



# Good Growth

Growing Profitably and Responsibly

# ABOUT THIS REPORT

## MATERIALITY FOR OUR INTEGRATED ANNUAL REPORT

The Clorox Company's integrated annual report presents the company's financial and corporate responsibility performance for fiscal year 2015 as well as our goals for 2020.

Our report highlights fiscal year financial performance in accordance with generally accepted accounting principles in the U.S., which include principles for determining materiality related to financial reporting.

Also presented in this report is information about performance related to the company's corporate responsibility topics. For purposes of our corporate responsibility reporting, we determine materiality of a topic based on how much it influences our overall business success (i.e., the degree to which it is aligned with our corporate strategy and purpose; the potential impact on our operations, consumers and business partners; as well as potential economic, social and environmental impacts) and the importance of the topic to key stakeholders. Material corporate responsibility topics may include, but are not limited to, topics that could have a significant financial impact on the organization.

## USING THE GLOBAL REPORTING INITIATIVE FRAMEWORK

This year's report has been developed according to the Global Reporting Initiative G3.1 guidelines, which provide a recommended framework and key performance indicators for sustainability reporting. More information on the G3.1 guidelines is available at [globalreporting.org](http://globalreporting.org).



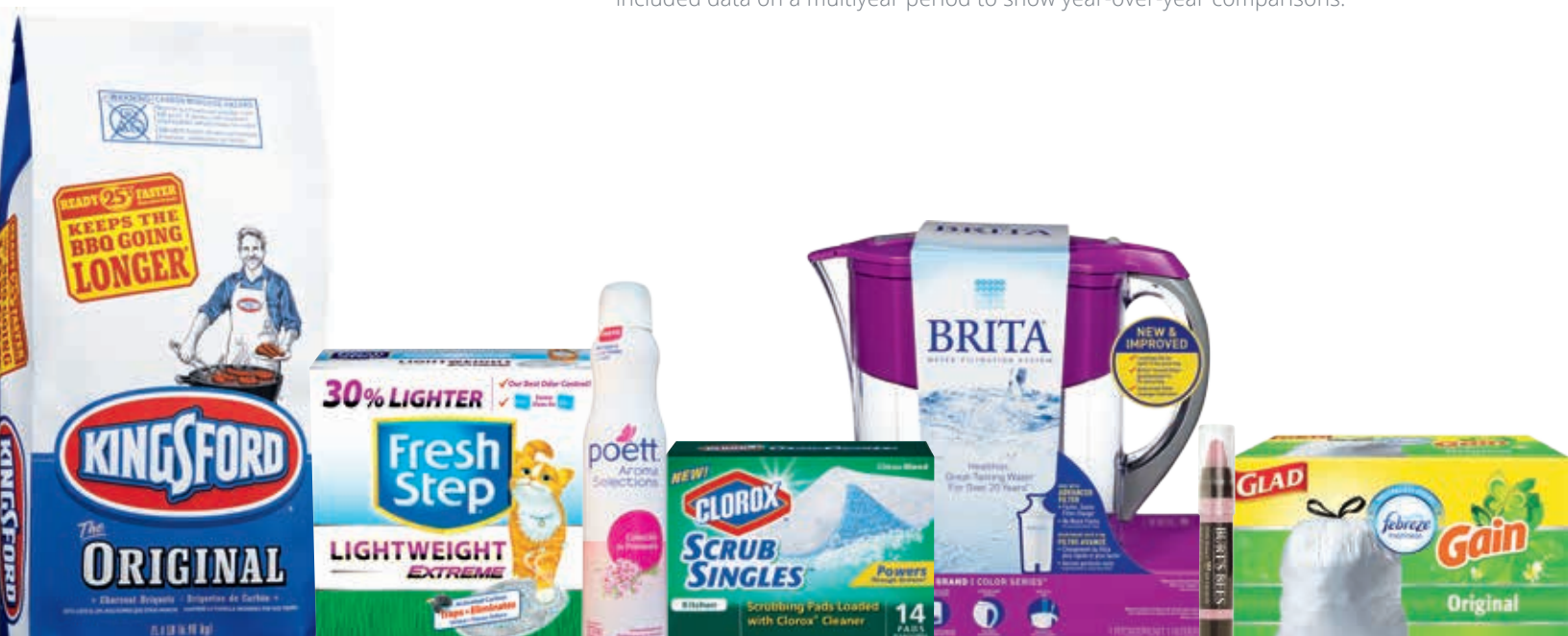
Based on the number of disclosures in our report, as well as third-party assurance by Ernst & Young LLP of key nonfinancial metrics, as indicated with the symbol , our report meets a GRI-checked application of "B+." The full list of GRI disclosures we address is available in our fiscal year 2015 annual report at [annualreport.thecloroxcompany.com](http://annualreport.thecloroxcompany.com).

## REPORTING PERIOD AND BOUNDARY

Environmental sustainability information presented in this report is for the period of Jan. 1, 2014, through Dec. 31, 2014, and is global unless otherwise stated. All other data in this report cover wholly and majority-owned operations for July 1, 2014, through June 30, 2015, unless otherwise noted. In some instances, we have included data on a multiyear period to show year-over-year comparisons.

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I'm deeply honored to be leading The Clorox Company. We have a strong foundation with a healthy core business and momentum behind our categories and market shares. We also have highly engaged and talented employees as well as a diverse portfolio of leading brands that fulfill our mission to make everyday life better, every day, for people around the world. We've come a long way since 1913 when the company started with five people and one product in Clorox® bleach, and we're at a pivotal point in building an even bolder future.

The 21st century is an exciting and highly complex era for our industry considering the fundamental changes in technology and digital media, which are transforming the way we do business. Notably, consumers are in charge and, more than ever, they demand superior value from their purchases. They have unlimited access to information and countless options for how and where to buy practically anything. They're also highly diverse, representing different age groups, interests, backgrounds and traditions, all of which influence their product choices.

Every day I think about what it's going to take to win with our consumers and how Clorox will get to its bolder future. There's a lot to be said for continuity of purpose. Retaining our commitment to corporate responsibility is not negotiable, and we believe we have the right strategy to succeed. At the same time, our future success also depends on challenging the status quo and getting ahead of the changes we're seeing in business today.

That's why our single biggest challenge and opportunity is to accelerate good growth — growth that's profitable, consistent and achieved in a responsible way. We can't rely on favorable economic trends or a growing population to create momentum for our business. We're taking charge of our own destiny in a challenging economic environment.

*Benno Dorer*  
Chief Executive Officer



**\$5.7B**  
NET SALES

We're confident that our 2020 Strategy will help us successfully navigate these dynamics and deliver good growth:

- ◆ **Engage our people:** It takes everyone's leadership to drive growth. We must empower employees to be more decisive in driving results faster. In addition, we believe they should mirror the consumers we serve around the world, which is why it's imperative to continue fostering a culture of diversity and inclusion.
- ◆ **Increase investments behind our brands:** Winning with consumers starts with increasing investments behind our brands to demonstrate our superior value proposition. We must delight people with superior products and lead technology-enabled change to engage them through real-time "sense and respond" marketing.
- ◆ **Expand our brands into new categories and new sales channels and in existing countries:** Innovation, partnerships and entering into new channels, including e-commerce, will create new opportunities to leverage the leadership of our brands to drive incremental growth.
- ◆ **Cut waste in our work, products and supply chain to fuel growth:** Providing value to our consumers means relentlessly focusing on what matters to them. By reducing costs that don't matter, we can reinvest savings and resources to drive growth.

#### EXCELLENT EXECUTION OF OUR STRATEGY DROVE STRONG PERFORMANCE IN FISCAL YEAR 2015.

In the last fiscal year, our 7,700 employees rose to the challenge of driving profitable growth while continuing to live up to our corporate responsibility commitments. I'm pleased with our results:

- ◆ We increased sales in every quarter, with sales growth of 3 percent for the fiscal year (5 percent growth, currency neutral).<sup>1</sup>
- ◆ We launched new products in many categories, delivering 3 points of incremental sales growth.
- ◆ We drove productivity gains, delivering \$116 million in cost savings.



**86%** ◆

**BEST-IN-CLASS EMPLOYEE ENGAGEMENT**  
**(VS 77% BENCHMARK)**

- ◆ We expanded our gross margin by 90 basis points to 43.6 percent.
- ◆ We increased free cash flow as a percentage of sales by 13 percent to \$733 million, the highest level we've delivered in 10 years.<sup>1</sup>
- ◆ We made sustainability improvements to 20 percent of our product portfolio since our baseline calendar year of 2011<sup>2</sup>, and we're on track with our goal to make sustainability improvements to 50 percent of our product portfolio by 2020.

Importantly, we achieved these results in the right way — responsibly and guided by our values. Safety is a core value, and we posted the lowest recordable incident rate in our history, which was also better than world-class levels.<sup>3</sup> In addition, employee engagement increased about 1 point to more than 86 percent, 9 points higher than the fast-moving consumer goods industry norm and about 1 point higher than the global high-performance norm.<sup>4</sup>

We've been recognized for our strong diversity and inclusion programs, and this year we introduced a network to engage and support our employees who are veterans. We also continued to focus on reducing our environmental impact, lowering our greenhouse gas emissions by 11 percent, water usage by 11 percent and waste to landfill by 30 percent, cumulatively, since 2011.<sup>2</sup> It meant a lot to all of us that Clorox was recognized by a number of external organizations, including Corporate Responsibility magazine, which ranked us No. 37 on its Best Corporate Citizens list, and the U.S. Environmental Protection Agency, which gave us two Climate Leadership Awards for excellence in greenhouse gas management.

I'm especially proud of our results in light of tough challenges we faced in the fiscal year, including slowing international economies and foreign currency declines across all major currencies. In particular, our Venezuela business had been experiencing sustained operating losses from triple-digit inflation impacting much of our product input costs.

While we very much wanted to remain in Venezuela, we were forced to discontinue our operations. It was a very difficult time for the company, but today our business is stronger for it. Moving forward, our International business continues to play an important role in our portfolio.

Considering the macroeconomic headwinds we're facing, our focus for International is to rebuild margins. Once these headwinds subside, our International business will be in a solid position to benefit. We have leading brands that are growing market share, and we have promising growth platforms, including the Burt's Bees® brand, which is now in more than 40 countries.

**\$733M**  
FREE CASH FLOW<sup>1</sup>

17%

TOTAL  
SHAREHOLDER  
RETURN

## STRATEGY ACCELERATORS ARE KEY TO DELIVERING GOOD GROWTH FASTER.

In fiscal year 2015, we wasted no time leaning into the highest opportunities to drive good growth and introduced four “accelerators” to help us execute our 2020 Strategy moving forward:

- ◆ We’re doubling down on *3D Innovation* to create even more value from innovation. Innovative thinking and execution must be applied to everything that touches our demand-creation model of desire, decide and delight — from product development to sales and marketing to manufacturing.
- ◆ Through *3D Technology Transformation*, we’re tapping into the latest technology advancements to deliver the right message to the right consumer at the right moment, while generating a stronger return on our investments.
- ◆ Our focus on *Portfolio Momentum* is about directing more resources to the brands that we expect to deliver the most growth.
- ◆ We’re building an even stronger *Growth Culture* so that employees are more empowered and decisive in driving results and, importantly, put the consumer first in everything they do.

In the last fiscal year, execution of our strategy accelerators paid off in category growth and market share gains, with the fourth quarter showing the highest market share growth in four years.

\$385M

CASH DIVIDENDS

## WE CONTINUED OUR COMMITMENT TO RETURN CASH TO SHAREHOLDERS.

In fiscal year 2015, we returned \$385 million in cash dividends to our shareholders. As we’ve done every year since 1977, we raised our annual cash dividend, announcing in the fourth quarter an increase of 4 percent. As of Aug. 21, 2015, Clorox’s current dividend yield of 2.8 percent is one of the highest in our industry, and our total shareholder return of 17 percent for fiscal year 2015 ranked Clorox fourth in our peer group.

U.S. ENVIRONMENTAL  
PROTECTION AGENCY  
CLIMATE LEADERSHIP  
AWARDS

## WE’RE CREATING LONG-TERM VALUE FOR STAKEHOLDERS THROUGH OUR CORPORATE RESPONSIBILITY COMMITMENTS.

Corporate responsibility is good business. It fuels our performance, guiding our everyday choices and applying our values to how we treat each other and everyone who touches our business. Whether we’re trying to attract consumers, customers or employees, making great products is no longer enough. Consumers — and particularly millennials, a group that will soon surpass baby boomers in purchasing power — want to know what a company stands for. It’s our job to make sure our stakeholders know Clorox is absolutely committed to doing the right thing in every aspect of our business, from our people to our governance to our products.



This is an exciting time to be at Clorox, and we’ve really only just begun. With a strong foundation of talented people, leading brands and the right strategy, we’re defining new opportunities that will help us accelerate good growth, deliver value to all our stakeholders and lead us to a bolder future where we’re an even greater company.

Sincerely,

Benno Dorer  
Chief Executive Officer  
Aug. 21, 2015

<sup>1</sup> The exclusion of foreign exchange impact (currency neutral) and free cash flow are non-GAAP financial measures, which management believes provide useful information to investors about trends in the company’s operations and enable period-over-period comparisons. See the financial footnotes on page 11 for reconciliations of these non-GAAP measures to the most directly comparable U.S. GAAP measures.

<sup>2</sup> For calendar year ending Dec. 31, 2014. All sustainability metrics represent cumulative progress against CY 2011 baseline, and percentage is based on net customer sales. A sustainability improvement is defined as 1) a 5 percent or more reduction in product or packaging materials on a per-consumer-use basis; 2) an environmentally beneficial change to 10 percent or more of packaging or active ingredients on a per-consumer-use basis; 3) a 10 percent reduction in required usage of water or energy by consumer; or 4) an environmentally beneficial sourcing change to 20 percent or more of active ingredients or packaging on a per-consumer-use basis.

<sup>3</sup> Based on corporate benchmarking by Clorox, we consider a recordable incident rate of 1.0 or less to be world-class. Our FY15 RIR of .52 means that for every 100 Clorox employees, we averaged less than one reportable incident during this past year. According to the latest available data from the U.S. Bureau of Labor Statistics, the average RIR for goods-producing manufacturing companies is 3.9. The criteria used to determine RIR follows U.S. Department of Labor Occupational Safety and Health Administration guidelines and is applied globally.

<sup>4</sup> The Towers Watson global fast-moving consumer goods norm is based on responses from 126,346 employees at 61 global organizations in this sector as well as a representative sample of employee data collected through general workforce studies. The Towers Watson global high-performance norm is a cross-industry norm that includes companies meeting two criteria: a) superior financial performance, defined by a net profit margin and/or return on invested capital that exceeds industry averages; and b) superior human resource practices, defined by top employee opinion scores. This norm includes responses from more than 145,000 employees at 28 global organizations. Clorox employee engagement scores were 86.247 percent in FY15, compared to 85.725 percent in FY14, an increase of .522 percent.

# 2020 STRATEGY OVERVIEW

The Clorox Company's 2020 Strategy focuses on what we believe are the highest-value opportunities for driving long-term profitable growth and generating strong total stockholder returns. Embedded into that business strategy are our corporate responsibility imperatives in the areas of environmental, social and governance performance. Building on this platform, in fiscal year 2015 we introduced four strategy accelerators intended to help drive decisions in areas where we will invest more heavily with the intent to accelerate that **good growth** even further.

**MISSION**  
We make everyday life better, every day.

Be the best at building big-share brands in mid-sized categories.

**OBJECTIVE**

**COMMITMENT**

Leverage environmental, social and governance performance to help drive long-term, sustainable value creation.

## STRATEGIES



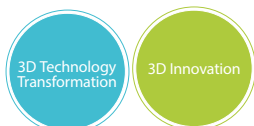
Engage our people as business owners.

STRATEGY ACCELERATOR:



Increase brand investment behind superior value and more targeted 3D innovation.

STRATEGY ACCELERATORS:



Grow into profitable new categories, channels and countries.

STRATEGY ACCELERATOR:



Fuel growth by reducing waste in our work, products and supply chain.

# LONG-TERM ASPIRATIONS



GROW NET CUSTOMER SALES BY

**3-5%**

PER YEAR



EXPAND EBIT MARGIN

**25-50**

BASIS POINTS PER YEAR



DELIVER FREE CASH FLOW AS A PERCENTAGE OF SALES

**10-12%**

PER YEAR

## OPERATING CONTEXT:

### FACTORS DRIVING OUR BUSINESS SUCCESS

To achieve our business goals, we need to leverage the unique attributes of our company; optimize our relationships with important partners such as our employees, retail customers and communities; and manage external factors that can influence our success.





## STRATEGY 1: ENGAGE OUR PEOPLE

### PRIORITIES:



#### BUSINESS

- ◆ Noticeably improve speed and clarity of decision-making.
- ◆ Embrace inclusion and diversity.
- ◆ Continue to strengthen “OurClorox” employer brand that demonstrates the unique benefit of working at Clorox.



#### CORPORATE RESPONSIBILITY

- ◆ Maintain workplace safety.

### ENGAGE OUR PEOPLE AS BUSINESS OWNERS

Engaging our people as business owners requires a highly motivated workforce as well as a commitment to a safe, productive and diverse workplace. Fostering a culture with these priorities — where everyone at every level has an impact on the company's success — is key to driving profitable, sustainable growth.

Clorox has identified key attributes that make our company unique and contribute to our success. Those attributes are what we refer to collectively as OurClorox: great people, great brands, strong values, work-life balance, opportunity and personal impact.



DIVERSITY MBA MAGAZINE

2015 BEST PLACES FOR  
WOMEN AND DIVERSE MANAGERS  
TO WORK  
Ranked #3



## 2015 HIGHLIGHTS

Here are some examples of how we kept our people engaged and further developed a work environment conducive to business success in fiscal year 2015:

- ◆ This year's employee engagement survey found continued high levels of employee engagement (86 percent engaged or highly engaged), surpassing benchmarks for the consumer packaged goods sector (77 percent) and even global high-performing companies (85 percent). It also showed improvements in 14 of 17 survey categories, including operating efficiency, leadership and innovation.<sup>1</sup>
- ◆ We had the lowest recordable incident rate in our company's history, continuing to outperform our peers in workplace safety.<sup>2</sup>



- ◆ Our International Division launched a comprehensive learning and development program, with more than 500 employees completing approximately 2,500 courses on topics that support their professional growth and ability to deliver on business needs, such as coaching, feedback essentials, strategic thinking, writing and presentation skills, and new manager training.
- ◆ In addition to our five active employee resource groups, we established a Veterans Network with a mission to hire, enable and embrace our military family within Clorox and our communities. We also expanded ORBIT, a support group for employees who telecommute, to enhance productivity and provide valuable resources for those not based in our main locations.

- ◆ Spending with diverse suppliers grew to \$150 million, an increase of 11 percent compared with \$134 million spent in the previous year.
- ◆ Nearly 150 ideas were submitted for our annual Innovent competition that invites all of our employees to contribute ideas for new product and process innovation, with four business cases approved for commercialization by our senior leaders.

<sup>1</sup> The Towers Watson global fast-moving consumer goods norm is based on responses from 126,346 employees at 61 global organizations in this sector as well as a representative sample of employee data collected through general workforce studies. The Towers Watson global high-performance norm is a cross-industry norm that includes companies meeting two criteria: a) superior financial performance, defined by a net profit margin and/or return on invested capital that exceeds industry averages; and b) superior human resource practices, defined by top employee opinion scores. This norm includes responses from more than 145,000 employees at 28 global organizations.

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◆ Reviewed by Ernst & Young LLP. Refer to pages 18-20 for the review report.



HUMAN RIGHTS CAMPAIGN

2015 CORPORATE EQUALITY INDEX 100% RATING – ANNUALLY SINCE 2006



REPUTATION INSTITUTE

2015 US REPTRAK® MOST REPUTABLE COMPANIES Ranked #12



## STRATEGY 2: INCREASE BRAND INVESTMENT

### PRIORITIES:



#### BUSINESS

- ◆ Increase sales from brands that deliver superior consumer value.
- ◆ Expand “sense and respond” digital marketing and e-commerce.
- ◆ Implement new tools and sustained investment to increase growth from product and commercial innovation.



#### CORPORATE RESPONSIBILITY

- ◆ Drive sustainability improvements in product formulations and packaging and ensure key renewable materials are responsibly sourced.

### INCREASE BRAND INVESTMENT BEHIND SUPERIOR VALUE AND MORE TARGETED 3D INNOVATION

Since we launched our 2020 Strategy, we’ve put additional resources behind our brands, with a focus on highlighting their superior value and cutting through today’s increasingly fragmented retail and consumer marketplace. In particular, we focused on targeted plans to drive demand for our products at the three moments of consumer choice, which we refer to as the 3Ds: desire (prepurchase), decide (point-of-purchase) and delight (postpurchase).



## 2015 HIGHLIGHTS

The following are examples of how we increased our brand investment behind superior value, product and packaging sustainability improvements, and more targeted 3D innovation, helping drive growth for our business in fiscal year 2015:

- ◆ Clorox® disinfecting wipes sales grew behind incremental investments in merchandising and product innovation, including the newly launched Clorox disinfecting wipes with microscrubbers.
- ◆ Innovation in Burt's Bees® lip and face care behind new lip balm flavors, lip color and the Renewal line of anti-aging products drove double-digit sales growth for the business. The brand also launched its first-ever television advertising campaign for the core lip-care category.



**3%**

**INCREMENTAL SALES  
FROM PRODUCT  
INNOVATION**

- ◆ Glad® OdorShield® trash bags experienced strong double-digit sales growth from innovation with new Gain™ scents.<sup>1</sup>
- ◆ We expanded our industry-leading voluntary ingredient disclosure program for household and commercial disinfecting, cleaning and laundry products in the U.S. and Canada to include fragrance components identified as potential allergens by the Scientific Committee on Consumer Safety, an advisory board to the European Union.
- ◆ Capitalizing on the growth trend for “in-the-flow” cleaning, the Clorox® brand launched 11 new items across three new product lines, including Clorox® ScrubSingles™ cleaning pads, Clorox® triple action dust wipes, and other kitchen and bathroom items.
- ◆ Fresh Step® extreme lightweight litter was introduced to the U.S. market, offering an option that’s 30 percent lighter than traditional litter along with sustainability benefits derived from less material used and a smaller transportation footprint.



**20%** <sup>A</sup>

**PRODUCTS WITH  
SUSTAINABILITY  
IMPROVEMENTS<sup>2</sup>**

- ◆ Amazon partnered with the Glad® and Clorox® brands on the Amazon Dash™ button, a new one-click ordering service designed to simplify ordering for frequently used household items, and with the Brita® brand for its Amazon Dash™ replenishment service, which will involve embedding new technology into our water pitchers to detect when a new filter is needed and automatically place the order.



**TARGET**

**2014 PARTNER AWARD OF EXCELLENCE**

- ◆ Household Chemicals
- ◆ Household Paper and Plastics
- ◆ Food and Meal Essentials

<sup>1</sup> Gain™ is a trademark of The Procter & Gamble Company.

<sup>2</sup> For calendar year ending Dec. 31, 2014. All sustainability metrics represent cumulative progress against CY 2011 baseline, and percentage is based on net customer sales. A sustainability improvement is defined as 1) a 5 percent or more reduction in product or packaging materials on a per-consumer-use basis; 2) an environmentally beneficial change to 10 percent or more of packaging or active ingredients on a per-consumer-use basis; 3) a 10 percent reduction in required usage of water or energy by consumer; or 4) an environmentally beneficial sourcing change to 20 percent or more of active ingredients or packaging on a per-consumer-use basis.



The Burt's Bees® brand is delighting consumers with more than 50 shades of lip color, naturally.

## PERFORMANCE FOOTNOTES

See footnotes below for descriptions of these non-generally accepted accounting principles, or GAAP, measures, 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.

1. EBIT represents earnings from continuing operations before interest income, interest expense and income taxes. EBIT margin is the ratio of EBIT to net sales. The company's management believes these measures provide useful additional information to investors about trends in the company's operations and are useful for period-over-period comparisons.

### Reconciliation of Earnings From Continuing Operations Before Income Taxes to EBIT

Dollars in millions	FY15	FY14	FY13
Earnings from continuing operations	\$ 921	\$ 884	\$ 852
Interest income	-4	-3	-3
Interest expense	100	103	122
EBIT – non-GAAP	\$ 1,017	\$ 984	\$ 971
EBIT margin – non-GAAP	18.0%	17.8%	17.5%
Net sales	\$ 5,655	\$ 5,514	\$ 5,533

### 2. Reconciliation of Economic Profit<sup>(1)</sup>

Dollars in millions and all calculations based on rounded numbers	FY15	FY14	FY13
Earnings from continuing operations before income taxes	\$ 921	\$ 884	\$ 852
Noncash U.S. GAAP restructuring and intangible asset impairment costs	1	3	-
Interest expense	100	103	122
Earnings from continuing operations before income taxes, noncash U.S. GAAP restructuring, intangible asset impairment costs and interest expense	\$ 1,022	\$ 990	\$ 974
Income taxes on earnings from continuing operations before income taxes, noncash U.S. GAAP restructuring, intangible asset impairment costs and interest expense <sup>(2)</sup>	350	342	318
Adjusted after-tax profit	\$ 672	\$ 648	\$ 656
Average capital employed <sup>(3)</sup>	\$ 2,393	\$ 2,494	\$ 2,552
Capital charge <sup>(4)</sup>	\$ 214	\$ 225	\$ 230
Economic profit <sup>(1)</sup> (adjusted after-tax profit less capital charge)	\$ 458	\$ 423	\$ 426

(1) Economic profit (EP) is defined by the company as earnings from continuing operations before income taxes, excluding noncash U.S. GAAP restructuring and intangible asset impairment costs, and interest expense, less an amount of tax based on the effective tax rate and less a charge equal to average capital employed multiplied by the weighted-average cost of capital. EP is a key financial metric 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.

(2) The tax rate applied is the effective tax rate on continuing operations, which was 34.2 percent, 34.6 percent and 32.7 percent in fiscal years 2015, 2014 and 2013, respectively.

(3) Total capital employed represents total assets less noninterest bearing liabilities. Adjusted capital employed represents total capital employed adjusted to add back current-year noncash U.S. GAAP restructuring and intangible asset impairment costs. Average capital employed represents a two-point 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:

	FY15	FY14	FY13
Total assets	\$ 4,164	\$ 4,258	\$ 4,311
Less:			
Accounts payable	431	440	413
Accrued liabilities	545	472	490
Income taxes payable	31	8	29
Other liabilities	745	768	742
Deferred income taxes	95	103	119
Noninterest bearing liabilities	1,847	1,791	1,793
Total capital employed	2,317	2,467	2,518
After tax noncash U.S. GAAP restructuring and intangible asset impairment costs	1	2	-
Adjusted capital employed	\$ 2,318	\$ 2,469	\$ 2,518
Average capital employed	\$ 2,393	\$ 2,494	\$ 2,552

(4) Capital charge represents average capital employed multiplied by the weighted-average cost of capital. The weighted-average cost of capital used to calculate capital charge was 9 percent for all fiscal years presented. The calculation of capital charge includes the impact of rounding numbers.

3. Free cash flow is calculated as net cash provided by continuing operations less capital expenditures and was \$733 million, \$649 million and \$590 million for fiscal years 2015, 2014 and 2013, respectively. For fiscal years 2015, 2014 and 2013, net cash provided by continuing operations was \$858 million, \$786 million and \$780 million, respectively, and capital expenditures were \$125 million, \$137 million and \$190 million, respectively. The company's management uses free cash flow and free cash flow as a percent of 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 share 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 nondiscretionary 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.

4. Currency-neutral net sales growth represents U.S. GAAP net sales growth excluding the impact of foreign currency exchange rates. The company's management believes this measure provides useful additional information to investors about trends in the company's core business operations. The following table presents the currency-neutral net sales growth reconciliation for fiscal years 2015, 2014 and 2013:

### Fiscal Year Sales Growth Reconciliation

	FY15	FY14	FY13
Total sales growth – GAAP	2.6%	-0.3%	2.9%
Less: Foreign exchange	-2.1%	-2.0%	-0.5%
Currency neutral sales growth non-GAAP	4.7%	1.7%	3.4%



## STRATEGY 3: EXPAND OUR BRANDS

### PRIORITIES:



#### BUSINESS

- ◆ Invest disproportionately in businesses with stronger growth potential.
- ◆ Expand into adjacencies through innovation, partnerships and acquisitions.



#### CORPORATE RESPONSIBILITY

- ◆ Support our global communities through our Be Healthy, Be Smart and Be Safe initiatives.

### KEEP THE CORE HEALTHY AND GROW INTO PROFITABLE NEW CATEGORIES, CHANNELS AND COUNTRIES

To expand the reach of our brands, we've concentrated our attention in three areas — building in adjacent categories, identifying additional sales channels and expanding our business in countries where we already operate — all while maintaining a focus on the health of our core businesses. We also continued to invest in education, health and safety initiatives because we believe the health of our global communities is critical to our success.



# 2015 SCORECARD



**\$5.7B**  
NET SALES



**7,700**  
PEOPLE

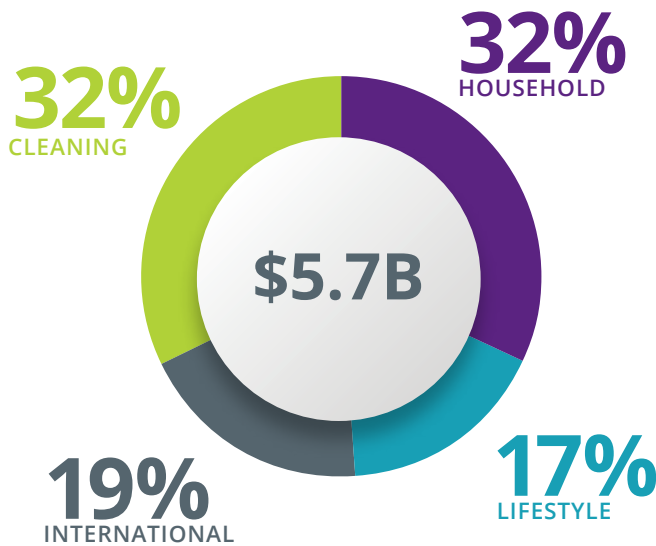


**37**  
MANUFACTURING  
FACILITIES



**100+**  
MARKETS AROUND  
THE WORLD

## SALES BY SEGMENT AND CATEGORY



### CLEANING

- Home Care 17%
- Laundry 10%
- Professional Products 5%

### LIFESTYLE

- Dressings & Sauces 9%
- Water Filtration 4%
- Natural Personal Care 4%

### HOUSEHOLD

- Bags & Wraps 15%
- Charcoal 11%
- Cat Litters 6%

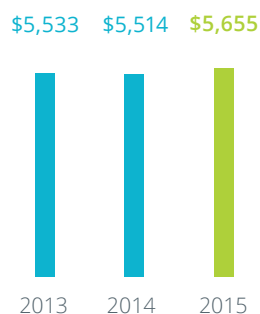
### INTERNATIONAL

- International 19%

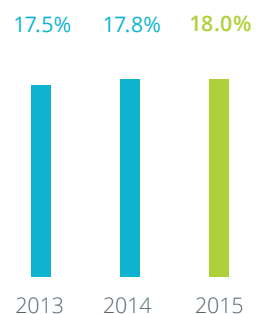
# PERFORMANCE

Achieving financial success with transparency and strong governance.

## NET SALES (\$ Millions)



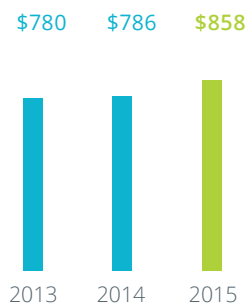
## EARNINGS FROM CONTINUING OPERATIONS BEFORE INTEREST AND TAXES MARGIN<sup>1</sup> (as a % of Net Sales) (non-GAAP)



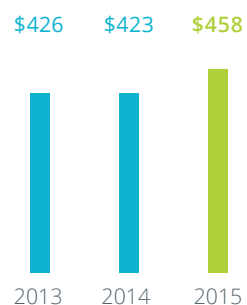
## EARNINGS FROM CONTINUING OPERATIONS (\$ Millions)



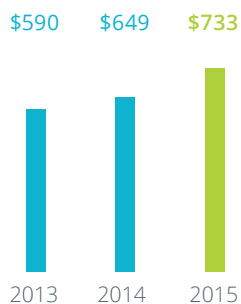
## NET CASH PROVIDED BY CONTINUING OPERATIONS (\$ Millions)



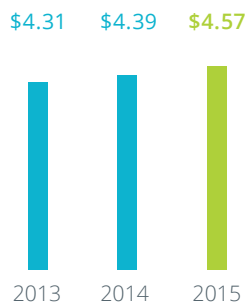
## ECONOMIC PROFIT<sup>2</sup> (non-GAAP) (\$ Millions)



## FREE CASH FLOW<sup>3</sup> (non-GAAP) (\$ Millions)



## DILUTED NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS





# PEOPLE

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

## BEST-IN-CLASS EMPLOYEE ENGAGEMENT<sup>1</sup>

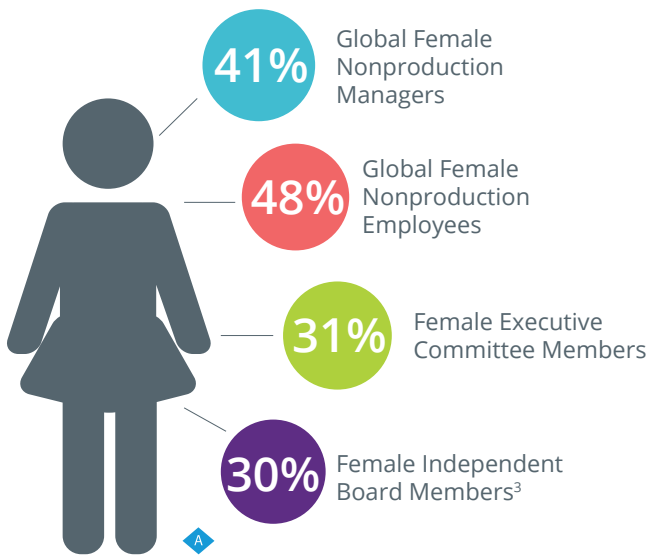


**86%**  
(VS 77% BENCHMARK)

## WORLD-CLASS WORKPLACE SAFETY<sup>2</sup>



**.52**  
RECORDABLE INCIDENT RATE  
(VS WORLD-CLASS LEVEL <1.0)



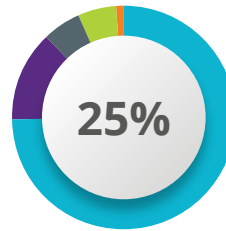
<sup>A</sup> Reviewed by Ernst & Young LLP. Refer to pages 18-20 for the review report.

## DIVERSITY AS A BUSINESS STRENGTH



**50%**  
MINORITY INDEPENDENT  
BOARD MEMBERS<sup>3</sup>

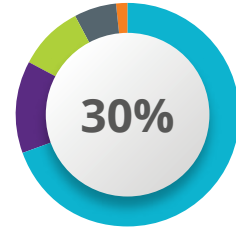
## STRONG ETHNIC MINORITY REPRESENTATION IN U.S. WORKFORCE



vs 22%  
U.S. Census Bureau

### MANAGERS<sup>A</sup>

- White 75%
- Asian 12.9%
- Hispanic/Latino 5.6%
- Black/African-American 5.4%
- Other 1.1%\*



vs 28%  
U.S. Census Bureau

### ALL EMPLOYEES<sup>A</sup>

- White 69.6%
- Asian 13.1%
- Black/African-American 9.7%
- Hispanic/Latino 6.0%
- Other 1.5%\*

\*Includes Native American, Native Hawaiian and multiracial.

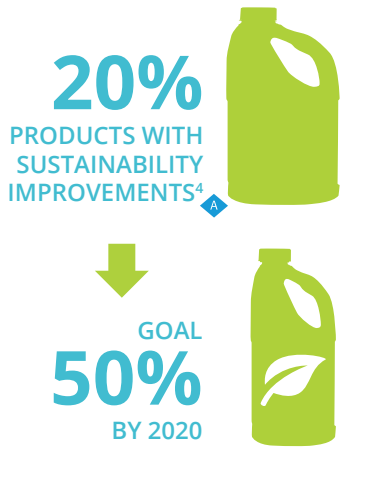
<sup>1</sup> The Towers Watson global fast-moving consumer goods norm is based on responses from 126,346 employees at 61 global organizations in this sector as well as a representative sample of employee data collected through general workforce attitude studies.

<sup>2</sup> Based on corporate benchmarking by Clorox, we consider a recordable incident rate of 1.0 or less to be world-class. Our FY15 RIR of .52 means that for every 100 Clorox employees, we averaged less than one reportable incident during this past year. According to the latest available data from the U.S. Bureau of Labor Statistics, the average RIR for goods-producing manufacturing companies is 3.9. The criteria used to determine RIR follows U.S. Department of Labor Occupational Safety and Health Administration guidelines and is applied globally.

<sup>3</sup> As of June 30, 2015, based on total number of independent directors.

## PRODUCTS

Innovating and making responsible products, responsibly.



**3%** INCREMENTAL SALES FROM PRODUCT INNOVATION



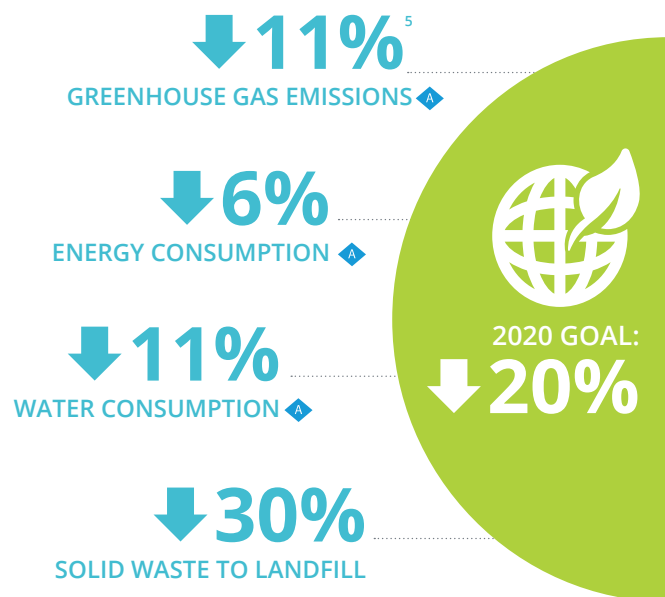
<sup>4</sup> For calendar year ending Dec. 31, 2014. All sustainability metrics represent cumulative progress against CY 2011 baseline, and percentage is based on net customer sales. A sustainability improvement is defined as 1) a 5 percent or more reduction in product or packaging materials on a per-consumer-use basis; 2) an environmentally beneficial change to 10 percent or more of packaging or active ingredients on a per-consumer-use basis; 3) a 10 percent reduction in required usage of water or energy by consumer; or 4) an environmentally beneficial sourcing change to 20 percent or more of active ingredients or packaging on a per-consumer-use basis.

## PLANET

Shrinking our environmental footprint while growing our business.

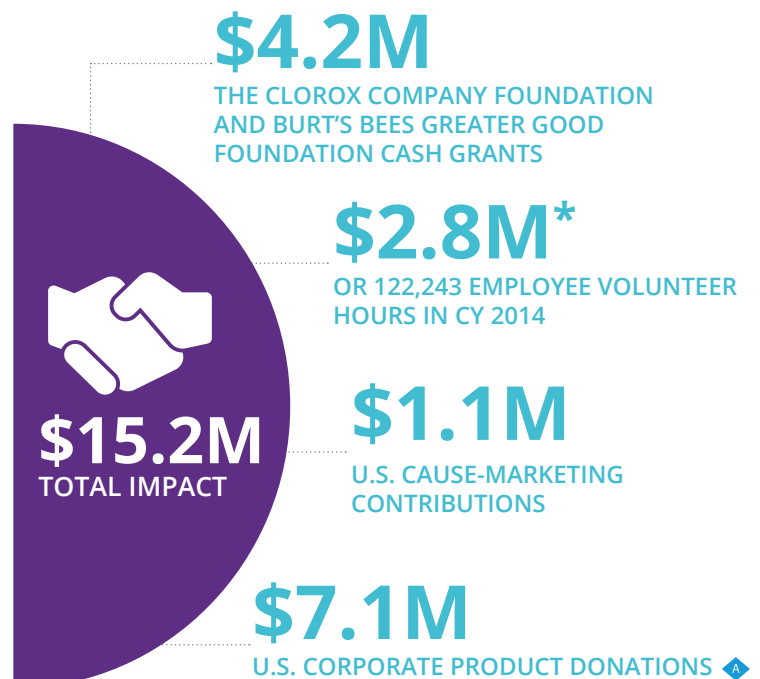
### OPERATIONAL FOOTPRINT REDUCTION

(CY 2014 vs CY 2011 per case of product sold)



## COMMUNITY

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



<sup>5</sup> Beginning in 2014, Burt's Bees began accounting for and reporting Scope 3 transportation-related emissions. While this information was not included in the 2011 base year data, inclusion of this data in 2014 results in an immaterial impact on the change in reported emissions for 2014. However, due to rounding, reporting these emissions has resulted in a 1 percent increase in Clorox's overall reported GHG emissions reduction percentage in 2014. For the purposes of our 2020 reduction goal, we have revised the 2011 GHG baseline to include an estimate of Burt's Bees Scope 3 transportation-related emissions, based on Burt's Bees revenue that year. This increases our 2011 baseline year emissions from 503,043 metric tons CO<sub>2</sub>e to 506,366 metric tons CO<sub>2</sub>e, against which 2014 and future year comparisons in our 2020 goal period will be reported. This enables us to accurately compare GHG emissions for 2014 and future years, with the 2011 baseline. We have not revised GHG emissions for 2012 and 2013.

\*Financial equivalent of 122,243 volunteer hours, calculated at \$23.07 per hour, based on the 2014 U.S. value of volunteer time from IndependentSector.org. Less than 5 percent of these hours are by employees outside the U.S., but all are calculated using the U.S. average rate.

Reviewed by Ernst & Young LLP. Refer to pages 18-20 for the review report.

## 2015 HIGHLIGHTS

The following are examples of how we expanded our brands in fiscal year 2015, helping drive growth for our business:

- ◆ Sales in the e-commerce channel were up by strong double digits compared with a year ago, behind strong growth with e-tailers, with customers who have traditional stores as well as a strong online presence, and within our Professional Products Division. We also launched double the number of unique retail products in FY15 vs. FY14.



# 2X

**DOUBLE THE NUMBER OF UNIQUE E-COMMERCE RETAIL PRODUCTS LAUNCHED VS FY14**



# \$\$

**DOUBLE-DIGIT INCREASE IN E-COMMERCE SALES VS FY14**

- ◆ The Hidden Valley® brand had a strong year of category growth and market share gains from the launch of new “Hidden Valley With ...” flavors, including cucumber, avocado and sweet chili, and the award-winning “Hidden Valley It!” campaign, which encourages people to use ranch dressing and dry mixes for dishes other than salads.
- ◆ The Latin America and Middle East-North Africa business units launched new versions of their Clorox® and Ayudín® thick bleach gel formula, quickly gaining market share and growing 21 percent for the fiscal year to become the clear leaders in the thick bleach segment across our international markets.<sup>1</sup>
- ◆ In response to the emergence in 2014 of Ebola and enterovirus, we stepped up our Stop the Spread of Infection educational campaign in the U.S. and donated 60,000 bottles of bleach to AmeriCares for Ebola prevention efforts in West Africa as part of an ongoing program to provide support during natural disasters and public health emergencies around the world.
- ◆ In the first full year of the partnership between Clorox Healthcare and Ultraviolet Devices Inc., our number of customers more than doubled for the Clorox Healthcare™ Optimum UV™ system, which supplements routine manual cleaning and disinfecting protocols with UV-C light to inactivate pathogens on hospital surfaces that cause healthcare-associated infections. This partnership allows us to expand our market penetration beyond traditional hard surface disinfection into the adjacent category of automated room treatment.
- ◆ The Clorox Safe Water Project expanded to reach nearly 13,500 people in rural Peru, with plans over the next four years to use the disinfecting power of bleach to provide more than 100 million liters of safe, drinkable water annually to 25,000 people.



<sup>1</sup> Nielson Retail Measurement Services, June 2014 – May 2015.



## STRATEGY 4: CUT WASTE TO FUEL GROWTH

### PRIORITIES:



#### BUSINESS

- ◆ Drive an agile enterprise, eliminating low-value activity and simplifying our work.
- ◆ Reduce costs through product cost innovation, supply chain network strategies and enterprise optimization programs.



#### CORPORATE RESPONSIBILITY

- ◆ Reduce the environmental impact of our operations and improve the sustainability of our upstream supply chain.

### FUEL GROWTH BY REDUCING WASTE IN OUR WORK, PRODUCTS AND SUPPLY CHAIN

We're focused on identifying ways to reduce waste in every aspect of our business so that savings we generate can be reinvested to drive growth. A major emphasis within this strategy is to build an even stronger agile enterprise that streamlines our work to focus on those activities consumers are willing to pay for. In fiscal year 2015, we drove significant productivity gains across a number of functions, including \$116 million in cost savings.

Another priority has been reducing our overall environmental footprint. We continued to make sustainability improvements in our operations and remain confident of reaching all our 2020 goals.



U.S. ENVIRONMENTAL  
PROTECTION AGENCY 2015 CLIMATE  
LEADERSHIP AWARDS

EXCELLENCE IN GREENHOUSE  
GAS MANAGEMENT

- ◆ Goal Achievement Award
- ◆ Goal-Setting Certificate

## 2015 HIGHLIGHTS

The following are examples of how we helped fuel growth in our business by reducing waste in our work, products and supply chain in fiscal year 2015:

- ◆ More than 200,000 improvements were made in our Product Supply Organization alone, which included refining processes to enhance delivery time to key customers, modifying the way we handle incoming packaging material scrap to reduce our environmental impact, and improving training efforts through utilization of video and visual tools.
- ◆ Changes to both the formula and manufacturing process for Kingsford® charcoal generated significant annual cost savings that were reinvested in demand-creation programs to drive a record year for the business in both top- and bottom-line performance. An innovative design that added small air pockets helped improve the consumer experience by enabling the briquets to get hotter faster while also improving the sustainability profile by using less raw material and creating a smaller transportation footprint. A cross-functional team contributed to volume growth through better management of our logistics network, ultimately lowering costs and improving service levels.
- ◆ The company's Fairfield, California, plant achieved zero waste-to-landfill status, a designation indicating the facility recycles or repurposes at least 90 percent of its waste; sends the remaining 10 percent or less to a waste-to-energy facility; has virtually no recyclables in any landfill waste container; and has passed an audit by the environment and sustainability team.
- ◆ Implementation of a pilot program for "express" in-store product display customization reduced execution time from as long as five months to eight weeks, allowing us to create faster, more cost-effective in-store merchandising that has already contributed to incremental sales.
- ◆ A redesigned financial forecast process is streamlining the process and improving the sequence of activities, saving almost 80,000 hours of work.

Leftover plastic from molded bottles, or "flashing," is ground up and recycled at the Clorox plant in Fairfield, California.



**\$116M**

IN COST SAVINGS  
IN FY 2015

**#38**

NEWSWEEK  
2015 GREEN RANKINGS



# CLOROX EXECUTIVE COMMITTEE

The 2015 fiscal year ushered in a new generation of leaders on the Clorox Executive Committee (CEC) due to retirements and promotions within the organization. This change reinforced continuity of purpose of our business strategy and demonstrated the depth of bench experience. Led by new CEO Benno Dorer, other leaders were appointed to chief operating officer, chief customer officer, chief innovation officer and chief marketing officer roles, all filled from talent within our ranks. With seven other seasoned executives already serving on the CEC, the new leadership team has the benefit of experience as well as a fresh perspective on existing challenges.



*Pictured from left to right:*

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

**Jon Balousek**  
Senior Vice President and General Manager –  
Specialty Division

**Denise Garner**  
Senior Vice President and Chief Innovation Officer

**James Foster**  
Executive Vice President – Product Supply, Enterprise  
Performance and IT

**Dawn Willoughby**  
Executive Vice President and Chief Operating Officer –  
Cleaning, International and Professional Products

**Benno Dorer**  
Chief Executive Officer

**Nick Vlahos**  
Executive Vice President and Chief Operating Officer –  
Household, Lifestyle and Core Global Functions

**Jacqueline Kane**  
Executive Vice President – Human Resources and  
Corporate Affairs

**Stephen Robb**  
Executive Vice President and Chief Financial Officer

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

**Laura Stein**  
Executive Vice President and General Counsel

**Frank Tataseo**  
Executive Vice President – New Business Development

**Michael Costello**  
Senior Vice President – International Division

## BOARD OF DIRECTORS

Our board of directors represents the interests of our stockholders, overseeing management's operation of our business. Its specific responsibilities include evaluating our corporate policies; reviewing and monitoring our financial and business strategies, including our corporate responsibility strategy and goals; overseeing risk management processes and legal and regulatory compliance; evaluating executive compensation; and providing for management succession.

Clorox board members bring extensive leadership and broad-based skills and expertise in areas that are critical to our business. The makeup of our board also reflects an ongoing effort to drive diversity of thought and experience at the highest levels of our company in order to better compete in a global marketplace.



**Richard H. Carmona, M.D., M.P.H., F.A.C.S.**  
Vice Chairman, Canyon Ranch; former U.S. Surgeon General



**Benno Dorer**  
Chief Executive Officer,  
The Clorox Company



**Spencer C. Fleischer**  
Co-CEO and President,  
Friedman Fleischer & Lowe LLC



**George Harad**  
Independent Chair of the Board; retired Executive Chairman of the Board, OfficeMax Inc.



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



**Robert W. Matschullat**  
Retired Vice Chairman and  
Chief Financial Officer,  
The Seagram Company Ltd.



**Jeffrey Noddle**  
Retired Executive Chairman,  
SuperValu Inc.



**Rogelio Rebolledo**  
Retired Chairman and  
Chief Executive Officer,  
Pepsi Bottling Group, Mexico



**Pamela Thomas-Graham**  
Chief Marketing and Talent  
Officer; Head of Private  
Banking and Wealth  
Management New Markets,  
Credit Suisse Group



**Carolyn M. Ticknor**  
Retired President, Imaging  
& Printing Systems,  
Hewlett- Packard Company



**Christopher J. Williams**  
Chairman, CEO and Founder,  
The Williams Capital Group  
L.P. and Williams Capital  
Management LLC

### CORPORATE GOVERNANCE

- ◆ **Corporate governance guidelines** provide the framework for the responsibilities of our board of directors and stipulate that a majority of the board must consist of independent directors, while **board charters** establish the authorities, duties and responsibilities of each of our committees.
- ◆ The **Clorox Code of Conduct**, which details the ethical and legal standards of our operations, must be followed by all directors, executives and employees.
- ◆ The **Business Partner Code of Conduct** articulates our expectations of business partners in the areas of human rights, health and safety, and the environment. In addition to having business partners certify their compliance with the code, we verify further through select site visits, self-assessments and third-party audits.

*For additional detail, visit [thecloroxcompany.com](http://thecloroxcompany.com)>Corporate Responsibility>Performance>Corporate Governance.*

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON CONDENSED FINANCIAL STATEMENTS



## THE BOARD OF DIRECTORS AND SHAREHOLDERS 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, 2015 and 2014 and 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, 2015 (not presented separately herein) and in our report dated August 21, 2015, 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, 2015 and 2014 and for each of the three years in the period ended June 30, 2015 (presented on pages 31 through 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, 2015, 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 21, 2015 (not presented separately herein) expressed an unqualified opinion thereon.

*Ernst & Young LLP*

San Francisco, California  
August 21, 2015

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## REVIEW OF NONFINANCIAL INFORMATION

### OUR APPROACH TO ASSURANCE OF NONFINANCIAL INDICATORS

The Clorox Company believes voluntary assurance strengthens our reporting processes and systems while enhancing the credibility of our nonfinancial information and our relationships with stakeholders.

Our voluntary assurance initiatives began in 2012, when Clorox worked with our external auditor to identify several nonfinancial key performance indicators (KPIs) for review assurance. We selected these KPIs based on a 2012 Clorox materiality assessment of environmental, operational, people and product matters, external benchmarking, a review of the Global Reporting Initiative Index indicators and the International Integrated Reporting Council principles. A cross-functional team and members of the Clorox Executive Committee reviewed and approved the indicators.

In fiscal year 2013, we reported and had the following KPIs externally reviewed: U.S. greenhouse gas emissions, U.S.

energy consumption, product sustainability improvements, workforce demographics, recordable incident rate, employee engagement and U.S. product donations.

The following year, in fiscal year 2014, we expanded the reviewed KPIs to include our U.S. water consumption and provided global metrics for our GHG emissions and energy consumption as well as two of our workforce demographics (global nonproduction female managers and employees).

In this year's report, fiscal year 2015, we included global water consumption as well as expanded the assurance of diversity figures to include managers and our board of directors.

Transparency is a fundamental element of our corporate responsibility strategy, and we will continue to look for opportunities to measure, report and provide external review of metrics that provide better insight as to how we drive good growth, responsibly.



# REPORT OF INDEPENDENT ACCOUNTANTS ON REVIEW OF NONFINANCIAL INFORMATION



## TO THE MANAGEMENT OF THE CLOROX COMPANY

We have reviewed the selected performance indicators and related notes (the "Subject Matter") identified by the "◆" symbol presented in The Clorox Company's Annual Report and Executive Summary (the "Reports") and included in the accompanying Schedule of Reviewed Performance Indicators (the "Schedule") for the year ended June 30, 2015, or as otherwise noted. We did not review all information included in the Reports. We did not review the narrative sections of the Reports, except where they incorporated the Subject Matter. The Clorox Company's management is responsible for the Subject Matter as presented in the Reports, and for selection of the criteria against which the Subject Matter is measured and presented.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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. A review consists 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. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable

assurance about whether the Subject Matter is free from material misstatement, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

As described in Note 1, nonfinancial information contained within annual reports 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.

Based on our review, nothing came to our attention that caused us to believe that the Subject Matter, referred to above, for the year ended June 30, 2015, or otherwise noted, is not presented, in all material respects, in conformity with the relevant criteria described in the accompanying Schedule.

*Ernst & Young LLP*

San Francisco, California  
September 25, 2015

# REVIEW OF NONFINANCIAL INFORMATION

## THE CLOROX COMPANY SCHEDULE OF REVIEWED PERFORMANCE INDICATORS

INDICATOR NAME	SCOPE	UNIT	REPORT VALUE
Scope 1, 2, and 3 Greenhouse Gas (GHG) Emissions <sup>1</sup>	Global	Percentage reduction of tCO <sub>2</sub> e per stat case sold over baseline year (2011)	-11%
Energy consumption, Scope 1 & 2 <sup>1</sup>	Global	Percentage reduction of Mwh per stat case sold over baseline year (2011)	-6%
Water consumption <sup>2</sup>	Global	Percentage reduction of gallons of water consumed per stat case sold over baseline year (2011)	-11%
Sustainability improvements <sup>3</sup> to product portfolio since January 2012	Global	Percentage of product portfolio	20%
Workforce demographics/ diversity metrics <sup>4</sup>	See right for metric scope	Percentage minority nonproduction employees in U.S.	30%
		Percentage minority nonproduction managers in U.S.	25%
		Percentage female nonproduction employees globally	48%
		Percentage female nonproduction managers globally	41%
		Percentage female independent Board of Directors	30%
		Percentage minority independent Board of Directors	50%
		Percentage female Executive Committee members	31%
U.S. product donations	U.S. Only	Fair Market Value <sup>5</sup> of products donated in U.S. dollars	\$7,100,000
Total recordable incident rate	Global	Recordable incident rate (RIR) <sup>6</sup>	.52
Employee engagement score	Global	Percentage of employee engagement <sup>7</sup>	86%

**Note 1:** Nonfinancial data are 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.

1. For the calendar year ended Dec. 31, 2014. Such amounts have been prepared based on G3.1 EN16 and EN17 criteria established by the Global Reporting Initiative and the World Resources Institute/World Business Council for Sustainable Development's The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Where actual data are not available, Clorox uses an estimation methodology based on historic energy use and stat case figures to determine emissions. Leased Clorox facilities and facilities with fewer than 15 employees are not included in GHG or energy consumption.

a) Scope 1 emissions include direct energy used by Clorox in its operations, categorized by stationary combustion, mobile combustion, refrigerant use, direct VOC loss and wood pyrolysis (the last two sources relate mainly to Clorox's Kingsford business unit, and wood pyrolysis is considered to be a carbon neutral process; therefore emissions from wood pyrolysis are not included in total tCO<sub>2</sub>e).

b) Scope 2 includes indirect emissions resulting from Clorox's purchased electricity use and is calculated using the Environmental Protection Agency (EPA) 2010 eGRID emission factors.

c) Scope 3 includes finished goods transportation in the U.S. only and employee business travel (global). Employee business travel includes emissions from commercial air flights, Clorox's corporate jet and rental car use by Clorox's employees.

2. For the calendar year ended Dec. 31, 2014. Water consumption 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 consumed by employees during office hours for personal needs (restrooms, break rooms). Water sources include city/municipal, well, lake, river and storm water. Facilities with fewer than 15 employees are not included in water consumption. Leased Clorox facilities are not included in water consumption, unless Clorox maintains full operational control.

3. For the calendar year ended Dec. 31, 2014. All sustainability metrics represent cumulative progress against CY2011 baseline, and percentage is based on net fiscal year customer sales. A sustainability improvement is defined as either 1) a 5 percent or more reduction in product or packaging materials on a per-consumer-use basis; 2) an environmentally beneficial change to 10 percent or more of packaging or active ingredients on a per-consumer-use basis; 3) a 10 percent reduction in required usage of water or energy by consumer; or 4) an environmentally beneficial sourcing change to 20 percent or more of active ingredients or packaging on a per-consumer-use basis.

4. For the fiscal year ended June 30, 2015. Definition of "minority" based on Equal Employment Opportunity Commission.

5. For the fiscal year ended June 30, 2015. U.S. product donations refer to those donations used to aid in disaster relief or to support schools, food banks and other nonprofit 501(c)(3) organizations. U.S. product donations include donations made by any U.S. business unit except for the Burt's Bees division. Fair Market Value was derived from current year average truckload price of the product donated. Truckload prices are based on volume ordered and shipped.

6. Recordable incident rate is measured using the United States Department of Labor Occupational Safety and Health Administration's (OSHA) guidelines and is determined at July 24 for the fiscal year ended June 30, 2015.

7. Clorox adopts Towers Watson's definition of employee engagement in terms of "sustainable" engagement. Sustainable engagement is defined as the intensity of employees' connection to Clorox, marked by committed effort to achieve work goals ("being engaged") in environments that support productivity ("being enabled") and maintain personal well-being ("feeling energized"). Employee engagement is measured by a survey administered March 16, 2015, through April 3, 2015, to 5,689 Clorox employees.

# STOCKHOLDER 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 31, 2015, the number of record holders of Clorox's common stock was 11,269.

## TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT

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

Computershare  
P.O. Box 30170  
College Station, TX 77842-3170

Overnight correspondence should be sent to:

Computershare  
211 Quality Circle, Suite 210  
College Station, TX 77845

877-373-6374 or 781-575-2726  
TDD 800-952-9245 or 312-588-4110 for hearing impaired  
computershare.com/investor

## STOCKHOLDER INFORMATION SERVICE

Stockholders can call Clorox Stockholder Direct at 888-CLX-NYSE (259-6973) toll-free 24 hours a day to hear news and messages about Clorox, request company materials or get a 20-minute-delayed stock quote. The latest company news is also available at thecloroxcompany.com.

## DIVIDEND REINVESTMENT/DIRECT STOCK PURCHASE PLAN

Clorox has authorized Computershare to offer a dividend reinvestment/direct stock purchase plan. Registered stockholders can purchase additional shares. Nonstockholders 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, call 888-CLX-NYSE (259-6973) or contact Computershare (see above).

## 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, 2015, 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, 2015.

## 2015 FINANCIAL INFORMATION

Full financial statements are provided in the company's 2015 proxy statement. Detailed financial information is available without charge through the following sources:

- ◆ The company's proxy statement is available at thecloroxcompany.com.

- ◆ The company's annual report on Form 10-K for the fiscal year ended June 30, 2015, is available at thecloroxcompany.com and through the SEC's EDGAR database. Printed copies are available by calling 888-CLX-NYSE (259-6973).

## FORWARD-LOOKING STATEMENTS

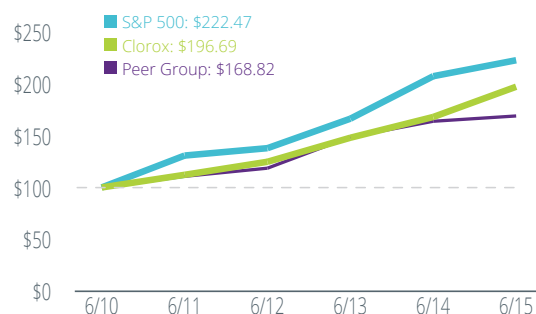
Except for historical information, matters discussed in the annual report are forward-looking statements and are based on management's estimates, assumptions and projections. Actual results could vary materially. Please review the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections in the company's annual report on Form 10-K for the fiscal year ended June 30, 2015, 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 Aug. 21, 2015. 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 stockholder return of the Common Stock for the last five fiscal years with the cumulative total return of the Standard & Poor's 500 Index and a composite index composed of the Standard & Poor's Household Products Index and the Standard & Poor's Housewares & Specialties Index (referred to as the Peer Group) for a five-year period ending June 30, 2015. 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 a Peer Group



\*\$100 invested on 6/30/10 in stock or index, including reinvestment of dividends. Fiscal year ending June 30.

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**Trees**  
212 trees



**Water**  
99,224 gallons



**Energy**  
95,035,000 BTUs



**Greenhouse Gases**  
48,199 pounds



**Solid Waste**  
5,682 pounds

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