



2020 Clorox Integrated Annual Report Demonstrates Strong Business Results and ESG Progress, Discusses Response to the Pandemic and Social Justice

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OAKLAND, Calif., Oct. 7, 2020 /PRNewswire/ -- The Clorox Company (NYSE: CLX) released its **2020 integrated annual report**, highlighting the company's financial and environmental, social and governance performance while also providing a window into its experience supporting public health during the global pandemic and confronting systemic racial injustice.

Integrated report highlights for fiscal year 2020 include:

- 8% total company sales growth.
- 16% increase in diluted earnings per share.
- 170 bps in gross margin expansion (+45.6%).
- \$1.5 billion in net cash provided by operations (+56%).
- 50% of renewable electricity goal identified, which will help meet 100% goal four years ahead of original plan.¹
- \$25.5 million in product donations, company and foundation cash grants, and cause marketing.

The annual report captures an unparalleled moment when our people stepped up to deliver strong business & ESG results.

Clorox continues to be committed to inclusion and diversity to foster a workplace where people are respected, valued and seen. In this year's report, the company added more data on inclusion and diversity in the scorecard, including a breakdown of demographic representation within its workforce, also known as EEO-1 data,² as well as a new inclusion index that expresses the

percentage of women, minorities and overall employees experiencing Clorox as an inclusive workplace. This is in addition to data that's been shared for a decade highlighting diversity in the workforce and corporate governance, which shows Clorox well above Fortune 500 averages for both women and minority board representation.

"This year's annual report captures an unparalleled moment in time in the U.S. and around the world when our



people -- through their resourcefulness, dedication and hard work -- stepped up to deliver strong business results and ESG progress," said CEO Linda Rendle. "Guided by our IGNITE Strategy, we'll continue to be committed to the well-being of our teams and the people we serve around the world through our brands and support of our communities."

Another unique aspect of the 2020 annual report is artwork that attempts to put into words a year that defied description. The cover art, depicting a canister of the company's in-demand Clorox® disinfecting wipes, is made up of actual phrases from company stakeholders about how Clorox provided support to them during the pandemic.

Clorox takes a number of steps to enhance the transparency and integrity of its data. It has been using an independent accounting firm to provide review-level assurance of key nonfinancial metrics; these performance indicators are shown with an "A" symbol throughout the report. It also continues to report against third-party ESG frameworks, evolving this year to focus on the Sustainability Accounting Standards Board, Task Force on Climate-Related Financial Disclosures and United Nations Global Compact's Ten Principles. And the company maintains ongoing dialogue with its stakeholders to learn about information important to them, including this year's augmented inclusion and diversity disclosures.

The 2020 Clorox integrated annual report is available online at annualreport.thecloroxcompany.com. The site offers multimedia content and downloadable versions of the printed executive summary and full online report. A Spanish translation will be available in mid-October.

The Clorox Company

The Clorox Company (NYSE: CLX) is a leading multinational manufacturer and marketer of consumer and professional products with about 8,800 employees worldwide and fiscal year 2020 sales of \$6.7 billion. Clorox markets some of the most trusted and recognized consumer brand names, including its namesake bleach and cleaning products; Pine-Sol® cleaners; Liquid-Plumr® clog removers; Poett® home care products; Fresh Step® cat litter; Glad® bags and wraps; Kingsford® charcoal; Hidden Valley® dressings and sauces; Brita® water-filtration products; Burt's Bees® natural personal care products; and RenewLife®, Rainbow Light®, Natural Vitality Calm™, NeoCell® and Stop Aging Now® vitamins, minerals and supplements. The company also markets industry-leading products and technologies for professional customers, including those sold under the CloroxPro™ and Clorox Healthcare® brand names. More than 80% of the company's sales are generated from brands that hold the No. 1 or No. 2 market share positions in their categories.

Clorox is a signatory of the United Nations Global Compact and the Ellen MacArthur Foundation's New Plastics Economy Global Commitment. The company has been broadly recognized for its corporate responsibility efforts, listed No. 1 on the 2020 Axios Harris Poll 100 reputation rankings and included on the Barron's 2020 100 Most

Sustainable Companies list and the Human Rights Campaign's 2020 Corporate Equality Index, among others. In support of its communities, The Clorox Company and its foundations contributed more than \$25 million in combined cash grants, product donations and cause marketing in fiscal year 2020. For more information, visit [TheCloroxCompany.com](https://www.TheCloroxCompany.com), including the Good Growth blog, and follow the company on Twitter at @CloroxCo.

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Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, among others, statements related to the expected or potential impact of the novel coronavirus (COVID-19) pandemic, and the related responses of governments, consumers, customers, suppliers, employees and the company, on our business, operations, employees, financial condition and results of operations, and any such forward-looking statements, whether concerning the COVID-19 pandemic or otherwise, involve risks, assumptions and uncertainties. Except for historical information, statements about future volumes, sales, organic sales growth, foreign currencies, costs, cost savings, margins, earnings, earnings per share, diluted earnings per share, foreign currency exchange rates, tax rates, cash flows, plans, objectives, expectations, growth or profitability are forward-looking statements based on management's estimates, beliefs, assumptions and projections. Words such as "could," "may," "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "will," "predicts," and variations on such words, and similar expressions that reflect our current views with respect to future events and operational, economic and financial performance are intended to identify such forward-looking statements. These forward-looking statements are only predictions, subject to risks and uncertainties, and actual results could differ materially from those discussed. Important factors that could affect performance and cause results to differ materially from management's expectations, or could affect the company's ability to achieve its strategic goals, are described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Annual Report on Form 10-K for the fiscal year ended June 30, 2019, as updated from time to time in the company's Securities and Exchange Commission filings. These factors include, but are not limited to, the uncertainties relating to the impact of COVID-19 on the company's business, operations, employees, financial condition and results of operations as well as: intense competition in the company's markets; the impact of the changing retail environment, including the growth of alternative retail channels and business models, and changing consumer preferences; volatility and increases in commodity costs such as resin, sodium hypochlorite and agricultural commodities, and increases in energy, transportation or other costs; the ability of the company to drive sales growth, increase prices and market share, grow its product categories and manage favorable product and geographic mix; dependence on key customers and risks related to customer consolidation and ordering patterns; risks related to the company's use of

and reliance on information technology systems, including potential security breaches, cyber-attacks, privacy breaches or data breaches that result in the unauthorized disclosure of consumer, customer, employee or company information, or service interruptions; the company's ability to maintain its business reputation and the reputation of its brands and products; the impact of COVID-19 on the availability of, and efficiency of the supply, manufacturing and distribution systems for, the company's products, including any disruption to such systems; long-term changes in consumer preference or demand for our products as a result of any shortages or lack of availability of any products in the near-term; risks related to supply chain issues and product shortages as a result of reliance on a limited base of suppliers and the significant increase in demand for disinfecting and other products due to the COVID-19 pandemic; risks relating to acquisitions, new ventures and divestitures, and associated costs, including the potential for asset impairment charges related to, among others, intangible assets and goodwill; and the ability to complete announced transactions and, if completed, integration costs and potential contingent liabilities related to those transactions; lower revenue, increased costs or reputational harm resulting from government actions and regulations; the ability of the company to successfully manage global political, legal, tax and regulatory risks, including changes in regulatory or administrative activity; uncertain worldwide, regional and local economic and financial market conditions, including as a result of fear of exposure to or actual impacts of a widespread disease outbreak, such as COVID-19; risks related to international operations and international trade, including foreign currency fluctuations, such as devaluations, and foreign currency exchange rate controls, including periodic changes in such controls; changes in U.S. immigration or trade policies, including the imposition of new or additional tariffs; labor claims and labor unrest; inflationary pressures, particularly in Argentina; political instability and the uncertainty regarding the outcome of Brexit; government-imposed price controls or other regulations; potential negative impact and liabilities from the use, storage and transportation of chlorine in certain international markets where chlorine is used in the production of bleach; widespread health emergencies, such as COVID-19; and the possibility of nationalization, expropriation of assets or other government action; the ability of the company to innovate and to develop and introduce commercially successful products, or expand into adjacent categories and countries; the impact of product liability claims, labor claims and other legal, governmental or tax proceedings, including in foreign jurisdictions and in connection with any product recalls; the ability of the company to implement and generate cost savings and efficiencies; the success of the company's business strategies; risks related to additional increases in the estimated fair value of The Procter & Gamble Company's interest in the Glad® business; the company's ability to attract and retain key personnel; environmental matters, including costs associated with the remediation and monitoring of past contamination, and possible increases in costs resulting from actions by relevant regulators, and the handling and/or transportation of hazardous substances; increased focus by governmental and non-governmental organizations, customers, consumers and investors on sustainability issues, including those related to climate change; the facilities of the company and its suppliers being subject to disruption by events beyond the company's control, including work stoppages, cyber-attacks, natural disasters, disease outbreaks or pandemics, such as COVID-19, and terrorism; the company's ability to maximize, assert and defend its intellectual property rights; any infringement or claimed infringement by the company of third-party

intellectual property rights; the accuracy of the company's estimates and assumptions on which its financial projections, including any sales or earnings guidance or outlook it may provide from time to time, are based; the effect of the company's indebtedness and credit rating on its business operations and financial results; the company's ability to access capital markets and other funding sources, as well as continued or increased market volatility; the company's ability to pay and declare dividends or repurchase its stock in the future; uncertainties relating to tax positions, tax disputes and changes in the company's tax rate, and any additional effects of the Tax Cuts and Jobs Act on the company; the company's ability to maintain an effective system of internal controls; the impacts of potential stockholder activism; and risks related to the company's discontinuation of operations in Venezuela.

The company's forward-looking statements in this press release are based on management's current views, beliefs, assumptions and expectations regarding future events and speak only as of the date of this press release. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the federal securities laws.

1 Through 12-year, 70-megawatt virtual power purchase agreement for purchase of renewable energy beginning in 2021.

2 Reflects data submitted annually to the U.S. Equal Employment Opportunity Commission.

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