

Welcome to your CDP Water Security Questionnaire 2020

W0. Introduction

W0.1

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

Founded in 1806, Colgate-Palmolive Company is a publicly traded consumer products company with approximately \$15.7 billion of worldwide net sales in 2019, 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, skin health products, dishwashing detergents, fabric conditioners, household cleaners and other similar items. These products are sold primarily to a variety of traditional and Ecommerce retailers, wholesalers 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, veterinarians and Ecommerce retailers. Principal global and regional trademarks include Colgate, Palmolive, elmex, meridol, Tom's of Maine, hello, Sorriso, Speed Stick, Lady Speed Stick, Softsoap, Irish Spring, Protex, Sanex, Filorga, EltaMD, PCA Skin, Ajax, Axion, Fabuloso, Soupline and Suavitel, as well as Hill's Science Diet and Hill's Prescription Diet.

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 the 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.

We continued to drive improvement in our Sustainability 2020 targets and, to maintain momentum, we set new ambitions looking forward to 2025. As part of these ambitions, we set a major related target: Net Zero Water Factories. We also revised our manufacturing water intensity target -- we will strive to reduce by 25% by 2025 from a 2010 baseline.

W0.2

(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, 2019	December 31, 2019

W0.3

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

- Argentina
- Australia
- Brazil
- Cameroon
- China
- Colombia
- Czechia
- 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

W0.4

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

USD

W0.5

(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

(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 minimis.

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	<p>Direct: Primary use: Water is the common ingredient that is used to manufacture most of our products either as a raw material or to clean and sanitize our equipment.</p> <p>Why the chosen importance rating was selected: Water is vital because we need large quantities as an ingredient and in good quality to minimize the microbiological content and meet our product quality standards, which must never be compromised. A slight change in the water specification may lead to a variety of product issues, and a shortage of water would restrict us from continuing operations.</p> <p>Future water dependency: Dependency will mostly stay the same given our portfolio of products and growth strategy. Even as we make efficiency improvements, we will always be dependent on water.</p> <p>Indirect: Primary use: Upstream, many raw materials in our products are agricultural or chemical and freshwater is needed for growth/production. Downstream, people need access to good quality freshwater in order to use most of our products.</p> <p>Why the chosen importance rating was selected: Access to sufficient volumes and good quality water is important for our indirect operations, both upstream and downstream, though not all the upstream operations are necessarily water intensive. However, based on analysis by the</p>

			<p>World Resources Institute (WRI) more than one-quarter of the world's agriculture grows in water-stressed areas, many major commodity crops included. Downstream, acute water shortages can harm our sales, but our global reach can mediate this risk.</p> <p>Future water dependency: In the future we expect that water dependency in indirect operations might increase due to changes in water stress and availability as well as increased demand.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	<p>Direct:</p> <p>Primary use: We use a very limited quantity of externally supplied recycled, brackish and/or produced water in our manufacturing operations; however, we do use some and strive to increase the quantity of internally recycled water within our own operations.</p> <p>Why the chosen importance rating was selected: We only depend on this type of water in a few sites where we do not have an alternative source. When we do, we still need to treat the water internally to meet our specifications.</p> <p>Future water dependency: Dependency might increase because of water stress affecting our incoming freshwater, and our internal goals to decrease freshwater withdrawals and increase recycling to achieve Net Zero Water at manufacturing facilities.</p> <p>Indirect:</p> <p>Primary use: A few raw materials we purchase are generated from brackish water.</p> <p>Why the chosen importance rating was selected: As we are aware of very limited use of this type of water currently in our operations, we do not consider this source to be important.</p> <p>Future water dependency: In the future we expect that water dependency might increase due to changes in water stress of freshwater and availability of technologies to treat alternative</p>

			water.
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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%	Frequency and method of measurement: 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 on a quarterly basis. Data is primarily sourced from utility bills and input by the facility EOHS manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the internal SoFi database to identify deviations of 20% from the same month in the previous year, triggering the user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.
Water withdrawals – volumes by source	100%	Frequency and method of measurement: 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 on a quarterly basis. Data is primarily sourced from utility bills and input by the facility EOHS manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the SoFi database to identify deviations of 20% from the same month in the previous year, triggering the user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.
Water withdrawals quality	100%	Frequency and method of measurement: 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 on a quarterly basis. Data is primarily sourced from utility bills and input by the facility EOHS

		<p>manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the SoFi database to identify deviations of 20% from the same month in the previous year, triggering the user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.</p>
Water discharges – total volumes	100%	<p>Frequency and method of measurement: 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 on a quarterly basis. Data is primarily sourced from utility bills and input by the facility EOHS manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the SoFi database to identify deviations of 20% from the same month in the previous year, triggering the user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.</p>
Water discharges – volumes by destination	100%	<p>Frequency and method of measurement: 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 on a quarterly basis. Data is primarily sourced from utility bills and input by the facility EOHS manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the SoFi database to identify deviations of 20% from the same month in the previous year, triggering the user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.</p>
Water discharges – volumes by treatment method	100%	<p>Frequency and method of measurement: 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 on a quarterly basis. Data is primarily sourced from utility bills and input by the facility EOHS</p>

		<p>manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the SoFi database to identify deviations of 20% from the same month in the previous year, triggering the user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.</p>
Water discharge quality – by standard effluent parameters	100%	<p>Frequency and method of measurement: 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. Data is primarily sourced from utility bills and input by the facility EOHS manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the SoFi database to identify deviations of 20% from the same month in the previous year, triggering the user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.</p>
Water discharge quality – temperature	100%	<p>Frequency and method of measurement: 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. Data is primarily sourced from utility bills and input by the facility EOHS manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the SoFi database to identify deviations of 20% from the same month in the previous year, triggering the</p>

		user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.
Water consumption – total volume	100%	Frequency and method of measurement: 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. Data is primarily sourced from utility bills and input by the facility EOHS manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the SoFi database to identify deviations of 20% from the same month in the previous year, triggering the user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.
Water recycled/reused	100%	Frequency and method of measurement: 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. Data is primarily sourced from utility bills and input by the facility EOHS manager, supplemented by manual meter readings as needed. We perform quality checks on the data through multiple avenues: 1) Use of the SoFi database to identify deviations of 20% from the same month in the previous year, triggering the user to input an explanation; 2) Third party validation on an annual basis; and 3) Global EOHS outlier review of the data on a biannual basis.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Frequency and method of measurement: 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.
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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	8,554.04	About the same	<p>i) An explanation as to why or why not the volume has changed from the previous reporting year: The volume reported includes all incoming water and rainwater harvested and used, and excludes non-contact cooling water returned to source. Although 2019 production increased by 3%, our total withdrawal was about the same, in part due to more efficient water management practices at our manufacturing sites, such as Guatemala and South Africa, the implementation of capital expenditure and operating expenditure water conservation projects, and the closing of two sites.</p> <p>Because water is a main ingredient and it is challenging to reduce, we consider an absolute reduction between 2% and 5% as “Lower”, and anything above that as “Much Lower”. This year the decrease was 0.08%, which we consider “About the Same.”</p> <p>Note that the 2018 values used to calculate and explain comparison could have been updated and vary slightly from the previous year reported figures.</p> <p>ii) A description of how future volumes may vary: Future volumes may vary depending upon both production changes and water management actions implemented at the sites (e.g. recycling). We expect water intensity to decrease over time as we are setting more ambitious water</p>

			stewardship goals for 2025 and investing in capital projects to meet them, such as our new Net Zero Water Factories goal. Absolute values will depend on the impact of production changes.
Total discharges	3,720.45	About the same	<p>i) An explanation as to why or why not the volume has changed from the previous reporting year: Discharges represent all wastewater (excluding rainwater 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. Though 2019 production increased, our discharges decreased in part due to more efficient water management practices at our manufacturing sites as well as the implementation of capex and opex water conservation and recycling projects. One example is a plant in South Africa which installed a state of the art condensate recovery system recovering around 1,000 liters of condensate an hour.</p> <p>We consider an absolute reduction between 2% and 5% as “Lower,” and anything above that as “Much Lower.” This year the decrease was 0.7%. Note that the 2018 values used to calculate and explain comparison could have been updated and vary slightly from the previous year reported figures.</p> <p>ii) A description of how future volumes may vary: Future volumes may vary depending upon both production changes and water management actions implemented at the sites (e.g. recycling). We expect water intensity to decrease over time as we are setting more ambitious water stewardship goals for 2025 and investing in capital projects to meet them, such as our new Net Zero Water Factories goal. Absolute values will depend on the impact of production changes.</p>
Total consumption	4,833.59	Lower	i) An explanation as to why or why not the volume has changed from the previous reporting year: Includes all incoming water except

			<p>excludes non-contact cooling water returned to source, and only includes storm water harvested and used. This volume changed due to utilizing CDP's definition of water consumption whereby C=W-D.</p> <p>Note that in previous disclosures we assumed Withdrawals = Consumption, validated by our external validation consultant. Based on this former definition, our consumption figure would have been 8,554.035. The comparison to 2018 and explanation would match that for Withdrawals.</p> <p>ii) A description of how future volumes may vary: Future volumes may vary depending upon both production changes and water management actions implemented at the sites (e.g. recycling). We expect water intensity to decrease over time as we are setting more ambitious water stewardship goals for 2025 and investing in capital projects to meet them. Through these goals we are striving to reduce water consumption, such as our new Net Zero Water Factories goal. Absolute values will depend on the impact of production changes.</p>
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W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	11-25	Lower	WRI Aqueduct	How the selected tool was applied: We use WRI's Aqueduct Tool to identify the locations with "high or extremely high" Overall Water Stress with default weighting, which includes parameters for water quantity, quality, regulatory, and reputational risks. We then

				<p>match those with certain Colgate production sites, which are either considered strategic sites for the company or those which account for >2% of global production volume.</p> <p>For example, more than one of our sites in India was identified as high or extremely high water stress by WRI's Aqueduct too. However, not all were identified as strategic or produce >2% of global production volume; therefore, they are not considered high risk for the company. As a final step, we include any sites that have experienced recent water scarcity experiences regardless of the Aqueduct score.</p> <p>Our analysis this year yielded less sites located in high or extremely high overall water stressed areas, therefore a smaller % of our water withdrawals were from these areas.</p>
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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	27.2	About the same	i. Relevance: Globally, very few of our sites directly withdraw surface water, and only a small number of sites harvest rainwater for site use. This is relevant as we seek to utilize more

				<p>rainwater harvesting at water stress sites where applicable.</p> <p>ii. Reasons for change: There was no significant change as it was mostly the same sites that harvested rainwater since they have the right infrastructure and/or regulatory requirements to do so.</p> <p>We consider an absolute reduction between 2% and 5% as “Lower,” and anything above that as “Much Lower.” This year, the decrease was 0.02%, which we consider “About the Same.” Note that the 2018 values used to calculate and explain comparison could have been updated and vary slightly from the previous year reported figures.</p> <p>iii. Future anticipated trends: We expect future volumes to increase as water harvesting will be a key factor to achieving our new 2025 Net Zero Water Factories goal.</p>
Brackish surface water/Seawater	Not relevant			<p>i. Relevance: 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.</p>
Groundwater – renewable	Relevant	3,185.33	Lower	<p>i. Relevance: Represents manufacturing site groundwater well withdrawals. This is relevant as we commonly utilize groundwater extraction wells</p>

				<p>at our sites.</p> <p>ii. Reasons for change: Utilization was lower based on improved water efficiency (volume per ton of product) at manufacturing sites that source water largely from groundwater sources, such as Mexico, that implemented technologies leading to water and productivity efficiencies in their cleaning & sanitization processes via our partnership with Ecolab.</p> <p>We consider an absolute reduction between 2%-5% as “Lower”, and anything above that as “Much Lower”. This year the decrease was 3.6%. Note that 2018 values could have been updated and vary slightly from previous year reported figures.</p> <p>iii. Future trends: We expect future trends to be about the same or less based on current site design planning levels, and we are setting more ambitious water stewardship goals for 2025 which will require investing in capital projects to meet them.</p>
Groundwater – non-renewable	Not relevant			<p>i. Relevance: This is not relevant as we typically do not utilize non-renewable groundwater and do not anticipate doing so in the future.</p>
Produced/Entrained water	Not relevant			<p>i. Relevance: This is not relevant as we typically do</p>

				not utilize Produced/ Entrained Water and do not anticipate doing so in the future.
Third party sources	Relevant	5,341.5	Higher	<p>i. Relevance: Represents purchased water from public utilities, and a small quantity of trucked water purchased. This is relevant as we commonly utilize 3rd party water supplies at our sites.</p> <p>ii. Reasons for change: Utilization was higher than the prior year based on increased production levels at sites that source water from third parties.</p> <p>We consider an absolute increase between 2% and 5% as “Higher”, and anything above that as “Much Higher”. This year the increase was 2%. Note that the 2018 values used to calculate and explain comparison could have been updated and vary slightly from the previous year reported figures.</p> <p>iii. Future anticipated trends: We expect the future trends to be about the same or less based on current site design planning and we are setting more ambitious water stewardship goals for 2025 which will require investing in capital projects to meet them.</p>

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	18.82	Much higher	<p>i. Relevance: Colgate has one site in Europe that discharges 100% of its wastewater directly to a water body. This discharge occurs post-treatment in accordance with regulatory permits.</p> <p>ii. Reasons for change: This site increased its production by 3% from 2018 to 2019, resulting in an increase in total water discharges.</p>
Brackish surface water/seawater	Not relevant			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	659.86	Much higher	<p>i. Relevance: Data represents volumes from our sites in India, Topeka and Mexico which return treated wastewater to the ground under regulatory permits. In the future, this might increase as we set corporate goals that will motivate groundwater reinjection in more of our sites. This is relevant in those areas in which groundwater sources are water stressed. It is important to replenish the source to avoid depletion.</p> <p>ii. Reasons for change: Discharges were higher due to newly included volume from a facility in Kansas that is sending 100% of treated wastewater to the ground via irrigation.</p>
Third-party destinations	Relevant	3,041.77	Lower	<p>i. Relevance: Data represents the balance of global sites sending wastewater primarily to publicly</p>

				<p>owned treatment works under regulatory permits. This is relevant as we typically discharge pretreated wastewater to POTWs under permit.</p> <p>ii. Reasons for change: Discharges decreased mainly because a portion of volumes previously counted in this category are now recategorized under Groundwater as it is now being used for irrigation. In the future, this might decrease due to more ambitious efforts and goals across sites to recycle, reuse or re-inject water.</p>
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W1.4

(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

(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

51-75

Rationale for this coverage

i. Why suppliers were selected for reporting: We request our Tier I suppliers and suppliers of water-intensive materials, such as glycerin, participate in the CDP Supply Chain Program Water Disclosure. This engagement helps to assess water use and risk information and potential areas of collaboration to manage mutual water risks in our supply chain. The selected group includes key suppliers such as providers of raw material ingredients, pulp and paper packaging materials and palm oil suppliers for which water is an important component in their production process.

ii. How suppliers are incentivized to report: Our disclosure request is accompanied by an

email from Colgate to suppliers explaining the reason and importance of this request. To further encourage responses, we hosted a webinar with our suppliers describing the importance of the CDP Water questionnaire and our reasons for requesting data.

Impact of the engagement and measures of success

- i. Information requested: We request water use, regional water risk awareness, disruptions, and mitigation actions from Tier 1 suppliers.
- ii. How information is used: Our Procurement team uses the information to help identify suppliers with potential supply or operating risks related to water. This may inform ongoing engagement with these suppliers to determine if the risks are being mitigated as well as our product category contingency planning process.
- iii. How success is measured: The success metric currently used for supplier water risks is the % requested suppliers responding, as well as water risk metrics provided in CDP Supply Chain. In 2019, 68 percent of our Tier I suppliers responded to the survey including our largest raw material suppliers and contract manufacturers. The response rate nearly doubled compared to 2018, when 36% of requested suppliers responded. We consider this increase an important metric of success.

Comment

Colgate invited the World Resources Institute (WRI) to conduct a workshop for our Global Procurement leadership team on utilizing and interpreting WRI's Aqueduct Water Risk Atlas tool for assessing supplier water risks. This interactive workshop allowed Colgate's procurement leaders to engage in first hand discussions and ideation on how to utilize Aqueduct as an added risk management tool for agriculturally-sourced materials.

W1.4b

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

Type of engagement

Incentivizing for improved water management and stewardship

Details of engagement

Demonstrable progress against water-related targets is incentivized in your supplier relationship management

% of suppliers by number

Less than 1%

% of total procurement spend

Less than 1%

Rationale for the coverage of your engagement

- i. Explanation for the coverage of engagement: Mint is the main direct agricultural crop that Colgate buys directly from distributors and water is an important component of mint production, so we have focused recent water stewardship efforts towards the mint

industry in the U.S. In 2017, we began engaging the Mint Industry Research Council (MIRC) and their member mint growers and aggregators in water reduction and stewardship activities. Colgate has partnered with MIRC to develop water savings messaging and related water reduction project pilots. Through our membership with MIRC, we also support water efficiency research. We are also in the process of developing water use and reduction metrics and evaluating goals.

Impact of the engagement and measures of success

i) Beneficial outcomes: Benefits included raised awareness and agreement to track water intensity metrics by the mint growers on an annual basis, and sending a signal to the industry of the importance of water stewardship from a customer's perspective. With increased awareness we expect to see additional interest by mint growers to invest in reduction technologies, measuring results, and setting goals, which will help to increase the resiliency of mint supply to climate change-related risks and reduce our water footprint in our supply chain.

ii) How success is measured: Project success is measured by engaging our mint growers to initiate tracking of water efficiency metrics and pursuit of water stewardship techniques. All of our mint suppliers located in North America (the pilot's focus region) have agreed to track water intensity metrics and share the results with us. We also engaged with MIRC to implement smart irrigation and other techniques.

Comment

W1.4c

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

i. Which partners are engaged and rationale for prioritization: Water is an ingredient in many Colgate products and required in almost every phase of the product lifecycle; therefore, our Water Stewardship Strategy covers several areas, including Consumer Use. Engagement with our customers is a high priority, as water associated with the consumer use of our products represents about 90% of our overall water footprint. Understanding our impacts on our consumers can build stronger business relationships with them on water and sustainability.

ii. Method and strategy of engagement: To help consumers conserve water when using our products, in 2019, Colgate continued to administer our Save Water campaign with messaging via our sponsorship of Michael Phelps and Mina Guli, as well as in-store activations highlighting Save Water messaging and our partnerships with Water For People and The Nature Conservancy. We also continued to have Save Water labels on products and partnered with the American Water Works Association (AWWA) to create co-branded Save Water messaging. In 2019, the campaign was activated around the world including countries, such as Brazil, India, Australia, South Africa and Taiwan. The campaign communicated that water is easily wasted every day and offered a simple solution to save water in day-to-day routines.

iii. Measure of success: The continued expansion of our campaigns to our customers and the public is an important measure of success. For example, the Save Water program achieved 4.1 billion impressions and reached over 50 million people around the world with ample media coverage.

Colgate also conducts annual consumer insight surveys focused on our Save Water campaign to track the impact of our messaging and estimate resulting water and GHG reductions. The survey asks consumers whether our commitment to Save Water influenced their personal behavior. In 2019, the results were as follows: 19% in the U.S., 51% in Brazil, 67% in India, and 52% in Africa.

W2. Business impacts

W2.1

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

Yes

W2.1a

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

Country/Area & River basin

Mexico

Santiago

Type of impact driver & Primary impact driver

Regulatory

Increased difficulty in obtaining withdrawals/operations permit

Primary impact

Increased operating costs

Description of impact

i. Company description for primary impact: In one of our largest facilities where water extraction is tightly regulated by the local Mexico water authority, CONAGUA, we experienced higher production demand than could be facilitated through existing volumes of water withdrawals. We therefore had to purchase an additional extraction permit of 400,000 m3 for the year in order to meet production demand. The financial impact was approximately U.S. \$400,000 to \$600,000 for the additional permit as the unit price is approximately U.S. \$1.00-1.50 per m3. This increased the production costs and was the primary impact of the event. This was necessary as a disruption in operations would severely impact our ability to meet demand across the three product

categories in one of our key markets.

ii. Scale of impact: The impact was not considered substantive because our response mitigated the disruption. Therefore, the impact was limited to production costs.

Primary response

Comply with local regulatory requirements

Total financial impact

500,000

Description of response

i. Cost calculation: We purchased an extraction permit of 400,000 m³ to meet production demand. Costs were approximately U.S. \$400,000 to 600,000 (average of U.S. \$500,000) for the additional permit as the unit price is approximately \$1.00 -1.50 per m³.

ii. Response strategy: In one of our largest facilities where water extraction is tightly regulated by the local Mexican water authority, CONAGUA, we purchased additional extraction permits to meet production demand. We consistently monitor water extraction needed versus production. When we reach 80% utilization of our current extraction rights, we start the process to secure the purchase of additional rights and ensure compliance with regulatory requirements. We also evaluate any necessary capital investments. This two-fold response strategy is important because water is the main ingredient of most products made at this site (Oral Care, Personal Care, Home Care) and the process to purchase additional rights takes about six months to one year with governing authority.

W2.2

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

No

W3. Procedures

W3.3

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

Yes, water-related risks are assessed

W3.3a

(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?

3 to 6 years

Type of tools and methods used

Tools on the market
Enterprise Risk Management
International methodologies
Databases
Other

Tools and methods used

Ecolab Water Risk Monetizer
GEMI Local Water Tool
WRI Aqueduct
Life Cycle Assessment
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, using a combination of strategically relevant tools. 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. Additionally, our Global Water Focus Groups have an objective to perform a Global Water System Risk Assessment in which they survey all sites globally on water system management processes and then develop short and long-term action plans to address gaps. Further, in 2019, our ERM group identified 38 critical sites and collected data on water utility outages to assess the risk of outage occurrence. They then collected information about back-up supply capability on each site to determine and categorize investment need to mitigate the risk. To monetize water risk, in 2019 we added the use of Ecolab's Water Risk Monetizer tool to quantify the dollar value of water risk in our operations.

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?

3 to 6 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
Other, please specify
CDP Supply Chain Water results

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. Finally, contract manufacturers, who form part of our supply chain, are required to undergo Colgate's water quality risk assessment process and comply with Colgate's standards.

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

Tools on the market
Other

Tools and methods used

WRI Aqueduct
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 consumers to "turn off the tap" while brushing teeth and washing hands. The consumer surveys focus on consumer water-saving behaviors, but also try to better understand the regional habits and water reduction opportunities in water-stressed regions of the world.

We also screen water risk in our consumer bases via the WRI Aqueduct Country Risk Rankings, focusing on the domestic water supply indicator.

W3.3b

(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	<p>i) Business Relevance: Water is a raw material in the production of many raw materials that we procure, such as glycerin. Water is also a key raw material in Colgate’s final products, thus we require access to consistently available water to facilitate production. Consumers need water in order to use most of our products, such as toothpaste and soap, and therefore water availability at a basin level is essential throughout these products’ lifecycles.</p> <p>ii) Assessment Tool: We use internal monitoring mechanisms and WRI’s Aqueduct Tool to define Extremely High and High Water Stress locations for both surface freshwater and groundwater as the latter data is becoming more available in recent years and integrated into WRI’s and other tools. The WRI tool is applied across our value chain, from suppliers to our own operations on a watershed level and to consumers on a country level. The WRI tool provides both current and forecast risk data to our assessment.</p> <p>iii) Assessment Method: Water availability is 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 is deemed necessary, such as in India or Mexico, we utilize</p>

		<p>the services of local water experts and consultants to conduct water site vulnerability assessments, which include river basin assessments. In addition, water discharges are evaluated in terms of quality and regulatory compliance.</p>
Water quality at a basin/catchment level	Relevant, always included	<p>i) Business Relevance: Water is a raw material in Colgate final products and thus the microbiological quality of water is essential to maintain the quality of our product. This is particularly true for medical products, which are highly regulated. As a global business, the quality of incoming water varies across regions and production sites, and their respective water sources; therefore, we must treat the water to ensure standards are achieved.</p> <p>ii) Assessment Tool: WRI Aqueduct and internal monitoring mechanisms (SOPs, standards, guidelines) are used to define the level and procedure of water treatment needed for quality management at the production site.</p> <p>iii) Assessment Method: Water quality is monitored by both Global Sustainability and EHS and our Global Quality Organizations. There is a global Standard of Practice which includes sampling, routine monitoring and risk assessment. Incoming water at each Colgate factory also passes through initial Flow & Pressure monitoring before entering an appropriate water purification process and being checked for PH and chlorination level. In addition, water discharges are evaluated in terms of quality and local regulatory compliance.</p> <p>Additionally, we use the WRI Aqueduct tool to assess this issue by identifying locations with high production volumes which also fall under “high or extreme overall water stress” as defined by WRI, which includes water quality. 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.</p>
Stakeholder conflicts concerning water resources at a basin/catchment level	Not relevant, included	<p>i) Business Relevance: Water is a raw material in Colgate final products, thus in our efforts to ensure consistently available water resources for production we must consider the impact on and from stakeholders in the relevant regions.</p> <p>ii) Assessment Tools: WRI Aqueduct, internal monitoring mechanisms.</p>

		<p>iii) Assessment Method: We identify locations with high production volumes which also fall under “high or extreme-risk” areas defined by WRI. Colgate conducts targeted Water Risk Assessments selectively, at strategic sites in water-stressed areas, such as Mexico and India. For example, our facility managers monitor the water supply as well as governmental response to assess if the water shortages may create stakeholder conflict and impact Colgate. While thus far stakeholder conflicts have not yet been identified, they are considered part of this analysis. This risk is also assessed through the company-wide Enterprise Risk Management process.</p>
<p>Implications of water on your key commodities/raw materials</p>	<p>Relevant, always included</p>	<p>i) Business Relevance: The cost and supply of agricultural commodities is impacted by 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).</p> <p>ii) Assessment Tools: WRI Aqueduct, internal monitoring mechanisms, MIT research at Sustainability Lab and CDP Supply Chain Survey.</p> <p>iii) Assessment Method: 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). Additionally, our Global Procurement organization assesses 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 during the previous year. Therefore we continue to monitor these types of impacts through ongoing</p>

		<p>assessment of availability and resultant pricing. Additionally, Colgate partnered with an MIT Sustainability Lab team to evaluate potential long-term impacts of climate change on our global mint and menthol supplies.</p>
Water-related regulatory frameworks	Relevant, always included	<p>i) Business Relevance: Water is a key ingredient for our products and therefore regulatory activities about water are important for our business as non-compliance could lead to significant fines, operational costs and disruptions. We are a global business with a diversified portfolio of products and therefore need to comply with multiple different regulatory frameworks. For example, In 2019, we had to expand a wastewater treatment plant in Colombia to adapt to new regulatory requirements.</p> <p>ii) Assessment Tools: We primarily use internal monitoring and assessment processes to assess regulatory frameworks. Per our internal Water Standard, Colgate sites must comply with local regulatory frameworks for wastewater discharge and water withdrawals. For example, a specific site in India complies with the local regulatory requirement stipulating that all industries must harvest rainwater. Additionally, groundwater extraction is prohibited.</p> <p>For incoming water quality we have a Standard of Practice to define and control the water quality specifications at Point of Use (POU) and water parameter limits for formulation water, e.g. microbiological specification. Colgate-Palmolive requirements are not intended to replace local, regional, or national regulatory requirements. We adhere to whichever requirement is higher. Facilities review local, regional, national and export regulatory requirements to identify additional specifications and parameters that need to be added at their location.</p> <p>iii) Assessment Method: 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.</p>
Status of ecosystems and habitats	Relevant, always included	<p>i) Business Relevance: Quality and availability of water is important for the production and consumption of our products; the quality of water is dependent on the health of the ecosystems and habitats from which water is sourced,</p>

		<p>therefore these issues are interconnected.</p> <p>ii) Assessment Tools: We utilize multiple tools, including WRI Aqueduct, internal monitoring and assessment processes, and input from local NGOs, such as The Nature Conservancy (TNC) to assess this issue.</p> <p>iii) Assessment Method: Through internal monitoring managed through our EHS standards, including our Wastewater Standard, we maintain compliance with wastewater discharge regulations associated with our operations and limit our impact to ecosystems at the local level.</p> <p>In North America, Colgate identifies vulnerable ecosystems with the collaboration of TNC and works to protect water-related ecosystems such as forests, wetlands, aquifers and rivers, which lie at the heart of the global water cycle. Colgate will continue to work to protect water-related ecosystems through our commitment to No Deforestation, water replenishment, aquifer protection, wastewater treatment, and community partnerships. In the U.S., Colgate continues to support TNC in its mission to protect and restore the health of rivers, lakes, wetlands, and forests as well as to educate consumers about the importance of clean, accessible water for people and nature. In 2019, the effort was focused on the Ohio River Basin. In the past we have also protected bodies of water, such as the Delaware River Basin (a clean water source to nearly 20 million Americans) by combating nutrient runoff and sedimentation through riparian restoration and the Sierra Nevada (the source of 65 percent of California's water supply), where TNC is working to conserve 50,000 acres of critical land to act as a natural reservoir for clear mountain streams.</p>
<p>Access to fully-functioning, safely managed WASH services for all employees</p>	<p>Relevant, always included</p>	<p>i) Business Relevance: Colgate operates in a highly-regulated environment for its products, where access to fully-functioning WASH services is critical to ensuring employee safety and product quality.</p> <p>ii) Assessment Tools: Internal guidelines, monitoring and audit systems.</p> <p>iii) Assessment Method: Colgate's Sanitation and Housekeeping Standard establishes performance</p>

		expectations for housekeeping and cleanliness in Company facilities, including access to fully-functioning WASH services. In addition, Colgate’s Quality standards require proper sanitation to ensure product quality and safety. 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.
Other contextual issues, please specify	Not relevant, explanation provided	The named issues address the scope of our assessments.

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	<p>i) Reason to involve stakeholder: Consumers who use our products as end-users as well as retailers who directly purchase our products are among our key stakeholders; we care deeply about what they would like us to do to become a more sustainable business. Also, 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. For example, Brazil has faced ongoing droughts since 2012, causing severe water shortages in southeastern Brazil. We must consider how water stress may affect our consumer base and modify our strategies and engagements accordingly.</p> <p>ii) Method of Engagement: We screen water risk in our consumer bases via the WRI Aqueduct Country Risk Rankings, focusing on the domestic water supply parameter. Through our local teams we learn on a case-by-case basis of any locally identified risk. Also, since 2017, Colgate has conducted consumer insight surveys focused on our Save Water campaign, which is a global water awareness program aimed at encouraging consumers to "turn off the tap" while brushing teeth and washing hands. The consumer surveys focus on consumer water-saving behaviors while trying to better understand the regional habits and water reduction opportunities in water-stressed regions of the world. In 2019, we changed the regions surveyed to gain insight and understand a broader selection. We</p>

		<p>kept Brazil, the United States and India and added Argentina and South Africa.</p> <p>Furthermore, in 2019, we conducted a Sustainability Impact Assessment (aligned with GRI Materiality Assessment) to assess sustainability-related risks and opportunities and the degree of impact as perceived by our company and our stakeholders. As a result, we developed a “Sustainability Impact Matrix” which identified Water Stewardship as one of the top 5 issues with the biggest impact on the environment, society and our business. It incorporated and analyzed data from our consumers to identify their preferences and moving trends in the market. Colgate is committed to listening to and engaging with existing and potential users and customers around the world through ongoing consumer dialogue, consumer surveys, and social media postings. We used data collected through these engagements to better understand which sustainability issues are on the radar of our consumers the most. Additionally, we use web tools and search engines to identify which sustainability topics are trending or losing momentum.</p>
Employees	Relevant, always included	<p>i) Reason to involve stakeholder: Colgate has approximately 34,300 employees all over the world, who serve as global innovators and ambassadors for Colgate’s products and culture. Water Stewardship is important to Colgate and our employees, especially those located in water-stressed regions, and is a way in which we manifest our company values of Caring and Continuous Improvement. Risks associated with employees include the ability to attract and retain, as we are expected to demonstrate company values and reputation including those around key water issues. Colgate’s Water Stewardship strategy is an important component of motivation and talent retention. Therefore, it is crucial for our employees to understand our water-related sustainability goals and embed them in their business-related decisions to achieve such goals.</p> <p>ii) Method of Engagement: In 2019, Colgate carried out a Sustainability Impact Assessment (aligned with GRI Materiality Assessment) to assess sustainability-related risks and opportunities and their degree of impact as perceived by our company and our stakeholders. To inform this analysis, Colgate conducted an Employee Sustainability Survey collecting data from Colgate People from 104 countries on matters related to sustainability. The survey had three objectives: 1- Engaging with Colgate People to learn about their priorities regarding sustainability-related matters</p>

		<p>2- Improving internal communication on sustainability 3- Informing our 2025 Strategy.</p> <p>Through the Employee Sustainability Survey, we achieved a deeper understanding of how the knowledge and definition of sustainability varies among regions and demographics. The results informed a “Sustainability Impact Matrix” which identified Water Stewardship as one of the top 5 issues with the biggest impact on the environment, society and our business.</p>
Investors	Relevant, always included	<p>i) Reason to involve this stakeholder: Colgate recognizes that sustainability can enhance corporate reputation, reduce risks and attract investment. 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. Recent data reflects that over 515 investors with US\$106 trillion in assets requested companies disclose environmental management practices through CDP questionnaires, including water security.</p> <p>ii) Method of Engagement: For these reasons, Colgate continuously communicates its efforts to save water and discloses water risk through its corporate disclosures, including in its Annual Sustainability Report, CDP Investors Response, Dow Jones Sustainability Index and other venues. We frequently check the accuracy of our data on investor oriented hubs, such as Bloomberg Terminal, Sustainalytics and ISS. Our KPIs on water and other sustainability metrics are verified annually and made available publicly on our website. Also, members of both the Sustainability and Investor Relations teams frequently attend the relevant webinars and conferences with investors and peers to stay ahead of the curve on the trends regarding ESG investment and disclosure. Finally, we utilize investor data to inform our materiality assessment process. In 2019, we conducted a new materiality assessment called “Sustainability Prioritization Assessment” (SPA) to achieve three main objectives:</p> <ol style="list-style-type: none"> 1- Attaining compliance with key sustainability reporting frameworks, including GRI. 2- Addressing investors’ interests in topics that are important to our business, the environment and the society. 3- Informing our 2025 strategy and setting our next sustainability targets. <p>To help assess investors’ interests and decision making needs</p>

		related to water, we reviewed the questions and indicators presented by sustainability surveys, rating tools and reporting guidelines including UN SDGs, GRI, SASB, TCFD, DJSI, CDP, ISS, Just Capital and Sustainalytics.
Local communities	Relevant, always included	<p>i) Reason to involve this stakeholder: Local communities are key to our business for three reasons: They are necessary to maintain our social license to operate, are a key source of human capital and comprise a portion of our consumers.</p> <p>ii) Method of Engagement: Colgate has had a long-standing commitment to the protection of the environment in the communities in which we live and operate. This commitment is an integral part of Colgate-Palmolive’s mission to become the best truly global consumer products company (Ref. EOHS Policy Statement). Most of our manufacturing sites are in industrial areas where there are no residential communities nearby. However, local communities are considered in Colgate's risk assessment process and water stewardship program. In India, for example, we constantly communicate about rainwater harvesting to the authorities to demonstrate our commitment to water risk mitigation. Additionally 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. In that spirit, Colgate is proud to continue our commitment to support water, sanitation and hygiene (WASH) programming through our partnership with Water For People as they pursue their mission to reach Everyone— Forever with WASH services across Guatemala, India, and Peru.</p>
NGOs	Relevant, always included	<p>i) Reason to involve this stakeholder: An important element of Colgate’s sustainability strategy is our engagement and collaboration with external partners, which complement our strong internal capabilities. NGOs play an important role in communicating the contemporary issues on sustainability that might pose a risk. Risks associated with not engaging with NGOs on water relate to the company's reputation and standing as a water leader.</p> <p>ii) Method of Engagement: Colgate has partnerships with a broad array of organizations, including suppliers, research institutions, universities, industry, and nonprofits. Our water risk assessment is informed by our Water and Sustainability partnerships with CDP, Water for People, EDF, The Nature Conservancy, WRI and the UNGC CEO Water Mandate. We closely monitor the NGOs reaching out or demanding action</p>

		<p>from Colgate and discuss our approach to respond and any business implications. We have an internal 'Partnerships Map' which reflects our engagement with each NGO and is publicly disclosed in our Sustainability Report.</p>
Other water users at a basin/catchment level	Relevant, always included	<p>i) Reason to involve this stakeholder: Water is a key ingredient for our products. Since our individual efforts cannot guarantee water security as we share the basins/catchments with other users, it is imperative we consider their interests and concerns in our analysis.</p> <p>ii) Method of Engagement: 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.</p> <p>As a member of the CEO Water Mandate, we have participated in thought leadership and pilot projects regarding collective action with other users at the basin/catchment level.</p> <p>For example, in Brazil, we engaged with The Nature Conservancy, the 2030 Water Resources Group, and SANASA in the Piracicaba, Capivari, and Jundiá River Basins and in the Upper Tietê River Basin, to pilot engaging with peer companies, public sector water agencies, and other stakeholders and set meaningful metrics and prioritize effective actions to advance water security in the region.</p>
Regulators	Relevant, always included	<p>i) Reason to involve this stakeholder: Regulatory bodies are important for licenses to operate in all of the regions we have production facilities.</p> <p>ii) Method of Engagement: Colgate complies with water-related regulatory frameworks and partners with regulatory agencies at the local level routinely. Our facility managers monitor the water supply as well as governmental response to assess if the water shortages may directly impact Colgate. In addition, they maintain relationships with governmental authorities on a timely basis to ensure that we can maintain timely compliance. One example is in India, where one of our plants must comply with the local regulatory requirement that all industrial facilities must harvest rainwater, and failure to do so results in regulatory risk and repercussions. We have been consistently compliant with this regulation.</p>
River basin management authorities	Relevant, always included	<p>i) Reason to involve this stakeholder: Included for some facilities/suppliers. We consider these authorities to be a key stakeholder to manage water security at the basin level through</p>

		<p>collective action.</p> <p>ii) Method of Engagement: Through our partnership with the Nature Conservancy, we have worked to protect the Delaware River Basin by combating nutrient runoff and sedimentation through riparian restoration. 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.</p> <p>Additionally, our facility managers monitor the water supply as well as governmental response to assess if the water shortages may directly impact Colgate. They maintain relationships with governmental and river basin management authorities on a timely basis to ensure that we can maintain timely compliance. Examples include CONAGUA in Mexico. CONAGUA is a decentralized administrative body of the Ministry of Environment and Natural Resources whose responsibility is to administer, regulate, control and protect the national waters in Mexico.</p> <p>We monitor that we are consistently in compliance with their water extraction rights and water quality governance that this entity oversees. We are subject to routine inspection from them and we have been successfully in compliance.</p>
<p>Statutory special interest groups at a local level</p>	<p>Relevant, always included</p>	<p>i) Reason to involve this stakeholder: Statutory special interest groups are important to maintain our social license to operate in all of the regions we have production facilities.</p> <p>ii) Method of Engagement: Colgate complies with water-related statutory special interest groups at the local level routinely.</p> <p>Examples include CONAGUA in Mexico. CONAGUA is a decentralized administrative body of the Ministry of Environment and Natural Resources whose responsibility is to administer, regulate, control and protect the national waters in Mexico.</p> <p>We monitor that we are consistently in compliance with their water extraction rights and water quality governance that this entity oversees. We are subject to routine inspection from them</p>

		and we have been successfully in compliance.
Suppliers	Relevant, always included	<p>i) Reason to involve this stakeholder: Suppliers are a significant part of Colgate’s water footprint. Additionally, water is a key component for their production process, hence making water security at the supplier level a topic to be considered regarding business continuity.</p> <p>ii) Method of Engagement: 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 2019, 68% of our requested suppliers responded to the survey including our largest raw material suppliers and contract manufacturers. In addition to asking for input in the CDP survey, we have expanded our engagement by providing our suppliers with webinars and guidelines to explain the significance of water-related disclosures and good water management.</p> <p>As a way to help reduce the water risk associated with the production of raw materials, we identify the most water-intensive materials in each of our product categories, with the help of external consultants using LCA methodology. 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.</p>
Water utilities at a local level	Relevant, always included	<p>i) Reason to involve this stakeholder: As water is a component for our products and purchasing water from utilities is one of the main ways we procure the water needed for our products, engaging with these utilities is important for our business.</p> <p>ii) Method of Engagement: Colgate develops Water Stewardship Plans at our manufacturing sites and conducts Water Risk Assessments selectively to track regulations related to water aspects. Water utilities and suppliers are engaged on an as needed basis in the development of these programs and to ensure adequate delivery of water for production. For example, CONAGUA is a decentralized administrative body of the Ministry of Environment and Natural Resources whose responsibility is to administer, regulate, control and protect the national waters in Mexico. We monitor that we are consistently in compliance with their water extraction rights and water quality governance that this entity oversees. We are subject to routine inspection from them and we have, to date, been in compliance due to our</p>

		engagement efforts.
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.

i) Risk assessment tools, level of coverage, practical implementation: Over the past several years, we have implemented the use of various water risk assessment tools that serve tailored purposes.

Colgate uses an Enterprise Risk Management (ERM) Program to identify, prioritize and manage risks within our direct operations, supply chain, and external value chain and prepare 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.

We use Aqueduct for all sites and GEMI for targeted manufacturing sites to help sites evaluate potential risks, including water stress, drought, and floods. Consultant assessments were used to strengthen the assessments 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 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 2019 another water utility risk assessment was performed. Such utility risk assessments inform the need for investment in back-up technology or infrastructure. We have also undertaken 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. In 2019, we added the use of Ecolab’s Water Risk Monetizer tool to quantify the dollar value of water risk in our operations. The tool was run for all our manufacturing facilities to estimate the water risk premium at 1 year, 3 years, 5 years and 10 years into the future.

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.

ii) How outcomes are used in decision-making: Identification of these risks and opportunities allow us to conduct targeted water improvement projects on sites and reduce our water risks, as well as water footprint across our value chain.

The internal True Cost of Water Tool and the external Water Risk Monetizer tool help us guide capital investments in the facilities where water efficiency technology and automation has a higher return on investment. In 2019 we worked with our partner, Ecolab, and its subsidiary Nalco to implement such technologies.

In regions with high water stress, we continue to assess water risks and implement appropriate resiliency measures as a way to anticipate and mitigate the effects. In 2015, Colgate developed a framework project to create replenishment criteria, define geographical boundaries and identify both environmental and community-related options to meet our commitment to replenish water in highly stressed regions. We have subsequently leveraged this project's output by piloting the overall replenishment approach for our manufacturing sites in India. Through this work, we identified future opportunities to maximize on-site water reduction by increasing rainwater harvesting and community water projects. In 2019, we estimated our water replenishment to be approximately 116 percent at our manufacturing facilities in India.

Also, to help reduce the water associated with the production of raw materials, we have worked with external consultants to identify the most water-intensive materials in each of our product categories. 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 choices and conversion efficiency, particularly in markets under high water stress. In 2019, we began planning our new 2025 sustainability strategy for supplier engagement and collaborated with our Procurement team to set an ambitious water goal to engage 100% of our priority suppliers in water stressed regions to take action on water risk.

W4. Risks and opportunities

W4.1

(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

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

i. Definition: Colgate evaluates matters on a case-by-case basis to determine whether they have a substantive financial or strategic impact on our business over the short, medium, and long-term. As a U.S. public company, we always have in mind, pursuant to U.S. federal securities laws, the materiality standard and what information would be considered "material" to

a reasonable investor, which does not have absolute dollar value or percentage thresholds. When evaluating particular matters, we may 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 stakeholder or reputational impact.

An important part of sustainability management at Colgate is to understand which issues have the biggest impact on the environment, society and our business. From a "materiality assessment" perspective aligned with key sustainability reporting frameworks, such as GRI, the potentially substantive financial or strategic impact of a topic is defined as being assessed as high priority for our external stakeholders and our business from a risk and opportunity perspective. In 2019, we conducted a new materiality assessment called "Sustainability Prioritization Assessment" (SPA) to address investors' interests, and inform our 2025 sustainability strategy and goal-setting.

ii and iii. Measures/metrics and thresholds: Colgate uses an Enterprise Risk Management (ERM) Program to identify, prioritize and manage risks. Risks are collectively identified across the organization and are classified within the Strategic, Financial, Operational, IT, Legal & Compliance and Emerging Risk Categories. Each Risk Category is assigned to a member of Colgate's ERM Committee, who is ultimately accountable for managing the identified risk. We consider quantitative indicators to define substantive impacts including 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.

As part of the ERM process, we use multiple tools, some of which include GIS data by translating climatic and water related scenarios into geospatial indicators, such as Colgate's Natural Hazard Map or WRI Aqueduct. These tools also provide quantifiable indicators that may be mapped to the above factors; for example Aqueduct results are screened to identify manufacturing sites (direct operations) 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.

Additionally, we use our recent Impact Assessment results to inform our Senior Management in defining our Sustainability Strategy, which includes actions towards mitigating risks and promoting opportunities. Our 2019 Impact Assessment process used data from multiple sources and quantified it through statistical analysis to understand which topics have the highest impact potential for our business and the external stakeholders. These sources include: (1) Sustainability Frameworks and Rating systems; (2) Industry reports and scientific research; (3) Colgate Employee Survey results; (4) Consumer preferences and (5) In-depth interviews with subject matter experts at Colgate. During these research and interviews, we included questions directly addressing potential risks and opportunities related to climate change and water risks. The results were quantified to rank the potential impacts of the sustainability-related topics and published in our Sustainability Report.

iv. Scope of definition: The definition of substantive impact applies to our direct operations, supply chain, and extended value chain.

v. Example of substantive impact considered: An example of a substantive risk evaluated includes key supply disruption, such as if significant suppliers were to experience a business interruption such as acute or chronic water-related events that would result in decreased production capacity at strategic sites or those which account for >2% of global production volume. 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	4	1-25	This represents the % of global manufacturing facilities meeting our definition of substantive, by facility count vs. total global manufacturing facilities (4/50 of our sites representing 28% of global production).

W4.1c

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

Country/Area & River basin

Mexico
Santiago

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

21-30

Comment

% total revenue is estimated using production volume as a proxy.

Country/Area & River basin

Pakistan

Indus

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

Comment

% total revenue is estimated using production volume as a proxy.

Country/Area & River basin

India

Other, please specify

Sabarmati

Number of facilities exposed to water risk

2

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

Comment

% total revenue is estimated using production volume as a proxy.

Country/Area & River basin

India

Other, please specify

India West Coast

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

Comment

% total revenue is estimated using production volume as a proxy.

W4.2

(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/Area & River basin

India

Other, please specify

Sabarmati

Type of risk & Primary risk driver

Physical

Increased water stress

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Our Sanand oral care manufacturing facility is located in Gujarat, India, which is a region of high water stress. The plant procures water from the nearby Sardar Sarovar Dam, which supplies water to several states in India. In 2018, the region experienced inadequate rainfall which caused concern about the availability of supply among the states receiving water from the dam. In response to this situation, the local governments reduced the amount of water supply set aside for industry, such as for Colgate, in order for regional farmers to access adequate supply for agriculture use. While this particular situation did not have a significant impact on our operations during that time period, Colgate recognizes that the potential for inadequate rainfall poses an ongoing risk to our Sanand operations in terms of future restrictions on water supply due to higher water stress which may not support the needs of production, thereby causing a reduction or disruption in production capacity.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

450,000

Potential financial impact figure - maximum (currency)

500,000

Explanation of financial impact

We have used the Water Risk Monetizer tool developed by Ecolab to estimate the monetary value on the local environmental, human-health and domestic supply impacts of water depletion in the region where our Sanand site is located. These could directly or indirectly affect our business. Local water availability, local water quality and local population density are all variables that impact the size of the risk premium. The tool estimates that our Water Quantity Risk combined with our Water Bill projected increase could have total impact between \$450,000 and \$500,000, with the lower bound representing the risk in 1 year and the upper bound representing the risk in 10 years.

Primary response to risk

Increase investment in new technology

Description of response

As part of our ongoing risk management and operational practices, our primary response to the risk is to increase investment in new technologies that will help mitigate the impacts of any potential cuts in water supply. For example, we have invested in and built infrastructure to harvest rainwater for rapid filtration, sending it to recharge groundwater. The Sanand plant was also Colgate's first LEED certified site in India; as such the site also uses technologies to recycle treated wastewater and invested in efficient water fixtures. We utilize an internally developed tool called the Colgate "True" Cost of Water to evaluate and help guide capital allocations and expenditures where water efficiency technology and automation has a higher return on investment. In 2019, these investments helped the plant to save 150,726 cubic meters of water, more than the water consumed by the site (71,215 cubic meters).

To supplement this response, facility managers monitor the water supply as well as governmental response to assess if the water shortages may directly impact Colgate. In addition, they maintain relationships with governmental authorities such as interaction with the water supply department to keep ourselves updated on the water supply and cuts in case of situations when water has been scarce or rainfall has been scanty in the year or season on a timely basis. We communicate about rainwater harvesting to the

authorities to show our commitment to water risk mitigation. The authorities also inform the industry about potential water cuts (if any).

Cost of response

540,000

Explanation of cost of response

Colgate invested approximately USD\$540,000 to build the infrastructure to harvest rainwater for rapid infiltration, sending it to recharge ground water.

The costs to use our True Cost of Water toolkit as well as our facility managers' ongoing monitoring and engagement with regulatory bodies are embedded within our existing processes regardless of the risk, therefore we consider these actions to have 0 (zero) "additional" associated costs.

W4.2a

(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/Area & River basin

Philippines
Not known

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Physical
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, lasting days or weeks, depending on the severity of flooding. Though this risk has not often impacted Colgate, one example was when the Manila Port Authority suspended operations due to tropical depression Maring in the Philippines in 2017 resulting in suspension of product deliveries for a day affecting inland shipments. This caused a delay in delivery of the necessary raw materials to our Philippines manufacturing facility that then resulted in decreased production until sufficient quantities of the required materials were obtained. Additionally, analysis through our risk management and contingency planning processes, have shown that the primary potential impact of this event is reduction of production capacity.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

400,000

Potential financial impact figure - maximum (currency)

500,000

Explanation of financial impact

As an example, in 2017, tropical depression Maring brought heavy rains and strong winds in the area of Luzon, Philippines. As a result, the Manila Port Authority suspended operations resulting in suspension of product deliveries for a day affecting inland shipments. The financial costs of the resulting delayed production capacity for the facility that was not able to receive the necessary materials were estimated to be about \$400k-\$500k.

Primary response to risk

Direct operations
Include in 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. Additionally, our sites take the following measures to reduce associated risks: - 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. In particular, we develop and routinely update category contingency product sourcing plans. These plans help to address the risk from the short- to the longer term should impacts last for more than a brief period; for example the flood emergency plans are more immediate in nature, while optimizing supplier diversification provides us with extended resilience.

Due to these efforts, business continuity contingencies related to utilization of our alternative sourcing strategy and inventory help mitigate potential financial costs.

Cost of response

5,000

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. The estimated cost of these administrative actions is around \$5,000 as they are built into existing processes; therefore we have calculated this as a fraction of allocated business continuity operational expenses.

W4.3

(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

(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

i) Why this opportunity is strategic: 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.

ii) Actions to realize the opportunity: Colgate invests in water conservation strategies via our manufacturing capital program and by implementing our Water Stewardship Standard. We set a global goal to allocate at least 5% of our manufacturing capital budget on "planet projects," including water stewardship. We also 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.

iii) Case Study: In 2019, the Canelands, South Africa facility began to realize savings from a recently completed multi-faceted project that reduced its water and energy consumption, reduced absolute material losses, improved product quality and increased

capacity. The Canelands team replaced four poor-performing dryers with one highly efficient dryer. This reduced the facility's fuel consumption by over 60%. The team also upgraded its boiler to include a condensate recovery system which recovers an estimated 750 liters of water/hour. The project also included decommissioning an old highly inefficient cooling tower with a new cooling tower with an estimated water savings of 500 liters/hour. This is a great example of a facility project that supports our global water, energy, CO2 and waste reduction goals, while also resulting in cost savings due to reduced consumption.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

498,852

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Since 2002, we have reduced the water consumed per unit of production in the manufacture of our products by over 50.3% (excluding water in products). This has provided us with financial benefits thanks to water and energy savings. The estimated water investment for efficiency in 2019 was \$3.675M, which is equal to 1.1% of our capital expenditure budget. The estimated annual savings regarding these investments is \$498,852, which is the basis of the financial impact disclosed above.

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 wastewater treatment thereby increasing both economic and environmental opportunities for reduction.

Type of opportunity

Markets

Primary water-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

i) Why this opportunity is strategic: Approximately 85% of Colgate's GHG emissions comes from consumer use and disposal of products, which is significantly related to the water use by our consumers. Therefore, Colgate has decided to take actions that will inform our consumers how to cut down their water use and therefore GHG emissions.

ii) Actions to realize the 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. On World Water Day in 2018, our videos, messages, and in-store activations went live in 70+ countries around the world. In 2019, in the U.S., we activated Save Water in-store activations at Kroger, the world's largest grocery store chains, as well as Walmart. Similar activations occurred in grocery stores in India, Taiwan, Brazil, South Africa. During World Water Day this year with Mina Guli we sponsored Cirque du Soleil's show One night for One Drop which donated proceeds to One Drop foundation.

iii) Case Study: Colgate-Palmolive India and METRO Cash & Carry collaborated for a 'Save Water' Awareness program for business customers across 27 METRO Cash & Carry stores in the country. The month-long initiative ran through April 2019 to create awareness about water conservation efforts and address critical issues of water inaccessibility across geographies in India. As part of the program, Colgate contributed INR 10/- on the sale of every unit of select Colgate packs purchased from any of the 27 METRO Cash & Carry stores during the campaign period. All the proceeds generated from this Save Water Awareness campaign will be utilized by the NGO partner – Water For People – India Trust, to make water accessible to the people in the Birbhum district of West Bengal. Sales of select SKUs were up 15%-19% in that month. Colgate was honored with the "Sustainability Partner" award by Metro in 2019; recognition for these efforts are a value-add to strengthen our brand.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,150,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Colgate’s consumer messaging program is intended to drive awareness of water conservation while enhancing equity and growing preference for the brand. The impact of this campaign varies by geography and scale/scope of execution, but an indicative estimate can be derived based on a recent execution. As an example, a partnership with one of the biggest retailers to encourage consumers to Save Water contributed to incremental net sales of approximately USD \$1.15 million in U.S. stores activating the campaign in 2018, and is therefore provided as a representative estimate of financial impact.

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. represents 11% of net sales, we estimate that the annual cost to activate the “Save Water” messaging at certain of such retailer’s stores was USD \$187K in 2018.

W5. Facility-level water accounting

W5.1

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

Facility reference number

Facility 1

Facility name (optional)

MH

Country/Area & River basin

Mexico

Santiago

Latitude

20.98053

Longitude

-100.421211

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

1,729.76

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

1,729.762

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

517.98

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

517.982

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

1,211.78

Comparison of total consumption with previous reporting year

Lower

Please explain

Increased manufacturing production of 8% in 2019 versus 2018 resulted in a slight increase in water withdrawals. However, on an intensity basis the facility water per tonne of production was lower.

Please refer to 1.2b for explanation of the Consumption methodology changes.

Facility reference number

Facility 2

Facility name (optional)

SND

Country/Area & River basin

India

Other, please specify

Sabarmati

Latitude

22.996617

Longitude

72.255517

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

71.1

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

71.105

Total water discharges at this facility (megaliters/year)

37.53

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

37.536

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

33.56

Comparison of total consumption with previous reporting year

Lower

Please explain

Decreased manufacturing production in 2019 versus 2018 by 1% resulted in a slight decrease in water withdrawals. There was a larger decrease on an intensity basis (facility water per tonne of production) due to maintaining previously implemented water conservation measures.

Please refer to 1.2b for explanation of the Consumption methodology changes.

Facility reference number

Facility 3

Facility name (optional)

GOA

Country/Area & River basin

India

Other, please specify

India West Coast

Latitude

15.48

Longitude

73.97

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

61.68

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

3.567

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

47.47

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

10.652

Total water discharges at this facility (megaliters/year)

29.52

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

26.349

Discharges to third party destinations

3.171

Total water consumption at this facility (megaliters/year)

32.16

Comparison of total consumption with previous reporting year

Lower

Please explain

Increased manufacturing production in 2019 versus 2018 by 5.6% resulted in a slight increase in water withdrawals and discharge. However, on an intensity basis the facility water per tonne of production was lower.

Please refer to 1.2b for explanation of the Consumption methodology changes.

Facility reference number

Facility 4

Facility name (optional)

SUN

Country/Area & River basin

Pakistan

Indus

Latitude

31.281944

Longitude

74.175278

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

11.36

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

11.363

Total water discharges at this facility (megaliters/year)

6.82

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

6.817

Total water consumption at this facility (megaliters/year)

4.54

Comparison of total consumption with previous reporting year

Lower

Please explain

Increased manufacturing production in 2019 versus 2018 by 10% resulted in a slight increase in water withdrawals and discharge, as well as in facility water per tonne of production.

Please refer to 1.2b for explanation of the Consumption methodology changes.

W5.1a

(W5.1a) 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, Apex (formerly Bureau Veritas (BV)) reviews both data at the global and site levels including key water related metrics. Apex has done a detailed site level review (either in person or virtually) which included this water aspect. Apex 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, Apex (formerly Bureau Veritas (BV)) reviews both data at the global and site levels including key water related metrics. Apex has done a detailed site level review (either in person or virtually) which included this water aspect. Apex utilizes ISAE 3000 as the verification standard.

Water withdrawals – quality

% verified

Not verified

Water discharges – total volumes

% verified

76-100

What standard and methodology was used?

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

Water discharges – volume by destination

% verified

Not verified

Water discharges – volume by treatment method

% verified

Not verified

Water discharge quality – quality by standard effluent parameters

% verified

Not verified

Water discharge quality – temperature

% verified

Not verified

Water consumption – total volume

% verified

76-100

What standard and methodology was used?

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

Water recycled/reused

% verified

Not verified

W6. Governance

W6.1

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

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

W6.1a

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

	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	i) Scope rationale: Colgate’s Water Stewardship Strategy is company-wide in order to appropriately cover 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. This company-wide policy is geared to protect our brand and reduce risk and costs for our operations. ii) Overview of policy content: Our policy content and approach addresses a broad swathe of components to appropriately acknowledge and manage water-related risks and opportunities for the Company. Water is an ingredient in many Colgate products and required in

		<p>and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to water-related innovation</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to water stewardship and/or collective action</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p> <p>Other, please specify</p> <p>Our water policy is incorporated within corporate EHS policy</p>	<p>almost every phase of products' life cycles. Clean water is also vital to the communities we serve, yet in many regions of the world, it is becoming an increasingly scarce resource. Other issues such as flooding threaten to have negative consequences on our supply chains and the delivery of raw materials, as well as the finished goods to the customer. These challenges define the boundaries of our Water Stewardship Strategy and are communicated within water-related disclosures in our sustainability report, investor oriented surveys and other public disclosures. For example, we describe our dependency on water availability and quality, water related goals, our strategy to achieve these goals, KPIs used to measure our progress, the role of water KPIs in our supply chain assessments, our participation on the United Nations CEO Water Mandate Action Platform as part of our commitment to the United Nations Global Compact (UNGC)/alignment with SDG6, and the use innovation used to save water in our manufacturing facilities, such as the ongoing EcoLab Project. We communicate the linkage between water use and energy/GHG, therefore our Science Based Target includes consumer use of our products. Colgate committed to promote water conservation awareness to all our global consumers and help address the need for WASH services in underserved areas. Colgate educates children about proper handwashing around the world, promoting health and building our brand.</p> <p>Our Water Stewardship Standard ensures that our manufacturing facilities and technology centers develop responsible and appropriate programs to manage water-related risks, and that water conservation opportunities are continuously evaluated and implemented in support of our environmental and sustainability goals.</p>
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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) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	<p>i. Water-related responsibilities: Sustainability is integrated at the core of Colgate’s overall strategy, including our brand strategy and brand purpose. Sustainability and Corporate Responsibility is represented at the Board level, under the Nominating, Governance and Corporate Responsibility Committee. The Committee oversees the Company’s sustainability, social responsibility and corporate citizenship matters. Sustainability and climate change (which includes water risk) are critical risks identified by Colgate’s Enterprise Risk Management (ERM) Committee. The Audit Committee of the Board of Directors receives regular updates on the risks identified by the ERM Committee. At the recommendation of the Audit Committee, the Board approves the financial statements for inclusion in the Annual Report on Form 10-K, which, in turn, includes our risk factors. Since the Board has the final decision on overall strategy, the 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.</p> <p>ii. Water-related decisions: The Board approved the financial statements for inclusion in the Annual Report on Form 10-K, which, in turn, includes our risk factors related to climatic and sustainability risks (which includes water risk). The Committee also reviewed our strategy as related to our sustainability efforts, providing input into Colgate’s development of our new 2025 Sustainability Mission, announced in July 2020. As sustainability is an underlying topic that helps drive our strategy, and therefore is considered by all committees, the committee approved moving forward with a restructuring of our board-level governance, whereby sustainability matters are formally included in the Nominating, Governance and Corporate Responsibility Committee’s charter, which was adopted in March 2020. These matters may include water-related issues.</p>

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	How the governance mechanism(s) selected contribute to the board's oversight of water issues: Sustainability related issues are discussed in quarterly board meetings, which may or may not include issues that are directly or indirectly related to water. Through oversight of broad sustainability matters, the overall intention of the chosen governance mechanisms is to ensure all aspects of

		<p>capital expenditures</p> <p>Providing employee incentives</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing innovation/R&D priorities</p>	<p>our Water Stewardship Strategy are successfully managed and that the Board is able to appropriately review our related actions and progress. The Water Stewardship Strategy and performance indicators were defined by specific challenges. Water is an ingredient in many Colgate products and required in almost every phase of products' life cycles. Clean water is also vital to the communities we serve, yet in many regions of the world, it is becoming an increasingly scarce resource. Additionally, other related issues, such as flooding, threaten to have negative consequences on our supply chains and the delivery of raw materials, as well as the finished goods to the customer. Therefore the Water Stewardship Strategy 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.</p> <p>To do this, Water-related risks and opportunities are included as appropriate during reviews with the Board of Directors. These updates are generally provided by the Chief Sustainability Officer 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. It may also include comparison with peers and smaller companies regarding sustainability/water profiles. 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.</p> <p>Specifically, the Nominating, Governance and Corporate Responsibility Committee oversees the Company's sustainability, social responsibility and corporate citizenship matters. The Committee also reviews the Company's sustainability program and goals and the Company's progress toward achieving those goals, as well as monitors the sentiment of various constituencies, including investors and non-governmental organizations, regarding the</p>
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			Company's environmental and social footprint.
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W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

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

Chief Sustainability Officer (CSO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

- i) Position in corporate structure: In early 2020, Colgate developed the role of Chief Sustainability Officer (CSO), reporting to the Chief Supply Chain Officer and to the President, North America & Global Sustainability.
- ii) Nature of report: Quarterly updates on water-related issues are generally provided to the Board by the CSO and Chief Supply Chain Officer. Topics may include reputation, goal progress, supply chain disruptions, NGO/regulatory, and initiatives.
- iii) Water-related responsibilities: The CSO is a key leader of the Sustainability Steering Committee, which sets and oversees progress on water-related goals. The CSO, with the Director of Global Sustainability, implements decisions to manage our environmental and product sustainability, with the support of our Global Sustainability and EOHS teams. The CSO is also responsible for managing external relationships and helping to shape the company's Supply Chain Strategy, which may be impacted by water-related issues.

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

- i) Position in corporate structure: The Sustainability Steering Committee is composed of Colgate's Chief Sustainability Officer; Senior Vice President and Chief of Staff;

President, North America & Global Sustainability; Chief Technology Officer; Chief Human Resources Officer; Vice President, Global Compensation and Benefits; Chief Marketing Officer; Chief Communications Officer; Chief Legal Officer and Secretary; and Chief Supply Chain Officer.

ii) Nature of report: The full Board of Directors are informed on sustainability-related issues quarterly, which may also include decisions/actions required related to water.

iii) Water-related responsibilities: The Committee is responsible for setting water-related goals and overseeing our progress towards these goals. Additionally, the Global Sustainability team gathers the content for our annual corporate social responsibility report, and the Sustainability Steering Committee reviews the final report content.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Our Chief Sustainability Officer's performance based compensation is determined, in part, by high impact (material) targets and our achievements against them, including water-related initiatives. Additionally, the achievement of Colgate's global sustainability initiatives and targets, including water-related targets, are among the individual objectives used to determine the compensation for many of Colgate's senior managers and director-level employees (where individual performance is a component of their compensation).

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Operating Officer (COO) Chief Sustainability Officer (CSO) Other C-suite Officer	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations	i) Details on and rationale for the indicators chosen: These performance indicators are added to these positions' individual objective targets. These indicators were chosen based on our Water Stewardship Strategy. The Water Stewardship Strategy and associated indicators were defined by specific challenges. Water is an ingredient in many Colgate products and required in almost every phase of products' life cycles.

	<p>Chief Supply Chain Officer</p>	<p>Improvements in efficiency - supply chain</p> <p>Improvements in efficiency - product-use</p> <p>Improvements in waste water quality - direct operations</p> <p>Improvements in waste water quality - supply chain</p> <p>Improvements in waste water quality - product-use</p> <p>Implementation of employee awareness campaign or training program</p> <p>Supply chain engagement</p> <p>Increased access to workplace WASH</p> <p>Implementation of water-related community project</p>	<p>Clean water is also vital to the communities we serve, yet in many regions of the world, it is becoming an increasingly scarce resource. Additionally, other related issues, such as flooding, threaten to have negative consequences on our supply chains and the delivery of raw materials, as well as the finished goods to the customer. Therefore the Water Stewardship Strategy 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.</p> <p>ii) Threshold used to indicate successful performance: We have a performance management process in place for all individuals at Colgate. We assess performance management based on results (achieving targets) and how those results are achieved. The thresholds were set based on our water stewardship targets.</p> <p>iii) Linkage: We typically have up to four objectives. The performance is based on percentage basis.</p>
<p>Non-monetary reward</p>	<p>No one is entitled to these incentives</p>		<p>While we have non-monetary rewards for the non-executive employees such as The Chairman's "You Can Make a Difference Award" Program" introduced in 1986, we do not have any non-monetary rewards for the executive level employees and above for these targets.</p>

W6.5

(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

(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?

i. Description of the process to ensure consistency: 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 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 across different business decisions and geographies includes internal subject matter selection of potential actions that align with our water stewardship strategy, then engagement with 3rd parties by sharing of our strategy and goals to both socialize our intentions and gain feedback, vetting of 3rd party policies, and finally developing a value proposition on actions to make appropriate recommendations to our management on partnerships and/or participation.

ii. In cases where inconsistencies are identified between our activities and our strategy, we seek to understand how the inconsistency occurred by engaging with the relevant stakeholder who pursued the actions. We then share the appropriate actions or course corrections based on the management-approved recommendations developed through the above described process. Finally, we course correct as appropriate.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

 colpal2019 AR.LORES_.pdf

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	i) Which water issues are integrated and examples of how: Sustainability is incorporated in Colgate's 2025 corporate strategic framework, with Sustainable and

			<p>Natural Solutions as a key growth pillar. Our Sustainability mission is to invite a billion homes to create a healthy and sustainable future. Several water issues, such as water scarcity, water quality, and water accessibility are incorporated into our Water Stewardship ambition to ensure water stewardship, security and resilience across our value chain (supply chain, operations, consumer use), protect ecosystems and support water access in our communities.</p> <p>The shaping of our Water Stewardship ambition is vital to achieve our long-term business objectives and company mission to “be a caring, innovative growth company that is reimagining a healthier future for people, their pets and our planet.” We created this ambition to help Colgate avoid operational disruption and loss of revenue potentially resulting from such water issues, mitigate any anticipated higher water costs or lack of water availability over the longer term, and to improve consumer habits and behavior among the one billion households that purchase our products by promoting water conservation awareness to 100% of our global consumers and reduce emissions associated with consumer behavior by up to 5% from 2016 to 2022.</p> <p>The time horizon chosen reflects the long term nature of our business strategies and timing of potential chronic water risks.</p>
<p>Strategy for achieving long-term objectives</p>	<p>Yes, water-related issues are integrated</p>	<p>11-15</p>	<p>i) Which water issues are integrated and examples of how: Each water issue (water scarcity, water quality and water accessibility) addressed by our Water Stewardship Ambition and Company Purpose has specific targets and plans of action.</p> <p>We are encouraging water security best practices in our supply chain through our goal to engage 100% of our priority material suppliers operating in water-stressed regions to take action on water security by 2025.</p> <p>We’re starting to proactively reach out and ask suppliers for their water use data, working together to improve outcomes in water-stressed regions. Such water footprint analytics will influence decision-making on which ingredients we choose to use and from whom.</p>

			<p>Operationally, we are focusing capital expenditures on new technologies to reduce water withdrawals and use, enable water harvesting, recovery and recycling, and to digitize water quality monitoring and automate treatment. These will be key elements of our Net Zero Water efforts.</p> <p>In our product portfolio we intend to embed water issues into each phase of R&D to offer our consumers new products that ship without much water in the package and need less water for effective use. We will also expand our ongoing “Save Water” public awareness campaign to 100% of our global consumers focusing on those located in areas of water stress.</p> <p>The time horizon chosen reflects the long term nature of both our business strategies and the timing of potential chronic water risks.</p>
Financial planning	Yes, water-related issues are integrated	11-15	<p>i) Which water issues are integrated and examples of how: Integrated water issues include supplier disruption risks, operational disruption risks, water contamination and quality risks, reputational risks, and cost risks. Understanding water risks and opportunities as they related to long-term 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.</p> <p>These issues are integrated into our objectives via our risk management processes, R&D, business reviews and external sustainability commitments related to water. Our capital expenditure program builds in at least 5% a year for Planet related projects, and 1-3% is typically related to projects aligned with our Water Stewardship Strategy. Additionally, our 2025 strategic framework includes Sustainable and Natural Solutions as a key growth pillar, which will require incremental investment.</p> <p>The time horizon chosen reflects the long term nature of</p>

			our business strategies, the timing of potential chronic water risks, and the need to plan budgets to achieve our business objectives and water stewardship goals.
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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?

Row 1

Water-related CAPEX (+/- % change)

-77

Anticipated forward trend for CAPEX (+/- % change)

-17

Water-related OPEX (+/- % change)

13

Anticipated forward trend for OPEX (+/- % change)

-14

Please explain

Water CAPEX: Colgate commits at least 5% of its manufacturing CAPEX annual budget to planet-related projects, of which at least 1% is directed to water-related projects. The percentage attributed solely to water is subject to slight variations year-on-year. In 2019 we invested approximately 1.1% of our CAPEX budget in water-related projects, compared to 3% in 2018. CAPEX in 2019 is lower than we have ever seen before because there was less overall CAPEX spend (approx. 50% less), and therefore less was allocated to the water/sustainability program.

Water OPEX: OPEX are related to the costs of water supply and wastewater disposal. More stringent wastewater discharge regulations and the higher cost of chemicals, treatment and monitoring to comply with such regulations contributed to the 13% increase. Also, our overall water purchase cost/fees increased by about 5% due to increased production while pursuing water recycling and rainwater harvesting in strategic regions.

W7.3

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

Use of climate-related scenario	Comment
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	analysis	
Row 1	No, but we anticipate doing so within the next two years	<p>Following TCFD guidelines, Colgate has started to explore conducting scenario analysis for our business strategy. We worked with 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. Results are being used to establish a robust methodology that best fits Colgate's needs. We will assess the potential impacts of various climate scenarios (i.e. RCP 2.6, 4.5 & 8.5) on our operations and explore responses to avoid risks, such as drought, water quality, regulatory issues and other physical or transitional risk drivers.</p> <p>Regarding water, we recognize that climate change impacts water availability specifically and its pricing consequences are a risk to our global operations. We have started to monitor projections of water scarcity and pricing increases with the Water Risk Monetizer tool developed by Ecolab.</p>

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	Monitoring at corporate	Approach to setting and monitoring targets and/or goals
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	goals	level	
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 Country level targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	<p>Colgate sets targets and goals in support of our full value chain water stewardship strategy. Our 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. Colgate also has a company goal to replenish water withdrawn in water stressed regions.</p> <p>The approach to set our new generation of goals for 2025 included benchmarking with peers, leaders, and external standards such as CEO Water Mandate, Alliance for Water Stewardship, USGBC and others. Internally we challenged ourselves to be more bold and ambitious and think beyond efficiency improvements and start thinking about absolute reductions, reaching zero, and even having a net positive impact. The process was led by an external consultant specialized in Sustainability Strategy and the water goals were a part of a larger effort to rethink our whole Sustainability Strategy. This meant there was input from a wide range of departments and subject matter experts, including Procurement, Marketing, Product Sustainability, etc. For example, for the first time ever for 2025 we agreed to have an official supplier water goal in collaboration with Procurement. Our water goals and implementation plans are also based on context and the best available water data for each region. We take into consideration the collective action needed to manage water at the basin level and we engage with NGOs such as WRI and CEO Water Mandate on the best practices. We monitor our goals using analytics and dashboards to visualize and track our performance, get insights and take action.</p>

W8.1a

(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 company-wide, global manufacturing water use intensity by half compared to 2002. This goal helps ensure that our owned operations pursue water stewardship by increasing efficiency 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.

As of YE2019, we have achieved 100% of our target against the base year of 2002, putting on track to maintain it by the end of 2020. We have reduced water intensity by 50.3% compared to the 50% reduction target. Note that the specific indicator used to assess progress is total water use, minus water in products, divided by production tonnage.

Quantitative metric

% reduction in total water withdrawals

Baseline year

2002

Start year

2015

Target year

2020

% of target achieved

100

Please explain

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 2019 we invested 1.1% of the capital budget in water projects, exceeding the minimum 1% of CEB invested in water-related projects.

W8.1b

(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 Valuation

Level

Company-wide

Motivation

Cost savings

Description of goal

i) The relevance of the goal to achieving water security: Water valuation helps us understand financial risks that can be associated with water, develop an investment strategy and create resilience against water risks; all ensuring water security at our sites.

ii) Importance of the goal to the company: Water is a key component to our manufacturing process, therefore water security is important from a business continuity perspective. 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. This valuation analysis also helps us guide capital investments in the facilities where water efficiency technology and automation has a higher return on investment. In 2019, we worked with our partner, Ecolab, and its subsidiary, Nalco, to implement such technologies.

iii) How the company is implementing the goal across their chosen level: 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

- i) Description of the indicators: 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.

- ii) Threshold to assess success: 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. In 2019, ~90% of the sites completed the utilization of the tool, successfully achieving this year's goal.

Goal

Watershed remediation and habitat restoration, ecosystem preservation

Level

Company-wide

Motivation

Water stewardship

Description of goal

- i) Relevance of the goal to achieving water security: Water replenishment goals are designed to ensure that the sites have enough water needed for production with the required amount and quality, in other words, they ensure water security.

 - ii) Importance of the goal to the company: The goal of replenishing water withdrawn in highly stressed regions is important to help manage potential water risks at our manufacturing sites and to provide access to clean water in communities where we operate.

 - iii) How the company is implementing the goal across their chosen level: In regions with high water stress, we continue to assess water risks and implement appropriate resilience measures as a way to anticipate and mitigate the effects. In 2015, Colgate developed a framework project to create replenishment criteria, define geographical boundaries and identify both environmental and community-related options to meet our commitment to replenish water in highly stressed regions.
- Subsequently, we leveraged this project's output by piloting the overall replenishment approach for our manufacturing sites in India. Through this work, we identified future opportunities to maximize on-site water reduction by increasing rainwater harvesting and community water projects.

Baseline year

2015

Start year

2015

End year

2020

Progress

i) Description of the indicators: The key indicator used is the increased trend of percent of water replenishment in the geographies being monitored.

ii) The threshold to assess success: 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 YE2018 achieved approximately 90% replenishment in India at the country level. As of the end of 2019, we are at 116% replenishment at the country level.

Goal

Engaging with customers to help them minimize product impacts

Level

Company-wide

Motivation

Water stewardship

Description of goal

i) Relevance of the goal to achieving water security: Colgate's products require use of water. As a global company with a high penetration rate, educating our consumers to conserve more water helps ensure water security globally. Since consumer use accounts for about 90% of Colgate's water footprint, we continue to expand our Save Water consumer messaging campaign globally.

ii) Importance of the goal to the company: 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.

iii) How the company is implementing the goal across their chosen level: Since 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 have gone live in more than 70 countries around the world (50 countries in 2019). 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

i) Description of the indicators: The key indicators are the number of people reached by Save Water messaging and the influence on consumer behaviors.

ii) Threshold to assess success: The threshold of success is the increasing trend of both people reached with Save Water messaging (50 million in 2019), and change in consumer behaviors, which then can be translated into amount of water and GHGs avoided. We conduct annual consumer insight surveys and questionnaires focused on our Save Water campaign to gauge behavior change. The survey asks consumers whether CP's commitment to Save Water influenced their own personal actions and behavior with regard to saving water. In 2019, the results were as follows: 19% in the USA, 51% in Brazil, 67% in India, and 52% in Africa. The cumulative estimated water reduction since 2016 has been 155 billion gallons, and the associated cumulative carbon emissions reduction has been an estimated 8.3 million MTCO_{2e}. Since 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.

Goal

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

Level

Company-wide

Motivation

Water stewardship

Description of goal

i) Relevance of goal: Access to clean water is a key component of water security.

ii) Importance of goal: Colgate respects the human right to water, sanitation and hygiene and we clearly state this in our Sustainability Report. This goal is important to help

Colgate meet its commitments to help communities access clean water. Access to clean water is also important for the use of our products.

iii) How the company is implementing the goal across their chosen level: We work with local and global organizations to help promote access to clean water while providing health and hygiene education in communities, supporting the availability, accessibility, and quality of water, and helping build awareness about water, sanitation, and hygiene (WASH). To implement this goal we partnered with Water For People (WfP) in 2013 to strengthen and support the municipal water and sanitation offices. In 2018, Colgate India, in partnership with WfP India Trust, launched its Amravati Water initiative in the villages of Amravati District of Maharashtra. In 2019 this initiative continued with another successful in-store cause campaign across all Metro (wholesaler) stores in India extended to support the Water For People (WFP) initiatives in communities in Bhirbhum District, West Bengal. We also continued to support WFP initiatives in Latin America (Peru & Guatemala) through in-store cause activations in high-hispanic retailers across the USA.

Baseline year

2015

Start year

2015

End year

2020

Progress

Our goal is to work with local and global organizations to help promote access to clean water and provide oral health and hygiene education in communities around the world.

i) Description of indicators: The key indicator is the number of people reached with WASH initiatives.

ii) Threshold to assess success: The threshold for success is an increasing cumulative trend of people impacted. From 2013 through 2019, Colgate's total support of more than \$1.8 million has helped more than 322,000 people in communities and 207,000 people in public schools and health clinics gain access to safe water services, more than 245,000 people gain access to improved sanitation and more than 460,000 people learn about proper hygiene. Colgate also sponsors 25 PlayPumps in South Africa, which help villages obtain clean water from wells.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) 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	ISAE 3000	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.

W10. Sign off

W-FI

(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.

N/A

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chairman of the Board, President & Chief Executive Officer	Chief Executive Officer (CEO)

W10.2

(W10.2) 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

SW0.1

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

	Annual revenue
Row 1	15,693,000,000

SW0.2

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

Yes

SW0.2a

(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

(SW1.1) Could any of your facilities reported in W5.1 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

(SW1.1a) Indicate which of the facilities referenced in W5.1 could impact 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

Facility reference number

Facility 2

Facility name

SND

Requesting member

Metro AG

Description of potential impact on member

No impact anticipated

Comment

No impact anticipated

Facility reference number

Facility 4

Facility name

GOA

Requesting member

Metro AG

Description of potential impact on member

No impact anticipated

Comment

No impact anticipated

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

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

SW2.2

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

No

SW3.1

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below