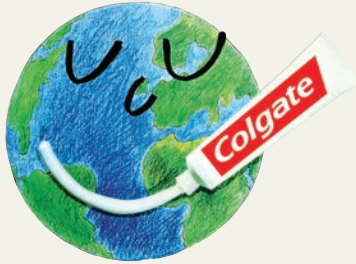




# Giving the World Reasons To Smile



# Giving the World Reasons To Smile



## About This Report

Unless otherwise indicated, this report includes environmental, 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 2013, along with prior history and more recent updates where indicated.

This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

For feedback, questions and comments related to Colgate's 2013 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



Everyone at Colgate has a role to play in driving our sustainability success, and Colgate people everywhere have a lot to be proud of. Through the leadership of Colgate people around the world we continue to make great progress toward the goals communicated in our 2011 to 2015 Sustainability Strategy.

Our long-standing commitment to sustainability and executional excellence helps drive Colgate's strong performance as we join our consumers, suppliers, partners and customers to continuously improve each and every day. This commitment is demonstrated through the programs and initiatives that bring our brands and our values to life around the world.

In the People, Performance and Planet sections of this report, you will see that our progress continues in all areas of our strategy. In several areas, we have already surpassed our goals. We are continuing to bring brighter, healthier smiles through our "Bright Smiles, Bright Futures" oral education program, reaching 50 million children last year. Nearly half of our products developed last year had an improved sustainability profile. And we continue to make excellent progress on our Planet goals for carbon, water and waste reduction.

Given the vital importance of sustainability in today's world, we are also looking to the future, and will release our 2015 to 2020 Sustainability Strategy later this year. Our recently announced Policy on No Deforestation and our climate change initiatives will be included, together with other new commitments that will help us realize shared value for both Colgate and the communities where we live and work.

The progress reported here is a testament to the power of Colgate people in executing our strategy, integrating sustainability into everything we do. With this strong commitment evident everywhere, I am confident that we will continue "Giving the World Reasons to Smile."

Thank you,

A handwritten signature in black ink that reads "Ian Cook". The signature is written in a cursive, flowing style.

Ian Cook

Chairman, President and Chief Executive Officer



# Company Profile

Founded in 1806, Colgate-Palmolive is a \$17.42 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, 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.

37,400 Colgate employees drive our success.

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



North America



Latin America



Europe/South Pacific



Africa/Eurasia



Asia



Hill's Pet Nutrition

### Six Divisions

The Company has over 50 manufacturing and research facilities globally. The vast majority of Colgate products are manufactured in Colgate-owned facilities.



## Company Profile

### Business Strength

#### Net Sales (\$ millions)

2009	\$15,327
2010	\$15,564
2011	\$16,734
2012	\$17,085
2013	<b>\$17,420</b>

#### Dividends Paid<sup>(1)</sup> (per common share)

2009	\$0.86
2010	\$1.02
2011	\$1.14
2012	\$1.22
2013	<b>\$1.33</b>

#### Operating Profit and Additional Information<sup>(3)</sup> (\$ millions)

2009	\$3,615
2010	\$3,489
2011	\$3,841
2012	\$3,889
2013	<b>\$3,556</b>

#### Diluted Earnings Per Share and Additional Information<sup>(1)(3)</sup>

2009	\$2.18
2010	\$2.16
2011	\$2.47
2012	\$2.57
2013	<b>\$2.38</b>

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

2009	58.8%
2010	59.1%
2011	57.3%
2012	58.1%
2013	<b>58.6%</b>

<sup>(1)</sup> All per share amounts have been restated for the two-for-one stock split in 2013.

<sup>(2)</sup> 2013 excludes charges related to the 2012 Restructuring Program and certain other 2013 items. 2012 excludes costs related to the sale of land in Mexico. 2011 excludes costs associated with various business realignment and other cost-saving initiatives. A complete reconciliation between reported results (GAAP) and results excluding these items (Non-GAAP), including a description of such items, is available on Colgate's website.

<sup>(3)</sup> 2013 and 2012 exclude charges related to the 2012 Restructuring Program and certain other 2013 and 2012 items. 2011 excludes costs associated with various 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. A complete reconciliation between reported results (GAAP) and results excluding these items (Non-GAAP), including a description of such items, is available on Colgate's website.

### 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
- Global Business Practices Guidelines
- Supplier Code of Conduct
- FCPA and Anti-Bribery Policy
- Product Safety Research Policy
- State of California Disclosure: Supply Chain Transparency
- Global HIV/AIDS Policy Statement
- Ingredient Safety Policy
- Policy on No Deforestation

# Awards and Recognition

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



Dow Jones Sustainability  
World Index and North America Index



RobecoSAM Sustainability Yearbook  
Silver Class 2014



Ranked among top companies in Soap  
and Cosmetics category for several years



## People

2014 World's Most  
Ethical Companies  
from Ethisphere  
Magazine



National Association for Female  
Executives Top 50 Companies  
for Executive Women 2013



C-P recognized in four award categories  
at 2013 Asia Society Diversity Leadership  
Forum and Awards Ceremony



No. 21 in DiversityInc  
Top 50 Companies for  
Diversity 2013

2013 Working Mother  
100 Best Companies



## Performance



Colgate No. 50 overall,  
No. 3 Personal Care



Walmart recognized C-P Mexico as  
the Sustainable Supplier of the Year  
for three consecutive years



Ranked No. 10 in  
Global Supply Chain  
Top 25 by Gartner



Colgate named Top Socially  
Responsible Dividend Stock



## Planet



U.S. EPA ENERGY STAR Partner of  
the Year 2014 for 4th year in a row, with  
recognition for Sustained Excellence



Named to Carbon Disclosure  
Leadership Index in 2013



Colgate was ranked in 2013  
by Interbrand as one of the  
Best Global Green Brands



ClimateCounts.org

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

## Colgate Sustainability Excellence Award

### Colgate Sustainability Excellence Award

Colgate established our internal Colgate Sustainability Excellence Award to recognize our geographic divisions that are excelling in sustainability. It is awarded to the division that demonstrates sustainability leadership and outstanding progress in integrating Colgate's Sustainability Strategy into all aspects of its business. Last year, Colgate's Latin America Division won the 2012 Sustainability Excellence Award.

This year, we are proud to award both the Latin America Division and the North America Division with the Second Annual Sustainability Excellence Award for their outstanding contributions to sustainability across the People, Performance and Planet pillars. In 2013, both divisions best exemplified their adherence to the Sustainability Strategy and delivered on their commitments and action plans. Both are recognized for their communication efforts and employee and customer engagement.

We are proud that our divisions demonstrated significant progress and achieved success in sustainability through such initiatives as promoting employee volunteerism through our "Bright Smiles, Bright Futures" oral care initiative, handwashing education and our partnership with Water for People, in which we helped bring clean water and upgraded sanitation standards to underserved areas. Significant progress was made to improve the sustainability profile of our products, along with energy, waste and water reduction. Congratulations to the Latin America Division and the North America Division and the many employees responsible for this accomplishment.



Guatemala



United States



Brazil



United States



# 2011 to 2015 Strategy

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.



## Promoting Healthier Lives

### We Will

- Promote health and wellness to reduce employee health risks by 15%
- Achieve a 5% reduction in health costs and an improvement in early diagnosis of chronic and treatable disease
- Continue to focus on safety to achieve the goal of zero lost-time incidents



## Contributing to the Communities Where We Live and Work

### We Will

- Commit over \$300 million to increase our impact in the community
- Partner with dental professionals to improve community oral health care
- Expand "Bright Smiles, Bright Futures" program externally to reach one billion children by 2020
- Provide hand-washing awareness to over 50 million households
- Work with 250,000 veterinarians worldwide to educate pet owners and provide over \$100 million in pet food to shelters
- Continue to provide Colgate products after natural disasters
- Involve more Colgate volunteers in our community programs



## Delivering Products That Delight Consumers and Respect Our Planet

### We Will

- Increase the sustainability profile in all new products we produce and in the balance of our portfolio
- Ensure that ingredients continue to meet or exceed all recognized standards for safety, quality and environmental compliance and biodegradability
- Reduce the environmental impact of our products and packages by 20%, by increasing the use of sustainable materials and recycled content



## Making Every Drop of Water Count

### We Will

- Reduce the water consumed<sup>(1)</sup> in the manufacture of our products by 40% vs. 2005 consumption
- Reduce the use of water associated with our products by 15%
- Work with local and global organizations to help promote access to clean water
- Promote water conservation awareness among over two billion consumers



## Reducing Our Impact on Climate and the Environment

### We Will

- Reduce energy consumption<sup>(1)</sup> and carbon emissions<sup>(1)</sup> associated with the manufacture<sup>(2)</sup> and distribution<sup>(3)</sup> of our products by 20%
- Reduce waste<sup>(1)(4)</sup> sent to landfills from our operations by 15%
- Request that all key suppliers measure and disclose climate change information

<sup>(1)</sup> Per unit of production

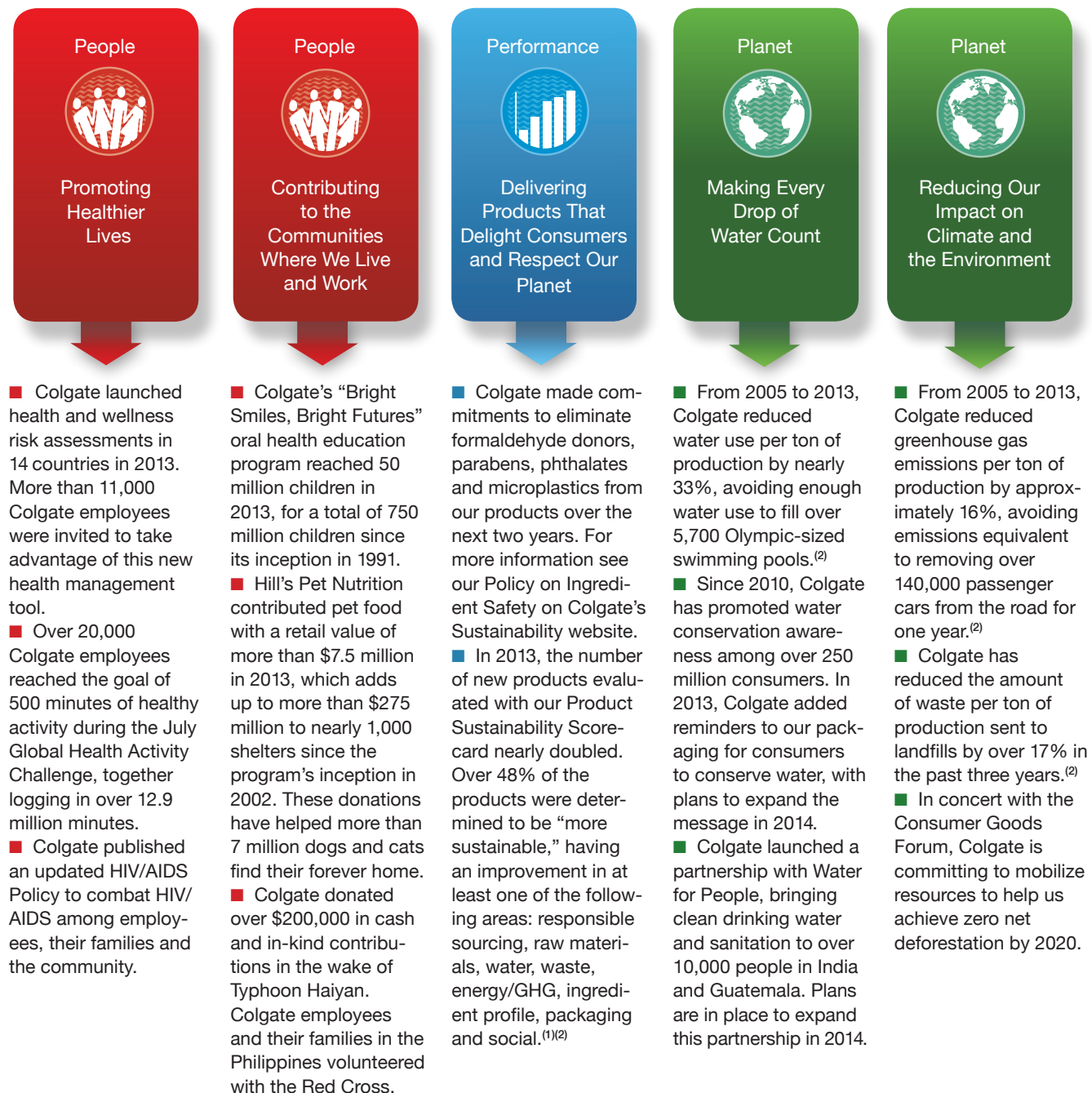
<sup>(2)</sup> Vs. 2005

<sup>(3)</sup> Baseline year varies by geography

<sup>(4)</sup> Vs. 2010

# Progress to Date

Colgate is pleased to report great progress in 2013 on our 2011 to 2015 Sustainability Strategy commitments. In 2013 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 selected for the CDP Carbon Disclosure Leadership Index. Colgate was also recently named a U.S. EPA ENERGY STAR 2014 Partner of the Year with Sustained Excellence in Energy Management. In addition to the highlights below, more about Colgate's Sustainability Strategy progress is available on Colgate's Sustainability website at [www.colgatepalmolive.com](http://www.colgatepalmolive.com).



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

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

# Recent Commitments

## Recent Commitments

Colgate has made several bold commitments to sustainability in recent months. Listening to consumers, external groups and other stakeholders, we have published new policies on Ingredient Safety and No Deforestation and updated our HIV/AIDS policy. We have made strong commitments to reduce energy and greenhouse gas emissions and to improve packaging sustainability.

### No Deforestation

Forests are vital to life on earth. It is estimated that over the past 50 years, about half of the world's original forests have been lost, significantly impacting biodiversity, social stability and climate change. As a member of the Consumer Goods Forum (CGF), Colgate has committed to mobilize resources to help achieve zero net deforestation by 2020. In consultation with key stakeholders such as Greenpeace, we developed a new policy detailing our commitment and our sourcing strategies for pulp and paper, palm oil, tallow and soy.

### Climate Change

Colgate has long been focused on reducing energy and carbon emissions. We have reported to CDP (formerly Carbon Disclosure Project) since 2004, and have been selected for their Carbon Disclosure Leadership Indices several times. Until now, our goals have focused on energy use per ton of product. Given the urgent need for action on climate change and reflecting our values of Caring and Continuous Improvement, we consulted with Walden Asset Management to develop rigorous goals for the next phase of our strategy. We are pleased to announce our commitment to reduce carbon emissions on an absolute basis by 25 percent compared to 2002, with a longer-term goal of a 50 percent absolute reduction by 2050 compared to 2002. These goals are in line with the CDP and World Wildlife Fund report – *The 3% Solution* – and will allow us to play our part in limiting global warming to 2°C, as recommended by the Intergovernmental Panel on Climate Change. We thank Walden Asset Management for helping us to shape our strategy.

### Ingredient Safety

The decisions we make on ingredients are based on a thorough evaluation of the latest scientific evidence. Where we see opportunities regarding ingredients that are raising consumer questions, we substitute other safe ingredients that provide the same or better benefits without sacrificing quality. Through this ongoing effort, we no longer use – or are on our way to eliminating – some of the ingredients currently raising consumer questions. In our Policy on Ingredient Safety, Colgate made commitments to eliminate formaldehyde donors, parabens, phthalates and microplastics from our products over the next two years.

### Packaging

Colgate is committed to improving the sustainable profile of our packaging, and we have already exceeded our goal to increase recycled content by 20 percent by 2015. In consultation with As You Sow, Colgate has developed new commitments for 2020. We will increase the recycled content in our packaging to 50 percent and improve the recyclability of our packaging, committing resources to enable breakthrough innovation in oral care packaging. We will also work with stakeholders to drive continuous improvement in local recycling systems. We will continue to evaluate new package designs with a Life Cycle Analysis (LCA) tool in order to optimize our packaging.

### HIV/AIDS

Colgate's first HIV/AIDS program began in 1986 in Brazil. In 1990, a group of interested South African Colgate employees developed what has become the model for Colgate's global HIV/AIDS initiatives. Since then Colgate has worked to promote education and awareness, provide training for employees and their families, promote access to treatment, develop partnerships with third parties and ensure non-discrimination. We updated the HIV/AIDS policy in 2013 to reflect current practices and highlights, and we are also working internally to review benefit plans and opportunities for HIV testing.



# People

For over 200 years, Colgate has been committed to “People.” From the near 37,400 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.

## At a Glance

**37,400**

employees  
around the world

**750** Million

children reached  
in 80 countries by  
Colgate’s “Bright Smiles,  
Bright Futures”  
Oral Health Education  
Program since 1991

**62.5** Million

reached about the  
importance of  
handwashing with  
soap in 2013

**7** Million

pet adoptions  
supported by Hill’s Pet  
Nutrition in 2013

**12.9** Million

minutes of healthy activity  
logged by Colgate  
employees in July 2013,  
as part of Colgate’s  
Live Better program



## 2013 Awards Highlights



Corporate Responsibility Magazine's 100 Best Corporate Citizens



2013 Working Mother 100 Best Companies



DiversityInc Top 50 Companies for Diversity 2013



World's Most Ethical Companies

## Colgate People

Colgate's people help our business continue to thrive. In turn, the Company is committed to helping people thrive. Through training, career development and wellness programs, Colgate helps employees stay healthy, engaged and focused on delivering products and services that meet or exceed expectations.

### Striving to Be an Employer of Choice

We are committed to attracting, developing and retaining talented and dedicated people by:

- Providing a stimulating career with training, education, and growth opportunities
- Creating an exciting and motivating work environment
- Ensuring that people feel recognized and rewarded
- Providing leadership development programs
- Supporting activities that reflect our corporate values of Caring, Global Teamwork and Continuous Improvement
- Recruiting and retaining people of all backgrounds in our global workforce
- Promoting healthier lives for our employees
- Encouraging a healthy balance between work and personal responsibilities

Our training programs provide opportunities for Colgate people to keep current in their assignments, to gain valuable new skills and to enable them to grow for the future. Employees can select from a broad array of training programs offered in a traditional classroom format, through virtual and teleconference classrooms, or through online self-paced e-Learning. In most cases, employees participate in an annual Individual Development Planning process with their manager to agree on an annual learning and development plan. In 2013, employees completed 202,446 total hours of training in our global curriculum, as well as additional hours of locally required safety, environmental and other regulatory training.



### Rewarding Good Ideas

The Chairman's Global "You Can Make a Difference Award" recognizes individual employees or teams who exhibit innovation, ingenuity, and executional excellence while driving our strategic initiatives.



## People

### Health, Wellness and Safety

Keeping Colgate people healthy in both body and mind is a strategic focus for the Company and part of our 2011 to 2015 Sustainability Strategy. Colgate's wellness initiative – Live Better – encompasses physical, emotional and financial wellness, and encourages holistic health for all employees and family members. Colgate provides Live Better events, activities and resources all around the world to support employees in their efforts. Our goal is to reduce employee health risks by at least 15 percent by 2015.

A key Live Better activity is the annual Global Healthy Activity Challenge, which encourages employees to track and log at least 500 minutes of healthy activity in one month. In 2013, over 20,000 employees reached their goal and logged in over 12.9 million minutes. Colgate also launched health and wellness risk assessments in 14 countries in 2013. More than 11,000 Colgate employees were invited to take advantage of this new health management tool.



"Living Better" through Soccer in Vietnam

### 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, the National Association for Female Executives (NAFE), Working Mother Media, DiversityInc, LatinaStyle and Catalyst to develop an effective and supportive work environment. Programs vary by geography, but in many locations the Company provides child care options, as well as other flexible work arrangements.

### Living Better at Colgate



Opportunities for  
exercise and  
healthy activities



Access to voluntary  
Health and Well-  
being Assessment tool



Yearly focus areas  
such as  
nutrition or resilience



Financial  
planning resources



Resources for  
balancing work and life



Job search engine  
Indeed named Colgate  
one of the 25 Big  
Companies with the  
Best Work-Life Balance



## Employee Safety

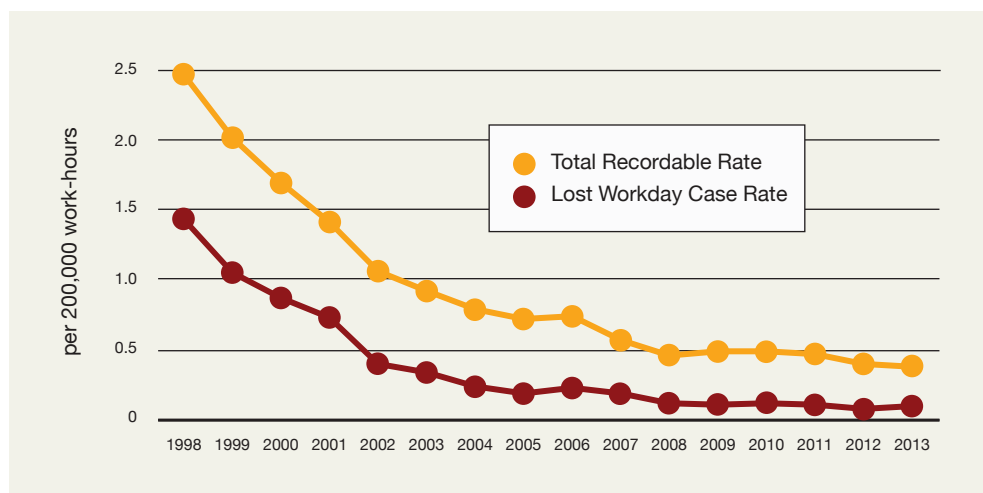
Colgate continued our best-in-class safety performance in 2013 and expects to remain in the first quartile of Mercer ORC benchmarked companies for the seventh consecutive year.

Every Colgate facility is responsible for implementing global Occupational Health and Safety Standards, and undergoes comprehensive Environmental, Occupational Health and Safety reviews and audits against these Standards.

To further reaffirm our safety culture, each year Colgate technology centers, warehouses and manufacturing sites sponsor a Safety Week event around themes such as preventing slips, trips and falls, ergonomics and recognizing hazards. Most events include Colgate families with both fun and educational activities.



Colgate's worldwide "Be Colgate Careful" safety campaign reminds our people to be aware and alert to avoid slips, trips, falls, spills and other accidents.



Global Safety Statistics

## Labor Rights

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; providing employees with 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 Supply Chain information, see section on Colgate's Supplier Responsible Sourcing Standard, pages 43-44, or Colgate's Supplier Code of Conduct.

## People

### Diversity and Inclusion

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 ethnicity 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.

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.

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

### A Selection of Colgate Network Groups

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

## PARENTS NETWORKING LUNCH

Sponsored by the Colgate Parents Network

**Monday, October 21**  
12:00 - 1:00 pm

Speaker:  
Delano E. Lewis  
member of Colgate's  
Board of Directors

### Leading to Win:

A Discussion with Delano E. Lewis

**Wednesday, June 19**  
12:00 pm to 1:00 pm - Learning Center 3

For more info, visit ourColgate > Colgate News > Park Ave

You're invited to  
**"LEAN IN"**

- View the Sheryl Sandberg TED presentation
- Join the book discussion

**Monday, Sept 23**  
12 noon to 1 pm - LC3

All are welcome  
Note: this is a repeat of the June 25th event

### Diversity at Colgate

**39%**

women in  
global workforce

**34%**

women in management  
positions (Global)

**37%**

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

## 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'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 the Governance section of Colgate's website for more information.



Colgate named to  
2014 World's  
Most Ethical  
Companies list by  
Ethisphere Magazine

### Code of Conduct and Global Business Practices Guidelines

Colgate's Code of Conduct certification and training process reinforces the Company's expectations regarding acceptable and appropriate employee behavior. In 2013, all Colgate people underwent training and certification on the Code of Conduct. Our audit firm, PricewaterhouseCoopers LLP, audits a cross section of these certifications.

Colgate's Global Business Practices Guidelines provide further information to our employees on 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 when it comes to employee misconduct.

We also conduct a Compliance Risk Assessment annually to ensure continued progress in this area.

### No 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 Global 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.

### Anti-Bribery

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.

See the Global Ethics and Compliance section of Colgate's website for more information.



## People

### Contributing to Communities

#### Promoting Oral Health

Many children around the world do not have access to basic dental care and education. As a leading provider of oral care products, Colgate has a unique ability to educate and improve the oral health of children and their families. Colgate's flagship "Bright Smiles, Bright Futures" (BSBF) program is among the most far-reaching, successful children's oral health initiatives in the world. With long-standing partnerships with governments, schools and communities, BSBF has reached more than 750 million children and their families across 80 countries since 1991, with a goal to reach one billion children by 2020.

Through BSBF, Colgate 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.

Colgate is a founding and principal sponsor of the Global Child Dental Fund, which is carrying out the vision of the World Health Organization (WHO) to eliminate cavities in children by 2026. Colgate partners with ministries of health and dental associations around the world to expand the reach of BSBF and oral care education.



"Bright Smiles, Bright Futures" in Brazil

#### Oral Health Care 2013 Highlights

50 million children  
reached through  
BSBF in 2013

Launched new  
education program in  
schools in Vietnam

Partnered with  
the Brazil Ministry of  
Health to train  
10,000 "Community  
Health Agents"

Partnered with over  
2,000 Teach for America  
educators to reach  
U.S. children on  
Smile for Picture Day

884 children received  
reconstructive surgery  
through Operation Smile  
sponsorship  
in Latin America

## People



“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 2013 Highlights

62.5 million children and their families reached in 2013

■  
Global Handwashing Day celebrated October 15 with awareness campaigns and events

■  
6.5 million children reached in Latin America through awareness building and education

■  
Handwashing education materials provided to over 8,000 preschools in South Pacific region

■  
Reached more than 78,000 people in Senegal and Cameroon with education and awareness to prevent the spread of cholera

### Handwashing Education

The simple act of washing hands with soap is one of the most effective ways to prevent disease transmission, especially in children. 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’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 goal is to raise handwashing awareness in over 50 million households by 2015. We are excited to have exceeded our goal, reaching over 62.5 million people in 2013 alone through media campaigns and advertising, educational programs in schools and in-store handwashing demonstrations.



Handwashing Education in South Africa



## People

### Contributing in Times of Need

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

- After Typhoon Haiyan, Colgate together with employees, donated over \$200,000 in funding and in-kind donations. Employees and their families in the Philippines were safe and were able to assist in the relief effort.
- After Hurricane Sandy in 2012, Colgate joined employees to donate over \$260,000 in funding and \$289,000 in in-kind donations.
- In the 2013 holiday season, Colgate donated 20,000 kits containing oral care and personal care products to families in need around the New York City area.

### Helping Pets Find a Home

Through the Hill's Food, Shelter & Love program, Colgate 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 \$7.5 million in 2013, which adds up to more than \$275 million to nearly 1,000 shelters since the program's inception in 2002. These donations have helped more than 7 million dogs and cats find their forever home.



7 Million Dogs and Cats Adopted since 2002

## People

### 2013 Global Contributions

**\$35.7** Million



### Spreading Smiles Across Europe

Campaigns across Europe in 2012 and 2013 invited consumers to “donate” a smile online. For every smile photo uploaded, Colgate donated to children’s charities.

### Tom’s of Maine Goodness Grant

Tom’s of Maine donates 10% of profits each year to nonprofit, community-based organizations.



## Contributions

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

Colgate’s giving priorities are creating educational opportunities, advancing health and well-being, and engaging Colgate people.



### Colgate Women’s Games

Since 1973, we have sponsored the Colgate Women’s Games, in which girls and women in elementary school through college and beyond compete in track and field events. The Games is the largest women’s indoor track and field series in the U.S. and helps young girls and women develop a strong sense of personal achievement and self-esteem. Colgate provides educational grants to about 40 winners each year. Since its start, the Games has produced more than 20 Olympians, hundreds of national champions and countless changed lives.



## People

### 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 have created ways for Colgate people to volunteer with our “Bright Smiles, Bright Futures” (BSBF) program and other Colgate-sponsored activities, and we are building more programs each year. Colgate people are eager and enthusiastic volunteers. Here are just some examples from around the world.



In June 2013, over 800 Colgate people across the U.S. rolled up their sleeves and contributed to local communities during the first annual Colgate Cares Day. Volunteers gave their time to deliver meals to homebound seniors, paint and organize a local school, share the BSBF program, and assemble arts and crafts kits for local children’s hospitals.

In Latin American subsidiaries including Mexico and Brazil, Colgate people are trained to teach children in the local community through BSBF. Brazil employees are trained to be “Agentes do Sorrisos” or “Smile Agents.”

Tom’s of Maine celebrates an annual Goodness Day when every employee can volunteer in the community. In 2013, the team planted vegetation and restored the lodge at the Mount Agamenticus Conservation Region.



Supporting Colgate’s partnership with Water For People (see page 36), Colgate people in Guatemala volunteered in communities that received clean water. Employees built a playground, fixed desks and brightened up the new water station with a colorful mural. Colgate volunteers also taught the BSBF and handwashing programs to children in the community.

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 Day of Caring each year, during which employees volunteer as teams to help improve the community, with jobs such as cleaning up summer camp sites and painting at local day care centers.



Colgate people in South Africa celebrated Mandela Day in 2013 by making lunch for underprivileged children at a local school.

# Performance

Colgate continues to demonstrate outstanding financial performance year-on-year. But “Performance” is more than just financial strength – it is our commitment to grow the business with innovative, more sustainable products that make the lives of consumers healthier and more enjoyable.

## At a Glance

**\$17.42** Billion  
Worldwide sales 2013

**58.9%**  
Gross profit  
margin fourth quarter 2013

**48%**  
Improved sustainability  
profile in over  
48% of new products

**40%**  
Approximately 40%  
of our packaging  
materials globally come  
from recycled sources

**13,150**  
active patents  
support our innovation

**2/3**  
of the world's  
households purchase  
Colgate products

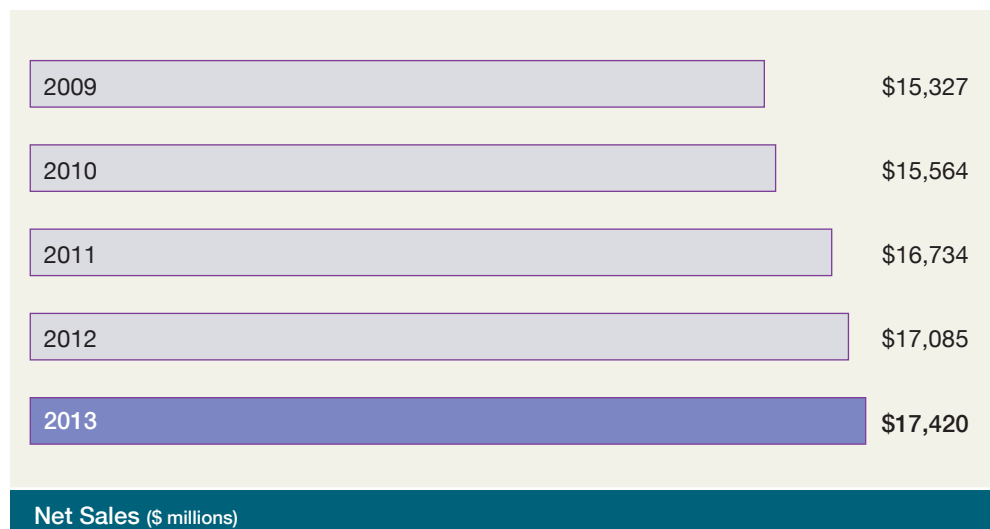




## Performance

### Financial Strength

For the full year 2013, worldwide net sales were \$17,420 million, up 2 percent versus full year 2012. Our market share in both toothpaste and manual toothbrushes remains strong. Our global market share in mouthwash continues to grow, reaching a record high of 17 percent.



Additional 2013 business highlights can be found in Colgate's 2013 Annual Report.

In 2013 Forbes named Colgate one of the World's Most Valuable Brands, Most Innovative Companies and 25 Most Reputable Companies

### Consumer-driven Innovation

Every day, people around the world use Colgate products to care for themselves, their families and their pets. Two-thirds of the world's households purchase Colgate products. Colgate delights shoppers with innovative products that meet their needs, exceed their expectations and add value to their lives.

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



Based on consumer insights in China, Colgate launched the first ever tea-flavored mouthwash. Colgate Plax Tea mouthwash has also been highly successful in other Asian markets, Australia, Europe and South America.

## Engaging Customers

Colgate partners with hundreds of thousands of retail stores, large and small, to sell our products around the world. Treating all retail customers with fairness and integrity is a priority. Working closely with our 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 our performance across key markets.

Colgate also partners with key customers to advance our mutual sustainability goals. We often partner to engage consumers with programs such as our "Bright Smiles, Bright Futures" oral health education program, Operation Smile and Terracycle. We also regularly report to several retailers through product stewardship surveys.



### Partnering in Brazil

In Brazil, Colgate has partnered with Walmart on two successful "End-to-End" projects. Making changes to a shopper pack of toothpaste and soap reduced greenhouse gas emissions, plastic and fuel use. Improved efficiency brought greater speed-to-market, a win-win for both Colgate and Walmart. In-store displays also encouraged shoppers to recycle our products through the Terracycle program.



## Performance

### Improving Product Sustainability

We are continuously working to develop products that have a reduced impact on the planet. Collaborative teams across the Colgate world are coming together to develop products with an improved sustainability profile that continue to meet and exceed consumer expectations.

As part of our 2011 to 2015 Sustainability Strategy, we have committed to increase the sustainability profile in all new products we produce and in the balance of our portfolio. We are embedding this goal across all categories. Each global category – Oral Care, Home Care, Personal Care and Hill's Pet Nutrition—has specific goals built into the Technology Category Strategies. For example, Home Care has goals to improve ingredient biodegradability and to engage with suppliers on green chemistry. Within the Oral Care category, we have goals to evaluate novel materials and to expand our partnership with eco-innovator Terracycle.

In order to measure progress toward our 2015 goal, Colgate began evaluating new products using a Product Sustainability Scorecard in 2012. Colgate engaged Pure Strategies, a leading sustainability consultant to validate our Product Sustainability Scorecard and 2013 results. Pure Strategies provided the following validation statement in regard to the Colgate Product Sustainability Scorecard: “Nothing came to our attention that caused us to believe that Colgate’s Product Sustainability Scorecard could not be used to track progress on improving the sustainability profile of new products and the balance of their portfolio.” The scorecard rates products with 32 parameters across eight impact areas: Responsible Sourcing, Materials, Energy and Greenhouse Gases, Waste, Water, Ingredient Profile, Packaging and Social Impact. We improved the sustainability profile in over 48% of new products in 2013.<sup>(1)</sup>



We improved the sustainability profile in over 48% of new products and the balance of our portfolio in 2013.<sup>(1)</sup>



Colgate is committed to both the American Cleaning Institute's and the European International Association for Soaps, Detergents and Maintenance Product's Charter for Sustainable Cleaning.



### Scorecard Validation



Colgate engaged Pure Strategies to validate our Product Sustainability Scorecard.

(1) The performance results are based on representative products from the product portfolio evaluated against comparable Colgate products across eight impact areas to characterize likely improvement in the sustainability profile, based on review of quantitative and qualitative data. At the time of publication of this report, data validation of the percentage determined to be “more sustainable” was still ongoing.

## 2013 Product Highlights



Palmolive Antibacterial Foaming Hand Wash in the South Pacific contains the naturally-derived antibacterial ingredient lactic acid.



Softlan fabric softener in Asia has an improved preservative system.



Bottles for Colgate Total Advanced Pro-Shield mouthwash in the U.S. are sourced domestically, reducing greenhouse gas emissions associated with shipping long distances. Colgate Total mouthwash kills 99% of germs.

Ajax cleaner in Europe has an improved ingredient sustainability profile, is now concentrated, requires less energy for manufacturing, reduced greenhouse gas emissions during transport, and the bottle is made from up to 60% of recycled material.



In Latin America, we improved Colgate Luminous White Advanced toothpaste to provide consumers with a more efficacious whitening formula and reduced package weight.

Cold Power laundry detergent in the South Pacific is specially formulated to work in cold water. A “Wash Smarter” campaign and mobile app launched in 2013 provided consumers with additional resource-saving tips.



## Performance

### 2013 Product Highlights



Hill's Ideal Balance Grain Free dry cat food requires less energy and water for manufacturing than its predecessor.



We improved the preservative system and removed microplastic beads in Irish Spring Deep Action Scrub in North America. We also reduced waste in the manufacturing process.



A change in manufacturing across the Colgate Total line in Europe reduced energy use, water use and waste in the manufacturing process.

New Suavitel Goodbye Ironing Complete formula in Latin America is a no-rinse fabric softener that also reduces drying time – saving consumers time, water and energy.



Colgate Plax mouthwash in Latin America is alcohol free and has an improved ingredient sustainability profile and a clinically-proven germ benefit.



Colgate continues strong sales of more sustainable product options introduced in the past few years, including Palmolive Antibacterial, with lactic acid; Palmolive eco+ automatic dishwasher detergent, which is phosphate free; Palmolive pure + clear, which has no unnecessary chemicals or heavy fragrances; the Sanex Zero% range, specifically developed to contain a reduced number of chemical ingredients; the Natura Verde line of Ajax, Palmolive, Softlan and Soupline in Europe, with natural ingredients and bottles containing recycled plastic; and Tom's of Maine brand personal and oral care products, with natural ingredients.



## Performance

### Recycled Content

Approximately  
**40%**  
 of our packaging  
 materials globally come  
 from recycled sources.  
 We have achieved  
 our goal to increase  
 recycled content by

**20%**



### Policy on No Deforestation

We are taking steps to optimize the use of wood fiber in packaging, assess the risk of controversial sources of pulp and paper in our supply chain and obtain external verification for the supply in high-priority countries. See page 45 or Colgate's Policy on No Deforestation for more information.

### Focus on Packaging

Colgate is committed to improving the sustainability profile of our packaging. Our 2015 goal is to increase the amount of recycled content in our packages by 20 percent vs. 2010. Colgate's packaging organization continually evaluates materials and processes that can improve the sustainability profile of our packages. We actively take steps to ensure the responsible design of our packages by using the minimum amount of packaging material while ensuring the package is designed to protect the product, be convenient and safe for consumer use, and maintain on-shelf presence.



We improved packaging for Colgate Sensitive Pro-Relief in Latin America, removing an inner leaflet and reducing overall packaging by 2.5 grams.



Sard Wonder Brush laundry pre-spotter in the South Pacific uses less plastic compared with previous prewash stain-stick.



We removed PVC from the packaging of the Colgate 360 Total Advanced manual toothbrush in North America, reducing packaging waste by 17% and making the packaging fully recyclable.



Softlan Magic Moments fabric softener in Asia is now concentrated, increasing the number of wash loads per bottle and reducing packaging waste.



In North America, a Colgate Total "unicarton" replaced "twin packs," improving manufacturing and logistics efficiency and reducing packaging.



## Performance

### Focus on Ingredients

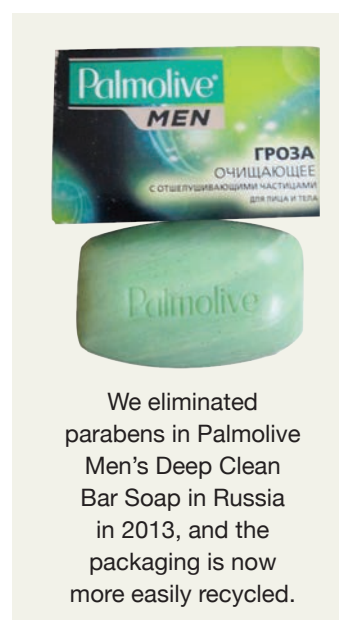
Consumers trust Colgate products because of their reliability, quality and superior performance. Colgate's robust Research and Development program is designed to provide effective and safe products.

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

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

#### Ingredient Highlights

- 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.
- On average, on a percentage-by-weight basis, over 88 percent of organic compounds used in our products are readily biodegradable in the environment.



#### Ingredient Safety Policy



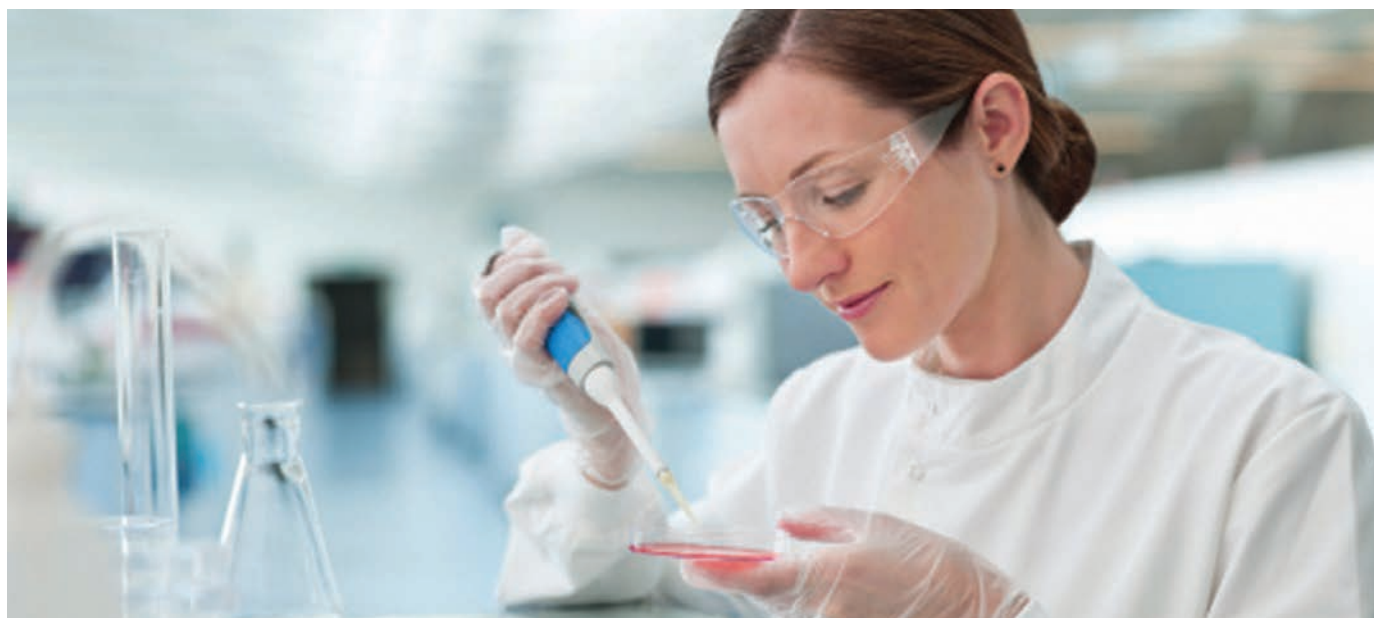
In 2013, Colgate made commitments to eliminate formaldehyde donors, parabens, phthalates and microplastics from our products over the next two years. See our Policy on Ingredient Safety for more information.

## Product Safety Testing

Colgate has a long-standing 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 \$1 million annually on research with non-animal alternatives. We also work closely with worldwide regulatory agencies to examine how non-animal tests can be incorporated into their safety requirements for consumer products.

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

Since 2011, Colgate has been recognized on the People for the Ethical Treatment of Animals (PETA) “Working for Regulatory Change” list to promote corporate activism in alternatives research. Colgate-Palmolive was the first company to meet PETA’s stringent requirements.



### 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

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. We are making progress in each of our planet goals, and working with partners and consumers to make "Planet" a priority.

## At a Glance

**16%**

reduction in greenhouse gas emissions and 17% reduction in energy per ton of product manufactured in 2013 vs. 2005

**32%**

reduction in water use per ton of product manufactured in 2013 vs. 2005

**17%**

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

**7%**

of our manufacturing capital invested in projects that protect the planet

**60%**

Over 60% of our manufacturing facilities have achieved U.S. EPA ENERGY STAR Challenge for Industry Recognition





## Reducing Energy Use and Greenhouse Gas Emissions

We believe businesses have a vital role to play in mitigating climate change, and we are committed to continuously improving our greenhouse gas governance and performance around this challenge.



Colgate named a U.S. EPA ENERGY STAR Partner of the Year 2014 for the 4th year in a row, and 61% of our manufacturing facilities have achieved U.S. EPA ENERGY STAR Challenge for Industry Recognition

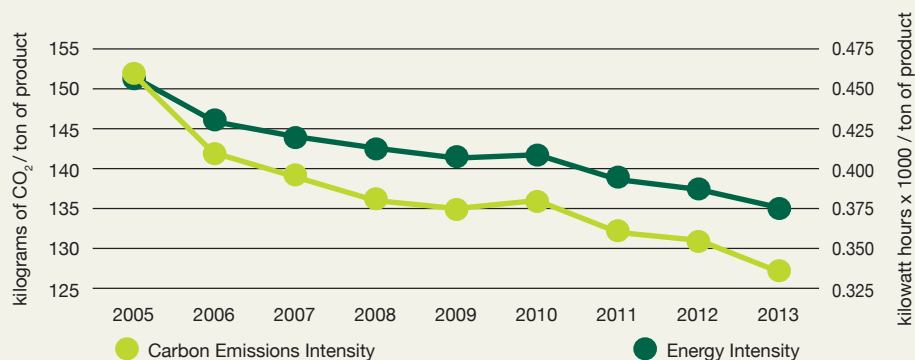


### Reducing Energy in Colombia

Our 2015 goal is to reduce the energy consumption and carbon emissions per unit of production associated with the manufacture of our products by 20%. We are on track for this reduction, with a 17.1% reduction in energy, and a 16.3% reduction in carbon emissions per unit of production in 2013 vs. 2005.



Colgate has reported to CDP on our carbon emissions since 2004. In 2013 we were named to the Carbon Disclosure Leadership Index.



### 2005 to 2013 Manufacturing Carbon Emissions and Energy Intensity

## Announcing Our New Climate Change Commitment

By 2020 we will reduce carbon emissions on an absolute basis by 25% compared to 2002, with a longer term goal of a 50% absolute reduction by 2050 compared to 2002. These goals are in line with the CDP and World Wildlife Fund report – *The 3% Solution* – and will allow us to play our part in limiting global warming to 2°C, as recommended by the Intergovernmental Panel on Climate Change.

## Planet

### Our Oral Care Carbon Footprint

In order to better understand the life-cycle carbon footprint across our global Oral Care product category, we have developed an innovative approach to estimating “Scope 3,” or indirect emissions that result from our business, but arise from sources controlled by others. We estimated that over 75 percent of our carbon footprint comes from the materials we purchase from suppliers. Currently, we are focusing on the most carbon-intensive raw materials and working with key suppliers to assess the greatest opportunities for reduction.

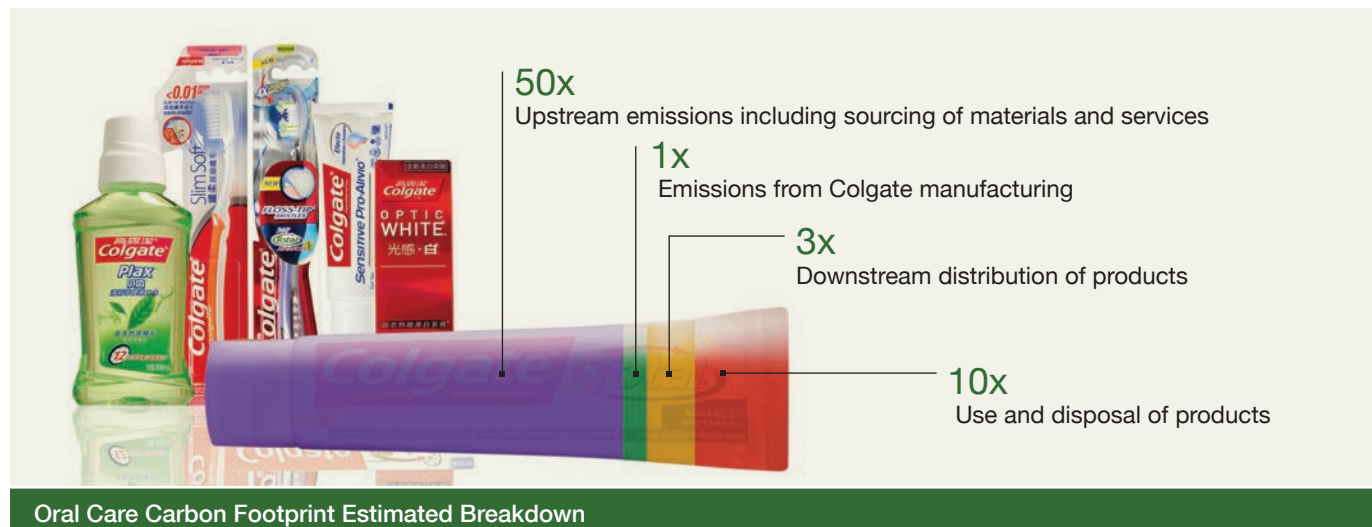


Illustration of the footprint of a consumer brushing his or her teeth with toothpaste and a toothbrush. Graphic shows a relative breakdown. “3x” is three times as large as “1x,” etc.

### Renewable Energy

We are continuing to evaluate alternative energy and renewable energy sources such as solar, fuel cells, green power and cogeneration for feasibility and applicability in various locations worldwide. We have installed on-site renewable energy in the form of solar panels in Mexico and Italy, and use solar water heating at many sites.

In 2014, Colgate plans to join the U.S. EPA’s Green Power Partnership to better understand how verified market-based renewable solutions can complement our main climate change strategy of energy efficiency everywhere.

### Moving Products to Consumers

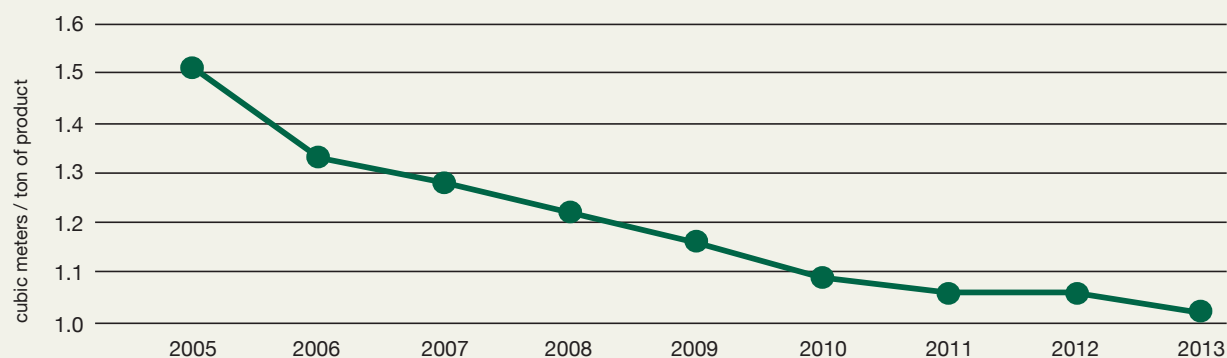
In 2013, Colgate continued an aggressive initiative to increase the reporting and analysis of CO<sub>2</sub> associated with the distribution of our products (logistics). In 2013, we estimated the carbon impact for approximately 85 percent of the movement of our finished goods. In both the U.S. and Europe, we have reduced our logistics CO<sub>2</sub> emissions by over 10 percent per ton of finished goods moved. We are also working to increase the amount of intermodal transportation — by which goods are shipped in an intermodal container or vehicle that can move through different modes of transportation, such as by sea and rail. When compared with using trucks and aircraft, intermodal transportation reduces greenhouse gas emissions and reduces cost.



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

## 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. Colgate's 2015 goal is to reduce the water consumed per unit of production in the manufacture of our products by 40 percent vs. 2005. We are on track, with a 32.4 percent reduction as of 2013.



2005 to 2013 Manufacturing Water Usage Intensity\*

\*Not including water in products



Reducing Water Use in Mexico

Our water stewardship program at our Mission Hills, Mexico, facility has been assessed as best-in-class for water management, with practices in place to reduce water use and treat wastewater for reuse.



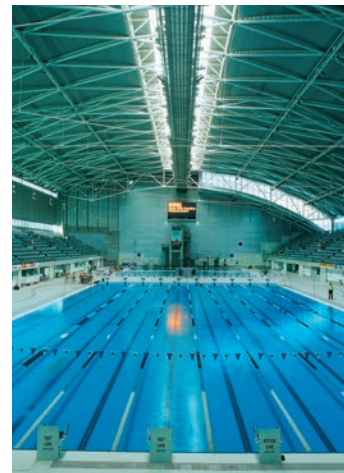
## Planet

### 2013 Water Highlights

In 2013, Colgate's Global Manufacturing Water Reduction Team delivered several exciting new improvement initiatives. The team began developing a standard Water Balance Tool for our facilities to identify and measure complex water flows throughout our manufacturing processes. This tool will assist sites in prioritizing water reduction opportunities. Additionally, the team helped develop a new Colgate Water Stewardship standard that broadens facility water programs to include water conservation, water risk assessments and technical engineering applications that help reduce water. The standard is being launched globally in 2014, supported with an e-Learning training course.

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. Colgate uses 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. We have also used the Global Environmental Management Initiative (GEMI) water management risk assessment questionnaire to help manufacturing sites in water-stressed areas evaluate their potential water risks related to water supply, reliability, economics, compliance and community relations. Additionally, we have engaged experts to undertake targeted water risk assessments at selected locations in Mexico and India. Finally, we will begin using the World Resources Institute (WRI) Aqueduct tool to assess a variety of water-related risks, including water stress, drought and flood.

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.



We have avoided enough water consumption to fill 5,700 Olympic-sized swimming pools

### Uncovering the "True" Cost of Water



In 2012, Colgate partnered with the Rutgers University Business School and its Supply Chain Management Program to develop a "True" Cost of Water Toolkit. This manufacturing-based toolkit is meant to 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.

In 2013, the "True" Cost of Water tool was launched within Colgate with broad participation from our global manufacturing sites. The results indicated an average "true" cost of water that was 2.5 times more than the purchase cost alone. This information is now being used to provide more accurate savings calculations associated with water reduction projects. In 2014, we are enhancing the toolkit to provide sites the ability to easily and consistently track their water recycling and reuse rates.



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. Colgate now sponsors 25 pumps.

### Providing Access to Water

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. To accomplish our goal, we launched our partnership with Water For People in 2013. Through Colgate’s sponsorship, Water For People reached over 10,000 people with water, sanitation systems and health and hygiene education in both India and Guatemala. Colgate also delivered our “Bright Smiles, Bright Futures” (BSBF) oral health and handwashing education programs in some of the schools that received clean water.

Colgate will continue our partnership with Water For People in 2014 to support their goal of 100 percent drinking water coverage in 30 districts across ten countries by 2018. Colgate will expand our partnership to sponsor projects in Guatemala, Peru and India.



### Partnering with Water For People in Guatemala

Colgate employees visited schools that received clean water through the collaboration with Water For People. Together they built a playground, fixed desks and brightened up a new water station with a colorful mural. Colgate volunteers also taught the “Bright Smiles, Bright Futures” oral care education and handwashing programs to children.



## Planet

### Reaching Consumers with Conservation Messaging

We are working to make products that require less water or require cold water vs. hot (thus using less energy and generating fewer emissions), including Suavitel No-Rinse Fabric Softener in Latin America, Palmolive Cold Power dish detergent in Europe, and Cold Power laundry detergent in Australia.

As many of our consumer products require water for use, 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 committed to promote water conservation awareness among over two billion consumers. So far, we have reached 250 million people with reminders on our packaging, in-store campaigns, and through our “Bright Smiles, Bright Futures” oral health and our handwashing awareness programs.

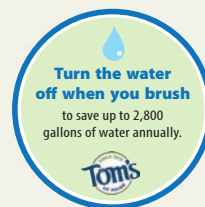
### Reducing Waste

Colgate has a 2015 target to reduce waste sent to landfills from our operations by 15 percent per unit of production. So far, we have exceeded our target, reducing waste by 17 percent in the past three years. Our sites have been working on this initiative for many years. We have developed standardized Landfill Waste Scorecards for all of our sites to help increase the visibility and understanding of our waste reduction opportunities. Additionally, we recently developed and piloted a third-party assurance program where independent auditor Bureau Veritas visited several Colgate manufacturing sites and subsequently validated our “zero” landfill waste definition and management process.



“Trash to Treasure” in the U.S.

Colgate piloted a “Trash to Treasure” event at our Cambridge, Ohio, plant in 2013 to better understand the types of trash produced at the site and identify opportunities to reduce waste. Everyone rolled up their sleeves to dig through the garbage and identify what could be recycled or reused. The plant will use the findings to further reduce waste in 2014, as Colgate rolls out the “Trash to Treasure” program at other sites this year.



Tom's of Maine partnered with grocery chain Hannaford in the U.S. during Earth Day to encourage consumers to save water.



Colgate partners with eco-innovator Terracycle in the U.S., Mexico, Brazil, Germany, Switzerland, Austria 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.

### Waste Progress

Year	Total Waste Generated (MT x 1000)	Waste Recycled/ Reused (MT x 1000)
2010	126.0	75.7
2011	129.3	80.0
2012	128.7	81.5
2013	136.5	92.2

Reduced waste sent to landfill per ton of product by

**17%**  
since 2010.



## Commitment to Sustainable Buildings

Colgate has eight Leadership in Energy and Environmental Design (LEED) certified facilities around the world and is currently working on several additional LEED construction projects in the U.S., Latin America, Asia and Europe. LEED is an internationally recognized green building certification system. 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, 61 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.



## Environmental Management

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

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 43 for more information on supplier environmental performance).

### Managing Risk

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

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

## Local Recognition

Colgate sites around the world have been recognized by organizations in their local communities for their industry-leading environmental management:

### Vietnam

Colgate's Ho Chi Minh Plant received the Green Business Award from the People's Committee of Ho Chi Minh City, Saigon Giai Phong Newspaper, and Natural Resources and the Environment Department.

### U.S.

Our Morristown, TN facility was recognized as the Tennessee Recycling Coalition's 2012 Business Recycler of the Year for implementing key recycling initiatives and establishing external partnerships.

### Mexico

The Reforestamos México A.C., a civil association, recognized our Mission Hill plant and Colgate-Palmolive Mexico for their contribution to Mexican forests and environmental protection measures.

# Spotlight on...Emerging Markets

**52%**

of Colgate's total revenue comes from emerging markets

In 2013, Colgate's organic sales in emerging markets grew a robust

**10.5%**



## Reducing Cavities by Half

Colgate's new Maximum Cavity Protection toothpaste with Sugar Acid Neutralizers, introduced last year in Brazil and Turkey, reduces early tooth decay by half when compared with toothpaste with fluoride.

## Integrating Sustainability

Colgate people in the Andina region of Latin America implemented a plan to refurbish and extend the life of wooden shipping pallets, reducing costs for the Company and saving trees.

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.

## 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.



Colgate's brand penetration is 86% in India, higher than any other global brand.

## Sustainability

Sustainable growth is an important part of our strategy in emerging markets. Each of the Colgate divisions, including Latin America, Asia, and Africa/Eurasia has established annual action plans to implement our Sustainability Strategy and report on progress.

When we manufacture in emerging market countries, all operations are required to conform to, and often exceed, applicable environmental, health and safety rules and regulations. (See page 39 for more information on Colgate's Environmental Management policies. See page 43 for information on how we are partnering with our suppliers on sustainability – in emerging markets and worldwide).



## Spotlight on...Emerging Markets

### Developing Colgate People

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

### 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 socioeconomic level, taking into account available household income and specific consumer needs. We track local purchasing power of low-income consumers in all emerging market countries to ensure affordability of our products.

In some markets, building rural distribution is challenging. We are working to develop innovative models and distribution networks to reach more consumers. For example, in India, a Colgate team developed a rural model with a network of distributors whose salespeople visited village outlets on motorbikes, taking orders on hand-held devices and then delivering stock the next day. With this model, over 1,640 new villages and 32,000 stores were brought under Colgate's direct distribution and now have access to Colgate products.

### Training in Emerging Markets

Colgate partners with the China European International Business School (CEIBS) to implement a leadership development program for Colgate leaders.



### Improving Distribution in Cameroon

A Colgate team in Cameroon recognized an opportunity to improve coverage and customer service levels in smaller towns by using "tricycles," branded motorcycles able to distribute large quantities of products in the retail environments. The new model increased deliveries per week by 500% and increased sales by 43%.

## Spotlight on...Emerging Markets



### 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, including reaching millions of children and their families through our “Bright Smiles, Bright Futures” oral health program and handwashing education.

In Senegal and Cameroon, we are fighting the spread of cholera with Pharmapur soap and La Croix bleach. Colgate partnered with local health authorities and followed Red Cross guidelines to educate consumers about purifying water and effective handwashing. Colgate reached more than 78,000 people in 2013 alone, and in 2014 we will be expanding the program to more African countries.

Colgate launched a partnership with Water For People in 2013 to reach over 10,000 people in India and Guatemala with access to clean water and health and hygiene education. Colgate also taught children about oral health care and handwashing in the schools that received clean water. We will continue our partnership in 2014.



In South Africa, Colgate sponsors the Phelophepa Train, a mobile hospital that provides healthcare in communities where medical services and infrastructure are unavailable.



# Spotlight on...Suppliers

Colgate works with thousands of suppliers worldwide who provide the goods and services required to produce and market our products. Often, much of the environmental impact of our products comes further upstream in our supply chain. Therefore, we work closely with our suppliers, as described below.

## Supply Chain Integrity

Colgate people are committed to the highest standards of integrity and full conformance 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.

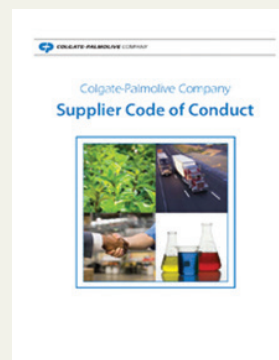
Colgate's Enhanced Supplier Management program monitors the quality and service of our suppliers in order to maintain the integrity and quality of Colgate products around the world. A key element of the program is a comprehensive audit of suppliers' facilities and operations. The program is used both for existing suppliers and for qualification of new suppliers.

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.

Additionally, Colgate's Supplier Responsible Sourcing Standard outlines the expectations of our suppliers in the areas of labor practices, human rights, health and safety, environmental management, quality and business integrity. This document supplements our Supplier Code of Conduct, sets minimum auditable expectations, and explains our Supplier Responsible Sourcing Assessment (SRSA) program.

## 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, developing mutually beneficial supply relationships. Colgate also participates as a member of the National Minority Supplier Development Council, Women's Business Enterprise National Council and the City of New York Corporate Alliance program in mentoring women-owned and diverse-owned suppliers. One of our key priorities has been the execution of Supplier Days, when we invite suppliers to Colgate for an exchange of information on capabilities and opportunities.



### Key Supplier Policies

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

### Supplier Diversity Awards

At our annual Supplier Diversity Awards ceremony, we celebrate the outstanding performance of diverse suppliers and Colgate advocates.



## Spotlight on...Suppliers

### 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

A number of programs and tools help ensure that our suppliers are operating responsibly. Through Colgate's Supplier Responsible Sourcing Assessment Program, 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. We are including this assessment program as part of our supplier qualification process.

Colgate is also a member of 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 and North America. In addition, Colgate conducts similar supplier responsible sourcing training events for our suppliers.

### 2015 Goal

**70%**

of suppliers responding to the CDP Supply Chain Partnership Survey will set an energy reduction target. So far, 57% have set a 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 2013, 17 percent more of our largest suppliers reported through the CDP Supply Chain survey than in 2012.
- Our suppliers' CDP disclosure scores, including public disclosures, significantly exceeded global averages.
- 57 percent of our suppliers responding through the CDP Supply Chain survey have set an energy reduction target.
- In 2014, Colgate has joined as a CDP Supply Chain water member to invite strategic suppliers to report on water management.
- 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 opportunities to help suppliers improve their overall competitiveness.

## Spotlight on...Suppliers



### Colgate's Policy on No Deforestation

We recently published our Policy on No Deforestation. The full policy is available on our website at [Colgate.com/Sustainability](https://www.colgate.com/Sustainability). Here are some key highlights:

It is estimated that over the past 50 years, about half of the world's original forests have been lost. This has led not just to biodiversity loss and social instability, but also furthered climate change. Deforestation of High Conservation Value and High Carbon Stock forests such as tropical rainforests and peatlands has been especially devastating to endangered animal species, and has led to significant release of carbon emissions.

We share a vision with concerned stakeholders for a future without deforestation. As a start on this journey, Colgate has joined the Consumer Goods Forum (CGF) in pledging to mobilize resources to help achieve zero net deforestation by 2020. Given Colgate's product mix and our formulas, this commitment is most relevant for four major forest commodities: pulp and paper; palm oil and derivatives; soy and soy oil; and beef tallow.

#### Pulp and Paper

Colgate will:

- Optimize the use of wood fiber, recycled content and alternative fibers
- Perform risk assessments to assure low risk of controversial sources of fiber contributing to deforestation in the supply chain
- Obtain verification that materials from high-priority countries are of low risk of coming from controversial sources contributing to deforestation

"Controversial sources" of fiber are defined as:

- Illegally harvested wood
- Wood harvested in violation of human or civil rights
- Wood harvested from forests in which high environmental, ecosystem and cultural values are threatened by management activities
- Wood harvested from forests containing protected and endangered species, including requirements of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora), where applicable
- Wood harvested from areas where significant conversion of forests and other wooded ecosystems to plantations or to non-forest areas took place after December 31, 2010

## Spotlight on...Suppliers

### Palm Oil and Derivatives

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As the next step on our journey toward sustainable palm oil, we will:

- Work with suppliers to identify potential social or environmental risk in our supply chain
- Achieve full traceability of our palm oil supply chain back to the plantation by 2015
- Where possible, increase our purchase of physical Certified Sustainable Palm Oil and Palm Kernel Oil each year
- Continue to purchase GreenPalm Certificates to cover the remaining percentage of our requirements, gradually phasing out the need for the purchase each year
- Work with suppliers who can guarantee a “formal free prior and informed consent (FPIC)” from indigenous people and local communities potentially impacted by new plantation development
- Work with suppliers who respect and comply with human and labor rights, as in all areas of our business

Further, we will require additional independent verification that the palm oil supply to Colgate does not come from areas where:

- High Carbon Stocks (HCS) and High Conservation Value (HCV) forests were deforested
- Fire was used for clearance
- Peat lands (regardless of depth) were developed into plantations or drained. We will also require best management practices for existing plantations on peat and, where feasible, peat restoration.

### Soy

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We will:

- Join and support the Roundtable on Responsible Soy
- Support efforts such as the Soy Moratorium that help minimize deforestation from soy expansion and increase transparency in the soy sector
- Map our soy usage and geography of supply
- Work with our suppliers in Brazil and any other high-risk areas to assess the availability of soy that does not contribute to deforestation, such as soy certified by the Roundtable on Responsible Soy, and will increase our purchase from these suppliers
- By 2017 we will procure soy and soy derivatives that are not linked to deforestation, verifying this through independent third-party verification and monitoring

### Tallow

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We will:

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

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See Colgate’s Policy on No Deforestation on [Colgate.com/Sustainability](http://Colgate.com/Sustainability) for the full policy.



# Spotlight on...Partnerships

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. Colgate has signed on to the American Cleaning Institute's Charter for Sustainable Cleaning, which requires companies to have systems in place for continual assessment, review and improvement of sustainability performance, including raw material selection, resource use, and occupational health and safety, at every stage of the product lifecycle.



**American Dental Association (ADA)** — Colgate is proud to partner with the ADA and the "Give Kids a Smile" program. Since 2007, Colgate has been the exclusive consumer sponsor of Give Kids a Smile, donating 300,000 toothbrushes and toothpaste tubes every year. Colgate provides our "Bright Smiles Bright Futures" dental vans to reach children in need with education, oral health screenings and, in many cases, preventative treatment.



**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.



**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 its collective commitments related to sustainability and climate change – including the effort to help achieve zero net deforestation by 2020.



**Environmental Defense Fund Climate Corps** — Colgate and Tom's of Maine each hosted a Climate Corps fellows in 2013 to help identify energy and carbon reduction opportunities related to energy efficiency. Colgate will again host a fellow in 2014.



**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 Task-force. We established this group in partnership with the World Health Organization with the goal of eradicating dental cavities in children globally by 2026.

## Spotlight on...Partnerships



**Greenpeace** — Colgate consulted with Greenpeace to develop our Policy on No Deforestation, published in 2014.

**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.

**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.

**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 of the EPA's industrial sector and has been named an ENERGY STAR Partner of the Year for four years in a row. Additionally, 61 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. Colgate is also a Charter Member of the USGBC LEED Manufacturing User Group: Industrial Facilities, which actively engages in the advancement of green building practices for manufacturing sites.

**Terracycle** — Over two million people around the world are collecting used Colgate packaging to be made into new products by Terracycle. To date, Colgate partners with Terracycle in the U.S., Mexico, Brazil, Germany, Switzerland, Austria and Argentina.

**Walden Asset Management** — Colgate consulted with Walden Asset Management to develop our new climate change commitments and our 2015 to 2020 Strategy.

**Water For People** — Colgate launched our partnership with Water For People in 2013. Through Colgate's sponsorship, Water For People reached over 10,000 people with new clean, drinkable water, sanitation systems and health and hygiene education in both India and Guatemala. Colgate also delivered our "Bright Smiles, Bright Futures" (BSBF) oral health and handwashing education programs in the schools that received clean water.

# Continuing Our Journey

Colgate people everywhere should be proud of our progress. We have accomplished a great deal in our sustainability journey, but there is still more to do. Continuing to meet our goals for 2015 and beyond will require enhanced focus and the continued enthusiasm and commitment of Colgate people around the world. Here are some of the areas that remain for us to focus on in order to meet or exceed our strategic goals:

## People



- Encouraging and joining in on healthier living for Colgate People and their families in order to reduce employee health risks by 15% and health costs by 5% by 2015
- Continuing to invest in the communities where we live and work to reach our goal of contributing \$300 million to communities by 2015. This includes funding, volunteerism, and working together to improve the lives of underserved people and communities near where we live and work.
- Sustaining enthusiasm and commitment in the midst of challenging economic and social change

## Performance



- Integrating sustainability early in our product development process to accelerate improvements in product sustainability
- Continuing to seek ingredients that have a more sustainable profile and meet or exceed consumer expectations
- Increasing the recyclability and recycled content of our packaging
- Continuing to build relationships with suppliers, customers, consumers and other key stakeholders in order to learn from each other and work together to help build a more sustainable world

## Planet



- Engaging in market-based renewable energy solutions while continuing to reduce our own carbon footprint
- Promoting water conservation awareness among over two billion consumers, including launching our new “Save Water” logo and communications
- Helping others to bring clean water, oral care and hand-washing awareness to their communities, thereby improving their overall health
- Engaging our upstream supply chain to reduce energy, greenhouse gas emissions and waste associated with the ingredients we purchase
- Engaging a complex forest commodity supply chain to meet the goals outlined in our Policy on No Deforestation

We are confident that with the continued efforts of Colgate people and our partners, and a sharp focus on integrating sustainability into the business and meeting our goals, we will continue “Giving the World Reasons to Smile” for years to come.



# Key Performance Indicators

People	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Average number of employees	37,700	36,600	36,000	35,800	34,700	36,000	36,600	38,100	39,200	38,600	37,700	37,400
Total recordable rate <sup>1</sup>	1.06	0.92	0.79	0.72	0.74	0.57	0.46	0.49	0.49	0.47	0.40	0.38
Lost workday case rate <sup>2</sup>	0.40	0.34	0.24	0.19	0.23	0.19	0.12	0.12	0.12	0.11	0.08	0.10
Safety notices of violation <sup>3</sup>	2	0	1	1	0	0	5	2	0	2	0	3
Safety fines paid (\$) <sup>4</sup>	12,000	0	5,245	300	0	0	16,899	7,800	0	4,032	0	250
% Minority officials and managers (U.S. EEOC data)	n/a	n/a	n/a	24.6	24.6	24.9	27.2	27.2	28.9	32.11	31.0	31.0
% Minorities in workforce (U.S. EEOC data)	n/a	n/a	n/a	27.9	28.9	28.6	29.5	29.0	28.8	32.03	30.0	30.0
% Women officials and managers	n/a	n/a	n/a	29.3	30.6	32.0	32.9	36.2	36.6	38.18	33.0	34.0
% Women in workforce	n/a	n/a	n/a	34.0	36.1	37.0	38.9	40.7	40.7	39.37	39.0	39.0

Performance	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Global Sales (\$MM)	9,294	9,903	10,584	11,397	12,238	13,790	15,330	15,327	15,564	16,734	17,085	17,420
Global charitable contributions — cash (\$MM) <sup>5</sup>	n/a	n/a	7.010	7.329	7.059	8.307	9.678	20.941	17.809	17.60	32.0	25.31
Global charitable contributions — in-kind (\$MM) <sup>6</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26.334	21.85	20.05	32.0	10.38

Planet	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Energy use efficiency (kWh x 1000/ton of product) <sup>7</sup>	0.511	0.511	0.481	0.458	0.431	0.422	0.415	0.409	0.411	0.396	0.390	0.379
Water use efficiency (m3/ton of product)	1.96	1.78	1.63	1.51	1.33	1.28	1.22	1.16	1.09	1.06	1.06	1.02
CO <sub>2</sub> emissions (metric tons x 1000) <sup>7</sup>	729	734	706	699	693	689	659	647	664	661	660	664
Wastewater CODs (kg/ton of product) <sup>7</sup>	3.75	3.38	2.98	3.01	3.04	2.93	2.68	2.63	2.94	2.77	2.83	2.75
Total Waste to Landfill (kg/ton of product)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10.3	9.8	9.4	8.5
Environmental Incidents <sup>8</sup>	3	4	3	1	2	2	2	2	1	3	0	1
Environmental Notices of Violation <sup>9</sup>	5	6	5	3	0	8	8	7	2	5	5	5
Environmental fines paid (\$) <sup>10</sup>	6,620	0	0	0	0	26,200	9,057	1,000	0	50,094	1,065	38,582

<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. As of 2012, significant spills are reported, which are defined as any spills that are included in our financial statement.

<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

This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

GRI Indicator	Indicator Description	Colgate Sustainability Report Reference or Direct Answer	Other Reference
<b>General Standard Disclosures</b>			
<b>Strategy and Analysis</b>			
G4-1	Statement from the most senior decision maker of the organization	Message from Ian Cook	
G4-2	Description of key impacts, risks, and opportunities	Throughout report	10K
<b>Organizational Profile</b>			
G4-3	Name of the organization	Company Profile	—
G4-4	Primary brands, products, services	Company Profile	Annual Report
G4-5	Headquarters location	Company Profile	—
G4-6	Country operations	Company Profile	10K
G4-7	Nature of ownership and legal form	Company Profile	10K
G4-8	Markets served	Company Profile	10K
G4-9	Scale of the reporting organization	Company Profile	10K
G4-11	Percentage of total employees covered by collective bargaining agreements	Approximately 44.5%	—
G4-13	Significant changes during the reporting period	—	10K
G4-15	Externally developed charters, principles to which organization subscribes or endorses	Partnerships	—
G4-16	Memberships of associations	Partnerships	—
<b>Identified Material Aspects and Boundaries</b>			
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents	—	10K

## Global Reporting Initiative (GRI) Index

GRI Indicator	Indicator Description	Colgate Sustainability Report Reference or Direct Answer	Other Reference
<b>Stakeholder Engagement</b>			
G4-27	Key topics and concerns raised through stakeholder engagement and response	Recent Commitments	—
<b>Report Profile</b>			
G4-28	Reporting period	About This Report	—
G4-29	Date of most recent report	—	ColgatePalmolive.com/ Sustainability
G4-30	Reporting cycle	—	ColgatePalmolive.com/ Sustainability
G4-31	Contact point for questions about report	csr@colpal.com	—
<b>Governance</b>			
G4-34	Governance structure	—	ColgatePalmolive.com - Governance
G4-38	Composition of highest governance body and committees	—	ColgatePalmolive.com - Governance
G4-39	Chairman as executive officer	—	ColgatePalmolive.com - Governance
<b>Ethics and Integrity</b>			
G4-56	Organization's values, principles, standards and norms of behavior	Company Profile; People	ColgatePalmolive.com - Global Ethics and Compliance



# Global Reporting Initiative (GRI) Index

GRI Indicator	Indicator Description	Colgate Sustainability Report Reference or Direct Answer	Other Reference
<b>General Standard Disclosures</b>			
<b>Economic</b>			
Disclosure on Management Approach	Economic Performance, Market Presence, Procurement Practices	Company Profile; Performance; Suppliers	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	—	10K
EC4	Significant financial assistance received from government	—	10K
<b>Environmental</b>			
Disclosure on Management Approach	Materials, Energy, Water, Biodiversity, Emissions, Effluents and Waste, Products and Services, Compliance, Transport, Overall	Performance - Product Sustainability; Planet	—
EN2	Percentage of materials used that are recycled input materials	Performance - Packaging	—
EN3	Energy consumption within the organization	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN4	Energy consumption outside of the organization	Planet - Reducing Energy and GHG Emissions; Suppliers	CDP Climate Change
EN5	Energy Intensity	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN6	Reduction of energy consumption	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN8	Total water withdrawal by source	—	CDP Water
EN9	Water sources significantly affected by withdrawal of water	—	CDP Water
EN15	Direct greenhouse gas emissions (Scope 1)	Key Performance Indicators	CDP Climate Change
EN16	Energy indirect greenhouse gas emissions (Scope 2)	Key Performance Indicators	CDP Climate Change
EN17	Other indirect greenhouse gas emissions (Scope 3)	Planet - Reducing Energy and GHG Emissions; Suppliers	CDP Climate Change
EN18	Greenhouse gas emissions intensity	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN19	Reduction of greenhouse gas emissions	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN22	Water discharge by quality and destination	Key Performance Indicators	CDP Water
EN23	Amount of waste by type/destination	Planet - Reducing Waste	—
EN24	Number/volume of significant spills	Key Performance Indicators	—
EN27	Extent of impact mitigation of environmental impacts of products and services	Performance; Suppliers	—
EN29	Incidents/fines for non-compliance with environmental regulations	Key Performance Indicators	—
EN30	Significant environmental impacts of transportation or logistics	Planet - Reducing Energy and GHG Emissions	CDP Climate Change
EN30 EN31	Total environmental protection expenditures and investments by type	—	Annual Report

## Global Reporting Initiative (GRI) Index

GRI Indicator	Indicator Description	Colgate Sustainability Report Reference or Direct Answer	Other Reference
<b>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	—
LA5	Notice period regarding operational changes	Comply with regulations	—
LA6	Health and safety data	People; Key Performance Indicators	—
LA9	Average hours of training per year per employee	People	—
LA10	Programs for skills management/lifelong learning	People - Supporting Colgate People; Emerging Markets	—
LA12	Employee and governance body demographics	People; Key Performance Indicators	—
<b>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; Suppliers	Code of Conduct; Supplier Code of Conduct
<b>Society</b>			
Disclosure on Management Approach	Local communities, corruption, public policy, anti-competitive behavior, compliance	People	Code of Conduct; ColgatePalmolive.com - Governance
SO6	Political contributions	\$0	Code of Conduct; ColgatePalmolive.com - Governance
<b>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
PR5	Results of surveys measuring customer satisfaction	Performance	Consumer Affairs



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