

CRISIS MANAGEMENT PLAN FOR THE CLOROX COMPANY

STRATEGIC SUMMARY

No two crises are the same. While some crises may be anticipated, they are almost never wholly predictable. The environmental crises which could affect The Clorox Company can be planned for; strategies to address scenarios flowing from known issues of concern to the public can be established. But the bottom line in crisis planning and crisis management remains the same: preparation combined with high flexibility. These are the keys to successful crisis management.

A number of current environmental issues hold potential for presenting a public relations crisis for the Clorox Company. The following are issues we consider significant, offering high potential for causing the most damage.

- o Greenpeace's "Chlorine-Free by '93" campaign, which could very well target a broad array of chlorine uses, including household liquid chlorine bleach.
- o The negative stream of news articles about chlorine, resulting from health questions arising from such uses as pulp and paper bleaching and water purification.
- o The movement against household products perceived as "hazardous," which espouses using only "natural" household cleaners, like vinegar and borax.
- o The National Toxicology Program study for EPA, which found tumors in only one species of female test animals exposed to chlorinated drinking water. Until researchers have completed a re-analysis of the NTP study methodology and animal test data, the jury is still out on whether chlorine is an animal carcinogen.
- o The toxicity of chlorinated organic by-products, which are produced during normal home use of liquid chlorine bleach, fueled by the labeling of all chlorinated organics as equally hazardous by environmental activists.
- o The association between chlorine use and the formation of dioxins.

Strategic Summary -- 2

In Section One, we have attempted to provide a "crystal ball" pinpointing some of the issues which could arise over the next year. For each scenario, we have suggested different levels of attention and response. These "scripts" are presented only as examples of how the blueprint Crisis Management Plan would be applied in a real situation.

In Section Two, the Crisis Management Plan addresses the complex challenge of preparedness and strategic response to a variety of potential problems. We view this plan as the first step in corporate crisis readiness. The next step is for Ketchum to work with The Clorox Company to make the plan "yours."

- o Actual names of staff need to be plugged into the plan at the appropriate places.
- o Clear responsibilities need to be assigned to those Crisis Management Team members.
- o The Crisis Team needs to conduct a thorough audit of issues which could lead to a crisis situation.
- o Clear positions for each of these issues must be developed, approved and incorporated into informational materials to have on hand should one of the issues escalate.
- o The crisis decision-making chain needs to be assigned to specific "owners."
- o And the plan needs to be shared with everyone who will be part of it in an emergency.

CRISIS SCENARIO #1

"Chlorine Free By '93"

The Issue: Greenpeace has announced a worldwide effort to rid the world of chlorine by 1993 -- Chlorine Free by '93, they call it. Greenpeace is well known, both for its dramatic campaigns, often associated with violent tactics, and with spurious research, generated more for its shock value and fund-raising appeal than its scientific utility. For example, during the summer of 1989, Greenpeace conducted a highly publicized Mississippi River tour. Monsanto Company, which has three plants along the river, agreed to meet with them. While the meeting went well, Greenpeace took the data offered by the company, distorted and publicized it, attacking the company. The group also launched two "assaults" on Monsanto property. The one in Iowa resulted in considerable damage to an outflow pipe and the banks of the river. Greenpeace has also staged similar attacks against DuPont, Georgia Pacific, and numerous other companies. They also have been very successful in working with federal "whistle blowers," such as Kate Jenkins of the EPA, to garner more publicity for their positions. An example of their "research" occurred during the Mississippi River summer tour, where a so-called mortality study of people living in industrial regions along the river was shown to be so poorly done that even public health officials in those towns and states attacked the report.

To date, Greenpeace's anti-chlorine campaign has garnered a moderate amount of press attention in the United States. In fact, press attention so far has centered more on the antics Greenpeace employs to hype the situation than on the actual concerns Greenpeace has for chlorine or any discussion of chlorine science. In Europe, however, the message has been hitting home more directly, and public response has begun to show up in lower use of household chlorine bleach in some areas.

Worst Case Event: Greenpeace activists arrive at Clorox corporate headquarters with signs, banners, bull horns and several local television crews and proceed to launch a rally. The demonstrators hang a large banner on the side of the building reading, "Chlorine Free by '93 -- Greenpeace." They release the results of a new "study" linking chlorine exposure to cancer. Two local network affiliates pick up the piece and go live to their noon news with a remote broadcast. AP Radio and the San Francisco Chronicle are on the scene and interview three unsuspecting Clorox employees, on their way to lunch, who agree that the safety of chlorine may be in question. Corporate communications receives several calls from local and national press who want comments.

Crisis Scenario #1 -- 2

Recommended Response:

- o **Assessment:** Taken by surprise, the Crisis Team has only a short time to plan. Their assessment is, while the Greenpeace presence on site is unsettling, the real crisis is the so-called mortality study that no one has seen, and therefore, can't respond to.
- o **Objective:** Make this is a one-day media event with no follow-up stories that results in minimal and short-term damage to Clorox's reputation or market position.
- o **Strategies:**
 - Do not confront Greenpeace physically unless they attempt to damage company operations or property, or pose a threat to the safety of employees;
 - Treat their allegations calmly, seriously and with concern;
 - Announce that the company will seek an independent, third-party review of the Greenpeace study and promise to report back to the media. [While this last strategy may seem to be counter to the objective, the independent report will gain little media attention if it supports the company position; its primary value will be to cause reporters to question Greenpeace's integrity and scientific capabilities.]
- o Media statement is quickly prepared based on position statement already in place on this issue; reporters are invited into the company, without Greenpeace, for a news conference within hours of incident.
- o Team begins alerting key influentials, scientists, government environmental and health officials, and others previously identified as potential allies.
- o Names of independent scientists who will talk about chlorine are given to the media. [These lists are assumed to already be on file as per Master Crisis Plan.]

Crisis Scenario #1 -- 3

- o Employee bulletin is prepared and quickly posted.
- o Regarding the employees who raised concerns, company takes position that this, in effect, is important news. Company had assumed it had communicated effectively with its employees about chlorine and health risks. Clearly that is a faulty assumption, and employee communication efforts will be improved. As the spokesperson says, "People have the right to know what risks, if any, exist in their workplace -- whether those risks come from equipment being used, stress, or workplace exposure to chemicals. We have a good story to tell our employees about chlorine -- we just need to do a better job telling it. We are following up to see exactly what concerns these employees have."
- o Survey research firm begins random telephone survey of 500 consumers assess the impact of the event. Based on the results, available the next morning at 9, team will decide further steps.
- o Evaluation: The "failure" of the "early warning system" is discussed and modifications to the early warning system are made based on the conclusions reached.

Moderate Case Event: "Early warning system" worked: Reporter called day before to alert the company what Greenpeace was planning. Activists arrive at the building as described, but fewer demonstrators show up because of wet weather. A couple of local reporters arrive and a mild-mannered story appears on the evening news. Greenpeace people are interviewed and ask for a national ban on household liquid chlorine bleach. The Clorox headquarters location is mentioned by the local anchorman, but no logo is visible on screen.

Recommended Response:

- o **Assessment:** Because of the early warning, team has adequate time to meet, select a leader, prepare material, and alert the necessary internal and external audiences. This should not be more than a one day event.

Sorry - this came thru to us as page 10 - didn't see when I reviewed #1.

Crisis Scenario #1 - 4

Objective: Initially, the same as above, but since the event, from Greenpeace's point of view, is a washout, the team decides to modify the approach. The company will express regret that Greenpeace chooses to use these kinds of tactics, but that Clorox remains committed to working with the community and sharing information. The strategy is to quickly get off the Greenpeace issue to other actions the company is taking regarding the chlorine issue.

Because the event stays local, the company does not distribute its announcement broadly nor does it undertake the research. However, the team does stay together for a few days after the event to closely monitor national news and possible government reaction.

don't we then need to plan for anticipated next steps by Greenpeace?

Low Level Event: Greenpeace holds a demonstration in downtown San Francisco, claiming that chlorine tank cars going through town are symptomatic of the decaying state of world events. They call on companies in the area to get on the bandwagon to stop using chlorine by 1993. No corporate names are mentioned. A local TV crew and several print reporters with photographers show up to cover the march. A short piece on the evening news sparks a later response by a local news "science" reporter, who appears to side with Greenpeace's demand for banning chlorine.

Manufacturing is not done at corporate headquarters

Recommended Response:

- o Again the team gets early warning.
- o Crisis Team assembles immediately, but, other than prepare and hold in readiness a media statement and employee announcement, the team awaits further data.
- o When it becomes clear that Clorox will not be dragged into the daily event, team decides only action will be to arrange a backgrounding session with the local reporters, including the television "science" reporter. Team continues to monitor the news to see if the transportation issue heats up.

what about likelihood of Greenpeace sponsoring news school education grants suggesting

need a different low-level event - short of "banning" - what low level "nomine" would Greenpeace

CRISIS SCENARIO #2

Headline/TAG
The subject of your
crises for easy
reference
Follow same
order
begin
in
lines

The Issue: The movement back to more "natural" household cleaning products is gaining momentum as consumers are eagerly looking for ways they can contribute to a cleaner planet. This movement was spawned in 1990 as the United States commemorated the 20th anniversary of Earth Day. Columnists, authors and activist groups scrambled to develop "earth saving" tips for the average American. A resulting herd of books, brochures, pamphlets, newspaper columns and media coverage espoused ridding the home of "hazardous" materials and substituting them with safer, natural cleaning products, such as vinegar and borax. Unfortunately, the authors of these materials often make exaggerated, misleading and inaccurate efficacy claims for these "natural" products. They also exaggerate the environmental and health "hazards" of modern cleaning products. And since these authors are seen as "environmental" experts, their claims largely are taken as gospel.

This movement will receive another boost of momentum as America, once again, gears up for its annual Earth Day observances. As a result, a whole new round of simplistic and misguided ways to "save the Earth" are likely to be espoused by those seeking to profit from jumping on the environmental bandwagon. Liquid chlorine bleach could very well become a target for these "save the Earth" activists in 1991-92.

Worst Case Event: A prominent ^{newspaper} columnist targets the environmental hazards of liquid chlorine bleach in an article, which is syndicated to newspapers across the country. The columnist calls for consumers to boycott Clorox products, since "Clorox is guilty of ^{groundwater and} widespread contamination of the environment." Local chapters of Greenpeace take up the cause by spearheading "anti-Clorox" picketing campaigns outside supermarkets in 10 major cities across the country. The picketing campaign is receiving ^{local and national} widespread media coverage ^{within several weeks} in those cities, resulting in a dramatic drop in sales of Clorox products. In response to these concerns, Congress schedules hearings on the environmental safety of liquid chlorine bleach products. ^{and consumers who use HHCB are}

Overall - Set up to crisis is excellent
#2 but "response" still needs a lot
of work and thinking, and
flushing out - pay particular
attention to developing strategy.

Crisis Scenario #2 - 2

Recommended Response: This event is every company's worst nightmare; the company must be prepared to take aggressive, swift action to protect its market franchise. Because Clorox is a consumer product, this event has the potential of turning it into the next "Alar."

- o Assessment: The very future of the product ^{and the company} is at stake.
- o Objective: Restore Clorox's reputation as quickly as possible. This cannot become a debate on the "science," because the issue is too emotional. ^(and that of the products)
- o Strategy: Use, wherever possible, actual rank and file employees and their families to act as spokespeople to support the company. (Prior planning by crisis team has made sure that employees have been kept informed about this issue and relieved any of their concerns well in advance of this crisis.)

Needs briefing up by Signify
This is NOT the overall solution / umbrella strategy to the problem defined.

ACTION PLAN

- o Team's assessment of columnist: ^{The columnist} He ~~(is)~~ is unalterably "green," but an independent scientist is dispatched to meet with the columnist and discuss the issue
- o Teams of scientists are dispatched to the 10 cities to conduct media tours. ^(independent or from Clorox - or both?)
- o Fact sheets and brochures are distributed to all the affected supermarkets, and company representatives visit each of the supermarkets to provide support.
- o Team calls on sympathetic media, local, state and national governmental leaders, and consumer experts to make statements in defense of the product. Those statements are then widely distributed in the affected communities.

The team also considers the following actions: (Some of these actions seem obvious as part of action plan - NOT "optional")

- o Advertising in major markets, using Clorox employees and their families who will testify to their faith in the product.

Too simplistic
Also needs briefing up
press conference
Sales Force briefing
chlorine Institute
2 what about Satellite Tour? UNR?
what's role / activity of other trade groups -
-ion of chlorine manufac

Crisis Scenario #2 - 3

- o Industry association advertising campaign: "Stop Environmental Terrorism," calling on Greenpeace and the columnist to be more responsible and less irrational in their approach.
- o Enlist the support of the union and the national union leadership since jobs are at stake.
- o Conduct research to determine if and how a slander lawsuit against the columnist and/or Greenpeace could be effective.
- o Mass mailings to consumers in the ^e affected cities.
- o Call for a public, independent review of all the toxicity and epidemiological data on chlorine to clear the air, once and for all.
- o If the situation truly grows desperate, the team agrees to consider the possibility of pulling the product off the market, pending a special review, assuming the review can be done quickly.
- o Survey research is conducted on a daily basis to ~~determine the extent of the problem.~~ *measure public reaction, severity of issue, changing attitudes, perceptions*
- o In addition, special research is conducted to determine effective messages.

What about a more direct scientific counter attack pointing out ridiculous, unbased claims?

What are we doing to research issue - And analyze claims in research which columnist cites?

What are we doing to mobilize Svmt. officers - groups behind industry to no bunk claims?

Crisis Scenario #2 - 4

Moderate Case Event: A nationally syndicated columnist attacks the use of liquid chlorine bleach - Clorox in particular - as a hazard to the environment and calls for consumers to consider "safer" non-chlorine alternatives like borax. The article is picked up in newspapers in 25 major cities across the United States, Supermarket chains are asking Clorox for help in addressing consumer concerns about the environmental safety of liquid chlorine bleach products.

~~household~~
household

Substitutes - and recommends Dydol and

but otherwise generates no news.

in the 25 cities

Recommended Response:

o Assessment: Although consumers are asking questions, there is no loss of sales.

o Employee announcement is posted reporting on incident.

Make part of action plan - is this really your first step?

o Media strategy: ^{Reactive!} Responsive as long as the interest remains light.

o The columnist is briefed on the environmental safety of liquid chlorine bleach.

o ^{Retail} Market strategy: Send ^{who? sales force?} people to visit each of the supermarket chains to hold meetings, distribute literature, and answer questions.

By whom? Outside experts in conjunction w/ company?

o ^{Supermarket} Literature relies heavily on two sources: outside scientists recruited to speak in favor of chlorine bleach and personal testimonials from Clorox employees and their families.

o Survey research is undertaken to determine degree of public concern.

(in 25 cities? or sample of just several)

o Local advertisements developed and held pending evaluation of damage.

o Consumer brochures prepared and held until field teams report and the research is conducted.

o Media tours developed, but they rely more on consumer household hints that only obliquely mention that chlorine bleaches are useful and safe.

A tough sell "cleaning" isn't bookable - to really make this happen - have to be more consumer-orient

plan into retail

Crisis Scenario #2 - 5

Low Level Event: A columnist for a top 25 market newspaper runs an article on eliminating "hazardous" household products. Liquid chlorine bleach is cited as just one example along with a number of other common household products. The article lists such products as vinegar and borax as suitable alternatives to liquid chlorine bleach.

Recommended Response:

needs "ASSESSMENT" - "OBJ" - "STRATEGY" for consistency

o Team undertakes ^{opinion} research in a sample of the markets to determine impact of the article. _{that}

Why several markets?? This article ran in only one

o Based on that assessment, the team distributes consumer brochures and information to ^{can} supermarket management and their employees to answer questions.

o Media and employee responses are prepared and held until needed.

o The columnist is briefed on the environmental safety of liquid chlorine bleach.

A local ^{could be undertaken if consumer response seems negative} Media tours similar to the ones in the moderate response are planned for those communities where concern seems to be the highest

(Trigger other local media pick up on columnist's recommendations)

CRISIS SCENARIO #3

The Issue: Although initial results from the National Toxicology Program (NTP) study to assess the toxicity of chlorine were equivocal, researchers have not totally exonerated chlorine as a potential animal carcinogen. Currently, researchers are re-analyzing the NTP testing methodology and animal data, which found a random smattering of tumors in the test animals, to determine if these tumors have significance to the study results. At least one scientist advisor to the chlorine industry has voiced concern that the National Toxicology Program analysts could conclude that chlorine may possibly be an animal carcinogen. In light of U.S. regulatory policy, a link with cancer -- even if it is a "weak" link as a possible animal carcinogen -- could trigger public concern and harsh regulatory action against this important chemical.

Worst Case Event: The final NTP study analysis concludes that chlorine is, indeed, an animal carcinogen. On the same day of the NTP study announcement, Greenpeace holds a satellite news conference in Washington, New York and San Francisco to launch a concerted campaign to eliminate all uses of chlorine in the United States. Greenpeace targets the following uses of chlorine: pulp and paper manufacturing, water purification and liquid chlorine bleach-based products. The news conference receives widespread national media coverage. A number of television reporters use a Clorox bottle to illustrate "dangerous" products produced with chlorine. The Environmental Protection Agency decides to re-evaluate and severely tighten its regulations on the use of chlorine in manufacturing, causing a continued round of negative media coverage.

Recommended Response:

AGAIN - include Business Assessment, OBJ. Strategy and Action PLAN in consistent format

o Crisis team, aware of the impending issue, has been working with the Chlorine Institute to formulate a response based on the Institute's analysis of the NTP report. Team has also anticipated that a major environmental group, probably Greenpeace, would use the NTP report as part of a major publicity campaign.

o Objective: Work with other manufacturers and the Chlorine Institute to forestall any legislative or regulatory action pending further review of the NTP report and subsequent human and animal studies.

need a ^{media, and} consumer objective (And RETAIL OBJ.) too.

in your assessment, clarify that this scenario is not just

Crisis Scenario #3 ~ 3

Moderate Case Event: The final NTP study analysis concludes that chlorine is, indeed, an animal carcinogen. As a result of these findings, the Environmental Protection Agency decides to re-evaluate and severely restrict the use of chlorine. Proposed manufacturing restrictions on the use of chlorine in the production of liquid chlorine bleach are particularly severe and will adversely affect Clorox's production process. A number of environmental reporters are covering EPA's actions, resulting in a steady stream of negative stories about the environmental impact of chlorine.

(Greenpeace does not react or get involved)

Recommended Response:

needs format as before

- o Because of the seriousness of the issue and the potential for governmental overreaction, the response is ~~the same as above~~ ^{that of the worst case scenario}, except that neither the crisis team nor the Chlorine Institute have to worry about Greenpeace. In addition, careful monitoring of consumer reaction through surveys may mean that ~~some of the~~ ^{more} time consuming and expensive customer and consumer programs can be eliminated.

new word search to make sense

Low Level Event: The moderate case scenario holds true, except that the NTP study results and EPA's reaction to it are largely ignored by the media. EPA's proposed restrictions on the use of chlorine in the manufacture of liquid chlorine bleach could have immediate and severe ramifications on The Clorox Company's ability to produce its line of liquid chlorine bleach-based products. In addition, media interest in EPA's actions against chlorine will likely intensify as the agency nears completion of its deliberations.

Recommended Response:

Again - keep to format

- o Because there is no immediate serious media interest, the team's strategy is to focus entirely on Washington issues, while monitoring the media and public reaction.
- o Through the Chlorine Institute, third-party scientific experts are brought to Washington to testify and advise both Congress and the EPA. The Institute proposes a reevaluation of the report and subsequent studies which will provide definitive answers to the questions raised in the report.

what kinds of materials, preparation are needed - in case it becomes a media issue

*

we need to develop scenarios for all the issues we raise in intro. - we don't really cover toxin issue - nor do we cover chlorinated by-product

Crisis Scenario #3 - 2

- o Strategy: Demonstrate company's awareness that people are legitimately frightened and have questions that need answers, its commitment to getting those questions answered *as quickly as possible* and its belief that chlorine does not pose a health hazard to people.
- o Greenpeace Strategy: Wherever possible, ignore it and ^{don't} give it credence. Carefully develop messages, based on research, to help people understand that Greenpeace is not among the serious players in this issue. Make available to media specific evidence of phoney Greenpeace research. *Should this also be a tactic under scenario #1?*
- o Because of advanced planning, written material for reporters, customers, consumers and employees is in place with the specific target audiences clearly defined. It ~~is~~ ^{should} be consistent with material distributed by other companies and associations.
- o Third-party scientific spokespeople are prepared to cast doubts on the methodology and findings of the report and ^{to} suggest that, at worst, chlorine may be a weak carcinogen in some laboratory animals, but there is no evidence that it is a human carcinogen at all.
- o Industry generates grassroots letters to legislators calling on them to show restraint. Letters designed to show that Greenpeace's overreaction is not causing widespread consumer concern.
- o Through the Chlorine Institute, ^{continue to conduct} consumer surveys ~~have been conducted~~ to establish baseline attitudes and to develop clear, convincing messages. And ongoing ^{response plans}
- o For Clorox specifically, special attention is paid to customers and consumers with media tours, consumer information and customer education taking place. A hotline is established for consumers to call if they have questions. *incorporate in other scenarios*

Again, the action plan seems incomplete and shallow given issue you defined - and all the circumstances described
 You ignore EPA action all together -

Crisis Scenario #1 -- 4

- o **Objective:** Initially, the same as above, but since the event, from Greenpeace's point of view, is a washout, the team decides to modify the approach. The company will express regret that Greenpeace chooses to use these kinds of tactics, but that Clorox remains committed to working with the community and sharing information.
- o **Strategy:** Quickly get off the Greenpeace issue to other actions the company is taking regarding the chlorine issue.
- o Because the event stays local, the company does not distribute its announcement broadly, using it only in response to inquiries, nor does it undertake the research. However, the team does stay together for a few days after the event to closely monitor national news and possible government reaction and to plan for any anticipated next steps by Greenpeace.

Low Level Event: Greenpeace holds a demonstration in downtown San Francisco, claiming that chlorine use in consumer products is symptomatic of the decaying state of world events. They call on consumer product companies to get on the bandwagon to stop using chlorine by 1993. No corporate names are mentioned. A local TV crew and several print reporters with photographers show up to cover the march. A short piece on the evening news sparks a later response by a local news "science" reporter, who appears to side with Greenpeace's demand for banning chlorine.

Recommended Response:

- o **Assessment:** Again the team gets early warning. It decides that there is no lasting damage caused by the event, and therefore, no need for aggressive action.
- o **Objective:** Keep the company distant from the issue.
- o **Strategy:** Responsive/reactive, but monitor to make sure the issue doesn't grow more serious.

Crisis Scenario #1 -- 5**Action Plan:**

- o Crisis Team assembles immediately, but other than prepare and hold in readiness a media statement and employee announcement, the team awaits further data.
- o When it becomes clear that Clorox will not be dragged into the daily event, team decides only action will be to arrange a backgrounding session with the local reporters, including the television "science" reporter. Team continues to monitor the news to see if the issue heats up.

CRISIS SCENARIO #2

"Back to Natural"

The Issue: The movement back to more "natural" household cleaning products is gaining momentum as consumers are eagerly looking for ways they can contribute to a cleaner planet. This movement was spawned in 1990 as the United States commemorated the 20th anniversary of Earth Day. Columnists, authors and activist groups scrambled to develop "earth saving" tips for the average American. A resulting herd of books, brochures, pamphlets, newspaper columns and media coverage espoused ridding the home of "hazardous" materials and substituting them with safer, natural cleaning products, such as vinegar and borax. Unfortunately, the authors of these materials often make exaggerated, misleading and inaccurate efficacy claims for these "natural" products. They also exaggerate the environmental and health "hazards" of modern cleaning products. And since these authors are seen as "environmental" experts, their claims largely are taken as gospel.

This movement will receive another boost of momentum as America, once again, gears up for its annual Earth Day observances. As a result, a whole new round of simplistic and misguided ways to "save the Earth" are likely to be espoused by those seeking to profit from jumping on the environmental bandwagon. Liquid chlorine bleach could become a target for these "save the Earth" activists in 1991-92.

Worst Case Event: A prominent newspaper columnist targets the environmental hazards of liquid chlorine bleach in an article, which is syndicated to newspapers across the country. The columnist calls for consumers to boycott Clorox products, since "Clorox and consumers who use household liquid chlorine bleach are guilty of widespread contamination of the environment." Local chapters of Greenpeace take up the cause by spearheading "anti-Clorox" picketing campaigns outside supermarkets in 10 major cities across the country. The picketing campaign receives widespread local and national media coverage, resulting in a dramatic drop in sales of Clorox products within several weeks. In response to these concerns, Congress schedules hearings on the environmental safety of liquid chlorine bleach products.

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Crisis Scenario #2 -- 3

- o Team arranges for sympathetic media, local, state and national governmental leaders, and consumer experts to make statements in defense of the product. Those statements are then widely distributed in the affected communities.

The team also considers the following actions:

- o Advertising in major markets, using Clorox employees and their families who will testify to their faith in the product.
- o Industry association (Chlorine Institute?) advertising campaign: "Stop Environmental Terrorism," calling on Greenpeace and the columnist to be more responsible and less irrational in their approach.
- o If the issue truly becomes national rather than erupting in many local markets, consider a national news conference with satellite hookups to respond to the allegations.
- o Consider video and audio news releases to affected markets.
- o Consider joint action in coalition with other chlorine manufacturers, such as joint advertising, publicity campaigns, customer visits, etc.
- o Enlist the support of the union and the national union leadership, since jobs are at stake.
- o Conduct research to determine if and how a slander lawsuit against the columnist and/or Greenpeace could be effective.
- o Mass mailings to consumers in the affected cities.
- o Call for a public, independent review of all the toxicity and epidemiological data on chlorine to clear the air, once and for all.

Crisis Scenario #2 -- 4

- o If the situation truly grows desperate, the team agrees to consider the possibility of pulling the product off the market, pending a special review, assuming the review can be done quickly.
- o Survey research is conducted on a daily basis to measure public reaction, changing attitudes, perceptions, etc.
- o In addition, special research is conducted to determine effective messages.

Moderate Case Event: A nationally syndicated columnist attacks the household use of liquid chlorine bleach -- Clorox in particular -- as a hazard to the environment and calls for consumers to use "safer" non-chlorine substitutes and recommends Oxydol and borax. The article is picked up in newspapers in 25 major cities across the United States, but otherwise generates no news. Supermarket chains are asking The Clorox Company for help in addressing consumer concerns in the 25 cities about the environmental safety of liquid chlorine bleach products.

Recommended Response:

- o **Assessment:** Although consumers are asking questions, there is no loss of sales.
- o **Objective:** Prevent issue from escalating and gaining more credibility.
- o **Strategy:** Keep media interest minimal; prevent national or state government action.

Action Plan:

- o Employee announcement is posted reporting on incident.
- o Media strategy: Reactive/responsive as long as the interest remains light.
- o The columnist is briefed on the environmental safety of liquid chlorine bleach. (This can be done by company people and/or outside experts, depending on company's relationship with columnist.)

Crisis Scenario #2 -- 5

- o Retail strategy: Send company people to visit each of the supermarket chains to hold meetings, distribute literature, and answer questions.
- o Supermarket literature relies heavily on two sources: outside scientists recruited to speak in favor of chlorine bleach and personal testimonials from Clorox employees and their families.
- o Survey research is undertaken to determine degree of public concern.
- o Local advertisements developed and held pending evaluation of damage.
- o Consumer brochures prepared and held until field teams report and the research is conducted.
- o Media tours developed, but they rely more on a "Hint's from Heloise" approach that only obliquely mention that chlorine bleaches are useful and safe.

Low Level Event: A columnist for a top 25 market newspaper runs an article on eliminating "hazardous" household products. Liquid chlorine bleach is cited as just one example along with a number of other common household products. The article lists such products as vinegar and borax as suitable alternatives to liquid chlorine bleach.

Recommended Response:

- o **Assessment:** While there is no immediate long-term threat to the company, the situation needs to be carefully monitored to make sure the issue doesn't garner more attention.
- o **Objective:** Prevent issue from escalating and gaining more credibility.
- o **Strategy:** Make sure the company has the ability to respond quickly if the issue erupts, but take no independent action. At this point, keep the strategy reactive.

Crisis Scenario #2 -- 6

Action Plan:

- o Team undertakes research to determine impact of the article.
- o Based on that assessment, the team distributes consumer brochures and information to supermarket management and their employees to answer questions.
- o Media and employee responses are prepared and held until needed.
- o The columnist is briefed on the environmental safety of liquid chlorine bleach.
- o A local media tour is developed and put on hold pending analysis of degree of consumer concern.

CRISIS SCENARIO #3

"NTP Study"

The Issue: Although initial results from the National Toxicology Program (NTP) study to assess the toxicity of chlorinated drinking water were equivocal, researchers have not totally exonerated chlorine as a potential animal carcinogen. Currently, researchers are re-analyzing the NTP testing methodology and animal data, which found a tumors in one species of female test animals, to determine if these tumors have significance to the study results. At least one scientist advisor to the chlorine industry has voiced concern that the National Toxicology Program analysts could conclude that chlorine may possibly be an animal carcinogen. In light of U.S. regulatory policy, a link with cancer – even if it is a "weak" link as a possible animal carcinogen – could trigger public concern and harsh regulatory action against this important chemical.

Worst Case Event: The final NTP study analysis concludes that chlorine is, indeed, an animal carcinogen. On the same day of the NTP study announcement, Greenpeace holds a satellite news conference in Washington, New York and San Francisco to launch a concerted campaign to eliminate all uses of chlorine in the United States. Greenpeace targets the following uses of chlorine: pulp and paper manufacturing, water purification and liquid chlorine bleach-based products. The news conference receives widespread national media coverage. A number of television reporters use a Clorox bottle to illustrate "dangerous" products produced with chlorine. The Environmental Protection Agency decides to re-evaluate and severely tighten its regulations on the use of chlorine in manufacturing, causing a continued round of negative media coverage.

Recommended Response:

- o **Assessment:** Crisis team, aware of the impending issue, has been working with the Chlorine Institute to formulate a response based on the Institute's analysis of the NTP report. This is not just a Clorox Company issue. Team has also anticipated that a major environmental group, probably Greenpeace, would use the NTP report as part of a major publicity campaign.
- o **Objective:** Working with other manufacturers and the Chlorine Institute, 1) forestall any legislative or regulatory action pending further review of the NTP report and subsequent human and animal studies; and 2) Maintain customer and consumer loyalty.

Crisis Scenario #3 -- 2

- o **Strategy:** Demonstrate company's awareness that people are legitimately frightened and have questions that need answers, its commitment to getting those questions answered as quickly as possible, and its belief that chlorine does not pose a health hazard to people.
- o **Greenpeace Strategy:** Wherever possible, ignore it and don't give it credence. Carefully develop messages, based on research, to help people understand that Greenpeace is not among the serious players in this issue. Make available to media specific evidence of phoney Greenpeace research.

Action Plan:

- o Through the Chlorine Institute, third-party scientific experts are brought to Washington to testify and advise both Congress and the EPA. The Institute proposes a re-evaluation of the report and subsequent studies which will provide definitive answers to the questions raised in the report.
- o Because of advanced planning, written material for reporters, customers, consumers and employees is in place with the specific target audiences clearly defined. It should be consistent with material distributed by other companies and associations.
- o Media briefings with key environmental and consumer reporters and with other interested media are held by industry, company, and independent spokespersons.
- o Third-party spokespeople are scheduled for major television and newspaper interviews.
- o Industry generates grassroots letters to legislators calling on them to show restraint. Letters designed to show that Greenpeace's overreaction is not causing widespread consumer concern.
- o Through the Chlorine Institute, continue to conduct consumer surveys to determine consumer attitudes and concerns and to develop clear, convincing messages.
- o For Clorox specifically, special attention is paid to customers and consumers with media tours, consumer information and customer education taking place. A hotline is established for consumers to call if they have questions.

Crisis Scenario #3 -- 3

Moderate Case Event: The final NTP study analysis concludes that chlorine is, indeed, an animal carcinogen. As a result of these findings, the Environmental Protection Agency decides to re-evaluate and severely restrict the use of chlorine. Proposed manufacturing restrictions on the use of chlorine in the production of liquid chlorine bleach are particularly severe and will adversely affect Clorox's production process. A number of environmental reporters are covering EPA's actions, resulting in a steady stream of negative stories about the environmental impact of chlorine. (Greenpeace does not get involved.)

Recommended Response:

- o **Assessment:** Because of the seriousness of the issue and the potential for governmental overreaction, the response is the same as the worst case scenario, except that neither the crisis team nor the Chlorine Institute have to worry about Greenpeace. In addition, by monitoring consumer reaction through surveys, the team may be able to avoid some of the more time consuming and expensive customer and consumer programs.
- o **Objective:** Working with other manufacturers and the Chlorine Institute, 1) forestall any legislative or regulatory action pending further review of the NTP report and subsequent human and animal studies; and 2) Maintain customer and consumer loyalty.
- o **Strategy:** Demonstrate company's awareness that people are legitimately frightened and have questions that need answers, its commitment to getting those questions answered as quickly as possible, and its belief that chlorine does not pose a health hazard to people.

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Crisis Scenario #3 -- 2

Action Plan:

- o Through the Chlorine Institute, third-party scientific experts are brought to Washington to testify and advise both Congress and the EPA. The Institute proposes a re-evaluation of the report and subsequent studies which will provide definitive answers to the questions raised in the report.
- o Because of advanced planning, written material for reporters, customers, consumers and employees is in place with the specific target audiences clearly defined. It should be consistent with material distributed by other companies and associations.
- o Media briefings with key environmental and consumer reporters and with other interested media are held by industry, company, and independent spokespersons.
- o Through the Chlorine Institute, continue to conduct consumer surveys to determine consumer attitudes and concerns and to develop clear, convincing messages.
- o For Clorox specifically, special attention is paid to customers and consumers with media tours, consumer information and customer education taking place. A hotline is established for consumers to call if they have questions.

Low Level Event: The moderate case scenario holds true, except that the NTP study results and EPA's reaction to it are largely ignored by the media. EPA's proposed restrictions on the use of chlorine in the manufacture of liquid chlorine bleach could have immediate and severe ramifications on The Clorox Company's ability to produce its line of liquid chlorine bleach-based products. In addition, media interest in EPA's actions against chlorine will likely intensify as the agency nears completion of its deliberations.

Recommended Response:

- o **Assessment:** Because there is no immediate serious media interest, the team's strategy is to focus entirely on Washington issues, while monitoring the media and public reaction.

Crisis Scenario #3 -- 3

- o **Objective:** Forestall any legislative or regulatory activity; prevent issue from spreading to states or becoming a media event.

- o **Strategy:** Develop an aggressive Washington plan and reactive media, customer and consumer plan. Respond quickly, but low-key, to any external questions.

- o **Action Plan:**
 - o Through the Chlorine Institute, third-party scientific experts are brought to Washington to testify and advise both Congress and the EPA. The Institute proposes a re-evaluation of the report and subsequent studies which will provide definitive answers to the questions raised in the report.

 - o Because of advanced planning, written material for reporters, customers, consumers and employees is in place with the specific target audiences clearly defined. It should be consistent with material distributed by other companies and associations.

 - o Through the Chlorine Institute, continue to conduct consumer surveys to determine if the issue is causing any shift in consumer attitudes and concerns.

#

Clorox Crisis Plan - 2

OBJECTIVES

Advance Crisis Preparation:

- o Prepare The Clorox Company to respond effectively to any possible crisis situation.
- o Have the mechanisms in place to enable immediate and decisive response to any crisis.
- o Fight local "fires," so they don't spread.

If a Crisis Occurs:

- o Respond immediately, aggressively and effectively to the challenge.
- o Maintain public confidence in the environmental safety of Clorox products.
- o Preserve the reputation of The Clorox Company.
- o Preserve the market share for Clorox products and the financial stability of The Clorox Company.

**CHECKLIST
CLOROX CRISIS MANAGEMENT PLAN**

CRISIS PLANNING STAGE

- Assemble the Clorox Crisis Management Team**
- Conduct a Potential Crisis Audit**
- Select and Media Train Potential Spokespersons**
- Establish an Early Warning System**
- Establish a Crisis Headquarters**
- Prepare a Crisis Information Kit**
- Evaluate/Prepare Media Relations Tactics**
- Identify Potential Target Audiences**
- Identify Potential Industry Allies**
- Prepare for Crisis Government Relations**
- Enlist Scientific Community Support**
- Enlist Support of Grassroots Scientific Ambassadors**
- Investigate and Prepare Research Methods**
- Determine Evaluation Procedures**

**CHECKLIST
CLOROX CRISIS MANAGEMENT PLAN**

CRISIS MANAGEMENT STAGE

Assess the Severity of the Problem

Activate the Crisis Team

Select a Clorox Spokesperson

Establish Objectives/Consider Making a Short-Term Sacrifice

Revise/Prepare Additional Informational Materials

Determine Relevant Audiences

Reach Key Influentials Quickly

Conduct Effective Media Relations

Keep Employees Abreast of the Situation

Mobilize Industry Allies

Talk with Customers

Enlist Government Relations Support

Activate Scientific Community Support

Activate Grassroots Scientific Ambassadors

Conduct "Quick Tab" Consumer Research

Conduct a Post-Crisis Evaluation

CRISIS PLANNING STAGE**ASSEMBLE THE CLOROX CRISIS MANAGEMENT TEAM**

The most important step in preparing to deal effectively with a crisis situation is to designate a Crisis Management Team. Team members will represent all the key line functions within The Clorox Company, as well as outside public relations and legal counsel. And for the Crisis Team to be most effective, team members must have direct reporting responsibilities to just one top decision maker within The Clorox Company. The team also must have a strong leader - a "general" who can take charge in a crisis situation.

Crisis Team members will represent the following departments:

- o Public Relations
- o Marketing
- o Government Relations
- o Research/Technical
- o Management
- o Legal
- o Operations
- o Employee Relations
- o Outside Public Relations Counsel
- o Outside Legal Counsel

ASSEMBLE THE CLOROX CRISIS MANAGEMENT TEAM, Continued

Since the Crisis Management Team will be called upon to make quick decisions, the team must be comprised of individuals who can operate well in pressure situations. They also must be totally familiar with the Clorox Crisis Plan and be available to respond to a crisis on a 24-hour basis. Home and work telephone numbers of each Crisis Management Team member will be listed on a laminated wallet-sized card, which will be distributed to appropriate individuals throughout the corporation.

Should a crisis erupt, team members will be called upon to devote total attention to the crisis and should, therefore, be temporarily relieved of other duties.

Crisis Team members also must be kept fully up to date on all developments during the crisis through regular telephone contact and/or meetings, in order to make quick decisions based on the most reliable information available.

Specific roles for each Crisis Team member will be delineated in advance of any crisis. So if a crisis strikes, each individual will know his/her role on the Crisis Management Team and can swing into immediate action.

A series of meetings with Crisis Team members will be held prior to a crisis to prepare The Clorox Company to handle any crisis situation which may occur. These meetings also will lay the groundwork for developing comfortable and effective working relationships between the individual members of the Crisis Team. Specific activities these meetings will explore include:

- o Fine-tuning the crisis management plan.
- o Examining the strengths and weaknesses which exist in Clorox's environmental issue arena (see "Conduct a Potential Crisis Audit").

ASSEMBLE THE CLOROX CRISIS MANAGEMENT TEAM, Continued

- o Refining overall goals for handling crises, based on Clorox's environmental strengths and weaknesses.
 - Evaluating products' strengths and weaknesses.
 - Evaluating company strengths and weaknesses.

- o Further identifying and defining potential crisis situations, based on identified strengths and weaknesses, issues management monitoring efforts and knowledge of issue challenges.

- o Establishing formal procedures for quick clearance of all public statements made on behalf of The Clorox Company.

- o Implementing other crisis preparation activities outlined in this plan, such as:
 - Delineating roles of individual team members. For instance, one member will manager overall media relations efforts. One will serve as the corporate spokesperson. One will supervise the Crisis Hotline/Information Clearinghouse (discussed later in this plan). One will write and/or oversee the writing of all statements, news releases and background materials. Another will supervise the compilation of mailing lists for key audiences. Another will supervise printing, photocopying and distribution of information materials. One will manage government relations activities. Another will manage employee communications. Yet another will be responsible for keeping direct customers informed during a crisis. (The specific crisis situation will identify other roles which will need to be delegated to a Crisis Team member.)
 - Designating spokesperson(s), internal and external (discussed later in this plan).
 - Developing a communications structure/network to transmit factual information during a crisis to key audiences.

CONDUCT A POTENTIAL CRISIS AUDIT

Defining a "crisis" is less important than knowing one when you see one, especially at a distance. A sudden emergency situation affecting The Clorox Company is an obvious crisis. But so is an issue as it comes to a boil: Government action against Clorox products; an investigation; a court case; or any serious public accusation of Clorox employees, products or the corporation.

It pays to have an early warning system to identify potential crises and a tracking system to measure their velocity and direction.

Armed with issue monitoring data obtained through the Issues Management Plan and technical information on the environmental impact of liquid chlorine bleach, the Crisis Management Team will assess all areas of environmental vulnerability for The Clorox Company. Team members will take a hard look at the company's entire operation, as well as all environmental issues to identify potential issues and areas which make the company vulnerable to a crisis.

A number of external forces could easily catapult the environmental issues surrounding liquid chlorine bleach into a full-scale crisis:

- o One major threat is Greenpeace's "Chlorine-Free by '93" campaign, should this radical activist group decide to include liquid chlorine bleach in its "rid the world of chlorine" campaign. Such campaigns in Europe have already begun to curtail the use of liquid chlorine bleach in a number of European countries.
- o Aggressive attacks by Greenpeace and other activist groups on the use of chlorine in pulp and paper bleaching and water purification are contributing to an ongoing stream of negative media attention for chlorine and chlorine-based products.

CONDUCT A POTENTIAL CRISIS AUDIT, Continued

- o The movement to go back to more "natural cleaning products," such as vinegar and borax, is gaining momentum in the United States, even though efficacy claims are largely based on inaccurate and misleading information. Nonetheless, these messages are easily believed by eager "environmentally conscious" Americans, who want to do their part in saving our planet. It seems that columnists and authors are emerging almost daily, espousing easy steps the average American can take to protect the environment -- such as eliminating "hazardous" household products.

- o While initial results from the National Toxicology Program (NTP) study to assess the toxicology of chlorine were equivocal, researchers have not completely exonerated chlorine as a potential animal carcinogen. The current re-analysis of the NTP testing methodology and animal data (which found a random smattering of tumors in the test animals) could lead to negative publicity about the safety of chlorine and chlorine-based products.

- o The production of chlorinated organic by-products, resulting from normal home use of liquid chlorine bleach, is another vulnerability. Fueling this issue is activists' labeling of all chlorinated organics as equally hazardous and an environmental concern.

- o The disinfectant properties of liquid chlorine bleach subject it to the claim that these products can kill beneficial bacteria in septic systems.

- o The dioxin/chlorine issue has the potential to cause unjustified concern about the safety of liquid chlorine bleach.

The Crisis Management Team will evaluate the potential of these as well as other issues to escalate into crisis situations. The team also will develop triggers for quick response to a potential crisis.

SELECT AND MEDIA TRAIN POTENTIAL SPOKESPERSONS

Ideally, one member of the Crisis Management Team will be selected to serve as the company spokesperson in the event of a crisis. By designating one individual, the company will be speaking with one authoritative and unified voice. This individual, however, must have a high ranking within the Clorox Company, as well as have the confidence of Clorox top management. A number of potential spokespersons will be screened and media trained to determine the best candidate and to have other qualified spokespersons on hand, if needed.

The spokesperson(s) will undergo intensive media training to help him/her deliver the most compelling and credible messages, even when under intense media questioning and scrutiny. Initial media training should take place well in advance of any crisis, with an emergency refresher course held prior to actual crisis media situations.

The spokesperson is an "expert" whose role is to:

- o Ensure that the media receive timely, factual information.
- o Provide the media with a single consistent source of information, which has been cleared for release.
- o Minimize the possibility of contradictory statements.
- o Reduce fear, rumor and doubt by presenting a confident, informed source.
- o Place events/issues into perspective.
- o Explain technical matters in an understandable manner to the media/consumers. (If needed, a number of technical experts will be available to handle more scientific aspects of the issue.)

It's important to remember that while substance is crucial, style, appearance and tone count as well. A sensitive spokesperson will always express concern about potential damage or inconvenience to the public. He/she will present a position that doesn't appear to be self-serving -- sometimes using a disarming candor, other times presenting an understandable firmness.

ESTABLISH AN EARLY WARNING SYSTEM

Managers of each Clorox plant, warehouse, division and sales office can serve as important monitors for potential trouble in their jurisdictions. Therefore, the Crisis Management Plan will be given to these managers to familiarize them with crisis management procedures. They will carry the Crisis Management Team wallet cards, so they can alert team members at the earliest sign that an issue may be or is escalating in a given area. In these situations, managers should not try to speak to the media on behalf of the company, but should yield this responsibility to the Crisis Team spokesperson.

During a crisis, managers also will be instrumental in funneling information from the Crisis Team to one of Clorox's most important audiences - employees.

ESTABLISH A CRISIS HEADQUARTERS

A crisis headquarters (located at The Clorox Company headquarters) will ensure around-the-clock availability of spokespersons and Crisis Team members. It will serve as the base of operations for the Crisis Management Team for the duration of the crisis. The information hotline (discussed in the media relations section of this plan) also will be housed at the crisis headquarters to enable quick response by the Crisis Team spokesperson to urgent requests for information.

PREPARE A CRISIS INFORMATION KIT

Many of the materials prepared for the Issues Management Plan will be applicable, with minor modifications to suit the situation, for use during a crisis. Other materials, which are specific to the issues at hand, will need to be prepared quickly once a crisis seems imminent. These crisis kit materials will include the following:

- o Statement by The Clorox Company on the crisis situation.
- o Issue statements by third-party scientific allies.
- o Op-ed articles and letters-to-the-editor by independent scientists.
- o Short backgrounders on specific issues involved in the crisis.
- o Telephone numbers and bios of Clorox spokesperson(s) and independent scientists.
- o Backgrounder on The Clorox Company and its commitment to the environment.
- o Updates on the issues as they develop.
- o Question and answer sheet on the issues.
- o B-roll footage for use by television stations.
- o Video/audio news release on the issues.

These information kit materials will be disseminated as appropriate to key audiences, serve as a handout during interview/briefing sessions, and used to fill information requests through the Crisis Hotline/Information Clearinghouse (described in the media relations section of this plan).

EVALUATE/PREPARE MEDIA RELATIONS TACTICS

The crisis management stage of this plan outlines general guidelines for conducting effective crisis media relations as well as specific tactics which are part of the crisis management communications arsenal.

The Crisis Management Team will evaluate these tactics in light of possible crisis situations to determine what, if any, tactics can begin to be prepared in advance for immediate implementation should a crisis occur.

IDENTIFY POTENTIAL TARGET AUDIENCES

Another task for the Crisis Management Team will be to identify all potential audiences who are likely to be affected by a crisis situation - both internal and external.

Examples of key audiences include:

- o The media - trade and general consumer
- o Clorox employees
- o Direct customers
- o Suppliers/distributors
- o Regulatory and legislative officials - state and federal
- o Public health officials
- o Medical/health opinion leaders
- o The scientific community
- o Consumers

IDENTIFY POTENTIAL TARGET AUDIENCES, Continued

The Crisis Team will review available mailing lists (including fax numbers) for such critical audiences as the media, government officials and direct customers. Where this information is old or not available, appropriate mailing lists will be compiled. Initial mailing lists of these critical audiences should be prepared now -- in advance of a crisis -- and updated on a regular basis. This will ensure that these critical lists are as accurate as possible when a crisis does occur, thus freeing the Crisis Team from having to research and compile mailing lists in the "heat of the battle."

IDENTIFY POTENTIAL INDUSTRY ALLIES

The Crisis Management Team will initiate contact with potential allies from industry trade associations, professional groups and individual companies who have a vested interest in similar environmental issues to solicit their support should a crisis occur. By mobilizing allies, The Clorox Company will expand available resources and manpower needed to conduct a massive grassroots crisis campaign. And by mobilizing allies who have a common stake in the issues, Clorox may avoid being the sole "corporate focus" during a crisis.

Clorox will establish a loosely formed coalition of these allies to keep them informed of issues which could result in a crisis. Regular information exchange meetings will be held with the coalition to keep them abreast of the issues, solicit their support in crisis efforts and assign specific crisis management responsibilities.

A computerized mailing list of all coalition members and potential members will enable easy access when a crisis seems likely or has just occurred.

PREPARE FOR CRISIS GOVERNMENT RELATIONS

The Crisis Management Team will work closely with the Clorox Government Relations Department to identify key federal and state government officials who will need to be reached should a crisis occur. Mailing lists as well as telephone and fax numbers will be compiled and updated as needed.

The Crisis Team/Clorox Government Relations Department also will determine the best avenues for reaching key government officials either to "immunize" them concerning a brewing issue which could lead to a crisis and/or to reach them with critical information once a crisis has occurred.

ENLIST SCIENTIFIC COMMUNITY SUPPORT

A major component of the Issues Management Program involves tapping "ambassadors" in the scientific community to gain third-party credibility for Clorox environmental messages. We will recruit a number of these same scientists to serve as advisors and disseminators of information to the media and other key audiences should the issues escalate into a crisis.

It will be important to solicit the involvement of a number of scientists to demonstrate broad agreement on the issue within the scientific community. It also is essential to have a number of scientists available, since all of these very busy individuals may not be readily available to commit to around-the-clock crisis management support.

ENLIST SUPPORT OF GRASSROOTS SCIENTIFIC AMBASSADORS

In addition to the relatively small group of scientists and academicians The Clorox Company will tap as spokespersons, the Crisis Team also must educate a broad network of scientific, medical and academic organizations that may be called upon by the media to comment on any health or environmental concerns related to liquid chlorine bleach. (When the Alar crisis hit, for instance, local public health officials and medical/health experts fielded questions from communities about the controversy.)

These groups include the American Medical Association, the American Academy of Pediatrics (one of the key groups active in the Alar crisis), the American Academy of Family Physicians, the National Academy of Sciences, as well as key chapters of the American Public Health Association.

Third-party scientists working with The Clorox Company will provide the peer credibility needed to dialogue with these groups.

Timing is critical, since these sessions should be held before there is any escalated public concern over liquid chlorine bleach. Disseminating informational materials from credible third-party scientific sources to these influentials early in the crisis will be critical to arming them with accurate information they can then convey in their communities. If efforts are successful, members of these groups can help extend The Clorox Company's messages further into their own memberships, as well as other health groups so that a grassroots scientific network will, indeed, be in place to assure the public about the environmental safety of liquid chlorine bleach.

INVESTIGATE AND PREPARE RESEARCH METHODS

Research will play a key role in determining the impact any crisis is having on key audiences and on public opinion in general and in fine-tuning crisis strategies.

Because crisis research will need to be conducted virtually "overnight," a designated Crisis Team member will work in advance with the Clorox Research Department to investigate the most effective research methodologies to employ should a crisis occur. A number of outside research firms will be contacted to determine the most suitable to conduct this "quick tab" research.

DETERMINE EVALUATION PROCEDURES

The Crisis Management Team will establish formal parameters for evaluating the effectiveness of crisis management efforts. These parameters will be established in advance of any crisis and will be refined as needed following the crisis situation.

Sample evaluation questions include:

- o Were the ultimate crisis management objectives achieved?
- o Were all important audiences identified and incorporated into crisis management efforts?
- o How effective were Clorox Company messages to these target audiences?
- o How effective were internal and external spokespersons?
- o What crisis management strategies were most effective?
- o What crisis management strategies were least effective?

DETERMINE EVALUATION PROCEDURES, Continued

- o Was the Crisis Team effective in mobilizing industry and scientific allies to fight the crisis?
- o How did The Clorox Company weather the crisis?
- o Has The Clorox Company sustained damage to its reputation or the marketability of its products?
- o How can this damage be repaired?

CRISIS MANAGEMENT STAGE

ASSESS THE SEVERITY OF THE PROBLEM

A critical task for the Crisis Management Team will be to define the scope and severity of the crisis and to establish "triggers" for response. It will be vital not to overestimate or underestimate the severity of the situation, since all decisions and judgment calls involved throughout the crisis will be affected by this initial determination.

When assessing the situation, the Crisis Team must focus on the really important issues and not get bogged down on unimportant details, which will divert energies away from the truly important challenges.

The following questions will help the Crisis Team assess the severity of the situation:

- o Is there an advocacy group(s) responsible for escalating the issue to a crisis stage?
- o What does this group(s) want to accomplish?
- o Are there any weaknesses in the advocacy group's positions/charges?
- o How can these weaknesses be exploited to the advantage of The Clorox Company?
- o Is the issue contained largely to a small geographic area?
- o Can steps be taken now to prevent the issue from escalating beyond this small concentric circle?
- o Has the issue spread to a state or regional area?
- o Has the issue spread nationally?
- o How long is the crisis likely to last?

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ASSESS THE SEVERITY OF THE PROBLEM, Continued

- o What impact can the issue have on the reputation of The Clorox Company?
- o If left unchecked, what damage can this issue do to the marketability of Clorox products?
- o Is this issue likely to result in negative legislation or regulation, either on the state or federal level?
- o Are there any bold, pro-active steps The Clorox Company can take now to stop the issue in its tracks?

These determinations are vital for deciding the most appropriate response. Obviously, if the issue is confined to a local or even a state area, The Clorox Company doesn't want to escalate the issue any further. In this case, a more targeted response, using many of the crisis management tools outlined in this plan — but limited to a local or state basis — will be implemented to prevent spread of the issue beyond the initial concentric circle.

However, it's important to remember that no matter what crisis management steps are taken on the local or state levels, any issue has the potential to spread very rapidly to the national media limelight. The Crisis Management Team, therefore, must be ready to spring into full action at the earliest sign the crisis is spreading beyond the local or state levels.

ACTIVATE THE CRISIS TEAM

As soon as a crisis has occurred, it will be imperative to activate the Crisis Team for total devotion to the crisis management efforts. Depending upon the actual crisis situation, the entire team - or a core group from the original team - will manage the crisis program.

As in the planning stage, each individual team member will be assigned specific roles and duties throughout the duration of the crisis. In addition, a strong Crisis Team leader, selected prior to the crisis, will become the ultimate decision maker and crisis "commander."

SELECT A CLOROX SPOKESPERSON

The actual crisis situation will determine the most appropriate spokesperson for The Clorox Company - whether it is the CEO, a technical expert or a communications expert.

The sole job of this individual on the Crisis Management Team will be to serve as the company spokesperson for the duration of the crisis.

Having already undergone advance media training, the spokesperson will now fine-tune his/her presentation skills through additional media training. This intensive training will prepare the spokesperson to most effectively answer even the toughest questions likely to be raised.

Throughout the crisis, the spokesperson will provide a consistent source of information to the media, thereby minimizing the possibility of contradictory statements.

ESTABLISH OBJECTIVES/CONSIDER MAKING A SHORT-TERM SACRIFICE

The Crisis Management Team will establish specific objectives for managing the crisis situation. These objectives will then drive all crisis management strategies.

In establishing objectives, the Crisis Team will determine:

- o What do we want to be the outcome of this crisis?
- o Are we being realistic when answering the first question?
- o What is the best that can happen?
- o What is the worst that can happen?
- o Can The Clorox Company survive the worst that can happen?
- o Is there a short-term sacrifice that needs to be considered?

Some crisis situations may warrant a bold move, such as making a short-term sacrifice for a long-term benefit. Although such a move is likely to result in an initial financial loss to The Clorox Company, some situations necessitate a quick, bold containment of the problem to stop erosion of public confidence in Clorox products and in the company as a whole. Remember, if public confidence in either Clorox products or in The Clorox Company is lost, severe long-term losses to reputation and profitability are likely.

REVISE/PREPARE ADDITIONAL INFORMATIONAL MATERIALS

As discussed in the planning stage of this program, a number of informational materials can be prepared in anticipation of an escalation of an issue or a crisis. However, once the crisis has actually happened, the Crisis Management Team must look critically at all informational materials to determine what revisions are necessary and what additional materials are needed for the specific situation.

These revisions and new materials will then need to be prepared and approved at once for timely distribution to the media and other critical audiences.

DETERMINE RELEVANT AUDIENCES

The key audiences identified in the planning stage of this crisis plan will lay the groundwork for identifying the specific publics who are affected by this particular crisis. By drawing upon the preliminary list of influentials compiled in the planning stage - before the "heat of the battle" - the Crisis Team will minimize the risk of omitting an important audience. This is critical, since even the best crisis plan can derail if a key audience is forgotten.

Once the list of target audiences is compiled, team members must then decide what information each of these audiences needs, who in the company is in the best position to deliver this information effectively, and what communications tactics (from those outlined in this plan) will be used to reach these critical audiences.

Key audiences must be reached quickly, so they are hearing Clorox positions on the issues first, rather than receiving information from other sources - some of them potentially hostile. A system for monitoring their reactions to Clorox messages and any new developments will enable the Crisis Team to respond accordingly to these audiences.

Because situations during a crisis evolve so quickly, it will be important to prioritize the most critical audiences to Clorox during the crisis. The Crisis Team then will deliver effective messages to the most critical audiences first and the least critical audiences last.

DETERMINE RELEVANT AUDIENCES, Continued

When addressing these key audiences, it's important to realize there is a time and a place for "cold, scientific facts." However, there are circumstances when these "facts" will just not be heard. Generally, an issue can be discussed coolly between groups of professionals. But in public hearings or demonstrations, facts often give way to emotions. If The Clorox Company can address a crisis early, as it begins to develop, the company will have a greater opportunity to win with intellectual arguments.

REACH KEY INFLUENTIALS QUICKLY

Some situations will require reaching key influencers quickly. If this is the case, the Crisis Team will disseminate pertinent product environmental safety information - including commentary from third-party scientists - by mailgram to such audiences as health care opinion leaders, public health officials and key media. A similar mailgram, tailored to the special concerns of direct customers, should also be distributed to retailers, supermarket trade publications and supermarket consumer affairs directors. Armed with accurate information, these influencers can help spread important "calming" messages about the environmental safety of Clorox products.

CONDUCT EFFECTIVE MEDIA RELATIONS

The most difficult time to maintain good media relations is during a crisis. Both the public and the media have a legitimate interest in crisis situations. The public has a right to be informed, and The Clorox Company has the duty to see that consumers get the facts, generally through the media.

If an honest approach of cooperation is extended to the media, they will treat it objectively, possibly sympathetically. Providing good service to the media during a crisis can earn friends for the company and its products, regardless of the nature or scope of the situation.

Likewise, an unfavorable situation generally will be made worse by ignoring the media or trying to impede their efforts. Months of good public relations work can be undone in just one day and negatively impact the ultimate marketing of Clorox products.

Accurate and timely information from an authorized Clorox spokesperson serves company interests better than inaccurate information from a secondary source. Therefore, The Clorox Company must release accurate information as fast and as fully as possible, rather than letting the press uncover new information and new accusations from uninformed, possibly unfriendly, secondary sources.

CONDUCT EFFECTIVE MEDIA RELATIONS, Continued

Because effective media relations is critical during a crisis, here are a few crisis media relations guidelines to remember:

- o Understand the media's purpose in reporting news to the general public and the public's "right to know."
- o Make a Clorox spokesperson accessible to the media at all times. You don't want reporters to go elsewhere for the information, if they can't get it from The Clorox Company.
- o Take the initiative in stating The Clorox Company's case.
- o Develop a unified response to the crisis situation, ideally presented by a single corporate spokesperson, who has undergone extensive media training.
- o Anticipate media questions and prepare the most effective responses to these questions. A tough question and answer document (not the same one recommended in the information kit) will help prepare the spokesperson to provide the most effective answers to questions Clorox hopes the company will never have to answer. Remember, poor preparation can come across as indecision or evasiveness.
- o Prepare a statement for the media on the company's position on each issue involved in the crisis.
- o Emphasize the public's safety as The Clorox Company's primary concern.
- o Develop issue support materials by third-party independent scientists to add credibility to Clorox positions.
- o Recruit a number of these scientists to discuss the issues surrounding the crisis with the media.

CONDUCT EFFECTIVE MEDIA RELATIONS, Continued

- o Monitor and evaluate all media coverage of the crisis, in order to adjust strategies as needed.
- o Update information conveyed to the media as new data develops. If new information is conveyed promptly to media, they will feel less compelled to seek this information from other, potentially inaccurate or hostile, sources or to dig on their own for the information.
- o Defuse negatives by acknowledging them and stressing the steps being taken to minimize their negative impact.
- o If bad news surfaces, consider reporting it to the media. By doing so, the company can best position the information and take steps to demonstrate that the situation is under control or is being corrected. Remember, rarely does withholding bad news pay-off. The media will likely uncover the bad news anyway through leaks or through their own investigations.
- o Always tell the truth, even if it hurts.

The following are general guidelines for surviving media interviews:

- o Resist the instinct to be combative. Never get angry with the media, no matter how belligerent a reporter may get.
- o Be aware of media deadlines, and if possible, adhere to these deadlines. If the spokesperson knows he/she will not be able to meet the deadline, let the reporter know as soon as possible.
- o Never say, "No comment." It implies guilt or something to hide.
- o Never make "off the record" remarks to a reporter.

CONDUCT EFFECTIVE MEDIA RELATIONS, Continued

- o If the spokesperson doesn't know the answer, say so. Then find the answer and get back to the reporter as promptly as possible.
- o Don't speculate. The spokesperson should stay within his/her expertise.
- o Be concise and quotable. State the most important points or conclusions at the beginning of the interview and at the beginning of each response to a question. When making a point, give the conclusion first, then give the reasoning. A 15-minute interview with a reporter may result in just a 20-second sound bite or one sentence in a three-column newspaper article. That is why it's important to emphasize key points as briefly as possible in each answer.
- o Avoid technical jargon or acronyms. Use language everyone understands. Translate hard to understand information by using interesting examples or case histories.
- o When answering a question, keep in mind what is important to the audience -- what they really care about. Show empathy for their concerns, whether or not they are justified. Their fears are very real to them.
- o If the reporter uses a negative term or phrase in the question, don't repeat it when answering the question.
- o If the interviewer's question is based on misinformation, tactfully correct the question.

CONDUCT EFFECTIVE MEDIA RELATIONS, Continued

Depending upon the situation, a number of tactics will be used to reach the media during a crisis. These media tactics can be adapted for use on a very limited local, state or regional basis or on a widespread national basis. In addition, many of these tactics are suitable for use with other key audiences.

Crisis Hotline/Information Clearinghouse

A Crisis Hotline and Information Clearinghouse on the environmental impact of liquid chlorine bleach products will be established for key audiences including media, direct customers, public health officials, employees, etc., and potentially to consumers at large.

Specially trained operators will screen the calls and refer them to the appropriate Clorox or third-party spokesperson for a response. The operator also will fill requests for written materials contained in the crisis information kit and keep a log of all calls. In some cases, a pre-recorded statement on the crisis may be incorporated into the hotline. Callers would first hear the statement, then wait to talk with an actual operator.

The hotline will be promoted through rolodex mailings to reporters and will be highlighted on all crisis kit materials.

CONDUCT EFFECTIVE MEDIA RELATIONS, Continued

Editorial Response Program

The Clorox Company will implement a grassroots program to provide quick response to negative and unbalanced news reports. However, each situation will dictate the most appropriate response. In some instances, a response will come from the Clorox spokesperson or a scientist advisor. In others, the company will help to generate a series of grassroots responses from industry allies.

One-on-one Media Contact

When appropriate, telephone calls with key national media (or local media if the crisis is contained to a smaller area) will solicit their interest in one-on-one interviews or briefings with Clorox spokesperson(s) and/or third-party scientists.

News Conference

A news conference is a good way to inform key media of new information or to release a special statement pertaining to the crisis. A news conference can be accomplished "in person" or by satellite (described on the next page), depending upon the particular crisis.

To add credibility to the news conference, third-party scientist participation is highly recommended.

The crisis information kit will serve as a leave-behind for reporters covering the news conference and will be sent to those not able to attend. Short statements by news conference participants will be included in the information kit as well.

EDIA RELATIONS, Continued

guest editorials) -- authored by scientist advisors or the
be developed for placement with trade and general consumer
in a given area or nationally. As with the issue
e used to place the issue into proper perspective, refute a
x messages and positions and/or calm public fears.

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will highlight a third-party scientist supporting the
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ssage, yet are given the credibility of an original newscast
to reach local media markets.

answering a series of tough questions on the environmental
cts in 30- to 45-second sound bites. Ideally prepared in
will be distributed to target television stations should
also will serve as an excellent tool for educating other
s, including employees, direct customers, industry allies
tc.

in the form of a Q & A sheet will help spokespersons
oses to difficult questions during media interviews.
engagements. The Q & A document also can be included in
ppropriate.

KEEP EMPLOYEES ABREAST OF THE SITUATION

Because employees are often the first to receive inquiries from "outsiders" about the situation, it is important to communicate with this critical audience throughout the crisis.

It also is vital to maintain employee morale by keeping employees fully abreast of the aggressive efforts the company is taking to manage the crisis.

Clorox plant, warehouse, division and sales managers will be instrumental in feeding information from the Crisis Management Team to employees. Vehicles to reach employees include group meetings, newsletters, letters from management, posters and pay check stuffers.

MOBILIZE INDUSTRY ALLIES

The industry allies identified in the planning stage will be mobilized to serve as grassroots ambassadors once a crisis has occurred. It will be important to delineate specific roles/tasks for these allies, as well as to coordinate, be fully aware of and control (as much as possible) their specific efforts.

TALK WITH CUSTOMERS

One of the most important audiences for The Clorox Company is its direct customers -- distributors and retailers. Like media, they are direct conduits of information to consumers of Clorox products. They also are the vital "middle-men" in selling Clorox products to consumers. Efforts will include:

- o Keeping direct customers fully aware of efforts to resolve the crisis through direct contact, mailings and trade media placements.
- o Providing direct customers informational materials highlighting research and safety data on the environmental impact of liquid chlorine bleach products.
- o Producing a special brochure or point of purchase materials or displays on the issues, which can be disseminated to consumers through retailers.
- o Promoting the Crisis Hotline/Information Clearinghouse for use by direct customers, and if appropriate, by consumers.

ENLIST GOVERNMENT RELATIONS SUPPORT

Clorox's Government Relations staff will be instrumental in supporting crisis efforts to reach critical regulatory and legislative officials on the national and/or state basis, depending upon the situation. Government relations support activities will include:

- o Monitoring the crisis as it affects legislative and regulatory policy and decisions.
- o Ensuring minute-to-minute coordination with government regulatory and legislative officials during the crisis.
- o Briefing legislators and regulators as needed. These briefings may include a third-party independent scientist as well.
- o Delivering effective testimony and/or securing third-party scientists to testify on behalf of The Clorox Company.

In the event of a crisis, representatives of key federal and/or state government groups -- such as the U.S. Environmental Protection Agency -- may be called into play to reassure other public policy officials and the general public that liquid chlorine bleach-based products are environmentally safe.

The designated Crisis Team member assigned to manage government relations should work closely with public affairs officials at appropriate government agencies. Sharing industry statements with key government officials prior to their release often results in reciprocal action on their part. Keeping an open line of communications with public affairs officers and technical officials in these agencies is essential. Be prepared to implement these activities on a local or state-by-state basis if that is where the battle is waged.

ACTIVATE SCIENTIFIC COMMUNITY SUPPORT

The scientific allies identified in the planning stage will be activated to provide support for crisis management efforts. Scientists will be used as appropriate in conducting many of the media relations and influentials outreach tactics outlined in this crisis plan. The Crisis Management Team, along with the scientists, will determine the most effective roles for these scientific allies.

ACTIVATE GRASSROOTS SCIENTIFIC AMBASSADORS

Once a crisis has occurred, the grassroots scientific ambassadors recruited in the planning phase of this program will be instrumental in spreading credible messages to a variety of important audiences, thus calming fears raised by the crisis situation.

It will be important to keep these ambassadors fully abreast of all crisis developments and provide them all pertinent informational materials as they are developed.

CONDUCT "QUICK TAB" CONSUMER RESEARCH

In many crisis situations, it will be vital to monitor the impact issues are having on public opinion. The Clorox Company can either use its Research Department or an outside research firm to conduct "quick tab" or overnight consumer opinion research. Findings from this research will then be used by the Crisis Management Team to fine-tune crisis strategies and formulate messages addressing these concerns.

The conclusion of the crisis also is a good time to conduct follow-up opinion research. This research can tell the Crisis Team how well The Clorox Company weathered the crisis and point the way to formulating post-crisis communications strategies.

CONDUCT A POST-CRISIS EVALUATION

The best learning process comes from direct experience. Following the crisis, the Crisis Management Team will review the effectiveness of the Crisis Plan — evaluating what worked and what didn't work. Based on this review, the team will refine the Crisis Plan, in order to best prepare The Clorox Company for its next challenge. This experience also will give clues for preventing similar situations from occurring.

It will be important to continue monitoring the situation to make sure that the crisis is truly over. In addition, communications channels to key audiences identified during the crisis should remain open as The Clorox Company takes steps to recover fully from the crisis and to prevent similar episodes in the future.

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