

# **Colgate-Palmolive Company**

## **Respecting Human Rights and Labor Rights: Disclosure Statements**

### ***Our Organization, Business and Supply Chain***

Founded in 1806, Colgate-Palmolive is a consumer products company that serves people around the world with well-known brands that make their lives healthier and more enjoyable.

Our company operates in over 80 countries with products marketed in over 200 countries and territories. The Company has over 50 manufacturing and research facilities globally with the vast majority of Colgate products manufactured in Colgate-owned facilities. We have a truly global supply chain which sources goods and services from over 39,000 suppliers located in over 100 countries.

Our success is linked to the Company's values of Caring, Global Teamwork and Continuous Improvement. The Company cares about people: Colgate people, customers, consumers, shareholders and business partners. We are committed to act with compassion, integrity, honesty and high ethics in all situations and to listen with respect to others and to value differences. The Company is also committed to protect the global environment, to enhance the communities where Colgate people live and work, to be compliant with government laws and regulations and to positively impact the lives of workers in our supply chain.

Colgate has a long-standing commitment to respecting human rights and labor rights worldwide and supports the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Core Labor Standards and we have confirmed our support for the UN Global Compact and principles on human rights, labor, environment and anti-corruption.

Colgate seeks to work with business partners who share our commitment to Universal Human Rights. We recognize the responsibility of business to respect human and labor rights and will engage with stakeholders and respect all parties' rights.

### ***Our Policies***

#### **Employee Code of Conduct**

Since 1987, our Code of Conduct has served as a guide for our daily business interactions, reflecting our corporate values and our standard for ethical behavior. Colgate's Code of Conduct communicates our commitment to oppose the illegal use of child labor, human exploitation and all other forms of unacceptable treatment of workers.

Colgate's Global Business Practices Guidelines provide further information to our employees on key topics in our Code of Conduct. The Guidelines offer clear, practical guidance and illustrate how the values and principles outlined in the Code of Conduct apply to particular business situations.

#### **Third Party Code of Conduct**

Colgate people are committed to the highest standards of integrity and full conformance to the Company's Code of Conduct. It is our goal to ensure that our relationships with our suppliers and business partners reflect and support the same high ethical standards. Colgate's Third Party Code of Conduct sets the Company's expectations for suppliers and business partners in a number of critical areas, including labor practices and universal human rights, protecting the environment, health and safety and ethical dealings.

The Code is provided to suppliers and business partners, and Colgate's contracts and purchase orders typically require suppliers to abide by the Code's standards (or suppliers' comparable code standards), including applicable labor and equal employment laws as well as environmental, occupational health and

safety regulations, and the Foreign Corrupt Practices Act and Anti-Bribery Policy. Certain suppliers are also required to acknowledge the Third Party Code's requirements via our online supplier portal.

It is Colgate's policy not to work with any supplier or contractor known to utilize inhumane labor practices including exploitation, physical punishment, abuse, involuntary servitude or other forms of mistreatment.

Suppliers are expected to apply the policy across their entire operations. In the event of non-compliance, Colgate will work with suppliers to create an action plan, with reasonable time commitments to meet our requirements. Suppliers who are unable or unwilling to meet our time-bound requirements will be subject to nonrenewal or termination of contracts. Colgate will continue to monitor and verify that our policies are being properly implemented.

#### Additional Policies

The following additional policies support our commitment to respect human and labor rights.

- Non-Retaliation Policy
- Policy on No Deforestation
- Policy on Responsible and Sustainable Sourcing of Palm Oils
- Policy on Conflict Minerals
- Environmental, Occupational Health & Safety Policy Statement
- Global HIV/AIDS Policy Statement
- FCPA and Anti-Bribery Policy

### ***Human Rights Strategy***

In our 2016 Sustainability Report, Colgate introduced our Human Rights Strategy, detailed below.



#### Freedom of Association:

Colgate is committed to respecting employees' lawful freedom of association and recognizes all legal rights to organize and collectively bargain. Colgate seeks to work with suppliers who promote this standard.

#### Forced Labor:

Colgate does not use forced labor within our own operations. We will strive to eradicate forced labor from our value chains. We believe that every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or coerced to work. Moreover, it is Colgate's policy not to work with any supplier or contractor known to operate with forced labor.

#### Child Labor:

Colgate does not use child labor within our own operations. Child labor is defined as employing any person younger than the minimum age in the jurisdiction in question. However, in no event will we knowingly employ anyone younger than sixteen (16) years of age. Moreover, it is Colgate's policy not to work with any supplier or contractor known to operate with child labor.

#### Health and Safety:

We strive to eliminate potential hazards in the workplace and to comply with all occupational health and safety regulations and our own minimum standards. Colgate respects the health and safety of our workers. Suppliers who do business with Colgate are encouraged to maintain a focus on health and safety that is consistent with ours and must provide a safe and healthy work environment for all employees working at their sites. In addition, any supplier representative providing on-site services in a Colgate facility is required to adhere to both regulations and Colgate safety standards.

#### Working Hours and Wages:

Colgate is committed to paying employees a wage that enables them to meet at least their basic needs and complying with legally mandated work hours in accordance with local laws. Colgate expects our suppliers to comply with legally mandated wage and overtime compensation and working hour requirements in accordance with local law.

#### Harassment:

We prohibit sexual or any other kind of harassment of Colgate people by any person in the workplace or while conducting company business.

#### Land Rights:

Colgate respects the legal or customary land-tenure and use rights of indigenous and local communities, as well as their rights to give or withhold their free, prior and informed consent for operations affecting their land or natural resources. Colgate seeks to work with suppliers who promote this standard.

#### Diversity and Inclusion:

Colgate strives to ensure our organization reflects the diversity of our consumers. We are committed to providing equal opportunity for all employees at all levels regardless of race, color, religion, sex, national origin, citizenship, ethnicity, age, disability, marital status, veteran status, sexual orientation, gender identity or any other characteristic protected by law in the terms or conditions of employment. This includes but is not limited to, recruitment, hiring, promotion, transfer, compensation, training, demotion or layoff. Colgate seeks to work with suppliers who promote this standard.

### ***Key Collaborations***

#### *AIM-PROGRESS*

We are a member of AIM-PROGRESS, a global forum of consumer goods companies sponsored by the European Brands Association (AIM) and the Grocery Manufacturers Association (GMA) in North America. The purpose of AIM-PROGRESS is to promote responsible supply chain and sourcing practices covering labor and human rights, health and safety, environmental management and business integrity.

#### *Consumer Goods Forum*

In line with the Consumer Goods Forum's (CGF's) Social Resolution on Forced Labor, Colgate joins the CGF, acknowledging the broad societal problem of modern slavery and commitment to eradicate forced labor from our supply/value chains. We believe that every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or coerced to work.

#### *The Forest Trust*

In 2015, Colgate began a palm oil membership with The Forest Trust to engage our suppliers and drive transformation within the supply chain. Our policy implementation plan activity includes understanding

suppliers' progress and actions toward meeting Colgate's responsible and sustainable palm oil sourcing policy. The focus includes the suppliers' own policy commitments, traceability status, grievance process, transparency and verification activities, as well as review of supplier initiatives to identify and address human and labor rights issues.

## ***Due Diligence and Risk Assessment***

### Identification of Salient Issues for Colgate

Through the development of our human rights strategy, salient issues were identified along with the vulnerable groups that may be most impacted by these issues. These groups include individuals working in "high risk" geographies or industry sectors where human rights abuses are most common, particularly with migrant or temporary workers and other groups who may be directly impacted.

### Our Own Operations

We have completed risk assessments at all Colgate-Palmolive manufacturing facilities and conducted social compliance audits using the Sedex Members Ethical Trade Audit (SMETA) protocol at all manufacturing facilities operating in countries identified as high-risk according to Verisk-Maplecroft global risk indices on labor practices, human rights, worker health & safety and environmental management. Where areas of noncompliance are identified a corrective and preventive action plan is implemented. Findings are verified as closed by third party verification.

### Our Third Party Business Partners

Since the inception of the Supplier Responsible Sourcing Assessment (SRSA) program in 2012, Colgate has assessed more than 75 percent of our spend with direct material suppliers operating in high-risk geographies, including raw material and packaging suppliers, and finished goods contract manufacturers. Beginning in 2015, this program was extended to indirect material suppliers, including select promotional material suppliers as well as co-packing and warehousing operations globally.

Colgate's SRSA program requires selected suppliers and business partners to complete a self-assessment focused on labor practices, human rights, worker health and safety, environmental management and business integrity. Risk factors considered in the selection of suppliers to participate in the SRSA program include: geographic risks, Colgate's in-country knowledge, industry-associated risks and criticality to our operations. Through the use of a supplier risk assessment scorecard, selected suppliers and business partners are scored against critical risk factors to determine the need to conduct a compliance audit. When a supplier is assessed as high risk, a third-party audit of their facility is required.

As a member of the Supplier Ethical Data Exchange, or Sedex, Colgate employs the SMETA audit protocol to assess suppliers' compliance with laws including: employment freely chosen, regular employment, harsh or inhumane treatment, entitlement to work and immigration, freedom of association, child labor, health and safety, wages and benefits, working hours and discrimination as well as environmental and business ethics matters.

If any areas of noncompliance are detected, a corrective action plan is developed. We then work with the supplier to ensure these findings are promptly remedied and the closure of all such areas of noncompliance are independently verified. Suppliers who are unable or unwilling to meet our time-bound requirements will be subject to nonrenewal or termination of contracts

To date, Colgate has assessed over 500 supplier and business partner facilities via the SRSA program, commissioned over 150 site audits and reviewed an additional 175 supplier audits commissioned on behalf of other customers of our supplier. The most frequent areas of noncompliance identified during audits relate to worker health and safety, working hours and management systems.

This supplier assessment program is integrated into our supplier qualification process.

## ***Our Performance***

### Reporting & Remediating Grievances

The Colgate EthicsLine provides a means for employees and external parties to ask questions obtain guidance or report any suspected violations of the Code of Conduct. We work to create a workplace free of inappropriate or unlawful behavior in which people are encouraged to share their concerns with the Company without fear of retaliation. Consequently, at Colgate, no adverse action will be taken against any employee, former employee, agent or third party for complaining about, reporting, participating in or assisting in the investigation of a suspected violation of the Company's Code of Conduct, Company policy or applicable law unless the allegation made or information provided is found to be intentionally false or was not brought forward in good faith.

Colgate investigates all potential Code of Conduct violations and ensures that the appropriate actions are taken. In 2016, Ethics and Compliance received 374 contacts through a variety of channels including the Ethics Line, Ethics web tool and [ethics@colpal.com](mailto:ethics@colpal.com), which covered a wide variety of reporting activities including 47 consultations. Allegations reported to Ethics and Compliance are grouped into the following categories: Accounting-related, Conflict of Interest, Discrimination, Financial-related, Harassment, Regulatory and Legal, Retaliation, Work Environment, Miscellaneous Issues and non-E&C matters. After a thorough investigation has been completed, if the allegations are substantiated, appropriate remedial action is taken.

### Actions to Remedy

Through the SRSA program, Colgate has identified critical issues which when identified during an assessment or audit would trigger the need for immediate supplier corrective action. Examples of critical social issues include child labor, forced labor, locked emergency exits and other safety situations that may be immediately dangerous to worker life and health.

Colgate is committed to work with our suppliers to implement corrective actions, however where suppliers do not take appropriate and timely corrective actions we have terminated the business relationship.

## ***Training***

Every year 100 percent of salary and clerical employees complete the Code of Conduct training and every other year all employees complete the course. The Code of Conduct training reinforces Colgate's commitment to respecting workers' human rights, fair labor practices, and protection of the environment. Training is mandatory and is linked to compensation for certain employee populations.

Colgate has also participated in capacity building sessions through the AIM-PROGRESS forum that are designed to improve suppliers' social and environmental performance. The sessions explain the responsible sourcing assessment process and prepare suppliers for assessments and audits of their facilities. We have participated in events in Latin America and North America. In addition, Colgate conducts similar independent responsible sourcing training events for our suppliers.

## ***Future Plans***

- Further expand internal training on the topics of modern slavery & forced labor
- Expand responsible sourcing assessment scope further into indirect services including third-party labor providers and facility management service providers
- Expand responsible sourcing assessment scope further into direct materials including mined and agricultural materials

## ***Disclosure Statements***

### UK Modern Slavery Act

Colgate complies with the UK Modern Slavery Act. This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Colgate-Palmolive Company's anti-slavery and human trafficking statement for 2016.



Philip Durocher  
Vice President and General Manager UK Group

### California Transparency in Supply Chains Act

Colgate complies with the California Transparency in Supply Chains Act. This statement serves to meet disclosure requirements.