

December 31, 2023

Name: Kimberly-Clark de Mexico SAB de CV Sponsored ADR
 Ticker: KCDMY-US
 Market Cap (\$mm): \$6,505

Country: Mexico
 Sector: Consumer Staples
 Industry: Household Products

Sector Outlook

Staples' defensive attributes were a positive during last year's market volatility, but looking forward we think these defensive characteristics and relatively weaker growth prospects likely present performance headwinds. As stocks move higher in the early bull market, Staples likely rise less than broader markets.

Company Description

Kimberly-Clark de México SAB de CV engages in the manufacture and commercialization of disposable products. It operates through the following segments: Consumer Products, Professionals and Exports. The Consumer Products segment indicates that final use of the articles commercialized are primarily intended for home. The Professionals segment indicates that commercialization of products is oriented toward organizations like hotels, restaurants, offices and factories. The company's brands are Huggies, KleenBebé, Kleenex, Kimlark, Pétalo, Cottonelle, Suavel, Evenflo, GoodNites, Vogue, Delsey, Diapro, Keranove, LYS, Fancy, Depend and Kotex. The company was founded in 1959 and is headquartered in Mexico, Mexico.

Financial Snapshot

Revenue by Product Segment	%	Revenue by Geographic Segment	%
Consumer Goods	78%	Mexico	100%
Exportation	13%		
Professional	9%		

Company & Sustainability Analysis

Kimberly-Clark Mexico, Mexico's leading consumer tissue manufacturer, is well-positioned to benefit from growing consumer spending in Mexico. In particular, the company's strong brands, wide distribution and innovations should drive superior returns relative to peers. Moving forward, the company stands to benefit from strong pricing power and growing market share.

Sustainability Analysis

Kimberly-Clark is rated BBB by MSCI ESG Research. The BBB rating is primarily based on trailing environmental and governance scores. intensive products and a relatively entrenched board with 7 of the 12 members with more than 15 years of tenure. Since KCM primarily produces carbon intensive products, it's carbon footprint is larger than the industry average. In response, the company has adopted responsible sourcing initiatives. As of 2022, it has policies requiring suppliers to provide sustainable paper.

Kimberly-Clark's efforts in reducing their carbon footprint directly support SDG 3 (Good Health and Well Being) meant to "Ensure healthy lives and promote well-being for all at all ages".

Kimberly-Clark Mexico is categorized as a Sustainable Investment aligned with the social objectives of the EU's Sustainable Finance Disclosure Regulation (SFDR) as defined by Fisher Investments. In order for a company to be considered a sustainable investment, it must be assessed by Fisher Investments as meeting the following criteria: (i) it must contribute to an environmental or social objective; (ii) it must do no significant harm (DNSH) to any other environmental or social objective; and (iii) it must follow good governance practices.

**This write-up is provided to fulfil the requirements of the Austrian Ecolabel and should be considered an 'example point in time analysis'. There is no guarantee that the security remains in the relevant strategy or the analysis remains current beyond the date of analysis.*

****Sources: Fisher Investments Research, FactSet Research Systems, Company Investor Relations**

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