



# Giving the World Reasons to Smile





# Giving the World Reasons to Smile

## About This Report

Unless otherwise indicated, this report includes environmental and occupational health and safety data from 100 percent of Colgate-Palmolive-owned manufacturing and technology centers around the world, excluding contract manufacturers. Financial information is global and is given in U.S. dollars. The report provides data for Colgate's fiscal year 2012, along with prior history and more recent updates where indicated.

This report was prepared using the Global Reporting Initiative's (GRI) G3.1 Reporting Guidelines as a framework. A GRI Application Level has not been declared.

For feedback, questions and comments related to Colgate's 2012 Sustainability Report, please contact [csr@colpal.com](mailto:csr@colpal.com). For all other inquiries, please visit Colgate's Consumer Affairs site at [www.ColgatePalmolive.com](http://www.ColgatePalmolive.com).

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# Message from Ian Cook

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Succeeding in today's world requires a sound sustainability strategy and a commitment to accomplishing specific sustainability goals. At Colgate, we bring the same sharp focus to sustainability that we apply to every aspect of our businesses. Simply put, we determine where we want to make a difference and then commit to meet very specific objectives in those areas.

2012 was our second year of implementing the targets of our 2015 Sustainability Strategy. Having established our goals in the preceding year, in 2012 we aligned all our global teams to these objectives, the tools to accomplish them and the ways we will measure our progress in each of our three major

sustainability areas: People, Performance and Planet.

We are off to a strong start. In the People area, our "Live Better" programs engaged Colgate people around the world in a broad array of healthy activities. Our "Bright Smiles, Bright Futures" program continued to extend its impact. Since its inception, it has reached 700 million children with oral health education, well on the way to reaching our goal of one billion children by 2020.

In the Performance area, we continued to deliver strong growth in sales and profitability despite challenging economic conditions worldwide. Our new-product development teams have implemented a "Sustainability Scorecard" to help track our progress product-by-product to further meet or exceed your expectations.

Continuing a decade long trend, we are making excellent progress on our Planet goals, on track to meet our targets for reducing carbon emissions, water use and waste. Newly formed partnerships are helping us advance our objectives for bringing clean drinking water to communities around the world.

Achieving our sustainability objectives requires innovation and commitment from Colgate People everywhere. As you read this update, I think you will agree that they are responding to this challenge, embracing our sustainability goals enthusiastically and "Giving the World Reasons to Smile."

Thank you,

A handwritten signature in black ink that reads "Ian Cook".

Ian Cook  
Chairman, President & Chief Executive Officer





# Company Profile

Founded in 1806, Colgate-Palmolive is a \$17.1 billion consumer products company that serves people around the world with well-known brands that make their lives healthier and more enjoyable.

## Colgate Brands

Colgate provides oral care, personal care, home care and pet nutrition products under trusted brands such as: Colgate, Palmolive, Mennen, Softsoap® brand, Irish Spring, Protex, Sorriso, Kolynos, Elmex, Tom's of Maine, Ajax, Axion, Soupline, Suavitel, Hill's Science Diet and Hill's Prescription Diet.

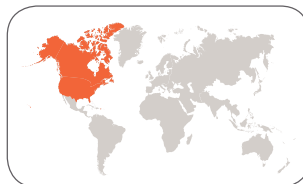
## Operations

Colgate operates in over 75 countries and sells products in over 200 countries and territories. Approximately 75 percent of sales come from operations outside of the United States.

37,700 Colgate employees drive our success.

Headquartered in New York City, Colgate operates through five divisions around the world:

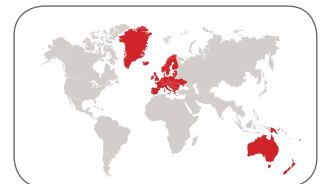
### Five Divisions



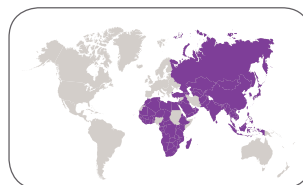
North America



Latin America



Europe/South Pacific



Greater Asia/Africa



Hill's Pet Nutrition

The Company has over 60 manufacturing and research facilities globally. The vast majority of Colgate products are manufactured in Colgate-owned facilities.





## Business Strength

### Net Sales (\$ millions)

2008	\$15,330
2009	\$15,327
2010	\$15,564
2011	\$16,734
2012	\$17,085

### Dividends Paid (per common share)

2008	\$1.56
2009	\$1.72
2010	\$2.03
2011	\$2.27
2012	\$2.44

### Operating Profit and Additional Information<sup>(1)</sup> (\$ millions)

2008	\$3,101	\$3,265 <sup>(1)</sup>
2009		\$3,615
2010	\$3,489	\$3,796 <sup>(1)</sup>
2011	\$3,841	\$3,858 <sup>(1)</sup>
2012	\$3,889	\$4,023 <sup>(1)</sup>

### Diluted Earnings Per Share and Additional Information<sup>(1)</sup>

2008	\$3.66	\$3.87 <sup>(1)</sup>
2009		\$4.37
2010	\$4.31	\$4.84 <sup>(1)</sup>
2011	\$4.94	\$5.03 <sup>(1)</sup>
2012	\$5.15	\$5.36 <sup>(1)</sup>

### Gross Profit Margin and Additional Information<sup>(2)</sup> (% of sales)

2008	56.3%	56.7% <sup>(2)</sup>
2009		58.8%
2010		59.1%
2011	57.3%	57.6% <sup>(2)</sup>
2012	58.1%	58.3% <sup>(2)</sup>

<sup>(1)</sup> 2012 excludes charges related to the 2012 Restructuring Program and certain other 2012 items. 2011 excludes costs associated with business realignment and other cost-saving initiatives and certain other 2011 items. 2010 excludes a one-time charge related to the transition to hyperinflationary accounting in Venezuela and certain other 2010 items. 2008 excludes charges related to the 2004 Restructuring 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 web site.

<sup>(2)</sup> 2012 excludes costs related to the sale of land in Mexico. 2011 excludes costs associated with business realignment and other cost-saving initiatives. 2008 excludes charges related to the 2004 Restructuring 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 web site.

## Colgate Values

Colgate's success is linked to the Company's values of Caring, Global Teamwork and Continuous Improvement.

### ■ Caring

The Company cares about people: Colgate people, customers, shareholders and business partners. Colgate is committed to act with compassion, integrity, honesty and high ethics in all situations, to listen with respect to others and to value differences. The Company is also committed to protect the global environment, to enhance the communities where Colgate people live and work, and to be compliant 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 getting better every day in all it does, as individuals and as teams. By better understanding consumers' and customers' expectations and continuously working to innovate and improve products, services and processes, Colgate will become the best.

## Colgate Policy Statements

- Environmental, Occupational Health & Safety Policy Statement
- Code of Conduct
- Business Practices Guidelines
- Supplier Code of Conduct
- FCPA and Anti-bribery Policy
- Product Safety Research Policy
- State of California Disclosure: Supply Chain Transparency
- Material Safety Data Sheets (U.S.)
- Global HIV/AIDS Policy Statement

Additional information about the Company can be found in Colgate's 2012 Annual Report.



# Colgate's Sustainability Journey

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Colgate has long focused on the principles of sustainability. We've always been dedicated to providing quality products that delight consumers, and we've had programs in place to promote oral health in communities and to reduce our energy use and increase efficiency for years. Colgate's values of Caring, Global Teamwork and Continuous Improvement go hand-in-hand with the idea of sustaining both our business and the planet for generations to come.

In 2008, we organized our sustainability efforts under the three pillars of People, Performance and Planet. A global Sustainability Council and a network of Sustainability Sponsors and Champions worked with others to implement the goals under each pillar.



People



Performance



Planet



In 2010, Colgate people rolled up their sleeves to produce the next phase of sustainability commitments. A global team of Sustainability Leaders representing each functional unit at Colgate helped develop a 2011 to 2015 Sustainability Strategy with focused measurable goals that align with our business objectives. Our commitments reflect the global challenges and opportunities that are material to both Colgate and our stakeholders.

Colgate people around the world are working hard to meet the goals, and we've made great strides. Read on to see our specific commitments.

Later sections in this report provide detail on our initiatives.

# 2011 to 2015 Sustainability Strategy

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Colgate's 2011 to 2015 strategy maintains its emphasis on People, Performance and Planet, with focused, measurable goals that align with the Company's business objectives.



<sup>1</sup> A 10% or better improvement in at least one of the following: Ingredient Profile, Responsible Sourcing, Packaging, Waste, Water, Energy and Greenhouse Gases

<sup>2</sup> Per unit of production

<sup>3</sup> Vs. 2005

<sup>4</sup> Vs. 2008 for Europe and Hill's delivery; 2010 for U.S., Hill's replenishment; 2011 for Greater Asia; 2013 for South Pacific and Africa



# Awards and Recognition

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Colgate continues to be recognized for efforts in Sustainability and Social Responsibility:



2012/2013 Dow Jones Sustainability World Index and North America Index



RobecoSAM Sustainability Yearbook Silver Class 2013



No. 1 in Fortune World's Most Admired Companies 2013, Soaps and Cosmetics



People



2013 World's Most Ethical Companies from Ethisphere Magazine

National Association for Female Executives Top 50 Companies for Executive Women 2012



2012 Safe-in-Sound Excellence in Hearing Loss Prevention Award from the U.S. National Institute for Occupational Safety and Health (NIOSH)



C-P named Best Company in Promoting Asia-Pacific Americans to Develop Workforce Skills by the Asia Society



No. 10 in DiversityInc Top 50 Companies for Diversity 2012; No. 4 in DiversityInc Top 10 Companies for Latinos

2012 Working Mother 100 Best Companies



No. 59 in Corporate Responsibility Magazine's 100 Best Corporate Citizens 2012



Performance

Colgate No. 51 overall, No. 2 Personal Care



9.5 or higher out of 10 from ratings agency Governance Metrics International every year

Colgate Optic White and Softsoap Bar Soap Coconut Scrub named 2012 Product of the Year in the Whitening and Personal Care categories, respectively.



C-P Brazil received recognition for the packaging of Pinho Sol, which is made from 100% recycled PET. Walmart recognized C-P Mexico as the 2011 Sustainable Supplier of the Year.



Ranked No. 11 in Global Supply Chain Top 25 by Gartner



Colgate named a Sustainability Leader in research report by Brandlogic and CRD Analytics



Planet



U.S. EPA ENERGY STAR Partner of the Year 2013 for 3rd year in a row



Colgate given a "Striding" ranking from Climate Counts for climate change action



Mexico plant received recognition from PROFEPA, the country's federal environmental agency



91 Carbon Disclosure Score 2012



Tom's of Maine ranked No. 3 by consumers in 2011 ImagePower Green Brands Survey

# People

## At a Glance

**37,700**

employees around  
the world

**700 Million**

children reached  
in 80 countries by  
Colgate's "Bright Smiles,  
Bright Futures"  
Oral Health Education  
Program since 1991

**173 Million**

reached about the  
importance of  
handwashing with soap  
in 2011 and 2012

**9.3 Million**

minutes of healthy  
activity logged  
by Colgate employees  
in July 2012  
(about 6,500 days)

**900,000**

pet adoptions  
supported by  
Hill's Pet Nutrition  
in 2012

Colgate is committed to "People." From the near 38,000 employees around the world who run our business to the billions of consumers who use our products, people are at the heart of what we do and how we do it.



## Supporting Colgate People

Colgate's people help our business continue to thrive. In turn, the Company is committed to helping our people thrive while working with us. Through training, career development and wellness programs, Colgate helps employees stay healthy, engaged, rewarded and recognized for their contributions. And, in an economy where workers change jobs frequently, according to our latest estimate, Colgate employees remain with the Company an average of 13 years, thereby ensuring a wealth of knowledge, commitment and opportunities for advancement.

### Leading with Respect

All Colgate people are responsible for practicing the five principles of Leading with Respect:

- Communicating Effectively
- Giving and Seeking Feedback
- Valuing Unique Contributions
- Promoting Teamwork
- Setting the Example

### Professional Development

Attracting, developing and retaining exceptional people is a priority for Colgate. To support development and job satisfaction, we proudly offer global career opportunities, access to world-class training and education programs, and continuous coaching and feedback.

Colgate's Performance Management and Development process facilitates the achievement of our business objectives while supporting the professional development of all of our people. Our training programs provide opportunities for Colgate people to gain valuable new skills to continue to grow in their careers. Employees can select from a broad array of training courses in over 25 languages. Courses—both online and in the classroom—are aligned to the Company's strategic priorities and key competencies. All Colgate people are required to complete training on business ethics, cultural inclusiveness and respect for people.

Colgate excels at developing leadership skills and fostering the next generation of Colgate leaders. Through the Colgate Leadership Challenge, early-in-career employees participate in a nine-day program at which they recommend solutions to real Company challenges. Colgate also partners with the Tuck School of Business at Dartmouth College to administer Global 2030, a leadership development program for Director-level leaders.

### Rewarding Good Ideas

Colgate's Global Innovation Fund has helped hundreds of Colgate people and teams explore ideas with seed money for development and evaluation. The Chairman's Global "You Can Make a Difference Award" recognizes employees or teams who exhibit innovation, ingenuity, commitment to the community and performance excellence. Many of the recognized process improvements, product innovations and problem solutions have become global best practices.



## Diversity and Inclusion

The rich diversity of Colgate people is key to Colgate's overall success. Colgate's objective is to foster an inclusive workplace that reflects the diversity of the global marketplace. Such an environment provides all Colgate people with the opportunity to make unique contributions to our overall business success. At Colgate, diversity includes more than obvious traits, such as nationality or gender. Our view of diversity also encompasses the many differences that are not so easily seen, such as life experience, unique outlook and talent, sexual orientation and family situation. Equal employment opportunity is the foundation of Colgate's inclusive work environment and our ongoing success.

### Diversity at Colgate

**39%+**  
women in  
global workforce

**33%+**  
women in  
management positions  
(Global)

**36.4%**  
women in  
management positions  
(U.S.)

**30%**  
minorities in U.S.  
workforce

**31%**  
of all U.S. managers are  
minorities

**20%**  
women on  
Board of Directors

**40%**  
minorities on  
Board of Directors



United States

### Celebrating Martin Luther King, Jr. Day

A panel of Colgate senior management discussed how Dr. King's legacy has impacted their lives during a celebration of Martin Luther King Day in 2013.

To help foster an atmosphere of inclusiveness, Colgate supports network and affinity groups representing many different perspectives and ways of life. Each group contributes to Colgate's inclusive work environment by developing and implementing activities and programs to promote work and community involvement, as well as cultural awareness.

#### Select Colgate Network Groups

- Asian Action Network
- Black Action Committee
- Colgate Women's Network
- Colgate Gay, Lesbian, Bisexual, Transgender (GLBT) Network
- Hill's 4 Generation Network
- Hill's Diversity Council
- Hill's Women Empowerment Network
- Hispanic Action Network
- New Employee Organization
- Colgate Parents' Network

Colgate's training program "Valuing Colgate People" is taught in every Colgate subsidiary globally. In 2012, Colgate also rolled out a day-long, interactive "Fostering an Inclusive Work Environment" training program, at which participants gain a greater understanding of diversity and the role we all play in supporting an inclusive workplace globally.



## Health, Wellness and Safety

In our 2011 to 2015 Sustainability Strategy, keeping Colgate people healthy in both body and mind is a strategic focus. Our goal is to reduce employee health risks by at least 15 percent by 2015. Colgate has completed a study of the employee health risks in all subsidiaries and has identified addressable trends. A global team is working to implement Colgate's wellness initiatives – Live Better programs – to encourage holistic health for all employees and family members.

Colgate's Live Better programs encompass physical, emotional and financial wellness. Colgate provides events, activities and resources all around the world to support employees in their efforts. A key program is the annual Healthy Activity Challenge, which encourage employees to track and log at least 500 minutes of healthy activity in the month. Each location organizes events for Colgate people to join. In 2012, over 14,000 employees reached the goal and logged in over 9.3 million minutes. Live Better events are also ongoing throughout the Colgate world, including exercise, dance and yoga classes.



Colgate was named to the 2012 list of Working Mother 100 Best Companies

## Work/Life Integration

Wellness at Colgate includes opportunities for employees to obtain a balance between work and life. Colgate partners with organizations such as the Conference Board, Diversity Best Practices and the National Association for Female Executives (NAFE) to develop an effective and supportive work environment. Programs vary by geography, but in most locations, the Company provides back-up child care options, time off for new parents and flexible work arrangements. Colgate launched the Work Smart program in 2011, which provides the opportunity for Colgate employees to work up to two days a week from home or another remote location on a regular basis. The program started in the U.S. and will soon roll out to other countries.

## HIV/AIDS

Colgate recognizes the continuing seriousness of the global HIV/AIDS epidemic and its impact on the workplace and society. Our global Colgate HIV/AIDS strategy and policy focuses on non-discrimination and confidentiality, prevention, access to treatment, partnerships with third parties and proactive organizational support. Colgate holds World AIDS Day programs around the world each December and provides ongoing opportunities for confidential testing and awareness education – especially in Colgate regions with high incidence rates of HIV/AIDS. Colgate also partners with community groups. Through the "Positive Step" program in India, the Company supports a group of children with HIV/AIDS by providing meals and sponsoring school fees. Employees also have an opportunity to donate to the program. Children who go through the program are healthier, more confident and progress better in school.

1<sup>st</sup>

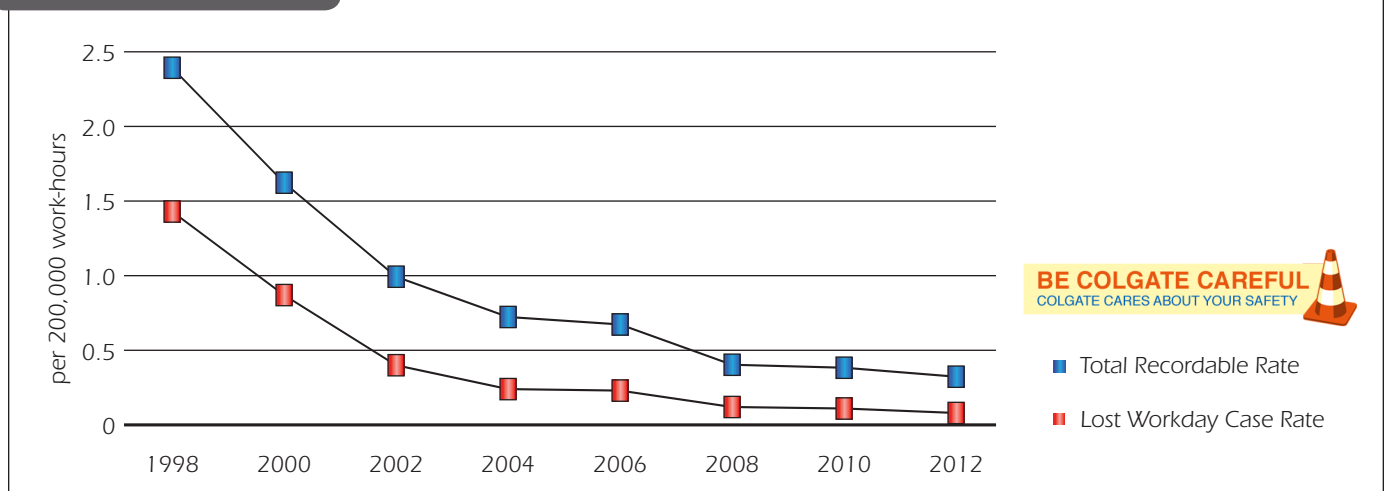
Colgate remains in the first quartile of companies that report safety performance data to Mercer/ORC.

## Employee Safety

Each Colgate facility is responsible for implementing global occupational safety and health standards and undergoes comprehensive Environmental, Occupational Health and Safety reviews and audits against these standards. Colgate also holds our contractors accountable to meet these standards.

Every Colgate technology center, warehouse and manufacturing site around the world sponsors a Safety Week event around themes such as preventing slips, trips and falls, ergonomics and reaffirming our safety culture. Families are also included. In 2012, Colgate introduced the new safety campaign, “Be Colgate Careful.”

### Global Safety Statistics



## Labor Rights

As one of the founding members of the Global Sullivan Principles, Colgate remains committed to Human Rights and has integrated Human Rights principles into our Code of Conduct. Colgate opposes the illegal use of child labor, the exploitation of children and all other forms of unacceptable treatment of workers. Moreover, it is Colgate’s policy not to work with any supplier or contractor known to operate with unacceptable worker treatment such as the exploitation of children, physical punishment, female abuse, involuntary servitude or other forms of abuse.

Colgate is committed to respecting human rights worldwide. To that end, Colgate practices and seeks to work with business partners who promote the following standards:

- equal opportunity for employees at all levels;
  - a safe and healthy workplace protecting human health and the environment;
  - paying employees a wage that enables them to meet at least their basic needs, and providing employees the opportunity to improve their skills and capabilities;
  - respecting employees’ lawful freedom of association; and
  - working with governments and communities in which we do business to improve the educational, cultural, economic and social well-being in those communities.
- For more information, see Colgate’s Code of Conduct and Supplier Code of Conduct, and page 44 in this report.



## Delighting Consumers

Every day, people around the world use Colgate products to care for themselves, their families and their pets. The continued loyalty of our consumers to our brands year after year helps make Colgate successful — at the end of the day, our business is driven by the consumer. Colgate is in turn devoted to making our consumers our No. 1 priority. Colgate's brands are designed to delight shoppers with innovative products that meet their needs, exceed their expectations and add value.

Colgate's nine consumer innovation centers, situated close to consumers in different parts of the world, are focused on developing insight-driven innovation. We listen to consumers both as we develop products and once they're put on the shelves. Over 1,000 studies are conducted annually around the world to hear from consumers before our products are sold. To listen to consumer feedback after the use of our products, highly-skilled representatives respond to inquiries, compliments and concerns through multiple channels of communication. And, in 2012, almost 95 percent of our consumers in North America who contacted us said their expectations of the interaction were "met" or "exceeded."

## Partnering with Customers

Colgate partners with hundreds of thousands of retail stores, large and small, to sell products around the world. Treating all retail customers with fairness and integrity is a priority at Colgate, and working closely with the Company's customers to share expertise and grow category sales has long been a cornerstone of Colgate's business strategy. To ensure continued success, Colgate tracks retailer satisfaction in 20 of our largest subsidiaries every two years. We use the details provided by the survey to strengthen performance across key markets.



United States

### Partnering on Sustainability

Colgate partners with Walmart in the U.S. to provide free dental screenings and oral health education to children at participating Walmart stores.

## Reaching One Billion Children

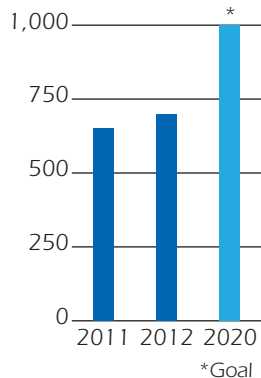
Colgate's goal is to reach

**1 billion**

children by 2020 with  
"Bright Smiles,  
Bright Futures."

## Annual Progress

(Millions of  
Children Reached)



## Contributing to Communities

Colgate uses its expertise in oral health, personal hygiene and pet nutrition to promote well-being and health in communities, and to support charitable organizations with similar goals. Our programs respond to some of the most pressing health issues of our time, from lack of access to oral care to the spread of preventable disease.

### Promoting Oral Health

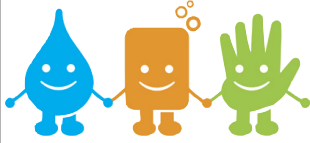
Through Colgate's flagship oral health initiative, "Bright Smiles, Bright Futures" (BSBF), children in need receive free dental screenings and education to help build healthy habits, self-esteem and a foundation for success. The Company distributes toothpaste, toothbrushes, videos, books, software and activities in over 30 languages for use in the classroom or at home. Volunteer dentists visit local communities to conduct free dental screenings and educate children and their families about the importance of maintaining good oral health. BSBF has reached 700 million children in 80 countries since 1991. Our goal is to reach one billion children by 2020.

Colgate continues to be a vital on-the-ground presence in promoting oral health care around the world. We are a founding and principal sponsor of the Global Child Dental Fund, which is carrying out the vision of the World Health Organization to eliminate cavities in children by 2026. Colgate partners with ministries of health and dental associations to expand the reach of BSBF and oral care education. For example, Colgate and the U.S. Hispanic Dental Association partnered on a campaign to educate children and their families during Oral Health Month in 2012. Colgate partners with the Ministry of Health in China on an annual "Love Teeth Day" campaign, with free dental checkups in over 100 Chinese communities. For over 15 years, Colgate has also been a sponsor of Operation Smile, a children's medical charity that provides safe, effective reconstructive surgeries to children born with cleft palate abnormalities. Colgate sponsored surgeries for almost 1,000 children across Latin America in 2012.



### "Bright Smiles, Bright Futures"

"Bright Smiles, Bright Futures" has reached 700 million children in 80 countries since 1991 — and seeks to reach one billion children by 2020.



“Turning handwashing with soap...into an ingrained habit could save more lives than any single vaccine or medical intervention.”

— Global Public-Private Partnership for Handwashing with Soap

## Handwashing Education

The simple act of washing hands with soap is one of the most effective ways to prevent disease transmission, especially in children. Almost every household in the world, regardless of economic status, has soap. Handwashing with soap at key times, however, is not widely practiced. As a leading marketer of bar and liquid hand soaps, Colgate is working with public health officials, academia, local schools and clinics to educate millions of children and their families about the benefits of handwashing with soap. Colgate-Palmolive’s “Clean Hands, Good Health” global handwashing program provides educational materials and sample products to schools and communities, and builds awareness through public service advertising and public relations campaigns.

Colgate’s 2015 goal is to raise handwashing awareness in over 50 million households by 2015. We are excited to have reached over 173 million people by year-end 2012 using educational programs in schools, in-store handwashing demonstrations, and media campaigns and advertising.



Malaysia

## Educating Children About Handwashing

Recently, Protex representatives taught 50,000 rural school children how to properly wash their hands.





Colgate people in the New York City tri-state area volunteered their time to help local communities clean up and rebuild after Hurricane Sandy.

## Contributing in Times of Need

Colgate provides emergency financial aid, donates products and sponsors matching gift programs in times of natural disaster.

- After Hurricane Sandy, together with employees, Colgate donated over \$260,000 in funding and \$289,000 in-kind donations.
- Recently, Hill's Pet Nutrition launched a Disaster Relief Network with a new model to deliver pet food to shelter hubs in times of disaster and to communicate to pet owners about food availability. Last year, in the aftermath of Hurricane Sandy, Hill's partnered with area shelters, retailers and the Red Cross to donate and help distribute more than 100,000 pounds of pet food.
- After the 2011 Japan earthquake and tsunami, Colgate donated funds and matched employee contributions to the American Red Cross and Save the Children, totaling \$350,000. The Company also donated products worth \$250,000.

## Helping Pets Find a Home

Through the Hill's "Food, Shelter & Love" program, the Company partners with animal shelters across the United States and provides Hill's Science Diet pet food at a discount. Through this partnership, the Company contributed pet food with a retail value of more than \$31.5 million in 2012, which adds up to more than \$240 million to nearly 1,000 shelters since the program's inception in 2002. Hill's also helped close to 900,000 pets find a forever home in 2012. Since the program started, Hill's has supported more than 7 million pet adoptions.



Hill's

### "Food, Shelter & Love" Program

Hill's Pet Nutrition sponsors animal shelter adoption events throughout the country.

## 2012 Contributions

**\$64** Million



Since 1973, the U.S. Company has supported the Colgate Women's Games, where girls and women in elementary school through college compete in track and field events. About 40 winners each year receive college scholarships.

**\$1.4** Million

Through the Annual Giving Campaign, Colgate matches the gifts of Colgate people in several U.S. locations to the United Way, Colgate's Inner-City Education Fund, or any registered 501(c)(3) charity of their choice. The 2012 Annual Giving Campaign raised \$1.4 Million for a wide-range of charities.

## Contributions

Colgate contributes both money and products to a wide-range of charities and community organizations around the world. Often, Colgate partners with retailers, consumers and our own people 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 three giving priorities are creating educational opportunities, advancing health and well-being, and engaging Colgate people.



### 50 States For Good

United States

Tom's of Maine donates 10% of pre-tax profits to charitable organizations supporting the environment, human needs, the arts and education. And, through their "50 States for Good" contest, Tom's of Maine gives a total of \$150,000 to six winning grassroots organizations. See Tom's Goodness Report for more information on their giving and sustainability initiatives.



## Colgate People Giving Back

Colgate provides opportunities for our people to volunteer in local communities throughout the year. As part of our 2015 goal to involve more Colgate volunteers in our community programs, we've created ways for Colgate people to volunteer with our "Bright Smiles, Bright Futures" program and other Colgate-sponsored activities. Colgate people are eager and enthusiastic helpers. Here are just some examples from around the world.

- Colgate people from our corporate headquarters in New York City participated in a pilot where they spent a day teaching children how to brush and take care of their teeth through the "Bright Smiles, Bright Futures" (BSBF) program. 100 percent of new hires in a number of Latin American subsidiaries have also participated in the BSBF program.
- The Caring Hearts program at Hill's Pet Nutrition in Topeka, Kansas, links employees to more than 200 local agencies and their projects. Hill's also holds a Spring and Fall Date of Caring each year, during which employees volunteer as teams to help improve the community with jobs such as cleaning up summer-camp sites, painting walls and desks at local day cares, etc.
- Colgate sponsors the Estrellas Colgate (Colgate Stars) program in Mexico, an after-school program for 300 children that builds self-esteem and confidence through sports education. Colgate Mexico donated 420 pairs of tennis shoes to the program in the past two years, and employees participated in a volunteer day with the children.
- In most instances, U.S.-based Colgate people can request a \$500 grant to charities at which they volunteer at least 50 hours annually.
- Tom's of Maine employees can use 5 percent of their paid work time to volunteer for the nonprofit organization of their choice. Tom's of Maine also holds an Annual Goodness Day when all employees can take the day off to volunteer in a group project.



### Bringing Smiles to India

India

In Mumbai, India, nearly 60 percent of Colgate people have signed up to teach children how to brush their teeth through the "Bright Smiles, Bright Futures" (BSBF) program. This has allowed the BSBF program to reach an additional 100,000 local children.

# Performance

## At a Glance

**\$17.1 Billion**  
Worldwide  
sales 2012

**58.4%**  
Gross profit margin  
fourth quarter 2012

**100%**  
Code of Conduct  
certification

**No. 1**  
in Soaps and Cosmetics  
Category as listed by  
Fortune World's Most  
Admired Companies 2013

**24%**  
Improved  
sustainability profile in  
24% of our products <sup>1</sup>

**35%**  
Approximately 35%  
of our packaging  
materials globally are  
from recycled sources

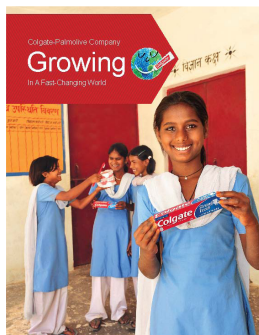
**1st**  
antiperspirant stick  
made entirely of  
ingredients derived from  
nature developed by  
Tom's of Maine

Colgate continues to demonstrate outstanding financial performance year-on-year, even in the recent tough economic environment. But our performance is driven not just by our financial strength, but also by our commitment to conduct business with the highest ethical standards, and to continue to grow the business with innovative, sustainable products. How we do business is just as important as the products we provide, and our long-standing commitment to safety, quality and ethics helps drive Colgate's strong performance.



<sup>1</sup>Results are based on a sample of representative new and existing products.





Additional 2012 business highlights can be found in Colgate's 2012 Annual Report.



No. 1 on Fortune World's Most Admired Companies 2013 list in Soaps and Cosmetics Category.



Product of the Year:  
Colgate Optic White and Softsoap Bar Soap Coconut Scrub named 2012 Product of the Year in the Whitening and Personal Care categories, respectively.

## Financial Strength

For the full year 2012, worldwide net sales were \$17,085 million, up 2.0 percent versus full year 2011. Global unit volume grew 3.0 percent. Colgate's global market shares in toothpaste and manual toothbrushes both ended the year at record highs.

### Net Sales (\$ millions)

2008	\$15,330
2009	\$15,327
2010	\$15,564
2011	\$16,734
<b>2012</b>	<b>\$17,085</b>

### Operating Profit And Additional Information\* (\$ millions)

2008	\$3,101	\$3,265*
2009		\$3,615
2010	\$3,489	\$3,796*
2011	\$3,841	\$3,858*
<b>2012</b>	<b>\$3,889</b>	<b>\$4,023*</b>

\* 2012 excludes charges related to the 2012 Restructuring Program and certain other 2012 items. 2011 excludes costs associated with business realignment and other cost-saving initiatives and certain other 2011 items. 2010 excludes a one-time charge related to the transition to hyperinflationary accounting in Venezuela and certain other 2010 items. 2008 excludes charges related to the 2004 Restructuring 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 web site.

## Business Integrity

The way Colgate conducts business is vital to the Company's reputation and success. With governance principles that guide business management and oversight, and a Code of Conduct and ethics policy embedded into Company culture, Colgate ensures its business success goes hand in hand with business integrity.



Colgate named to  
2013 World's Most Ethical  
Companies list by  
Ethisphere Magazine.

### Colgate's Governance Principles

- Colgate's Board of Directors is independent, experienced and diverse.
  - Colgate's Board focuses on key business priorities and leadership development.
  - Open communication among directors and between directors and management fosters effective oversight.
  - Established policies guide governance and business integrity.
- See Colgate's Governance web site for more information.

### Code of Conduct and Business Practice Guidelines

Colgate's Code of Conduct certification and training process reinforces the Company's expectations regarding acceptable and appropriate employee behavior. All Colgate people undergo training and certification of the Code of Conduct, and our audit firm, PricewaterhouseCoopers LLP, audits a cross-section of our annual certifications.

Colgate's Global Business Practices Guidelines provide further information to our employees on select 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. Colgate has a policy of zero tolerance, which means that if an employee engages in any act of misconduct, there will be a specific consequence, upon substantiation of the complaint.

### Political Contributions

Colgate has a long-standing policy against making contributions to political parties or candidates, which is set forth in both our Code of Conduct and Business Practices Guidelines. These policies prohibit 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.

Further, Colgate has a strict policy prohibiting bribery or corruption of individuals, commercial entities or government officials anywhere we do business. Colgate's anti-bribery policy is also included in our Supplier Code of Conduct, and is further communicated to third parties through our global Third Party Due Diligence process.

For more information see Colgate's Global Ethics and Compliance web site.

## Product Integrity

We are committed to finding ways to improve the sustainability profile of our product portfolio. Colgate's internal business integrity extends to the integrity of our products – their safety, efficacy, quality and sustainability. We're committed to bringing products to consumers that meet their needs and expectations, and are continuously working to develop products that have a reduced impact on the planet.

Product integrity also includes a commitment to providing affordable products to consumers at lower income levels, and linking our products to bettering communities, through programs such as our "Bright Smiles, Bright Futures" oral health education initiative and our global handwashing education programs.



In the U.S., many of Colgate's Home Care products have been certified to use the EPA's "Design for Environment" logo, limited to products that meet heightened criteria for human and environmental impact.

### Improving Sustainability

We are committed to finding ways to improve the sustainability profile of our product portfolio. As part of our 2011 to 2015 Sustainability Strategy, we've committed to increase the sustainability profile in all new products we produce and in the balance of our portfolio.<sup>1</sup> We've also committed to reduce the environmental impact of our products and packages by 20 percent, by increasing the use of sustainable materials and recycled content.

In 2012, Colgate began evaluating new products using a Product Sustainability Scorecard to drive improvement across the product life cycle. The scorecard rates products with 35 parameters across eight focus areas: Responsible Sourcing, Materials, Energy and Greenhouse gases, Waste, Water, Ingredient Profile, Packaging and Social Impact. By 2015 our goal is to evaluate 100 percent of new products.

So far, we have improved the sustainability profile in 24 percent of our products.<sup>2</sup>



<sup>1</sup>A 10% or better improvement in at least one of the following: Ingredient Profile, Responsible Sourcing, Packaging, Waste, Water, Energy and Greenhouse Gases.

<sup>2</sup>Results are based on a sample of representative new and existing products.

## Product Highlights



In 2012, Tom's of Maine introduced the new Naturally Clean toothbrush with a BPA-free, recyclable plant-based handle. 99% of the handle is made from renewable castor-oil plants and is recyclable through Tom's Terracycle collection program. The toothbrush is designed to be both natural AND effective.



Globally, we've reduced the laminate material needed for our toothpaste tubes by 12%, resulting in less waste and greenhouse gas emissions.



In Europe, the Sanex Zero% range of body wash products has been specifically developed to contain a reduced number of chemical ingredients. It has also been awarded the EU Ecolabel.



Soupline fabric softener, the leading fabric conditioner in France, has been reduced from 3 liters to 2 liters, while still providing 27 washes. The 2-liter bottle requires 20% less plastic, 30% less manufacturing water and results in a 25% reduction in trucks needed to transport the product.

In Europe, the Natura Verde line of Ajax, Palmolive, Softlan and Soupline contain ingredients of natural origin and comes in bottles made from at least 50% recycled plastic. We continue to improve the line's product formulas and expand the brand. Natura Verde Bucket Dilutable Cleaner and Multi-Action Spray have also been awarded the EU Ecolabel.





## Product Highlights



Hill's Pet Nutrition developed y/d Feline, an innovative cat food that provides a nutritional management option for thyroid health.



We improved the environmental profile of Palmolive dish liquid in North America by optimizing the formula, while maintaining the product's efficacy.



In Europe, Ajax Pure&Clear range of cleaners has been formulated with no dyes or fragrances and is endorsed by the Nordic Asthma & Allergy Association.



Colgate continues strong sales of more sustainable product options introduced in the past few years, including Palmolive Antibacterial, registered with the U.S. EPA; Palmolive eco+ automatic dishwasher detergent, which is phosphate free; Suavitel No-Rinse Fabric Softener, which eliminates the need for a manual rinse cycle; Palmolive pure + clear, which has no unnecessary chemicals or heavy fragrances; and Cold Power laundry detergent, which is specially formulated to work in cold water.

## Focus on Packaging

Colgate's goal by 2015 is to increase the amount of recycled content in our packaging by 5 percent per year, including post-consumer materials, materials from renewable resources and recyclable materials. Additionally, we are committed to responsible package design and are researching and testing bio-plastic options made from renewable resources.

Approximately 35 percent of our packaging materials globally are from recycled sources, and we're working to expand the use in all Colgate regions by identifying new technologies and sources of supply.

### Packaging Highlights

Eco Refill for spray cleaners in Europe provide the consumer with a concentrated product and a refill pouch that reduces greenhouse gas emissions associated with transport of finished goods, as well as reduced plastic and paper waste.



Several brands in North America use 100% recycled packaging materials in their toothpaste cartons.

In Europe, Colgate changed the shape of Palmolive shower gel to a new "wave bottle," reducing packaging by 10%.



Colgate's Latin America Division reduced plastic by over 1,000 metric tons in 2012 with improved package design of Fabuloso, Ajax, Axion, Suavitel and Speed Stick brands.



Hill's Pet Nutrition reduced bag packaging and materials by 79,000 kg per year.



In North America, we improved the package assembly for Speed Stick Anti-perspirant to reduce consumer waste.



## Commitment to Safety and Quality

Consumers trust Colgate products because of their reliability, quality and superior performance. Colgate's robust Research and Development program is designed to provide effective and safe, consumer-preferred products.

All of the products that we manufacture and sell are subjected to rigorous safety evaluations long before they ever reach the store shelf. From the time a product first begins its development cycle, all of its ingredients are assessed for both intended use and accidental misuse to ensure that the product is safe. After determining if ingredients are safe for use together in a Colgate product, our scientists test the product's efficacy and determine any potential adverse effects during consumer usage. With this knowledge, the scientists develop the appropriate instructions for use found on the label of the finished product.

Colgate is committed to working with stakeholders and addressing concerns about ingredients. The Company will continue to study the impacts of ingredients and choose materials according to the latest sound scientific research.

- We comply with all aspects of the European Union's REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemical substances). Currently, Colgate does not use any chemicals in its products classified as Substances of Very High Concern by REACH.
- We disclose in the U.S. and Canada the ingredients of our products according to the "Consumer Product Ingredient Communication Initiative" (CPICI) of the American Cleaning Institute, the Consumer Specialty Products Association and the Canadian Consumer Specialty Products Association.
- We have been working to increase the variety of options available for consumers interested in products from natural sources through lines such as Sanex Zero%, Tom's of Maine and Natura Verde.
- The specific phthalates used in Colgate's products have an excellent safety profile and are used at very low levels. The health and environmental effects of these compounds have been extensively studied by independent scientists and governmental bodies, including the U.S. Food and Drug Administration, the U.S. Environmental Protection Agency, Health Canada and other scientific bodies in Europe, North America and Japan.
- Colgate does not use nanotechnology in its products. Any new potential nanoparticle ingredient will undergo a safety assessment prior to use in any Colgate product.



Colgate's Palmolive anti-bacterial dish liquid was the first antibacterial dish product in the industry to be registered with the U.S. EPA, and contains the naturally-derived antibacterial ingredient lactic acid. We will continue to research similar technologies and bring them to the market whenever possible.

## Product Safety Testing

Colgate has a longstanding worldwide policy to minimize and to ultimately eliminate animal testing for all consumer products. Central to this commitment are our 30-year-long efforts to encourage the development of alternatives that are scientifically valid and can be accepted by safety regulators.

We are a leader in promoting, encouraging and participating in the development, validation and acceptance of alternative non-animal testing methods worldwide, investing over a million dollars annually on research with non-animal alternatives. We also work closely with worldwide regulatory agencies to examine how non-animal tests can be incorporated into their safety requirements for consumer products.

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

In 2011, People for the Ethical Treatment of Animals (PETA) created a “Working for Regulatory Change” list to promote corporate activism in alternatives research. Colgate-Palmolive was the first company to meet PETA’s stringent requirements and topped the list.



## Partnering to Develop Alternatives

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



# Planet

## At a Glance

**14%**

reduction in greenhouse gas emissions and 15% reduction in energy per ton of product manufactured in 2012 vs. 2005

**30%**

reduction in water use per ton of product manufactured in 2012 vs. 2005

**10%**

reduction in waste sent to landfill per ton of product manufactured vs. 2010

**7**

Leadership in Energy and Environmental Design (LEED-NC®)-certified manufacturing facilities with an additional 4 under construction<sup>1</sup>

**33%**

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

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

We've also set a goal of 5 percent of manufacturing capital investment for projects that protect the planet: "5 percent for the Planet." And in 2012, we budgeted approximately 6 percent.



<sup>1</sup> "LEED" and related logos are a trademark owned by the U.S. Green Building Council and is used by permission

## Contents

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**35** Water Conservation, Access and Awareness

**39** Reducing Waste

**40** Commitment to Sustainable Buildings

## Local Recognition

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

### United States

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

### India

Colgate's Baddi facility recently received the Nalagath Industries regional Environment Initiative Award 2012.

### South Africa

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

### Mexico

Mexico plant received recognition from PROFEPA, the country's federal environmental agency.

## Environmental Management

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

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

## Managing Risk

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

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

## Reducing Energy Use and Greenhouse Gas Emissions

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

Our 2015 goal is to reduce the energy consumption and carbon emissions per unit of production associated with the manufacture<sup>1</sup> and distribution<sup>2</sup> of our products by 20 percent. We are on track for this reduction, with a 15 percent reduction in energy, and a 14 percent reduction in carbon emissions per unit of production in 2012 vs. 2005<sup>3</sup>.



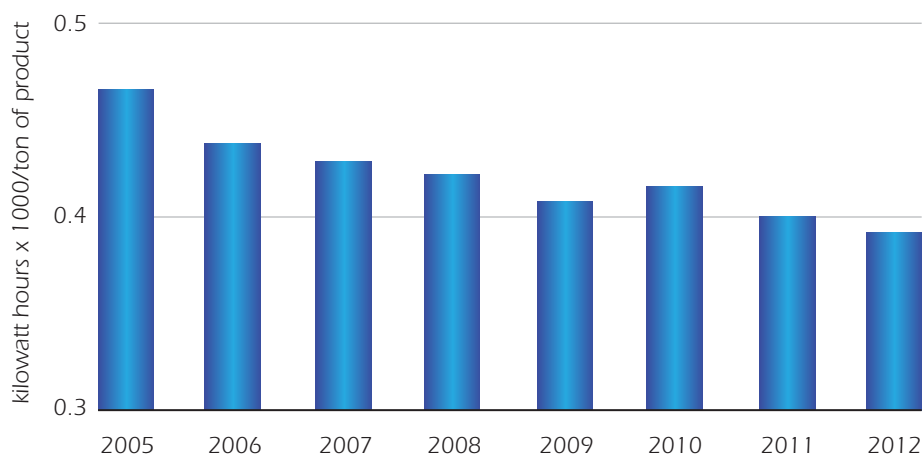
Colgate named a U.S. EPA ENERGY STAR Partner of the Year 2013 for the 3rd year in a row.



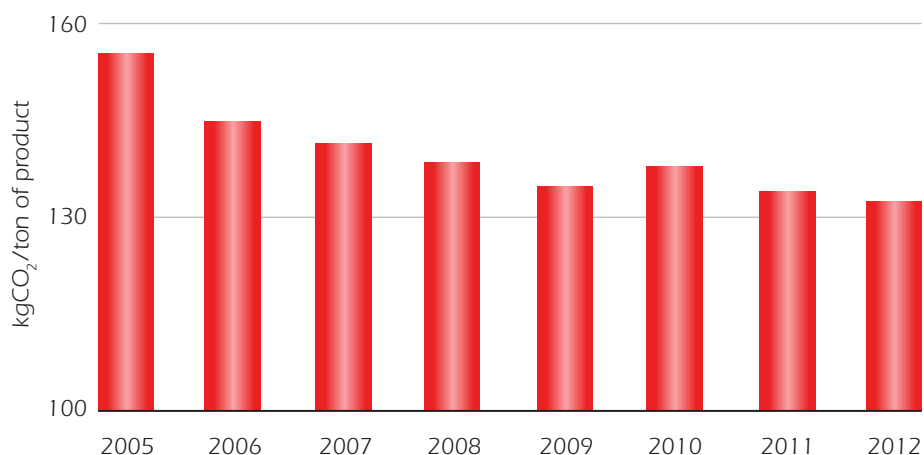
Colgate has reported to CDP on our carbon emissions since 2004.

In 2012, Colgate scored a 91 for our disclosure level and a B for performance.

2005 to 2012 Manufacturing Energy Intensity



2005 to 2012 Carbon Emissions Intensity



<sup>1</sup> Vs. 2005

<sup>2</sup> Vs. 2008 for Europe and Hill's delivery; 2010 for U.S., Hill's replenishment; 2011 for Greater Asia; 2013 for South Pacific and Africa

<sup>3</sup> Subject to certification by third-party auditor



## Highlights on Colgate's Journey to Reduced Greenhouse Gas Emissions

1998

- Started collecting and analyzing global energy use data

2002 to 2004

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

2006 to 2007

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

2008

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

2009 to 2010

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

2011

- Selected as a U.S. EPA ENERGY STAR Partner of the Year
- Designated site energy coordinators at every manufacturing site around the world
- Set 5% of capital investment for projects that protect the planet
- Conducted an extensive energy and CO<sub>2</sub> baseline survey to identify best practices and improvement opportunities
- Achieved the U.S. EPA ENERGY STAR Challenge for Industry award at 12 manufacturing sites that reduced their energy intensity by a minimum of 10%

2012

- Selected as a U.S. EPA ENERGY STAR Partner of the Year for the 2nd year in a row
- Conducted Energy Reduction Webinars with our manufacturing locations worldwide
- Launched a global "Top 10" Energy Actions program to address our most impactful energy and CO<sub>2</sub> reduction opportunities
- Piloted the Energy Treasure Hunt program at two large manufacturing facilities in Brazil, resulting in the identification of nearly 200 ideas to reduce energy and cost. A global rollout is planned for 2013.
- Achieved the U.S. EPA ENERGY STAR Challenge for Industry award at nine additional manufacturing sites

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

## Our Oral Care Carbon Footprint

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

### Oral Care Carbon Footprint Estimated Breakdown

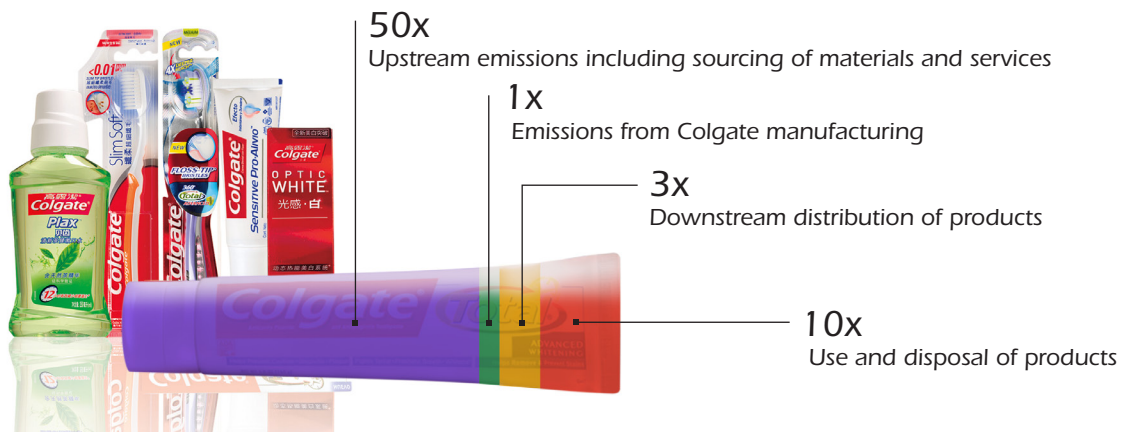


Illustration of the footprint of a consumer brushing his or her teeth with toothpaste and a toothbrush. Graphic shows a relative breakdown. "3x" is three times as large as "1x," etc.

## Renewable Energy

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

We've installed photovoltaic solar panels at our manufacturing plant in Anzio, Italy, resulting in a CO<sub>2</sub> reduction of 118 metric tons per year. The panels can also recharge electric vehicles.

At our Mission Hills, Mexico plant we've installed 144 photovoltaic cells on top of the factory and installed "solar domes" to provide natural lighting.





In the U.S., Colgate-Palmolive and Hill's Pet Nutrition are U.S. EPA SmartWay Transport Partners.

## Moving Products to Consumers

In 2012, Colgate undertook an aggressive initiative to increase the reporting and analysis of CO<sub>2</sub> associated with the distribution of our products (logistics). We now calculate the carbon impact for over 80 percent of our global production volume. In both the U.S. and Europe, we have reduced our logistics CO<sub>2</sub> emissions by over 20 percent per ton of finished goods moved.

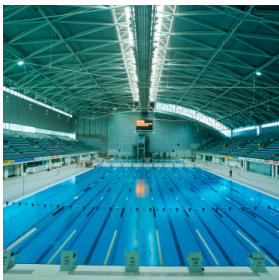
We're also working to increase the amount of intermodal transportation — in which goods are shipped in an intermodal container or vehicle that can move through different modes of transportation, such as sea and rail. When compared with using trucks and aircraft, intermodal transportation reduces greenhouse gas emissions and saves cost.





## Water Conservation, Access and Awareness

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



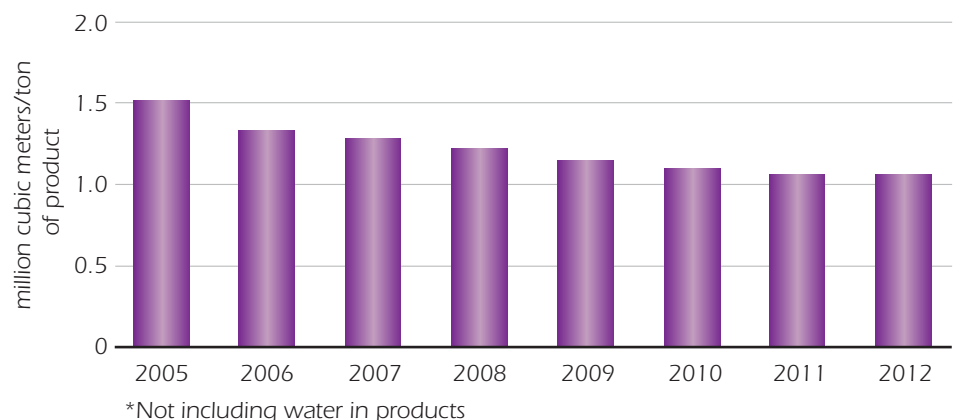
We've avoided enough water consumption to fill 4,700 Olympic-sized swimming pools.



### Reducing Water Use

Colgate's 2015 goal is to reduce the water consumed per unit of production in the manufacture of our products by 40% vs. 2005. We are on track, with a 30% reduction as of 2012.<sup>1</sup>

### Global Manufacturing Water Usage Intensity\*



<sup>1</sup> Subject to verification by THIRD-PARTY auditor.



## 2012 Water Highlights

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

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

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

### What Is the "True" Cost of Water?



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

## Providing Access to Water

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

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

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

### Play Pumps

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

### Clean Water Here, Clean Water There



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



India & Guatemala

## Launching Partnership with Water For People

Water For People will reach over 10,000 people in India and Guatemala with access to clean water and health and hygiene education. Colgate will teach children about oral health and handwashing in the schools that will receive clean water.

## Reaching Consumers with Conservation Messaging

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

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

## 2012 Highlights

- In 2012, Colgate partnered with stores in Europe to educate consumers about saving water while brushing teeth, washing hands, showering and doing dishes.
- Colgate's oral health education initiative, "Bright Smiles, Bright Futures," and our Handwashing education programs have incorporated messaging about water conservation in some locations.
- In Latin America, we reached close to 18 million people with water conservation messaging through "Bright Smiles, Bright Futures" and Handwashing programs, as well as in-store displays, packaging and Web communications.

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



Portugal

### Educating Consumers

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

## Reducing Waste

### Designing for Recycling Systems



In Europe, Colgate moved to an all-plastic vs. metal trigger sprayer to increase recyclability.



In the South Pacific and in Europe, the foil in the Colgate Advanced Whitening carton was removed so that the carton is now fully recyclable.

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

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

### Addressing Waste after Product Use

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

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

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

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

See page 26 for more information on our packaging progress, including our reduced packaging and recycled content.



### Partnering with Terracycle

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

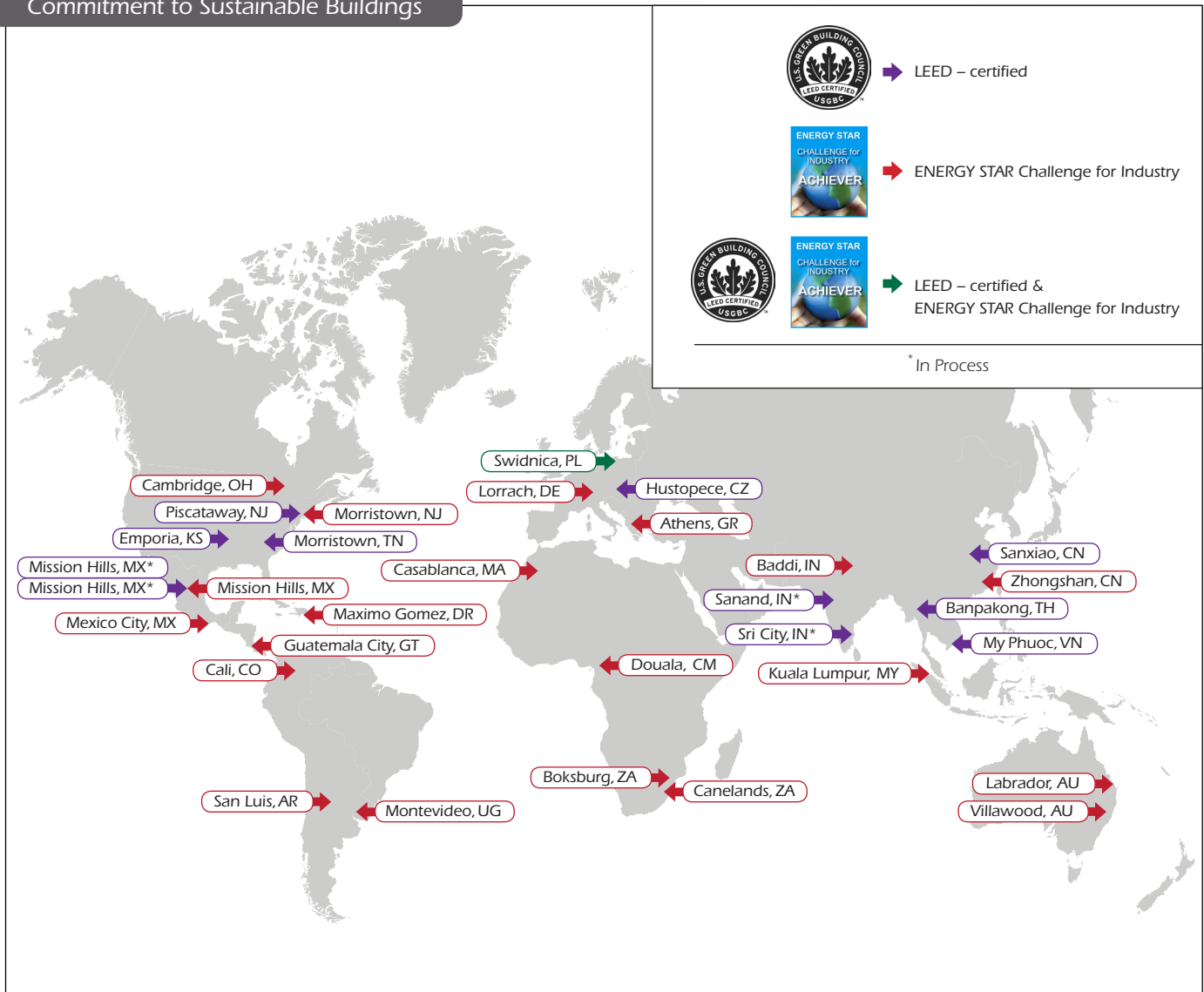


## Commitment to Sustainable Buildings

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

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

### Commitment to Sustainable Buildings



# Spotlight On... Emerging Markets

◀ 41 of 57 ▶

Colgate has been active in emerging markets for over 75 years, first in Latin America, then Asia, followed by Africa and Eastern Europe. Our business operations in emerging markets create value for people all over the globe by providing quality products at an affordable price, as well as employment and career opportunities.

**51%**

of Colgate's total  
revenue comes from  
emerging markets

In 2012, Colgate's organic  
sales in emerging markets  
grew a robust

**10%**

## Succeeding in Emerging Markets

Colgate has built brand loyalty in emerging markets by maintaining a deep understanding of local tastes and habits across all of our categories. We investigate key consumer insights, unmet consumer needs and opportunities for performance improvement with existing products. Our nine consumer innovation centers across the globe develop insight-driven innovation. Six innovation centers are focused on emerging-market consumers — in Mexico for Latin America (with a branch in Brazil), in Russia for Eastern Europe, and in India, Thailand and China for Asia.

## Access to Colgate Products

Price guidance for Colgate products is set globally at the corporate level; however, local markets have significant flexibility to make adjustments based on conditions in individual countries. Colgate makes products more affordable in emerging markets with smaller sizes, refill packs and value options. Colgate also works for strong penetration and wide distribution, so that more consumers have access to Colgate products. Offerings are customized to best reach consumers within their socio economic level, taking into account available household income and specific consumer needs.



China

## Engaging Chinese Consumers

Colgate's "Seeing is Believing" integrated-marketing campaign was highly successful with Chinese consumers.

## Excellence in Sustainability

Colgate's Latin America Division won the first Colgate Sustainability Excellence Award for their outstanding performance and leadership in sustainability during 2012.

## Sustainability

Sustainable growth is an important part of our strategy in emerging markets. Each of the Colgate Divisions, including Latin America and Greater Asia/Africa have established yearly action plans to carry out our 2011 to 2015 Sustainability Strategy and report on their progress twice a year.

When we manufacture in emerging market countries, all operations are required to comply with, and often exceed, applicable environmental, health and safety rules and regulations. See page 30 for more information on Colgate's Environmental Management policies. See page 44 for information on how we're partnering with our suppliers on sustainability – in emerging markets and worldwide.



Vietnam



## Commitment to Sustainable Buildings

Colgate's global toothbrush facility in Vietnam was the first LEED-certified facility in the country.

## Training in Emerging Markets

Colgate partnered with the China European International Business School (CEIBS) of Shanghai to launch a contemporary leadership development program for mid-level Colgate leaders.

## Developing Colgate People

Colgate practices ensure that knowledge, skills and technology are transferred from headquarters to all operations around the world, and from all operations back to headquarters. Opportunities for employees to gain a breadth of experience include short-term and long-term assignment opportunities in different geographies, and cross-functional swaps for employees at the subsidiary level to develop, share and transfer knowledge and expertise. Colgate's intent is to integrate the local population into Colgate operations and leadership in all markets – only a small percentage of employees in emerging markets are expatriates.



## Supporting Local Communities

By establishing operations in emerging markets early, Colgate has contributed to local economies and communities and led ongoing programs to provide oral care and hygiene education.

- Colgate's Asia Division reached over 22 million children in 2012 with our flagship oral health initiative, "Bright Smiles, Bright Futures" (BSBF). Through the program, children in need receive free dental screenings and education to help build healthy habits, self-esteem and a foundation for success.
- Our Latin America Division reached almost 4 million children in Brazil, Central America, Colombia and Venezuela with handwashing education in 2012.
- Colgate has just launched a partnership with Water for People to reach over 10,000 people in India and Guatemala with access to clean water and health and hygiene education. Colgate will teach children about oral health and handwashing in the schools that will receive clean water.
- In South Africa, Colgate sponsors the Phelophepa Train, a mobile hospital that provides healthcare in communities where medical services and infrastructure are unavailable. Colgate also sponsors "Play Pumps" in South Africa, which provide an opportunity for children to play, and to help villages obtain clean water from wells at the same time.



### Dental and Handwashing Education

In Brazil, Colgate partnered with the Ministry of Health to provide dental and handwashing education in primary schools in Rio de Janeiro, São Paulo and Guarulhos.



# Spotlight On... Suppliers

Colgate works with thousands of suppliers worldwide who provide the goods and services required to produce and market our products. We look at price, quality, service, innovation and availability, as well as other factors in our procurement decisions. Often, much of the environmental impact of our products comes further upstream in our supply chain. Therefore, we work closely with our suppliers, as illustrated below.

## Supplier Code of Conduct

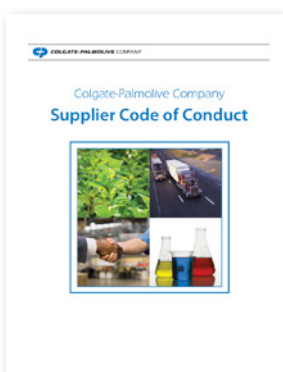
Colgate people are committed to the highest standards of integrity and full compliance with the Company's Code of Conduct. It is our goal to ensure that our relationships with our supplier partners reflect and support the same high ethical standards.

Colgate's Supplier Code of Conduct is provided to suppliers, and Colgate's contracts and purchase orders require suppliers to abide by the Code's standards, including applicable labor and equal-employment laws, as well as Environmental, Occupational Health and Safety regulations, and to the Foreign Corrupt Practices Act and Anti-Bribery Policy. The Company's Supplier Code of Conduct sets the Company's expectations for suppliers in a number of critical areas, including labor practices, environment, health and safety, human rights, ethical dealings and management systems. The Supplier Code of Conduct is modeled on International Labor Organization (ILO) standards.

## Supply Chain Integrity

Colgate's Enhanced Supplier Management program monitors the quality and service of our suppliers in order to maintain the integrity and quality of Colgate products around the world. A key element of Colgate's supplier management program is a comprehensive auditing program of suppliers' facilities and operations. This involves a complete audit process and set of tools for assessing and working with suppliers to ensure compliance with Colgate standards for quality and service excellence. The program is used both for existing suppliers and for qualification of new suppliers.

### Key Supplier Policies



- Supplier Code of Conduct
- FCPA and Anti-Bribery Policy



2015 Goal:

**70%**

of Colgate's suppliers in at-risk industries, geographies or environments will undergo a responsible sourcing self-assessment and/or third-party audit.

## Supplier Responsible Sourcing Assessments

Managing responsibility across the supply chain for all of our suppliers and products is a complex process. In 2012, we launched a number of new programs and tools to help increase certainty that our suppliers are operating responsibly. Colgate's Supplier Responsible Sourcing Assessment Program is one important new initiative. We use an industry-standard self-assessment questionnaire focused on labor practices, health and safety, environmental management and business practices to assess suppliers. When suppliers are assessed as high-risk, we perform third-party audits of their facilities.

Colgate has also joined SEDEX, the Supplier Ethical Data Exchange, which is the largest collaborative platform for sharing ethical supply chain data, as well as AIM-PROGRESS, a global industry forum to promote responsible sourcing practices and sustainable production systems. Through these platforms, suppliers share assessment and audit data with other manufacturing companies that often share the same suppliers, enabling us to gain information more efficiently and relieving the burden of "audit fatigue" on suppliers.

We have also participated in capacity building sessions through the AIM-PROGRESS forum that are designed to improve suppliers' social and environmental performance. The sessions explain the responsible sourcing assessment process and prepare suppliers for assessments and audits of their facilities. We have participated in events in Latin America, North America and Europe.

2015 Goal:

**70%**

of suppliers responding to the CDP Supply Chain Partnership Survey will set an energy reduction target.



## Engaging Suppliers on Climate and the Environment

In addition to our efforts to decrease greenhouse gas emissions associated with our own operations, we have also participated in CDP's Supply Chain Leadership Collaboration Project since its inception in 2008, increasing the scope of suppliers each year. By working with this program, Colgate gathers data to obtain a better understanding of our overall environmental footprint.

- In 2012, 85 percent of our largest suppliers (based on total direct material spend) reported through the CDP Supply Chain survey.
- Over 40 percent of our suppliers responding through the CDP Supply Chain survey have set an energy reduction target.
- We encourage suppliers with operations in the U.S. to join the U.S. EPA ENERGY STAR program as a Partner company.
- We also have a continuous improvement program involving suppliers around the world called "Manos a la Obra". With this program, we review continuous improvement opportunities that help suppliers improve their overall competitiveness.

## Responsible Sourcing of Forest Commodities

Many consumer products contain ingredients or packaging that can be labeled as forest commodities because they come from trees – as in paper and packaging – or from agricultural cultivation on land that has been deforested. Deforestation leads to biodiversity loss and accounts for approximately 15 percent of the world's greenhouse gas emissions, the equivalent of the entire transportation sector. According to CDP, the main driver of deforestation globally is land use change for agriculture.

Colgate has strategies to govern the responsible sourcing of these forest commodities, and we are seeking opportunities for continual improvement. We responded to the Forest Footprint Disclosure for the first time in 2012, and will do so again as part of CDP Forests in 2013.

### Recycled Content

Approximately  
**35%**  
of our packaging  
materials globally come  
from recycled sources.



Our 2011 to 2015  
goal is to increase recycled  
content by

**20%.**

### Paper and Board

Much of Colgate's packaging material is derived from wood-derived or paper-based products. Colgate strives to purchase paper packaging from well-managed forests or from recycled material when available. We understand the priority of purchasing certified wood-derived products in order to prevent illegal logging, deforestation and conversion of old-growth forests to monoculture plantations.

Our procurement teams are now asking companies that sell paper products a series of sustainability questions. In 2011, we undertook an internal mapping to understand how much of our purchases come from suppliers that had been certified by reputable organizations: approximately 70 percent of our spend came from suppliers certified by groups such as the Forest Stewardship Council (FSC), the Programme for Endorsement of Forest Certification Schemes (PEFC) and the Sustainable Forestry Initiative (SFI).

We also have a goal to increase recycled content in our packaging by 20 percent by 2015, and thus avoid the use of new paper and board. Today, approximately 35 percent of our packaging materials globally come from recycled sources (includes both paper and other recycled materials).



Colgate's tallow suppliers  
must certify compliance  
with the environmental  
requirements set forth by  
the Brazilian Institute of  
Environment and Renew-  
able Natural Resources.

### Tallow

Tallow is a key ingredient in bar soap production, and is derived from cattle. Colgate sources tallow from suppliers in North America, Latin America and Europe. In Brazil, there are concerns that rising demand for cattle is prompting farmers to clear parts of the Amazon rainforest for cattle ranching. We therefore require suppliers to certify that they are following the environmental and social requirements set forth by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA).

We're also working to minimize the amount of tallow purchased from high-risk areas. For example, we now have the capacity to process lower-grade tallow in our manufacturing facility in Brazil, allowing us to purchase tallow from a wider-range of suppliers in non-high-risk areas who cannot supply the higher grade necessary for soap manufacture.

## Palm Oil

Palm oil is the most widely traded vegetable oil in the world, and is used in many food and household products. Over 85 percent of the world's palm oil comes from Indonesia and Malaysia, where land is sometimes converted from forest to palm plantations, resulting in greenhouse gas emissions, impacts on biodiversity – particularly the orangutan – and social concerns.

### Commitment



Starting in 2013, Colgate will purchase GreenPalm Certificates to cover 100% of palm oil and derivatives used in our products.

We've long been committed to identifying sources of certified sustainable palm oil and derivatives or to replacing palm oil derivatives with alternative ingredients in Colgate products. While palm oil and palm oil derivatives are important ingredients for Colgate, less than approximately 0.2 percent of the combined palm oil output of Malaysia, Indonesia and Thailand is sold to the Company. Colgate's purchased volume of palm oil and palm-based derivatives in 2012 was 90,617 metric tonnes. It is important to note that Colgate's need is for palm kernel oil, a palm oil derivative, rather than crude palm oil. There is more available sustainable palm oil than sustainable palm kernel oil.

In 2007, Colgate joined the Roundtable on Sustainable Palm Oil (RSPO), an organization working to develop standards in conjunction with government and owners to ensure palm oil is grown and harvested in a sustainable manner. Additionally, Colgate is a member of an industry consortium, the Coalition on Sustainable Palm Oil, with the mission of accelerating the availability of sustainable palm oil and its derivatives.

We continue to support a moratorium on further deforestation by palm oil producers and have communicated that position to our suppliers who have direct contact with the producers. In 2009, Colgate committed to purchasing palm oil and palm kernel oil from RSPO members only and advised each of its suppliers of that commitment. During these discussions we also confirmed that none of the palm oil or its derivatives should be sourced from the Borneo region.

A challenge remains as to how to verify supplier compliance. As we do not have direct contact with the growers, we must rely on the RSPO who conducts audits and on the legal documents provided by the three brokers from whom we purchase palm oil and palm oil derivatives.

We're committed to working towards our target date of 2015 for sourcing 100 percent certified sustainable palm oil and palm oil derivatives. We are currently meeting with suppliers in different parts of the world to understand their capabilities, their availability of certified sustainable products and the cost. We are also working to find creative substitutes to palm kernel oil in our products and have signed on with a partner company to develop a new technology. Finally, we also source palm oil from other countries without the same sustainability issues as Malaysia and Indonesia. We will report quantitative and qualitative progress annually to the RSPO and within our Sustainability Report.



## Encouraging Supplier Diversity

Colgate works with selected diverse suppliers in North America to build their business capabilities, improve their ability to respond to requests for proposals and their understanding of the business requirements of corporate customers. Our Supplier Diversity team in the U.S. encourages increased and expanded business relationships with minority-owned and women-owned businesses, building strong diverse suppliers and developing mutually beneficial supply relationships, while strengthening the communities in which Colgate consumers live and work. We have made a substantial and ongoing commitment to supplier diversity, both with direct suppliers and with their suppliers.

Colgate participates as a member of the National Minority Supplier Development Council, Women's Business Enterprise National Council and the City of NY Corporate Alliance program in mentoring women and diverse suppliers in the areas mentioned above. Colgate has also provided education and training for women and diverse suppliers in understanding and fielding business requests.

One of our key priorities has been the execution of Supplier Days, in which we invite suppliers in a spend category to Colgate for a business-to-business exchange of information on capabilities and opportunities.



## Rewarding Excellence

In New York City, Colgate holds an annual Supplier Diversity Awards Ceremony to celebrate the outstanding performance of diverse suppliers and Colgate advocates.

# Spotlight On... Partnerships

◀ 49 of 57 ▶

Another important element of Colgate's sustainability strategy is our use of external partnerships to complement our strong internal capability. Colgate has many such partnerships with a broad array of organizations, including suppliers, research institutions, universities, industry, and non-profit organizations. Notably, we have developed key partnerships with innovative ingredient suppliers and leaders in scientific research including the Forsyth Institute and DuPont. Here are just some of Colgate's sustainability partners:



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



**American Cleaning Institute (ACI)** — Colgate provides energy and greenhouse gas emissions data to support ACI's sustainability reports.



**American Institute for Packaging and the Environment (AMERIPEN)** — Colgate joined with other companies in 2011 to found this organization, which is focused on coordinating the industry's environmental packaging efforts.



**Carroll School of Management Center for Corporate Citizenship at Boston College** — Colgate is a member of the Center for Corporate Citizenship knowledge center.



**CDP** — Colgate has reported our carbon emissions to CDP (formerly Carbon Disclosure Project) since 2004. We now disclose data to CDP Climate Change, CDP Water and CDP Forests, and survey our suppliers through CDP Supply Chain.



**Consumer Goods Forum** — Colgate's Chairman and CEO is on the Board of Directors of the Consumer Goods Forum; we support their collective commitments related to sustainability and climate change – including the effort to help achieve zero net deforestation by 2020.



**Global Child Dental Fund** — Colgate is a founding and principal sponsor of this group, which builds on the achievements of the Global Child Dental Health Taskforce. We established this group in partnership with the World Health Organization with the goal of eradicating dental cavities in children globally by 2026.



**Environmental Defense Fund Climate Corps** — Both Colgate and Tom's of Maine will host a Climate Corps fellows in 2013 to help identify energy and carbon reduction opportunities related to energy efficiency.



**International Association for Soaps, Detergents and Maintenance Products (AISE)** — Colgate is an active member of AISE and we voluntarily adhere to the AISE Charter for Sustainable Cleaning.



**National Dental Association** — Colgate's commitment to improve children's oral health in the community includes a long-term partnership with the National Dental Association (NDA), the world's largest minority oral health association.



**Public-Private Partnership for Handwashing with Soap (PPPHW)** — Colgate is a member of this coalition of international stakeholders committed to promoting proper handwashing. Every year, PPPHW organizes a Global Handwashing Day held on October 15.



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



**Rutgers Business School** — In 2012, Colgate partnered with the Rutgers Business School and its Supply Chain Management Program to develop a "True" Cost of Water Toolkit.



**Starlight Children's Foundation** — For more than 20 years, Colgate and Starlight Children's Foundation have worked together to brighten the lives of seriously ill children and their families.



**The Sustainability Consortium** — Colgate is an active member of the home and personal care sector of the Sustainability Consortium, which is committed to improving product sustainability. Colgate is also on the Corporate Advisory Council of this group.



**United Way** — Colgate partners with United Way on our Annual Giving Campaign for employees in several U.S. locations.



**U.S. EPA ENERGY STAR** — Colgate is an active partner in the EPA's industrial sector and has been named ENERGY STAR Partner of the year for three years in a row. Additionally, 33 percent of Colgate's manufacturing sites have achieved U.S. EPA ENERGY STAR Challenge for Industry recognition.



**U.S. Green Building Council (USGBC)** — Colgate has been a member company of the USGBC since 2007.



**Terracycle** — Over two million people around the world are collecting used Colgate packaging to be made into new products by Terracycle.



water for people

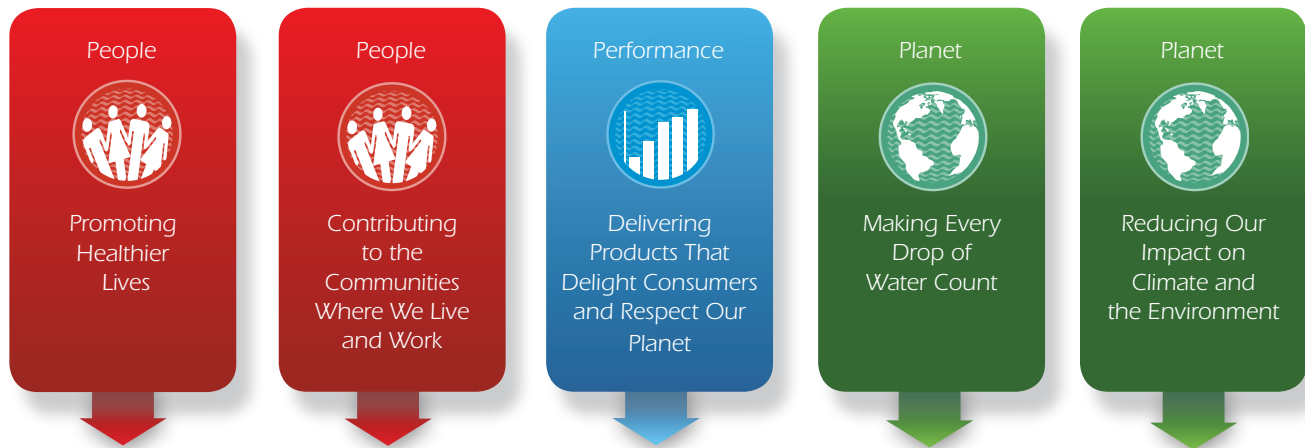
**Water For People** — With our new partnership launching this year, Water For People will reach over 10,000 people in India and Guatemala with access to clean water and health and hygiene education. Colgate will teach children about oral health and handwashing in the schools that will receive clean water.



# Progress–Strategy Highlights

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Colgate has committed to a 2011 to 2015 sustainability strategy with focused, measurable goals. We are making great progress, and in 2012 the Company was again named to the Dow Jones Sustainability Leadership Index, was ranked as one of the World's Most Ethical Companies by Ethisphere Magazine and was named a U.S. EPA ENERGY STAR 2012 Partner of the Year. In addition to the highlights below, more about Colgate's progress on its sustainability strategy can be found on Colgate's Sustainability web site at [www.colgatepalmolive.com](http://www.colgatepalmolive.com).



■ In July 2012, Colgate held its second Global Healthy Activity Challenge, encouraging employees to participate in and log at least 500 minutes of healthy activity during the month. Over 14,000 employees reached this goal.

■ In March 2012, Colgate held a Safety Week event at 100% of our manufacturing sites around the world and introduced a new safety campaign, "Be Colgate Careful."

■ Colgate continues our "Bright Smiles, Bright Futures" program with an expanded goal to reach one billion children by 2020. As of the end of 2012, Colgate has reached 700 million children since 1991.

■ In 2012, Colgate provided handwashing awareness and education to over 39 million children and their families.

■ Hill's Pet Nutrition helped support over 900,000 pet adoptions in 2012 by donating Hill's Science Diet pet food with a retail value of over \$31.5 million to animal shelters.

■ In the wake of Hurricane Sandy, Colgate provided \$550,000 in both cash and in-kind donations, and Hill's Pet Nutrition donated 100,000 pounds of pet food.

■ In 2012, Colgate began evaluating new products and selected existing products with a Product Sustainability Scorecard to drive improvement across the product life cycle. Over 24% of the products were determined to be "more sustainable" having an improvement in at least one of the following areas: ingredients, packaging, water, waste, energy, sustainable materials and social responsibility.<sup>(1)</sup>

■ It was estimated in 2012 that approximately 30% of Colgate's packaging materials globally are from recycled sources.

■ From 2005 to 2012, Colgate reduced water use per ton of production by approximately 30%, avoiding enough water consumption to fill 4,700 Olympic-sized swimming pools.<sup>(2)</sup>

■ Since 2010, Colgate has promoted water conservation awareness among over 18 million consumers, and plans are in place to continue to increase awareness in 2013.

■ From 2005 to 2012, Colgate reduced greenhouse gas emissions per ton of production by approximately 14%, avoiding emissions equivalent to removing over 100,000 passenger cars from the road for one year.<sup>(2)</sup>

■ Colgate has reduced the amount of waste per ton of production sent to landfills by approximately 10% in the past two years.<sup>(2)</sup>

■ Colgate is also helping consumers to reduce waste after using our products. Through our partnership with Terracycle, over two million people around the world are collecting used Colgate packaging to be "up-cycled" into new products.

<sup>(1)</sup> Results are based on a sample of representative new and existing products.

<sup>(2)</sup> Subject to certification by third-party auditor.



# Progress—Key Performance Indicators ◀ 52 of 57 ▶

People	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Average number of employees	38,500	37,700	36,600	36,000	35,800	34,700	36,000	36,600	38,100	39,200	38,600	37,700
Total recordable rate <sup>1</sup>	1.41	1.06	0.92	0.79	0.72	0.74	0.57	0.47	0.48	0.45	0.47	0.39
Lost workday case rate <sup>2</sup>	0.73	0.40	0.34	0.24	0.19	0.23	0.19	0.12	0.12	0.12	0.11	0.08
Safety notices of violation <sup>3</sup>	0	2	0	1	1	0	0	5	2	0	2	0
Safety fines paid (\$) <sup>4</sup>	0	12,000	0	5,245	300	0	0	16,899	7,800	0	4,032	0
% Minority officials and managers (U.S. EEOC data)	n/a	n/a	n/a	n/a	24.6	24.6	24.9	27.2	27.2	28.9	32.11	31
% Minorities in workforce (U.S. EEOC data)	n/a	n/a	n/a	n/a	27.9	28.9	28.6	29.5	29.0	28.8	32.03	30
% Women officials and managers	n/a	n/a	n/a	n/a	29.3	30.6	32.0	32.9	36.2	36.6	38.18	33
% Women in workforce	n/a	n/a	n/a	n/a	34.0	36.1	37.0	38.9	40.7	40.7	39.37	39

Performance	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Global Sales (\$MM)	9,084	9,294	9,903	10,584	11,397	12,238	13,790	15,330	15,327	15,564	16,734	17,085
Global charitable contributions — cash (\$MM) <sup>5</sup>	n/a	n/a	n/a	7.010	7.329	7.059	8.307	9.678	20.941	17.809	17.60	32
Global charitable contributions — in-kind (\$MM) <sup>6</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26.334	21.85	20.05	32

Planet	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Energy use efficiency (kWh x 1000/ton of product) <sup>7</sup>	0.533	0.511	0.511	0.481	0.458	0.431	0.422	0.415	0.403	0.411	0.396	0.388
Water use efficiency (m3/ton of product)	1.90	1.96	1.78	1.63	1.51	1.33	1.28	1.22	1.15	1.10	1.06	1.056
CO <sub>2</sub> emissions (metric tons x 1000) <sup>7</sup>	n/a	729	734	706	699	693	689	659	635	663	661	659
Wastewater CODs (kg/ton of product) <sup>7</sup>	3.59	3.75	3.38	2.98	3.01	3.04	2.93	2.68	2.63	2.94	2.77	2.83
Environmental Incidents <sup>8</sup>	5	3	4	3	1	2	2	2	2	0	2	
Environmental Notices of Violation <sup>9</sup>	7	5	6	5	3	0	8	8	7	2	5	5
Environmental fines paid (\$) <sup>10</sup>	5,000	6,620	0	0	0	0	26,200	9,057	1,000	0	50,094	1,065

<sup>1</sup> The number of occupational injuries and illnesses that require medical treatment per 200,000 work hours.

<sup>2</sup> The number of occupational injuries and illnesses causing employees to be absent from work per 200,000 work hours.

<sup>3</sup> A violation or citation issued by a governmental authority with jurisdiction.

<sup>4</sup> Fines associated with Safety Notices of Violations (NOVs).

<sup>5</sup> Cash contributions by Colgate charitable organizations, including cash contributions to the “Bright Smiles, Bright Futures” program.

<sup>6</sup> In-kind and product donations by Colgate to charitable organizations.

<sup>7</sup> Data varies slightly from previous reporting due to boundary changes and updated reporting methodology.

<sup>8</sup> Represents site-related spills or accidental releases that reach a water body, groundwater or soils or affect a third-party.

<sup>9</sup> A violation or citation issued by a governmental authority with jurisdiction.

<sup>10</sup> Fines associated with Environmental Notices of Violations (NOVs).

# Global Reporting Initiative (GRI) Index ◀ 53 of 57 ▶

This report was prepared using the Global Reporting Initiative's (GRI) G3.1 Reporting Guidelines as a framework. A GRI Application Level has not been declared.

GRI Indicator	Indicator Description	CP Sustainability Report Reference or Direct Answer	Other Reference
<b>1. Strategy and Analysis</b>			
1.1	Statement from the most senior decision-maker of the organization	Message from Ian Cook	
1.2	Description of key impacts, risks, and opportunities	Throughout Report	10-K
<b>2. Organizational Profile</b>			
2.1	Name of the organization	Company Profile	10-K
2.2	Primary brands, products, services	Company Profile	10-K
2.3	Operational structure	Company Profile	10-K
2.4	Headquarters location	Company Profile	10-K
2.5	Country operations	Company Profile	10-K
2.6	Nature of ownership and legal form	Company Profile	10-K
2.7	Markets served	Company Profile	10-K
2.8	Scale of the reporting organization	Company Profile	10-K
2.9	Significant changes during the reporting period	—	10-K
<b>3. Report Parameters</b>			
3.1	Reporting period	About This Report	
3.2	Date of most recent report	—	ColgatePalmolive.com/Sustainability
3.3	Reporting cycle	—	ColgatePalmolive.com/Sustainability
3.4	Contact point for questions about report	csr@colpal.com	csr@colpal.com
3.5	Process for defining report content	Colgate's Sustainability Journey	—
3.6	Boundary of report	About This Report	-
3.7	Limitations on report scope	About This Report	-
3.8	Basis for reporting on subsidiaries and partially/non-owned entities	About This Report	-
3.9	Data measurement techniques	Discussed at each data point	CDP Climate Change, CDP Water
3.1	Restatements from prior reports	Minimal	-
3.1.1	Significant changes from previous years	None	-
3.1.2	GRI content index	GRI Index	-
3.1.3	External assurance	Report not externally assured	-

GRI Indicator	Indicator Description	CP Sustainability Report Reference or Direct Answer	Other Reference
<b>4. Governance, Commitments and Engagement</b>			
4.1	Governance Structure Business Integrity	Performance - Governance	ColgatePalmolive.com -
4.2	Executive officer and Chair of governance body	Message from Ian Cook	ColgatePalmolive.com - Our Company
4.3	Independent and/or non-executive members	-	ColgatePalmolive.com - Our Company
4.4	Shareholder/employee mechanisms for Board direction	-	ColgatePalmolive.com - Our Company
4.5	Compensation and organizational performance	-	ColgatePalmolive.com - Our Company
4.6	Conflict of interest avoidance	-	ColgatePalmolive.com - Our Company
4.7	Qualifications/expertise of Board members	-	ColgatePalmolive.com - Our Company
4.8	Mission and values statements	Company Profile	ColgatePalmolive.com - Governance
4.9	Board oversight of sustainability performance	-	ColgatePalmolive.com - Our Company
4.10	Performance evaluation of Board of Directors	-	ColgatePalmolive.com - Our Company
4.11	Precautionary approach/principle	Performance - Product Integrity	-
4.12	Endorsements of external sustainability charters	Partnerships	-
4.13	Significant memberships in associations	Partnerships	-
4.14	Listing of stakeholder groups	Partnerships	-
4.15	Basis for stakeholder identification/selection	-	-
4.16	Stakeholder engagement approaches	Throughout report	-
4.17	Key stakeholder issues and concerns	Throughout Report	-

<b>5. Economic Performance Indicators</b>			
Disclosure on Management Approach	Economic Performance Market Presence Indirect Economic Impacts	Company Profile, Performance	Annual Report
EC1	Direct economic value generated and distributed	Company Profile, Performance	Annual Report
EC2	Financial implications, risks and opportunities due to climate change	Planet - Environmental Management	CDP Climate Change, CDP Water
EC3	Defined benefit plan obligations	-	10-K
EC4	Significant financial assistance received from government	-	Annual Report
EC5	Wages comparison	-	-
EC6	Spending on locally based suppliers	-	-
EC7	Local hiring	Emerging Markets	-
EC8	Infrastructure investments and public benefit	-	-
EC9	Indirect economic impacts	-	-



GRI Indicator	Indicator Description	CP Sustainability Report Reference or Direct Answer	Other Reference
<b>6. Environmental Performance Indicators</b>			
Disclosure on Management Approach	Materials, Energy, Water, Biodiversity, Emissions, Effluents and Waste, Products and Services, Compliance, Transport, Overall	Performance - Product Integrity; Planet	-
EN1	Weight of materials used	-	-
EN2	Percentage of materials used that are recycled input materials	Performance - Packaging; Suppliers - Paper and Board	-
EN3	Direct energy consumption by primary energy source	Planet - Reducing Energy and GHG Emissions	DP Climate Change
EN4	Indirect energy consumption by primary source	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN5	Conservation/energy efficiency	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN6	Initiatives to provide energy-efficient or renewable energy based products and reductions in energy requirements	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN7	Initiatives to reduce indirect energy consumption and GHG Emissions	Planet - Reducing Energy	CDP Climate Change
EN8	Total water withdrawal by source	-	CDP Water
EN9	Water sources significantly affected by withdrawal of water	-	-
EN10	Percentage and total volume of water recycled and reused	-	-
EN11	Location/size of land-owned/leased/managed in protected areas	-	-
EN12	Description of significant impacts of activities in protected areas	-	-
EN13	Habitats protected or restored	Suppliers	-
EN14	Strategies for managing impacts on biodiversity	Suppliers	CDP Climate Change, CDP Water
EN15	IUCN Red List species affected by operations	-	-
EN16	Total direct and indirect greenhouse gas emissions	Key Performance Indicators	CDP Climate Change
EN17	Other relevant indirect greenhouse gas emissions	-	CDP Climate Change
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN19	Emissions of ozone-depleting substances	-	-
EN20	Nox, Sox, and other significant air emissions	-	-
EN21	Water discharge and quality	Key Performance Indicators	CDP Water
EN22	Amount of waste by type/destination	Planet - Reducing Waste	-
EN23	Number/volume of significant spills	Key Performance Indicators	-
EN24	Weight of hazardous waste	-	-
EN25	Water source/habitats significantly affected by water and runoff	-	CDP Water
EN26	Initiatives to mitigate environmental impacts of products and services	Performance - Product Integrity; Suppliers	-
EN27	Reclaimed products	Performance - Packaging; Suppliers - Paper and Board	-
EN28	Incidents/fines for non-compliance with environmental regulations	Key Performance Indicators	-
EN29	Significant environmental impacts of transportation or logistics	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN30	Total environmental protection expenditures and investments by type	-	Annual Report

GRI Indicator	Indicator Description	CP Sustainability Report Reference or Direct Answer	Other Reference
<b>7. Labor Practices and Decent Work</b>			
Disclosure on Management Approach	Employment, Labor/Management Relations, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Equal Remuneration	People; Suppliers	-
LA1	Workforce by employment type/region	-	-
LA2	Employee turnover	People - Supporting Colgate	People -
LA3	Benefits provided to full-time employees	People - Supporting Colgate	People -
LA4	Employees covered by collective-bargaining agreements	Approximately 45%	-
LA5	Notice period regarding operational changes	Comply with regulations	-
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	-	-
LA7	Health and safety data	People - Supporting Colgate	People -
LA8	Education, training, counseling, prevention, and risk-control programs for families affected by HIV/AIDS and other diseases	People - Supporting Colgate	People -
LA9	Health and safety topics covered in formal agreements	-	-
LA10	Average hours of training per year per employee	People - Supporting Colgate	People -
LA11	Programs for skills management/lifelong learning	People - Supporting Colgate People; Emerging Markets	-
LA12	Performance and career evaluations	People - Supporting Colgate	People -
LA13	Employee and governance body demographics	People - Supporting Colgate	People -
LA14	Remuneration	-	-
<b>8. Human Rights</b>			
Disclosure on Management Approach	Investment and procurement practices, non-discrimination, freedom of association and collective bargaining, child labor, prevention of forced and compulsory labor, security practices, indigenous rights, assessment, remediation	People - Supporting Colgate People; Suppliers	Code of Conduct; Supplier Code of Conduct
	<b>Aspects</b>		
	Investment and Procurement Practices	People - Supporting Colgate People; Suppliers	Code of Conduct Supplier Code of Conduct
	Non-Discrimination	People - Supporting Colgate People; Suppliers	Code of Conduct Supplier Code of Conduct
	Freedom of Association and Collective Bargaining	People - Supporting Colgate People; Suppliers	Code of Conduct Supplier Code of Conduct
	Child Labor	People - Supporting Colgate People; Suppliers	Code of Conduct Supplier Code of Conduct
	Forced and Compulsory Labor	People - Supporting Colgate People; Suppliers	Code of Conduct Supplier Code of Conduct
	Security Practices	-	-
	Indigenous Rights	People - Supporting Colgate People; Suppliers	Code of Conduct Supplier Code of Conduct
	Assessment	People - Supporting Colgate People; Suppliers	Code of Conduct Supplier Code of Conduct
	Remediation	People - Supporting Colgate People; Suppliers	Code of Conduct Supplier Code of Conduct

GRI Indicator	Indicator Description	CP Sustainability Report Reference or Direct Answer	Other Reference
<b>9. Society</b>			
Disclosure on Management Approach	Local communities, corruption, public policy, anti-competitive behavior, compliance	Performance - Business Integrity	Code of Conduct; ColgatePalmolive.com - Governance
	<b>Aspects</b>		
	Local communities	People - Contributing to Communities; Emerging markets	-
	Corruption	Performance - Business Integrity	Code of Conduct; ColgatePalmolive.com - Governance
	Public policy	Performance - Business Integrity	Code of Conduct; ColgatePalmolive.com - Governance
SO2	Business units analyzed for risks related to corruption	-	Code of Conduct; ColgatePalmolive.com - Governance
SO3	Extent of training and risk analysis to prevent corruption	Performance - Business Integrity	Code of Conduct; ColgatePalmolive.com - Governance
SO4	Actions taken in response to incidents of corruption	-	Code of Conduct; ColgatePalmolive.com - Governance
SO5	Public policy positions and participation in public policy development and lobbying	Performance - Business Integrity	Code of Conduct; ColgatePalmolive.com - Governance
SO6	Political contributions	\$0	Code of Conduct; ColgatePalmolive.com - Governance
SO7	Anti-competitive behavior, antitrust, monopoly practices	-	Code of Conduct; ColgatePalmolive.com - Governance
SO8	Monetary value of significant fines for non-compliance with laws and regulations	-	-

GRI Indicator	Indicator Description	CP Sustainability Report Reference or Direct Answer	Other Reference
<b>10. Product Responsibility</b>			
Disclosure on Management Approach	Customer health and safety, product and service labeling, marketing communications, customer privacy, compliance	Performance	Product Safety Research Policy
PR1	Health and safety across the life cycle of products and services	Performance - Product Integrity	-
PR2	Instances of non-compliance with health and safety regulations	Key Performance Indicators	Product Safety Research Policy
PR3	Product information and labeling	Performance - Product Integrity	Product Safety Research Policy
PR4	Incidents of non-compliance with regulations concerning product and service information and labeling	-	-
PR5	Practices related to consumer satisfaction	People - Delighting Consumers	Consumer Affairs
PR6	Programs for adherence to marketings laws and standard	-	Advertising Guidelines
PR7	Incidents of non-complaints with marketing laws and standards	-	-
PR8	Complaints regarding breaches of consumer privacy	-	-
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	-	-