



2022 **CLIMATE ACTION PLAN**





1 Our Purpose and Values

Our corporate purpose is to champion people to be well and thrive every single day. This goes hand in hand with our corporate values, which include a commitment to doing the right thing and putting people at the center of everything we do.

At The Clorox Company, we have been working to protect people's health and wellness since 1913.

At Clorox®, we have been working to protect people's health and wellness since 1913. This includes not only taking responsibility for the positive impacts our products have in keeping people healthy and well, but also taking ownership for the ways in which we can make our products better — both for people and for our planet.

We believe that our company, along with our stakeholders and society overall, must do more to help take care of our planet. This includes continuously evaluating how our products are created — and the waste that is created by them — and deliberately seeking ways to reduce our carbon footprint and strive for circularity.

2 ESG and Climate Considerations at Clorox

Protecting our planet is a top priority for Clorox

In 2021, we conducted an environmental, social and governance, or ESG, materiality assessment to identify and prioritize the topics that Clorox stakeholders view as most critical to the long-term success of our business. The results of the assessment confirmed that **three of the six** most important ESG materiality themes identified for Clorox related to the environment and climate change:



Product impact

Our product design, material sourcing and manufacturing are all directly linked by the impacts our products can have on people and the planet.



Circularity

Connects many key issues — from reduced impacts of materials used in packaging and plastic to transitioning to a circular economy where materials are widely repurposed through innovation and advocacy.



Climate

Our impact on - and managing the impacts of - climate change are important within our own operations and supply chain, but also in our ability to make a positive impact through products and advocacy.

Our IGNITE Strategy integrates ESG priorities into decision-making at Clorox

In 2019, we launched our corporate strategy, which is called IGNITE, to accelerate innovation in key areas and integrate ESG priorities into our business decisions and processes. ESG goals are embedded in IGNITE, and our ESG work is focused in three areas where we believe we can have the greatest impact — all of which are underpinned and guided by strong governance.



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

“We know taking action on the climate crisis is necessary to enhance the well-being of our stakeholders, our planet and our long-term success as a company. As we strive to live up to our purpose to champion people to be well and thrive every single day, contributing to a clean world is a must.”

– Michael Ott, Head of Sustainability

3 Our Climate Progress and Ambitions¹

I Progress to date

- **We succeeded in achieving our emissions reduction targets between 2007 and 2018 – which covered our first two sustainability goal periods – and delivered absolute reductions primarily through dedicated efficiency measures.**
 - We reduced aggregate absolute scope 1 and 2 GHG emissions by 29% and we reduced our absolute scope 3 GHG emissions from U.S. finished goods transportation and global business travel by 47% during this period, as reported in our 2012 and 2019 integrated annual reports.
- **We achieved our goal of 100% renewable electricity for our US and Canada operations in January 2021.**
 - We accomplished this goal four years earlier than the 2025 target date we originally announced.
 - We achieved approximately half of our goal through the implementation of a 12-year, 70-megawatt solar virtual power purchase agreement, or VPPA, with Enel Green Power North America, which started in January 2021, with the balance fulfilled through renewable energy credits purchased on the open market.
- **We announced in September 2021 that we received approval from the Science Based Targets initiative, or SBTi, for our 2030 science-based targets. We also announced our ambitions to achieve net-zero emissions by 2050.**
- **In April 2022, we announced a commitment to a second VPPA agreement with Enel (12-year, 47-megawatt wind) to purchase renewable electricity beginning in 2023.**
 - Based on our current and expected electricity demands in the U.S. and Canada, this second agreement is intended to replace our need to purchase renewable energy credits when it goes into effect.
 - The project is currently under construction and expected to create over 350 local jobs during its development.

I Future ambitions

By 2030

- We publicly committed to setting science-based targets, or SBTs, across our operations and our value chain when IGNITE launched.
- Our 2030 targets are to reduce our absolute scope 1 and 2 GHG emissions by 50%² and absolute scope 3 GHG emissions from purchased goods and services and use of sold products by 25% from a 2020 base year.
- Our scope 1 and 2 targets are in line with a 1.5 degrees Celsius trajectory.

By 2050

- Our 2050 net-zero target reflects our goal to decarbonize our global business as much as reasonably possible. At minimum, we plan to reduce at least 90% of all emissions from our operations and our upstream and downstream value chain, with up to 10% neutralized through carbon removals for those emissions that we are unable to eliminate.
- We plan to submit our 2050 net-zero targets to SBTi for approval by the end of 2023.

NET ZERO 

We are encouraged by our progress since establishing our first environmental sustainability strategy in 2008 and are dedicated to realizing our ambitions.

¹For details on sources of uncertainty, data assumptions and limitations, please see page 12

² The target boundary includes biogenic emissions and removals from bioenergy feedstocks

Our Ambition to Net Zero

Including 2030 science-based targets for scope 1, 2, and 3 emissions to accelerate progress*



Goal: Achieve Science-based Targets by 2030**

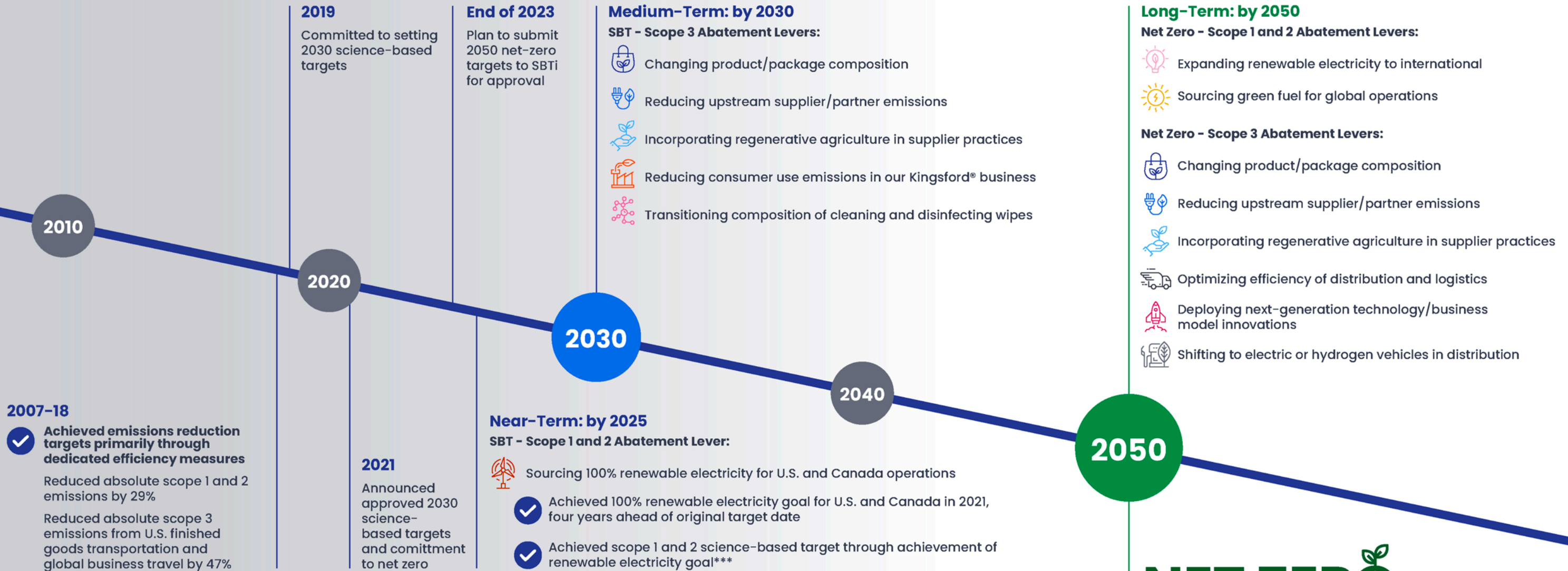
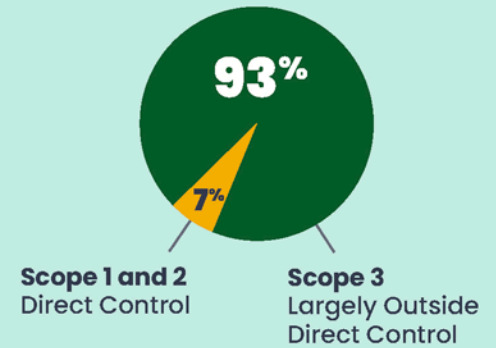
Reduce absolute scope 1 and 2 GHG emissions by 50%
Reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products by 25%



Goal: Achieve Net-Zero Emissions by 2050**

Follow SBTi net-zero guidance for emissions reductions, carbon removals and restricted use of carbon offsets

2020 Emissions Baseline



NET ZERO

* This plan is based on Clorox management's best judgment, contains forward looking statements and is subject to uncertainty, assumptions and limitations. Please see page 12 of Climate Action Plan: Sources of Uncertainty, Data Assumptions, and Limitations.

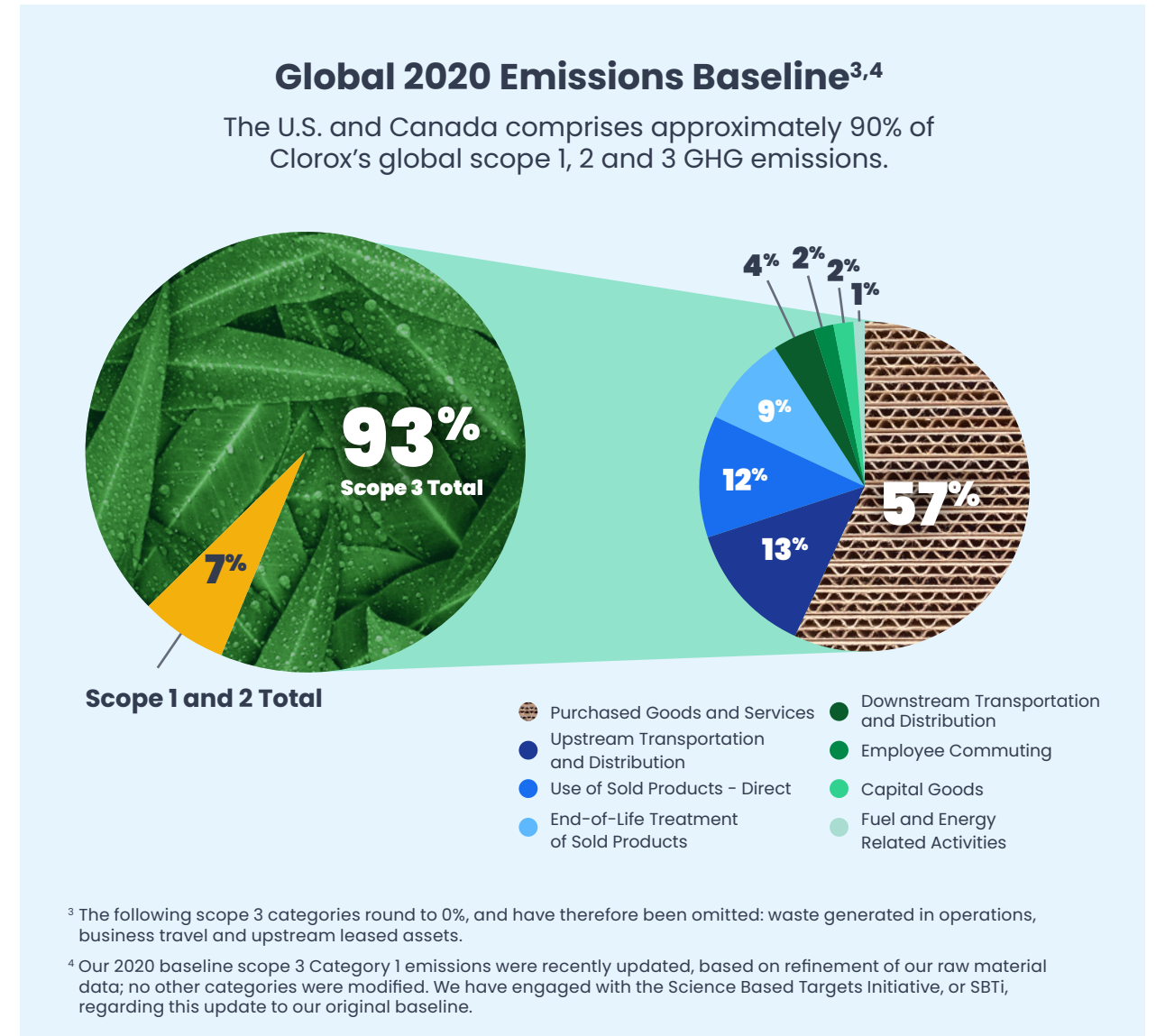
** Emissions baseline is 2020.

*** U.S. and Canada electricity drove ~60% of global scope 1 and 2 baseline emissions.

4 Global 2020 Emissions Baseline and Targets

Today, Clorox's scope 1 and 2 emissions constitute 2% and 5% of our total global emissions, respectively. This means 7% of our emissions are directly attributed to Clorox, while the remaining 93% are scope 3 emissions, which Clorox does not directly control.

Emissions from purchased goods and services, primarily raw materials and packaging, comprise the largest source of Clorox's scope 3 emissions and represent 57% of Clorox's total scope 3 emissions. Following that, the largest emissions sources are the distribution, use and end-of-life treatments of our sold products.



5 Our 2030 Emissions Reduction Targets

Goal: Reduce absolute scope 1 and 2 GHG emissions by 50% by 2030⁵

Our approach

Because Clorox began sourcing 100% renewable electricity for our U.S. and Canada operations through our first VPPA and other REC purchases in January 2021, we were able to fulfill our 2030 science-based emissions reduction target to reduce our absolute scope 1 and 2 emissions by 50% — compared to our global 2020 emissions baseline.

The emissions associated with the electricity for our company’s U.S. and Canada operations accounted for approximately 60% of our global scope 1 and 2 emissions, enabling us to fulfill the first goal in our 2030 targets.

Goal: Reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products by 25% by 2030⁵

Our approach and 2030 action plan priorities

To make progress on our second 2030 science-based target, Clorox is undertaking a more significant business transformation to decarbonize our value chain. For this, we are focused on areas including the composition of our products and packaging as well as the processes and energy sources used by our upstream suppliers and partners.

We are utilizing currently-available solutions to begin to take actions that address this medium-term goal, and we will continue to identify relevant changes required to implement future technologies, new business models and any other innovations as they are introduced in the future. Importantly, we intend to follow SBTi’s guidance, which limits the use of carbon credits for permanent carbon capture for residual emissions and allows the use of carbon offsets only to finance additional emissions reductions beyond science-based and net-zero targets.

Clorox’s SBTs are in line with the Paris Agreement and have been approved by the Science Based Targets initiative, or SBTi.

SBT Scope 1 and 2 Abatement Lever:



Sourcing 100% renewable electricity for U.S. and Canada operations

SBT Scope 3 Abatement Levers:



Changing product/package composition



Reducing upstream supplier/partner emissions



Incorporating regenerative agriculture in supplier practices



Reducing consumer use emissions in our Kingsford® business



Transitioning composition of cleaning and disinfecting wipes

⁵2020 emissions baseline

6 Our 2050 Net-Zero Ambition

I Goal: net-zero emissions by 2050

Our time horizon

We chose 2050 as our net-zero target year after careful consideration of a range of factors that must align to achieve this goal.

To reach net zero, we must operate in new ways. This requires certain collective changes outside of the enterprise, including significant transformation in non-Clorox-controlled value chains and advancements in the decarbonization of global energy and transportation sectors. It also requires investments and resources to change the ways in which our customers and our consumers do business with us.

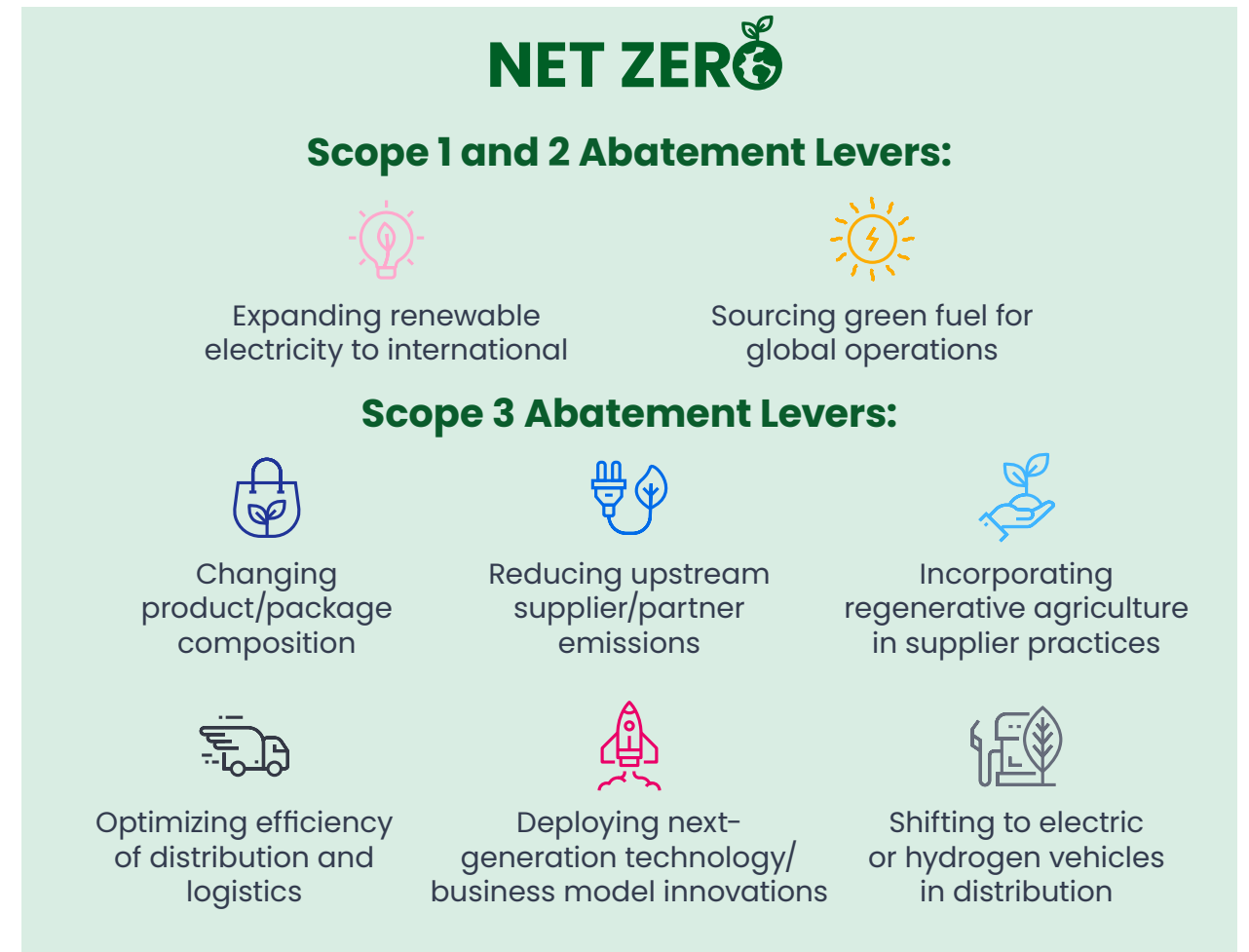
These steps require preparation and action that need to be gradually phased in over time, necessitating a 2050 timeline.

Finally, industry collaboration and climate advocacy will play an important and complementary role to our own net-zero initiatives. Tackling climate change is not something that any single company, industry or even country can accomplish alone. Accordingly, we will continue to emphasize consultations with SBTi as a critical step throughout our net-zero journey. We also seek out opportunities to collaborate, including with industry peers, value chain partners and others in the business community to tackle climate change. One example includes our participation in America Is All In, the most expansive coalition of leaders ever assembled in support of climate action in the United States.

Our approach and 2050 action plan priorities

As we seek to achieve net-zero emissions, we have established a plan and pathway for our U.S. and Canada businesses, which constitute the vast majority of our company's global footprint. Along this path, Clorox will employ a course of action that requires influencing and collaborating with our stakeholders, which include our suppliers, partners, customers and consumers, as well as leveraging new technologies and innovations as they become available.

To reach net zero, Clorox must operate in new ways and help facilitate broader structural changes to our industry and economy.



6 Our 2050 Net-Zero Ambition (Continued)

To reduce our emissions, an important focus of our plan will be utilizing the solutions that are currently available to reduce emissions, with abatement potential up to approximately 20% of total emissions; these include sourcing green electricity and using “green” fuel for heat and industrial processes, improving the sustainability of our products and packaging, and introducing further efficiencies in our distribution systems.

In addition to these actions, Clorox has started engaging with our suppliers to reduce the direct emissions from their operations and those upstream in their value chains that are embedded in the goods and services we purchase from them. This represents abatement potential up to approximately 40% of total emissions. Supplier engagement is a core part of who Clorox is, and we have cultivated strong relationships with our suppliers over many years. Collaborating with our suppliers on ways to reduce their emissions will be a hallmark of the next phase of our relationship moving forward, as they will play a critical role in our success in reducing our scope 3 emissions.

The remaining 40% of total emissions includes some forms of emissions that do not yet have a clear path forward for abatement. For these, Clorox will continue to seek innovative solutions, infrastructure transformations and new business models that can address them.

Over the course of our journey, we will be transparent in sharing both our successes and our setbacks as we move toward our emissions reduction goals and our 2050 net-zero ambition.

Overall, to reach our net-zero ambitions by 2050, abatement will rely on several levers, including Clorox’s ability to:

- Understand and influence our suppliers’ capabilities and willingness to switch to more sustainable, net-zero manufacturing and transportation
- Evaluate critical sustainable technology for both materials and business models and their applicability to Clorox’s business units
- Test and implement major, fundamental changes to how Clorox does business with consumers and retailers, such as refill and reuse business models to deliver products to our consumers and retailers



7 Governance, Reporting and Accountability



Clorox's ESG efforts start at the top, with oversight from our board and senior management team, and extend down to the grassroots level, where sustainability is embedded into our teammates' day-to-day work.

Board oversight of climate risks and strategies

The board of directors' Nominating, Governance and Corporate Responsibility Committee oversees Clorox's environmental matters and compliance and reviews the company's ESG priorities quarterly – including those related to climate change. In addition, the full board of directors receives regular ESG updates on key topics, including the status of Clorox's strategic ESG priorities, enterprise risk management of ESG, and climate change – particularly the development and setting of science-based targets, as well as Clorox's goal to achieve net-zero emissions by 2050.

Our ESG Executive Committee has management oversight of ESG, ensuring our business strategy considers and optimizes our ESG priorities, including those related to climate change. Our progress and climate change management are enabled by a cross-functional ESG Core Team and Sustainability Center – led by Clorox's head of sustainability – and includes our chief communications officer; chief diversity and social impact officer; vice president of global stewardship; vice president and corporate secretary, and other representatives from various functions. Clorox's Enterprise Risk Management Steering Committee, which is composed of members of Clorox's senior management team, is chaired by the vice president of global risk management and overseen by our chief financial officer and chief legal officer. The ESG Executive Committee has identified climate risk as one of Clorox's top enterprise risks and reports to the full board of directors as part of its regular – at least annual – risk discussion.

7 Governance, Reporting and Accountability (Continued)

Teammate activation

Clorox also has multiple teams of passionate teammates leading the way to integrate environmental and social responsibility into our company's work and culture. Examples include:

- **Sustainability Triads**, which include a brand, R&D and sales leader from each business unit, and serve as the key linkage to Clorox's Sustainability Center, embedding sustainability, influencing their general managers and leadership teams, and driving sustainability progress and culture within their business units
- **Eco Warriors and Eco Champs**, who initiate and execute environmental and social responsibility initiatives — both in our workplace and in our communities
- **Employee Resource Groups**, who are integral to creating a diverse and inclusive workplace
- **GIFT Ambassadors**, who champion donating time and money to worthwhile causes, including nonprofits fighting climate change

We are grateful for the hard work of our sustainability-focused teammate groups, whose members play an especially important role in elevating ESG within Clorox and help us deliver against our bold sustainability aspirations.

Clorox aims to produce reliable ESG data and apply a continuous improvement mindset to our ESG reporting process and data governance.

Our commitment to ESG transparency and data reliability

We recognize our stakeholders' needs for robust data that is consistent, comparable and reliable year over year.

Since 2008, we have enhanced our ESG reporting, from using globally-recognized reporting standards that we believe are of greatest value to our stakeholders, to obtaining third-party assurance for select metrics, to increasingly partnering with our internal and external audit teams to strengthen data controls.

Our commitment to the integrity of our ESG data helps us build trust with our stakeholders and enables them to make more informed decisions about our company. It also helps us understand the progress we are making toward our ESG and climate ambitions while equipping us to make better and more strategic business choices. To that end, we have established an ESG Disclosure Committee and are creating an ESG data governance roadmap to help guide us.

ESG reporting frameworks: climate and environment

Clorox has disclosed information through the following ESG, climate and environment reporting frameworks:

- The Task Force on Climate-Related Financial Disclosures (TCFD)
- CDP Climate Change Forest and Water Security Questionnaires
- Sustainability Accounting Standards Board (SASB)
- U.N. Global Compact's Ten Principles and Communication on Progress
- U.N. Sustainable Development Goals (SDGs)

For more details on Clorox's overall ESG reporting, please see the new [Clorox ESG Data Hub](#).

8 Sources of Uncertainty, Data Assumptions and Limitations

As we advance our journey toward net zero, there are sources of uncertainty, data assumptions and limitations that exist and could impact Clorox's plans and timelines.

Over time, we expect that these levels of uncertainty will decrease. With this in mind, below are some relevant considerations:

- **Scope 3 measurement:** While scope 1 and 2 emissions data is relatively easy to gather, scope 3 emissions are subject to a range of uncertainties and assumptions and, at times, manual data gathering and analysis, third-party data and leveraging data sets that were intended for unrelated uses. Currently, Clorox uses ecoinvent's database, which pulls from thousands of life cycle inventory datasets and compares them to actual supplier/consumer information. Ecoinvent's datasets are updated annually to include new and updated data as well as technical improvements; however, this work is still evolving and therefore will likely change again in the future. Working in partnership with our suppliers, we are exploring how we can evolve primary data estimates, which will be an important element of our work going forward. New insights and potential barriers as we work to refine scope 3 measurements could impact our plans and timelines.
- **GHG accounting:** Currently, we adhere to current GHG Protocol Accounting Guidelines. If today's accounting standards and protocols governing emissions calculations and categorizations change, including accepted terminology such as carbon neutral and net zero, our plans and timelines could be impacted.
- **Technology, material innovation and public policy:** Our ambition tracks to 2050, creating a window for technology and material innovation to advance. While our initial plans are based on what we believe to be true, we cannot predict with certainty how technology may or may not evolve, nor can we predict to what degree there will be supporting public policies in places where we or our business partners operate. Accelerated advancements or unexpected barriers in technology development or public policies could impact our plans and timelines.
- **Business acquisitions and divestitures:** It is possible that Clorox may acquire or divest businesses during the time period included in our goals and plans. The nature and scope of any future acquisition or divestiture could impact our plans and timelines.

Forward-looking statements

Certain statements in this report, including statements relating to our climate and related ESG targets, estimates, projections, goals, commitments and expected results, as well as the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," "goal," "target," "objective," "ambition" and similar expressions.

Forward-looking statements speak only as of the date they are made and are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause results and outcomes to differ materially from those expressed or implied in the forward-looking statements. Some of these uncertainties are summarized in the section of this report titled, "Sources of Uncertainty, Data Assumptions, and Limitations." 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, 2022, and subsequent SEC filings, for factors that could affect the company's performance and cause results to differ materially from management's expectations. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, except to the extent required by law and we make no representation, express or implied, that the information is still current or complete.

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