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. Our planet-related commitments cover the environmental issues material to Colgate, our energy use, carbon emissions, water use and waste generation as well as our commitment to no deforestation. We are also committed to sustainably built and run facilities. We are making progress in each of our planet goals and working with partners and consumers to make Planet a priority.
Over 90% of our pulp and paper is certified or is in the process of being certified as being sourced from responsibly managed forests.

LEED-NC certified facilities and over 10 additional projects underway.

33% reduction in water use per ton of product manufactured in 2015 vs. 2005(1)

26.2% reduction in greenhouse gas intensity and 21.7% reduction in energy intensity in 2015 vs. 2005(1)

40% reduction in waste sent to landfill per ton of product manufactured vs. 2010(1)

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

72% of our manufacturing facilities have achieved U.S. EPA ENERGY STAR Challenge for Industry Recognition.

2015 AT A GLANCE

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

33% reduction in water use per ton of product manufactured in 2015 vs. 2005(1)

26.2% reduction in greenhouse gas intensity and 21.7% reduction in energy intensity in 2015 vs. 2005(1)

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(1) Subject to final certification by third-party auditor.

“LEED” and related logos are trademarks owned by the U.S. Green Building Council and are used with permission.
Our Climate Commitment

At Colgate, we understand the potential consequences of climate change and we are committed to acting responsibly and conscientiously to protect people and the environment wherever we operate. We recognize that businesses, their suppliers, customers and consumers along with other stakeholders have a vital role to play in addressing the global issue of climate change.

The area of climate change and climatic events is one of Colgate’s Key Sustainability Issues identified on page 7. It is a key focus for our business from both a reputational and an operational standpoint. Consumers, non-governmental organizations (NGOs) and other external organizations expect companies to do their part in the fight against climate change. Reducing our energy use and greenhouse gas emissions also enables Colgate to avoid costs. Since 2002, our energy-reduction projects have helped us avoid nearly $500 million in energy costs. Managing the risk associated with climatic events such as storms and droughts is also important to ensure the continuity of our own operations and that of our supply chain. See page 95 for more information on Climate Resilience.
Key elements of our Climate Strategy include:

**Science-Based Goals**
We will set science-based climate goals to reduce greenhouse gas emissions.

**Energy Management and Investment**
We will continue to improve our global Energy Management System and invest in planet-related improvements via our manufacturing capital program.

**Low-Carbon Energy**
We will promote use of renewable energy and support development of low-carbon energy supply.

**Low-Carbon Products and Supply Chains**
We will quantify greenhouse gas emissions throughout our value chain and focus on reducing the most significant emissions. Colgate will ensure responsible sourcing of the forest commodities associated with deforestation.

**Climate Resilience**
We will integrate climate resiliency into our risk management processes.

**Collaboration and Disclosure**
We will collaborate with stakeholders to demonstrate business leadership on climate. We are also committed to transparency and will publicly disclose our climate strategies and goals and report on our progress.

To help drive our climate strategy, our 2020 Sustainability Strategy includes a commitment to “Reducing Our Impact on Climate and the Environment.” Our commitment is supported by four goals:

- Responsibly source forest commodities to reach zero net deforestation
- Promote use of renewable energy and reduce absolute greenhouse gas emissions from manufacturing by 25% compared to 2002
- Reduce our manufacturing energy intensity by one-third compared to 2002
- Partner with key suppliers, customers and consumers to reduce energy, greenhouse gas emissions and waste

“Stabilizing the global climate is the greatest challenge of the 21st century. Temperatures have exceeded global annual averages for 38 consecutive years. The impacts are being felt all around the world ... Extreme weather events are becoming more frequent and severe ... Rising sea level threatens coastal communities and infrastructure by amplifying flooding and storm surge.”

—World Resources Institute
Science-Based Goals

Our climate strategy is anchored in setting and achieving science-based goals to reduce greenhouse gases. As part of our 2020 Sustainability Strategy, Colgate will reduce absolute greenhouse gas emissions by 25 percent compared to 2002. This 2020 target exceeds the requirements of the “Linear Approach” to a science-based goal, which is based on the Intergovernmental Panel on Climate Change’s RCP 2.6 Carbon Pathway, one of the climate trajectories used for modeling and research. Our target also exceeds the requirements of the “Sectoral Decarbonization Approach” to a science-based goal, which is based on the 2°C change in global average temperature scenario developed by the International Energy Agency (IEA). This approach was developed by the World Wildlife Fund, World Resources Institute and CDP with consulting support from Ecofys.

Last year, Colgate also joined in the CDP and We Mean Business Coalition’s Road to Paris 2015 commitments, publicly committing to adopt a science-based greenhouse gas emissions reduction target. Our target will allow us to play our part in limiting global warming to 2°C as recommended by the Intergovernmental Panel on Climate Change.

As part of our strategy to track and reduce greenhouse gas emissions, Colgate also tracks direct and indirect CO₂ emissions as well as direct nitrous oxide, sulfur hexafluoride, HFC and PFC emissions. We additionally estimate “NOx”, or nitric oxide, emissions from Colgate’s North American and European car fleets and from the trucks that deliver Hill’s Pet Nutrition products to retail customers in vehicles that are controlled by Colgate. We also track VOC data as needed to comply with local regulations.

Energy Management and Investment

Colgate has a long-standing energy reduction program that has brought us reductions in greenhouse gas emissions and energy use intensity as well as financial savings. Our Energy Management System is modeled after U.S. EPA’s ENERGY STAR program and is implemented globally. In 2016, Colgate was named a U.S. EPA ENERGY STAR Partner of the Year for the sixth year in a row, with recognition for Sustained Excellence. Additionally, 72 percent of our manufacturing facilities have achieved U.S. EPA ENERGY STAR Challenge for Industry recognition, including 88 percent of Oral Care plants, 82 percent of Personal Care plants and 71 percent of Home Care plants.

Key elements of Colgate’s energy management program include:

- **Top 10 Energy Actions**
  As a way to help our global sites prioritize on the most effective energy reduction activities, we created our Top 10 Energy Actions program. Implemented over two-year increments, this program tracks progress against our ten best energy reduction opportunities.
**Energy Treasure Hunt Program**

We engage people across Colgate’s operations through participation in the Energy Treasure Hunt program. Over a three-day period, 30 to 50 participants visit all areas of a facility, searching for energy waste and brainstorming opportunities for continuous improvement. Since the program’s launch, over 500 Colgate “treasure hunters” worldwide have identified more than 1,400 energy-saving ideas with the potential to deliver $17 million in energy savings.

**5% for the Planet**

Our 5% for the Planet program sets a global goal to spend 5 percent of our manufacturing capital expenditure budget on energy reduction, water conservation and reduction of waste to landfill. Upgrades for environmental compliance and product design are funded separately. Over the last five years, environmental projects have competed successfully for funding with our mainstream portfolio, reducing our footprint and delivering savings. Since 2011, we have invested nearly $139 million in over 865 planet-related projects, which have delivered an estimated savings of over $34 million.\(^1\) In 2015, we exceeded our 5 percent target, investing nearly 7.5 percent of the budget in over 180 Planet-related projects.

### 5% for the Planet 2015 Manufacturing Capital Expenditure Budget Investments

<table>
<thead>
<tr>
<th>Investment (%)</th>
<th>Investment ($ millions)</th>
<th>Projected Annual Savings ($ millions)</th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>4.6</td>
<td>17.9</td>
</tr>
<tr>
<td>Water</td>
<td>1.4</td>
<td>5.5</td>
</tr>
<tr>
<td>Waste To Landfill</td>
<td>1.3</td>
<td>5.1</td>
</tr>
</tbody>
</table>

A minimum of 2 percent of the manufacturing capital budget is targeted specifically toward energy reduction projects. In 2015, we exceeded this target with over 4.6 percent of the budget invested in projects yielding an estimated $2.8 million in annual savings.

\(^1\) Estimated investment and savings numbers based on available historical data
2015 Highlights

- **Bowling Green, Kentucky, U.S.**
  By replacing high-pressure sodium lights with LED lights in the Bowling Green, Kentucky plant’s warehouse, we saved an estimated 556 MWh of electricity, reduced CO₂ emissions by 340 metric tonnes and saved $33,000 annually.

- **Compiegne, France**
  The process for blowing plastic bottles for home care products consumes a large amount of compressed air. Instead of using the same air pressure for each type and size of bottle, our Compiegne, France plant installed a control system to work with its current software to vary the air pressure according to the type and size of bottle being blown. This additional system is estimated to save 666 MWh in electricity, 55 metric tonnes of CO₂ and save over $61,000 annually.

- **Anzio, Italy**
  An energy improvement idea identified during the Anzio, Italy plant’s Energy Treasure Hunt in 2013 was to replace lower efficiency motors with high efficiency motors with inverters. In 2015, the plant replaced 36 such motors which are estimated to reduce electricity demand by 600 MWh, reduce CO₂ by 243 metric tonnes and save $160,000 annually.

- **Bangpakong, Thailand**
  The Bangpakong, Thailand plant improved the efficiency of the water chiller system located in its soap production building by replacing the existing air-cooled type chiller with a new higher efficiency water-cooled typed chiller. This new system is estimated to decrease the energy usage of the soap plant chiller system by 40 percent and save the plant 1,085 MWh in electricity, 574 metric tonnes of CO₂ and save $106,000 annually.

Our 2015 goal was to reduce both the energy intensity and carbon emissions intensity associated with the manufacture of Colgate’s products by 20 percent vs. 2005. We have exceeded these goals, with a 21.7 percent reduction in energy intensity and a 26.2 percent reduction in carbon emissions intensity in 2015 vs. 2005.(1)

Since 2005, we have avoided CO₂ emissions equivalent to removing over 200,000 passenger cars from the road for one year.(1)

(1) Subject to final certification by third-party auditor.
Low-Carbon Energy
As part of our strategy to achieve a 25 percent absolute reduction in greenhouse gases by 2020, we will promote use of renewable energy and support development of a low-carbon energy supply. Colgate continues to evaluate and implement on-site and market-based renewable and alternative energy sources such as solar, wind, biomass, fuel cells, green power and cogeneration for feasibility and applicability worldwide.

For over ten years, we have utilized our internal Global Energy Reduction Team to continuously evaluate our best opportunities to implement cogeneration, solar and fuel cells as cost-effective, environmentally beneficial technologies. Even though we are not an energy-intensive company, we have found several instances to install cogeneration and solar power systems as a way to reduce emissions of greenhouse gases, lower costs and increase energy reliability around the world.

Colgate is a U.S. EPA Green Power Partner, supporting the voluntary use of green power to reduce the environmental impacts associated with conventional electricity use. Partners benefit from the use of green power while supporting the development of renewable energy in the U.S. Colgate purchases wind power from facilities in the electricity grids that serve its U.S. manufacturing plants. In 2015, Colgate purchased Green-e certified wind power renewable energy certificates generated from three wind power farms located in Kansas. To ensure these incremental costs are accurately reflected in our financial decision-making, costs associated with procurement of Green-e certified renewable energy certificates are allocated back to our largest operations based on the size of their greenhouse gas footprint. This cost-of-carbon allocation process reflects the true cost of operation in carbon-intensive markets and supports incremental energy investment as part of our 5% for the Planet program. Colgate is also actively exploring renewable energy procurement options related to Power Purchase Agreements (PPAs) as another way to support the development of additional renewable energy projects.

Improving Refrigerants
Although Colgate is a minimal user of refrigerants, we are doing our part to responsibly manage the quantities of refrigerants we use over time. In 2015, we updated our global refrigerant inventory and issued a global standard and associated e-learning training tool to assist our global facilities in transitioning towards less carbon-intensive refrigerants.
Low-Carbon Products and Supply Chain

We have continued our work to understand the carbon footprint across our value chain. Our direct, or Scope 1 emissions, are from sources that are owned by Colgate. Our indirect, or Scope 2 emissions, result from our purchase of electricity, heat or steam produced by other entities. We are also working to track and reduce our Scope 3 emissions from upstream production and supply as well as downstream distribution and consumer use. We have completed detailed carbon footprints for our Oral Care, Personal Care and Home Care categories. These footprints help us to understand our highest impact areas and opportunities for continuous improvement.

Colgate’s Carbon Footprint*

- **10%** Sourcing of Materials and Capital Goods
- **2%** Colgate Operations
- **3%** Distribution of Products
- **85%** Consumer Use and Disposal of Products


Colgate has shared this practical approach with key partners such as the World Resources Institute and CDP to help others find simple ways to estimate and reduce greenhouse gas emissions in a company’s value chain.

While there are shifts between categories, given the nature of our product portfolio, the most significant emissions in our value chain are consistently associated with raw and packaging materials, including forest commodities and mined materials; consumer use of our products; and the end-of-life of the consumer package.

**Raw and Packaging Materials, Including Forest Commodities**

Our value chain footprint helps to identify and prioritize opportunities to reduce the carbon footprint of our products through material and supplier choices. Our sustainability, procurement and product formulators are piloting supplier engagement on our highest carbon-intensive materials to identify opportunities to reduce their footprint. We also
request that our Tier I suppliers and suppliers of carbon-intensive materials participate in the CDP Supply Chain Program Climate Disclosure to help us understand and address climate impacts and associated risks and opportunities in our upstream supply chain. In 2015, more than 39 percent of our Tier I suppliers responded to the survey, including our largest raw material suppliers and contract manufacturers. We achieved a 77 percent supplier response rate, significantly higher than the average rate for all member companies.

We also recognize that deforestation and forest degradation significantly contribute to the release of greenhouse gases. Our No Deforestation Policy commits to responsibly and sustainably sourced forest commodity materials by 2020. Our policy addresses practices relating to palm oil, pulp and paper, beef tallow and soy. See page 116 for more detail on Colgate’s progress on policy implementation.

**Consumer Use of Products**

Colgate has developed products that enable consumers to reduce their energy and water use. For example, our fast dry fabric softener offering 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 enables consumers to save water and energy associated with the manual rinse cycle. A new product in Europe, Ajax Easy Rinse spray also helps consumers save water by making it easier to rinse the product after cleaning.

We also have a goal to promote water conservation awareness to Colgate’s consumers around the world through on-package, digital and in-store Save Water reminders. This messaging encourages consumers to save both water and energy. By turning off the tap, our consumers reduce their greenhouse gas footprint by reducing energy needed to pump water from the source to their faucet as well as reducing energy needed to heat water when used for washing hands and showering. See page 101 for detail on our progress.

**Packaging End-of-Life**

We recognize that the disposal of our products is a significant contributor to our carbon footprint. Our 2020 goals are to increase recycled content of our packaging to 50 percent and to provide our consumers with recyclable packages in order to help reduce their carbon footprint. See page 73 for more information.
Colgate’s Customer Service and Logistics teams continue to implement sustainable and efficient logistics projects around the globe that reduce greenhouse gas emissions. Using new and improved planning tools, we are reducing costs, better serving our customers and reducing our carbon footprint. Colgate is making strides on carbon reduction in several geographies. Our North America region has reduced logistics greenhouse gas emissions by 27 percent per ton of finished goods moved since 2010. Asia has reduced emissions per ton by 16 percent since 2012, and Latin America has reduced emissions per ton by over 10 percent since 2010. Hill’s Pet Nutrition emissions increased over the period to meet customer service expectations.

In developed markets where intermodal infrastructure is available, we continue to work to increase the utilization of intermodal transportation where 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 reduces cost.

In emerging markets, we are reducing greenhouse gases through improved truck utilization and greater use of the available railroad infrastructure. In Asia, we reduced carbon emissions in 2015 by 10 percent compared to the previous year by increasing the use of rail and ocean transportation and improving trailer utilization on full truckload shipments and the use of larger vehicles. In Mexico and Brazil, we continue to drive carbon reductions with increased truckload utilization and increased direct customer pick up. Carbon reductions across the two countries averaged 4 percent in 2015 compared to the previous year. In Russia, we increased use of railway transport and improved fleet efficiencies, resulting in a 16 percent reduction in 2015 compared to the previous year.

In North America, we continue to explore opportunities to partner with transportation providers that use tractors fueled by compressed natural gas. During 2015, we also implemented key initiatives to increase intermodal shipments and to reduce the number of transfer shipments between distribution centers. The U.S. and European logistics teams are also using new technology to improve shipment load building and container utilization. This new tool fully optimizes the use of space in each Colgate truck. In the first month, over 50 fewer trucks were needed, saving nearly $50,000. Annual expected savings are $600,000 in the U.S. alone. The system is being rolled out globally to enable other regions to reduce emissions and achieve savings.

**Travel and Office Footprint**

Colgate has installed telepresence technology in 39 countries around the world, enabling business reviews and meetings to be conducted virtually. The number of telepresence meetings conducted in 2015 increased by 42 percent. We also work with our global travel provider to track our greenhouse gas emissions associated with our airline flights, train travel, rental cars and hotel stays. Moving forward, we are planning to create employee awareness by posting messaging about our travel carbon footprint on our telepresence rooms and systems.

Qualifying individuals in the U.S. may work up to two days a week from home or another remote location on a regular basis. Employees participating in this program have an improved work-life balance and a reduced greenhouse gas footprint by eliminating travel emissions.

Colgate has also long been committed to sustainable buildings. To learn more, refer to page 114 for details on our partnership with USGBC LEED for new construction. In addition to this commitment, Colgate is updating office spaces around the world. Our new office spaces reduce our carbon footprint and offer Colgate people modern collaborative work spaces with natural light.
Climate Resilience
Colgate has a long-standing operations risk management process that includes managing the impacts of episodic climatic events such as storms, floods, droughts and temperature extremes to our facilities and supply chain. As part of this process, we assess potential climate vulnerabilities and risks to ensure our business is able to respond and recover from climatic events. This work allows us to integrate longer-term climate resiliency into our business decisions related to our facilities, material supply and logistics in order to help minimize disruptions.

As part of our loss-prevention program, our strategic manufacturing sites are mandated to be highly protected against risk. These risks include natural disasters and climatic and seismic events such as earthquake, volcano eruption, tsunami, tropical cyclone, extra-tropical storm, hail, tornado, lightning, wildfire, river flood, flash flood and storm surge. Property loss control third-party assessments are conducted for all natural disaster hazards on a rotational basis, including at least annually for all strategic sites. Category contingency product sourcing plans have been developed and are updated routinely.

Colgate also conducts contingency planning for anticipated climatic events to ensure continuity of operations. In 2015, contingency planning was completed for materials sourced from the Gulf of Mexico with the potential to be impacted during hurricane season and agriculturally sourced materials from around the world impacted by El Niño.

In 2015, we also continued our efforts to evaluate climate and water risks and resiliency associated with key raw and packaging materials via the CDP Supply Chain Program. Colgate has participated in the program since its inception in 2008, increasing the scope of suppliers each year. In 2016, Colgate is hosting a student project in the MIT Sloan School of Management’s Action Learning Sustainability Lab to evaluate the long-term impacts of climate change on a key agricultural material.

Collaboration and Disclosure
Colgate is committed to transparency and has reported publicly on our carbon and energy reduction performance since 2004. Through these disclosures we address financial, regulatory, physical and reputational risks, as well as savings associated with eco-efficiency.

In 2015, we continued to collaborate with a variety of stakeholders and to engage with leading organizations to inform our climate strategy and drive continuous improvement on a broader basis.
According to the World Resources Institute, 36 countries around the world face “extremely high” levels of water stress, leaving communities and businesses vulnerable to water scarcity.
Making Every Drop of Water Count

One of life's most basic needs, water is also essential to business. It is an ingredient in many Colgate products and required in almost every phase of the product life cycle. Clean water is also vital to the communities we serve, yet in many regions of the world, it is becoming an increasingly scarce resource. We take our responsibility as conscientious stewards of water seriously and are committed to making every drop of water count. Water Stewardship is one of our Key Sustainability Issues identified on page 7.

Key elements of our Water Stewardship Strategy include:

**Direct Operations**: We will continue to invest in water conservation and assess water risks associated with our global operations; we will replenish water in highly stressed regions and manage our wastewater appropriately.

**Supply Chain Management**: We will increase supplier participation in our water stewardship program with a goal to identify opportunities and mitigate water risks.

**Consumer Use**: We will strive to develop innovative products that enable consumers to use less water, while meeting or exceeding their expectations. Colgate will also promote water conservation awareness to our global consumers.

**Water and Sanitation Access**: We respect the human right to water, sanitation and hygiene. We will partner with local and global organizations to bring clean water to underserved areas around the world. We will also provide health and hygiene education in our communities.

**Ecosystem Protection**: We will strive to protect water-related ecosystems such as forests, wetlands, aquifers and rivers.

**Collaboration and Disclosure**: We will partner with stakeholders and our communities to help drive water stewardship programs. We are committed to transparency and will publicly disclose our water stewardship strategies and goals and report on our progress.
To help drive our Water Stewardship Strategy, our 2020 Sustainability Strategy includes a commitment to Making Every Drop of Water Count. Our commitment is supported by five goals:

- Reduce our manufacturing water intensity by half compared to 2002
- Replenish water withdrawn in highly stressed regions
- Increase supplier participation in our water stewardship program
- Partner with local and global organizations to bring clean water to underserved areas of the world
- Promote water conservation awareness to all our global consumers

Colgate’s water use footprint consists of three main areas: the water used by our suppliers to produce the raw and packaging materials we purchase; the water used by our facilities to manufacture our products; and the water associated with the consumer use of our products.

Historically, we have focused on reducing the water used in our own operations; however, in 2015, Colgate undertook a comprehensive project to better understand the water use associated with each step of our value chain. The results of this water footprint exercise helped quantify the opportunities to have a positive water impact beyond our own operations.

*Excluding Hill’s Pet Nutrition*
**Direct Operations**

Colgate has had manufacturing water conservation goals since 2002. Since 2005, we have reduced the water consumed per unit of production in the manufacture of our products by over 33 percent\(^1\), and our new 2020 goal will take us even further—we will reduce our manufacturing water intensity by half compared to 2002 and find ways to replenish water withdrawn in highly stressed regions.

<table>
<thead>
<tr>
<th>Year</th>
<th>Manufacturing Water Usage Intensity* (cubic meters / ton of product)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>1.507</td>
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<tr>
<td>2006</td>
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<tr>
<td>2014</td>
<td>1.016</td>
</tr>
<tr>
<td>2015</td>
<td>1.008</td>
</tr>
</tbody>
</table>

*Excluding water in products

Colgate invests in water conservation strategies at our global facilities via our manufacturing capital program and by implementing our Water Stewardship Standard. We continue to use the True Cost of Water Toolkit. Developed with Rutgers University Business School and its Supply Chain Management Program, the manufacturing-based tool is designed to help sites quantify some of the hidden costs of water such as pre-treatment, pumping and wastewater treatment, thereby increasing both economic and environmental opportunities for reduction. With broad participation from our global sites, we have found an average “true” cost of water that is 2.5 times more than the purchase cost alone.

In regions with high water stress, we will continuously assess water risks and implement appropriate resiliency measures as a way to anticipate and mitigate impacts. In 2015, Colgate hosted a student project in the MIT Sloan School of Management’s Action Learning Sustainability Lab to identify factors that should be considered as we work to meet our commitment to replenish water in highly stressed regions.

Our global manufacturing sites have helped to develop and implement many innovative water conservation tools and programs. Insights from our facilities in countries like Brazil and India are helping us to optimize our water consumption around the world.

\(^1\) Subject to final certification by third-party auditor.
**Highlights**

- **Water Treasure Hunt Program in Mexico**
  
  This two-day, self-directed event focused on finding simple and cost-effective ways to reduce water waste, reuse and recycle water and increase water conservation awareness among employees.

- **Rainwater Harvesting in India**
  
  Our Oral Care plants in Goa and Baddi, India, utilize rainwater harvesting systems to reduce water consumption and reduce impacts to groundwater supplies.

- **Water Recycling in Brazil**
  
  Our manufacturing sites in Brazil have invested in numerous water recycling technologies, including reverse osmosis, as a way to treat and reuse water for utilities such as cooling towers and boilers. These investments ensured continued operation during the recent water crisis in São Paulo.

**Supply Chain Management**

We are working to increase supplier engagement in our water stewardship program in two ways: 1) participation in the CDP Supply Chain Program and 2) identification and engagement of suppliers of our most water-intensive raw and packaging materials.

We request that our Tier I suppliers and suppliers of water-intensive materials participate in the CDP Supply Chain Program Water Disclosure in order to help us understand and address water impacts and associated risks and opportunities in our upstream supply chain. In 2015, 33 percent of our Tier I suppliers responded to the survey including our largest raw material suppliers and contract manufacturers.

As a way to help reduce the water associated with the production of raw materials, we are working to identify the most water-intensive materials in each of our product categories. With this information, we are able to then engage our suppliers to better understand the opportunities to reduce the water footprint of our products through feedstock choices and conversion efficiency, particularly in markets under high water stress.
Consumer Use

Our Products

Colgate understands that the water required to use our products represents the largest portion of our overall water footprint. To that end, water scarcity is an opportunity for innovation, and we are working to develop products that allow consumers to use less water.

- Suavitel's No-Rinse fabric softener technology in Latin America eliminates the need for a rinse cycle. It is available in Suavitel Sin Enjuague and Suavitel Complete products.

- As part of our focus on innovation opportunity spaces that are based on global megatrends, a Colgate team is working to develop the next generation of products that require less water to use. Additionally, our Product Sustainability Scorecard includes an evaluation of water use, enabling our research scientists to consider water reduction ideas early in the product design process.

- Ajax Easy Rinse Spray helps consumers save water by making it easier to rinse the product after cleaning.

- Murphy Soft Wipes clean wood without the use of additional water.

- In 2013, we began to include a Save Water message on our packages around the world, supported by a website that gives water saving tips and reminders for toothbrushing, handwashing, dishwashing and showering, and is available in ten languages.

Water Conservation Awareness

Consumers also have an important role to play in conserving water as they use our products. Through actions such as turning off the faucet while brushing their teeth and washing their hands, much water can be conserved. In order to help consumers in this effort, Colgate has a goal to promote water conservation awareness to all our global consumers.

- In 2013, we began to include a Save Water message on our packages around the world, supported by a website that gives water saving tips and reminders for toothbrushing, handwashing, dishwashing and showering, and is available in ten languages.
In 2015, Colgate continued campaigns to increase consumer awareness both online and in stores. In the U.S., Colgate partnered with The Nature Conservancy to promote water conservation awareness in selected Safeway and Walmart stores. In Brazil, the Sorriso toothpaste brand challenged consumers to take the #DesafioDoCopinho or One Cup Challenge, and use just one cup of water to brush their teeth.

We are also engaging Colgate people in water conservation and continued our internal Save Water Project pledge campaign in several locations in 2015. Employees at some sites have also participated in local river cleanups. Employees in Basel, Switzerland, participated in a River Clean-Up Day in partnership with the city. They cleaned up the Rhine River in Basel and collected over 100 kilograms of garbage along this iconic river and water source that runs from the Alps to Rotterdam.

In 2016, Colgate aired our award-winning Save Water video message during football’s Big Game. Consumers were also invited to make a personal pledge to save water at EveryDropCounts.Colgate.com. This campaign alone has reached over 2.7 billion people through earned and social media and views of the television and online video.
World Water Day 2016 Around the World

In 2016, Colgate expanded the Save Water campaign globally with messaging around World Water Day on March 22. Our video and message to make every drop of water count was live in more than 60 countries around the world.

- Colgate continues to partner with The Nature Conservancy to reach consumers in the U.S. In March 2016, communications in Walmart stores in California, Nevada and Arizona reminded consumers to turn off the faucet while brushing their teeth.

- In Colgate’s Africa/Eurasia Division, including in Turkey, Israel and South Africa, Colgate aired the Save Water video on television and online and partnered with Migros and Walmart stores to reach consumers. In Ghana, Colgate distributed calendars with water-saving tips, and in Kenya, Colgate promoted water conservation awareness in local schools.

- In Thailand, Protex brand bodywashes were sold in limited-edition World Water Day packaging. The unique bottles display a Save Water message when wet.

- In other Asian countries, Colgate aired our Save Water video on television and social media in China, Hong Kong, India, the Philippines, Malaysia, Singapore and Thailand.
In China, Colgate partnered with Watsons stores to reach consumers with water conservation messaging.

All Colgate Divisions engaged Colgate people around the world on World Water Day, inviting them to take a Save Water pledge and share the word about water conservation. Some locations also held events with guest speakers or volunteered in the local community.

In Europe, Colgate is rolling out an on-package Save Water reminder to consumers. To celebrate World Water Day, employees were invited to take a pledge to save water and share their commitment via social media. For every pledge made, a donation was made to support our PlayPump program in South Africa (see page 105).

In China, Colgate partnered with Watsons stores to reach consumers with water conservation messaging.

In Latin America, our Save Water video aired on television networks across Mexico, Central America and Colgate’s Andina, Southern Cone and Caribbean regions. Colgate also partnered with retailers to reach consumers in stores and online as well as engaged with digital messaging on Facebook. Additionally, Colgate partnered with Disney’s The Jungle Book movie to promote the message that Every Drop Counts through advertising online and on television, and an engaging website in Mexico, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Panama and Peru.

In Colgate’s South Pacific region, employees and consumers who took a pledge to Save Water received a “shower buddy” device to help them time their showers to five minutes. The region is also rolling out Save Water reminders on its packaging.
Water and Sanitation Access

Colgate respects the human right to water, sanitation and hygiene. One of Colgate’s 2020 Sustainability Strategy goals is to work with local and global organizations to help promote access to clean water. We also provide health and hygiene education in communities around the world.

Since 2013, Colgate has partnered with Water For People in support of their goal of 100 percent drinking water coverage in 30 districts across nine countries by 2018. Colgate’s contributions to Water For People’s Everyone Forever program helped them to reach nearly 100,000 people in 2015 with water, sanitation systems and/or health and hygiene education in Guatemala, Peru and India.

We also recognize that communities faced with inadequate access to safe water often do not have adequate sanitation services and that handwashing is not widely practiced. As mentioned on page 51, Colgate works 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.

Further, as a matter of long-standing practice, Colgate provides safe water, sanitation and hygiene to all people in our workplaces.

In South Africa, we continue to bring clean water to people through our sponsorship of PlayPumps, which provide an opportunity for children to play and help villages obtain clean water from wells. Colgate now sponsors 25 pumps.

Colgate People Giving Back

In Guatemala, groups of Colgate people have visited several of the communities that received clean water and volunteered to clean up at the school, plant gardens and paint as well as to teach children the importance of oral health and handwashing with our Bright Smiles, Bright Futures program.
Ecosystem Protection

Colgate works to protect water-related ecosystems such as forests, wetlands, aquifers and rivers, which lie at the heart of the global water cycle. All freshwater ultimately depends on the continued healthy functioning of these ecosystems. Colgate will continue to work to protect water-related ecosystems through our commitments to no deforestation, water replenishment, aquifer protection, wastewater treatment and community partnerships.

In the U.S., Colgate is supporting The Nature Conservancy in its mission to protect and restore the health of rivers, lakes, wetlands and forests as well as to educate consumers about the importance of clean, accessible water for people and nature. This includes helping to protect bodies of water like the Delaware River Basin (clean water source to nearly 20 million Americans) by combating nutrient runoff and sedimentation through riparian restoration, and the Sierra Nevada—the source of 65 percent of California’s water supply—where the Conservancy is working to conserve 50,000 acres of critical land to act as a natural reservoir for clear, mountain streams.

Wastewater Management

Wastewater discharges from Colgate’s operations are generally treated on site or by the local municipality prior to discharge to a water body. We continue to work to reduce pollutant loading in our wastewater discharges prior to treatment:

- In Bangpakong, Thailand, a new automatic system implemented in 2015 reduced the amount of product base that is washed out of our Work in Progress storage tanks during the changeover process.
At our Sri City plant in India, we are using new water treatment chemicals to maintain our cooling towers, reducing our discharge load to the local sewage treatment plant.

In Cambridge, Ohio, Colgate partners with the Ohio-based renewable energy company, Quasar Energy Group, to create energy from the wastewater from our soap manufacturing process. In 2015, Colgate avoided sending over 46,000 tons of wastewater to the landfill, avoiding over $275,000 in processing costs.

At Hill's Pet Nutrition's LEED-certified facility in Hustopece, Czech Republic, all wastewater effluent is treated to tertiary standards on-site, a catchment system is in place to capture and reuse rainwater runoff, and over 60 percent of the site was restored with native or adaptive landscaping.

At our 78-acre Global Technology Campus in Piscataway, New Jersey, Colgate recently completed an upgrade project to expand facility space and update stormwater and groundwater systems while restoring the natural habitat. The updates included upgrading the filtration equipment and stormwater outflow pipework leading to the Raritan River and planting over 800 native trees.

Collaboration and Disclosure
As a way to inform our water stewardship efforts, Colgate engages with leading water experts. This collaboration helps build expertise, align efforts and ensure our water programs meet stakeholder expectations. We are also committed to transparency and have reported publicly on our water stewardship and reduction performance for many years. Colgate is pleased to be one of eight companies globally named to the CDP Water A List in 2015 for leadership in water stewardship and to be a supporter of CDP’s water data visualization efforts.
Colgate sites have been reducing, reusing and recycling waste for many years. Our seven-step waste-reduction strategy guides our waste reduction efforts around the world:

1. Define Zero Waste
2. Track Waste Data
3. Prioritize Waste Reduction Activities
4. Engage Employees
5. Strengthen Supplier Relationships
6. Document and Verify
7. Share Successes

Colgate’s Trash to Treasure program encourages Colgate sites to find opportunities to reduce, reuse and recycle waste. We utilize automated Landfill Waste Scorecards for all of our sites to help increase the visibility and understanding of our waste reduction opportunities on a real-time basis.
In 2010, Colgate set a 2015 target to reduce waste sent to landfills from our operations by 15 percent per unit of production. Working together with our global manufacturing sites and network of waste management vendors, we have exceeded our goal, reducing landfill waste by over 40 percent in the past five years.\(^{(1)}\) As part of our 2015 to 2020 Sustainability Strategy, we have committed to go even further. We will halve our manufacturing waste sent to landfill per ton of product compared to 2010, working towards our goal of Zero Waste.

Since 2010, Colgate has Reduced Landfill Waste Per Ton of Production by over 40% and reduced our Absolute Landfill Waste by over 35%.

### Reducing Waste to Landfill*

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Recycled/Reused</td>
<td>Waste Recycled/Reused</td>
</tr>
<tr>
<td>60%</td>
<td>78%</td>
</tr>
<tr>
<td>Waste to Landfill</td>
<td>Waste to Landfill</td>
</tr>
<tr>
<td>40%</td>
<td>22%</td>
</tr>
</tbody>
</table>

*Total waste

Colgate’s Trash to Treasure Awards program provides recognition to sites meeting our Zero Landfill Waste definition as well those sites that send less than 5 percent of waste to landfills. So far our Hill’s Etten-Leur, Netherlands; Hustopece, Czech Republic; and Richmond, Indiana sites have received Colgate’s Zero Waste to Landfill award. In addition, nine of our plants in 2015 received Performance Leader recognition for sending 5 percent or less of their waste to landfill.

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**Colgate’s Zero Landfill Waste Definition**

- No site by-products are sent to a landfill, treatment facility or incineration without beneficial reuse or energy recovery for a full year.
- Excludes wastewater discharges (non-bulk), ash from waste-to-energy and wastes required to be treated/landfilled by regulation
- A maximum of 20% (by weight) of a site’s total waste may be sent to waste-to-energy
- Episodic construction and demolition wastes are appropriately managed and accounted for separately

\(^{(1)}\) Subject to final certification by third-party auditor.

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Bureau Veritas has validated Colgate’s Zero Landfill Waste definition and the Zero Waste to Landfill status of Colgate’s sites.
Zero Waste Highlights

- Recognizing that employee engagement is an important key to improving recycling rates, Colgate conducts Trash to Treasure events at our facilities to better understand the types of trash produced at the site and identify opportunities to reduce waste. Participants roll up their sleeves to dig through the garbage and identify what can be recycled or reused. The site then uses the findings to shape its waste reduction strategy. During a combined Latin America and North America Regional Environmental, Occupational Health and Safety (EOHS) Team meeting held at the Mission Hills, Mexico plant, a Trash to Treasure event was held to identify the percentage of recyclable material being sent to landfill in order to identify opportunities to increase recycling and reduce waste. EOHS representatives from 23 sites in both regions participated along with Mission Hills plant employees. EOHS representatives will bring back insights to their sites in order to continue to find opportunities to improve waste reduction.

- Our Athens, Greece plant participates in a program with a supplier to refill and reuse boxes multiple times. Our Sri City plant in India participates in a similar program, reusing the cardboard boxes that supply part of our toothbrush packaging. By sending them back for refill by our supplier at least three times, we have reduced container waste by about 33 percent. Sri City is also reusing the bags that hold the propylene used in the molding of toothbrush handles, avoiding an estimated 1,500 kilograms of waste each month.
Colgate has joined Operation Clean Sweep, an international program designed to prevent plastic resin pellet, flake and powder loss and help keep this material out of the marine environment. Colgate has pledged to implement Operation Clean Sweep’s program to improve our worksite set-up to prevent and address spills; create and publish internal procedures to achieve zero pellet, flake and powder loss; provide employee training and accountability for spill prevention, containment, cleanup and disposal; review our performance regularly; and comply with all applicable state and local regulations governing pellet, flake and powder containment.

As identified using Colgate’s Product Sustainability Scorecard, several new products in 2015 generated less waste during the manufacturing process than their predecessors. These included Colgate Komplett Freshening toothpaste in Europe, Palmolive Naturals bar soap in Latin America, Ajax Lemon Lime dishwashing liquid in Colgate’s Africa/Eurasia division, Soupline Premium fabric softener in Europe and several new toothbrush offerings in Asia.

Our toothbrush facilities in Asia are actively working towards zero waste. Over the past five years, the Sanxiao plant in China and the My Phuoc plant in Vietnam have reduced their landfill waste per ton of product produced by 56 percent and 91 percent respectively. Efforts made in recycling plastic and reducing cafeteria food waste have led to these significant reductions. Better waste management, including training and visual communication, have also contributed to the success.

Colgate has joined Operation Clean Sweep, an international program designed to prevent plastic resin pellet, flake and powder loss and help keep this material out of the marine environment. Colgate has pledged to implement Operation Clean Sweep’s program to improve our worksite set-up to prevent and address spills; create and publish internal procedures to achieve zero pellet, flake and powder loss; provide employee training and accountability for spill prevention, containment, cleanup and disposal; review our performance regularly; and comply with all applicable state and local regulations governing pellet, flake and powder containment.
Reducing Consumer Waste

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. We have 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. See page 73 for more information on our packaging commitments and progress.

Building a circular economy in which industrial materials and packaging can be recycled and reused is an important part of a sustainable future. In addition to commitments for our own packaging, Colgate has committed to work with stakeholders to drive continuous improvement in local recycling systems.

In 2014, we became one of the initial investors in the Closed Loop Fund to develop local recycling infrastructure. In the U.S., municipalities often lack access to the capital needed to invest in recycling programs and infrastructure. Starting in 2016, the Closed Loop fund will provide zero interest loans to municipalities and below market loans to private companies with a goal to develop infrastructure and improve recycling rates. The aim is to invest over $100 million by 2020 and divert more than 20 million tons of waste from U.S. landfills. The fund will also seek to co-invest with local private and public investors to magnify its impact. The Closed Loop Fund kicked off its first investment in March 2016 for a Materials Recovery Facility in Chicago, Illinois. The new 40,000 square-foot single-stream recycling system is expected to harvest over 110,000 tons of high-grade residential and commercial single-stream recyclables and to sort, separate and allocate over 20 tons of waste per hour.

Colgate is also a member of CEMPRE (Compromisso Empresarial para Reciclagem or Business Commitment for Recycling) in Brazil. CEMPRE promotes the concept of integrated management of solid waste, promotes consumer recycling measures and implements education and awareness programs about the importance of the 3Rs—reducing, reusing and recycling. CEMPRE has played a leading role in the successful waste management model in Brazil of integrating informal waste collectors and cooperatives into the recycling process. Most recently, Colgate became one of the sponsors of the industry-led Give Hands for the Future program to facilitate the recycling of post-consumer packaging through expansion and improvement of collection, sorting, processing, valuation and marketing in accordance with Brazil’s National Solid Waste Policy.

Colgate was one of the initial investors in the Closed Loop Fund to develop local recycling infrastructure. The Fund kicked off its first investment in March 2016 for a Materials Recovery Facility in Chicago, Illinois.
Colgate partners with eco-innovator Terracycle® in the U.S., Mexico, Brazil, Australia, Argentina and New Zealand. Terracycle® “upcycles” Colgate’s packaging collected at schools, stores and other locations into new and affordable eco-friendly products while generating revenue for schools and charities. Terracycle® has collected over two million pieces of waste through our programs since we launched our partnership in 2010.
Commitment to Sustainable Buildings

Colgate has ten Leadership in Energy and Environmental Design (LEED) certified facilities around the world with over ten additional LEED construction projects underway in the U.S., Latin America, Asia and Europe. We have committed to LEED certification for all of Colgate’s new construction. LEED is an internationally recognized green building certification system developed by the U.S. Green Building Council (USGBC). The buildings reduce Colgate’s environmental impact, reduce the Company’s overall exposure to water and climate change—related issues and offer a healthier, more comfortable work environment.

In 2016, Colgate was honored with the 2015 Ray Anderson Radical Industrialism Award for exemplifying sustainability with USGBC’s leadership in the evolution of green manufacturing. Sponsored by the Ray C. Anderson Foundation, USGBC presents his namesake award each year to a leader in the manufacturing sector whose commitment to and achievements in sustainability exemplify Ray’s vision, integrating sustainability into the very heart of their company.

Colgate has been a member company of the USGBC since 2007. Colgate is also a Charter Member of the USGBC LEED User Group: Industrial Facilities, which collaboratively engages in the advancement of LEED and green building practices for the global manufacturing sector. Further information about Colgate’s LEED-certified buildings is available on the USGBC “Green Building Information Gateway” at www.gbig.org.

“Colgate-Palmolive deserves every accolade it gets for the exceptional work it is doing. It is exactly the kind of company Ray Anderson sought to encourage, and it makes Colgate-Palmolive a terrific choice to receive the USGBC Leadership Award named for him. Also, at the company’s heart is a culture of care for the planet, and the awareness-building and education it does around water conservation says a great deal about its end-to-end commitment to leadership.”

—Rick Fedrizzi, CEO and Founding Chair, USGBC

Colgate opened the doors to its latest LEED-certified facility in Sanand, India, in early 2016. This oral care manufacturing facility is Colgate’s first LEED-certified site in India. The plant recycles treated wastewater, has efficient water fixtures, was constructed with locally manufactured and extracted materials, has a waste management policy to collect and segregate waste at the source and uses highly-efficient refrigeration systems.
Spotlight on ... Hill’s Pet Nutrition

- **Working Towards Zero Waste**
  Our Hill’s Pet Nutrition manufacturing sites are leading the way in reducing landfill waste at Colgate; so far three sites have achieved the first Zero Waste to Landfill recognition. Hill’s sites around the world have implemented a sophisticated waste management program in partnership with waste vendors to optimize waste collection, segregation and disposal practices. Hill’s has also conducted Trash to Treasure events at three of its U.S. sites, bringing employees together to better understand the types of trash produced at the site and identify opportunities to reduce waste. Hill’s is sharing its waste reduction strategy across the organization to enable the same success at all of our facilities.

- **LEED-Certified Factories**
  Hill’s Emporia, Kansas and Hustopece, Czech Republic manufacturing facilities are LEED-certified. At the Emporia plant, 75% of construction waste was diverted from the landfill, 30% of building materials used were made from recycled content, and the building uses 25% less energy compared to a conventional plant. At the Hustopece plant, 90% of construction waste was diverted from the landfill, 68% of building materials came from within 500 miles of the plant and the building uses 20% less energy than a conventional plant.

- **Responsibly Sourced Seafood**
  Hill’s uses a small amount of seafood and seafood by-products as a source of protein and nutrition in its pet foods. Hill’s is committed to responsibly and sustainably source seafood. Currently, approximately 66 percent of Hill’s seafood supply is certified by a recognized sustainable sourcing framework. A policy further detailing Hill’s commitment to responsibly source seafood is in development and is expected to be available later in 2016.

- **Energy Treasure Hunts**
  Hill’s is conducting Energy Treasure Hunts at all of its facilities, where 30 to 50 participants visit all areas of the plant, searching for energy waste and brainstorming opportunities for continuous improvement. In 2015, Hill’s completed Treasure Hunts at its Bowling Green, Kentucky and Emporia, Kansas plants. Since 2014, Hill’s Treasure Hunters have identified over 240 potential energy-saving projects with the potential to save over $3 million annually in energy costs.
It is estimated that over the past 50 years, about half of the world’s original forests have been lost. This has led not just to biodiversity loss and social instability, but also furthered climate change. Deforestation of High Conservation Value and High Carbon Stock forests, such as tropical rainforests and peatlands, has been especially devastating to endangered animal species and has led to significant release of carbon emissions.
Our Commitment to No Deforestation

In 2014, Colgate issued a Policy on No Deforestation to support a vision for a future without deforestation. Colgate is working to meet our goal of no deforestation by 2020. In 2015, we also joined in the CDP and We Mean Business Coalition’s “Road to Paris 2015” commitments, committing to remove commodity-driven deforestation from all supply chains by 2020.

Deforestation is one of Colgate’s Key Sustainability Issues identified on page 7. It is an important issue for our business from both an environmental and reputational risk standpoint. The commitments in our policy will help us to manage the deforestation risks in our supply chain for pulp and paper, palm oil and derivatives, soy and soy oil, and beef tallow.

Colgate is committed to the following general requirements for all forest commodities including:

- No deforestation of High Carbon Stock (HCS) forest
- No deforestation of High Conservation Value (HCV) areas
- No use of fire for land clearance
- No new development on peatlands, regardless of depth
- No exploitation of people or local communities

Below are highlights and updates on our progress.

Pulp and Paper

Much of Colgate’s packaging material utilizes wood-derived or paper-based products. Over 90 percent of our pulp and paper is certified or in the process of being certified as being sourced from responsibly managed forests. We have set packaging targets for 2020, including increasing the recycled content of our packaging to 50 percent (see page 73). Currently, approximately 37 percent of Colgate’s packaging materials by weight globally come from recycled sources. We have also taken steps to ensure compliance with the U.S. Lacey Act, which requires all product and disposable packaging to be comprised of legally-sourced wood or other plant-based material.

We give preference for verification of pulp and paper supply to the Forest Stewardship Council (FSC) certification standards, but utilize other respected certification schemes as geography and availability necessitate. As part of this commitment, Colgate will continue our long-standing strategy to increase the use of recycled materials as well as our efforts to optimize the use of other packaging materials.

Palm Oil, Palm Kernel Oil and Derivatives

Palm oil is one of the most widely traded vegetable oils in the world and is used in many food and household products. Over 85 percent of the world’s palm oil comes from Indonesia and Malaysia, where land is sometimes converted from forest to palm plantations, resulting in health issues, greenhouse gas emissions and impacts on biodiversity and social concerns. Colgate uses palm oil, palm kernel oil (PKO) and its derivatives in some of our soap products, toothpastes, antiperspirants, deodorants and household cleaners.

Milestones

We have recognized the need to source responsibly produced palm oil since 2007, when Colgate became a member of the Roundtable on Sustainable Palm Oil (RSPO). Since then, we have taken action to responsibly source palm oil in the following ways:

- Developed a cross-commodity Policy on No Deforestation, highlighting palm oil as one of four commodities to target for implementation (March 2014)
- Began partnership with The Forest Trust (TFT) to map our supply chain, engage our suppliers and drive transformation in the supply chain (May 2015)
- Identified all palm oil derivatives in our supply chain and covered volumes with GreenPalm certificates (2015)

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(1) Forests as defined by the HCS Approach developed by GAR, Greenpeace and TFT
(2) Areas as defined by the HCV Network Common Guidance
(3) As guided by the United Nations Universal Declaration of Human Rights, regulatory requirements and International Labor Organization standards
(4) Provide respect to legal or customary land tenure rights and the rights of indigenous and local communities by providing free and prior informed consent (FPIC)
- Communicated our policy to our direct suppliers (ongoing)
- Requested information on traceability to the mill level from 100 percent of our direct suppliers of palm oil and PKO (ongoing)
- Engaged direct suppliers of palm oil and PKO to encourage increased transparency and to understand their plans for transformation of their supply chain (ongoing)
- Committed to phase out GreenPalm certificates for palm oil and PKO (ongoing)
- Committed to procure 100% mass balance oils in all geographies (ongoing)
- Announced our support of Indonesia President Joko Widodo’s policy to protect intact and restore degraded peatlands through the new peatlands Restoration Agency (Badan Restorasi Gambut, BRG)

**Traceability**

Colgate buys palm oil and PKO (excluding derivatives) for production in the U.S., Latin America, Thailand, Turkey and South Africa. We have engaged 100 percent of our direct suppliers of palm oil and PKO to understand the source of their supply, down to the mill level. By tracing palm oil back to known mills, we can better understand the social and environmental practices at the plantations and smallholder farms the mill sources from and collaborate with our suppliers to help transform the supply chain.

The percentages in the table below reflect the percentage of palm oil and PKO for each purchasing market that can be traced back to the origin mill. Overall, we can identify the mill sources for 71 percent of Colgate’s PKO supply and 54 percent of our palm oil supply, by volume. Being able to identify the mill sources for our palm supply allows us to prioritize upstream suppliers for engagement based on associated risk. It also allows us to seek further information and respond if concerns arise regarding stakeholders within our supply chain.

Colgate sees our initial traceability percentages as opportunities for improvement. A number of our suppliers were new to the request for traceability and some of them were therefore less receptive to our initial request. We continue to pursue visibility of the remaining untraced volumes, which are primarily purchased by our operations in Thailand, the Middle East and Africa. Our work with these suppliers has been to communicate to them our values of responsible sourcing and the role that traceability will play in allowing us to support key stakeholders to improve their practices on the ground.

We have compiled our palm oil derivatives volume and supply data. Within the next six months we will develop an action plan to prioritize and engage our derivatives suppliers on their traceability and responsible sourcing practices.

**Certification**

As an interim step in the transformation journey, Colgate has chosen to procure 100 percent certified palm oil, PKO and palm oil derivatives. Seventy-seven percent of our palm oil and PKO is physically certified. The balance of our palm oil and PKO, as well as palm oil derivatives, are covered by GreenPalm certificates.

As noted above, we are committed to phase out the use of GreenPalm certificates.

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**Colgate Global Traceability**

<table>
<thead>
<tr>
<th>Market</th>
<th>PKO Traceability</th>
<th>PO Traceability</th>
<th>Overall Traceability</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>98%</td>
<td>N/A</td>
<td>98%</td>
</tr>
<tr>
<td>Latin America</td>
<td>71%</td>
<td>94%</td>
<td>81%</td>
</tr>
<tr>
<td>Thailand</td>
<td>39%</td>
<td>57%</td>
<td>54%</td>
</tr>
<tr>
<td>Europe, Middle East, Africa</td>
<td>36%</td>
<td>46%</td>
<td>44%</td>
</tr>
<tr>
<td>Weighted Total</td>
<td>71%</td>
<td>54%</td>
<td>61%</td>
</tr>
</tbody>
</table>

*As of February 1, 2016*
**Next Steps**  
We are conducting in-depth conversations with our suppliers regarding the robustness of their own responsible sourcing policies and implementation plans, or their plans to achieve compliance with our policy if they lack their own. We will continue discussions to encourage greater transparency with the suppliers who have yet to provide complete information on traceability to the mill level. With the traceability information we have and will continue to receive, we will be able to make informed decisions about which producing suppliers to support in transformation. Through our palm oil partnership with TFT, we will be able to contribute to supplier assessments and training in order to have a positive, tangible impact on the practices on the ground within our supply chain. This direct transformation work is in addition to monitoring and ensuring progress of our suppliers’ own efforts at transformation.

We will also develop a longer term plan to ensure our palm oil supply conforms to the expectations outlined in our policy by 2020. As the next step on our journey towards sustainable palm oil, we will:

- Work with suppliers and external expert organizations to identify potential social or environmental risk in our supply chain
- Achieve full traceability of our palm oil and PKO supply chains back to the mills by year-end 2016 and to the plantation by year-end 2020
- Set additional milestones for traceability and responsible and sustainable sourcing of palm oil derivatives through 2020 based on mapping that was completed in 2015
- Purchase increasing volumes of physical Certified Sustainable Palm Oil and PKO each year with a goal to source 100% by 2017
- Purchase GreenPalm Certificates to cover the remaining percentage of our requirements, phasing out the need for the purchase
- Communicate the expectation that suppliers publish concession maps
- Measure supplier’s conformance to our policy based on third party verification

**Soy**
Soy, or soy oil, is an ingredient used in certain Colgate products. Colgate sources soy and soy oil from the United States and Brazil.

Colgate supports efforts such as the Soy Moratorium that help minimize deforestation from soy expansion and increase transparency in the soy sector. We are also committed to:

- Mapping our soy usage and geography of supply
- Working with our suppliers in Brazil and any other high-risk areas to assess the availability of soy that does not contribute to deforestation and will increase our purchases of soy from these sources
- By 2017, procuring soy and soy derivatives that are not linked to deforestation, verifying this through independent third-party verification and monitoring

**Tallow**
Tallow is a key ingredient in bar soap production and is a cattle by-product. Colgate sources tallow from suppliers in North America, Latin America and Europe.

In Brazil, there are concerns that rising demand for beef as a food source is prompting farmers to clear part of the Amazon rainforest for cattle ranching. Currently, we require Brazilian suppliers to certify that they are following the environmental and social requirements set forth by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA). We are also working to minimize the amount of tallow purchased from high-risk areas. We will continue to work with our suppliers to minimize the amount of tallow purchased from high-risk areas with a goal of eliminating such purchases as soon as possible. Moving forward, we will:

- Collaborate with industry and stakeholder groups such as the Global Roundtable for Sustainable Beef to work towards zero deforestation in this area
- By 2017, require all applicable suppliers to be in conformance with the Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome set in 2009
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 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.

Colgate sites are expected to self-assess conformance with our standards at an eighteen-month interval. Corporate audits are conducted every three to five years, closure progress is reported quarterly and verification audits are conducted to provide closure assurance. Colgate has also launched a third-party Ethical Compliance Audit program for Colgate manufacturing facilities, using the Sedex Members Ethical Trade Audit (SMETA) protocol. The audit protocol investigates criteria covering freedom of association, child labor, hazards, health and safety, wages and benefits, working hours, discrimination as well as environmental and business ethics matters. A corrective action plan is in place to remedy any potential areas of concern.

For more information on supply chain risk, see page 44.

Nature Partnerships

Through partnerships with organizations like The Nature Conservancy and the Keystone Science School, we are helping to support programs that help nature and people alike as well as promoting environmental education.

Highlights

- Colgate sponsors teachers to attend the Key Issues Institute: Bringing Environmental Issues to the Classroom professional development program in Colorado, U.S., a program of the Keystone Science School. Teachers come from areas where Colgate has operations. The program gives teachers the skills to use innovative and engaging ideas and methods to investigate current environmental issues with their students. In 2015, Colgate sponsored four teachers from Kansas and Indiana who left with curriculum materials, lab equipment and a new professional network of support from fellow teachers and Key Issues staff.

- Colgate was honored by EcoHealth Alliance at their 2016 Annual Benefit for our dedication to sustainability and to preserving vital resources for generations to come. EcoHealth Alliance is a global, nonprofit organization dedicated to protecting wildlife and safeguarding human health from the emergence of disease. The organization develops ways to combat the effects of damaged ecosystems on human and wildlife health.

  “We are thrilled to honor our first Fortune 500 Company that aligns with EcoHealth Alliance’s innovative programs aimed at improving the health of people, animals and ecosystems. Colgate-Palmolive’s sustainability practices are forward-thinking, and socially responsible.”

  -Dr. Peter Daszak, President, EcoHealth Alliance

- Colgate has supported The Wildlife Conservation Society (WCS) in New York City for over 25 years. Through our sponsorship, Colgate people in the New York metro area have occasions to visit the network of WCS zoos and aquariums free of charge.

For more information on our water partnerships with The Nature Conservancy and Water For People, see pages 103 and 105 to 106.