



# Public Affairs Council – Creating an Integrated GA Strategy

11/7/17

# Agenda

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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



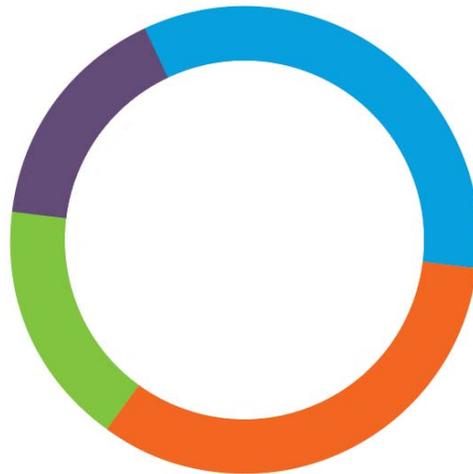
**8,100+**  
Employees



**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®

2% DIGESTIVE HEALTH  
RenewLife®

7% CAT LITTER  
Kingsford®  
Match Light®

### 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](http://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 Engagement<sup>1</sup>**

**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

**50%**

Global Female Nonproduction Employees

**31%**

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

**26%**

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

IN CORPORATE GOVERNANCE<sup>4</sup>

**33%**

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

**36%**

Female Clorox Executive Committee Members

**33%**

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



## Products

Innovating and making responsible products, responsibly.

**3%**

Incremental Sales From Product Innovation

**GOAL 50% By 2020**

**34%** Product Portfolio With Sustainability Improvements



## 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](http://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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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