Colgate Palmolive Company - Climate Change 2018

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Founded in 1806, Colgate-Palmolive is a publicly traded consumer products company with approximately $15.45 billion of worldwide net sales in 2017, serving people around the world with well-known brands that make their lives healthier and more enjoyable.

Colgate manufactures and markets a wide variety of products in the U.S. and around the world in two product segments: Oral, Personal and Home Care; and Pet Nutrition. Oral, Personal and Home Care products include toothpaste, toothbrushes and mouthwash, bar and liquid hand soaps, shower gels, shampoos, conditioners, deodorants and antiperspirants, laundry and dishwashing detergents, fabric conditioners, household cleaners and other similar items. These products are sold primarily to retail and wholesale customers and distributors worldwide. Pet Nutrition products include specialty pet nutrition products manufactured and marketed by Hill's Pet Nutrition. The principal customers for Pet Nutrition products are authorized pet supply retailers and veterinarians. Many of the products from both product segments are also sold to e-commerce retailers. Principal global and regional trademarks include Colgate, Palmolive, Speed Stick, Lady Speed Stick, Softsoap, Irish Spring, Protex, Sorriso, Kolynos, elmex, Tom's of Maine, Sanex, Ajax, Axion, Fabuloso, Soupline and Suavitel, as well as Hill's Science Diet, Hill's Prescription Diet and Hill 's Ideal Balance.

At Colgate, we understand the potential consequences of climate change, and we are committed to acting responsibly and conscientiously to protect people and the environment wherever we operate. We recognize that businesses and their suppliers, customers and consumers along with other stakeholders have a vital role to play in addressing the global issue of climate change and we are committed to continuously improving our greenhouse gas accounting processes, our performance and our governance around this challenge.

In 2014, Colgate made a bold commitment to 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.

More recently, Colgate expanded this commitment to include Scope 3 emissions. Specifically, Colgate also commits, as a way to reduce our most significant Scope 3 greenhouse gas emissions, to promote water conservation to 100% of our global consumers and reduce emissions by up to 5% from 2016 to 2022, and increase the recycled content in our packaging to 50% by 2020. Our updated goal has been approved by the Science-Based Targets initiative.

While these commitments are more recent, we started collecting and analyzing energy use data in 1998 and completed our first carbon emissions inventory in 2002. We have reported publicly on our efforts to the Carbon Disclosure Project (CDP) since 2004 and we were recognized as a member of the Carbon Disclosure Leadership Index in 2008, 2009, 2010, 2013, 2015 and we were on the Climate A List in 2016 and 2017. Colgate-Palmolive was named a US EPA Energy Star Partner of the Year in 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 for our commitment to energy efficiency on a company-wide basis. We have reduced our energy intensity by over 30% since 2002.

We have continued to expand our understanding and processes related to Greenhouse Gas (GHG) data collection and reporting and are continuing to expand the boundaries of our Scope 1, 2 and 3 emissions reporting. We continue to find opportunities beyond our own facilities to have impact on GHG emissions, in particular those related to the water and GHGs associated with the use of our products. Colgate's "Save Water" campaign has had global reach and impact on consumers behaviors as they increasingly "turn off the tap" while using many of our products. These behavior changes are having substantial impacts to our value chain carbon footprint, of which Consumer Use accounts for approximately 90%.

We will also continue to drive improvement in our Sustainability 2020 targets:
- Promote use of renewable energy and reduce absolute greenhouse gas emissions from manufacturing by 25% compared to 2002
- Reduce our manufacturing energy intensity by one-third compared to 2002
- Partner with key suppliers, customers, and consumers to reduce energy, greenhouse gas emissions and waste

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Argentina
Australia
Belgium
Brazil
Cameroon
China
Colombia
Czechia
Fiji
France
Greece
Guatemala
India
Italy
Malaysia
Mexico
Morocco
Myanmar
Netherlands
Pakistan
Papua New Guinea
Poland
Saudi Arabia
South Africa
Switzerland
Thailand
Turkey
United States of America
Uruguay
Venezuela (Bolivarian Republic of)
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Financial control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	Sustainability is integrated at the core of Colgate's overall strategy, including our brand strategy and brand purpose. Since the Board has the final decision on overall strategy, Colgate's Chairman and CEO and full Board of Directors are kept abreast of the Company's progress via regular updates and consider sustainability matters, risks and opportunities in decision-making, including those related to our climate strategy. Sustainability and climatic risk are considered an emerging risk as part of our Enterprise Risk Management planning; as part of that process, the Board is briefed on key sustainability issues. The Personnel and Organization Committee of the Board reviews the Company's sustainability and social responsibility programs and other public interest matters, including cultural diversity, equal opportunity, charitable giving, and international human rights.
Board/Executive board	Colgate's Chairman and CEO and full Board of Directors are kept abreast of the Company's progress via regular updates and consider sustainability matters, risks and opportunities in decision-making, including those related to our climate strategy. Sustainability and climatic risk are considered an emerging risk as part of our Enterprise Risk Management planning; as part of that process, the Board is briefed on key sustainability issues. The Personnel and Organization Committee of the Board reviews the Company's sustainability and social responsibility programs and other public interest matters, including cultural diversity, equal opportunity, charitable giving, and international human rights.
Director on board	The Personnel and Organization Committee of the Board reviews the Company's sustainability and social responsibility programs and other public interest matters, including cultural diversity, equal opportunity, charitable giving, and international human rights.
Chief Executive Officer (CEO)	Colgate's Chairman and CEO and full Board of Directors are kept abreast of the Company's progress via regular updates and consider sustainability matters, risks and opportunities in decision-making, including those related to our climate strategy. Sustainability and climatic risk are considered an emerging risk as part of our Enterprise Risk Management planning; as part of that process, the Board is briefed on key sustainability issues. The Personnel and Organization Committee of the Board reviews the Company's sustainability and social responsibility programs and other public interest matters, including cultural diversity, equal opportunity, charitable giving, and international human rights.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Sustainability related issues are discussed in quarterly board meetings, which may or may not include issues that are directly or indirectly related to climate change. Climate related risks and opportunities are included as appropriate during reviews with the board. This may include progress updates on climate and energy goals, supply chain programs such as energy efficiency, renewable energy and progress against science-based climate targets. Also included are relevant NGO and regulatory activities.

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Other C-Suite Officer, please specify (EVP, Chief Growth & Strategy Officer)	Both assessing and managing climate-related risks and opportunities	Quarterly
Sustainability committee	Both assessing and managing climate-related risks and opportunities	Not reported to the board
Other, please specify (VP Glb Sustainability, EOHS & SC Stratgy)	Both assessing and managing climate-related risks and opportunities	Half-yearly
Risk committee	Assessing climate-related risks and opportunities	Not reported to the board
Facility manager	Both assessing and managing climate-related risks and opportunities	Not reported to the board
Other, please specify (SVP, Investor Relations)	Other, please specify (Reviewing external messaging)	As important matters arise

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

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

A Sustainability Steering Committee composed of Colgate's EVP Chief Growth and Strategy Officer, who leads our sustainability efforts; SVP, Chief of Staff; Vice President, Global Sustainability, EHS and Supply Chain Strategy; Chief Technology Officer; Chief Human Resources Officer; Chief Legal Officer; Vice President, Global Compensation and Benefits; Chief Marketing Officer; and Chief Supply Chain Officer makes strategic decisions related to sustainability and guides the organization to meet sustainability goals. Colgate's Vice President, Global Sustainability, EHS, and Supply Chain Strategy has direct responsibility for implementing sustainability and EHS programs. For our annual corporate social responsibility report, the Global Sustainability team gathers the content cross-functionally and the Sustainability Steering Committee reviews the final report content.

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

VP, Global Sustainability, EOHS and Supply Chain Strategy, has responsibility for climate change on a day-to-day basis. Together with Colgate's Director of Environmental Sustainability, Global Supply Chain, she has global responsibility for climate change matters on a day-to-day basis. The Global Sustainability and EOHS team includes dedicated, full-time resources to execute our energy and climate change strategies. The team is responsible for engaging with Colgate teams around the world to initiate projects that save energy and reduce carbon emissions. On a local basis, site management is responsible for the site's performance against climate change goals. Local leaders are empowered to make operational decisions to meet or exceed their goals. Colgate also has a network of Division Sustainability Leaders - a senior representative from each geographic Division within Colgate, as well as from Hill's Pet Nutrition and Tom's of Maine. The leaders facilitate the implementation of the 2015 to 2020 Sustainability Strategy within each Division, communicate to Colgate people about the strategy, and report back on progress to Corporate Sustainability teams. They report directly to Division Presidents and have sustainability goals as part of their individual objectives and title.

Colgate's EVP, Global Growth and Strategy Officer, who reports to the CEO, is also responsible for global sustainability, including meeting our climate change targets.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?

Management group

Types of incentives
Monetary reward

Activity incentivized
Energy reduction target

Comment
The achievement of Colgate's global sustainability initiatives and targets, including climate change-related targets, has been added to the individual objectives used to determine the compensation for many of Colgate's managers and directors (where individual performance is a component of their compensation).

Who is entitled to benefit from these incentives?
Facilities manager

Types of incentives
Monetary reward

Activity incentivized
Energy reduction project

Comment
The achievement of Colgate's global sustainability initiatives and targets, including climate change-related targets, has been added to the individual objectives used to determine the compensation for many of Colgate's facility managers (where individual performance is a component of their compensation).

Who is entitled to benefit from these incentives?
All employees

Types of incentives
Recognition (non-monetary)

Activity incentivized
Other, please specify (Behaviour change related indicator)

Comment
Recognition for climate change issues may occur through The Chairman's "You Can Make a Difference Award" Program. Introduced in 1986, the program was created to reward Colgate people all over the world and at all levels who exhibit innovation, ingenuity and performance excellence. Many winning teams have made process changes to reduce energy, water and waste, or make other sustainability improvements.

Who is entitled to benefit from these incentives?
Energy manager

Types of incentives
Monetary reward

Activity incentivized
Energy reduction project

Comment
The achievement of Colgate's global sustainability initiatives and targets, including energy and climate change-related targets, has been added to the individual objectives used to determine the compensation for many of Colgate's energy managers (where individual performance is a component of their compensation).

Who is entitled to benefit from these incentives?
Corporate executive team

Types of incentives
Monetary reward

Activity incentivized
Emissions reduction target

Comment
The achievement of Colgate's global sustainability initiatives and targets, including climate change-related targets, has been added

to the individual objectives used to determine the compensation for many of Colgate's executives (where individual performance is a component of their compensation).

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	1	3	
Medium-term	3	6	
Long-term	6	20	

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	The results are reported to the Board or individual/sub-set of the Board or committee appointed by the Board. Geographical areas considered: Global

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

Identification of climate-related risks at company level: As part of its overall business risk assessment, Colgate monitors potential impacts related to brand reputation, operational disruption, supply availability and cost, customer/consumer awareness and NGO/regulatory activity. This is primarily done at the corporate level via the Sustainability Team, engaging with both external and internal stakeholders to understand both the level of importance and potential impacts.

Identification of climate-related risks at an asset level: Colgate uses an Enterprise Risk Management (ERM) Program to identify, prioritize and manage risks. Risks are collectively identified across the organization and are classified within the Strategic, Financial, Operational, IT, Legal & Compliance and Emerging Risk Categories. Each Risk Category is assigned to a member of Colgate's ERM Committee, who is ultimately accountable for managing the identified risk. We have Product Category Contingency Sourcing Plans, site selection protocols that consider climatic risk, Environmental Design Standards, Global Procurement Risk Management Strategy, Hurricane Contingency Planning, Logistics "Plan B", Business Readiness Planning and Property Loss Control Programs that contemplate asset and resulting revenue protection through site design and improvements. Opportunities are identified through engagement with senior leadership, Global Energy Team and external stakeholders. For each opportunity a plan is put in place to reduce our footprint, deliver savings and our support our brands.

Assessing risks/opportunities at an asset level: In addition to the ERM process, Colgate: a) Monitors and reports climate related regulatory risks/opportunities b) Annually audits strategic sites against risk management criteria c) Conducts EHS audits at manufacturing sites, technology centers and warehouses every 3 – 5 years. d) Assesses climate change-related risks on agricultural raw materials as part of Procurement Risk Management Strategy. e) Tests Business Readiness Plans annually to ensure business continuity. f) Includes the impacts of climatic events in site selection and building design guidelines.

Steps of determining the relative significance of climate-related risks: 1) Assessing potential climate vulnerabilities to ensure our business is able to recover from climatic events. 2) Our Property Loss Control Program requires our strategic manufacturing sites be highly protected against risk. Category contingency sourcing plans have been developed and executed. 3) Conducting contingency planning for anticipated climatic events to ensure continuity of operations. 4) Setting a science-based target (SBT) to reduce our absolute greenhouse gas emissions by 25% by 2020. Minimum 2% of the manufacturing capital budget is allocated for energy reduction projects. 5) Use of renewable energy 6) Assessing GHGs in our value chain. 7) Using scientifically approved scenarios for the determination of our Science Based Targets and engaged with a team of students from the MIT Sloan School of Management to better understand steps of conducting a business oriented climate related scenario analysis.

The definitions of risk terminologies used: Our Enterprise Risk Management process establishes a common framework for our risk definition. This common framework is important for our engagement through a cross-functional Committee in our analysis of all identified risks. Colgate employs three metrics when examining risk: 1) The frequency or likelihood of the risk occurring; 2) the severity or financial impact to the Company should the risk materialize; 3) the adequacy of mitigation efforts employed against the risk. These three metrics are further defined on a scale of one to four, from the least severe and to the most significant respectively. Risks are then voted onto a color-coded four-quadrant Risk Map using these metrics. Those risks which are voted into the upper right quadrant are referred to as "Red Zone" risks. While each identified risk is assigned a Risk Owner and mitigation strategies for all risks are developed cross-functionally, those risks residing in the Red Zone are prioritized for continuous monitoring and mitigation.

Definition of substantive financial/strategic impact: Our company evaluates matters on a case-by-case basis to determine whether they have a substantive financial or strategic impact on our business. As a U.S. public company, we always have in mind the U.S. Securities Exchange Commission's materiality standard, which does not have absolute dollar value or percentage thresholds. When evaluating particular matters, we would consider, among other factors, the size of the business units impacted; the size of the impact on those business units; whether the impact to the Company's business is continuing and whether the Company is able to offset such impact and the potential for shareholder or reputational impact.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Colgate's EOHS Policy states that we will comply with or exceed applicable environmental, health and safety regulations, which includes regulations associated with climate.
Emerging regulation	Relevant, always included	As part of Colgate's efforts to track and monitor regulations, we seek to identify emerging regulations which may be applicable to the company.
Technology	Relevant, sometimes included	As part of our work to develop product category specific carbon footprints, we identified high-carbon materials which have the largest impact on the products overall footprint. We then worked with our procurement team to investigate alternative suppliers and/or materials where possible. This information was also shared with our Technology organization for better understanding of the impacts of material selection in the formulation process.
Legal	Relevant, always included	Colgate's EOHS Policy states that we will comply with or exceed applicable environmental, health and safety regulations, which includes regulations associated with climate. We monitor the existing and emerging regulations on carbon emissions that might be applicable to the company, such as EU Emission Trading Scheme. In 2017 we did not need to participate in the European EU Emissions Trading Scheme due to the beneficial impact of previous energy reduction projects.
Market	Relevant, sometimes included	Consumers are increasingly purchasing products that meet their needs and have a reduced environmental & social footprint. They want to buy products from brands that they trust and expect transparency about their environmental impact. Colgate takes the change in consumer preferences into account in understanding how climate-change related topics can impact its market growth and continue to innovate to meet the needs of evolving consumer trends. Colgate has engaged certain trade partners and customers in opportunities to reduce GHG emissions associated with the use of our products. More specifically, our "Save Water" campaign has been rolled out to key customers as a way to change consumer habits on water use, which then translates into reductions in GHGs. We have included this major campaign and GHG reduction results in Walmart's Project Gigaton under Product Use.
Reputation	Relevant, sometimes included	Consumers, nongovernmental organizations (NGOs) and other external organizations expect companies to do their part in the fight against climate change. CDP, representing more than 827 institutional investors, requests our disclosure of climate change strategy and energy and greenhouse gas emissions data each year. Where applicable, Colgate integrates climate-related aspects of the company's brands and reputation. As an example, our "Save Water" campaign has been rolled out to key customers as a way to change consumer habits on water use, which then translates into reductions in GHGs. We have included this major campaign and GHG reduction results in Walmart's Project Gigaton under Product Use.
Acute physical	Relevant, always included	We include acute physical risks such as disruptions due to water, energy, floods, droughts, and sea level rise in our site contingency and recovery planning and global risk management processes. Resiliency investments are made in accordance with our Loss Prevention and 3rd party insurance assessments to address learnings from acute events.
Chronic physical	Relevant, sometimes included	Changes in weather patterns and warming of the climate have the potential to impact the cost and availability of agricultural commodities. As an example, the 2016 El Nino resulted in severe drought in South East Asia impacting supply and increased cost of coconut oil, palm oil and palm kernel oil prices. In Brazil, drought can affect herd sizes, limiting the material availability in low risks and triggering the high cost of tallow material. Colgate has a formal process to identify critical and high risk suppliers (e.g. high volume suppliers, suppliers of critical materials, non-substitutable formulas). Our segmentation and global strategic plan help us to classify materials and suppliers according to the criticality of the material segment as well as the market complexity and buyer power using a segmentation and risk assessment matrix tool. For example, as part of our risk management method, selected agricultural materials that are impacted by change in precipitation extremes and droughts are considered in this process (e.g. corn, tropical oils, tallow). Risk management plans including changes in source of supply and potential alternative formulations are in place to mitigate sourcing risks.
Upstream	Relevant, sometimes included	Climate risks associated with material supplies are considered in the context of potential disruptions to supply from severe weather events, changes in growing conditions, and cost.
Downstream	Relevant, sometimes included	Climate risks associated with downstream consumer use of our products are considered in the context of potential disruptions to water supplies needed for consumers to use our products. In addition, market and reputational risks are also part of our downstream risks due to the reasons described above, such as change in consumer preferences and NGO focus on climate-change related issues. Our "Save Water" campaign strives to raise awareness and change consumer behaviors related to saving water.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Company Level Risks/Opportunity Management:

Colgate has a well-established Enterprise Risk Management (ERM) Program and an ERM Committee, consisting of sixteen senior executives, led by the Company's Chairman and CEO, Ian Cook, and including the Vice Chairman, President and EVP Chief Growth & Strategy Officer, Chief Financial Officer, Chief Legal Officer, Chief Ethics & Compliance Officer, and representatives from every global function in the Company. The Committee meets monthly to prioritize and mitigate risks that could have negative impact on strategic and operating objectives.

Colgate identified both internal (operational, financial, legal & compliance, IT, and strategic) and external (climatic, economic/geopolitical, industry/competition, fortuitous) sources of risks. These risks are prioritized using a Risk Map, which weighs severity, probability and the strength with which the risk is currently mitigated. Each of the "Red Zone" (most critical) risks is assigned to a corporate officer to manage, test and present to the senior leadership team and to Colgate's Board of Directors. Accountability is a key differentiator of the ERM Program.

Asset Level Risks/Opportunity Management:

We have Product Category Contingency Sourcing Plans, site selection protocols that consider climatic risk, Environmental Design Standards, Global Procurement Risk Management Strategy, Hurricane Contingency Planning, Logistics "Plan B," Business Readiness Planning and Property Loss Control Programs that contemplate asset and resulting revenue protection through site design and improvements. Opportunities are also identified through engagement with senior leadership, our Global Energy Team and external stakeholders following a similar process. For each opportunity, a plan is put in place to reduce our footprint, deliver savings and our support our brands.

We produce comprehensive scenarios on market/business environment risks and natural disasters. Our Environmental, Occupational Health & Safety (EOHS) Audit teams conduct stress tests at our manufacturing and technology sites every 3-5 years. During these tests, EOHS team visits sites and analyzes their compliance with EOHS rules/regulations and Colgate's own standards. The resulting reports provide guidance for remediation actions to be completed within a certain period. Natural disaster risks are considered when deciding the location of our strategic manufacturing sites. External guidance is also provided by climate and structural consultants. Our Property Loss Control Committee (PLC) is tasked with auditing strategic site compliance with Property Loss Control standards, also covering climate-related issues such as flood elevation and windstorm exposure, focusing on anchoring, bracing, connections and other industry metrics. The PLC group is housed internally within the Risk Management Department and works closely with the Global Supply Chain.

For each risk identified a plan is put in place that includes process definition, communication plan requirements, ongoing measurement/monitoring as well as, improvement plans and training to enhance risk mitigation. Opportunities at the company and asset level are identified and prioritized through engagement with senior leadership, our Global Energy Team and external stakeholders such as USEPA Energy Star, USGBC, World Resources Institute, U.S. Green Building Council, CDP, and the Environmental Defense Fund. For each opportunity a plan is put in place to reduce our footprint, deliver savings and support our brands.

Physical risk management:

Situation: Climate change is putting pressure on the availability of fresh water, an important resource for the production and use of our products.

Task: We have to increase water efficiency and reduce consumption.

Action: In 2017 Colgate has invested ~$28M in planet projects, some of which was allocated for water efficiency in manufacturing. We also invested in educating public in water conservation. We partnered with MIT to develop a net zero water strategy to replenish water removed from highly stressed regions of operation. We continue our partnership with Michael Phelps, as the global ambassador for our Save Water campaign.

Result: 43.8% reduction in manufacturing water intensity against 2002 levels and Save Water Campaign reached to +3B people in 70+ countries.

Transitional risk management:

Situation: European EU Emissions Trading Scheme can pose financial risk if it applies to Colgate.

Task: To avoid the trading scheme with higher energy efficiency.

Action: We invested at least %5 of our capital budget to planet projects some of which include energy reduction projects.

Result: In 2017 we did not need to participate in the EU ETS Scheme due to the beneficial impact of previous energy reduction projects. If we needed to participate, the potential financial implication is estimated to be (avg.) from $120,000 to $210,000/year from 2017 onwards.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact driver

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

The European EU Emissions Trading Scheme is the cap and trade scheme that has affected two of our plants in Europe (Anzio, Italy and Compiegne, France) in the past. Sites that emit over the allowance threshold would need to purchase allowances. Over time we might expect that additional geographies and/or facilities beyond Europe may also implement climate-related trading and/or tax schemes. This has the potential to increase operating costs over time.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Low

Potential financial impact

165000

Explanation of financial impact

Compiegne, France and Anzio, Italy did not participate in the ETS in 2017 due to the beneficial impact of previous energy reduction projects. Had Colgate not implemented the programs outlined in "management methods" and needed to participate in the ETS, the potential financial implication is estimated to be (avg.) from 120K to 210K USD/year from 2017 onwards, calculated with a CO2 price of about 7 USD/ton (current) to about 11 USD/ton (max. est.).

Management method

Our strategy for cap and trade participation is to minimize our emissions through energy reduction projects. All Colgate sites have energy and carbon reduction goals and are committed to invest 5% of our manufacturing capital program in “planet” related projects annually (such as investments in energy, carbon, water and waste reduction). We also conduct an “Energy Top 10” program across all manufacturing operations, as well as Energy Treasure Hunts at our largest strategic sites. For example, by replacing the site's 10-year-old air compressors with four new air compressors, in Sanxiao, China, we reduced energy 1,877 MWh annually and saved over $186,000 per year. Our global procurement organization also partners with manufacturing to optimize the purchase cost of energy. While our actions may not reduce the likelihood of regulation, they can reduce the magnitude of the

impact for C-P sites.

Cost of management
29000000

Comment
Our 5% for the Planet program sets a global goal to spend 5 percent of our manufacturing capital expenditure budget on energy reduction, water conservation and reduction of waste to landfill. Since 2011, we have invested nearly $203 million in over 1100 planet-related projects, which have delivered an estimated savings of over $54 million. Over a period of seven years, this is equal to $29 million average investment annually. In 2017, we exceeded our 5 percent target, investing over 7 % of the budget in over 120 Planet-related projects. A minimum of 2 percent of the manufacturing capital budget is targeted specifically toward energy reduction projects. These costs are expected to be similar annually for the next several years, as part of our "5% for the Planet" CEB investment annual goal.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Supply chain

Risk type
Physical risk

Primary climate-related risk driver
Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver
Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

Company- specific description
Hurricanes, typhoons and other natural disasters have the potential to damage/disrupt material supply, facility operations and logistics networks. Specific to hurricanes (e.g. Katrina), there have been historical disruptions in petroleum-derived materials sourced from the Gulf of Mexico. One-time costs were~ $1.0 million. In recent years, we experienced temporary disruptions in production distribution and sales due to: Tropical Cyclone Nida, Tropical Cyclone Varda, Super Typhoon Nepartak and heavy rains and flooding in Hyderabad and Secunderabad, India. Operational costs were nominal, in one case lost sales is estimated at $300,000.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-low

Potential financial impact
1000000

Explanation of financial impact
Costs are difficult to estimate in advance as they vary based on event severity and geography, but based on past events such as Hurricane Katrina, future direct, one-time material costs could be near $1.0 million.

Management method
Colgate uses an Enterprise Risk Management (ERM) Program to identify, assess, prioritize and manage physical risks. The ERM Committee is sponsored by the Chairman, President and CEO of the Company and includes representation from key business leaders. Risks associated with tropical cyclones are defined as Natural Disasters and reside within the Operational Risk Category. Natural Disaster mitigation efforts are addressed specifically within the Operations Risk Management Committee which is a subcommittee of our ERM program. We define Natural Disasters as the physical risks associated with water and climate change that could disrupt our commercial and supply chain operations. For example, we have Product Category Contingency Sourcing Plans, site selection protocols that consider climatic risk, Environmental and Loss Prevention Design Standards, Global Procurement Risk Management Strategy, Hurricane Contingency Planning, Logistics “Plan B” and Business Readiness Planning. Specific to tropical cyclones, we implement the Hurricane Contingency Sourcing Plan annually for feedstock sourced from the Gulf of Mexico and Mexico. Implementation of the plan entails an inventory build of feedstock prior to the annual Hurricane season to minimize risk associated with disruption in supply. This was implemented again in 2017.

Cost of management
500000

Comment
There are limited costs associated with planning activities such as Product Category Contingency Sourcing Plans, Business Readiness Plans and Logistics “Plan B”. For example, we have hurricane contingency plans in the Gulf of Mexico and in Mexico, where we have experienced disruption of key materials from Hurricanes Katrina and Patricia. One of the most significant on-going cost is associated with the Gulf of Mexico Hurricane Contingency Plan. Each year working capital is increased by 1% for a three-month period and approximately $500,000 in incremental operating cost is incurred for material pre-build and storage.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Customer

Risk type
Transition risk

Primary climate-related risk driver
Reputation: Shifts in consumer preferences

Type of financial impact driver
Other, please specify (Reputation: higher operational costs.)

Company- specific description
Consumer product companies that use forest-risk commodities such as Pulp and Paper, Palm Oil, Tallow and Soy are exposed to reputational risks if they are not managed properly. Forest-risk commodities are linked to climate change through historical change in land use/deforestation of tropical forests. Colgate issued a No Deforestation Policy in March 2014.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Low

Potential financial impact
3500000

Explanation of financial impact
While we have identified potential reputational risks associated with forest-risk commodities, the financial impacts associated with pressure groups impact on consumers’ perception and purchase intent relating to our products containing these materials is not clearly quantifiable. Cost to procure certified palm oils for 100% of our volumes is in the range of $3-4 million. Costs to procure certified pulp/paper are expected to be negligible, as market is relatively mature.

Management method
We have established a Palm Oil Sourcing Team of procurement professionals to implement the palm oil sourcing commitments and to develop palm oil sourcing guidelines. We are engaging the broader sourcing teams globally which manage the suppliers of commodities to ensure understanding, communication, and execution of our commitments. Examples by commodity: Palm: We are partnering with The Forest Trust to meet the traceability and responsible sourcing commitments outlined in our No Deforestation Policy for Palm Oil. We will continue to disclose our progress to RSPO, and will report twice per year on our progress against our commitments. Tallow: All applicable suppliers comply with the “Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome”. Paper and Board: Colgate will take actions to optimize the use of wood fiber, recycled content and alternative fibers and perform risk assessments to assure low risk of controversial sources of fiber contributing to deforestation in the supply chain. Paper and Board forest certification will be required of all of our pulp and paper supply sources, and certification requirements will be included in specifications. Soy: Colgate has committed to procuring soy products that are not linked to deforestation, verifying via independent third parties and monitoring. Colgate is a member of RTRS,

Cost of management
3000000

Comment
Palm oil - The cost of GreenPalm certificates and physical certified oils is market driven and will increase the cost of palm oil and derivatives. 2015 cost to purchase Green Palm Certificates and Physical Certified Oil for Palm and PKO was in the range of $3-4 million. In prior years, we have also invested $4.6 million in a tallow refining system at our soap plant in Brazil to increase our ability to source tallow from low-risk region suppliers, that has delivered $3.0 million in gross savings annually.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact driver

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company- specific description

Regulations that require reporting of emissions present a competitive opportunity for Colgate given our long-standing commitment to emissions reporting and reduction. We have been collecting and analyzing our manufacturing consumption data since 1998 and have long-standing emissions reduction programs in place. We have also begun capturing carbon emissions data associated with movement of our finished goods. These actions have also prepared us to minimize any costs associated with cap and trade schemes and fuel/energy taxes. Regulatory emissions reporting under EU ETS and voluntary emissions reporting to USEPA Energy Star and CDP have helped engage the organization and drive program development.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Potential financial impact

500000000

Explanation of financial impact

The savings associated with emissions reporting and implementation of energy conservation projects across our manufacturing sites globally could be over $500 million in avoided costs in the coming years, based on our estimate of prior savings from the period of 2002 to 2017. Additionally, through sustainable and efficient logistics projects around the globe and new and improved planning tools, we are reducing costs, better serving our customers and reducing our logistics carbon footprint.

Strategy to realize opportunity

Colgate has 100% achievement of LEED NC, 70% Supplier Response to CDP Supply Chain Project, 70% Suppliers with Energy Reduction Goals.), over 83% of sites achieve the USEPA ENERGY STAR Challenge for Industry and we are also are committed to invest 5% of our manufacturing capital program in “planet” related projects annually. In 2014, we announced a commitment to reduce carbon emissions on an absolute basis by 25% compared to 2002 (Scope 1 & Scope 2). We implemented an “Energy Top 10” program across all manufacturing operations and are conducting Energy Treasure Hunts at our largest strategic sites. Select Colgate sites have solar, cogeneration and/or are participating in demand response programs. “Planet” related projects with large carbon emission reductions include: Replacement of air compressors with four new air compressors (Sanxiao, China; 1,438 MWh/yr reduction); installation of Direct Digital Control on the facility's air compressors (Burlington, NJ; 398 MWh/yr reduction); Installation of various energy projects such as replacing low efficiency pumps, upgrading to LED lighting, reducing harmonic distortion and installing an online descaling unit for HVAC systems (Goa, India; 574 MWh/yr reduction).

Cost to realize opportunity
28000000

Comment
In 2017, Colgate invested over $28 million in 120 “planet” related projects, many of which delivered energy and carbon reduction, enabling us to maintain emission levels below regulatory thresholds in most geographies. We would expect this level of investment to be similar in the coming years, as part of our "5% for the Planet" annual CEB goal. Cost of an Energy Treasure Hunt is $38,000; energy investments as part of 5% for the Planet were over $10 million.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Customer

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Reduced water usage and consumption

Type of financial impact driver
Other, please specify (Change consumer behaviors and water use)

Company- specific description
Colgate has set a goal to reach all global consumers with water conservation messaging by 2020. By changing consumer behavior during product use we have the opportunity to reduce both our water and carbon footprint. Consumer messaging will also help to enhance and grow our brands.

Time horizon
Current

Likelihood
Very likely

Magnitude of impact
Medium-high

Potential financial impact
1150000

Explanation of financial impact
Colgate’s consumer messaging program is intended to enhance equity and grow preference for the brand. The impact of this campaign will vary by geography and scale/scope of execution, but an indicative estimate can be derived based on a recent execution. In the U.S. in 2018, a partnership with a retailer to encourage consumers to Save Water contributed to incremental net sales of approximately USD $1.15 million in those stores activating the Save Water campaign.

Strategy to realize opportunity
Colgate subsidiaries use a variety of approaches to engage with our consumers to save water, including digitally through video and Facebook messaging, in-store, including at store entrance, end aisle displays and on our packaging. Colgate now has the Save Water logo reminder on the back of the product package globally, with a link to our new website colgate.com/savewater. The site gives water saving tips and reminders for toothbrushing, handwashing, dishwashing, and showering, and is available in ten languages. Television commercials have also been aired in selected markets. In 2016 we activated the program in 60+ countries, in 2017 we ran media in 70+ countries continue to expand the program in 2018 with a multitude of assets that go beyond traditional TV advertising, all as a commitment to continuing our water messaging and good financial stewardship. Additionally, Colgate is working with The Nature Conservancy on a new initiative to raise awareness of water issues in the U.S. and encourage consumers to conserve this vital resource.

Cost to realize opportunity
187000

Comment
Since 2017, we have had a global celebrity brand ambassador on board to help promote the ‘Save Water’ message in mass advertising campaigns as well as PR across markets. This partnership reflects Colgate’s significant investment in the Save Water campaign. Colgate’s investment of approximately USD $1.7 million annually includes the celebrity’s endorsement fee and together with the costs to produce and disseminate the Save water campaign. Based on this estimate and the fact that Colgate’s largest retailer in the U.S. represented 11% of net sales in 2017, we estimate that the annual cost to activate the “Save Water” messaging at certain of such retailer’s stores was USD $187K in 2018.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resilience

Primary climate-related opportunity driver
Participation in renewable energy programs and adoption of energy-efficiency measures

Type of financial impact driver
Increased reliability of supply chain and ability to operate under various conditions

Company- specific description
As part of our strategy to achieve a 25 percent absolute reduction in greenhouse gases by 2020, and to increase operational resiliency, we are working to promote the use of renewable energy and support development of a low-carbon energy supply. As a way to further develop our balanced approach to renewable energy, in 2017 Colgate worked with Schneider Electric to help create a Colgate Renewable Energy Roadmap. This exercise helped us identify and prioritize renewable energy opportunities at more than 20 facilities around the world. We are currently developing and implementing several renewable energy activities, including installing onsite solar electricity and purchasing renewable energy from our electricity providers.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium-low

Potential financial impact
500000

Explanation of financial impact
The investment in renewable energy often requires financial paybacks beyond typical savings projects, however with the advancement in technologies, combined with higher electricity rates and improved government financial incentives, the return on investment continues to improve over time. In 2017, we estimate a spend of about $500,000 related to investments in renewable energy study and pre-engineering, as well as increased purchase of green power.

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

Cost to realize opportunity
76000

Comment
In 2017 we purchased green power certificates in the US from wind farms located in Kansas at a cost of $76000.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Not yet impacted	Risk: In accordance with our No Deforestation policy, we have identified potential reputational risks associated with climate aspects of deforestation to be moderate, however we have not yet realized any reputational impacts, which might occur over the next 5 year.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	Risk: Hurricanes, typhoons and other natural disasters have the potential to damage/disrupt material supply, facility operations and logistics networks. Specific to hurricanes (e.g. Katrina), there have been historical disruptions in petroleum-derived materials sourced from the Gulf of Mexico. Magnitude of Impact: One-time costs were~ $1.0 million. In recent years, we experienced temporary disruptions in production distribution and sales due to: Tropical Cyclone Nida, Tropical Cyclone Varda, Super Typhoon Nepartak and heavy rains and flooding in Hyderabad and Secunderabad, India. Operational costs were nominal, in one case lost sales is estimated at $300,000.
Adaptation and mitigation activities	Impacted for some suppliers, facilities, or product lines	Opportunity: As part of our strategy to achieve a 25 percent absolute reduction in greenhouse gases by 2020, and to increase operational resiliency, we are working to promote the use of renewable energy and support development of a low-carbon energy supply. As a way to further develop our balanced approach to renewable energy, in 2017 Colgate worked with Schneider Electric to help create a Colgate Renewable Energy Roadmap. This exercise helped us identify and prioritize renewable energy opportunities at more than 20 facilities around the world. We are currently developing and implementing several renewable energy activities, including installing onsite solar electricity and purchasing renewable energy from our electricity providers. The magnitude of this impact in terms of investment is likely between $5MM-$15MM depending upon technologies and location chosen to implement, as well as pricing and availability of financial subsidies.
Investment in R&D	Impacted for some suppliers, facilities, or product lines	Risk: While we have identified potential reputational risks associated with forest-risk commodities, the financial impacts associated with pressure groups impact on consumers' perception and purchase intent relating to our products containing these materials is not clearly quantifiable. Magnitude of Impact: Cost to procure certified palm oils for 100% of our volumes is in the range of $3-4 million. Costs to procure certified pulp/paper are expected to be negligible, as market is relatively mature. Our R&D and Procurement organizations help design and manage product formulations to minimize both risk and costs.
Operations	Impacted	Opportunity: The savings associated with emissions reduction and implementation of energy conservation projects across our manufacturing sites globally could be over $500 million in avoided costs in the coming years, based on our estimate of prior savings from the period of 2002 to 2017. Additionally, through sustainable and efficient logistics projects around the globe and new and improved planning tools, we are reducing costs, better serving our customers and reducing our logistics carbon footprint. Also, Colgate has 100% achievement of LEED NC, 70% Supplier Response to CDP Supply Chain Project, 70% Suppliers with Energy Reduction Goals.), over 81% of sites achieve the USEPA ENERGY STAR Challenge for Industry and we are also are committed to invest 5% of our manufacturing capital program in "planet" related projects annually.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Not yet impacted	Risk: We evaluated the potential for increased demand for existing products/services in the personal care category (e.g. underarm antiperspirant/deodorant) which exhibit increased sales during warm weather across all geographies. While we recognize sales may increase by a factor of 1.15 in a warmer month, given the pace of climate change and uncertainty around consumer choices, increased temperatures are not expected to generate a substantive change in sales in the personal care business next 5-10 years. We would expect the same opportunity assessment for similar competitive products in our sector.
Operating costs	Not yet impacted	Risk: Colgate reviewed potential changes in mean (average) temperature, temperature extremes, precipitation patterns, extremes and droughts and their potential to impact raw material pricing and increased demand for existing products or services. We evaluated the business globally, including areas vulnerable to extreme weather events and temperatures including Asian and Latin American regions. Colgate does not consider the physical impacts associated with climate change as a substantive opportunity. The physical impacts of climate change may impact procurement of agricultural materials which are currently purchased in commodity market; as a result advantage over competitors due to physical climate related factors will be difficult to achieve, which is typical for our sector. The physical risks of climate change associated with adverse events have not created disruption in the marketplace indicating that both Colgate and our competitors have appropriate risk management plans in place, which is typical for our sector. Physical risks associated with Climate Change are addressed as part of our Enterprise Risk Management program.
Capital expenditures / capital allocation	Impacted	As part of Colgate's 5% for the Planet initiative, facilities are expected to invest a minimum of 5% of their annual capital budgets towards projects which reduce energy, water, and waste. In 2017, Colgate invested $28 million in over 120 “planet” related projects, many of which delivered energy and carbon reduction, enabling us to maintain emission levels below regulatory thresholds in most geographies. We would expect this level of investment to be similar in the coming years, as part of our "5% for the Planet" annual CEB goal. Cost of an Energy Treasure Hunt is $38,000; energy investments as part of 5% for the Planet were over $10 million.
Acquisitions and divestments	We have not identified any risks or opportunities	Colgate has identified business risks and opportunities related to climate change at a higher level. Further research and internal review have been commenced to specifically identify how climate-related risks and opportunities might impact different components of the financial planning process. We are working to create the data that will us understand this level of detail.
Access to capital	We have not identified any risks or opportunities	Colgate has identified business risks and opportunities related to climate change at a higher level. Further research and internal review have been commenced to specifically identify how climate-related risks and opportunities might impact different components of the financial planning process. We are working to create the data that will us understand this level of detail.
Assets	We have not identified any risks or opportunities	Colgate has identified business risks and opportunities related to climate change at a higher level. Further research and internal review has been commenced to specifically identify how climate-related risks and opportunities might impact different components of the financial planning process. We are working to create the data that will us understand this level of detail.
Liabilities	We have not identified any risks or opportunities	Colgate has identified business risks and opportunities related to climate change at a higher level. Further research and internal review has been commenced to specifically identify how climate-related risks and opportunities might impact different components of the financial planning process. We are working to create the data that will us understand this level of detail.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

I. COMPANY-SPECIFIC EXPLANATION:

Colgate has expanded its capability to collect and report data related to climate change to influence our business strategies. The scope of this effort includes monitoring progress on targets and evaluation of our decision making regarding investment in energy savings and infrastructure projects at our sites. We have completed detailed carbon footprints for our Oral, Personal and Home Care categories, helping us understand our highest impact areas and opportunities for continuous improvement, such as the development of our Save Water campaign to influence the consumer use phase of our value chain (accounts for 90% of our GHGs).

II. LINKAGE BETWEEN BUSINESS STRATEGY AND EMISSIONS REDUCTIONS TARGETS:

Climate and energy are issues integrated into multiple aspects of our business strategies, including supply chain, procurement, logistics, manufacturing, customer/consumer engagement and risk management. An example of linkage is how our energy reduction programs directly support our Funding the Growth cost saving initiative which is a key business strategy. Since 2002, we have avoided over $500MM in energy costs due to our investments in energy efficiency. Also, Colgate's science-based climate goals for Scopes 1, 2 and 3 were approved by the Science Based Targets initiative in April 2017. See item V below for details.

III. SUBSTANTIAL BUSINESS DECISIONS MADE DURING THE REPORTING YEAR THAT HAVE BEEN INFLUENCED BY THE CLIMATE CHANGE DRIVEN ASPECTS OF THE STRATEGY:

During this past year, we have made the business decision to investigate and pursue direct investments in on-site renewable energy around the world. This is a climate-related mitigation decision which requires business planning and investment. We have plans in place for Natural Disasters/Climate risks as part of our Enterprise Risk Management Plan and are sharpening our Product Category Contingency Sourcing Plans, Global Procurement Risk Management Strategy, Logistics "Plan B" Business Readiness Planning. We have expanded our efforts to reach all of our consumers with water conservation messaging. Colgate has issued a No Deforestation Policy detailing our commitment and sourcing strategies for pulp and paper, palm oil and derivatives, tallow and soy. We have also issued a commodity-specific policy from palm oils.

We are also working to streamline our data collection process and improve our capabilities to better analyze the data to help make better business decisions. Our Enterprise Risk Management process is used to identify, assess, prioritize and manage physical and climate-related risks, and shapes our business strategy by informing our sourcing and contingency planning processes and infrastructure investment decision-making.

IV. WHAT ASPECTS OF CLIMATE CHANGE HAVE INFLUENCED THE STRATEGY (E.G. NEED FOR ADAPTATION, REGULATORY CHANGES, OR OPPORTUNITIES TO DEVELOP GREEN BUSINESS):

Several aspects of climate change have influenced our strategy around renewable energy, including risk mitigation, resiliency, market improvements in technology, and our approved science-based climate target. The physical risks of climate change have influenced our strategy by sharpening our focus on climate resilience to prevent and mitigate disruption. For example, we implement a robust enterprise risk management program to ensure continuity of supply of climate-sensitive raw materials and business readiness in the event of manufacturing or logistics disruption associated with a significant climatic event. Annually Colgate tests our Business Readiness Plans at all sites and implements our Hurricane Contingency Plan which increases the inventory of key materials from the Gulf of Mexico, where we have been impacted by Hurricanes. We are also working to engage with our consumers and have launched a broad-based program to engage the consumer in water conservation which helps reduce energy needed, hence, carbon emissions associated with treating, pumping and heating water. For this purpose, we have rolled out water conservation messaging over 60 countries.

V. HOW THE SHORT-TERM STRATEGY HAS BEEN INFLUENCED BY CLIMATE CHANGE:

The most important components of the short-term strategy that have been influenced by climate change are associated are associated with the physical, regulatory and other risks and consumer opportunities associated with climate change. These include water stress, precipitation extremes and droughts, changes in consumer behavior and corporate reputation. More specifically, we continued to evaluate physical risks at our manufacturing sites. Colgate's strategy has also been influenced by increasing stakeholder expectations relating to the carbon footprint of our products.

Colgate's science-based climate goals for Scopes 1, 2 and 3 were approved by the Science Based Targets initiative in April 2017. Colgate-Palmolive Company commits to reducing absolute Scope 1 and 2 greenhouse gas emissions from manufacturing by 25% from 2002 to 2020, with a longer term goal of a 50 percent reduction by 2050. Colgate also commits, as a way to reduce our most significant Scope 3 greenhouse gas emissions. These efforts support our business strategy to "Fund the Growth" and improve margin.

VI. HOW THE LONG-TERM STRATEGY HAS BEEN INFLUENCED BY CLIMATE CHANGE:

The most important components of the long term strategy (ten-year horizon) relate to the development of new technology, integration of sustainability into our Product Category Architecture and Brand Equities and development of next generation climate change goals as part of our Sustainability Strategy, including a 2050 goal to reduce absolute emissions by 50%. Our Technology Alliance group is exploring developmental green ingredient and packaging material technologies.

VII. STRATEGIC ADVANTAGE: Further, as consumer insight and new technology come together it will help to strengthen Colgate's position in the marketplace and help to drive topline growth. We are actively managing climate-related risk and opportunities that will help ensure long-term availability of raw materials and water, consumer preferred products and limit disruption to our supply chain in the event of a significant climatic event. Thanks to our progress to date, including Energy Star Partner of the Year recognition, and our continued efforts in this area, Colgate has an opportunity to be well-positioned to meet or exceed the expectations of our customers, consumers, current and prospective employees and other stakeholders, providing us a competitive advantage.

C3.1d

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios	Details
2DS	Colgate has a Science Based Target, approved by the SBTi. In order to create these targets, Colgate used the 2DS in relation to the suggested methodologies by SBT. Additionally, following the TCFD guidelines Colgate has started its research to identify best ways to include scenario analysis in its business strategy. In 2017, Colgate has worked with a team of students from MIT Sloan School of Management in their Sustainability-Lab (S-Lab) program on a project to better understand the components of a robust scenario analysis and identify the next steps to implement it. The project has been completed with success and the results have been published on MIT's website. These results will be used as guidance to establish a robust methodology for a climate-related scenario analysis that best fits to Colgate's needs. The selected scenario was identified via discussions with the SBTi, including suggested inputs, assumptions and analytical methods. The time horizon considered was discussed and agreed to with SBTi, utilizing 2002 as the base year since that was most relevant to our organization as the time we began tracking CO2 emissions. The primary area of our organisation that was considered as part of the SBT scenario analysis was global operations since this is where our direct emissions are and the area where we had CO2 data. The SBT modeling conducted was specific to our organizations sector, emissions and target years (2020 and 2050). The SBT scenario analysis results included a projected target reduction of absolute emissions of 25% by 2020 and 50% by 2050 using our 2002 baseyear. The results of the SBT scenario analysis have informed our business objectives and strategy by setting an absolute (vs intensity) target on GHGs, which has then driven evaluations and investment decisions related to our increased use of renewable energy and green power purchases. For example, the results of the SBT scenario analysis have spurred direct investment in several on-site solar projects now underway in the US and India, with others being evaluated in the US, China, Vietnam and Mexico.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Scope
Scope 1 +2 (market-based)

It is noted that our 2020 Science-Based emissions target (25 % reduction of Scope 1 + Scope 2 (Market Based) emissions) does not include fugitive emissions as fugitive emissions were included not in our base year emissions (2002) and because fugitive emissions are a small fraction (approximately 1 %) of our Scope 1 + Scope 2 (Market Based) emissions.

% emissions in Scope
95

% reduction from base year
25

Base year
2002

Start year
2016

Base year emissions covered by target (metric tons CO2e)
706619

Target year
2020

Is this a science-based target?
Yes, this target has been approved as science-based by the Science-Based Targets initiative

% achieved (emissions)
100

Target status
Underway

Please explain
Through 2017, we achieved a 27% reduction in our Scope 1 + Scope 2 (Market Based) emissions versus our 2020 goal of 25% reduction. Our climate strategy is anchored in setting and achieving science-based goals to reduce greenhouse gases. As part of our 2015 to 2020 Sustainability Strategy, Colgate developed 2020 and 2050 science-based goals to reduce absolute greenhouse gas emissions by 25% and 50%, respectively, compared to 2002. Colgate collaborated with CDP to develop these goals. Early on, CDP reviewed these goals and indicated that the 2020 and 2050 targets exceeded the requirements of the “Linear Approach” to a science-based goal, which is based on the Intergovernmental Panel on Climate Change’s “RCP 2.6 Carbon Pathway,” one of the climate trajectories used for modeling and research. Our 2020 target also exceeds the requirements of the “Sectoral Decarbonization Approach” to a science-based goal, which is based on the 2°C change in global average temperature scenario developed by the International Energy Agency (IEA).

Target reference number
Abs 2

Scope
Scope 1 +2 (market-based)

It is noted that our 2050 Science-Based emissions target (50 % reduction of Scope 1 + Scope 2 (Market Based) emissions) does not include fugitive emissions as fugitive emissions were included not in our base year emissions (2002) and because fugitive emissions are projected to be a small fraction (approximately 2 %) of our 2050 Scope 1 + Scope 2 (Market Based) emissions.

% emissions in Scope
95

% reduction from base year
50

Base year
2002

Start year
2016

Base year emissions covered by target (metric tons CO2e)
706619

Target year
2050

Is this a science-based target?
Yes, this target has been approved as science-based by the Science-Based Targets initiative

% achieved (emissions)
55.5

Target status
Underway

Please explain
Our climate strategy is anchored in setting and achieving science-based goals to reduce greenhouse gases. As part of our 2015 to 2020 Sustainability Strategy, Colgate developed 2020 and 2050 science-based goals to reduce absolute greenhouse gas emissions by 25% and 50%, respectively, compared to 2002. Colgate collaborated with CDP to develop these goals. Early on, CDP reviewed these goals and indicated that the 2020 and 2050 targets exceeded the requirements of the “Linear Approach” to a science-based goal, which is based on the Intergovernmental Panel on Climate Change’s “RCP 2.6 Carbon Pathway,” one of the climate trajectories used for modeling and research. Our 2020 target also exceeds the requirements of the “Sectoral Decarbonization Approach” to a science-based goal, which is based on the 2°C change in global average temperature scenario developed by the International Energy Agency (IEA). To meet 50% reduction goal of Scope 1 + Scope 2 emissions by 2050 with 2002 base year, we should achieve the percent reduction of Scope1 + Scope 2 emissions that we attained through 2017 by 2029 indicating that we are ahead of schedule. As indicated the principal reason for the reduction is due to our purchase of Renewable Energy Certificates.

Target reference number
Abs 3

Scope
Scope 3: Use of sold products

% emissions in Scope
90

% reduction from base year
5

Base year
2016

Start year
2016

Base year emissions covered by target (metric tons CO2e)
49830000

Target year
2022

Is this a science-based target?
Yes, this target has been approved as science-based by the Science-Based Targets initiative

% achieved (emissions)
57

Target status
Underway

Please explain
In 2017, the SBTi approved Colgate's science based target which included a Scope 3 aspect related to consumer use of our

products: Colgate-Palmolive Company commits to reduce absolute Scope 1 and 2 greenhouse gas emissions from manufacturing by 25% from 2002 to 2020, with a longer term goal of a 50% reduction by 2050. Colgate also commits, as a way to reduce our most significant Scope 3 greenhouse gas emissions, to promote water conservation awareness to 100% of our global consumers and reduce emissions associated with consumer behavior by up to 5% from 2016 to 2022, and increase the recycled content of our packaging to 50% by 2020. We have estimated that the Category Scope 3 emissions associated with Consumer Use of our products reduced by 2.9% in 2017 vs 2016, accounting for 58% of our 2022 goal of up to 5% reduction.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target
Renewable energy consumption

KPI – Metric numerator
Renewable energy generated onsite (MWh) that is consumed onsite plus purchased renewable energy (MWh)

KPI – Metric denominator (intensity targets only)
Purchased electricity (MWh)

Base year
2016

Start year
2016

Target year
2020

KPI in baseline year
0.21

KPI in target year
0.25

% achieved in reporting year
96.9

Target Status
Underway

Please explain
Colgate has 2020 goals to promote the use of renewable energy and reduce absolute greenhouse gas emissions. By 2020, Colgate will seek to obtain a minimum of 25% of its global purchased electricity from renewable energy sources. Our renewable energy target is internal and supports our absolute greenhouse gas reduction goal.

Part of emissions target
Abs1, Abs2

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Target
Energy productivity

KPI – Metric numerator
Total Global Energy Consumption at Manufacturing Sites (MWh)

KPI – Metric denominator (intensity targets only)
Production Tonnage (MT)

Base year
2002

Start year
2015

Target year
2020

KPI in baseline year
0.522

KPI in target year
0.344

% achieved in reporting year
95.6

Target Status
Underway

Please explain
Our 2020 Energy Efficiency Goal is to reduce our manufacturing energy intensity (MWh/MT) by 33% from our 2002 base year. Our manufacturing intensity in the base year (2002) was 0.522 MWh/ MT and 0 .360 MWh/MT in 2017. Our 2020 goal is 0.344 MWh/MT.

Part of emissions target
Abs1, Abs2

Is this target part of an overarching initiative?
Science-based targets initiative

Target
Waste

KPI – Metric numerator
Mass of Landfill Waste (kg) Landfilled wastes include wastes that are disposed in a landfill, wastes that are treated and disposed offsite and the solids in aqueous wastes that are hauled offsite

KPI – Metric denominator (intensity targets only)
Production tonnage (MT)

Base year
2010

Start year
2015

Target year
2020

KPI in baseline year
10.68

KPI in target year
5.34

% achieved in reporting year
88.9

Target Status
Underway

Please explain
Our 2020 goal on landfill waste is to: Halve our manufacturing waste sent to landfill per ton of product compared to 2010, working toward our goal of ‘Zero Waste’

Part of emissions target
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	17	1882
To be implemented*	22	2509
Implementation commenced*	28	3150
Implemented*	18	3136
Not to be implemented	17	1882

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Activity type

Energy efficiency: Processes

Air Compressor Replacement – Location: Sanxiao, China This project entailed replacing the sites existing air compressors, which were more than 10 years-old, with four new air compressors. For this site, a 1,877 MWh reduction in electricity, a 1,438 MT reduction in CO2 and $186,139 in savings are expected.

Description of activity

Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)

1438

Scope

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

186139

Investment required (unit currency – as specified in CC0.4)

333270

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Colgate's SBTi approved science-based target is: "Colgate-Palmolive Company commits to reduce absolute Scope 1 and 2 greenhouse gas emissions from manufacturing by 25% from 2002 to 2020, with a longer term goal of a 50% reduction by 2050. Colgate also commits, as a way to reduce our most significant Scope 3 greenhouse gas emissions, to promote water conservation

awareness to 100% of our global consumers and reduce emissions associated with consumer behavior by up to 5% from 2016 to 2022, and increase the recycled content of our packaging to 50% by 2020."

Activity type
Energy efficiency: Building services

HVAC Direct Digital Control – Location: Burlington, NJ, USA This project was identified during the facility's Energy Treasure Hunt. The facility's air compressors would run constantly to maintain HVAC valves and damper functions. With Direct Digital Control, the air compressors will only run during production hours. Total savings are estimated to be 398 MWh of electricity, 172 MT of CO2 and a cost savings over $54,800.

Description of activity
HVAC

Estimated annual CO2e savings (metric tonnes CO2e)
172

Scope
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
54800

Investment required (unit currency – as specified in CC0.4)
23000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

Activity type
Energy efficiency: Processes

Steam Trap Monitoring – Location: Mission Hills, Mexico This Energy Treasure Hunt resulted in the installation of 100 wireless steam trap monitoring devices with software analysis and wireless gateways. This project will reduce natural gas consumption by 553,600 m3/year, reduce CO2 emissions by 1,046 MT/year and achieve a cost savings of $91,000/year.

Description of activity
Heat recovery

Estimated annual CO2e savings (metric tonnes CO2e)
1046

Scope
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
91000

Investment required (unit currency – as specified in CC0.4)
250000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

Activity type
Energy efficiency: Processes

Various Energy Savings Projects – Location: Goa, India This project combined several smaller initiatives. It entailed (1) replacing low-efficiency motors with high-efficiency motors, (2) replacing fluorescent lighting with high intensity LED lamps, (3) replacing a twin lobe blower with a low power with a high efficiency and low noise Tri Lobe blower in an aeration tank, (4) introducing line filters to reduce harmonic distortion and (5) installing an online descaling unit for HVAC systems. These projects combined are expected to save the facility approximately $66,000/year, 574 MWh/year and 524 MT/year of CO2 emissions.

Description of activity
Waste water treatment

Estimated annual CO2e savings (metric tonnes CO2e)
524

Scope
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
66000

Investment required (unit currency – as specified in CC0.4)
124000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal finance mechanisms	Our 5% for the Planet program sets a global goal to spend 5 percent of our manufacturing capital expenditure budget on energy reduction, water conservation and reduction of waste to landfill. Upgrades for environmental compliance and product design are funded separately. Over the last five years, environmental projects have competed successfully for funding with our mainstream portfolio, reducing our footprint and delivering savings. Since 2011, we have invested nearly $203 million in over 1100 planet-related projects, which have delivered an estimated savings of nearly $54 million. In 2017, we exceeded our 5 percent target, investing over 7 percent of the budget in over 120 Planet-related projects.
Employee engagement	In 2017, three Energy Treasure Hunts were completed in Burlington, NJ, Mexico and India. The 2017 Treasure Hunts identified over 180 energy savings ideas with the potential to reduce Colgate's energy consumption by over 23,000 MWh and CO2 emissions by more than 9,000 metric tons. Since its inception, this program has identified over 1,700 energy savings projects with the potential to reduce Colgate's energy consumption by nearly 310,000 MWh and CO2 emissions by over 110,000 metric tons. We estimate that over 1,800 Colgate employees have been touched by the Energy Treasure Hunt program, raising energy reduction awareness at 23 facilities, representing nearly 72 percent of our global energy spend.
Internal incentives/recognition programs	Colgate uses the USEPA ENERGY STAR Challenge for Industry as our energy reduction recognition program. All Colgate manufacturing sites are enrolled in the Challenge, and 81% of our Plants have achieved the Challenge, including 87% of Oral Care plants, 100% of Personal Care plants, 77% of Home Care plants and 50% of Pet Nutrition plants. This award recognizes sites that achieve a 10% reduction in source energy intensity within 5 years. This past year: Anzio Italy, Athens Greece, Burlington NJ, Emporia Kansas, Cali Colombia, Hawley & Hazel China, and Topeka Kansas sites won the award. Winning sites are provided with a certificate of recognition from the USEPA and an Achievement Banner from the Vice President Global Supply Chain and Vice President of Global Sustainability and EHS. Winning sites are also recognized on the Company's Intranet site.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Colgate's "fast dry" technology available in fabric softener products such as Suavitel Fast Dry fabric softener and Suavitel Complete products brings a unique technology that wicks away water from fabric to help clothes dry faster, saving consumers time and energy. Examples of Other Products with Improved Sustainability Profiles: - Protex Pro-Hidrata, a soap product, was reformulated using a glycerin by-product, which improved its environmental ingredient profile and reduced the water and energy consumed during manufacturing. - Tom's of Main Long Lasting Stick Deodorant was reformulated with ingredients with an improved sustainability profile that also improves the consumer experience. Additionally, the manufacturing process was simplified saving both water and energy. - Optimization of secondary and tertiary packaging for Hill's Digestive Care Prescription Diet reduced material consumption and energy/GHG associated with movement of finished goods. In 2017 we performed a "deep dive" investigation into fat and oil raw materials to quantify and compare carbon and water impacts for bar soap formulations. This involved researching upstream feedstock and manufacturing pathways for fats and oils, creating and issuing a supplier questionnaire on energy and water use and quantifying carbon and water impacts, as well as potential carbon reductions.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (USDOE stds & WRI/WBCSD GHG Protocol)

% revenue from low carbon product(s) in the reporting year

1

Comment

Other: We estimated base energy consumption (kwh) without use of the fabric softener by dividing the estimated quantity of clothing treated (kgs) by the expected energy consumption for an electric dryer (3.01 kgs clothing dried/ kwh). This value is based upon Department of Energy Standard for residential dryers. To estimate energy savings from product use, we multiplied the estimated energy consumption (kwh) without product use by the percent reduction of dryer time achieved during the residential scale electric dryer tests with use of the product. To calculate the avoidance in CO2 emissions, we multiplied the reduction in electricity consumption (kwh) in United States times the average CO2 emission factor (kgs CO2/ kwh of electricity).

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2002

Base year end
December 31 2002

Base year emissions (metric tons CO2e)
284764

Comment
Between 2002 and 2010, our manufacturing sites reported the use of fuel oil, natural gas and coal with no distinction as to the type of oil, e.g. fuel oil or residual oil nor the type of coal e.g., bituminous or anthracite. Furthermore, during this period our manufacturing sites did not report the use of LPG nor did they report fugitive losses including refrigerant and SF6 losses. Our 2002 base year emissions do not include fugitive emissions. In 2010, our manufacturing sites started reporting the type of oil that was combusted, e.g., residual oil and gas oil, the type of coal that was used, e.g., anthracite and bituminous and also LPG usage and of course natural gas usage. Fugitive emissions were reported in subsequent years.

Scope 2 (location-based)

Base year start
January 1 2002

Base year end
December 31 2002

Base year emissions (metric tons CO2e)
421856

Comment
We have been collecting purchased electricity consumption (MWh) since the 2002 base year. We used updated 2002 IEA emission factors (2017), e.g. kgs CO2/MWh of purchased electricity consumed) to calculate base year Scope 2 emissions. We did not have purchased steam data covering that period so purchased steam emissions are not known.

Scope 2 (market-based)

Base year start
January 1 2002

Base year end
December 31 2002

Base year emissions (metric tons CO2e)
421856

Comment
In 2002, the methodology to determine Scope 2 emissions via the market-based method had not been issued. Accordingly, we have assumed that the Scope 2 emissions for the location-based and market-based method are the same.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Row 1

Gross global Scope 1 emissions (metric tons CO2e)
201427

End-year of reporting period
<Not Applicable>

Comment
Includes emissions from stationary sources and fugitive emissions.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based
415886

Scope 2, market-based (if applicable)
315894

End-year of reporting period
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Fugitive Emissions from onsite wastewater treatment facilities.

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why the source is excluded
Fugitive emissions (methane, nitrous oxide) from onsite wastewater treatment facilities were estimated in prior years but are not included in this submission because the magnitude of these emissions is insignificant (approximately 0.7% of total scope 1 emissions). Furthermore, approximately 80% of the fugitive wastewater emissions emanated from a single treatment plant and upon further review we concluded that assumptions we had used to estimate the emissions were overly conservative meaning that the wastewater emissions are significantly lower than 0.7% of the total Scope 1 emissions. We decided to not continue to estimate wastewater treatment facility emissions because the emissions are not relevant (materially significant).

Source
Owned Offices and Warehouses and mobile sources

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why the source is excluded
While estimating the emissions from leased assets, (Scope 3 Category # 8), we learned that several offices and warehouses which we had assumed were leased are owned by Colgate. The emissions from these sources are reportable under Scope 1 and Scope 2. We estimated the emissions from these sources using published office and warehouse factors, e.g., kwh / square meter and purchased electricity emission factors (kgs CO2-e/MWh) and concluded that the estimated emissions from the owned offices and warehouses are not relevant (approximately 1% of Colgate's Scope1 + Scope 2 emissions). We also learned during our analysis of car fleet data that a number of cars are owned and not leased. Based upon the number of vehicles we concluded that the emissions from owned cars are also not relevant

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C6.5

(C6.5) Account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

4125000

Emissions calculation methodology

The quantity of each purchased raw material (MT) was determined by the Colgate procurement team . Where available, a mass-based emission factor was identified in the Ecoinvent database for each raw material. When an emission factor was not available for a specific raw material, a surrogate emission factor was identified that is representative for the given material. The mass purchased was multiplied by the corresponding emission factor (typically expressed in kg CO2eq/kg material), to obtain a mass-based CO2e estimate for that material. The results for each raw material were summed to obtain a total CO2 emissions for this category. The methodology for quantifying impacts in this category has been updated from prior years' estimates. In prior years, packaging spend data and economic input-output emission factors were used to estimate impacts from packaging. For the 2018 CDP report (2017 data), Colgate used packaging data based on mass purchased of each packaging material type, as well as percentage (%) of virgin and recycled contents. Thus, packaging material contributions to Category 1 are now considered more representative.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

10

Explanation

For our Oral Care business, approximately 25% of overall Scope 1 + 2 + 3 emissions are based on some data provided by suppliers/value chain partners. This data is specific to the energy used during manufacturing processes for the largest contributors for oral care to Category 1: Purchased Goods and Services), as well as feedstocks for these raw materials. However, these estimates are also updated using publicly available data that has been published, as well as LCI/LCA data available in both GaBi, SimaPro, and EcoInvent. The emissions estimates for the Personal Care and Home Care product categories are based on internal data, including procurement data for purchased raw materials and packaging not on data provided by our suppliers . Overall, approximately 10 % of the emissions attributable to this category are based upon data provided by suppliers/ value chain partners.

Capital goods

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

176000

Emissions calculation methodology

Colgate’s 2017 capital goods spending was broken down into the following categories: machinery/equipment, buildings, construction, and real estate. The capital goods emissions were estimated using an economic input-output model developed by Carnegie Mellon Green Design Institute (2008). The boundary of the model is the cradle, e.g., oil well, agricultural field to Colgate operations. The model output is CO2 emissions (MT) per million dollars of 2002 expenditures. We ran the model for the four different categories of capital spending. The producer price indices and RS Means construction cost indices were used to adjust Colgate's 2017 capital goods expenditures back to the 2002 dollars. The model outputs, CO2 Emissions (MT)/ 2002 capital expenditures ($) for each category was multiplied by the Colgate's 2017 capital goods expenditures (converted using Means cost indices to 2002 dollars) for each category. The calculated emissions from the four categories were summed to yield the estimated CO2 emissions for this category.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

As indicated we use an economic input-output model to determine the CO2 emissions (MT)/ Million Dollars ($) of spending. We did not use data provided by our suppliers/ value chain partners to estimate the emissions from this category.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

145000

Emissions calculation methodology

Well to tank (WTT) emissions which are associated with the extraction, processing, and refining of the fossil fuels used at Colgate's manufacturing sites and the transportation of these fuels to Colgate sites were estimated using WTT emission factors provided by the Department of Food, Rural Affairs and Environment (2016) (DEFRA). The WTT factors for each of the fuels used at Colgate's manufacturing sites, e.g., natural gas, residual oil were multiplied by the consumption of the various fuels at Colgate global manufacturing sites. For purchased electricity, the WTT emissions associated with the extraction, processing, refining, and transportation of the primary fuels used at power stations that generate electricity used by Colgate manufacturing sites were based upon a different set of DEFRA WTT emission factors which vary by country. Colgate's electricity consumption was broken down by country and multiplied by the country-specific WTT emission factor to obtain the WTT emissions. Finally, the emissions attributable to the loss of energy in the grids that distribute electricity to Colgate manufacturing sites, so-called Transmission and Distribution (T&D) Losses, were estimated using country-specific Transmission and Distribution emission factors provided by DEFRA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

We use fuel and electricity purchase records provided by our energy suppliers in the calculation of Scope 1 and Scope 2 emissions and other fuel and energy-related emissions. We also use DEFRA WTT and Transmission and Distribution factors to calculate fuel and other energy-related emissions not included in Scope 1 and Scope 2. While we use DEFRA WTT and Transmission and Distribution loss factors, we use fuel and electricity consumption data provided by energy suppliers/ value chain partners to calculate the emissions from this category.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

448000

Emissions calculation methodology

The emissions associated with the transportation and distribution of product manufactured by and for Colgate to Colgate customers were estimated using data provided Colgate's accounting software (SAP). SAP data include the tons shipped, the origin and destination of the shipment, the mode of shipment, e.g., rail, road. The distance for each shipment is obtained from Google Maps or from the transporter. For each shipment, the quantity shipped (MT) is multiplied by the distance shipped (km) to obtain the product of weight.distance (MT.km). This value is multiplied by an emission factor (kgs CO2/MT.km) to yield CO2 emissions. The emission factor varies with the mode of the shipment. For road shipments, the factor varies with the type of the vehicle, for example, articulated vehicle or rigid van, the maximum payload, e.g., 24 MT and the percent vehicle loading, e.g., 60 %, 85 %. For sea shipments, the factor varies with the size of the vessel, for example, container ship versus ferry. For rail, the emission factor varies with the size of the rail system. It is estimated that the reported emissions account for approximately 85% of Colgate shipments. Certain regions in South America including Venezuela, Argentina, Uruguay, and Chile are not covered along with shipments of certain products in Asia including certain exports from China and Malaysia and shipments in certain regions in Africa. We are working to obtain the emissions from the missing regions. It is also noted that shipments from our Tier 1 suppliers to Colgate's manufacturing sites are not included. It is noted that WTT factors are not incorporated in this years calculation of logistics emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Our transporter/value chain partners provide information that we use to calculate this category's emissions including vehicle size, maximum payload (MT) mode of transport, e.g., rail, sea and in some cases, the distance between the origin and destination. While It is noted that the transporter does not provide the emissions for each shipment (kgs CO2/ each shipment). Rather Colgate uses the information provided by our transporters to calculate emission factors (kgs CO2/MT.km). These emission factors are multiplied by the product of shipment weight times the distance traveled (MT.km) to calculate this category's emissions. As indicated, data provided by the transporters are used in the emissions calculation.

Waste generated in operations

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

57000

Emissions calculation methodology

Colgate uses the methods presented in Methodologies for Biogenic Emissions from Selected Source Categories (USEPA) to calculate methane and CO2 emissions from the wastes that are landfilled and liquid wastes that are sent to offsite anaerobic treatment systems for energy recovery. Waste management companies provide information on whether the landfill is covered and whether the landfill gas is vented or captured and combusted for energy recovery. Similarly, Colgate used the reference publication to estimate CO2 generated from wastes that are combusted at waste to energy facilities and from sludges that are treated in land based treatment systems. Colgate also uses well established approaches to estimate CO2 emissions from facilities where Colgate wastes are incinerated without energy recovery. The approach that Colgate uses requires that Colgate know the quantity of wastes that are generated, the methods of treatment and disposal, for example, landfilling with methane capture with energy recovery and the characteristics of the major waste streams, for example, the degradable carbon content in the waste. To increase our understanding of the aspects which control the emissions, we surveyed 33 manufacturing sites in 2015 to obtain information on the characteristics, e.g., percent plastics, the waste treatment methods, e.g., incineration, for the landfilling the percent of degradable carbon and the fraction of the landfill gas that is captured and burned for energy recovery. It is noted that Colgate manufacturing sites also report the Chemical Oxygen Demand (COD) that is present in the wastewaters that are discharged to offsite wastewater treatment facilities. Colgate uses published approaches to calculate the CO2 emissions at offsite wastewater treatment facilities that handle Colgate's wastewater discharges. We compared the results of the calculation method described above to the results from obtained from US EPA's WARM model and are confident in our approach.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Each manufacturing site obtains information from their waste management contractors regarding the methods used to treat their wastes, the quantity of wastes that are treated, and for cases where wastes are landfilled, whether the landfill is covered and whether the methane gas is collected and burned for energy recovery. The waste management contractors do not provide the GHG emissions emitted to treat and dispose of each waste stream. Rather Colgate, using the aforementioned information provided by its waste management contractors calculates the emissions using emission factors that are specific for the treatment technologies.

Business travel

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

51000

Emissions calculation methodology

American Express provides a breakdown of business travel including the mode of travel e.g., road, rail or air, the class of air travel, e.g., economy, business economy, first class, and the distance traveled. Using DEFRA business travel emission factors for air, road and rail including WTT and radiant forcing factors (air), we estimate business travel emissions. Colgate estimates that the American Express Report accounts for approximately 90% of Colgate's business travel.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

American Express provides the distance between the origin and destination for air travel, the class of air travel, e.g., economy or business class, the number of hotels overnight stays from travel records, rental car and rail traffic trips. Neither the airlines nor rail nor auto fleet companies provide the emissions for each travel route. Rather American Express calculates emissions using DEFRA emission factors, e.g., kgs CO2/ km for air travel multiplied by an activity level, e.g., air travel distance also provided by American Express.

Employee commuting

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

77000

Emissions calculation methodology

Colgate based its estimate of employee commuting on an employee survey conducted for one of its business units. The survey covered the travel habits of employees working at manufacturing sites and offices located in Poland, United States, China, Brazil, India, Thailand, Mexico and Vietnam. The survey assessed the fraction of commuting traveled by bus, train, car, motorcycle and bicycle and distance travelled. 2017 DEFRA emission factors (kgs CO2/ km for various modes of travel. WTT factors were used to estimate emissions. The survey results were then scaled up to estimate the employee commuting emissions for the entire company.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

The commuting distance and the mode of the commute are generated by Colgate colleagues. The emissions factors are developed by DEFRA. It is noted that to develop the emission factors, DEFRA must be in contact with its value chain partners, e.g., car fleet managers, motorcycle, bus and rail companies.

Upstream leased assets

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

92000

Emissions calculation methodology

Colgate leased assets include offices, warehouses, its worldwide car fleet and a fleet of small trucks which deliver pet nutrition products to customers. Colgate maintains a record of the floor area in each of it leased offices and warehouses. Colgate uses factors published by the US Department of Energy to estimate fuel consumption, e.g., natural gas per square meter of office or warehouse area and electricity consumption (kwh) per square meter of office or warehouse area. Colgate used average country-specific grid factors (kgs CO2/ MWh) to estimate emissions associated with electricity consumption. WTT and T&D losses are accounted for in the calculation Standard fossil fuel factors (kgs CO2/ liter of fuel oil) were used to estimate emissions from fossil fuel consumption. Car fleet emissions were determined by multiplying the distance each vehicle travels times a DEFRA (2017) emission factor (grams CO2/ km traveled). It is noted that the emission factor is a function of the engine displacement. Truck emissions were determined by multiplying fuel consumption (liters of diesel used by the truck fleet) times a published emission factor for diesel fuel (grams CO2/ liter of diesel). The emissions from offices, warehouses, car fleet and truck fleet were then added to yield the estimated emissions from this category.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

For car fleet emissions, the number of vehicles, vehicle size and emission factors are provided by Colgate's car fleet managers. For leased offices and warehouses, the leased areas and locations are provided by the lessors. Diesel fuel consumption for Colgate's leased trucks is provided by companies that sell diesel fuel. It is noted that the suppliers and business chain partners do not generate the estimated emissions rather the information provided by the value chain partners is used by Colgate to estimate the emissions for this category

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
The emission sources in this category include the emissions associated with the transport of Colgate products from our customer's warehouses to the consumers of our products. The distances between our customer's warehouses and the consumers of our products are significantly less than the distances in the upstream transportation category. For example, in the US, Colgate has one manufacturing plant that produces personal care products. The distance involved in shipping product from this one manufacturing sites to US customers is greater than the distance from the location of our customers, e.g., retail warehouses to the consumers, e.g., retail outlets. The magnitude of the emissions for this category will be less than for the upstream transportation category. Furthermore, the potential for emissions reduction that could be influenced by Colgate is limited. Once in hand, the customer has exclusive control of the product. Colgate views the risks associated with our customers' distribution of its products to the consumer to be minimal.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
The sale of Colgate products and intermediates that require additional processing, e.g. the sale of off spec detergent solution to a company that further processes the material to produce a product for sale to car wash is minimal and not relevant. Colgate almost exclusively produces products, e.g. toothpaste, liquid hand soap that are directly used by the consumer. Furthermore, the potential for emissions reduction that could be influenced by Colgate is limited. This is not a relevant category for Colgate.

Use of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
48407000

Emissions calculation methodology
For our oral care products, consumer use impacts are estimated based on time spent brushing teeth extrapolated into water and electricity use (for lights) for that time period. For Personal and Home Care: - Consumer use impact numbers have a wide range of possible values, and are determined by a variety of underlying assumptions per use event including product type, product quantity use, energy use, water use, electricity grid factors, incoming tap water temperature, water temperature used during product use, regional consumer habits, and appliance efficiency. Once these assumptions were determined (based on information available from CP's Consumer Insights Team, market surveys, and publicly available information), estimates were developed for kg CO2e per product use and multiplied by the total number of product uses (based on company sales data) in order to determine a mass based CO2e estimate for each product sub-category. The key methodology change since last year's estimate is the inclusion of carbon impacts for pumping water to consumers, and then pumping and treating used water after consumer use.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
The assumptions used to estimate emissions, of consumer use of sold products are based upon surveys of Colgate's consumers, input from Colgate's consumer insight teams and publicly available information. As in other Scope 3 categories, the consumers and other value chain partners do not provide CO2 emissions per use. Rather the consumers and value chain partners provide information that allows Colgate to calculate emissions attributable to product use.

End of life treatment of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
508000

Emissions calculation methodology
The methodology for quantifying impacts in this category has been updated. Previous end of life estimates were based on packaging spend data and an assumed percentage of recycled corrugate. End of life treatment estimates are now more representative than they were in prior years, due to more detailed packaging purchase data, which accounts for mass purchased of each packaging material type, as well as percentage (%) of virgin and recycled content. Packaging material type and industry average end of life treatment (landfill, recycling, incineration) pathways, along with corresponding emission factors were used to estimate impacts.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
25

Explanation
The additional information obtained from the packaging suppliers on our packing materials allows us to determine with more accuracy the mode of treatment and disposal of our sold products and hence the emissions. Similar to the purchased goods and services category, we estimate that 25% of the information is provided by suppliers/ value chain partners.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
The emissions from this category are not relevant. The emissions attributable to Colgate products from our customer's warehouses and leased automobiles and offices will be significantly less than the emissions from Colgate's leased assets

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
This source of Scope 3 emissions is not applicable to Colgate-Palmolive.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
This source of Scope 3 emissions is not applicable to Colgate-Palmolive.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
This source of Scope 3 emissions is not applicable to Colgate-Palmolive.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
This source of Scope 3 emissions is not applicable to Colgate-Palmolive.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000033475

Metric numerator (Gross global combined Scope 1 and 2 emissions)
517321

Metric denominator
unit total revenue

Metric denominator: Unit total
15454000000

Scope 2 figure used
Market-based

% change from previous year
5.3

Direction of change
Decreased

Reason for change
We purchase RECs to reduce our emissions. In 2016, we purchased 175,000 RECs. In 2017, we purchased 200,0000. We were also able to increase the prices of our products in 2017 resulting in an increase in revenues and a decrease in the intensity metric.

Intensity figure
0.102

Metric numerator (Gross global combined Scope 1 and 2 emissions)
517321

Metric denominator
metric ton of product

Metric denominator: Unit total
5073946

Scope 2 figure used
Market-based

% change from previous year
3.4

Direction of change
Decreased

Reason for change
Increase in REC purchases from 175,000 in 2016 to 200,000 in 2017 reduced GHG emissions while production was flat between 2016 and 2017.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CH4	134	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	155	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	6585	IPCC Fifth Assessment Report (AR5 – 100 year)
PFCs	0	IPCC Fifth Assessment Report (AR5 – 100 year)
SF6	107	IPCC Fifth Assessment Report (AR5 – 100 year)
CO2	194443	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Africa	15676
Asia, Australasia	24686
Europe	42105
Latin America (LATAM)	68836
United States of America	50125

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Home Care	65044
Oral Care	24465
Personal Care	64190
Pet Nutrition	43318
Other: R&D	4409

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Combustion	194735
Fugitives	6691

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Africa	10322	10322	11010	
Asia, Australasia	184135	184135	338621	
Europe	40811	46253	92679	251
Latin America (LATAM)	64866	64866	223182	29
United States of America	115753	10319	219574	200000

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Home Care	93111	59614
Oral Care	193750	184354
Personal Care	60032	50712
Pet Nutrition	54800	17157
Other: R&D	14193	4057

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Production Related	402274	312418
Research & Development	13612	3476

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	12160	Decreased	2.3	Colgate purchased 175000 RECs in 2016 and 200000 RECs in 2017. To arrive at the indicated reduction in emissions (12160 MT) attributable to an 25000 increase in purchased RECS, we calculated Scope 2 (Market Based) emissions with the inclusion of 20000 RECS and we calculated Scope 2 emissions without RECs (Location Method). The difference in 2016 and 2017 Scope 2 emissions (-99,992 MT) reflects the effect of 20000 RECs along with minor changes attributable to Residual Mix effects in Europe. The effect of a 25000 increase in purchased RECs (175000 to 200000) was determined by multiplying -99,992 MT times (25000/200000). This value (-12499) along with the all of the reported emissions changes was adjusted to -12160 so that the sum of the reported change in emissions attributable renewable energy , change in output, etc. equaled the calculated overall reduction in emissions between the 2016 Scope 1 + Scope 2 (Market Based Emissions) and the 2017 Scope 1 + Scope 2 (Market Based) Emissions . The percentage change in emissions attributable to change in renewable energy consumption was determined by dividing the adjusted reduction (-12160) by the 2016 Scope 1 + Scope 2 emissions (537189 MT). 12160/537189 = 0.0226 ~= 2.3% reduction.
Other emissions reduction activities	3180	Decreased	0.6	It is difficult to quantify the reductions from other emissions reduction activities because we generally don't have energy consumption data before and after implementation of the emissions reduction project. To arrive at the indicated reduction (-3180 MT), we summed the projected emission reductions from the four projects described in section C4.3b. The projected emissions reductions were fully implemented in 2017. 3180/537189 = 0.0059 ~= 0.6% reduction.
Divestment	2885	Decreased	0.5	Colgate divested its Australian laundry products business and closed the facility that produced the laundry products. This facility was deleted from the application that calculates the 2017 emissions. The emissions reduction attributable to the divestiture (2965 MT) was assumed to equal to 2016 emissions from the facility that produced the laundry products. As with other categories, the emissions were adjusted (2885 MT) so that the sum of the emissions from the various categories equals the calculated reduction in emissions between 2016 and 2017.
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	623	Decreased	0.1	In 2017, Colgate's production decreased by 0.327 %. This percent reduction was multiplied by the 2016 Scope1 + Scope 2 (Market Based) emissions (429434 MT). The product (1404 MT) was multiplied by 50% to reflect that a .32% reduction in production does not result in a .32 % reduction in emissions. Rather it was assumed that a 0.32 % reduction in production results in a 0.16% reduction in emissions (704 MT). The 704 MT value was adjusted to 623 MT to reflect that the sum of the emissions from the various categories, e.g., change in output, change in methodology must equal the calculated reduction in emissions from 2016 to 2017, i.e., the whole is the sum of its parts.
Change in methodology	1532	Decreased	0.3	Colgate updated its purchased electricity emission factors using the September 2017 publication of IEA factors. We also updated our eGRID factors using the latest 2016 e GRID publication. To determine the emissions reduction attributable to a change in methodology, we calculated the 2017 Scope 2 (Market Based) emissions using the new factors (315894 MT) and 2017 Scope 2 (Market Based) emissions using the old factors (317469 MT). The emissions reduction 1575MT is attributable to a change in methodology. As for other categories the calculated 1575 MT reduction was adjusted (1532MT) so that the sum of the emissions reduction from the various categories, e.g., change in boundary , etc., equals the reported reduction between 2016 and 2017 emissions.
Change in boundary		<Not Applicable>		
Change in physical operating conditions	511	Increased	0.1	In 2017, our refrigerant losses increased slightly. The reported increase (511 MT) reflects the increased fugitive emissions of HFC refrigerants between 2016 and 2017. We calculate these emissions by multiplying refrigerant losses (kgs) reported by our manufacturing sites by the latest GWPs .
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	942602	942602
Consumption of purchased or acquired electricity	<Not Applicable>	0	827105	827105
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	57961	57961
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	289	<Not Applicable>	289
Total energy consumption	<Not Applicable>	289	1827668	1827957

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

We do not collect data which breaks down the usage of fossil fuel, i.e., to generate steam or to produce heat. To answer C8.2c, we surveyed several manufacturing sites in different businesses to determine the how fossil fuels is used. The MWh of fuel consumed for self generation of heat and the self generation of steam are based upon the survey results

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
857965

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
127552

MWh fuel consumed for self-generation of steam
510209

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
220204

Fuels (excluding feedstocks)
Residual Fuel Oil

We do not collect data which breaks down the usage of fossil fuel, i.e., to generate steam or to produce heat. To answer C8.2c, we surveyed several manufacturing sites in different businesses to determine how fossil fuels are used. The MWh of fuel consumed for self generation of heat and the self generation of steam are based upon the survey results

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
19133

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
3827

MWh fuel consumed for self-generation of steam
15306

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Fuels (excluding feedstocks)
Gas Oil

We do not collect data which breaks down the usage of fossil fuel, i.e., to generate steam or to produce heat. To answer C8.2c, we surveyed several manufacturing sites in different businesses to determine how fossil fuels are used. The MWh of fuel consumed for self generation of heat and the self generation of steam are based upon the survey results

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
19807

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
3961

MWh fuel consumed for self-generation of steam
15846

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

We do not collect data which breaks down the usage of fossil fuel, i.e., to generate steam or to produce heat. To answer C8.2c, we surveyed several manufacturing sites in different businesses to determine how fossil fuels are used. The MWh of fuel consumed for self generation of heat and the self generation of steam are based upon the survey results

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
9273

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
1855

MWh fuel consumed for self-generation of steam
7418

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Fuels (excluding feedstocks)
Bituminous Coal

We do not collect data which breaks down the usage of fossil fuel, i.e., to generate steam or to produce heat. To answer C8.2c, we surveyed several manufacturing sites in different businesses to determine how fossil fuels are used. The MWh of fuel consumed for self generation of heat and the self generation of steam are based upon the survey results

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
36424

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
7285

MWh fuel consumed for self-generation of steam
29139

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Bituminous Coal

Emission factor
2.4587

Unit
metric tons CO2e per metric ton

Emission factor source
World Resources Institute (2008) GHG Protocol Tool for Stationary Combustion Version 4.0

Comment

Gas Oil

Emission factor
2.6857

Unit
kg CO2e per liter

Emission factor source
World Resources Institute (2008) GHG Protocol Tool for Stationary Combustion Version 4.0

Comment

Liquefied Petroleum Gas (LPG)

Emission factor
1.6131

Unit
kg CO2e per liter

Emission factor source
World Resources Institute (2008) GHG Protocol Tool for Stationary Combustion Version 4.0

Comment

Natural Gas

Emission factor
1.8868

Unit
kg CO2e per m3

Emission factor source
World Resources Institute (2008) GHG Protocol Tool for Stationary Combustion Version 4.0

Comment

Residual Fuel Oil

Emission factor
2.949

Unit
kg CO2e per liter

Emission factor source
World Resources Institute (2008) GHG Protocol Tool for Stationary Combustion Version 4.0

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	71492	65639	289	289
Heat	72240	72240	0	0
Steam	566100	566100	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type
Wind

MWh consumed associated with low-carbon electricity, heat, steam or cooling
200000

Emission factor (in units of metric tons CO2e per MWh)
0

Comment
Regarding C8.2e, we used data obtained from our cogeneration sites to report the electricity generated (MWh) and the electricity (MWh) sold at these sites. We do not collect data which breaks down the quantity of heat that is generated (from fossil fuel combustion) in a measurable form, e.g., hot water nor do we collect data on the quantity of steam generated from the combustion of fossil fuels in our stationary sources, e.g., boilers and in our cogeneration facilities. To answer C8.2c, we used survey data and engineering judgment to estimate the quantity of heat and steam produced at our manufacturing sites. While we convert electricity to cooling in our chillers and refrigeration equipment, we did not report the quantity of electricity that was converted to cooling energy to avoid double counting. This is addressed in the guidance to C8.2e.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy use

Metric value
0.36

Metric numerator
Total Energy Consumption (MWh)

Metric denominator (intensity metric only)
Net Manufactured for Shipment (MT)

% change from previous year
0.7

Direction of change
Decreased

Please explain
Colgate's goal is to reduce its Total Energy Consumption (MWh)/ MT of Production by 33% by 2020 from the base year of 2002. We are working to meet our 2020 normalized energy reduction goal.

Description
Waste

Metric value
6

Metric numerator
Total Waste to Landfill (kgs)

Metric denominator (intensity metric only)
Net Manufactured for Shipment (MT)

% change from previous year
3.5

Direction of change
Decreased

Please explain
Colgate's goal is to reduce its total waste to landfill (kgs)/ MT of production by 50% by 2020 from the base year of 2010. We are on target to meet our 2020 reduction goal.

Description
Other, please specify (Normalized Water Used to Make Product)

Metric value
1.07

Metric numerator
Total Incoming Water (m3)- Water in Products (m3)

Metric denominator (intensity metric only)
Net Manufactured for Shipment (MT)

% change from previous year
2

Direction of change
Increased

Please explain
Colgate's goal is to reduce the water used to manufacture its products, that is, total incoming water minus water added to its products (cubic meters)/ MT of production by 50% by 2020 from the base year of 2002. Our normalized water usage increased due to revised cleaning and sanitization procedures. We are working to update our cleaning and sanitization procedures which will enable us to reduce water used to manufacture our products.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 1

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
BVNA - CDP Verification Statement Limited - Colgate Palmolive Scope 1&2 2017-revised.pdf

Page/ section reference
All

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
95

Scope
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
BVNA - CDP Verification Statement Limited - Colgate Palmolive Scope 1&2_ 2017-revised.pdf

Page/ section reference
All

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
95

Scope
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
BVNA - CDP Verification Statement Limited - Colgate Palmolive Scope 1&2_ 2017-revised.pdf

Page/ section reference
All

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
95

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3- at least one applicable category

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement
Colgate_CDP _2017 Scope 3 Verification_ Statement_ July_2018.pdf

Page/section reference
All

Relevant standard
ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Renewable energy products	Green e certified	Our purchase of 200000 RECs are Green e certified Green-e_Attestation_ColgatePalmolive Company_4886_RY2017_9202_030718.pdf
C8. Energy	Other, please specify (Energy and Waste Data)	International Standard on Assurance Engagements (ISAE) 3000	Other environmental indicators were independently verified by a third party including energy consumption, incoming water and the sources of that water, e.g., municipal water supplies, ground water and quantity of wastes disposed and the how these wastes were disposed. e.g, via landfill, via offsite treatment followed by disposal Colgate_ Palmolive 2017 Assurance Statement_ 5-29-2018.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

GHG Scope
Scope 2

Application
The parts of the business decision making process which our internal price of carbon applies to is Operations, Procurement and Finance. Our carbon price has relatively low financial influence on larger capital business decision, however, it is utilized to give visibility to carbon impacts as well as develop an understanding and appreciation of the connection between energy use & procurement, climate change and investment choices at the operation level.

Actual price(s) used (Currency /metric ton)
0.76

Variance of price(s) used
A number of factors are considered in assessing an investment including but not limited to the age of the equipment being replaced, needs to meet production demands, projected growth, the location of the project, utility costs, labor costs and projected cost savings. CO2 reductions are also a factor in the evaluation. Basically, differentiated pricing: a price that varies by region, business unit or type of decision

Type of internal carbon price
Internal fee
Offsets

Impact & implication
In support of our 2020 Sustainability Climate goal of reducing absolute CO2 emissions from our global factories by 25%, Colgate purchases appropriate quantities of green power in the form of green-e certified US-based Renewable Energy Certificates (RECs). The cost of this green power purchase is then internally charged back to our global sites directly in proportion to their Scope 1 & 2 CO2 emissions. Although the REC costs are relatively modest compared to energy costs, we believe this sends yet another important financial signal to our sites, and further incentivise them to consider the potential opportunities associated with reducing their carbon emissions.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
0.3

% total procurement spend (direct and indirect)
46

% Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
We followed these criteria for supplier engagement: Suppliers representing approximately 80% of our total global spend, suppliers from high emitting sectors as for example manufacturers and logistics providers. Suppliers connected with our agricultural materials, where we would like to see significant emissions reductions. All our forest commodities suppliers are included in the scope as mandatory. Every year we assess the pool of suppliers selected and evaluate if we need to add any additional supplier in our engagement plan. In 2016, we updated some of our supply chain emission factors Prioritizing engagements: For CDP Supply Chain, we focus on our largest suppliers by spend level. For raw material engagement, we began engaging key suppliers of raw materials which have been determined to be our most carbon-intensive in our oral care value chain. In 2016, Colgate estimated or updated the carbon and water footprints for our Oral Care, Personal Care and Home Care categories. We are beginning to use this data to engage with our suppliers in the areas where we can have the greatest impact.

Impact of engagement, including measures of success
Measure of success: Numbers are for CDP Supply Chain program in 2017. We request that our key Tier I suppliers and suppliers of carbon-intensive materials participate in the CDP Supply Chain Program Climate Disclosure to help us understand and address climate impacts and associated risks and opportunities in our upstream supply chain. In 2017, more than 46% of our Tier I suppliers responded to the survey, including our largest raw material suppliers and contract manufacturers. We achieved a 82% supplier response rate, significantly higher than the average rate for all member companies. Method of engagement: We have participated in CDP's Supply Chain Leadership Collaboration Project since 2008, increasing the scope of suppliers each year. This program helps Colgate gather data to obtain a better understanding of our environmental footprint. In 2012, Colgate worked with a consultant to develop a comprehensive "top down" carbon footprint for our global Oral Care value chain. The footprint focused on the 15 categories of Scope 3 emissions outlined by the WRI/WBCSD GHG Protocol, with the goal of identifying the most relevant Scope 3 areas, CO2 "hotspots" and potential areas of improvement. This exercise utilized a complete year's data (e.g. procurement, logistics, manufacturing, travel, consumer use, disposal, etc.) to convert those activities to Scope 3 emissions estimates. In 2013, we expanded the Carbon Footprint project by conducting a "deeper dive" into the Scope 3 category of Purchased Goods and Services. We began engaging key raw materials suppliers based on these results, to look for opportunities and reduce CO2. In 2014, we began estimating the CO2 impact of various formulation and procurement scenarios. In 2015, we expanded the work to our Personal Care and Home Care categories.

Comment
Number of suppliers: 112

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Other - Logistics partners:

Methods of engagement: In the logistics area (category #4 Upstream Transportation & Distribution), Colgate works closely with its third party logistics providers on a number of climate related initiatives including: use of natural gas instead of diesel to fuel the transport vehicles; the use of collaborative shipping where products from Colgate and other companies that are going to the same customer are combined to produce fully loaded vehicles; encouraging the use of energy efficient lighting in the warehouses owned by third party logistics providers; working with customers to promote the environmental benefits intermodal shipments (rail). Additionally, Colgate is a member of the EPA Smartway program, a market-driven partnership aimed at helping businesses move goods in the cleanest, most efficient way possible.

Prioritizing engagements: Colgate focuses its efforts on our key strategic larger-scale providers, as Colgate has the greatest potential to initiate change and drive transformation with its principal provider.

Measures of success: Colgate has developed a scorecard to measure its success on conversion to natural gas. The scorecard measures tons shipped, distance, origin and destination for natural gas shipments. Additionally, Colgate measures success by our reduction in logistics emissions - for example, our North America region has reduced logistics greenhouse gas emissions by 27 percent per ton of finished goods moved since 2010.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations
Funding research organizations
Other

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
Consumer Goods Forum

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
CGF states publicly that climate change is a major strategic threat, one which could affect our customers and their habitats, our businesses and the wider economy and society.In 2016, the Consumer Goods Forum (CGF) updated its resolution on refrigerants, which calls on Food and Beverage supply chains to phase out hydrofluorocarbons. Although Colgate is not in the Food and Beverage sector, we have proactively aligned our global refrigerant standard to meet the intent of the CGF's resolution as a way to support these efforts. In addition, we developed an associated e-learning training tool to assist our global facilities in transitioning toward less carbon-intensive refrigerants. CGF also has a resolution to help mobilize resources to achieve zero net deforestation by 2020. (CGF additionally is working towards a resolution to address food waste, which Colgate does not generate).

How have you, or are you attempting to, influence the position?
Colgate's VP of Global Sustainability, EHS and Supply Chain Strategy is a member of the CGF Sustainability Steering Committee and actively participates in decision-making on climate change and formulation of CGF strategies. Colgate's Chairman, President, and CEO Ian Cook is Co-Chair of the Board of the CGF and actively participates in sustainability-related decision-making. Colgate also contributed to a booklet for the May 2015 Business & Climate Summit in Paris, highlighting our commitment to limit global warming to 2 degrees Celsius and our energy reduction efforts. The summit was "designed to showcase how business is now ready to play its role in meeting the climate challenge."

Trade association
AISE - International Assoc. for Soaps, Detergents and Maintenance Products

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
A.I.S.E. is involved in various EU efforts relating to the Europe 2020 strategy on smart, sustainable and inclusive growth:- A.I.S.E. is engaged with the European Commision's Resource Efficiency Roadmap, which includes climate change milestones. - A.I.S.E. has been selected to conduct one of 14 pilot studies to test how an environmental footprint for products and organisations could work for the liquid laundry detergents sector.- A.I.S.E. joined the "world you like with a climate you like" campaign led by DG Climate. This "I prefer 30°" multi-stakeholder campaign promotes low temperature washing.

How have you, or are you attempting to, influence the position?
Colgate is on the Board of the A.I.S.E. We participate actively in decision making and have signed on to their Charter for Sustainable Cleaning.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

U.S. EPA ENERGY STAR: Colgate is an Energy Star Partner Company in the EPA's industrial sector, furthering emissions reduction in manufacturing and targeting energy efficiency and carbon footprint.We strive to achieve Energy Star Partner status and have enrolled all Colgate manufacturing sites globally in the USEPA Energy Star Challenge for Industry. We were named an Energy Star Partner of the Year several years in a row (2011, 2012, 2013, 2014, 2015, 2016, 2017) and 83% of our sites have achieved ENERGY STAR Challenge for Industry status. We have sponsored Energy Star events with our suppliers to increase awareness and engagement.

USGBC: Colgate is an active member of the U.S. Green Building Council, committed to a sustainable future through cost-efficient and energy-saving green buildings. We have 14 facilities around the world which have achieved 17 Energy and Environmental Design (LEED) Certifications, with nine more projects registered and underway; and we've committed to LEED for all new construction. Colgate is a Charter Member of the USGBC LEED User Group: Industrial Facilities. We review proposed Standards and discuss real world practicalities regarding design in the construction of facilities globally and contributed to the development of a tool to share LEED certified building details. Our Director, Environmental Sustainability, Global Supply Chain is on the Board of USGBC's New Jersey chapter.

The Sustainability Consortium (TSC): Colgate is an active member of The Sustainability Consortium and sits on the Corporate Advisory Council. We contribute to the development of key metrics to measure sustainability efforts, a crucial first step for product sustainability and emissions reductions over the product lifecycle. We are working with TSC to develop a standardized framework for the communication of sustainability-related product information. The framework enables rigorous product level Life Cycle Assessments to be done at a fraction of today's time and cost. Colgate contributes to the development of a standardized framework for the communication of sustainability-related information throughout the product sustainability value chain downstream to consumers.

Roundtable on Sustainable Palm Oil (RSPO): Colgate is an RSPO member company, contributing to the development of standards in conjunction with government and owners to ensure palm oil is grown and harvested in a sustainable manner. In June 2015, Colgate also signed a letter, together with other companies and investors, urging the RSPO to strengthen its standards and practices to reflect best practices widely recognized as necessary to ensure palm oil is produced in a manner that does not degrade the environment or result in violations of human rights. Colgate's Policy on No Deforestation details further commitments to sourcing sustainable palm oil and other forest commodities. Additionally, in July 2016, we have Issued a commodity-specific Policy on Responsible and Sustainable Sourcing of Palm Oils. We continue to support a moratorium on further deforestation by palm oil producers and have communicated that position to our suppliers who have direct contact with the producers.

We Mean Business: Colgate made public commitment to climate-related initiative and committed to adopt a science-based emissions reduction target and remove commodity-driven deforestation from all supply chains through the We Mean Business Take Action Platform, demonstrating support for a low-carbon economy.

United Nations: In May 2017, Colgate-Palmolive became a member of the United Nations Global Compact (UNGC). Colgate-Palmolive supports the Sustainable Development Goals (SDGs). In our 2018 CSR report, we describe how our initiatives can be linked to specific UN SDGs. Colgate is working with the UNGC to leverage the SDGs in the ongoing development of our climate stewardship and sustainability strategies. Additionally, in 2018, we joined the UNGC Action Platform on climate-related Pathways to Low-Carbon and Resilient Development.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Through active participation and engagement, managed by a central Colgate team, with various external stakeholder groups (e.g. USEPA, TSC, ACI, AISE, USGBC, WRI, UNGC), as well as engagement with our internal stakeholders, we work to ensure our direct and indirect activities that influence policy are consistent with our overall climate strategy. We believe our commitment and performance demonstrate business support for climate. Global Sustainability and EHS is also consulted in the event of proposed policy engagement of relevance to climate change. Additionally, Colgate manages multiple engagement activities around climate change across business divisions/categories and geographies by including Climate Change Strategies and commitments in our Global Sustainability Strategy. These commitments are cascaded into Division specific Sustainability Plans and goals. Function specific strategies and goals are coordinated at the global level and are also included in Global Growth and Efficiency, Global Technology and Global Supply Chain strategic plans. Progress on our climate change commitments and KPIs are reported on twice a year on an organization wide as part of our Environmental Performance and Sustainability progress report and our New Products Sustainability progress report.Many strategies are led globally. Global manufacturing drives 5% for the Planet capital investment program, engagement in USEPA Energy Star Challenge for Industry, achievement of manufacturing energy and carbon reduction goals, Business Readiness Planning, and LEED NC certification for all new manufacturing plants. Global logistics drives carbon reduction relating to movement of finished goods through network optimization, low carbon transportation and efficient load building. Our marketing team leads development of consumer engagement campaigns to reduce water/energy associated with use of our products, often with support of our Global Sustainability and EHS team. Clarity of purpose, inclusion in our goal alignment process and regular progress reporting drives alignment.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
SEC-CL-21665-18-3.pdf

Content elements
Risks & opportunities

Publication
In mainstream reports

Status
Complete

Attach the document
Colgate-Palmolive_2017-Annual-Report.pdf

Content elements
Risks & opportunities
Emissions figures
Emission targets

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Colgate_CorporateSocialResponsibility_SustainabilityReport_2017.pdf

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Publication
In voluntary sustainability report

Status
Complete

Attach the document
ColgateSustainability_KPI_and_GRI_2017_9.pdf

Content elements
Emissions figures
Emission targets
Other metrics

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	EVP, Chief Growth and Strategy Officer	Other C-Suite Officer

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	15454000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	1941621039

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

CVS Health

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions
Scope 1: - Fossil fuel combustion at Colgate manufacturing and R+D sites; - Fugitive emissions from Colgate manufacturing and R+D sites (refrigerant losses, SF6 losses)

Verified
Yes

Allocation method
Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

Requesting member
Target Corporation

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions
Scope 1: - Fossil fuel combustion at Colgate manufacturing and R+D sites; - Fugitive emissions from Colgate manufacturing and R+D sites (refrigerant losses, SF6 losses)

Verified
Yes

Allocation method
Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

Requesting member
Tesco

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions
Scope 1: - Fossil fuel combustion at Colgate manufacturing and R+D sites; - Fugitive emissions from Colgate manufacturing and R+D sites (refrigerant losses, SF6 losses)

Verified
Please select

Allocation method
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

Requesting member
Wal Mart de Mexico

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions
Scope 1: - Fossil fuel combustion at Colgate manufacturing and R+D sites; - Fugitive emissions from Colgate manufacturing and R+D sites (refrigerant losses, SF6 losses)

Verified
Please select

Allocation method
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

Requesting member
Wal-Mart Stores, Inc.

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions
Scope 1: - Fossil fuel combustion at Colgate manufacturing and R+D sites; - Fugitive emissions from Colgate manufacturing and R+D sites (refrigerant losses, SF6 losses)

Verified
Please select

Allocation method
Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

Requesting member
CVS Health

Scope of emissions
Scope 2

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions
Scope 2 (Market Based Method): purchased electricity and purchased steam at Colgate manufacturing and R+D sites

Verified

Please select

Allocation method
Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

Requesting member
Target Corporation

Scope of emissions
Scope 2

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions
Scope 2 (Market Based Method): purchased electricity and purchased steam at Colgate manufacturing and R+D sites

Verified
Please select

Allocation method
Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

Requesting member
Tesco

Scope of emissions
Scope 2

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions
Scope 2 (Market Based Method): purchased electricity and purchased steam at Colgate manufacturing and R+D sites

Verified
Please select

Allocation method
Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

Requesting member
Wal Mart de Mexico

Scope of emissions
Scope 2

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions

Scope 2 (Market Based Method): purchased electricity and purchased steam at Colgate manufacturing and R+D sites

Verified
Please select

Allocation method
Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

Requesting member
Wal-Mart Stores, Inc.

Scope of emissions
Scope 2

Emissions in metric tonnes of CO2e

Uncertainty (±%)
10

Major sources of emissions
Scope 2 (Market Based Method): purchased electricity and purchased steam at Colgate manufacturing and R+D sites

Verified
Please select

Allocation method
Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We are currently developing an updated approach to allocating GHG emissions to our global customers.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

See Colgate's 2018 CDP Climate response for global 2017 Scope 1 and 2 emissions.

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify (Supply chain is complex)	Supply chain is complex and emissions are not allocated to unique customers at the technical level. Given the complexity of the supply chain, a decision was made to allocate greenhouse gas emissions based on revenue. This is not a calculation of the specific emissions and sources attributable to our customers.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

We will continue to allocate based on revenue and expand the number of retailers to which this information is supplied, upon request.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member
Wal-Mart Stores, Inc.

Group type of project
Other, please specify (Shopper)

Type of project
Other, please specify (Consumer scope-3)

Emissions targeted
Actions that would reduce our own supply chain emissions (our own scope 3)

Estimated timeframe for carbon reductions to be realized
3-5 years

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
Shopper program relating to Save Water messaging. Colgate also commits, as a way to reduce our most significant Scope 3 greenhouse gas emissions, to promote water conservation awareness to 100 percent of our global consumers and reduce emissions associated with consumer behavior by up to 5 percent from 2016 to 2022, and increase the recycled content of our packaging to 50 percent by 2020. In 2017, Colgate began working with Walmart's Project Gigaton, to support their ambition to work with their suppliers to reduce 1 billion metric tons of greenhouse gas emissions (GHG) from the global value chain by 2030. Colgate's CEO announced our climate Science-Based Target at the Walmart Sustainability Summit in April 2017. Specifically, Colgate has joined Project Gigaton by committing to GHG goals in six areas: emissions, energy, waste, deforestation, packaging, and product use. Colgate will report against these goals annually.

Requesting member
Wal Mart de Mexico

Group type of project
Other, please specify (Shopper)

Type of project
Other, please specify (Consumer scope-3)

Emissions targeted
Actions that would reduce our own supply chain emissions (our own scope 3)

Estimated timeframe for carbon reductions to be realized
3-5 years

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
Shopper program relating to Save Water messaging. Colgate also commits, as a way to reduce our most significant Scope 3

greenhouse gas emissions, to promote water conservation awareness to 100 percent of our global consumers and reduce emissions associated with consumer behavior by up to 5 percent from 2016 to 2022, and increase the recycled content of our packaging to 50 percent by 2020. In 2017, Colgate began working with Walmart's Project Gigaton, to support their ambition to work with their suppliers to reduce 1 billion metric tons of greenhouse gas emissions (GHG) from the global value chain by 2030. Colgate's CEO announced our climate Science-Based Target at the Walmart Sustainability Summit in April 2017. Specifically, Colgate has joined Project Gigaton by committing to GHG goals in six areas: emissions, energy, waste, deforestation, packaging, and product use. Colgate will report against these goals annually.

Requesting member
CVS Health

Group type of project
Please select

Type of project
Please select

Emissions targeted
Please select

Estimated timeframe for carbon reductions to be realized
Please select

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal

Requesting member
Target Corporation

Group type of project
Please select

Type of project
Please select

Emissions targeted
Please select

Estimated timeframe for carbon reductions to be realized
Please select

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal

Requesting member
Tesco

Group type of project
Please select

Type of project
Please select

Emissions targeted
Please select

Estimated timeframe for carbon reductions to be realized
Please select

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
Yes

SC2.2a

(SC2.2a) Specify the requesting member(s) that have driven organizational-level emissions reduction initiatives, and provide information on the initiatives.

Requesting member
Wal Mart de Mexico

Initiative ID
2017-ID1

Group type of project
Reduce Logistics Emissions

Type of project
Other, please specify (Transport. efficiency: Zero Empty Miles)

Description of the reduction initiative
Launched in 2011, Colgate continues to implement a logistics backhaul program with Walmart Mexico, as well as with Walmart in other Latin American countries.

Emissions reduction for the reporting year in metric tons of CO2e

Did you identify this opportunity as part of the CDP supply chain Action Exchange?
No

Would you be happy for CDP supply chain members to highlight this work in their external communication?
Please select

Requesting member
Wal-Mart Stores, Inc.

Initiative ID
2017-ID2

Group type of project
Other, please specify (Value-Chain Improvements)

Type of project
Other, please specify (Changes in shopper pack)

Description of the reduction initiative
In Brazil, Colgate has partnered with Walmart on three End-to- End projects to improve sustainability across a product's value chain. For example, making changes to a shopper pack of toothpaste and soap reduced greenhouse gas emissions, plastic and fuel use.

Emissions reduction for the reporting year in metric tons of CO2e

Did you identify this opportunity as part of the CDP supply chain Action Exchange?
No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Please select

Requesting member
Target Corporation

Initiative ID
2017-ID3

Group type of project
Reduce Logistics Emissions

Type of project
Other, please specify (Transport. efficiency: Zero Empty Miles)

Description of the reduction initiative
Colgate continues to implement a logistics backhaul program with Target.

Emissions reduction for the reporting year in metric tons of CO2e

Did you identify this opportunity as part of the CDP supply chain Action Exchange?
No

Would you be happy for CDP supply chain members to highlight this work in their external communication?
Please select

SC3.1

(SC3.1) Do you want to enroll in the 2018-2019 CDP Action Exchange initiative?
No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2017-2018 Action Exchange initiative?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services, if so, what functionality will you be using?
No, I am not providing data

SC4.2d

(SC4.2d) Have any of the initiatives described in SC4.2c been driven by requesting CDP Supply Chain members?
No

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Public	Investors Customers	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms