

Products & Packaging

2011-2018

Contents

Overview.....	3
Products & Packaging	3
Our Goals.....	3
Progress Achieved.....	3
Product Sustainability Improvements	4
Use of Recyclable Primary Packaging.....	5
On-Pack Recycling Instructions	5
Fiber Sourcing Goals for Packaging.....	5
Elimination of PVC in Packaging.....	6

Overview

Clorox continually works to find innovative ways to enhance the environmental profile of our products and packaging. In our 2020 strategy period, all of our businesses were held accountable for delivering specific sustainability commitments to help drive long-term, sustainable value creation.

This document provides products and packaging sustainability achievements made during our 2020 strategy period. For a full list of corporate responsibility highlights, please visit our 2019 Integrated Annual Report.

Products & Packaging

Our Goals

In 2012, we set out to accomplish the following goals by 2020:

- Make sustainability improvements to 50% of our global product portfolio
- Ensure more than 90% of all our products are in recyclable primary packaging
- Include recycling instructions on U.S. retail packaging
- Use only recycled or certified virgin fiber in packaging
- Eliminate PVC in packaging

Progress Achieved

The following was achieved during our 2020 Strategy period:

- Sustainability improvements were made to 58% of our product portfolio through the end of fiscal year 2019 versus a 2011 base year, exceeding our goal of 50% by 2020. This is on top of a similar achievement made between 2005 and 2011
- 92% of product packages were recyclable, based on our 2020 definition of recyclability¹
- More than 99% of paper-based packaging we purchase was made from recycled or certified sustainable virgin fiber
- More than 85% of our US retail packaging had on-pack recycling instructions that utilize the How2Recycle label
- On track to eliminate PVC packaging in 2020 for all businesses in our portfolio at the beginning of our goal period, having achieved this goal for all North American businesses in 2016 and activated plans to complete remaining international product conversions in 2020

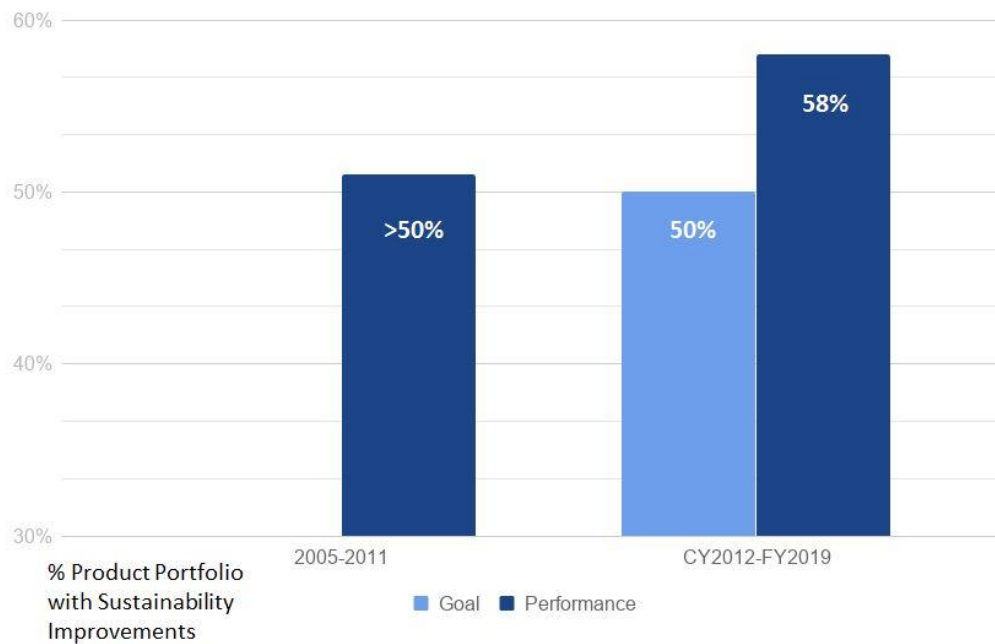
Note: Joint ventures and licensing partnerships are excluded.

¹ In our current goal period, known as our IGNITE strategy, we have adopted a new definition for recyclability that has been introduced by the Ellen MacArthur Foundation for signatories of its New Plastics Economy Global Commitment, which Clorox signed onto in October 2019. As a result, the baseline recyclability rate for the 2020 goal period is anticipated to be higher than the recyclability rate in our current IGNITE strategy period.

Product Sustainability Improvements

GOAL: Achieve 50% Product Sustainability Improvements by 2020 versus a 2011 baseline

STATUS: 58% achieved through 2019 fiscal year



Selling well over 2 billion products annually, Clorox’s greatest opportunity to reduce our environmental footprint lies within our own product portfolio. We made sustainability improvements to our product lines by either reducing material inputs or by moving toward more sustainable materials for our products and packaging. And we consider improvements upstream in sourcing and downstream in consumer usage.

Specific parameters were developed for a product to qualify as achieving a sustainability improvement. Our businesses needed to fully meet one or partially meet two or more of the following criteria to be defined as such:

- A 5% or greater reduction in product or packaging materials
- An environmentally beneficial change to 10% or more of packaging or active ingredients
- A 10% reduction in required consumer usage of water or energy
- An environmentally beneficial sourcing change to 20% or more of active ingredients or packaging

Note: All improvements are on a per-consumer basis.

The criteria were designed to allow flexibility, allowing each brand to drive innovations that made the most sense for the category and products.



Use of Recyclable Primary Packaging

GOAL: Achieve 90% Recyclable Primary Packaging by 2020

STATUS: Achieved 92% in 2018

To achieve this goal, we focused on eliminating the use of specific materials that prevent packaging from being recycled because they are not recyclable. For example, PVC and metal parts have been removed from some of our product packaging. We also incorporated recyclability into the product design process, introducing innovations in packaging.

In some cases, we continued to use materials not supported by the current recycling infrastructure when they provided other offsetting benefits. For example, multilayer films are used to make pouches in certain cash-constrained markets where there is greater demand for small pack sizes. While not recyclable, these pouches used less material than rigid containers, making them a better choice when recycling is not available, and weigh less, contributing to greenhouse gas emissions savings. Because of technical challenges with other options, flexible tubes are the packaging of choice for products such as hand cream or shaving cream, also because consumers like the tubes and find them easy to use. As a result, our focus has been on using more post-consumer recycled content, or PCR, in the tubes.

On-Pack Recycling Instructions

GOAL: Include On-Pack Recycling Instructions on U.S. Retail Packaging

STATUS: Achieved >85% in 2018

Working with the Sustainable Packaging Coalition, we participated in an industrywide initiative to take the guesswork out of recycling and get more materials into the recycling bin. The [How2Recycle®](#) label, which launched in 2012, is a standardized and clear format for on-pack recycling instructions on products. Since then, we've formalized a process for adding the How2Recycle label on our packages when new packaging graphics are developed. By our last count in this goal period, we achieved nearly 1,000 Clorox product SKUs, representing more than 85% of our domestic retail sales volume, carrying the How2Recycle label.

While we adopted this format where we could, in some cases obstacles arose. Packages were sometimes too small. Other times, required regulatory information or multilingual communication limited the amount of available space needed to include the How2Recycle label. In those cases, we looked for alternative solutions to work within the constraints of the particular product. Additional challenges included a lack of consistent standards for recycling and consumer confusion over the recyclability of packaging.

Fiber Sourcing Goals for Packaging

GOAL: 100% Recycled or Certified Virgin Fiber in Packaging by 2020

STATUS: Achieved >99% in 2018



After reducing the overall amount of fiber in our packaging, our next priority was to use recycled fiber wherever possible. When virgin fiber was required, we sought sustainable forestry certifications to ensure responsible practices have been followed.

By 2020, our goal was to use only recycled or certified virgin fiber in our packaging. By the end of 2019, we nearly met this goal for packaging we purchased directly, using recycled or certified virgin fiber in more than 99% of our packaging.

In fiscal year 2018, we engaged our contract manufacturers to understand their own sourcing practices for packaging fiber they purchased. While we estimated this represented 5 to 10% of total packaging fiber used by our brands, we started the work to understand how we could influence this part of the supply chain.

Elimination of PVC in Packaging

GOAL: 100% Elimination of PVC in Packaging by 2020

STATUS: 100% achieved in 2018 (U.S.)

Due to the potential environmental impacts associated with the manufacture and disposal of PVC packaging, we decided to transition out of PVC packaging and restrict its use as a packaging material.

We focused our work on eliminating PVC packaging for brands in our portfolio at the start of our 2020 strategy period. Among these brands, we transitioned out of the last PVC package in the U.S. in 2016 and activated plans to eliminate the last PVC materials in International packaging in 2020.

Note: Excludes international as well as brands recently added to portfolio.