F0. Introduction

F0.1
Give a general description of and introduction to your organization.

Founded in 1806, Colgate-Palmolive is a publicly traded consumer products company with $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 Oral Care, Personal Care, Home Care and Pet Nutrition products under trusted brands such as Colgate, Palmolive, Speed Stick, Lady Speed Stick, Sanex, Softsoap, Irish Spring, Protex, Elmex, Tom’s of Maine, Ajax, Fabuloso, Soupline, Suavitol, Hill’s Science Diet, Hill’s Prescription Diet and Hill’s Ideal Balance. Colgate operates in over 80 countries and sells products in over 200 countries and territories.

At Colgate, we understand the potential consequences of deforestation 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 deforestation and we are committed to using responsibly and sustainably sourced forest commodity materials.

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

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

Much of Colgate’s packaging material utilizes wood-derived or paper-based products. We are committed to source paper based materials that are certified and comes from responsibly managed forests. In 2017, we launched our commodity specific policy on pulp and paper where we clearly explain our commitment to maximize the use of recycle materials and meet the following criteria: No illegally harvested wood, no exploitation of people or local communities, protection of high conservation value and no sourcing woods from forest converted to plantations or non-forest use.

Colgate is committed to sourcing responsible palm oil, palm kernel oil and palm oil derivatives that do not contribute to deforestation. Our commitment is to work to build a traceable supply chain with no deforestation of high conservation value and high carbon stock areas, no development on peatlands and no exploitation of indigenous people, local communities or workers. Our palm oil responsible sourcing policy, issued in July 2016, addresses the key requirements to our suppliers to build global supply chains that meet Colgate’s palm oil policy criteria.

In Brazil, there are concerns that rising demand for beef as a food source is prompting farmers to clear part of the Amazon rainforest and other ecologically sensitive regions for cattle ranching. Currently, we require Brazilian suppliers to certify that they are following the environmental and social requirements set forth by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA). We are also working to minimize the amount of tallow purchased from high-risk areas.

Colgate supports efforts such as the Soy Moratorium that help minimize deforestation from soy expansion and increase transparency in the soy sector. Colgate has mapped our soy product supply chains globally to understand our direct usage and geography of supply.

Colgate committed to support the Cerrado Manifesto objectives to prevent deforestation of the Cerrado, an environmentally important region in Brazil. The Cerrado Manifesto aims to stop deforestation of the Brazilian Cerrado, largely associated with the production of Soy.

F0.2

State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 1, 2017</td>
<td>December 31, 2017</td>
</tr>
</tbody>
</table>
(F0.3) Select the currency used for all financial information disclosed throughout your response.
USD

(F0.4) Select the stage(s) of the value chain which best represents your organization’s area of operation pertaining to forest risk commodities.
Manufacturing

(F0.5) Do you produce, use, or sell materials or products that contain any of the forest risk commodities?

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Produce/use/sell</th>
<th>Disclosing</th>
<th>Explanation if produce/use/sell but not disclosing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Cattle Products</td>
<td>Yes</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

(F0.6) Are there any parts of your direct operations not included in your disclosure?
No

(F0.7) Are there any parts of your supply chain not included in your disclosure?
No

F1. Current state

(F1.1) How does your organization produce, use, or sell your disclosed commodity(ies)?

- **Forest risk commodity**
  - Timber

- **Activity**
  - Using as input into product manufacturing
Form of commodity
Paper
Primary packaging
Secondary packaging
Tertiary packaging

Source
Multiple contracted producers
Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Region of origin
Argentina
Australia
Brazil
Canada
China
France
India
Malaysia
Thailand
United States of America

% of procurement spend
1-5%

Comment

Forest risk commodity
Palm Oil

Activity
Using as input into product manufacturing

Form of commodity
Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives
Other, please specify (By-products (e.g. glycerin))

Source
Multiple contracted producers
Trader/broker/commodity market
Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Region of origin
Brazil
Guatemala
Honduras
Indonesia
Malaysia
Thailand

% of procurement spend
1-5%

Comment

Forest risk commodity
Soy

Activity
Using as input into product manufacturing
Form of commodity
Soy bean oil
Soy bean meal
Soy derivatives
Other, please specify (By-product (e.g. Soy based glycerin))

Source
Multiple contracted producers
Trader/broker/commodity market
Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Region of origin
Argentina
Brazil
Germany
United States of America

% of procurement spend
<1%

Comment

Forest risk commodity
Cattle products

Activity
Using as input into product manufacturing

Form of commodity
Tallow

Source
Multiple contracted producers
Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Region of origin
Argentina
Brazil
United States of America

% of procurement spend
1-5%

Comment

F1.1a

(F1.1a) Indicate from which State/region(s) and municipality(ies) your disclosed commodity(ies) originate.

Forest risk commodity
Timber

Activity
Growing/production of raw materials

Country/Region of origin
Brazil

State/Region
Specify state/region (We trace back to the country of origin)

Municipality
Don't know
Please explain
Country of origin information was requested from suppliers in the form of a supplier declaration. The results demonstrate that, while Colgate-Palmolive does have a global pulp and paper supply chain, the majority of the suppliers declared the United States as the country of origin. Only 15% of the volume comes from Brazil.

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Palm Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Milling</td>
</tr>
<tr>
<td>Country/Region of origin</td>
<td>Indonesia</td>
</tr>
<tr>
<td>State/Region</td>
<td>Specify state/region (Aceh Tamiang/ Singkil )</td>
</tr>
<tr>
<td>Municipality</td>
<td>Don't know</td>
</tr>
<tr>
<td>Please explain</td>
<td>For palm oil we currently have 98% traceability back to the mill level, and for palm kernel oil we have 91% traceability to the mill level. In 2016 we started to trace back to the plantation level. For palm oil derivatives we currently have 62% traced back to the first importer, 57% traced back to the first refiner and 59% traceability to the mill.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Palm Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Milling</td>
</tr>
<tr>
<td>Country/Region of origin</td>
<td>Malaysia</td>
</tr>
<tr>
<td>State/Region</td>
<td>Specify state/region (Johor)</td>
</tr>
<tr>
<td>Municipality</td>
<td>Don't know</td>
</tr>
<tr>
<td>Please explain</td>
<td>For palm oil we currently have 98% traceability back to the mill level, and for palm kernel oil we have 91% traceability to the mill level. In 2016 we started to trace back to the plantation level. For palm oil derivatives we currently have 62% traced back to the first importer, 57% traced back to the first refiner and 59% traceability to the mill.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Cattle Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Rendering for tallow</td>
</tr>
<tr>
<td>Country/Region of origin</td>
<td>Brazil</td>
</tr>
<tr>
<td>State/Region</td>
<td>Specify state/region (Mato Grosso, Rondonia, Sao Paulo)</td>
</tr>
<tr>
<td>Municipality</td>
<td>Don't know</td>
</tr>
<tr>
<td>Please explain</td>
<td>Based on our latest supply chain mapping, 37% of our volume comes from slaughterhouses located in Mato Grosso, Rondonia and Sao Paulo states.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Soy</th>
</tr>
</thead>
</table>
Activity
Growing/production of raw materials

Country/Region of origin
Brazil

State/Region
Specify state/region (Camacari, Anapolis, Sao Paulo, Erechim)

Municipality
Don't know

Please explain
Based on our supply chain mapping conducted in 2017, our soybean meal and soybean oil come from the following states in Brazil: Camacari, Anapolis, Sao Paulo, Erechim

Forest risk commodity
Soy

Activity
Growing/production of raw materials

Country/Region of origin
Argentina

State/Region
Specify state/region (Rio Parana, Santa Fe)

Municipality
Don't know

Please explain
Based on our latest supply chain mapping 80% of our soy derivatives in Argentina come from Rio Parana and Santa Fe states.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

<table>
<thead>
<tr>
<th>% of revenue dependent on commodity</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>91-99%</td>
</tr>
<tr>
<td>Colgate uses timber for Paper &amp; Board in secondary packaging globally. The estimated percentage is directionally correct, based on the fact that paper &amp; board represent 30% of our total packaging, and the majority of our products are sold and/or shipped in corrugated cases.</td>
<td></td>
</tr>
<tr>
<td>Palm Oil</td>
<td>21-30%</td>
</tr>
<tr>
<td>Colgate palm oil consumption is 0.22% of global production. We use palm oil based formula in select products in the oral care, personal care and home care categories. This percentage reflects the proportion of these categories that contain palm oil. Formulas in these categories do not all contain palm-derived materials.</td>
<td></td>
</tr>
<tr>
<td>Cattle products</td>
<td>6-10%</td>
</tr>
<tr>
<td>We use tallow, a cattle byproduct, for select products in our bar soap sub-category. Estimated percentage is directionally correct and reflects the proportion of the personal care category that uses tallow.</td>
<td></td>
</tr>
<tr>
<td>Soy</td>
<td>6-10%</td>
</tr>
<tr>
<td>We mainly use soy for our pet food products in the Hill's division. Soy is mainly sourced from Brazil, Argentina and United States. Estimated percentage is directionally correct and reflects the proportion of the Hill's category that uses soy.</td>
<td></td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

F1.3

(F1.3) Do you own or manage land used for the production of your disclosed commodity(ies)?
Forest risk commodity
Timber

Own and/or manage land?
Don't own or manage land

Type of control
<Not Applicable>

Description of type of control
<Not Applicable>

Country/Region
<Not Applicable>

Land type
<Not Applicable>

Size (Hectares)
<Not Applicable>

Do you have a system in place to monitor forests-related risks?
<Not Applicable>

Type of monitoring system
<Not Applicable>

Description of monitoring system
<Not Applicable>

Recent infraction(s)
<Not Applicable>

Explanation of infraction
<Not Applicable>

Forest risk commodity
Palm Oil

Own and/or manage land?
Don't own or manage land

Type of control
<Not Applicable>

Description of type of control
<Not Applicable>

Country/Region
<Not Applicable>

Land type
<Not Applicable>

Size (Hectares)
<Not Applicable>

Do you have a system in place to monitor forests-related risks?
<Not Applicable>

Type of monitoring system
<Not Applicable>

Description of monitoring system
<Not Applicable>

Recent infraction(s)
<Not Applicable>

Explanation of infraction
<Not Applicable>
<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Soy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own and/or manage land?</td>
<td>Don't own or manage land</td>
</tr>
<tr>
<td>Type of control</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Description of type of control</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Country/Region</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Land type</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Size (Hectares)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Do you have a system in place to monitor forests-related risks?</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Type of monitoring system</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Description of monitoring system</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Recent infraction(s)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Explanation of infraction</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>
(F1.4) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.

**Timber**

**Do you collect data regarding compliance with the Brazilian Forest Code?**
No, we do not collect data

**Please explain**
No, we are not currently collecting data on the Brazilian Forest Code compliance for our paper based materials.

**Palm Oil**

**Do you collect data regarding compliance with the Brazilian Forest Code?**
No, we do not collect data

**Please explain**
No, we are not currently collecting data on the Brazilian Forest Code compliance for Palm Oil material. We mainly source palm oil from Malaysia, Indonesia and other countries in Latin America.

**Cattle products**

**Do you collect data regarding compliance with the Brazilian Forest Code?**
Yes, from suppliers

**Please explain**
We are currently asking to our tallow suppliers to provide IBAMA certificate and to comply with the Brazilian Forest Code. As a verification and control mechanism, it is required that all our suppliers include in the invoice and shipping documents a confirmation showing that the vendor does not provide or acquire products or animal from farms included in the list of areas embargoed by IBAMA or from the high risk areas in the Amazon. For all suppliers with rendering and slaughterhouse we also require the SIF (Federal Inspection Service) verification, to assure compliance with local legislation. In addition, our suppliers are required to provide the TAC (Termo de ajustamento de conduta sustentabilidade), to assure compliance with local government requirements, and the implementation of the agreed corrective actions.

**Soy**

**Do you collect data regarding compliance with the Brazilian Forest Code?**
Yes, from suppliers

**Please explain**
We started to socialize with our Soy suppliers our commitments on responsible Soy and our support to the Cerrado Manifesto. As part of this activity we started to communicate to our Soy suppliers with operations in Brazil, that they need to operate in conformance with the Brazilian Forest Code. Since this was a new requirement for Soy suppliers, we are using the certification scheme Proterra as a proxy in the verification of compliance with the national legislation. We mapped and compare the current certification scheme our suppliers in brazil are using to supply material to Colgate-Palmolive (Proterra), vs. the Brazilian Forest Code criteria to identify which elements have been verified. Our suppliers are including in the invoice and shipping documents the Proterra certificate number as part of our current governance requirements and validation process. The key indicators of compliance with the Forest Code are also required: The origin of the products, registration in the CAR (Cadastro Ambiental Rural) and validated CAR registration. We completed the mapping and geography of supply to determine the origin of the product, and now we are collecting the information related to CAR.
(F1.4b) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure the compliance of your suppliers with the Brazilian Forest Code and their performance against these indicator(s).

Forest risk commodity
Cattle Products

KPIs and performance
Other, please specify (Documentation )

Number of suppliers
23

Please explain
We do not have yet a established KPI on this request to suppliers. We are requesting to our suppliers to provide documents to support compliance with the Brazilian Forest Code.

Forest risk commodity
Soy

KPIs and performance
Other, please specify (Documentation )

Number of suppliers
2

Please explain
We do not have yet a established KPI on this request to suppliers. We are requesting to our suppliers to provide documents to support compliance with the Brazilian Forest Code.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Data availability/Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Consumption data available, disclosing</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Consumption data available, disclosing</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Consumption data available, disclosing</td>
</tr>
<tr>
<td>Soy</td>
<td>Consumption data available, disclosing</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity
Timber

Data type
Consumption data

Volume
485224855

Metric
Other, please specify (Spend )

Data coverage
Full commodity production/consumption
F1.6

(F1.6) Have you identified sufficient sources of sustainable materials to meet your current operational needs? If yes, what are you doing to ensure the security/continuity of this supply?
Timber

Sustainable source identified
Yes

Primary action to ensure supply
Engaging in capacity building activities in the value chain

Please explain
With the support of Rainforest Alliance we conducted a supply chain mapping and risk assessment which helped us to identify additional sustainable and certified sources. We started to engage with our suppliers and as a starting point we conducted a webinar with the suppliers identified in this portfolio to communicate our expectations and timing to source only from sustainable and certified sources. Rainforest Alliance helped us to increase awareness with our suppliers explaining very clear during the webinar the importance of using certified paper based materials, the different types of certification and resources available to support them on getting certified. As of today 35% of our volume is certified or recycled and 41% is SFI certified sourcing. These volumes have been negotiated as certified volume for the next 3 years based on current supply agreements in place.

Palm Oil

Sustainable source identified
Yes

Primary action to ensure supply
Engaging in capacity building activities in the value chain

Please explain
Globally we established specific commitments to source 100% RSPO certified oils or equivalent, including both Mass Balance and Identity Preserved Oils. We are following a collaborative approach working very close with our strategic suppliers to increase the usage of certified oils. As of today 100% of our palm oil and palm kernel oil are from physical supply chains that are certified. We started to make changes in our supply network and qualify new sources to accelerate the execution and implementation of our sourcing strategy on certified oils. In collaboration with one of our key strategic suppliers in Thailand, we are supporting a group of smallholders in Thailand to get the RSPO certification, to increase the availability of certified oils in our palm oil supply chain in Thailand. We continue to actively engage with suppliers regarding the availability, supply and cost of certified sustainable palm oil and derivatives. We are including the certification requirement in our suppliers supply agreement and we are qualifying other sustainable and certified sources as for example Rainforest Alliance. 100% of our palm oil and palm kernel oil is certified and these volumes have been secured for the next 2 years based on current supply agreements and contracts in place.

Cattle products

Sustainable source identified
Yes

Primary action to ensure supply
Supplier diversification

Please explain
We made some changes in our tallow material sourcing strategy to assure compliance with our no deforestation policy. In Brazil we implemented the plant/volume commitment strategy with some specific suppliers to control the material supply chain since origin, by using more vertically integrated and sustainable suppliers. Our supply has been secured for the next 2 years based on current supply agreements and contract in place. We continue to source tallow from low-risk regions to drive compliance across our supply base, working with our suppliers to meet the environmental and social requirements set forth by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), and with the Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome. 79% of our tallow is sourced from low-risk regions and 100% of our tallow suppliers operate in conformance with IBAMA requirements and the Minimum criteria for Amazon cattle. We continue engaging with our suppliers to promote transparency in their supply chain, and qualify additional sources that are sustainably and responsibly produced.

Soy

Sustainable source identified
Yes

Primary action to ensure supply
Supplier diversification

Please explain
As part of our responsible sourcing strategy for Soy, we started to qualify new sources that are responsibly and sustainably produced and from low risk regions. Our sustainable supply and certified volume are secured for the next two years based on current supply agreements and contracts in place. 100% of our soy material is Pro-terra certified and the certification requirement is included in the supplier negotiation process and selection criteria.
F1.7

(F1.7) Has your organization experienced any detrimental forests-related impacts?
No

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?
Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.
Timber

Value chain stage
Direct operations
Supply chain

Coverage
Full

Risk assessment procedure
Assessed as part of an established enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
> 6 years

Tools and methods used to identify and assess risks
Internal company methods
External consultants
FSC Global Forest Registry

Please explain
Our risk mapping and assessment process follows the following approach: 1. Enterprise Risk Management (ERM) program: a) To identify, prioritize and manage risks; 2. Supplier Responsible Sourcing Assessment (SRSA) program where we audit and evaluate supplier on these four important areas: Labor practices, Health and safety, Environmental management and Business integrity; 3. Sustainable & Responsible Sourcing: a) To source all our forest commodities responsibly by 2020, developing a commodity specific policy, b) To drive transparency in our global supply chain, by conducting supply chain mapping back to the origin, c) To promote the usage of certified material d) To conduct material risk assessments to identify areas of high risk/ Hot spots and opportunities of improvements in our supply network, e) Partnership with the suppliers to address specific issues identified, following a collaborative approach to drive transformation in our supply chain, f) Conduct third party verification audits based on risk assessment and/or supply chain mapping analysis outcome. 4. Heat Map Risk Assessment: To identify potential risk exposure for raw materials based on the country risk and sourcing region, using Maplecroft indices. Our approach is helping us to anticipate and mitigate risks to act responsibly and in alignment with our values. It is currently helping us to properly manage the commodity costs, reputational risk and anticipate any supply shortages. This approach is embedded in our corporate strategy, to assure we source materials in compliance with existing laws and sustainability criteria. With our current partnership with Rainforest Alliance, we are expanding our supply chain mapping and assessment for Pulp and Paper to Tier II suppliers. This step is important because it is helping Colgate-Palmolive to identify any potential controversial sources. For paper based materials we are also using FSC global forest registry to complement our current risk assessment process.
Palm Oil

Value chain stage
Direct operations
Supply chain

Coverage
Full

Risk assessment procedure
Assessed as part of an established enterprise risk management framework

Frequency of assessment
Six-monthly or more frequently

How far into the future are risks considered?
> 6 years

Tools and methods used to identify and assess risks
Internal company methods
External consultants
Sustainability Policy Transparency Toolkit (SPOTT)
Starling

Please explain
Our risk mapping and assessment process follows the following approach: 1. Enterprise Risk Management (ERM) program: a) To identify, prioritize and manage risks; 2. Supplier Responsible Sourcing Assessment (SRSA) program where we audit and evaluate four important areas: Labor practices, Health and safety, Environmental management and Business integrity; 3. Sustainable & Responsible Sourcing: a) To source all our forest commodities responsibly by 2020, developing a commodity specific policy, b) To drive transparency in our global supply chain, by conducting supply chain mapping and traceability to the mill and plantation, c) To promote the usage of certified material d) To conduct material risk assessments to identify areas of high risk/ Hot spots and opportunities of improvements in our supply network, e) Partnership with the suppliers to address specific issues identified, following a collaborative approach to drive transformation in our supply chain, and f) Conduct third party verification audits based on risk assessment and/or supply chain mapping analysis outcome. 4. Heat Map Risk Assessment: To identify potential risk exposure for raw materials based on the country risk and sourcing region, using Maplecroft indices. Our approach is helping us to anticipate and mitigate risks to act responsibly and in alignment with our values. It is currently helping us to properly manage the commodity costs, reputational risk and anticipate any supply shortages. This approach is embedded in our corporate strategy, to assure we source materials in compliance with existing laws and sustainability 2020 goals and criteria. For palm oil, our strategy was to map palm oil and derivatives suppliers to increase transparency from plantation to product and identify hot spot areas. In 2016 we started to work with our palm oil derivatives suppliers on the supply chain mapping, with the support of TFT. In 2017, we started to request to all new palm oil suppliers to complete a Palm Oil Pre-audit assessment questionnaire, as part of our internal assurance process in place and engagement process to on-board new suppliers. We did complement the assessment with SPOTT tool to immediately identify the gaps vs. our palm oil policy, and assign suppliers ranking.
Cattle Products

Value chain stage
Direct operations
Supply chain

Coverage
Full

Risk assessment procedure
Assessed as part of an established enterprise risk management framework

Frequency of assessment
Six-monthly or more frequently

How far into the future are risks considered?
> 6 years

Tools and methods used to identify and assess risks
Internal company methods
National specific tools and databases
Other, please specify (IBAMA Compliance, Amazon Cattle Criteria)

Please explain
Our risk mapping and assessment process follows the following approach: 1. Enterprise Risk Management (ERM) program: a) To identify, prioritize and manage risks; 2. Supplier Responsible Sourcing Assessment (SRSA) program where we audit and evaluate suppliers on four important areas: Labor practices, Health and safety, Environmental management and Business integrity; 3. Sustainable & Responsible Sourcing: a) To source all our forest commodities responsibly by 2020, developing a commodity specific policy, b) To drive transparency in our global supply chain, by conducting supply chain mapping and traceability, c) To promote the usage of certified material d) To conduct material risk assessments to identify areas of high risk/ Hot spots and opportunities of improvements in our supply network, e) Partnership with the suppliers to address specific issues identified, following a collaborative approach to drive transformation in our supply chain, and f) Conduct third party verification audits based on risk assessment and/or supply chain mapping analysis outcome. 4. Heat Map Risk Assessment: To identify potential risk exposure for raw materials based on the country risk and sourcing region, using Maplecroft indices. 

Our approach is helping us to anticipate and mitigate risks to act responsibly and in alignment with our values. It is currently helping us to properly manage the commodity costs, reputational risk and anticipate any supply shortages. This approach is embedded in our corporate strategy, to assure we source materials in compliance with existing laws and sustainability 2020 goals and criteria. Our no deforestation risk assessment process for tallow is mainly focused on Brazil. As part of our risk assessment process we identified the material sourcing region in Brazil, and 79% of our volume is sourced from low risk regions. We continue working with our suppliers to assure they operate in conformance with the Amazon Minimum Criteria, as well as comply with IBAMA, as stated in our no deforestation policy. As part of our internal assessment process, all tallow suppliers need to complete a pre-audit questionnaire to pre-assess where to focus based on the potential risks identified after analyzing the supplier’s response. We started to switch to suppliers that are vertically integrated to guarantee traceability to the slaughter houses and farms.
Soy

Value chain stage
Direct operations
Supply chain

Coverage
Full

Risk assessment procedure
Assessed as part of an established enterprise risk management framework

Frequency of assessment
Six-monthly or more frequently

How far into the future are risks considered?
> 6 years

Tools and methods used to identify and assess risks
Internal company methods

Please explain
Our risk mapping and assessment process follows the following approach: 1. Enterprise Risk Management (ERM) program: a) To identify, prioritize and manage risks; 2. Supplier Responsible Sourcing Assessment (SRSA) program where we audit and evaluate four important areas: Labor practices, Health and safety, Environmental management and Business integrity; 3. Sustainable & Responsible Sourcing: a) To source all our forest commodities responsibly by 2020, developing a commodity specific policy, b) To drive transparency in our global supply chain, by conducting supply chain mapping and traceability, c) To promote the usage of certified material d) To conduct material risk assessments to identify areas of high risk/ Hot spots and opportunities of improvements in our supply network, e) Partnership with the suppliers to address specific issues identified, following a collaborative approach to drive transformation in our supply chain, and f) Conduct third party verification audits based on risk assessment and/or supply chain mapping analysis outcome. 4. Heat Map Risk Assessment: To identify potential risk exposure for raw materials based on the country risk and sourcing region, using Maplecroft indices. Our approach is helping us to anticipate and mitigate risks to act responsibly and in alignment with our values. It is currently helping us to properly manage the commodity costs, reputational risk and anticipate any supply shortages. This approach is embedded in our corporate strategy, to assure we source materials in compliance with existing laws and sustainability 2020 goals and criteria. As part of our risk assessment process for Soy, we mapped our soy usage and geography of supply to identify the high risk areas, which is mainly South America. All soy sourced from that region must be certified. As of today 100% of our soy oil and soy meal sourced from south America is Proterra certified.

In 2017, we completed the mapping of our indirect soy footprint and/or embedded soy footprint in order to expand our risk assessment activities to that group of suppliers. We are currently working with our team in Brazil to assure we establish a control and verification mechanism to assure our soy derivatives suppliers source material responsibly and do not contribute to deforestation.

F2.1b

(F2.1b) Which of the following issues are considered in your organization’s forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion
Relevant, always included

Please explain
We evaluate changes in the availability of forest risk commodities on an ongoing basis for each region of the world, monitoring supply and demand in each market as well as quality-related issues. For example, for palm oil we monitor the certified oils market trend, availability and premium, as well as for soy oil. This is important to assure that we meet our policy commitments and the goals on certified materials volume per region. We are working very closely with our suppliers to assure access to the certified volume, by putting in place specific supply agreements to increase the usage of certified sources in our global supply chain. For pulp and paper, the company has established a preference for sourcing Forest Stewardship Council (FSC) certified pulp, and we monitor closely any changes in availability, and the supplier challenges on getting the certification. This helps us to identify actions with the collaboration of our suppliers to meet our policy goals. In the case of Tallow, we are constantly evaluating and monitoring the material availability coming from the low risk area and the quality. This is important because we are committed to reduce the volume sourced from areas close to the Amazon, in order to reduce the risk exposure and have more control of the material sources. Additionally, supplier reputations and/or environmental and social performance, NGO concerns on specific supplier sourcing issues are also factored in our organization’s deforestation risk assessment.
Quality of forest risk commodities

Relevance & inclusion
Relevant, always included

Please explain
We constantly evaluate quality related issues and all our raw materials suppliers are audited under the Enhanced Supplier Management (ESM) program, where the quality and the supply chain components are assessed and evaluated. Quality issues identified during the onsite audit are highlighted in the audit report and should be closed by the suppliers in the time-frame agreed with Colgate ESM auditors.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion
Relevant, always included

Please explain
This risk is factored in through the implementation of our Policy on No Deforestation and our supply chain mapping process. We closely monitor the deforestation issues raised in specific areas of concerns like Amazon region specifically Mato Grosso and Rondonia in Brazil, Cerrado Bioma in Brazil and the Leuser ecosystem specifically the closest areas like Aceh provinces and North Sumatra in Indonesia. This is important to drive responsible sourcing practices in our global supply chain, and engage with the suppliers in transformation projects and conflict resolutions. For example, in 2017 we started to actively participate in The APT (Areal Prioritas transformasi) landscape transformation project, which is a collaborative transformation project designed to drive meaningful changes in Indonesia, focusing on the regions Aceh Tamiang and Aceh Singkil. The project includes different actors in the supply chain: producers, mills, brands, as well as stakeholders and government. With the support of TFT and other organizations, multi-stakeholders forums were conducted to develop land use scenario plans, that will feed into the provincial spatial plans to prevent deforestation, protect ecosystems and local communities. With our participation in this long term project, we are contributing to accomplish the following short term results: Development of baseline maps and deforestation analysis, contribute to Indonesian government spatial plans and identify the list of mills where intervention is needed and intensive support for transformation will be conducted.

Regulation

Relevance & inclusion
Relevant, always included

Please explain
The changes in regulation of forest risk commodities exposure is monitored by our sourcing teams, through ongoing monitoring. This is important information when establishing the regional and global sourcing strategies for our forest commodities, global supplier’s selection criteria and volume consolidation.

Climate change

Relevance & inclusion
Relevant, always included

Please explain
Our responsible sourcing team closely monitor the commitments that our raw and packaging materials suppliers made around carbon emission reduction and the programs in place to meet their goals. Our key strategic suppliers participate in the CDP program.

Tariffs or price increases

Relevance & inclusion
Relevant, always included

Please explain
The risk is evaluated through a quarterly review of commodities market conditions by Colgate’s Global Procurement Organization, which prepares the quarterly forecast and reports to senior business managers and directors, to assess the potential price volatility risk exposure. In addition, our procurement team monitors the premium and price increases associated to sourcing physically certified materials as well as the availability. This is important for our operational cost and also to establish specific actions with our suppliers to find opportunities for cost reduction and supply optimization. For palm oil and derivatives where we see high premium cost for certified materials, we track the cost monthly since this may impact our overall commitment to source 100% certified material for palm and derivatives.
Loss of markets

Relevance & inclusion
Relevant, always included

Please explain
Colgate's Global Consumer Affairs department monitors consumer feedback regarding key issues, including deforestation, with a standardized monitoring and reporting format across all Divisions.

Brand damage related to forest risk commodities

Relevance & inclusion
Relevant, always included

Please explain
This risk is factored in through ongoing monitoring and our Enterprise Risk Management Program, since NGOs campaigns can impact our brands. We have close communications with NGOs on specific issues related to Colgate-Palmolive forest commodities, and we immediately address those issues engaging with our suppliers. It is important that we factor this into our risk assessments across commodities to ensure we proactively manage the non-compliant suppliers and their policy gaps. To reduce brand risk exposure we are incorporating our forest commodities into our Risk Heat Map analysis, where we focus on identifying potential issues based on the country risk factor.

Corruption

Relevance & inclusion
Relevant, always included

Please explain
Colgate-Palmolive Company and its subsidiaries and affiliates throughout the world take enormous pride in Colgate's longstanding reputation for integrity, which is vital to our success as a Company. The strength of Colgate's reputation is based, not only on our own conduct, but also on the actions of those with whom we do business. For that reason, we aspire to work only with third parties who share our values and reflect the same high ethical standards. We are committed to deal legally and ethically with governments worldwide. We require all of our Third Party Partners to comply with the Colgate-Palmolive Global Anti-Bribery Policy, as well as with all applicable anti-bribery laws, including but not limited to the U.S. Foreign Corrupt Practices Act ("FCPA"). Our FCPA and Anti-bribery policy is distributed to all vendors. We require compliance with our Third Party Code of Conduct, to ensure all of vendors reflect the same high ethical standards as the Company and demonstrate a commitment to compliance with all laws governing their activities, including laws prohibiting bribery or corruption. As part of our Supplier Responsible Sourcing Assessment (SRSA) program, we globally assess risk based on our supplier's business integrity. The scope of our SRSA program is global and includes raw materials suppliers as well as packaging materials and contract manufacturers. We also conduct the vendor screening process and third party due diligence where issues related to corruption is captured. The scope of this screening process is global and includes our direct suppliers and indirect suppliers.

Social impacts

Relevance & inclusion
Relevant, always included

Please explain
This risk is factored in through our Enterprise Risk Management Program, ongoing monitoring and responsible sourcing meetings with The Forest Trust on palm oil and Rainforest Alliances for pulp and paper. In those meetings we discuss and address specific situations concerning the palm oil and pulp and paper industry and responsible sourcing practices needed to address issues. For palm oil specifically we assess potential transformation projects to tackle major social issues identified in the palm oil sector. We are currently focus on Indonesia and Malaysia where major social issues have been identified. In Indonesia for example, in 2017 we started to work with our key strategic supplier in the region supporting 3 workshops for a specific group of mills and plantations. The workshops focused on Indonesia specific human rights risks and opportunities for the palm oil industry, especially in the area of labour. Important topics as minimum and living wages, wage systems, contracts and grievance mechanisms were covered in the workshops. The workshops were conducted in the following regions: Jakarta, Medan and Pekanbaru. The key deliverables include raising awareness among the participants regarding key labour issues and concerns raised by NGOs, involve multi-stakeholders on the path to improving working conditions and livelihoods of workers, provide deep understanding for brands to collaboratively drive change and transform practices and behaviors.

Other, please specify

Relevance & inclusion
Please select

Please explain
(F2.1c) Which of the following stakeholders are considered in your organization’s forests-related risk assessments?

Customers

Relevance & inclusion
Relevant, always included

Please explain
We collaborate with our key customers on important sustainability initiatives to tackle deforestation on the different forest commodities and mitigate any potential reputational risk for our brands. Our customers feedback and requirements are important to us and we are committed to join efforts to meet new requests and challenges related to deforestation. A clear example of that commitment is our support to Walmart’s “Project Gigaton” and our commitment to use Eco-labels in some specific products in Europe and North America to meet our customers requirements.

Employees

Relevance & inclusion
Relevant, always included

Please explain
We are committed to transparency and we strongly believe that it is important for our employees to know where we stand on key environmental issues, in alignment with our core values. We take into consideration the feedback we receive from our employees and we recognize that our actions to address forest commodities risks can only be accomplished through Continuous Improvement and Global Teamwork, two core values in Colgate-Palmolive. As an example, to increase the awareness on our commitments to end deforestation and the key actions we are doing globally, we include this important topic in our internal webcasts and company-wide meetings.

Investors

Relevance & inclusion
Relevant, always included

Please explain
We share a vision with concerned stakeholders for a future without deforestation. We continue to work within Colgate and together with external partners on our no deforestation goals to meet the increased external expectations from investors. As an example, we deeply analyze the requests we get from responsible investors and we prioritize activities based on how critical is the topic to the business and the importance to investors and other stakeholders. This help us to mitigate any potential brand risk exposure and/or reputational risk for the company.

Local communities

Relevance & inclusion
Relevant, always included

Please explain
For palm oil specifically we are working with The Forest Trust (TFT) on specific landscape transformation projects to positively impact local communities withing the selected landscape. We are currently supporting the collaborative transformation effort to address environmental and social risks in Aceh Tamiang and Aceh Singkil in Indonesia.

NGOs

Relevance & inclusion
Relevant, always included

Please explain
We follow a collaborative approach working closely with NGOs on specific issues related to our key forest commodities. For palm oil and pulp and paper, we are currently working with The Forest Trust and Rainforest Alliance on the responsible sourcing strategy for palm oil and our paper based materials. We engage with other NGOs addressing specific issues raised and connected with our palm oil supply network. Our engagement with NGOs help us to mitigate any reputational risk for the company.
Other forest risk commodity users/producers at a local level

Relevance & inclusion
Relevant, always included

Please explain
We continue to engage with our contract manufacturers to assure the usage of sustainable materials and mitigate any risk exposure for the brands/products that we contract to be manufactured.

Regulators

Relevance & inclusion
Relevant, not included

Please explain
With regards to Tallow, in Brazil we have mechanisms in place to assess risks and assure tallow is responsibly sourced. We ask to all our tallow suppliers to take part in the program criteria for industrial-scale cattle and beef products operations in the Brazilian Amazon Biome, to drive sustainable and responsible sourcing practices within the supply chain, and ensure the suppliers do not acquire cattle from farms that have deforested native forests that are located in the Amazon Biome. As a verification and control mechanism, it is required that all our suppliers include in the invoice and shipping documents, a confirmation showing that the vendor does not provide products from farms included in the list of areas embargoed by IBAMA or from the high-risk areas in the Amazon. For all suppliers with rendering and slaughterhouse we also require the SIF (Federal Inspection Service) verification, to assure compliance with local legislation and mitigate any regulatory risks.

Suppliers

Relevance & inclusion
Relevant, always included

Please explain
Through our Engagement for Policy Implementation (EPI) activities with The Forest Trust, we pre-assess our palm oil suppliers current state on their commitments to no deforestation. As part of the EPI process we ask to our palm suppliers to develop a palm sourcing policy, work on traceability activities and approaches to changing practices in the supply chain, as well as to develop a grievance mechanisms to address the issues raised. As part of our risk assessment process we monitor the EPI metrics to assure suppliers operate in compliance with Colgate's Policy on Responsible and Sustainable Palm Oils. This important activity with our palm oil suppliers help us to assure they have the right mechanisms in place to address any risk or issues identified in their palm oil network, which at the same time help to protect Colgate brands and mitigate risks related to legislation and regulatory compliance.

Other stakeholders, please specify

Relevance & inclusion
Please select

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

<table>
<thead>
<tr>
<th>Risk</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes, only within our direct operations</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes, both in direct operations and the rest of our value chain</td>
</tr>
<tr>
<td>Cattle Products</td>
<td>Yes, both in direct operations and the rest of our value chain</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes, both in direct operations and the rest of our value chain</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>
F3.1a

(F3.1a) How does your organization define substantive impact on your business?

In Colgate, we define substantive financial impact any risk driven by changes in the regulation, new legislation, reputational risks and any negative media coverage, operational risks, capacity and availability of sustainable commodity markets and any capital investments to increase availability of sustainable materials. This definition applies to direct operations and supply chain.

The metric we use to identify substantive change in our direct operations and supply chain is our current heat risk map methodology which is an internal tool that help us to identify potential risks based on different factors and criteria like the regional risk, legislation landscape per region, etc. We complement this metric with the usage of Verisk MapleCroft which offers a comprehensive risk assessment including 14 environmental and social risk criteria, calculated at country level.

By using this methodology and metric we take decisions that impact our operations and business. For example in Brazil, we invested and continue maintaining the in-house upgrading operation equipment to convert lower grade beef tallow (widely available in Brazil and from low risk areas no associated to deforestation) to the higher grade that Colgate needs to continue driving efficiencies in our operations, and support our no deforestation commitment on beef tallow.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Timber</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of risk</td>
<td>Regulatory</td>
</tr>
<tr>
<td>Geographical scale</td>
<td>Global</td>
</tr>
<tr>
<td>Where in your value chain does the risk driver occur?</td>
<td>Direct operation, Supply chain</td>
</tr>
<tr>
<td>Primary risk driver</td>
<td>Other regulatory driver, please specify (Lacey Act and EU Timber Act compliance)</td>
</tr>
<tr>
<td>Primary potential impact</td>
<td>Increased compliance costs</td>
</tr>
</tbody>
</table>

**Company-specific description**

Increasing legislation surrounding timber, such as the Lacey Act and EU Timber Act, represents a risk in our supply chain and supply network due to the comprehensive monitoring system required, understanding that not all the suppliers in the different regions are aware of those requirements and their implications. To address this situation, the following actions were considered in 2017: - Socialize the requirements with our suppliers and assess their current state. We will finalize this action in Q3 2018 - Quantify the cost impact to move them to compliance and develop roadmap to meet the expected requirements. We will focus first on the suppliers that represent 80% of our spend in some specific regions. - Make changes in the supply network as needed and assure the requirements are included in the supply agreement and contract. By implementing these actions we will assure our suppliers operate in compliance with the legislation and work effectively managing any potential operational on-cost.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Unlikely

**Potential financial impact**

0
Explanation of financial impact
We are currently putting mechanisms in place to quantify this risk.

Primary response to risk
Engagement with suppliers

Description of response
The geographical scale of the risk includes different regions. With the support of Rainforest Alliance and as part of our engagement process we conducted a webinar for our pulp and paper suppliers, where we explain our commitment to drive a deforestation free supply chain and the external landscape in terms of compliance and regulations. Our activities on pulp and paper include our corrugate, carton, labels, drier sheets and displays suppliers. Regular engagement and monitoring with those suppliers are important and will continue in order to ensure that our suppliers are aligned and understand the implications of important legislations in the pulp and paper industry.

Cost of response
0

Explanation of cost of response
Our current partnership with Rainforest Alliance includes webinars with suppliers. Cost related to webinars is already covered in our current agreement.

Forest risk commodity
Palm Oil

Type of risk
Regulatory

Geographical scale
Region

Where in your value chain does the risk driver occur?
Direct operation
Supply chain

Primary risk driver
Other regulatory driver, please specify (Palm Oil Import Restriction Thailand)

Primary potential impact
Increased operating costs

Company-specific description
Palm oil import restriction in Thailand prevents us from making some sourcing changes to assure long term usage of physically certified oils in our facility.

Timeframe
1-3 years

Magnitude of potential impact
Medium-low

Likelihood
More likely than not

Potential financial impact
525000

Explanation of financial impact
To assure the usage of sustainable sources we are spending USD$525,000.00 for the premium we need to pay to get certified palm oil and palm kernel oil materials. This spend is in addition to the negotiated material cost.

Primary response to risk
Promotion of certification, including financial incentives

Description of response
We continue working with our suppliers in Thailand to keep the usage of physically certified oils in that region in the long term. In collaboration with one of our key strategic supplier in Thailand we are supporting a group of smallholders to get the RSPO certification. To facilitate the process, our direct supplier is working with the RSPO team to facilitate the process and provide the necessary training and support to the group of smallholders in order to overcome current challenges and help them to get the RSPO Mass Balance certification.
Cost of response
10000

Explanation of cost of response
Our cost contribution and funding to support this important initiative was absorbed by the global procurement structure.

Forest risk commodity
Cattle Products

Type of risk
Regulatory

Geographical scale
Region

Where in your value chain does the risk driver occur?
Direct operation
Supply chain

Primary risk driver
Non-compliance with national legislation

Primary potential impact
Increased operating costs

Company-specific description
Land registration and management are still a risk due to the lack of control mechanisms in some specific regions in Brazil that are considered high risks.

Timeframe
1-3 years

Magnitude of potential impact
Medium-low

Likelihood
About as likely as not

Potential financial impact
0

Explanation of financial impact
At this moment we can not quantify the potential financial impact.

Primary response to risk
Increased use of sustainably sourced materials

Description of response
We had to change our tallow material sourcing strategy to ensure compliance with our no deforestation policy. A very important improvement in our sourcing activities was the implementation of the volume commitment strategy with vertically integrated suppliers to assure we source from low risk areas and in compliance with our policy requirements and with the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), and the Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome. 79% of our tallow is sourced from low-risk regions and 100% of those suppliers operate in conformance with our policy requirements.

Cost of response
620000

Explanation of cost of response
We did absorb the on-cost of USD$622,000.00. This cost was originated due to the additional premium we had to pay to assure sustainable material. This was a onetime cost and it is not recurring.

Forest risk commodity
Soy

Type of risk
Regulatory

Geographical scale
CDP
Where in your value chain does the risk driver occur?
Direct operation
Supply chain

Primary risk driver
Moratoria and voluntary agreements

Primary potential impact
Increased operating costs

Company-specific description
Increasing legislation in Brazil could affect soy supply and price.

Timeframe
1-3 years

Magnitude of potential impact
Medium-low

Likelihood
About as likely as not

Potential financial impact
200000

Explanation of financial impact
Our efforts to continuously source sustainable soy oil requires that we purchase Proterra certified soy oil and soy meal, to assure our soy comes from sustainable sources that meet local and external regulations. We paid for a premium to get material that is Proterra certified. The premium was paid in addition to the material cost.

Primary response to risk
Increased use of sustainably sourced materials

Description of response
The geographical scale of the risk only includes Brazil. We continue working with our Soy suppliers to assess the availability of soy that does not contribute to deforestation and we will increase our purchases of soy from these sources. In addition, we are finalizing the qualification of other sources of soy that comes from areas considered low risk and that are responsibly and sustainably produced.

Cost of response
0

Explanation of cost of response
No extra costs identified in addition to the certificate costs.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

<table>
<thead>
<tr>
<th></th>
<th>Have you identified opportunities?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Yes</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

F3.2a
For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

### Forest risk commodity
- Timber

### Type of opportunity
- Other

### Where in your value chain does the opportunity occur?
- Direct operation
- Supply chain

### Primary forests-related opportunity
- Other, please specify (Increase capacity of sustainable markets)

### Financial incentives
- <Not Applicable>

#### Company-specific description & strategy to realize opportunity
- The opportunity identified is to drive and increase brand value by sourcing pulp and paper sustainably and certified, and adding the certification scheme logo in our corrugates, cartons and displays. To materialize this opportunity the following actions were identified: Map the products of interest based on regional identified needs, i.e. customers preference, customers requirements, ecolabels usage increase in a specific region or market, assure availability of certified materials by having long term contract with suppliers, started to include the logo in our packaging materials in new product launches and displays. The strategy started to be implemented in 2017 and in some regions some of our paper and board packaging materials include the certification scheme logo, which is very important to drive demand for these materials. In North America for example, we met with our key paper based materials suppliers to discuss the need of including the logo in our packaging. For some selected new product launches we started to include the certification scheme logo, to increase consumer awareness on sustainability and encourage our consumers to buy sustainable products.

#### Estimated timeframe for realization
- 1-3 years

#### Magnitude of potential impact
- Medium

#### Likelihood
- Very likely

#### Potential financial impact
- 0

#### Explanation of financial impact
- No financial impact is anticipated since this opportunity is part of our overall sustainable sourcing strategy for paper based materials. Our paper based materials suppliers must supply certified products to meet our policy requirements and criteria.

### Forest risk commodity
- Palm Oil

### Type of opportunity
- Other

### Where in your value chain does the opportunity occur?
- Direct operation
- Supply chain

### Primary forests-related opportunity
- Other, please specify (Increase capacity sustainable commodity)

### Financial incentives
- <Not Applicable>

#### Company-specific description & strategy to realize opportunity
- The opportunity identified was to maximize the usage of sustainable palm. We established specific commitments to source 100% RSPO certified oils or equivalents in a number of regions, including both Mass Balance and Identity Preserved Oils. To materialize this opportunity we are following a collaborative approach working very close with our strategic suppliers to increase the usage of certified oils for palm derivatives. As of July 2018, 100% of our palm oil and palm kernel oil are from physical supply chains that are
We started to make changes in our supply network to accelerate the execution and implementation of our sourcing strategy on certified oils. The strategy is still in place and in 2017 we spent $8.02MM in addition to the material cost, to get certified palm oils and palm kernel oil. As part of our strategy, in collaboration with one of our key strategic suppliers in Thailand, we are supporting a group of smallholders in that region to get the RSPO certification, to increase the availability of certified oils in our palm oil supply network in Thailand. For specific brands as for example Tom’s of Maine we are including the Rainforest Alliance certification logo, which is important for our consumers.

**Estimated timeframe for realization**
1-3 years

**Magnitude of potential impact**
Medium-high

**Likelihood**
Likely

**Potential financial impact**
8000000

**Explanation of financial impact**
In 2017 we spent $8.02MM in addition to the material cost, to get certified palm oils. We are paying for the premium cost to get certified materials. The premium varies depending on the country and in some countries as for example Thailand, the premium cost exceeded the budgeted premium due to the limited availability of sustainable oils.

**Forest risk commodity**
Cattle Products

**Type of opportunity**
Other

**Where in your value chain does the opportunity occur?**
Direct operation
Supply chain

**Primary forests-related opportunity**
Other, please specify (Increase capacity sustainable commodity)

**Financial incentives**
<Not Applicable>

**Company-specific description & strategy to realize opportunity**
The opportunity identified was to make sourcing changes in our tallow material sourcing strategy in Brazil, to assure compliance with our no deforestation policy, by giving preference to vertically integrated suppliers. To materialize this opportunity we implemented the plant/volume commitment strategy with the suppliers identified to control the material supply chain since origin, since they are more vertically integrated. This strategy helped us to continue to source tallow from low-risk regions to drive compliance across our supply base and meet the environmental and social requirements set forth by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), and meet the Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome. The overall plant/volume commitment strategy is helping us to assure long term availability of sustainable materials for Tallow in Brazil.

**Estimated timeframe for realization**
1-3 years

**Magnitude of potential impact**
Medium-high

**Likelihood**
Likely

**Potential financial impact**
600000

**Explanation of financial impact**
The financial impact to materialize the opportunity identified was USD $600K, due to the additional logistics cost we had to pay. We did absorb the on-cost since this was necessary to source sustainable tallow material in Brazil.
Type of opportunity
Other

Where in your value chain does the opportunity occur?
Direct operation
Supply chain

Primary forests-related opportunity
Other, please specify (Increase capacity sustainable market)

Financial incentives
<Not Applicable>

Company-specific description & strategy to realize opportunity
`For Soy, the opportunity identified was to increase the usage of certified sources in our direct footprint. We established specific commitments to source 100% certified soy material by year end 2017. In addition, we started to qualify new sources that are responsibly and sustainably produced and from low risk regions. `- The strategy to materialize this opportunity was to evaluate the current certification schemes available to understand which scheme meets our no deforestation policy requirements for soy. Based on the outcome of our evaluation, we determined that Proterra identity preserved certification scheme help us to meet our policy requirements. In addition to the certification scheme analysis, we determined the region of concern to mainly focus on that region. The region of concern identified is South America and in our case we focus on Brazil. All our soy materials sourced from Brazil is proterra certified. `- We continue engaging with our suppliers in that region to assure long term availability of Proterra certified material. We have long term supply agreements to assure certified volume, since Proterra certified volume is very limited in a global basis`

Estimated timeframe for realization
1-3 years

Magnitude of potential impact
Medium-high

Likelihood
Very likely

Potential financial impact
65000

Explanation of financial impact
The premium for Proterra certified material is embedded into the material cost. The financial impact identified by implementing this strategy is USD 65K and it is driven by the qualification of the new sustainable sources.

F4. Governance

F4.1

(F4.1) Does your organization have a policy that includes forests-related issues?
Yes, we have a documented forests policy that is publicly available

F4.1a
(F4.1a) Select the options to describe the scope and content of your policy.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide</td>
<td>Commitment to avoiding deforestation and forest degradation</td>
<td>In 2014, Colgate issued a Policy on No Deforestation to support a vision for a future without deforestation and pledging to mobilize resources to help achieve zero net deforestation by 2020. In 2015, we joined in the We Mean Business Coalition’s “Road to Paris 2015” commitments, committing to remove commodity driven deforestation from all supply chains by 2020. In 2016, we issued our policy on Responsible and Sustainable Sourcing of Palm Oils, where we have specific commitments on palm oil and derivatives, and specific requirements to our suppliers. In 2017, we launched our commodity specific policy for paper based materials, which covers cartons, corrugates, paper based labels, displays, dryer sheet products and cleaning wipes. Given Colgate’s product mix and our formulas, our commitment is most relevant for four major forest commodities: pulp and paper; palm oil and derivatives; soy and soy oil; and beef tallow. Colgate’s full policy is available on our web site at ColgatePalmolive.com/Sustainability.</td>
</tr>
<tr>
<td></td>
<td>Commitment to protect rights and livelihoods of local communities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitments beyond regulatory compliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to transparency</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to align with public policy initiatives, e.g. SDGs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recognition of the overall importance of forests and other natural habitats</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description of business dependency on forests</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>List of timebound commitments and targets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description of forests-related standards for procurement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reference to international standards and widely-recognized forests-related initiatives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other, please specify</td>
<td>(Working with our suppliers)</td>
</tr>
</tbody>
</table>

(F4.1b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.
<table>
<thead>
<tr>
<th>Do you have a commodity specific sustainability policy?</th>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes</td>
<td>Selected products only</td>
<td>Commitment to avoiding deforestation and forest degradation. Commitment to protect rights and livelihoods of local communities. Commitments beyond regulatory compliance. Commitment to transparency. Commitment to align with public policy initiatives, e.g. SDGs. Recognition of the overall importance of forests and other natural habitats. Description of business dependency on forests. Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy. List of timebound commitments and targets. Description of forests-related standards for procurement. Reference to international standards and widely-recognized forests-related initiatives. Other, please specify (Working with suppliers)</td>
</tr>
<tr>
<td>Do you have a commodity specific sustainability policy?</td>
<td>Scope</td>
<td>Content</td>
<td>Please explain</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>-------</td>
<td>---------</td>
<td>---------------</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes</td>
<td>Company-wide</td>
<td>We continue working with our suppliers and external expert organizations to identify potential social or environmental risks in our palm oil supply chain, working toward our traceability goals to plantation by 2020, now including in the scope the palm oil derivatives. We continue supporting the usage of certified materials, purchasing physical certified sustainable palm oil and PKO each year, where feasible. We continue working with our suppliers, requesting them to develop a responsible sourcing policy for palm oil, and commit to responsibly manage their supply chains from plantations, in order to meet the following criteria: No deforestation of High Carbon Stock (HCS) forest, No deforestation of High Conservation Value (HCV) areas, No usage of fire for land clearance, No new development on peat lands, regardless of depth and No exploitation of people or local communities. In addition, we are communicating in our palm oil responsible sourcing policy our expectation that suppliers publish concession maps to enable transparency.</td>
</tr>
</tbody>
</table>

We continue working with our suppliers and external expert organizations to identify potential social or environmental risks in our palm oil supply chain, working toward our traceability goals to plantation by 2020, now including in the scope the palm oil derivatives. We continue supporting the usage of certified materials, purchasing physical certified sustainable palm oil and PKO each year, where feasible. We continue working with our suppliers, requesting them to develop a responsible sourcing policy for palm oil, and commit to responsibly manage their supply chains from plantations, in order to meet the following criteria: No deforestation of High Carbon Stock (HCS) forest, No deforestation of High Conservation Value (HCV) areas, No usage of fire for land clearance, No new development on peat lands, regardless of depth and No exploitation of people or local communities. In addition, we are communicating in our palm oil responsible sourcing policy our expectation that suppliers publish concession maps to enable transparency.
Cattle Products

No<br/><Not Applicable>

Tallow no deforestation commitments are included in our No Deforestation master policy. We require that all our tallow suppliers are in compliance with the "minimum criteria for industrial scale cattle operations in the Brazilian Amazon Biome, and we currently require Brazilian suppliers to certify that they are following the environmental and social requirements set forth by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA). In addition, our suppliers in the region need to comply with the Brazilian Forest Code. We are making sourcing changes in Brazil, to assure our material is not linked to deforestation in the Amazon region, and is responsibly sourced.

Soy

No<br/><Not Applicable>

Soy no deforestation commitments are included in our No Deforestation master policy. We continue working with our suppliers located in high-risk areas to assess the availability of soy that does not contribute to deforestation. It is our commitment to procure soy and soy derivatives that are not linked to deforestation. 100% of our soy bean meal and soy oil sourced from South America is Proterra certified. We also support longer term strategic efforts, including the Soy Moratorium and for the Cerrado Manifesto, that both seek to minimize and prevent deforestation from soy expansion and increase transparency in the soy sector. We are currently reviewing the draft of our commodity specific policy for Soy. We are planning to launch the policy late in 2018.

Other - Rubber<br/><Not Applicable>

Other<br/><Not Applicable>

Rubber

<Not Applicable>

Other

<Not Applicable>

<Not Applicable>

<Not Applicable>

<Not Applicable>

F4.2

(F4.2) Is there board-level oversight of forests-related issues within your organization?

No

F4.2c

(F4.2c) Why is there no board-level oversight of forests-related issues and what are your plans to change this in the future?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Board level oversight of forests-related issues will be introduced in the next two years</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>We conduct regular reviews of deforestation risks by commodity in our Sustainability Steering Committee meeting and our No Deforestation Governance Team meeting.</td>
<td>No</td>
<td>The highest level of responsibility for deforestation risk relates issues is Senior Manager/Officer: Chief Procurement Officer/ VP, Global Sustainability &amp; EOHS.</td>
</tr>
</tbody>
</table>

F4.3
(F4.3) Below board level, provide the highest-level management position(s) or committee(s) with responsibility for forests-related issues.

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility</th>
<th>Frequency of reporting to the board on forests-related issues</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Procurement Officer (CPO)</td>
<td>Both assessing and managing forests-related risks and opportunities</td>
<td>Quarterly</td>
<td>Our Chief Procurement Officer and our VP, Global Sustainability &amp; EOHS are the sponsors for our No Deforestation program in Colgate Palmolive. Quarterly updates are provided to both leaders to review ongoing strategies in place that impact suppliers and sourcing changes to sustainable source forest commodities, review the status of the integration of our responsible sourcing commitments into the overall material strategy plan for forest commodities and review the current metrics, KPI's and progress based on the time-bound plan in place. The frequency of reporting is quarterly to give enough time to the responsible sourcing team and regional procurement teams to implement the actions captured during those meetings. In addition to this meeting we have our No Deforestation Governance team meeting to discuss issues raised by NGOs and other situations identified in our supply network. The frequency of that meeting is monthly.</td>
</tr>
<tr>
<td>Other, please specify (VP, Global Sustainability &amp; EOHS)</td>
<td>Both assessing and managing forests-related risks and opportunities</td>
<td>Quarterly</td>
<td>Our Chief Procurement Officer and our VP, Global Sustainability &amp; EOHS are the sponsors for our No Deforestation program in Colgate Palmolive. Quarterly updates are provided to both leaders to review ongoing strategies in place that impact suppliers and sourcing changes to sustainable source forest commodities, review the status of the integration of our responsible sourcing commitments into the overall material strategy plan for forest commodities and review the current metrics, KPI's and progress based on the time-bound plan in place. The frequency of reporting is quarterly to give enough time to the responsible sourcing team and regional procurement teams to implement the actions captured during those meetings. In addition to this meeting we have our No Deforestation Governance team meeting to discuss issues raised by NGOs and other situations identified in our supply network. The frequency of that meeting is monthly.</td>
</tr>
</tbody>
</table>

F4.4

(F4.4) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?  
No, and we do not plan to introduce them in the next two years

F5. Business strategy

F5.1
(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Are forests-related issues integrated?</th>
<th>Long-term time horizon (years)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, forests-related issues are integrated</td>
<td>5-10</td>
<td>Colgate has expanded its capability to collect and report data related to forest commodities issues to influence our long term business objectives and strategies. Forests related issues are 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 the material sourcing changes and strategies in place to ensure the source of sustainably produced and traceable materials. The forest related issues also provide opportunity to drive innovation and growth, strengthen brand reputation and demonstrate our commitment to responsible business. We use third party companies such as The Forest Trust and Rainforest Alliance, to help us to integrate the responsible sourcing strategy into our long term objectives. These third party companies provide specific feedback on the policy improvements and actions needed to continue moving to the next level. Feedback received is integrated into our long term business objectives.</td>
</tr>
<tr>
<td>Yes, forests-related issues are integrated</td>
<td>5-10</td>
<td>Forests related issues are integrated in the strategy for long term objectives. In order to do that we use our current Enterprise Risk Management process to determine where to focus in the long term, based on two important criteria, Importance to stakeholders and criticality to the business. We also take into consideration the specific commitments the company makes through our membership in the Consumer Goods Forum (CGF). Those commitments that we make as a company are also integrated into our long term objectives, and a clear time-bound plan is designed to show progress periodically to senior management.</td>
</tr>
<tr>
<td>Yes, forests-related issues are integrated</td>
<td>5-10</td>
<td>The cost for using certified materials is included in our budget planning in the global procurement organization and global supply chain. Every year we include in our budget the cost needed to execute our responsible sourcing strategy and implement the transformation projects identified for the forest commodities.</td>
</tr>
</tbody>
</table>

F6. Implementation

F6.1

(F6.1) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?
Yes

F6.1a

(F6.1a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?
New York Declaration on Forests
We Mean Business
Other, please specify (CGF- Support Cerrado Manifesto )

F6.1b

(F6.1b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Commodity coverage
Timber

Criteria
No conversion of natural habitats
Zero net deforestation and forest degradation
No conversion of High Conservation Value areas
Recognition and endorsement of the Universal Declaration of Human Rights
Resolution of complaints and conflicts through an open, transparent and consultative process
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage
Direct operations and supply chain

% of total production/ consumption covered by commitment
81-90%

Commitment timeframe
2020

Please explain
In accord with the CGF recommendations, Colgate will ensure that our sources of pulp & paper have a low risk of coming from controversial sources, which include wood harvested from areas where significant conversion of forests to plantations or to non-forest areas took place after December 31, 2010. We developed a commodity specific policy for Pulp and Paper with the support of Rainforest Alliance, our strategic partner for our Pulp and Paper initiatives. As part of our suppliers selection and evaluation process for pulp and paper, we request full compliance with our Pulp and Paper Responsible Sourcing policy requirements, requesting to our pulp and paper suppliers to supply certified materials, with strong preference on FSC certification scheme. We continue working with Rainforest Alliance on the execution plan after conducting full risk assessment of our portfolio, to identify the group of suppliers that are still in the process of being certified, to set specific target dates for completion and continue with the supplier's engagement process. We are also targeting the suppliers that are currently sourcing from high risk countries. For these group of suppliers we are assuring they are not linked to controversial sources, validating some specific information requested. To socialize our current policy on pulp and paper we conducted webinars for our suppliers to communicate our policy requirements to meet our 2020 goals. As we strive for no deforestation in our operations, we will also partner with our suppliers to maximize the use of recycled materials in our paper based supply chain. To address this specific commitment, an important action we took was to visit one of our supplier that currently supply recycled corrugates. The objective of the plant tour was to learn more about recycling and understand the capabilities needed from the supply side to optimize the recycled usage. With this action, our packaging team, which was also part of the visit, captured key learnings, as for example, the recovery system that needs to be in place, the third party certification that exists today for recycled materials, etc. Those learnings were incorporated into our overall strategy, specifically for Corrugate and Carton. As a result of this important action we are having meetings with our suppliers to better explain our goals on recycled materials.

Commodity coverage
Palm Oil

Criteria
No conversion of natural habitats
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Adoption of Free, Prior and Informed Consent (FPIC) principles
Recognition and endorsement of the Universal Declaration of Human Rights
Adoption of the UN International Labour Organization principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
Other, please specify (Suppliers to publish Concession Maps)

Operational coverage
Direct operations and supply chain

% of total production/ consumption covered by commitment
100%

Commitment timeframe
2020

Please explain
We continue working with our suppliers and external expert organizations to identify potential social or environmental risks in our palm oil supply chain, working toward our traceability goals to plantation by 2020, now including in the scope the palm oil derivatives suppliers. We continue supporting the usage of certified materials, purchasing physical certified sustainable palm oil and PKO each year. We continue working with our suppliers, requesting them to develop a responsible sourcing policy for palm oil, and commit to responsibly manage their supply chains from plantations, in order to meet the following criteria: No deforestation of High Carbon Stock (HCS) forest, No deforestation of High Conservation Value (HCV) areas, No usage of fire for land clearance, No new development on peat lands, regardless of depth and No exploitation of people or local communities. As part of our supplier
selection process, we request to all our suppliers to complete the Palm Oil Pre-Audit Questionnaire to identify potential areas of concern, the Traceability Declaration Document, and supply physically certified materials or equivalent. In addition, we are working with our suppliers to ensure that they have a grievance procedure in place to address any potential responsible sourcing issues identified in their palm oil supply network. With the support of The Forest Trust an important action we took last year was to support the ongoing TFT’s multi-stakeholder Areas for Transformation (APT) project. The project mainly focused on the Leuser Ecosystem to stop conversion of habitats and ensure proper land use planning process is followed. A three phased approach was followed to meet the project criteria: The diagnostic phase to gather information in terms of causes and locations of deforestation; the implementation phase including producers, mills, government, and local NGOs to stop conversion of habitats; the engagement phase to establish the land use planning process. As a result, the key drivers of deforestation in the area were identified, an action plan was formalized to address the conversion of habitats issues and agreed conservation plans are in place monitored by Starling monitoring system.

Commodity coverage
Cattle Products

Criteria
Zero gross deforestation and forest degradation
No land clearance by burning or clearcutting
Adoption of Free, Prior and Informed Consent (FPIC) principles
No sourcing of forest risk commodities from unknown/controversial sources
Other, please specify (IBAMA and Amazon Cattle Minimum Criteria)

Operational coverage
Direct operations and supply chain

% of total production/ consumption covered by commitment
100%

Commitment timeframe
2020

Please explain
We required that all our tallow suppliers are in compliance with the “minimum criteria for industrial scale cattle operations in the Brazilian Amazon Biome” by 2017, and we currently require Brazilian suppliers to certify that they are following the environmental and social requirements set forth by IBAMA and Cerrado Manifesto. We made sourcing changes in Brazil, to ensure our material is not linked to deforestation and is responsibly sourced. As part of our supplier selection process for tallow in Brazil, we are requesting documents to support that our tallow suppliers take part in the program criteria for the Brazilian Amazon cattle, to drive sustainable and responsible sourcing practices within the supply chain, and ensure the suppliers do not acquire cattle from farms that have deforested native forests that are located in the Amazon Biome, or farms that are located within indigenous lands and environmental conservation areas, that are on public list of areas embargoed by IBAMA. As a verification mechanism it is required that all our suppliers include in the invoice a confirmation showing that the vendor does not provide or acquire products or animal from farms included in the list of areas embargoed by IBAMA or from the high risk areas in the Amazon region. For all suppliers with rendering and slaughterhouse we also require the Federal Inspection Service verification number, to assure compliance with local legislation. To meet our no deforestation commitments for tallow, an action that we took in 2017 was to recognized the need and reinforced the usage of monitoring satellite systems to properly address issues linked to deforestation. We started to include this topic in our responsible sourcing meetings with the local procurement team in Brazil, so they can manage this request with the local suppliers. Our primary suppliers started to use map-based systems to meet Colgate expectations and operate in full compliance with the minimum criteria for scale cattle operation in the amazon. By using the monitoring systems and other support systems like FUNAI and MMA our suppliers are able to monitor and check the protected areas invasion such as indigenous lands and environmental conservation areas. We evaluated a pilot using Agrootool system and a proposal of using Global Forest Watch for the suppliers close to the Amazon region.

Commodity coverage
Soy

Criteria
Zero net deforestation and forest degradation
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage
Direct operations and supply chain

% of total production/ consumption covered by commitment
Commitment timeframe
2020

Please explain
We continue working with our suppliers located in high-risk areas to ensure continuity of certified materials usage. 100% of our soybean meal and soy oil sourced from South America is Proterra certified. As part of our supplier selection and evaluation process for soy oil, we request full compliance with our No Deforestation policy requirements, and we request to our suppliers in Brazil to only supply certified materials, with strong preference on Proterra certification scheme. In addition to our policy requirements we support the Cerrado Manifesto and we started to communicate to our suppliers our expectation to protect areas of concern like Cerrado Biome in Brazil.

F6.2

(F6.2) Did you have any quantified targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?
Yes

F6.2a

(F6.2a) Provide details of your target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

<table>
<thead>
<tr>
<th>Target reference number</th>
<th>Target 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest risk commodity</td>
<td>Timber</td>
</tr>
<tr>
<td>Form of commodity covered</td>
<td>Pulp, Paper, Primary packaging, Secondary packaging</td>
</tr>
<tr>
<td>Type of target</td>
<td>Third-party certification scheme</td>
</tr>
<tr>
<td>Coverage</td>
<td>Direct operations and supply chain</td>
</tr>
<tr>
<td>Traceability point</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Third-party certification scheme</td>
<td>FSC Forest Management certification, FSC Chain of Custody, FSC Controlled Wood, FSC Recycled, PEFC Chain of Custody, SFI Forest Management certification</td>
</tr>
<tr>
<td>Start year</td>
<td>2014</td>
</tr>
<tr>
<td>Start figure</td>
<td>11-20%</td>
</tr>
<tr>
<td>Target year</td>
<td>2020</td>
</tr>
</tbody>
</table>
In accord with the Consumer Goods Forum recommendations, Colgate will ensure that our sources of pulp & paper have a low risk of coming from controversial fiber sources, which include wood harvested from areas where significant conversion of forests to plantations or to non-forest areas took place after December 31, 2010. The initial step to meet this commitment was to increase the usage of certified material, and support a credible certification scheme that can meet our policy requirements. We hired Rainforest Alliance to help us to establish our 2020 target, and with their support we executed the following activities: ‘- Conduct a materiality assessment with our suppliers focusing on the following product categories: paper based cartons, corrugated for shipping, paper based labels, corrugated materials used to create displays and dryer sheet products and cleaning wipes. ‘- Supply Shift platform was used to collect and compile supplier responses, to understand the current certification status. ‘- Rainforest Alliance reviewed supplier’s claims, and the supporting evidence, to validate the claim as accurate, determine conformance with the sourcing guidance, properly categorize risk, and determine the certification percentage. After finalizing the assessment the recommendation and agreement was to initially focus on the suppliers that represent 80% of our total global spend, for the product categories in the scope, and engage with our suppliers to increase the usage of certified materials, giving preference for verification of pulp and paper supply to Forest Stewardship Council (FSC) certification standards. The initial target established was to reach 80% certification coverage by 2020. A specific time-bound plan is in place to meet our certification goal.

Target reference number
Target 2

Forest risk commodity
Timber

Form of commodity covered
Pulp
Paper
Primary packaging
Secondary packaging

Type of target
Traceability

Coverage
Direct operations and supply chain

Traceability point
Region

Third-party certification scheme
<Not Applicable>

Start year
2017

Start figure
41-50%

Target year
2020

Target
81-90%

% achieved
41-50%

Please explain
In 2017 with the support of Rainforest Alliance we started to conduct a supply chain mapping and traceability back to the origin for the pulp and paper portfolio. We initially focused on the suppliers that represent 80% of our global spend. The second phase of the project is to continue tracing the rest 20% of our total global spend.
Forest risk commodity
Palm Oil

Form of commodity covered
Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Refined palm oil
Other, please specify (Refined PKO)

Type of target
Traceability

Coverage
Direct operations and supply chain

Traceability point
Mill

Third-party certification scheme
<Not Applicable>

Start year
2015

Start figure
1-10%

Target year
2020

Target
100%

% achieved
91-99%

Please explain
Colgate’s No Deforestation commitment includes to only source materials that can be traced from product to mills and to the plantation. To meet our 2020 commitments we continue focusing on traceability to have visibility to our palm oil supply network. Traceability is important in the execution of our responsible sourcing strategy for palm oil. By having visibility in our supply chain we can meet our core and basics policy requirements and criteria and properly address the no deforestation issues in our palm oil network. Our traceability efforts help us to enable risk assessment analysis and identify potential transformation projects to address specific areas of concern. With the data gathered Colgate will be able to make informed decisions about which producing suppliers to support to meet our standards, and where to focus to contribute to supplier assessments and training to have a positive, tangible impact on the practices on the ground within Colgate’s supply network. Our traceability journey includes the palm oil derivatives. Palm derivative supply chains are multi-tiered and complex, so active engagement with suppliers is very important to meet our targets. The Forest Trust supports Colgate on this journey and is helping us to trace back to the mill level, following TFT methodology. Additionally, Colgate has been working with NGOs and other stakeholders to increase our transparency and traceability of palm mills in our supply chain. Since the supply chain is dynamic and NGOs expectations is to fully trace the supply chain for forest commodities like palm, it is our goal to maintain traceability score above 90% and continue working with our suppliers to reach 100% traceability to the mill level by 2020. Traceability also allows us to respond if stakeholder concerns arise about our supply chain.

Target reference number
Target 2

Forest risk commodity
Palm Oil

Form of commodity covered
Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Refined palm oil
Other, please specify (Refined PKO)

Type of target
Traceability
Coverage
Direct operations and supply chain

Traceability point
Farm

Third-party certification scheme
<Not Applicable>

Start year
2016

Start figure
1-10%

Target year
2020

Target
91-99%

% achieved
31-40%

Please explain
We continue working with our palm and palm kernel oil suppliers on traceability back to plantation. We are currently 33% traceable to plantation. Our suppliers have specific goals to meet Colgate-Palmolive requirements based on our current policy in place. The Forest Trust is supporting our palm oil and palm kernel oil suppliers to trace back to plantation level helping them to follow a specific approach taking into consideration the complexity identified within their supply network.

Target reference number
Target 3

Forest risk commodity
Palm Oil

Form of commodity covered
Palm oil derivatives
Palm kernel oil derivatives

Type of target
Traceability

Coverage
Direct operations and supply chain

Traceability point
Mill

Third-party certification scheme
<Not Applicable>

Start year
2016

Start figure
11-20%

Target year
2020

Target
100%

% achieved
51-60%

Please explain
In 2016 we started to work on the traceability activities for palm derivatives to the first refinery and to the mill, and progress to plantation traceability in alignment with our 2020 goal. As of today 57% of our palm derivatives volume is traceable to the refinery.
and 59% is traceable to the mill level. Many of Colgate’s suppliers act as first importers, and so the current focus is on identifying the origin refiners in Colgate’s supply. The origin refiners will have visibility into the mills in Colgate’s supply base and will be a crucial leverage point to engage their supply bases on transformation.

Target reference number
Target 4

Forest risk commodity
Palm Oil

Form of commodity covered
Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Refined palm oil
Other, please specify (Refined PKO)

Type of target
Other, please specify (Engagement for Policy Implementation)

Coverage
Direct operations and supply chain

Traceability point
<Not Applicable>

Third-party certification scheme
<Not Applicable>

Start year
2016

Start figure
11-20%

Target year
2018

Target
100%

% achieved
51-60%

Please explain
Encouraging transparency and traceability is only one aspect of Colgate’s work to drive change in the palm oil supply chain. Equally important is our work to understand our suppliers’ plans and existing activities geared toward transformation and bringing their supply base into compliance with Colgate’s responsible and sustainable sourcing policy. Our target is that 100% of our suppliers have a palm oil responsible sourcing policy with equivalent commitments and policy requirements. The Engagement for Policy Implementation process will allow Colgate to follow a collaborative approach with suppliers to support on developing a robust and public policy on palm oil, have a grievance mechanism in place, and identify opportunities to drive transformation on the ground. Today 57% of our global palm oil and palm kernel oil volume comes from suppliers that have a equivalent palm oil responsible sourcing policy in place. 40% of our global palm oil and palm kernel oil volume come from suppliers that have a public Grievance mechanism in place.

Target reference number
Target 5

Forest risk commodity
Palm Oil

Form of commodity covered
Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Refined palm oil
Other, please specify (Refined PKO)

Type of target
Other, please specify (Refined PKO)

Please explain
Third-party certification scheme
CDP
Coverage
Direct operations and supply chain

Traceability point
<Not Applicable>

Third-party certification scheme
RSPO Identity Preserved
RSPO Mass Balance
RSPO Book and Claim
RA Sustainable Agriculture Network (SAN) standard

Start year
2014

Start figure
1-10%

Target year
2018

Target
100%

% achieved
100%

Please explain
We have the commitment to purchase 100% physical certified sustainable palm oil and palm kernel oil, as a step in the transformation approach. We currently sourcing certified palm oil and palm kernel oil from RSPO and Rainforest Alliance and we continue working with our suppliers to increase the availability of physically certified palm.

---

Target reference number
Target 1

Forest risk commodity
Cattle Products

Form of commodity covered
Tallow

Type of target
Sustainable procurement standard

Coverage
Direct operations and supply chain

Traceability point
<Not Applicable>

Third-party certification scheme
<Not Applicable>

Start year
2014

Start figure
1-10%

Target year
2018

Target
100%

% achieved
91-99%

Please explain
Tallow, a cattle by product, is a key ingredient in bar soap production. Colgate sources tallow from suppliers in North America, Latin
America and Europe. In Brazil, there are concerns that rising demand for beef as a food source is prompting farmers to clear parts of the Amazon rainforest for cattle ranching and the Cerrado Biome. Understanding this situation and after conducting a regional heat map risk assessment using MappleCroft, we agreed to focus on the tallow sourced from Brazil, and work with our Brazilian suppliers to transform practices in our tallow supply chain. To meet with our no deforestation policy and commitments for Beef-tallow, we require our suppliers in Brazil to meet the following criteria: Certify that suppliers follow environmental and social requirements set forth by the Brazilian Institute of Environment and Renewable Natural Resources and certify that their operations are conducted in conformance with the Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome, which aims to stop deforestation in the Brazilian Amazon. Our sustainable procurement standard includes those two important requirements, in addition to the following: - Monitoring progress on the Term of Adjustment of Conduct (TAC) actions in place, only for suppliers that have done deforestation in the amazon area - Valid Operation License (LO) - Federal Inspection Service (SIF) - Comply with our Supplier Responsible Sourcing Assessment program (SRSA) - Complete the Pre-Audit Questionnaire (PAQ), specific for Tallow suppliers located in Brazil. To complement our procurement sustainable standards we will work with our suppliers on verification by using satellite systems to proactively address issues linked to deforestation and assure the material is sourced responsibly.

<table>
<thead>
<tr>
<th>Target reference number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target 1</td>
</tr>
</tbody>
</table>

**Forest risk commodity**
Soy

**Form of commodity covered**
- Soy bean oil
- Soy bean meal

**Type of target**
Third-party certification scheme

**Coverage**
Direct operations and supply chain

**Traceability point**
<Not Applicable>

**Third-party certification scheme**
ProTerra certification

**Start year**
2014

**Start figure**
0%

**Target year**
2020

**Target**
100%

**% achieved**
100%

**Please explain**
Colgate uses soy and soy oil as ingredients in certain products. Colgate currently sources these materials from the United States and South America. The U.S., Brazil, and Argentina account for more than 70 percent of the global soy supply. In Brazil, soy production has been linked to deforestation in the Amazon forest and the Cerrado. We are committed to using responsibly and sustainable sourced soy products from South America, which is considered the highest risk area for soy, based on our risk heat map assessment. We will procure soy products that are responsibly and sustainable sourced and are certified by credible certification schemes. We established a goal to only procure soy oil and soybean that are certified. As of today 100% of our soy oil and soybean are ProTerra certified and we continue working with our suppliers in the region to increase the certified material availability, so we can guarantee sustainable usage. In order to do that we are including this requirement in our supply agreement contracts and we are assuring certified volume by implementing forward buying strategies.

F6.3
(F6.3) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Do you have system(s) in place?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes</td>
</tr>
<tr>
<td>Cattle products</td>
<td>No</td>
</tr>
<tr>
<td>Soy</td>
<td>No</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Other</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

F6.3a
(F6.3a) Provide details on the level of traceability your organization has for your disclosed commodity(ies).

<table>
<thead>
<tr>
<th>Commodity</th>
<th>% of total production/consumption</th>
<th>Point to which commodity is traceable</th>
<th>Description of traceability system</th>
<th>Exclusions</th>
<th>Description of exclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>81-90%</td>
<td>Region</td>
<td>In 2017 we started to map our pulp and paper supply chain beyond tier 1, with the support of Rainforest Alliance. The following activities were executed as part of our traceability approach and methodology: 1. We used Supply Shift platform and system to collect and compile supplier responses and trace back to the sourcing region. Rainforest Alliance and Colgate teams prepared two questionnaires: A facility level and a site level questionnaires to collect the data. 2. Tier 1 suppliers were asked to complete both and, in addition, forward the facility scorecard to their supplier(s). Completed facility level scorecards were collected as well as the product level scorecards. The information was analyzed and specific actions were identified and started to be implemented. Example of those actions are: 1. Assign risk categories based on the sourcing region and the characteristics of the material being purchased. 2. Confirm the current certification status (% of the volume that is currently certified) and focus on the pool of suppliers that still pending to get the certification. 3. Identify the suppliers that can potentially provide FSC certified products and initiate engagement process with them. 4. Execute a recycled assessment using the data submitted by our suppliers via the Supply Shift system. This helped Colgate-Palmolive to increase visibility to the current virgin, post consumer recycled and pre consumer recycled percentages in our supply chain for paper based materials. 5. Formalize the deforestation free sourcing assessment outcome with our procurement teams, to better align on the activities needed to engage suppliers to develop a pulp and paper sustainable sourcing policy and adopt equivalent commitments vs. Colgate. By executing the actions already identified we will be able to work and engage with our suppliers to increase the usage of certified materials, formalize internal KPIs to demonstrate progress, engage with suppliers as part of the negotiation process and day to day procurement activities, by providing feedback and align on a time bound plan. For suppliers identified as high risk we will start asking for a time bound actions which includes field level assessments, as examples, obtaining third party certification or having third party verification conducted against Colgate-Palmolive policy requirements.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palm Oil</td>
<td>91-99%</td>
<td>Mill</td>
<td>We continue working with The Forest Trust on our supply chain mapping. Our traceability approach and methodology for palm includes all the supply chain actors from origin to product. This includes direct suppliers, intermediaries or brokers, refineries, mills and plantations. For Tier 2 suppliers we are including all our palm refineries in our supplier responsible sourcing assessment (SRSA) program to assess labor practices, health and safety, environmental management and business integrity. Our current traceability methodology is helping us to identify transformation projects to improve practices and support our suppliers to drive sustainable practices. One example, is the risk assessment analysis conducted using our traceability data. Based on the outcome of the risk assessment some specific hot spot areas and issues were identified in Indonesia linked to some specific palm oil mills. To proactively address those issues, we met with The Forest Trust to analyze how we can transform practices collaborating with other TFF members. The Forest Trust and Colgate have agreed to focus on Indonesia through the ongoing support of TFF’s multi-stakeholder, multicommodity Priority Areas for Transformation (APT) initiative and mill visits to conduct workshops focused on environmental issues identified in the region, the importance of the Leuser Ecosystem and commitments needed to protect the forest and discuss topics related to social aspects and how the different stakeholders can collaborate together to find solutions. The project requires the participation of palm oil producers to engage with the mills and plantations owners to operate more sustainable. We continue expanding our traceability work with the palm oil derivatives. The traceability work for derivatives includes the following: First importer, origin refiner, mill, and plantation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cattle products</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>
(F6.3b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle products</td>
<td>We are planning to track and monitor the origin of forest risk commodities within the next two years</td>
<td>To establish a formal traceability system we are planning to use a monitoring tool to help to trace beef tallow beyond the sourcing region, and start tracing back to the processor and the Slaughterhouse. The approach we are considering is to mainly focus on the suppliers that are sourcing from areas that are considered medium and high risks areas. The tool that we are currently evaluating will help us to assign risk ratings based on sourcing region, for example High, Medium and Low risk ratings. In addition to assessing if the sourcing region is close to the Amazone Biome or other important forest areas or biomas. For the suppliers that are operating close to the Amazon region additional due diligence will be conducted to assure they operate in compliance with our policy requirement. The monitoring tools that we are currently evaluating and will be piloting is WRI-Global Forest Watch and Agrootool system.</td>
</tr>
<tr>
<td>Soy</td>
<td>We are planning to track and monitor the origin of forest risk commodities within the next two years</td>
<td>Our plan for Soy is to continue moving from mapping the supply network to a formal traceability system, using a system that can help us to gather the data from suppliers and trace back to the mill level, specifically in Brazil where we have an important volume sourced. Our plan is to include in the traceability work the indirect footprint as well. We are in the initial exploratory phase and evaluating potential vendors that can help us to execute this action.</td>
</tr>
</tbody>
</table>

F6.4

(F6.4) Do you specify any third-party certification schemes for your disclosed commodity(ies)? Indicate the volume and percentage of your production and/or consumption covered.

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Do you specify any certification scheme?</th>
<th>Third-party certification scheme</th>
<th>% of total production/consumption volume certified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes</td>
<td>FSC Forest Management certification</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FSC Chain of Custody</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FSC Controlled Wood</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FSC Recycled</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>PEFC Chain of Custody</td>
<td></td>
</tr>
<tr>
<td>Pulp</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary packaging</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary packaging</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume of production/ consumption certified</td>
<td>16000</td>
<td>16,000 metric tone of our global volume is FSC certified. This represents 30% of our global volume targeted in the first phase of our current project with Rainforest Alliance. The risk assessment conducted helped us to identify and re-validate the volume sourced from a credible certification schemes as for example FSC. The actions taken to continue increasing the usage of certified materials and maintain the third party certification system are: 1. Transition as much volume to FSC certified purchases, starting with the highest risk and largest volumes. 2. Reinforce the message with suppliers, include language on future purchase orders clearly stating Colgate-Palmolive’s preference for FSC certified materials. Include this requirement in new negotiations. 3. Discuss options</td>
<td></td>
</tr>
</tbody>
</table>

Metric

Metric tons

Please explain

16,000 metric tone of our global volume is FSC certified. This represents 30% of our global volume targeted in the first phase of our current project with Rainforest Alliance. The risk assessment conducted helped us to identify and re-validate the volume sourced from a credible certification schemes as for example FSC. The actions taken to continue increasing the usage of certified materials and maintain the third party certification system are: 1. Transition as much volume to FSC certified purchases, starting with the highest risk and largest volumes. 2. Reinforce the message with suppliers, include language on future purchase orders clearly stating Colgate-Palmolive’s preference for FSC certified materials. Include this requirement in new negotiations. 3. Discuss options
with suppliers for increasing the percentage of recycled content in existing materials, especially for corrugated products. The feedback to suppliers and continue engagement process is critical to reinforce the communication that has already been shared and to promote continuous performance. For example, we started to meet with our key strategic suppliers to share with them the gaps identified and develop a time-bound plan to close the gaps. In some cases, the immediate action is to change from conventional materials to certified materials and to meet that our suppliers are offering options for us to consider establishing priorities by region.

**Forest risk commodity**

Palm Oil

**Do you specify any certification scheme?**

Yes

**Third-party certification scheme**

- RSPO Mass Balance
- RSPO Book and Claim
- RA Sustainable Agriculture Network (SAN) standard

**% of total production/consumption volume certified**

100

**Form of commodity**

- Crude palm oil (CPO)
- Crude palm kernel oil (CPKO)
- Refined palm oil
- Other, please specify (Refined PKO)

**Volume of production/consumption certified**

73914

**Metric**

Metric tons

**Please explain**

100% of our palm oil and palm kernel oil global volume is RSPO and Rainforest Alliance certified. In 2017 we took important actions to improve the certified oils usage coverage for palm oil and palm kernel oil materials. Some of those important actions are the following: `- Engagement with suppliers in Latin America connecting them with the RSPO latin america office to help them to increase awareness in terms of what is required and timing for RSPO certification. `- Engagement with suppliers in Guatemala and Mexico connecting them with Rainforest Alliance palm oil group to help them to increase awareness and get the RA certification for palm oil. `- Review contracts and supply agreement and start negotiating the certified volume in advance to assure material in the mid and long term. `- Include the certification requirement as a mandatory request for new suppliers, including this requirement in our current negotiation tool process. `- Contribute with transformation projects where the focus is to support smallholders to be certified by a global third party certification scheme. As an example of this last action, through our current commercial relationship with our supplier Morakot, a subsidiary of Sime Darby, we decided to support and engage with a group of smallholders in order to increase the physically certified oils volume and usage for Palm and PKO in the region and in Colgate Thailand subsidiary. The group of small growers agreed to start the process to get the RSPO certification, and operate their plantations in compliance with RSPO principles & criteria. The project was presented to Colgate-Palmolive team as an opportunity to support the sustainable palm production in Thailand, understanding that 90% of the palm oil in Thailand comes from smallholders. The project was designed to implement specific actions in different phases. The phase 1 of the project was implemented in 2017 and included the following activities and actions: `-Conduct roadshows and awareness to promote RSPO, with the support of Sime Darby/Morakot sustainability group, `-Register interest to the group certification, `-design the internal audit system and the certification program. By implementing those actions we were able to increase Colgate-Palmolive physically certified oils usage in Colgate Thailand subsidiary. The second phase will target additional 54 smallholders.
Form of commodity
Palm oil derivatives
Palm kernel oil derivatives

Volume of production/consumption certified
29007

Metric
Metric tons

Please explain
40% of our global palm oil and palm kernel oil derivatives volume is RSPO certified. We continue working with our suppliers increasing the usage of certified materials, by socializing our policy commitments and requirements. In 2017 we could not cover all our PKO derivatives due to limited RSPO certificates in the RSPO system. We continue having conversations with RSPO to better understand how we can address the lack of PKO certificates under the Book and Claim system.

Forest risk commodity
Soy

Do you specify any certification scheme?
Yes

Third-party certification scheme
ProTerra certification

% of total production/consumption volume certified
100

Form of commodity
Soy bean oil
Soy bean meal

Volume of production/consumption certified
2223

Metric
Metric tons

Please explain
We give preference to suppliers whose soy oil has been verified by an independent third party against a standard that meets the expectation in our policy. 100% of the soy oil and soybean meal we source from South America is Proterra certified. An important action taken in 2017 to maintain our current certification coverage, was to socialize our policy commitments for Soy with our suppliers and start negotiating the certified volume 6 months ahead, so we can assure certified materials in the mid and long term. For this action we mainly focused in Brazil which is the main area of concern based on our internal heat mapping assessment outcome. As part of our action plan, we met with our supplier's sustainability and commercial teams to better understand the certification schemes. In order to decide with certification scheme we should pursue we had a training section with the 3 biggest soy suppliers in the industry to better understand the differences between the certification schemes available and the private certification schemes those suppliers have to certified their volumes, using a third party organization. By doing this, our global procurement team had more clarity in terms of which certification schemes meet our policy criteria, the availability in the Brazilian market and the cost impact. After completing that important activity we agreed to pursue Proterra certification. Each quarter we assess and review sourcing risks with our selected suppliers, understanding that Proterra certified volume is very limited, but it is the strongest in the Soy industry.

F6.5

(F6.5) Do you specify any sustainable production/procurement standards for your disclosed commodity(ies), other than third-party certification? Indicate the percentage of production/consumption covered and if you monitor supplier compliance with these standards.

Forest risk commodity
Cattle Products

Do you specify any sustainability standards?
Yes
Type of standard
Procurement

Description of standard
In Brazil we are working with our suppliers to ensure their compliance with the Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome, IBAMA and other important criteria to assure we source material responsibly. In 2017 we started to conduct verification visits to assess compliance vs. our policy requirements and identify areas of opportunities in order to help them to move to the next level. For the verification visits we are using a Pre-Audit Questionnaire to assess and audit the suppliers. Our suppliers in Brazil need to provide other important documents as part of our procurement responsible sourcing standards. Some of those documents are: TAC, SIF, Copy of local certificates to assure compliance with local environmental regulations. In addition, all our Tallow suppliers are included in our Supplier Responsible Sourcing Assessments (SRSA) program, where we audit and evaluate four important areas: Labor practices, Health and safety, Environmental management and Business integrity.

% of total commodity volume covered by standard
100%

Do you have a system in place to monitor compliance with this standard?
Yes

Type(s) of monitoring system
Third-party auditing

% of suppliers in compliance with standards
91-99%

Please explain
The mechanism in place help us to assure that our tallow material is responsibly sourced. We ask to all our tallow suppliers to take part in the program criteria for industrial-scale cattle and beef products operations in the Brazilian Amazon Biome, to drive sustainable and responsible sourcing practices within the supply chain, and ensure the suppliers do not acquire cattle from farms that have deforested native forests that are located in the Amazon Biome. As a verification mechanism, it is required that all our suppliers include in the invoice and shipping documents, a confirmation showing that the vendor does not provide products from farms included in the list of areas embargoed by IBAMA or from the high-risk areas in the Amazon. For all suppliers with rendering and slaughterhouse we also require the SIF (Federal Inspection Service) verification, to assure compliance with local legislation. Our key strategic suppliers are using map-based systems as part of one of the requirements for the minimum criteria for scale cattle operation in the amazon. We continue engaging with the rest of our suppliers requesting them to have a monitoring system. In addition, we are currently evaluating a global monitoring system for our forest commodities, including tallow, in order to strengthen our current risk assessment process and due diligence. We continue including our tallow suppliers in our SRSA (Supplier responsible sourcing assessments) third party audits, as part of our responsible sourcing program, and today 100% of our tallow suppliers are part of our SRSA program.

Forest risk commodity
Timber

Do you specify any sustainability standards?
No standard other than third-party certification

Type of standard
<Not Applicable>

Description of standard
<Not Applicable>

% of total commodity volume covered by standard
<Not Applicable>

Do you have a system in place to monitor compliance with this standard?
<Not Applicable>

Type(s) of monitoring system
<Not Applicable>

% of suppliers in compliance with standards
<Not Applicable>

Please explain
No standards other than third-party certification
**Forest risk commodity**

Palm Oil

**Do you specify any sustainability standards?**
No standard other than third-party certification

**Type of standard**
<Not Applicable>

**Description of standard**
<Not Applicable>

**% of total commodity volume covered by standard**
<Not Applicable>

**Do you have a system in place to monitor compliance with this standard?**
<Not Applicable>

**Type(s) of monitoring system**
<Not Applicable>

**% of suppliers in compliance with standards**
<Not Applicable>

**Please explain**
No standards other than third-party certification

---

**Forest risk commodity**

Soy

**Do you specify any sustainability standards?**
No standard other than third-party certification

**Type of standard**
<Not Applicable>

**Description of standard**
<Not Applicable>

**% of total commodity volume covered by standard**
<Not Applicable>

**Do you have a system in place to monitor compliance with this standard?**
<Not Applicable>

**Type(s) of monitoring system**
<Not Applicable>

**% of suppliers in compliance with standards**
<Not Applicable>

**Please explain**
No standards other than third-party certification

---

F6.7
### (F6.7) Are you working with your direct suppliers to support and improve their capacity to supply sustainable raw materials?

<table>
<thead>
<tr>
<th>Are you working with direct suppliers?</th>
<th>Supplier engagement approach</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes, working with direct suppliers</td>
<td>Collecting data in central database</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes, working with direct suppliers</td>
<td>Developing or distributing supply chain mapping tool</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Yes, working with direct suppliers</td>
<td>Collecting data in central database</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes, working with direct suppliers</td>
<td>Encouraging certification</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>
### Are you working beyond your first-tier supplier(s) to manage and mitigate forests-related risks?

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Are you working beyond first tier?</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber</td>
<td>Yes, working beyond first tier</td>
<td>In 2017 we started to map our pulp and paper supply chain beyond tier 1, in order to identify sourcing regions of concern. To execute this work we focused on the suppliers that represent 80% of our global total spend. In terms of the methodology two questionnaires were delivered, a facility level scorecard and a site level scorecard. Tier 1 suppliers were asked to complete both and, in addition, forward the facility scorecard to their supplier(s) (Tier 2). The tier 2 population included represent 41% of the overall purchase during 2017. Rainforest Alliance continuous supporting Colgate on the supply chain mapping. In 2018 we will continue expanding our supply chain mapping to the additional pool of suppliers and we will execute the actions identified in the risk assessment analysis conducted by Rainforest Alliance.</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Yes, working beyond first tier</td>
<td>We continue working with The Forest Trust on our supply chain mapping. Our traceability approach for palm includes all the supply chain actors from origin to product. This includes direct suppliers, intermediaries or brokers, refineries, mills and plantations. For Tier 2 suppliers we are including 36 palm refineries in our supplier responsible sourcing assessment (SRSA) program to assess labor practices, health and safety, environmental management and business integrity. We are also supporting transformation projects focused on improving practices at the mill level. For example we are engaging 22 mills in Indonesia through our ongoing APT landscape collaborative project, where other brands, palm oil producers and other stakeholders participate. We continue expanding our traceability work with the palm oil derivatives. The traceability work for derivatives includes the following supply chain actors: First Importer, origin refiner, mill, and plantation. Rainforest Alliance continues supporting Colgate on the supply chain mapping. In 2018 we will continue expanding our supply chain mapping to the additional pool of suppliers and we will execute the actions identified in the risk assessment analysis conducted by Rainforest Alliance.</td>
</tr>
<tr>
<td>Cattle products</td>
<td>No, not working beyond the first tier</td>
<td>Our approach is to map the supply chain for tallow and work with the supplier on responsible sourcing, in alignment with our no deforestation policy commitments. We are using more vertically integrated suppliers to have visibility to their traceability information.</td>
</tr>
<tr>
<td>Soy</td>
<td>No, not working beyond the first tier</td>
<td>Our approach is to map the supply chain for Soy, direct footprint and work with the suppliers on responsible sourcing, in alignment with our no deforestation policy commitments. In 2017 we did extend our supply chain mapping to the Indirect soy footprint.</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

### Do you participate in external initiatives or activities to further the implementation of your policies concerning the sustainability of your disclosed commodity(ies)?

**Forest risk commodity**

**Timber**

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Initiatives**

The Consumer Good Forum (CGF)

FSC

PEFC

Sustainable Forestry Initiative (SFI)

Other, please specify (Rainforest Alliance)

**Please explain**

Colgate’s accepted certifications for pulp & paper - based materials include the FSC (preferred), PEFC and SFI. We are members of the Consumer Goods Forum, and serve on the CGF Sustainability Steering Team. We are currently working with Rainforest Alliance to continue expanding our responsible sourcing activities on pulp and paper globally.
Involved in multi-partnership or stakeholder initiatives

Initiatives
Tropical Forest Alliance 2020 (TFA)
The Consumer Good Forum (CGF)
Roundtable on Sustainable Palm Oil (RSPO)
Other, please specify (The Forest Trust)

Please explain
We are members of the Consumer Goods Forum, and serve on the CGF Sustainability Steering Team and Social Steering Team. We have participated in the CGF Working Group developing the Palm Oil Sourcing Guidelines. Colgate has been a member of the Roundtable for Sustainable Palm Oil since 2007. We also became a member of The Forest Trust to help us develop and implement strategies to meet our palm traceability commitment. In June 2015, Colgate also signed a letter, together with Green Century Capital Management, other institutional investors representing nearly $5 trillion in assets and major multinational brands, 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.

Forest risk commodity
Cattle Products

Do you participate in activities/initiatives?
Yes

Activities
Involved in multi-partnership or stakeholder initiatives

Initiatives
The Consumer Good Forum (CGF)

Please explain
We are members of the Consumer Goods Forum, and serve on the CGF Sustainability Steering Team.

Forest risk commodity
Soy

Do you participate in activities/initiatives?
Yes

Activities
Involved in multi-partnership or stakeholder initiatives

Initiatives
The Consumer Good Forum (CGF)
Roundtable on Sustainable Soy (RTRS)

Please explain
We are members of the Consumer Goods Forum, and serve on the CGF Sustainability Steering Team, which has produced Sustainable Soy Sourcing Guidelines and support the Cerrado Manifesto.

F7. Linkages and trade-offs

F7.1

(F7.1) Has your organization identified any linkages or trade-offs between forests and other environmental issues in its direct operations and/or other parts of its value chain?
Yes

F7.1a
(F7.1a) Describe the linkages or trade-offs and the related management policy or action.

**Linkage/tradeoff**

**Linkage**

**Type of linkage/tradeoff**

Decreased GHGs emissions

**Description of linkage/tradeoff**

Through our engagement for policy implementation (EPI) with palm oil and palm kernel oil suppliers we are requesting to our suppliers to establish specific goals of reduction on greenhouse gas emissions. This request to suppliers help us to complement our overall commitment and goals on climate. 52% of our total global volume for palm and palm kernel oil come from suppliers that have specific GHG emissions goal. In 2018 we will start measuring the impact of this initiative on our company’s climate goal. The palm oil derivatives suppliers will be included in the scope of this initiative. To complement this ongoing initiative, we will include these group of suppliers in the CDP forest questionnaire to start tracking progress and the supplier's performance on Climate.

**Policy or action**

We made some changes in our Policy on Responsible and Sustainable Sourcing of Palm Oils, and we included the requirement that all our suppliers for palm and palm derivatives should have specific goals for GHG emissions reduction. By having this requirement in our policy we are strengthening our commitment on Climate. As part of our overall strategy we are including this topic in our responsible sourcing meetings with suppliers as well as in our capability building workshops with our suppliers in Thailand.

---

F8. Verification

---

F8.1

**F8.1** Do you verify any forests information reported in your CDP disclosure?

No, but we are actively considering verifying in the next two years

---

F9. Barriers and challenges

---

F9.1

**F9.1** Describe the key barriers or challenges to avoiding forests-related risks in your direct operations or in other parts of your value chain.

**Forest risk commodity**

Palm Oil

**Coverage**

Direct operations

Supply chain

**Primary barrier/challenge type**

Limited availability of certified materials

**Comment**

For Palm the most significant challenge is the availability for physically certified PKO in the market, which is creating some issues and pressures in the supply side. The premium charged for the certified PKO still increasing and there is not a clarity in terms of how the premium cost works for the Palm Kernel Oil Derivatives. We see limited PKO certificates in the RSPO system, which is preventing us to cover some of our palm kernel oil derivatives with Book and Claim system.
Palm Oil

**Coverage**
Direct operations
Supply chain

**Primary barrier/challenge type**
Other, please specify (Traceability to Plantation)

**Comment**
Achieving traceability to plantation is our goal and the confidentiality is still a significant challenge when trying to get the data from suppliers back to the plantation level.

---

**Forest risk commodity**
Palm Oil

**Coverage**
Direct operations
Supply chain

**Primary barrier/challenge type**
Other, please specify (Traceability Palm and PKO Derivatives)

**Comment**
For Palm Oil Derivatives, this supply chain is multi-tiered and complex, and in many cases, derivatives suppliers have not faced the same pressure to be transparent about the sources of their supply. Achieving traceability in the derivatives supply chain comes with challenges and can be a slow process. We are committed to continue working with our palm and PKO derivatives suppliers increasing the traceability percentage and improve transparency.

---

**Forest risk commodity**
Soy

**Coverage**
Direct operations
Supply chain

**Primary barrier/challenge type**
Limited availability of certified materials

**Comment**
For Soy, the key challenge is to get certified soy derivatives. The current certification schemes do not cover the derivatives. The certified volume under Proterra scheme is limited, and this situation continues creating issues in the industry when trying to have access to the volume available.

---

**Forest risk commodity**
Cattle Products

**Coverage**
Direct operations
Supply chain

**Primary barrier/challenge type**
Other, please specify (Traceability)

**Comment**
Understanding that tallow is a bi-product, to trace back to the origin is challenging in some cases due to the nature of the supply chain. In the meantime we are increasing the volume with the suppliers that are vertically integrated in order to have access to their traceability data.

---

**Forest risk commodity**
Timber

**Coverage**
Direct operations
Supply chain

**Primary barrier/challenge type**
Supply chain complexity

Comment
Our paper based material portfolio is globally complex. We have a lot of vendors globally and we are currently evaluating how we will tackle the 20% of our total spend, to assure compliance with our no deforestation policy for pulp and paper.
(F9.2) Describe the main measures that would improve your organization's ability to manage forests-related risks.

**Forest risk commodity**
- Palm Oil

**Coverage**
- Direct operations
- Supply chain

**Main measure**
- Greater transparency

**Comment**
Measures that would improve our ability to manage deforestation risks include improved transparency throughout complex supply chains like Palm Oil and Palm Kernel Oil Derivatives. For palm and palm kernel oil the need to disclose concession maps in the industry is a game changer and will help companies to better anticipate and manage deforestation related risks.

**Forest risk commodity**
- Timber

**Coverage**
- Direct operations
- Supply chain

**Main measure**
- Investment in monitoring tools and traceability systems

**Comment**
Our paper based materials is too complex and we need to complement our ongoing traceability efforts with the systems that can help us to properly manage the data. We are currently using Supply Shift system to gather supplier data and we are planning to continue using them to strengthen our current traceability approach back to the sourcing region.

**Forest risk commodity**
- Cattle Products

**Coverage**
- Direct operations
- Supply chain

**Main measure**
- Investment in monitoring tools and traceability systems

**Comment**
Investment in monitoring system will help us to strengthen our current traceability approach.

**Forest risk commodity**
- Soy

**Coverage**
- Direct operations
- Supply chain

**Main measure**
- Greater supplier awareness/engagement

**Comment**
Greater supplier awareness and engagement specifically with the Soy derivatives suppliers and/or indirect suppliers.

---

**F10. Signoff**
F10.1

(F1.0.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>EVP, Chief Growth and Strategy Officer</td>
<td>Other C-Suite Officer</td>
</tr>
</tbody>
</table>

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

<table>
<thead>
<tr>
<th>Annual revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>15454000000</td>
</tr>
</tbody>
</table>

SF0.2

(SF0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SF0.2a

(SF0.2a) Please share your ISIN in the table below.

<table>
<thead>
<tr>
<th>ISIN country code</th>
<th>ISIN numeric identifier (including single check digit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>1941621039</td>
</tr>
</tbody>
</table>

SF1.1

(SF1.1) On F6.4 you were asked “Do you specify any third-party certification schemes for your disclosed commodity(ies)? Indicate the volume and percentage of your production and/or consumption covered”. Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

No
Why can you not indicate the percentage of certified volume sold to each of your requesting CDP supply chain members? Describe any future plans for adopting and communicating levels of certification to requesting members.

**Requesting member**
Walmart - Brasil

**Forest risk commodity**
Palm Oil

**Primary reason**
No requirement from customers to track certification levels in the past

**Please explain**
We don’t currently track this metric in our global system. We can supply this information as needed and at SKU level.

---

**SF2.1**

Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

**Requesting member**
Walmart - Brasil

**Commodity related to the project**
Cattle Products

**Category of project**
Traceability and transparency

**Type of project**
Other traceability and transparency projects, please specify (Use Agrootool or Global Forest Watch)

**Estimated timeframe for realization of benefits to customer**
Current - up to 1 year

**Details of project**
We are currently evaluating to use monitoring systems and tool to support our no deforestation commitments for Tallow.

**Projected outcome**
Main objective is to enable verification and identify potential areas of concern in our current supply chain network in Brazil

---

**SF2.2**

Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

---

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I am submitting my response</th>
<th>Public or Non-Public Submission</th>
<th>I am submitting to</th>
<th>Are you ready to submit the additional Supply Chain Questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am submitting my response</td>
<td>Public</td>
<td>Investors</td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customers</td>
<td></td>
</tr>
</tbody>
</table>
Please confirm below
I have read and accept the applicable Terms