigious institutions like the Massachusetts Institute of Technology, Stanford, Singularity University, Bureau Veritas, and Harvard Business Publishing.

By the end of 2023, we had people enrolled in more than 8,405 UBITS courses, of which 6,620 were completed, amounting to 3,282 hours of training. We successfully achieved our objective of addressing training and development requirements more efficiently, thus maximizing resource usage. Furthermore, 72% of our registered workforce actively participated on this platform.

We also employ a tool to assess the competency levels of all our users. This helps us better monitor their progress and refine their training plans accordingly.

At KCM we realize the importance of advocating human rights, therefore we also provide training on this subject. We offer a variety of courses aimed at improving the well-being of our employees, their families and their work environment.

In addition, we provide specialized and innovative training to reinforce and refresh technical skills pertinent to ensure their security and professional development, which are aligned with our activities, operations, and strategy.

Committed to our people and stakeholders, we continuously assess our staff's performance based on their responsibility fulfillment to identify their strengths and areas for growth.

We have a comprehensive system for performance evaluation, employing practices such as management by objectives and 360° evaluations. In addition, we encourage collaboration through team-based assessments and Agile conversations. The frequency of these evaluations is either once or twice a year, depending on each employee's designated area and role.



In the past year, we evaluated 95% of our workforce².

Based on the evaluation outcomes, we devise development and training plans to enhance their skills and improve our salary compensation offers in accordance with our compensation scheme.

Occupational health and safety

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

- To promote good habits in favor of the well-being of our employees.
- To prevent workplace injuries and accidents.

At KCM, prioritizing the safety and well-being of our employees and business partners is paramount.

We implement the EHS³ management system throughout our manufacturing, logistics, and subsidiary processes. This system is based on ISO 45001 and ISO 14001 and is aligned with NOM-030-STPS-2009.

In accordance with the Federal Labor Law, our workforce is represented by formal occupational safety and health committees. These committees are responsible for ensuring compliance with our **EHS Strategy** and improving our safety, health, and environmental performance through goal setting and assigning responsibilities.

² The rest of the employees were not evaluated due to their recent entry or promotion during 2023.

³ Environmental, Health and Safety (EHS).

100% of our workforce is represented on EHS committees.

Our safety and health committees promote the fulfillment of the **strategic safety goal:**
zero fatalities and injuries across all KCM operations.

EHS Strategy

Mindsets, behaviors, and capabilities

Understanding the necessary work that must be developed by leaders to improve the performance and maturity level in EHS consistently.

Risk reduction and compliance

Accelerate identification, prioritization, and action towards significant EHS risks with evidence of action plans and efforts to eliminate, reduce or mitigate them.

EHS Management System

Establish practical EHS management processes and repair existing ones in order to improve their effectiveness and contribution to excellent performance.

We conduct regular internal audits at our facilities to ensure compliance with the EHS Strategy.

To get closer to our goal of being recognized as the best company in safety, hygiene, and work environment, we operate on the foundation of six safety leadership imperatives.

Our OSH Management System includes:

- OSH* hazard and risk assessments to identify causes of potential harm in the workplace.
- Prioritization and integration of action plans with quantified goals to address those risks.
- Integration of emergency preparedness and response actions.
- Evaluation of progress in reducing/preventing health problems/risks against targets.
- Internal inspections.
- Independent external verification of health, safety, and well-being.
- Procedures for investigating work-related injuries, illnesses, and incidents.
- OSH training provided to employees and/or other relevant parties to raise awareness and reduce operational health and safety incidents.
- Consideration of OSH criteria introduced in procurement and contractual requirements.

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.



*OSH: Occupational Safety and Health.

At KCM, the prevention, attention and mitigation of risks that might compromise our staff's integrity are crucial. As a result of the activities performed at KCM, our workforce could suffer injuries due to various hazards⁴, that is why each work area has medical service and medical surveillance and occupational hygiene programs.

We have established an anonymous risk reporting process, allowing our employees to report identified workplace risks without retaliation, so that they can be mitigated in a timely manner. Likewise, we promote the **Three Safety Responsibilities** initiative, which urges our staff to identify and report potential risk situations, thereby protecting themselves and their colleagues and promoting their involvement in problem-solving.

All observations and risk reports are recorded in a database for follow-up and analysis, facilitating the development of action plans to prevent incident recurrence.

In 2023, there were 10 serious workplace accidents involving amputations, fractures, sprains, wounds, contusions, and muscle contractures. We recorded no fatal accidents⁵.

For our external collaborators, we recorded two work-related injuries: one fracture and one sprain. We did not record any deaths or serious injuries⁶.

At our subsidiary SODISA (logistics service), we recorded six vehicular work accidents, resulting in fractures, sprains, and contusions⁷ and regrettably, one death.



⁴ Some hazards that our staff could face are fires, explosions, confined space risk, hazardous energies, electrical work, machinery and equipment, heights, heavy loads, road transport and operation of mobile equipment.

⁵ This data considers 21,121,790 hours worked.

⁶ This data considers 10,031,978 hours worked.

⁷ This data considers 928,175 hours worked.

*1,000,000 hours are considered as the base.

We have multiple channels that drive communication, engagement, and consultation on safety measures and health protection for our team.



EHS Campaigns

Focused on the EHS Strategy topics, mainly focusing on reducing risks or making improvements based on identified opportunities or past incidents.



KCM EHS Week

We celebrate our Health & Safety Week with workshops and experiences designed to remind us of the importance of strengthening our safety culture.



Continuous improvement teams

Our staff actively participate in building continuous improvement teams to accelerate the implementation of EHS management system standards, requirements, and operational controls.



Staff surveys

We conduct these surveys to maintain compliance with NOM-035-STPS-2018, determine psychosocial risk factors, and define action plans for their mitigation and improvement.



Standard leaders

Each facility has designated individuals with the necessary skills, capabilities, and experience to lead continuous improvement teams to implement the company's EHS standards, related EHS issues, and applicable legal requirements. In addition to regular meetings among facilities to share best practices and align strategies.



Safety Talks and EHS Committees

Our staff is constantly participating in safety conferences and various forums or meetings where EHS performance and related aspects are reviewed. We also contemplate involving our partners in the health and safety committees established at each individual facility to guarantee compliance with NOM-019-STPS-2011.



Communication

Our sites employ several methods to communicate relevant EHS information, including incident investigation, risk reports, EHS key performance indicators, EHS strategy progress reports, quarterly facility management communication to strengthen EHS aspects, and the EHS award, among others.

In alignment with the requirements of NOM-035-STPS-2018 Psychosocial Risk Factors at Work, we conduct a biennial survey among our employees. The 2022 survey indicated low or no levels of psychosocial risk in areas of organizational environment, leadership and work environment, as well as an employee satisfaction rate of 76%; thanks to the 90%⁸ participation rate from the invited 70% of our staff.

We offer annual general and specific training on health and safety topics tailored to our staff's roles.

General EHS Training

- EHS Management System.
- EHS risk management.
- EHS leadership.
- Incident investigation.
- People-centric security.
- EHS compliance.
- Firefighting and emergency response.
- 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).
- Prevention of Covid-19, seasonal flu, and obesity.

Moreover, each of our facilities develops its own training program that includes specialized topics in occupational safety and health, ensuring compliance with applicable legal regulations and Kimberly-Clark's specific corporate EHS standards. In the case of SODISA, we provide specialized training in transport safety.

To encourage healthy habits among employees, comprehensive health and safety initiatives⁹ are in place at each of our facilities. Furthermore, throughout the year, we have hosted lectures and workshops focused on health and well-being via KCM *Bienestar* and *Kuida tu Salud*. Topics such as diabetes, accident prevention, nutrition, stress, and personal finance, among others, were included.

We adopted NOM-035 with the purpose of ensuring a positive and healthy organizational environment for our team in each of our workplaces.



⁸ Equivalent to 63% of our workforce.

⁹ See these initiatives in the section Annexes - Initiatives that promote safety and health care among our employees.



Health and Safety Week

In October, we commemorate our **Health and Safety Week** with a series of workshops and experiences designed to remind us of the importance of strengthening our safety culture. We endeavor to model authentic and consistent leadership in taking care of ourselves and our colleagues, thereby inspiring all employees and loved ones to take care of themselves with equal importance.

Topic
<ul style="list-style-type: none"> Opening Your decisions, actions that keep you injury-free
<ul style="list-style-type: none"> Emotional health Confident leaders
<ul style="list-style-type: none"> Mr. Security. Your leadership is important <i>El Tehuacanazo</i>
<ul style="list-style-type: none"> Chemicals at home, a lethal cocktail Me? The best for the team
<ul style="list-style-type: none"> Safety feedback, the best gift you can give Closure

The motto *Inspired by life, by those who love you*, permeated our operations and inspired preventive actions against injuries and illnesses. It entailed zero tolerance of risks that could harm our integrity and prioritizing safety above all else. We highlighted the message of always making the right decisions, since as employees, the significant responsibility of ensuring each one of us return home safely rests upon us.

Safety is about people; it's about supporting each other, facing risks, identifying them, correcting them, implementing corrective measures to avoid accidents, and in case of facing one, learning from it. It is a journey of continuous learning and training.



Inclusion, diversity, and equity

GRI 405-1

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

At KCM, we believe in building a diverse and inclusive culture – it's a commitment and a responsibility we take seriously. To us, every individual deserves to be treated with respect and dignity, their talent and experience rightly valued. To that end, we formed the **Inclusion, Diversity, and Equity Committee**. This team ensures that our initiatives and practices reflect our steadfast values of equity and reverence for diversity in everything we do.

Derived from these commitments, our **Human Rights and Inclusion, Diversity, and Equity Policy** promotes a culture of respect, where all opinions and perspectives are valued to enrich our activities. Likewise, as set out in our **Code of Ethics**, we strive to promote a respectful and inclusive workplace, optimal for the development of each member of the KCM family.

We offer equal employment opportunities, seeking the growth and development of our staff within a respectful work environment for everyone.

We recognize that in our industry sector, roles centered around science, technology, engineering, and mathematics (STEM) are invaluable to promote innovation and evolution – key components to stand us apart in the market. Moreover, it's impressive that many of these roles are nobly fulfilled by women.

We are proud to have 118 female employees in STEM roles, serving as process engineers, superintendents, supervisors, planners, laboratory technicians, and research and development leaders. Complementing them, 126 of our women colleagues hold leadership positions and others drive revenue for KCM.

Check out our Human Rights and Inclusion, Diversity, and Equity Policy.



Women's participation in the workforce has seen a 1.93% increase compared to 2022.

Women in leadership positions

	Number	% of total*
Women in the workforce	1,308	15%
Women in all management positions	2	20%
Women in executive management positions (Managers and Heads)	124	29%
Women in executive management positions (Managers)	60	26%
Women in junior executive management positions (Heads)	64	32%
Women in revenue-generating positions (Sales)	72	45%
Women in STEM positions	118	13%

Women's Week

For the third consecutive year, we celebrated **Women's Week** - an opportunity for us to reflect and combat gender stereotypes.

In the events spanning from March 6 to 10, we had the participation of opinion leaders and representatives of civil associations, in addition to a series of activities that enabled us to spotlight the issues affecting women in Mexico.

Topic	Ambassador
Sororal growth	Paola Rojas Journalist
Eradicating violence	Casa Gaviota ONG
The dreams of the mountain girl	Eufrosina Cruz Activist

We work to ensure that these efforts have an impact on the day-to-day lives of the people who work at KCM, to be part of the change we want for society and to contribute to a culture of peace, respect, and equity.

Recognizing the strength and advantage that diversity brings to our team, allowing us to continue to grow and reach our full potential as a company, we provide an environment where women are valued for their expertise, skills, and competencies. They are given equal opportunities to grow professionally, empowering them, and ensuring that their remuneration is made without any bias towards gender or any other category of diversity.



*This percentage is in relation to the total for each group of posts.

KCM Pride Week

At KCM, we seek to build a more equitable society, fostering the inclusion and growth of our team and the communities we serve.

We celebrated diversity in the KCM community over three days in June, engaging in sessions led by Pride Ambassadors from our country.

Topic	Pride Ambassador
Diversity and inclusion in the workplace	Geraldina González de la Vega COPRED
The Barriers to inclusion	Francisco Robledo ADIL México
Pride and diversity	Maca Carriedo Host



KCM's goal is to foster a community that empowers authenticity and embraces diversity, deepening understanding and initiating daily actions to drive inclusion within the company.

Social Impact

GRI 413-1, 413-2

Commitment: 25 million people positively impacted by direct actions and social programs by 2025.

Progress: 92% (equivalent to +23 million)

Committed to social development, KCM is dedicated to identify and to implement strategies that catalyze a positive impact within the communities we serve. Our long-standing reputation has amplified our brands' efficiency in driving access to essential services and products that facilitate dignified and healthy lives for communities.

We offer active support to charities and social programs geared towards improving the quality of life for people in our communities.

Our social impact programs aim to uplift the well-being of people in vulnerable communities in Mexico.

In 2023, our social impact programs had a direct impact on over 8 million people. By the end of the same year, our total impact reached over 23 million people.



ABRAZANDO SU DESARROLLO BY HUGGIES®*

Specialist-endorsed program that seeks to raise awareness about the importance of movement and affective contact, in the motor, cognitive, and social-emotional development during early childhood.

Through the program's digital platform, we provide tips, exercises, and practical information so that moms, dads, and caregivers can apply them.

This year, we collaborated with the Papalote Children's Museum to host two "Children's Day" events, providing a day full of fun, family moments and learning; and in which different workshops with specialized topics according to the age of each baby, girl, or boy (0 to 5 years old) were held.

- > **Partnerships:** UNICEF, Papalote Children's Museum.
- > **Reach:** 8 million through the digital platform.
- > **Presence:** All States of Mexico.

For more information, please visit:

 <https://www.abrazandosudesarrollo.com.mx/>



APAPACHOS DE VIDA BY KLEENBEBÉ®*

Program to prevent and reduce infant mortality rates within rural communities of the country, through a care and advice program that reaches any corner no matter the distance.

In 2023, we reached communities in Chiapas, Morelos, and Querétaro, where Community Fairs were organized to disseminate information about care and illnesses, as well as medical consultations, CPR workshops, and the delivery of 250 cribs.

- > **Alliances:** Mexican Red Cross.
- > **Reach:** 2,457 direct beneficiaries and 4,481 indirect beneficiaries.
- > **Presence:** Chiapas, Morelos, and Querétaro.

For more information, please visit:

 <https://www.kleenbebe.com/apapachos-de-vida/>



CONTIGO GANAREMOS LA LUCHA WITH THE SUPPORT OF KLEENEX®*

Special editions of facial and hygienic tissues in support of different causes.

In 2023 we partnered with the IOC Foundation and the Televisa Foundation to execute the early detection of breast cancer program. Also, we conducted 1,500 mammograms and ultrasounds and supported three patients with their treatments.

- > **Alliances:** IOC Foundation, Televisa Foundation.
- > **Reach:** 350 direct patients and 1,400 indirect beneficiaries.
- > **Presence:** Baja California, Mexico City, and Jalisco.



CONTIGO SIEMPRE BY DEPEND**

Program designed to support people living with incontinence and those in vulnerable situations to improve their quality of life.

This year we carried out a product elaboration activity based on upcycling. With the in-kind donation, 3,000 products were produced: 2,000 mini square purses and 1,000 towel holders. These crafted goods generated income of \$100,000 Mexican pesos for 55 women artisans in Chimalhuacán, who faced economic vulnerability.



› **Partnership:** Mitz Foundation.

› **Reach:** 55 women artisans.

› **Presence:** Estado de México.

For more information, please visit:

👉 <https://www.depend.com.mx/contigo-siempre>

EN ACCIÓN POR SU PROTECCIÓN BY ESCUDO® ANTIBACTERIAL*

This program is devoted to safeguarding Mexican families. The focus is on constructing water towers to deliver water to communities in need and implementing educational campaigns promoting the importance of regular hand-washing to prevent illnesses and reduce school absenteeism.

In 2023, a 20-member volunteer team from the KCM community built two water purification towers in different communities in Querétaro. This significant achievement granted access to this crucial resource to 3,600 people. Simultaneously, we conducted educational sessions for parents and students, reinforcing the importance of hand hygiene as a fundamental, life-protecting habit.

› **Alliances:** Planet Water Foundation.

› **Reach:** 3,600 residents of the communities of San José Navajas and El Lindero.

› **Presence:** Querétaro.

For more information, please visit:

👉 <http://www.enaccionporsuproteccion.mx/>





KOTEX® POR TODAS*

This program advocates for the empowerment of Mexican women, particularly those in vulnerable situations or working towards achieving specific goals.

We provide sex education workshops that offer women in indigenous communities, the opportunities for reflection, enabling them to make assertive, informed, and autonomous decisions.

The Kotex® *por Todas* race, held for the first time in 2023, aimed to maximize positive impacts and raise awareness of the social responsibility platform. The race encourages unity, fostering a sense of sisterhood while promoting the well-being of all Mexican women. Through our alliances, we contributed with visibility, reach, donation of first-use products and workshops for the benefit of women from different communities.

› **Alliances:** *Casa Gaviota un vuelo sin violencia A.C., Equis Justicia, Fondo Semillas, Mexfam and FUCAM, A.C.*

› **Reach:** 1.4 billion impacts including 1,000 direct impacts, 3,000 indirect impacts, and digital and out-of-home advertising campaigns.

*Not considered for total direct social impacts.

› **Presence:** Mexico City and Estado de México.

KOTEX® SCHOOL TOUR

The Kotex® School Tour is an educational initiative promoting sexual health in elementary and junior high schools. Led by a psychologist, there are held engaging activities to explain in an easy, fun, concrete and correct way what menstruation is and the changes that occur at this stage, debunking myths. This year, we also donated 161,284 packages of pads and panty liners.

› **Partnerships:** Elementary and junior high schools

› **Reach:** 80,543 girls.

› **Presence:** Mexico City, Jalisco, Nuevo León, Puebla, and Yucatán.

For more information, please visit:

 <http://www.kotexpordas.org/>



LGBT SHELTER WITH THE SUPPORT OF KCM

The collaboration between *Interculturalidad Salud y Derechos A.C.* and KCM facilitated a positive social impact via *Casa Frida, Refugio LGBT A.C.* This project focuses on supporting those who represent sexual diversity, particularly those in contexts of mobility and internal displacement who had the need to forcibly move in search of safer spaces or territories, in search of humanitarian protection, refuge in Mexico and immediate safety to protect their physical and emotional integrity.

› **Alliances:** *Casa Frida Refugio LGBT A.C., Interculturalidad Salud y Derechos A.C.*

› **Reach:** 2,180 people: 980 from Mexico City and 1,200 from Tapachula, Chiapas.

› **Presence:** Mexico City and Chiapas.



Through these programs, which span the entirety of Mexican states where KCM has a presence, we aim to have a positive impact on people across all age groups. This approach aligns with the purpose of the brands* that lead these initiatives.

Out of our total contributions to the community in 2023, 37% comprised community investments through our programs, while the rest, 63% were direct donations. A substantial part of these donations was directed to communities in Guerrero that were devastated by Hurricane Otis.

At present, we do not have a formalized needs analysis, an established relationship process, or a formal process for receiving complaints, comments, or recommendations regarding our programs. However, we maintain open communication between all of our brands and address concerns reported directly at our facilities.



In 2023, we invested more than \$21,900,000 Mexican pesos in supporting diverse social causes through our brands' social impact programs.



Positive social impacts linked to FSC® Certification

The Forest Stewardship Council (FSC®) is a global non-profit organization dedicated to promoting responsible forest management around the world.

The FSC® seal found on Kimberly-Clark de México's products attests to our commitment to responsible forest management, endorsing practices that are beneficial to the environment, society, and economy. **This promotes sustainable social and economic development in forest regions, contributing to poverty reduction and improving the quality of life for local communities.**

At KCM we are aware that a small label makes a big impact, because by offering FSC®-labelled products, we support forests and the communities that depend on them by contributing to:



Zero deforestation

Even when trees are harvested, there is no loss of forest cover.



Environmental protection

FSC® certification upholds biodiversity and conserves areas of ecological significance, including the preservation of old-growth forests.



Indigenous peoples' rights

Indigenous peoples who own forests have their rights recognized and consulted. This includes respect for cultural areas and the maintenance of gender balance.



Safety at work and in the work environment

FSC® certification mandates proper training, job security, and fair wages for all workers.

*All our operations have a community support program in place.

ethical- commitment

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





economic

100%



of our employees have access to the Code of Ethics and whistleblowing channels.

100%



of our suppliers have access to our Social, Ethical, and Environmental Compliance Standards.

100%



of our products are free of chemicals of concern.

95%



of the reports received through the reporting channels were resolved.

ZERO



instances of non-compliance relating to social and environmental concerns within our operations.

ZERO



instances of non-compliance related to marketing communications or to the information and labeling of our products.

Ethics, transparency, and human rights

GRI 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 205-3, 206-1, 406-1, 3-3, 418-1

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.

Through our actions, we contribute to the following SDGs:



Our organization's ethical culture is structured by the **KCM Code of Ethics**¹; a guiding document that establishes the principles to foster responsible, respectful, and upright work environments.

This code outlines the required behaviors of our employees internally in the department and area relations, with clients, suppliers, business partners, and consumers, as well as in diverse aspects including corruption and bribery prevention, conflicts of interest, workplace violence, human rights, security, information protection, marketing, competition, responsible advertising, environmental protection, and quality in our products, among others.

KCM's Code of Ethics establishes a series of guidelines that regulate our actions under the principles of quality, service, and rectitude.

As part of KCM's induction processes, we ensure the dissemination and understanding of our Code of Ethics, its scope, applicability, and the mechanisms to report any code or policy violations. Also, as part of the welcome kit, we supply all new members with a copy of this the Code of Ethics to ensure they are familiar with its guidelines and can consult it whenever needed.

At KCM, we are firmly committed to uphold our ethical principles and values, not just within our operation, but also in every business relationship we engage in.

Each year, we offer ethics training sessions to ensure our staff is well-acquainted with the contents of the code and adheres to ethical behavior guidelines.

In 2023, we conducted 62 Code of Ethics courses, impacting 3,740 members of our workforce, which is a 50% more than 2022.

We provide our stakeholders with reliable, confidential, and anonymous channels to report any violations to the KCM Code of Ethics or our policies. Our employees have the freedom to directly contact their supervisor, the Human Resources department, or the Legal department if they have any concerns.

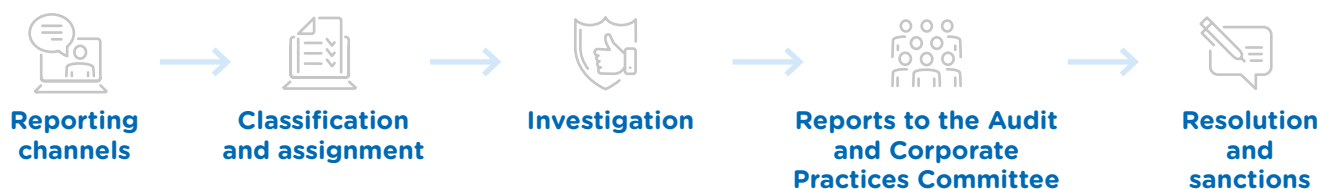
Channels to comment, report, or complain

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



¹ See KCM's Code of Ethics at: <https://www.kimberly-clark.com.mx/data/2023/SOST/eng/CodeofEthics.pdf>

Process for dealing with complaints regarding the Code of Ethics



Each complaint received undergoes a confidential and thorough internal investigation, followed by the execution of appropriate action. At KCM, retaliation is strictly prohibited. We ensure our employees that they will not be subjected to job or benefits loss, demotion, suspension, harassment, or discrimination for expressing doubts, requesting information, reporting improper actions or omissions related to our Code of Ethics, or for participation as a witness in any such investigation.

In 2023, we successfully responded to 95% of the reports received through our reporting channels.

Complaints received

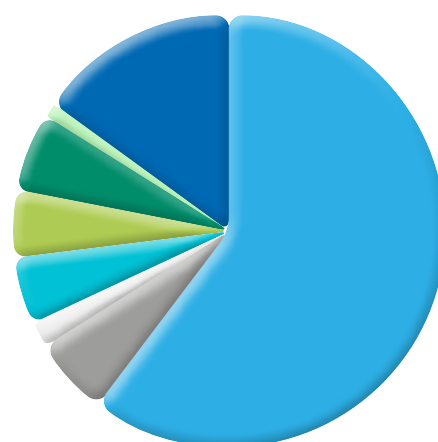
Number of complaints received in the period	88
Number of complaints closed in the period	84
Number of complaints that were not closed in the period and are in process of being closed	4
Number of unsubstantiated complaints	42

Complaints received by type

This year, there were no complaints relating to anti-competitive practices, improper customer treatment, violation or misuse of private information, or money laundering. As part of our commitment to uphold best

practices and maintain information transparency, any instances of non-compliance with the Code of Ethics and our policies will be reported to the Audit and Corporate Practices Committee on a quarterly basis.

Type of complaint	Number	Percentage
Employee inappropriate treatment	54	61%
Supplier inappropriate treatment	5	6%
Policy non-compliance	2	2%
Corruption, bribery, or request for gifts	4	5%
Conflicts of interest	4	5%
Personal relationships	5	6%
Discrimination and harassment	1	1%
Others	13	14%
Total	88	100%



Human Rights

Promotion and respect for human rights is key for KCM. Our **Human Rights, Inclusion, Diversity, and Equity Policy**² underpins these efforts. This policy also extends to our subsidiary companies, clients, suppliers, and business partners, with the aim to respect and promote human rights, equal opportunities, and provide guarantees to everyone in our workforce.

We firmly oppose all forms of child, forced or compulsory labor and reject any act of discrimination, harassment, harassment, or intimidation against anyone due to their age, race, disability, nationality, political affiliation, marital status, religion, gender, gender identity, appearance, sexual, or affective orientation.

Through active implementation of our policy, KCM aims to minimize the risk of human rights violations in all areas.

Our Code of Ethics also includes our position on support and respect for human rights, highlighting our absolute commitments in this regard.

Essential commitments to our employees' human rights

- We recruit, hire, promote, and support their development regardless of race, age, religious belief, gender, sexual orientation, among others.
- We leverage their diverse skills and experiences, while welcoming different perspectives.
- We assure a respectful workplace. We do not tolerate any form of harassment or intimidation.
- No one can force them to perform activities outside of their job descriptions or the activity for which they were hired, especially those that are illegal, or risk their physical integrity.
- We base employment-related decisions on qualifications and merit.
- We respect the right to freedom of worship and association in accordance with national laws.

We operate with integrity and honesty, adhered to the highest standards of accountability and transparency.

Regulatory compliance

GRI 207-1, 207-2, 207-3

We act in strict compliance with the laws, rules, and regulations within the localities where we have a presence and conduct operations.

To uphold this, we consistently perform inspections at our sites to ensure the efficient operation of our prevention and control systems. Additionally, we proactively identify areas where improvements can be made to enhance our performance, encompassing a preventive rather than corrective approach. These inspections supplement the detailed audits conducted on our operations.

In relation to social and environmental issues, there were no registered instances of regulatory breaches in any of our operations throughout the year.

To ensure consistent ethical, transparent, and tax-compliant operation, we adhere to a conservative tax policy, a tax governance and control framework³. We also maintain a tax strategy that undergoes an annual review under the responsibility of our Senior Management. The Financial Controller of KCM takes up the pivotal role of the compliance officer in this regard.

A total of 9 planned audits were conducted. 3 were rated as well-controlled, 4 as generally well-controlled, and 2 as not well-controlled.

To ensure compliance efficacy and the optimal performance of our risk management processes, we conduct regular internal audits across all our facilities.



² See our Human Rights and Inclusion, Diversity, and Equity Policy at: https://www.kimberly-clark.com.mx/data/2024/Sostenibilidad/Eng/Human_Rights_and_the_Inclusion_Diversity_and_Equity_Policy.pdf

³ KCM does not allow the transfer of the value generated, everything related to the transfer of value to the tax jurisdiction, the use of tax structures aimed at tax evasion, or the use of secret jurisdictions or the so-called tax havens.

Conflicts of interest

GRI 2-15, 3-3, 205-1, 205-2

At KCM, preventing and managing conflicts of interest is of paramount importance. We proactively disseminate our **Conflicts-of-Interest Policy** and foster its understanding among our directors, employees, and suppliers. This policy effectively prohibits the improper or illegal use of our position or our company’s resources for any kind of personal profit.

Additionally, we have a conflicts-of-interest procedure involving our Internal Audit and Legal departments, and respective department heads. This process is evaluated by the Audit and Corporate Practices Committee with the aim to prevent, control, and follow up on this issue.

KCM does not contribute financially to political campaigns or organizations, lobbyists, lobbyists, or tax-exempt entities, or other groups whose objective is to influence political campaigns, public policy, and/or legislation.

.....

We have specific procedures to manage potential conflicts of interest that arising due to family or supply chain relationships. Our Internal Audit team performs regular reviews across all operations and strategic suppliers to ensure compliance with policies related to internal control, human rights, anti-corruption, and bribery prevention.



Cybersecurity

GRI 3-3, 418-1

Information security is crucial aspect that we at KCM have increasingly emphasized over the years. We are committed to maintain a strong level of cybersecurity, which ensures the protection of our systems and maintains business continuity.

We follow the guidelines set forth in **KCC’s Information Security Policy** to ensure that our information technology system, networks, and applications are in optimal condition to operate.

We also adhere to **KCM’s Information Security Policy⁴**, a document that underscores the responsibility of all personnel to protect our technological infrastructure and company information. Our team members who access, handle, or process sensitive or confidential information due to their job requirements are tasked with its secure custody, utilization, and disposal.

In 2023 we updated and broadened our Information Security Policy.

Part of our Code of Ethics is dedicated to data protection and privacy that emphasizes the importance of managing this information responsibly and in compliance with relevant laws, for which it defines essential commitments in the matter.



⁴ See our Information Security Policy at: https://www.kimberly-clark.com.mx/data/2024/Sostenibilidad/Eng/Information_Security_Policy.pdf

Essential data protection and privacy commitments

- 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 share personal data within KCM according to the need-to-know principle, always taking care of their destination.
- We guarantee that our third parties adhere to KCM's data protection and security standards.

We provide our staff with information security skills by offering them a variety of training programs funded by KCC.



Cybersecurity trained workforce by course

Course	Trained people
Your role: Internet security and you	2,524
A day in the life of K-C Security	1,743
Most common threats	1,743

In addition, a review of 91 general Information Technology (IT) controls was performed with an external auditor, with no significant findings reported.

To reinforce the relevance and management of information security within the organization, we have an **Information Security Strategy** supported by KCC and a dedicated Information Security team, comprising specialists in cyber defense, technology risk, strategic planning, and enterprise information security.

Our Chief Financial Officer takes an active role in the information security/cybersecurity strategy and review process, reporting significant events to the Senior Management. The responsible person, who reports to the CFO, possesses relevant experience in IT, information security, and cybersecurity.

The Board of Directors is kept updated about our Information Security Strategy, which is presented to the Audit Committee.

.....

We always ensure the confidentiality, integrity, and availability of our information. We proactively approach cybersecurity by regularly running tests and optimizing our protection measures against emerging threats and trends, ensuring preparedness in the event of an incident⁵.

With the same interest, we comply with the adequate safeguarding of the personal data of our employees, clients, suppliers, and possible candidates to work at KCM, following the requirements of the Federal Law on Protection of Personal Data Held by Private Parties (LFPDPPP, by its acronym in Spanish).

Four minor cybersecurity incidents occurred within our operations in 2023, each of which was addressed with immediate and appropriate attention. In this same period, no complaints related to customer privacy violations or data loss were reported.

⁵ If any cybersecurity incident occurs, we have insurance that covers information security breaches and other security incidents. This insurance is included in the global corporate insurance policy taken out by KCC specifically for this purpose.



Responsible supply chain

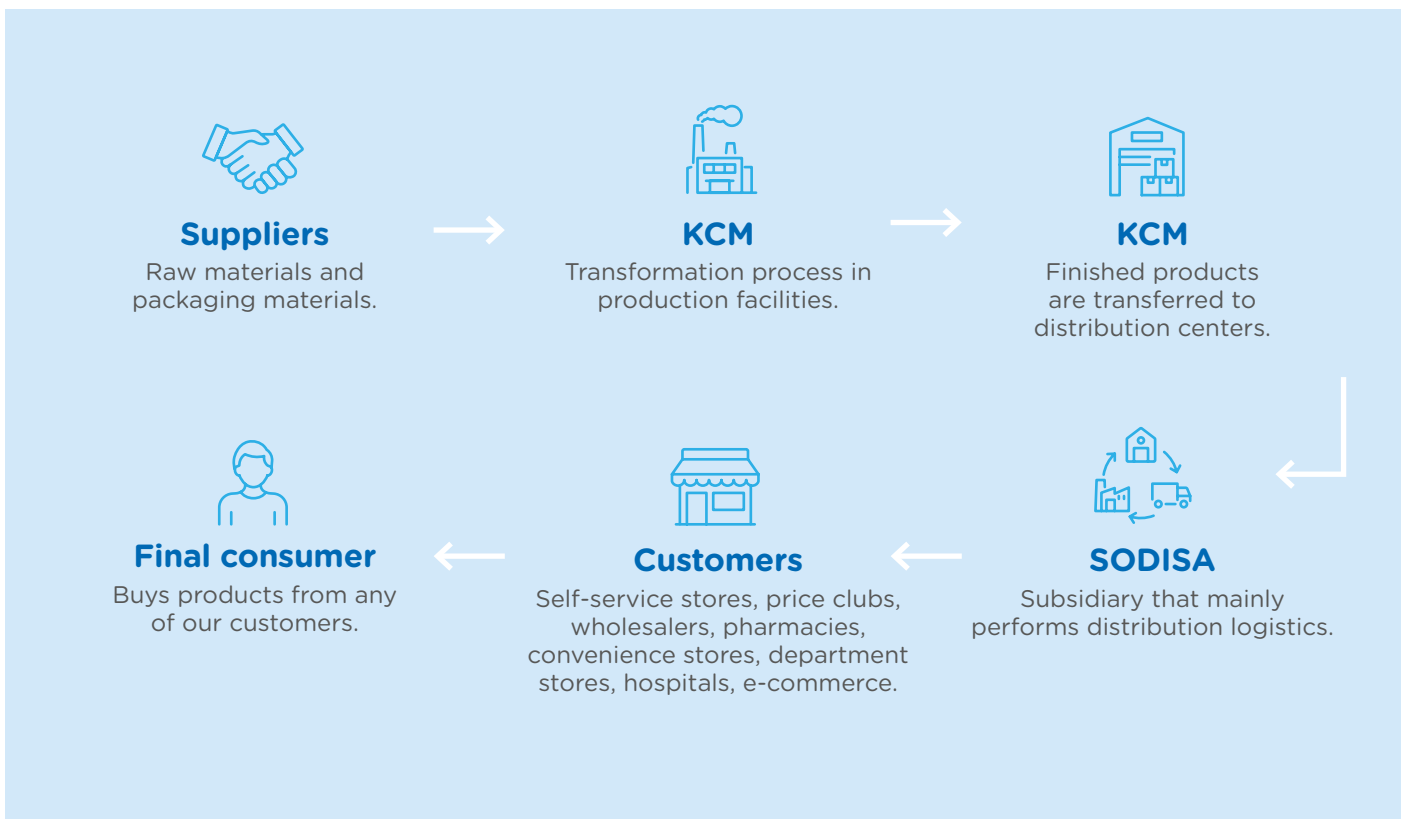
GRI 2-6, 204-1, 308-1, 308-2, 414-1, 414-2

Delivering essential products to our customers, **every day, for a lifetime** is possible thanks to the strength of our supply chain.

Our supply chain process starts from procuring raw materials to transform into products, incorporating packaging materials, executing logistics and transportation to reach our customers, and ultimately ending up with the consumer. This holistic process fuels business growth, economic development, and investment opportunities.



KCM product manufacturing and delivery simplified process



Over the past year, we established business relationships with **30 new suppliers**, equivalent to the **8.3%** of our total suppliers.

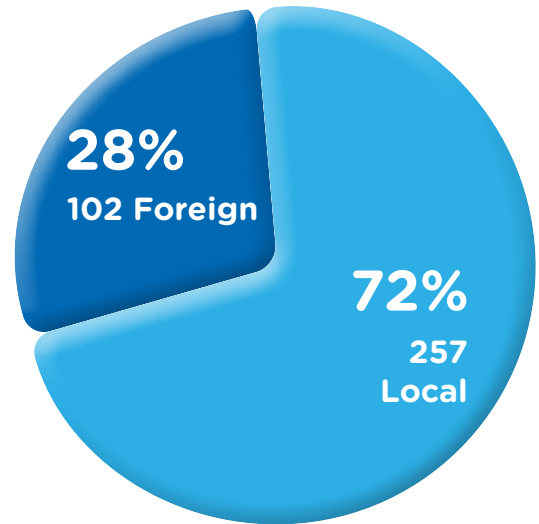
Suppliers by origin

From our local suppliers we source post-consumer paper, packaging materials, chemicals, caps, bottles, dispensers, and soap. Foreign suppliers supply us with celluloses, chemicals, superabsorbent materials, non-woven fabrics (TNT), and post-consumer paper.

In 2023, our budget allocation for purchases consisted of 42% to local suppliers and 58% to foreign suppliers.

Our Code of Ethics details careful selection of business partners in our supply chain, which is aligned with the policies, procedures, strategies, and actions we demand our customers and suppliers to fulfill.

Every year we require our suppliers to reaffirm their commitment to comply with our Code of Ethics.



Having a certified manufacturing process through an internal ISO-based quality management system ensures high-quality products for our consumers. We also perform random audits at our strategic suppliers' facilities to scrutinize potential adverse impacts, evaluate our relationship status, and negotiate business agreements accordingly.

Just as within our operations, we promote a culture of social responsibility and sustainability across our supply chain. We enforce our **Social, Ethical, and Environmental Compliance Standards for Suppliers**⁶, during purchasing management. These standards dictate suppliers' commitment to freedom of association, collective bargaining, personnel's dignity and respect, protection against child labor, non-discrimination, equal opportunities, fair wages, and safe and healthy working conditions.

KCM's mission is to align with suppliers who reflect our social values, business ethics, and environmental conscious.



⁶ See KCM's Social, Ethical, and Environmental Supplier Compliance Standards at: https://www.kimberly-clark.com.mx/data/2024/Sostenibilidad/Eng/Compliance_Standards_for_Suppliers.pdf



Social, ethical, and environmental compliance standards for suppliers

<p>Social guidelines and principles</p>	<ul style="list-style-type: none"> - Freedom of association and collective contract. - Dignity, respect for staff, and no harassment. - Protection from child labor and forced labor. - Non-discrimination and equal opportunities. - Working hours, salary, and benefits. - Safe and healthy workplace.
<p>Ethical guidelines and principles</p>	<ul style="list-style-type: none"> - Business integrity. <ul style="list-style-type: none"> • Legal compliance. • Economic competition. • Bribery and corruption prevention. • Conflicts of interest. • Data privacy. • Confidentiality. • Anti-competitive practices.
<p>Environmental guidelines and principles</p>	<ul style="list-style-type: none"> - Environment. <ul style="list-style-type: none"> • Water management. • Energy consumption and emissions. • Biodiversity and no deforestation. • Waste and pollution prevention. • Resource efficiency. - Sustainable development with our suppliers.

This year, we audited 11 suppliers for compliance with the updated manufacturing standards for medical devices and cosmetics, considering operational safety, waste management, and product quality.

The audits involved verifying that staff members received required training to perform their duties, measured their competence, and allow us to take necessary actions in case of deviations from the training plan. The adherence to personal protective equipment regulations is also assessed, in accordance with the requirements by the regulation of cosmetic products and medical devices. From an environmental perspective, the audits evaluated potential impacts on the products, like the segregation and disposal of waste and appropriate storage and handling of chemicals in line with regulatory standards.

Also, these audits ensured that a supplier selection and evaluation process was in place, intended to maintain a management system in line with the product classification's applicable requirements.

ESG Supplier Program

Our suppliers play an important role in KCM's success, significantly influencing our social impact and environmental performance across our entire value chain.

In 2023, we laid the groundwork for the **ESG Supplier Program** with the objective of fostering supplier development. The program will be run through the KCM Supplier System. It aims to disseminate guidelines, share best practices, and evaluate our suppliers' environmental, social, and governance (ESG) criteria. By doing this, we can collaboratively develop strategies to manage risks and identify opportunities for continuous improvement.



Phases of the ESG Program for Suppliers:

- **Objectives and parameters.** This phase includes the sign of the Supplier Compliance Standards and the continuous review of their procurement practices to ensure alignment with the standards. It also incorporates random ESG assessments and monitors identified risks and opportunities.
- **Evaluation for suppliers.** Suppliers receive feedback following their assessment, resulting in them being classified as Not mature, Not very mature and Very mature.
- **Supplier recognition.** Suppliers that demonstrate exceptional ESG performance are prioritized, with ESG criteria being considered seriously in the selection and contract award process.

Logistics management system

As part of our continuous improvement efforts, KCM uses a logistics management system to optimize operations. While some of our logistics services are outsourced, others are managed by our subsidiary SODISA. The logistics management system improves efficiency, enhances customer service, and reduces costs and greenhouse gas emissions associated with our fleet.

We collaborate closely with the planning department to produce as closely as possible to the final distribution locations.

- We form strategic alliances with companies to maximize transport spaces fully while respecting weight and size restrictions.
- We consolidate loads and orders to maximize the available transport capacity.
- Sometimes, we employ external transport services with new and efficient fleets, helping us decrease associated GHG emissions.
- We implement backhaul and fronthaul processes to prevent trucks from returning empty after product delivery.
- We analyze production by order and client based on the geographical area.
- We arrange pallets strategically to enable more products to be transported in one truck, subsequently reducing the number of required trips.



Ingredients

GRI 2-27, 3-3, 416-2
SASB CG-HP-250a.3

We ensure that we only use safe raw materials for our products, in accordance with the Restricted Substances List (RSL*) and chemicals of concern of our partner, Kimberly-Clark Corporation. Also, we develop our products adhering to strict safety standards and conduct pre-market evaluations. Our high-quality standards ensure consumer well-being, product efficacy, and environmental protection.

We are committed to provide open and detailed information about each of the ingredients we use in our products, always ensuring consumer safety.

.....

Our products are free from Chemicals of Concern, and we are dedicated to the reduction or elimination of restricted substances. In place of these, we work in our research and development efforts to discover and implement safer alternatives.

Products designed for women, such as menstrual cups and tampons, along with antiseptic gels and solutions, are categorized as medical items. These products are registered with the Federal Commission for Protection against Sanitary Risks (Cofepris, by its acronym in Spanish), ensuring compliance and safety.

Our commitment is reflected in our extensive portfolio, which provides safe, effective, and high-quality products. This success has resulted in the comfort and confidence of our millions of customers in Mexico and around the world.

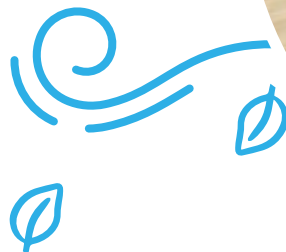
In 2023, KCM did not require any product recalls.

.....

We create safe and effective products for our consumers, as their well-being is our priority.

The principles underpinning KCM's restricted substance management are:

- Maintain an up-to-date Restricted Substances List (RSL) containing restricted (limits set per product or material) and prohibited ingredients relevant to 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 from scientific research and regulatory agencies globally, as well as public concern, to ensure the RSL remains up to date.
- We conduct an active process for the identification, review, and communication of RSL to encourage the development of business strategies that eliminate and/or reduce specific chemicals, and instead promote safer alternatives, always above and beyond regulatory requirements.
- We work with our suppliers to reduce, eliminate, or manage the chemicals listed in the RSL.
- We ask our suppliers to adhere to Kimberly-Clark's RSL and to have processes and systems in place to ensure compliance.



*See our Restricted Substances List (RSL) at: https://www.kimberly-clark.com/-/media/kimberly/pdf/ingredients/st-14665-kimberly-clark-restricted-substances-list_may-2024.pdf?la=en-us

Since 2020, KCC has been a member of **Green Chemistry and Commerce Council (GC3)**⁷, an initiative that encourages the commercial adoption of sustainable and high-performance chemical solutions.



At KCM, we do not use preservatives such as parabens, formaldehyde precursors, toluene, polyvinyl chloride, polyethylene microbeads, aldehydes and azo dyes, coal tars, lead, lead acetate, phthalates, triclosan, and triclocarban.

Additionally, the health authorities of the European Union recently modified the list of possible allergens in fragrances from 26 ingredients to 82, so KCM has included these in its RSL.

.....

In 2023, we don't incurred in laws, regulations, or voluntary codes of conduct violations regarding the health and safety impacts of our products.

Our products are cruelty free because we firmly oppose testing on animals.



⁷ Find more information about the Green Chemistry and Commerce Council (GC3) at: <https://greenchemistryandcommerce.org/membership/current-members/>

Commitment to customers and consumers

Products, packaging, and circular economy

Promote a circular economy through various solutions to our products, operations, packaging, and waste management.

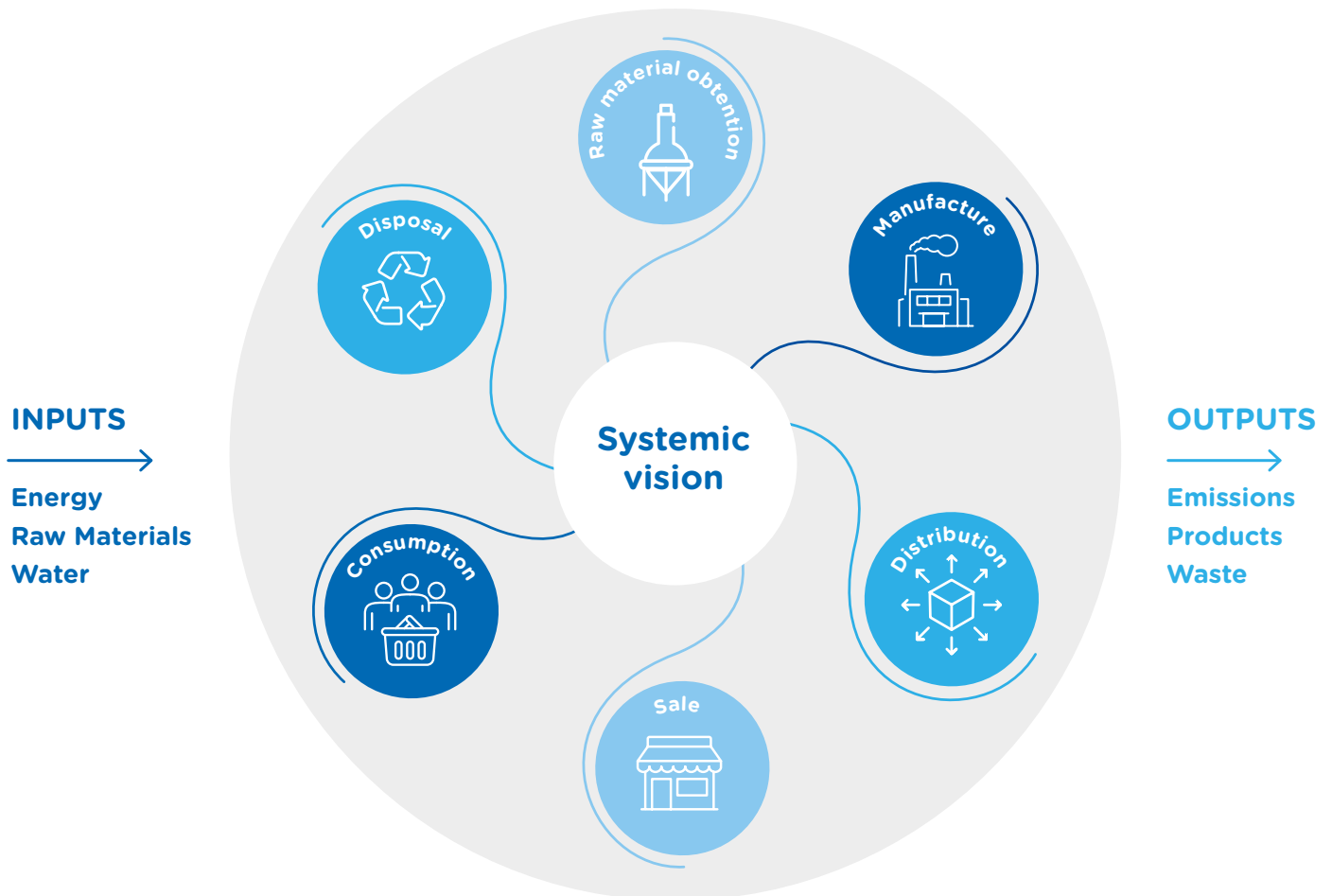
The circular economy aims to keep the value of products, materials, and resources within the economy for as long as possible. This approach reduces waste generation and optimizes resource utilization, contrasting with the traditional linear economy's extract, manufacture, use, and dispose cycle.

We embrace a circular economy approach at KCM, advocating for responsible raw material use and ensuring

their effective application in product production, operations, packaging, and waste management. We aim to promote reuse and recycling at the end of a product's life cycle.

Regarding this, we take a comprehensive approach to plastic management and reduction. This includes improving waste management systems and innovating more sustainable alternatives for consumer that not only fulfill their needs, but also improve resource efficiency and decreases waste. These efforts allow us to contribute to the UN's Sustainable Development Goal 12 Responsible Consumption and Production.

We achieve this by collaborating with our R&D, Engineering, and Marketing teams, as well as our business partners. Finally, we look for ways to reduce our use of traditional plastics, accelerate the development of renewable and recycled substitutes, and consider alternative product solutions.



Plastianguis



For the past three years, KCM has been part of Plastianguis, an initiative created in 2015 by the National Association of the Chemical Industry (ANIQ, by its acronym in Spanish) through its Commission on the Plastics Industry, Responsibility, and Sustainable Development (CIPRES, by its acronym in Spanish), which also has the support of other participating companies.

In this initiative that promotes awareness of plastic waste usage, participants can exchange plastic waste for essential goods and educational materials through Plastipesos.

Plastianguis has facilitated access to specialized infrastructure for plastic collection and storage.

In the 2023 edition, over 30,000 people across three states and Mexico City took part in the activities. The participants attended one of the four venues, where various learning activities and dynamics were carried out to promote knowledge about plastic waste, encourage responsible consumption, and the proper management of waste through recycling, laying down the foundation of a circular economy.



Circular solutions

We are focusing on circular solutions, which analyze each stage of a product's life cycle, pre and post-purchase, and have the following strategies:



Material use reduction.



Product redesign and/or material selection to minimize resource intensity.



Collection of post-industrial or post-consumer "waste" to send it to technical or biological processes for recycling or recovery.



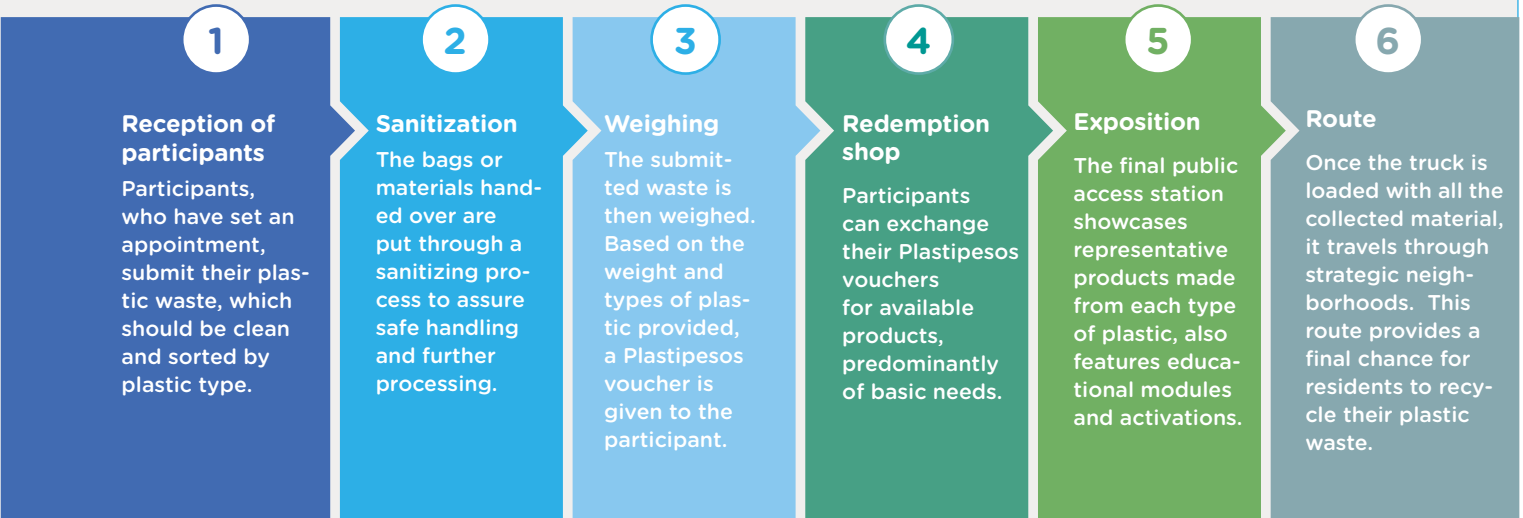
Products designed with their end of life in mind.



Innovation is key to find circular solutions in products, processes, services, or business models.



Circuit roles



Plastianguis results 2017-2023:

- **4 venues** (Mexico City, Guadalajara, Monterrey, and Veracruz)
- **+30,000** direct **beneficiaries**
- **+600 tons** of plastic waste

Plastianguis is an initiative that provides both solutions and education on recycling and plastic waste management. Its impact is significantly amplified upon alliances and collaborations among companies that are committed to generate positive societal changes.

Business alliance for the Circular Economy

In our aim to further promote the circular economy, KCM participates in the Business Group on Circular Economy (GEECI, by its acronym in Spanish), part of the National Chamber of the Cosmetic Products Industry (CANIPEC, by its acronym in Spanish). This special program, comprising several conscious companies, targets the successful implementation and execution of a Circular Economy and Waste Management Plan specifically designed for the containers and packaging sector of the industry.

Through the development of strategic actions under a specialized management plan, the program seeks to substantially decrease the amount of waste produced from containers and packaging. In 2023, this initiative enabled us to collect and recycle 167 tons of our plastic packaging.



The adoption of a Circular Economy approach provides tangible benefits for both companies and consumers.

Innovation

GRI 3-3

To generate added value in our products, focusing on the needs of our consumers and seeking to be environmentally friendly.

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

Progress to 2023: 85%

At KCM we strive to fulfill our customers and consumers needs by creating innovative and top-quality products, focused on personal and family care and hygiene. However, we simultaneously uphold our responsibility towards the environment and society, considering ESG criteria during all feasibility assessments.

We constantly evaluate new technologies, as well as the success rate and return on investment of innovation projects.

The insights gained from our consumers, buyers, and users drive us to relentlessly explore innovative methods of developing products and designing solutions across our brands.

The Innovation, Research and Development (R&D) department works closely with Kimberly-Clark Corporation's Innovation Centers to ensure we maintain our pledge of delivering top-tier, innovative products.

In 2023, \$566 million Mexican pesos were invested in R&D projects, marking a 20% increase from the previous year.

Women constitute 59% of the R&D team.



Innovation Week

As each year, we hosted our annual **Innovation Week**, during which we presented four talks with an emphasis on artificial intelligence and innovative discipline, aiming to stimulate creativity and leadership.

The event also featured an exhibition of **KCM Innovation Projects**. The KCM community was then invited to vote for the project they felt best met the innovation criteria.



Innovations 2023

KLEENBEBÉ®

- › **DERMATEST** certified diapers, with a new formula that helps maintain natural skin hydration and prevents irritation.



HUGGIES® SUPREME®

- › Dermatologically tested wet wipes whose packaging has a new lid with an **Easy-Push** system for effortless, one touch opening.



EVENFLO®

- › **Orthodontic bottle** with advanced technology for a natural safe feeding, allowing a natural suction.



KLEENEX® COTTONELLE® GENTLE BLOOM KLEENEX® COTTONELLE® ECO KLEENEX® COTTONELLE® PROFESSIONAL®

- › All Kleenex® Cottonelle® products, like all KCM toilet papers, are certified by the **Forest Stewardship Council (FSC®)**. In addition, they are designed to disintegrate in water.
- › Kleenex® Cottonelle® Gentle Bloom contains **sustainable bamboo fibers** and skincare essential oils.
- › Kleenex® Cottonelle® ECO and Kleenex® Cottonelle® PROFESSIONAL® feature **compostable packaging**.



KLEENEX® ZEN®

- › Toilet paper with **TAD** technology and cotton extract that makes it softer, with greater resistance and absorption, friendly to the environment. It is **FSC® certified**.



KOTEX® ULTRADELGADA KOTEX® MAXI

- › Pads with **Ultra Lock** wings and **Soft Comfort** cover. Kotex® Maxi has 5 protection zones, absorbent center, **Turbo Absorb** technology, and **Flex Fit**.



DEPEND® WOMAN

- › Underwear with new instant absorption technology, ensures snug fit owing to its **360° elastic** system, and enhanced channel design.



PÉTALO® 3S®

- › Toilet paper with an innovative design that makes it much more absorbent and softer, in a **3 rolls pack format**.



ST. GENEVE®

- › **Sustainable and eco-friendly** antibacterial liquid hand soap pack. Its packaging is notably made from cardboard and holds a certificate of controlled forests, the inks and varnish used are vegetable-based.



LUDOS®

- › New line of **cruelty-free** pet products. The bottle is made with recycled resin, the wet wipes are enriched with vitamins, and the XL mats are ultra-absorbent and utilize **PET GEL** technology that controls odors and gelatinizes liquids. These mats are also made with **recycled materials**.



PROFESSIONAL®

- › Antibacterial **ICON™** hand towel roll, made with **TAD** technology for enhanced liquid absorption, also includes treatment for bacteria removal, promoting better hand hygiene.



Consumer Care and Attention Center

GRI 3-3, 417-1, 417-2, 417-3


Understanding the areas where we can enhance our products and procedures is imperative for meeting and exceeding our customers' and consumers' expectations. Likewise, it is essential to address any concerns related to our processes or services promptly and effectively.


We believe in maintaining open lines of communication with our stakeholders. We always strive to understand their needs and preferences so we can fulfill and, where possible, exceed their expectations.


.....

Our Consumer Care and Attention Center, which is accessible through various communication channels, acts as our primary point of contact for receiving complaints, congratulations, comments, sales requests, suggestions, promotions, product information, launches, and free samples, among others.

Consumer service channels


Social media


55 5282 7283


kcm.customercare@kcc.com

Consumer service process in the event of a complaint



The consumer contacts the Consumer Care and Attention Center.



A report number is generated and communicated to the consumer.



The reporting number reaches all involved areas.



Field teams are notified for its attention*.



The Consumer Care and Attention Center returns the call to the consumer to share feedback and the result of their report.



The Quality and Production areas of the facilities analyze the report and the product in conjunction with Corporate Quality Assurance to determine the cause of the deviation and obtain an answer for the consumer.



The Corporate Quality Assurance team reviews and issues a report that is sent to the facility that manufactured the product*.



The Customer Care and Attention Center receives confirmation that the product has been recovered and hands it over to the Corporate Quality Assurance team*.

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

Interactions by channel

Business	Calls	Emails	Social media	Total
Children's products	24,343	4,327	8,093	36,763
Incontinence	815	897	797	2,509
Women's protection	1,410	2,622	1,046	5,078
Beauty care	216	505	756	1,477
Household products	2,459	2,290	2,468	7,217
Evenflo	1,363	1,234	1,170	3,767
Total	30,606	11,875	14,330	56,811

On average, resolving a complaint involves three two-way communication calls.

Throughout the consumer service journey, we safeguard their rights of Access, Rectification, Cancellation and Opposition (ARCO). Additionally, we provide access to the **Privacy Notice of KCM⁸** and each of our individual brands, all of which are available on their respective websites.

Our communication strategy with customers and consumers is marked by transparency and responsibility, as underscored by the Responsible Marketing and Advertising section of the KCM Code of Ethics.

We interacted with 56,811 consumers throughout the year.

Our **Self-Regulatory and Ethical Practices for the Use of Advertising, Promotions, and Marketing Tools Policy** guide us in maintaining strategic and transparent communication practices with our customers and consumers. In addition, this policy lays down regulations for the execution of our brands advertising, covering areas such as legality, ethics, social responsibility, environmental respect, veracity, scientific information, personal image care, competition, and comparative advertising.

In 2023, we did not register any cases of non-compliance related to our marketing communications, nor our product information and labeling during this period.



⁸ See our Privacy Notice at: <https://www.kimberly-clark.com.mx/politica.htm>

c rporate govern

**Maintain responsibility, equity,
and accountability as priorities
in decision-making.**





ance



An admirable operation aligned with the highest standards of corporate integrity



Corporate Governance structure

GRI 2-9

At KCM, we reaffirm our ongoing commitment to create long-term sustainable value for all of our stakeholders. Our operations are underpinned by a fundamental dedication to transparency and accountability in decision-making, which is evident in our strong Corporate Governance culture.

Through our actions, we contribute to the following SDG:



KCM's Corporate Governance structure is built upon meticulously established rules, procedures, and principles. These ensure efficient, transparent operations in strict compliance with the highest 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), KCM's Bylaws and 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 legislation.

This robust governance structure facilitates an efficient operation that aligns perfectly with the highest levels of integrity and corporate responsibility. It underscores our unwavering commitment to creating a sustainable future and resonates with our dedication towards generating positive social, environmental, and economic impact.

At KCM, the highest governance body is the **Board of Directors**. The Board carries the responsibility of making crucial decisions related to business strategy and managing ESG issues, as well as appointing the Chief Executive Officer.

The **Board of Directors** operates effectively with support from the **Audit and Corporate Practices Committee** and the **Compensation Committee**. It also collaborates with the Senior Management, ensuring that our operations and decisions are coherent with the company's objectives and values.



The Executive Sustainability Committee (ESC) and our Senior Management operate under the guidance and leadership of the Chief Executive Officer (CEO). This approach ensures consistent alignment with the organization's strategic objectives, thereby reinforcing our commitment to sustainability across all areas of our operations.



Shareholders' Meeting

GRI 2-10

The Shareholders' Meeting comprises shareholders or their representatives. They play a pivotal role in Kimberly-Clark de México's strategic and governance decisions, with their primary responsibility that is to approve and ratify KCM's operations and select the members of the Board of Directors. To carry out these decisions, regular meetings are convened in compliance with regulations stipulated by the LMV and LGSM, while extraordinary gatherings are scheduled as needed.

Minority shareholders, who represent at least 8.5% of the capital stock, have the right to appoint one proprietary and one alternate member to the Board of Directors. At the Annual Ordinary General Meeting held on February 29, 2024, the members appointed during 2023 were ratified and appointed, leading to a new Proprietary Director and four new Alternate Directors.

Some of the topics approved by the Shareholders' Meeting in 2023:

- The report presented to the Meeting by the Chief Executive Officer of Kimberly-Clark de México (KCM), in compliance with Article 172 of the General Law of Commercial Companies, for the fiscal year from January 1st to December 31, 2023, was approved.
- The individual and consolidated Financial Statements of the Company as of December 31, 2023, were approved in all their parts, as they were presented for the consideration of the Meeting.
- It was agreed that the net profit for the year ended December 31, 2023, amounting to \$7,012,873,694 Mexican pesos, which includes the participation in the results of subsidiary companies in the amount of \$1,197,747,497 Mexican pesos, was approved.
- Mr. Emilio Carrillo Gamboa was ratified as Chairman of the Audit and Corporate Practices Committee.
- The report presented to the Meeting by the Board of Directors through its Chairman regarding the Company's policies on the acquisition of its own shares was approved.
- The payment of a cash dividend in the amount of \$1.86 Mexican pesos per series "A" and "B" share, which will be paid in four installments during 2024 was approved.

This year we gained more than **96.92%** of participation in the Meeting of the total outstanding shares.



Board of Directors

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

Comprised of 12 experienced members from various industries, the KCM Board of Directors is meticulously selected through a rigorous and selective process based on professional background and competencies. Six of these members are independent¹ and have appointed alternate members.

This selection process is grounded in criteria such as experience, professionalism, and ability to make substantive contributions, as well as diversity, independence, relevant competencies, and professional prestige. The overarching goal of this approach is to ensure our company's management is both efficient and accountable, effectively promoting KCM's best interests and those of our stakeholders.

At KCM we guarantee that our directors fulfill their roles free of any personal, patrimonial, or economic conflict of interest. This is strictly enforced in accordance with the LMV, the CMPC, and our Code of Ethics, which sets guidelines for all employees and Board members.

Claudio X. González Laporte, the **Chairman of the Board of Directors**, plays a key role in leading discussions around sustainability and ESG topics within our company. During meetings, he forwards his vision and reviews the reports submitted by management on compliance with these crucial issues. Economic performance undergoes quarterly reviews, while social and environmental dimensions are strategically assessed as needed throughout the year.

Additionally, our **Chief Executive Officer** actively participates in the Board of Directors. He is responsible for keeping the Senior Management informed about decisions that impact the economic, social, and environmental facets of the company. Then, the Senior Management implements necessary actions and communicates these decisions to the employees.

¹ At KCM we do not have a target quota of independent members, more information on the explicit definition of what it means for a member to be independent can be found in Article 26 of the Securities Market Law.

Meetings of the Board of Directors

Average attendance of board members	80%
Minimum attendance required	70%

Seven sessions were held in January, February, March, April, July, October, and December.

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.
- Takes actions or turns the consultations that stakeholders may have on ESG issues, as well as the identified impacts.

Topics addressed at the Board of Director's meetings

1. Follow-up on the innovation and development processes that are being carried out in the Company to increase and improve the product supply to consumers.
2. Report on the tracking of investments made towards machinery and equipment to optimize and increase production capacity.
3. Report on the performance of the Company's products across different markets in which it operates.
4. Presentation to the Board on the Sustainability Report, including the development plan for 2024.
5. Timely follow-up of the measures adopted by the company to protect our employees' and their families' health.



GRI 2-9, 405-1

Proprietary Directors	Type	Date of designation	Gender	Age	Alternate Directors
Claudio X. González Laporte President	Related	December 13, 1961	Male	89	Guillermo González Guajardo
Valentín Díez Morodo Vicepresident	Independent	April 21, 1983	Male	82	Emilio Cadena Rubio
Michael Hsu Vicepresident	Executive	February 27, 2014	Male	58	Paola Morales Vargas
Jorge Ballesteros Franco	Independent	February 28, 1997	Male	76	Jorge A. Lara Flores
Emilio Carrillo Gamboa²	Independent	February 26, 1981	Male	85	Fernando López Guerra Larrea
Antonio Cosío Ariño	Independent	February 25, 1987	Male	86	Antonio Cosío Pando
Pablo R. González Guajardo	Executive	February 25, 2010	Male	56	Esteban González Guajardo
Nelson Urdaneta	Executive	March 2, 2023	Male	51	Sergio Chagoya Díaz
Alison Lewis	Executive	February 27, 2020	Female	55	Alicia María Enciso Cordero
Esteban Malpica Fomperosa	Independent	March 20, 1996	Male	73	Fernando Ruiz Sahagún
Fernando Senderos Mestre	Independent	February 23, 1994	Male	72	Daniela Ruiz Massieu Salinas
Russell Torres	Executive	March 2, 2022	Male	52	Jorge León Orantes Baena

The average tenure of the Board Members is 25 years.



² Ratified uninterruptedly, with the exception of 1998 when he served as Mexico's ambassador to Canada.

Proprietary Directors

GRI 2-17

Claudio X. González Laporte

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting 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.

Jorge Ballesteros Franco*

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting held on February 28, 1997, and has been uninterruptedly ratified by subsequent ones. He is a Civil Engineer with a Master's 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.

Valentín Díez Morodo*

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting 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.

Emilio Carrillo Gamboa*

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting 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.

Michael Hsu

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting 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.

Antonio Cosío Ariño*

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting 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.

*Independent Director.



Pablo R. González Guajardo

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting held on February 25, 2010. He has a Degree in Law and a Master's 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.

Nelson Urdaneta

Was elected Proprietary Director at the General Ordinary Shareholders' Meeting held on March 2, 2023. Joined Kimberly-Clark Corporation in April 2022 as Vicepresident and Chief Financial Officer after 17 years with Mondelez International where he served as Vicepresident of Finance and a member of the Board.

Alison Lewis

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting 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*

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting 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., Hypermarchas, S.A., and OUL. S.A. in Brazil.

Fernando Senderos Mestre*

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting 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

Was elected Proprietary Director by the General Ordinary Shareholders' Meeting 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 served as Senior Vice President at Mondelez International. He has a Master's Degree in Business Administration from the Kellogg School of Management at Northwestern University, and a Magna Laude in Physics from Dartmouth College.

*Independent Director.

Board evaluation

GRI 2-19, 2-20, 2-21

The performance evaluation of the Board of Directors at KCM is a meticulous process that takes into consideration professional achievements, performance against specific metrics, and their impact on economic activities.

Remuneration is determined at the Annual Ordinary Meeting and is grounded on a proposal presented by the shareholders.

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Senior management

Pablo 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,
and Beauty Care Products

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

Armando Bonilla Ruiz
Foreign Trader

Ernesto Reyes Díaz
Operations and Technology, Personal Care

Roberto García Palacios
Tissue Manufacturing

Carlos Franco Solís
Innovation, Technological Development,
Quality, and Sustainability



Alejandro Lascurain Curbelo
Human Resources

Alonso Martínez Marmolejo
Corporate Communication
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

The Audit and Corporate Practices Committee at KCM is in charge of ensuring that our operations align with the highest standards of transparency and accountability in decision-making. It remains committed to examine and address any stakeholder observations and concerns about potential non-compliance. In doing so, they proactively prevent risks that could impact the company's value. This Committee is comprised of Independent Proprietary Board Members and an Independent Alternate; this Committee supports the Board of Directors.

Responsibilities include:

- To approve internal and external audit monitoring, review, and oversight.
- Risk management.
- To choose auditors and internal control systems.
- To attend legal and regulatory matters.
- Oversight and management of issues related to corporate practices, the Code of Ethics, and the implementation of resolutions adopted at the Shareholders' Meeting and the meetings of the Board of Directors.

Members of the Audit and Corporate Practices Committee

Emilio Carrillo Gamboa

President

Independent Director

Antonio Cosío Ariño

Member

Independent Director

Esteban Malpica Fomperosa

Member

Independent Director

Fernando Ruíz Sahagún

Member

Independent Alternate Director



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

Four sessions were held this year, in February, April, July, and October. The topics discussed were the following:

- The main accounting policies followed by the company were reviewed, analyzed, and approved, in terms of the information received.
- The Report of the Chief Executive Officer for the activities of the year ended 2023 was received and approved.
- A report on the results of the external audit as of December 31, 2023, was received from the External Auditor, which was given an opinion without observations.
- The Committee evaluated the work of both the external auditors and the Certified Public Accountant and considered them satisfactory. Consequently, it recommended the re-engagement of this entity to conduct the external audit services for the company's financial statements for the period from January 1st to December 31, 2023.
- Based on the external audit report, it was concluded that the Audited Consolidated Financial Statements as of December 31, 2023, were appropriate and comprehensive. As a result, the Committee proposed that these financial statements should be approved and then submitted to the Shareholders' Meeting for final approval.
- The information related to the operation of the Company's Internal Audit Department was reviewed and approved, and the audit program for the current fiscal year was approved.



Compensation Committee

The Compensation Committee at KCM plays a pivotal role in talent and compensation management, as it is tasked to evaluate the performance of senior executives and establishing fair compensation policies. To achieve this, the committee conducts comprehensive analyses of both internal and external factors, such as labor market competitiveness and goal achievement. This ensures that the benefits offered remain competitive and appealing in the job market.

To aid in decision-making, the Committee is assisted by an independent compensation consulting firm that provides up-to-date statistics on salary increases both granted and projected in the market. These stats form the basis for setting parameters for salary increases.

In addition, we use the HAY job evaluation system to determine the value of each position within the organization, correlating it with the market salary level for an equivalent role. This approach ensures fair compensation.

In 2023, the Committee met in January and discussed the following topics:

- The total market compensation for positions and companies of similar rank was analyzed.
- The increases in basic or fixed compensation for unionized personnel, employees, and administrative officers for 2024 were reviewed and approved.
- The criteria and objectives for determining variable compensation based on the achievement of objectives for the company's key administrative personnel in 2024 were analyzed. Additionally, long-term incentives for such personnel were also assessed.

Members of the Compensation Committee

Valentín Diez Morodo
President
Independent Director

Michael Hsu
Counselor

Fernando Senderos Mestre
Independent Director





The performance period for evaluating the CEO’s variable compensation spans three years, while the vesting period is also set at three years.

The compensation of KCM’s senior executives is formulated considering their contributions towards the achievement of specific objectives, which include ESG aspects, their relevant experience, and expertise. This compensation is reviewed annually to ensure alignment with market trends and standards.

KCM Senior Executive Compensation

- Fixed salary
- Variable salary
- Incentive payments
- Severance payments
- Retirement reimbursements and decompensations

Executive Sustainability Committee

GRI 2-12, 2-13, 2-14

KCM’s Executive Sustainability Committee (ESC) plays an important role in holistically addressing all Environmental, Social, and Governance (ESG) issues relevant to the company. It is composed of representatives from diverse areas of the company.

Responsibilities include:

- Developing, implementing, and updating the company’s Sustainability strategy.
- Make decisions and managing KCM’s impact on the environment and communities.

This committee operates under the guidance of the Director of Innovation, Technical Development, Quality, and Sustainability and remains under the direct supervision of the CEO.

While the task to prepare the Sustainability Report primarily falls upon the company’s Sustainability Leader, the report is subject to review and approval by ESC members. It is also validated by an external auditor. Simultaneously, the report is submitted for the Chief Executive Officer’s approval, who also sits on the Board of Directors. This function was transferred by the Board of Directors to the Executive Sustainability Committee, through the Senior Management.

The ESC approves the activities related to the implementation and commencement of the TCFD on climate change, and from 2023 that related to TNFD on nature and biodiversity.

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Members of the Executive Sustainability Committee

Alejandro Argüelles

General Counsel

Alejandro Lascurain

Human Resources

Regina Celorio

Marketing, Women’s Care, Home, and Feminine Protection

Roberto García

Tissue Manufacturing

Salvador Escoto

Treasury and Investor Relations

Xavier Cortés

Finance

Ernesto Reyes

Manufacturing Personal Care

Cristina Pichardo

Marketing, Baby, Incontinence, and Beauty Care Products

Alonso Martínez

Corporate Communication / Digital Marketing

Carlos Franco

Innovation, Technological Development, Quality, and Sustainability

Throughout the year, the ESC met once on August 29. The meeting was focused on reviewing a variety of topics including the update of committee members, KCM’s participation in stock index questionnaires, the presentation and analysis of the results of Sustainability Week, determining the scope of the Sustainability Report, and contemplating the methodology introduced by International Financial Reporting Standards (IFRS) S1 and S2.

annexes

Our performance results demonstrate our track record and progress over the years.





We belong to the DJSI Emerging Markets, KCM is the only Mexican company to appear in this index.



Risks and opportunities

Social/Reputational		
Risks	Potential impacts	Opportunities
Risk factors related to government, media, and social media		
Brands that are not aligned with consumer expectations.	Lack of consumer confidence.	Training in corporate principles.
Fake news that could cause a misconception of misleading advertising.	Decrease in sales volume.	Increased transparency.
Possible negative media coverage.	Loss of market share.	Greater outreach and closer ties with the communities where we operate.
Political accusations.	Loss of credibility of our stakeholders.	
Fake news that could cause a misconception of misleading advertising.	Implementation and/or modification of new regulations.	
Possible bad reputation in the communities where we operate.		
Inappropriate public conduct of employees and former employees.		

Economic/Financial		
Risks	Potential impacts	Opportunities
Risk factors related to Mexico and abroad		
Business and results depend on economic, political, and social conditions in Mexico.	Decrease in the volume and frequency with which products are consumed.	KCM is constantly seeking to enter new markets outside Mexico.
Economic, political, and social conditions in other countries may adversely affect KCM's market value of securities or results of operations.	Investors' reactions to events in other countries may adversely affect securities issued by Mexican companies and Mexican assets.	
The Mexican government has exerted and continues to exert significant influence over the Mexican economy.	Changes in Mexican government policies may adversely affect our business, results of operations and financial condition.	We avoid aggressive accounting to conserve room for maneuver in the event of regulatory changes.
Fluctuations in the value of the peso against the US dollar may have an adverse effect on our results of operations and financial condition.	Increased financing costs. Increase in the amount of liabilities denominated in other currencies, adversely affecting our results of operations.	We maintain a significant cash position in dollars, and we constantly evaluate options for hedging the exchange rate.
Inflation in Mexico, together with government measures to curb inflation, may have an adverse effect on our investments.	Reduced consumer purchasing power, adversely affecting product demand, and increasing costs.	We maintain a multi-channel and multi-tier 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 financial costs and, if we incur MXN-denominated debt in the future, could be higher interest rates.	We are constantly evaluating interest rates in other countries when we need to raise capital through debt.
There could be various impacts on the economic environment arising from COVID-19.	Economic slowdown, recession, and labor instability, which could result in an unfavorable situation and could affect KCM's operating and financial results.	The company has put in place different strategies and plans to mitigate these impacts.



Company-related risk factors

<p>A change in demand for our products and/or lack of market growth could have a significant impact on the business.</p>	<p>Company volumes and results could be negatively 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 the cost and low availability of raw materials, reflecting directly in higher selling prices and reduced profits.</p>	<p>The company is evaluating new sources for some of its main raw materials, as well as analyzing the use of financial instruments to hedge raw materials.</p>
<p>Damage to our reputation, that of our business partner KCC or the brands under which we sell our products.</p>	<p>Generate extra high 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 manage 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 our operations, as well as disclosures and misuse of our confidential and proprietary information, including the ordinary business information of susceptible customers, vendors, employees, or investors.</p>	<p>The company has a backup of its information system at a location other than corporate and facilities to safeguard information.</p>
<p>Pending and future administrative litigation, tax matters, regulatory requirements, and new legal requirements.</p>	<p>Incurring substantial expenses in defending ourselves or protecting our rights. In tax matters, new obligations may be created or approved that affect the taxes applicable to us and adversely affect the results of our operations.</p>	
<p>Lack of ability to maintain relationships with labor unions.</p>	<p>Labor disputes resulting in strikes or other disruptions may also result in increased operating expenses that could damage our customer relationships and harm KCM's business and financial results.</p>	
<p>We may incur additional liabilities in the future that could affect our financial condition.</p>	<p>Contracting additional debt that could impact: -Limiting our ability to satisfy our obligations under existing indebtedness. -Increase our overall economic vulnerability and industry conditions. -Limit our flexibility to plan for changes in our business and the industry in which we operate. -Increase the cost of additional financings.</p>	<p>The company performs exhaustive analyses to prevent the level of debt from becoming an obstacle to operations.</p>



Sustainable Ambition by 2030



Product and circular economy

Circular economy

Reducing our environmental footprint

- **Product strategy**

- 50% reduction in the use of virgin plastics from fossil sources by 2030.
- 15% reduction in the weight of our products by 2030.

- **Packaging strategy**

- 100% of our packaging will be recycled or recyclable or reusable, or compostable by 2024.
- 20% recycled content in packaging by 2025.
- 50% reduction in virgin plastic content from fossil sources by 2030.



Transparency

Increasing the commitment to the safety of our products

- **Decisions based on scientific evidence**

- Internal and independent security assessments.

- **Increase transparency**

- To share our practices, showing the consumer clear and reliable information about ingredients and materials.

- **Improve our formulations**

- To use ingredients and materials preferred by the consumer.



Environment

Operation

- **Water**

- 25% reduction in our water use by 2030.

- **Fibers**

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

- **Climate change**

- 50% reduction in our direct Greenhouse Gas emissions by 2030.

- **Waste**

- To generate zero waste sent to landfills as a result of our processes by 2025.



Community

Committed to Mexico and the world, we will support the United Nations Sustainable Development Goals (SDGs) through programs and actions of KCM and its brands, with the goal of **positively impacting the lives of 25 million people by 2025.**

Initiatives that promote safety and health care among our employees

Promote good habits in favor of the health of employees.

Facilities / Offices	Initiative	Beneficiaries
Bajío	Visual health campaign	105
	Board campaign	All employees
	Kiloton campaign	88
	PrevenIMSS campaign	247
	Prenatal control	19
	Medical examinations for new employees	572
	Periodic medical exams	316
	First aid brigade talks	264
	Health talks	277
	Breast cancer talks	74
	Audiometry tests	888
	Men's health	88
Ecatepec	Care of positive Covid-19 patients	117
	Hearing conservation campaign	450
	Gastrointestinal disease prevention campaign	450
	Visual health campaign	372
	Influenza vaccination campaign	1,125
	Prostate cancer timely detection campaign	371
	PrevenIMSS campaign	761
	Strengthen your defenses campaign	1,250
	Medical consultations	2,975
	Continuous dissemination of health, nutrition, vaccination, care, and safety campaigns	1,589
	Physical and laboratory examinations for forklift personnel	200
	Periodic medical laboratory examinations	1,173
	Periodic physical medical exams	563
Covid-19 detection tests	1,329	



Evenflo	Vaccination campaign against Covid-19	250
	Vaccination campaign against influenza	210
	Vaccination campaign against pneumococcus	20
	Tetanus vaccination campaign	59
	First aid training Civil Protection	22
	Training on NOMs related to health	858
	Nutritionist consultation	87
	Prenatal control	5
	Cervical cancer screening	8
	Breast cancer screening	18
	Early detection of diabetes mellitus	261
	Early detection of high blood pressure	250
	Delivery of vitamin C doses	1,250
	Vision health exam	108
	Medical examinations for new employees	272
	Periodic medical examinations	303
	Addictions talk	167
	Breast cancer talk Fundación CIMA	41
	Different health topics talks	All employees
	Prevention of sexually transmitted diseases and planning methods	272
	Audiometry tests	41
	Spirometry tests	63
	Evenflo obesity challenge	59
Monitoring of chronic-degenerative diseases	46	
Nutrition surveillance in support of PrevenIMSS	272	



Facilities / Offices	Initiative	Beneficiaries
Indelpa	Visual health campaign	120
	Vaccination campaign against influenza	210
	Tetanus toxoid vaccination campaign	170
	PrevenIMSS campaign	197
	Medical service procedure training	654
	Coproparasitoscopic series of I	26
	Medical examinations (periodic)	323
	Medical examinations for new employees	360
	Pharyngeal exudates	26
	Maternal care talk	5
	Breastfeeding talks	5
	Health talks	335
	Audiometry tests	7
	Morelia	Annual medical care
Breast cancer campaign		420
Campaign against AIDS		420
Visual examination campaign		420
Obesity campaign		420
Addiction prevention campaign		420
Sports health campaign		420
Mental health campaign		420
Vitamin C campaign		352
PrevenIMSS campaign		450
Training on RPBI management for industrial maintenance personnel		10
Training for the first aid brigade		20
Annual health training		1,558
Certification to the first aid brigade by Ambumed		30
Control of chronic-degenerative diseases		18
Annual medical exams		420
Tie your pig program		23
Audiometry tests		420
Covid- 19 tests		158
Prostate antigen detection tests		40
Spirometry tests		420
Vaccination against Covid-19		115
Influenza vaccination	250	
Tetanus vaccination	100	

Corporate offices	Basic check-ups	492
	Individual nutrition consultations	64
	Agreements with laboratories	Voluntary assistance
	Studies at preferential costs	96
	Vision tests	108
	Mammograms	188
	Health topics talks (14 talks)	200
	Mental and emotional health seminar (5 talks)	236
	Influenza vaccination campaign	220
Orizaba	PrevenIMSS campaign	422
	First aid brigade training	24 brigade members
	Monthly consultations monitoring control groups	298
	Annual medical exams	722
	Health issues talks	422
	Influenza, Covid-19 and tetanus vaccination	201
	Videos on health topics	All employees
PROSEDE	Influenza vaccination campaign	725
	Health campaigns	All employees
	Training for first aid brigades	22
	Communication on health and nutrition issues in screens and boards	All employees
	Medical consultations	2,770
	Laboratory studies at preferential costs and medical guidance on results	48
	Health Week event	All employees
	Medical exams	762
	Monitoring of employees with chronic-degenerative diseases	64



Facilities / Offices	Initiative	Beneficiaries
Ramos Arizpe	12 fire drills (EHS in conjunction with first aid brigade)	All employees (participation of 40 P.A. brigade members)
	Dining room audit	Users 25%
	Campaign against heat stroke and installation of hydration points	All employees
	Campaign to detect chronic-degenerative diseases	241
	Covid-19 vaccination campaign	70
	Influenza vaccination campaign	157
	First aid brigade training	49
	Medical examinations for new employees	640
	Periodic medical examinations	372
	Breast cancer talk given by IMSS	20
	Health topics talks	All employees
Texmelucan	General medical care	All employees
	Breast cancer detection campaign	17
	Tetanus booster campaign	163
	Training for first aid brigade members	Only brigade members
	Safety Wek event	All employees
	Vision health exam	107
	Annual periodic examinations	319
	Health issues talks	482
	Immune strengthening with vitamin C	460
	Monitoring of personnel with ECD	22
	Influenza vaccination	412
Tetanus vaccination	412	
Tlaxcala	Medical care	All employees
	HIV and syphilis detection campaign	327
	Vitamin C campaign	692
	Body hygiene campaign	655
	Campaign for proper use of Personal Protective Equipment	All operational areas
	Safety Week event	All employees
	Admission, periodic, and discharge medical examinations	All employees
	Covid-19 immunization	450
	Work postures (ergonomics)	All operational areas
	Prevention of respiratory diseases (influenza immunization)	450

Participation in stock market indexes and sustainability evaluations

Kimberly-Clark de México, S.A.B. de C.V. (KCM) has operated uninterruptedly since 1959 in our country. It operates in the Consumer Products sector with the economic activity of Manufacturing and Marketing of Consumer and Health Care Products.



We have been listed on the Mexican Stock Exchange (BMV) since 1962.



Índice IPC
Sustentable

For the last 12 years we have been part of the Sustainable Price and Quotations Index (*IPC Sustentable*).



FTSE4Good

For the seventh consecutive year, we maintained our participation in FTSE4Good, which refers to a series of stock market indexes on the London Stock Exchange that group together companies from around the world with sound ESG practices.



MILA
MERCADO INTEGRADO
LATINOAMERICANO

For the fifth consecutive year, we were listed in the Dow Jones Sustainability Index (DJSI) MILA Pacific Alliance, which includes 61 companies recognized as top performers in Mexico, Chile, Colombia and Peru. KCM was the only company in the household and personal care products sector to be recognized.

S&P Dow Jones Indices

A Division of **S&P Global**

For the fourth consecutive year, we belong to the Dow Jones Sustainability Index (DJSI) Emerging Markets, which includes 106 companies from 13 countries with emerging economies. KCM is the only Mexican company to be included in this index.



For the fourth consecutive year, we participated in the CDP, an initiative that manages the global environmental disclosure system to measure and manage its risks and opportunities on climate change, water security and deforestation, at the request of its investors, buyers, and stakeholders.



Criteria	2023
Forests	C
Climate change	B
Water security	B



Associations of which KCM is a member

GRI 2-28

- *Cámara Nacional de las Industrias de la Celulosa y el Papel (CNICP)^{1,2}*
- *Cámara Nacional de la Industria de Productos Cosméticos (CANIPEC)*
- *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*



¹ Kimberly-Clark de México holds a seat on the association's governing body.

² Kimberly-Clark de México participates in association projects or committees.

Performance results

	Unit	2021	2022	2023	ESG Standard
KCM contributions					
Donations	MXN Million	\$ 34.43	\$ 28.05	\$ 37.50	-
Profit sharing paid to employees	MXN Million	\$ 941	\$ 719	\$ 780	-
Salaries and benefits (including profit sharing)	MXN Million	\$ 4,017	\$ 4,172	\$ 4,974	-

	Unit	2021	2022	2023	ESG Standard
Business ethics					
Complaints	No.	37	39	88	-
Complaints attended	%	100%	100%	100%	-
Complaints resolved	%	100%	95%	95%	-
Corruption cases	No.	0	0	0	205-3

	Unit	2021	2022	2023	ESG Standard
Audits					
Exceptionally well-controlled audits	No.	-	0	5	-
Generally well-controlled audits	No.	17	23	21	-
Well-controlled audits	No.	14	14	12	-
Audits not well-controlled	No.	3	1	4	-
Total	No.	34	38	42	-
Reports to be issued	No.	3	0	3	-

	Unit	2021	2022	2023	ESG Standard
Information security and privacy					
Information security incidents	No.	0	0	4	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

	Unit	2021	2022	2023	ESG Standard
Compliance with regulations					
Fines or penalties for non-compliance with laws or regulations	No.	2	0	0	2-27
Fines or penalties for non-compliance with environmental laws and regulations	No.	-	0	0	307-1

	Unit	2021	2022	2023	ESG Standard
Supply chain					
National suppliers	No.	-	274	257	-
Foreign suppliers	No.	-	99	102	-
Total suppliers	No.	-	373	359	-
National suppliers	%	-	73%	72%	-
Foreign suppliers	%	-	26%	28%	-
Budget allocated to acquisitions from local suppliers	%	47	46	42	204-1
Budget allocated to acquisitions from foreign suppliers	%	-	54	58	S&P CSA
Total suppliers Tier-1	No.	-	92	58	S&P CSA
Total significant suppliers Tier-1	No.	-	21	17	S&P CSA
Budget allocated to significant suppliers Tier-1	%	-	88	80	S&P CSA
Total suppliers non Tier-1	No.	-	281	301	S&P CSA



	Unit	2021	2022	2023	ESG Standard
Suppliers evaluation					
New suppliers evaluated and selected according to environmental criteria	No.	29	27	30	308-1
Suppliers evaluated in relation to environmental impacts	No.	11	15	-	308-2
Suppliers evaluated on site or by a questionnaire	No.	29	27	30	S&P CSA
Significant suppliers evaluated	%	-	9	8	S&P CSA
Suppliers evaluated with current or potential substantial negative impacts	No.	-	0	0	S&P CSA
Suppliers with actual or potential substantial negative impacts with corrective actions agreed upon	%	-	0	0	S&P CSA
Terminated supplier relationships with suppliers with actual or potential substantial negative impacts	No.	-	0	0	S&P CSA
Suppliers supported in the implementation of their corrective action plans	No.	-	0	0	S&P CSA
Suppliers with current or potential substantial negative impacts supported in the implementation of their corrective action plans	%	-	0	0	S&P CSA
Total suppliers in capacity building programs	No.	-	0	0	S&P CSA
Unique significant suppliers in capacity building programs	%	-	0	0	S&P CSA
Strategy and online customers					
Percentage of customers using online shopping services	%	14	11	12	S&P CSA
Percentage of revenue generated from online sales	%	1.5	1.5	1.6	S&P CSA

	Unit	2021	2022	2023	ESG Standard
Materials used in production (recyclable and/or recycled)					
Virgin fiber	Ton	239,806	250,183	296,711	301-1
Recycled fiber + cellulosic waste	Ton	511,936	512,951	484,494	301-1
Non-woven fabrics	Ton	25,867	9,338	16,528	301-1
Superabsorbent fabrics	Ton	49,918	44,754	46,136	301-1
Polymer resins	Ton	30,584	39,190	41,332	301-1
Total	Ton	858,111	856,416	885,201	301-1

	Unit	2021	2022	2023	ESG Standard
Materials used in production (recycled internally)					
Cellulose waste	Ton	54,093	54,544	56,920	301-1
Non-woven fabrics	Ton	4,397	4,179	4,877	301-1
Diaper absorbent center	Ton	1,841	1,397	944	301-1
Total	Ton	60,331	60,120	62,741	301-1
Materials used to wrap and package products					
Packaging films (LDPE) - Recyclable*	Ton	23,426	24,339	29,686	301-3 CG-HP-410a.1
Wrapping paper - Recycled and recyclable	Ton	-	1,887	2,317	301-3 CG-HP-410a.1
Total	Ton	23,426	26,226	32,003	301-3 CG-HP-410a.1
Volume of water used by supply source					
Fresh groundwater or well water	MI	5,557.473	5,226.227	5,471.278	303-3 CG-HP-140a.1
Fresh surface water	MI	1,050.444	1,124.669	1,148.521	303-3 CG-HP-140a.1
Post-consumer surface water	MI	6,526.726	6,876.245	6,894.912	303-3 CG-HP-140a.1
Municipal network water	MI	-	-	84.223	303-3 CG-HP-140a.1
Total	MI	13,134,643	13,227,141	13,598,934	303-3 CG-HP-140a.1
Water intensity (water usage per ton produced)					
Tissue	m ³ /ton produced	15.04	14.40	14.77	-
Personal care	m ³ /ton produced	1.04	1.04	1.28	-
KCM Global Index	m³/ton produced	11.67	11.89	11.74	-
Volume of water discharged by destination					
Surface water	MI	11,768.423	11,665.334	11,698.938	303-4
Groundwater	MI	1,281.363	1,181.105	974.857	303-4
Municipal network water	MI	-	-	97.419	303-4
Total	MI	13,049.786	12,846.439	12,771.214	303-4
Fuel consumption by mobile sources					
LP Gas	GJ	107,649	110,468	107,600	302-1
Gasoline	GJ	1,204	1,456	16,328*	302-1
Diesel	GJ	6,217	3,943	3,594	302-1
Total	GJ	115,070	115,867	127,522	302-1
Fuel consumption by fixed sources					
Natural gas	MMBTU	3,917,149	4,058,156	4,304,244	-
Natural gas	GJ	4,132,811	4,281,581	4,541,218	302-1
Energy consumption by type of source					
Natural gas	GJ	4,132,811	4,281,581	4,541,218	302-1
Steam	GJ	1,358,696	1,432,034	1,513,243	302-1
Wind energy	GJ	52,090	35,130	24,468	302-1
Electricity (CFE)	GJ	194,930	2,413,898	2,771,376	302-1
Electricity (CFE Qualified)	GJ	0	0	570,423	302-1
Electricity (Cogeneration)	GJ	3,434,836	1,457,518	643,555	302-1
Total	GJ	9,173,363	9,620,163	10,064,283	302-1
Natural gas	MMBTU	3,917,149	4,058,156	4,304,244	-
Steam	MMBTU	1,287,795	1,357,307	1,434,278	-
Wind energy	MMBTU	49,372	33,297	23,191	-
Electricity (CFE)	MMBTU	184,758	2,287,934	2,626,758	-
Electricity (CFE Qualified)	MMBTU	0	0	540,657	-
Electricity (Cogeneration)	MMBTU	3,255,597	1,381,461	609,972	-
Total	MMBTU	8,694,671	9,118,155	9,539,099	-

*Includes the consumption of the vehicle fleet.



	Unit	2021	2022	2023	ESG Standard
Energy intensity (energy consumption per ton produced)					
Tissue	MMBTU//ton produced	12.31	12.42	12.70	302-3
Personal care	MMBTU//ton produced	1.64	1.74	1.78	302-3
Total	MMBTU//ton produced	7.84	8.19	8.23	302-3
Total GHG emissions					
Direct emissions (Scope 1)	tCO ₂ e	239,618	248,001	263,440*	305-1
Indirect emissions (Scope 2)	tCO ₂ e	434,063	490,830	452,024	305-2
Indirect emissions (Scope 3)	tCO ₂ e	37,758	39,785	35,596	305-3
Total	tCO₂e	711,439	778,616	751,060	305-1, 305-2, 305-3
CO₂ emissions intensity (Scope 1 & 2)					
Tissue	tCO ₂ e/ton producida	0.92	0.96	0.93	305-4
Personal care	tCO ₂ e/ton producida	0.16	0.21	0.18	305-4
Total	tCO₂e/ton producida	0.60	0.66	0.65	305-4
Other air emissions					
NO _x	Ton	178.7	184.7	196.8	305-7
SO _x	Ton	1.1	1.1	1.2	305-7
TSP	Ton	13.7	14.3	15.3	305-7
VOC	Ton	9.9	10.4	11.0	305-7
Waste generated (by destination)					
Sludge wastewater treatment - valorization	Ton	321,283	344,517	343,355	306-3, 306-4
Sludge wastewater treatment - landfill	Ton	0	0	0	306-3, 306-5
Recycling rejection - landfill*	Ton	-	-	29,462	306-3, 306-5
Paper - valorization	Ton	5,471	3,537	2,224	306-3, 306-4
Paper - landfill	Ton	25	7	1	306-3, 306-5
Plastic - valorization	Ton	8,090	17,171	4,151	306-3, 306-4
Plastic - landfill	Ton	22	12	5	306-3, 306-5
Mixed plastic - valorization	Ton	4,456	4,574	6,962	306-3, 306-4
Mixed plastic - landfill	Ton	105	106	116	306-3, 306-5
Plastic mixed with cellulose - valorization	Ton	2,362	775	924	306-3, 306-4
Plastic mixed with cellulose - landfill	Ton	0	0	0	306-3, 306-5
Wood - valorization	Ton	3,203	3,074	5,117	306-3, 306-4
Wood - landfill	Ton	2	1	1	306-3, 306-5
Metal - valorization	Ton	2,733	2,574	2,531	306-3, 306-4
Metal - landfill	Ton	1	1	1	306-3, 306-5
Cardboard - valorization	Ton	7,541	6,839	7,172	306-3, 306-4
Cardboard - landfill	Ton	7	2	2	306-3, 306-5
Other - valorization	Ton	3,013	1,829	2,142	306-3, 306-4
Other - landfill	Ton	7,361	7,869	673	306-3, 306-5
Non-hazardous waste generated					
Valorization	Ton	358,151	384,890	374,578	306-4
Landfill	Ton	7,522	7,997	30,262	306-5
Total	Ton	365,673	392,887	404,839	306-4, 306-5

*This data considers emissions from operations and the vehicle fleet.

	Unit	2021	2022	2023	ESG Standard
Unionized an non-unionized employees by gender					
Women - unionized	No.	482	552	649	2-7
Women - non-unionized	No.	599	619	659	2-7
Men - unionized	No.	5,857	5,543	5,411	2-7
Men - non-unionized	No.	2,085	2,034	2,041	2-7
Total	No.	9,023	8,748	8,760	2-7
Directors staff by age and gender					
Women in their 40s	No.	1	2	2	405-1
Men in their 40s	No.	1	1	1	405-1
Men in their 50s	No.	5	5	5	405-1
Men in their 60s	No.	2	2	2	405-1
Employees by age and gender					
Women under 30 and up to 30 years old	No.	-	726	821	405-1
Women in their 40s	No.	-	304	322	405-1
Women in their 50s	No.	-	126	148	405-1
Women in their 60s	No.	-	15	17	405-1
Men under 30 and up to 30 years old	No.	-	4,648	4,521	405-1
Men in their 40s	No.	-	1,680	1,686	405-1
Men in their 50s	No.	-	1,194	1,190	405-1
Men in their 60s	No.	-	55	55	405-1
Women under 30 and up to 30 years old	%	-	8.3	9.4	405-1
Women in their 40s	%	-	3.5	3.7	405-1
Women in their 50s	%	-	1.5	1.7	405-1
Women in their 60s	%	-	0.2	0.2	405-1
Men under 30 and up to 30 years old	%	-	53.1	51.6	405-1
Men in their 40s	%	-	19.2	19.2	405-1
Men in their 50s	%	-	13.6	13.6	405-1
Men in their 60s	%	-	0.6	0.6	405-1
Employees by job category and gender					
Women - Directors	No.	1	2	2	405-1
Women - Executive	No.	-	-	124	405-1
Women - Administrative	No.	-	-	533	405-1
Women - Unionized	No.	482	552	649	405-1
Men - Directors	No.	11	8	8	405-1
Men - Executive	No.	-	-	309	405-1
Men - Administrative	No.	-	-	1,724	405-1
Men - Unionized	No.	5,857	5,543	5,411	405-1
Women - Directors	%	-	0.02	0.02	405-1
Women - Executive	%	-	-	1.42	405-1
Women - Administrative	%	-	-	6.08	405-1
Women - Unionized	%	-	6.31	7.41	405-1
Men - Directors	%	-	0.09	0.09	405-1
Men - Executive	%	-	-	3.53	405-1
Men - Administrative	%	-	-	19.68	405-1
Men - Unionized	%	-	63.36	61.77	405-1
Inclusion and diversity					
Women with disabilities*	No.	0	0	0	S&P CSA
Men with disabilities*	No.	0	0	0	S&P CSA

*No record is kept of employees with disabilities.

	Unit	2021	2022	2023	ESG Standard
Female empowerment					
Women in administrative offices	%	-	23%	20%	-
Women in executive positions (managers and heads)*	%	-	29%	29%	S&P CSA
New hires					
Total number of new hires	No.	2,421	2,471	2,483	S&P CSA
Total number of open vacancies	No.	-	3,001	2,963	S&P CSA
Total vacancies filled by internal candidates	No.	-	530	480	S&P CSA
Positions filled by internal candidates	%	-	18	16	S&P CSA
Average cost of hiring per employee	Pesos	\$ 6,151	\$ 6,133	\$ 6,142	S&P CSA
New hires by gender and age					
Women under 30 years old	No.	145	201	303	401-1
Women between 31 and 50 years old	No.	130	204	281	401-1
Women over 50 years old	No.	2	11	17	401-1
Total Women	No.	277	416	601	401-1
Men under 30 years	No.	1,436	947	1,269	401-1
Men between 31 and 50 years	No.	650	464	581	401-1
Men over 50 years	No.	58	35	32	401-1
Total Men	No.	2,144	1,446	1,882	401-1
Employee turnover by age and gender					
Global turnover	%	21%	21%	26%	401-1
Voluntary turnover	%	18%	19%	23%	S&P CSA
Women under 30 years old	No.	89	123	218	401-1
Women between 31 and 50 years old	No.	115	186	250	401-1
Women over 50 years old	No.	20	18	17	401-1
Total Women	No.	224	327	485	401-1
Men under 30 years	No.	781	847	884	401-1
Men between 31 and 50 years	No.	668	489	649	401-1
Men over 50 years	No.	209	143	152	401-1
Total Men	No.	1,658	1,479	1,685	401-1
Employment stability					
Average seniority in years	No.	8.89	8.80	8.81	-
Parental leave by gender					
Employees who took parental leave - Women	%	100	100	100	401-3
Employees who took parental leave - Women	No.	32	26	43	401-3
Employees who returned to work during the reporting period - Women	No.	32	20	43	401-3
Return to work rate after parental leave - Women	%	75%	77%	67%	401-3
Employees who took parental leave - Men	%	100	100	100	401-3
Employees who took parental leave - Men	No.	290	294	301	401-3
Employees who returned to work during the reporting period - Men	No.	290	285	301	401-3
Return to work rate after parental leave - Men	%	84%	97%	94%	401-3

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

	Unit	2021	2022	2023	ESG Standard
Training					
Total hours	No.	566,044	463,756	607,748	-
Training rate (hours per person)	Hours	62.74	53.01	72.39	-
Number of courses delivered	No.	7,621	7,680	13,054	-
Investment in training *payed to third parties	Pesos	\$ 2,075,290	\$ 3,018,753	\$ 4,242,882	S&P CSA
Average amount invested in training per employee *payed to third parties	Pesos	\$230	\$345	\$505	S&P CSA
Annual training hours per employee					
Unionized	No.	79.01	55.58	66.01	-
Non-unionized	No.	49.38	47.12	33.99	-
Training hours by job category and gender					
Management - Women	No.	20	18	17	404-1
Executives - Women	No.	33	52	56	404-1
Administrative - Women	No.	10	25	26	404-1
Administrative Site - Women	No.	22	28	28	404-1
Unionized - Women	No.	64	54	53	404-1
Management - Men	No.	7	12	8	404-1
Executives - Men	No.	14	43	24	404-1
Administrative - Men	No.	22	24	23	404-1
Administrative Site - Men	No.	53	53	52	404-1
Unionized - Men	No.	80	56	68	404-1
Performance evaluation by job category and gender					
Management - Women	No.	3	2	2	404-3
Executives - Women	No.	67	209	124	404-3
Administrative - Women	No.	403	261	368	404-3
Unionized - Women	No.	482	552	529	404-3
Total Women	No.	955	1,024	1,023	404-3
Management - Men	No.	10	8	8	404-3
Executives - Men	No.	171	621	309	404-3
Administrative - Men	No.	1,602	1,141	1,702	404-3
Unionized - Men	No.	5,856	5,543	5,280	404-3
Total Men	No.	7,639	7,313	7,299	404-3

	Unit	2021	2022	2023	ESG Standard
Health and safety indicators (employees)					
Fatalities as a result of work-related injuries	No.	2	0	0	403-9
High-consequence work-related injuries	No.	2	0	0	403-9
Recordable work-related injuries	No.	8	10	10	403-9
Hours worked	Hours	21,597,629	21,011,255	21,121,790	403-9
Rate from fatalities as a result of work-related injuries	No.	-	-	0	403-9
Rate from high-consequence work-related injuries (not including fatalities)	No.	-	-	0.47	403-9
Frequency rate of serious accidents (including fatalities)	No.	-	-	0.47	403-9
Health and safety indicators (non-employee workers)					
Fatalities as a result of work-related injuries	No.	0	0	0	403-9
High-consequence work-related injuries	No.	0	0	0	403-9
Recordable work-related injuries	No.	8	14	2	403-9
Hours worked	Hours	4,193,320	8,444,575	10,031,978	403-9
Health and safety indicators (SODISA)					
Fatalities as a result of work-related injuries	No.	-	1	1	403-9
High-consequence work-related injuries	No.	-	1	1	403-9
Recordable work-related injuries	No.	-	7	6	403-9
Hours worked	Hours	-	965,139	928,175	403-9
Rate from fatalities as a result of work-related injuries	No.	-	-	1.08	403-9
Rate from high-consequence work-related injuries (not including fatalities)	No.	-	-	6.46	403-9
Frequency rate of serious accidents (including fatalities)	No.	-	-	7.54	403-9
Lost Time Injury Frequency Rate (LTIFR)					
KCM cases	No.	7	10	10	S&P CSA
Hours worked	Hours	21,597,629	21,011,255	21,121,790	S&P CSA, 403-9
Employees (per million hours worked)	No.	0.32	0.48	0.47	S&P CSA
Contractor cases	No.	8	14	2	S&P CSA
Hours worked	Hours	4,193,320	8,444,575	10,031,978	S&P CSA, 403-9
Contractors (per million hours worked)	No.	1.91	3.51	0.19	S&P CSA
Occupational Disease Frequency Rate (OIFR)					
Employees (per million hours worked)	No.	0	0	0	S&P CSA
Contractors (per million hours worked)	No.	0	0	0	S&P CSA
Safety and health indicators					
Number of occupational diseases	No.	0	0	0	403-10
Total accident frequency rate (LTIR)	%	0.92	1.01	1.11	S&P CSA
Severity index	%	5.22	7.97	8.77	-
Frequency rate of serious and severe accidents	%	0.06	0.10	0.09	-
Number of serious and severe accidents	No.	11	10	10	-

GRI content index

Universal Standards

GRI Standard	Content	Page, response or reason for omission	
GRI 1 Foundation 2021			
GRI 2 General Disclosures 2021			
1. The organization and its reporting practices			
GRI 2 General Disclosures 2021	2-1	Organizational details.	1, 7
	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
2. Activities and workers			
GRI 2 General Disclosures 2021	2-6	Activities, value chain, and other business relationships.	7, 8, 71
	2-7	Employees.	48, 112
	2-8	Workers who are not employees.	All KCM collaborators are employees of the organization.
3. Governance			
GRI 2 General Disclosures 2021	2-9	Governance structure and composition.	86, 87, 89
	2-10	Nomination and selection of the highest governance body.	87
	2-11	Chair of the highest governance body.	87
	2-12	Role of the highest governance body in overseeing the management of impacts.	16, 25, 95
	2-13	Delegation of responsibility for managing impacts.	87, 95
	2-14	Role of the highest governance body in sustainability reporting.	95
	2-15	Conflicts of interest.	69, 87
	2-16	Communication of critical concerns.	66
	2-17	Collective knowledge of the highest governance body.	90
	2-18	Evaluation of the performance of the highest governance body.	Information unavailable. At the moment the performance of the KCM Board of Directors is not evaluated.
	2-19	Remuneration policies.	92
	2-20	Process to determine remuneration.	92
2-21	Annual total compensation ratio.	92	
4. Strategy, policies, and practices			
GRI 2 General Disclosures 2021	2-22	Statement on sustainable development strategy.	2
	2-23	Policy commitments.	12, 66
	2-24	Embedding policy commitments.	12, 66
	2-25	Processes to remediate negative impacts.	12, 66
	2-26	Mechanisms for seeking advice and raising concerns.	66
	2-27	Compliance with laws and regulations.	66, 75, 108
	2-28	Membership associations.	107
5. Stakeholder engagement			
GRI 2 General Disclosures 2021	2-29	Approach to stakeholder engagement.	16
	2-30	Collective contract agreements.	69% of our employees are covered by collective contract agreements.
GRI 3 Material Topics 2021			
GRI 3 Material Topics 2021	3-1	Process to determine material topics.	18
	3-2	List of material topics.	18

GRI content index

Topic Standards

GRI Standard		Content	Page, response or reason for omission
Material topic: Water management			
GRI 3 Material Topics 2021	3-3	Management of material topics.	39
GRI 303 Water and effluents 2018	303-1	Interactions with water as a shared resource.	39
	303-2	Management of water discharge-related impacts.	39
	303-3	Water withdrawal.	39, 110
	303-4	Water discharge.	39, 110
	303-5	Water consumption.	39
Material topic: Innovation and technology			
GRI 3 Material Topics 2021	3-3	Management of material topics.	80
Material topic: Climate strategy			
GRI 3 Material Topics 2021	3-3	Management of material topics.	41, 43
GRI 302 Energy 2016	302-1	Energy consumption within the organization.	41, 110
	302-2	Energy consumption outside of the organization.	41, 110
	302-3	Energy intensity.	41, 110, 111
	302-4	Reduction of energy consumption.	41
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions.	43, 111
	305-2	Energy indirect (Scope 2) GHG emissions.	43, 111
	305-3	Other indirect (Scope 3) GHG emissions.	43, 111
	305-4	GHG emissions intensity.	43, 111
	305-5	Reduction of GHG emissions.	43
	305-6	Emissions of ozone-depleting substances (ODS).	43
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.	43, 111
Material topic: Workforce and well-being and development			
GRI 3 Material Topics 2021	3-3	Management of material topics.	51
GRI 404 Training and education 2016	404-1	Average hours of training per year per employee.	51, 114
	404-2	Programs for upgrading employee skills and transition assistance programs.	51
	404-3	Percentage of employees receiving regular performance and career development reviews.	51, 114
Material topic: Risk management			
GRI 3 Material Topics 2021	3-3	Management of material topics.	27
GRI 201 Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change.	27
Material topic: Forests and biodiversity			
GRI 3 Material Topics 2021	3-3	Management of material topics.	35, 36
Material topic: Privacy and information security			
"GRI 3 Material Topics 2021"	3-3	Management of material topics.	66, 69
GRI 418 Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	66, 69, 108

GRI Standard		Content	Page, response or reason for omission
Material: Consumer well-being			
GRI 3 Material Topics 2021	3-3	Management of material topics.	75
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 consumer health and safety for 100% of our products.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	75
Material topic: Environmental performance			
GRI 3 Material Topics 2021	3-3	Management of material topics.	36, 39, 41, 43, 44
Material topic: Ethics and integrity			
GRI 3 Material Topics 2021	3-3	Management of material topics.	69
GRI 205 Anticorruption 2016	205-1	Operations assessed for risks related to corruption.	69
	205-2	Communication and training about anti-corruption policies and procedures.	69
	205-3	Confirmed incidents of corruption and actions taken.	66, 108
Material topic: Occupational health and safety			
GRI 3 Material Topics 2021	3-3	Management of material topics.	52
GRI 403 Occupational health and safety 2018	403-1	Occupational health and safety management system.	52
	403-2	Hazard identification, risk assessment, and incident investigation.	52
	403-3	Occupational health services.	52
	403-4	Worker participation, consultation, and communication on occupational health and safety.	52
	403-5	Worker training on occupational health and safety.	52
	403-6	Promotion of worker health.	52
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	52
	403-8	Workers covered by an occupational health and safety management system.	52
	403-9	Work-related injuries.	52, 115
	403-10	Work-related ill health.	52, 115
Material topic: Responsible advertising			
GRI 3 Material Topics 2021	3-3	Management of material topics.	82
GRI 417 Marketing and labeling 2016	417-1	Requirements for product and service information and labeling.	82
	417-2	Incidents of non-compliance concerning product and service information and labeling.	82
	417-3	Incidents of non-compliance concerning marketing communications.	82
Other reported GRI Standards that are not included in the material topics			
GRI 200: Economic standards			
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.	25, 30
	201-3	Defined benefit plan obligations and other retirement plans.	50
GRI 202 Market presence 2016	202-2	Proportion of senior management hired from the local community.	100% of our executives were hired from the local community.
GRI 204 Procurement practices 2016	204-1	Proportion of spending on local suppliers.	71, 108
GRI 206 Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	66
GRI 206 Anti-competitive behavior 2016	207-1	Approach to tax.	68
		Tax governance, control, and risk management.	68
	207-3	Stakeholder engagement and management of concerns related to tax.	68



GRI Standard		Content	Page, response or reason for omission
GRI 300: Environmental standards			
GRI 301 Materials 2016	301-1	Materials used by weight or volume.	36, 109
	301-2	Recycled input materials used.	36, 110
	301-3	Reclaimed products and their packaging materials.	36, 110
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts.	44
	306-2	Management of significant waste-related impacts.	44
	306-3	Waste generated.	44, 111
	306-4	Waste diverted from disposal.	44, 111
	306-5	Waste directed to disposal.	44, 111
GRI 308 Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria.	108
	308-2	Negative environmental impacts in the supply chain and actions taken.	71, 109
GRI 400: Social standards			
GRI 401 Employment 2016	401-1	New employee hires and employee turnover.	113
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	50
	401-3	Parental leave.	113
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.	48, 57, 89, 112
	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.	66
GRI 407 Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right of freedom of association and collective bargaining may be at risk.	48
GRI 408 Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor.	During 2023 we did not identify operations or suppliers with 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 2023 we did not identify operations or suppliers with risk of forced or compulsory labor.
GRI 411 Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples.	During 2023 we did not register cases of this type.
GRI 413 Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs.	59
GRI 414 Supplier social assessment 2016	413-2	Operations with significant actual and potential negative impacts on local communities.	59
	414-1	New suppliers that were screened using social criteria.	71
GRI 415 Public policy 2016	414-2	Negative social impacts in the supply chain and actions taken.	71
	415-1	Political contributions.	At KCM we do not make contributions to political parties and/or representatives.

SASB index

Household & Personal Products

Topic	Metric	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.	39, 110
	CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks.	39
Product environmental, health and safety performance	CG-HP-250a.1	Revenue from products that contain substances of high concern.	During 2023 we did not receive revenue from this type of substances.
	CG-HP-250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern.	During 2023 we did not receive revenue from this type of substances.
	CG-HP-250a.4	Revenue from products designed with green chemistry principles.	75
Packaging lifecycle management	CG-HP-410a.1	(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable or compostable.	During 2023 we did not receive revenue from this type of substances.
	CG-HP-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle.	110
Environmental and 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.	At KCM we do not use this input for our products.

TCFD index

TCFD category	Recommendation	Page or response
TCFD - Governance	a) The board's oversight of climate-related risks and opportunities.	27
	b) Management's role in assessing and managing climate-related risks and opportunities.	27
TCFD - Strategy	a) Climate-related risks and opportunities the organization has identified over the short, medium, and long term.	28
	b) Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	28
	c) 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) The organization's processes for identifying and assessing climate-related risks.	30
	b) The organization's processes for managing climate-related risks.	30
	c) How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	30
TCFD - Metrics and Targets	a) Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	31, 41 Partially reported.
	c) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	43
	c) Targets used by the organization to manage climate-related risks and opportunities and performance against targets.	31, 41 Partially reported.

TNFD index

TNFD category	Recommendation	Page or response
TNFD - Governance	a) Board's oversight of nature-related dependencies, impacts, risks and opportunities.	27
	b) Management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	27
	c) Organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	Not reported.
TNFD - Strategy	a) Nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	28
	b) Effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	28
	c) Resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	Not reported.
	d) Locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	Not reported.
TNFD - Risk and impact management	a) i. Organization's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations. ii. Organization's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	Not reported.
	b) Organization's processes for monitoring nature-related dependencies, impacts, risks and opportunities.	Not reported.
	c) How processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	Not reported.
TNFD - Metrics and targets	a) Metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	31 Partially reported.
	b) Metrics used by the organisation to assess and manage dependencies and impacts on nature.	31, 36 Partially reported.
	c) Targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	31, 36 Partially reported.



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

Information subject to the assurance engagement

We have been engaged by the Management of Kimberly-Clark de México, S.A.B de C.V. ("Kimberly-Clark de México" or the "Entity") to perform a limited assurance engagement on selected sustainability information included in the 2023 Sustainability Report for the year ended December 31, 2023.

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 2023 Sustainability Report, 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 México's responsibility for selected sustainability information

Kimberly-Clark de México 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.



Deloitte.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on selected sustainability information for the year ended December 31, 2023, 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 (Revised)*, *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 México'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 México's control environment and information systems relevant to the preparation of selected sustainability information but did not evaluate the design of particular control activities, nor obtain evidence about their implementation or test operating effectiveness.
- Evaluated whether Kimberly-Clark de México'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;
 - Confirmation;
 - Re-calculations.
- Comparison of the contents presented by the Management with what is established in the section of *criteria* of this report.

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 México'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 work performed described in this report, 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, 2023, 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 México, 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.
Affiliate of a member firm of Deloitte Touche Tohmatsu Limited

A handwritten signature in black ink, appearing to read "David", written over a circular stamp or seal.

C.P.C. David Alejandro Solano Zúñiga
Mexico City, Mexico
May 29, 2024



Appendix A

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

GRI Indicators	Metrics
2-12 Role of the highest governance body in overseeing the management of impacts	Qualitative review of the functions performed by the Board of Directors.
301-1 Materials used by weight or volume	Recyclable and/or recycled: <ul style="list-style-type: none"> • 296,711 tons of virgin fiber • 484,494 tons of recycled fiber + cellulose waste • 16,528 tons of non-woven fabrics • 46,136 tons of superabsorbent fabrics • 41,332 tons of polymer resins Internally recycled: <ul style="list-style-type: none"> • 56,920 tons cellulose waste • 4,877 tons of non-woven fabrics • 944 tons of diaper absorbent center
301-2 Recycled input materials used	62% recycled input materials used
302-1 Energy consumption within the organization	<ul style="list-style-type: none"> • 107,600 GJ of LP gas consumed • 16,328 GJ of gasoline consumed • 3,594 GJ of diesel consumed • 4,541,218 GJ of natural gas consumed • 1,513,243 GJ of steam consumed • 24,468 GJ of wind energy consumed • 2,771,376 GJ of electricity (CFE) consumed • 570,423 GJ of electricity (Qualified CFE) consumed • 643,555 GJ of electrical energy (cogeneration) consumed
303-3 Water withdrawal	Water withdrawal of 13,599 ML.
303-4 Water discharge	<ul style="list-style-type: none"> • Total water discharge of 12,771 ML • Water discharge only from Kimberly-Clark de México of 11,103 ML
305-1 Direct (Scope 1) GHG emissions	263,440 tCO ₂ e emissions
305-2 Energy indirect (Scope 2) GHG Emissions	452,024 tCO ₂ e emissions
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	<ul style="list-style-type: none"> • 197 tons of NO_x emissions • 1 tons of SO_x emissions • 15 tons of TSP emissions • 11 tons of VOC emissions
306-3 Waste generated	404,839 tons of waste generated.
306-4 Waste diverted from disposal	374,578 tons of waste recycled or reused.



GRI Indicators	Metrics
306-5 Waste directed to disposal	30,262 tons of waste to landfill.
403-9 Work-related injuries	<p>Employees (KCM)*:</p> <ul style="list-style-type: none"> • 0 fatalities as a result of work-related injuries • 0 high-consequence work-related injuries ** • 10 recordable work-related injuries • 21,121,790 hours worked • Rate of fatalities as a result of work-related injuries of 0 • Rate of high-consequence work-related injuries (not including fatalities) of 0.47 • Frequency rate of serious accidents (including fatalities) of 0.47 <p>Employees (SODISA)*:</p> <ul style="list-style-type: none"> • 1 fatality as a result of work-related injuries • 1 high-consequence work-related injury** • 6 recordable work-related injuries • 928,175 hours worked • Rate of fatalities as a result of work-related injuries of 1.08 • Rate of high-consequence work-related injuries (not including fatalities) of 6.46 • Frequency rate of serious accidents (including fatalities) of 7.54 <p>*Total working hours (employees) used for rates calculation include estimates made by Kimberly-Clark de México management. **Fatalities as a result of work-related injuries are also considered within high-consequence work-related injuries.</p>
405-1 Diversity of governance bodies and employees	<p>Age group and gender of the governance bodies:</p> <ul style="list-style-type: none"> • Woman under 30 years and until 30 years old (number): 0 • Man under 30 years and until 30 years old (number): 0 • 40 years old woman (number): 2 • 40 years old man (number): 1 • 50 years old woman (number): 0 • 50 years old man (number): 5 • 60 years old woman (number): 0 • 60 years old man (number): 2 <p>Age group and gender of employees:</p> <ul style="list-style-type: none"> • Woman under 30 years and until 30 years old (number and percentage): 821 – 9.37% • Man under 30 years and until 30 years old (number and percentage): 4,521 – 51.61% • 40 years old woman (number and percentage): 322 – 3.68% • 40 years old man (number and percentage): 1,686 – 19.25% • 50 years old woman (number and percentage): 148 – 1.69% • 50 years old man (number and percentage): 1,190 – 13.58% • 60 years old woman (number and percentage): 17 – 0.19% • 60 years old man (number and percentage): 55-0.63%





GRI Indicators	Metrics
405-1 Diversity of governance bodies and employees	Employee category and gender of employees: <ul style="list-style-type: none"> • Woman – Management level (number and percentage): 2- 0.02% • Man – Management level (number and percentage): 8 – 0.09% • Woman – Executive level (number and percentage): 124- 1.42% • Man – Executive level (number and percentage): 309-3.53% • Woman- Administrative level (number and percentage): 533- 6.08% • Man – Administrative level (number and percentage): 1,724- 19.68% • Woman – Unionized (number and percentage): 649-7.41% • Man – Unionized (number and percentage): 5,411 – 61.77%
413-1 Operations with local community engagement, impact assessments, and development programs	Qualitative and quantitative review of operations with implemented local community engagement and development programs*. <ul style="list-style-type: none"> • 8 implemented local community engagement programs • National presence of 100% with its local community engagement programs *Qualitative and quantitative review of the impact evaluations was not carried out.
SASB Indicators	Metrics
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	<ul style="list-style-type: none"> • Water withdrawal of 13,599 ML. • Water consumption of 2,496 ML (69% in regions with extremely high-water stress).

* * * * *





KIMBER

KCM Sustainability

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Listed markets

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

Ticker symbol

BMV: KIMBER

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