



State of California Disclosure: Supply Chain Transparency

Beginning in 2012, large manufacturers and retailers doing business in California are required under the California Transparency in Supply Chains Act of 2010 (SB 657) to disclose efforts that they have taken to eliminate human trafficking and slavery from their supply chains. The purpose of this law is to make more information available so that consumers are better enabled to make informed decisions about the products they purchase and the companies they choose to support.

Colgate-Palmolive Company has a policy that strictly prohibits all forced servitude and child labor practices and has taken important steps over the years to ensure the integrity of its supply chains and the Company at large. The following is an overview of the Company's programs in this area:

- **Supplier Assessment and Audit Process:** In the first quarter of 2012, the Company is rolling out on a global basis a comprehensive Supplier Responsible Sourcing Assessment process that will be conducted with both existing suppliers and new suppliers. This program augments the Company's preexisting supplier audit program in significant respects, including its focus on four critical areas: labor standards, health & safety, environmental management, and business integrity. This risk-management-based program includes identification of risks in the supply chain, self-assessment by suppliers against established standards, third party audits of suppliers' facilities against established standards, and a remediation procedure for resolution of identified noncompliance with the standards. The remediation process includes supplier corrective action plans and follow-up activities. The program's objective is to ensure that Colgate's responsible sourcing standards, as described in the [Company's Supplier Code of Conduct](#) (discussed further below), are being followed in practice by Colgate's suppliers. A very significant portion of the assessment process is the evaluation of labor practices, including ensuring that no illegal child labor or forced servitude practices are present.
- **Supplier Adherence to Applicable Laws and Colgate's Code of Conduct:** Under Colgate's contracts with suppliers, suppliers are required to comply with all applicable federal, state, local, and municipal laws and regulations, including all applicable labor and other workplace laws and regulations. Further, Colgate's contracts bind suppliers to adhere to the Company's Supplier Code of Conduct, which requires suppliers to abide by the Company's policy prohibiting the use of illegal child labor, involuntary servitude, exploitation of children, and all other forms of abusive or exploitative labor practices. The Supplier Code of Conduct, which is modeled on the International Labor Organization (ILO) standards, further states the Company's policy against working with any supplier that is known to operate with unacceptable worker treatment, such as physical punishment, female abuse, involuntary servitude or other forms of abuse, and obligates suppliers to take appropriate steps to ensure that they do not engage in any of these practices. It is Colgate's policy that violation of these principles is grounds for termination of any business relationship.
- **Accountability:** Like the Supplier Code of Conduct discussed above, the [Company's Code of Conduct](#) reflects the Company's prohibition on exploitative labor practices and binds employees to these requirements. Violation of the Code of Conduct may lead to disciplinary action up to and including termination.
- **Training:** Colgate requires 100% of employees to complete training on the Company's Code of Conduct and to acknowledge compliance with the Code. The 2012 training cycle will address the Company's policies against exploitative labor practices.