Intermodal Growth at Kimberly-Clark: A Strategy
Leading the World in Essentials for a Better Life

57,000 employees worldwide

$21.2 Billion in Net Sales in 2013

Well-known global brands HUGGIES® KLEENEX® SCOTT® KOTEX® PULL-UPS® DEPEND®

#1 or #2 position in more than 80 countries

Nearly one-quarter of the world’s population use our products daily
K-C Global Brands

Scott Products

Depend

Huggies

Kleenex

Pull-Ups

Kotex

Kimberly-Clark

Leading the world in essentials for a better life.
SmartWay and Kimberly-Clark

• Joined in 2006
  – Opportunity to more actively engage and expand our role in K-C’s sustainability plans

• Early goals
  – Influence Carrier Participation
  – Reduce Length of Haul and Total Miles
  – Reduce wait time and idling at shipping and receiving docks
  – Increase Intermodal Utilization
Intermodal Growth at Kimberly-Clark

• Recognized Trends
  – Driver shortage & retention
  – Hours of Service regulations
  – Fuel Supply & Prices
  – Highway congestion
  ✓ Railroads making large investments in their networks
  ✓ Our Customers are focusing on sustainability

• Developed an Intermodal Growth Strategy
  – Gained endorsement from our Supply Chain leadership
  – 2006-2008 – Major Distribution Network redesign
    • Located new DC’s in markets that reduced dray mileage
  – 2007 - Invested in new TMS system to improve freight mode selection and increase IM utilization
  – Hold Top-to-Top partnership meetings with our major IM providers and RR

• Challenges
  – Internal skepticism - “putting customer freight on Rail”
  – Additional transit
  – Higher delivery variability
Intermodal Growth – A Success Story

• Since Joined SmartWay - Expanded intermodal utilization by 120%
  – 42,000 loads in 2006 to 95,500 in 2013
  – 49 million miles to 120 million miles
    • 560,000 trucks off the highways
    • Lined up trucks would stretch 6,700 miles
  – Saved 62 million gallons of diesel
  – Reduced CO2 by 630,000 metric tons
  – Saved $355 Million
• Helpful tool: SmartWay Modal Shift calculator
Intermodal Growth – Environmental leadership & Competitive Advantage

“At Kimberly-Clark, we see growing Intermodal as both good environmental policy and good business”