



Powered by Value

2014 INTEGRATED ANNUAL REPORT

OUR FINANCIAL, ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE



About This Report

Materiality

Our 2020 Strategy, which integrates the company's business and corporate responsibility goals and measures, is a lens of materiality for the fiscal year 2014 report. This report also reflects a materiality and stakeholder engagement assessment of nonfinancial topics conducted in fiscal year 2012. The 2020 Strategy section of this report provides an overview of how we developed our business and corporate responsibility strategies, imperatives and measures, and details how we are executing against these plans.


Material topics reflected in our 2020 Strategy and covered in this report include the company's ability to drive sales; the strength of our product portfolio and demand-creation capabilities; product innovation (surface disinfection, natural products, sustainability improvements); employee engagement; financial discipline and cash flows; product responsibility (human and environmental safety, ingredient transparency); environmental sustainability (product and operational); and public health (community and healthcare settings). As always, we provide a discussion of the company's key risks in our [Form 10-K](#) filed with the U.S. Securities and Exchange Commission.

Our key stakeholders are stockholders and the broader investment community, employees, consumers, customers, government and nongovernmental organizations. For a more detailed look at how we work and communicate with key stakeholders, please visit Stakeholder Engagement at thecloroxcompany.com.

Using the Global Reporting Initiative framework

This year's report has been developed according to the Global Reporting Initiative (GRI) G3.1 guidelines, which provide a recommended framework and key performance indicators for sustainability reporting. More information on the G3.1 guidelines is available at globalreporting.org.



Based on the number of disclosures in our report, as well as third-party assurance of key nonfinancial metrics, as indicated with a  by Ernst & Young LLP, our report meets a GRI-checked application of "B+." The full list of the GRI disclosures we address is available at annualreport.thecloroxcompany.com/about_report.

Reporting period and boundary

Unless otherwise stated, the data in this report cover wholly and majority-owned operations for July 1, 2013, through June 30, 2014. Environmental sustainability data is tracked on a calendar-year basis and is global unless otherwise noted. In some instances, we have included data on a multiyear period to show year-over-year comparisons.

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A Message from Donald R. Knauss, Chairman and Chief Executive Officer



Looking back at fiscal year 2014, it was clearly a challenging year for our business and our industry. Our results were significantly impacted by a number of pressures, including unfavorable foreign currency exchange rates, soft U.S. retail categories, heightened competitive activity and higher raw material costs.

- Earnings from continuing operations of \$562 million versus \$574 million in fiscal year 2013
- Diluted net earnings per share from continuing operations of \$4.26 versus \$4.31 in fiscal year 2013
- Sales decrease of slightly more than half a percentage point (nearly 2 percent increase, currency neutral)¹
- EBIT margin of 17.2 percent versus 17.3 percent in fiscal year 2013¹

While we're disappointed with these results, fiscal year 2014 was a catalyst for change – changes that will ensure our brands have the necessary support to regain market share and topline momentum. In the fourth quarter, we stepped up our plans to address these challenges, including investing \$20 million in incremental demand-building programs to reinforce the value proposition of our brands, reinvigorate our categories and profitably grow market share. While it will take time to realize the full benefit of our investment, we believe these investments across our 3D demand creation model of desire (prepurchase communications), decide (point-of-purchase communications) and delight (product experience) will help us to achieve our objectives.

- 3 percentage points of incremental sales from product innovation
- \$122 million in cost savings, delivering our 11th consecutive year of average cost savings of \$100 million
- Free cash flow of \$633 million, or 11 percent of net sales, an increase of \$50 million versus fiscal year 2013¹
- Sustainability improvements to 15 percent of our product portfolio since our baseline calendar year of 2011²

- We also made progress toward our corporate responsibility (CR) goals, including a 34 percent reduction in the amount of waste we send to landfill and a 12 percent reduction in greenhouse gas emissions since 2011.² Since 2008, our sustainability initiatives have averaged \$15 million in cost savings annually, helping to offset raw material cost increases and enabling investments in innovation and demand creation.

We continued to drive diversity and inclusion, once again surpassing the U.S. census diversity figures and earning another 100 percent rating in the Human Rights Campaign's Corporate Equality Index. In a challenging year, Clorox people stepped up with a commitment and focus that exemplifies the attributes of our strong employer brand – OurClorox: Powered by everyone's leadership, every day. All 8,200 Clorox employees know their contributions are critical to the company's success, and this year's employee engagement score of 86 percent, 9 percentage points higher than the global fast-moving consumer goods industry norm, reflects this strong connection.⁴ Finally, a number of external organizations recognized our CR performance and commitment to transparency, including CR Magazine, which ranked us No. 29 on its 100 Best Corporate Citizens list, and Newsweek, which ranked us No. 43 on its 2014 Green Rankings.

Total shareholder return of 14 percent for the fiscal year placed Clorox above our peer group average. One of the company's priorities is to use its strong cash flow to return excess cash to shareholders. In fiscal year 2014, we repurchased more than 3 million shares and returned \$368 million in cash dividends to our shareholders. As we have done every year since 1977, we raised

Our Leadership

CEO Letter

15%^A

PRODUCTS WITH
SUSTAINABILITY
IMPROVEMENTS²

\$122

MILLION IN
COST SAVINGS

86%^A

EMPLOYEE
ENGAGEMENT⁴

\$633

MILLION OF FREE
CASH FLOW¹

\$368

MILLION IN
CASH DIVIDENDS

our annual cash dividend, announcing in the fourth quarter an increase of nearly 4 percent, taking our dividend to \$2.96 per share from \$2.84 per share. As of August 25, 2014, Clorox's current dividend yield of 3.3 percent is one of the highest in our industry.

Fiscal year 2015 is the year of value.

As much as 2014 was a catalyst for change, 2015 is the year of value. Our 2020 Strategy sets clear business and corporate responsibility objectives to ensure everyone at Clorox is focused on value creation for the benefit of all our stakeholders. Creating value for consumers means delivering superior, innovative products that delight and making it clear why they should buy our products. For our employees, it means supporting an inclusive and diverse culture that provides opportunities for growth. For customers, it means helping them drive their business and grow our categories. For our communities, it means supporting organizations that provide services around education, health and well-being. As we do each of these things well, we create value for all of our stakeholders.

To accomplish our 2020 goals, we are focused on the following strategies:

Engage our people as business owners.

In fiscal year 2015, we will continue Clorox's transformation into an even more agile enterprise that empowers employees to make decisions faster and simplifies operational processes. At the core, this strategy is about harnessing everyone's leadership and doing everything we can to enable Clorox people to make a positive impact each and every day.

Increase brand investment behind superior value and more targeted 3D innovation.

One of our priorities continues to be revitalizing our categories and profitably growing market shares. Our 3D demand-creation model helps ensure we're connecting with consumers in relevant ways and addressing their needs with meaningful product innovation. In the coming year, we will focus on hard-hitting claims in consumer communications and on packaging to drive home the superior value of our brands. And we are committing more funds in fiscal year 2015 to make that happen.

Grow into profitable new categories, channels and countries.

Our strategy includes leveraging our leading brands to pursue businesses and expanding markets with strong profit potential. Whether it's focusing on adjacent categories in which our brands can be successful, new sales channels or countries, these opportunities should be large enough to be meaningful to Clorox and

have competitive dynamics that leverage our brand strengths and demand-creation capabilities. In fiscal year 2015, among other priorities, we'll continue to leverage our strong brands for licensing opportunities in our U.S. retail business, build on Burt's Bees® growth internationally and look for opportunities to expand our Professional Products business into more healthcare channels.

Fund growth by reducing waste in our work, products and supply chain.

As we continue our agile enterprise transformation, serving our consumers is job one. We're focused on work that drives the highest value for our consumers and ultimately drives more profitable growth. In fiscal year 2015, delivering strong cost savings, reducing selling and administrative expenses and driving our sustainability initiatives will continue to be priorities to drive productivity gains and fund growth.

We remain committed to strong shareholder returns.

As I reflect on the long term, I believe we have the right strategy, great brands and great people to deliver superior value for the consumer and achieve our 2020 goals. Our focus on total shareholder return continues to be the center of everything we do, and we have what it takes to succeed in this environment.

Sincerely,



Donald R. Knauss
Chairman and Chief Executive Officer
August 25, 2014

¹ The exclusion of foreign exchange impact (currency neutral), EBIT margin and free cash flow are non-GAAP financial measures, which management believes provide useful information to investors about trends in the company's operations and enable period-over-period comparisons. See page 10 for reconciliations of these non-GAAP measures to the most directly comparable U.S. GAAP measures.

² For the calendar year ended Dec. 31, 2013. All sustainability metrics represent cumulative progress against CY2011 baseline, and percentage is based on net customer sales. A sustainability improvement is defined as either (1) a 5 percent or more reduction in product or packaging materials on a per-consumer-use basis, (2) an environmentally beneficial change to 10 percent or more of packaging material or active ingredients on a per-consumer-use basis, or (3) a 10 percent reduction in required consumption of water or energy during consumer use.

³ Recordable incident rate (RIR) is measured using the U.S. Department of Labor Occupational Safety and Health Administration's guidelines. An RIR of 1.0 or less is considered world class.

⁴ The Towers Watson global fast-moving consumer goods norm is based on responses from more than 161,000 employees from 61 global organizations, as well as a representative sample of employee data collected through general workforce attitude studies.

^A Reviewed by Ernst & Young LLP. Refer to pages 41-42 for the review report.

Our Leadership

The Strategic Value of Our Portfolio

Q&A with

Benno Dorer

Executive Vice President and Chief Operating Officer – Cleaning, International and Corporate Strategy

George C. Roeth

Executive Vice President and Chief Operating Officer – Lifestyle, Household and Global Operating Functions



Q: Clorox has an eclectic product portfolio. Is there a common thread that runs through the business? How do these diverse brands and products fit together?

A: **BENNO:** The businesses we are in actually have a lot in common. We focus on financially attractive, mid-sized categories – about \$1 billion to \$5 billion – and more than 80 percent of our brands are the No. 1 or No. 2 market share leaders in their categories. Bigger companies aren't as interested in these mid-sized categories, and, for the most part, our competitors are smaller than Clorox. These categories also tend to be slightly more niche – though, for us, they're still sizable. For example, we compete in the food enhancers category, not food. We're in laundry additives, not laundry. We're in natural personal care, not personal care.

There are also common elements around how we go to market. Across these different categories, we have similar consumers and, essentially, the same customer set, which takes advantage of a common distribution system to lower costs. We can apply our best-in-class capabilities – effective marketing communications, category advisory services and global consumer insights to name a few – across multiple businesses versus smaller companies that don't have our scale.

Q: Can you share how Clorox applies best-in-class capabilities across its portfolio?

A: **GEORGE:** There are a number of ways our scale gives us a competitive advantage across our categories. For example, we use the consumer insights we've identified around health and wellness and apply them to multiple businesses, including homecare, Burt's Bees®, Brita®

and food. We bundle smaller businesses and staff them with high-quality talent, such as our litter, food and charcoal businesses, which are managed by one team. And because our products share the same customer set, we can, for example, have one sales team represent the entire company with each retailer. This drives efficiencies and helps us have a much better presentation at the shelf.

We also leverage world-class manufacturing practices across our portfolio. Conversely, say for a smaller, private-label manufacturer of charcoal, trying to implement world-class operations is a major undertaking. Additionally, advances in R&D can often be applied across categories, as we have with odor control technology in our trash bag, litter, cleaning and laundry additives businesses.

The proof is in the numbers. As Benno pointed out, the vast majority of our brands lead their categories, and we do it efficiently. Clorox's administrative expense as a percentage of sales is best in class.

Q: How does such a diverse portfolio lend itself to driving long-term, sustainable growth?

A: **BENNO:** Our experience and success in building leading brands across multiple categories is a hallmark capability. As a result of this brand-building leadership, we believe many of our brands have an opportunity to play in more categories than they do today. To this end, one of our 2020 strategies is focused on expanding our brands into more categories, channels and countries through innovation, partnerships and acquisitions.

Our Hidden Valley® brand is one example of how we've successfully expanded beyond dressings into pasta

Our Leadership

salads and salad toppings. The Professional Products Division is another great example of applying our capabilities in new spaces and extending our brands into areas where they have a right to play. In particular, the Clorox® brand is trusted for disinfection in the home. This trust extends to disinfection outside the home – including hospitals, doctors' offices and urgent care facilities – and we've increased our presence in healthcare facilities significantly over the past few years. We're one of the few companies that has a presence in retail and professional channels. This helps us see the world of keeping consumers protected from harmful germs differently from other companies and offers new opportunities for driving growth.

Q: Don Knauss talks about fiscal year 2015 as "the year of value." What is Clorox doing differently to focus in on this concept of value?

A: **GEORGE:** We think about value for the consumer as a function of product, price and perception. First, we're committed to delivering superior products that delight consumers. We've increased the percentage of consumer-preferred* products from 7 percent of our portfolio in 2004 to 56 percent today. Second, we have world-class operations that drive lower costs and ultimately benefit the consumer when it comes to attractive pricing. And finally, there's brand perception, which goes beyond product functionality and price, and is heavily driven by advertising and word of mouth. In our categories, we're

already one of the leading investors in advertising and sales promotion, and in fiscal year 2015, we are strengthening this commitment with an increase in brand support.

What this means for the business is that every brand must clearly and succinctly articulate why consumers should choose our products versus a competitor's. This manifests itself in a number of activities across our 3D demand-creation model of desire, decide, delight. When it comes to desire, we're creating compelling and relevant marketing programs that connect with consumers and clearly communicate what makes our products superior. To help us win at the moment of decide, we're improving our assortment, merchandising, pricing and shelving plans to ensure we're competitive relative to the rest of the category. And when it comes to delight, we're not only working to maintain our consumer-preferred wins; we're focused on maximizing them by ensuring that consumers understand just how our products deliver superior value that makes their everyday lives easier.

For example, we now have advertising that clearly shows that bargain trash bag users go through 60 more bags a year than Glad® users. And with our Clorox® wipes business, we've redesigned the packaging with bolder graphics that highlight our disinfecting power and stand out on the shelf. We're applying this focus on superior value across all of our brands and using our insights capability to create compelling consumer communications.

* Clorox defines consumer preferred as a product that 60 percent of consumers prefer versus a competitor product in blind tests. Excludes Burt's Bees® products.



MORE THAN

80%

OF OUR BRANDS ARE
EITHER NO. 1 OR NO. 2
IN THEIR CATEGORIES

Our Leadership

Highly Experienced Leaders

Members of Clorox's executive committee have, on average, more than 20 years of experience in the consumer packaged goods industry. Our executives are deeply committed to using their unique talents and perspectives to drive profitable, sustainable growth, while staying true to Clorox's values.

Guided by strong values

All of our directors, executives and employees are required to comply with the Clorox Code of Conduct, which details the ethical and legal standards by which we operate. We provide Code of Conduct training in English, Spanish and Chinese, and this year more than 94 percent of all Clorox employees completed compliance training, which includes our Code of Conduct.

Treating people with dignity, respect and equal opportunity is a principle we expect our business partners to uphold as well. Our [Business Partner Code of Conduct](#) articulates our expectations of

suppliers, distributors, consultants, joint-venture partners, licensees and other business partners regarding human rights, health and safety, environment and business conduct. All business partners are expected to certify their compliance with the Code, and we conduct site visits, self-assessments and third-party audits, which we prioritize by geopolitical and industry risk and third-party risk assessments. We have also begun using the Supplier Ethical Data Exchange (Sedex) and Sedex Member Ethical Trade Audits for auditing, collecting and analyzing information on ethical and responsible business practices in the supply chain.



Donald R. Knauss
Chairman of the Board and
Chief Executive Officer



Benno Dorer
Executive Vice President and
Chief Operating Officer –
Cleaning, International and
Corporate Strategy



George C. Roeth
Executive Vice President and
Chief Operating Officer –
Lifestyle, Household and
Global Operating Functions



Frank A. Tataseo
Executive Vice President –
Professional Products,
Mergers & Acquisitions and
Information Technology



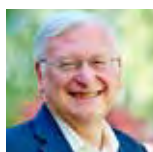
Jon Balousek
Senior Vice President –
General Manager,
Specialty Division



Thomas P. Britanik
Senior Vice President –
Chief Marketing Officer



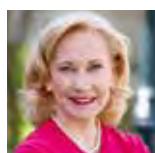
Michael Costello
Senior Vice President –
International Division



Wayne L. Delker, Ph.D.
Senior Vice President –
Chief Innovation Officer



James Foster
Senior Vice President –
Chief Product
Supply Officer



Jacqueline P. Kane
Senior Vice President –
Human Resources and
Corporate Affairs



Stephen M. Robb
Senior Vice President –
Chief Financial Officer



Laura Stein
Senior Vice President –
General Counsel



Nick Vlahos
Senior Vice President –
Chief Customer Officer



Dawn Willoughby
Senior Vice President –
General Manager,
Cleaning Division

Our Leadership

Governance

Board of Directors

Our board of directors represents the interests of our stockholders – including optimizing long-term financial results – and is responsible for overseeing management's operation of our business. Our corporate governance guidelines provide the framework by which our board of directors oversees the governance of the company, and our committee charters establish the authorities, duties and responsibilities of each of our board committees. The board's oversight includes evaluating our corporate policies, reviewing and monitoring our financial and business strategies, overseeing risk management processes and legal and regulatory compliance, evaluating executive compensation and providing for management succession. All board members bring extensive leadership experience, broad-based business skills and expertise in areas that are critical to our global business.

Clorox's corporate responsibility (CR) strategy and goals are governed by our CEO and a CR steering committee made up of members of the executive committee. The board of directors provides oversight.



Daniel Boggan, Jr.
Retired Senior Vice President,
the National Collegiate Athletic
Association



Tully M. Friedman*
Chairman and
Chief Executive Officer,
Friedman Fleischer & Lowe LLC



Donald R. Knauss
Chairman of the Board and
Chief Executive Officer,
The Clorox Company



Robert W. Matschullat
Lead Director, The Clorox Company
Retired Vice Chairman and
Chief Financial Officer,
The Seagram Company Ltd.



Rogelio Rebolledo
Retired Chairman, Pepsi
Bottling Group, Mexico



Carolyn M. Ticknor
Retired President of
Hewlett Packard Company,
Imaging & Printing Systems



**Richard H. Carmona, M.D.,
M.P.H., F.A.C.S.**
Vice Chairman,
Canyon Ranch



George Harad
Retired Executive Chairman
of the Board, OfficeMax Inc.



Esther Lee
Senior Vice President,
Brand Marketing, Advertising and
Sponsorships, AT&T



Jeffrey Noddle
Retired Executive Chairman,
SuperValu, Inc.



Pamela Thomas-Graham
Chief Marketing and Talent
Officer, Head of Private Banking
& Wealth Management New
Markets, Credit Suisse Group AG

*Mr. Friedman will retire from the board of directors as of the company's annual meeting of stockholders on November 19, 2014.

Our Leadership

Greater Transparency Benefits All

#29

CR MAGAZINE'S
100 BEST CORPORATE
CITIZENS 2014 LIST

#43

2014 NEWSWEEK
GREEN RANKINGS

#71

COREBRAND TOP 100
MOST POWERFUL
BRANDS RANKINGS

This integrated annual report aims to provide a balanced presentation of how our strategy, performance and prospects lead to the creation of value for stockholders and other stakeholders. Underpinning this approach is our goal to achieve financial success while embedding transparency, strong governance and corporate responsibility into our operations.

In recent years, we've engaged with many of our stakeholders and conducted a materiality assessment to better understand the economic, environmental, governance and social impacts that matter most to them. We've used this information to help ensure that we address material topics in our report and, through third-party assurance of key metrics, that they are well supported with accurate and credible data.

We're pleased that the quality of our disclosures and performance measures in our integrated annual reports and elsewhere have been received positively by stakeholders and several third-party organizations. A number of external organizations have recognized Clorox for its performance:

- No. 29 on CR Magazine's 100 Best Corporate Citizens 2014 list
- No. 43 on the 2014 Newsweek Green Rankings
- No. 71 on CoreBrand Top 100 Most Powerful Brands Rankings
- A perfect rating on the Human Rights Campaign's 2014 Corporate Equality Index and named one of the "Best Places to Work for LGBT Equality"
- Hispanic Network Magazine's "Best of the Best" list for diversity
- U.S. Veterans Magazine's "Best of the Best" list for veterans
- No. 32 on San Francisco Business Times' Largest Bay Area Corporate Philanthropists list
- Most Socially Responsible Beauty Company – Burt's Bees, as voted by readers of Marie Claire magazine

Looking forward, we intend to build on our integrated approach and continue to enhance the value of our reporting for all stakeholders. Your feedback is welcome and can be provided via this short [survey](#) or by email to corporate.communications@clorox.com.

Company Profile

 **\$5.6B**
SALES

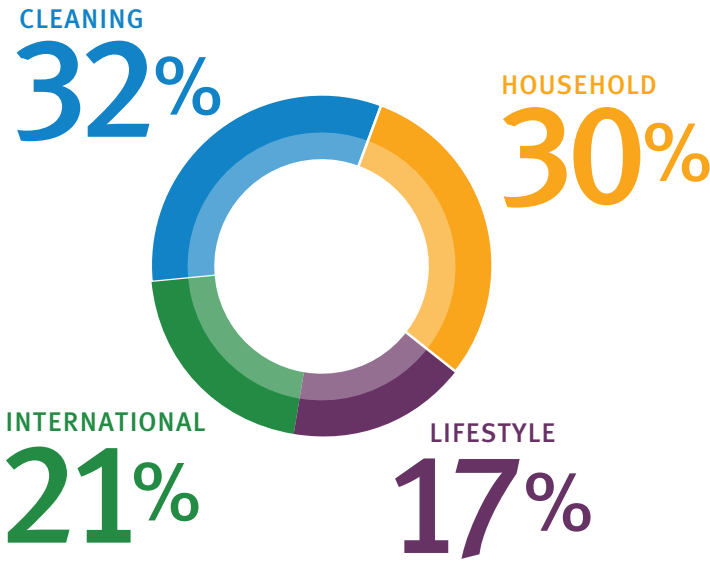

8,200
EMPLOYEES

39 
MANUFACTURING FACILITIES

100+
MARKETS SERVED

CLOROX IS TRADED ON THE
NYSE UNDER THE SYMBOL
CLX

Sales by Segment and Category



CLEANING

Home Care 17%



Laundry 10%



Professional Products 5%



LIFESTYLE

Dressings & Sauces 9%



Water Filtration 4%



Natural Personal Care 4%



HOUSEHOLD

Bags & Wraps 14%



Charcoal 10%



Cat Litters 6%



INTERNATIONAL

International 21%



Performance

Achieving financial success with transparency and strong governance



See page 10 for footnotes.

Footnotes

See footnotes below for descriptions of these non-GAAP measures, the reasons management believes they are useful to investors, and reconciliations to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

1. EBIT represents earnings from continuing operations before interest income, interest expense and income taxes. EBIT margin is the ratio of EBIT to net sales. The company's management believes these measures provide useful additional information to investors about trends in the company's operations and are useful for period-over-period comparisons.

Reconciliation of Earnings from Continuing Operations Before Income Taxes to EBIT

Dollars in millions	FY14	FY13	FY12
Earnings from continuing operations before income taxes	\$ 861	\$ 853	\$ 791
Interest income	(3)	(3)	(3)
Interest expense	103	122	125
EBIT	\$ 961	\$ 972	\$ 913
EBIT margin	17.2%	17.3%	16.7%
Net sales	\$ 5,591	\$ 5,623	\$ 5,468

2. Reconciliation of Economic Profit ⁽¹⁾

Dollars in millions	FY14	FY13	FY12
Earnings from continuing operations before income taxes	\$ 861	\$ 853	\$ 791
Noncash restructuring-related and intangible asset impairment costs	4	–	4
Interest expense	103	122	125
Earnings from continuing operations before income taxes, noncash restructuring-related and intangible asset impairment costs and interest expense	\$ 968	\$ 975	\$ 920
Income taxes on earnings from continuing operations before income taxes, noncash restructuring-related and intangible asset impairment costs and interest expense ⁽²⁾	336	319	289
Adjusted after-tax profit	\$ 632	\$ 656	\$ 631
Average capital employed ⁽³⁾	\$ 2,494	\$ 2,552	\$ 2,544
Capital charge ⁽⁴⁾	\$ 225	\$ 230	\$ 229
Economic profit (adjusted after-tax profit less capital charge)	\$ 407	\$ 426	\$ 402

- (1) Economic profit (EP) is defined by the company as earnings from continuing operations before income taxes, excluding noncash restructuring-related and intangible asset impairment costs, and interest expense; less an amount of tax based on the effective tax rate, and less a charge equal to average capital employed multiplied by the weighted-average cost of capital. EP is a key financial metric the company's management uses to evaluate business performance and allocate resources, and is a component in determining management's incentive compensation. The company's management believes EP provides additional perspective to investors about financial returns generated by the business and represents profit generated over and above the cost of capital used by the business to generate that profit.

- (2) The tax rate applied is the effective tax rate on continuing operations, which was 34.7 percent, 32.7 percent and 31.4 percent in fiscal years 2014, 2013 and 2012, respectively.

- (3) Total capital employed represents total assets less non-interest bearing liabilities. Adjusted capital employed represents total capital employed adjusted to add back current year noncash restructuring-related and intangible asset impairment costs. Average capital employed represents a two-point average of adjusted capital employed for the current year and total capital employed for the prior year, based on year-end balances. See below for details of the average capital employed calculation:

	FY14	FY13	FY12
Total assets	\$ 4,258	\$ 4,311	\$ 4,355
Less:			
Accounts payable	440	413	412
Accrued liabilities	472	490	494
Income taxes payable	8	29	5
Other liabilities	768	742	739
Deferred income taxes	103	119	119
Non-interest bearing liabilities	1,791	1,793	1,769
Total capital employed	2,467	2,518	2,586
After tax noncash restructuring-related and asset impairment costs	3	–	4
Adjusted capital employed	\$ 2,470	\$ 2,518	\$ 2,590
Average capital employed	\$ 2,494	\$ 2,552	\$ 2,590

- (4) Capital charge represents average capital employed multiplied by the weighted-average cost of capital. The weighted-average cost of capital used to calculate capital charge was 9 percent for all fiscal years presented.

3. Free cash flow is calculated as net cash provided by continuing operations less capital expenditures and was \$633 million, \$583 million and \$428 million for fiscal years 2014, 2013 and 2012, respectively. For fiscal years 2014, 2013 and 2012, net cash provided by continuing operations was \$771 million, \$777 million and \$620 million, respectively, and capital expenditures were \$138 million, \$194 million and \$192 million, respectively. The company's management uses this measure to help assess the cash-generation ability of the business and funds available for investing activities, such as acquisitions, investing in the business to drive growth, and financing activities, including debt payments, dividend payments and share repurchases. Free cash flow does not represent cash available only for discretionary expenditures, since the company has mandatory debt service requirements and other contractual and nondiscretionary expenditures.

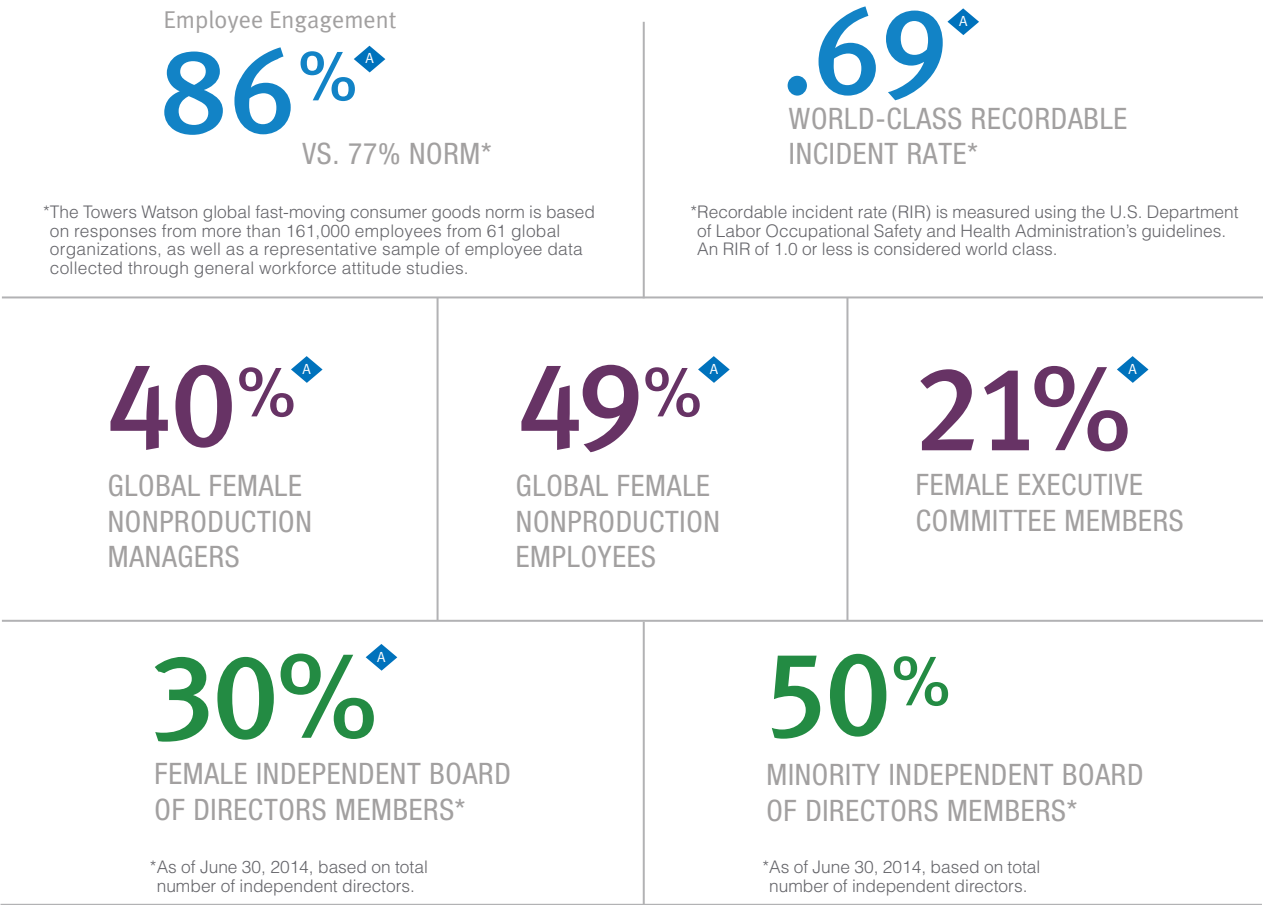
4. Currency-neutral net sales growth represents U.S. GAAP net sales growth excluding the impact of foreign currency exchange rates. Non-GAAP sales growth represents U.S. GAAP net sales growth excluding the impact of foreign currency exchange rates and acquisitions. The company's management believes these measures provide useful additional information to investors about trends in the company's core business operations. The following table presents the currency-neutral net sales growth and non-GAAP sales growth reconciliations for fiscal years 2014, 2013 and 2012:

Fiscal Year Sales Growth Reconciliation

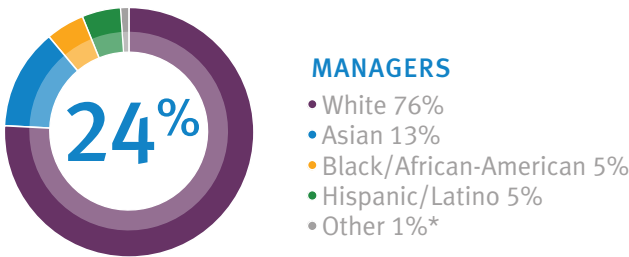
	FY14	FY13	FY12
Total sales growth – GAAP	(0.6)%	2.8%	4.5%
Less: Foreign exchange	(2.4)	(0.6)	(0.2)
Non-GAAP sales growth (currency neutral)	1.8%	3.4%	4.7%
Less: Acquisitions	–	0.7	0.9
Non-GAAP sales growth	1.8%	2.7%	3.8%

People

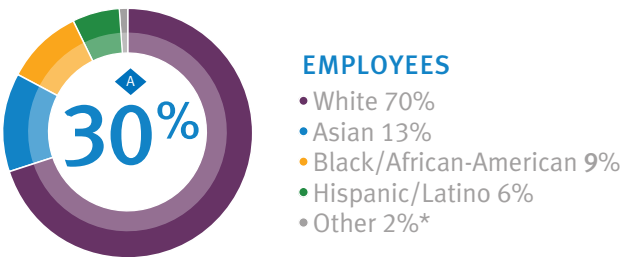
Engaging our people as business owners and promoting diversity, opportunity and respectful treatment



CLOROX
U.S. ETHNIC DIVERSITY **EXCEEDS**
U.S. CENSUS DIVERSITY



U.S. Minority Nonproduction
Managers vs. **22%** U.S. Census Bureau



U.S. Minority Nonproduction
Employees vs. **28%** U.S. Census Bureau

^A Reviewed by Ernst & Young LLP. Refer to pages 41-42 for the review report.

*Includes Native American, Native Hawaiian and multiracial.

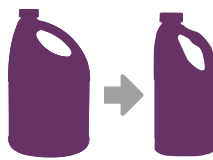
Products

Making responsible products, responsibly



3%

INCREMENTAL SALES
FROM PRODUCT
INNOVATION



15%

PRODUCTS WITH
SUSTAINABILITY
IMPROVEMENTS*

* For the calendar year ended Dec. 31, 2013. All sustainability metrics represent cumulative progress against CY2011 baseline, and percentage is based on net customer sales. A sustainability improvement is defined as either (1) a 5 percent or more reduction in product or packaging materials on a per-consumer-use basis, (2) an environmentally beneficial change to 10 percent or more of packaging material or active ingredients on a per-consumer-use basis, or (3) a 10 percent reduction in required consumption of water or energy during consumer use.

Planet

Shrinking our environmental footprint while growing our business

Operational Footprint Reduction
(CY2013 vs. CY2011, per case of product sold)



12%

GREENHOUSE GAS EMISSIONS



10%

ENERGY CONSUMPTION



15%

WATER CONSUMPTION



34%

SOLID WASTE TO LANDFILL

Our Impact

Safeguarding families with our be healthy, be smart and be safe initiatives

\$4.3 million

THE CLOROX COMPANY FOUNDATION
CASH GRANTS

\$826,000

U.S. CAUSE-MARKETING CONTRIBUTIONS

\$16.3 million

TOTAL IMPACT

\$2.4 million*

106,932 EMPLOYEE VOLUNTEER HOURS
IN CY2013

\$8.8 million*

U.S. CORPORATE PRODUCT DONATIONS

*Financial equivalent of 106,932 volunteer hours, calculated at \$22.55 per hour, based on the 2013 U.S. value of volunteer time from IndependentSector.org. Less than 5 percent of these hours are by employees outside the U.S., but all are calculated using the U.S. average rate.

Reviewed by Ernst & Young LLP. Refer to pages 41-42 for the review report.

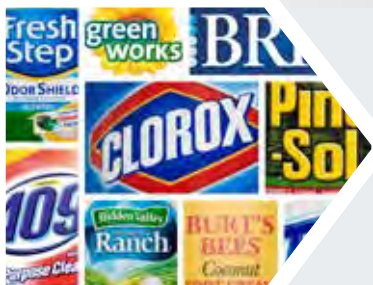
Integrated Business Model

OUR GOAL

Deliver strong economic profit growth.

**OUR MISSION** *(Why we do it)*

We make everyday life better, every day.

**OUR OBJECTIVE** *(Where we're going)*

Be the best at building big-share brands in financially attractive, mid-sized categories.

**OUR STRATEGIES** *(What we're doing)*

1. Engage our people as business owners.
2. Increase brand investment behind superior value and more targeted 3D innovation.
3. Grow into profitable new categories, channels and countries.
4. Fund growth by reducing waste in our work, products and supply chain.

**OUR COMMITMENT** *(How we do it)*

Leverage environmental, social and governance performance to help drive long-term, sustainable value creation.

Integrated Business Model

Operating Context: Business Value Drivers

OUR VALUES

Do the right thing

The long-term health of our company depends on our integrity. We have a tradition of honesty, fair dealing and ethical practices, and we are committed to openly communicating our choices with our key stakeholders.

Stretch for results

Our success is measured by our ability to consistently win in the marketplace by exceeding the expectations of our consumers, customers, shareholders and each other.

Take personal ownership

We make progress by taking personal ownership in both the results and the process to get there. Our team knows that every individual plays an important role delivering excellent work and achieving our company goals.

Work together to win

Our success depends on productive collaboration among our employees, our business partners and our communities. Individual ownership and contributions are critical, but none of us can accomplish our goals alone. Teamwork is essential for achieving even greater results.

EXTERNAL FACTORS

Global economy

There are a number of global, external factors that can affect our ability to drive growth in the short- and long-term. Economic conditions, foreign exchange rates, population growth and the political climates within countries where we do business are just a few that can positively or adversely impact our consumers, customers and areas of our business. Our strategies are designed to help us navigate the challenges we face and seize opportunities for business growth.

Competition

The markets for consumer products are highly competitive, and most of our products compete with other nationally advertised brands and private label brands. We focus on financially attractive, mid-sized categories where we can apply our scale and best-in-class marketing capabilities against typically smaller competitors.

Raw material costs

Commodity costs have a significant impact on our profit margins. When costs are high, we rely on internal cost savings and judiciously implementing price increases to help offset expenses.

Laws and regulations

As a multinational company, Clorox is subject to diverse and complex laws and regulations. We monitor compliance with the changing regulatory landscape across our business and provide regular compliance training to our employees.

Natural resources

Like all companies, Clorox relies on the availability of natural resources, such as water, plant-based ingredients, minerals and other inputs to our business. That's why we're mindful of our product and operational footprint and have an environmental sustainability strategy that seeks to minimize our impact as we grow our business.

Operating Context for Integrated Business Model

To achieve our business goals, we must optimize key resources and relationships in the context of a dynamic operating environment. Our strategies are set accordingly, with value-creating activities designed to deliver sustainable, long-term growth.

OUR RESOURCES

Talented and engaged employees

Since our founding, Clorox has attracted smart, values-driven people who want to make a positive impact. Whether it's developing products that stop the spread of infection, ensuring safety in our workplace or developing our corporate responsibility strategy, Clorox people are driven to do their best every day.

Superior brand-building capability: 3D innovation

Using our 3D demand-creation model – desire, decide and delight – we strive to build powerful brands and lifelong consumer loyalty. We produce award-winning marketing communications to drive consumer desire; create standout product packaging and in-store promotions to compel purchases at the point of decide; and deliver superior-quality products to delight consumers.

Advantaged product portfolio

We leverage global consumer megatrends of health and wellness, sustainability, consumer fragmentation and affordability/value to guide and shape our portfolio. Our overarching objective to build big-share brands in financially attractive, mid-sized categories is the foundation for our decisions. By clearly knowing our direction, having a strong 3D demand-creation model and meaningful product innovation, we've achieved proven results: more than 80 percent of our brands are the No. 1 and No. 2 leaders in their categories.

Financial discipline and strong cash flow

Financial discipline, sound strategy and a track record of delivering strong cost savings all contribute to Clorox's ability to generate strong cash flow. Our priorities for using cash include reinvesting in our business and returning cash to our stockholders.

OUR RELATIONSHIPS

Employees

Our employees are the engine of our company, and ensuring high levels of engagement is a top priority for Clorox. We maintain an ongoing dialogue with our team, through quarterly town hall meetings, surveys and meaningful workplace programs, to keep heads and hearts in the game each and every day.

Consumers

Our ability to tap into what our consumers want and, in turn, deliver value comes from deeply knowing their preferences and taking their feedback to heart. Through our Global Insights team, we have a 360-degree view of our consumers: their relationship with our brands, understanding what product qualities really matter to them, how they shop for our products and how they use them at home. We develop or enhance our products with these insights in mind, constantly looking for ways to make everyday life better.

Retail customers

We have a long tradition of partnering with retail customers to grow our categories and help them achieve success. A cornerstone of our approach is leveraging our deep consumer insights and sharing this data to help customers make smart decisions about their own businesses.

Investors

Above all, we focus on delivering shareholder value. We have a strong reputation for communicating clearly and transparently about our financial performance through quarterly earnings communications, in-person meetings between our investors and senior leaders, and our annual stockholder meeting, among other engagement activities.

Suppliers and other business partners

We strive to establish strong business relationships with third-party organizations, including suppliers who provide raw materials and services that help us develop, manufacture and distribute high-quality products. Having close working relationships starts with influencing our partners' business practices so that they mirror our own in areas such as human rights, labor, equal opportunity, sustainability, workplace safety and ethics.

Communities

Vibrant, healthy communities play a significant role in our business, which is why we have a long history of contributing to the economic and social well-being in areas where we operate.

Goals and Measures



Setting our 2020 business strategy

Launched in October 2013, Clorox's 2020 Strategy focuses on what we believe to be the highest-value opportunities for driving long-term profitable growth and generating strong total stockholder returns.

To develop the 2020 business strategy, we assessed the results of our previous Centennial Strategy (2007-2013), the growth and profit potential of our business units, and our innovation and cost savings pipelines. We evaluated macroeconomic, consumer, customer, competitive and sustainability trends for risks and opportunities. We also conducted an assessment of our retail customers for growth and profit potential.

With this understanding of internal strengths, assets and capabilities, as well as the external environment, we developed strategy options aimed at answering four questions: What are our goals? Where should we play? How will we win? And, how do we configure? Throughout the process, we sought input from our board of directors and external advisors.

Corporate responsibility measures tie to business strategies

Our corporate responsibility (CR) imperatives and goals are integrated tightly into our 2020 business strategy and reflect an analysis of our operations and external benchmarking. We also conducted a materiality and stakeholder engagement assessment

of environmental, operational, people and product matters in fiscal year 2012 to inform strategy development. Annually, we review external frameworks, including the Global Reporting Initiative Index, the International Integrated Reporting Council principles and the Dow Jones Sustainability Index assessment to ensure that our strategies continue to be aligned with key reporting frameworks.

Governance and assurance

Functional leaders and members of the Clorox executive committee review progress against our 2020 strategy on a quarterly basis. Strategy measures, including key sustainability improvement metrics targeted at our operations and our product portfolio, are included in our corporate scorecard and reviewed by the board of directors on a semiannual basis. The vice president of Global Corporate Communications and Corporate Responsibility oversees the company's CR strategy and measures. A core team also evaluates CR matters and engages with external stakeholders on an ongoing basis.

In addition to assurance of our financial performance, we have provided assurance of eight nonfinancial, corporate responsibility measures.


Read more about our assurance process on page 41.

2020 Strategy

Goals and Measures

GOALS

Deliver strong economic profit growth.



GROW NET CUSTOMER SALES BY
3% TO 5%
PER YEAR



GROW OVERALL
MARKET SHARE

GROW EBIT MARGIN
25-50
BASIS POINTS PER YEAR*

	BUSINESS		CORPORATE RESPONSIBILITY	
	Objective: Be a top-performing CPG company by being the best at building big-share brands in financially attractive, mid-sized categories.		Objective: Leverage environmental, social and governance performance to help drive long-term, sustainable value creation.	
STRATEGY	STRATEGIC IMPERATIVES	MEASURES	STRATEGIC IMPERATIVES	MEASURES
Engage our people as business owners.	<ul style="list-style-type: none"> Streamline and simplify core work processes. Deliver an employer brand that demonstrates the unique benefit of working at Clorox. Drive inclusion and diversity of experience, gender, ethnicity, and thought within our organization and supplier base. 	<ul style="list-style-type: none"> Engagement score Process simplification milestones Diversity representation 	<ul style="list-style-type: none"> Continue to drive minority and female representation in the U.S. Maintain workplace safety. 	<ul style="list-style-type: none"> Diversity representation Maintain annual recordable injury incident rate of 1.0 or less
STRATEGY	STRATEGIC IMPERATIVES	MEASURES	STRATEGIC IMPERATIVES	MEASURES
Increase brand investment behind superior value and more targeted 3D innovation.	<ul style="list-style-type: none"> Increase the value from product innovation behind product superiority and a strategic product pipeline that is margin accretive to the company average. Significantly improve our brand value versus competition with more hard-hitting, relevant and targeted 3D plans. Increase brand-building investment by one percentage point of net sales. 	<ul style="list-style-type: none"> Market share 60-40 decisive product wins for strategic brands** Incremental net customer sales from innovation Assortment, merchandising, pricing and shelving 	<ul style="list-style-type: none"> Drive sustainability improvements in product formulations and packaging. Ensure key renewable materials are sustainably sourced. 	<ul style="list-style-type: none"> Sustainability improvements to more than 50 percent of product portfolio (from 2011 base) Only recycled or certified virgin fiber in packaging; all palm oil RSPO certified or Green Palm offset
STRATEGY	STRATEGIC IMPERATIVES	MEASURES	STRATEGIC IMPERATIVES	MEASURES
Grow in profitable new categories, channels and countries.	<ul style="list-style-type: none"> Expand market penetration in Professional Products Division (PPD) healthcare. Expand U.S. Retail/International into adjacencies through innovation, partnerships and acquisitions. 	<ul style="list-style-type: none"> PPD net customer sales, margin, EBIT* Incremental sales from growth in adjacent categories Mergers & acquisitions and partnership pipeline 	<ul style="list-style-type: none"> Support our global communities through our be healthy, be smart and be safe initiatives. 	<ul style="list-style-type: none"> Charitable contributions, cause marketing donations, product donations and employee volunteerism
STRATEGY	STRATEGIC IMPERATIVES	MEASURES	STRATEGIC IMPERATIVES	MEASURES
Fund growth by reducing waste in our work, products and supply chain.	<ul style="list-style-type: none"> Adopt an agile enterprise approach to eliminate low-value activity and slow the rate of sales and administrative expenses growth. Reduce our exposure to inflation in products and supply chain. Build margin in International. 	<ul style="list-style-type: none"> Cost savings Selling and administrative expenses as a percentage of net customer sales growth Gross margin Environmental footprint reductions 	<ul style="list-style-type: none"> Reduce the environmental impact of our operations. Improve the sustainability of our upstream supply chain. 	<ul style="list-style-type: none"> 20 percent reduction in GHG emissions, energy use, solid waste to landfill and water use (on a per-case-sold basis against 2011 base) 10 zero-waste-to-landfill sites Top 100 suppliers (70 percent spend) reduce their environmental impact

* EBIT represents earnings from continuing operations before interest income, interest expense and income taxes. EBIT margin is the ratio of EBIT to net sales. Both EBIT and EBIT margin are non-GAAP financial measures. The company's management believes these measures provide useful information to investors about trends in the company's operations and are helpful for period-over-period comparisons.

** We define consumer preferred as a product that 60 percent of consumers prefer versus a competitor product in blind tests. Excludes Burt's Bees® products.

2020 Strategy

Powered by Our 2020 Strategy



Our 2020 Strategy sets clear business and corporate responsibility objectives to drive long-term, sustainable growth and deliver strong total stockholder returns. To accomplish our 2020 goals, we've chosen to focus on the following strategies:

1 Engage Employees

Engage our people as business owners.

Our employee engagement score of 86 percent once again surpassed the industry benchmark, and we're keeping safety at the forefront, as demonstrated by our world-class recordable incident rate of .69.* We're also continuing

work to create an agile enterprise that empowers employees to make decisions faster and simplifies operational processes. And we continue to be recognized for our efforts in fostering a diverse and inclusive workplace.

2 Innovate Every Day

Increase brand investment behind superior value and more targeted 3D innovation.

We use our 3D demand-creation model of desire (prepurchase), decide (point-of-purchase) and delight (post-purchase) to ensure we are connecting with consumers and addressing their product needs with meaningful innovation. A timely partnership with weather.com helped people get in the mood for grilling with Kingsford® charcoal. A unique honeycombed shelving unit

has garnered more space to better showcase our Burt's Bees® lip care products. The redesign of our clorox.com site is resonating with today's modern family and has generated industry recognition. And the introduction of Clorox® Smart Seek™ bleach for mostly white clothing is encouraging consumers to use bleach in more laundry loads than ever before.

3 Expand Our Brands

Grow in profitable new categories, channels and countries.

We also pursue businesses in new and expanding markets where we can leverage our strong brands. Using our expertise in household cleaning and healthcare disinfecting products, we've introduced Clorox® CareConcepts™ home care and personal care products, providing solutions for the growing number of families who are taking on the

responsibility of providing care to loved ones. We've launched Clorox® disinfecting wipes in two new categories: glass wipes and tub and shower wipes. The Burt's Bees® business continues to drive success in countries around the world with new stand-alone stores, mall kiosks, department store counters and pop-up stores.

4 Fund Growth

Fund growth by reducing waste in our work, products and supply chain.

In fiscal year 2014, we delivered \$122 million in cost savings. We also continued to make good progress in reducing our operational footprint, including a 12 percent reduction in greenhouse gases and a 34 percent reduction in the waste we send to landfill per case of product sold since 2011. Altogether, these footprint reductions and

our product sustainability improvements have averaged \$15 million in annual cost savings since 2008. Additionally, we introduced a Supplier Environmental Footprint Scorecard to help drive sustainability improvements across our supply chain in the years ahead.

* Recordable incident rate (RIR) is measured using the U.S. Department of Labor Occupational Safety and Health Administration's guidelines. An RIR of 1.0 or less is considered world class.



1 Engage Employees

86%^A
EMPLOYEE
ENGAGEMENT

.69^A
WORLD-CLASS
RECORDABLE
INCIDENT RATE*

100%
HUMAN RIGHTS CAMPAIGN
2014 CORPORATE
EQUALITY INDEX

Strategy 1: Engage our people as business owners

Powered by everyone's leadership, every day

Our No. 1 strategy is about people – engaging every employee as a business owner. When people are engaged, committed to the same values, work well together and are fully invested in our business, we can accomplish just about anything.

This year we transitioned to a new engagement survey vendor with expanded benchmark capability, including a global fast-moving consumer goods norm and a global high-performing companies benchmark. Consistent with past years, we continued to have high employee engagement, with an 86 percent favorable score from our global employee population, 9 percentage points above the consumer goods norm.** Even with our ranking as a global high-performing company, we continually look to improve

our engagement, specifically in areas such as operating efficiency and empowerment, which aligns well with our agile enterprise efforts.

Overall, this year's survey results indicate that employees are connected to the company and our brands, support our values and are motivated to go above and beyond. Our strong employer brand, which we refer to as OurClorox, has a lot to do with this success. Characterized by great people, great brands, strong values, work-life balance, opportunity and personal impact, we have an engaging environment that is powered by everyone's leadership, every day. By understanding, celebrating and nurturing these core attributes, we can sustain high engagement and personal leadership for years to come, while also attracting top new talent.

* Recordable incident rate (RIR) is measured using the U.S. Department of Labor Occupational Safety and Health Administration's guidelines. An RIR of 1.0 or less is considered world class.

** The Towers Watson global fast-moving consumer goods norm is based on responses from more than 161,000 employees from 61 global organizations, as well as a representative sample of employee data collected through general workforce attitude studies.

^A Reviewed by Ernst & Young LLP. Refer to pages 41-42 for the review report.

2020 Strategy

1: Engage Employees

Agile enterprise: Focusing on the right work to drive growth

To further boost engagement and drive out waste, we continue to invest in our agile enterprise approach. Based on lean principles, this business transformation focuses on freeing up people, time and money to invest in driving growth. We're doing this by fixing inefficient processes and eliminating or reducing work that doesn't deliver value to consumers. For example, we've greatly reduced the amount of unnecessary reporting shared among our field sales organization, redirecting their time toward more value-added work. Through employee engagement and leadership support, these ongoing agile enterprise efforts are helping employees derive more satisfaction from the work they do, while also delivering more value to consumers.

Employee and supplier diversity unlock new opportunities

Diversity and inclusion continue to be important pieces of our people strategy. We develop better ideas within an inclusive culture that encourages individuals to share their unique perspectives. Our employee resource groups (ERGs) help lead the way in sustaining a strong diversity and inclusion program, and we also look to these groups for new business ideas and help in imagining new opportunities.

Our success has been underscored by a perfect rating on the Human Rights Campaign's (HRC) 2014 Corporate Equality Index, which we have achieved annually since 2006. The HRC also named Clorox one of the "Best Places to Work for LGBT Equality." Additionally, Hispanic Network Magazine included Clorox on its "Best of the Best" list for diversity, and U.S. Veterans Magazine recognized Clorox on its "Best of the Best" list for veterans.

We also continue to drive inclusion and diversity of experience, gender and thought within our supplier base through our Business Partner Code of Conduct and our supplier diversity program. This program identifies, advocates and tracks our spending with minority, women, service-disabled and veteran-owned business enterprises, as well as gay, lesbian, bisexual and transgender business owners in the U.S. and Puerto Rico. Our spending with diverse suppliers has grown from \$20 million in 2008 to \$134 million today. We are focused on continuing to advocate for supplier diversity in our industry.

Fundamentally, engaging people – whether employees or business partners – begins with a commitment to shared values. We adhere to all applicable labor laws and standards globally and are committed to offering competitive compensation and benefits, supporting freedom of association and providing a safe work environment that prohibits child labor and forced labor. We extend these standards to our business partners, and, where applicable, we also work with union representatives of the 2.7 percent of our U.S. workforce who are union members. From strong corporate governance policies to responsible business practices, we make it a priority to ensure everyone is united behind our mission to make everyday life better, every day.

A culture of everyday leaders

People are the key to our long history of success. A lot of businesses do what we do, but it takes a special one to thrive for more than a century. How do we attract such great people and keep them so engaged and motivated? To start, we offer competitive pay and benefits, but what really sets us apart is a strong employer brand centered on the belief that everyone can be a leader, every day.



At Clorox, "leadership" isn't just reserved for those who manage people. It's available to each of us, regardless of position, level or experience. In our culture, true leadership is about owning our area of expertise, contributing ideas and collaborating with others to put those ideas into action.

Across the world, in every plant, in every lab and in every office setting, every day, leaders are having a personal impact by sharing their unique perspectives to make our business better. In our product supply organization alone, employees contributed and completed more than 100,000 improvements in fiscal year 2014 to refine processes, cut down on waste and work more efficiently.

By encouraging multiple perspectives, gathering ideas from throughout the organization and collaborating to make those ideas better, we are engaged as business owners, and, most importantly, empowered to focus on the things that truly matter to our consumers.

Building meaningful careers together

We are proud of the countless successful careers our employees build with us. We know Clorox people value the opportunity to learn new skills, gain new experience and build relationships that enhance their careers and allow them to make an even greater impact. Clorox encourages career development through training programs, mentoring opportunities, rotational assignments, employee resource groups and more. Depending on their role, employees and managers may participate in up to 80 hours of training every year. Through our performance management and planning process, all nonproduction employees work with their managers to set business goals and objectives. Nonproduction employees also create individual development plans that identify key strengths and opportunities to focus on for career growth. Throughout the year, these employees and their managers work together to track progress and make adjustments as necessary. Similarly, these employees participate in formal performance and development reviews annually. These discussions help ensure employees are focused on work that supports our 2020 Strategy and encourage individuals to continue to develop their skills and manage their careers.

2 Innovate Every Day



Strategy 2: Increase brand investment behind superior value and more targeted 3D innovation

Connecting with consumers at the three moments of truth

As the market increasingly becomes more fragmented at the retail and consumer level, we must ensure that our connections with consumers are engaging and relevant. Our desire, decide and delight (3D) demand-creation model powers our success at three “moments of truth”: prepurchase, point-of-purchase and post-purchase consumer experiences. As a result, we are better positioned to deliver value to consumers and help grow our categories.

Broadcasting the value of our products

The work we’ve done on Clorox® disinfecting wipes is a great example of what we can achieve with a focused 3D execution, including delivering meaningful innovation for the consumer.

In fiscal year 2013, we saw a significant increase in competitive pressure in the disinfecting wipes category. Although we were seeing people increasingly purchase based on price, consumer insights told us that disinfecting efficacy drives preference, differentiation and wipes usage. Taken together, we quickly realized we needed to do a better job of driving home the value of Clorox® disinfecting wipes and set our sights on positioning Clorox® wipes as the gold standard of disinfecting.

We heavily supported three advertising campaigns that highlight the benefits of our wipes, including how they can be used on different types of surfaces. We improved packaging by featuring bolder graphics that clearly communicate our disinfecting efficacy and help Clorox® wipes stand out on the shelf. We enhanced the quality and frequency of merchandising and introduced incremental multipacks. We also expanded the opportunities for use by introducing Clorox® disinfecting wipes for tub and shower, Clorox® glass wipes and Clorox® wipes on the go.

As we closed fiscal year 2014, the wipes category and the once-declining glass-cleaning category were trending upward and our new multipacks were the top-performing items in the wipes category.

2020 Strategy

2: Innovate Every Day

Desire: Connecting with consumers in their daily lives



Creating desire for our products means finding creative ways to connect with consumers in the course of their busy lives. We can't expect them to come to us; we must go to them.

Burt's Bees® brand pollinates people's calendars

Consumer insights revealed that digital marketing is a key medium for reaching Burt's Bees® loyalists. Armed with this knowledge, the digital team took our messaging to a new space: personal calendars. Using the tag line "Burt's Bees wants to pollinate your electronic calendar," the team created an opt-in campaign to promote the new Burt's Bees® brightening face care line with eight weekly "invites." With appointments like "A meeting to discuss your mind-blowing beautimousness. Imaginary lunch will be provided," the notices used humor to create a positive association with the Burt's Bees® brand. Six of the eight notifications

contained no product mentions at all, and, in the final week, the team provided a free sample and a coupon. More than 15,000 people added the weekly invites to their calendars, which was three times the number anticipated.

The weather forecast calls for grilling

Through technology and creative partnering, the Kingsford® team whet the appetites of grilling fans across the U.S. Through a partnership with weather.com, the Kingsford® brand paired its early-season digital advertising with consumers' local weekend weather forecasts. A forecast of clear skies and warm temperatures included Kingsford® banners. And not to be put off by bad weather, the brand created the Coalar Bear Club and

began tweeting and sharing messages on Facebook like "Chillin' + Grillin' = Coalar Bear." Click-through rates on the banner ads were more than double the brand's historical rates, helping to make the entire campaign one of the brand's strongest social media engagements to date.

Clorox cleans up in Sochi

News of construction glitches at the Winter Olympics in Sochi, Russia, made for inspired marketing material from the Clorox® brand's social media team. When a photo of one bathroom stall containing two toilets began to circulate, the brand PR team developed and tweeted an image of a "double-headed toilet wand" to tackle the unique cleaning challenge. Overnight, literally, the brand gained hundreds of retweets, 850 new followers and more than 1 million Twitter impressions. Mainstream media covered the tweet. Even better, consumers' comments showed us they appreciated the cleverness.

Kicking it with U.S. and Mexican national soccer teams

This year, we became an official partner of the U.S. Soccer Federation and the Federación Mexicana de Fútbol (also known as the Mexican National Team). As part of our multiyear partnership, we're helping to support the U.S. men's and women's national teams through sales and marketing efforts that highlight our Clorox®, Kingsford®, Hidden Valley® and Glad® brands. We're also supporting the Mexican men's team in the U.S. through similar efforts involving the Clorox®, Kingsford® and Glad® brands. The partnership includes print, radio and digital communications, as well as in-store support from major retailers, and aims to help build brand awareness within the sport's hugely loyal, enthusiastic and diverse fan base.



2020 Strategy

2: Innovate Every Day

Decide: Making it easier for customers to choose our products



We work closely with our retail partners to ensure that when consumers are at the store shelf, we've put our best product forward.

Clean less, live more

While it may sound counterintuitive for a company that makes cleaning products, our brand message is to “clean less, live more.” Clorox® products make it easy to clean up life's messes so consumers can spend more time on the things they really enjoy. Likewise, one of our major retail customers believes that simplifying the household cleaning experience is key to growing the category. With this in mind, our category advisory services team shared consumer insights about convenience cleaning with this key customer, and together we developed a two-brand strategy to simplify the disinfecting wipes category, drive greater clarity at the shelf and highlight innovation. As a result, we've helped the retailer grow its wipes category and seen improvement in our own share of the business.

Honeycomb highlights Burt's Bees® lip care

Drugstores pack a lot into a small footprint, which requires them to be efficient with their shelves. Our Burt's Bees® team took on the challenge of making our lip care shelf space work harder by partnering with a major drugstore customer to create the “liptasia” unit. This honeycombed fixture better features Burt's Bees® lip care products and showcases graphics that complement the brand's print campaigns. The fixture also uses the space more efficiently and will accommodate products we plan to introduce over the next two to three years. With the success of the liptasia unit, we earned an additional shelf and added five new items, increasing our Burt's Bees® lip care presence significantly.

Power + Power = Opportunity in Middle East

In the Middle East, we saw an opportunity in the cleaning utensils category to capitalize on our brand equity and offer a total solution by pairing a Clorox® brand cleaning product with the right cleaning utensil. Marketed as “Power + Power,” the products were packaged in shelf-ready cases, which reduced retailer costs and helped organize the shelf. Our customers appreciated the results: we helped grow the specialty cleaner category and increased sales of cleaning utensils. We also had cause to celebrate: our initial volume and sales significantly surpassed our expectations.



2020 Strategy

2: Innovate Every Day

Delight: Building loyalty with superior products

Delivering superior products and meaningful product innovation is the key to delighting consumers and driving repeat purchases. Approximately 56 percent of our U.S. retail portfolio is made up of consumer-preferred* products, and product innovation contributed 3 percentage points of incremental sales.

Rediscovering the value of Clorox® bleach

One area of focus for us has been to improve the overall consumer experience across our line of bleach products. Consumer research tells us many people worry about spilling or splashing bleach, and some have an aversion to its strong scent. So we went to work combining the benefits of our splash-less technology with the scent of clean linens and fresh meadows. We also introduced Clorox® Franganzia™ fresh-squeezed lemon and forest dew, for those who enjoy even more powerful scents. As a result, we're seeing more people bring bleach back into their homes, which is helping to rebuild the bleach category and our market share.

Consumers have also shared their frustration with keeping patterned and printed whites bright, while some say they don't have enough white clothes for a full bleach load. These challenges, as well as market research that shows the majority of loads with mostly white clothing aren't being treated with bleach or other stain-fighting additives, inspired us to develop the unique technology of Clorox® Smart Seek™ bleach. This smart bleach delivers just enough bleaching power to remove stains and brighten the white areas of mostly white striped, patterned or screen-printed clothes. Clorox® Smart Seek™ bleach has exceeded our expectations as we get consumers using bleach in more laundry loads than ever before.

Liquid-Plumr® technology untangles clogged drains

Except for plumbers who really love their jobs, nobody likes dealing with a clogged drain. But when it does happen, we're making it easier than ever to handle the toughest culprit in clogs – hair. Liquid-Plumr® hair clog eliminator adheres to hair and helps break it down so it's easier to flush away. We also designed the bottle for easy, targeted pouring without dripping. We love it, and so do consumers: it was the No. 1 drain opener launched in fiscal year 2014.**

Success smells sweet in Argentina

Two things we've learned about consumers in Latin America: one, taking care of family and home is a great source of pride, and two, for something to be clean, it must smell clean. With these consumer insights in mind, we launched Poett® natural blends and Poett® aroma selections air fresheners in Argentina. The new natural blends line features three blended fragrances: freesia and jasmine, melon and sweet orange, and green tea and bergamot. We also launched the aroma selections line with a new long-lasting formula and a distinctly shaped aluminum can that gives consumers a reason to trade up from traditional cans. These complex and lasting scents help consumers take better care of their families and homes and ensure that clean smells clean.

* Clorox defines consumer preferred as a product that 60 percent of consumers prefer versus a competitor product in blind tests. Excludes Burt's Bees® products.

** IRI multi-outlet retail sales, 52 weeks ending June 29, 2014.

2. Innovate Every Day

Innovating Together



We deliver superior products that delight by answering three fundamental questions:

- What is the problem we're trying to solve?
- Can we address the problem more effectively than competitors?
- What technologies can we draw upon to create a superior product?

To answer these questions, we take an open approach to innovation, seeking ideas and technologies through our employees, partners, suppliers, inventors and consumers. Our 11-year Glad® joint venture with Procter & Gamble has resulted in ForceFlex® trash bags and OdorShield® bags with Febreze® technology. A partnership within our Professional Products Division enabled us to quickly develop and launch Clorox Healthcare® hydrogen peroxide cleaner disinfectant wipes and spray for healthcare settings. We're also now partnering with Ultraviolet Devices, Inc. to deliver an even more comprehensive surface disinfection solution in hospitals through the Clorox Healthcare® Optimum-UV™ system.

We also seek ideas through cloroxconnects.com and Edison Nation. These sites allow anyone to share their ideas and provide feedback on our products.

And our employees bring all of this together. In addition to the innovative work they do every day, employees participate in the annual !nnovent entrepreneurship contest. This online event brings together employees from around the world to share their ideas and vote on those that will advance in the competition. Finalists receive training, time to create a business proposal and an opportunity to pitch their idea with the goal of making it to the shelf.



2020 Strategy

2. Innovate Every Day

With the right lens
anything can
look cute.

Award-Winning Marketing and PR Campaigns

How do you see it?



Wasn't Me

It was like
this before!

OK, I did it

Get the
perfect shot,
then...

In addition to delighting consumers, we received nearly 20 marketing and PR awards that recognized our achievements in social media, multicultural marketing and influencer communications as well as research, measurement and evaluation. Additionally, PRWeek named the Clorox® brand PR team the national runner-up for Best In-House PR Team.



Clorox.com gets real

After more than 100 years of aspirational imagery – crisp white sheets and clothes stacked neatly in the laundry room – the Clorox® brands made a bold change by declaring family life is full of messy, yet amusing, moments that can be shared. We showcased this change on all of our online properties with images that reframe mess from a negative outcome to be avoided to part of a life well-lived. And it's working. We have seen an increase in purchase intent and brand favorability as well as industry recognition for our clorox.com redesign.



**Online Media, Marketing & Advertising Award,
Best Website Redesign Family/Parenting/Women's Interest**

2020 Strategy

2. Innovate Every Day

Ick-tionary: Been there, cleaned that

Since its beginning, Clorox has attacked stains and messes. Yet, market research indicates consumers aren't cleaning like their parents and are not clear about how bleach and disinfecting wipes fit into their lives. And sometimes they express their cleaning challenges in cathartic, humorous ways. So Clorox jumped head-first into the funny conversations about messes, creating the Clorox® Ick-tionary, a wiki-style dictionary of everyday "ick," including:

- Spillates (spil-lah'-teez) – Stretching exercises that tone muscles and improve flexibility when wiping up spills under tables and on countertops
- Petrifries (pet'-ruh-fryz) – Week-old french fries found stuck in the toddler's high chair
- Sasplotch (sass'-ploch) – Mysterious giant footprints through the house

This online, interactive forum brings together fellow ick survivors and parents who have "been there and cleaned that," and shows the next generation how Clorox® products can help them spend less time cleaning and more time living.



- PRSA Silver Anvil, Integrated Communications – Consumer Products (Packaged Goods)
- Bulldog Digital/Social PR Award, Social Media
- PR News' Digital PR Award, Influencer Communications
- PR News' Digital PR Award, Digital Word of Mouth



Tackling trash – one bag at a time

Americans generate 40 percent of the world's trash — accumulating about three bags a week.* To help combat this, since 2012, the Glad® brand has sponsored the One Bag campaign. The campaign teaches people how to reduce waste at home and at events of all sizes by aiming to send only one bag to landfill, with the rest going to compost or recycling. The brand has paired up with universities, customers and sports teams to help them go for One Bag. For example, this year the Glad® One Bag Challenge helped Target Stadium, home to the Minnesota Twins, divert more than 2.2 million tons of trash away from landfill.



- PR News Award, CSR/Green Focus Event

Catdance film festival elevates cat videos

Cat videos seemingly rule the Internet. So it made sense for the Fresh Step® brand to challenge filmmakers to elevate the humble cat video into "art-house-style films" for potential inclusion in the "Catdance Film Festival." The brand's kooky and slightly irreverent spin on independent film resulted in 3,000 news stories, 1,000 tweets and 4.7 million minutes spent watching Fresh Step® cat films on YouTube.



- PR News Digital PR Award, PR Campaign
- PR News Digital PR Award, Video Campaign



*U.S. Environmental Protection Agency

3 Expand Our Brands



Strategy 3: Grow in profitable new categories, channels and countries

Looking for growth in all the right places

When it comes to expanding beyond our core business, we look for growing markets with strong profit potential in midsized categories, where we have the potential to achieve scale and can capitalize on having strong No. 1 and No. 2 brands. To do this, we target categories adjacent to existing core businesses, new sales channels and countries where we can expand our product offerings.

Clorox® CareConcepts™ products support caregivers at home

As the U.S. population ages, more families are finding themselves taking care of a loved one's healthcare needs at home. About 10 percent of today's U.S. households include a caregiver who aids a family member 55 years of age or older, and this is projected to grow as more than half of the U.S. population is expected to be 50 years or older by 2017.* Caring for a loved one at home can be stressful. In addition to the physical and emotional demands, it's often hard to find and buy the products necessary to properly meet these specialized needs.

We are helping to address this gap. Using our expertise in household cleaning and healthcare disinfecting products, we are testing Clorox® CareConcepts™ home care products in select markets, giving us the flexibility to learn and adapt quickly in this new adjacency before expanding.

Developed in collaboration with outside healthcare experts, Clorox® CareConcepts™ products include introductory caregiver starter kits as well as personal care and cleaning products. Additionally, CloroxCareConcepts.com provides caregivers with practical advice, tips and guides.

Wiping out soap scum and streaks

We launched Clorox® disinfecting wipes in two new categories. Clorox® disinfecting wipes for tub and shower make it easier than ever to disinfect bathroom surfaces and tackle soap scum, while Clorox® glass wipes are specially designed to clean glass, mirrors and windows with no streaks or leftover lint. These new products take us into different areas of the home and are another way we are helping people clean quickly and effectively so they can get on with their lives.

* Caregiving in the U.S. 2009, National Alliance for Caregiving in collaboration with AARP; U.S. Census

2020 Strategy

3. Expand Our Brands

Building buzz for the Burt's Bees® global brand

We're also focused on targeted growth opportunities in existing international markets where we have scale and a strong brand presence. The Burt's Bees® business continues to drive success using an assisted-selling strategy in 12 select countries around the world. Beauty advisors at stand-alone stores, counters in retail locations, mall kiosks and pop-up stores are helping consumers connect with Burt's Bees® beauty products. In fiscal year 2014, we opened nine of these locations, including our first stand-alone retail location in Europe. The "Pop-Up Hive" in London's Covent Garden featured hive-like, natural accents and interactive sections, including a digital Lip Shade Finder Wall to help consumers find their perfect lip color.



Insights offer opportunities to extend brands

We've also seen growth in many markets in Latin America. For example, in Colombia, most people use powder versus liquid detergents, something that is very common for the region. Powder can be used when hand-washing clothes, in the soaking process or in the washing machine. With this insight in mind, we introduced Clorox® ropa laundry additive powder. Building on our trusted Clorox® equity, we show consumers how this powder tackles stains and eliminates the need for scrubbing. In the past year since launching Clorox® ropa powder, the segment has grown significantly, and we've quickly earned the No. 2 position.



We've also focused on expanding the Professional Products Division in Canada. By dedicating resources and adding leadership and expertise to the team, we've further penetrated the Canadian healthcare and janitorial/sanitation sectors and have seen incremental growth.

Asia home shopping network big hit for Glad® products

Glad® products are flying off the virtual shelves as consumers in Taiwan, Japan and South Korea have gone wild for Glad® food protection products on their countries' home shopping networks. Glad® Press'n Seal® sold the equivalent of 1,000 units per minute during the time it was featured on shopping programs. This led to greater brand awareness and the introduction of other Glad® products into retail locations, including GladWare® containers.



4 Fund Growth

\$122 million
IN COST SAVINGS
IN FY2014

OPERATIONAL FOOTPRINT REDUCTIONS* SINCE CY2011

12%
GREENHOUSE
GAS EMISSIONS

10%
ENERGY
CONSUMPTION

15%
WATER
CONSUMPTION

34%
SOLID WASTE
TO LANDFILL

Strategy 4: Fund growth by reducing waste in our work, products and supply chain

Managing our resources wisely

In addition to topline growth, we drive value by reducing waste in our day-to-day operations. For more than a decade, Clorox employees have delivered an average of \$100 million in annual cost savings. Each year, a team of functional and business unit employees systematically reviews everything from sourcing to manufacturing processes to product distribution, searching for opportunities to reduce waste and be more agile.

As part of our focus on creating a more agile enterprise, we have trained a multifunctional team on “lean” principles and Six Sigma to help identify opportunities to further eliminate

waste and inefficiencies throughout the company. This team provides advice and practical tools on everything from complex, multifunctional initiatives to small, individual efforts that can help teams be more responsive and efficient.

This year also marked our third annual Costovent employee cost-savings idea contest, which elicited more than 160 ideas from Clorox employees around the world. Ideas ranged from installing LED lights to removing desk phones to making sustainability improvements to product packaging, and all encouraged great dialogue, generating close to 1,000 comments and questions.

*CY2013 vs. CY2011, per case of product sold.

 Reviewed by Ernst & Young LLP. Refer to pages 41-42 for the review report.

2020 Strategy

4. Fund Growth

Environmental sustainability is good business

Sustainability and managing our resources wisely go hand in hand. Since 2008, our sustainability initiatives have averaged \$15 million in cost savings annually. We've also made sustainability improvements* to 15 percent of our product portfolio since 2011, keeping us on track to meet our 2020 goal of improving more than 50 percent of our product portfolio.

Additionally, we've set a "20 percent by 2020" goal for ourselves. By 2020, we plan to reduce our greenhouse gas emissions, water and energy use, and waste to landfill by 20 percent each per case of product sold versus our 2011 baseline year. Here are a few examples of projects across the company keeping us on track to reach these goals:

Our team in San José, Costa Rica, completed construction of an improved wastewater treatment system. The new system uses fewer chemicals in the treatment process, has a green roof to reduce interference with bird populations and uses high-efficiency lighting, motion sensors and skylights to lower our energy consumption. The team also continues to seek opportunities to eliminate sources of wastewater, which will help reduce nonessential water use.

We redesigned much of our Brita® packaging to better showcase the pitcher, improve our presence on the shelf and use fewer resources. Instead of a fully enclosed cardboard box, the new packaging features an open cardboard base that reduces the environmental footprint of the package by 50 percent and saves about \$100,000 annually.

We also reduced the amount of packaging used to ship empty Kingsford® bags to our plants. By working with our bag supplier and rethinking the packaging, the Kingsford® team eliminated about 50 percent of the shipping materials, which has reduced the amount of wood and corrugate used annually by more than 650,000 pounds and reduced shipping costs. Additionally, it now takes just a third of the time to remove the packaging, and the quality of the bags has improved.

Driving sustainability throughout the supply chain

In an effort to make our upstream supply chain more sustainable, we have introduced a Supplier Environmental Footprint Scorecard to our top 100 suppliers that collectively represent more than 70 percent of our spending. The scorecard enables us to profile top-supplier efforts to measure, set goals and report on water and energy consumption; greenhouse gas (GHG) emissions; and waste-to-landfill reductions. It also seeks data about our top suppliers' suppliers (Clorox second-tier suppliers) to expand our view of and ability to impact our upstream supply chain.



BEFORE



AFTER

New Brita® packaging uses an open cardboard base that reduces the environmental footprint of the package by 50 percent and saves about \$100,000 annually.

* For the calendar year ended Dec. 31, 2013. All sustainability metrics represent cumulative progress against CY2011 baseline, and percentage is based on net customer sales. A sustainability improvement is defined as either (1) a 5 percent or more reduction in product or packaging materials on a per-consumer-use basis, (2) an environmentally beneficial change to 10 percent or more of packaging material or active ingredients on a per-consumer-use basis, or (3) a 10 percent reduction in required consumption of water or energy during consumer use.

2020 Strategy

4. Fund Growth

About 75 percent of our top suppliers responded to our scorecard request. Close to half of these suppliers measure the amount of waste they send to landfill, and upwards of 58 percent measure their GHG emissions and water and energy consumption. More than 30 percent have set goals to reduce their footprint across these measures, and 38 percent request sustainability information from their suppliers. This year's scorecard will serve as a baseline, with the goal of working with these business partners to drive sustainability improvements across our supply chain in the years ahead.

We also assessed our palm oil and palm kernel oil impacts and are working to implement a strategy to source all palm derivatives from suppliers who are members of the Roundtable for Sustainable Palm Oil. While we do not buy palm oil or palm kernel oil directly, a small percentage of our products include surfactants, fatty alcohols and emulsifiers that contain derivatives of palm and palm kernel oil. We are partnering with our current suppliers of palm derivatives on a plan to help ensure that the ingredients used in our products are sourced from certified sustainable palm oil. We have also begun discussions with suppliers regarding an expanded definition of responsibly sourced palm oil that addresses traceability, deforestation, peatland preservation and high-carbon stock forest conservation.

Industry collaboration enables greater focus on progress

We continued to expand our involvement with industry and stakeholder groups to help drive responsible sourcing improvements throughout the consumer packaged goods industry.

One example is our participation with AIM-Progress, a forum for consumer goods manufacturers and suppliers to help improve responsible sourcing practices, build supplier capability, share ethical sourcing audits and collaborate on human rights and other supply chain activities. We now use the Supplier Ethical Data Exchange (Sedex) and Sedex Member Ethical Trade Audits for collecting and analyzing information on ethical and responsible business practices in the supply chain. Through our mutual recognition approach, our selected business partners complete one self-assessment and/or audit that may be shared with multiple customers, including AIM-Progress members. In this way, AIM-Progress manufacturers and suppliers, including Clorox business partners, concentrate their efforts on improving responsible sourcing practices through the supply chain and less on preparing for duplicative audits.



We were also appointed to the Global Shea Alliance (GSA) Sustainability Working Group. Shea butter is a fat extracted from the fruit of the shea tree that is often used in personal care products for its moisturizing properties. The GSA Sustainability Working Group is a team of 15 global multistakeholder representatives with whom we developed the GSA Sustainability Guidelines. The guidelines promote women's empowerment, decent working conditions, development of local communities and the protection of ecosystems across the shea industry. We are also helping to support a three-year project aimed at improving the health and safety of women collectors and reducing resource consumption in shea processing in West Africa.

Transparency in the supply chain

In support of the California Transparency in Supply Chains Act, we trained more than 200 global product supply team members in identifying and addressing potential risks of slavery and human trafficking in our supply chain. Additionally, we are mentoring suppliers and customers in the development of their own training and risk mitigation programs to combat human trafficking and slavery in global supply chains.

We also conducted an assessment of our supply chain related to the use of conflict minerals. Based on this assessment, we determined that either (1) the covered minerals necessary to the functionality or production of our products were from recycled or scrap sources, or (2) we have no reason to believe these minerals originated in the Democratic Republic of the Congo or adjoining countries. See our [SEC Form SD filing](#) for a full explanation of our country of origin assessment.

Making a Difference in the World



TOTAL IMPACT \$16.3 MILLION

\$4.3
million

THE CLOROX COMPANY
FOUNDATION CASH
GRANTS

\$8.8
million

U.S. PRODUCT
DONATIONS

\$826
thousand

U.S. CAUSE-MARKETING
CONTRIBUTIONS

\$2.4
million*

106,932 EMPLOYEE
VOLUNTEER HOURS
IN CY2013



Helping families be healthy, smart and safe

We're committed to helping our communities thrive. Through The Clorox Company Foundation, our disaster relief efforts and our cause-marketing activities, we support a number of programs that encourage families to be healthy, smart and safe.

Our employees also play a large role in supporting communities. In calendar year 2013, employees donated 106,932 hours of their time to hundreds of local nonprofits, and the company donated \$24,900 to U.S. organizations where our employees had volunteered more than 24 hours of their time. Additionally, a record-setting 60 percent of employees in the U.S. and Canada participated in our annual employee-led Getting Involved For Tomorrow campaign. Together, with a matching contribution from the foundation, these employees raised \$4.5 million to support more than 3,500 nonprofits.

*Financial equivalent of 106,932 volunteer hours, calculated at \$22.55 per hour, based on the 2013 U.S. value of volunteer time from independentsector.org. Less than 5 percent of these hours are by employees outside the U.S., but all are calculated using the U.S. average rate.

Reviewed by Ernst & Young LLP. Refer to pages 41-42 for the review report.

Our Impact

BE HEALTHY: Improving the lives of families worldwide

As part of our efforts to make everyday life better every day, we work to improve the quality of life for families around the world. In addition to helping provide access to vital resources such as clean drinking water and housing, we encourage individuals to make healthy choices.

Safe Water Project to expand in rural Peru

Across developing countries, unsafe drinking water is a leading cause of intestinal illness, malnutrition and death among children. In the rural villages of northern Peru, water is often collected from local rivers or large municipal water tanks. The problem: river water is soiled by animal waste, and municipal water becomes contaminated by the time villagers get it back to their homes.

In 2012, we launched the Clorox Safe Water Project to help provide safe drinking water to four communities in northern Peru. Partnering with PRISMA, a local nongovernmental organization, we installed public dispensers filled with a diluted solution of sodium hypochlorite, the primary ingredient in Clorox® bleach. Sodium hypochlorite kills more than 99 percent of the viruses and bacteria commonly found in untreated water for up to 48 hours. The dispensers, developed by Innovations for Poverty Action in Africa, are placed next to community water sources to encourage families to treat their water before they transport it home.



We also will begin promoting the Safe Water Project within the U.S. Our goal is twofold: drive awareness of the global issue of unsafe drinking water and raise the profile of bleach as a safe and powerful disinfectant. As market research shows, many consumers feel better about using bleach in their own homes after they learn that bleach is used to safely treat drinking water. In fact, sodium hypochlorite is commonly used for municipal water treatment in the U.S.

Encouraged by the success of the project, which currently serves 3,000 people, we plan to expand the program to reach 25,000 people over the next three years. That's the equivalent of providing 400,000 liters of clean water per day.

A place to call home

In Latin America, about one third of the population lives in poverty without consistent access to food, water, health services, education or housing. To help address this, Clorox has teamed up with Un Techo Para Mi País (A Roof For My Country), a non-profit organization that aims to fight poverty in Latin America through housing projects and social programs. We are funding the construction of 40 houses and a community project over the course of 2014. Working with friends, family and other TECHO volunteers, Clorox employees have also donated their time, helping to build five houses in Mexico, three houses in Colombia and another two each in Costa Rica and Venezuela so that more families have a place to call home.

Encouraging people to Drink Up

Water is an important part of healthy living, but we don't always drink enough of it. In 2013, the Brita® brand joined with the Partnership for a Healthier America and First Lady Michelle Obama to encourage Americans to drink more water through the Drink Up campaign. The Brita® brand featured Drink Up in its long-running partnership with NBC's "The Biggest Loser" and added the Drink Up logo to select products. The team also worked with celebrity ambassador Eva Longoria to design a new on-the-go bottle for the campaign. Since its launch in September 2013, the Drink Up campaign has garnered 1 billion media impressions, and, according to a Natural Marketing Institute survey, the number of 8-ounce servings of water consumed per day in the U.S. has risen 2.7 percent versus a year ago.*



*Natural Marketing Institute survey, quarter ending March 31, 2014.

Our Impact

BE SMART: Giving students tools to succeed

Since 1980, The Clorox Company Foundation has awarded \$95 million in cash grants, with a primary focus on supporting programs that serve youth, kindergarten through 12th grade education, and cultural and civic organizations.

In fiscal year 2014, the foundation awarded \$4.3 million in grants to programs like Community Resources for Science, Oakland Leaf and Pro Arts. In all, we estimate these grants helped more than 75,000 people in the communities where we operate.

Scholarships help students learn and grow

For more than 20 years, Clorox employees have hosted everything from bake sales to live auctions to help raise funds for local scholarships. This year, employees raised \$83,000 for Oakland and Pleasanton, Calif., high school seniors. These dollars, combined with \$30,000 from the foundation, funded 31 Clorox Partner Scholarships through the Marcus Foster Education Fund.

We also support the academic endeavors of children of Clorox employees and awarded 36 scholarships in 2014, for a total of \$1.6 million in scholarships since the program began in 1996. Additionally, CEO Don Knauss and his wife, Ellie, personally fund the Knauss Scholars Program, which has provided 120 Clorox children with more than \$800,000 in scholarships since 2007.

Committed to clean classrooms

It's hard to learn when you're not feeling well or are sick at home. So during the school year, we like to do our part to help teachers keep their classrooms as germ-free as possible, particularly around flu season. The Canisters for Classrooms program encourages parents to take the Canisters for

Classrooms pledge for a healthier school year.

With each pledge, we donated one canister of Clorox® disinfecting wipes to a school in need and \$1 to the Alliance for a Healthier Generation, a nonprofit organization creating healthier learning environments for more than 11 million students across the U.S.

Thanks to parent pledges, we donated \$50,000 to the Alliance for a Healthier Generation and

50,000 canisters of Clorox® disinfecting wipes to more than 1,000 schools.



BE SAFE: There to help in times of disaster

By partnering with the American Red Cross and other similar organizations, we support relief efforts worldwide with product donations and financial contributions in times of disaster.

When Typhoon Haiyan struck the Philippines with 190 mph winds, the sheer force of the storm, coupled with a massive storm surge, caused catastrophic flooding and damage. In response, Clorox donated \$150,000 to the Red Cross to aid relief efforts. We also donated more than 8,000 bottles of Clorox® bleach to assist in the cleanup, while local employees provided relief goods to the 100 families of our impacted distributors.

Our relief efforts also extended to Alberta, Canada, where heavy rainfall triggered extensive flooding. We donated 25,000 bottles of Clorox® bleach and 24,000 boxes of Glad® trash bags through the Canadian Red Cross to help 50,000 families affected by the flooding. In the U.S., we donated nearly 20,000 bottles of Clorox® bleach to support flood relief efforts across Colorado, Georgia, New York and Pennsylvania, and more than 28,000 boxes of Glad® trash bags following intense spring storms.

CLOROX DONATED

\$150,000

TO THE RED CROSS TO AID RELIEF EFFORTS

AND MORE THAN

53,000

BOTTLES OF CLOROX® BLEACH TO SUPPORT DISASTER RELIEF

Financial Statements

Condensed Consolidated Statements of Earnings

Years ended June 30

Dollars in millions, except per share amounts

	2014	2013	2012
Net sales	\$ 5,591	\$ 5,623	\$ 5,468
Cost of products sold	3,231	3,211	3,164
Gross profit	2,360	2,412	2,304
Selling and administrative expenses	765	807	798
Advertising costs	504	500	482
Research and development costs	125	130	121
Interest expense	103	122	125
Other expense (income), net	2	—	(13)
Earnings from continuing operations before income taxes	861	853	791
Income taxes on continuing operations	299	279	248
Earnings from continuing operations	562	574	543
Losses from discontinued operations, net of tax	(4)	(2)	(2)
Net earnings	\$ 558	\$ 572	\$ 541
Net earnings (losses) per share			
Basic			
Continuing operations	\$ 4.34	\$ 4.38	\$ 4.15
Discontinued operations	(0.03)	(0.01)	(0.01)
Basic net earnings per share	\$ 4.31	\$ 4.37	\$ 4.14
Diluted			
Continuing operations	\$ 4.26	\$ 4.31	\$ 4.10
Discontinued operations	(0.03)	(0.01)	(0.01)
Diluted net earnings per share	\$ 4.23	\$ 4.30	\$ 4.09
Weighted-average shares outstanding (in thousands)			
Basic	129,558	131,075	130,852
Diluted	131,742	132,969	132,310

Condensed Consolidated Statements of Comprehensive Income

Years ended June 30

Dollars in millions

	2014	2013	2012
Net earnings	\$ 558	\$ 572	\$ 541
Other comprehensive (losses) income:			
Foreign currency translation adjustments, net of tax expense of \$11, benefit of \$5 and benefit of \$1, respectively	(37)	(11)	(41)
Net unrealized (losses) gains on derivatives, net of tax benefit of \$6, expense of \$1 and benefit of \$4, respectively	(9)	3	(37)
Pension and postretirement benefit adjustments, net of tax benefit of \$4, expense of \$22 and benefit of \$37, respectively	(4)	37	(68)
Total other comprehensive (losses) income, net of tax	(50)	29	(146)
Comprehensive income	\$ 508	\$ 601	\$ 395

Financial Statements

Condensed Consolidated Balance Sheets

As of June 30

Dollars in millions, except per share amounts

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 329	\$ 299
Receivables, net	546	580
Inventories, net	386	394
Other current assets	134	147
Total current assets	1,395	1,420
Property, plant and equipment, net	977	1,021
Goodwill	1,101	1,105
Trademarks, net	547	553
Other intangible assets, net	64	74
Other assets	174	138
Total assets	\$ 4,258	\$ 4,311
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Notes and loans payable	\$ 143	\$ 202
Current maturities of long-term debt	575	—
Accounts payable	440	413
Accrued liabilities	472	490
Income taxes payable	8	29
Total current liabilities	1,638	1,134
Long-term debt	1,595	2,170
Other liabilities	768	742
Deferred income taxes	103	119
Total liabilities	4,104	4,165
Commitments and contingencies		
Stockholders' equity		
Preferred stock: \$1.00 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock: \$1.00 par value; 750,000,000 shares authorized; 158,741,461 shares issued at June 30, 2014 and 2013; and 128,796,228 and 130,366,911 shares outstanding at June 30, 2014 and 2013, respectively	159	159
Additional paid-in capital	709	661
Retained earnings	1,739	1,561
Treasury shares, at cost: 29,945,233 and 28,374,550 shares at June 30, 2014 and 2013, respectively	(2,036)	(1,868)
Accumulated other comprehensive net loss	(417)	(367)
Stockholders' equity	154	146
Total liabilities and stockholders' equity	\$ 4,258	\$ 4,311

Financial Statements

Condensed Consolidated Statements of Stockholders' Equity

<i>Dollars in millions</i>	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Shares		Accumulated Other Comprehensive Net (Losses) Income	Total
	Shares (000)	Amount			Shares (000)	Amount		
Balance at June 30, 2011	158,741	\$ 159	\$ 632	\$ 1,143	(27,675)	\$(1,770)	\$(250)	\$ (86)
Net earnings				541				541
Other comprehensive income							(146)	(146)
Accrued dividends				(320)				(320)
Stock-based compensation			27					27
Other employee stock plan activities			(26)	(14)	1,915	114		74
Treasury stock purchased					(3,419)	(225)		(225)
Balance at June 30, 2012	158,741	159	633	1,350	(29,179)	(1,881)	(396)	(135)
Net earnings				572				572
Other comprehensive loss							29	29
Accrued dividends				(348)				(348)
Stock-based compensation			35					35
Other employee stock plan activities			(7)	(13)	2,304	141		121
Treasury stock purchased					(1,500)	(128)		(128)
Balance at June 30, 2013	158,741	159	661	1,561	(28,375)	(1,868)	(367)	146
Net earnings				558				558
Other comprehensive income							(50)	(50)
Accrued dividends				(374)				(374)
Stock-based compensation			36					36
Other employee stock plan activities			12	(6)	1,476	92		98
Treasury stock purchased					(3,046)	(260)		(260)
Balance at June 30, 2014	158,741	\$ 159	\$ 709	\$ 1,739	(29,945)	\$(2,036)	\$(417)	\$ 154

Financial Statements

Condensed Consolidated Statements of Cash Flows

Years ended June 30

Dollars in millions

	2014	2013	2012
Operating activities:			
Net earnings	\$ 558	\$ 572	\$ 541
Deduct: Losses from discontinued operations, net of tax	(4)	(2)	(2)
Earnings from continuing operations	562	574	543
Adjustments to reconcile earnings from continuing operations to net cash provided by continuing operations:			
Depreciation and amortization	180	182	178
Stock-based compensation	36	35	27
Deferred income taxes	(10)	(11)	(12)
Funding of nonqualified deferred compensation plans	(26)	—	—
Other	36	20	(36)
Changes in:			
Receivables, net	24	(8)	(52)
Inventories, net	1	(11)	1
Other current assets	6	11	(3)
Accounts payable and accrued liabilities	(17)	(30)	10
Income taxes payable	(21)	15	(36)
Net cash provided by continuing operations	771	777	620
Net cash used for discontinued operations	(4)	(2)	(8)
Net cash provided by operations	767	775	612
Investing activities:			
Capital expenditures	(138)	(194)	(192)
Proceeds from sale-leasebacks, net of transaction costs	—	135	—
Businesses acquired, net of cash acquired	—	—	(93)
Other	—	4	8
Net cash used for investing activities	(138)	(55)	(277)
Financing activities:			
Notes and loans payable, net	(60)	(98)	(164)
Long-term debt borrowings, net of issuance costs	—	593	297
Long-term debt repayments	—	(850)	—
Treasury stock purchased	(260)	(128)	(225)
Cash dividends paid	(368)	(335)	(315)
Issuance of common stock for employee stock plans and other	96	133	86
Net cash used for financing activities	(592)	(685)	(321)
Effect of exchange rate changes on cash and cash equivalents	(7)	(3)	(6)
Net increase in cash and cash equivalents	30	32	8
Cash and cash equivalents:			
Beginning of year	299	267	259
End of year	\$ 329	\$ 299	\$ 267
Supplemental cash flow information:			
Interest paid	\$ 76	\$ 129	\$ 123
Income taxes paid, net of refunds	312	263	292
Noncash financing activities:			
Cash dividends declared and accrued, but not paid	95	93	85

Independent Accountant's Report

Report of Independent Registered Public Accounting Firm on Condensed Financial Statements



The Board of Directors and Shareholders of The Clorox Company

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of The Clorox Company at June 30, 2014 and 2013 and the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended June 30, 2014 (not presented separately herein) and in our report dated August 25, 2014, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements as of June 30, 2014 and 2013 and for each of the three years in the period ended June 30, 2014 (presented on pages 35 through 39) is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of The Clorox Company's internal control over financial reporting as of June 30, 2014, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated August 25, 2014 (not presented separately herein) expressed an unqualified opinion thereon.

Ernst & Young LLP

San Francisco, California
August 25, 2014

Independent Accountant's Report

Review of Nonfinancial Information

Our approach to assurance of nonfinancial indicators

We believe voluntary assurance strengthens our reporting processes and systems while enhancing the credibility of our nonfinancial information and our relationship with our stakeholders.

Our voluntary assurance initiatives began in 2012, when Clorox worked with external auditor Ernst & Young to identify seven nonfinancial key performance indicators (KPIs) for review assurance: U.S. greenhouse gas emissions, U.S. energy consumption, product sustainability improvements, workforce demographics, recordable incident rate, employee engagement and U.S. product donations.

We selected these KPIs based on a 2012 Clorox materiality assessment of environmental, operational, people and product matters, as well as external benchmarking, a review of the Global Reporting Initiative Index indicators and the International Integrated Reporting Council principles. A cross-functional team and members of the Clorox Executive Committee reviewed and approved these indicators.

Ernst & Young provided its review of these seven performance indicators in the 2013 annual report. In this year's report, we have expanded the list of indicators to include U.S. water consumption and global measures for energy consumption and greenhouse gas emissions.

Report of Independent Accountants on Review of Nonfinancial Information



To the Management of The Clorox Company

We have reviewed the selected performance indicators and related notes (the "Subject Matter") identified by the "A" symbol presented in The Clorox Company's Annual Report and Executive Summary (the "Reports") and included in the accompanying Schedule of Reviewed Performance Indicators (the "Schedule") for the year ended June 30, 2014 or as otherwise noted. We did not review all information included in the Reports. We did not review the narrative sections of the Reports, except where they incorporated the Subject Matter. The Clorox Company's management is responsible for the Subject Matter as presented in the Reports, and for selection of the criteria against which the subject matter is measured and presented.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter. A review consists principally of applying analytical procedures, making inquiries of persons responsible for the Subject Matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances. A review

is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is free from material misstatement, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Nonfinancial information contained within annual reports are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Based on our review, nothing came to our attention that caused us to believe that the Subject Matter is not presented, in all material respects, in conformity with the relevant criteria described in the accompanying Schedule.

Ernst & Young LLP

September 3, 2014

Independent Accountant's Report

Review of Nonfinancial Information

The Clorox Company Schedule of Reviewed Performance Indicators

For the year ended June 30, 2014

INDICATOR NAME	SCOPE	UNIT	REPORT VALUE
Scope 1, 2, and 3 Greenhouse Gas (GHG) Emissions ¹	Global	Percentage reduction of tCO ₂ e per stat case sold over baseline year (2011)	-12%
Energy consumption, Scope 1 & 2 ¹	Global	Percentage reduction of Mwh per stat case sold over baseline year (2011)	-10%
Water consumption ²	U.S. only	Percentage reduction of gallons of water consumed per stat case sold over baseline year (2011)	-15%
Sustainability improvements ³ to product portfolio since January 2012	Global	Percentage of product portfolio ⁴	15%
Workforce demographics/diversity metrics ⁵	See right for metric scope	Percentage minority nonproduction employees in U.S.	30%
		Percentage female nonproduction employees globally	49%
		Percentage female nonproduction managers globally	40%
		Percentage female independent Board of Directors	30%
		Percentage female Executive Committee members	21%
U.S. product donations	U.S. Only	Fair market value ⁶ of products donated in U.S. dollars	\$8,800,000
Total recordable incident rate	Global	Recordable incident rate (RIR) ⁷	.69
Employee engagement score	Global	Percentage of employee engagement ⁸	86%

1. For the calendar year ended December 31, 2013. Such amounts have been prepared based on the criteria established by the Global Reporting Initiative and the World Resources Institute/World Business Council for Sustainable Development's The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Where actual data is not available, Clorox uses an estimation methodology based on historic energy use and stat case figures to determine emissions. Leased Clorox facilities and facilities with less than 15 employees are not included in GHG or energy consumption.

(a) Scope 1 emissions include direct energy used by Clorox in its operations, categorized by stationary combustion, mobile combustion, refrigerant use, direct VOC loss and wood pyrolysis (the last two sources relate mainly to Clorox's Kingsford® business unit, and wood pyrolysis is considered to be a carbon neutral process; therefore, emissions from wood pyrolysis are not included in total CO₂e).

(b) Scope 2 includes indirect emissions resulting from Clorox's purchased electricity use and is calculated using the Environmental Protection Agency (EPA) 2009 eGRID emission factors. Scope 2 emissions associated with purchased electricity from international operations do not consider CH₄ and N₂O.

(c) Scope 3 includes finished goods transportation in U.S. only and employee business travel (global). Employee business travel includes fuel used for Clorox's corporate jet and Kingsford® plane, as well as emissions from commercial air flights and rental car use by Clorox employees.

2. U.S. water consumption includes all water at U.S. manufacturing sites, offices and research development centers used in (1) products sold to customers (2) the manufacturing process and (3) irrigation. Water sources include city/municipal, well, lake, river and storm water. Total U.S. consumption also includes water used at Clorox facilities for personal needs supplied by city/municipal sources. For the calendar year ended December 31, 2013. Leased Clorox facilities and facilities with less than 15 employees are not included in U.S. water consumption.

3. A sustainability improvement is defined as either (1) a 5 percent or more reduction in product or packaging materials on a per-consumer-use basis, (2) an environmentally beneficial change to 10 percent or more of packaging material or active ingredients on a per-consumer-use basis, or (3) a 10 percent reduction in required consumption of water or energy during consumer use.

4. For the calendar year ended December 31, 2013. Percentage based on net customer sales.

5. Determined as at June 30, 2014.

6. U.S. product donations refer to those donations used to aid in disaster relief or to support schools, food banks, and other non-profit 501c-3 organizations. U.S. product donations include donations made by any U.S. business unit except for the Burt's Bees® division. Fair market value was derived from current year average truckload price of the product donated. Truckload prices are based on volume ordered and shipped.

7. Recordable incident rate is measured using the United States Department of Labor Occupational Safety and Health Administration's (OSHA) guidelines and is determined at July 11 for the year ended June 30, 2014.

8. Clorox adopts Towers Watson's definition of employee engagement in terms of "sustainable" engagement. Sustainable engagement is defined as the intensity of employees' connection to Clorox, marked by committed effort to achieve work goals ("being engaged") in environments that support productivity ("being enabled") and maintain personal well-being ("feeling energized"). Employee engagement is measured by a survey administered March 31, 2014, through April 18, 2014, of 5,990 Clorox employees.

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Fully	Our Leadership: CEO letter, pages 1-2
1.2	Description of key impacts, risks, and opportunities.	Fully	Our Leadership: CEO Letter, pages 1-2 Stakeholder Engagement About This Report, inside front cover Form 10K, Risk Factors, pages 10-19
Organizational Profile			
2.1	Name of the organization.	Fully	The Clorox Company
2.2	Primary brands, products, and/or services.	Fully	2014 Scorecard, page 8 About This Report, inside front cover
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	About This Report, inside front cover 2014 Scorecard, page 8
2.4	Location of organization's headquarters.	Fully	Oakland, California
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	2014 Scorecard, page 8 Clorox Worldwide Form 10K, Properties, page 20
2.6	Nature of ownership and legal form.	Fully	2014 Scorecard, page 8 The Clorox Company is a publicly traded company (NYSE: CLX).
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	2014 Scorecard, page 8 Clorox Worldwide
2.8	Scale of the reporting organization.	Fully	2014 Scorecard, pages 8-12
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Our Leadership: CEO letter, pages 1-2 2020 Strategy, pages 15-31 No significant changes in size, structure, or ownership in fiscal year 2013.
2.10	Awards received in the reporting period.	Fully	Our Leadership: Recognition, page 7 2020 Strategy: Innovate Every Day, page 26 Recognition

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Report Parameters			
<i>Report Profile</i>			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About This Report, inside front cover The data in this report cover wholly and majority-owned operations for July 1, 2013, through June 30, 2014, unless otherwise noted: <ul style="list-style-type: none"> • Environmental sustainability data is tracked on a calendar-year basis. • Data is also included from prior years for year-over-year comparisons.
3.2	Date of most recent previous report (if any).	Fully	October 3, 2013
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	corporate.communications@clorox.com
<i>Report Scope and Boundary</i>			
3.5	Process for defining report content.	Fully	About This Report, inside front cover
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	This report also reflects a materiality and stakeholder engagement assessment of nonfinancial topics conducted in fiscal year 2012. Material topics reflected in our 2020 strategy and covered in this report include the company's ability to drive sales; the strength of our product portfolio and demand-creation capabilities; product innovation (surface disinfection, natural products, sustainability improvements); employee engagement; financial discipline and cash flows; product responsibility (human and environmental safety, ingredient transparency); environmental sustainability (product and operational); and public health (community and healthcare settings). Our key stakeholders are stockholders and the broader investment community, employees, consumers, customers, government and nongovernmental organizations. The data in this report cover wholly and majority-owned operations for July 1, 2013, through June 30, 2014.
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	About This Report, inside front cover
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	About This Report, inside front cover Form 10K, Item 1, page 5
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	About This Report, inside front cover 2014 Scorecard, pages 8-12 2020 Strategy, pages 15-16 Independent Accountant's Report, pages 40-42

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Report Parameters (continued)			
Report Scope and Boundary (continued)			
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	About This Report, inside front cover Our Leadership: CEO Letter, pages 1-2 2020 Strategy: Goals and Measures, page 15
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	About This Report, inside front cover Form 10K, Item 7, page 24
GRI Content Index			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Index
Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	About This Report, inside front cover Independent Accountant's Report, pages 40-42 GRI Index
Governance, Commitments, and Engagement			
Governance			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Our Leadership: Board of Directors, page 6 Corporate Governance: Committee Charters
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Chairman is CEO
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Our Leadership: Board of Directors, page 6 2014 Scorecard, page 11 10 members are independent (91 percent), of whom three (30 percent) are women.
4.4	Mechanisms for stockholders and employees to provide recommendations or direction to the highest governance body.	Fully	Communications with Clorox Board of Directors
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Governance Guidelines

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Governance, Commitments, and Engagement (<i>continued</i>)			
<i>Governance (continued)</i>			
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Governance Guidelines
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other Indicators of diversity.	Fully	Governance Guidelines
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Our Leadership: CEO Letter, pages 1-2 Our Leadership: Board of Directors, page 6 Business Model: Business Value Drivers, page 14 Code of Conduct
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Governance Guidelines
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Governance Guidelines
<i>Commitments to External Initiatives</i>			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Not	Corporate Responsibility: Product Safety Currently, Clorox's product safety guidelines do not reference the Precautionary Principle.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Corporate Responsibility: Planet Corporate Responsibility: Purpose Burt's Bees® NPA certifications GreenWorks: Design for the Environment
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic.	Fully	2020 Strategy: Fund Growth, page 31 Stakeholder Engagement
<i>Stakeholder Engagement</i>			
4.14	List of stakeholder groups engaged by the organization.	Fully	Stakeholder Engagement

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Governance, Commitments, and Engagement (<i>continued</i>)			
Stakeholder Engagement (<i>continued</i>)			
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder Engagement Based on our business and corporate responsibility strategy, our priority stakeholders and approach for engagement are as follows: <ul style="list-style-type: none"> • We inform our stockholders about our company strategy, financial performance and business growth objectives through quarterly conference calls, an annual meeting, our annual report and at The Clorox Company. • We conduct an annual employee engagement survey to help gauge how committed our employees are relative to prior years and benchmark companies. We also hold quarterly, global town halls to share company information and invite employees to ask questions and share their thoughts. • We talk to consumers through in-home studies, focus groups and surveys to better understand how we can continue to deliver high-quality products that address their needs. • We meet with nongovernment organizations on a variety of issues, including sustainability and product safety. • We participate in a number of public health organizations because we believe our disinfecting capabilities can help make a positive difference in issues such as infection control. • We make a positive impact on our communities through The Clorox Company Foundation's support of K-12 education and through employee volunteerism. We also provide financial aid and donate trash bags, bleach and other disinfecting products to help with clean-up efforts and sanitization needs in times of disaster.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Stakeholder Engagement
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Stakeholder Engagement
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Disclosures on Management Approach			
DMA EC	Disclosure on Management Approach: Economic performance Market performance	Fully	Our Leadership: CEO Letter, pages 1-2 Our Leadership: COO Q&A, pages 3-5 2014 Scorecard, pages 8-10 Integrated Business Model, pages 13-14 2020 Strategy, pages 13-17, 20, 27, 29
DMA EN	Disclosure on Management Approach: Environmental	Fully	2014 Scorecard, page 12 Integrated Business Model: Business Value Drivers, page 14 Corporate Responsibility: Planet Eco Governance

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Disclosures on Management Approach (<i>continued</i>)			
DMA LA	Disclosure on Management Approach: Labor Practices and Decent Work	Fully	2020 Strategy: pages 17-19 Integrated Business Model: Business Value Drivers, page 14 2014 Scorecard, page 11 Corporate Responsibility: People
DMA HR	Disclosure on Management Approach: Human Rights	Fully	Our Leadership: Highly Experienced Leaders, page 5 Integrated Business Model: Business Value Drivers, page 14 Corporate Responsibility: People Corporate Governance Clorox Business Partner Code of Conduct Clorox Code of Conduct
DMA SO	Disclosure on Management Approach: Society	Fully	Our Leadership: CEO Letter, pages 1-2 2014 Scorecard, pages 11-12 Integrated Business Model: Business Value Drivers, page 14 2020 Strategy: Goals and Measures, page 16 Corporate Responsibility: People Corporate Responsibility: Purpose
DMA PR	Disclosure on Management Approach: Product Responsibility	Fully	2014 Scorecard, page 12 Integrated Business Model, pages 13-14 2020 Strategy: Powered by Our 2020 Strategy, page 17 Corporate Responsibility: Product Safety Ingredients Inside
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Economic

Economic Performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Our Leadership: CEO Letter, pages 1-2 2014 Scorecard, pages 8-9, 12 Form 10K, Notes to Financial Statements, pages 28-66
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Employee Benefits Form 10K, Exhibits 10.8 and 10.12

Indirect Economic Impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	2014 Scorecard, page 12 2020 Strategy: Expand Our Brands, page 27 Our Impact, pages 32-34 Corporate Responsibility: Purpose
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INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Economic (continued)			
<i>Indirect Economic Impacts (continued)</i>			
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	2014 Scorecard, page 12 Our Impact, pages 32-34 Form 10K, pages 10-19
Environmental			
<i>Materials</i>			
EN2	Percentage of materials used that are recycled input materials.	Partially	Corporate Responsibility: Sustainable Packaging Corporate Responsibility: Products and Packaging Burt's Bees®
<i>Energy</i>			
EN3	Direct energy consumption by primary energy source.	Fully	2020 Strategy: Fund Growth, page 29 Our Progress: Energy Carbon Disclosure Project
EN4	Indirect energy consumption by primary source.	Partially	Currently, Clorox's U.S. electricity grid is 8 percent renewable. Clorox's international electricity grid, including hydro-electricity, is 40 percent.
EN5	Energy saved due to conservation and efficiency improvements.	Fully	2020 Strategy: Fund Growth, page 29 Corporate Responsibility: Planet Our Progress: Energy Carbon Disclosure Project
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Our Progress: Energy Carbon Disclosure Project
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Our Progress: Energy Carbon Disclosure Project
<i>Water</i>			
EN8	Total water withdrawal by source.	Partially	2020 Strategy: Fund Growth, page 29 Corporate Responsibility: Planet: Water Conservation Our Progress: Water (Usage not broken down by source)
EN9	Water sources significantly affected by withdrawal of water.	Fully	Integrated Business Model, page 13 Our Progress: Water

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Environmental (continued)			
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	Corporate Responsibility: Biodiversity
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Corporate Responsibility: Biodiversity <p>We believe it is imperative to protect forest lands, wetlands, water bodies and fish populations, as well as local plant and animal species and the habitats that support them. Clorox's overall impact on biodiversity is insignificant given the nature of our operations and the type of products we manufacture. Also, most of our operations are not located on or near wetlands. One exception is Clorox's Aberdeen, Maryland, plant. This facility is surrounded by natural wetlands, which Clorox is committed to protecting. We are also committed to:</p> <ul style="list-style-type: none"> • Complying with global, federal, state and local biodiversity legislation and regulations. • Going beyond legal and regulatory requirements whenever possible to ensure our manufacturing operations do not negatively impact biodiversity, natural habitats, wetlands, forest lands, fisheries or local plant and animal species. • Increasing employee awareness on the issue of biodiversity through volunteerism opportunities and ongoing education. • Supporting biodiversity efforts beyond where we operate when we believe we can make a meaningful contribution.
EN13	Habitats protected or restored.	Fully	Corporate Responsibility: Biodiversity
Emissions, Effluents, and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Corporate Responsibility: Planet Our Progress: GHG Carbon Disclosure Project
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Our Progress: GHG Carbon Disclosure Project
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	2020 Strategy: Fund Growth, pages 29-31 Corporate Responsibility: Planet Our Progress: GHG Carbon Disclosure Project
EN22	Total weight of waste by type and disposal method.	Fully	Corporate Responsibility: Planet Our Progress: Solid Waste
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	2020 Strategy: Fund Growth, pages 29-31 Our Progress: Products and Packaging Corporate Responsibility: Product Sustainability

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Environmental (continued)			
<i>Products and Services (continued)</i>			
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	Our Progress: Products and Packaging Corporate Responsibility: Product Sustainability
<i>Transport</i>			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Corporate Responsibility: Planet Our Progress: GHG Our Progress: Workplace
<i>Overall</i>			
EN30	Total environmental protection expenditures and investments by type.	Fully	~\$2 million: Lighting changes, LEED maintenance, energy audits, transportation network reconfiguration, carbon offset purchases, product design changes, community efforts/employee volunteer activities, training
Social: Labor Practices and Decent Work			
<i>Employment</i>			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	2014 Scorecard, page 11 Production employees 3,977 Nonproduction employees 4,208 Global total employees 8,185 U.S. employees 5,083 International employees 3,102
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Employee hires by regions, gender, and age group Global total 843 U.S. 56% International 44% Female 39% Male 61% 20s 43% 30s 33% 40s 17% 50s 5% 60s 1% Employee turnover rate by region, gender, and age group Global total 1,014 U.S. 11% International 14% Female 6% Male 7% 20s 3% 30s 4% 40s 3% 50s 2% 60s 1%

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Social: Labor Practices and Decent Work (<i>continued</i>)			
<i>Employment (continued)</i>			
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Employee Benefits
<i>Labor/Management Relations</i>			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	2.7%
<i>Occupational Health and Safety</i>			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	100%
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Partially	2014 Scorecard, page 11 Corporate Responsibility: Workplace Safety Zero fatalities (occupational disease, lost days, and absenteeism not provided)
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Employee Benefits Corporate Responsibility: Workplace Safety
<i>Training and Education</i>			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	2020 Strategy: Engage Employees, page 19 (Data not broken down by gender)
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Professional Development
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Partially	2020 Strategy: Engage Employees, page 19
<i>Diversity and Equal Opportunity</i>			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	2014 Scorecard, page 11
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Female: 69 percent Male: 87 percent

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Social: Human Rights			
<i>Investment and Procurement Practices</i>			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Our Leadership: Highly Experienced Leaders, page 5 2020 Strategy: Engage Employees, page 19
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	Our Leadership: Highly Experienced Leaders, page 5 (Total hours of training not calculated)
<i>Child labor</i>			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	Code of Conduct
<i>Forced and compulsory labor</i>			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	Code of Conduct
<i>Security practices</i>			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	100%
<i>Assessment</i>			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	Our Leadership: Highly Experienced Leaders, page 5 2020 Strategy: Engage Employees, page 18
Social: Society			
<i>Corruption</i>			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	100%
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Our Leadership: Highly Experienced Leaders, page 5
<i>Public Policy</i>			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Stakeholder Engagement

INDICATOR	DESCRIPTION	REPORTED	LOCATION/RESPONSE
Social: Society (<i>continued</i>)			
<i>Local Community</i>			
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	Corporate Responsibility: Product Safety Corporate Responsibility: Workplace Safety
.....			
Social: Product Responsibility			
<i>Customer Health and Safety</i>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	2020 Strategy: Innovate Every Day: Decide, page 22 2020 Strategy: Innovate Every Day: Delight, page 23 Corporate Responsibility: Product Safety Corporate Responsibility: Product Safety Steps
<i>Product and Service Labeling</i>			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Corporate Responsibility: Product Safety
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	2020 Strategy: Goals, page 16 Corporate Responsibility: Delighting Consumers
<i>Marketing Communications</i>			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Corporate Responsibility: Delighting Consumers

Stockholder Information

Stock listing and number of record holders

The Clorox Company's common stock is listed on the New York Stock Exchange, identified by the symbol CLX. As of July 31, 2014, the number of record holders of Clorox's common stock was 11,669.

Transfer agent, registrar and dividend disbursing agent

Inquiries relating to stockholder records, change of ownership, change of address and the dividend reinvestment/direct stock purchase plan should be sent to:

Computershare
P.O. Box 30170
College Station, TX 77842-3170

Overnight correspondence should be sent to:

Computershare
211 Quality Circle, Suite 210
College Station, TX 77845

800-756-8200 or 781-575-2726
TDD 800-952-9245 or 312-588-4110 for hearing impaired
computershare.com/investor

Stockholder information service

Stockholders can call Clorox Stockholder Direct at 888-CLX-NYSE (259-6973) toll-free 24 hours a day to hear news and messages about Clorox, request company materials or get a 20-minute-delayed stock quote. The latest company news is also available at thecloroxcompany.com.

Dividend reinvestment/direct stock purchase plan

Clorox has authorized Computershare to offer a dividend reinvestment/direct stock purchase plan. Registered stockholders can purchase additional shares. Nonstockholders may join the plan with an initial investment, lump sum or bank debit. Most fees are paid by Clorox. For more information or plan materials, call 888-CLX-NYSE (259-6973) or contact Computershare (see above).

Management report on internal control over financial reporting

Clorox management, under the supervision and with the participation of the chief executive officer and chief financial officer, has assessed the effectiveness of the company's internal control over financial reporting as of June 30, 2014, and concluded that it is effective. For more information, see [Item 9.A](#) of the company's Form 10-K for the fiscal year ended June 30, 2014.

2014 financial information

Full financial statements are provided in the company's 2014 proxy statement. Detailed financial information is available without charge through the following sources:

- The company's proxy statement is available at thecloroxcompany.com.
- The company's annual report on Form 10-K for the fiscal year ended June 30, 2014, is available at thecloroxcompany.com and through the SEC's EDGAR database. Printed copies are available by calling 888-CLX-NYSE (259-6973).

Forward-looking statements

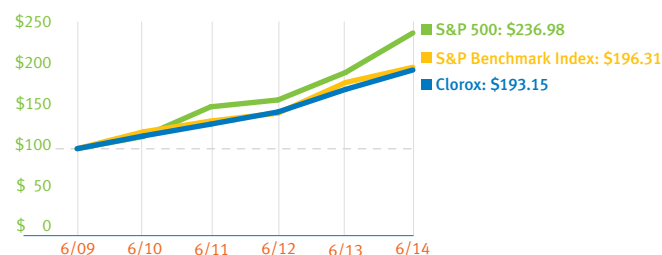
Except for historical information, matters discussed in the annual report are forward-looking statements and are based on management's estimates, assumptions and projections. Actual results could vary materially. Please review the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections in the company's annual report on Form 10-K for the fiscal year ended June 30, 2014, and subsequent SEC filings, for factors that could affect the company's performance and cause results to differ materially from management's expectations. The information in this report reflected management's estimates, assumptions and projections as of August 25, 2014. Clorox has not made updates since then and makes no representation, express or implied, that the information is still current or complete. The company is under no obligation to update any part of this document.

Comparison of five-year cumulative total return*

The graph below compares the cumulative total stockholder return of the Common Stock for the last five fiscal years with the cumulative total return of the Standard & Poor's 500 Stock Index and a composite index composed of the Standard & Poor's Household Products Index and the Standard & Poor's Housewares & Specialties Index (referred to below as S&P Benchmark Index) for a five-year period ending June 30, 2014. The composite index is weighted based on market capitalization as of the end of each quarter during each of the last five years. The graph lines merely connect the prices on the dates indicated and do not reflect fluctuations between those dates.

Comparison of five-year cumulative total return*

Among The Clorox Company, the S&P 500 Index and S&P Benchmark Index**



*\$100 invested on 6/30/09 in stock or index, including reinvestment of dividends. Fiscal year ending June 30.

**Composed of the S&P's Household Products Index and the S&P's Housewares & Specialties Index.



The Clorox Company
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Oakland, CA 94612

thecloroxcompany.com

Read the 2014 Integrated Annual Report and take our survey:
annualreport.thecloroxcompany.com

