



# Be Well and Thrive

2021 Integrated Annual Report Executive Summary



# We champion people to be well and thrive every single day.

## About This Report


### Materiality and ESG Priorities

The Clorox Company's integrated annual report highlights the company's financial and environmental, social and governance performance for fiscal year 2021 or the most recent ESG reporting periods. Fiscal year financial performance is presented in accordance with generally accepted accounting principles in the U.S., which include principles for determining materiality related to financial reporting.

### Third-Party ESG Frameworks

This year's report has been developed in alignment with the Sustainability Accounting Standards Board's Household and Personal Products standard, the Task Force on Climate-Related Financial Disclosures, the United Nations Global Compact's Ten Principles, and the United Nations Sustainable Development Goals.

### Review of Nonfinancial Information

We believe voluntary assurance strengthens our reporting process and enhances the credibility of our nonfinancial information. We engage a third party to review the following nonfinancial key performance indicators: global greenhouse gas emissions, energy consumption, water consumption, workforce and board demographics, recordable incident rate, employee engagement, and U.S. product donations. Items undergoing assurance are indicated with an  throughout the report.

### Reporting Period and Boundary

Most data in this report covers wholly and majority-owned operations for July 1, 2020, through June 30, 2021.

To see our full report, go to [thecloroxcompany.com/annualreport](https://thecloroxcompany.com/annualreport).

#### ABOUT THE ARTIST

The photo illustrations in this report were created by Broadie, an artist based in Prince George's County, Maryland. Drawn to different shapes, colors and textures as a child, he went on to study fine art in college. Today his mixed media work is inspired by the richness of Black history and culture.





**Linda Rendle**  
**Chief Executive Officer**

# Purpose-Driven

**Dear Stakeholder,**

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It has been another year of dynamic, challenging conditions due to the pandemic. We have all faced enormous obstacles — professionally and personally — some continuing, some just emerging. As I reflect on my first year as CEO of Clorox, I'm very proud of how we delivered, pragmatic about the near-term challenges ahead and resolute about what we can accomplish over the long term as we continue to execute on our IGNITE strategy. ➡

Inspired by our purpose — to champion people to be well and thrive every single day — we remained true to three operating principles as we navigated the past year:

- Embracing our role as a health and wellness company, which helped us prioritize our actions, including ensuring the safety of our people and supporting healthcare workers.
- Putting people at the center, taking care of our teammates around the world and focusing on serving public health and consumer needs.
- Leading with our values, with our commitment to doing the right thing guiding our strategic choices and actions.

These principles, coupled with our IGNITE strategy, have served us well and are shaping the Clorox of tomorrow while having a meaningful impact on society today.

## Reflecting on Another Dynamic Year

For the year, we delivered strong sales growth of 9%, with growth across all our business segments. On a two-year stack basis, we delivered 17% sales growth. This performance demonstrates Clorox's unique strengths — the caliber of our people, equity of our brands and our ability to execute in extraordinary circumstances. We worked tirelessly over the past year to supply consumers with products across our portfolio, which was greatly impacted by the pandemic and people spending more time at home. This included cleaning and disinfecting products; vitamins, minerals and supplements; bags and wraps; and water filtration, food, grilling and cat litter products. As a result, we experienced significant growth in demand and strengthened our position among global consumers, with high household penetration in



“““  
Consumers have never seen greater value in our brands, which is reflected in the choices they're making at shelf and online.

the U.S. supported by strong repeat purchase rates and strong growth globally. Consumers have never seen greater value in our brands, which is reflected in the choices they're making at shelf and online. We'll continue to earn their long-term loyalty by investing in our brands through innovation that delivers superior user experiences.

At the same time, the pandemic continues to cause tremendous volatility, and we are operating in an historically difficult cost environment. Rising input and transportation costs continue to pressure our profitability, which contributed to lower gross margin for the full year and a 2% decline in our fiscal year 2021 adjusted EPS.<sup>1</sup> We expect these conditions to continue in fiscal year 2022 and are taking decisive action to mitigate headwinds while advancing our IGNITE strategy for long-term growth.

## Accelerating Our IGNITE Strategy

The pandemic has highlighted the need to accelerate our strategy to take advantage of the strong consumer loyalty we have built, respond nimbly to changes in consumer behaviors and preferences, and set the company up for long-term success. I have a high degree of conviction that the focused actions we are taking will not only enable us to achieve our 3% to 5% long-term sales growth target but also deepen our competitive advantages for years to come. These actions include:

- **Enhancing productivity:** With fueling growth being a critical focus to help address elevated cost pressures and ensure the long-term health of our brands, we'll continue to drive our hallmark cost savings program and productivity initiatives.
- **Investing in innovation:** Innovation is at the heart of our IGNITE strategy, and we're focused on innovation that is faster to market and delivers multiyear value. We doubled our innovation investments in fiscal 2021, and new products were a bigger contributor to our topline. We are also extending innovation by leveraging external partners to create new revenue streams.
- **Leveraging purpose and personalization to drive loyalty:** We have made great headway on our 2025 personalization goal to know 100 million people — crossing the halfway mark this fiscal year. Our higher investment in personalization has led to stronger relationships with consumers, which significantly improved ROI, driving confidence in our approach.

<sup>1</sup> Adjusted EPS is a non-GAAP measure. See financial footnotes (scorecard, page 13), including the reconciliation of adjusted EPS to diluted EPS, the most comparable GAAP measure.



- **Enhancing our digital capabilities:** As consumers have increased their adoption of digital channels as a result of the pandemic, we are investing to further improve our digital capabilities and support our e-commerce, innovation and marketing initiatives. We have made great strides to differentiate Clorox from a digital perspective, including nearly doubling our e-commerce business over the last two years, which today represents about 13% of total company sales.
- **Driving growth runways:** We expanded our global cleaning and disinfecting business and professional products portfolio to accelerate growth.

## Advancing Our ESG Goals

We are rallying every person and every brand to contribute to a more sustainable and inclusive world. Harnessing resources internally by integrating environmental, social and governance commitments into our businesses is critical to achieving our ambitious goals, while collaborating externally with others is crucial to tackling the challenges we face collectively.

Some of the highlights of our progress on environmental initiatives in fiscal year 2021 include achieving 100% renewable electricity in the U.S. and Canada and increasing the number of plants that have achieved zero-waste-to-landfill status, now at 56% and tracking toward our 2025 goal of 100%.

We also received approval from the Science Based Targets initiative of our 2030 science-based targets to reduce greenhouse gas emissions and have announced our commitment to reach net zero emissions across our operations and our value chain (scopes 1, 2 and 3) by 2050.

On the people side of ESG, I'm particularly proud that, in a trying year, we achieved our best safety score in modern history with a recordable incident rate of 0.26, which is significantly lower than the 3.3 industry average.

We also continued to work toward a more inclusive, diverse and equitable workplace. Pay equity is a part of that. As we've done in past years, we reviewed every nonproduction teammate's pay for potential discrepancies. We adjusted where needed and will continue this review annually. This year, I also renewed our pledge to the CEO Action for Diversity, reflecting my personal commitment to advancing inclusion and diversity.

As a signatory to the United Nations Global Compact, we reaffirm our commitment to its Ten Principles by driving a strategy that prioritizes these and other ESG goals.

**9%**   
**SALES GROWTH**  
Total Company



## Focusing on Health Security in Our Communities

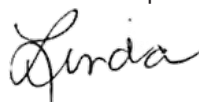
We continue to pay it forward by giving back. In 2021 we made \$9 million in grants to charitable organizations and \$8 million in product donations, plus \$2.7 million in cause marketing, for a total community contribution of nearly \$20 million. This included a second round of COVID relief funding, ongoing support of racial justice initiatives and community building.

The Clorox Company Foundation this year adapted its mission to be aligned with the company purpose. This led to a new signature theme, health security, which will guide our foundation's efforts to bring about equal opportunities for underresourced people and communities.

## Confidence in Our Future

Led by our values of doing the right thing, putting people at the center and playing to win, we are building a stronger, more resilient company. We have a portfolio of leading brands that have never been more loved by consumers and a clear plan to meet our long-term growth targets.

Our strategy and the perseverance of our team around the world throughout the pandemic gives me great confidence in our ability to win and accelerate growth in the future, creating value for all of Clorox's stakeholders. I am excited about the future and want to thank all of our teammates, customers, consumers, investors and partners for your support of our company.



Linda Rendle  
Chief Executive Officer

# IGNITE STRATEGY

Introduced in 2019, our IGNITE strategy aims to maximize and strengthen our competitive advantage through innovation and strategic business choices, with fully integrated environmental, social and governance goals. Putting people at the center of everything we do, the strategy is focused on driving long-term growth and delivering value for shareholders and society.



## VISION

Exceptional innovators who earn people's enduring loyalty



## OBJECTIVE

Deliver purpose-driven growth

## Annual Financial Goals



### GROW

Net Sales  
+3% to 5%



### EXPAND

Adjusted EBIT Margin<sup>1</sup>  
+25 to 50 Basis Points



### DELIVER

Free Cash Flow<sup>1</sup>  
as % of Sales  
11% to 13%

## Integrated Strategic Choices



### FUEL GROWTH

Widen the funnel on how we deliver cost savings, leveraging technology and sustainability to generate fuel for growth.



### INNOVATE EXPERIENCES

Turn data into insights to build purpose-driven, personalized brands and deliver bigger, stickier innovation platforms while enhancing consumer shopping experiences — allowing us to better serve people.



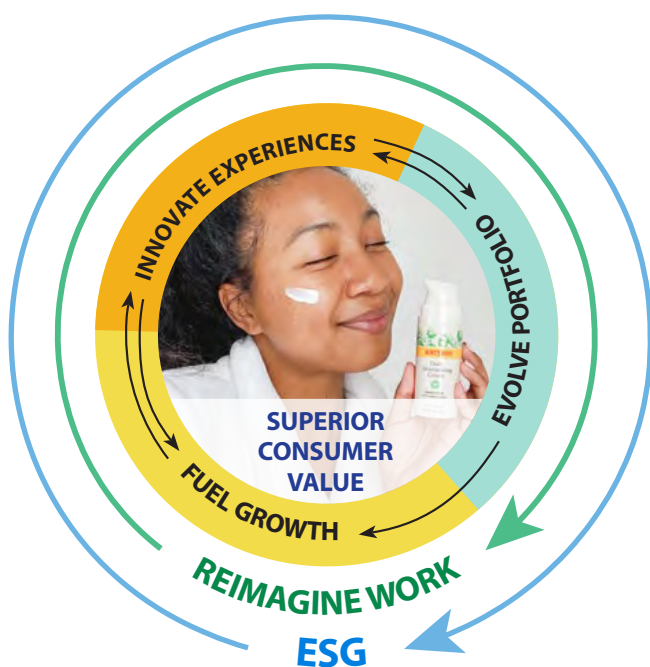
### REIMAGINE WORK

Galvanize our people with a bolder, more inclusive workplace in which we simplify our operations, tap technology and move more quickly to drive growth.



### EVOLVE PORTFOLIO

Broaden our playing field in and around our core business, emphasizing consumer megatrends, including sustainability, and continue to lean in to enhanced wellness and natural personal care.



<sup>1</sup> Refer to page 13 for reconciliation of adjusted EBIT and EBIT as well as reconciliation of free cash flow to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.



# Integrated ESG Goals



## HEALTHY LIVES

Improving people's health and well-being.

### Employee Well-Being

- Maintain our recordable incident rate of <1.0 with a comprehensive safety management effort striving for an injury-free workplace.
- Set targets related to health and well-being outcomes.
- Enhance financial literacy of our employees to enable better planning and superior retirement readiness as measured by income replacement ratio.

### Consumer Well-Being

- Increase consumer well-being as measured by the number of our wellness-related product categories in U.S. homes, including natural personal care; vitamins, minerals and supplements; water filtration and hydration; and cleaning products.

### Product Advocacy

- Collaborate with key stakeholders to advance the science behind alternative approaches to animal testing. Our vision for our industry is to eliminate such testing requirements for disinfecting products by the U.S. Environmental Protection Agency and replace animal testing with non-animal alternatives.

### Ingredient Management

- Reduce cleaning products' chemical footprint; annually report program progress beginning in calendar year 2020.
- Publicly share Clorox restricted substances list for domestic retail cleaning products by calendar year 2020.

### Transparency Commitments

- Increase the reach of the SmartLabel product information tool and expand our scope of consumer-meaningful information.
- Aggressively increase targeted certifications and product transparency affiliations by 2025.



## THRIVING COMMUNITIES

Investing in our people and communities to contribute to a more equitable world.

- Ensure pay equity across genders and races/ethnicities.
- Achieve our gender and race/ethnicity representation targets.
- Achieve our inclusion index targets: parity across total company, women, people of color.
- Set targets related to manager capabilities and workforce experience.



## CLEAN WORLD

Taking climate action and reducing plastic and other waste.

### Plastic and Other Waste

- 50% combined reduction in virgin plastic and fiber packaging by 2030.
- 100% recyclable, reusable or compostable packaging by 2025.
- Double post-consumer recycled plastic in packaging by 2030 (+50% by 2025).
- 100% global facilities zero waste to landfill by 2030 (plants by 2025).<sup>1</sup>

### Climate

- Set and achieve 2030 science-based targets to reduce GHG emissions in our operations (scopes 1 and 2) and across our value chain (scope 3), putting us on the path to net zero emissions by 2050.
- 100% renewable electricity in the U.S. and Canada in 2021.



## STRONG GOVERNANCE

Enhancing our leadership in ESG through an unwavering commitment to strong corporate governance and ESG performance overseen by the board of directors.

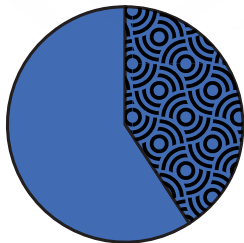


<sup>1</sup> Where infrastructure allows.

# SCORECARD

## FY21 Sales by Segment<sup>1, 2</sup>

Revenue Mix  
by Segment



### 41% HEALTH & WELLNESS

#### 30% Cleaning

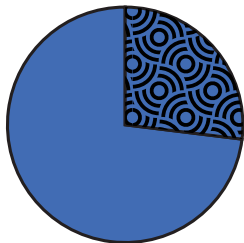
Clorox  
Clorox 2  
Pine-Sol  
Tilex  
Formula 409  
Liquid-Plumr

#### 7% Professional Products

Clorox Healthcare  
CloroxPro

#### 4% Vitamins, Minerals and Supplements

Rainbow Light  
Natural Vitality  
NeoCell  
RenewLife



### 27% HOUSEHOLD

#### 11% Bags & Wraps

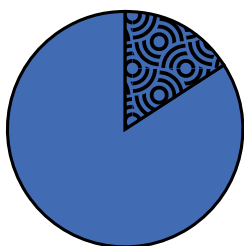
Glad

#### 9% Grilling

Kingsford

#### 7% Cat Litter

Fresh Step  
Scoop Away  
Ever Clean



### 16% LIFESTYLE

#### 9% Food Products

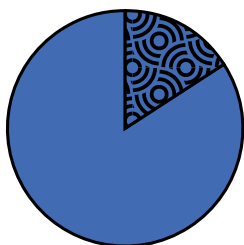
Hidden Valley

#### 4% Natural Personal Care

Burt's Bees

#### 3% Water Filtration

Brita



### 16% INTERNATIONAL

#### Products

Clorox  
Ayudin  
Clorinda  
Poett  
Pine-Sol

Glad  
Brita  
RenewLife  
Ever Clean  
Burt's Bees

#### Regions

Latin America  
Canada  
Asia  
Middle East / North Africa  
Europe / Sub-Saharan Africa  
Australia / New Zealand



**\$7.3B**  
NET SALES



**9,000**  
EMPLOYEES



**25**  
COUNTRY /  
TERRITORY  
OPERATIONS



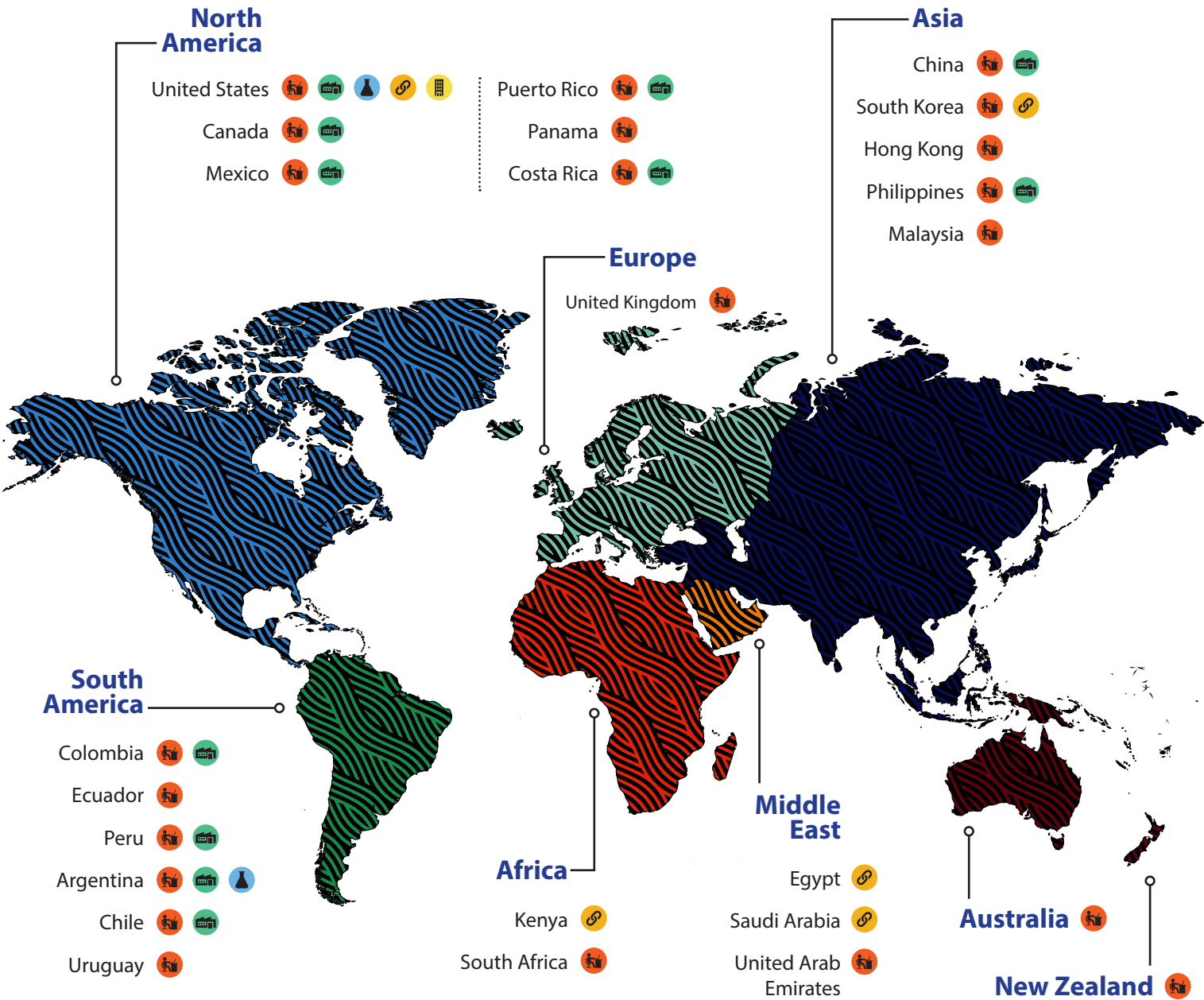
**100+**  
MARKETS

<sup>1</sup> All brands are trademarks of The Clorox Company or its affiliates.  
<sup>2</sup> All percentages represent rounded numbers.



# Our Global Footprint

-  ADMINISTRATIVE/  
SALES OFFICE
-  PLANTS
-  R&D  
FACILITIES
-  JOINT  
VENTURES
-  GLOBAL  
HEADQUARTERS

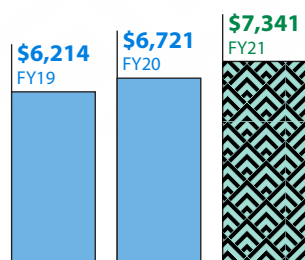


# Financial Performance

Achieving financial success while investing for the long term

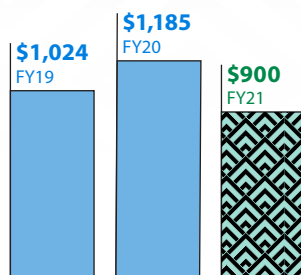
## Net Sales

(\$ millions)



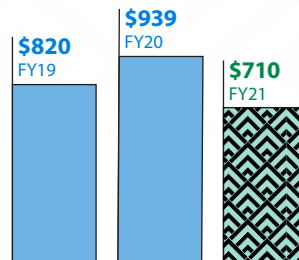
## Earnings Before Income Taxes

(\$ millions)



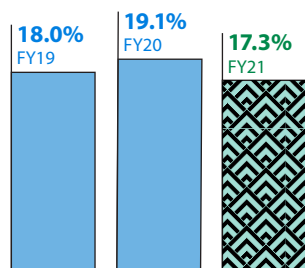
## Earnings

(\$ millions)



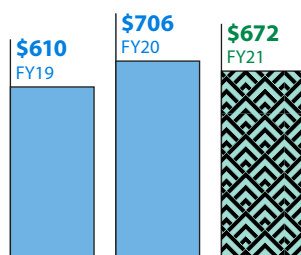
## Adjusted EBIT Margin<sup>1</sup>

(as a % of Net Sales) (non-GAAP)



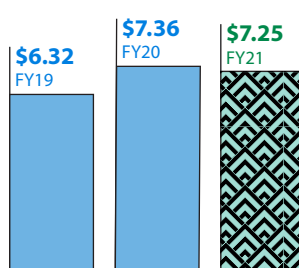
## Economic Profit<sup>2</sup>

(non-GAAP) (\$ Millions)



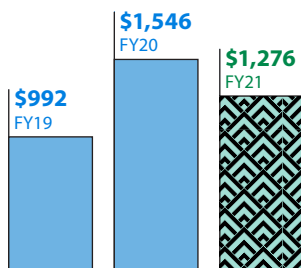
## Adjusted EPS<sup>3</sup>

(\$)



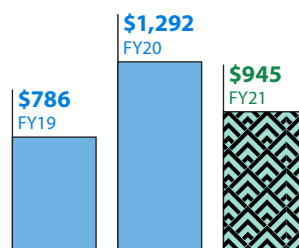
## Net Cash Provided by Operations

(\$ millions)



## Free Cash Flow<sup>4</sup>

(non-GAAP) (\$ Millions)





# Healthy Lives

Improving people's health and well-being

Note: To see a more comprehensive set of ESG goals and progress, visit [thecloroxcompany.com](https://thecloroxcompany.com).

## Employee Well-Being



### Workplace Safety

**0.26<sup>♦</sup>**

**RECORDABLE  
INCIDENT RATE<sup>1</sup>**  
(vs. goal of <1.0)

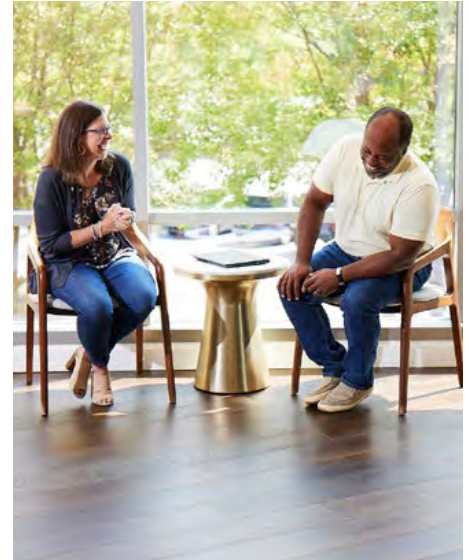


### Retirement Readiness

**66%**

**INCOME  
REPLACEMENT RATIO**  
(vs. 75% goal of Vanguard aspirational  
target for appropriate income  
replacement and 56% Vanguard client  
benchmark for income replacement)

Applies to U.S. employees; excludes personal  
savings outside of Clorox 401(k) programs  
(not reported by participants).



## Consumer Well-Being



### Enhance Well-Being Through Our Brands

**1.7M↓  
(or 1%↓)**

**NUMBER OF OUR WELLNESS-  
RELATED PRODUCT CATEGORIES  
IN U.S. HOMES VS. FY19<sup>2</sup>**

<sup>♦</sup> Reviewed by Ernst & Young LLP. Please refer to pages 28-29 for the Review Report.

<sup>1</sup> Based on industry benchmarking by Clorox, we set a goal for a recordable incident rate of 1.0 or less. Our FY21 RIR of 0.26 means that for every 100 full-time equivalent Clorox employees globally we averaged less than one reportable incident during the past year. According to the latest available data from the U.S. Bureau of Labor Statistics, the average RIR for goods-producing manufacturing companies is 3.3. The criteria used to determine RIR follows the U.S. Department of Labor's Occupational Safety and Health Administration guidelines and is applied globally. The recordable incident rate does not include workers at offices with fewer than 30 employees, but it does include remote workers.

<sup>2</sup> Includes cleaning; natural personal care; vitamins, minerals and supplements; and water filtration and hydration

# Clean World

Taking climate action and reducing plastic and other waste

## Plastic and Other Waste



### Virgin Packaging Reduction<sup>1</sup>

**22%**

OF TARGET

(vs. goal of 50% combined reduction in virgin plastic and fiber packaging by 2030)



### Recyclable, Reusable or Compostable Packaging<sup>2</sup>

**76%**

OF PACKAGING

(vs. goal of 100% recyclable, reusable or compostable packaging by 2025)



### Zero Waste to Landfill<sup>3</sup>

**56%**

OF PLANTS

(vs. goal of 100% global plants achieving zero waste to landfill by 2025)

## Climate Stewardship



### Science-Based Targets<sup>4</sup>

(Approved by SBTi)

**Goal:**

**By 2030**

**50%**

**ABSOLUTE REDUCTION IN SCOPES 1 AND 2 GHG EMISSIONS**

(In line with the most ambitious goal of the Paris Agreement)

**25%**

**ABSOLUTE REDUCTION IN SCOPE 3 GHG EMISSIONS**

(In line with current best practice to limit global warming)



### Greenhouse Gas Emissions<sup>5</sup>

**630K<sup>◆</sup> ↓**

(metric tons CO2e)

**(or 11% ↓↓)**



### Renewable Electricity<sup>6</sup>

**100%**

(vs. goal of 100% renewable electricity in U.S. and Canada)

(Achieved through 70Mw VPPA and market purchases of RECs)

◆ Reviewed by Ernst & Young LLP. Please refer to pages 28-29 for the Review Report.

<sup>1</sup> Metric is global and includes both primary and secondary fiber and plastic packaging. Domestic packaging is based on U.S. sales data and includes packaging for all products we sell in the U.S., inclusive of contract manufactured packaging from suppliers that procure packaging materials on our behalf. International packaging is based on our purchases of packaging for international operations and excludes data for packaging procured by contract manufacturers on our behalf. International CY20 data is estimated based on CY18 or CY19 purchases of packaging, adjusted to account for sales growth in CY20.

<sup>2</sup> Data has been calculated using the Ellen McArthur Foundation's recyclability assessment tool, which is based on the findings of its New Plastics Economy 2021 Recycling Survey and the Ellen MacArthur Foundation's definition of recyclable packaging. Recyclability reporting is based on CY20 U.S. sales data and is estimated to reflect global results for this metric.

<sup>3</sup> Where infrastructure allows. Metric calculated as a percent to reflect both changes to the number of company-approved zero-waste-to-landfill facilities and changes to the total number of facilities we operate due to acquisitions, divestitures and changing facility needs to support our business.

<sup>4</sup> For explanation of scopes 1 and 2, see footnotes 2-5 on page 29. For our science-based targets, we're focusing on different scope 3 categories for our reduction efforts than in our previous goal periods. These include Category 1, Purchased Goods and Services and Category 11, Use of Sold Products (Direct). In prior goal periods, we defined scope 3 to include Category 4, U.S. Finished Goods Distribution and Category 6, Employee Business Travel. Categories are defined by the World Resources Institute and World Business Council for Sustainable Development's [GHG Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#).

<sup>5</sup> CY20 footprint includes scopes 1, 2 and 3 (partial) and percentage change versus CY18 baseline, per case of product sold. See Exhibit A on page 29 for more details on our CY20 GHG emissions reporting.

<sup>6</sup> 70-megawatt virtual power purchase agreement executed in November 2019. VPPA project started to produce renewable energy for Clorox in January 2021 and is expected to deliver nearly half of Clorox's 100% renewable electricity goal for U.S. and Canadian operations annually. Through the VPPA and other market purchases of renewable energy credits, Clorox met its 100% renewable electricity goal beginning in January 2021, four years ahead of the original target date.



# Thriving Communities

Investing in our people and communities to contribute to a more equitable world

## Employees

### Best-in-Class Employee Engagement

**87%**<sup>▲</sup>

EMPLOYEE ENGAGEMENT<sup>1</sup>

(vs. 75th percentile benchmarks of 84% for consumer goods companies and 85% for Fortune 500 Perceptyx benchmark)

### Striving for Parity Inclusion Across the Company

**79%**  
TOTAL CLOROX  
(GLOBAL)

**80%**  
WOMEN  
(GLOBAL)

**76%**  
PEOPLE OF COLOR (U.S.)<sup>2</sup>

The inclusion index<sup>1</sup> measures the percentage of Clorox employees who feel a sense of inclusion at work, with the goal of parity across the company.

## Community

**\$9M**  
FOUNDATION  
AND CORPORATE  
COMMUNITY  
CASH GRANTS

**\$8M**<sup>▲</sup>  
U.S. CORPORATE  
PRODUCT  
DONATIONS

**\$2.7M**  
U.S. CAUSE  
MARKETING

**\$19.7M**  
TOTAL FY21  
IMPACT

**\$1.5M**  
OR 54,000  
EMPLOYEE  
VOLUNTEER  
HOURS IN CY20<sup>3</sup>

**\$151M**  
SPENDING WITH  
DIVERSE SUPPLIERS<sup>4</sup>

## Diverse Representation Across Clorox<sup>5</sup>

### Across the Company

**42%**<sup>▲</sup>  
(1,346)  
PEOPLE OF COLOR  
PRODUCTION  
EMPLOYEES (U.S.)

**38%**<sup>▲</sup>  
(1,178)  
PEOPLE OF COLOR  
NONPRODUCTION  
EMPLOYEES (U.S.)

**31%**<sup>▲</sup>  
(391)  
PEOPLE OF COLOR  
NONPRODUCTION  
MANAGERS (U.S.)

**52%**<sup>▲</sup>  
(2,362)  
WOMEN  
NONPRODUCTION  
EMPLOYEES (GLOBAL)

**46%**<sup>▲</sup>  
(741)  
WOMEN  
NONPRODUCTION  
MANAGERS (GLOBAL)

### In Leadership and Corporate Governance

**33%**<sup>▲</sup>  
PEOPLE OF COLOR  
BOARD MEMBERS  
(vs. 18% Fortune 500  
average in 2020)<sup>6</sup>

**42%**<sup>▲</sup>  
WOMEN  
BOARD MEMBERS  
(vs. 27% Fortune 500  
average in 2020)<sup>6</sup>

**50%**<sup>▲</sup>  
WOMEN CLOROX  
EXECUTIVE COMMITTEE  
MEMBERS

**25%**<sup>▲</sup>  
PEOPLE OF COLOR  
CLOROX EXECUTIVE  
COMMITTEE MEMBERS

◆ Reviewed by Ernst & Young LLP. Please refer to pages 28-29 for the Review Report.

<sup>1</sup> Inclusion index data is expressed as a percentage of employees experiencing Clorox as an inclusive workplace. Questions about inclusion measured the extent that employees believe all employees have the opportunity to be successful at Clorox regardless of diversity characteristics, their manager encourages diverse perspectives, that senior leadership visibly demonstrates that having a diverse and inclusive workforce is important for Clorox's business success, that teams openly discuss differing opinions in reaching decisions, and the ability to be one's authentic self at work. Engagement is defined as the extent that employees have pride in the company, intend to stay, get intrinsic motivation from their work and would recommend the company as a good place to work. Inclusion index and employee engagement data were measured through an FY21 engagement survey administered by Perceptyx in February 2021, in which 70% of eligible active Clorox employees participated. Perceptyx's Fortune 500 benchmark is comprised of 72 companies from Fortune magazine's annual Fortune Global 500 list. The Perceptyx CPG benchmark comprises employee survey results from organizations that produce consumer goods, including results from 33 companies and 1.46 million survey responses.

<sup>2</sup> Management defines people of color as any race that is not white (Asian, Black, Latino, Native American, Native Hawaiian, or two or more races.)

<sup>3</sup> Financial equivalent of 54,000 volunteer hours, calculated at \$28.54 per hour, based on the 2021 U.S. value of volunteer time from IndependentSector.org. Less than 5% of these hours are by employees outside the U.S., but all are calculated using the U.S. average rate.

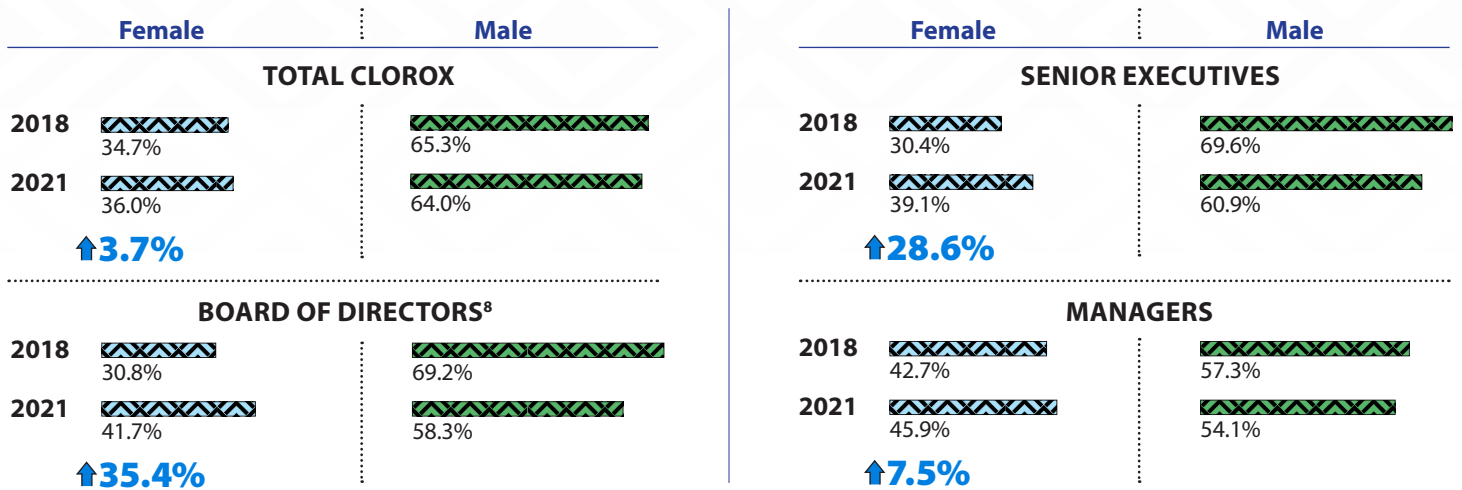
<sup>4</sup> Diverse suppliers are defined as minority-, women-, service-disabled- and veteran-owned business enterprises as well as gay, lesbian, bisexual and transgender business owners in the U.S. and Puerto Rico.

<sup>5</sup> Diverse representation data as of June 30, 2021.

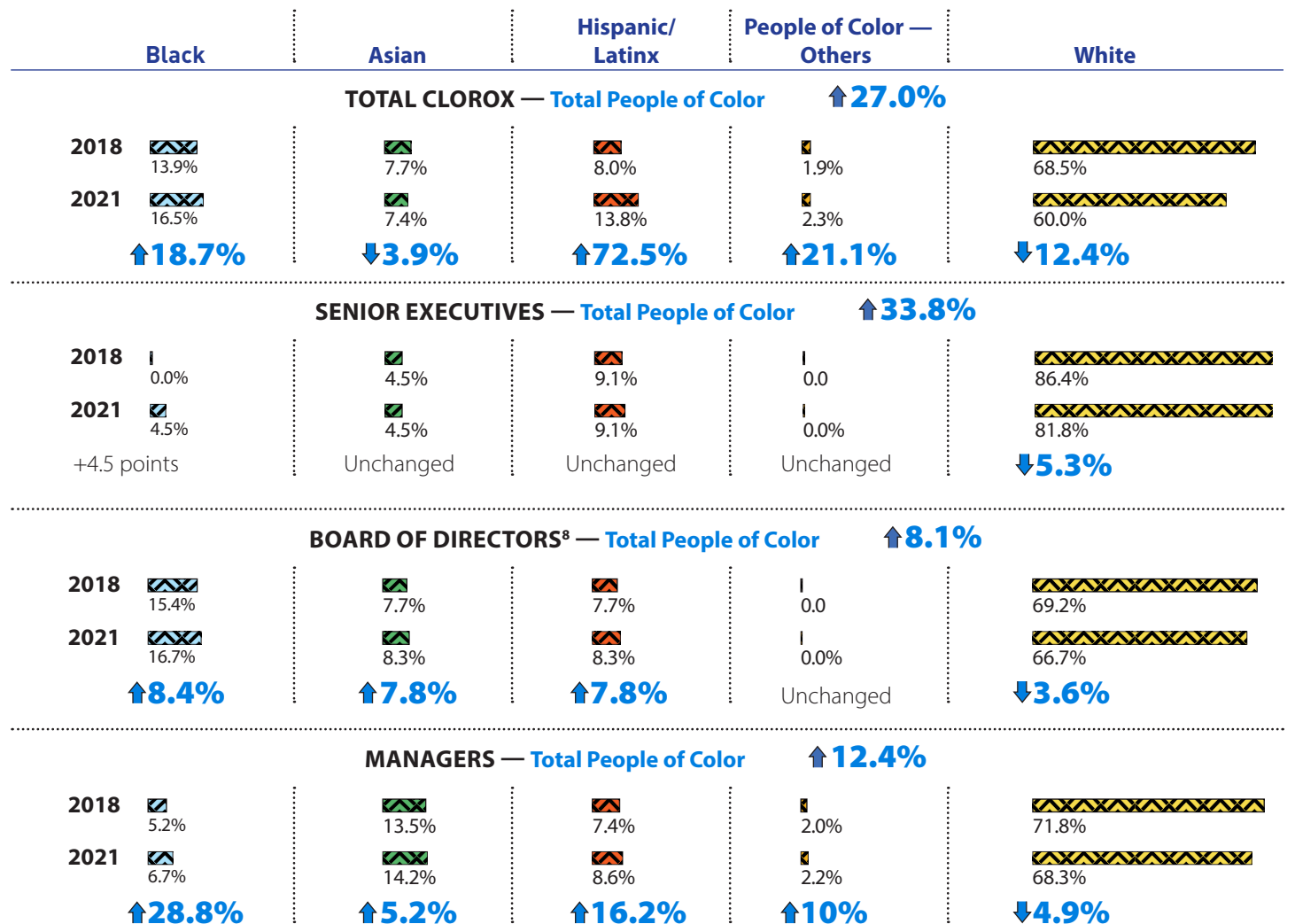
<sup>6</sup> "Missing Pieces Report: The Board Diversity Census of Women and Minorities on Fortune 500 Boards, 6th edition," Deloitte and the Alliance for Board Diversity, 2021.

## Diverse Representation Across Clorox

### Gender Diversity<sup>7</sup> (GLOBAL)



### Racial Diversity<sup>7</sup> (U.S.)



## THRIVING COMMUNITIES FOOTNOTES (cont.)

<sup>7</sup> Management's breakdown of job categories and demographic information provided is as follows: "Senior Executive" is defined as an employee at Grade 32 and above. "Manager" is defined as an employee at Grade 27 to 31 for U.S. employees and Grade 26 to 31 for international employees. "Other Nonproduction Employee" is defined as an employee who works at an office location and is at Grade 26 and below for U.S. employees and Grade 25 and below for International employees. "Production Employee" is defined as an employee who works at a production location and is at Grade 19 or below (International and U.S.). Grade levels are defined by Clorox's human resources compensation structure. The definitions for these categories differ from those of the metrics listed on the scorecard on pages 11-12. See page 29, which lists additional definitions for scorecard data. Employees of Nutranext – which was acquired in FY18 – are excluded from FY18 diversity metrics but included in FY21 diversity metrics due to timing of Nutranext integration with Clorox's system.

<sup>8</sup> Fiscal year 2018 board data includes Benno Dorer, who was both chair of the board and CEO of the company, and differs from our fiscal year 2018 assured board data (see 2018 integrated annual report), which only includes independent board members. Employees of Nutranext – which was acquired in FY18 – are excluded from FY18 diversity metrics but included in FY21 diversity metrics due to timing of Nutranext integration with Clorox's system.

## FINANCIAL FOOTNOTES

See footnotes below for descriptions of these not generally accepted accounting principles, or non-GAAP measures, how management uses them, 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. The non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures and should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.

### <sup>1</sup> Reconciliation of EBIT and Adjusted EBIT

Dollars in millions	FY21	FY20	FY19
Earnings from continuing operations before income taxes	\$ 900	\$1,185	\$1,024
Interest income	(5)	(2)	(3)
Interest expense	99	99	97
EBIT – non-GAAP <sup>(a)</sup>	\$ 994	\$1,282	\$1,118
EBIT margin – non-GAAP <sup>(a)</sup>	13.5%	19.1%	18.0%
Saudi JV acquisition gain <sup>(a)</sup>	(82)	\$0	\$0
VMS impairment <sup>(a)</sup>	\$ 329	\$0	\$0
Professional Products supplier charge <sup>(a)</sup>	\$28	\$0	\$0
Adjusted EBIT – non-GAAP <sup>(a)</sup>	\$1,269	\$1,282	\$1,118
Adjusted EBIT margin – non-GAAP <sup>(a)</sup>	17.3%	19.1%	18.0%
Net sales	\$7,341	\$6,721	\$6,214

<sup>(a)</sup> EBIT (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding interest income and interest expense, as reported above. EBIT margin is the ratio of EBIT to net sales.

<sup>(a)</sup> Adjusted EBIT (a non-GAAP measure) represents earnings before income taxes (a GAAP measure), excluding interest income, interest expense and other noncash charges (such as noncash asset impairment charges and other noncash, nonrecurring gains or losses), as reported above. Adjusted EBIT margin is the ratio of adjusted EBIT to net sales.

<sup>(a)</sup> In accordance with the SEC's Regulation G, this schedule provides the definition of certain non-GAAP measures and the reconciliation to the most closely related GAAP measure. Management believes the presentation of EBIT, EBIT margin, adjusted EBIT and adjusted EBIT margin provides useful additional information to investors about trends in the company's operations and is useful for period-over-period comparisons. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded. They should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.

<sup>(a)</sup> On July 9, 2020, the company increased its investment in each of the two entities comprising its joint venture in the Kingdom of Saudi Arabia (Saudi joint venture). As a result of this transaction, a noncash, nonrecurring net gain was recognized of \$82 (\$76 after tax) in Other (income) expense, net in the quarter ended Sept. 30, 2020, primarily due to the remeasurement of the carrying value of the company's previously held equity investment to fair value.

<sup>(a)</sup> During the quarter ended March 31, 2021, noncash impairment charges of goodwill, trademarks and other assets were recorded of \$329 (\$267 after tax).

<sup>(a)</sup> During the quarter ended June 30, 2021, noncash charges of \$28 (\$21 after tax) were recorded on investments and related arrangements made with a Professional Products strategic business unit supplier.

### <sup>2</sup> Reconciliation of Economic Profit<sup>(a)</sup>

Dollars in millions	FY21	FY20	FY19
Earnings before income taxes	\$ 900	\$1,185	\$1,024
Add back:			
Noncash U.S. GAAP charges <sup>(a)</sup>	357	2	2
Interest expense	99	99	97
Less:			
Saudi JV acquisition gain <sup>(a)</sup>	(82)	—	—
Earnings before income taxes, noncash U.S. GAAP items and interest expense <sup>(a)</sup>	\$1,274	\$1,286	\$1,123
Less:			
Income taxes on earnings before income taxes, noncash U.S. GAAP items and interest expense <sup>(a)</sup>	264	267	222
Adjusted after-tax profit	\$1,010	\$1,019	\$ 901
Less:			
After-tax profit attributable to non-controlling interest	9	—	—
Average capital employed <sup>(a)</sup>	\$3,655	\$3,478	\$3,231
Less:			
Capital charge <sup>(a)</sup>	\$ 329	\$ 313	\$ 291
Economic profit <sup>(a)</sup> (adjusted after-tax profit attributable to Clorox less capital charge)	\$ 672	\$ 706	\$ 610

<sup>(a)</sup> Economic profit (EP) is defined by the company as earnings before income taxes, excluding noncash U.S. GAAP items (such as restructuring, intangible asset impairment charges, and other noncash, nonrecurring gains or losses) and interest expense; less income taxes (calculated based on the company's effective tax rate), less after tax profit attributable to noncontrolling interests, and less a capital charge (calculated as average capital employed multiplied by a cost of capital rate). EP is a key financial metric that the company's management uses to evaluate business performance and allocate resources, and is a component in determining employee 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.

<sup>(a)</sup> Fiscal year 2021 includes impairment charges of \$329 (after tax \$267) of which \$228, \$86, and \$15 related to the goodwill of the VMS reporting unit, certain indefinite-lived trademarks and other assets, respectively, and noncash charges of \$28 (\$21 after tax) on investments and related arrangements made with a Professional Products SBU supplier.

<sup>(a)</sup> On July 9, 2020, the company increased its investment in each of the two entities comprising its joint venture in the Kingdom of Saudi Arabia. As a result of this transaction, a noncash, nonrecurring net gain was recognized of \$82 (\$76 after tax) in Other (income) expense, net in the quarter ended Sept. 30, 2020, primarily due to the remeasurement of the carrying value of the company's previously held equity investment to fair value.

<sup>(a)</sup> The tax rate applied is the effective tax rate before the identified noncash U.S. GAAP items, was 20.7%, 20.8% and 19.8% in fiscal years 2021, 2020, and 2019, respectively. The difference between the fiscal year 2021 effective tax rate on earnings of 20.1% is due to the tax rate impacts of the Professional Products supplier charge, VMS impairment, and Saudi JV acquisition gain of 0.1%, (0.4)% and 0.9%, respectively.

<sup>(a)</sup> Total capital employed represents total assets less noninterest-bearing liabilities. Adjusted capital employed represents total capital employed adjusted to add back current year after tax noncash U.S. GAAP items, deduct the current year after-tax noncash, nonrecurring gain. Average capital employed is the 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.

<sup>(a)</sup> Capital charge represents average capital employed multiplied by a cost of capital, which was 9% for all fiscal years presented. The calculation of capital charge includes the impact of rounding numbers.

Dollars in millions	FY21	FY20	FY19
Total assets	\$6,334	\$6,213	\$5,116
Less:			
Accounts payable and accrued liabilities <sup>(a)</sup>	1,670	1,327	1,033
Current operating lease liabilities	81	64	—
Income taxes payable	—	25	9
Long-term operating lease liabilities	301	278	—
Other liabilities <sup>(a)</sup>	819	755	774
Deferred income taxes	67	62	50
Noninterest-bearing liabilities	2,938	2,511	1,866
Total capital employed	3,396	3,702	3,250
After tax noncash U.S. GAAP items <sup>(a), (b)</sup>	212	2	1
Adjusted capital employed	\$3,608	\$3,704	\$3,251
Average capital employed	\$3,655	\$3,478	\$3,231

<sup>(a)</sup> Accounts payable and accrued liabilities and Other Liabilities are adjusted to exclude interest-bearing liabilities.

### <sup>3</sup> Reconciliation of Adjusted EPS<sup>(a)</sup>

	Diluted Earnings Per Share Twelve Months Ended June 30		
Dollars in millions except per share data; shares in thousands	FY21	FY20	FY19
As reported (GAAP)	\$5.58	\$7.36	\$6.32
Professional Products supplier charge <sup>(a)</sup>	0.17	—	—
VMS impairment <sup>(a)</sup>	2.10	—	—
Saudi JV acquisition gain <sup>(a)</sup>	(0.60)	—	—
As adjusted (Non-GAAP)	\$7.25	\$7.36	\$6.32

<sup>(a)</sup> Adjusted EPS is supplemental information that management uses to help evaluate the company's historical and prospective financial performance. The company's management believes that by adjusting for certain nonrecurring or unusual items, such as significant losses/gains related to acquisitions, impairment charges and other nonrecurring or unusual items, investors and management are able to gain additional insight into the company's underlying operating performance on a consistent basis over time.

<sup>(a)</sup> During the quarter ended June 30, 2021, noncash charges of \$28 (\$21 after tax) were recorded in connection with investments and related arrangements made with a Professional Products SBU supplier.

<sup>(a)</sup> During the year ended June 30, 2021, noncash impairment charges of goodwill, trademarks and other assets were recorded of \$329 (\$267 after tax) related to the VMS SBU.

<sup>(a)</sup> On July 9, 2020, the company increased its investment in each of the two entities comprising its joint venture in the Kingdom of Saudi Arabia. As a result of this transaction, a noncash, nonrecurring net gain was recognized of \$82 (\$76 after tax) in Other (income) expense, net in the quarter ended Sept. 30, 2020, primarily due to the remeasurement of the carrying value of the company's previously held equity investment to fair value.

### <sup>4</sup> Reconciliation of Free Cash Flow

Dollars in millions	FY21	FY20	FY19
Net cash provided by operations (GAAP)	\$1,276	\$1,546	\$ 992
Less:			
Capital expenditures	(331)	(254)	(206)
Free cash flow (non-GAAP)	945	1,292	786
Free cash flow as a percentage of net sales (non-GAAP)	12.9%	19.2%	12.6%
Net sales	\$7,341	\$6,721	\$6,214

The company's management uses free cash flow and free cash flow as a percent of net sales 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. In addition, free cash flow may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded.



# PURPOSE & VALUES

At the heart of our business success is a common purpose shared by our company and brands to enhance people's well-being. We approach our work with a strong resolve to adhere to the highest ethical standards and put people at the center, while always maintaining a competitive edge. And we provide a framework to help our people succeed. Our purpose and values help motivate us and guide us every single day.



## REFRESHED VALUES

- ◆ Do the right thing
- ◆ Put people at the center
- ◆ Play to win

- **Our new company purpose** — we champion people to be well and thrive every single day — starts within our workplace, focusing on safety and an equitable, vibrant work culture, and extends to the consumers we serve and the communities where we operate.
- **“Do the Right Thing”** remains a value central to our approach to doing business, while two new values were added: “Put People at the Center” speaks to putting people first both inside and outside the company, and “Play to Win” reflects our determination to achieve our growth aspirations.
- **Brands across our diverse portfolio continued to make purpose central to their work:**
  - › Our **Hidden Valley® Ranch** brand — which looks for meaning in life's everyday moments by sparking people to create food joy in their own original ways — seized on a personalized ranch dressing bottle with a marriage proposal to celebrate a couple's love for each other and for ranch (see opposite page).
  - › Our **Burt's Bees®** brand established a new 2025 vision to foster a circular economy and doubled its commitment to the well-being of its workers and people across its supply chains.
  - › To build a future with less waste, our **Glad®** brand declared specific sustainability targets to reduce its environmental footprint by 2030.
  - › Our **Brita®** brand set goals of reaching zero plastic waste<sup>1</sup> to landfill by 2030 and expanding access to clean water.

<sup>1</sup> Plastic waste = Brita products made of plastic, including nonrecyclable filters, single-use films, systems (pitchers, dispensers) and hard-sided plastic bottles.



“““

The brand made us feel valued.  
They saw our love for  
Hidden Valley Ranch and  
showed us they love us back.

**Makayla and Halie**  
Hidden Valley Ranch superfans  
Geneva, Nebraska



# GROWING INVESTMENTS

At Clorox, we deliver purpose-driven growth by meeting rapidly changing consumer needs as well as by investing in our strong brands and our people. Even as we continued to address a confluence of challenging conditions in fiscal year 2021, we didn't ease up on our investments. By keeping our focus squarely on those priorities — as outlined in our IGNITE strategy — we believe we'll be well positioned for the long term.



- We increased our total capital investment compared to the prior year, investing in projects such as our new cat litter plant under construction in Berkeley County, West Virginia, and a second manufacturing line at our wipes plant in Forest Park, Georgia.
- We introduced more than 250 new products and expanded the innovation ecosystem to scale our original ideas as well as expand them beyond the product itself.
- Technology continued to play a central role in activities across the enterprise, encompassing supply chain management, our transformation of work initiative, business intelligence and personalization.
- As more people considered the importance of cleaning and disinfecting away from home, our cleaning business adopted a growth strategy to build a truly global disinfecting brand. The approach involves developing a strong ecosystem with more growth runways, including strategic partnerships, new technologies, and new channels and markets.
- Our household and lifestyle brands adapted their offerings to serve people's unique needs during the pandemic, focusing on innovation and products uniquely suited to help enhance people's comfort and well-being while at home.





“““

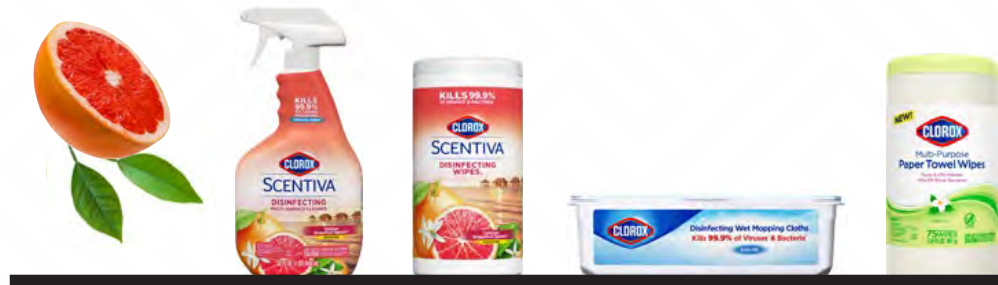
It was important for us to step up production quickly to fulfill the unprecedented demand for Clorox wipes. I'm proud of the people at Atlanta West for making a lasting impact on our company and the consumer at a time when our brand was needed most.

**Murray Jenkins**  
Plant Manager  
Forest Park, Georgia





All told, we introduced more than 250 new products around the world throughout the year. Innovation remains rooted in building trusted brands people love at Clorox.

 Denotes innovation with environmental attributes.



### Clorox

- Clorox® Scentiva® (Tahitian Grapefruit Splash® scent in wipes and sprays)
- Clorox disinfecting wet mopping cloths (Rain Clean® scent)
- Clorox multi-purpose paper towel wipes
- Clorox disinfecting wipes To Go Pack (20-count)
- Clorox compostable cleaning wipes 
- Clorox disinfecting multi-purpose spray cleaning system starter kit 
- Clorox Turbo™ Power electrostatic sprayer and disinfectant cleaner
- Clorox disinfecting all-purpose cleaner
- Clorox Clinical™ disinfecting wipes and sprays



### CloroxPro

- Clorox TurboPro™ handheld electrostatic sprayer
- Clorox Turbo Pro™ disinfectant cleaner for sprayer devices





### Burt's Bees

- Burt's Bees Truly Glowing® gel cleanser
- Burt's Bees Rescue balm
- Burt's Bees Squeezy tinted lip balm

### Hidden Valley Ranch

- Hidden Valley Secret Sauce (Golden flavor)
- Hidden Valley Original Ranch® Plant Powered topping and dressing



### Fresh Step

- Fresh Step® with Febreze freshness and Gain scent litter
- Fresh Step Clean Paws® Calm litter

### Kingsford

- Kingsford hardwood pellets (Classic, Hickory, Signature, Maple, Cherrywood)



### Renew Life

- New and improved platform

### Brita

- Brita® Longlast+ filters

### Glad

- Glad with Clorox trash bags
- Glad ForceFlex Plus trash bags (with 50% recovered plastic)



## INTERNATIONAL

### Clorox

- Clorox Expert™ disinfecting wipes

### Poett

- Improved platform with new fragrances plus disinfection with Clorox endorsement

### Ever Clean

- Ever Clean® Spring Garden cat litter

### Burt's Bees

- Res-Q platform

### Glad

- Glad to Be Green™ 50% Plant Based platform



# HEALTHY LIVES

Clorox is a health and wellness company at heart. We prioritize the safety and well-being of our employees and their families through benefits and programs designed to support their physical, mental and financial well-being. Through our diverse portfolio of products that contribute to a cleaner, healthier world as well as an ongoing commitment to product stewardship, we also showed our dedication to consumer well-being.



- We fulfilled our commitment to safety through education, training and related policies, including enhanced safety protocols to navigate the pandemic. Clorox's 0.26 recordable incident rate in fiscal year 2021 was significantly lower than the 3.3 average RIR for goods-producing manufacturing companies in 2019, the latest data available from the U.S. Bureau of Labor Statistics.
- To support our people's financial well-being, we offered compensation based on the market median, performance and a commitment to pay equity as well as financial planning and a generous 401(k) plan.
- The company offered supplemental physical and mental health benefits — including paid emergency time off, flexible work options and caregiving support — during the pandemic.
- We supported pandemic-related needs through our disinfecting products as well as by providing education about proper protocols consistent with public health guidance, leveraging partnerships with Cleveland Clinic and the CDC Foundation.
- As a whole, our diverse portfolio of products had a total household penetration of 89% as of the end of our 2021 fiscal year<sup>1</sup> — enabling us to have a meaningful impact on people's well-being.
- We advanced responsible product stewardship by sharing a restricted substances list publicly and committing to assess and manage the chemical footprints of products, both for our domestic cleaning product portfolio.

<sup>1</sup> For the 52-week time period ending June 13, 2021, versus the corresponding 2020 period. Source: IRI Panel Data, Total U.S. All Outlets, NBD Weighted; 52 weeks ending June 13, 2021.





“““

Having extra support to manage my anxiety helped me gain confidence, establish boundaries and feel more secure — ultimately leading to greater productivity, better work-life balance, healthier habits and more gratitude for every day.

**Nate Dias**

Global Disinfection Devices Engine,  
Research and Development  
Pleasanton, California



# THRIVING COMMUNITIES

As a purpose-driven company, we're committed to building thriving communities — within our walls and beyond. We strive to make our workplace inclusive and equitable and apply a continuous improvement mindset to drive our individual and collective success. It's also why we support neighbors in need and ensure our suppliers are promoting human rights and protecting the environment.



**In fiscal year 2021, we continued to have high employee engagement of**

**87%**

- To drive accountability and action, we put in place a governance structure ensuring engagement on inclusion and diversity at the highest levels of the organization.
- Our employee engagement remained high at 87%, putting us in the top quartile among the Fortune 500 (see scorecard, page 11).
- As part of our commitment to equitable pay, we continued to conduct annual equity analyses to improve our processes and help address systemic societal inequality.
- We continued to advance diversity within our ranks — among our workforce, company leadership and board of directors (see scorecard, pages 11-12).
- The Clorox Company Foundation realigned its mission with an updated signature theme of health security that will guide its community support going forward.
- The company and its foundations had a total community impact of about \$20 million in fiscal year 2021 (see scorecard, page 11).
- Our employee participation in giving was up 14% over last year, or an additional \$2.3 million, for a total of \$7.1 million donated to over 4,700 organizations.
- To advance sustainability in our supply chain, we enhanced our global risk assessment and auditing program, developed a Responsible and Sustainable Sourcing Policy, and continued investing in programs to enhance the well-being of supplier communities.
- Our spending with diverse suppliers increased to \$151 million in fiscal year 2021, representing 5.4% of our overall supplier spending.





“““

Advocating for criminal justice reform is one way we can begin to remove the burden of excessive supervision and oversentencing that restricts Georgia citizens, especially those who are Black, from accessing basic and fundamental needs.

**Elizabeth Rainwater**

Fellow, Georgia Justice Project  
Atlanta, Georgia



# CLEAN WORLD

People can only thrive on a healthy planet. The threats posed by climate change and waste are significant, but because we put people at the center of everything we do, we're committed to doing our part so that our shared home and future generations can prosper.



- We continued the process of embedding ESG priorities across the enterprise, spearheading integration into our business units through our recently formalized Sustainability Center.
- Three-quarters of our packaging is now recyclable, reusable or compostable, and we're 22% of the way toward our 50% goal for combined reduction in virgin plastic and fiber packaging by 2030.
- We've continued to reduce waste sent to landfill — 45% per case of product sold and 34% on an absolute basis — between our 2018 baseline year and 2020.
- Many of our brands — including Brita, Burt's Bees and Glad — have declared ambitious, public-facing, impact-informed sustainability goals.
- 40% of our global facilities where we have operational control of waste have now achieved zero-waste-to-landfill status, including 56% of our plants.
- We achieved our 100% renewable electricity goal for U.S. and Canada operations four years earlier than originally planned, due mainly to a 12-year, 70-megawatt virtual power purchase agreement.
- We received approval from the Science Based Targets initiative of our 2030 targets to reduce absolute scopes 1 and 2 greenhouse gas emissions 50% and scope 3 GHG emissions from purchased goods and services and use of sold products 25%, both from a 2020 base year.
- We set a new goal of achieving net zero GHG emissions by 2050.





“““

Sustainability is important because we have just one planet. We need big changes, and now we have the opportunity to do it.

**Matthias Palm**  
Research Director,  
Global Packaging and Sustainability  
Pleasanton, California



# BOARD OF DIRECTORS<sup>†</sup>



**Matthew J. Shattock**  
Independent Chair



**Amy Banse**  
Senior Adviser to  
the Executive Committee  
Comcast Corporation



**Richard H. Carmona,  
M.D., M.P.H., F.A.C.S.**  
Chief of Health Innovations  
Canyon Ranch



**Spencer C. Fleischer**  
Chairman  
FFL Partners



**Esther Lee**  
Former Executive Vice President  
and Global Chief Marketing Officer  
MetLife Inc.



**A.D. David Mackay**  
Retired President and  
Chief Executive Officer  
Kellogg Company



**Paul Parker**  
Senior Vice President  
Strategy and Corporate  
Development  
Thermo Fisher Scientific Inc.



**Linda Rendle**  
Chief Executive Officer  
The Clorox Company



**Kathryn Tesija**  
Former Executive Vice  
President and Chief  
Merchandising and  
Supply Chain Officer  
Target Corporation



**Pamela Thomas-Graham**  
Founder and  
Chief Executive Officer  
Dandelion Chandelier LLC



**Russell J. Weiner**  
Chief Operating Officer  
Domino's Pizza Inc.  
President  
Domino's US



**Christopher J. Williams**  
Chairman  
Siebert, Williams and Shank LLC

<sup>†</sup> As of September 2021.

# CLOROX EXECUTIVE COMMITTEE<sup>†</sup>



**Linda Rendle**  
Chief Executive Officer



**Kevin Jacobsen**  
Executive Vice President and  
Chief Financial Officer



**Kirsten Marriner**  
Executive Vice President and  
Chief People and  
Corporate Affairs Officer



**Tony Matta**  
Executive Vice President and  
Chief Growth Officer



**Eric Reynolds**  
Executive Vice President and  
Chief Operations Officer



**Chau Banks**  
Senior Vice President and  
Chief Information and  
Enterprise Analytics Officer



**Diego Barral**  
Senior Vice President and  
General Manager —  
International Division



**Denise Garner**  
Senior Vice President and  
Chief Innovation Officer



**Stacey Grier**  
Senior Vice President and  
Chief Marketing and  
Strategy Officer



**Angela Hilt**  
Senior Vice President and  
Chief Legal Officer



**Rick McDonald**  
Senior Vice President and  
Chief Product Supply Officer

<sup>†</sup> As of September 2021.



# AUDITOR STATEMENT

## Report of Independent Accountants on Review of Nonfinancial Information



To the Stockholders and the Board of Directors of The Clorox Company:

We have reviewed The Clorox Company's (the "Company") accompanying Schedule of Selected Quantitative Performance Indicators included in Exhibit A (the "Subject Matter") and as identified by the "◆" symbol presented in the Company's Annual Report for the year ended December 31, 2020 or June 30, 2021, in accordance with the criteria also set forth in Exhibit A (the "Criteria"). The Company's management is responsible for the Subject Matter included in Exhibit A in accordance with the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. 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 in order for it to be in accordance with the Criteria. 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 in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. A review also does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have also complied with the independence and other ethical requirements set forth in the Code of Professional Conduct and applied the Statements on Quality Control Standards established by the AICPA.

As described in Exhibit A, the Subject Matter is 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.

The information included in the Company's Annual Report, other than the Subject Matter, has not been subjected to the procedures applied in our review and, accordingly, we express no conclusion on it.

Based on our review, we are not aware of any material modifications that should be made to the Subject Matter for the year ended December 31, 2020 or June 30, 2021 in order for it to be in accordance with the Criteria.

*Ernst & Young LLP*

August 10, 2021

# PERFORMANCE NOTES

EXHIBIT A:

## The Clorox Company Schedule of Selected Quantitative Performance Indicators

INDICATOR NAME	SCOPE	VALUE¹	UNIT	CRITERIA
Scope 1 Greenhouse Gas (GHG) Emissions <sup>2,3,4</sup>	Global	75,164	Metric tonnes of carbon dioxide equivalent (tCO2e)	The World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol Corporate Standard
Scope 2 GHG Emissions, location-based-method <sup>2,4,5</sup>	Global	184,379		WRI/WBCSD GHG Protocol Corporate Standard, GHG Protocol Scope 2 Guidance
Scope 2 GHG Emissions, market-based-method <sup>2,4,5</sup>	Global	184,379		
Scope 3 GHG Emissions <sup>2,6</sup>	See footnote <sup>6</sup>	370,159		WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Standard
Energy consumption <sup>2,4</sup>	Global	762,539	Megawatt hours (MWh)	Refer to criteria for Scope 1 & 2 GHG Emissions above
Water withdrawal <sup>2,4,7</sup>	Global	3,387	Megaliters	Global Reporting Initiative Standard (GRI) 303-3a.
People of color nonproduction employees in U.S. <sup>8,9</sup>	See left for metric scope	38%	%	GRI 405-1a.i., GRI 405-1a.iii., GRI 405-1b.i., GRI 405-1b.iii. Management defines People of Color (POC) in alignment with the EEOC's definition of "Minority" as any race that is not white (Asian, Black, Latino, Native American, Native Hawaiian, or Two or More).
POC nonproduction managers in U.S. <sup>8,9</sup>		31%		
Female nonproduction employees globally <sup>8,9</sup>		52%		
Female nonproduction managers globally <sup>8,9</sup>		46%		
Female Board of Directors <sup>8</sup>		42%		
POC Board of Directors <sup>8</sup>		33%		
Female Executive Committee members <sup>8</sup>		50%		
POC Executive Committee members <sup>8</sup>		25%		
U.S. product donations <sup>8,10</sup>	U.S. only	\$8 million	\$ USD	GRI 201-1a.ii. Economic value distributed (community investments)
Recordable incident rate <sup>8,11</sup>	Global	0.26	Rate of recordable work-related injuries	GRI 403-9a.iii. Occupational Safety and Health Administration (OSHA) Regulation (Standards-29 CFR), Part 1904 "Recording and Reporting Occupational Injuries and Illness" defines recordable work-related injuries.
Employee engagement <sup>8,12</sup>	Global	87%	%	Sustainability Accounting Standards Board TC-IM-330a.2.

**Note 1:** Nonfinancial information is 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.

<sup>1</sup> All percentages are rounded to the nearest whole number in the annual report.

<sup>2</sup> For all locations where The Clorox Company maintains operational control and for the calendar year ended Dec. 31, 2020.

<sup>3</sup> Scope 1 emissions include direct energy used by the company in its operations, categorized by stationary combustion, mobile combustion, refrigerant use, direct VOC loss and direct wood pyrolysis. The last two sources relate mainly to the company's Kingsford business unit, and wood pyrolysis is considered to be a mostly carbon neutral process; therefore, CO<sub>2</sub> emissions from wood pyrolysis are not included in total tCO<sub>2</sub>e, but CO<sub>2</sub> equivalent emissions from CH<sub>4</sub> and N<sub>2</sub>O are included. Natural gas emissions, the largest scope 1 emission source, are calculated using factors from the Environmental Protection Agency Mandatory GHG Reporting for Stationary Fuel Sources, Title 40 Part 98 Table C-1 and C-2 (December 2016) and Global Warming Potential (GWP) rates from the Intergovernmental Panel on Climate Change's Fourth Assessment Report. For scope 1 emissions related to wood pyrolysis, the company is using the Wood & Wood Residuals emission factors under Title 40 Part 98 Table C-2.

<sup>4</sup> The company's natural gas, electricity and municipal water withdrawal data for U.S. sites are tracked by the company's third-party utility management company. Other sources of energy and water withdrawal in the U.S. are tracked manually on a site-by-site basis and reported to the company's corporate team on an annual basis. For international sites, all energy and water withdrawal data is tracked manually and reported annually to the company's corporate team.

<sup>5</sup> Scope 2 includes indirect emissions resulting from the company's purchased electricity use and is calculated using the EPA's 2019 eGRID emission factors (published in February 2021) for U.S. locations and the International Energy Agency's 2018 emission factors (published in 2020) for international locations, with the exception of Canada. For Canadian locations, the company uses 2018 emission factors from the 2020 Canada National Inventory Report part 3. The company applies GWPs from the IPCC's Fourth Assessment Report. For the Scope 2 market-based-method, the company contacted its largest utility suppliers, however, was unable to obtain reliable supplier-specific emission factors. The company's renewable energy certificates are not retired, and other contractual instruments and residual mix factors are not available in the locations in which the company operates. Due to the lack of market-based data available, the company's market-based emissions were calculated following the same process as the location-based-method emissions.

<sup>6</sup> Scope 3 includes finished goods transportation in the U.S. only and global employee business travel. Employee business travel includes emissions from commercial air flights and rental car use by the company's employees. Commercial air flights are limited to business travel booked in the United States, United Kingdom, Hong Kong, Argentina, Chile, Mexico, Peru and Canada. Scope 3 emissions for business travel are calculated using "per vehicle-mile traveled" and "per passenger-mile traveled" emissions factors from the EPA's Center for Corporate Climate Leadership guidance (published in 2021). Emissions from finished goods transportation are calculated using "per ton-mile" emission factors, from the same guidance.

<sup>7</sup> Water withdrawal includes water withdrawn at all global manufacturing sites; offices and research development centers used in 1) products sold to customers; 2) the manufacturing process; 3) irrigation and 4) water withdrawn by employees during office hours for personal needs (e.g., restrooms, break rooms). Water sources include city/municipal, well, lake and river.

<sup>8</sup> For the fiscal year ended June 30, 2021.

<sup>9</sup> Based on headcount data of employees with reported gender and ethnicities. "Manager" is defined as an "employee" at Grade 27 or above for U.S. employees and Grade 26 or above for international employees with regard to the company's human resources compensation structure. A "production employee" is defined as an employee at Grade 19 or below, and a "nonproduction employee" is defined as an employee at Grade 20 or above in both the U.S. and internationally.

<sup>10</sup> U.S. product donations refer to those donations used to aid in disaster relief or to support schools, food banks and other nonprofit organizations. Value is derived from current-year average truckload price of the product donated. Truckload prices are based on volume ordered and shipped. U.S. product donations include donations made by the company's U.S. divisions and were determined based on available documentation as of July 27, 2021, for the fiscal year ended June 30, 2021.

<sup>11</sup> Recordable incident rate was determined as of July 9, 2021, for the fiscal year ended June 30, 2021. The recordable incident rate includes all reportable incidents that occurred at company facilities globally. It does not include workers at offices with fewer than 30 employees, but it does include remote workers.

<sup>12</sup> Employee engagement is measured by four questions within a survey that was administered by a third-party, Perceptyx Inc. The survey took place from Feb. 22, 2021, through March 5, 2021, and 5,938 company employees responded to the survey. Responses were scored on a scale of 1 to 5 as follows: 5: Strongly agree, 4: Agree, 3: Neither agree or disagree, 2: Disagree, or 1: Strongly disagree. A response of 5 or 4 is considered a favorable response representing active employee engagement. The employee engagement percentage is then calculated as the weighted average of actively engaged responses across the four survey questions.

# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

This year, we have begun reporting on progress against the Sustainable Development Goals of the United Nations using a principled prioritization process to select those goals that reflect the findings of our recent materiality assessment and that present our greatest risks and opportunities to solve the world's most significant challenges.



## GOAL 3:

## Good Health and Well-Being – Ensure Healthy Lives and Promote Well-Being for All at All Ages

### TARGETS AND ACTIONS

Building on the strength of our brand portfolio that helps people destroy germs, clean water, enhance nutrition and harness nature, in fiscal year 2019, we have established a strong business focus on health and wellness. We also set a goal to increase people's (consumer) well-being as measured by the number of our wellness-related product categories in U.S. homes, including natural personal care; vitamins, minerals and supplements; water filtration and hydration; and cleaning products.

Clorox bleach and an expanding portfolio of products have continued to contribute to public health for over a century — from hospitals to homes — during pandemics, hurricanes, earthquakes and other natural disasters. In fiscal year 2021, we launched various initiatives to support public health during a public health crisis, including the Safer Today Alliance in partnership with the CDC Foundation and Cleveland Clinic.

We also focused on enhancing the physical and mental health benefits offered to our employees during the pandemic. This included supplemental emergency paid time off for COVID exposure, illness, caregiving and vaccinations; 100% employer-paid coverage of COVID-19 testing and treatment; no-cost virtual medical care for U.S. employees; and a \$1 million global employee relief fund. This supplements our ongoing benefits and commitment to support our employees' retirement readiness.

### FY21 OUTCOMES AND IMPACTS

Number of Clorox wellness-related product categories in U.S. homes decreased by 1.7 million, or 1%, vs FY19 baseline

[\\$1 million donation to establish the Public Health Research Fund at Cleveland Clinic](#)

300,000 people vaccinated through Direct Relief

More than 250 employees in six countries were helped through a \$1 million global COVID-19 employee relief fund

Supported financial well-being, achieving 66% employee income replacement ratio, including U.S. employees participating in Clorox 401(k) program (See [page 9](#) of report)

Additional information: Healthy Lives section, pages 45-52 of full report; [Clorox website: Consumer Health and Well-Being, Employee Safety and Well-Being](#)



## GOAL 10:

## Reduced Inequalities – Reduce Inequality Within and Among Countries

### TARGETS AND ACTIONS

Clorox values and promotes equal employment opportunity and inclusion and does not tolerate discrimination, intimidation or harassment among employees or business partners, consistent with the United Nations Global Compact Principles on Human Rights on page 89 of the full report. These expectations are outlined in our [Codes of Conduct](#) and [other policies](#) and must be adhered to by all our employees and those who do business with us.

To combat the risk of human rights violations in our supply chain, our responsible sourcing and sustainability program works with our business partners on key issues such as ethical business conduct and practices. We use external monitoring systems to enable suppliers to demonstrate compliance with our standards, and we engage a third party to audit higher risk suppliers. We have also established formal trainings to help identify and address potential risks of slavery and human trafficking in our supply chain. And we have grievance mechanisms available, including the Clorox compliance hotline, to ensure that individuals have a forum to raise concerns about compliance with the standards set out in our Codes of Conduct.

We believe diverse backgrounds and perspectives create stronger teams, unlock more innovation and ultimately contribute to a stronger society. We focus on ensuring strong representation among gender and people of color, measure people's sense of inclusion in the workplace and have also identified pay equity as a key area of focus. The effort is a continuation of our ongoing practice to conduct compensation reviews that look at a number of diversity variables, including gender and race. Our focus on inclusion and diversity extends to how our brands support consumers through their brand purpose.

### FY21 OUTCOMES AND IMPACTS

As of June 30, 2021, people of color represented 42% of U.S. production employees, 38% of U.S. nonproduction employees and 31% of U.S. nonproduction managers. Women made up 52% of our global nonproduction employees and 46% of our global nonproduction managers. Clorox is led by a woman, Linda Rendle, who assumed the role of CEO in September 2020. Half of the Clorox Executive Committee are women and 25% are people of color. Additionally, 42% of our board members are female, and 33% are people of color, with our Nominating, Governance and Corporate Responsibility Committee and our Audit Committee both chaired by POC.

Percentage of employees experiencing Clorox as an inclusive workplace:

- Women (Global): 80%
- POC (U.S.): 76%
- Total Clorox (Global): 79%

Brand examples:

- Through the "Build Your Legacy" contest, our Pine-Sol brand funded Black women entrepreneurs who are creating a positive economic impact in their communities
- Our Kingsford brand's Preserve the Pit™ program provided fellowships to aspiring Black barbecue professionals

★ IGNITE goal

Additional information: Principles 1-6 in UNGC COP, page 89 of full report; Advancing Social Good Through Brand Initiatives, page 61 of full report; [Clorox website: Codes of Conduct, Human Rights Commitment, Freedom of Association Policy, California Transparency in Supply Chains Act disclosure statement, UK Modern Slavery Act transparency statement; Empowering Our Employees to Thrive](#) section, [Responsible & Sustainable Sourcing](#)

1 See footnote on page 11 of this report.





## GOAL 12:

# Responsible Consumption and Production – Ensure Sustainable Consumption and Production Patterns

TARGETS AND ACTIONS	FY21 OUTCOMES AND IMPACTS
<p>We have set ambitious targets to reduce plastic and other waste by 2030. These efforts are in conjunction with long-standing efforts to reduce our waste impacts across our value chain, from sourcing our raw materials to within our own manufacturing and operations, as well as during consumer use. We are also focusing on packaging innovations, compaction, light-weighting and other material reductions to reduce inputs and the footprint of products.</p> <p>As part of our commitment to sustainability, we aim to be transparent about our environmental challenges and opportunities. We report on sustainability in our integrated annual report, which is approved by Clorox's CEO, CFO and chief legal officer. We are also committed to reporting to external organizations that we are signatories and members of. And we encourage our business partners to commit to and report on progress on their own sustainability goals, with a particular focus for select suppliers on GHG emissions and sustainably sourced raw materials.</p>	<p>11% combined virgin plastic and fiber packaging reduction, per case of product sold vs. 2018 baseline, as of CY20</p> <p>76% of packaging is recyclable, reusable or compostable, as of CY20</p> <p>11% (unchanged from 2018 baseline) of plastic used in packaging is PCR, as of CY20</p> <p>40% of facilities, 56% of plants are zero waste to landfill</p> <p>45% reduction in waste sent to landfill, per case of product sold, between 2018 baseline and 2020.</p> <p>Product sustainability examples:</p> <ul style="list-style-type: none"> <li>Enhancements to Brita Longlast+ filter replace 900 single-use plastic water bottles a year</li> <li>Refillable bottle in Clorox disinfecting multipurpose spray cleaning system starter kit saves 75% more plastic compared to purchasing a new product</li> </ul>

Additional information: Clean World, pages 67-72 of full report; Principles 7-8 in UNGC COP, page 89 of full report; [Clorox website: Clean World](#)



## GOAL 13:

# Take Urgent Action to Combat Climate Change and Its Impacts

TARGETS AND ACTIONS	FY21 OUTCOMES AND IMPACTS
<p>Goals on climate action are embedded into our IGNITE strategy because addressing climate change is essential to ensuring our long-term success. <a href="#">We have set science-based targets</a> to reduce greenhouse gas emissions in our operations and across our value chain by 2030, and sourcing 100% renewable electricity for our U.S. and Canada operations in 2021 and beyond. We recently also set a new goal of achieving net zero GHG emissions by 2050. These efforts are in conjunction with long-standing efforts to reduce our GHG and energy impacts within our manufacturing and operations.</p> <p>We are also advocating for others to integrate climate change measures into their policies, strategies and planning by signing — along with our Burt's Bee's brand — on to the American is All In statement, and signing on to the Energy Buyer Federal Clean Energy policy statement. Our Burt's Bees brand has also joined Ceres Business for Innovative Climate and Energy Policy and The Climate Collaborative.</p>	<p>100% renewable electricity for U.S. and Canada operations, first achieved beginning January 2021 through power purchased through a 70 MW solar Virtual Power Purchase Agreement and market purchases of renewable energy credits in FY21</p> <p>Recently obtained approval from the Science Based Targets initiative on our science-based targets to reduce scopes 1 and 2 emissions by 50% and scope 3 emissions from purchased goods and services and use of sold products by 25% between 2020 and 2030, on an absolute basis</p> <p>6% reduction in GHG emissions per case of product sold between 2018 baseline and 2020</p>

IGNITE goal

Additional information: Climate Action, pages 71-72 of full report; Principles 7-8 in UNGC COP, page 89 of full report; [Clorox website: Taking Climate Action](#)

# 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 28, 2021, the number of record holders of Clorox's common stock was 9,624.

## 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 505005  
Louisville, KY 40233-5005

Overnight correspondence should be sent to:

**Computershare**  
462 South 4th Street, Suite 1600  
Louisville, KY 40202  
877-373-6374 or 781-575-2726  
TDD 800-952-9245 or 312-588-4110 for the hearing impaired  
[computershare.com/investor](https://computershare.com/investor)

## Stockholder Information Service

The latest company news is available at [thecloroxcompany.com](https://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, visit [thecloroxcompany.com](https://thecloroxcompany.com) > [Investors](#) > [Investor Resources](#) > [Online Document Library](#) 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, 2021, 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, 2021.

## 2021 Financial Information

Full financial statements are provided in the company's 2021 proxy statement and annual report on Form 10-K. Detailed financial information is available without charge through the following sources:

- The company's proxy statement is available at [thecloroxcompany.com](https://thecloroxcompany.com) and through the SEC's EDGAR database.
- The company's annual report on Form 10-K for the fiscal year ended June 30, 2021, is available at [thecloroxcompany.com](https://thecloroxcompany.com) and through the SEC's EDGAR database.

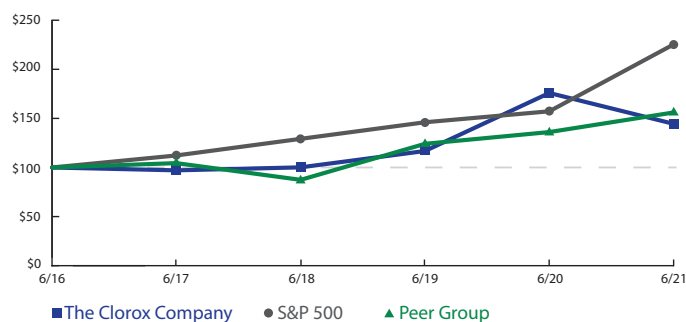
## Forward-Looking Statements

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, 2021, 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 Aug. 10, 2021. 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.

## Comparative Stock Performance

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 S&P 500 Household Products Index and the S&P 500 Housewares & Specialties Index (referred to below as the Peer Group) for a five-year period ending June 30, 2021. 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 Peer Group



\*\$100 invested on 6/30/16 in stock or index, including reinvestment of dividends. Fiscal year ending June 30.

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	6/16	6/17	6/18	6/19	6/20	6/21
The Clorox Company	100.00	98.73	102.97	119.63	175.88	147.29
S&P 500	100.00	117.90	134.84	148.89	160.06	225.36
Peer Group	100.00	104.45	93.07	124.11	138.90	156.04

The stock price performance included in this graph is not necessarily indicative of future stock price performance.



To see our full integrated  
annual report, please go to  
[thecloroxcompany.com/annualreport](https://thecloroxcompany.com/annualreport).





The Clorox Company

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