



Response to Business & Human Rights Resource Centre Inquiry

December 2020

Since Clorox was founded in 1913, we've lived by our values, including "do the right thing." This commitment guides everything we do, including our efforts to continually improve our sourcing programs, with the goal to source palm oil responsibly. The Associated Press's recent allegations are very disturbing and certainly against our supply chain standards and expectations. Palm derivatives, ingredients with a more complex supply chain, make up the vast majority of Clorox's relatively limited palm oil use. For perspective, Clorox's use of palm oil ingredients represents less than 0.003% of palm oil volume produced globally each year. Given information illuminating how human rights abuses – particularly those against women – are systemic in primarily Indonesian and Malaysian palm supply chains, we are taking this opportunity to further engage our suppliers and partners about how this issue can be addressed as we all work toward more sustainable practices.

This work is an evolution of our existing commitments to sourcing palm-oil-derived ingredients from suppliers that protect peatlands, respect human rights and do not contribute to deforestation. Among our ESG goals, we have set a goal to source only Certified Sustainable Palm Oil for palm oil and its derivatives through the Roundtable on Sustainable Palm Oil physical supply chains by 2025, and to publicly report on our progress.

Since 2011, we've expected Clorox direct suppliers to adhere to our Business Partner Code of Conduct, which articulates human rights and labor, health and safety, the environment, and business conduct and ethics requirements. All new direct suppliers must materially comply with this code of conduct.

We also continue to work with third parties such as Earthworm Foundation to trace palm oil ingredients in our supply chains and contribute to the transformation of production practices in communities. By the end of 2019, we had traced 98.8% of our priority supplier volume to first refiner and 89.3% to the mill. In addition, since 2016, we have supported Earthworm Foundation's Areas for Priority Transformation (APT) program to advance sustainability in the Indonesian palm industry. In 2019, we joined the APT Coalition (the most significant financial contributors to and active supporters of the APT program) to help guide its multi-year strategy impacting forests and workers. Earthworm Foundation is currently working to provide increased virtual, multi-stakeholder training in Indonesia on workforce issues, specifically the matters of casual workers and unpaid family workers. We also invest in programs with one of our primary palm oil-based ingredient supplier, focused on ensuring social welfare and safeguarding women and children.

We will continue to work to ensure our supply chains protect and support the well-being of the people within them.