UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2020

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission File Number 1-225

KIMBERLY-CLARK CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**39-0394230**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

P.O. Box 619100
Dallas, TX
75261-9100
(Address of principal executive offices)
(Zip code)

Registrant's telephone number, including area code: (972) 281-1200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock-$1.25 par value	KMB	New York Stock Exchange
0.625% Notes due 2024	KMB24	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐	Smaller reporting company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates on June 30, 2020 (based on closing stock price on the New York Stock Exchange as of such date) was approximately $48.2 billion.

As of January 29, 2021, there were 338,363,924 shares of Kimberly-Clark common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information contained in the definitive Proxy Statement for Kimberly-Clark's Annual Meeting of Stockholders to be held on April 29, 2021 is incorporated by reference into Part III.

KIMBERLY-CLARK CORPORATION

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ITEM 1. BUSINESS

Kimberly-Clark Corporation was incorporated in Delaware in 1928. We are a global company focused on leading the world in essentials for a better life through product innovation and building our personal care, consumer tissue and K-C Professional brands. We are principally engaged in the manufacturing and marketing of a wide range of products mostly made from natural or synthetic fibers using advanced technologies in fibers, nonwovens and absorbency. Unless the context indicates otherwise, the terms "Corporation," "Kimberly-Clark," "K-C," "we," "our" and "us" refer to Kimberly-Clark Corporation and its consolidated subsidiaries.

Dollar amounts are reported in millions, except per share dollar amounts, unless otherwise noted.

Description of Kimberly-Clark

We are organized into operating segments based on product groupings. These operating segments have been aggregated into three reportable global business segments as follows:

- *Personal Care* brands offer our consumers a trusted partner in caring for themselves and their families by delivering confidence, protection and discretion through a wide variety of innovative solutions and products such as disposable diapers, training and youth pants, swimpants, baby wipes, feminine and incontinence care products, and other related products. Products in this segment are sold under the Huggies, Pull-Ups, Little Swimmers, GoodNites, DryNites, Sweety, Kotex, U by Kotex, Intimus, Depend, Plenitud, Softex, Poise and other brand names.

- *Consumer Tissue* offers a wide variety of innovative solutions and trusted brands that responsibly improve everyday living for families around the world. Products in this segment include facial and bathroom tissue, paper towels, napkins and related products, and are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Neve and other brand names.

- *K-C Professional* partners with businesses to create Exceptional Workplaces, helping to make them healthier, safer and more productive through a range of solutions and supporting products such as wipers, tissue, towels, apparel, soaps and sanitizers. Our brands, including Kleenex, Scott, WypAll, Kimtech and KleenGuard are well known for quality and trusted to help people around the world work better.

These reportable segments were determined in accordance with how our chief operating decision maker and our executive managers develop and execute our global strategies to drive growth and profitability of our personal care, consumer tissue and K-C Professional operations. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management and capacity, and capital investments for each of these businesses.

Products for household use are sold directly to supermarkets, mass merchandisers, drugstores, warehouse clubs, variety and department stores and other retail outlets, as well as through other distributors and e-commerce. Products for away-from-home use are sold through distributors, directly to manufacturing, lodging, office building, food service, and high-volume public facilities, and through e-commerce.

Net sales to Walmart Inc. as a percent of our consolidated net sales were approximately 15 percent in 2020 and 14 percent in 2019 and 2018, respectively. Net sales to Walmart Inc. were primarily in the Personal Care and Consumer Tissue segments.

On October 1, 2020, we acquired Softex Indonesia, a leader in the fast-growing Indonesian personal care market, in an all-cash transaction for approximately $1.2 billion. This transaction significantly expands our presence in an important developing and emerging market and is a strong strategic fit with our core business. Softex Indonesia generated net sales of approximately $420 in 2019. We financed the transaction through a combination of short-term commercial paper, cash on hand, and the issuance of a $600 bond. See Item 8, Note 3 to the consolidated financial statements for details.

Patents and Trademarks

We own various patents and trademarks registered domestically and in many foreign countries. We consider the patents and trademarks that we own and the trademarks under which we sell certain of our products to be material to our business. Consequently, we seek patent and trademark protection by all available means, including registration.

Raw Materials

Cellulose fiber, in the form of kraft pulp or fiber recycled from recovered waste paper, is the primary raw material for our tissue products, and in the form of fluff pulp is a component of disposable diapers, training and youth pants, feminine pads and incontinence care products.

Polypropylene and other synthetics and chemicals are the primary raw materials for manufacturing nonwoven fabrics, which are used in disposable diapers, training and youth pants, wet wipes, feminine pads, incontinence care products, and away-from-home wipers and apparel. Superabsorbent materials are important components of disposable diapers, training and youth pants and incontinence care products.

Raw materials are purchased from third parties, and we consider the supply to be adequate to meet the needs of our businesses. See Item 1A, "Risk Factors."

Competition

We have several major competitors in most of our markets, some of which are larger and more diversified than us. The principal methods and elements of competition include brand recognition and loyalty, product innovation, quality and performance, price, and marketing and distribution capabilities. For additional discussion of the competitive environment in which we conduct our business, see Item 1A, "Risk Factors."

Foreign Market Risks

We operate and market our products globally, and our business strategy includes targeted growth in Latin America, Asia, Eastern Europe, the Middle East and Africa, with a particular emphasis in Latin America, China, Eastern Europe and ASEAN. See Item 1A, "Risk Factors" for a discussion of foreign market risks that may affect our financial results.

Corporate Responsibility and Sustainability

Our continued commitment to doing the right thing underpins our social impact and smallest footprint ambitions. Making lives better begins with ensuring the health and safety of our customers, consumers, and employees, promoting diversity and inclusion within our business, and protecting the rights of workers across our supply chain. We also believe we can make meaningful contributions to gender equality, clean water and sanitation, climate action and responsible consumption and production. Our sustainability strategy puts our brand and innovation teams to work to create shared value by solving global challenges and is focused on addressing key sustainability impacts and opportunities throughout our value chain.

We implement this strategy by integrating sustainability objectives into our business and capital planning processes, aligning the priorities of our supply chain, brand and innovation teams, and establishing meaningful performance indicators. Our environmental priorities include reducing our use of new fossil fuel-based plastic, while enabling circular systems to recover the materials in our products and packaging; reducing our products' forest carbon footprint, while protecting forest biodiversity and supporting forest dependent communities; reducing greenhouse gas emissions along our value chain, in line with climate science; and building resilience to water risk at our facilities and in our communities. The United Nations' Sustainable Development Goals are now accepted as the best shared definition of what needs to be done over the next decade, and we have aligned our goals with that framework.

Regulatory Compliance

We are subject to many laws and regulations across all the countries in which we do business, and we are particularly impacted by those relating to product safety, environmental protection and data privacy and protection.

We are obligated to comply with regulations that cover product safety, efficacy, manufacturing, advertising, labeling and safety reporting. These include requirements that we provide a label that highlights perceived concerns about a product or warns consumers of risks of using our products. In some cases, it may be necessary to initiate product recalls if safety risks are considered to exist. All our facilities and other operations are subject to various environmental protection statutes and regulations, including those relating to the use of water resources and the discharge of wastewater. We are also subject to various laws and regulations related to data privacy and protection, including the European Union's General Data Protection Regulation and the California Consumer Privacy Act of 2018, which became effective on January 1, 2020.

Our policy is to abide by all applicable laws and regulations, and we have internal programs in place to manage global compliance with these various requirements. We monitor each of these areas for new or changed regulatory requirements, particularly in the rapidly evolving area of data privacy and protection. We have made, and plan to continue making, necessary expenditures for compliance with applicable laws and regulations; however, total capital expenditures and operating expenses related to compliance are not expected to have a material effect on our total capital and operating expenditures, consolidated earnings or competitive position.

Employees

We had approximately 46,000 employees as of December 31, 2020 in our consolidated operations. Approximately 30 percent of our employees were located in North America and the remainder were in more than 65 countries outside of North America. Overall, approximately 60 percent of our workforce was directly involved in manufacturing and distribution operations. We are committed to workforce diversity and inclusion and continue to make progress on goals for women in senior roles globally and ethnic minorities in senior roles in the United States.

Available Information

We make financial information, news releases and other information available on our corporate website at *www.kimberly-clark.com*. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge on this website as soon as reasonably practicable after we file these reports and amendments with, or furnish them to, the Securities and Exchange Commission ("SEC"). The information contained on or connected to our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report filed with the SEC. Stockholders may also contact Stockholder Services, P.O. Box 612606, Dallas, Texas 75261-2606 or call 972-281-5317 to obtain a hard copy of these reports without charge.

ITEM 1A. RISK FACTORS

Our business faces many risks and uncertainties that we cannot control. Any of the risks discussed below, as well as factors described in other places in this Form 10-K, or in our other filings with the SEC, could adversely affect our business, consolidated financial position, results of operations or cash flows. In addition, these items could cause our future results to differ from those in any of our forward-looking statements. These risks are not the only ones we face. Other risks that we do not presently know about or that we presently believe are not material could also adversely affect us.

Business Operations

We face various risks related to health epidemics, pandemics and similar outbreaks, which may have material adverse effects on our business, financial position, results of operations and cash flows.

Our business and financial results may be negatively impacted by health epidemics, pandemics and similar outbreaks. The ongoing COVID-19 pandemic could have negative impacts on our business, including causing significant volatility in demand for our products, changes in consumer behavior and preference, disruptions in our manufacturing and supply chain operations, disruptions to our cost saving programs and restructuring initiatives, limitations on our employees' ability to work and travel, significant changes in the economic or political conditions in markets in which we operate and related currency and commodity volatility. Despite our efforts to manage these impacts, their ultimate impact also depends on factors beyond our knowledge or control, including the duration and severity of any such outbreak and actions taken to contain its spread and mitigate its public health effects.

Cyber-attacks, privacy breaches, data breaches or a failure of key information technology systems could disrupt our business operations and cause us financial and reputational damage.

Increased cyber-security threats and computer crime pose a potential risk to the security of our information technology systems, including those of third-party service providers with whom we have contracted, as well as the confidentiality, integrity and availability of the data stored on those systems. Further, data privacy is subject to frequently changing rules and regulations regarding the handling of personal data, such as the General Data Protection Regulation and the California Consumer Privacy Act. Any breach in our information technology security systems could result in the disclosure or misuse of confidential or proprietary information, including sensitive customer, supplier, employee or investor information maintained in the ordinary course of our business. Any such event, or any failure to comply with these data privacy requirements or other laws in this area, could cause damage to our reputation, loss of valuable information or loss of revenue and could result in legal liability, or regulatory or other penalties. In addition, we may incur large expenditures to investigate or remediate, to recover data, to repair or replace networks or information systems, or to protect against similar future events.

Our information technology systems, some of which are dependent on services provided by third parties, serve an important role in the efficient and effective operation and administration of our business. These systems could be damaged or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, computer viruses or cyber-based attacks. The risk of cyber-based attacks is heightened with many of our employees working and accessing our technology infrastructure remotely as a result of the COVID-19 pandemic. While we have contingency plans in place to prevent or mitigate the impact of these events, if they were to occur and our disaster recovery plans do not effectively address the issues on a timely basis, we could suffer interruptions in our ability to manage our operations, which may adversely affect our business and financial results.

Significant increases in prices for raw materials, energy, transportation or other necessary supplies or services, without corresponding increases in our selling prices, could adversely affect our financial results.

Increases in the cost and availability of raw materials, including pulp and petroleum-based materials, the cost of energy, transportation and other necessary services, supplier constraints, supplier consolidation which could limit our sources of supply for these items, an inability to maintain favorable supplier arrangements and relations or an inability to avoid disruptions in production output could have an adverse effect on our financial results.

Cellulose fiber, in the form of kraft pulp or recycled fiber from recovered waste paper, is used extensively in our tissue products and is subject to significant price fluctuations. Cellulose fiber, in the form of fluff pulp, is a key component in our personal care products. In past years, pulp prices have experienced significant volatility. Increases in pulp prices or limits in the availability of recycled fiber could adversely affect our earnings if selling prices for our finished products are not adjusted or if these adjustments significantly trail the increases in pulp prices. In some instances, we utilize negotiated short-term contract structures to reduce pulp price volatility, but we have not used derivative instruments to manage these risks.

A number of our products, such as diapers, training and youth pants, feminine pads, incontinence care products and disposable wipes, contain certain materials that are principally derived from petroleum. These materials are subject to price fluctuations based on changes in petroleum prices, availability and other factors, with these prices experiencing significant volatility in recent years. We purchase these materials from a number of suppliers. Significant increases in prices for these materials could adversely affect our earnings if selling prices for our finished products are not adjusted, if these adjustments significantly trail the increases in prices for these materials, or if we do not utilize lower priced substitutes for these materials.

Our manufacturing operations utilize electricity, natural gas and petroleum-based fuels. To ensure we use all forms of energy efficiently and cost-effectively, we maintain energy efficiency improvement programs at our manufacturing sites. Our contracts with energy suppliers vary as to price, payment terms, quantities and duration. Our energy costs are also affected by various market factors including the availability of supplies of particular forms of energy, energy prices and local and national regulatory decisions (including actions taken to address climate change and related market responses). There can be no assurance that we will be fully protected against substantial changes in the price or availability of energy sources.

There can be no assurance that our efforts to increase selling prices in response to increased costs will be successful.

Our international operations are subject to foreign market risks, including changes in foreign currency exchange rates, currency restrictions and political, social and economic instability, which may adversely affect our financial results.

Our strategy includes operations growth outside the U.S., especially in developing markets such as China, Eastern Europe, ASEAN and Latin America. About half of our net sales come from markets outside the U.S. We and our equity companies have manufacturing facilities in 34 countries and sell products in a substantial majority of countries around the world. Our results may be substantially affected by a number of foreign market risks:

- Exposure to the movement of various currencies against each other and the U.S. dollar. A portion of the exposures, arising from transactions and commitments denominated in non-local currencies, is systematically managed through foreign currency forward and swap contracts where available and economically advantageous. We do not generally hedge our income statement translation exposure with respect to foreign operations.
- Increases in currency exchange restrictions. These restrictions could limit our ability to repatriate earnings from outside the U.S. or obtain currency exchange for U.S. dollar inputs to continue operating in certain countries.
- Adverse political conditions. Risks related to political instability, expropriation, new or revised legal or regulatory constraints, difficulties in enforcing contractual and intellectual property rights, and potentially adverse tax

consequences, including the United Kingdom's withdrawal from the European Union (Brexit) and the related ongoing negotiations with the European Union, could adversely affect our financial results.

- Increases in dollar-based input costs for operations outside the U.S. due to weaker foreign exchange rates versus the U.S. dollar. There can be no assurance that we will be protected against substantial foreign currency fluctuations.

The inability to effectively manage foreign market risk could adversely affect our business, consolidated financial condition, results of operations or liquidity. See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and Item 8, Note 1 to the consolidated financial statements for information regarding our adoption of highly inflationary accounting in Argentina.

Damage to the reputation of Kimberly-Clark or to one or more of our brands could adversely affect our business.

Developing and maintaining our reputation, as well as the reputation of our brands, is a critical factor in our relationship with consumers, customers, suppliers and others. Our inability to address adverse publicity or other issues, including concerns about product safety, quality, efficacy, environmental impacts (including packaging, energy and water use and waste management), inclusion and diversity, human rights and other sustainability or similar matters, or breaches of consumer, customer, supplier, employee or other confidential information, real or perceived, could negatively impact sentiment towards us and our products and brands, and our business and financial results could suffer. In addition, our products could face withdrawal, recall or other quality issues. Consumers increasing use and reliance on social media for information could increase the risk of adverse publicity, potentially with negative perception of our products or brands. Our business and results could also be negatively impacted by the effects of product-related litigation, allegations of product tampering or contamination, or the distribution and sale of counterfeit products.

Disruption in our supply chain or our manufacturing or distribution operations could adversely affect our business.

Our ability to manufacture, distribute and sell products is critical to our operations. These activities are subject to inherent risks such as natural disasters, power outages, fires or explosions, labor strikes, terrorism, epidemics, pandemics (including the ongoing COVID-19 pandemic), import restrictions, regional economic, business, environmental or political events, governmental regulatory requirements or nongovernmental voluntary actions in response to global climate change or other concerns regarding the sustainability of our business, which could disrupt our supply chain and impair our ability to manufacture or sell our products. This interruption, if not mitigated in advance or otherwise effectively managed, could adversely impact our business, financial condition and results of operations, as well as require additional resources to address.

In addition, third parties manufacture some of our products and provide certain administrative services. Disruptions or delays at these third-party manufacturers or service providers due to the reasons above or the failure of these manufacturers or service providers to otherwise satisfactorily perform, could adversely impact our operations, sales, payments to our suppliers, employees, and others, and our ability to report financial and management information on a timely and accurate basis.

There is no guarantee that our ongoing efforts to reduce costs will be successful.

We continue to implement plans to improve our competitive position by achieving cost reductions in our operations, including implementing restructuring programs in functions or areas of our business where we believe such opportunities exist. In January 2018, we announced a global restructuring program. The 2018 Global Restructuring Program will reduce our structural cost base by streamlining and simplifying our manufacturing supply chain and overhead organization. In addition, we expect ongoing cost savings from our continuous improvement activities. We anticipate these cost savings will result from reducing material costs and manufacturing waste and realizing productivity gains, distribution efficiencies and overhead reductions in each of our business segments and in our corporate functions. Any negative impact these plans have on our relationships with employees, suppliers or customers or any failure to generate the anticipated efficiencies and savings could adversely affect our financial results.

We may acquire or divest product lines or businesses, which could impact our results.

We may pursue acquisitions of product lines or businesses from third parties, including our recent acquisition of Softex Indonesia. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired product lines or businesses, estimation and assumption of liabilities and contingencies, personnel turnover and the diversion of management's attention from other business concerns. We may be unable to successfully integrate and manage product lines or businesses that we may acquire in the future, or be unable to achieve anticipated benefits or cost savings from acquisitions in the timeframe we anticipate, or at all.

We may periodically divest product lines or businesses. These divestitures may adversely impact our results if we are unable to offset the dilutive impacts from the loss of revenue associated with the divested products or businesses, or mitigate overhead costs allocated to those businesses. Furthermore, the divestitures could adversely affect our ongoing business operations, including by enhancing our competitors' positions or reducing consumer confidence in our ongoing brands and products.

The inability to effectively and efficiently manage acquisitions and divestitures with the results we expect or in the timeframe we anticipate could adversely affect our business, consolidated financial condition, results of operations or liquidity.

Marketing and Competition

Increasing dependence on key retailers in Developed Markets and the emergence of new sales channels may adversely affect our business.

Our products are sold in a highly competitive global marketplace, which continues to experience increased concentration and the growing presence of large-format retailers, discounters and e-tailers. With the consolidation of retail trade, both traditional retailers and e-tailers, we are increasingly dependent on key customers, and some of these customers, including large-format retailers and large e-tailers, may have significant bargaining power. They may use this leverage to demand higher trade discounts or allowances which could lead to reduced profitability. We may also be negatively affected by changes in the policies of our retail trade customers, such as inventory destocking, limitations on access to shelf space, delisting of our products, additional requirements related to safety, environmental, social and other sustainability issues, and other conditions. If we lose a significant customer or if sales of our products to a significant customer materially decrease, our business, financial condition and results of operations may be adversely affected.

Intense competition for sales of our products, changes in consumer purchasing patterns and the inability to innovate or market our products effectively could have an adverse effect on our financial results.

We operate in highly competitive domestic and international markets against well-known, branded products and low-cost or private label products. Inherent risks in our competitive strategy include uncertainties concerning trade and consumer acceptance, the effects of consolidation within retailer and distribution channels, a growing e-commerce marketplace, and customers' and competitors' actions. Our competitors for these markets include global, regional and local manufacturers, including private label manufacturers. Some of these competitors may have better access to financial resources and greater market penetration, which enable them to offer a wider variety of products and services at more competitive prices. Alternatively, some of these competitors may have significantly lower product development and manufacturing costs, particularly with respect to private label products, allowing them to offer products at a lower price. E-commerce potentially intensifies competition by simplifying distribution and lowering barriers to entry. The actions of these competitors could adversely affect our financial results. It may be necessary for us to lower prices on our products and increase spending on advertising and promotions, which could adversely affect our financial results.

We may be unable to anticipate or adequately respond to changes in consumer demand for our products. Demand for our products may change based on many factors, including shifting consumer purchasing patterns to lower cost options such as private-label products and mid to lower-tier value products, low birth rates in certain countries due to slow economic growth or other factors, negative consumer response to pricing actions, consumer shifts in distribution from traditional retailers to e-tailers, changing consumer preferences due to increased concerns in regard to post-consumer waste and packaging materials and their impact on environmental sustainability, or other changes in consumer trends or habits. If we experience lower sales due to changes in consumer demand for our products, our earnings could decrease.

Our ability to develop new products is affected by whether we can successfully anticipate consumer needs and preferences, develop and fund technological innovations, and receive and maintain necessary patent and trademark protection. In addition, we incur substantial development and marketing costs in introducing new and improved products and technologies. The introduction of a new consumer product (whether improved or newly developed) usually requires substantial expenditures for advertising and marketing to gain recognition in the marketplace. If a product gains consumer acceptance, it normally requires continued advertising and promotional support to maintain its relative market position. Some of our competitors may spend more aggressively on advertising and promotional activities, introduce competing products more quickly and respond more effectively to changing business and economic conditions. We may not be successful in developing new or improved products and technologies necessary to compete successfully in the industry, and we may not be successful in advertising, marketing, timely launching and selling our products. Also, if we fail to perfect or successfully assert our intellectual property rights, we may be less competitive, which could adversely affect our business, financial results and financial condition.

Legal and Regulatory

Government regulations and enforcement, and potential litigation, could have an adverse effect on our financial results.

As a global company, we are subject to many laws and governmental regulations across all of the countries in which we do business, including laws and regulations involving marketing, antitrust, anti-bribery or anti-corruption, product liability, environmental, intellectual property or other matters, as well as potential litigation or administrative actions.

If we are unable to comply with all laws and regulations, it could negatively impact our reputation and our business results. We cannot provide assurance that our internal control policies and procedures, and ethics and compliance program will always protect us from acts committed by our employees or agents. While it is our policy and practice to comply with all legal and regulatory requirements applicable to our business, a finding that we are in violation of, or out of compliance with, applicable laws or regulations could subject us to civil remedies, including fines, damages, injunctions or product recalls, or criminal sanctions, any of which could adversely affect our business, results of operations, cash flows and financial condition. Even if a claim is unsuccessful, is without merit or is not fully pursued, the negative publicity surrounding such assertions regarding our products, processes or business practices could adversely affect our reputation and brand image.

In addition, new or revised laws or regulations may alter the environment in which we do business, including in connection with Brexit, which could adversely impact our financial results. For example, new legislation or regulations may result in increased costs to us, directly for our compliance, or indirectly to the extent suppliers increase prices of goods and services because of increased compliance costs, excise taxes or reduced availability of raw materials.

New or revised tax regulations could have an adverse effect on our financial results.

We are subject to income tax requirements in various jurisdictions in the U.S. and internationally. Many of these jurisdictions have made changes to their tax policies, including tax reform in the U.S. that was enacted in December 2017. Other jurisdictions are contemplating changes or have unpredictable enforcement activity. Increases in applicable tax rates, implementation of new taxes, changes in applicable tax laws and interpretations of these tax laws and actions by tax authorities in jurisdictions in which we operate could reduce our after tax income and have an adverse effect on our results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2020, we own or lease:

- our principal executive office located in the Dallas, Texas metropolitan area;
- four operating segment and geographic headquarters at two U.S. and two international locations; and
- four global business service centers at one U.S. and three international locations.

The locations of our and our equity affiliates' principal production facilities by major geographic areas of the world are as follows:

Geographic Area:	Number of Facilities
North America (in 14 states in the U.S.)	**30**
Outside North America	**54**
Total (in 34 countries)	**84**

Many of these facilities produce multiple products, some across multiple segments. Consumer tissue and K-C Professional products are produced in 49 facilities and personal care products are produced in 49 facilities. We believe that our and our equity affiliates' facilities are suitable for their purpose, adequate to support their businesses and well maintained.

ITEM 3. LEGAL PROCEEDINGS

See Item 8, Note 10 to the consolidated financial statements, which is incorporated in this Item 3 by reference, for information on legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The names and ages of our executive officers as of February 11, 2021, together with certain biographical information, are as follows:

Gustavo L. Ghory, 62, was elected Senior Vice President and Chief Supply Chain Officer in June 2020. He is responsible for procurement, manufacturing, logistics, quality, safety and sustainability. Mr. Ghory joined Kimberly-Clark from SmarterChains, a technology company focused on creating agile operations for manufacturers, where he served as Chairman and Co-Founder since 2017. Mr. Ghory joined SmarterChains from The Procter & Gamble Company, where he served in multiple roles of increasing responsibility, most recently as Vice President Product Supply - Global Manufacturing.

Maria Henry, 54, was elected Senior Vice President and Chief Financial Officer in 2015. Prior to joining Kimberly-Clark, Ms. Henry served as Chief Financial Officer of Hillshire Brands Company from 2012 to 2014, and Chief Financial Officer of Sara Lee Corporation's North America Retail and Food Service business from 2011 to 2012. Prior to joining Sara Lee (the predecessor to Hillshire Brands) in 2011, Ms. Henry was Executive Vice President and Chief Financial Officer of Culligan International, where she was responsible for finance, strategy, business development and information technology. Before Culligan, Ms. Henry served as Chief Financial Officer of Vastera, Inc. She began her career at General Electric. She also serves on the board of directors of General Mills, Inc.

Michael D. Hsu, 56, has served as Chairman of the Board since January 2020 and as Chief Executive Officer since January 2019. Prior to that, he served as President and Chief Operating Officer since 2017, where he was responsible for the day-to-day operations of our business units, along with our global innovation, marketing and supply chain functions. He served as Group President, K-C North America from 2013 to 2016, where he was responsible for our consumer business in North America, as well as leading the development of new business strategies for global nonwovens. From 2012 to 2013, his title was Group President, North America Consumer Products. He has been a director of Kimberly-Clark since 2017. Prior to joining Kimberly-Clark, Mr. Hsu served as Executive Vice President and Chief Commercial Officer of Kraft Foods, Inc., from January 2012 to July 2012, as President of Sales, Customer Marketing and Logistics from 2010 to 2012 and as President of its grocery business unit from 2008 to 2010. Prior to that, Mr. Hsu served as President and Chief Operating Officer, Foodservice at H. J. Heinz Company. He also serves on the board of directors of Texas Instruments Incorporated.

Sandra R.A. Karrmann, 55, was elected Senior Vice President and Chief Human Resources Officer in October 2020. She is responsible for the design and implementation of all human capital strategies for Kimberly-Clark, including global compensation and benefits, talent management, diversity and inclusion, organizational effectiveness and labor/employee relations. Ms. Karrmann joined Kimberly-Clark from Tenet Healthcare Corporation, a diversified healthcare services company, where she served as Executive Vice President and Chief Human Resources Officer since March 2019 and Senior Vice President and Chief Human Resources Officer since November 2017. Prior to joining Tenet, she served as Senior Vice President and Chief Human Resources Officer for United Surgical Partners International, which operates surgical facilities, since January 2013.

Alison Lewis, 53, was elected Chief Growth Officer in July 2019. Ms. Lewis joined Kimberly-Clark from Johnson & Johnson, a health care products company, where she served as Chief Marketing Officer of the Global Consumer business since 2013. Prior to her role at Johnson & Johnson, Ms. Lewis served as Chief Marketing Officer, Senior Vice President, North America at The Coca-Cola Company.

Jeffrey Melucci, 50, was elected Chief Transformation, Business Development and Legal Officer in November 2020. From April 2020 to November 2020, he served as Senior Vice President, Business Development and General Counsel and from 2017 to April 2020, he served as Senior Vice President - General Counsel. From January 2017 to September 2017, he served as Vice President, Senior Deputy General Counsel and General Counsel of Kimberly-Clark's Global Operations. From March 2013 to January 2017, he served as Vice President and Deputy General Counsel. He also served as Corporate Secretary from April 2014 to September 2017 and General Counsel of Kimberly-Clark International from March 2013 to December 2016. Mr. Melucci joined Kimberly-Clark from General Electric, where he served in multiple roles of increasing responsibility, most recently as General Counsel - Aviation Systems and Aviation Business Development.

Aaron Powell, 49, was elected President, K-C Asia-Pacific in March 2020. He is responsible for our consumer business in our Asia-Pacific region. From May 2018 to March 2020, he served as President of K-C Professional. Previously, he served as President, K-C Europe, Middle East & Africa (EMEA) from April 2018 to May 2018, and prior to that he led our K-C Professional operations in North America since 2016. Mr. Powell joined Kimberly-Clark in 2007 and has held a number of positions of increasing responsibility within our EMEA operations, including Vice President and Managing Director, Central & Eastern Europe.

Russell Torres, 49, was elected President of K-C Professional in March 2020. He is responsible for our global business to business operations which provides a deep range of essential commercial products and services, including tissue and surface wipers, skin care, safety and do-it-yourself products. Mr. Torres joined Kimberly-Clark from Newell Brands Inc., a consumer goods company, where he served as Group President since 2018 and as Chief Transformation Officer from 2016 to 2018. Prior to joining Newell Brands, Mr. Torres was a partner at Bain & Company from 2013 to 2016. Prior to that, Mr. Torres served as a senior executive at Mondelez International in its North America Business Unit from 2011 to 2013.

Kimberly K. Underhill, 56, was elected Group President, K-C North America in 2018. She is responsible for our consumer business in North America. From 2014 to May 2018, she served as President of K-C Professional, and from 2011 to 2014, she served as President, Consumer Europe. Ms. Underhill joined Kimberly-Clark in 1988 and has held a number of positions with increasing responsibility within research and engineering, operations and marketing. Ms. Underhill also serves on the board of directors of Foot Locker, Inc.

Gonzalo Uribe, 49, was elected President, K-C Latin America in November 2020. He is responsible for our consumer business in our Latin America region. From 2018 to November 2020 he served as Vice President, North Latin America and from 2017 to 2018 he served as Vice President, Andean Region. Mr. Uribe joined Kimberly-Clark from Mondelēz, where he served in multiple roles of increasing responsibility, most recently as Western Andean, Central America and Caribbean General Manager.

Tristram Wilkinson, 52, was elected President, K-C EMEA in 2018. He is responsible for our consumer business in our EMEA region. From 2016 to 2018, he served as Vice President and Managing Director, Central & Eastern Europe. Prior to that, Mr. Wilkinson held a number of positions of increasing responsibility within our EMEA operations, including Vice President and Managing Director, United Kingdom & Ireland. Mr. Wilkinson joined Kimberly-Clark in 1995.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Kimberly-Clark common stock is listed on the New York Stock Exchange. The ticker symbol is KMB.

Quarterly dividends have been paid continually since 1935. Dividends have been paid on or about the second business day of January, April, July and October.

As of January 29, 2021, we had 18,209 holders of record of our common stock.

For information relating to securities authorized for issuance under equity compensation plans, see Part III, Item 12 of this Form 10-K.

We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During 2020, we repurchased 4.9 million shares of our common stock at a cost of $700 through a broker in the open market.

The following table contains information for shares repurchased during the fourth quarter of 2020. None of the shares in this table were repurchased directly from any of our officers or directors.

Period (2020)	Total Number of Shares Purchased[(a)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
October 1 to October 31	608,048	$ 145.78	34,181,776	5,818,224
November 1 to November 30	570,400	138.69	34,752,176	5,247,824
December 1 to December 31	554,300	135.86	35,306,476	4,693,524
Total	1,732,748			

(a) Share repurchases were made pursuant to a share repurchase program authorized by our Board of Directors on November 13, 2014. This program allows for the repurchase of 40 million shares in an amount not to exceed $5 billion. On January 22, 2021, the Corporation’s Board of Directors authorized a new share repurchase program, pursuant to which the Corporation is authorized to repurchase up to 40 million shares of the Corporation’s common stock, subject to a limit of $5 billion in aggregate expenditures. The authorization is incremental to the remaining shares available to be repurchased under the current share repurchase program authorized on November 13, 2014.

ITEM 6. SELECTED FINANCIAL DATA

	Year Ended December 31				
	2020[a]	2019[b]	2018[c]	2017[d]	2016[e]
Net Sales	**$ 19,140**	$ 18,450	$ 18,486	$ 18,348	$ 18,287
Gross Profit	**6,822**	6,035	5,597	6,587	6,691
Operating Profit	**3,244**	2,991	2,229	3,358	3,383
Share of Net Income of Equity Companies	**142**	123	103	104	132
Net Income	**2,396**	2,197	1,445	2,319	2,219
Net Income Attributable to Noncontrolling Interests	**(44)**	(40)	(35)	(41)	(53)
Net Income Attributable to Kimberly-Clark Corporation	**2,352**	2,157	1,410	2,278	2,166
Per Share Basis					
Basic	**6.90**	6.28	4.05	6.44	6.03
Diluted	**6.87**	6.24	4.03	6.40	5.99
Cash Dividends Per Share					
Declared	**4.28**	4.12	4.00	3.88	3.68
Paid	**4.24**	4.09	3.97	3.83	3.64
Total Assets	**17,523**	15,283	14,518	15,151	14,602
Long-Term Debt	**7,878**	6,213	6,247	6,472	6,439
Total Stockholders' Equity	**869**	194	(46)	882	117

(a) Results include pre-tax charges of $419, $323 after tax, related to the 2018 Global Restructuring Program, acquisition-related costs of $32, $27 after tax, associated with the acquisition of Softex Indonesia, and business tax credits of $77, $51 after tax, related to the resolution of certain Brazil tax matters. See Item 8, Notes 1, 2 and 3 to the consolidated financial statements for details.

(b) Results include pre-tax charges of $366, $248 after tax, related to the 2018 Global Restructuring Program and a pre-tax property sale gain of $31, $24 after tax, related to the sale of property associated with a former manufacturing facility. See Item 8, Notes 2 and 14 to the consolidated financial statements for details.

(c) Results include pre-tax charges of $1,036, $783 after tax, related to the 2018 Global Restructuring Program and a net charge of $117 associated with U.S. tax reform related matters. See Item 8, Notes 2 and 12 to the consolidated financial statements for details.

(d) Results include other expense of $24 and an income tax benefit of $85 for U.S. tax reform related matters.

(e) Results include other income of $11 related to an updated assessment of the deconsolidation of our Venezuelan operations. Additionally, results were negatively impacted by pre-tax charges of $35, $27 after tax, related to the 2014 restructuring plan initiated to improve organization efficiency and offset the impact of stranded overhead costs resulting from the spin-off of our health care business (the "2014 Organization Restructuring").

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

This MD&A is intended to provide investors with an understanding of our recent performance, financial condition and prospects. This discussion and analysis compares 2020 results to 2019. For a discussion that compares our 2019 results to 2018, see Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 of our 2019 Annual Report on Form 10-K. The reference to "N.M." indicates that the calculation is not meaningful. In addition, we provide commentary regarding organic sales growth, which describes the impact of changes in volume, product mix and net selling prices on net sales. Changes in foreign currency exchange rates and acquisitions also impact the year-over-year change in net sales. Dollar amounts are reported in millions, except per share dollar amounts, unless otherwise noted.

The following will be discussed and analyzed:

- Overview of Business
- Overview of 2020 Results
- Impact of COVID-19
- Results of Operations and Related Information
- Unaudited Quarterly Data
- Liquidity and Capital Resources
- Critical Accounting Policies and Use of Estimates
- New Accounting Standards
- Information Concerning Forward-Looking Statements

Throughout this MD&A, we refer to financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S., or GAAP, and are therefore referred to as non-GAAP financial measures. These measures include adjusted gross and operating profit, adjusted net income, adjusted earnings per share, adjusted other (income) and expense, net, and adjusted effective tax rate. We believe these measures provide our investors with additional information about our underlying results and trends, as well as insight to some of the financial measures used to evaluate management.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for the comparable GAAP measures, and they should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. There are limitations to these non-GAAP financial measures because they are not prepared in accordance with GAAP and may not be comparable to similarly titled measures of other companies due to potential differences in methods of calculation and items being excluded. We compensate for these limitations by using these non-GAAP financial measures as a supplement to the GAAP measures and by providing reconciliations of the non-GAAP and comparable GAAP financial measures.

The non-GAAP financial measures exclude the following items for the relevant time periods as indicated in the reconciliations included later in this MD&A:

- 2018 Global Restructuring Program - In 2018, we initiated a restructuring program to reduce our structural cost base by streamlining and simplifying our manufacturing supply chain and overhead organization. See Item 8, Note 2 to the consolidated financial statements for details.
- Softex Indonesia Acquisition-Related Costs - Transaction and integration costs associated with the acquisition of Softex Indonesia. See Item 8, Note 3 to the consolidated financial statements for details.
- Brazil Business Tax Credits - In the fourth quarter of 2020, we received a favorable legal ruling that resolved certain matters related to prior years' business taxes in Brazil. See Item 8, Note 1 to the consolidated financial statements for details.
- Property Sale Gain - In the fourth quarter of 2019, we recognized a gain on the sale of property associated with a former manufacturing facility that was closed in 2012 as part of a past restructuring.

Overview of Business

We are a global company focused on leading the world in essentials for a better life, with manufacturing facilities in 34 countries, including our equity affiliates, and products sold in more than 175 countries and territories. Our products are sold under well-known brands such as Kleenex, Scott, Huggies, Pull-Ups, Kotex and Depend. We have three reportable business segments: Personal Care, Consumer Tissue and K-C Professional. These business segments are described in greater detail in Item 8, Note 14 to the consolidated financial statements.

In operating our business, we seek to:

- grow our portfolio of brands through innovation, category development and commercial execution,
- leverage our cost and financial discipline to fund growth and improve margins, and
- allocate capital in value-creating ways.

We describe our business outside North America in two groups – Developing and Emerging Markets ("D&E") and Developed Markets. D&E Markets comprise Eastern Europe, the Middle East and Africa, Latin America and Asia-Pacific, excluding Australia and South Korea. Developed Markets consist of Western and Central Europe, Australia and South Korea.

On October 1, 2020, we acquired Softex Indonesia, a leader in the fast-growing Indonesian personal care market, in an all-cash transaction for approximately $1.2 billion. This transaction significantly expands our presence in an important D&E market and is a strong strategic fit with our core business. Softex Indonesia generated net sales of approximately $420 in 2019. We financed the transaction through a combination of short-term commercial paper, cash on hand and the issuance of a $600 bond. See Item 8, Note 3 to the consolidated financial statements for details.

Overview of 2020 Results

- Net sales of $19.1 billion increased 4 percent. Organic sales increased 6 percent. Changes in foreign currency exchange rates reduced sales by 2 percent.
- In North America, organic sales increased 10 percent in consumer products and decreased 5 percent in K-C Professional.
- Outside North America, organic sales increased 3 percent in D&E Markets and 6 percent in Developed Markets.
- Operating Profit and Net Income Attributable to Kimberly-Clark were $3,244 and $2,352 in 2020, respectively.
- Diluted earnings per share were $6.87 in 2020 compared to $6.24 in 2019. Results in 2020 and 2019 include net charges of $0.94 and $0.72, respectively, related to the 2018 Global Restructuring Program. Results in 2020 also include acquisition-related costs of $0.08 associated with the acquisition of Softex Indonesia and a benefit of $0.15 related to the resolution of certain business tax matters in Brazil. Results in 2019 also include a net gain of $0.07 related to the sale of property associated with a former manufacturing facility that was closed as part of a past restructuring.
- We continue to focus on generating cash flow and allocating capital to shareholders. Cash provided by operations was $3.7 billion in 2020. We raised our dividend in 2020 by 4 percent, the 48th consecutive annual increase in our dividend. Altogether, share repurchases and dividends in 2020 amounted to $2.15 billion.

In 2021, we plan to continue to execute our strategies for long-term success which include delivering balanced, sustainable growth by growing our brands in-line with or ahead of category growth, leveraging our cost and financial discipline to fund growth and improve margins, and allocating capital in value-creating ways. Our growth strategy is built on two pillars. Elevate our core business is our first pillar and is driven by delivering value-added innovations and driving category opportunities. Accelerating growth in D&E markets is our second pillar and emphasizes Personal Care and K-C Professional with Latin America, China, Eastern Europe and ASEAN as our priority markets. Both strategies are enabled by our focus on accelerating and investing in our commercial capabilities through digital marketing, revenue growth management, consumer-inspired innovation and strong in-market execution.

Our strong legacy of financial discipline supports our growth strategy by driving ongoing supply chain productivity through our FORCE (Focused On Reducing Costs Everywhere) program, completing the execution of the 2018 Global Restructuring program, controlling discretionary spending, driving down working capital and maintaining the top-tier return on invested capital. Our capital allocation strategy is consistent with our historical approach of disciplined capital spending, payment of a top tier dividend, evaluation of acquisition opportunities and allocation of excess cash flow to share repurchases.

We are subject to risks and uncertainties, which can affect our business operations and financial results. See Item 1A, "Risk Factors" in this Form 10-K for additional information.

Impact of COVID-19

We continue to actively address the COVID-19 situation and its impact globally. We believe that we will emerge from these events well positioned for long-term growth, though we cannot reasonably estimate the duration and severity of this global pandemic or its ultimate impact on the global economy and our business and results.

We have experienced increased volatility in demand for some of our products as consumers adapt to the evolving environment. Beginning in the first quarter of 2020, particularly in March, demand increased in our Consumer Tissue and Personal Care business segments across all major geographies as consumers increased home inventory levels in response to COVID-19. The increase was followed by a period of demand softness as consumers used existing home inventories and demand returned to more normal levels. Demand for our consumer tissue products was elevated throughout 2020 as more people spent more time at home. Our K-C Professional business experienced volume declines throughout 2020 reflecting the reduction in away from home demand.

During 2020, we experienced temporary closures of certain facilities, though we did not experience a material impact from a plant closure and our facilities were largely exempt or partially exempt from government closure orders. At many of our facilities, we have been experiencing increased employee absences, which may continue in the current situation.

During 2020, we also experienced increased volatility in foreign currency exchange rates and commodity prices, as certain countries experienced increased macro-economic volatility from the COVID-19 situation.

Results of Operations and Related Information

This section presents a discussion and analysis of net sales, operating profit and other information relevant to an understanding of 2020 results of operations.

Consolidated

Selected Financial Results

	Year Ended December 31		
	2020	2019	Change 2020 vs. 2019
Net Sales:			
North America	**$ 10,394**	$ 9,735	+7 %
Outside North America	**9,018**	8,981	—
Intergeographic sales	**(272)**	(266)	+2 %
Total Net Sales	**19,140**	18,450	+4 %
Operating Profit:			
North America	**2,689**	2,441	+10 %
Outside North America	**1,221**	1,127	+8 %
Corporate & Other[a]	**(720)**	(787)	N.M.
Other (income) and expense, net[a]	**(54)**	(210)	-74 %
Total Operating Profit	**3,244**	2,991	+8 %
Provision for income taxes	**(676)**	(576)	+17 %
Share of net income of equity companies	**142**	123	+15 %
Net Income Attributable to Kimberly-Clark Corporation	**2,352**	2,157	+9 %
Diluted Earnings per Share	**6.87**	6.24	+10 %

(a) Corporate & Other and Other (income) and expense, net includes income and expenses not associated with the business segments, including adjustments as indicated in the Non-GAAP Reconciliations.

GAAP to Non-GAAP Reconciliations of Selected Financial Results

	Twelve Months Ended December 31, 2020				
	As Reported	**2018 Global Restructuring Program**	**Softex Indonesia Acquisition-Related Costs**	**Brazil Business Tax Credits**	**As Adjusted Non-GAAP**
Cost of products sold	**$ 12,318**	**$ 283**	**$ —**	**$ —**	**$ 12,035**
Gross Profit	**6,822**	**(283)**	**—**	**—**	**7,105**
Marketing, research and general expenses	**3,632**	**109**	**32**	**—**	**3,491**
Other (income) and expense, net	**(54)**	**(9)**	**—**	**(77)**	**32**
Operating Profit	**3,244**	**(383)**	**(32)**	**77**	**3,582**
Nonoperating expense	**(70)**	**(36)**	**—**	**—**	**(34)**
Provision for income taxes	**(676)**	**94**	**5**	**(26)**	**(749)**
Effective tax rate	**23.1 %**	**—**	**—**	**—**	**22.7 %**
Share of net income of equity companies	**142**	**(1)**	**—**	**—**	**143**
Net income attributable to noncontrolling interests	**(44)**	**3**	**—**	**—**	**(47)**
Net Income Attributable to Kimberly-Clark Corporation	**2,352**	**(323)**	**(27)**	**51**	**2,651**
Diluted Earnings per Share[a]	**6.87**	**(0.94)**	**(0.08)**	**0.15**	**7.74**

	Twelve Months Ended December 31, 2019			
	As Reported	2018 Global Restructuring Program	Property Sale Gain	As Adjusted Non-GAAP
Cost of products sold	$ 12,415	$ 416	$ —	$ 11,999
Gross profit	6,035	(416)	—	6,451
Marketing, research and general expenses	3,254	99	—	3,155
Other (income) and expense, net	(210)	(194)	(31)	15
Operating profit	2,991	(321)	31	3,281
Nonoperating expense	(91)	(45)	—	(46)
Provision for income taxes	(576)	118	(7)	(687)
Effective tax rate	21.7 %	—	—	23.0 %
Share of net income of equity companies	123	(2)	—	125
Net income attributable to noncontrolling interests	(40)	2	—	(42)
Net income attributable to Kimberly-Clark Corporation	2,157	(248)	24	2,381
Diluted Earnings per Share[(a)]	6.24	(0.72)	0.07	6.89

(a) "As Adjusted Non-GAAP" may not equal "As Reported" plus "Adjustments" as a result of rounding.

Analysis of Consolidated Results

Net Sales	Percent Change 2020 vs. 2019
Volume	**4**
Net Price	**1**
Mix/Other	**1**
Currency	**(2)**
Total[(a)]	**4**
Organic[(b)]	**6**

Adjusted Operating Profit	Percent Change 2020 vs. 2019
Volume	**8**
Net Price	**8**
Input Costs	**5**
Cost Savings[(c)]	**17**
Currency Translation	**(1)**
Other[(d)]	**(28)**
Total	**9**

(a) Total may not equal the sum of volume, net price, mix/other and currency due to rounding.

(b) Combined impact of changes in volume, net price and mix/other.

(c) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

(d) Includes impact of changes in product mix, marketing, research and general expenses, foreign currency transaction effects and other manufacturing costs.

Net sales of $19.1 billion increased 4 percent compared to the year ago period. Operating profit was $3,244 in 2020 and $2,991 in 2019. Adjusted operating profit was $3,582 in 2020, up 9 percent compared to $3,281 in 2019. Results benefited from organic sales growth, $455 of FORCE cost savings and $120 of cost savings from the 2018 Global Restructuring Program. Input costs decreased $175, driven by pulp. The comparison was impacted by other manufacturing cost increases, unfavorable currency effects, increased advertising spending and higher general and administrative costs.

Other (income) and expense, net of $54 in 2020 primarily reflected tax credits recognized related to a favorable legal ruling that resolved certain matters related to prior years' business taxes in Brazil. In 2019, Other (income) and expense, net of $210 primarily reflected gains on the sales of manufacturing facilities and associated real estate related to the 2018 Global Restructuring Program and property associated with a former manufacturing facility that was closed as part of a past restructuring. Adjusted other (income) and expense, net was $32 and $15 of expense in 2020 and 2019, respectively.

The effective tax rate of 23.1 percent in 2020 increased compared to the effective tax rate of 21.7 percent in 2019. The rate in 2019 included a net benefit of $47 related to a nonrecurring capital loss from a legal entity restructuring. See additional details in Item 8, Note 12 to the consolidated financial statements. The adjusted effective tax rate was 22.7 percent compared to 23.0 percent in 2019.

Our share of net income of equity companies was $142 in 2020 and $123 in 2019. Kimberly-Clark de Mexico, S.A.B. de C.V. ("KCM") results in 2020 benefited from organic sales growth, lower input costs and cost savings but were negatively impacted by unfavorable currency effects.

Diluted earnings per share were $6.87 in 2020 and $6.24 in 2019. Adjusted earnings per share of $7.74 in 2020 increased 12 percent compared to $6.89 in 2019. The increase was driven by growth in adjusted operating profit, along with higher net income from equity companies and declines in the share count and adjusted effective tax rate.

Business Segments

Personal Care

	2020	2019
Net Sales	**$ 9,339**	$ 9,108
Operating Profit	**$ 1,933**	$ 1,904

Net Sales	Percent Change 2020 vs. 2019
Volume	**4**
Net Price	**—**
Mix/Other	**1**
Acquisition	**1**
Currency	**(4)**
Total[(a)]	**3**
Organic[(b)]	**5**

Operating Profit	Percent Change 2020 vs. 2019
Volume	**7**
Net Price	**2**
Input Costs	**2**
Cost Savings[(c)]	**15**
Currency Translation	**(2)**
Other[(d)]	**(22)**
Total	**2**

(a) Total may not equal the sum of volume, net price, mix/other, acquisition and currency due to rounding.

(b) Combined impact of changes in volume, net price and mix/other.

(c) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

(d) Includes impact of changes in product mix, marketing, research and general expenses, foreign currency transaction effects and other manufacturing costs.

Net sales in North America increased 6 percent. Volumes increased 4 percent, primarily driven by broad-based growth in baby and child care as well as increases in adult care. Changes in net selling prices and product mix each increased sales by 1 percent.

Net sales in D&E Markets decreased 1 percent. Changes in foreign currency exchange rates decreased sales by 9 percent, primarily in Latin America. Volumes increased 4 percent led by growth in China, Eastern Europe, Brazil and India. Changes in product mix and the Softex Indonesia acquisition each increased sales by 2 percent. The improvements in product mix were primarily in China.

Net sales in Developed Markets outside North America increased 1 percent. Changes in product mix increased sales by 2 percent, primarily in South Korea, and volumes increased 1 percent. Changes in foreign currency exchange rates and net selling prices each decreased sales by 1 percent.

Operating profit of $1,933 increased 2 percent. The comparison was positively impacted by organic sales growth, cost savings and lower input costs, partially offset by unfavorable foreign currency effects, increases in other manufacturing costs and higher marketing and general and administrative costs.

Consumer Tissue

	2020	2019
Net Sales	$ 6,718	$ 5,993

	2020	2019
Operating Profit	$ 1,448	$ 1,007

Net Sales	Percent Change 2020 vs. 2019
Volume	12
Net Price	2
Mix/Other	(1)
Currency	(1)
Total[(a)]	12
Organic[(b)]	13

Operating Profit	Percent Change 2020 vs. 2019
Volume	27
Net Price	12
Input Costs	13
Cost Savings[(c)]	20
Currency Translation	—
Other[(d)]	(28)
Total	44

(a) Total may not equal the sum of volume, net price, mix/other and currency due to rounding.

(b) Combined impact of changes in volume, net price and mix/other.

(c) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

(d) Includes impact of changes in product mix, marketing, research and general expenses, foreign currency transaction effects and other manufacturing costs.

Net sales in North America increased by 17 percent. Volume increased 14 percent reflecting strong demand related to the COVID-19 and work from home environment, along with improved performance in Kleenex facial tissue. Volumes were up double-digits in all major product categories. Changes in net selling prices increased sales by 4 percent, driven by lower promotion spending. Changes in product mix decreased sales by 2 percent.

Net sales in D&E Markets decreased 1 percent. Changes in foreign currency exchange rates decreased sales by approximately 6 percent, primarily in Latin America, and changes in net selling prices decreased sales by 2 percent. Volumes increased 4 percent, led by improvements in Latin America, and changes in product mix increased sales by 2 percent.

Net sales in Developed Markets outside North America increased 14 percent. Volumes increased 12 percent. driven by strong growth in South Korea and Western and Central Europe and reflecting strong demand related to the COVID-19 and work from home environment. Changes in product mix increased sales by 1 percent.

Operating profit of $1,448 increased 44 percent. Results benefited from higher volumes and net selling prices, cost savings and lower input costs, partially offset by increases in marketing and general and administrative costs, other manufacturing costs and unfavorable foreign currency effects.

K-C Professional

	2020	2019
Net Sales	**$ 3,019**	$ 3,292

	2020	2019
Operating Profit	**$ 528**	$ 657

Net Sales	**Percent Change 2020 vs. 2019**
Volume	**(11)**
Net Price	**3**
Mix/Other	**2**
Currency	**(1)**
Total[a]	**(8)**
Organic[b]	**(7)**

Operating Profit	**Percent Change 2020 vs. 2019**
Volume	**(21)**
Net Price	**13**
Input Costs	**—**
Cost Savings[c]	**13**
Currency Translation	**(1)**
Other[d]	**(24)**
Total	**(20)**

(a) Total may not equal the sum of volume, net price, mix/other and currency due to rounding.

(b) Combined impact of changes in volume, net price and mix/other.

(c) Combined benefits of the FORCE program and 2018 Global Restructuring Program.

(d) Includes impact of changes in product mix, marketing, research and general expenses, foreign currency transaction effects and other manufacturing costs.

Net sales in North America decreased 5 percent. Volumes decreased 10 percent, reflecting lower away from home demand and challenging business conditions following the outbreak of COVID-19. Changes in product mix and net selling prices increased sales by 3 percent and 2 percent, respectively.

Net sales in D&E Markets decreased 21 percent. Volumes decreased by 17 percent, reflecting lower away from home demand and challenging business conditions following the outbreak of COVID-19 with declines in all major markets. Changes in foreign currency exchange rates and product mix decreased sales by 5 percent and 2 percent, respectively, partially offset by changes in net selling prices which increased sales by 3 percent, all primarily related to Latin America.

Net sales in Developed Markets outside North America decreased 4 percent. Volumes decreased 11 percent, reflecting lower away from home demand and challenging business conditions following the outbreak of COVID-19, primarily in Western and Central Europe. Changes in product mix and net selling prices increased sales by 4 percent and 3 percent, respectively, also primarily in Western and Central Europe.

Operating profit of $528 decreased 20 percent. The comparison was impacted by lower volumes, other manufacturing cost increases, and increased general and administrative costs. Results benefited from favorable net selling prices and cost savings.

2018 Global Restructuring Program

Annual pre-tax savings from the 2018 Global Restructuring Program are now expected to be $540 to $560 by the end of 2021. Savings for 2020 were $120, bringing cumulative savings to $420.

To implement this program, we expect to incur incremental capital spending of approximately $600 to $700 by the end of 2021. See Item 8, Note 2 to the consolidated financial statements for additional information.

Unaudited Quarterly Data

	2020(a)				2019(a)			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Net Sales	**$ 4,836**	**$ 4,683**	**$ 4,612**	**$ 5,009**	$ 4,583	$ 4,640	$ 4,594	$ 4,633
Gross Profit	**1,664**	**1,590**	**1,777**	**1,791**	1,566	1,555	1,486	1,428
Operating Profit	**749**	**666**	**925**	**904**	751	915	670	655
Net Income	**546**	**483**	**692**	**675**	556	680	495	466
Net Income Attributable to Kimberly-Clark Corporation	**539**	**472**	**681**	**660**	547	671	485	454
Per Share Basis-Diluted	**1.58**	**1.38**	**1.99**	**1.92**	1.59	1.94	1.40	1.31

(a) Quarterly results in 2020 and 2019 were impacted by charges related to the 2018 Global Restructuring Program. See Item 8, Note 2 to the consolidated financial statements for details. Third and fourth quarter results in 2020 were impacted by acquisition-related costs associated with the acquisition of Softex Indonesia. See Item 8, Note 3 to the consolidated financial statements for details. Fourth quarter results in 2020 were also impacted by business tax credits related to the resolution of certain Brazil tax matters. See Item 8, Note 1 for details.

Liquidity and Capital Resources

Cash Provided by Operations

Cash provided by operations was $3.7 billion in 2020 compared to $2.7 billion in 2019. The increase was driven by improved working capital and higher earnings.

Obligations

The following table presents our total contractual obligations for which cash flows are fixed or determinable.

	Total	2021	2022	2023	2024	2025	2026+
Long-term debt	$ 8,156	$ 265	$ 314	$ 475	$ 618	$ 557	$ 5,927
Interest payments on long-term debt	3,507	257	249	243	237	224	2,297
Operating lease liabilities	603	148	126	100	76	63	90
Unconditional purchase obligations	3,487	1,422	1,010	622	103	108	222
Open purchase orders	2,626	2,514	101	10	1	—	—
Total contractual obligations	$ 18,379	$ 4,606	$ 1,800	$ 1,450	$ 1,035	$ 952	$ 8,536

- The unconditional purchase obligations are for the purchase of raw materials, primarily superabsorbent materials, pulp and utilities. Although we are primarily liable for payments on the above operating leases and unconditional purchase obligations, based on historic operating performance and forecasted future cash flows, we believe exposure to losses, if any, under these arrangements is not material.
- The open purchase orders displayed in the table represent amounts for goods and services we have negotiated for delivery.

The table does not include amounts where payments are discretionary or the timing is uncertain. The following payments are not included in the table:

- We will fund our defined benefit pension plans to meet or exceed statutory requirements and currently expect to contribute approximately $50 to these plans in 2021.
- Other postretirement benefit payments are estimated using actuarial assumptions, including expected future service, to project the future obligations. Based upon those projections, we anticipate making annual payments for these obligations of approximately $50 through 2030.
- Accrued income tax liabilities for uncertain tax positions, deferred taxes and noncontrolling interests.

Investing

Our capital spending was $1.2 billion in 2020 and 2019, including incremental spending related to the 2018 Global Restructuring Program. Acquisition, net of cash acquired of $1.1 billion in 2020 reflected the purchase of Softex Indonesia.

Proceeds from dispositions of property in 2019 of $242 primarily reflects the proceeds from the sales of manufacturing facilities and associated real estate related to the 2018 Global Restructuring Program and property associated with a former manufacturing facility that was closed as part of a past restructuring. We expect capital spending to be approximately $1.2 billion to $1.3 billion in 2021, including spending associated with the 2018 Global Restructuring Program and other growth initiatives.

Financing

We issue long-term debt in the public market periodically. Proceeds from the offerings are used for general corporate purposes, including repayment of maturing debt or outstanding commercial paper indebtedness. See Item 8, Note 5 to the consolidated financial statements for details.

Our short-term debt, which consists of U.S. commercial paper with original maturities up to 90 days and/or other similar short-term debt issued by non-U.S. subsidiaries, was $223 as of December 31, 2020 (included in debt payable within one year on the consolidated balance sheet). The average month-end balance of short-term debt for the twelve months ended December 31, 2020 was $365. These short-term borrowings provide supplemental funding for supporting our operations. The level of short-term debt generally fluctuates depending upon the amount of operating cash flows and the timing of customer receipts and payments for items such as pension contributions, dividends and income taxes.

At December 31, 2020, total debt was $8.4 billion compared to $7.7 billion at December 31, 2019.

We maintain a $2.0 billion revolving credit facility which expires in June 2023 and a $750 revolving credit facility which expires in June 2021. These facilities, currently unused, support our commercial paper program, and would provide liquidity in the event our access to the commercial paper markets is unavailable for any reason.

In July 2017, the United Kingdom's Financial Conduct Authority, which regulates the London Interbank Offered Rate (LIBOR), announced that it intends to phase out LIBOR by the end of 2021. We are currently evaluating the potential effect of the eventual replacement of the LIBOR, but we do not expect the effect to be material. Accounting guidance has been issued to ease the transition to alternative reference rates from a financial reporting perspective. See Item 8, Note 1 to the consolidated financial statements for details.

We paid $1.5 billion in dividends in 2020. The Board of Directors approved a dividend increase of 6.5 percent for 2021. We repurchase shares of Kimberly-Clark common stock from time to time pursuant to publicly announced share repurchase programs. During 2020, we repurchased 4.9 million shares of our common stock at a cost of $700 through a broker in the open market. We are targeting full-year 2021 share repurchases between $650 and $750, subject to market conditions. On January 22, 2021, the Corporation’s Board of Directors authorized a new share repurchase program, pursuant to which the Corporation is authorized to repurchase up to 40 million shares of the Corporation’s common stock, subject to a limit of $5 billion in aggregate expenditures. The authorization is incremental to the remaining shares available to be repurchased under the current share repurchase program authorized on November 13, 2014.

We believe that our ability to generate cash from operations and our capacity to issue short-term and long-term debt are adequate to fund working capital, payments for our 2018 Global Restructuring Program, capital spending, pension contributions, dividends and other needs for the foreseeable future. Further, we do not expect restrictions or taxes on repatriation of cash held outside of the U.S. to have a material effect on our overall business, liquidity, financial condition or results of operations for the foreseeable future.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. The critical accounting policies we used in the preparation of the consolidated financial statements are those that are important both to the presentation of our financial condition and results of operations and require significant judgments by management with regard to estimates used. The critical judgments by management relate to accruals for sales incentives and trade promotion allowances, pension and other postretirement benefits, deferred income taxes and potential income tax assessments. These critical accounting policies have been reviewed with the Audit Committee of the Board of Directors.

Sales Incentives and Trade Promotion Allowances

Trade promotion programs include introductory marketing funds such as slotting fees, cooperative marketing programs, temporary price reductions and other activities conducted by our customers to promote our products. Rebate and promotion accruals are based on estimates of the quantity of customer sales. Promotion accruals also consider estimates of the number of consumer coupons that will be redeemed and timing and costs of activities within the promotional programs. Generally, the estimated redemption value of consumer coupons and related expense are based on historical patterns of coupon redemption, influenced by judgments about current market conditions such as competitive activity in specific product categories, and the cost is recorded when the related revenue from customers is realized. Our related accounting policies are discussed in Item 8, Note 1 to the consolidated financial statements.

Employee Postretirement Benefits

Substantially all regular employees in the U.S. and the United Kingdom are covered by defined contribution retirement plans and certain U.S. and United Kingdom employees previously earned benefits covered by defined benefit pension plans that currently provide no future service benefit (the "Principal Plans"). Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. Our related accounting policies and account balances are discussed in Item 8, Note 7 to the consolidated financial statements.

Changes in certain assumptions could affect pension expense and the benefit obligations, particularly the estimated long-term rate of return on plan assets and the discount rate used to calculate the obligations:

- Long-term rate of return on plan assets. The expected long-term rate of return is evaluated on an annual basis. In setting these assumptions, we consider a number of factors including projected future returns by asset class relative to the target asset allocation. Actual asset allocations are regularly reviewed and they are periodically rebalanced to the targeted allocations when considered appropriate.

  As of December 31, 2020, the Principal Plans had cumulative unrecognized investment and actuarial losses of approximately $1.1 billion. These unrecognized net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate pension obligations, or (iii) other actuarial gains, and whether such accumulated actuarial losses at each measurement date exceed the "corridor" as required. If the expected long-term rate of return on assets for the Principal Plans were lowered by 0.25 percent, the impact on annual pension expense would not be material in 2021.

- Discount rate. The discount (or settlement) rate used to determine the present value of our future U.S. pension obligation at December 31, 2020 was based on a portfolio of high quality corporate debt securities with cash flows that largely match the expected benefit payments of the plan. For the United Kingdom plan, the discount rate was determined based on yield curves constructed from a portfolio of high quality corporate debt securities. Each year's expected future benefit payments were discounted to their present value at the appropriate yield curve rate to determine the pension obligations. If the discount rate assumptions for these same plans were reduced by 0.25 percent, the increase in annual pension expense would not be material in 2021, and the December 31, 2020 pension liability would increase by about $146.

- Other assumptions. There are a number of other assumptions involved in the calculation of pension expense and benefit obligations, primarily related to participant demographics and benefit elections.

Pension expense for defined benefit pension plans is estimated to approximate $85 in 2021, including incremental charges resulting from 2018 Global Restructuring Program actions. Pension expense beyond 2021 will depend on future investment performance, our contributions to the pension trusts, changes in discount rates and various other factors related to the covered participants in the plans.

Substantially all U.S. retirees and employees have access to our unfunded health care and life insurance benefit plans. Changes in significant assumptions could affect the consolidated expense and benefit obligations, particularly the discount rate used to calculate the obligations and the health care cost trend rate:

- Discount rate. The determination of the discount rates used to calculate the benefit obligations of the plans is discussed in the pension benefit section above, and the methodology for each country is the same as the methodology used to determine the discount rate for that country's pension obligation. If the discount rate assumptions for these plans were reduced by 0.25 percent, the impact to 2021 other postretirement benefit expense and the increase in the December 31, 2020 benefit liability would not be material.
- Health care cost trend rate. The health care cost trend rate is based on a combination of inputs including our recent claims history and insights from external advisers regarding recent developments in the health care marketplace, as well as projections of future trends in the marketplace.

Deferred Income Taxes and Potential Assessments

As a global organization, we are subject to income tax requirements in various jurisdictions in the U.S. and internationally. Changes in certain assumptions related to income taxes could significantly affect consolidated results, particularly with regard to valuation allowances on deferred tax assets, undistributed earnings of subsidiaries outside the U.S. and uncertain tax positions. Our income tax related accounting policies, account balances and matters affecting income taxes are discussed in Item 8, Note 12 to the consolidated financial statements.

- Deferred tax assets and related valuation allowances. We have recorded deferred tax assets related to, among other matters, income tax loss carryforwards, income tax credit carryforwards and capital loss carryforwards and have established valuation allowances against these deferred tax assets. These carryforwards are primarily in non-U.S. taxing jurisdictions and in certain states in the U.S. Foreign tax credits earned in the U.S. in current and prior years, which cannot be used currently, also give rise to net deferred tax assets. In determining the valuation allowances to establish against these deferred tax assets, many factors are considered, including the specific taxing jurisdiction, the carryforward period, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.
- Undistributed earnings. As of December 31, 2020, we have accumulated undistributed earnings generated by our foreign subsidiaries of approximately $7.9 billion. Earnings of $5.2 billion were previously subject to tax, primarily due to the one-time transition tax on foreign earnings required by the Tax Cuts and Jobs Act. Any additional taxes due with respect to such previously-taxed earnings, if repatriated, would generally be limited to foreign and U.S. state income taxes. Deferred taxes have been recorded on $0.7 billion of earnings, most of which were previously taxed for U.S. federal income tax purposes, of foreign consolidated subsidiaries expected to be repatriated. We do not intend to distribute the remaining $4.5 billion of previously taxed foreign earnings and therefore have not recorded deferred taxes for foreign and U.S. state income taxes on such earnings. While the transition tax resulted in a reduction of the excess amount for financial reporting over the tax basis in our foreign subsidiaries, any remaining amount of financial reporting over tax basis after such reduction could be subject to additional taxes, if repatriated. However, we consider any excess to be indefinitely reinvested. The determination of deferred tax liabilities on the amount of financial reporting over tax basis or the $4.5 billion of previously taxed foreign earnings is not practicable.
- Uncertain tax positions. We record our global tax provision based on the respective tax rules and regulations for the jurisdictions in which we operate. Where we believe that a tax position is supportable for income tax purposes, the item is included in our income tax returns. Where treatment of a position is uncertain, a liability is recorded based upon the expected most likely outcome taking into consideration the technical merits of the position based on specific tax regulations and facts of each matter. These liabilities may be affected by changing interpretations of laws, rulings by tax authorities or the expiration of the statute of limitations.

Goodwill and Other Intangible Assets

Goodwill and other indefinite-lived intangible assets are not subject to amortization and are tested for impairment annually and whenever events or changes in circumstances indicate that impairment may have occurred. Intangible assets that are deemed to have finite lives are amortized over their useful lives, generally ranging from 10 to 20 years. We typically obtain the assistance of third-party valuation specialists to measure the acquisition date fair values of goodwill and other intangible assets acquired.

Events and conditions that could result in impairment include a sustained drop in the market price of our common shares, increased competition or loss of market share, obsolescence, product claims that result in a significant loss of sales or profitability over the product life, deterioration in macroeconomic conditions, or declining financial performance in comparison to projected results.

Our related accounting policies and our acquisition of Softex Indonesia are discussed in Item 8, Notes 1 and 3, respectively, to the consolidated financial statements.

Goodwill

In our evaluation of goodwill impairment, we have the option to first assess qualitative factors such as macroeconomic, industry and competitive conditions, legal and regulatory environments, historical and projected financial performance, significant changes in the reporting unit and the magnitude of excess fair value over carrying amount from the previous quantitative impairment testing. If the result of a qualitative test indicates a potential for impairment, a quantitative test is performed. When a quantitative test is considered necessary, estimates of fair value for goodwill impairment testing are determined based on a discounted cash flow model and a market-based approach. We use inputs from our long-range planning process to determine growth rates for sales and earnings. The other key estimates and factors used in the discounted cash flow include, but are not limited to, discount rates, actual business trends experienced, commodity prices, foreign exchange rates, inflation and terminal growth rates.

For 2020, we completed the required annual assessment of goodwill for impairment for all of our reporting units using a qualitative assessment as of the first day of the third quarter, and we determined that it is more likely than not that the fair value is more than the carrying amount for each of our reporting units.

Other Intangible Assets

We evaluate the useful lives of our other intangible assets, primarily brands, to determine if they are finite or indefinite-lived. Reaching a determination on useful life requires significant judgments and assumptions regarding the future effects of obsolescence, demand, competition, other economic factors (such as the stability of the industry, known technological advances and expected changes in distribution channels), the level of required maintenance expenditures, and the expected lives of other related groups of assets.

Our estimate of the fair value of our brand assets is based on a discounted cash flow model and a market-based approach using inputs which include projected revenues from our long-range plan, assumed royalty rates that could be payable if we did not own the brands, and a discount rate. The cash flows used in the discounted cash flow model are consistent with those we use in our internal planning, which gives consideration to actual business trends experienced and the long-term business strategy.

We performed our 2020 impairment assessment of our intangible assets as of the first day of the third quarter of 2020, and based upon a qualitative assessment, no impairment indicators were found to be present.

New Accounting Standards

See Item 8, Note 1 to the consolidated financial statements for a description of new accounting standards and their anticipated effects on our consolidated financial statements.

Information Concerning Forward-Looking Statements

Certain matters contained in this report concerning the business outlook, including the anticipated cost savings from our FORCE program, costs and savings from the 2018 Global Restructuring Program, cash flow and uses of cash, growth initiatives, innovations, marketing and other spending, net sales, anticipated currency rates and exchange risks, including the impact in Argentina, raw material, energy and other input costs, effective tax rate, contingencies and anticipated transactions of Kimberly-Clark, including dividends, share repurchases and pension contributions, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are based upon management's expectations and beliefs concerning future events impacting Kimberly-Clark. There can be no assurance that these future events will occur as anticipated or that our results will be as estimated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them.

The assumptions used as a basis for the forward-looking statements include many estimates that, among other things, depend on the achievement of future cost savings and projected volume increases. In addition, many factors outside our control, including pandemics (including the ongoing COVID-19 outbreak), epidemics, fluctuations in foreign currency exchange rates, the prices and availability of our raw materials, potential competitive pressures on selling prices for our products, energy costs, general economic and political conditions globally and in the markets in which we do business, as well as our ability to maintain key customer relationships and to realize the expected benefits and synergies of the Softex Indonesia acquisition, could affect the realization of these estimates.

The factors described under Item 1A, "Risk Factors" in this Form 10-K, or in our other SEC filings, among others, could cause our future results to differ from those expressed in any forward-looking statements made by us or on our behalf. Other factors not presently known to us or that we presently consider immaterial could also affect our business operations and financial results.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a multinational enterprise, we are exposed to risks such as changes in foreign currency exchange rates, interest rates and commodity prices. A variety of practices are employed to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Derivative instruments are used only for risk management purposes and not for speculation. Foreign currency derivative instruments are primarily entered into with major financial institutions. Our credit exposure under these arrangements is limited to agreements with a positive fair value at the reporting date. Credit risk with respect to the counterparties is actively monitored but is not considered significant since these transactions are executed with a diversified group of financial institutions.

Presented below is a description of our risks (foreign currency risk and interest rate risk) together with a sensitivity analysis, performed annually, of each of these risks based on selected changes in market rates and prices. These analyses reflect management's view of changes which are reasonably possible to occur over a one-year period. Also included is a description of our commodity price risk.

Foreign Currency Risk

A portion of our foreign currency risk is managed through the systematic use of foreign currency forward contracts. The use of these instruments supports the management of transactional exposures to exchange rate fluctuations as the gains or losses incurred on the derivative instruments will offset, in whole or in part, gains or losses on the underlying foreign currency exposure. We also utilize cross currency swaps and foreign denominated debt to hedge certain investments in foreign subsidiaries. The gain or loss on these instruments is recognized in other comprehensive income to offset the change in value of the net investments being hedged.

Foreign currency contracts and transactional exposures are sensitive to changes in foreign currency exchange rates. An annual test is performed to quantify the effects that possible changes in foreign currency exchange rates would have on annual operating profit based on our foreign currency contracts and transactional exposures at the current year-end. The balance sheet effect is calculated by multiplying each affiliate's net monetary asset or liability position by a 10 percent change in the foreign currency exchange rate versus the U.S. dollar.

As of December 31, 2020, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of foreign currencies involving balance sheet transactional exposures would not be material to our consolidated financial position, results of operations or cash flows. This hypothetical loss on transactional exposures is based on the difference between the December 31, 2020 rates and the assumed rates.

Our operations in Argentina are reported using highly inflationary accounting and their functional currency is the U.S. dollar. Changes in the value of an Argentine peso versus the U.S. dollar applied to our net peso monetary position are recorded in Other (income) and expense, net at the time of the change. As of December 31, 2020, K-C Argentina had a small net peso monetary position and a 10 percent unfavorable change in the exchange rate would not be material.

The translation of the balance sheets of non-U.S. operations from local currencies into U.S. dollars is also sensitive to changes in foreign currency exchange rates. Consequently, an annual test is performed to determine if changes in currency exchange rates would have a significant effect on the translation of the balance sheets of non-U.S. operations into U.S. dollars. These translation gains or losses are recorded as unrealized translation adjustments ("UTA") within stockholders' equity. The hypothetical change in UTA is calculated by multiplying the net assets of these non-U.S. operations by a 10 percent change in the currency exchange rates. As of December 31, 2020, a 10 percent unfavorable change in the exchange rate of the U.S. dollar against the prevailing market rates of our foreign currency translation exposures would have reduced stockholders' equity by approximately $750. In the view of management, the above potential UTA adjustments resulting from these assumed changes in foreign currency exchange rates are not material to our consolidated financial position because they would not affect our cash flow.

Interest Rate Risk

Interest rate risk is managed through the maintenance of a portfolio of variable and fixed-rate debt composed of short and long-term instruments. The objective is to maintain a cost-effective mix that management deems appropriate. At December 31, 2020, the long-term debt portfolio was comprised of primarily fixed-rate debt. From time to time, we also hedge the anticipated issuance of fixed-rate debt and those contracts are designated as cash flow hedges.

In order to determine the impact of changes in interest rates on our financial position or future results of operations, we calculated the increase or decrease in the market value of fixed-rate debt using a 10 percent change in current market interest rates and the rates governing these instruments. At December 31, 2020, a 10 percent decrease in interest rates would have increased the fair value of fixed-rate debt by about $198, which would not have a significant impact on our financial statements as we do not record debt at fair value.

Commodity Price Risk

We are subject to commodity price risk, the most significant of which relates to the price of pulp. Selling prices of tissue products are influenced, in part, by the market price for pulp. As previously discussed under Item 1A, "Risk Factors," increases in pulp prices could adversely affect earnings if selling prices are not adjusted or if such adjustments significantly trail the increases in pulp prices. In some instances, we utilize negotiated short-term contract structures, including fixed price contracts, to manage volatility for a portion of our commodity costs, but derivative instruments have not been used to manage these risks.

Our energy, manufacturing and transportation costs are affected by various market factors including the availability of supplies of particular forms of energy, energy prices and local and national regulatory decisions. As previously discussed under Item 1A, "Risk Factors," there can be no assurance we will be fully protected against substantial changes in the price or availability of energy sources. In addition, we are subject to price risk for utilities and manufacturing inputs, used in our manufacturing operations. Derivative instruments are used in accordance with our risk management policy to hedge a limited portion of the price risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS

(Millions of dollars, except per share amounts)	Year Ended December 31 2020	2019	2018
Net Sales	**$ 19,140**	$ 18,450	$ 18,486
Cost of products sold	**12,318**	12,415	12,889
Gross Profit	**6,822**	6,035	5,597
Marketing, research and general expenses	**3,632**	3,254	3,367
Other (income) and expense, net	**(54)**	(210)	1
Operating Profit	**3,244**	2,991	2,229
Nonoperating expense	**(70)**	(91)	(163)
Interest income	**8**	11	10
Interest expense	**(252)**	(261)	(263)
Income Before Income Taxes and Equity Interests	**2,930**	2,650	1,813
Provision for income taxes	**(676)**	(576)	(471)
Income Before Equity Interests	**2,254**	2,074	1,342
Share of net income of equity companies	**142**	123	103
Net Income	**2,396**	2,197	1,445
Net income attributable to noncontrolling interests	**(44)**	(40)	(35)
Net Income Attributable to Kimberly-Clark Corporation	**$ 2,352**	$ 2,157	$ 1,410
Per Share Basis			
Net Income Attributable to Kimberly-Clark Corporation			
Basic	**$ 6.90**	$ 6.28	$ 4.05
Diluted	**$ 6.87**	$ 6.24	$ 4.03

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of dollars)	Year Ended December 31 2020	2019	2018
Net Income	**$ 2,396**	$ 2,197	$ 1,445
Other Comprehensive Income (Loss), Net of Tax			
Unrealized currency translation adjustments	**129**	19	(428)
Employee postretirement benefits	**37**	12	140
Other	**(34)**	(34)	51
Total Other Comprehensive Income (Loss), Net of Tax	**132**	(3)	(237)
Comprehensive Income	**2,528**	2,194	1,208
Comprehensive income attributable to noncontrolling interests	**(55)**	(31)	(22)
Comprehensive Income Attributable to Kimberly-Clark Corporation	**$ 2,473**	$ 2,163	$ 1,186

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
(Millions of dollars)	**2020**	**2019**
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 303**	$ 442
Accounts receivable, net	**2,235**	2,263
Inventories	**1,903**	1,790
Other current assets	**733**	562
Total Current Assets	**5,174**	5,057
Property, Plant and Equipment, Net	**8,042**	7,450
Investments in Equity Companies	**300**	268
Goodwill	**1,895**	1,467
Other Intangible Assets, Net	**832**	29
Other Assets	**1,280**	1,012
TOTAL ASSETS	**$ 17,523**	$ 15,283
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year	**$ 486**	$ 1,534
Trade accounts payable	**3,336**	3,055
Accrued expenses and other current liabilities	**2,262**	1,978
Dividends payable	**359**	352
Total Current Liabilities	**6,443**	6,919
Long-Term Debt	**7,878**	6,213
Noncurrent Employee Benefits	**864**	897
Deferred Income Taxes	**723**	511
Other Liabilities	**718**	520
Redeemable Preferred Securities of Subsidiaries	**28**	29
Stockholders' Equity		
Kimberly-Clark Corporation		
Preferred stock - no par value - authorized 20.0 million shares, none issued	**—**	—
Common stock - $1.25 par value - authorized 1.2 billion shares; issued 378.6 million shares at December 31, 2020 and 2019	**473**	473
Additional paid-in capital	**657**	556
Common stock held in treasury, at cost - 39.9 and 37.1 million shares at December 31, 2020 and 2019, respectively	**(4,899)**	(4,454)
Retained earnings	**7,567**	6,686
Accumulated other comprehensive income (loss)	**(3,172)**	(3,294)
Total Kimberly-Clark Corporation Stockholders' Equity	**626**	(33)
Noncontrolling Interests	**243**	227
Total Stockholders' Equity	**869**	194
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 17,523**	$ 15,283

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Millions of dollars, shares in thousands, except per share amounts)	Common Stock Issued		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount		Shares	Amount				
Balance at December 31, 2017	378,597	$ 473	$ 594	27,491	$ (3,288)	$ 5,769	$ (2,919)	$ 253	$ 882
Net income in stockholders' equity, excludes redeemable interests' share	—	—	—	—	—	1,410	—	31	1,441
Other comprehensive income, net of tax, excludes redeemable interests' share	—	—	—	—	—	—	(224)	(12)	(236)
Stock-based awards exercised or vested	—	—	(90)	(1,351)	152	—	—	—	62
Shares repurchased	—	—	—	7,495	(820)	—	—	—	(820)
Recognition of stock-based compensation	—	—	39	—	—	—	—	—	39
Dividends declared ($4.00 per share)	—	—	—	—	—	(1,391)	—	(32)	(1,423)
Other	—	—	5	—	—	159	(156)	1	9
Balance at December 31, 2018	378,597	473	548	33,635	(3,956)	5,947	(3,299)	241	(46)
Net income in stockholders' equity, excludes redeemable interests' share	—	—	—	—	—	2,157	—	37	2,194
Other comprehensive income, net of tax, excludes redeemable interests' share	—	—	—	—	—	—	6	(10)	(4)
Stock-based awards exercised or vested	—	—	(93)	(2,817)	322	—	—	—	229
Shares repurchased	—	—	—	6,331	(820)	—	—	—	(820)
Recognition of stock-based compensation	—	—	94	—	—	—	—	—	94
Dividends declared ($4.12 per share)	—	—	—	—	—	(1,415)	—	(42)	(1,457)
Other	—	—	7	—	—	(3)	(1)	1	4
Balance at December 31, 2019	378,597	473	556	37,149	(4,454)	6,686	(3,294)	227	194
Net income in stockholders' equity, excludes redeemable interests' share	**—**	**—**	**—**	**—**	**—**	**2,352**	**—**	**41**	**2,393**
Other comprehensive income, net of tax, excludes redeemable interests' share	**—**	**—**	**—**	**—**	**—**	**—**	**121**	**12**	**133**
Stock-based awards exercised or vested	**—**	**—**	**(55)**	**(2,339)**	**271**	**—**	**—**	**—**	**216**
Shares repurchased	**—**	**—**	**—**	**5,063**	**(716)**	**—**	**—**	**—**	**(716)**
Recognition of stock-based compensation	**—**	**—**	**142**	**—**	**—**	**—**	**—**	**—**	**142**
Dividends declared ($4.28 per share)	**—**	**—**	**—**	**—**	**—**	**(1,458)**	**—**	**(36)**	**(1,494)**
Other	**—**	**—**	**14**	**—**	**—**	**(13)**	**1**	**(1)**	**1**
Balance at December 31, 2020	**378,597**	**$ 473**	**$ 657**	**39,873**	**$ (4,899)**	**$ 7,567**	**$ (3,172)**	**$ 243**	**$ 869**

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS

(Millions of dollars)	Year Ended December 31 2020	2019	2018
Operating Activities			
Net income	**$ 2,396**	$ 2,197	$ 1,445
Depreciation and amortization	**796**	917	882
Asset impairments	**17**	—	74
Stock-based compensation	**147**	96	41
Deferred income taxes	**45**	29	2
Net (gains) losses on asset dispositions	**68**	(193)	52
Equity companies' earnings (in excess of) less than dividends paid	**(30)**	(6)	18
Operating working capital	**363**	(288)	389
Postretirement benefits	**(28)**	13	(25)
Other	**(45)**	(29)	92
Cash Provided by Operations	**3,729**	2,736	2,970
Investing Activities			
Capital spending	**(1,217)**	(1,209)	(877)
Acquisition, net of cash acquired	**(1,083)**	(4)	—
Proceeds from dispositions of property	**31**	242	51
Investments in time deposits	**(753)**	(568)	(353)
Maturities of time deposits	**690**	542	272
Other	**27**	(45)	5
Cash Used for Investing	**(2,305)**	(1,042)	(902)
Financing Activities			
Cash dividends paid	**(1,451)**	(1,408)	(1,386)
Change in short-term debt	**(561)**	303	(34)
Debt proceeds	**1,845**	706	507
Debt repayments	**(854)**	(707)	(407)
Proceeds from exercise of stock options	**217**	228	62
Acquisitions of common stock for the treasury	**(700)**	(800)	(800)
Other	**(63)**	(114)	(57)
Cash Used for Financing	**(1,567)**	(1,792)	(2,115)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**4**	1	(30)
Change in Cash and Cash Equivalents	**(139)**	(97)	(77)
Cash and Cash Equivalents - Beginning of Year	**442**	539	616
Cash and Cash Equivalents - End of Year	**$ 303**	$ 442	$ 539

See notes to the consolidated financial statements.

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Accounting Policies

Basis of Presentation

The consolidated financial statements present the accounts of Kimberly-Clark Corporation and all subsidiaries in which it has a controlling financial interest as if they were a single economic entity in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All intercompany transactions and accounts are eliminated in consolidation. The terms "Corporation," "Kimberly-Clark," "we," "our," and "us" refer to Kimberly-Clark Corporation and all subsidiaries in which it has a controlling financial interest. Dollar amounts are reported in millions, except per share dollar amounts, unless otherwise noted.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Estimates are used in accounting for, among other things, sales incentives and trade promotion allowances, employee postretirement benefits, and deferred income taxes and potential assessments.

Cash Equivalents

Cash equivalents are short-term investments with an original maturity date of three months or less.

Inventories and Distribution Costs

Most U.S. inventories are valued at the lower of cost, using the Last-In, First-Out ("LIFO") method, or market. The balance of the U.S. inventories and inventories of consolidated operations outside the U.S. are valued at the lower of cost or net realizable value using either the First-In, First-Out ("FIFO") or weighted-average cost methods. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Distribution costs are classified as cost of products sold.

Property and Depreciation

Property, plant and equipment are stated at cost and are depreciated on the straight-line method. Buildings are depreciated over their estimated useful lives, primarily 40 years. Machinery and equipment are depreciated over their estimated useful lives, primarily ranging from 16 to 20 years. Purchases of computer software, including external costs and certain internal costs (including payroll and payroll-related costs of employees) directly associated with developing significant computer software applications for internal use, are capitalized. Computer software costs are amortized on the straight-line method over the estimated useful life of the software, which generally does not exceed 5 years.

Estimated useful lives are periodically reviewed and, when warranted, changes are made to them. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss would be indicated when estimated undiscounted future cash flows from the use and eventual disposition of an asset group, which are identifiable and largely independent of the cash flows of other asset groups, are less than the carrying amount of the asset group. Measurement of an impairment loss would be based on the excess of the carrying amount of the asset group over its fair value. Fair value is measured using discounted cash flows or independent appraisals, as appropriate. When property is sold or retired, the cost of the property and the related accumulated depreciation are removed from the consolidated balance sheet and any gain or loss on the transaction is included in income.

Goodwill and Other Intangible Assets

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is not amortized, but rather is assessed for impairment annually and whenever events and circumstances indicate that impairment may have occurred. Impairment testing compares the reporting unit carrying amount, including goodwill, with its fair value. If the reporting unit carrying amount, including goodwill, exceeds its fair value, a goodwill impairment charge for the excess amount above fair value would be recorded. In our evaluation of goodwill impairment, we have the option to first assess qualitative factors such as macroeconomic, industry and competitive conditions, legal and regulatory environments, historical and projected financial performance, significant changes in the reporting unit and the magnitude of excess fair value over carrying amount from the previous quantitative impairment testing. If the qualitative assessment determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative impairment test using discounted cash flows to estimate fair value must be performed. On the other hand, if the qualitative assessment determines that it is more likely than not that the fair value of a reporting unit is more than its carrying value, then further quantitative testing is not required. For 2020, we completed the required annual assessment of goodwill for impairment for all of our reporting units using a qualitative assessment as of the first day of the third quarter, and we determined that it is more likely than not that the fair value is more than the carrying amount for each of our reporting units.

Indefinite-lived intangible assets, other than goodwill, consist of certain brand names related to our acquisition of Softex Indonesia and are tested for impairment annually at the same time as our goodwill impairment assessment and whenever events and circumstances indicate that impairment may have occurred. Our estimate of the fair value of our brand assets is based on a discounted cash flow model and a market-based approach using inputs which include projected revenues from our long-range plan, assumed royalty rates that could be payable if we did not own the brands, and a discount rate.

Intangible assets with finite lives are amortized over their estimated useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss would be indicated when estimated undiscounted future cash flows from the use of the asset are less than its carrying amount. An impairment loss would be measured as the difference between the fair value (based on discounted future cash flows) and the carrying amount of the asset. Estimated useful lives range from 10 to 20 years for trademarks and 15 to 20 years for certain acquired distributor and customer relationships.

Investments in Equity Companies

Investments in companies which we do not control but over which we have the ability to exercise significant influence and that, in general, are at least 20 percent-owned by us, are stated at cost plus equity in undistributed net income. These investments are evaluated for impairment when warranted. An impairment loss would be recorded whenever a decline in value of an equity investment below its carrying amount is determined to be other than temporary. In judging "other than temporary," we would consider the length of time and extent to which the fair value of the equity company investment has been less than the carrying amount, the near-term and longer-term operating and financial prospects of the equity company, and our longer-term intent of retaining the investment in the equity company.

Revenue Recognition

Sales revenue is recognized at the time of product shipment or delivery, depending on when control passes, to unaffiliated customers, and when all of the following have occurred: a firm sales agreement is in place, pricing is fixed or determinable, and collection is reasonably assured. Sales are reported net of returns, consumer and trade promotions, rebates and freight allowed. Taxes imposed by governmental authorities on our revenue-producing activities with customers, such as sales taxes and value-added taxes, are excluded from net sales.

Sales Incentives and Trade Promotion Allowances

The cost of promotion activities provided to customers is classified as a reduction in sales revenue. In addition, the estimated redemption value of consumer coupons and related expense are recorded when the related revenue from customers is realized. Rebate and promotion accruals are based on estimates of the quantity of customer sales. Promotion accruals also consider estimates of the number of consumer coupons that will be redeemed and timing and costs of activities within the promotional programs.

Advertising Expense

Advertising costs are expensed in the year the related advertisement or campaign is first presented through traditional or digital media. For interim reporting purposes, advertising expenses are charged to operations as a percentage of sales based on estimated sales and related advertising expense for the full year.

Research Expense

Research and development costs are charged to expense as incurred.

Other Income

Certain amounts not directly associated with the current operations of the business are recorded in Other (income) and expense, net. In the fourth quarter of 2020, we received a favorable legal ruling that resolved certain matters related to prior years' business taxes in Brazil. These matters involved the revenue base, which included value added taxes, used to calculate and pay social security taxes for the period 2004 to 2014. In the legal ruling, the São Paulo State Court recognized our right to exclude the value added taxes from the revenue base used to calculate those social security taxes. This decision resulted in business tax credits being recognized of $77 that we expect to use by the end of 2024.

In the fourth quarter of 2019, gains of $194 on the sales of manufacturing facilities and associated real estate which were disposed of as part of the restructuring were recorded. See Note 2**.** Also, in the fourth quarter of 2019, we recognized a gain of $31 on the sale of property associated with a former manufacturing facility that was closed in 2012 as part of a past restructuring.

Foreign Currency Translation

The income statements of foreign operations, other than those in highly inflationary economies, are translated into U.S. dollars at rates of exchange in effect each month. The balance sheets of these operations are translated at period-end exchange rates, and the differences from historical exchange rates are reflected in stockholders' equity as unrealized translation adjustments.

As of July 1, 2018, we elected to adopt highly inflationary accounting for our subsidiaries in Argentina ("K-C Argentina"). The effect of changes in exchange rates on peso-denominated monetary assets and liabilities has been reflected in earnings in Other (income) and expense, net and was not material. As of December 31, 2020, K-C Argentina had a small net peso monetary position. Net sales of K-C Argentina were approximately 1 percent of our consolidated net sales in 2020, 2019 and 2018.

Derivative Instruments and Hedging

Our policies allow the use of derivatives for risk management purposes and prohibit their use for speculation. Our policies also prohibit the use of any leveraged derivative instrument. Consistent with our policies, foreign currency derivative instruments, interest rate swaps and locks, and the majority of commodity hedging contracts are entered into with major financial institutions. At inception, we formally designate certain derivatives as cash flow, fair value or net investment hedges and establish how the effectiveness of these hedges will be assessed and measured. This process links the derivatives to the transactions or financial balances they are hedging. Changes in the fair value of derivatives not designated as hedging instruments are recorded in earnings as they occur. All derivative instruments are recorded as assets or liabilities on the balance sheet at fair value. Changes in the fair value of derivatives are either recorded in the income statement or other comprehensive income, as appropriate. The gain or loss on derivatives designated as fair value hedges and the offsetting loss or gain on the hedged item attributable to the hedged risk are included in income in the period that changes in fair value occur. The gain or loss on derivatives designated as cash flow hedges is included in other comprehensive income in the period that changes in fair value occur, and is reclassified to income in the same period that the hedged item affects income. The gain or loss on derivatives designated as hedges of investments in foreign subsidiaries is recognized in other comprehensive income to offset the change in value of the net investments being hedged. Certain foreign-currency derivative instruments not designated as hedging instruments have been entered into to manage certain non-functional currency denominated monetary assets and liabilities. The gain or loss on these derivatives is included in income in the period that changes in their fair values occur. Cash flows from derivatives are classified within the consolidated statement of cash flows in the same category as the items being hedged. Cash flows from derivatives are classified within Operating Activities, except for derivatives designated as net investment hedges which are classified in Investing Activities. See Note 11 for disclosures about derivative instruments and hedging activities.

Leases

Lease assets and lease liabilities are recognized at the commencement of an arrangement where it is determined at inception that a lease exists. Lease assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. These assets and liabilities are initially recognized based on the present value of lease payments over the lease term calculated using our incremental borrowing rate generally applicable to the location of the lease asset, unless the implicit rate is readily determinable. Lease assets also include any upfront lease payments made and exclude lease incentives. Lease terms include options to extend or terminate the lease when it is reasonably certain that those options will be exercised.

Variable lease payments are generally expensed as incurred and include certain index-based changes in rent, certain nonlease components, such as maintenance and other services provided by the lessor, and other charges included in the lease. Leases with an initial term of 12 months or less are not recorded on the balance sheet, and the expense for these short-term leases and for operating leases is recognized on a straight-line basis over the lease term.

Certain lease agreements with lease and nonlease components are combined as a single lease component. The depreciable life of lease assets and leasehold improvements is limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Accounting Standards - Adopted During 2020

The Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40)*. The new guidance reduces complexity for the accounting for costs of implementing a cloud computing service arrangement and aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). We adopted this standard as of January 1, 2020 on a prospective basis. The effects of this standard on our financial position, results of operations and cash flows were not material.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.* This guidance provides temporary optional expedients and exceptions to accounting guidance on contract modifications and hedge accounting to ease entities’ financial reporting burdens as the market transitions from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. The guidance was effective upon issuance and generally can be applied through December 31, 2022. In January 2021, the FASB issued ASU No. 2021-01 to further clarify the scope of this guidance. The effects of these standards on our financial position, results of operations and cash flows are not expected to be material.

Accounting Standards Issued - Not Adopted as of December 31, 2020

In 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. The new guidance simplifies the accounting for income taxes by eliminating certain exceptions related to the approach for intraperiod tax allocation, the tax basis of goodwill after a business combination, and the recognition of deferred tax liabilities for outside basis differences. The new guidance also changes the calculation of the income tax impact of hybrid taxes and the methodology for calculating income taxes in an interim period. We adopted this standard as of January 1, 2021 on either a prospective basis, or through a modified retrospective approach, as required by the standard. There was no cumulative effect adjustment recorded to retained earnings as the amount was not material. The effects of this standard on our financial position, results of operations and cash flows were not material.

Note 2.   2018 Global Restructuring Program

In January 2018, we announced the 2018 Global Restructuring Program to reduce our structural cost base by streamlining and simplifying our manufacturing supply chain and overhead organization. We expect to close or sell approximately 10 manufacturing facilities and expand production capacity at several others. We expect to exit or divest some lower-margin businesses that generate approximately 1 percent of our net sales. The restructuring is expected to impact all of our business segments and our organizations in all major geographies. Workforce reductions are now expected to be in the range of 6,300 to 6,400.

The restructuring is expected to be completed in 2021, with total costs now anticipated to be in the range of $2.0 billion to $2.1 billion pre-tax ($1.5 billion to $1.6 billion after tax). Cash costs are expected to be $1.1 billion to $1.15 billion, primarily related to workforce reductions. Non-cash charges are expected to be $900 to $950 pre-tax and will primarily consist of incremental depreciation, asset write-offs and pension settlement and curtailment charges. Restructuring charges in 2021 are expected to be $180 to $280 pre-tax ($135 to $215 after tax).

The following net charges were incurred in connection with the 2018 Global Restructuring Program:

	Year Ended December 31		
	2020	**2019**	**2018**
Cost of products sold:			
Charges for workforce reductions	**$ 10**	$ 31	$ 149
Asset impairments	**17**	—	74
Asset write-offs	**63**	54	112
Incremental depreciation	**94**	235	172
Other exit costs	**99**	96	34
Total	**283**	416	541
Marketing, research and general expenses:			
Charges for workforce reductions	**13**	(12)	243
Other exit costs	**96**	111	137
Total	**109**	99	380
Other (income) and expense, net[a]	**(9)**	(194)	(12)
Nonoperating expense[b]	**36**	45	127
Total charges	**419**	366	1,036
Provision for income taxes	**(94)**	(118)	(243)
Net charges	**325**	248	793
Net impact related to equity companies and noncontrolling interests	**(2)**	—	(10)
Net charges attributable to Kimberly-Clark Corporation	**$ 323**	$ 248	$ 783

(a) Other (income) and expense, net in 2019 was the result of pre-tax gains on the sales of manufacturing facilities and associated real estate which were disposed of as part of the restructuring.

(b) Represents non-cash pension settlement and curtailment charges resulting from restructuring actions, primarily in the U.S., United Kingdom and Canada.

The measurement of the asset impairment charges was based on the excess of the carrying values of the impacted asset groups over their fair values. These fair values were measured by using discounted cash flows expected over the limited time the assets would remain in use or the expected sales value, and as a result, the assets were essentially written off or written down to fair value less costs to sell. The use of discounted cash flows represents a level 3 measure under the fair value hierarchy.

The following summarizes the restructuring liabilities activity:

	2020	**2019**
Restructuring liabilities at January 1	**$ 132**	$ 210
Charges for workforce reductions and other cash exit costs	**210**	221
Cash payments	**(249)**	(302)
Currency and other	**—**	3
Restructuring liabilities at December 31	**$ 93**	$ 132

As of December 31, 2020 and 2019, restructuring liabilities of $73 and $93 are recorded in Accrued expenses and other current liabilities and $20 and $39 are recorded in Other Liabilities, respectively. The impact related to restructuring charges is recorded in Operating working capital and Other Operating Activities, as appropriate, in our consolidated cash flow statement.

Through December 31, 2020, cumulative pre-tax charges for the 2018 Global Restructuring Program were $1.8 billion ($1.4 billion after tax).

Note 3. **Acquisition**

On October 1, 2020 ("Acquisition Date"), we acquired Softex Indonesia, a leader in the fast-growing Indonesian personal care market, in an all-cash transaction for approximately $1.2 billion. The transaction price is subject to finalization of working capital and net debt adjustments which resulted in a preliminary purchase price of $1.1 billion as of December 31, 2020 in addition to the assumption of certain indebtedness of Softex Indonesia at closing. This transaction significantly expands our presence in an important developing and emerging market and is a strong strategic fit with our core business. Softex Indonesia generated net sales of approximately $420 in 2019. We financed the transaction through a combination of short-term commercial paper, cash on hand, and the issuance of a $600 bond. During the year ended December 31, 2020, we recorded transaction and integration costs of $32 in Marketing, research and general expenses.

We consolidated Softex Indonesia into our financial statements beginning in the fourth quarter of 2020. We have substantially completed an initial purchase price allocation in which we utilized several generally accepted valuation methodologies to determine the fair value of certain acquired assets. The primary valuation methods included the replacement cost approach, sales comparison approach, discounted cash flow, multi-period excess earnings, relief from royalty and distributor methods. These valuation methodologies are commonly used to value similar tangible and identifiable intangible assets in the Consumer Packaged Goods industry. All of the selected valuation methodologies incorporate unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy in ASC 820, *Fair Value Measurements*. In connection with these valuation methodologies, we are required to make estimates and assumptions regarding market comparables, revenue growth rates, operating margins, distributor and customer attrition rates, royalty rates, distributor margins and discount rates, which are primarily based on cash flow forecasts, business plans, economic projections, and other information available to market participants.

The total purchase price consideration was allocated to the net assets acquired based upon their respective estimated fair values as follows:

Cash and cash equivalents	**$**	**9**
Accounts receivables, net		**97**
Inventories		**42**
Other current assets		**12**
Goodwill		**390**
Other Intangible Assets		**757**
Property, Plant and Equipment, Net		**196**
Other assets		**2**
Accrued expenses and other current liabilities		**(109)**
Deferred income taxes		**(152)**
Other liabilities		**(139)**
Fair value of net assets acquired	**$**	**1,105**

Acquired intangible assets other than goodwill include certain brand names of $637, which are considered to have indefinite useful lives, and other brand names and distributor and customer relationships of $120, which have estimated useful lives of 15 to 20 years. Goodwill of $390 was allocated to the Personal Care business segment. The goodwill is primarily attributable to future growth opportunities and any intangible assets that did not qualify for separate recognition. While the goodwill is not deductible for local tax purposes, it is treated as an amortizable expense for the U.S. global intangible low-taxed income ("GILTI") computation.

Based on the carrying values of the finite-lived intangible assets as of December 31, 2020, amortization expense for each of the next five years is estimated to be approximately $7.

The preliminary estimates of the fair value of identifiable assets acquired and liabilities assumed are subject to revisions, which may result in adjustments to the preliminary values discussed above. We continue to evaluate potential contingencies that may have existed as of the acquisition date and expect to finalize the purchase price allocation no later than the fourth quarter of 2021.

The consolidated results of operations for Softex Indonesia are reported primarily in our Personal Care business segment on a one-month lag. As such, Softex Indonesia's results of operations from the Acquisition Date through November 30, 2020 are included in our consolidated results of operations for the year ended December 31, 2020. The impact of the acquisition on our consolidated results of operations for the year ended December 31, 2020 was not significant.

Pro forma results of operations have not been presented as the impact on our consolidated financial statements is not material.

Note 4. Fair Value Information

The following fair value information is based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels in the hierarchy used to measure fair value are:

Level 1—Unadjusted quoted prices in active markets accessible at the reporting date for identical assets and liabilities.

Level 2—Quoted prices for similar assets or liabilities in active markets. Quoted prices for identical or similar assets and liabilities in markets that are not considered active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3—Prices or valuations that require inputs that are significant to the valuation and are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

During 2020 and 2019, there were no significant transfers to or from level 3 fair value determinations.

Derivative assets and liabilities are measured on a recurring basis at fair value. At December 31, 2020 and 2019, derivative assets were $44 and $34, respectively, and derivative liabilities were $92 and $44, respectively. The fair values of derivatives used to manage interest rate risk and commodity price risk are based on LIBOR rates and interest rate swap curves and NYMEX price quotations, respectively. The fair values of hedging instruments used to manage foreign currency risk are based on published quotations of spot currency rates and forward points, which are converted into implied forward currency rates. Measurement of our derivative assets and liabilities is considered a level 2 measurement. See Note 11 for additional information on our use of derivative instruments.

Redeemable preferred securities of subsidiaries are measured on a recurring basis at fair value and were $28 and $29 at December 31, 2020 and 2019, respectively. They are not traded in active markets. As of December 31, 2020, the fair values of the redeemable securities were based on a discounted cash flow valuation model. Measurement of the redeemable preferred securities is considered a level 3 measurement.

Company-owned life insurance ("COLI") assets are measured on a recurring basis at fair value. COLI assets were $73 and $76 at December 31, 2020 and 2019, respectively. The COLI policies are a source of funding primarily for our nonqualified employee benefits and are included in other assets. The COLI policies are measured at fair value using the net asset value per share practical expedient, and therefore, are not classified in the fair value hierarchy.

The following table includes the fair value of our financial instruments for which disclosure of fair value is required:

	Fair Value Hierarchy Level	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		December 31, 2020		December 31, 2019	
Assets					
Cash and cash equivalents[(a)]	1	**$ 303**	**$ 303**	$ 442	$ 442
Time deposits[(b)]	1	**364**	**364**	275	275
Liabilities					
Short-term debt[(c)]	2	**223**	**223**	775	775
Long-term debt[(d)]	2	**8,141**	**9,627**	6,972	7,877

(a) Cash equivalents are composed of certificates of deposit, time deposits and other interest-bearing investments with original maturity dates of 90 days or less. Cash equivalents are recorded at cost, which approximates fair value.

(b) Time deposits are composed of deposits with original maturities of more than 90 days but less than one year and instruments with original maturities of greater than one year, included in Other current assets or Other Assets in the consolidated balance sheet, as appropriate. Time deposits are recorded at cost, which approximates fair value.

(c) Short-term debt is composed of U.S. commercial paper and/or other similar short-term debt issued by non-U.S. subsidiaries, all of which are recorded at cost, which approximates fair value.

(d) Long-term debt includes the current portion of these debt instruments. Fair values were estimated based on quoted prices for financial instruments for which all significant inputs were observable, either directly or indirectly.

Note 5. Debt and Redeemable Preferred Securities of Subsidiaries

Long-term debt is composed of the following:

	Weighted-Average Interest Rate	Maturities	December 31 2020	2019
Notes and debentures	3.3%	2021 - 2050	**$ 7,897**	$ 6,749
Industrial development revenue bonds	0.6%	2023 - 2045	**169**	169
Bank loans and other financings in various currencies	6.3%	2021 - 2039	**75**	54
Total long-term debt			**8,141**	6,972
Less current portion			**263**	759
Long-term portion			**$ 7,878**	$ 6,213

Scheduled maturities of long-term debt for the next five years are $265 in 2021, $314 in 2022, $475 in 2023, $618 in 2024 and $557 in 2025.

In September 2020, we issued $600 aggregate principal amount of 1.05% notes due September 15, 2027. Proceeds from the offering together with cash on hand and borrowings under our commercial paper program were used to fund the acquisition of Softex Indonesia.

In March 2020, we issued $750 aggregate principal amount of 3.10% notes due March 26, 2030. Proceeds from the offering were used for general corporate purposes including the repayment of a portion of our commercial paper indebtedness.

In February 2020, we issued $500 aggregate principal amount of 2.875% notes due February 7, 2050. Proceeds from the offering were used for general corporate purposes including the repayment of a portion of our commercial paper indebtedness.

In April 2019, we issued $700 aggregate principal amount of 3.20% notes due April 25, 2029. Proceeds from the offering were used for general corporate purposes, including the repayment of a portion of our outstanding commercial paper indebtedness.

In October 2018, we issued $500 aggregate principal amount of 3.95% notes due November 1, 2028. Proceeds from the offering were used for general corporate purposes, including repayment of a portion of our outstanding commercial paper indebtedness.

We maintain a $2.0 billion revolving credit facility which expires in June 2023 and a $750 revolving credit facility which expires in June 2021. These facilities, currently unused, support our commercial paper program, and would provide liquidity in the event our access to the commercial paper markets is unavailable for any reason.

Our subsidiary in Central America has outstanding redeemable preferred securities that are held by a noncontrolling interest.

Note 6. Stock-Based Compensation

We have a stock-based Equity Participation Plan and an Outside Directors' Compensation Plan (the "Plans"), under which we can grant stock options, restricted shares and restricted share units to employees and outside directors. As of December 31, 2020, the number of shares of common stock available for grants under the Plans aggregated 11 million shares.

Stock options are granted at an exercise price equal to the fair market value of our common stock on the date of grant, and they have a term of 10 years. Stock options are subject to graded vesting whereby options vest 30 percent at the end of each of the first two 12-month periods following the grant and 40 percent at the end of the third 12-month period.

Restricted shares, time-vested restricted share units and performance-based restricted share units granted to employees are valued at the closing market price of our common stock on the grant date and vest generally at the end of three years. The number of performance-based share units that ultimately vest ranges from zero to 200 percent of the number granted, based on performance tied to return on invested capital ("ROIC") and net sales during the three-year performance period. ROIC and net sales targets are set at the beginning of the performance period. Restricted share units granted to outside directors are valued at the closing market price of our common stock on the grant date and vest when they are granted. The restricted period begins on the date of grant and expires on the date the outside director retires from or otherwise terminates service on our Board.

At the time stock options are exercised or restricted shares and restricted share units become payable, common stock is issued from our accumulated treasury shares. Dividend equivalents are credited on restricted share units on the same date and at the same rate as dividends are paid on Kimberly-Clark's common stock. These dividend equivalents, net of estimated forfeitures, are charged to retained earnings.

Stock-based compensation costs of $147, $96 and $41 and related deferred income tax benefits of $32, $11 and $13 were recognized for 2020, 2019 and 2018, respectively.

The fair value of stock option awards was determined using a Black-Scholes-Merton option-pricing model utilizing a range of assumptions related to dividend yield, volatility, risk-free interest rate, and employee exercise behavior. Dividend yield is based on historical experience and expected future dividend actions. Expected volatility is based on a blend of historical volatility and implied volatility from traded options on Kimberly-Clark's common stock. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. We estimate forfeitures based on historical data.

The weighted-average fair value of options granted was estimated at $15.92, $13.54 and $13.56, in 2020, 2019 and 2018, respectively, per option on the date of grant based on the following assumptions:

	Year Ended December 31		
	2020	**2019**	**2018**
Dividend yield	**3.3 %**	3.3 %	3.9 %
Volatility	**21.9 %**	17.0 %	20.8 %
Risk-free interest rate	**0.3 %**	2.3 %	2.8 %
Expected life - years	**4.5**	4.6	4.6

Total remaining unrecognized compensation costs and amortization period are as follows:

	December 31, 2020	Weighted-Average Service Years
Stock options	$ 15	1.3
Restricted shares and time-vested restricted share units	12	1.5
Performance-based restricted share units	82	1.8

A summary of stock-based compensation is presented below:

Stock Options	Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2020	5,892	$ 115.26		
Granted	1,568	139.18		
Exercised	(1,909)	113.58		
Forfeited or expired	(160)	124.97		
Outstanding at December 31, 2020	5,391	123.14	7.75	$ 70
Exercisable at December 31, 2020	2,813	116.94	5.34	$ 50

The total intrinsic value of options exercised during 2020, 2019 and 2018 was $62, $62 and $22, respectively.

	Time-Vested Restricted Share Units		Performance-Based Restricted Share Units	
Other Stock-Based Awards	Shares (in thousands)	Weighted-Average Grant-Date Fair Value	Shares (in thousands)	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2020	156	$ 123.15	1,584	$ 118.71
Granted	123	134.31	623	134.81
Vested	(83)	122.07	(370)	124.41
Forfeited	(14)	122.14	(300)	128.52
Nonvested at December 31, 2020	182	130.91	1,537	122.56

The total fair value of restricted share units that were distributed to participants during 2020, 2019 and 2018 was $62, $75 and $65, respectively.

Note 7. Employee Postretirement Benefits

Substantially all regular employees in the U.S. and the United Kingdom are covered by defined contribution retirement plans and certain U.S. and United Kingdom employees previously earned benefits covered by defined benefit pension plans that currently provide no future service benefit (the "Principal Plans"). Certain other subsidiaries have defined benefit pension plans or, in certain countries, termination pay plans covering substantially all regular employees. The funding policy for our qualified defined benefit pension plans is to contribute assets at least equal in amount to regulatory minimum requirements. Nonqualified U.S. plans providing pension benefits in excess of limitations imposed by the U.S. income tax code are not funded.

Substantially all U.S. retirees and employees have access to our unfunded health care and life insurance benefit plans. The annual increase in the consolidated weighted-average health care cost trend rate is expected to be 5.5 percent in 2021 and to decline to 4.5 percent in 2029 and thereafter. Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans.

As a result of restructuring actions related to the 2018 Global Restructuring Program, aggregate pension settlement charges of $49 and $46 during 2020 and 2019 and a curtailment gain of $1 during 2019 were recognized in Nonoperating expense, respectively, primarily related to the defined benefit pension plans in the U.S., United Kingdom and Canada (see Note 2 for further information about the 2018 Global Restructuring Program).

Summarized financial information about postretirement plans, excluding defined contribution retirement plans, is presented below:

	Pension Benefits		Other Benefits	
	Year Ended December 31			
	2020	2019	2020	2019
Change in Benefit Obligation				
Benefit obligation at beginning of year	**$ 4,047**	$ 3,687	**$ 693**	$ 673
Service cost	**22**	21	**8**	8
Interest cost	**95**	121	**23**	28
Actuarial (gain) loss[(a)]	**333**	446	**42**	36
Currency and other	**134**	51	**(10)**	—
Benefit payments from plans	**(169)**	(142)	**—**	—
Direct benefit payments	**(8)**	(10)	**(47)**	(52)
Settlements and curtailments	**(113)**	(127)	**—**	—
Benefit obligation at end of year	**4,341**	4,047	**709**	693
Change in Plan Assets				
Fair value of plan assets at beginning of year	**3,803**	3,398	**—**	—
Actual return on plan assets	**489**	572	**—**	—
Employer contributions	**40**	50	**—**	—
Currency and other	**120**	51	**—**	—
Benefit payments	**(169)**	(142)	**—**	—
Settlements	**(90)**	(126)	**—**	—
Fair value of plan assets at end of year	**4,193**	3,803	**—**	—
Funded Status	**$ (148)**	$ (244)	**$ (709)**	$ (693)

(a) The actuarial net losses in 2020 and 2019 were primarily due to discount rate decreases in 2020 and 2019.

Substantially all of the funded status of pension and other benefits is recognized in the consolidated balance sheet in Noncurrent Employee Benefits, with the remainder recognized in Accrued Expenses and other current liabilities and Other Assets.

Information for the Principal Plans and All Other Pension Plans

	Principal Plans		All Other Pension Plans		Total	
	Year Ended December 31					
	2020	2019	2020	2019	2020	2019
Projected benefit obligation (“PBO”)	**$ 3,629**	$ 3,406	**$ 712**	$ 641	**$ 4,341**	$ 4,047
Accumulated benefit obligation (“ABO”)	**3,629**	3,406	**619**	561	**4,248**	3,967
Fair value of plan assets	**3,627**	3,303	**566**	500	**4,193**	3,803

Approximately one-half of the PBO and fair value of plan assets for the Principal Plans relate to the U.S. qualified and nonqualified pension plans.

Information for Pension Plans with an ABO in Excess of Plan Assets

	December 31	
	2020	**2019**
ABO	**$ 311**	$ 1,956
Fair value of plan assets	**119**	1,714

Information for Pension Plans with a PBO in Excess of Plan Assets

	December 31	
	2020	**2019**
PBO	**$ 744**	$ 2,303
Fair value of plan assets	**529**	2,039

Components of Net Periodic Benefit Cost

	Pension Benefits			Other Benefits		
	Year Ended December 31					
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Service cost	**$ 22**	$ 21	$ 36	**$ 8**	$ 8	$ 11
Interest cost	**95**	121	128	**23**	28	28
Expected return on plan assets[(a)]	**(134)**	(144)	(166)	**—**	—	—
Recognized net actuarial loss	**42**	44	47	**1**	—	1
Settlements and curtailments	**49**	45	136	**—**	—	—
Other	**(4)**	(4)	(7)	**(2)**	(1)	(3)
Net periodic benefit cost	**$ 70**	$ 83	$ 174	**$ 30**	$ 35	$ 37

(a) The expected return on plan assets is determined by multiplying the fair value of plan assets at the remeasurement date, typically the prior year-end adjusted for estimated current year cash benefit payments and contributions, by the expected long-term rate of return.

The components of net periodic benefit cost other than the service cost component are included in the line item Nonoperating expense in our consolidated income statement.

Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost for Years Ended December 31

	Pension Benefits				Other Benefits		
	Projected 2021	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Discount rate	1.93 %	**2.44 %**	3.40 %	3.23 %	**3.51 %**	4.50 %	3.91 %
Expected long-term return on plan assets	3.41 %	**3.66 %**	4.39 %	4.50 %	**—**	—	—
Rate of compensation increase	3.07 %	**3.08 %**	3.08 %	2.27 %	**—**	—	—

Weighted-Average Assumptions Used to Determine Benefit Obligations at December 31

	Pension Benefits		Other Benefits	
	2020	**2019**	**2020**	**2019**
Discount rate	**1.93 %**	2.51 %	**2.69 %**	3.51 %
Rate of compensation increase	**3.07 %**	3.08 %	**—**	—

Investment Strategies for the Principal Plans

Strategic asset allocation decisions are made considering several risk factors, including plan participants' retirement benefit security, the estimated payments of the associated liabilities, the plan funded status, and Kimberly-Clark's financial condition. The resulting strategic asset allocation is a diversified blend of equity and fixed income investments. Equity investments are typically diversified across geographies and market capitalization. Fixed income investments are diversified across multiple sectors including government issues and corporate debt instruments with a portfolio duration that is consistent with the estimated payment of the associated liability. Actual asset allocation is regularly reviewed and periodically rebalanced to the strategic allocation when considered appropriate. Our 2021 target plan asset allocation for the Principal Plans is approximately 85 percent fixed income securities and 15 percent equity securities.

The expected long-term rate of return is generally evaluated on an annual basis. In setting this assumption, we consider a number of factors including projected future returns by asset class relative to the current asset allocation. The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense for the Principal Plans was 3.76 percent in 2020, 4.59 percent in 2019 and 4.75 percent in 2018, and will be 3.51 percent in 2021.

Set forth below are the pension plan assets of the Principal Plans measured at fair value, by level in the fair-value hierarchy. More than 70 percent of the assets are held in pooled funds and are measured using a net asset value (or its equivalent). Accordingly, such assets do not meet the Level 1, Level 2, or Level 3 criteria of the fair value hierarchy.

	Fair Value Measurements at December 31, 2020			
	Total Plan Assets	**Assets at Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Assets at Significant Observable Inputs (Level 2)**	**Assets at Significant Unobservable Inputs (Level 3)**
Cash and Cash Equivalents				
Held directly	**$ 56**	**$ 56**	**$ —**	**$ —**
Held through mutual and pooled funds measured at net asset value	**15**	**—**	**—**	**—**
Fixed Income				
Held directly				
U.S. government and municipals	**191**	**171**	**20**	**—**
U.S. corporate debt	**310**	**—**	**310**	**—**
International bonds	**42**	**—**	**42**	**—**
Held through mutual and pooled funds measured at net asset value				
U.S. government and municipals	**167**	**—**	**—**	**—**
U.S. corporate debt	**730**	**—**	**—**	**—**
International bonds	**1,062**	**—**	**—**	**—**
Equity				
Held directly				
U.S. equity	**18**	**18**	**—**	**—**
International equity	**31**	**31**	**—**	**—**
Held through mutual and pooled funds measured at net asset value				
Non-U.S. equity	**107**	**—**	**—**	**—**
Global equity	**517**	**—**	**—**	**—**
Insurance Contracts	**380**	**—**	**—**	**380**
Other	**1**	**1**	**—**	**—**
Total Plan Assets	**$ 3,627**	**$ 277**	**$ 372**	**$ 380**

Futures contracts are used when appropriate to manage duration targets. As of December 31, 2020 and 2019, the U.S. plan held directly Treasury futures contracts with a total notional value of approximately $396 and $345, respectively, and an insignificant fair value. As of December 31, 2020 and 2019, the United Kingdom plan held through a pooled fund future contracts with a total notional value of approximately $454 and $346, and an insignificant fair value.

During 2020 and 2019, the plan assets did not include a significant amount of Kimberly-Clark common stock.

	Fair Value Measurements at December 31, 2019			
	Total Plan Assets	Assets at Quoted Prices in Active Markets for Identical Assets (Level 1)	Assets at Significant Observable Inputs (Level 2)	Assets at Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents				
Held directly	$ 44	$ 44	$ —	$ —
Held through mutual and pooled funds measured at net asset value	31	—	—	—
Fixed Income				
Held directly				
U.S. government and municipals	161	147	14	—
U.S. corporate debt	221	—	221	—
International bonds	9	—	9	—
Held through mutual and pooled funds measured at net asset value				
U.S. government and municipals	153	—	—	—
U.S. corporate debt	662	—	—	—
International bonds	937	—	—	—
Equity				
Held directly				
U.S. equity	39	39	—	—
International equity	32	32	—	—
Held through mutual and pooled funds measured at net asset value				
Non-U.S. equity	86	—	—	—
Global equity	572	—	—	—
Insurance Contracts	372	—	—	372
Other	(16)	(4)	—	—
Total Plan Assets	$ 3,303	$ 258	$ 244	$ 372

Inputs and valuation techniques used to measure the fair value of plan assets vary according to the type of security being valued. Substantially all of the equity securities held directly by the plans are actively traded and fair values are determined based on quoted market prices. Fair values of U.S. government securities are determined based on trading activity in the marketplace.

Fair values of U.S. corporate debt, U.S. municipals and international bonds are typically determined by reference to the values of similar securities traded in the marketplace and current interest rate levels. Multiple pricing services are typically employed to assist in determining these valuations.

Fair values of equity securities and fixed income securities held through units of pooled funds are based on net asset value of the units of the pooled fund determined by the fund manager. Pooled funds are similar in nature to retail mutual funds, but are typically more efficient for institutional investors. The fair value of pooled funds is determined by the value of the underlying assets held by the fund and the units outstanding.

Equity securities held directly by the pension trusts and those held through units in pooled funds are monitored as to issuer and industry. Except for U.S. Treasuries, concentrations of fixed income securities are similarly monitored for concentrations by issuer and industry. As of December 31, 2020, there were no significant concentrations of equity or debt securities in any single issuer or industry.

No level 3 transfers (in or out) were made in 2020 or 2019. Fair values of insurance contracts are based on an evaluation of various factors, including purchase price.

We expect to contribute approximately $50 to our defined benefit pension plans in 2021. Over the next ten years, we expect that the following gross benefit payments will occur:

	Pension Benefits	Other Benefits
2021	$ 207	$ 56
2022	227	58
2023	220	58
2024	224	58
2025	220	55
2026-2030	1,085	247

<u>Defined Contribution Pension Plans</u>

Our 401(k) profit sharing plan and supplemental plan provide for a matching contribution of a U.S. employee's contributions and accruals, subject to predetermined limits, as well as a discretionary profit sharing contribution, in which contributions will be based on our profit performance. We also have defined contribution pension plans for certain employees outside the U.S. Costs charged to expense for our defined contribution pension plans were $141 in 2020, $131 in 2019, and $120 in 2018. Approximately 25 percent of these costs were for plans outside the U.S.

Note 8. Stockholders' Equity

The changes in the components of AOCI attributable to Kimberly-Clark, net of tax, are as follows:

	Unrealized Translation	Defined Benefit Pension Plans	Other Postretirement Benefit Plans	Cash Flow Hedges and Other
Balance as of December 31, 2018	$ (2,297)	$ (1,017)	$ 12	$ 3
Other comprehensive income (loss) before reclassifications	26	(27)	(24)	(22)
(Income) loss reclassified from AOCI	—	65 (a)	(1) (a)	(12)
Net current period other comprehensive income (loss)	26	38	(25)	(34)
Balance as of December 31, 2019	(2,271)	(979)	(13)	(31)
Other comprehensive income (loss) before reclassifications	**114**	**4**	**(26)**	**(31)**
(Income) loss reclassified from AOCI	**—**	**63** (a)	**(1)** (a)	**(1)**
Net current period other comprehensive income (loss)	**114**	**67**	**(27)**	**(32)**
Balance as of December 31, 2020	**$ (2,157)**	**$ (912)**	**$ (40)**	**$ (63)**

(a) Included in computation of net periodic pension and other postretirement benefits costs (see Note 7).

Included in the above defined benefit pension plans and other postretirement benefit plans balances as of December 31, 2020 is $958 and $6 of unrecognized net actuarial loss and unrecognized net prior service credit, respectively.

The changes in the components of AOCI attributable to Kimberly-Clark, including the tax effect, are as follows:

	Year Ended December 31		
	2020	2019	2018
Unrealized translation	$ **98**	$ 21	$ (408)
Tax effect[(a)]	**16**	5	(25)
	114	26	(433)
Defined benefit pension plans			
Unrecognized net actuarial loss and transition amount			
Funded status recognition	**24**	(17)	(57)
Amortization	**41**	44	47
Settlements and curtailments	**49**	46	134
Currency and other	**(26)**	(13)	29
	88	60	153
Unrecognized prior service cost/credit			
Funded status recognition	**2**	(1)	(22)
Amortization	**(4)**	(5)	(8)
Curtailments	**—**	(1)	2
Currency and other	**1**	(2)	(1)
	(1)	(9)	(29)
Tax effect[(a)]	**(20)**	(13)	(165)
	67	38	(41)
Other postretirement benefit plans			
Unrecognized net actuarial loss and transition amount and other	**(35)**	(35)	79
Tax effect[(a)]	**8**	10	(28)
	(27)	(25)	51
Cash flow hedges and other			
Recognition of effective portion of hedges	**(32)**	(23)	56
Amortization	**(2)**	(16)	12
Currency and other	**(5)**	(1)	(2)
Tax effect[(a)]	**7**	6	(23)
	(32)	(34)	43
Change in AOCI	$ **122**	$ 5	$ (380)

(a) The Tax effect for Unrealized translation, Defined benefit pension plans, Other postretirement benefit plans and Cash flow hedges and other includes reductions of $18, $125, $5 and $8, respectively, for stranded tax effects reclassified from AOCI to Retained earnings in 2018.

Amounts are reclassified from AOCI into Cost of products sold, Nonoperating expense, Interest expense, or Other (income) and expense, net, as applicable, in the consolidated income statement.

Net unrealized currency gains or losses resulting from the translation of assets and liabilities of foreign subsidiaries, except those in highly inflationary economies, are recorded in AOCI. For these operations, changes in exchange rates generally do not affect cash flows; therefore, unrealized translation adjustments are recorded in AOCI rather than net income. Upon sale or substantially complete liquidation of any of these subsidiaries, the applicable unrealized translation adjustment would be removed from AOCI and reported as part of the gain or loss on the sale or liquidation. The change in unrealized translation in 2020 is primarily due to the strengthening of various foreign currencies versus the U.S. dollar offset by certain currencies that weakened, most notably the Brazilian real. Also included in unrealized translation amounts are the effects of foreign exchange rate changes on intercompany balances of a long-term investment nature and transactions designated as hedges of net foreign investments.

Note 9. Leases and Commitments

We have entered into leases for certain facilities, vehicles, material handling and other equipment. Our operating leases have remaining contractual terms up to 18 years, some of which include options to extend the leases for up to 20 years, and some of which include options to terminate the leases within 1 year. Our operating lease agreements do not contain any material residual value guarantees or material restrictive covenants. Our operating lease costs are primarily related to facility leases for inventory warehousing and administration offices. Our finance leases are immaterial.

Operating Lease Cost

	Year Ended December 31		
	2020	2019	Income Statement Classification
Lease cost	$ **168**	$ 162	Cost of products sold, Marketing, research and general expenses
Variable lease cost[(a)]	**202**	145	Cost of products sold, Marketing, research and general expenses
Total lease cost	$ **370**	$ 307	

(a) Includes short-term leases, which are immaterial.

Operating Lease Assets and Liabilities

	December 31		
	2020	2019	Balance Sheet Classification
Lease assets	$ **540**	$ 396	Other Assets
Current lease liabilities	$ **133**	$ 130	Accrued expenses and other current liabilities
Noncurrent lease liabilities	**423**	274	Other Liabilities
Total lease liabilities	$ **556**	$ 404	

Maturity of Operating Lease Liabilities

	December 31, 2020
2021	$ **148**
2022	**126**
2023	**100**
2024	**76**
2025	**63**
Thereafter	**90**
Total lease payments	**603**
Less imputed interest	**47**
Present value of lease liabilities	$ **556**

As of December 31, 2020, our operating leases have a weighted-average remaining lease term of 5.1 years and a weighted-average discount rate of 3.55 percent.

Supplemental Information Related to Operating Leases

	December 31	
	2020	**2019**
Operating cash flows from leases included in the measurement of lease liabilities	**$ 164**	$ 163
Leased assets obtained in exchange for new lease obligations	**$ 198**	$ 504
Other non-cash modifications to lease assets	**$ 98**	$ 31

Consolidated rental expense under operating leases prior to the adoption of ASU Topic 842 was $280 in 2018.

We have entered into long-term contracts for the purchase of superabsorbent materials, pulp and certain utilities. Commitments under these contracts based on current prices are $1,422 in 2021, $1,010 in 2022, $622 in 2023, $103 in 2024, $108 in 2025, and $222 beyond the year 2025.

Although we are primarily liable for payments on the above-mentioned leases and purchase commitments, our exposure to losses, if any, under these arrangements is not material.

Note 10. Legal Matters

We are subject to various legal proceedings, claims and governmental inquiries, inspections, audits or investigations pertaining to issues such as contract disputes, product liability, tax matters, patents and trademarks, advertising, pricing, business practices, governmental regulations, employment and other matters.

We are party to certain legal proceedings relating to our former health care business, Avanos Medical, Inc. ("Avanos", previously Halyard Health, Inc.), which we spun-off on October 31, 2014, including a qui tam matter and certain subpoena and document requests from the federal government.

The health care matters included Bahamas Surgery Center v. Kimberly-Clark Corporation, et al., a California consumer class action relating to the sale of surgical gowns. In April 2017, the jury awarded the plaintiff class $3.9 in compensatory damages and $350 in punitive damages against us. During the first quarter of 2018, the Court reduced the punitive damages award to approximately $19. During the fourth quarter of 2020, the class action was terminated and the Court vacated the prior judgment and dismissed the case.

The subpoena and document requests include subpoenas from the United States Department of Justice (DOJ) concerning allegations of potential criminal and civil violations of federal laws, including the Food, Drug, and Cosmetic Act, in connection with the manufacturing, marketing and sale of surgical gowns by our former health care business. We continue to produce documents and cooperate in this ongoing investigation. At this stage, we are unable to predict an outcome or estimate the potential range of outcomes to resolve this matter.

Under the terms of the distribution agreement we entered into with Avanos in connection with the spin-off, Avanos is obligated to indemnify us for legal proceedings, claims and other liabilities primarily related to our former health care business. Avanos and Kimberly-Clark each filed suits against the other seeking declaratory judgment regarding the scope of these indemnification obligations. The litigation has been resolved, the cases have been dismissed, and the parties have agreed that Avanos has no further indemnification obligations relating to certain proceedings regarding the sale of surgical gowns by our former health care business.

We are subject to federal, state and local environmental protection laws and regulations with respect to our business operations and are operating in compliance with, or taking action aimed at ensuring compliance with, these laws and regulations. We have been named a potentially responsible party under the provisions of the U.S. federal Comprehensive Environmental Response, Compensation and Liability Act, or analogous state statutes, at a number of sites where hazardous substances are present. None of our compliance obligations with environmental protection laws and regulations, individually or in the aggregate, is expected to have a material adverse effect on our business, liquidity, financial condition or results of operations.

Note 11. Objectives and Strategies for Using Derivatives

As a multinational enterprise, we are exposed to financial risks, such as changes in foreign currency exchange rates, interest rates, and commodity prices. We employ a number of practices to manage these risks, including operating and financing activities and, where appropriate, the use of derivative instruments.

At December 31, 2020 and 2019, derivative assets were $44 and $34, respectively, and derivative liabilities were $92 and $44, respectively, primarily comprised of foreign currency exchange contracts. Derivative assets are recorded in Other current assets or Other Assets, as appropriate, and derivative liabilities are recorded in Accrued expenses and other current liabilities or Other Liabilities, as appropriate.

Foreign Currency Exchange Rate Risk

Translation adjustments result from translating foreign entities' financial statements into U.S. dollars from their functional currencies. The risk to any particular entity's net assets is reduced to the extent that the entity is financed with local currency borrowings. A portion of our balance sheet translation exposure for certain affiliates, which results from changes in translation rates between the affiliates' functional currencies and the U.S. dollar, is hedged with cross-currency swap contracts and certain foreign denominated debt which are designated as net investment hedges. The foreign currency exposure on certain non-functional currency denominated monetary assets and liabilities, primarily intercompany loans and accounts payable, is hedged with primarily undesignated derivative instruments.

Derivative instruments are entered into to hedge a portion of forecasted cash flows denominated in foreign currencies for non-U.S. operations' purchases of raw materials, which are priced in U.S. dollars, and imports of intercompany finished goods and work-in-process priced predominantly in U.S. dollars and euros. The derivative instruments used to manage these exposures are designated as cash flow hedges.

Interest Rate Risk

Interest rate risk is managed using a portfolio of variable and fixed-rate debt composed of short and long-term instruments. Interest rate swap contracts may be used to facilitate the maintenance of the desired ratio of variable and fixed-rate debt and are designated as fair value hedges. From time to time, we also hedge the anticipated issuance of fixed-rate debt, and these contracts are designated as cash flow hedges.

Commodity Price Risk

We use derivative instruments, such as forward contracts, to hedge a limited portion of our exposure to market risk arising from changes in prices of certain commodities. These derivatives are designated as cash flow hedges of specific quantities of the underlying commodity expected to be purchased in future months. In addition, we utilize negotiated short-term contract structures, including fixed price contracts, to manage volatility for a portion of our commodity costs.

Fair Value Hedges

Derivative instruments that are designated and qualify as fair value hedges are predominantly used to manage interest rate risk. The fair values of these derivative instruments are recorded as an asset or liability, as appropriate, with the offset recorded in current Interest expense. The offset to the change in fair values of the related debt is also recorded in Interest expense. Any realized gain or loss on the derivatives that hedge interest rate risk is amortized to Interest expense over the life of the related debt. As of December 31, 2020, the aggregate notional values and carrying values of debt subject to outstanding interest rate contracts designated as fair value hedges were $300 and $322, respectively. For each of the three years ended December 31, 2020, gains or losses recognized in Interest expense for interest rate swaps were not significant.

Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the derivative instrument is initially recorded in AOCI, net of related income taxes, and recognized in earnings in the same income statement line and period that the hedged exposure affects earnings. As of December 31, 2020, outstanding commodity forward contracts were in place to hedge a limited portion of our estimated requirements of the related underlying commodities in 2021 and future periods. As of December 31, 2020, the aggregate notional value of outstanding foreign exchange derivative contracts designated as cash flow hedges was $721. For each of the three years ended December 31, 2020, no significant gains or losses were reclassified into Interest expense, Cost of products sold or Other (income) and expense, net as a result of the discontinuance of cash flow hedges due to the original forecasted transaction no longer being probable of occurring. At

December 31, 2020, amounts to be reclassified from AOCI into Interest expense, Cost of products sold or Other (income), net during the next twelve months are not expected to be material. The maximum maturity of cash flow hedges in place at December 31, 2020 is December 2022.

Net Investment Hedges

For derivative instruments that are designated and qualify as net investment hedges, the aggregate notional value was $1.5 billion at December 31, 2020. We exclude the interest accruals on cross-currency swap contracts and the forward points on foreign exchange forward contracts from the assessment and measurement of hedge effectiveness. We recognize the interest accruals on cross-currency swap contracts in earnings within Interest expense. We amortize the forward points on foreign exchange contracts into earnings within Interest expense over the life of the hedging relationship. Changes in fair value of net investment hedges are recorded in AOCI and offset the change in the value of the net investment being hedged. For the year ended December 31, 2020, unrealized losses of $75 related to net investment hedge fair value changes were recorded in AOCI and no significant amounts were reclassified from AOCI to Interest expense.

No significant amounts were excluded from the assessment of net investment, fair value or cash flow hedge effectiveness as of December 31, 2020.

Undesignated Hedging Instruments

Gains or losses on undesignated foreign exchange hedging instruments are immediately recognized in Other (income) and expense, net. A gain of $39 and losses of $17 and $52 were recorded in the years ending December 31, 2020, 2019 and 2018, respectively. The effect on earnings from the use of these non-designated derivatives is substantially neutralized by the transactional gains and losses recorded on the underlying assets and liabilities. At December 31, 2020, the notional amount of these undesignated derivative instruments was approximately $1.9 billion.

Note 12. Income Taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act made changes to the U.S. tax code, which included (1) a reduced U.S. corporate tax rate from 35 percent to 21 percent, (2) implementation of a base erosion and anti-abuse tax, (3) general elimination of U.S. federal income taxes on dividends from foreign subsidiaries, (4) a new provision designed to tax GILTI of foreign subsidiaries which allows for the possibility of utilizing foreign tax credits to offset the tax liability (subject to some limitations), (5) a lower effective U.S. tax rate on certain revenues from sources outside the U.S., and (6) a one-time transition tax on certain undistributed earnings of foreign subsidiaries. In the year ended December 31, 2017, we recorded a provisional discrete net tax benefit associated with the Tax Act and related matters. The provisional amounts recorded in 2017 related to the transition tax, remeasurement of deferred taxes, our reassessment of permanently reinvested earnings, uncertain tax positions and valuation allowances, and actions taken in anticipation of the Tax Act were finalized and a net expense of $36 was recorded during 2018.

During 2018, we also recorded discrete net tax expense of $81 primarily related to new guidance issued during 2018 affecting tax benefits we recorded in the year ended December 31, 2017 for the transition tax and certain tax planning actions taken in anticipation of the Tax Act.

At December 31, 2018, we finalized our policy and have elected to use the period cost method for GILTI provisions and therefore have not recorded deferred taxes for basis differences expected to reverse in future periods.

In December 2019, we generated a nonrecurring capital loss from a legal entity restructuring. We recorded a net benefit of $47 in the fourth quarter.

An analysis of the provision for income taxes follows:

	Year Ended December 31		
	2020	**2019**	**2018**
Current income taxes			
United States	**$ 252**	$ 215	$ 177
State	**81**	94	63
Other countries	**298**	238	229
Total	**631**	547	469
Deferred income taxes			
United States	**62**	50	16
State	**5**	(16)	22
Other countries	**(22)**	(5)	(36)
Total	**45**	29	2
Total provision for income taxes	**$ 676**	$ 576	$ 471

Income before income taxes is earned in the following tax jurisdictions:

	Year Ended December 31		
	2020	**2019**	**2018**
United States	**$ 2,336**	$ 2,252	$ 1,606
Other countries	**594**	398	207
Total income before income taxes	**$ 2,930**	$ 2,650	$ 1,813

Deferred income tax assets and liabilities are composed of the following:

	December 31	
	2020	**2019**
Deferred tax assets		
Pension and other postretirement benefits	**$ 239**	$ 253
Tax credits and loss carryforwards	**477**	411
Lease liability	**117**	104
Other	**465**	388
	1,298	1,156
Valuation allowances	**(272)**	(248)
Total deferred tax assets	**1,026**	908
Deferred tax liabilities		
Property, plant and equipment, net	**900**	795
Investments in subsidiaries	**111**	103
Goodwill	**54**	66
Intangible assets	**159**	4
Lease asset	**117**	105
Other	**146**	104
Total deferred tax liabilities	**1,487**	1,177
Net deferred tax assets (liabilities)	**$ (461)**	$ (269)

Valuation allowances at the end of 2020 primarily relate to tax credits, capital loss carryforwards, and income tax loss carryforwards of $958. If these items are not utilized against taxable income, $441 of the income tax loss carryforwards will expire from 2021 through 2040. The remaining $517 has no expiration date.

Realization of income tax loss carryforwards is dependent on generating sufficient taxable income prior to expiration of these carryforwards. Although realization is not assured, we believe it is more likely than not that all of the deferred tax assets, net of applicable valuation allowances, will be realized. The amount of the deferred tax assets considered realizable could be reduced or increased due to changes in the tax environment or if estimates of future taxable income change during the carryforward period.

Presented below is a reconciliation of the income tax provision computed at the U.S. federal statutory tax rate to the actual effective tax rate:

	Year Ended December 31		
	2020	**2019**	**2018**
U.S. statutory rate applied to income before income taxes	**21.0 %**	21.0 %	21.0 %
State income taxes, net of federal tax benefit	**2.3**	2.5	3.7
Routine tax incentives	**(4.3)**	(3.5)	(5.4)
Net tax cost on foreign income	**2.7**	1.5	1.6
Net impact of the Tax Act	**—**	—	6.4
Valuation allowance	**0.7**	1.0	1.6
Nonrecurring capital loss	**—**	(1.8)	—
Other - net[(a)]	**0.7**	1.0	(2.9)
Effective income tax rate	**23.1 %**	21.7 %	26.0 %

(a) Other - net is composed of numerous items, none of which is greater than 1.05 percent of income before income taxes.

As of December 31, 2020, we have accumulated undistributed earnings generated by our foreign subsidiaries of approximately $7.9 billion. Earnings of $5.2 billion were previously subject to tax, primarily due to the one-time transition tax on foreign earnings required by the Tax Act. Any additional taxes due with respect to such previously-taxed earnings, if repatriated, would generally be limited to foreign and U.S. state income taxes. Deferred taxes have been recorded on $0.7 billion of earnings, most of which were previously taxed for U.S. federal income tax purposes, of foreign consolidated subsidiaries expected to be repatriated. We do not intend to distribute the remaining $4.5 billion of previously-taxed foreign earnings and therefore have not recorded deferred taxes for foreign and U.S. state income taxes on such earnings.

Prior to the transition tax, we had an excess of the amount for financial reporting over the tax basis in our foreign subsidiaries. While the transition tax resulted in a reduction of the excess amount for financial reporting over the tax basis in our foreign subsidiaries, any remaining amount of financial reporting over tax basis after such reduction could be subject to additional taxes, if repatriated. However, we consider any excess to be indefinitely reinvested. The determination of deferred tax liabilities on the amount of financial reporting over tax basis or the $4.5 billion of previously taxed foreign earnings is not practicable.

Presented below is a reconciliation of the beginning and ending amounts of unrecognized income tax benefits:

	2020	**2019**	**2018**
Balance at January 1	**$ 383**	$ 298	$ 354
Gross increases for tax positions of prior years	**144**	36	75
Gross decreases for tax positions of prior years	**(34)**	(13)	(86)
Gross increases for tax positions of the current year	**36**	87	41
Settlements	**(22)**	(13)	(70)
Other	**(10)**	(12)	(16)
Balance at December 31	**$ 497**	$ 383	$ 298

Of the amounts recorded as unrecognized tax benefits at December 31, 2020, $427 would reduce our effective tax rate if recognized.

We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. During each of the three years ended December 31, 2020, the net impact of interest and penalties was not significant. Total accrued penalties and net accrued interest was $20 and $16 at December 31, 2020 and 2019, respectively.

It is reasonably possible that a number of uncertainties could be resolved within the next 12 months. The aggregate resolution of the uncertainties could be up to $180, while none of the uncertainties is individually significant. Resolution of these matters is not expected to have a material effect on our financial condition, results of operations or liquidity.

As of December 31, 2020, the following tax years remain subject to examination for the major jurisdictions where we conduct business:

Jurisdiction	Years
United States	2016 to 2020
United Kingdom	2017 to 2020
Brazil	2015 to 2020
Australia	2014 to 2020
China	2009 to 2020

Our U.S. federal income tax returns have been audited through 2015 and U.S. federal income tax amended returns are being audited for 2005, 2007 and 2013.

State income tax returns are generally subject to examination for a period of 3 to 5 years after filing of the respective return. The state effect of any changes to filed federal positions remains subject to examination by various states for a period of up to two years after formal notification to the states. We have various state income tax return positions in the process of examination, administrative appeals or litigation.

The Brazilian tax authority, Secretaria da Receita Federal do Brasil ("RFB"), concluded an audit for the taxable periods from 2008-2013. This audit included a review of our determinations of amortization of certain goodwill arising from prior acquisitions in Brazil, and the RFB has proposed adjustments that effectively eliminate the goodwill amortization benefits related to these transactions. Administrative appeals have been exhausted, and the dispute is moving into the judicial phase. The amount of the proposed tax adjustments and penalties is approximately $70 as of December 31, 2020 (translated at the December 31, 2020 currency exchange rate). The amount ultimately in dispute will be significantly greater because of interest. We believe we have meritorious defenses and intend to vigorously defend against these proposed adjustments; however, it is expected to take a number of years to reach resolution of this matter.

The U.S. Internal Revenue Service ("IRS") is currently auditing our federal tax return for the taxable year ended December 31, 2017. As part of this tax audit, the IRS is reviewing our one-time transition tax on certain undistributed earnings of foreign subsidiaries under the Tax Act. The IRS has proposed an adjustment that would increase the amount of the transition tax owed by us. We believe we have adequate reserves and meritorious defenses and intend to vigorously defend against the proposed adjustment; however, it is expected to take a number of years to reach resolution of this matter.

Note 13. Earnings Per Share ("EPS")

There are no adjustments required to be made to net income for purposes of computing basic and diluted EPS. The average number of common shares outstanding is reconciled to those used in the basic and diluted EPS computations as follows:

(Millions of shares)	2020	2019	2018
Basic	**340.7**	343.6	348.0
Dilutive effect of stock options and restricted share unit awards	**1.8**	2.0	1.6
Diluted	**342.5**	345.6	349.6

Options outstanding that were not included in the computation of diluted EPS because their exercise price was greater than the average market price of the common shares were insignificant. The number of common shares outstanding as of December 31, 2020, 2019 and 2018 was 338.7, 341.4 and 345.0, respectively.

Note 14. Business Segment Information

We are organized into operating segments based on product groupings. These operating segments have been aggregated into three reportable global business segments: Personal Care, Consumer Tissue and K-C Professional. The reportable segments were determined in accordance with how our chief operating decision maker and our executive managers develop and execute global strategies to drive growth and profitability. These strategies include global plans for branding and product positioning, technology, research and development programs, cost reductions including supply chain management, and capacity and capital investments for each of these businesses. Segment management is evaluated on several factors, including operating profit. Segment operating profit excludes Other (income) and expense, net and income and expense not associated with ongoing operations of the business segments, including the costs of corporate decisions related to the 2018 Global Restructuring Program described in Note 2, acquisition-related costs associated with the acquisition of Softex Indonesia as described in Note 3, and business tax credits related to the resolution of certain Brazil tax matters as described in Note 1.

The principal sources of revenue in each global business segment are described below:

- *Personal Care* brands offer our consumers a trusted partner in caring for themselves and their families by delivering confidence, protection and discretion through a wide variety of innovative solutions and products such as disposable diapers, training and youth pants, swimpants, baby wipes, feminine and incontinence care products, and other related products. Products in this segment are sold under the Huggies, Pull-Ups, Little Swimmers, GoodNites, DryNites, Sweety, Kotex, U by Kotex, Intimus, Depend, Plenitud, Softex, Poise and other brand names.
- *Consumer Tissue* offers a wide variety of innovative solutions and trusted brands that responsibly improve everyday living for families around the world. Products in this segment include facial and bathroom tissue, paper towels, napkins and related products, and are sold under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Neve and other brand names.
- *K-C Professional* partners with businesses to create Exceptional Workplaces, helping to make them healthier, safer and more productive through a range of solutions and supporting products such as wipers, tissue, towels, apparel, soaps and sanitizers. Our brands, including Kleenex, Scott, WypAll, Kimtech and KleenGuard are well known for quality and trusted to help people around the world work better.

Net sales to Walmart Inc. as a percent of our consolidated net sales were approximately 15 percent in 2020 and 14 percent 2019 and 2018, respectively. Net sales to Walmart Inc. were primarily in the Personal Care and Consumer Tissue segments.

Information concerning consolidated operations by business segment is presented in the following tables:

Consolidated Operations by Business Segment

	Year Ended December 31		
	2020	**2019**	**2018**
NET SALES[(a)]			
Personal Care	**$ 9,339**	$ 9,108	$ 9,037
Consumer Tissue	**6,718**	5,993	6,015
K-C Professional	**3,019**	3,292	3,382
Corporate & Other	**64**	57	52
TOTAL NET SALES	**$ 19,140**	$ 18,450	$ 18,486
OPERATING PROFIT[(b)]			
Personal Care	**$ 1,933**	$ 1,904	$ 1,833
Consumer Tissue	**1,448**	1,007	875
K-C Professional	**528**	657	634
Corporate & Other[(c)]	**(719)**	(787)	(1,112)
Other (income) and expense, net[(d)]	**(54)**	(210)	1
TOTAL OPERATING PROFIT	**$ 3,244**	$ 2,991	$ 2,229

(a) Net sales in the U.S. to third parties totaled $9,679, $9,027 and $8,803 in 2020, 2019 and 2018, respectively. No other individual country's net sales exceeds 10 percent of total net sales.

(b) Segment operating profit excludes Other (income) and expense, net and income and expenses not associated with the business segments.

(c) Corporate & Other includes charges of $392, $515 and $921 related to the 2018 Global Restructuring Program in 2020, 2019 and 2018, respectively. Restructuring charges for the 2018 Global Restructuring Program related to the Personal Care, Consumer Tissue and K-C Professional business segments were $156, $176 and $53 for 2020, $252, $176 and $75 for 2019 and $528, $229 and $125 for 2018, respectively. Corporate & Other also includes acquisition-related costs of $32 associated with the acquisition of Softex Indonesia in 2020.

(d) Other (income) and expense, net for 2020 includes business tax credits of $77 related to a favorable legal ruling that resolved certain matters related to prior years' business taxes in Brazil.. For 2019, it includes income of $31 from a gain on the sale of property associated with a former manufacturing facility that was closed in 2012 as part of a past restructuring, and for 2019 and 2018, it includes income of $194 and $12 related to the 2018 Global Restructuring Program.

	Personal Care		Consumer Tissue		K-C Professional		Corporate & Other		Total
Depreciation and Amortization									
2020	**$**	**347**	**$**	**334**	**$**	**111**	**$**	**4**	**$ 796**
2019		430		372		111		4	917
2018		426		331		121		4	882
Capital Spending									
2020		**616**		**391**		**204**		**6**	**1,217**
2019		518		489		195		7	1,209
2018		415		299		157		6	877
Goodwill[(a)]									
2020		**984**		**519**		**392**		**—**	**1,895**
2019		557		522		388		—	1,467
2018		564		522		388		—	1,474
Assets									
2020		**8,486**		**5,227**		**2,551**		**1,259**	**17,523**
2019		6,630		4,954		2,442		1,257	15,283
2018		6,208		4,738		2,285		1,287	14,518

(a) Changes in Goodwill are related to the acquisition of Softex Indonesia and currency.

Sales of Principal Products

(Billions of dollars)	2020	2019	2018
Baby and child care products	**$ 6.4**	$ 6.3	$ 6.3
Consumer tissue products	**6.7**	6.0	6.0
Away-from-home professional products	**3.0**	3.3	3.4
All other	**3.0**	2.9	2.8
Consolidated	**$ 19.1**	$ 18.5	$ 18.5

Note 15. Supplemental Data

Supplemental Income Statement Data

	Year Ended December 31		
	2020	2019	2018
Advertising expense	**$ 956**	$ 757	$ 655
Research expense	**276**	284	317

Equity Companies' Data

	Net Sales	Gross Profit	Operating Profit	Net Income	Corporation's Share of Net Income
2020	**$ 2,358**	**$ 786**	**$ 507**	**$ 299**	**$ 142**
2019	2,379	727	454	255	123
2018	2,264	635	388	215	103
	Current Assets	**Noncurrent Assets**	**Current Liabilities**	**Noncurrent Liabilities**	**Stockholders' Equity**
2020	**$ 1,585**	**$ 1,203**	**$ 842**	**$ 1,563**	**$ 382**
2019	1,020	1,275	749	1,196	350
2018	921	1,247	578	1,237	353

Equity companies are principally engaged in operations in the personal care and consumer tissue businesses. At December 31, 2020, our ownership interest in KCM and subsidiaries was 47.9 percent. KCM is partially owned by the public, and its stock is publicly traded in Mexico. At December 31, 2020, our investment in this equity company was $190, and the estimated fair value of the investment was $2.5 billion based on the market price of publicly traded shares. Our other equity ownership interests are not significant to our consolidated balance sheet or financial results.

At December 31, 2020, undistributed net income of equity companies included in consolidated retained earnings was $1.1 billion.

Supplemental Balance Sheet Data

	December 31	
Summary of Accounts Receivable, Net	**2020**	**2019**
From customers	**$ 2,132**	$ 2,131
Other	**153**	181
Less allowance for doubtful accounts and sales discounts	**(50)**	(49)
Total	**$ 2,235**	$ 2,263

	December 31					
	2020			2019		
Summary of Inventories by Major Class	**LIFO**	**Non-LIFO**	**Total**	**LIFO**	**Non-LIFO**	**Total**
Raw materials	**$ 131**	**$ 263**	**$ 394**	$ 85	$ 236	$ 321
Work in process	**103**	**86**	**189**	113	93	206
Finished goods	**453**	**749**	**1,202**	451	696	1,147
Supplies and other	**—**	**263**	**263**	—	271	271
	687	**1,361**	**2,048**	649	1,296	1,945
Excess of FIFO or weighted-average cost over LIFO cost	**(145)**	**—**	**(145)**	(155)	—	(155)
Total	**$ 542**	**$ 1,361**	**$ 1,903**	$ 494	$ 1,296	$ 1,790

Inventories are valued at the lower of cost or net realizable value, determined on the FIFO or weighted-average cost methods, and at the lower of cost or market, determined on the LIFO cost method.

Summary of Property, Plant and Equipment, Net	December 31 2020	December 31 2019
Land	$ **174**	$ 165
Buildings	**2,932**	2,877
Machinery and equipment	**14,382**	13,946
Construction in progress	**845**	851
	18,333	17,839
Less accumulated depreciation	**(10,291)**	(10,389)
Total	$ **8,042**	$ 7,450

Property, plant and equipment, net in the U.S. as of December 31, 2020 and 2019 was $3,981 and $3,787, respectively.

Summary of Accrued Expenses and Other Current Liabilities	December 31 2020	December 31 2019
Accrued advertising and promotion	$ **443**	$ 415
Accrued salaries and wages	**531**	463
Accrued rebates	**255**	241
Accrued taxes - income and other	**332**	231
Operating leases	**133**	130
Accrued restructuring	**73**	93
Accrued interest	**87**	81
Other	**408**	324
Total	$ **2,262**	$ 1,978

Supplemental Cash Flow Statement Data

Summary of Cash Flow Effects of Operating Working Capital	Year Ended December 31 2020	2019	2018
Accounts receivable	$ **95**	$ (116)	$ 33
Inventories	**(96)**	24	(127)
Trade accounts payable	**239**	(153)	392
Accrued expenses	**132**	11	115
Accrued income taxes	**42**	(6)	64
Derivatives	**(9)**	1	30
Currency and other	**(40)**	(49)	(118)
Total	$ **363**	$ (288)	$ 389

Other Cash Flow Data	Year Ended December 31 2020	2019	2018
Interest paid	$ **245**	$ 255	$ 264
Income taxes paid	**533**	528	395

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Kimberly-Clark Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Kimberly-Clark Corporation and subsidiaries (the "Corporation") as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes and the financial statement schedule listed in the Table of Contents at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Corporation's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 11, 2021, expressed an unqualified opinion on the Corporation's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Sales Incentives and Trade Promotion Allowances —Refer to Note 1 to the financial statements

Critical Audit Matter Description

The Corporation utilizes various trade promotion programs globally. The cost of promotion activities is classified as a reduction in sales revenue and can result in a period of time between the date the customer earns a promotion and the date the customer claims the promotion. The Corporation records an accrual for estimated promotions using customer sales associated with valid promotion events, actual promotion claims, and forecasted information of amounts earned by the customer but not yet claimed. As of December 31, 2020, the accrual balance was approximately $400 million.

We identified trade promotions and the related accrual as a critical audit matter because of the complexity and volume of the Corporation’s processes related to trade promotion programs and the subjectivity of estimating future customer claims. This required an extensive audit effort due to the complexity and volume of the trade promotion programs and information systems utilized globally as well as the subjectivity of estimating future customer claims related to the trade promotion accrual.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the reduction in revenue associated with trade promotions and the related accrual included the following, among others:

- With the assistance of our IT specialists, we:
  - Identified the significant systems used to process trade promotion transactions and tested the general IT controls over each of these systems, including testing of user access controls, change management controls, and IT operations controls
  - Tested the effectiveness of automated controls over revenue streams, including those over the evaluation of the accuracy and completeness of trade promotions
- We tested the effectiveness of controls over the trade promotions and the related accrual, including those over the quantity of customer sales associated with valid promotion events and the estimated future promotion claims associated with the trade accrual.
- We evaluated gross sales and promotion transactions using either analytical procedures or by evaluating individual transactions. When analytical procedures were performed, we predicted gross sales based on the relationship with either cost of products sold or sales volume and average sales price per unit adjusted for changes in data such as changes in product mix, sales margin, or inflation. When individual promotion transactions were evaluated, we obtained evidence of the promotion agreement with the customer and the amounts of the promotions earned.
- We evaluated management's ability to estimate future promotion claims by comparing actual promotion claims to management's historical estimates.
- We evaluated the reasonableness of management's estimate of future promotion claims by testing the underlying data related to (1) customer sales associated with valid promotion events, (2) actual promotion claims, and (3) forecasted information.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP

Dallas, Texas

February 11, 2021

We have served as the Corporation's auditor since 1928.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of December 31, 2020, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a - 15(e) and 15d - 15(e) of the Securities Exchange Act of 1934 (Exchange Act)). Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of December 31, 2020.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to management and our Board of Directors regarding preparation of reliable published financial statements and safeguarding of our assets. This system is supported with written policies and procedures, contains self-monitoring mechanisms and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.

We have assessed the effectiveness of our internal control over financial reporting as of December 31, 2020. In making this assessment, we used the criteria described in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that, as of December 31, 2020, our internal control over financial reporting is effective.

Deloitte & Touche LLP has audited the effectiveness of our internal control over financial reporting as of December 31, 2020, and has expressed an unqualified opinion in their report, which appears in this report.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation described above in "Internal Control Over Financial Reporting" that occurred during our fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Kimberly-Clark Corporation:

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Kimberly-Clark Corporation and subsidiaries (the “Corporation”) as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows, and the related notes for each of the three years in the period ended December 31, 2020, of the Corporation and our report dated February 11, 2021, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Corporation’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Corporation’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the corporation are being made only in accordance with authorizations of management and directors of the corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP
Dallas, Texas
February 11, 2021

ITEM 9B. OTHER INFORMATION

None.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following sections of our 2021 Proxy Statement for the Annual Meeting of Stockholders (the "2021 Proxy Statement") are incorporated in this Item 10 by reference:

- "The Nominees" under "Proposal 1. Election of Directors," which identifies our directors and nominees for our Board of Directors.
- "Corporate Governance - Other Corporate Governance Policies and Practices - Code of Conduct," which describes our Code of Conduct.
- "Corporate Governance - Stockholder Rights," "Proposal 1. Election of Directors," "Other Information - Stockholder Director Nominees for Inclusion in Next Year's Proxy Statement," and "Other Information - Stockholder Director Nominees Not Included in Next Year's Proxy Statement," which describe the procedures by which stockholders may nominate candidates for election to our Board of Directors.
- "Corporate Governance - Board Committees - Audit Committee," which identifies members of the Audit Committee of our Board of Directors and audit committee financial experts.

Information regarding our executive officers is reported under the caption "Information About Our Executive Officers" in Part I of this Report.

ITEM 11. EXECUTIVE COMPENSATION

The information in the sections of our 2021 Proxy Statement captioned "Compensation Discussion and Analysis," "Compensation Tables," "Director Compensation," "Corporate Governance - Compensation Committee Interlocks and Insider Participation" and "Other Information - CEO Pay Ratio Disclosure" is incorporated in this Item 11 by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information in the sections of our 2021 Proxy Statement captioned "Compensation Tables - Equity Compensation Plan Information" and "Other Information - Security Ownership Information" is incorporated in this Item 12 by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information in the sections of our 2021 Proxy Statement captioned "Other Information - Transactions with Related Persons" and "Corporate Governance - Director Independence" is incorporated in this Item 13 by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information in the sections of our 2021 Proxy Statement captioned "Principal Accounting Firm Fees" and "Audit Committee Approval of Audit and Non-Audit Services" under "Proposal 2. Ratification of Auditor" is incorporated in this Item 14 by reference.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) **Documents filed as part of this report.**

1. Financial statements.

   The financial statements are set forth under Item 8 of this report on Form 10-K.

2. Financial statement schedules.

   The following information is filed as part of this Form 10-K and should be read in conjunction with the financial statements contained in Item 8:

   - Report of Independent Registered Public Accounting Firm

   Schedule for Kimberly-Clark Corporation and Subsidiaries:

   - Schedule II Valuation and Qualifying Accounts

   All other schedules have been omitted because they were not applicable or because the required information has been included in the financial statements or notes thereto.

3. Exhibits

Exhibit No. (2)a.	Distribution Agreement, dated October 31, 2014, between Halyard Health, Inc. and the Corporation, incorporated by reference to Exhibit No. 2.1 of the Corporation's Current Report on Form 8-K filed on November 5, 2014.
Exhibit No. (3)a.	Amended and Restated Certificate of Incorporation, dated April 30, 2009, incorporated by reference to Exhibit No. (3)a of the Corporation's Current Report on Form 8-K filed on May 1, 2009.
Exhibit No. (3)b.	Exhibit No. (3)b. By-Laws, as amended May 2, 2019, incorporated by reference to Exhibit No. (3)b of the Corporation's Current Report on Form 8-K filed on May 3, 2019.
Exhibit No. (4)a.	First Amended and Restated Indenture dated as of March 1, 1988 between the Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The First National Bank of Chicago) as Trustee (originally executed with Bank of America National Trust and Savings Association) (incorporated by reference to Exhibit No. 4.1 to the Registration Statement on Form S-3 filed on February 2, 1998 (Registration No. 333-45399)).
Exhibit No. (4)b.	First Supplemental Indenture, dated as of November 6, 1992, to the Indenture (incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-3 filed on June 17, 1994 (Registration No. 33-54177)).
Exhibit No. (4)c.	Second Supplemental Indenture, dated as of May 25, 1994, to the Indenture (incorporated by reference to Exhibit No. 4.4 to the Registration Statement on Form S-3 filed on June 17, 1994 (Registration No. 33-54177)).
Exhibit No. (4)d.	Copies of instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission on request.
Exhibit No. (4)e.	Description of the Corporation’s Common Stock, incorporated by reference to Exhibit No. (4)e of the Corporations' Annual Report on Form 10-K for the year ended December 31, 2019.
Exhibit No. (4)f.	Description of the Corporation’s 0.625% Notes due 2024, incorporated by reference to Exhibit No. (4)f of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.

Exhibit No. (10)a.	Management Achievement Award Program, as amended and restated January 1, 2021, filed herewith*
Exhibit No. (10)b.	Form of Executive Severance Agreement, incorporated by reference to Exhibit No. (10)b of the Corporation's Current Report on Form 8-K filed on September 16, 2020.*
Exhibit No. (10)c.	Seventh Amended and Restated Deferred Compensation Plan for Directors, effective January 1, 2008, incorporated by reference to Exhibit No. (10)c of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.*
Exhibit No. (10)g.	Outside Directors' Stock Compensation Plan, as amended, incorporated by reference to Exhibit No. (10)g of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2002.*
Exhibit No. (10)h.	Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated effective April 17, 2009, incorporated by reference to Exhibit No. (10)h of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009.*
Exhibit No. (10)i.	Second Supplemental Benefit Plan to the Kimberly-Clark Corporation Pension Plan, as amended and restated, effective April 17, 2009, incorporated by reference to Exhibit No. (10)i of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009.*
Exhibit No. (10)j.	Kimberly-Clark Corporation Supplemental Retirement 401(k) and Profit Sharing Plan, as amended and restated, effective January 1, 2010, incorporated by reference to Exhibit No. (10)j of the Corporation's Current Report on Form 8-K filed on December 31, 2009.*
Exhibit No. (10)l.	2011 Outside Directors' Compensation Plan, as amended and restated, effective May 4, 2016, incorporated by reference to Exhibit No. (10)l of the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.*
Exhibit No. (10)m.	2011 Equity Participation Plan, as amended and restated, effective April 21, 2011, incorporated by reference to Exhibit No. 10.2 of the Corporation's Current Report on Form 8-K filed on April 26, 2011.*
Exhibit No. (10)n.	Form of Award Agreements under 2011 Equity Participation Plan for Nonqualified Stock Options, incorporated by reference to Exhibit No. (10)n of the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.*
Exhibit No. (10)p.	Severance Pay Plan, amended and restated, effective January 1, 2017, incorporated by reference to Exhibit No. (10)p of the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017.*
Exhibit No. (10)q.	Form of Award Agreements under 2011 Equity Participation Plan for Performance Restricted Stock Units, incorporated by reference to Exhibit No. (10)q of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.*
Exhibit No. (10)r.	Form of Award Agreements under 2011 Equity Participation Plan for Time-Vested Restricted Stock Units, incorporated by reference to Exhibit No. (10)r of the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.*
Exhibit No. (10)s.	First Amendment to 2011 Equity Participation Plan, effective February 12, 2020, incorporated by reference to Exhibit No. (10)s of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019.*
Exhibit No. (21).	Subsidiaries of the Corporation, filed herewith.

Exhibit No. (23).	Consent of Independent Registered Public Accounting Firm, filed herewith.
Exhibit No. (24).	Powers of Attorney, filed herewith.
Exhibit No. (31)a.	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith.
Exhibit No. (31)b.	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed herewith.
Exhibit No. (32)a.	Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
Exhibit No. (32)b.	Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, furnished herewith.
Exhibit No. (101).INS	XBRL Instance Document - the instant document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
Exhibit No. (101).SCH	XBRL Taxonomy Extension Schema Document
Exhibit No. (101).CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit No. (101).DEF	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit No. (101).LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit No. (101).PRE	XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit No. 104	The cover page from this Current Report on Form 10-K formated as Inline XBRL

* A management contract or compensatory plan or arrangement required to be identified pursuant to Item 15(a)(3) of this Annual Report on Form 10-K.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KIMBERLY-CLARK CORPORATION

February 11, 2021

By: /s/ Andrew S. Drexler
Andrew S. Drexler
Vice President and Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Michael D. Hsu **Michael D. Hsu**	Chairman of the Board and Chief Executive Officer and Director (principal executive officer)	February 11, 2021
/s/ Maria Henry **Maria Henry**	Senior Vice President and Chief Financial Officer (principal financial officer)	February 11, 2021
/s/ Andrew S. Drexler **Andrew S. Drexler**	Vice President and Controller (principal accounting officer)	February 11, 2021

Directors

Abelardo E. Bru	Christa S. Quarles
John W. Culver	Ian C. Read
Robert W. Decherd	Dunia A. Shive
Mae C. Jemison	Mark T. Smucker
S. Todd Maclin	Michael D. White
Sherilyn S. McCoy	

By: /s/ Andrew S. Drexler
Andrew S. Drexler
Attorney-in-Fact

February 11, 2021

KIMBERLY-CLARK CORPORATION AND SUBSIDIARIES

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

(Millions of dollars)

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts[a]	Deductions: Write-Offs and Reclassifications	Balance at End of Period
December 31, 2020					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	**$ 32**	**$ 3**	**$ 1**	**$ 2** [b]	**$ 34**
Allowances for sales discounts	**17**	**240**	**(3)**	**238** [c]	**16**
December 31, 2019					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	$ 36	$ 2	$ (1)	$ 5 [b]	$ 32
Allowances for sales discounts	17	249	(4)	245 [c]	17
December 31, 2018					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	$ 38	$ 15	$ (3)	$ 14 [b]	$ 36
Allowances for sales discounts	18	248	(4)	245 [c]	17

(a) Includes bad debt recoveries and the effects of changes in foreign currency exchange rates.

(b) Primarily uncollectible receivables written off.

(c) Sales discounts allowed.

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts	Deductions[a]	Balance at End of Period
December 31, 2020					
Deferred taxes					
Valuation allowance	**$ 248**	**$ 21**	**$ —**	**$ (3)**	**$ 272**
December 31, 2019					
Deferred taxes					
Valuation allowance	$ 220	$ 26	$ —	$ (2)	$ 248
December 31, 2018					
Deferred taxes					
Valuation allowance	$ 176	$ 55	$ —	$ 11	$ 220

(a) Represents the net currency effects of translating valuation allowances at current rates of exchange.

Exhibit (10)a

KIMBERLY-CLARK CORPORATION

MANAGEMENT ACHIEVEMENT AWARD PROGRAM

As Amended and Restated effective as of January 1, 2021

MANAGEMENT ACHIEVEMENT AWARD PROGRAM

As Amended and Restated effective as of January 1, 2021

1. PURPOSE

This Management Achievement Award Program ("MAAP" or the "Plan") is amended and restated effective as of **January 1, 2021**. The purpose of MAAP is to further unite the interests of the stockholders of the Kimberly-Clark Corporation (the “Company”) and its key executives and other eligible employees through:

(a) the annual establishment of Company objectives and the maintenance of a dividend level which are deemed by the Company's Management Development and Compensation Committee (the “Compensation Committee”) of the Board of Directors (the "Board") to be in the best short- and long-range interests of the Company, and

(b) the annual payment, or provision for future payment, of incentive compensation to each participating key executive or other eligible employee in the form of a cash award, equal to a potentially significant percentage of competitive Base Salary, provided his or her performance has meaningfully contributed to the attainment of Company objectives over the course of a calendar year.

2. ELIGIBILITY

Employees eligible to participate in MAAP (each, a "Participant") shall include (a) the Chief Executive Officer (the "CEO"), the other executive officers of the Company (within the meaning of Rule 3b-7 of the Securities Exchange Act of 1934 as amended from time to time) and any other officers elected by the Board (collectively, the “Executive Officers”) and (b) any employee of the Company or any Subsidiary who the Committee (as defined in Section 12 of the Plan) may, in its sole discretion, determine is to be eligible to participate in MAAP.

An employee who first becomes eligible for MAAP after December 15th of a calendar year (or such other date established by the Committee) will not be eligible to participate in MAAP with respect to that calendar year, except as otherwise determined by the Committee.

3. OBJECTIVE AREAS AND PERFORMANCE LEVELS

Prior to the beginning of each calendar year, or as soon thereafter as reasonably practicable, performance objectives (the "Objective(s)") shall be established for each Participant in one or more of the following three objective areas ("Objective Areas"):

(a) Corporate (relating to the performance of the Company at an enterprise level, or as otherwise determined by the Compensation Committee (the “Corporate Objective Area”)),

(b) Business Unit (relating to the performance of a Participant’s business or operational unit, division, business segment or other administrative department of the Company and/or one or more Subsidiaries (the “Business Unit Objective Area”)), and

(c) Individual (relating to a Participant’s individual performance (the “Individual Objective Area”)).

The Compensation Committee shall establish the Objective(s) and any Control Measures (as defined in section 6 below) in the Corporate Objective Area.

The Committee shall establish the Objectives and any Control Measures in all Business Unit and Individual Objective Areas for all Participants, except as otherwise determined by the Compensation Committee.

The Objective(s) in the Individual Objective Area for a Participant may be defined to include specific target areas on which such Participant should focus during the year.

For each Objective there may be established performance levels ("Performance Level(s)") consisting of successively better standards or ranges taking into consideration actual progress in the calendar year in accomplishing the Objective(s) and/or under which the percentage of the incentive payout shall be determined by taking into consideration actual progress in the calendar year in achieving the Objective. A payment range, with a minimum and maximum payment, may be established for the Objective.

From time to time, it may be desirable to establish the Objective(s) in such a manner that specific Performance Levels are not defined. In such cases, the specific Performance Level(s) will be determined pursuant to section 7 of this Plan.

The original definition of any and all Objectives, Objective Areas, Performance Levels, Percentage Weightings (as defined in section 4 below), and Control Measures shall not be changed during the course of a calendar year, except by the approval of the individual or body who originally approved the same. When mid-calendar year changes in the Company's accounting or internal reporting policies have the effect of making the financial results between two periods not fairly comparable for the purpose of properly measuring performance where Objectives are stated in financial terms, such results may be adjusted in such manner as shall be deemed fair and appropriate by the individual or body who originally approved the Objective.

4. OBJECTIVE AREA WEIGHTINGS

Coincident with the establishment of Objective Areas, Objectives, and Performance Levels, the Committee shall establish a percentage weighting ("Percentage Weighting") applicable to each Objective Area, or, where applicable, to each Objective within an Objective Area. The total of all Percentage Weightings in all Objective Areas for each Participant shall be 100 percent.

5. TARGET AWARD LEVEL

Prior to the beginning of each calendar year, or as soon thereafter as reasonably practicable, the Committee shall establish the target level for each award, which may become payable if the applicable Objectives are achieved (the “Target Award Level”), and a maximum payout stated as a percentage of such Target Award Level. The Target Award Level will generally be based on a percentage of a Participant’s annual Base Salary. Such Target Award Levels and maximum payouts shall at all times take into account the basic purposes of MAAP, and shall in no event result in the potential obligation to pay incentive compensation which, in the Compensation Committee's opinion, is not in the best short- and long-range interests of the Company.

6. CONTROL MEASURES

At the time the Objectives are established, there may also be established certain conditions known as control measures ("Control Measures") which are either personal as to one Participant, or general as to a group of Participants. Failure to fulfill a Control Measure may partially or totally deprive the Participant to whom the Control Measure applies of the right to receive an award, notwithstanding the level of performance attained on any or all Objectives, or in any or all Objective Areas.

In the event that the Company's dividend rate is reduced, other than by reason of stock splits or other similar events having no effect on the actual amount paid out in dividends, no award shall be paid under MAAP for performance during the calendar year in which such a reduction occurs. This shall be a Control Measure and shall apply in each calendar year during which the Plan is in effect.

7. ASCERTAINMENT OF PERFORMANCE LEVELS

The Performance Level actually attained with respect to any Objective will be determined by the Committee and stated as a percentage of the Target Award Level, in accordance with the provisions of this Section 7.

The Performance Level actually attained with respect to any Objective or Control Measure stated in financial terms, and the payment with respect thereto, shall be determined upon the completion of audited results of the Company and its subsidiaries for the applicable calendar year.

The Performance Level attained with respect to any Objective or Control Measure stated in nonfinancial terms shall be determined and approved by all levels in the chain of command which originally approved or defined such Objective or Control Measure following the end of the calendar year.

When specific Performance Levels in the Corporate Objective Area have not been defined under section 3 of this Plan, the Compensation Committee will determine the Performance Level attained following the end of the calendar year.

Performance in the Individual Objective Area will be determined by the Committee following the end of the calendar year, based upon the Participant’s performance with respect to the specified target areas.

Notwithstanding the above, the Compensation Committee may, in its sole discretion, authorize that such determinations of the Performance Levels attained be made prior to the end of the calendar year, and that the payment of awards be made pursuant to section 10 of this Plan.

8. AMOUNT OF INCENTIVE COMPENSATION

The amount of incentive compensation a Participant is eligible to receive with respect to a particular Objective Area depends upon:

(a) the Percentage Weighting applicable to that Objective Area,

(b) the Target Award Level which applies to the Participant,

(c) the percentage payout of the Target Award Level as a consequence of the Performance Level attained in that Objective Area, and

(d) the Participant’s base salary determined as of December 31 of the calendar year for which the Objectives were established (“Base Salary”).

Performance in each Objective Area shall be valued by multiplying (a) times (b) times (c) times (d).

Except as otherwise hereinafter provided, the total award a Participant is eligible to receive is the sum of the values attributable to performance actually attained in each Objective Area, as determined by the preceding paragraph.

Notwithstanding any provision of MAAP, the minimum total amount of awards payable to Participants as a group (the “Minimum Amount”) may be fixed through corporate action, such as a resolution of the Compensation Committee, made before the end of the calendar year. The Minimum Amount shall not be reduced or eliminated by the Company following the end of the calendar year. Any Minimum Award amount allocable to a Participant that is forfeited pursuant to the terms of this Plan shall be reallocated among other eligible Participants. Thus, the Minimum Amount shall not be reduced by the departure of a Participant after the end of the calendar year but before awards are paid for that year.

9. ADJUSTMENT OF AWARD; SEPARATION FROM SERVICE

(a) Except as otherwise determined by the Compensation Committee, in its sole and absolute discretion, the amount of an award may be adjusted by the Committee, in its sole discretion, to more accurately reflect an individual Participant's performance during the calendar year. No award shall be paid to any individual who, in any calendar year, has discharged his principal accountabilities in a manner deemed unacceptable under the Company’s Salary Program.

The amount of the award, in the event of transfers to, from, or between MAAP eligible positions may be reviewed, and may be adjusted and prorated, on such basis as shall be determined fair and equitable by the Committee.

Adjustments may also be made in the amount of an award after the potential thereof has been authorized, if the Participant’s applicable position is reevaluated under the Company’s Salary Program during the calendar year, on such basis as shall be determined fair and equitable by the Committee.

(b) A Separation from Service for any reason other than death, retirement, or total and permanent disability prior to the payment of MAAP shall result in a forfeiture of the MAAP award, unless otherwise determined by the Committee. A Participant's death, retirement, or total and permanent disability during a calendar year or prior to payment of MAAP may result in the pro rata or other adjustment to the amount of the award on such basis as shall be determined fair and equitable by the Committee. Any such award determined payable following a Separation from Service shall be paid no later than 60 days following the end of the applicable calendar year to which the award relates. A “Separation from Service” means a Participant’s termination of employment with the Company or any Subsidiary; however, a Separation from Service with the Company or a Subsidiary to accept immediate reemployment with the Company or a Subsidiary shall not be deemed to be a Separation from Service for purposes of the Plan. A Separation from Service will also be deemed to have occurred if the Participant’s services with the Company or any Subsidiary are reduced to an annual rate that is 20 percent (20%) or less of the services rendered, on average, during the immediately preceding three years of employment (or if employed less than three years, such lesser period). “Subsidiary” means any domestic or foreign corporation at least twenty percent (20%) of whose shares normally entitled to vote in electing directors is owned directly or indirectly by the Company or by other Subsidiaries, provided, however, that “at least fifty percent (50%)” shall replace “at least twenty percent (20%)” where there is not a legitimate business criteria for using such lower percentage.

10. PAYMENT OF AWARDS

Subject to Section 11 below, awards shall be paid in one lump sum in cash no later than 60 days following the end of the calendar year for which the Objectives were established, provided the Participant has not had a Separation from Service from the Company and its Subsidiaries on the award payment date (except as otherwise provided in Section 9(b)). Should any payments under this Plan be delayed, no interest will be owed to the Participant with respect to such late payment.

Notwithstanding the above, the Compensation Committee may make payments at such earlier times as it may, in its sole discretion, determine, and the Committee, in its sole discretion, will make such determinations as to performance, and establish procedures (including repayment of any overpayment which is determined after the completion of the final audit), implementing such early payment.

11. TAX WITHHOLDING

The Company and its applicable Subsidiaries shall have the right, at the time of payment of an award in accordance with Section 10, to make adequate provision for any federal, state, local or foreign taxes (including social contributions and any other applicable taxes) which they believe are or may be required by law to be withheld with respect to an award under MAAP ("Tax Liability"). The Company or applicable Subsidiary may provide for the payment of any Tax Liability by withholding from the amount payable with respect to an award or by any other method deemed appropriate by the Committee.

12. ADMINISTRATION AND INTERPRETATION

The Plan shall be administered by the Compensation Committee with respect to Participants who are Executive Officers and, except as otherwise provided herein, shall be administered by the CEO with respect to Participants who are not Executive Officers (such applicable administrative body, the "Committee"). The CEO may delegate his or her authority to administer the Plan to a Participant's direct supervisor or manager or to such other appropriate individual, to the extent not prohibited by applicable law. Notwithstanding the foregoing, the Compensation Committee may at any point assume full administrative authority with respect to any Participant or aspect of the Plan.

Except as otherwise provided by this Plan, the Committee has discretionary authority to construe and interpret the Plan, to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith, to interpret, amend or revoke any such rules, and to resolve all questions arising under the Plan. All such actions of the Committee shall be final and conclusive as to all individuals affected thereby.

13. NONTRANSFERABILITY

Except as provided in this Plan, no right of any Participant shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, attachment, garnishment, execution, levy, bankruptcy, or any other disposition of any kind, whether voluntary or involuntary, prior to actual payment of an award.

14. UNFUNDED PLAN

MAAP is intended to constitute an unfunded plan for incentive compensation. No Participant, or any other person, shall have any interest in any fund, or in any specific asset or assets of the Company, by reason of an award that has been made but has not been paid or distributed. Prior to the payment of any award, nothing contained herein shall give any Participant any rights that are greater than those of a general creditor of the Company. No amounts awarded or accrued under MAAP shall be funded, set aside, subject to interest payment or otherwise segregated prior to payment of an award.

15. FORFEITURE AND CLAWBACK

The Committee may subject any award to any policy adopted by the Company relating to the recovery of such award to the extent it is determined that the performance was not actually achieved. Further, all awards shall be subject to forfeiture and/or repayment to the Company to the extent and in the manner required (a) to comply with any requirements imposed under applicable laws, regulations, stock exchange listing rules or other rules; and (b) under the terms of the Kimberly-Clark Corporation Compensation Recoupment Policy, to the extent applicable to the Participant, or under any other policy or guideline adopted by the Company for purposes of fraud prevention, governance, avoidance of monetary or reputational damage to the Company and its affiliates or similar reasons, whether or not such policy or guideline was in place at the time of grant of an award (and such requirements shall be deemed incorporated into MAAP without the consent of the Participant).

16. NO ENTITLEMENTS

Nothing contained in MAAP shall be construed as a contract of employment or as a right of any Participant to be continued in the employment of the Company or any Subsidiary, or as a limitation on the right of the Company or a Subsidiary to discharge any Participant with or without cause. Any award payable under MAAP is voluntary and occasional and does not create any contractual or other right to receive awards in future years or benefits in lieu of such awards.

17. CODE SECTION 409A

It is intended that payment will be made no later than required to ensure that no amount paid or to be paid hereunder shall be subject to the provisions of Section 409A(a)(1)(B) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and all payments are intended to be eligible for the short-term deferral exception to Section 409A of the Code, or to otherwise be compliant with Section 409A of the Code and the guidance promulgated thereunder (“Section 409A”). Notwithstanding any other provision of this Plan, the Committee shall administer and interpret, and the Company shall operate, the Plan, and exercise all authority and discretion under the Plan, to satisfy the requirements for exemption from, or compliance with, Section 409A and any noncompliant provisions of this Plan will either be void or deemed amended to comply with Section 409A. Nothing in the Plan shall provide a basis for any person to take action against the Company or any Subsidiary or affiliate based on matters covered by Section 409A, including the tax treatment of any award, and neither the Company nor any of its Subsidiaries or affiliates shall under any circumstances have any liability to any Participant or his estate or any other party for any taxes, penalties or interest due on amounts paid or payable under the Plan, including taxes, penalties or interest imposed under Section 409A.

18. COMPLIANCE WITH LAWS

MAAP and the grant of awards thereunder shall be subject to all applicable federal, state, local and foreign laws, rules and regulations and to such approvals by any governmental or regulatory agency as may be required.

19. GOVERNING LAW

MAAP shall be construed in accordance with and governed by the laws of state of Delaware without reference to principles of conflict of laws, and construed accordingly.

20. SEVERABILITY

If any provision of MAAP is held invalid or unenforceable, the invalidity or unenforceability shall not affect the remaining parts of MAAP, and MAAP shall be enforced and construed as if such provision had not been included.

21. AMENDMENT AND TERMINATION

MAAP is a discretionary incentive plan and the Compensation Committee may, at any time, amend this Plan, order the temporary suspension of its application, or terminate it in its entirety, provided, however, that no such action shall adversely affect the rights or interests of Participants theretofore vested hereunder unless required or advisable under applicable law.

In the case of a Participant employed outside the United States, the Compensation Committee may vary the provisions of the Plan as it may deem appropriate to conform to local laws, practices and procedures.

MAAP is hereby amended and restated effective as of January 1, 2021.

Exhibit No. (21)

KIMBERLY-CLARK CORPORATION

CONSOLIDATED SUBSIDIARIES

Abdelia Comercial Ltda., Brazil
Bacraft Industria de Papel Ltda., Brazil
Badgers LLC, Delaware
Badgers II LLC, Delaware
Beco, Inc., Wisconsin
Colombiana Kimberly Colpapel S.A., Colombia
Delaware Overseas Finance, Inc., Wisconsin
Durafab, LLC, Wisconsin
Excell Paper Sales Company, Pennsylvania
Gerinconfort Industria e Comercio de Productos Higienicos Ltda., Brazil
Hoosiers LLC, Delaware
Housing Horizons, LLC, Texas
I-Flow, LLC, Delaware
Jackson Products, Inc., Wisconsin
K-C Advertising, Inc., Wisconsin
K-C AFC Manufacturing, S. de R.L. de C. V., Mexico
K-C Antioquia Global Ltda., Colombia
K-C Equipment Finance LP, United Kingdom
K-C Guernsey I Limited, Isle of Guernsey
K-C Guernsey II Limited, Isle of Guernsey
K-C (Hong Kong II) Limited, Hong Kong
K.C.S.A. Holdings (Pty) Limited, South Africa
Kalayaan Land Corporation, Philippines
KCA Super Pty Limited, Australia
KCSSA East Africa Limited, Kenya
KCSSA West Africa Limited, Nigeria
Kimberly Bolivia S.A., Bolivia
Kimberly Clark MEA DMCC, Dubai
Kimberly-Clark (China) Company Ltd, China
Kimberly-Clark (Cyprus) Limited, Cyprus
Kimberly-Clark (Hong Kong) Limited, Hong Kong
Kimberly-Clark (Nanjing) Care Products Co. Ltd., China
Kimberly-Clark (Nanjing) Personal Hygienic Products Company Limited, China
Kimberly-Clark (Tianjin) Care Products Co., Ltd., China
Kimberly-Clark (Trinidad) Ltd., Trinidad & Tobago
Kimberly-Clark (Wuxi) Equipment Technology Co., Ltd., China
Kimberly-Clark Amsterdam Holdings, B.V., Netherlands
Kimberly-Clark Argentina S.A., Argentina
Kimberly-Clark Asia Holdings Pte. Ltd, Singapore
Kimberly-Clark Asia Pacific Headquarters Pte Ltd, Singapore
Kimberly-Clark Asia Pacific Pte. Ltd, Singapore
Kimberly-Clark Atlantic Holding Limited, United Kingdom
Kimberly-Clark Australia Holdings Pty Limited, Australia

Kimberly-Clark Australia Pty. Limited, Australia
Kimberly-Clark B.V., Netherlands
Kimberly-Clark BVBA, Belgium
Kimberly-Clark Bahrain Holding Company S.P.C., Bahrain
Kimberly-Clark Brasil Holdings Limitada, Brazil
Kimberly-Clark Brasil Industria e Comercio de Produtos de Higiene Ltda, Brazil
Kimberly-Clark Brazil Holdings, LLC, Delaware
Kimberly-Clark Canada Holdings, Inc., Canada
Kimberly-Clark Canada International Holdings Inc., Canada
Kimberly-Clark Cayman Islands Company, Cayman Islands
* Kimberly-Clark Central American Holdings, S.A., Panama
Kimberly-Clark Centro de Inovacao, Brazil
Kimberly-Clark Chile S.A., Chile
Kimberly-Clark Colombia Holding Limitada, Colombia
Kimberly-Clark Commercial, Inc., Wisconsin
* Kimberly-Clark Costa Rica Limitada, Costa Rica
* Kimberly-Clark de Centro America, Limitada de Capital Variable, El Salvador
* Kimberly-Clark de Honduras, S.de R.L. de C.V., Honduras
Kimberly-Clark Dominican Republic S.A., Dominican Republic
Kimberly-Clark Dominican Services SRL, Dominican Republic
Kimberly-Clark Dominicana, S.A., Dominican Republic
Kimberly-Clark Dutch Holdings B.V., Netherlands
Kimberly-Clark Ecuador S.A., Ecuador
Kimberly-Clark Ede Holdings B.V., Netherlands
Kimberly-Clark EMEA GBS Services Spolka Z Ograniczona Odpowiedzialnoscia, Poland
Kimberly-Clark EMEA Holdings Ltd., United Kingdom
Kimberly-Clark Europe Limited, United Kingdom
Kimberly-Clark European Investment B.V., Netherlands
Kimberly-Clark European Services Limited, United Kingdom
Kimberly-Clark Finance Limited, United Kingdom
Kimberly-Clark Financial Services, Inc., Tennessee
Kimberly-Clark Germany Holding GmbH, Germany
Kimberly-Clark Global Sales, LLC, Wisconsin
Kimberly-Clark GmbH, Austria
Kimberly-Clark GmbH, Germany
Kimberly-Clark GmbH, Switzerland
* Kimberly-Clark Guatemala, Limitada, Guatemala
Kimberly-Clark Hellas EPE, Greece
Kimberly-Clark Holding Limited, United Kingdom
Kimberly-Clark Holding srl, Italy
Kimberly-Clark Holland Holdings B.V., Netherlands
Kimberly-Clark Hygiene Products Private Limited, India
Kimberly-Clark Inc., Canada
Kimberly-Clark India Private Limited, India
Kimberly-Clark Integrated Services Corporation, Wisconsin
Kimberly-Clark Intercontinental Holding Ltd., United Kingdom
Kimberly-Clark International Holding Limited, United Kingdom
Kimberly-Clark International, S.A., Panama
Kimberly-Clark International Sales, LLC., Delaware

Kimberly-Clark International Services Corporation, Wisconsin
Kimberly-Clark Investment, Inc., Nevada
Kimberly-Clark Israel Ltd, Israel
Kimberly-Clark Israel Marketing Ltd., Israel
Kimberly-Clark Japan Godo Kaisha, Japan
Kimberly-Clark Kazakhstan Limited Liability Partnership, Kazakhstan
Kimberly-Clark Latin America Investments, Inc., Wisconsin
Kimberly-Clark Latin America, Inc., Wisconsin
Kimberly-Clark LDA, Portugal
Kimberly-Clark Limited, United Kingdom
Kimberly-Clark Luxembourg Finance S.à r.l., Luxembourg
Kimberly-Clark Luxembourg Financial Holdings S.a.r.l., Luxembourg
Kimberly-Clark Luxembourg Holdings S.à r.l., Luxembourg
Kimberly-Clark Luxembourg International S.a.r.L., Luxembourg
Kimberly-Clark Luxembourg S.à r.l., Luxembourg
Kimberly-Clark Maghreb SARL, Morocco
Kimberly-Clark Magyarorszag Kft., Hungary
Kimberly-Clark Manufacturing (Thailand) Limited, Thailand
Kimberly-Clark Mediterranean Finance Company Ltd., Malta
Kimberly-Clark Netherlands Holdings B.V., Netherlands
* Kimberly-Clark Nicaragua & Compania Limitada, Nicaragua
***** Kimberly-Clark Nicaragua Services & Compania Limitada, Nicaragua
Kimberly-Clark Noordzee Coöperatief U.A., Netherlands
Kimberly-Clark North Asia (HK) Limited, Hong Kong
Kimberly-Clark of South Africa (Pty) Ltd., South Africa
Kimberly-Clark Pacific Finance Company, Cayman Islands
Kimberly-Clark Pacific Holdings Pty Limited, Australia
Kimberly-Clark Paper (Shanghai) Co. Ltd, China
Kimberly-Clark Paraguay, S.A., Paraguay
Kimberly-Clark Patriot Holdings, Inc., Cayman Islands
Kimberly-Clark Pennsylvania, LLC, Wisconsin
Kimberly-Clark Pension Trusts Ltd., United Kingdom
Kimberly-Clark Personal Hygienic Products Co. Ltd., Beijing, China
Kimberly-Clark Peru S.R.L., Peru
Kimberly-Clark Philippines Inc., Philippines
Kimberly-Clark Polska Sp. Z.o.o., Poland
Kimberly-Clark Products (M) Sdn. Bhd., Malaysia
Kimberly-Clark Produtos Para Saude Limitada, Brazil
Kimberly-Clark Regional Services (M) Sdn. Bhd., Malaysia
Kimberly-Clark SAS, France
Kimberly-Clark S.L.U., Spain
Kimberly-Clark s.r.l., Italy
Kimberly-Clark s.r.o., Czech Republic
Kimberly-Clark Services Asia-Pacific Pty Limited, Australia
Kimberly-Clark Services, Inc., Wisconsin
Kimberly-Clark Singapore Intercontinental Pte. Ltd., Singapore
Kimberly-Clark Singapore Pte. Ltd., Singapore
Kimberly-Clark Southeast Asia Holdings Pte. Ltd., Singapore
Kimberly-Clark Southern Africa (Holdings) (Pty) Ltd., South Africa

Kimberly-Clark Switzerland GmbH, Switzerland
Kimberly-Clark Taiwan, Cayman Islands
Kimberly-Clark Thailand Limited, Thailand
Kimberly-Clark Trading (M) Sdn. Bhd., Malaysia
* Kimberly-Clark Trading and Services Limitada, Costa Rica
Kimberly-Clark Trading Kft, Hungary
Kimberly-Clark Treasury Australia Pty Limited, Australia
Kimberly-Clark Tuketim Mallari Sanayi ve Ticaret A.S., Turkey
Kimberly-Clark Tulip Holdings, B.V., Netherlands
Kimberly-Clark U.K. Operations Limited, United Kingdom
Kimberly-Clark Uruguay S.A., Uruguay
Kimberly-Clark Utrecht Holdings B.V., Netherlands
Kimberly-Clark Ventures, LLC, Delaware
Kimberly-Clark Vietnam Holdings Pte. Ltd., Singapore
Kimberly-Clark Vietnam Ltd., Vietnam
Kimberly-Clark Worldwide Australia Holdings Pty. Limited, Australia
Kimberly-Clark Worldwide Taiwan Investment Limited, Taiwan
Kimberly-Clark Worldwide, Inc., Wisconsin
KS & J Industria e Comercio Limitada, Brazil
Lava Products Limited, Hong Kong
Limited Liability Company Kimberly-Clark, Russia
Limited Liability Company with Foreign Investment ‘Kimberly-Clark Ukraine’, Ukraine
Mimo S.A., Argentina
Minnetonka Overseas Investments Limited, Cayman Islands
Papeles del Cauca S.A., Colombia
* PT Karya Pratama Nusantara Raya, Indonesia
* P.T. Kimberly-Clark Indonesia, Indonesia
PT Maju Andalan, Indonesia
PT Softex Indonesia, Indonesia
Ridgeway Insurance Company Limited, Bermuda
Ropers II LLC, Delaware
SK Corporation, Taiwan
Softex Holdings Limited, Hong Kong
Softex International Limited, Hong Kong
Taiwan Scott Paper Corporation, Taiwan
Technology Systems S.A., Argentina
Texans II LLC, Delaware
Three Rivers Timber Company, Washington
* VOID Technologies Limited, United Kingdom
* Yuhan-Kimberly Limited, South Korea

* Indicates a company that is not wholly owned directly or indirectly by the Corporation.

We have additional subsidiaries that, if considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary.

Exhibit No. (23)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 33-49050, 33-58402, 33-64689, 333-02607, 333-06996, 333-17367, 333-43647, 333-94139, 333-51922, 333-61010, 333-62358, 333-89314, 333-104099, 333-115347, 333-155380, 333-161986, 333-163891, 333-173725, 333-214818 and 333-233917 all on Form S-8 and No. 333-229547 on Form S-3 of our reports dated February 11, 2021, relating to the consolidated financial statements and financial statement schedule of Kimberly-Clark Corporation and subsidiaries (the "Corporation") and the effectiveness of the Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Corporation for the year ended December 31, 2020.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP
Dallas, Texas
February 11, 2021

Exhibit No. (24)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11^{th} day of February 2021.

/s/ Abelardo E. Bru

Abelardo E. Bru

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ John W. Culver
John W. Culver

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ Robert W. Decherd

Robert W. Decherd

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ Mae C. Jemison

Mae C. Jemison

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ S. Todd Maclin

S. Todd Maclin

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ Sherilyn S. McCoy
Sherilyn S. McCoy

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ Christa S. Quarles

Christa S. Quarles

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ Ian C. Read

Ian C. Read

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ Dunia A. Shive

Dunia A. Shive

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned’s true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned’s name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ Mark T. Smucker

Mark T. Smucker

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Maria Henry, Andrew Drexler, Grant McGee and Jeffrey Melucci, and each of them, with full power to act alone, the undersigned's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign Kimberly-Clark Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and any and all amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any one of them, or their or his or her substitute or their substitutes, lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February 2021.

/s/ Michael D. White

Michael D. White

Exhibit (31)a

CERTIFICATIONS

I, Michael D. Hsu, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael D. Hsu
Michael D. Hsu
Chief Executive Officer

February 11, 2021

Exhibit (31)b

CERTIFICATIONS

I, Maria Henry, certify that:

1. I have reviewed this annual report on Form 10-K of Kimberly-Clark Corporation (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Maria Henry
Maria Henry
Chief Financial Officer

February 11, 2021

Exhibit (32)a

<u>Certification of Chief Executive Officer</u>
<u>Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code</u>

I, Michael D. Hsu, Chief Executive Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

(1) the Form 10-K, filed with the Securities and Exchange Commission on February 11, 2021 ("accompanied report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Michael D. Hsu
Michael D. Hsu
Chief Executive Officer

February 11, 2021

Exhibit (32)b

Certification of Chief Financial Officer
Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

I, Maria Henry, Chief Financial Officer of Kimberly-Clark Corporation, certify that, to my knowledge:

(1) the Form 10-K, filed with the Securities and Exchange Commission on February 11, 2021 ("accompanied report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the accompanied report fairly presents, in all material respects, the financial condition and results of operations of Kimberly-Clark Corporation.

/s/ Maria Henry
Maria Henry
Chief Financial Officer

February 11, 2021