



Clorox Releases 2018 Integrated Annual Report

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Highlights the Power of Leading Brands and Their Role in Driving Good Growth

OAKLAND, Calif., Oct. 2, 2018 /PRNewswire/ -- The Clorox Company (NYSE: CLX) released its **2018 integrated annual report**, detailing how a diverse portfolio of leading brands was the driving force behind achievements against both business and corporate responsibility priorities. Highlights from this year's report include 3 percent sales growth on top of 4 percent a year ago; 3 points of incremental sales from product innovation for an eighth consecutive year; 88 percent employee engagement, matching last year's all-time high; and a 15-point increase in the percentage of our product portfolio with sustainability improvements, bringing the total to 49 percent.

"Through this report, we wanted to emphasize what makes us stand out: a portfolio of strong, purpose-driven brands," said Chair and CEO Benno Dorer. "A constant drive to reinvent ourselves and assert our leadership through a strong, values-based culture manifests itself in the superior value our brands offer to consumers around the world. These are meaningful actions to our most important stakeholders and part of the formula behind Good Growth — growth that is profitable, sustainable and responsible."

Continuing an approach introduced last year, the report documents the company's longer-term progress against its corporate responsibility priorities.

The following are highlights of workforce diversity progress and community impact from fiscal year 2013 to fiscal year 2018:

- A 4 percent increase in U.S. minority nonproduction managers, now at 28 percent.
- A 13 percent increase in female executive committee members, now at 33 percent.
- More than \$25 million in foundation and corporate cash grants.
- More than \$44 million in product donations.
- More than \$6 million toward cause marketing campaigns.
- Close to 645,000 employee volunteer hours, effort valued at approximately \$16 million.

The following are highlights of sustainability progress as of the end of the 2017 calendar year, compared to the

2011 calendar year baseline:

- 49 percent of the product portfolio with sustainability improvements. The 50 percent goal is expected to be met by the end of the 2018 calendar year, two years ahead of the company's 2020 goal.
- A 17 percent reduction in energy use, per case of product sold. The 20 percent goal is on track to be met by the end of the 2020 goal period.
- A 32 percent¹ reduction in greenhouse gas emissions, 22 percent reduction in water use and 33 percent reduction in solid-waste-to-landfill, per case of product sold. The 20 percent reduction goal in all of these operational footprint areas was met ahead of schedule.
- Eight zero-waste-to-landfill sites, up from three in calendar year 2016. The goal of 10 zero-waste-to-landfill sites is on track to be completed before the end of the 2020 goal period.

For the seventh year, the Clorox annual report presents a consolidated view of the company's financial, environmental, social and governance performance. Clorox is one of only 24 organizations in the U.S. — and the only company in the consumer packaged goods sector — that practices integrated reporting, which has been adopted in 62 countries, including all G-20 industrial and emerging market countries as well as BRICS economies, according to the Corporate Register, an online directory of corporate responsibility reporting.

As part of Clorox's ongoing efforts to enhance its corporate responsibility reporting, an independent accounting firm again provided review-level assurance for key nonfinancial metrics, increasing to 16 from 14 last year. These performance indicators are shown with an "A" symbol throughout the report.

In preparing this report, Clorox followed the Global Reporting Initiative Sustainability Reporting Standards, which represent a global best practice for reporting on a range of economic, environmental and social impacts. It also features a corporate responsibility overview, including a matrix, which highlights the company's 17 priorities in this area. Incorporated into the GRI Content Index is the company's Communication on Progress, which describes the company's actions in implementing the Ten Principles of the United Nations Global Compact. In 2015, the company became a signatory to the United Nations Global Compact, the world's largest organization bringing together companies, nongovernmental organizations, governments and other stakeholders to advance the most important global sustainability issues.

The 2018 Clorox integrated annual report is available online at annualreport.thecloroxcompany.com. The annual report website offers animated content, video, and downloadable versions of the printed executive summary and full online report.

The Clorox Company

The Clorox Company (NYSE: CLX) is a leading multinational manufacturer and marketer of consumer and professional products with approximately 8,700 employees worldwide and fiscal year 2018 sales of \$6.1 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, wraps and containers; Kingsford® charcoal; Hidden Valley® dressings and sauces; Brita® water-filtration products; Burt's Bees® natural personal care products; RenewLife® digestive health products; and Rainbow Light®, Natural Vitality® and Neocell® dietary supplements. The company also markets brands for professional services, including Clorox Healthcare® and Clorox Commercial Solutions®. More than 80 percent 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, a community of global leaders committed to sustainability. The company has been broadly recognized for its corporate responsibility efforts, most notably being named to the Drucker Institute's 2017 Wall Street Journal Management Top 250 list, The Just 100: America's Top Citizens list, CR Magazine's 2018 100 Best Corporate Citizens list, Barron's 2018 100 Most Sustainable Companies, and the first sector-neutral Bloomberg Gender Equality Index in 2018. In support of its communities, The Clorox Company and its foundations contributed about \$20 million in combined cash grants, product donations and cause marketing in fiscal year 2018. For more information, visit 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, and such forward-looking statements involve risks and uncertainties. Except for historical information, statements about future volumes, sales, foreign currencies, costs, cost savings, margins, earnings, earnings per share, including as a result of the Nutranext acquisition, 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," "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 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, 2018, as updated from time to time in the Company's Securities and Exchange Commission filings. These factors include, but are not limited to: intense competition in the Company's markets; the impact of the changing retail environment, including the growth of e-commerce retailers, hard discounters and other alternative retail channels; 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 price 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 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; 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, including those related to the Nutranext acquisition; lower revenue or increased costs 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 and as a result of the Nutranext acquisition; worldwide, regional and local economic and financial market conditions; risks related to international operations and international trade, including political instability; government-imposed price controls or other regulations; foreign currency fluctuations, including devaluations, and foreign currency exchange rate controls, including periodic changes in such controls; changes in U.S. immigration or trade policies, including tariffs, labor claims, labor unrest and inflationary pressures, particularly in Argentina; 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; 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; the impact of product liability claims, labor claims and other legal or tax proceedings, including in foreign jurisdictions; 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 Procter & Gamble Co.'s (P&G's) interest in the Glad® business such as the significant increase over fiscal year 2018 primarily due to the recent Tax Cuts and Jobs Act (Tax Act) and the recent extension of the venture agreement with, and the related R&D support provided by, P&G; the Company's ability to attract and retain key personnel; supply disruptions and other risks inherent in reliance on a limited base of suppliers; 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; the impact of natural disasters, terrorism and other events beyond the Company's control; 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; risks related to the effects of the Tax Act on the Company as the Company continues to assess and analyze such effects as well as its current interpretation, assumptions and expectations relating to the Tax Act, and the possibility that the financial impact of the Tax Act on the Company may be materially different from the Company's current estimates based on the Company's actual results for future periods, the Company's further assessment and analysis of the Tax Act, any additional Congressional, administrative or other actions, or other guidance related to the Tax Act and any actions that the Company may take as a result of the Tax Act; uncertainties relating to tax positions, tax disputes and changes in the Company's tax rate; the effect of the Company's indebtedness and credit rating on its business operations and financial results; the Company's ability to pay and declare dividends or repurchase its stock in the future; the Company's ability to maintain an effective system of internal controls; the impacts of potential stockholder activism; the accuracy of the Company's estimates and assumptions on which its financial projections are based; 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 and assumptions regarding future events and speak only as of the dates when made. 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 Percentage reflects a change in methodology for calculating Scope 3 emissions because the U.S. EPA stopped supporting the methodology previously used by Clorox. The methodology change was applied to the CY11 baseline to enable comparisons, but GHG emissions for 2012 to 2016 were not restated.

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