Building a Future to Smile About

COLGATE CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT 2017

Contents

Our Company

3 Message from Ian Cook
4 2015 to 2020 Strategy
5 2017 At A Glance
6 2020 Sustainability Commitments Progress
7 Awards and Recognition
8 UN Global Compact and Sustainable Development Goals
9 Company Profile
11 Sustainability Management
14 Governance

People

18 Supporting Colgate People
19 Our Approach
20 Building a Future to Smile About
21 Building a Coaching Culture
21 Creating a Continuous Learning Environment
22 Employee Health and Wellness
26 Our Commitment to Universal Human Rights
26 Diversity & Inclusion
28 Equal Pay
28 Supplier Diversity
30 Occupational Health and Safety
32 2017 Safety Highlights
34 Responsible Sourcing
36 Oral Health Education
39 Handwashing Education
41 Helping Pets Find a Home
42 Community Giving

Performance

45 Colgate's Global Brands
46 Consumer-Driven Innovation
48 Product Sustainability at Colgate
48 Driving Sustainability Through Our Categories
49 Improving the Product Sustainability Profile of Our Products
50 Delivering Safe and Sustainable Ingredients
51 Delivering More Sustainable Packaging
55 Providing Access to Affordable Products
55 Partnering with Customers

Planet

57 Supporting Our Planet
58 Our Commitment to No Deforestation
65 Environmental Management
65 Our Climate Commitment
73 Making Every Drop of Water Count
81 Working Toward Zero Landfill Waste
82 Reducing Consumer Waste
83 Commitment to Sustainable Buildings

Appendix

84 Partnerships
86 Reconciliation of Non-GAAP Financial Measures
87 About This Report

Message from Ian Cook

> "As we head into 2018, Colgate will continue to care for the well-being of people and their families, be a steward for the planet and its resources and do business with the highest level of integrity."

Colgate People all around the world take pride in our Company and the business, social and environmental performance we deliver each year. They care about the future of our Company, the communities we serve, and the planet we share.

At the heart of our efforts are our commitments to our shared global values, ethical behavior, and ambitious sustainability goals that touch most everything we do. Our focus remains on five global sustainability commitments:

- Helping Colgate People and Their Families Live Better
- Contributing to the Communities Where We Live and Work
- Delighting Consumers and Sustaining Our World With Our Brands
- Making Every Drop of Water Count
- Reducing Our Impact on Climate and the Environment

This report details our current progress and our commitments to future progress. I am especially pleased to highlight developments in these three critical areas:

Water Conservation Colgate is uniquely positioned to lead in water conservation: Water is intrinsic to our products and how they are used. Conserving water reflects our value of Caring for people and the planet, as our brands, found in more households than any other in the world, are trusted by billions of people. So we have both an extraordinary opportunity – and a clear duty – to help preserve this vital resource. Momentum is building around our #EveryDropCounts campaign, and this year we will reach people in 70+ countries with engaging messages to turn off the tap when brushing.

Palm Oil We recognize our responsibility to work with industry groups, suppliers, governments and others to ensure we source palm oil and its derivatives in ways that do not damage the environment or exploit workers. Our goal is to reach 100 percent sustainable palm oil which we expect to achieve in 2018. This year we also expect to disclose 100 percent of the mills that supply us directly from our four largest palm oil suppliers, which together account for more than 80 percent of our purchases. Looking ahead, we will extend this program to additional suppliers as we work toward our goal of full disclosure and traceability.

Plastic Packaging Plastics can contribute to environmental concerns, including pollution of the world's oceans. We are committed to reducing our use of plastic in our packaging, using more recycled plastic, and increasing the recyclability of our plastic packaging. We have made significant progress, including reducing our use of PVC plastics – 98 percent of our packaging is free of this hard-to-recycle plastic. Now we have raised the bar with a new commitment: 100 percent recyclability of the plastic we use in our packaging across all categories by 2025.

I am grateful to all the Colgate People who contribute to our sustainability success year after year, as well as to the suppliers and other partners we work with to achieve our goals. Our progress is being recognized; including placement on the CDP Water A List and CDP Climate A List, making Colgate-Palmolive the highest ranked U.S. based company in our industry.

Together, we are Building a Future to Smile About.

Ian Cook
Chairman, President and Chief Executive Officer

2015 to 2020 Strategy

Colgate's 2015 to 2020 Sustainability Strategy maintains our emphasis on People, Performance and Planet with focused, measurable goals that align with the Company's business objectives.

HELPING COLGATE PEOPLE AND THEIR FAMILIES LIVE BETTER

WE WILL

- Continuously improve employee health and reduce health risks by 15%[1]
- Encourage healthier living for Colgate people and their families
- Ensure a safe and healthy work environment with a goal of zero lost-time incidents
- Provide education and tools to Colgate people to elevate financial awareness and planning

CONTRIBUTING TO THE COMMUNITIES WHERE WE LIVE AND WORK

WE WILL

- Expand Bright Smiles, Bright Futures™ program to reach 1.3 billion children
- Invest in the improvement of health, education, and environment for thousands of people in communities around the globe
- Partner with animal shelters to help over 2 million dogs and cats find homes
- Reach 60 million people annually with handwashing education
- Expand Colgate Cares Day globally to be a leader in volunteerism

DELIGHTING CONSUMERS AND SUSTAINING OUR WORLD WITH OUR BRANDS

WE WILL

- Improve the sustainability profile in our new products and product updates[2]
- Commit $250 million to drive sustainability with breakthrough product and process innovation
- Increase the recyclability of our packaging and increase recycled content to 50%[3]
- Have a positive impact by expanding access to affordable health and wellness products for millions of people in underserved communities
- Use the power of our brands to build awareness and drive engagement in product sustainability

MAKING EVERY DROP OF WATER COUNT

WE WILL

- 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

REDUCING OUR IMPACT ON CLIMATE AND THE ENVIRONMENT

WE WILL

- 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
- Halve our manufacturing waste sent to landfill per ton of product compared to 2010, working toward our goal of "Zero Waste"
- Partner with key suppliers, customers and consumers to reduce energy, greenhouse gas emissions, and waste

1. 15% risk reduction will be measured considering a 2013 baseline, using the Global Health Risk Assessment tool, available to countries with 100 or more employees.
2. The performance results will be based on representative new products and product updates evaluated against comparable Colgate products, considering a 2015 baseline, across seven impact areas to characterize likely improvement in the sustainability profile, based on review of quantitative and qualitative data.
3. Packages meeting all three criteria are considered recyclable: 1) the package is made of a material that is widely accepted for recycling, 2) the package can be separated into material(s) that can be recycled, and 3) the package material can be reprocessed into a preferred valuable feedstock.

2017 At A Glance

Colgate people around the world are coming together to align behind the commitments and continue to make progress. Below are some highlights and accomplishments of our progress over the past year.

PEOPLE

Reached over
950 million
children with oral health education since 1991

Colgate people achieved
27 million
Healthy Activity Minutes

60 million
people reached with handwashing education in 2017

Supplier Responsible Sourcing Assessments program in 2017, assessed more than
80%
of our "at risk" spend

9 million
pet adoptions since 2002

PERFORMANCE

Save Water conservation campaign activated in
70+
countries and reached nearly
3 billion
people[1]

www.colgate.com/savewater

Upcycled over
7 million
pieces of oral care packaging with Terracycle

Improved the sustainability profile in
82%
of new products and product updates[2]

Approximately
42%
of our packaging materials by weight are from recycled sources

Approximately
80%
of our packaging is recyclable

PLANET

373 thousand
people reached with water and sanitation and/or health and hygiene education since 2013

47%
reduction in water use per ton of product manufactured vs. 2002[3]

44%
reduction in waste sent to landfill per ton of product manufactured vs. 2010[3]

28%
reduction in greenhouse gas emissions vs. 2002

31%
reduction in energy intensity vs. 2002[3]

70%
of palm oil, palm kernel oil and palm oil derivatives purchases are certified

1. Reached through earned and social media and views of the television and online video.
2. The performance results are based on representative products from the product portfolio evaluated against comparable Colgate products across seven impact areas to characterize likely improvement in the sustainability profile, based on review of quantitative and qualitative data.
3. Subject to final verification by third-party auditor.

2020 Sustainability Commitments Progress

Highlights of the progress we made on our sustainability commitments this year are below. The Company was named to both the 2017 Dow Jones Sustainability World and North America Indices, was recognized as a U.S. EPA ENERGY STAR 2017 Partner of the Year for the 7th year in a row, and was named to both the CDP Water A List and CDP Climate A List in 2017. To learn more about Colgate's Sustainability Strategy progress, visit the Sustainability section of Colgate's website at **colgatepalmolive.com**.

People

Helping Colgate People and Their Families Live Better

- In 2017, the Global Health Risk Assessment (HRA) tool was available in 50 countries, providing access to 60% of Colgate's workforce. The HRA tool helps Colgate employees self-evaluate health status and understand health risks, and provides confidential feedback to motivate behavioral change.
- In each of the past five years, more than 60% of Colgate employees participated in our Global Healthy Activity Challenge. In 2017, employees logged 27 million minutes of healthy activity.
- Colgate is working to support employees in their effort to be financially secure at every stage of their lives. Employees in more than 100 countries now have access to a financial wellness toolkit, available in seven languages.

Contributing to the Communities Where We Live and Work

- Colgate has the unique ability to improve the oral health of children and their families around the world. The Colgate Bright Smiles, Bright Futures® oral health education program reached more than 50 million children in 2017, totaling more than 950 million children since its inception in 1991.
- Since 2002, Hill's Food, Shelter & Love™ program has provided more than $290 million in pet food to more than 1,000 pet shelters and helped more than nine million pets find their forever homes across North America.
- Colgate is working with public health officials, academia and local schools and clinics to educate millions of children and their families about the health and hygiene benefits of handwashing with soap. In 2017, Colgate reached more than 60 million people through media campaigns, community events and educational programs in schools throughout various geographies.

Performance

Delighting Consumers and Sustaining Our World With Our Brands

- Approximately 82% of the products evaluated with Colgate's Product Sustainability Scorecard were determined to be "more sustainable," showing an improvement in at least one of the following areas: responsible sourcing and raw materials, energy and greenhouse gases, water, waste, ingredient profile, packaging and social metrics.(1)
- Approximately 42% of our packaging materials, by weight globally, now come from recycled sources and approximately 80% of our packaging is considered recyclable.(2)
- Colgate has made great strides in its commitment to improving the sustainability profile of our products by eliminating the use of microbeads, phthalates and parabens as ingredients.

Planet

Making Every Drop of Water Count

- In 2017, Colgate reduced water use per ton of production by nearly 47% vs. 2002, avoiding enough water use to fill 230 billion glasses of water.(3)
- Colgate continues to scale up our Save Water campaign globally to promote water conservation awareness with on-package messaging, in-store communications, social media and a partnership with The Nature Conservancy in the U.S.
- Colgate's contributions to Water For People's Everyone Forever program helped them reach more than 373,000 people since 2013 with water, sanitation systems and/or health and hygiene education in Guatemala, Peru and India.

Reducing Our Impact on Climate and the Environment

- Colgate continues to reduce its absolute greenhouse gas emissions. So far, we have reduced our absolute greenhouse gas emissions by approximately 28% compared to 2002.(3)
- Working toward the Company's goal of "Zero Waste," Colgate has reduced the amount of waste per ton of production sent to landfills by nearly 44% since 2010.(3)
- Colgate continues to make progress on its commitment to mobilize resources to achieve zero net deforestation by 2020 as stated in our policy on No Deforestation.

1. The performance results are based on representative products from the product portfolio evaluated against comparable Colgate products across seven impact areas to characterize likely improvement in the sustainability profile, based on review of quantitative and qualitative data.
2. Packages meeting all three criteria are considered recyclable: 1) the package is made of a material that is widely accepted for recycling, 2) the package can be separated into material(s) that can be recycled, and 3) the package material can be reprocessed into a preferred valuable feedstock.
3. Subject to final verification by a third-party auditor.

Awards and Recognition

Colgate continues to be recognized for efforts in sustainability and social responsibility.

No. 53 on Corporate Knights' **2017 Global 100 Most Sustainable Corporations** list

2018 World's Most Ethical Companies Ethisphere Magazine

2017 Barrons 100 Most Sustainable Companies

No. 96 **100 Best Corporate Citizens** Corporate Responsibility Magazine

2017 Dow Jones Sustainability World and North America Indices

2018 Fortune World's Most Admired Companies

2017 JUST 100 by Forbes and Just Capital

Human Rights Campaign 2018 Corporate Equality Index (CEI) Perfect score of 100%

Top 50 Employers for African Americans 'Best of the Best' Black EOE Journal

Top 7 most diverse and inclusive companies in the U.S. Thompson Reuters Diversity & Inclusion Index

2017 LGBTQ Business Equality Excellence Award

2017 Working Mother 100 Best Companies and **Best Companies for Multicultural Women**

No. 10 **2017 Best Places for Women & Diverse Managers to Work** Diversity MBA Magazine

No. 35 **Top 50 Companies for Diversity 2017** Diversity, Inc. Magazine

No. 17 on **America's Top 50 Corporations of Inclusion** OMNIKAL 2017

Top Companies for Executive Women 2017 National Association for Female Executives

Top Diversity Employer Hispanic Network Magazine

2018 CDP Supplier A List Leader

Colgate named to **Most Trusted Brand in India 2017**

In 2017 Forbes named Colgate one of the **World's Most Valuable Brands, Most Innovative Companies** and **25 Most Reputable Companies**

2017 U.S. EPA's Green Power Partnership National Top 100 list

U.S. EPA ENERGY STAR Partner of the Year 2017 for the 7th year in a row, with recognition for Sustained Excellence

No. 40 in U.S. **Newsweek Green Rankings 2017**

Colgate was one of 74 companies globally named to the **2017 CDP Water A List** for leadership in water stewardship

Colgate has achieved 68 **U.S. EPA ENERGY STAR Challenge for Industry** Awards at our global manufacturing sites since 2011

Colgate was named to the **2017 CDP Climate A List**

UN Global Compact and Sustainable Development Goals

Colgate-Palmolive supports the Sustainable Development Goals (SDGs). The table below shows how initiatives described in each section of this report addresses specific UN SDGs.

		SDG 1	SDG 2	SDG 3	SDG 4	SDG 5	SDG 6	SDG 7	SDG 8	SDG 9	SDG 10	SDG 11	SDG 12	SDG 13	SDG 14	SDG 15	SDG 16	SDG 17
✓ EXECUTIVE SUMMARY	BUSINESS STRENGTH								✓	✓								✓
	GOVERNANCE AND BUSINESS INTEGRITY					✓			✓		✓							✓ ✓
✓ PEOPLE	SUPPORTING COLGATE PEOPLE	✓			✓	✓			✓		✓							✓ ✓
	EMPLOYEE HEALTH AND WELLNESS & OHS			✓			✓		✓									✓
	OUR COMMITMENT TO UNIVERSAL HUMAN RIGHTS	✓				✓			✓		✓							✓ ✓
	ORAL AND HANDWASHING EDUCATION			✓	✓		✓		✓									✓ ✓
✓ PERFORMANCE	CONSUMER DRIVEN INNOVATION			✓					✓	✓								✓
	PRODUCT SUSTAINABILITY			✓	✓		✓		✓	✓	✓		✓	✓	✓	✓		✓
	DELIVERING SAFE AND SUSTAINABLE INGREDIENTS						✓		✓	✓			✓	✓	✓	✓		✓
	DELIVERING MORE SUSTAINABLE PACKAGING			✓	✓					✓			✓		✓	✓		✓
✓ PLANET	OUR COMMITMENT TO NO DEFORESTATION										✓	✓	✓	✓	✓	✓		✓
	OUR CLIMATE COMMITMENT			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
	MAKING EVERY DROP OF WATER COUNT			✓			✓			✓		✓			✓			✓
	WORKING TOWARDS ZERO LANDFILL AND REDUCING CONSUMER WASTE COMMITMENT			✓					✓			✓			✓	✓		✓
	COMMITMENT TO SUSTAINABLE BUILDINGS			✓							✓		✓	✓	✓			✓

Company Profile

Founded in 1806, Colgate-Palmolive Company is a publicly traded consumer products company with $15.5 billion of worldwide net sales in 2017, serving people around the world with well-known brands that make their lives healthier and more enjoyable.

OPERATIONS

Colgate operates in more than 80 countries, and our products are marketed in more than 200 countries and territories. Approximately 35,900 Colgate employees drive our success. Headquartered in New York City, Colgate operates through six divisions around the world: North America, Latin America, Europe, Asia Pacific, Africa/Eurasia, and Hill's Pet Nutrition.

The Company has more than 50 manufacturing and research facilities globally. The vast majority of Colgate products are manufactured in Colgate-owned facilities. Colgate also has an extensive supply chain consisting of thousands of suppliers of raw and packing materials, manufacturing operating supplies, capital equipment, and other goods and services.

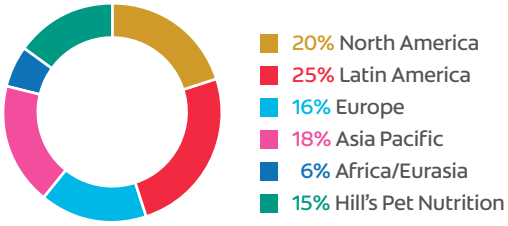
COLGATE BRANDS

Colgate is a leading global consumer products company, focused on Oral Care, Personal Care, Home Care, and Pet Nutrition. Colgate manufactures and markets its products under trusted brands such as Colgate, Palmolive, Speed Stick, Lady Speed Stick, Softsoap, Irish Spring, Protex, Sorriso, Kolynos, elmex, Tom's of Maine, Sanex, Ajax, Axion, Fabuloso, Soupline and Suavitel, as well as Hill's Science Diet, Hill's Prescription Diet, and Hill's Ideal Balance.

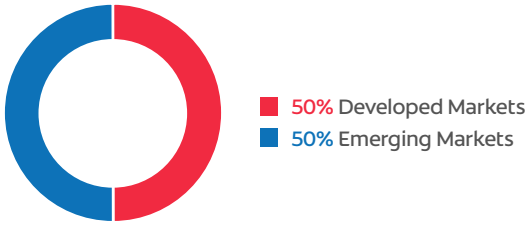
Business Strength

While uncertainty in global markets and category growth worldwide remain challenging, we are maintaining our heightened focus on brand building and increased productivity. We are planning for another year of increased advertising investment behind new products, our base businesses and longer-term consumption-building activities, and are deeply committed to acting with greater speed and agility to drive sustained profitable growth worldwide.

2017 Net Sales By Geographic Region

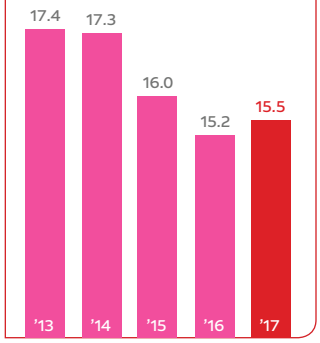


2017 Net Sales By Market Maturity



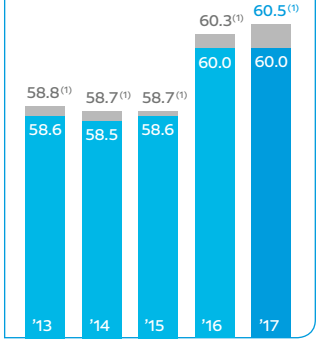
Net Sales

($ billions)



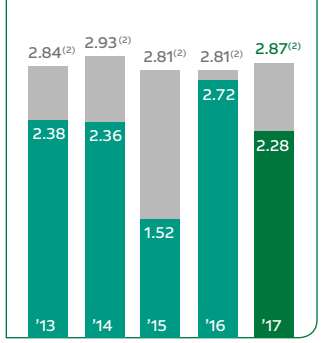
Gross Profit Margin (1)

(% of sales)



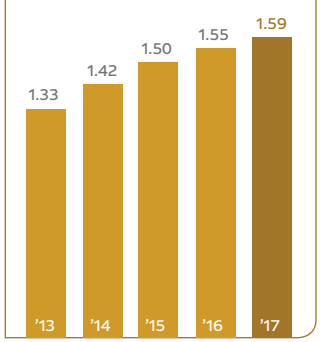
Diluted Earnings (2)

($ per share)



Dividends Paid

($ per share)



1. 2013-2017 exclude charges related to the Global Growth and Efficiency Program. 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 86 of this report.
2. 2017 excludes charges related to the Global Growth and Efficiency Program and a provisional charge related to U.S. tax reform. 2016 excludes a gain from the sale of land in Mexico, charges related to the Global Growth and Efficiency Program and certain other items. 2015 excludes a gain from the sale of the Company's laundry detergent business in the South Pacific, a charge related to the deconsolidation of the Company's Venezuelan operations, charges related to the Global Growth and Efficiency Program and certain other items. 2013-2014 exclude charges related to the Global Growth and Efficiency Program, remeasurement charges resulting from devaluations and effective devaluations in Venezuela and certain other 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.

Sustainability Management

Sustainability is integrated into Colgate's business model and aligned with our core values: Caring, Global Teamwork, and Continuous Improvement. Our sustainability efforts help ensure our business grows consistently and responsibly, benefit those we serve, and promote the well-being of future generations.

Colgate Values

Caring

We care about Colgate people, customers, consumers, shareholders, and business partners. Colgate is committed to acting with compassion, integrity, honesty and high ethics in all situations and to listen with respect to others, and to valuing differences. The Company is also committed to protecting the global environment, to enhancing the communities where Colgate people live and work, and to complying with government laws and regulations.

Global Teamwork

All Colgate people are part of a global team, committed to working together across countries and throughout the world. Only by sharing ideas, technologies, and talents can the Company achieve and sustain profitable growth.

Continuous Improvement

Colgate is committed to improving every day. By better understanding consumers' and customers' expectations and continuously working to innovate and improve products, services, and processes, Colgate teams and individuals will become the best at what we do.

Materiality Approach

As a publicly traded U.S. company, Colgate files required reports with the Securities and Exchange Commission (SEC). Our Annual Report on Form 10-K highlights risks material to an investment in the Company, including those relating to sustainability, namely: volatility in commodity prices; changes in regulatory requirements relating to ingredients in our products; changes in policies or practices of retail trade partners, such as with respect to the environment or sustainability; damage to our reputation relating to environmental impacts or other sustainability issues; disruption to our global supply chain or key office facilities by environmental events; disruptions in logistics; damage from industrial accidents or other occupational health and safety issues; and losses caused by natural disasters, including climate events.

Refer to Item 1A. RISK FACTORS in our Annual Report on Form 10-K for the year ended December 31, 2017 for the material risks relating to an investment in our securities.

While not considered material from an SEC point of view, Colgate has identified a set of key sustainability issues for the Company, taking into account the issues of interest to our stakeholders.

Key Issues, Risks and Opportunities

Colgate has categorized and prioritized the issues with the most potential to affect our operations or supply chain, or to create regulatory or reputational risk. These issues are reviewed and governed by the Sustainability Steering Committee led by the Chief Operating Officer, North America, Europe, Africa/Eurasia and Global Sustainability. In addition to risk, we considered whether an issue has potential to create shared value for both Colgate and society. The chart below summarizes key sustainability issues:

KEY SUSTAINABILITY ISSUES

Based on the Risk Factors identified in our Annual Report on Form 10-K, our top sustainability risks are Product Stewardship, Climate Change, and Responsible Sourcing.

Colgate is managing risks and opportunities related to these issues through the implementation of our 2015 to 2020 Sustainability Strategy as well as through our Enterprise Risk Management process. These same issues also provide an opportunity to drive innovation and growth, strengthen brand reputation, and demonstrate our commitment to responsible business practices. Additional detail on each of the issues and our actions to address them is provided in the body of the report.

Our key sustainability issues also intersect with the following GRI Standards important for our internal and external stakeholders: Economic Performance, Materials, Energy, Water, Emissions, Effluents and Waste, Products and Services, Compliance, Transport, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Local Communities, Public Policy, and Service Labeling.

Stakeholder Engagement

Colgate strives to create and maintain transparent communication with a wide variety of stakeholders. Our sustainability commitments and goals are developed with the input from our stakeholders, and we continue to engage with stakeholders to inform our sustainability strategy.

Colgate's main stakeholder groups and examples of our engagement approach are outlined below. See page 84 for a full list of Colgate's partnerships and details on our engagement.

STAKEHOLDERS	METHOD OF ENGAGEMENT
Our employees	Frequent internal communication, employee engagement surveys, geographic sustainability teams, internal subject matter experts, quarterly sustainability steering team reviews
Our consumers	Integrated marketing communications including those addressing "brand purpose," ongoing consumer dialogue, consumer surveys, social media postings
Our retail customers and partners	Ongoing sustainability network groups, sustainability surveys, trade partner supplier expectations
Our peers and suppliers	Peer benchmarking annually via Consumer Goods Forum (CGF) membership, supplier engagement meetings, assessments and disclosure requests
Our shareholders and investor groups	Direct inquiries and feedback on an ongoing basis, face-to-face meetings, investor conferences
Government and regulatory bodies	Ongoing monitoring of regulatory activity relevant to Colgate, face-to-face meetings
Non-governmental associations	Quarterly direct inquiries and feedback, face-to-face meetings, participation in boards, advisory councils and partnership programs, reporting and disclosure expectations
Industry trade associations	Ongoing participation in sustainability steering and working groups
Local communities and community groups	Direct inquiries and feedback, face-to-face meetings annually
Media	Direct inquiries and feedback

Governance

Colgate's Governance Principles

Governance is an ongoing commitment shared by our Board of Directors, our management, and all Colgate People. Colgate's Board of Directors believes that strong corporate governance accompanies and promotes our long-term business success. This success has been the direct result of Colgate's key business strategies: Engaging to Build Our Brands; Innovation for Growth; Effectiveness and Efficiency; and Leading to Win. The Company's strategic focus is on core product categories, global brands, and people development programs, with an emphasis on pay for performance and the highest standards of integrity. Colgate's Board has been at the center of these key strategies, helping to design and implement them, and seeing that they guide the Company's operations.

The Board believes that the Company has consistently been at the forefront of good corporate governance. Reflecting its commitment to continuous improvement, the Board reviews its governance practices on an ongoing basis to ensure that they promote shareholder value.

GOVERNANCE POLICES:

- Director Independence Standards
- Independent Board Candidate Qualifications
- Board Guidelines on Significant Corporate Governance Issues

GOVERNANCE PRACTICES:

- Board Independence, Expertise and Accountability
- Robust Director Stock Ownership Guidelines
- Established Policies Guide Governance and Business Integrity
- Board Focused on Key Business Priorities
- Diverse Board of Directors
- Direct Access to Management
- Enduring Management Accountability
- Board Practices Promote Effective Oversight
- Continuous Improvement Through Evaluation and Education

To learn more, visit the Governance section on Colgate's website at **colgatepalmolive.com**.

Sustainability Governance

A Sustainability Steering Committee composed of Colgate's Chief Operating Officer, North America, Europe, Africa/Eurasia and Global Sustainability; Vice President, Global Sustainability, EHS and Supply Chain Strategy; Chief Technology Officer; Chief Human Resources Officer; Vice President, Global Compensation and Benefits; Chief Marketing Officer; and Chief Supply Chain Officer makes strategic decisions related to sustainability and guides the organization to meet sustainability goals. Colgate's Vice President, Global Sustainability, EHS, and Supply Chain Strategy has direct responsibility for implementing sustainability and EHS programs. For our annual corporate social responsibility report, the Global Sustainability team gathers the content cross-functionally and the Sustainability Steering Committee reviews the final report content.

Additionally, networks of senior leaders in each division and local champions support on-the-ground sustainability efforts, communications, and reporting. Global functions such as Human Resources, Packaging, Procurement, and Technology coordinate certain aspects of the program where global consistency is appropriate. Moreover, to integrate sustainability tracking and disclosures into our business strategy, operations, and employee review process, Colgate's global sustainability initiatives have been added to team goals and individual objectives used to determine the compensation for many of Colgate's senior managers.

Colgate's Chairman, President and CEO, and full Board of Directors are kept informed of the Company's progress via regular updates and consider sustainability matters, risks, and opportunities in decision-making. Sustainability is considered an emerging risk as part of our Enterprise Risk Management process. Additionally, Colgate's Chief Financial Officer provides the Audit Committee of the Board of Directors with an update on the Company's Enterprise Management Program. The Personnel and Organization Committee of the Board reviews the Company's sustainability and social responsibility programs and other public interest matters, including cultural diversity, equal opportunity, charitable giving, and international human rights.

For a complete list of Colgate Policy Statements please visit **colgatepalmolive.com/our-policies**.

Business Integrity

Colgate is committed to doing business with integrity and respect for all people and for the world around us. With governance and ethics principles embedded into Company culture as well as standards supporting the well-being of all Colgate people, Colgate ensures its business success goes hand-in-hand with business integrity.

CODE OF CONDUCT AND GLOBAL BUSINESS PRACTICES GUIDELINES

Since 1987, our Code of Conduct has served as a guide for our daily business interactions, reflecting our corporate values and our standard for ethical behavior. Our Code of Conduct is available in 40 different languages. One hundred percent of salaried and clerical Colgate people participate in annual training and certification on the Code of Conduct. Factory workers certify annually and complete training every other year. Our audit firm, PricewaterhouseCoopers LLP, audits a cross-section of these certifications. Colgate's Global Business Practices Guidelines provide further information to our employees on key topics in our Code of Conduct. The Guidelines offer clear, practical guidance and illustrate how the values and principles outlined in the Code of Conduct apply to particular business situations. Topics addressed by our Business Practices Guidelines include:

BUSINESS PRACTICES GUIDELINES TOPICS:

- Advertising and Advertising Placement
- Anti-Bribery Laws
- Antitrust and Competition Laws
- Confidentiality
- Conflicts of Interest
- Corporate Governance
- Data Protection and Privacy
- International Trade Regulations
- Product Integrity
- Social Media
- Anti-Harassment

The Colgate EthicsLine provides a means for employees and external parties to ask questions, obtain guidance or report any suspected violations of the Code of Conduct. We work to create a workplace free of inappropriate or unlawful behavior in which people are encouraged to share their concerns with the Company without fear of retaliation. Consequently, at Colgate no adverse action will be taken against any employee, former employee, agent, or third party for complaining about, reporting, participating in or assisting in the investigation of a suspected violation of the Company's Code of Conduct, Company policy or applicable law unless the allegation made or information provided is found to be intentionally false or was not made in good faith.

All reporting activity provided when Colgate People "Speak Up" is reviewed and, if deemed to be a potential violation of the Code of Conduct or Business Practices Guidelines, the matter is promptly and thoroughly investigated by Global Ethics & Compliance and/or the Global Legal Organization.

In 2017, Ethics and Compliance received 436 contacts through a variety of channels including the EthicsLine, Ethics web tool and **ethics@colpal.com**, which covered a wide variety of reporting activities including 44 consultations. Allegations reported to Ethics and Compliance are grouped into the following categories: Accounting related, Conflict of Interest, Discrimination; Financial-related; Harassment; Regulatory and Legal Retaliation; Work Environment; Miscellaneous Issues ("Other"); and non-Ethics and Compliance matters. After a thorough investigation has been completed, if the allegations are substantiated, appropriate remedial action is taken.

No Political Contributions

Colgate has a long-standing policy against making contributions to political parties or candidates, which is set forth in our Code of Conduct and Global Business Practices Guidelines. These policies prohibit Company contributions to any political party or candidate whether federal, state, or local. We also prohibit U.S. trade associations from using any portion of Colgate dues for political contributions, and we conduct an annual reminder and certification process to ensure trade association awareness and compliance.

Communication

Communicating an ethical message is a critical part of Colgate's Maintaining the Highest Ethical Standards program. It is imperative that all employees are fully aware of the ethical policies. Colgate's branded message, "Learn, Act, Speak Up" is communicated continually including on the Ethics and Compliance website, app, posters, wallet cards, and local engagement presentations worldwide. Repeating the message utilizing various formats is important to gain employee awareness and comprehension.

Anti-Bribery

Colgate has a strict policy prohibiting bribery of governmental officials and private commercial parties anywhere we do business. This policy is outlined in the Code of Conduct and Global Business Practices Guidelines. Colgate also mandates that the third parties with whom we work comply with our anti-bribery policy, which is included in our Third Party Code of Conduct and further communicated to third parties through our global due diligence process. This process utilizes a third-party tool to review and evaluate all priority third parties that interact with governmental officials. It also requires the third-party to train employees on this topic.

Privacy and Data Protection

Colgate respects the privacy of its employees, consumers, customers, suppliers, and other third parties with whom we have a business relationship, and therefore, we handle personal data responsibly and in accordance with all applicable data privacy and data protection laws. For additional information, refer to our Privacy Policy on **colgatepalmolive.com**.

Training

Colgate's compliance training, uses a mixture of classroom and online training and covers numerous priority ethical topics, including anti-bribery, competition law, privacy and trade compliance as well as the Code of Conduct certification referenced above. The Code training includes up to six topic areas every year, and the scenarios are updated on an annual basis. Many of these courses have run continuously for more than eight years. Every year, 100 percent of salaried and clerical employees complete the Code of Conduct training and every other year all employees complete the course. Training is mandatory and is linked to compensation for certain employee populations.

Our People

Supporting Colgate People

Our employees are the foundation of our success. Colgate is committed to helping our people reach their career and personal goals, offering an array of resources to help expand their professional and personal horizons — from stimulating career opportunities and access to world-class learning and leadership development programs, to wellness initiatives, and providing opportunities to contribute to the communities where we live and work. Through these programs, Colgate helps employees stay engaged, rewarded, and focused on delivering products and services that exceed our consumers' expectations.

Our Approach

To achieve our goals, we must prepare the next generation to lead, and as a company, we must lead by example. We are committed to doing so with integrity. We are adapting to changing times and recognize the important role organizational diversity and an inclusive work environment play in our global success. We strive to support all Colgate employees to perform at their fullest potential. We work to attract and retain talented individuals who provide leadership and grow the Company. Our Performance Management process is structured to align all individual and team objectives to our global strategy and help us to achieve our business goals. This process fosters coaching and feedback and ensures that people are focused on the right priorities. Our strong learning curriculum reaches all functions worldwide, with 3,000 certified Colgate instructors and more than 300 courses relating to functional areas of expertise, ethics and compliance, and leadership skills. In 2017, we introduced a continuous model of Performance Management called Performance "Check-Ins" to help build a coaching culture at Colgate where people feel comfortable teaching others and learning through transparent and honest professional development conversations.

PROMOTING COLGATE AS THE EMPLOYER OF CHOICE

To strengthen our talent attraction efforts, in 2017, we launched our employer brand to share our value proposition with the global talent pool. Communicating a consistent, global message about who we are as an employer helps us to attract potential candidates that share our values and vision. It also helps our current employees feel proud about where they work, ultimately improving workplace satisfaction and productivity.

Building a Future to Smile About

DIVERSE EXPERIENCES

We are truly global. Our diverse perspectives, work experiences and cultures make us strong. We work with our global colleagues across borders, boundaries and functions to learn, grow, and win together.

COLLABORATION

We work together globally, to perform at our best locally, always with unwavering integrity. Colgate People welcome each day as an opportunity to improve on the last by building trust with one another and sharing new ideas.

AUTHENTICITY

Our work environments encourage everyone to participate and be their authentic selves. Our caring culture fuels a passionate workplace that drives innovation and our enduring success.

Who We Are

- TRULY GLOBAL
- FORWARD THINKING
- TEAM PLAYERS
- CARING
- CONSUMER FOCUSED
- COLLABORATIVE
- PURPOSE-DRIVEN
- TRUSTWORTHY
- DIVERSE

We also developed a global social media framework that strengthens Colgate's employer branding and digital presence, resulting in the increase of our talent community and a healthy candidate pipeline. Nearly 7,000 people visit our job portal every month and an increasing number engage with us on social platforms like LinkedIn, Glassdoor, and Facebook.

As a truly global company, our diverse backgrounds enable us to respond to the needs and aspirations of the billions we serve worldwide. We strive to ensure that we maintain a focus on diversity and minority recruitment to reflect internally the communities in which we work and live. By doing so, innovation is driven through a diverse set of ideas, approaches and backgrounds and through engaging with various affinity groups and diversity organizations.

Building a Coaching Culture

In 2017, we focused on building a coaching culture at Colgate and introduced a continuous model using performance check-ins. Check-ins are quarterly conversations between managers and their team member(s) to coach and reflect on results and behaviors and make real-time adjustments as needed to maximize performance. To facilitate this process, we also introduced a new mobile app with which employees and managers can provide real-time progress updates.

To enhance coaching skills and provide practical guidance for our employees and managers, we promoted our Coaching Clinics, a series of podcasts, infographics and videos. Eighty-eight percent of our learners indicated that they had a better understanding of the topic because of this content.

We also partnered with NeuroLeadership Institute and successfully piloted the **"Connect"** Coaching Program, designed to enhance everyday coaching skills. Launched to an initial 100 global participants, this digital learning solution consisted of three hours of content that was delivered over a span of 30 days through videos, research summaries, practice tools, and webinars. Feedback from the pilot was very positive:

- 90 percent of learners said they were better equipped to have effective every-day conversations that develop direct reports and/or team members
- 100 percent of the learners said they were demonstrating new behaviors one to three times a week resulting in more productive outcomes with direct reports and/team members
- 94 percent of learners said they would recommend this program to others

An additional 1,100 managers completed the "Connect" Coaching Program in 2017, and we are committed to have all people managers participate in **"Connect"** going forward.

Creating a Continuous Learning Environment

In 2017, Colgate People completed approximately 450,000 total hours of training in our global curriculum as well as additional hours of locally required safety, environmental, and other regulatory training. We estimate that our salaried and clerical employees completed an average of 20 hours of training per person.

In 2017, we also began transforming our learning strategy to better meet the evolving expectations of the modern workforce and create a continuous learning environment.

Our focus is to develop individual and organizational capabilities that drive growth by offering learning experiences aligned to our business strategy.

As part of this strategy, we developed our new learning platform designed to ignite people's curiosity and inform them of the latest industry trends so they can better innovate, collaborate, and grow. The platform provides Colgate People with an engaging, interactive resource where they can access a wealth of information and tools. The platform, launching globally in 2018, aggregates more than 35,000 pieces of digital learning content from both internal and external sources. Colgate People can also connect with subject matter experts and instantaneously share ideas with their colleagues around the world.

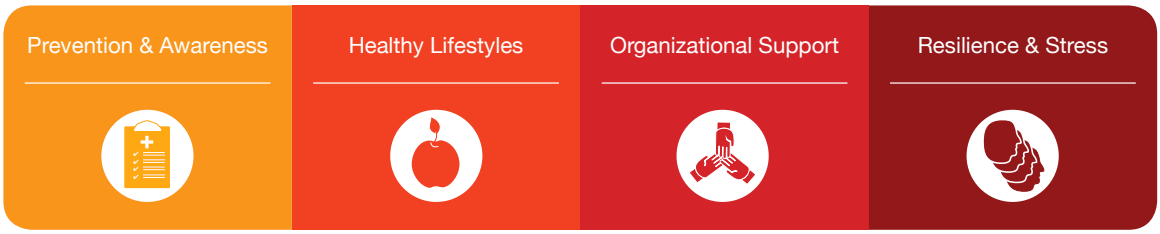
Employee Health and Wellness

Supporting our global Colgate employees includes a serious commitment to health and wellness, beginning with an acute awareness that 70 percent of chronic diseases such as stroke, heart disease, and cancer are preventable.[1] By creating a healthy work environment and encouraging Colgate People to develop healthy habits, we are helping our employees live longer, more fulfilling lives.

Our Approach

We promote physical, emotional, and financial wellness for Colgate People and their families. Just as we create products that build brighter futures for everyone, our goal is to help our people live better every day by providing support and resources to help them make healthy choices at work and at home to live a more balanced, thriving life.

COLGATE EMPLOYEE HEALTH AND WELLNESS STRATEGY



Key elements of our Employee Health and Wellness Strategy include:

Prevention & Awareness

- Offer our employees the opportunity to participate in our Health Risk Assessment.
- Ensure Colgate People and their families have access to preventive immunizations and dental care.
- Provide confidential HIV-AIDs testing and awareness education.

Healthy Lifestyles

- Support development of healthy habits relating to physical activity and nutrition.
- Encourage smoking cessation.

Organizational Support

- Create a culture that values employee engagement, work-life balance and community outreach.
- Remain committed to a safe and healthy work environment with a goal of zero work place accidents.

Resilience & Stress

- Provide Colgate People with comprehensive, market-competitive benefits in each country.
- Offer a range of programs based upon regional availability and interest, including yoga, access to gyms, stress management programs and access to counseling services through Employee Assistance Program, Colgate medical or government- sponsored programs.
- Elevate employee financial awareness planning.

1. Source: http://www.who.int/mediacentre/news/releases/2018/who-at-70/en/

Progress Highlights

	OUR PROGRESS	OUR GOAL
Reduce health risks associated with an unhealthy lifestyle for employees as a result of our Employee Health and Wellness Strategy (%)	10%	15%
Encourage employee participation rate in the Healthy Activity Challenge (%)	60%	50% - 65%
Provide employees access to Preventive Oral Care (% of employees)	83%	95%
Provide employees access to preventive immunizations (% of employees)	80%	100%
Provide employees a No Smoking work environment (%)	100%	100%
Provide employees with tobacco free sites/campus (cumulative)	7	Increase

Prevention & Awareness

Health Risk Assessment

The Health Risk Assessment (HRA) is a powerful online tool that includes questions on biometric measures such as blood pressure and cholesterol to help employees self-evaluate their health status, understand health risks, and provide confidential feedback to motivate behavior change and improve health outcomes. Colgate aggregates this data anonymously to focus our Live Better programs on the highest risk factors for Colgate People. The HRA is currently available to over 60 percent of our employees in 50 countries.

HEALTH RISK ASSESSMENTS

When anonymously aggregating HRA data, we found that the highest risk factors for Colgate People are:

- Poor Nutrition
- Physical Inactivity
- High Stress
- Body Weight

HIV/AIDS Prevention

Colgate remains committed to helping employees, their loved ones, and our communities combat HIV/AIDS. Colgate's commitment in the fight against HIV/AIDS is based on our values and our sustainability commitments to **"Promote Healthier Lives"** and **"Contribute to the Communities Where We Live and Work."**

- Colgate-Palmolive South Africa holds an annual AIDS Week in early December to ensure continued awareness of HIV/AIDS, reduce stigma against HIV/AIDS patients, and provide testing. Our theme in 2017 was "Increasing Impact through Transparency, Accountability, and Partnership."
- Under the "Positive Step" program in India, Colgate sponsors children infected or affected by HIV/AIDS by providing nutrition and education and paying their school fees. This year, Colgate India hosted 100 children for lunch, play, and to share a memorable day together.

Healthy Lifestyles

Global Healthy Activity Challenge

Our annual Live Better Global Healthy Activity Challenge encourages all Colgate employees to track and log at least 500 minutes of healthy activity over one month. Colgate People engage colleagues, family, and friends to get active and earn minutes through a range of activities.

In June 2017, Colgate People from more than 100 countries participated in a variety of healthy activities ranging from yoga classes and soccer tournaments to nature walks, logging a total of more than 27 million minutes of healthy activity.

"Live Better" through Nature walks in India.

"Live Better" through Soccer in Vietnam.

Nutrition

Colgate locations also include nutrition education and resources in their Live Better programs with events, such as healthy cooking demonstrations, nutrition workshops, healthy option educational sessions, and serving healthy breakfasts and lunches. A nutrition toolkit is also available to Colgate employees on the Company's intranet site.

We also partner with our food service vendors to increase the number of healthy options in employee cafeterias. Sites from all over the world are implementing local programs to encourage healthy nutrition at work, including healthy cooking demonstrations, healthy meal carts or days, and the labeling of healthy foods.

Healthy meal carts are provided to CP people in Guatemala.

Smoking Cessation

Smoking cessation continues to be an important aspect of Live Better at Colgate. Our culture of Caring supports good health and encourages our people to quit tobacco use. In our effort to move toward smoke free campuses, we have begun offering smoking cessation programs.

Organizational Support

We are committed to creating a culture of health and wellness through programs such as our benefit packages and employee reward and recognition programs, which help measure progress and encourage engagement.

Benefits

Colgate People are our greatest asset. Recognizing that the success of our company is driven by our talented and dedicated employees, we offer market-competitive benefit programs.

While specific program offerings for eligible employees vary by country according to local regulations and practice, typically benefit programs include:

- retirement savings
- health and wellness plans
- working from home arrangements
- tuition benefits
- flexible work arrangements
- adoption benefits
- back-up childcare options
- financial seminars & employee networking group

Financial Well-Being

Colgate supports employees' financial security goals at every stage of their working lives, not just retirement. To support employees, Colgate developed a financial wellness toolkit, available in seven languages. The toolkit focuses on three areas: creating wealth, managing wealth, and enjoying wealth. Our financial education program aims to help Colgate People learn to live within a budget, fund their children's education, finance their homes, and manage their debt. We also continue to offer comprehensive education to both our salaried and non-salaried personnel in the U.S., including classroom training, webinar programming and personal financial counseling sessions via a third-party provider. We also offer additional programs to meet the needs of employees and their families where they live.

Our Commitment to Universal Human Rights

Colgate has a long-standing commitment to respecting human and labor rights worldwide and supports the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Core Labor Standards. Colgate works with and seeks out business partners who share our commitment to universal human rights. We recognize the responsibility of businesses to respect labor rights and engage with stakeholders adherence to universal human rights. Protecting human and labor rights is one of our key sustainability issues identified on page 12.

To learn more about our human rights strategy and management approach, please see our **Human Rights Policy**.

Diversity & Inclusion

Workplace Diversity

Colgate's objective is to foster an inclusive workplace that reflects the diversity of the global marketplace. Our business strategy of driving and funding growth, and becoming the best place to work depends on the fullest contributions of all employees, wherever they are. Colgate is committed to providing inclusive employment, training, compensation, promotion opportunities, and all other terms and conditions of employment.

Colgate's Diversity and Inclusion Strategy consists of six key components:

- Objective setting and review
- Talent management
- Diversity recruiting
- People development and training
- Diversity and inclusion leadership councils
- Compliance

Colgate provides all employees worldwide with a series of training programs focused on building leadership skills. Valuing Colgate People, Managing With Respect, and Fostering an Inclusive Work Environment are a few examples of our training programs. Fostering an Inclusive Work Environment provides a broad awareness of diversity and skills to work with diverse teams and to serve an increasingly diverse customer base.

A critical piece of our diversity strategy is to ensure that our talent management process incorporates the professional development of women and minorities. Colgate also partners with organizations such as the Conference Board, Diversity Best Practices, and the National Association for Female Executives, Working Mother Media, DiversityInc., the American Association for People with Disabilities, and the Asian American Business Development Center to develop an effective and supportive work environment.

To help foster an atmosphere of inclusiveness, Colgate supports employee resource groups made up of team members representing many different perspectives, backgrounds, and ways of life. In addition, a Colgate's Inclusive Leadership Council, consisting of employee resource group leaders, is committed to nurturing programming aimed at diversity and inclusion to ensure optimal efficiency, effectiveness and support of the Company's business objectives. The council, which meets three times a year, provides the resource groups with an additional vehicle to communicate and collaborate across teams.

Diversity leadership councils are actively operating in North America, Global Supply Chain, and Hill's Pet Nutrition. A selection of Colgate resource groups includes Asian Action Network, Black Leadership Network, Colgate Women's Network, Colgate LGBT and Allies, Colgate Parents Network, Hill's Diversity Council, Hispanic Action Network, and Colgate Abilities Network.

For more information, adherence to universal human rights.

Colgate people continue to focus on the power of a smile bringing people together, during Colgate's Smile with Pride event.

2017 Highlights

- Colgate continues its commitment to American Corporate Partners (ACP), a national non-profit organization dedicated to helping post-9/11 veterans successfully transition back into the private sector. Since 2014, Colgate employees have volunteered with ACP to help returning veterans through one-on-one mentoring, networking, and online career advice. To date, 68 Colgate Mentors have provided counseling and guidance to 85 veterans.
- In 2017, Colgate announced a two-year North American partnership with Magnusmode, the company behind MagnusCards, an innovative mobile app that helps people living with cognitive special needs to independently manage daily skills like tooth brushing. Closely developed with oral health experts at Colgate, the five new oral care decks include: brushing, brushing with braces, rinsing, flossing, and visiting the dental office. This partnership was developed in collaboration with the Colgate Abilities Network (CAN). CAN strives to ensure Colgate's business goals are connected to the global disability market, and serves as a valued resource to our Colgate colleagues around the world. Colgate's Caring values extends to enabling people with special needs to manage their daily oral care activities, and ultimately, to build a future they can smile about.

Equal Pay

Colgate is committed to pay equity and its role in fostering a diverse and inclusive workplace. It is our policy to select, place, and pay all Colgate People on the basis of qualification for the work performed, without discrimination. Consistent with these values, Colgate has committed to conducting an annual company-wide gender pay analysis across occupations in the United States, along with other steps to promote equal pay and fairness. This annual pay analysis covers race and ethnicity in addition to gender, in accordance with Colgate's policy, to compensate each individual at a level commensurate with his or her role, work location, individual performance, and experience irrespective of gender, race, ethnicity, or any other category protected by law. Colgate also complies with all applicable laws and regulations related to fair pay practices.

Supplier Diversity

Established in 1998, our Supplier Diversity program is embedded in our U.S.-based organization with clear goals to drive growth. We drive performance through our quarterly Supplier Diversity Forums, and we collaborate with our suppliers to support our goals. Our procurement teams are encouraged to seek suppliers that add value and innovation while delivering cost savings.

Approach

We maintain accountability by incorporating high standards and objectives for Supplier Diversity for procurement buyers and managers. Our competitive proposal processes include fostering a continuously diverse network of suppliers. Suppliers interested in doing business with us may register and upload their current certification documents to our supplier diversity database. As part of the registration process, the supplier provides content including basic company information, capabilities and certification documents. The database is a highly efficient way for suppliers to share their capabilities and learn about business opportunities. We also collaborate with our internal stakeholders to identify needs and research diverse suppliers with relevant capabilities.

We recognize our diverse suppliers for the value-added solutions, cost savings, and continuous improvement they have provided over the years. We have recognized some of our suppliers as well for their participation and contributions in support of Supplier Diversity by using and mentoring diverse businesses for success.

Progress

We have made progress toward these goals in 2017:

- To support our supplier diversity goals, our teams have set objectives such as inclusion of diversity spend requirements in contracts with first-tier suppliers, maximizing second-tier spend opportunities and execution of targeted supplier day forums to engage and build relationships. In 2017, Colgate spent 5.4 percent of our total U.S. procurement spend of $3 billion with diverse suppliers.

We have delivered growth with our supplier partners, including:

- We have increased our spend over the last two years on Pacific Rim Capital, Colgate's preferred material handling equipment lessor and a minority-owned business, by 30 percent.
- We increased our spend with partner U.S. Chemicals by 12 percent across a portfolio of materials in eight categories over the last two years, helping the supplier grow and expand in spend and material coverage.

Supplier Diversity Recognition

Colgate has been recognized and awarded for various contributions in supplier diversity. The following recognitions were received in 2017:

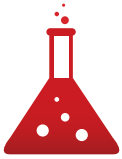
- Top 50 Corporations for Diversity by Diversitybusiness.com
- Women's President Education Organization Recognized for Commitment to the Success of Women Business Enterprises
- NY/NJ Minority Supplier Development Appreciation Award for Outstanding Contribution and Commitment
- Minority Business News—Corporate Buyers of the Year
- Minority Business News—2017 Champions of Supplier Diversity
- Award of Excellence—Odyssey International Productions
- 100 Black Men Advocacy Award
- WE Magazine Women Impacting Supplier Diversity

Occupational Health and Safety

The health and safety of our employees and the communities in which we operate is paramount in all we do; our goal is zero incidents. Colgate People around the world are committed to being "Colgate Careful" (having safety standards in place that meet or exceed the local safety regulations) by maintaining a robust safety culture and healthy and safe working conditions.

FOCUS AREAS OF COLGATE'S OCCUPATIONAL HEALTH AND SAFETY STANDARDS

OCCUPATIONAL HEALTH



Chemicals
Proper techniques and procedures to protect employees handling, processing, and transferring chemicals

Noise/Physical Hazards
Ensure appropriate controls are in place to protect workers from noise and physical hazards

Hierarchy of Controls/ Hazard Communication:
Anticipate, recognize, and control hazards in the workplace

Ergonomics
Minimize ergonomics stressors from manual operations

Laboratories
Specific programs to address the unique risks associated with work in laboratories

Occupational Medical Standards
Coordinated programs to conduct medical surveillance for individuals with exposure potential

SAFETY

Injury and Illness Management
Strong foundational programs to report, investigate, and establish appropriate corrective actions for incidents

Equipment and Operational Hazards
Proper machine and equipment safeguarding, with robust operational procedures

Materials Handling and Storage
Provide robust technical systems and training to ensure safe handling and storage of materials

Temporary Labor, Contractors, and Facilities
Programs to protect contractors, temporary labor, and visitors

Process Safety
Strong programs for process hazards that pose significant site and community risk

Fire and Loss Prevention
Aligned programs to mitigate risks from fire and explosions

While our 2017 safety results showed a slight decline in performance over our 2016 results, they are consistent with results achieved over the last several years. Our performance continues to remain in the top quartile of multinational companies we annually benchmark and share data with. Our total recordable rate (TRR) was 0.27 and reduced slightly vs. 2016, and our lost work case rate (LWCR) was 0.08, up slightly from 2016. To ensure we maintain our world-class safety performance, we are establishing a new critical risk-focused program in 2018. This focus will help to further enhance our solid defensive plans in place to mitigate incidents that could cause a serious outcome.

In 2017, we received independent third-party verification of our health and safety data collection and reporting processes as well as the data itself. As part of this project, the number of hours worked, number of lost-time incidents, number of recordable incidents and number of occupational fatalities were verified.

The President's Safety Award Program recognizes Colgate sites as they achieve specific milestones of time in years and/or hours without a Lost Workday Injury or Illness. In 2017, 29 of our manufacturing facilities received one or more awards.

GLOBAL SAFETY STATISTICS

2017 Safety Highlights

Risk-Based Management

We continue to sharpen our focus on risk-based safety management with a goal to eliminate fatalities and serious incidents. This approach involves an assessment of the severity of an event as well as the degree of control over the outcome. In 2014, we began requiring our manufacturing sites to prepare an annual risk assessment and preventive and corrective action plans. This expectation has been formally incorporated into our Environmental, Occupational Health and Safety (EOHS) Management System and is reviewed during management reviews and audits to ensure our most significant risks are adequately controlled.

Electrical Safety was identified as one of our highest life safety risks. Nearly all high-risk findings from the safety assessment of our power distribution systems conducted by a third-party have been addressed.

Fork Truck Safety

Given the nature of our operations, fork trucks are widely used in our manufacturing sites and warehouses. In 2016, a team of EOHS professionals from across North and Latin America developed a mapping and risk assessment process to minimize the potential for fork truck/pedestrian accidents. Based on the team's recommendations, we created a risk assessment process, established pedestrian fork truck traffic maps, and installed blue awareness lights on the majority of our fork trucks. The process developed by the Americas' team formed the basis for the 2017 changes to the Colgate Material Handling Standard.

Reducing Noise, Dust and Chemical Exposures

Colgate measures exposure levels with the help of third-party industrial hygiene experts. Colgate has been working to reduce noise, dust, and chemical exposures in our facilities for many years. Our goal is to reduce the number of people who must wear hearing protectors or chemical cartridge respirators for a full shift. We are making positive progress:

- As of December 2017, we decreased the mandatory use of hearing protection to 44 percent from a 2014 baseline of 49 percent.
- As of December 2017, we reduced our mandatory use of respirators from 2014's baseline of 5.3 percent to 2.3 percent.
- We reduced our mandatory use of respirators from 2014's baseline of 5.3 percent to 2.3 percent in 2017. We are proud that two of our divisions have achieved zero use of respirators, and we work to continue to reduce usage globally.

Reducing Ergonomic Exposure

Since the 2015 launch of our global ergonomic risk reduction program, Colgate has made significant progress in the completion rates of our action plan. As we closed 2017, we had achieved 80 percent completion of the program's elements.

Colgate continues to expand the use of collaborative robots to drive efficiency and reduce the amount of repetitive or ergonomically challenging tasks completed by workers. As we bring this new technology into our manufacturing operations, we are following ISO 10218-1, ISO 15066, and RIA TR R15306 guidelines.

This system helps us identify potential or reasonably foreseeable contact between operator and robot system, understand risks, assess occurrence of exposure, and develop a risk reduction model that targets elimination of hazards. Two of our sites have fully implemented collaborative robot systems and have completed assessments to allow the safe interface with workers in the immediate vicinity.

Safety Incentives

We have improved our safety-related incentive mechanisms by linking compensation to behaviors that drive a robust safety culture. These behaviors include training completion, physical inspections, corrective action completion, behavioral observations, and participation in activities that engage employees. We do not link compensation to recordable rates and lost-time accidents.

2017 Safety Week Highlights

Safety Week is our annual opportunity to provide employee engagement events and activities to continue to demonstrate and celebrate our commitment to our EOHS Guiding Principles and foster the safety culture of each of our sites. Each March, Colgate holds a company-wide Safety Week, sharing best practices and refreshing our commitment to health and safety. This week remains a cornerstone of our safety culture and provides an opportunity to focus on fundamentals, and each facility's own creativity delivers a solid and exciting week year after year. Several Safety Week events also include Colgate families in fun and educational activities. Several Safety Week events also include Colgate families in fun and education activities, including a children's safety art contest.

- Employees opened Safety Week with a pledge to work safely and completed training on Colgate's Minimum Safe Behaviors. Many facilities also conducted spill drills, evacuation drills and medical evacuation drills.
- We conducted Hand Trap Treasure Hunts throughout our facilities. Employees search for unguarded or insufficiently guarded machines, unlabeled machinery hazardous access points, unguarded power transmission points, malfunctioning/ inoperable interlocks on removable guards, and pinch points. Once the hand trap was identified, a Hand Trap Treasure Hunt sticker was applied to the area.

Responsible Sourcing

Third Party Code of Conduct

Colgate People are committed to the highest standards of integrity and full compliance with the Company's Code of Conduct. It is our goal to ensure that our relationships with our suppliers and business partners reflect and support the same high ethical standards.

Colgate's Third Party Code of Conduct establishes the Company's expectations for suppliers and business partners in a number of critical areas, including labor practices and universal human rights, protecting the environment, health and safety, and ethical dealings. Sections of the Third Party Code are modeled on, or contain language from, the Universal Declaration of Human Rights and the standards of the International Labor Organization.

The Code is provided to suppliers and business partners, and Colgate's contracts and purchase orders typically require suppliers to abide by the Code's standards (or suppliers' comparable code standards), including applicable labor and equal employment laws as well as environmental, occupational health and safety regulations, and the Foreign Corrupt Practices Act, and Colgate's Anti-Bribery policy.

Assessing and Managing Supplier Risk

As a multinational company with a global supply chain, adverse actions and events associated with our supply chain could affect Colgate's reputation as a responsible company. To manage the risk to the Company and to the workers in our supply chain, Colgate has a formal process to identify and manage social, ethical, and environmental risks in our supply chain and with other business partners. Colgate's Supplier Responsible Sourcing Assessment (SRSA) program requires selected suppliers and business partners to complete a self-assessment focused on labor practices, human rights, worker health and safety, environmental management, and business integrity. Risk factors considered in the selection of suppliers to participate in the program include: geographic risks (using the Verisk Maplecroft Risk Indexes); Colgate's in-country knowledge; industry-associated risks; and business criticality to our operations. Through the use of a supplier risk assessment scorecard, selected suppliers and business partners are scored against critical risk factors to determine the need to conduct a social compliance audit. When a supplier is assessed as high risk, a third-party audit of its facility is required. To date, Colgate has assessed over 550 supplier and business partner facilities via the SRSA program, commissioned more than 215 site audits, and reviewed an additional 267 supplier audits commissioned on behalf of other supplier customers.

As a member of the Supplier Ethical Data Exchange (Sedex), Colgate uses the Sedex Members Ethical Trade Audit (SMETA) protocol when required

to assess suppliers' compliance with laws covering freedom of association, forced and child labor, health and safety, wages and benefits, working hours, and discrimination as well as environmental and business ethics matters. Since the program's inception in 2012, Colgate has assessed more than 80 percent of our spend, exceeding our 2017 target with suppliers in high-risk geographies, including raw material and packaging suppliers, contract manufacturers, co-packing facilities, and warehousing operations. Internally, Colgate has also completed assessments of all manufacturing facilities and conducted social compliance audits at all facilities located in high-risk geographies.

Colgate is also a member of AIM-PROGRESS, a global industry forum dedicated to the promotion of responsible sourcing practices and sustainable production systems. Colgate has served on its leadership team for the past three years. Through the principle of mutual audit recognition, suppliers share noncompetitive audit data with other manufacturing companies that often use the same suppliers, enabling us to gain information more efficiently and relieving the burden of "audit fatigue" on suppliers.

To further drive improvement in our supply chain, Colgate has participated in capacity-building sessions through the AIM-PROGRESS forum that are designed to improve suppliers' social and environmental performance. We have participated in events in Latin America and North America. In addition, Colgate conducts similar independent supplier responsible sourcing training events for our suppliers.

Forced Labor

Colgate does not use forced labor within our own operations, and we strive to eradicate forced labor from our supply and value chains. We believe that every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or coerced to work. Moreover, it is Colgate's policy not to work with any supplier or contractor known to operate with forced labor. In June 2017, Colgate published our disclosure statement, "Respecting Human Rights and Labor Rights: Disclosure Statements," in compliance with requirements of the California Transparency in Supply Chains Act, and the UK Modern Slavery Act and consistent with the CGF Social Resolution.

Conflict Minerals

Colgate supports ending the violence and human rights violations by armed groups in the Democratic Republic of Congo (DRC) and neighboring countries that have been funded in part by proceeds from the mining of cassiterite, columbite-tantalite (coltan), wolframite and gold, including their derivatives tin, tantalum, and tungsten (3TGs). For more information, see **Colgate's Policy on Conflict Minerals**.

SUPPLIER RESPONSIBLE SOURCING ASSESSMENTS

Through the Supplier Responsible Sourcing Assessment program, Colgate has assessed the performance of more than 80 percent of our suppliers in high-risk geographies since 2012, driving improved working conditions for more than **41,000 employees across our external supply chain.**

Oral Health Education

Background

Providing oral health education is a Colgate tradition dating back to 1911. Today, Colgate's flagship Bright Smiles, Bright Futures® (BSBF) program is among the most far-reaching, successful children's oral health initiatives in the world. With progress in 2017, BSBF has reached more than 1 billion children and their families in over 80 countries since 1991. This success is made possible by numerous contacts across a variety of channels, including classroom instruction from school teachers, dental screenings from dental professionals, educational communication through print, video and digital engagement, community outreach, and international associations, leading academic institutions, government, and non-governmental organizations, such as the Alliance for a Cavity-Free Future, the Global Child Dental Fund, the American Dental Association, and the National Dental Association.

The cornerstone of BSBF is its award-winning educational curriculum. Developed by global experts, the multicultural education materials help illustrate how to maintain healthy teeth and gums, and are implemented in more than 80 countries in 30 languages each year. In several countries, the program materials are part of the permanent school curriculum.

Approach

We have an ambitious target to educate 1.3 billion children through our BSBF program by the year 2020. To date, we have grown BSBF through leveraging our six-point plan:

In School — Colgate partners with local schools, ministries of health and ministries of education to organize oral health educational classes, and provide free oral health products.

Community Relations — In some countries, BSBF is mobile. In the U.S., Colgate's fleet of mobile dental vans travel to rural and urban communities to provide oral health education, free dental screenings, and treatment referral to children in need, reaching more than 1,000 towns and more than 10 million children each year.

Integrated Marketing Communications (IMC)/Trade Partner — With retail partners such as Walmart, the BSBF program engages consumers at local stores and online.

Digital — Educational resources are provided online, including downloadable teachers' guides, videos, oral health games, and apps, which are available in Apple and Google Play stores.

Professional Partnerships — Colgate partners with government health agencies, non-governmental organizations (NGOs), and dental associations to expand the reach of oral care education around the world.

Employee Engagement — Colgate often involves our employees in BSBF programs, providing opportunities to volunteer and give back to their local community.

Highlights

- On April 19, 2017, the Mexico City House of Representatives unanimously passed and signed a law that provides daily brushing with fluoride toothpaste for the city's pre-schools and primary public schools, to improve the oral health of school children. Under the new law, BSBF's oral hygiene kits will be distributed at the beginning of each school year to each child enrolled in a public kindergarten and primary school under the city's jurisdiction. This new law will have a lasting impact on over 1 million children. The law was planned, brokered and achieved through the Mexican Dental Association Foundation and Colgate Mexico, and is an excellent example of a successful private/public partnership.

- On July 28, 2017, Colgate-PNG with the National Department of Health invited the people of Papua New Guinea to come together and brush their teeth as a nation to acknowledge the importance of oral health and hygiene. As part of the celebration, there was a countdown on live radio, broadcast around the country from the Ted Diro Community School, Port Moresby. More than 278,000 people came together, from 401 schools and 15 organizations, including hospitals and health centers, simultaneously brushing their teeth.

- During National Brushing Day, Colgate Colombia partnered with the Ministries of Health and Education and dental professionals to bring oral health education to children ages of six through 12. The event involved more than 407,000 children from more than 2,000 primary schools simultaneously brushing their teeth. A social media campaign helped them reach an additional 13 million people across 251 cities in driving the message about the importance of good oral health.

Highlights

- In June 2017, our key fragrance and flavor supplier Firmenich and BSBF teamed up with the Indian Dental Association and Jasmine Concrete (a leading producer of Indian florals extracts), to provide oral health education and free dental screenings to more than 16 smallholder farmer communities in India. The program, which took place over 15 days, was enthusiastically welcomed and was highly effective in raising awareness of the importance of oral care. Dental checkups, screenings, and free dental kits were distributed to more than 3,900 school children, farmers, and pickers.

- Colgate (India), with other partners, supported an event in Madras to increase awareness on preventive oral health and hygiene. More than 23,000 people came together to set a new record for the largest number of people in Asia brushing their teeth at the same time.

- Colgate North Africa partnered with the Ministry of Health and the Ministry of Youth to launch a BSBF Campaign to create awareness and educate the community on oral health spanning three countries-Morocco, Algeria, and Tunisia. This took place during a children's fair at a local park, where children and their parents were provided with dental screenings, tooth brushing techniques, games and BSBF kits. This collaboration reached more than 8,500 consumers including 6,000 children.

- Since 1994, Colgate South Africa has distributed oral health education to nearly 10 million children. Every year, Colgate South Africa's two BSBF mobile dental vans, partner with the Department of Health, dental students, and professionals to educate, screen, and treat approximately 100,000 children, covering rural and urban area. In addition, BSBF partners with Train of Hope's Phelophepa Train, a mobile hospital that provides quality primary healthcare to underserved South African communities where health services and medical infrastructure are otherwise unavailable.

Papua New Guinea

Handwashing Education

Handwashing Education

The simple act of washing hands with soap is one of the most effective ways to prevent disease transmission, especially among children. Handwashing with soap at key times, however, is not widely practiced. As a leading marketer of bar and liquid hands soaps, Colgate-Palmolive, through its brands Protex, Palmolive, and Softsoap, is 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.

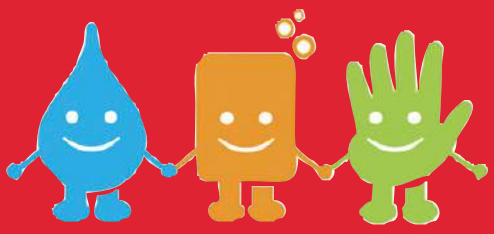
Our global handwashing program provides educational materials and sample products to schools and communities, and builds awareness through advertising and public relations campaigns. In some countries, Colgate teaches handwashing as part of our Bright Smiles, Bright Futures (BSBF) oral care eduction program, building the steps for proper handwashing into the oral care curriculum and messaging.

Like the oral care component of BSBF, the program creates shared value for both Colgate and society, helping to improve health outcomes while building brand awareness and reputation for Colgate's Palmolive and Protex soap brands.

In 2017, Colgate reached 60 million people through advertising, media campaigns, community events, and educational programs in schools.

Highlights

Colgate was one of the nine founding members of the Global Handwashwing Day campaign, among others such as World Bank and UNICEF. Celebrated October 15th, Global Handwashing Day drives awareness of the vital importance of handwashing with soap and its impact on health.



- During this year's Global Handwashing Day, our Protex soap brand partnered with the National Department of Health, World Vision, Anglicare, and Child Fund and contributed funding, hand washing materials, and people's time to participating schools in Papua New Guinea. This year approximately 13,000 Protex antibacterial soaps were distributed to 382 schools and organizations across Papua New Guinea with 257,000 participants registered for the event.

- For many years, Protex has been carrying out a handwashing campaign in Latin America, to raise awareness about the importance of hand washing hygiene in preserving good health. In Brazil, Colgate teaches handwashing as part of our BSBF oral care education program. Children were taught proper handwashing techniques along with reinforcing our global commitment to "Making Every Drop of Water Count."

- A commitment to support WASH, or water, sanitation and hygiene, program is part of Colgate's Water Stewardship Strategy and our commitment to partner with local and global organizations to bring clean water to underserved areas of the world. Through our partnership with Water For People, Colgate supports programs that provide access to clean water, sanitation systems, and/or health, and hygiene education, including handwashing. Colgate has contributed to Water For People's Everyone Forever program, helping them to reach nearly 373,000 people since 2013.

Handwashing in Brazil

Water for People

Helping Pets Find a Home

Hill's mission is to help enrich and lengthen the special relationship between people and their pets. Through the Hill's Food, Shelter & Love program, Colgate partners with animal shelters across the U.S. to discount, training, digital tools and content, as well as shelter visuals. For pet owners, Hill's provides Science Diet and Ideal Balance adopter kits with coupons and access to a New Pet Parent website. Hill's believes the combination of loving shelter care and premium nutrition helps make pets healthier and happier, so they're ready to go home. Whether a shelter has 100 or 10,000 adoptions a year, the goal is to ensure that every pet goes home healthy and happy. That means nourishing every pet that arrives at the shelter with Hill's nutrition and sending a Science Diet or Ideal Balance adopter kit home with every new adoption. Through this partnership with animal shelters, the Company provided pet food with a retail value of more than $3 million in 2017, and helped more than 678,000 dogs and cats find their forever home.

Hill's also partners to provide food shipments to shelters and veterinary hospitals in the event of an emergency through its Disaster Relief Network, a formalized U.S. emergency network for pets.

In 2017, Hill's responded to 15 emergencies across the U.S., shipping more than 130,000 pounds of pet food to more than 145 unique organizations in communities affected by disaster.

Highlights

- The Hill's team in The Netherlands has supported Dutch shelters since 1998. During 2017, we provided 21 partnership shelters across the country with Hill's pet food and close to 7,000 pets were adopted nationally. One lucky cat that found a forever home was Meddy, who was adopted by her new human companion Leonie.
- Throughout 2017, Hill's Brazil worked in partnership with four local animal shelters, donating more than 20 tons of food to pets awaiting their forever home. The team also spent time volunteering, including spending time with Clube dos Vira-Latas, a street dog rescue club.
- Since 1998, Hill's Australia has supported national animal charity RSPCA. Along with feeding pets in their care at more than 50 locations, Hill's supports the Million Paws Walk fundraiser every year. In 2017, with the help of Hill's, the RSPCA hosted more than 15,000 dogs at the annual walk, raising more than $1.8 million.

Community Giving

Colgate contributes both funding and products to a wide range of charities and community organizations around the world. Colgate also partners with retailers, consumers, and our employees to raise funds. Driven by Colgate's core value of Caring and supported by the involvement of Colgate People, our Global Giving Program makes a difference in the communities we serve by supporting organizations that address health and educational disparities.

Colgate's giving priorities are:

1. Creating educational opportunities
2. Advancing health and well-being
3. Engaging Colgate people

2017 Contributions
$32.7 million*

* Cash and in-kind contributions to charitable organizations, including spending for the Bright Smiles, Bright Futures program in Colgate's 20 largest subsidiaries (by oral care sales).

Creating Educational Opportunities

- Colgate is investing in a future that the next generation can smile about by partnering with Black Girls CODE for this year's "CODE a Brighter Future" hackathon series, inspiring the next generation of young women learn more about technology.

- Community has always been a top priority at Colgate. One of our proudest initiatives is Estrellas Colgate in Mexico, a non-profit fully funded by Colgate since 1980 to help low-income children foster good habits and gain education through athletic and health programs.

- Colgate is proud to partner with the YMCA to help Black and Hispanic teens from underserved communities and schools have access to quality educational programs like Y Scholars. We are a proud sponsor of the Hispanic Achiever Awards and College Scholarships.

- To promote the importance of education among Latinos and help them on the path to higher education, Colgate in partnership with the Hispanic Heritage Foundation sponsors the Haz la U educational grant program. This program awards 31 educational grants totaling $100,000. This initiative is committed to prepare future generations of Latinos and to give them the tools to become leaders in their communities.

- The Colgate Women's Games continue to be the largest women's amateur indoor track and field series in the U.S. For 44 years, this program has helped young girls and women develop a strong sense of personal achievement and self-esteem, value teamwork and discover the importance of education. Open and free to all girls from elementary school through college and beyond, the Colgate Women's Games has awarded more than $1.2 million in educational grants-in-aid.

Advancing Health and Well-being

- In June 2017, Colgate and the American Dental Association announced their continued collaboration in support of Colgate's annual Oral Health Month program with the "Share More Time, Share More Smiles" campaign to inspire and educate Hispanic families to share more time, moments, and smiles together on social media using #TimeToSmile. Colgate donated $1 for every image or video liked, shared or posted using the hashtag #TimeToSmile to the ADA Foundation's Give Kids A Smile® program, which provides free oral health care, education, screening, and treatment to underserved children, for a total donation of $10,000.
- Colgate launched its new educational eBook app, Colgate Adventure Books, featuring beautifully illustrated, interactive oral-health stories for children and families. With animations and sound effects on every page, the Bright Smiles, Bright Futures (BSBF) eBook app engages children with Dr. Rabbit, Dr. Brushwell, and friends to enhance the oral-health education experience, showing children simple daily steps to keep their teeth and gums healthy. The free educational app was developed with no commercial ads, ensuring a safe learning environment for children between the ages of four and eight years old.
- Colgate's BSBF Program partners with Kids in Need Foundation to Help Students Smile Brighter for School. Colgate has donated 25,000 toothbrushes and toothpaste tubes to the Kids In Need Foundation, which is encouraging elementary school teachers, educators, parents, and community members across the United States to pledge their commitment to educating children about the importance of oral health.

Engaging Colgate People

- For years, Colgate People in South Africa have volunteered in the local community during Mandela Day. In 2017, Colgate volunteers joined the Habitat for Humanity SA in building 67 homes for 67 underpriviledged families.

- In South Africa, Colgate sponsors the Phelophepa Train, treating nearly 50,000 people in many communities where medical services and infrastructure are unavailable.

- 502 Colgate employees from four countries, Colombia, Ecuador, Peru, and Bolivia, came together at the same time to volunteer in 21 activities, ranging from taking children from low-income families to visit the zoo for the first time, to cooking and serving lunch to the homeless and the needy, to building a doll house for the Casita de Belen Foundation. Many Colgate employees participated in a BSBF program, conducting oral health education and donating school kits to children with limited resources.

- CP volunteers in Argentina, hiked in the San Luis Mountains to clean debris from around a famous waterfall, "El Salto de la Moneda."

Helping in Times of Need

- Tom's of Maine donates 10 percent of its profits each year to nonprofit organizations committed to causes such as human health, animal welfare, education, and environmental sustainability. In the aftermath of Hurricane Harvey, Tom's of Maine donated 85,000 toiletry items including toothpaste, mouthwash, bar soap, and deodorant. In addition, Tom's of Maine donated $75,000 toward long-term recovery aid.

- In response to the unprecedented flooding in Texas due to Hurricane Harvey, Colgate donated $200,000 toward relief efforts, including matching individual employee donations to the American Red Cross. Hill's Pet Nutrition donated 20,000 pounds of pet food to area SPCA shelters and animal hospitals.

- In the aftershock of recent hurricanes and the earthquake in Mexico, Colgate People everywhere mobilized to assist those affected by these natural disasters. To aid in relief efforts, Colgate has contributed $200,000 to the American Red Cross and other organizations providing direct relief and rebuilding assistance. Colgate also donated personal care products and more than 30,000 pounds of Hill's pet food.

- Greece has the highest number of refugees in Europe with nearly 200,000 people coming into the country in 2016 and 2017. Colgate's European Division partnered with local organizations to provide essential everyday products, donating nearly 400,000 oral care and personal care products. Colgate Greece volunteers brought BSBF to refugee and immigrant children attending an intercultural school in Athens to make sure that toothbrushing and oral care remain a priority during this difficult time.

Our Performance

Colgate Global Brands

Oral Care
48% of Net Sales

Personal Care
19% of Net Sales

Home Care
18% of Net Sales

Pet Nutrition
15% of Net Sales

Consumer-Driven Innovation

Colgate delights shoppers with innovative products that meet their needs, exceed their expectations and add value to their lives. Our nine consumer innovation centers rely on local insights from around the world to launch more than 600 new products and product updates every year.

To ensure that the products we develop are placed in stores, Colgate is committed to listening and engaging with existing and potential consumers around the world. To ensure that our commercial teams stay close to the users of our products, we undertake "Getting Out of the Office" programs that help build our deep understanding of local tastes and habits across categories. Recent projects have included in-home immersions in Kenya, working with pet shelter volunteers in the U.S., learning how Brazilians are coping with economic downturn, and understanding how Polish people make brand choices in-store. These activities provide key consumer insights to identify unmet consumer needs and opportunities for existing product performance improvements.

Stronger consumer engagement begins with better insights. Deeper and more meaningful consumer insights strengthen product development, packaging, and the communications we deliver through our integrated marketing campaigns.

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. This team strives to provide the very best consumer care to make it easy for people to reach the Company, have their messages heard and problems solved, and give them confidence in having an advocate for their experience within the Company.

Each year, we work to increase our consumer support coverage and accessibility, via new or centralized contact centers, where we optimize the latest consumer service tools and training so every person contacting us has the very best individualized experience. In many parts of the world, people can now engage with us via traditional methods, such as phone or email, or via newer, real-time methods such as social media and chat, which appeal to broader audiences and are mobile-friendly. Most recently, our team began seeking out and responding to people who leave ratings and reviews on e-commerce sites, an important new source of feedback about our products. In some locations, we are experimenting with artificial intelligence, using technology to give on-the-spot help to people on weekends and in the evenings.

In addition, we regularly monitor key performance indicators for service in several regions around the world. In 2017, 90 percent of consumers reported being "satisfied" or "very satisfied" with our service.

Highlights

Using Technology To Bring Professional Oral Care Advice To Consumers In India

- Most people living in rural India have never visited a dentist and have no access to reliable dental advice. As part of our efforts to Keep India Smiling, Colgate is using mobile technology to provide consumers in rural India with real-time access to free professional oral care advice. Available on-demand from every mobile phone at no cost, consumers dial the number provided, hang up, and receive an instant call back from Colgate's Pocket Dentist automated response system. Based on a strong consumer response, the program is being expanded nationally in 2018.

Partnering For Innovation In China

- Colgate Dare to Love toothpaste, launched around "Love Teeth Day," a national oral health awareness campaign in China, was developed in collaboration with one of our Chinese e-commerce partners. It went from concept to launch in just five months, and was the top-selling item in the Colgate flagship store on this e-tailer's site throughout the campaign.

Driving Growth In Pet Nutrition

- Hill's Science Diet Youthful Vitality, which helps fight effects of aging in cats and dogs ages seven and older, is adding incremental market share in the U.S. and is now rolling out globally. As part of its powerful ad campaign, Hill's Science Diet Youthful Vitality worked with Animal Planet on the Web series "Mission Adoptable" to tell heartwarming stories about older cats and dogs to encourage adoption in this age group.

Product Sustainability at Colgate

Product sustainability at Colgate means a continued commitment to safe, sustainable, high-quality products that consumers can trust. As part of our 2020 Sustainability Strategy, we are committed to increasing the sustainability profile in all new products. Consumers increasingly purchase products that both meet their needs and have a social impact and reduced environmental footprint. At Colgate, we are working to meet that expectation by:

Driving Sustainability Through Our Product Categories
We continue to implement product category sustainability strategies that align with and support our 2015 to 2020 Sustainability Strategy.

Improving the Product Sustainability Profile of Our Products
Teams across the Colgate world collaborate to develop products with improved sustainability profiles. Opportunities to improve product sustainability are considered throughout the product development process by multiple functions (from formulation to packaging). Annually, we apply the criteria in our product sustainable scorecard to the new products we plan to launch.

Delivering Safe and Sustainable Ingredients
Colgate remains committed not only to making safe products, but also to making those products with ingredients and processes that have minimal impact on the world around us.

Providing Access to Affordable Products
We continue to expand access to affordable health and wellness products for millions of people in underserved communities.

Driving Sustainability Through Our Categories

Colgate is embedding sustainability across our Oral Care category. Our products and oral health education programs improve oral health around the world and help reduce cavities, one of the most chronic global diseases. We also promote water conservation awareness to consumers, encouraging them to turn off the faucet when brushing their teeth. We are improving the ingredient sustainability profile of our products, removing PVC from toothbrush packaging, and reducing the environmental footprint of our oral care factories.

Colgate is also making improvements in our Personal Care category, from improving ingredient biodegradability and moving toward more sustainable preservative systems to optimizing packaging size and improving packaging recyclability. We are educating millions of children and their families around the world about the importance of handwashing with soap, and are also working to reduce our carbon and water footprint.

In our Home Care category, Colgate is increasing the use of recycled and recyclable plastics in our packaging and improving the ingredient sustainability profile of our products, including eliminating formaldehyde donors and reducing volatile organic compounds to improve air quality. We are also helping consumers save energy and water with our cleaning products.

Hill's Pet Nutrition is working to source its ingredients responsibly, reduce its operational footprint, and provide pet food to shelters at a discount to help millions of dogs and cats find their forever homes. Hill's is also leading the way to Working Towards Zero Waste at Colgate. The first four "Zero Waste to Landfill" factories are Hill's factories.

Improving the Product Sustainability Profile of Our Products

Colgate's Product Sustainability Scorecard measures our progress toward our 2020 goal to increase the sustainability profile in all new products. The scorecard rates products with 25 parameters across seven areas: Responsible Sourcing and Raw Materials; Energy and Greenhouse Gases; Waste; Water; Ingredient Profile; Packaging; and Social Impact. Through cross-functional collaboration across the Colgate world, we continue to make progress and have improved the sustainability profile in 82 percent of new products in 2017.[1]

1. The performance results are based on representative products from the product portfolio evaluated against comparable Colgate products across seven impact areas to characterize likely improvement in the sustainability profile, based on review of quantitative and qualitative data.

2017 Product Highlights

- Colgate Active Salt has an improved ingredient sustainability profile with fewer resources required to produce the formula. We added the "Save Water" message to the label to encourage consumers to conserve water when using.

- Ajax Anti-limescale Spray in Europe has an improved ingredient sustainability profile, requires less water, and generates less waste in the manufacturing process.

- Protex body wash was reformulated with ingredients with an improved sustainability profile. Triclocarban was removed and replaced with more natural and sustainable ingredients including tea leaf extract, which has a smaller environmental footprint.

- Hill's successfully updated its packaging specifications for its secondary packaging cases for premade bags. The material increased recycled fiber in the corrugated cases from 30 percent to 74 percent. The update to the packaging specifications resulted in a 147 percent increase in recycled content and improved the accuracy of packing specifications.

Delivering Safe and Sustainable Ingredients

Product Safety and Quality

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 also comply with all aspects of the European Union's REACH regulation (Registration, Evaluation, Authorization, and Restriction of Chemical substances). To learn more about the science behind our products, please visit Scientific Excellence section of our website, and learn more about our Ingredient Safety Policy and progress updates, please visit the Ingredient Safety section.

Product Safety Testing

Colgate has a longstanding policy to minimize and ultimately eliminate animal testing associated with development of 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 scientific regulators.

We are a leader in promoting, encouraging, and participating in the development, validation, and acceptance of non-animal testing methods worldwide, investing more than $1 million dollars annually on research with non-animal alternatives. Globally, there are circumstances when regulatory agencies require animal testing of oral care, personal care, and home care products. In such limited instances, the tests are conducted at external testing facilities that meet strict government standards and the rigorous requirements that were established by Colgate with input from animal welfare groups. We work closely with worldwide regulatory agencies to examine how non-animal tests can be incorporated into their safety requirements for consumer products. Specifically, we support the European Partnership for Alternative to Animals, the Johns Hopkins Center for Alternatives to Animal Testing, and the Institute for In Vitro Science. Colgate actively shares its work to reduce animal use and develop alternatives so that this information can help others minimize animal use.

Hill's uses only non-invasive, humane research methods to develop superior nutritional technology so that dogs and cats live longer, healthier lives. Importantly, Hill's believes that any procedure that causes pain to people also causes pain to animals and therefore, is not permitted. Hill's does not create or simulate disease conditions in animals and does not conduct a study where euthanasia is the end point. Hill's breakthroughs in pet nutrition are unmatched in the pet food industry, and it has built its business and reputation on always practicing the highest ethical standards. Hill's publishes its animal welfare policy on its website, which governs all studies they conduct or support.

Currently, more than 99 percent of internal requests for safety assessments of Colgate's products are addressed by using available databases and non-animal alternatives. We look forward to the day when all necessary safety studies for oral care, personal care, and home care products can be performed without the use of animals. We will continue our unwavering efforts toward the development, validation, and scientific and regulatory acceptance of alternative non-animal methods of product safety research, while remaining steadfast in our commitment to the highest standards of product safety for our consumers. For more information on our Product Safety Research Policy and other policies, visit our website.

Ingredient Transparency

We recognize consumers want to know more about the ingredients in the products they use. We disclose the ingredients in oral care, personal care, and home care products in the U.S. and Canada 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.

Colgate is an active participant in SmartLabel™, a mobile app co-created by the Grocery Manufacturers Association and the Food Marketing Institute in conjunction with manufacturers and retailers. This digital platform was developed to meet consumers' desire to know what is in the products they purchase and use. SmartLabel™ provides a wide range of product details that cannot fit on a package label. It goes beyond the label to tell consumers not just what ingredients are included in their products; it explains what those ingredients are, why they are in the product, and what they do. SmartLabel™ was designed to match how people use information and technology today. Thus, consumers can access SmartLabel™ at home, on-the-go while creating a shopping list on their phone, and while making their way through a store.

Delivering More Sustainable 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
- 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
- Using recycled content and evaluating new materials and sources
- Increasing the recyclability and convenience 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
- Supporting innovative efforts to improve local recycling systems

We are also committed to helping create the closed loop economy and recognize that consumers increasingly prefer recyclable packaging. Information on our work to exit PVC, improve recyclability, increase recycled content, and minimize weight and volume of packaging follows.

EXIT PVC

We are committed to exiting PVC by 2020. The most significant use of PVC in our portfolio is the toothbrush blister package. To meet this challenge, we are making changes to our finishing machines and investing more than $13 million annually in alternative raw materials. Currently, we have eliminated PVC in 98 percent of our packaging by weight. In addition, we have developed plans to exit remaining uses of PVC such as shrink sleeves, labels, and pouch structures.

EXAMPLES

Our Asia-Pacific team replaced PVC shrink sleeves on two types of Glo bottles, moving us toward our goal of 0 percent PVC. They also converted from HDPE to PET, the most widely recycled resin.

Colgate Palmolive launched a new PET bottle for Palmolive Caprice Naturals Shampoo 760 ml in Latin America to replace the previous PVC bottle with handle.

IMPROVE RECYCLABILITY

Colgate is committed to improving the recyclability of our personal care, home care, and pet nutrition packaging. We are also focused on achieving breakthrough innovation in oral care packaging. As of year-end 2017, approximately 80 percent of our packaging by weight is considered recyclable.

Related projects are underway in each category that will complete implementation in 2019 and 2020. For example, we are transitioning from opaque to clear PET bottles, as well as improving recyclability of dispensing systems.

We are rolling out the implementation of shrink sleeves with perforated tear tabs, and we direct consumers to remove the sleeve at end of use to improve bottle recycling. In addition, we are evaluating new shrink sleeve technology and pressure-sensitive label systems that are preferred by recycling facilities.

EXAMPLES

In Guatemala, we made the plastic on our Suavitel 80 ml sachets thinner, saving 49 tons of plastic annually and reducing supply chain complexity.

In Europe, Colgate launched a clear 300 ml PET bottle for Palmolive liquid hand soap, replacing the previous white opaque bottle.

We have included perforations in the sleeves used for Palmolive 250 and 500ml, Soupline 1.2L and Soflan Fabric Softener 650ml in Europe. Perforations allow the consumer to remove the sleeve from the bottle, making it more likely to be recycled.

INCREASE RECYCLED CONTENT

Colgate's 2020 goal is to increase recycled content in our packaging to 50 percent. As of year-end 2017, approximately 42 percent of our packaging materials are from post-consumer recycled sources.

EXAMPLES

Hill's partnered with Amazon to improve the shipping carton of pet food bags sold online. The new carton is certified by Amazon as Frustration Free Packaging; it precisely fits the size and shape of the bag and is made of recycled material. It also includes Hill's messaging and has handles to make it easier to manage from the front door to the kitchen.

MINIMIZE WEIGHT AND VOLUME

As part of our Funding the Growth initiatives, Colgate has long been minimizing the volume and weight of our packaging. We strive to use the minimum amount of packaging required to label and protect our products.

We recognize the importance of reducing waste at every stage of the product life-cycle including at the end-of-use of our products and packaging. See page 82 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.

EXAMPLES

Colgate China downsized the jumbo and family size toothpaste cartons, saving more than 72 tons of fiber and 3 tons of film plastic.

Tom's of Maine redesigned the bar soap wrapper to minimize weight and volume. We were able to reduce more than half the packaging by weight for primary and secondary packaging and add 30 percent more bars per transport pallet, which reduces the carbon footprint due to logistics transport.

Spotlight

In 2017, Colgate joined the How2Recycle Label Program, with the intent of reducing confusion about how to recycle packaging with the assistance of standardized consumer labeling. Colgate is a member of the Sustainable Packaging Coalition, which administers the How2Recycle program. As a member, Colgate was involved in the development of the program which has grown exponentially over the past few years, and is excited to be a part of this growing movement. Recycling is an initiative which supports our corporate commitments to sustainability.

In 2018, Colgate will introduce the How2Recycle® label to our consumers on products sold in stores across the U.S. Colgate will be rolling out the label first on Suavitel products, Murphy Oil Soap products, and Softsoap Earth Blends hand soap and body wash.

Member of How2Recycle

Providing Access to Affordable Products

Product sustainability at Colgate also means a commitment to providing affordable product options in our portfolio. We have established a 2020 goal to expand 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 distribute our products broadly, more consumers have access to Colgate products. Offerings are customized to best reach consumers within their socioeconomic level, available household income and specific consumer needs. We are finding ways to offer the benefits of more premium products at affordable price points.

Globally, we strategically balance Colgate's portfolio between base and premium tiers as appropriate for the region. This starts with consumer panels and research that gives us an in-depth understanding of consumers, their needs, and how to best communicate to them. Many people around the world do not have access to basic dental care and education. As a leading provider of oral care products, Colgate has the unique ability to address this major social issue and to improve the oral health of families around the world. In Africa, toothpaste use as part of a healthy oral care habit remains a challenge. High costs and rural distribution remain important hurdles to address. Colgate introduced a small and affordable toothpaste sachet across many key markets in Sub-Saharan Africa to assist in building a vital oral health care habit in these rural areas.

Partnering with Customers

We partner with hundreds of thousands of retail stores 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.

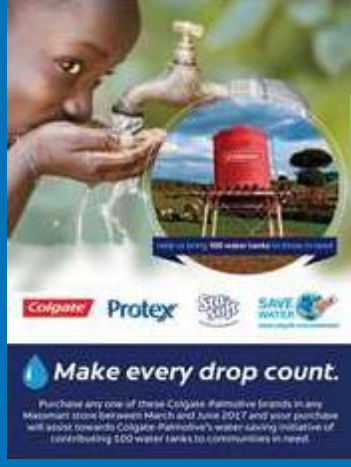
To ensure continued success, we track retailer satisfaction in 20 of Colgate's largest subsidiaries every two years. The Company participates in a widely used industry standard syndicated survey run by the Advantage Group. The objective is to measure our customer engagement with the goal of strengthening our performance across key markets, building robust action plans based on the survey feedback.

Colgate also partners with key customers to advance our mutual sustainability goals. We often partner with retailers to engage consumers with programs such as our Bright Smiles, Bright Futures oral health education program, Operation Smile, and Terracycle®.

Highlights

- Colgate continues to partner with eco-innovator Terracycle® in six markets, including the U.S., Mexico, Brazil, Australia, New Zealand, and China. Terracycle® recycles and "upcycles" oral care packaging collected at schools, stores, and other locations into new and affordable eco-friendly products. Through this partnership, in 2017, more than 36,000 locations engaged in recycling, helping us divert more than 7.6 million pieces of waste from landfills. Participating locations are able to raise funds for schools and charities of their choice as an incentive for recycling.

- To help consumers "upcycle" Colgate products, in 2017 Colgate and Terracycle® partnered with ShopRite and Meijer stores 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 by the Tom's of Maine Natural Care Recycling Program.



- In South Africa, Colgate partnered with Makro to celebrate World Water Day and raise awareness about water conservation. A three-month in-store campaign conducted nationally with the theme, "Make Every Drop Count," helped us bring water to those in need. Each purchase of a Colgate product in Massmart triggered a donation by Colgate of 100 water harvesting tanks to communities in need throughout 2017.
- Colgate was recognized with a Silver Effie Award for Sustainability-Focused Shopper Marketing Program. Colgate's "Turn Off the Tap" campaign, which ran at Safeway supermarkets in Northern California, sought to encourage consumers to conserve water at home.
- Our global Save Water initiative encourages people to make a difference by simply turning off the faucet while they brush their teeth. In the U.S., we partnered with Walmart to feature special in-store displays running Colgate's award-winning "Turn Off the Tap" video together with Save Water digital communications on the Walmart website. Our goal is to promote water conservation awareness to all our global consumers by 2020.
- Our partnership with swimming champion Michael Phelps, our Global Ambassador, expands to 52 countries in 2018 as he helps us share the "Turn off the Tap while brushing" message. Michael will also join water advocate and ultra-runner Mina Guli on one of her #RunningDry marathons. Mina is running 100 marathons in 100 days across six continents to spread awareness of water scarcity. Colgate is a sponsor in North America.
- Colgate has also launched an Amazon Alexa skill to remind people to save water while brushing their teeth. Amazon Alexa users say "Alexa, open Save Water" to begin a dialogue where they receive water conservation facts or tips. This skill will be available on Google Home devices in 2018.

Supporting Our Planet

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 key 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 these efforts a priority.

Our Commitment to No Deforestation

Deforestation is one of Colgate's key sustainability issues. It is critical from a business, social, environmental, and reputational risk standpoint. Our policies and commitments help us manage the deforestation risks in our supply chain for pulp and paper, palm oil and derivatives, soy and soy oil, and beef tallow. In line with Colgate's values, we are committed to protecting the global environment, enhancing the communities where people live and operating in compliance with government laws and regulations. As part of Colgate's 2020 sustainability strategy, which is focused on People, Performance and Planet, we are committed to responsibly sourcing forest commodities to reach zero net deforestation by 2020. Because we share a vision with our key stakeholders for a future without deforestation, we will remain transparent with our employees, shareholders, suppliers and NGOs about our commitments, challenges and progress.

Much of Colgate's packaging material utilizes wood-derived or paper-based products. Approximately 90 percent of our pulp and paper is certified or is in the process of being certified as sourced from responsibly managed forests. Colgate has made significant progress in policy development on commodity sourcing and deforestation over the past three years. Contributing to this progress is the company's active membership in the Consumer Goods Forum (CGF), a large network of retailers, manufacturers and service providers dedicated to a vision of "Better lives through better business." Ian Cook, Chairman, President and Chief Executive Officer of Colgate, currently serves on the CGF Board of Directors. Colgate continues its commitment to No Deforestation by 2020 for pulp and paper, palm oil and derivatives, soy and soy oil, and beef tallow. An effective, implementable deforestation program is critical so we can manage the impact activities have on ecosystems and habitats, meeting stakeholders' expectations, protecting our reputation, as well as complying with regulations.

2017 Colgate's Deforestation Milestones

Developed a commodity-specific policy on responsible and sustainable sourcing of palm oil in 2016. Since then, we have taken action to responsibly source palm oil in the following ways:

- Requested information on traceability to the mill and plantation level from 100 percent of Colgate's direct suppliers of palm oil and palm kernel oil (PKO)
- Engaged direct suppliers of palm oil and PKO to drive policy implementation, encourage increased transparency, and to understand their plans for transformation of their supply chain
- Requested information on palm oil derivatives traceability work to the mill level. The Forest Trust (TFT) has determined key supply chain points to act as milestones in the work to achieve full traceability upstream. These supply chain points are as follows: first importer, origin refiner and mills
- Incorporated sustainability considerations into the supplier selection process
- Commitment to procure 100 percent certified palm oil and PKO
- Included palm oil suppliers in Colgate-Palmolive Supplier Responsible Sourcing Assessment Program

Key elements of our approach to No Deforestation and successes to-date are as follows.

1 Pulp and Paper

Pulp and Paper Approach

Colgate is committed to sourcing paper and packaging from recycled sources and responsibly managed forests that do not contribute to deforestation.

As part of our responsible sourcing strategy, in 2017 Colgate established a partnership with Rainforest Alliance, an international non-profit organization, to develop a commodity-specific policy for sustainable sourcing of pulp and paper. We are working to leverage our longstanding strategy to increase volumes of certified or recycled pulp and paper-based materials each year, setting a goal to source 100 percent by the end of 2020. Our partnership with Rainforest Alliance helps us engage with our suppliers to increase the usage of certified materials, giving preference for verification of pulp and paper supply to Forest Stewardship Council (FSC) certification standards. Rainforest Alliance supports mapping our supply chain to identify hot spot areas, which present the highest risk to our business, the environment or the local community, by conducting risk assessments of products or ingredients based on country of origin.

We will partner with our suppliers to build a low-risk global supply chain that meets the following criteria for pulp and paper:

- No illegally harvested wood
- No exploitation of people or local communities
- No deforestation of High Conservation Value (HCV) areas
- No sourcing wood from forests that were converted to plantations or non-forest use after December 31, 2010

In addition, we have taken additional steps to ensure compliance with the U.S. Lacey Act, requiring all product and disposable packaging to be composed of legally sourced wood or other plant-based material.

Pulp and Paper Progress

Our partnership with Rainforest Alliance will support the execution of our responsible sourcing strategy for pulp and paper and drive transformation in our supply chain.

As part of the work plan with Rainforest Alliance, Colgate will focus first on the following pulp and paper based materials:

- Paper-based cartons
- Corrugated materials for shipping
- Paper-based labels
- Corrugated materials for displays
- Dryer sheet products and cleaning wipes

Due to the complexity in the pulp and paper portfolio, Colgate will prioritize policy implementation with the suppliers of these products representing 80 percent of the spend, with a long-term goal of reaching 100 percent of spend.

As the next step on our journey toward responsible and sustainable sourcing of pulp and paper, and with the support of Rainforest Alliance, we are currently working on the following actions:

- Develop and issue a commodity specific policy for pulp and paper.
- Map pulp and paper supply chain to country of origin to identify any controversial sources and drive actions toward policy conformance.
- Conduct risk assessment analysis to determine area of focus and develop a roadmap for policy implementation.
- Increase awareness of policy commitments by conducting supplier webinars.
- Purchase increasing volumes of certified or recycled pulp- and paper-based materials each year with a goal to source 100 percent by the end of 2020, using the Forest Stewardship Council and other respected certification schemes as geography and availability necessitate.
- Report and communicate performance and progress against policy.

We have also set packaging targets for 2020, including increasing the recycled content of our packaging to 50 percent. Currently, approximately 41 percent of Colgate's paper and board packaging materials by weight globally come from recycled sources. 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.

2 Palm Oil, Palm Kernel Oil and Derivatives

Palm Oil, Palm Kernel Oil and Derivatives Approach

Palm oil is the most widely produced vegetable oil in the world and continues to grow in its use, replacing other vegetables oils. More than 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 greenhouse gas emissions, impacts on biodiversity, and social issues linked to deforestation.

Colgate has specific commitments to source palm oil, palm kernel oil and palm derivatives that are responsibly produced and that can be traced from plantation to product. As we strive for zero deforestation in our palm oil operations and activities, we will partner with stakeholders and our suppliers to build a transparent global supply chain that meets the following criteria:

- 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 peat lands, regardless of depth
- Reduction of greenhouse gas Emissions
- No exploitation of people or local communities

With The Forest Trust's risk assessment analysis and collaboration, Colgate will be able to make informed decisions about which producing suppliers to support in their transformation to meet our standards, and where to focus efforts to contribute to supplier assessments and training to have a positive, tangible impact on the practices on the ground within Colgate's supply chain. Additionally, Colgate has been working with NGOs and other stakeholders to increase our transparency and traceability of palm mills in our supply chain. We now disclose the mills to which our production traces back in three out of four of our primary suppliers and will continue to increase this disclosure as we get more information. See List-of-Mills for more detail.

Palm Oil, Palm Kernel Oil and Derivatives Progress

Colgate uses palm oil, palm kernel oil and palm oil derivatives in some of our soap products, toothpastes, antiperspirants, deodorants, and household cleaners.

Our palm oil responsible sourcing policy, issued in July 2016, addresses the key requirements for our suppliers to build global supply chains that meet Colgate's palm oil policy criteria. Colgate continues working in partnership with The Forest Trust to move the palm oil responsible sourcing strategy to the next level by executing transformation projects and engage with stakeholders from government, civil society, and palm oil producers.

Palm Oil, Palm Kernel Oil and Derivatives Traceability

Having continued visibility to palm oil mills is critical for Colgate to support on-the-ground supplier transformation work, assess risk in the supply chain, and evaluate the progress of our suppliers in achieving compliance with Colgate's Responsible and Sustainable Sourcing policy.

Palm Oil and Palm Kernel Oil Traceability

For the second half of 2017, Colgate global palm oil/ palm kernel oil traceability to the mill was as follows:

Colgate Global Traceability to the Mill

Geography	Palm Oil	Palm Kernel Oil
U.S.	—	98%
Latin America	99%	97%
Thailand	97%	70%
Europe, Middle East and Africa	100%	88%
Weighted Total	98%	91%

The percentages in the table reflect the percentage of palm oil and palm kernel oil for each purchasing market that can be traced back to the origin mill.

Overall, we can identify the mill sources for 98 percent of our palm oil supply by volume and 91 percent of Colgate's palm kernel oil supply. Identifying the mill sources for our palm supply enables us to prioritize upstream suppliers for engagement based on associated risk. It also allows us to seek further information and respond if stakeholder concerns arise about our supply chain and is a critical step toward our goal of achieving full traceability to the plantation/source.

We continue to maintain complete traceability to the mill, and we request updated traceability information from our palm oil and palm kernel oil suppliers on a biannual basis to maintain visibility into our supply chains.

Palm Oil Derivatives Traceability

Colgate's No Deforestation commitment includes the source of the palm derivatives that Colgate purchases and uses in its products. Palm derivative supply chains are multi-tiered and complex, so achieving traceability in the derivatives supply chain comes with challenges. The Forest Trust supports Colgate on this journey and helps the Company trace back to the mill level, following TFT methodology.

Many of Colgate's suppliers act as first importers themselves, and so the current focus is on identifying the origin refiners in Colgate's supply. The origin refiners will have visibility into the mills in Colgate's supply base, and will be a crucial leverage point to engage their supply bases on transformation.

Colgate has currently achieved 57 percent traceability origin refiner, and 59 percent to the mill level for our derivatives portion. We will continue to work with our derivatives supplier to increase the traceability percentages for this portion of its supply.

Colgate 2017 traceability for palm derivatives is as follows:

Colgate Global Palm Oil Derivatives Traceability to the Mill

	First Importer 2017	First Refiner 2017	Mill 2017
Colgate Derivatives Volume (focus on 80% of palm derivatives total volume)	62%	57%	59%

We have also begun to evaluate our derivatives suppliers' responsible sourcing policies. Colgate will work with our suppliers to ensure that they have developed responsible sourcing policies and plans that align with Colgate's own policy, or will demonstrate to Colgate how they will work to meet our policy expectations. Through this work, Colgate will be an important catalyst to increase the transparency of supplier companies in the oleochemical industry.

Certification

As a step in the transformation journey toward responsibly sourced palm oils, Colgate is procuring certified oils as detailed below.

2017 Total Company Weighted Average Certified Oil Usage

	Palm Oil % Palm Kernel Oil	Palm Oil % Derivatives	Total
Certified Oils (% by weight)	84%	5%	
Book and Claim Certificate (% by weight)	16%	35%	
Total Coverage	100%	40%	70%

We are currently sourcing palm oil and palm kernel oils certified by Roundtable on Sustainable Palm Oil (RSPO) and Rainforest Alliance. We will continue to increase the percentage of palm oil, palm kernel oil and palm oil derivatives that are physically certified.

Policy Implementation

Encouraging transparency and traceability is only one aspect of Colgate's work to drive change upstream. Equally important is our work to understand our suppliers' plans and existing activities geared toward transformation and bringing their supply base into compliance with Colgate's responsible and sustainable sourcing policy.

Colgate's policy implementation plan activity includes understanding suppliers' progress and actions toward meeting Colgate's responsible and sustainable palm oil sourcing policy. We are focused on the development of suppliers' own policies and commitments, traceability status, grievance process, transparency, and verification activities. The approach measures the supplier's performance on achieving its goals to close the gaps identified and promotes a better understanding of the challenges each supplier has, as well as identifying opportunities for improvements.

Colgate's supplier engagement has demonstrated that our suppliers are currently at different levels of preparedness to meet Colgate's policy requirements. Many of Colgate's suppliers have policies that match Colgate's policy and are reporting transparently about their progress toward policy implementation on dashboards or through regular reports.

Colgate will continue to engage our suppliers to ensure we make adequate progress toward full policy implementation. The Forest Trust will also continue to support Colgate's development with strategies to meet our palm oil sourcing requirements.

Transformation

With risk assessment analysis and policy implementation activities, Colgate makes informed decisions about which producing suppliers and regions to support in transformation. This direct transformation work is supported by ongoing monitoring and progress management of Colgate suppliers' own transformation efforts.

The Forest Trust and Colgate have agreed on transformation activities that Colgate can best support, based on Colgate's palm oil supply network, identified hot spots and risks, and existing TFT transformation work. During the current transformation work plan, we will have an impact on our supply through tackling environmental and social issues at scale in Indonesia through the on-going support of TFT's multi-stakeholder, multi-commodity Priority Areas for Transformation (APT) initiative and mill visits. In Thailand, TFT supported several Thai-language workshops and training sessions on the concept of responsible palm oil sourcing and practices for Colgate suppliers.

We are also partnering with our key strategic suppliers to drive changes on the ground and transform practices. In collaboration with Wilmar, Business for Social Responsibility (BSR) and several palm oil buyers, we joined the collective action to improve working conditions and livelihoods of workers across the wider palm oil supply chain in Indonesia. This transformation project included a series of workshops to heighten awareness on wages, employment contract status and grievance mechanisms in Indonesia.

We acknowledge the role played by NGOs in bringing to light the unacceptable labor practices of one of our palm suppliers and the intensified efforts we are making to support transformation efforts on the ground on our own and as part of industry consortiums. We do not use forced labor within our own operations, and we will strive to eradicate forced labor from our value chains. Colgate believes that every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or coerced to work. Moreover, it is Colgate's policy not to work with any supplier or contractor known to operate with forced labor. In line with the CGF recently announced Social Resolution on Forced Labor, Colgate joins CGF in acknowledging the broad societal problem of modern slavery and commitment to eradicate forced labor from supply/value chains.

In addition, we continue working with our suppliers to support smallholders, independent farmers holding relatively small plots of land. In Thailand, we are working with our strategic supplier Morakot Industries Public Company Limited, a subsidiary of Sime Darby, supporting smallholders in the region to pursue the RSPO certification. The project includes conducting roadshows and awareness to promote the usage of certified material, design the certification program and the internal control system to meet RSPO principles and criteria. Colgate continues to work with these partners to identify and assess additional opportunities to drive transformation of practices on the ground.

3 Tallow

Tallow, a cattle byproduct, is a key ingredient in bar soap production. 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 parts of the Amazon rainforest for cattle ranching.

As a result, we mainly focus on the tallow sourced from Brazil, and work with our Brazilian suppliers to transform practices in our tallow supply chain. We require our suppliers in Brazil to meet the following criteria:

- Certify that suppliers follow environmental and social requirements set forth by the Brazilian Institute of Environment and Renewable Natural Resources.
- Confirm that their operations are conducted in conformance with the Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome, which aims to stop deforestation in the Brazilian Amazon.

Moving forward, we will:

- Work with our suppliers to support the Cerrado Manifesto to halt deforestation and native vegetation loss in the Cerrado biome, an ecologically important and diverse area in central Brazil. We recognize the extent and pace of native vegetation loss resulting from cattle expansion in the Cerrado area and the environmental and social effects of this expansion.
- Continue collaborating with industry and stakeholder groups such as the Global Roundtable for Sustainable Beef to work toward zero deforestation in this area.
- Work with our suppliers on verification by using satellite systems to proactively address issues linked to deforestation and assure the material is sourced responsibly.

4 Soy

Colgate uses soy and soy oil as ingredients in certain products. Colgate currently sources these materials from the United States and South America. The U.S., Brazil, and Argentina account for more than 70 percent of the global soy supply. In Brazil, soy production has been linked to deforestation of highly biodiverse forest regions, and its cultivation has contributed significantly to clearance of the Amazon forest, the Cerrado, the Atlantic Forest, the Gran Chaco, and the Chiquitano.

We are committed to using responsibly and sustainably sourced soy products from South America, which is considered the highest risk area for soy products. We will procure soy products that are responsibly and sustainably sourced and are certified by credible certification schemes, including Roundtable for Responsible Soy, Proterra or equivalent organizations to verify that the soy Colgate sources poses a low risk of contributing to deforestation.

For material procured in Brazil, our primary source, we use soy and soy oil suppliers that are in compliance with the Brazil Forest Code, including registration in the Rural Environmental Registry.

Moving forward, we will:

- Continue mapping our soy usage and geography of supply.
- Continue to support efforts such as the Cerrado Manifesto to minimize deforestation from soy expansion in Brazil and increase transparency in the soy sector.
- Work with our first-tier suppliers to continue sourcing certified soy and deforestation-free soy or soy oil for our requirements.

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 rules and regulations. Our environmental standards, including the management systems standard, define environmental performance expectations for Colgate facilities. All Colgate facilities have a fully implemented Environmental Occupational Health and Safety (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 compliance with our standards and local regulations every 18 months. Corporate audits are conducted every three to five years, closure progress is reported quarterly, and verification audits are conducted to provide closure assurance.

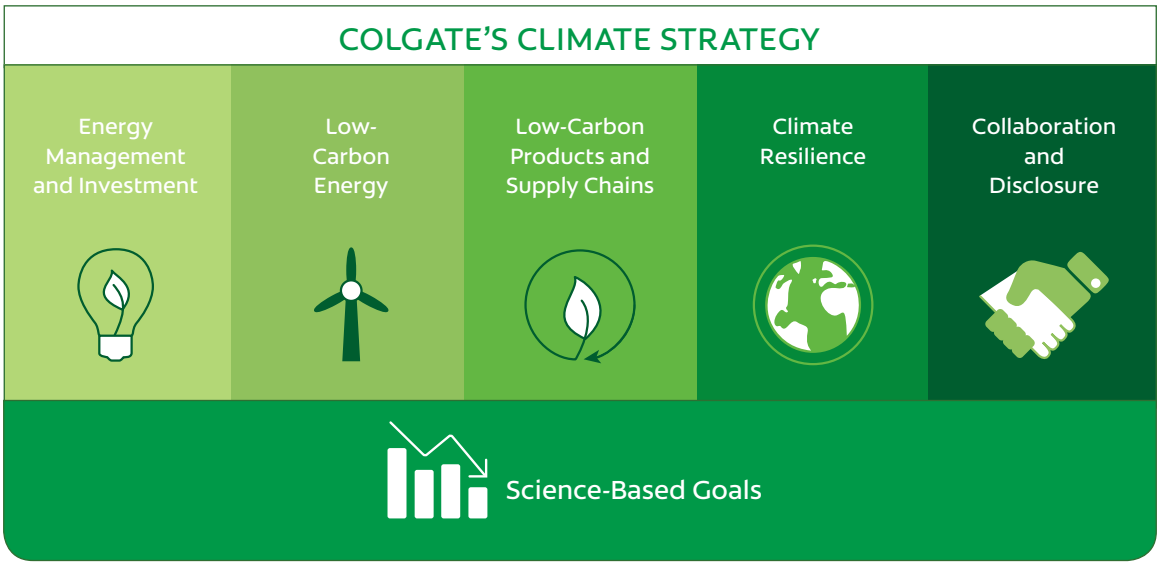
Our Climate Commitment

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 and their suppliers, customers, and consumers along with other stakeholders have a vital role to play in addressing the global issue of climate change.

Climate change is one of Colgate's key sustainability issues identified on page 12. It is a key focus for our business from both a reputational and an operational standpoint. Consumers, non-governmental organizations, and other external stakeholders expect companies to do their part to mitigate climate change. Reducing our energy use and greenhouse gas emissions also enables Colgate to mitigate costs. Since 2002, our energy reduction program has helped us avoid more than $510 million in energy costs. Managing the risks 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 72 for more information on Climate Resilience.

Our approach for climate change management and reporting is based on the guidelines of the GHG Protocol, covering about 95 percent of operations and sales where we have financial control.

Approach



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.

In 2017, Colgate began working with Walmart's Project Gigaton, to support their ambition to work with their suppliers to reduce 1 billion metric tons of greenhouse gas emissions (GHG) from the global value chain by 2030. Colgate's CEO announced our climate Science Based Target at the Walmart Sustainability Summit in April 2017. Specifically, Colgate has joined Project Gigaton by committing to GHG goals in six areas: emissions, energy, waste, deforestation, packaging, and product use. Colgate will report against these goals annually.

Progress

2020 TARGET	GOAL	2017 PROGRESS
Absolute GHG Emissions from Mfg. (Scope 1 & 2) vs. 2002*	25%	27.7%
% Purchased Electricity from Renewable Sources	25%	24.2%
Energy Intensity in Mfg. vs. 2002	33%	30.9%
# US EPA ENERGY STAR Challenge site recognitions since 2011	Increase	68
# USGBC LEED certified projects completed	Increase	20
GHG Intensity reduction of Outbound Logistics (Scope 3) vs. 2015	Reduce	10%
Absolute GHG from Consumers Saving Water (Scope 3)* from 2016-2022	up to 5%	to be estimated in 2018

* included in our Science-Based Climate Goal, approved in 2017 by the Science-Based Targets Initiative.

SCIENCE-BASED TARGETS

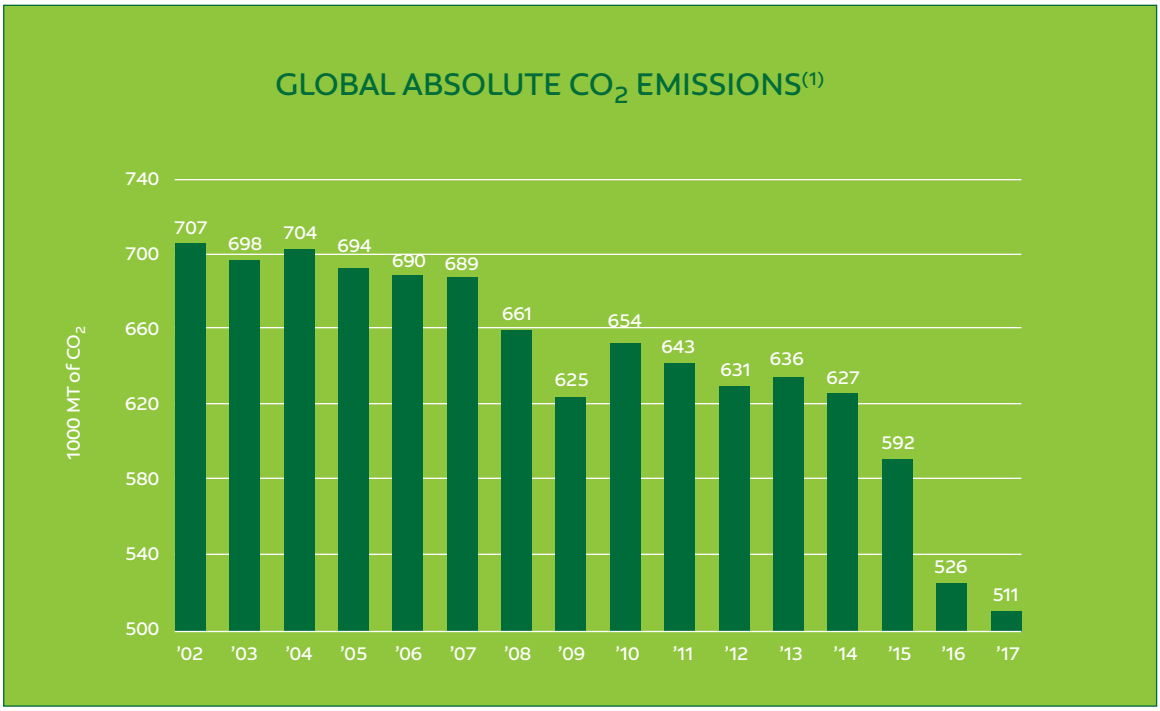
Colgate-Palmolive Company commits to reduce absolute Scope 1 and 2 greenhouse gas emissions from manufacturing by 25 percent from 2002 to 2020, with a longer term goal of a 50 percent reduction by 2050. As a way to reduce our most significant Scope 3 greenhouse gas emissions, Colgate also commits to promoting water conservation awareness to 100 percent of our global consumers and reducing emissions associated with consumer behavior by up to 5 percent from 2016 to 2022, and increasing the recycled content of our packaging to 50 percent by 2020.

Our climate strategy is anchored in setting and achieving science-based goals to reduce greenhouse gases.

In 2017, Colgate's science-based climate goal for Scopes 1, 2 and 3 was approved by the Science Based Targets initiative.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



1. The GHG emissions calculations are based on the WRI/WBCSD GHG Protocol and include impacts from renewable energy purchases.

As part of our strategy to track and reduce greenhouse gas emissions, Colgate also tracks direct and indirect CO_2, or carbon dioxide, emissions as well as direct nitrous oxide, sulfur hexafluoride, HFC and PFC emissions. We additionally estimate NO_x, 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 track VOC data as needed to comply with local regulations.

Energy Management and Investment

Colgate has a longstanding energy reduction program that has helped us lower greenhouse gas emissions and energy use intensity as well as increase financial savings. Our energy management system is modeled after U.S. EPA's ENERGY STAR program and is implemented globally. In 2017, Colgate was named a U.S. EPA ENERGY STAR Partner of the Year for the seventh year in a row, recognized specifically for Sustained Excellence.

Colgate uses the EPA's ENERGY STAR Challenge for Industry as our internal energy award program for our global manufacturing sites. The Challenge for Industry rewards sites that achieve a minimum of 10 percent reduction in energy intensity during a five-year period. To date, U.S. EPA ENERGY STAR has issued 68 Challenge for Industry site recognitions to Colgate facilities worldwide.

Key elements of Colgate's energy management program include:

- *"Top 10" Energy Actions*

For the past several years, as a way to help our global sites prioritize on the most effective energy reduction activities, we have used our Top 10 Energy Actions program. Implemented over two-year increments, this program tracks progress against our ten best global energy reduction opportunities.

- *5% for the Planet*

In 2011, Colgate implemented a capital budgeting expectation aimed at driving investment in environmental sustainability projects across our global manufacturing sites. Our 5% for the Planet program helps ensure that sites identify, fund and implement climate, energy, water, and waste projects that drive both environmental improvement and cost savings. The program sets an annual goal to invest a minimum of five 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. A minimum of two percent of the manufacturing capital budget is targeted specifically toward energy reduction projects. Since inception, Colgate has invested more than $200 million in more than 1,100 planet projects, delivering an estimated savings of more than $54 million.

- *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 to drive continuous improvement. In 2017, Energy Treasure Hunts were completed at Colgate facilities in the United States, Mexico, and India.

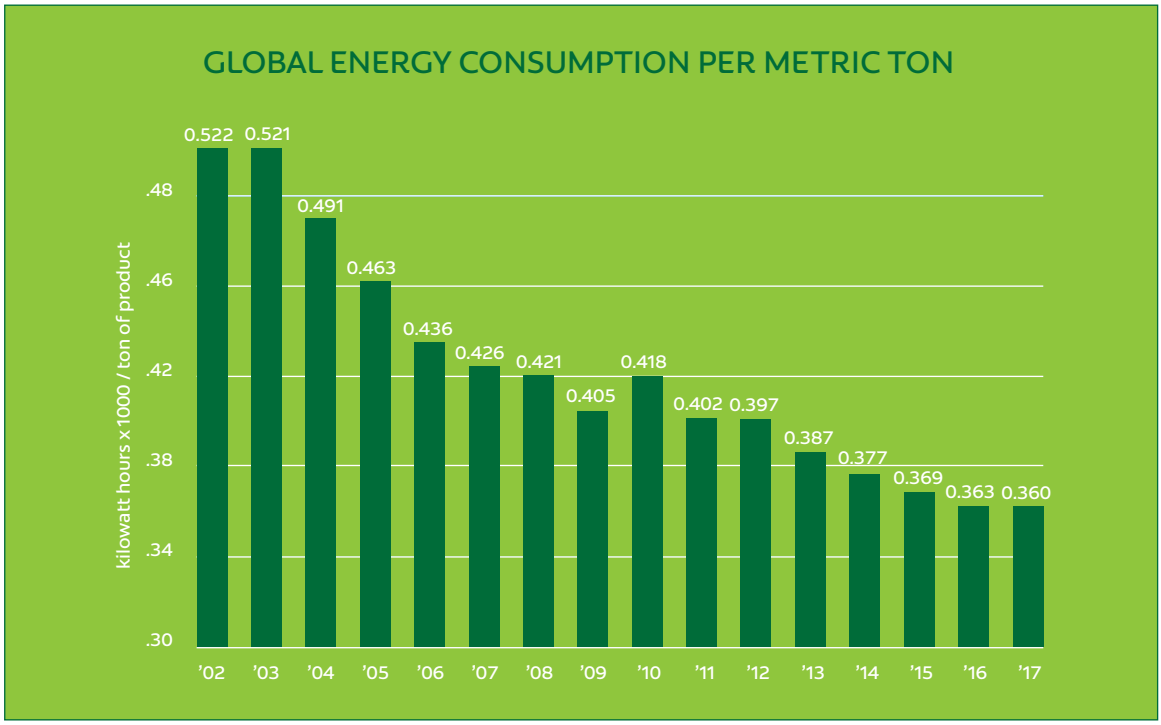
- *Global Energy Reduction Team*

Colgate's Global Energy Reduction Team leads the technical implementation of Colgate's energy strategy in our manufacturing sites by setting annual objectives and developing tools and programs to help our sites reach their energy reduction targets. This cross-functional global team is comprised of individuals with expertise and passion for reducing Colgate's energy use and GHG emissions.

For 15 years, the Global Energy Reduction Team has continued to focus on supporting our plants with many tools, activities, and initiatives. For example, in 2017, the team worked on short energy training videos, updating the global lighting survey, energy coordinator on-boarding guidance, and water treatment and cooling tower savings opportunities.

Energy Intensity Goal

Colgate's 2020 goal is to reduce the energy intensity of manufacturing our products by one-third compared to 2002. As of 2017, our global energy programs have already resulted in the reduction of energy per ton of products by 30.9 percent.



Low-Carbon Energy

As part of our strategy to achieve a 25 percent absolute reduction in greenhouse gases by 2020, we are working to promote the use of renewable energy and support development of a low-carbon energy supply.

As a way to further develop our balanced approach to renewable energy, in 2017 Colgate worked with Schneider Electric to help create a Colgate Renewable Energy Roadmap. This exercise helped us identify and prioritize renewable energy opportunities at more than 20 facilities around the world. We are currently developing and implementing several renewable energy activities, including installing onsite solar electricity and purchasing renewable energy from our electricity providers.

Colgate has been a U.S. EPA Green Power Partner since 2014, supporting the voluntary use of green power to reduce the environmental effects associated with conventional electricity use. In 2017, Colgate purchased Green-e certified wind power renewable energy certificates generated from wind power farms located in Kansas. This green power purchase was recognized by the U.S. EPA Green Power Partnership Leadership Club, achieving a rank of No. 45 in the United States. The purchase of green power is allocated back to our facilities in proportion to their carbon emissions as a way to help assign a cost-of-carbon to its source.

Improving Refrigerants

Although Colgate uses only a small quantity of refrigerants in our air conditioning and chilled water systems, we continue to take steps to minimize refrigerant losses and transition to lower global warming potential refrigerants over time. In 2016, the Consumer Goods Forum updated its resolution on refrigerants, which calls on Food and Beverage supply chains to phase out hydrofluorocarbons. Although Colgate is not in the Food and Beverage sector, we have proactively aligned our global refrigerant standard to meet the intent of the CGF's resolution as a way to support these efforts. In addition, we developed an associated e-learning training tool to assist our global facilities in transitioning toward less carbon-intensive refrigerants.

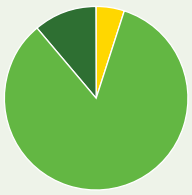
Low-Carbon Products and Supply Chain

Each year, Colgate works to assess the carbon consequences and opportunities across our value chain. We have expanded our knowledge into areas beyond our own direct energy (Scope 1 emissions) and indirect electricity (Scope 2 emissions), to include areas such as raw material procurement, transportation and logistics, business travel, waste, employee commuting, consumer use of products, and product end-of-life.

COLGATE'S CARBON FOOTPRINT*

* Data cited excludes Hill's Pet Nutrition. Colgate Operations include emissions related to factory energy and waste, employee business travel, and commuting and leased assets.

COLGATE'S CARBON FOOTPRINT ORAL CARE, PERSONAL CARE, HOME CARE



As illustrated by this graphic, heated water has the greatest impact.

Low-Carbon Products

The predominance of our GHG emissions is associated with the consumer use of our products. Our category GHG footprint indicates that the impact of brushing, showering, washing hands, and washing dishes differs greatly.

To reduce GHG emissions associated with our products we are focused on:

- Raising consumer awareness of water conservation
- Designing products that allow consumers to use less water or temperate water
- Designing packages that can be recycled

Low-Carbon Supply Chain

We are also focused on GHG emissions in our supply chain. To reduce these emissions we are focused on:

- Supplier engagement
- Carbon-intensive materials
- No deforestation
- Sustainable and efficient logistics

Supplier Engagement

We request that our key 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 effects and associated risks and opportunities in our upstream supply chain. In 2017, more than 46 percent of our Tier I suppliers responded to the survey, including our largest raw material suppliers and contract manufacturers. We achieved 82 percent supplier participation.

Carbon-Intensive Materials

We have identified the oral care, personal care, and home care raw and pack materials that have the highest carbon footprint. This information has been shared with our Research & Development and Procurement teams to help them identify and prioritize opportunities through material and supplier choices without negatively affecting consumer experience, quality, or cost.

No Deforestation

We also recognize that deforestation and forest degradation significantly contribute to the release of greenhouse gases. Our No Deforestation policy commits to sourcing forest commodity materials responsibly and sustainably by 2020. See page 58 for more details on Colgate's progress on policy implementation.

Sustainable and Efficient Logistics

Customer Service and Logistics teams at Colgate continue to focus on sustainable and efficient logistics initiatives around the world. Through these efforts, we are reducing costs as well as our carbon footprint, all while improving customer service.

Our sustainable and efficient logistics efforts in 2017 included initiatives such as:

- Load Optimization: Through the use of SAP Transportation Management—a tool currently in place in Canada, the United States, Mexico, and Brazil—we are automatically planning shipments to their optimal capacity. This has led to more efficient load planning and a minimization in the quantity of shipments to deliver our products in a timely fashion. In 2018, we will be rolling out this technology to new markets in Latin America and Asia, which will continue to drive freight planning efficiencies.
- Route Optimization: By analyzing trends in lane-level detail, using internal tools and partnering with third parties, we are identifying transport solutions aimed at reducing transit time, emissions, and costs.
- Co-Loading Trailers: Colgate is working to minimize the number of trucks on the road by co-loading trailers with other companies. This creative freight load-sharing program enables us to minimize the number of our trucks on the road as well as wasted space in our trailers.
- Improving Vehicle Fuel Efficiency: Our logistics providers are upgrading their fleets to include more aerodynamic and efficient vehicles, resulting in improved miles-per-gallon fuel efficiency.
- Intermodal Shipping: We are using intermodal shipping globally to drive reductions in CO_2 emissions, diesel consumption, and cost. Hill's has been a prime example of commitment to this initiative and has reached 100 percent utilization on lanes set up for transport by rail two years in a row.

Climate Resilience

Colgate has a long-standing operations risk management process that includes managing the effects of episodic climatic events such as storms, floods, droughts, and temperature extremes to our facilities and supply chain. Climate risk is defined as part of the operational, regulatory, and reputational and market risks; therefore, Colgate is committed to developing a long-term strategy to mitigate risks from climatic events.

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. As part of our loss-prevention program, our strategic manufacturing sites are mandated to be highly protected against risks. Third-party assessments on property loss control are conducted annually for all strategic sites. Additionally, we develop and routinely update category contingency product sourcing plans.

In 2017, Colgate hosted an Environmental Defense Fund (EDF) Climate Corps fellow who helped Colgate develop the framework for a "Net Zero" Manufacturing facility. The project's aim was to determine what types of technologies and activities a facility might need to decrease its dependence on externally supplied energy, water, and waste disposal, thus increasing its resiliency to potential climate impacts.

Further details of our risk management strategies related to climate change, water availability and forest commodity risk can be found in our response to CDP's annual climate change, water and forest surveys.

CDP
DRIVING SUSTAINABLE ECONOMIES

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 report on financial, regulatory, physical, and reputational risks as well as savings associated with eco-efficiency. In 2017, we continued to collaborate with a variety of stakeholders and engaged with leading organizations to inform our climate strategy and drive continuous improvement on a broader basis.

WORLD RESOURCES INSTITUTE

Colgate Quantifying Scope 3 emissions and goals

CDP A LIST 2017 CLIMATE

Colgate was named to the CDP Climate A List

ENERGY STAR AWARD 2017
PARTNER OF THE YEAR
Sustained Excellence

Colgate was recognized as a U.S. EPA ENERGY STAR Partner of the Year for the seventh year in early 2017

Global LEED commitment for new construction of all owned facilities

EPA GREEN POWER PARTNER

U.S. EPA's Green Power Partnership National Top 100 List

Making Every Drop Of Water Count

Water is an ingredient in many Colgate products and required in almost every phase of the product lifecycle. Clean water is also vital to the communities we serve, yet in many regions of the world, it is becoming an increasingly scarce resource. Additionally, other related issues such as flooding threaten to have negative consequences on our supply chains and the delivery of raw materials, as well as the finished goods to the customer.

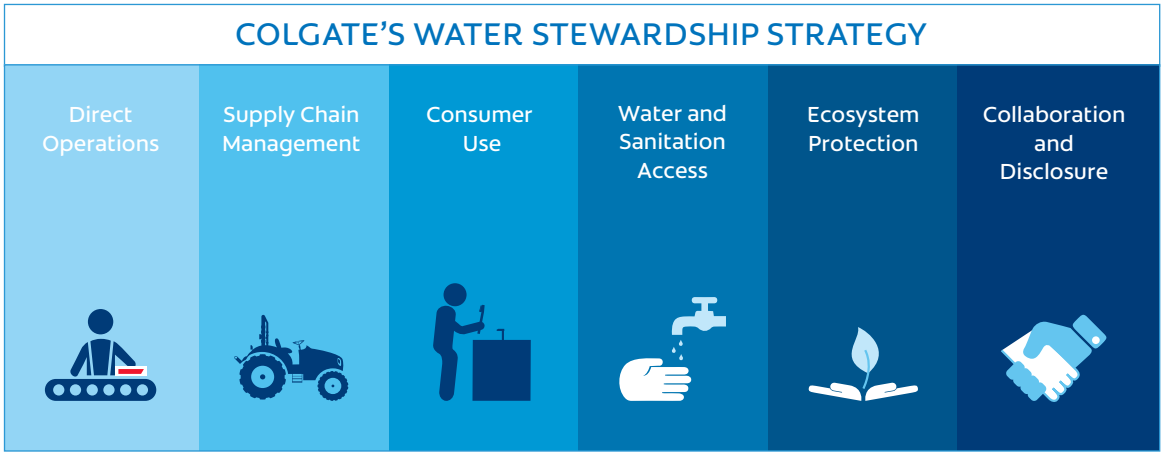
Colgate's water use footprint consists of the water used by our suppliers to produce the raw and packaging materials we purchase, the water used by our facilities to manufacture our products, and the water associated with the consumer use of our products.

Water Stewardship is one of our Key Sustainability Issues identified on page 12. These challenges define the boundaries of Colgate's Water Stewardship Strategy, which covers the following areas where we have the opportunity to manage impact and create a better environment for communities: Direct Operations, Supply Chain, Consumer Use, Water and Sanitation Access, Ecosystem Protection, and Collaboration and Disclosure.

UN GLOBAL COMPACT WE SUPPORT

The CEO Water Mandate

Approach



Key elements of our Water Stewardship Commitment 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 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 offer 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.

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.

Progress

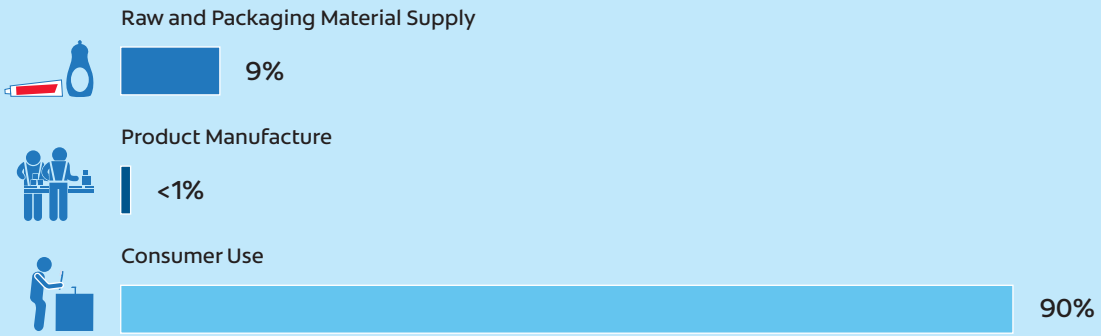
TARGET	GOAL	2017 PROGRESS
Reduce our manufacturing water intensity by 50% compared to 2002	50%	43.8%
Replenish water withdrawn in highly regions	Improve	Using our water replenishment stressed model, we reached approximately 80% replenishment related to our manufacturing sites in India
Increase supplier participation in our water stewardship program via CDP Supply Chain Water survey	Increase	Increased participation to 72%
Increase number of people reached since 2013 through Water For People's Everyone Forever Program	Increase	Reached nearly 373,000 people since 2013
Increase number of Play Pumps sponsored	Increase	Sponsored 26 Play Pumps

Our Water Footprint

Colgate's water use footprint consists of 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.

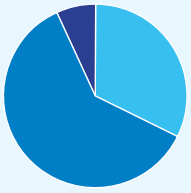
Although we continue to focus on reducing the water used in our own operations, increasingly we are making efforts to help manage water use along each step of our value chain. The results of our ongoing water footprint exercises have helped quantify the opportunities to have a positive water impact beyond our own operations.

COLGATE'S WATER USE FOOTPRINT *



* Excluding Hill's Pet Nutrition.

COLGATE'S WATER USE FOOTPRINT ORAL CARE, PERSONAL CARE, HOME CARE

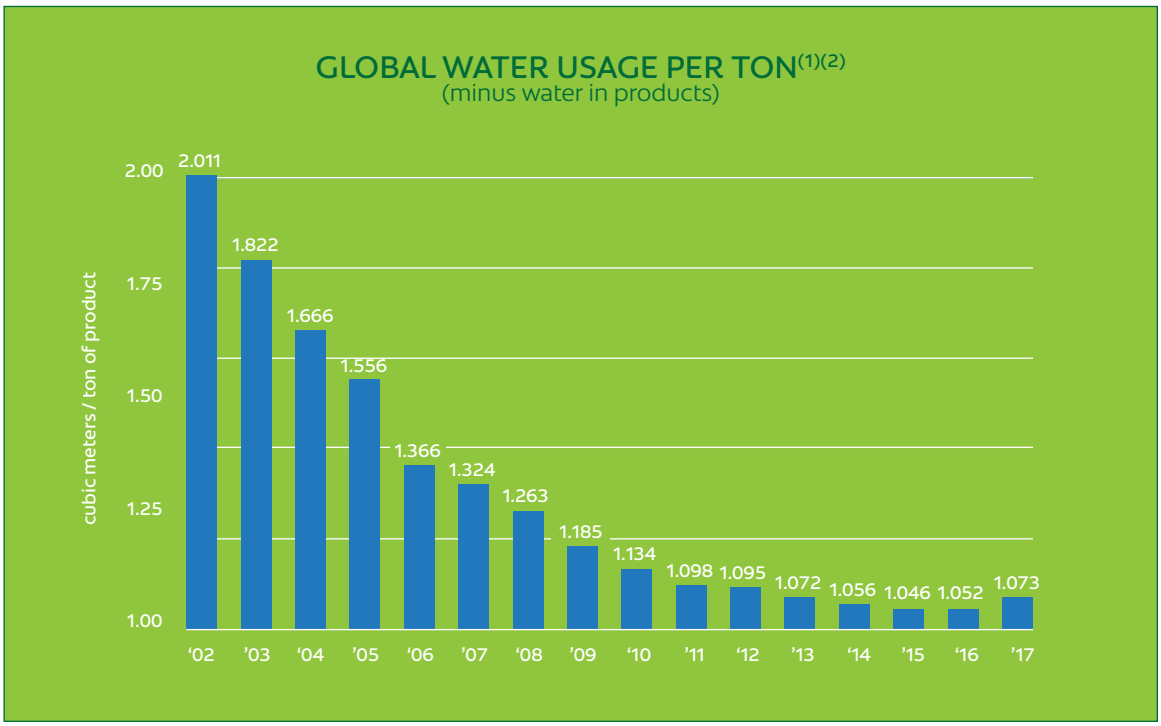


- Oral Care 32%
- Personal Care 61%
- Home Care 7%

Oral and personal care products have the largest water footprint.

Direct Operations

Colgate has had manufacturing water conservation goals since 2002, and since then we have reduced the water consumed per unit of production in the manufacture of our products by nearly 47 percent.[1] 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.



1. Excluding water in products.
2. Subject to final verification by third-party auditor.

Key elements of our program include:

- *5% for the Planet*

Colgate invests in water conservation strategies at our global facilities via our manufacturing capital program, 5% for the Planet, and by implementing our Water Stewardship Standard. A minimum of one percent of the manufacturing capital budget is targeted specifically toward water conservation projects.

- *True Cost of Water*

Colgate's True Cost of Water Toolkit, developed with Rutgers University Business School's Supply Chain Management Program, is a manufacturing-based tool designed to help sites quantify some of the hidden costs of water such as pretreatment, pumping, and wastewater treatment, thereby increasing both economic and environmental opportunities for reduction.

- *Water Stewardship Standard*

Colgate's global Water Stewardship Standard is intended to help ensure that all of our manufacturing facilities and technology centers develop responsible and appropriate programs to ensure that water-related risks are understood and managed, and that water conservation opportunities are continuously evaluated and implemented in support of Colgate's environmental and sustainability goals. Water Stewardship Standard expectations vary by level of geographic water stress.

Water Replenishment

In regions with high water stress, we continue to assess water risks and implement appropriate resiliency measures as a way to anticipate and mitigate the effects. In 2015, Colgate hosted a student project in the MIT Sloan School of Management's Action Learning Sustainability Lab to help develop a framework for creating replenishment criteria, defining geographical boundaries and identifying both environmental and community-related options to meet our commitment to replenish water in highly stressed regions.

In 2016, we leveraged this project's output by piloting the overall replenishment approach for our manufacturing sites in India. Through this work, we identified future opportunities to maximize on-site water reduction, increasing rainwater harvesting and continued community water projects. In 2017, we estimated our water replenishment to be approximately 80 percent related to our manufacturing sites located in India.

Supply Chain Management

We continue to address supply chain water risks in several ways. We are increasing supplier engagement in our water stewardship program through participation in programs such as the CDP Supply Chain Program. Additionally, we are helping our product developers and procurement teams understand and identify our most water-intensive raw and packaging materials.

We requested several of our Tier I suppliers and suppliers of water-intensive materials to participate in the CDP Supply Chain Program Water Disclosure to help us understand and address water consequences and associated risks and opportunities in our upstream supply chain. In 2017, 72 percent of our Tier I suppliers responded to the survey, including our largest raw material suppliers and contract manufacturers, significantly higher than the average rate for all member companies.

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 engage our suppliers to better assess where there are opportunities to reduce the water footprint of our products through feedstock choices and conversion efficiency, particularly in markets under high water stress.

In 2016, Colgate worked with the MIT Sloan School of Management's Action Learning Sustainability Lab on a project related to assessing and mitigating climate change risks to Colgate's North America mint supply chain. Based on our findings, in 2017, we further engaged with the Mint Industry Research Council (MIRC) on water efficiency and stewardship opportunities. MIRC invited Colgate to present our Water Stewardship Strategy at their most recent annual meeting to help drive the sustainable use of water throughout the mint grower industry.

Mint Industry Research Council

Colgate invited the World Resources Institute (WRI) to conduct a workshop for our Global Procurement leadership team on using WRI's Aqueduct Water Risk Atlas tool for assessing supplier water risks. This interactive workshop allowed Colgate's procurement leaders to engage in firsthand discussions and brainstorming on how to use Aqueduct as an added risk management tool for agriculturally-sourced materials.

WORLD RESOURCES INSTITUTE

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. Colgate's portfolio includes a number of products that allow consumers to use less water.

Ajax Easy-Rinse — 600ml spray bottle
Effective formula easily eliminates dirt without creating any foam, requiring less water to wipe clean. One wipe is enough to clean and rinse.

Water Conservation Awareness

To help consumers conserve water as they use our products, Colgate seeks to promote water conservation awareness to all our global consumers.

In 2017, Colgate continued to expand our Save Water campaign globally with messaging around World Water Day on March 22 and beyond. Our videos, messages and in-store activations to make every drop of water count went live in more than 70 countries around the world.

All our divisions engaged Colgate People around the world regardless of office size or location on World Water Day, inviting them to take a Save Water pledge and spread the word about water conservation. Some locations also held events with guest speakers, or employees volunteered in the local community. The Save Water message already appears on the Company's toothpaste and toothbrush packaging.

Thanks to the ongoing efforts of Colgate People around the world, we are helping drive greater awareness of water issues—on World Water Day and every day—among consumers, customers and fellow Colgate People.

SAVE WATER
Colgate
www.colgate.com/savewater

Highlights

- In 2017, 11 Asian countries activated the Save Water campaign in their market—China, Hong Kong, India, Indonesia, Myanmar, Malaysia, Singapore, Pakistan, Philippines, Thailand, Taiwan, and Vietnam. The campaign communicated that water can easily be wasted every day and offered a simple solution to save water in day-to-day routine. We have also formed a regional partnership with AS Watson to amplify the campaign.
- We're partnering with customers in Asia to engage shoppers with powerful in-store water-conservation communications. To put importance of water into context, a group of Colgate People in the South Pacific participated in a filmed social experiment designed to highlight the impacts of life with limited access to water.
- In Europe, Colgate People across all markets and hubs were invited to participate in a year-long learning series hosted during key events like World Water Day and Earth Day to help deepen their understanding of water sustainability issues.
- At Hill's, we have created custom reference guides that are tailored to the plant locations. Our Local Impact Newsletter features an overview of local, regional water concerns, and guidance on how to conserve water at home.
- CP Africa Eurasia partnered with the CP Europe division to raise awareness around water stressed areas. 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 26 pumps.

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.

As part of Colgate's Water Stewardship Strategy, we work with local and global organizations to help promote access to clean water while providing health and hygiene education in communities. In that spirit, Colgate is proud to continue our commitment to support water, sanitation, and hygiene (WASH) programming, through our partnership with Water For People as they pursue of their mission to reach Everyone—Forever with WASH services across Guatemala, India, and Peru. Since 2013, Colgate's total support of more than $1.6 million has helped approximately 373,000 people gain access to water services, almost 200,000 people gain access to a toilet, and more than 200,000 people learn about proper hygiene.

In 2017, Colgate continued our partnership with Water For People to strengthen and support the municipal water and sanitation offices that were established in each district since we began our partnership in 2013. Our partnership exists to promote the development of high-quality drinking water and sanitation services, accessible to all, and sustained by strong communities, businesses, and governments.

Water For People - Bolivia

Highlights

- In 2017, CP India, in partnership with Water For People India Trust, launched its Amravati Water initiative in the villages of Amravati District of Maharashtra. This expansion of Colgate's partnership with Water For People continues as a result of their successful collaboration in Bihar and West Bengal, since 2013, where clean drinking water has reached 194 villages.

  The Amravati District of Maharashtra faces extreme water scarcity and challenges in accessing potable water for daily living. This program will support availability and accessibility of water and initiation such as water conservation and rainwater harvesting, and awareness towards hygiene and sanitation (WASH). It will cover 15 villages in the first year, with a projected cumulative coverage of approximately 36 villages over a three year period. Local communities in collaboration with state and local government officials will take an active role in the construction, rehabilitation, operation and maintenance of water facilities.

We also recognize that communities facing inadequate access to safe water often do not have sufficient sanitation services and that handwashing is not widely practiced. Colgate continues to work 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.

Ecosystem Protection

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 continues to support 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 (a 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 and/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 selected locations where water stress is high, Colgate treats wastewater to tertiary levels, allowing it to be reused for cooling, toilet flushing, gardening, and other purposes.

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, reporting publicly on our water stewardship and reduction performance for many years.

In 2017, Colgate joined the UN CEO Water Mandate Action Platform as part of our participation in the UN Global Compact (UNGC). This initiative seeks to mobilize business leaders to advance water stewardship, sanitation, and the United Nations Sustainable Development Goals (SDGs). Colgate is working with the UNGC to leverage the SDGs in the ongoing development of our water stewardship and sustainability strategies. Additionally, we plan to join the UNGC Action Platform on climate-related Pathways to Low-Carbon and Resilient Development.

In 2017, Colgate was named to the CDP Water A-List in recognition of our leadership in Water Stewardship. Colgate was the highest ranked U.S.-based company in our industry with a double A rating for 2017.

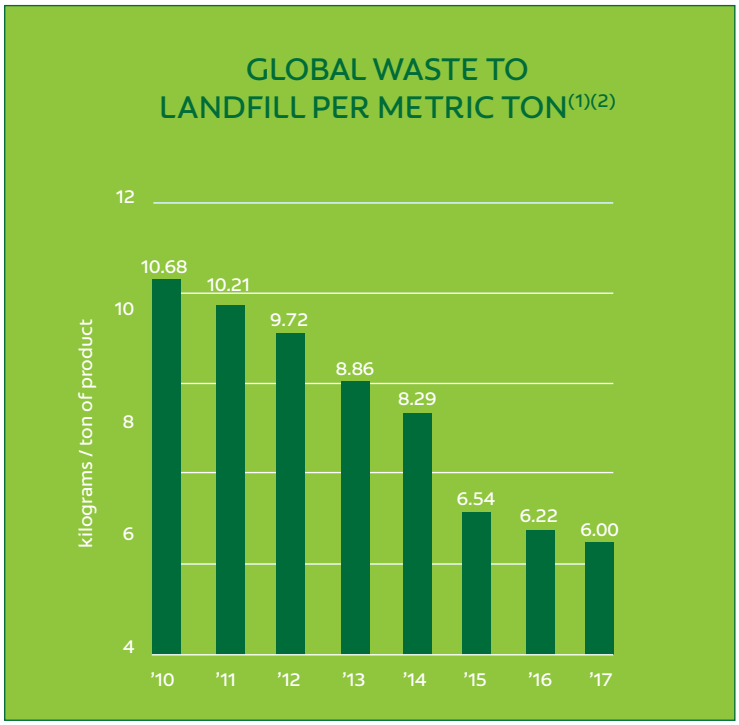
Working Toward Zero Landfill Waste

Colgate sites have been reducing, reusing, and recycling waste for many years. Colgate's Trash to Treasure program encourages Colgate sites to find reduction opportunities as we work towards zero landfill waste.

As part of our 2020 Sustainability Strategy, we have committed to halve our manufacturing waste sent to landfill per ton of product compared to 2010, working toward our goal of Zero Waste. Up to 2017, we had achieved six Zero Landfill Waste sites based on internal criteria developed from industry best practices.

In 2017, Colgate initiated a new relationship with the U.S. Green Building Council (USGBC) on its TRUE Zero Waste certification program, adopting their program as our global platform to drive Zero Waste. Currently, manufacturing sites in all geographic divisions are using the TRUE Zero Waste approach and tools to develop roadmaps to zero. Additionally, we are aligning our global waste data management systems with TRUE Zero Waste to ensure uniform measurement of results.

In 2017, our Hill's Emporia, Kansas facility achieved our first TRUE Zero Waste certification at the Gold level by delivering a percent diversion rate as verified by an independent GBCI site audit.



1. Total landfill waste intensity.
2. Subject to final verification by third-party auditor.

TRUE

Reducing Consumer Waste

We recognize the importance of reducing waste at every stage of the product lifecycle, including at the end-of-life of our products and packaging. We have committed to improving the recyclability of our packaging, offering resources to enable breakthrough innovation in Oral Care packaging. We have also committed to delivering 100 percent recyclable packaging in our Personal Care, Home Care, and Hill's Pet Nutrition categories. See page 51 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.

CLOSED LOOP *fund*

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 to invest in recycling programs and infrastructure. The Closed Loop fund provides zero-interest loans to municipalities and below-market loans to private companies with a goal to develop infrastructure and improve recycling rates. The fund will also seek to co-invest with local private and public entities to magnify its impact. The fund has invested in collection, sortation, and processing of waste. To learn more, visit the Closed Loop website. Progress is measured using five key metrics:

1. Tons diverted
2. Metric tons of GHG emissions
3. Economic benefit to municipalities
4. Households reached or represented
5. Co-investment dollars leveraged

Commitment to Sustainable Buildings

For many years, Colgate has committed to the U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) certification for all of our new construction projects anywhere in the world. We have used the LEED green building rating system to help design and construct our manufacturing sites, technology centers, warehouses, and offices as one way to help reduce the Company's overall exposure to water and climate change-related issues and offer a healthier, more comfortable work environment.

Currently, Colgate has 15 facilities that have achieved 20 LEED Certifications, with five additional projects underway. Our LEED projects have been conducted in the U.S., Latin America, Asia, and Europe. In addition, we use several LEED-certified third-party distribution centers.

Colgate has been a member company of the USGBC since 2007. The Company 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.

In 2017, Colgate achieved four new LEED certifications at our Global Technology Center in Piscataway New Jersey (two LEED Gold) and our Hawley & Hazel Oral Care manufacturing site in China (LEED Silver and LEED Certified).

70% of our toothbrushes are manufactured in LEED-certified facilities.

Nearly 30% of Colgate People enjoy the health and wellness benefits associated with working in a LEED-certified facility.

Colgate, Hawley & Hazel Oral Care manufacturing facility in China.

"LEED" and related logos are trademarks owned by the U.S. Green Building Council and are used with permission.

Partnerships

An important element of Colgate's sustainability strategy is our engagement and collaboration with external partners, which complement our strong internal capabilities. Colgate has partnerships with a broad array of organizations, including suppliers, research institutions, universities, industry, and non-profits. Some of Colgate's sustainability partners in 2017 included:

Colgate partners with the American Dental Association Foundation each year to sponsor the "Give Kids A Smile®" program. Each year, approximately 350,000 underserved children benefit from more than 1,500 events thanks to the efforts of 40,000 or more annual volunteers. Colgate continues its support with donations of $100,000 and 300,000 oral care products annually.

EDF Climate Corps is a summer fellowship program that embeds trained, custom-matched graduate students within leading organizations to accelerate clean energy projects and strategy. Colgate has hosted Climate Corps fellows since 2013, and in 2017 an EDF fellow helped Colgate develop a roadmap to achieve a net zero manufacturing site for carbon, water and waste.

Colgate has been a long-standing member of EUROPEN (The European Organization for Packaging and the Environment) — which is a cross-industry organization presenting the packaging supply chain in Europe on topics related to packaging, packaging waste and the environment, independent of any specific packaging materials or systems. Colgate is highly committed to a packaging supply chain approach which supports our packaging sustainability agenda and related corporate objectives in Europe towards a Circular Economy.

Colgate partners with ORCHSE, a leading global safety network organization, which assist multi-national companies in achieving and sustaining health, safety and environmental (HSE) performance excellence. The organization's network of 110 member companies, representing 20 different industry sectors, facilitates communication and sharing of effective practices between partner companies, and between industry and governmental agencies responsible for establishing national and international HSE policies.

Colgate partnered with the Rainforest Alliance, an international non-profit organization with 30 years of experience in responsible forest management and sustainable sourcing, to develop a specific policy to the sustainable sourcing of pulp and paper.

Colgate's commitment to increasing access to children's oral health and education in the community includes a strategic partnership with Save the Children in the Africa, Latin America, and the U.S. regions.

Colgate is a member of the Sustainable Packaging Coalition, a project of non-profit GreenBlue®, which brings together businesses, educational institutions, and government agencies to collectively strengthen and advance the business case for more sustainable packaging. Membership offers important education and collaboration opportunities as well as forward-thinking projects that promote packaging sustainability.

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 actively engages in the advancing green building practices for manufacturing sites. In 2017, Colgate began working with USGBC on its TRUE Zero Waste certification program as a way to help support our efforts to drive towards zero waste.

Reconciliation of Non-GAAP Financial Measures

The following is provided to supplement certain financial measures discussed in the letter to shareholders and the financial highlights section of this report both as reported (GAAP) and excluding the impact of certain items (non-GAAP), as explained to the right. Investors and analysts use these financial measures to assess the Company's business performance, and management believes that presenting these financial measures on a non-GAAP basis provides them with useful supplemental information to enhance their understanding of the Company's underlying business performance and trends. These non-GAAP financial measures also enhance the ability to compare period-to-period financial results. The Company uses these financial measures internally in its budgeting process, to evaluate segment and overall operating performance and as factors in determining compensation. While the Company believes that these financial measures are useful to evaluate the Company's underlying business performance and trends, this information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similar measures presented by other companies.

(Dollars in Millions Except Per Share Amounts)	Gross Profit Margin	Operating Profit	Net Income	Diluted EPS
2017				
As Reported (GAAP)	**60.0%**	**$3,589**	**$2,024**	**$2.28**
Global Growth and Efficiency Program [1]	0.5%	333	246	0.28
U.S. Tax Reform [2]	–	–	275	0.31
Excluding Items (Non-GAAP)	**60.5%**	**$3,922**	**$2,545**	**$2.87**
2016				
As Reported (GAAP)	**60.0%**	**$3,837**	**$2,441**	**$2.72**
Global Growth and Efficiency Program [1]	0.3%	228	168	0.19
Mexico Land Sale [3]	–	(97)	(63)	(0.07)
Litigation Matters [4]	–	17	11	0.01
Tax Matters [5]	–	–	(35)	(0.04)
Excluding Items (Non-GAAP)	**60.3%**	**$3,985**	**$2,522**	**$2.81**
2015				
As Reported (GAAP)	**58.6%**	**$2,789**	**$1,384**	**$1.52**
Venezuela Deconsolidation [6]	–	1,084	1,058	1.16
Global Growth and Efficiency Program [1]	0.1%	254	183	0.20
Sale of Non-Core Product Line [7]	–	(187)	(120)	(0.13)
Venezuela Remeasurements [8]	–	34	22	0.02
Litigation Matters [4]	–	14	14	0.02
Tax Matters [5]	–	–	15	0.02
Excluding Items (Non-GAAP)	**58.7%**	**$3,988**	**$2,556**	**$2.81**
2014				
As Reported (GAAP)	**58.5%**	**$3,557**	**$2,180**	**$2.36**
Global Growth and Efficiency Program [1]	0.2%	286	208	0.23
Venezuela Remeasurements [8]	–	327	214	0.23
Litigation Matters [4]	–	41	41	0.04
Mexico Land Sale [3]	–	4	3	–
Tax Matters [5]	–	–	66	0.07
Excluding Items (Non-GAAP)	**58.7%**	**$4,215**	**$2,712**	**$2.93**
2013				
As Reported (GAAP)	**58.6%**	**$3,556**	**$2,241**	**$2.38**
Global Growth and Efficiency Program [1]	0.2%	371	278	0.30
Venezuela Remeasurements [8]	–	172	111	0.12
Litigation Matters [4]	–	23	23	0.03
Mexico Land Sale [3]	–	18	12	0.01
Excluding Items (Non-GAAP)	**58.8%**	**$4,140**	**$2,665**	**$2.84**

1. Represents charges related to the Global Growth and Efficiency Program.
2. Represents a provisional charge related to U.S. tax reform.
3. In 2016, represents a gain on the sale of land in Mexico. In 2014 and 2013, represents costs related to the sale of land in Mexico.
4. Represents charges for litigation matters.
5. Represents income tax (benefits) charges related to tax matters.
6. Represents a charge resulting from the deconsolidation of the Company's Venezuelan operations.
7. Represents a gain on the sale of the Company's laundry detergent business in the South Pacific.
8. In 2015 and 2014, represents remeasurement charges related to effective devaluations in Venezuela. In 2013, represents a charge related to a devaluation in Venezuela.

About This Report

We recognize that transparency is important and provides a window into the Company's performance on sustainability. It is important for Colgate to provide the sustainability information relevant to a broad range of stakeholders, including consumers, customers, investors, non-governmental organizations (NGOs), and our own employees.

Colgate recognizes the importance of data verification and is obtaining third-party assurance for our primary environmental and social Key Performance Indicators: percentage of products with an improved sustainability profile; manufacturing carbon reduction per ton (of production); manufacturing energy reduction per ton (of production); manufacturing water consumption per ton (of production); waste-to-landfill per ton (of production); and outbound logistics carbon per ton (of goods shipped); number of hours worked; number of lost-time incidents; number of recordable incidents; and number of occupational fatalities.

In this report and other channels, Colgate discloses information on our sustainability progress and responds to several rating organizations, including CDP Climate, CDP Water, CDP Forest, and CDP Supply Chain. Colgate provides information to RobecoSAM to inform the Dow Jones Sustainability Index rankings. Colgate's sustainability information is also available on the Bloomberg Terminal.

Unless otherwise indicated, this report includes environmental, occupational health and safety data from 100 percent of Colgate's manufacturing sites and technology centers around the world, but does not include data from contract manufacturers.[1] Certain information relates to our broader value chain: Supplier Responsible Sourcing Assessment program data includes selected contract manufacturers, warehouses, and suppliers; our greenhouse gas and water footprints include additional data from upstream and downstream in our value chain; and progress on our Policy on No Deforestation includes selected suppliers. Financial information is presented on a consolidated basis and in U.S. dollars (see Business Strength). The report provides data for Colgate's fiscal year 2017 along with prior history and more recent updates where indicated. We issue our Sustainability Report on an annual basis; our previous report focused on 2016.

In 2017, we began the process of transitioning from the GRI G4 framework to the GRI Standards. The alignment of this year's report to the new framework can be found in our Content Index. There are no significant changes in the scope of our report or the key sustainability issues identified. We are working towards being in accordance with the Core option and plan to be fully aligned in the next two years.

For feedback, questions, and comments related to Colgate's 2017 Sustainability Report, please contact csr@colpal.com. For all other inquiries, please visit Colgate's Consumer Affairs site at colgatepalmolive.com.

Cautionary Statement on Forward-Looking Statements

This report, including our 2015 to 2020 Sustainability Strategy, contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995 or by the Securities and Exchange Commission (SEC) in its rules, regulations and releases. These statements are made on the basis of Colgate's views and assumptions as of this time, and Colgate undertakes no obligation to update these statements except as required by law. Colgate cautions investors that such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from these statements due to a number of factors. For information about factors that could impact Colgate's business and cause actual results to differ materially from forward-looking statements, consult our filings with the SEC (including the information set forth under the caption "Risk Factors" in Colgate's Annual Report on Form 10-K for the year ended December 31, 2017).

1. Although Colgate does not include the local operating results of CP Venezuela and CP Pakistan in its Consolidated Financial Statements, data from these locations are included in the calculations in this report.

COLGATE-PALMOLIVE
300 Park Avenue
New York, NY 10022-7499
SAVE
64 GLASSES
OF WATER
Colgate
EVERY TIME YOU BRUSH
TURN OFF THE FAUCET
TIMES SQUARE
NYC