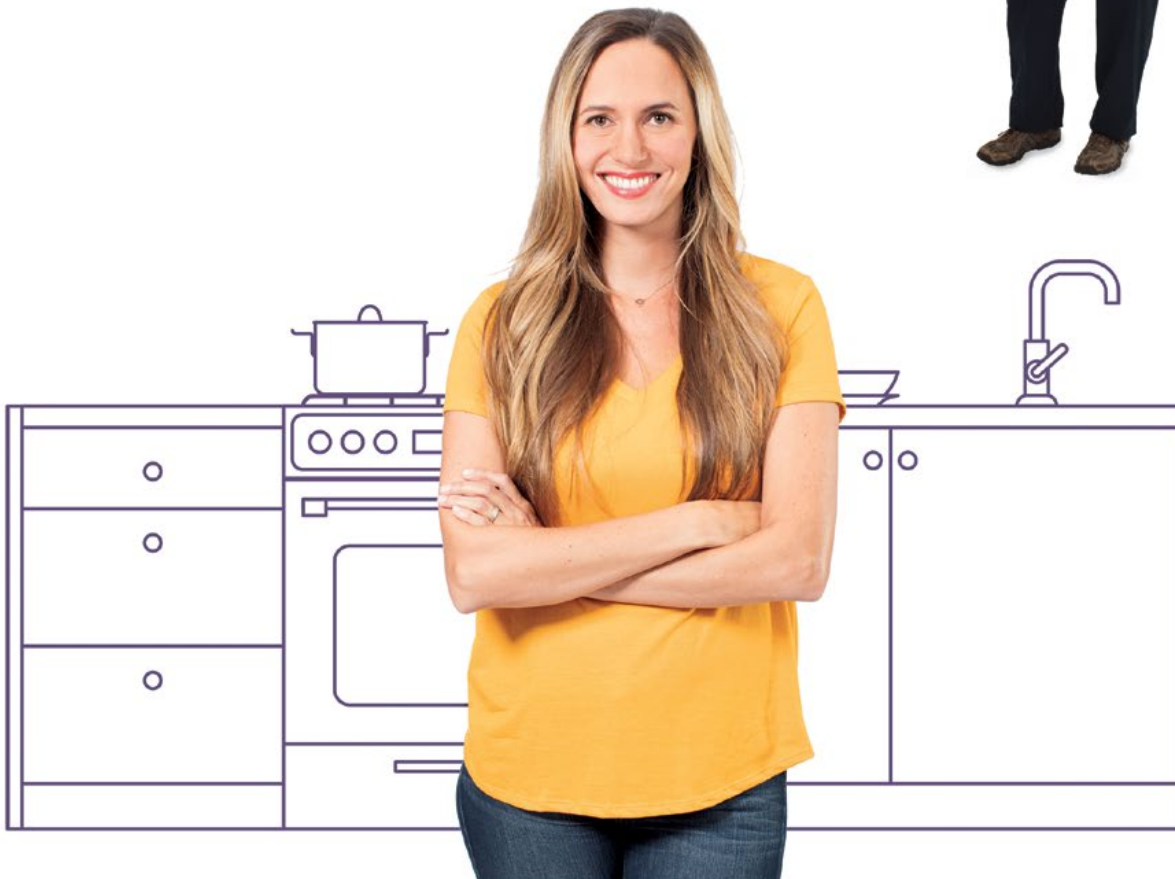


# Inspired by YOU

THE CLOROX COMPANY

2017 Integrated Annual Report

Executive Summary





# About This Report

## Corporate Responsibility Priorities

The Clorox Company's integrated annual report presents the company's financial and corporate responsibility performance for fiscal year 2017 as well as our goals for 2020. It highlights fiscal year financial performance in accordance with Generally Accepted Accounting Principles in the U.S., which include principles for determining materiality related to financial reporting. Also presented in this report is information about performance related to the company's corporate responsibility priorities. Key corporate responsibility priorities may include, but are not limited to, topics that could have a significant financial impact on the organization.

## 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: U.S. greenhouse gas emissions, U.S. energy consumption, global water consumption, product sustainability improvements, workforce demographics, recordable incident rate, employee engagement and U.S. product donations. Items undergoing assurance are indicated with an  throughout the report. We will continue to look for opportunities to provide external review of metrics that provide further insight into how we create value for all our stakeholders.

## Using the Global Reporting Initiative Framework

This year's report has been developed according to the Global Reporting Initiative's G4 guidelines, in accordance with the "core" option, which provide a recommended framework and key performance indicators for sustainability reporting. More information on the G4 guidelines is available at [globalreporting.org](http://globalreporting.org). The full list of GRI disclosures we address can be found on our corporate website, [TheCloroxCompany.com](http://TheCloroxCompany.com).

## Reporting Against the UNGC Principles

Incorporated into the GRI G4 Content Index is the Communication on Progress, an annual report describing the company's actions in implementing the Ten Principles of the United Nations Global Compact.

## Reporting Period and Boundary

Most data in this report covers wholly and majority-owned operations for July 1, 2016, through June 30, 2017. In some instances, we have included data for a multiyear period to show year-over-year comparisons. Data in this report for environmental sustainability and volunteer hours is for the period of Jan. 1, 2016, through Dec. 31, 2016, and is global unless otherwise stated.

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# FELLOW STAKEHOLDERS:

I believe that every company should remember their source of inspiration — what makes them tick, what sparks their creativity and what motivates them to make a difference. At Clorox, we're continually focused on understanding the evolving needs and expectations of you, our stakeholders, because you serve as our source of inspiration in our mission to **make everyday life better, every day.**



Benno Dorer  
Chairman and  
Chief Executive Officer

**You — our consumers — inspire the imagination, hard work and passion that go into the superior experiences of our leading brands.**

In fiscal year 2017, consumers were front and center of our 2020 Strategy. We continued our relentless focus on delivering products and brands that offer superior value through strong investments in our demand creation programs, including product innovation across our portfolio. Among many examples, we introduced Clorox® Scentiva® wipes and sprays, using fragrance to deliver a more delightful cleaning experience; we launched the Brita® Stream™ pitcher in response to millennials telling us they wanted a pitcher that filtered on demand; we launched Clorox Healthcare® Fuzion® cleaner disinfectant in healthcare settings to kill life-threatening pathogens; and we introduced a new oxygen bleach in Korea, which is now the brand leader in its category. We also continued to tap into the best technology partners — many of which are near our headquarters in the San Francisco Bay Area — to deliver the right message to the right consumer at the right time. And today, we're investing about 45 percent of our media spend in digital marketing to continue leading the industry in technology-enabled, real-time consumer engagement.

**Our relentless focus on superior value contributed to our strong results in fiscal year 2017.**

**4%**

Sales growth, with sales increasing every quarter

**3 pts**

Incremental sales growth from product innovation

**\$112M**

Cost savings from productivity gains

**\$5.35**

Diluted EPS from continuing operations

**9%**

Diluted EPS increase, on top of an 8% increase in fiscal 2016

**\$871M**

Net cash from continuing operations, a 13% increase



Importantly, our demand creation programs were successful in introducing our family of brands to even more consumers. In fiscal year 2017, our brands were in over 1.4 million more U.S. households compared to fiscal year 2016, with Clorox-company products in 90 percent of households.<sup>1</sup>

**You — those who live in our communities around the world — inspire our commitment to growing the right way: responsibly and guided by our values.**

At Clorox, we continue to be focused on good growth — growth that's profitable, sustainable and responsible. We're very mindful of our environmental and social impacts because the long-term well-being of our communities and planet is as much a priority for us as it is for our stakeholders. That's why we continued to drive our eco strategy, making sustainability improvements to 34 percent of our product portfolio<sup>◆</sup> since our baseline calendar year of 2011. Our progress puts us on track to hit our 50 percent goal by 2020.<sup>2</sup>

We've also lowered our greenhouse gas emissions by 18 percent<sup>◆</sup>, water usage by 21 percent<sup>◆</sup>, energy usage by 15 percent<sup>◆</sup> and waste-to-landfill by 41 percent since 2011.

We continue to believe that vibrant and healthy communities play an important role in the health of our business. In fiscal year 2017, our total impact to support our communities came to more than \$11 million in cash grants, product donations and cause marketing contributions.

As a signatory to the United Nations Global Compact, we reaffirm our commitment to its Ten Principles by driving our corporate responsibility strategy, a comprehensive set of commitments across our company — from human rights, labor and product safety to transparency, environmental sustainability and contributions to our communities. We value being a signatory to the UNGC as it provides an opportunity to continue learning from and sharing ideas with key sustainability influencers and other companies.

We're proud that others are recognizing our corporate responsibility progress. Once again, the U.S. Environmental Protection Agency named Clorox a Safer Choice Partner of the Year, and Corporate Responsibility magazine included us among the top 100 companies on its Best Corporate Citizens list.



**You — our employees — inspire our ongoing quest to make Clorox a dynamic workplace that attracts and develops the best and brightest people.**

Our 8,100-plus employees around the world drove our strong results above and beyond financial performance this fiscal year.

With inclusion and diversity as a business imperative, we continued our focus on making sure Clorox benefits from the diverse minds, experiences and backgrounds of our employees, which mirror the diversity of our consumers around the world. It starts at the top. Notably, female leaders make up 36 percent of Clorox Executive Committee members<sup>◆</sup>. In addition, female and minority leaders each make up 33 percent of our board of directors<sup>◆</sup>.

I'm very proud the company has been recognized for our strong inclusion and diversity programs. We earned another 100 percent score from the Human Rights Campaign for our LGBT workplace practices — a recognition we've achieved since 2006 — and Diversity MBA magazine ranked Clorox No. 7 on its list of the 50 best employers for women and diverse managers, among other recognitions.

It's especially gratifying that all this has led to Clorox achieving high levels of employee engagement. Our current engagement score is 88 percent<sup>◆</sup>, higher than both the fast-moving consumer goods industry norm and the global high-performance norm.<sup>3</sup> This matters a great deal to the Clorox management team since there's a strong correlation between employee engagement and financial performance.

**We also continued our commitment to you, our shareholders.**

In fiscal year 2017, we returned \$412 million in cash dividends to our shareholders. As we've done every year since 1977, we raised our annual cash dividend, announcing in the fourth quarter an increase of 5 percent. As of Aug. 15, 2017, Clorox's dividend yield was 2.4 percent. Our total shareholder returns of 6 percent for the one-year period ending Aug. 15, 2017, ranked Clorox in the top tier of our peer group.

**In fiscal year 2018, we'll continue to be guided by our 2020 Strategy and draw on you, our stakeholders, for inspiration.**

For consumers, that's focusing on superior value through our differentiated products and brands. For our communities, that's maintaining our strong commitment to our values and corporate responsibility. And for Clorox employees, it's fostering a workplace where they can thrive and grow professionally and personally. For all our stakeholders, we'll remain steadfastly committed to our values.

Sincerely,

Benno Dorer  
Chairman and Chief Executive Officer  
August 15, 2017

<sup>1</sup> IRI Panel Data, Total US All Outlet, NBD weighted, 52 weeks ending June 25, 2017.

<sup>2</sup> For the calendar year ended Dec. 31, 2016. All sustainability metrics represent cumulative progress against CY 2011 baseline, and percentage is based on net customer sales. There are four types of sustainability improvement criteria that can be met either by fully meeting one or by partially meeting two or more: 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 or active ingredients on a per-consumer-use basis; 3) a 10 percent reduction in required usage of water or energy by consumer; or 4) an environmentally beneficial sourcing change to 20 percent or more of active ingredients or packaging on a per-consumer-use basis.

<sup>3</sup> The Willis Towers Watson global high-performance companies norm is based on responses from 142,506 employees at 26 companies. Companies qualify for the norm by meeting two criteria: 1) superior financial performance, defined by a net profit margin and/or return on invested capital that exceeds industry averages; and 2) superior human resources practices, defined by employee opinion scores near the top among the most financially successful companies surveyed by Willis Towers Watson.

<sup>◆</sup> Reviewed by Ernst & Young LLP. Please refer to pages 19-20 for the Review Report.

# 2020 STRATEGY

Entering the fifth year of our 2020 Strategy, The Clorox Company remains focused on what we refer to as good growth – growth that is profitable, sustainable and achieved responsibly.

## MISSION

We make everyday life better, every day.

## OBJECTIVE

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

## COMMITMENT

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

## Strategies

Business	Corporate Responsibility
<b>1</b> Engage our people as business owners.	Promote diversity, opportunity and respectful treatment for all people who touch our business.
<b>2</b> Drive superior consumer value behind strong brand investment, innovation and technology transformation.	Make responsible products responsibly.
<b>3</b> Accelerate portfolio momentum in and around the core.	Safeguard families with Be Healthy, Be Smart and Be Safe initiatives.
<b>4</b> Fund growth by reducing waste in our work, products and supply chain.	Shrink our environmental footprint while we grow.

## Long-Term Aspirations

### Grow

Net Customer Sales By

+3–5% Per Year

### Expand

EBIT Margin

+25–50 Basis Points Per Year

### Deliver

Free Cash Flow As % Of Sales

10–12% Per Year



# Operating Model

## Factors Driving Our Business Success

To achieve our business goals, we need to leverage the unique attributes of our company; maintain and build on our relationships with important partners such as our employees, retail customers and communities; and manage external factors that can influence our success.

### External Influences



Laws and Regulations



Global Economy



Natural Resources



Competition



Raw Materials Cost

### Our Relationships



Consumers



Employees



Suppliers and Other Business Partners



Civil Society/ NGOs



Communities



Retail Customers



Investors

### Foundation

#### Our Values

- Do the right thing
- Stretch for results
- Take personal ownership
- Work together to win

#### Our Resources

- Talented and engaged employees
- Superior brand-building capabilities
- Strong product portfolio
- Financial discipline
- Strong cash flow

# YOU INSPIRE US TO MAKE EVERYDAY LIFE BETTER, EVERY DAY

You, our consumers, inspire us to constantly look for ways to make our brands better.

Building our brands around you, the consumer, is nothing new for Clorox.

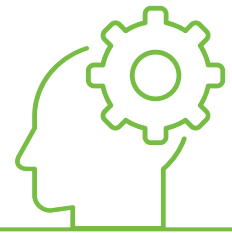
Lately, we've looked to technology to help accelerate brand growth. Through e-commerce, sense-and-respond marketing and insights gained through improved data, we've made progress. But the playing field has changed, as have your expectations. So we have, too.

More than ever, your needs are at the center of what we do. Through a consumer experience that addresses what's important to you — reimagined and reinvented through the use of data and technology — our aim is to build deeper, longer-term connections between you and our brands.



Consumer  
Connecting you  
to your needs and  
what you value.





## Brand

Solving a consumer need through not only the function of a product, but also by delivering a superior consumer experience.



## Plotting the Journey



Determining consumer needs, identifying consumer profiles and mapping how we would connect consumers to their needs.



Identifying pain points and opportunities, prioritizing and sequencing activities.



Reimagining the consumer experience, capabilities and organization.



Evaluating early performance to determine whether we've been successful at meeting consumers' needs.

## Supported By



## Data and Technology

Allowing us to reimagine and reinvent the creation and delivery of experiences beyond advertising and our product, providing targeted, personalized, real-time interactions to consumers.



## Clorox People

Uniting around common and easily understood objectives of helping consumers, tied to the brand purpose.

# INSPIRED BY OUR COMMUNITIES



You, the people in our communities, inspire our company to give back, doing well while also doing good.

**2.1 Billion**  
people worldwide  
don't have access  
to safely managed  
drinking water\*

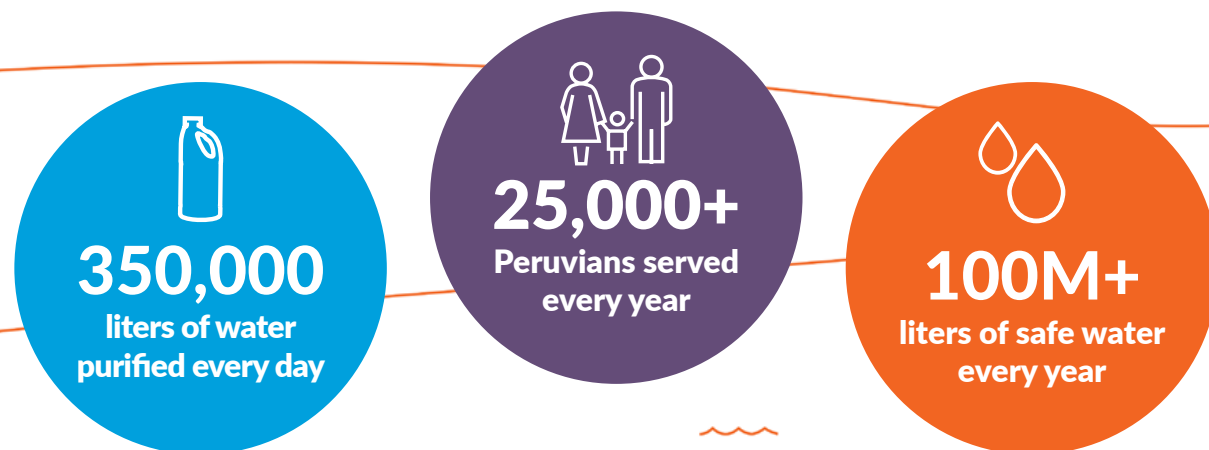
Health and wellness has been central to our mission since the founding of our company more than a hundred years ago. It all started with our namesake bleach, with disinfecting properties that kill germs that can cause infections and other health threats. Over time, our portfolio has expanded to include other products that support health and wellness, such as our Brita® filters and pitchers, Burt's Bees® personal care and beauty lines, and RenewLife® digestive health aids.

This legacy has made us a natural fit to support clean water and sanitation efforts — one of 17 global goals for sustainable development the United Nations is seeking to achieve by 2030. The Clorox Safe Water Project and Brita Canada's Filter for Good campaign are two initiatives that seek to address a problem that is a leading cause of illness, malnutrition and even death among children in developing countries.

\*\*Progress on Drinking Water, Sanitation and Hygiene: 2017 Update and SDG Baselines," World Health Organization and United Nations Children's Fund (UNICEF).

## Bleach dispensers provide safe drinking water in Peru

About 16 million people in Peru don't have access to safely managed drinking water\*. Through the use of bleach dispensers — a low-cost, sustainable way to treat and disinfect water — our Clorox Safe Water Project, launched in 2012, is providing drinkable water to 21 rural communities in the Piura-Tambogrande region of northern Peru. The project also has supported education to help families understand the connection between invisible germs in their water and illness.





## New well system brings water — and a better future for girls — to Kenya

In many rural villages in Kenya, the only water source can be more than 6 miles away. Responsibility for retrieving the water rests on young girls, who must make the trip balancing a 40-pound container on their backs. Through the creation of a borehole, a type of well that taps into a natural aquifer underground, our Brita® brand's Filter for Good campaign is helping to bring safer drinking water directly to a remote community in Kenya's Maasai Mara region — and keeping girls in school at the same time.



**40,000+**  
more Kenyans now  
receive cleaner  
drinking water  
every day



# 2017 SCORECARD

## Our Global Footprint



GLOBAL  
HEADQUARTERS



PLANT



ADMINISTRATIVE/  
SALES OFFICE



JOINT  
VENTURE



RESEARCH &  
DEVELOPMENT

### NORTH AMERICA

- United States
- Canada
- Mexico
- Dominican Republic
- Puerto Rico
- Panama
- Costa Rica

### EUROPE

- United Kingdom

### ASIA

- Saudi Arabia
- United Arab Emirates
- China
- South Korea
- Hong Kong
- Philippines
- Malaysia

### NEW ZEALAND

### SOUTH AMERICA

- Colombia
- Ecuador
- Peru
- Uruguay
- Argentina
- Chile

### AFRICA

- Egypt
- Kenya
- South Africa

### AUSTRALIA



\$6.0B

Net Sales



8,100+

Employees



25+

Country/Territory  
Operations



100+

Markets Around  
the World

## Sales by Segment and Category\*



### 34% Cleaning

#### 19% HOME CARE

Clorox®  
Pine-Sol®  
Tilex®  
409®  
Liquid-Plumr®  
Green Works®

#### 9% LAUNDRY

Clorox®  
Clorox2®

#### 6% PROFESSIONAL PRODUCTS

Clorox Healthcare®  
Clorox Commercial Solutions®

### 33% Household

#### 14% BAGS, WRAPS & CONTAINERS

Glad®

#### 10% CHARCOAL

Kingsford®  
Match Light®

#### 2% DIGESTIVE HEALTH

RenewLife®

#### 7% CAT LITTER

Fresh Step®  
Scoop Away®

### 17% International

#### 9% LATIN AMERICA 3% CANADA

#### 2% AUSTRALIA/ NEW ZEALAND

#### 3% REST OF WORLD

### 16% Lifestyle

#### 9% FOOD PRODUCTS

Hidden Valley®  
Soy Vay®  
KC Masterpiece®

#### 4% NATURAL PERSONAL CARE

Burt's Bees®

#### 3% WATER FILTRATION

Brita®

\* All percentages represent rounded numbers.

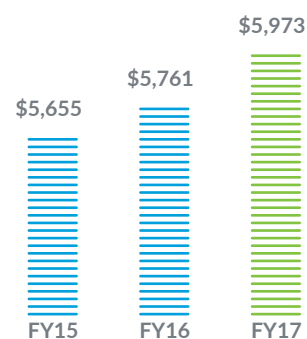


## Performance

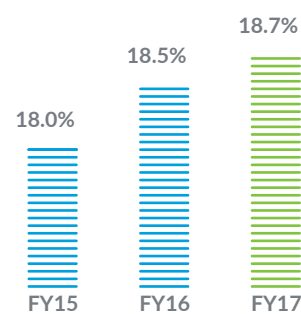
Achieving financial success while investing for the long term.



Net Sales  
(\$ Millions)



Earnings From Continuing Operations Before Interest and Taxes Margin<sup>1</sup>  
(as a % of Net Sales) (non-GAAP)



See footnotes below for descriptions of these non-generally accepted accounting principles, or 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. Reconciliation of EBIT

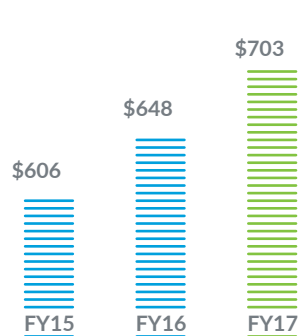
Dollars in millions	FY15	FY16	FY17
Earnings from continuing operations before income taxes	\$ 921	\$ 983	\$1,033
Interest income	-4	-5	-4
Interest expense	100	88	88
EBIT <sup>(i)</sup> — non-GAAP	\$1,017	\$1,066	\$1,117
EBITmargin <sup>(i)</sup> — non-GAAP	18.0%	18.5%	18.7%
Net sales	\$5,655	\$5,761	\$5,973

(i) EBIT represents earnings from continuing operations before income taxes, interest income and interest expense. 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.

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

Dollars in millions and all calculations based on rounded numbers	FY15	FY16	FY17
Earnings from continuing operations before income taxes	\$ 921	\$ 983	\$1,033
Add back:			
Noncash U.S. GAAP restructuring and intangible asset impairment charges	1	9	4
Interest expense	100	88	88
Earnings from continuing operations before income taxes, noncash U.S. GAAP restructuring, intangible asset impairment charges and interest expense	\$1,022	\$1,080	\$1,125
Less: Income taxes on earnings from continuing operations before income taxes, noncash U.S. GAAP restructuring, intangible asset impairment charges and interest expense <sup>(ii)</sup>	350	368	359
Adjusted after-tax profit	\$ 672	\$ 712	\$ 766
Average capital employed <sup>(iii)</sup>	\$2,385	\$2,463	\$2,680
Less: Capital charge <sup>(iv)</sup>	\$ 214	\$ 222	\$ 241
Economic profit <sup>(i)</sup> (adjusted after-tax profit less capital charge)	\$ 458	\$ 490	\$ 525

Earnings From  
Continuing Operations  
(\$ Millions)



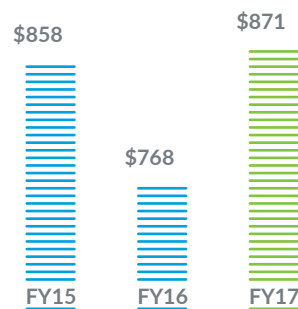
Economic Profit<sup>2</sup>  
(non-GAAP) (\$ Millions)



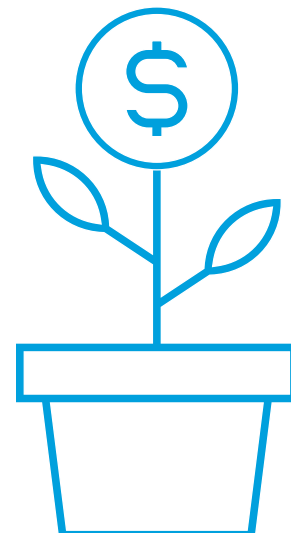
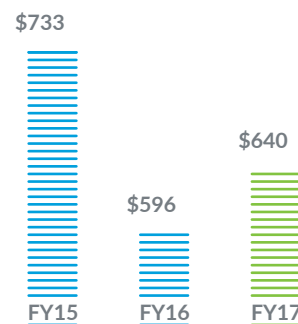
Diluted Net Earnings Per Share  
From Continuing Operations



Net Cash Provided by  
Continuing Operations  
(\$ Millions)



Free Cash Flow<sup>3</sup>  
(non-GAAP) (\$ Millions)



(i) Economic profit (EP) is defined by the Company as earnings from continuing operations before income taxes, excluding noncash U.S. GAAP restructuring and intangible asset impairment charges, and interest expense; less income taxes (calculated utilizing the Company's effective tax rate), 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.

(ii) The tax rate applied is the effective tax rate on earnings from continuing operations, which was 34.2%, 34.1% and 31.9% in fiscal years 2015, 2016 and 2017, respectively.

(iii) 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 restructuring and intangible asset impairment charges. 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:

Dollars in millions	FY15	FY16	FY17
Total assets <sup>(iv)</sup>	\$4,154	\$4,510	\$4,573
Less:			
Accounts payable and accrued liabilities <sup>(vi)</sup>	976	1,032	1,002
Income taxes payable	31	—	—
Other liabilities <sup>(vi)</sup>	745	784	770
Deferred income taxes	61	82	95
Noninterest bearing liabilities	1,847	1,898	1,833
Total capital employed	2,307	2,612	2,740
After tax noncash U.S. GAAP restructuring and intangible asset impairment charges	1	6	2
Adjusted capital employed	\$2,308	\$2,618	\$2,742
Average capital employed	\$2,385	\$2,463	\$2,680

(iv) Capital charge represents average capital employed multiplied by a cost of capital rate, which was 9 percent for all fiscal years presented. The calculation of capital charge includes the impact of rounding numbers.

(v) Prior year amounts have been retrospectively adjusted to conform to the current year presentation of debt issuance costs required by ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs."

(vi) Accounts payable and accrued liabilities were combined into one financial statement line as of June 30, 2016. The change has been retrospectively applied to all periods presented. Accounts payable and accrued liabilities and Other Liabilities are adjusted to exclude interest-bearing liabilities.

3. Free cash flow is calculated as net cash provided by continuing operations less capital expenditures related to continuing operations and was \$733 million, \$596 million and \$640 million for fiscal years 2015, 2016 and 2017, respectively. For fiscal years 2015, 2016 and 2017, net cash provided by continuing operations was \$858 million, \$768 million and \$871 million, respectively, and capital expenditures were \$125 million, \$172 million and \$231 million, respectively. The company's management uses free cash flow and free cash flow as a percent of 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 non-discretionary 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.

## People

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

### Best-In-Class Employee Engagement<sup>1</sup>

88%

Employee Engagement <sup>◆</sup>  
(vs. 80% for Peers, 85% for High-Performing Companies)

### World-Class Workplace Safety<sup>2</sup>

.60

Recordable Incident Rate <sup>◆</sup>  
(vs. World-Class Level <1.0)

## Diversity as a Business Strength

### IN THE WORKFORCE

41%

Global Female Nonproduction Managers <sup>◆</sup>

50%

Global Female Nonproduction Employees <sup>◆</sup>

31%

Ethnic Minorities Among U.S. Nonproduction Employees <sup>◆</sup>  
(vs. 32% U.S. Census Bureau)<sup>3</sup>

26%

Ethnic Minorities Among U.S. Nonproduction Managers <sup>◆</sup>  
(vs. 30% U.S. Census Bureau)<sup>3</sup>

### IN CORPORATE GOVERNANCE<sup>4</sup>

33%

Minority Board Members <sup>◆</sup>  
(vs. 14% Fortune 500 Average)<sup>5</sup>

36%

Female Clorox Executive Committee Members <sup>◆</sup>

33%

Female Board Members <sup>◆</sup>  
(vs. 20% Fortune 500 Average)<sup>5</sup>

3%

Incremental Sales From Product Innovation



GOAL  
50%  
By 2020

34%

Product Portfolio With Sustainability Improvements<sup>6</sup> <sup>◆</sup>

## Products

Innovating and making responsible products, responsibly.

<sup>1</sup> The Willis Towers Watson global high-performance companies norm is based on responses from 142,506 employees at 26 companies. Companies qualify for the norm by meeting two criteria: 1) superior financial performance, defined by a net profit margin and/or return on invested capital that exceeds industry averages; and 2) superior human resources practices, defined by employee opinion scores near the top among the most financially successful companies surveyed by Willis Towers Watson.

<sup>2</sup> Based on corporate benchmarking by Clorox, we consider a recordable incident rate of 1.0 or less to be world-class. Our FY17 RIR of .60 means that for every 100 Clorox employees, 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 3.7. The criteria used to determine RIR follows the U.S. Department of Labor's Occupational Safety and Health Administration guidelines and is applied globally.

<sup>3</sup> Benchmarking of Clorox performance on U.S. minority managers and employees is calculated using data from the 2010 Census.

<sup>4</sup> Past data on Clorox minority and female board members only counted independent board members. To facilitate comparisons to peer companies, Clorox now counts all board members when calculating its diversity data.

<sup>5</sup> "Missing Pieces Report: The 2016 Board Diversity Census of Women and Minorities on Fortune 500 Boards," Deloitte and the Alliance for Board Diversity, 2017.

<sup>6</sup> For the calendar year ended Dec. 31, 2016. All sustainability metrics represent cumulative progress against CY 2011 baseline, with percentage based on net fiscal year customer sales. There are four types of sustainability improvement criteria that can be met either by fully meeting one or partially meeting two or more: 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 or active ingredients on a per-consumer-use basis; 3) a 10 percent reduction in required usage of water or energy by consumer; or 4) an environmentally beneficial sourcing change to 20 percent or more of active ingredients or packaging on a per-consumer-use basis.

<sup>7</sup> Financial equivalent of 115,000 volunteer hours, calculated at \$24.14 per hour, based on the 2016 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.

<sup>◆</sup> Reviewed by Ernst & Young LLP. Please refer to pages 52-53 for the Review Report.

## Planet

Shrinking our environmental footprint while growing our business.

### Operational Footprint Reduction

(CY 2016 vs CY 2011 per case of product sold)

↓ **GOAL**  
20%  
By 2020

↓ 18%

Greenhouse Gas Emissions ♦

↓ 15%

Energy Consumption ♦

↓ 21%

Water Consumption ♦

↓ 41%

Solid Waste to Landfill



**\$11.1M**

Total Impact

**\$5.4M**

U.S. Corporate Product Donations ♦

**\$4.6M**

The Clorox Company Foundation and Burt's Bees® Greater Good Foundation Cash Grants

**\$1.1M**

U.S. Cause-Marketing Contributions

## Community

Safeguarding families with our Be Healthy, Be Smart and Be Safe initiatives.

**\$2.8M<sup>7</sup>**

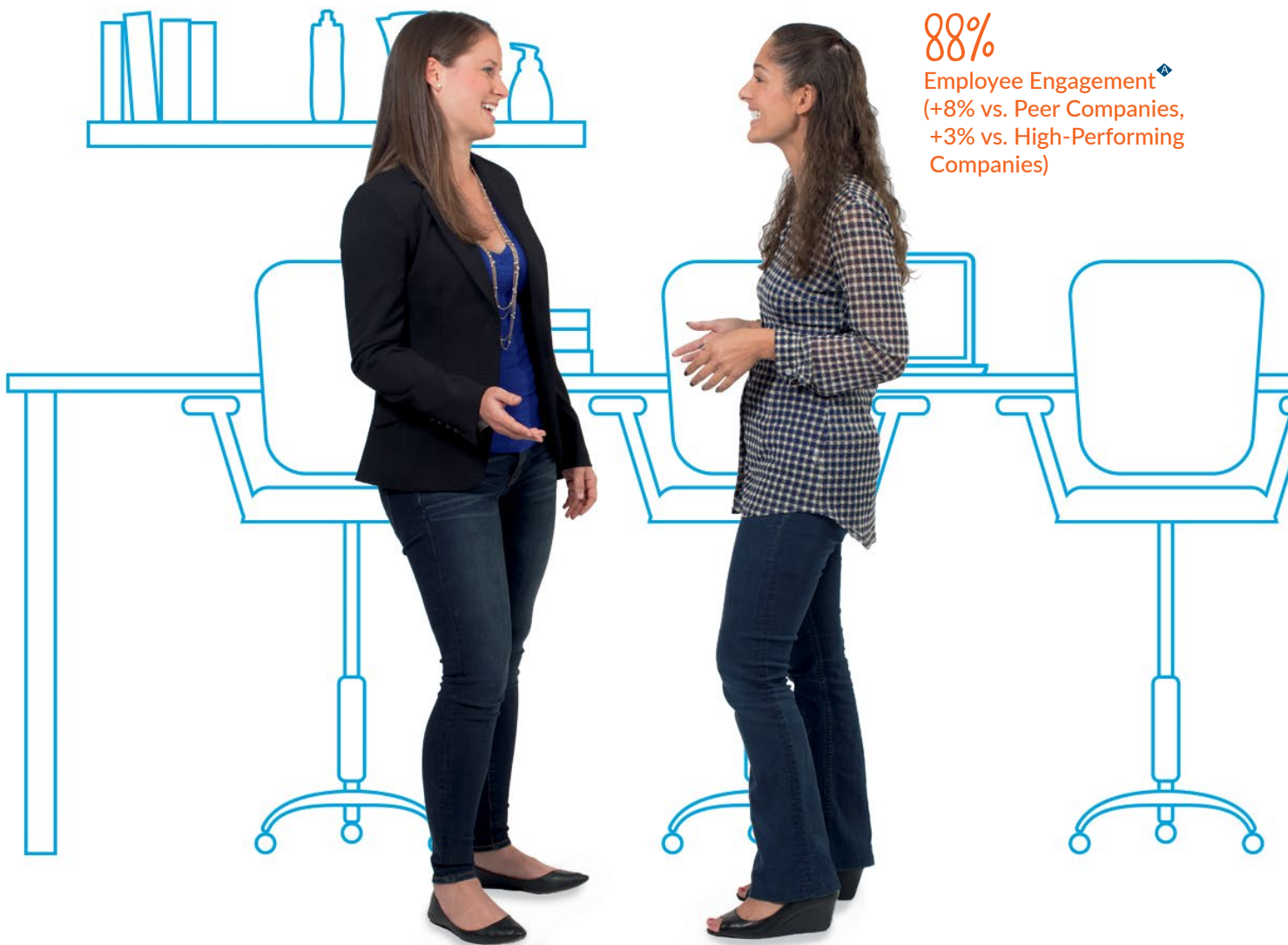
Or 115,000 Employee Volunteer Hours in CY 2016



# INSPIRED BY OUR EMPLOYEES

*You, our employees, create a successful workplace and drive good growth.*

Clorox employees strive to create an environment where everyone feels a sense of belonging — respecting, valuing, supporting and recognizing each other as much for their uniqueness as for those things they have in common. They know this enables everyone to do their best work and positions us for growth.



88%

Employee Engagement  
(+8% vs. Peer Companies,  
+3% vs. High-Performing  
Companies)





## Seeking good ideas from everyone

Regardless of position, role or background, employees are encouraged to share their points of view and insights. More importantly, their perspectives are heard. One measure of their satisfaction is our employee engagement score, which is higher than that of our peers and among the best of the highest-performing global companies.

## All in on innovation

Initiatives spearheaded by employees have generated creative ideas from all corners. Innovent, our internal ideas contest, allows anyone to be an “intrapreneur.” An inaugural hackathon used technology tools to bring together a diverse group of employees to brainstorm new ways to expand direct-to-consumer sales. And employee resource groups — one of our original sources of business ideas grounded in cultural and multigenerational insights — continue to contribute to our innovation pipeline.

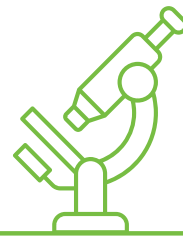
## The GIFT of giving

Our people love to give back to our communities. In the 2016 calendar year, almost half of eligible employees participated in GIFT, the company’s charitable giving program, contributing nearly \$5 million to more than 3,500 nonprofits — well above typical involvement at similar company programs.<sup>1</sup> They also volunteered more than 115,000 hours of their time — demonstrating that they live our company value of “doing the right thing.”

Through an inclusive approach to work, our employees inspire us, and each other, to draw on the contributions of individuals and teams to help achieve a higher collective purpose — both for our business and for society as a whole.

<sup>1</sup>The median employee participation rate for matching gift programs is 7 percent. Source: CECF Giving in Numbers Report: 2016 Edition

# INNOVATING ON INNOVATION



Innovation takes many forms at Clorox — from developing a product that becomes a household name to advertising that creates buzz to an in-store display that grabs attention. Here are perspectives on how we've been evolving to meet consumers' changing needs from four senior leaders who help shepherd innovation throughout our organization: Chief Innovation Officer Denise Garner, Chief Customer Officer Matt Laszlo, Chief Marketing Officer Eric Reynolds and Chief Information Officer Manjit Singh.



Denise Garner



Matt Laszlo



Eric Reynolds



Manjit Singh

**Q.** How does the consumer inspire Clorox innovation?

**Denise Garner |** In R&D the consumer is our muse. We pay attention to what consumers tell us they want in a product as well as observe their pain points to identify unarticulated needs that present opportunities to innovate and delight. Consider the new Brita® Stream™ pitcher. Millennials wanted a high-capacity pitcher that was streamlined enough to fit inside the refrigerator door, delivered fast filtration “on demand” and allowed them to add ice to the pitcher. Their feedback inspired us to reinvent our filtration technology and pitcher design.

**Manjit Singh |** Consumers' embrace of technologies such as voice integration and in-home smart speakers has us asking how we can leverage them to make products even more practical, effective and easier to use. The Brita® Infinity pitcher, Clorox's first “internet of things” product, is an example of how IT partners with other groups inside Clorox to deliver a superior consumer experience while we're using our voice integration skills to improve consumers' experiences with our products in their homes.

**Q.** How has Clorox innovation made a difference for your retail customers?

**Matt Laszlo |** It starts with putting the consumer first. Being able to meet consumer needs through innovation makes us an extremely valuable, effective partner to our retailers. We know that, for many consumers, scent can make a mundane experience more enjoyable. That approach has helped Clorox® Scentiva® cleaners get off to a good start with strong retailer support.

**Q.** How has your approach to innovation changed?

**Matt Laszlo |** We're thinking about innovation more broadly than ever before. Not only are we developing new products, but we're also expanding our existing products to new spaces, places and faces — for instance, by placing Clorox® disinfecting wipes in the pharmacy section. Why is this important? Because consumers don't make all of their purchases in one place anymore — or even two or three places. So we need to always look beyond traditional roles and rules to continue growing our business.

**Denise Garner** | We've enhanced our innovation processes from end to end so we can create bigger, more sustainable ideas while moving at a faster pace — and minimize needed resources and costs in the process.

**Q.** *What does the next phase of innovation look like at Clorox?*

**Eric Reynolds** | It's about creating a seamless consumer experience. That means unlocking what motivates someone to purchase our products and bring them home.

Take the Brita® Infinity pitcher. It's not just a pitcher. It connects to the internet and can reorder filters. For all our brands, we need to bring together the physical and digital experience — because people want an experience rather than just products.

**Matt Laszlo** | We've got to be more and more digitally enabled. That could mean the product itself, the packaging or the online content, which educates, influences and tells the consumer a story. More and more, our retailers want to play in the online world, even for the in-store experience. Our innovation needs to address the consumer desire for more education and interaction with our products.

**Manjit Singh** | It's going to be all about speed. With IT involved from the start, we'll be able to embed technology into our processes as well as our products to meet consumers' ever-evolving needs.

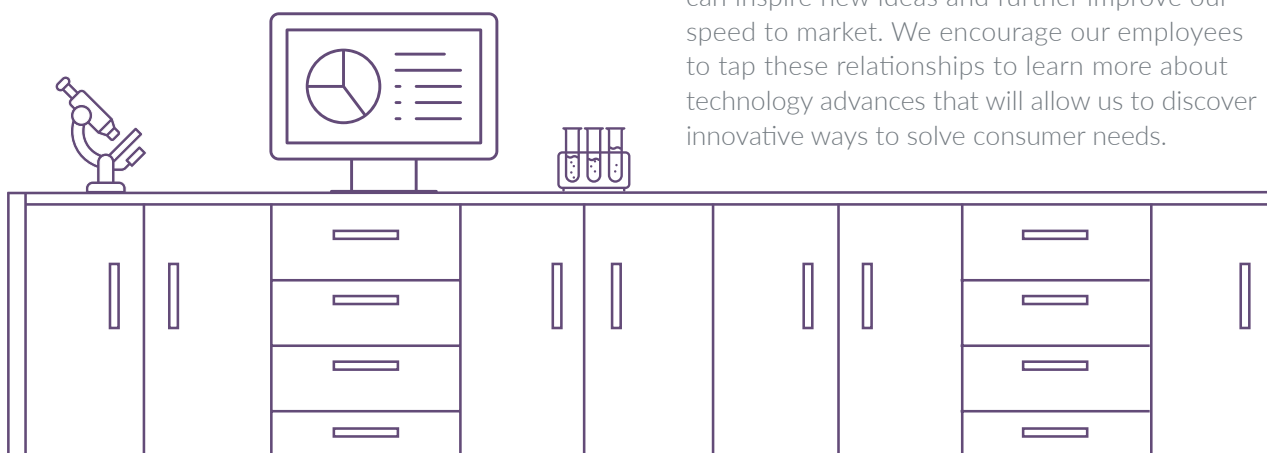
**Q.** *In a crowded media landscape, how does innovation strengthen your marketing efforts?*

**Eric Reynolds** | The challenge for us is not the media landscape; it's all the information and noise the average person gets today. As media consumption continues to shift and fragment across multiple channels and environments, gaining consumers' attention is challenging. There are too many messages and channels, and we need to break through this clutter. So we're changing the way we approach the question. We're trying to slide into their day-to-day lives at just the right moment with a piece of information they're open to receiving at that particular time.

**Q.** *How do you nurture the spirit of innovation?*

**Denise Garner** | We need to stay close to emerging trends with a laser focus on our consumer, our categories and our competition as well as on the retail environment and overall global trends. Then it is all about nurturing a sense of bold curiosity in our culture. Curiosity can help unlock insights about our consumers and technology, which can serve as the foundation for innovation breakthroughs, whether it's adapting the technology or discovering a new consumer need that helps us focus our product development efforts.

**Manjit Singh** | Our curiosity has led us to establish relationships with organizations such as research boards, venture capital groups and investment firms, which expose us to early-stage innovations that can inspire new ideas and further improve our speed to market. We encourage our employees to tap these relationships to learn more about technology advances that will allow us to discover innovative ways to solve consumer needs.



# Board of Directors

The 2017 fiscal year brought changes to board leadership and membership. Along with the appointment of Clorox CEO Benno Dorer to the role of chairman, Pamela Thomas-Graham was named the new independent lead director, making her one of only a select few minority women — approximately 1 percent overall — serving as lead directors on Fortune 500 boards nationwide. We also added

three new directors over the course of the year: Dave Mackay, who brings deep operational and strategic experience in the consumer packaged goods industry; Amy Banse, who has an extensive background in media, digital and telecommunications; and Russell Weiner, an innovator in the digital consumer experience.



**Benno Dorer<sup>1</sup>**  
Chairman and  
Chief Executive Officer,  
The Clorox Company



**Pamela Thomas-Graham<sup>2</sup>**  
Lead Director of the Board;  
Former Chief Marketing and  
Talent Officer, Credit Suisse  
Group AG



**Amy Banse<sup>3</sup>**  
Managing Director and Head  
of Funds, Comcast Ventures



**Richard H. Carmona,  
M.D., M.P.H., F.A.C.S.**  
Vice Chairman,  
Canyon Ranch; former  
U.S. Surgeon General



**Spencer C. Fleischer**  
Managing Partner,  
FFL Partners



**Esther Lee**  
Executive Vice President —  
Global Chief Marketing  
Officer, MetLife Inc.



**David Mackay<sup>4</sup>**  
Retired President and  
Chief Executive Officer,  
Kellogg Company



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



**Jeffrey Noddle**  
Retired Executive  
Chairman, SuperValu Inc.



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



**Russell J. Weiner<sup>5</sup>**  
President, Domino's USA



**Christopher J. Williams**  
Chairman and Chief Executive  
Officer, The Williams Capital  
Group L.P. and Williams  
Capital Management LLC

<sup>1</sup> Mr. Dorer became chairman of the board of directors effective Aug. 15, 2016.

<sup>2</sup> Ms. Thomas-Graham was appointed lead director of the board effective Aug. 15, 2016.

<sup>3</sup> Ms. Banse joined the board of directors effective Sept. 15, 2016.

<sup>4</sup> Mr. Mackay joined the board of directors effective Aug. 15, 2016.

<sup>5</sup> Mr. Weiner joined the board of directors effective Feb. 6, 2017.



# Clorox Executive Committee

The Clorox Executive Committee expanded at the onset of the 2017 fiscal year with the appointment of two new people to senior leadership. Now at 14 members, the management team brings a diverse set of experiences and backgrounds to Clorox — some promoted from within the Clorox ranks, others with valuable consumer packaged goods industry experience, and still others with deep experience in their area of expertise from the financial services, hospitality and tech sectors. Additionally, women make up 36 percent of the CEC, serving in the key roles of chief operating officer, general counsel, chief innovation officer and chief people officer. This leadership mix enables the company to provide the strategic direction necessary to succeed in a challenging business environment.

*Standing from left to right:*

**Kirsten Marriner**  
Senior Vice President  
and Chief People Officer

**Eric Reynolds**  
Senior Vice President  
and Chief Marketing Officer

**Manjit Singh**  
Senior Vice President and  
Chief Information Officer

**Benno Dorer**  
Chairman and  
Chief Executive Officer

**Linda Rendle**  
Senior Vice President  
and General Manager —  
Cleaning Division

**William S. Bailey**  
Senior Vice President —  
Corporate Business Development

**James Foster**  
Executive Vice President —  
Product Supply,  
Enterprise Performance and IT

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

**Michael Costello**  
Senior Vice President —  
International Division

**Jon Balousek**  
Senior Vice President and  
General Manager — Specialty  
Division

**Matt Laszlo**  
Senior Vice President  
and Chief Customer Officer

*Seated from left to right:*

**Laura Stein**  
Executive Vice President —  
General Counsel and  
Corporate Affairs

**Dawn Willoughby**  
Executive Vice President  
and Chief Operating Officer

**Steve Robb**  
Executive Vice President  
and Chief Financial Officer





# Report of Independent Registered Public Accounting Firm on Condensed Financial Statements



## THE BOARD OF DIRECTORS AND STOCKHOLDERS 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, 2017 and 2016 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, 2017 (not presented separately herein) and in our report dated August 15, 2017, 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, 2017 and 2016 and for each of the three years in the period ended June 30, 2017 (presented on pages 46 through 50) 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, 2017, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated August 15, 2017 (not presented separately herein).

*Ernst & Young LLP*

San Francisco, CA  
August 15, 2017

# Report of Independent Accountants on Review of Nonfinancial Information



## THE BOARD OF DIRECTORS AND STOCKHOLDERS OF THE CLOROX COMPANY

We have reviewed selected quantitative performance indicators (the "Subject Matter") included in Exhibit A and as identified by the "◆" symbol presented in The Clorox Company's ("Clorox" or "the Company") Annual Report and Executive Summary (the "Reports") for the year ended June 30, 2017 or otherwise noted, in accordance with the criteria also set forth in Exhibit A (the "Criteria"). 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. Clorox's management is responsible for the Subject Matter included in Exhibit A and as also presented in the Reports, 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. 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.

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.

Based on our review, we are not aware of any material modifications that should be made to the selected quantitative performance indicators for the year ended June 30, 2017 or otherwise noted, in order for it to be in accordance with the Criteria.

*Ernst & Young LLP*

San Francisco, CA  
September 22, 2017

## Exhibit A: Schedule of Selected Quantitative Performance Indicators – The Clorox Company



Indicator Name	Scope	Unit	Value <sup>1</sup>	Criteria
Scope 1, 2, and 3 greenhouse gas (GHG) emissions <sup>2, 3, 4, 5, 6</sup>	Global	Percentage reduction of tCO <sub>2</sub> e per stat case sold over baseline year (2011) <sup>7</sup>	-18%	The World Resources Institute ("WRI") / World Business Council for Sustainable Development's ("WBCSD") Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance and the GHG Protocol Corporate Value Chain (Scope 3) Standard
Energy consumption, Scope 1 and 2 <sup>2, 3, 4, 5</sup>	Global	Percentage reduction of MWh per stat case sold over baseline year (2011) <sup>7</sup>	-15%	WRI/WBCSD's GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance
Water consumption <sup>2, 4</sup>	Global	Percentage reduction of gallons of water consumed per stat case sold over baseline year (2011) <sup>7</sup>	-21%	Management's criteria as follows: Water consumption includes water 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 consumed by employees during office hours for personal needs (e.g., restrooms, break rooms). Water sources include city/municipal, well, lake, river and stormwater.
Sustainability improvements to product portfolio since January 2012 <sup>8</sup>	Global	Percentage of product portfolio	34%	Management's criteria as follows: There are four types of sustainability improvement criteria that can be met either by fully meeting one or by partially meeting two or more: 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 or active ingredients on a per-consumer-use basis; 3) a 10 percent reduction in required usage of water or energy by consumer; or 4) an environmentally beneficial sourcing change to 20 percent or more of active ingredients or packaging on a per-consumer-use basis.
Workforce demographics/diversity metrics <sup>9</sup>	See right for metric scope	Percentage minority nonproduction employees in U.S.	31%	OSHA Regulation 1920.2(d) defines "Employee" as an individual who is employed in a business of his employer which affects commerce. The Equal Employment Opportunity Commission defines "Minority" as any race that is not white (Asian; Black; Latino; Native American; Native Hawaiian; or Two or More).  Management's criteria as follows: "Manager" is defined as an "employee" at Grade 27 or above for U.S. employees and Grade 26 or above for international employees with regards to Clorox's Human Resources (HR) compensation structure. "Production Employee" is defined as an employee at Grade 19 or below with regards to Clorox's HR compensation structure (international and U.S.). "Nonproduction Employee" is defined as an employee at Grade 20 or above with regards to Clorox's HR compensation structure (international and U.S.). In certain circumstances, nonproduction employees may be classified below Grade 20 based on type of work performed.
		Percentage minority nonproduction managers in U.S.	26%	
		Percentage female nonproduction employees globally	50%	
		Percentage female nonproduction managers globally	41%	
		Percentage female Board of Directors	33%	
		Percentage minority Board of Directors	33%	
		Percentage female Executive Committee members	36%	
U.S. product donations <sup>10</sup>	U.S. only	Fair market value of products donated in U.S. dollars	\$5.4 million	Management's criteria as follows: U.S. product donations refer to those donations used to aid in disaster relief or to support schools, food banks, and other nonprofit organizations. Fair market value is derived from current year average truckload price of the product donated. Truckload prices are based on volume ordered and shipped.
Total recordable incident rate <sup>11</sup>	Global	Recordable incident rate (RIR)	0.60	Occupational Health and Safety Administration (OSHA) Regulation (Standards – 29 CFR) Part 1904 "Recording and Reporting Occupational Injuries and Illness"
Employee engagement score <sup>12</sup>	Global	Percentage of employee engagement	88%	Management's criteria as follows: 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').

**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.

1 All percentages are rounded to the nearest whole number in the annual report.

2 For all locations where Clorox maintains operational control and for the calendar year ended Dec. 31, 2016.

3 Scope 1 emissions include direct energy used by Clorox 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 Clorox'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 EPA Mandatory GHG Reporting for Stationary Fuel Sources (June 2017) and Global Warming Potential (GWP) rates from the Intergovernmental Panel on Climate Change's (IPCC) Fourth Assessment Report.

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

5 Scope 2 includes indirect emissions resulting from Clorox's purchased electricity use. It is calculated following the GHG Protocol's location-based method using the Environmental Protection Agency's (EPA) 2014 eGRID emission factors for U.S. locations and the Energy Information Administration's (EIA) Foreign Electricity Emission Factors published in 2007 for international locations. Clorox applies GWPs from the IPCC's Fourth Assessment Report.

6 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 Clorox's employees. Commercial air flights are limited to business travel booked in the United States, United Kingdom, Hong Kong, Chile, Mexico, Peru and Canada. Mobile emission sources are calculated using emission factors from the EPA Climate Leaders Greenhouse Gas Inventory Protocol Core Module Guidance, published in 2008.

7 A stat case is the number of cases sold or produced multiplied by a stat factor which normalizes case value between brands and provides a common denominator of the revenue generated by cases across various brands.

8 Once a product meets the sustainability improvement criteria, it is reported to the Clorox Eco Team by each business unit and the sustainability improvement percentage is calculated for that product using its fiscal year net customer sales as a percentage of Clorox's total fiscal year net customer sales. The total sustainability improvements percentage represents the summation of all sustainability improvement percentages for products that met the criteria between Jan. 1, 2012, and Dec. 31, 2016.

9 For the fiscal year ended June 30, 2017.

10 For the fiscal year ended June 30, 2017. U.S. product donations include donations made by any U.S. business unit.

11 Recordable incident rate was determined as of July 20, 2017, for the fiscal year ended June 30, 2017. The recordable incident rate includes all reportable incidents that occurred at Clorox facilities globally. It does not include labor hours associated with nine remote facilities that have fewer than 30 employees.

12 Clorox adopts Willis Towers Watson's definition of employee engagement in terms of "sustainable" engagement. Employee engagement is measured by a survey administered March 13, 2017, through March 31, 2017. 6,219 Clorox employees responded to the survey.

# 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, 2017, the number of record holders of Clorox's common stock was 10,736.

## 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

877-373-6374 or 781-575-2726  
TDD 800-952-9245 or 312-588-4110 for hearing impaired  
computershare.com/investor

## Stockholder Information Service

The latest company news is available at [TheCloroxCompany.com](http://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](http://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, 2017, 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, 2017.

## 2017 Financial Information

Full financial statements are provided in the company's 2017 proxy statement. Detailed financial information is available without charge through the following sources:

- The company's proxy statement is available at [TheCloroxCompany.com](http://TheCloroxCompany.com).

- The company's annual report on Form 10-K for the fiscal year ended June 30, 2017, is available at [TheCloroxCompany.com](http://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, 2017, 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. 15, 2017. 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.

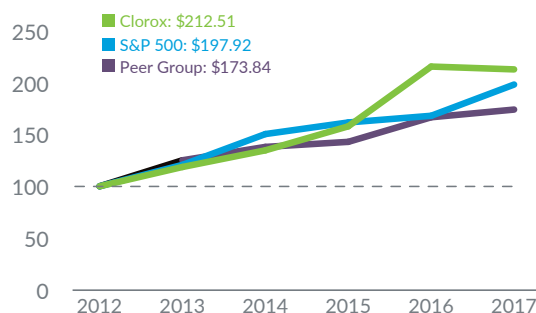
## Comparative Stock Performance

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 Standard & Poor's Household Products Index and the Standard & Poor's Housewares & Specialties Index (referred to below as the Peer Group) for a five-year period ending June 30, 2017.

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 a Peer Group



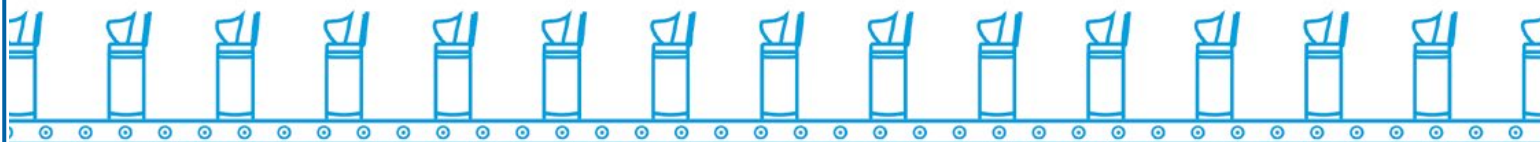
\*\$100 invested on 6/30/12 in stock or index, including reinvestment of dividends. Fiscal year ending June 30.

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The Clorox Company  
1221 Broadway, Oakland, CA 94612  
[thecloroxcompany.com](http://thecloroxcompany.com)

Read the comprehensive 2017 Integrated Annual Report:  
[annualreport.thecloroxcompany.com](http://annualreport.thecloroxcompany.com)



PRINTING THIS BOOK ON PAPER MADE WITH POST-CONSUMER RECYCLED FIBER SAVES:\*



Trees  
59 trees



Water  
27,704 gallons



Energy  
26,610,000 BTUs



Greenhouse Gases  
40,335 pounds



Forest  
0.18 acres

Produced with the highest regard for the planet and its ecosystems, this report is the result of an extensive, collaborative effort of Clorox and its supply chain partners. Exceptional care was taken to utilize environmentally sustainable materials and responsible manufacturing processes to ensure a minimized environmental impact. This report was printed at EarthColor using renewable resources and low-impact manufacturing principles. These practices include lean manufacturing, green chemistry principles, the recycling of residual materials, and the use of UV inks and coatings, which do not release any VOCs (volatile organic compounds) into the atmosphere. Carbon offsets matching the carbon signature of the paper, as well as the printing process, were purchased, rendering this report carbon-neutral.

Printed on UTOPIA TWO:XTRA GREEN (U2:XG) made from 30 percent recycled fiber and certified by FSC® standards, which promote environmentally appropriate, socially beneficial and economically viable management of the world's forests.

\*Environmental impact savings are developed using EarthColor's calculator for savings from the paper and print supply chain analysis and are the sole responsibility of EarthColor. FSC® is not responsible for any calculations on savings resources by choosing this paper.

