



Public Affairs Council – Creating an Integrated GA Strategy

11/7/17

Agenda

CLX Overview

Zika Case

Chile Hazmat Case

Takeaways

What Is Clorox?



- A leading multinational manufacturer and marketer of consumer and professional products.
- 80%+ of sales generated from No. 1 or No. 2 brands in their categories.

Company Overview – FY 2017

Sales by Segment and Category



\$6.0B
Net Sales



8,100+
Employees



25+
Country/Territory
Operations



100+
Markets Around
the World



41% Cleaning

19% HOME CARE

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

9% LAUNDRY

Clorox®
Clorox2®

6% PROFESSIONAL PRODUCTS

Clorox Healthcare®
CloroxCommercial Solutions®

33% Household

14% BAGS WRAPS & CONTAINERS

Glad®

10% CHARCOAL

Kingsford®
Match Light®

7% CAT LITTER

Kingsford®
Match Light®

2% DIGESTIVE HEALTH

RenewLife®

17% International

9% LATIN AMERICA 3% CANADA

2% AUSTRALIA/ NEW ZEALAND

3% REST OF WORLD

16% Lifestyle

9% FOOD PRODUCTS

Hidden Valley®
Soy Vay®
KC Masterpiece®

4% NATURAL PERSONAL CARE

Burt's Bees®

3% WATER FILTRATION

Brita®

* For additional information visit: annualreport.thecloroxcompany.com

Corporate Responsibility at Clorox

People

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

Best-In-Class Employee Engagement¹

88%

Employee Engagement
(vs. 80% for Peers, 85% for High-Performing Companies)

World-Class Workplace Safety

.60

Recordable Incident Rate
(vs. World-Class Level <1.0)

Diversity as a Business Strength

IN THE WORKFORCE

41%

Global Female Nonproduction Managers

31%

Ethnic Minorities Among U.S. Nonproduction Employees
(vs. 32% U.S. Census Bureau)³

50%

Global Female Nonproduction Employees

26%

Ethnic Minorities Among U.S. Nonproduction Managers
(vs. 30% U.S. Census Bureau)³

IN CORPORATE GOVERNANCE⁴

33%

Minority Board Members
(vs. 14% Fortune 500 Average)⁵

36%

Female Clorox Executive Committee Members

33%

Female Board Members
(vs. 20% Fortune 500 Average)⁵

3%

Incremental Sales From Product Innovation

GOAL 50% By 2020

34%

Product Portfolio With Sustainability Improvements

Products

Innovating and making responsible products, responsibly.

Planet

Shrinking our environmental footprint while growing our business.

Operational Footprint Reduction (CY 2016 vs CY 2011 per case of product sold)

GOAL 20% By 2020

↓18%
Greenhouse Gas Emissions

↓15%
Energy Consumption

↓21%
Water Consumption

↓41%
Solid Waste to Landfill



\$11.1M

Total Impact

\$5.4M

U.S. Corporate Product Donations

\$4.6M

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

\$1.1M

U.S. Cause-Marketing Contributions

Community

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

* For additional information visit: annualreport.thecloroxcompany.com

Zika Case – CLX History of disaster and pandemic response

- Partnership with Red Cross to provide bleach for water disinfection and clean-up after floods, earth quakes and other natural disasters.
- Work with Americares to provide donations to health workers in Liberia and Sierra Leone fighting Ebola
- 2015 alliance with the DR Ministry of Public Health to support its public-awareness campaign, *Jornada contra el Chikun* (National Journey Against Chikungunya), that aims to minimize the mosquito population and eradicate the virus. Clorox donated more than 3 million sachets of bleach.



Isatu and her daughter with members of the Sinje medical team.



Zika Strategy

- Team: Cross-functional team (Sales, Marketing, R&D, Reg., GA, Legal) to define and execute strategy
- Goal: Ensure that CLX was positioned as a key partner of governments in responding to the crisis, drive business but ensure that not seen as opportunistic
 - Conservative claims, backed by strong science.
- Combining bleach donations through NGOs, partnering with governments on education and outreach to explain to consumers how to protect their families

GA Role

- Define and execute government outreach strategy focused on Ministers of Health in key markets that were hot spots for Zika and important markets for CLX
- Meetings to go over scientific basis for claims, provide info on donations, share proposed marketing and discuss potential for partnership (GA, Country GM and Regulatory)

Outcomes

- Solid business results, positive response to donations and no concerns from government
- Opportunities to collaborate with governments in Ecuador, Colombia and DR and testing, community pilot and education efforts, respectively.
- Positions CLX well to respond to future outbreaks

Chile Hazmat Case

- UN Orange Book Model regulation classified bleach as a “hazardous” good
- Adopted in Chile during an update of their Hazardous Goods regulations
- Major implications for formulation, product offering and transportation, warehousing and storage at retail.
- Despite best effort on regulatory side, we failed to change or secure an exemption to the regulation through regulatory input channels.

Chile Hazmat Case - Strategy

- Cross-functional team pulled together to manage effort (GM, GA, Legal, Regulatory, Product Supply)
- Develop an Economic and Crisis response argument and use Ministry of Economy to try to reopen issue
- Worked through AmCham to open channels to Under Secretary of Economy
- Developed Ad-Hoc Industry Group through outside legal counsel
- Proposal for exemption of “domestic bleach” 3.5% concentration and under

Chile Case - Results

- Secured exemption allowing us to keep selling current formulation, eliminating potential additional costs and headaches with transportation, storage and at retail.
- Provides useful road map as we encounter this issue in other jurisdictions.

Takeaways

- Being proactive and bringing together all of the key players from the beginning helps ensure alignment and necessary support
- Connecting GA to team early on so that we can eliminate possible issues much better than having to dig ourselves out of a hole.
- GA role in building relationships and opening door for technical experts to liaise with their government counterparts
- In public health crisis proactive outreach to government to share research and approach helps mitigate risk and creates opportunities that might not be initially apparent