Performance at Colgate is more than just financial strength—it is our commitment to grow the business with innovative, more sustainable products that make the lives of consumers healthier and more enjoyable.
Performance

77% of palm oil and palm kernel oil purchases are of physical certified sustainable oils; balance covered by GreenPalm certificates.

58.6% Gross profit margin 2015.

37% Approximately 37% of our packaging materials by weight globally come from recycled sources.

90% Over 90% of our pulp and paper is certified or is in the process of being certified as being sourced from responsibly managed forests.

85% Improved sustainability profile in 85% of new products.

$16,034 Million worldwide sales 2015.

The performance results are based on representative new products and product updates evaluated against comparable Colgate products, considering a 2010 baseline, across seven impact areas to characterize likely improvement in the sustainability profile, based on review of quantitative and qualitative data.
Financial Strength

For the full year 2015, worldwide net sales were $16,034 million. Global unit volume grew 1.5 percent and pricing increased 3 percent. Our leading share of the global toothpaste market increased and our global leadership in manual toothbrushes also strengthened.

Additional 2015 highlights can be found in Colgate’s 2015 Annual Report.

In 2015, Forbes named Colgate one of the World’s Most Reputable Companies and Most Innovative Companies.

The Colgate brand was ranked in 2015 by Interbrand as one of the Best Global Brands.

Colgate’s Governance Principles support our continuing financial success. See the Governance section on Colgate’s website at ColgatePalmolive.com for more information.

Additional notes:

1. 2013–2015 exclude charges related to the 2012 Restructuring Program. 2012–2014 exclude costs related to the sale of land in Mexico. 2011 excludes costs associated with various business realignment and other cost-saving initiatives. A complete reconciliation between reported results (GAAP) and results excluding these items (Non-GAAP), including a description of such items, is available on Colgate’s website and on page 130 of this report.

2. 2015 excludes a gain from the sale of the Company’s laundry detergent business in the South Pacific and excludes charges related to a change in accounting for the Company’s Venezuelan operations, the 2012 Restructuring Program and certain other 2015 items. 2013 and 2014 exclude charges related to the 2012 Restructuring Program, remeasurement charges resulting from devaluations and effective devaluations in Venezuela and certain other 2013 and 2014 items. 2012 excludes charges related to the 2012 Restructuring Program and certain other 2012 items. 2011 excludes costs associated with business realignment and other cost-saving initiatives and certain other 2011 items. A complete reconciliation between reported results (GAAP) and results excluding these items (Non-GAAP), including a description of such items, is available on Colgate’s website and on page 130 of this report.

3. Per share amounts have been restated for the 2013 two-for-one stock split.
Consumer-Driven Innovation

Every day, people around the world use Colgate products to care for themselves, their families and their pets. Colgate delights shoppers with innovative products that meet their needs, exceed their expectations and add value to their lives. Colgate’s nine consumer innovation centers, situated close to consumers in different parts of the world, are focused on developing insight-driven innovation. Operating in over 200 countries and territories across four major product categories that encompass over 20 sub-categories, Colgate launches over 600 new products and product updates every year.

Engaging to Build Our Brands with Consumers

Stronger consumer engagement begins with better insights. We are obtaining deeper and more meaningful consumer insights and using them to strengthen product development, packaging and the communications we deliver through our integrated marketing campaigns.

We listen to consumers both as we develop products and when they are put on the shelves. Over 1,000 studies are conducted annually around the world to hear from consumers before our products are sold. We have built brand loyalty by maintaining a deep understanding of local tastes and habits across categories. Colgate investigates key consumer insights, unmet consumer needs and opportunities for performance improvement in existing products.

We also listen to consumer feedback on our products. Colgate’s Consumer Affairs departments manage consumer relations around the world, covering 95 percent of Colgate’s business. Highly skilled consumer representatives respond to consumer complaints, inquiries and compliments through multiple channels of communication. We use robust quality control and quality assurance programs to ensure Colgate’s consumer satisfaction policy is followed and provide continuous feedback to improve our service delivery. In addition, we regularly monitor key performance indicators for service in several regions around the world, specifically for phone interactions, striving for 100 percent satisfaction. In our 2015 surveys, over 90 percent of consumers who called us in North America were “satisfied” or “very satisfied” with our service.

Colgate launches over 600 new products and product updates every year.*

*Minions image licensed from Universal Studios Licensing LLC. All Rights Reserved.
Increasingly, consumers are purchasing products that both meet their needs and have a reduced environmental and social footprint. They want to buy safe products from brands that they trust and expect transparency about the ingredients in their products.
Product Sustainability at Colgate

Product sustainability at Colgate means a continued commitment to safe, sustainable, high-quality products that consumers can trust. Collaborative teams across the Colgate world are coming together to develop products with an improved sustainability profile that continue to meet and exceed consumer expectations. As part of our 2015 and 2020 Sustainability Strategies, we have committed to increase the sustainability profile in all new products we produce and in the balance of our portfolio. We are embedding this goal across all categories. In 2015, we improved the sustainability profile in 85 percent of our new product launches (see page 68).

We also recognize that consumers are increasingly interested in products with a sustainable or natural brand promise, and we provide products to meet this expectation. For example, our Tom’s of Maine business provides products created with a defined Stewardship Model for natural, sustainable and responsible product development and ingredient sourcing (see page 79).

Product sustainability at Colgate extends beyond our own operations to the full value chain of our products, from our supply chain to consumer usage, to product end-of-life. We are working to reduce the carbon footprint of our ingredients (see page 92), to reduce the water needed during the use of our products (see page 101), and taking steps to encourage a circular economy for our packaging (see page 112).

Each global category—Oral Care, Home Care, Personal Care and Pet Nutrition—has specific sustainability strategies and goals. For example, in our Home Care category we are working to offer concentrated products, improve ingredient biodegradability, engage with suppliers on green chemistry and continue to expand the portfolio of products that help consumers use less water. In the Personal Care category we are educating consumers in underserved communities with handwashing education programs, formulating products with an improved ingredient sustainability profile and exploring products that allow consumers to use less water. Within the Oral Care category, we have goals to expand the number of children reached though our Bright Smiles, Bright Futures program, a commitment to breakthrough innovation in oral care packaging and a commitment to remove PVC from toothbrush packaging. We are also promoting water conservation awareness to our consumers with a Save Water message. Hill’s Pet Nutrition supports shelters and pet adoption through its Food Shelter Love Program and is taking steps to improve consumer communication with on-package recycling communications on cans, making a commitment to responsible and sustainable seafood and leading our Zero Waste to Landfill efforts.

Some of the choices we make for our products may affect multiple products within a category. For example, improving a preservative can have far-reaching impacts across more than 20 product variants (see page 70 for examples).

Colgate has also integrated sustainability into our product development and packaging design processes. Changes and opportunities to improve product sustainability are considered throughout the development process by multiple functions. Annually, new products planned for launch are reviewed with our Product Sustainability Scorecard.
Product Safety and Quality

The decisions we make on ingredients are based on a thorough evaluation of the latest scientific evidence. When we choose an ingredient—whether to contribute to the performance of a product or to keep it safe against microorganisms—it is first pre-screened by a team of Colgate scientists. Every ingredient is assessed alone and within a formula to ensure that nothing unexpected will occur. Our ingredient review assesses not just what happens in our laboratories, but also across a range of real-world conditions—during manufacturing, in transportation, at the store, in consumers’ homes and after consumer use.

We continuously monitor and evaluate the safety of our ingredients, and we actively engage with outside experts and resources to understand emerging science and deepen our knowledge. We seek the facts so that we can make the right decisions. Where we see opportunities regarding ingredients that are raising consumer questions, we substitute with other safe ingredients that provide the same or better benefits without sacrificing quality. Through this ongoing effort, we no longer use or are on our way to eliminating some of the ingredients currently raising consumer questions, as described below.

Ingredient Highlights

- In 2013, Colgate made commitments to eliminate formaldehyde donors, parabens, phthalates and microbeads from our products over the next two years. Colgate has eliminated phthalates and microbeads from all products and expects to eliminate formaldehyde donors and parabens in the limited number of remaining products over the course of 2016. See Colgate’s Policy on Ingredient Safety for more information.

- We comply with all aspects of the European Union’s REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemical substances).

- We disclose in the U.S. and Canada the ingredients in Oral Care, Personal Care and Home Care products according to the Consumer Product Ingredient Communication Initiative (CPICI) of the American Cleaning Institute, the Consumer Specialty Products Association and the Canadian Consumer Specialty Products Association.

- As a member of the Grocery Manufacturers Association, Colgate contributed to the development of the Smart Label™ initiative. This platform will enable consumers to obtain additional details about products by scanning a QR code or doing an online search to reach a landing page with information on ingredients.
Product Safety Testing
Colgate has a long-standing worldwide policy to minimize and to ultimately eliminate animal testing for all Oral Care, Personal Care and Home Care products. Central to this commitment are our 30-year-long efforts to encourage the development of alternatives that are scientifically valid and can be accepted by safety regulators. We are a leader in promoting, encouraging and participating in the development, validation and acceptance of alternative non-animal testing methods worldwide, investing over $1 million annually on research with non-animal alternatives. We also work closely with worldwide regulatory agencies to examine how non-animal tests can be incorporated into their safety requirements for consumer products.

Globally, there are circumstances when regulatory agencies require animal testing. In such limited instances, the tests are conducted at external testing facilities that meet both government standards and the rigorous requirements established by Colgate with input from animal welfare groups. We look forward to a day when all necessary safety studies can be performed without the use of animals and will continue to work to help make that day come sooner.

For more information on Hill’s Pet Nutrition’s commitment to the humane treatment of dogs and cats, see the Hill’s Commitment to Animal Welfare at HillsPet.com.

Colgate continues our commitment to finding and using alternative testing methods through support and involvement with the European Partnership for Alternative Approaches to Animal Testing (EPAA) and the Institute for In Vitro Sciences (IIVS). We actively share our work to reduce animal use and develop alternatives so that this information can help others in their search for ways to minimize animal use.
Colgate’s Product Sustainability Scorecard

In order to measure progress toward our 2015 goal to increase the sustainability profile in all new products we produce and in the balance of our portfolio, Colgate began evaluating new products using a Product Sustainability Scorecard in 2012. Colgate engaged Pure Strategies, a leading sustainability consultant, to validate our Product Sustainability Scorecard and the 2013–2015 results. Pure Strategies provided the following validation statement in regard to the Colgate Product Sustainability Scorecard: “Nothing came to our attention that caused us to believe that Colgate’s Product Sustainability Scorecard could not be used to track progress on improving the sustainability profile of new products and the balance of their portfolio.” The scorecard rates products with 25 parameters across seven impact areas: Responsible Sourcing and Raw Materials, Energy and Greenhouse Gases, Waste, Water, Ingredient Profile, Packaging and Social Impact. Colgate set a stretch goal to improve the sustainability profile in all new products by 2015. Through cross-functional collaboration across the Colgate world, we have made progress each year and are delighted to have improved the sustainability profile in 85 percent of new products in 2015.\(^1\) We will continue our progress in the coming years, with a renewed stretch goal to reach 100 percent by 2020.

| Percentage of New Products with Improved Sustainability Profile |
|---|---|---|---|---|---|
| 2012 | 2013 | 2014 | 2015 | 2020 Goal |
| 24% | 48% | 72% | 85% | 100% |

\(^1\)The performance results are based on representative new products and product updates evaluated against comparable Colgate products, considering a 2010 baseline, across seven impact areas to characterize likely improvement in the sustainability profile, based on review of quantitative and qualitative data.
2015 Product Highlights

Palmolive Caprice Specialties shampoo and conditioner products in Mexico now require nearly 90 percent less water to manufacture and have an improved ingredient sustainability profile.

Developed to appeal to Chinese consumers looking for effective products with healthy, natural ingredients, a new line of toothpaste launched in 2016 in China offers refreshing benefits. It uses natural ingredients such as aloe extract, seaweed extract and lotus leaf extract.

As part of our work with suppliers to improve the sustainability of preservatives in raw materials, products such as Irish Spring Signature for Men Hydrating body wash and Softsoap brand specialty foaming hand soap in North America now contain a self-preserved surfactant (an important soap ingredient).

A portable travel toothbrush in North America is now made with 20 percent less plastic resin and the package now includes our Save Water reminder. Less energy is also required in the manufacturing process.

Ajax Lemon Lime dish detergent in Colgate’s Africa/Eurasia Division now has an improved ingredient sustainability profile, requires less water and generates less waste in the manufacturing process and has an improved ratio of the weight of the package compared to the weight of the product.
2015 Product Highlights

New Sanex Advanced Atopiderm hand cream in Europe has an improved ingredient sustainability profile, contains no parabens and provides a clinically-proven improvement in skin soothing, softness and smoothness.

Palmolive Naturals bar soap in Latin America now requires less energy and water to manufacture and produces 8 tons less manufacturing waste per month.

Moving towards more local sourcing of ingredients and products reduces greenhouse gas emissions associated with transportation. For example, Colgate Optic White Whiten and Restore in Turkey is now sourced from Poland instead of China; Colgate’s Maximum Cavity Protection toothpaste from Colombia, Ecuador and Peru is now sourced from Colombia instead of Mexico; and a key ingredient in Colgate Maximum Cavity Protection Plus Sugar Acid Neutralizer toothpaste in Europe is now sourced from the United Kingdom instead of Brazil.

Colgate Max Fresh Shockwave toothpaste in North America has an improved ingredient sustainability profile.

Palmolive Spa Gourmet Mint shower gel in Colgate’s Africa/Eurasia Division has an improved ingredient sustainability profile, and fewer resources are required to produce the product formula.

Sustainability improvements made across a platform of products, such as a range of similar toothpaste or body wash products, can have a big impact. For example, several toothpaste variants in Latin America, such as Colgate Herbal Brilliant White toothpaste in Argentina, now contain a natural key ingredient instead of a chemically-converted ingredient. The glycerin for the toothpaste is also now sourced from Latin America, and the toothpaste requires less water for production.
2015 Product Highlights

Introduced in Poland in 2014, an improved manufacturing process for a range of toothpaste variants reduces the energy, greenhouse gases, water and waste associated with production. In 2015, this improvement was made for Colgate Total Daily Repair, Colgate Sensitive with Sensifoam and Colodent Whitening Explosion in Europe.

Ajax Citrus Burst floor cleaner in Colgate’s South Pacific region has an improved ingredient sustainability profile, and fewer resources are required to produce the product formula.

We improved the ingredient sustainability profile in an update of Softsoap Black Orchid and Velvet Hibiscus body wash in the U.S.

Colgate continues to offer more sustainable product options, including Palmolive eco+ automatic dishwasher detergent, which is phosphate-free; Palmolive pure + clear dishwashing detergent, which has no heavy fragrances; the Sanex Zero% range, specifically developed to contain a reduced number of chemical ingredients; and Tom’s of Maine personal and oral care products with naturally sourced or derived ingredients.
Improving Raw Materials

Colgate is working with our supplier partners to improve the sustainability of our raw materials. We are exploring ways to implement green chemistry, move to renewable raw materials and improve our upstream carbon and water footprints.

Product Highlights

Colgate is partnering to identify and develop more sustainable preservation solutions, including sponsoring and participating in the Green Chemistry and Commerce Council (GC3) Preservative Task Force. We are also working with chemical suppliers to improve the sustainability of preservatives in raw materials and moving to self-preserved raw materials where possible. For example, an ingredient that is now used across all of Softsoap cleansing products is a self-preserved surfactant, cocoamido propyl betaine, which does not need an additional antimicrobial preservative.

Several Hill’s Pet Nutrition products have a reduced carbon footprint due to energy efficiency improvements in the supply chain. For example, a Hill’s vitamin supplier now uses solar energy to contribute the energy needed for vitamin production. Other suppliers have also reduced their water use and greenhouse gas emissions, improving the footprint for products such as Hill’s Ideal Balance Crafted Grain Free, Hill’s Science Diet Feline Adult Hairball Control and Hill’s Prescription Diet Canine Metabolic and Mobility.

Tom’s of Maine uses a USDA-certified bio-based propylene glycol, which is made from renewable carbon content (vegetable oil) instead of petroleum in its deodorants, reducing greenhouse gases by up to 61 percent based on life cycle analysis compared with petroleum-based counterparts. Tom’s of Maine’s Naturally Dry antiperspirant stick is a first in the industry, using aluminum chlorohydrate, a wetness protection ingredient, made from recycled aluminum originally derived from natural mineral bauxite ore. Tom’s of Maine also uses Rainforest Alliance certified palm oil in its soap products.

In North America, Colgate Enamel Health Multi-Protection toothpaste has a reduced carbon footprint with a new formula that is self-preserving, eliminating the need for an additional preservative.
Colgate is committed to improving the sustainability profile of our packaging. Colgate’s packaging organization regularly evaluates materials and processes that can improve the sustainability profile of our packages.

Colgate’s packaging sustainability strategy centers around the following actions:

- Assessing the human health and environmental impact of our packaging where appropriate
- Striving to design products for reuse, recyclability and materials reduction while ensuring product integrity
- Working to minimize the volume and weight of our packaging and using the minimum amount of packaging required to label and protect our products
- Utilizing recycled content
- Increasing the recyclability of our packaging through design choices and innovation
- Expanding refill package systems in product categories where feasible
- Coding our packaging with recycling symbols where appropriate, supporting efforts to educate consumers and supporting innovative efforts to improve local recycling systems

In 2014, Colgate set additional packaging targets for 2020. We committed to improve the recyclability of our packaging, committing resources to enable breakthrough innovation in Oral Care packaging. We have also committed to deliver 100 percent recyclable packaging in our Personal Care, Home Care and Hill’s Pet Nutrition categories. Additionally, we will increase the recycled content of our packaging to 50 percent.

We are working to improve recyclability of our packages through development of perforated shrink sleeves and phasing out use of PVC in our toothbrush packaging. We are exploring alternatives to mixed plastic resins, doy packs, sachets and wrappers as well as innovative underarm antiperspirant and deodorant packaging.

In Asia, the charcoal in Colgate Total Charcoal Deep Clean toothpaste, Colgate Active Salt Charcoal toothpaste and Palmolive Naturals Flawless Clean bar soap is a by-product of the bamboo industry.

In 2015, Colgate estimated or updated the carbon and water footprints for our Oral Care, Personal Care and Home Care categories (see pages 92 and 98). We are beginning to use this data to engage with our suppliers in the areas where we can have the greatest impact.
Packaging Highlights

Oral Care
In Colgate’s Oral Care category, we are using recycled content and certified materials in many of our cartons, phasing out PVC plastic blisters from our toothbrush packaging and researching options to improve the recyclability of oral care packaging.

Approximately 65% of Colgate’s toothpaste cartons globally are recyclable.

In North America, Colgate Enamel Health toothpaste cartons are now made from recycled cardboard.

Colgate Salt Fresh toothpaste in Asia has an improved product-to-package ratio.

A new children’s battery-operated toothbrush in North America has a cardboard carton instead of PVC plastic packaging. This change also eliminates the need for water cooling of the plastic, resulting in less water use during manufacture of the toothbrush.
Packaging Highlights

**Personal Care**
In our Personal Care category, we continue to minimize the volume and weight of our packaging and increase the recycled content and recyclability of our plastics where feasible.

![Image of various Palmolive products](image)

A new bottle for Palmolive Naturals shampoo variants in Colgate’s South Pacific region now has a reduced cap and bottle weight.

![Image of Palmolive Naturals Luminous Hydration shampoo](image)

Palmolive Naturals Luminous Hydration shampoo in Latin America has a reduced cap and bottle weight.

![Image of Sanex Advanced hand creams](image)

The new Sanex Advanced line of hand creams in Europe uses less secondary packaging for display in stores.

**Home Care**
In Colgate’s Home Care category, we are continuing to minimize the volume and weight of our packaging, increase our use of recycled plastics, improve the recyclability of our packaging and design packaging for refill and reuse across many of our products.

![Image of Axion dishwashing cream](image)

A new size of Axion dishwashing cream in Latin America has an improved product to package ratio. More product can also be transported per truck, reducing greenhouse gases associated with transport.
Hill’s Pet Nutrition
Hill’s Pet Nutrition is optimizing primary and secondary packaging, engaging with packaging suppliers to improve efficiency and encouraging consumers to recycle its wet food cans.

In 2015, Hill's completed the qualification and integration of a new packaging vendor in the U.S. and converted two of three corrugate boxes to 100 percent recycled materials in the Richmond, Indiana plant. Investigation of specifications that would enable a third box to convert to 100 percent recycled content is underway. Hill's also optimized the supply of corrugate boxes to its dry food plants in the U.S., reducing system-wide inbound freight miles from 1,100 miles to 160 miles and reducing greenhouse gases.

Hill’s has started to roll out a communication on its Science Diet and Prescription Diet wet food cans encouraging consumers to “Please Recycle Can.”

A new size for Ajax dishwashing detergent in North America has an improved product-to-package ratio and uses less secondary packaging.

Ajax Bucket Dilutable Cleanser in Europe with a new cap design has an improved product-to-package ratio. The change in design also reduced the number of trucks needed to transport the caps by approximately 40 percent, reducing greenhouse gas emissions.

Packaging End-of-Life
We recognize the importance of reducing waste at every stage of the product life cycle including at the end-of-life of our products and packaging. See page 112 for more information on our programs to collect packaging waste and our commitment to work with stakeholders to drive continuous improvement in local recycling systems.
Brands That Delight Consumers and Sustain Our World

Our commitment to product sustainability is built on a long-standing commitment to deliver innovative products that make the lives of consumers healthier and more enjoyable. Through our products and brands, we are working to deliver solutions to health problems, to educate our consumers about sustainability and to enable them to use fewer resources. From our first bar of soap sold in 1806 to industry-leading oral care products today, a commitment to both delight and help our consumers is part of our brand promise.

As a leading provider of oral care products, oral health is strongly linked to our business, and Colgate has the unique ability to educate and improve the oral health of children and their families around the world. We perform extensive clinical research to develop the best technology, conducting more than 100 studies annually. We also work to instill new behaviors, which are supported by public policy. See pages 47 to 50 for examples of our Bright Smiles, Bright Futures and other oral health programs. Our ongoing oral care research will help us to both deliver products to meet local needs and continue to grow our business. For example, in Latin America we have completed the first ever baseline survey to understand the level of gingivitis in six countries. That data will be shared with the dental profession with a goal to work together to significantly reduce the level of disease through education and use of Colgate products. We are also investing in growing our brands through encouraging consumers to brush properly for a recommended two minutes, two times a day with toothpaste—bringing shared value for both Colgate and the community.

Maximum Cavity Protection Plus Sugar Acid Neutralizer Toothpaste

Colgate’s Maximum Cavity Protection Plus Sugar Acid Neutralizer toothpaste provides an important public health benefit and enhanced anticavity protection—reducing early tooth decay by half.\(^{(1)}\)

\(^{(1)}\) In a six month clinical study. Regular fluoride toothpaste reduced early decay by nearly one-third (32 percent).
Additional Highlights:

Handwashing with soap is one of the most effective ways to reduce the spread of disease. Through our Protex and Palmolive brands, we are working with public health officials, academia, local schools and clinics to educate millions of children and their families about the health and hygiene benefits of handwashing with soap. Learn more on pages 51 to 53.

Just like the human epidemic, almost 50 percent of the pet population in the U.S. is overweight. Hill's Pet Nutrition nutritionists and veterinarians developed Prescription Diet Metabolic clinical nutrition specially formulated to support weight management. Eighty-eight percent of pets lost weight at home in two months when fed the nutrition of Prescription Diet Metabolic.

We are seeking solutions to allow consumers to use less water and energy with our products. For example, a new product in Europe, Ajax Easy Rinse Spray also helps consumers save water by making it easier to rinse the product after cleaning. Our fast dry technology, in multiple fabric softener offerings globally, brings a unique technology that wicks away water from fabric to help clothes dry faster, saving consumers time and energy. Colgate’s no-rinse fabric softener technology also enables consumers to save water.

Colgate is promoting water conservation awareness to our consumers worldwide through reminders on our packaging, digital and in-store engagement and our oral health education and handwashing awareness programs. See page 103 for more information.
Spotlight on ... Product Stewardship at Tom’s of Maine

Our Tom’s of Maine business provides products created with a defined Stewardship Model for natural, sustainable and responsible product development and ingredient sourcing. The Stewardship Model is a practical tool that guides the brand’s decision-making on its products. Every ingredient Tom’s of Maine uses goes through a stewardship review process. Tom’s of Maine also screens prospective suppliers to make sure their approach to purity, consistency, safety, processing, sustainability and responsibility meets the stewardship standards with proof to back it up.

“The ingredients inside your natural personal care products matter, and we believe that you have a right to know what they are, what purpose they serve, the natural source they come from and how they are made.”

~Joanne Murphy, Stewardship Committee Leader, Tom’s of Maine

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**Tom’s of Maine Stewardship Model**

**Our Standards for Natural**

- Sourced and derived from nature
- Free of artificial flavors, fragrances, colors, sweeteners and preservatives
- Simple and understandable ingredients
- Free from animal ingredients
- Not tested on animals
- Ingredient processing that supports our philosophy of human and environmental health

**Our Standards for Sustainable**

- Originating from recyclable or renewable plant-based resources
- Striving to reduce waste through recycled content, recycling and biodegradability
- Promoting the use of sustainable growing and harvesting practices

**Our Standards for Responsible**

- Delivering value to our consumers
- Sufficient research conducted to show safety and efficacy
- Purposeful in system of ingredients with complete transparency about the purpose and source of the ingredient
- Sourced from suppliers and regions which promote basic human rights
- Honesty in all claims made for ingredients, packaging and products
- Conform to the requirements of regulatory authorities (Food and Drug Administration and Federal Trade Commission) and other professional organizations with which we have chosen to partner (American Dental Association)
Product sustainability at Colgate also means a commitment to providing affordable product options in our portfolio. We have established a 2020 goal to have a positive impact by expanding access to affordable health and wellness products for millions of people in underserved communities.

We make products more affordable while maintaining quality with smaller sizes, refill packages and value options. We work for wide distribution so that more consumers have access to Colgate products. Offerings are customized to best reach consumers within their socioeconomic level, taking into account available household income and specific consumer needs. We are also finding ways to offer the benefits of more premium products at affordable price points to provide products that yield more product per use and to help consumers to dose properly to eliminate waste.

Globally, we strategically balance Colgate’s portfolio between base and premium tiers as appropriate for the region. Products like our Colgate Maximum Cavity Protection toothpaste are targeted for usage by the whole family at an affordable price point, while offerings like Colgate Total Multi-benefit or Colgate Sensitive Pro Relief toothpastes are offered at higher price points, addressing more therapeutic needs of consumers. In Colgate’s Africa/Eurasia Division, toothbrush offerings range from value options of Extra Clean and Double Action to Zig Zag, a mid-tier price product, to Colgate 360, a super-premium option. In the Philippines, we supply small, low-priced items to Sari Sari stores. These stores contribute almost 50 percent of our sales in the country. In Latin America and Africa, sachets of cleaning products, dish detergent and fabric softener are available at lower price points. In India, Colgate developed toothpaste variants at a 10 rupee price point to meet the needs of those consumers with a low, fixed budget. This toothpaste offering has grown to play a key role for Colgate in the India toothpaste segment, demonstrating strong year-on-year growth. We are reaching consumers in rural areas and building distribution; over 40 percent of stores that sell toothpaste in India now offer this product.

Colgate is also finding ways to offer the benefits of more premium products at affordable price points, both in emerging markets and for value consumers in developed markets. In 2015, Colgate launched a toothbrush with a tapered bristle at an affordable price point in Vietnam, Taiwan and China. Tapered bristles have been shown in a clinical study to remove more plaque, reduce gingivitis and reduce gum abrasion. Our Extra Clean toothbrush was also relaunched globally last year at an affordable price point. We also continue to expand distribution of Colgate Maximum Cavity Protection Plus Sugar Acid Neutralizer toothpaste, which provides an important public health benefit, which is enhanced anti-cavity protection. In Brazil, smaller, more affordable sizes of this toothpaste as well as Colgate Luminous White toothpaste are contributing to our growth in the region.

In some markets, building rural distribution is challenging. We are working to develop innovative models and distribution networks to reach more consumers. For example, in India we are reaching remote village areas with special compact vans, increasing our coverage in rural areas from 22,000 villages in 2012 to 57,000 villages in 2015. In that time, Colgate has also recruited over 1,000 new salespeople and added over 1,000 new vans. In Cameroon, Colgate has improved coverage and customer service levels in smaller towns by using branded motorcycles able to visit remote villages to take orders. As next steps, we will identify key markets for replication of these models and test the model in new locations.
Partnering with Customers

We partner with hundreds of thousands of retail stores, large and small, to sell Colgate products around the world. Treating all retail customers with fairness and integrity is a priority. We engage our customers worldwide by sharing unique shopper insights, providing innovative in-store marketing communications and merchandising techniques and developing and executing joint business planning initiatives. These activities ensure the right product assortment at each location and help to make shopping a consumer-friendly, enjoyable experience that drives increased sales for both Colgate and the retailer.

To ensure continued success, we track retailer satisfaction in 20 of Colgate’s largest subsidiaries every two years. The Company participates in a widely-used industry standard syndicated survey run by the Advantage Group. The objective is to measure our Customer Engagement with the goal of strengthening our performance across key markets. In 2015, Colgate was ranked as the No. 1 manufacturer in eight separate countries. Colgate was also ranked in the top one-third of all manufacturers in countries representing 89 percent of the business. Additionally, Colgate participates in a program to obtain feedback from six major global retailers. Results are analyzed at a customer, country, region and global level and are used to identify global trends, providing key input to shaping the direction of the Company’s overall customer engagement strategy. In 2015, Colgate was ranked No. 4 out of 19 industry leading fast-moving consumer goods manufacturers. This marks the fourth year in a row Colgate has been ranked fourth or higher.

Colgate also partners with key customers to advance our mutual sustainability goals. We often partner to engage consumers with programs such as our Bright Smiles, Bright Futures (BSBF) oral health education program, Operation Smile and Terracycle®. We also regularly report to several retailers through product stewardship surveys. In Advantage Group surveys, Colgate was ranked in the top tier of suppliers in 12 of 17 markets when assessed for our ability to work with retailers to meet goals on social and environmental sustainability. We were ranked as “top supplier” on this topic in Russia, Colombia, Central America and Italy.

Highlights

- Colgate partnered with retailers around the world to celebrate World Water Day on March 22, 2016, and raise awareness about water conservation. In Turkey, Colgate partnered with retail partner Migros to reach online shoppers with a Save Water message. See page 103 for more information on World Water Day.

- Colgate partners with retail stores around the world such as Walgreens, Carrefour, Tesco, Walmart, Rossmann and Coles to promote oral health through our BSBF program, Oral Health Month campaigns and other oral health programs. In several programs, Colgate and retailers work together to provide oral health education in local schools as well.
Colgate partners with retailers such as Rossmann in Europe and Tops in Thailand to promote handwashing awareness both in-store and online with the Palmolive and Protex brands.

To help consumers “upcycle” Colgate products, Colgate and Terracycle® partnered with both Shoprite and Meijer stores in 2015 on a recycled playground giveaway. In-store displays drove awareness for recycling through Terracycle® and publicized a contest for schools to win a playground made from recycled toothbrushes and toothpaste tubes. Tom’s of Maine and Terracycle® also partnered with Hannaford stores in the U.S. to reward a school with a garden made from natural care waste collected through the Tom’s of Maine Natural Care Brigade.

Colgate partnered with retailer Auchan in Portugal in 2015 to provide free dental check-ups at Auchan stores and to promote oral health habits for Auchan employees at their headquarters and to children at a local school.

In Colombia, Colgate received the 2015 Best Supplier—Sustainable Development award from retailer Grupo Exito in recognition for our investment in health education, contribution to the community and reduction of our impact on climate and the environment. Colgate was also one of three finalists for Grupo Exito’s 2015 Consumer Goods Best Supplier award.

In 2014 and 2015, Colgate collaborated with Target in the U.S. to make a donation to St. Jude Children’s Research Hospital’s Target House with sales of an exclusive children’s toothpaste and toothbrush as well as Softsoap liquid hand soap and Palmolive dish liquid. Colgate also donated $100,000 to a special event for children in December 2015, along with children’s toothbrush, toothpaste and Softsoap products.

Tom’s of Maine was named one of 20 natural brands in Target’s highly selective Made to Matter program, which delivers exclusive product innovations focused on the sustainability objectives of clean label, reduced packaging, and closed loop systems.

In Brazil, Colgate has partnered with Walmart on three End-to-End projects to improve sustainability across a product's value chain. For example, making changes to a shopper pack of toothpaste and soap reduced greenhouse gas emissions, plastic and fuel use.
Colgate partners with industry groups, non-governmental organizations and research groups around the world to meet our product sustainability goals and to share insights to collectively work towards more sustainable product offerings. Below are some highlights.

- Colgate was one of 25 American Cleaning Institute (ACI) member companies to complete the requirements for ACI’s first year of the Charter for Sustainable Cleaning. Companies who sign up for the Charter must formally commit to the ACI Principles for Sustainability, participate in ACI’s Sustainability Metrics Program and work toward implementing a set of Essential Sustainability Procedures and Activities (SPAs).

- Colgate is also committed to the European International Association for Soaps, Detergents and Maintenance Product’s (AISE) Charter for Sustainable Cleaning.

- Colgate is an active member of the Home and Personal Care Sector of The Sustainability Consortium, which is committed to improving product sustainability through the development of a standardized Sustainability Measurement and Reporting System.

- Colgate is a member of the Forum for the Future Beauty and Personal Care Working Group, an industry collaboration to improve sustainability in the beauty and personal care sector.

- As a member of the Grocery Manufacturers Association, Colgate contributes to the development of the Smart Label™ initiative. This platform will enable consumers to obtain additional details about products by scanning a QR code or doing an online search to reach a landing page with information on ingredients.

- Hill’s Pet Nutrition is a member of the Pet Food Sustainability Working Group, a collaboration to align on sustainability principles for the pet food industry.

- Colgate joined other companies in 2011 to found the American Institute for Packaging and the Environment (AMERIPEN), which is focused on coordinating the industry’s environmental packaging efforts.

- Colgate is a palm oil member of The Forest Trust (TFT), which is working with Colgate to meet our palm oil traceability and responsible sourcing commitments.

- Colgate is a member of the Roundtable on Sustainable Palm Oil (RSPO), which is working on solutions for the use and growth of sustainable palm oil.

- Colgate is a member of the Round Table on Responsible Soy (RTRS), an internationally recognized forum working to develop and promote a standard of sustainability for the production, processing, trading and use of soy.

- Colgate is an active member of AIM-PROGRESS, serving on its leadership team. AIM-PROGRESS is a global industry forum to promote responsible sourcing practices and sustainable production systems. It is a global initiative supported and sponsored by the European Brands Association in Europe and the Grocery Manufacturers Association in North America.

- Colgate continues our commitment to finding and using alternatives to animal testing through support and involvement with the European Partnership for Alternative Approaches to Animal Testing (EPAA) and the Institute for In Vitro Sciences (IIVS).

- Colgate is an active member of the Society of Toxicology (SOT). SOT is committed to creating a safer and healthier world by advancing the science of toxicology. In addition to supporting these broad objectives of SOT, Colgate also supports SOT specifically in the areas of research and education in the field of alternatives to animal testing. This support funds education and research for students and postdoctoral fellows and then makes grants available to in-career researchers to advance the development of non-animal methods for research and testing.

- Colgate is a Global Partner in the Society of Environmental Toxicology and Chemistry (SETAC). Colgate supports SETAC’s mission to develop principles and practices for protection, enhancement and management of the environment by providing a forum where professionals can exchange ideas and discuss environmental challenges, regulations, research and development and environmental education.