



Kimberly-Clark staff

■ The entire staff of Kimberly-Clark persuades CEO Thomas Falk to lead the tissue industry in using post-consumer recycled fiber in all of its products.

Wednesday, March 15, 2006

Newsline

■ News ■ Money ■ Sports ■ Life

■ Stocks get huge a lift from tissue-maker economic reports:

Index	Close	Change
Dow Jones industrial average	11,137.17	▲ 68.11
Nasdaq composite	2,283.17	▲ 20.21
Treasury note, 10-year yield	4.53%	▼ 0.04
USA TOMORROW Internet 50	124.46	▲ 0.55

Sources: USA TOMORROW research, MarketWorld.com



Boreal Forest saved

■ Kimberly-Clark steps in to stop the destruction in one of the largest intact forest ecosystems from clearcut logging. Alaska, Canada, Russia, and Scandinavia all benefit from this forward-thinking preservation.

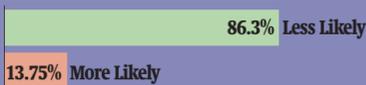


Yellow Warbler sings sigh of relief

■ Over 300 bird species that use the 1.4 million acre boreal forest as their summer breeding grounds rejoice in Kimberly-Clark's latest conservation decision.

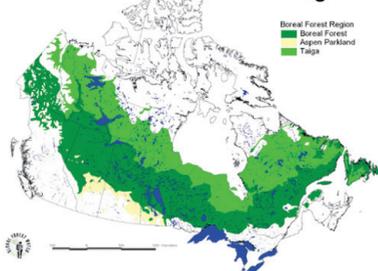
Tissue product poll results

If you knew that a company's tissue products were made by using trees cut down from ancient forests, would you be more likely, less likely to buy their products?



USA TOMORROW Snapshots®

Canada's Boreal Forest Region



08 Crossword, Sudoku 13B
 Editorial/Opinion 11, 13A
 Lotteries 9C
 Marketplace Today 13B
 State-by-State 5A
 Market scorecard 4B

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2006 Tissue World attendees rejoice

■ Read the story inside today 1, 5C



Kimberly-Clark's weekend tree hugger

■ How this CEO blurred the line between work week and weekend, 1A



Thomas J. Falk: Chairman of the Board for Kimberly-Clark

Cover story

Kleenex now tree friendly, no longer wipes away ancient forests

Kimberly-Clark, new industry leader in ancient forest protection

By Green Peace
 USA TOMORROW

DALLAS HEADQUARTERS — In a dramatic reversal of corporate policy, Kimberly-Clark, maker of Kleenex, Scott, Huggies, Pull-Ups, Kotex and Depend, has decided to stop using wood fiber from ravaged ancient forests. The company announced today at Tissue World Americas 2006 that it has decided to purchase only recycled paper and fiber from responsibly managed timber operations certified to the standards of the Forest Stewardship Council.

The announcement came as a surprise to the company's shareholders, since as recently as February 2006, Corporate Communications Manager Dave Dickson was quoted as saying: "We're well aware that we just might be the world's biggest destroyer of really, really old trees and responsible for wiping out the habitat of grizzly bears and woodland caribou. But most of our customers hardly ever visit forests. Besides, ancient forests are a dime a dozen."

Opinions vary as to what was behind such a radical shift in business practices and complete reversal of positioning for the company often seen as a dinosaur in their sector. An inside source at Kimberly-Clark told USA Tomorrow that the company's motives

might not be completely altruistic: "It seems Tom (CEO & Chairman of the Board Thomas Falk) was home watching a DVD of The Hulk, when he had an epiphany...he realized that if Kimberly-Clark became the first enterprise of its size to truly care about forests, the PR upshot would be nothing short of stupendous. K-C would go down in history as one of the most benevolent, progressive and earth-friendly companies in history."

This reasoning may indeed have merit. Financial analyst Mary Higgins, from ABC Financial, thinks that the company may lose some customers who insist on flushing ancient forests down the toilet. "But many will stay due to brand loyalty, and they'll arguably gain at least as many back," said Higgins. "Shoppers who buy only 'green' products, and even a new crop of people who want to support a company that stands up for what's right."

Sean Towne, Director of F.D.M.T.A. (Forests Deserve More Than Acronyms), says he's thrilled K-C is doing the right thing, even if it's solely for the financial reasons. "They're doing it for sales; they wouldn't consider such a move in a million years if they didn't think they could make a profit from it. But it sure is great that they're doing it" says Towne.

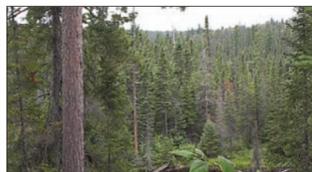
He may have a point about their

motives—Dickson says that Kimberly-Clark has put up \$30 million to develop ways to use more recycled fiber, in both their commercial and consumer brands of tissue products.

There are undoubtedly many unanswered questions about Kimberly-Clark's new business strategy. One wonders what will happen if this new endeavor doesn't produce the revenues hoped for...will they return to

wiping away 10,000-year-old forests? This question got Dickson rubbing his chin. "Never say never," he says. "But look on the bright side—it'll take at least 3 or 4 years before we would ever give up on the idea. By that time, global warming may be killing all the forests anyway and we won't have to take all the blame."

► Kleenex goes tree friendly, 3A



Thanks to Kimberly-Clark's latest decision there will be less clearcut forest.

CEO of Kimberly-Clark is a closet tree hugger

By Green Peace
 USA TOMORROW

DALLAS — Maybe we're getting a glimpse of what's behind all these fantastic changes at Kimberly-Clark. It seems that CEO and Chairman of the Board Thomas Falk is living a double life. During the week, he heads up the biggest single destroyer of old-growth forests on the planet; come Friday night, he turns back into his real self—a secret card-carrying member of multiple environmental organizations.

USA Tomorrow has obtained photos of Mr. Falk admiring, talking to, and yes, even hugging trees. Talk about rare this is like finding a photo of President George W. Bush reading a physics book. Indeed, sources tell us that on a recent trip to Kimberly-Clark operations in the Boreal forests of northern Alberta, Falk made a little detour on his way back to the lodge to meditate under some tamarack trees, and then watch through binoculars as a blackburnian warbler fed its young.

Falk must have realized that if he could get into the driver's seat at the company, he could make people real-



ize that a tree is infinitely more important than whether their tissue paper is ultra soft. After all, the company is so big, by throwing its weight around in the marketplace, it can make recycled paper the norm, not the exception. There's plenty of money to develop products that don't require clear cutting ancient forests, and that switch to product lines to use more recycled fiber and fiber from responsibly managed timber operations.

At age 48, Falk still has many years to enjoy being one of planet's good guys and being revered for having the wisdom to know that only those in power can make powerful change in the world.

► Corporate tree hugger outed, 6A

Boreal Forest

Kimberly-Clark wants to save a place most can't find on a map

By Green Peace
 USA TOMORROW

DALLAS — What is as dramatic as the spectacular landscape of granite outcrops, lakes, rivers and marshes interspersed with pine, spruce, fir and poplar, of the world's Boreal forests? Well, actually, not much. But Kimberly-Clark's decision to use only tree friendly fiber comes close.

It's probably unrealistic to think that a huge company whose values were formed in the days when the world seemed as limitless as the potential to make money, suddenly woke up and realized the horror that it is perpetrating on the world's natural resources. But apparently the company has begun to grasp the notion that destroying the earth's old-growth and original forests actually undermines the quality of life of the very same consumers who want a soft tissue with which to blow their noses.

The Boreal eco-region accounts for about one-third of this planet's total forest area. It is a circumpolar band that starts in Alaska, and runs through most of Canada, Russia, Scandinavia and parts of Northern Scotland.

Boreal forests influence weather by controlling rainfall and evaporation of water from soil. The thick layers of moss, soil and peat of the Boreal forest form one of the world's largest land-based storehouses of carbon. This carbon storehouse plays an enormous role in regulating our climate and in reducing global warming pollution. This forest also enters our everyday lives as nearly 50% of North America's bird species nest and breed there, including backyard birds such as the Baltimore oriole, redwing blackbirds, mallards and even hummingbirds. Without the Boreal forest, these birds could perish.

25 million acres of ancient forest are being degraded or destroyed every year around the world. That's an area the size of a soccer field lost every two seconds. Much of this loss is due to the industrial use of these forests including logging, clearing for agriculture, and oil, gas and hydroelectric development. Many of the plants and animals that live in these forests face extinction, and the people and cultures that depend on ancient forests for their way of life are also under threat.

Please see BOREAL FOREST, page 7A ►

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