



# WHAT WE SEE



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## STRENGTH IN NUMBERS: FY23 AT A GLANCE

**\$7.4B**  
NET SALES

**8,700**  
EMPLOYEES

**100+**  
MARKETS

**25**  
COUNTRY/TERRITORY  
OPERATIONS

**80%**  
OF PORTFOLIO IS  
#1 OR #2 SHARE BRANDS

**9 OUT OF 10**  
U.S. HOMES HAVE  
OUR PRODUCTS

**60%**  
OF PORTFOLIO WITH SUPERIOR  
CONSUMER VALUE\*

\* as measured by our consumer value metric



**WE SEE** *a*

*S*  *r*  *o* *n* *g*,  
*r* *e* *s* *i* *e* *n* *t*  
*o* *m* *p* *a* *n* *y*

Guided by our IGNITE strategy, Clorox is positioned to succeed today and in the future. Our brands have never been stronger, and thanks investments in our business we are creating stakeholder value and delivering on our purpose to champion people to be well and thrive every single day.

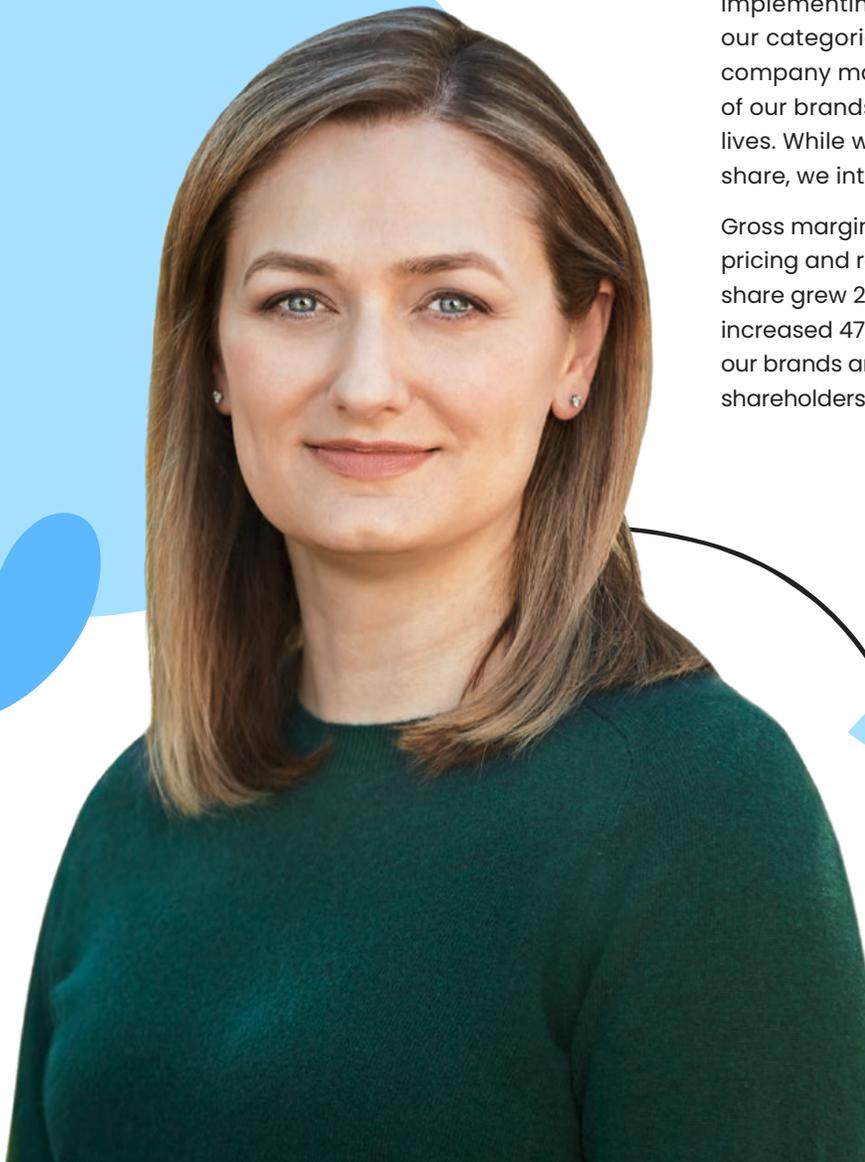
# DEAR STAKEHOLDER,

Fiscal 2023 was a milestone year as we returned to growth and expanded margins amid challenging operating conditions, all while living our purpose and values.

Though we faced significant inflationary pressures, demand normalization and pockets of supply chain disruptions, we went into the year committed to driving top-line growth and rebuilding margins while investing in the long-term health of our brands, categories and capabilities. And, our team delivered just that. Furthermore, by playing to win in an increasingly competitive marketplace, we continued to take the right steps to build a stronger, more resilient company and create long-term value for stakeholders.

This fiscal year we achieved record-high revenue. Net sales increased 4% – within our long-term target range – reflecting growth in three of our four reportable business segments, supported by a resilient consumer and improved supply chain performance. Despite implementing several rounds of cost-justified pricing, our categories held up well and we maintained total company market share, underscoring the superior value of our brands and the roles they play in consumers' daily lives. While we are encouraged by the stability of market share, we intend to grow share over time.

Gross margin expanded 360 basis points, primarily due to pricing and record cost savings, and adjusted earnings per share grew 24%. Consequently, cash flow from operations increased 47%, enabling us to invest further in our business, our brands and our people, while returning capital to shareholders through a dividend increase.



## TRANSFORMING OUR COMPANY THROUGH IGNITE

IGNITE continues to be the right strategy for our company, balancing the delivery of short-term results with our long-term vision. The investments we're making to develop consumer-inspired innovation, strengthen our advantaged portfolio of superior brands and transform our company are reinforcing our competitive advantage and positioning us to drive sustainable, profitable growth. At the same time, IGNITE fully integrates our environmental, social and governance considerations into our commercial plans and business units to mitigate risks, increase resilience and maximize opportunities and impact.

**Fuel Growth:** We leaned into our hallmark cost-savings program and delivered savings above our IGNITE goal of 175 basis point EBIT margin accretion. On top of that, we generated incremental savings from our streamlined operating model and its leaner operating structure. With operational excellence, we made good progress on our commitment to rebuild margin back to pre-pandemic levels and fuel growth in our brands.

**Innovate Experiences:** Innovation is at the heart of our company and how we deliver superior value experiences through our brands. Our focus on bigger, stickier innovation platforms that win in the market and create multiyear value is yielding results as we've realized significant incremental growth from innovation over the past four years. In fiscal 2023, we launched innovations across all our major brands, strengthening our ability to fuel growth in the years ahead. At the same time, we're prioritizing investments in advertising and sales promotion to ensure we have valuable brands that resonate with consumers. We hit an all-time high return on our marketing investment in fiscal 2023, due in part to our personalization efforts where we've nearly achieved our 2025 goal to know 100 million consumers. Together, these investments will enhance our value superiority at a time when it matters most to consumers.

**“THE INVESTMENTS WE’RE MAKING TO DEVELOP CONSUMER-INSPIRED INNOVATION, STRENGTHEN OUR ADVANTAGED PORTFOLIO OF SUPERIOR BRANDS AND TRANSFORM OUR COMPANY ARE REINFORCING OUR COMPETITIVE ADVANTAGE AND POSITIONING US TO DRIVE SUSTAINABLE, PROFITABLE GROWTH.”**

**Reimagine Work:** We're investing in our digital transformation and new operating model to create a more consumer-obsessed, faster and leaner company, and maximize our ability to grow and operate more efficiently. Our digital transformation, which will enable new ways of working and put in place the capabilities and technology to increase our speed and agility, is on track, and we're set to roll out our new enterprise resource planning platform to our first region this fiscal year. In addition, the ongoing implementation of our streamlined operating model will allow us to be more responsive and closer to the consumer while generating significant, ongoing annual cost savings. These initiatives combined will put us on a path to get administrative costs as a percent of sales down to 13% over time.

**Evolve Portfolio:** We continue to see great opportunities to strengthen our core and expand our business and brands, and we have leaned into those opportunities through targeted investments. The superior value of our brands remains above pre-pandemic levels at 60%, a testament to our strong, trusted brands and the value they deliver to the consumer.

## DELIVERING ACCELERATED FINANCIAL PERFORMANCE

	ANNUAL GOALS	IGNITE PROGRESS*
Sales Growth	+3 to 5%	4.4% (four-year compound annual growth rate)
Adjusted EBIT Margin Improvement	+25 to 50 basis points	-140 basis points (four-year average) <sup>1</sup>
Free Cash Flow % of Sales	11 to 13%	13.1% (four-year average) <sup>2</sup>

\* As of June 30, 2023.

<sup>(1)</sup> Adjusted EBIT (a non-Generally Accepted Accounting Principles [non-GAAP] measure) represents earnings before income taxes (a GAAP measure), excluding interest income, interest expense and other significant items that are nonrecurring or unusual (such as asset impairments, charges related to the streamlined operating model, charges related to the digital capabilities and productivity enhancements investment, significant losses/gains related to acquisitions and other nonrecurring or unusual items). Adjusted EBIT margin is the ratio of adjusted EBIT to net sales. The four-year average adjusted EBIT margin growth/decrease is calculated as the sum of the growth/decrease in adjusted EBIT margin between each of fiscal years 2019 and 2020, 2020 and 2021, 2021 and 2022, and 2022 and 2023, divided by four.

<sup>(2)</sup> Free cash flow (a non-GAAP measure) represents net cash provided by operations less capital expenditures. The four-year average free cash flow is calculated as the average free cash flow as a percentage of net sales for fiscal years 2023, 2022, 2021 and 2020.

### GROWING IN A SUSTAINABLE AND INCLUSIVE WAY

Doing business consistent with our values is core to our purpose and critical to how we drive growth, mitigate risks and create positive value for our brands, people and communities. That is why our ESG goals are integrated into IGNITE and the work is embedded into our business units. This year we created a new ESG executive management structure and hired our first vice president and head of sustainability fully dedicated to lead ESG work. We are committed to being in the top one-third of ESG industry leaders, leveraging the same innovative spirit we apply to

our brand portfolio with transparency and accountability as the cornerstones of our approach. As a signatory to the United Nations Global Compact, we continue to reaffirm our commitment to its Ten Principles.

People are at the center of everything we do, and we can only deliver on our purpose when we foster a workplace culture that prioritizes our teammates' safety and supports their total well-being. In fiscal 2023, we maintained a recordable incident rate significantly below our target and the industry average. In addition, we continued to take a holistic approach to support the physical, mental and financial health of our teammates, backed by a combination of benefits, programs and resources tailored to their diverse needs.

We also made great strides on our journey to embed inclusion, diversity, equity and allyship, or IDEA, into our business. This includes working to accelerate growth through more inclusive, purpose-driven brands; embedding IDEA more fully into our performance and talent programs and increasing cultural competency through development

**“ WE ARE COMMITTED TO BEING IN THE TOP ONE-THIRD OF ESG INDUSTRY LEADERS, LEVERAGING THE SAME INNOVATIVE SPIRIT WE APPLY TO OUR BRAND PORTFOLIO WITH TRANSPARENCY AND ACCOUNTABILITY AS THE CORNERSTONES OF OUR APPROACH.”**

programs globally, including inclusive leadership training; and progressing on diverse representation and advancement efforts while promoting equitable practices. Innovation is people-led, and we know that creating a workplace where people can be their best selves, do their best work and play an active role helping us innovate and grow will make Clorox a stronger company and accelerate our IGNITE journey.

People can thrive only if the planet is healthy, which is why we're taking decisive climate action and addressing plastic and other waste. In addition to maintaining 100% electricity from renewable energy for our U.S. and Canada operations, which helped us accomplish our 2030 scope 1 and 2 science-based targets, we also achieved 88% of our goal to have 100% recyclable, reusable or compostable packaging by 2025; and attained zero-waste-to-landfill, or ZWtL, status in over half of our facilities and 80% of our plants. That said, we know we can't achieve our climate goals alone and have published a [Climate Action Plan](#) that outlines our approach. We are making efforts toward engaging high-impact and strategic suppliers through coalitions like the Supplier Leadership on Climate Transition collaborative to understand where we can align on climate action to realize our ambitious scope 3 science-based targets.

As a result of our efforts, we earned the top ranking on Barron's list of 100 Most Sustainable U.S. Companies for 2023. While we're incredibly honored by this achievement, we have more work ahead to continue creating more value for our stakeholders.

**CONFIDENCE IN THE FUTURE**

We expect the environment to remain volatile with macroeconomic uncertainty persisting. Nevertheless, I am confident we are taking appropriate actions to build on our momentum from the past year to maintain top-line growth, rebuild margin and drive our transformation forward.

Our company has navigated through many economic cycles over our 110-year history, and we'll continue to make the changes and innovation needed to create an enduring and sustainable company for ourselves and our stakeholders.

I'd like to thank my Clorox teammates for their contributions throughout the year. They make it possible for us to meet the evolving needs of our consumers, customers and communities every single day.

Thank you for your continued support, confidence and trust in Clorox.



**Linda Rendle**  
Chief Executive Officer



# COMPANY PURPOSE & STRATEGY

## PURPOSE

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

## VISION

Exceptional innovators who earn people’s enduring loyalty.

## OBJECTIVE

Deliver purpose-driven growth.



## IGNITE STRATEGY

Integrated strategic choices

### FUEL GROWTH

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

### INNOVATE EXPERIENCES

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

### REIMAGINE WORK

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

### EVOLVE PORTFOLIO

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

## Integrated ESG approach

### HEALTHY LIVES

Improving people’s health and well-being.

### CLEAN WORLD

Taking climate action and reducing plastic and other waste.

### THRIVING COMMUNITIES

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

### STRONG GOVERNANCE

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



# OUR 2023

# PROGRESS

During the year, we continued to make progress against our IGNITE strategy. We drove top-line growth and rebuilt margins amid a challenging operating environment while continuing to invest in the long-term health of our brands, categories and capabilities. These investments helped us deliver consumer-inspired innovation, further strengthen our brand value, advance our digital transformation and streamline our operating model to position us to drive long-term profitable growth. We're proud to share highlighted progress against how we delivered these objectives, all thanks to our team's commitment, hard work and strong execution.

# WE SEE

Grwth fueled



By harnessing technology and embracing sustainability, we can achieve cost savings that can then be used to fund investments in brand innovation and portfolio evolution. We achieve this by executing our hallmark cost-savings program successfully and capitalizing on the superior value of our brands and their role in consumers' daily lives.

## FY23 HIGHLIGHTS

- **Achieved four consecutive quarters of record cost savings**, above our 175 basis-point IGNITE goal. This, coupled with the implementation of record levels of cost-justified pricing actions, contributed to margin improvement and supports investment in our business.
- **Reduced inventory for six consecutive quarters**, demonstrating that our supply chain optimization efforts are working as planned. This improvement not only enabled us to better fulfill demand, but also supported merchandising activities and, importantly, improved cash flows.
- **Invested in the business** to find efficiencies and meet increased consumer demand through our new cat litter manufacturing facility in Martinsburg, West Virginia.
- **Achieved zero-waste-to-landfill, or ZWtL, status in two additional facilities** — the Burt's Bees plant in Morrisville, North Carolina, and our cleaning plant in San Juan, Argentina — advancing us to 80% of our goal for 100% ZWtL plants by 2025.



## PATHWAY TO CLIMATE ACTION

With more than half of our emissions coming from the sourcing of ingredients, packaging and services to support our business, we continued to execute our Climate Action Plan by engaging suppliers — and our business units — to help advance our 2030 science-based targets and 2050 net zero commitment, including:

- Inviting nearly 50 priority suppliers to participate in the Supplier Leadership on Climate Transition collaborative, which helps build capacity for measuring emissions and setting science-based targets.
- Achieving a 78% response rate from priority suppliers for the 2022 CDP Supply Chain questionnaire, which improves visibility into their carbon footprint and reduction targets. This helps us assess suppliers' progress to reduce greenhouse gas emissions that are included in our scope 3 footprint.



## DRIVING OUR DIGITAL TRANSFORMATION

### REINVENTING CONNECTIONS WITH CONSUMERS AND CUSTOMERS

A \$500 million investment in our digital transformation is gaining momentum and creating important business efficiencies and growth. The intent is to ensure that every technology component that’s part of this work is enabled by integrated, clean data that’s used across systems and functions. Concurrently, we’re sharpening internal capabilities and processes to best leverage this data for analytics and insights that help us make smarter decisions faster and delight consumers and customers. Some examples of this digital transformation include:

#### Improving Innovation

We are automating key pieces of the innovation process and elevating capabilities to better manage product life cycles and regulatory compliance. Critical information about our products — such as formulas, raw materials, packaging designs, processes and procedures — will be better integrated across systems to more efficiently make products to spec and comply with regulations.

#### Enhancing Digital Commerce

We continue to accelerate our brand presence online with retailers, giving consumers more purchasing options to better suit their needs. We relaunched several consumer-facing websites, including [BurtsBees.com](https://www.BurtsBees.com) and [Brita.com](https://www.Brita.com) for a streamlined shopping experience and launched [BetterYourHealth.com](https://www.BetterYourHealth.com) — a one-stop shop for our vitamin, mineral and supplement brands — for a more convenient consumer experience.



### CREATING PERSONALIZED INTERACTIONS THROUGH TRANSFORMATIVE TECHNOLOGY

CloroxPro, part of our professional products business unit, has been on a digital transformation journey to better serve its customers in healthcare, education, hospitality and other industries that have widely adopted online purchasing since the pandemic.

The business is leaning into this new digital marketplace through every stage of the selling process. New tools for customer relationship management, marketing automation and content management are enabling marketing personalization and tailored business solutions. As a result, teams can focus on building relationships and new growth opportunities, with the goal of better serving both their distributor partners and end users.



### Integrating and Personalizing Consumer Experiences

We’ve nearly achieved our 2025 goal to know 100 million consumers, which will help us better personalize messaging and increase consumer lifetime value. Leveraging our centralized consumer data and digital asset management platform improves our ability to reach our consumers with the right message at the right time. For example, Glad delivered personalized ads with varying benefits based on different consumer motivations, such as wanting to avoid ick and germs versus wanting to create a welcoming space for friends and family. These efforts are delivering improved ROI, with greater efficiencies and higher engagement from our paid media and owned channel activations.

# WE SEE

# Innovative experiences



We enhance consumer satisfaction by delivering purpose-driven and personalized brands, creating more engaging innovation platforms and providing improved shopping experiences. With an innovation focus that extends beyond our products to our supply chain, packaging and business models, we're tapping technology for better insights and agility and to deliver frictionless brand experiences.

## FY23 HIGHLIGHTS

- **Introduced innovation across all major brands**, including Clorox, Fresh Step and Glad, that meets consumers' needs and supports their well-being.
- **Nearly reached our 2025 goal of knowing 100 million consumers**, helping us gain better insights and improve marketing ROI through greater personalization.
- **Launched partnership innovations with Hamilton Beach Brands Inc.**, including Clorox Air Purifiers that help remove particulates in the air and Brita Hub Countertop Water Filtration Appliances designed to reduce over 70 contaminants\* to deliver superior hydration in an innovative and convenient format.
- **Unveiled first-ever direct-to-consumer site at Clorox.com** that simplifies shopping for the next generation of consumers, while providing data to personalize consumer experiences, gathering insights to deepen brand loyalty and increasing consumer spending in national scaled marketing and promotion efforts.
- **Increased participation on Amazon and Walmart.com** to offer a wider assortment of products directly to consumers.
- **Achieved 88% of our 2025 circular economy goal for 100% recyclable, reusable or compostable packaging** by rolling out more products that enable consumers to easily remove nonrecyclable labels that inhibit recyclability of packaging, including bottles, closures and triggers.

\* Visit [www.brita.com/performance-data](http://www.brita.com/performance-data) for more details. Substances reduced may not be in all users' water.



## AMPLIFYING SELF-CARE & LOVE

Burt's Bees strives to provide naturally sourced, sustainable products that consumers can feel good about. That's why the brand teamed up with author and poet Cleo Wade to create a curated gift collection born out of a mutual appreciation for self-care, empowerment and a deep love for people and the planet. Available exclusively at Target, the program reached an important multicultural, NextGen consumer and resulted in a 20% year-over-year increase in sales for the brand's Target Holiday Program.

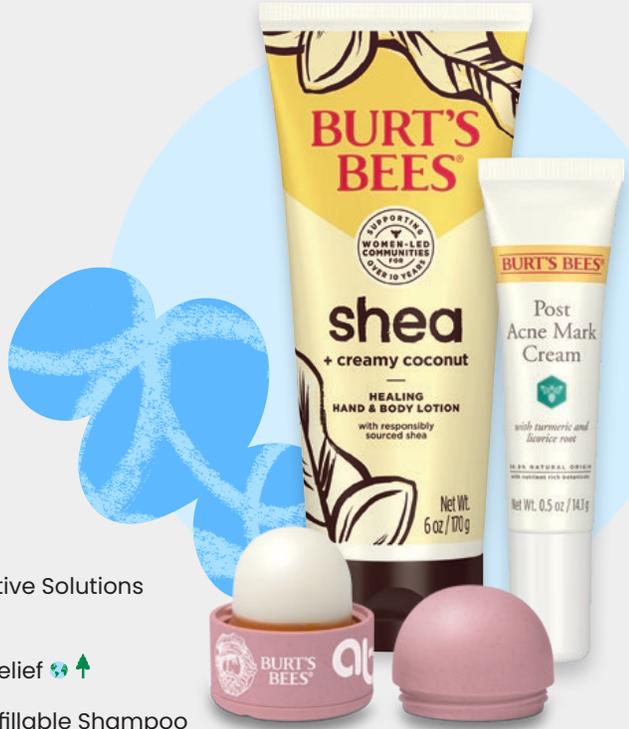
## FY23 INNOVATION HIGHLIGHTS

- ↑ Innovation with environmental sustainability attributes
- 🌍 International



• Brita Hub Instant Powerful Countertop Water Filtration 🌍 ↑

- Burt's Bees & Above & Beyond Refillable Beeswax Lip Balm ↑
- Burt's Bees Beeswax + Shea Lip Balms with paper tube packaging 🌍 ↑
- Burt's Bees Clear & Balanced line 🌍 ↑  
*Post Acne Mark Cream*  
*Even Tone Liquid Exfoliant*  
*Skin Balancing Gel Cream*  
*Breakout Defense Foaming Wash*  
*Deep Cleansing Acne Scrub*
- Burt's Bees Booster Serums 🌍 ↑  
*Hydrating, Brightening, Antioxidant, Firming*



- Burt's Bees SPF 30 Sensitive Solutions Calming Day Lotion 🌍 ↑
- Burt's Bees Rescue Lip Relief 🌍 ↑
- Burt's Bees Baby Bee Refillable Shampoo and Wash 🌍 ↑
- Burt's Bees Shea line ↑  
*Shea + Creamy Coconut Healing Hand & Body Lotion*  
*Shea + Creamy Coconut Deeply Moisturizing Hydra Balm*



• Clorox EcoClean line ↑  
*Disinfecting Cleaner*  
*All-Purpose Cleaner*  
*Glass Cleaner*

- Clorox Bathroom Ultra Foamer ↑
- Clorox Free & Clear line ↑  
*Disinfecting and Sanitizing Mist Spray*  
*Multi-Surface Spray Cleaner*  
*Compostable Wipes*





- Fresh Step Crystals Health Monitor Unscented
- Fresh Step Febreze with Gain Moonlight Breeze
- Scoop Away Complete Performance Plus 🌱

- Glad ForceFlex MaxStrength Trash Bags
- Glad ForceFlex with Pine-Sol Trash Bags



- Hidden Valley Easy Squeeze Bottle  
*Pickle Flavored Ranch*  
*Buffalo Ranch*
- Hidden Valley Secret Sauce  
*Cajun*
- Hidden Valley Ranch Night!  
Premium Seasoning Mix  
*Black Pepper Parmesan*  
*Zesty Alfredo*



- Natural Vitality CALM  
*MIND Powders*  
*Magnesium Powder Stick Packs*  
*Magnesium Glycinate Capsules*  
*Magnesium Citrate Strawberry Gummies*
- Natural Vitality BRAIN Health & Memory Gummies
- NeoCell  
*Marine Collagen with Beauty Blend Powder*  
*Vegan Beauty Builder*  
*Super Collagen Powder with Aloe*  
*Super Collagen Peptides Powder Stick Packs*



- Kingsford Chef's Blend 100% Natural Hardwood Pellets
- Kingsford High Heat Briquets
- Kingsford Low & Slow Briquets



# WE SEE

# Reimagined work



Our culture evolves by galvanizing people through an inclusive workplace, simplifying operations and leveraging technology for growth. We thoughtfully invested in digital resources to make work faster and leaner, while placing our people at the center of our experiences. Strengthened by an unwavering commitment to inclusion, diversity, equity and allyship, we're driving agility, efficiency and impact that aligns with financial goals.

## FY23 HIGHLIGHTS

- **Executed our ongoing listening strategy** as part of a continuous improvement mindset to gauge teammates' perceptions of Clorox as a place to work. In fiscal year 2023, our teammate engagement score was again 82%, in line with the 50th percentile for Fortune 500 benchmarks and above the 50th percentile for industry benchmarks.
- **Continued to introduce and strengthen new ways of working** that build upon our hybrid work experience. We also introduced new tools and technologies that allow teammates to collaborate more effectively, work smarter and make faster, more informed decisions.
- **Achieved pay equity for nonproduction teammates** for gender globally and race and ethnicity in the U.S.\*
- **Offered seven mentoring programs to develop our talent** — enrolling 973 teammates — for general and more specialized audiences, including a group program designed for our women's employee resource group members.
- **Reported a 0.55 recordable incident rate**, which is significantly lower than the average for goods-producing manufacturing companies. To ensure all production teammates are trained consistently and comprehensively, our Global Safety and Environmental team expanded its monthly education program into four languages within the continental U.S.



## A STREAMLINED OPERATING MODEL

This year we began implementation of a streamlined operating model to create a faster, leaner, consumer-obsessed company designed to enhance our ability to respond more quickly to changing consumer behaviors, innovate faster and increase future cash flow as a result of cost savings. This helps create a business unit-led culture that drives growth through our powerful brands, further embeds ESG into our operations, modernizes our capabilities, and empowers our people for better teammate experiences and ultimately superior business outcomes.

\* There are no statistically significant differences (at a confidence level of 95%) in pay by gender globally and race/ethnicity in the U.S., accounting for relevant factors such as grade level, location and experience.



## SUPPORTING TEAMMATES' GROWTH AND WELL-BEING

Clorox teammates are the driving force behind our success. They live our purpose and help advance our IGNITE goals. In turn, we put a considerable focus on teammates' well-being and professional growth.

This fiscal year, for instance, we organized a global Career Week — five days packed with engaging content, panels, mentorship guidance and conversations to guide people on what it means to have a successful career at Clorox and actions they can take to achieve that. We made it easier for teammates to explore new job opportunities by internally posting all roles below director level in an effort to increase transparency and support career growth at the company. We also implemented a new candidate assessment to help ensure a consistent selection process.

We remain committed to fair and equitable pay for all Clorox teammates and have further built upon our culture of trust and transparency by including pay ranges in all U.S. job postings. While we've shared U.S. pay ranges internally for more than 10 years, now all candidates — internal and external — can determine up front whether an open position aligns with their personal and professional goals.

We rolled out an external campaign highlighting teammates' stories to help instill pride among our people and attract new talent with the critical skills and capabilities we need to succeed now and in the future. This employer value proposition campaign focuses on what sets us apart: dedication to growth for our brands and people, our purpose and values, and our people-centered culture, and showcases what makes Clorox a truly unique place to work.

Finally, we introduced a global recognition program to drive culture change and reinforce our focus on being faster, leaner and more consumer-obsessed.

### ENSURING BETTER WELL-BEING FOR ALL OF US

Consistent with our purpose and values, we continue to support teammates' physical, mental and financial well-being through our benefit programs, policies and resources. In fiscal year 2023, we transitioned to our Flexible Time Off policy, offering most U.S. nonproduction teammates the ability to take the time off they need during the year, and introduced "Recharge Weeks," allowing teammates to take vacation at the same time so everyone can truly disconnect and return to work refreshed. To ensure production teammates can also take the time off they need, we added additional Flex days to their time-off benefit. We also implemented comprehensive and inclusive family-forming benefits, supplemental health benefits for additional financial protection and a preventive health screening campaign. We continued to support the mental well-being of teammates and their families through our partnership with a global employee assistance program, including educational webinars and communications campaigns coordinated closely with our Mental Health Champions employee resource group. Through these efforts, we've seen a significant increase in awareness and utilization of mental health resources in the U.S. this past year.



## DRIVING GREATER INCLUSION AND IMPACT

Clorox is making strides and marking milestones on our journey to become a more diverse and inclusive company. This year we welcomed our new chief diversity and social impact officer, Shanique Bonelli-Moore, to the Clorox family. We also evolved our strategy from inclusion and diversity to IDEA — inclusion, diversity, equity, and allyship. This helps make sure processes and programs are impartial, fair and provide equal opportunities to everyone. The addition of allyship is a call to action for each teammate to take an active part in driving IDEA and makes our strategy a more actionable one across the company.

To ensure that each teammate plays an active role in shaping our vision for an inclusive culture, we provided information, inspiration and programs across the entire enterprise and for all teammates. A highlight this year was IDEAcon — a week filled with programming, events and engaging content. Teammates could delve deeper into IDEA strategy elements, connect with each other and participate in authentic and safe discussions with external speakers and company leaders.



Throughout the year, people managers in the company participated in inclusive leadership training. This provided valuable insights and skill-building sessions to help cultivate trust, value differences, embrace unique perspectives and address personal biases.

We continue to take great pride in more than a dozen employee resource groups, or ERG, which play a pivotal role in building community by celebrating our inclusive culture, nurturing professional development, and giving back to our communities through volunteering. This year we welcomed a new ERG to our roster — NATIV, or Native American, Tribal and Indigenous Voices.

We're also driving our IDEA commitment by building inclusive, purpose-driven brands that matter and serve more people around the world. These efforts focus on accelerating growth by winning with multicultural consumers through everything from innovation to marketing. Examples include Burt's Bees new Shea Butter line and Clear & Balanced Even Tone product, which were developed for the diverse skincare needs of our consumers. Additionally, Kingsford's Preserve the Pit program in its third year celebrates Black barbecue culture and invests in its future.



# WE SEE an

# Evolving portfolio



We broaden our core business by unlocking organic growth in the U.S. while maximizing performance internationally with strong brands and operational excellence. As we continue to pursue consumer-driven opportunities, we're thoughtfully making investments to reshape our portfolio with a focus on megatrends, particularly in the areas of enhanced wellness and sustainability.

## FY23 HIGHLIGHTS

- **Introduced Burt's Bees Rescue Lip Relief in a squeezable form.** As the lip care leader, the brand extended its core equity around hydration to address consumers' needs for treatment-oriented products. The innovation instantly relieves and replenishes severely dry lips with 100% natural origin ingredients, and helped generate a double-digit sales increase across the Rescue line.
- **Leveraged Hidden Valley's equity in ranch to expand into condiments meant for dipping, dunking and drizzling foods beyond salad.** Packaged in an inverted bottle and shelved in the dipping section, Pickle Flavored Ranch and Buffalo Ranch combined revenue grew 3X in their first four months post launch, with more flavors coming soon.
- **Added user-friendly ingredient definitions to SmartLabel to help consumers better understand the function of our ingredients.** Clorox was the first company to add this language for cleaning and disinfecting products, as part of our investment to reshape our portfolio with a greater emphasis on consumer transparency and enhancing broader industry practices.
- **In 2022, Clorox was recognized by the U.S. Environmental Protection Agency with two Safer Choice Partner of the Year awards.** These awards recognize our significant achievements in support of the Safer Choice program and signal our efforts to meet rising consumer interest in wellness by delivering products with ingredients that are safer for communities and the environment.



## TACKLING INDUSTRY CHALLENGES TOGETHER

We have set ambitious ESG commitments and goals, which can only be achieved by working with peers and across our value chain to tackle shared challenges impacting the environment, from conceptualizing more sustainable packaging to protecting biodiversity in our supply chains. Some of these collaborative forums include:



## SUPPORTING WELLNESS OF TODAY'S PET FAMILIES

Pets and their people are more connected than ever. Today, 96%\* of pet owners view their pets as family. This trend is especially true among Millennials and Gen Z consumers, who make up almost half of U.S. pet parents. This evolving relationship influences purchase decisions, with 80%\*\* of pet owners paying closer attention to wellness while still prioritizing convenience, efficacy and cost.

Our Fresh Step brand, which is committed to helping pets and their families live in harmony, tapped into this trend when it launched Crystals Health Monitor Litter. This evolution of Fresh Step's core crystal product helps owners easily monitor their cat's health and detect potential illnesses like urinary tract infections and acidosis early through color-changing, pH-activated crystals. All this without compromising on other benefits consumers love, like powerful 30-day odor control and a convenient, lightweight formula.



## TAPPING INTO CONSUMER MEGATRENDS FOR APPROACHABLE CLEANING

Today's consumers have a variety of ever-evolving needs and expectations for the products we make. For example, we've witnessed two major trends collide with the demand for cleaning products that are tough enough to maintain high health and hygiene standards yet offer a gentle, more sustainable alternative to traditional disinfectants. In response, we're proud to have introduced two new product platforms: Clorox Free & Clear and Clorox EcoClean from CloroxPro.

The new Clorox Free & Clear line boasts a trio of products — Compostable Wipes, Disinfecting Mist and a Multi-Surface Spray Cleaner — that offer the effectiveness our consumers expect without any dyes, bleach or ammonia. These products are safe to use around kids, pets and food.

For spaces outside the home, Clorox EcoClean is specially designed for professionals seeking a sustainable and effective approach to keeping public spaces clean and healthy. The platform includes a Disinfecting Cleaner, an All-Purpose Cleaner and a Glass Cleaner that help organizations meet their own sustainability goals, such as LEED and WELL certifications.

Products in both platforms use EPA Safer Choice or Design for the Environment-certified ingredients, meaning every ingredient has been carefully reviewed for human health and environmental safety. These certifications help advance our ESG goal to increase sales of products with targeted certifications and product transparency affiliations. They also meet our own standard for efficacy and broaden our business around our legacy Clorox brand, while ensuring we address the unique needs of today's consumers.

\* Source: Shopper Spectrum, Bridging the Clorox consumer with LER Shoppers May 2023, MotivBase — Consumer Perceptions of the Cat-Human Relationship

\*\* Source: Packaged Facts, US Pet Market Outlook 2023-2024, Mintel Pet Supplies US, Fall 2022, Shopper Spectrum, Bridging the Clorox consumer with LER Shoppers May 2023

# WE SEE *our* Purpose *in action*



We invest in our people and communities to contribute to a more equitable and sustainable world. Being a good global corporate citizen has been part of our DNA for more than 110 years and is just another way we fulfill our purpose to champion people to be well and thrive every single day.



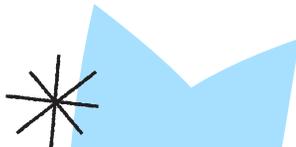
## ADVANCING ENVIRONMENTAL JUSTICE

Rooted in our ambitions to create a cleaner world, support healthy lives and help communities thrive, The Clorox Company Foundation expanded its Healthy Parks Project, further advancing its commitment to environmental justice by improving access to green spaces within underserved communities.

Through grants totaling \$200,000 and volunteer hours from hundreds of teammates this fiscal year, the initiative supported organizations including Park Pride in Atlanta, Ga., and the Durham Parks Foundation in North Carolina to refresh green spaces in areas where our teammates live and work.

## SUPPORTING WELL-BEING THROUGH DISASTER RELIEF EFFORTS

Our product donations provide us with another tool to support community well-being. We continue to donate cash and products to support disaster relief efforts and public health around the world. In fiscal year 2023, this included responding to Hurricane Ian in Florida and flooding in Kentucky through partnerships with the American Red Cross and Americares. Following the earthquake that struck Turkey and Syria in February, the Clorox Europe team also contributed to the Disasters Emergency Committee. To further aid communities affected by Cyclone Yaku, our Peru business donated wipes and bleach to a local relief organization, Juguete Pendiente.





## GROWING ECONOMIES AND ECOSYSTEMS THROUGH RESPONSIBLE SOURCING

We're working to reduce the impacts of raw materials used across our brands. This includes helping to combat deforestation by increasing the percentage of recycled or responsibly sourced certified virgin fiber used in purchased packaging. Our efforts have resulted in an increase from 93% in CY21 to 99% in CY22, just short of our 100% goal.

Our commitment to greater sustainability extends to enhancing biodiversity, fueling economic growth and championing human and labor rights in our supply chains, in particular those with vulnerable populations. Through Clorox's continued support of Earthworm Foundation's Aceh Landscape Project, the organization collaborated on a landscape collective action to train and coach four local companies – employing 893 workers – on improved labor procedures, employee contracts and occupational health and safety in the Indonesian region of Aceh, Sumatra.

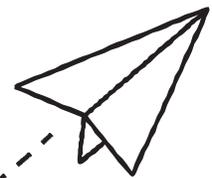
As a member of Action for Sustainable Derivatives, we've also helped to empower local communities in our palm oil supply chain. Burt's Bees provided additional support through the ASD Impact Fund at Tides Foundation. In 2022, the Fund supported work by Kaleka to restore 90 hectares of land and protect an additional 500 hectares in villages across two of the largest palm-producing districts in Central Kalimantan, Indonesia.

Burt's Bees led several other impactful initiatives in fiscal year 2023 as part of its Global Supply Chain Investment program. The SheKeeper initiative, for example, has trained over 900 women in Ghanaian shea communities in beekeeping and created over 1,200 new farmer jobs to date. SheKeeper started in 2021 in partnership with USAID, Partnership for Natural Ingredients and three strategic ingredient suppliers.

In the U.S., the brand partnered with Blue Diamond Growers and Project *Apis m.* to support pollinator health and almond growers in California's Central Valley, home to 80% of the world's almond supply. The partnership has impacted over 200 growers and nearly 60,000 hives in California, creating better conditions for bees and growers.



Photo courtesy of Earthworm Foundation



# COMMUNITY IMPACT HIGHLIGHTS\*

**\$0.5M**  
U.S. CAUSE  
MARKETING

**\$4.4M**  
FOUNDATION &  
CORPORATE  
COMMUNITY  
CASH GRANTS

**\$44.5M<sup>A</sup>**  
U.S. CORPORATE  
PRODUCT  
DONATIONS<sup>D13</sup>

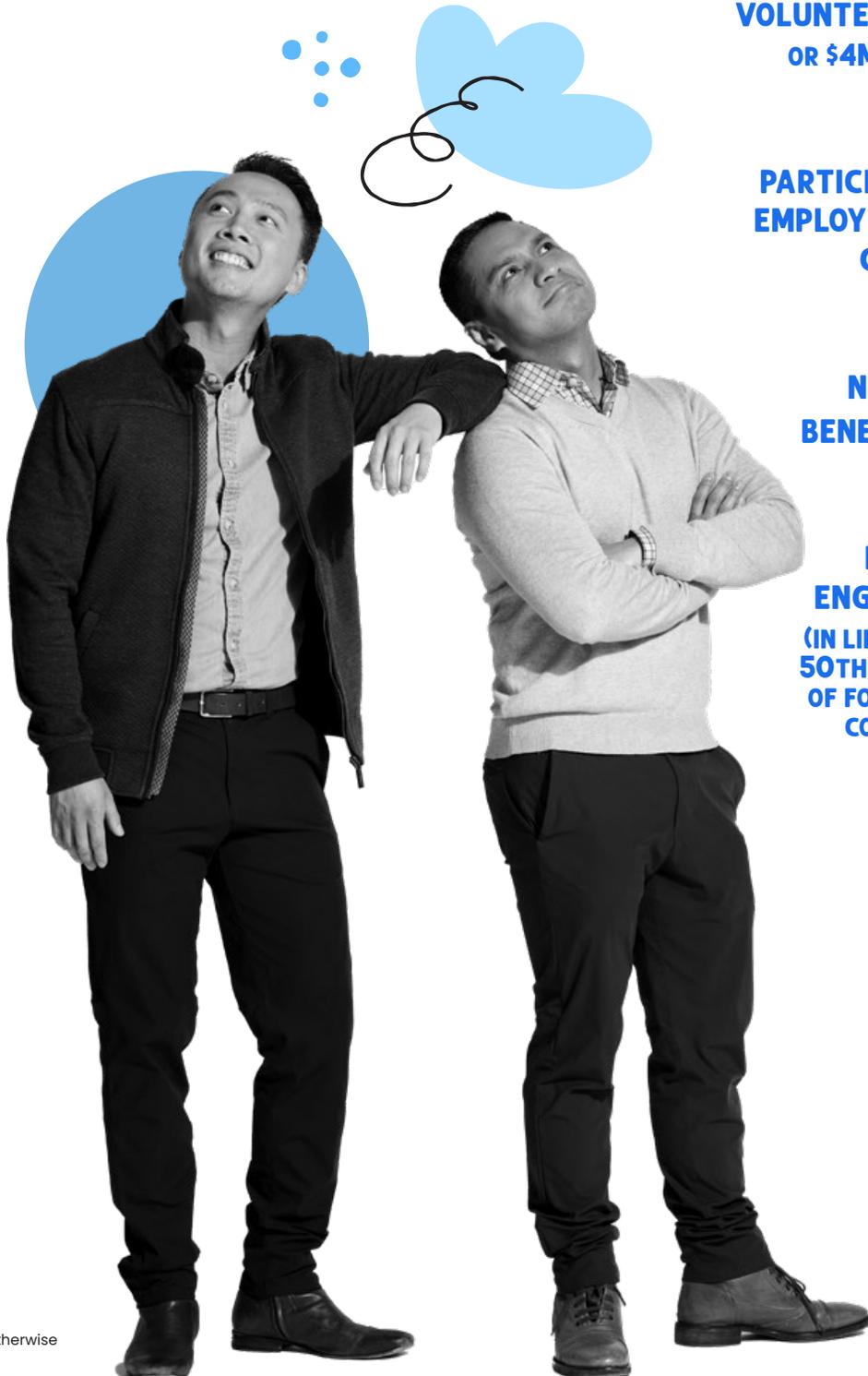
**\$201.3M**  
SPENDING  
WITH DIVERSE  
SUPPLIERS<sup>D14</sup>

**127,000**  
EMPLOYEE  
VOLUNTEER HOURS  
OR \$4M IN CY22<sup>D15</sup>

**53%**  
PARTICIPATION IN  
EMPLOYEE GIVING  
CAMPAIGN

**4,516**  
NONPROFIT  
BENEFICIARIES

**82%<sup>A</sup>**  
EMPLOYEE  
ENGAGEMENT  
(IN LINE WITH THE  
50TH PERCENTILE  
OF FORTUNE 500  
COMPANIES)<sup>D12</sup>



\*As of June 30, 2023, unless stated otherwise

## DIVERSE REPRESENTATION<sup>\*</sup>, <sup>\*\*</sup>, D11

### Leadership & Governance

**25%**  
PEOPLE OF COLOR  
BOARD MEMBERS  
(VS. 22% FORTUNE 500  
AVERAGE IN 2022)

**14%**  
PEOPLE OF COLOR  
CLOROX EXECUTIVE  
COMMITTEE MEMBERS

**50%**  
WOMEN BOARD  
MEMBERS  
(VS. 30% FORTUNE 500  
AVERAGE IN 2022)

**50%**  
WOMEN CLOROX  
EXECUTIVE COMMITTEE  
MEMBERS



### Across the company

#### People of color — U.S.

**42%**  
TOTAL EMPLOYEES  
(2,623)

**17%**<sup>▲</sup>  
SENIOR EXECUTIVES (4)

**34%**<sup>▲</sup>  
MANAGERS (569)

**50%**  
OTHER NONPRODUCTION  
EMPLOYEES (556)

**44%**  
PRODUCTION  
EMPLOYEES (1,493)

#### Women — Global

**36%**  
TOTAL EMPLOYEES  
(3,088)

**50%**<sup>▲</sup>  
SENIOR EXECUTIVES (12)

**49%**<sup>▲</sup>  
MANAGERS (1,142)

**58%**  
OTHER NONPRODUCTION  
EMPLOYEES (1,109)

**19%**  
PRODUCTION  
EMPLOYEES (824)

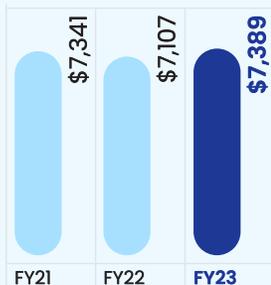
\* For a comprehensive update on our IGNITE ESG goals and metrics, see [pages 42-43](#), and visit our ESG Data Hub at <https://clorox.metrio.net> to view progress over time. References that include a "D" refer to endnotes that can be viewed on [pages 55-56](#).

\*\* As of June 30, 2023.

# 2023 FINANCIAL PERFORMANCE

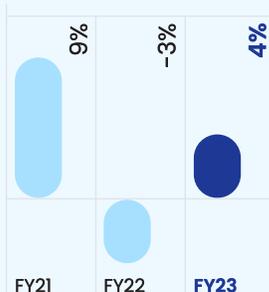
## NET SALES

(\$ millions)



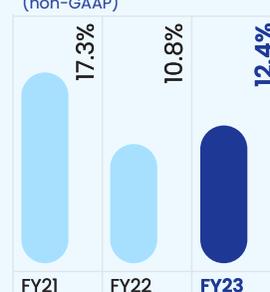
## NET SALES GROWTH

(vs. year ago)



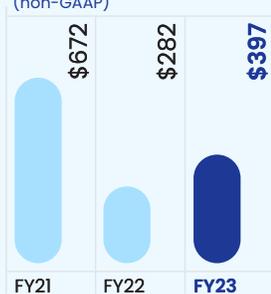
## ADJUSTED EBIT MARGIN<sup>1</sup>

(as a % of net sales)  
(non-GAAP)



## ECONOMIC PROFIT<sup>2</sup>

(\$ millions)  
(non-GAAP)



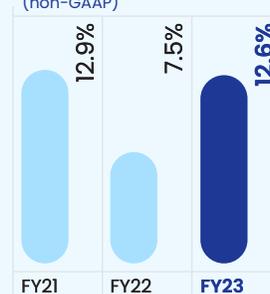
## ADJUSTED EPS<sup>3</sup>

(non-GAAP)

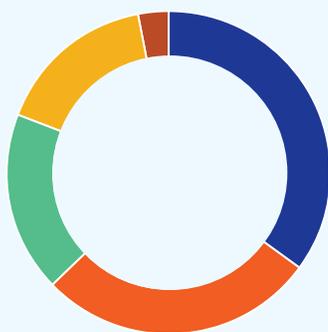


## FREE CASH FLOW<sup>4</sup>

(% of net sales)  
(non-GAAP)



## SALES BY SEGMENT



### 35% Health and Wellness

**Cleaning**  
Clorox  
Clorox 2  
Scentiva  
Pine-Sol  
Liquid-Plumr  
Tilex  
Formula 409

**Professional Products**  
Clorox Healthcare  
CloroxPro

### 28% Household

**Bags and Wraps**  
Glad  
**Cat Litter**  
Fresh Step  
Scoop Away  
Ever Clean  
**Grilling**  
Kingsford

### 18% Lifestyle

**Food Products**  
Hidden Valley  
**Natural Personal Care**  
Burt's Bees  
**Water Filtration**  
Brita

### 16% International

Clorox  
Ayudin  
Clorinda  
Poett  
Pine-Sol  
Glad  
Brita  
RenewLife  
Ever Clean  
Burt's Bees

### 3% Corporate and Other

**Vitamins, Minerals and Supplements**  
Rainbow Light  
Natural Vitality  
NeoCell  
RenewLife

# FINANCIAL FOOTNOTES

See footnotes below for descriptions of these not generally accepted accounting principles, or non-GAAP measures, how management uses them, the reasons management believes they are useful to investors and reconciliations to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures; should be read in connection with the company's consolidated financial statements presented in accordance with GAAP; and may not be the same as similar measures provided by other companies due to potential differences in methods of calculation or differences in which items are incorporated into these adjustments. For additional details regarding the reconciliation of GAAP and non-GAAP financial measures below, see the company's Current Reports on Form 8-K filed with the SEC and in the Investors section of the company's website [www.thecloroxcompany.com](http://www.thecloroxcompany.com).

## 'Supplemental Unaudited Reconciliation of Earnings Before Income Taxes to EBIT<sup>i, iii</sup> and Adjusted EBIT<sup>ii, iii</sup>

Dollars in millions and percentages based on rounded numbers	FY23	FY22	FY21
Earnings (losses) before income taxes	\$ 238	\$ 607	\$ 900
Interest income	(16)	(5)	(5)
Interest expense	90	106	99
EBIT <sup>i, iii</sup>	\$ 312	\$ 708	\$ 994
EBIT margin <sup>i, iii</sup>	4.2%	10.0%	13.5%
VMS impairment <sup>iv</sup>	445	—	329
Professional Products supplier charge <sup>v</sup>	—	—	28
Saudi JV acquisition gain <sup>vi</sup>	—	—	(82)
Streamlined operating model <sup>vii</sup>	60	—	—
Digital capabilities and productivity enhancements investment <sup>viii</sup>	100	61	—
Adjusted EBIT — non-GAAP <sup>ii, iii</sup>	\$ 917	\$ 769	\$ 1,269
Adjusted EBIT margin <sup>ii, iii</sup>	12.4%	10.8%	17.3%
Net sales	\$ 7,389	\$ 7,107	\$ 7,341

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

<sup>ii</sup> Adjusted EBIT (a non-GAAP measure) represents earnings (losses) before income taxes (a GAAP measure), excluding interest income, interest expense and other significant items that are nonrecurring or unusual (such as asset impairments, charges related to the streamlined operating model, charges related to the digital capabilities and productivity enhancements investment, significant losses/(gains) related to acquisitions and other nonrecurring or unusual items as reported above). Adjusted EBIT margin is the ratio of adjusted EBIT to net sales.

- <sup>iii</sup> Management believes the presentation of EBIT, EBIT margin, adjusted EBIT and adjusted EBIT margin provides useful additional information to investors about trends in the company's operations and is useful for comparability of performance over time. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded. They should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.
- <sup>iv</sup> Reflects goodwill and trademarks impairment charges recorded during the third quarter of fiscal year 2021 and third quarter of fiscal year 2023 related to the VMS business.
- <sup>v</sup> Represents noncash charges of \$28 on investments and related arrangements made with a Professional Products business supplier.
- <sup>vi</sup> Represents an \$82 noncash net gain from the remeasurement of the Company's previously held investment in its Saudi joint venture.
- <sup>vii</sup> Reflects the restructuring and related costs, net incurred by the company for implementation of the streamlined operating model. These expenses were primarily attributable to employee-related costs and other associated costs.
- <sup>viii</sup> Reflects the incremental operating expenses primarily recorded within selling and administrative expenses related to implementation of the Company's digital capabilities and productivity enhancements investment. The expenses relate to the following:

### 12 Months Ended June 30, 2023

	FY23	FY22
External consulting fees <sup>a</sup>	\$ 79	\$ 43
IT project personnel costs <sup>b</sup>	6	11
Other <sup>c</sup>	15	7
Total	\$ 100	\$ 61

<sup>a</sup> Comprised of third-party consulting fees incurred to assist in the project management and the preliminary project stage of this transformative investment. The company relies on consultants for certain capabilities required for these programs that it does not maintain internally. These costs support the implementation of these programs incremental to the company's normal IT costs and will not be incurred following implementation.

<sup>b</sup> Comprised of labor costs associated with internal IT project management teams that are utilized to oversee the new system implementations. Given the magnitude and transformative nature of the implementations planned, the necessary project management costs are incremental to the historical levels of spend and will no longer be incurred subsequent to implementation. As a result of this long-term strategic investment, the company does not consider these costs to be reflective of the ongoing costs to operate its business.

<sup>c</sup> Comprised of various other expenses associated with the company's new system implementations, including company personnel dedicated to the project that have been backfilled with either permanent or temporary resources in positions that are considered part of normal operating expenses.

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

Dollars in millions	FY23	FY22	FY21
<b>Earnings before income taxes</b>	<b>\$ 238</b>	<b>\$ 607</b>	<b>\$ 900</b>
Add back:			
Certain U.S. GAAP charges <sup>ii</sup>	605	61	357
Interest expense	90	106	99
Less:			
Saudi JV acquisition gain <sup>iii</sup>	—	—	(82)
<b>Earnings before income taxes, certain U.S. GAAP items and interest expense</b>	<b>933</b>	<b>774</b>	<b>1,274</b>
Less:			
Income taxes on earnings before income taxes, certain U.S. GAAP items and interest expense <sup>iii</sup>	220	174	264
<b>Adjusted after tax profit</b>	<b>\$ 713</b>	<b>\$ 600</b>	<b>\$ 1,010</b>
Less: After tax profit attributable to noncontrolling interests	12	9	9
<b>Adjusted after tax profit attributable to Clorox</b>	<b>701</b>	<b>591</b>	<b>1,001</b>
<b>Average capital employed<sup>iv</sup></b>	<b>\$ 3,383</b>	<b>\$ 3,428</b>	<b>\$ 3,655</b>
Less: Capital charge <sup>v</sup>	\$ 304	\$ 309	\$ 329
<b>Economic profit<sup>i</sup> (Adjusted after-tax profit attributable to Clorox less capital charge)</b>	<b>\$ 397</b>	<b>\$ 282</b>	<b>\$ 672</b>

<sup>i</sup> Economic profit (EP) is defined by the Company as earnings before income taxes, excluding certain U.S. GAAP items (such as asset impairments, charges related to implementation of the streamlined operating model, charges related to digital capabilities and productivity enhancements investment, significant losses/ (gains) related to acquisitions and other nonrecurring or unusual items impacting comparability) and interest expense; less income taxes (calculated based on the Company's effective tax rate excluding the identified U.S. GAAP items), and less after tax profit attributable to noncontrolling interests, and less a capital charge (calculated as average capital employed multiplied by a cost of capital rate). EP is a key financial metric that the Company's management uses to evaluate business performance and allocate resources, and is a component in determining employee incentive compensation. The Company's management believes EP provides additional perspective to investors about financial returns generated by the business and represents profit generated over and above the cost of capital used by the business to generate that profit.

<sup>ii</sup> Certain U.S. GAAP charges includes incremental operating expenses related to the implementation of the Company's digital capabilities and productivity enhancements investment, restructuring and related implementation costs related to implementation of the streamlined operating model, noncash impairments related to the Vitamins, Minerals and Supplements (VMS) business, noncash charges on investments and related arrangements made with a Professional Products business supplier and a noncash nonrecurring net gain related to the Company's increased investment in each of the two entities comprising its joint venture in the Kingdom of Saudi Arabia (Saudi JV).

<sup>iii</sup> The tax rate applied is the effective tax rate before the identified U.S. GAAP items was 23.6%, 22.5% and 20.7% in fiscal years 2023, 2022, and 2021, respectively. The difference between the fiscal year 2023 effective tax rate on earnings of 32.4% is due to the tax rate impact of the FY23 VMS impairment and incremental operating expenses recorded related to the implementation of the Company's digital capabilities and productivity enhancements investment of (8.9)% and 0.1%, respectively. The difference between the fiscal year 2022 effective tax rate on earnings of 22.4% is due to the tax rate impact of the incremental operating expenses recorded related to the implementation of the Company's digital capabilities and productivity enhancements investment of 0.1%. The difference between the fiscal year 2021 effective tax rate on earnings of 20.1% is due to the tax rate impact of the Professional Products supplier charge, FY21 VMS impairment, and Saudi JV acquisition gain of 0.1%, (0.4)%, and 0.9%, respectively.

<sup>iv</sup> Total capital employed represents total assets less non-interest bearing liabilities. Adjusted capital employed represents total capital employed adjusted to add back current year after tax U.S. GAAP items, as applicable, and deduct the current year after tax noncash, nonrecurring gain. Average capital employed is the average of adjusted capital employed for the current year and total capital employed for the prior year, based on year-end balances. See below for details of the average capital employed calculation.

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

Dollars in millions	FY23	FY22	FY21
<b>Total assets</b>	<b>\$ 5,945</b>	<b>\$ 6,158</b>	<b>\$ 6,334</b>
Less:			
Accounts payable and accrued liabilities <sup>vi</sup>	1,650	1,463	1,670
Current operating lease liabilities	87	78	81
Income taxes payable	121	—	—
Long-term operating lease liabilities	310	314	301
Other liabilities <sup>vi</sup>	804	778	819
Deferred income taxes	28	66	67
Noninterest-bearing liabilities	3,000	2,699	2,938
<b>Total capital employed<sup>iv</sup></b>	<b>2,945</b>	<b>3,459</b>	<b>3,396</b>
After tax certain U.S. GAAP items <sup>iii</sup>	362	0	212
<b>Adjusted capital employed<sup>iv</sup></b>	<b>\$ 3,307</b>	<b>\$ 3,459</b>	<b>\$ 3,608</b>
<b>Average capital employed</b>	<b>\$ 3,383</b>	<b>\$ 3,428</b>	<b>\$ 3,655</b>

<sup>vi</sup> Accounts payable and accrued liabilities and Other liabilities are adjusted to exclude interest-bearing liabilities.

### 3Reconciliation of Adjusted EPS<sup>v</sup>

Dollars in millions except per share data	FY23	FY22	% Change
As reported (GAAP)	\$ 1.20	\$ 3.73	(68)%
VMS impairment <sup>i</sup>	2.91	—	—
Streamlined operating model <sup>ii</sup>	0.37	—	—
Digital capabilities and productivity enhancements investment <sup>iii</sup>	0.61	0.37	—
As adjusted (Non-GAAP) <sup>iv, v</sup>	\$ 5.09	\$ 4.10	24%

- <sup>i</sup> During the year ended June 30, 2023, noncash impairment charge of goodwill and trademarks was recorded of \$445 (\$362 after tax) related to the VMS business.
- <sup>ii</sup> During the year ended June 30, 2023, the company incurred approximately \$60 (\$45 after tax) of restructuring and related costs, net for implementation of the streamlined operating model.
- <sup>iii</sup> During the year ended June 30, 2023 and June 30, 2022, the company incurred approximately \$100 (\$76 after tax) and \$61 (\$47 after tax), respectively, of operating expenses related to its digital capabilities and productivity enhancements investment.
- <sup>iv</sup> Adjusted EPS is defined as diluted earnings per share that excludes or has otherwise been adjusted for significant items that are nonrecurring or unusual. The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.
- <sup>v</sup> Adjusted EPS is supplemental information that management uses to help evaluate the company's historical and prospective financial performance on a consistent basis over time. Management believes that by adjusting for certain items affecting comparability of performance over time, such as asset impairments, charges related to the streamlined operating model, charges related to the digital capabilities and productivity enhancements investment, significant losses/(gains) related to acquisitions and other nonrecurring or unusual items, investors and management are able to gain additional insight into the company's underlying operating performance on a consistent basis over time. However, adjusted EPS may not be the same as similar measures provided by other companies due to potential differences in methods of calculation or differences in which items are incorporated into these adjustments.



### 4Reconciliation of Free Cash Flow

Dollars in millions and percentages based on rounded numbers	FY23	FY22	FY21
<b>Net cash provided by operations — GAAP</b>	<b>\$ 1,158</b>	<b>\$ 786</b>	<b>\$ 1,276</b>
Less: Capital expenditures	228	251	331
<b>Free cash flow — non-GAAP<sup>i</sup></b>	<b>\$ 930</b>	<b>\$ 535</b>	<b>\$ 945</b>
<i>Free cash flow as a percentage of net sales — non-GAAP</i>	12.6%	7.5%	12.9%
Net sales	\$ 7,389	\$ 7,107	\$ 7,341

- <sup>i</sup> Management uses free cash flow and free cash flow as a percentage of net sales to help assess the cash generation ability of the business and funds available for investing activities, such as acquisitions, investing in the business to drive growth and financing activities, including debt payments, dividend payments and stock 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. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures and should be read in connection with the company's consolidated financial statements presented in accordance with GAAP.

# OUR COMMITMENT TO STRONG CORPORATE GOVERNANCE

Our board of directors continued to apply their strong, diverse and relevant skills to provide meaningful oversight of the company and its execution of the IGNITE strategy, demonstrating active engagement with the issues most important to investors.

Our governance practices extend to transparency in our disclosures, robust board risk management oversight mechanisms, board oversight of human capital matters and corporate culture, as well as a commitment to hearing perspectives from our varied stakeholders. The following are some examples of strong governance practices at Clorox:

- Regular board refreshment, with average tenure of approximately five years. We seek diverse skills, backgrounds and experiences that support the company's strategy, which also results in a diverse board mix of both longer-tenured and newer directors.
- Strong shareholder-friendly practices, including the right for shareholders to nominate candidates and the right to call a special meeting, assuming certain ownership thresholds and other qualifications are met.
- Consideration of stakeholder feedback, with subsequent enhancements to our governance processes, including public disclosure in alignment with stakeholder-preferred reporting frameworks, incorporation of a third-party facilitator into our board evaluation process (see [pages 44-54](#)), and creation and expansion of our [ESG Data Hub](#), the central repository for key information about our ESG performance and reporting approach.
- Active board oversight of human capital and culture matters, including through engagements with employees via site visits and town halls; oversight of engagement survey results and follow-up actions; and regular updates on ESG activities in town halls, community events and companywide communications.
- Annual mandatory training for Clorox teammates on our Clorox Code of Conduct, which outlines our expectations in areas including human rights and health and safety.

**2 OF 3**  
PEOPLE OF  
COLOR COMMITTEE  
CHAIRS\*\*

**100%**  
INDEPENDENT  
DIRECTORS  
(EXCLUDING CEO)\*\*

**5.1 YEARS**  
AVERAGE BOARD  
TENURE\*\*

**50%**  
WOMEN BOARD  
MEMBERS\*\*

\*\* As of June 30, 2023.



## OUR ESG GOVERNANCE & STRUCTURE

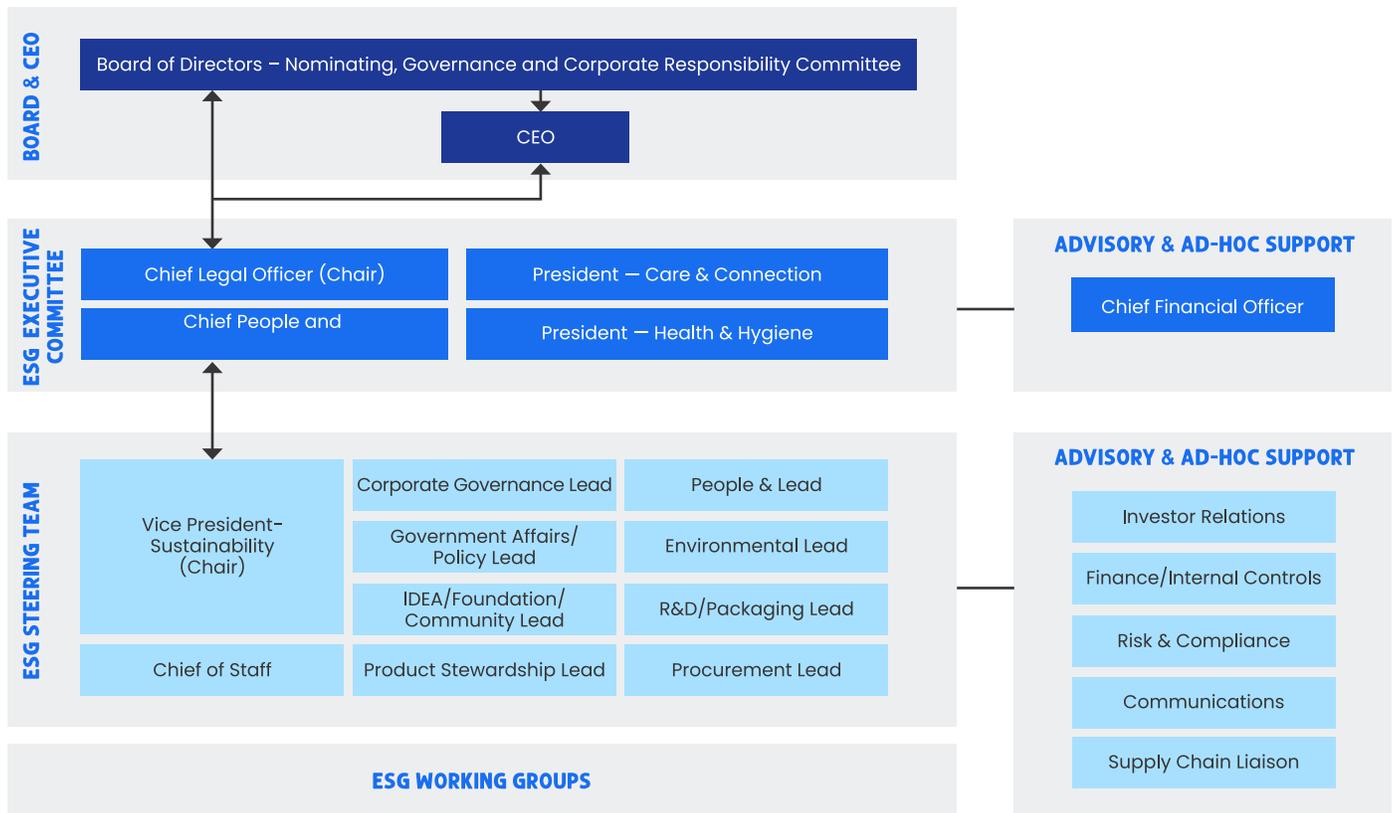
This included creating a new internal ESG management structure and hiring our first full-time vice president and head of sustainability to lead ESG work. The governance structure starts at the top with oversight from our board and senior management team. Our ESG Executive Committee determines strategic considerations to ensure we continue our ESG leadership, while the ESG Steering Team, led by our head of sustainability, drives sustainability initiatives, including reporting and executing against our ambitious IGNITE ESG goals. An ESG Disclosure Committee also reviews key ESG reporting, as well as processes, data controls and systems to assist the company in providing transparent and accurate disclosures and satisfying regulatory reporting requirements.

Our ESG governance structure and related processes include a system of mechanisms to further integrate our IGNITE ESG goals into our business units, allocate resources and assign decision-making authority and accountability. This enables us to better set ESG targets and measure performance. The structure also helps identify and mitigate risks associated with ESG issues such as resource dependency, resource scarcity and physical business disruption.

Additional highlights include:

- Published our [Climate Action Plan](#) this fiscal year, disclosing progress against our science-based targets for scope 3 emissions (categories 1 and 11) in our annual report, and disclosing all scope 3 categories relevant to our business, on our ESG Data Hub.
- In anticipation of new disclosure regulations, we continued to strengthen our ESG data controls for priority metrics by implementing a formal ESG certification process, strengthening standard operating procedures and enhancing formal review checklists.
- Enhancing protocols and processes for data privacy and security to reduce risk and maintain consumers’ trust.

Even as the external environment is constantly evolving, we’re committed to continuously evaluating our approach to governance as we drive toward our IGNITE goals and strive to achieve our integrated ESG ambitions.



# CLOROX BOARD OF DIRECTORS\*



**Matthew J. Shattock**  
Independent Chair,  
former Non-Executive  
Chairman,  
Beam Suntory Inc.



**Amy Banse**  
Venture Partner,  
Mastry Inc.



**Julia Denman**  
Corporate Vice President  
and Head of Internal Audit,  
Enterprise Risk and  
Compliance,  
Microsoft Corporation



**Spencer C. Fleischer**  
Chairman,  
FFL Partners LP



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



**A.D. David Mackay**  
Former President and  
Chief Executive Officer,  
The Kellogg Company



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



**Stephanie Plaines**  
Chief Financial Officer,  
JCPenney



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



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



**Russell J. Weiner**  
Chief Executive Officer,  
Domino's Pizza Inc.



**Christopher J. Williams**  
Chairman,  
Siebert, Williams,  
Shank & Co. LLC

\* As of June 30, 2023.

# CLOROX EXECUTIVE COMMITTEE



**Linda Rendle**  
Chief Executive Officer



**Stacey Grier**  
Executive Vice President  
and Chief Growth  
and Strategy Officer



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



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



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



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



**Chau Banks**  
Senior Vice President  
and Chief Information  
and Data Officer



**Shanique Bonelli-Moore**  
Vice President and Chief  
Diversity and Social  
Impact Officer



**Rebecca Dunphy\***  
Group President –  
Care & Connection



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



**Chris Hyder**  
Group President –  
Health & Hygiene



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



**Michael Ott**  
Senior Vice President  
and Chief Research &  
Development Officer



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



\* Resigned from the company effective August 11, 2023.

## CONDENSED CONSOLIDATED STATEMENT OF EARNINGS

YEARS ENDED JUNE 30 DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA	2023	2022	2021
Net sales	\$ 7,389	\$ 7,107	\$ 7,341
Cost of products sold	4,481	4,562	4,142
Gross profit	2,908	2,545	3,199
Selling and administrative expenses	1,183	954	1,004
Advertising costs	734	709	790
Research and development costs	138	132	149
Goodwill, trademark, and other asset impairments	445	—	329
Interest expense	90	106	99
Other (income) expense, net	80	37	(72)
Earnings before income taxes	238	607	900
Income taxes	77	136	181
Net earnings	161	471	719
Less: Net earnings attributable to noncontrolling interests	12	9	9
Net earnings attributable to Clorox	\$ 149	\$ 462	\$ 710
Net earnings per share attributable to Clorox			
Basic net earnings per share	\$ 1.21	\$ 3.75	\$ 5.66
Diluted net earnings per share	\$ 1.20	\$ 3.73	\$ 5.58
Weighted average shares outstanding (in thousands)			
Basic	123,589	123,113	125,570
Diluted	124,181	123,906	127,299

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED JUNE 30 DOLLARS IN MILLIONS	2023	2022	2021
Net earnings	\$ 161	\$ 471	\$ 719
Other comprehensive (loss) income:			
Foreign currency adjustments, net of tax	3	(45)	47
Net unrealized gains (losses) on derivatives, net of tax	(22)	100	39
Pension and postretirement benefit adjustments, net of tax	5	12	8
Total other comprehensive (loss) income, net of tax	(14)	67	94
Comprehensive income	147	538	813
Less: Total comprehensive income attributable to noncontrolling interests	12	9	9
Total comprehensive income attributable to Clorox	\$ 135	\$ 529	\$ 804

## CONDENSED CONSOLIDATED BALANCE SHEETS

AS OF JUNE 30 DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA	2023	2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 367	\$ 183
Receivables, net	688	681
Inventories, net	696	755
Prepaid expenses and other current assets	77	106
Total current assets	1,828	1,725
Property, plant, and equipment, net	1,345	1,334
Operating lease right-of-use assets	346	342
Goodwill	1,252	1,558
Trademarks, net	543	687
Other intangible assets, net	169	197
Other assets	462	315
<b>Total assets</b>	<b>\$ 5,945</b>	<b>\$ 6,158</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Notes and loans payable	\$ 50	\$ 237
Current operating lease liabilities	87	78
Accounts payable and accrued liabilities	1,659	1,469
Income taxes payable	121	—
Total current liabilities	1,917	1,784
Long-term debt	2,477	2,474
Long-term operating lease liabilities	310	314
Other liabilities	825	791
Deferred income taxes	28	66
Total liabilities	5,557	5,429
Commitments and contingencies		
Stockholders' equity		
Preferred stock: \$1.00 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock: \$1.00 par value; 750,000,000 shares authorized; 130,741,461 shares issued as of June 30, 2023 and 2022; and 123,820,022 and 123,152,132 shares outstanding as of June 30, 2023 and 2022, respectively	131	131
Additional paid-in capital	1,245	1,202
Retained earnings	583	1,048
Treasury stock, at cost: 6,921,439 and 7,589,329 shares as of June 30, 2023 and 2022, respectively	(1,246)	(1,346)
Accumulated other comprehensive net (loss) income	(493)	(479)
Total Clorox stockholders' equity	220	556
Noncontrolling interests	168	173
<b>Total stockholders' equity</b>	<b>388</b>	<b>729</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 5,945</b>	<b>\$ 6,158</b>

## CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock			Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Net (Loss) Income	Noncontrolling Interests	Total Stockholders' Equity
	Amount	Shares	Additional Paid-in Capital		Amount	Shares			
<b>Dollars in millions, except per share data; shares in thousands</b>									
<b>Balance as of June 30, 2020</b>	\$ 159	158,741	\$ 1,137	\$ 3,567	\$ (3,315)	(32,543)	\$ (640)	\$ —	\$ 908
Net earnings	—	—	—	710	—	—	—	9	719
Other comprehensive (loss) income	—	—	—	—	—	—	94	—	94
Dividends to Clorox stockholders (\$4.49 per share declared)	—	—	—	(564)	—	—	—	—	(564)
Dividends to noncontrolling interests	—	—	—	—	—	—	—	(26)	(26)
Business combinations including purchase accounting adjustments	—	—	—	—	—	—	—	198	198
Stock-based compensation	—	—	50	—	—	—	—	—	50
Other employee stock plan activities	—	—	(1)	(37)	156	1,340	—	—	118
Treasury stock purchased	—	—	—	—	(905)	(4,758)	—	—	(905)
Treasury stock retirement	(28)	(28,000)	—	(2,640)	2,668	28,000	—	—	—
<b>Balance as of June 30, 2021</b>	\$ 131	130,741	\$ 1,186	\$ 1,036	\$ (1,396)	(7,961)	\$ (546)	\$ 181	\$ 592
Net earnings	—	—	—	462	—	—	—	9	471
Other comprehensive (loss) income	—	—	—	—	—	—	67	—	67
Dividends to Clorox stockholders (\$3.48 per share declared)	—	—	—	(430)	—	—	—	—	(430)
Dividends to noncontrolling interests	—	—	—	—	—	—	—	(17)	(17)
Stock-based compensation	—	—	52	—	—	—	—	—	52
Other employee stock plan activities	—	—	(36)	(20)	75	524	—	—	19
Treasury stock purchased	—	—	—	—	(25)	(152)	—	—	(25)
<b>Balance as of June 30, 2022</b>	\$ 131	130,741	\$ 1,202	\$ 1,048	\$ (1,346)	(7,589)	\$ (479)	\$ 173	\$ 729
Net earnings	—	—	—	149	—	—	—	12	161
Other comprehensive (loss) income	—	—	—	—	—	—	(14)	—	(14)
Dividends to Clorox stockholders (\$4.72 per share declared)	—	—	—	(588)	—	—	—	—	(588)
Dividends to noncontrolling interests	—	—	—	—	—	—	—	(17)	(17)
Stock-based compensation	—	—	73	—	—	—	—	—	73
Other employee stock plan activities	—	—	(30)	(26)	100	668	—	—	44
<b>Balance as of June 30, 2023</b>	\$ 131	130,741	\$ 1,245	\$ 583	\$ (1,246)	(6,921)	\$ (493)	\$ 168	\$ 388

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30 DOLLARS IN MILLIONS	2023	2022	2021
Operating activities:			
Net earnings	\$ 161	\$ 471	\$ 719
Adjustments to reconcile net earnings to net cash provided by operations:			
Depreciation and amortization	236	224	211
Stock-based compensation	73	52	50
Deferred income taxes	(149)	5	(32)
Goodwill, trademark and other asset impairments	445	—	329
Settlement of interest rate derivative contracts	—	114	—
Other	38	19	10
Changes in:			
Receivables, net	(13)	(84)	82
Inventories, net	58	(18)	(282)
Prepaid expenses and other current assets	(1)	16	(30)
Account payable and accrued liabilities	157	(47)	311
Operating lease right-of-use assets and liabilities, net	1	(1)	(2)
Income taxes payable/prepaid	152	35	(90)
Net cash provided by operations	1,158	786	1,276
Investing activities:			
Capital expenditures	(228)	(251)	(331)
Businesses acquired, net of cash acquired	—	—	(85)
Other	5	22	(36)
Net cash used for investing activities	(223)	(229)	(452)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30 DOLLARS IN MILLIONS	2023	2022	2021
Financing activities:			
Notes and loans payable, net	(188)	237	—
Long-term debt repayments	—	(1,405)	—
Long-term debt borrowings, net of issuance costs paid	—	1,085	—
Treasury stock purchased	—	(25)	(905)
Cash dividends paid to Clorox stockholders	(583)	(571)	(558)
Cash dividends paid to noncontrolling interests	(15)	(15)	(31)
Issuance of common stock for employee stock plans and other	33	5	103
Net cash used for financing activities	(753)	(689)	(1,391)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	—	(6)	12
Net increase (decrease) in cash, cash equivalents, and restricted cash	182	(138)	(555)
Cash, cash equivalents, and restricted cash:			
Beginning of year	186	324	879
End of year	\$ 368	\$ 186	\$ 324
Supplemental cash flow information:			
Interest paid	\$ 99	\$ 89	\$ 89
Income taxes paid, net of refunds	73	100	303
Noncash financing activities:			
Cash dividends declared and accrued, but not paid	16	14	156

# AUDITOR STATEMENT

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



### To the Stockholders and the Board of Directors 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, 2023 and 2022, 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, 2023 and the related notes (collectively referred to as the "consolidated financial statements") (not presented separately herein) and in our report dated August 10, 2023, 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, 2023 and 2022 and for each of the three years in the period ended June 30, 2023 (presented on Pages 30-35) 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, 2023, 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 10, 2023 (not presented separately herein) expressed an unqualified opinion thereon.

*Ernst & Young LLP*

San Francisco, California  
August 10, 2023

# AUDITOR STATEMENT

## Independent Accountants' Review Report



### To the Management of The Clorox Company

We have reviewed The Clorox Company's ("Clorox") accompanying Schedule of Selected Environmental Indicators and Schedule of

Selected Quantitative Performance Indicators included in Appendix A (the "Subject Matter") and as presented in the Company's Annual Report identified by the "◆" symbol presented in Clorox's Annual Report for the reporting periods indicated in the table below, based on the criteria also set forth in Appendix A (the "Criteria"). Clorox's management is responsible for the Subject Matter, based on the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Subject Matter	Reporting Period
Schedule of Selected Environmental Indicators	For the year ended December 31, 2022
Schedule of Selected Quantitative Performance Indicators	For the year ended June 30, 2023

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be based on the Criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is based on the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. As such, a review does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent of Clorox and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review engagement. Additionally, we have complied with the other ethical requirements set forth in the Code of Professional Conduct and applied the Statements on Quality Control Standards established by the AICPA.

The procedures we performed were based on our professional judgment. Our review consisted 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.

As described in Appendix 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. Furthermore, Scope 3 emissions are calculated based on a significant number of estimations and management assumptions due to the inherent nature of the Greenhouse Gas Protocol Corporate Standard and Technical Guidance for Calculating Scope 3 Emissions criteria.

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

Based on our review, we are not aware of any material modifications that should be made to the Schedule of Selected Environmental Indicators and the Schedule of Selected Quantitative Performance Indicators for the periods indicated in the table above in order for them to be based on the Criteria.

*Ernst & Young LLP*

September 15, 2023

# ESG PERFORMANCE NOTES

## APPENDIX A:

### Schedule of Selected Environmental Indicators for the year ended December 31, 2022

INDICATOR NAME	UNIT	VALUE	CRITERIA	REPORTING BOUNDARY	
Scope 1 greenhouse gas (GHG) emissions <sup>1, 2, 3, 4</sup>	Metric tons carbon dioxide equivalent (tCO <sub>2</sub> e) <sup>5</sup>	65,205	The World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas (GHG) Protocol Corporate Standard	The reporting boundary includes all global facilities and offices under the operational control of Clorox.	
Scope 2 GHG emissions, location-based-method (LBM) <sup>2, 4, 6</sup>		173,925			
Scope 2 GHG emissions, market-based-method (MBM) <sup>2, 4, 7</sup>		26,682			
Combined Scope 1 + Scope 2 MBM emissions <sup>1, 2, 3, 4, 7</sup>		91,887			
Change in Scope 1 GHG emissions from 2020 baseline year <sup>8</sup>	Percent (%)	-13%	WRI/WBCSD GHG Protocol Corporate Standard, GHG Protocol Scope 2 Guidance		
Change in Scope 2 LBM GHG emissions from 2020 baseline year <sup>8</sup>		-6%			
Change in Scope 2 MBM GHG emissions from 2020 baseline year <sup>8</sup>		-86%			
Change in combined Scope 1 and Scope 2 MBM GHG emissions from 2020 baseline year <sup>8</sup>		-65%			
Scope 3 (Category 4 and Category 6) GHG emissions <sup>4, 9, 10</sup>	tCO <sub>2</sub> e	286,073	GHG Protocol Scope 3 Technical Guidance		Scope 3 includes Category 4, finished goods transportation, in the U.S. only, and Category 6, global employee business travel.
Change in Scope 3 (Category 4 and Category 6) emissions from 2020 baseline year <sup>8</sup>	Percent (%)	-23%			
Energy consumption <sup>2, 11</sup>	Megawatt hours (MWh)	703,893	Total energy consumption, as defined by GRI 302-1e-g. <sup>12</sup> Significant contextual information necessary to understand how the data have been compiled have been disclosed.	The reporting boundary includes all global facilities and offices under the operational control of Clorox.	
Water withdrawal <sup>2, 13</sup>	Megaliters	2,922	Total water withdrawal as defined by a component of GRI 303-3a. <sup>14</sup>		
Renewable electricity consumption <sup>15</sup>	MWh	369,940	Total renewable electricity consumption in the U.S. and Canada.	The reporting boundary includes all facilities and offices in the U.S. and Canada under the operational control of Clorox.	
Percentage of electricity from renewable energy <sup>2, 15</sup>	Percent (%)	100%	Total renewable electricity procured from renewable energy sources in the U.S. and Canada divided by the total electricity usage in the U.S. and Canada.		

### Schedule of Selected Quantitative Performance Indicators for the year ended June 30, 2023

INDICATOR NAME	UNIT	VALUE	CRITERIA	REPORTING BOUNDARY
Employee Engagement Score <sup>16</sup>	Percent (%)	82%	Total percentage of actively engaged employees, as defined by SASB TC-IM-330a.2. <sup>17</sup> Significant contextual information necessary to understand how the data has been compiled have been disclosed.	Employee engagement levels include employees who are actively engaged. The survey is available to all full time and part time employees excluding contractors and interns.
Recordable Incident Rate <sup>18</sup>	Rate of recordable work-related incidents	0.55	Rate of recordable work-related incidents as defined by GRI 403-9a.iii, e-f-g. <sup>19</sup>	The reporting boundary includes injuries or illnesses beyond first aid that meet the definition of OSHA's definition of recordable work-related injury or ill health, referred to as "recordable work-related incidents" occurring at global facilities and offices under the operational control of Clorox with 10 or more employees including remote workers.

Schedule of Selected Quantitative Performance Indicators for the year ended June 30, 2023 (continued)

INDICATOR NAME		UNIT	VALUE	CRITERIA	REPORTING BOUNDARY
Workforce Representation <sup>20, 21, 22</sup>	Female managers, global	Percent (%)	49%	Global female managers, divided by the total number of global managers.	The reporting boundary for female managers and female senior executives includes all U.S. and global employees, both active and part-time employees (excluding interns, contractors, and fixed-term employees).
	Female senior executives, global		50%	Global female senior executives, divided by the total number of global senior executives.	
	People of Color (POC) managers, U.S.		34%	U.S. People of Color (POC) <sup>23</sup> managers, divided by the total number of U.S. managers.	The reporting boundary for POC managers and POC senior executives includes all U.S. employees, both active and part-time employees (excluding interns, contractors, and fixed-term employees).
	POC senior executives, U.S.		17%	U.S. POC <sup>23</sup> senior executives, divided by the total number of U.S. senior executives.	
U.S. Product Donations <sup>24</sup>	\$ USD (million)	44.5	Total direct economic value distributed through community investments.	Fair market value (FMV) of all U.S. product donations used to aid in disaster relief or to support schools, food banks, and other non-profit organizations (defined as 501(c)(3) organizations and equivalents).	

**Note:** Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. Selection of different but acceptable measurement techniques can result in materially different measurements. Precision of different measurement techniques may vary.

- Clorox produces biogenic emissions as a result of direct wood pyrolysis. Direct wood pyrolysis is considered to be a carbon neutral process; therefore, there are zero biogenic CO2 emissions, but CO2 equivalent emissions from CH4 and N2O are included within Clorox's Scope 1 emissions.
- 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. For facilities that do not receive invoices or meter readings necessary to obtain actual energy consumption, Clorox utilizes an estimation methodology that considers historical and known data.
- Scope 1 emission sources include direct energy used by Clorox in its operations, categorized by stationary combustion, mobile combustion, refrigerant use, direct volatile organic compound (VOC) loss and direct wood pyrolysis. The last two sources relate mainly to Clorox's Kingsford business unit. Process emissions outside of the Kingsford business unit were identified as being immaterial as a source of emissions within Clorox's operational boundary.
- Scope 1 emissions were calculated using 2023 EPA Center for Corporate Climate Leadership Emission Factors for Greenhouse Gas Inventories (Published in 2023) and Title 40 Part 98 Table C-2: Wood & Wood Residuals emission factors. Scope 2 emissions were calculated using 2020 International Energy Agency (IEA) emission factors (published in 2022), 2021 eGRID emission factors (published in January 2023), 2020 emission factors from 2022 Canada National Inventory Report (NIR) Annex 23 for Ontario. Scope 3, Category 4 and Category 6 emissions were calculated using 2023 EPA Center for Corporate Climate Leadership Emission Factors for Greenhouse Gas Inventories (Published in 2023). Global warming potentials from the 2007 IPCC Fourth Assessment Report were applied to all emissions calculations. Clorox utilized standard and widely accepted conversion factors for the purposes of calculating their emissions footprint.
- Gases included in the reporting boundary are CO2, CH4, N2O and HFCs. HFCs are used in refrigerants. The majority of the reported CO2e emissions are from CO2 with the remainder being composed of CH4, N2O, and HFCs.
- Scope 2 LBM emission sources include purchased electricity. Purchased steam, heating, and cooling, as well as sold electricity, steam, heating, and cooling were not identified as a source of emissions within Clorox's operational boundary.
- Scope 2 MBM method emissions utilize various environmental attributes from Renewable Energy Credits (RECs) associated with virtual power purchase agreements (VPPAs), RECs purchased on the open market, and International RECs (I-RECs) purchased through an energy service provider. The accounting for these contractual instruments is in alignment with the GHG Protocol Scope 2 Guidance Quality Criteria. These instruments were specific to facilities in the U.S., Canada, Colombia, and Chile in the 2022 reporting year. Scope 2 MBM emission sources include purchased electricity and contractual instruments. Purchased steam, heating, and cooling, as well as sold electricity, steam, heating, and cooling were not identified as a source of emissions within Clorox's operational boundary. For Scope 2 MBM emissions, supplier specific and residual mix emission factors were not applied to the Scope 2 MBM emissions calculation. An adjusted emissions factor has not been estimated to account for voluntary purchases as this may result in double counting between electricity consumers.
- Percent change in GHG emissions from the 2020 baseline year utilizes values as of December 31, 2020, as reported in Clorox's 2021 Annual Report.
- Scope 3, Category 4 emissions is 282,823 tCO2e and Scope 3, Category 6 emissions is 3,250 tCO2e of the consolidated Scope 3 Category 4 and Category 6 Emissions. The vast majority of Scope 3 Category 4 and 6 emissions are using data from suppliers. Scope 3 emissions outside of Scope 3 Category 4 and Category 6 emissions are not subject to assurance by EY.
- Scope 3, Category 4 finished goods transportation are calculated using the distance-based method applying 'per ton-mile' emission factors. Emissions sources are from air transport, road transport, rail transport, and marine transport. Emissions from storage of purchased products in warehouses, distribution centers, and retail facilities are limited in use and immaterial. Scope 3, Category 6 emissions for business travel are calculated using the distance-based method applying 'per vehicle-mile traveled' and 'per passenger-mile traveled' emission factors. Emissions sources are from commercial air flights and rental car use by Clorox's employees booked through their selected travel agencies, including Amex, BCD, and Hertz. For purposes of calculating business travel emissions, Clorox utilizes EPA's emissions factors for medium haul flights for all domestic, trans-border, and European flights, and the emissions factors for long haul flights for all international flights. There are limited non-Hertz rental vehicles that Clorox applies a miles per day average from the known Hertz data to determine mileage for non-Hertz rental vehicles.
- Total energy consumption includes purchased electricity, natural gas, fuel oil, diesel, propane, kerosene, gasoline, and jet fuel and aligns with the sources included in the calculation of Scope 1 and Scope 2 GHG emissions.

- Other criteria included in GRI 302-1 (i.e., total fuel consumption within the organization from non-renewable sources, total fuel consumption within the organization from renewable sources, in joules, watt-hours or multiples, the total electricity, heating, cooling and steam consumption, and in joules, watt-hours or multiples, the total electricity, heating, cooling, and steam sold) are excluded.
- Water withdrawal 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 withdrawn by employees during office hours for personal needs (e.g., restrooms, break rooms). Water sources include city/municipal, well, lake and river water.
- Other components of GRI 303-3a (i.e., breakout by source) and GRI 303-3 (i.e., water stressed areas and sediment levels) are excluded.
- Clorox's renewable electricity consumption data for the U.S. and Canada includes various contractual instruments, including RECs associated with VPPAs and RECs purchased on the open market. RECs from the U.S. and Canada have been or are being certified through the Green-e certification program.
- Employee engagement is measured by four questions within a survey that was administered by a third-party, Perceptyx, Inc. The survey took place from February 27th, 2023, through March 17th, 2023, and 7,053 of about 8,700 Company employees responded to the survey. Responses were scored on a scale of 1 to 5 as follows: 5: Strongly agree, 4: Agree, 3: Neither agree or disagree, 2: Disagree, or 1: Strongly disagree. A response of 5 or 4 is considered a favorable response representing active employee engagement. Employee engagement is based upon employees self-reporting. To the extent that the employees do not respond to the survey, the data would not be included in the employee engagement calculation. Clorox does not expect to receive survey responses from 100% of employees, as it is not mandatory for all employees to complete the survey. As such, the employee engagement score is calculated only from responses to the Company's annual survey.
- Other criteria included in TC-IM-330a.2 (i.e., distinct breakouts of the percent of each employee engagement levels including not engaged, passive and actively disengaged,) are excluded.
- Recordable incident rate was determined as of July 14, 2023, for the fiscal year ended June 30, 2023, and is calculated as the sum of all recorded injuries or illnesses multiplied by 200,000 divided by the total labor hours. Recordable incident rate is calculated based upon employees self-reporting work-related injuries or illnesses which may be affected by culture, societal norms, and/or regulations. To the extent a recordable incident is not self-reported, it would not be included in the recordable incident rate calculation. Guidance on the definition of recordable work-related injuries or illnesses is based on the United States Occupational Safety and Health Administration (OSHA), General recording criteria 1904.7. Guidance on work-relatedness is defined by the United States OSHA, Determination of work-relatedness 1904.5.
- Other criteria included in GRI 403-9a (i.e., for all employees, number and rate of fatalities as a result of work-related injuries, number and rate of high consequence work-related injuries, types of work-related injuries, number of hours worked) and other components of GRI 403-9 (i.e., for employees and workers who are not employees but whose work and/or workplace is controlled by the organization, the number and rate of fatalities as a result of work-related injury, the number and rate of high-consequence work-related injuries (excluding fatalities), the number of recordable work-related injuries for employees and both number and rate of recordable work-related injuries for non-employees, the main types of work-related injury, the number of hours worked; work-related hazards that pose a risk of high-consequence injury; any actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls; and whether any workers have been excluded from this disclosure) are excluded.
- Percentage of female is calculated based upon employees self-reporting their gender. Percentage of people of color is calculated based upon employees self-reporting their race. To the extent that the employees do not self-report, the data would not be included in the diversity calculation. Populations of 5 or less employees are excluded as they are immaterial to the overall calculation.
- Managers based on headcount data of employees who reported gender and race. "Manager" is defined as internal grade ranking between "26-31" for U.S. employees and "25-31" for international employees. These internal grade ranks are determined by the Company's Human Resources compensation structure. Senior Executive based on headcount data of employees who reported gender and race. "Senior Executive" is defined as internal grade ranking of "32" and "EX". These internal grade ranks are determined by the Company's Human Resources compensation structure.
- During FY23, Clorox updated their internal grade rank's structure for "Managers" to be grades 26-31 for U.S. employees (previously 27-31) and grades 25-31 for international employees (previously 26-31). This change resulted in additional grade levels to be considered a "Manager" within the FY23 indicator calculation. This is only a change to Clorox's calculation methodology, and both the current year and prior year values accurately reflected the criteria that was applied at that time.
- POC is defined as any race that is not White (including but not limited to Asian; Black; Latino; Native American; Native Hawaiian; or two or more races).
- U.S. Product Donation is derived from the current year fair market value of the products donated. U.S. product donations include donations made by the Company's U.S. divisions and were determined based on available documentation for the fiscal year ended June 30, 2023.

# HOW WE CREATE VALUE

To achieve our business goals, we need to leverage the unique foundational attributes of our company, manage external factors and optimize our relationships with important partners. We're successful when we create value for our company, employees, consumers, retail and nonretail customers, investors, communities, suppliers and other business partners, the environment and society.

## 1 INPUTS\*

- 💰 Total assets
- 🔧 Employees
- 🔧 Investments, including five-year, \$500 million strategic investment in digital capabilities and productivity enhancements
- 🏗️ Capital expenditures
- 🏗️ Raw material costs and other expenses
- 🏗️ Cost-savings program
- ⚙️ 8,700 global employees
- ⚙️ Professional development and training
- 🔗 Supplier contracts and investments
- 🔗 Customer support and engagement
- 🔗 Industry collaborations
- 🌱 Virgin raw materials (including renewable resources)
- 🌱 Reused or recycled materials
- 🌱 Energy (including 100% renewable electricity in U.S. and Canada)
- 🌱 Water (including recycled water)

## 2 BUSINESS MODEL

**Vision:** To be exceptional innovators who earn people's enduring loyalty. **Purpose:** We champion people to be well and thrive every single day. **Objective:** Maximize economic profit and deliver purpose-driven growth.

### IGNITE Strategy:

- Fuel Growth
- Innovate Experiences
- Reimagine Work
- Evolve Portfolio

### ESG Priorities:

- Healthy Lives
- Clean World
- Thriving Communities
- Strong Governance

### Our Values:

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

### Functions:

- Finance
- Enterprise Data and Tech
- Legal, Government Affairs and Internal Audit
- Marketing
- People (Human Resources and Corporate Affairs)
- Product Supply
- Research & Development

- Sales

### Segments:

- Health and Wellness
- Household
- Lifestyle
- International
- Corporate and Other

### How we conduct our business:

- Innovative consumer products and services
- Diverse health, well-being and household essentials portfolio
- Retail and professional customer base
- Best-in-class delivery of end-to-end supply chain solutions
- U.S. focus with presence in key global markets
- Enterprisewide strategy integrating ESG priorities
- Strong execution
- ESG team driving sustainability

## 3 OUTPUTS\*\*

- 💰 Sales
- 💰 Transformed financial operations and reporting with automated processes and enhanced planning capabilities
- 🔧 Patents
- 🔧 Partner investments
- 🏗️ Product portfolio
- 🏗️ Enhanced technology driving more meaningful connections with consumers
- 🏗️ Radically enhanced forecasting and manufacturing capabilities to deliver the right product at the right time in the right place
- 🏗️ Meaningful analytics and insights with integrated data across systems and functions
- ⚙️ Inclusive culture
- ⚙️ Diverse representation
- ⚙️ Engaged employees
- ⚙️ Seamless, tech-enabled employee experience
- 🔗 Supplier adherence to Business Partner Code of Conduct
- 🔗 Responsible sourcing program
- 🌱 Reusable, recyclable or compostable materials
- 🌱 Waste to landfill/energy
- 🌱 Wastewater
- 🌱 Emissions

## 4 OUTCOMES\*\*\*

- 📈 Profit and cash flows
- 📈 Employee professional growth and engagement
- 📈 Brand equity
- 📈 Innovation
- 📈 Employer brand reputation
- 📈 Simpler, faster, bolder and more inclusive way of working
- 📈 Shareholder value (stock price and dividends)
- 📈 Partnerships (industry, ESG, supply chain)
- 📈 Consumer satisfaction
- 📈 Brand loyalty
- 📈 Healthy Lives, Clean World, Thriving Communities, Strong Governance (ESG pillars)

💰 Financial 🔧 Innovation 🏗️ Operations ⚙️ Workforce 🔗 Business Partners 🌱 Environment 📈 Internal 📈 External

\* Based on principles of integrated reporting, inputs refers to what goes into the development of an organization's key products and services, including byproducts and waste (such as emissions).  
 \*\* Based on principles of integrated reporting, outputs refers to what's generated by a company's operations, including both positive and negative factors. We focus on material issues and evaluate the opportunities and risks of our actions.  
 \*\*\* Outcomes are the internal and external consequences (positive and negative) for the capitals (financial, manufactured, intellectual, human, social and relationship, and natural) as a result of an organization's business activities and outputs.

# ESG MATERIALITY

ESG is strategically important to our business because it creates value for all our stakeholders and is essential to delivering on our purpose and values. We're committed to focusing on ESG topics that are most important to our business and our stakeholders, so for most of fiscal year 2023 we engaged a third party in an ongoing stakeholder listening approach to ensure we were directing resources effectively, given how quickly the ESG space and stakeholder expectations are evolving.

This approach was grounded in the foundation we built through our formal materiality assessment in fiscal year 2021, an abridged materiality assessment when we developed our IGNITE ESG goals in 2019 and a full materiality assessment in 2015. During these assessments, we considered inputs such as corporate strategic choices, ESG reporting frameworks, ESG raters

and peer ESG efforts. We developed an initial prioritized list of topics, then conducted interviews with internal and external stakeholders to share their perspectives and validate our findings. We then refined the list based on their input, resulting in a prioritization of ESG topics.

Finally, we referenced these findings against our existing ESG priorities to understand if any adjustments to our work were necessary. As stakeholder priorities continue to evolve, we're committed to ongoing dialogue and will remain anchored to our IGNITE strategy to ensure we're focusing on the areas that will have the most meaningful outcomes.

For more information on our ESG materiality process and stakeholder engagement approach, visit [thecloroxcompany.com](https://thecloroxcompany.com).

## Clorox's ESG issue prioritization

### HIGHEST PRIORITY

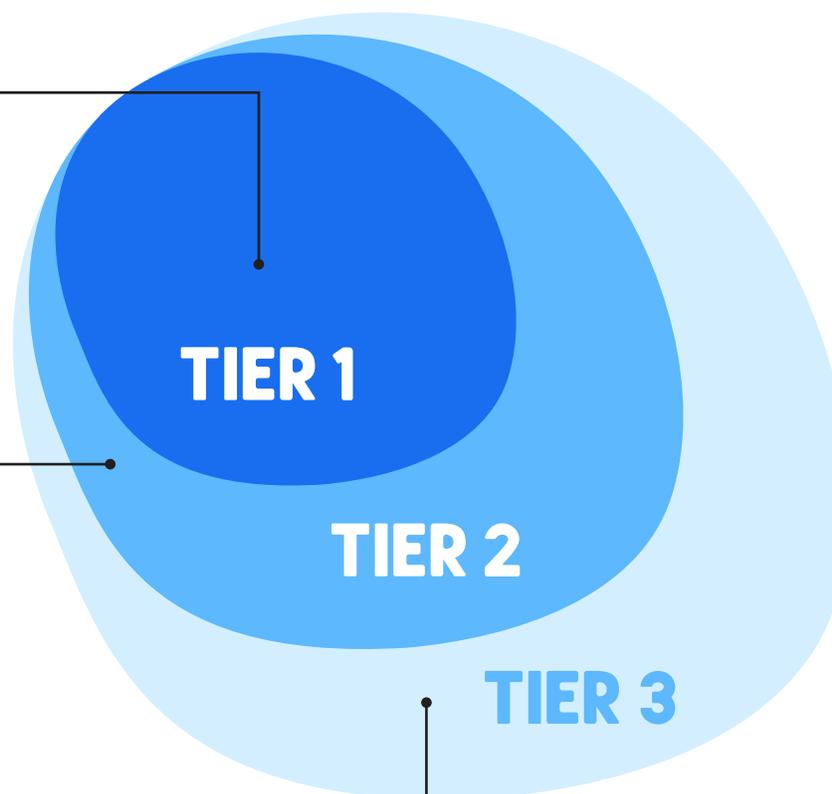
- Packaging and plastic
- Product and ingredient safety and transparency
- Product environmental impact
- Sustainable product innovation and growth
- Ethical and transparent governance and business practices
- GHG emissions
- Employee inclusion, diversity, equity and allyship
- Employee health, safety and well-being
- Public health

### HIGHER PRIORITY

- Human and labor rights in the supply chain
- Responsible marketing and advertising
- Employee engagement and development
- Resilience (climate, natural disasters, public health)
- Renewables and energy use
- Water stewardship
- Deforestation and biodiversity
- Community impact
- Operational and supply chain waste

### HIGH PRIORITY

- Animal welfare and testing
- Tax and economic contribution
- Cybersecurity, data security and privacy
- Consumer engagement on sustainability
- Advocacy and public practices
- Product accessibility and affordability



# ESG REPORTING

**PROGRESS KEY**

**Achieved:** Met IGNITE goal

**Achieved/ongoing:** Met IGNITE goal this fiscal year; commitment to continue meeting same goal annually through 2030

**On track:** Meeting internal milestones to achieve goal

**In progress:** Taking action to achieve goal or set targets; however, internal milestones have not yet been met

## HEALTHY LIVES

IGNITE ESG GOAL/TARGET	PERFORMANCE (metrics are global and as of June 30, 2023, unless stated otherwise)	STATUS	PROGRESS
<b>Employee well-being:</b> Maintain our recordable incident rate of <1.0 with a comprehensive safety management effort striving for an injury-free workplace <sup>21</sup>	Achieved <1.0 RIR every year since goal was announced. In FY23, RIR was 0.55.	Achieved/ongoing	
<b>Employee well-being:</b> Enhance health and well-being outcomes as measured by employee utilization of preventive health screenings, with an aspirational composite target of 33% <sup>22</sup>	Composite score of 29% exceeding UnitedHealthcare’s CPG benchmark of 26% while we are still working to achieve target, as of December 31, 2022	On track	
<b>Employee well-being:</b> Enhance financial literacy of our employees to enable better planning and superior retirement readiness as measured by income replacement ratio, with an aspirational target of 75% (Vanguard’s stated target) <sup>23</sup>	All employee groups met or exceeded Vanguard 401(k) client average of 56%, while still aspiring to achieve target:	In progress	
	• Overall employee average: 63%		
	• Production employees: 69%		
	• Nonproduction employees: 56%		
<b>Consumer well-being:</b> Increase our consumer well-being as measured by the number of our wellness-related product categories in U.S. homes, including natural personal care; vitamins, minerals and supplements; water filtration and hydration; and cleaning products	Number of wellness-related product categories in U.S. homes decreased by 9%, or 10.9 million, compared to FY19 baseline (IRI panel data)	In progress	
<b>Product stewardship – Transparency:</b> Increase the reach of the SmartLabel product information tool and expand our scope of consumer-meaningful information	Incorporated the American Cleaning Institute’s ‘What Cleaning Ingredients Do’ functional descriptions of cleaning product ingredients into our SmartLabel product listings	On track	N/A †
<b>Product stewardship – Transparency:</b> Increase sales of products with targeted certifications and product transparency affiliations for domestic cleaning product portfolio 100% by CY25, compared to CY20 baseline	29% increase in sales of products with targeted certifications and product affiliations as of CY22 vs. CY20 baseline	In progress	
<b>Product stewardship – Ingredient management:</b> Improve Chemical Footprint Project survey score for our domestic cleaning portfolio 50% by 2030 with an interim target of 35% by 2025 <sup>24</sup>	Goal on track. Initial progress against the interim goal is anticipated to be available by the end of CY23 when CFP’s current evaluation period is complete	On track	
<b>Product stewardship – Ingredient management:</b> Publicly share Clorox restricted substances list for domestic retail cleaning products by calendar year 2020 and additional categories by 2025	Goal met in FY22. Discovery work to be initiated in FY24 to evaluate establishment of RSLs in additional categories	Achieved	
<b>Product stewardship – Product advocacy:</b> Collaborate with key stakeholders to advance the science behind alternative approaches to animal testing. Our vision for our industry is to eliminate such animal testing requirements for disinfecting products by the U.S. Environmental Protection Agency and replace animal testing with non-animal alternatives	Continued our partnership with research organizations, government entities and peers, to advance the acceptance of non-animal alternatives to fulfill U.S. EPA acute toxicity data requirements for antimicrobials; two additional methods were accepted in FY23 resulting in four of six non-animal methods being fully or conditionally accepted for most Clorox formulations	On track	

† As of FY23, this qualitative goal has no measurable 2030 outcomes.

## CLEAN WORLD

IGNITE ESG GOAL/TARGET	PERFORMANCE (metrics as of Dec. 31, 2022, unless stated otherwise)	STATUS	PROGRESS
50% combined reduction in virgin plastic and fiber packaging by 2030, per case of product sold vs. 2018 baseline <sup>D5</sup>	9% reduction (19% of goal)	In progress	
100% recyclable, reusable or compostable packaging by 2025 <sup>D6</sup>	88% of packaging is recyclable, reusable or compostable	In progress	
Double post-consumer recycled plastic in packaging by 2030 (+50% by 2025) vs. 11% 2018 baseline	10% of plastic used in packaging is PCR	In progress	
100% global facilities zero waste to landfill by 2030 (plants by 2025) <sup>D7</sup>	80% of plants, 52% of facilities are ZWTL, as of June 30, 2023	On track	Plants: Facilities:
Achieve science-based targets by 2030 vs. a 2020 baseline <sup>D8</sup>	65%  reduction in scope 1 and 2 emissions, achieving our target	Achieved/ongoing	
<ul style="list-style-type: none"> <li>50% scopes 1 and 2 reduction target</li> <li>25% scope 3 reduction target for purchased goods and services and use of sold products</li> </ul> Achieve net-zero emissions by 2050 <sup>D8</sup>	15% reduction in targeted scope 3 emissions	In progress	
100% electricity from renewable energy in the U.S. and Canada <sup>D9</sup>	<ul style="list-style-type: none"> <li>100% ; achieved our target</li> <li>Committed to continue sourcing 100% renewable electricity for U.S. and Canadian operations</li> </ul>	Achieved/ongoing	

## THRIVING COMMUNITIES

IGNITE ESG GOAL/TARGET	PERFORMANCE (metrics are global and as of June 30, 2023, unless stated otherwise)	STATUS	PROGRESS
<b>Employees:</b> Ensure pay equity across gender globally and races/ethnicities in the U.S. <sup>D10</sup>	Achieved pay equity for gender globally and for race/ethnicity in the U.S. based on our annual pay equity analysis for nonproduction employees after making salary adjustments	Achieved/ongoing	
<b>Employees:</b> Achieve our gender and race/ethnicity representation targets	Launched Inclusion, Diversity, Equity and Allyship strategy in FY23. See <a href="#">page 21</a> for our representation snapshot and visit our <a href="#">ESG Data Hub</a> to view progress over time.	In progress	
<b>Employees:</b> Achieve our inclusion index goals: parity across total company (76% in FY23) vs. women and people of color <sup>D12</sup>	Commitment to continue annually measuring total company, women, people of color employee groups: <ul style="list-style-type: none"> <li>Women (Global): 79%</li> <li>POC (U.S.): 75%</li> <li>Total Clorox (Global): 76%</li> </ul>	Women: Achieved/ongoing  POC: On track	Women:  POC:
<b>Employees:</b> Set targets related to manager capabilities and workforce experience	Evaluating potential targets	In progress	

## GOVERNANCE

IGNITE ESG GOAL/TARGET	PERFORMANCE (metrics are global and as of June 30, 2023, unless stated otherwise)	STATUS	PROGRESS
Executive compensation awards tied to elements of our ESG goals for members of the Clorox Executive Committee, including for the CEO	Executives' individual performance assessments and short-term incentive awards are tied to ESG goal achievement. Additional detail disclosed in the company's proxy statement.	Achieved/ongoing	

# ESG REPORTING

As part of our commitment to transparency, we disclose our ESG progress through voluntary third-party frameworks. For fiscal year 2023, we continue to report through the Sustainability Accounting Standards Board standard and the Task Force on Climate-related Financial Disclosures framework because we believe these disclosures represent some of the most meaningful ESG areas of focus for our strategy, our company's social and environmental impact and the interests of Clorox's stakeholders. We also continue to report on progress against the United Nations' Sustainable Development Goals using a principled prioritization process to select those goals that align with our greatest risks and opportunities to solve the world's most significant challenges. We began to report our progress against the Ten Principles of the United Nations Global Compact — which aim to make significant progress on global economic, social and environmental challenges — directly to the UNGC, per the organization's new guidance. Clorox's CEO, CFO and chief legal officer approve our integrated report, which includes priority sustainability reporting.

In the tables below, we provide links to reporting platforms that contain more information on our ESG initiatives such as our responses to the CDP Climate Change, Forest and Water Security questionnaires, the Roundtable on Sustainable Palm Oil, The Clorox Company website and our [ESG Data Hub](#).

## SASB: HOUSEHOLD AND PERSONAL PRODUCTS STANDARD<sup>D17</sup>

TOPIC	SASB ACCOUNTING METRIC	SASB REFERENCE CODE	LOCATION OR RESPONSE*
Water Management	Total water withdrawn Percentage in regions with High or Extremely High Baseline Water Stress	CG-HP-140a.1	<p>◆ 2,922 thousand cubic meters (megaliters) in CY22</p> <p>22% withdrawn from regions with high or extremely high baseline water stress in CY22</p> <p>See <a href="#">CDP Water Security Report</a> Section W1.2</p>
	Description of water management risks and discussion of strategies and practices to mitigate those risks	CG-HP-140a.2	<p><a href="#">CDP Water Security Report</a> Sections W4.2-W4.3</p> <p>See <a href="#">Clorox website: Clean World — Water</a></p>
Product Environmental, Health and Safety Performance	Discussion of process to identify and manage emerging materials and chemicals of concern	CG-HP-250a.3	Clorox website: <a href="#">Brands — What We're Made Of</a>
Packaging Lifecycle Management	Percentage of packaging made from recycled and/or renewable materials Percentage that is recyclable, reusable, and/or compostable	CG-HP-410a.1	<p>65% of primary and secondary packaging is made from recycled or renewable materials<sup>D5</sup></p> <p>88% of primary packaging is recyclable, reusable and/or compostable ◆<sup>D6</sup></p> <p>See <a href="#">Clorox website: Clean World — Reducing plastic &amp; other waste</a></p>
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	CG-HP-410a.2	<a href="#">Clorox website: Clean World — Reducing plastic &amp; other waste</a>

\* Metrics are as of December 31, 2022, unless stated otherwise.

## SASB: HOUSEHOLD AND PERSONAL PRODUCTS STANDARD<sup>D17</sup> (CONTINUED)

TOPIC	SASB ACCOUNTING METRIC	SASB REFERENCE CODE	LOCATION OR RESPONSE*
<b>Environmental and Social Impacts of Palm Oil Supply Chain</b>	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim	CG-HP-430a.1	<p>2,742 metric tons of palm oil and palm oil ingredients (palm content only) Clorox purchased for its domestic and international businesses in CY22.</p> <p>27% of palm oil and palm oil ingredients (palm content only) purchased has been third-party certified through the RSPO supply chains in CY22. More than 99% is certified through the RSPO as mass balance and the remainder as segregated.</p> <p>See <a href="#">RSPO Annual Communication of Progress</a>; <a href="#">Clorox website: Supply Chain – Palm Oil Commitments</a></p>
<b>Activity Metric</b>	Number of manufacturing facilities	CG-HP-000.B	35 as of June 30, 2023 <sup>D16</sup>
<b>Energy Management</b>	Total energy consumed, percentage renewable	CG-BF-130a.1	<p>◆ 703,893 global absolute megawatt hours (MWh) in CY22, of which 53% is renewable.</p> <p>Achieved goal for 100% renewable electricity in the U.S. and Canada beginning in January 2021, four years ahead of the original target year. A 70-megawatt Virtual Power Purchase Agreement that came into effect in January 2021 supported about half of this goal in CY22; other market purchases of renewable energy credits supported the remaining half of this goal in CY22. ◆ <sup>D9</sup></p> <p>See <a href="#">CDP Climate Change Report</a> Section C6.5, C8.2; <a href="#">Clorox website: Clean World – Energy</a></p>
<b>Greenhouse Gas Emissions</b>	Gross global scope 1, 2 and 3 emissions	FB-AG-110a.1	<p>◆ Scope 1 and 2 (market-based method): 91,887 absolute metric tons carbon dioxide equivalent (tCO<sub>2</sub>e) in CY22<sup>D8</sup></p> <p>Scope 3: 3,080,818 absolute metric tons CO<sub>2</sub>e in CY22</p> <p>◆ Scope 3: (combined categories 4 – U.S. finished goods distribution – and 6 – employee business travel): 286,073 absolute metric tons CO<sub>2</sub>e in CY22<sup>D8</sup></p> <p>See <a href="#">CDP Climate Change Report</a> Sections C6.10; Clorox website: <a href="#">Clean World – Reducing greenhouse gas emissions</a></p>
<b>Employee Engagement</b>	Employee engagement as a percentage	TC-IM-330a.2	<p>◆ 82% as of June 30, 2023<sup>D12</sup></p> <p>Clorox website: <a href="#">Thriving Communities – Empowering our teammates to thrive.</a></p>

\* Metrics are as of Dec. 31, 2022, unless stated otherwise.

# ESG REPORTING

## TCFD FRAMEWORK

CORE ELEMENT	TCFD DISCLOSURE	THE CLOROX COMPANY DISCLOSURE
Governance	Board oversight of climate-related risks and opportunities	<p>The full board of directors oversees matters related to environmental, social and governance issues (including climate change and environmental sustainability policies, programs, goals and progress), as well as targets, standards and other metrics used to measure and track ESG performance and progress. The board participates in regular (at least annual) updates on ESG topics, including climate, and as part of its enterprise risk management oversight role, oversees the company's climate risks, which have been identified as long-term risks for the company through the ERM process. See Clorox's 2022 Proxy Statements and Financial Statements for additional details.</p> <p>Pursuant to its charter, the Nominating, Governance and Corporate Responsibility Committee of the board, comprised exclusively of independent directors, supports the board in reviewing, monitoring and engaging management – typically quarterly – on the development of climate change and environmental policies, programs, goals and progress, and regularly reviewing such matters with the board.</p> <p>In fiscal year 2022, we refreshed our board committee charters to provide further clarity on each committee's roles and responsibilities on ESG oversight and to ensure coordinated coverage of ESG issues across the board and committees. Although the NGCRC has historically overseen the company's sustainability policies, the NGCRC charter now explicitly includes oversight of the company's climate change and environmental policies, programs, goals and progress.</p> <p>See <a href="#">CDP Climate Change Report</a> Sections C1.1-C1.2</p>
	Management's role in assessing and managing climate-related risks and opportunities	<p>The company's executive vice president and chief legal officer chairs the ESG Executive Committee which includes Clorox's executive vice president, chief people and corporate affairs officer, group president – Health &amp; Hygiene and group president – Care &amp; Connection (all Clorox executive team members). The ESG Executive Committee is responsible for overseeing the execution of our ESG priorities and ensuring our business strategy considers and optimizes our ESG priorities, including our climate goals. The ESG Executive Committee is tasked with helping to develop and recommend climate ambitions to the CEO, as well as overseeing and assessing progress against the climate goals. The executive vice president and chief legal officer, as chair of the ESG Executive Committee, along with the vice president and head of sustainability, reports quarterly to the NGCRC and to the board annually.</p> <p>See <a href="#">CDP Climate Change Report</a> Sections C1.1-C1.2</p>
Strategy	Climate-related risks and opportunities	<p>Clorox identifies climate-related risks and opportunities in its products, operations and supply chain, and discloses details as part of our annual CDP reporting. The primary risks and opportunities associated with climate change that the company is exposed to and manages include:</p> <ul style="list-style-type: none"> <li>Physical risks associated with extreme weather conditions or water stress due to climate change impacting our business operations, disrupting our supply chain, limiting our access to water, or impacting commodity, operational and distribution costs: short-term (1-2 years). <u>The estimated financial impact to Clorox from a weather event could potentially be in the range of less than one million dollars to tens of millions of dollars.</u> The lower-end financial impact is based on a short-term disruptive weather event and includes cost estimates for testing alternate raw materials and for material pre-build and other logistics costs to ensure supply and continued operation. The higher-end financial impact is based on a major weather event that causes a long-term (three- to four-quarter) disruption to the supply of a major commodity used at multiple manufacturing locations. To mitigate these risks, we have business continuity plans for most locations and all critical functions. Using learnings from recent hurricanes, we have enhanced contingency plans to ensure both work-in-process and finished goods inventories are adequate leading into hurricane season. We also established systems to incorporate hurricane contingency planning into our supply planning and forecasting processes.</li> <li>Transitional risks associated with policy and regulations that increase the pricing on greenhouse gas emissions: medium-term (2-5 years). <u>The estimated financial impact to Clorox from such regulations could potentially be in the range of \$10,000 to \$200,000 per year.</u> These estimates are based on our current emissions in countries where regulations currently exist, thus having the potential to impact our business in the future. To mitigate these risks, we are focusing on reducing our GHG emissions as part of our commitment to achieving science-based targets by 2030 and net-zero emissions by 2050.</li> </ul>

## TCFD FRAMEWORK (CONTINUED)

CORE ELEMENT	TCFD DISCLOSURE	THE CLOROX COMPANY DISCLOSURE
<p><b>Strategy (cont.)</b></p>	<p>Climate-related risks and opportunities (cont.)</p>	<ul style="list-style-type: none"> <li>• Transitional risks associated with extended producer responsibility policies and regulations that make producers responsible for the collection, recycling and safe disposal of products after use: medium-term (2-5 years). <u>The estimated financial impact to Clorox from such regulations could potentially be in the range of \$2 million to \$5 million per year in the medium term; \$15 million to \$20 million in the longer term if regulations are expanded nationally.</u> These programs often include fees or taxes paid by manufacturers or importers to fund recycling and waste management initiatives, with emerging regulations focused heavily on plastic packaging. The financial impact to Clorox is estimated based on potential fees charged to the company for selling packaging, including those made with virgin plastic, a significant contributor to GHG emissions, in the medium-term. To mitigate these risks, we are focusing on reducing our use of virgin plastics as part of our commitment to achieving SBTs by 2030 and net-zero emissions by 2050.</li> <li>• Transitional risks (medium-term, [2-5 years]) and opportunities (long-term, [5-10 years]) associated with shifts in market preferences as consumers seek products and services from companies that are proactively working to reduce climate change-related impacts and offering less carbon-intensive products. Risks include that the company’s innovation cycle may not keep up with consumers’ growing demand for products with lower environmental footprints; that the consumer value equation may change with new necessary consumption models (e.g., refills and concentrates may lead to trade-downs or slimmer margins due to decreased convenience or consumer expectations); and that material costs may increase as consumer preferences for sustainably sourced materials, such as forest commodities and postconsumer recycled resin (whose low availability is a short- and long-term risk), increase. <u>The estimated financial impact to Clorox to make substantial increases (around 50%) to our PCR content in plastic packaging plus the cost to procure 100% Roundtable on Sustainable Palm Oil (RSPO)-certified palm oil could potentially be \$3.5 million to \$7 million per year.</u> Opportunities include climate change-related awareness and concern for the environment driving long-term demand and creating and expanding opportunities for sustainable products, as well as related product improvements resulting in further cost savings, mostly from decreased product and packaging material used. While we are not able to assign a financial impact, our 2022 proxy statement noted that the company’s long-term financial goals reflected in IGNITE include annual net sales growth of 3% to 5%.</li> <li>• Transitional opportunities associated with reduced operating and product costs resulting from resource efficiency improvements through LED lighting, HVAC, compressor and other manufacturing equipment upgrades, as well as zero-waste-to-landfill program expansion, transportation/logistics improvements and reductions in energy use, water use, waste and material use as a result of product and packaging innovation: medium term (2-5 years). <u>The estimated financial impact to Clorox could potentially be \$50,000 to over \$1,000,000 per year.</u> To capture these opportunities, we have set environmental goals that incorporate resource and material efficiencies in our operations and packaging, and we have a robust enterprisewide cost reduction program that delivers annual cost savings through efficiency improvements that, in certain instances, also reduce our environmental footprint.</li> </ul> <p>See <a href="#">CDP Climate Change Report</a> Sections C2.3-C2.4; See <a href="#">CDP Water Security Report</a> Sections W4.2-W4.3; See <a href="#">CDP Forest Report</a> Sections F3.1-3.2</p>
	<p>Impact of climate risks and opportunities on businesses, strategy and financial planning</p>	<p>Climate risks and opportunities that might impact our business strategy and financial planning include:</p> <ul style="list-style-type: none"> <li>• Consumer demand for products with lower environmental footprints growing faster than we have allowed for in our innovation investment planning. This is both an opportunity for greater brand value and sales of products with lower environmental impact such as our concentrated bleach and refillable sprays cartridges, as well as a risk if we are unable to meet demand. That risk could entail major investment in manufacturing equipment to process and package more sustainable products, entailing a low-to-medium impact on capital expenditures over the next 5 to 10 years as our current manufacturing capabilities may not support the processing and packaging requirements of these innovations.</li> <li>• Acceleration of infectious disease and pandemics associated with warmer climates, water-borne illness, the potential release of long-dormant viruses by the thawing of permafrost and shifts in the proximity of animals and other sources of diseases with concentrated human populations increasing global demand for disinfecting products and solutions in consumer and business-to-business markets. This is both an opportunity, given our leadership in disinfection, and a risk if we cannot meet demand or sufficiently innovate to meet particular consumer needs.</li> </ul>

## TCFD FRAMEWORK (CONTINUED)

CORE ELEMENT	TCFD DISCLOSURE	THE CLOROX COMPANY DISCLOSURE
Strategy (cont.)	Impact of climate risks and opportunities on businesses, strategy and financial planning (cont.)	<ul style="list-style-type: none"> <li>• Low carbon energy sources and material supply chains that cannot keep up with growing industry demand (e.g., for RSPO-certified palm products, postconsumer resin for packaging and renewable energy to power raw material supply chains). This is a risk with the potential to drive up costs or limit our ability to meet our environmental commitments or bring sustainable innovation to market.</li> <li>• More frequent and extreme weather events causing supply chain disruption and leading to health and sanitation issues due to flooding and property damage. This is a risk given the potential impact on supply chains (e.g., previous hurricane-related impacts, which we learned from and made improvements in redundancy and inventory and contingency planning), which is projected to require increased capital expenditures for securing additional production and warehouse storage capacity over the next 10 to 15 years. It is also an opportunity with the potential to increase demand for our disinfection and other household products.</li> <li>• More severe and geographically dispersed water stress causing supply chain disruption.</li> <li>• Faster adoption of climate change regulation that might increase our operating costs as described above.</li> <li>• Emerging U.S. extended producer responsibility regulations that may help enable or may conflict with our climate goals, depending on how the laws are defined, while increasing our operating costs.</li> <li>• Certain investors may choose not to invest in our stock if we do not meet their environmental expectations or their preferences for how to balance near- and long-term costs and benefits, which could negatively impact our share price. Conversely, proactively addressing such investors' interests may be an opportunity to increase investor demand for our stock, and our share price could be positively impacted.</li> </ul> <p>See <a href="#">CDP Climate Change Report</a> Section C3</p>
	Scenario planning	<p>Clorox anticipates performing scenario analysis in the future that considers a range of warming scenarios (e.g., at least 2° and 4°C) to better quantify the possible financial and operational impacts of these risks and opportunities, which will help us improve our climate strategy and future TCFD disclosures.</p> <p>See <a href="#">CDP Climate Change Report</a> Section C3.2</p>
Risk Management	Process for identifying and managing climate risks	<p>Clorox has established and continues to maintain a robust, comprehensive ERM program. Our strong governance practices help drive continued improvement of established processes. The ERM Steering Committee oversees the global program subject to oversight by the board or any applicable board committees. The steering committee is made up of the following: executive vice president and chief legal officer (executive co-sponsor for ERM); executive vice president and chief financial officer (executive co-sponsor for ERM); group president – Care &amp; Connection; and group president – Health &amp; Hygiene. The steering committee proactively identifies, assesses, prioritizes and continuously manages enterprisewide risks, including ESG and climate change risks among other top enterprise risks. A supplementary ERM working group provides additional cross-functional support and expertise to key ERM initiatives and other programs which support the operationalizing of ERM within the company.</p> <p>Defining and prioritizing substantive Clorox risks is core to the Clorox ERM program and our annual enterprise risk assessment. Clorox uses both quantitative and qualitative information to define the likelihood and potential impact of risks. For example:</p> <ul style="list-style-type: none"> <li>• Quantitative definitions include percentage of earnings before income taxes and volatility of Clorox's share price. Given that businesses are not static and can experience growth and contractions, we chose to use a percentage of earnings to identify substantive financial and strategic risks.</li> <li>• Qualitative definitions address topics such as reputation/brand equity and customer and consumer impacts.</li> </ul>

## TCFD FRAMEWORK (CONTINUED)

CORE ELEMENT	TCFD DISCLOSURE	THE CLOROX COMPANY DISCLOSURE
Risk Management (cont.)	Process for identifying and managing climate risks (cont.)	<p>Based on these definitions, we rate potential risk impacts from very low to very high. A substantive risk is one where the impact is medium to very high across a number of criteria and, if that risk were to materialize, may disrupt our ability to operate our business.</p> <p>In 2022, ESG, including climate change, was one of the top risks identified by the company. While the time horizon (i.e., decades) may be longer than other risks, climate change remains an enterprise risk due to the degree to potentially impact the organization and our operations, among other impacts.</p> <p>Further, we understand that climate change risks can impact the entire organization over a longer-term horizon, and we act on those risks whether they are considered currently “substantive” or not. Therefore, we advance climate stewardship goals to mitigate climate-related risks and address climate change as part of our overall management strategy. At the corporate level, we identify potential physical, regulatory, reputational, changing consumer trends/awareness and other risk factors associated with climate change, e.g., GHG emissions, energy consumption and water consumption that might not rise to the level of substantive risk. This is accomplished within the cross-functional ESG steering team and engagement by various internal stakeholders, business units and functional teams as appropriate. This approach helps us proactively manage and mitigate the many aspects of our climate-related risks.</p> <p>See <a href="#">CDP Climate Change Report</a> Section C2.1-C2.2</p>
	Integration of climate risk management into company’s overall risk management	<p>As described above, climate risk is integrated into Clorox’s ERM process. To mitigate the risks associated with climate change, Clorox has identified climate stewardship as a key ESG priority integrated into the company’s IGNITE business strategy, building on the progress it has achieved in reducing the carbon footprint of our operations and products for more than 10 years. Through IGNITE, the company has committed to taking science-based climate action across our value chain, including opportunities in our operations, products and supply chains. Actions include compaction and other innovations to reduce material, water and transportation footprints of our products, renewable energy procurement for our operations and supply chain engagement informed by life cycle analyses to identify and address material upstream carbon and water footprints, as well as impacts of products during consumer use and at the end of life. Life cycle assessments are also employed to inform new products and packaging design to ensure sustainability tradeoffs are considered during the development and commercialization of new products. For instance, plastic packaging is often lighter weight to ship and requires less energy to produce than glass or metal but has different recyclability and end-of-life considerations.</p> <p>In CY22 the company created an ESG steering team, which includes owners and subject matter experts from product stewardship, R&amp;D, procurement, corporate governance, government affairs, as well as the climate/water/energy lead, among others. This group provides thought leadership and expertise to business units and leads the measurement, tracking and progress against our ambitious ESG goals, including climate. The team is led by the vice president and head of sustainability and reports to the ESG executive committee chaired by the executive vice president – chief legal officer.</p> <p>By having an ESG steering team as well as executive oversight, we’re able to drive accountability and better integrate all aspects of ESG into our business decisions. That means we can have a bigger impact as well as clearer and more consistent messaging to all our stakeholders – customers, suppliers, investors, employees and more. It also ensures we will continue to deliver against our ESG goals by representing all the various teams who do this work and formalizing a clear connection to the business units.</p> <p>The ESG steering team is supported by various team members and subcommittees with additional expertise around climate, energy, plastic and R&amp;D. These support teams work to inform the steering team who in turn are responsible for helping to drive our ESG-related goals and commitments, including climate.</p> <p>See <a href="#">CDP Climate Change Report</a> Sections C2.1-C2.2</p>

## TCFD FRAMEWORK (CONTINUED)

CORE ELEMENT	TCFD DISCLOSURE	THE CLOROX COMPANY DISCLOSURE
<b>Metrics and Targets</b>	Metrics used to address climate risks and opportunities	<p>We track, manage and disclose our performance in several areas related to climate risk, including GHG emissions, GHG emissions intensity, energy consumption, energy intensity, water withdrawn, water intensity and water withdrawn from areas of high baseline water stress.</p> <p>GHG emissions were estimated in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).</p> <p>See <a href="#">CDP Climate Change Report</a> sections C4-C9; <a href="#">Clorox website: Taking Climate Action</a></p>
	Scope 1, 2 and 3 GHG emissions <sup>D8</sup>	<ul style="list-style-type: none"> <li>Scope 1: ♦ 65,205 metric tons of CO2e for CY22, 72,784 for CY21 and 75,164 for CY20.</li> <li>Scope 2 (market based): ♦ 26,682 metric tons of CO2e for CY22, 26,442 for CY21 and 184,379 for CY20.</li> <li>Scope 3: 3,080,818 metric tons CO2e for CY22, not calculated for CY21 and 3,671,141 for CY20</li> </ul> <p>Assured scope 3 categories:</p> <ul style="list-style-type: none"> <li>Scope 3, combined categories 4 – U.S. finished goods distribution and 6 – employee business travel: ♦ 286,073 metric tons CO2e for CY22, 412,547 for CY21 and 370,159 for CY20.</li> </ul> <p>Scope 3 categories included in our 2030 SBT:</p> <ul style="list-style-type: none"> <li>Scope 3, combined categories 1 – purchased goods and services and 11 – use of sold products (direct): 2,183,125 metric tons CO2e for CY22, not calculated for CY21 and 2,556,932 for CY20</li> </ul> <p>All relevant scope 3 categories:</p> <ul style="list-style-type: none"> <li>Scope 3 category 1: 1,833,752 metric tons CO2e for CY22, not calculated for CY21 and 2,122,128 for CY20</li> <li>Scope 3 category 2: 36,096 metric tons CO2e for CY22, not calculated for CY21 and 53,962 for CY20</li> <li>Scope 3 category 3: 25,408 metric tons CO2e for CY22, not calculated for CY21 and 49,889 for CY20</li> <li>Scope 3 category 4: 403,119 metric tons CO2e for CY22, not calculated for CY21 and 502,304 for CY20</li> <li>Scope 3 category 5: 7,314 metric tons CO2e for CY22, not calculated for CY21 and 8,754 for CY20</li> <li>Scope 3 category 6: 3,250 metric tons CO2e for CY22, 1,161 for CY21 and 1,118 for CY20</li> <li>Scope 3 category 7: 12,318 metric tons CO2e for CY22, not calculated for CY21 and 12,054 for CY20</li> <li>Scope 3 category 8: 4,736 metric tons CO2e for CY22, not calculated for CY21 and 5,088 for CY20</li> <li>Scope 3 category 9: 110,613 metric tons CO2e for CY22, not calculated for CY21 and 150,341 for CY20</li> <li>Scope 3 category 11: 349,373 metric tons CO2e for CY22, not calculated for CY21 and 434,804 for CY20</li> <li>Scope 3 category 12: 294,839 metric tons CO2e for CY22, not calculated for CY21 and 330,699 for CY20</li> </ul> <p>See FY23 Integrated Annual Report, IGNITE ESG progress table, <a href="#">pages 42-43</a>; <a href="#">CDP Climate Change Report</a> Sections C5 and C6; <a href="#">Clorox website: Taking Climate Action</a></p>
	GHG emissions targets <sup>D8, D9</sup>	<p>Achieve SBTs for scopes 1, 2 and 3 GHG emissions by 2030. Committed to net-zero GHG emissions by 2050. ♦ SBTs submitted to the Science Based Target initiative in June 2021 and were approved by the SBTi in August 2021:</p> <ul style="list-style-type: none"> <li>Scopes 1 and 2: 50% absolute reduction by 2030 vs. 2020 base year. This target is consistent with reductions required to keep warming to 1.5°C. We achieved a 65% reduction in 2022 relative to our 2020 baseline as a result of achieving 100% renewable electricity for our U.S. and Canada locations plus a full year of renewable electricity at our Colombia location and a partial year of renewable electricity at our Chile location.</li> <li>Scope 3: 25% absolute reduction by 2030 vs. 2020 base year in category 1 – purchased goods and services and category 11 – use of sold products (direct). We achieved a 15% reduction in category 1 and category 11 in 2022 relative to our 2020 baseline, primarily driven by business contraction as the business normalized from the COVID-19 pandemic.</li> <li>Net-zero emissions across scopes 1, 2 and 3 by 2050.</li> </ul> <p>See FY23 Integrated Annual Report, IGNITE ESG progress table, <a href="#">pages 42-43</a>; <a href="#">Clorox website: Taking Climate Action</a>; <a href="#">CDP Climate Change Report</a> Section C4.1</p>

## TCFD FRAMEWORK (CONTINUED)

CORE ELEMENT	TCFD DISCLOSURE	THE CLOROX COMPANY DISCLOSURE
Metrics and Targets (cont.)	Energy consumption <sup>D9</sup>	<p>◆ 703,893 megawatt hours for CY22, 730,098 megawatt hours for CY21 and 762,539 megawatt hours for CY20.</p> <p>See <a href="#">Clorox website: Clean World – Energy</a></p>
	Energy targets <sup>D9</sup>	<p>◆ 100% electricity from renewable energy in U.S. and Canada in 2022. ♻️</p> <ul style="list-style-type: none"> <li>Renewable energy goal was first achieved in January 2021. Maintained to date and expected to be maintained going forward.</li> </ul> <p>Drive continued energy efficiency improvements that achieve or exceed our 2018 baseline levels.</p> <ul style="list-style-type: none"> <li>9% less energy use per case of product sold in CY22 vs. CY18 base year.</li> </ul> <p>See FY23 Integrated Annual Report, IGNITE ESG progress table, <a href="#">pages 42–43</a>; <a href="#">Clorox website: Clean World – Energy</a>; <a href="#">CDP Climate Change Report</a> Section C4.2</p>
	Water consumption	<p>◆ 2,922 thousand cubic meters (megaliters) of water withdrawn for CY22, 3,136 megaliters for CY21 and 3,387 megaliters for CY20. Clorox reports water consumed as water withdrawn. 640 megaliters withdrawn from regions with high or extremely high baseline water stress in CY22, 648 megaliters for CY21 and 630 megaliters for CY20. We utilized Water Resource Institute’s Aqueduct tool to assess all our facilities for baseline water stress.</p> <p>See <a href="#">Clorox website: Clean World – Water</a>; <a href="#">CDP Water Security Report</a>, Section 1.2</p>
	Water targets	<p>Drive continued water efficiency improvements that achieve or exceed our 2018 baseline levels.</p> <ul style="list-style-type: none"> <li>14% less water use per case of product sold in CY22 vs. CY18 base year.</li> </ul> <p>Advance a more localized approach to water stewardship in high or extremely high baseline water stress areas.</p> <ul style="list-style-type: none"> <li>In 2022, 11 Clorox facilities were located in high to extremely high baseline water stress areas, based on World Resources Institute’s Aqueduct Tool. Seven of these are manufacturing facilities, four of which represent 92% of Clorox’s water use in those areas. Two of these four locations – Mexico City and Quilicura, Chile – are implementing localized water action plans which include assessing plant water use and implementing opportunities to be more efficient. Last year a team in Quilicura applied for a Blue Water Certificate, after reviewing regulatory information and assessing production areas, consumption, water flows, lay out and a plant water balance. Since 2018, we have maintained consistent annual water withdrawals in Mexico City and reduced water use by 25% in Quilicura, on an intensity basis. The two other locations, part of a majority ownership in our Kingdom of Saudi Arabia joint ventures, developed an environmental roadmap that included finding water savings/improvements and establishing an action plan by FY24.</li> </ul> <p>See <a href="#">Clorox website: Clean World – Water</a>; <a href="#">CDP Water Security Report</a>, Section 8.1</p>

# ESG REPORTING

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

✦ **IGNITE GOAL.** For a comprehensive update on our IGNITE ESG goals, metrics and endnotes, see [pages 42-43](#) and [55-56](#). Visit our ESG Data Hub at <https://clorox.metrio.net> to view progress over time.

### TARGETS AND ACTIONS

### FY23 OUTCOMES AND IMPACTS

#### Goal 3: Good Health and Well-Being — Ensure Healthy Lives and Promote Well-Being for All at All Ages



Good health and well-being is embedded in our purpose to champion people to be well and thrive every single day, including the employees, consumers and communities we serve around the world. We advance this purpose through the strength of our brand portfolio that has contributed to public health for over a century: through products that kill germs, clean water and enhance nutrition.

In fiscal year 2019, we set a goal to increase people's (consumers') well-being as measured by the number of our wellness-related product categories in U.S. homes, including natural personal care; vitamins, minerals and supplements; water filtration and hydration; and cleaning products. ✦ We collaborate with [organizations](#) to support public health, infection prevention and health through safe drinking water. And through our foundations and brands, we support those impacted by pandemics, hurricanes, earthquakes and other natural disasters.

We also continue to enhance the physical and mental health benefits offered to our employees. In FY23, we transitioned to a flexible time-off policy and implemented inclusive family-forming benefits, supplemental health benefits for additional financial protection, and executed a campaign to promote employee utilization of preventive screenings. ✦ We continued to support the mental well-being of our employees and their families through our global employee assistance program. This supplements our other ongoing benefits.

- Number of Clorox wellness-related product categories in U.S. homes decreased 9%, or by 11 million vs FY19 baseline. ✦
- Donated nearly \$45 million in products to help with disaster-relief efforts and to support schools, food banks and other nonprofit organizations that serve communities in need. [D13](#)
- Expanded Brita partnership program with municipalities replacing lead service lines to include over 80 communities — including 50 in FY23 — that have been provided with cost-effective, short-term solutions while longer-term infrastructure improvements are being made. These efforts contributed to the brand's goal to deliver clean water to 5 million households in need by 2030.
- Achieved composite score of 29% for employee utilization of preventive health screenings, exceeding CPG benchmark of 26%. ✦ [D2](#)

See FY23 Integrated Annual Report; Clorox website: [Consumer Health & Well-being](#), [Employee Safety & Well-being](#)

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (CONTINUED)

### TARGETS AND ACTIONS

### FY23 OUTCOMES AND IMPACTS



#### Goal 10: Reduced Inequalities — Reduce Inequality Within and Among Countries

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

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

We believe diverse backgrounds and perspectives create stronger teams, unlock more innovation and ultimately contribute to a stronger society. This year we welcomed our new chief diversity and social impact officer to Clorox and evolved our strategy from inclusion and diversity, or I&D, to IDEA — inclusion, diversity, equity and allyship. We also continued to advance our internal representation goals and public pay equity and inclusion goals.

Our commitments extend to the communities where Clorox employees live and work to help foster healthy and inclusive communities where everyone has equal opportunity to thrive. Through The Clorox Company Foundation's Healthy Parks Project, we are furthering environmental justice by giving better access to green spaces within marginalized communities. Our foundation also continued to advance its broader mission of health security, targeting initiatives that support equal opportunities for marginalized individuals and communities.

Representation:<sup>D11</sup>

- Clorox was led by a woman, Linda Rendle, who assumed the role of CEO in 2020.
- Women represented 50% and people of color 25% of board. Two of our board committees are chaired by POC.
- 50% of the Clorox Executive Committee were women, and 14% were POC.
- POC represented 17% of senior executives and 34% of managers in the U.S. Women represented 50% of senior executives and 49% of managers globally.

Percentage of employees experiencing Clorox as an inclusive workplace:<sup>D12</sup>

- Women (Global): 79%
- POC (U.S.): 75%
- Total Clorox (Global): 76%

Additional:

- Achieved pay equity for nonproduction employees for gender globally and for race and ethnicity in the U.S. <sup>D10</sup>
- Built on our longstanding commitment to internal pay transparency by posting full pay ranges for all U.S. job postings.
- Offered seven mentoring programs to develop our talent — enrolling 973 employees — for general and more specialized audiences, including a group program designed for our women-focused employee resource group members.
- Helped drive inclusion through more than a dozen ERGs within Clorox and fostered greater understanding of different backgrounds and perspectives. We also introduced a new ERG — NATIV (Native American, Tribal, and Indigenous Voices).
- Provided \$200,000 in grants, as well as volunteer hours from hundreds of employees to organizations in Atlanta and North Carolina through the Healthy Parks Project to refresh green spaces in areas where our employees live and work.
- Awarded grants through The Clorox Company Foundation to 57 organizations focusing on literacy; racial justice; science, technology, engineering and mathematics, or STEM, education and youth development in marginalized communities.

See FY23 Integrated Annual Report; Clorox website: [Codes of Conduct](#), [Human Rights Commitment](#), [Freedom of Association Policy](#), [California Transparency in Supply Chains Act disclosure statement](#), [UK Modern Slavery Act transparency statement](#); [Empowering Our Employees to Thrive](#), [Responsible & Sustainable Sourcing](#)

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (CONTINUED)

TARGETS AND ACTIONS	FY23 OUTCOMES AND IMPACTS
<p><b>Goal 12: Responsible Consumption and Production — Ensure Sustainable Consumption and Production Patterns</b></p> 	
<p>We set ambitious targets to reduce plastic and other waste by 2030. These efforts are in conjunction with long-standing efforts to reduce our waste impacts across our value chain, from sourcing our raw materials to within our own manufacturing and operations, as well as during consumer use. We are also focusing on packaging innovations, compaction, light-weighting and other material reductions to reduce inputs and the footprint of products.</p> <p>As part of our commitment to sustainability, we aim to be transparent about our environmental challenges and opportunities in our annual integrated report, which is approved by Clorox’s CEO, CFO and executive vice president and chief legal officer. We are also committed to reporting to external organizations of which we are signatories and members. And we encourage our business partners — through collaborations such as the CDP Supply Chain program — to report on progress on their own sustainability goals, with a particular focus for select suppliers on GHG emissions and sustainably sourced raw materials.</p>	<ul style="list-style-type: none"> <li>• 9% combined virgin plastic and fiber packaging reduction, per case of product sold vs. 2018 baseline, as of CY22. <a href="#">D5</a></li> <li>• 88% of packaging is recyclable, reusable or compostable, as of CY22. <a href="#">D6</a></li> <li>• 10% of plastic used in packaging is postconsumer resin, as of CY22. <a href="#">D</a></li> <li>• 52% of facilities, 80% of plants are zero waste to landfill as of June 30, 2023. <a href="#">D7</a></li> <li>• 42% reduction in waste sent to landfill, per case of product sold between 2018 baseline and 2022.</li> </ul> <p>FY23 examples of product launches with more sustainable attributes:</p> <ul style="list-style-type: none"> <li>• Clorox EcoClean’s new line of eco-conscious disinfectants and cleaners made with Design for the Environment and Safer Choice certified ingredients.</li> <li>• Burt’s Bees Beeswax + Shea Lip Balms made in paper tube packaging.</li> <li>• Brita Hub Instant Powerful Countertop Water Filtration helps keep single-use water bottles out of circulation.</li> <li>• Clorox Bathroom Ultra Foamer, made with a reusable trigger and in a refill model.</li> </ul>

See FY23 Integrated Annual Report; Principles 7-8 in [UNGC Communication on Progress](#); Clorox website: [Clean World](#)

TARGETS AND ACTIONS	FY23 OUTCOMES AND IMPACTS
<p><b>Goal 13: Climate Action — Take Urgent Action to Combat Climate Change and Its Impacts</b></p> 	
<p>Goals on climate action are embedded into our IGNITE strategy because addressing climate change is essential to ensuring our long-term success. We have set science-based targets to reduce greenhouse gas emissions in our operations and across our value chain by 2030, source 100% renewable electricity for our U.S. and Canada operations in 2021 and beyond and achieve net-zero GHG emissions by 2050. These efforts are in conjunction with long-standing efforts to reduce our GHG and energy impacts within our manufacturing and operations. We have published a <a href="#">Climate Action Plan</a> that outlines our approach to realizing our scope 3 SBTs.</p>	<ul style="list-style-type: none"> <li>• 100% electricity from renewable energy in the U.S. and Canada. <a href="#">D</a> First achieved beginning January 2021 and sustained in CY21 and CY22 through power purchased through a 70 MW solar virtual power purchase agreement and market purchases of renewable energy credits. <a href="#">D9</a></li> <li>• 65% reduction in scope 1 and 2 emissions vs. 2020 baseline, achieving our SBT. <a href="#">D8</a></li> <li>• 15% reduction in scope 3 emissions from categories 1 — purchased goods and services and category 11 — use of sold products vs. 2020 baseline, the scope 3 categories included in our SBT. <a href="#">D8</a></li> <li>• Nearly 50 priority suppliers were invited to participate in the Supplier Leadership on Climate Transition collaborative, which helps build capacity for measuring emissions and setting SBTs.</li> </ul>

See FY23 Integrated Annual Report; Principles 7-8 in [UNGC Communication on Progress](#); Clorox website: [Taking Climate Action](#); [Clorox Climate Action Plan](#)

# ESG ENDNOTES

## THROUGHOUT REPORT

◆ Reviewed by Ernst & Young LLP. Refer to [pages 37-39](#) for the Review Report and exhibit A: The Clorox Company Schedule of Selected Quantitative Performance Indicators for the Year Ended December 31, 2022, or June 30, 2023.

🔗 IGNITE ESG goal

## HEALTHY LIVES

**D1 Recordable incident rate:** Based on industry benchmarking by Clorox, we set a goal for RIR of 1.0 or less. Our FY23 RIR of 0.55 means that for every 100 full-time-equivalent Clorox employees globally we averaged less than one reportable incident during the past year. The criteria used to determine RIR follows the U.S. Department of Labor's Occupational Safety and Health Administration guidelines and is applied globally. The RIR does not include workers at offices with fewer than 10 employees, but it does include remote workers.

**D2 Employee utilization of preventive screenings:** Metric is based on U.S. Clorox employees enrolled in UnitedHealthcare medical plans, representing 86% of eligible U.S. employees. Metric is the weighted average across the four individual screening types. January–December 2022 data was provided by UHC and adjusted based on U.S. Preventive Services Task Force age/gender-appropriate frequency screening guidelines and applicable populations. The consumer packaged goods benchmark of 26% is based on UHC's average across 21 consumer packaged goods employers. The target of 33% is based on the expectation to make reasonable, significant, yet realistic improvement over actual historical results: 31%, 26% and 29% from 2019, 2020 and 2021, respectively.

**D3 Retirement income:** Available as a percentage of preretirement income, calculated by Vanguard for U.S. employees participating in the Clorox 401(k) program (94% of U.S. employees). Based on Clorox 401(k) and estimated Social Security income at retirement (age 67); excludes outside income sources or personal savings outside of Clorox 401(k) (unless provided to Vanguard by participant). Vanguard's target benchmark of 75% is defined as the percentage of preretirement income required to maintain one's lifestyle at retirement.

**D4 Chemical footprint:** Metric is the percentage of the gap closed between Clorox's CFP 2020 baseline survey score compared to a perfect CFP survey score. Scores are calculated on a calendar year basis.

## CLEAN WORLD

**D5 Packaging:** Percentage reduction in virgin plastic and fiber packaging; Percentage of packaging made from recycled and/or renewable materials: Metric is global and includes both primary and secondary fiber and plastic packaging. Domestic, U.S. export and Latin America packaging is based on sales data and includes packaging for all products we sell and produce in the U.S. and LATAM, inclusive of contract manufactured packaging from suppliers that procure packaging materials on our behalf. AMEA and Asia packaging is based on our purchases of packaging for operations in these regions and excludes some data for packaging procured by contract manufacturers on our behalf. AMEA and Asia CY22 data is estimated based on CY18 purchases of packaging, adjusted to account for sales growth in CY22.

**D6 Percentage that is recyclable, reusable and/or compostable:** Data has been calculated using the Ellen MacArthur Foundation's recyclability assessment tool and Recycling Rate Survey, and the Association of Plastic Recyclers Design Guide for Plastics Recyclability. Recyclability reporting is based on CY22 U.S. and LATAM sales data and is estimated to reflect global results for this metric.

**D7 Zero waste to landfill:** Where infrastructure allows. Clorox's criteria includes:

- 1) Have a zero-waste approach to minimizing all waste streams;
- 2) Have processes to reduce, reuse, recycle, compost or send waste to energy recovery, and;
- 3) Pass a corporate audit, following Clorox guidelines for our ZWTl program, which was informed by UL Standard 2799, 3rd Edition (03/22/17).

Metric calculated as a percent to reflect both changes to the number of company-approved ZWTl facilities and changes to the total number of facilities we operate due to acquisitions, divestitures and changing facility needs and vendor capabilities to support our business. Locations where landfill waste diversion infrastructure limits the ability to achieve ZWTl are excluded from this metric unless the residual waste impeded by infrastructure limitations constitutes 5% or less of a site's total waste. If 5% or less, and the location meets all remaining ZWTl criteria, it is included in this metric and counted as a ZWTl location. In cases where inadvertent waste sent to landfill is less than 2% of a site's total waste, but it meets all remaining ZWTl criteria, it is counted as a ZWTl location.

**D8 GHG emissions:**

- Scope 2 emissions reported are calculated using the market-based method. Beginning in 2021, scope 2 market-based method emissions utilized various environmental attributes from renewable energy credits associated with virtual power purchase agreements, RECs purchased on the open market and international RECs purchased through an energy service provider. These instruments were specific to facilities in the U.S., Canada, Colombia and Chile in 2022. Prior to 2021, the company did not use environmental instruments.
- For our science based targets, we're focusing on different scope 3 categories for our reduction efforts than in our previous goal periods. These include category 1, purchased goods and services, and category 11, use of sold products (direct). In prior goal periods, we defined scope 3 to include category 4, U.S. finished goods distribution, and category 6, employee business travel. Categories are defined by the World Resources Institute and World Business Council for Sustainable Development's GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- Our 2020 baseline scope 3 emissions were updated for categories 1, 2, 5, 7, 8, 11 and 12, based on methodology enhancements and refinements of our data to improve the comparability to 2022 data for scope 3 progress reporting against our SBTs and comprehensive scope 3 baseline. There may need to be future baseline updates as we complete our net-zero target submission to the Science Based Target initiative in 2023.

# ESG ENDNOTES

<sup>D9</sup> **Energy:** Through our first VPPA and other market purchases of RECs, Clorox met our 100% renewable electricity goal beginning in January 2021, four years ahead of the original target date. Our first VPPA for 70 megawatts was executed in 2019 and began producing renewable energy for Clorox in January 2021. Our second VPPA for 47 MW was executed in April 2022 and began producing renewable energy for Clorox in January 2023, subsequent to the 2022 data reported. Each VPPA is estimated to deliver about half of Clorox's 100% renewable electricity goal for U.S. and Canadian operations annually beginning in 2023.

## THRIVING COMMUNITIES

<sup>D10</sup> **Pay equity:** There are no statistically significant differences (at a confidence level of 95%) in pay by gender globally and race/ethnicity in the U.S., accounting for relevant factors such as grade level, location and experience.

<sup>D11</sup> **Workforce representation:** Management defines people of color as any race that is not white (Asian, Black, Latino, Native American, Native Hawaiian, or two or more races). Gender and ethnicity information is provided by employees on a voluntary, self-identification basis. To the extent that the employees do not voluntarily report, the data would not be included in the diversity calculation.

During FY23, we updated our internal grade rank structure from previous years, resulting in additional grade levels to be considered a "Manager." Management's breakdown of job categories and demographic information provided is as follows: "Senior Executive" is defined as an employee at Grade 32 and above (unchanged from previous years.) "Manager" is defined as an employee at grade 26 to 31 for U.S. employees (FY22 and prior: 27-31) and grade 25 to 31 for international employees (FY22 and prior: 26-31). "Other Nonproduction Employee" is defined as an employee who works at an office location and is at grade 25 and below for U.S. employees (FY22 and prior: 26 and below) and grade 24 and below for International employees (FY22 and prior: 25 and below.) "Production Employee" is defined as an employee who works at a production location and is at grade 19 or below (International and U.S.; unchanged from previous years). Grade levels are defined by Clorox's compensation structure.

<sup>D12</sup> **Inclusion index and employee engagement:** Inclusion index data is expressed as a percentage of employees experiencing Clorox as an inclusive workplace. Questions about inclusion measured the extent to which employees believe that all employees have the opportunity to be successful at Clorox regardless of diversity characteristics, that their manager encourages diverse perspectives, that senior leadership visibly demonstrates that having a diverse and inclusive workforce is important for Clorox's business success, that teams openly discuss differing opinions in reaching decisions and that they can be their authentic self at work. Engagement is defined as the extent to which employees have pride in the company, intend to stay, get intrinsic motivation from their work and would recommend

the company as a good place to work. Inclusion index and employee engagement data were measured through an FY23 engagement survey administered by Perceptyx between February and March 2023, and 7,053 employees participated. Perceptyx's Fortune 500 benchmark is comprised of 102 companies and 8.1 million survey responses from Fortune magazine's annual Fortune Global 500 list. The Perceptyx CPG benchmark comprises employee survey results from organizations that produce consumer goods, including results from 78 companies and 1.7 million survey responses. Employee inclusion and engagement is based upon employees' self-reporting. To the extent that employees do not respond to the survey, the data would not be included in the employee engagement calculation.

<sup>D13</sup> **Product donations:** U.S. product donations refer to those donations used to aid in disaster relief or to support schools, food banks and other nonprofit organizations. The value is derived from the current-year fair market value of the products donated. U.S. product donations include donations made by the company's U.S. divisions and are for the fiscal year ended June 30, 2023. In FY23, Clorox's value of product donations decreased compared to FY22, although it remained higher than previous years, as our post-pandemic business continues to evolve.

<sup>D14</sup> **Spending with diverse suppliers:** Metric reflects spending with diverse suppliers, including minority, women, service-disabled and veteran-owned business enterprises as well as gay, lesbian, bisexual and transgender business owners in the U.S. and Puerto Rico.

<sup>D15</sup> **Employee volunteerism:** Calculated on a calendar year basis and based on annual employee survey conducted in January 2023, value is the financial equivalent of number of volunteer hours multiplied by the value of volunteer time in current year, determined by IndependentSector.org. Less than 5% of these hours are by employees outside the U.S., but all are calculated using the U.S. average rate.

## ESG REPORTS

<sup>D16</sup> Global manufacturing plants where we have greater than 50% operational control.

<sup>D17</sup> **SASB standards used:** In addition to reporting against Consumer Goods Sector: Household and Personal Products Standard, to provide greater transparency to our stakeholders we have included select metrics from other SASB industry standards to align with the issues that we consider to be priorities to us, based on a 2021 materiality assessment [Food & Beverage: Agricultural Products Standards; Consumer Goods: Building Products & Furnishings and Technology and Communications industry standards]. See EY Appendix A on [page 38-39](#) for specific criteria used by EY to assure the select nonfinancial metrics referenced by [◆](#).

# ABOUT THIS REPORT

## CURRENT PRIORITIES

The Clorox Company's integrated annual report highlights our financial and ESG performance. Unless otherwise noted, fiscal year financial performance is presented in accordance with GAAP in the U.S., which include principles for determining materiality related to financial reporting. For any non-GAAP financial information, we have provided reconciliations to the most comparable GAAP measure starting on [page 23](#).

The ESG information focuses on performance related to the company's [identified ESG priorities](#). For purposes of this reporting, prioritization is based on how much a topic influences our business success, including alignment with our corporate strategy and purpose; potential impact on our operations, consumers, business partners and other stakeholders; potential ESG impacts; and the importance of the topic to our stakeholders. Key ESG priorities may include, but are not limited to, topics that could have a significant financial impact on our company.

## REVIEW OF NONFINANCIAL INFORMATION

We believe voluntary assurance strengthens our reporting process and enhances the credibility of our nonfinancial information. This year we engaged a third party to review the following nonfinancial key performance indicators, selected based on their priority to Clorox: global GHG emissions, renewable electricity consumption, energy consumption, water consumption, recordable incident rate, employee engagement, diverse representation across the company and among senior leadership, U.S. product donations and percentage of renewable electricity in the U.S. and Canada. Items that underwent assurance are indicated with an [◆](#) throughout the report.

## THIRD-PARTY ESG FRAMEWORKS

This year's report has been developed in alignment with the Sustainability Accounting Standards Board's Household and Personal Products standard, the Task Force on Climate-related Financial Disclosures and the UNGC's Ten Principles. We also disclose how our priority ESG initiatives support the U.N. Sustainable Development Goals.

- SASB's industry-specific standards aim to help businesses around the world identify, manage and report on the sustainability topics that matter most to their investors.
- TCFD develops voluntary, consistent climate-related financial risks and opportunities disclosures for companies to provide information to investors and other stakeholders.
- The Communication on Progress — which we now submit directly to the UNGC — describes the company's actions in implementing the Ten Principles of the UNGC.
- The U.N. SDGs, adopted by all U.N. member nations, are an ambitious set of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all" by 2030.

While Clorox used the ESG reporting frameworks outlined above for this fiscal year, we continue to monitor ongoing changes in the ESG reporting industry as SASB, the International Integrated Reporting Council and the Value Reporting Foundation have now consolidated into the IFRS Foundation — which will also assume monitoring responsibilities of TCFD — to support the new International Sustainability Standards Board's objectives and drive connectivity to financial statements. We'll continue to evaluate the evolution of nonfinancial data disclosures and potential related changes in ESG reporting frameworks.

## REPORTING PERIOD AND BOUNDARY

Most data in this report covers wholly and majority-owned operations for fiscal year July 1, 2022 through June 30, 2023. Data in this report for environmental sustainability — excluding ZWT metrics — and other metrics, as noted, is for the calendar year period of January 1, 2022, through December 31, 2022.



# SHAREHOLDER 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 25, 2023, the number of record holders of Clorox's common stock was 8,194.

## TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT

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

## COMPUTERSHARE

P.O. Box 43078  
Providence, RI 02940-3078

Overnight correspondence should be sent to:

## COMPUTERSHARE

150 Royall Street, Suite 101  
Canton, MA 02021  
877-373-6374 or 781-575-2726

TDD 800-952-9245 or 312-588-4110  
for the hearing impaired

[computershare.com/investor](https://computershare.com/investor)

## SHAREHOLDER INFORMATION SERVICE

The latest company news is available at [TheCloroxCompany.com](https://TheCloroxCompany.com).

## DIVIDEND REINVESTMENT/DIRECT STOCK PURCHASE PLAN

Clorox has authorized Computershare to offer a dividend reinvestment/direct stock purchase plan. Registered shareholders can purchase additional shares. Nonshareholders 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/Investors/InvestorResources/Direct Stock Purchase Plan](https://thecloroxcompany.com/Investors/InvestorResources/DirectStockPurchasePlan) or contact Computershare.

## MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

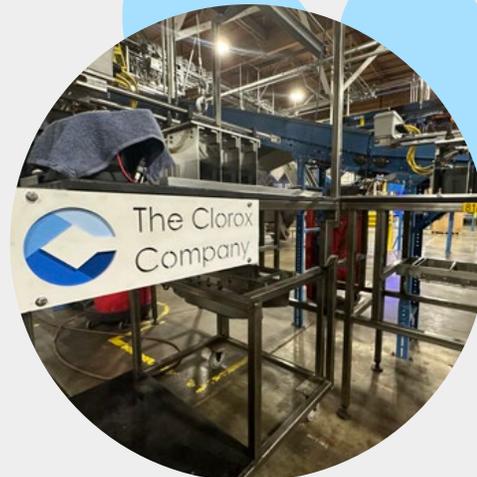
Clorox management, under the supervision and with the participation of the chief executive officer and chief financial officer, has assessed the effectiveness of the company's internal control over financial reporting as of June 30, 2023, and concluded that it is effective. For more information, see Item 9.A. of the company's Form 10-K for the fiscal year ended June 30, 2023.

## 2023 FINANCIAL INFORMATION

Full financial statements are provided in the company's 2023 proxy statements and annual report on Form 10-K. The company's proxy statements and annual report on Form 10-K for the fiscal year ended June 30, 2023, are available at [TheCloroxCompany.com](https://TheCloroxCompany.com) and through the SEC's EDGAR database.

## FORWARD-LOOKING STATEMENTS

Except for historical information, matters discussed in the annual report are forward-looking statements and are based on management's estimates, assumptions and projections. Actual results could vary materially. Please review the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections in the company's annual report on Form 10-K for the fiscal year ended June 30, 2023, and subsequent SEC filings for factors that could affect the company's performance and cause results to differ materially from management's expectations. The information in this report reflected management's estimates, assumptions and projections as of August 10, 2023. 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 shareholder return of Clorox's 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, 2023. The composite index is weighted based on market capitalization as of the end of each quarter during each of the last five years. The graph lines merely connect the prices on the dates indicated and do not reflect fluctuations between those dates.

## COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN\*

Among The Clorox Company, the S&P 500 Index and Peer Group



\* \$100 invested on 6/30/18 in stock or index, including reinvestment of dividends. Fiscal year ending June 30.

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	2018	2019	2020	2021	2022	2023
The Clorox Company	100.00	116.18	170.80	143.04	115.27	134.26
S&P 500	100.00	110.42	118.70	167.13	149.39	178.66
Peer Group	100.00	133.36	149.24	167.66	176.77	187.76

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



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