Operating in today’s world requires an enhanced focus on conserving earth’s finite resources, addressing climate change and maintaining the well-being of our planet for generations to come. Colgate’s planet-related commitments cover our energy use, carbon emissions, water use and waste generation. We are also committed to sustainably-built and run facilities. Guided by our 2011 to 2015 Sustainability Strategy, we’re making progress in each of our Planet goals, and working with partners and consumers to make “Planet” a priority.

We’ve also set a goal of five percent of manufacturing capital investment for projects that protect the planet: “Five percent for the Planet.” And in 2012, we budgeted approximately six percent.

| At a Glance |
| 14% reduction in greenhouse gas emissions and 15% reduction in energy per ton of product manufactured in 2012 vs. 2005 |
| 30% reduction in water use per ton of product manufactured in 2012 vs. 2005 |
| 10% reduction in waste sent to landfill per ton of product manufactured vs. 2010 |
| 7 Leadership in Energy and Environmental Design (LEED-NC)-certified manufacturing facilities with an additional 4 under construction¹ |
| 33% of our manufacturing facilities have achieved U.S. EPA ENERGY STAR Challenge for Industry Recognition |

¹ “LEED” and related logos are a trademark owned by the U.S. Green Building Council and is used by permission
Environmental Management

It is Colgate’s worldwide policy to manufacture and market our products and operate our facilities so that we conform to, and often exceed, applicable environmental, health and safety rules and regulations. Our Environmental, Occupational Health and Safety (EOHS) standards, including the Management Systems Standard, define environmental performance expectations for Colgate facilities. All Colgate facilities must have a fully implemented EOHS Management System, covering a wide range of categories, including energy, water and waste management. Colgate’s manufacturing environmental performance goals are included in our Global Supply Chain annual objectives, which are cascaded to site-level Facility Managers, Energy Managers and EOHS Managers.

To ensure compliance with Colgate standards, Colgate audits all of our manufacturing facilities, owned and operated warehouses, research and technology centers and large office locations under management control. Audits are performed by a team of Colgate EOHS professionals from locations independent of the specific site being audited. (See page 44 for more information on Supplier environmental performance).

Managing Risk

Prudent risk Management is key to the well-being of the Company and the delivery of our strategic objectives. We utilize an Enterprise Risk Management Program to identify, assess, prioritize and manage risks. These risks are evaluated from a multi-dimensional perspective and consider probability, severity and adequacy of mitigation. The Enterprise Risk Management Committee is sponsored by the Chairman, President and CEO of the Company and includes representation from key internal business leaders. Risks are collectively identified across the organization and are classified within the Strategic, Financial, Operational, Information Technology, Legal & Compliance and Emerging Risk Categories. Each Risk Category is assigned an owner who is also a member of the Enterprise Risk Management Committee and who is ultimately accountable for successfully managing the identified risk. Sustainability related risks are represented across several Risk Categories.

Further detail of our risk management strategies related to both climate change and water availability can be found in our response to CDP’s (formerly Carbon Disclosure Project) annual climate change and water surveys.

Local Recognition

Colgate sites around the world have been recognized by organizations in their own community for their excellent environmental management:

**United States**
Global Technology Center in Piscataway, New Jersey was awarded the New Jersey Department of Environmental Protection’s (NJDEP) Certificate of Environmental Stewardship.

**India**
Colgate’s Baddi facility recently received the Nalagath Industries regional Environment Initiative Award 2012.

**South Africa**
Boksburg facility recently received the ETA ESKOM Award from the Minister of Energy.

**Mexico**
Mexico plant received recognition from PROFEPA, the country’s federal environmental agency.
Reducing Energy Use and Greenhouse Gas Emissions

We believe businesses have a vital role to play in the global issue of climate change, and we’re committed to continuously improving our greenhouse gas governance and performance around this challenge.

Our 2015 goal is to reduce the energy consumption and carbon emissions per unit of production associated with the manufacture¹ and distribution² of our products by 20 percent. We are on track for this reduction, with a 15 percent reduction in energy, and a 14 percent reduction in carbon emissions per unit of production in 2012 vs. 2005³.

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¹ Vs. 2005
² Vs. 2008 for Europe and Hill’s delivery; 2010 for U.S., Hill’s replenishment; 2011 for Greater Asia; 2013 for South Pacific and Africa
³ Subject to certification by third-party auditor
Highlights on Colgate's Journey to Reduced Greenhouse Gas Emissions

1998
- Started collecting and analyzing global energy use data

2002 to 2004
- Completed first greenhouse gas inventory
- Established a Global Energy Reduction team
- First reported to the Carbon Disclosure Project

2006 to 2007
- Achieved U.S. Green Building Council (USGBC) LEED certification for seven newly-constructed manufacturing facilities and Global Technology Center (2006 to 2011)
- Joined U.S. EPA ENERGY STAR as a Partner
- Set 2% of capital budget for investment in energy and carbon reduction products

2008
- Recognized as a member of the Carbon Disclosure Leadership Index
- Engaged over fifty of Colgate's largest suppliers and contract manufacturers to participate in CDP's Supply Chain Leadership Collaboration
- Completed baseline greenhouse gas inventory for Europe Logistics Network
- Earned U.S. EPA SmartWay certification for Hill's Pet Nutrition business

2009 to 2010
- Recognized as a member of the Carbon Disclosure Leadership Index
- Optimized our European logistics network
- Completed organization-wide lighting retrofit
- Earned U.S. EPA SmartWay certification for U.S. Company

2011
- Selected as a U.S. EPA ENERGY STAR Partner of the Year
- Designated site energy coordinators at every manufacturing site around the world
- Set 5% of capital investment for projects that protect the planet
- Conducted an extensive energy and CO2 baseline survey to identify best practices and improvement opportunities
- Achieved the U.S. EPA ENERGY STAR Challenge for Industry award at 12 manufacturing sites that reduced their energy intensity by a minimum of 10%

2012
- Selected as a U.S. EPA ENERGY STAR Partner of the Year for the second year in a row
- Conducted Energy Reduction Webinars with our manufacturing locations worldwide
- Launched a global “Top 10” Energy Actions program to address our most impactful energy and CO2 reduction opportunities
- Piloted the Energy Treasure Hunt program at two large manufacturing facilities in Brazil, resulting in the identification of nearly 200 ideas to reduce energy and cost. A global rollout is planned for 2013.
- Achieved the U.S. EPA ENERGY STAR Challenge for Industry award at nine additional manufacturing sites

And in 2013, we've been named a U.S. EPA ENERGY STAR Partner of the Year for the third year in a row.
Our Oral Care Carbon Footprint

We have estimated the life-cycle carbon footprint across our global Oral Care product category using the Greenhouse Gas Protocol. We’ve identified “hotspots” with the largest impacts and greatest opportunities for reduction and are beginning to leverage this information to help us improve design and development of our products.

Renewable Energy

We are continuing to evaluate alternative energy and renewable energy such as solar, fuel cells, green power and cogeneration for feasibility and applicability in various locations worldwide.

We’ve installed photovoltaic solar panels at our manufacturing plant in Anzio, Italy, resulting in a CO₂ reduction of 118 metric tons per year. The panels can also recharge electric vehicles.

At our Mission Hills, Mexico plant we’ve installed 144 photovoltaic cells on top of the factory and installed “solar domes” to provide natural lighting.
In 2012, Colgate undertook an aggressive initiative to increase the reporting and analysis of CO₂ associated with the distribution of its products (logistics). We now calculate the carbon impact for over 80 percent of our global production volume. In both the U.S. and Europe, we have reduced our logistics CO₂ emissions by over 20 percent per ton of finished goods moved.

We’re also working to increase the amount of intermodal transportation — in which goods are shipped in an intermodal container or vehicle that can move through different modes of transportation, such as by sea and rail. When compared with using trucks and aircraft, intermodal transportation reduces greenhouse gas emissions and saves cost. In the U.S., we use intermodal service over 75 percent of the time where it is feasible.
Water Conservation, Access and Awareness

Water is one of life’s most basic needs, and it is essential for business growth as well. Water is an ingredient in many Colgate products, and is required in almost every phase of the product life cycle: from sourcing raw materials to producing products to consumer use of products. Clean water is also vital to the communities we serve and is an increasingly scarce resource in some regions of the world.

Reducing Water Use

Colgate’s 2015 goal is to reduce the water consumed per unit of production in the manufacture of our products by 40% vs. 2005. We are on track, with a 30% reduction as of 2012.¹

Global Manufacturing Water Usage Intensity*  

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<td>1.25</td>
<td>1.00</td>
<td>0.75</td>
<td>0.50</td>
<td>0.25</td>
</tr>
</tbody>
</table>

*Not including water in products

¹ Subject to verification by third-party auditor.
2012 Water Highlights

In 2012, Colgate established a Global Manufacturing Water Reduction Team with the mission to drive our water reduction goals while improving quality, safety and reliability, and reducing cost. The team is made up of engineers and environmental professionals from five continents, all bringing their regional diversity on water issues to the global team. In 2012, we launched a comprehensive facility survey related to water risks, supply, equipment and reduction practices, meant to help establish a global baseline for the company and identify our best practices and opportunities. Additionally, we developed a system to help identify and then share best practices related to reducing water at our global manufacturing sites.

As a way to continuously assess the risks associated with global water issues, Colgate has developed a strategy to prioritize and act on water risk issues in all geographies. For several years this has included both geographical and local evaluations of risks and opportunities. For example, Colgate has utilized the Global Water Tool from the World Business Council for Sustainable Development to evaluate water stress conditions (both current and predicted) in geographies where we have manufacturing sites and key suppliers. Additionally, we have utilized the Global Environmental Management Initiative (GEMI) Water management risk assessment questionnaire to help sites in water-stressed areas evaluate their potential water risks related to supply, reliability, economics, compliance and community relations. In 2012, we began engaging external experts to undertake targeted water risk assessments at selected locations in Mexico and India.

Further details of Colgate’s risk management related to both climate change and water availability can be found in our response to CDP’s annual climate change and water surveys.

What Is the “True” Cost of Water?

In 2012, Colgate partnered with the Rutgers Business School and its Supply Chain Management Program to develop a “True” Cost of Water Toolkit. This manufacturing-based toolkit is meant to help give visibility to many of the hidden costs related to water usage, such as energy, material and treatment costs, thus giving a truer representation of both the cost of using water and the financial benefits of reducing water. The “True” Cost of Water tool will be launched within Colgate in 2013 with expectations of global participation.
Providing Access to Water

Access to water is a crucial issue in some of the regions where Colgate operates and sells its products. Building on our success with sponsoring “Play Pumps” in South Africa, one of Colgate’s 2011 to 2015 Sustainability Strategy goals is to work with local and global organizations to help promote access to clean water. We performed an extensive search for the right equally-focused organization to partner with to provide access to clean water in underserved areas of the world.

Colgate is pleased to announce our partnership with Water For People. Water For People develops innovative and long-lasting solutions to the water, sanitation and hygiene problems in the developing world. They work in specific districts and partner with the community, local governments and supporters in order to reach the goal of Everyone Forever. This means 100 percent coverage that is planned, designed and built to provide clean water and sanitation that will last forever.

Through Colgate’s sponsorship, in 2013 Water For People will reach over 10,000 people with new community water and sanitation systems and health and hygiene education in both India and Guatemala. This project will go beyond sponsorship to true partnership: Colgate will implement our “Bright Smiles, Bright Futures” dental health education program and handwashing education program in the schools that will be receiving clean water.

In the Netherlands, Colgate ran a campaign that donated one month of clean water to a person in Gambia for every bottle of our product Sanex Zero% that was sold.

Colgate will continue our sponsorship of “Play Pumps” in South Africa, which provide an opportunity for children to play and help villages obtain clean water from wells.
Reaching Consumers with Conservation Messaging

From toothpaste, to body wash, to dishwashing liquid, many of our products require either hot or cold water for their use. We are working to make products that require less water or require cold water vs. hot (thus using less energy and generating fewer emissions), including Suavitel No-Rinse Fabric Softener in Latin America, Palmolive Cold Power dish detergent in Europe, and Cold Power laundry detergent in Australia.

As many home care, personal care and oral care products in our industry will continue to need water, consumers have a powerful role to play in helping the environment as they use our products, through actions such as turning off the tap while brushing their teeth and washing their hands, and taking shorter showers. In order to help consumers in this effort, Colgate’s 2011 to 2015 goal is to promote water conservation awareness among over two billion consumers.

2012 Highlights

- In 2012, Colgate partnered with stores in Europe to educate consumers about saving water while brushing teeth, washing hands, showering and doing dishes.
- In Latin America, we reached close to 18 million people with water conservation messaging through “Bright Smiles, Bright Futures” and Handwashing programs, as well as in-store displays, packaging and Web communications.

In 2013, we plan to expand the reach of our water-related consumer education programs in key markets worldwide with an exciting new campaign.

Educating Consumers

In Portugal, in-store displays in Dia stores reminded consumers to turn off the faucet while brushing their teeth.
Reducing Waste

Colgate's 2011 to 2015 goal is to reduce waste sent to landfills per unit of production from our operations by 15 percent. So far, we've reduced waste by 10 percent in the past two years.

Our sites have been working on this initiative for many years, but in 2012 Colgate formalized our approach to driving reduction. We are piloting a simplification program aimed at reducing the number and complexity associated with our waste vendors, bringing both cost reductions and improved alternatives to landfill disposal. We are also developing standardized Waste Scorecards to help increase the visibility and understanding of our waste reduction opportunities. Additionally, we have developed and are piloting a global strategy focused on working towards “zero” landfill waste with our global manufacturing sites.

Addressing Waste after Product Use

As a consumer packaged goods company, we recognize the importance of reducing waste at every stage of the product life cycle, including at the end-of-life of our products.

Colgate is a member of multiple industry groups that partner on developing sustainable packaging design:

- Colgate founded the American Institute for Packaging and the Environment (AMERIPEN) with other companies. AMERIPEN is a trade organization focused on coordinating the industry’s environmental packaging efforts.
- We’re members of The Industry Council for Packaging and the Environment (INCPEN) and the European Organization for Packaging and the Environment (EUROPEN).

We also partner with eco-innovator Terracycle in the U.S., Mexico, Turkey, Brazil, Austria, Germany and Argentina. Terracycle “upcycles” Colgate packaging collected at schools, stores and other locations into new and affordable eco-friendly products, while generating revenue for schools and charities.

See page 26 for more information on our packaging progress.

Partnering with Terracycle

Over 2 million people around the world are collecting used Colgate packaging to be made into new products by Terracycle.
Commitment to Sustainable Buildings

Since 2006, Colgate has built seven new state-of-the-art manufacturing facilities, all of which have achieved LEED certification. LEED is an internationally recognized green building certification system. Our global toothbrush facility in Vietnam was the first LEED-certified facility in the country. Not only do the buildings reduce Colgate’s environmental impact, but the new site locations also reduce the Company’s overall exposure to water and climate change related issues.

Additionally, 33 percent of Colgate’s manufacturing sites have achieved U.S. EPA ENERGY STAR Challenge for Industry recognition for improving energy efficiency by at least 10 percent within five years.