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2020

# SUSTAINABILITY REPORT

[www.softexindonesia.com](http://www.softexindonesia.com)



# Striving Toward a Better Life Together

"Striving Toward a Better Life Together" is the theme of our 2020 Sustainability Report. It is our lifelong vision to improve people's well-being through our business. In a year of unprecedented challenges due to COVID-19, Kimberly-Clark Softex (PT Softex Indonesia) remained unwavering to this vision. This commitment and our experience in overcoming challenges since our Company's establishment in 1976 enabled us to continue providing essential products to our consumers and creating value for our stakeholders.

One of the most remarkable moments for the Company in 2020 was the acquisition with Kimberly-Clark. Kimberly-Clark and its trusted brands are an indispensable part of life for people in more than 175 countries. Fueled by ingenuity, creativity, and an understanding of people's most essential needs, Kimberly-Clark creates products that help individuals experience more of what's important to them. Kimberly-Clark practices sustainable approaches that support a healthy planet, build stronger communities, and ensure the business thrives for decades to come.

As a leader in the Indonesian market, Softex has made valuable social and environmental contributions to the

communities where we live and work, which echoes Kimberly-Clark's ambition to make lives better with the smallest environmental footprint.

The spirit of collaboration has always been in our veins. We embrace all stakeholders, including the community around us, to walk hand-in-hand toward a better life, caring for the people and the environment we live in, which we can only achieve by committing sustainable practices led by good governance.



Photo was taken before COVID-19 Pandemic

By encouraging  
and promoting  
partnership, all of us  
can contribute to  
making lives better for  
many people

# A Message from Hendra Setiawan

## Welcome to our 2020 Sustainability Report

GRI 102-14

I would like to take this opportunity to express our gratitude for your continued support and interest in our Company, especially in these challenging circumstances of the COVID-19 pandemic. Our thoughts go to all those affected by this unprecedented event, and we hope everyone continues to be in good health.

The year 2020 has showcased our resilience. I am very proud of our team who remain in one spirit, stay committed to working together to maintain the business, and supported the community to stand tall. By prioritizing our people's health and safety through enforced strict protocols, we could adapt swiftly and step up for others as we continue providing essential products for our consumers, and working alongside others to assist frontline workers and communities overcome the crisis.

The COVID-19 pandemic has increased our awareness of the complex and critical interdependencies between Global Communities, Humanity, Environment, Health, Safety and Sustainability. Kimberly-Clark Softex continues to keep its commitments toward delivering our responsibilities amidst these challenges with several major initiatives. One of our market-leading initiatives is our used baby diaper recycling program that we pioneered in 2019. This circular solution approach has allowed us to take a big step towards recovering and reusing various plastic and paper based waste materials, amounting to six metric tons in 2020.

To mitigate our carbon footprint, we are continuously improving our resource efficiency. For example, we reduced more plastic consumption in our products and saved more energy from our machinery. We also looked for a cleaner energy source to reduce our electricity reliance from fossil fuels. Solar panels have been installed in one of our manufacturing mills.

The pandemic has also highlighted the importance of respecting everyone's rights and embracing each other. Our priority is to cultivate a workforce that empowers people and values differences which are essential for success.

With the recent acquisition by Kimberly-Clark, we are confident to go further, taking part in improving daily aspects of human life through our collective ambitions in the environment and social values. This year's report showcases how our teams cared for our consumers, our communities, each other, and the planet.

**Hendra Setiawan****President Director Kimberly-Clark Softex**

We are confident to advance our contribution in improving everyday aspects of human life by delivering values to our environment and society

# Key Facts & Figures 2020



## Social Impact



**40,557** Lives

Impacted since 2016

Social Programs in

**37** Cities & **18** Provinces

**35%**

Middle and Senior Managers are Women

**697.9** Million Rupiahs

Donated for COVID-19 Assistance



## Carbon Footprint



**25.9%** 2017 vs 2020

Reduction in Scope 1 to 3 carbon emissions intensity

**915.7** MWh

Energy savings on production machinery

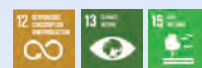
**4** Consecutive Years

Achieved Sustainability Certification from The Planet Mark™

For carbon footprint reductions and continuous improvement in sustainability



## Forest Footprint



**100%** Forest products

are sourced from Suppliers with FSC Certification

**3.6** Metric Tons

Paper materials reduction



## Plastic Footprint



Plastic materials reduction in products:

**28** Metric Tons

**6,131** kilograms

Used baby diapers recycled



**ZERO**

Waste to Landfill

All non-hazardous manufacturing waste is utilized for other beneficial purposes

**3,945.5** Metric tons

recycled worth more than

**6.4**

Trillion Rupiahs



## Water Footprint



**103.7** Thousand cubic meters

Water withdrawn

Water intensity

**20.4**

Cubic meters/Trillion Units



**SUSTAINABLE  
DEVELOPMENT  
GOALS**

We are proud to measure, monitor, and manage our sustainability performance to support the United Nations Sustainable Development Goals

# About Our Company

Kimberly-Clark Softex is a successful personal care company in Indonesia since 1976. As one of the pioneers in Indonesia, our vision is to enhance the quality of life for all generations. The Company aims to be the leader for personal care and baby diapers in Indonesia.



- About Kimberly-Clark Softex
- The Stakeholders
- Governance
- Reporting Practice

Mega mending  
batik pattern of  
Cirebon, West Java,  
Indonesia



# About Kimberly-Clark Softex

GRI 102-1, GRI 102-2, GRI 102-5, GRI 102-6, GRI 102-10

Kimberly-Clark Softex has good manufacturing capabilities and a strong go-to-market distribution network. It specializes in a wide range of baby care, feminine care, general care, maternity care and adult care categories.

In September 2020, Kimberly-Clark announced the acquisition of PT Softex Indonesia as Kimberly-Clark Softex Indonesia. For more than 40 years, our goals have been committed to generating sustainable added value for all stakeholders and enhancing the quality of life for all people who use our products.

As a result, we have made valuable social and environmental contributions to the communities where they live and work that echo Kimberly-Clark's ambition to make lives better with the smallest environmental footprint.

As part of the Kimberly-Clark corporation, the Company aims to address the social and environmental challenges in next decade. By 2030, we aim to:



Advance well-being in underserved and vulnerable communities around the world, helping

**1 billion people**



Reduce our absolute Scope 1 and 2 GHG emissions by

**50%** (by 2030)



Reduce our Natural (Northern) Forest Fiber footprint by

**50%** (by 2025)



Reduce our plastics footprint by

**50%**



Reduce our water footprint in water-stressed areas by

**50%**



## Our Values

GRI 102-16

### Enhancing the Quality of Life

Our **Mission** is defined by what we are doing in the present moment; our **Vision** is what we hope to accomplish in the future and our **Values** are displayed in the way we interact with every person and society.

**The core of our value system can be described in one keyword: INTEGRITY.**

These are the principles that every member of the Kimberly-Clark Softex family is dedicated to living daily.

### Vision

**To enhance the quality of life for all generations.**

The Company aims to be the leader for personal care and baby diapers in Indonesia.

### Mission

**To take part in improving everyday aspects of human life.**

To play a key role in every stage-of-life of our consumers, by providing an expanding line of high quality and value of personal hygiene and baby diapers products, that will improve the well-being and enhance the quality of life of Indonesian families and people around the world, now and for generations to come.

**i-Care Values**



At Kimberly-Clark Softex, we live by our i-Care values, which places Integrity as the most significant core value in achieving our business goals and maintaining our professional standards.

### INTEGRITY

Is exemplified by a consistent and uncompromising attitude of upholding the values of brand transparency, consumer satisfaction and protection, and complete compliance with all relevant regulations

### COMMITMENT

We have an unwavering devotion to continued development, investments in technology and manufacturing capabilities, as well as delivery of the highest possible quality personal health and hygiene products to our consumers while employing the best business practices

### APPRECIATION

We never forget the role and participation of all our stakeholders' contributions to the success of our business and uphold the public trust towards our brands

### RESPECT & RESPONSIBILITY

In the Kimberly-Clark Softex family, we work together to respect and support each other as a global team thus taking collective responsibility to ensure total stakeholder satisfaction.

### ENTHUSIASM

We cherish the spirit of cooperative enterprise in which we share a passion to promote innovation, enhance consumer's value and achieve corporate objectives.

When this report was published, we had changed our i-Care values to the global values of the Kimberly-Clark family known as One K-C Behavior. Before implementing it in 2021, we carefully reviewed the harmony between these two values to achieve a smooth cultural integration process.

## Operation

Emphasizing our commitment to continuous development and innovation to fulfill consumers' needs, we pledge to operate efficiently, sustainably, and responsibly. Raw materials, goods, and services we purchased are from suppliers based in Indonesia, Asia-Pacific Region, and America.

We cooperate with 87 local champion distribution partners, covering 199 distribution points in Indonesia. In addition, we also export our products as far as Tanzania and Uganda to fulfill the needs of the people outside Indonesia.

GRI 102-3, GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-8, GRI 102-9



**3,323 Employees (total)<sup>1</sup>**

**798 Female employees**

**2,525 Male employees**



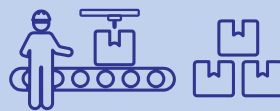
**3 Manufacturing Mills**



**5.1 billion**

**units Annual**

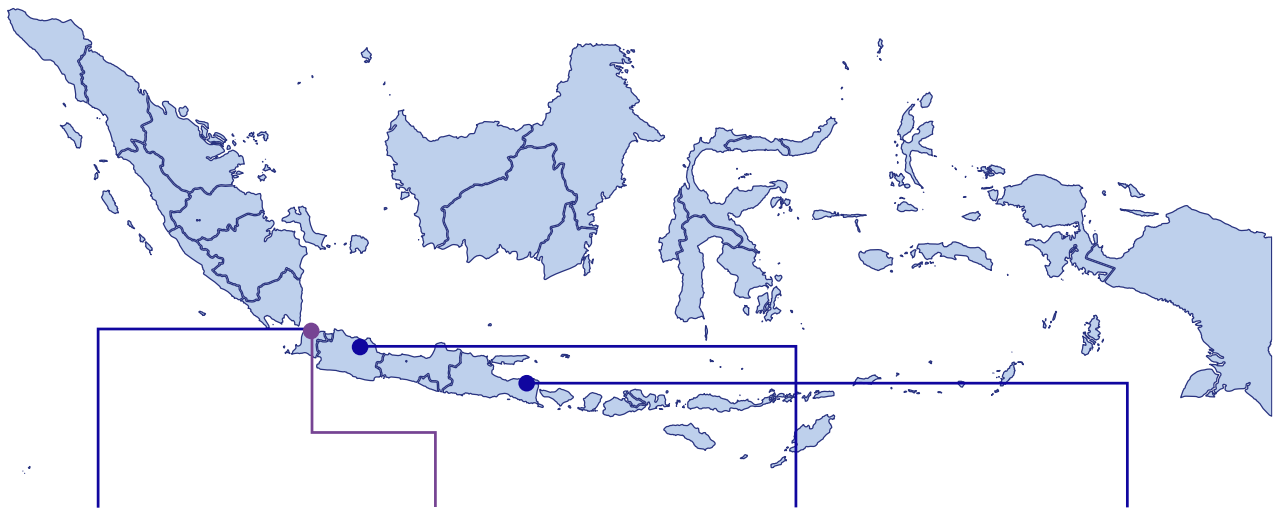
**Manufacturing Output**



**5.79 Trillion Rupiahs**  
**Net Sales**



### Location of Operations<sup>2</sup>



**Tangerang Mill, Banten**  
Established in 1981

7.6 ha site area/3.5 ha factory area  
178 Permanent Employees  
4 Contract Employees



**Head Office, Tangerang - Banten**  
500 Permanent Employees  
17 Contract Employees



**Karawang Mill, West Java**  
Established in 2019

12.2 ha site area/7.4 ha factory area  
871 Permanent Employees  
1,043 Contract Employees



**Siodarjo Mill, East Java**  
Established in 2012

2.9 ha site area/1.8 ha factory area  
467 Permanent Employees  
243 Contract Employees

<sup>1</sup> All employees are full-time

<sup>2</sup> All facilities are located in industrial areas with no direct impacts on conservation areas of high value for biodiversity

## Products

GRI 102-2, GRI 102-6, GRI 102-12

Our products can be categorized into five main categories: Baby Care, Feminine Care, Adult Care,

Maternity Care and General Care. The full list of our products can be accessed through our official website.



## Brand Awards

Brand	Award	Year	Awarded by
Sweety	Digital Popular Brand Award (2020) - Category Baby Diapers for Sweety	2020	Infobrand.id
	Top Digital PR Award (2020) - Category Baby Diapers for Sweety	2020	Infobrand.id
Softex	Top Digital PR Award 2020 - Category Sanitary Napkins for Softex	2020	Infobrand.id
Confidence	The 1st Adult Diapers in Indonesia with Specifically Designed for Men and Women (2020) for Confidence	2020	Infobrand.id
	Digital Popular Brand Award 2020 - Category Adult Diapers - Category Adult Diapers for Confidence	2020	Infobrand.id
	Top Digital PR Award (2020) - Category Adult Diapers for Confidence	2020	Infobrand.id

## Baby Care

Kimberly-Clark Softex has always put the growth and health of babies in Indonesia as priority. Through our highest quality product supported by state-of-the-art hygiene technology and certified by Australian

Dermatologists, we ensure our product is comfortable and safe to be worn by the babies and easy to use by the mothers. We have two product lines for the baby care products: Sweety and Happy Nappy.

### Sweety

Sweety baby diaper was launched in 2003 and has since become a leading baby diaper brand in Indonesia with an extensive product range offered. Sweety has been awarded as Mom's Choice Brand for Indonesian Smart Mothers - Kartini Magazine in 2012-2013 and other prestigious awards to date. In 2019, Sweety expanded into the non-diaper category through the launch of Sweety Baby Bottle & Nipple.

- Sweety (Gold, Silver, and Bronze variant available in Comfort and Pants option)
- Sweety Baby Wipes (Perfumed, Non-Perfumed, Bronze, and Telon variant)
- Sweety Wide Neck Glass Bottle
- Sweety Extra Wide Neck Copolyester Bottle (Normal and Handle variant)
- Sweety Baby Nipple

#### Features of our Sweety Gold Pants diaper line



## Happy Nappy

Created through continuous innovation, we launched the Happy Nappy baby diaper product line to serve various consumer segments in Indonesia. In the few years since its launch, Happy Nappy has become one of Indonesia's five best diaper products.

- Happy Nappy Baby Diaper
- Happy Nappy Smart Pants

## Feminine Care

As the initial basis of our business and development in 1976, Kimberly-Clark Softex makes it of great importance to support the women of Indonesia in taking care of their feminine hygiene. Being one of the first in the industry to provide a proper sanitary and hygiene option for Indonesian women, we strive

to nurture the well-being of women in Indonesia and provide comfort by creating many more innovative products with the highest quality material for various activities. Our product lines are laboratory-tested as Hypoallergenic (safe for sensitive skin) and certified as HALAL products.

### Softex Daun Sirih

We created the Softex Daun Sirih with natural betel leaf extracts that can effectively inhibit bacterial growth thus may reduce possible odors.

- Softex Daun Sirih Non-Wing
- Softex Daun Sirih Wing
- Softex Daun Sirih 3 in 1
- Pantyliner Softex Daun Sirih (Daun Sirih, Mint, and Green Tea variant)

### Softex Celana Menstruasi

Through our continuous development and innovation, we launched the first menstrual pants in Indonesia to provide thorough protection so Indonesian women can stay active and comfortable even during super heavy flow periods.

- Softex Celana Menstruasi

### Softex Comfort Slim

Softex Comfort Slim is our product line suitable for active teens who need comfort, health, and security through the antibacterial and high absorbency features. With a cute premium design, we would like to provide a positive experience during the period.

- Softex Comfort Slim Non-Wing
- Softex Comfort Slim Wing
- Softex Comfort Slim 2 in 1
- Pantyliner Softex Forever Fresh

## Adult Care

We aim to keep developing various products to cater different layers of consumer segments. For example, through "Confidence", the brand name for our adult nappies. We deliver high quality products to the elders which enhances their comfort and confidence, in living a meaningful life.

- Confidence Adult Premium Night
- Confidence Adult Classic Day

- Confidence Adult Classic Night
- Confidence Adult Pants Medium Flow
- Confidence Adult Pants Heavy Flow
- Confidence Adult Gender Women & Men
- Confidence Adult Pads
- Confidence Insert Pad
- Confidence Adult Wet Wipes

## Maternity Care

While the well-being and comfort of babies are important, the needs and comfort of the mothers are also important. With Softex Maternity, we aim to fulfill the mothers' needs during their postpartum period, including breastfeeding moments with Breast Pads

by Softex. Softex Maternity is also certified as HALAL product.

- Softex Maternity - Pads
- Softex Maternity - Breast Pads

## General Care

We specifically designed Softies as a General and Family protection to keep your family safe with our Antibacterial Wipes, Hand Sanitizer, and Mask (for Adult, Kids and women wearing Hijab).

- Softies Hand Sanitizer (Spray & Gel)
- Softies Daily Mask
- Softies Surgical Mask
- Softies Antibacterial Antiseptic Wet Wipes

## Quality and Transparency

Providing quality products to our customers is our priority. All materials coming in from our suppliers and every single product coming out of our mills are under strict quality control to assure the quality of our products to the customers.

Kimberly-Clark Softex ensures that our products meet all legal and regulatory requirements in Indonesia and other export markets, such as Tanzania, Uganda, Thailand, and Philippines.

GRI 308-1, GRI 416-1, GRI 417-1, GRI 417-2, GRI 417-3



## Quality Management System (QMS)

We have a comprehensive QMS that consists of quality assurance and quality control checks. A 'Plan-Do-Check-Adjust' four-step, iterative management approach is implemented within our QMS. Various teams and departments work together to evaluate and improve areas of concern, determined by metrics such as customer complaints where our goal for every year is zero.

From the feedback garnered, we had no complaints on noncompliance and marketing communicated related matters. We strive to resolve customer feedback on all other matters within 30 working days with a comprehensive Analysis and Mitigation Plan.

GRI 308-1, GRI 417-2, GRI 417-3

### Comprehensive Quality Management Systems conforming to ISO 9001:2015

- 1 Supplier Selection and Management**  
Our procurement team screens 100% of suppliers prior to selection and evaluates them periodically to ensure strict compliance.
- 2 Quality Assurance and Quality Control (QA/QC)**  
QA/QC teams implement quality control checks on production inputs and outputs.
- 3 Customer/Consumer Feedback Monitoring**  
Sales & Marketing and Commercial teams analyze consumer satisfaction data to deliver consistent quality, as well as continuous monitoring and evaluation.

## Quality Assurance and Quality Control (QA/QC)

Kimberly-Clark Softex implements a combination of international and custom designed Softex standards to guarantee the quality of our products. This is implemented from the moment raw materials arrived

where all suppliers must provide Material Safety Data Sheets for raw materials and Original Equipment Manufacturer (OEM).

### Our Quality Assurance and Control Measures



**QC Incoming Material & OEM** - Visual and laboratory checks of raw and non-woven material/incoming manufactured products [ISO 2859-1974 Inspection SI AQL 6.5; EDANA/NWSP standard method]. All imported products will be checked to see if they fit our required standards. Any products below our standards will be rejected.



**QC Inline Machine** - We use a high speed/high definition monitoring system in our production line that monitors: machine stability, matching of materials into the correct production line, parameters of the product such as weight, attributes and number of components. With this system in place, every product can be monitored, reducing the chance of a faulty product being delivered to our customers.



**QA Laboratory Tests** - Material and product testing conducted in an internal laboratory (in-house Kimberly-Clark Softex standard; EDANA/NWSP standard method).



**Traceability** - Kimberly-Clark Softex uses a unique code for every manufactured unit. From this code we can trace: Product manufacturing location; Shift number; Producer/Manufacturer; Material information along with its supplier.



**Competency** - We conduct monthly competency test to all QC inspectors to ensure consistent capability and competency level are well maintained.

## Ingredients Transparency and Responsible Sourcing

GRI 417-1

It is the upmost importance that Kimberly-Clark Softex provides a clear and accessible product information to the customers.



Our products are chlorine-, BPA- and bleach-free and do not contain dangerous synthetic chemicals.



It has been clinically proven by independent dermatologists, the Laboratory of Ministry of Health, and WHO affiliated organizations that our products are safe for sensitive skin.



Kimberly-Clark Softex also ensures that woods used in our products are not only good for our customers' health but are also responsibly sourced as they are traceable and Forest Stewardship Council (FSC) certified.



We have also obtained Halal certification for our products through a written fatwa issued by the Indonesian Ulama Council in accordance with sharia law.



# The Stakeholders

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44

In conducting our activities, Kimberly-Clark Softex always takes our esteemed stakeholders along the supply chain into account.

We believe that transparent and well-maintained communication network is crucial to ensure the stability and alignment of our operation with our stakeholders' interests and expectations, especially

during pandemic where communication methods are hindered by mobility restrictions. Hence, we use digital communication with latest technologies to minimize direct contact as much as possible.

## Stakeholder Engagement

Stakeholders	Key Topics	Engagement Method	Frequency
Suppliers	<ul style="list-style-type: none"> <li>Product Quality</li> <li>Partnership with Suppliers</li> <li>Supplier Performance</li> <li>Training Plannings</li> <li>Application Maintenance and Development</li> <li>Preventive Measures for Compressor Units</li> <li>Program Planning, Budgeting, Progress Update, and Evaluation</li> <li>Measurement Tool Calibration</li> <li>Material and Product Issues and Development</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Performance Evaluation</li> <li>Supplier Satisfaction Survey</li> <li>Supplier Gathering</li> <li>Visit</li> <li>Virtual Meeting</li> <li>Workshop</li> <li>Remote Support</li> <li>Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Biannually</li> <li>Biannually</li> <li>Annually</li> <li>Ad hoc</li> <li>Weekly</li> <li>Periodically</li> <li>Monthly</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>Product Quality</li> <li>Quality Management System</li> </ul>	<ul style="list-style-type: none"> <li>Customer Relationship Management</li> <li>Brand Activation</li> <li>Customer Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> <li>Continuously</li> <li>Annually</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Financial Performance &amp; Plan</li> <li>Non-Financial Performance &amp; Plan</li> <li>Business Updates</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder Meetings</li> <li>Business Performance Reports</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Monthly</li> </ul>
Management and Top Management	<ul style="list-style-type: none"> <li>Financial Performance &amp; Plan</li> <li>Non-Financial Performance &amp; Plan</li> <li>Business Updates</li> </ul>	<ul style="list-style-type: none"> <li>Performance Meetings</li> <li>Internal Email and Phone Discussions</li> <li>Performance Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Monthly &amp; Quarterly</li> <li>Continuously</li> <li>Monthly &amp; Quarterly</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Training and Development</li> <li>Compensation &amp; Benefits</li> <li>Industrial &amp; Employee Relations</li> <li>Health, Safety and Environment</li> <li>Application Socialization</li> <li>Help Desk for Application Usage</li> <li>Application Development Discussion</li> <li>Downtime and Production Schedule</li> <li>Work Progress Follow Up</li> <li>Distributed Pilot</li> </ul>	<ul style="list-style-type: none"> <li>Internal Communication Media &amp; Events</li> <li>Bipartite Forum with Employee Representatives</li> <li>CSR Program (Softex Indonesia Care Club)</li> <li>Training &amp; Workshops</li> <li>Employee Opinion Survey</li> <li>Meeting</li> <li>Virtual Meeting</li> <li>Document Checking</li> <li>Weekly Meeting Cross Department</li> </ul>	<ul style="list-style-type: none"> <li>Monthly</li> <li>Quarterly</li> <li>Continuously</li> <li>Continuously</li> <li>Biannually</li> <li>Ad hoc</li> <li>Two times a week</li> <li>Daily</li> <li>Weekly</li> </ul>
Government (Regulators)	<ul style="list-style-type: none"> <li>Regulations and Applicable Laws</li> <li>Sustainable Development Goals</li> <li>Partnership Program</li> <li>COVID-19 Aid</li> <li>Program Progress Update and Mapping</li> <li>Work Visitation</li> <li>Yearly Monitoring</li> <li>Data Verification</li> </ul>	<ul style="list-style-type: none"> <li>Coordination &amp; Consultation Meetings</li> <li>Collaboration on Programs to Achieve SDGs and Economic Growth</li> <li>Public Events</li> <li>Visit</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> <li>Continuously</li> <li>Periodically, Continuously</li> <li>Ad hoc</li> </ul>
Local Communities (including CSR Partners and NGOs)	<ul style="list-style-type: none"> <li>Corporate Activities</li> <li>Social Contribution</li> <li>Health and Sex Education</li> <li>Program Planning, Progress Update, and Evaluation</li> <li>Activity Reporting and Planning</li> </ul>	<ul style="list-style-type: none"> <li>Social Media and Website</li> <li>CSR Program (Philanthropy, Education, and Environment)</li> <li>Public Events</li> <li>Virtual Meeting</li> <li>Visit</li> <li>Phone call</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> <li>Continuously</li> <li>Periodically</li> <li>Ad hoc</li> <li>Daily</li> <li>Biannually</li> <li>Yearly</li> </ul>
Distributor	<ul style="list-style-type: none"> <li>Varies According to Each Distributor</li> <li>Document Checking</li> </ul>	<ul style="list-style-type: none"> <li>Visit</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc</li> </ul>

# Governance

GRI 102-13, GRI 102-18, GRI 205-1, GRI 205-2, GRI 307-1, GRI 419-1

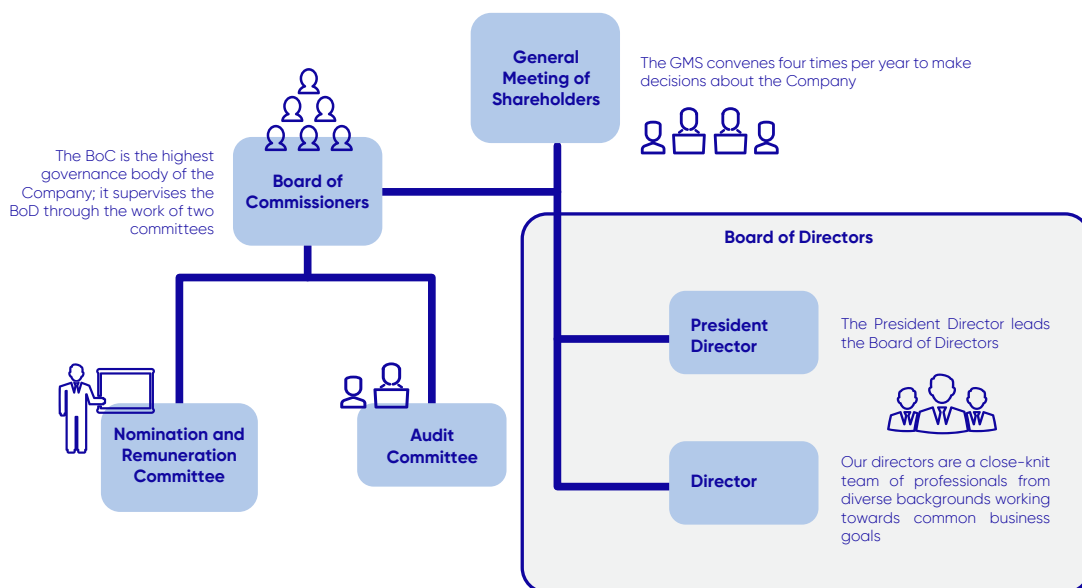
Upholding Good Corporate Governance principles, namely Transparency, Accountability, Responsibility, Independence and Fairness (TARIF), within our Company enable us to operate effectively, strengthen our performance, and continue delivering value to our stakeholders

Our governance body ensures the applications of these TARIF principles across the Company. The Board of Directors is accountable to the General Meeting of Shareholders to decide critical policies for the business and operations. The Board of Commissioners closely supervises the work of the directors with the support

of the Nomination and Remuneration Committee and Audit Committee.

We are committed to regularly reviewing our governance policies and practices as we strive for best practices in our corporate governance.

## Governance Structure



## Sustainability Governance

Our sustainability activities are integrated into each relevant department which enhances sustainability engagement within the Company. To keep the initiatives held aligned with the Company's and Group of Kimberly-Clark's ambitious goals, we have a sustainability department that embraces and facilitates all departments for streamlined coordination. The department is responsible for reporting directly to the Executive leadership team of Kimberly-Clark Softex, Kimberly-Clark Asia-Pacific and Kimberly-Clark Global Headquarters.



## Ethics, Anti-Corruption and Grievance Mechanism

GRI 205-2

Integrity is one of our core values. Hence in Kimberly-Clark Softex, we expect our employees and business partners to always act with integrity while respecting human rights to maintain a safe and healthy workplace.

Our expectations are clearly described in our Code of Ethics and Business Conduct, covering anti-corruption or bribery policy. We are strictly against giving or receiving gifts to or from any business partners that will affect the objectivity when doing business on behalf of the Company. In 2020, with the update of our Code of Ethics that was integrated with Kimberly-Clark's, we provided compulsory refreshment training on the code of ethics and anti-corruption for all employees at all

levels. The managerial level has completed the course, and we aim to conclude other levels by 2021.

Our integrated whistleblowing system – "K-C Helpline", is open for all stakeholders to report any violations of our Code of Ethics and Business Conduct or other uncompromising attitudes. We guarantee all reports submitted are handled with the utmost confidentiality and each report is investigated thoroughly. Whoever is proven to have violated our Code of Ethics and Business Conduct will receive a warning, and in serious cases, employees will lose their employment or terminate contracts for suppliers.

### Our Whistleblowing System K-C Helpline Be The Voice of Integrity Speak Up, Ask Questions, and Get Answer

Contact team leader, HR, Legal or Finance or through The K-C Helpline:



Fill a form via [www.kchelpline.com](http://www.kchelpline.com);



Send email to [kchelpline@kcc.com](mailto:kchelpline@kcc.com);



Call to 1-844-KCHELP1 or +62 21 5085 1417 (Indonesia)



## Risk Management, Control and Compliance

GRI 102-13, GRI 205-1, GRI 307-1, GRI 419-1

The risk management process allows us to manage and mitigate medium to high risks that will affect our business. The risks are prioritized based on risk ratings that also consider their potential impact and likelihood of occurrence. The information then will be used to develop our risk mitigation strategies and annual audit program.

The Business Control & Compliance function ensures our conformity by critically examining our operations against relevant laws/regulations and standards for both environmental and social, including Quality Management Systems. Amidst the COVID-19 pandemic in 2020, our internal audit division managed to assess 22 operations which constitute 11.5% of the Company's total operations. The audit program was concurrently conducted with the extension of ISO 9001:2015 scope to our brand new mill at Karawang. During the reporting

period, we complied with all laws and regulations.

With our business partners, we continue to work closely with them to improve their performance by collecting information about their Environment, Social, and Governance (ESG) policies. We also play an active role in relevant industry associations, namely:

- *Perhimpunan Pengusaha Perbekalan Kesehatan Rumah Tangga (PEKERTI)*  
Association of Indonesian Domestic Health Supply Companies
- *Asosiasi Pulp dan Kertas Indonesia (APKI)*  
Indonesian Pulp and Paper Association
- *Asosiasi Pengusaha Pemasok Pasar Modern Indonesia (AP3MI)*  
Indonesian Modern Market Supplier Entrepreneurs Association

# Reporting Practice

GRI 102-45, GRI 102-46, GRI 102-47, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54

The sustainability report reflects our commitments toward sustainable development and progress in managing topics that are essential for our stakeholders

We have been publishing our annual sustainability reports since 2018. Our previous 2019 report was published in September 2020. The third report covers information of our wholly owned facilities altogether for the 2020 calendar year.

This report has been prepared in accordance with the GRI<sup>3</sup> Standards: Core option. We applied the ten reporting principles based on the standards to achieve a high-quality report. The four reporting principals which must be met when defining the report's content are Stakeholder inclusiveness, the context of sustainability, materiality, and completeness. The remaining six principles of the quality of report are

accuracy, balance, clarity, comparability, reliability and timeliness.

We appreciate feedback from our stakeholders. If you have any comments and questions about this report or want to know more about our sustainability work, please contact us at [sustainability@kcsoftex.com](mailto:sustainability@kcsoftex.com).

## Our Priorities

We focus on addressing what matters most for our stakeholders, both internal and external. To determine the material topics, we conducted a materiality assessment that consisted of the following steps:

- 1 Identification of relevant topics**  
We conducted a review, including with reference to the GRI Standards topics and media coverage, to list down relevant sustainability topics to our operations and stakeholders, then included these topics in the materiality assessment.
- 2 Survey to stakeholders**  
We reached out to our stakeholders to understand their views on topics which are pertinent to the Company.
- 3 Scoring survey results**  
Each topic was scored with a weighted average, resulting in 13 material topics that are depicted in a materiality matrix on page 19.

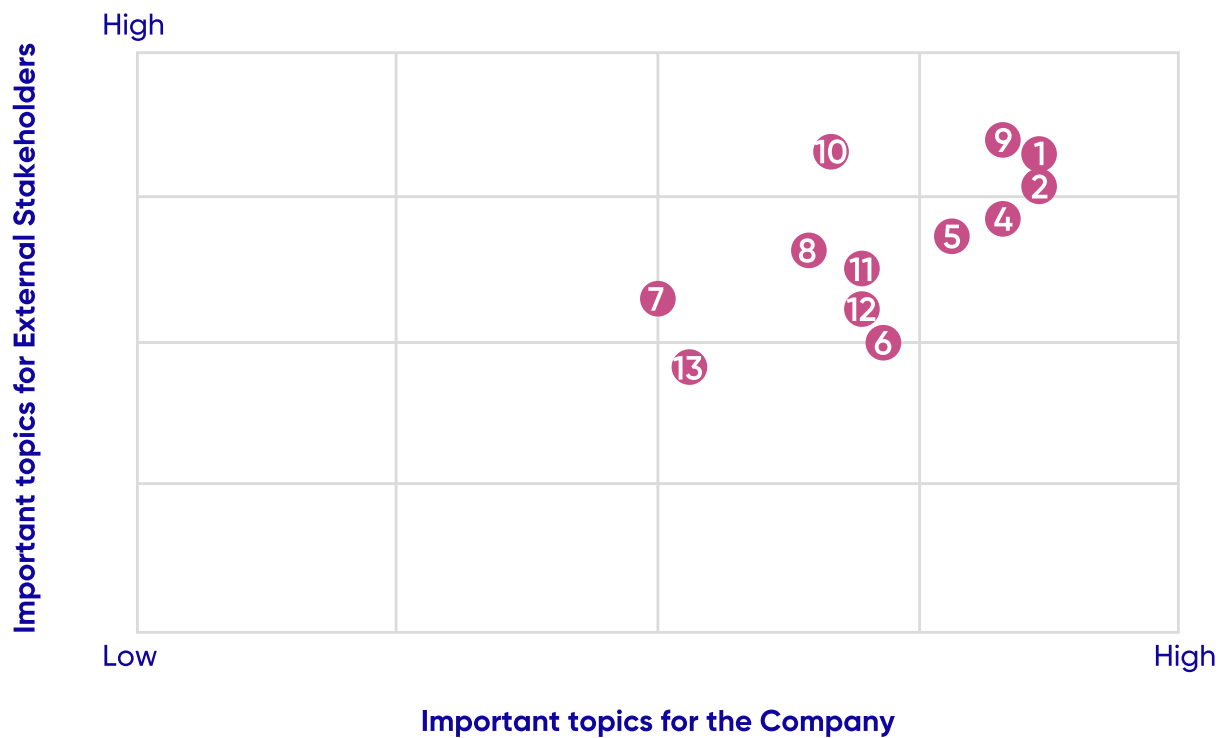
We linked the material topics with the GRI Standards and pinpointed these topics on our value chain to determine the boundaries of where associated impacts occur and our involvement. In 2020, we identified new material topics raised namely procurement practice, water, and energy. Hence, in this report we aimed to provide more comprehensive information on these topics.



Photo was taken before COVID-19 Pandemic

<sup>3</sup> Global Reporting Initiative

## Materiality Matrix



## Important Topics for the Company

Kimberly-Clark Ambition	Material Topics	GRI Standards Topics	Kimberly-ClarkK-C Softex's Involvement	Stakeholders Associated Softex's Involvement
Social Impact	1. Product quality and ingredient transparency 2. Employee health and well-being 3. Respect for human rights 4. Ethical business and supply Chain 5. Diversity and inclusion 6. Talent management 7. Softex Care Club/CSR Programs	<ul style="list-style-type: none"> <li>Customer health and safety; Marketing and labelling</li> <li>Employment, Occupational health and safety</li> <li>Human rights assessment</li> <li>Anti-corruption</li> <li>Diversity and equal opportunity; Non-discriminations</li> <li>Training and education</li> <li>Indirect economic impacts; Local communities</li> </ul>	Caused Caused Caused Caused, Contributed, Linked Caused Caused Caused	Consumers Employee Employee Suppliers, Consumers, Shareholders, Employees, Government Employee Employee Local communities
Forest Footprint	8. Procurement practice	<ul style="list-style-type: none"> <li>Supplier environmental assessment; Supplier social assessment</li> </ul>	Caused, Linked	Suppliers
Plastic Footprint	9. Responsible materials and waste management 10. Innovation & E-commerce	<ul style="list-style-type: none"> <li>Materials; Effluents and waste</li> </ul>	Caused, Linked Caused	Suppliers Consumers
Water Footprint	11. Water	<ul style="list-style-type: none"> <li>Water and effluents</li> </ul>	Caused, Linked	Suppliers
Carbon Footprint	12. Energy 13. Responding to climate change	<ul style="list-style-type: none"> <li>Energy</li> <li>Emissions</li> </ul>	Caused, Linked Caused, Linked	Suppliers Suppliers

# Caring for the Environment

At Kimberly-Clark Softex, we believe the health and well-being of our people, consumers, and Company depend on securing a healthy environment. That's why we aim to reduce our footprint in every aspect of our operations.

Kimberly-Clark Softex is committed to caring for the planet by minimizing our ecological business footprint, lowering and mitigating greenhouse gas (GHG) emissions by continuously improving our operations, and taking into account environmental considerations throughout the supply chain, from raw materials sourcing to the consumer.

Our commitment is realized through responsible sourcing, efficient use of materials, energy, water, and waste minimization to ensure quality products. We aspire to do our part to put our world on a path toward effective climate solutions.



- Climate Action
- Waste Management

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Cirebon, West Java,  
Indonesia



# Climate Action

GRI 102-11, GRI 102-12, GRI 102-48, GRI 301-1, GRI 303-1, GRI 303-2, GRI 303-3, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-2, GRI 306-4, GRI 307-1

Our responsible resource management efforts are directly related to how we contribute to combating climate change worldwide.

Our responsible resource management efforts are directly related to how we contribute to combating climate change worldwide.

To create a healthy planet and serve as a responsible corporate citizen, we are committed to continuously improving our operations. We continue to consume energy efficiently and minimize direct air emission at our operations. We assess the environmental impact within our operation and also throughout our value chain. We take every initiative to minimize our emission by reducing plastic and paper materials usage, since 99% of our GHG Scope 3 emission is generated from these materials.

As part of the Kimberly-Clark Corporation, the Company aims to address the social and environmental challenges of the next decade with commitments to improve the lives and well-being of 1 billion people in underserved communities around the world with the smallest environmental footprint.

## Our integrated approach to tackling the causes and consequences of Climate Change



Traceability



Materials, Water, and Energy Efficiency



Engaging Employees and Supply Chain

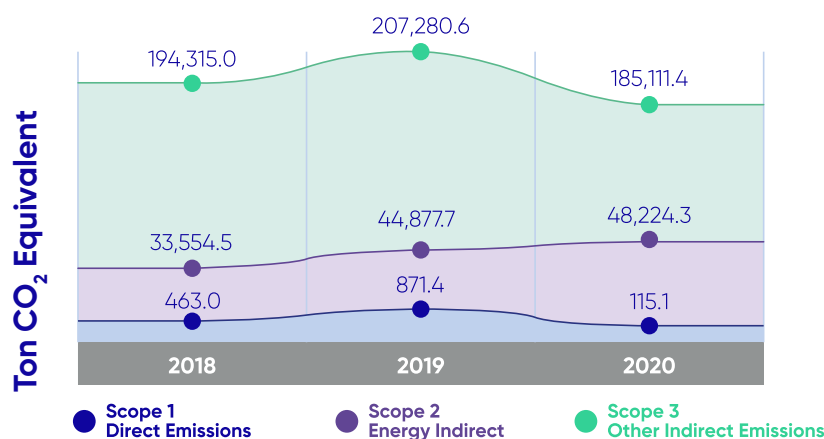


Supporting climate change education through the Eden Project



Protecting endangered rainforest in partnership with Cool Earth

## GHG Emissions



Scope	Unit	2018	2019	2020
<b>Scope 1 – Direct Emissions<sup>1</sup></b>	Ton CO <sub>2</sub> Eq	<b>463.0</b>	<b>871.4</b>	<b>115.1</b>
<b>Scope 2 – Energy Indirect<sup>2</sup></b>	Ton CO <sub>2</sub> Eq	<b>33,554.5</b>	<b>44,877.7</b>	<b>48,224.3</b>
<b>Scope 3 – Other Indirect Emissions<sup>3</sup></b>	Ton CO <sub>2</sub> Eq	<b>194,315.0</b>	<b>207,280.6</b>	<b>185,111.4</b>
Water	Ton CO <sub>2</sub> Eq	13.6	26.6	35.7
Materials	Ton CO <sub>2</sub> Eq	194,223.8	207,165.9	184,991.7
Manufacturing Waste <sup>3,4,5</sup>	Ton CO <sub>2</sub> Eq	77.6	88.1	84.1
<b>Total GHG Emissions</b>	<b>Ton CO<sub>2</sub> Eq</b>	<b>228,332.5</b>	<b>253,029.7</b>	<b>233,450.8</b>
<b>Intensity (Scope 1, 2, and 3)</b>	<b>gram CO<sub>2</sub> Eq/Unit</b>	<b>52</b>	<b>49</b>	<b>46</b>

### About Our Data

- Scope 1** comes from diesel, lubricants, and refrigerant. Emission factors applied are based on Defra 2020 and Climate Registry 2020
- Scope 2** comes from purchased electricity. Emission factors applied are based on International Energy Agency 2019
- Scope 3** comes from water, plastic and paper materials consumption, and recycling of paper and plastic. Emission factors applied are based on Defra 2020
- In our previous reports, the emission factors used for manufacturing waste was waste-to-landfill. In this report, the emission factors was updated to waste-to-recycling to better represent our operations where all waste are recycled by third-parties
- The data did not include GHG emission from other types of waste (e.g. wood, metal, and hazardous waste). We are working to improve our data management and aim to provide more comprehensive data in the future.
- Data from 2018 and 2019 are restated to reflect the update of emission factors for references



## Traceability

In guaranteeing an environmentally beneficial product and providing transparency for our consumers, we strive to ensure that our raw materials are traceable and responsibly sourced. Traceability allows us to be aware of our potential environmental impact even at the operations beyond our control. We know what is happening in our supply chain through our supplier selection and management as we conduct thorough documentation checks and site visits. Our suppliers that supply forest goods like paper must have a Forest Stewardship Council (FSC) certification that assures no illegal logging is involved throughout their supply chain and the materials come from a forest that is well-managed environmentally. None of our suppliers is identified to have any environmental-related issues

or illegal activity up to the reporting period.

Each of our product has a unique code that stores traceability information of our products. Within this code, information such as product compositions, suppliers of the materials, manufacturing locations and the person responsible for the production. Our traceability to our suppliers is also one of the critical aspects that qualify our products to receive Halal certification. Post-integration with Kimberly-Clark, we aim to enhance our traceability system in the future through the Industry 4.0 adoption using an advance system over the current conventional paper-based system. This will enable a faster and more accurate tracing of our products.



100% fluff pulp we use is from FSC certified suppliers, signifies that our products are not only doing good for our consumers but also the forest and the communities in its surrounding



## Plastic Materials Reduction



We continuously strive to reduce our material usage through efficient and effective production. Our Research and Development (R&D) team constantly innovate ways to reduce material use and waste in our production process.

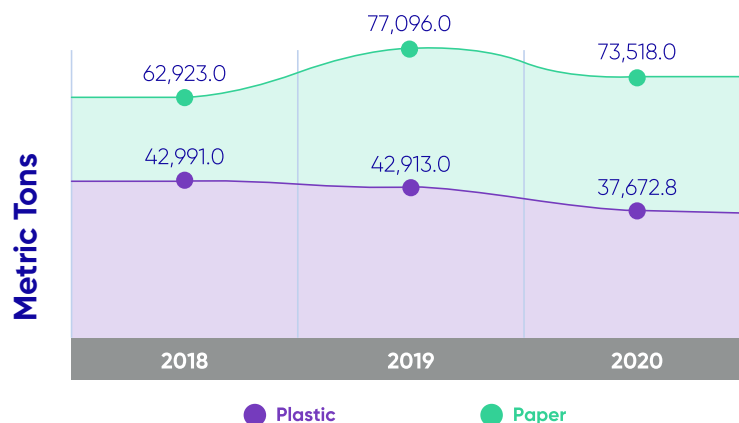
We are aware that this will contribute positively to our environment by using less virgin material, conserving

natural resources, and reducing waste and emissions. *GRI 301-1*

One of the highest Scope 3 GHG Emissions contributors is our plastic usage and we are aware that we must be driven to reduce this continuously. Despite the massive savings already achieved in 2019, we managed to reduce our plastic usage for our products' packaging while still adhering to our quality standards.

We reduced the consumption of more than 28 metric tons of plastic packaging from our production line in 2020 by optimizing our production methods and substituting or removing unneeded materials from our products

### Materials Used



Types of Materials	Unit	2018	2019	2020
Paper	Metric Tonnes	62,923.0	77,096.0	73,518.0
Plastic	Metric Tonnes	42,991.0	42,913.0	37,672.8
<b>Total materials consumption</b>	<b>Metric Tonnes</b>	<b>105,914.0</b>	<b>120,009.0</b>	<b>111,190.8</b>

## Water Footprint



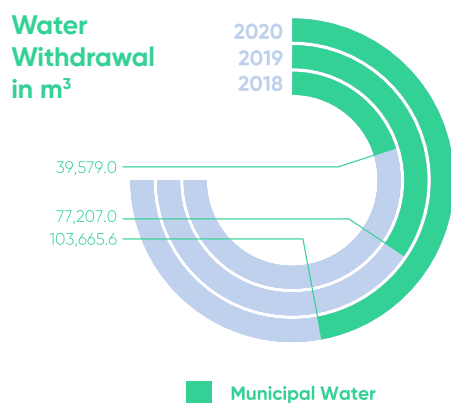
Even though our manufacturing processes are not water-intensive, we are aware of the importance of water as a shared resource. Thus, we are always highly motivated to conserve it. We are committed to managing our water consumption ethically and efficiently. Our initiatives include adjusting the flushing system in toilets and urinals and installing flow meters to detect any deviation immediately.

Additional efforts were also conducted, such as but not limited to organizing campaigns to save water by

reducing water usage at the sink, while also appealing to employees through displaying standing banners in various places, one of which is in the canteen. We aspire the concept of sustainability to be embedded into our employees' daily lives because we believe that a healthy culture leads to ethical behavior. When all of us work to conserve the water, the impact we give will also be greater.

GRI 303-1, GRI 303-3

### Water Performance



1. Our water is sourced from third-party and is assumed to be freshwater (Total dissolved solid/TDS < 1,000 mg/L).
2. The 2020 increase was driven by quarterly hydrant tests, and water leakages at pipes at our Karawang Mill. Actions had been taken to resolve this issue

## Energy Efficiency



More than 99% of our total energy use comes from purchased electricity mainly sourced from fossil fuels. Using energy efficiently is an essential approach in our overall effort to lower electricity

consumption and our carbon footprint. Since 2017, our Energy Efficiency Program has allowed us to utilize the energy resources more efficiently as it is essential for the success of climate action.

GRI 302-1, GRI 302-3

### Our Energy Efficiency Programs



Energy Saving in Production Machines



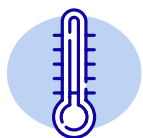
Utility Power Supply



Procurement Policies

Our current target is a 3% reduction in electricity usage for all machines at our manufacturing mills by 2022. To achieve this target, we strategize gradual reductions per machine where we prioritize machines that consume high energy. For instance, in 2020, we implemented inverters for our blowing control machines. Additionally, we reviewed the operating times of our machines to avoid idle energy consumption, especially at our new mill in Karawang, thus optimizing them further to allow higher efficiency. Accordingly, we also take to reduce the total energy consumption at our office.

### Energy Initiatives Taken at Office



#### Campaign for electricity reduction

- Turn off unused lights
- Setting the air conditioner at 25°C



#### Turning off the lights at lunch time

- Shifted to rooms with more natural lights in order to lower electricity usage during the day



#### Increase natural ventilation to slow the transmission of COVID-19

- Which can reduce the usage of air conditioning

In 2020, as a part of our journey to increase productivity and efficiency through innovation, our new manufacturing mill at Karawang utilizes an automated system that also improves the hygiene of our product. Though the energy consumption trend is increasing at the moment, the overall efficiency of our operation is expected to increase when the operation is at full capacity.

Knowing the risk of energy consumption increase from fully automated system utilization, we optimized our



energy usage to minimize the consumption increase. Through efficiency initiatives on our production machines, we achieved an energy-saving yield of 915,651.8 kWh compared without any efficiency initiatives, saving us up to 1 trillion rupiahs for electricity cost. Furthermore, it resulted in potential savings of 711.5 metric tons of CO<sub>2</sub> equivalents, which equals planting 10,730 trees in 10 years.

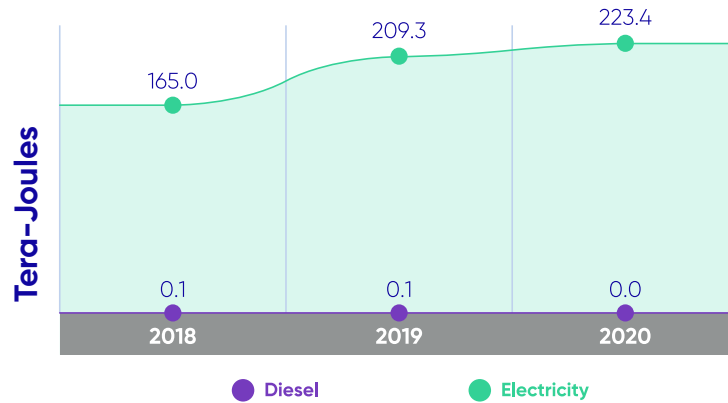


#### Carbon Footprint

To fulfill our energy requirement, we opt for the solar panel as an alternative renewable energy source to reduce our dependency on fossil fuel from the grid. In 2020, we installed 1,548 photovoltaic panels in the Sidoarjo mill. This installation is able to generate 630 kWp of clean energy, which equivalent to saving Carbon Dioxide (CO<sub>2</sub>) emission by planting 10,381 trees for 10 years



## Energy Usage



Consumption within the Organization	Unit	2018	2019	2020
Electricity	Tera-Joules	165.0	209.3	223.4
Diesel	Tera-Joules	0.1	0.1	0.0
<b>Total Energy Consumption</b>	<b>Tera-Joules</b>	<b>165.1</b>	<b>209.4</b>	<b>223.4</b>

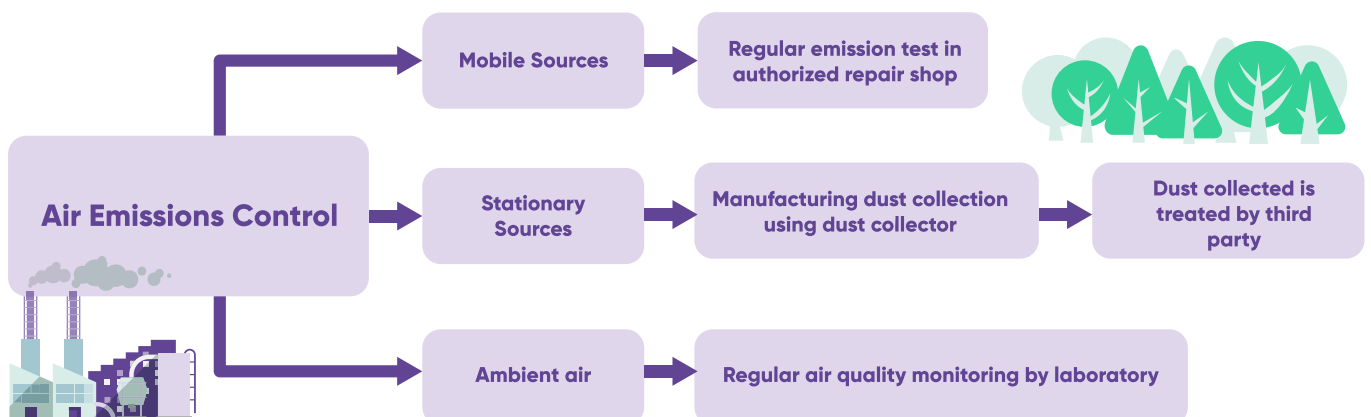
Energy Intensity	Unit	2018	2019	2020
Denominator (Manufacturing Output)	Billion Units	4.4	5.2	5.1
Energy Intensity	Tera-Joules/ Billion Units	37.5	40.3	43.8
Electricity Intensity	kWh/'1000	10.4	11.2	12.2

We continuously innovate ways to reduce our indirect emissions from electricity sources and fuel usage from transportation as part of our commitment to sustainability. To control and monitor the air emissions within our operations, our efforts include the following:

- Regularly monitor the ambient air condition
- Record the air condition before and after

commissioning the factory,

- Thoroughly checking the air condition per semester,
- Measure room ambient air condition,
- If the value is above the threshold value, we will coordinate with relevant departments to adjust the air condition so it meets the threshold set by the regulations



# Waste Management

## Solid Waste Management

GRI 203-1, GRI 203-2, GRI 303-2, GRI 306-2, GRI 306-4, GRI 307-1, GRI 413-1

All of our mills have achieved zero waste to landfill initiative, as we constantly assure adequate waste treatment and recycle our waste whenever possible to unfold its value for other purposes while reducing our environmental impact. We also continuously

work toward reducing waste in our manufacturing operations and, beyond that, increasing cultural awareness of recycling through rigorous waste sorting campaigns and initiatives among our employees and the community.

### Treatment for Operational Waste



All wooden and plastic cartons from the remaining industrial activities are considered economical because they are deemed to have economic selling value and are managed by village-owned enterprises.



For second-grade products, we cooperate with a third party so that certain categories of products are incinerated to be used as energy, and the rest is used as raw material for making cement.

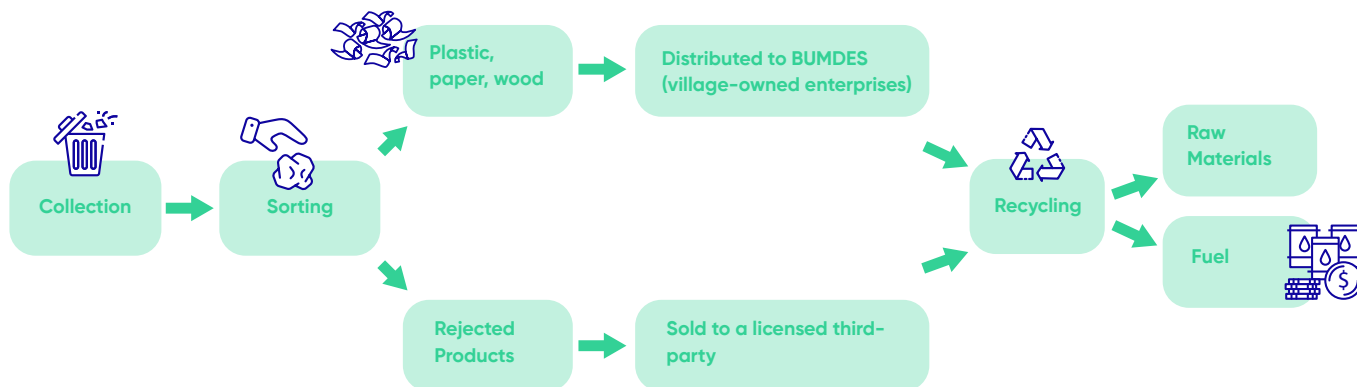


Waste from rejected products is collected by certified third-party contractors to be sent abroad for extraction.

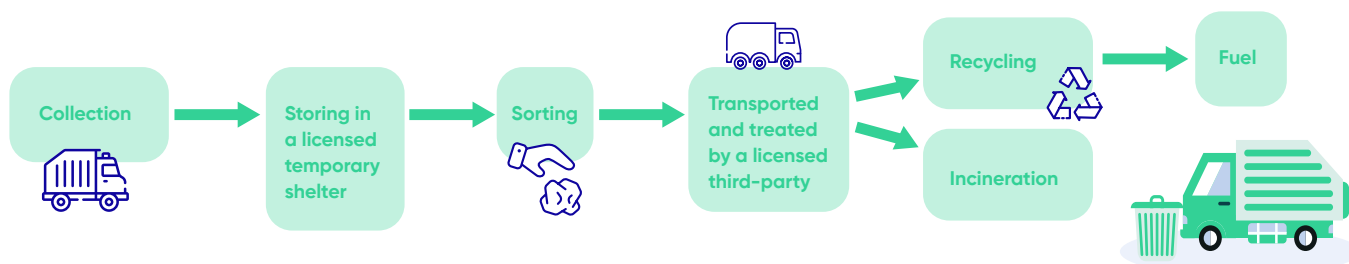


Hazardous wastes are stored at our licensed temporary shelter before being transported and treated by licensed third parties.

### Non-Hazardous Manufacturing Waste Management



### Hazardous Manufacturing Waste Management



During the reporting period 3,945.5 metric tons of our mill waste were recycled that value more than six trillion rupiahs

Non-Hazardous Mill Waste	Unit	2018 <sup>1</sup>	2019 <sup>1,2</sup>	2020 <sup>1,2,3</sup>
Open Recycling <sup>4</sup>	Metric Tons	3,820.6	4,125.5	3,945.5

Hazardous Mill Waste <sup>5</sup>	Unit	2020
Recycled into fuel	Metric Tons	1.3
Distributed to licensed third-party for incineration	Metric Tons	44.0
<b>Total</b>	<b>Metric Tons</b>	<b>45.4</b>

1. Plastic and paper manufacturing waste. Other types of waste (e.g. wood, metal) were not included due to data availability.
2. Covered data of Karawang Mill (new operation in 2019)
3. Data is 3,950.1 metric tons, if including metal and wood waste.
4. Open recycling means our waste is recycled into other products.
5. Since 2020, we have been improving our waste data

recording, which resulted in the data availability of wood and metal waste, as well as hazardous waste. In the future, we aim to provide more comprehensive data.

As part of our commitment toward Extended Producer Responsibility, we continuously make progress in optimizing waste collection and recycling of our used products

We also started to collect used Softies hand sanitizer bottle packaging in 2020. We favor a circular economy as we believe that each waste, especially plastic and paper, inherently has economic value if they are managed well. We actively encourage our employees to cultivate recycling behavior by providing

segregation waste bins with clear guidance and educational information. Hence, they understand how this small behavior can bring various good impacts, from improving the quality of our environment to enhancing someone's well-being who utilizes the sorted waste.

## Used Baby Diapers Recycling Program

GRI 203-1, GRI 203-2, GRI 413-1

To minimize the negative impact on the environment, since 2019, Kimberly-Clark Softex has shown its commitment to improve sustainability efforts through waste management, including post-consumer waste such as used baby diapers. Collaborating with non-governmental organizations and waste banks as our partners, Kimberly-Clark Softex has carried out the practice of recycling used baby diapers sustainably, through both conventional and technological methods, by using hydrothermal and pyrolysis technology. From here, we have successfully transformed the used baby diapers into functional and value-added products, such as fertilizers, planting media, handicrafts, fuel substitutes for kerosene, and bricks known as pok-bricks.

With the help of 25 local workers, in less than two years, we have successfully recycled 10.735 metric tons of used baby diapers, collected through 22 collection points spread over four cities in three provinces. This initiative has showcased our commitment and concerted efforts with our partners to achieve the UN SDG goals, namely UN SDG 13 (climate action), UN SDG 14 (life below water), as well as UN SDG 8 (decent work and economic growth) and UN SDG 17 (partnership goals) as we also collaborate with local communities and unlock additional financial opportunities for them.



**10.735 metric tons**  
used baby diapers  
were recycled



**8 products**



**4 cities/regencies**  
Bandung, Banyuwangi,  
Karawang, Tangerang



**22 collection points**  
Schools, Daycares,  
Shopping centers,  
Hospitals and Waste  
banks



**25 local workers**



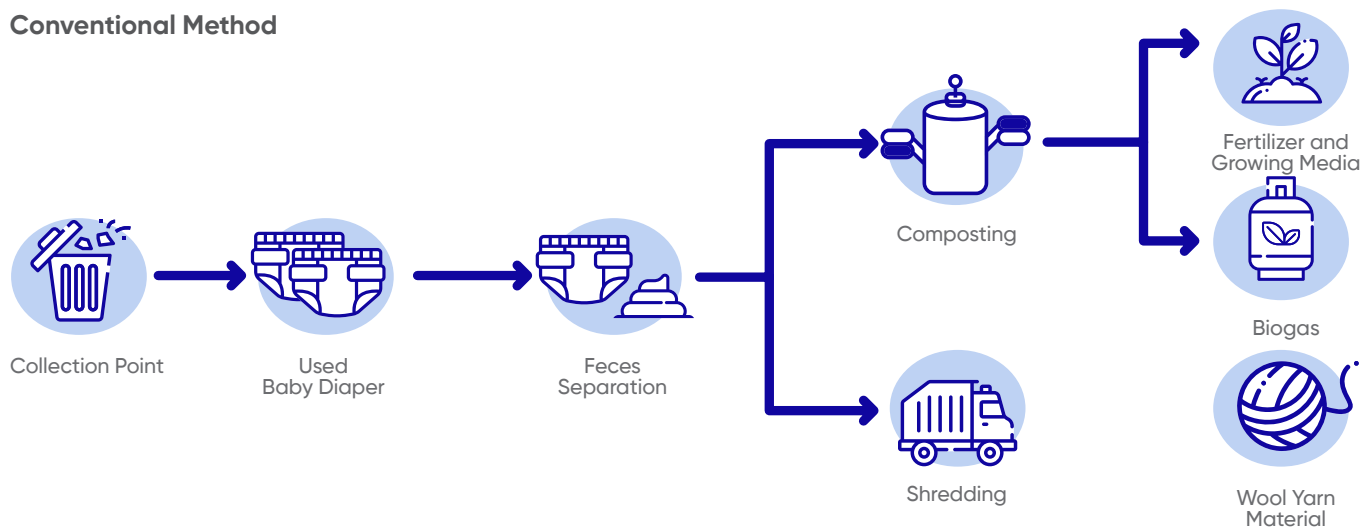
**Best in Developing Waste Management of Indonesia Green Award (IGA)  
2020 & 4-Stars TOP CSR Award in Environmental Protection Category**

**TOP CSR 2020: We are the  
pioneer of used baby diaper  
recycling program in Indonesia  
and up to 2020, we have  
recycled more than ten metric  
tons of diapers**

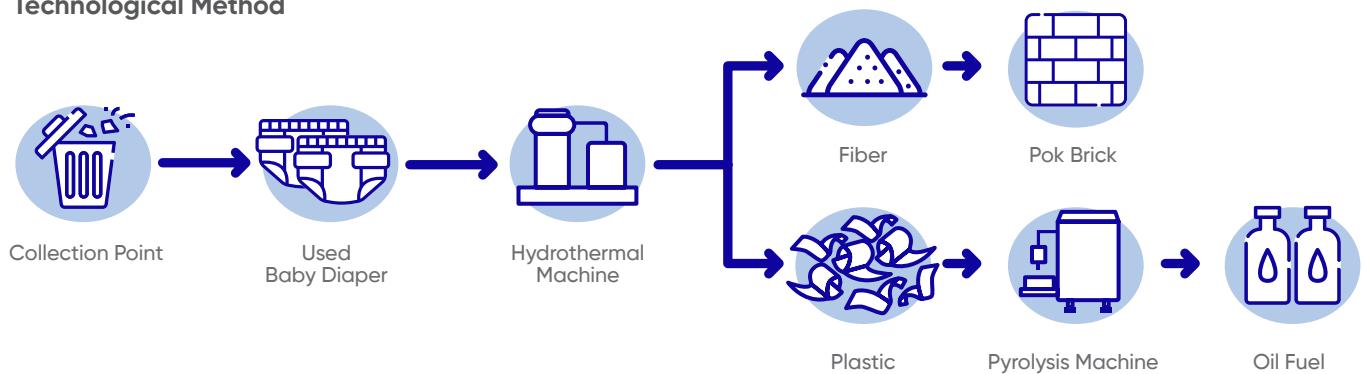


## How We Do It

### Conventional Method



### Technological Method



Along the process from the collection to the treatment, we embrace the communities, including non-governmental organizations and waste banks. This project also enables us to assist the communities in unlocking their potential while together caring for the

environment. In the reporting year, we introduced a used diaper exchange program with a new diaper. We hope this program can encourage more people to participate, hence escalating the collection rate.

### The Social Impacts



Nurturing the behavior of waste sorting



Creating source of income through recycled products and waste banks, especially for housewives



Unlocking creativity



Job creation

In 2020, despite the COVID-19 pandemic, we successfully expanded this project to two more cities, namely Banyuwangi and Karawang, making up to four coverage cities after Tangerang and Bandung. In the future, we aim to reach out to more areas. During the reporting period, we updated our strategies to continue the initiative amidst the situation. For instance, following the closure of collection points at public areas, we focused on collecting through waste banks.

Right from the start, Kimberly-Clark Softex has held a long commitment to bring sustainability efforts to our surroundings. Against this backdrop, the Company has also been invited to become a member of the Indonesia National Plastic Action Partnership (NPAP) as multi-stakeholder collaborative forum in addressing issues of plastic waste. National Plastic Action Partnership aims to reduce 70% marine plastic leakage by 2025, prevent

16 million tons of plastic waste from entering the ocean by 2040 and boost economic growth and livelihoods in Indonesia, creating more than 150,000 direct jobs. The used baby diaper recycling program and recycling practices in our operations are our actual contribution toward these national targets.



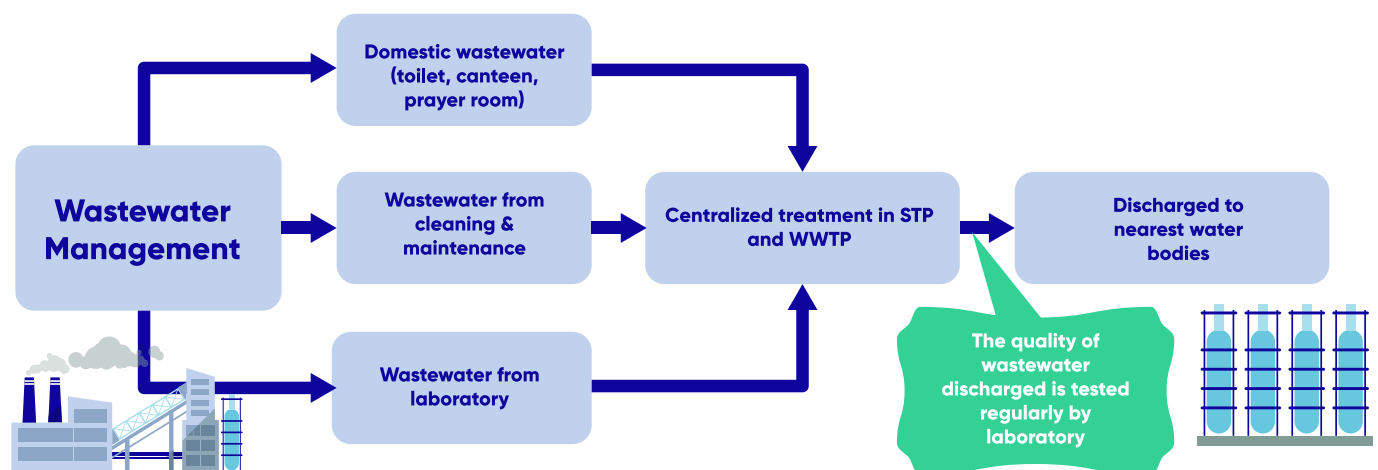
## Wastewater Treatment

Our wastewater is generated only domestically. Before discharging it, we responsibly treat our wastewater in the Sewage Treatment Plant (STP). After entering the floor drain, the water from the toilet goes into the septic tank, which uses biotech technology (decomposing bacteria). Specifically for waste from the pantry, a grease trap is installed to separate water and oil before being discharged to STP.

We strive to further reduce our environmental impact by constructing a wastewater treatment plant (WWTP) in the Karawang mill to maintain the quality of wastewater returning to water bodies, i.e., the Ciparing river. Kimberly-Clark Softex identifies all regulations related to the environment and ensures that the quality of the wastewater discharged is following the regulations in Indonesia.

GRI 303-2

### Waste Water Management



We are constantly seeking more advanced technology to improve our wastewater control systems. In 2021, we plan to conduct monthly sampling and analysis of the domestic wastewater and install a flow meter on our STP or WWTP to measure wastewater discharge.

During the reporting period, there were no significant fines or non-monetary sanctions for noncompliance with environmental laws and regulations during the reporting period.

# People

## Improving the Lives of Our People and Communities

Through our sustainability ambitions, we want to improve people's lives, including our consumers, people, and the communities around us.

We respect everyone's rights and maintain a safe and healthy workplace that promotes diversity and inclusion.

In addition, we endlessly empower our local communities to optimize their potential and enhance their lives.



- Our People
- Empowering Our Communities

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batik pattern of  
Cirebon, West Java,  
Indonesia



# Our People

GRI 102-48, GRI 401-1, GRI 401-2, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 404-1, GRI 405-1

Our people are critical parts of our business, who enable us to continuously deliver our products, achieve our vision and mission, and ensure the Company's sustainability. At Kimberly-Clark Softex, we value our employees by respecting their rights, protecting their health and safety, appreciating their contributions, and supporting them to develop their talents to the

fullest. With the presence of COVID-19 amidst us, we remain committed to maintaining a safe and sound workplace where our employees can continue to be productive without worries. A number of initiatives were made, including stringent protocols and new ways of working.

## Our Approach :



**Diversity  
and  
Inclusion**



**Employee  
Health and  
Well-Being**



**Talent  
Management**

## Diversity and Inclusion

We encourage the spirit of collaboration through the motto of One Team One Dream. Each individual from diverse backgrounds is fairly and equally treated and inclusively embraced to channel their talents toward the same goals at Kimberly-Clark Softex.

Employing people from disparate backgrounds, cultures, and experiences amplifies our ability to gather

insights, foster innovation, and understand consumers' culture, context, and mindset. By emphasizing building an inclusive environment first, we will be able to focus our culture on truly unleashing the unique greatness inside each individual – greatness based on embracing different backgrounds, experiences, and perspectives, to create the ideas that carry us forward.

GRI 405-1

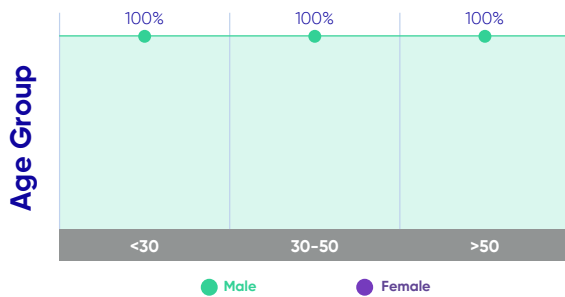
We value our employees by respecting their rights, protecting their health and safety, appreciating their contributions, and supporting them to develop their talents to the fullest



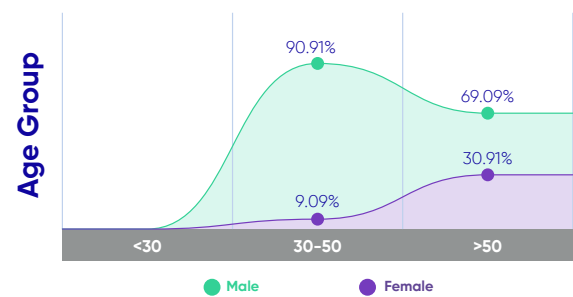
Photo was taken before COVID-19 Pandemic

## Age and Gender Diversity

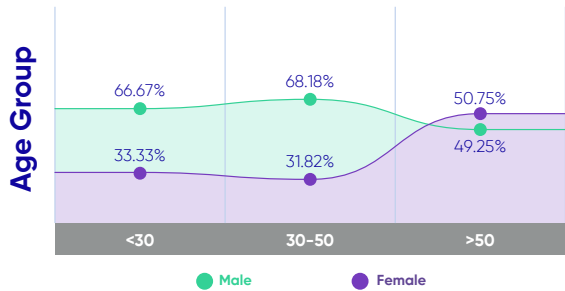
### Board of Directors



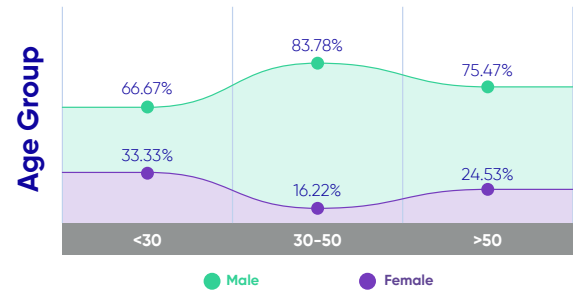
### Senior Managers



### Middle Managers



### Functional Staff



## Women's Empowerment

We believe that women have become drivers of economic growth all across the world. Kimberly-Clark Softex is committed to increasing the participation of

females in our business through our gender equality program.

By 2025, we have a goal to achieve 40% female representation at all levels of employment at Kimberly-Clark Softex



### Women Representation 2020



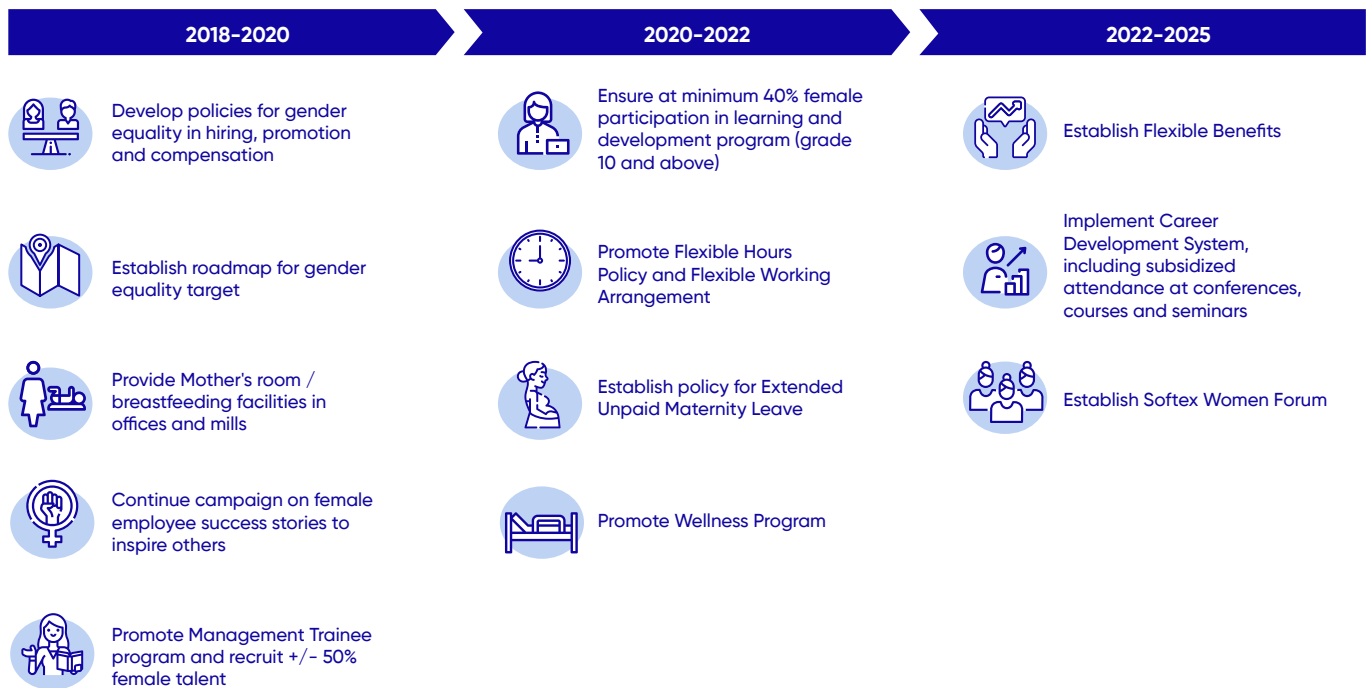
Our Gender Equality Program in 2018 was the first step toward improving gender equality within the Company. Through this program, we specifically wanted to provide a better workplace environment for our female employees, attract more female talents to join our business journey, and provide equal opportunity for them to grow and provide empowerment for women.

In April 2020, one of our biggest milestones was launching the series of Softex Women Forums called Equal. The forum means to encourage all female

## Kimberly-Clark Softex Gender Equality Program

employees to pursue opportunities both in professional and personal life. We invite inspirational women from internal and external organizations to share their

experience in managing professional life while being able to help the local community and maintain a healthy lifestyle.



At Kimberly-Clark Softex, we are inclusive and open the opportunities for everyone, without exception also those with disabilities. In 2020, we started to include a disability worker in our team at Sidoarjo Mill, and we would love to welcome more and to allow them explore their potential together with us

## Inclusion and Engagement

Our employees' engagement activities are constantly cultivated, whether in person or online, through digital communication tools.

### • Softex Care Club

Softex Care Club (SCC), or Employee Voluntary Activity, was created to assist the Company in delivering social activities to the communities at large. SCC has three pillars, namely education, environment, and philanthropy. We initiate this program to create an employee engagement activity that differs from existing habits such as

gatherings, religious day celebrations, competitions, wellness, etc. In this program, employees can help and contribute directly to the surrounding community.

### • Softex GO

We created and installed an internal online and mobile-based application to assist our employees in carrying out their everyday roles and work-related activities, such as filling out timesheets, business trip requests, and other HR-related services and

products. The app gives employees and the HR staff access to HR2YOU (our digital HR information management tool), allowing for two-way communication on attendance, leave, individual/team performance tracking, payroll, and insurance.

#### • HR Services Bulletins

Our monthly internal employee communication tool includes news on HR programs, company operations, and other updates to keep our staff informed.

## Talent Management

We are proud to provide our employees with the resources and opportunities they need to advance within our organization and reach their full potential.

GRI 401-1, GRI 404-1

This is the motivation underlying our principle, "Explore Your Potential!"

## Training and Development

### Average Training Hours per Employee

Employee Category	2018	2019	2020
Board of Directors	0.0	0.0	3.0
Senior Managers	34.9	20.5	17.4
Middle Managers	19.8	21.8	26.0
Functional Staff	1.9	2.3	8.4

Some of our talent management initiatives are:

### Softex Leadership and Exploration Program (LEAP)

To build a strong talent pipeline, everyone has to start from the entry-level. The Softex Graduate Trainee Program called Softex LEAP, is to prepare future leaders to gain sustainability and continued success of the business. It is also an opportunity for us to build productive collaboration with educational institutions

in order to consider Kimberly-Clark Softex as the best working place. We have run two batches since 2019 with 15 LEAPers successfully recruited from more than 10,000 applicants where 54% LEAPers we recruited are women.

### Softex Learning Academy (SLA)

SLA aims to create a learning environment to inspire, equip, and empower our people through excellent training that values all perspectives, experiences, and contributions where instructors and learners can engage and learn through open, multi-sided dialogue.

This year, we focus on developing people & boosting leadership skills and also conducting Lunch & Learn Activity with online training to improve work productivity and motivation during the COVID-19 pandemic.



Photo was taken before COVID-19 Pandemic

## Talent Success Stories



**Eldon Marvin Setiawan**  
**E-Commerce Manager (MT LEAP Graduate)**

As a fresh graduate, joining the LEAP Management Trainee (MT) Program was a big opportunity for me to pursue my career in PT Softex Indonesia (Kimberly-Clark Softex). The development programs and structured coaching enabled me and other MT graduates to become future leaders. All my mentors and team helped me to develop skills, adapt to working culture, and deliver results.



**Ivana Wurangian**  
**Head of Demand Planning, Distribution & Transportation**

I joined PT Softex Indonesia (Kimberly-Clark Softex) back in 2016 as a Manager of Demand Planning, Distribution & Transportation. With the opportunities and support given to me, I am able to optimize my capability and move up my career. Now, I am the Head of the Department and lead the team by managing Primary Sales to Direct National Key Account and partnered distributors. I am also accountable for Service Level to Distributors and National Key Account by overseeing stock availability in Distribution Centers. The most challenging thing is to manage distribution costs to achieve as targeted and to explore the opportunity to reduce distribution costs. However, through collaborative work with my helpful team and peers, I can bear the challenge and accomplish the targets most of the time.

## Recruitment

### Talent Recruiting Program

We are a growing company in need of a skilled, creative, devoted, and highly motivated to help us achieve our mission. We attract our potential talents

through recruitment bulletins, talent success stories, Digital Media Placement, job fairs, and hiring events on campus.

### Job Fair Virtual & Campus Hiring

During the pandemic, we actively recruited and created job opportunities by opening virtual career fairs and campus hiring. We collaborate with Top Universities and job-seeking platforms. The purpose

is to hire potential talent and fresh graduates where Recruiters and job seekers meet in a virtual space via chat rooms, teleconferencing, webcasts, and/or email to exchange information about job postings.

### Softex Online Psychological Test and Assessment (SOTA)

SOTA is an online assessment tool developed internally in collaboration between HR and IT teams in order to

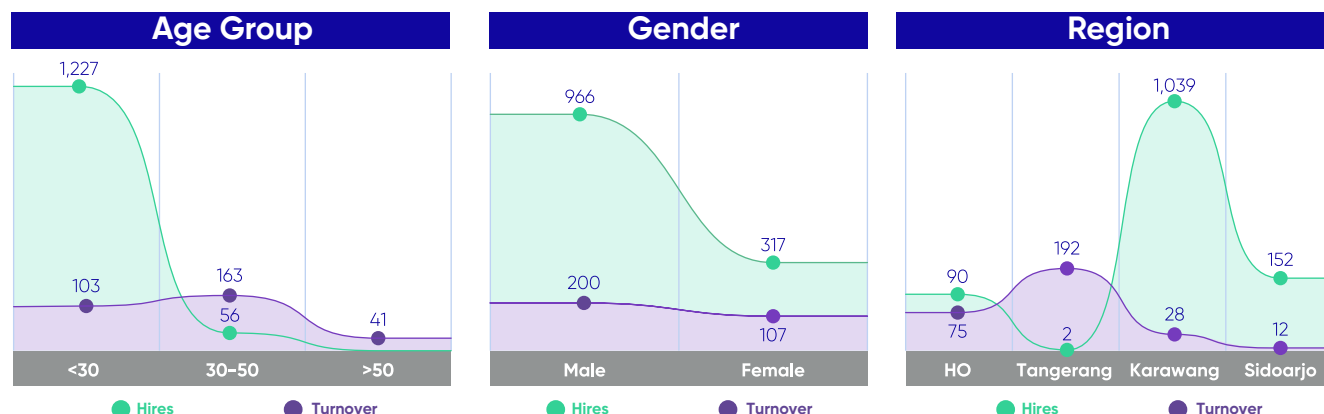
assess job applicants for desirable character traits. This test is applicable for FTC FTE employees.

### Paperless Talent Acquisition

We eliminate paper usage when assessing candidates by using online interview forms both for HR and Hiring

Manager and utilize database management system for applications.

## Number of New Employee Hires and Turnover in 2020



## Rates of Employee Hires and Turnover

Age Group			Gender			Region		
Age	Hires %	Turnover %	Gender	Hires %	Turnover %	Region	Hires %	Turnover %
<30	36.9 %	3.1 %	Male	29.1 %	6.0 %	HO	17.4 %	2.3 %
30-50	1.7 %	4.9 %	Female	9.5 %	3.2 %	Tangerang	1.1 %	5.8 %
>50	0.0 %	1.2 %				Karawang	54.3 %	0.8 %
						Sidoarjo	21.4 %	0.4 %

## Employee Health and Well-Being

GRI 102-41, GRI 102-48, GRI 401-2, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9

Health and safety remain our priority to ensure safe working conditions for employees. We are focused

on protecting our employees from accidents, injuries and exposure to hazardous substances.

## Occupational Safety and Health Management

In our workplaces, we strive towards Zero Accidents. Our P2K3 (Occupational Safety and Health Committee) and specialized Health, Safety, and Environment (HSE) team monitors the implementation of our Occupational Safety and Health Management System (SMK3), which covers all workers. When an injury or incident occurs, an investigation will be immediately conducted to identify the root cause, analysis, formulate corrective and preventive action plan, and put it all together into a formal report. The investigation report is presented to leaders and is always communicated to all employees. Action plans are monitored regularly to ensure their effectiveness, from the day plus seven to monthly and annual health and safety meetings, as well as P2K3 quarterly meetings.

Health and safety training, a Safety & 5S (Sort, Set in order, Shine, Standardize and Sustain) Patrol by our production team, and regular testing of water quality, fire safety equipment, and manufacturing equipment are all fundamental components of SMK3. We communicate OHS information to all workers through

information boards, posters, and emails. In addition to P2K3, which is represented by more than 70 employees from several departments, we also have a dedicated emergency response team. We planned to achieve OHS international certification for our operations in 2020, however the circumstances due to the outbreak of COVID-19 forced us to postpone it.



## KPIs for Occupational Health and Safety\*

Kimberly-Clark Softex Employee Safety	2018	2019	2020
Fatality	0.0	0.0	0.0
Permanent Disabling injuries	0.0	0.0	0.0
TRIR (Total Reportable Incident Rate)			
Tangerang Mill	1.1	2.0	1.2
Karawang Mill	0.0	0.7	0.6
Sidoarjo Mill	0.3	0.3	0.9
LTRIR (Lost Time Reportable Incident Rate)			
Tangerang Mill	0.6	1.5	1.2
Karawang Mill	0.0	0.4	0.6
Sidoarjo Mill	0.3	0.2	0.6
Safety Compliance Penalties (in USD)	0.0	0.0	0.0
Total Man Hours	5,977,148	8,317,555	6,853,541
Health & Safety Training Hours	1,543	2,871	2,812

\* Following our recent acquisition, the safety data was compiled based on Kimberly-Clark Standard. Hence, the data for 2018 and 2019 have been restated.

Our occupational health and safety training program encompasses generic training as well as training on specific work-related hazards. In 2020, we continued to conduct mandatory training, which is carried out every year by following health protocols. The followings the list of training programmes that we conducted:

- Class D Firefighter Training
- First aid (P3K ) Training
- Electrical OHS Technician
- Fire OHS Expert
- Certification of Person In Charge of Wastewater Treatment Operations

## Employee Wellness and Harmonious Industrial Relations

At Kimberly-Clark Softex, our people remain a core asset for the Company. Fostering employee well-being is good for our people and the Company. Promoting

well-being can help prevent stress and create positive working environments where individuals and the Company can thrive.

## Benefits for Our Employees



Social Security – BPJS Ketenagakerjaan



Medical Insurance BPJS Kesehatan



Inhouse Medical Insurance<sup>1</sup>



Annual Leave



Special Leave (Maternity, Parental, Marriage, Religious, etc)<sup>2</sup>



Pension Package<sup>2</sup>



Long Services Awards



Daily Meals for Mills Employees and Breakfast for HQ Employees



Uniform

1. Assistant manager and above
2. As governed by the regulations

We have a Collective-Bargaining Agreement (CBA) that addresses high importance to workers, such as a 40-hour workweek, provisions for unpaid leave, annual bonus, and performance appraisal. The CBA also protects and promotes the rights of female workers by local laws and customs, such as providing for menstrual leave on the first and second day of

menstruation and three months of fully-paid maternity leave. In 2020, 250 employees (7.5%) were enrolled with the Mining Energy Chemical Trade Unions (Kimberly-Clark Softex) Work Unit, a registered union with the Manpower and Transmigration Office and affiliated with the Confederation of All Indonesian Trade Unions (KSPSI).

## Response to COVID-19 Pandemic

The pandemic has affected economic growth and market conditions that pushes business owners to adapt their business and radically change the way

of working. At Kimberly-Clark Softex, we immediately created a strategy to adjust to this situation quickly to deal with this sudden situation.

### Protecting Our People First

#### People Strategy during COVID-19 Pandemic

##### Kimberly-Clark Softex HR People Strategy during COVID-19 Pandemic



#### Safe Place to Work

The health and safety of our employees is our top priority, we look to improve employee's well-being through new ways of working.



#### Resilience Leader

Helping Team Leaders be a ROLE MODEL during adversity by implementing 3Es (Empower, Engaged and Energize) to create collaboration and winning spirit - One Team, One Dream, One K-C



#### Grow Talent

Enable and Empower Our Biggest Competitive Advantage - Our People. Integrate Inclusion & Diversity in all talent process and development.



#### Focus on Performance

Delivering reliable people services so that business can run simpler, learner, faster and the employee experience is improved (through digitalization)

To survive in the pandemic and maintain the production process and a safe working environment, we created COVID-19 Business Continuity Planning (BCP) and led the appointed response team in any emergencies. During the reporting year, the team enforced the

implementation of a number of health protocols and initiatives, which resulted in zero mill closures and no employee terminations due to pandemics. Our protocols include the following:

## Health and Safety Protocols in Response to COVID-19

1. Regular Temperature Check & Health Self Screening
2. 1.5 meters Physical Distancing at HQ & Mills to follow government practices
3. Provide Surgical Mask, Facial shield for our frontliners, and Hand sanitizer bimonthly basis
4. Daily Facilities Disinfection (Disinfectant Spraying + UV Sterilization)
5. Accessible Portable Sink
6. Pro-active Regular Antigen Test
7. Provide Healthy Foods

Similar efforts were applied in all our units by:

- Socialization of COVID-19 prevention to all employees at the Karawang Mill through various media such as audio, video, morning briefing, social media and email blast
- Carry out patrols and remind them to wear masks

and maintain a safe distance.

- Proactively conduct COVID-19 antigen sampling tests for departments that frequently interact with third parties such as warehouse, security, transportation, packing, and production
- Routinely conduct inspections and announcements through posters and campaigns.

Our protocol for confirmed infection of the coronavirus:

- Execute the contact tracing system for the past seven days
- Deep interview to identify the transmission process
- Provide medical treatment support (surgical mask, hand sanitizer, mouthwash, and vitamins).
- 14-days self-isolation
- Close monitor the patient's symptoms and condition

## Employee Testimonial on Our COVID-19 Management



**Dyah Kartika Sitoresmi**  
Maintenance Assistant Manager

The year 2020 was indeed very challenging. Since March 2020, we all struggled to adapt to the new normal condition with COVID-19 presence amidst us. As a part of the Company, I am proud that we are able to remain an optimist and get through this challenging year with zero business closure. This experience taught me that it is possible to fight the COVID-19. The keys are by implementing stringent health protocols and involving all employees' participation, which is strongly encouraged in PT Softex Indonesia (Kimberly-Clark Softex).



**M. Zaenal Abidin**  
Head of HR, GA, and Sustainability

It is a humble yet challenging opportunity to lead the COVID-19 Task Force of PT Softex Indonesia (Kimberly-Clark Softex) in providing a safety and healthy working environment during the pandemic in all business sites. Without any previous experience, Task Force successfully built a business continuity plan and health protocols to ensure employees' health across Indonesia. Regardless of the obstacles we have been facing, this situation brought up valuable experiences. Every one of us should be a leader, a leader without a title. A leader who is always adaptive and resilient in any situation that always drives us to engage, empower, and energize ourselves, team, and surrounding in supporting each other both physically and mentally. We were able to manage the outbreak with zero business closure and zero fatality cases due to COVID-19 infection.

## Caring for Our Consumers

The novel coronavirus created anxiety among all, including our customers and consumers. To support them entering the new normal without worry. In

addition to our anti-bacterial wet wipes, Kimberly-Clark Softex launched essential protection kits of face masks and hand sanitizer.



We produced the First 'Three-Ply Mask Disposable with Batik Motif' in Indonesia to make people more proud of Indonesian culture of Batik and the value to take care of each other during this pandemic

## Assisting The Community

We donated more than 690 Million Rupiahs to the community affected by the COVID-19 Pandemic

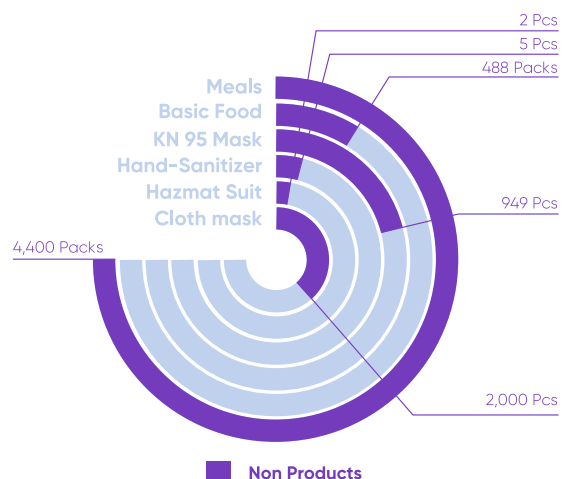
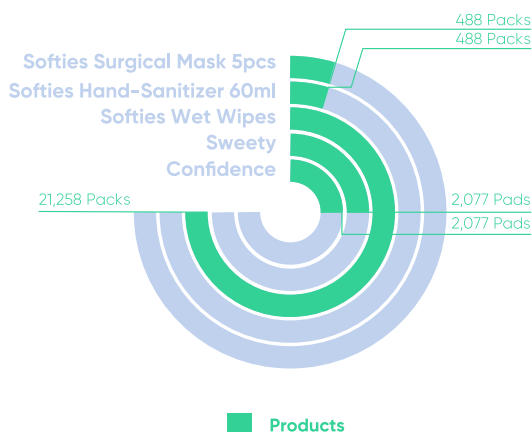


We donated personal protective equipment and essential health products for health workers at hospitals, and also provided basic needs such as groceries, masks, sanitation products and foods for the communities in need.

We believe that by working hand-in-hand and the spirit of mutual cooperation to help the affected

communities, we will be able to minimize the negative impacts of the COVID-19 pandemic. We actively embraced the communities to be involved in COVID-19 crowdfunding through Kitabisa.com. Within one month, we successfully collected 126.8 million rupiahs for the mission. The crowdfund aimed to provide facilities for the frontlines in this pandemic.

### COVID-19 Donations



# Empowering Our Communities

GRI 203-1, GRI 203-2, GRI 413-1

## Why It Matters

Kimberly-Clark Softex believes that business performance and profitability are not the only indicators of success. We aim to balance all three aspects: People, Planet, and Profit. Our spirit to enhance the quality of people's life at every stage extends to our customers and the communities around us, particularly those who are underprivileged. By supporting the sustainability of this community and preserving the planet, we are committed to creating better lives for all. And the presence of the unprecedented COVID-19 pandemic does not halt us to continue the commitment.



## KEY FIGURES UP TO 2020

**40,557**

Lives Impacted

**1,579**

 Employee  
Volunteers

**37** Cities  
in **18** Provinces

**6.97**  
Billion Rupiahs  
Contributed


Active participation of our employees through the voluntary initiative – Softex Care Club (SCC), enables us to realize our commitment



## Our Focus


**Environment**

**Education**

**Philanthropy**

## Environment

We support various conservation, research and educational activities that will help preserve our planet for future generations.

Our activities include:

- Raising campaigns to reduce the use of single-use plastics internally and externally.
- Waste management of used baby diapers into various products.
- Building sanitation facilities.
- Reforestation.

GRI 203-2, GRI 413-1, GRI 413-2

**Total 10** Projects conducted in 2020  
with **1.4** billion rupiahs contributed  
and **3,762** lives impacted

## 1. Recycling Used Baby Diapers

This is our flagship sustainability program for the environment. Together with the community we are committed to collect and recycle used baby

diapers into something functional and valuable. Learn more about this initiative on page 29.

## 2. Ciremai Mountain National Park

Indonesia is one of the mega biodiversity countries that is rich in natural resources, both flora and fauna. The National Park is the right place to maintain this diversity, especially for the preservation of local endemic plants and animals that are threatened with extinction. Kimberly-Clark Softex adopted trees in several species in the rehabilitation zone of Mount Ciremai National Park. This program is carried out to preserve local endemic flora that is threatened with extinction while contributing to forest restoration efforts in Indonesia. In addition as a carbon sequester, the forest restoration is expected to conserve the water supply.



Nine types of tree species were planted, include Kawoyang, Huru (*Ficus* sp.), Mara (*Macaranga*), Kibeusi (*Sageretia* sp.), Kimaung (*Bischofia javanica*), Edelweiss (*Anaphalis javanica*), Ganitri (*Elaeocarpus ganitrus*), Kiteja (*Cinnamomum iners*), and Puspa (*Schima wallichii*).

## 3. #WeCareTheEndemicSpecies

Unlike businesses that can assign all employees to work from home and shut their doors, zoos and conventional parks have much more complex operational challenges amidst the COVID-19 pandemic situation. First and foremost, even during a pandemic, zoological facilities must continue to provide their animals with daily needs despite the decreasing number of visitors. In 2020, we donated animal feed for six endemic species of Indonesia in three zoos in the cities of Medan, Jogja, and Bogor.

The species of animals include Owa Jawa, Sumatran Tiger, Sumatran Elephant, and



Bornean Orangutan. We understand the significance of conserving endemic species. We believe that this program will benefit not only local zoos but will also help to protect these animals from extinction.

## Education

All children deserve the opportunity to learn. Yet, children who are located at remote, outermost, and underdeveloped areas have limited access to a proper education. Investing in education is one of the key parts of our strategy to improve people's well-being. Under our education pillar, we focus on supporting students and communities in those areas by carrying

out school development activities, especially on Early Childhood Education and Development (also known as PAUD), teaching and training on health education to the community, and providing additional nutrition for students at schools. In addition, we offer scholarships to selected employee's children with excellence.

Investing in education is another key part of our strategy to improve people's well-being. Under our education pillar, we focus on supporting students and communities in rural areas.

**Total 8 Projects conducted in 2020**  
**with 1.7 billion rupiahs contributed**  
**and 2,379 lives impacted**

### 1. School Coaching, Development, and Renovation Program

The early age of childhood is a golden period for children to grow. Therefore, almost a decade ago, we are continuously working with our partners, Yayasan Bina Mandiri and Happy Heart Indonesia to improve the quality of early age education at PAUD or kindergartens in the country through various kinds of support.

The COVID-19 pandemic has significantly impacted Indonesian students, particularly those in remote, outermost, and underdeveloped locations, which are still very limited in implementing online learning systems. In addition, facility limitation challenges the execution of online learning for students in rural areas; hence face-to-face learning is considered suitable to maintain these student's learning.

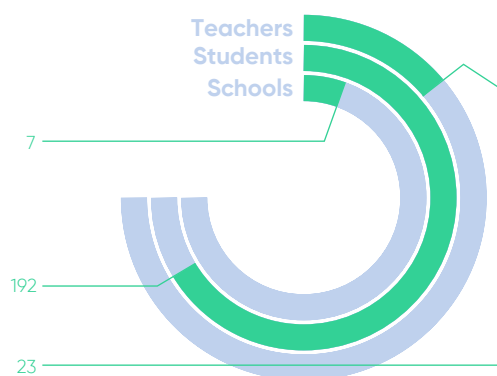


The pandemic has created a new perspective on health issues, leading to the urgency of the provision of safe and clean school buildings. During the pandemic in 2020, with the support of our partners, we managed to run our school rebuilding program for three additional schools in Lombok, Flores, and Sumba, as well as donated operational fund support, school supplies and nutritional foods.

#### Achieving Quality Education of Early Age Through

- School renovations and rebuilding
- Operational fund support
- Donation of teaching and learning equipment, libraries, sports equipment, and educational toys
- Nutrition promotion program by providing healthy food and drinks for students regularly
- Training for teachers
- Scholarships for outstanding students

#### Program Coverage 2016 - 2020



## 2. Happify Your School

Menstruation is one of the vital processes of a woman's body which deserves utmost caution and self-care. Ensuring proper hygiene during menstruation enables women to ease the pain they go through. Menstrual hygiene is a hygienic practice during menstruation that is crucial to prevent women from infection in the reproductive and urinary tract. The transition into reproductive age for some girls is often met with fear and anxiety due to a lack of knowledge about menstruation.

Happify Your School is our flagship program to promote health and hygiene, which focuses on menstrual education. We conduct awareness-raising and educational activities related to menstruation, reproduction organs, and hygiene to female students at Junior High Schools in rural areas in 11 provinces. Waste handling of used sanitary napkins is also addressed to prevent environmental pollution. During the pandemic, this activity has been held online initiated by Feminine Care – Marketing team.

## 3. Menstrual Hygiene Management

We pledged support to UNICEF's Water, Sanitation and Hygiene (WASH) program in 2019 that is in line with our commitment. The program aims to improve sanitation, including menstrual hygiene management by providing menstrual health education in schools. From 2019 until 2021,

we are committed to donating 1.5 billion rupiahs each year from the sale of our Softex Daun Sirih and Softex Comfort Slim products. Focusing on eastern Indonesia, this program has taken place in four provinces, i.e., Papua, West Papua, East Nusa Tenggara, and South Sulawesi.

## 4. Counselling Activities

Our education program covers parents as our targeted beneficiaries as parents play a crucial role in their children's development. Compulsory education is now widely seen as a right of all citizens in many countries. It is primarily put in place to promote all citizens' education and reduce the number of students who stop going

to school due to financial constraints. Together with Yayasan Bina Mandiri, Kimberly-Clark Softex provides counselling and sharing sessions for parents to raise their awareness regarding compulsory education. Apart from compulsory education, we also address other important topics such as children's emotion, gadget use for children, etc.

## 5. Scholarships for Employees Children



Every year, we offer a scholarship program to assist employees' children who excel in their studies. In 2020, there were 110 employees' children who received this educational support, from elementary school to senior high school students.

## Philanthropy

We focus to advance the quality of life of the society through several projects that bring tangible benefits include free medical check-ups & treatment,

community services, blood donations, visits to orphanages, employment opportunities & assistance for people with disabilities as well as disaster relief.

Under the philanthropy pillar, we focus to advance the quality of life of the society through several projects that bring tangible benefits.

**Total 26 Projects conducted in 2020**  
**with 1.1 billion rupiahs contributed**  
**and 9,125 lives impacted**

GRI 203-1

## Our Notable Philanthropy Projects in 2020

1. **Natural Disaster Relief:** Distributing basic necessities and goods for victims of floods in Tangerang and Mt. Semeru eruption
2. **COVID-19 Assistance:** Supplying food, Softies hand sanitizer, mask and antibacterial wet wipes, and personal protective equipment for medical workers and community in needs across Indonesia
3. **Stunting Prevention:** Providing smart blankets, height charts, and education for pregnant and new mothers in East Nusa Tenggara to help them save their children from stunting.
4. **Caring of Disability Friends:** Providing internship opportunities for disability friends
5. **Blood Donation:** Cooperating with The Indonesian Red Cross Society (PMI) Sidoarjo for blood donation as well as free basic medical checkup.



## Stunting Prevention in Eastern Indonesia

Many children in Indonesia suffer from nutrition-related illnesses, including stunting. Stunting is a chronic malnutrition problem characterized by short stature. In terms of stunting of children under five, Indonesia ranks fourth in the world and second in Southeast Asia. It is reported that stunting prevalence among children under five in Indonesia is 27.67 percent in 2019<sup>1</sup>. It does not only cause a short body; in the long run, it also causes a decrease in cognitive development ability of the child's brain, weak immunity, and learning difficulties.

collaboration with 1000 Hari Pertama, a local NGO, held a set of activities aimed to combat stunting in Flores, Sumba, and Labuan Bajo, East Nusa Tenggara. The activities provided Stunting Height Charts and Smart Blankets to mothers with toddlers in the surrounding area. The Smart Charts can serve to help identify if the children's height is average. In addition, we also conducted educational activities for health workers in Health Care Centres (Puskesmas) to advance their knowledge about stunting prevention and sharing it with the mothers in the local areas.

As a tangible manifestation of our seriousness in stunting prevention, Kimberly-Clark Softex, in

Profit is not the only thing to deliver in business. It is also our responsibility to nurture the community and protect the environment to make better lives for generations today and beyond.

<sup>1</sup> Pranita, Ellyvon. "Kasus Stunting Terbanyak, Indonesia Tempati Urutan Keempat Dunia." Kompas, 19 May 2021

# Award

Organization	Award/Certification	Description
TopBusiness Magazine	The 4-Stars TOP CSR Awards 2020	Kimberly-Clark Softex received the 4-Stars TOP CSR Awards for its social contribution to reduce COVID-19 impact through two programs. The first program was basic needs and medical equipment aid for the community and medical personnel in Indonesia. In the second program, the Company contributed to the survival of several endemic Indonesian animals through animal feed assistance collaborating with several conservation organizations
TopBusiness Magazine	TOP CSR Awards 2020 Environmental Program for Used Baby Diaper Processing Program	Kimberly-Clark Softex received the TOP CSR Awards 2020 Environmental Program for the Used Baby Diaper Processing Program that its pioneer in 2019
TopBusiness Magazine	Top Leader on CSR Commitment 2020- 2021 for Hendra Setiawan	The TOP Leader on CSR Commitment award 2021 was given to our President Director Hendra Setiawan, for the commitment and active participation of top management in increasing the Company's positive impact on the environment and society.
CSR Works	Silver Winner in Asia's Best Sustainability Report (2019) Category Sustainability	Kimberly-Clark Softex won a Silver labelled recognition in Asia Best's Sustainability Report (1st Time) at the 5th Asia Sustainability Reporting Awards (ASRA).
The La Tofi School of CSR	Indonesia Green Award 2020 for Best Program in Integrated Waste Management	Kimberly-Clark Softex received Indonesia Green Awards (IGA) 2020 for the category of Promoting Integrated Waste Management. The Company is considered successful in being a pioneer in efforts to manage the environment in a sustainable manner through a used baby diaper recycling program.
Infobrand.id	Top CSR Awards 2020 COVID-19 Handling Activities – Category Corporate Social Responsibility	Kimberly-Clark Softex won this award for their initiatives and innovations in facing the challenges of the COVID-19 pandemic.
Sidoarjo District Government	Sidoarjo District Government Awards 2020 – 3rd winner of Corporate Social Responsibility Competition of 2019	Selected by the local goverment, Kimberly-Clark Softex received the 3rd place winner recognition for our CSR programs which were conducted and represented by the Sidoarjo Mill.

Human Resources Online	HR Excellence Awards	Kimberly-Clark Softex was recognized by the HR Excellence Awards in three categories: the gold award for Talent Acquisition and the bronze award for Graduate Recruitment and Development and Digital Transformation.
The Planet Mark	Planet Mark™ certification (2017-2020)	Kimberly-Clark Softex has been entrusted to receive the Sustainability Certification from The Planet Mark™ for 4 consecutive years. This certification recognizes our commitment and continuous improvement in sustainability and carbon footprint reduction.
Majelis Ulama Indonesia	Halal Certificate	Kimberly-Clark Softex's products have halal certification that guarantee our products meet the mandatory requirements set by Islamic law. Our Softies Anti-Bacterial Antiseptic is the first wipes product specifically formulated to kill germs effectively and is Halal certified.
SGS Indonesia	ISO 9001:2015 Quality Management System(QMS)	Kimberly-Clark Softex is the first producer of sanitary napkin made in Indonesia which has obtained the certificate since 1997 and applied it in the implementation of production activities.

## Brand Award

Organization	Award/Certification
Infobrand.id	<p>Digital Popular Brand Award 2020 - Category Baby Diapers for Sweety Brand</p> <p>Top Digital PR Award 2020 for Sweety Brand</p> <p>Top Digital PR Award 2020 for Softex Brand</p> <p>The 1st Adult Diapers in Indonesia with Specifically Designed for Men and Women (2020) for Confidence Brand</p> <p>Digital Popular Brand Award 2020 - Category Adult Diapers for Confidence Brand</p> <p>Top Digital PR Award 2020 for Confidence Brand</p>

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GRI 102-55

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