

## W0. Introduction

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### W0.1

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#### (W0.1) Give a general description of and introduction to your organization.

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

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

We are committed to making every drop of water count. We recognize water is one of life's most basic needs, water is also essential to business. It is an ingredient in many Colgate products and required in almost every phase of the product life cycle. Clean water is also vital to the communities we serve yet in many regions of the world, it is becoming an increasingly scarce resource. We take our responsibility as conscientious stewards of water seriously. Colgate has a six point Water Stewardship Strategy.

- Direct Operations: We will continue to invest in water conservation and assess water risk associated with our global operations. We will replenish water in highly stressed regions and manage our wastewater appropriately.
- Supply Chain Management: We will increase supplier participation in our water stewardship program with a goal to identify opportunities and mitigate water risks.
- Consumer Use: We will strive to develop innovative products that enable consumers to use less water while meeting or exceeding their expectations. Colgate will also promote water conservation awareness to our global consumers.
- Water and Sanitation Access: We respect human right to water, sanitation and hygiene. We will partner with local and global organizations to bring clean water to underserved areas around the world. We will also provide health and hygiene education in our communities.
- Ecosystem Protection: We will strive to protect water-related ecosystems such as forests, wetlands, aquifers and rivers.
- Collaboration and Disclosure: We will partner with stakeholders and our communities to help drive water stewardship programs. We are committed to transparency and will publicly disclose our water stewardship strategies and goals and report on progress.

To help drive our Water Stewardship Strategy, our 2020 Sustainability Strategy includes a commitment to Make Every Drop of Water Count. Our commitment is supported by five goals:

- Reduce our manufacturing water intensity by half compared to 2002
- Replenish water withdrawn in highly stressed regions
- Increase supplier participation in our water stewardship program
- Partner with local and global organizations to bring clean water to underserved areas of the world
- Promote water conservation awareness to all our global consumers.

### W0.2

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**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1 2017	December 31 2017

**W0.3**

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**(W0.3) Select the countries/regions for which you will be supplying data.**

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

*Countries selected represent where we have direct manufacturing operations, does not include office or distribution locations.*

**W0.4**

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**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

**W0.5**

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**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which financial control is exercised

**W0.6**

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**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

**W0.6a**

**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Offices and warehouses	The majority of our water usage is in our manufacturing and Research and Development (R&D) centers, which is where we have focused our initial efforts. We do not currently track global water usage and loading at our office and warehouse facilities, which we would consider to be de minimus.

**W1. Current state**

**W1.1**

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Direct operations: Sufficient amounts of good quality fresh water is vital to our operations; water is an ingredient in many of our final products. Value chain: Many raw materials in our products are from agricultural sources, and water is needed for growth/yield. Based on analysis by the World Resources Institute (WRI) more than one-quarter of the world's agriculture grows in water-stressed areas. Many major commodity crops are grown in areas facing high or extremely high water stress. In the future we expect that water dependency for both direct and indirect operations might change due to changes in water stress and availability as well as increased production demand.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	Direct operations: We use a very limited quantity of externally supplied recycled, brackish and/or produced water in our manufacturing operations. We do use and strive to increase the quantity of internally recycled water within our own operations. Value chain: A few raw materials we purchase are generated from brackish water. In the future we expect that water dependency for both direct and indirect operations might change due to changes in water stress and availability as well as increased production demand.

**W1.2**

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	We track this data for all of our global manufacturing sites via a global environmental database which sites are required to utilize at a minimum of a quarterly basis.
Water withdrawals – volumes from water stressed areas	100%	We track this data for all of our global manufacturing sites, including those in water stressed regions via a global environmental database which sites are required to utilize at a minimum of a quarterly basis.
Water withdrawals – volumes by source	100%	We track this data for all of our global manufacturing sites via a global environmental database which sites are required to utilize at a minimum of a quarterly basis.
Produced water associated with your metals & mining sector activities - total volumes	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Our global manufacturing sites monitor the quality of incoming water from various supplies utilizing laboratory analysis, typically done on a daily/weekly basis. Water is then treated to levels dependent upon use.
Water discharges – total volumes	100%	We track this data for all of our global manufacturing sites via a global environmental database which sites are required to utilize at a minimum of a quarterly basis.
Water discharges – volumes by destination	100%	We track this data for all of our global manufacturing sites via our True Cost of Water tool and associated wastewater surveys. This is done on an annual basis.
Water discharges – volumes by treatment method	100%	We track this data for all of our global manufacturing sites via our True Cost of Water tool and associated wastewater surveys. This is done on an annual basis.
Water discharge quality – by standard effluent parameters	100%	We track this data for all of our global manufacturing sites via a global environmental database for COD, via wastewater surveys, and locally for discharge compliance purposes. Sites are required to report COD data on a quarterly basis, but typically monitor this via lab analysis on a daily/weekly basis depending upon their permit requirements.
Water discharge quality – temperature	100%	At manufacturing facilities, water temperature is normally tracked as part of discharge testing and compliance. If not regulated, sites will typically monitor temperature and pH as part of general screening. This is typically done using lab analysis on a daily/weekly basis depending upon local permit requirements. In addition, our EOHS standards state that sites should monitor for temperature if it is not regulated by permit.
Water consumption – total volume	100%	We track this data for all of our global manufacturing sites via a global environmental database and in our True Cost of Water tool which sites are required to utilize at a minimum of a quarterly basis.
Water recycled/reused	100%	We track this data for all of our global manufacturing sites via our global environmental database and in our True Cost of Water tool and associated wastewater surveys. Sites are required to utilize the environmental database at a minimum of a quarterly basis.
The provision of fully-functioning, safely managed WASH services to all workers	100%	As a matter of long-standing practice, Colgate provides safe water, sanitation and hygiene to all people in our workplaces. WASH Expectations for our workers and facilities are outlined in our global Environmental Occupational Health and Safety (EOHS) standards, and are audited as part of our global EOHS governance processes. Full EOHS audits are conducted on a 3-5 year basis, with annual self assessment and verification audits occurring intermittently.

**W1.2b**

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	8480	Higher	Includes all incoming water except excludes non-contact cooling water returned to source, and only includes stormwater harvested and used. Volumes in 2017 increased primarily due to increased production. Future volumes may vary depending upon both production changes and water management actions implemented at the sites. Since our wastewater and product water are returned to the environment, we define Withdrawals = Discharges + Consumption, with Discharges being zero per the definition, so "we utilize the equation of Withdrawals = Consumption.
Total discharges	3651	Higher	Discharges represent all wastewater (excluding stormwater unless harvested, used and discharged) generated in operations which goes to municipal POTWs, surface water or groundwater after proper treatment in accordance with local regulations. Volumes in 2017 increased primarily due to increased production. Future volumes may vary depending upon both production changes and water management actions implemented at the sites.
Total consumption	8480	Higher	For manufacturing purposes we consider water withdrawals to be the same as water consumed. We have reviewed this with our data validation consultant. Volumes in 2017 increased primarily due to increased production. Future volumes may vary depending upon both production changes and water management actions implemented at the sites. We define water consumption as the amount of water that is drawn into the boundaries of our sites and not discharged back to the water environment or a third party over the course of the reporting year. Since our wastewater and product water are returned to the environment, we define Withdrawals = Discharges + Consumption, with Discharges being zero per the definition, so we utilize the equation of Withdrawals = Consumption.

**W1.2d**

**(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.**

	% withdrawn from stressed areas	Comparison with previous reporting year	Identification tool	Please explain
Row 1	20.5	Much lower	WRI Aqueduct	Our Aqueduct analysis this year yielded fewer sites located in high or extremely high overall water stressed areas, therefore a smaller % of our water withdrawals were from these areas.

**W1.2h**

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	42.5	Higher	Globally, very few of our sites directly withdraw surface water, and only a small number harvested rainwater for site use. The increase was due to more utilization of rainwater. This is relevant as we seek to utilize more rainwater harvesting at water stress sites where applicable. We expect the future trends to be about the same or less based on current site design planning.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	This is not relevant as we have not utilized brackish or sea water as part of our operations and do not anticipate doing so in the future.
Groundwater – renewable	Relevant	3370	About the same	Represents manufacturing site groundwater well withdrawals. This is relevant as we commonly utilize groundwater extraction wells at our sites. Utilization was about the same as prior year based on similar production. We expect the future trends to be about the same or less based on current site design planning levels.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	This is not relevant as we typically do not utilize non-renewable groundwater and do not anticipate doing so in the future.
Produced water	Not relevant	<Not Applicable>	<Not Applicable>	This is not relevant as we typically do not utilize Produced Water and do not anticipate doing so in the future.
Third party sources	Relevant	5068	About the same	Represents purchased water from public utilities, and a small quantity of trucked water purchased. This is relevant as we commonly utilize 3rd party city water supplies at our sites. Utilization was about the same as prior year based on similar production levels. We expect the future trends to be about the same or less based on current site design planning.

**W1.2i**

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	12	Lower	Represents one site in Europe with direct discharge after treatment in accordance with regulatory permits. This is relevant since we have a site discharging to a water body. Lower discharge due to change in production needs.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	This is not relevant as we do not typically discharge to sea/brackish water bodies and do not anticipate doing so in the future.
Groundwater	Relevant	582	About the same	Represents sites in India and Mexico who return treated wastewater to the ground under regulatory permits. This is relevant in those areas which are water stressed. Discharges were about the same based on production demands.
Third-party destinations	Relevant	3058	Lower	Represents the balance of global sites who send wastewater primarily to publicly owned treatment works under regulatory permits. This is relevant as we typically discharge pretreated wastewater to POTWs under permit. Discharges decreased based on production capacities.

**W1.2j**

**(W1.2j) What proportion of your total water use do you recycle or reuse?**

	% recycled and reused	Comparison with previous reporting year	Please explain
Row 1	2-10	About the same	This represents a global average of water recycling and reuse utilizing the CDP provided definition. In general water recycling and reuse rates are higher in regions with water stress and/or higher water costs which would have an amplified impact by reducing dependence on fresh water supplies as scarcity increases. The rates were about the same in aggregate this year vs. prior year based on similar production levels. We anticipate over time that our recycling rates will generally increase as we invest in water efficiency and reduction efforts.

**W1.4**

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**(W1.4) Do you engage with your value chain on water-related issues?**

- Yes, our suppliers
- Yes, our customers or other value chain partners

**W1.4a**

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**(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?**

**Row 1**

**% of suppliers by number**

1-25%

**% of total procurement spend**

26-50

**Rationale for this coverage**

We request that our Tier I suppliers and suppliers of water-intensive materials participate in the CDP Supply Chain Program Water Disclosure. The main rationale behind the coverage is to understand and address water impacts and associated risks and opportunities in our upstream supply chain. This engagement encourages suppliers to provide water use and risk information and helps us to assess water risks in our supply chain.

**Impact of the engagement and measures of success**

Information requested from our Tier I suppliers includes water risk awareness, disruptions, and mitigation actions. This information is used primarily by our Procurement team to help identify suppliers who have potential supply or operating risks related to water. The success metric currently used for supplier water risks is the % suppliers responding, as well as water risk metrics provided in CDP Supply Chain. In 2017, 38 percent of our Tier I suppliers responded to the survey including our largest raw material suppliers and contract manufacturers. In 2017, 11 countries in our Asia Pacific division, activated the Save Water campaign in their market—China, Hong Kong, India, Indonesia, Myanmar, Malaysia, Singapore, Pakistan, Philippines, Thailand, Taiwan, and Vietnam. The campaign communicated that water can easily be wasted every day and offered a simple solution to save water in day-to-day routine. We have also formed a regional partnership with AS Watson to amplify the campaign.

**Comment**

**W1.4b**

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**(W1.4b) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Innovation & collaboration

**Details of engagement**

Encourage/incentivize suppliers to work collaboratively with other users in their river basins

Educate suppliers about water stewardship and collaboration

**% of suppliers by number**

Less than 1%

**% of total procurement spend**

Less than 1%

**Rationale for the coverage of your engagement**

In addition to our annual request for select suppliers to respond to CDP Supply Chain Water, we have also begun engaging the Mint Industry Research Council (MIRC) and their member mint growers and aggregators in water reduction and stewardship activities. Mint is the main direct agricultural crop that Colgate buys directly from distributors, so we have focused recent water stewardship efforts towards the mint industry in the US. In 2017, Colgate partnered with MIRC to develop water savings messaging and related water reduction project pilots. We are also in the process of developing water reduction metrics and evaluating goals.

**Impact of the engagement and measures of success**

The impact of our Mint Industry Research Council (MIRC) partnership includes sending a signal to the industry of the increased importance of water stewardship from a customer's perspective. With this increased awareness we expect to see additional interest and activities by the mint growers to invest in reduction technologies, measuring results, and ultimately setting goals.

**Comment**

Although Colgate has worked directly with the mint industry for many years, we have more recently created a direct focus on the importance of water stewardship. This will provide opportunities to learn about water issues and data. Additionally, Colgate has worked with a team of students from MIT Sloan School of Management in their Sustainability-Lab (S-Lab) program on a project to examine potential future climate and water impacts related to key mint growing regions in the US.

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**W1.4c**

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**(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?**

Water is an ingredient in many Colgate products and required in almost every phase of the product lifecycle. Clean water is also vital to the communities we serve, yet in many regions of the world, it is becoming an increasingly scarce resource. Engagement with our customers is becoming an even higher priority as we better understand the impacts we can have on our consumers and to build stronger business relationships with key customers on water and sustainability.

Colgate's Water Stewardship Strategy covers the following areas: Direct Operations, Supply Chain, Consumer Use, Water and Sanitation Access, Ecosystem Protection, and Collaboration and Disclosure.

Colgate's water use footprint consists of the water used by our suppliers to produce the raw and packaging materials we purchase, the water used by our facilities to manufacture our products, and the water associated with the consumer use of our products representing about 90% of our overall water footprint.

To help consumers conserve water as they use our products, in 2017, Colgate continued to expand our Save Water campaign globally with messaging around World Water Day on March 22 and beyond.

In 2017, 11 Asian countries activated the Save Water campaign in their market—China, Hong Kong, India, Indonesia, Myanmar, Malaysia, Singapore, Pakistan, Philippines, Thailand, Taiwan, and Vietnam. The campaign communicated that water can easily be wasted every day and offered a simple solution to save water in day-to-day routine.

Also, in support of Walmart's Project Gigaton, Colgate utilized its Save Water campaign and global water ambassador Michael Phelps to remind consumers to turn off the tap while brushing their teeth.

We are currently conducting global consumer surveys to track the impacts of our Save Water messaging on consumer behavior, and then translating those results into estimated water and GHG reductions.

Measures of success include consumer behavior change and commercial growth.

**W2. Business impacts**

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**W2.1**

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**(W2.1) Has your organization experienced any detrimental water-related impacts?**

Yes

**W2.1a**

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**(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and total financial impact.**

**Country/Region**

United States of America

**River basin**

Mississippi River

**Type of impact driver**

Physical

**Primary impact driver**

Flooding

**Primary impact**

Increased operating costs

**Description of impact**

There have been historical disruptions in petroleum-derived raw materials sourced from the Gulf of Mexico to various plants in US and Mexico; as well as longer lead times related to other key materials sourced to Mexico, due to climatic events, storms, and flooding affecting our suppliers and manufacturing plants. For example, in 2016 hurricane Matthew affected one key material supplier located in South Carolina due to flooding and limited access. Overall the scale of the global impact was not substantive.

**Primary response**

Develop flood emergency plans

**Total financial impact**

8000000

**Description of response**

Under the event of hurricanes impacting the Gulf of Mexico, we build material inventory to protect our business and operations in the region, as well as the raw and packaging materials supply. Our contingency plan was activated 2 times in 2017 to proactively respond to any potential issues. The cost impact for this action is \$8 million. The cost impact is associated with the inventory build strategy, and it was calculated taking into consideration the following variables: Inventory in pounds for the selected materials, inventory value at the targeted months, weeks of coverage and product category covered.

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**Country/Region**

Colombia

**River basin**

Magdalena

**Type of impact driver**

Regulatory

**Primary impact driver**

Regulation of discharge quality/volumes

**Primary impact**

Increased operating costs

**Description of impact**

Installation of a biological wastewater treatment plan was required due to changes in operation and increasing regulatory requirements relating to wastewater discharge quality. Overall the scale of the global impact was not substantive.

**Primary response**

Increased capital expenditure

**Total financial impact**

250000

**Description of response**

For financial impacts, Colgate invested in various wastewater consulting, mitigation, design and construction activities to address regulatory requirements in Colombia.

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## W2.2

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**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

Yes, fines, enforcement orders or other penalties but none that are considered as significant

## W2.2a

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**(W2.2a) Provide the total number and financial value of all water-related fines.**

**Row 1**

**Total number of fines**

5

**Total value of fines**

77

**% of total facilities/operations associated**

9

**Number of fines compared to previous reporting year**

About the same

**Comment**

## W3. Procedures

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## W3.3

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**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

## W3.3a

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**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

## Direct operations

### Coverage

Full

### Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

### Frequency of assessment

Annually

### How far into the future are risks considered?

6 to 10 years

### Type of tools and methods used

Tools on the market  
Enterprise Risk Management  
International methodologies  
Databases  
Other

### Tools and methods used

GEMI Local Water Tool  
WRI Aqueduct  
Ceres AquaGauge  
Life Cycle Assessment  
Maplecroft Global Water Security Risk Index  
Internal company methods  
External consultants  
Other, please specify (Colgate "True" Cost of Water)

### Comment

Colgate has developed a company-wide framework and strategy to prioritize and act on water risk issues in all geographies. The framework includes conducting regional screening using the WRI Aqueduct tool, focused primarily on water scarcity and overall water risks for all sites. Based on the results, targeted sites may then undergo a comprehensive site self-assessment and/or a consultant-led vulnerability water risk assessment.

## Supply chain

### Coverage

Full

### Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

### Frequency of assessment

Annually

### How far into the future are risks considered?

6 to 10 years

### Type of tools and methods used

Tools on the market  
Enterprise Risk Management  
International methodologies  
Databases  
Other

### Tools and methods used

WRI Aqueduct  
Internal company methods

### Comment

Colgate has developed a company-wide framework and strategy to prioritize and act on water risk issues in all geographies. The framework includes conducting regional screening using the WRI Aqueduct tool, focused primarily on water scarcity and overall water risks for selective suppliers. In addition, Colgate leverages CDP Supply Chain Water results to assess key supplier risks.

## Other stages of the value chain

### Coverage

Partial

### Risk assessment procedure

Water risks are assessed as a standalone issue

### Frequency of assessment

Annually

### How far into the future are risks considered?

Up to 1 year

### Type of tools and methods used

Other

### Tools and methods used

Internal company methods

### Comment

For the past few years, Colgate has conducted consumer insight surveys and questionnaires focused on our Save Water campaign. Save Water is a global water awareness program aimed at encouraging consumer to "turn off the tap" while brushing teeth and washing hands. The consumer surveys focus on consumer water saving behaviors but also tries to better understand the regional habits and water reduction opportunities in water stressed regions of the world.

## W3.3b

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**(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water is a raw material in Colgate final products; water availability and quality are monitored by both Global Sustainability and EHS and our Global Quality Organization. Additionally, we use the WRI Aqueduct tool to assess this issue. In cases where deeper local analysis are deemed necessary, we utilize the services of local water experts and consultants to conduct water site vulnerability assessments. In addition, water discharges are evaluated in terms of quality and regulatory compliance.
Water quality at a basin/catchment level	Relevant, always included	For selected high-risk and high-volume facilities, Colgate engages a third-party consultant to perform a source vulnerability assessment of our sites, which includes river basin assessment. In addition, water discharges are evaluated in terms of quality and regulatory compliance.
Stakeholder conflicts concerning water resources at a basin/catchment level	Not relevant, included	Colgate conducts targeted Water Risk Assessments selectively, at strategic sites in water-stressed areas (e.g. Mexico, India). While none have been identified, stakeholder conflicts are considered as part of this analysis. This risk is also assessed through the company-wide Enterprise Risk Management process.
Implications of water on your key commodities/raw materials	Relevant, always included	The cost and supply of agricultural commodities is impacted by both precipitation extremes, droughts and variations in weather patterns and temperature. Key agricultural commodities include corn, palm kernel oil, coconut oil, soybean meal, pork fat and fish oil. We continue to see volatility in the cost of agricultural commodities grown in geographies where there are precipitation extremes and droughts or variations in weather patterns and temperature. Examples of agricultural commodity price ranges over the last five years include: corn (\$3.01-\$8.31/bushel), palm kernel oil (\$670-\$2000/MT), coconut oil (\$725-\$1850/MT), soybean oil (\$573-1267/ton) and sugar (\$12 to \$21/lb). Colgate uses the CDP Supply Chain survey to assess water risk in our supply chain. We focus risk assessment and management on our key/critical suppliers - those identified through Colgate's formal process to identify critical suppliers (e.g. high volume suppliers, suppliers of critical materials, non-substitutable formulas). As an example of this, in 2016, Colgate partnered with an MIT Sustainability Lab team in evaluating potential long-term impacts of climate change on our global mint and menthol supplies. We focus risk assessment and management on our key/critical suppliers - those identified through Colgate's formal process to identify critical suppliers (e.g. high volume suppliers, suppliers of critical materials, non-substitutable formulas). Colgate also uses the CDP Supply Chain survey to assess water risk in our supply chain.
Water-related regulatory frameworks	Relevant, always included	Colgate tracks and complies with water-related regulatory frameworks and pays necessary tariffs locally. Colgate's Global Sustainability & EHS Department collects cost of water data annually from all of our manufacturing sites and governance audits are conducted every 3 - 5 years. Colgate's EHS Standards and governance programs are utilized in assessing this issue.
Status of ecosystems and habitats	Relevant, always included	Colgate works to protect water-related ecosystems such as forests, wetlands, aquifers and rivers, which lie at the heart of the global water cycle. Compliance with wastewater discharge regulations associated with our operations should limit our impact to ecosystems at the local level. This issue is managed through our EHS standards, including our Wastewater Standard.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Colgate's Sanitation and Housekeeping Standard establishes performance expectations for housekeeping and cleanliness in Colgate-Palmolive Company facilities, including access to fully-functioning WASH services.
Other contextual issues, please specify	Relevant, always included	Estimates of future implications of water on your key commodities/raw materials: Our Global Procurement organization assess and estimates future implications of water on key commodities/raw materials. For example, El Niño impacted Southeast Asia with a severe drought, impacting palm fruit yield, and reducing 2016 palm oil production by 27% in the first half of the year vs. the same period last year. We focus risk assessment and management on our key/critical suppliers - those identified through Colgate's formal process to identify critical suppliers (e.g. high volume suppliers, suppliers of critical materials, non-substitutable formulas). We use our heat risk map analysis to better understand where we should focus. Additionally, in 2016, Colgate partnered with an MIT Sustainability Lab team in evaluating potential long-term impacts of climate change on our global mint and menthol supplies.

**W3.3c**

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Customers (consumers) - As many of our products require water for use, consumers have an important role to play in helping the environment as they use our products. In order to help consumers in this effort, Colgate committed to promoting water conservation awareness to all of our global consumers by 2020. In 2013, we began to include a Save Water message on our packages around the world, supported by a website that gives water saving tips and reminders for toothbrushing, handwashing, dishwashing and showering, and is available in ten languages. In 2016, Colgate launched the Save Water campaign globally with messaging around World Water Day. Our video and message to make every drop of water count was live in more than 60 countries around the world in 2016 and again in 2017.
Employees	Relevant, always included	Colgate is committed to engaging our employees in Making Every Drop of Water Count. On World Water Day Colgate implements a global employee engagement program focused on water stewardship. Employees at some sites have also participated activities include save water pledges, river cleanups, town halls and video messages on our Colgate.com (internet). Risks associated with employees include the ability to attract and retain, as we are expected to demonstrate the company values and reputation including those around key water issues.
Investors	Relevant, always included	Colgate recognizes that sustainability can enhance corporate reputation. Based on a Recent Conference Board Research Report, the expectation is becoming that leading companies should generate "shared value" - economic results that grow shareholder equity while also addressing societal needs and challenges. More than 573 institutional investors representing in excess of US\$60 trillion in assets supported CDP in engaging with companies to disclose and manage water issues.
Local communities	Relevant, always included	Colgate has had a long-standing commitment to the protection of the environment in communities in which we live and operate is an integral part of Colgate-Palmolive's mission to become the best truly global consumer products company (Ref. EOHS Policy Statement). Local communities are considered in Colgate's risk assessment process and water stewardship program.
NGOs	Relevant, always included	Colgate partners with NGOs on water and other sustainability matters. Our water risk assessment is informed by our partnerships with CDP, Water for People, EDF, The Nature Conservancy, WRI and the UNGC CEO Water Mandate. Risks associated with not engaging with NGOs on water relate to the company's reputation and standing as a water leader.
Other water users at a basin/catchment level	Relevant, always included	Colgate conducts Water Risk Assessments selectively, at strategic sites in water-stressed areas (e.g. Mexico, India). While no significant concerns have been identified, other water users are considered in this analysis.
Regulators	Relevant, always included	Colgate complies with water-related regulatory frameworks and partners with regulatory agencies at the local level routinely.
River basin management authorities	Relevant, always included	Included for some facilities/suppliers. At our Piscataway, NJ facility, Colgate is a part of the Sustainable Raritan River Collaborative. The Collaborative is a network of over 130 organizations, governmental entities and businesses in the Raritan River Basin that work together to balance social, economic and environmental objectives towards the common goal of restoring the Raritan River, its tributaries and its estuary for current and future generations. The collaborative works together to restore and protect this valuable regional resource; focusing on the goals and objectives outlined in a comprehensive Action Plan. Through our partnership with the Nature Conservancy, we are also working to protect the Delaware River Basin by combating nutrient runoff and sedimentation through riparian restoration.
Statutory special interest groups at a local level	Not relevant, included	Colgate partners with a variety of stakeholders, including statutory special interest groups at the local level; at this time there is no known engagement on issues specific to water.
Suppliers	Relevant, always included	We request that our Tier I suppliers and suppliers of water-intensive materials participate in the CDP Supply Chain Program Water Disclosure in order to help us understand and address water impacts and associated risks and opportunities in our upstream supply chain. In 2017, 38 percent of our Tier I suppliers responded to the survey including our largest raw material suppliers and contract manufacturers. As a way to help reduce the water associated with the production of raw materials, we are working to identify the most water-intensive materials in each of our product categories. With this information, we are able to then engage our suppliers to better understand the opportunities to reduce the water footprint of our products through feedstock choices and conversion efficiency, particularly in markets under high water stress.
Water utilities at a local level	Relevant, always included	Colgate develops Water Stewardship Plans at our manufacturing sites and conducts Water Risk Assessments selectively. Water utilities and suppliers are engaged on an as needed basis in the development of these programs.
Other stakeholder, please specify	Not considered	There are no other stakeholders included in our risk assessment process.

**W3.3d**

**(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

Colgate uses an Enterprise Risk Management (ERM) Program to identify, prioritize and manage risks. We have Product Category Contingency Sourcing Plans, Hurricane Contingency Planning, Business Readiness Planning and Property Loss Control Programs. We developed a strategy to prioritize and act on water risk issues in all geographies. Over the past five years, various water assessment tools were used, including Aqueduct for all sites and GEMI for targeted manufacturing sites to help sites in water-stressed areas evaluate potential risks. Additionally, consultant assessments were used for higher risk sites as determined by the other tools. WBCSD's Global Water Tool was used to evaluate water stress conditions in manufacturing sites and key suppliers. Additionally, third-party experts help us undertake targeted water risk assessments at selected locations in Mexico and India. In 2014, we began using the World Resources Institute (WRI) Aqueduct tool to assess water stress, drought, flood and other risks. In 2015, our global Risk Management group conducted a utility risk assessment which included both the infrastructure and climate risk aspects of our water supplies. The project included several industry methods (e.g. Maplecroft, Aqueduct) as well as an internal site survey related to energy and water utilities. In 2015, Colgate undertook a comprehensive project to better understand the water use associated with each step of our value chain, using a life cycle assessment approach, helping quantify the opportunities to have a positive water impact beyond our own operations. Additionally, Colgate EHS Standards such as our Water Stewardship Standard, Wastewater Standard and Sanitation and Housekeeping Standard are part of our company-wide strategies to assess and manage water-related risks. All of our EHS Standards are addressed in our audit program. Our Global Procurement organization estimates future implications of water on key raw materials

## W4. Risks and opportunities

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### W4.1

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**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, both in direct operations and the rest of our value chain

### W4.1a

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**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

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

Colgate uses an Enterprise Risk Management (ERM) Program to identify, assess, prioritize and manage physical risks. The ERM Committee is sponsored by the Chairman and CEO of the Company and includes representation from key internal business leaders. Risks are collectively identified across the organization and are classified within the Strategic, Financial, Operational, Information Technology, Legal & Compliance and Emerging Risk Categories. Each Risk Category is assigned an owner who is also a member of the ERM Committee and who is ultimately accountable for successfully managing the identified risk. The Natural Disaster ERM - addresses the physical risks associated with water and climate change that could disrupt our commercial and supply chain operations.

For purposes of this survey, we used a screening criteria to identify sites meeting the CDP guidance for "substantive" as follows: 1) sites indicated as "High" or "Extremely High" overall water risk per WRI Aqueduct, and 2) which are either considered strategic sites or those which account for >2% of global production volume.

This threshold is evaluated annually, when the Aqueduct tool is used to evaluate water risk. The Global Sustainability and EHS group engages with local sites to evaluate the threshold based on both the Aqueduct tool and more short-term and local conditions and events.

An example of substantive risks evaluated includes key supply disruption. Colgate has a formal process to identify critical suppliers (e.g. high volume suppliers, suppliers of critical materials, non-substitutable formulas). Every year we update our segmentation strategies where we classify materials and suppliers according to the criticality of the material segment as well as the market complexity and buyer power using a matrix tool. Selected agricultural materials that are impacted by change in precipitation extremes and droughts are considered in this process. Risk management plans including changes in source of supply and potential alternative formulations are in place.

**W4.1b**

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	3	1-25	This represents the % of global manufacturing facilities meeting our definition of substantive, by facility count vs. total global manufacturing facilities

**W4.1c**

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Region**

Mexico

**River basin**

Santiago

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-25

**Comment**

Increased water stress could potentially impact growth of manufacturing at this location in the longer term. A third-party review of water risk has been conducted, and an appropriate water stewardship plan is in place.

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**Country/Region**

India

**River basin**

Not known

**Number of facilities exposed to water risk**

2

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-25

**Comment**

Increased water stress could potentially impact growth of manufacturing at this location in the longer term. Severe floods could cause temporary disruption to the delivery of raw materials to the facility, and finished goods to the customer. We are expanding rainwater harvesting and storage at some of these site. No events have caused material business impact.

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**W4.2**

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**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Region**

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Mexico

**River basin**

Santiago

**Type of risk**

Physical

**Primary risk driver**

Increased water scarcity

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Water is a significant component of the production process of our products. Therefore, increased water stress could potentially impact the growth of manufacturing at this location in the longer term, as well as increase costs for water supply and infrastructure investment. We have decided that the primary potential impact of this event could lead to reduction of production capacity through our risk management and contingency planning systems processes.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Unlikely

**Potential financial impact**

0

**Explanation of financial impact**

Impacts are not quantified financially, as 3rd party water risk assessment indicated minimal risk over next 20 years. Water scarcity are not expected to directly impact the operation.

**Primary response to risk**

Adopt water efficiency, water re-use, recycling and conservation practices (Investment in water conservation)

**Description of response**

In addition to actively investigating and implementing water conservation measures, this site: - Engages with the local community and water providers - Established site-specific water targets - Increased capital expenditures on water projects - Conducted a consultant-led water vulnerability assessment - Is investing with Ecolab/Nalco on new water savings technologies related to cleaning and utilities - Promoting best practice and awareness via annual Water Treasure Hunts These mitigation and response strategies are underway and will continue to be implemented over the next 3 years, helping to increase water security for the site and the company overall. Continued engagement with the community and local water providers will help increase progress on lowering residual risk. In addition, Colgate is an active member of the UNGC CEO Water Mandate and expect to leverage this and SDG6 in the evolving water security strategy for this site.

**Cost of response**

325000

**Explanation of cost of response**

Costs each year will be variable depending upon project types and technologies implemented. A recent "Water Treasure Hunt" conducted at the site identified nearly 50 potential water conservation projects with a total estimated cost of \$290,000. One time operating costs associated with a risk assessment study were \$35,000.

**Country/Region**

Philippines

**River basin**

Not known

**Type of risk**

Physical

**Primary risk driver**

Flooding

**Primary potential impact**

Supply chain disruption

**Company-specific description**

Severe floods could cause temporary disruption to the delivery of raw materials to the facility, and finished goods to the customer, lasting days or weeks, depending on the severity of flooding. We have decided that the primary potential impact of this event could lead to reduction of production capacity through our risk management and contingency planning systems processes.

**Timeframe**

1 - 3 years

**Magnitude of potential impact**

Low

**Likelihood**

About as likely as not

**Potential financial impact**

450000

**Explanation of financial impact**

Although disruptions are possible, contingencies related to utilization of our alternative sourcing strategy and inventory help mitigate the financial costs. As an example, in 2017, tropical depression "Maring" brought heavy rains and strong winds in the area of Luzon Philippines. As a result, Manila Port Authority suspended operations resulting in suspension of product deliveries for a day affecting inland shipments. The financial costs were estimated to be about \$400k-\$500k.

**Primary response to risk**

Amend the Business Continuity Plan

**Description of response**

Our manufacturing and warehouse locations have well-established business continuity plans which help mitigate and manage the impacts of various supplier disruptions including flooding. In addition our sites: - Develop flood emergency plans - Engage with the local communities - Engage with customers - Engage with suppliers - Establish contingency supply network plans - Promote best practice and awareness - Optimize supplier diversification

**Cost of response**

5000

**Explanation of cost of response**

Response costs, if any, each year will be minimal depending upon flooding incidents and related responses. Most response measures are administrative in nature and therefore not significant.

**Country/Region**

India

**River basin**

Indus

**Type of risk**

Physical

**Primary risk driver**

Increased water stress

**Primary potential impact**

Constraint to growth

**Company-specific description**

Increased water stress could potentially impact growth of manufacturing at this location in the longer term. We have decided that the primary potential impact of this event could lead to reduction of production capacity through our risk management and contingency planning systems processes.

**Timeframe**

1 - 3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Unlikely

#### Potential financial impact

0

#### Explanation of financial impact

Growth impacts are not anticipated based on water stress indicators, therefore we do not estimate a potential financial impact. Alternative sourcing and manufacturing contingencies are in place in case of water scarcity impacts.

#### Primary response to risk

Adopt water efficiency, water re-use, recycling and conservation practices (Conservation, replenishment & community)

#### Description of response

All global manufacturing sites are expected to follow and implement the performance expectations. The Water Stewardship Standard focuses on Management Commitment, Water Balance, Water Stewardship Planning, Water Risk Assessments, Water Conservation Assessments, Equipment & Systems, and Communication. In addition, as part of the company's "5% for the Planet" capital funding initiative, we expect sites to allocate a minimum of 1% of capital investments towards water reduction projects each year. In addition, our sites in India are working towards water replenishment, utilizing conservation, physical return of water to sources, and provision of safe and sustainable water supplies to communities in need.

#### Cost of response

100000

#### Explanation of cost of response

Costs, if any, each year will be variable depending upon project types and technologies implemented. For 2017, water efficiency investments for this region were in the range of about \$100,000.

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## W4.2a

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**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

#### Country/Region

United States of America

#### River basin

Mississippi River

#### Stage of value chain

Supply chain

#### Type of risk

Physical

#### Primary risk driver

Flooding

#### Primary potential impact

Supply chain disruption

#### Company-specific description

Hurricanes and flooding have the potential to cause operational disruption ranging from days to weeks depending on severity. 90% of the US Petrochemical refineries, crackers and chlor alkali plants are located in the Gulf Coast region. While not considered material, interruption in supply of basic feedstocks could cause increase in raw material pricing, shifting sources of supply or operational disruption depending on the severity of the hurricane event.

#### Timeframe

>6 years

#### Magnitude of potential financial impact

Medium-low

#### Likelihood

Very likely

#### Potential financial impact

1000000

#### Explanation of financial impact

While not considered substantive, interruption in supply of basic feedstocks could cause increase in raw material pricing, shifting sources of supply or operational disruption depending on the severity of the hurricane event. There have been historical disruptions in petroleum-derived materials sourced from the Gulf of Mexico, as well other materials from Mexico. One-time costs financial impacts have been approximately \$1.0 million. Future climate related impacts have not been determined.

#### Primary response to risk

Include in Business Continuity Plan

#### Description of response

Engagement with suppliers and increases supplier due diligence: Hurricane Contingency Sourcing Plan annually for key feedstock sourced from the Gulf of Mexico. Implementation of the plan entails an inventory build of feedstock prior to the annual Hurricane season to minimize risk associated with disruption in supply.

#### Cost of response

20000

#### Explanation of cost of response

Actions include supplier/material/formulation qualification costs, potential increased logistics costs and administrative costs, in order to offset the potential increased cost due to material availability. The one-time cost of response for qualification of a new material or formulation can range between \$50,000 -150,000 per event, depending on a number of factors including the number of manufacturing sites using the material. Cost of response for the CDP SC Water survey is about \$20,000/year.

#### Country/Region

United States of America

#### River basin

Not known

#### Stage of value chain

Supply chain

#### Type of risk

Physical

#### Primary risk driver

Drought

#### Primary potential impact

Supply chain disruption

#### Company-specific description

Increasing global demand and climate change will have a cumulative effect over time. While not considered material, commodity-purchased agricultural materials will continue to experience changing supply patterns, increasing cost volatility and shifting of demand to available materials as a result of temperature changes and water issues such as drought. Drought can reduce the supply of commodity-purchased agricultural materials and increase the price of raw materials.

#### Timeframe

Current - up to 1 year

#### Magnitude of potential financial impact

Medium-low

#### Likelihood

Likely

#### Potential financial impact

100000

#### Explanation of financial impact

Colgate has a formal process to identify critical suppliers (e.g. high volume suppliers, suppliers of critical materials, non-substitutable formulas). Every year we update our segmentation strategies where we classify materials and suppliers according to the criticality of the material segment, at an estimated financial cost of \$100k. Additionally, Colgate uses the CDP Supply Chain survey to engage suppliers in assessing water risks. Future climate related impacts have not been determined.

#### Primary response to risk

Include in Business Continuity Plan

### Description of response

Actions include supplier/material/formulation qualification costs, potential increased logistics costs and administrative costs, in order to offset the potential increased cost due to material availability.

### Cost of response

120000

### Explanation of cost of response

The one-time financial cost for qualification of a new material or formulation can range between \$50,000 -150,000 per event, depending on a number of factors including the number of manufacturing sites using the material. Engagement with suppliers via CDP Supply Chain members through the CDP Supply Chain Water survey has a response cost of about \$20,000 annually.

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## W4.3

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### (W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

## W4.3a

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### (W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

#### Type of opportunity

Efficiency

#### Primary water-related opportunity

Cost savings

#### Company-specific description & strategy to realize opportunity

Colgate has an opportunity to improve our efficiency and reduce our water use in order to realize cost savings. To realize this opportunity, Colgate embedded it into our 2015 to 2020 Sustainability Strategy. Our 2020 goal is to reduce our manufacturing water intensity by half compared to 2002. To implement this strategy, Colgate invests in water conservation strategies at our global facilities via our manufacturing capital program and by implementing our Water Stewardship Standard. Our 5% for the Planet program sets a global goal to spend 5 percent of our manufacturing capital expenditure budget on energy reduction, water conservation and reduction of waste to landfill. Financial implications: Since 2011, we have invested nearly \$174.8 million in over 1,020 planet-related projects, which have delivered an estimated savings of over \$48 million. In 2017, we invested over 1.8% of our capital expenditure budget in water-related projects, yielding an estimated \$110,000 in annual savings. We drive water stewardship action at our sites through a program called the "Top 10 Water Actions: 1) Water Data Validation 2) Water Stewardship Plan 3) Water Conservation Assessment 4) Water Balance 5) Plant Water Systems 6) Sanitary and Domestic Water Use 7) Cooling Towers 8) Cleaning & Sanitization 9) Landscaping & Irrigation 10) Water Reuse/Recycle.

#### Estimated timeframe for realization

Current - up to 1 year

#### Magnitude of potential financial impact

Low

#### Potential financial impact

225000

#### Explanation of financial impact

Additional information: Since 2002, we have reduced the water consumed per unit of production in the manufacture of our products by over 47% (excluding water in products). Our new 2020 goal will take us even further. We will reduce our manufacturing water intensity by half compared to 2002 and find ways to replenish water withdrawn in highly stressed regions. Colgate invests in water conservation strategies at our global facilities via our manufacturing capital program and by implementing our Water Stewardship Standard. The Standard outlines best practices to reduce and recycle water in our manufacturing sites. We also have a Global Manufacturing Water Reduction team focused on water reduction strategies and projects. Our LEED-certified manufacturing facilities utilize various water reduction strategies to minimize fresh-water use and overall community impacts. Additionally, to help increase support for the "5% for the Planet" capital funding initiative, Colgate developed a "True" Cost of Water tool, which is a manufacturing-based tool designed to help sites quantify some of the hidden costs of water such as pretreatment pumping and

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wastewater treatment, thereby increasing both economic and environmental opportunities for reduction. We continue to explore new ways to share the approach and learnings from our True Cost of Water Toolkit with industry, peers, government agencies and NGOs. The \$225k for 2017 is estimated water investments for efficiency.

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#### Type of opportunity

Markets

#### Primary water-related opportunity

Increased brand value

#### Company-specific description & strategy to realize opportunity

In 2017 on Earth Day, Colgate-Palmolive announced a new partnership with one of the most decorated athletes of all time, world-champion swimmer Michael Phelps. Michael will serve as the Colgate 'Save Water' global ambassador, joining our efforts to encourage conservation. As part of the partnership, he is being featured in a series of short videos that highlight water waste. Also in China, AS Watson partnered with Colgate to activate the Save Water campaign across five cities and 176 stores. Leveraging World Water Day in March, the in-store and online activation educated shoppers on the issue of water scarcity and the small steps they could take in their daily lives to reduce their water consumption. Each purchase triggered a donation by Colgate to Earth Water. In addition, Colgate has leveraged our Save Water campaign with a retailer who featured the in-store success of this program with its shoppers, resulting in raising awareness of water conservation and increasing store sales of Colgate toothpaste.

#### Estimated timeframe for realization

Current - up to 1 year

#### Magnitude of potential financial impact

Low-medium

#### Potential financial impact

1150000

#### Explanation of financial impact

Colgate's consumer messaging program is intended to enhance equity and grow preference for the brand. The impact of this campaign will vary by geography and scale/scope of execution, but an indicative estimate can be derived based on a recent execution. In the U.S. in 2018, a partnership with a retailer to encourage consumers to Save Water contributed to incremental net sales of approximately USD \$1.15 million in those stores activating the Save Water campaign. Since 2017, we have had a global celebrity brand ambassador on board to help promote the 'Save Water' message in mass advertising campaigns as well as PR across markets. This partnership reflects Colgate's significant investment in the Save Water campaign. Colgate's investment of approximately USD \$1.7 million annually includes the celebrity's endorsement fee and together with the costs to produce and disseminate the Save water campaign. Based on this estimate and the fact that Colgate's largest retailer in the U.S. represented 11% of net sales in 2017, we estimate that the annual cost to activate the "Save Water" messaging at certain of such retailer's stores was USD \$187K in 2018.

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## W5. Facility-level water accounting

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### W5.1

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**(W5.1) For each facility referenced in W4.1c, provide coordinates, total water accounting data and comparisons with the previous reporting year.**

#### Facility reference number

Facility 1

#### Facility name (optional)

MH

#### Country/Region

Mexico

#### River basin

Santiago

#### Latitude



20.980529

**Longitude**

-100.421211

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

1607.66

**Comparison of withdrawals with previous reporting year**

Higher

**Total water discharges at this facility (megaliters/year)**

519.35

**Comparison of discharges with previous reporting year**

Higher

**Total water consumption at this facility (megaliters/year)**

1607.66

**Comparison of consumption with previous reporting year**

Higher

**Please explain**

Increased manufacturing production in 2017 vs 2016 resulted in a slight increase in water withdrawals, discharge and consumption, however on an intensity basis the facility water per tonne of production was about the same.

---

**Facility reference number**

Facility 2

**Facility name (optional)**

SND

**Country/Region**

India

**River basin**

Other, please specify (Unknown)

**Latitude**

22.996616

**Longitude**

72.255516

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

82.64

**Comparison of withdrawals with previous reporting year**

Lower

**Total water discharges at this facility (megaliters/year)**

43.98

**Comparison of discharges with previous reporting year**

Lower

**Total water consumption at this facility (megaliters/year)**

82.64

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### Comparison of consumption with previous reporting year

Lower

#### Please explain

The facility implemented various water conservation measures which allowed it to reduce water while increasing overall production in 2017 vs. 2016.

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#### Facility reference number

Facility 3

#### Facility name (optional)

SRC

#### Country/Region

India

#### River basin

Other, please specify (Unknown)

#### Latitude

13.544817

#### Longitude

79.997827

#### Primary power generation source for your electricity generation at this facility

<Not Applicable>

#### Oil & gas sector business division

<Not Applicable>

#### Total water withdrawals at this facility (megaliters/year)

49.91

#### Comparison of withdrawals with previous reporting year

Much lower

#### Total water discharges at this facility (megaliters/year)

18.32

#### Comparison of discharges with previous reporting year

Higher

#### Total water consumption at this facility (megaliters/year)

49.91

#### Comparison of consumption with previous reporting year

Much lower

#### Please explain

This facility does not use water in the product formulation, however reduced the incoming water significantly with a slight increase in overall wastewater.

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## W5.1a

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(W5.1a) For each facility referenced in W5.1, provide withdrawal data by water source.

#### Facility reference number

Facility 1

#### Facility name

MH

#### Fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

#### Brackish surface water/seawater

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0

**Groundwater - renewable**

1607.66

**Groundwater - non-renewable**

0

**Produced water**

0

**Third party sources**

0

**Comment**

This site utilizes multiple on-site wells for its water supply. Withdrawal volumes are directly measured. Zero values reported reflect no usage.

---

**Facility reference number**

Facility 2

**Facility name**

SND

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Brackish surface water/seawater**

0

**Groundwater - renewable**

0

**Groundwater - non-renewable**

0

**Produced water**

0

**Third party sources**

82.64

**Comment**

This facility utilizes municipal water as its water supply. Withdrawal volumes are directly measured. Zero values reported reflect no usage.

---

**Facility reference number**

Facility 3

**Facility name**

SRC

**Fresh surface water, including rainwater, water from wetlands, rivers and lakes**

3.87

**Brackish surface water/seawater**

0

**Groundwater - renewable**

0

**Groundwater - non-renewable**

0

**Produced water**

0

**Third party sources**

46.04

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**Comment**

This facility utilizes municipal water and on-site harvested rainwater as its water supply. Withdrawal volumes are directly measured. Zero values reported reflect no usage.

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**W5.1b**

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(W5.1b) For each facility referenced in W5.1, provide discharge data by destination.

**Facility reference number**

Facility 1

**Facility name**

MH

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

519.35

**Third party destinations**

0

**Comment**

This facility has an on-site wastewater treatment plant, and discharges all of its final treated effluent to the ground under regulatory permit. Discharge volumes are measured. Zero values reported reflect no discharge.

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**Facility reference number**

Facility 2

**Facility name**

SND

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

43.98

**Third party destinations**

0

**Comment**

This facility has an on-site wastewater treatment plant, and discharges all of its final treated effluent to the ground under regulatory permit. Discharge volumes are measured. Zero values reported reflect no discharge.

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**Facility reference number**

Facility 3

**Facility name**

SRC

**Fresh surface water**

0

**Brackish surface water/Seawater**

0

**Groundwater**

0

**Third party destinations**

18.32

**Comment**

This facility has an on-site wastewater treatment plant, and discharges all of its final treated effluent to a municipal wastewater treatment plant under regulatory permit. Discharge volumes are measured. Zero values reported reflect no discharge.

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## W5.1c

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**(W5.1c) For each facility referenced in W5.1, provide the proportion of your total water use that is recycled or reused, and give the comparison with the previous reporting year.**

**Facility reference number**

Facility 1

**Facility name**

MH

**% recycled or reused**

Less than 1%

**Comparison with previous reporting year**

About the same

**Please explain**

In 2017, we began collecting recycle/reuse data directly via our environmental database. Prior recycle/reuse data was periodically collected via our True Cost of Water tool. We calculate the recycle/reuse rate consistently with CDP's definition provided. Both recycled/reuse and total water consumption data are collected by each site utilizing a combination of meter readings, utility bills and estimations of recycling per cycle as appropriate for each site location.

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**Facility reference number**

Facility 2

**Facility name**

SND

**% recycled or reused**

26-50%

**Comparison with previous reporting year**

About the same

**Please explain**

In 2017, we began collecting recycle/reuse data directly via our environmental database. Prior recycle/reuse data was periodically collected via our True Cost of Water tool. We calculate the recycle/reuse rate consistently with CDP's definition provided. Both recycled/reuse and total water consumption data are collected by each site utilizing a combination of meter readings, utility bills and estimations of recycling per cycle as appropriate for each site location.

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**Facility reference number**

Facility 3

**Facility name**

SRC

**% recycled or reused**

11-25%

**Comparison with previous reporting year**

About the same

**Please explain**

In 2017, we began collecting recycle/reuse data directly via our environmental database. Prior recycle/reuse data was periodically collected via our True Cost of Water tool. We calculate the recycle/reuse rate consistently with CDP's definition provided. Both recycled/reuse and total water consumption data are collected by each site utilizing a combination of meter readings, utility bills and estimations of recycling per cycle as appropriate for each site location.

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## W5.1d

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**(W5.1d) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?**

## Water withdrawals – total volumes

### % verified

76-100

### What standard and methodology was used?

As part of our annual global environmental data validation, Bureau Vertias (BV) reviews both data at the global and site levels including key water related metrics. BV has done a detailed site level review (either in person or virtually) which included this water aspect. BV utilizes ISAE 3000 as the verification standard.

## Water withdrawals – volume by source

### % verified

76-100

### What standard and methodology was used?

As part of our annual global environmental data validation, Bureau Vertias (BV) reviews both data at the global and site levels including key water related metrics. BV has done a detailed site level review (either in person or virtually) which includes about 50% of this water aspect. BV utilizes ISAE 3000 as the verification standard.

## Water withdrawals – quality

### % verified

Not verified

### What standard and methodology was used?

As part of Colgate's global product quality standards, we monitor and test the incoming quality of water sources entering the facilities. Qualified standards and analytical testing, including 3rd party laboratories as needed, are utilized. Currently, we do not ask BV to provide additional verification of this data.

## Water discharges – total volumes

### % verified

76-100

### What standard and methodology was used?

As part of our annual global environmental data validation, Bureau Vertias (BV) reviews both data at the global and site levels including key water related metrics. BV has done a detailed site level review (either in person or virtually) which includes about 50% of this water aspect. BV utilizes ISAE 3000 as the verification standard.

## Water discharges – volume by destination

### % verified

Not verified

### What standard and methodology was used?

As part of our wastewater discharge regulatory permits, we monitor and test the outgoing water discharge quality utilizing both in-house and certified 3rd party laboratories to meet all compliance requirements. Currently, we do not ask BV to provide additional verification of this data.

## Water discharges – volume by treatment method

### % verified

Not verified

### What standard and methodology was used?

As part of our wastewater discharge regulatory permits, we fully understand the treatment methods which our receiving entities utilize for our effluent. Since this information is known and rarely if ever changes, we currently do not ask BV to provide additional verification of this information.

## Water discharge quality – quality by standard effluent parameters

### % verified

Not verified

### What standard and methodology was used?

As part of our wastewater discharge regulatory permits, we monitor and test the outgoing water discharge quality minimally for all regulated effluent parameters utilizing both in-house and certified 3rd party laboratories to meet all compliance requirements. Currently, we do not ask BV to provide additional verification of this data.

### Water discharge quality – temperature

#### % verified

Not verified

#### What standard and methodology was used?

As part of our wastewater discharge regulatory permits, we monitor and test the outgoing water discharge quality (including temperature as required) utilizing both in-house and certified 3rd party laboratories to meet all compliance requirements. Currently, we do not ask BV to provide additional verification of this data.

### Water consumption – total volume

#### % verified

76-100

#### What standard and methodology was used?

As part of our annual global environmental data validation, Bureau Vertias (BV) reviews both data at the global and site levels including key water related metrics. BV has done a detailed site level review (either in person or virtually) which included this water aspect. BV utilizes ISAE 3000 as the verification standard.

### Water recycled/reused

#### % verified

Not verified

#### What standard and methodology was used?

We collect recycle/reuse water data from our sites directly as part of their environmental reporting requirements. Standard guidance and equations are provided. Currently, we do not ask BV to provide additional verification of this data.

## W6. Governance

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### W6.1

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#### (W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

### W6.1a

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**(W6.1a) Select the options that best describe the scope and content of your water policy.**

Row	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change Other, please specify (Incorporated within corporate EHS policy)	Colgate's policies on water management are publicly available in our Sustainability Report and CDP Water response. Our company-wide programs, protect our brand and reduce risk and costs for our operations. We recently endorsed the UN CEO Water Mandate. In 2015, we published a Water Stewardship Strategy which includes certain requirements for all sites. In 2014, we began requesting our "Tier I" suppliers to participate in the CDP Water Supply Chain Survey to better understand the risks and opportunities associated with water scarcity and other water-related issues. Consumers have an important role to play in helping the environment as they use our products. Colgate committed to promote water conservation awareness to all our global consumers and partner with organizations to provide access to water, helping address the need for WASH services in underserved areas. Colgate educates children about proper handwashing around the world, promoting health and building our brand. CEO Water Mandate_Endorsing Companies.pdf Colgate_CorporateSocialResponsibility_SustainabilityReport_2017.pdf Colgate-Palmolive-Poster-2015.pdf

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**

**(W6.2a) Identify the position(s) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Board Chair	Sustainability is integrated at the core of Colgate's overall strategy, including our brand strategy and brand purpose. Because the Board has the final decision on the company's overall strategy, Colgate's Chairman and CEO and full Board of Directors are kept abreast of the Company's progress via regular updates and consider sustainability matters, risks and opportunities in decision-making, including those related to our water strategy
Director on board	The Personnel and Organization Committee (the "Committee") reviews the Company's sustainability and social responsibility programs and other public interest matters, including cultural diversity, equal opportunity, charitable giving and international human rights. The members of the Committee are appointed by the Board of Directors in accordance with the Company's by-laws. The Committee consists of at least four directors, each of whom in the Board's judgment satisfies the independence requirements of the New York Stock Exchange and other applicable regulations.
Chief Executive Officer (CEO)	Colgate's Chairman and CEO and full Board of Directors are kept abreast of the Company's progress via regular updates and consider sustainability matters, risks and opportunities in decision-making, including those related to our climate strategy. Sustainability and climatic risk are considered an emerging risk as part of our Enterprise Risk Management planning; as part of that process, the Board is briefed on key sustainability issues. The Personnel and Organization Committee of the Board reviews the Company's sustainability and social responsibility programs and other public interest matters, including cultural diversity, equal opportunity, charitable giving, and international human rights.

**W6.2b**

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities	Sustainability related issues are discussed in quarterly board meetings, which may or may not include issues that are directly or indirectly related to water. Water-related risks and opportunities are included as appropriate during reviews with the Board of Directors. These updates are generally provided by the VP, Sustainability and Chief Supply Chain Officer. These updates may include progress updates on water goals, water-related supply chain disruptions, water NGO and regulatory activities, and programs such as Colgate's Save Water campaign. The Board reviews and comments on the company's sustainability strategy which includes water stewardship. Water risk issues are addressed with the Board, as well as brand/reputation related to water stewardship. Key water NGO relationships and activities are reviewed with the board.

**(W6.3) Below board level, provide the highest-level management position(s) or committee(s) with responsibility for water-related issues.**

**Name of the position(s) and/or committee(s)**

Chief Executive Officer (CEO)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

Colgate's Chairman and CEO, and full Board of Directors are kept informed of the Company's progress on an as-needed basis as important matters arise and consider sustainability matters, risks, and opportunities in decisionmaking. The CEO has the general and active management of the business, property and affairs of the corporation, subject to the control of the Board and has the powers and perform the duties customarily exercised by the chief executive officer of a business corporation, including the authority to sign on behalf of the corporation deeds, leases, contracts, powers of attorney and other documents, and the duty to execute all directions and resolutions of the board of directors. Chairman and CEO, and the Board are informed on sustainability-related issues as appropriate, which may also include issues and decisions/actions required related to water on an as-needed basis.

**Name of the position(s) and/or committee(s)**

Sustainability committee

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

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

**Name of the position(s) and/or committee(s)**

Other, please specify (VP Glb Sustainability, EOHS & SC Stratgy)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Half-yearly

**Please explain**

Colgate's VP, Global Sustainability, EHS and Supply Chain Strategy, has direct responsibility for water on a day-to-day basis, together with Colgate's Director of Global Sustainability, Global Supply Chain.

**Name of the position(s) and/or committee(s)**

Other C-Suite Officer, please specify (EVP, Chief Growth & Strategy Officer)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Colgate's EVP, Chief Growth and Strategy Officer, reporting to the CEO, is also responsible for global sustainability, implementation

of water stewardship strategy and achievement of reduction targets.

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**Name of the position(s) and/or committee(s)**

Risk committee

**Responsibility**

Assessing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Not reported to board

**Please explain**

Sustainability is considered an emerging risk as part of our Enterprise Risk Management process. Additionally, Colgate's Chief Financial Officer provides the Audit Committee of the Board of Directors with an update on the Company's Enterprise Management Program.

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**Name of the position(s) and/or committee(s)**

Facilities manager

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Not reported to board

**Please explain**

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

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**Name of the position(s) and/or committee(s)**

Other, please specify (SVP, Investor Relations)

**Responsibility**

Other, please specify (Reviewing external messaging)

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

SVP Investor Relations reviews the sustainability related topics which may or may not include water-related issues from an external messaging perspective.

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## W6.5

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**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, trade associations

Yes, funding research organizations

Yes, other

## W6.5a

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**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Colgate participates with various trade associations (e.g. Consumer Goods Forum), leading water NGOs (e.g. World Resources Institute, The Nature Conservancy, Water for People) and public initiatives (e.g. United Nations Global Compact's CEO Water Mandate action platform) on water-related issues consistent with our water policy and water stewardship strategy. These activities often indirectly help influence and support the progression of key water stewardship issues which ultimately influence policy and drive action. The process we use to ensure consistency with our water stewardship strategy includes selection, then engagement with 3rd parties by sharing of our strategy and goals, vetting 3rd party policies, developing a value proposition and making appropriate recommendations to our management on partnerships and/or participation. In cases where inconsistencies are identified between our activities and our strategy, we seek to understand and then correct as appropriate.

**W7. Business strategy**

**W7.1**

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	In addition to our current 2020 Sustainability goals, which include water efficiency, supplier engagement on water, reaching consumers with water messaging, water replenishment and external water partnerships, Colgate has engaged on the UN CEO Water Mandate and on SDG 6 related to clean water and sanitation. Integrated water issues include supplier disruption risks, operational disruption risks, reputational risks, and cost risks. These issues are integrated into our objectives via our risk management processes, business reviews and external sustainability commitments related to water. The time horizon chosen reflects the long term nature of both our business strategies and the timing of potential chronic water risks.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Our Sustainability Strategy is clearly linked to our overall business strategy and objectives, and water stewardship issues are clearly among the most pertinent and impactful. Along our entire value chain water presents both risks and opportunities which must be considered to achieve our long-term objectives. Integrated water issues include supplier disruption risks, operational disruption risks, reputational risks, and cost risks. These issues are integrated into our objectives via our risk management processes, business reviews and external sustainability commitments related to water. The time horizon chosen reflects the long term nature of both our business strategies and the timing of potential chronic water risks.
Financial planning	Yes, water-related issues are integrated	11-15	Understanding water risks and opportunities as they related to finance is an important part of driving Colgate's water stewardship strategy. Water purchase costs, availability/cost of certain raw materials, citing locations of future facilities, impacts to consumers purchasing and using our products, and water as a brand reputational issue all have potential financial implications, and are considered in strategic planning decisions. Integrated water issues include supplier disruption risks, operational disruption risks, reputational risks, and cost risks. These issues are integrated into our objectives via our risk management processes, business reviews and external sustainability commitments related to water. The time horizon chosen reflects the long term nature of both our business strategies and the timing of potential chronic water risks.

**W7.2**

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

	Water-related CAPEX (+/- % change)	Anticipated forward trend for CAPEX (+/- % change)	Water-related OPEX (+/- % change)	Anticipated forward trend for OPEX (+/- % change)	Please explain
Row 1	1.4	0	2.9	3	Water CAPEX: Colgate continues to commit 5% of its manufacturing capital expenditure budget to planet-related projects (energy/CO2, water and waste). In 2017, we invested approximately 1.8% of our capital expenditure budget in water-related projects. In 2017 this investment increased by about 1.4% on a percentage basis and can be attributed to slight variations year-on-year on the amount of money invested in water reduction projects. This has been consistent with previous years and we expect this level of investment to remain the same. Water OPEX: In 2017 our incoming water quantity decreased by 1% as compared to 2016 and our overall water purchase cost/fees decreased by about 2.9%. These decreases can be attributed to increase water recycling in areas such as the US, Thailand, China and Brazil and rainwater harvesting in areas such as India, France and Brazil. We expect these efforts to increase and continue to decrease our water consumption and water opex over the next few years.

**W7.3**

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	Use of climate-related scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	Following the TCFD guidelines Colgate has started its research to identify best ways to include scenario analysis in its business strategy. In 2017, Colgate has worked with a team of students from MIT Sloan School of Management in their Sustainability-Lab (S-Lab) program on a project to better understand the components of a robust scenario analysis and identify the next steps to implement it. The project has been completed with success and the results will be published on MIT's website. These results will be used as guidance to establish a robust methodology for a climate-related scenario analysis that best fits to Colgate's needs.

**W7.4**

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

Yes

**Please explain**

As a way to help to improve transparency to the most accurate and true internal price of water, Colgate developed a simple tool which all manufacturing sites utilize to estimate costs and develop water reduction budgeting. Colgate’s True Cost of Water Toolkit, developed with Rutgers University Business School’s Supply Chain Management Program, is a manufacturing-based tool designed to help sites quantify some of the hidden costs of water such as pretreatment, pumping, and wastewater treatment, thereby increasing both economic and environmental opportunities for reduction. This tool also helps support Colgate’s 5% for the Planet initiative which seeks to dedicate 5% of annual capital budgets for our global factories to reduce energy, water and waste.

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Activity level specific targets and/or goals Site/facility specific targets and/or goals Brand/product specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Colgate sets targets and goals in support of our full value chain water stewardship strategy. Our current 2020 Sustainability goals, which include water efficiency, supplier engagement on water, reaching consumers with water messaging, water replenishment and external water partnerships, were all set collaboratively with internal and external stakeholders to help ensure that all key water issues were addressed.

W8.1a

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**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water use efficiency

**Level**

Company-wide

**Primary motivation**

Water stewardship

**Description of target**

By 2020, reduce our manufacturing water use intensity by half compared to 2002. This efficiency target was chosen to apply to all manufacturing sites globally to ensure all sites participate in our water investment and reduction efforts. This goal is important to the company as it helps ensure that our owned operations are efficient with water use to minimize costs and environmental impacts in their communities, while increasing resiliency to water-related risks and ensure water security. Our water efficiency goal is implemented across the company utilizing our 5% for the Planet investment program, our "Top 10" Water Actions initiative, our EHS Water Stewardship Standard and our "True" Cost of Water toolkit, as well as other global programs and initiatives.

**Quantitative metric**

% reduction in total water withdrawals

**Baseline year**

2002

**Start year**

2015

**Target year**

2020

**% achieved**

93.4

**Please explain**

As of YE2017, we have achieved a 46.7% water intensity reduction since the baseyear of 2002, putting on track to reach 50% by end of 2020. The indicator used to assess progress are the total water consumption, minus water in products, divided by production tonnage. This is compared to the baseyear value to determine the % reduction in water intensity. Additionally, as part of our 5% Planet program, we have the annual target of investing a minimum of 1% of our manufacturing Capital Expenditure Budget in water-related projects. This investment target was chosen to apply to all manufacturing sites globally to ensure all sites participate in our water investment and reduction efforts. This goal is important to the company as it helps ensure that our owned operations are efficient with water use to minimize costs and environmental impacts in their communities. In 2017 we exceeded the minimum 1% of CEB invested in water-related projects.

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**W8.1b**

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**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Other, please specify (Water Risk Assessment)

**Level**

Company-wide

**Motivation**

Climate change adaptation and mitigation strategies

**Description of goal**

We chose this level as a way to monitor ongoing water risks at our global operations and have set an annual goal to implement the WRI Aqueduct Water Risk Tool. This goal is important to identify the potential water risks at our global facilities. We implement this goal by assessing the measure of success through the completion of the Aqueduct tool each year for all manufacturing sites. In addition, sites located in higher water risk areas often undergo site specific water vulnerability site assessments.

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**Baseline year**

2015

**Start year**

2015

**End year**

2020

**Progress**

The indicators used to assess progress are 1) the completion of the WRI Aqueduct modeling, 2) the use of the results to categorize our global sites into Overall Risk and Water Quantity Risk and 3) the inclusion of these sites in the applicable risk category of our Water Stewardship Standard which then dictates required actions by those sites. The threshold of success includes the completion of site categorization, and then subsequent completion of followup actions taken by the sites, which are assessed via internal and external audits. In addition to our own operations, Colgate invited the World Resources Institute (WRI) to conduct a workshop for our Global Procurement leadership team on utilizing WRI's Aqueduct Water Risk Atlas tool for assessing supplier water risks. This interactive workshop allowed Colgate's procurement leaders to engage in firsthand discussions and ideation on how to utilize Aqueduct as an added risk management tool for agriculturally-sourced materials.

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**Goal**

Other, please specify (Water Valuation)

**Level**

Company-wide

**Motivation**

Cost savings

**Description of goal**

As a way to better understand our global water costs, we set a goal to utilize an internally developed tool called the Colgate "True" Cost of Water. The measure of success for this goal is the use of the tool by our global manufacturing sites as they develop their water project investment analyses each year. We implement this goal by using Colgate's True Cost of Water Toolkit, which is a manufacturing-based tool designed to help sites quantify some of the hidden costs of water such as pretreatment, pumping and wastewater treatment, thereby increasing both economic and environmental opportunities for reduction.

**Baseline year**

2015

**Start year**

2013

**End year**

2020

**Progress**

The measures of success for this goal is the use of the tool by our global manufacturing sites as they develop their water project investment analyses each year and the use of the resultant true water cost data to appropriately budget for water reduction projects. One key threshold of success is the use of the true water cost data to justify a minimum of 1% of capital budget towards water reduction projects at each site. We continue to explore new ways to share the approach and learnings from our True Cost of Water Toolkit with industry peers, government agencies and NGOs. ~95% of the sites have successfully completed the utilization of the tool, successfully achieving this year's goal.

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**Goal**

Watershed remediation and habitat restoration, ecosystem preservation

**Level**

Company-wide

**Motivation**

Water stewardship

**Description of goal**

Replenish water withdrawn in highly stressed regions. This goal is important to help manage potential water risks at our manufacturing sites and to provide access to clean water in communities where we operate. We implement this goal with a combination of implementing water reduction/efficiency projects at our sites, and by engaging with Water for People to provide clean water to communities.

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**Baseline year**

2015

**Start year**

2015

**End year**

2020

**Progress**

The key indicator used is the increased trend of percent of water replenishment in the geographies being monitored. The threshold of success includes an increasing trend of water replenishment year over year. We have completed water risk mapping to identify operations located in areas of high water stress. In 2016, Colgate developed a water replenishment model and piloted it in India, and by YE2017 achieved approximately 90% replenishment in India at the country level.

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**Goal**

Engaging with customers to help them minimize product impacts

**Level**

Company-wide

**Motivation**

Water stewardship

**Description of goal**

Promote water conservation awareness to all our global consumers. Colgate's water use footprint consists of the water used by our suppliers to produce the raw and packaging materials we purchase, the water used by our facilities to manufacture our products, and the water associated with the consumer use of our products. -The Rationale for the Level Chosen: Since consumer use accounts for about 90% of Colgate's water footprint, we continue to expand our Save Water consumer messaging campaign globally. - Implementation: In 2017, Colgate leveraged our Save Water campaign globally with messaging on World Water Day (March 22) and beyond. Our videos, messages and in-store activations to make every drop of water count went live in more than 70 countries around the world. We're partnering with customers in global markets to engage shoppers with powerful in-store water conservation communications. Finally, we are conducting consumer surveys to help us understand the impacts of our Save Water program on consumer behavior, and plan to translate those results into potential water and GHG avoidances.

**Baseline year**

2015

**Start year**

2015

**End year**

2020

**Progress**

The key indicators are the number of people reached by save water messaging and the change in consumer behaviors. The threshold of success is the increasing trend of both people reached with save water messaging, and change in consumer behaviors, which then can be translated into amount of water and GHGs avoided. In 2017, Colgate joined with a key customer Walmart as part of their Project Gigaton to leverage our global Save Water campaign to connect reduction of water by consumers with lower GHG emissions. This partnership has helped reduce water and GHGs while building a key customer relationship.

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**Goal**

Engagement with suppliers to help them improve water stewardship

**Level**

Country level

**Motivation**

Risk mitigation

**Description of goal**

Increase Supplier participation in our Water Stewardship program. We are increasing supplier engagement in our water stewardship program through participation in programs such as the CDP Supply Chain Program. Additionally, we are helping our product developers and procurement teams understand and identify our most water-intensive raw and packaging materials. -The Rationale for the Level Chosen: To help reduce the water associated with the production of raw materials, we are working to identify the most water-intensive materials in each of our product categories. - Implementation: With this information, we are able to engage our suppliers to better assess where there are opportunities to reduce the water footprint of our products through feedstock

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choices and conversion efficiency, particularly in markets under high water stress.

#### Baseline year

2015

#### Start year

2017

#### End year

2020

#### Progress

The key indicator of success is the number of suppliers who participate in our water stewardship program. The threshold for success is number of suppliers, percent spend, and increase water awareness. We continue to increase supplier participation in our water stewardship program by increasing the number of Tier I suppliers that participate in the CDP Supply Chain. In addition in 2017, Colgate partnered with the Mint Industry Research Council (MIRC) to help raise awareness of the importance of Water Stewardship to Colgate as a key mint customer.

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#### Goal

Providing access to safely managed Water, Sanitation and Hygiene (WASH) in local communities

#### Level

Company-wide

#### Motivation

Water stewardship

#### Description of goal

Goal: Partner with local and global organizations to bring clean water to underserved areas of the world. As part of Colgate's Water Stewardship Strategy, we work with local and global organizations to help promote access to clean water while providing health and hygiene education in communities. This goal is important to help Colgate meet its commitments described above. We implement this goal through our partnership with Water For People to strengthen and support the municipal water and sanitation offices that were established in each district since we began our partnership in 2013.

#### Baseline year

2015

#### Start year

2015

#### End year

2020

#### Progress

The key indicator is the number of people reached with WASH initiatives. The threshold for success is an increasing cumulative trend of people impacted. Colgate's contributions to Water For People's Everyone Forever program helped them to reach nearly 373,000 people since 2013 with water, sanitation systems and/or health and hygiene education. Colgate also sponsors 25 PlayPumps in South Africa, which help villages obtain clean water from wells.

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## W9. Linkages and trade-offs

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### W9.1

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**(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?**

Yes

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#### W9.1a

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**(W9.1a) Describe the linkages or tradeoffs and the related management policy or action.**

**Linkage or tradeoff**

Linkage

**Type of linkage/tradeoff**

Increased energy efficiency

**Description of linkage/tradeoff**

Type of Linkage: We use our internal "True" Cost of Water Toolkit to identify the energy use and cost associated with water use. Developed with Rutgers University Business School and its Supply Chain Management Program, the manufacturing-based tool is designed to help sites quantify some of the hidden costs of water, such as pre-treatment, pumping, and wastewater treatment, thereby increasing both economic and environmental opportunities for reduction. Impact to the company: With broad participation from our global sites, we have found an average "true" cost of water that is 2.5 times more than the purchase cost alone, further encouraging water reduction measures and investment at our sites. Change in reporting year: there was no significant change to this linkage in the current reporting year.

**Policy or action**

Managing the linkage: Colgate manages this linkage through our 5% for the Planet program, which sets a global goal to allocate 5% of our manufacturing capital expenditure budget on energy reduction, water conservation and reduction of waste to landfill.

Integration of action into the business: Our global EHS standards set forth a clear expectation that 100% of our sites participate in the 5% Planet and True Cost of Water initiatives, and are evaluated against these expectations via our global audit program and management budgeting reviews. In 2014, the tool was enhanced to add the capability of calculating and reporting water recycling rates, allowing us to track our progress in the recycling and reuse of water.

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**Linkage or tradeoff**

Linkage

**Type of linkage/tradeoff**

Decreased GHG emissions

**Description of linkage/tradeoff**

Type of linkage: Colgate understands that the water required to use our products represents the largest portion of our overall water footprint. While we continue to focus on reducing the water used in our own operations, increasingly we are making efforts to impact water use along each step of our value chain. The results of our ongoing water footprint exercises have helped quantify the opportunities to have a positive water impact beyond our own operations. By encouraging consumers to save water, we are reducing the energy needed to purify, pump and heat water needed when using our products. We estimate that the change in water use behaviors by our consumers helped reduce our Scope 3 Product Use GHGs by up to 5%.

**Policy or action**

Action to manage the linkage: In order to help consumers conserve water while using our products, Colgate has a goal to promote water conservation awareness to all our global consumers. Through actions such as turning off the faucet while brushing their teeth and washing their hands, much water can be conserved. In addition to water savings, these actions also help reduce energy by reducing water treatment, pumping and wastewater generation, which in turn reduce GHG emissions. Integration of the action into business: This commitment addresses Scope 3 GHG emissions and is included in our climate goal which was approved by the Science-Based Targets Initiative. Our partnership with swimming champion Michael Phelps, our Global Ambassador, expands to 52 countries in 2018 as he helps us share the "Turn off the Tap while brushing" message. Michael will also join water advocate and ultra-runner Mina Guli on one of her #RunningDry marathons. Mina is running 100 marathons in 100 days across six continents to spread awareness of water scarcity. Colgate is a sponsor in North America.

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**Linkage or tradeoff**

Tradeoff

**Type of linkage/tradeoff**

Increased energy use

**Description of linkage/tradeoff**

Type of tradeoff: In certain geographies in the world, water stress is a critical risk and resource issue. To address the role of technology in reducing water usage at our manufacturing sites in India, Colgate's Global Energy Reduction Team evaluated the use of Air Cooled chillers vs the standard Water Cooled version. Although Air Cooled chillers use more energy overall (estimated to be up to 25% more), the significant water savings benefits were seen as an appropriate management action to be a sensible environmental trade-off for these sites.

**Policy or action**

By taking action to evaluate and implement the use of air cooled chillers, we realized a water savings which in this case was seen to be more important than the energy use/cost increase. Investments have been successfully made in this technology. Amount of

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tradeoff: up to 25% more energy.

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## W10. Verification

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### W10.1

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**(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?**

Yes

### W10.1a

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**(W10.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W8. Targets	Water Withdrawals, Water Consumption and Water in Product volumes	ISAE3000	In order to track our target of manufacturing water efficiency (water/ton) we utilize the water consumed, and the water in products as a metric to subtract from the total incoming water. This data is verified by International Standards on Assurance Engagements (ISAE) 3000.

## W11. Sign off

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### W-FI

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

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

Key elements of our Water Stewardship Commitment include:

Direct Operations - We will continue to invest in water conservation and assess water risks associated with our global operations. We will replenish water in highly stressed regions and manage our wastewater appropriately.

Supply Chain Management - We will increase supplier participation in our water stewardship program to identify opportunities and mitigate water risks.

Consumer Use - We will strive to develop innovative products that enable consumers to use less water while meeting or exceeding their expectations. Colgate will also promote water conservation awareness to our global consumers.

Water and Sanitation Access- We respect the human right to water, sanitation, and hygiene. We will partner with local and global organizations to offer clean water to underserved areas around the world. We will also provide health and hygiene education in our communities.

Ecosystem Protection - We will strive to protect water-related ecosystems such as forests, wetlands, aquifers, and rivers.

Collaboration and Disclosure - We will partner with stakeholders and our communities to help drive water stewardship programs. We are committed to transparency and will publicly disclose our water stewardship strategies and goals, and report on our progress. As a way to inform our water stewardship efforts, Colgate engages with leading water experts. This collaboration helps build expertise, align efforts and ensure our water programs meet stakeholder expectations.

## W11.1

**(W11.1) Provide details for the person that has signed off (approved) your CDP water response.**

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

## W11.2

**(W11.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

Yes

## SW. Supply chain module

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### SW0.1

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**(SW0.1) What is your organization's annual revenue for the reporting period?**

	Annual revenue
Row 1	15454000000

### SW0.2

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**(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?**

Yes

### SW0.2a

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**(SW0.2a) Please share your ISIN in the table below.**

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	US	1941621039

### SW1.1

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**(SW1.1) Have you identified if any of your facilities reported in W5.1 could have an impact on a requesting CDP supply chain member?**

Yes, CDP supply chain members buy goods or services from facilities listed in W5.1

### SW1.1a

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**(SW1.1a) Indicate which of the facilities referenced in W5.1 could affect a requesting CDP supply chain member.**

**Facility reference number**

Facility 1

**Facility name**

MH

**Requesting member**

Wal Mart de Mexico

**Description of potential impact on member**

No impact anticipated.

**Comment**

No impact anticipated.

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## SW1.2

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**(SW1.2) Are you able to provide geolocation data for your site facilities not already reported in W5.1?**

No, this is confidential data

## SW2.1

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**(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.**

**Requesting member**

Wal Mart de Mexico

**Category of project**

Other

**Type of project**

Other, please specify (Water Conservation Awareness)

**Motivation**

Promoting Water Conservation Awareness to Consumers and driving category growth.

**Estimated timeframe for achieving project**

2 to 3 years

**Details of project**

Shopper program on water conservation to raise awareness on World Water Day and beyond.

**Projected outcome**

Reach consumers with water conservation messaging.

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## SW2.2

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**(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?**

Please select

## SW3.1

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**(SW3.1) Provide any available water intensity values for your organization's products or services across its operations.**

## Submit your response

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

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

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**Please confirm below**

I have read and accept the applicable Terms